



**Legislative Department  
Seattle City Council  
Memorandum**

**Date:** May 4, 2012

**To:** Housing, Human Services, Health and Culture (HSH&C) Committee  
Councilmember Nick Licata (Chair)  
Councilmember Bruce Harrell (Vice-Chair)  
Councilmember Sally Bagshaw (Member)

**From:** Michael Jenkins, Council Central staff

**Re:** Summary of Department of Planning and Development (DPD) recommendations; consent items; direction to DPD on program scope – options for rental housing regulations

**Background**

In June 2010 the City Council adopted Ordinance 123311 establishing the City's residential rental housing licensing and inspection program. Council intended this ordinance to be the first step in developing and implementing regulations governing rental housing. Concurrent with adopting the ordinance Council also adopted Resolution 31221. The resolution requested that DPD develop a stakeholder group, comprised of representatives of multi-family property owners, tenant advocates, government agencies and other housing advocates, to develop recommendations to DPD on the scope of this program. Council requested DPD report back on their recommendations before the effective date of the ordinance.

DPD convened this stakeholder group in December 2010. The group met 14 times from December, 2010 to January, 2012. DPD used the stakeholder group's recommendations in its March 28, 2012 report and recommendation to the HSH&C committee. Following this presentation, HSH&C held two additional meetings to discuss DPD's recommendations. These meetings included additional briefings on DPD's recommendations and a roundtable discussion with representatives from the stakeholder groups and other individuals with experience in rental housing. I have included four attachments:

Attachment A - DPD's March 28, 2012 report  
Attachment B - Flowchart of DPD's report  
Attachment C - Flowchart of Councilmember Licata's proposal  
Attachment D - Ordinance 123311

### Consensus items

Based on DPD's recommendations and the committee briefings, Committee members appear to have reached consensus that DPD should forward legislation that includes the following program elements:

- DPD will spend up to one year developing the tools to implement the program, including staffing, software development, forms, training, outreach materials, and other like tools.;
- DPD will spend the first three years following establishment of the program tools to register properties. The registration process would be rolled out as follows:
  - In the first 6 months, registration would be required for buildings with 7 or more units (about 3,407 properties);
  - In the second 6 months, registration would be required for buildings with 3 to 6 units (about 3,613 properties); and
  - In the second and third years, registration would be required for buildings with 1 to 2 rental units (an estimated 35,000 properties).
- Prior to being registered all property owners must prepare a declaration stating that all units on the property comply with the housing standards enforced in this program.
- All rental units at a property must be registered in order to rent units. Registration authorizes the rental of the identified units for three years.
- A new declaration will be required at the three year registration renewal period.
- DPD will maintain an on-line database of properties with information on number of units, owner information, the date of any inspections, and other similar information.
- DPD will propose that Council expand the existing 14 point housing code requirements in the 2010 ordinance, including a weighted point system for life-safety violations.
- If any property owner requests approval to register and rent units on a property, and that property has documented history of code enforcement violations, an interior inspection will be required.
- If DPD receives a code enforcement complaint on a property that is currently registered, DPD will use its complaint-based program to request an interior inspection from the property owner or tenant at a property.
- DPD will expand its use of civil warrant authority when a third-party<sup>1</sup> makes a complaint to DPD that a property may have a code violation; civil warrant authority would also be extended to cases when exterior assessments could be used as the basis for an interior inspection request.
- DPD will conduct ongoing audits of property owner declarations as part of a larger program evaluation element.
- DPD will conduct ongoing outreach to identify and register all rental properties.

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<sup>1</sup> Third-party complaints could be from neighbors, safety officers, referrals from social service agencies, etc.

- DPD would impose civil fines when rental units are not registered or owner declarations are knowingly false.

**Committee direction:**

**Committee direction to DPD on outstanding issues**

I have identified three outstanding issues for the committee to address.

Issue 1: Should interior inspections of rental property be mandatory as a condition of remaining in the rental housing program?

The 2010 ordinance requires that all rental properties be inspected once every three years as a condition of receiving permission to rent units at the property. Inspections would be performed by either third-party inspectors or by DPD staff. Proof of the inspection would have to be provided when an initial application is made to DPD to rent units, when the request to rent is renewed or when the property is sold or otherwise transferred to another owner.

Under DPD's current proposal, the mandatory inspection requirement was replaced with a three-prong approach:

- a declaration that the property meets housing code elements enforced in the rental housing ordinance;
- inspections required of properties seeking permission to rent with a history of code enforcement actions; and
- a to-be determined number of units would be inspected on a yearly basis.

The stakeholder group did not provide uniform support for this approach. Stakeholder support ranged from retaining mandatory inspections in the 2010 ordinance to requiring inspections only for properties with a history of code enforcement actions or when notice of likely code violations is provided by a third party agency or individual.

Councilmember Licata developed an alternative proposal (Attachment C) requiring mandatory inspections for all units over a 10-year time period. CM Licata cites DPD's own statistics, developed as part of the stakeholder's working documents, as to the need for a mandatory program<sup>2</sup>. DPD records show that during the period of 2006-2010, they received an average of 475 housing complaints *per year*, of which 288 resulted in confirmation that a housing code violation existed.

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<sup>2</sup> <http://www.seattle.gov/dpd/Compliance/RentalHousing/SupportingMaterials/default.asp>; *Housing Complaints Received (2006 - 2010)*, DPD, Jan. 12, 2011 ([Supporting data](#)); *Housing Violation Cases (2006 - 2010)*, DPD, Jan. 12, 2011 ([Supporting data](#))

Assuming that the number of complaints will double as a result of program outreach and enhanced tenant advocacy (950 complaints, 576 confirmed cases, *per year*), the number of rental housing units inspected by DPD under its complaint-based system will only affect a small portion of rental housing. CM Licata's proposal also assumes that some level of inspections could occur during the initial registration phases.

As reflected in the consent items listed above, Committee members are in agreement that inspections should be required for properties with a history of code violations, when a code violation is alleged after the property receives permission to have rental units, or as a result of a third party request. DPD's recommendation on inspection of rental properties will be outlined in Issue 2 below.

Elements of a mandatory inspection program would include:

- Yearly selection of a to-be determined number of randomly selected properties for inspection;
- Buildings less than 5 years old would not be inspected, nor would buildings currently exempt from the program<sup>3</sup>;
- If an inspection is required, the inspection must be completed within 60 days after selection and must indicate whether or not the property complies with housing code elements enforced in this program;
- DPD will select up to 20% of units for inspection at multi-building properties, to include all common areas;
- Properties that pass inspection would be removed from the inspection pool until the end of the defined inspection period; and
- A new inspection on a property could be required during the inspection term if there is a complaint or if DPD determines that the property has developed significant maintenance issues.

Committee direction:

**Should interior inspections be mandatory for all properties?**

Yes \_\_\_\_\_

No \_\_\_\_\_

If the answer is **no**, go to Issue 2, page 4.

If the answer is **yes**, how often should all properties should be inspected?

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<sup>3</sup> Owner-occupied rental units; Units unavailable for rent; Housing accommodations in retirement or nursing homes; Rental units that receive funding or subsidies from the federal, state or a local government and that are inspected at least every three years, etc.

Three years, based on the existing ordinance \_\_\_\_\_

Ten years \_\_\_\_\_

Ten years, with a requirement to evaluate whether the mandatory program should be replaced with a random inspection program \_\_\_\_\_

Another term \_\_\_\_\_

**Committee direction:**

Issue 2: If Council does not support mandatory interior inspections for all rental properties, should inspections be required of *some* rental properties?

If Committee members' direction to DPD is that interior inspections for *all* rental properties should not be required, you can decide how many rental properties *should* be inspected. DPD recommended that all rental properties be *subject* to interior inspections, using a random selection of a to-be determined number of properties. This approach assumes that *some, but not all*, rental properties would be subject to inspection. The following is a summary of DPD's approach towards random selection:

- Yearly selection of a to-be determined number of randomly selected properties for inspection<sup>4</sup>;
- Buildings less than 5 years old would not be inspected, nor would buildings currently exempt from the program<sup>5</sup>;
- If an inspection is required, the inspection must be completed within 60 days after selection and must indicate whether or not the property complies with housing code elements enforced in this program;
- DPD will select up to 20% of units for inspection at multi-building properties, to include all common areas;
- Properties that pass inspection would be removed from the random-sampling inspection pool for 5 years; and
- A new inspection on a property could be required during the 5-year exclusion period if there is a complaint or if DPD determines that the property has developed significant maintenance issues.

<sup>4</sup> DPD could also begin inspections concurrent with registrations, as indicated in CM Licata's proposal

<sup>5</sup> Owner-occupied rental units; Units unavailable for rent; Housing accommodations in retirement or nursing homes; Rental units that receive funding or subsidies from the federal, state or a local government and that are inspected at least every three years, etc.

DPD estimates that there are 42,000 rental properties with a total of 147,000 rental units<sup>6</sup>. The following table is a breakdown of how many properties would be inspected at set percentages. It is not possible to estimate how many units would be inspected due to the provision that allows DPD to random sample up to 20% of the units on a property:

Inspection level	Properties inspected each year	Properties inspected in 5 years
5%	2,100	10,500
10%	4,200	21,000
15%	6,300	31,500
20%	8,400	<b>42,000</b>
25%	10,500	<b>All properties inspected</b>
33%	13,860	
50%	21,000	
66%	27,720	
75%	31,500	
<b>100%</b>	<b>42,000</b>	

When selecting a level of inspection, Committee members should also consider whether an interim report prior to the end of the proposed 5-year inspection cycle is warranted. A report prior to the end of the 5-year inspection term would allow DPD to report back on some key elements:

- Are enough properties being inspected so that a reasonable assessment of the state of rental housing can be made;
- What is the general condition of rental properties in the City;
- Is there a close relationship between the quality of units disclosed on property owner declarations and the actual quality of units being inspected; and
- Should the program be extended.

**Committee Direction to DPD:**

Random inspections:

Yes \_\_\_\_\_

No \_\_\_\_\_

If yes, what percentage: \_\_\_\_\_

Issue 3: Should owner declarations be subject to inspections?

<sup>6</sup> This is an approximate number and does not reflect any of the exemptions outlined in footnote 4, above

DPD's proposal includes a requirement that all property owners submit a declaration prior to requesting permission to rent units at a property. The declaration would be signed under penalty of perjury, requiring the property owner to conduct an interior inspection of all units to be rented, or cause the units to be inspected by a third-party inspector. DPD and the stakeholder group also support a program evaluation component that includes an evaluation of the information provided in the declaration.

If the Committee supports mandatory interior inspections of all properties under Issue 1, verifying declarations through an interior inspection may not be needed. However, if the committee supports random interior inspections as identified in Issue 2, it should also consider requiring a random selection of declarations to further populate the pool of properties *subject* to inspection.

If Committee members do not support interior inspections, as outlined in Issue 1 or 2, DPD could include a requirement that declarations be subject to interior inspections to test the veracity of the information provided in the declarations. In both cases it is assumed that DPD would select a number of declarations that would be identified in the legislation, one that is also consistent with best auditing practices.

