



# Rental Housing Safety Program

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***“Substandard housing conditions are responsible for numerous health problems, particularly for young children, seniors, and people who already suffer from chronic illness.”<sup>i</sup>***

- 1. Describe the completed project to implement your adopted comprehensive plan update. Provide plan policy numbers that this project aims to implement?**

**City of Lakewood’s most vital asset is the people who live and work here.** The health, livability, and prosperity of the City as a whole is deeply rooted in the collective spirit of the City’s residents. As the Lakewood community continues to grow, the City seeks to ensure a more successful future for all of its residents. One of Lakewood’s most pressing community development goals is to proactively achieve a greater quality of life for residents by ensuring healthy, accessible, sustainable, and responsible environments.

Out of the 24,140 total occupied housing units within the city, Lakewood has approximately 12,993 rental properties. While much of rental housing in Lakewood meets basic life and safety standards—*the troubling fact is: some do not.* Per ChangeLab Solutions, “rental housing is more likely to be substandard than owner occupied units, tenants are at higher-than-average risk”<sup>ii</sup> to being exposed to health issues, including indoor air hazards, i.e., mold and lead, housing related injuries, and asthma. Substandard housing disproportionately affects poor and working class families, seniors, and people who already suffer from chronic illnesses. These are some of the City’s most vulnerable of residents. The Rental Housing Safety Program (RHSP) aims to reduce, and eventually eliminate, all substandard rental housing in Lakewood and by doing so, improve the lives of all of the City’s residents.

To date, the City has dedicated a significant degree of resources to create and maintain a quality of life in Lakewood neighborhoods. This includes efforts made through the Dangerous Building Abatement Program, Code Enforcement, right of way maintenance, infrastructure investment, other community development programs, and parks programs to name a few. While these efforts have made significant strides in the right direction, they can be cost prohibitive. Many of these programs

are largely reactive, i.e., complaint-driven, and, as a result, some of the more challenging examples of property management and maintenance continue to fall through the cracks. Ultimately, these conditions are inhibiting the City's efforts to produce livable neighborhoods and spur new development, such as new affordable housing, mixed-use, and new commercial opportunities.

Through the RHSP, Lakewood is attempting to proactively safeguard the welfare of all the City's residents by ensuring that rental properties meet basic life and safety standards. In brief, the Rental Housing Safety Program works as follows:

**Registration:** Starting on January 1, 2018, no person shall make available for rent, or lease, or let, to the public any residential housing unit without registering and maintaining registration of the rental property with the City.

**License:** Each rental property unit must obtain a Rental Business License issued by the City. The program registration fee is \$12 per unit.

**Inspections:** All rental properties, unless exempted, shall be inspected once every (5) five years to make sure they meet Life and Safety standards.

**Approval:** Rental properties receive a Certificate of Compliance once they have passed an inspection.

**Enforcement:** If a property fails inspection, then (re) inspections will occur. If left unchanged, local enforcement measures are initiated to abate deficiencies. This could result in fines and the termination of inadequate rental properties.

The RHSP is designed to improve residential housing and increase neighborhood stability throughout the City. The health and safety components to be inspected as part of the RHSP, include: structural integrity; weather exposure; plumbing & sanitation; heat, water, and water facilities; ventilation systems; defective or hazardous electrical wiring and/or service; safe and functional exits; and smoke & carbon monoxide detectors. These components are consistent with RCW 59.18.115(2)(a). Through the RHSP, tenants, property owners, and the City will have increased peace of mind knowing rental properties are being held to base level standards for health and safety. Rental property owners who do not comply with these standards could face civil penalties, and possible revocation of business license. In extreme cases, the rental property could be determined unsafe and the current tenants relocated to other housing facilities at the owner's expense.

For all identified “life-safety” inspection violations, rental property owners will have up to ten (10) days to correct the deficiencies and pass re-inspection. For all other identified violations (not “life-safety” violations), rental property owners will have up to (60) sixty days to correct the deficiencies and pass re-inspection. At the written request of the rental property owner, the Administrator may grant an extension to these timeframes to bring the rental property into compliance with the RHSP requirements. The City may impose additional inspection requirements for rental properties that fail RHSP inspection. Failure to comply with the provisions of the RHSP may result in the assessment of financial penalties to the rental property owner.

