



Mayor's Housing Quality Task Force

Task Force Report & Recommendations

November 22, 2016



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MAYOR'S QUALITY HOUSING TASK FORCE FINAL REPORT

Substandard
Housing

Abandoned
Homes

Homes in
Foreclosure

Chronic
Nuisance
Properties

Vacant
Residential
Lots

Housing
Affordability

Executive Summary

Housing is a necessity to creating diverse, equitable neighborhoods and is a major contributor to a well-functioning city. The City of Spokane recognizes that in order to drive economic and social benefits for the city and its residents, quality and affordable housing is essential.

Quality and affordable housing is multifaceted; it is both multifamily and single family, owner occupied and renter occupied and it is both new developments and the rehabilitation of existing properties. Housing quality and affordability is interrelated and, when planned for, the outcome of addressing both can result in increased availability of housing for a mix of income levels and an increase in housing options available throughout the city and in every neighborhood.

For this reason Mayor David Condon initiated a group of stakeholders to address housing quality and affordability in Spokane through a process called the Mayor's Housing Quality Task Force (HQT). The Task Force examined the two principal categories through a scope of six key areas of housing which included:

- Substandard Properties,
- Abandoned Homes,
- Vacant Residential Lots,
- Chronic Nuisance Properties,
- Homes in Foreclosure and,
- Housing Affordability.

Finding of facts have indicated that each of the six key housing areas addressed are complex, interrelated and costly. This has placed an enormous strain on city resources in order to adequately address housing in Spokane and to bring those homes back to a basic level of quality and affordability.

The result of this effort has concluded by identifying a list of priority recommendations which focus on creating new and improved policies and programs aimed at enhancing the quality and affordability of homes in Spokane. In addition, the recommendations aim to actively pursue state legislative action to expedite legal processes that have left homes and homeowners in a state of flux thus contributing to the degradation of housing quality within neighborhoods. Lastly, the recommendations look to encourage and empower community partnerships whose priority is to enhance the quality and affordability of housing across the Spokane community.

Introduction

Basic quality and affordable housing has been an important topic for many communities across the U.S. today. The City of Spokane recognizes that understanding the current housing in Spokane, having the ability to providing solutions in returning homes to adequate levels of quality and affordability is a priority. For this reason Mayor David Condon formed the Mayor's Housing Quality Task Force in May 2016.

Task Force members represented a wide variety of stakeholders in the Spokane community from local housing agencies and service providers, Spokane City Council, City staff, realtors, lending institutions, landlord and tenant groups, and citizen representation.

The Task Force was charged with aligning City investments, resources and policies to support safe, quality and affordable housing. The Task Force identified nineteen (19) priority recommendations to address housing across the Spokane community.

Report Structure

The report is arranged by first providing a comprehensive understanding of the six key areas of housing in Spokane. This information was gathered by city staff that manages and implements the programs and policies addressing any one or more of the various types of housing. Following the background section is a detailed overview of the Task Force process, the recommendation evaluation process, the matrix of the nineteen (19) priority recommendations and finally, the next steps to moving the recommendations and the work of the Task Force forward.

Current Status of the Six Key Areas of Housing in Spokane

The HQT focused on six key areas of housing in order to develop the types of recommendations that can encompass a large multifaceted topic. The six areas of housing include:

- Substandard Housing
- Abandoned Homes
- Homes in Foreclosure
- Chronic Nuisance Properties
- Vacant Residential Lots
- Housing Affordability

An understanding of the current circumstance for each housing area is the foundation for which the Task Force used to build their recommendations. City of Spokane staff who practiced in managing the programs and the implementation of policies addressing these housing areas provided the background information needed to create a full understanding of current housing in Spokane.

The presence of substandard, abandoned or foreclosed homes has an impact to not only the adjacent neighboring properties but also the immediate neighborhood and the City of Spokane as a whole. First, it will be helpful to define substandard, abandoned, and foreclosure for the purposes of this discussion.

Substandard Housing

Substandard conditions refers to the 12 factors in Spokane Municipal Code (SMC) 17F.070.400 used by the Building Official to determine whether the quantity and extent of conditions require the owner to repair or rehabilitate the structure. Among others, these factors include dilapidation, structural defects, unsanitary conditions, hazardous electrical conditions, and so on. This usage may be confusing when looking at housing stock that appears rundown. In fact the Building Official process targets structures that are unsafe or unfit for human habitation; it is the cumulative effect and extent of factors that lead to a substandard determination. The aim is to achieve rehabilitation to allow safe occupation.

The definition of abandoned property as it applies to substandard properties is found at SMC 17F.070.030 and reads, in part: giving indications that no one is currently in possession, such as by the disconnection of utilities, accumulation of debris, uncleanliness, disrepair, and other circumstances. The property may or may not be occupied, or have a known owner of record; it is the appearance of lack of control that triggers the "abandoned" finding in the Building Official hearing process.

Foreclosure and "zombie" properties as defined by SMC 17F.070.520 requires that lenders or responsible parties register a property once a notice of default is issued to an owner. This notice may not lead to a foreclosure completion, but during the Great Recession, it often led to the distressed owner walking away from the property. Many properties then entered the cycle of abandonment

and deterioration. The zombie foreclosure refers to a foreclosure that was started and never finished, with the owner frequently unaware that they are still owner of record and responsible for property preservation and code violations. Nationally, RealtyTrac estimates that one in five properties in foreclosure is sitting vacant.¹

Homes that fall into the categories of substandard, foreclosed or abandoned are not clear upon first glance, however the long term presence of these types of properties have negative impacts to the community that can take years to recover from. When a home in foreclosure intersects with substandard, abandonment or vacant conditions, they may become a chronic nuisance – a hot spot for crime, increased risks to health, safety, plunging property values and escalating municipal costs. This greatly raises the stakes for resolving the conditions, as overall neighborhood decline and disinvestment is accelerated.² In order to understand how substandard, abandoned and foreclosed homes are affecting the Spokane community, staff from the Office of Neighborhood Services & Code Enforcement provided viable background data regarding the number of foreclosed homes in Spokane and their impact across the community.

Substandard Housing – Building Official Hearing Process

The Building Official hearing process is complaint driven, meaning that notification of these types of properties are received by the city through a complaint by a citizen. The complaint is addressed through investigation by Code Enforcement, review by the Building Official, and if warranted, an administrative hearing. As noted above, the Building Official uses 12 factors from SMC 17F.070.400 in the review.

When a property enters in to the Building Official process and is deemed substandard or unfit for human habitation it is then required that the owner repair or rehabilitate the building. However, there can be many barriers which prevent rehabilitation which include, naming a few: a deceased owner; involvement in a bankruptcy; a situation in which an owner has walked away from the property; or difficult to track loan servicers who may change frequently – a legacy of the Recession. All of these things make identification of responsible parties very difficult. If conditions are severe, or the property has become unsecure and unsafe due to vandalism, the building may be ordered to be boarded up. Once in the Building Official process, the property is regularly monitored by the city. This includes investigation and site visits, notifications and hearings, and boarding and re-securing. This does not include cases where fire or police response is needed. All of the costs associated with the monitoring of properties are a cost to the community which are recovered through fees and liens.

1 RealtyTract. 2014. [“Zombie Foreclosures: The Vacant Dead”](#)

2 U.S. Department of Housing and Urban Development. 2014. [“Vacant and Abandoned Properties: Turning Liabilities Into Assets”](#)



Case Study: 4808 N. Martin

This house and garage came into the Building Official process in 2015 as a result of complaints to Code Enforcement that the owner and several other people were living in the fire-damaged house without water or power. The Deputy Building Official determined that the quantity and extent of conditions in the building property did qualify as a Substandard Building under the following conditions.

- Dilapidation
- Unsanitary conditions of solid waste, garbage, debris, and combustible materials, throughout the home, garage, and yard.
- Spliced wire, holes in the sheetrock, broken windows, exposed wiring
- No water, power or functional sanitation
- Inadequate heating system. Propane for use in cooking, lighting. Fireplace for heat.
- Defects that increased the hazards of fire, accident, or other calamity.
- Fire damage

In addition to the substandard conditions of the house and garage, there were people living in a 5th wheel recreational vehicle, in a car behind the garage and in a makeshift tent made of plastic. Complaints and police reports of people coming and going from the property at all times of day and night, crime, and drugs were received. The large accumulation of garbage and solid waste spilled into the alley and attracted additional dumping.

The property had numerous calls to police and fire due to people accessing the building and due to a fire that occurred in the home. Not only do the calls to police and fire accrue costs to the community but so do costs by Code Enforcement. Using an average of 2 Police Officers per call, at a low estimate of \$110.00 per officer per hour plus the cost of Code Enforcement staff time to board and re-securing the building, abating solid waste, site visits/hearing/notices and monitoring the costs to keep this home boarded up and safe for the community is;

- Police Response in 2015 – 37 Calls, 21 Responses: \$4,620
- Code Enforcement 2015-2016:
 - o Boarding & Re-securing (5X) : \$1,288
 - o Site Visits/Hearings/Notices: \$1,500
 - o Monitoring: \$300

Not only has N. Martin qualified as a substandard building and been accruing costs but the property owner has been delinquent on paying utilities, taxes and property liens and thus was in danger of a tax foreclosure. The cost for utilities, taxes and property liens are;

- Utilities: \$1,806
- County Taxes & Liens: \$11,827

TOTAL: \$21,341

Homes in Foreclosure

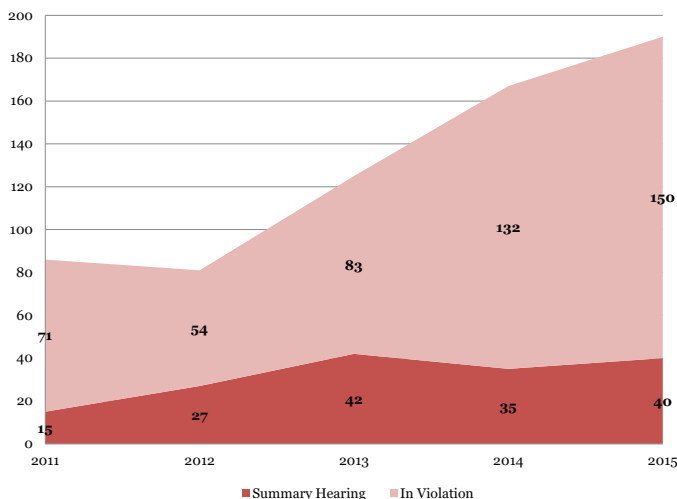
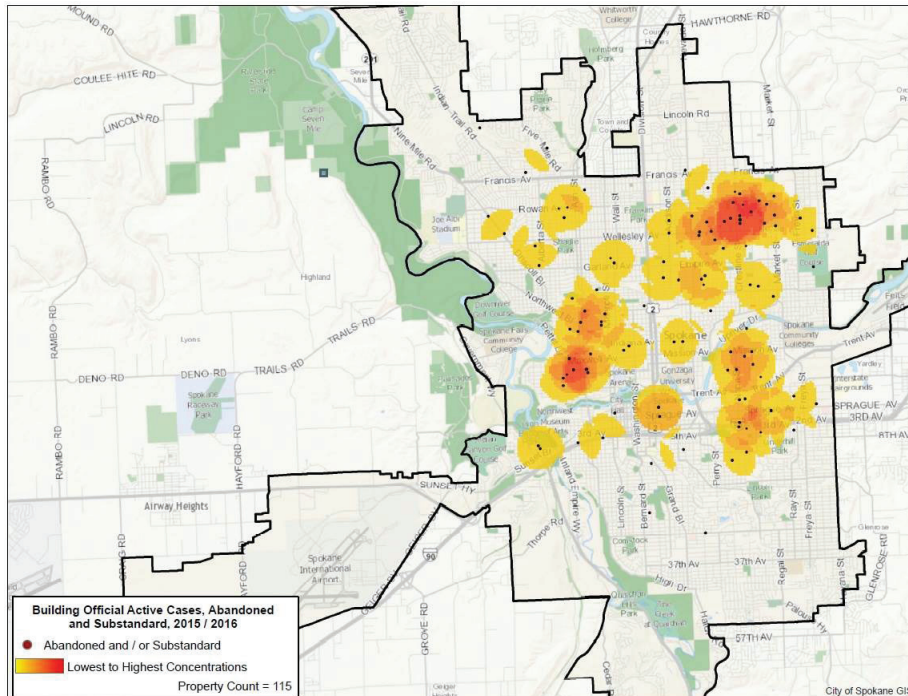
In Washington State, the average timeframe for completing the foreclosure process takes approximately four years. During that time, the home in foreclosure may sit abandoned for years because the owner has walked away thus leading

to the array of negative impacts to the community. Neighborhoods are responding to the growing problem of abandoned foreclosure or “zombie” properties and the associated nuisance conditions which impact the comfort, solitude, health and safety of the community. Citizens file complaints with Code Enforcement, Police and Fire and reach out to neighborhood groups and City Council members for resolution because these conditions reduce their property values and attract other nuisances.³ In some instances, neighbors have confronted squatters and boarded properties themselves out of frustration and fear.

The Office of Neighborhood Services & Code Enforcement and City Council members recognized that homes in foreclosures in general played a significant role in the substandard building process (comprising 60% of the active properties) and chronic nuisance homes. Since 2012 there has been a steady increase in the number of cases entering into the Substandard Building Process. This increase is partially attributed to the growing number of un-cared for foreclosure properties in Spokane, thus resulting in an increase in dilapidated properties. In order to address and reduce the number of homes that were making their way in to the substandard building process

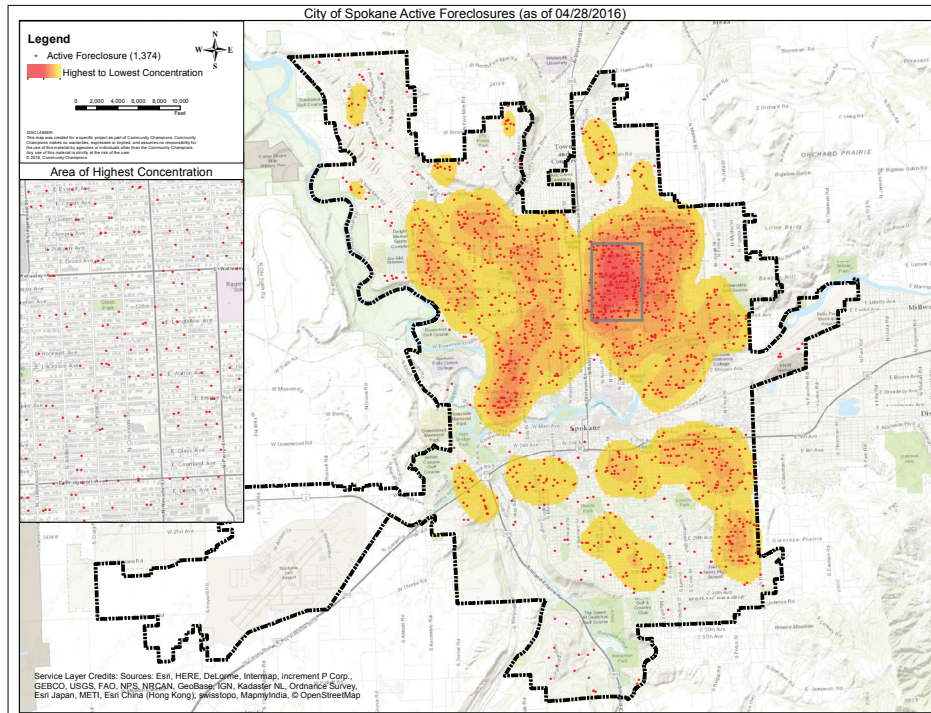
they began research on policies and programs nationwide. As a result, the city would go on to establish an, “Abandoned Property Registry.” The Spokane City Council enacted the ordinance in October 2014, and later amended to “Foreclosure Property Registry” (SMC 17F.070.520). The goal of the registry

Building Official Cases 2011-2015



No Violation

Year	# of Cases
2011	113
2012	148
2013	188
2014	251
2015	186



is to engage mortgage lenders in taking responsibility for property maintenance and security in a proactive way. An outcome of the registry is increased protection for the community from the risks of vacant and abandoned properties, such as, increased transient activity, illegal dumping, graffiti and overall safety.

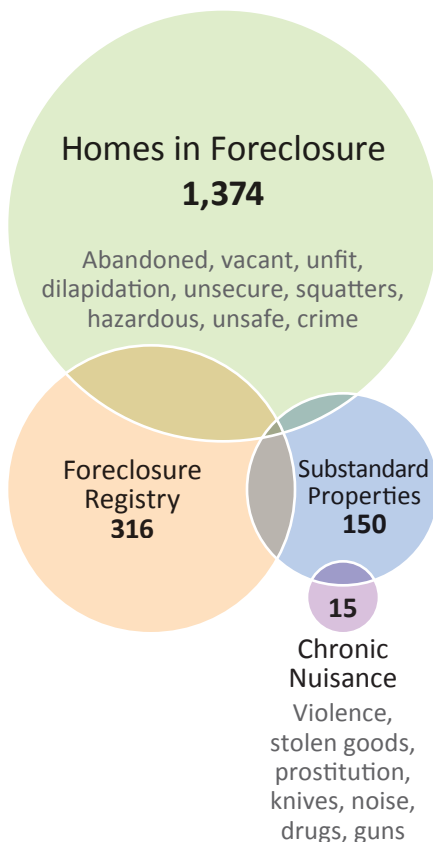
In order to accomplish such a difficult task the City contracted with Community Champions, a company that works with municipalities by helping them manage registries electronically. Through this effort it was found that approximately 1,374 properties in Spokane were at some stage in a foreclosure process. When the Foreclosure Property Registry came online in 2015, a total of 316 lien holders voluntarily registered

their properties(s) but this number is only a drop in the bucket when addressing the problem as a whole. Studies attempting to quantify the spillover effect of foreclosures on surrounding property values found that foreclosures depress the sales price of homes that reside within 1,000 feet by as little as 0.9 percent to as much as 8.7 percent.⁴ There are 31,000 homes that reside within 1,000 feet of a home in foreclosure in Spokane. To quantify the loss in home sales based on Spokane's median home value of \$160,000 the loss in revenue at 0.9 percent is \$448,074,000 on the low end, on the high end at 8.7 percent \$4,331,382.00 is lost in home sales.

Not all distressed homeowners going through foreclosure walk away and abandoned the property, however the number of foreclosures is a reflection of the impact from the recent recession and economic hardships of the community. The Foreclosure Property Registry and concurrent site monitoring are tools that can aid in heading off the deterioration of properties and keeping them from becoming attractive nuisances. However, this does not insulate neighborhoods from the problems of abandoned foreclosure properties and the associated nuisance conditions, which impact the comfort, health and safety of that neighborhood.

Chronic Nuisance Properties

The City of Spokane is committed to protecting citizens from the dangers of abandoned and vacant properties, where unsafe conditions exist or where crime repeatedly occurs. Such properties are called "nuisance properties" because



4 U.S. Department of Housing and Urban Development. 2014. "[Vacant and Abandoned Properties: Turning Liabilities Into Assets](#)"

A single block with an abandoned property can expect

- 3.2 times the drug calls
- 1.8 times the theft calls
- 2 times the violent calls



Chronic Nuisance



Nuisance Abated



Return to Productive Use

of their adverse impact on the quality of life of Spokane's citizens. Additionally, when owners, financial institutions and persons in charge fail to take responsible action to secure and care for these properties, they deteriorate and become "chronic nuisance" properties.⁵

Chronic nuisance properties are a financial burden because of the nuisance activities that repeatedly occur or exist on such property. From 2014 to May 2016 there have been approximately 23,100 calls relating to nuisance activity at just 3,802 properties. These properties have generated an average of six calls for service since 2014. On average, a Spokane Police officer will spend 36 minutes responding to a criminal nuisance call. Taking the senior officer – plus-overhead –rate of \$68.53 and multiplying it by the estimated 13,860 hours spent on these calls, the City of Spokane has spent an estimated \$1 million dollars in responding to problem properties since 2014. This is a conservative estimate as multiple officers often respond to these criminal nuisance calls.⁶

Spokane Municipal Code 10.08A.010 defines chronic nuisance as;

1. a property on which nuisance activity is observed on three or more occasions during any sixty-day period or on which nuisance activity is observed on seven or more occasions during any twelve-month period, or
2. a property where, pursuant to a valid search warrant, evidence of drug-related activity has been identified two or more times, or
3. any abandoned property where nuisance activity exists.

The term "abandoned property" as defined in the Chronic Nuisance SMC is different from the definition used for by the Building Official for Substandard Properties. Abandoned property, for the purposes of defining a chronic nuisance, means a property over which a person in charge no longer asserts control due to death, incarceration, or any other reason, and which is either unsecured or subject to occupation by unauthorized individuals. This is an important distinction as the identification of abandoned homes is subject to its definition. At a broad level, the housing area of abandoned homes encompasses both chronic nuisance properties and substandard properties.

To be qualified as a nuisance activity includes a myriad of qualifying factors including but not limited to;

1. Any civil code violation as defined by state law or local ordinance occurring around or near the property, and;
2. Any criminal conduct, include the attempt and/or conspiracy to commit any criminal conduct, as defined by State or local ordinance occurring on, around, near or having a nexus to a property.

5 City of Spokane. 2016. [Spokane Municipal Code 10.08A.010 Chronic Nuisance Properties](#).

6 Matt Folsom. 2016. ["Chronic Nuisance Properties" 2](#).

The Civil Enforcement Units in partnership with the Spokane Police Department and City Attorney's Office works to address chronic nuisance properties and bring them back into compliance by abating the criminal activity that is driving the presence of the chronic nuisance property. The presence of a chronic nuisance activity closely correlates with the abandonment of property ownership and care. These types of properties are being classified under another term called, "zombie properties" which are associated with nuisance conditions that impact the comfort, solitude, health and a safety of neighbors. Zombie properties may occur for a variety of reasons that include:

- foreclosure notice filed by a lender
- May have been involved in a bankruptcy, the death of the owner, or an owner that has walked away from the property.
- No indications that 'care taking' of the property is occurring including keeping it secure, maintenance of the building, upkeep of the yard; this situation attracts other nuisance activity AKA 'broken window theory.
- Some properties languish for four or more years in foreclosure processes.
- Downstream loan servicers may change frequently making identification of responsible party very difficult.

The result of zombie properties is an endless cycle of increased crime, deterioration of the property and disinvestment not only by the "property owner" but also in the immediate neighborhood.

Vacant Residential Lots

The purpose for including vacant residential lots as one of the six focus areas of housing is to better understand where new development may occur on parcels with no development(s) or underutilized lands. The information can be used to target areas for new residential development, areas where rehabilitation may occur or aggregate land in order to create larger housing projects. Furthermore, the information can assist dramatically when overlaying vacant residential lot information with an identified geographic area of significance for the rehabilitation of foreclosed, abandoned and chronic nuisance properties to create a greater impact on the community.

In 2015 the City of Spokane Planning Department produced a report titled, "2015 Land Quantity Analysis Result and Methodology." The report estimated the amount of land available in the City of Spokane and the capacity of that land to support residential and non-residential growth.⁷ The outcome of the methodology resulted in a description of two categories;

1. Population capacity for the City of Spokane in 2015, Table 1.0 (Residential Zoned Parcels), and
2. Underutilized Land classified as land that contains a single dwelling unit, duplex, triplex, or quadraplex on a property that is zoned for more intense usage.

Table 1.0 demonstrates the 2015 population capacity for the City of Spokane by property type and housing type.

Table 1.0: City of Spokane Population Capacity Summary

Property Type/ Parcels	Single- Family Dwelling Units	Multi-Family Dwelling Units	Single Family Population @2.5 Persons per Household	Multi-Family Population @1.6 Persons per Household	Total Population
<i>Residential Zoned Parcels</i>					
Large Vacant Parcels	1,514	1,189	3,785	1,902	5,687
Partially Used	1,607	678	4,018	1,085	5,102
Vacant Lots	2,250	706	5,625	1,130	6,755
Mixed Use	0	1,112	0	1,779	1,779
Sub-Category Total	5,371	3,685	13,428	5,896	19,324

Source: 2015 Land Quantity Analysis Results and Methodology

⁷ City of Spokane Planning Department. 2015. "City of Spokane 2015 Land Quantity Analysis Result and Methodology." 1.

Underutilized Land is defined as land that contains a single dwelling unit, duplex, triplex, or quadraplex on a property that is zoned for more intense usage. The importance to including underutilized land is due to the importance of including underutilized land and population capacity in conjunction with vacant residential lots is to fully understand where growth can occur and at what capacity. The following table summarizes underutilized land in the City and includes the total acres and total number of parcels by zoning category. Although these underutilized land areas are not included in the overall Population Capacity Summary in the table above, they are listed here as possible areas where residential use could be intensified.⁸ Two points of clarification;

1. Single-Unit Underutilized Acres = single unit on a parcel zoned for a higher intensity usage.
2. Multi-Unit Underutilized Acres = two to four unit on a parcel zoned for a higher intensity usage.

City of Spokane Underutilized Land Summary

Single-Unit Zoning	Single-Unit Underutilized Acres	Count of Single-Unit Parcels	Multi-Unit Zoning	Multi-Unit Underutilized Acres	Count of Multi-Unit Parcels
GRAND TOTAL	428.62	3,092	Grand Total	160.58	992

Furthermore, a separate effort lead by the Infill Development Steering Committee was initiated in 2016 to promote a greater understanding of the tools and resources available to developers to address infill development within the City of Spokane's municipal boundaries and adjacent areas designated for urban growth. The steering committee's purpose was to identify development tools for vacant and underdeveloped lands in developed areas and to create:

- Desirable mixture of affordable housing options to people of all income levels,
- Sustainability realized density objectives,
- Consistency with adopted plans, and
- Consistency with neighborhood character.

The outcome of this process led to identifying a list of recommendations in order to improve infill development among developers in the community. This effort closely mirrored that of the HQT and the following themes between the two groups emerged;

⁸ City of Spokane Planning Department. 2015. "City of Spokane 2015 Land Quantity Analysis Result and Methodology." 7.

Housing Diversity

- More options for ownership and development on smaller sites within small and mid-size developments.
- Changes to zoning in neighborhoods to allow for greater diversity in development types.
- Public/private partnerships to target areas for home rehab, infill, etc. Address neighborhoods in distress by providing incentives for focused private investment. Incentivize private companies, agencies and nonprofits to invest in the targeted areas. Couple this recommendation with incentives and/or Land Banking.

Education & Information

- Identify properties suitable for development. Create an inventory or registry of available lands for infill with incentives in place for development; include a requirement for developing affordable housing when applicable.
- Education to public to dispel myths associated with affordable housing, workforce housing and infill development.
- Educate the public (city wide) on successful developments or areas of development, i.e. Perry Street.

Financial Incentives & Partnerships

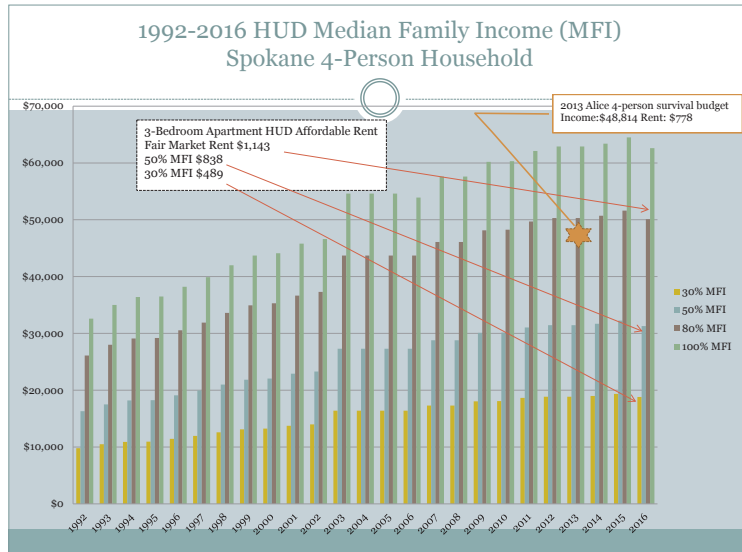
- Expand Multifamily Tax Exemption to additional sites and to additional economic segments of the population.
- Restructure utility connection fees and rates.
- Land Banking to help aggregate properties for more substantial development projects.
- Identify funding for the Incentives 2.0 Permit Fee/Impact Fee Waiver Program.
- Create an inventory or registry of available lands for infill development with incentives in place for development.

Neighborhood Context

- Foreclosure properties – pursue legislative action to identify and develop tools to expedite and complete the foreclosure process.
 - Find tools to re-use or redevelop foreclosed properties and work in partnership with other agencies.
- City should define and establish a minimum housing quality standard.
 - Standard should consider the form based characteristic of housing with neighborhoods and should include community process element during their development.
- Enhance the ability of code enforcement to respond to complaints and develop other possible solutions to incentivize the rehabilitation of degrading properties and unmaintained vacant properties/lands.

Infill development will play a major role in addressing housing quality and affordability as recommendations begin to take effect within the development community and in conjunction with the Task Force's recommendations. The paralleled themes between HQT and infill provide the validity to move them forward into action. As both sets of recommendations move into the next phases of planning and implementation, area(s) of impact will play a major role in changing the community fabric of housing quality and affordability.

Housing Affordability

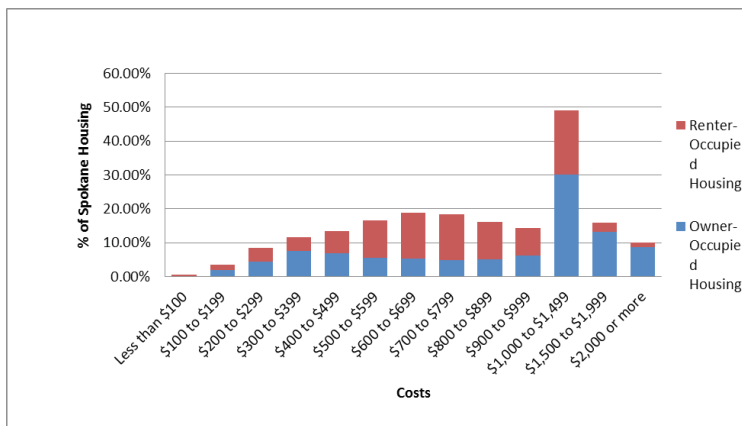


The housing market in the United States in recent years has had its downside for many citizens who have faced escalating rents and home prices coupled with little to no income growth. Understanding the dynamics of Spokane's population, economy, housing characteristics and trends are fundamental to understanding the larger housing picture and for developing strategies to target and address the city's aging stock and affordable housing needs.⁹ Affordable housing was long thought to be an issue only for low-income and unemployed individuals; the need for affordable housing is affecting more and more of the workforce across many income levels.

Population & Income

Population growth is a major underlying factor for the demand of housing and without new supply of dwellings; it pushes up the prices for both renting and purchasing dwellings. The resultant fall in affordability is a problem that is compounded in many cities by the change of living preferences that has resulted in a decline in household occupancy rates.¹⁰ The growth of Spokane's population has been limited since early 2000. From 2004-2009 the annual growth rate for Spokane County was 1.5 percent per year or 6,600 people. In subsequent years from 2009-2012 the annual growth rate dropped to .5 percent. Growth contributes to housing demand, but so does household income. While Spokane is a major urban center for Eastern Washington, Northern Idaho and serves as a regional center of services for the surrounding rural population, the area was impacted by a sharp job loss from 2009-2011 at a rate of 2.3 percent per year. Even though non-farm payrolls

Average monthly costs to housing for renter-occupied and owner-occupied housing:



* American Community Survey 5-Year Estimates, 2010-2014

rebounded, by 2012 Spokane's median income is significantly lower than national, state and county levels and more individuals live in poverty in Spokane than that reported for these other geographies.

9 Owen, Melissa. 2013. "Spokane Aging Housing Strategies" 1..

10 Karantonizis, AC. 2008 "[Population growth and Housing Affordability in the Modern City.](#)" 1.

Below poverty level

US	15.8%
Washington State	14.1%
Spokane County	17.1%
Spokane City	21.2%

*2013 American Community Survey, 1yr estimate DP03

Income is the primary factor that determines housing affordability; housing is the single biggest expenditure for low and middle-income families.

Housing - Ownership vs. Rental

According to American Community Surveys 2010-2014 five-year estimates the City of Spokane's total housing units is 95,394; single-family housing makes up the bulk of this number and includes 65,521 total homes. Below is the breakdown of housing stock:

Housing Stock Average in Spokane

Single-family	65,521
Duplex	3,140
3-4 units	5,112
5 or more units	20,994
Mobile Homes	1,691
Total Housing Units	95,394

* Data from U.S. Census Data (2010-2014 ACS 5-year estimates)

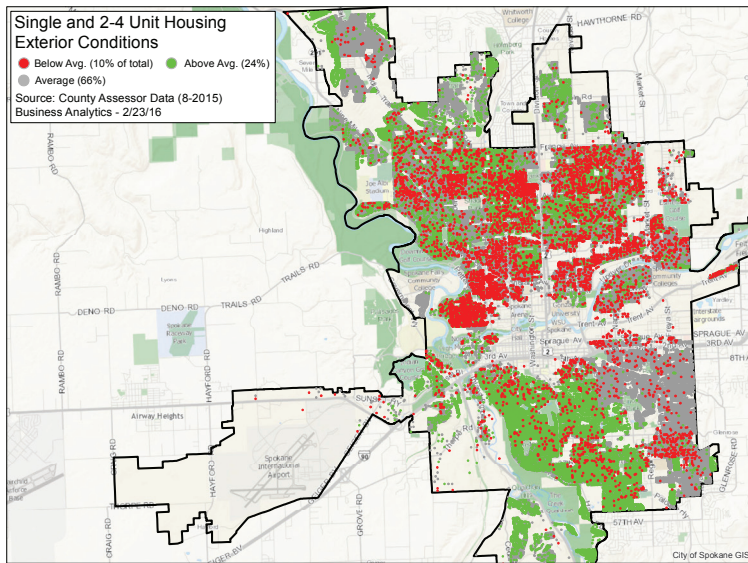
Home ownership rates in Spokane are much lower than national, state and county levels where rental tenancy does not exceed 38%. The current housing tenancy in the City of Spokane for owner-occupied housing is 56.2% and renter-occupied housing is 43.8%.¹¹ Single family rentals are relatively high as a portion of all rentals, representing 38% of the total rental units in the city's housing market, while at the national, state and county levels, that figure is 34%, 35%, 38% respectively.

Housing Condition & Age

The Spokane County Assessor provides data on property conditions. Their assessment is based solely on the exterior condition of structures and is evaluated using a five-point scale;

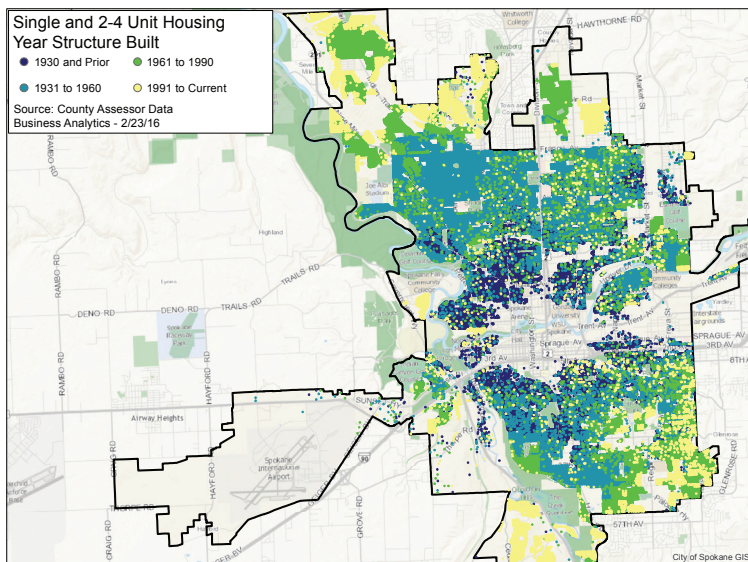
- Very Poor: undesirable, unoccupied
- Poor: Un-attractive; excessive turnover
- Average: Still somewhat attractive & desirable
- Good: Quite attractive and desirable
- Excellent: Extremely attractive & highly desirable

11 US Census. [2010-2014. American Community Survey 5-Year Estimates.](#)



In order to simplify this information a map was created which utilized only three out of the five-point scale. A limitation of this data is that it can be out of date by several years due to the inspection cycles; however, it should be generally accurate. For instance, if a significant remodel were to improve the condition, it would presumably be noted when the remodel triggers a physical inspection by the assessors. According to the assessor, the majority of housing (66%) is evaluated to be of an average condition for single and 2-4 units housing.

Housing age is another important contributing factor to affordable housing. Older homes often need significant repairs to major amenities (i.e. installation of insulated windows, new furnace, new roofing...etc.) which fall to the homeowner to make repairs. Major system repairs such as this are costly and, at times, creates an emergency situation. Spokane's housing stock is relatively old in comparison to the National and Washington State housing age data. Based on the American Community Survey (ACS), while nearly 60% of the City of Spokane's housing stock was built over forty years ago, only 40% of the nation's housing stock, 33 % of Washington's stock and 42% of Spokane County's structures are of that age.¹²



The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing.¹³ As defined by the Department of Housing and Urban Development, affordable housing is, housing for which the occupant(s) are paying no more than 30 percent of his or her income for gross housing costs, including utilities." Families who pay more than 30 percent of

their income for housing are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation, medical care, not to mention, affording replacement to major systems in the home. The median family income (MFI) for a 4-person household in Spokane between 1992-2016 at 50% of MFI is \$838 dollars spent on rent.

12 US Census. 2013. American Community Survey, 1-Year Estimates.

13 Schwarze, Mary & Wilson, Ellen. 2013. ["Who Can Afford To Live in a Home?: A look at data from the 2006 American Community Survey."](#) 1. US Census Bureau

According to the 2015 Washington State Housing Needs Assessment, 40% of households in the Spokane area are burdened by the cost to own, rent and maintain their homes. The ALICE Report was produced in partnership with Spokane County United Way. ALICE stands for Asset Limited, Income Constrained, Employed. The project provides a framework, language, and tools to measure and understand the struggles of the growing number of households in the Spokane community who do not earn enough to afford basic necessities. ALICE families earn above the Federal Poverty Level (FPL), but not enough to afford basic household needs of housing, childcare, food, transportation, and health care. The ALICE report identified that in Washington State 13% of households¹⁴ lived in poverty and 19% were ALICE.¹⁵ In Spokane 37% of households (186,456 households) qualify as ALICE. Information from the Washington State Housing Needs Assessment and the Alice report indicate that there is a need for affordable, safe and quality housing in Spokane.

14 Total number of households in Washington State 2,648,033, at 13% of households affected by ALICE equals 343,878 households affected.

15 United Way of the Pacific Northwest. [ALICE Report, A Study of Financial Hardship](#). 2016

Task Force Overview

In response to the housing needs addressed in the six focus areas the Task Force developed a broad scope of recommendations to begin improving access to safe, quality and affordable housing in our city. The Mayor's Housing Quality Task Force (HQT) was convened in May 2016 to develop recommendations that promote quality and affordable housing in neighborhoods.

Task Force members represented a wide variety of stakeholders in the Spokane community; there were 40 Task Force members in total. Members were divided into two sub-committees that further focused on housing quality and housing affordability. The Task Force process was established as a short and condensed five-month timeframe.

Housing Quality Sub-Committee

- City Council –Amber Waldref
- Director of Neighborhoods & Business Services – Jonathan Mallahan
- City Attorney – Nancy Isserlis
- Planning Department – Lisa Key
- Planning Department – Melissa Owen
- Neighborhood Services, Code Enforcement & Parking Services – Heather Trautman
- Neighborhood Services & Code Enforcement – Melissa Wittstruck
- Spokane Police Department – Craig Meidl
(Alternate: Traci Meidl)
- Spokane Realtor Member – Marilyn Amato
- Inland Northwest Landlords Association – Steve Corker
- Spokane Regional Health District Representative – Rowena Pineda
- Spokane Fire Department – Mike Miller
- Northeast Community Center – Jean Farmer
- Plan Commission – Patricia Kienholz
- Spokane Community Land Trust – Chris Venne
- SNAP – Loretta Cael
- Umpqua Bank – Cara Coons
- Empire Health Foundation – Lindsey Lanham
- Windermere Services Mountain West – Scott Wetzel
- American Indian Center – Deborah Gunther
- Richard Allen Apartments, East Central – Lonnie Mitchell
- Northwest Justice – Joes Trejo
- Community Assembly/Neighborhood Representative – Sara Tosch
(Alternate: Mindy Muglia)

Housing Affordability Sub-Committee

- City Council – Karen Stratton
- Spokane City Planning Department – Nathan Gwinn
- Community, Housing & Human Services – Dawn Kinder
- Community, Housing & Human Services – Paul Trautman
- Spokane Home Builders Association – Michael Cathcart
- Community Assembly/Public Safety Representative – Julie Banks
- Northwest Fair Housing Alliance – Marley Hochendoner
- Spokane Low Income Housing Consortium (SLIHC) – Kay Murano
 - Former SLIHC rep: Cindy Algeo
- Spokane Mortgage Lenders Association – Cory Oberst
- Spokane Housing Authority – Pam Tietz
- Transitions – Edie Rice-Sauer
- Mayor's Advisory Committee on Multicultural Affairs – Bob Cepeda
- Community, Housing & Human Services Board Member – Amme Paluch
- Spokane Housing Venture – Fred Peck
- THEZONE Project – Andre Wicks

The two initial all convene meetings in May included the background information regarding the six key areas of housing that was presented by City staff. The information included an overview of current policies and programs, number of homes within the current process and costs associated with the program/policy. Two round table focus meetings convened in June and focused on industry specific input from Bank/Financial Institution representatives and Real Estate/Developer representatives. The all convene meeting at the end of June was dedicated to providing the roundtable information and feedback to the task force members and incorporating this information into their work on the specific recommendations as necessary. The sub-committee meetings from June to July were dedicated to the sub-committee working groups which focused their efforts on developing recommendations that address housing quality and affordability separately.

The housing quality sub-committee, included the housing focus areas of: homes in foreclosure, substandard and abandoned homes, chronic nuisance properties and vacant residential lots. Meanwhile, the housing affordability sub-committee focused on recommendations that would address affordable housing only. The sub-committee meetings allowed for a deeper dive into the research regarding each recommendation and once a base of knowledge was established regarding each of the recommendations, further refinement of the recommendations occurred; this process included prioritizing and/or combining recommendations into one.

Each sub-committee followed a list of objectives as provided in the Mayor's Housing Quality Task Force Charter to develop their recommendations. The matrices and other documentation to develop the recommendations are listed in the appendix.

Housing Quality Sub-Committee

The focus of the Housing Quality Subcommittee was to gather a baseline of information from previous reports/plans, studies, and policies for Spokane and to document the current state of housing in Spokane by doing the following:

- Review current expenditures/costs related to substandard, abandoned and foreclosed homes.
 - Evaluate impact of chronic nuisance, substandard, abandoned and foreclosed homes on surrounding neighborhood quality of life, health, property values and crime rates.
- Identify resources and gaps for housing providers and tenants.
- Develop policy recommendations for response to chronic nuisance conditions.
- Evaluate risk/reward for response to poor housing conditions.
- Establish process for interagency response to housing conditions (Police, Fire, Code Enforcement, Mental Health Care, Health District, etc...)
- Evaluate barriers to creating mixed income neighborhoods (e.g. regulations, available land, affordability, etc...)

Housing Affordability Sub-Committee

The focus of the Housing Affordability sub-committee was to gather a baseline of information regarding housing affordability from previous reports/plans, studies, and policies for Spokane by doing the following:

- Identify mechanisms for supporting the development of affordable housing.
- Identify and recommend policies or strategies to provide a variety of funding mechanisms to support and assist public/private sectors in developing affordable housing, which can include first-time homebuyers or renters.

During the sub-committee meeting timeframe a community forum was held and two online community surveys. The information collected at the community forum and surveying was shared with the task force members. Recommendations of significance were selected by the task force members and listed below. All of the input and feedback from the community forum is listed in the appendix.

Community Forum

The community meeting included the participation of 60 community members and the meeting followed up with an online survey for those who could not attend. The purpose of the community meeting was to provide an overview of the six key areas of housing to the community and ask four primary questions in order to engage the public in the process:

1. What is the definition and standard of housing quality?
2. What is the definition and standard of housing affordability?
3. What are the barriers to housing quality and affordable housing?
4. What are the solution to addressing housing quality and affordable housing?

All public input was provided to the task force members. Specific items from the public input process were recognized by the task force sub-committees as recommendations of significant importance. The specific public input items of significance are listed below:

- Program that enables a family to improve home quality without charging rent, a type of sweat equity program that would substitute for rent.
- Finding a way to implement a universal screening/rental application. Provide a consistent location for rental applications and screenings that would be accessible to landlords.
- Connecting people with job skills.
- Better enforcement, better education, better outreach to landlords re: rentals
 - o Review current laws and educate people on what laws currently exist.
 - o Researching rent control should be reviewed under current laws.
 - o Education of landlords and tenants.
- Encourage more housing options, change zoning.
 - o Look at the zoning/development code to identify other ways that can be developed.
- Centralize a location for people to call and complain on rentals. Partner with Spokane Housing Authority to improve information and outreach.
 - o Housing hotline.
 - o Educational program to help people find sources; City to set up website page that would include housing resource information. The resource page should be user friendly and may include video snap shots of the program available.
- Low or no cost mediation services for landlord/tenant disputes and credit counseling.
- Expand access to responsible renters programs.

- Pre-purchase education about costs of repair/maintenance to first time home buyers.
- Adopt a plan with benchmarks for Affordable housing. The City of Hayden, ID is an example, city incentivized development of affordable housing such as density bonuses.
 - o Specify City's housing needs in development/rehab of affordable housing (ie. Seattle developers only building studios instead of providing affordable housing for families)
- Address and eliminate no cause evictions.
- Definition of housing quality to include FHA requirements.
- Raising money for developing quality housing; raising public funds for housing.
- Lists of landlords/tenants who have successfully completed rental and/or homeownership training programs.
- Change the term affordable/low income housing to mixed-income housing.
- More clearly define what healthy housing is.
 - o Enforcing standards is going to require a definition of housing quality/affordability. This is a need at the City level.
 - Need specific definitions.
- Need to revisit equity issues and recommendations. Access to transit, housing, services...etc. needs to be considered in the equity of housing quality.
 - o Community identified equity issues as barriers to affordable and quality housing
- Develop list of resources to inform the public of programs that are already available, especially those that address equity and access to housing.
- Provide equitable access to the built environment.
- Expand the definition of affordable housing beyond HUD definition.
 - o Group decided on general definition but recommended a more specific recommendation in the implementation phase.
- Identify what programs and funding for target areas already exists with finance partners and aligning those strategies with existing inventory.

Roundtable Focus Groups:

As part of educating the task force members on the current state of the six areas of housing it was recognized an understanding of the barriers and solutions by bank/financial institutions and local realtors/developers was needed. In order to respond to this need two roundtable focus meeting were held. One of the meetings invited financial institutions, which consisted of lenders and mortgage holders, and the second roundtable invited local real estate agents and developers. The purpose of those meetings was to gather information from each industry, to gain a more thorough understanding of not only the barriers and

solution to addressing homes that lie within the six focus areas, but also of ways to incentivize those agencies to becoming partners who could help to mobilize the solutions. Each of the focus groups identified recommendations for the HQT to further look into and develop. See the Roundtable notes for Real Estate/Developers and for the Bank/Financial meetings to see all recommendations.

Real Estate/Developer Recommendations:

- The City should invest in better infrastructure (paved roads and sidewalks) to encourage more investment by property owners and developers. This would add curb appeal to properties.
 - o Include bike and pedestrian infrastructure with improvements.
- Grant program to improve foreclosed homes, for first time homebuyers. Target certain areas of town. First time homebuyer would have to meet income qualifications to not benefit developers or wealthy buyers. Criteria would be placed on the program for the types of suitable improvements. Improvements should be focused on things that bring health and safety to the property and exterior improvements (curb appeal).
 - o Program to research and implement: The Avista energy savings improvement program (new doors, insulation). City to create similar program to incentivize smaller investors and owners to make improvements. Program could include grant dollars available to the property owner, landlords, and developers.
- Partner with Real Estate agencies on their lending programs to create a package of benefits to encourage people to purchase property in a target area. This could include focusing on foreclosed/abandoned properties in that area.
- Two suggested focus efforts:
 - o Areas where there is high number of foreclosures, substandard, abandoned and vacant property.
 - o Areas where there is a “tipping factor” that when improvements begin to happen then other neighbors begin to also make improvements thus improving the overall neighborhood. (Small improvements inspire other people in the neighborhood to invest.)
- Paving dirt roads/create sidewalks/infrastructure.
- Zoning to promote infill.
- Allowing for more affordable retail to be developed in the neighborhoods or by utilizing/demolishing foreclosed, substandard, vacant, and abandoned property. This helps to create a sense of place for neighborhoods. Some developers who receive local and state funding rank higher on the list for approval if they can locate new development near schools, grocery stores, transit, jobs...etc.
- Legislative Recommendation:
 - o Expedite Foreclosure process.

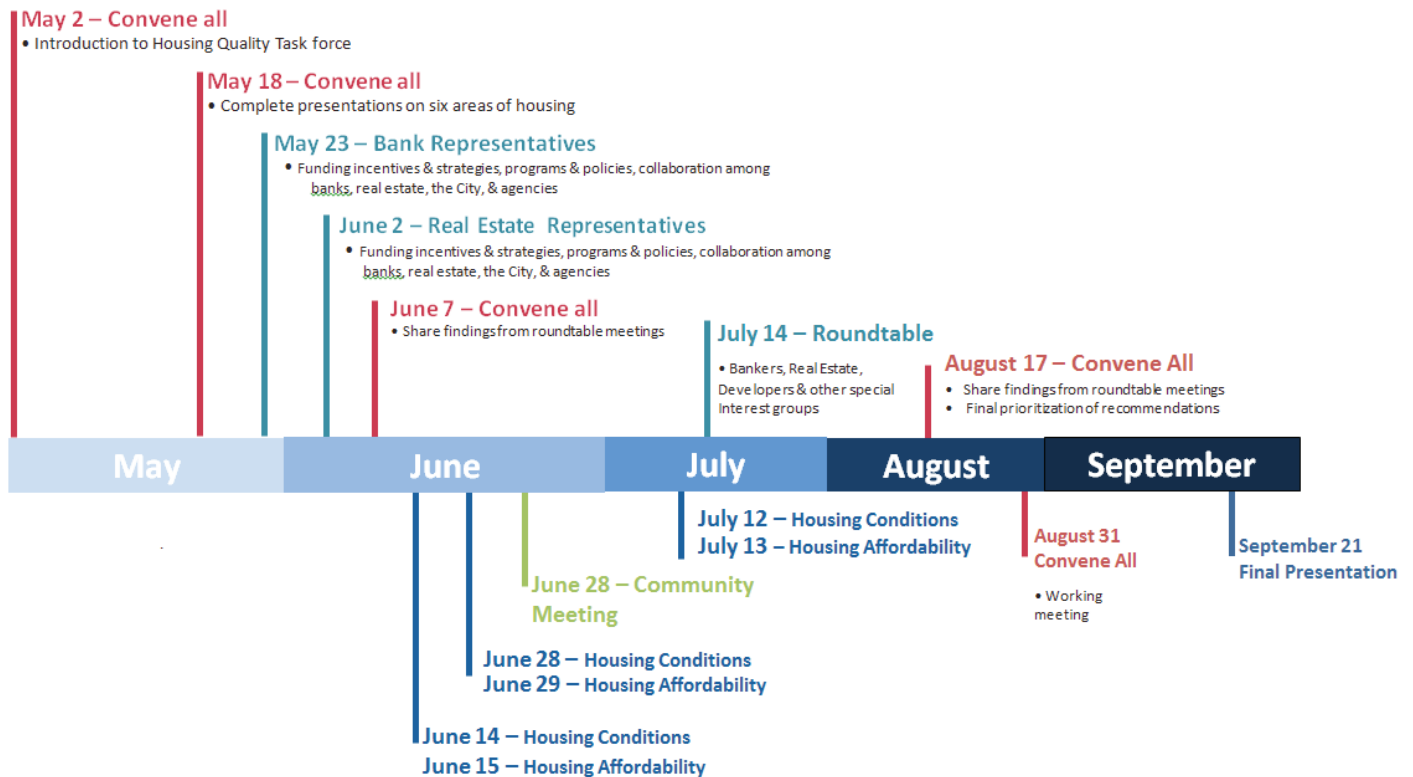
Financial Institutions Recommendations:

- Demolishing an area or blocks that have several substandard homes with significant structural damages. The homes would have to have enough structural damages to outweigh the cost to demolish. Partner with local commercial developers and financial agencies to rebuild the homes. New homes would then be back on the market. Other qualifications for inhabitants could be placed around the home, such as, must have a housing voucher, must meet specified income level...etc.
 - o Need a program for demolishing the homes. Cost to demolish a home is approximately \$15,000-\$30,000 for a home with asbestos. Tipping costs to dump materials is approx. \$5,000.
 - o Need partners for reconstruction and a program for home ownership.
- Neighborhood Revitalization: vehicle for non-profits or municipality to purchase homes or vacant land to rehabilitate.
 - o Tax Credit Financing – loans to purchase vacant lands for new developments.
- Legislative recommendation:
 - o Legislative: Foreclosure Fairness Act
 - Retention option
 - State/federal codes that deal with foreclosure
 - o Develop a lease program or agreement that addresses keeping people either in their home or a new home during the foreclosure process so that homes are not vacant. The program could follow something similar to a rental lease.

A third roundtable focus meeting was held in August after sub-committee work had concluded. Members from both previous roundtable discussions were invited back to learn about the HQT recommendations at that point in the process. Roundtable members were asked to provide their industry specific guidance on the feasibility of the recommendation, provide words for improvement and/or opportunities for partnerships.

The two meetings in August were all convene working meetings focused on bringing the two sub-committees back together to discuss their individual recommendations. During this time, the all convene meetings worked to create synergy between the two lists of recommendations by modifying, combining and/or eliminating recommendations. Once complete, the task force engaged in an exercise of prioritizing the final recommendations.

Timeline:



Recommendation Evaluation Process

Once the task force received all of the background information provided by city staff they began identifying recommendations. The initial list included 48 recommendations, through a series of sub-committee meetings the task force members focused on research and refinement of those recommendations. The initial list included the name, the type of tool (policy/program/strategy), summary of the recommendation, outcome, examples from other communities and identification of which area(s) of housing would be addressed and any barriers.

During the sub-committee meetings each group continued the refinement process which included combining or removing recommendations and providing additional research. Sub-committees found that when categorizing the recommendations into like groupings there were many recommendations that were better suited to be combined.

During this phase of the evaluation the sub-committees worked on defining and setting standards for housing quality and housing affordability. The housing quality sub-committee determined that the definition and standards of housing quality would need to come forward as its own recommendation. The sub-committee determined that a larger process and community input was necessary to determine the most appropriate definition and standard for the Spokane community.

The housing affordability sub-committee utilized the following definition and set of standards for housing affordability which is modeled from the U.S. Department of Housing and Urban Development's definition.

Housing Affordability

Definition:

- In general, housing for which the occupant(s) is/are paying 30% of his or her income for gross housing costs (i.e. insurance and taxes) and including utilities, insurance & taxes.
- Housing is affordable if they have income to pay for other essential needs, i.e. transportation, health (medical), food, childcare, taxes, clothing...etc.

Housing Affordability: Additional Elements

A. Accessibility to Vibrant Neighborhoods – Economic Development

- Transportation
- Childcare
- Groceries
- Quality Education
- Schools
- Disability Accessible Unites
- Recreational Opportunities
- Walk-ability
- Safety
- Diverse
- Employment (including training)
- Funding Reserves (i.e. a savings account and/or emergency funding)

B. Mixed-Income

C. Mixed-Use

The third sub-committee meeting focused on research for each recommendation to determine the Specific, Measurable, Achievable, Relevant and Time (SMART) information specific to each recommendation. There was a lot of valuable researched information collected during this exercise, parts of this information has been incorporated into the priority recommendations list and all of the researched materials can be found in the appendix.

At the final two all convene meetings the task force worked through two processes to prioritize recommendations and evaluate a timeframe for development and implementation. The prioritization exercise included a matrix which evaluated the impact and feasibility on a low and high scale for each recommendation.

Feasibility is rated according to the following criteria:

- How likely is the recommendation to be accomplished/implemented?
 - o Financial feasibility: Does the recommendation require new financial investment? Will it be possible to fund it?
 - o Operational & legal feasibility: Is the recommendation legally and practically feasible?
 - o Political & social feasibility: Are there political considerations that would prevent the recommendation from being viable? Is it sustainable in the event of a major leadership change?
 - o Social feasibility: Would the recommendation be supported by the public?
 - o Community partners: Are there community partners who will willing/able to collaborate?

Impact is rated according to the following criteria:

- Does the recommendation give us the desired impact?
 - o How well does the recommendation address our objectives:
 - Create neighborhoods with more housing options
 - Create mixed-income neighborhoods
 - o How well does the recommendation address one or more of the six areas of housing?
 - o How well does the recommendation address one or more of our measures of success?
 - Homes are returned to the housing market quickly.
 - Increased property values
 - Decrease crimes

This exercise was conducted as a group dot exercise where task force members determine the level of feasibility and impact. Further conversation and discussion of this exercise commenced. The second step in this process for prioritization included more discussion focused primarily on select recommendations that were determined by the group to spread across the various levels of feasibility and impact. It was classified that those matrices that clearly did not present a unified decision on feasibility and impact needed further research, clarification and discussion. Once all of the recommendations were consolidated into specific levels of feasibility and impact, the Task Force then determined for each category what time frame it would take for implementation of the recommendation. The Task Force determined time frames for each level in the matrix. Additionally they determined that select recommendations needed to be addressed in a phased approach, where development would occur initially and implementation would occur secondarily.

The outcome of all of these processes led to the final priority recommendation matrix.

Priority Recommendation Matrix

FEASIBILITY	HIGH	Quick wins: "Low Hanging Fruit" with relatively small demands that may be worth pursuing	No Brainer – biggest bang for your buck
	LOW	To be avoided: Difficult to implement with little impact, rarely worth pursuing	Tough, but worthwhile
		LOW	HIGH
		IMPACT	

Evaluation of impact and feasibility made use of the matrix above and the criteria described under the Goals and Evaluation Criteria section, above.

