## **ORDINANCE 0-4810**

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING A NEW CHAPTER 7.75 OF THE KIRKLAND MUNICIPAL CODE TO ADOPT TENANT PROTECTIONS, INCREASING NOTICE FOR RENT INCREASES, CAPPING MOVE-IN FEES AND DEPOSITS, AND AUTHORIZING TENANT PAYMENT PLANS; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE, AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION.

WHEREAS, over the past several years rents in East King County have increased, and vacancies for affordable rental housing are at low levels, making it difficult for tenants, especially those with low incomes, to locate affordable rental housing; and

WHEREAS, the King County Regional Affordable Housing Task Force issued its *Final Report and Recommendations for King County*, December 2018 (rev. March 2019) ("*Affordable Housing Task Force Final Report*"), which identifies that renting rather than owning a home increases the chances of being severely cost burdened, and recognizes an existing affordable housing crisis in King County; and

WHEREAS, the Affordable Housing Task Force Final Report includes a regional plan with goals, strategies and a five-year action plan to address the affordable housing crisis, and Goal 4 of the action plan is to "[p]reserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness";<sup>3</sup> and

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, the ARCH Interlocal Agreement (ILA) establishes a common purpose among ARCH members of acting cooperatively to formulate affordable housing goals and policies; and

WHEREAS, recent Census data estimated that 25,870 renter households in ARCH member jurisdictions are cost-burdened, paying more than 30 percent of income toward housing costs, and 12,550 renter households are severely cost-burdened, paying more than 50 percent of income toward housing costs; and

WHEREAS, local rental assistance programs are finite and have exhausted or nearly exhausted available resources for

<sup>&</sup>lt;sup>1</sup> King County Regional Affordable Housing Task Force, *Final Report and Recommendations for King County*, December 2018 (rev. March 2019) at 15.

 $<sup>^{2}</sup>$  *Id.* at 7.

<sup>&</sup>lt;sup>3</sup> Id. at 8.

renters, and such programs are often limited to tenants who have received eviction notices; and

WHEREAS, residents of affordable rental housing created by ARCH member jurisdictions' policies and programs are subject to annual rent increases, based on changes in the area median income (AMI) as published by the Department of Housing and Urban Development (HUD); and

WHEREAS, residents of naturally occurring affordable housing that exists in Kirkland are not protected by ARCH restrictive covenants governing annual rent increases and cost burden analysis; and

WHEREAS, the residents of ARCH monitored housing and naturally occurring affordable housing in Kirkland will be subject to significant expected rent increases in 2022, which are anticipated to exacerbate cost burdens, and create economic displacement and other negative impacts; and

WHEREAS, the ARCH ILA establishes an Executive Board with responsibility for providing recommendations to ARCH member jurisdictions regarding local and regional affordable housing policies; and

WHEREAS, at its April 14, 2022, meeting, the ARCH Executive Board adopted Resolution 2022-01 providing for recommendations to ARCH members to adopt the following tenant protections: 1) increased notice of rent increases; 2) cap on late fees; and 3) cap on move in fees and deposits, and an allowance to pay in installments; and

WHEREAS, the City Council desires to create a new Chapter 7.75 of the Kirkland Municipal Code to adopt ARCH's recommended tenant protections, and finds that such adoption is in the best interests of the community members of Kirkland and will promote the public health, safety and welfare of the City; and

WHEREAS, in order to ensure there is time to educate landlords about the requirements and responsibilities imposed on them as a result of this ordinance, and to give landlords time to update their administrative processes to be in compliance with these requirements, the effective date of this ordinance shall be delayed 45 days.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

<u>Section 1</u>. <u>Findings</u>. The City Council adopts the recitals set forth above as findings in support of this Ordinance, which are incorporated by reference as if set forth in full.

Section 2. Creation of New City Code Chapter Providing for Tenant Protections. A new Chapter 7.75 of the Kirkland Municipal Code is created to read as follows:

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**7.75.010 Definitions.**The definitions of this section apply throughout this chapter unless the context clearly requires otherwise. The definitions of RCW 59.18.030 under the Residential Landlord-Tenant Act (RLTA) also apply to this chapter unless otherwise defined in this section.

CHAPTER 7.75 TENANT PROTECTIONS

A. "Dwelling" or "dwelling unit" has the same meaning as RCW 59.18.030(10), as may be amended. At the time this ordinance was passed, the RLTA defined "dwelling unit" to mean a structure or that part of a structure which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, including but not limited to single-family residences and units of multiplexes, apartment buildings, and mobile homes.

B. "Landlord" has the same meaning as RCW <u>59.18.030(16)</u>, as may be amended, and excluding the living arrangements identified in RCW <u>59.18.040</u>. At the time this ordinance was passed, the RLTA defined landlord as the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and included any person designated as representative of the landlord, including, but not limited to, an agent, a resident manager, or a designated property manager.

C. "Rental agreement" or "lease" has the same meaning as RCW 59.18.030(30), as may be amended. At the time this ordinance was passed, the RLTA defined "rental agreement" as all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.

D. "Subsidized housing" has the same meaning as RCW 59.18.030(33), as may be amended. At the time this ordinance was passed, the RLTA defined "subsidized housing" as rental housing for very low-income or low-income households that is a dwelling unit operated directly by a public housing authority or its affiliate, or that is insured, financed, or assisted in whole or in part through one of the following sources: (a) A federal program or state housing program administered by the department of commerce or the Washington state housing finance commission; (b) A federal housing program administered by a city or county government; (c) An affordable housing levy authorized under RCW 84.52.105; or (d) The surcharges authorized in RCW 36.22.178 and 36.22.179 and any of the surcharges authorized in chapter 43.185C RCW.

