

#D-118 MAINTAINING MINIMUM HEALTH STANDARDS FOR RENTAL HOUSING

General Description

One measure of the health of a community is reflected in the condition of the physical and social environment within which its citizens reside. Low income people, people of color, children, and older adults are more likely to live in substandard rental homes that are in poor condition, resulting in harm to the health of those community members. This docket item explores a method employed by several Northwest region cities, which is used to ensure rental housing is maintained to uniform standards in a manner that removes responsibility of tenants to seek intervention by local government for substandard housing.

The eight principles of healthy housing are:

- Moisture free,
- Adequately ventilated,
- Contaminant free,
- Free of pests,
- Clean,
- Well-maintained,
- Free of injury hazards, and
- Thermally controlled.

The Renton Code Enforcement Division monitors housing conditions that may have an impact on health, but generally only as they relate to the exterior of a building. An example would be broken windows, which if not replaced, may cause mildew from interior moisture. Housing violations that are not apparent from the public realm can generally only be addressed through a request. For example, if the resident of a rental unit invites the code enforcement officer into the building and requests an inspection, the property owner may be required to correct interior violations. However, a tenant who initiates City intervention via code enforcement may fear reprisals in the form of rent increases or eviction by a landlord.

According to the 2014 Community Needs Assessment (CNA), there are approximately 15,426 rental units in Renton. King County Assessor's data indicates that approximately one-third of housing in Renton (34.2 percent) was constructed more than 45 years ago. We know that most of the housing in the Sunset Area of Renton is more than 70 years old and 62 percent of it is comprised of rental units. Of these 1940s structures, the CNA states, "Much of this housing is still in use today and approaching functional obsolescence." In many cases, however, the reason for the failing condition of this housing is lack of maintenance, rather than age. Older, poorly maintained housing most often affects the health of lower income people who may also have less access to health care options.

The intent of a Residential Rental Registration Ordinance would be to create incentive for property owners to maintain rental units to uniform standards. The purpose would be the protection of some of our community's most vulnerable population and the goal of healthier, safer, more efficient rental housing throughout the City.

Assessment of Existing Code

Renton Municipal Code 4-5-130, "International Property Maintenance Code," includes amended standards adopted from the 2012 Edition of the International Property Maintenance Code, with certain exceptions.

The above Code states, "The owner of the premises shall maintain the structures and exterior property in compliance with these requirements, except as otherwise provided for in this code. A person shall not occupy as owner-occupant or permit another person to occupy premises which are not in a sanitary and safe condition and which do not comply with the requirements of this section."

This statement does not exclude building interiors ("shall maintain structures...") and the interiors of buildings are inspected for compliance with the code when buildings with licensed businesses are on the premises. However, when there is no business license to allow an inspection of the building interior, compliance with the regulations cannot be verified.

Additionally, business licenses are regulated by RMC Chapter 5. The definition of a "business" is in Section 5-5-2-D BUSINESS: "All activities, occupations, trades, pursuits, professions and matters located or engaged in within the City or anywhere else within the City's jurisdiction with the object of gain, benefit, advantage or profit to the business enterprise or to another person, directly or indirectly."

Although this definition, on its face, includes people or other entities that rent property, it is not enforced as such.

Proposed Amendments to Code

The foundation for maintaining minimum health standards for rental housing is a multifaceted Rental Housing Inspection Program. These programs typically regard rental of residential property as a business, just as the rental of commercial or institutional property is a commercial enterprise. Under the Program, landlords are required to maintain a City business license. Residential rental business licenses would be renewable biennially upon recertification that a landlord has maintained their rental unit(s) to a set of adopted standards. Recertification can be secured by an approved inspector retained either by the landlord or by the City.

Economic Impacts

Administrative cost of the program, including the inspections, would be included in the business license fee. Typically, programs of this type have been phased in over several years.

Rental units are registered with the city when business licenses are issued, and then initial inspections occur phased over several years.

It would be naïve to assume that this action would not result in an increase in housing rents citywide. Anecdotal information, from Tukwila however, indicates that rents are largely market driven and there has not been significant increase in rents there since the program was adopted. (see also Impact Analysis below)

Inaction on this matter results in an economic impact on the community from costs resulting from medical conditions caused by unhealthy housing, which can be significant, in terms of both health care costs and lost work days. Costs related to hospitalizations resulting from asthma alone, an affliction directly related in many cases to unhealthy living conditions, are many millions of dollars in King County each year.

Summary

Adoption of an ordinance that would require landlords to obtain business licenses and provide certification that rental units pass inspection before businesses licenses can be renewed.

Impact Analysis

Effect on rate of growth, development, and conversion of land as envisioned in the Plan

The demand for additional rental units is market-driven. It is not anticipated that this initiative would affect the growth, development, or conversion of land as envisioned in the Plan.

Effect on the City's capacity to provide adequate public facilities

This initiative would not impact the capacity of the City to provide adequate public facilities.

Effect on the rate of population and employment growth

There could possibly be an effect on the rate of population growth if rental housing became more expensive. The CNA, however, indicates Renton has (2007-2011) an "over supply" of rental units available to households with income ranges at 30 to 80 percent of Average Monthly Income.

Whether Plan objectives are being met as specified or remain valid and desirable

Plan objectives will be furthered by this proposed code amendment, specifically Goal HHS-A of the Housing Element:

Goal HHS-A: Adopt best available housing practices and implement innovative techniques to advance the provision of affordable, fair, healthy, and safe housing for renters, homeowners, and the homeless.

Goal HHS-C: Increase the stability of neighborhoods by fostering long-term homeownership, property maintenance, and investments in existing housing.

Goal HHS-H: Actively work to increase the availability of healthy, equitable and affordable housing for people in all demographic groups and at all income levels and promote a balance of housing and the amenities needed by residents at a neighborhood

level, such as childcare, availability of fresh food, recreational opportunities, and medical care.

Effect on general land values or housing costs

If housing becomes more valuable due to improved condition, both land values and housing costs may rise.

Whether capital improvements or expenditures are being made or completed as expected

N/A

Consistency with GMA, the Plan, and Countywide Planning Policies

Regulations related to healthy housing are not included in the Growth Management Act, but rather the Washington State Residential Landlord-Tenant Act (RCW 59.18).

The proposed new ordinance is consistent with the Countywide Planning Policies, which promote healthy living and healthy communities, specifically:

Healthy Housing: Housing that protects all residents from exposure to harmful substances and environments, reduces the risk of injury, provides opportunities for safe and convenient daily physical activity, and assures access to healthy food and social connectivity.

The proposed revisions are consistent with the Plan, specifically:

Policy HHS-8: Utilize the City’s authority to rehabilitate housing to prevent neighborhood blight or eliminate unsound structures.

Policy HHS-9: Encourage expansion of programs that result in home repair, weatherization, and other energy-efficient improvements to owner-occupied and rental housing, and promote additional funding for these programs at the state and federal level.

Effect on other considerations

Although the primary goal of this initiative is to improve the health of residents, as indicated in the analysis herein, improving the health of neighborhoods is a secondary goal that can lead to greater neighborhood stability. A more stable community has public safety, environmental, and economic impacts and contributes to an overall higher quality of life for all.

Staff Recommendation

Amend Renton Municipal Code as described to adopt a rental registration program and uniform maintenance standards.

Implementation Requirements

Adopt an ordinance implementing Residential Rental Registration and Inspection.