

## 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

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#### **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).
  - 1<sup>st</sup> Time Home Buyers: Availability of housing stock for this type of buyer. Fixer upper homes are not desirable for the 1<sup>st</sup> 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.