REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2671
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CONSENT
February 19, 2008

Honorable Mayor and
Members of the City Council

Title: PFP: Residential Rental Housing Inspection Program Ordinance

Location/Council District: City-wide

Recommendation: 1) Review an **Ordinance** adding Chapter 8.120 of the Sacramento City Code relating to Rental Housing Inspections; 2) **pass for Publication the Ordinance title** as required by Sacramento City Charter 32c to be adopted on February 26, 2008; 3) review a **Resolution** approving fees, staffing and resources related to the rental housing inspection program to be adopted on February 26, 2008.

Contact: Max Fernandez, Director of Code Enforcement, (916) 808-7940; Randy Stratton, Code Enforcement Manager, (916) 808-6497

Presenters: Max Fernandez, Director of Code Enforcement; Randy Stratton, Code Enforcement Manager

Department: Code Enforcement

Division: Housing & Dangerous Buildings

Organization No: 465x

Description/Analysis

Issue: Rental housing provides needed, affordable housing and is a valuable asset that must be preserved and maintained. Approximately 75,000 rental housing units represent roughly half of all housing units in the City of Sacramento, so the City has a significant interest in ensuring that rental housing remains a desirable housing option for its citizens. Prior to the Rental Housing Inspection Pilot Program, rental property inspections were based solely on complaints through a reactive process.

Over time, rental housing can deteriorate due to intentional and unintentional neglect by property owners, managers and tenants. This deterioration can result in substandard conditions than often go unreported and adversely affect the economic values of neighboring structures and are hazardous to the public health and safety.

Policy Considerations: The staff recommendation is consistent with the City's strategic plan focus areas of sustainability and livability, and safe and affordable housing.

Environmental Considerations: This project is exempt from the California Environmental Quality Act (CEQA) because it consists of activities limited entirely to inspections to check for the quality, health or safety of a project (CEQA Guidelines §15309); it consists of enforcement of a law, general rule, standard or objective, administered or adopted by the regulatory agency (CEQA Guidelines §15321); and it does not have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3).

Committee Recommendations: On November 20, 2007, the Law & Legislation Committee unanimously approved staff's recommendation to forward the ordinance enacting the Rental Housing Inspection Code and fee resolution to City Council for adoption.

Rationale for Recommendations: To establish a proactive city-wide rental inspection program that will insure safe rental housing and maintain neighborhood livability.

Financial Considerations:

Total direct costs for the Rental Housing Inspection Program are estimated at $1,940,934 annually for the first five-year cycle. Start-up costs are estimated at $358,800. Program costs for each year are calculated based on salaries, services, supplies and start-up costs. The cost of the program is intended to be offset by charging a flat rate of $28.00 annually for each rental housing unit, or $2.33 per month. Additional fees to be established include a Re-scheduling Fee and Re-inspection Fee. Proposed fees are set forth in the attached resolution. For non-compliant properties, fees will be charged according to the existing code enforcement fee schedule to recover the incurred costs.

There will be no intended impact to the General Fund. Fees generated from this program are calculated to cover costs for staffing, supplies and the number of properties to inspect.

Emerging Small Business Development (ESBD): Not applicable. No goods or services are being purchased.

Respectfully Submitted by:

MAX B. FERNANDEZ
Director of Code Enforcement

Recommendation Approved:

for RAY KERRIDGE
City Manager

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Attachment 1

BACKGROUND

The goal of any rental housing inspection program is to provide safe and healthy rental properties through early prevention of deteriorating neighborhoods. This is achieved through routine periodic inspections of rental housing properties to identify and correct code violations that result in:

- Threats to the occupant's health, safety and welfare;
- Threats to the structural integrity of the building;
- Negative impact on the surrounding neighborhoods.

In 2006, the City implemented the current Rental Housing Inspection Pilot Program that was limited to certain specified areas of the City.

