

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 	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 dedicated to program) 	Free to register Business license fees: \$15/unit plus application fees of: 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 	Inspection cycle: 3 years. Private inspectors are hired by landlord. Kent has own business license system (FileLocal) and enforcement. Separate registration is required.

					<ul style="list-style-type: none"> • Condos/townhomes registered but not licensed/inspected 	
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 	<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 properties: \$260</p> <p>51+ unit properties: \$324</p>	<ul style="list-style-type: none"> • All rental units covered under program • Units with Section 8 tenants can provide alternate inspection report, but still must obtain rental license 	<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 (code enforcement officer) for a fee.</p> <p>City pays relocation assistance and landlord is required to pay City back.</p> <p>Tukwila has own Rental Housing Business License.</p>

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 	\$20/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"> Owner-occupied room rentals Consider exemption of owner-occupied properties (ADU onsite, duplex) with only 1 rental unit from inspection requirements Mobile homes: consider requiring registration for rented homes, but not inspection Government and nonprofit owned or operated affordable housing units exempted from fees and can submit alternate inspection report 	<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:

- More code enforcement staff time needed if City code enforcement performs reinspections to make sure units that failed initial inspection are compliant (can charge a fee for reinspections).
- Could require property owners with 1 rental unit onsite (ADU or duplex) 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).
- Could create longer inspection timeframes for single family homes (once every 10 years if pass inspection) and/or inspect 20% of portfolio in an inspection cycle (if own multiple single-family homes).
- Could delay implementation for certain unit types to scale up program (913 rental property owners only rent out 1 unit; 20-25% of rentals are single-family units).

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) 206 Units (Renter-occupied Manufactured Home in MHP)
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	2,364 units inspected annually after Exemptions

* 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.

***Could consider extending inspection period to every 10 years for single family residences, or only inspect 20% of units in portfolio of single-family properties owned by a property owner.

Estimated fee revenue (\$20/unit)

Projected Revenue	Total rental units	Government or nonprofit owned/operated affordable housing units	Total after exemptions
Revenue at \$20/unit (if 100% compliance)	\$310,260	\$11,760	\$298,500
Revenue Year 1 @ 25% compliance	\$77,565	\$2,940	\$74,625
Revenue Year 2 @ 50% compliance	\$155,130	\$5,880	\$149,250
Revenue Year 3 @ 75% compliance	\$232,695	\$8,820	\$223,875

Estimated Cost to Landlords (\$20/unit)

Unit Type	Per unit total fees (annual)	Estimated Inspection Cost Range* (once every 5 years)	Business license fees (annual)**	Annualized Total
Duplex	\$40	\$140-\$280	\$35	\$103-\$131
20-unit property	\$400	\$100-\$140	\$35	\$455-463
300-unit property	\$6,000	\$1,250-\$1,750	\$35	\$6,285-\$6,385

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

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