Recommendation	Recommendation Elements & Notes	Addressed Housing Area Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots Affordable Housing	HQT Evaluation	
			Impact Does the recommendation give us the desired impact?	Feasibility How likely is the recommendation to be implemented?
Estimated Implementation: 0-1 years				
City should define and establish a minimum housing quality standard.	Recommendation Elements <ul style="list-style-type: none">- Standard should apply to owner and renter occupied housing.- Include baseline, goals and benchmarks.- Include enforcement and incentives.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties	High	Low
City to identify city owned property that is not in use or is underused to be liquidated. The property could be transferred with condition to develop affordable housing.	Recommendation Elements <ul style="list-style-type: none">- Inventory the current amenities on the property and include information such as location that would factor into whether it makes it more affordable. Require an affordable housing component to developing the property.- The city would market the property for sale; provide incentives to the developer for the development of affordable housing.- The City could investigate options to providing a program where the property could be transferred to new ownership rather than selling the property, this would still include development of affordable housing.	Affordable housing, Vacant Residential Lots	High	High
Partner with local real estate organizations to identify vacant, abandoned, and substandard homes.	Recommendation Elements <ul style="list-style-type: none">- N/A	Abandoned Homes, Substandard homes & Homes in Foreclosure	Low	High
Partner with organizations to provide an annual program to educate homeowners and potential homebuyers on purchasing, maintenance, rehabilitation programs available.	Recommendation Elements <ul style="list-style-type: none">- Better coordination between agencies is needed for implementation.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Affordable housing	Low-Moderate	High
The City should re-evaluate the Multi-Family Tax Exemption (MFTE) Incentive for all aspects of the incentive.	Recommendation Elements <ul style="list-style-type: none">- Revisit how the MFTE works and see if it works in today’s market. Through this process identify what needs to be removed from the incentive, what needs to be added, identify barriers as to why developers are not using this incentive and identify challenges to achieving the incentive.- Make the MFTE less restrictive.- Reevaluate the renewal process. Notes: Encourages multifamily development and redevelopment in compact mixed-use areas where housing and affordable housing options are deficient. Through the MFTE a jurisdiction can incentivize dense and diverse housing options in urban areas lacking in housing choices or affordable units. MFTE can apply to rehabilitating the existing properties and redeveloping vacant or underused properties. Cities planning under the Growth Management Act (RCW 36.70a) that have designated urban centers with a deficiency of housing opportunities are eligible to implement this tool. Cities must designate eligible areas that contain urban centers. Urban Centers – in the context of MFTE enabling legislation – have a particular meaning. Based on state law, designated districts are commercial or business districts with some mix of uses.	Abandoned Homes, Chronic Nuisance Properties, Substandard Properties & Affordable Housing	Low	High
Re-evaluate/amend the existing Discrimination Ordinance.	Recommendation Elements <ul style="list-style-type: none">- Re-evaluate what exists currently.- Re-evaluate how to enforce<ul style="list-style-type: none">o Rental assistanceo Nondiscrimination against tenants with criminal history.o Identify funding to have a proactive enforcement programo Review/audit group homes ordinance in the city.- Identify funding to have a proactive enforcement program.<ul style="list-style-type: none">o HUD provides funding for enforcement of this program and it should be investigated.- Add nondiscrimination against Section 8 Voucher holders and/or other subsidized ways to pay for relocation and nondiscrimination against tenants with a criminal history.	Affordable Housing	Moderate-High	High

Recommendation	Recommendation Elements & Notes	Addressed Housing Area Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots Affordable Housing	HQT Evaluation	
			Impact Does the recommendation give us the desired impact?	Feasibility How likely is the recommendation to be implemented?
Estimated Implementation: 1-2 years				
Create a plan that provides relocation assistance for displaced or involuntary termination of resident(s).	Recommendation Elements <ul style="list-style-type: none">- Tenants being displaced will have some financial assistance to relocate and will be less likely to become homeless. The City and social services agencies won’t have to bear the costs.	Affordable Housing	Moderate-High	Low
Create a registry of affordable housing/units available in Spokane.	Recommendation Elements <ul style="list-style-type: none">- Add an expiration date to when the home is listed for affordable home listings.- City establishes a city wide rental registry program/rental inspection program.<ul style="list-style-type: none">o Rental inspection program that would enforce and incentivize minimum housing quality standard(s).- If you are utilizing incentives for development of affordable units/housing then you should be required to list your property on a centralized webpage that the city could maintain and/or listing on the HousingSearchNW.org which is an affordable rental housing search website.- Creating an application and/or a location on the cities website that identifies where affordable housing units are located. i.e. Zillow. Would include identifying units that accept housing vouchers, are below market value for affordability...etc.- Educating the public on how to find and use the website.- City investigates a program to incentivize improvements to housing quality.- Rental inspection program that would enforce and incentivize minimum housing quality standard.	Affordable Housing Rental Registry aspect addresses Housing Quality for Substandard Housing, Chronic Nuisance, Abandoned Homes and in some cases Homes in Foreclosure	Moderate-High	High
Identify funding for the Incentives 2.0 Permit Fee/Impact Fee Waiver Program, this should include and identify all/any additional fee waivers that may be included.	Recommendation Elements <ul style="list-style-type: none">- Incentives 2.0 program provides reimbursement of permit/impact fees after development.- Create a category that supports and has a focus on affordable housing development.- Provide incentives to the developer for the development of affordable housing.	Affordable Housing	High	High
Identify incentives for landlords to bring housing up to a standard of housing quality. Address the barriers to enforcement of existing laws.	Recommendation Elements <ul style="list-style-type: none">- Need a housing quality definition to base this upon.- City would need to dedicate funding to attorney fees/relocation fees.- Make the program voluntary for landlords and once achieved the landlord would be certified as achieving the housing standard.- There should be more research done on rental programs i.e rental inspection and/or rental business licensing programs that would best fit the Spokane community.- Identify ways to make it affordable for landlords to bring their rentals up to a housing quality standard.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Affordable housing	High	Moderate-High
City pursues legislative action to identify and develop tools to expedite and complete the foreclosure process.	Recommendation Elements <ul style="list-style-type: none">- Tools should be expanded.	Homes in Foreclosure	High	Moderate-Low
The City should establish a Housing Trust Fund; identify regional partners and a funding source.	Recommendation Elements <ul style="list-style-type: none">- Collaborate with regional partners to establish a Housing Trust Fund for affordable housing development.	Affordable Housing	Moderate-High	Low
City to work with non-profits to apply for appropriate programs/grants that would apply to neighborhood revitalization to assist with home ownership or rentals. Funding would include revitalization/rehabilitation of foreclosed and substandard properties (i.e. NeighborWorks or NeighborhoodLift)	Recommendation Elements <ul style="list-style-type: none">- N/A Notes: NeighborWorks received \$122.5 million as a result of the Dept. of Justice settlement with Bank of America. NeighborWorks will be implementing Project Reinvest to provide housing counseling, neighborhood stabilization, & foreclosure prevention. Funding for these activities will be made available through an open and competitive process to nonprofits and qualified organizations, with intent to maximize benefit for communities and individuals impacted by the foreclosure crisis.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots Affordable housing	Low-Moderate	High

Recommendation	Recommendation Elements & Notes	Addressed Housing Area Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots Affordable Housing	HQT Evaluation	
			Impact Does the recommendation give us the desired impact?	Feasibility How likely is the recommendation to be implemented?
Phased Recommendations: Development & Implementation				
A. Create an aggressive program from subarea planning in and around centers and corridors to identify properties suitable for commercial/mixed use development that include mixed income and family housing, and identify transition zoning needs to ensure neighborhood compatibility in neighborhoods throughout the City of Spokane. B. Implement zoning modification and incentives as appropriate for successful development. Mixed use includes family housing.	Recommendation Elements A. N/A B. <ul style="list-style-type: none">- Provides access to jobs, services, amenities to provide quality housing within neighborhoods.- Neighborhoods need to be engaged about what they would like to see in developments.- Neighborhoods and citizens should be involved throughout the process.- Mixed use includes family housing.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots Affordable housing	Moderate-High	Moderate-Low
Develop and define public/private partnerships to target areas for home rehab, infill...etc. Address neighborhoods in distress by providing incentive for focused private investment. Incentivize private companies, agencies and nonprofits to invest in the targeted areas.	Recommendation Elements <ul style="list-style-type: none">- Use the city’s economic development model.- Implement Target Investment Pilot (TIP) strategy in the housing arena. Identify the target areas where financial partners are already focusing (find areas where there is overlap between city and private financial partners)- Focus on hardest hit areas that may be overlooked- Provide incentives to the developer for the development of affordable housing. Notes: Find areas of focus that would demolish or rehabilitate homes within several blocks. The program could focus in neighborhoods with high abandonment, foreclosures, chronic nuisance, and substandard homes. By focusing on 3-7 homes in one area would; 1. Incentivize local developers to partner with the city. 2. Help in creating a "tipping point" neighborhood where other property owners in the area would also improve their properties. 3. Look into possibility of including vacant residential lots in the area for building new homes. Could place other parameters on new home owners, i.e. must qualify for Section 8 Housing Vouchers, income level specific. Identify potential of utilizing CDBG dollars.	Substandard Housing Abandoned Homes Homes in Foreclosure Chronic Nuisance Properties Vacant Residential Lots	High	Moderate-High
Explore and report the effectiveness of establishing a Just Cause Eviction Ordinance in Spokane and in partnership with landlords and tenants.	Recommendation Elements <ul style="list-style-type: none">- Create metrics.- Eliminate 20 day no cause terminations; landlords can still evict for enumerated causes. Ordinance creates stability for renters and reduces barriers to housing.	Affordable Housing	Moderate-High	Low
City to create an inventory or registry of available lands for infill with incentives in place for development.	Recommendation Elements <ul style="list-style-type: none">- Incentives would include developing affordable housing/unit.	Vacant Residential Lots	High	High
Acquisition rehab program for bank-owned REO properties with the city as the facilitator and to include an educational program.	Recommendation Items: <ul style="list-style-type: none">- City acquires Real Estate Owned properties from lenders at low price and sells to buyers using a 203k loan to rehabilitate property. City could remove liens.- Include an education component for potential homeowners and developers Notes: Rehab dollars would be used to show obvious visible changes in targeted areas. This is the only way to stimulate further investment. It is well known that when owner two houses on a block are improved, other improvements follow. Investment begets further investment. This reality should inform how we spend home rehab dollars.	Homes in Foreclosure Substandard Housing Abandoned Homes Chronic Nuisance properties	Low	High
Create a community land bank with the power to acquire, hold, and dispose of property including vacant and distressed properties, and dispose of the property for community benefit. (Power to acquire foreclosures, chronic nuisance properties, substandard properties, demolish properties, accumulate properties to create bigger lots...etc)	Recommendation Elements <ul style="list-style-type: none">- Needs initial funding to get off the ground and running. Funding is the biggest barrier.- Notes: Reduce blight. Create a better process for addressing foreclosures. Can acquire properties quickly when they are available. Allow timely action when demolition is called for. Make properties available for commercial and residential re-development	Homes in Foreclosure Substandard Housing Abandoned Homes Chronic Nuisance properties Vacant Residential Lots Affordable Housing	High	Moderate-Low

Conclusion & Next Steps:

The final recommendations were presented to Mayor David Condon at the final meeting of the Housing Quality Task Force. The following additional items were included as part of the next step process.

- A. Mayor Condon recommended establishing a steering committee to address implementation of the HQT recommendations. The steering committee could produce multiple work programs of varying duration (e.g., 1-, 2-, or 3-years) for potentially separate, specializing workgroups, such as:
 - o A taskforce for State and Federal legislative action, to reduce the timetable for the necessary recommended changes.
 - o A workgroup around planning issues, Growth Management Act and policy framework, strategic locations with a high propensity for growth, and individual standards.
 - o A workgroup that would focus on economic development incentives and grant research and development to encourage private investment and both for and non-profit development.
- B. The proposed implementation steering committee and/or workgroups described above should include representation from the following:
 - o City Council
 - o Tenants
 - o Landlords
 - o Banks/Lending Institutions
 - o Real Estate Developers
 - o Homeowners
 - o Spokane City Planning Department
 - o Planning Commission
 - o Infill Housing Committee
 - o Non-profit Organizations
 - o Housing Finance Commission
 - o Neighborhood Councils/Community members
 - o Communications expert
 - o CHHS Board representative
- C. Councilwoman Amber Waldref recommended that the Infill Housing Task Force and the Mayor's Quality Task Force work together during the implementation process
- D. Mayor Condon suggested that the next Housing Task Force meeting will be held in March 2016 to follow up on the implementation of the HQT recommendations.

Appendix

- A. PowerPoints from HQT
- B. Meeting Minutes
- C. Public Safety Committee – Rental Housing Research Stakeholder Group, Final Report to the Community Assembly
- D. Housing Quality - Recommendation Work Sheet
- E. Housing Affordability – Recommendation Work Sheet
- F. Housing Quality SMART Research
- G. Housing Affordability SMART Research

Mayor's Housing Quality Task Force



HOUSING AFFORDABILITY

CITY OF SPOKANE

MAY 18, 2016

Spokane's Housing Context



Population trends

- Limited growth since early 2000

Jobs and Income

- 7,000 new jobs since 1999

Home ownership

- Householders continue to shift toward renting

Housing Affordability



How do you define Housing Affordability?

- *Rent*
- *Utilities*
- *Renter's Insurance*
- *Mortgage*
- *Home Equity Loans*
- *Real Estate Taxes*
- *Home Owner's Insurance*
- *Maintenance*
- *Condo Fees*
- *Mobile home costs and utilities*
- ***Transportation!***

Standard Definitions of Housing Affordability



*Pay **30%** and
“have enough left over for other nondiscretionary spending”*

- *Homeowners: Principle, Interest, Taxes & Insurance*
- *Renters: rent and tenant-paid utilities*

Pay more? That’s considered “Cost Burdened”.

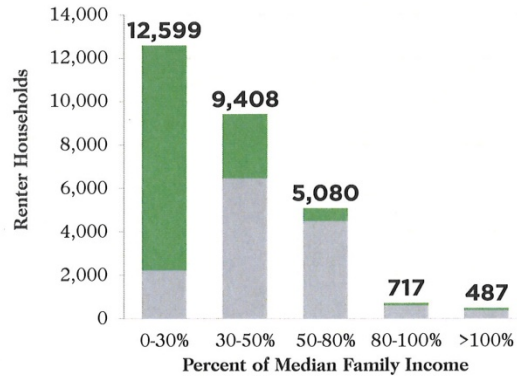
Moderate Cost Burden: 30% – 49.9% of income

Severe Cost Burden: 50% or more of income

Reference: 2006 Census publication “Who can afford to live in a home?”

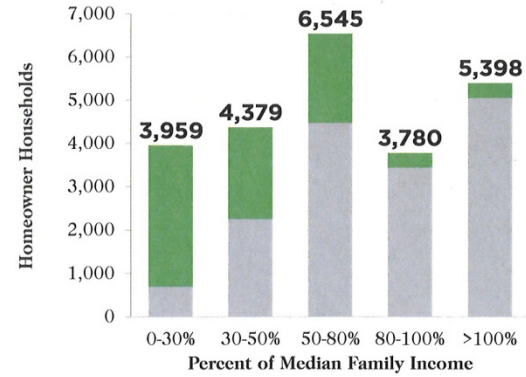
Cost Burden

Cost-Burdened **Renter** Households

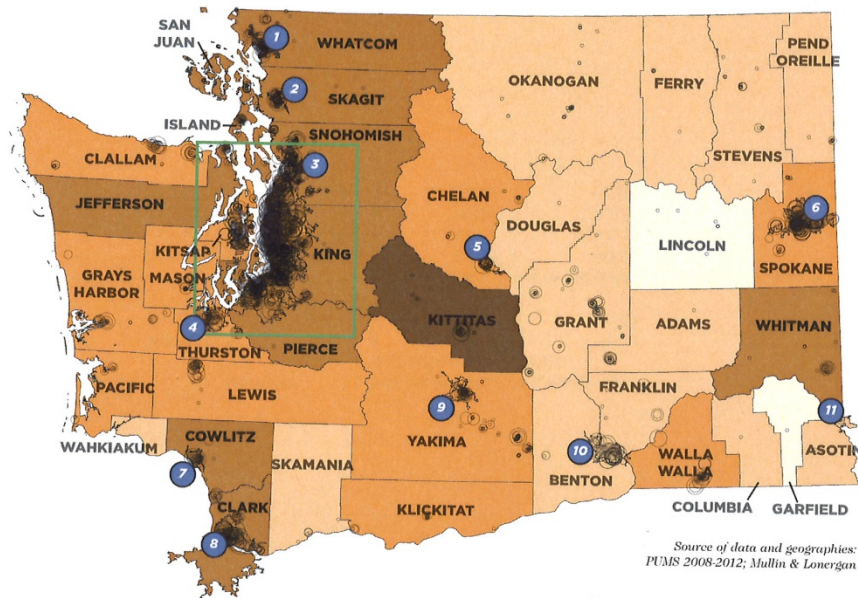


Severely cost-burdened renter households Cost-burdened renter households

Cost-Burdened **Homeowner** Households



Severely cost-burdened homeowner households Cost-burdened homeowner households

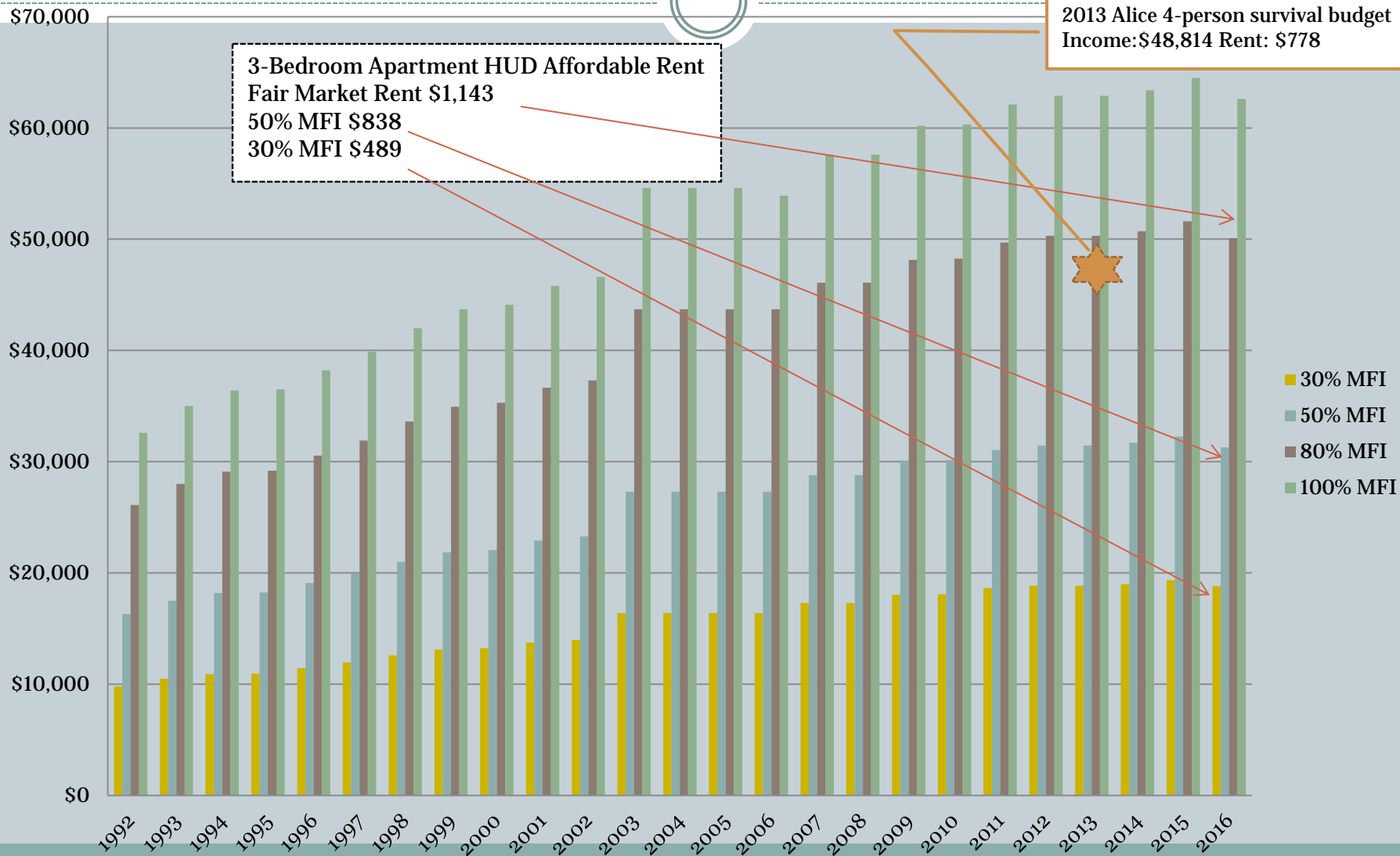


Subsidized Inventory and Cost-burden

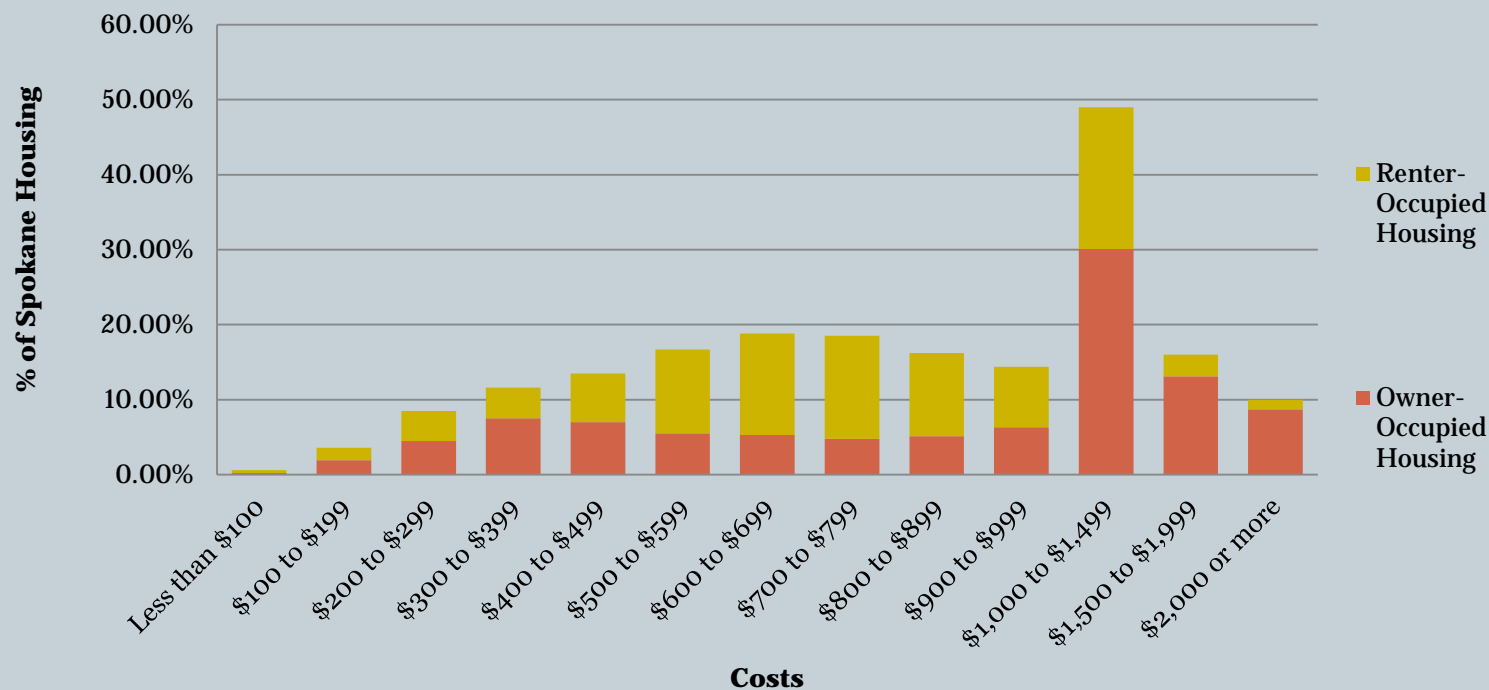
Total Units, '13	% Cost-Burdened, '11
< 31	< 25%
31 - 50	26% - 30%
51 - 100	31% - 35%
101 - 300	36% - 40%
> 300	> 41%

Source of data and geographies:
PUMS 2008-2012; Mullin & Lonerigan

1992-2016 HUD Median Family Income (MFI) Spokane 4-Person Household



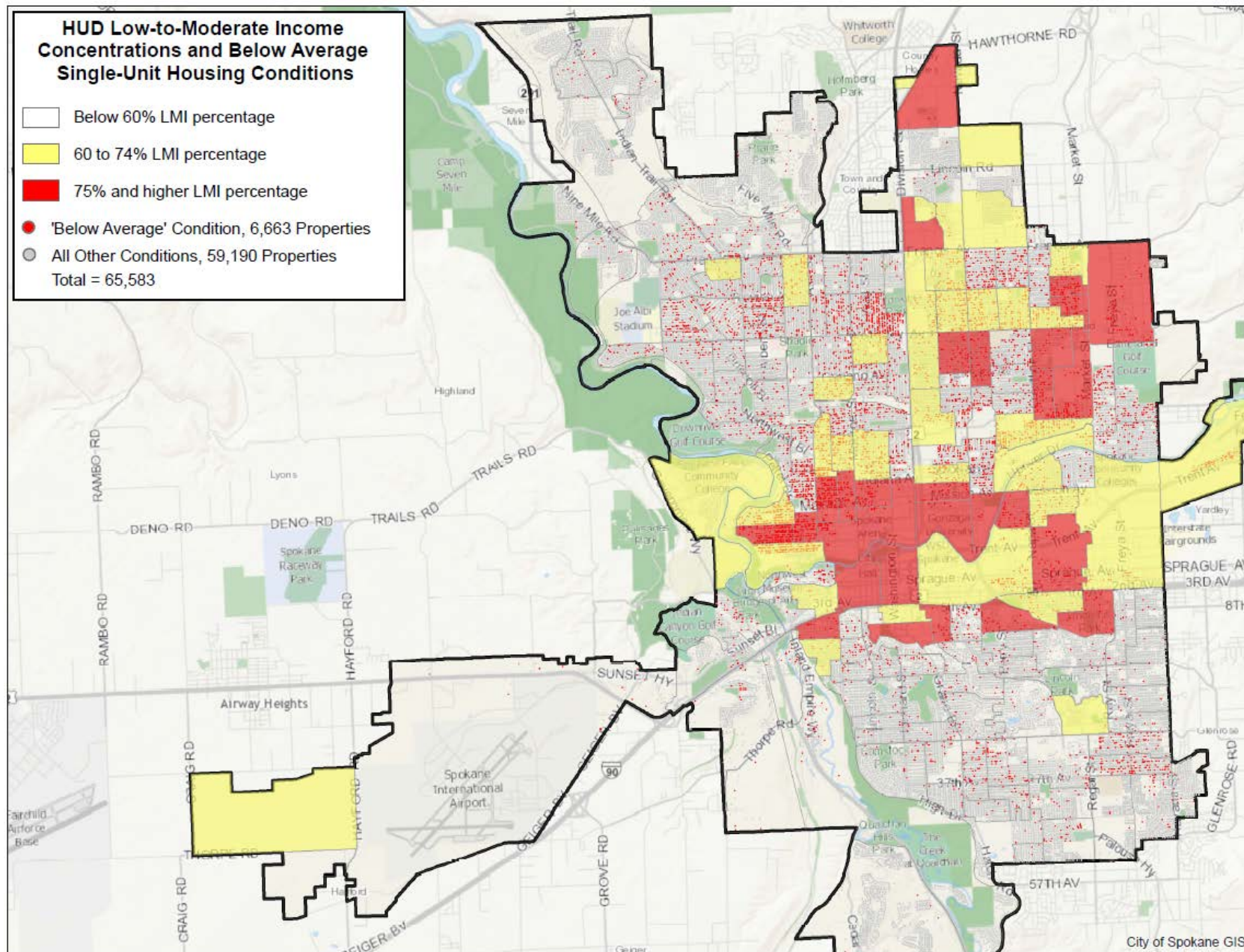
Monthly Housing Costs



**American Community Survey 5-year Estimates 2010-2014*

HUD Low-to-Moderate Income Concentrations and Below Average Single-Unit Housing Conditions

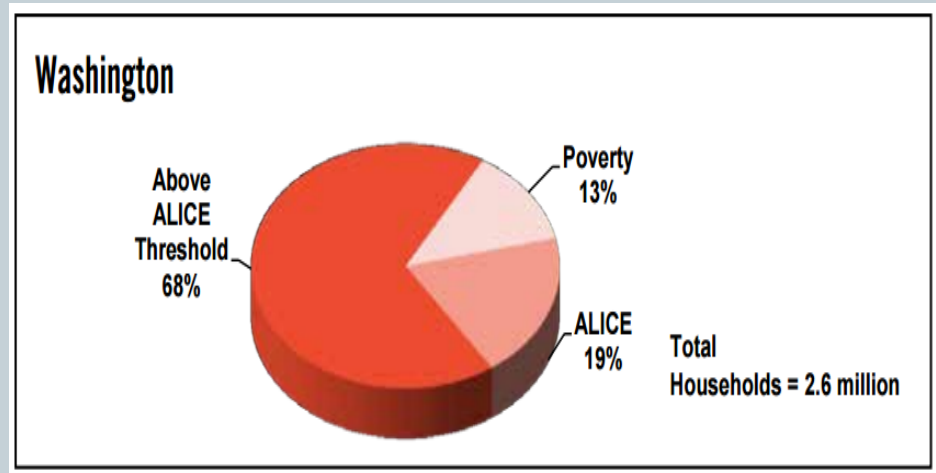
- Below 60% LMI percentage
- 60 to 74% LMI percentage
- 75% and higher LMI percentage
- 'Below Average' Condition, 6,663 Properties
- All Other Conditions, 59,190 Properties
- Total = 65,583



The ALICE Report



- **Asset Limited, Income Constrained, Employed, 2013**
 - Earn above the Federal Poverty Level (FPL) of \$23,550
 - Less than the basic cost of living for a family of four \$52,152
 - ✦ ALICE basic cost of living includes housing, child care, food, health care, and transportation.
- **Washington State:**
 - 32% of households struggle to afford basic needs.

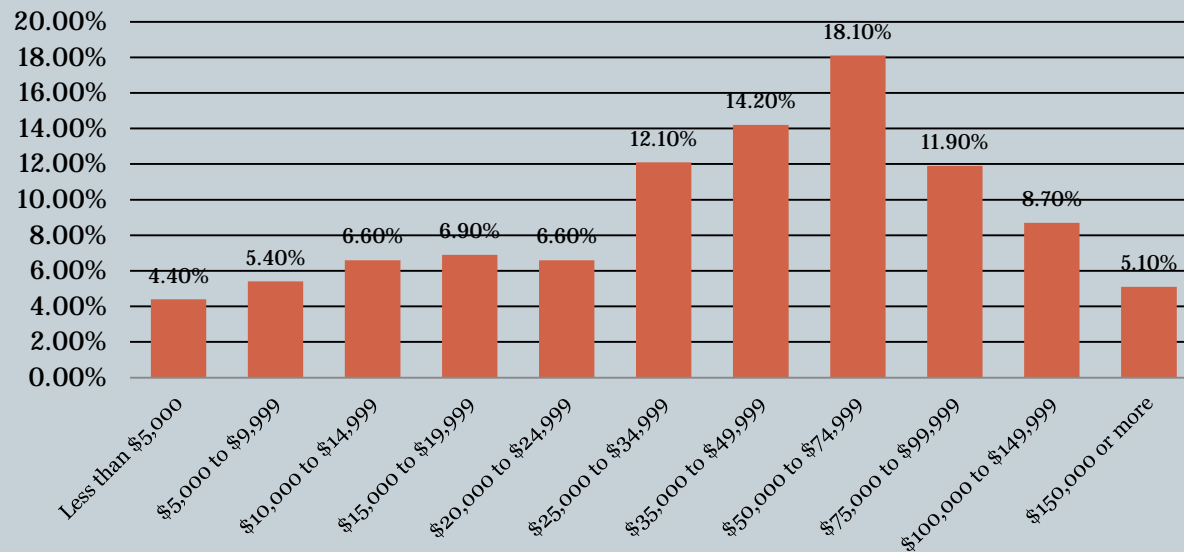


Household Income



- **Median Household Income:**
 - **City of Spokane \$42,814**
 - 23% of households live below poverty
 - 26% of households are ALICE

Occupied Housing Estimates



**American Community Survey 5-year Estimates, 2010-2014*

Substandard, Abandoned, & Foreclosure Properties



**OFFICE OF NEIGHBORHOOD
SERVICES AND CODE
ENFORCEMENT**

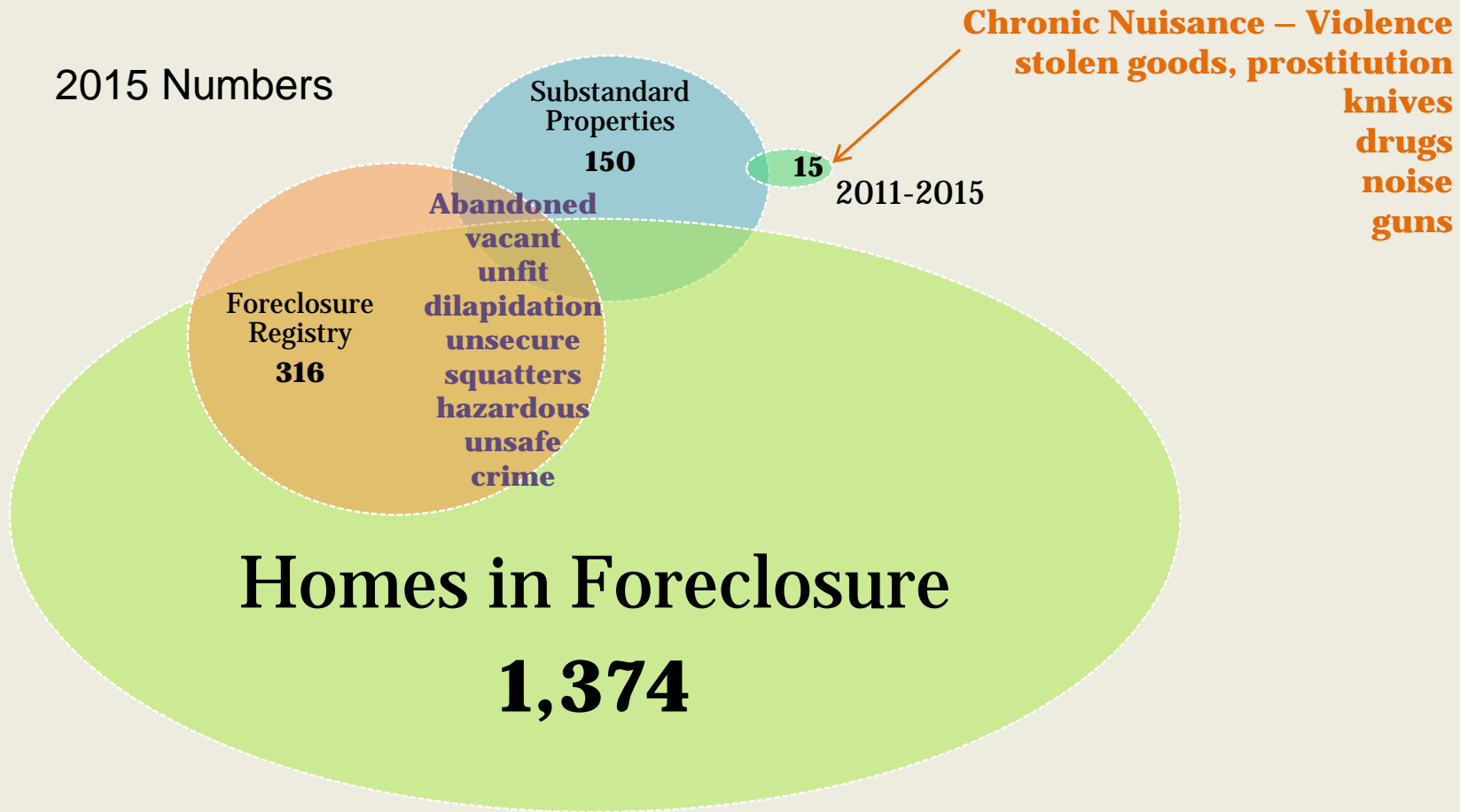


Interactions

Substandard, Abandoned, Foreclosure



2015 Numbers



Substandard Buildings SMC 17F.070.400



- To determine whether a building is substandard or unfit for human habitation so as to require its owner to repair and rehabilitate the building, the building official considers the number and extent of twelve factors.
 - Dilapidation: Exterior decay, water damage.
 - Structural defects: Foundation, wall and roof framing.
 - Unsanitary conditions: Waste accumulation, health hazards.
 - Defective/inoperable plumbing.
 - Inadequate weatherproofing: Siding, roofing and glazing.
 - No activated utility service for one year.
 - Inoperable or inadequate heating system.
 - Hazardous electrical conditions.
 - Structure has been boarded more than one year and no approved rehabilitation plan.
 - Structure used in the manufacture of methamphetamine or any other illegal drugs and has been condemned by the Spokane county health district and the owner has failed to abate the nuisance condition.
 - Fire-damaged structure.
 - Defects increasing the hazards of fire, accident or other calamity.

Substandard Property



- 4808 N. Martin



4808 N. Martin - Owner



Situation

- “People living in the house and behind the garage”
- “People coming and going”
- “People living in an RV”
- “Garbage all over”

Conditions

- Dilapidation
- Clothing, debris throughout home and property
- Spliced wires, holes in the sheetrock, exposed wiring
- No water, power or functional bathrooms
- Propane for use in cooking, lighting. Fireplace for heat.



Unsanitary conditions

*Defects that increase
the hazards of fire,
accident, or other
calamity,*

*Inadequate heating
system*

No water for sanitation

Fire damage



4808 N. Martin

Calculating Costs to the Community

Using an average of 2 Police Officers per call at a low estimate of \$110.00 per officer per hour plus Code Enforcement process costs of:

- \$ boarding and re-securing
- \$ abating solid waste
- \$ for site visits/hearing/notices
- \$ for monitoring



4808 N. Martin

Costs to the Community

- *Police 2015 - 37 calls, 21 responses
\$4620*
- *Code Enforcement 2015 – 2016*
 - *\$1288 in boarding and re-securing (5x)*
 - *\$1,500 for site visits/hearing/notices*
 - *\$300 for monitoring*
- ***TOTAL \$7708***
- *Current unpaid:*
 - *Utilities \$1806*
 - *County taxes & liens \$11,827*
 - *In danger of going to tax foreclosure*

Abandoned SMC 17F.070.030



- Giving indications that no one is currently in possession, such as by the disconnection of utilities, accumulation of debris, uncleanliness, disrepair, and other circumstances.
 - Non-responsive
 - Absentee
 - Deceased
 - Incarcerated, etc

Abandoned Property



- 2016 W. Gardner



2016 W. Gardner – Owner, multi-unit



Situation

- “Transients sleeping on the property”
- “Transients in the building”
- “No power or water”
- “SFD reports attempt to start fire”
- Boarded in 2013

Conditions

- Dilapidation and unsecured bldgs.
- Clothing, debris throughout home and property
- No water, power, or functional bathrooms
- Defects increasing the hazards of fire, accident or other calamity.



Unsanitary conditions

No activated utility services for one year.

Fire-damage

Boarded more than 1 year – no rehabilitation plan

Defects increasing the hazards of fire, accident or other calamity.



2016 W. Gardner



Dilapidation: Exterior decay, water damage.

Defective/Inoperable plumbing.



**2016 W.
Gardner**





**2016 W.
Gardner**

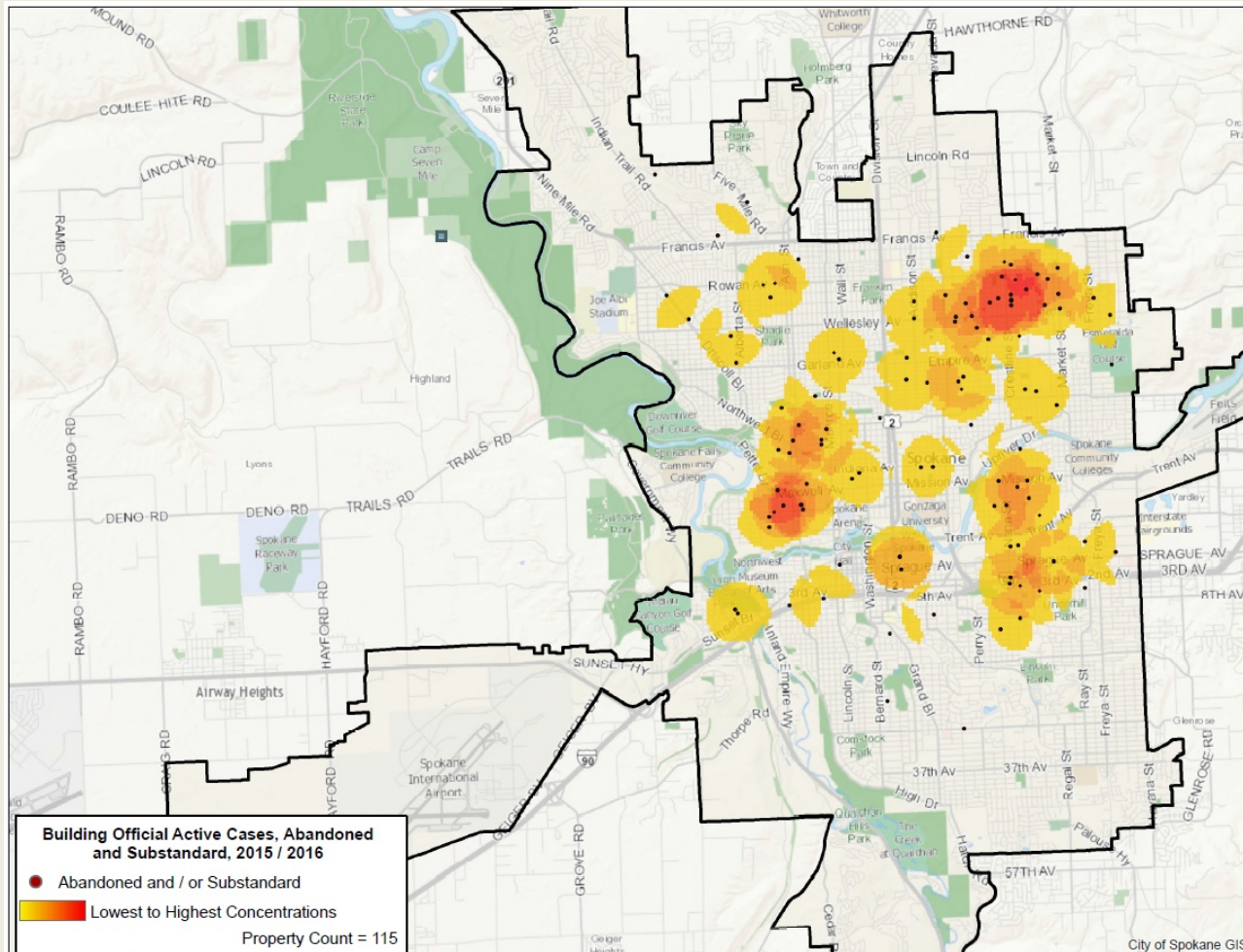
Costs to the Community

- *Police 2015 - 9 calls, 7 responses:
\$1540*
- *Code Enforcement 2013-2016:*
 - *\$1695 in boarding and re-securing (6x)*
 - *\$4,500 for site visits/hearing/notices*
 - *\$900 for monitoring*

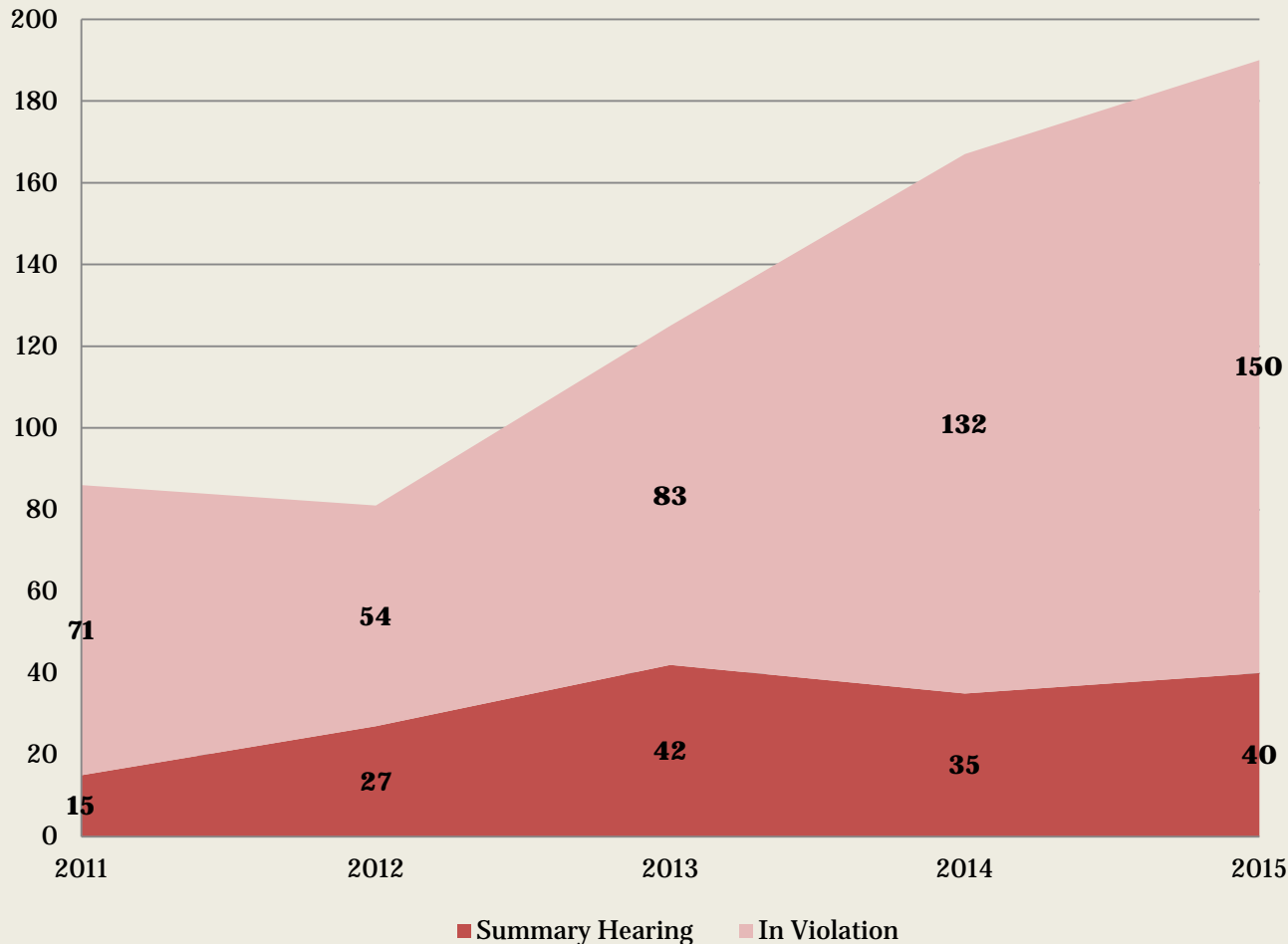
TOTAL: \$8635

- *Current unpaid:*
 - *Utilities \$2832*
 - *County taxes & liens \$14,522*
 - *In danger of going to tax foreclosure*

2015 Active Building Official Cases



Building Official Cases



No Violation	
Year	# of Cases
2011	113
2012	148
2013	188
2014	251
2015	186

Foreclosure Property Registry

SMC 17F.070.520



- Establishes a Foreclosure Property registration program as one tool to **proactively** identify such properties, hold the lienholder responsible to prevent deterioration, and where possible, divert default properties from entering the Building Official hearing or Chronic Nuisance process.
 - Protect the community from the deterioration, crime, and decline in value in Spokane's neighborhoods caused by properties in various stages of the foreclosure process.
 - Requires that the lender or other responsible party(ies) of properties that are in the foreclosure process to register those properties with the City in order to protect the neighborhoods from the negative impacts of absentee ownership and lack of adequate maintenance and security for properties in the foreclosure process.

Zombie Property Problems



Neighborhoods are responding to the growing problem of abandoned foreclosure or “Zombie” properties and the associated nuisance conditions which impact the comfort, solitude, health and safety of neighbors. These conditions reduce property values and attract other nuisances.

- A 2009 study of vacant and abandoned structures in Baltimore estimated that each abandoned home required \$1,500 of police services annually.
- A GAO study found an .9 to 8.7 percent decrease in property values around vacant and abandoned lots/structures.
- In Chicago, neighborhoods with the most abandoned lots saw a 48 percent increase in crime during the same period where the City as a whole experienced a 27 percent drop in crime.

More about “Zombie” Properties



- All have a foreclosure notice filed by a lender
- May been involved in a bankruptcy, the death of the owner, or an owner that has walked away from the property.
- No indications that ‘care taking’ of the property is occurring including keeping secure, maintenance of the building, upkeep of the yard; attracts other nuisance activity AKA ‘broken window theory’.
- Some properties languish for 4 or more years in foreclosure processes.
- Downstream loan servicers may change frequently making identification of responsible party very difficult.

Foreclosure or Zombie Property



- 518 E Augusta



518 E Augusta – Foreclosure



Situation

- “Transients breaking in”
- “Transients in the building”
- “No power or water”
- “12/15/15 SFD responds to fire – 2 firefighters injured”
- Boarded in 2014

Conditions

- Dilapidation and unsecured bldgs.
- Clothing, debris throughout home and property
- No water, power or function bathrooms
- No activated utility services for one year.
- Defects increasing the hazards of fire, accident or other calamity.



Unsanitary conditions

Defective/inoperable plumbing

Hazardous electrical

Boarded more than 1 year – no rehabilitation plan

Fire damage

Defects increasing the hazards of fire, accident or other calamity



518 E Augusta



*Dilapidation: Exterior
decay, water damage.*

Fire damage

Structural defects



518 E Augusta



518 E. Augusta

Costs to the Community

- *Fire 2015 Response 12/14/15*
- *Police 2015 – 5 calls, no responses.*
- *Code Enforcement 2014-2016:*
 - *\$637 in boarding and re-securing (3x)*
 - *\$3,000 for site visits/hearing/notices*
 - *\$600 for monitoring*

TOTAL \$4237

- *Current unpaid:*
 - *Utilities \$1631*
 - *County taxes & liens \$2538*
 - *Paid by loan servicer Home Select*
 - *No plans to rehabilitate, no trustee sale information*

1408 W Euclid - Foreclosure



BELIEVES HOME SHOULD BE VACANT SINCE LAST MONT
H. HOME IS OCCUPIED NOW. LOTS OF PEOPLE HAVE B
EEN COMING AND GOING. NO KNOWN ELECTRICITY AT
HOME. POSSIBLE SQUATTERS PER COMP. UNK # OF PE
OPLE AT LOC. UNK HOMEOWNER NAME. ###



1408 W Euclid



Situation

- “Lots of people coming and going, believe it should be vacant”
- “Patrol currently working a stabbing”
- “Several motorcycles nightly, believes gang affiliation”
- “People have a BBQ Inside of the house”
- “No power or water”

Conditions

- Dilapidation and unsecured bldgs
- Clothing, debris throughout both units and property
- Spliced wires, holes in the sheetrock, exposed wiring
- No water, power or function bathrooms
- Syringes through units
- Propane and candles for use in cooking and drugs

*Dilapidation and
Unsecured*

*No water, no
power*

*Hazardous
electrical*



THE HOME HAS NO POWER OR WATER FOR PAST SEVERAL YEARS. USED AS SQUATTERS PLACE. ADVISES EVERY NIGHT THERE IS ACTIVITY AT THE HOME. SEVERAL MOTORCYCLES COME AND GO BELIEVES GANG AFFILIATED. GARY TOLD BY OTHERS THE HOME IS

VACANT HOUSE HAS NO POWER OR WATER, COMP THINKS THERE MIGHT BE SOMEONE INSIDE, A BLUE MISS V AN LIC:1352TO/WA, IS NOW PARKED IN FRONT OF LOCATION AS WELL. COMP REQUESTING THE HOUSE BE CHECKED ###



1408 W. Euclid

Defects increasing
the hazards of fire
accident or other
calamity

*Living area created
out of carport,
signs of burning
debris in the
structure*

[FROM THE OFFICE]
,PATROL CURRENTLY WORKING A TRIPLE STABBING
,INFO SENT TO NCO FOR REVIEW. NO PATROL RESPO
SE TONIGHT.



1408 W Euclid



1408 W Euclid

Costs to the Community

- *Police 2015 – 22 responses (in 4 months)*
\$4840
- *Code Enforcement 2015*
 - *\$1,890 in boarding and re-securing (5x)*
 - *\$1,254.00 abating solid waste*
 - *\$1,500 for site visits/hearing/notices*
 - *\$300.00 for monitoring*

TOTAL \$9784

- *Utilities \$13,426 – paid March 24, 2016*
- *County taxes & liens area current \$753*
 - *Paid by Nationstar*
 - *Looks like it sold late March, no rehabilitation plan*

Understanding the Costs of 'Zombie' Property



- **Decreased**
 - Property values of adjacent properties
 - Property tax revenue from nonpayment of taxes
 - Property tax revenues from declining property values of adjacent properties
 - Utility billing collections*
- **Increased**
 - Cost of Police for surveillance and response
 - Incident of arson and cost for Fire
 - Costs for Code Enforcement response and maintenance
 - Costs of judicial actions

Source: Center for Community Progress, 2015 Land Banks and Land Banking 2nd Edition

Foreclosure Property Registry



In 2014 the City of Spokane adopted the Abandoned Property Registry; in 2015 it was renamed and updated as the Foreclosure Property Registry under SMC 17F.070.520 that required:

- Registration by Lenders – contact information
- Property must have notice of foreclosure filed at the County
- Lender and City will monitor site conditions (pending)
- Lenders are responsible for conditions: graffiti, solid waste, junk vehicles, and unsecure building(s)
- Trespass authorization and abatement authorization
- Respond in 10 days to resolve nuisance conditions
- Fee \$350.00

Foreclosure Property Registry

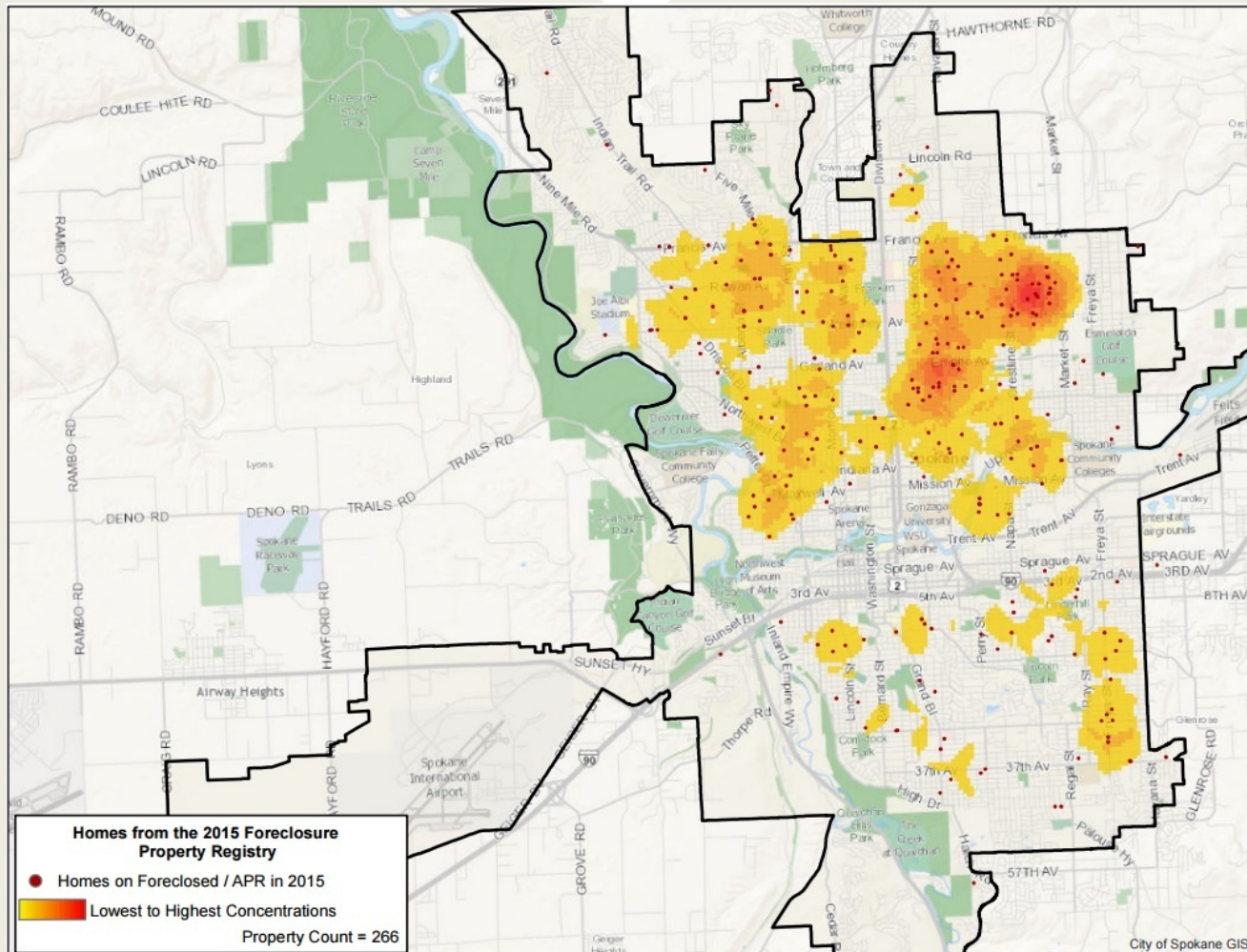


Manual Registry currently has over 300 entries. Information is used by Code Enforcement, Police, Fire, and Utilities.

- Is it a foreclosure? Do we have contact information for notification of substandard conditions, trespass, hazardous conditions, or delinquent accounts?
- Property preservation information – who will clear fire hazards, secure property, etc
- Tracking ability when property is transferred to a new lender or new owner.
- Speed response time to violations or hazardous situations.

Estimated 1374 active foreclosures in the City.

