HOUSE BILL REPORT
EHB 1217

As Amended by the Senate

Title: An act relating to improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.

Brief Description: Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.

Sponsors: Representatives Alvarado, Macri, Ramel, Peterson, Berry, Mena, Thai, Reed, Obras, Farivar, Parshley, Ortiz-Self, Cortes, Duerr, Street, Berg, Taylor, Fitzgibbon, Doglio, Timmons, Tharinger, Fosse, Gregerson, Simmons, Wylie, Pollet, Kloba, Nance, Davis, Ormsby, Lekanoff, Bergquist, Scott, Stonier and Hill.

Brief History:

Committee Activity:

Housing: 1/13/25, 1/20/25 [DPS];
Appropriations: 2/3/25, 2/10/25 [DP2S(w/o sub HOUS)].

Floor Activity:

Passed House: 3/10/25, 53-42.
Senate Amended.
Passed Senate: 4/10/25, 29-20.

Brief Summary of Engrossed Bill

- Limits rent increases to 7 percent during any 12-month period under the Residential Landlord-Tenant Act (RLTA) and the Manufactured/Mobile

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

Home Landlord-Tenant Act (MHLTA), with certain exemptions.

- Requires a specific form for written notice of rent increases to tenants.
- Provides certain other protections for tenants, such as tenant lease termination provisions, a 90-day rent increase notice period under the RLTA, and limits on move-in fees, security deposits, and late fees under the MHLTA.
- Authorizes a tenant or the Attorney General to bring a court action to enforce compliance with the bill.
- Requires the Department of Commerce to contract with an independent third party to carry out a social vulnerability assessment of the impacts of rent stabilization.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Peterson, Chair; Hill, Vice Chair; Alvarado, Cortes, Entenman, Gregerson, Lekanoff, Reed and Timmons.

Minority Report: Do not pass. Signed by 7 members: Representatives Low, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Manjarrez, Assistant Ranking Minority Member; Barkis, Connors, Dufault and Engell.

Minority Report: Without recommendation. Signed by 1 member: Representative Richards, Vice Chair.

Staff: Audrey Vasek (786-7383).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Housing. Signed by 18 members: Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg, Bergquist, Callan, Cortes, Doglio, Fitzgibbon, Lekanoff, Peterson, Pollet, Ryu, Springer, Stonier, Street, Thai and Tharinger.

Minority Report: Do not pass. Signed by 12 members: Representatives Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Burnett, Caldier, Corry, Dye, Keaton, Manjarrez, Marshall and Rude.

Minority Report: Without recommendation. Signed by 1 member: Representative

Leavitt.

Staff: Jessica Van Horne (786-7288).

Background:

Residential Landlord-Tenant Act.
The Residential Landlord-Tenant Act (RLTA) governs the legal duties, rights, and remedies related to any rental agreement between a landlord and a tenant for a residential dwelling unit.

Rent Increases and Notice Requirements.
Generally, a landlord subject to the RLTA is required to provide each affected tenant with written notice of a rent increase at least 60 days before the increase, and any increase in rent may not become effective prior to completion of the term of the rental agreement. However, if the rental agreement is for a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord must provide each affected tenant with written notice of a rent increase at least 30 days before the increase, and an increase in rent may become effective sooner than completion of the term of the rental agreement upon mutual consent.

Tenant Lease Termination.
Generally, a tenant subject to the RLTA may end a rental agreement by providing a landlord with written notice at least 20 days before the end of any month for a month-to-month tenancy, or written notice at least 20 days before the end date specified in the rental agreement for a longer-term tenancy. However, upon receiving certain military orders, a tenant who is a member of the armed forces may end a month-to-month tenancy with less than 20 days of written notice and may end a longer-term tenancy with at least 20 days of written notice at any time during the tenancy.

Manufactured/Mobile Home Landlord-Tenant Act.
The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the legal duties, rights, and remedies related to any rental agreement between a landlord and a tenant for a manufactured/mobile home lot within a manufactured/mobile home park where the tenant has no ownership interest in the property or in the association that owns the property.

