

Director's Report and Recommendation Improving Landlord-Tenant Relationships

Background and Purpose

In September 2018, the Seattle Women's Commission and the King County Bar Association jointly published *Losing Home: The Human Cost of Eviction in Seattle*, reporting that the most disadvantaged groups in our communities face the highest likelihood of eviction. Families who are evicted face substantial hardships that make it more difficult to secure safe and affordable housing in the future. In considering the connection between eviction and other housing challenges, the report suggested the Seattle Department of Construction and Inspections (SDCI) could strengthen its tenant protection ordinances to improve landlord-tenant relationships.

Proposal

SDCI proposes three ordinances amending City code to strengthen the landlord-tenant relationship. The ordinances address:

- *Rent Payments* - add requirements that landlords provide receipts and non-electronic payment options to tenants,
- *Termination of Tenancies* – require compliance with the Rental Registration and Inspection Ordinance (RRIO) program before notices may be issued to terminate a tenancy, and
- *Notice of Tenant Resources* – require a statement on all notices to terminate, enter, and increase housing costs that refers tenants to City resources to find out their rights, responsibilities, and resources. SDCI will adopt the required statement by Director's Rule and include the Renting in Seattle helpline and website.

These changes must be incorporated into the Rental Agreement Regulation Ordinance (SMC 7.24), the Just Cause Eviction Ordinance (SMC 22.206.160), the Rental Registration and Inspection Ordinance (SMC 22.214), and the Prohibited Acts Ordinance (SMC 22.206.180).

Analysis

Changes Proposed

Changes to the Rental Agreement Regulation Ordinance (SMC 7.24) include requiring landlords to always provide receipts for cash payments and, when requested, to provide receipts for rent and housing cost payments made by means other than cash. Landlords must currently provide

receipts under state law but adding the requirement to City code allows SDCI to take enforcement action when tenants are not given receipts upon request. An additional change to SMC 7.24 would require that landlords provide tenants with a non-electronic means to pay rent and housing costs. This change will protect tenants who are unable to use technology or who would be required to pay fees associated with electronic payments.

The Just Cause Eviction Ordinance (SMC 22.206.160) will be amended to require all notices to terminate a tenancy, enter a unit, or increase housing costs to contain a statement that tenants can obtain information about their rights. SDCI will promulgate through Director's Rule a statement that refers tenants to the Renting in Seattle helpline or website.

Both the Just Cause Eviction Ordinance and the Rental Registration and Inspection Ordinance (RRIO) (SMC 22.214) will be updated to state that landlords must register their units before issuing a notice to terminate tenancy. This will require landlords to remedy a failure to register their property and address habitability problems in order to certify they meet RRIO standards before the eviction process begins.

Impact on Renters and Landlords

These changes will have a minor but positive effect on the business transactions of landlords and tenants. Allowing SDCI to enforce tenants' rights to receive a receipt for payments will give tenants a mechanism to ensure landlords respond when receipts are requested. Requiring a non-electronic rent payment option will be minimally impactful for landlords who may need to provide staff to check their rent payment lockbox or mail, but will be protective of tenants who are not technologically savvy or do not use traditional banking services.

Requiring units to be registered with the City's RRIO program before issuing a notice to terminate tenancy may cause landlords to be more careful, and slow the eviction process, rather than the current practice of last-minute registrations during a hearing for eviction. The City will have a more effective incentive for landlords to register, which has a broad benefit to the quality of the rental housing stock and at least a small benefit to tenants who will know their property will now be subject to the RRIO life and safety standards and inspection regime even if they are required to move out.

Requiring a statement on notices to direct tenants to Renting in Seattle for information about their rights will ensure that tenants know where to reach for help at the moment their rights are being impacted. This will be minimally administratively burdensome for a short time until landlords add the statement to their forms.

All of these changes are expected to improve housing stability for renters and predictability for landlords.

Implementation of the Changes

The new legislation will require updating print materials, changing landlord training curriculum, changing web-based information, and conducting an associated outreach campaign. This work

can be folded into existing work of the Renting in Seattle program and the Property Owner and Tenant Assistance group at a negligible effort and cost.

SDCI may see a small increase in tenant complaints and caseload since we will have gained enforcement over new areas of the landlord tenant relationship.

Recommendation

The SDCI Director recommends that the City Council adopt the three proposed ordinances.