Foreclosure Property Registry

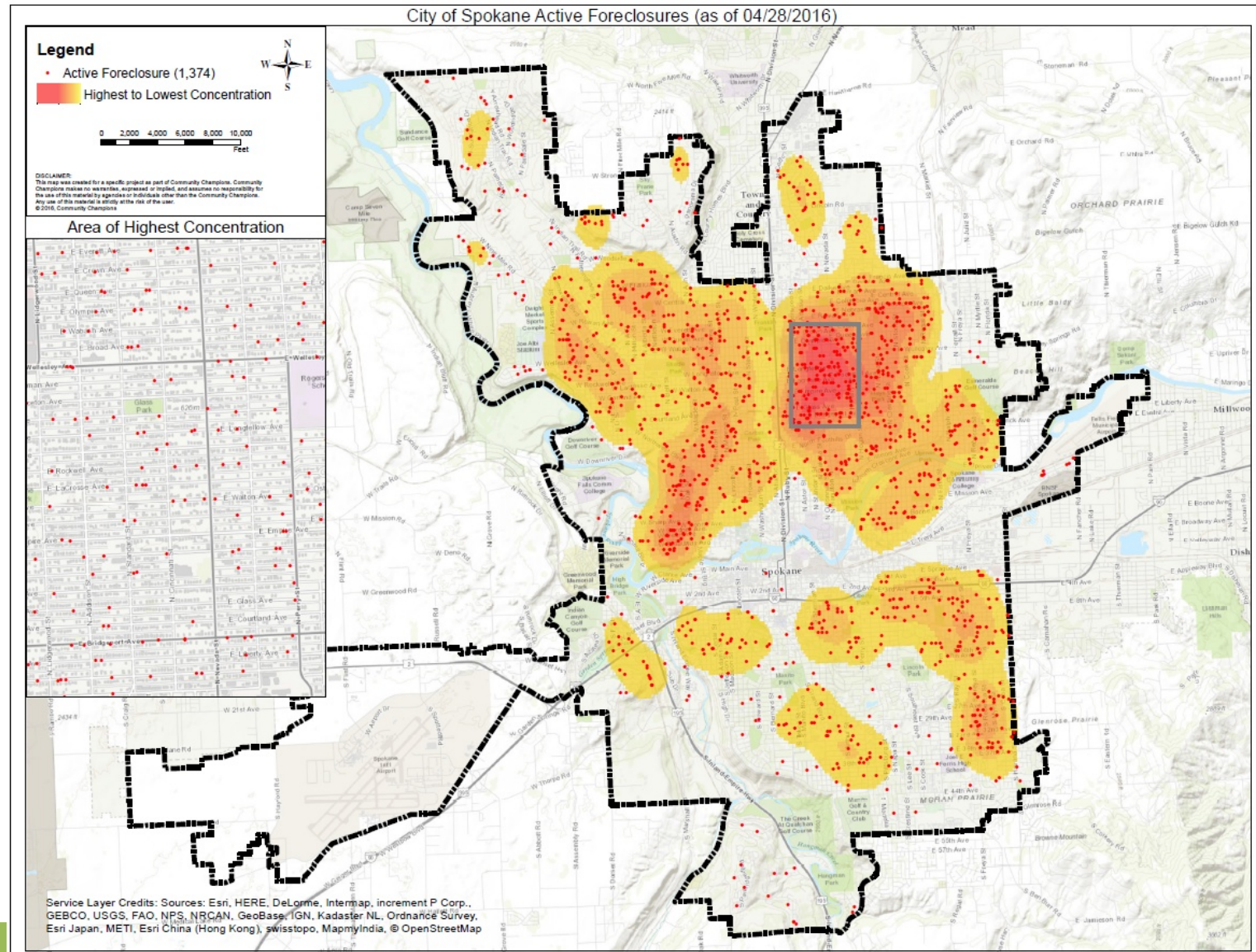


Loss in property sales



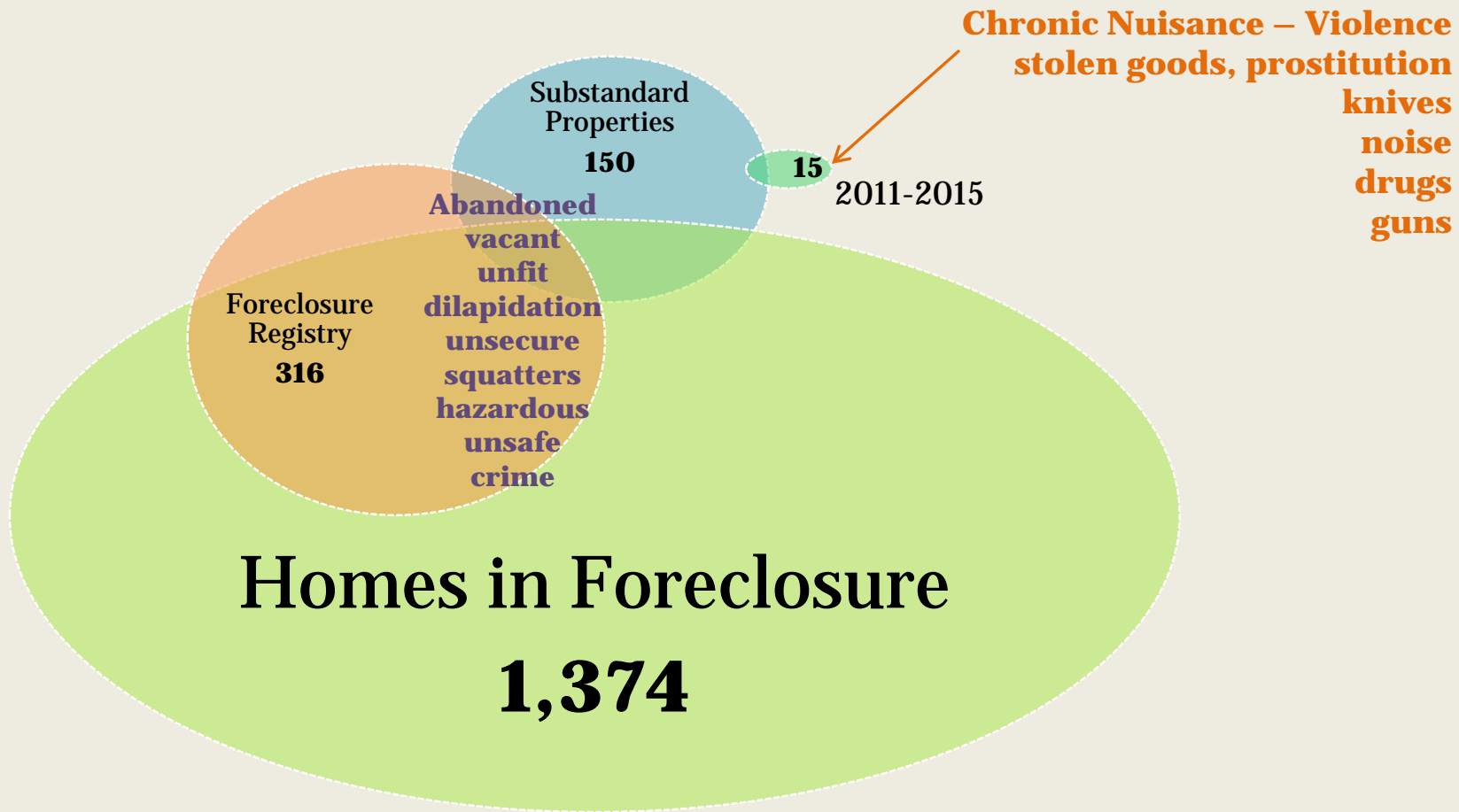
- Spill over effect of sale losses when they are located within 1,000 feet of a home in foreclosure.
- 31,000 homes in Spokane are located within 1,000 feet from the homes listed in the Foreclosure Property Registry.
- Median value of owner-occupied housing in Spokane: \$160,600
- Low value (.9%) in lost sales: **\$448,074,000**
- High value (8.7%) in lost sales: **\$4,331,382,000**

Active Foreclosures in Spokane



Interactions

2015 Substandard, Abandoned, Foreclosure



HQT Next Meeting



Date: Wednesday, May 18th

- Chronic Nuisance Properties
- Vacant Residential Lots
- Housing Affordability
- Introduction to policy/program to improve housing

Time: 2-3:30PM

Location: City Conference Room 4B

Mayor's Housing Quality Task Force Meeting Minutes

Date: Monday, May 2nd

Time: 2-3:30PM

Location: City Conference Room 5A

Meeting 1: Convene All

Introductions, Sandy Williams

Housing Quality Task Force Charter, Mayor Condon

[HQT Charter](#)

- Mayor Condon provided an overview of the Housing Quality Task Force Charter. Emphasizing that no solution is too big or too small and that the task force should be open to a variety of programs, policies, legislative actions to solve housing in Spokane as it relates to the six areas of housing.

Web page overview, Alicia Ayars

[Work Plan](#)

[Timeline](#)

[Task Force Members](#)

- Alicia will email website link to the task force members.
- Task force members are asked to view the web page and related materials before the next meeting. If there are questions, comments, suggestions email them to Alicia at (Apowell@spokanecity.org)

Presentations:

Spokane's Housing – Overview, Alicia Ayars

- Presentation of the City of Spokane's housing stock from single family to mobile homes.
- Year Structure Built slide, 39% of the homes in Spokane were built between 1931-1960. How will the HQT address this aging housing stock? What programs/policies can be implemented to prevent housing from continuing to age?
- Assessors Exterior Conditions Data based on inspections by appraiser.

Substandard, foreclosed, & abandoned homes, Melissa Wittstruck

- Presentation outlines the overlap of the three housing types and their impacts to the community.

Discussion

- How long do buildings remain in the foreclosure process in Spokane?
 - How does this compare to other jurisdictions?
- Is there a program that could be implemented where the City purchases properties and resells them? This way the profits can be captured to re-pay liens, fees, police/staff time...etc?
 - This would be a resource for people to "move one" and would allow the City to help people move forward.
- Over lay maps for comparison:
 - Year structure built slide & BO Cases, Foreclosure map.
 - Include the council district overlay map.

Closing:

- Task force members review online materials.
 - Email Alicia Ayars any comments, suggestions, questions to Apowell@spokanecity.org
- Begin thinking about programs, policies, strategies to improving the six areas of housing.
 - Email suggestions to Alicia.

Next Meeting Topics:

- Continue conversation on six areas of housing. Presentations will include:
 - Chronic Nuisance Properties
 - Vacant Residential Lots
 - Housing Affordability
- Introduction to policy/program research

Next Meeting: *(Wi-Fi will be available at the meeting for electronic devices)*

Wednesday, May 18th

10:30AM-12PM

Council Briefing Center, located in the lower level of City Hall

Meeting 2: Convene All

Mayor's Housing Quality Task Force Meeting Minutes

Date: May 18, 2016

Time: 2-3:30PM

Location: Spokane Public Library

Meeting 2: Convene All

Introductions: Sandy Williams

[Meeting Recap](#) Alicia Ayars

[Overview Handout](#)

Presentations:

Chronic Nuisance Properties

- Task Force requests to see maps of criminal activity overlaid over other maps; foreclosure, substandard, chronic nuisance properties.
- Overlay maps that show schools with high dropout rates.

Housing Affordability

Vacant Residential Lots

- Task Force identified that the six areas of housing are only the tip of the ice burg when dealing with substandard housing in Spokane.
- How do we affect foreclosure laws and shorten the time frame that homes are in foreclosure?
- Focus efforts in tipping point neighborhoods. Meaning where we can affect change or show improvements to several homes in one area find a way to do so. In affecting positive change will encourage neighbors to do the same.
- Land Quantity Analysis (LQA) map is being created and will be posted online.
 - Prioritize vacant areas/lots. Where are vacant lots concentrated?

Discussion:

- How do we have a community response to chronic nuisance?
- Vacant land around I-90 – strategy to release this land to build affordable housing
- Lack of rental properties and low inventory of housing for sale, low increase in our population. What is driving pressure on the market?
- Why are foreclosures not being sold in the housing market? The time it takes to sell the home is high (2+ years). Protection by federal loans are not allowing for homes in foreclosures to be sold.
- Where can we build more housing? Where is space available and how do we factor in transportation?
- Section 8 Vouchers need to be considered in addressing housing.

Questions/Issues to address to Banker & Real Estate Roundtable Groups:

- Reform to the foreclosure process while protecting people. Challenge banker reps. to address inner city needs. i.e. Portland product – designed to address rehabilitation of homes in the inner city. What can banks do to design lending products that help them and people with appraisal issues.
- Reinvestment Community Act dollars – how can we utilize these dollars in working with banks? What types of housing can these funds address?

- How can we focus programs to rehabilitate homes when the cost to rehabilitate is more expensive than the property itself?

Homework: Due back no later than Friday, June 3rd

[Policies & Programs Worksheet](#)

- List all program and/or policies that your agency would recommend the Task Force consider as part of the HQT.
- Come prepared to discuss the work sheet at the HQT meeting on June 7th .

Mayor's Housing Quality Task Force
Bankers Roundtable

Date: Monday, May 23rd

Time: 2-3:30PM

Location: City Conference Room 5A

Present: Cory Oberst (Spokane Mortgage Lenders Association), Kim McCulley (Wells Fargo Home Mortgage), Damian Fischer (Bank of America), Cara Coon (Umpqua Bank), Ken Plank (Numerica), Darren McNannay (Spokane Teachers Credit Union), Loretta Cael (SNAP), Sandy Williams, Alicia Ayars, Jonathan Mallahan, Heather Trautman, Melissa Wittstruck.

Presentation:

- Housing Quality Task Force Background
Presentation located on the [HQT webpage](#)

Discussion/Notes:

- Wells Fargo has a Renovation Program (loan).
 - One loan to purchase a home and make renovations or repairs.
 - Conventional or FHA 203(K) options.
- Down Payment Assistance Program (Wells Fargo) or NeighborhoodLIFT Program
 - To support sustainable homeownership and advance neighborhood stability, the Wells Fargo LIFT programs look to the future by delivering down payment assistance and financial education to homebuyers in collaboration with NeighborWorks® America and local nonprofit organizations. (Link: <https://www.wellsfargo.com/mortgage/lift/>)
 - The Oregonian, [Wells Fargo offers \\$15,000 down payment assistance grants to Portland homebuyers](#)
 - Tukwila, WA, [Wells Fargo's NeighborhoodLIFT and CityLIFT Programs](#)
- Legislative action needs to happen in order to see change happen. The City can set the annual agenda, items from the task force need to be on the agenda.
- Group recommended that the task force address people not wanting to purchase single-family homes.
- **Community Reinvestment Act (CRA)**
 - Bank size affects the percentage of reinvestment dollars they receive
 - Cara Coon – Contact Umpqua CRA rep on how to create a neighborhood focus in using the CRA funds. How can CRA dollars be utilized?
- Federally-regulated commercial banks and financial institutions hold appraisal dollars in their portfolios.
 - What percentage of dollars can be focused in an area to revitalize in Spokane?
- Pooling funds:
 - Grants/sponsorships – sponsor demolition of homes.
 - Foundation of banks to pool dollars
- What are the laws at the state level that have extended the time that homes are in foreclosure?
- The foreclosure process is different from the perspective of every bank or credit union.
- Identify the top lien holders in Spokane.
- Invite commercial developers to the Real Estate discussion.

RECOMMENDATIONS:

- Demolishing an area or blocks that have several substandard homes with significant structural damages. The homes would have to have enough structural damages to outweigh the cost to demolish. Partner with local commercial developers and financial agencies to rebuild the homes. New homes would then be back on the market. Other qualifications for habitants could be placed around the home, such as, must have a housing voucher, must meet specified income level...etc.
 - Need a program for demolishing the homes. Cost to demolish a home is approximately \$15,000-\$30,000 for a home with asbestos. Tipping costs to dump materials is approx. \$5,000.
 - Need partners for reconstruction and a program for home ownership.
- Neighborhood Revitalization: vehicle for non-profits or municipality to purchase homes or vacant land to rehabilitate
 - Tax Credit Financing – loans to purchase vacant lands for new developments.

Legislative recommendations:

- Legislative: Foreclosure Fairness Act
 - Retention option
 - State/federal codes that deal with foreclosure
- Develop a lease program or agreement that addresses keeping people either in their home or a new home during the foreclosure process so that homes are not vacant. The program could follow something similar to a rental lease.
- Cara Coon – to follow up with Umpqua representative in Portland regarding Portland's Housing project.

Mayor's Housing Quality Task Force
Real Estate/Developers Roundtable

Date: June 2, 2016

Time: 3:30-5PM

Location: City Conference Room 3B

Present: Chris Bornhoft (Windermere Commercial Real Estate), Geoff Asan (US Bank), Troy Sims (Opes Advisors), Marilyn Amato (Century 21 Beutler), Tom Weldon (Ideal-X), Lisa Key (City of Spokane), Kaitlin Larson (City of Spokane), Steve Hildahl (Windermere Real Estate/Cornerstone)

Presentation:

- Housing Quality Task Force Background
Presentation located on the [HQT webpage](#)

Discussion/Notes:

Foreclosures, Substandard, Abandoned:

- Foreclosure process is onerous. Tightened lending requirements. Most properties purchased by investors and sold at higher prices. Difficult for first time home buyers to enter market.
 - There is not enough housing inventory to accommodate all of the first time home buyers. Subsidized lending products do not allow purchase of substandard properties, and most first time buyers don't have money to make improvements
 - The problems associated with foreclosure and/or substandard properties are too onerous for first time home buyers.
 - Group suggested making a list of repairs to the substandard housing and making fixes to the home. The cost of the repairs would be placed as a lien on the home.
- Expedited foreclosure process (legislation from Ohio applies to vacant properties).
- Stockton, CA program. Grants for improvements tied to property as a lien.
- Counselling is offered to foreclosed homeowners but many don't take advantage, owners tend to bury head in sand rather than communicate with lender or attempt to sell. Much more could be resolved and keep people in their homes if homeowners would communicate with the lenders.
- Incentives to demolish and rebuild vacant homes:
 - Incentivize the owner to repair the home by offering small grants that address health and safety and curb appeal.
 - Developing entire blocks is more attractive, focusing on an area for improvements is more appealing to the developer
 - On individual lot basis, would program to subsidize tipping fees encourage development?
 - No ability to get value
 - Higher density such as cottage style would be the only way to make it worth the investment for developers

Affordability:

- To a landlord, affordable housing = low rent = no interest in investing because there is little profit. Affordable homes must still be profitable. Affordable housing is not desirable to build because it is not profitable to the developer while there if funding available at the City to

develop affordable homes understanding how to apply for the funding and meet the criteria/guidelines is onerous for a small developer.

- 5+ units = commercial lending / >5 units = residential lending
- Is affordable housing a stigma or an actual challenge? There needs to be a balance between increased rents to allow landlords to maintain properties vs. providing enough affordable housing.
- If you open up a rental property to allow for affordable by accepting subsidized housing dollars then you must accept subsidies for all properties and make all “affordable” for people, thus resulting in a loss of income for landlord.
- Would low interest improvement loans to landlords be of interest to landlords? Yes, but process for obtaining lending is onerous. (Incentives to landlords to borrow money for improvements would be attractive at a cheaper rate and easier to obtain money than from banks).
- Affordable housing has different meanings. Sometimes includes working professionals like teachers and firefighters. Some options to increase units include rezoning, placing housing in places that are not traditional (ie container homes). These properties are not what most people would look at and consider affordable housing.

Zoning:

- Zoning regulations make it difficult to build various types of homes in a neighborhood because of the restrictions.
 - Zoning restrictions do not allow for density.
 - **Solution:** provide a zoning overlay in select areas to include other types of zoning allowances so that development may occur.
 - Residential compact zoning is attempting to provide options for infill but regulations still need to be reduced.
 - Most housing developments are building large unit complexes or single family. Medium sized/infill development is restricted by zoning/costs/land available in urban areas. Land is more readily available around the periphery of the municipal boundary however the roads are not paved and not desirable to the developer and the buyer.
- Would a zoning overlay (targeted investment area) to increase density allow for more investment? Yes. A focus in historic neighborhoods would be a solution to have more development in urban areas.

Other

- Ownership is more desirable but market is dictating that many people rent but as millennials reach about 35 years old they begin to buy. Inventory is limited for first time home buyers.
- Re foreclosures. Program to transfer title in lieu of foreclosure (deed in lieu). But still damages consumer’s credit.
- Term: White elephant = A property that is so much better than other homes in the neighborhood, but the value is diminished because of condition of the surrounding properties. This type of development is not desirable because of the cost to build is lost by the depreciating value of homes that reside next door/surrounding area.
- Code enforcement is an area where the city could play a big role, make it more aggressive and easier to do outreach to SNAP, Habitat, the Arc and Community Frameworks (the agencies helping first time homebuyers – to see what they need to help people buy housing)
- Compile and maintain a list of vacant/poor quality properties for infill developers
 - As I mentioned, my agency has had a difficult time finding infill sites for redevelopment.

- Utilize neighborhood plans and planning process, neighborhoods should capitalize on its strengths and be empowered to fix things with city help. Positive branding alone is a big deal for a neighborhood.

Recommended Strategies:

- The City should invest in better infrastructure (paved roads and sidewalks) to encourage more investment by property owners and developers. This would add curb appeal to properties.
 - Include bike and pedestrian infrastructure with improvements.
- Grant program to improve foreclosed homes, for first time homebuyers. Target certain areas of town. First time home buyer would have to meet income qualifications so as to not benefit developers or wealthy buyers. Criteria would be placed on the program for the types of suitable improvements. Improvements should be focused on things that bring health and safety to the property and exterior improvements (curb appeal).
 - Program to research and implement: The Avista energy savings improvement program (new doors, insulation). City to create similar program to incentivize smaller investors and owners to make improvements. Program could include grant dollars available to the property owner, landlords, and developers.
- Partner with Real Estate agencies on their lending programs to create a package of benefits to encourage people to purchase property in a target area. This could include focusing on foreclosed/abandoned properties in that area.
- Two suggested focus efforts:
 - Areas where there is high number of foreclosures, substandard, abandoned and vacant property.
 - Areas where there is a “tipping factor” that when improvements begin to happen then other neighbors begin to also make improvements thus improving the overall neighborhood. (Trickle-down effect of small improvements, inspiring other people in neighborhood to invest)
- Paving dirt roads/create sidewalks/infrastructure
- Zoning to promote infill
- Allowing for more affordable retail to be developed in the neighborhoods or by utilizing/demolishing foreclosed, substandard, vacant, and abandoned property. This helps to create a sense of place for neighborhoods. Some developers who receive local and state funding rank higher on the list for approval if they can locate new development near schools, grocery stores, transit, jobs...etc.

Legislative Recommendations

Expedite Foreclosure process (See, Ohio bill)

Mayor's Housing Quality Task Force Meeting Notes

Housing Quality Sub-Committee

Date: June 14, 2016

Time: 10:30AM-12PM

Location: City Hall, Council Briefing Center

Defining Housing Quality:

In order to define Housing Quality a task force member reviewed various housing studies that deal with housing quality. Many definitions define housing affordability rather than housing quality.

- New Zealand study, 2015:
 - Various definitions involved; Housing Affordability definition has elements that deal with very low/low/moderate-income households, grants, providing homes for all.
 - Housing Quality definitions from the study related to the interior and exterior conditions of a home. Definitions of housing quality vary.
 - Definition of Housing Affordability is similar to HUD's definition.
 - Housing quality and housing affordability should be kept separate because they are different things. Another definition to consider is Housing Adequacy. Housing Adequacy deals with specific housing protective qualities i.e. "protection from cold, damp, heat, rain, wind, structural hazards, disease vectors and other threats to health."
 - Adequate Housing: Protection from various elements and disease and other impacts to health.
- Information taken from the studies included:
 - How to develop the process to dealing with Housing Quality?
 - What is the definition of Housing Quality and Housing Affordability?
 - How are definitions used across other countries?
- There is a **lack of data gathering and a lack of available data** in regards to the availability of quality, affordable housing in Spokane.
 - Work with various organizations (i.e. Avista) to help in gathering/assessing the housing quality and affordability data.
 - Define the definitions in order to define the recommendations.
 - Lack of data regarding rental needs and ownership needs is a barrier.
 - Rental housing and affordable needs of Spokane has not been measured and needs to be.
 - The Land Quantity Analysis measures: (*owner vs. rentals is not addressed in this process*)
 1. What lands are available for housing
 2. Is there an adequate supply of land available to meet future projections

Overview of Housing Quality Definition:

Elements of the definition: The definition is an approximate guide line/rule of thumb for decision making.

- Definitions should include internal and external conditions. (internal vs. external)
- Housing Structure and environmental sustainability.
- Impacts of geography. What kind of objective standard will we use to define this?

Housing quality standards:

- Standards of the housing quality definition will overlap with housing affordability and should be taken into consideration as the two working together will spur development and/or change.
- HUD does not have a definition of housing quality but has a bare minimum set of housing quality standards (Lisa Key).
- Elements of performance measures that relate to housing quality directly impact housing affordability.

Definitions and performance measures:

- After making the definition the group should define the performance measures.
- Basic definition of Housing Quality may include affordability as there are elements that crossover in to both, such as walk ability...etc.
 - HUD has bare minimum housing quality standards that apply nationwide.
 - Minimum standards/Element of Housing Quality include: Safe, efficient, access to other amenities, no peeling paint, hot and cold running water. Adequate and functioning structure and systems to provide a safe and healthy structure for residents.
- **Housing Quality Definition: Adequate and functioning structure and systems to provide a safe and healthy environment for residents.**
 - The OECD provides an example of how to define housing quality.
 - **OECD** definition includes health and environment.
 - OECD recommends the definition should measure the physical characteristics of the dwelling and the broader environment characteristics of the area.
 - The OECD has identified the following areas as crucial to understanding housing quality internationally: Health and well-being.
 - number of bedrooms (as they provide a better measure than the number of rooms and a better indication of personal living space)
 - Provision of electricity, water supply, indoor toilets, cooking facilities.
 - Quality of construction materials and the extent to which they have been maintained
 - Indoor air quality, thermal insulation (energy efficiency), dampness and mold (associated with asthma) exposure to noise, indoor air quality.
 - Performance measures of housing quality
 - Identifying standards, housing standards by the [RCW 59.18](#)
 - (2)(a) If a landlord fails to fulfill any substantial obligation imposed by RCW 59.18.060 that substantially endangers or impairs the health or safety of a tenant, including

- I. structural members that are of insufficient size or strength to carry imposed loads with safety
 - II. exposure of the occupants to the weather
 - III. plumbing and sanitation defects that directly expose the occupants to the risk of illness or injury
 - IV. lack of water, including hot water
 - V. heating or ventilation systems that are not functional or are hazardous
 - VI. defective, hazardous, or missing electrical wiring or electrical service
 - VII. defective or inadequate exits that increase the risk of injury to occupants, and
 - VIII. conditions that increase the risk of fire,
- There is a big discrepancy between the RCW 59.18 and how Code Enforcement defines housing quality.
- [24 CFR 982.401 – Housing Quality Standards \(code citation\).](#)
 - **Homework:** review the Housing Quality Standards Code and report back if this is a definition we can use and what other standards/elements need to be included.
 - **Questions to consider for the homework:**
 - What else beyond this list does the group consider to be appropriate to add to the standards for our community?
 - Consider enforceability as the group is determining the standards/recommendations. Avoid duplication of efforts between agencies.
 - How does the group feel about making this code citation the base line of the housing quality definition/standard?
 - What is missing and what does not apply to the Spokane community?
 - How does the definition include the quality of other homes surrounding a home or in a neighborhood as they impact one another?
 - By adopting Housing Quality Standards as part of the definition, which are applied nationwide, then the definition of Housing Quality would be more cohesive in applying across Spokane and would not absorb an unreasonable definition from another community.
 - HQS Inspection from HUD – Sarah will forward materials.
 - 12% decrease in home values when they fall within 300 ft. of a substandard home.
- **Barriers:**
 - Address the six areas of housing.
 - Create neighborhoods with mixed-income neighborhoods and various housing options.

- **Abandoned/Foreclosure homes:**
 - Abandoned home issue correlates with the foreclosure process during the tax sale of the property.
 - Homes in the foreclosure process is too long, the process needs to be expedited.
 - **Right of Redemption RCW 6.23**: In some states, mortgagors (the person who gets a mortgage from a lender) have a right of redemption that allows them to get back foreclosed property. If the original mortgagee (party that lends) owns the property, mortgagors may exercise the right by paying the bank the unpaid balance of their mortgage. If the property was already resold at auction, mortgagors must pay the purchaser whatever he or she paid for it. Rights of redemption only last for a limited time, which varies by state.
 - **Timing**: Once mortgagees begin the foreclosure process, it may take them six months or more to get clean title to the mortgage land, depending on the state, foreclosure type, and type of mortgage.
 - **Types of Foreclosure**: There are two types of foreclosure: **judicial foreclosures**, which require a court order, and **non-judicial foreclosures**, which do not. In *judicial foreclosures*, the mortgagee must go to court and prove that it owns the mortgage and has the right to foreclose on it. *Non-judicial foreclosures* allow a mortgagee to foreclose without going to court. This is cheaper and quicker than a Judicial Foreclosure.
 - Non-judicial foreclosures may only be used where the mortgage has a power-of-sale clause. These clauses most often appear in deeds of trust, a type of real estate secured lending instrument similar to a mortgage. The power-of-sale clause allows the trustee to conduct a non-judicial foreclosure – that is, sell the property without first getting a court order.
 - **Non-judicial foreclosure process does not enter into the right of redemption.**
 - **Judicial foreclosure process does enter into the right of redemption.**
 - In Washington, lenders may foreclose on deeds of trusts or mortgages in default using either a judicial or non-judicial foreclosure process. ([Washington Foreclosure Law Summary](#))
 - No awareness to what options people have in mitigation of the foreclosure process.
 - Homes fall in to disrepair because people have walked away from the home before and during the foreclosure process.
- **Barrier**: Home owners are not aware as to what resources are available in the community to help them out of the foreclosure process for owner occupied. Property owners do not have the resources to pay off their taxes to reclaim their property.
- For every homes that reaches there foreclosure there are numerous other homes that are on their way to foreclosure. For homes that reach foreclosure there are limitations to improvements and limitations for people to keep their homes.
- **Barrier**: Homes are aging in the neighborhoods that surround the downtown core of Spokane. Many of the homes are older than 50 years of age, older homes take

maintenance. People have a hard time due to cost to repairing their homes when they have a home that is aging due to the cost of the type of maintenance.

- People have to make tough decisions as to which repairs they will finance.
- **Aging housing** stock and owners cannot afford to maintain. Area around the downtown core has the highest density of aging housing.
- 2013 ACS, Melissa Owens report, forward to group.
 - The City of Spokane has over twice as much housing than the national rate for homes that were built before 1939. Spokane has two times as much housing that was built in 1940-1949. Not until you get up to 1960 does Spokane get closer to national averages for the quantity of housing built per time period.
 - Aging housing stock is a barrier to improve housing.
- Barrier: Very little resources available for the aging rental properties. This was evident in the Target Investment Pilot area (TIP) where there are many rentals. In considering a definition and standards to “housing quality” the group should also consider thinking about quality renter communities.
- Barrier - Mixed-income neighborhoods - Option of schools. Housing age is concentrated in areas of Spokane. Property/housing values vary due to schools and quality of the school. There is a barrier to diversifying housing and creating mixed income neighborhoods due to the quality of schools.
- There are political divisions between the city and the county that is causing people to move outside of the city boundaries and build homes.
- Barrier to housing is that the tax base is too low and cannot address housing quality.
- Housing reinvestment (West Central) visible changes to home improvement.
- Physical inspection of housing is costly.
- **Housing quality** to inform people or to improve housing stock, (add to Housing Quality definition)
 - Informing people vs. Improving housing stock.
 - Self reporting (voluntary) vs. reported or expert review (costly, includes a staff person to evaluate).
 - Making a policy that cannot be enforced and is something to avoid.
 - Defining housing quality vs. adequacy.
- Real Estate (Barriers and solutions).
 - 1st Time Home Buyers: Availability of housing stock for this type of buyer. Fixer upper homes are not desirable for the 1st Time Home Buyer due to the barrier to fixing the homes.
 - How the quality of housing stock can diminish the value of a home. Identifying “tipping” neighborhoods where targeted investments may occur to improve the overall neighborhood. Target investments to improving housing.
 - Help to avoid or provide high consideration to gentrification in neighborhoods. How to add curb appeal and interior improvements.
 - How do we focus the recommendations to raise the tide of the neighborhood?
- How to focus efforts, investment and strategies:

- Focus investment on high density areas of foreclosure, chronic nuisance, abandonment...etc or
- Focus investment on tipping point neighborhoods.
- Market based strategies that are city wide.
- What tools are available to the city that has not been utilized?
 - HUD tools; Revitalization area (blight) – the tools should be utilized and not take them off the table. Focus tools already available in one of the 3 focus areas. (Melissa O.)
 - Identify tools that are available currently.
 - Grants
 - Flexibility of investments
 - Look for grants that can address larger tools to address housing.
 - HUD Tools
 - Where do they apply?
 - Where have they not been as useful?
 - Should there be a change in the tool?
 - Urban Renewal
 - Blight/Revitalization Areas
 - Consolidated Action Plan (CHHS)
 - Tight targeting of neighborhood rehab.
- **Chronic Nuisance** (abandonment properties) Barrier to finding who owns the property and who maintains the property (SNAP). Proactive action to maintain homes in foreclosures. Language that is a win win for the lending agencies and the communities. The lending agencies can sell the property in a “timely manner” not well defined.
- **Vacant Residential Lots:**
 - Infill Housing Task Force addressing this directly.
 - In areas where there is a high aging housing stock it is typically found that the lot size is much more compact and there for does not allow for the space requirement that the zoning code calls for. Infill Housing Task Force is looking to change those standards as it relates to residential development within historically compact neighborhoods
- **Substandard Housing:** Bankers Roundtable - Demolition process, once demolition occurs then the property is available for new development. This opportunity may create larger lots available for development. Condemnation & demolition.
- **Community Land Banking** – tool to addressing many of the housing areas. Premiere example is [Genesee County, Michigan and Flit, Michigan](#) Holds properties and resells them for redevelopment. The homes repay for themselves after several years of redevelopment because they sell the properties for more than the cost for acquiring them. This tool buys tax foreclosure properties. Wide range of solutions.
 - Create partnerships with other nonprofits for redevelopment.

Mayor's Housing Quality Task Force Meeting Notes

Housing Affordability Sub-Committee

Date: June 15, 2016

Time: 10:30AM-12PM

Location: City Hall, Council Briefing Center

Defining Housing Affordability: HUD's definition includes not paying more than 30% of gross income on housing including utilities. Housing is affordable if they have income to pay for other essential needs i.e. transportation, health (meds.), food, child care, taxes, clothing...etc.

- Basic definitions
- Areas of opportunities – desirable attributes to housing
- Need to consider all aspects of affordable housing so that when strategically focusing recommendations all aspects are considered.
- Review broad sweeping data when considering definitions. Review of a sliding scale of what affordable housing is when considering the definition. Definitions can vary from place to place (neighborhood to neighborhood).
- Important to align with HUD's definition of housing affordability in order to implement recommendations through CHHS and other organizations.
- **Desirable attributes to housing:**
 - Accessibility: Vibrant Neighborhoods – economic development
 - Transportation
 - Child Care
 - Groceries
 - Quality Education
 - Schools
 - Disability accessible units
 - Recreational opportunities
 - Walk ability
 - Safety
 - Diverse
 - Employment (training)
 - Mixed-income
 - Mixed-use

Barriers to:

Vibrant Neighborhoods

- Zoning
- Neighborhood Councils (NIMBY-ism)
- Lack of infill development
- Parking requirements
- Lack of funding to implementing recommendations
- Lack of infrastructure, streets/sidewalks
 - Stormwater infrastructure
- Not taking housing vouchers
- Income discrimination
- Criminal background
- Evictions – accessibility
- Lack of housing for people with disabilities
- Credit history
- Low wages (economic development)
- Lack of training opportunities, lack of jobs

Barriers to creating housing for people that meet 30% LMI:

- Funding for construction, capital costs
- Lack of available housing b/c landlords can discriminate against people. Housing stock is low.
- Available & appropriately zoned lots = development in areas on the periphery of the city, no accessibility to other necessities
- Need to address zoning
- Regulatory barriers

Abandoned homes:

Homes in foreclosure:

- Foreclosure process is too long.

Chronic Nuisance lots:

- Difficulty in remediating, improving the property and/or people (substandard and chronic nuisance) Time and money to come to a solution/improvement

Substandard Homes:

- Absentee owners, cannot contact owners
- Lack of income regulation and oversight to rentals. Need minimum standards.

Vacant Residential Lots:

- No availability of vacant residential lots
 - City needs an inventory to identify where the lots are located in the Urban Growth Area (UGA) that may be built on.
- Zoning: Historical platting, historical use, and how to use it for infill.
- Neighborhood Notification Ordinance: Process to appeal to development by neighborhoods. Deters developers because the neighborhood appeal process has the potential to shut down projects.
- Negative perceptions to infill development, need more education of what infill is and its impacts.

**Mayor's Housing Quality Task Force
Community Meeting**

Date: June 28, 2016

Time: 5:30PM-7PM

Location: Spokane Public Library, downtown

What is Housing Quality?

- Safe, secure, free of pests, weatherized to keep utility costs low, accessible, working plumbing, working heat.
- Accessible for people with disabilities and able bodies
- Appropriate areas, residential areas not in commercial/industrial areas
- Within reasonable reach of medical
- Weatherizes, functional, insulated windows/walls
- Meeting health and safety standards (national standards)
- Meeting the family's needs, offering good quality of life and quality of neighborhoods.
- Updated electrical
- Speaking to quality of neighborhoods, speaking to the character of the neighborhood (home and yard)
- Access to transit and safe places to walk and bike, proximity to parks, community gardens
- A minimum standard that applies to all housing
- Housing quality leading to home ownership
- Size of the home accommodates the people living there.
- Giving people choice in the expectation of the home. (rental/ownership)
- Safety; floors, doors, windows...etc. work as they are intended to. Structural things work as they are designed
- Safe, affordable, clean neighborhoods with access to amenities
- Indoor air quality, free of mold, asbestos and lead paint.
- Freedom from harassment and discrimination
- Yearly inspection of privately held non subsidized housing and rentals paid by landlord.
- Enforcement of standards
- Legislation of renters rights of quality housing
 - Mechanism to enforce the standards
 - Landlords may lose their bonding landlords by not complying

What is Housing Affordability?

- 30% of their income and includes all housing costs, access to transportation and groceries stores.
- Maintenance – major repairs are taken care of (owner occupied)
- Affordability should mean renting and/or buying
- Costs for maintenance and capital replacement, future costs
- Utility costs (rental/owner)
- Identifying what is a comfortable cost for rent vs. what is the standard
- Funds available to help with maintenance and foreclosure prevention
- Having a landlord that does not accept section 8 vouchers
- Credit for making repairs to the rental
- Residual Income approach – takes into account location/neighborhood specific costs
- Disposable income to invest in the community
 - Boost the local economy
- Universal rental application and screening process (recommendation)
 - Myscreeningreport.com
- Affordable housing that allows for people to save
- *Encourage low to med income to encourage mixed use and low cost housing and incentivize tax increment financing*
- Family has enough money to have a good quality of life
- *Enable Just Cause eviction*
- No non refundable security deposit
- Can afford a down payment
- Make move-in costs more affordable or place a cap on move in costs
- More options for middle income people in terms of down payments
 - Define middle income
- Have a housing stock (at various ages) that meets the needs and abilities of all people.

What are the barriers to quality and/or affordable housing?

- Getting owners to do maintenance
- Ongoing credit counseling
- Property owners are not available and/or responsible to their properties
- Lack of ordinance that compel affordability and quality housing
- Low wages
- Unreasonable landlord assoc. – not responsible to the needs of tenants
- Lack of enforcement of current codes and ordinances
- High costs of lawyers

- Imbalance of power between landlord and tenants.
- Less incentives of tax credit/structure for local companies to improve housing
- Job skills to increase your income
- Costs of safety inspections
- Homes that are affordable in terms of costs do not pass inspection
- Cost of deposits (pets, first/last income)
- Political barrier – lack of awareness of availability of affordable housing
- Lack of orgs. To educate people on housing affordability
- Lack of organizational capacity for people who need legislation on their behalf and representation
- Criminal history (felonies, sex offenders)
- Not have a rental history
- Ethnicity/discrimination
- Lack of personal vehicle resulting in lack of finding home or meet other criteria
- Rising cost for people who are on a fixed income
- Lack of funding available for rehabilitation to bring quality up
- Barriers to the zoning code to offer a variety of housing within a neighborhood (NIBY-ism)
- Education on how to maintain your home, education about home ownership
- Limited ability to save money limits the ability to purchase a home
- Limited ability to obtain better paying jobs (poverty)
- Lack of knowledge of the existing laws dealing with rentals
- Lack of enforcement and communication between departments
- Lack of marketing and/or education for landlords about incentives
- Reduction in federal rehab money
- Having a disability
- Historically low vacancy rates
- Low housing stock
- Reputation of neighborhoods resulting in people not choosing to live there
- Agencies in the city are stretched too thin
- Credit history
- Median housing cost is too high
- No profits for rehabilitating housing
- Holding landlords accountable to following HUD guidelines
- Gentrification to neighborhoods
- People moving in from other locations driving up costs
- People who have evictions

What are the solutions too quality and/or affordable housing?

- Support something on the ballot (levy) to raise funds for housing
- Making it mandatory to get counseling in order to get a mortgage.
 - Includes mortgage notes
- Change code enforcement from being complaints driven to proactive
- Require a response from an agencies overseeing low income housing to respond in a reasonable amount of time
- Require low income housing assistance for relocation
- Address discrimination
- Connect people to job skill training
 - Increase skills to increase income
- City wide affordable housing plan
 - Set benchmarks
- Comprehensive reform for the regressive state budget
 - Fully fund the State trust fund
- Program that enables a family to improve home quality without charging rent
- Eliminate no cause of eviction and termination of rentals
- Partnership w/ City and Spokane housing auth that directs funding at rehab of city owned properties and the building of new housing from low to moderate income with market rate units in affluent neighborhoods.
- Require landlords to remove the background ban the box
- Better fund Neighborhood Matters, keep programs in the community for longer periods of time
- Increase in public school education RE: trades
- Rental inspections and registration
- Enforcement against landlords that do not do repairs
- Encourage more housing options, change zoning
- Ordinance on blight
- Enable local businesses to create more/diverse local economy
- Balance between protecting tenants and landlords
- Review current laws, ID what exists currently and education people
- Enact requirements that include inclusionary zoning
- Rent control of areas that are reasonable with cost of living
- Land Banks – focused areas where money is already being focused
- File fins and liens to recoup costs to the city that may be incurred by the property owner
- Bad tenant list
- Bad landlord list
- Centralize a location for people call in complaints for rentals

Mayor's Housing Quality Task Force Meeting Notes

Housing Quality Sub-Committee

Date: June 29, 2016

Time: 10:30AM-12PM

Location: City Hall, Council Briefing Center

Defining Housing Quality & Setting Standards:

Housing Quality is;

- Adequate and functioning structures and systems to provide a safe and healthy environment for residents.
 - *Adequate indicates that it meets each of the standards.*

Sub-committee determined not to use the definition above but to recommend that the City provide a follow up task force that would define, set standards, and performance measures for Housing Quality.

Standards:

- Housing Quality Standards 24 CFR 982.401
Accessibility to;
 - A. Sanitary facilities;
 - B. Food preparation and refuse disposal;
 - C. Space and security;
 - D. Thermal environment;
 - E. Illumination and electricity;
 - F. Structure and materials;
 - G. Interior air quality;
 - H. Water supply;
 - I. Free of lead based paint hazards;
 - J. Access (ingress and egress);
 - K. Site and neighborhood;
 - L. Sanitary conditions; and
 - M. Smoke and CO2 detectors.
- The City of Spokane Substandard Building definition 17F.070.400
 - The cities standard of Substandard Buildings is much lower than HUD's definitions and set of standards.
 - The Substandard Building definition is of homes that are below inhabitable.
 - Cities standards are life and safety vs. community expectation for select elements.

Recommendation: The City looks into defining Housing Quality and its standards. The definition should consider the cities current housing codes, insurance and lending standards.

HW: Recommendations will be emailed in from the group RE: Housing Quality definitions and standards.
(Alicia – send out HQS definition and standards)

- What is defined as quality housing doesn't have to be the same thing as what the legal threshold is for telling someone they have to tear down their house or start a proceeding to rehabilitate their home.

- There are many homes (rental and owner-occupied) that are on the borderline of being substandard. By imposing a standard to quickly will affect many people immediately.
- Define housing quality and its standards over phased periods so as to not make the requirement burdensome on homeowners, renters, and landlords.
 - Creating strategies to defining and setting standards to what Housing Quality is.
- What would the city recommend be the minimum expectation for people? This may be a process in order for people to have resources to address issues and to have the ability to meet standards.
- The City does not have a method to identifying homes that are above the Substandard Building threshold and those that do not meet the minimum standard of HUD's definition of housing quality. This is due to the fact that there is not a process/ordinance/code...etc. that allows for identification/tracking of interior housing quality, there is no authority given for interior home inspections. There are assumptions that may be made of housing quality on an individual base when using together the information on housing age and the Spokane County Assessor's exterior housing conditions ratings.
- Housing quality and the effort by the group in looking a housing quality must go way beyond the lifesaving/safety and health issues. While life and safety issues are the most obvious and are important when you look around the community there are many homes that one would say, just by using common sense, that there are serious quality issues present but they do not raise to the level of being un-inhabitable or not having utilities services. If the group is going to make an impact on housing quality with what they are imposing they must address the next level of housing quality after what the city proposes is a substandard building.
 - Two lists;
 1. Housing standards
 2. Housing quality standards
- Regarding insurance of homes there is a much higher level of quality that must be achieved in order to be insured. The standards of housing quality need to include the ability to be insurable. What programs could be recommended that allow for homes to remain at a level the keeps them insured?
 - The issue around this concept is when there are emergencies like fire the home is not insured and therefore there are no funds to rehabilitate and/or rebuild. This leads to;
 1. People living in the home no longer have a home.
 2. People living in the home currently have financial hardships and emergency to housing is not something they can financially fix.
 3. The home will not be repaired thus resulting in a blighted property.
- **Recommendation by the HQ sub-committee;**
 - The City should further review HUD's Housing Quality Standard (HQS) in order to clearly define housing quality for the Spokane community.
 - The City should look into the minimum standards used by the insurance and banking industry for loaning and insuring property. Using those minimum standards as part of the definition and standards set forth in the definition of housing quality by the City.
 - The City should identify and include housing quality performance requirements.
- Loretta (SNAP) identifies a set of standards from an insurance company to be included as a starting point to identifying those minimum standards.
 - The City should consider the municipal code for Substandard Buildings (17F.070.400) and the building code, and state law when identifying a definition and standards of

Housing Quality. The definition should rise well above the substandard definition but meet minimum standards set forth by HUD's HQS.

- Additional elements to be included in the consideration of housing quality and standards
 1. Slip/fall/trip hazards
 2. Municipal water & sewer connections
 3. Pest free

Prioritizing Recommendations:

- Identifying available properties and resources (new recommendation)
 - Land banking
 - Urban Renewal
- Housing inspection program that identifies substandard properties (new recommendation):
 - Purpose: identify substandard properties and establish criteria that determine that the home cannot be occupied and determine that the home can rise to a level that can be occupied.
- Combination Recommendations; (* = the lead program)
 - *4, 8, 10, 14, 15, 16, 17
 - **Public/private partnership in neighborhood revitalization**, Home Rehabilitation Program, Neighborhood LIFT Program, Financial Institution funding pool/foundation, small grants to property-owners and/or landlords, rental housing rehab grants/loans, low-moderate income owner occupied housing rehab grants/loans, and utilizing CDBG, HOME, and/or other home funding to provide housing rehabilitation of the purchasing of homes in foreclosure
 - Realigning policies relating to how we spent public money primarily CDBG, allowing its use for rental properties, emphasizing public and private partnerships in order to match grant funding/leverage dollars with a bank loan, use a grant to buy down an interest rate in a bank loan.
 - *6, 24, 25, 27
 - **Create a Community Land Bank**, Review of properties that may allow re-investment or redevelopment in line with community needs of lots and blocks for housing – consider mechanism and funding such as land banking, CDBG funding, or zoning incentives, target home demolition and/or rehabilitation, Identifying blockades to development and ways to fix them.
 - Land Bank Policy – Program to focus on acquiring, hold, and resell property include demolition if needed for neighborhood and public benefit.
 - *9, 17, 26
 - **Education program for developers on how to utilize CDBG and HOME funding to build new housing** Utilize CDBG, HOME, and/or other home funding to provide housing rehabilitation or the purchasing of homes in foreclosure, provide definitions for housing quality and affordability.
 - Education, Communication, and Public Information
 - *12, 10, 11, 18

- **Apply for NeighborhoodWorks Funding, NeighborhoodLIFT Program, and Partnership with local real estate agencies, 1st time homebuyer housing rehabilitation grant.**
 - Funding for foreclosure prevention and funding for home ownership opportunities. The focus would be to create funding for down payment, rehabilitation and revitalization.
- 11
 - **Partnership with local real estate agencies**
 - Borden this strategy by including nonprofits, financial institutions...etc. making it a city wide opportunity to encourage development in targeted zones by incentivizing people improve housing and to encourage neighborhoods to get fixed up. Incentivize developers by offering tax abatements or others to spur development.
 - Include in this strategy incentives to homebuyers to want to move into targeted areas by partnering with institutions who would offer funding/loan programs.
- 13, 14, 15, 16 –
 - **Grant programs should be lumped together**
 - Identify grants/grant programs that target funding to improving housing.
 - Grant programs are available from before you purchase a home to home rehabilitation. A broad spectrum of programs should be identified in order to help homeowners at different stages in ownership. The City should seek out these opportunities and fully understand the spectrum of what is available.
 - Recommendation 14 – should be broadened to include other entities.
- 20
 - **Align the court system with the foreclosure process including timely filings and follow up hearings.**
 - Include in the recommendation to look at not only the court systems but legislation that has come out this year at the state level. Examining Washington State 2016 legislation that will help with the foreclosure process as well as improvements to the process. The objective would be to avoid zombie properties from happening. Further research from what happened in 2009/2010 in the foreclosure process in order to learn what the state/city did to abate foreclosures in order to reverse the negative impacts of the abatements.

Mayor's Housing Quality Task Force Meeting Notes

Housing Affordability Sub-Committee

Date: June 29, 2016

Time: 10:30AM-12PM

Location: City Hall, Council Briefing Center

Defining Housing Quality & Setting Standards:

HUD's Definition:

- In general, housing for which the occupant(S) is/are paying no more than 30 percent of his or her income for gross housing costs (i.e. insurance and taxes) and including utilities.
- Housing is affordable if they have income to pay for other essential needs i.e. transportation, health (medical), food, child care, taxes, clothing...etc.

Housing Affordability: Accessibility

- A. Accessibility to Vibrant Neighborhoods – Economic Development
 - Transportation
 - Child Care
 - Groceries
 - Quality Education
 - Schools
 - Disability Accessible Unites
 - Recreational Opportunities
 - Walk-ability
 - Safety
 - Diverse
 - Employment (including training)
 - Funding Reserves (i.e. a savings account and/or emergency funding)
- B. Mixed-income
- C. Mixed-use

Housing Affordability sub-committee accepted the above definition of Housing Affordability and the list of standards.

- The definition is general enough to consider other essentials people need and that should be include in defining affordability. The second paragraph indicated that there are other standards that need to be considered and that for some people 30% may be too high in order to have access to additional necessities/standards i.e. health care, child care...etc.

- The definition incorporates the idea of raising people's employment skills in order to have the ability to seek/obtain better jobs to get to a better standard of living.
- **Doing further research in order to define what affordability means for varying family sizes.**

Prioritizing Recommendations:

- **1 – Inclusionary Housing** (*look into a targeted area approach*)
- **2 – Development of registry which tracks affordable housing units developed**
- **3 – Affordable Housing Impact Statement**
- **5 – Enact relocation assistance ordinance for tenants displaced by development**

Combined Recommendations:

- **4, 6, 7, 8** (three groups combined this set of recommendations in to one recommendation)
 - **Prohibit Discrimination (refusal to rent) against Section 8 Voucher holders, Enact Just Cause Eviction Ordinance, Source of income protection; minimizing eviction impact; minimizing felony impact, prohibit discrimination against people with criminal histories that don't impact safety.**
 - The recommendation would focus on providing a broader protection to renters regarding discrimination.
- **15, 16**
 - **Establish local Housing Trust Fund that would make funds available for developing affordable housing and Housing Trust Fund would support by the City to increase state funds available for affordable housing.**
 - The recommendation would support the state Housing Trust Funds and would include a local conversation regarding housing affordability.
- **1, 20** (two groups combined this set of recommendations into one recommendation)
 - **Inclusionary Housing, Spokane City should be aggressive to make its own properties available to increase housing density.**
 - If the City was selling a city of property and/or requesting for an improvement to a city property then it should be tied to inclusionary zoning because in most cases city wide inclusionary zoning is not palatable but there may be opportunities on a property by property basis. An example would be to focus inclusionary zoning on areas that have accessibility to other amenities/transportation in order to create affordable housing opportunities and more density. This would result in the ability of offering market value housing and affordable housing or mixed-incomes.
- **12, 14, 15, 16** (two groups recommended this combination)
 - **Multi-family Tax Exemption, Waiving permit fees for affordable housing projects, Establish local Housing Trust Fund, and City support to increase state funds available for affordable housing (this item to provide the funding for implementation).**

- Currently the City can offer the Multiple-family Housing Property Tax Exemption to developers however developers don't typically apply for the exemption because the process for remaining tax exempt is too burdensome for the developer. Recommendation to evaluate the renewal process and consider removing the renewal process in order to encourage affordable housing development. Another recommendation would be to include additional incentives for the developer beyond the Tax Exemption to build affordable housing. If the developer chooses to participate in the Tax Exemption process then they become eligible for other incentive, the requirement would be the developer must develop affordable housing.
 - Item 12 currently exists, need more information.
- 10, 11 (two groups recommended this)
 - **Rental Registration Program/Rental Inspection Program and/or Rental Business License.**
 - A recommendation would be to identify a program where the fees for landlords to receive a Rental Business License would fund the Rental Inspection Program.
- 10
 - **Focusing this recommendation solely on the Rental Registration Program and/or Rental Business License**
 - Group felt that the Rental Registration and/or the Rental Business License would be a quick win whereas the Rental Inspection Program would take more time to implement.
- 14
 - **Permit Waivers** – Need to find out if this is something that is already in place/practice.
- 16
 - **Housing Trust Fund** – Recommend that the City get behind what the State Commerce program is doing in order to ask for increased funding locally.
- 17
 - **Water/Sewer tap notice when repaving** – Already being implemented.
- 21, 22
 - **Spokane City should be aggressive to make its own properties available to increase housing density, Consider other uses for infill; parks, stores, libraries...etc.**

Not currently on the list: Additional Recommendations

Land Trust – City owned property that could go into the land trust for affordable housing.
Making the land/property permanently affordable.

Land Banking vs. Land Trust

Land Banking – purchasing property and developing at a later time. Acquiring various properties and develop at a later date. The Washington State Housing Finance Program allows people to borrow money to land bank properties for 4-8 years and develop later. Additionally, this allows for people to purchase properties next door to one another until they've acquired several parcels that will be eventually developed.

Land Trust – place the land into a trust to make it more affordable for development. In doing this it removed the cost of purchasing the land by leasing the land to the developer over a period of time. The City has the potential to fund a Land Trust by using the funds from City land sold to fund the Trust.

Recommendation to revive/resume the Spokane Community Land Trust.

Community Meeting Feedback:

- 50+ people in attendance
- Various groups attended the meeting (i.e. neighborhood people, landlords, tenants, developers...etc.)
- Questions asked at the meeting:
 - What is Housing Quality?
 - What is Housing Affordability?
 - What are the barriers?
 - What are the solutions?
- Good overlap in recommendations made by the community and the sub-committees

Mayor's Housing Quality Task Force Meeting Notes

Housing Quality Sub-Committee

Date: July 12, 2016

Time: 3:30PM-5PM

Location: City Hall, Council Briefing Center

- Priority matrix will be sent forward to the mayor with recommendations but the group may consider that certain recommendations may not be feasible.
- The group may still decide to put forth a recommendation that it does not consider feasible.
- **Questions for group:**
 1. Are there recommendations from the community that should be incorporated into the priority recommendations?
 2. How does the group incorporate recommendations from the community?
 - Add the community meeting notes into the final recommendations report as community/citizen input.
- Breakout sessions, reviewing community feedback and identifying recommendations
- **Recommendations from community feedback:**

Include the Community meeting notes as citizen input. Address items that were suggested by the group to be included in the recommendations.

1. Low or no cost mediation services for landlord/tenant disputes and credit counseling
2. Expand access to responsible renters programs
3. Pre-purchase education about costs of repair/maintenance to first time home buyers
4. Adopt a plan with benchmarks for Affordable housing. The City of Hayden is an example, city incentivized development of affordable housing such as density bonuses.
 - Specify city's housing needs in development/rehab of affordable housing (ie. Seattle developers only building studios instead of providing affordable housing for families)
5. The City address and eliminate no cause evictions
6. Definition of housing quality to include FHA requirements
7. Raising money for developing quality housing; raising public funds for housing
8. Lists of landlords/tenants who have successfully completed rental and/or homeownership training programs
9. Change the term affordable/low income housing to mixed use housing
10. More clearly define what healthy housing is
 - Enforcing standards is going to require a definition of housing quality/affordability. This is a need at the City level.
 - Need specific definitions

11. Need to revisit equity issues and recommendations. Access to transit, housing, services...etc. needs to be considered in the equity of housing quality.
 - Community identified equity issues as barriers to affordable and quality housing
 12. Develop list of resources to inform the public of programs that are already available, especially those that address equity and access to housing
 13. Provide equitable access to the built environment
 14. Expand the definition of affordable housing beyond HUD definition
 - Group decided on general definition but recommended a more specific recommendation in the implementation phase
 15. Identify what programs/funding/target areas already exist with finance partners and aligning those strategies with existing inventory.
 - **Recommendation:** Tools for and finding our partners in order to leverage change. Align the programs in the target areas and funding available for those areas. Identifying what already exists in target areas with finance programs and/or partners.
- **Recommendations from group:**
 1. **Acquisition rehab program for bank-owned REO properties with the city as a facilitator and to include an educational program.** City acquires Real Estate Owned properties from lenders at low price and sells to buyers using a 203k loan to rehabilitate property. City could remove liens.
 - Include an education component for potential homeowners and developers
 2. **City to work with non-profits to apply for appropriate programs/grants that would apply to neighborhood revitalization to assist with home ownership or rentals. Funding would include revitalization/rehabilitation of foreclosed and substandard properties (ie. NeighborWorks or NeighborhoodLift).**
 3. **Create a community land bank with the power to acquire, hold, and dispose of property including vacant and distressed properties, and dispose of the property for community benefit. (Power to acquire foreclosures, chronic nuisance properties, substandard properties, demolish properties, accumulate properties to create bigger lots..etc)**
 - Genessee community land bank a great model.
 4. **Create an aggressive program to identify properties suitable for commercial/mixed use development in neighborhoods throughout the city and encourage zoning modifications for successful development. Requires modification to Comprehensive Plan to identify in advance whether existing infrastructure can support the development.**
 - Provides access to jobs, services, amenities to provide quality housing within neighborhoods.
 - Neighborhoods need to be engaged about what they would like to see in developments.
 - Neighborhoods and citizens should be involved throughout the process.

5. **Public/private partnerships to target areas for home rehab, infill, etc. Address neighborhoods in distress by providing incentives for focused private investment. Incentivize private companies, agencies, and nonprofits to invest in the targeted areas.**
 - Use the city's economic development model.
 - Implement Target Investment Pilot (TIP) strategy in the housing arena. Identify the target areas where financial partners are already focusing (find areas where there is overlap between city and private financial partners)
 - Focus on hardest hit areas that may be overlooked
6. **City should establish and define a minimum housing quality standard**
 - Standard should apply to owner and rental occupied housing
 - Use FHA standard as a baseline benchmark
7. **Establish a city-wide rental registry and inspection program that would enforce and incentivize the minimum housing quality standard to promote health and safety**
8. **Partner with local real estate organizations to identify vacant, abandoned, and substandard homes.**
9. **Partner with organizations to provide an annual program to educate homeowners and potential homebuyers on purchasing, maintenance, rehabilitation programs available.**

Homework: Fill out the matrix based on recommendations

Mayor's Housing Quality Task Force Meeting Notes

Housing Affordability Sub-Committee

Date: July 13, 2016

Time: 10:30AM-12PM

Location: City Hall, Conference Room 5A

Community Meeting Review:

Identifying recommendations from the Community Meeting that are of importance to the task force.

1. Program that enables a family to improve home quality without charging rent, a type of sweat equity program that would substitute for rent.
2. Finding a way to implement a universal screening/rental application. Provide a consistent location for rental applications and screenings that would be accessible to landlords.
3. Connecting people with job skills.
4. Better enforcement, better educational, better outreach to landlords re: rentals
 - Review current laws and educate people on what laws currently exist.
 - Researching rent control should be reviewed under current laws.
 - Education of landlords and tenants.
5. Encourage more housing options, change zoning
 - Look at the zoning/development code to identify other ways that can be developed.
6. Centralize a location for people to call and complain on rentals. Partner with Spokane Housing Authority to improve information and outreach.
 - Housing hotline
 - Educational program to help people find sources; City to set up website page that would include housing resource information. The resource page should be user friendly and may include video snap shots of the program available.
7. Housing Affordability sub-committee recommended including all of the Community Meeting notes in the final report.

Recommendations:

1. **Creating a registry of affordable housing/units available in Spokane.**
 8. If you are utilizing incentives for development of affordable units/housing then you should be required to list your property on a centralized webpage that the city could maintain and/or listing on the HousingSearchNW.org which is an affordable rental housing search website.
 9. Creating an application and/or a location on the cities website that identifies where affordable housing units are located. i.e. Zillow. Would include identifying units that accept housing vouchers, are below market value for affordability...etc.
 10. Educating the public on how to find and use the website

2. Identify incentivize landlords to bring the housing up to a standard of housing quality.

Address the barriers to enforcement of existing laws.

11. Make the program voluntary for landlords and once achieved the landlord would be certified as achieving the housing standard.
12. There should be more research done on rental programs i.e rental inspection and/or rental business licensing programs that would best fit the Spokane community.
13. Identify ways to make it affordable for landlords to bring their rentals up to a housing quality standard.

3. City to identify city owned property and liquidate the property that is not in use. The property would be transferred with condition to develop affordable housing.

- Inventory the current amenities on the property and include information such as location that would factor into whether it makes it more affordable. Require an affordable housing component to developing the property.
- The city would market the property for sale; provide options to the developer for affordable housing development. The options to choose from may include incentives focused and/or pay a fee that would be made available for developing affordable housing across the City.
- The City could investigate options to providing a program where the property could be transferred to new ownership rather than selling the property, this would still include development of affordable housing.