Rent Increases and Notice Requirements.
Under the MHLTA, a rental agreement between a landlord and a tenant is generally not allowed to contain any provisions that allow the landlord to increase the rent during the term of the rental agreement if the term is less than two years, or more frequently than annually if the initial term is for two years or more. However, an exception is provided for certain escalation clause provisions.

A landlord subject to the MHLTA who intends to increase the rent upon the expiration of

the term of a rental agreement must notify the tenant in writing three months prior to the effective date of the rent increase.

Tenant Lease Termination.
Generally, a tenant subject to the MHLTA may end a rental agreement by providing a landlord with written notice one month before the expiration of the rental agreement. However, a tenant may end a rental agreement with 30 days of written notice at any time during the rental agreement whenever a change in the location of the tenant's employment requires a change in residence. Additionally, a tenant who is a member of the armed forces may end a rental agreement with less than 30 days of written notice at any time during the rental agreement if the tenant receives certain military orders that do not allow for greater notice.

Definition of Rent.
The RLTA defines "rent" or "rental amount" as recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. With an exception related to installment payment plans for nonrefundable fees or deposits, these terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees.

The MHLTA does not contain a definition of "rent" or "rental amount." However, the MHLTA does specify that rental agreements must include a listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of any fees to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately.

Summary of Engrossed Bill:

Rent Increase Limit.
Unless an exemption applies, a landlord is prohibited from increasing the rent for a tenant subject to the RLTA or the MHLTA, regardless of the length or type of lease, in an amount greater than 7 percent during any 12-month period of the tenancy, or by any amount during the first 12 months after the tenancy begins. The rent increase limit does not prohibit a landlord from adjusting the rent by any amount after a tenant subject to the RLTA vacates the dwelling unit and the tenancy ends.

Exemptions to the Rent Increase Limit.
The rent increase limit does not apply in the following circumstances:

- for tenancies in dwelling units where the first certificate of occupancy was issued 12 or less years before the date of the notice of the rent increase;
- for tenancies in dwelling units or manufactured/mobile home lots operated by public housing authorities; public development authorities; nonprofit organizations where maximum rents are regulated by other laws or local, state, or federal affordable

housing program requirements; or certain other nonprofit entities;
- for tenancies in certain qualified low-income housing developments where the property is owned by any such organizations;
- for tenancies in certain owner-occupied rentals under the RLTA, including the following, as long as the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation:
    - tenancies in a dwelling unit where the tenant shares a bathroom or kitchen with the owner who maintains a principal residence at the property;
    - tenancies in single-family owner-occupied residences, including residences where the owner-occupant rents no more than two units or bedrooms; and
    - tenancies in duplexes, triplexes, and fourplexes in which the owner occupied one of the units as a principal residence at the beginning of tenancy, so long as the owner continues the occupancy;
- during the first 12 months after the qualified sale of a manufactured/mobile home community (MHC) to an eligible organization under the MHLTA whose mission aligns with the long-term preservation and affordability of the MHC, if needed to cover the cost of purchasing the MHC and approved by the majority of homeowners in the MHC; and
- if a rental agreement is transferred due to a former tenant's sale of a manufactured/mobile home, the landlord has the option to make a one-time rent increase of no more than 10 percent at the time of the rental agreement's first renewal after the transfer, as long as the landlord provides the tenant with notice of this one-time increase option prior to final transfer of the rental agreement.

Rent Increase Notice Requirements.
A landlord must provide tenants with written notice of rent increases in a specific form known as the Rent and Fee Increase Notice to Tenants. The form includes a brief plain language summary of the laws regarding rent increases and the exemptions that can be claimed by a landlord. If a landlord claims an exemption from the rent increase limit, the landlord must include facts or attach documents to the notice form supporting any claimed exemptions. The notice must be served in accordance with the requirements for service of notices under the unlawful detainer chapter, the RLTA, and the MHLTA.

