

RESOLUTION NO. 2023-18

**A RESOLUTION DEFERRING INITIATIVE NO. 2023-02 WHICH CONCERNS
THE ADOPTION OF AN ECONOMIC DISPLACEMENT ASSISTANCE MANDATE
IN LANDLORD-TENANT RELATIONS TO THE VOTERS**

WHEREAS, a sufficient number of qualified electors of the City of Bellingham have proposed an initiative bill, previously assigned number 2023-02, which would establish an economic displacement assistance mandate (also referred to as relocation assistance) in landlord-tenant relations; and

WHEREAS, initiative bill no. 2023-02 would require landlords to provide written notice 120 days before increasing rent by more than 8% in a rolling 12-month period; require landlords to pay relocation assistance equal to three times the current fair market monthly rent for Bellingham or three times the tenant's existing monthly rate, whichever is higher, when increasing rent more than 8%, with limited exceptions; provide tenants receiving assistance a relocation period of 5 months; and authorize private actions and city enforcement; and

WHEREAS, the Charter and the Bellingham Municipal Code provide that City Council may enact the initiative bill, reject the initiative bill, reject the initiative bill and propose another bill dealing with the same subject, defer the initiative bill to the voters, or take no action on the initiative bill; and

WHEREAS, the City Council considered Initiative No. 2023-02 during a regularly scheduled meeting on July 10, 2023, and moved to defer the bill to the voters in November; and

WHEREAS, RCW 29A.04.330 requires that the City Council pass a resolution requesting that the Whatcom County Auditor, as ex officio supervisor of elections, place Initiative No. 2023-02 on the November 7, 2023, ballot on or before the day of the primary election, i.e., August 1, 2023; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLINGHAM:

The City Council hereby defers Initiative No. 2023-02 which would establish a rental relocation assistance, also referred to as economic displacement relocation assistance, program for tenants to the voters.

The Finance Director or designee shall promptly deliver a copy of this resolution to the Whatcom County Auditor requesting that Initiative No. 2023-02 be submitted to the

qualified electors of the City for approval or rejection at an election to be held on November 7, 2023, pursuant to the City Charter and the Bellingham Municipal Code.

City staff is authorized to take additional actions that may be required by the County Auditor to ensure that this measure is placed on the ballot in November.

PASSED by the Council this 24th day of July, 2023.



Council President

APPROVED by me this 26th day of July, 2023.



Mayor

ATTEST: 

Finance Director

APPROVED AS TO FORM:



Office of the City Attorney



**Finance Department
City of Bellingham**

Received In Person

MAR 01 2023

Whatcom County Elections

March 1, 2023

Whatcom County Auditor Diana Bradrick
311 Grand Avenue
Suite 103
Bellingham, WA 98225

RE: Proposed Initiative Petitions for the City of Bellingham

Dear Madame Auditor,

Please find attached for filing copies of three proposed initiative measures that were submitted to the City of Bellingham electronically by Jace Cotton on February 14, 2023.

Proposed initiative measure 2023-01 concerns the establishment of a local minimum wage that would be set at \$2.00 above the State minimum wage. Measures 2023-02 and 2023-03 concern the establishment of a rental relocation assistance program for tenants whose rent is increased more than 8% in a rolling 12-month period. In accordance with the Bellingham Municipal Code, Chapter 1.02, each measure was assigned a number and delivered to the City Attorney to draft the required ballot title.

We respectfully request that your office acknowledge receipt of this filing and, more importantly, provide notice of receipt of the ballot titles to the person proposing the measure, the city, and to any other person who requests a copy of the ballot title. Any person dissatisfied with the wording of the ballot title shall have ten working days from the date of filing to file an appeal in Whatcom County Superior Court under RCW 29A.36.090.

Thank you for your time and attention to this matter. Please let know if you have any questions.

Respectfully,


Andrew Asbjornsen
Finance Director

BALLOT TITLE FOR
CITY OF BELLINGHAM INITIATIVE NO. 2023-02

City of Bellingham Initiative No. 2023-02 concerns the adoption of a rental relocation assistance program for tenants.