**Committee direction:**

Do Committee members support adding declarations to the list of properties subject to interior inspection, as outlined in Issue 2?

Yes \_\_\_\_\_

No \_\_\_\_\_

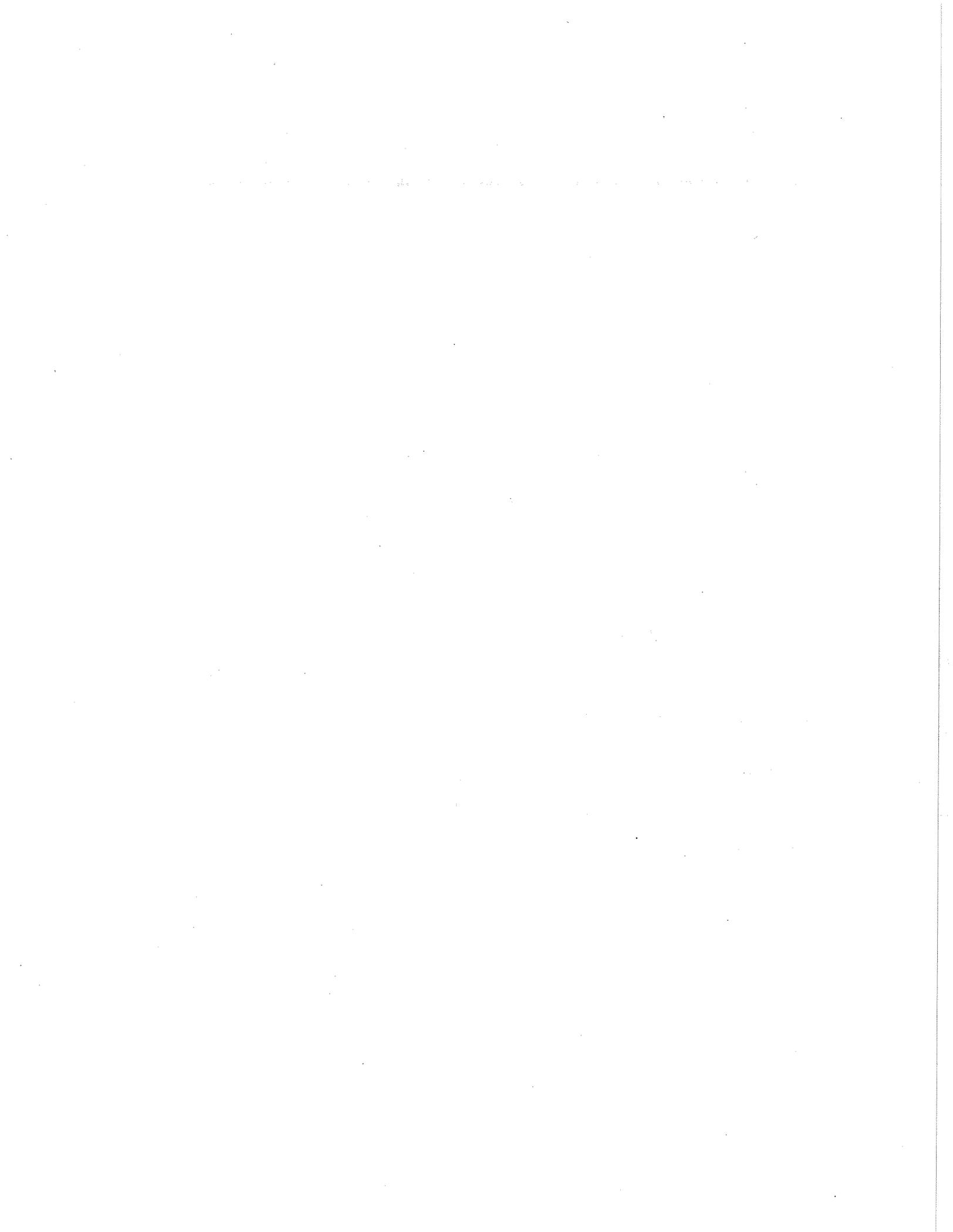
If Committee members do not support interior inspections as outlined in Issues 1 and 2, do you support interior inspections to test the validity of information provided in the declaration?

Yes \_\_\_\_\_

No \_\_\_\_\_

**Next steps**

Direction on these three issues, and concurrence on the consent agenda items, will help DPD in preparing legislation to reflect the committee's direction, the stakeholder's input, and DPD's expertise. DPD has not indicated when Council can expect to review legislation.





# City of Seattle

Department of Planning and Development

Diane M. Sugimura, Director

## PROPOSED REGISTRATION AND INSPECTION PROGRAM FOR RENTAL HOUSING MAR. 28, 2012

### I. INTRODUCTION

Safe, habitable, and affordable housing is a fundamental human need recognized in Seattle's Comprehensive Plan. The City has articulated an interest in safeguarding the condition and quality of the housing stock and in maintaining attractive and livable neighborhoods. Through the Comprehensive Plan the City of Seattle adopted a policy to:

Encourage safe and healthy housing free of known hazardous conditions.  
Require that renter-occupied housing be maintained and operated according to minimum standards established in the Seattle Housing and Building Maintenance Code and other applicable codes. Actively encourage compliance with the codes and seek to inspect on a regular basis multifamily rental structures most likely to have code violations.

To implement this policy and respond to a request from the City Council, the Department of Planning and Development (DPD) is proposing a program for registering and inspecting rental housing. Proposed program elements include: (1) registering most rental housing and inspecting the properties on a randomly-selected basis; (2) inspecting properties with a history of code violations; (3) engaging in significant outreach and education effort for tenants, landlords and property managers to promote knowledge of the proposed registration requirement and standards for maintaining rental properties; (4) engaging in outreach to other organizations and public agencies to identify poorly-maintained rental housing; (5) and providing relocation assistance to mitigate negative impacts on displaced tenants. These elements are described more fully below.

### II. BACKGROUND

According to the U.S. Census Bureau and King County Assessor's data, there are approximately 147,000 rental housing units located in over 42,000 properties within the City of Seattle, and 53% of the City's residents are renters. The City has determined that substandard and unsanitary residential building and dwelling units exist within the City,



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and for many years has had a program of inspecting in response to complaints of substandard rental housing conditions. The primary purpose of the City's complaint response is to have the owner correct the code violation and bring the property into compliance with the City's Housing and Building Maintenance Code standards. It is well known, however, that a complaint response program does not result in all rental units meeting health and safety standards because not all substandard units are reported to the City. There are a variety of reasons why substandard rental housing isn't always reported, including language and cultural barriers and the fact that some renters are afraid of the potential consequences of reporting problems such as a rent increase, or a worsened relationship with the landlord.

Taking advantage of an option available under state law to enact a local requirement for rental housing licensing and inspection, in 2010 the City Council passed Ordinance No. 123311 establishing a Residential Rental Business License and Inspection Program as a placeholder ordinance. Recognizing that the speed of this legislative process did not allow for a full consideration of program details and policy issues, the Council also adopted Resolution No. 31221 requesting DPD to develop recommendations for a rental housing licensing and inspection program and listing twelve specific areas for consideration. For comparative purposes, Appendix 2 compares the proposed program to Ordinance 123311. Appendix 3 provides detailed information on the Resolution and extensive stakeholder input, including a review of areas of stakeholder agreement and disagreement.

### **III. SUMMARY OF PROPOSAL**

The proposal includes:

- registering most rental housing;
- engaging in outreach and education for tenants, landlords and property managers;
- engaging in outreach to public agencies and community organizations to identify poorly-maintained rental housing;
- inspecting properties with a recent history of repeat violations on a more-frequent basis;
- inspecting multi-unit properties where violations are observed in some units that are likely to be widespread throughout the building;
- inspecting rental properties on a randomly-selected basis;
- using private-sector inspectors for many inspections;
- reviewing work of private inspectors to assess for quality control and prevent fraudulent inspections;
- linking rental housing inspections to health and safety issues;

- enforcing registration by using penalties; registration suspension and revocation, and a possible prohibition against re-renting a unit that becomes vacant until the unit complies with rental inspection requirements;
- limiting tenant displacement to only those circumstances where physical conditions pose an imminent threat to health or safety which cannot be quickly remedied. Under these circumstances the property owner would be responsible for paying relocation assistance; and
- evaluating program effectiveness on a periodic basis.

#### **A. Outreach and Education**

The program would begin with intensive outreach and education to landlords, tenants, property managers, and real estate professionals. It would cover City requirements for rental housing, including the registration requirement and maintenance standards rental housing must meet to be registered, when the City requires the landlord to have an inspection performed, City complaint-response inspections, and landlord and tenant rights and responsibilities.

Getting the word out will be important to reach tenants and landlords who are not members of rental housing-related organizations. Outreach and education activities should begin in the three to six months before the start of property registrations; program content and materials development thus would need to be completed before that time.

#### **B. Registering Rental Housing**

Most properties with rental housing units would have to be registered. Exceptions would include shelters and transitional housing; units not available for rent; owner occupied units; short term vacation rental units, hotels and motels; retirement and nursing homes; housing managed by a government unit and already subject to periodic government inspection; housing occupied by a religious order; owner-occupied units rented for no longer than 1 year while the owner is temporarily living elsewhere, for a work sabbatical, for example. The sabbatical exception would be limited to once in a five year period.

In registering, the property owner will be required to make a written declaration that all units and common areas comply with a list of specific standards. The standards would be a subset of the full requirements in the Housing and Building Maintenance Code and include things most important for tenant health and safety. For example, to meet these standards the owner would have to declare that all units have: working smoke detectors, adequately-functioning and permanently-installed heat source, hot and cold

water, and adequate locks on doors and windows. The specific standards would be specified in a Director's Rule. Further discussion of inspection standards is found on page 6.

DPD proposes phasing the registration requirement in over 3 years.

- In the first 6 months, registration would be required for buildings with 7 or more units (about 3407 properties).
- In the second 6 months, registration would be required for buildings with 3 to 6 units (about 3613 properties).
- In the second and third years, buildings with 1 to 2 rental units (an estimated 35,000 properties)

Phasing provides additional time to identify smaller rental properties; this will be a difficult and ongoing effort for many years. Programming problems that might be found with initial use of new data systems would be easier to correct when there is a lower data and usage level. Phasing also spreads out the administrative work both at initial registration and at time of renewals. Late registrations would incur an additional fee.

This proposal includes a significant effort to find rental properties that are not registered. In order for the proposed program to be credible and fair, it is critical that this effort be robust. This work will require using a wide variety of information sources: for example, county property assessor records; prior code enforcement records; other public records; referrals from DPD code enforcement staff and other agencies such as Public Health, SPD and SFD; and complaints from the public.

A registration could be suspended or ultimately revoked for a unit or building under certain circumstances. For discussion of consequences of not complying with registration and inspection requirements, see page 7.