The rent increase notice period under the RLTA is increased from 60 days to 90 days such that a landlord is required to provide a minimum of 90 days' written notice to tenants before the effective date of any rent increase. However, for a tenant whose lease or rental agreement was entered into or renewed before the effective date of the bill and whose tenancy is for a specified time, if the lease or rental agreement has more than 60 days but less than 90 days left before the end of the specified time, the landlord must provide written notice to the tenant a minimum of 60 days before the rent increase.

Opportunity to Cure and Tenant Lease Termination Provisions.
If a landlord increases rent above the rent increase limit and is not authorized by an exemption, the tenant:

- must offer the landlord an opportunity to cure the unauthorized rent increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit; and
- may terminate the rental agreement at any time before the effective date of the increase by providing the landlord with a 20-day written notice under the RLTA or a 30-day written notice under the MHLTA. In such case, the tenant owes rent for the full month in which the tenant vacates the dwelling unit or manufactured/mobile home lot, and the landlord is prohibited from charging the tenant any fines or fees for terminating the rental agreement.

Other Tenant Protections.
In addition to the rent increase limit, rent increase notice requirements, and tenant lease termination provisions, the following tenant protections are provided.

For tenancies subject to the MHLTA:
- Move-in fees and security deposits combined may not exceed one month's rent, unless the tenant has any pets in which case the move-in fees and security deposits combined may not exceed two months' rent. This requirement applies to leases or rental agreements entered into on or after the effective date of the bill.
- Late fees may not exceed 2 percent of the tenant's total rent per month during the first month that rent is past due, 3 percent of the tenant's total rent per month during the second consecutive month that rent is past due, and 5 percent of the tenant's total rent per month during the third consecutive month and all subsequent consecutive months that rent is past due. This requirement applies to leases or rental agreements entered into or renewed on or after the effective date of the bill.

For tenancies subject to the RLTA: Landlords are prohibited from including terms or conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a rental agreement where the term is greater or lesser than month-to-month, or vice versa. However, a landlord must provide parity between lease types with respect to the amount of rent charged for a specific dwelling unit. For these purposes, "parity between lease types" means that the landlord may not charge a tenant more than a 5 percent difference in rent for a specific dwelling unit depending on the type of lease or rental agreement offered. This 5 percent difference may not cause the rent charged for a specific dwelling unit to exceed the rent increase limit.

For tenancies subject to the RLTA or the MHLTA: Landlords are prohibited from reporting a tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased.

Cause of Action.
A tenant or the Attorney General may bring a court action to enforce compliance with the bill. If the court finds that a landlord has violated the bill, the court must award the tenant damages in the amount of any excess rent, fees, or other costs paid by the tenant; damages

in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord; and reasonable attorneys' fees and costs.

Social Vulnerability Assessment.
Subject to amounts appropriated for this specific purpose, the Department of Commerce must contract with an independent third party to carry out a social vulnerability assessment of the bill's impacts. The assessment must be provided to the Legislature by June 30, 2028, and must consider the following impacts of rent stabilization:

- impacts on extending tenancies due to rent capping;
- whether there are social vulnerability impacts on cost burdened, immutable characteristic communities, or rural communities;
- whether rent stabilization creates a disproportionate burden on new or transitioning renters as a result of current tenants' rent being capped;
- impacts on alternative rental markets; and
- impacts on state-owned or state-run housing units.

The social vulnerability assessment provisions expire July 1, 2029.

Definition of Rent.
A definition of "rent" or "rental amount" is added to the MHLTA that is similar to the definition provided in the RLTA. For the MHLTA, these terms are defined as recurring and periodic charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include certain charges for utilities. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees.

Other Provisions.
The bill is null and void unless funded in the budget. A severability clause is included that states if any provision of the bill or its application to any person or circumstance is held invalid, the remainder of the bill or the application of the provision to other persons or circumstances is not affected.