Following the success of the pilot program, the City Council was presented with options for a city-wide Rental Housing Inspection Program. On August 14, 2007, the option of inspecting all parcels and a minimum of 10 percent of all units was selected by the Council and staff was directed to return to Law and Legislation Committee with specific program recommendations.

On November 20, 2007, the Law & Legislation Committee heard staff's recommendations for a city-wide program. The Committee then directed staff to present City Council with a detailed city-wide Rental Housing Inspection Program ordinance.

The proposed ordinance submitted to the Law & Legislation Committee was written to implement a program that would impose fees on a four-year basis, and inspect all rental housing properties within a four-year cycle. However, staff's presentation considered several billing options, and the possibility of using a five-year inspection cycle. After the Law & Legislation Committee meeting, staff and the Rental Housing Inspection Program stakeholders reviewed and discussed the options further, and ultimately agreed that annual billing and a five-year inspection cycle was the most cost effective option. The ordinance proposed here, has been modified from the version presented to the Law & Legislation to reflect those changes in policy.

In addition, the ordinance proposed here has been modified from the version presented to the Law & Legislation Committee in the following aspects:

- The inspectors' discretion to allow a grace period before requiring an additional periodic inspection has been removed – now, all owners will be allowed 30 days;
- Section 8.120.210, which previously addressed a phased enforcement program, was deleted because the change to annual billing made it unnecessary.

- A new Section 8.120.210 was added to authorize the collection of delinquent fees as personal obligation, lien or special assessment; and
- Other minor changes were made for clarification.

Proposed Program Components:

The following are the key components of the proposed Rental Housing Inspection Program:

- Required registration of all rental housing units;
- Rental Housing Inspection Program fees billed in annual installments;
- Required Local Contact Representative within 35 miles of City Hall (915 I Street);
- Mandatory inspection of all rental housing properties over a five-year cycle;
- Owners will be given 30 days to complete repairs;
- If owners are non-compliant within 30 days, an additional periodic inspection may be required and re-inspection fees would be imposed for those costs;
- Non-compliant owners may also be issued administrative penalties. In cases where landlord training would be beneficial, staff will offer to drop or reduce the administrative penalties if they attend an approved landlord training course.
- If owners are compliant within 30 days they are eligible for the Self-certification program and a reduction of their Rental Housing Inspection Program fee in the next cycle;
- Local Contact Representatives are required to keep self-certification documents;
- Random audits of the properties in the Self-certification Program – minimum of 5% of properties;
- Owner provides inspection results and self-certification forms to occupants and tenants;

Community Benefits:

City-wide compliance will prevent blight and ensure that all persons who live in rental housing units are provided decent, safe and sanitary housing. The fees shall be imposed for each rental unit and all tenants will benefit by having more choices with safe rental properties. This program will provide the following benefits to both the City of Sacramento and its residents:

- Tenants – Safe housing;
- Property Owners – Increased property values;
- City – Decreases Code Enforcement's reliance on the General Fund;
- Residents – Increased property values and improved quality of life in neighborhoods.

Properties to be Inspected:

A minimum of one inspection will be conducted on all rental housing properties in the city within each five-year cycle. Since a minimum of 10 percent of all units will be

inspected, any parcel that contains more than 10 units would have at least two units inspected, parcels with more than 20 units would have three units inspected, and so forth. Properties that receive valid complaints will continue to be inspected and will be subject to additional inspection fees.

A systematic approach will be used to identify which properties will be inspected, and a collaboration of building inspectors and a GIS Specialist will be tracking inspections. The most problematic areas, as determined by the criteria used in the pilot program, will be inspected earlier in the five-year cycle.

A rental housing unit is exempt from this program if it is subject to similar routine periodic inspections by another agency or the unit has been issued a certificate of occupancy within the past five years (Section 8.120.040).

Revenue & Expenditures:

A fee based systematic program, when coupled with an effective enforcement program, can generate fees sufficient to offset program costs. Over time, this will change the dynamics of our existing Code Enforcement program and decrease Code Enforcement's draw on the General Fund. By the fifth year of this program, Code Enforcement should see a significant reduction in rental complaints.

