



TO: Elizabeth Pauli, City Manager
FROM: Danielle Larson, Tax & License Manager, Finance
Andy Cherullo, Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance – Amendments to Chapter 6B.165 – Provisional Rental Property License –
October 30, 2018
DATE: October 9, 2018

SUMMARY:

Staff is proposing to amend Chapter 6B.165 Provisional Rental Property License in the Tacoma Municipal Code that will establish a no-fee license and shortened license term for all rental property owners who fall under the requirements of this license for a first time offense. The change will provide an incentive to comply and make needed repairs to the property sooner. Staff is seeking an approval of the proposed amendments.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

To ensure the public health, safety, and welfare of its citizens and the maintenance of quality rental housing for Tacoma citizens, the City Council established a residential provisional rental property license program to prevent and correct conditions in the 3-5 percent of residential rental units that adversely affect or are likely to adversely affect the health, safety, and welfare of the public. The Rental Housing Association (RHA) was a valuable partner during the creation of this license. The Provisional Rental Property license has been in effect since January 1, 2012.

The requirements of the license included: 1) an annual certification by all rental property owners that their properties meet the standards set forth in the State Landlord Tenant Act, Title 59, Section 59.18.060 and 2) when an inspection of a rental property owner is conducted by the City and there are violations that total 25 or more points according to the Minimum Building Structures Code (MBSC), an interior and exterior inspection is required to be conducted by a certified inspector and a Certificate of Inspection submitted to the City by the property owner.

In January 2013, after the license had been in effect for one year staff identified amendments to strengthen the license and increase the desired results of the license. The amendments included adding:

- 1) A higher license fee for repeat offenders,
- 2) A short term license of 90 days and lower license fee for first-time offenders when violations totaled less than 50 points; and
- 3) Attendance at the City’s Crime Free Housing class.

Since the City implemented the Provisional Rental Property license, 142 properties have been subject to the requirements of the license with 91% of the properties submitting a Certificate of Inspection as required indicating the property was brought into compliance with the MBSC and RCW standards for safe tenant conditions.



ISSUE:

The amendments include adding more incentive for all rental property owners that fall under this license requirement as a first time offense no matter how many points of violations the property received. The new short-term license would be no-fee and a shortened license term of 90 days if all of the license requirements are met within 90 days of the property owner receiving notification of the requirements.

In addition the proposed amendments include a higher license fee for the rental property owners that do not comply within 90 days or that fall under the provisional rental property license multiple times.

Other duplicate language in sections 6B.165.040, 6B.165.130 and 6B.165.140 is being removed as the requirements are outlined in 6B.10 License Administrative Provisions.

ALTERNATIVES:

The alternative is to continue enforcing the current requirements as outlined in 6B.165, however, the proposed amendments will provide additional incentive to rental property owners to comply and fix the unsafe conditions sooner.

RECOMMENDATION:

Staff recommends the proposed changes 6B.165 Provisional Rental Property License that will provide rental property owners who fall under the requirements of this license as a first time offense, a no-fee and shortened term license if they comply with the license requirements within 90 days. This will provide an incentive to property owners to fix the unsafe conditions on the property sooner.

FISCAL IMPACT:

The fiscal impact is minimal and estimated to be approximately \$6,000 in annual license revenues.

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Provisional Rental License Fees	106500	4321100	\$6,000
TOTAL			\$6,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$6,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No.