#### EXTERIOR CONDITIONS

**Passing Property example:**

**Failing Property example:**



The benefits of RHSP are consistent with the City of Lakewood’s Comprehensive Plan. In particular, RHSP is fulfilling a current gap in City programming to meet the City’s Comprehensive Plan’s Goal of:

##### 1.4.2 Protecting the Social, Economic, and Natural Environments.

Preserve existing neighborhoods. One of Lakewood’s greatest strengths is its established residential neighborhoods. This plan protects these valuable assets through careful management of growth, provision of adequate services, and stewardship of the physical environment.

Address public safety in a responsible manner. Since incorporation, much of Lakewood’s budget has been spent on police protection. Under this plan, crime prevention and effective response will remain a priority of the City.

RHSP has the potential to address the following: 1) mitigate costs and increase operational efficiency of the current complaint-based programs and law-enforcement, 2) tackle long-standing residential problems, 3) preserve the existing housing stock, 4) protect vulnerable tenants, and 5) maintain neighborhood property values. In the immediate future, Lakewood will be a more vibrant, sustainable, and inclusive community, in large part, due to the RHSP program.

**2. Provide evidence of completion, such as Council Ordinance #, Interlocal Agreement, Request for Proposals, Memorandum of Understanding, etc. The Council recital should include the documentation of the health benefits and outcomes of the project.**

**On August 1, 2016, the Lakewood City Council approved Ordinance No. 644 establishing a Rental Housing Safety Program.** The proactive rental housing safety program requires all residential rental properties (apartments, single family homes, duplexes, etc.) within Lakewood city limits to be registered. The program is designed to ensure all rental housing units comply with specific life & safety standards and are providing a safe place for tenants to live.

In their deliberations proceeding the Ordinance, the City Council found that:

Rental housing units with substandard conditions existed in Lakewood. From their research, locally and in other areas, they found that substandard rental conditions tended to affect low income populations. Improving residential housing and providing for neighborhood stability requires the periodic inspection of rental housing units to determine if such premises endanger or impair the health, safety or welfare of a tenant, or affect neighborhood stability.

In the Ordinance recital, the City Council included the following documentation of the health benefits and outcomes of RHSP:

“The City of Lakewood finds that the imposition of a residential rental inspection program will protect the public health, safety, and welfare of tenants by encouraging the proper maintenance of residential rental housing, by identifying and requiring correction of substandard housing conditions, and by preventing conditions of deterioration and blight that could adversely impact the quality of life in Lakewood.”

Given the age of much of the housing in Lakewood, the RHSP will change the built environment of the City and will have immediate quality of life and health/safety impact upon the rental community of Lakewood. By insuring a greater quality of rental housing in Lakewood, RHSP will also positively impact low income residents by decreasing low income residence’s exposure to elevated risks factors for developing short and long term health issues.

**3. List and describe committees/work groups convened to implement the project (such as Stakeholder committee, technical advisory committee, or staff working team, etc.), and the relationship among them, if more than one committee.**

**From the onset, a wide range of City staff, community members, local businesses, and other significant stakeholders participated in the design and implementation of the RHSP.** At the municipality level, many departments were instrumental in the design and implementation of the RHSP. The City Council began to explore this subject during their 2015 Council Retreat. The City Council directed Staff to review other rental housing programs in Washington State cities, such as the Seattle, Tacoma, Bellingham, Pasco, Tukwila, and other western US cities. An internal stakeholder group of staff formed a working group in 2015. This group of internal stakeholders consisted of City representatives from the Community Development, Police, Communications, Information and Technology, Finance and Administrative Services, Legal, and the Community Development Block Grant Program departments. This group performed research and in-person site visits to local rental property units. This group also thoroughly reviewed and deliberated on allocation of resources, legal challenges, potential displacement, education and outreach, and other concerns about imposing requirements on responsible landlords and property owners. Additionally, the Internal Stakeholder group identified External Stakeholders Groups, such as various municipalities, neighborhood associations, cultural centers, community groups, service agencies, business groups, property management companies, property owners, and fire and rescue, to provide outreach and education opportunities to.

