



City of Seattle

Office of the Mayor



City of Seattle

Mayor's Office & SDCI presentation Rental Fee & Holding Deposit Legislation

Discussion of proposed legislation, background and policy changes, and future engagement.

Presenters

- Cara Kadoshima Vallier, Policy Advisor and Operations Manager, Mayor's Office
- Isaac Horwith, Policy Advisor, Mayor's Office
- Geoff Tallent, SDCI Code Compliance Director
- Maureen Roat, SDCI Property Owner and Tenant Assistance Manager
- Quinn Majeski, SDCI Rental Housing and Code Compliance Policy Analyst



Seattle Department of
Construction & Inspections

Seattle Renters' Commission



Rental Fees & Holding Deposits

SDCI Rental Housing Team

Helping people build a safe, livable, and inclusive Seattle.

Context: SDCI Renter Programs

- **Property Owner and Tenant Assistance (POTA)** - fields calls and enforces City rental housing regulations. In 2024, POTA investigated 3,761 complaints.
- **Maintenance and Habitability** - Code Compliance responds to renter complaints; 1,758 complaints in 2024.
- **Rental Registration and Inspection Ordinance (RRIO)** - RRIO requires registration and inspections every 5-10 years; 4,037 properties inspected and over 6,000 maintenance issues addressed in 2024.
- **Grants to community organizations** - for eviction defense, outreach, education, and renter support (in partnership with HSD and other citywide resources)
- **Renting in Seattle outreach program** - website, handbook, training, community events.

Overview of Legislation

The Mayor's Office asked SDCI to develop legislation addressing emergent issues in the rental housing space. Based on recurring complaints in Property Owner and Tenant Assistance, we identified the following issues:

- Holding Deposit Returns
- Repair Request Fees
- Lease Renewal Fees

Holding Deposits

Issue:

- Holding deposits are authorized under state law and can be up to 25% of the first month's rent.
- If the renter does not move into the unit, a landlord may keep the holding deposit if they disclose such policy to the renter in writing. If the landlord chooses to return the holding deposit, there is no timeline under which they must do so.
- Vulnerable renters (low income, voucher holders, DV victims, etc.) looking for new housing can't afford to have multiple holding deposits out at once; delays in getting money back threatens their ability to find new housing and increases the likelihood of slipping into homelessness.

Proposed Ordinance:

- Require landlords return a holding deposit within 3 business days if their policy provides for such returns, or if they failed to provide the policy in writing to the renter.

Repair Request Fees

Issue:

- SDCI has seen an increasing number of complaints about landlords charging renters a fee to make repair requests.
- Repair request fees discourage prompt reporting of maintenance issues – despite most lease agreements requiring renters to do so – and disproportionately affect low-income renters.
- Landlords are required to make such repairs under City and State law; there shouldn't be fees associated with an obligation to maintain a rental property.

Proposed Ordinance:

- Prohibit landlords from charging a fee for a request to remedy a defective condition, including but not limited to repair or maintenance requests.

Lease Renewal Fees

Issue:

- SDCI has seen an increasing number of complaints about landlords charging renters a fee to renew a fixed term lease.
- Both City and State law require property owners to offer renters lease renewals unless there is a just cause to not do so, but do not expressly prohibit a fee on lease renewals.
- SDCI has received complaints with fees ranging from \$50 to \$250.

Proposed Ordinance:

- Prohibit landlords from charging a fee associated with renewal of a lease agreement.

Next Steps

Fees and Holding Deposit Legislation

- Introduction of legislation
- Council hearing and deliberation

Broader Rental Fees and Transparency Engagement

Questions?

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