

**CITY OF WENATCHEE**  
**AFFORDABLE HOUSING TASK FORCE**  
**February 23, 2010: 12 PM**  
**CITY COUNCIL CHAMBERS**  
129 South Chelan Avenue  
Wenatchee, WA 98801

<b>AGENDA</b>
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- I. CALL TO ORDER – Jamie L. Wallace, Chair
  - A. Accept Notes from Previous Meeting
  
- II. PUBLIC COMMENTS  
  
(3 minute presentations)
  
- III. RENTAL LICENSING STRATEGY
  - A. Staff Presentation
  - B. Task Force Discussion
  
- IV. NEXT STEPS
  - A. Confirm next meeting –March 11<sup>th</sup>
  - B. Proposed agenda items
    - 1. Financing & New Construction Committee Recommendations

**CITY OF WENATCHEE**  
AFFORDABLE HOUSING TASK FORCE  
**February 11, 2010: 12-1:30 PM**  
**WENATCHEE CITY HALL COUNCIL CHAMBERS**  
129 S. Chelan Avenue  
Wenatchee, WA 98801

**MEETING NOTES**

Attendance

Task Force: Jamie L. Wallace – Chair, Mary Cook, Sarah Dempsey, Alicia McRae, Bob Rowe, Loretta Watson, Judith Lurie, and Tony Veeder

Staff: Monica Libbey, Stacey Burts, and Steve King

Call to Order

The meeting was called to order by Jamie Wallace, Chair. Notes from the January 25, 2010 meeting were accepted as submitted.

Public Comments

Russell Rice – Disgust and contempt is how we feel about what you are trying to do. We believe in America and the Constitution. What the City is attempting to do is un-American and against the 4<sup>th</sup> amendment: “The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated...” I have talked to many people in the last month and have not found 1 person who agrees with these rental inspections. Large property managers weren’t aware of what is going on, because of the secrecy. I also asked my renters and they all agreed that no one from the City would take one step inside their home. Monica told me that there may be people too scared to call and complain about bad living conditions and that is why you are doing this. I talked to Mitch in Pasco where they have been doing this for 11 years and he told me there is no way to know how many people that are afraid to call that this affects. One of Martin Luther King’s famous sayings was: “Speak without fear”. That is what these too scared to call people should be doing, not relying on the government to speak for them. Taking away from the good, honest, hard working taxpaying Americans to start another government agency is wrong. No one can know for sure how many thousands of people this will affect just to help a perceived few. Remember, nobody knows how many this could help. When you give to one group, you have to take from another. What will happen here is like always and the cost will be passed along and make rents higher. Is there anyone here today that would like a government official to come to your house at 8 AM tomorrow morning and check for heat, and hot water, mold in your bathroom, and make sure your smoke alarm works?

Beth Gordon – I thought it would be a good time to review some of the Task Force ground rules. The mission of the Task Force is: “To provide the Mayor and City Council with guidance regarding policies for the development and preservation of affordable housing, beginning with the strategies identified in the Affordable Housing Action Plan memo dated July 14, 2008.” Task Force members assertions are: “We recognize the legitimacy of the interests, concerns and goals of others, whether or not we agree with them.” and “We commit to treating each other, and those who attend our meetings, with respect, civility, and courtesy. We commit to fully explore the issues and search for creative solutions that best serve our mutual interests.”

Rental Licensing Strategy

Staff presented information from the staff report on the Rental Licensing Strategy. Task Force members asked questions of staff.

Paul Schmidt – Had questions for Stacey, including on the current Code Enforcement process, the areas of the city where violations most commonly occur, and the proposed program work level.

Stacey responded.

Paul Schmidt – I think generally, if they are a good landlord, they will already know what is going on with their rentals. But there may be cases where they don't, and I'm not saying that it might not be beneficial.

Tana Wood – I own rental units in Wenatchee. If the main objective of the Task Force is to improve the number and quality of affordable housing, I do not believe this program would achieve that. I agree that I don't think that one staff person can sustainably promote the program; I think it will be more cost prohibitive based on what I've seen and run numbers on. I see potential legal costs for the city if there are issues and questions and problems. I see all sorts of different avenues this could go. The bottom line for me is there are existing programs in place, let's work those programs and make them more effective rather than adding another layer of bureaucracy to a problem we already have.

Greg Parks – Asked Monica questions regarding her supervisor and the proposed salary figures.

Staff responded.

Greg Parks – Whatever happens to the program, any costs associated will be transferred to the tenants and rents will go up. Keep that in mind.

