



# City of Seattle

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Department of Planning and Development

Diane M. Sugimura, Director

## MEMORANDUM

**TO:** Councilmember Nick Licata, Chair, Housing, Human Services, Health and Culture Committee  
Councilmember Sally Clark  
Councilmember Tom Rasmussen

**FROM:** Karen White

**DATE:** March 4, 2011

**SUBJECT:** Stakeholder Process on Rental Housing Licensing and Inspection

The Department of Planning and Development (DPD) has been asked to report on efforts to develop recommendations on implementing a rental housing licensing and inspection program. This report, included as an action item in Council's June 2010 Resolution 31221, was developed to support Council's June 2010 adoption of a rental housing licensing and inspection program.

### Background

On June 9, 2010, the City Council adopted a rental housing licensing and inspection program (Ordinance 123311) affecting residential dwelling units in Seattle<sup>1</sup>. Council also adopted two separate resolutions related to rental housing. Resolution 31221 requested that DPD develop a written report by February 2011 on recommendations for implementing a rental housing licensing and inspection program. Due to delays in forming a required stakeholder group, and the extent of the report required by the Resolution, we estimate that recommendations will be presented after June 2011.

Resolution 31220 was also adopted concerning the use of civil warrant authority to enter a rental dwelling unit, following a showing in Court of probable cause. DPD's progress on implementing civil warrant authority will be the subject of a July 2011 briefing. A summary of legislative actions on rental housing licensing and inspections is given in Attachment A.

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<sup>1</sup> Program exemptions were included for developments already required to be inspected under other government programs, dwellings offering short-term rentals, rentals for Single Room Occupancy (SRO) accommodations, etc.



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## **Stakeholder Group**

A group of 12 stakeholders representing the diverse interests of residential tenants, landlords, the private inspection industry, Health Department, the general community and non-profit housing and human service providers was organized to carry out the work requested by Resolution 31221. The list of stakeholders is appended to this memo. as Attachment B.

The initiation of the stakeholder process was delayed by DPD resource constraints and adjustments; the stakeholders began meeting in mid-December and have met every 2 weeks since early January. A web site has been created where meeting agendas, notes and other materials are available for stakeholders and members of the public. This link will take you to the web site <http://www.seattle.gov/dpd/Compliance/RentalHousing/Overview/default.asp>. Members of the public are invited to provide comment at each meeting.

The stakeholder process is intended to provide input to DPD in developing recommendations for implementation of rental housing licensing and inspections. The group has discussed their assumptions and experiences around rental housing, and identified a number of interests which are important in the design and implementation of rental housing licensing and inspection requirements (see Attachment C). Three stakeholder meetings were mainly devoted to discussion about the inspection standards appropriate for required inspections for the purpose of licensing rental units. The stakeholders now are in the middle of discussing program scope, types of buildings and units that should be inspected, unit sampling, frequency of inspection, and exemptions. Throughout, the discussion has included the overarching question of whether a licensing and inspection program is an appropriate and effective solution to the problem of poor rental housing conditions, including conditions which do not merely fail to meet minimum maintenance standards but which pose health and safety concerns.

While it is premature to discuss what recommendations may result from this process, some themes have emerged. We are hearing broad support for licensing rental housing and recognition that poor quality rental housing should be addressed. There is more mixed opinion about required inspections. For example, there is a high level of support for the concept of a weighted system of inspection standards in recognition that some types of repair or maintenance problems (such as lack of a functioning heating system) pose a more serious problem for tenant health or safety than other problems (such as a plumbing leak). There are some types of building conditions that most stakeholders agree should disqualify a housing unit from being rented, while opinions diverge about including other types of conditions in a required periodic inspection. The big question remains whether a rental housing inspection requirement is the right course of action to address the problem of poor housing quality. In short, the group is still in the process of providing input to DPD and discovering where there is common ground.

Stakeholder meetings appear as though they will extend through the month of May. Future agenda topics will cover

- licensing costs and transferability of licenses;
- who should conduct inspections, appropriate inspector qualifications and credentials and the advisability and cost of registering inspectors;
- potential city policy choices and programs for needed additional tenant and landlord protections and assistance, and tenant displacement; and finally
- the advisability of program implementation, and the implementation schedule.

Given the timing of the start of the stakeholder deliberations and the complexity of issues under discussion, we expect to have recommendations after June. We also anticipate the need to adjust the effective dates of the requirements for inspector registration and licensing for buildings with residential rental units. It will be possible to have a clearer idea of a realistic implementation time frame once more is known about ultimate direction of policy and program choices.

