

# Olympia Rental Housing Solutions: Interim Council (LUEC) Brief

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Working Draft: 10-26-2021

## INTRODUCTION

### Background and Context

In 2019, the City initiated a community conversation to explore rental housing challenges and potential solutions. Soon thereafter, COVID-19 arrived and, with it, a surge of housing market transformations that have exacerbated an already challenging market. In the midst of the pandemic, the Washington State Legislature enacted some of the very renter protections previously under consideration. This has necessitated a shift in the conversation to include an evaluation of the relative impact of those new laws in addition to identifying any gaps or opportunities that remain to be actualized.

While the pandemic resulted in a pause for some parts of the community conversation, other work has continued apace. The project team (staff and consultant) have completed research and evaluation of renter protections and solutions proposed or implemented in peer communities, conducted direct interviews with Olympia renters, renter advocates and landlords, and developed a preliminary assessment of potential solutions. Those findings are summarized here as follows:

- What We Have Learned So Far
- What Olympia is Doing to Address Housing Needs
- Rental Market Stabilization Concepts
- Next Steps

### The Path Forward

Over the last quarter of 2021 and first quarter of 2022, the project team will continue direct stakeholder engagement and develop options for consideration by the City Council Land Use and Environment (LUEC) Committee. This is in line with the original schedule, though larger group engagement ultimately may be postponed due to the persistence of the pandemic and related crowd gathering restrictions.

## WHAT WE HAVE LEARNED SO FAR

### Updated Situational Context

While generally acknowledged that renter stability was becoming increasingly challenging by 2019, several additional facts should be considered when exploring potential solutions:

- Thurston County housing prices are currently at all-time high and have risen sharply over two years.
- Over the past year, purchasing power and rent capacity have been further eroded by rapid inflation in consumer costs, relative to much milder wage growth.

- Many renters are feeling desperation: future home ownership was already hard to imagine; now, it is a struggle to even maintain rent.
- COVID led to the single largest job loss in the modern history of our nation (in one six-week period). Many have not been able to return to work or have not yet been able to close the lost income gap.
- Federal COVID-based rent relief is now available and may be helpful with initial triage.

### **Advice on Conversation Approach**

Based on feedback from stakeholders, the project team is pursuing a strategic engagement approach that allows for meaningful input from all parties while reducing the potential for conflict or unproductive dialogue. In particular, we have taken the following feedback and advice to heart:

- This is an emotional issue involving people's housing and, at least in some cases, other people's retirement income. At yet another level, it is about the right to conduct business with the attendant constitutional provisions and protections attached.
- Those who attended the original open house appreciated the invitation but were disappointed when it devolved into emotional arguments by adversarial camps. They advise the City to continue the conversation independently for now, learning from and sharing the perspectives from all sides.
- In particular, they are supportive of:
  - Conducting cohort-specific focus groups – i.e., renters, renter advocates, landlord advocates and landlords (the latter possibly broken down by large and small landlord cohorts)
  - Providing easily-accessible reports and support documents on the City website
  - Maintaining an ongoing comment portal on the website, with alternating questions depending on the current phase of conversation (stories, ideas, actions, evaluations)
- Generally, renters and renter-advocates are interested in exploring any and all forms of relief, while landlords are generally opposed to nearly every new control or intervention proposal.
- Enter into this understanding many people will be at least a little disappointed with the outcome(s) no matter what action is pursued. It may be wise to pursue an incremental approach and adjust strategy as early solutions are evaluated for success – e.g., don't jump into solutions that may end up making matters worse for renters and landlords alike.
- Acknowledge the value of and challenges faced by all sides during all exchanges.
  - Dispel and dissuade the use of stereotypes in this conversation: while there are exceptions, very few renters are going to present major challenges for the landlord, and most landlords are not looking for profits far above their cost of operations
  - Many landlords are sympathetic to challenges renters face, and many renters understand landlords must meet certain financial requirements to remain in the rental market
  - Start with mutually-beneficial approaches or solutions that reduce adversarial interactions

## Impacts and Concerns Assessment

While each individual renter and landlord faces a unique set of challenges, there appears to be a number of core barriers for each group. The table below provides key take-aways from each primary stakeholder perspective, by central challenge or issue area. A preliminary assessment of what may or may not work to address these issues and find a middle-ground follows.

