

**CITY OF ISSAQUAH
City Council
Services, Safety & Parks Committee**

6:30 PM
September 20, 2022

MINUTES

Council Chambers, 135 E.
Sunset Way, Issaquah WA

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Committee Members:
Tola Marts, Chair
Chris Reh
Barbara de Michele

Administration/Staff:
Wally Bobkiewicz, City Administrator
Chris Grabowski, Deputy City Clerk

CALL TO ORDER

Chair Marts called the meeting to order at 6:30 PM.

PUBLIC COMMENT

No one spoke at public comment.

AGENDA ITEMS

ID 1235 Vehicle Trespass Ordinance

Presented by:

Rachel Bender-Turpin, City Attorney

After the staff presentation no one spoke at public comment

Committee members were in support of the draft ordinance and recommended that it be placed on the regular business portion of the next regular City Council meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 6:58 PM.

Tola Marts, Chair

Chris Grabowski, Deputy City Clerk



Staff Report

ID # 1269 – ARCH Recommendations: Late Fees & Move In Fees

Meeting Date October 18, 2022
Department Parks & Community Services
Staff Lead Monica Negrila

Attachments

- A. Letter to ARCH members dated 4/20/2022
- B. ARCH Resolution 2022-01
- C. ARCH Recommendations – Late fees and move-in costs

Direction Needed from Council

Administration is returning to Services, Safety & Parks Committee (SSPC) following City Council's recommendation during the [September 6, 2022 City Council Regular Meeting](#) to further discuss ARCH's (A Regional Coalition for Housing) recommendations regarding tenant protection options, in particular, late fees and move in fees. The administration is seeking direction from the SSP Committee on possible next steps, including:

1. Continue to monitor potential actions taken by other jurisdictions.
2. Return to City Council with a draft ordinance to adopt recommendations regarding late fees and move in fees.
3. Direct the administration to consider a different approach.
4. Take no further action.

Recommendation

Administration recommends taking no further action on this item.

Background

On April 20th, 2022, ARCH (A Regional Coalition for Housing) Board of Directors sent ARCH member mayors and councils a letter (Exhibit A) and a resolution (Exhibit B) with recommendations to adopt tenant protections

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aimed at mitigating the impacts of rent increase. ARCH Executive Board approved a set of recommended policies aimed at addressing the economic impacts of rent increases and was encouraging mayors and councils to consider the following recommendations:

- 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%.
- Establish a cap on fees for late rental payments of at 1.5% of a tenant's monthly rent.
- Establish a cap on move-in fees and security deposits of no more than one month's rent and allow tenants to pay in installments.

Following deliberations and recommendations made by Councilmembers during the [June 22, 2022](#), and [July 19, 2022, Council Services, Safety & Parks Committee meetings](#), City Council adopted [Ordinance No. 2986](#) at its [September 6, 2022, City Council Regular Meeting](#). This ordinance went into effect on October 6, 2022, and added new sections to the City's code to:

- require landlords to provide not less than one hundred twenty (120) days' written notice for residential rent increases greater than three (3) percent; and
- continue to require a minimum of thirty (30) days' prior notice of rent increases for subsidized housing, where the amount of rent is based on the income of the tenant, or circumstances specific to subsidized households, as provided in the Residential Landlord Tenant Act (Chapter 59.18 RCW).

Other Jurisdictions:

To date, among ARCH member cities, Redmond and Kirkland adopted tenant protections following the letter received in April. The City of Kenmore adopted similar provisions in March 2022, and later amended them in [July 2022](#) to include just cause protections and ban on abusive, deceptive, and unfair practices in rental housing. The City of Redmond City Council adopted on July 19, 2022 [Ordinance 3091AM](#) increasing notification for rent increases, capping late fees, capping move-in fees and deposits, authorizing tenant payment plans, and providing for severability, and establishing an effective date.

The City of Kirkland City Council adopted on August 3, 2022, [Ordinance O-4810](#) establishing a requirement for landlords to provide a minimum 120 days written notice of rent increases greater than three percent, and 180 days' notice of rent increases greater than ten percent. The City of Kirkland also established a cap on move-in

fees and security deposits of no more than one month's rent. This cap does not apply to subsidized tenancies, where rent is set based on the income of the tenant and allow tenants to pay in installments.

To date, no other ARCH jurisdictions have taken action on the recommendations proposed. The other jurisdictions making up the ARCH member cities include Bellevue, Bothell, Clyde Hill, Medina, Mercer Island, Newcastle, Sammamish, Woodinville.

Prior to the recommendations issued by ARCH in April 2022, similar provisions have been implemented in recent years by other regional jurisdictions, including the City of Auburn, Kenmore, Burien, Federal Way, Seattle, and King County.

Analysis

Administration is returning to Services, Safety & Parks Committee (SSPC) following City Council's recommendation during the [September 6, 2022 City Council Regular Meeting](#) to further discuss ARCH (A Regional Coalition for Housing) recommendations regarding tenant protection options, in particular, late fees and move in fees.

The recommendations proposed by ARCH include:

- establishing a cap on fees for late rental payments of at 1.5% of a tenant's monthly rent; and
- establishing a cap on move-in fees and security deposits of no more than one month's rent and allow tenants to pay in installments.

The table in Exhibit C shows actions taken by other jurisdictions regarding late fees and move in fees.

Options

The following options are proposed for the Council Services, Safety, and Parks Committee consideration:

1. Continue to monitor potential actions taken by other jurisdictions.
2. Return to City Council with a draft ordinance to adopt recommendations regarding late fees and move in fees.
3. Take no further action.
4. Direct the administration to consider a different approach.

Impacts – Financial, Policy & Community

If adopted as proposed, the Ordinance is anticipated to have limited financial impact for the City. The provisions stated in the Ordinance will have financial, policy, and community implications for tenants and landlords.

Timing & Next Steps

Administration recommends taking no further action on this item.

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**