### **C. Required Inspections**

**History of prior violations.** Owners of properties that have had two or more enforcement notices for violations or emergency orders under the Seattle Housing and Building Maintenance Code (HBMC) during a prior 3-year period, starting with the commencement of the registration program, would be notified that they must demonstrate that the property complies with standards required for property registration. The owner would have 60 days to pass an inspection by a City inspector. Because of the history of violations, there would not be the option of having this inspection performed by a private sector inspector. Fewer than 80 properties currently fall into this category, based on enforcement records from 2009 through 2011. If the inspection reveals violations, our usual code enforcement procedure would be followed

to obtain compliance, and the rental registration could be suspended and then revoked, if necessary. After passing an inspection under this provision, if the property was again subject to two more enforcement violation notices or emergency orders in a subsequent 3-year period, another inspection would be required.

**Complaint response inspection indicates likely building-wide violations.** Owners of multi-unit properties where only some units are inspected in response to a complaint would be required to demonstrate compliance throughout the building if violations found in the inspected units indicate likely widespread maintenance deficiencies that are significant to health and safety. For example, if a complaint response inspection of one unit found seriously deteriorated window assemblies (which could indicate moisture penetration, potential structural decay and poor indoor air quality), or multiple electrical outlets and/or switches with faulty wiring, the property owner would have to have 20%, or at least two other units inspected if there are ten or fewer units (the specific units would be chosen by DPD) and submit an Inspection Certificate showing compliance within 60 days. If there are deficiencies that require longer to correct, additional time could be allowed to pass inspection if the owner submits the detailed inspection findings and a plan and schedule for repairs that DPD approves. The owners of these properties would obtain inspections by hiring a qualified private inspector. The inspection standards would be the subset of the full HBMC standards; see page 6 for more detail on inspection standards.

**Referrals from other agencies and organizations.** DPD would regularly reach out to a variety of public agencies and community organizations for referrals of rental properties with significant poor conditions. These would be processed as violation complaints; DPD would request access to inspect and respond to observed violations according to its normal business practices. DPD would also leave on the premises or mail to each unit information about maintenance standards, complaint response inspections and the code enforcement process.

**Random inspection of rental properties.** After the database of known and registered rental properties is sufficiently large, every year DPD would randomly select a list of rental properties for inspections. New buildings less than 5 years old would not be included in the selected properties. The owners would be required to provide an inspection report to DPD within 60 days that demonstrates the properties comply with selected health and safety requirements. In multiple-unit buildings, 20% of units (or at least 2 units when there are fewer than ten), selected by DPD, would be inspected, as well as common areas such as laundry rooms and hallways. Properties that pass inspection would be removed from the random-sampling inspection pool for 5 years and would not be selected again for a required inspection for at least that period of time. A property could be placed back in the random-selection pool during the 5 year

exclusion period if it is found to have developed significant maintenance deficiencies in those specific areas that a property must meet to be registered as a rental property.

#### **D. Private Sector Inspectors, Quality Control by DPD**

In order to perform inspections under this program, private inspectors would be required to have certain credentials as listed in Ordinance 123311 and complete training on City codes and inspection protocol. DPD would confirm private sector inspector credentials. DPD would maintain a list of qualified private inspectors that would be available online and also sent to property owners when notified that they must submit a Certificate of Inspection showing compliance with maintenance standards. We believe there are sufficient inspectors with applicable credentials to be able to meet the demand this program would generate. For example, currently there are 241 Washington State licensed home inspectors in King and Snohomish Counties, one of the relevant professional credentials.

The required private inspector training class would cover the selected HBMC standards to be used for these inspections. It would highlight the differences between the Seattle standards and the International Property Management Code, the model code used by many other jurisdictions and that is used in inspector credentialing by organizations like the American Association of Code Enforcement and the International Code Council.

DPD would perform ongoing quality control audit on a sample of inspection Certificates prepared by private inspectors. In the audit DPD would look at recent complaint response enforcement records and inspect exterior conditions at a property. The review also could include examining inspection records held by the private inspectors, and contacting tenants or the property owner to request interior access. The details of this audit concept were not discussed by the stakeholder group, but the opinion was widely shared that the City would need to have an audit system to promote consistency and assure quality.

If DPD finds a property with significant maintenance deficiencies that were not reflected in a private inspector's Certificate of Inspection that showed compliance, and that would have existed at the time of that inspection, there would be potential sanctions for the private inspector, up to being dropped from list of qualified inspectors. (Details and due process provisions will be adopted by administrative rule if this program is implemented.)

#### **E. Inspections: Rating Deficiencies**

Some property maintenance deficiencies are potentially more damaging to health and safety than others. This proposal distinguishes between relatively minor deficiencies

and those with a significant potential health or safety impact by giving certain types of deficiencies more weight in evaluating whether a rental housing unit should not be occupied.

In a required inspection, specific health and safety-related deficiencies would be identified, and points assigned depending on the seriousness of the deficiency. Deficiencies with significant health or safety implications, such as lack of working smoke detectors, or electrical or plumbing system hazards, would receive a high number of points. A property would not pass inspection if even one of these serious conditions were present. Lesser issues such as a minor plumbing leak would be assigned a low number of points, and by itself would not cause the inspection to fail. However, if there are enough minor violations, the sum of their assigned points could cause the property to fail the inspection. The details of the point system would be adopted by administrative rule. We expect most property owners will usually cure deficiencies.

#### **F. Inspection Standards for Required Inspections**

The standards used for the owner declaration when registering rental housing and required inspections performed by private inspectors would include provisions of the Housing and Building Maintenance Code that are most relevant to the health and safety of tenants, as is the case under Ordinance 123311. The training for private sector inspectors would be designed to help the inspectors to have a consistent approach to evaluating building and unit conditions against these standards.

The standards included in Ordinance 123311 that would continue to be included under this proposal include provisions for minimum floor area for habitable rooms; sanitation, structural and shelter requirements; maintenance requirements; heating and ventilation requirements; electrical system requirements; emergency escape windows and doors; removal of garbage, debris and rubbish and provision of garbage cans; pest extermination; and smoke detectors. To these standards DPD proposes adding the standards listed below.

<u>Code section</u>	<u>Topic covered</u>
22.206.020 C	minimum floor area for sleeping rooms
22.206.040 A, B and C	light and ventilation
22.206.050 C and H	common bathrooms and toilet rooms, fuel shutoff valves
22.206.080 B	condition of floors, interior walls, ceilings
22.206.110 C and D	electrical receptacles in kitchens and light fixtures in public hallways, stairs, laundry rooms

22.206.120	mechanical facilities and equipment
22.206.130 A.3, B.1, C, E.3 and 4, and K	fire and safety standards (e.g. stairs, handrails, exits)
22.206.140 A.1, 5, 6, 8, 10 and 11	security related features of building and housing unit entrance doors and openable windows
22.206.140 B.1, 4 and 5	entrance door security in detached single family dwellings
22.206.160 A.4 and 8	materials posing an imminent hazard or threat to health or safety, display of street numbers to aid emergency response

### **G. Violations and Enforcement of Requirements**

There are two likely types of violations that we expect if the proposed program is implemented: failure to register a rental property when registration has been required, and failure to submit a required Certificate of Inspection showing compliance with standards.

If DPD discovers that a rental property owner has not complied with the requirement to register, DPD would initially seek voluntary compliance—many rental property owners might not be aware of the new requirement. If we did not get compliance after sending information and a warning, then a violation notice for failure to have a valid registration would be issued. The notice would set a compliance date after which penalties would accrue on a daily basis. DPD proposes using the same penalty structure used in Ordinance 123311 and in the HBMC: \$150/day for the first ten days after a compliance date, then \$500/day. We would initiate a civil lawsuit in Municipal Court to seek to gain compliance and collect penalties.

If a property owner failed to provide a Certificate of Inspection to DPD when required, they would be notified that the registration for the property will be suspended, and ultimately revoked if the owner continues to fail to comply. There would be due process provisions for an owner to challenge a pending registration suspension or revocation. If the owner failed to respond to notification of suspension of the rental housing registration, revocation would follow. A violation notice for not having a valid rental housing registration would be issued, as described above, and DPD would pursue penalties for not having a valid rental housing registration.

If a registration is revoked because the owner failed to provide a required Certificate of Inspection showing compliance with standards, the owner would be prohibited from re-renting any units lacking a valid registration until a valid registration is obtained. Under these circumstances, in order to re-register, the owner would have to have the property

inspected, submit an inspection Certificate showing compliance and would pay an additional registration reinstatement fee.

There is another type of violation that is possible: submittal of an inspection Certificate that reports that the property did not meet maintenance standards. We generally would not expect this to occur: in most cases, we anticipate a failed inspection would not be reported at all, in which case we would be dealing with the scenario described in paragraph B above.

#### **H. Mitigating Negative Impacts**

The enforcement focus will be to obtain compliance with the registration requirement, required inspections, and maintenance standards in order to register properties in the program and make health and safety related improvements to deficient properties. We do not expect a great deal of displacement of tenants, however, there are likely to be some tenants who will have to move. If a property is found to have significant health or safety deficiencies and is not or cannot be quickly made safe, then it must be vacated because of the risks to tenant health and safety. The property owner would be required to pay relocation assistance for tenants who must move, as is currently the case under existing HBMC provisions. The current amount of relocation assistance required under these circumstances is \$3321. The City would enforce this requirement. When a property owner refuses to pay required relocation assistance to a low-income tenant household, the City would advance money for relocation assistance to renter households that qualify as low-income. Funds to advance relocation expenses need to be provided as part of the program. The City would take legal action to obtain reimbursement and penalties from the property owner of any funds advanced to a displaced household.

#### **I. Evaluate Program Design and Effectiveness**

At this time, this proposal does not suggest that the city adopt a policy requiring all rental housing properties to pass periodic inspections. We do not have a comprehensive list of all rental properties in Seattle. We believe we first need to gain a better understanding of the condition of the rental housing stock. How big is the problem of substandard rental housing? Information obtained from experience with the proposed program may later show that it is necessary to adopt a comprehensive, periodic inspection requirement. The proposed outreach and education program may result in significantly more housing violation complaints. In addition, DPD will learn from comprehensive inspections performed in properties with known violations; from the experience of obtaining inspection Certificates from private inspectors; and from auditing their work. The additional information will allow the City to better evaluate the condition of rental housing in Seattle, to assess the impact of the proposed program,

and to evaluate whether the program should be restructured. Periodic evaluation of the results of the program and its effectiveness is critical. We also recommend considering having this evaluation performed by an independent party or agency.

#### **IV. EXPECTED COSTS**

##### **A. Cost of Private Inspections**

The City of Tukwila in December 2011 completed its first year of required systematic code inspections using private sector inspectors. DPD believes the inspections conducted by private sector inspectors under the Tukwila program are comparable to the inspections that would occur under this proposal, and that the costs in Tukwila are a reasonable indicator of likely inspection costs under this proposal.

The architects qualified to perform inspections in Tukwila charge \$100 per hour. They report that it takes approximately an hour to inspect a single family home, plus additional time for travel and documentation. The total charge for a single family home is usually between \$150 and \$200. Inspection of multi-unit buildings takes approximately 15 to 20 minutes per unit and costs from \$25 to about \$33 per unit, plus the costs of travel time and documentation time.

The licensed home inspectors charge from \$160 to \$250 for a single family home. For multi-family buildings, some charge a base fee of up to \$250 plus a per unit charge running from \$25 to \$35 per unit; some do not have a base charge but charge for travel and documentation as well as by the unit.