<b>Key Challenge</b>	<b>Renter Perspective</b>	<b>Landlord Perspective</b>
<b>Recent Rent Increases</b>	Sudden and steep for many. For some, rising above income level and ability to pay, with threat of homelessness in some cases.	Necessary to keep up with rising property taxes, catch up with maintenance after years of suppressed rent following great recession.
<b>Current Rent Rates</b>	Very little stock remaining at rates many households can realistically afford with current incomes.	What market allows and demands. Not always like this. Not our fault. Need more housing stock or fewer renters.
<b>High Move-In Fees</b>	Prohibitive to entry. Can include first and last month, security deposit, pet deposit and even pet rent fee. Few have reserves to cover cumulative cost in one transfer.	Fees will increase with risk. Inability to evict, extended eviction times and other protections make entry payments more crucial to protecting economic bottom line.
<b>Barriers to Entry</b>	Imperfect credit or criminal record histories are often due to circumstances beyond renter's control or reflect disproportionalities (e.g., medical bills, unequal access to credit, protection under the law). Does not necessarily reflect ability to pay rent.	Some indicate willingness to give second chance, but not interested in reduced screening. Need to know what the risk profile is and adjust accordingly.
<b>Rental Stock Condition</b>	Some units in bad condition, not all tenants feel comfortable asking for repairs, fear retaliation, or can't get response if they do.	Some landlords delayed improvements due to lower rents after recession. Others can't improve without raising rents to cover costs and fear losing tenants.
<b>Access to Resources</b>	Don't know where to go when needing help with temporary rent gap funding; uneasy or unable to communicate with landlord; unsure of legal options; unable to afford move-in fees for new place following rent increase.	Hard to keep up on evolving rules; agreeing to learn more about resources sounds like more hassle and cost; at some point, the profit margin or loss calculus will cause me to leave market.
<b>Potential Solutions</b>	Rent control (not allowed); extended payment plan for move-in costs; extended notice of rent increase; help finding resources/subsidy, especially for move-in costs; current landlord offering similar unit for let when repairs are needed for current unit; required landlord use of universal screening reports to prevent multiple fees for prospective renters.	Target solutions to those actually struggling (lower-income, MFH v SFH); spread cost over entire community v placing on landlords alone; consider tax credits for those who rent to low-income; defer to State laws, no new local laws; make it easier to build affordable housing and let market work.

These are preliminary challenges and perspectives. This inventory will be updated as additional outreach is conducted and the resulting feedback incorporated into recommendations forwarded to City Council.

## WHAT OLYMPIA IS DOING TO ADDRESS HOUSING NEEDS

The City recently completed a Housing Needs Assessment and created a Housing Action Plan. The City identified six key strategies to address housing needs in the community:

1. Increase the supply of permanent, income-restricted affordable housing.
2. Make it easier for households to access housing and stay housed.
3. Expand the overall housing supply by making it easier to build all types of housing projects.
4. Increase the variety of housing choices.
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
6. Establish a permanent source of funding for low-income housing.

Here are examples of progress under each strategy:

### **1. Increase the supply of permanent, income-restricted affordable housing.**

- A. Portion of Rescue Act (ARPA) funds dedicated to acquisition of new affordable housing (Quince Street Property, former site of Quality Inn Hotel)
- B. Exploring dedication of the former Mitigation Site on Franklin to income-restricted housing targeted to downtown employees
- C. Create income requirements for private housing redevelopment of the former Griswold's building and Boulevard Road property
- D. Purchased property at 2828 Martin Way in 2018, donated it to Interfaith Works/Low Income Housing Institute housing and shelter development
- E. Awarded \$4.25m from the Olympia Home Fund to help build permanent supportive housing at Unity Commons (2828 Martin Way) and the Family Support Center. The Home Fund leveraged over \$37m in non-city funds to build these projects.
- F. Affordable Housing Density Bonus: The City allows 1 additional residential unit for each low-income unit provided, up to a 20% bonus
- G. Impact Fee Abatement: The City may grant impact fee discounts and exemptions for projects that are 100% low-income
- H. Engaging with LOTT as they complete their cost-of-service study. As part of this they are exploring how they might support local partners with housing affordability objectives, including potential lower hook-up fees for low-income housing
- I. Reinstating a revolving loan program for rehabilitation and maintenance of low-income housing through the Community Development Block Grant (CDBG) program to provide low-interest loans to keep rental and owned properties affordable

