



DATE: December 7, 2021

TO: Chair Hummer and Members of the East Bellevue Community Council

FROM: Liz Stead, Land Use Director
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Development Services Department

SUBJECT: Single-Family Dwelling Rentals – Code Compliance
December 2021 Update

I. INTRODUCTION

On December 7, 2021, the East Bellevue Community Council (EBCC) will be updated on the status of enforcement of City regulations governing single-family dwelling rentals.

Since the Single-Family Dwelling Rental Ordinance No. 6223 went into effect on April 14, 2015, the EBCC has been updated regarding the City's administration and enforcement of single-family rental regulations on a yearly basis (in 2018 and 2019, updates were provided twice each year). The time period covered by the last report ended on March 31, 2020 (shortly after the onset of the Covid-19 pandemic). This report provides an update on enforcement of single-family dwelling rental regulations for the time period April 1, 2020 through October 31, 2021.¹

The purpose of Ordinance No. 6223 was to maintain and strengthen the vitality, quality, and character of Bellevue's single family residential neighborhoods. The Ordinance also responded to citizen concerns about single room rentals and transient rentals that had previously been unregulated or under-regulated and negatively impacted single family residential neighborhoods.

Relatedly, since July 2021, the City has been under an Interim Official Control (IOC), which removed the limits on the number of occupants who can live in a residence. This IOC was in response to a recently enacted state law, RCW 35A.21.314. On November 15, the City Council adopted Ordinance No. 6616 to permanently amend the Bellevue Land Use Code (LUC) consistent with the RCW. The EBCC is scheduled to hold a public hearing and take action on Ordinance No. 6616 on December 7.

¹ The time period in this report is 19 months, versus the typical 12-months period. The overall number of cases is greater due to the longer duration.

It is important to note that Ordinance No. 6616 does not negate the overall objectives of Ordinance No. 6223 to regulate single room and transient rentals and to support the vitality, quality, stability and character of single-family neighborhoods. In fact, the LUC continues to regulate single room and transient rentals. For instance, transient rentals are only allowed in owner-occupied dwellings that have a Home Occupation permit. Furthermore, existing regulations are in place to address external conditions such as nuisances, noise, garbage, traffic, and parking; and health and safety regulations in the Building, Fire and Housing Codes remain in effect. Violations of these regulations can be reported to the Code Compliance team or the Police Department as appropriate.

II. DISCUSSION OF DATA

A. Historical Data of Code Enforcement Cases

A complete list of code enforcement cases across the city and their resolutions related to single family dwelling rentals from January 10, 2014 (first case of record) through March 31, 2020 is provided in Attachment A (the “Case List”—Excel spreadsheets). A combined total of 502 cases² were opened city wide from when the City first started regulating single-family dwelling rentals through March 31, 2020.

This report focuses on the 65 cases that were open at the beginning of the current reporting period (April 1, 2020) or opened during the current reporting period (April 1, 2020, through October 31, 2021), as contained in Attachments B and C. Attachment B shows the 58 single-family dwelling rental cases opened during the current reporting period through July 31, 2021. Attachment C shows the 7 cases opened during August, September and October 2021, the three months after the IOC (changing one part of the Single-Family Dwelling Rental Ordinance 6223) took effect on July 12, 2021. However, the data from Attachment C is from a too small and recent time period to draw any useful conclusions about the impacts of the IOC and Ordinance No. 6616.

The City’s enforcement of rental and housing regulations, including Ordinance Nos. 6223 and 6616 and the IOC, is complaint-based. Individual cases are listed by chronological order based on the date a complaint was received. Cases occurring within the EBCC area boundaries show “East Bellevue” in Column C of Attachments B and C. There were 11 cases opened in the EBCC area during the current reporting period (April 1, 2020 through October 31, 2021).

The “**Date**” column in Attachments A, B, and C shows the date that the case was opened. The “**Case Status**” column in Attachments A, B, and C shows the status of each enforcement case as of October 31, 2021: Closed—(Finding of) No Violation; Closed—Complied (Voluntary Compliance); Closed—Hearing Examiner’s Order; and Open—Continuing Investigation.

² 103 cases were opened under the interim ordinance between January 1, 2014 and April 14, 2015 when the permanent ordinance went into effect. 399 cases have been opened up under Ordinance 6223 between April 14, 2015 and March 31, 2020. In earlier cases under the interim ordinance and later with the permanent ordinance 6223, some different case status designations were used (see Attachment A). For consistency, in the current report these earlier case dispositions have been reviewed and included under one of the four current case status designations.