##### **B. Program Start up Costs**

Some program start-up costs will need to be funded up front, before the registration fee income stream starts. It will take several years before fees will repay up-front expenses. Total start-up costs are estimated to be approximately \$462,000. Included in this figure are design and development of data systems, research to collect data identifying rental housing, development of content and materials for the outreach and education program, outreach and education materials costs, and development of an outreach and education plan.

1. Design and development of data systems and applications to support registration of rental housing is one of the significant start-up costs. Design and development for two additional components, for inspections and qualification of private inspectors, could occur concurrently, or somewhat later if those functions are phased in at a later time. The registration component will require nine months to a year. Successful system design depends on detailed understanding of business workflow and

processes. A rough estimate of the IT cost for only the housing registration component is approximately \$100,000; however, this figure could change significantly depending on program design decisions. Full development of all three components (registration database, inspections, inspectors), plus the addition of web functionality allowing online renewals, database research, and other like functions, would require a total of 12 to 18 months and is estimated to cost approximately \$222,000. Again, this figure could change significantly.

2. Development of a strong outreach and education program would include these elements:

- Content development,
- Materials design and printing, and
- A plan for conducting outreach and delivering education services. Outreach and education service delivery could be contracted to community-based organizations and/or to a consultant, as an alternative to City staff performing these tasks. These organizations may be better able to reach tenants and landlords not ordinarily in touch with local agencies.

Total start-up cost estimates include:

IT/data systems design, development	\$222,000
Staff (non-IT)	\$204,000
Outreach/education materials	\$25,000
Paper, postage, envelopes	\$11,400
<b>Total</b>	<b>\$462,400</b>

### C. Workload Impact on Existing City Staff

DPD believes the volume of rental housing complaints will increase as a result of this program, at least in initial years, due to more widespread knowledge about rental housing maintenance standards and the availability of inspection services, and due to required City inspections of properties with recent known violation histories. We do not have an estimate of the impact at this time; we would monitor workload impacts and report back on additional enforcement staff resources that would be needed.

Similarly, we expect there to be a workload impact for the Law Department from increased code enforcement cases under the complaint response system and from violations involving failure to register rental housing or failure to submit a required Certificate of Inspection.

## **APPENDIX 1. ADDITIONAL DETAILS ON REGISTRATION OF RENTAL HOUSING**

- A. Owners of properties with rental housing units would be required to register rental properties and renew the registration every 3 years. Registration would be transferable to new property owners. The seller would have a duty to report the sale and identity of a new owner to DPD. The new owner would have 30 days to pay the fee for transfer and issuance of a new registration or be subject to fines.
- B. A registration would be obtained for each property, identified by tax parcel number, containing one or more buildings with rental housing units. The registration would:
- identify each building, list all addresses, and list units within a building;
  - list names and contact information for all persons or legal entities with an ownership interest;
  - identify an owner's representative such as a property manager and provide associated contact information, if the owner designates a representative; and
  - identify whether the property had been inspected by a 3<sup>rd</sup> party or by a city inspector.
- C. The owner would give a copy of the registration and renewed registrations to the tenants of each unit. The registration would provide information on:
- who to contact for repairs;
  - how to learn about City maintenance standards that have to be met in order for a registration to be valid; and
  - how to request a City code enforcement inspection.
- When a property is sold the new owner would be required to distribute the new registration to tenants.
- D. There would be an online database to allow the public to confirm whether a building has registered rental units, showing a list of units; registration status and expiration date; the owner's names; the name, address and phone number for contacting a designated property representative (property manager) to address property-condition issues. If an inspection had been required, information about when the inspection occurred and its outcome would be available.

**APPENDIX 2 COMPARISON OF ORDINANCE 123311 WITH PROPOSED PROGRAM FOR RENTAL HOUSING REGISTRATION AND INSPECTIONS**

Issue	Ordinance 123311	Proposal
Requirement to obtain a rental housing license	<ul style="list-style-type: none"> <li>• License requires a third party inspection for compliance with code provisions related to health and safety</li> <li>• Inspector fills out Certificate of Compliance</li> <li>• Certificate valid for 3 years and 90 days from date of issuance unless there are code violations in the future</li> </ul>	<ul style="list-style-type: none"> <li>• Registration of rental housing, renewable every 3 years</li> <li>• Owner provides a declaration that registered housing units comply with specified health and safety standards.</li> <li>• Registration document and online system provide information on health and safety maintenance standards that are required to be met.</li> <li>• When an inspection has occurred, the renewed registration will provide information on inspection date and whether it was passed or failed.</li> </ul>
Inspections	Interior inspections limited to health and safety issues.	<p>Interior and exterior inspections for health and safety issues required:</p> <ul style="list-style-type: none"> <li>• For known properties with history of 2 or more housing code violations within prior 3 years. DPD inspector performs inspection within 60 days. (Estimate 80 properties would be included.)</li> <li>• For multi-family properties inspected in response to a complaint where inspection of only some units indicates maintenance problems that are likely to be widespread and, if so, pose health or safety concerns.</li> <li>• For a random selection of rental properties. In multi-unit buildings, 20 % of units, selected by DPD, would be sampled. Landlord must provide Certificate of Compliance from third party inspector within 60 days. Extension possible with DPD approval of work plan to correct violations. New buildings less than 5 years old would not be included in selection of</li> </ul>

		buildings to be inspected.
Parameters of inspections	<ul style="list-style-type: none"> <li>• Inspection of specific code sections related to health and safety</li> <li>• Third party inspectors</li> <li>• Property owners choose to inspect all units, or only a sample</li> <li>• Notice to tenants of inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Notice to owner</li> <li>• DPD inspector for properties with history of multiple violations in past 3 years; all units included.</li> <li>• Third party inspectors in other circumstances; a sample of units chosen by DPD.</li> <li>• Notice to tenants of inspection</li> </ul>
Phase in of licensing or registration	<ul style="list-style-type: none"> <li>• Report from DPD on advisability of effective implementation dates</li> </ul>	<ul style="list-style-type: none"> <li>• Registration phased in over 3 years.</li> <li>• Known properties with multiple violations inspected in first year.</li> <li>• Random selection of rental properties starts when database of rental properties is large enough.</li> </ul>
License database	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Online publicly accessible database to confirm registration; landlord/manager contact information; whether inspection ever required; inspection results.</li> </ul>
Types of units licensed	<ul style="list-style-type: none"> <li>• Exempts owner occupied rental units, units unavailable for rent, transient lodging, institutions, units already subject to government inspection, mobile homes, accessory units, shelters, transitional housing</li> </ul>	<ul style="list-style-type: none"> <li>• Would still exempt owner occupied rental units, units unavailable for rent, transient lodging, institutions, units already subject to government inspection, shelters, transitional housing. Would not exempt ADUs, rented mobile homes. Would add exemption for "sabbatical" leaves for owner-occupied units that are rented for no more than 1 year.</li> </ul>
License contents and placement	<ul style="list-style-type: none"> <li>• License and Certificate of Compliance posted in common area visible to all tenants</li> <li>• List compliance standards, date of inspection</li> <li>• Contact information for inspector</li> <li>• Contact information for property owner/agent</li> </ul>	<ul style="list-style-type: none"> <li>• Registration would be provided to all tenants (does not have to be posted).</li> <li>• List compliance standards that owner must declare are in compliance.</li> <li>• Contact information for owner or agent.</li> <li>• If inspection had occurred, list date and result of inspection.</li> <li>• List information on complaint response code enforcement.</li> </ul>

<p>Enforcement of licensing requirement</p>	<ul style="list-style-type: none"> <li>• If unit fails inspection then penalties for code violations apply</li> <li>• Use denials, suspensions and revocations</li> <li>• Monetary penalties of \$150 per day for first 20 days then \$500 per day</li> <li>• \$1,000 for submitting false information</li> </ul>	<ul style="list-style-type: none"> <li>• If owner fails to submit a Certificate of Compliance then penalties for code violations apply</li> <li>• If failed inspection report submitted, DPD would seek to inspect and follow normal enforcement process to get violations cured; could seek civil warrant to gain access to inspect if access is not granted</li> <li>• Use suspensions and revocations; owner could ultimately be prohibited from re-renting unit(s) that become vacant with revoked registration</li> <li>• To reinstate registration, owner would have to demonstrate compliance with standards and pay an additional fee</li> <li>• Suggest same penalty amounts and structure for violation of requirement to have registered units</li> </ul>
<p>Public outreach and education</p>	<ul style="list-style-type: none"> <li>• Notice to tenants about upcoming inspections</li> <li>• Director to make rules</li> </ul>	<ul style="list-style-type: none"> <li>• Significant outreach and education targeted for tenants, landlords, property managers would begin at least 3-6 months prior to registering any properties, and would continue for a number of years.</li> <li>• Director would make rules to define specifics that do not need to be codified and that may need to be adjusted, based on experience.</li> </ul>
<p>Tenant Relocation Assistance</p>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Tenant displacement would occur only when conditions pose an imminent threat to health or safety, not merely because of lack of registration compliance.</li> <li>• Property owner would be responsible to pay relocation assistance, as is currently the case. City would need to establish additional funds to advance to tenants if owner refuses to pay; city would sue owner to get advanced funds reimbursed.</li> </ul>

Private inspectors	<ul style="list-style-type: none"><li>• Private inspectors must have specified professional credentials, register and complete examination.</li></ul>	<ul style="list-style-type: none"><li>• Private inspectors must have specified professional credentials, register and complete training class on city codes and inspection protocol and reporting.</li></ul>
Current DPD complaint process	<ul style="list-style-type: none"><li>• Continues</li></ul>	<ul style="list-style-type: none"><li>• Continues. Anticipates potential increase in complaint workload.</li></ul>
Program evaluation	<ul style="list-style-type: none"><li>• Left to DPD</li></ul>	<ul style="list-style-type: none"><li>• Recommend having program evaluation completed by another party other than DPD.</li></ul>

### **APPENDIX 3 RESOLUTION 31221 AND STAKEHOLDER INPUT**

In Resolution No. 31221 the Seattle City Council requested the Department of Planning and Development (DPD) to develop a written report offering its recommendations for a rental housing licensing and inspection program. The requested report was to include the consideration of the following:

1. The advisability of a program implementation date of October 1, 2011 for testing and registration of rental housing inspectors;
2. The advisability of a program implementation date of April 1, 2012 for licensing of rental housing businesses;
3. The scope and focus of a proposed rental housing inspection program, including whether it should be city-wide, geographically focused, limited to buildings with a certain number of units or with a certain type of units, etc.;
4. The appropriate inspection standards to be included in a proposed rental housing inspection program;
5. The advisability of inspecting all units in buildings versus inspecting a sampling of units, and if sample is advised, the appropriate method of and procedures for sampling;
6. The appropriate inspection interval, e.g., annually, every 2 years,, every 3 years, before renting to a new tenant, etc.;
7. The applicability of the rental licensing and inspection program to new rental housing units, either constructed or converted to residential rental housing after the effective date of the program;
8. The appropriate inspection method, whether by private or public inspectors, or by self inspections by landlords, and the appropriate credentials for any inspector making the inspections;
9. The advisability and cost of registering inspectors;
10. The proposed cost of a rental housing business license;
11. What additional landlord and tenant protections/provisions might be needed to ensure its successful implementation; and
12. If the exemptions proposed under Council Bill 116857 are appropriate or should be expanded.

