



Northwest Justice Project

New Laws on Rental, Terminating Tenancies, and Raising Rents

What's New for Renter Protections under State and Bellingham Laws?



Northwest Justice Project

***Overview of New Tenant Protections:
State (HB 2578) and
Bellingham (Ordinance 2018-02-004)***

The Washington Low Income Housing Alliance



Everyone should have the opportunity to live in a safe, healthy and affordable home.



WASHINGTON LOW INCOME
Housing Alliance

***Overview of
Washington State Law HB 2578
An Act Related
to Ensuring Housing Options***

HB2578 Powerpoint by Michele Thomas, Director of Policy and
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New Washington State law:

HB 2578 makes it illegal to discriminate against tenants using income or rental assistance to help pay rent and creates a new statewide mitigation program while increasing local resources for affordable housing.



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HB 2578: Broad Overview (State Law)

- Outlaws discrimination based on “source of income.”
- Goes into effect September 30th, 2018.
- Establishes the new statewide Landlord Mitigation Program, administered by the Washington State Department of Commerce.
- Funding source is a \$3 increase to a document recording fee on real estate related documents, split 40/60 with counties, who retain 60% of funds to invest in affordable housing (known as “2060 funds”).

What is discrimination?

HB 2578 bans these actions:

- Publish or display any ad or communication that indicates a preference or limit on rental based on income source.
- Attempt to discourage rental.
- Represent to person that unit is not available for inspection or rental when the unit is available.
- Make any distinction in price, fees, or services available to prospective renter or current renter.
- Refuse to rent, unless written estimate after inspection shows repair cost is over \$1,500 and landlord does not use mitigation fund.
- Expel tenant because of source of income.



1033 Dean Dr,
Sedro Woolley, WA 98284
2 beds 1 bath 895 sqft

Open House: Tuesday 6/19, 6:30pm to 7:30pm. Come take a look and pick up an application!

Updated 2 bedroom in a quiet neighborhood with a large fenced back yard. Single car garage. Updated forced air heat with newer windows, carpeting, and paint.

One year lease. First, Last, and \$1325 security deposit required upon move-in. \$44 background check per adult required. Some small pets allowed with pet deposit of \$500 per animal, limit of two. No large or aggressive dogs. No smoking. **No Section 8.** Owner pays sewer & garbage. Tenant pays all other utilities.

INTERIOR FEATURES

Beds: 2

Heating: Gas forced air

Appliances included: Dryer, Range / Oven, Refrigerator, Washer

Floor size: 895 sqft

Double Pane/Storm Windows

EXTERIOR FEATURES

Porch

Lawn

Fenced Yard

cats are OK - purrr

dogs are OK - woof

house

w/d in unit

no smoking

attached garage

Available August 7th
2 beds, 1 full bath
750 sq. ft.

AVAILABLE AUGUST 7TH!! 2 bedroom 1 bath apartment at the Robin's Nest Apartments. Conveniently located near shopping and on bus line, on site laundry, and electric heat.

W/S/G apportioned by unit size at \$78.32 per month. Tenant is responsible for all other utilities.

12 month lease upon approved background and credit check. \$900 Security Deposit and \$50 admin fee

NO SMOKING / NO PETS / NO SECTION 8!!!!



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Definition of “source of income”

Source of income includes benefits or subsidy programs including housing assistance, public assistance, emergency rental assistance, veterans benefits, social security, supplemental security income, or other retirement programs, and other programs administered by any federal, state, local, or nonprofit entity. "Source of income" does not include income derived in an illegal manner.



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Enforcement

- Landlords in violation of this act are subject to up to four and half times the monthly rent, court costs, and reasonable attorney fees.
- The act is in the Residential Landlord Tenant Act. It is not under the purview of the Human Rights Commission.



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More details

- If the source of income requires inspection of the property and repairs exceed \$1,500, landlord doesn't have to accept the tenant unless they access the mitigation fund to help pay for the repair cost.
- If a landlord requires a threshold level of income, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent prior to calculating if the income criteria have been met.
- Discriminatory advertisements are also outlawed.



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Mitigation Program Overview

- State acts as guarantor for landlords renting to tenants with rental assistance. This helps equalize the private market since low income tenants don't have any or much cash for deposits.
- \$5,000 in damages beyond normal wear & tear, and/or in lost rent or utilities are covered.
- Repairs identified by an inspection that was required by the rental program are covered – landlord must put in first \$500 in order to seek reimbursement for up to \$1,000.
- Up to two weeks of lost rent if there is a delay in the tenant moving in due to the inspection.



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More Details

- Program is reimbursement only (not a grant program).
- This portion of the bill goes into effect on June 7.
- Department of Commerce is establishing the program and hopes to get it underway as soon as possible.



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Key Things for Landlords to Know

- Will not need a court judgment in order to make a claim, although can submit a court judgment if one exists.
- Will need to sign under penalty of perjury that the claim is true.
- Commerce is obligated to protect against fraud and abuse. Can inspect units at their discretion.
- Claims must total at least \$500 in order to be eligible.
- Landlords must submit initial move-in report, signed and dated by both the landlord and tenant.