The Case List also indicates the **Neighborhood Area** where each case is located. The geographic distribution of cases from the current reporting period is shown in Attachment D (the “Map of Single-Family Dwelling Rental Cases” or the “Map”). This map shows the distribution of single-family rental cases opened between April 1, 2020 and October 31, 2021 throughout the City, with EBCC boundaries outlined in blue.

A summary and comparison of EBCC and Citywide enforcement case dispositions is provided for April 1, 2020 through October 31, 2021, with more information about the categories following.

	<u>EBCC</u>	<u>CITY</u>
Closed—Finding of No Violation	3 (27.3%)	29 (44.6%)
Closed—Voluntary Compliance	4 (36.4%)	20 (30.8%)
Closed—Hearing Examiner’s Order	0 (0%)	0 (0%)
Open—Continuing Investigation	3 (27.3%)	16 (24.6%)
Total	11 (100%)	65 (100%)

1. Closed—Finding of No Violation

In response to every valid complaint of alleged code violation, an enforcement action (EA) file is opened, and a Code Compliance Officer is assigned to that case. The assigned Officer investigates the alleged violation by talking with the complainant(s), the property owner and/or tenant(s), as well as neighbors if appropriate; reviewing property records; researching online advertisements, websites and databases; visiting the property and neighborhood; and performing other investigative activities. In some instances, the Officer may conclude that there is no code violation after completing these preliminary investigative tasks.

There are various reasons for a finding of no violation. Most often, the Officer’s investigation reveals that there is a legitimate reason to explain what complainants observe and report, such as driving-age children and/or extended adult family members residing at the home, or that there have been guests, resulting in a multiplicity of different people going in and out and vehicles parked at the home. Occasionally the Officer is unable to confirm the alleged violation due to a lack of information. In these cases, the Officer enters a finding of no violation and closes the EA case.

The percentage of single-family dwelling rental ordinance cases Citywide resulting in a finding of no violation has declined from 66% in the first year of Ordinance No. 6223 (April 14, 2015 to April 14, 2016) to 44.6% in the current reporting period (April 1, 2020 to October 31, 2021). While a variety of factors contributed to this number, the most important is likely a more effective community outreach on the regulations.

2. Closed—Voluntary Compliance

The Bellevue City Code (BCC) chapter on civil violations, chapter 1.18 BCC, directs that alleged responsible parties (property owners, tenants and others) be provided a reasonable opportunity to voluntarily correct a violation before a Notice of Civil Violation is issued and the case is taken to the Hearing Examiner (BCC 1.18.030). Voluntary compliance can be achieved in a number of ways depending on the specific violation, including obtaining a Home Occupation Permit for

transient rentals, reducing the number of rooms for transient rentals, or ceasing the rental activities altogether.

The amount of time allowed to resolve a documented violation depends on a variety of factors, including whether a City permit or registration process needs to be completed, if there are other circumstances beyond the property owner's control, or other special considerations. While the Officer always considers the specific situation for the case, in general the compliance due dates aim for consistency and fairness while being responsive to the neighbors and community. After completion of the required corrective actions is confirmed, the Officer enters a finding of compliance and closes the EA case.

Voluntary compliance may also be achieved through a Voluntary Compliance Agreement (VCA) between the City and the responsible party. In a VCA, the responsible party admits the code violations, agrees to complete specific corrective actions by a compliance date, and commits not to repeat the code violations within a two-year period. The City in turn agrees to close the compliance case when the violations have been fully abated. No VCAs were entered into during the current reporting period.

During the current reporting period (April 1, 2020 to October 31, 2021), voluntary compliance increased to 30.8% of the cases, in comparison to compared with 27% in the first year of Ordinance No. 6223 (April 14, 2015 to April 14, 2016).

3. Closed—Hearing Examiner's Order

No cases were taken to a hearing during the current reporting period (April 1, 2020 to October 31, 2021).

Code enforcement hearings are held by the City's Hearing Examiner. Each hearing takes a substantial amount of time to prepare and present the case. Based on this extensive resource need, the City believes focusing on performing diligent investigations and working with the property owners or tenants to achieve voluntary compliance. As discussed above, in the current reporting period, 75.4% of these cases citywide are resolved by a finding of no violation or through voluntary compliance.