Fees from the program have been calculated to cover costs which are established by resolution under Sacramento City Code Section 8.120.050. Code Enforcement will work with the Revenue Division to track all revenue and expenditures. In addition, annual audits have been built into the program costs.

Self Certifications:

Property owners who pass the initial inspection will be eligible to participate in the Self-Certification Program (Section 8.120.150) in the program's second cycle, after the first five years of the program. Those property owners are eligible for a discount on their Rental Housing Inspection Program fee (Section 8.120.050). Random audits may be conducted on properties not more than once a year (Section 8.120.180). A minimum of five percent of all self-certifications will be audited. If a property does not pass the initial inspection after 30 days, that property will be subject to annual inspection and will not be eligible for self certification. Self-certification eligibility will be in effect in the program's second cycle.

Program Costs & Staffing:

The Rental Housing Inspection Program fee is based on the total cost to administer the program for the five-year cycle, divided by the estimated number of rental housing units required to be in the program (approximately 69,500 units). This includes all units in the city less those that are exempt from the program because they are already inspected by another government agency or are under five years old.

Program cost estimates are based on required labor, services and supplies for mandatory rental inspections with all parcels inspected. These estimates assume nearly 30,000 parcels and an additional 10 percent of all multi-family units. Thereby, approximately 34,000 units would be inspected during the five year cycle or roughly 6,800 inspections per year. Following the first cycle, program fees will be adjusted by taking into consideration decreased revenue from self-certifications and cost adjustments. In addition, annual audits are built into the program costs.

Staff functions will include program oversight, inspections, scheduling, outreach and communications, fiscal and accounting support, administration and GIS mapping and tracking. The above estimates include salaries, supplies and services, technical system support, annual auditing and department start-up costs spread out over the program. Program costs will be offset by charging a flat fee for each rental housing unit of $28.00 annually. This costs property owners about $2.33 per month.

A start-up period of approximately six months involving hiring staff, training, and system development and testing will occur prior to implementation following City Council adoption. The one-time start-up costs will involve equipment and supplies including vehicles for inspectors. Fees generated from the first year billing are expected to cover start-up costs.

Stakeholders:

Rental Housing Inspection Program stakeholders meet with Code Enforcement staff periodically and have done so since prior to implementation of the pilot program. The stakeholders, representing various housing associations and agencies, have played a critical role in the development of the proposed city-wide program. Based on feedback from the stakeholders in January 2008, staff proposes a five-year inspection cycle. Following program implementation, a task force will be created consisting largely of the current stakeholders to monitor the program.

Program Implementation:

Initial start-up costs—including systems modifications and design, program testing, staff hiring and training—will be funded through fees to be generated by June 2008 prior to the commencing of inspections. The following are major aspects of implementing the program:

- The Rental Housing Inspections Code and associated fees become effective 30 days after adoption. Fees include the Rental Housing Inspection Program fee, re-inspection fee and re-scheduling fee.

- Code Enforcement and Revenue will be filling FTEs to implement the program.

- A billing system and interface needs to be developed that involves the case management software used by Code Enforcement and the Revenue Division billing and collection systems.

- It is anticipated that the inspections will begin in September 2008.

- Rental property owners will be notified of the program prior to implementation through letters, community neighborhood meetings, brochures, media and the City's website. Much of the success of the pilot program was from a result of community outreach. Outreach for the city-wide program will be just as critical.

Timeline:

• Ordinance Effective Date / staff positions approved	April 1, 2008
• Hire and train key administrative and technology support personnel	April – May 2008
• Billing and receivables system design, development, and testing; case management system design, development and testing	March – June 2008
• Community Outreach	May – July 2008
• Invoices Mailed	July 2008
• Hire and train inspection personnel	September 2008
• Inspections Begin	September 2008

Other Jurisdictions:

Most surveyed jurisdictions do not fully recovery costs from rental housing inspection fees. However, a proactive approach to rental housing inspections significantly reduces the number of tenant complaints with all surveyed jurisdictions. All of the surveyed cities include a self certification component.