This measure would require landlords to provide written notice 120 days before increasing rent by more than 8% in a rolling 12-month period; require landlords to pay relocation assistance equal to three times the current fair market monthly rent for Bellingham or three times the tenant's existing monthly rate, whichever is higher, when increasing rent more than 8%, with limited exceptions; provide tenants receiving assistance a relocation period of 5 months; and authorize private actions and city enforcement.

Should this measure be enacted into law?

Yes?.....

No?.....

AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON REGARDING THE ADOPTION OF AN ECONOMIC DISPLACEMENT ASSISTANCE MANDATE IN LANDLORD-TENANT RELATIONS.

WHEREAS, housing rental prices continue to grow in Bellingham. According to data produced by Zillow rental manager, the price of the median two-bedroom rental in Bellingham increased from \$1,625 in December 2021 to \$2,000 in December 2022;

WHEREAS, wages have not kept pace with housing costs. The Housing FAQ on the City of Bellingham's website identifies a gap between average incomes and housing prices, noting, "From 2000 to 2020, the median family income in Bellingham increased by 20% while the median home value increased by nearly 80%";

WHEREAS, the resulting gap between wages and housing prices has created a large number of cost-burdened households. According to the American Community Survey, 57% of renting households in Bellingham are cost-burdened (spending more than 30% of household income on housing) with 30% being severely cost-burdened (spending more than 50% of household income on housing);

WHEREAS, low-income households bear the brunt of high housing costs; of those households making 50% or less of the median income in Whatcom County, 81% are either cost burdened or severely cost burdened;

WHEREAS, renters disproportionately bear the burden of low incomes and high housing costs. Almost 55% of rental households are cost-burdened or severely cost-burdened, as compared to 28% of homeowners. A third of Bellingham renters are severely cost-burdened;

WHEREAS, the current rental vacancy rate in Bellingham is among the lowest in the nation. Estimates for the vacancy rate in Fall 2020 varied from .2% to just over 2%, both of which are far below the 5-7% vacancy rate that the City of Bellingham defines as healthy;

WHEREAS, chronically low vacancy rates make it difficult for renters to find decent, safe, affordable housing;

WHEREAS, moving among rentals often requires large sums of money, including first and last month's rent, deposits, moving expenses, and utility deposits for a new residence;

WHEREAS, in 2020 the Federal Government Office of Accountability found a \$100 increase in median rental price was associated with about a 9 percent increase in the estimated homelessness rate. Forced relocation from large rent increases is not merely expensive, it puts renters under economic stress that increases their risk of becoming homeless; and

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. Definitions.

Definitions for this Ordinance shall be the same as BMC 6.12.010, in addition to to the following definitions:

“City” means the City of Bellingham, Washington.

“Increase notice” is a written notice from the landlord declaring the amount by which the landlord is increasing the rent or associated housing costs.

“Relocation assistance” means assistance in the form of a monetary payment to a tenant who is relocating after receiving a rent increase notice of 8% or more of the previous 12-month period that would otherwise cause a financial burden unto the tenant to aid in costs of relocation (moving costs, utilities deposits, security deposits, first/last month's rent, and any applicable pet fees).

“Relocation period” is the 5 months following the receipt of relocation assistance.

“Rent” shall have a meaning pursuant to RCW 59.18.030 (29).

“Request for Relocation Assistance” is a written notice from the tenant to the landlord requesting relocation assistance in response to an increase notice.

“Transitional housing” means housing units owned, operated, or managed by a nonprofit organization or governmental entity in which supportive services are provided to individuals and families that were formerly homeless, with the intent for them to move to permanent housing.

Section 2. Notice of Rental Increase and Right to Economic Displacement Relocation Assistance.

A. As allowed by the Ordinance, if a landlord increases a tenant's rent or associated housing costs by 8 percent or more over a rolling 12-month period, the landlord shall deliver an increase notice in a manner consistent with RCW 59.12.040 to each affected tenant:

1. at least 120 days prior to the effective date of the rent increase; or
2. the time period designated in the rental agreement, whichever is longer.

