



Memorandum

Date: January 11, 2023

To: General Government Committee

From: Brad Medrud, Planning Manager

Subject: Tumwater Housing Action Plan – Dispute Resolution Center – Tumwater Tenant – Landlord Dispute Resolution Services

I. Issue

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

As part of this work, the City reviewed actions and measures to take to support tenant protections as a way to make it easier for residents in the City who rent to access housing and stay housed.

In September 2021, the City Council adopted the *Tumwater Housing Action Plan*, which informs the City's Comprehensive Plan policies and development regulations, guides implementation strategies, and provides actions to help the City meet its housing needs.

At its March 22, 2022 worksession, the City Council discussed potential actions that the City could undertake alone or on a regional basis to address tenant protection. At the conclusion of that discussion, the City Council asked staff to prepare the three following priority items for further consideration:

- 1) A scope for a contract with the Dispute Resolution Center for tenant and landlord conflict resolution services;
- 2) An ordinance to establish a rental registration program in Title 5 *Business Taxes, Licenses and Regulations* to communicate with tenants and landlords about rental regulations and to consider using the program in the future for regular inspections of rental units; and
- 3) Ordinances to address tenant protections in Title 5 *Business Taxes, Licenses and Regulations*.

This memorandum discusses a scope for a contract with the Dispute Resolution Center for tenant and landlord conflict resolution services for City of Tumwater residents and property owners.

City Council review and consideration of a contract with the Dispute Resolution Center has not been scheduled yet, but the General Government Committee will discuss the parameters for a contract with the Dispute Resolution Center and then staff will draft a contract for City Council approval.

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II. Background

In the spring of 2022, staff integrated *Tumwater Housing Action Plan* actions and City work group measures for City Council consideration in a suggested order of priority items to address the Action #9 in Resolution No. R2018-016.

The priority item list included actions and potential measures amendments to the Tumwater Municipal Code as well as actions and potential measures addressed through education and communication efforts led by the City. For most of the actions and potential measures, staff recommended that the City Council discuss developing a communications strategy to let landlords and tenants know what the City is doing, a schedule for staff to develop and run the programs, and funding through the 2023-24 biennial budgeting process for staffing and other costs.

As part of the communications strategy for the adoption of such actions and potential measures, staff suggested that there should be conversations with tenants, housing advocates, such as Together! and Homes First, and property owners, landlords, and real estate management companies, to review and provide comment on the implementation of the actions and potential measures considered. The updated draft list of actions and potential measures could also be sent to housing staff at Thurston County and the Cities of Lacey and Olympia to get their thoughts and to renew suggestions for regional action.

Staff sent a draft of the City of Tumwater Dispute Resolution Proposal to Jody Suhrbier, the Executive Director of the Dispute Resolution Center on July 8, 2022 for her review and comments. She responded on July 11, 2022 with suggested edits to the proposal, comments, their current fee scale, and information on the number of cases the Dispute Resolution Center

The \$4,500 annual funding from the Local Human Services Program that the City Council approved earlier this year for the Dispute Resolution Center is for supporting general operations, which includes landlord/tenant mediation. That funding was not intended to be specific to that program.

The following is the City work group measure that is intended to be addressed by the Dispute Resolution center proposal.

Measure 19: Contract with Dispute Resolution Center for tenant and landlord conflict resolution services

- Mediation of disputes by an independent third party (RCW 59.18.315) is an option both parties can agree to. Services are always offered to be accessible, such that cost is not a barrier. That means the sliding fee scale is used, but rarely are services entirely free. Dispute Resolution Centers serve this purpose and operate in all counties. There are also statewide organizations like the Tenants Union of Washington State that can help tenants connect with legal services. It would avoid the cost and time of going through the court system.
- City Council would decide if it would pay full or subsidized cost up to a particular amount. Prices range on length of interaction. Staff recommends that \$50,000 of American Rescue Plan Act (ARPA) funds be dedicated to this effort.
- A communications strategy will be needed.
- This action will require City Council approval of a contract and establishing an annual funding amount for the Dispute Resolution Center.

III. Draft City of Tumwater Dispute Resolution Center Proposal

Intent

The intent of the proposal would be to provide direct City support for the mediation of landlord-tenant disputes by an independent third party (RCW 59.18.315). The Dispute Resolution Center serves this purpose in Thurston County and provides a way to avoid the cost and time of going through the court system.

Considerations

The City Council should discuss funding through the City Council's 2023-24 biennial budgeting process, the schedule for staff to develop and run such a program, and staffing, as well developing a communications strategy to let landlords and tenants know what the City is doing.

Draft Scope

- 1) Establish Initial Scope of Services
 - a) Staff would work with the Dispute Resolution Center to determine the following:

- i) The Dispute Resolution Center services would cover intake and mediation for housing related cases that either do not qualify for the Early Resolution Pilot Program or that come after its end;

[Note from Jody Suhrbier: We always wish to work with folks as 'upstream' as possible, so I will offer that we see no reason that individuals would need to wait to receive a pay or vacate notice in order to work with us. They can be referred as soon as communication issues, conflict or rent-owed issues arise. Housing instability begins as soon as a notice goes on record (because of how it affects one's ability to rent again in the future), independent of whether an eviction actually occurs.]