The City of Sacramento will join other California cities in providing proactive city-wide rental housing inspections. The following is a sampling of other cities with similar programs:

Jurisdiction Population	Cycle	Annual Fee/Unit	Cost Recovery
Concord 123,000	3 years	$40	50%
Hayward 147,000	3 years	$20	75%
San Jose 973,000	6 years	$26	100%
Santa Ana 353,000	4 years	$17.50	66%

Attachment 2

RENTAL HOUSING INSPECTION PROGRAM SUMMARY

Program:

- The intent of the Rental Housing Inspection Program is to gain universal compliance with minimum standards through routine, periodic inspections of all rental properties.
- City-wide compliance will prevent blight and ensure that all persons who live in rental housing units are provided decent, safe and sanitary housing. The fees shall be imposed for each rental unit and all tenants will benefit by having more choices with safe rental properties.
- The costs if passed onto tenants would be $2.33/month and would not have an adverse effect on affordable housing.
- The financial intent of the program is to have no impact to the General Fund.

Costs:

Program cost estimates are based on required labor, services and supplies for mandatory rental inspections with all parcels inspected. These estimates assume nearly 30,000 parcels and an additional 10 percent of all multi-family units. Thereby, approximately 34,000 units would be inspected during the five year cycle or roughly 6,800 inspections per year. In addition, annual audits are built into the program costs. Staff functions will include program oversight, inspections, scheduling, outreach and communications, fiscal and accounting support, administration and GIS mapping and tracking.

COST SUMMARY	Labor	Svc/Supply	Annual Cost	One Time Start-Up Costs
19.5 FTE	$1,722,954	$146,220	$1,869,174	$358,800
Start-Up Cost applied to each year:			$71,760	
Net Program Cost:			$1,940,934	
Cost Per Unit: (Based on 69,508 units)			$27.92	
Indirect Costs:			$0.08	
Cost Per Unit Per Year			$28.00	
Cost Per Unit Per Month			$2.33	

The above estimates include salaries, supplies and services, technical system support, annual auditing and department start-up costs spread out over the program. Fees will be collected prior to inspections to partially cover start-up costs. Program costs will be offset by charging a flat fee for each rental housing unit which is expected to be $28.00 per year, or a cost of $2.33 per month.

Benefits:

- Tenants – Safe housing
- Property Owners – Increased property values
- City – Decreases Code Enforcement's draw on the General Fund.
- Residents – Increased property values and improved quality of life in neighborhoods.

Attachment 3

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 8.120 OF THE SACRAMENTO CITY CODE RELATING TO RENTAL HOUSING INSPECTIONS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 8.120 is added to the Sacramento City Code to read as follows:

Chapter 8.120 Rental Housing Inspections Code

Article I. General
8.120.010 Title
8.120.020 Purpose and findings
8.120.030 Definitions
8.120.040 Exemptions
8.120.050 Fees established

Article II. Registration and Fee
8.120.060 Registration and fee required
8.120.070 Local Contact Representative

Article III. Inspections
8.120.080 Scope of inspections
8.120.090 Notice
8.120.100 Re-scheduling an inspection
8.120.110 Entry
8.120.120 Non-compliance
8.120.130 Inspection results
8.120.140 Non-exclusivity

Article IV. Self-Certification Program
8.120.150 Qualifications
8.120.160 Self-certification
8.120.170 Retention of completed self-certification forms
8.120.180 Random inspection
8.120.190 Fee reduction

Article V. Enforcement
8.120.200 Penalties
8.120.210 Recovery of fees

Article I. General

8.120.010 Title

This chapter shall be known as the "Rental Housing Inspections Code," may be cited as such, and will be referred to herein as "this chapter."

