

HOUSE BILL REPORT

HB 1903

As Reported by House Committee On:
Local Government

Title: An act relating to relocation assistance for low-income tenants.

Brief Description: Concerning relocation assistance for low-income tenants.

Sponsors: Representatives Romero, Jarrett, Upthegrove, Edwards, Hunt and Moeller.

Brief History:

Committee Activity:

Local Government: 2/24/03, 3/5/03 [DPS].

Brief Summary of Substitute Bill

- Removes authority under the Landlord Tenant Act for local governments to charge an owner for housing relocation assistance for low-income tenants who are dislocated as a result of code violations.
- Authorizes local governments to charge an owner of a substandard- dwelling relocation assistance for low-income tenants who are prevented from occupying the dwelling.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Romero, Chair; Upthegrove, Vice Chair; Jarrett, Assistant Ranking Minority Member; Berkey, Clibborn and Moeller.

Minority Report: Do not pass. Signed by 4 members: Representatives Schindler, Ranking Minority Member; Ahern, Ericksen and Mielke.

Staff: Amy Wood (786-7127).

Background:

Landlord Tenant Act/Relocation Assistance for Low-Income Tenants

Counties and cities required to plan under the Growth Management Act may require

housing relocation assistance from property owners for low-income persons who are dislocated from an assisted housing development. A local government may require property owners to provide relocation assistance to low-income tenants upon the demolition, substantial rehabilitation (whether due to code enforcement or other reason), change of use, or removal of use restrictions in an assisted housing development.

An assisted housing development– means a multi-family rental housing development that receives federal, state, or local government assistance and is subject to use restrictions. The total relocation assistance may not exceed \$2,000 per household with the property owner paying not more than one half of the housing relocation.

Unfit Dwellings, Buildings, and Structures

A local government is authorized to address unfit dwellings, buildings, structures, and premises within its jurisdiction. The local governing body is authorized to establish an improvement board or officer by passing an ordinance. The ordinance must describe the standards to be applied in defining a building or structure unfit, and in authorizing the board or officer to take action.

Once a building is identified as unfit, a notice must be sent to all listed owners advising them of an administrative hearing. If no appeal is filed or the appeal results in a classification of unfit, the owners are ordered to repair, vacate, or demolish the structure. The officer or the board may repair or demolish the structure if the owner does not accomplish it in a reasonable amount of time. The costs are assessed to the property.

Summary of Substitute Bill:

Landlord Tenant Act/Relocation Assistance for Low-Income Tenants

A local government may not require property owners to provide relocation assistance to low-income tenants if a tenant is forced to relocate because of code violations.

Unfit Dwellings, Building, and Structures

A local government may require payment by the owner of a substandard– dwelling for rental relocation allowance– for low-income tenants who are prevented from using or occupying the dwelling, building, or structure by an order of the municipality. A substandard– building is defined under the Uniform Housing Code as any building that is determined to be unsafe under the building code, or any portion thereof in which there exists any condition referenced in the building code that endangers the life, limb, health, property, safety, or welfare of the public or its occupants.

The total relocation assistance may not exceed \$2,000 per dwelling unit. A local

government may provide a deadline by which relocation assistance must be paid, and a per diem monetary penalty for each day relocation is late. Reasonable attorneys' fees and costs shall be awarded to the prevailing party.

Substitute Bill Compared to Original Bill:

A municipality must declare a property to be substandard— before it can require a property owner to pay relocation assistance. Reasonable attorneys' fees are awarded to the prevailing party. The provision authorizing a municipality to pierce the corporate veil if a property owner fails to pay relocation assistance is removed.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill was brought by the City of Olympia because it had tremendous problems attempting to relocate tenants under existing channels from a building that has been deemed unsafe. The bill is not meant to effect good property owners, only the bad ones.

The bill deals with a difficult and unfortunate situation where through neglect of the landlord, tenants are left in an uninhabitable building. There are leaking windows, bad electrical problems, and toxic mold. The City does not want to subject these tenants to such circumstances due to neglect by the landlord. It is not appropriate that the public would have to pay the bill for a landlord that has neglected his responsibilities. The City needs an enabling statute to pursue owners in these extreme cases.

Testimony Against: There are concerns over the landlord being required to pay 100 percent of relocation, where existing law only requires 50 percent. The state of Vermont found it unconstitutional to require a landlord to pay relocation expenses, and Washington did the same for relocation assistance for mobile home parks. The amount raises concerns that it is unduly burdensome. This matter should be handled under existing landlord tenant law. In addition, attorneys' fees should be awarded in both ways, not just to the city. This is not the best method for fixing the situation.

Testified: (In support) Representative Romero, prime sponsor; Bob Sterbank and Dick Cushing, City of Olympia; Ann Mathews, Emergency Shelter Network; and Pat Tassoni, Tenants Union.

(Opposed) Eric Mewhinney, Washington Apartment Association; and John Woodring,

Rental Housing Association of Puget Sound.