



City of Bellingham
210 Lottie Street
Bellingham, WA 98225

MEMORANDUM

TO: CITY COUNCIL
FROM: BLAKE LYON PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
CC: MAYOR KIM LUND
SUBJECT: UNFAIR OR EXCESSIVE FEE ENFORCEMENT IMPLEMENTATION
DATE: JANUARY 6, 2025

City Council is considering ordinances prohibiting unfair or excessive fees in both residential rental agreement and leases, and in manufactured/mobile home lease agreements. Implementation of unfair or excessive fee prohibitions through City enforcement action will require an additional Code Compliance Officer (or equivalent) to help educate landlords and tenants and enforce ordinance violations. Existing staff resources are insufficient to support this new body of work.

Staff proposes funding the required Code Compliance Officer by increasing rental registration fees by \$10 per unit annually.

City Council created the Rental Registration and Safety Inspection Program in 2015 with the express purpose of protecting the public health, safety, and welfare of tenants by encouraging the proper maintenance of residential rental housing. After completing the first cycle of inspections (and resuming operations after a COVID related hiatus) the City identified the need to enhance the program and the fee structure supporting the additional resources was approved in late 2023.

Background on the Registration Fee

Each rental property must register, unless the unit qualifies for an exemption as defined in Bellingham Municipal Code (BMC) Section 6.15.040(B). In 2015 the registration fee was set at ten dollars (\$10) per unit for properties with 1 – 20 units and eight dollars (\$8) per unit for properties with 21 or more units, with the rental registration set to expire on December 31 of the calendar year. Renewal of the residential rental registration for the ensuing year must be paid on or before the date of expiration of the current registration. Any person who fails to submit the required renewal registration fee (unless exempt) is subject to late fee penalties as determined by the city council in the fee ordinance.

The initial 2015 program was established with one administrative position and one safety inspector. In 2023, to provide an enhanced level of service, the City added a Rental Protection Specialist position and a second inspector position. The resources needed to fund these two positions were generated from the increased revenue associated with the

modifications in the fee ordinance. More specifically, the registration fee was increased to twenty dollars (\$20) per unit for properties with 1 – 20 units and sixteen dollars (\$16) per unit for properties with 21 or more units.

The current proposal is to increase the rental registration fee to thirty dollars (\$30) per unit for properties with 1-20 units and twenty-four dollars (\$26) per unit for properties with 21 or more units.

Late Fees and Inspection Fees

There are no requested changes to the Late Fees and Inspection Fees at this time.

Fiscal Impact Analysis

The program is currently funded to support an Office Assistant III (Rental Registration Clerk) position, a Rental Protection Specialist and two rental inspector positions.

To fund the costs associated with a Code Compliance Officer, the City would need to generate additional revenue ranging from \$179,494 to \$217,457 annually (depending on which salary step the employee is hired into). To cover the potential costs, given the 21,841 residential unit that are currently registered in the program, the rental registration fee increase would need to be \$9.96 per unit (217,457 divided by 21,841 equals 9.96).

Items	Existing Fee (2023)	Proposed Fee (2025)
Annual Registration Fees		
For 1-20 units	\$20 per unit	\$30 per unit
For 21 or more units	\$16 per unit	\$26 per unit
Late Fee		
1-15 days late	\$50 per license	\$50 per license
16-30 days late	\$125 per license	\$125 per license
31-60 days late	\$250 per license	\$250 per license
61 or more days late	All prior fees established by this schedule plus all costs associated with collection	All prior fees established by this schedule plus all costs associated with collection
Inspection Fees		
Per Unit (City Inspector)	\$100 per unit	\$100 per unit
Per Unit (Private Inspector)	\$45 per unit (City fee, private inspector may have additional charges for services rendered)	\$45 per unit (City fee, private inspector may have additional charges for services rendered)
First Reinspection	\$100	\$100
Second Reinspection	\$200	\$200
Third Reinspection	\$500	\$500

Missed Appointment(s)		
First Missed Appointment	\$50	\$50
Second Missed Appointment	\$75	\$75
Third Missed Appointment	\$100	\$100
Other Fees		
Appeal Fee to Hearing Examiner	Per Land Use Application Fee Schedule	Per Land Use Application Fee Schedule