8.120.020 Purpose and findings

The City Council of the City of Sacramento recognizes that the preservation of existing rental housing stock is of tremendous importance. There are more than 75,000 rental housing units within the City of Sacramento, which is approximately half of all housing units in the City. Rental housing provides needed, affordable housing for many and is a valuable asset that must be preserved and maintained. The City has a significant interest in ensuring that rental housing remains a desirable housing option for its citizens.

Over time rental housing often deteriorates because of intentional and unintentional neglect by property owners, managers and tenants. This deterioration often results in substandard conditions that adversely affect the economic values of neighboring structures, and that are hazardous to the public health and safety. In many cases, property owners choose not to make the necessary repairs because of cost, and tenants do not report the deficiencies out of lack of knowledge or because they fear being evicted for doing so.

The public interest demands that all rental housing properties comply with the minimum standards regarding the health and safety of the public. The most effective way to seek universal compliance with the minimum standards is through routine periodic inspections of all rental housing properties. Accordingly, it is the intent of the Sacramento City Council to enact the provisions of this chapter as the basis for establishing a Rental Housing Inspection Program aimed at securing city-wide compliance of rental housing properties with minimum standards. City-wide compliance will prevent blight and ensure that all persons who live in rental housing units are provided decent, safe and sanitary housing.

8.120.030 Definitions

For the purpose of this chapter, the following terms, phrases and words shall have the meanings given.

"Director" means the employee of the City authorized by the City Manager to supervise the Rental Housing Inspection Division, or his or her designee.

"Engage in the business of rental housing" means renting or offering to rent a rental housing unit.

"Inspector" means any employee of the City authorized by the City Manager to conduct inspections in accordance with the provisions of this chapter.

"Owner" means the owner of record.

"Rental Housing Inspection Division" means the department or division of the City designated by the City Manager to administer the provisions of this chapter.

"Rental housing property" means a parcel of real property, as shown on the latest equalized tax assessment role as maintained by the Assessor of the County of Sacramento, upon which a rental housing unit is maintained.

"Rental housing unit" means a single unit of residence for a single housekeeping unit of one or more persons, that is being rented, or is intended to be rented. Examples of housing units covered by this chapter include apartment units, condominiums, duplexes and single-family houses. "Rental housing unit" also includes other types of residential units that provide for sleeping accommodations but toileting or cooking facilities are shared by occupants of more than one unit, such as residential or single room occupancy hotels. This does not include units used for transient lodging such as dormitories, group homes, rooming or boarding houses, hotels, motels, and bed and breakfast inns.

"Rent" means to grant the possession or enjoyment of, in exchange for money or any other consideration.

8.120.040 Exemptions

A. Unless otherwise specified in this section, the following rental housing units shall be exempt from the requirements of this chapter:

1. Rental housing units that are subject to routine periodic inspections by another government agency, and the frequency and scope of the inspections are to the satisfaction of the Director; or

2. Rental housing units that, within the past five years, either have been issued a certificate of occupancy or have passed final inspection by the City of Sacramento.

B. A rental housing unit that is determined to be exempt pursuant to subsection A, above, shall become subject to the requirements of this chapter if a notice and order relating to the rental housing property is issued pursuant to the provisions of this code.

C. Any rental housing unit subject to the requirements of this chapter pursuant to subsection B, above, shall become exempt from the requirements of this chapter if all of the following circumstances exist:

1. After the last inspection conducted pursuant to this chapter, the inspector determines that either no violations exist on the property or the violations identified were abated within 30 days; and

2. The property owner is not delinquent on any payment to the City of fees, penalties, taxes or any other monies related to the property.

8.120.050 Fees established

A. The following fees are established and imposed pursuant to the provisions of this chapter to finance the cost of the rental housing inspection program:

1. Rental Housing Inspection Program fee. A fee is established for the administration and implementation of the provisions of this chapter, i.e. the Rental Housing Inspection Program, for a period of five years. The fee shall pay for the costs of all inspections conducted pursuant to this chapter, except those financed by the Re-inspection fee. The fee shall be imposed for each rental housing unit on the date of registration. However, the total amount shall be paid in equal annual installments as billed by the City.