Since the retreat, the City Council was briefed at regular meetings and study sessions as follows: July 27, 2015, August 24, 2015, December 14, 2015, February 8, 2016 and March 28, 2016.

The following public meetings were held to solicit feedback:

- October 28, 2015: attendees included code compliance, home and commercial building inspectors, utilities, fire & rescue;
- October 29, 2015: attendees included neighborhood associations, service clubs, rental customers, tenant associations, and ethnic minority community representatives;
- November 5, 2015: attendees included businesses (i.e. property managers, landlords), housing associations, realtors, and the chamber of commerce. Additionally, three meetings were held with neighborhood groups.
- March 17, 2016: the City visited the Pacific Neighborhood Association on March 17, 2016 and presented analysis and data.
- May 12, 2016: City presentations at the Springbrook Neighborhood Association
- June 2, 2016: City Presentations at the Tillicum/Woodbrook Neighborhood Association

- July 5, 2016: the City held a second public hearing. This public hearing was not legally required, however the City wanted to ensure that the public had additional opportunities to participate in this process.

During this period, a variety of stakeholders and municipalities contributed, including Pierce County Housing Authority, Tacoma-Pierce County Health Department, and several rental housing associations active in the South Puget Sound. These groups provided invaluable feedback and insight from a diversity of vantages.

In August 2016, Ordinance 644 was adopted and steps were taken to begin the implementation stages of the program. After the adoption of this ordinance, staff across departments, started to formulize the RHSP budget, database, web platform, and write administrative policies. Since the adoption, four trainings for staff were conducted. Trainings discussed the details of the program, who to contact within staff, where to find additional information, and how to utilize the RHSP web portal.

Additional outreach and education opportunities for the general public occurred in late September and early October of 2017. Staff held two community meetings on the RHSP and the RHSP web portal and made presentations at the Rotary Club and Springbrook Neighborhood Association. The web portal provides ample RHSP information in the form of Frequently Asked Questions Hand-Out, Inspection Checklists, Code / Ordinance Provision, and a “How-to” Video. The web portal also provides information for tenants on the benefits of the program and resources specific to them. In addition to the information provided on the web portal, staff also created multilingual packets, in Korean and Spanish, for tenants that discuss the Tenant-Landlord Act and RHSP.

**4. Describe who (specifically, what population groups) may be positively or negatively impacted by the project (max 200 words).**

**While all citizens will be impacted, the most sizable positive impacts will be for moderate and low income renters, often the City’s most vulnerable populations.** The RHSP protects the public health, safety, and welfare of vulnerable tenants in several ways. First, the RHSP proactively ensures the proper maintenance of residential rental housing. The RHSP will help identify housing deficiencies and require immediate correction of all substandard living conditions. By doing this, the RHSP will prevent the deterioration of neighborhoods and minimize the potential emergence of future residential blight. Also, the RHSP helps reduce tenant anxieties, in particular anxieties

about landlord retaliation, such as eviction and rent hikes, as inspections and compliance actions are driven by the City rather than tenant complaints.

Property owners will also be positively impacted by the project. By addressing properties proactively, the RHSP will ensure that property owners address blighted, substandard rental housing units. By doing this, the RHSP will help maintain the existing housing stock, and improve neighborhood property values as a whole, both of which can help stimulate long-term benefits to property owners.

The City government and municipality services will be impacted. Code compliance cases, abatement cases, and crime will eventually decrease based on evidence from other cities with similar programs. For example, in Sacramento, a proactive rental inspection program reduced dangerous housing cases by twenty-two (22) percent.

While RHSP will lead to important improvements in Lakewood, challenges may also arise. One potential challenge identified is balancing improved conditions with the possibility that the RHSP may lead to incidents of residential displacement and create additional burdens to accessing quality rental properties in the City for vulnerable populations. While displacement and extra burdens may be unavoidable to some degree, the RHSP attempted to curtail the frequency and severity of these occurrences by minimizing the fees associated with RHSP. The fee for each rental property unit is \$12 dollars a year, which equates to \$1 a month. This fee includes the first rental property inspection by the City. Regarding the issue of displacement, the total number of people displaced from unsafe conditions will be marginal. The City intends to actively assist property owners and tenants throughout the early implementation stages of the RHSP in attempt to alleviate these occurrences.