B. The increase notice must specify:

1. the amount of the increase;
2. the total amount of the new rent or associated housing costs;
3. the date when the increase becomes effective;
4. a rationale for the rent increase;
5. the total amount of relocation assistance available under this Ordinance to tenants of the unit upon displacement; and
6. the rights of tenants under this ordinance including:

- a. a statement of the the right of the tenant to request economic displacement relocation assistance within 45 days of receipt of the increase notice;
- b. a statement that if the tenant receives timely relocation assistance as provided for under this Ordinance, the tenant shall have a relocation period of 5 months from the date of the receipt of the relocation assistance; and
- c. a statement that at the conclusion of this relocation period, if the tenant remains in the dwelling unit, the tenant shall be obligated to pay the increased rent in accordance with the increase notice for the duration of the tenant's occupancy of the dwelling unit and to repay the relocation assistance.

C. If, within 45 calendar days after each tenant receives an increase notice indicating a rent increase of 8 percent or more within a rolling 12-month period, the tenant may provide a request for relocation assistance to the landlord.

1. Within 31 calendar days of receiving the request for relocation assistance, the landlord shall pay to the tenants relocation assistance equivalent to:
 - a. Either a sum equalling three times the current fair market monthly rent for Bellingham, WA as defined by HUD Office of Policy Development and Research for an apartment of the same size; or
 - b. three times the tenant's existing monthly rent, whichever is larger.
2. The requirements of this Subsection apply per dwelling unit, not per individual tenant.

Section 3. Return of Relocation Assistance.

- A. If the tenant receives timely relocation assistance as provided for under this Ordinance, the tenant shall have a relocation period of 5 months from the date of the receipt of the relocation assistance.
- B. At the conclusion of this relocation period, if the tenant remains in the dwelling unit, the tenant shall be obligated to pay the increased rent in accordance with the increase notice for the duration of the tenant's occupancy of the dwelling unit and to repay the relocation assistance.

Section 4. Notice to the City.

A landlord shall provide notice to the City of Bellingham of:

- A. All requests for relocation assistance, within 30 days of receipt of such notices; and

B. All payments of relocation assistance within 30 days of making such payments.

Section 5. Enforcement.

A. In the event of a landlord's failure to comply with any section or subsection of this Ordinance, a tenant shall have a cause of action in any court of competent jurisdiction for such payments and damages listed herein and other remedies as may be appropriate.

1. A landlord that fails to comply with any of the requirements set forth in this Ordinance shall be liable to the tenant for an amount equal to double the amount of relocation assistance specified herein, actual damages, and reasonable attorney fees and costs.
2. In addition to any other legal defense a tenant may have, it is an additional affirmative defense against eviction that the landlord is in violation of this Ordinance.

B. Complaints that any provision of this chapter has been violated may also be presented to the City Attorney, who is hereby authorized to investigate and, if they deem appropriate, initiate legal or other action to remedy any violation of this chapter.

C. The City has the authority to issue notices of civil infraction and to order injunctive relief including payment of unpaid relocation assistance and other forms of relief.

D. In addition to any other remedy provided by this Ordinance or allowed by law, any landlord violating any of the provisions or failing to comply with any of the requirements of this chapter shall have committed a civil infraction and shall be punished by a fine not to exceed the following amounts:

1. First offense – \$500.00.
2. Second offense – \$750.00.
3. Third offense – \$1,000.

Section 6. Exceptions.

The Economic Displacement Relocation Assistance provisions of this Ordinance do not apply to any of the following:

- A. A landlord and tenant living on the same site if the site has four or fewer dwelling units;
- B. Tenants who have lived in the dwelling unit for less than six months;
- C. Transitional housing.

Section 7. Severability

The provisions of this section are severable. If any provision of this Ordinance or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given

effect without the invalid provision or application.

Section 8. Codification.

Sections 1 through 7 of this Act constitute a new chapter in Title 6 of the Bellingham Municipal Code.

Section 9. Effective Date.

The effective date of this ordinance shall be 60 days after passage.