



REPORT TO COUNCIL City of Sacramento

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www.CityofSacramento.org

CONSENT
June 23, 2009

Honorable Mayor and
Members of the City Council

Title: Amend Resolution 2008-135 to Authorize Carryover of FY2008/2009 Excess Revenue for the Residential Rental Housing Inspection Program

Location/Council District: Citywide (All)

Recommendation: Adopt an amendment to Resolution 2008-135 authorizing the carryover of FY2008/2009 excess revenue for the Residential Rental Housing Inspection Program.

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: Rental Housing Inspection Program

Organization No: 20001312

Description/Analysis

Issue: On March 4, 2008, the City Council adopted an ordinance for the Rental Housing Inspection Program and a resolution establishing the budget and fees for the program. Resolution 2008-135 established fees to recover the costs of the program and to provide resources to sustain the program without impact to the General Fund. The proposed amendment to the resolution authorizes the carryover of excess revenues for this program provided the full cost of the current year operations for the Rental Housing Inspection Program have been recovered.

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

Committee/Commission Action: None.

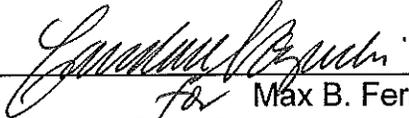
Environmental Considerations: Under Section 15378(b)(2) of the California Environmental Quality Act (CEQA) Guidelines, CEQA review is not required for continuing administrative or maintenance activities.

Sustainability Considerations: Not applicable.

Rationale for Recommendation: The Rental Housing Inspection Program is expected to recover costs through the collection of program fees. The fees provide necessary resources for implementation and sustainability of the program and should have no impact on the General Fund. Carryover of revenue would contribute to the program's ability to sustain itself over time especially through periods of fluctuating revenue and operating costs.

Financial Considerations: The RHIP fees were established to offset the total cost of the program. The fees were calculated based on an estimated number of rental units in the city. However, as the program is being implemented and field inspections are conducted, the number of rental units is continually being updated and is also affected by the housing market. As a result, the revenue generated will fluctuate from year to year. Under the proposed amendment, any excess revenue would be carried over to the following year to improve the sustainability of the program. The rental inspection program is expected to have no impact on the General Fund. As the program develops, staff will continue to report back on the program's status and include budget updates.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: 
for Max B. Fernandez
Code Enforcement Director

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

Background Information:

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. 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. City-wide compliance will prevent blight and ensure that all persons who live in rental housing units are provided decent, safe and sanitary housing.

On March 4, 2008 the City Council adopted an ordinance establishing the Rental Housing Inspection Program and Resolution 2008-135 which established the program budget and fees. The annual program fee was calculated based on the number of rental properties in the city and the necessary staffing and resources to administer the program and perform inspections over a 5 year cycle. Although the Rental Housing Inspection Program is expected to recover costs through the collection of program fees and have no impact on the City's General Fund, it is anticipated that net result of the program will vary slightly from year to year. For this reason, the proposed amendment will allow for carry over of net savings and excess revenue which will contribute to the development of a sustainable budget.

Adopted by the Sacramento City Council

June 23, 2009

**AMENDING RESOLUTION 2008-135 TO AUTHORIZE CARRYOVER OF
FY2008/2009 EXCESS REVENUE FOR THE RESIDENTIAL RENTAL HOUSING
INSPECTION PROGRAM**

BACKGROUND

- A. On March 4, 2008 the City Council adopted Resolution 2008-135 approving the budget and fees for the Residential Rental Housing Inspection Program.
- B. 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.
- C. Rental Housing Inspection Program fees represent the costs to sustain the program based on the total units inspected.
- D. This resolution provides clarification of the original intent of the original ordinance and resolution that the Rental Housing Inspection Program be self-sustaining.
- E. The Rental Housing Inspection Program fees have been established to recover the costs of the program and to provide resources for the program. The City Manager is authorized to carryover excess revenues for this program provided the full cost of the current year operations for the Rental Housing Inspection Program have been recovered.

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

Section 1. The City Manager is authorized to carryover FY2008/2009 excess revenues for this program provided the full cost of the current year operations for the Rental Housing Inspection Program have been recovered.

Section 2. Authorize the Finance Director to implement the necessary adjustments as approved in Section 1 above.