4. All residential development would require a developer to;

1. Include the development of a number/percentage of affordable housing at the site or
2. The developer would be required to pay a fee that would fund other affordable housing development in Spokane via a local Housing Trust Fund.

5. Identify funding for the Incentives 2.0 Permit Fee/Impact Fee Waiver Program, this should include and identify all/any additional fee waivers that may be included.

- Incentives 2.0 program provides reimbursement of permit/impact fees after development.

6. The City should identify funding sources to establish the Housing Trust Fund for affordable housing development.

- Suggestions include funneling funding from development fees, or incentives like the Multi-Family Tax Exemption and other incentives available.

7. The City should re-evaluate the Multi-Family Tax Exemption Incentive for all aspects of the incentive.

- Revisit how the MFTE works and see if it works in today's market. Through this process identify what needs to be removed from the incentive, what needs to be added, identify barriers as to why developers are not using this incentive and identifying challenges to achieving the incentive.
- Make the MFTE less restrictive.
- Re-evaluate the renewal process.

- 8. The City develops an Affordable Housing Impact Statement that includes goals, benchmarks, and incentives to developing affordable housing. Impact Statement would address the need of affordable housing based on AMI across the city.**
 - Includes;
 - a. Review of the Housing/Housing Affordability chapter of the Comprehensive Plan to create alignment between the two documents.
 - b. Identification of what incentives are not being utilized and why they were not used.
 - Impact Statement would include a closer look at 30, 50, 60 (this is the limit for tax credit units) and 80 percent AMI.
 - Identify incentives that would focus on specific AMI affordable housing development and identify targeted areas.
 - Include this recommendation in the Affordable Housing Inventory recommendation (#1).
- 9. Create a plan that provides relocation assistance for very low income residents.**
- 10. Establish and enact a Just Cause Eviction Ordinance.**
- 11. Re-evaluating/amending the existing Discrimination Ordinance.**
 - Add nondiscrimination against Section 8 Voucher holders and/or other subsidized ways to pay for run and nondiscrimination against tenants with a criminal history.
- 12. City to create an inventory or registry of available lands for infill with incentives in place for development.**
 - Incentives would include developing affordable housing/unit.

Mayor's Housing Quality Task Force

Financial, Real Estate & Developers Roundtable Meeting Notes

Date: July 14th, 2016

Time: 2-3:30PM

Location: Spokane Public Library, downtown

Present: Alicia Ayars (Project Lead), Sandy Williams (Facilitator), Elizabeth Schroder (Washington Trust Bank), Julie Banks (Community Assembly/Public Safety), Marilyn Amato (Spokane Realtors), Cara Coon (Umpqua Bank), Lorie Hanson (Washington Trust Bank), Marcia Dorwin (Inland Northwest Bank), Cory Oberst (Spokane Mortgage Lenders Association), Lori Hays (Spokane Housing), Steve Hildahl (Windermere Cornerstone), Michael Dotson (Banner Bank), Pete Rayner (Beacon Hill Properties), Mike Cathcart (Spokane Home Builders Association), Jose Trejo (Northwest Justice Project), Mike Palmer (Wheatland Bank), Ken Schultz (Boeing Credit Union), Manny Hochheimer (Numerica Credit Union), Kay Murano (Spokane Low Income Consortium), Loretta Cael (SNAP), Louis Hurd (Spokane's Superior Solutions), and Traci Couture (District Director for Congresswoman Cathy McMorris Rogers), Lisa Key (Planning & Development), Dawn Kinder (Community, Housing, & Human Service), Jonathan Mallahan (Neighborhoods & Business Services), Neil Johnson (Coldwell Bank Northwest), Will Ericson (Spokane's Superior Solutions), Jacob Evans (Spokane's Superior Solutions), Abigail Franklin (Global Credit Union).

The recommendations from the Housing Quality and Affordability sub-committees were presented to the group. The group then discussed the recommendations, voiced concerns, suggestions, and more information to include in the recommendation(s).

Comments to the Housing Quality Recommendations:

- Regarding rental inspection programs, tenants have complained that inspections are too invasive and occur too frequently.
- FHA housing quality standards should be included in the definition of housing quality to create consistency.
- Regarding the recommendation to create a community land bank, the group felt that this recommendation would be the easiest to implement. Banks and developers could play a role in redevelopment and/or rehabilitation of neighborhoods where this could be targeted. They had advised to also develop properties in to new businesses.
- What would it take to get a home that is in foreclosure out of foreclosure?
 - Must change the state regulations/laws. The Financial Protection Bureau will be implementing new regulations to protect the borrower.
- Properties that are vacant should be registered on a registry and a fee should be collected to recoup costs.
- Can Neighborhoods maintain exterior vegetation/trash of vacant and/or abandoned homes? Can the lender give permission to the Neighborhood to maintain vacant/abandoned homes?
 - No, the lenders are required to hire a licensed and bonded property management company to maintain the property.
- Priority should be given to preserving the quality and character of a neighborhood. When implementing the recommendations consideration should be given to not integrating people into new areas too quickly as it could change the character of the neighborhood.

- Additional considerations and items to address: roads as they relate to increased traffic and parking needs and schools as they relate to overcrowding and safety. These issues are very important when considering population growth.

Comments to the Housing Affordability Recommendations:

- Seattle requires that developers account and build affordable housing. The culture in Seattle accepts the responsibility to build affordable housing/units. Changing the Spokane culture to accept and build more affordable housing takes time.
- More requirements placed on developers to develop specific types of housing will result in a loss of development due to being too burdensome.
- Any developer can qualify for affordable housing incentives if they include affordable housing units in their development. Incentives are not only reserved for select developers.
- There minimal vacant lots available in the city that allow for new development. Furthermore, zoning is too restrictive and neighborhoods are too restrictive (NIMBY). Neighborhoods are shutting down projects due to NIMBY-ism.
- The Planning Dept. through the Infill Development Task Force is finding that there is no “one size fits all” practice for applying zoning across the city. Zoning needs to change from neighborhood to neighborhood to accommodate the type of development and character of that neighborhood.
- Infill housing is looking to develop new regulations and zoning.
- Identify several properties to implement a pilot project that would decrease development restrictions and build affordable housing. This should be implemented on a small scale and can be carried across the city later.
- The City should hold up the success of other mixed use/mixed income areas in Spokane (i.e. Perry Street and West Central in the area of Indaba Coffee, Kendal Yards for mixed use) Educate people in Spokane of these places and what is happening there on a mixed income/development level. Include education of the projects. Include neighborhood citizens in the development process.
 - Partner with developers on small deals to build new or rehabilitate homes. Publicize this information out to the public and educate them on the projects, consider having the Mayor narrate the information through a video. This will help build momentum in the community, include incentives available for developers and encourage partnerships.
- City should look into opportunities that may exist near the new North South/I-90 freeway connection as there will be additional properties available for purchase during/after the connection is built.
- Access to transit is huge for new development.
- Multi-Family Tax Exemption is being utilized more. This may be due to the high vacancy rate in the city currently.
- Government incentives for home rehabilitation should include replacement of expensive systems inside of a house (i.e. furnaces, plumbing, electrical) and/or roofs...etc.
- City should consider mobile homes as an affordable housing option.
- Large culture shift in Spokane to increase low income housing in neighborhoods. A low income neighborhood/individual does not equal a poor neighborhood or poor qualities; it is a circumstance of their income.
- There should be increased access to cafes and parks within neighborhoods. Incentives people to move into neighborhoods, educate them on why they should live there.

- Accountability on perceptions and people moving into neighborhoods needs to be held to a set of standards based on the culture of the neighborhood.
- Provide one location that lists all of the incentives available to developers.
 - i.e. City of Bellingham
- Accountability on the perception and of people moving into neighborhoods needs to be held to a set of standards based on the culture of the neighborhood.
- Support services support the housing.
- How do you incentivize high/low income to move into any neighborhood?
 - Citywide awareness of pilot programs (Perry Street, West Central), create a vision for pilot areas.

Mayor's Housing Quality Task Force Meeting Notes

Date: August 17, 2016

Time: 10:30AM-12PM

Location: Spokane Public Library

Task Force voted to add two items to the final report:

- Public Safety Committees – Final Report for the Rental Housing Research Stakeholder Group.
- SMART homework from July 12th & 13th sub-committee meetings.

Task Force participated in dot exercise to prioritize recommendations. Matrices listed below.

Group discussion of matrices/recommendations:

Recommendations

1. Creating a registry of affordable housing/units available in Spokane.

Feasibility is high/Feasibility seems low:

- Level of bureaucracy to maintain this
 - o Voluntary/incentivize the landlords
- If development has a % of affordable units then the developers would need to add it to the resource area.
- Registries that exist are not in one location. They exist for different agencies but not in one location.
- Difficulty in maintaining resource page, who would verify.
- Quality control of maintaining, verification, and process to update.
- This would help in planning where affordable housing units are located and where various affordable housing is located based on AMI.
- Does not expand the supply but when you communicate what is available then the accessibility to affordable housing is greater.
- If funding is identified then it is more feasible.
- Scope would need to be narrowed down over types of housing to include.
- Qualified inspectors to perform the work is limited.
- Voluntary registration may be hard to achieve.

2. Incentivize landlords to bring housing up to a standard of housing quality. Address the barriers to enforcement of existing laws.

Impact is low

- A process to address surplus city property is happening at the city/council.
 - o They have included an affordable housing component.
- Monitor progress at the city.
- Keep the affordable housing component.
- Identify city property that is suitable for residential/or mixed use property housing and liquidate property suitable for housing affordable.
- Add residential or mixed use to the definition.
- Set aside posters that have the majority of dots in one quadrants as a high priority.
- Push out last recommendation meeting with the Mayor and hold the August 31st meeting as a working meeting for 22 hours.
- Are there more recommendations that need to be made.

Task force voted to have another working meeting on August 31st and extend the meeting time to two hours (10am-12pm)

Matrices for each recommendation listed below.

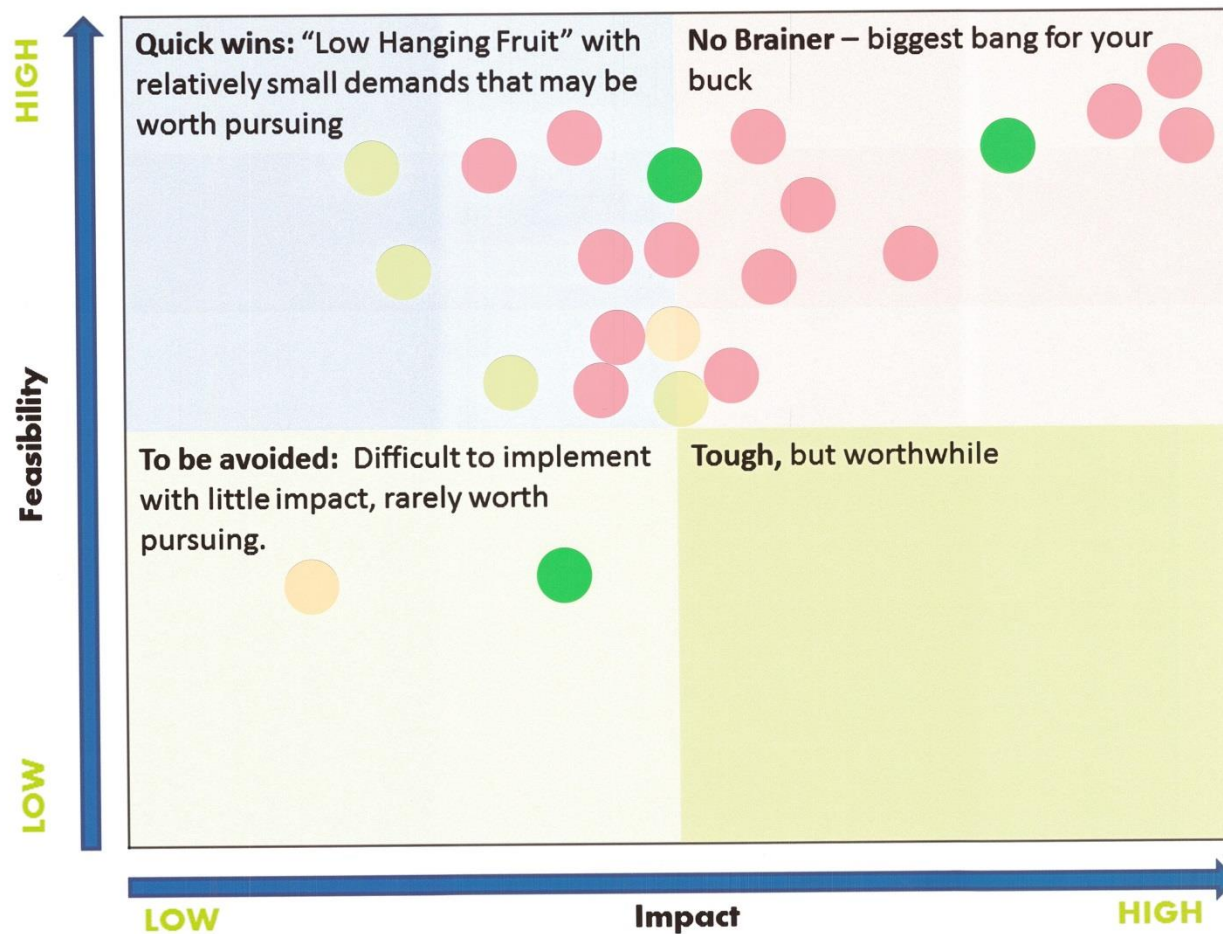
Next meeting:

Wednesday, August 31st

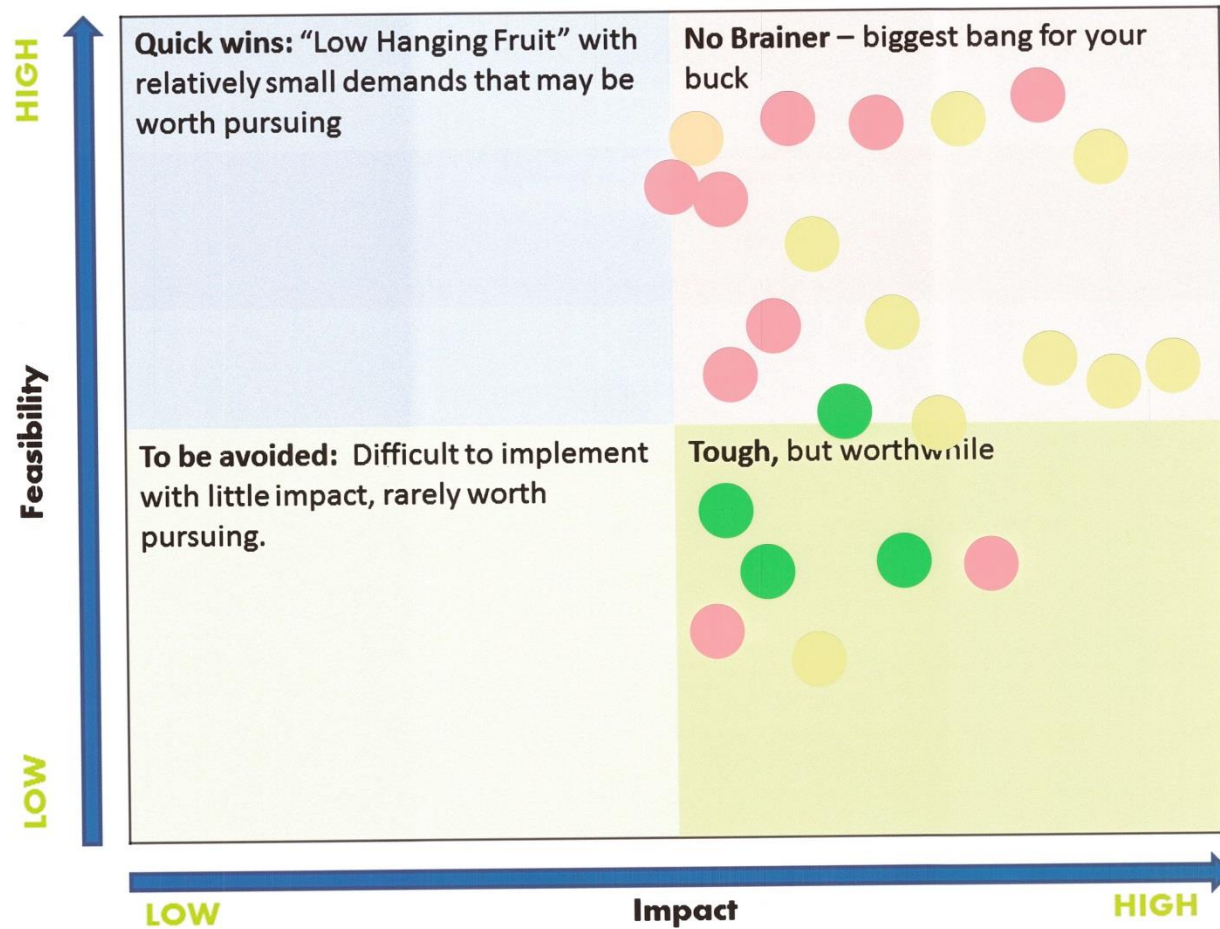
10AM-12PM

Downtown Spokane Public Library

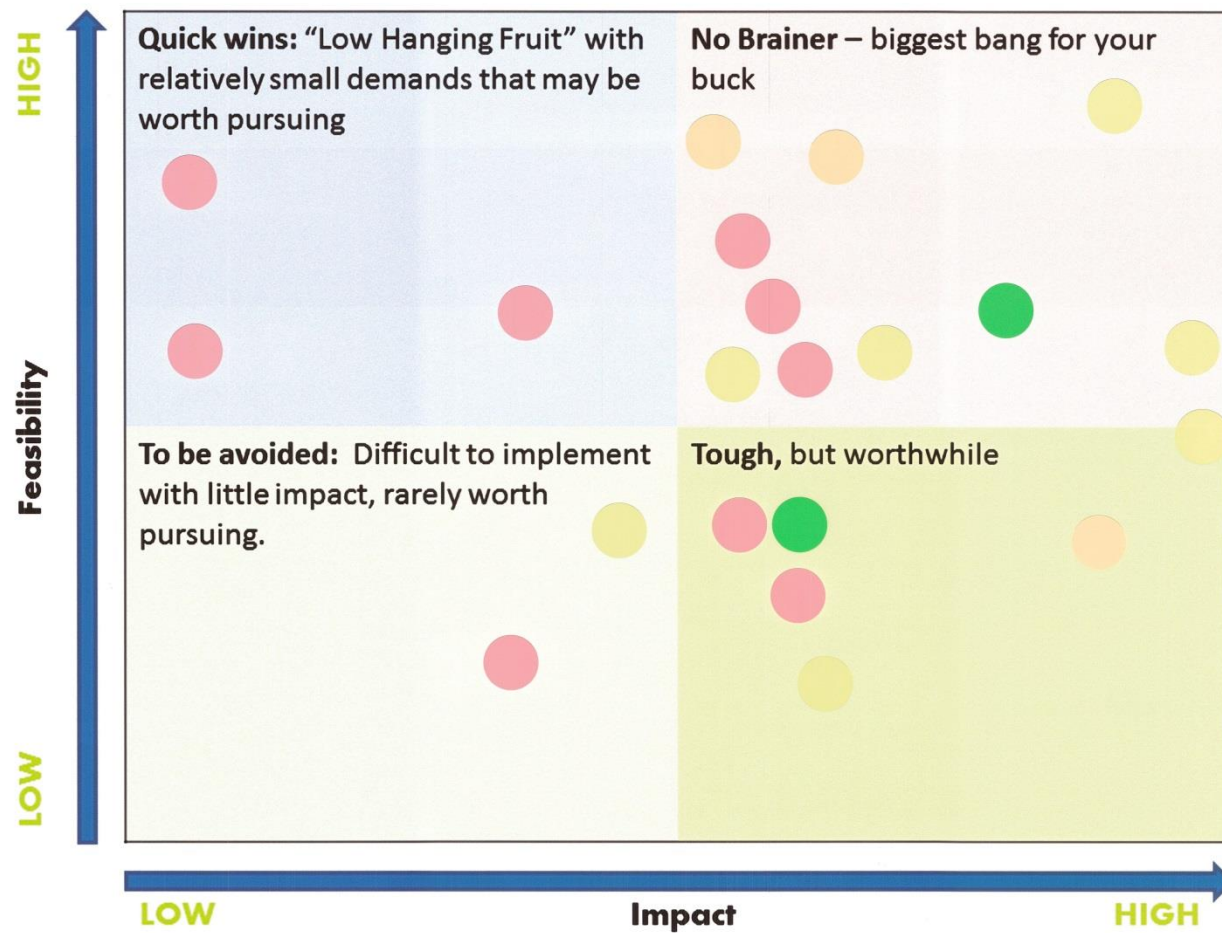
1. Create a registry of affordable housing/units available in Spokane.



2. Identify incentivize landlords to bring the housing up to a standard of housing quality.
Address the barriers to enforcement of existing laws.

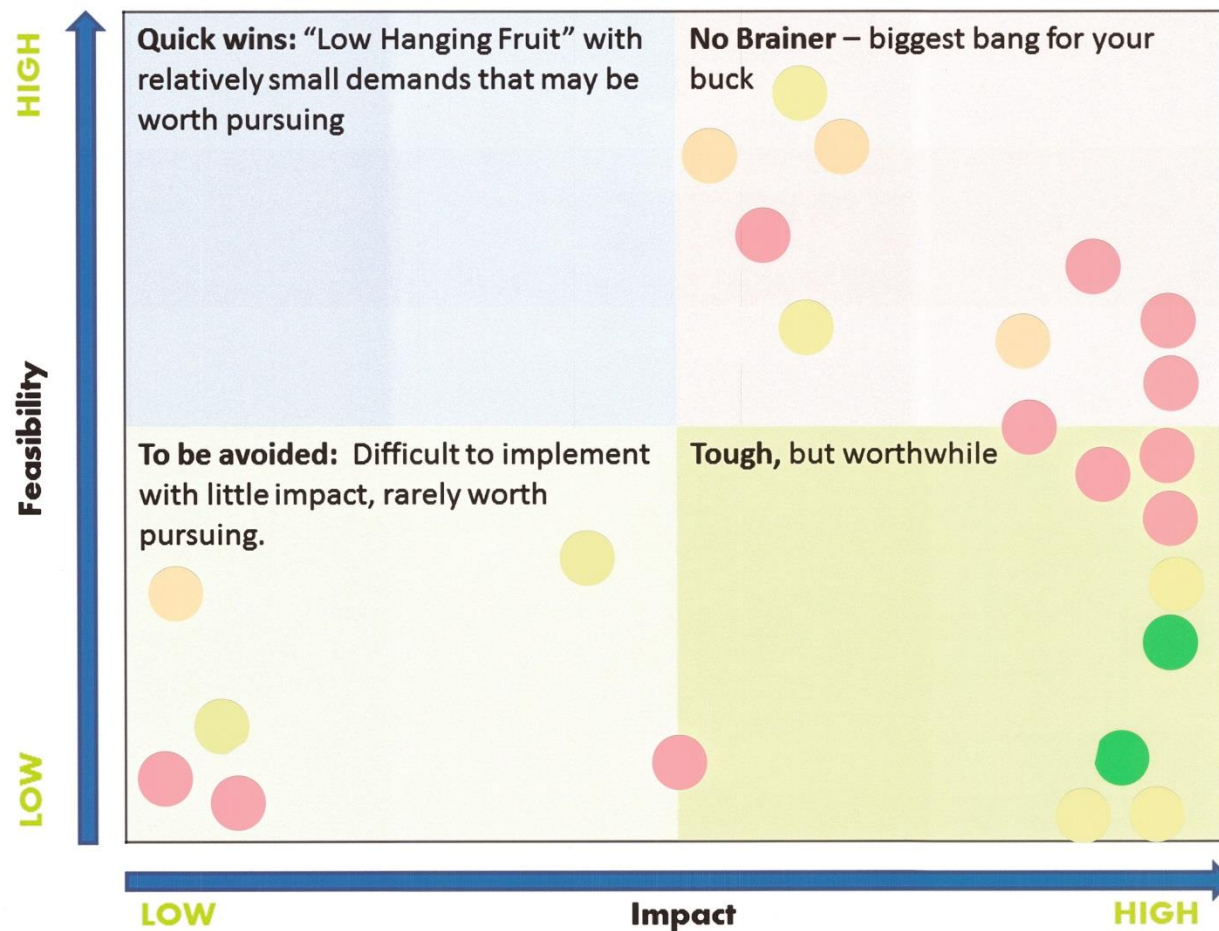


3. City to identify city owned property and liquidate the property that is not in use. The property would be transferred with condition to develop affordable housing.

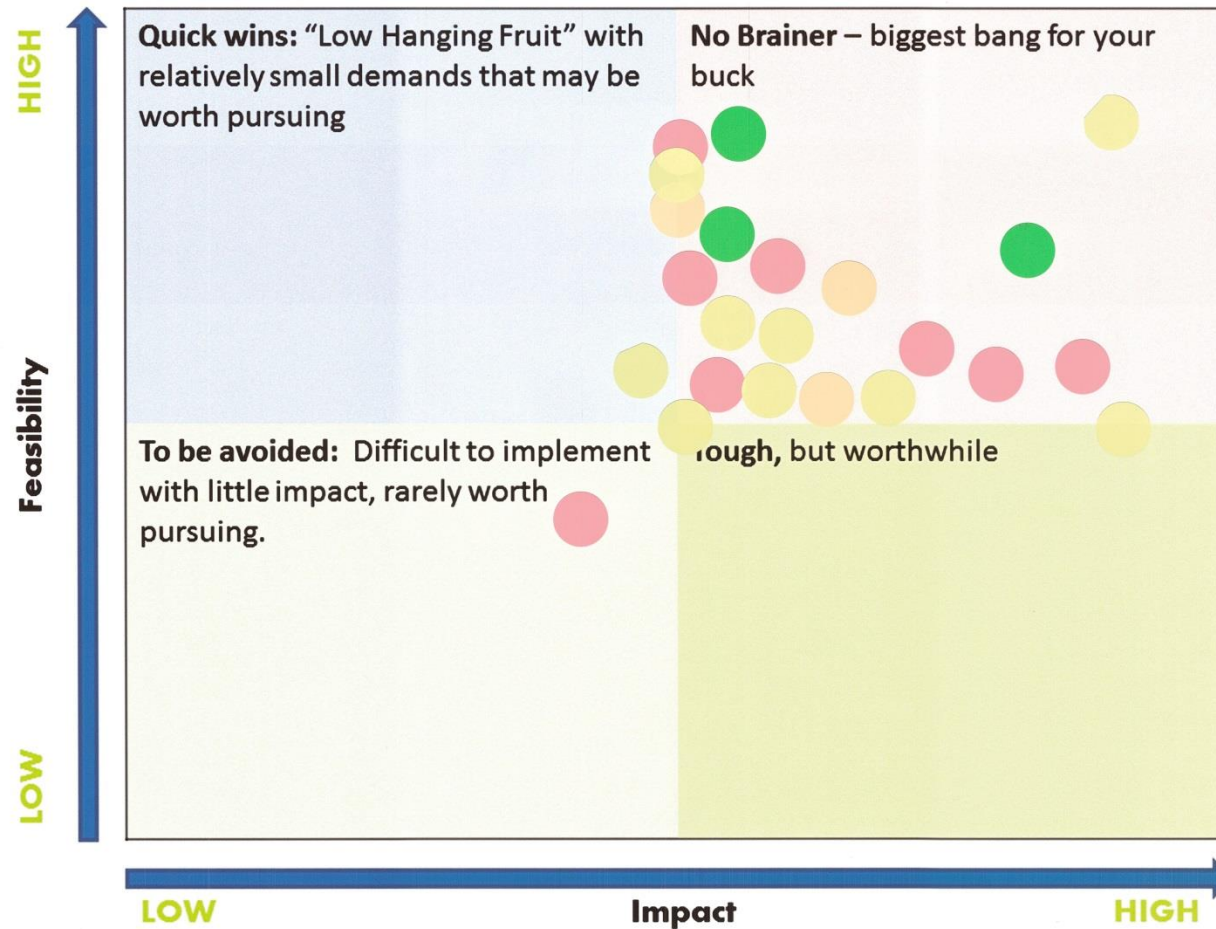


4. All residential development would require a developer to;

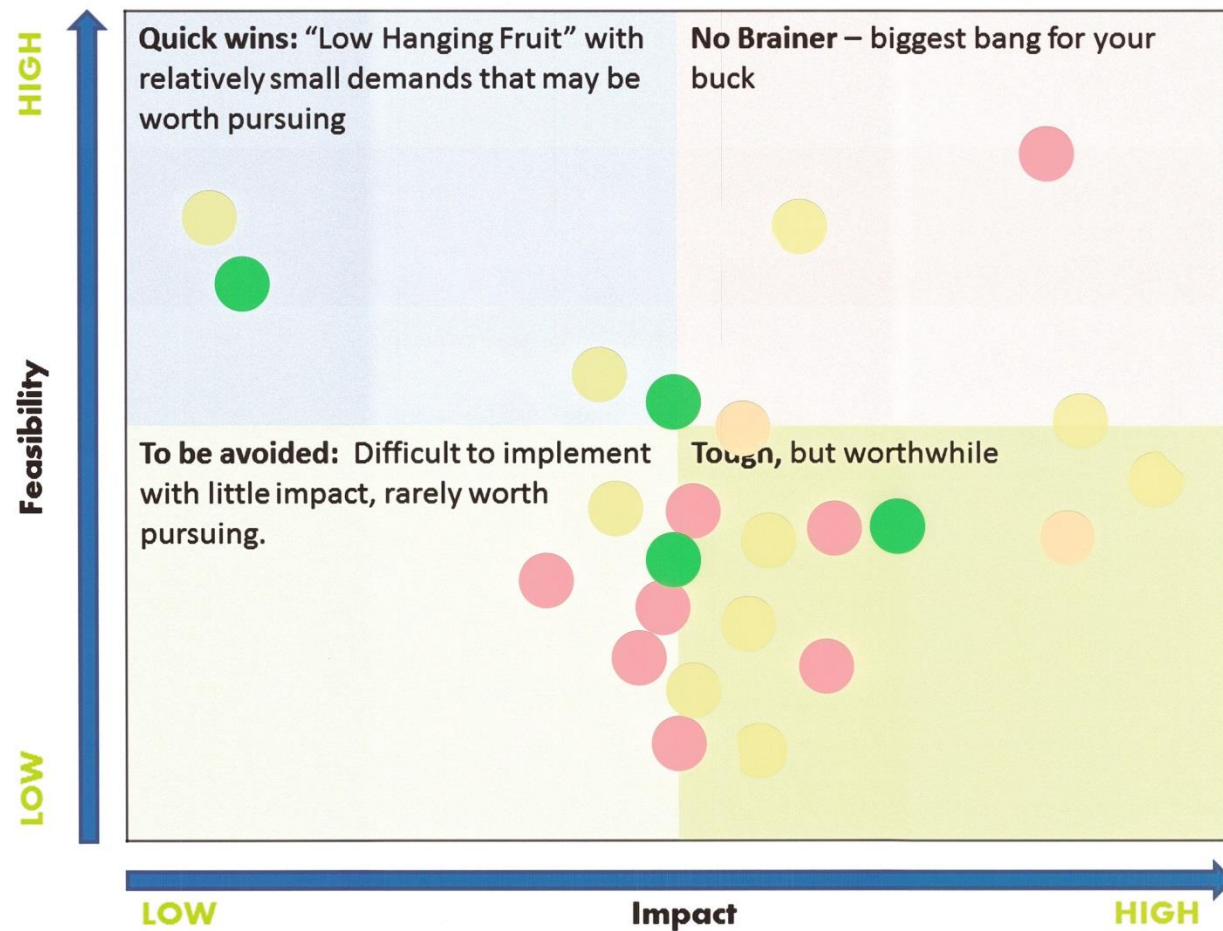
- Include the development of a number/percentage of affordable housing at the site or
- The developer would be required to pay a fee that would fund other affordable housing development in Spokane via a local Housing Trust Fund.



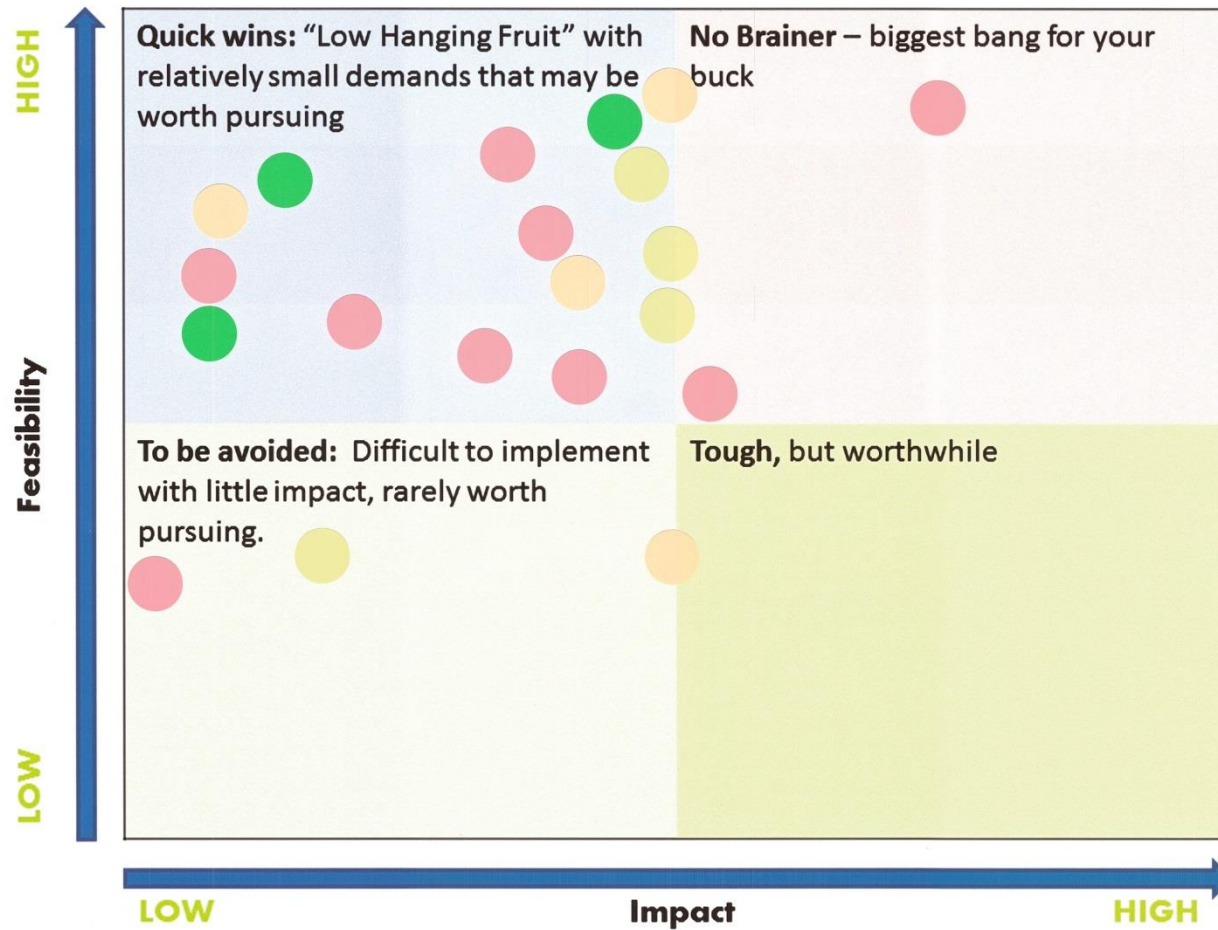
5. Identify funding for the Incentives 2.0 Permit Fee/Impact Fee Waiver Program, this should include and identify all/any additional fee waivers that may be included.
- Incentives 2.0 program provides reimbursement of permit/impact fees after development.



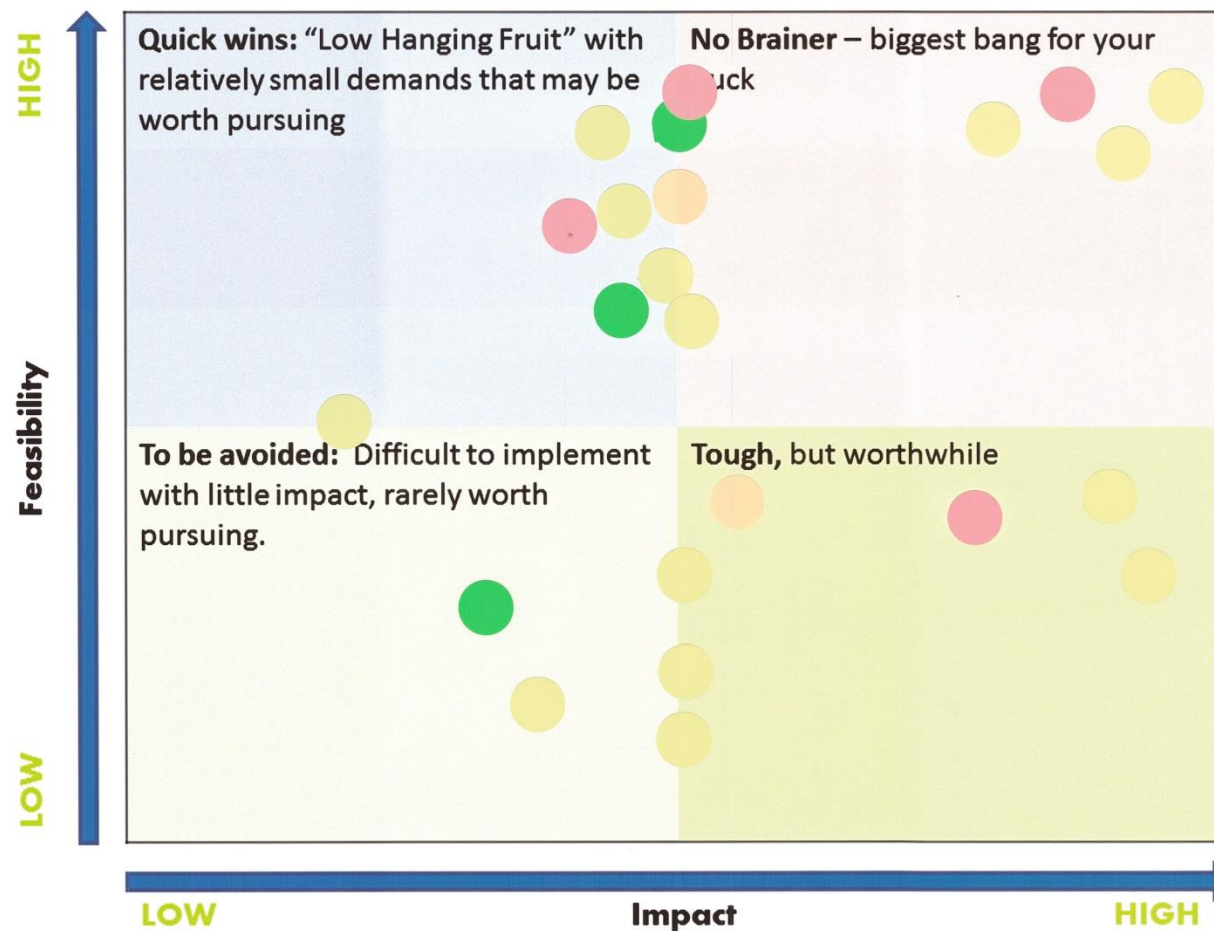
6. The City should identify funding sources to establish the Housing Trust Fund for affordable housing development.
- Suggestions include funneling funding from development fees, or incentives like the Multi-Family Tax Exemption and other incentives available.



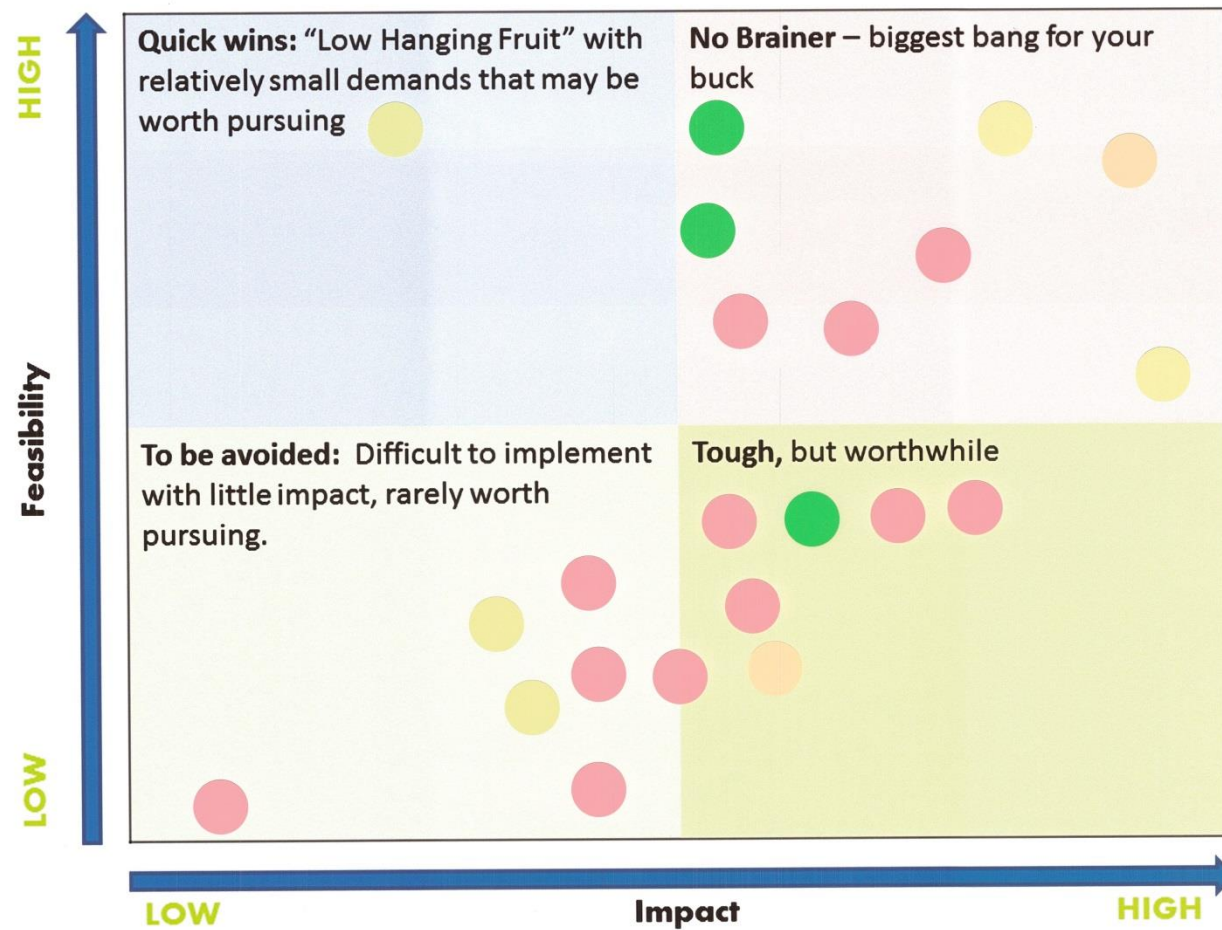
7. The City should re-evaluate the Multi-Family Tax Exemption Incentive for all aspects of the incentive.



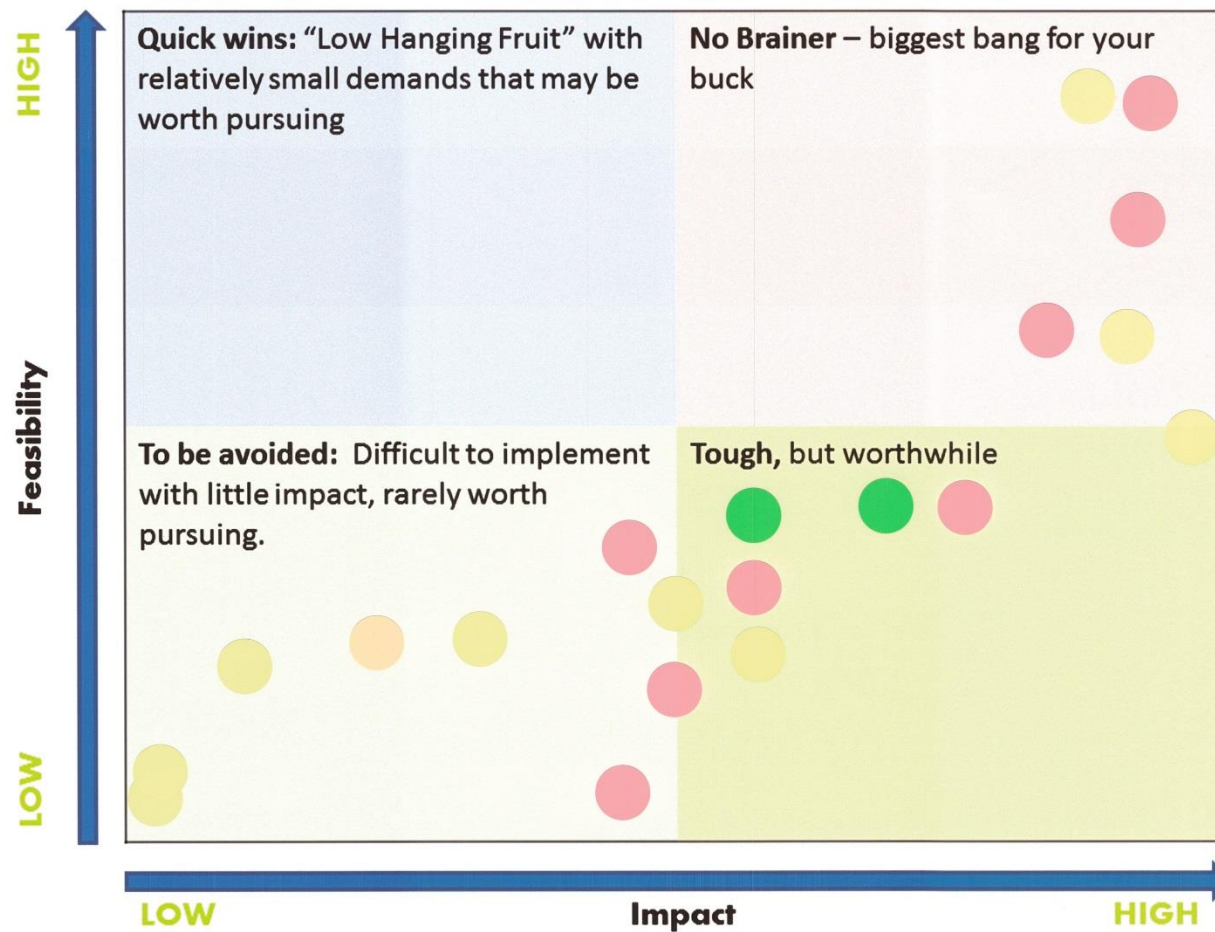
8. The City develops an Affordable Housing Impact Statement that includes goals, benchmarks, and incentives to developing affordable housing. Impact Statement would address the need of affordable housing based on AMI across the city.



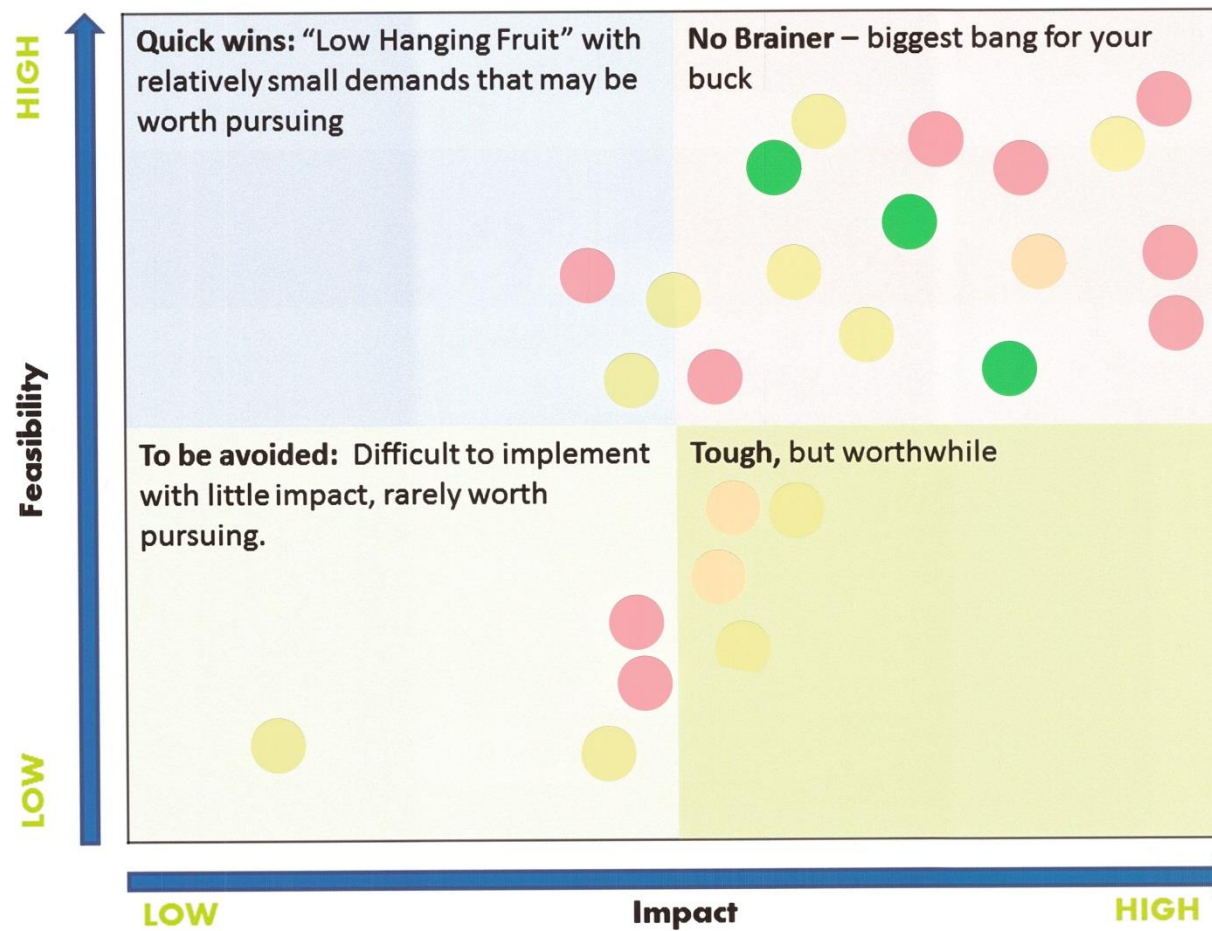
9. Create a plan that provides relocation assistance for very low income residents.



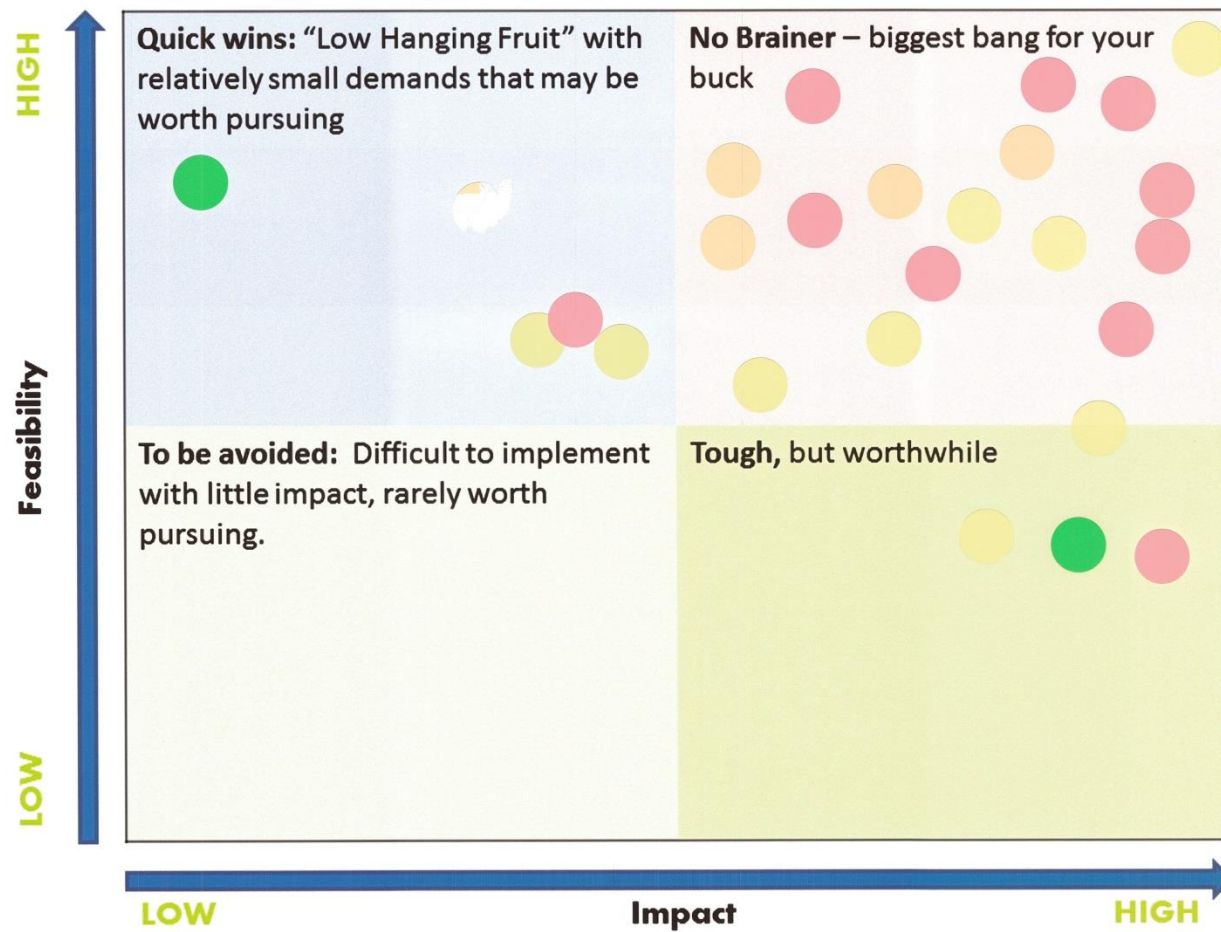
10. Establish and enact a Just Cause Eviction Ordinance.



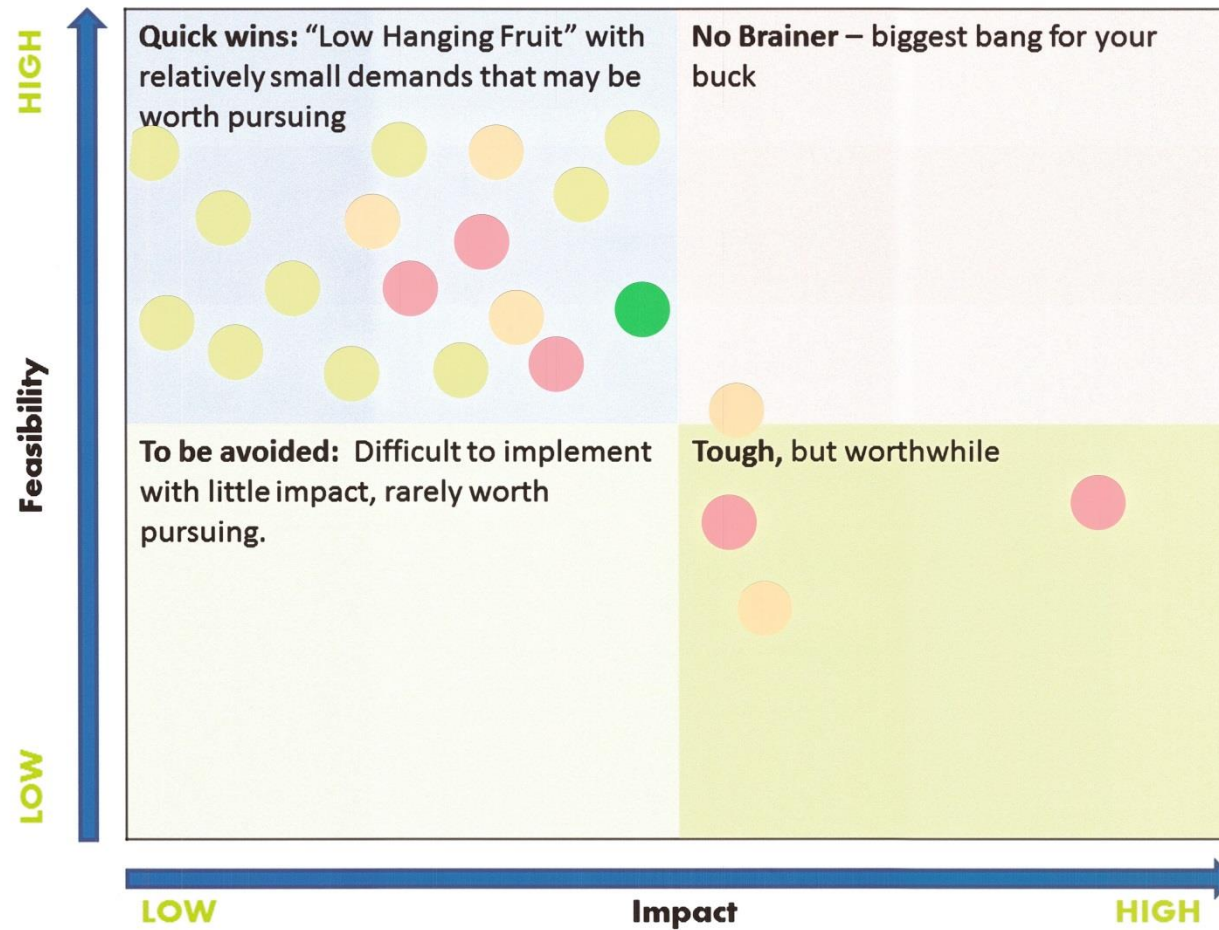
11. Re-evaluating/amending the existing Discrimination Ordinance.



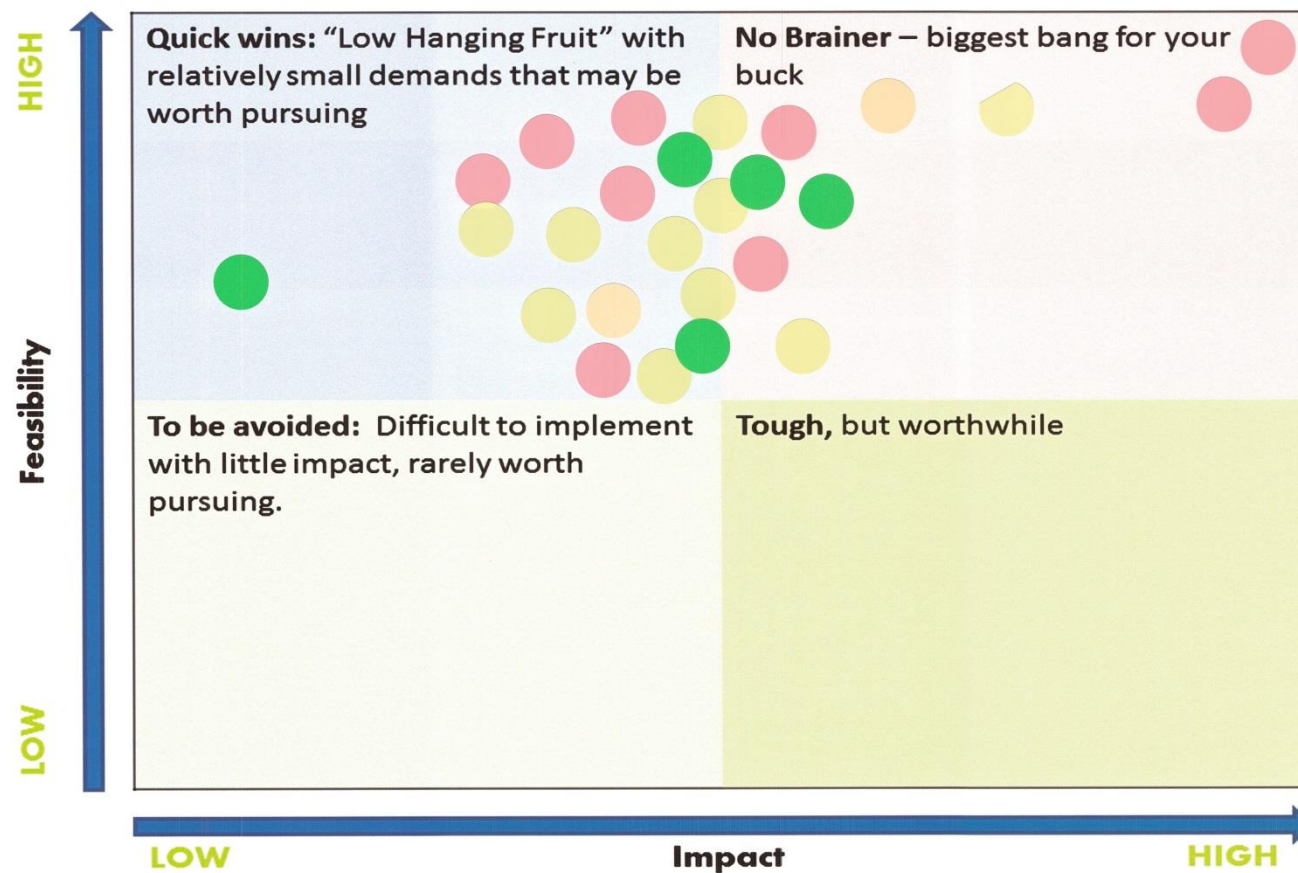
12. City to create an inventory or registry of available lands for infill with incentives in place for development.