EFFECT OF SENATE AMENDMENT(S):

In comparison to the engrossed bill, the Senate amendments make the following changes to the Residential Landlord-Tenant Act (RLTA) provisions:

- raise the RLTA rent increase limit from 7 percent to 10 percent plus the consumer price index as of April 1 of the current year as published by the United States Bureau of Labor Statistics;
- make changes to the exemptions from the RLTA rent increase limit by:
    - modifying the exemption for tenancies in dwelling units where the first certificate of occupancy was issued recently, such that the exemption applies where the first certificate of occupancy was issued 15 or less years (instead of 12 or less years) before the date of the notice of the rent increase;

- adding a new exemption for tenancies in qualified low-income housing developments which were allocated federal low-income housing tax credits, so long as there is an enforceable regulatory agreement with the Washington State Housing Finance Commission; and
- adding a new exemption for tenancies in single-family residential properties, as defined in the bill, that are alienable separate from the title to any other dwelling unit as long as the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation, and the tenants have been provided certain written notice that the property is exempt;

- make changes to the RLTA rent increase notice requirements by:
  - replacing the specific form required for written notice of RLTA rent increases with a more general requirement that every rent increase notice include the following:
    - a statement that state law limits the amount a tenant's rent can be increased by 7 percent;
    - a statement that the landlord may raise rent once every 12 months by 7 percent, unless an exemption applies; and
    - a description of the specific exemption applicable and any information to support the claimed exemption; and
  - allowing a landlord to email this notice to a tenant upon written consent of the tenant, who may revoke consent in writing at any time prior to delivery of a rent increase notice;
- modify the RLTA provisions authorizing a tenant or the Attorney General (AG) to bring a court action to enforce compliance with the bill by:
  - specifying that if the AG brings the action, the attorneys' fees and costs incurred in bringing the action must be awarded to the AG; and
  - providing that the AG may:
    - bring such an action notwithstanding whether the tenant has offered the landlord an opportunity to cure;
    - recover civil penalties of not more than $7,500 for each violation in addition to the other remedies provided; and
    - issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring such an action; and
- provide that the RLTA rent increase limit and exemptions expire July 1, 2040.

The Senate amendments make the following changes to the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) provisions:

- lower the MHLTA rent increase limit from 7 percent to 5 percent;
- modify the following exemption from the MHLTA rent increase limit: if a rental agreement is transferred due to a former tenant's sale of a manufactured/mobile home, the landlord has the option to make a one-time increase of any amount (instead of no more than 10 percent) at the time of the rental agreement's first renewal after the

transfer, as long as the landlord provides the tenant with notice of this one-time increase option prior to final transfer of the rental agreement; and
- make changes to the MHLTA rent increase notice requirements by:
    - updating references throughout the notice form to reflect the change in the amount of the rent increase limit from 7 percent to 5 percent; and
    - removing the requirement that a landlord certify any claimed exemptions from the rent increase limit under penalty of perjury.

The Senate amendments make the following changes to the miscellaneous provisions:
- remove the requirement that the Department of Commerce contract with an independent third party to carry out a social vulnerability assessment of the impacts of rent stabilization;
- require the Joint Legislative Audit and Review Committee to perform an analysis, due to the Legislature within 10 years of the bill's effective date, on housing market trends, tenant stability and turnover, housing type conversions, permits issued, rent changes, vacancy rates, and an evaluation of social vulnerability impacts; and
- add a null and void clause, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Housing):

(In support) All across Washington, people are getting crushed by rising rents. Hardworking families are seeing rents go up faster than wages. Seniors are seeing rents go up faster than social security. People are making impossible choices while paying more to their landlords. A record number of Washingtonians are spending more than half of their incomes on rent.

Washingtonians are asking for pragmatic solutions to stop unnecessary and excessive rent increases. That's what this bill does. This is a balanced policy that prevents excessive rent increases, but it lets landlords raise the rent each year, invest in the property, and make a profit. It is unfair to tell seniors and working families to wait for relief until the market builds enough housing, and landlords voluntarily keep the rent lower.