2. Re-scheduling fee. A fee is established for the administrative costs of re-scheduling an inspection that is cancelled in violation of Section 8.120.100 of this code.

3. Re-inspection fee. A fee is established for an additional periodic inspection required by the City pursuant to Section 8.120.120 of this code.

B. The City Council shall establish the amounts of the foregoing fees, and any penalties for delinquent payment of such fees, by resolution.

Article II. Registration and Fee

8.120.060 Registration and fee required

A. It shall be unlawful for any person to engage in the business of rental housing, unless:

1. Each rental housing unit is registered with the City; and

2. The Rental Housing Inspection Program fee is paid in annual installments for each rental housing unit.

B. A rental housing unit is registered with the City when the owner of the corresponding rental housing property submits the following to the Rental Housing Inspections Division:

1. A completed registration form, made available by the City, that contains the following information:

a. Description of the rental housing property, including, but not limited to, the street address and Assessor's Parcel Number;

b. Number and description of all rental housing units on the rental housing property;

c. Name and current contact information for the owner of the rental housing property;

d. Name and current contact information for the local contact representative as described in Section 8.120.070 of this code; and

e. Any other information as reasonably required by the Director.

2. The first annual installment of the Rental Housing Inspection Program fee, and

3. Any outstanding fees that were previously imposed pursuant to this chapter.

C. It is unlawful for any person to knowingly make a false statement of fact or knowingly omit any information that is required to register a rental housing unit pursuant to this section.

D. Registration shall be valid for a period of five years or until one of the following circumstances occurs, whichever is sooner:

1. The owner fails to notify the Rental Housing Inspections Division of any change in the information submitted pursuant to subsection B of this section, within 30 days of such change; or

2. The owner fails to pay any annual installments of the Rental Housing Inspection Program fees.

8.120.070 Local Contact Representative

A. All owners of rental housing properties shall designate a local contact representative with full authority to act on behalf of the owner for all purposes under this chapter, including the acceptance of service of all notices from the City. The owner of the rental housing property may act as the local contact representative.

B. A local contact representative must establish and maintain a local telephone number and a residence or business address within 35 miles of Sacramento City Hall.

Article III. Inspections

8.120.080 Inspections required

A. All rental housing properties and rental housing units are subject to routine periodic inspection by the City as provided by this chapter to determine whether they comply with applicable provisions of this code.

B. If there are multiple rental housing units on a single rental housing property, the inspection shall be made of all common areas, and a random sampling of no less than 10 percent of rental housing units. At least one rental housing unit on each rental housing property shall be inspected. If the inspector determines that one or more violations exist on the property, the inspector may conduct an inspection of additional units up to 100 percent of the units.

C. The owner or local contact representative, or their designee, shall be present at the rental housing property at the time of the inspection. The time of the inspection shall be the time indicated in the notice issued pursuant to Section 8.120.090 of this code, or the time that the inspection was properly re-scheduled in accordance with Section 8.120.100 of this code. Violation of this subsection may result in the imposition of a re-scheduling fee.

8.120.090 Notice

A. The City shall serve written notice of the date and time of any inspection to be conducted pursuant to this chapter, by mailing such notice at least 14 calendar days prior to the date of the inspection. Notice shall be mailed to the owner and the local contact representative at their last known address. In the case of multiple owners of the same property, notice to any one of the property owners is sufficient notice.

B. The City shall also mail a copy of the inspection notice to the rental housing units on the property.

8.120.100 Re-scheduling an inspection

An inspection may be rescheduled once by the owner or local contact representative by giving notice to the Rental Housing Inspection Division at least five calendar days prior to the scheduled inspection date. An inspection may only be rescheduled to a date within 14 calendar days of the previously scheduled inspection date. Violation of this section may result in the imposition of a re-scheduling fee.