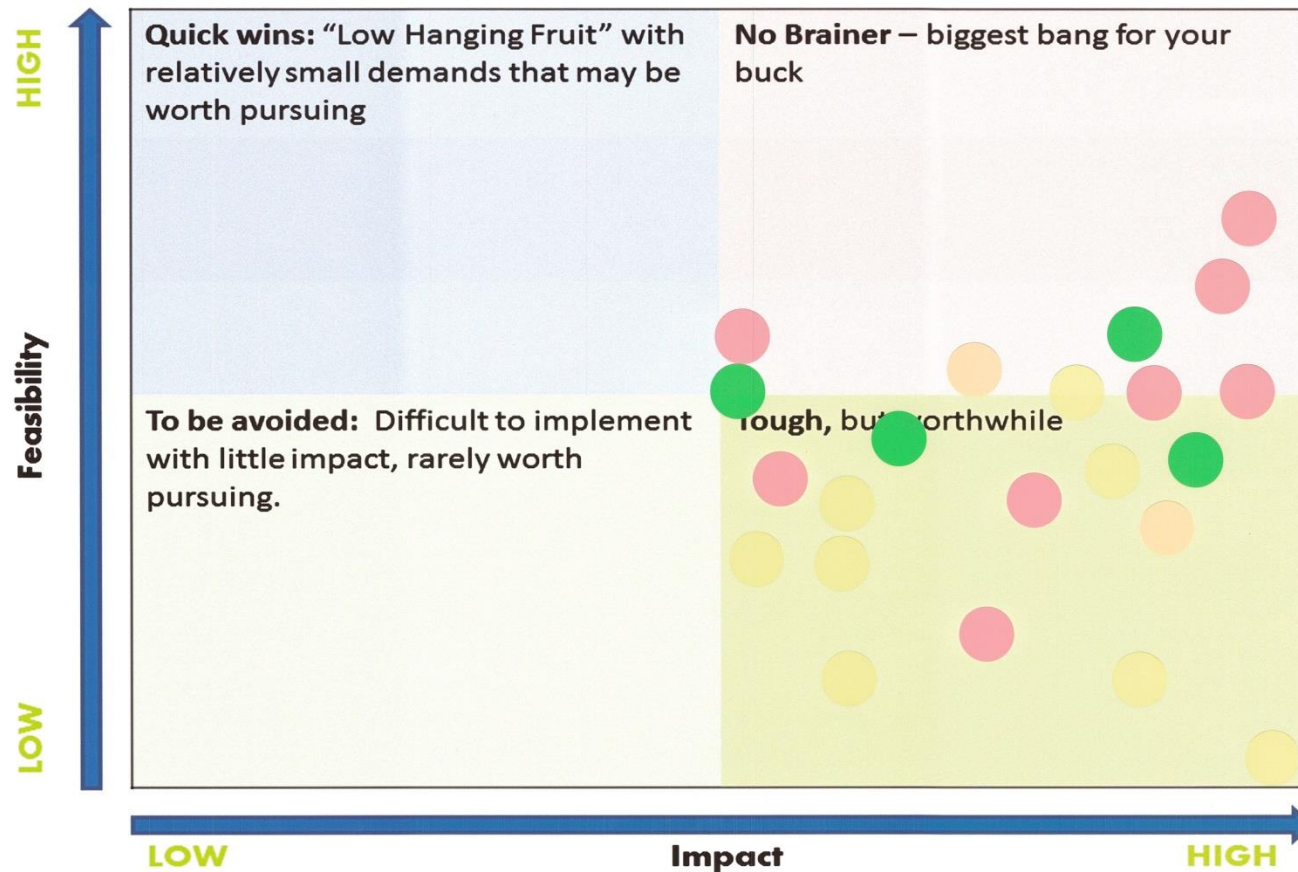
13. Acquisition rehab program for bank-owned REO properties with the city as a facilitator and to include an educational program.



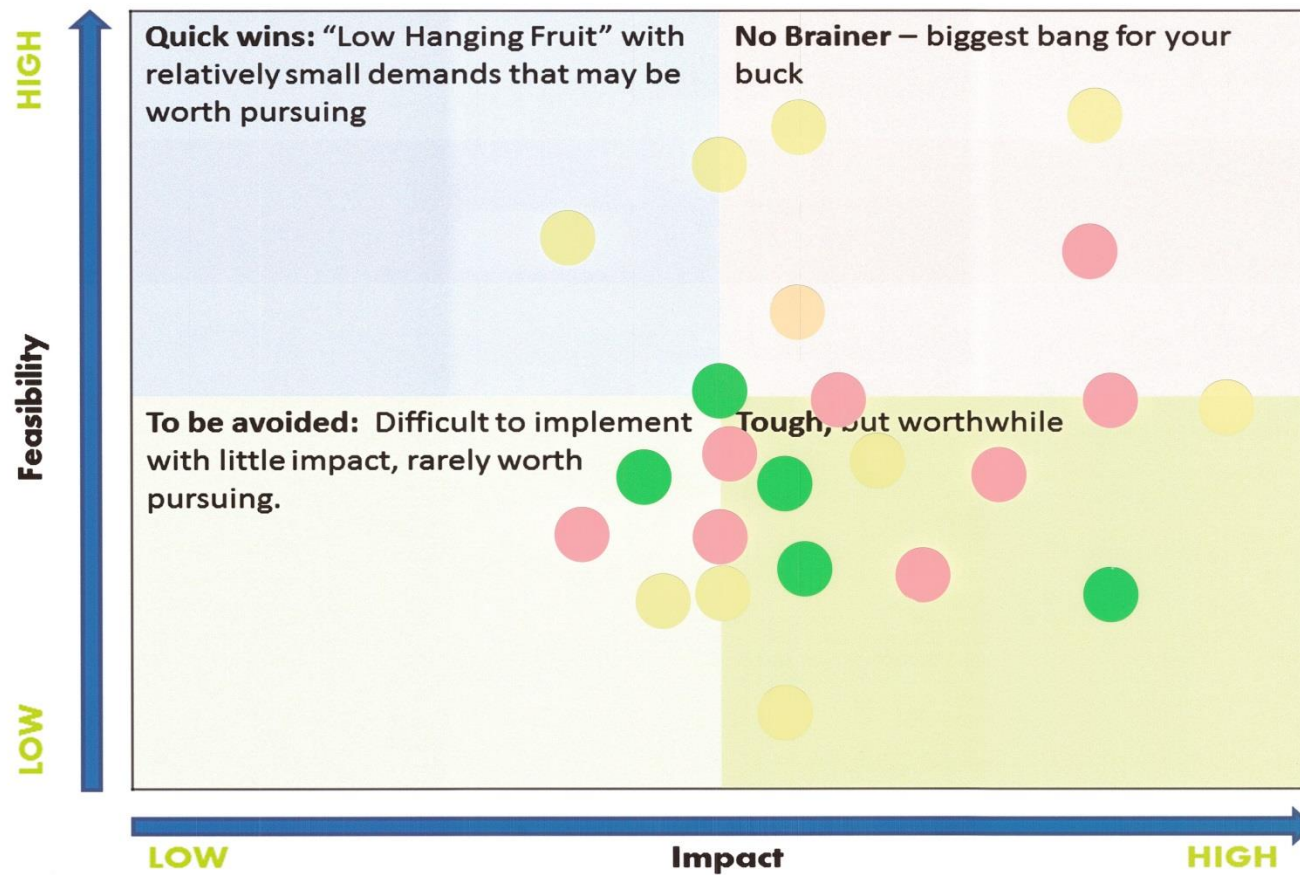
14. City to work with non-profits to apply for appropriate programs/grants that would apply to neighborhood revitalization to assist with home ownership or rentals. Funding would include revitalization/rehabilitation of foreclosed and substandard properties (ie. NeighborWorks or NeighborhoodLift).



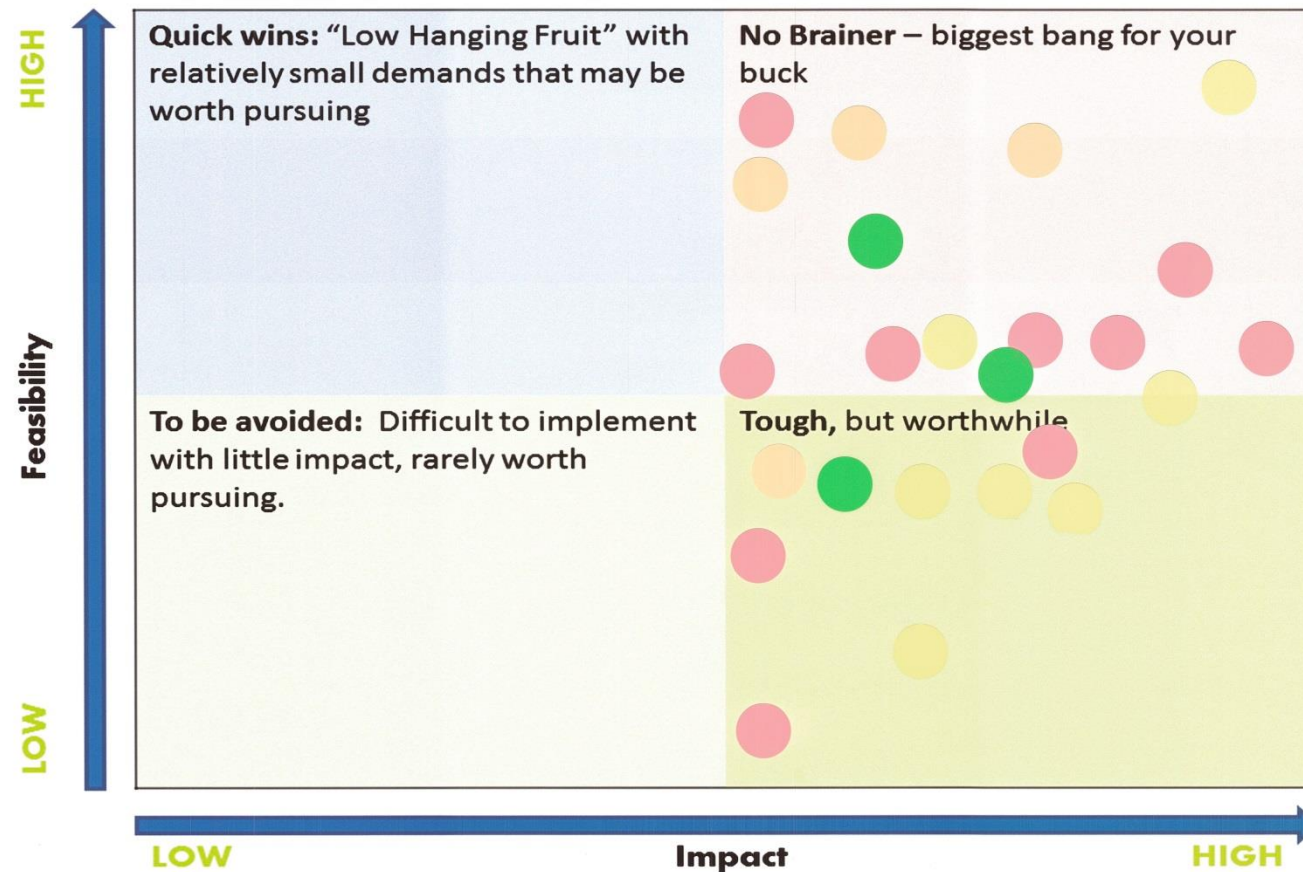
15. Create a community land bank with the power to acquire, hold, and dispose of property including vacant and distressed properties, and dispose of the property for community benefit. (Power to acquire foreclosures, chronic nuisance properties, substandard properties, demolish properties, accumulate properties to create bigger lots..etc)



16. Create an aggressive program to identify properties suitable for commercial/mixed use development in neighborhoods throughout the city and encourage zoning modifications for successful development. Requires modification to Comprehensive Plan to identify in advance whether existing infrastructure can support the development.

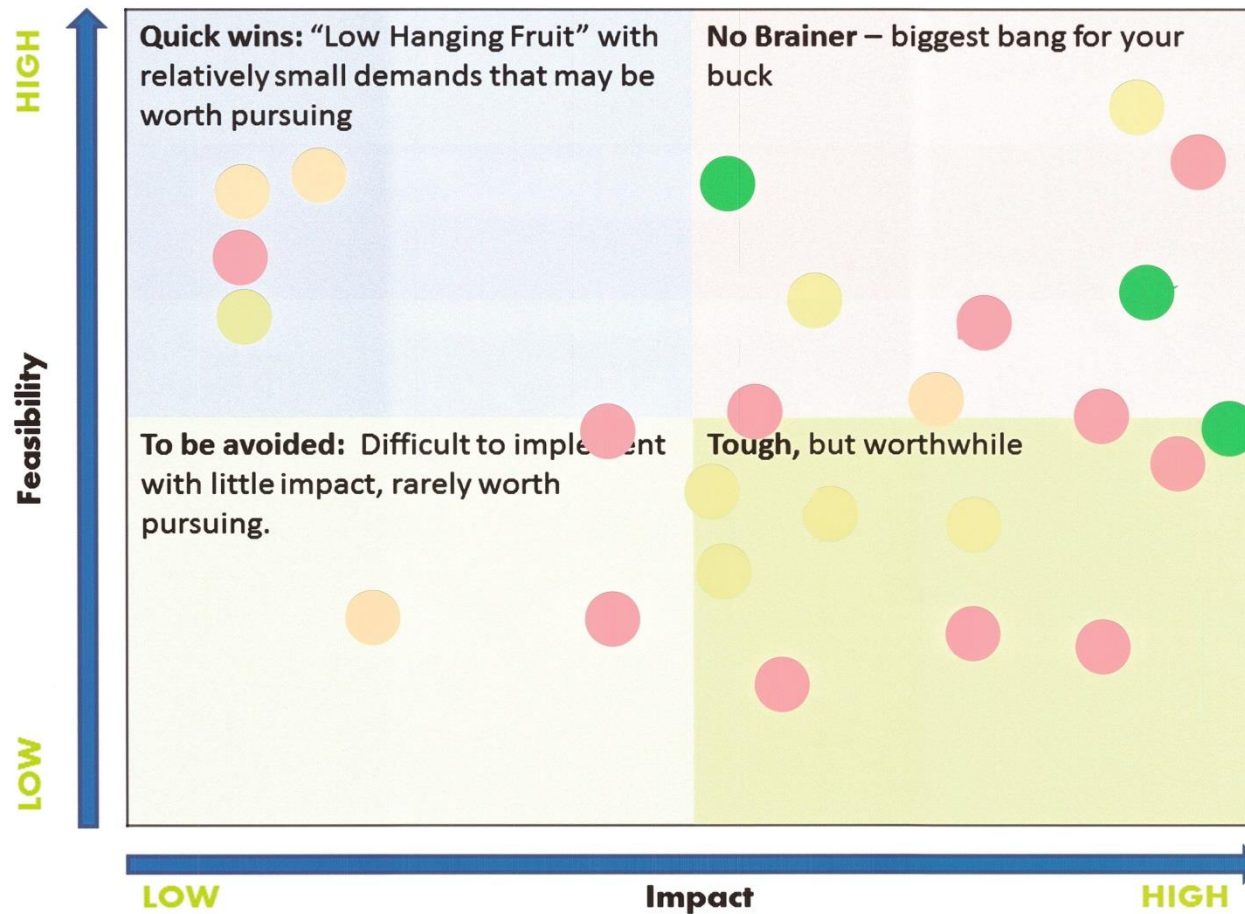


17. Public/private partnerships to target areas for home rehab, infill, etc. Address neighborhoods in distress by providing incentives for focused private investment. Incentivize private companies, agencies, and nonprofits to invest in the targeted areas.

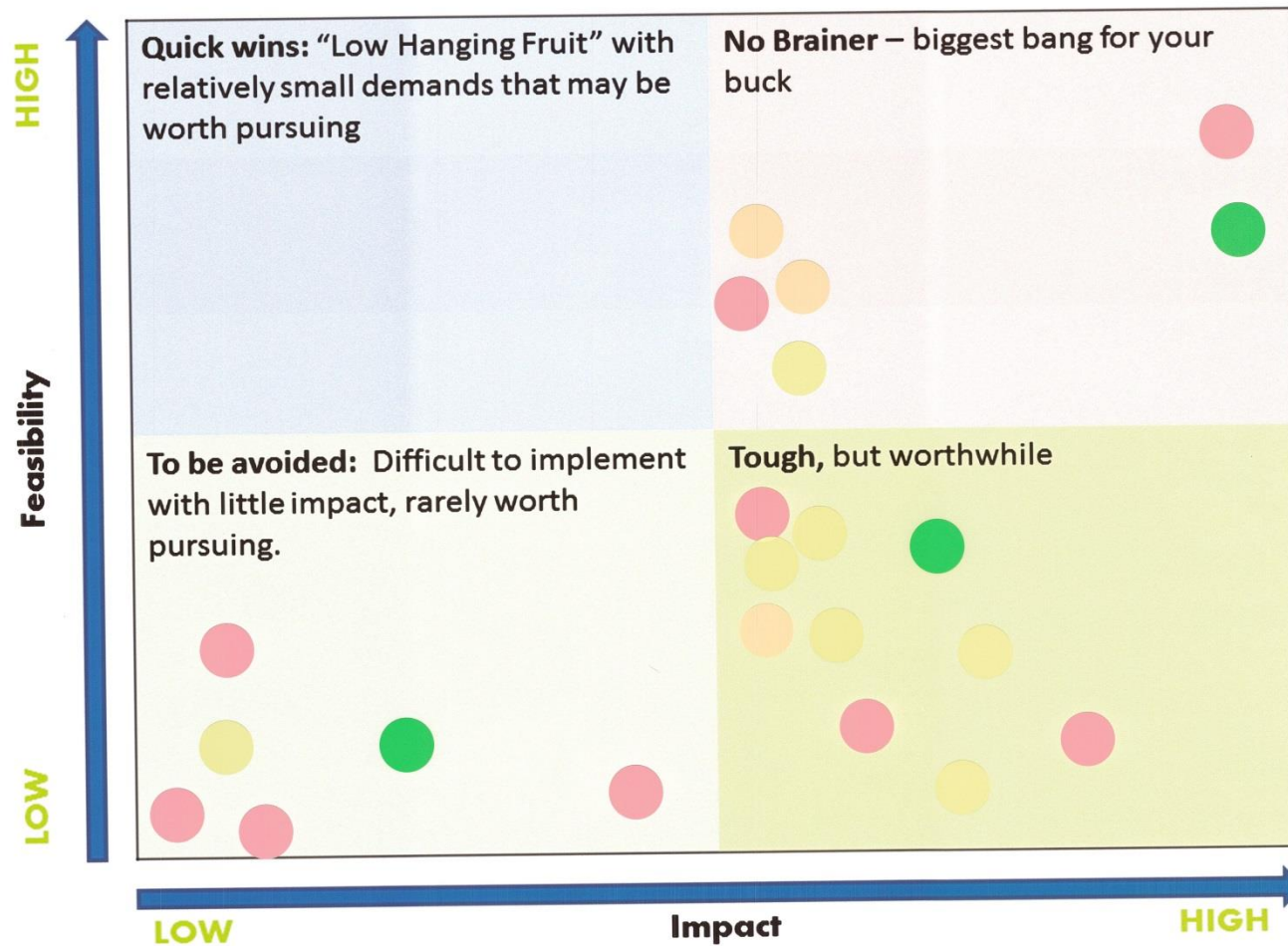


18. City should establish and define a minimum housing quality standard

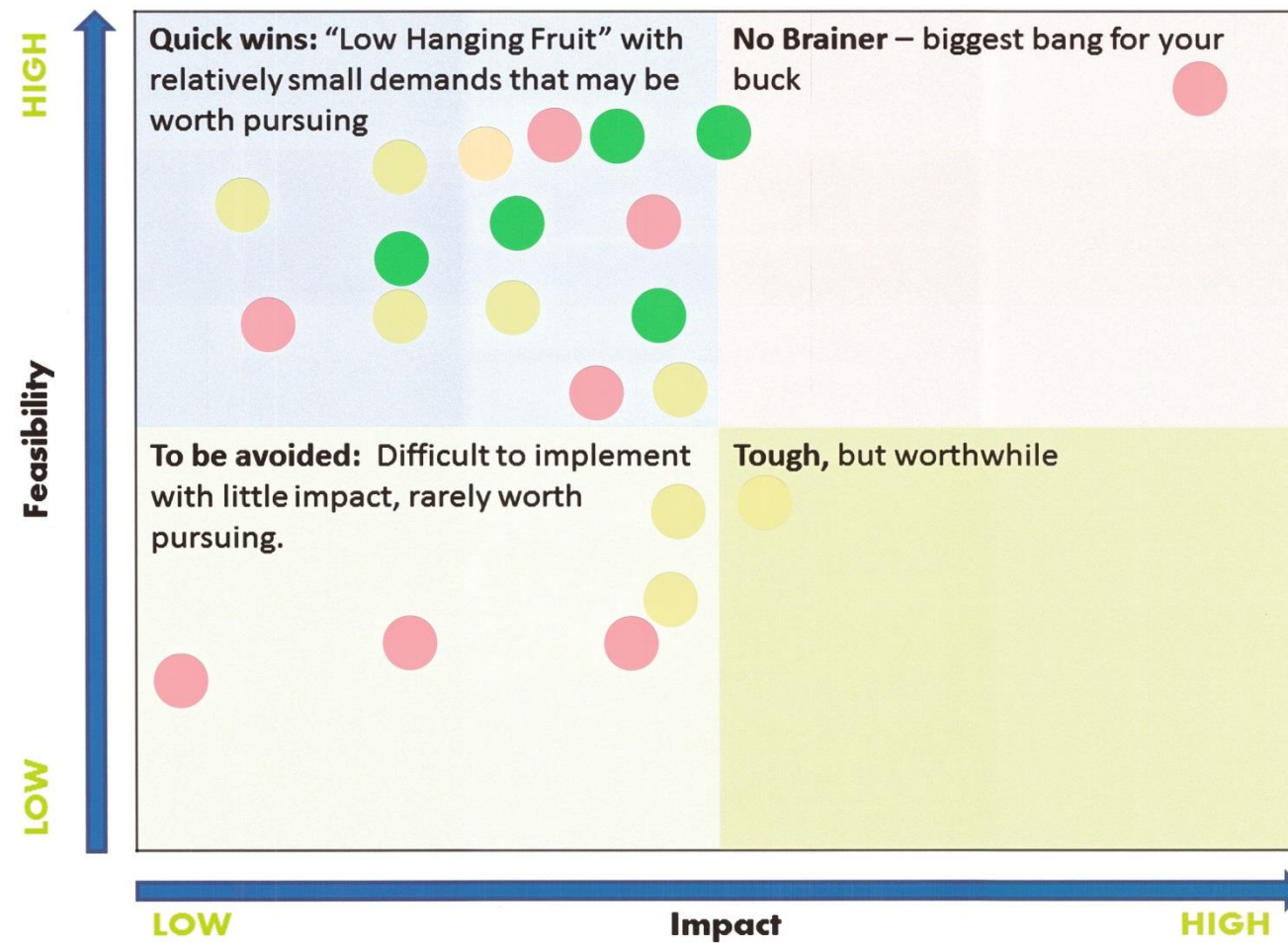
- Standard should apply to owner and rental occupied housing
- Use FHA standard as a baseline benchmark



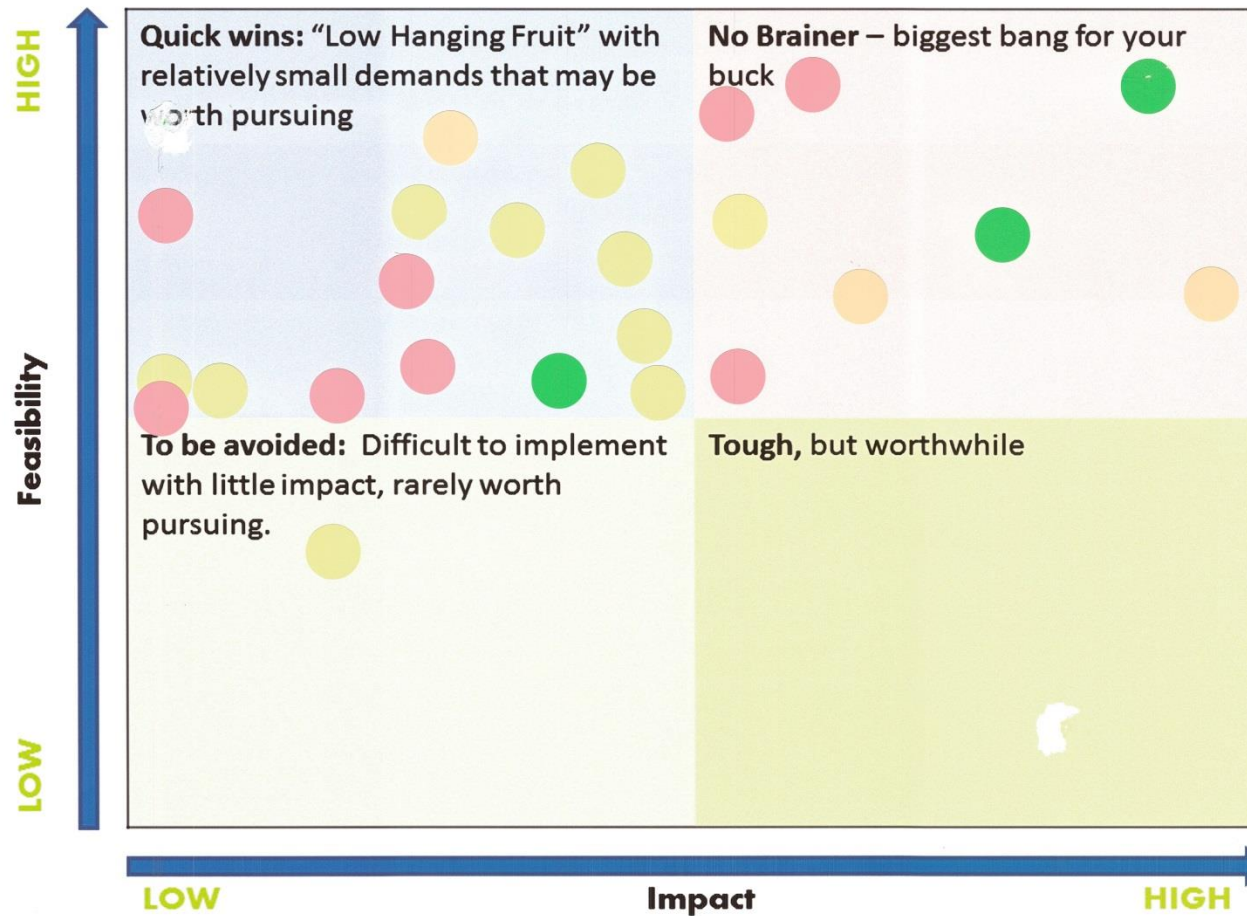
19. Establish a city-wide rental registry and inspection program that would enforce and incentivize the minimum housing quality standard to promote health and safety.



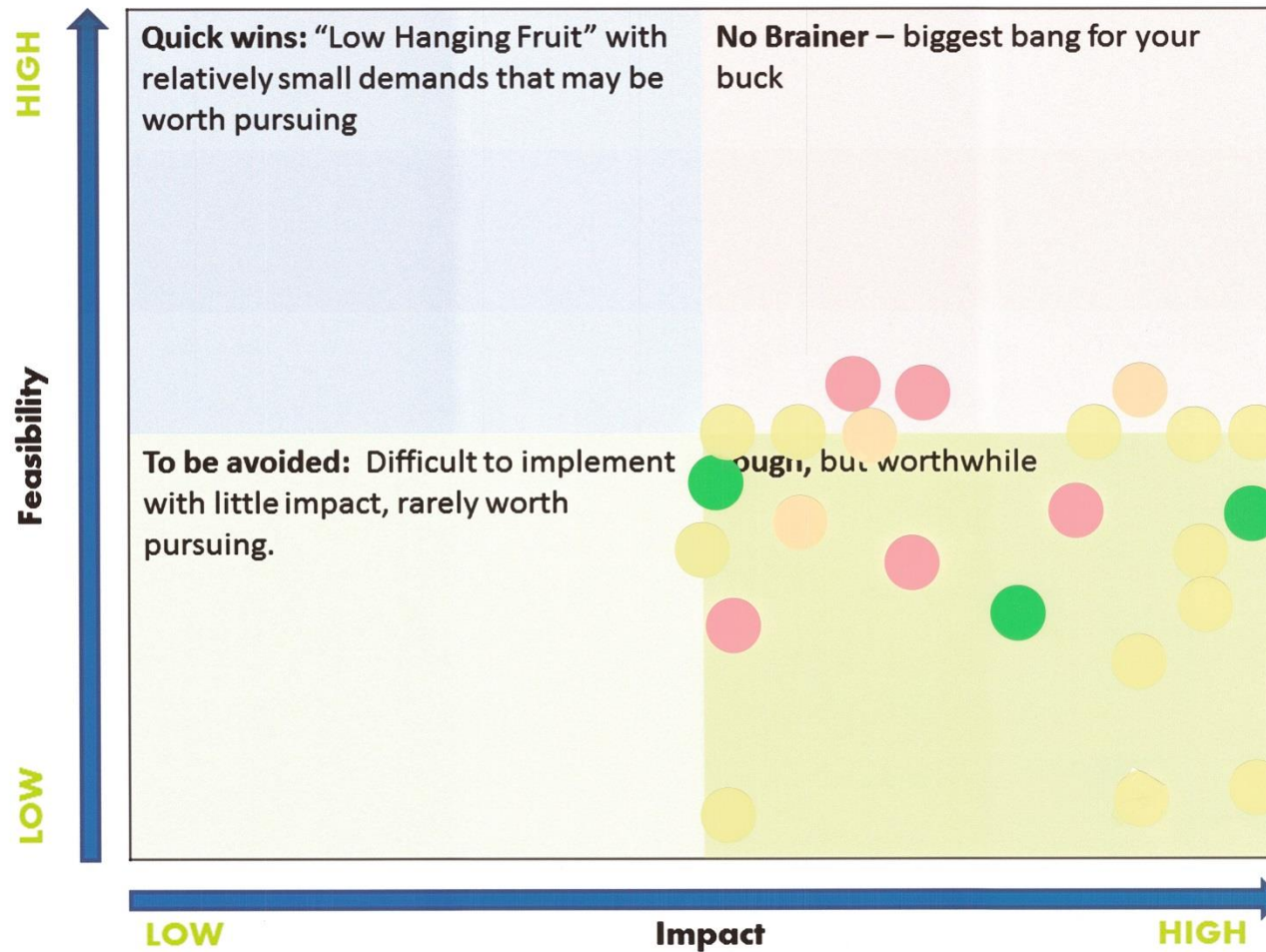
20. Partner with local real estate organizations to identify vacant, abandoned, and substandard homes.



21. Partner with organizations to provide an annual program to educate homeowners and potential homebuyers on purchasing, maintenance, rehabilitation programs available.



22. City peruses legislative action at the state to expedite the foreclosure process.



Mayor's Housing Quality Task Force Meeting Notes

Date: August 31, 2016

Time: 10AM-12PM

Location: Spokane Public Library

- The following slides provide notes to each of the recommendations that were reviewed at the meeting.
- The final report should include the following:
 - All recommendations should be considered regionally.
 - The City should develop goals/benchmarks for each recommendation.
 - The City should establish goals and benchmarks to measure affordable housing.
 - City needs to determine a baseline for measuring goals and benchmarks.
- Eliminated Recommendations: 4, 8, 19

Recommendation identified to be completed during a specified timeframe

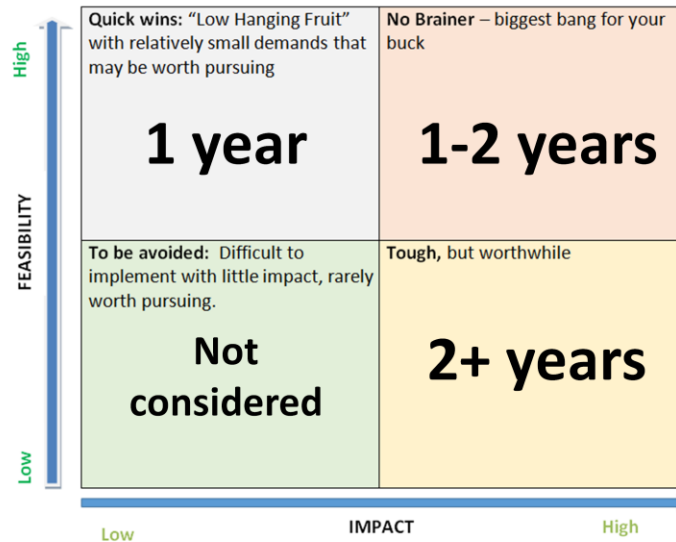
Years to Implement	Recommendations
0-1	2, 3, 7, 11, 18, 20, 21
1-2	1, 5, 8, 9, 22
2+	6, 14

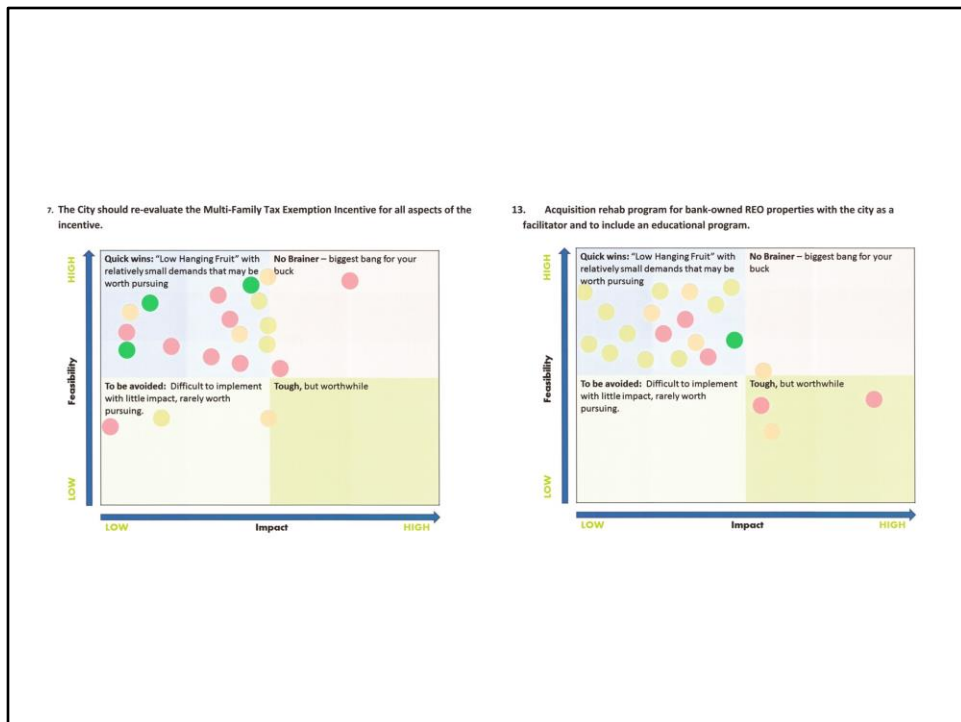
Recommendations with two parts:

1. Discovery/development phase
2. Implementation includes refinement of program

Years	Recommendations					
	10	12	13	15	16	17
0-1 <i>Discovery/development</i>	X	X	X	X	X	
1-2 <i>Implementation</i>	X	X	X	X	X	X
2+						X

Implementation Timeframe





Recommendation 7: no change to the wording **Timeframe:** 0-1 yr.

Notes:

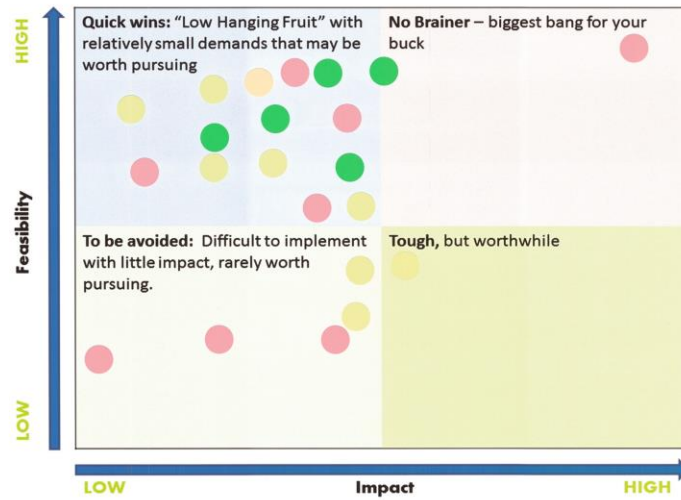
- MFTE will be reviewed by council by the end of 2017

Recommendation 13: no change to the wording. **Timeframe:** 2 years total (1st year to develop; 2nd year to implement.)

Notes:

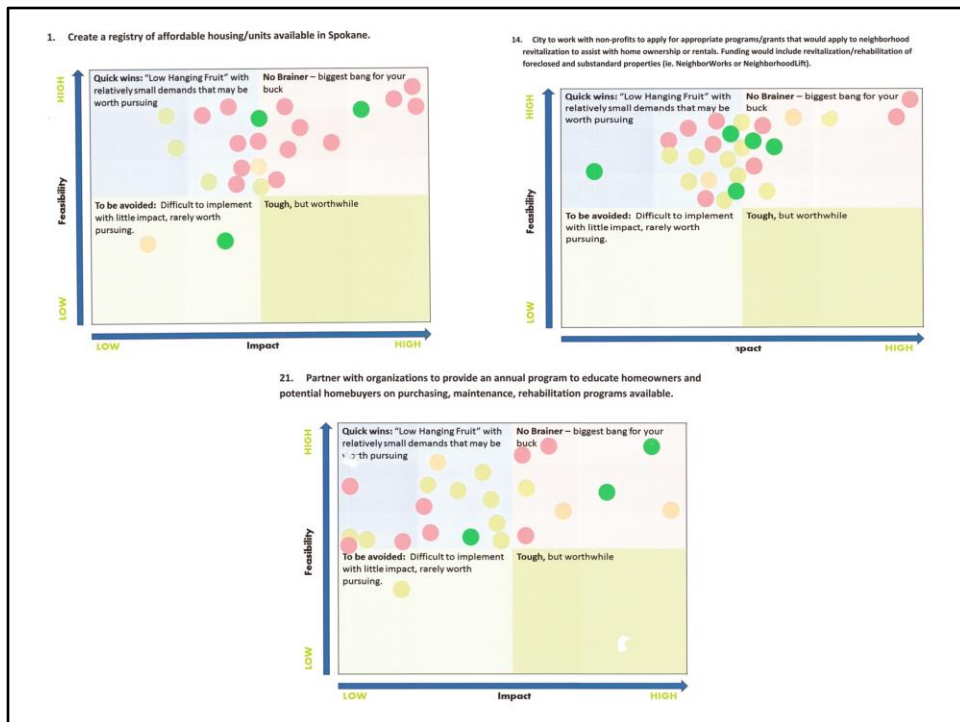
- This recommendation will take a significant budget allocation. Some aspects of the recommendation may be implemented within 1 year

20. Partner with local real estate organizations to identify vacant, abandoned, and substandard homes.



Recommendation 20: no change to the wording

Timeframe: 0-1 yr.



Recommendation 1: no change to the wording

Timeframe: 1-2 years

Add to sub-bullet(s) for the recommendation:

- Add an expiration date to when the home is listed for affordable homes
- City establishes a city wide rental registry program/rental inspection program.

Recommendation 14: no change to the wording
implement

Timeframe: 2-3 years to

Recommendation 21: no change to the wording

Timeframe: 0-1 yr.

Add to sub-bullet(s) for the recommendation:

- Better coordination between agencies is needed for implementation.



Recommendation 12: no change to the wording **Timeframe:** 0-1 yr. – create inventory or registry of available lands; 1-2 years to refine the incentives
Notes:

- This recommendation is similar to one from the Infill Development Group.

Recommendation 5: no change to the wording **Timeframe:** 1-2 years to implement

Add to sub-bullets for the recommendation:

- Create a category that supports and has a focus on Affordable Housing development.

Notes:

- Need to identify a funding source

Recommendation 11: no change to the wording **Timeframe:** 0-1 yr.

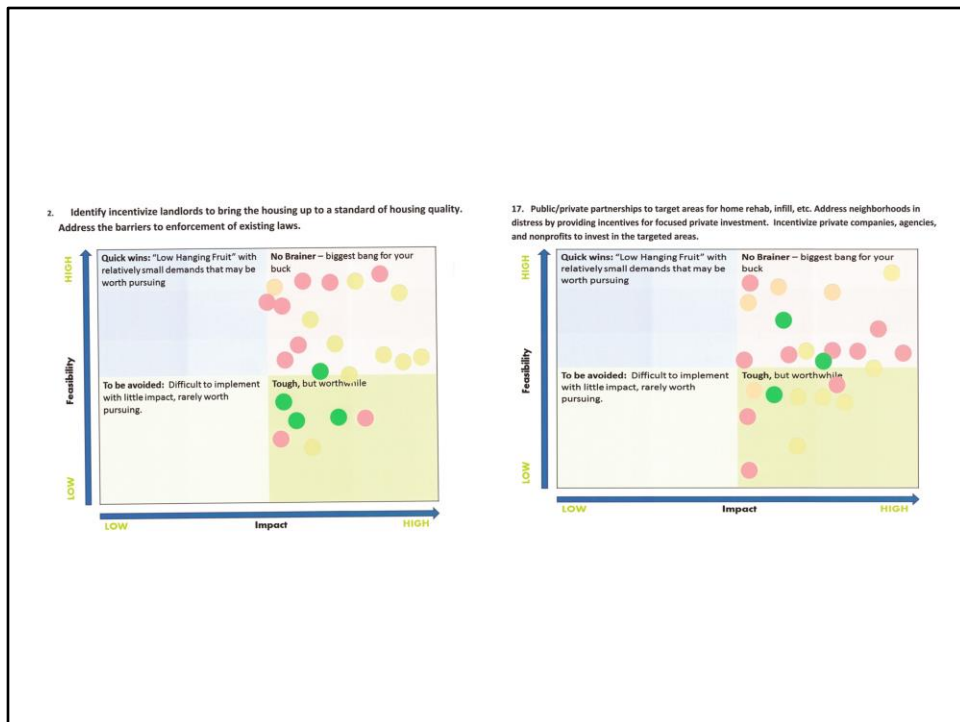
Add to sub-bullets for the recommendation:

- Re-evaluate what exists
- Re-evaluate how to enforce
 1. Rental Assistance
 2. Nondiscrimination against tenants with criminal history (timeframe 1-2 years)
 3. Identify funding to have a proactive enforcement program
 4. Review/audit group homes ordinance in the city. How does the City deal

with this?

Notes

- Difficult to enforce/no capacity to implement. WA stat is working on this and/or has worked on this but it has not passed. HUD has funding for enforcement of this program and it should be investigated. Need to identify a way to allow private attorney's to help with enforcement.

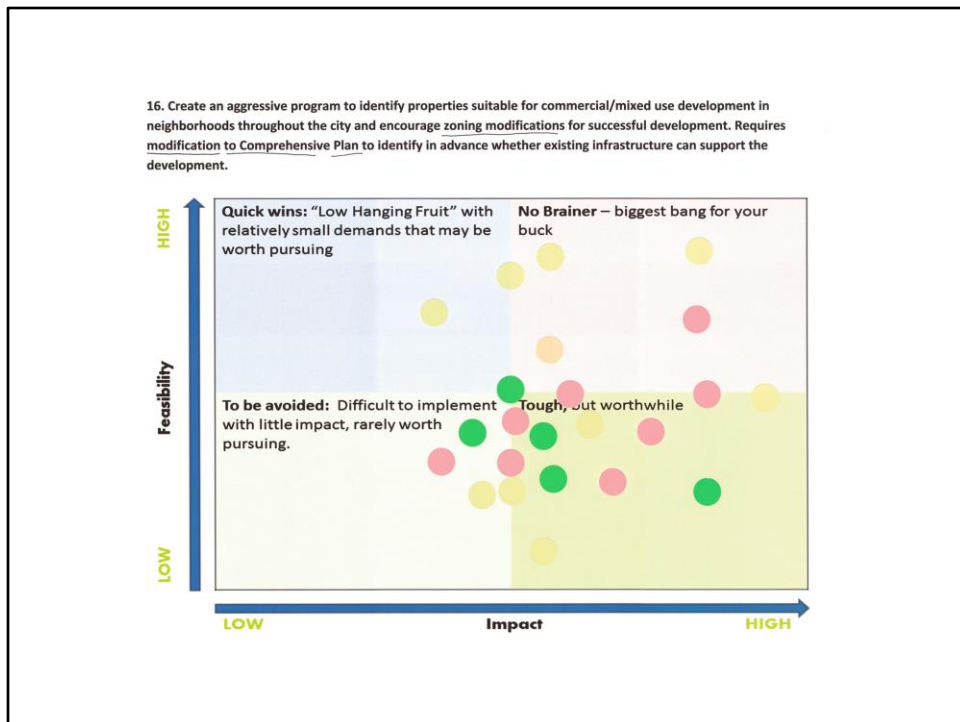


Recommendation 2: Wording has changed, see below **Timeframe:** 0-1 yr.
 Identify incentives for landlords to bring housing up to a standard of housing quality.
 Address the barriers to enforcement of existing laws.

- Need a housing quality definition to base this upon.
- City would need to dedicate funding to fund attorney fees/relocation fees.

Recommendation 17: Wording has changed, see below
 Develop and define public/private partnerships to target areas for home rehab, infill, etc. Address neighborhoods in distress by providing incentive for focused private investment. Incentivize private companies, agencies, and nonprofits to invest in the targeted areas.

Timeframe: 1-2 years to begin process; 2+ years the program will continue to be implemented and redefined.



Recommendation 16: Wording has changed, see below. **Timeframe:** 16A could be accomplished in 1-2 years, 16B could be accomplished in 3-5 years

16A. Create an aggressive program for subarea planning in and around centers and corridors to identify properties suitable for commercial/mixed use development that include mixed income and family housing, and identify transition zoning needs to ensure neighborhood compatibility in neighborhoods throughout the City.

16B. Implement zoning modifications and incentives as appropriate for successful development.

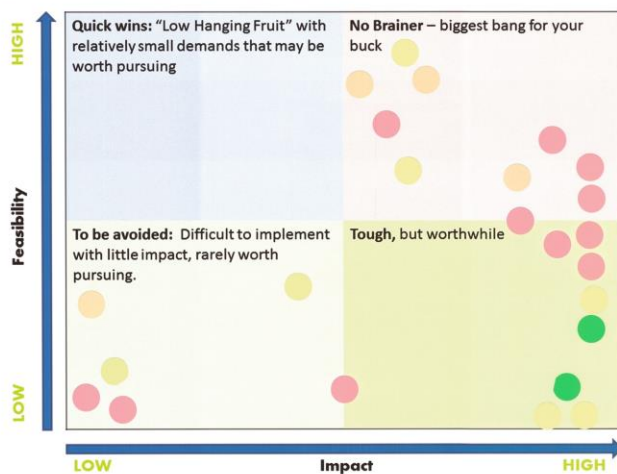
Add to sub-bullets for the recommendation:

- Mixed use includes family housing.

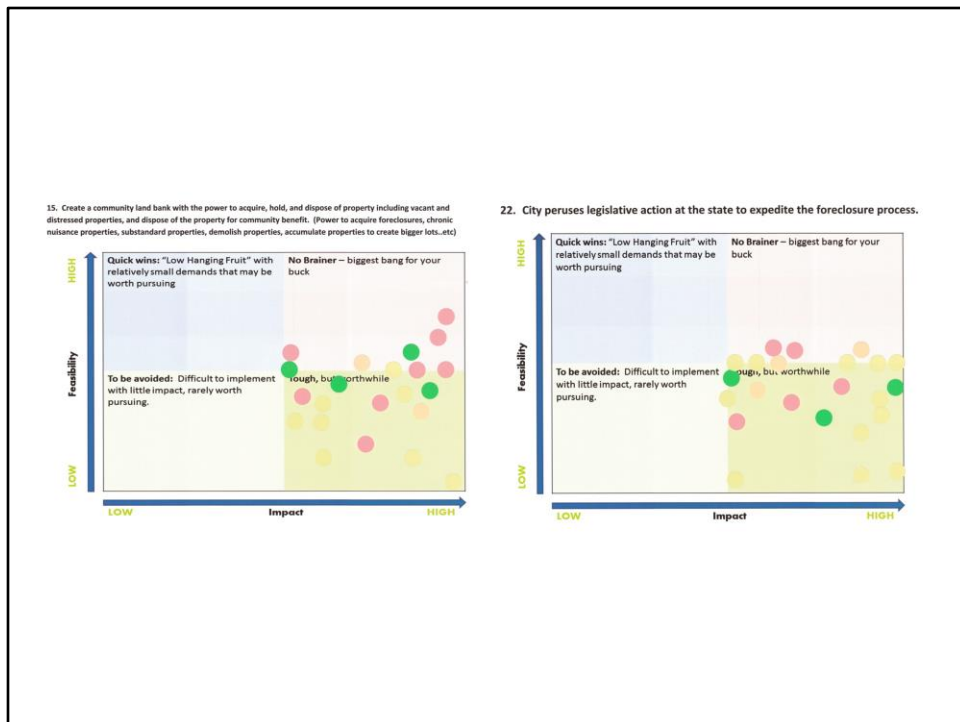
Notes:

- Recommendation not specific enough.
- Need to review the Comprehensive Plan to see how this recommendation aligns or does not align with the goals and objectives.
- Comprehensive plan help in creating an aggressive program that would start the process.

4. All residential development would require a developer to;
- Include the development of a number/percentage of affordable housing at the site or
 - The developer would be required to pay a fee that would fund other affordable housing development in Spokane via a local Housing Trust Fund.



Recommendation 4: Eliminate this recommendation but fold the language into recommendations 5 & 17 and include language around incentives.



Recommendation 15: no change to the wording
set up structure; 1-2 years to get funding.

Timeframe: 0-1 year to

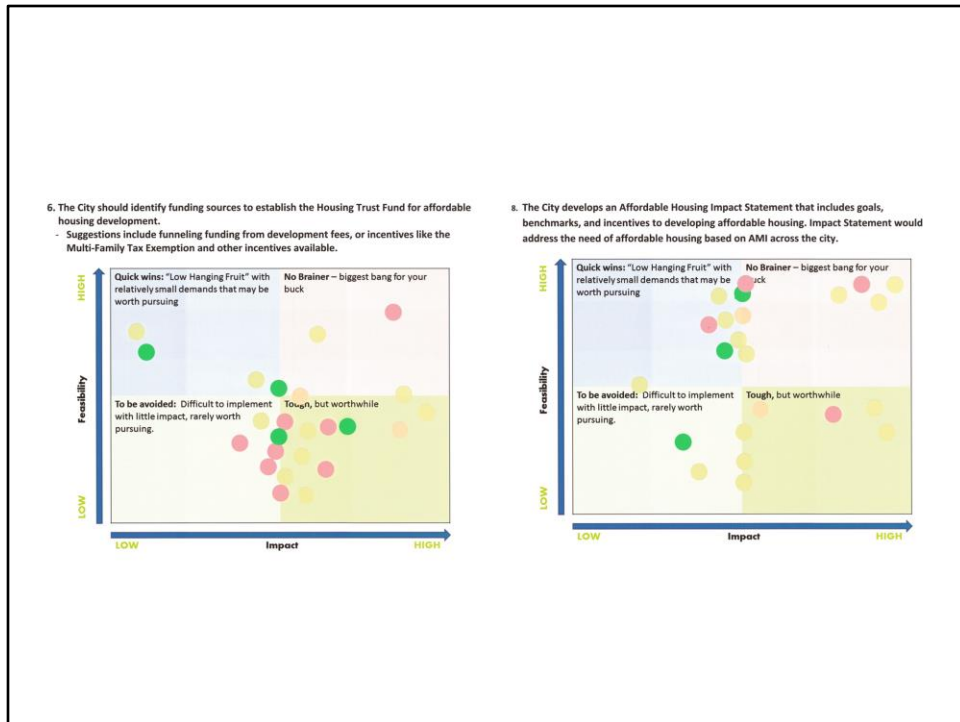
Notes:

- Needs initial funding to get off the ground. Funding is the biggest issue.

Recommendation 22: Wording has changed, see below. **Timeframe:** 1-2 years
City pursues legislative action to identify and develop tools to expedite and complete the foreclosure process.

Add to sub-bullets for the recommendation:

- Tools should be expanded



Recommendation 6: Wording has been changed, see below

Timeframe:

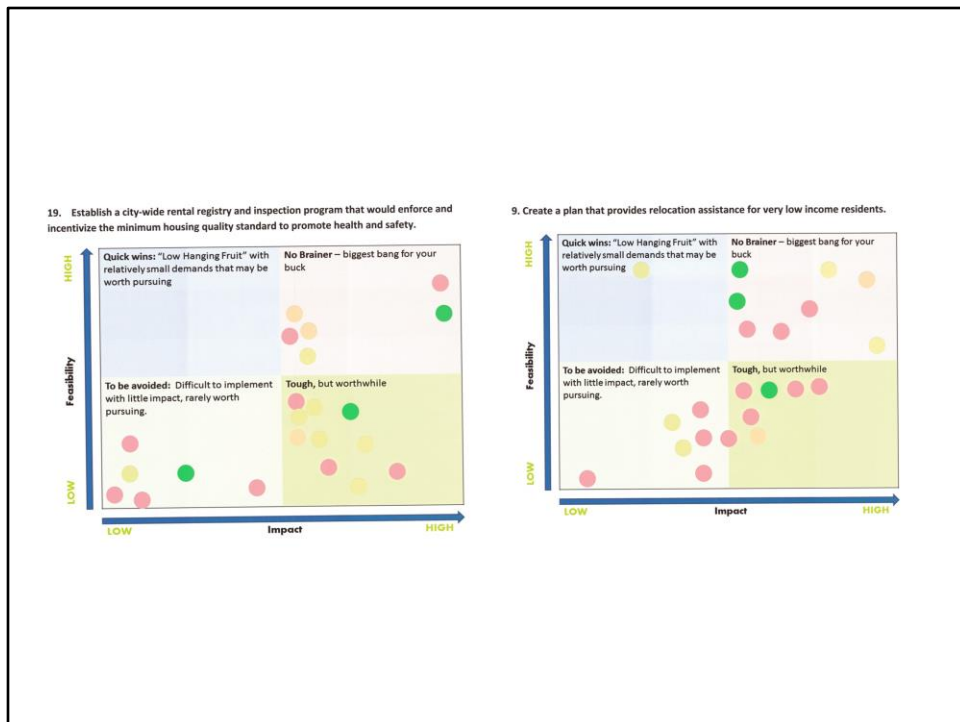
2+ years

The City should establish a Housing Trust Fund and identify regional partners and funding source

Notes:

- Partner with the County and other for funding.
- Collaborate with regional partners to establish a housing trust fund for affordable housing development.

Recommendation 8: Eliminate this recommendation but goals and performance measures should be kept for all other recommendations.



Recommendation 19: Recommendation has been eliminated by breaking the wording into two subcategories and moved to recommendations number 1 & 19

Two parts:

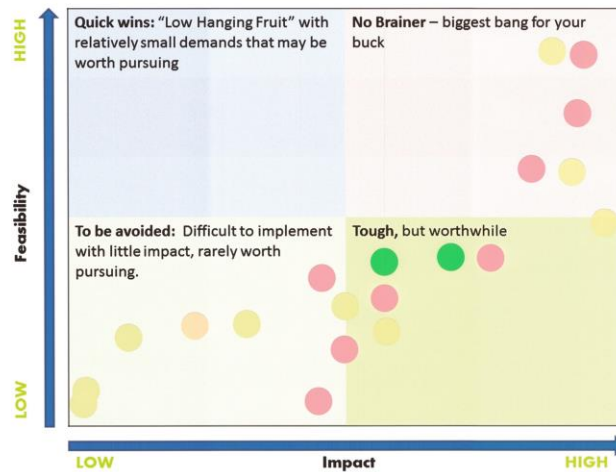
1. City investigates a program to incentivize improvements to housing quality.
2. Rental inspection program that would enforce and incentivize minimum housing quality standard.

Notes:

- Barriers: High cost, is this recommendation constitutional, Invasion of privacy of renters.

Recommendation 9: Wording has changed, see below **Timeframe:** 1-2 years
Create a plan that provides relocation assistance for displaced or involuntary termination of resident(s).

10. Establish and enact a Just Cause Eviction Ordinance.



Recommendation 10: Wording has been changed, see below.

Timeframe:

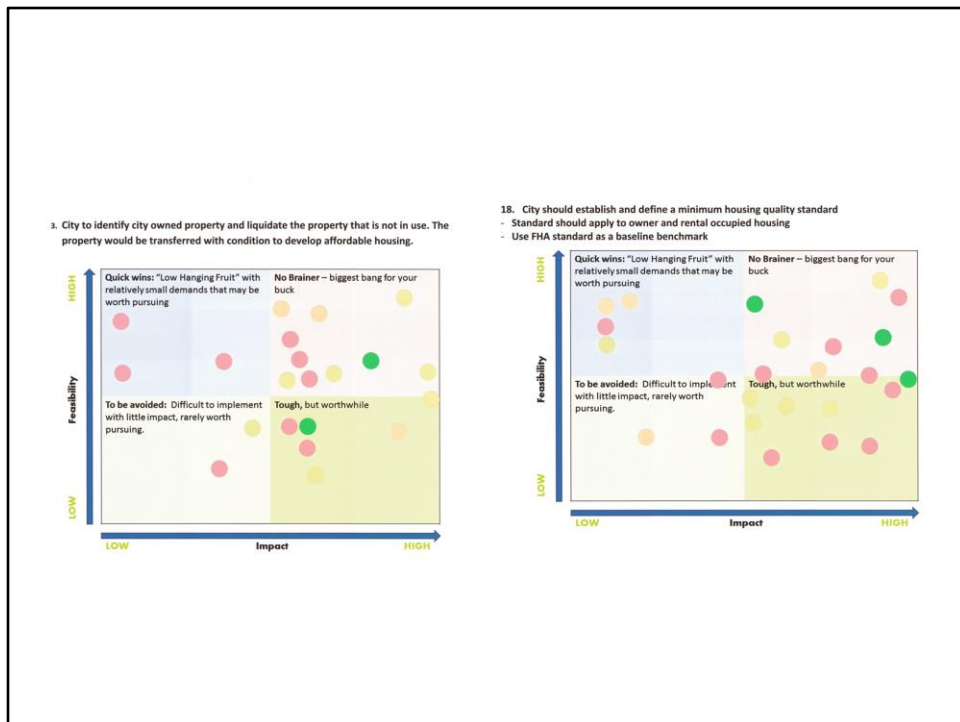
0-1 yr. for exploration and reporting of effectiveness; 1-2 years to implement.