### **2. Make it easier for households to access housing and stay housed.**

- A. Facilitating community conversations that will result in recommendations for rental housing code changes intended to improve rental housing access and stability
- B. The City has an updated Tenant and Landlord resources webpage, with legal updates and COVID-specific assistance
- C. City Council adopted an eviction moratorium during COVID

- D. Added over 100 tiny homes for homeless individuals, managed by nonprofit partners since 2018
- E. Passed Emergency Housing Ordinance to encourage faith and nonprofits to provide temporary emergency housing or shelter (used by faith communities and nonprofit partners to offer shelter beds)
- F. The City has used general funds to support projects like Family Support Center Shelter expansion, the Interfaith Works 3444 shelter, and day centers which offer shower, laundry facilities and other needed services
- G. The City has utilities payment assistance programs for qualifying low-income households

**3. Expand the overall housing supply by making it easier to build all types of housing projects.**

- A. Multi-family Tax Exemption: incentivizes development of housing in targeted areas (there is both a market-rate tax incentive and an affordable housing tax incentive). Currently exploring an expansion of the program to more geographic areas and to maximize its use for affordable housing.
- B. Decreased parking requirements for affordable housing units near transit routes
- C. The following housing actions are also underway now or in the coming year, and could be applied specifically to low-income housing:
  - a. Subarea and SEPA planned action for the Capital Mall Area – scope to include assessing risk and strategies to mitigate displacement
  - b. Reduce parking requirements for multifamily in areas with frequent transit
  - c. Reviewing our fees and regulations to reduce barriers to housing construction
  - d. Re-tooling the multifamily tax exemption to maximize its use for affordable housing, increase locations and assess its efficacy in 3 areas planned for high density housing development (downtown, Capital Mall area, Pacific/Martin Way area)

**4. Increase the variety of housing choices.**

- A. Housing code changes to allow more construction of duplexes, triplexes, other infill housing
- B. Free accessory dwelling unit plans which meet the City's code requirements, new codes with more flexibility to allow these in more areas
- C. Exploring funding sources and best practices to support models that lead to homeownership and long-term affordability of the property, such as land trusts, cooperatives and models like Habitat for Humanity

**5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.**

- A. The City participates in a Regional Housing Council, Housing Advisory Team, Rental Housing Workgroup and many other cross-jurisdictional workgroups, to pool resources and identify gaps in housing that can be addressed at a regional level
- B. Olympia supporting consulting work to improve Coordinated Entry homeless triage and placement system

**6. Establish a permanent source of funding for low-income housing.**

- A. Home Fund created to provide revenue stream for building affordable and permanent supportive housing (has contributed to several new multifamily projects for formerly

- homeless community members), can also fund other housing and homeless-related operating costs
- B. Affordable and Supportive Housing revenue adopted (from HB 1406), which allows city to hold back state sales tax revenue and dedicate it to affordable and supportive housing
  - C. Support for county-wide Home Fund (under discussion)

## RENTAL MARKET STABILIZATION CONCEPTS

### Peer Community Insights

Cities across Washington have implemented various rental housing stabilization measures under consideration here in Olympia. The table below provides a summary of peer city feedback and insights with respect to the relative effectiveness of various policies following implementation:

