ORDINANCE NO. 2024-02-008

AN ORDINANCE RELATING TO THE RENTAL REGISTRATION AND SAFETY INSPECTION PROGRAM; AMENDING BMC 6.15.020, 6.15.030, 6.15.040, 6.15.050, 6.15.070, 6.15.080, AND 6.15.170; AND ADDING A NEW SECTION TO CHAPTER 6.15 BMC

WHEREAS, the city established a rental registration and safety inspection program in 2015; and

WHEREAS, the Council has been exploring potential improvements to the program based on feedback received from tenants; and

WHEREAS, the Council considered a draft ordinance in late 2023 that would have made substantial changes to the program; and

WHEREAS, city staff reviewed the draft ordinance and provided feedback to the Council, as requested, during the Council meeting on December 4, 2023; and

WHEREAS, the Council then directed staff to bring forward an ordinance that would require all rental units registered in the program to be inspected by the city or a qualified rental housing inspector as a condition of registration; and

WHEREAS, the Council further directed that private inspectors be required to provide more information to the Planning Department about failed inspections; and

WHEREAS, the Council further directed that the draft ordinance provides the Planning Director the authority to require up to 100% of a property owner's rental units to be inspected if any rental unit in the program owned by the same property owner fails an inspection; and

WHEREAS, the Council will continue to evaluate the rental registration and safety inspection program based on data gathered by city staff and make improvements, as necessary, to ensure that that all rental housing in the city meets specific minimum life safety and fire safety standards;

NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Sec. 1. BMC 6.15.020 is amended to read as follows:

For the purpose of this chapter, the following words or phrases have the meaning prescribed below:

- A. "Accessory dwelling unit" or "ADU" means a second, subordinate housing unit that is accessory to a single-family residence, and meets the definition and requirements of BMC 20.10.035 and 20.28.100 for accessory dwellings.
- B. "Building" means a structure having a roof supported by columns or walls used for supporting or sheltering a use of any kind.
- C. "Building code" means all code provisions adopted in and throughout Chapter 17.10 BMC.

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- D. "Carriage house unit" means a second dwelling unit located above a parking garage that meets the definition and requirements of BMC 20.28.090.
- E. "Certificate of inspection" means the document signed and dated by a qualified rental housing inspector and submitted to the city as the result of an inspection conducted by a qualified rental housing inspector that certifies that the residential housing units that were inspected comply with the requirements and standards of BMC 6.15.050 or such a document signed and dated by a city building code enforcement officer.
- F. "City building code enforcement officer" means the city building official and those city employees he or she designates to perform the inspections and related duties under this chapter. For purposes of completing a certificate of inspection, this term may also refer to 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 Chapter 17.20 BMC.
- 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) RCW 59.18.030(19).
- 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 an 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.
- Q. "Rental property complex" means all residential dwelling units rented or leased on a contiguous parcel or parcels of land managed by the same landlord as a single rental complex.
- R. "Residential housing unit" means any building or part of a building in the city of Bellingham that is used or may be used as a home, residence or sleeping place by one or more persons, including but not limited to single-family residences, accessory dwelling units, duplexes, triplexes, four-plexes, townhouses, multifamily dwellings, apartment buildings, condominiums, and similar living accommodations.
- S. "Residential rental housing registration" means a registration issued under this chapter.
- T. "Shelter" means a facility with overnight sleeping accommodations, owned, operated, or managed by a nonprofit agency or governmental entity, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.
- U. "Single-family residence" means a single detached building containing only one residential housing unit that is completely separated by open space on all sides from any other structure, except its own garage or shed, and which provides complete independent living facilities as specified for a dwelling unit in BMC 20.08.020. The phrase "single-family residence" may also refer to such a building when it contains an ADU or a carriage house or is a common wall attached single-family unit per BMC 20.32.045.
- V. "Tenant" means a person occupying or holding possession of a building or premises pursuant to a rental agreement or who pays rent for occupancy or possession.
- W. "Transient" means any guest, resident, or other occupant to whom lodging and other services are furnished under a license to use real property for less than one month, or less than 30 continuous days if the rental period does not begin on the first day of the month. The furnishing of lodging for a continuous period of one month or more to a guest, resident, or other occupant is a rental or lease of real property. It is presumed that when lodging is furnished for a continuous period of one month or more, or 30 continuous days or more if the rental period does not begin on the first day of the month, the guest, resident, or other occupant purchasing the lodging is a nontransient upon the thirtieth day without regard to a specific lodging unit occupied throughout the continuous 30-day period. An occupant who contracts in advance and does remain in continuous occupancy for the initial 30 days will be considered a nontransient from the first day of occupancy provided in the contract.
- X. "Transitional housing" means residential housing units owned, operated, or managed by a nonprofit agency or governmental entity in which supportive services are provided to individuals or families that were formerly homeless, with the intent to stabilize them and move them to permanent housing within a period of not more than 24 months.

