

Rental Research Stakeholder Group

Public Safety Committee

May 26th Meeting Notes

Team Building Exercise

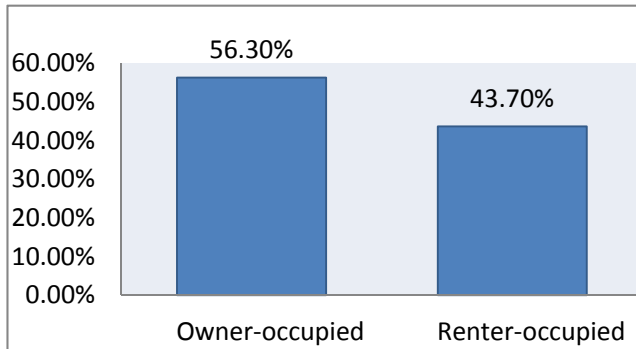
The Group participated in a team building exercise where they chose a card that depicted something they were passionate about and shared that with the group.

Review of the Ground Rules and Voting Model:

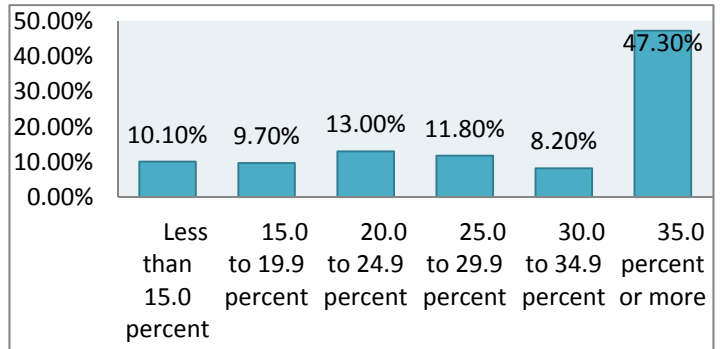
The group reviewed the meeting ground rules again and chose to table the voting model choice until the entire group is present as there were 3 missing people and no decisions were being made at the meeting.

Background information on rental homes in the City of Spokane from American Community Survey:

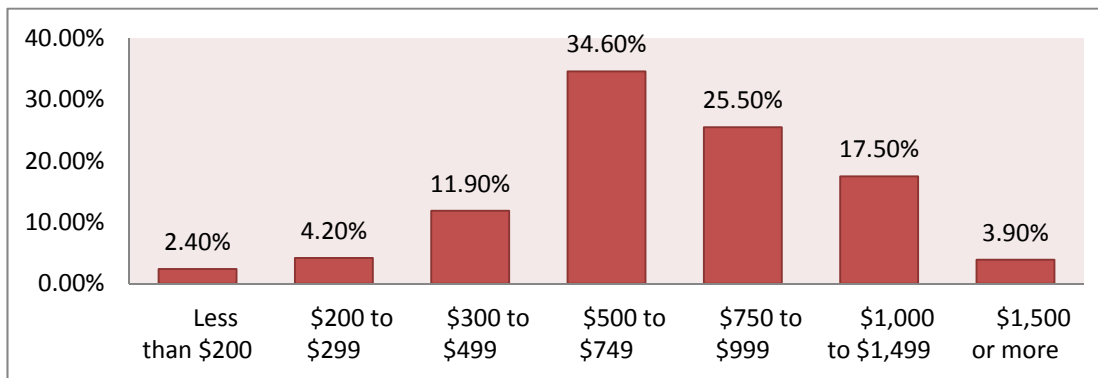
Owner vs. Renter Occupied Housing-Spokane City



Gross Rent as Percentage of Income-Spokane City



Gross Rent-Spokane City



Presentation by Institute of Real Estate Management (IREM):

Kim Sampler, NAI Black/IREM, Jason Johns, Residential IREM, Tom Hix, President of NAI Black/IREM

IREM is an industry association that provides educational material and certifications for property managers. The organization offers quality housing, represents owners, and provides opportunities to owners with best return on investment. Mr. Hix acknowledged that property managers have essentially two clients, the owner and the tenants. His discussion touched on both IREM information, as today's speakers are members, as well as NAI-Black

business information. NAI-Black manages 200 properties with 10 units and above per property and only a few single family homes and 2-4 unit properties.

IREM represents third parties (property managers) in rentals; as with NAI-Black, they train site staff and management, teach Landlord Tenant Act, Fair Housing Association and maintenance management.

At NAI-Black, they provide leases and apartment/unit condition reports for their clients. Annually they do a unit by unit inspection then provide a 5 page report this is to ensure that the housing is in good condition and tenants do a walkthrough of the current conditions this provides asset protection for the property owner. They also perform insurance, lender and exterior inspections as well as security inspections.

The inspections help to create a budget for maintenance. Maintenance has to be budgeted because the lenders require it for the properties.

The company provides a 3rd party screening process for a tenant that includes a credit check, rental history, criminal background check. The screening is weighted per the different screening criteria; a tenant would be immediately denied if they are a felon or are a registered sex offender.

Gap 1: NAI-Black identified a gap in this process in there is no one place for a tenant to go to get help with finding alternative housing or to knowing how to use the landlord/tenant law. For tenants the Landlord/Tenant Act is too complex to be used properly and it frequently changes.

Gap 2: There is a common misunderstanding or lack of education of the landlord/tenant laws on both the tenant and the landlord side especially in the smaller landlord side of rental properties.

Gap 3: Crime Free Multi-Family housing education but there is lack of physical response from police.

IREM offers training of Landlord Tenant Act once a year and updates on the Act. These trainings are offered in a small group setting and clients are charged for the training.

Northwest Fair Housing Alliance partner for the maintenance training that is offered. IREM also pay \$500 per property to have NW Fair Housing Alliance to do discrimination testing at the property.

The resident property managers are given a once a month training and safety training is done seasonally.

NAI Black would not work with a property owner who has goals that significantly don't match up with IREM then they would likely not offer their service to the person. Mr. Hix acknowledged that small landlords probably have different investment goals than larger landlords. He also said that landlords' goal set may not be the same as neighborhood or tenants.

Q&A with stakeholder group

NAI-Black also offers dispute resolution: this is an opportunity for tenants to go up the chain to resolve an issue if needed and also for all sides to be heard with a third party mediator.

When there is an emergency issue with the maintenance in the property in the multi-family properties the tenant will contact the site person first, then there is a central number to call for help, the owner is never directly contacted.

Properties with 40 or more units with a lender are required to have a property manager.

NAI-Black does manage Section 8 Housing project based. Of the 2500 units 350 of them are Section 8.

HUD does not require leases and therefore there is no reason for non-renewal.

The major reason for someone to not get housed is for felony or sex offender status. Renters have avenues to dispute resolution after denial, but generally this has a low usage rate.

Potential tenants are told upfront what is included in the screening process, but NAI-Black will allow the potential tenant to still apply; it is the prospective tenants' right to fill out an application.

Jerry Numbers asked if ONS could research the percentage of rental units in Spokane that are single-family and multi-family.