SUBSTITUTE HOUSE BILL 2051

State of Washington 64th Legislature 2015 Regular Session

By House Judiciary (originally sponsored by Representatives Farrell, Tarleton, Pollet, Robinson, Gregerson, Ryu, Orwall, Walkinshaw, Appleton, and Kagi)

AN ACT Relating to providing adequate time and assistance for tenants to relocate due to a rent increase or change of use of the residential unit; amending RCW 59.18.140 and 59.18.440; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. Sec. 1. The legislature finds that tenants required to find new rental housing based on a rent increase or a 7 change of use of his or her existing rental need sufficient time to 8 9 locate new housing and save accordingly. Given that some rentals require first and last month's rent as well as a security or damage 10 deposit, receiving thirty days' notice for a significant 11 12 increase is inadequate in today's rental market. Furthermore, low-13 income tenants need both time and financial support to find housing 14 sufficient to meet their needs, which can include transportation, school, day care, and job-related issues. Local jurisdictions that 15 16 choose to provide relocation assistance to low-income tenants should 17 have the option to provide such assistance to tenants whose income is 18 up to eighty percent of the area median income, adjusted for family 19 size, in the county where the tenant resides.

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- 1 **Sec. 2.** RCW 59.18.140 and 2010 c 8 s 19022 are each amended to 2 read as follows:
- 3 (1) The tenant shall conform to all reasonable obligations or restrictions, whether denominated by the landlord as rules, rental 4 agreement, rent, or otherwise, concerning the use, occupation, and 5 б maintenance of his or her dwelling unit, appurtenances thereto, and 7 the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this 8 chapter and are not otherwise contrary to law, 9 and if obligations and restrictions are brought to the attention of the 10 11 tenant at the time of his or her initial occupancy of the dwelling 12 unit and thus become part of the rental agreement. ((Except for termination of tenancy, after thirty days written notice to each 13 14 affected tenant, a new rule of tenancy including a change in the amount of rent may become effective upon completion of the term of 15 16 the rental agreement or sooner upon mutual consent.))
- (2) Unless otherwise agreed to by mutual consent, a new rule of tenancy, including a change in rent, may become effective upon completion of the term of the rental agreement and after thirty days' written notice to each affected tenant.

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- (3) Any city, town, county, or municipal corporation that is required to develop a comprehensive plan under RCW 36.70A.040(1) is authorized to require, after reasonable notice to the public and a public hearing, up to ninety days' written notice for a change in rent exceeding ten percent of the tenant's current rent.
- 26 (4) RCW 59.18.200 governs notice of termination of tenancy, and a 27 termination of tenancy is not a change in rule as provided in this 28 section.
- 29 **Sec. 3.** RCW 59.18.440 and 1997 c 452 s 17 are each amended to 30 read as follows:
- 31 (1) Any city, town, county, or municipal corporation that required to develop a comprehensive plan under RCW 36.70A.040(1) is 32 authorized to require, after reasonable notice to the public and a 33 34 public hearing, property owners to provide their portion 35 reasonable relocation assistance to low-income tenants upon the whether demolition, substantial rehabilitation 36 due enforcement or any other reason, or change of use of residential 37 38 property, or upon the removal of use restrictions in an assisted-39 housing development.

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(2) No city, town, county, or municipal corporation may require property owners to provide relocation assistance to low-income tenants((, as defined in this chapter,)) upon the demolition, substantial rehabilitation, ((upon the)) or change of use of residential property, or upon the removal of use restrictions in an assisted-housing development, except as expressly authorized herein or when authorized or required by state or federal law. ((As used in this section, "assisted housing development" means a multifamily rental housing development that either receives government assistance and is defined as federally assisted housing in RCW 59.28.020, or that receives other federal, state, or local government assistance and is subject to use restrictions.

