

Peer City Program models

City	# units registered	# properties registered	staffing	fees	exemptions	notes
Burien	5,986	346	1 dedicated FTE: <ul style="list-style-type: none"> 1 FTE coordinator (enforces license and inspection requirement, oversees program) 1 code enforcement officer for City (not dedicated to the program) 	1-10 units: \$290 11-50 units: \$725 50+ units: \$871	<ul style="list-style-type: none"> single-family homes condos townhomes mobile or manufactured homes ADUs Owner occupied (duplexes if they reside on one side) rental units owned, operated, or managed by a government agency units unavailable for rent Residence at an institution, whether public or private, where residence is merely incidental to detention or the provision of medical, religious, educational, recreational, or similar services, including but not limited to correctional facilities, licensed nursing homes, monasteries and convents, and hospitals; hotels, motels; housing in conjunction with employment (i.e., farmworker) 	Inspection cycle: 3 years. Private inspectors are hired by landlord. Burien uses DoR for business license.
Kent	14,421	290	1 dedicated FTE: <ul style="list-style-type: none"> 1 FTE coordinator City has 2 law enforcement officers who do code enforcement (not dedicated to this program) 1 Tax & Compliance officer for business license enforcement (not 	Free to register Business license fees: \$15/unit plus application fees: 2-10 units: \$101 11-50 units: \$301 51+ units: \$601	<ul style="list-style-type: none"> Owner-occupied single-family residences rental units owned, operated, or managed by a government agency Single family homes and ADUs registered but not licensed/inspected Renter-occupied mobile or manufactured homes registered but not licensed/inspected Condos/townhomes registered but not licensed/inspected units unavailable for rent Housing accommodations at an institution, whether public or private, where residence is merely incidental to detention or the provision of medical, religious, educational, recreational, or 	Inspection cycle: 3 years. Private inspectors are hired by landlord. Kent has own business license system (FileLocal) and enforcement. Separate registration is required.

			dedicated to program)		similar services, including but not limited to correctional facilities, licensed nursing homes, monasteries and convents, and hospitals; hotels, motels; shelters and transitional housing	
Lakewood	11,637 (94% compliance)	1,854 (84% compliance) Over half of their registered rental properties are single family homes (1,044 properties); additional 300 are duplexes	2.25 dedicated FTE: <ul style="list-style-type: none"> 1 FTE coordinator 1 inspector 0.25 housing program manager <p>Indicated they need more than 2.25 FTE staff and will be re-evaluating with Council</p> <p>Have 3 code enforcement officers for City</p> <p>Have to coordinate at times with building official, building inspections, legal, code enforcement.</p>	\$12/unit	<ul style="list-style-type: none"> owner occupied units units occupied by parent or child of owner ADUs government owned or operated units mobile homes units unavailable for rent Housing accommodations in retirement or nursing homes; Housing accommodations in any hospital, State-licensed community care facility, convent, monastery or other facility occupied exclusively by members of a religious order, or an extended medical care facility; hotels, motels; shelters and transitional housing 	<p>Inspection cycle: 5 years.</p> <p>City inspects properties at no cost, but give option of hiring private inspector.</p> <p>Recommended auditing private inspectors (quality control) or having City staff do re-inspections, in the event a property needs to be condemned. Indicated that 2 FTE seems like the minimum staff to support program and enforcement, even if private inspectors do initial inspections.</p> <p>City pays relocation assistance and landlord is required to pay City back.</p> <p>Lakewood has own Rental Housing Business license.</p>
Tukwila	4,567	535 rental licenses	1.75 dedicated FTE: <ul style="list-style-type: none"> .75 FTE program coordinator 1 FTE code enforcement officer 	<p>Properties with up to 4 units: \$80</p> <p>5-20 unit properties: \$208</p> <p>21-50 unit</p>	<ul style="list-style-type: none"> Units with Section 8 tenants can provide alternate inspection report, but still must obtain rental license Owner-occupied rental units Units unavailable for rent Housing accommodations in hotels, motels, inns or tourist homes Housing accommodations in retirement or nursing homes 	<p>Require an initial inspection prior to issuing a license. After that inspections occur every 4 years.</p> <p>Properties with up to 12 units may use a city inspector</p>

				properties: \$260 51+ unit properties: \$324	<ul style="list-style-type: none"> Housing accommodations in any hospital, State licensed community care facility, convent, monastery or other facility occupied exclusively by members of a religious order or an extended medical care facility Housing accommodations that a government unit, agency or authority owns, operates or manages, or which are specifically exempted from municipal regulation by State or federal law or administrative regulation. This exception shall not apply once the governmental ownership, operation or management regulation is discontinued. 	(code enforcement officer) for a fee. City pays relocation assistance and landlord is required to pay City back. Tukwila has own Rental Housing Business License.
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Proposed program structure