4. Open—Continuing Investigation

Unless a case falls under the three categories described above, an EA file remains open. Open EA files may be still under investigation or in the process of moving towards voluntary compliance, such as those with related building permits or other permits that are under staff review with varying timelines. During the current reporting period (April 1, 2020 to October 31, 2021), 24.6% of single-family rental cases citywide remain under investigation at the end of the reporting period.

B. Lessons Learned in Recent Code Cases

1. Language Barriers

Responsible parties for whom English is not their first language continue to present a challenge in a substantial portion of the cases. The Language Line and professional interpreters are resources available to ensure clear understanding of violations and corrective actions. Court-certified interpreters are particularly valuable when negotiating VCAs with responsible parties

where language is a challenge. Residential rental regulations, like other code requirements, are gradually being translated on the City's website into the primary languages used by Bellevue residents. The City is employing all of these tools to ensure that violations are diligently processed to full abatement.

2. Complainant neighbors are reluctant to testify

A key element of proof in single family rental cases is direct observation of actual use of single-family home. Such evidence may take the form of seeing people arrive or depart from a subject house with luggage; license plate numbers (for rental cars or out-of-state) from vehicles that are at the subject house for only a short time; and conversations with transient guests or with the property owner or the primary tenant (house not owner-occupied). Neighbors are in the best position to observe a property over time for indicators of single room or transient rentals.

However, while neighbors may have the most information, some do not want to get involved, or testify or sign a declaration about their observations. Officer and other City staff do their best to respond to concerns and encourage them to help the case by reporting their observations and testifying in person or by declaration. Regardless, there may be situations where Officers may only be able to present second-hand evidence, which may negatively impact the merit of the case.

3. Online ads can be very difficult to link to a specific property

Transient rentals are most often advertised through Airbnb and similar online platforms. The address of a property typically is not provided until a registered Airbnb account holder contacts the host and affirmatively reserves the advertised property. Properties advertised for transient rental on Craigslist or on foreign-language online platforms likely also do not show specific addresses. Officers must painstakingly try to link photos of the exterior or interior of a house, host photos, host names or guest reviews with the property under investigation.

Further, while transient rentals may be indirectly indicated by the reservation calendar for a particular ad, the advertisement in general is only suggestive that a property is actually/actively being used for transient rentals; advertising availability of a property for transient rental is not itself a violation of the ordinance and may not in itself be enough to advance the enforcement process.

4. Public Engagement and Information

The City's website is used to provide public information about residential rental regulations. Over time these regulations and explanations are being translated to the most common foreign languages encountered in Bellevue.

Additionally, the Development Services Department (DSD) continues to provide information and articles for Its Your City and other publications, and to make presentations to neighborhood groups and homeowner associations. Staff take the opportunity when talking in person with property owners, tenants, rental agents, neighbors, and other potential responsible parties to educate them about the residential rental regulations. Staff also proactively encourage property owners, tenants, and rental agents to consider rental arrangements that are allowed.

III. CONCLUSION

The City Council enacted the Single-Family Dwelling Rental Ordinance (No. 6223) in April 2015 to respond to urgent resident concerns about the impacts of single room and transient (less than 30 day) room rentals in single family residential neighborhoods, many of which involved houses that were not owner-occupied. In the latter half of 2021, the IOC and the new Ordinance No. 6616 modified a portion of Ordinance No. 6223 to remove the limit on the number of people occupying a single-family dwelling. Notably, the majority of the components of Ordinance No. 6223, specifically regulations for single room and transient rentals, and related LUC and BCC that pertains to single family homes remains in place.

DSD and its Code Compliance Officers are committed to giving their best efforts, within legal parameters and available budget resources, to proactively educate the community about the Ordinance and respond to specific complaints of violations. Additionally, we continue to look for opportunities to make process improvements towards fulfilling our vision to serve as neighborhood stewards, working to achieve successful resolutions as One City by building harmonious partnerships among our diverse communities.

Attachments:

Attachment A – List of Cases 1/9/2014 to 3/31/2020

Attachment B – List of Cases 4/1/2020 to 7/31/2021

Attachment C – List of Cases 8/1/2021 to 10/31/2021

Attachment D – Map of Locations of Cases Opened 4/1/2020 to 10/31/2021