Explore and report the effectiveness of establishing a Just Cause Eviction Ordinance in Spokane and in partnership with landlords and tenants.

- Create metrics.

Notes:

- Barrier: difficult to enforce because the duration of time for a rental contract can vary.



Recommendation 3: Wording has changed, see below **Timeframe:** 0-1 yr.

- City to identify city owned property that is not in use or underused to be liquidated. The property could be transferred with condition to develop affordable housing.

Notes:

- City Council and Asset Management are working on this currently.

Recommendation 18: Wording has changed, see below **Timeframe:** 0-1 yr.

City should define and establish a minimum housing quality standard.

- Standard should apply to owner and renter occupied housing.
- Include baseline, goals, and benchmarks.
- Include enforcement and incentives.

Mayor's Housing Quality Task Force Meeting Notes

Date: September 21, 2016

Time: 10:30 AM-12:00 PM

Location: Spokane Public Library, Downtown

Welcome & Next Steps: Mayor Condon

It's critical for cities today to implement integration of solutions throughout city government. The integration of departments makes the city more efficient in the way they provide services through the community. Quality Housing throughout the City is Multifamily, single family, and affordable housing throughout the city and in every neighborhood. Everyone attending the meeting is part of the integration of community members and city departments to develop quality housing throughout the City and every neighborhood.

Presentation- Final Recommendations: Loretta Cael

0-1 year goals:

1. Identify incentives for landlords to bring housing up to a standard of housing quality. Address the barriers to enforcement of existing laws.

- Need a housing quality definition to base this upon.
- City would need to dedicate funding to fund attorney fees/relocation fees.
- Make the program voluntary for landlords and once achieved the landlord would be certified as achieving the housing standard.
- There should be more research done on rental programs i.e rental inspection and/or rental business licensing programs that would best fit the Spokane community.
- Identify ways to make it affordable for landlords to bring their rentals up to a housing quality standard.

2. City to identify city owned property that is not in use or is underused to be liquidated. The property could be transferred with condition to develop affordable housing.

- Inventory the current amenities on the property and include information such as location that would factor into whether it makes it more affordable. Require an affordable housing component to developing the property.
- The city would market the property for sale; provide incentives to the developer for the development of affordable housing.
- The City could investigate options to providing a program where the property could be transferred to new ownership rather than selling the property, this would still include development of affordable housing.

3. City should define and establish a minimum housing quality standard.

- Standard should apply to owner and renter occupied housing.
- Include baseline, goals and benchmarks.
- include enforcement and incentives.

4. Partner with local real estate organizations to identify vacant, abandoned, and substandard homes.

5. Partner with organizations to provide an annual program to educate homeowners and potential homebuyers on purchasing, maintenance, rehabilitation programs available.

- Better coordination between agencies is needed for implementation.

6. The City should re-evaluate the Multi-Family Tax Exemption (MFTE) Incentive for all aspects of the incentive.

- Revisit how the MFTE works and see if it works in today's market. Through this process identify what needs to be removed from the incentive, what needs to be added, identify barriers as to why developers are not using this incentive and identify challenges to achieving the incentive.
- Make the MFTE less restrictive.
- Reevaluate the renewal process.

7. Re-evaluate/amend the existing Discrimination Ordinance

- Re-evaluate what exists currently.
- Re-evaluate how to enforce rental assistance and nondiscrimination against tenants with criminal history.
- Identify funding to have a proactive enforcement program.
- Add nondiscrimination against Section 8 Voucher holders and/or other subsidized ways to pay for relocation and nondiscrimination against tenants with a criminal history.

1-2 Year Goals:

1. Create a registry of affordable housing/units available in Spokane.

- Add an expiration date to when the home is listed for affordable home listings.
- City establishes a city wide rental registry program/rental inspection program.
- If you are utilizing incentives for development of affordable units/housing then you should be required to list your property on a centralized webpage that the city could maintain and/or listing on the HousingSearchNW.org which is an affordable rental housing search website.
- Creating an application and/or a location on the cities website that identifies where affordable housing units are located. i.e. Zillow. Would include identifying units that accept housing vouchers, are below market value for affordability...etc.
- Educating the public on how to find and use the website.
- City investigates a program to incentivize improvements to housing quality.

- Rental inspection program that would enforce and incentivize minimum housing quality standard.
- 2. Identify funding for the Incentives 2.0 Permit Fee/Impact Fee Waiver Program, this should include and identify all/any additional fee waivers that may be included.**
 - Incentives 2.0 program provides reimbursement of permit/impact fees after development.
 - Create a category that supports and has a focus on affordable housing development.
 - Provide incentives to the developer for the development of affordable housing.
- 3. Identify incentives for landlords to bring housing up to a standard of housing quality. Address the barriers to enforcement of existing laws.**
 - Need a housing quality definition to base this upon.
 - City would need to dedicate funding to attorney fees/relocation fees.
- 4. City pursues legislative action to identify and develop tools to expedite and complete the foreclosure process.**
 - Tools should be expanded.

2+ year Goals

- 1. The City should establish a Housing Trust Fund; identify regional partners and a funding source.**
 - Collaborate with regional partners to establish a Housing Trust Fund for affordable housing development.
- 2. City to work with non-profits to apply for appropriate programs/grants that would apply to neighborhood revitalization to assist with home ownership or rentals. Funding would include revitalization/rehabilitation of foreclosed and substandard properties (i.e. NeighborWorks or NeighborhoodLift)**

Phased Recommendations:

- 1. Create an aggressive program from subarea planning in and around centers and corridors to identify properties suitable for commercial/mixed use development that include mixed income and family housing, and identify transition zoning needs to ensure neighborhood compatibility in neighborhoods throughout the City of Spokane.**
- 2. Implement zoning modification and incentives as appropriate for successful development. Mixed use includes family housing.**
 - Provides access to jobs, services, amenities to provide quality housing within neighborhoods.
 - Neighborhoods need to be engaged about what they would like to see in developments.
 - Neighborhoods and citizens should be involved throughout the process.
 - Mixed use includes family housing.

3. **Develop and define public/private partnerships to target areas for home rehab, infill...etc. Address neighborhoods in distress by providing incentive for focused private investment. Incentivize private companies, agencies and nonprofits to invest in the targeted areas.**
 - Use the city's economic development model.
 - Implement Target Investment Pilot (TIP) strategy in the housing arena. Identify the target areas where financial partners are already focusing (find areas where there is overlap between city and private financial partners)
 - Focus on hardest hit areas that may be overlooked
 - Provide incentives to the developer for the development of affordable housing.
4. **Explore and report the effectiveness of establishing a Just Cause Eviction Ordinance in Spokane and in partnership with landlords and tenants**
 - Create metrics.
5. **City to create an inventory or registry of available lands for infill with incentives in place for development.**
 - Incentives would include developing affordable housing/unit.
6. **Acquisition rehab program for bank-owned REO properties with the city as the facilitator and to include an educational program.**
 - City acquires Real Estate Owned properties from lenders at low price and sells to buyers using a 203k loan to rehabilitate property. City could remove liens.
 - Include an education component for potential homeowners and developers
7. **Create a community land bank with the power to acquire, hold, and dispose of property including vacant and distressed properties, and dispose of the property for community benefit. (Power to acquire foreclosures, chronic nuisance properties, substandard properties, demolish properties, accumulate properties to create bigger lots...etc)**

Recommendations:

1. Jonathan Mallahan recommended pushing forward some of the 2+ year goals forward sooner since they are some of the highest impact ideas.
2. The mayor recommends establishing a task force or steering committee that can look into implementing the listed goals.
3. Amber Waldref encourages infill housing task force and the Mayors Quality Task Force work together through this process to develop affordable quality housing.
4. Get rid of wording like "quick win" and the time frame in the heading to language that doesn't stifle work until the designated time frame.
5. The implementation task force should include:
 - Tenant and landlord representatives.
 - Bank Representatives
 - Developer representatives

- Real-Estate representatives
- Homeowner representative
- Planning
- Planning Commission
- Infill Housing Committee
- Non-profits
- Housing Finance Commission
- Neighborhood representatives
- Communications expert
- CHHS Board representative

6. Mayor suggests moving the May meeting up to March.

Rental Housing Research Stakeholder Group

Public Safety Committee

Final Report to the Community Assembly

August 4, 2016

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To the Community Assembly:

The Community Assembly expressed an interest in researching and understanding the current conditions for rental housing units. The Public Safety Committee established the goal for its work to identify issues associated with rental housing units, resources and existing policies, ordinances and organizations that are related to housing unit rentals and identify the gaps in issues and resources of rental housing. To accomplish this goal, the Public Safety Committee convened a Stakeholder Group comprising representatives from neighborhood councils, landlords and tenants.

For the past 16 months the Stakeholder Group has heard presentations from the following agencies, organizations and professionals as their work pertains to the issues related to rental housing:

- Spokane Regional Health District
- City of Spokane Building Department
- City of Spokane Department Code Enforcement
- City of Spokane Fire Prevention Bureau
- City of Spokane Attorney
- Spokane Low Income Housing Consortium
- Spokane Housing Authority
- Attorneys Jose Trejo and Tom McGarry

The final presentations the group heard were prepared by the Stakeholder Groups themselves, summarizing the issues and concerns from each of their unique perspectives. These presentations are here for your review.

Through consensus, the Long-term Stakeholder Group agreed to recommend their conclusions be reviewed and considered by this body for submission to the Mayor's Housing Quality Task Force as additional data and recommendations to complement their work.

Respectfully,

Julie Banks, Public Safety Committee Chair

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Landlord Stakeholder Presentation (Original Version)

Disclaimer: The Landlord Stakeholder Presentation presented at the March 22, 2016 stakeholder meeting contained language that characterized individuals and groups, and was deemed offensive by some stakeholders. In response, the Landlords submitted an alternate version revising the language that was deemed offensive. At the July 28, 2016 stakeholder meeting, the stakeholders debated which version of the Landlord Stakeholder Presentation to forward to the Community Assembly. The stakeholders voted by a majority to forward both the original and revised versions; and to include this disclaimer with the presentations.

Rental Housing Review

Presentation by Landlord Stakeholders:

- Landlord Association
- National Association of Residential Property Managers
- Spokane Housing Ventures
- Smaller Scale Landlords

Facts: Importance of rental housing

Importance of Private Housing:

47% of housing are rental properties

Avg of 2.5 persons per household - 99 744 people in rentals

19.9% (42.201) people in poverty concentrated in rental housing

Investment in rentals exceeds \$3 billion

Property taxes \$32 million, utilities \$33 million (10% of City budget)

Rental income generated is over \$297 million (12% of Spokane GDP)

13人

Dwindling pool of rentals (govt and private) Low profitability

Ageing infrastructure

Confrontational problem resolution – More governance – mandatory registration

Little support for landlords

48

Representing Landlord Stakeholders:

Landlord Association: Alexander Scott and Steve Corker

National Association of Residential Property Managers: Eric Bisset

Spokane Housing Ventures: Patty Webster

Spokane Housing Authority: Cicely Bradley

Small Scale Landlord: Heleen Dewey, Chris Bornhoft

Economics of Renter Properties			
	Owner	Renter	Total
Single Unit	44,443	15,948	60,391
Two-to-four Unit		8,188	8,188
Five-plus Unit		15,480	15,480
Total Renter Properties	44,443	39,616	84,059
	53%	47%	

	Property Values	
	Avg. \$	Total \$
Single Unit	113,000	1,239,020,000
Two-to-four Unit	18,488	154,300,000
Five-plus Unit	15,480	240,000,000
Total Renter Properties	39,616	3,958,360,000

	Property Taxes		Utilities		City Income	
	Avg. \$/yr	Total /yr	Avg. \$/mth	Total /yr	Total /yr	Total /yr
Single Unit	15,948	2,000	31,896,000	100	19,137,600	51,033,600
Two-to-four Unit	8,188	790	6,441,000	50	4,912,800	11,053,800
Five-plus Unit	15,480	790	11,610,000	30	9,288,000	20,898,000
Total Renter Properties	39,616		49,947,000		31,138,400	82,980,400
% of City 2016 budget			6%		4%	10%

	Rental Income		
	Avg. \$/mth	Total /yr	
Single Unit	15,948	800	153,100,800
Two-to-four Unit	8,188	500	49,172,000
Five-plus Unit	15,480	500	92,880,000
Total Renter Properties	39,616		295,150,800
% of City 2016 budget			36%

GDP 2008 City of Spokane	\$M
Real Estate and Rental and Leasing	17,440
	2,041
	12%

<http://econsource.com/info/book-view-with-history-2008>

<http://econpost.com/qdo/bookone-washington-qdo-table-2008>

Facts: Profit myth Single Family Residence					
Single Family Home				Profit /yr	Cash on Cash return
Property Value				120,000	
Loan		70%	84,000		
Building Value		80%	96,000		
Rent		Monthly rent say	850	10,200	10,200
Vacancy Rate			3%	(255)	(255)
Property Management			8%	(816)	(816)
Taxes		City Taxes	2,000	(2,000)	(2,000)
Insurance			500	(500)	(500)
Repairs - annual		1% of property value	960	(960)	(960)
Repairs - structural repairs		Replace house in 27 years	27	3,556	(3,556)
Interest Rate		Est 5%	5%	4,200	(4,200)
(Loss) / Profit \$				(2,007)	1,469
Value %				-1.70%	1.22%

Why do landlords invest in residential property?

Capital appreciation – long term, repurpose property
 Got the property cheap – e.g. inheritance, foreclosure
 Alternative investment at stage of life
 Alternative investment compared to economic conditions

Increase profit by better Management :

Increase rent over time
 Increase rent – better property condition
 Reduce Vacancies
 Good tenants – pay rent on time, take care of property, no damage
 Reduce costs by not repairing short term
 Reduce costs by not doing long term replacements
 Operate and sell before major improvements are required

Facts: Profit myth Apartment					
Apartment - 2 bedroom				Profit /yr	Cash on Cash return
Property Value			70,000		
Loan		70% of property value	49,000		
Building Value		Say 80%	56,000		
Rent		Monthly rent say	600	7,200	7,200
Vacancy Rate			3%	(180)	(180)
Property Management			8%	(576)	(576)
Taxes		City Taxes	2,000	(2,000)	(2,000)
Repairs - annual		1% of property value	560	(560)	(560)
Repairs - structural repairs		Replace house in 27 years	27	2,074	(2,074)
Interest Rate		Est 5%	5%	2,450	(2,450)
(Loss) / Profit \$				(640)	1,434
Value %				-0.91%	2.05%

Major concerns
Much of Spokane's rental woes are about high poverty, ageing infrastructure and high reliance on privately provided accommodation (landlords)
Poverty - 19.9% of people living below the poverty line, assuming that these people rent, and 44% of rental properties are to those under the poverty line.
Large number of aging properties - rental properties will become re-purposed if unprofitable or too cumbersome leading to further housing pressures
Poor data collection - by existing public agencies don't capture accurate complaints data so unknown full extent of the renter/landlord or property condition problems
Ineffective agencies - existing systems in place and in effective, it is more cost effective to strengthen existing systems rather than bring in new systems
Rent increases - Additional costs pushed to the tenant or less rental housing
No incentive programs - encourage housing investment
No mediation systems - Problem resolution is limited, combative, costly and takes a long time

Specific concerns
1. Low income, low
2. More ageing properties
3. Less rental properties
4. Lack of affordable housing
5. Bad Neighborhoods
6. Bad Landlords
7. Bad Tenants
8. Existing compliance systems don't work
9. Mandatory inspections are ineffective, costly and won't resolve issues

1. Low income

Population - 212,067

Low household income levels (Spokane \$43,694 US \$51,939)

Unemployment 6.4%

High poverty (19.9% Persons below poverty line 42,201)

High proportion of rentals (47% Rented properties 39,616)

Low home ownership (Spokane 53%, US 63.8%)

30% of owners pay 30%+ for housing costs (2014)

52% of renters pay more than 30% of Household income for rent (2014)

44% of renter units live under poverty line

Conclusions:

- Need for economic growth, more jobs, job security, higher paying jobs



2. More Ageing Properties

39,616 rentals

80% of rentals are over 55 years old

73 % of rentals are over 25 years old

17% of properties are "below average"

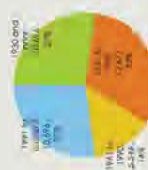
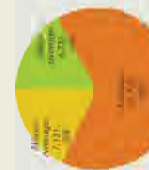
No data on "not suitable for rental"

Property complaints data non existent:

2014 – 5 of 39,616 properties (Code enforcement)

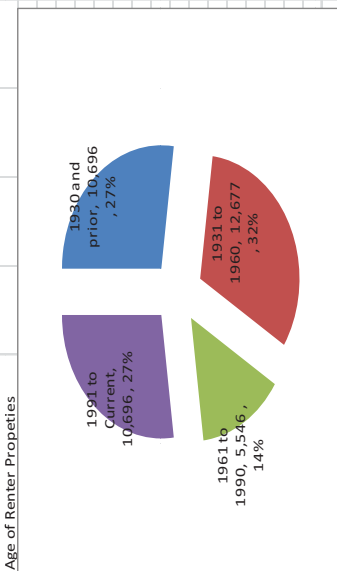
Conclusions:

- Ageing properties cost more to repair
- Rentals must include some costs toward repairs
- Unprofitable properties will be repurposed
- Eventually older houses will be decommissioned as rentals
- What support is available to keep the properties as rentals (tax breaks)

Population Demographics		Spokane County	City of Spokane
Population			
Persons below poverty line		76,910	42,201
Est: Households below poverty line		30,764	17,584
Est: % of rental units occupied by households under poverty line			44%

Age of Rental Properties		Renter	Pct.
1930 and prior		10,696	27%
1931 to 1960		12,677	32%
1961 to 1990		5,546	14%
1991 to Current		10,696	27%
		39,616	100%



Population	484,318	212,067
Per capita income	26,235	24,848
Median household income	50,249	43,694
Household income under \$50k	50.0%	55.0%
Persons below poverty line %	16.4%	19.9%
Poverty Children (under 18)	20.0%	25.0%
Poverty Seniors (65 and over)	9.0%	12.0%
Number of households	187,603	85,300
Persons per household	2.5	2.4
Number of housing Units	206,106	95,947

Source: <https://censusreporter.org/profiles/16000US367000-spokane>

3. Less Rental Properties available
<p>LESS: Private Housing available as owners sell out</p> <ul style="list-style-type: none"> • Increase in housing prices means properties can be sold after recession • Rental Property Investment is high risk and low return • Housing stocks is ageing - increased repair costs • Increased business risks due to more compliance • Rents are not keeping up with operating and replacement costs • Improved economy means landlords are more selective • Landlords move to more friendly investment environments (S. Valley) <p>Conclusions:</p> <ul style="list-style-type: none"> • Increasing cost of repair of older properties • Relatively low rents, few property condition complaints • Very little new housing in City of Spokane • Fewer rentals as older properties are not profitable and are retired • Incentives to keep property stocks available • Landlords will be more selective in tenant quality

Investment in Residential rentals is ECONOMIC driven:

4. Less Affordable Housing
<p>LESS: Govt. owned housing – reliance on Private Housing</p>
<p>MORE: Demand for Affordable Housing from Impoverished 19.9%</p> <ul style="list-style-type: none"> • Increase in levels of poverty – All Ages 2015 - 76,910 or 16.32%, City of Spokane 19.9% • Rent 1 bed West Central \$463, Hillyard \$442 (12% of GHI) • Rent 2 bed West Central \$599, Hillyard \$648 (18% of GHI) • Rent 3 bed West Central \$805, Hillyard \$799 (22% of GHI) • Rent 4 bed West Central \$907, Hillyard \$898 (24% of GHI)
<p>MORE: Demand for Agencies such as Spokane Housing Ventures, Charities</p> <p>Conclusions:</p> <ul style="list-style-type: none"> • Fight poverty / Increase jobs / Assist home buyers / Increase govt. assistance / Encourage private housing by supporting Landlords and reducing obstacles

5. Bad Neighborhoods
Vacant properties (foreclosures, inability to repair)
Damaged buildings (boarded up properties)
Illegal installation (squatters)
Illegal activities (drugs, prostitution)
Rubbish (streets, verges, houses)
Unsafe neighborhoods
Gangs
High home ownership and secure tenants strengthens community
Conclusions: <ul style="list-style-type: none"> Lack of pride and social cohesion, Unsocial behavior, more property damage, more lawlessness, health and safety, property prices decrease, owners won't invest in housing Empower Code Enforcement and Police to deal with these issues

6. Bad Landlords
No Empirical Data about the number type and nature of complaints.
Take action on the few bad landlords already known to the City
Legislation and Code Enforcement systems available but ineffective
<ul style="list-style-type: none"> Legislation (Landlord Tenant Act) Many services and avenues (unknown?) Issues are not reported but the systems are in place
Conclusions: <ul style="list-style-type: none"> Focus on a few bad landlords will require broad expensive solutions that don't fix the underlying issues City to provide support and work with Landlord Association Landlords training Make mediation available.

7. Bad Tenants

No Empirical Data about the number type and nature of complaints.

Difficulty to force tenants to comply (privacy, legislation)

Expensive to enforce compliance or evictions

Long time to resolve and terminate tenants

Limited ability to recover damages from tenants

Few support avenues available to Landlords

Can't manage tenants behavior – health, hygiene

Tenants can't pay for damage

Tenants can't afford to move – themselves or possessions

Conclusions:

- Landlords cannot absorb costs. Reduced quality of buildings or reduced amount of buildings for rent. Costs will be passed back to tenants
- Tenant training. Make mediation available.

8. Existing Systems Ineffective

Landlord Tenant Act - provides remedies and support (litigation based)

Code Enforcement – limited data, jurisdiction, resources

Building department – limited data, jurisdiction, resources

Police – unable to resolve behavior issues

Fire Department – process allows for inspections but many recurring issues

Health Department – reporting and information systems exist

Courts – expensive, takes a long time, credit history, angry people, damage to property and people, public humiliation

Mediation limited and expensive

Very few options but to go to court

Conclusions:

- Refocus and empower code existing enforcement systems to deal with major issues.
- More proactive – 80% of problems are resolved within 24 hours
- Investigate and resolve problems and complaints
- Reduce costs and time to resolve unlawful detainer actions

9. Mandatory Inspections are ineffective, costly and won't resolve issues
No Empirical Data about the number type and nature of complaints.
No register of issues, bad landlords and bad tenants
Mandatory inspections cannot resolve behavioural problems, poverty
Who will undertake inspections? What will be inspected? When will the inspections be done?
What about tenant privacy?
What are the Costs? For the City of Spokane / For the Tenant / For the Landlord
Costs will eventually be passed on to tenants
More stringent screening of tenants, industry register of problem tenants / eviction registers
Landlords will reduce number of rental properties or affordable rentals
Conclusions: <ul style="list-style-type: none"> Reduces and empowers existing systems. Implement training and mediation. Costs will be passed onto Tenants Tenants will have less privacy in the home

Conclusions for Spokane
<ol style="list-style-type: none"> 1. Lack of accurate data on tenant / landlord / building issues 2. Low income, high poverty and high unemployment 3. High reliance on private rentals, low home ownership 4. Rental investment over \$3 billion, 10% of City taxes and utilities revenue 5. Rental income is 12% of Spokane's GDP 6. Increasing costs will be passed to tenants 7. Look for ways to encourage and landlords to continue investing 8. Look for ways to avoid costly evictions 9. Implement low cost and accessible mediation 10. Rental properties are ageing and will reduce as repairs compliance increases 11. Build good neighborhoods which provide social cohesion 12. Lack of accurate data on tenant / landlord / building issues 13. Existing agencies are ineffective to resolve problems

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Landlord Stakeholder Presentation (Alternate Version)

Disclaimer: The Landlord Stakeholder Presentation presented at the March 22, 2016 stakeholder meeting contained language that characterized individuals and groups, and was deemed offensive by some stakeholders. In response, the Landlords submitted an alternate version revising the language that was deemed offensive. At the July 28, 2016 stakeholder meeting, the stakeholders debated which version of the Landlord Stakeholder Presentation to forward to the Community Assembly. The stakeholders voted by a majority to forward both the original and revised versions; and to include this disclaimer with the presentations.

Rental Housing Review

Presentation by Landlord Stakeholders:

- Landlord Association
- National Association of Residential Property Managers
- Spokane Housing Ventures
- Smaller Scale Landlords

Representing Landlord Stakeholders:

- Landlord Association: Alexander Scott and Steve Corker
- National Association of Residential Property Managers: Eric Bisset
- Spokane Housing Ventures: Patty Webster
- Spokane Housing Authority: Cicely Bradley
- Small Scale Landlord: Heleen Dewey, Chris Bornhoft

Facts: Importance of rental housing

Importance of Private Housing:

47% of housing are rental properties
Average of 2.5 persons per household – 77% 944 people in rentals
19.2% (63,301) people in poverty concentrated in rental housing
Investment in rentals exceeds \$3 BILLION
Property taxes \$37 million, utilities \$23 million (10% of City budget)
Rental Income generated is over \$247 million (12% of Spokane GDP)
YEL:

Dwindling pool of renters (govt and private)
Ageing infrastructure
Confrontational problem resolution – litigation focused
Little support for landlords

Low profitability
High cost to provide rental housing
More governance – mandatory registration and inspections
No investment incentives

Economics of Renter Properties						
	Owner	Renter	Total			
Single Unit	44,443	15,948	60,391			
Two-to-four Unit		8,188	8,188			
Three-to-four Unit		35,480	8,480			
Total Renter Properties	44,443	39,616	84,059			
	53%		47%			
Property Values						
	Renter	Avg. \$	Total \$			
Single Unit	15,948	115,000	1,814,020,000			
Two-to-four Unit	8,188	55,000	450,340,000			
Three-to-four Unit	35,480	24,000	851,520,000			
Total Renter Properties	39,616		3,055,960,000			
Property Taxes						
	Renter	Avg. / yr	Total / yr	Avg. / mth	Total / yr	Total / yr
Single Unit	15,948	2,000	31,896,000	100	19,137,600	51,033,600
Two-to-four Unit	8,188	750	6,141,000	50	4,932,800	11,073,800
Three-to-four Unit	35,480	1,100	39,028,000	50	7,280,000	20,895,400
Total Renter Properties	39,616		49,647,000		31,338,400	87,965,400
% of City 2016 Budget					6%	10%
Rental Income						
	Renter	Avg. / mth	Total / yr			
Single Unit	15,948	800	153,100,800			
Two-to-four Unit	8,188	600	49,112,000			
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Total Renter Properties	39,616		295,108,800			
% of City 2016 Budget				36%		
GDP 2008 City of Spokane						
Real Estate and Rental and Leasing	\$M					
	17,640					
	2,041	12%				

Facts: Profit myth Single Family Residence					
Single Family Home				Profit /yr	Cash on Cash return
Property Value				120,000	
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Interest Rate		Est 5%	4,200	(4,200)	(4,200)
(Loss) / Profit \$				(2,007)	1,469
Value %				-1.70%	1.22%

Why do landlords invest in residential property?

Capital appreciation – long term, repurpose property
 Got the property cheap – e.g. inheritance, foreclosure
 Alternative investment at stage of life
 Alternative investment compared to economic conditions

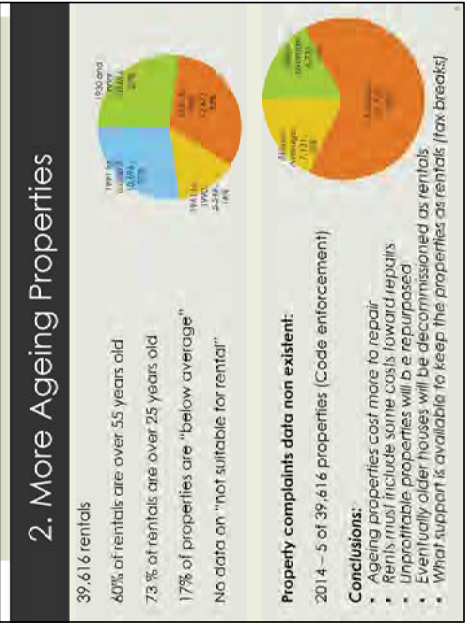
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 Operate and sell before major improvements are required

Facts: Profit myth Apartment					
Apartment - 2 bedroom				Profit /yr	Cash on Cash return
Property Value			70,000		
Loan		70% of property value	49,000		
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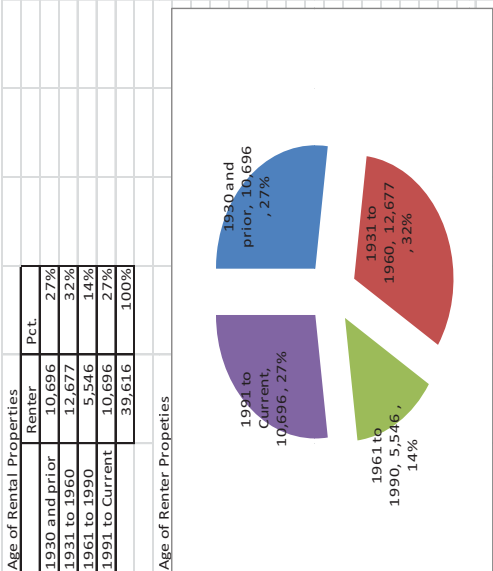
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Specific concerns
1. Low income, low
2. More ageing properties
3. Less rental properties
4. Lack of affordable housing
5. B.A.D. Neighborhoods
6. B.A.D. Landlords
7. B.A.D. Tenants
8. Existing compliance systems don't work
9. Mandatory inspections are ineffective, costly and won't resolve issues



Population Demographics		Spokane County	City of Spokane
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Persons below poverty line %		16.4%	19.9%
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Persons per household		2.5	2.4
Number of housing Units		206,106	95,947

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5. B.A.D. Neighborhoods	
Breaching Rules:	(Criminal activities / Illegal habitation (squatters) / Illegal activities (drugs, prostitution)
Antisocial Behavior:	Unsafe neighborhoods / Gangs / Unsafe / Threats
Damage to Property	Rubbish (streets, verges, houses) / Vacant properties (foreclosures, inability to repair) / Damaged buildings (boarded up properties) / High home ownership and secure tenants strengthens community
Conclusions:	<ul style="list-style-type: none"> Lack of pride and social cohesion, unsocial behavior, more property damage, more lawlessness, health and safety, property prices decrease, owners want invest in housing Empower Code Enforcement and Police to deal with these issues

6. B.A.D. Landlords	
Breaching Rules:	Acting against legislation (Landlord Tenant Act), Condoning criminal or illegal activities
Antisocial Behavior:	Condoning unsafe behavior in property, not reporting unsafe matters
Damage to Property	Unclean or unhygienic property (waste, debris); Condemned properties; Sub-standard housing
	No Empirical Data about the number type and nature of complaints. Take action on the few bad landlords already known to the City
	Legislation and Code Enforcement systems available but ineffective
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<p>Conclusions:</p> <ul style="list-style-type: none"> Landlords cannot absorb costs, reduced quality of buildings or reduced amount of buildings for rent. Costs will be passed back to tenants Tenant training, Make mediation available.

8. Existing Systems Ineffective
<p>Landlord Tenant Act - provides remedies and support (litigation based)</p>
<p>Code Enforcement – limited data, jurisdiction, resources</p>
<p>Building department – limited data, jurisdiction, resources</p>
<p>Police – unable to resolve behavior issues</p>
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<p>Mediation limited and expensive</p>
<p>Very few options but to go to court</p>
<p>Conclusions:</p> <ul style="list-style-type: none"> Refocus and empower code existing enforcement systems to deal with major issues. More proactive – 80% of problems are resolved within 20% effort Investigate and address the root causes of the problem Reduce costs and time to resolve unlawful detainer actions

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Background Rental Data - City of Spokane

Number of housing units	Owner	Pct.	Renter	Pct.	Total	Pct
Single Unit	44,443	100%	15,948	40%	60,391	72%
Two-to-four Unit		0%	8,188	21%	8,188	10%
Five-plus Unit		0%	15,480	39%	15,480	18%
	44,443	100%	39,616	100%	84,059	100%
						47%

Number of housing units	Owner	Pct.	Renter	Pct.	Total	Pct
Total Housing	44,443	53%	39,616	47%	84,059	100%

Age of Housing	Owner	Pct.	Rentals	Pct.	Total
Over 85 years	6,666	15%	10,696	27%	17,363
Over 55 years	13,333	30%	12,677	32%	26,010
Over 25 years	9,777	22%	5,546	14%	15,324
Under 25 years	14,666	33%	10,696	27%	25,363
1991 to Current	44,443	100%	39,616	100%	84,059

Condition of housing	Owner	Pct.	Renter	Pct.	Total	Pct
Below average	3,111	7%	6,735	17%	9,846	12%
Average	28,888	65%	25,750	65%	54,638	65%
Above Average	12,444	28%	7,131	18%	19,575	23%
	44,443	100%	39,616	100%	84,059	100%

Population Demographics

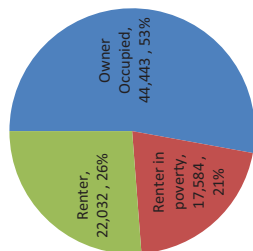
Population	Spokane County	City of Spokane
Persons below poverty line	76,910	42,201
Est: Households below poverty line	30,764	17,584
Est: % of rental units occupied by households under poverty line		44%

Population	484,318	212,067
Per capita income	26,235	24,848
Median household income	50,249	43,694
Household income under \$50k	50.0%	55.0%
Persons below poverty line %	16.4%	19.9%
Poverty Children (under 18)	20.0%	25.0%
Poverty Seniors (65 and over)	9.0%	12.0%
Number of households	187,603	85,300
Persons per household	2.5	2.4
Number of housing Units	206,106	95,947

Source: <https://censusreporter.org/profiles/16000US367000-spokane-wa/>

Households and Renters below Poverty Line	
Owner Occupied	44,443
Renter in poverty	17,584
Renter	22,032
	84,059

Renters below Poverty



Economics of Renter Properties

	Owner	Renter	Total
Single Unit	44,443	15,948	60,391
Two-to-four Unit		8,188	8,188
Five-plus Unit		15,480	15,480
Total Renter Properties	44,443	39,616	84,059
	53%	47%	

Property Values		
	Renter Properties	Avg \$ Total \$
Single Unit	15,948	115,000 1,834,020,000
Two-to-four Unit	8,188	55,000 450,340,000
Five-plus Unit	15,480	50,000 774,000,000
Total Renter Properties	39,616	3,058,360,000

Property Taxes		
	Renter Properties	Avg / mth Total / yr
Single Unit	15,948	2,000 31,896,000
Two-to-four Unit	8,188	750 6,141,000
Five-plus Unit	15,480	750 11,610,000
Total Renter Properties	39,616	49,647,000
% of City 2016 Budget		6%

Utilities		
	Renter Properties	Avg / mth Total / yr
Single Unit	15,948	100 19,137,600
Two-to-four Unit	8,188	50 4,912,800
Five-plus Unit	15,480	50 9,288,000
Total Renter Properties	39,616	33,338,400
% of City 2016 Budget		4%

1.7%

Rental Income	
	Avg / mth Total / yr
Single Unit	15,948 800 153,100,800
Two-to-four Unit	8,188 500 49,128,000
Five-plus Unit	15,480 500 92,880,000
Total Renter Properties	39,616 295,108,800
% of City 2016 Budget	36%

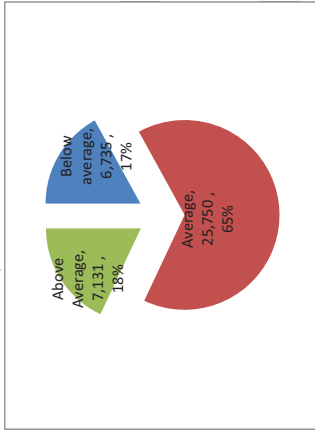
\$ M

GDP 2008 City of Spokane	17,640
Real Estate and Rental and Leasing	2,041
	12%

<http://econpost.com/gdp/spokane-washington-gdp-table-2008>

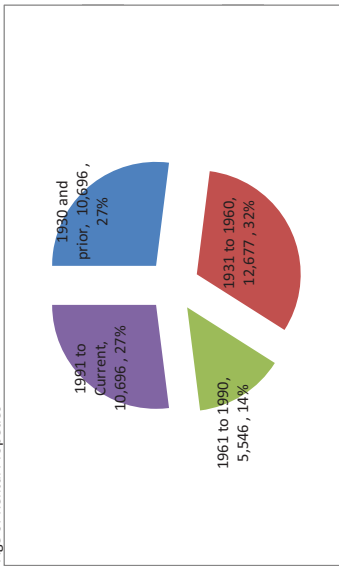
Condition of Properties (as defined by City of Spokane)						
	Owner	Pct.	Renter	Pct.	Total	Pct.
Below average	3,111	7%	6,735	17%	9,846	12%
Average	28,888	65%	25,750	65%	54,638	65%
Above Average	12,444	28%	7,131	18%	19,575	23%
	44,443	100%	39,616	100%	84,059	100%

Condition of Renter Properties



Age of Rental Properties		
Construction year	Rental properties	%
1930 and prior	10,696	27%
1931 to 1960	12,677	32%
1961 to 1990	5,546	14%
1991 to Current	10,696	27%
	39,616	100%

Age of Rental Properties



Source: <http://www.bestplaces.net/housing/city/washington/spokane>

HOUSING		Spokane, Washington	United States
Median Home Age	"The average age of homes in years. Updated: June, 2014"	54	37
Median Home Cost	"This is the value of the years most recent home sales data. Its important to note that this is not the average (or arithmetic mean). The median home price is the middle value when you arrange all the sales prices of homes from lowest to highest. This is a better indicator than the average, because the median is not changed as much by a few unusually high or low values. Updated: June, 2014"		
Home Appr. Last 12 months	"House appreciation - last 12 months Updated: June, 2014"	\$131,000	\$170,100
Home Appr. Last 5 yrs.	"House appreciation - last 5 years Updated: June, 2014"	0.70%	4.90%
Home Appr. Last 10 yrs.	"House appreciation - last 10 years Updated: June, 2014"	-15.50%	-4.60%
Property Tax Rate	"The property tax rate shown here is the rate per \$1,000 of home value. If the tax rate is \$14.00 and the home value is \$250,000, the property tax would be \$14.00 x (\$250,000/1000), or \$3500. This is the effective tax rate. Updated: June, 2014"	31.30%	12.70%
Homes Owned	"The percentage of housing units which are owned by the occupant. A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	\$12.32	\$12.07
Housing Vacant	"The percentage of housing units which are vacant (unoccupied). A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	52.78%	57.34%
Homes Rented	"The percentage of housing units which are rented by the occupant. A housing unit is a house, apartment, mobile home, or room occupied as separate living quarters. Updated: June, 2014"	7.41%	12.47%
AVERAGE RENT FOR HOME OR APARTMENT		39.81%	30.19%
1 Bedroom Apartment	"Average rent for 1 bedroom home or apartment Updated: June, 2014"	\$470	\$561
2 Bedroom Home or Apartment	"Average rent for 2 bedroom home or apartment Updated: June, 2014"	\$520	\$765
3 Bedroom Home or Apartment	"Average rent for 3 bedroom home or apartment Updated: June, 2014"	\$768	\$957
4 Bedroom Home or Apartment	"Average rent for 4 bedroom home or apartment Updated: June, 2014"	\$1,110	\$1,289
VACANT HOUSING		\$12,668	\$14,980
Vacant for Rent	"Vacant housing - for rent Updated: June, 2014"	2.83%	2.50%
Vacant Rented	"Vacant housing - rented Updated: June, 2014"	0.40%	0.46%
Vacant for Sale	"Vacant housing - for sale Updated: June, 2014"	1.10%	1.38%
Vacant Sold	"Vacant housing - sold Updated: June, 2014"	0.09%	0.46%
Vacant Vacation	"Vacant housing - seasonal, recreational or occasional use Updated: June, 2014"	0.41%	3.81%
Vacant Other	"Vacant housing - other Updated: June, 2014"	2.56%	3.87%
VALUE OF OWNER-OCCUPIED HOUSING			
Less Than \$20,000	"Percentage of Home Values less than \$20,000. Updated: June, 2014"	2.11%	3.30%
\$20,000 to \$39,999	"Percentage of Home Values between \$20,000 and \$39,999. Updated: June, 2014"	1.00%	3.44%
\$40,000 to \$59,999	"Percentage of Home Values between \$40,000 and \$59,999. Updated: June, 2014"	1.08%	4.18%
\$60,000 to \$79,999	"Percentage of Home Values between \$60,000 and \$79,999. Updated: June, 2014"	2.98%	5.80%
\$80,000 to \$99,999	"Percentage of Home Values between \$80,000 to \$99,999. Updated: June, 2014"	6.46%	7.08%
\$100,000 to \$149,999	"Percentage of Home Values between \$100,000 to \$149,999. Updated: June, 2014"	28.22%	15.77%
\$150,000 to \$199,999	"Percentage of Home Values between \$150,000 to \$199,999. Updated: June, 2014"	23.09%	15.03%

\$200,000 to \$299,999	"Percentage of Home Values between \$200,000 to \$299,999. Updated: June, 2014"	21.76%	18.50%
\$300,000 to \$399,999	"Percentage of Home Values between \$300,000 to \$399,999. Updated: June, 2014"	6.93%	10.39%
\$400,000 to \$499,999	"Percentage of Home Values between \$400,000 to \$499,999. Updated: June, 2014"	3.11%	5.66%
\$500,000 to \$749,999	"Percentage of Home Values between \$500,000 to \$749,999. Updated: June, 2014"	2.24%	6.39%
\$750,000 to \$999,999	"Percentage of Home Values between \$750,000 to \$999,999. Updated: June, 2014"	0.67%	2.28%
\$1,000,000 or more	"Percentage of Home Values greater than \$1,000,000 or more. Updated: June, 2014"	0.36%	2.18%
HOUSING UNITS BY YEAR STRUCTURE BUILT			
2010 and newer	"2010 and newer Updated: June, 2014"	0.16%	0.29%
2000 to 2009	"2000 to 2009 Updated: June, 2014"	8.00%	14.18%
1990 to 1999	"1990 to 1999 Updated: June, 2014"	9.52%	13.99%
1980 to 1989	"Percentage of Housing Units by Structure Built 1980 to 1989. Updated: June, 2014"	8.16%	13.99%
1970 to 1979	"Percentage of Housing Units by Structure Built 1970 to 1979. Updated: June, 2014"	14.22%	15.09%
1960 to 1969	"Percentage of Housing Units by Structure Built 1960 to 1969. Updated: June, 2014"	9.52%	13.99%
1950 to 1959	"Percentage of Housing Units by Structure Built 1950 to 1959. Updated: June, 2014"	15.45%	11.05%
1940 to 1949	"Percentage of Housing Units by Structure Built 1940 to 1949. Updated: June, 2014"	9.83%	5.59%
1939 or Earlier	"Percentage of Housing Units by Structure Built 1939 or Earlier. Updated: June, 2014"	28.23%	13.68%

Based on a 3 bedroom single family home in zipode 99205 (North Central Spokane)

Property Value	Average price of a house	Profit per year (after setting aside money for structural and equipment repairs)	Cash on Cash return per year (no funds set aside for structural repairs or major replacements)
Loan	120,000		
Building Value	70%	84,000	
Say 80%	80%	96,000	
Monthly rent say		850 \$	10,200 \$
Rent		2,550 \$	(255) \$
Vacancy Rate		8%	(816) \$
Property Management Fees		1,300 \$	(1,300) \$
Taxes Property		700 \$	(700) \$
Taxes Utilities		500 \$	(500) \$
Insurance		960 \$	(960) \$
Repairs - annual	1%	3,556 \$	(4,200) \$
Repairs - structural repairs	27	4,200 \$	(2,087) \$
Interest Rate	5%		-1.74%
(Loss) / Profit \$			
(Loss) / Profit on Property Value			

Losses are shown in RED

Change data assumptions in these cells

Apartment - 2 bedroom			
Property Value			
Loan	70% of property value	70,000	
Building Value	Say 80%	49,000	
Rent	Monthly rent say	600	7,200
Vacancy Rate		3%	(180)
Property Management		8%	(576)
Taxes	City Taxes	2,000	(2,000)
Repairs - annual	1% of property value	560	(560)
Repairs - structural repairs	Replace house in 27 years	27	(2,074)
Interest Rate	Est 5%	2,450	(2,450)
(Loss) / Profit \$			(640)
(Loss) / Profit on Property Value %			-0.91%

Property Value	70% of property value	70,000	Profit (LOSS) / yr (after providing for long term replacements)	Cash on Cash return
Loan				
Building Value				
Rent				
Vacancy Rate				
Property Management				
Taxes				
Repairs - annual				
Repairs - structural repairs				
Interest Rate				
(Loss) / Profit \$				
(Loss) / Profit on Property Value %				

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Intro to Spokane Neighborhood Long Term Rental Stakeholder group

Increasing the availability of healthy, safe and sustainable long-term rental housing improves the livability and economic viability of the overall community.

Characteristics of a Great Neighborhood include:

- ▶ Has a variety of functional attributes that contribute to a resident's day-to-day living (i.e. residential, commercial, or mixed-uses)
- ▶ Accommodates multi-modal transportation (i.e. pedestrians, bicyclists, drivers)
- ▶ Has design and architectural features that are visually interesting
- ▶ Encourages human contact and social activities
- ▶ Promotes community involvement and maintains a secure environment
- ▶ Promotes sustainability and responds to climatic demands
- ▶ Has a memorable character

American Planning Association

Neighborhoods Represented

- ▶ East Central - Ron Myers
- ▶ West Central - Sarah Tosch
- ▶ Emerson-Garfield - Jonathan Martinez
- ▶ Chief Garry Park - Cathy Gunderson
- ▶ Hillyard - Tracy Swank
- ▶ Rockwood - Julie Banks

Top issues regarding rental housing in Spokane neighborhoods

1. Negative impacts of poorly maintained rental properties
2. Absentee landlords
3. Transiency within neighborhoods
4. Lack of legal protection/recourse for neighbors

1. Negative impacts of the poorly maintained rental properties

1. Health
2. Safety
3. Property value
4. Quality of life

1. Negative impacts of the poorly maintained rental properties

1. Health (CDC)

► Mold:

Triggers allergic responses

Triggers immune responses (asthma, congestion, eye irritation, coughing, runny nose, infections, etc.)

► Cockroach infestations:

Triggers asthma and other respiratory conditions

► Rats and mice:

Bites transfer parasites and disease

Feces transfer hantavirus

► Mosquitoes: spread a variety of diseases

► Lead: Respiratory diseases, brain damage and developmental disabilities - children are HIGHLY susceptible

1. Negative impacts of the poorly maintained rental properties

2. Safety

► Injuries due to structural damage

► Plumbing

► Electrical burns, shocks, fires

► Lack of egress for emergency escapes and access

► Mounting piles of yard debris

1. Negative impacts of the poorly maintained rental properties

3. Property value

- ▶ Neighborhoods that are littered (with solid waste) will soon start to experience other problems, such as graffiti, unkempt rights-of-way and a general decline of the physical appearance in the area. Property values in littered neighborhoods can be lowered by as much as 15 percent. **Source: Gwinnett Clean & Beautiful**
- ▶ Neighbors with “annoying pets, unkempt yards, unpleasant odors, loud music, dangerous trees and limbs, or poorly maintained exteriors, can lower home values by more than 5 to 10 percent” according to the **Appraisal Institute**.
- ▶ 61% of code complaints for solid waste over the last two years were from renter occupied houses. **Source: Spokane Office of Neighborhood Services**
- ▶ 68% of zoning violation complaints (outdoor storage, yard sales, recreational camping, home business regulations, signs, residential fencing, setback area, accessory structures) over the last two years were from renter occupied houses. **Source: Spokane Office of Neighborhood Services**

1. Negative impacts of the poorly maintained rental properties

4. Quality of life

- ▶ Unsafe for children to play outside
- ▶ Inability to enjoy one’s yard
- ▶ Lack of sense of security in one’s home
- ▶ Loss of sense of community:

Social ties among neighborhood residents, often referred to as “bonding social capital,” contributes to the likelihood that individuals will move beyond their diverse self-interests toward mutually beneficial collective actions.

When a group of neighbors informally keep an eye on one another’s homes, that’s social capital in action. **Harvard Kennedy School**

2. Absentee landlords

- ▶ Inability to contact responsible parties
- ▶ No oversight
- ▶ Delayed response to property issues
- ▶ Neighborhood erosion due to lack of accountability
- ▶ Owner = manager?

Of the 820 sites identified as apartments in the Spokane Fire Department's permit system, about 42% of the owners do not live in the city. **Source: Fire Marshal Mike Miller, Spokane Fire Department**

3. Transiency within neighborhoods

- ▶ Lots of moving
- ▶ Hard to get to know neighbors
- ▶ Loss of mutual trust between neighbors
- ▶ Lack of stability for children
- ▶ Loss of sense of neighborhood security and identity

3. Transiency within neighborhoods

- ▶ Frequent and unwanted moves lead children to experience disruptions in home life or educational instruction. (Astone and McLanahan. 1994. Family Structure, Residential Mobility, and School Dropout: A Research Note.)
- ▶ The authors also speculated that residential mobility leads to a loss of social capital in children.
- ▶ Frequent (sic) residential mobility negatively affects education outcomes for low-income children and creates unstable school environments that adversely influence not only highly mobile children but their teachers and stable classmates as well. (Crowley, 2003. The Affordable Housing Crisis: Residential Mobility of Poor Families and School Mobility of Poor Children.)

4. Lack of legal protection/recourses for neighbors

- ▶ Only recourse available is filing a complaint with Code Enforcement
- ▶ Only addresses external issues
- ▶ Difficulty in identifying accountable party
- ▶ Fear of retaliation from filing complaint

Conclusion:

- ▶ The #1 gap in mitigating the top issues regarding rental housing for neighborhoods is ACCOUNTABILITY.
- ▶ It is unclear who to hold responsible for poorly maintained rental properties.
- ▶ Without a local contact for absentee landlords there is no ability to resolve issues with rental properties.
- ▶ Frequent movers in and out of neighborhoods diminishes social capital for all generations.
- ▶ Neighbors have no resources, beyond Code Enforcement, to remedy negative impacts.
- ▶ Neighbors need a process for mediation with tenants and/or landlords to mitigate negative impacts.



**Long Term Rental Housing
Research Study Group
Public Safety Committee
2015-2016
Tenant Stakeholders Presentation
May 10, 2016**

Issue 1:

Spokane tenants are rent burdened. Low income tenants have few housing options.

- 43% of Spokane residents rent their homes. (Project materials: Rental Housing Data, May 26, 2015)
- 55.4% of tenants in Spokane pay more than 30% of monthly income for rent and 47.1% pay more than 35% (U.S. Census Bureau: 2010-2012 American Communities Survey)
- Rent eats first. Tenants must pay rent first which leaves little left to make repairs when the landlord fails to respond to requests.

Issue 1:

Spokane tenants and are rent burdened. (cont.)

- Costly for tenants to move- approximately \$2000-\$3000 for rental applications, background check, deposits, first and last month rent, missed work, and moving costs.
- Vacancy rate is very low: less than 2% in subsidized housing and market rate rental housing is at a historic low of 1.3% (Spokane Low Housing Consortium)

Issue 2

Not enough subsidized low income housing in Spokane

- Only 12 out of 100 very low and extremely low income tenants are able to obtain subsidized housing in Spokane. (SLIHC)
- Subsidized rental units require annual condition inspections.
- Market rate rental housing has no condition inspection requirement.

Issue 3

Eviction and reasonable fear of eviction by tenants.

- Washington Residential Landlord-Tenant Act provides for a no cause termination and eviction with a 20 day notice. Tenants are aware that they can be forced to move for no reason whatsoever.
- Fear of eviction prevents tenants from requesting repairs to improve housing conditions. (Oregon Community Alliance of Tenants, 2013)

Issue 3

Eviction (cont.)

- Tenants who cannot move within 20 days can be evicted even if they are current in rent and never violated a rental agreement..
- Tenants with families fear a CPS referral and removal of their children if they are evicted.
- Evictions cause poverty by creating barriers to future housing, creating job instability, establishing an eviction action on a tenant's record, and making tenants ineligible for subsidized housing.

Issue 4

Lack of data collection on rental housing and tenant assistance in Spokane.

- No city department collects data on rental properties or landlord/tenant actions.
- The city of Spokane does not have a department of tenant services to answer questions or assist tenants.
- There is no way of knowing if a tenant moves, is evicted or remains after the problem is solved once they receive a notice to terminate.

Issue 5

Substandard housing is a health hazard for the tenants and neighbors. (Spokane Regional Health District presentation)

- Substandard housing causes illnesses and injuries to tenants and families.
- Children living in unhealthy homes suffer from illness, injury and depression that negatively impact education.
- Substandard property can attract rodents and pests and associated risks.
- Tenants living in substandard housing risk exposure to lead and other environmental hazards.

Issue 6

Substandard rental housing is costly for all Spokane residents including tenants.

- Spokane Police Department responds to a higher number of incidents in substandard rental property
- Fire Department reports fire hazards on substandard rental property.
- Building Department does not currently have a budget to inspect rental property, purchasers of building permits pay for those inspections.
- Homelessness is costly to all Spokane residents and financially devastating for tenants.

Issue 7

Healthy and stable housing is good for tenants, landlords and neighborhoods

- Tenants contribute to diversity and vibrancy of neighborhoods.
- Tenants spend money in their neighborhoods and contribute to local economy.
- Tenants who have stable housing in a healthy home environment have a greater chance of success in employment and education.
- Tenants who feel safe and stable are more likely to stay in their neighborhoods and become involved with their community.

Resource 1

Resources to assist tenants in Spokane are scarce, limited or nonexistent.

- Legal resources at no cost for tenants is limited to the Center for Justice and the Northwest Justice Project.
- The statewide CLEAR legal line is difficult to access and tenants often do not receive legal representation.
- Volunteer lawyers, available at unlawful detainer court do not represent tenants and only negotiate move out dates. (landlord attorney presentation)
- Financial rental assistance is available to homeless individuals and families but not available to pay the rent to prevent eviction. (Spokane Homeless Coalition)

Resource 1

Resources to assist tenants in Spokane are scarce, limited or nonexistent.

- Tenant education classes and workshops are not widely available, many tenants are not aware they exist.
- Tenants rights information is available to tenants but difficult to find and access. Two statewide tenant rights hotlines are located outside of Spokane.
- Mediation services are available but only for a fee.

Resource 2

Landlord Tenant Act regulates rental property in Spokane

- If damage is caused by tenant, the landlord can serve a 10 day notice.
- All other repairs are the responsibility of the landlord but tenant must initiate and enforce remedies.
- The only remedy a tenant has is to follow the Act and pay for repairs and deduct from rent.

Resource 2, cont.

Landlord Tenant Act, cont.

- Most repairs that tenants request are not housing condition issues. When landlords refuse to make those repairs, tenants have no city agency to call.
- Provisions to terminate the rental agreement with a 20 day notice require no reason. The only defense to a 20 day notice is retaliation or discrimination; the tenant must prove these defenses which is difficult to impossible to do.

Resource 3

City of Spokane Code Enforcement, Building Department, SPD, Fire Department, Spokane Regional Health District

- Tenants risk eviction if they report conditions that result in the building being condemned so tenants are incentivized to stay quiet.
- There is no registry of rental property to foster communication between city agencies and landlords.
- All of these agencies recommended a rental inspection program to fully address rental housing issues.

Gaps in Resources to Address Issues:

- No laws protecting tenants from no cause rental termination and eviction
- Inadequate legal representation for tenants in unlawful detainer actions
- Inconsistent and insufficient tenant assistance programs
- Not enough subsidized affordable housing for low income tenants
- No registration or inspection of market rate rental property

Gaps in Resources to Address Issues, cont.

- No reporting agency to review notices to tenants and establish records and statistics
- Tenant education classes and workshops do not reach enough tenants. Tenants are not prepared when they are served with a notice or need repairs.

Recommendations:

- Spokane adopt a Housing Security Ordinance that will eliminate no cause evictions.
- Spokane establish a rental registry and inspection program
- Spokane adopt provisions in the Landlord-Tenant Act to provide relocation assistance to tenants and hold landlords accountable.
- Spokane establish an Office of Tenant Services to enforce notice requirements, assist tenants and collect data, and offer tenant education classes.

Recommendations, cont.:

- Spokane offer no cost mediation to landlords and tenants in disputes that would otherwise result in legal action.
- Financial assistance for small scale landlords who require repair due to malicious destruction to property that would otherwise remove the property from the rental market.
- Increase subsidized low income rental housing Spokane.



APARTMENTS

“Current occupancy in the Spokane region is at historical highs, averaging over 98% in some areas.”



Mitch D. Swenson COIM



Kim Sample



Jason J. Jackson ARM

Apartment Market Remains Robust.

Spokane is experiencing a boom time for apartment owners. With over 2,200 new units coming on the market in the last three years, including 707 new units in 2013, it would be expected that the strong occupancy rates seen for the last two years would have begun to trend down with supply finally catching up and surpassing demand. However, this has not been the case. In a limited survey, current occupancy in the Spokane region was found to be at historical highs, averaging over 98% in some areas.

All of this new construction has also led to an increase in overall rental rates, although there is a divide between new apartment rents and older apartment rents; sometimes as much as \$0.25 per square foot. The increase in new construction rents has allowed many owners of existing properties to raise rents. A rising tide lifts all ships.

Despite low interest rates that usually drive single-family home demand, a large segment of the population now have a preference for the flexibility and upgraded amenities that come with renting versus owning. We expect this apartment demand to continue, but with another 874 units currently permitted or under construction and another 1,087 units planned, it seems inevitable that we will see supply catch up with demand sometime next year. Rental rates should still remain strong throughout 2015.

Spokane County

Within the last 12 months we have seen continued upward trending in rents, despite historically high levels of new construction. Concessions were practically non-existent. Property owners and developers are still viewing this as a green light to build more apartments, and lenders are still on board.

Average rents for all unit types for March 2014 in the Spokane area were \$739. By summer 2014, average rents had risen to \$842. This hike is largely due to new construction coming online at considerably higher rental rates. The increase in rents was nearly \$0.10 per square foot.

The average overall vacancy rate in March 2014 was 3.5%, which dropped to 2% by summer (well below the 5% vacancy rate viewed by many as a point of equilibrium). Looking at unit type, the lowest vacancies seen were studio units at 0.0% and three-bedroom/two-bath units with vacancies at 14%.

Apartment sales in Spokane County totaled \$66,000,000 in 2014. A few larger sales helped increase the sales volume for the year. Those larger sales included the sale of the 210-unit Eagle Rock Apartments, the 132-unit Rock Creek Apartments in Cheney, and the 196-unit Canyon Bluff



Issue Brief

Health Effects of End of Tenancy Notice September 11, 2013

Background:

The Oregon Landlord Tenant Act (State Chapter 90) states that in a month-to-month rental, the landlord and tenant are not required to give a reason or cause for ending a tenancy and that either party may terminate the tenancy with at least 30 days written notice if the renter has lived in the rental unit for less than a year. The right for a landlord to end an eviction in this manner is legally known as a no cause eviction. In a no cause eviction, a tenant has two possible defenses, which are retaliation or discrimination. No cause evictions create a simple avenue for landlords to practice illegal retaliation and discrimination because either of these defenses is a difficult task. In contrast, in the case of a for-cause eviction, the landlord must give a valid reason for the eviction and a tenant has the right to many defenses to prevent eviction. Because of the lack of protections in no cause eviction controls, tenants on month-to-month tenancies are constantly at risk for arbitrary eviction. Many tenants put off asking their landlords for necessary repairs because they fear eviction and therefore remain in unsafe and unhealthy housing in order to maintain some stability for their families. Just cause eviction controls (JCEC) are laws that protect renters by ensuring that landlords can only evict with proper cause, such as a tenant's failure to pay rent or destruction of property. As a result, JCEC promote healthy and stable housing.

