

Rental Housing Inspections Program 2022 Proposal

As part of the annual strategic planning session Council was presented with an initial proposal related to the administration of the rental housing program. With an anticipated retirement of one of the full-time inspectors there is an opportunity to re-evaluate the program administration and re-distribute responsibilities between City staff and a contracted entity. City staff would continue to conduct the HUD Section 8 housing inspections as required by HUD.

The following is a list of the primary components of the City rental housing program along with staff recommendations and anticipated process:

- **Rental Housing Code:** The City has a rental housing code chapter which is based off of the HUD Housing Quality Standards (HQS). Over the years application of the code develops based on interpretation and case experience. We work with other departments which enforce related codes including building, fire, electrical and plumbing. Most of these codes are in the International Code series. There is an International Property Maintenance Code which is often used to address rental housing conditions. The code would address items such as definitions, inspection standards and appeal process.
 - **Staff recommendation:** Adopt the International Property Maintenance Code with amendments as needed to replace the current code section.
 - **Process:**
 - June-July:* Complete a comparison to current standards and identify any potential conflicts with other adopted codes.
 - August:* Present a draft ordinance with amendments to the public and hold informational meetings for rental property owners to provide comment.
 - September-October:* Present a final draft to the City Council as an ordinance change to be effective January 1, 2022.
- **Rental Housing Unit Registration:** The City has utilized an annual registration process to track active rental units in the community. We have operated with a tiered fee structure based on the number of units per parcel.
 - **Staff recommendation:** Continue to require an annual rental property registration based on a per unit fee structure.
 - **Process:**
 - Annual Billing:* The annual registration is currently based on a calendar year and is billed at the end of March with payment due in May. This can be adjusted to a different time schedule.
- **Rental Housing Inspections:** The City currently has a goal of completing an inspection of every rental property every three years. An initial inspection is completed and then follow-up inspections are conducted until compliance is achieved. The majority of units require at least two inspections. City employees currently conduct these inspections.
 - **Staff recommendation:** Post an RFQ to hire an inspection firm that will be responsible for completing the initial and re-inspections. The costs of the inspection will initially be paid by the City and then billed out to the property owner.
 - **Process:**

September: Post RFQ.

October: Select Inspection firm and enter into a contract to be approved by the City council.

November-December: Prepare for transition to begin January 1, 2022

- **Staff recommendation:** Maintain one rental housing inspector to cover new unit inspections, complaint inspections, quality control review and supplemental inspections as needed.
 - **Process:** no changes needed.

- **Inspection Frequency:** Properties are currently inspected approximately once every three years.
 - **Staff recommendation:** Implement an inspection schedule which is based on property condition and compliance. The schedule may include increased inspection frequency as the number and severity of fail items increases. There could be a standard for single-family dwellings, two-unit dwellings and multi-family dwellings. In cases where there are minimal fail items units may not need to be inspected as frequently as properties that have a higher number of fails and/or more severe issues.
 - **Process:**
Define the inspection schedule: Include in the ordinance that the inspection schedule will be set by department policy or resolution.

- **Vacant Properties:** Currently the City allows owners to maintain a property as a rental by registering it even if it is vacant for an extended period. Typically, this is because the unit is non-complaint and the owner has not proceeded with the repairs but they want to maintain some level of grandfathering for things like unit density. We have seen this happen most often post-disaster or following a fire. We have also experienced situations with partial completion i.e. 2 out of 4 units are compliant.
 - **Staff recommendation:** Limit the amount of time a property can remain non-compliant and vacant to six months. This would apply to partially vacant properties as well. After that time period the property would be subject to the Vacant Property Code and any grandfathering of non-compliant conditions would expire.
 - **Process:**
Define requirements: Include as part of the code changes.

- **New Unit Registration and Inspection:** Currently the City requires a new unit registration which includes an application fee. There is an increased fee when the property is occupied prior to registration and inspection. As part of the new unit inspection the City Electrician and Building Inspector conduct a survey in addition to the rental housing inspection.
 - **Staff recommendation:** This process would continue as it is with the only change being the rental housing inspection would follow the new code.
 - **Process:** no changes needed.

- **Non-compliance:** Properties which do not pass inspection or have not paid their annual registration fee can be issued a denial of compliance letter and ultimately are subject to vacation of the unit and legal action through the municipal infraction process.

- **Staff recommendation:** There will continue to be a process for non-compliance which will be discussed with legal counsel on what should be included in the code. This may follow a similar process to posting of properties that are determined to be non-compliant.
 - **Process:**
Define process: Include as part of the code changes.

- **Appeals:** As with most city code sections there is an appeal process should an owner disagree with a decision made by the City. The code will address this process. The City has an established Housing Appeals Board that can hear appeals as requested.
 - **Staff recommendation:** There will continue to be a process for appeals which will be discussed with legal counsel on what should be included in the code.
 - **Process:**
Define process: Include as part of the code changes.

- **Complaints:** City staff currently responds to complaints received from tenants regarding possible violations. This will continue.
 - **Staff recommendation:** Clearly define in policy what is required to be submitted by any individual filing a complaint. Determine if there will be associated fees with founded complaints.
 - **Process:**
Define process: Include as part of the policy changes.