8.120.110 Entry

A. It shall be the responsibility of the owner and the local contact representative to obtain the consent of the occupants to inspect the subject rental housing units or otherwise obtain legal access to the units pursuant to the terms of the applicable lease.

B. If consent to enter on to any rental housing property or any rental housing unit is refused or otherwise cannot be obtained, the Director is authorized to seek an inspection warrant from a court of competent jurisdiction.

8.120.120 Non-compliance

A. If, during an inspection conducted pursuant to this chapter, an inspector discovers that the property is in violation of this code or any other applicable law and the owner fails to correct the identified violations within 30 days of the inspection, the City may require an additional periodic inspection of the property in accordance with this chapter, to ensure continued compliance. A re-inspection fee shall be imposed for the additional periodic inspection required pursuant to this subsection.

B. In addition to requiring an additional periodic inspection pursuant to subsection A, above, the City may commence enforcement action in accordance with any provisions of this code including, but not limited to, chapters 8.96 and 8.100.

8.120.130 Inspection Results

A. Upon completion of an inspection conducted pursuant to this chapter by the City, the inspector shall provide the owner or local contact person with a copy of the written results of the inspection.

B. The owner or local contact person shall provide a copy of the results to the occupants of the rental housing unit inspected.

8.120.140 Non-exclusivity

None of the inspection provisions contained in this chapter shall prohibit, condition or otherwise limit any inspection conducted pursuant to any other provision of this code or other applicable law.

Article IV. Self-Certification Program

8.120.150 Qualifications

A. A rental housing property shall be placed in the Self-certification Program if all of the following circumstances exist:

1. After the last inspection conducted pursuant to this chapter, the inspector determines that either no violations exist on the property or the violations identified were abated within 30 days;

2. The owner and local contact representative are in compliance with all applicable provisions of this chapter; and

3. The property owner is not delinquent on any payment to the City of fees, penalties, taxes or any other monies related to the property.

B. A rental housing property may be removed from the Self-certification Program if any of the following circumstances occurs:

1. A notice and order relating to the rental housing property is issued pursuant to the provisions of this code;

2. The rental housing property is repeatedly in violation of this code or any other applicable law, even though the violations are abated within 30 days; or

3. Any of the circumstances set forth in subsection A of this section cease to exist.

8.120.160 Self-certification

A. Owners of rental housing properties that are in the Self-certification Program, or their designees, shall certify each and every rental housing unit on the property at least once every calendar year and upon each change in tenancy. Self-certification shall be accomplished in the manner set forth below:

1. Inspect each rental housing unit for compliance with the requirements of the self-certification form provided by the City;

2. Immediately make any repairs to the rental housing unit that are necessary to achieve compliance with the requirements set forth in the self-certification form;

3. Complete the self-certification form; and

4. Provide a copy of the completed self-certification form to the occupants of the corresponding rental housing unit.

B. If any rental housing unit cannot be self-certified because necessary repairs cannot or will not be made, the owner shall immediately notify the City.

C. It shall be unlawful to falsify any material information required on the self-certification form.

8.120.170 Retention of completed self-certification forms

A. The property's local contact representative shall retain all completed self-certification forms for at least ten years from the date the inspection was made.

B. The local contact representative shall produce all completed self-certification forms to any inspector upon request.

8.120.180 Random inspection

Rental housing properties in the Self-certification Program, and the rental housing units thereon, may be inspected by the City on a random basis, but not more often than once a year.

8.120.190 Fee reduction

All rental housing properties that are in the Self-certification program shall receive a discount on their Rental Housing Inspection Program fee, as established by resolution of the City Council.

Article V. Enforcement

8.120.200 Penalties

Any person who violates the provisions of this chapter shall be guilty of a misdemeanor. In addition, the city may also impose administrative penalties pursuant to Chapter 1.28 of this code and seek injunctive relief and civil penalties in the superior court for violations of this chapter. The remedies provided for in this chapter shall be cumulative and not exclusive of any other remedies available under any other federal, state or local laws.