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Key Things for Landlords to Know

- Damages beyond normal wear and tear: *“Damages, beyond wear and tear, that are eligible for reimbursement include, but are not limited to: Interior wall gouges and holes; damage to doors and cabinets, including hardware; carpet stains or burns; cracked tiles or hard surfaces; broken windows; damage to household fixtures such as disposal, toilet, sink, sink handle, ceiling fan, and lighting. Other property damages beyond normal wear and tear may also be eligible for reimbursement at the department's discretion.”*



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Key Things for Landlords to Know

- The Department must make reasonable efforts to review each claim within ten business days from the date it was received and properly submitted.
- Claims are first come, first serve and subject to availability of funds.
- The program is funded at approximately \$3 million per biennium.
- A landlord denied reimbursement may seek to obtain a judgment and resubmit the claim to the Department of Commerce for reconsideration.



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Key Things for Landlords to Know

- The Department must establish a website advertising the program.
- A landlord who accepts money from the program is prohibited from going after the tenant for any additional damages.



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Key Contacts

- Cary Retlin, The Washington State Department of Commerce
cary.retlin@commerce.wa.gov
- Michele Thomas, Washington Low Income Housing Alliance
Michele@wliha.org

Bellingham's New Renter Ordinances



Bellingham

Source of Income Ordinance

- Already in effect.
- Similar to state law, with some important differences:
- Under the Bellingham ordinance, if a Section 8 inspection takes more than 10 days, the landlord can refuse to rent to the Section 8 applicant. State law does not have this exception. Generally, **the more protective law will apply**. The Bellingham ordinance allows refusal to rent if in owner-occupied home; state law does not.
- State law allows refusal to rent if inspection shows by written estimate that required repairs costs more than \$1,500. (But note that state fund can pay for repairs!)



State vs. Bellingham SOID

STATE HB 2578

- Permits denial if written estimate for required inspection > \$1,500.
- No exclusion for owner-occupied housing.

BELLINGHAM BMC 6.11

- No repair limit (and local rental inspection).
- Exclusion for owner-occupied housing.



State vs. Bellingham SOD

STATE HB 2578

- No limit on time for inspection.
- Bans different occupancy rules or privileges for voucher-assisted households.

BELLINGHAM BMC 6.11

- May refuse to rent if inspection takes more than 10 days.
- Doesn't address that.



State vs. Bellingham S.O.I.D Remedies for Violation

STATE HB 2578

- Landlords in violation of this act are subject to up to four and half times the monthly rent, court costs and reasonable attorney fees.

BELLINGHAM BMC 6.11.040

- Landlords subject to actual damages of tenant up to \$5,000, costs, and attorney fees.
- City may enforce as civil infraction with fine of \$500, increasing up to \$1,000 for repeat violation.



Chapter 6.13: Notice of No Cause Termination

Definitions

- **Dwelling Unit**

“ ‘Dwelling unit’ means a single unit providing complete, independent living facilities for one or more persons on a nontransient basis including permanent provisions for living, sleeping, eating, cooking, and sanitation.”

- **Tenant**

“ ‘Tenant’ means a person occupying or holding possession of a building or premises pursuant to a rental agreement, including an expired rental agreement.”

– (BMC 6.12.040)



Chapter 6.13: Notice of No Cause Termination

Required: A “60-day ‘no cause’ notice.”

When: Whenever terminating a rental agreement with a monthly or periodic tenant without notice for cause.

Exempt: Terminations for cause.

– (BMC 6.13.020)

Exception: This law does not apply where the owner maintains a permanent abode in the dwelling unit.

– (BMC 6.13.040)



Chapter 6.13: Notice of No Cause Termination

Civil Action Remedy:

“...A person who files an unlawful detainer action without providing the notice required by this chapter shall be liable to such tenant in a private right of action for actual damages up to \$5,000, costs of suit or arbitration, and reasonable attorney’s fees.”

– (BMC 6.13.040)



Chapter 6.12: Notice of Rent Increase

Definitions

- **Dwelling Unit**

“ ‘Dwelling unit’ means a single unit providing complete, independent living facilities for one or more persons on a nontransient basis including permanent provisions for living, sleeping, eating, cooking, and sanitation.”



Chapter 6.12: Notice of Rent Increase

- **Housing Costs**

“ ‘Housing costs’ means the compensation or fees paid or charged, usually periodically, for the use of any property, land, buildings, or equipment. For purposes of this chapter, housing costs include the basic rent charge and any periodic or monthly fees for other services paid to the landlord by the tenant, but do not include utility charges that are based on usage and that the tenant has agreed in the rental agreement to pay, unless the obligation to pay those charges is itself a change in the terms of the rental agreement.”



Chapter 6.12: Notice of Rent Increase

- **Landlord***

“ ‘Landlord’ means the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.”

- **Rental Agreement***

“ ‘Rental agreement’ means all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.”

* as defined in 59.18 RCW



Chapter 6.12: Notice of Rent Increase

- **Tenant***

“A ‘tenant’ is any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.”

* as defined in 59.18 RCW



Chapter 6.12: Notice of Rent Increase

Required: “60 days’ prior written notice.”

When: Whenever periodic housing costs are to increase by 10% or more over the rental rate charged for any previous period or month during the preceding 12-month period.

– (BMC 6.12.020)



Chapter 6.12: Notice of Rent Increase

Housing Costs: Compensation for use of any property, land, buildings, or equipment.

Include basic rent charge and any periodic or monthly fees for other services.

Do not include utility charges based on usage unless the obligation to pay is itself a change in the rental agreement.

— (BMC 6.12.010)



Chapter 6.12: Notice of Rent Increase

Exception: This law does not apply where the owner maintains a permanent abode in the dwelling unit.

– (BMC 6.12.040)