Karla Winston – This is Hilda Emerson, a tenant of mine; I told her I was coming to this meeting and asked if she wanted to join me. Chicago is listed as one of the cities that have a fee and inspection program. I looked up someone out of the phone book, Elsie Palmer from Riverbend, Illinois, and I wrote her a letter asking about any mandatory licensing program. She responded saying that they do have occupancy inspections, the cost runs between \$20-50 for each inspection. They are a nightmare with city inspectors making arbitrary decisions on what you have to change on the property. Properties have to be inspected between each occupant no matter how long or short a time it has been. From one inspection to the next, the rules change. I advise you to fight this as hard as you can, it is a money grab. Solely one person's opinion clear across the U.S. The other thing I'm concerned about is another situation like this that came into play not too long ago, I own some property in the Historic area. It is their intention to keep the aesthetics of the historic district beautiful and natural. When I was first required to be in the historic district the rules were pretty easy to live with, as the years have gone by there are more enforcements and I cannot now install vinyl windows, which are affordable. I have to leave wooden windows in there that are falling apart and cannot replace them with aesthetic vinyl windows. I do think that the rents that we have are as low as we could possibly go right now.

Hilda Emerson – Tana and Carla have been really good landlords and if there has been a problem we have worked it out. With problems in the unit, I notified her, she's been on top of all the repairs. I don't think you should vote this in because it would raise people's rents and cause a lot more headaches for a

lot of people, like the landlords, and I don't believe that is fair. I think it will invade our privacy; we decided we wanted to live in this apartment and to have inspectors come in, and I just don't think that is right for you guys to do that to us.

David Noyd – This is my renter Tim Jenson – This is all going to get trickled down to the renters. I've rented my house for about 9 years now. I barely make it as it is now, so you are going to have people out on the street. If people aren't complaining that they are living in poverty and in a rundown house, they usually have something to hide like maybe they are not here legally. Northwest Justice Project, one of the qualifications is low income; renters are usually low income people. This is a bad thing; people's constitutional rights are going to be violated. I am definitely against this. And if anyone comes to my door and I don't let them in, what is going to happen to me? Because I will not let anyone into my home, it is my right to my privacy.

David Noyd - I hope you guys really resist on trying to grow government right now. The economy is in the tank and here you are wanting to add another employee. It just doesn't make sense, I wish you would explore the avenues you already have in place, as far as complaint inspections and maybe somehow amp that up a little bit if you feel it's and just pursue that avenue. Obviously, the pictures we saw are wrong and I'm sure there's no body in this room that has a rental like that. No matter what industry you are in there are always some bad eggs and I don't think it is up to the government all the time to step in and punish the rest of us for the acts of a few. That stuff has got to come to an end.

Donna Nelson – I agree with that tenant. Not all people are forced to live in rental houses because they are low income. I have tenants in some of my properties because that is their choice, it gives them their freedom, I take care of their property, their maintenance, I take care of that stuff for them and it is their choice to live like that. But I also respect their privacy, and I do inspect my properties, I don't need Stacey to inspect my properties, I can tell when something is wrong, and I fix it. I think that tenants have the right to have a choice of how they live and I don't think that we should take that away from them. I don't think they should be separated: tenant or owner, they are people, and they have that right, it's their choice to live like that, it's not because they are forced to live like that. I think there is rental housing out there that people choose to live like that because they don't want to take care of the upkeep, it's easier. So, I just want you to look at their side also.

Beth Gordon – Had a few questions for staff regarding the current Code Enforcement program.

Staff responded.

Beth Gordon – So it sounds like you have a tool in place (regarding the CDBG Code Enforcement Target Area) that it might be advisable to see how this pans out before taking any more stringent methods that are costly and perhaps prohibitive to the rental industry and its tenants. People have raised the question about the licensing of rental houses. Greg, can you help me out, why are landlords not considered a normal business under the tax structure of Washington State?

Greg responded – We are considered a passive activity versus an active income, such as a restaurant, retail store, or working for an employer, that is considered active income instead of passive.

A member of the audience asked a question.

Beth Gordon – I think we need to define who needs a business license and who doesn't. For the State of Washington, it says who needs a business license, i.e. the UBI number: "You sell a product or provide a

service that is taxable.” To find more information we can go to the Department of Revenue. But for those individual landlords that don’t hire a staff, they are not providing a taxable business that requires a UBI number under the State of Washington, but the City of Wenatchee says on its webpage, how do I obtain a business license for the City of Wenatchee, well it says all applicants are required to have a UBI. My father and I, we have a business license but we have a store front, i.e. office, we have employees and that is why we have a UBI and a city business license as well. But there are many kind of like the Avon scenario, not everyone has a business license that does business in Wenatchee, it has to be taxable and caught in the radar of the State of Washington.

Beth Gordon – Read a letter into the record that was submitted to the Task Force at the meeting.

Members of the audience asked questions, staff and the Task Force responded.

Zane Poltz – I have met Stacey on several occasions. One time was a drive-by. He asked Stacey if that was amicably resolved. He asked questions regarding the rental housing needs, and if the Rosen informational background had been checked on.

Staff and the Task Force responded.

Zane Poltz – The Rosen report was investigated by several individuals, we found out and have evidence that we can present, that the Rosen report presented a skewed perspective on the needs of rental housing. I would say from our local, easily identifiable vacancy rate at that time was misinformation. I can get that to you if anyone is actually interested in it. Do you believe that the Rental Licensing and Inspection Program will increase the affordable housing in the Wenatchee area?