Name of Policy	Pros	Cons	Other Notes
<b>Rental registration or license and inspection program</b>	<ul style="list-style-type: none"><li>• Helpful to know where landlords are and how to communicate with them</li><li>• Neighborhood on the whole benefits from code compliance and minimal standards of habitability (property values)</li><li>• Inspections help with safety of rental housing units</li><li>• Tenants can be afraid to report problems due to fear of retaliation from landlord</li><li>• Landlords become aware of maintenance issues sooner</li><li>• Can provide training or other resources as part of license or registration program (code compliance, fair housing, licensing requirements, fire inspection and building codes, programs or resources available)</li></ul>	<ul style="list-style-type: none"><li>• Can be difficult to get compliance even with fines in place. Don't want to revoke licenses to result in displacing tenants or losing additional rental housing, so fines or other requirements for repeated violations are needed.</li><li>• Requires staff in code enforcement or building inspections, as well as administrative (licensing or registration and payments), as well as tracking and scheduling of inspections, and enforcement</li><li>• Enforcement processes can be slow, and tenant may not benefit from improved condition by the time they are remedied</li></ul>	<ul style="list-style-type: none"><li>• Most cities have a housing inspection component. Varies by city: some have processes for self-certification with a code checklist, and some proactive, required periodic inspections.</li><li>• Some cities use state business licensing process (through DOR), which helps with administrative aspects, but limits information collected and imposes fee</li><li>• Landlords/ managers often won't respond to requests for info/data unless required</li><li>• All cities recommended having strong enforcement mechanisms in place</li><li>• Documentation and tracking can be burdensome if you don't have a business license process or other administrative structure in place</li><li>• Several cities indicated they have found a lot of problems and repair issues in small unit properties. More abuses, even if not intentional.</li><li>• Some cities have exemptions, or exemptions for just the inspection component but not the registration.</li><li>• Many more cities than interviewed have licensing and inspection programs, including Pasco, Lakewood, Kent, Tukwila</li></ul>

Name of Policy	Pros	Cons	Other Notes
<b>Informational materials required</b>	<ul style="list-style-type: none"> <li>• Educates both landlords and tenants about their rights and responsibilities</li> <li>• Helps initiate contact with City for various rental housing issues</li> </ul>	<ul style="list-style-type: none"> <li>• Can be difficult to enforce if don't have staff and/or enforcement mechanisms in place. It is hard to know if landlords are providing packet to tenants, aside from receiving calls from landlords or tenants.</li> </ul>	<ul style="list-style-type: none"> <li>• One city stated that perhaps a webpage would be as effective</li> <li>• Translate into most commonly spoken languages</li> <li>• Some landlords complain when require distribution of printed copy, but one city felt information was getting buried in electronic move-in documents provided by landlords</li> </ul>
<b>Limits to security deposits/move-in fees</b>	<ul style="list-style-type: none"> <li>• Helps tenants access housing, due to rising costs at move-in</li> </ul>	<ul style="list-style-type: none"> <li>• Unintended consequence: kneejerk rent increase.</li> </ul>	<ul style="list-style-type: none"> <li>• One city stated the benefits outweigh risk of possible rent increases</li> <li>• Another city cautioned against any measure which could be construed as rent control</li> </ul>
<b>Just Cause eviction</b>	<ul style="list-style-type: none"> <li>• Tenant and LL have common understanding re what could cause them to lose their tenancy. Everyone should be on same page about reason tenancy could be terminated.</li> </ul>	<ul style="list-style-type: none"> <li>• Could be confusing due to recent changes in statewide laws</li> </ul>	<ul style="list-style-type: none"> <li>• Some cities wondering if they should keep their ordinance due to statewide adoption of Just Cause protections, have to ensure their policies and informational materials align with changes.</li> <li>• One city implemented Just Cause protections right before the eviction moratorium, so policy has not been tested with the exception of property sales.</li> <li>• One city cautioned that need staff to enforce protections if enact them.</li> </ul>
<b>Housing Ombudsperson</b>	<ul style="list-style-type: none"> <li>• Provide education and resources to both landlords and tenants</li> <li>• Hear stories on the ground to inform policy</li> <li>• Local expert helps implement policies/enforcement of policies</li> </ul>	<ul style="list-style-type: none"> <li>• Cost</li> </ul>	<ul style="list-style-type: none"> <li>• Burien never hired the staff recommended through community process due to eviction moratorium being enacted shortly after Burien adopted new rental housing policies</li> <li>• Tacoma has two landlord/tenant-focused staff</li> <li>• Feedback is that if you don't have staff or clear enforcement mechanisms, it's not worth implementing the policies</li> </ul>