**5. Describe the outreach and engagement methods used to consult and empower diverse and underrepresented community members, based on the most recent census data, to address their needs and concerns (max 200 words).**

Lakewood has a disproportionate number of low-income and high-income properties and a very high percentage of older housing stock. The median rent in Lakewood is substantially below that of neighboring communities and the county average. Outreach and engagement to consult and empower under-represented community members occurred during the design and implementation stages of this project. Neighborhood associations, cultural centers, community groups, service agencies, and tenants were contacted for RHSP design input. Additionally, public notices were posted inviting all stakeholders to participate in public meetings. The following public meetings were held to solicit feedback: October 28, 2015, October 29, 2015, November 5,

2015, and June 2, 2016. Additionally, three meetings were held with neighborhood groups in the spring of 2016. The City wanted to ensure transparency and that the public had ample opportunities to participate in this process to voice their thoughts and concerns. In late September and early October, Staff held two community meetings on RHSP and the RHSP web portal. The web portal provides ample RHSP information. Staff also created multilingual tenant resource guides, in Korean and Spanish, for tenants that discuss the Tenant-Landlord Act and RHSP. Staff also presented to the Rotary Club and the Springbrook Neighborhood Association.

**6. Describe the communication with your elected officials on this project (such as Planning Commission and Council meeting dates, etc.) (max 200 words).**

**Communication between elected officials and staff was paramount to the successful design and implementation of RHSP.** Prior to the adoption of Ordinance 644, staff and elected officials worked in cooperation to develop RHSP and craft a feasible implementation strategy. The City Council held a retreat on February 21, 2015 during which they discussed the feasibility and purposes of developing a rental housing program. After this, staff was directed to research and develop a rental housing program. Staff provided seven briefings before the City Council throughout the design stage. The Council was been at regular meetings and study sessions as follows: July 27, 2015, August 24, 2015, December 14, 2015, February 8, 2016 and March 28, 2016. These briefings provided the City Council with updates on the program design, database creation, website, and work with stakeholders. In August 2016, Ordinance 644 was adopted and steps were taken to begin the implementation stages of the program. After the adoption of this Ordinance, staff across departments, started to formulize the RHSP budget, database, web platform, and write administration policies. Staff has continued to provide elected officials with memoranda detailing the progress of RHSP throughout the implementation process.

**7. Demonstrate how this implementation project helps improve social connection, people’s well-being or health of underserved populations (max 200 words).**

**Health and housing are inseparable.** The health of our community is intrinsically connected to the quality of the housing within Lakewood. RHSP is requiring the periodic inspection (every five years) of all rental properties within city limits to ensure that rental units are safe to inhabit. Through the RHSP, the City is proactively providing safe, secure, and healthy conditions for all residents. Research has shown that more often than not, the housing of the most vulnerable and underserved populations is the very worst of a City’s housing stock. Research has also shown that, in many cases, the most vulnerable populations are the least likely to complain about housing concerns for a variety of reasons—many based on systematic vulnerabilities. As a result of these two conditions, the housing inhabited by the most vulnerable populations is often the most likely

to fall through the cracks of a complaint-based code enforcement system, such as Lakewood’s Compliance program. The RHSP protects the public health, safety, and welfare of vulnerable tenants in several ways. The RHSP proactively assures the proper maintenance of residential rental housing, prevents the deterioration of neighborhoods, minimizes the potential for residential blight, and reduces tenant anxieties about landlord retaliation, such as eviction and rent hikes, as inspections and compliance actions are driven by the City rather than tenant complaints.

**8. Demonstrate how this implementation project helps improve the economy (max 200 words)**

The RHSP will foster improved economic conditions for the City of Lakewood as a whole. The program will transform existing blighted neighborhoods into healthy neighborhoods and ensure future neighborhoods are not only livable—but highly desirable for renters of all economic backgrounds. The RHSP will result in increased resources being (re)invested into the city’s existing housing stock through corrective and preemptive maintenance. The financial resources put into the city’s housing stock will lead to increased job creation. Research has shown poor and deferred maintenance can lead to increased maintenance costs and increased health expenditures.<sup>iii</sup> For example, deferring maintenance on a roof repair can lead to substantial structural damage and the spread of mold. Structural repairs and mold abatement can be extremely cost prohibitive—not to mention dangerous for the health of the tenants that inhabit the rental units. In Los Angeles, between 1998 and 2005 when a similar rental program was initiated, “more than 90 percent of the city’s multifamily housing stock [was] inspected and more than one and half million habitability violations [were] corrected. The result [was] an estimated \$1.3 billion re-investment by owners in the city’s existing housing stock.”<sup>iv</sup>