Review of Existing Research:

The Health Department conducted a review of current research examining the health effects of no cause eviction and retaliation on renters in Multnomah County. Based on this review, the Health Department identified the following concerns about no-cause eviction and its impacts on healthy housing:

- The number of tenants who receive no cause evictions are underrepresented in the court's record-keeping process.
- Discrimination and retaliation are the only defenses available for a no cause eviction and are difficult to prove.
- Tenants on month-to-month leases who have lived in their property for less than a year are afraid to ask for repairs because they fear eviction.
- When tenants are afraid to ask for repairs, they often remain in unhealthy housing.
- Numerous studies show that low-income communities, women, and minorities make up a large number of individuals evicted.
- Children are vulnerable to the health effects affected by no-cause eviction.
- The abuse of no cause evictions places monetary burdens on low-income people and on society.
- By providing families with greater residential stability, just-cause eviction can reduce stress and adverse health conditions.

¹ See ORS 90.427.

approaching their landlord are 30% more likely to have mold in their apartment, are twice as likely to have cockroach infestations, 60% more likely to report their housing is making them and their family sick, and twice as likely to report poor or bad health. Families who ask for repairs are often confronted with a no cause eviction. For example, a low-income family of five shared their story with the CAT Renter Rights Hotline about how they were to live in an ant and mice infested house with a shower was broken for two months and the stove burners that did not work properly for over a week. They requested that the landlord make the needed repairs, which were never completed. After sending a letter requesting a reduction in rent, the landlord responded by immediately posting a 30 day no cause move-out notice on their front door.

Numerous studies show that low-income communities, women, and minorities make up a large number of individuals evicted.

Of tenants reporting no cause eviction on a recent CAT survey, 68% were women. In a recent study in Milwaukee, Wisconsin, poor black women are disproportionately at risk for eviction; making up 30% of those evicted, but only 9.6% of the population.^{vi} Prior to just-cause eviction controls being passed in Oakland, "[f]our out of five '30 day-no Cause' evictions (78%) [were] minority households."^{vii}

Even though American Indian or Alaskan Native callers only made up 4.1% of 211 callers in February, they made up 18% of callers reporting eviction. According to the Coalition of Communities of Color Unsettling Profile, Native Americans and African Americans face extremely high disparities in homelessness, compared to other ethnic groups in Multnomah County.^v

Children are vulnerable to the health effects caused by no cause eviction.

Neighborhoods with a high percentage of children face increased evictions.^{vi} Children who are uprooted from their homes because of eviction face mental health problems, developmental delays, and increased levels of stress and depression, which often leads to violence.^{vii} FED court data does not include demographic information, but studies have shown that when demographic data is collected independent of court records, children are highly represented in the eviction process. In a Milwaukee, WI study, sixty-two percent of tenants who appeared in court lived with children. Over a third of them were women who lived with children and no other adults.^{viii}

The abuse of no cause evictions places monetary burdens on low-income people and on society.

Besides the tremendous costs tenants face when forced to move, there are also various costs imposed on society as a result of no cause evictions. These costs include court and marshal/sheriff services, storage of tenants' property, help for the newly homeless, and even emergency foster care and hospitalization in some cases.^{ix}

By providing families with greater residential stability, JCEC can reduce stress and adverse health conditions.

No cause eviction results in a significant disruption of educational, religious, social and employment connections that tenants have created in their communities. In many cases, no cause eviction may lead to homelessness.^x Strong social relationships protect health in multiple ways. Neighbors, friends, and family offer support that "buffer[s] stressful situations, prevents damaging feelings of isolation, and contributes to a sense of self-esteem and value."^{xi} Also, seniors and disabled individuals, or others with severe health problems are at risk of fatal

The number of tenants who receive no cause evictions are underrepresented in the court's record-keeping process.

A forcible entry detainer (FED) is a court action by a landlord against a tenant to remove the tenant from the rented dwelling. FED records do not accurately depict the severity of the no-cause issue. Out of 2,166 evictions over a four-month period, 4.7% filed in Multnomah County courts were no cause evictions. However, data collected from a recent survey by the local tenant advocacy organization, Community Alliance of Tenants, demonstrates that 89% of callers who received a no cause eviction reported that they did not receive a FED notice, and 86% of those callers did not believe their no cause eviction was justified. Additionally, 50% of people that called 211, local phone service connecting people with community resources and social services, in February 2013 indicated that they had a housing issue, and 11% of those callers reported experiencing no cause eviction.

FED data reports no demographic information and therefore fails to tell the story of who is being evicted and why these evictions are happening. "In the actual legal process, tenants move out and give up the battle at many different stages," so there is no way to accurately depict the gravity of the hidden problem of no cause evictions.ⁱ

Discrimination and retaliation are the only defenses available for a no cause eviction and are difficult to prove.

Testimonials from tenants reveal that after asking for repairs, it is not uncommon to be issued a no cause eviction notice by a landlord that would rather illegally get rid of the tenant than fix the issue as requested. Once the no cause notice is issued, the tenant could raise a defense of retaliation as the underlying reason behind the eviction, but this has not been an effective tool for many Multnomah County residents in the past. However, in the 2013 Elk Creek caseⁱⁱ, the Oregon Supreme Court recently held that to prove retaliation under ORS 90.385, a tenant must establish that the landlord served the notice of termination because of the tenant's complaint. Overall, if the tenants' complaints were one of the factors that the owner considered in making her decision to evict, and the owner would not have made that decision "but for" the tenants' complaints, then the owner was prohibited from making that decision. Because this is a very new decision, there is no proof that this new ruling will operate in a way that eliminates the fear associated with retaliation and no cause eviction.

Tenants on month-to-month leases are afraid to ask for repairs because they fear eviction.

211 callers during the month of February 2013 were asked the question, "[h]ave you ever delayed requesting assistance with a problem at your home because you feared being evicted?" 414 out of 4,233 (11%) of individuals who answered this question answered "yes." Additionally, individuals who were previously evicted were five times more likely to delay requests for repairs for fear of eviction. 62% of Community Alliance of Tenants (CAT) survey believed they were given no cause evictions because of retaliation. Substandard housing is the number one reason tenants call CAT's Renter Rights Hotline.

When tenants are afraid to ask for repairs, they remain in unhealthy housing.

The most recent review of the Community Asthma Inspection Referral (CAIR) database, which is used to manage family information related to housing and health, reveals that only 20% of approximately 350 families indicated that they were "very comfortable" approaching their landlord for repairs. According to this data, families who reported they were not comfortable

health complications if forced to suddenly move from stable living arrangements. In the 211 study, disabled and special needs households made up 14% of callers who reported eviction.

Recommendations:

Based on the Health Department's review of current research examining the health impacts of no cause eviction, it is reasonable for the Multnomah County Board of Health to consider the following policy actions:

- Change the language in the OR Landlord Tenant Act (ORLTA) so that no cause evictions are replaced with language about just cause eviction controls
- Encourage cities within Multnomah County to require landlord licensing
- Pass a city ordinance requiring mandatory reporting of evictions
- Attach a requirement to the business license that requires landlords to report evictions
- Pass an ordinance as the Board of Health requiring landlord licensing and mandatory reporting
- Increase education geared towards landlords and tenants
- Monitor the current Oregon Supreme Court ruling to identify if retaliation can be successfully tried in the court
- Fund Community Alliance of Tenants Renter's Rights Hotline

ⁱ Hartman, Chester and David Robinson. "Evictions: The Hidden Housing Problem." Housing Policy Debate. Vol. 14, Issue 4. Fannie Mae Foundation. (2003).

ⁱⁱ Elk Creek Mgmt. Co. v. Gilbert, 2013 Ore. LEXIS 387 (Or. May 31, 2013).

ⁱⁱⁱ Desmond, Matthew. "Eviction and the Reproduction of Urban Poverty." AJS Volume 118 Number 1 (July 2012); pgs. 88-133.

^{iv} East Bay Housing Organizations. "Pushed Out for No Reason: Oakland Senior and Disabled Residents at High Risk for Eviction." Oakland, CA. (2002).

^v Coalition of Communities of Color. "Communities of Color in Multnomah County: An Unsettling Profile." Desmond, Matthew. "Evicting Children." Oxford University Press. (2013).

^{vi} Pettit, Becky. "Moving and Children's Social Connections: The Critical Importance of Context." Desmond, Matthew. "Evicting Children." Oxford University Press. (2013).

^{vii} Hartman, Chester and David Robinson. "Evictions: The Hidden Housing Problem." Housing Policy Debate. Vol. 14, Issue 4. Fannie Mae Foundation. (2003).

^x Guzman, Carolina, Rajiv Bhatia, and Chris Durazo. "Anticipated Effects of Residential Displacement on Health: Results from Qualitative Research." Research Summary. Prepared by the San Francisco Department of Public Health and South of Market Community Action Network (2005).

^{xii} Cohen, S, Underwood, LG, Gottlieb, BH. Social Support Measurement and Intervention. Oxford University Press. New York. 2000.

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Rental Housing Research Stakeholder Group Public Safety Committee

Project Materials Index

All Project Materials below are available under Public Safety Committee at:

<https://my.spokanecity.org/neighborhoods/community-assembly/standing-committees/>

Project Scope

Stakeholder Group List

Project Timeline

Final Report to the Community Assembly

Meeting Presentations

2016

- July 28 – Review of Final Report Materials
- July 19 – Discussion re forwarding body of work to Mayor’s Housing Quality Taskforce
- June 14 – Issues and Existing Programs Discussion
- May 10 – Tenant Stakeholder Presentation
- April 26 – Neighborhood Stakeholder Presentation
- April 12 – Survey Resources and Rental Housing Research/Connecting Issues with Potential Solutions
- March 22 – Landlord Stakeholder Presentations. *Disclaimer: The Landlord Stakeholder Presentation presented on March 22, 2016, contained language that characterized individuals and groups and was deemed offensive by some stakeholders. In response, the Landlords submitted an alternate version revising the language that was deemed offensive. At the July 28, 2016 stakeholder meeting, the stakeholders debated which version of the Landlord Stakeholder Presentation to forward to the Community Assembly. The stakeholders voted by majority to forward both versions and to include this disclaimer.*
 - Landlord Stakeholder Presentation (Original Version)
 - Landlord Stakeholder Presentation (Revised Version)
- February 23 – Rental Issues for Landlords and Tenants
- January 12 – Spokane Low Income Housing Consortium Presentation

2015

- November 10 – Spokane Fire Department Presentation
- October 6 – Question Review and Discussion
- September 1 – Building Department and Code Enforcement Presentation
- August 4 – Spokane Regional Health District Presentation
- July 7 – Spokane Police Department Presentation, Renter v. Owner Data and Maps
- June 9 – General Renter v. Owner Data
- May 26 – General Rental Housing Data
- May 12 – Rental Housing Stakeholder Group Project Scope

Meeting Minutes

2016

- July 28
- July 19

- June 14
- May 10
- April 26
- April 12
- March 22
- January 12

2015

- November 10
- October 6
- September 1
- August 4
- July 7
- May 26

Meeting Agendas

2016

- July 28
- July 19
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- May 10
- April 26
- April 12
- March 22
- February 23
- February 9
- January 12

2015

- November 10
- October 6
- September 1
- August 4
- July 7

Additional Materials

2016

- Landlord's Rental Research Report
- Just Cause Eviction Information Provided by Landlord Stakeholders
- Just Cause Eviction Information Provided by Tenant Stakeholders

2015

- Presentation Recap – December 2015
- Rental Housing Recap – December 2015
- Combined List of Stakeholder Note Card Questions
- City of Spokane Analysis of Impediments to Fair Housing Choice 2014 Update
- Briefing Paper 2016-06-16
- Stakeholder Survey Responses
- Lead Testing Class Action Complaint

Assignment Questions:

Recommendation

Name: Housing Inspections Program. Rental
Registry + Business License for Landlords

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

- Housing Inspection, rental registry, and business
license for landlords.
- Spokane Housing Authority HQS inspection
currently used for housing which receives any
federal^{HUD} money.
- Increase the health, safety of Spokane citizens
and neighborhoods.
- should be citywide
- we need to address substandard housing which
negatively impacts citizens' neighborhoods stability.

Measurable: How will the impact of the recommendation be measured?

create a registry of rental properties.
track rental inspections
enforce violations

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

we need to look at other cities for examples of what has/has not worked. Talk with landlords/tenants/tenant advocacy groups. ie: Sacramento, Seattle.

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

we could keep better track of who owns/is responsible for what property. This would directly and quickly address issue regarding the health and safety of the community. Better accountability and enforcement

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

I imagine there maybe a lot of push back from landlords that do not want this. Possibly give rental properties owners a timeline for registry, inspection & compliance.

Seattle Department of Construction & Inspections

Nathan Torgelson, Director

[Log in to Project Portal](#)

[Home](#) / [Codes and Rules](#) / [Codes We Enforce \(A-Z\)](#) / [Rental Registration & Inspection Code](#)

Rental Registration & Inspection Code

See also: [Rental Registration & Inspection](#), [Renting in Seattle](#)

What Is It?

The Rental Registration and Inspection Ordinance (RRIO) helps ensure that all rental housing in Seattle is safe and meets basic housing maintenance requirements. The program will educate property owners, managers, and renters about City housing codes and their responsibilities; and require owners to verify their properties meet these standards when registering with the City.

Registration:

- The Rental Registration and Inspection Ordinance requires landlords to register all rental housing units in Seattle, from single-family houses to large apartment buildings.
- Exceptions to the registration requirement include commercial lodging, state-licensed facilities such as adult family homes, and housing owned by government groups or by housing authorities such as Seattle Housing Authority. See the ordinance for more detail.
- Landlords must register their properties according to the following schedule:
 - All properties with 10 or more units should have registered by September 30, 2014. If you own one of these properties and have not yet registered, you will be assessed a \$20 late fee and you may be subject to additional penalties and fees.
 - All properties with 5 to 9 rental housing units must be registered by March 31, 2015.
 - All properties with 1 to 4 rental housing units will be registered from 2015 to 2016. We will base specific deadlines for these properties on the ZIP code where the property is located.
- Registrations must be renewed every 5 years.

Inspection:

- The ordinance requires that all registered rental properties be inspected at least once every 10 years.
- The owner must hire a qualified rental housing inspector or City inspector to do the inspections.
- Rental properties with prior enforcement action will be inspected early in the program. See the ordinance for more detail.

This ordinance does not cover complaint-based enforcement of City housing standards. We will continue our complaint-based process for housing code violations. Our City housing and zoning inspectors will continue to enforce all housing code standards and other applicable codes.

Read the Code

[Read the text of the Rental Registration and Inspection Ordinance.](#)

Recent Changes

See our Rental Registration and Inspection page to learn how we're implementing the ordinance.

What Do You Want To Do?

[Make a Property or Building Complaint](#)

Check Status

Enter permit or case number

Still Need Help?

Ask Us

Call us at (206) 684-4110

Visit Code Compliance

700 Fifth Ave., 19th floor

M, Tu, Th, F: 8:00 a.m - 4:30 p.m.

W: 10:00 - 4:30 p.m.

[ADA Notice](#)

[Notice of Nondiscrimination](#)

[Privacy](#)

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City of SACRAMENTO

COMMUNITY DEVELOPMENT

[ONLINE SERVICES](#) | [LIVING HERE](#) | [BUSINESS](#)[VISITORS](#) | [CITY HALL](#)[Home](#) > [Community Development](#) > [Code Compliance](#) > [Programs](#) > [Rental Housing and Inspection Program](#)

RENTAL HOUSING INSPECTION PROGRAM

COMMUNITY DEVELOPMENT HOME

► DOWNTOWN DEVELOPER TOOLKIT

► BUILDING

▼ CODE COMPLIANCE

COMMONLY USED FORMS

► BUSINESS COMPLIANCE

HOUSING AND DANGEROUS BUILDINGS

► NEIGHBORHOOD CODE COMPLIANCE

▼ PROGRAMS

ANTI-GRAFFITI

CODE LIAISON OFFICER PROGRAM

RENTAL HOUSING AND INSPECTION PROGRAM

ABOUT THE PROGRAM

The purpose of the Rental Housing Inspection Program is to address the issue of substandard rental properties, promote greater compliance with health and safety standards and preserve the quality of Sacramento's neighborhoods and available housing. The program achieves compliance of health, safety and welfare code violations in/on residential rental properties that are a threat to the occupant's safety, structural integrity of the building, and a negative impact on the surrounding neighborhoods.

TO REGISTER

Owners of rental property are required to submit a Rental Housing Program Registration Form for each rental property owned. The registration form is used to confirm the number of units on each parcel and to collect contact information such as mailing address. Registration packets are mailed to property owners based on information provided by the Sacramento County Assessor's Office; however, if you do not receive a registration packet for a rental property, you can download a blank form.

While we make every effort to send packets to potential property owners, it is ultimately the owners' responsibility to register each property whether or not they are contacted by the City.

► PLANNING

► RESOURCES

► MEETINGS

► CONTACT US

PROGRAM FEES

The Rental Housing Inspection Program collects fees to help cover the cost of the program administration and for the inspection(s) performed by the inspectors.

Rental Housing Inspection Program Fee	\$16 per rental housing unit
Unit Inspection Fee	\$127 per each new rental unit inspected by the program

Additional fees would be imposed only if the property is not brought into compliance within 30 days of the initial inspection, if the inspection appointment is not kept by the owner or responsible party or if the annual fee is not paid to the City in a timely manner. Missed appointments or appointments not rescheduled within 7 calendars of the appointment date are subject to a fee of \$80.

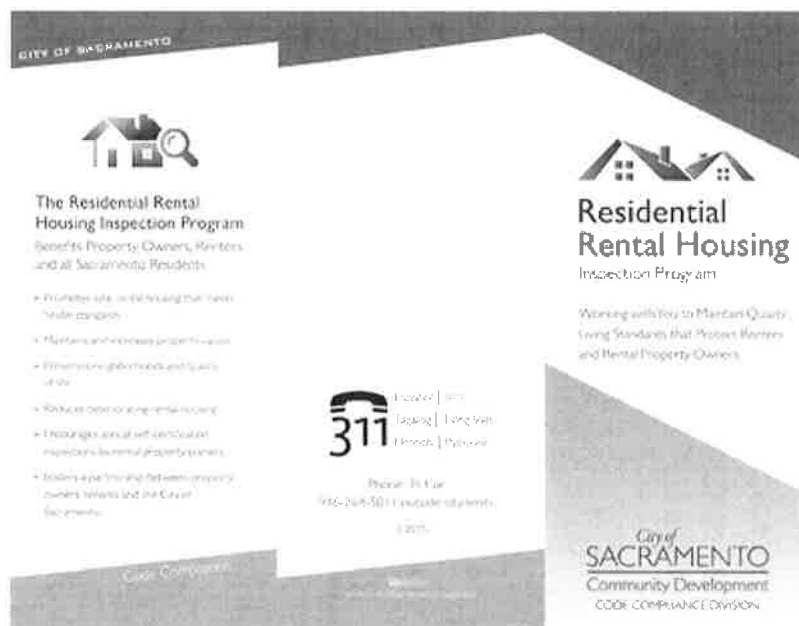
DETAILED INFORMATION

- Inspections:** Once a property is registered with our program, it will be scheduled for an inspection. Inspection notices are sent to the property owner providing them with two weeks' notice of the date and time of the inspection. A separate notice is sent to the tenant at the rental property address. The inspection appointment letter includes a sample inspection checklist and a Tenant Consent to Enter form, which can be used by the tenant if they cannot be present for the inspection. If violations are found during the initial inspection, the owner is given 30 days to make the corrections. If all violations are not corrected before the 30-day progress inspection, an Administrative Notice and Order may be issued. Properties taking more than 30-days to complete repairs are required to be inspected the following year and pay a \$127 re-inspection fee.
- Self-Certification Program:** If no violations exist on the property at the time of the initial inspection or if the violations are corrected before the 30-day re-inspection, the inspector will issue an approved inspection checklist and the property will be placed in the Self-Certification Program. The Self-Certification Program requires owners to perform their own inspections of each rental unit on an annual (calendar year) basis and upon any change in tenancy. Owners will be provided with "Self Certification" checklists to be completed at each inspection. The completed self-certification inspection checklists must be retained by the owner for a period of three years from the date of the inspection(s).
- Random Inspections of Self-Certified Properties:** The Rental Housing Program randomly inspects 10% of the properties that have been self-certified to verify that the property is maintained. If

the property is found in compliance, the property will continue in the Self-Certification Program. As long as the property is maintained and no violations exist, the property will continue in the Self-Certification Program. If the property does not pass inspection, it will no longer be eligible for the Self-Certification Program and will be subject to annual inspections until such time as it does pass inspection. The cost for the continuing inspection is \$127 per each unit inspected.

- **Exemptions:** The program requirements apply to all residential rental housing units, however some rental housing units may be exempt under certain conditions. Exemption categories include units that are regularly inspected by another agency or rental properties that are less than five (5) years old. If any of these circumstances exist, a property owner must submit an Application for Exemption to the Community Development Department. Exemptions will be reviewed for compliance with the program. If the exemption is found to be invalid, or if more information is needed, you will be contacted by phone or by mail.
- **Local Contact Representatives:** Property owners who reside outside of the Sacramento area are required to have a "Local Contact Representative" who can be available to attend inspections and respond to notices on the owner's behalf. This person may be your property manager, a friend or relative or your tenant. A space is provided on the registration form for the Local Contact Representative's contact information and signature.
- **Residents Rights Form:** The City of Sacramento has partnered with the Rental Housing Association (or "RHA") to develop a "Residents Rights" form. This form is to be provided to each new tenant prior to taking occupancy. The form can be downloaded from our web page or provided by mail. It is also available on the Rental Housing Association web page at www.rha.org. The Rental Housing Association is a non-profit organization serving rental owners and property managers in the Sacramento Valley region since 1951. Members of the association own or manage over 80,000 rental properties, from single-family homes to apartment communities.

For quick reference, please view the residential rental housing brochure below.



ADDITIONAL INFORMATION

- [Rental Housing Inspection Program FAQs](#)
- [Residents Rights and Responsibilities \(PDF - 244 KB\)](#)
- [View Top Ten Rental Housing Violations \(PDF - 3.08 MB\)](#)
- [View Residential Housing Inspection Program Ordinance \(PDF - 444 KB\)](#)
- [View Rental Housing Inspection Program Checklist \(PDF - 384 KB\)](#)
- [Rental Housing Inspection Application for Exemption \(PDF - 118 KB\)](#)
- [Rental Housing Inspection Registration Form\(PDF - 96.3 KB\)](#)
- [Rental Housing Inspection Tenant Consent to Enter \(PDF - 45.6 KB\)](#)
- [Self-Certification Checklist \(PDF - 165 KB\)](#)
- [Registered Rentals](#)
- [California Tenants' Rights Handbook \(PDF - 2 MB\)](#)

CONTACT US

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NOTE:

For appointment changes, rescheduling, etc. or for urgent matters please contact us by phone as e-mail replies are subject to delay.

Amber
HQ

Assignment Questions:

Recommendation

Name: Rental Registry, Rental Inspection Program, and/or Rental Business License

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

Rental registration programs require multifamily rental properties (and sometimes single-family, depending on the program) to register with the city by submitting a simple form identifying basic information about the property, such as how to reach the landlord in the event of an emergency. This will assist non-profits, code enforcement, and tenants. The recommendation gives city code inspectors the authority to inspect the exterior and interior spaces of rental units on a rotating basis without having to go through the time-consuming process of obtaining a court warrant. This protects tenants from being housed in sub-standard conditions while ensuring that all rental properties are up to code. This recommendation will be focused city-wide. This recommendation is important for the safety of our residents. Often residents are afraid of retaliation if they report violations or they don't know who to report them to. Rental registration programs have also been proven to increase safe living conditions by deterring landlords from engaging in deferred maintenance and lax property management.

Measurable: How will the impact of the recommendation be measured?

The impact of the recommendation is measured over time by looking at how many rental units had code violations when we enacted the policy and how those numbers decrease over X years.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

In order to accomplish this recommendation the city would have to put together a rental registration program. Implementing the program would take some time, because this would require some outreach/education to the landlords association and the tenants union. Once enacted the program should run fairly smoothly.

THE FACTS ABOUT RENTAL REGISTRATION

JULY 2013

BY THE ENTREPRENEURSHIP AND COMMUNITY DEVELOPMENT CLINIC
UNIVERSITY OF TEXAS SCHOOL OF LAW

What is Rental Registration?

Rental registration is an efficient and evidence-backed tool for identifying and remedying dangerous code violations in rental properties. Rental registration programs require multifamily rental properties (and sometimes single-family, depending on the program) to register with the city by submitting a simple form identifying basic information about the property, such as how to reach the landlord in the event of an emergency. Usually a small annual fee (\$10 to \$25 per unit is typical) is required as part of the registration. The city then inspects each property—typically once every three to five years—according to an inspection checklist, checking for major code violations and life threatening conditions.

Rental registration programs give city code inspectors the authority to inspect the exterior and interior spaces of rental units on a rotating basis without having to go through the time-consuming process of obtaining a court warrant. Most cities utilize inspections that focus on the exterior of the property and only a small percentage of the interior units. Rental properties that fail the initial inspection are subject to re-inspections, and landlords can eventually have their registration revoked if they fail to make their properties safe for tenants.

A large and growing number of cities around the U.S. are adopting rental registration ordinances, recognizing the critical role these ordinances play in identifying, deterring, and remedying code violations. Cities with rental registration include at least 20 Texas cities such as Houston, Dallas, Fort Worth, and Arlington, and many U.S. cities such as Seattle, Sacramento, Philadelphia, Boston, Raleigh, Los Angeles, and Minneapolis, *Bellingham, Syracuse, Rockford, New Orleans*

Austin's Current Complaint Process is Inadequate to Identify Properties with Dangerous Code Violations

The main argument put forth by opponents of rental registration is that it is unnecessary—that the City of Austin already knows which properties are dangerous. This argument is incorrect. Multiple studies have established that a large portion of dangerous code violations are in fact unreported and undetected by officials in the absence of a registration program. For example:

- Before Seattle adopted its new mandatory registration program, a study found that 78 percent of the buildings had unreported code violations, including many with the most serious violations.¹
- A study in Memphis likewise found large underreporting of serious code violations.² The city's complaint-based policies identified only about 20 percent of code violations. In one particular neighborhood, at least half of the 35

multifamily properties (1,200 units) had serious code violations, yet the city had recorded code violations for only 8 of the units. In the same neighborhood, the study identified 19 properties that had not come to the attention of code officials and yet were in dangerous enough condition that they needed to be condemned.

- In a San Francisco survey, 62 percent of tenants surveyed in Chinatown said they had multiple code issues in their apartments, yet, only 28 percent had complained to their landlord about the code issues, and only 11 percent had reported the code issues to a government agency or a community organization.³ Fear of retaliation was a major factor in the underreporting.

Tenants Lack the Technical Expertise Needed to Identify and Report Many Types of Dangerous Code Violations

Code complaints by tenants are typically based on environmental issues rather than dangerous structural and electrical issues. Dangerous structural issues such as deteriorating structural support for porches or stairwells often go undetected without a professional inspection. When problems are finally identified, it can be too late, with the lives of tenants on the line. For example, Houston's rental registration program was adopted in response to two children dying from a brick stairwell that collapsed on them in 2008—a stairwell that had not inspected for structural problems in over 20 years.⁴ In 2001, two men in Austin died at a rental property as a result of a faulty heater. A code inspection conducted after the deaths found that the rental units did not have any smoke alarms and that the heating system was dangerous.

Many Tenants are Afraid to Report Code Violations for Fear of Retaliation

Even when tenants are aware of code violations and the process for reporting them, many avoid reporting violations for fear of retaliation by their landlords. This fear is heightened in communities with large concentrations of immigrant tenants, such as in Austin, where one out of five apartment units are occupied by foreign-born households, with many living in substandard rental buildings. A focus group of local immigrants by Travis County found that many had landlords who failed to address safety hazards or public health concerns. Reports of abusive landlord practices were also common, including threats of deportation.⁵ Tenant retaliation cases are extremely difficult to prove in court, especially by tenants on month-to-month leases. Even when retaliation can be proven, legal resources for enforcing tenants rights are extremely limited. The impact of Austin's anonymous code reporting system is limited—it does nothing to help tenants who need to report code violations in the interior of the unit.

Rental Registration Programs Identify Code Violations Before They Become Hazardous and Too Expensive to Repair

Rental registration programs give cities the ability to identify and address serious code problems early on, before they threaten the lives of tenants and become cost prohibitive for the landlord to repair.⁶ Once code violations gain the attention of code officials, the conditions at the property are often quite deteriorated and

dangerous, making it much more costly and challenging to repair the property so that it is safe for tenants.

Rental Registration is a Low-Cost and Cost-Effective Program

Another argument put forth by rental registration opponents is that rental registration programs are costly. To the contrary, with fees of less than \$.83 to \$2.08 a month per unit (typical annual fees adopted by cities for multifamily property registration range from \$10 to \$25 a unit), the financial impact of rental registration fees on owners and tenants is very minimal. Using very conservative estimates, we have concluded that the employment of 6 inspectors would be more than sufficient to run a successful and comprehensive registration program in Austin, with inspections every 3 years of Austin's 2,400 multifamily properties and 134,000 multifamily units. The City of Houston, for example, employs just 4 code inspectors for its mandatory inspection program; the program is almost done with its first five-year cycle of inspecting Houston's 5,000 multifamily properties.

Austin Has a Large Number of Rental Properties with Dangerous Code Violations

Opponents to rental registration also argue that there are only a "few bad actors who rent dilapidated, unsafe structures." (Austin Board of Realtors, www.abor.com/CFA/). To the contrary, according to a report from the City of Austin, a "sizeable number of multi-family housing complexes [are] substandard, aging, and overcrowded." ⁷ A quick windshield survey of the Rundberg area alone identifies many multifamily properties with dangerous conditions. In 2012 alone, under Austin's weaker code complaint system, the City identified multiple code violations at more than 100 multifamily properties. The problem is likely to grow even larger, since more than 60 percent of Austin's apartment units (83,000+ units) are located in Class C and Class D properties, many with serious maintenance issues. A rental registration program would make a big impact by improving the living conditions for a multitude of Austin's renters.

Rental Registration Deters Code Violations and Makes Properties Safer

In addition to giving cities the means of systematically identifying code violations, rental registration programs have also been proven to increase safe living conditions by deterring landlords from engaging in deferred maintenance and lax property management. For example, a study of North Carolina cities with rental registration ordinances found that the ordinances resulted in landlords bringing their properties into code compliance more rapidly, a decrease in residential fires, and a reduction in code complaints.⁸ For example, Greensboro's housing code complaints fell 61 percent in a three-year period after the City adopted a rental registration program. An audit of Los Angeles's rental registration program likewise found that the program resulted in safer living conditions. Rental registration programs also provide certain landlords with the economic incentive to avoid engaging in the well-known phenomenon of "milking" properties, whereby some landlords, through economic motivations, reduce maintenance and repairs of rental

properties to a minimal level—just enough to keep the building operational and profitable.

Rental Registration Programs Provide Critical Emergency Contact Information

Rental registration programs provide cities with important contact information to reach owners or property managers when there is an emergency, code issues, or other problems with a rental property. Identifying an individual who is responsible for the property can be especially challenging for small rental properties given the large number of these properties that are owned by out-of-state investors or investment companies.

Rental Registration Programs Can be Easily Structured to Have a Minimal Impact on Compliant Property Owners

Properties that pass the initial inspection and have no history of code violations can be inspected less frequently and subject to lower registration fees. Meanwhile, properties with repeated violations can be subject to more frequent inspections and higher fees. A registration program can also be structured to exempt newer properties that are less likely to have code issues, and to also address known problem properties first by focusing the first round of inspections on rental properties with two or more notices of violation. Rental registration programs also limit the impact on compliant property owners by narrowly structuring the inspections to focus only on a subset of building codes related to the health and safety of tenants and not cosmetic issues. For example, code inspectors in Seattle's program inspect only for certain major safety issues, such as ensuring that the unit does not have defective locks, leaking plumbing, dangerous electrical systems, defective roofs, or dangerous structural conditions.

Tenants' Privacy is Protected

Rental registration programs protect tenants' privacy by providing tenants with advanced notice of inspections, imposing strict rules limiting inspections to a subset of dangerous building conditions, and barring collection of tenants' personal information. Meanwhile, tenants report that they support cities conducting routine code enforcement inspections of their units.⁹

Rental Registration Helps Tenants Retain Access to their Housing—and Housing that is Safer

Another argument raised against rental registration is that it will result in the displacement of low-income tenants. Other cities that have enacted similar ordinances have not experienced increased displacement. A code department's goal is to work with landlords to bring their units up to safe standards, not to close them. In contrast, complaint-based systems have been proven to result in displacement. For example, in the Woodridge and Las Palmas apartment cases in Austin, code conditions were identified only after they had become so dangerous that they placed tenants in imminent danger of losing their lives, resulting in the properties having to be shut down and the displacement of hundreds of tenants.

For More Information, Contact:

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End Notes

¹ JANE E. PROTHMAN, HOUSING: HEALTH AND CODE ENFORCEMENT, degree project for Masters of Public Administration at Univ. of Wash. (2010) (citing MCLERREN AND POWERS, REPORT ON THE HOUSING CODE ENFORCEMENT DEMONSTRATION PROGRAM (Housing Zoning Enforcement Division, Seattle, Wash, 1989)).

² PHYLLIS BETTS, BEST PRACTICE NUMBER TEN: BROKEN WINDOWS—STRATEGIES TO STRENGTHEN HOUSING CODE ENFORCEMENT AND APPROACHES TO COMMUNITY-BASED CRIME PREVENTION IN MEMPHIS (Memphis Shelby Crime Commission, Apr. 2001) (finding that while multifamily units account for one third of all housing units in the Binghamton community, only 10% of the code violations in the city system were from multifamily units, despite visual survey showing that at least half of the multifamily units had substantial code violations).

³ CHINESE PROGRESSIVE ASSOCIATION, SUBSTANDARD HOUSING CONDITIONS IN SAN FRANCISCO CHINATOWN: HEALTH IMPACTS ON LOW-INCOME IMMIGRANT TENANTS (Aug. 2005), *available at* www.cpasf.org/sites/default/files/HousingHealthRptFINAL.pdf

⁴ Matt Stiles, *Houston hires firm to investigate fatal stairway collapse*, HOUSTON CHRON. (July 24, 2008), www.chron.com/news/houston-texas/article/Houston-hires-firm-to-investigate-fatal-stairway-1596785.php.

⁵ RESEARCH AND PLANNING DIVISION, TRAVIS COUNTY HEALTH AND HUMAN SERVICES & VETERAN SERVICE, HOUSING: SECTION VI OF THE 2006-2007 TRAVIS COUNTY IMMIGRANT ASSESSMENT, at 69-70, *available at* www.co.travis.tx.us/health_human_services/research_planning/pdfs/immigrant_assessment_report_2007/06_Housing.pdf.

⁶ SILVANA HACKETT, ET AL, RENTAL LICENSING TO ACHIEVE COMPLIANCE (Center for Urban and Regional Affairs, Univ. of Minn., 2012), *available at* www.ci.roseville.mn.us/DocumentCenter/View/11028.

⁷ OFFICE OF THE CITY AUDITOR, CITY OF AUSTIN, PERFORMANCE AUDIT OF THE CODE COMPLIANCE FUNCTION (Mar. 23, 2010), at 15.

⁸ CAROL HICKEY, ENSURING HOUSING QUALITY: PROACTIVE MINIMUM HOUSING CODE INSPECTIONS OF RENTAL PROPERTIES IN NORTH CAROLINA CITIES, Paper submitted for Masters of Public Admin. at UNC Chapel Hill (Apr. 8, 2008), *available at* www.ghc.illkd.com/wp-content/uploads/2008/04/enhancinghousingquality.pdf.

⁹ CHINESE PROGRESSIVE ASSOCIATION, SUBSTANDARD HOUSING CONDITIONS IN SAN FRANCISCO CHINATOWN: HEALTH IMPACTS ON LOW-INCOME IMMIGRANT TENANTS (Aug. 2005), *available at* www.cpasf.org/sites/default/files/HousingHealthRptFINAL.pdf.

ORDINANCE NO. 2015-03-005

AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON RELATING TO RESIDENTIAL RENTAL REGISTRATION, SAFETY INSPECTION, AND CODE COMPLIANCE AND ADDING A NEW CHAPTER 6.15 TO THE BELLINGHAM MUNICIPAL CODE.

WHEREAS, some rental housing units with substandard conditions exist within the City of Bellingham; and

WHEREAS, improving residential housing and helping ensure that all rental housing in the City meets specific minimum life safety and fire safety standards requires a rental registration and safety inspection program to promote code compliance and to determine if such rental units endanger or impair the health or safety of tenants; and

WHEREAS, the rental registration and safety inspection program set forth below is not intended to establish requirements beyond the requirements that apply to existing structures under code provisions that are already in effect.

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1: A new chapter is hereby enacted and added to the Bellingham Municipal Code, Chapter 6.15, as follows:

**Chapter 6.15
RENTAL REGISTRATION AND SAFETY INSPECTION PROGRAM**

Sections:

- 6.15.010 Purpose.**
- 6.15.020 Definitions.**
- 6.15.030 Scope.**
- 6.15.040 Residential rental housing registration required for each rental property.**
- 6.15.050 Certificates of Inspection.**
- 6.15.060 Registration denial, suspension, or revocation.**
- 6.15.070 Inspection required in event of notice of code violation.**
- 6.15.080 Notice that rental is unlawful when certificate not provided.**
- 6.15.090 Other inspections.**
- 6.15.100 Director is authorized to make rules.**
- 6.15.110 Correction notice prior to enforcement.**

Rental Registration and Safety Inspection Program Ordinance (1)

a person who performs an inspection and submits inspection results under this chapter and under a contract with the City.

- G. "Declaration of Compliance" means a statement submitted to the City, by the owner or the landlord that certifies that, to the best of his or her knowledge, after an on-site review of the conditions of the rental unit, each residential housing unit complies with the requirements and standards of BMC 6.15.050.
- H. "Department" means the City of Bellingham Department of Planning and Community Development.
- I. "Director" means the Director of the Department of Planning and Community Development or the Director's designee.
- J. "Fire Code" means all code provisions adopted in and throughout BMC Chapter 17.20.
- K. "Landlord" means the owner, lessor, or sublessor of the rental unit or the rental property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.
- L. "Mobile home" means a mobile home or a manufactured home as defined in Chapter 59.20 RCW.
- M. "Owner" has the meaning as defined in RCW 59.18.030(11).
- N. "Qualified rental housing inspector" and "RHI" mean a private inspector who possesses at least one of the following credentials and who has been approved by the Director as a RHI based on a process developed by the Director consistent with the intent of this Chapter:
 - 1. American Association of Code Enforcement Property Maintenance and Housing Inspector certification;
 - 2. International Code Council Property Maintenance and Housing Inspector certification;
 - 3. International Code Council Residential Building Code Inspector;
 - 4. Washington State licensed home inspector; or
 - 5. Other acceptable credential the Director establishes by rule.
- O. "Rental unit" means a residential housing unit occupied or rented by a tenant or available for rent by a tenant.
- P. "Rental Property" means all residential dwelling units rented or leased on a single parcel of land managed by the same landlord.

Y. "Unit unavailable for rent" means a residential housing unit that is not offered or available for rent as a rental unit, and that prior to offering or making the unit available as a rental unit, the owner is required to obtain a residential rental registration for the rental property in which the unit is located and comply with applicable regulations adopted pursuant to this chapter.

6.15.030 Scope.

A. Exemptions. The provisions of this chapter apply to all residential housing units, with the exception of:

1. Owner-occupied single family residences without an accessory dwelling unit or carriage house;
2. Units unavailable for rent;
3. Housing accommodations in hotels, motels, inns or similar accommodations for transient guests; provided that, as allowed by state law, this chapter shall apply to any unit within such an accommodation that is occupied by a person that does not meet the definition of transient guest;
4. Housing accommodations in retirement or nursing homes;
5. Housing accommodations in any hospital, State-licensed Medical Care Facility as defined by BMC 20.08.020, State-licensed facility providing Service Care as defined by BMC 20.08.020, convent, monastery or other facility occupied exclusively by members of a religious order;
6. Mobile homes or manufactured homes, both as defined in Chapter 59.20 RCW; and
7. Shelters and transitional housing.

B. Standards for declaration of compliance and certificates of inspection. The checklist for a declaration of compliance and for a certificate of inspection required under this chapter shall include only those standards appropriate for determining whether conditions exist in a rental unit that endanger or impair the health or safety of a tenant. Cosmetic conditions that do not affect structural systems, electrical systems, fire safety systems, sanitation components or weather resistive systems shall not be considered as part of any declaration of compliance or certificate of inspection required under this chapter.

6.15.040 Residential rental housing registration required for each rental property.

declaration of compliance as described in BMC 6.15.040(J). Any person who fails to submit the required documentation and pay the renewal registration fee (unless exempt) on or prior to the expiration date of the registration shall be subject to late fee penalties as determined by City Council in a fee ordinance.

G. Display of Registration. A copy of the registration shall be posted on the inside of each residential housing unit in a visible location; provided, that the Director may by rule establish one or more alternative or additional methods for conveying the information to tenants of residential housing units.

H. Registration Information. The Department will maintain information regarding rental properties that have a valid registration and will make such information available to the public.

I. Information to be provided to tenant and others. The landlord or his or her authorized representative must provide to each new tenant, at the time of the lease or rental agreement is signed or the tenancy otherwise commences, written information regarding tenant rights and resources. The Director is authorized to publish the written information to be provided to the tenant under this subsection and shall make such information available to landlords for this purpose. The Director will also provide and advertise a web site for owners, property managers and tenants regarding rental resources, laws and rights and responsibilities. The Director is further authorized to create outreach and instructional classes for owners, property managers and tenants regarding requirements of this program.

J. Declaration of Compliance. As a condition to the issuance and/or renewal of a residential rental registration, an applicant shall provide a valid declaration of compliance addressing each rental unit in the rental property prior to the issuance of a registration. A declaration of compliance submitted under this chapter must state that each unit complies with the requirements and standards listed in BMC 6.15.050(B)(1)-(13) and/or authorized under BMC 6.15.050(C) using a checklist provided by the City, state that there are no conditions presented in the units that endanger or impair the health or safety of a tenant, and certify that all tenants that commenced their tenancy during the previous 12 months were provided the written information required in BMC 6.15.040(I) at the time the lease or rental agreement was signed or the tenancy otherwise commenced.

6.15.050 Certificates of inspection.

A. All rental properties will be inspected once every three years. The Department shall periodically select from registered properties containing rental housing units, the properties that shall be inspected by a qualified rental housing inspector and will require a certificate of inspection within a time period established by the Director. The property selection process shall be based on a methodology adopted by the Director that will further the

- C. The Director is authorized to adopt and publish a checklist to be used for declarations of compliance and inspections submitted or conducted under this chapter and is authorized to include additional standards within the Building Code or Fire Code so long as the checklist and standards are consistent with the intent and scope of this chapter. No provision in this Chapter is intended to impose building or fire code standards for existing structures beyond the standards for existing structures set forth in the Building Code or Fire Code. This Chapter shall be interpreted in a manner that is consistent with BMC 17.10.020, as may be amended from time to time, regarding existing structures.
- D. A certificate of inspection shall be based upon a physical inspection by the qualified rental housing inspector or City building code enforcement officer of the residential housing units conducted not more than 90 days prior to the date of the certificate of inspection.
- E. The certificate of inspection shall list and show compliance with the minimum standards for each residential housing unit that was inspected using the checklist provided by the City and shall contain such other information as determined by the Director to carry out the intent of this Chapter.
- F. Limitations and conditions on inspection of units for certificate of inspection.
1. The City may only require a certificate of inspection on a rental property once every three years.
 2. A rental property that has received a certificate of occupancy within the last four years and has had no code violations reported on the property during that period is exempt from inspection under BMC 6.15.050(A).
 3. A rental property inspected by a government agency or other qualified inspector within the previous twenty-four months may provide proof of that inspection which the City may accept in lieu of a certificate of inspection. If any additional inspections of the rental property are conducted, a copy of the findings of these inspections may also be required by the City.
 4. For properties that qualify for an inspection under BMC 6.15.050(F)(5)-(6), the owner or landlord must send written notice of the inspection to all units at the rental property. The notice must advise tenants that some of the units at the property will be inspected and that the tenants whose units need repairs or maintenance should send written notification to the landlord as provided in RCW 59.18.070. The notice must also advise tenants that if the landlord fails to adequately respond to the request for repairs or maintenance, the tenants may contact City of Bellingham officials. A copy of the notice must be provided to the inspector upon request on the day of inspection.
 5. If a rental property has twenty or fewer rental units, no more than four rental units at the rental property may be selected by the City to provide a certificate of

6.15.060 Registration denial, suspension, or revocation.

- A. The registration of any rental property may be denied, suspended or revoked by the Director based on one or more of the following grounds:
1. The registration was procured by fraud or false representation of fact;
 2. The applicant or registration holder has failed to comply with any of the provisions of this chapter;
 3. The applicant or registration holder is in default in any fee due to the City under this chapter;
 4. The continued operation of any rental housing unit at the rental property will result in a danger to the public health, safety, or welfare by reason of any of the following:
 - a. The City is provided notice of a violation of the Building Code, the Fire Code, or violations of any other applicable City Code or State law which endangers or impairs the health or safety of the tenant.
 - b. The applicant or registration holder or his/her/its employees or agents have been convicted of a crime which bears a direct relationship to the operation of a residential housing unit under the residential rental registration issued pursuant to this chapter.
- B. If the registration of any rental property is suspended or revoked, or an application for registration is denied, the rental property will be granted registration only after:
1. Any and all deficiencies on which the suspension, revocation, or denial was based have been corrected;
 2. In the event an inspection has been required under BMC 6.15.070(A), the applicant has provided to the City a valid certificate of inspection that meets the requirements of BMC 6.15.050; and
 3. The applicant pays a registration fee as determined by ordinance.

6.15.070 Inspection required in event of notice of code violation.

- A. Whenever the Department is provided notice of a violation of the Building Code, the Fire Code, or violations of any other applicable Bellingham Municipal Code with respect to a rental unit, the Department is authorized to request to conduct an inspection of the rental unit under

The Director is authorized to adopt, publish and enforce rules and regulations, consistent with this chapter and the standards in this chapter for the purpose of carrying out the provisions of this chapter, and it is unlawful to violate or fail to comply with any such rule or regulation.

6.15.110 Correction notice prior to enforcement.

Before the City suspends or revokes a registration or imposes the penalties set forth in BMC 6.15.150, an attempt shall be made to give the owner or landlord a written notice by personal service or by certified mail, return receipt requested, stating the existence of a violation, that enforcement action is contemplated, and that such person shall have a specified period of time in which to correct the violation.

6.15.120 Appeals.

- A. General. Appeals of registration denials, revocations, or suspensions; other final, written decisions or determinations made by the Director under BMC 6.15.060(B), BMC 6.15.070(A), or BMC 6.15.080; and the written findings of an inspection by a city building code enforcement officer relative to the application and interpretation of this code (i.e. decisions) may be appealed to the Hearing Examiner by filing a notice of appeal in the form specified in BMC 6.15.120(B) at the City of Bellingham Permit Center and paying the applicable appeal fee within 14 days of issuance of the decision.
- B. Form of Notice of Appeal. A person appealing a decision must pay the applicable appeal fee and submit a completed notice of appeal which sets forth:
 - 1. The decision being appealed and the date it was issued;
 - 2. Facts demonstrating that the person is adversely affected by the decision;
 - 3. A statement identifying each alleged error in the decision;
 - 4. The specific relief requested; and
 - 5. Any other information reasonably necessary to make a decision on the appeal.
- C. No suspension or revocation of a registration issued pursuant to the provision of this chapter shall take effect until 14 days after the mailing of the notice thereof by the Department and, if appeal is taken as herein prescribed, the suspension or revocation shall be stayed pending final action by the Hearing Examiner.
- D. The decision of the hearing examiner shall be final. The owner and/or the Department may seek review of the decision by the superior court of Washington in and for Whatcom County within 21 days from the date of the decision. If review is sought as herein

D. The penalties imposed in this chapter are not exclusive when the acts or omissions constitute a violation of another chapter of the Bellingham Municipal Code. In addition to all other penalties, remedies, or other enforcement measures established within this chapter, or as otherwise provided by law, the acts or omissions that constitute violations of this chapter may be subject to penalties and enforcement provisions as provided by Chapters 10.28, 17.10, 17.20 and other provisions of the Bellingham Municipal Code, and such penalties and enforcement provisions may be imposed as set forth therein. All remedies under this chapter are cumulative unless otherwise expressly stated. The exercise of one remedy shall not foreclose use of another. Remedies may be used singly or in combination; in addition, the City of Bellingham may exercise any rights it has at law or equity.

6.15.160 Consistency with RCW 59.18.

The provisions of this chapter shall be interpreted in a manner that is consistent with the provision of Chapter 59.18 RCW.

6.15.170 Annual reporting and City Council Review.

During the first two years of the program, the Director will report to the City Council annually on the status of the program. Before January 1, 2019, the City Council shall review the chapter's effects on the community and the problems the chapter was intended to remedy.

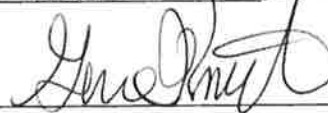
6.15.180 Applicability.

The provisions of this chapter shall apply in addition to the provisions of any other code provision or ordinance. Where there is a conflict, the more restrictive provision shall apply.

6.15.190 Severability.

If any section, sentence, clause, or phrase (i.e., provision) of this chapter or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision and the remainder of this chapter, or the application of such provisions to other persons or circumstances, shall not be affected.

PASSED by the Council this 9th day of March, 2015.



Council President

Chapter 22.214 - RENTAL REGISTRATION AND INSPECTION ORDINANCE

Sections:

22.214.010 - Declaration of purpose

The City Council finds that establishing a Rental Registration and Inspection Ordinance is necessary to protect the health, safety, and welfare of the public; and prevent deterioration and blight conditions that adversely impact the quality of life in the city. This shall be accomplished by requiring rental housing be registered and properly maintained, and that substandard housing conditions be identified and corrected.

(Ord. 124312, § 2, 2013; Ord. 124011, § 2, 2012.)

22.214.020 - Definitions

For purposes of this Chapter 22.214, the following words or phrases have the meaning prescribed below:

1. "Accessory dwelling unit" or "ADU" means an "Accessory dwelling unit" or a "Detached accessory dwelling unit" or "DADU" as defined under "Residential use" in Section 23.84A.032.
2. "Certificate of Compliance" means the document issued by a qualified rental housing inspector and submitted to the Department by a property owner or agent that certifies the rental housing units that were inspected by the qualified rental housing inspector comply with the requirements of this Chapter 22.214.
3. "Common areas" mean areas on a property that are accessible by all tenants of the property including but not limited to: hallways; lobbies; laundry rooms; and common kitchens, parking areas, or recreation areas.
4. "Department" means the Seattle Department of Construction and Inspections or successor Department.
5. "Director" means the Director of the Seattle Department of Construction and Inspections or the Director's designee.
6. "Housing Code" means the Housing and Building Maintenance Code in Chapters 22.200 through 22.208.
7. "Mobile Home" means a "Mobile Home" or a "Manufactured Home" as defined in RCW 59.20.
8. "Owner" has the meaning as defined in RCW 59.18.030(11).
9. "Qualified Rental Housing Inspector" means:
 - a. A City Housing and Zoning Inspector; or
 - b.

- A. The registration provisions of this Chapter 22.214 shall apply to all rental housing units with the exception of:
1. Housing units lawfully used as vacation rentals for periods not to exceed three consecutive months and not consecutively used by the same individual or individuals for more than three months in any twelve-month period;
 2. Housing units rented for not more than 12 consecutive months as a result of the property owner, who previously occupied the unit as a primary residence, taking a work-related leave of absence or assignment such as an academic sabbatical or temporary transfer;
 3. Housing units that are a unit unavailable for rent;
 4. Housing units in hotels, motels, inns, bed and breakfasts, or in similar accommodations that provide lodging for transient guests;
 5. Housing units in facilities licensed or required to be licensed under RCW 18.20, RCW 70.128, or RCW 72.36, or subject to another exemption under this Chapter;
 6. Housing units in any state licensed hospital, hospice, community-care facility, intermediate-care facility, or nursing home;
 7. Housing units in any convent, monastery, or other facility occupied exclusively by members of a religious order or congregation;
 8. Emergency or temporary-shelter or transitional housing accommodations;
 9. Housing units owned, operated, or managed by a major educational or medical institution or by a third party for the institution; and
 10. Housing units that a government entity or housing authority owns, operates or manages; or units exempted from municipal regulation by federal, state, or local law.
- B. The inspection provisions of this Chapter 22.214 shall apply to rental housing units that are included in this Rental Registration and Inspection Ordinance, with the exception of:
1. Rental housing units that receive funding or subsidies from federal, state, or local government when the rental housing units are inspected by a federal, state, or local governmental entity at least once every five years as a funding or subsidy requirement; and the rental housing unit owner or agent submits information to the Department within 60 days of being notified that an inspection is required that demonstrates the periodic federal, state, or local government inspection is substantially equivalent to the inspection required by this Chapter; and
 2. Rental housing units that receive conventional funding from private or government insured lenders when the rental housing unit is inspected by the lender or lender's agent at least once every five years as a requirement of the loan; and the lender or lender's agent submits information to the Department within 60 days of being notified that an inspection is required that demonstrates the periodic lender inspection is substantially equivalent to the inspection required by this Chapter; and
 - 3.

The fees for rental housing registration, renewal, reinstatement, or for other Rental Registration and Inspection Ordinance program purposes shall be adopted by amending Chapter 22.900.

- F. The new owner of a registered property shall, within 60 days after the sale is closed on a registered property, update the current registration information and post or deliver the updated registration according to subsection 22.214.040.I. When property is held in common with multiple owners, the registration shall be updated when more than 50 percent of the ownership changes.
- G. An application for a rental housing registration shall be made to the Department on forms provided by the Director. The application shall include, but is not limited to:
 - 1. The address of the property;
 - 2. The name, address, and telephone number of the property owners;
 - 3. The name, address, and telephone number of the registration applicant if different from the property owners;
 - 4. The name, address, and telephone number of the person or entity the tenant is to contact when requesting repairs be made to their rental housing unit, and the contact person's business relationship to the owner;
 - 5. A list of all rental housing units on the property, identified by a means unique to each unit, that are or may be available for rent at any time;
 - 6. A declaration of compliance from the owner or owner's agent, declaring that all housing units that are or may be available for rent are listed in the registration application and meet or will meet the standards in this Chapter 22.214 before the units are rented; and
 - 7. A statement identifying whether the conditions of the housing units available for rent and listed on the application were established by declaration of the owner or owner's agent, or by physical inspection by a qualified rental housing inspector.
- H. A rental housing registration must be renewed according to the following procedures:
 - 1. A registration renewal application and the renewal fee shall be submitted at least 30 days before the current registration expires;
 - 2. All information required by subsection 22.214.040.G shall be updated as needed; and,
 - 3. A new declaration as required by subsection 22.214.040.G.6 shall be submitted.
- I. Within 30 days after the Department issues a rental housing registration, a copy of the current registration shall be delivered by the property owner or owner's agent to the tenants in each rental housing unit or shall be posted by the property owner or owner's agent and remain posted in one or more places readily visible to all tenants. A copy of the current registration shall be provided by the property owner or owner's agent to all new tenants at or before the time they take possession of the rental housing unit.
- J. If any of the information required by section 22.214.040.G changes during the term of a registration, the owner shall update the information within 60 days of the information changing, on a form provided by the Director.

- The Department shall ensure that all properties registered under this Chapter 22.214 shall be inspected at least once every ten years, or as otherwise allowed or required by any federal, state, or city code. In addition, at least ten percent of properties whose prior inspections are more than five years old shall be reinspected each year. The Director shall by rule determine the method of selecting properties for reinspection.
- C. If the Department receives a complaint regarding a rental housing unit regulated under this program, the Department shall request that an interior inspection of the rental housing unit identified in the complaint be conducted by a Department inspector using the general authority, process, and standards of the full Housing and Building Maintenance Code, Chapters 22.200 through 22.208 of the Seattle Municipal Code. If, after inspecting the rental housing unit the Department received the complaint on, the Department determines the rental housing unit violates the standards in subsection 22.214.050.M and causes the rental housing unit to fail inspection under this Chapter 22.214, the Director may require that any other rental housing units covered under the same registration on the property be inspected following the procedures of this section 22.214.050 for inspection timing, giving notice to tenants, and submitting a certificate of compliance. The inspection of any other rental housing units may be conducted by a private qualified rental housing inspector.
- D. If a property subject to this Chapter 22.214 has within two years preceding the adoption of this Chapter been subject to two or more notices of violation or one or more emergency orders of the Director for violating the standards in Chapters 22.200 through 22.208 of the Seattle Municipal Code where enforced compliance was achieved by the Department or the violation upheld in a final court decision, the rental property shall be selected for inspection during 2015 or within the first year of required inspections, consistent with the provisions of subsections 22.214.050.E through 22.214.050.M.
- E. A certificate of compliance shall be issued by a qualified rental housing inspector, based upon the inspector's physical inspection of the interior and exterior of the rental housing units, and the inspection shall be conducted not more than 60 days prior to the certificate of compliance date.
- F. The certificate of compliance that shall be submitted by the property owner or owner's agent within 60 days of receiving notice of a required inspection under this Section 22.214.050, shall:
1. Certify compliance with the standards as required by this Chapter 22.214 for each rental housing unit that was inspected;
 2. State the date of the inspection and the name, address, and telephone number of the qualified rental housing inspector who performed the inspection;
 3. State the name, address, and telephone number of the property owner or owner's agent; and
 4. Contain a statement that the qualified rental housing inspector personally inspected all rental housing units listed on the certificate of compliance.
- G. Inspection of rental housing units for a certificate of compliance according to subsections 22.214.050.A and 22.214.050.B shall be accomplished as follows:
- 1.

If the owner or owner's agent fails to adequately respond to the request for repairs or maintenance at any time, the tenant may contact the Department about the rental housing unit's conditions without fear of retaliation or reprisal.

2. The contact information for the Department as well as the right of a tenant to request repairs and maintenance shall be prominently displayed on the notice of inspections provided under this subsection 22.214.050.H.
 3. The owner or owner's agent shall provide a copy of the notice of inspection to the qualified rental housing inspector on or before the day of the inspection.
- I. A certificate of compliance shall be valid and used for purposes of complying with the inspection provisions of this Chapter 22.214 for five years from the date the certificate is issued, unless the Department determines that the certificate is no longer valid because one or more of the rental units listed in the certificate of compliance no longer meets the standards as required in this Chapter 22.214. When the Department determines a certificate of compliance is no longer valid, the owner may be required to have all rental housing units on the property inspected by a qualified rental housing inspector, obtain a new certificate of compliance, and pay a new registration fee.
 - J. The Department shall audit certificates of compliance prepared by private qualified rental housing inspectors by reviewing certificates of compliance to determine their completeness and accuracy. If the Department determines that a violation of this Chapter 22.214 exists, the owner and qualified rental housing inspector shall be subject to all enforcement and remedial provisions provided for in this Chapter 22.214.
 - K. Nothing in this section precludes additional inspections conducted at the request or consent of a tenant, under the authority of a warrant, or as allowed by a tenant remedy provided for in RCW 59.18, as provided for under Title 22 of the Seattle Municipal Code, or as allowed by any other City code provision.
 - L. A weighted checklist based on the standards identified in subsection 22.214.050.M shall be adopted by rule and used to determine whether a rental housing unit will pass or fail inspection.
 - M. The following requirements of the Housing and Building Maintenance Code shall be included in the weighted checklist required by subsection 22.214.050.L and used by a qualified rental housing inspector to determine whether a rental housing unit will pass or fail inspection:
 1. The minimum floor area standards for a habitable room contained in subsection 22.206.020.A. Section 22.206.020.A shall not apply to single room occupancy units;
 2. The minimum sanitation standards contained in the following sections:
 - a. 22.206.050.A. Subsection 22.206.050.A shall only apply to a single room occupancy unit if the unit has a bathroom as part of the unit;
 - b. 22.206.050.D. Subsection 22.206.050.D shall only apply to a single room occupancy unit if the unit has a kitchen;
 - c. 22.206.050.E;

- D. A qualified rental housing inspector who fails to renew their registration is prohibited from inspecting and certifying rental housing under this Chapter 22.214 until the inspector registers or renews a registration according to Section 22.214.060.
- E. The Department is authorized to revoke a qualified rental housing inspector's registration if it is determined that the inspector:
 - 1. Knows or should have known that information on a Certificate of Compliance issued under this Chapter 22.214 is false; or
 - 2. Is convicted of criminal activity that occurs during inspection of a property regulated under this Chapter 22.214.
- F. The Director shall consider requests to reinstate a qualified rental housing inspector registration. The Director's determination following a request to reinstate a revoked registration shall be the Department's final decision.
- G. The Director shall adopt rules to govern the administration of the qualified rental housing inspector provisions of this Chapter 22.214.