Name of Policy	Pros	Cons	Other Notes
<b>Tenant relocation assistance for substantial remodel, demolition or change of use</b>	<ul style="list-style-type: none"> <li>Mitigates displacement of tenants when property is remodeled, demolished or sold</li> </ul>	<ul style="list-style-type: none"> <li>Cost</li> </ul>	<ul style="list-style-type: none"> <li>Authorized by State law, sets parameters for program.</li> <li>Tacoma didn't include 'change of use' in relocation assistance program due to feedback that some property buyers purchase a single-family home with the intent of living in it, rather than continuing to rent it out.</li> <li>Seattle's budget for direct payments: \$300,000-\$400,000/year. Use Real estate excise tax 1 (REET1) and general fund, if needed. 1.5 FTE to administer.</li> <li>Tacoma: Feb 2019-Nov 2019 paid \$6,000, for 6 qualifying units. Use general funds. Difficult to gauge ongoing costs due to moratorium since enacted. Since moratorium lifted, had 4 requests.</li> </ul>
<b>Extended notice for rent increases</b>	<ul style="list-style-type: none"> <li>Provides more time for tenants to find alternative housing in a tight rental market if can't afford the increase</li> </ul>	<ul style="list-style-type: none"> <li>Unintended consequence: 100-300% rent increases to beat the new law</li> </ul>	<ul style="list-style-type: none"> <li>Build in a period of time for outreach before law needs to be applied</li> </ul>
<b>Notice of sale of low-income housing</b>	<ul style="list-style-type: none"> <li>May help preserve affordable housing, prevent displacement of low-income tenants</li> </ul>	<ul style="list-style-type: none"> <li>Calculations tricky for which units qualify as affordable for tenants earning 80% AMI or &lt;</li> <li>Has to be updated each year.</li> <li>Hard to enforce; owners don't always know months in advance that they will sell.</li> <li>Has not preserved affordable units in Seattle or Burien.</li> <li>Most affordable housing providers do not have enough reserves to purchase within 60-day timeframe.</li> <li>Many housing providers don't want to buy old properties that may need rehab.</li> </ul>	<ul style="list-style-type: none"> <li>One city felt if any affordable housing was preserved, it would be worth it, however, two other cities felt it was an administrative burden that hasn't had the impact intended by the policy.</li> <li>In Seattle, an auditor's report will be coming out soon to give transparent feedback.</li> <li>Seattle's policy has a Tenant Opportunity to Purchase (TOPO) element.</li> <li>One city didn't write good enforcement process. Doesn't put in structure, timelines, appeal process.</li> </ul>

## **Key Takeaways from Cities Interviewed**

- Consider the enforcement processes carefully. Some codes allow issuance of citations which can result in a recording on the property title, which must be cured before owner can sell. Some codes require a lengthy legal process to enforce, and don't produce a helpful result for the tenant making a complaint. Some codes require private right of action, but not many tenants have the resources to bring affirmative cases.
- Invest in staff to enforce the mechanisms created. If there aren't staff or enforcement tools in place, consider whether it's just an administrative hoop for the most highly compliant landlords to jump through.
- Consider your goals in implementing the policy. Is a landlord registry aimed at communication and sharing information, or is it also a tool in facilitating compliance with other policy measures?
- Be willing to evaluate and adapt policies and programs over time.
- Be mindful when planning stakeholder engagement. One City had the experience of holding a meeting where landlords made statements that were very hurtful in generalizing about tenants who use rental subsidies, and felt the meeting was harmful to the tenants in attendance.
- Bring everyone to the table when making policy changes. Allow for stories, as those stories can help guide the policymaking process. Listen to all sides, as they may come up with ideas not considered yet. Approach the topic knowing that everyone is not going to be 100% happy but work towards creating something everyone can live with. This approach creates buy-in, so stakeholders can identify why a provision was included, even if they don't agree with it.

## **Ideas That Might Work in Olympia**

While this initiative is focused on solutions to keep more renters in stable housing now, the evaluation of options also includes a number of suggestions for longer-term structural considerations. All longer-term solutions reflect direct input from stakeholders.