The Council asked the Department to seek the input of stakeholders in developing its written recommendations.

In response to the Council's resolution, the Director of the Department appointed a stakeholder group representative of the many interests affected by the program. The Stakeholder Group met thirteen times in the period December 16, 2010 to January 11, 2012. The group included the following members:

- Randy Bannecker : President, Bannecker Public Affairs and advisor to the Rental Housing Association of Puget Sound
- Christopher Benis: Landlord, real estate attorney, and advisor to the Rental Housing Association of Puget Sound
- Merf Ehman: Former Managing Attorney, Housing Justice Project and currently Managing Attorney, Columbia Legal Services
- Jonathan Grant: Executive Director, Tenants Union of Washington State
- Hugh Kelso: Owner, HKI Building Inspections
- Paul Lambros: Executive Director, Plymouth Housing Group
- Andrew Lewis: Assistant Director, Associated Students of the University of Washington
- Paul Mar: Director of Real Estate, Seattle Chinatown International District Preservation and Development Authority
- Laura O'Connell: Housing Counselor, Solid Ground
- Jim O'Halloran, Jr.: Chair, Land Use Committee, Roosevelt Neighborhood Association
- Joseph Puckett: Government Affairs, Washington State Multi-Family Housing Association
- Nichole Thomsen: Health and Environmental Investigator, Public Health, Seattle-King County
- Karen White: Director, Code Compliance Division, Department of Planning and Development

#### Commonly Held Interests Among Stakeholder

The stakeholders agreed that any proposal for a licensing and inspection program must be evaluated using the following criteria:

- Inexpensive
- Useful
- Practical
- Targeted

#### Summary of Stakeholder Input

The stakeholders expressed a range of opinions on most of the topics; the major themes and opinions expressed by stakeholders are summarized below. Please refer to Appendix A for detailed notes on stakeholder input.

1. The advisability of a program implementation date of October 1, 2011 for testing and registration of rental housing inspectors.
  - There was no consensus among the stakeholders that the city should adopt a mandatory rental housing inspection program. However, were the city to do so, the Stakeholder Group largely agreed that the October 1, 2011

implementation date for testing and registering private rental housing inspectors was not realistic given the complexity of any licensing and inspection program. The Group did not specify an alternate date.

2. The advisability of a program implementation date of April 1, 2012 for licensing of rental housing businesses.
  - There was broad agreement among the stakeholders that rental housing should be licensed, permitted, or registered. However, the Stakeholder Group thought an implementation date of April 1, 2012 too optimistic. The Group did not offer a different date.
  
3. The scope and focus of a proposed rental housing inspection program, including whether it should be citywide, geographically focused, limited to buildings with a certain number of units or with a certain type of units, etc.
  - A licensing and inspection program should be inexpensive, useful, practical to administer, targeted, and consider the impact on potential tenant displacement. The program could license tax parcels, buildings, premises, individual units, property owners, or representatives of property owners, bearing in mind that a license is time limited to one year by state law. The program should be city-wide in scope (with an appropriate phase in period) with very few rental units exempted from inspection.
  - Most stakeholders agreed that it is not necessary to inspect all rental housing units in the city. However, special attention should be give identifying and licensing illegal units, and finding the worst landlords or worst properties and bringing their properties into compliance with established standards of the program.
  - Any program initiative should develop a useful database of the city's rental housing stock and have a robust community outreach and education component.
  - The Department's current complaint-based program should continue.
  
4. The appropriate inspection standards to be included in a proposed rental housing inspection program
  - Stakeholder opinion was divided on the appropriate inspection standards. Some thought the program should only inspect for life/safety violations (similar to those listed in state law), others thought the currently adopted standards were sufficient. And there was some support for using the current Housing and Building Maintenance Code standards.
  - The standards adopted needed to be cost effective and not be overly burdensome or intrusive for either landlords or tenants.

- However, there was broad support for using a weighted approach similar to that used by the City of Tukwila, which gives greater weight to the most important deficiencies, tailored to the needs of Seattle.
5. The advisability of inspecting all units in a building versus inspecting a sampling of units, and if sample is advised, the appropriate method of and procedures for sampling.
    - Most stakeholders believed it is not necessary to inspect all rental housing units in the city, since most units are believed to be in good repair. Additionally, it is probably impractical to inspect all units over a reasonable period of time. The group was agreed that any inspection program must identify the worst rental properties.
    - The stakeholders agreed that if random sampling is employed it needed to be informed by a good sampling methodology. A sample of a multi-unit building should take into account the different types of units in the building, i.e., studio, one-bedroom, two-bedroom, single room occupancy, etc.
    - The stakeholders did not discuss sampling methodologies.
  6. The appropriate inspection interval, e.g., annually, every 2 years, every 3 years, before renting to a new tenant, etc.
    - There was generally agreement that it would be too expensive and impractical to inspect all rental housing annually. Opinions ranged from allowing landlords to self-certify that their housing units met program inspection standards, to focusing on those units or those property owners with a history of violations, to having a tiered program where housing units were inspected less and less often when no violations were found (i.e., every 3 years, every 5 years, every 10 years). Most stakeholders believed that good landlords should be rewarded with fewer inspections for repeatedly demonstrating their property is in good condition.
  7. The applicability of the rental licensing and inspection program to new rental housing units either constructed or converted to residential rental housing after the effective day of the program.
    - The stakeholders generally agreed that new rental housing and rental housing converted to condominiums should be licensed; but exempt from inspection for a period of years. There was no agreement as to the exemption period, but there was support for a 5 year period and for as long as a 10 year period.

8. The appropriate inspection method, whether by private or public inspectors, or by self inspections by landlords, and the appropriate credentials for any inspectors making the inspections.
  - There was general agreement among the stakeholders that any mandatory inspection program would need to draw from a deep pool of people. The fear was expressed that there were not enough public and private inspectors to do the number of anticipated inspections.
  - The stakeholders believed that if private inspectors were to be used in the program that they should have at least the same training as state licensed home inspectors and that they should in some way be vetted by DPD.
  - The stakeholders expressed concern over the cost of using private inspectors and that their inspection protocols might vary greatly among themselves and from those of the DPD complaint-base program. Most stakeholders felt that it was not possible to establish qualifications for private inspectors without knowing the specific program standards to which they were to inspect.
9. The advisability and cost of registering inspectors.
  - The Stakeholders did not discuss the cost of registering inspectors, indicating that they did not have enough information or experience to do so.
10. The proposed cost of a rental housing business license.
  - Although the Stakeholders did not attempt to establish the cost of a rental housing business license, they were concerned with affordability. They felt the program design needed to be more fully developed before they could express an opinion as to cost. There was some discussion about a sliding fee schedule depending upon the number of housing units licensed.
11. What additional landlord and tenant protections/provisions might be needed to ensure its successful implementation.
  - Licenses should be posted in a common area for all tenants to see and list all of the rental units covered by the license. Each unit should have a notice posted in it indicating that the unit has passed inspection. Alternatively, license copy should be given to tenants of each unit.
  - Educational materials should be developed for both property owners and tenants that outline the requirements of the licensing and inspection program, their respective rights and responsibilities pursuant to state law and city code, and a comprehensive move in-move out check list to document the condition of the housing unit. DPD could develop a free assessment and counseling program to assistant landlords in assuring their housing units fully comply with all required inspection standards.

- There should be a process through which a property owner can challenge an inspection report. A landlord whose housing unit fails to pass an inspection should be allowed a certain amount of time to correct deficiencies. The goal should be to bring a housing unit into compliance, not penalizing a responsible landlord. However, failure to bring one housing unit into compliance should not result in the loss of a license for an entire building, only the ability to rent that deficient unit.
  - License revocation should be a last enforcement alternative. A property owner subject to license revocation should have a way to appeal the loss of the license.
  - DPD should coordinate its program with other agencies such as Public Health Seattle-King County, the Seattle Fire Department, and the American Lung Association.
  - License renewal should be staggered so that all licenses are not renewed at one time. There should be a mechanism for transferring a license and any current inspection certificate when a property is sold.
  - The stakeholders recognized that the licensing and inspection program would evolve over time. The group as a whole believed that it must be phased in over time and that program adjustments be made based upon experience. They believed the program should have a robust data gather component right from the beginning and this data should help inform future program adjustments.
  - All inspection reports completed by private inspectors and all information provided to secure a license should be subject to audit by DPD. This would include random inspection of privately inspected units by DPD Code Compliance staff. Alternatively, there was some support for making all licensing and inspection information readily available to the public on request.
12. If exemptions proposed under CB 116857 are appropriate or should be expanded or contracted.
- The majority of stakeholders recommended that the licensing and inspection program have very few exemptions. Especially, they found no reason to exempt single family residences (whether owner occupied or not) and accessory dwelling units.
  - Consideration should be given to exempting housing providers such as the Seattle Housing Authority or other public or non-profit organizations subject to inspection based upon standards similar to those adopted for the licensing and inspection program. However, such organizations should lose their

exemptions if they show a pattern of violations issued by the DPD complaint-based program.

- Most stakeholders believed that exemptions should be revocable.

#### Areas of Stakeholder Agreement or Broad Support

- There should be a residential rental licensing (or registration) program
- Licenses (or registration) should be issued to specific locations
- Licenses (or registration) should good for more than one year
- Contact information should appear on each license (or registration)
- All housing units covered by a license (or registration) should be listed by a unique identifier
- Very few rental housing units should be exempted from licensing (or registration)
- There should be robust education programs for landlords, tenants, and the greater community about rights, responsibilities, and the specifics of the licensing program
- Complaint-based housing code enforcement should continue
- A database documenting the condition of the rental housing stock should be included in the licensing program
- Licenses should be revocable under certain special conditions
- A licensing program should be transparent, creating an auditable paper trail.
- A licensing program should be phased in and licenses renewed on a staggered basis
- There is a desire to identify and correct the worst housing conditions and illegal units
- If a rental housing inspection requirement is implemented:
  - A weighted inspection system should be utilized (to reflect that some deficiencies are of greater concern than others)
  - Good landlords should be rewarded by having their housing units inspected less often than housing units where violations were found
  - Very few rental housing units should be exempted from inspection

#### Areas of Disagreement or Significant Divergence of Opinion

- Whether or not there should be a residential rental housing inspection requirement
- Whether or not a property owner should be allowed under certain circumstances to self-certify the condition of his/her rental housing units
- The standards to which a housing unit should be inspected



# DPD proposal—Rental Housing Registration and Inspection Program

## Program Implementation

### Start-up and Outreach

- DPD develops program tools (staffing, computer tools, outreach materials, rule making, etc.)
- Community outreach program in advance of registration program
- DPD partners with community based organizations to provide landlord-tenant education

