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Honorable Cheryl Selby  
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*By E-mail*

The Washington Multi-Family Housing Association (WMFHA) is pleased to submit these comments for your consideration regarding the draft Residential Rental Registration and Inspection Program. WMFHA is a statewide organization of multifamily rental property owners, managers, and suppliers. Our members own and/or manage more than 2,200 multifamily properties across the state. These properties have more than 328,000 rental units providing quality housing for at least that many Washington residents. WMFHA members own or manage over 4,300 units in Olympia.

WMFHA has been part of conversations across the state regarding residential rental properties and the issues raised by staff and members of this body. We understand that a rental registration program is one step the City of Olympia could take to address the legitimate concerns expressed in public hearings regarding some poorly maintained rental properties in the city. We also believe that a citywide mandatory inspection program will not adequately address the goal of assuring that all rental housing in the city meets minimum health and safety standards, and in turn will cause trickle down costs to residents and disincentivize necessary future investment in the city.

We were also surprised and disappointed that WMFHA, and our members, were seemingly left out of the outreach process of this proposed policy. Large multifamily communities house thousands of Olympia residents, and even our most engaged property managers and staff had not even heard of this proposal coming before council. Besides the fact that this seems rushed and not inclusive of housing providers in your city, it's not as likely to create a workable and successful program if you haven't included or heard from who your largest participants in such a program would be. We feel it is important to list a few of our most pressing concerns with the registry and inspection program as it has been proposed.

**1. 5.82.070 Registration of Rental Units- Section G. Fees Established**  
\$35/unit is egregious. In discussing this proposal with many property owners and managers in Olympia, the resounding feedback we received was that this would impact their budgeting so significantly that they would be forced to raise rent just to make up the costs. There is an unfortunate misinformed assumption that housing providers, and especially large multifamily housing providers, make huge profits. [A recent study](#) done by the National Apartment Association estimates that only \$0.06 per \$1.00 of rent goes to profit, where majority of rent already goes to operating and maintenance costs. This per door fee does not include costs to adjust to the new requirements laid out by this proposal, any additional requirements added in the future or the time and salary of employees necessary to plan and help facilitate entry into units. Not to mention that the jurisdictions you are mirroring this program after (Burien, Kent, Lakewood, and Tukwila), all charge significantly less per door and some fund the inspection with the money collected.

**2. 5.82.090 Periodic Inspections Required for Rental Properties- A. Inspection and certificate of inspection required.**

WMFHA opposes mandatory inspections of all registered rental properties but supports requiring an inspection only after the city has received notice of a condition that endangers the health or safety of the residents, and the condition has not been corrected after notice to the owner and an opportunity to cure. Requiring a periodic, mandatory inspection of all residential rental units is unnecessary, a misuse of resources and will not serve to effectively eradicate the issue of substandard housing. The focus needs to, and should be, on those properties that are in violation. Large multifamily properties are already engaging in extensive annual inspections. A large driver of inspections are requirements given by lenders and insurance companies, costs that have increased for providers astronomically and are already disincentivizing investment in many areas of our state.

**3. 5.82.080 Business License Required for Rental Housing Units.**

Housing providers and investors operate under LLCs which are already required to register as businesses in the city.

- Bad actors, which are few and not documented with any statistics by ordinance sponsor, can continue to disobey the law. This has no new substantive enforcement mechanism to monitor bad actors that the policy seeks to address.

- This system seems only created to levy a fee to support the city's efforts to regulate an already highly regulated industry.
- Any fee assessed will add on to operational costs, which inevitably increase rent over time.
- Bad actors are already known by the city through the existing complaint line at the city's building department and the office of the Attorney General also has several programs to resolve housing provider/resident disputes.

We understand that there are bad actors who violate restrictions. However, imposing a system which places the burden of cost on good actors providing housing in Olympia is not conducive to reaching our common goal of providing more housing to people in our region. Olympia's population is expected to grow by almost 21,000 by 2045. To serve these new residents, it is anticipated that the city will need over 13,500 new housing units. Although we believe the ordinance as drafted has significant problems and will do nothing to help alleviate the housing crisis and would in fact harm the overall housing situation, we are willing to work with the council and all stakeholders to find practical solutions to address the problems this proposal is purported to address.

Due to these concerns, we respectfully request, at a minimum, the council postpone consideration of the ordinance until a full and transparent dialogue with all stakeholders can be undertaken and more reasonable and feasible options can be discussed.

Thank you for consideration,

A handwritten signature in blue ink, appearing to read "C. Ryan Makinster", with a long horizontal flourish extending to the right.

Ryan Makinster  
Director of Government Affairs

CC: Councilor Yến Huỳnh  
Councilor Dani Madrone  
Councilor Clark Gilman  
Councilor Lisa Parshley  
Councilor Donatae Payne  
Councilor Jim Cooper