### **Near-Term Solutions**

The project team evaluated and tested with stakeholders a number of potential solutions deployed in peer communities. Other policies ideas arose during stakeholder conversations and have been included for consideration. The following ideas may have some beneficial impact in Thurston County, pending additional discussion and vetting by all parties:

<b>Policy Evaluated</b>	<b>Why it could work</b>
<b>Required provision of renter rights and information packets</b>	Information and resources are helpful to everyone involved. Where to turn when unable to pay full rent. Renter rights. Landlord resources and technical assistance. Much of this information can be produced online and in print by City staff. Landlords are already required to provide certain info, so this would be an enhanced package.

<b>Relocation assistance program in the case of demolition or long-term remodel</b>	An emergency fund available to low-income renters displaced by demolition, change of use or substantial remodel. Funds could be used to cover or offset first, last month and security deposit to facilitate entry to a new rental unit. Could be supplemented with new residence research assistance provided by City staff or nonprofit partners. Would require public funding to work. Program model is outlined in State law (requires public hearing, tenants eligible if below 50% AMI, limits funding to \$2,000 per unit, cost split by landlord and City). Landlord could offer option to relocate tenant to existing comparable unit, if one exists.
<b>Extended rate increase notification period</b>	Unpopular among landlords but could be helpful in reducing relocation assistance demands. Extending period would allow renters who are priced out of current housing to find affordable replacement, potentially with assistance from City or nonprofits.
<b>Credit and criminal history screening restrictions</b>	Landlords are divided. Many indicate new State rules requiring Just Cause for evictions make screening more important or even tighter. Most landlords already require income of 3 times the rent. Some are actively renting to people with minor credit or criminal offenses. This could work if limited and crafted in partnership with landlords (and according to legal allowances). There are two primary concerns: renters who may harm or otherwise negatively impact other renters; and renters who do not have ability to pay (time and expense of eviction process is a concern).
<b>Landlord registration system to enhance communications and compliance</b>	A landlord registry would enable the City to understand who landlords are in Olympia for communications purposes. The registry would facilitate dissemination of information on resources (e.g., the current COVID rent relief programs), new or updated rental rules and opportunities for training. Some peer cities require a business license and mandatory periodic inspections, with loss of license for certain violations.
<b>Prohibition of “pet rent” fees</b>	If a landlord collects a pet deposit, there is no real need for a recurring pet rent. There is some risk that prohibiting this charge will reduce the number of units available to pet owners.
<b>Low interest loans or grants to landlords for repairs in exchange for rent stability</b>	Could incentivize completion of needed repairs while also protecting against the need for rent increases to offset cost. Could be funded through City and/or through partnership with CDFI lender(s). Could mirror State landlord mitigation fund program for landlords renting to tenants with subsidy or provide broader eligibility.
<b>Limits to security deposit and move-in fees (e.g., not greater than one month’s rent), and/or limit to late fees</b>	Provides greater ability to access housing, as move-in costs can be prohibitive. Late fees can accumulate per day and be difficult to pay off, though landlords are required to apply any payments by tenant to rent first. Landlords have stated they will increase rent to offset costs and mitigate risk.
<b>Reusable Tenant Screening Report</b>	State law allows landlords to decide whether or not they will accept a comprehensive reusable screening report from applicants. Most landlords do not accept these reports, causing tenants to pay for multiple applications and screening reports with essentially the same information. Requiring use of these reports would lessen the cost burden on tenants, who frequently pay \$40-\$50 per application, in addition to other move-in costs.

## Other Ideas to Consider

This section provides a summary of potential solutions discussed in stakeholder conversations as well as ideas that have been implemented in peer communities. The assessment as to why any particular idea may not work is based on stakeholder feedback and consideration of existing Washington State law.