(Ord. 124963, § 13, 2015; Ord. 124312, § 8, 2013; Ord. 124011, § 8, 2012.)

22.214.070 - Enforcement authority and rules

- A. The Director is the City Official designated to exercise all powers including the enforcement powers established in this Chapter 22.214.
- B. The Director is authorized to adopt rules as necessary to carry out this Chapter 22.214 including the duties of the Director under this Chapter 22.214.

(Ord. 124011, § 9, 2012.)

22.214.075 - Violations and enforcement

- A. Failure to comply with any provision of this Chapter 22.214, or rule adopted according to this Chapter 22.214, is a violation of this Chapter 22.214 and subject to enforcement as provided for in this Chapter 22.214. In addition, and as further provided by subsection 22.206.160.C, owners may not evict residential tenants from rental housing units if the units are not registered with the Seattle Department of Construction and Inspections as required by Section 22.214.040.
- B. Upon presentation of proper credentials, the Director or duly authorized representative of the Director may, with the consent of the owner or occupant of a rental housing unit, or according to a lawfully-issued inspection warrant, enter at reasonable times any rental housing unit subject to the consent or warrant to perform activities authorized by this Chapter 22.214.
- C. This Chapter 22.214 shall be enforced for the benefit of the health, safety, and welfare of the general public, and not for the benefit of any particular person or class of persons.
- D.

(Ord. 124312, § 10, 2013; Ord. 124011, § 12, 2012.)

22.214.086 - Penalties

- A. In addition to the remedies available according to Sections 22.214.080 and 22.214.085, and any other remedy available at law or in equity, the following penalties shall be imposed for violating this Chapter 22.214:
1. Any person or entity violating or failing to comply with any requirement of this Chapter 22.214 or rule adopted under this Chapter 22.214 shall be subject to a cumulative civil penalty of \$150 per day for the first ten days the violation or failure to comply exists and \$500 per day for each day thereafter. A separate violation exists for each day there is a violation of or failure to comply with any requirement of this Chapter 22.214 or rule adopted under this Chapter 22.214.
 2. Any person or entity that knowingly submits or assists in submitting a falsified certificate of compliance, or knowingly submits falsified information upon which a certificate of compliance is issued, shall be subject to a penalty of \$5,000 in addition to the penalties provided for in subsection 22.214.086.B.1.
- B. When the Director has issued a notice of violation according to Section 22.214.080, a property owner may, at any time prior to the initiation of a civil enforcement action, appeal to the Director the notice of violation or the penalty imposed. The appeal shall be in writing.
- C. After receiving an appeal, the Director shall review applicable rental registration information in the Department's records, any additional information received from the property owner, and if needed request clarifying information from the property owner or gather additional information. After completing the review the Director may:
1. Sustain the notice of violation and penalty amount;
 2. Withdraw the notice of violation;
 3. Continue the review to a date certain for action or receipt of additional information;
 4. Modify or amend the notice of violation; or
 5. Reduce the penalty amount.
- D. Reductions in the penalty amount may be granted by the Director when compliance with the provisions of this Chapter 22.214 has been achieved and a property owner can show good cause or factors that mitigate the violation. Factors that may be considered in reducing the penalty include but are not limited to whether the violation was caused by the act or neglect of another; or whether correction of the violation was commenced promptly prior to citation but that full compliance was prevented by a condition or circumstance beyond the control of the person cited.
- E. Penalties collected as a result of a notice of violation, civil action, or through any other remedy available at law or in equity shall be directed into the Rental Registration and Inspection Ordinance Enforcement Account.

(Ord. 124312, § 11, 2013)

See back

HQ Patricia

Q = Should this be a voluntary program or not. Pose Q to group

Mayor's Housing Quality Task Force

12 June 2016

Patricia Kienholz

City Hall, Council Briefing Center

Numbers

* identify rental + housing ownership need

Q1 & 2:

- Housing inspection program that identifies substandard properties (new recommendation).
"....criteria that determine that the home cannot be occupied or determines that the home has risen to a level that it may now be occupied."
- Rental Registration, Rental Inspection Program, and/or Rental Business License this could include a Housing Inspection Program for rental and/or owner occupied properties

A1: HUD provides minimum housing quality standards that are used for HUD housing. In order to provide a new recommendation for a housing inspection program that identifies substandard properties the following shall be considered:

- Identify specific housing quality standard issues related specifically to the City of Spokane's rental and home ownership challenges/opportunities for development, mixed use housing (aka "affordable housing"), and housing quality.
- Once minimum standards for the City are identified (includes HUD and other region specific challenges/opportunities) identify organizations where partnership and survey data may be collected (ex: Avista, HUD, census, self-reporting and retrieved via inspection).
- Assumptions:

Housing Authority

- "...consumer protections will impose a cost on the producers (the landlords), who will inevitably pass on these costs on to the consumers (the tenants)....renters might not support such regulation [because rents might rise]...some anecdotal evidence that in our current unregulated private rental market, landlords do raise rents even if the insulation installed is subsidized by the tax-payer." (Howden-Chapman, Philippa. Home Truths: Confronting New Zealand's Housing Crisis. P34-35).
- Possibility that renters bring housing quality down and possible resistance from landlords/property owners regarding inspections and that developers are already required to participate in multiple inspections

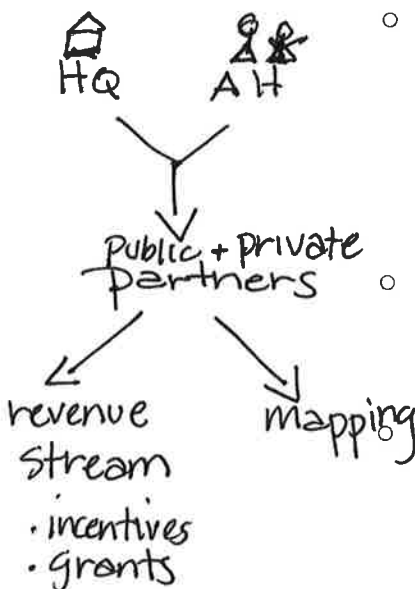
The Housing Authority has the capacity to perform housing inspections (see Dave Scott/Lori Hays dscott@spokanehousing.org, lhays@spokanehousing.org; Housing Authority is part of development team of the new HUD standards - USPC Quality Standards)

- Consider attaching incentives to voluntarily participating in an inspection program

identify incentives

> create volunteer incentive program for tenants + home owners

> create acquisition rehab program



revenue stream → ↑ HQ

- Reference Real Estate Research Report (UW *formerly WSU)
- Reference Seattle pilot project: look at how inspection gets onerous and expensive for property owners (problematic to make these inspection programs work in the private sector but incentives through voluntary participation may get some participation. Could incentivize for renter? Every funder inspects HUD housing developments.
- Include Arlene Patton (Chair of Affordable Housing and Real Estate Portfolio committee, Paul Trautman, Patricia Kienholz; other members of AHREPC)
- Identify an inventory of City-owned developable land and incentives attached to that land; identify for neighborhoods areas where blight exists and help develop voluntary programs for clean-up (similar to the Riverfront Park clean-up).
- Require internal (City staff – procedural) or external (policy - comp plan)

Will need identified
in future
→

definitions for:

- “housing quality”;
- recommended changing “affordable housing” to “mixed use housing” while still able to identify specific “affordable housing” grant programs that lend to City-wide goals; and eliminated “low income” attached to “affordable housing;”
- “healthy;”

→

SEE:

(Bennett, Julie. Results from a Rental Housing Warrant of Fitness Pre-Test. University of Otago, Wellington).

<http://wellington.govt.nz/~media/your-council/news/files/2014/rental-housing-wof.pdf>

Substandard Housing (Housing and Health Auckland 21).

<http://www.arphs.govt.nz/Portals/0/Health%20Information/HealthyEnvironments/HealthyHousing/HealthyHousing-Ch52004.pdf>

<http://www.arphs.govt.nz/Portals/0/Health%20Information/HealthyEnvironments/HealthyHousing/HealthyHousing-Ch52004.pdf>

Lisa Key
HQ

Assignment Questions:

Recommendation Name: Public/Private partnership in neighborhood revitalization

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

WHO: City (ONS, Planning Services, CHHS, Capital Facilities, Public Works); Non-Profits (SNAP, Community Frameworks, Impact Capital, Craft 3, others?); Neighborhood Councils, Community Organizations, area business associations

*(CRA funds)
Banks*

WHAT: Targets investments of limited ~~of limited~~ resources for home rehabilitation, rental rehabilitation, and potential buy out/rehab of foreclosed/abandoned/chronic nuisance homes in areas with the greatest need, and or most potential for improvement; coordinates investments of CDBG/Home/other home rehabilitation funding in target areas with utility projects, street maintenance, sidewalk improvements and street tree programs.

WHERE: Potential target areas could be identified within existing target investment areas (East Sprague, North Monroe, Hillyard, Downtown), East 5th Avenue, other areas along planned High Performance Transit Lines.

WHY: Focused public investment will have the greatest impact, and has the greatest potential to catalyze private investment.

Measurable: How will the impact of the recommendation be measured?

Short Term: # of homes rehabilitated; # of deficiencies addressed with each grant/loan; value of improvements

Mid Term: # of building permits pulled in target area; value of building permits pulled; improved score on target area housing condition survey

Long Term: Increase in property values in target area

Tracie
HQ

Assignment Questions:

ESTABLISH REGISTRATION, INSPECTION PROGRAM FOR HOUSING, ~~both RENTAL AND OWNER OCCUPIED~~.

Recommendation

Name: HOUSING (RENTAL ~~OWNED~~) PROGRAM TO ~~ESTABLISH~~ ^{ESTABLISH} REGISTRATION, INSPECTION PROGRAM

1. Housing inspection program that identifies substandard properties (new recommendation)

- Purpose: identifies substandard properties and established criteria that determine that the home cannot be occupied or determines that the home has risen to the level that it may now be occupied.

2. Rental Registration, Rental Inspection Program, and/or Rental Business License this could include a Housing Inspection Program for rental and/or ~~owner occupied~~ properties.

Item #3 on the recommendations spreadsheet

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

① CODE ENFORCEMENT, ② CREATE POSITION - RENTAL REGISTRATIONS SPECIALIST (CITY OF BELLINGHAM)

* SHH
* NEW-PROFITS (FED INSPECTIONS). ② RENTAL SAFETY INSPECTIONS (ONCE EVERY 3 YRS) (COB.ORG)

PLANNING: COMMUNITY DEVELOPMENT

② COST? → TENANTS

Measurable: How will the impact of the recommendation be measured?

CREATE MINIMUM STANDARDS, INCENTIVES.

How many are reported "unsafe" through this process.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

Council must pass ordinance

Staffing for inspections, registration

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

→ cost could rise

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

6 MONTHS

Tracie

Assignment Questions:

Recommendation

Name:

SPOKANE URBAN RENEWAL (SUN)

(PUBLIC/PRIVATE PARTNERSHIP IN NEIGHBORHOOD REVITALIZATION)

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

Improves the health, safety and quality of life for the entire community by transforming abandoned properties into quality housing.

Citywide - target area by target area.

Private equity, nonprofits, city of Spokane, SPD, city legal, code enforcement, banks, Spokane Superior Court.

We are making this recommendation to reduce criminal activity, reduce drug use, create jobs, create affordable housing, create density infill, build revenue, and empower neighborhoods.

Measurable: How will the impact of the recommendation be measured?

Be Measuring the number of abandoned properties before and after. Also measure criminal activity, drug use, property crimes, affordable housing, density infill, tax revenue, and property values — before & after.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

Yes - approve the pilot program, approve the bid and contract for the private equity partnership. Approve receivership lien foreclosure.

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

All. Prevents abandoned properties from becoming substandard. Returns zombie properties to productive use. Puts vacant lots to productive use. Increases affordable housing stock.

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

SPD CEU is ready to implement this program immediately.

Chris Vemne
HQ

Community Land Bank

Specific

A Community Land Bank would give the Spokane Community a new capacity to acquire vacant or distressed property, hold it in trust and dispose of it for community benefit. Properties acquired could be vacant, distressed, nuisances, in foreclosure, or simply properties that could be put to higher and better use. The land bank could rehabilitate homes or demolish buildings—whatever best serves to help revitalize the area. It can aggregate properties for re-development—a need identified by private developers. A Land bank could bring a new range of flexible tools to apply to a broad range of housing problems that have been identified in this task force.

A land bank should not be limited in where in the city it operates, but it should be targeted to the areas of highest need. I believe that the initial target should be the “donut” neighborhoods around downtown where the age and condition of the existing stock along with the prevailing appraised values make it most challenging to achieve meaningful revitalization. This targeting should not preclude it from dealing with a troubled property in other parts of the city.

Measurable

The success can be measured in very specific and concrete ways, for example:

- The number of properties acquired and rehabbed, demolished or re-developed
- The number and value of properties put back on the tax roles
- The rising values of properties contiguous to those transformed by the land bank
- Private investment in areas near properties transformed by the land bank

In a less tangible way, there should be a change in the perception of housing quality in those neighborhoods where disinvestment has been curtailed and new investments made.

The 2015 Annual Report of the Genesee County land bank is a good example of a community land bank reporting its measurable results to the community. (I have previously submitted an electronic copy of this document.)

Achievable

There are examples of successful community land banks in other parts of the country. The Genesee County land bank in Michigan and the Cuyahoga County land bank in Ohio are good examples. Spokane could work with these successful organizations as models. A Spokane Community Land Bank could be started with a relatively small investment, probably \$1 to 2 Million. (Startup funds should not come from Federal sources like CDBG as these will trigger regulations that could increase costs and unduly complicate operations.) Existing land banks have shown that they can be self-sustaining over time.

Assignment Questions:

Loretta
HQ

AT
😊

Recommendation: Education Program for developers on how to utilize CDBG and HOME funding to build new housing. Utilize CDBG, HOME and /or other home funding to provide housing rehabilitation or the purchasing of homes in foreclosure, provide definitions for housing quality and affordability. (Items 9, 17 & 26)

Name: Paul Trautmann & Loretta Cael

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

Note that HUD does not allow new construction using CDBG funds (except for NRSA).

- **WHO:** Banks and Mortgage Servicing companies who hold Real Estate Owned (REO) property
- **WHAT:** only property that has completed the foreclosure property (no zombie properties). Bank or Mortgage Servicing provides REO property to City as a grants or significantly discounted sale. This could be achieved through a bridge loan or land bank and the City can:
 - Sell house to homebuyer who uses a bank 203(k) loan to fund home purchase plus needed construction work. City negotiates house sale price so that acquisition plus construction costs do not exceed 110% loan-to-value.
 - Use CDBG funds to renovate homes for low-income homebuyers or (perhaps) affordable rental housing with 5 - 15 year (or higher at City option) maximum rent and low-income income affordability requirements.
 - Avoid house demolition projects where there is not clear funding and use of vacant land.
- **WHERE:** This is a political question. Do we focus on specific geography or take foreclosure grant/sales where they are available. Do we acquire only cost-effective renovation projects or improve only the worst houses (e.g., blight or criminal activity). Do we focus on homes that have a greater chance of being sold immediately (able to fund construction/rehab) affordably, or do we buy homes as they are offered and hold them until future opportunities for rehabilitation are established.
- **WHY:** Expands homeownership opportunities for low-income households. Increases economic activity with first-time and move-up homebuying. Improves house and neighborhood property values. Increases neighborhood quality of life. Increases real estate tax revenue.

Measurable: How will the impact of the recommendation be measured?

- Did the assessed value of the foreclosed house increase? (It's unlikely that a limited government-sponsored program would noticeably impact housing prices in a large neighborhood or citywide.) It will probably take 3 or more years for the Assessor's valuation cycle to reflect change in house value.
- Follow-up survey of buyers of foreclosed houses. Did homeownership improve your quality of life?

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

- Assemble team (Mortgage Lenders Assoc, Realtors, City, construction, and lending representatives) to: a) market transferring foreclosed properties to the City for redevelopment as a solution to REO ownership problems; b) market 203(k) acquisition/rehab FHA loan product to homebuyers and realtors; and c) decide which REO properties to accept for redevelopment.
- Repeat process of REO property transfer and redevelopment to the extent of available funding so long as there remains excessive numbers of foreclosed properties.

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

- Foreclosed Houses – flip (and rehabilitate?) REO houses
- Housing Affordability – creates new homeownership opportunities for low-income homebuyers
- Substandard – improve conditions of vacant REO houses and surrounding neighborhood

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

- October – December 2016: team approaches banks to solicit REO property grant and/or discounted sales. Align with CRA funding cycle when banks are incented to promote community development. Seek REO property plus funding for property renovations, homebuyer education classes, and low-income buyer down payment assistance.

Steve Corbett
HA

Assignment Questions:

Recommendation

Name: Allow for commercial development in neighborhoods, change current zoning or allow for zoning overlay at targeting locations

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

Targeted

Allow for more space for commercial activity mixed use applications

Create aggressive program to ID - properties suitable for commercial development (Mixed use) and seek zoning modification if necessary for successful development.

Measurable: How will the impact of the recommendation be measured?

Once Comp Plan is amended - building resulting can be tracked and reporting by building permits and assessor's reports

Steve

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

Possible - would have some neighborhoods resisting plans

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

Increase employment opportunities - accessibility to service in economically challenged neighborhoods

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

50% chance of success legislatively - Time frame 15-18 months

Assignment Questions:

Recommendation

Name: Affordable Housing Impact Statement.

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

Create an affordable housing impact statement.

• consider the impact to low income tenants.

• address the need for more affordable housing based on federal ^{50%} AMI. At a rate where rental & utilities are about 30% income. Motivate real estate development ^{through incentives} for building affordable housing. ie. 30% & 50% AMI

• Spokane has been affordable for a long time. We are seeing the housing market changing faster & faster we should think progressively about the future of our community

Measurable: How will the impact of the recommendation be measured?

keeping a registry of rental properties to have an inventory of affordable housing options. Attract a diverse population who would have the opportunity to keep more money in the community.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

Find the discrepancy between people living at or below 80% AMI and how much of their income goes towards housing.

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

offer incentives to real estate development to create more housing stock. Help developers look at the longterm stability goals for neighborhoods. Strong neighborhoods are diverse.

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

We can look at the impact statements from other cities and modify tailor them for our community.



AUSTIN, TEXAS

Austin Affordable Housing Impact Statement

What is the goal of the ordinance?

Like many cities, the City of Austin is committed to a goal of expanding the volume of affordable housing, particularly affordable rentals. Analysis from the city's housing authority sets the current rental gap at 50,000 units. (Community stakeholders suggest a housing gap closer to 100,000 units.)

According to a 2015 report from the Real Estate Council of Austin, "the average rent in the Austin area increased 50 percent from 2004 to 2013 while median incomes rose by only 9 percent." Further, "from 2000 to 2012, the Austin region grew by nearly 570,000 people but during this time the number of housing units within the city limits increased by only 84,000."

The intent of the affordable housing impact statement, much like an environmental impact statement, is to ensure that developers and government officials consider how new development may impact the availability of housing for low-income individuals and families.

How is the measure implemented?

In Austin, the ordinance (adopted in 2007) is managed by the city's neighborhood housing and community development department. The measure states that an affordable housing impact statement (AHIS) is required in cases where "any ordinance, rule or process impacts housing affordability." Further, the AHIS must be prepared before initiation of external stakeholder discussion. Sections are identified which require a check box indicating a "decrease," "increase," or "no impact" including proposed code amendments, land use and zoning, and regulatory barriers to housing development.

Which other cities have made use of this concept?

The City of San Diego has an older measure dating back to 1999 in the form of a memorandum within planning department operations. This guidance was updated in 2002. Responsibility in San Diego is held by the city's departments for planning and development services. The measure is broad in San Diego covering impacts on overall housing supply and demand as well as affordability.

As of this writing, the City of Atlanta has adopted an affordable housing impact statement measure and the Cities of New Orleans and Pittsburgh are considering similar ordinances.

NLC Contact

City Solutions and Applied Research

brooks@nlc.org

202-626-3163 Last updated January 2016

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From The Atlantic

CITYLAB

The Growing Trend of Affordable Housing Impact Statements

A number of cities want to require developers and government officials to think about housing affordability on the front end of new development.

BRENTIN MOCK | [@brentinmock](#) | Jan 8, 2016 | [19 Comments](#)



FLICKR/MsSaraKelly

Before one brick is laid, developers, in most cases, have to examine whether the structure they want to build would damage the environment in any way. You can't simply plop a block of condos down on a space if it would make it harder for certain native bird or plant species to live there. But what if those condos would make it harder for certain people native to that area to live there also, namely by reducing the level of existing affordable housing?

That's the question behind new legislation popping up in cities where rental housing costs have spun out of control. Last month, New Orleans city council

members introduced a bill requiring "affordable-housing impact statements" for any proposed ordinances or applications for new zoning or land use changes. The statements would force developers and government officials to first consider how new development might affect the availability of housing for low-income families.

ADVERTISING



New Orleans' struggles with poverty and living costs are well known, especially in the post-Hurricane Katrina landscape. With a nearly 28 percent poverty level across the city, one of the highest in the nation, many residents have not been able to absorb the 50 percent rise in renting costs in the city since 2000. More than 70 percent of all households in the city spend more than a third of their income on housing. And there's not a lot of income coming in to these households. Unless you're in the oil business or a dentist in New Orleans, your average hourly wages are less than the average American's in just about every industry.

Average hourly wages for selected occupations

Occupation	New Orleans area	United States
Total, all occupations	\$20.71	\$22.71
Dentists, general	102.62	80.20
Petroleum engineers	69.82	70.92
Human resources managers	42.64	54.88
Rotary drill operators, oil and gas	42.61	29.36
Registered nurses	31.38	33.55
Accountants and auditors	30.95	35.42
Sailors and marine oilers	20.60	19.70
Construction laborers	14.62	17.19
Customer service representatives	14.17	16.29
Retail salespersons	12.46	12.38
Writers and waitresses	9.73	10.40
Cooks, fast food	8.93	9.15

Source: U.S. BLS, Occupational Employment Statistics, May 2014.

(Bureau of Labor Statistics)

Black families in the city are more burdened by housing costs than any other race. Which is why housing advocates in New Orleans are working feverishly to find ways to bring down the price of living there, and also bring wages up. The affordable-housing impact statement requirement would make developers and legislators think about these things upfront. The city released last month a 10-year strategy to create 5,000 affordable units by 2021, and using affordable-housing impact statements is one of the recommendations listed.

New Orleans isn't the only city looking at the power of these impact statements. Atlanta passed legislation on this last November, and Austin and San Diego have similar ordinances. Pittsburgh is now considering an ordinance like this as well, and it could come in handy there: A legal complaint about a plan to build 1,200 new housing units on a lot that used to be the Pittsburgh Penguins' hockey arena is currently under review by the U.S. Department of Housing and Urban Development. According to the complaint, the developers didn't consider the needs of low-income families in the area and failed to include an adequate number of affordable units in that plan. An impact statement would have been helpful at the project's conception.

It should be noted that there's a federal version of these impact statements: an 1994 executive order from the Clinton administration that requires federal agencies to consider the effects on low-income families before issuing building permits. Enforcement of that has been shaky, at best. But most permitting happens at the state and local government levels anyway—where plenty of thought goes into the financial benefits of new development, and far less into

what happens to the families who lose out in these deals. With the right level of enforcement, affordable-housing impact legislation would spur more robust thinking on that end, and hopefully rein in living costs in the process.

About the Author



Brentin Mock is a staff writer at *CityLab*. He was previously the justice editor at *Grist*.

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Assignment Questions:

Recommendation

Name: Multi-family tax exemption, Waiving fees for Affordable housing projects, Establish local Housing trust fund + City support to
Specific: State exactly what the recommendation will accomplish increase state funding

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

This recommendation will incentivize ~~and~~ ^{developers} of affordable housing and increase funds available to them.

- tax exemption + fee waivers could be citywide or targeted
- trust fund \$ could give extra points to projects planned in targeted areas but be available citywide.

Measurable: How will the impact of the recommendation be measured?

Count the increased # of developers using the tax exemption or fee waiver, or other incentives + # of units created.
Determine the \$ raised through a local trust fund + track the use of funds to determine # of units created

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

The incentives are achievable as some already exist. The process for application should be evaluated to see if it could be better & more valuable.

The trust fund requires a source of income to be viable. If the city imposes a levy, it is Achievable.

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

Incentivizing (and reducing fees) will motivate developers to pursue more affordable housing. Providing ^{local} trust fund \$ allows more developers to be successful matching funds to LIHTC or state trust fund \$ allowing more projects to be completed - impacting housing affordability.

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

Trust fund - Requires a levy or some revenue generator to pass & then establish management & use Regulations (many can be adopted from existing trust funds.)

Incentives can be implemented quickly but require a period of education on how to apply & use these incentives.

Michael Cathcart
HA Committee

Assignment Questions:

Recommendation Name: _____ Registry of Affordable Units

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
- **What** does the recommendation accomplish?
- **Where** will the recommendation be focused (citywide vs targeted)
- **Why** are you making this recommendation How)

_____ Apps such as Trulia and Zillow do not necessarily maintain listings for units which accept government assistance or are otherwise priced as "affordable".

Measurable: How will the impact of the recommendation be measured?

_____ This will provide the City with a measurable number of "affordable" units.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

_____ Surveying landlords

Requiring new developments that utilize the MFTE and include affordable housing include those units in the registry.

City website enhancements

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

_____ This would improve access to affordable units and those units that accept government subsidies and it would provide the City with a better understanding of how many affordable units exist and how many that be necessary in the future.

Michael

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

Fairly low hanging fruit. Easy to implement in a short period of time.

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By Dan Sewell

ASSOCIATED PRESS • Sunday October 4, 2015 4:44 AM

CINCINNATI — A federal judge has ruled that a southern Ohio city's inspections of rental properties without a warrant are unconstitutional.

U.S. District Judge Susan Dlott agreed last week with property owners who last year sued the Ohio River city of Portsmouth, contending that the city's rental-dwelling code violated their constitutional protections to due process and against unreasonable searches by forcing them to allow inspections without warrants describing probable cause.

Court documents show that city officials explained that much of Portsmouth's housing stock dates to post-World War II construction, and the wave of foreclosures during the Great Recession resulted in many old homes sitting vacant for long periods, then being converted into rental properties.

City officials said many families were living in unsafe and unsanitary conditions, so a new rental-dwelling code adopted in 2012 required buying rental permits and allowing inspections.

"This code is to protect the public health, safety and welfare of occupants in all rental dwellings," the city stated at the time.

The code required rental-property owners to apply for a permit to rent their property, subject to code-enforcement approval. Annual license fees started at \$50.

Dlott said that while securing public health, safety and welfare is a valid and important government concern, she found that the warrantless inspections "impact a substantial privacy interest ... (and) are also significantly intrusive" and "unreasonable."

Maurice Thompson, executive director of the Columbus-based 1851 Center for Constitutional Law, which represented property owners in the case, called the ruling a victory for both property owners and tenants by protecting them from "suspicion-less" inspections. He also called such rental codes "back-door tactics" to collect revenue.

"Local government agents do not have unlimited authority to force entry into Ohioans' homes or businesses," Thompson said.

Dlott's order also said the property owners are entitled to seek repayment of inspection fees related to unconstitutional inspections.

The *Portsmouth Daily Times* reported that City Solicitor John Haas said he'll discuss the ruling with the city insurance carrier's legal counsel and other city officials before deciding how the city will proceed.

The city revised its rental-dwelling rules last year after the lawsuit was filed, and Haas said he interprets the ruling as describing acceptable rules that appear to follow the amended ordinance.

Dlott's ruling noted that the code had been amended, but said the court "expresses no opinion on the constitutionality of or any other claim" from the revised ordinance.

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Michael.

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

JAMES RONALD BAKER, et al.,	:	Case No. 1:14cv512
	:	
Plaintiffs,	:	Judge Susan J. Dlott
	:	
v.	:	ORDER GRANTING PLAINTIFFS'
	:	MOTION FOR PARTIAL SUMMARY
CITY OF PORTSMOUTH, et al.,	:	JUDGMENT (Doc. 26) AND
	:	GRANTING IN PART AND DENYING
Defendants.	:	IN PART PLAINTIFFS' MOTION FOR
	:	SUMMARY JUDGMENT (Doc. 20).

Plaintiffs bring this action against Defendants under 42 U.S.C. § 1983, alleging violations of their rights to due process and from unconstitutional searches in connection with the City of Portsmouth, Ohio's rental code. Plaintiffs also bring a claim for unjust enrichment in an effort to recover inspection fees contributed to the City pursuant to the code. This matter is currently before the Court on Defendants' Motion for Summary Judgment (Doc. 20) and Plaintiffs' Motion for Partial Summary Judgment (Doc. 26). For the reasons that follow the Court grants Plaintiffs' Motion for Partial Summary Judgment and grants in part and denies in part Defendants' Motion for Summary Judgment.

I. BACKGROUND¹

As an older city, much of the City of Portsmouth, Ohio's housing stock is aging. The median year for home construction in Portsmouth is 1948, seventeen years older than that for all of Ohio (1965) and twenty-seven years older than for the United States (1975). Following the 2008 financial crisis, many single-family homes and rental properties in the city were foreclosed upon and/or abandoned. Many of these homes subsequently became rental properties—a portion

¹ Except as otherwise indicated, background facts are drawn from Defendants' Proposed Undisputed Facts (Doc. 20-2, at PageID 668-70.) Plaintiffs did not respond to Defendants' Proposed Undisputed Facts nor did they submit Proposed Undisputed Facts of their own.

of which sat vacant for extended periods of time. Although the City is unsure if the properties have been maintained or repaired to code standards, a majority of the complaints it has received regarding building code compliance matters relate to rental units. According to Christopher Smith, the City's Health Commissioner, many families are living in unsafe and unsanitary conditions, unaware of their legal rights regarding housing conditions and/or afraid to complain about such conditions.

In 2012, the Portsmouth adopted its Rental Dwelling Code (hereinafter the "RDC" or the "Code"). The stated scope and intent of the Code is as follows:

This code is to protect the public health, safety and welfare of occupants in all rental dwellings as hereinafter provided by inspection and enforcement of the International Property Maintenance Code and the Codified Ordinances of the City of Portsmouth, fixing the responsibilities of owners, operators and occupants of all rental dwellings and providing for the administration of the Rental Dwelling Code.

§ 1361.01.

Under the Code, owners of rental properties within Portsmouth are required to apply to the Portsmouth Board of Health for a rental dwelling permit in order to rent their property. § 1361.09. The Code Enforcement Official is charged with issuing or denying the permits, which "shall be issued . . . if upon inspection of the rental dwelling it is determined that the rental dwelling meets the requirements of this code." *Id.* The City charges fees for issuing and renewing rental dwelling permits. §1361.13 (A). The annual license fees range from \$50 for one unit to \$480 for twelve units or more. *Id.*

Inspections are conducted at least once a year and on a minimum of forty-eight hours' notice, unless the time period is waived by the tenant or occupant. § 1361.02(A). § 1361.02(D) of the Code also authorizes the Code Enforcement Official to make an inspection in response to a

complaint or if the Official has a valid reason to believe that a violation of the provisions of the Code exists. The scope of the search is limited by the items on the dwelling inspection checklist, a list of eighty search items divided into the following categories: exterior premises, common egress corridor, interior, kitchen/dining, hallways, laundry, basement/mechanicals, bedrooms, bathrooms, and other. (See Doc. 20-1, at PageID 523.)

During the first year of the program, property owners were given approximately one year to correct non-critical failures identified in an inspection—those that did not pose an immediate danger to the health or safety of the tenant(s). A specified time period (indicated on the inspection sheet) was provided to correct any critical failures. If a follow-up inspection was required for a critical deficiency, the re-inspection date was also noted on the inspection form.

Although no property owners were cited for violations for the rental inspection program, property owners who failed to respond to contacts from the City received a letter entitled “Failure to Schedule Mandatory Rental Inspection.” (Doc. 1-1, Exhibit B at PageID 33.) The letter ordered the owner to contact the City Health Department to schedule a dwelling inspection. Failure to do so, the letter stated, “may result in an order to suspend the permit to operate and/or implement the procedures for Condemnation by the Board of Health under Section 1311.01 of the Codified Ordinances of the city of Portsmouth and possible issuance of misdemeanor citation.” (*Id.*) (emphasis is original).

Plaintiffs are rental property owners in the City of Portsmouth, either directly or through their status as controlling members of the Limited Liability Companies that own the rental properties. On June 16, 2014, they filed the instant complaint against Defendants—the City of Portsmouth, Ohio; Christopher S. Smith, Portsmouth’s Health Commissioner; and Andrew L.

Gedeon, Portsmouth's Director of Environmental Health—arguing that the RDC violates their Fourth, Fifth, and Fourteenth Amendment rights. Specifically, in count one of the complaint, Plaintiffs claim that the Code violates their Fourth Amendment rights by mandating warrantless inspections of their properties without probable cause. Plaintiffs further allege that the Code violates their due process rights under the Fifth and Fourteenth Amendments because it requires Plaintiffs to forfeit their Fourth Amendment rights in order to rent out their property. Plaintiffs also challenge the RDC on Equal Protection grounds in count two of the complaint. According to Plaintiffs, the Code impermissibly applies only to single family rental dwellings and treats multi-unit rental dwellings differently than single-unit rental dwellings. Finally, in count three, Plaintiffs bring a state law claim of unjust enrichment, arguing that the City has collected and inequitably retained inspection and permitting fee assessments by virtue of the RDC.

Both parties now move for summary judgment. Defendants move for summary judgment on all counts of the complaint. Plaintiffs move for partial summary judgment on all claims other than the amount of damages, attorneys' fees, individual liability claims, and any claims regarding Defendants' new policies.²

II. SUMMARY JUDGMENT STANDARD

Summary judgment is appropriate “if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). All reasonable inferences from the record must be drawn in the light most favorable to the nonmoving party, and the court may grant summary judgment only “[w]here the record taken as

² On July 28, 2014, the RDC was amended. Amongst other changes, the Code now includes a provision indicating that if the owner or occupant refuses to permit free access and entry, “the Health Commissioner or his authorized representative may petition and obtain an order or warrant to inspect from the Portsmouth Municipal Court or Scioto County Court of Common Pleas.” § 1311.01. (Doc. 26-1, Ex. 2 at PageID 840.) Plaintiffs refrain from addressing Defendants' new policies in their motion, reserving the right to do so later. Accordingly, the Court expresses no opinion on the constitutionality of or any other claim pertaining to the revised ordinance in this Order.

a whole could not lead a rational trier of fact to find for the non-moving party.” *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587–88 (1986). The moving party may support the motion for summary judgment with affidavits or other proof or by exposing the lack of evidence on an issue for which the nonmoving party will bear the burden of proof at trial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 324 (1986). In responding to a summary judgment motion, the nonmoving party may not rest upon the pleadings but must go beyond the pleadings and “present affirmative evidence in order to defeat a properly supported motion for summary judgment.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 257 (1986). The task of the Court is not “to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial.” *Id.* at 249.

III. ANALYSIS

A. Fourth Amendment

Plaintiffs and Defendants both move for summary judgment on Plaintiffs’ claim that the RDC is unconstitutional under the Fourth Amendment. According to Plaintiffs, the Code is unconstitutional as applied and on its face, because it mandates warrantless, coerced inspections of the interior of private homes without probable cause. Defendants oppose Plaintiffs’ motion and contend they are entitled to summary judgment, arguing that the RDC falls into the closely regulated business and special needs exceptions to the Fourth Amendment’s warrant requirement. For the reasons below, the Court finds Plaintiffs’ position well-taken.

The Fourth Amendment provides that “[t]he right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation,

and particularly describing the place to be searched, and the persons or things to be seized.” U.S. Const. amend. IV. “The basic purpose of this Amendment . . . is to safeguard the privacy and security of individuals against arbitrary invasions by government officials.” *Camara v. Mun. Court*, 387 U.S. 523, 527 (1967). The Supreme Court has repeatedly held that “searches conducted outside the judicial process, without prior approval by a judge or a magistrate judge, are *per se* unreasonable subject only to a few specifically established and well-delineated exceptions.” *City of Los Angeles v. Patel*, ___ U.S. ___, 135 S.Ct. 2443, 2452 (2015). *See also Camara*, 387 U.S. at 528–29 (1967) (noting that “except in certain carefully defined classes of cases, a search of private property without proper consent is ‘unreasonable’ unless it has been authorized by a valid search warrant”). This rule, which applies to the states via the Fourteenth Amendment, is applicable to both commercial premises as well as private homes. *See Marshall v. Barlow’s, Inc.*, 436 U.S. 311, 312 (1978).

In *Camara*, the Supreme Court held unconstitutional a San Francisco building ordinance which permitted warrantless, unconsented inspections to enforce the city’s housing code. As in the instant case, failure to consent to the warrantless, administrative searches authorized by the ordinance was punishable as a misdemeanor. *Camara*, 387 U.S. at 527 n.2. The case arose after an apartment building tenant refused an annual inspection and was charged for failure to comply. *Id.* After finding that the administrative searches constitute significant intrusions upon the interests protected by the Fourth Amendment, the *Camara* Court held “that such searches when authorized and conducted without a warrant procedure lack the traditional safeguards with the Fourth Amendment guarantees to the individual.” *Id.* at 534. The Court reasoned:

Under the present system, when the inspector demands entry, the occupant has no way of knowing whether enforcement of the municipal code involved requires

inspection of his premises, no way of knowing the full limits of the inspector's power to search, and no way of knowing whether the inspector himself is acting under proper authorization. These are questions which may be reviewed by a neutral magistrate without any reassessment of the basic agency decision to canvass an area. Yet, only by refusing entry and risking a criminal conviction can the occupant at present challenge the inspector's decision to search. . . . The practical effect of this system is to leave the occupant subject to the discretion of the official in the field. This is precisely the discretion to invade private property which we have consistently circumscribed by a requirement that a disinterested party warrant the need to search. . . . We simply cannot say that the protections provided by the warrant procedure are not needed in this context; broad statutory safeguards are no substitute for individualized review, particularly when those safeguards may only be invoked at the risk of a criminal penalty.

Id. at 533. The Court found that the appellant (the apartment building tenant) had a constitutional right to insist that the administrative search be supported by a warrant and that he could not constitutionally be convicted for refusing to consent to the inspection. *Id.* at 540.

In *Sokolov v. Village of Freeport*, 420 N.E.2d 55 (N.Y. 1981), the Court of Appeals of New York applied the principles of *Camara* to a rental ordinance substantially similar to the Portsmouth RDC in this case. As here, the challenged ordinance required that landlords obtain a rental permit prior to leasing their property, which required an inspection of the rental property and a penalty for failure to comply—a fine of \$250 was levied for each day a rental property was occupied without a permit. *Id.* at 343–44. The court held that the rental permit ordinance was unconstitutional “as it effectively authorizes and, indeed, requires a warrantless inspection of residential rental property.” *Id.* at 346. In reaching its holding, the court rejected the argument that because the ordinance punished renting without a permit, as opposed to the failure to consent to a search, any inspections under the ordinance was conducted with the consent of the owner. The court noted, “[a] property owner cannot be regarded as having voluntarily given his consent

to a search where the price he must pay to enjoy his rights under the Constitution is the effective deprivation of any economic benefit from his rental property.” *Id.*

The Ohio Supreme Court reached a similar conclusion in *Wilson v. City of Cincinnati*, 346 N.E.2d 666 (Ohio 1976). In that case, the court considered a challenge to a Cincinnati ordinance requiring that a property owner obtain a Certificate of Housing Inspection prior to entering into a contract for the sale of property. *Id.* at 670. Under the ordinance, the seller of the home could obtain a certificate only by agreeing to a search of the home and, with limited exception, failure to obtain a certificate prior to sale subjected the seller to criminal prosecution. *Id.* The Ohio Supreme Court found the ordinance unconstitutional, noting that “the import of *Camara* is that the Fourth Amendment prohibits placing appellant in a position where she must agree to a warrantless inspection of her property or face a criminal penalty.” *Id.* at 671.

Finally, most recently in *City of Los Angeles v. Patel*, 135 S.Ct. 2443 (2015), the Supreme Court entertained a Fourth Amendment challenge to a city ordinance requiring hotel operators to provide hotel guest records to the police on demand. The ordinance contained no warrant provision, and failure to comply with the inspection was punishable as a misdemeanor. *Id.* at 2448. The Court found the administrative search regime facially unconstitutional because it penalized hotel owners for declining to produce their records without affording the opportunity for precompliance review. *Id.* at 2546. In doing so, the Court reaffirmed that “absent consent, exigent circumstances, or the like, in order for an administrative search to be constitutional, the subject of the search must be afforded an opportunity to obtain precompliance review before a neutral decisionmaker.” *Id.* at 2452. However, the Court held only that the hotel owner be afforded an *opportunity* to have a neutral decisionmaker review the search demand before being

subject to penalties for failure to comply, noting that an actual review only need to take place when the hotel operator objects to the inspection.³ *Id.* at 2453 (emphasis in original).

Guided by the above cases, the Court finds that the Portsmouth RDC violates the Fourth Amendment insofar as it authorizes warrantless administrative inspections. It is undisputed that the RDC affords no warrant procedure or other mechanism for precompliance review. As in the above cases, the owners and/or tenants of rental properties in Portsmouth are thus faced with the choice of consenting to the warrantless inspection or facing criminal charges, a result the Supreme Court has expressly disavowed under the Fourth Amendment. *See Camara*, 387 U.S. at 532. *See also Patel*, 135 S.Ct. at 2452 (“A hotel owner who refuses to give an officer access to his or her registry can be arrested on the spot. The Court has held that business owners cannot reasonably be put to this choice.”). Therefore, unless a recognized exception to the warrant requirement applies, the Code’s failure to include a warrant provision violates the Fourth Amendment.

Defendants contend that two exceptions apply, which the Court will consider in turn.

i. Closely Related Business Exception

Defendants first contend that the closely regulated industry exception to the Fourth Amendment’s warrant requirement applies. This exception—under which warrantless inspections of closely regulated business premises or industries may be reasonable—is premised on the observation that “[c]ertain industries have such a history of government oversight that no

³ In line with *Patel*, lower courts have generally only upheld ordinances requiring advance consent to search when the government was required to obtain a warrant if the owner/occupant refused consent and the ordinance did not exact criminal penalties for lack of consent. *See Crook v. City of Madison*, 168 So.3d 930 (Mississippi 2015) (collecting cases); *Hometown Co-op. Apartments v. City of Hometown*, 515 F. Supp. 502, 503 (N.D. Ill. 1981) (“By providing for a warrant procedure in cases in which a new owner or lessee of property refuses to consent to an inspection by the building department, the City of Hometown has remedied the fatal flaw in its earlier point of sale inspection ordinance. The property owner is no longer forced to choose between consenting to a warrantless search or subjecting himself or herself to substantial fines for failure to procure a certificate of inspection.”).

reasonable expectation of privacy could exist for a proprietor over the stock of such an enterprise.” *Barlow’s Inc.*, 436 U.S. at 313 (internal citations omitted). The Supreme Court has noted that the element that distinguishes such industries from ordinary business is “a long tradition of close government supervision, of which any person who chooses to enter such a business must already be aware.” *Id.* In the past 45 years, the Supreme Court has only identified four industries as being closely regulated: liquor sales, firearms dealing, mining, and running an automobile junkyard. *See Patel*, 135 S.Ct. at 2454. The “clear import of [these cases] is that the closely regulated industry . . . is the exception.” *Marshall*, 436 U.S. at 314. In *Patel*, for example, the Court indicated that simply listing the above closely regulated industries refuted the argument that hotels should be considered closely regulated, noting that unlike those industries “nothing inherent in the operation of hotels poses a clear and significant risk to the public welfare.” *Patel*, 135 S.Ct. at 2454.

In this case, the Court similarly concludes that the rental of residential properties is not a closely regulated industry. *See Sokolov*, 52 N.Y.2d at 349 n.1 (“Nor may it be said that the business of residential rental is of such a nature that consent to a warrantless administrative search may be implied from the choice of the appellants to engage in this business.”). Defendants point to several sections of the Ohio’s landlord-tenant statute (Ohio Rev. Code, Chapter 5321), to the Servicemembers Civil Relief Act, 50 App. U.S.C.A. § et seq., and to the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. § 4852d, in support of their claim that the rental business is closely regulated. However, these regulations do not “establish a comprehensive scheme of regulation” that distinguishes the residential rental business from numerous other businesses or industries. *Patel*, 135 U.S. at 2455. As the

Supreme Court has warned, to classify the rental business as closely regulated “would permit what has always been a narrow exception to swallow the rule.” *See id.*, *Barlow’s Inc.*, 436 U.S. at 313. Accordingly, the exception does not render the warrantless inspections authorized by the Code reasonable under the Fourth Amendment.

ii. Special Needs Exception

Defendants next contend that the Code is constitutional under the special needs exception. “[I]n limited circumstances, a search unsupported by either warrant or probable cause can be constitutional when ‘special needs’ other than the normal need for law enforcement provide sufficient justification.” *Ferguson v. City of Charleston*, 532 U.S. 67, 76 n.7 (2001). The Supreme Court has observed that “special needs” are typically recognized only where the usual warrant or probable-cause requirements have somehow been rendered impracticable. *See Griffin v. Wisconsin*, 483 U.S. 868, 873 (1987). For example, the warrant requirement in the context of a public school, “would unduly interfere with the maintenance of the swift and informal disciplinary procedures that are needed, and strict adherence to the requirement that searches be based upon probable cause would undercut the substantial need of teachers and administrators for freedom to maintain order in schools.” *Vernonia School Dist.*, 515 U.S. 652, 653 (1995) (quoting *Jersey v. T.L.O.*, 469 U.S. 325, 340, 341 (1985)) (internal quotation marks omitted). Similar reasoning has resulted in the special needs exception being applied in the context of searches of a probationer’s home, *Griffin*, 483 U.S. at 873; work-related searches of employees’ desks and offices, *O’Connor v. Ortega*, 480 U.S. 709, 721–25 (1987); drug tests of train operators, *Skinner v. Railway Labor Exec. Ass’n.*, 489 U.S. 602, 622–23 (1989); and body cavity searches of prison inmates, *Bell v. Wolfish*, 441 U.S. 558–60 (1979).

Defendants identify the special need in this case as the stated purpose of the rental permit and inspection program: “to protect the public health, safety and welfare of occupants in all rental dwellings.” The only apparent basis for finding that the warrant requirement is impractical in this case is Defendant Christopher Smith, the Portsmouth Health Commissioner’s assertion that a search warrant requirement would prevent the City from addressing interior building issues or other violations not visible from the public right away, unless the owner consented to an inspection or provided information sufficient to support a warrant. (Smith Affidavit, Doc. 20-1 at PageID 509.) Smith declares that because tenants are reluctant to report problems a warrant requirement would frustrate the purpose of the Code. (*Id.*)

In order to assess the reasonableness of the RDC inspections under the special needs exception, the Court balances three factors: (1) the nature of the privacy interest upon which the search intrudes, (2) the character of the intrusion complained of, and (3) the nature and immediacy of the governmental concern at issue and the efficacy of the Code for meeting it. *Vernonia*, 515 U.S. at 654, 658, 660.

In this case, the Court is satisfied that the warrantless inspections impact a substantial privacy interest, as “the sanctity of private dwellings [is] ordinarily afforded the most stringent Fourth Amendment protection.” *United States v. Martinez-Fuerte*, 428 U.S. 543, 561 (1976). *Cf. California v. Ciraolo*, 476 U.S. 207, 226 (1986) (Powell, dissent) (describing the home as “an area where privacy interests are most cherished in our society”); *U.S. v. Scott*, 450 F.3d 863, 871 (9th Cir. 2005) (“We are especially reluctant to indulge the claimed special need here because Scott's privacy interest in his home . . . is at its zenith.”). Furthermore, unlike the cases in which the special needs exception has been applied, the expectation of privacy is not appreciably

diminished here. *See, e.g., Vernonia*, 515 U.S. at 657 (noting that students have a lesser expectation of privacy in the school environment); *Bell*, 411 U.S. at 557 (finding that a detainee had a diminished expectation of privacy). *See also Skinner*, 489 U.S. at 624 (noting that the special needs exception is applicable in “limited circumstances, *where the privacy interests implicated by the search are minimal*, and where an important governmental interest furthered by the intrusion would be placed in jeopardy by the requirement of individualized suspicion”) (emphasis added). Defendants point to the Ohio landlord/tenant statute—in particular, the requirement that a tenant must admit the landlord onto the premises—as evidence that the subject of the search have a diminished expectation of privacy. However, the Court is not persuaded that the statute meaningfully impacts the otherwise substantial privacy interest impacted by the inspections.

The inspections are also significantly intrusive. As the Supreme Court has noted, the “physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed.” *United States v. United States District Court*, 407 U.S. 297, 313 (1972). *See also Camara*, 387 U.S. at 539 (“administrative searches of the kind at issue here are significant intrusions upon the interests protected by the Fourth Amendment”). Although, as Defendants argue, the inspections are scheduled with advance notice and can be as brief as five minutes (Howard Depo., Doc. 17 at PageID 370), the inspections authorized by the RDC are extensive. The search inspection sheet details eighty items to be inspected throughout the entirety of the rental property. The Court thus concludes that the intrusion is significant.

Finally, the Court considers the nature and immediacy of the governmental concern at issue and the efficacy of the Code for meeting it. The Court has no doubt that securing the

public health, safety and welfare of Portsmouth's rental property occupants is a valid and important government concern. However, as noted above, special needs are generally only recognized when the ordinary Fourth Amendment requirements are impracticable. In addition, the Supreme Court precedents "establish that the proffered special need . . . must be substantial—important enough to override the individual's acknowledged privacy interest, sufficiently vital to suppress the Fourth Amendment's normal requirement[s]." *Chandler v. Miller*, 520 U.S. 305, 318 (1997).

In this case, it is not evident that Defendants could not fulfil the purpose of the RDC within the confines of a reasonable search warrant requirement or that the warrant requirement is otherwise impracticable in this context. The only evidence to suggest that a warrant requirement would interfere with the purpose of the Code is Health Commissioner Smith's assertion that the City would not be able to establish probable cause to conduct interior inspections with a warrant requirement. (*See* Smith Affidavit, Doc. 20-1 at PageID 509.)

However, the warrant requirement would not impose as onerous of a burden on Defendants as Smith's declaration suggests. In fact, in *Camara*, the Court specifically disagreed with the argument that "warrants should only issue when the inspector possesses probable cause to believe that a particular dwelling contains violations of the minimum standards prescribed by the code being enforced." *Camera*, 387 U.S. at 534. Probable cause in the administrative search context requires a much lesser showing:

Probable cause in the criminal law sense is not required. For the purposes of an administrative search . . . probable cause justifying the issuance of a warrant may be based not only on specific evidence of an existing violation but also on a showing that reasonable legislative or administrative standards for conducting an inspection are satisfied with respect to a particular establishment.

Barlow's, 436 U.S. at 320. Some of the administrative standards articulated as justifying an administrative inspection include “the passage of time, the nature of the building (*e.g.* a multi-family apartment house), or the condition of the entire area.” *Camara*, 387 U.S. at 538.

Defendants may obtain a warrant to inspect residences of owners who refuse consent to the administrative search based on these justifications. The evidence before the Court therefore provides no indication that departure from the Fourth Amendment’s warrant requirement is necessary to fulfill the proffered special need. *See Chandler*, 520 U.S. at 318-319 (declining to find a special need where there is no indication of a “concrete danger demanding departure from the Fourth Amendment’s main rule”).

Taking into account the above factors—the significant expectation of privacy, the substantial intrusion into the home, and the inefficacy of the warrantless inspections on the proffered special need—the Court finds the warrantless inspections are unreasonable.

Having determined that the Code is not saved by special needs or the closely regulated industry exceptions, the Court concludes that the Code’s failure to include a warrant provision violates the Fourth Amendment. Therefore, as to the Fourth Amendment claim, Plaintiff’s Motion for Partial Summary Judgment is GRANTED and Defendants’ Motion for Summary Judgment DENIED.

B. Equal Protection and Qualified Immunity

Defendants move for summary judgment on Plaintiffs’ Equal Protection and individual capacity claims against Defendants Smith and Gedeon. Plaintiffs have failed entirely to respond to Defendants’ motion with regard to these claims. Plaintiffs have therefore abandoned the Equal Protection and individual capacity claims. *See Brown v. VHS of Mich.*, 545 Fed. App’x

368, 372 (6th Cir. 2013) (“This Court’s jurisprudence on abandonment of claims is clear: a plaintiff is deemed to have abandoned a claim when a plaintiff fails to address it in response to a motion for summary judgment.”) The Court therefore GRANTS Defendants’ Motion for Summary Judgment as to Plaintiffs’ Equal Protection claim and individual capacity claims against Defendants Smith and Gedeon.

C. Unjust Enrichment

Finally, the City of Portsmouth has moved for summary judgment on Plaintiffs’ unjust enrichment claim on the basis that, as a political subdivision of the state, it is immune from liability. According to Plaintiffs, the City of Portsmouth inequitably acquired and retained inspection and permit fees from Plaintiffs,⁴ which it used to fund unconstitutional inspections. Plaintiffs seek reimbursement for the amount paid in inspection fees related to the inspections.

Plaintiffs argue, and the Court agrees, that the unjust enrichment claim should survive the motion for summary judgment. Ohio Rev. Code Chapter 2744 grants broad immunity to political subdivisions such as the City. However, the “Ohio courts have uniformly held that while sovereign immunity bars tort claims for money damages, it has no application in actions for equitable relief.” *Cincinnati v. Harrison*, No. C-130195, 2014 WL 2957946, at *7 (Ohio App. 1 June 30, 2014) (collecting cases). Historically, Ohio cases have “treated the prayer for return of wrongfully collected funds as one seeking restitution; that is, a remedy that prevents the state from being unjustly enriched at the expense of the plaintiff.” *Morning View Care Center v. Ohio Dept. of Job and Family Servs.*, No. 04AP-57, 2004 WL 2591237, at *5 (Ohio App. 10 Nov. 12, 2004). Although “restitution has been available both in equity and in law as the remedy

⁴ According to the Complaint, Plaintiff Baker paid in excess of \$1,300 in rental inspection fees in 2013, Plaintiff Howard has paid \$900, Plaintiff Oliver paid in excess of \$2,900, and Plaintiff Ross paid approximately \$640 in December of 2012 and \$640 in December of 2013. (Complaint, Doc. 1 at PageID 3.)

for an unjust enrichment,” *Santos v. Ohio Bur. Of Workers’ Comp.*, 801 N.E.2d 441, 444 (Ohio 2004) (citing Restatement of the Law, Restitution (1937)), Ohio cases in which a plaintiff claims a state agency has wrongfully collected certain funds are characterized generally as claims for equitable restitution. *See e.g., Ohio Hospital Assoc. v. Ohio Dept. of Human Servs.*, 579 N.E.2d 695 (Ohio 1991) (“The reimbursement of monies withheld pursuant to an invalid administrative rule is equitable relief, not money damages, and is consequently not barred by sovereign immunity.”); *Santos*, 801 N.E.2d at 446 (“A suit that seeks the return of specific funds wrongfully collected or held by the state is brought in equity.”).

Based on the above case law, the Court concludes that Defendants’ Motion for Summary Judgment should be denied with respect to Plaintiff’s unjust enrichment claim. Plaintiffs seek relief in the form of the restitution of inspection fees related to unconstitutional inspections. Because Plaintiff seeks equitable relief the City is not entitled to immunity on the unjust enrichment claim and the Court will deny Defendants’ motion on this claim.

IV. CONCLUSION

For the foregoing reasons, Plaintiffs’ Motion for Partial Summary Judgment (Doc. 26) is **GRANTED**. Defendants’ Motion for Summary Judgment (Doc. 20) is **DENIED** with respect to Plaintiffs’ Fourth Amendment and unjust enrichment claims. Defendants’ Motion is **GRANTED** with respect to Plaintiffs’ Equal Protection claim and individual capacity claims against Defendants Smith and Gedeon.

IT IS SO ORDERED.

S/Susan J. Dlott
Judge Susan J. Dlott
United States District Court

HA

Paul & Karen

Assignment Questions:

Items 1 & 20. Inclusionary housing, Spokane City should be aggressive to make its own properties available to increase housing density. City sells property or permits special improvement then tie to inclusionary housing to promote mixed incomes. Focus on affordable and/or dense areas with access to amenities/transportation.

Recommendation Name: Karen Stratton & Paul Trautman

Specific: State exactly what the recommendation will accomplish

- **Who** in the community can help (agencies, nonprofits..etc?)
 - **What** does the recommendation accomplish?
 - **Where** will the recommendation be focused (citywide vs targeted)
 - **Why** are you making this recommendation How)
- Who: City of Spokane
 - What:
 - Sell available City-owned properties for affordable housing development. Identify City properties available for sale. Determine if that property location is near desirable amenities (transit, employment centers, etc). Market these properties to affordable housing developers to encourage affordable and mixed-income housing.
 - Require affordable housing in housing developments where City provides an incentive (up-zone, density bonus, land grant or discounted sale).
 - Require affordable housing as ___% of entire housing development or pay \$___ fee toward affordable housing development elsewhere in the City.
 - Where: Citywide
 - Why: New affordable housing is needed and should be encouraged where possible.

- Selling city-owned land includes granting land in exchange for Affordable Housing
 - ID city-owned Avail. for Sale
 - ID Location Amenities
 - Market to Affordable Housing Devs
 - Require Afford Housing Component if Residential Development.

Available for Sale
 ✓

City owned
 city incentive

Measurable: How will the impact of the recommendation be measured?

- Increase in number of housing developers creating affordable housing
- More City-owned properties sold
- Acknowledge that City receives value when it grants/discounts land in exchange for affordable housing equal to currency in a traditional sale.

Achievable: How can the recommendation be accomplished? Is there more information needed in order to achieve this?

- Effectively market available City land to those who will develop housing that includes affordable units.
- Consider City legislation that promotes creating affordable housing when the City provides exceptional incentive (up-zone, property grant, discounted property sale, etc).

Relevant: How does the recommendation tie into the addressing any of the six key areas of housing? (Substandard, foreclosed, abandoned homes, chronic nuisance, vacant residential lots, housing affordability)

- Vacant Residential Lots: Sell City-owned residential property and incent or require affordable housing to increase the supply of affordable housing.
- Foreclosed/Abandoned Homes: City could be conduit that supplies bank-owned houses/land to housing developers for redevelopment that includes affordable housing.

Time: How likely is the recommendation to be accomplished/implemented? In what time frame would be needed? Do you need more information to determine this?

- Make list of available City-owned properties and location amenities available in 2017. Identify department with ownership responsibility and location amenities (transit, employment).
- 2017: add Inclusionary Zoning as new City initiatives develop that will provide development incentives (e.g., up-zone land near the Central City Line).