City	Estimated # units	Estimated # properties	Staffing	Fees	Exemptions	Notes
Olympia	15,513 units	4,212	2.5 dedicated FTE: <ul style="list-style-type: none"> 1 FTE coordinator 1 FTE code enforcement (may not need until second year of implementation to give opportunity for voluntary compliance) 0.5 FTE admin support/permit tech 	\$30-\$35/unit plus annual business license costs (\$50 for initial DoR application and \$5 annually to renew, plus Olympia endorsement \$30)	<ul style="list-style-type: none"> From all program requirements: owner-occupied mobile homes, dorms, religious housing, houseboats, shelters, transitional housing, AFCs or group homes, supported living for people with disabilities, hotels, short-term/vacation rentals, room rentals where owner resides in property From inspections, but required to register: Owner-occupied properties with only 1 rental unit (ADU onsite, duplex) From fees: Government and nonprofit owned or operated affordable housing units exempted from fees and can submit alternate inspection report if already required to complete inspection 	<p>All inspections conducted by private third-party inspectors, paid by landlord.</p> <p>Inspection cycle: 5 years</p> <p>Annual City-issued rental housing registration or permit with periodic inspections required in order to renew Olympia business license. Enforcement through civil infractions, and ability to revoke business license.</p> <p>There are monetary penalties and misdemeanor charges for operating a business without a license.</p>

Other considerations:

- Could consider requiring reinspections by City code enforcement rather than third party inspectors to ensure that units failing the initial inspection are properly remedied or pursue further code enforcement action. This would require more staff time and the City could charge a fee for reinspections.
- Owner-occupied properties with 1 rental unit onsite (ADU or duplex) will be required to submit self-certification of inspection checklist/statement of compliance and require inspections if code violations found.
- City could train onsite staff to perform inspections or reimburse costs for inspection of properties that are affordable to low-income households but not owned by a government agency or nonprofit organization (ex: 12-year MFTE).

Scope of rental properties to be inspected (with possible exemptions)

Housing Type	Total Number of Rentals*	Units Inspected Annually**	Potential Exemptions (from inspection requirements)
SFR/ADU, CONDO, MANUFACTURED HOME, OR TOWNHOUSE	3481	696	199 Units (Owner-occupied with one rental unit onsite)
2-4 Units	1548	150	588 Units (Affordable units Owned/Operated by Gov/Non-Profit) – can submit alternate inspection report
5-10 Units	445	92	
11-20 Units	540	117	
21-50 Units	1849	378	
51+ Units	7,650	1,546	
TOTAL	15,513	2,979	

** These numbers are estimates determined by identifying residential units where a taxpayer’s mailing address is different than the property address. However, there are 651 properties where the owner mailing address is a PO BOX. Of those, 380 have the PO BOX city listed as OLYMPIA. It's likely there are a percentage of those that are Owner Occupied Units that we've counted as rentals for this analysis. This includes all possible rental units, including suggested exemptions in the columns to the right.*

***Per state law, no more than 4 units may be inspected if the property has 20 or fewer units; 20% of units (up to a maximum of 50 units) may be inspected at larger multifamily properties (with 21+ units). State law allows properties to be inspected no more than once every three years. Staff recommends implementing a 5-year inspection cycle.*

Estimated fee revenue (\$30/unit), Costs and Deficits

Projected Revenue	Fee revenue for all rental units (15,500)	Government or nonprofit owned/operated affordable housing units (588)	Fee revenue after affordable housing exemptions	Additional Business License Revenue*	Total Revenue	Staff costs**	Deficit/Surplus***
Year 1 @ 25% compliance	\$117,000	\$5,000	\$112,000	\$9,000	\$121,000	\$200,000 (1.5 FTE)	-\$79,000
Year 2 @ 50% Compliance	\$233,000	\$9,000	\$224,000	\$18,000	\$242,000	\$345,000 (2.5 FTE)	-\$103,000
Year 3 @ 75% Compliance	\$350,000	\$14,000	\$336,000	\$27,000	\$363,000	\$359,000 (2.5 FTE)	+\$4,000
Year 4 @ 85% Compliance	\$395,000	\$15,000	\$380,000	\$31,000	\$411,000	\$373,000 (2.5 FTE)	+\$38,000
Year 5 @ 100% Compliance	\$465,000	\$18,000	\$447,000	\$36,000	\$483,000	\$388,000 (2.5 FTE)	+\$95,000

*Staff analysis shows there are currently 186 business licenses related to renting of residential properties. Staff estimate there are about 1435 rental property owners. This indicates that there could be up to 1250 additional business licenses if all rental property owners obtained business licenses.

