

SAFE HOMES, SAFE FAMILIES

RENTAL INSPECTION PROGRAM

STUDY SESSION

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WHAT IS SAFE HOMES, SAFE FAMILIES PROGRAM (SHSF)?

The program is a *systematic, preemptive* inspection of residential rental properties to promote public health and safety by ensuring safe living conditions that may affect:

- Occupant's safety
- Structural integrity of the building
- The surrounding neighborhood

BENEFITS OF A SHSF PROGRAM

- Ensure rental housing stock is maintained
- Encourages preventative maintenance
- Puts the burden of maintenance on the property owner rather than the tenants
- Addresses overcrowding and proliferation of vehicles-attributable to the multiple tenants who rent these properties

ELEMENTS OF A SHSF PROGRAM

- All programs include: Registration, Inspections, and Enforcement
- Programs vary on the following elements:
 1. Types of Units
 2. Registration/Licensing process
 3. Frequency of Inspections
 4. Scope of the inspections
 5. Fees
 6. Implementation of the SHSF

I. TYPES OF UNITS

- As of 2015 there were approximately 24,600 rental units
 - 9,000 are estimated to be in single family homes and 15,600 in multi-family units
- Staff recommends the program initially apply to properties containing 3 or more rental units
 - These property owners are already required to obtain a Business Tax Certificate (BTC)
 - There are 773 properties with a BTC; which at a minimum equates to 2,319 units

I. TYPES OF UNITS (CONT'D)

- Exemptions:
 - Single Family Homes
 - New Construction (5 years) – estimated to be 2,000 units
 - Government Agency Inspected
 - Hotels / Motels – less than 30 day occupancy

2. REGISTRATION/LICENSE:

- When a property owner applies for their annual BTC, they would also register in the program
- Annual program fee per unit
 - Fee structure will depend on the elements of the program
 - Fees will be set to recover costs of the program

3. FREQUENCY:

Initial Inspection(s):

1. Upon registration
2. Upon transfer of ownership
3. Until compliance is achieved

After passing inspection, re-inspected every
3 years

3. FREQUENCY (CONTINUED):

Self-Certification Program: After passing 2 consecutive inspections properties are eligible for self-certification program

1. Property owners annually submit a “checklist” of items they certify are maintained and complete
2. Properties remain in the program provided all taxes, fees, and penalties are paid including an annual program fee
3. Properties are inspected every 5 years after Initial Inspection(s)

4. SCOPE OF INSPECTION

Recommend inspecting both the exterior of the building and a percentage of individual interior units

- Inspector selects the units to inspect (not the property owner)
- If violations are found, the inspector can inspect additional units.

4. SCOPE OF INSPECTION (EXTERIOR)

- Legible and visible address
- Storage of junk and rubbish/overgrown vegetation
- Dumpsters / trashcans
- Inoperable vehicles
- Foundation vent screens / crawl space covers
- Roof
- Stairways
- Electrical panels
- Exterior lighting
- Exterior walkways /exit passageways
- Water Heaters (may be interior)
- Infestation

And for Multi-Family Dwellings

- Fire extinguisher
- Fire sprinkler systems
- Electrical / Gas meters
- Existing fire lanes clearly marked

4. SCOPE OF INSPECTION (INTERIOR)

- Hot / Cold Running Water
- Electrical Power
- Heat
- Sewage System
- Entry Doors
- Exits
- Infestation
- Smoke Detectors
- Mechanical
- Electrical
- Plumbing
- Counter and Sink Space
- Windows
- Flooring
- Sub-Flooring
- Walls
- Ceiling

4. SCOPE OF INSPECTION (CONT'D)

What happens after the inspection?

- If the inspection reveals no violations, the issuance of a rental housing inspection certification will be issued
- If the inspection or any subsequent inspection reveals there are violations on the property, the owner/operator will be issued a correction notice
- The City inspectors will return on the scheduled correction date to re-inspect the property to verify compliance. If corrections have not been made, the owner/operator will be charged for the additional City time and expense in handling the violations

5. FEES/FUNDING

- Initial registration fee for each property
- Annual Program Fee
- City Inspection Fee per property, plus each unit to be inspected
- City re-inspection if a correction notice is issued
- Rescheduled appointment fee
- Continued failure to correct any noticed violations will be dealt with through administrative civil penalties
- Self-Certification Program – An annual self-certification fee would apply

