



INFORMATIONAL MEMORANDUM

TO: Planning and Economic Development Committee

FROM: Minnie Dhaliwal, Community Development

BY: Kia Shagena, Code Enforcement Officer

CC: Mayor Ekberg

DATE: November 16, 2020

SUBJECT: Updated Rental Housing Licensing Fees and Program Update

ISSUE

Should Tukwila increase its rental housing licensing fees and inspection rate to adjust for inflation in staff costs?

BACKGROUND

The City established the Residential Rental Business License and Inspection Program in 2010. This program was established for rental units to protect the public health, safety and welfare by ensuring the proper maintenance of such housing, by identifying and requiring correction of substandard housing conditions, and by preventing conditions of deterioration and blight that could adversely impact the quality of life in the City of Tukwila.

At the Council meeting on June 15, 2020, that adopted the resolution waiving late fees due to COVID, the Council had asked for a briefing on the program. Additionally, the licensing and inspection fees for 2021 and 2022 need to be adopted at this time.

DISCUSSION

Briefing on the Rental Housing Licensing and Inspection Program:

Tukwila Municipal Code Chapter 5.06 establishes regulations pertaining to rental housing license and inspection. Residential rental properties are required to obtain an annual rental business license. In addition to annual licensing, all rental housing units in the City must pass an inspection every 4 years. As of November 4, 2020, The Rental Housing Program has 4357 registered rental units and 604 active rental licenses (one license per property). Properties with up to 4 units may use a City inspector while all larger properties must use a private inspector who meets specific qualifications. The City may also inspect units in response to complaints and audit inspections submitted by private inspectors when inspection reports are in question. A total of 86% of all registered units have up to date passing inspections, while 14% are due for their next inspection (See Attachment B). Inspections ensure compliance with minimum health safety standards (See Attachment C).

Fee Update for 2021-2022

All program late fees for 2020 were waived in response to the ongoing COVID-19 pandemic. As of November 4, 2020, 73 properties have yet to renew their 2020 rental license. Not including new rental licenses, 572 units were due for inspection in 2020. Due to social distancing measures nearly all property owners have postponed their 2020 inspections. 1175 units are due for inspection in 2021. In response to the ongoing pandemic and social distancing requirements, staff has developed a virtual rental inspection beta program to address inspection needs.

Staff has found monthly late fees for overdue license renewals to be an effective tool. Staff proposes to reinstate late fees for both overdue licenses and overdue inspections.

Additionally, staff is recommending that the residential rental business license and inspection fees for 2021-2022 be increased by 1.5% to keep up with the costs of the program. This is based on the fact that the salaries for represented employees will likely increase in 2021 and 2022 by 90% of the Seattle Consumer Price Index (CPI-W). The CPI-W was 1% for the June 2020 period and additional cost increases are anticipated with the employee benefit costs.

FINANCIAL IMPACT

The proposed fee increases will keep pace with the City's costs to provide these necessary services.

RECOMMENDATION

The Committee is being asked to approve the resolution for 2021-2022 fees and consider this item at the November 23, 2020 Committee of the Whole and December 7, 2020 Regular Meeting.

ATTACHMENTS

- Attachment A. Draft Residential Rental Licensing Fee Resolution
- Attachment B. Rental Housing Program Dashboard – 11/9/2020
- Attachment C. Rental Housing - Inspection Checklist

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TUKWILA, WASHINGTON, ADOPTING A RESIDENTIAL
RENTAL BUSINESS LICENSE AND INSPECTION PROGRAM
FEE SCHEDULE; AND REPEALING RESOLUTION NO. 1946.**

WHEREAS, the City has adopted a Residential Rental Business License and Inspection Program, pursuant to Tukwila Municipal Code Chapter 5.06; and

WHEREAS, the program has significantly improved the condition of the City's rental housing stock over the past 10 years; and

WHEREAS, the City is authorized to impose fees for services rendered; and

WHEREAS, the fees for this program are intended to offset most of the cost of providing this service; and

WHEREAS, the costs to administer the program have increased since the last fee review in 2018; and

WHEREAS, the cost to administer the licensing program increases in proportion to the number of units per site; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Residential Rental Business License and Inspection Program fees will be charged according to the following schedule:

RESIDENTIAL RENTAL BUSINESS LICENSE AND INSPECTION FEES

DESCRIPTION	2020 LICENSE	2021 LICENSE	2022 LICENSE
Annual Residential Rental Business License:			
Property with one, two, three or four units	\$ 75.00	\$ 76.00	\$ 77.00
Property with 5 to 20 units	\$195.00	\$198.00	\$201.00

DESCRIPTION	2020 LICENSE	2021 LICENSE	2022 LICENSE
Property with 21 to 50 units	\$245.00	\$249.00	\$252.00
Property with 51 or more units	\$305.00	\$310.00	\$314.00
<i>License fees for units rented for the first time on or after July 1st of each year are reduced by 50%.</i>			
Late fee per month if existing license is not renewed before March 1	Waived effective 6/16/20	\$10.00	\$10.00
Penalty fee if a new unit is leased before a license and inspection is obtained	\$ 50.00	\$50.00	\$50.00
Inspection fee per unit (City inspector)	\$ 60.00	\$ 61.00	\$ 62.00
Re-inspection fee per unit (City inspector)	\$ 60.00	\$ 61.00	\$ 62.00
Late fee per unit, per month, if Inspection Checklist is not submitted by September 30 of the year it is due	Waived effective 6/16/20	\$10.00	\$10.00
Hearing Examiner appeal fee	\$340.00	\$340.00	\$340.00

Section 2. Repealer. Resolution No. 1946 is hereby repealed in its entirety as of 11:59 PM on December 7, 2020.