**Staff costs do not factor in other added costs like laptops, uniforms, phones, etc. Year 1 assumes 2024 staffing cost rates. Years 2-5 include an annual 4% COLA for all positions.

***Revenue may be augmented by additional units developed and addition of units in SE Olympia annexation.

Estimated Cost to Landlords (\$30/unit)

Unit Type	Per unit total fees (annual)	Estimated Inspection Cost Range* (once every 5 years)	Business license fees (annual)**	Annualized Total
Duplex	\$60	\$140-\$280	\$35	\$123-\$151
20-unit property	\$600	\$100-\$140	\$35	\$655-663
300-unit property	\$9,000	\$1,250-\$1,750	\$35	\$9,285-\$9,385

*Does not include travel costs. Estimates are taken from interviews with Kent-certified inspectors.

**Does not include initial DoR business license application (\$50).

Estimated fee revenue (\$32/unit), Costs and Deficits

Projected Revenue	Fee revenue for all rental units (15,500)	Government or nonprofit owned/operated affordable housing units (588)	Fee revenue after affordable housing exemptions	Additional Business License Revenue*	Total Revenue	Staff costs**	Deficit/Surplus***
Year 1 @ 25% compliance	\$124,000	\$5,000	\$116,000	\$9,000	\$125,000	\$200,000 (1.5 FTE)	-\$75,000
Year 2 @ 50% Compliance	\$248,000	\$10,000	\$238,000	\$18,000	\$256,000	\$345,000 (2.5 FTE)	-\$89,000
Year 3 @ 75% Compliance	\$372,000	\$15,000	\$354,000	\$27,000	\$381,000	\$359,000 (2.5 FTE)	+\$22,000
Year 4 @ 85% Compliance	\$422,000	\$16,000	\$406,000	\$31,000	\$437,000	\$373,000 (2.5 FTE)	+\$64,000
Year 5 @ 100% Compliance	\$496,000	\$19,000	\$477,000	\$36,000	\$513,000	\$388,000 (2.5 FTE)	+\$125,000

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****Revenue may be augmented by additional units developed and addition of units in SE Olympia annexation.*

Estimated Cost to Landlords (\$32/unit)

Unit Type	Per unit total fees (annual)	Estimated Inspection Cost Range* (once every 5 years)	Business license fees (annual)**	Annualized Total
Duplex	\$64	\$140-\$280	\$35	\$127-\$155
20-unit property	\$640	\$100-\$140	\$35	\$695-703
300-unit property	\$9,600	\$1,250-\$1,750	\$35	\$9,885-\$9,985

**Does not include travel costs. Estimates are taken from interviews with Kent-certified inspectors.*

***Does not include initial DoR business license application (\$50).*

Estimated fee revenue (\$35/unit), Costs and Deficits

Projected Revenue	Fee revenue for all rental units (15,500)	Government or nonprofit owned/operated affordable housing units (588)	Fee revenue after affordable housing exemptions	Additional Business License Revenue*	Total Revenue	Staff costs**	Deficit/Surplus***
Year 1 @ 25% compliance	\$136,000	\$5,000	\$131,000	\$9,000	\$140,000	\$200,000 (1.5 FTE)	-\$60,000
Year 2 @ 50% Compliance	\$271,000	\$10,000	\$261,000	\$18,000	\$279,000	\$345,000 (2.5 FTE)	-\$66,000
Year 3 @ 75% Compliance	\$407,000	\$15,000	\$392,000	\$27,000	\$419,000	\$359,000 (2.5 FTE)	+\$60,000
Year 4 @ 85% Compliance	\$462,000	\$16,000	\$446,000	\$31,000	\$477,000	\$373,000 (2.5 FTE)	+\$104,000
Year 5 @ 100% Compliance	\$543,000	\$21,000	\$522,000	\$36,000	\$558,000	\$388,000 (2.5 FTE)	+\$170,000

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**Staff costs do not factor in other added costs like laptops, uniforms, phones, etc. Year 1 assumes 2024 staffing cost rates. Years 2-5 include an annual 4% COLA for all positions.

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Estimated Cost to Landlords (\$35/unit)

Unit Type	Per unit total fees (annual)	Estimated Inspection Cost Range* (once every 5 years)	Business license fees (annual)**	Annualized Total
Duplex	\$70	\$140-\$280	\$35	\$133-\$161
20-unit property	\$700	\$100-\$140	\$35	\$755-763
300-unit property	\$10,500	\$1,250-\$1,750	\$35	\$10,785-\$10,885

*Does not include travel costs. Estimates are taken from interviews with Kent-certified inspectors.

**Does not include initial DoR business license application (\$50).