5. FEES/FUNDING (CONT'D)

Example of costs to property owners – City of Santa Cruz:

\$45 Annual registration fee per property

\$20 inspection fee per unit

\$120 re-inspection fee

- Fourplex –
 - Yearly cost for non-Self-Certification - \$45 plus \$20 x 4 units = \$125 (monthly cost per unit - \$2.60)

6. IMPLEMENTATION

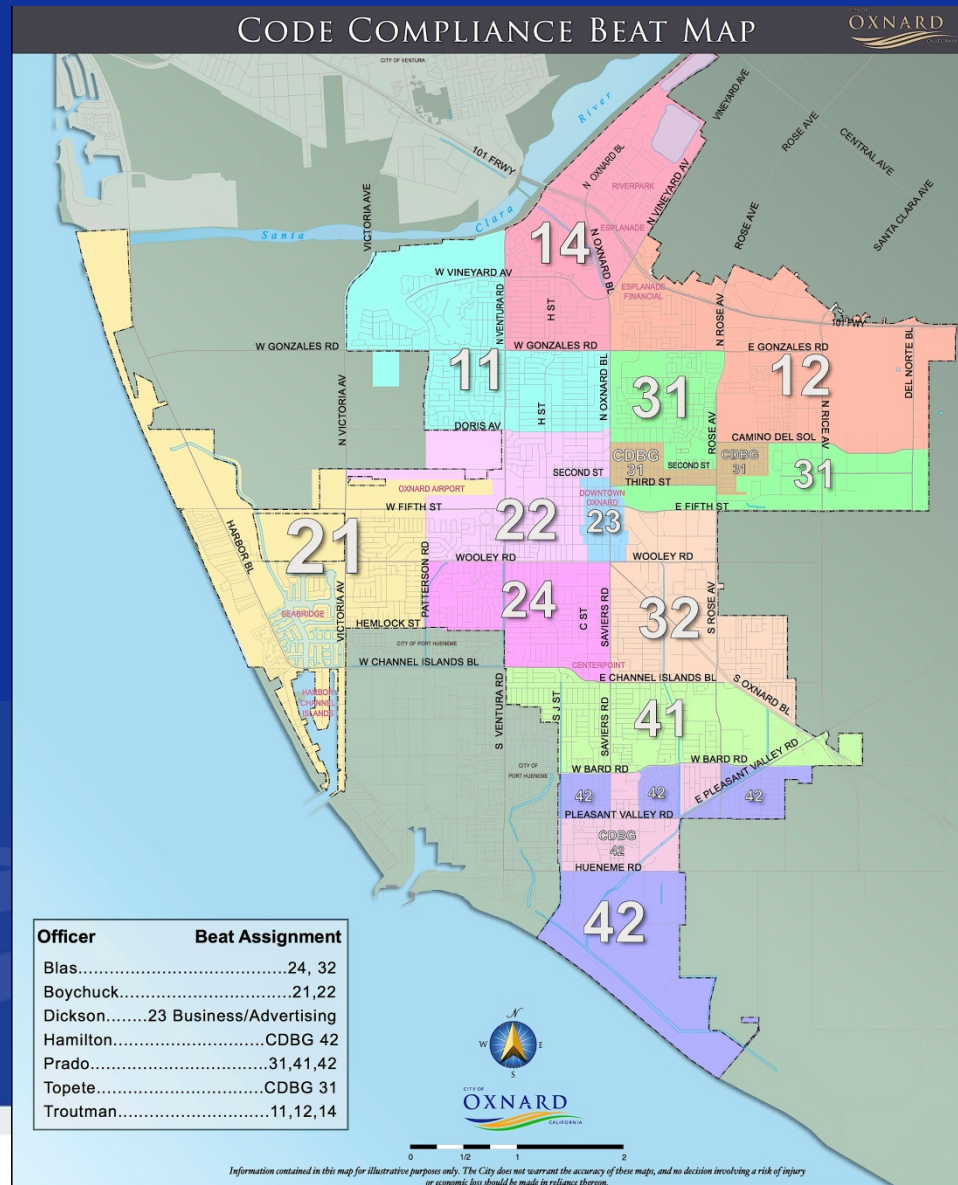
Considerations:

- Staffing and funding

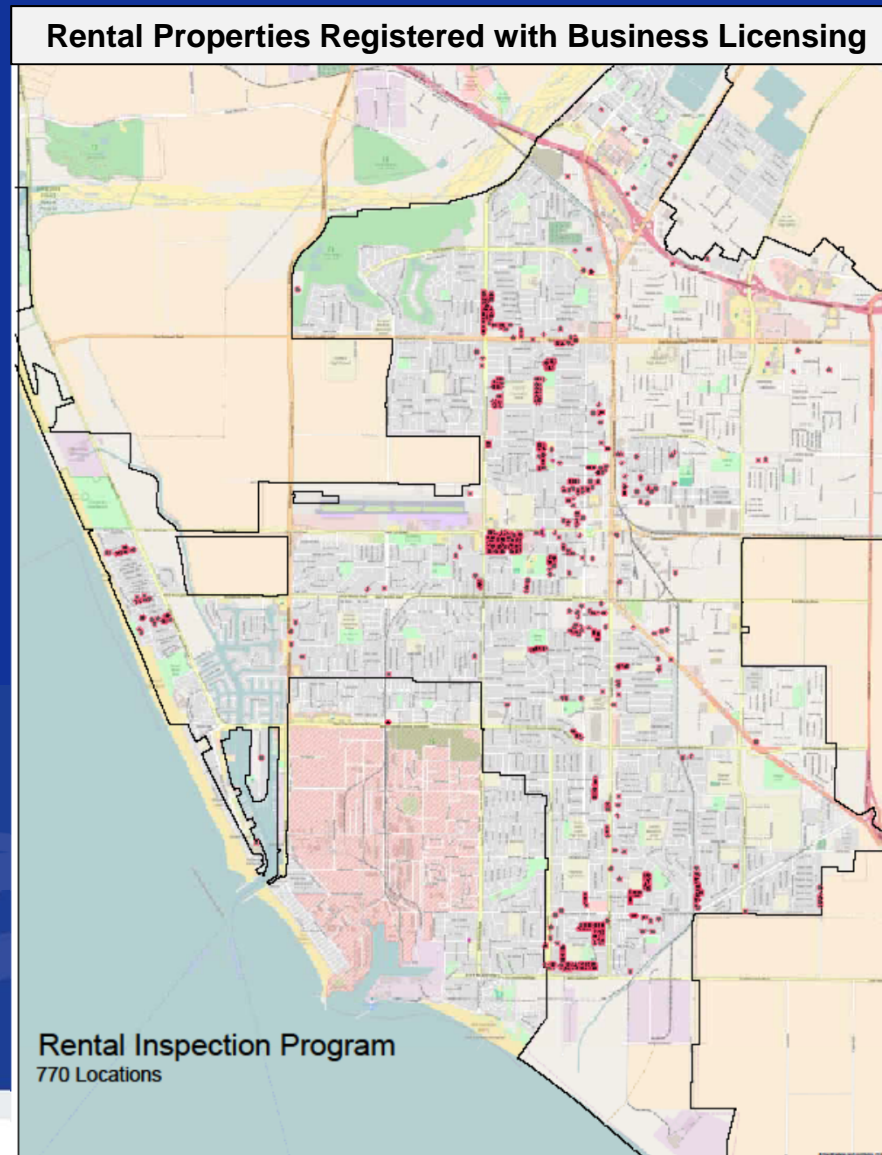
Common approaches:

- Specific neighborhoods or Code Compliance Beats
- Older neighborhoods first
- Properties with a history of complaints
- Properties with a minimum number of units

6. IMPLEMENTATION (CONT'D)



6. IMPLEMENTATION (CONT'D)



FINANCIAL IMPACT

Description	Initial Costs	Ongoing Costs
Code Compliance Inspector (1 person)	\$80,000	\$80,000
Code Tech (1 person)	\$70,000	\$70,000
Office Assistant (1 person)	\$60,000	\$60,000
* Inspector Vehicle	\$30,000	\$0
Fuel, Car Wash, Vehicle Maintenance	\$5,000	\$5,000
*Computers, Printer, and related IT Charges	\$5,000	\$700
Postage, Printing, Office Supplies, and Uniform	\$5,000	\$5,000
Estimated Costs for Rental Inspection Program	\$255,000	\$220,700
<i>*Replacement funding will be required based on replacement cycle of vehicle and equipment such as computer/laptop</i>		

STRATEGIC PRIORITY

Quality of Life – build relationships and create opportunities within the community for safe and vibrant neighborhoods

Goal 3. Strengthen neighborhood development, and connect City, community and culture

Objective 1e. Develop a rental inspection program