



Rental Habitability Program Proposal

Introduction

Since 2016, several of Vancouver's planning efforts, including the Affordable Housing Task Force and the RESIDE Vancouver plan, have recommended that rental properties be registered with the City and be inspected or certified habitable on a routine basis. The following proposal was developed with the help of a community advisory group that met for four months to consider and make recommendations on each component of the proposal. The advisory group was composed of housing providers, property management companies, attorneys, state multifamily rental association representatives, as well as tenants, homeless service providers, advocates, and the housing authority. This advisory group carefully weighed the benefits of maintaining safe and healthy rental housing with the impacts of implementing the proposed program.

Annual Rental Housing Registration

Each separate rental housing property location within the City of Vancouver will be required to apply for and renew annually a Rental Housing License. This license will be required in addition to the annual business license.

- **Property Information.** The following information must be submitted each year as part of the license application:
 - Rental property name and address
 - Year built
 - Type of rental (multifamily, duplex, ADU, single-family, etc.)
 - Number of units and number of bedrooms and bathrooms for each unit
 - Number of units restricted to tenants earning less than 60% of area median income
 - Owner contact information
 - Local contact person (e.g., property manager, maintenance contact) if applicable
- **Exemptions.** The following residential units will be exempt from the Rental Housing License requirement:
 - Short-term rentals (less than 30 days), hotels, emergency shelter, nursing homes and hospitals
 - Owner-occupied single-family housing (i.e., mobile homes or renting a bedroom).
- No other long-term rental housing units will be exempt from registration.
 - Income-restricted (covenanted) housing affordable to households earning less than 60% of area median income must register but will be exempt from registration fee.

Registration Fee

The City will assess a \$30/unit fee each year as part of the annual licensing process payable at the time of registration. Property owners will pay the fee on each rental unit regardless of the number of units in a property.

- **Affordability Exemption.** Owners of rental units restricted to households earning 60% AMI or less will be exempt from paying the registration fee on those affordable units. The owners will still be required to register those units.
- **Initial Incentive.** As an incentive to encourage compliance with the new registration requirement, properties that are registered within the first 90 days of program launch will have their first-year registration fee waived.
- **Penalties.** The City will impose a \$500 per year per property penalty for property owners that do not obtain a Rental Housing License. If a property remains unlicensed after repeated notices by the City, the account will be turned over to a third-party collections agency which will seek payment of fees, penalties and interest.

Rental Housing Inspections

Washington State Statute (RCW 59.18.125) sets the frequency and percentage of units that can be inspected by local jurisdictions.

- **Schedule.** All residential rental housing units will be required to be inspected on a regular basis for safety and health standards.
- Rental units will be inspected according to the following schedule:

Newly constructed units	First inspection 5 years after certificate of occupancy
Units less than 50 years old <u>and</u> previously passed inspection	Every 4 years
Units more than 50 years old <u>or</u> previously failed inspection	Every 3 years

- **Unit Selection.** The number of units inspected at each property will be determined as follows:

Buildings with 20 units or less	4 units selected randomly by City
Buildings with more than 20 units	20% of units selected randomly by City
If a selected unit fails an inspection, the City may require additional units be inspected.	

- Property owners can choose to inspect every unit rather than a sampling of units.
- All tenants at a property must be notified of potential inspection of any unit in accordance with RCW.
- **Inspectors.** Inspections will be performed by private, qualified inspectors who will be hired and paid by landlords or property managers.

- Inspection Standards.** Inspections will be performed utilizing Federal Housing Quality Standard (HQS) standards, focusing only on health and safety of living space. Properties will not be inspected to current code standards nor require property upgrades unrelated to health and safety to pass inspection.
 - Yard maintenance issues such as vegetation or non-running cars will not be part of habitability inspection unless they cause a safety issue for tenant. Outdoor issues would still be subject to code enforcement complaint process.
 - Projects that are inspected according to Federal standards because of participation in a government subsidy or incentive program may use that inspection to meet the City inspection requirement if the inspection has occurred within the required time frame.
- Inspection Results.** Inspection results will be utilized as follows:

Pass	No corrections, no follow up – private inspector provides City with certificate of passed inspection
Pass with minimal corrections	Inspector documents corrections via photograph or virtual re-inspection – private inspector provides City certificate of passed inspection once corrections are complete
Pass with multiple corrections	<ol style="list-style-type: none"> Status report to inspector within 10 days to discuss repair timeline; physical re-inspection required. <ol style="list-style-type: none"> If only a sampling of units were inspected, the inspector will provide City with copy of inspection reports and the City may request inspection of additional units. Inspector provides City with certificate of passed inspection after re-inspection within 30 days
Failure to provide inspection certificate within required timeframe	If the inspector provides multiple failed inspection reports without corrections and/or fails to provide a certificate of passed inspection within 60 days of due date, the unit will be referred to Code Enforcement for further action.

Code Compliance

- City Inspections.** If the City does not receive a certificate of passed inspection for a property within the required timeline, a City Code Compliance Officer will visit the property to perform an inspection. The property owner will be charged a fee if the City performs an inspection under these circumstances.
 - The City will follow the same inspection protocol as private inspectors to assist property owners in addressing any necessary habitability issues.
 - If code violations impacting the health and safety or tenants are identified, the Compliance Officer will advise the property owner and post a notice giving a deadline for re-inspection. The timeline given by the officer will depend on the severity of the violations and their impact on habitability.
 - Since the goal is to have repairs made and keep the property part of the City’s rental stock, Code Compliance will work with a property owner to allow the necessary time to make repairs as long as the owner is demonstrating a commitment to fixing outstanding issues.

- **Enforcement.** If an owner is not demonstrating a commitment to start or complete necessary repairs, Code Compliance may issue daily fines of up to \$250 until repairs are completed.
 - In rare cases, the City will post an Order to Vacate (condemnation) for buildings that are unsafe and uninhabitable. The City anticipates that this will occur 2-3 times per year once the program is fully implemented and hundreds of properties are being inspected each year.

Additional Program Elements

In conjunction with registration and inspection components, the habitability program will include these additional program supports.

- **Education and Outreach.** Both landlords and tenants need additional information about City and State requirements and available resources.
 - Education elements can be included in registration process.
 - Housing providers shall provide City-created resource document to tenants at lease up and renewal.
 - Rental registration will create a mailing list of housing provider contacts to share relevant information at regular intervals.
- **Relocation Assistance.** Per RCW 59.18.085, the City will implement a tenant relocation assistance program for situations in which the landlord knows, or should have known, that the property is uninhabitable as determined by City Code Enforcement. Relocation is to be paid by landlord within 7 days and includes any prepaid deposit or rent plus assistance in the amount of \$2,000 or 3-month's rent, whichever is greater. The City may advance the cost and collect civil penalties from the landlord if necessary.
 - The City will establish and fund a Tenant Relocation Assistance Fund using excess registration fees to provide funds to tenants in the event a landlord is unwilling or unable to pay required assistance in a timely manner. The City will utilize the fund as a stop gap while it collects required assistance from landlord.
 - Relocation assistance is not required to be paid by the landlord if the property is uninhabitable due to tenant's illegal conduct, natural disaster, or due to acquisition by eminent domain.
- **Reporting.** City staff will prepare and present an annual report to City Council and the public documenting results from the proposed program, including units registered, inspections conducted and results, as well as revenue and expenses for the program.