



Rental Housing and Inspection Program: First Reading

Housing Strategic Plan Implementation

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- Alignment
- Review intent and purpose
- Past Council considerations and Direction
- Rental Housing Program Design and Fees
- Potential Implementation Timeline



Does Council wish to adopt Ordinances xx-2023 and xx-2023 for the proposed Rental Housing Program on First Reading?





- **Strategy 20** - Explore the option of a mandated rental license/registry program and pair with best practice rental regulations.



Big Move 7: Healthy, Affordable Housing

- **HAH6:** Explore mandated rental license/rental registry

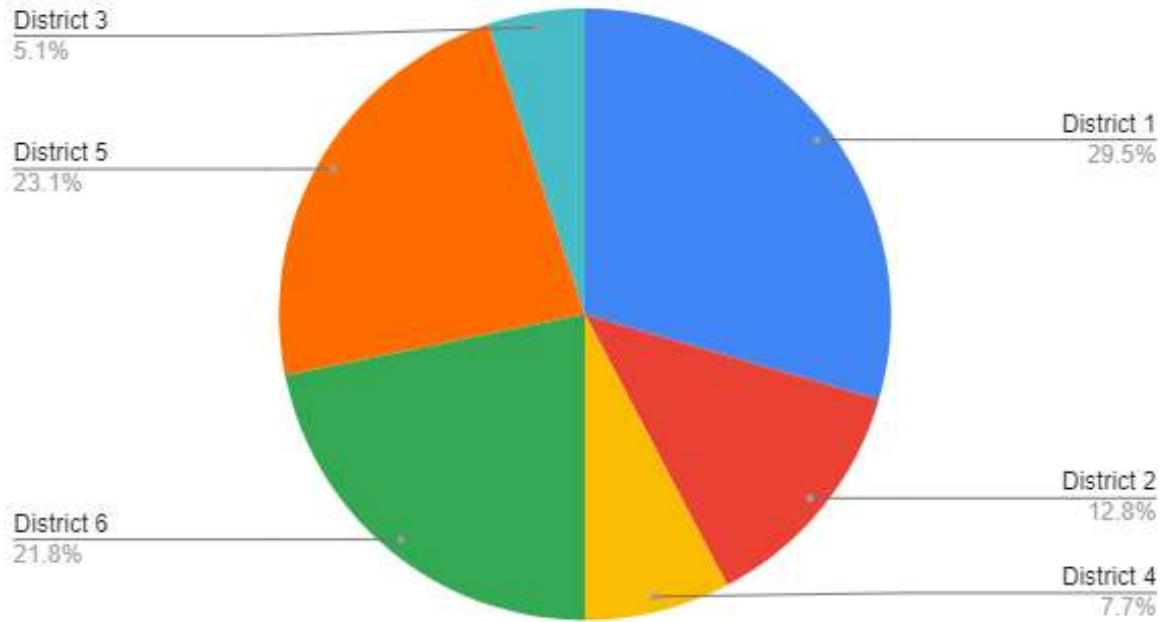
Why are we looking at a rental registration and inspection program?

- *Greatest Challenge #7:* Housing policies have not consistently addressed housing stability and healthy housing, especially for people who rent
- *Community engagement:* a desire to proactively ensure **healthy, safe units** and maintain neighborhood **quality of life**

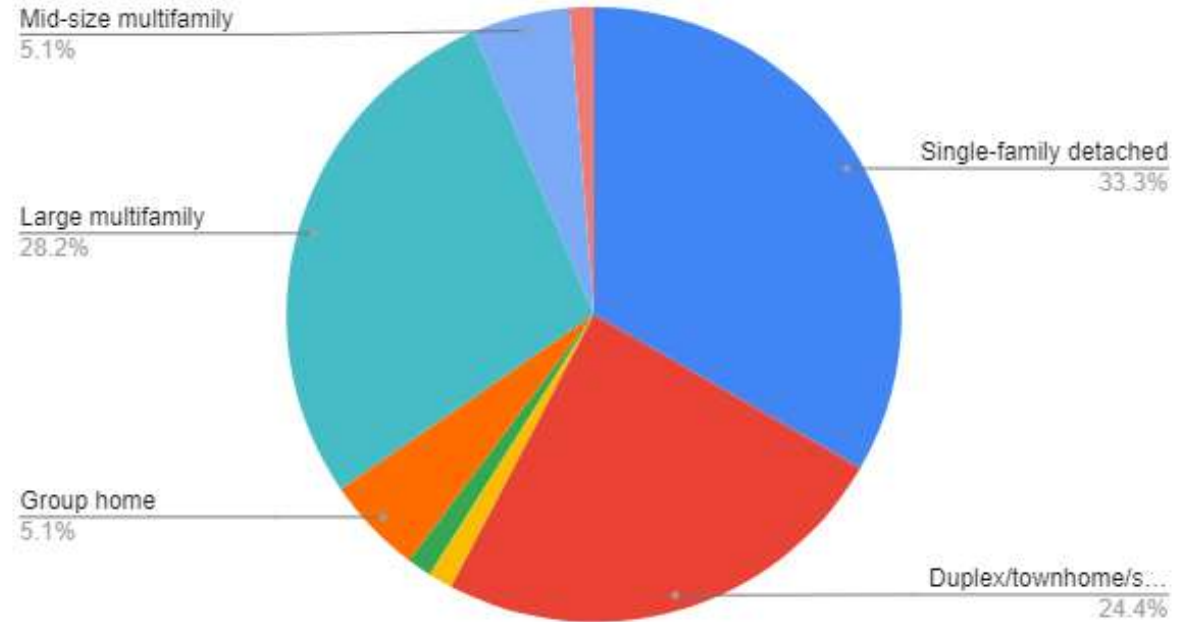


Current complaint-based rental inspections

Cases by Council District



Cases by Home Type



- Overall positive impact on equity, social health, and environmental health. Mixed impact on economic health. Considerations and mitigation measures include:

Consideration	Potential Mitigation
Renter displacement	<ul style="list-style-type: none"> • Strengthen mediation program • Motel vouchers (short-term critical repairs) • Referral - service agencies, legal services, homelessness programs (e.g. rapid rehousing)
Increased rents due to program/ compliance costs	<ul style="list-style-type: none"> • Monitor costs and impact on rents over time • Keep fees as nominal as possible • Educate/refer to assistance programs, loan programs, and rebates for repairs (e.g. EPIC loan program)
Cost burden, especially for small landlords	<ul style="list-style-type: none"> • Consider grant program in exchange for cap on rent increases • Keep fees as nominal as possible • Educate/refer to assistance programs, loan programs, and rebates for repairs (e.g. EPIC program)

Prior Council Work Sessions covered:

- Problem to be addressed
- Current Market Conditions
- Peer City data
- Best Practice Research
- Public Engagement from multiple stakeholders
 - Taskforce recommendations
 - Community Questionnaire
 - Rental Industry Questionnaire
 - Input from a variety of committees, boards, and community groups

The direction received after Council work sessions was to bring forward a rental housing program design that included proactive inspections to ensure the health and safety of rental units.

Enrollment and renewal

Annual Rental Property enrollment/renewal

Items included:

- Identify property ownership
- Local contact info
- Types and locations of units
- Age of units
- Hud inspected?



Inspections

- Internal rental inspection team
- Inspections every 5 years

Building Type	% Inspected
Single unit, detached	100%
Single unit, attached (e.g., townhouse)	100%
Individually owned (e.g., condo)	100%
Multi-unit, 0-10 units`	100%
Multi-unit, 11-100 units	10%
Multi-unit, 100+ units	5%

- Exemptions:
 - Less than 10 years old
 - HUD inspected



Anticipated Number of Inspections

Units and Properties	Inspections			
	Pct. Inspected	Properties	Units	Estimated Inspections
Inspection Exempt	0%	678	5,954	0
Inspection Required		11,818	21,526	11,965
Single Family Detached	100%	7,377	7,377	7,377
Single Family Attached	100%	2,471	2,471	2,471
Duplex	100%	1,134	1,134	1,134
Multi Unit (less than 100 units)	10%	564	4,518	452
Multi Unit (more than 100 units)	5%	30	5,784	289
Mobile Homes	100%	242	242	242
Reinspection Estimate	60%			7,179
Total Annual Inspections	20%			3,829

Fees

- Utilizing a hybrid approach (75% property; 25%unit)
- Separating registration fee and inspection fee
 - Both will be paid annually for all units

Hybrid (75% property/25% unit)	Per Property	Per Unit
Registration fee (paid by all properties)	\$21	\$6
Inspection fee (paid only by non-exempt properties)	\$32	\$13
Total Annual Fee (for non-exempt properties)	\$53	\$19

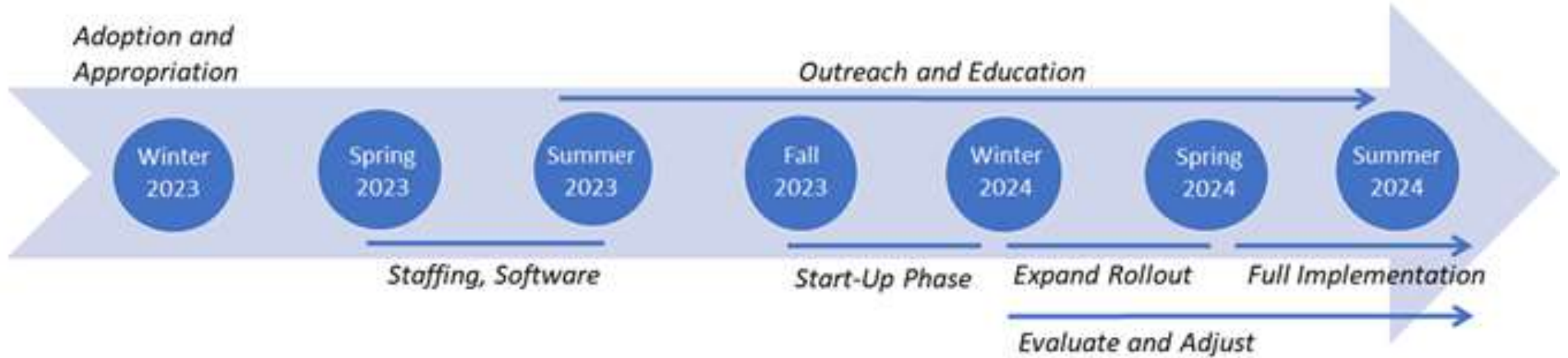
Enforcement checkpoints

Voluntary compliance is the goal

Checkpoints:

- Failure to enroll/renew
- Failure to complete inspection
- Interfering with City Official's authority to enter
- Failure to correct identified life, health, and safety violations
- Failure to vacate properties with imminent dangers





- Approximately 18 months from appropriation to full implementation
- Outreach and engagement throughout

- **What:** \$1,600,000 appropriation from the general fund
 - 2023 = \$750,000
 - 2024 = \$850,000

- **Why:** Initial outlay for a rental registration and inspection program to hire staff, purchase software, and fund program activities and engagement

- Program is designed to recover the full cost over the first five years of implementation – depending on the implementation timeline, partial costs of start-up will be recovered

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