8.120.210 Recovery of fees

If any fees imposed pursuant to the provisions of this chapter have not been paid within 45 days of notice thereof, the City may collect the fees, and any penalties for delinquent payment of those fees, in accordance with the provisions of Article IX of Chapter 8.96 of this code; provided that, in lieu of the preparation of a report by the city engineer as required in Section 8.96.320 of this code, the Director shall prepare and file with the clerk, a report specifying the fees and penalties owed, a description of the real property upon which the rental housing unit or units subject to the fee are or were located, and the names and addresses of the persons entitled to notice pursuant to subsection C of Section 8.96.130 of this code. For the purpose of following the procedures specified in Article IX of Chapter 8.96 of this code to collect the fees and penalties imposed pursuant to this chapter, the Director's report shall constitute the report by the city engineer.

Attachment 4

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING FEES, STAFFING AND RESOURCES RELATED TO THE RENTAL HOUSING INSPECTION PROGRAM

BACKGROUND

A. In 2006 the City Council implemented a pilot Rental Housing Inspection Program. The program was successful; however funding was based on fines and penalties which proved inadequate to support an on-going program.

B. In August 2007, the Mayor and City Council requested staff return to City Council for adoption of a Citywide Rental Housing Inspection program.

C. The Rental Housing Inspection Program, as adopted by the Sacramento City Council, is a fee based program that requires the establishment of cost recovery fees for the inspection of all city parcels under Sacramento Municipal Code Chapter 8.120.

D. Any structure that is defined as "rental housing property" in chapters 8.120.030 of this code shall be subject to fees related to the Rental Housing Inspection Program.

E. Rental Housing Inspection Program fees represent the costs to sustain the program based on the total units inspected. The registration change, re-scheduling and re-inspection fees reflect cost recovery for inspection and administrative costs above the initial fees.

F. The intent of the fee based Rental Housing Inspection Program is to gain universal compliance with minimum standards through routine, periodic inspections of all rental properties. Citywide compliance will prevent blight and ensure that all persons who live in rental housing units are provided decent, safe and sanitary housing. The fees shall be imposed for each rental unit and all tenants will benefit by having more choices of safe rental properties.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City of Sacramento Fee and Charge Report is amended to include the following fees as established under Sacramento Municipal Code Chapter 8.120.050:

Rental Housing Inspection Program Fee (annual)	$28 per unit
Re-scheduling Fee	$80
Re-inspection Fee (per inspection)	$150
Late Penalty Fee	20% of Amount Due

Section 2. Department fees and charges are hereby affirmed, as set forth in this Resolution.

Section 3. Approve staffing and resources for the Rental Housing Inspection Program to be included in the FY08/09 operating budget as follows:

8.0 FTE Building Inspector III	(101-460-465X-XXXX)	$807,872
1.0 FTE Supervising Building Inspector	(101-460-465X-XXXX)	$109,219
1.0 FTE Code Enforcement Officer	(101-460-465X-XXXX)	$ 68,000
1.0 FTE Code Enforcement Manager	(101-460-465X-XXXX)	$123,694
1.0 FTE Program Specialist	(101-460-465X-XXXX)	$115,263
1.0 FTE Account Clerk II	(101-460-465X-XXXX)	$ 61,531
1.0 FTE Senior Account Technician	(101-460-465X-XXXX)	$ 69,109
2.0 FTE Customer Service Specialist	(101-460-465X-XXXX)	$114,632
0.5 FTE GIS Specialist	(101-460-465X-XXXX)	$ 49,483
1.0 FTE Department Systems Spec II	(101-460-465X-XXXX)	$ 86,151
1.0 FTE Administrative Technician	(101-110-1122-XXXX)	$ 64,000
1.0 FTE Claims Collector	(101-110-1122-XXXX)	$ 54,000
Services/Supplies		$146,220
Annual Start-Up Cost applied		$ 71,760
TOTAL		$1,940,934