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.

Sec. 2. BMC 6.15.030 is amended to read as follows:

- 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.

Sec. 3. BMC 6.15.040 is amended to read as follows:

- A. Beginning on August 1, 2015, no person shall make available for rent, or rent, lease, or let, to the public any residential housing unit without registering and maintaining registration of the rental property at which the unit is located.
- B. The fee for registration shall be set by council by ordinance. For the first two years following the effective date of the ordinance codified in this chapter, the director is authorized to waive or suspend the imposition of all or a portion of a late fee in a specific circumstance based on excusable neglect. No registration fee shall be required for the following rental properties:
 - 1. Owner-occupied buildings containing two units or less;
 - 2. Rental units that a government unit, agency or authority owns, operates or manages, or that are specifically exempted from such a fee by state or federal law or administrative

- regulation. This fee exemption does not apply once the governmental ownership, operation or management is discontinued;
- 3. Rental units:
 - a. Supported by funding or subsidies from the federal, state or a local government; and
 - b. That are inspected at least every three years as a requirement of the funding or subsidy; and
- 4. Accessory dwelling units when an owner resides in either the single-family residence or the ADU and the ADU is attached to the single-family residence.
- C. A residential rental registration expires on December 31st of the calendar year following registration or renewal.
- D. The residential rental registration is transferable to any person who has acquired ownership of a registered rental property for the unexpired portion of the one-year term for which it was issued.
- E. Application. Application for a residential rental registration shall be made to the city on a form and through a process established by the director. The application shall include the applicable registration fee, including late fees if applicable, ((a declaration of compliance as described in subsection (J) of this section)) the name, mailing address, email address, and telephone number of the owner or owners of the rental unit, a certificate of inspection unless the rental property is exempt under BMC 6.15.040(B), and such other information as required by the director in order to carry out the intent of this chapter.
- F. Renewal. A residential rental registration may be renewed by paying the registration fee for the ensuing year on or before the date of the expiration of the current registration, submitting a renewal application on a form and through a process established by the director updating the information contained in the original application, and providing a ((declaration of compliance as described in subsection (J) of this section)) certificate of inspection, if no certificate of inspection has been submitted within the previous three years unless the rental property is exempt under BMC 6.15.040(B). 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 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 website 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) through (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 subsection (I) of this section at the time the lease or rental agreement was signed or the tenancy otherwise commenced.))