Washington can both build more homes and protect people now from rent increases. No single policy can fix our housing crisis, but this bill is the single most cost-effective way to immediately stop the devastating impacts of excessive rent increases on renters and manufactured homeowners in Washington. This bill creates basic fairness for renters and manufactured homeowners, and includes significant changes made over the past few years

to respond to the concerns of stakeholders.

If housing is viewed as a stool with three legs, this bill will address one of the three legs of the stool: the housing cost burden people are facing. The other two legs of the stool are development capacity and subsidies for affordable housing. It will take time for recent supply-side housing laws that have passed to have a noticeable impact on housing development, and renters need stability and predictability as those laws are implemented.

The ability to remain in stable housing in one place can make a difference for people. Homeowners tend to take for granted the fact that the cost of their mortgage isn't going to go up by 20 percent, 30 percent, or more from one year to the next. But more than a million households in Washington are renters with no protections for their housing costs. As buying a home has gotten dramatically more expensive in recent years, the stability of a 30-year fixed rate mortgage is getting further out of reach for more and more Washingtonians. Homeowners benefit from the creation of a local safety net of neighbors. Kids stay in their schools with friends and teachers who know them, and mortgage payments are largely predictable. Renters have a hard time accomplishing this stability.

Renters include people from all walks of life, such as social workers, elected officials, disabled veterans with post traumatic stress disorder, domestic violence survivors, people of color, and people with high salaries. Some long-term renters are facing rent increases that take up half their incomes with only 60 days' notice, such as $400 or more in a 12-month period. Some property managers will charge current renters more than the rental amount listed for comparable vacant units. Some renters have been forced to move repeatedly, such as five times in four years. Moving costs can be astronomical; deposits due at move-in can be three times the monthly rent.

Rent increases can force renters to move away from their community support systems, medical providers, and jobs. Being forced to move also takes away stability for their children. Even renters who have worked hard and pulled themselves up by the bootstraps are only a stone's throw away from being unhoused. Even if someone can afford to pay a rent increase, it can make it hard to save for things like a home, kids, school, a vacation, or a car. Renters are having to make difficult decisions between paying certain bills.

While being a landlord is not easy, dealing with the challenges of being a landlord can pale in comparison with the life-altering curveballs that renters can face when the rent and fees for their homes spike and drive them into a sudden move. For many small landlords, keeping rent increases low is smart business because it creates stable, long-term tenants. Some landlords find that rent increases for existing tenants of under 5 percent is enough to meet their income needs and provide a healthy profit. The appreciation gains from owning the home over time is where the investment grows. Keeping fees reasonable and capped at the time of leasing also makes the transition between tenancies smoother.

Seventy percent of small residential rentals, both here and nationally, are owned by small

landlords. Small landlords have different needs than large landlords. For large landlords, a vacancy might cost a few percentage points of lost revenue. For small landlords, a vacancy can cost 25 percent of rental revenue. Small landlords know that revenue relies on tenant stability, and having long term stable tenants is the only way this works. In practice, this bill will work for everyone, and in a best case scenario, giving renters stability and protections under this bill may create opportunity towards homeownership for them one day, too.

Manufactured homeowners own their homes but pay rent for the land underneath their homes and taxes on the homes they own. Most manufactured homeowners in senior communities are on fixed incomes and will not be able to afford to continue to live in their homes if the rents continue being increased arbitrarily each year. This impacts people who are grandparents and parents, people in their golden years. The stress of managing a tight budget without knowing how much the rent will increase in the future is enormous. The stress of not knowing if they'll be able to live in their homes in a couple of years, or if they'll be out on the streets joining the fast-growing homeless population, can kill.

