

SENATE BILL REPORT

SB 6400

As of January 31, 2018

Title: An act relating to local authority to address affordable housing needs through regulation of rent and associated charges.

Brief Description: Concerning local authority to address affordable housing needs through regulation of rent and associated charges.

Sponsors: Senators Saldaña, Chase, Hasegawa, Hunt and Kuderer.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/30/18.

Brief Summary of Bill

- Repeals provisions that prohibit towns, cities, and counties from enacting, maintaining, or enforcing ordinances which regulate the amount of rent to be charged for single-family or multiple-unit residential rental structures.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jeff Olsen (786-7428)

Background: Under the state Constitution, local jurisdictions have the authority to adopt and enforce locally applicable public health, safety, and other laws unless in conflict with the general laws of the state.

Pursuant to legislation enacted in 1981, towns, cities, and counties are expressly prohibited from enacting, maintaining, or enforcing ordinances or other provisions which regulate the amount of rent to be charged for single-family or multiple-unit residential rental structures or sites. There is an exception for properties in public ownership, under public management, or properties providing low-income rental housing under joint public-private agreements.

Additionally, towns, cities, and counties are not prohibited from entering into agreements with private persons that regulate or control the amount of rent to be charged.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The laws preempting towns, cities, and counties from imposing rent controls for single-family or multiple-unit residential rental structures are repealed.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The cost of living and housing in the Seattle area is very high, causing a housing crisis. Local communities need to look at all tools to address the problems with housing and homelessness, including rent control. The market is not working to balance supply and demand and rents are soaring. Funds that have been used for tax breaks could be used to fund housing. Individuals on fixed incomes or medical disability have difficulty maintaining their housing and are forced to move. It can be difficult to save sufficient funds to afford a damage deposit. Rents are rising much faster than costs, resulting in price gouging. Rent control can work if it is properly managed. Salaries in some areas are not sufficient for public employees to afford housing, requiring long commutes and resulting in difficulty finding housing.

CON: Rents are rising because costs are also rising including property taxes, utilities, repairs, and management costs. The Growth Management Act provides effective tools to increase the supply of housing, and the focus should be a partnerships between landlords and tenants. The best way to address the costs of rents is to increase the supply of housing. Rent control will result in landlords selling their rentals, decreasing supply, and making the problem worse. Rent control has not worked in other communities, for example, in San Francisco. Land use restrictions must be removed to encourage more housing.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Joelle Craft, citizen; Edmund Witter, citizen; Xochitl Maykovich, Washington Community Action Network; Michele Thomas, Washington Low Income Housing Alliance; George Poston, citizen; Alex Bacon, Washington Federation of State Employees; Debbie Carlsen, LGBTQ Allyship; Leonard Bordeaux, citizen; Dinah Braccio, Tenants Union of Washington State; Ksham Sawant, Councilmember, City of Seattle; Seamus Petrie, Washington Public Employees Association.

CON: Paul Zemtsov, citizen; David Nagel, citizen; Candice Chevaillier, SVN Whitecap; Bob Mitchell, Washington REALTORS; Roger Valdez, Seattle For Growth; Willaim Shadbolt, Rental Housing Association of Washington; Brett Waller, Washington Multi-Family Housing Association; Krystelle Purkey, Washington Multi-Family Housing Association; Deborah Reiswig, Equity Residential; Michael Gustavson, Kitsap Alliance of Property Owners; Mimi Gustavson, Kitsap Alliance of Property Owners; Bruce Norton, Rental Housing Association; Rob Trickler, Washington Landlord Association; Alexander Augustyn, Cal-Am Properties; Brett Waller, Washington Multi-Family Housing Association; Krystelle Purkey, Washington Multi-Family Housing Association; Deborah Reiswig, Equity Residential.

Persons Signed In To Testify But Not Testifying: CON: Mike Ennis, Association of Washington Business; Greg Hanon, NAIOP; Barbra Menendez, Auburn Manor Mobile Home Park; Donald Arsenault, Washington Self Storage and Washington State; Ron Bunn, citizen; Robert Myers, citizen; Mark Brubaker, Cal Am Properties Regional Manager; Donald Arsenault, Washington Self Storage and Washington State CCIM Chapter; Jamie Nowogroski, Alpine Pioneer Manufactured Housing Community.