Sec. 4. BMC 6.15.050 is amended to read as follows:

- A. All rental properties will be inspected <u>prior to submitting the initial application for residential rental registration and at least</u> 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 purpose of this chapter. The rental housing types listed in BMC <u>6.15.040(B)</u> shall be exempt from the certificate of inspection requirement.
- B. All certificates of inspection submitted under this chapter must state that all units subject to inspection have been inspected, that all units inspected comply with the requirements of the building code, fire code, and state law specified in or under the authority granted in this section, and that there are no conditions presented in the units inspected that endanger or impair the health or safety of a tenant. A qualified rental housing inspector or city building code enforcement officer inspecting a rental unit for a certificate of inspection under this chapter shall inspect for and certify compliance with the following requirements of the building code and Chapter 59.18 RCW:
 - 1. The minimum floor area standards for a habitable room as contained in the building code.
 - 2. The minimum sanitation standards as contained in the building code.
 - 3. The minimum structural standards as contained in the building code.
 - 4. The occupancy standards as contained in the building code.
 - 5. The minimum heating standards as contained in the building code.
 - 6. The minimum ventilation standards as contained in the building code.
 - 7. The minimum electrical standards as contained in the building code.
 - 8. The minimum standards for emergency escape window and doors as contained in the building code and fire code.
 - 9. The requirements for garbage and debris removal as contained in the building code.
 - 10. The requirement to provide and test smoke alarms and carbon monoxide alarms as contained in the building code.

- 11. The requirements regarding fire sprinkler or fire alarm systems (if any) required by the building code.
- 12. The requirements regarding passive fire resistive construction components contained in the building code.
- 13. The requirements related to fitness for human habitation as set forth in RCW 59.18.060.
- 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 <u>17.10.020</u>, 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. If a rental unit fails an inspection conducted by a private inspector, then the inspector or owner must submit the results of the initial failed inspection to the city in addition to any subsequent certificate of inspection in accordance with RCW 59.18.125(6)(e).
- 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 subsection (A) of this section.
 - 3. A rental property inspected by a government agency or other qualified inspector within the previous 24 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 subsections (F)(5) and (6) of this section, 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 20 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 inspection as long as the initial inspection reveals that no conditions exist that endanger or impair the health or safety of a tenant.
- 6. If a rental property has 21 or more rental units, no more than 20 percent of the units, rounded up to the next whole number, on the rental property, and up to a maximum of 50 units at any one property, may be selected by the city to provide a certificate of inspection as long as the initial inspection reveals that no conditions exist that endanger or impair the health or safety of a tenant.
- 7. If an owner or landlord is asked to provide a certificate of inspection for a sample of units on the rental property <u>under (F)(5) or (6)</u>, and a selected unit fails the initial inspection, the city may require up to 100 percent of the units on the rental property to provide a certificate of inspection.
- 8. If a rental property that qualifies for inspection under (F)(5) or (6) has had conditions that endanger or impair the health or safety of a tenant reported since the last required inspection, the city may require 100 percent of the units on the rental property to provide a certificate of inspection.
- 9. An inspector conducting an inspection under this chapter may only investigate a rental property as needed to provide a certificate of inspection.
- 10. If a rental property is part of a rental property complex, the limitations set forth in this subsection (F) shall apply to the rental property complex as a whole.

G. Notice to Tenants.

- 1. The landlord shall provide written notification of his or her intent to allow an inspector to enter an individual unit for the purposes of providing the city with a ((declaration of compliance or)) certificate of inspection in accordance with RCW <u>59.18.150(6)</u>. The written notice must indicate the date and approximate time of the inspection and the company or person performing the inspection, and that the tenant has the right to see the inspector's identification before the inspector enters the individual unit. A copy of this notice must be provided to the inspector upon request on or before the day of inspection.
- 2. A tenant who continues to deny access to his or her unit is subject to the penalties in RCW 59.18.150(8).
- H. The fee to be assessed for a city building code enforcement officer to conduct an inspection under this chapter shall be set by council ordinance. The director is authorized to develop an incentive in the fee structure to benefit those rental properties that pass the initial inspection leading to a certificate of inspection.

