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Rental Housing Health & Safety Bill Update

For background, in 2018, after many years of concern about the State's system of rental housing code enforcement, the Legislature passed Act 188, a bill to improve rental housing safety. The bill created the Rental Housing Advisory Board (RHAB) to review how the rental safety programs of municipalities, which are carried out primarily by volunteer town health officers (THOs), could be professionalized. The work of RHAB can be found on the ACCD website <https://accd.vermont.gov/housing/partners/Act188>.

In 2019 the legislature passed Act 48. It included a number of provisions that assist in making the work of enforcing the Rental Housing Health Code (RHHC) somewhat easier for municipalities. But, the fundamental flaw in the system still remained. That is that most small towns and cities are ill equipped to enforce the State's Rental Housing Health Code (RHHC). One of the main requests of Act 48 was that the Department of Health (DOH) and the Department of Fire Safety (DFS) in collaboration with RHAB, complete a needs assessment and develop recommendations for the design and implementation of a comprehensive system for the professional enforcement of State rental housing health and safety laws.

In reviewing many options for a comprehensive system, it was very clear that it made the most sense for Dept. of Fire Safety (DFS) to take the lead in enforcing the RHHC rather than the Dept. of Health. DFS has the systems in place for residential inspections. However, for them to take on the RHHC they will need more inspectors and overhead support. Because Vermont has no county government, any sort of regional approach seemed unrealistic and would require setting up a new program redundant of DFS. In addition, the Health Dept. inspectors focus on commercial enterprises, are not spread around geographically, and have little expertise in residential buildings.

The RHAB had broad input that the RHHC inspection and enforcement should be a state responsibility, not a municipal one; but it has been extremely difficult to get over the hurdle that this must be a service of government that is paid for in some fashion. Like what is being done now in many towns (and states), RHAB believes that this activity can be funded by charging a modest fee to property owners. Landlord representatives seem to understand the issue and are looking for consistent service and support, and also better tools to deal with tenants who violate the health codes. In 6 towns (representing over 25% of Vermont's residential rental units) where fees are already being charged, we have seen no real effect on the rental housing market.

At the beginning of the 2020 session H. 739 was introduced, bringing high hopes that this would be the year to pass a bill creating a statewide professional system for rental housing code enforcement to protect Vermont tenants and landlords through the Dept of Fire Safety.

Integral to this effort is the creation of a statewide registry of rental housing. In addition to funding an inspection program, there has long been a need to have information on the location and data of the state's rental housing all in one place. This was very clear in Tropical Storm Irene and would

have served the state very well during this pandemic as the State tried to reach out to property owners about a series of benefits and tried to locate housing for homeless families.

A strong recommendation from the Rental Housing Advisory Board and support from both the Vermont Landlord Association and Fire Safety all boded well for passage. When the pandemic hit, lawmakers set the bill aside to focus on their emergency response, but took it up again during the September special session. The House General Committee sought to attach the bill to S.237 but ran out of time and was unable to vote out even a reduced version. The House Appropriations Committee's budget allocated some CRF funding: the \$400,000 needed to stand up the registry and program, but this was unfortunately removed through a floor amendment. It is planned that the bill, which has continued strong support, will be brought back in 2021. The [March 2020 draft of H. 739](#) contains the most complete version of what stakeholders agreed to.

RHAB is recommending the following components in this year's legislation:

Move the responsibility for the enforcement of the Rental Housing Health Code from municipalities to the Dept. of Fire Safety.

- DFS has identified the need for at least five new FTE's plus overhead support.
- THO's would remain in place to support DFS and to carry out the other duties.
- Communities with programs already in place would retain them. DFS would only cover communities which do not have and do not want their own inspection program.
- There would need to be about \$400,000 bridge funding for the start up. DFS's cost could be covered by fees with only 40% participation in the registry.

Establish a registry of long and short-term rental housing units.

- Ongoing funding for a complaint-driven inspection program could come through a per unit fee as is done now in a number of communities and for mobile home parks.
- The fee could also support increased education for landlords and tenants, and provide an interactive website to keep them up-to-date.
- The registry would be housed at the Dept of Housing and Community Development (DHCD) and start with existing public data from the Dept of Taxes, E911 and the Health Dept. lead Essential Maintenance Practices (EMP) registry for pre-1978 rental housing.
- Both long-term and short-term rentals would be included.
- Over 25% of rental units are already covered in communities that have an active code enforcement program, most with their own registry. Owners would not be charged twice.

Vermont Housing Incentive Program

- In addition to the above recommendations, RHAB supports a program for grants to landlords and homeowners to renovate substandard housing. This would be a very cost-effective way to get more housing on line and "encourage" property owners to do repairs. This would be similar to several pilot programs of DHCD, which would take the lead.