

April 20, 2022

ARCH Member Councils

Dear ARCH Member Mayors and City Councils,

We are writing to update you on the critical issue of rising rents that are significantly affecting affordability in our ARCH communities and share a set of recommended tenant protection policies from the ARCH Executive Board that we hope you will consider. Our goal in sharing these recommendations is to elevate the impacts of rent increases being experienced by renters in our region and encourage ARCH members to move quickly to consider a consistent set of protections focused on the economic impacts of rent increases.

As you know, the influx of high paying jobs into our region has created far reaching ripple effects in the housing market. One of these effects is to increase the basis by which rents are calculated for most affordable housing programs administered in our region, known as the HUD area median income (AMI). Based on preliminary data, ARCH expects that the newest increase in the HUD AMI will create **rent increases for low-income tenants upwards of 16% this year**. This follows a 6.5% increase that many tenants experienced after the state moratorium on rent increases was lifted last year. For a renter in a 2BR apartment, this could be the equivalent of a \$330 monthly rent increase.

Based on HUD data that was just published on April 19, ARCH is now required to prepare new rent limits and inform property owners, who are then allowed under the covenants to impose rent increases up to the new limits. Under current state law, a tenant would only have 60 days' notice before such an increase would take effect. This will have significant and immediate impacts on tenants, who you may hear from in the coming months.

These rent increases could not come at a worse time, with pressures from inflation compounding the impact of high housing costs, and King County's rental assistance fund soon to be exhausted. These increases will directly impact renters in the 1,843 affordable rental apartments currently monitored by ARCH, which are located in Bellevue, Issaquah, Kenmore, Kirkland, Mercer Island, Newcastle, Redmond, Sammamish and unincorporated King County. Further, the impacts of rent increases are not unique to affordable housing tenants, with rents surging 15% in the last year in East King County, and 13% in the broader Puget Sound.

ARCH MEMBERS

BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS
POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER
ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW
POINT ♦ KING COUNTY

While we are pursuing longer-term strategies to address the shortage of affordable housing, we also know that other safety nets can make a critical difference to households faced with large rent increases. In light of these circumstances, the **ARCH Executive Board approved the attached Resolution 2022-01, which includes a set of recommended policies aimed at mitigating the impacts of rent increases and encouraging consistency in local regulations in our region.** The primary recommendations are:

- a. Require landlords in most cases to provide a minimum of 120 days' written notice of rent increases greater than 3%, and 180 days' notice of rent increases greater than 10%.
- b. Establish a cap on fees for late rental payments of at 1.5% of a tenant's monthly rent.
- c. Establish a cap in most cases on move-in fees and security deposits of no more than one month's rent and allow tenants to pay in installments.

While city councils may wish to take more time to consider a much broader set of tenant protection measures, ARCH encourages your timely consideration of the three policies identified in the resolution.

We appreciate your ongoing commitment to promoting and preserving housing affordability and stability in our region. ARCH staff are ready to provide support and technical assistance to jurisdictions taking up these measures, including sharing information from other jurisdictions who have already enacted similar measures, or preparing sample ordinances for review. Please don't hesitate to contact us with any questions.

Sincerely,


Kurt Triplett
Executive Board Chair


Lindsay Masters
Executive Director

RESOLUTION NO. 2022-01

A RESOLUTION OF THE EXECUTIVE BOARD OF A REGIONAL COALITION FOR HOUSING (ARCH), MAKING RECOMMENDATIONS CONCERNING LOCAL TENANT PROTECTION POLICIES AND LAWS FOR CONSIDERATION BY ARCH MEMBER JURISDICTIONS.

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

WHEREAS, local rental assistance programs are finite and have exhausted or nearly exhausted available resources for 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, such residents will be subject to significant expected rent increases in 2022, which are anticipated to create significant cost burdens, economic displacement and other negative impacts;

NOW, THEREFORE, the ARCH Executive Board resolves as follows:

Section 1. Findings

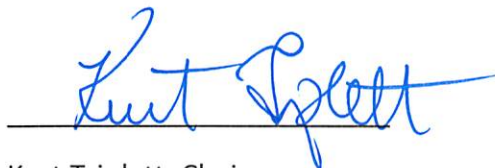
The Executive Board finds that preserving and promoting housing affordability and stability for existing residents living within ARCH member jurisdictions is an immediate and high priority. Further, the Executive Board finds that it is in the shared interests of ARCH member jurisdictions to advance common policies promoting and preserving housing affordability and stability, including policies establishing certain legal protections for tenants, and that such policies are urgently needed to help to mitigate the impact of significant rent increases expected this year and in coming years.

Section 2. Recommendations

The Executive Board recommends that ARCH member jurisdictions consider adopting consistent local measures that at a minimum establish the following tenant protections:

- a. Notice of Rent Increase. Require landlords to provide a minimum of 120 days' written notice of rent increases greater than 3%, and 180 days' notice of rent increases greater than 10%, except in subsidized housing where rent is set based on the income of the tenant.
- b. Limits on Late Fees. Establish a cap on fees for late payment of rent at 1.5% of a tenant's monthly rent.
- c. Limits on Move-In Fees. Establish a cap on move-in fees and security deposits of no more than one month's rent except in subsidized tenancies where rent is set based on the income of the tenant, and allow tenants to pay in installments.

Approved this 14th day of April, 2022.



Kurt Triplett, Chair