Sec. 5. BMC 6.15.070 is amended to read as follows:

- 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 building code, fire code, or other applicable law or to pursue a warrant under RCW 59.18.150. The department may require proof that the tenant has provided notice to the landlord identifying the conditions prior to undertaking an inspection. If, after inspecting the rental unit, the department determines the rental unit violates any of the standards set forth in BMC 6.15.050, the director is authorized to suspend or revoke the registration as to that unit and to require the owner to provide to the city a certificate of inspection as described in BMC 6.15.050 prior to the rental unit containing the violation having its registration renewed or reinstated. Notwithstanding correction of the violation, the director may also require that ((any other rental unit covered under the same registration)) up to 100 percent of the rental units on the property be inspected and that the property owner submit valid certificates of inspection for all rental units on the property following the procedures of BMC 6.15.050.
- B. If, during a two-year period, a property subject to this chapter has been subject to two or more notices of violation, orders, decisions, or determinations by the city, which if appealed have been upheld, finding a violation of any of the standards in the building code or fire code, the rental property shall be added to those properties subject to inspection under BMC <u>6.15.050</u> during the following annual inspection period.
- C. If a property subject to this chapter has been subject to any order, decision, or determination by the city, which if appealed has been upheld, finding a violation of any of the standards in the building code or fire code and resulting in a "do not occupy" order, the rental property shall be added to those properties subject to inspection under BMC <u>6.15.050</u> during the following annual inspection period.

Sec. 6. BMC 6.15.080 is amended to read as follows:

When a certificate of inspection ((or a declaration of compliance)) is required for a specified residential housing unit under this chapter and a valid certificate of inspection ((or declaration of compliance)) has not been provided to the city, the director is authorized to notify the owner or landlord that until a valid certificate of inspection ((or declaration of compliance)) is provided to the city, it is unlawful to rent or to allow a tenant to continue to occupy the residential housing unit. It shall be unlawful to rent or allow a tenant to occupy or continue to occupy such unit until the property owner submits a valid certificate of inspection and the director issues a registration for the unit.

Sec. 7. BMC 6.15.170 is amended to read as follows:

((During the first two years of the program, the)) <u>The</u> 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.)) <u>The annual report on the program shall include the following metrics:</u>

1. Number of residential housing units in the program,

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- 2. Number of inspections conducted in the previous year:
 - a. Number of inspections conducted by the city,
 - b. Number of inspections conducted by private inspectors,
- 3. The passing rate of inspections:
 - a. The passing rate for residential housing units inspected by the city,
 - b. The passing rate for residential housing units inspected by private inspectors,
- 4. The most common reasons for a failed inspection,
- 5. The number of requests for inspections from tenants,
- 6. The number of infractions or citations issued for violations of the program,
- 7. The total amount of fees and penalties collected under the program, and
- 8. The cost of the program.

NEW SECTION. Sec. 8. A new section shall be added to Chapter 6.15 BMC to read as follows:

The director is authorized to require an owner of multiple rental units of any type to submit valid certificates of inspection for up to 100 percent of the owner's rental units when:

- 1. One or more rental units registered to the owner fails an inspection required under this chapter,
- 2. One or more rental units registered to the owner has had conditions that endanger or impair the health or safely of a tenant reported to the city since the most recent certificate of inspection required under this chapter was submitted to the city,
- One or more rental units registered to the owner has been subject to two or more notices
 of violation, orders, decisions, or determinations by the city, which if appealed have been
 upheld, finding a violation of any of the standards in the building code or fire code since
 the most recent certificate of inspection required under this chapter was submitted to the
 city, or
- 4. One or more rental units registered to the owner has been subject to any order, decision, or determination by the city, which if appealed has been upheld, finding a violation of any of the standards in the building code or fire code and resulting in a "do not occupy" order since the most recent certificate of inspection required under this chapter was submitted to the city.

This section shall apply to all residential rental units registered to the same owner or owners regardless of the ownership structure for the rental units.

PASSED by the Council this 26th day of February, 2024.

Council President

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APPROVED by me this day of, 2024.
Mayor
ATTEST: Finance Director
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Office of the City Attorney
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