### Registration

- All properties with rental units, as defined by Ordinance, must be registered
- Registration program implemented over three years to manage process to identify and register approximately 42,000 rental properties, and in excess of 147,000 rental units
- Registration requires an application by a property owner supported by their declaration that all rental units on subject property meet certain housing code standards
- City issues registration; provides basis for City-maintained database documenting location, ownership, number and general condition of rental units
- Registration fee generates revenue to fund and sustain program (including community education, inspections, and relocation assistance)
- Existing complaint-based system and civil warrent program not altered with this program

### Inspections

- Ordinance currently requires all properties to be inspected prior to receiving authorization to rent units; allows for random selection of 20% of rental units on a property to meet requirement
- Proposal would tailor inspections to:
  - \* properties with history of violations,
  - \* properties subject to a complaint after registration
  - \* randomly selected properties from a to-be-determined number of all rental properties
- Either third-party inspections or DPD staff available for randomly selected properties; DPD will conduct inspections on properties with a history of violations
- Random inspections to begin after end of three-year registration start up;
- Inspections target same housing code elements in adopted ordinance; proposal expands list to add additional habitability, safety and security standards

### Enforcement and Monitoring

- When unit fails inspection, owner has 60 days to bring into compliance; additional time is available
- If compliance is not achieved, or owner fails to address deficiencies, and a registration is revoked, a unit is not eligible for rental
- Civil fines may be imposed when properties are rented without a valid registration and required inspection or when declaration is found to be inaccurate, incorrect or fraudulent
- DPD to audit both property owner declarations and third party inspections to
  - \* Highlight patterns with code deficiencies
  - \* Evaluate effectiveness of declaration
  - \* Promote quality and consistency of third-party inspections

## Program Goals

- City builds a record of all property owners that rent units
- City can get better information on the extent to which there are illegal and substandard rental properties
- City develops reliable information on the location and extent of rental housing by neighborhood; useful for long-range planning initiatives
- Greater equity in housing; fewer Seattle residents live in substandard housing
- Jobs creation through private inspection industry
- Deterrent effect of inspections improves Seattle housing stock rapidly; creates incentives for owners to implement best property management practices
- Self-sustaining, revenue-neutral program—registration fees fund the program
- Revenue generated for emergency relocation assistance, which prevents homelessness in event that unit must be vacated

YR 1  
start up

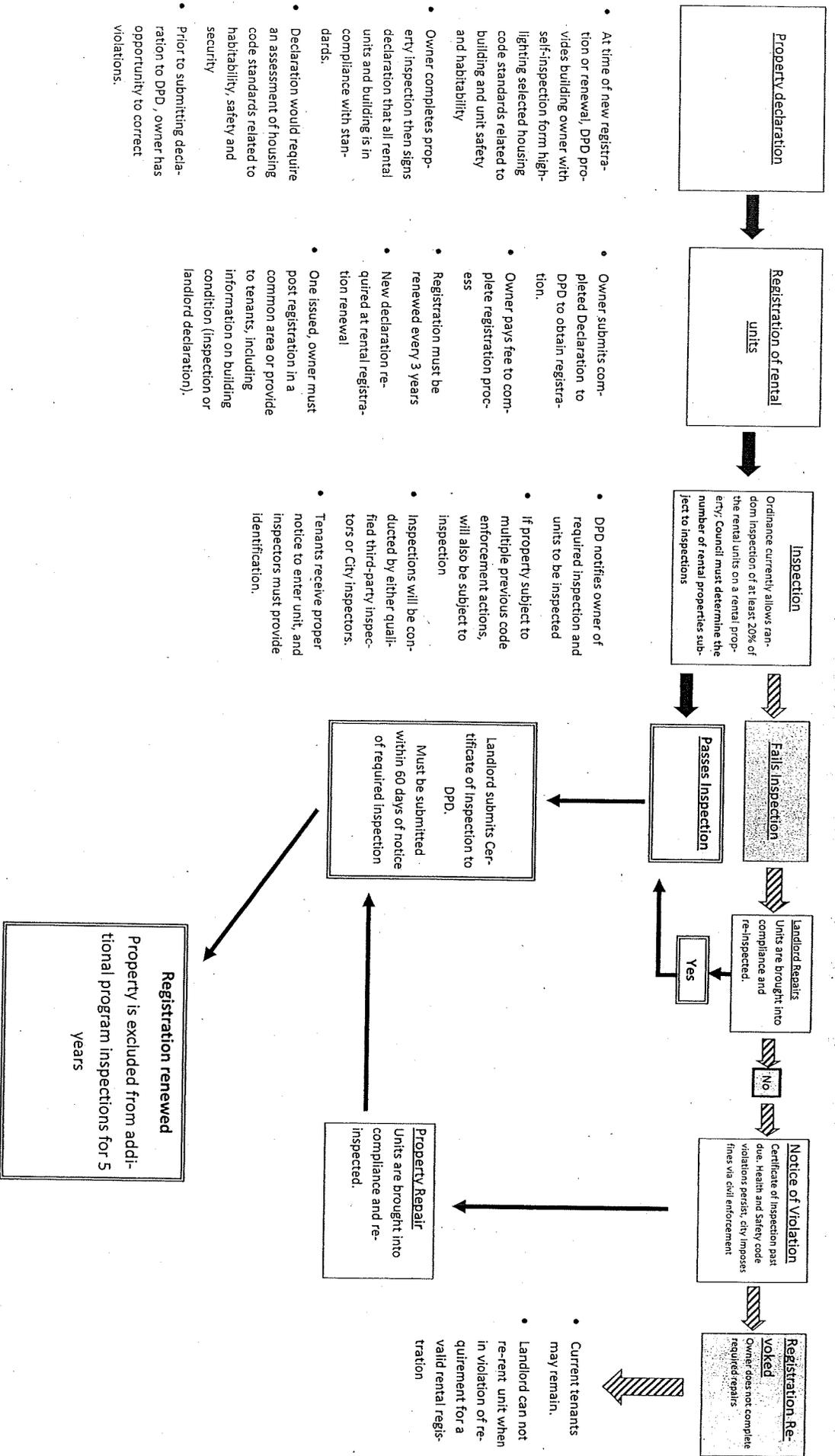
YR 2  
Target properties with 3 or more

YR 3-4  
Target properties with 1-2 units

YR 4 and on

(B)

# DPD proposal — registration of a rental property



- At time of new registration or renewal, DPD provides building owner with self-inspection form highlighting selected housing code standards related to building and unit safety and habitability
- Owner completes property inspection then signs declaration that all rental units and building is in compliance with standards.
- Declaration would require an assessment of housing code standards related to habitability, safety and security
- Prior to submitting declaration to DPD, owner has opportunity to correct violations.

- Owner submits completed Declaration to DPD to obtain registration.
- Owner pays fee to complete registration process
- Registration must be renewed every 3 years
- New declaration required at rental registration renewal
- One issued, owner must post registration in a common area or provide to tenants, including information on building condition (inspection or landlord declaration).

- DPD notifies owner of required inspection and units to be inspected
- If property subject to multiple previous code enforcement actions, will also be subject to inspection
- Inspections will be conducted by either qualified third-party inspectors or City inspectors.
- Tenants receive proper notice to enter unit, and inspectors must provide identification.

Landlord submits Certificate of inspection to DPD.  
Must be submitted within 60 days of notice of required inspection

**Registration renewed**  
Property is excluded from additional program inspections for 5 years

**Property Repair**  
Units are brought into compliance and re-inspected.

- Current tenants may remain.
- Landlord can not re-rent unit when in violation of requirement for a valid rental registration

# Licata proposal—Rental Housing Registration and Inspection Program

## Program Implementation

### Start-up and Outreach

- Properties w/ rentals as defined by Ordinance
- Registration program implemented over three years to manage process to identify and register approximately 42,000 rental properties
- Registration requires application by property owner supported by their declaration that all rental units on subject property meet certain housing code standards
- City issues registration; builds City-maintained database documenting location, ownership, number and general condition of rental units
- Registration fee generates revenue to fund and sustain program (including community education, inspections, and relocation)
- Existing complaint-based system and civil warrant program not altered with this program

### Inspections

- Proposal would tailor inspections to:
  - \* Properties with history of violations
  - \* Randomly selected properties from 42,000 rental properties. See schedule below.
  - \* Non-city inspections available for selected properties; DPD conduct inspections on properties with a history of violations and warrant-based inspections resulting from properties identified by DPD exterior violations and 3rd party complaints\*
  - \* Random inspections to begin in year two;
  - \* Inspections target same housing code elements in adopted ordinance; proposal expands list to add additional habitability, safety and security standards

### Enforcement and Monitoring

- When unit fails inspection, owner has 60 days to bring into compliance; more time is available
- If compliance is not achieved and a registration is revoked, a unit is not eligible for rental
- Civil fines may be imposed when properties are rented without a valid registration and required inspection or when declaration is found to be inaccurate, incorrect or fraudulent
- DPD to audit both property owner declarations and third party inspections to
  - \* Highlight patterns with code deficiencies
  - \* Evaluate effectiveness of declaration
  - \* Promote quality and consistency of third-party inspections