Section 3. Effective Date. This resolution and the fee schedule contained herein shall be effective as of 12:00 AM on December 8, 2020.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2020.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk


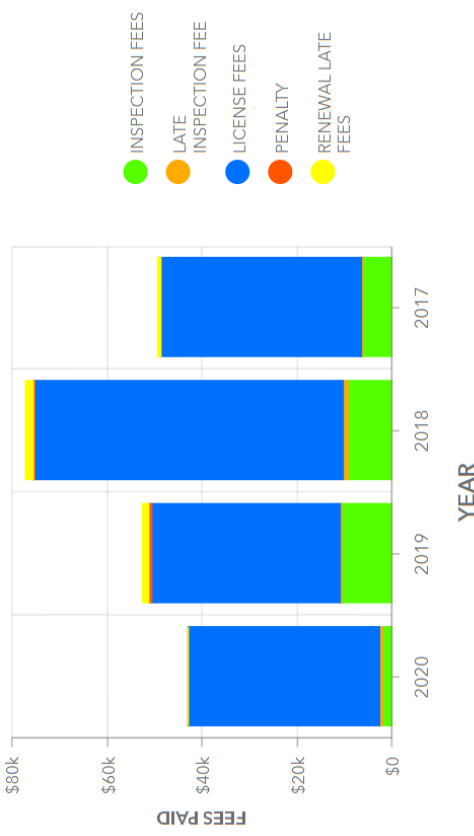
De'Sean Quinn, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

ATTACHMENT B.
RENTAL HOUSING PROGRAM DASHBOARD - 11/9/2020

<p>604 RENTAL LICENSES 4,357 Rental Units</p>	<p>RENTAL LICENSES BY STATUS</p>  <p>LICENSE STATUS</p>	<p>2020 (YTD) \$44,947 FEES PAID</p>	<p>2019 \$52,313 FEES PAID</p>	<p>2018 \$77,055 FEES PAID</p>	<p>2017 \$49,388 FEES PAID</p>
<p>102 LICENSES W/BALANCE DUE</p>	<p>Rental Fees Owed \$9,780</p>	<p>PROGRAM REVENUE BY YEAR</p> 			



Rental Housing Program - Inspection Report and Checklist

UNIT DOES NOT PASS IF INSPECTION RESULTS EQUAL 25 POINTS OR MORE

Property Owner: _____ **FILE #** _____

Rental Address: _____ **Inspection Results** _____

Property Name: _____ **Final Inspection Score** _____

Unit #: _____

Bedrooms: _____ Bathrooms: _____

Dwelling Type
 Single-family Fourplex
 Condominium Apartment w/5+ units
 Duplex Accessory Dwelling Unit
 Triplex Studio/Efficiency Unit

CITY OF TUKWILA OFFICIAL RENTAL INSPECTION REPORT

DATE OF INSPECTION: _____ INSPECTOR NAME (PRINTED): _____ INSPECTOR SIGNATURE: _____

REINSPECTION REQUIRED? Y / N REINSPECTION DUE DATE: _____

POST INSPECTION COMMENTS / REQUIRED CORRECTIVE ACTIONS

HAZARDS - Check all hazards that apply.	NC-PTS	COMMENTS
Plumbing system hazards found - IPMC 504.3	25	
Mechanical equipment improperly installed and maintained. - IPMC 603.1	25	
Combustion air supply is inadequate for fuel burning equipment - IPMC 603.5	25	
Unit does NOT have electrical service provided by utility - IPMC 604.1	25	
Electrical system hazards found - IPMC 604.3	25	
Other hazards found - IPMC 108	25	
Describe hazard:		
Fire doors are blocked, obstructed, or inoperable - IPMC 703.2	25	
Inadequate emergency egress from one or more habitable spaces - IPMC 702.4	25	
Doors, bars, grilles, grates over emergency escape openings are NOT readily operable from inside, without keys or special knowledge - IPMC 702.3 & 702.4	25	
Missing/inoperable Smoke detector(s): Detectors required for each story; each bedroom; immediately outside each sleeping area - IPMC 704	25	
Missing or inoperable Carbon monoxide detector(s): Detectors required for each story; immediately outside each sleeping area - RCW 19.27.530	25	
One or more bedroom under 70 sq ft - IPMC 404.4.1	25	