**Attachment A. Summary of dates and legislative actions concerning adoption of a local rental housing licensing and inspection program.**

Date	Action	Summary
July 1997	Pasco, Washington adopts a rental housing licensing and inspection program	<p>Pasco requires 1) all rental units to be inspected by the City or a licensed inspector every two years and, following issuance of a certificate by the inspector 2) a yearly license issued by the City to operate a rental unit</p> <p>Program is challenged as being unconstitutional.</p>
September 2007	Washington State Supreme Court	All components of Pasco's ordinance are upheld by Supreme Court in 5-4 ruling.
December 2007	Resolution 31031	Following Pasco decision, Seattle City Council authorizes funds for a Council-directed study to review the issue of substandard rental housing within the City.
February 2009	Report by Cedar River Associates – "Improving Rental Housing Conditions in Seattle: Issues and Options"	<p>The report includes two recommendations concerning substandard rental housing in Seattle:</p> <ul style="list-style-type: none"> <li>• Develop a mandatory, licensing and inspection program modeled after Pasco, Washington's program; <i>or</i></li> <li>• Enhance the City's current compliant-based enforcement system.</li> </ul>
March 19, 2010	SSB 6459 approved	<p>State approves legislation allowing local jurisdictions to adopt rental housing licensing and inspection programs; standard for inspections in state legislation based on "endangering or impairing the health and safety of a tenant".</p> <p>SSB 6459 also creates civil warrant authority, issued by a Court, based on probable cause that a violation exists that "endangers the health or safety of the tenant or a neighbor".</p> <p>Legislation effective on June 10, 2010.</p> <p>Timing of effective date allowed jurisdictions to develop programs that differ from state-mandates, if local programs adopted prior to June 10, 2010</p>
June 9, 2010	Ordinance 123310	<p>Council adopts a Pasco-like rental housing licensing and inspection program, requiring compliance with specific standards in City's Housing Building and Maintenance Code.</p> <p>The ordinance includes two dates for program implementation:</p> <ul style="list-style-type: none"> <li>• Testing and registration of qualified inspectors to begin by October 1, 2011</li> <li>• Licenses on all rental units in a building issued</li> </ul>

<b>Date</b>	<b>Action</b>	<b>Summary</b>
		starting April 1, 2012
June 9, 2010	Resolution 31220	Resolution requests that DPD develop policies and procedures for the use of warrant authority granted to local jurisdictions under SSB 6459. DPD to report to Council in July 2011 on how warrant authority has been utilized as part of its Housing Code enforcement efforts.
June 9, 2010	Resolution 31221	Resolution directs DPD to prepare a report to Council making recommendations on implementing the City's rental housing licensing and inspection program. The report, due February, 2011, is to be developed following consultation with a stakeholders group and to include recommendations on at least 12 issues concerning program implementation options.

**Attachment B. Residential Rental Property Licensing and Inspections  
Stakeholder Group Members**

Randy Bannecker, President  
Bannecker Public Affairs

Chris Benis, Partner  
Harrison Benis & Spence

Merf Ehman, Managing Attorney  
Columbia Legal Services

Jonathan Grant, Executive Director  
The Tenants Union of Washington

Hugh Kelso, Owner  
HKI Building Inspections

Paul Lambros, Executive Director  
Plymouth Housing Group

Anthony Lewis, Assistant Director  
Associated Students of the University of Washington

Paul Mar, Director of Real Estate  
Seattle Chinatown International District Public Development Authority

Laura O'Connell, Housing Counselor  
Solid Ground

Jim O'Halloran, Land Use Committee Chair  
Roosevelt Neighborhood Association

Joe Puckett, Chair, Government Affairs Committee  
Washington Multi-Family Housing Association

Nicole Thomsen, Health & Environmental Investigator  
Environmental Health Services, Public Health – Seattle & King County

### **Attachment C. Stakeholder Interests**

In the course of the discussions a list of interests identified by stakeholders has been compiled; these are criteria articulated by at least one stakeholder and not necessarily held by all stakeholders.

- Inexpensive
- Useful
- Practical
- Targeted
- Non-discriminatory
- Reasonable
- Minimizes burden on landlords
- Minimizes burden on tenants, including displacement
- Recognizes responsible landlords
- Consistently applied
- Insures health/safety of rental housing stock
- Economically feasible
- Considerate of stakeholder input
- Considers multiple approaches
- Considers the standards at the time a dwelling was built
- Non-ambiguous (clarity)
- Focus on the worst housing
- Needs of limited-English speaking persons