**9. Demonstrate how this implementation project helps improve the natural environment (max 200 words).**

RHSP will improve the natural environment as rental property owners will be required to address any and all exterior or interior violations that may negatively affect the natural environment. Noxious weeds are a threat to natural resources as they decrease biodiversity, displace native plants, and increase soil erosion. The RHSP will inspect rental property landscaping for adequate maintenance, which includes being free of noxious weeds and overgrown vegetation. Improper solid waste systems and storage can have a substantial effect on the environment. The RHSP inspections will also check solid waste systems and storage at each rental housing unit; helping ensure the proper disposal of hazardous and non-hazardous solid waste. The improper processing

of storm-water and grey-water can also harm the environment. The RHSP will check drainages on rental properties to ensure that they are properly functioning and that no plumbing or sewage issues exist. Finally, the RHSP ensure that rental properties have sufficient refuse disposal services and do not have rodents, vermin, insects, and all other pest infestations. Infestations can produce various environmental and public health concerns.

#### **10. Share the successes of your project, and/or lessons learned (max 200 words).**

The City has learned many things through the design and implementation of RHSP. For starters, when designing a program like the RHSP you need to involve a diverse set of stakeholders and allow for ample public participation opportunities. While everyone may not agree with the fundamentals of the RHSP, it is important to listen to and deliberate on all the comments received from the general public. City officials were satisfied with the level of participation that occurred during the public comment period. Next, the City learned that it is vitally important to provide a significant amount of outreach and education during both the design and implementation process of RHSP for the general public, as well as for City staff. Finally, development of programs like the RHSP requires a great amount of work upfront and behind the scenes. The timeframe originally allocated for this project quickly became unfeasible due to the complex nature of the program, various technological issues, and potential impacts to property owners and tenants alike. For example, we just finished finalizing the web portal and database. One of the successes of this endeavor, was the creation of a database before implementation that identified suspected existing rentals derived from Pierce County Assessor information. Through this database, we were able to send out notices to all identified, potential rental property owners. One of the largest obstacles during this processes has been making sure the web portal was easy to use for the general public. Testing for “bugs” in the web portal has involved much more time and resources than originally envisioned. Helping expedite this process, we learned to create a cloud based spreadsheet to efficiently track “bugs” and other potential programmatic impacts.

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The RHSP will change the built environment of the City of Lakewood by proactively ensuring all rental housing units comply with basic life and safety standards, and by doing so, provide a decent place for tenants to live. The resources and energy re-invested into the city’s existing housing stock will result in increased job creation and new investments within the community. Thank you for your time and consideration of the City of Lakewood’s Rental Housing Safety Program for the Tacoma-Pierce County Health Department’s 2017 Healthy Communities Award – Platinum Level.

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<sup>i</sup>Amy Ackerman, et al. (2014). Healthy Housing Proactive Rental Inspection. Retrieved from [http://www.changelabsolutions.org/sites/default/files/Healthy\\_Housing\\_Proactive\\_Rental\\_Inspection\\_FINAL\\_20140421.pdf](http://www.changelabsolutions.org/sites/default/files/Healthy_Housing_Proactive_Rental_Inspection_FINAL_20140421.pdf)

<sup>ii</sup>Ibid.

<sup>iii</sup> Cummins, S. and Jackson, R., "The Built Environment and Children's Health 6." 2001. Available at: [http://198.246.124.22/healthyplaces/articles/the\\_built\\_environment\\_and\\_children\\_health.pdf](http://198.246.124.22/healthyplaces/articles/the_built_environment_and_children_health.pdf)

<sup>iv</sup> Harvard Kennedy School, ASH Center for Democratic Governance and Innovation, Systematic Code Enforcement Program, 2005. Available at: [www.innovations.harvard.edu/awards.html?id=7497](http://www.innovations.harvard.edu/awards.html?id=7497)