- (2) As used in this section, "low-income tenants" means tenants whose combined total income per dwelling unit is at or below fifty percent of the median income, adjusted for family size, in the county where the tenants reside.
- The department of community, trade, and economic development shall adopt rules defining county median income in accordance with the definitions promulgated by the federal department of housing and urban development.))
- (3) A requirement that property owners provide relocation assistance shall include the amounts of such assistance to be provided to low-income tenants. In determining such amounts, the jurisdiction imposing the requirement shall evaluate, and receive public testimony on, what relocation expenses displaced tenants would reasonably incur in that jurisdiction including:
 - (a) Actual physical moving costs and expenses;
- (b) Advance payments required for moving into a new residence such as the cost of first and last month's rent and security and damage deposits;
 - (c) Utility connection fees and deposits; and
- 32 (d) Anticipated additional rent and utility costs in the 33 residence for one year after relocation.
 - (4)(a) Relocation assistance provided to low-income tenants under this section shall not exceed two thousand dollars for each dwelling unit displaced by actions of the property owner under subsection (1) of this section. A city, town, county, or municipal corporation may make future annual adjustments to the maximum amount of relocation assistance required under this subsection in order to reflect any changes in the housing component of the consumer price index as

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published by the United States department of labor, bureau of labor statistics.

- (b) The property owner's portion of any relocation assistance provided to low-income tenants under this section shall not exceed one-half of the required relocation assistance under (a) of this subsection in cash or services.
- (c) The portion of relocation assistance not covered by the property owner under (b) of this subsection shall be paid by the city, town, county, or municipal corporation authorized to require relocation assistance under subsection (1) of this section. The relocation assistance may be paid from proceeds collected from the excise tax imposed under RCW 82.46.010.
- (5) A city, town, county, or municipal corporation requiring the provision of relocation assistance under this section shall adopt policies, procedures, or regulations to implement such requirement. Such policies, procedures, or regulations shall include provisions for administrative hearings to resolve disputes between tenants and property owners relating to relocation assistance or unlawful detainer actions during relocation, and shall require a decision within thirty days of a request for a hearing by either a tenant or property owner.

Judicial review of an administrative hearing decision relating to relocation assistance may be had by filing a petition, within ten days of the decision, in the superior court in the county where the residential property is located. Judicial review shall be confined to the record of the administrative hearing and the court may reverse the decision only if the administrative findings, inferences, conclusions, or decision is:

- (a) In violation of constitutional provisions;
- 30 (b) In excess of the authority or jurisdiction of the 31 administrative hearing officer;
- 32 (c) Made upon unlawful procedure or otherwise is contrary to law; 33 or
 - (d) Arbitrary and capricious.
 - (6) Any city, town, county, or municipal corporation may require relocation assistance, under the terms of this section, for otherwise eligible tenants whose living arrangements are exempted from the provisions of this chapter under RCW 59.18.040(3) and if the living arrangement is considered to be a rental or lease not defined as a retail sale under RCW 82.04.050.

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- (7)(a) Persons who move from a dwelling unit prior to the application by the owner of the dwelling unit for any governmental permit necessary for the demolition, substantial rehabilitation, or change of use of residential property or prior to any notification or filing required for condominium conversion shall not be entitled to the assistance authorized by this section, unless the local jurisdiction finds, after the tenant has moved out, that the property owner violated the jurisdiction's relocation assistance requirement.
- (b) Persons who move into a dwelling unit after the application for any necessary governmental permit or after any required condominium conversion notification or filing shall not be entitled to the assistance authorized by this section if such persons receive written notice from the property owner prior to taking possession of the dwelling unit that specifically describes the activity or condition that may result in their temporary or permanent displacement and advises them of their ineligibility for relocation assistance.

(8) As used in this section:

- (a) "Assisted housing development" means a multifamily rental housing development that either receives government assistance and is defined as federally assisted housing in RCW 59.28.020 or that receives other federal, state, or local government assistance and is subject to use restrictions.
- (b) "Low-income tenants" means tenants whose combined total income per dwelling unit is at or below eighty percent of the median income, adjusted for family size, in the county where the tenants reside. The department of commerce shall adopt rules defining county median income in accordance with the definitions promulgated by the federal department of housing and urban development.

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