The Task Force responded.

#### Next Steps

It was confirmed that the Rental Licensing Strategy be continued to the Task Force’s next agenda. It was suggested that a few dates be considered for the next meeting date.

1/19/2010

I cannot speak for the Rental Association of the Wenatchee Valley, but I can present the views of those I work closely with....

Here's a bit of our history with this kind of legislation. Does it sound familiar to you?

In July of 2008, a memo presented by Wenatchee's Community Development Director, Rick Smith, outlined a plan to enable the City to increase the supply of "affordable housing". The plan was structured around a 68 page study called the Rosen Report compiled by a California company - David P. Rosen and Associates. The memo and report can be viewed online at the City of Wenatchee's website [www.wenatcheewa.gov](http://www.wenatcheewa.gov) under the title of Community Development. (Due to city budgetary cuts, Mr. Smith's job was eliminated in December, 2009, and we understand that he has moved back to Pasco. He was instrumental in Pasco's Rental Licensing and Inspection program.)

Much of the data in the \$24,500 Rosen Report is not current, nor does it accurately reflect true vacancy rates and other key information that is locally and readily available.

We understand that the City of Wenatchee became an "entitlement city" in 2004, making it eligible to receive Community Development Block Grant (CDBG) funding which amounts to approximately \$345,000 per year through Housing and Urban Development (HUD). In receiving these funds, according to the City's website - the City "must pursue...access to decent and affordable housing to low and moderate income residents and suitable living environments" .

The "Affordable Housing Action Plan" (AHAP) is a direct result of the CBDB mandate. Many "entitlement cities" across the United States are exploring the adoption of similar programs. Those cities which have implemented facets of the plan, have not achieved their stated housing goals or shown economic success.

California cities are a good case in point.

The "Affordable Housing Task Force", made up of a diverse group of citizens of the area, was started in November of 2008.

Its purpose was to fully explore facets of the plan and provide recommendations to the Mayor and City Council. The Task Force met monthly, and weekly in some cases, for over a year, under the direction of the Community Development director and staff. Key members of the RAWV

faithfully attended all meetings. We believe that taking an active role in the Task Force for over a year's time has given us insight and standing on these housing issues.

The plan, according to the memo, includes the addition of 3 new "complex" programs to the City's existing Community Development efforts. One of these strategies is the Rental Licensing and Inspection Program built upon the philosophy that "rental homes are like restaurants and must be inspected....."

Therefore, we respectfully point out the following key differences:

1. A home is a place to live - a residence. Rental housing and tenants should not be discriminated against.

2. Our homes are to be secure. Amendment 4 of the Constitution of the United States declares, "The 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."

3. There are specific laws that govern rental housing that do not pertain to restaurants. The "Landlord Tenant Act" RCW 59.18 is a comprehensive body of law that clearly defines the duties of landlords and tenants.

4. The contract between landlords and tenants is explicit and is generally a written document signed onto after an initial inspection of the premises, application process, with rent and deposit payments paid in advance prior to occupancy.

5. A visit to a restaurant generally does not first require a thorough inspection by the patrons of the premises, a written or explicit contract before dining, compliance with Fair Housing laws, or include the usage and care of all parts of the premises.

As owners and managers of rental properties in the Wenatchee Valley and the City of Wenatchee, we would like the Mayor and the Council to strongly consider the following points:

1. Rental Licensing and Inspection is a violation of the Fourth Amendment as cited above. Owner-occupied homes may be targeted next. The adoption of this program sets the stage for complete annihilation of private property rights. Probable cause leading to the obtaining of a search warrant should remain the only lawful entry method for conducting searches as written in the Constitution.

2. The majority of Code violations and enforcement issues are noted by the external viewing of properties by the Code Enforcement staff. This

method and the complaint-driven system are already in place. (the Affordable Housing memo cited above does not mention the drive-by inspections which have been and continue to be effective in curbing the obvious violations.)

3. The City of Wenatchee has already outlined 3 target neighborhoods that suffer from "blight or deterioration". Code Enforcement Strategy maps have been printed and the Code Enforcement staff is to spend 25% of its time on these areas in 2010. See what this yields before proceeding with more stringent measures.

4. With the complexity of these new programs, especially Rental Licensing and Inspection, there would be increased costs to the City and its inhabitants. More staff would be needed to handle inspections and recording.

5. Rental Licensing and Inspection will not stop those who operate outside of the law with the rental of properties. It will target those who are already in compliance.

6. This will not increase the supply of affordable housing. It will, in fact, raise the cost of rental units.

In summary, since Rental Licensing and Inspection is **costly to ALL, undermines the Fourth Amendment of the Constitution**, and is **not necessary as the tools for Code Enforcement already exist**, and since our local, county, state and federal **governments are in an economic crisis**, we urge the City of Wenatchee to **take no action** on the Affordable Housing Plan. It is simply imprudent and unnecessary.

Respectfully submitted,

  
Beth Gordon

member of the RAWV

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