<b>Policy Evaluated</b>	<b>Notes</b>
<b>Rent control</b>	Not currently allowed per state constitution, but laws are continually evolving.
<b>Expanded timeframe for installment payments for move-in fees and deposits</b>	In 2020, state law changed to allow a tenant to request installment payments for move-in fees and deposits.
<b>Expand Just Cause eviction requirements for any tenancy</b>	In 2021, state law changed to provide Just Cause protections. Select changes could be considered (law provides exceptions for some 6-12 month leases, which can be terminated with 60 days' notice at the expiration of the lease without providing a reason). Landlords feel state law was highly negotiated and the City should not reinvent new provisions. Renter advocates have informed us that some tenants are being asked to sign longer lease terms that fit into these exceptions or pay a higher rate for a month to month lease that is subject to Just Cause protections.
<b>Require City notification before putting rental units on the market</b>	This would enable City to notify nonprofits/lending partners so the property could potentially be purchased, and the units preserved as permanently affordable housing. Some cities have indicated that it is difficult for a nonprofit or housing authority to pull together funds to purchase a property in 60 days, hasn't had intended impact.
<b>Economic Displacement Relocation Assistance</b>	Newly passed by Seattle, not yet implemented and will likely be litigated due to claims that it is effectively rent control. EDRA requires landlords to pay relocation assistance to a low-income (80% of AMI) tenant who is displaced by a rent increase of 10% or more. Could be considered after evaluating impact of Seattle's ordinance. Seattle model requires landlords to use City as pass-through for funds, which creates additional administrative burden and cost on City (estimated \$1M). Portland model only requires City step in if landlord doesn't comply, which saves a significant cost in implementation of program.
<b>Permanent Alternative Dispute Resolution Process</b>	Thurston County currently requires using dispute resolution services for nonpayment of rent cases related to COVID before filing an eviction. This clause included in state law will expire in July 2023. Support for a permanent program may help both landlords and tenants avoid the cost of going through a court filing, as well as help tenants avoid having an eviction on their record. The state will evaluate this program and may decide to fund on an ongoing basis. Cooperation with Thurston County Superior Court may be required for implementation. May be approached more effectively on a regional scale.

## Longer-Term Solutions

Stakeholders also offered suggestions for addressing affordable housing challenges over the long term. Some ideas are already captured in Olympia's Housing Action Plan. Others are novel, or variations on ideas previously introduced. Ultimately, while there is universal agreement that more affordable housing is required, opinions on how to go about accomplishing it vary. Stakeholder suggestions include:

- Facilitating cooperative housing solutions:
  - Work with coops to purchase or build manufactured and multifamily housing that renters can purchase through equity mechanism
  - Enact a Tenant Opportunity to Purchase ordinance that provides first right of refusal to tenants prior to a property being placed on the open market
- Building additional stock with public funds:
  - Redirect existing general fund dollars
  - Ask voters for additional tax funding or pursue a councilmanic tax on real estate transactions over a certain amount:
    - To purchase lower value homes
    - To purchase and convert unused commercial space
    - To purchase and develop or redevelop specific lots toward the goal of supplying demand identified in Housing Needs Analysis
  - Use technology to create more affordable options (e.g., 3-D print housing to help assuage current homeless proliferation)
- Acquiring additional stock by partnering with nonprofits to:
  - Purchase rental housing before it goes on market
  - Transfer ownership and management to housing nonprofit that can help maintain subsidized, permanently affordable rental units
- Incentivizing the building of additional stock:
  - Property tax credits beyond existing options – e.g., commensurate reduction in property tax for every \$100 landlord offers rent below market average for similar rental unit
  - Pursue conversions of hotels or other existing structures that can provide housing options sooner than new development
  - Work with willing developers to pilot affordable housing solutions (e.g., fee waivers on new low-income multifamily development that can be transferred to nonprofit housing services managers once developers have recouped expenses/profit)
- Reducing additive costs that may or may not artificially increase housing and rental expenses:
  - Targets include land use laws, impact fees, design standard requirements

## NEXT STEPS

Action Item	Estimated Delivery/Execution Date
Peer Community Outreach	October 2021
Stakeholder Interviews	September-October 2021
Revised LUEC Briefing Memo	October 2021
Preliminary LUEC Briefing	December 2021
Focus Groups	January-February 2022
Online Survey (priorities and preferences)	February-March 2022
Community Open Houses (if viable, possibly online)	TBD
Council Options Presentation	April 2022