E. "Tenant" has the same meaning as RCW 59.18.030(34), as may be amended, and excluding the living arrangements identified in RCW 59.18.040, and RCW 59.20.030(24), as may be amended. At the time this ordinance was passed, the RLTA defined "tenant" as any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a

rental agreement, and RCW 59.20.030 defined "tenant" as any person, except a transient as defined in Chapter 59.20 RCW, who rents a mobile home lot.

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**7.75.020 Applicability.**The provisions of this chapter apply to tenancies governed by Chapter 59.18 RCW (RLTA) and Chapter 59.20 RCW (Manufactured/Mobile Home Landlord-Tenant Act) and are in addition to the provisions provided in said chapters of the RCW.

### 7.75.030 Notice of rent increase.

A. Any *rental agreement* or renewal of a *rental agreement* shall state the dollar amount of the rent or rent increase and include, or shall be deemed to include, a provision requiring not less than:

1. one hundred twenty (120) days' written notice for rent increases greater than three percent (3%); or

2. one hundred eighty (180) days' written notice for rent increases greater than ten percent (10%).

B. If the *rental agreement* governs *subsidized housing* where the amount of rent is based on the income of the *tenant* or circumstances specific to the subsidized household, the *landlord* shall provide a minimum of thirty (30) days' prior written notice of an increase in the amount of rent to each affected *tenant*.

C. The notice of rent increases in Sections A and B above shall include the actual dollar amount of the new rent or rent increase.

7.75.040 Move in fees and security deposits — limits — exceptions — payments by tenants.

A. All move in fees and security deposits charged by a *landlord* before a *tenant* takes possession of a *dwelling unit* shall not exceed one month's rent, except in *subsidized housing* where the amount of rent is set based on the income of the tenant. The exception for *subsidized housing* shall not include tenancies regulated under Section 8 of the Housing Act of 1937, 42 U.S.C. Sec. 1437f, commonly known as the housing choice voucher program.

B. *Tenants* entering *rental agreements* with terms lasting six or more months may choose to pay their move-in fees and security deposits in six equal monthly installments over the first six months occupying the *dwelling unit*.

C. Tenants entering rental agreements with terms lasting fewer than six months or month-to-month rental agreements, may choose to pay move in fees and security deposits in two equal monthly installments over the first two months occupying the dwelling unit.

**7.75.055 Exception to move in fees and security deposits.**A. No rental agreement, whether oral or written, may provide that the tenant waives or foregoes rights or remedies under this chapter, except as provided by subsection B of this section.

- B. A landlord and tenant may agree, in writing, to waive specific requirements of this chapter regarding the limitations a landlord can require relating to move in fees and security deposits if all of the following conditions have been met:
  - The agreement to waive specific provisions is in writing and identifies the specific provisions to be waived; and
  - 2. The agreement may not appear in a standard form written lease or rental agreement; and
  - An attorney for the tenant has approved in writing the agreement as complying with subsections B.1 and B.2 of this section.

7.75.060 Provisions in violation of restrictions null and void - Exemption.

A. Any provisions in violation of sections .030 through .040 of this chapter in a *rental agreement* are null and void and of no lawful force and effect.

B. Nothing in this chapter shall be interpreted or applied so as to create any conflict with federal law. In the event of any conflict, federal requirements shall supersede the requirements of this chapter.

7.75.070 Effect on Existing Lease Provisions.

A. Any notice of rent increases lawfully given to an existing tenant prior to the effective date of this ordinance shall be deemed valid. Otherwise, the notice provisions of 7.75.030 apply to all *rental agreements* as of the effective date of this ordinance.

- B. Provisions regarding the amount of move-in fees and security deposit due under 7.75.040(A) in a *rental agreement* that has been entered into prior to the effective date of this ordinance shall remain in effect until the original expiration date of such *rental agreement*.
- <u>Section 3</u>. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.
- Section 4. This ordinance shall be in force and effect 45 days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

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Passed by majority vote of the Kirkland City Council in open meeting this 3rd day of August, 2022.

Signed in authentication thereof this 3rd day of August, 2022.

Penny Sweet, Mayor

Attest:

Kathi Anderson, City Clerk

Approved as to Form:

Kevin Raymond, City Attorney

Publication Date: 8/8/2022

# PUBLICATION SUMMARY OF ORDINANCE NO. 4810

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING A NEW CHAPTER 7.75 OF THE KIRKLAND MUNICIPAL CODE TO ADOPT TENANT PROTECTIONS, INCREASING NOTICE FOR RENT INCREASES, CAPPING MOVE-IN FEES AND DEPOSITS, AND AUTHORIZING TENANT PAYMENT PLANS; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE, AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION.

<u>SECTION 1</u>. Adopts findings in support of tenant protections.

<u>SECTION 2</u>. Creates a new Chapter 7.75 of the Kirkland Municipal Code related to tenant protections.

<u>SECTION 3</u>. Provides a severability clause for the ordinance.

SECTION 4. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as 45 days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 3 day of August, 2022.

I certify that the foregoing is a summary of Ordinance O-4810 approved by the Kirkland City Council for summary publication.

Kathi Anderson, City Clerk