(Opposed) When it comes to housing everyone agrees there's a problem, and the problem in Washington is supply. Many Washington businesses, builders, realtors, property managers, and landlords are extremely concerned that this bill will have the opposite effect of what is needed. To build housing supply, people need to be encouraged to invest in Washington, but this bill will have the opposite effect. This bill is a huge stumbling block that will slow down the progress made by many of the other housing bills on the supply side, such as increasing permitting speed, making it easier to build infill housing, and decreasing building costs. Consumer protection policies like rent stabilization do not increase housing supply and would result in Washington becoming less competitive than neighboring states for housing investment.

As written, the bill contains several components that create a more restrictive form of rent stabilization relative to other West Coast states. The bill contains a flat cap, while Oregon and California have caps with a mechanism to account for inflation. The bill contains a 10-year exemption for new construction, while Oregon and California exempt new construction for 15 years. The bill also exempts a limited number of owner-occupied rentals, while California exempts much broader categories of residential properties like single-family rentals, so long as they're not corporate owned. With this bill, Washington risks driving highly mobile investment capital and excitement for building homes out of Washington and into Oregon, California, and other neighboring states.

Many people have concerns that the costs that go into renting out a house and being a landlord will require increases above the 7 percent cap when everything is considered, such as increases to property taxes, homeowner association (HOA) fees, water and sewer fees, and insurance. Insurance costs have increased dramatically in recent years. Some property owners have seen anywhere between 30 and 60 percent increases in their insurance over the past several years and have had to make the decision to self-insure those buildings. The

deductibles for these policies can be upwards of $120,000.

Housing costs have also risen dramatically from government regulations in recent years. For example, costs for operating buildings have gone up by thousands of dollars since COVID. These are two to three times the increases in cost, and the largest contributors to these costs are from the government via property taxes, utility rates, and sometimes unintentional consequences from regulations.

The maintenance and operation costs for many properties can also be very expensive and increase over time. These costs are separate from any increases to property taxes, HOA fees, water and sewer fees, and insurance. For manufactured home communities, the costs for capital investments to upgrade and maintain the necessary infrastructure, such as electrical systems, can be on the order of between $15,000 to $40,000 per lot. Landlords don't want to pass these costs onto their tenants, but landlords need to make revenue in order to make the mortgage payment and keep their properties in good working order.

Staff Summary of Public Testimony (Appropriations):

(In support) Washington has some of the highest rents in the country. Significant increases in rent negatively impact tenants and their families. Frequent increases can often lead to frequent moves, which worsens stability for children. The unpredictability of rent increases is very stressful and can make it difficult to plan ahead. Steep rent hikes can lead to people losing their homes, which will then increase demand for homeless services and further strain public resources. Anecdotal evidence shows that BIPOC renters are more likely to face rent increases and housing discrimination.

Addressing rent increases and providing a statewide policy will be cost effective. Some cities have passed measures similar to the policies considered in the bill, but consistency across the state is needed. The policies in the bill will protect tenants, provide resources, and ensure reasonable profits for landlords.

Addressing the housing affordability crisis in Washington requires looking at housing supply, housing subsidies, and stabilization. The Legislature has previously enacted bills to increase housing supply and invested in housing subsidies like the Housing Trust Fund. However, these policies take time to show results. Action on stabilization is needed now. By passing this bill, the state will increase housing affordability without waiting for new revenue or new housing supply. Studies have shown that rent stabilization policies will not cause a statistically significant effect on new construction.

Small landlords support rent control policies because it is fair and will help them ensure long-lasting tenancies. Vacancies and tenant turnover are a much more significant problem for small landlords than larger ones. Consistency and predictability will help ensure longer tenancies, which is best for renters and landlords.

Mobile home park residents are a uniquely vulnerable population because while they own their own home and pay property taxes on it, they have to rent the land and conduct other maintenance as required by the landlord of the park. Many residents of these parks are older and on fixed incomes. As lot rents increase, many people will be priced out of the homes that they own. The uncertainty of these rent increases causes immense stress for residents.

(Opposed) Washington does not have enough housing units. The policy considered by the bill will discourage developers and investors from building additional housing in Washington, which will only make the supply problem worse. Washington is currently the only state on the west coast that does not have some form of rent control policy. If the bill passes, Washington's policies will be stricter than those in Oregon and California, which will further drive development away. Rent control does not work.