- ii) The costs of such services are based on a sliding fee scale;

[See Current Dispute Center Fee Scale below]

- iii) Whether the sliding scale for clients could be used if the City pays to offset costs;

[Note from Jody Suhrbier: We could manage like we do other "draw-down" grants where for folks that cannot pay the fee quoted from the sliding scale, they can be offered the supplemental funds from the City. We would bill the City a pre-set session rate and only for those cases where the parties chose to use those funds.]; and

- iv) What other Dispute Resolution Center services could the City include in the contract?

[Note from Jody Suhrbier: if you aren't worried about fund depletion, this contract could be broadened to any dispute for Tumwater residents, but of course, it's hard to predict numbers if you did so. A smaller expansion could be that any Tumwater staff or Council that needed to access mediation could be included - referral for this contract would be from the City – we wouldn't promote it.]

- b) Staff would determine the answer to the following question:

- i) When does the 10-day notice for eviction officially go on the record?

- c) Staff would prepare a scope of services with options and costs for consideration by the City Council.

2) Cost

- a) City Council would decide if \$50,000 of ARPA funds in 2023 would pay full or subsidized cost up to a particular amount. Prices would need to be determined after discussions with the Dispute Resolution Center, but typically depend on the number of sessions.

- b) After 2023, the City Council would need to determine the amount of City general government funds to be used for this purpose, which would depend on the use of the program during 2023 and expected future need.

3) Staffing

- a) There may be a need for City staffing beyond sending the funds to the Dispute Resolution Center to manage the contract.

[Note from Jody Suhrbier: There is an administrative consideration that I would suggest be considered by you, your team and Council. Tumwater staff will be essential in getting the word out about this program and for referring folks. There is also the issue of invoicing. We can invoice monthly, based on cases received in the month prior, as we do with draw-down grants. This requires some additional administrative work on our end to track the individualized cost negotiations for each session, and subsequently, the portion that Tumwater would cover, that could be handled one of two ways - a contract management fee that goes onto the monthly contract based on the number of cases worked OR a flat rate contract so that no individual case rate tracking is required of either party. The latter would simply split the annual contract into four chunks that we would bill quarterly, as we do with the community assistance funds. This would be a pilot year to assess need; future years could be calibrated to what we see as most necessary. We have done both with other contractors, so can make either work.]

4) Timeline

- a) Initial authorization and annual funding would start in 2023.

[Note from Jody Suhrbier: I will offer that the state is examining in the upcoming session whether to extend ERPP. My gut sense is that it will not continue, at least not in its current form. We can readily see that the need for early resolution will still very much be with us. Many, many folks across our community will still greatly need this service, both to avoid an eviction, but also to avoid the cost and trauma of engaging with the court system. Landlords and tenants alike.

This is a very forward-thinking approach by the City of Tumwater and should be commended. Thank you for incorporating us into the process, in support of residents.]

Current Dispute Resolution Center Fee Scale (as of July 11, 2022)

Two-Party Mediations:

Fees are assessed upon each party per two-hour session, with the exception that parties who have combined cash assets (e.g., separating couples) are charged only a **single fee**.

# in Household	\$58 if at or below:	\$110 if between:	\$165 if between:	\$220 if between:	\$315 if at or above:
1	\$20,385	\$20,386-23,783	\$23,784-27,180	\$27,181-30,578	\$30,579
2	\$27,465	\$27,467-32,043	\$32,044-36,620	\$36,621-41,198	\$41,199
3	\$34,545	\$34,456-40,303	\$40,304-46,060	\$46,061-51,818	\$51,819
4	\$41,625	\$41,626-48,563	\$48,564-55,500	\$55,501-62,438	\$62,439
5	\$48,705	\$48,706-56,823	\$56,824-64,940	\$64,941-73,058	\$73,059
6	\$55,785	\$55,786-65,083	\$65,084-74,380	\$74,381-83,678	\$83,679
<i>Each add'l ind.</i>	+\$4,720	+\$4,720	+\$4,720	+\$4,720	+\$4,720

Income ranges begin at 150% of 2022 Federal Poverty Guidelines.

In addition, Jody Suhrbier noted that the Dispute Resolution Center completed 90 cases for Tumwater residents in their housing program only from January to June of this year. She should let her know if there is more information that we needed as we work through the next steps.

IV. Additional Notice Required

Pursuant to EHB 2971, passed by the 2016 state legislature and codified at RCW 64.06.080 and RCW 43.110.030(2)(e), the Municipal Research and Service Center is directed to provide the following on its website:

- A summary of all requirements imposed by cities, towns, and counties on landlords or sellers of real property to provide information to a buyer or tenant "pertaining to the subject property or to the surrounding area"; and
- An internet link to the ordinances, resolutions, or policies imposing those requirements.

For that reason, City should provide to Municipal Research and Service Center a summary of any pertinent ordinance, resolution, or policy that impose requirements on sellers or landlords to disclose designated information to purchasers or renters; and an internet link to the ordinance, resolution, or policy.