## Program Goals

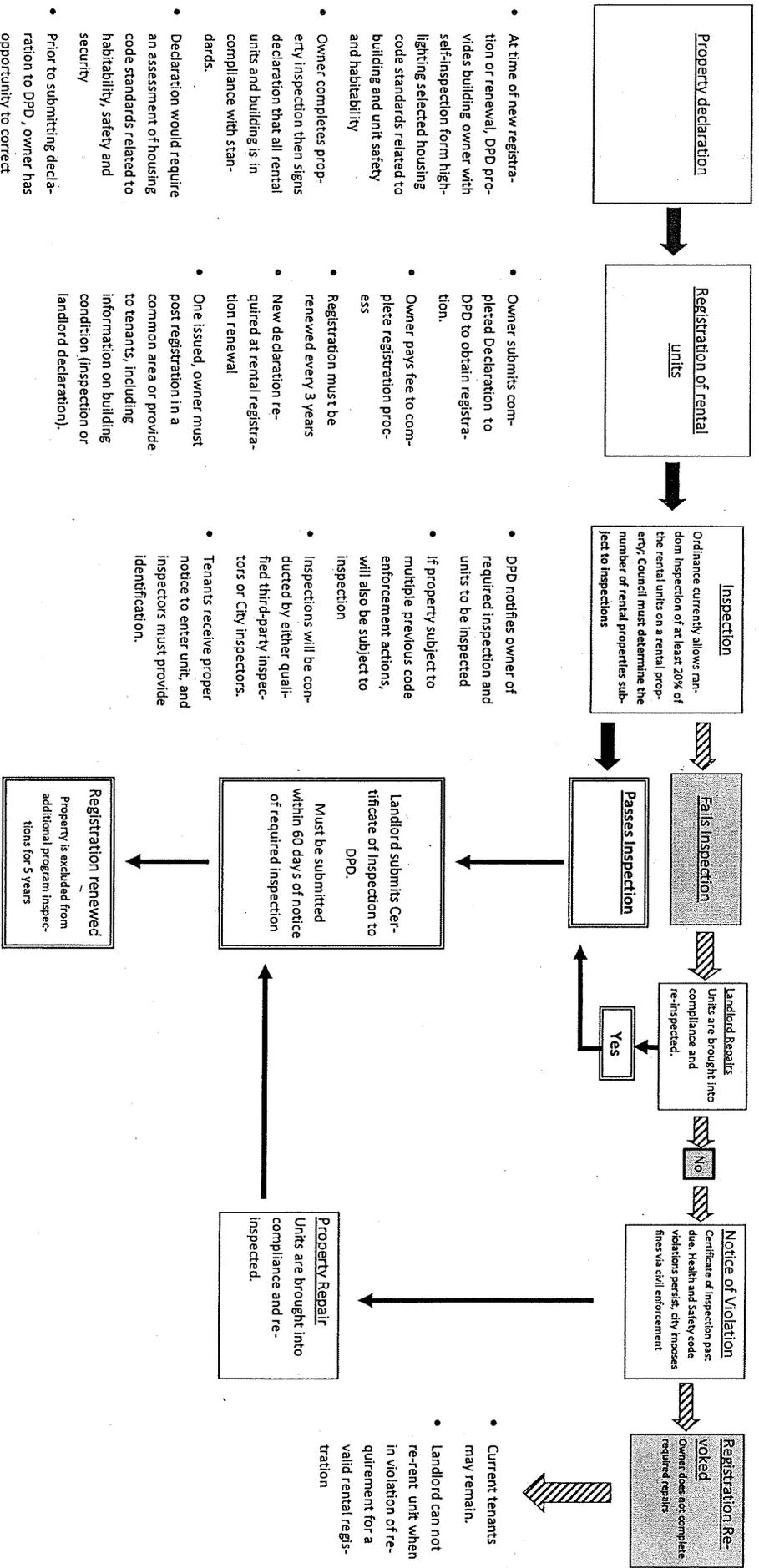
- City builds record of property owners renting units
- City can get better information on numbers of illegal and substandard rental properties
- City develops reliable information on the location and extent of rental housing by neighborhood; useful for long-range planning initiatives
- Greater equity in housing: fewer Seattle residents live in substandard housing
- Jobs creation through private inspection industry
- Deterrent effect of inspections improves Seattle housing stock rapidly; creates incentives for owners to implement best property management practices
- Self-sustaining, revenue-neutral program—registration fees fund the program
- Revenue generated for emergency relocation assistance, which prevents homelessness in event that unit must be vacated

YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 11
start up	Register: properties with 3 or more units	Register: properties with 1-2 units	Register: properties with 1-2 units	Registered: All properties	Compliance Inspections: 5,120	Compliance Inspections: 6,380	Compliance Inspections: 7,640	Compliance Inspections: 7,640	Compliance Inspections: 8,480	evaluation
	Compliance Inspections: 430	Compliance Inspections: 955	Compliance Inspections: 3,020	Compliance Inspections: 4,280	~ 80 history of violations	~ 80 history of violations	~ 80 history of violations	~ 80 history of violations	~ 80 history of violations	
	~ 80 history of violations	~ 80 history of violations	~ 80 history of violations	~ 80 history of violations	-- 5,040 new properties (non-city inspectors available)	- 5,950 new properties (non-city inspectors available)	- 6,685 new properties	- 5,460 new properties	- 4,200 new properties	
	- 350 new properties (non-city inspectors available)	- 875 new properties (non-city inspectors available)	- 2,940 new properties (non-city inspectors available)	- 4,200 new properties (non-city inspectors available)	able)	ceiving their 2nd inspection—5 year cycle (non-city inspectors available)	ceiving their 2nd inspection—5 year cycle (non-city inspectors available)	ceiving their 2nd inspection—5 year cycle (non-city inspectors available)	ceiving their 2nd inspection—5 year cycle (non-city inspectors available)	

Existing complaint-based program and the existing warrant inspections program may result in increased inspections starting in year 2 onward. One estimate is 500 more inspections resulting from a. 3 party complainants and b. DPD observation of exterior violation.



# Licata/DPD proposal—registration of a rental property



- At time of new registration or renewal, DPD provides building owner with self-inspection form highlighting selected housing code standards related to building and unit safety and habitability
- Owner completes property inspection then signs declaration that all rental units and building is in compliance with standards.
- Declaration would require an assessment of housing code standards related to habitability, safety and security
- Prior to submitting declaration to DPD, owner has opportunity to correct violations.

- Owner submits completed Declaration to DPD to obtain registration.
- Owner pays fee to complete registration process
- Registration must be renewed every 3 years
- New declaration required at rental registration renewal
- One issued, owner must post registration in a common area or provide to tenants, including information on building condition (inspection or landlord declaration).

- DPD notifies owner of required inspection and units to be inspected
- If property subject to multiple previous code enforcement actions, will also be subject to inspection
- Inspections will be conducted by either qualified third-party inspectors or City inspectors.
- Tenants receive proper notice to enter unit, and inspectors must provide identification.

- Current tenants may remain.
- Landlord can not re-rent unit when in violation of requirement for a valid rental registration

ORDINANCE 123311

1  
2 AN ORDINANCE relating to residential rental property registration and inspections, adding a  
3 new Chapter 6.440 to the Seattle Municipal Code and providing for an effective date of  
4 October 1, 2011.

5 WHEREAS, the City Council has determined substandard and unsanitary residential buildings  
6 and dwelling units exist within the City of Seattle; and

7 WHEREAS, improving residential housing and providing for neighborhood stability  
8 throughout the City through improved housing conditions requires periodic inspection  
9 of residential rental housing units in the City to determine if such premises fail to  
10 comply with certain requirements of the City's Housing Code or endanger or impair the  
11 health or safety of a tenant; and

12 WHEREAS, in order to provide for such periodic inspection of residential rental housing units,  
13 a Residential Rental Business License and Inspection Program must be established; and

14 WHEREAS, the fees that will be imposed by separate ordinance are to recover the cost of the  
15 Residential Rental Business License and Inspection Program, are not intended to raise  
16 revenues for other purposes, and are not imposed on property ownership but on the  
17 carrying out of the business of renting residential property subject to these regulations;  
18 NOW, THEREFORE,

19 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

20 Section 1. Effective October 1, 2011, a new Chapter 6.440, the Residential Rental  
21 Business License and Inspection Program, is added to the Seattle Municipal Code as follows:

22 **6.440.010 Declaration of Purpose**

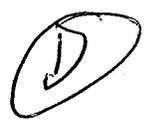
23 The City Council finds that the establishment of a Residential Rental Business License  
24 and Inspection Program is necessary to protect the public health, safety, and welfare of tenants  
25 by encouraging the proper maintenance of rental housing, by identifying and requiring  
26 correction of substandard housing conditions, and by preventing conditions of deterioration and  
27 blight that could adversely impact the quality of life in the City of Seattle.

28 **6.440.020 Definitions**

For purposes of this chapter, the following words or phrases have the meaning  
prescribed below:

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1                   1. "Accessory dwelling unit" or "ADU" means an "Accessory dwelling unit" or  
2 a "Detached accessory dwelling unit" as defined under "Residential Use" in Section  
3 23.84A.032.

4                   2. "Certificate of Compliance" means the document signed and dated by a  
5 Qualified Rental Housing Inspector and submitted to the City as the result of an inspection  
6 conducted by a Qualified Rental Housing Inspector that certifies that the residential housing  
7 units that were inspected comply with the requirements of the City's Housing Code listed in  
8 Section 6.440.050.A and are not in a condition that endangers or impairs or could endanger or  
9 impair the health and safety of a tenant.

10                  3. "Housing Code" means the Housing and Building Maintenance Code in  
11 SMC chapters 22.200-22.208.

12                  4. "Mobile Home" means a "Mobile Home" or a "Manufactured Home" as  
13 defined in RCW chapter 59.20.

14                  5. "Owner" has the meaning given in Section 22.204.160.

15                  6. "Qualified Rental Housing Inspector" means:

16                    a. A City Housing and Zoning Inspector; or

17                    b. A private inspector who is registered with the City as a qualified  
18 rental housing inspector pursuant to Section 6.440.050 and who possesses at least one of the  
19 following credentials:

20                               1) A.A.C.E. Property Maintenance and Housing Inspector  
21 certification,

22                               2) I.C.C. Property Maintenance and Housing Inspector  
23 certification,

24                               3) I.C.C. Residential Building Code Inspector,

25                               4) Washington State licensed home inspector; or  
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1 **6.440.030 Scope**

2 The provisions of this chapter apply to all residential housing units, with the exception  
3 of:

4 A. Owner-occupied rental units;

5 B. Units unavailable for rent;

6 C. Housing accommodations in hotels, motels, inns or similar accommodations  
7 for transient guests;

8 D. Housing accommodations in retirement or nursing homes;

9 E. Housing accommodations in any hospital, State-licensed community care  
10 facility, convent, monastery or other facility occupied exclusively by members of a religious  
11 order or an extended medical care facility;

12 F. Rental units that a government unit, agency or authority owns, operates or  
13 manages, or that are specifically exempted from municipal regulation by State or federal law or  
14 administrative regulation. This exception does not apply once the governmental ownership,  
15 operation or management is discontinued.

16 G. Rental units:

17 1. That receive funding or subsidies from the federal, state or a local  
18 government.

19 2. That are inspected at least every three years as a requirement of the  
20 funding or subsidy,

21 3. That provide a copy of the inspection to the Department of Planning  
22 and Development, and

23 4. For which the Director of the Department of Planning and  
24 Development determines that the inspection is substantially equivalent to the inspection  
25 required by this chapter.



1 H. Mobile homes or Manufactured Homes, both as defined in RCW chapter  
2 59.20.

3 I. Accessory Dwelling Units.

4 J. Shelters and transitional housing.

5 **6.440.040 Residential Rental Housing Business License Required**

6 A. Beginning April 1, 2012, no person shall make available for rent, or rent, lease, or  
7 let, to the public any residential housing unit without obtaining and holding a current residential  
8 rental business license for the building in which the residential unit is located.

9 B. The fee for a residential rental business license shall be set by Council by ordinance  
10 in an amount sufficient only to recover the cost of carrying out the provisions of this chapter.  
11 The fees collected shall be allocated only to that purpose.

12 C. A residential rental business license expires on March 31 of each year.

13 D. The residential rental business license is personal and nontransferable except as  
14 provided in Section 6.202.120.

15 E. Application. Application for a residential rental business license shall be made to the  
16 Director of the Department of Executive Administration on forms provided by the Director of  
17 the Department of Executive Administration. The application shall list and identify by address  
18 the building and each of the residential housing units that the applicant intends to make  
19 available for rent, or rent, lease, or let, to the public prior to the expiration of the applicant's  
20 residential rental business license and shall include the fee due for the license.

21 F. Renewal. A residential rental business license may be renewed by paying the license  
22 fee for the ensuing year on or before the date of the expiration of the current license,  
23 submitting a renewal application updating the information contained in the original  
24 application, and submitting a certificate of compliance dated within three years and 90 days of  
25 the date of the application for renewal, unless the Department of Planning and Development  
26



1 has required a more recent certificate of compliance pursuant to Section 6.440.050.G, in which  
2 case the more recent certificate of compliance shall be submitted. Any licensee who fails to  
3 pay the renewal license fee on or prior to the expiration date of the business license shall be  
4 subject to penalties in the following amounts:

5 1. \$100 if not received on or before the last day of the month following the  
6 expiration date.