For each hazard present add 25 points to Final Inspection Score

RENTAL HOUSING INSPECTION CHECKLIST



DIRECTIONS: If code standard is not met the inspector will mark the applicable section with the appropriate point value based on the severity of the violation. Severity levels are defined as minor, moderate, or severe (except where only a single score option is provided). The inspector will mark NA if not applicable and will add inspection notes to support ratings. Sections left blank indicate compliance with the referenced standards. Total score shall be calculated based on assigned non-compliance point values assigned to each violation and severity level. **An inspection does not pass if there is a total of 25 or more non-compliance points (NC-PTS).**

INTERNATIONAL PROPERTY MAINTENANCE CODE (IPMC) STANDARD	INTERIOR CONDITIONS												NC-PTS			SCORE		
	entry	living rm	dining rm	kitchen	utility	bathroom (1)	bathroom (2)	bathroom (3)	bedroom (1)	bedroom (2)	bedroom (3)	bedroom (4)	other	minor	moderate		severe	
Windows and frames in good repair - IPMC 305.3															1	2	3	
Floor surface in good repair - IPMC 305.4															1	2	3	
Wall surface in good repair - IPMC 305.3															1	2	3	
No visible mold, mildew, or signs of moisture of leaks - IPMC 504.1															1	5	25	
Adequate source of heat - IPMC 602.3 & 602.5																	25	
No evidence of insect or rodent infestation/harborage - IPMC 302.5 & 309															3	10	25	
Functional lighting fixtures - IPMC 402.2 & 402.3															1	2	3	
Two separate & remote electrical outlets per room - IPMC 605.2															2			
Minimum of 1 operable, approved-size window facing directly to the outdoors - IPMC 402.1 & 403.1															1	5	25	
Stove vent properly connected and functional - IPMC 302.6 & 403.4															1			
Has a clear path of not less than 3' clearance between counterfronts and appliances or walls - IPMC 404.2															1	5	25	
Has kitchen sink, cooking stove, refrigerator, and counter space - IPMC 404.7 & 502.1																	25	
1 grounded-type receptacle or GFCI: laundry, kitchen, garage, basement - IPMC 605.2															1			
Hot and cold water to all plumbed fixtures - IPMC 505.1																	25	
Clothes dryer exhaust vented properly to exterior - IPMC 403.5																		
Water heater correctly installed - IPMC 505.4															2	10	25	
Door for privacy, in good repair, securely attached - IPMC 503.1															3	10	25	
Separate bathroom with toilet, sink, & tub/shower - IPMC 404.4,3															1	2	3	
Bathroom/toilet room properly ventilated (operable screened window or functional mechanical fan) - IPMC 403.2																	25	
Has at least one electrical receptacle - IPMC 605.2															2			

INSPECTION NOTES:

EXTERIOR STRUCTURE / EXTERIOR PROPERTY

INTERNATIONAL PROPERTY MAINTENANCE CODE (IPMC) STANDARD

	ext. structure			ext. property			NC PTS			SCORE		
	ext. structure	ext. property	NC PTS	ext. structure	ext. property	NC PTS	minor	moderate	severe	1	2	3
Surfaces in good repair - IPMC 304.2										1	2	3
Address numbers 4" tall & visible from the street - IPMC 304.3										1		
Structural members in good repair - IPMC 304.4										3	10	25
Foundation walls in good repair - IPMC 304.5										3	10	25
Exterior walls in good repair - IPMC 304.6										3	10	25
Roof and drainage in good repair - IPMC 304.7										2	10	25
Decorative features in good repair - IPMC 304.8										1		
Overhang extensions in good repair - IPMC 304.9										2	10	25
Stairways, decks, porches, balconies in good repair - IPMC 304.10										3	10	25
Handrails and guardrails firmly fastened - IPMC 304.12										2	10	25
Chimneys and towers in good repair - IPMC 304.11										3	10	25
Exterior doors in good repair; deadbolt locks operable by knob; deadbolt throw not less than 1 inch - IPMC 304.15										2	10	25
Clean, safe & sanitary/no uncontained debris - IPMC 302.1										1	5	10
Approved waste containers w/tight fitting lids - IPMC 308										1	5	10
Sidewalks/driveways free of hazards - IPMC 302.3										1	3	5
No weeds in excess of 12 inches - IPMC 302.4										1	3	10
No evidence of insect or rodent infestation/harborage - IPMC 302.5 & 309										3	10	25
Accessory structures in good repair - IPMC 302.7										3	10	25
No junk vehicles/repair outside garage - IPMC 302.8										3	10	25
Free from graffiti - IPMC 302.9										1	5	10
No standing water or erosion - IPMC 302.2										1	3	5
Swimming Pools, Spas & Hot Tubs - Clean, sanitary, in good repair - IPMC 303.1										2		
Swimming Pools, Spas & Hot Tubs - Enclosure 60" high, w/self-closing latch - IPMC 303.2										1	5	10
										3	10	25

INSPECTION NOTES

space for additional inspection notes on back

