



City Council Agenda Bill

20285
Bill Number

Subject: A briefing on the initiation of a rental registration program.

Summary Statement: On June 17, 2013, City Council voted 6-0 to request that the Mayor allocate resources in the 2014 budget, including needed staff resources, to develop a program, or comparable activities, to educate and enforce health and safety standards at rental properties in Bellingham. Direction was provided that the goal of the program is to ensure that all rental housing in the city meets specific minimum life safety and fire safety standards. As detailed in the attached memorandum, staff will outline a proposed program framework and is seeking City Council direction on proceeding with program research, analysis and development.

Previous Council Action: 06-17-2013 CC requested that the Mayor allocate resources in the 2014 budget to develop a program or comparable activities for rental registration. See memo for previous CC actions.

Fiscal Impact: Staff time is budgeted in existing work programs for 2014 to research, analysis and development a rental registration program. Additional staff resources to implement a program may be required.

Funding Source: TBD

Attachments: Memorandum

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Council Direction Requested	27-Jan-2014	Provide Direction to Staff	Mayor Linville Jeff Thomas, PCD Director	5 min

Council Committee:
Committee of the Whole
Cathy Lehman, Chair

Committee Actions:

Council Action:

Agenda Bill Contact:
Jeff Thomas, PCD Director 778-8300

Reviewed By	Initials	Date
Jeff Thomas, PCD Director	<i>JBT</i>	1-22-2014
Legal	<i>pmr</i>	1-22-14
Mayor	<i>K2/Bak</i>	1/22/14



PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
210 Lottie Street, Bellingham, WA 98225
Telephone: (360) 778-8300 Fax: (360) 778-8302 TTY: (360) 778-8382

Memorandum

Date: January 18, 2014
To: Mayor Linville
From: Jeff Thomas, PCD Director
Subject: Proposed Rental Registration Program Framework

Introduction

On June 17, 2013, City Council voted 6-0 to request that the Mayor allocate resources in the 2014 budget, including needed staff resources, to develop a program, or comparable activities, to educate and enforce health and safety standards at rental properties in Bellingham. Direction was provided that the goal of the program is to ensure that all rental housing in the city meets specific minimum life safety and fire safety standards.

Previous City Council history regarding rental registration includes:

- 06-23-2008 - City Council voted to authorize program research
- 06-20-2011 & 05-19-2012 - City Council voted to not proceed with program development
- 01-28-2013, 02-11-2013, 02-25-2013 - Planning Committee work sessions a where wide array of program options were presented and discussed ranging from a full cost recovery, required city inspection program to a low cost, self-registration, no city inspection program. including public comment
- 04-22-2013 - Planning Committee work sessions where staff presented code enforcement data as well as existing educational materials and resources.

The Administration supports rental registration and opposes rental licensing. A rental registration program should be "performance based" and focus on public outreach and education as well as improving the current code compliance program for all types of violations, not just rental related as these types of violations comprise less than 10% of the total.

Key Components and Guiding Principles

It is recommended that any program framework not only incorporate the key components of public outreach and education as well as improving the current code compliance program, but utilize the following guiding principles of a "least-cost program" as previously outlined by City Council staff:

- Keep program fees flat and as low as possible.
- Start the program small and in balance with fees, perhaps using a phased approach.
- Perform a small sample of annual inspections as a management control function.
- Utilize existing resources to focus on code compliance.

Program Framework

Using the key components and guiding principles outlined above, the following is a proposed program framework:

- Full implementation expected to take 3 to 5 years.
- Owners register each rental property annually with the City similar to the current Business License process.
- Each rental property pays an annual flat fee to the City.
- The City develops a public outreach and education program based on state law for landlords and tenants, of which a checklist of minimum standards and regular publishing of the rental registration list is part of.
- This list is actively managed by the City. A unit is removed from the list if a total of 3 unresolved code violations exist at any time and/or whenever any life / safety violation is found.
- Failure to register would constitute a code violation.
- Rental property code violations are reported to and investigated by the City using existing policy and procedures for all code violations.
- To be reinstated to this list, a report from a third party, qualified inspector must be submitted to certify the code violations have been remedied with appropriate permits as necessary. The cost to be reinstated to this list would double the normal fee.
- Each January, for auditing purposes the City shall randomly select ½ of 1 percent of the units from this list for inspection placing an emphasis on areas of the City with greater portions of reported code violations.
- Inspections would be conducted using the published checklist and cumulative results would be part of an annual report from the Mayor to City Council in April of each year.
- A code enforcement abatement fund is established by City Council for which abatement activities can be taken for all code violations.

Next Steps

Next steps to evaluate any proposed rental registration program framework could include:

- Briefing City Council this framework and receiving direction to proceed with program research, analysis and development.
- Identification of a project manager.
- The preparation of a fiscal note.
- A public outreach and education plan.
- The compilation of a list of third party, qualified inspectors.
- Drafting of ordinances for the program as well as for the establishment of a code enforcement abatement fund.