The fiscal note does not take into account changes in consumer behavior, such as by investors and the construction industry. The impacts of the policy will drive down property values, which will in turn drive down revenues from real estate-related transactions. It will also drive down construction-related sales tax revenue. In addition, landlords will not want to reinvest in their properties due to lower profits, leading to unsafe housing units. This will damage both the state economy and the overall housing supply.

The issue is not landlords and developers charging too much, but the number of regulations on new construction. Addressing the barriers to new construction is better than the policy considered by the bill.

Reducing rent and fees will negatively impact landlords and increase the housing crisis. It would be better to increase the cap on rent increases to allow the market to drive price increases while still preventing price gouging, and to target predatory rent increases rather than impose broad rent control. High security deposits is a useful tool when renting to tenants with credit history issues. Most landlords are small landlords and are responsible housing providers. Rents should follow costs, rather than having the government impose a certain return on investment.

The housing crisis in Washington was caused by the eviction moratoriums enacted during the pandemic and allowing tenants not to pay rent, not by the decisions of property owners. The government has no right to be interfering with private property. Issues between landlords and tenants should be handled on a case-by-case basis.

Mobile home owners should have some sort of protection from rent increases because they are a captive audience due to only renting the land on which their home sits. Residential tenants should be removed from the underlying bill.

(Other) Mobile home park residents support most provisions of the bill, but would like a 5 percent cap on rent increases for park residents rather than 7 percent. Many park residents

live on fixed incomes. In one mobile home park, many residents have become rent burdened after a private equity investor purchased the park and raised the rents a significant amount. Mobile home parks fall into a different area of law because the conditions of the lease are different, and residents are responsible for more financial obligations, such as maintenance costs, than those of residential tenants.

The cap considered by the bill is too high of a ceiling. It would be higher than year-over-year increases for Social Security and for average wage increases for many professions. Under the bill, rent increases would still be unaffordable for working people.

Persons Testifying (Housing): (In support) Representative Emily Alvarado, prime sponsor; Stephanie Tidholm; Kelley Rinehart, My own rental business; Bryce Yadon, Futurewise; Zeenia Junkeer; Chris Walker; Tonya Hennen; Duana Ricks-Johnson; Sol Villarreal; and Tina Hammond.

(Opposed) Kristi Tripple, Rowley Properties, Inc.; Kathy Dobler; Morgan Irwin, Association of Washington Business (AWB); Andrea Smiley, Building Industry Association of Washington (BIAW); Riley Benge, Washington REALTORS; and Brad Tower, Commonwealth Real Estate Services.

Persons Testifying (Appropriations): (In support) Vanessa Kritzer, Redmond City Council; Bryce Yadon, Futurewise; Duana Ricks-Johnson, Resident Action Program; Chris Walker; Kelley Rinehart; Kerri Burnside, Bellingham Tenants Union; and Micaela Romero.

(Opposed) Brad Tower, Commonwealth Real Estate Services; Tim Eyman, Initiative Activist; Laurie Layne; Bruce Becker; Christina Mays; Dan Piantanida, GP Realty Finance; Mischa Heide, Rain Commercial Real Estate Advisors; Troy Peterson; Morgan Irwin, Association of Washington Business; Andrea Smiley, Building Industry Association of Washington; Riley Benge, Washington Realtors; Carter Nelson, Washington Multi-Family Housing Association; Patricia Hoendermis; and Kevin Schilling, Mayor of Burien.

(Other) Kyle Lucas, Urban Indians Northwest and Tenants United at Western Plaza 55 Plus Mobile Home Park; and Linda Seltzer.

Persons Signed In To Testify But Not Testifying (Housing): More than 20 persons signed in. Please contact the House Public Records Office at https://leg.wa.gov/public-records-requests/ or call (360) 786-0926.

Persons Signed In To Testify But Not Testifying (Appropriations): None.