7 2. \$200 if not received on or before the last day of the second month following  
8 the expiration date.

9 G. Display of business license and certificate of compliance. Within 30 calendar days  
10 after issuance or renewal of a residential business license, a copy of the current residential  
11 rental business license and the most recent certificate of compliance shall be posted and remain  
12 posted in a common area in the building that is readily visible to all tenants.

13 **6.440.050 Inspection and Certificate of Compliance Required**

14 A. As a condition to the issuance or renewal of a residential rental business license, an  
15 applicant shall provide a valid certificate of compliance stating that the applicant's residential  
16 housing units that were inspected comply with the requirements of the Housing Code listed in  
17 this Section 6.440.050.A, and that there are no conditions in those units that endanger or impair  
18 or could endanger or impair the health or safety of a tenant. A qualified rental housing  
19 inspector inspecting a rental unit for a certificate of compliance under this chapter shall inspect  
20 for and certify compliance with the following requirements of the Housing Code:

21 1. The minimum floor area standards for a habitable room contained in Section  
22 22.206.020.A;

23 2. The minimum sanitation standards contained in Sections 22.206.050.A,  
24 22.206.050.D, 22.206.050.E, 22.206.050.F and 22.206.050.G;

25 3. The minimum structural standards contained in Section 22.206.060  
26  
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28



- 1                   4. The minimum sheltering standards contained in Section 22.206.070;
- 2                   5. The minimum maintenance standards contained in Section 22.206.080.A;
- 3                   6. The minimum heating standards contained in Section 22.206.090;
- 4                   7. The minimum ventilation standards contained in Section 22.206.100;
- 5                   8. The minimum electrical standards contained in Section 22.206.110.A;
- 6                   9. The minimum standards for Emergency Escape Window and Doors contained
- 7 in Section 22.206.130.J;
- 8                   10. The requirements for garbage, rubbish, and debris removal contained in
- 9 Section 22.206.160.A.1;
- 10                   11. The requirements for extermination contained in Section 22.206.160.A.3;
- 11                   12. The requirement to provide keys and locks contained in Section
- 12 22.206.160.A.11;
- 13                   13. The requirement to provide garbage cans contained in Section
- 14 22.206.160.B.2; and
- 15                   14. The requirement to provide and test smoke detectors contained in Section
- 16 22.206.160.B.4.

17           B. A certificate of compliance shall be issued by a qualified rental housing inspector  
18 and be based upon the physical inspection by the qualified rental housing inspector of the  
19 residential housing units conducted not more than 90 days prior to the date of the certificate of  
20 compliance.

21           C. The certificate of compliance shall:

- 22           1. List and show compliance with the standards contained in Section 6.44.050.A for
- 23 each residential housing unit that was inspected;
- 24           2. State the date of the inspection and the name and address of the qualified rental
- 25 housing inspector who performed the inspection; and
- 26
- 27
- 28



1           3. State the name, address and phone number of the building's owner/licensee or the  
2 agent designated by the owner/licensee.

3           D. Inspection of units for certificate of compliance.

4           1. In buildings that contain more than one rental unit, an applicant may choose to have  
5 all of the rental units inspected or, if the building has not had conditions reported to the  
6 Department of Planning and Development that endanger or impair the health or safety of a  
7 tenant since the last inspection required by this chapter, the applicant may choose to have only  
8 a sample of the rental units inspected. If the applicant chooses to have only a sample of the  
9 rental units inspected:

10           a. If the building contains 20 or fewer rental units, no more than four rental units  
11 are required to be inspected; or

12           b. If the building contains more than 20 rental units, no more than 20 percent of  
13 the rental units are required to be inspected, up to a maximum of 50 rental units in each  
14 building.

15           c. The Department of Planning and Development will randomly select the units  
16 to be inspected.

17           2. If an applicant chooses sampling, the applicant shall provide the Department of  
18 Planning and Development with copies of all the inspections performed on the sampled units in  
19 order to obtain a certificate of compliance.

20           3. If an applicant chooses sampling and a rental unit randomly selected by the  
21 Department of Planning and Development fails the inspection, the Department of Planning and  
22 Development may require that 100 percent of the rental units be inspected.

23           E. Notice to Tenants.

24           1. Before the Department of Planning and Development selects the rental units to be  
25 inspected, or, if all of the units are to be inspected, before the inspection, the landlord shall  
26  
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28



1 provide at least two days' advance written notice to all rental units in the building advising  
2 tenants:

3 a) that some or all of the rental units will be inspected;

4 b) that an inspector intends to enter the rental unit for purposes of performing  
5 the inspection;

6 c) of the date and approximate time of the proposed inspection and the name of  
7 the company or person performing the inspection;

8 d) that the tenant has the right to see the inspector's identification before the  
9 inspector enters the rental unit;

10 e) that a tenant whose rental unit need repairs or maintenance should send a  
11 written notice to the landlord or the person who collects the rent specifying the address of the  
12 rental unit, the name of the owner, if known, and the defective condition, repair or maintenance  
13 that is needed;

14 f) that if the landlord fails to adequately respond to the request for repairs or  
15 maintenance, the tenant may contact the Department of Planning and Development about the  
16 conditions without reprisal; and

17 g) the address at which the tenant may contact the Department of Planning and  
18 Development.

19 2. Upon request the landlord shall provide a copy of the notice to the inspector on the  
20 day of the inspection.

21 F. A certificate of compliance is valid and may be used for license applications and  
22 renewals under this chapter for a period of three years and 90 days from the date it is issued,  
23 unless the Department of Planning and Development determines that violations of the Housing  
24 Code exist for any units listed in the certificate of compliance. If the Department of Planning  
25 and Development determines that violations of the Housing Code exist in any of the units listed  
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1 in a certificate of compliance, the applicant may be required to obtain an inspection and submit  
2 a new certificate of compliance with the annual application for license renewal for the  
3 subsequent two years for those units for which violations were found.

4 G. Other inspections. Nothing in this section precludes additional inspections  
5 conducted at the request or consent of a tenant, pursuant to a warrant, or pursuant to the tenant  
6 remedy provided by RCW 59.18.115 of the Residential Landlord-Tenant Act.

7 **6.440.060 Qualified Rental Housing Inspector registration**

8 A. To register as a qualified rental housing inspector (RHI), each applicant shall:

9 1. Pay to the Director of the Department of Planning and Development the  
10 annual registration fee set in the annual Department of Planning and Development fee  
11 ordinance;

12 2. Successfully complete an RHI examination administered or approved by the  
13 Director of the Department of Planning and Development. Each applicant for the exam shall  
14 pay to the Director of the Department of Planning and Development an examination fee to be  
15 set by the Director of the Department of Planning and Development at an amount that will fund  
16 the cost of administering and grading the examination.

17 3. Provide evidence to the Department of Planning and Development that the  
18 applicant possesses a current City business license issued pursuant to Section 5.55.030 and that  
19 the applicant has successfully completed the RHI examination within the last two years.

20 B. Expiration of Registration. All RHI registrations automatically expire on January 31  
21 of each year and must be renewed pursuant to the provisions of subsection 6.440.060.C.

22 C. Renewal of Registration. In order to renew a registration, the RHI shall:

23 1. Pay the renewal fee set in the annual Department of Planning and  
24 Development fee ordinance.



1                   2. Provide proof of compliance with the requirements of subsections  
2 6.440.060.A.2-6.440.060A.3.

3                   D. Failure to Renew. An RHI who fails to renew its registration is prohibited from  
4 inspecting and certifying rental housing pursuant to Chapter 6.440 until the RHI registers or  
5 renews pursuant to subsection 6.440.060.

6 **6.440.070 Directors to Make Rules**

7                   The Director of the Department of Executive Administration and the Director of the  
8 Department of Planning and Development are authorized to adopt, publish and enforce rules  
9 and regulations consistent with this chapter for the purpose of carrying out the provisions of  
10 this chapter.

11 **6.440.080 License Denial, Suspension, or Revocation**

12                  A. A residential rental housing business license may be suspended, denied, or revoked  
13 pursuant to chapter 6.202.

14                  B. If an application for a residential rental housing business license is denied, or a  
15 residential rental housing license is suspended or revoked, no reapplication for that license will  
16 be considered by the Director until correction of any and all deficiencies on which the denial,  
17 suspension, or revocation was based.

18                  C. If an application for a license renewal is denied, no application for a license or a  
19 license renewal will be considered by the Director until any and all deficiencies on which the  
20 refusal to renew was based have been corrected.

21 **6.440.090 Penalties**

22                  A. Any person violating any of the provisions or failing to comply with any of the  
23 requirements of this chapter or any rules or regulations adopted by the Director of Executive  
24 Administration or the Director of Planning and Development pursuant to this chapter, may be  
25 punished by a penalty of \$150 per day for the first ten days that the violation or failure to  
26



1 comply exists and \$500 per day for each day thereafter. Each person is guilty of a separate  
2 violation for each and every day during any portion of which any violation of any provision of  
3 this chapter is committed, continued, or permitted by such person.

4 B. Any person who knowingly submits or assists in the submission of a falsified  
5 certificate of inspection, or knowingly submits falsified information upon which a certificate of  
6 compliance is issued, in addition to the penalties provided in subsection 6.44.060.A above,  
7 shall be subject to a penalty of \$1000.

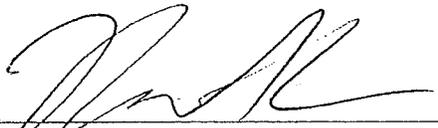
8 C. For any rental unit that fails the inspection for the certificate of compliance under  
9 this chapter, the Department of Planning and Development may issue a notice of violation  
10 under the Housing Code and subject the violator to the penalties imposed or remedies available  
11 under the provisions of the Housing Code.

12 Section 2. Severability. If any part, provision or section of this ordinance is held to  
13 be void or unconstitutional, all other parts, provisions, and sections of this ordinance not  
14 expressly so held to be void or unconstitutional shall continue in full force and effect.

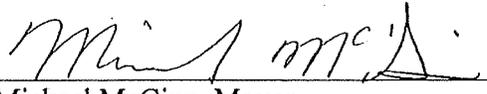


1 Section 3. This ordinance shall take effect and be in force 30 days from and after its  
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
3 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

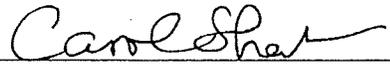
4 Passed by the City Council the 1<sup>st</sup> day of June, 2010, and  
5 signed by me in open session in authentication of its passage this 1<sup>st</sup> day of  
6 June, 2010.

7   
8 \_\_\_\_\_  
9 President \_\_\_\_\_ of the City Council

10  
11 Approved by me this 7<sup>th</sup> day of June, 2010.

12  
13   
14 \_\_\_\_\_  
15 Michael McGinn, Mayor

16  
17 Filed by me this 9<sup>th</sup> day of June, 2010.

18  
19   
20 \_\_\_\_\_  
21 City Clerk

22  
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27  
28 (Seal)



