

Meeting Date: 5/28/2013

Report Type: Public Hearing

Report ID: 2013-00320

Title: Ordinance Revisions to City Code Chapter 8.120 Relating to the Rental Housing Inspection Program

Location: Citywide

Issue: Updating the Ordinance and fees relating to the Rental Housing Inspection Program to reflect the transition of the program from implementation to ongoing operations and maintenance.

Recommendation: Conduct a public hearing and upon conclusion: 1) pass an Ordinance amending Chapter 8.120 of the Sacramento City Code relating to the Rental Housing Inspection Program and 2) pass a Resolution establishing the fees and penalties relating to the Rental Housing Inspection Program.

Contact: Tina Lee-Vogt, Program Manager, (916) 808-2679; Ron O'Connor, Operations Manager, (916) 808-8183, Community Development Department

Presenter: Ron O'Connor, Operations Manager, (916) 808-8183, Community Development Department

Department: Community Development Dept

Division: Rental Housing Inspection Prog

Dept ID: 21001312

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-RHIP Ordinance PFP CLEAN 05-21-2013
- 4-RHIP Ordinance PFP REDLINED 05-21-2013
- 5-Resolution
- 6-Exhibit A

City Attorney Review

Approved as to Form
Steve Itagaki
5/16/2013 11:18:11 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
5/9/2013 11:38:49 AM

Approvals/Acknowledgements

Department Director or Designee: Max Fernandez - 5/13/2013 10:41:02 AM

Description/Analysis

Issue Detail: The Council adopted Chapter 8.120 of the Sacramento City Code establishing a Rental Housing Inspection Program (RHIP) to address the issue of substandard rental properties. RHIP has reduced housing and dangerous building cases by 22 percent since its inception. Staff is requesting that the City Council adopt the proposed ordinance to transition the program from implementation to ongoing operation and maintenance.

Staff is also recommending that the City Council approve a resolution establishing the amounts of the fees established pursuant to section 8.120.050 of the Sacramento City Code relating to the Rental Housing Inspection Program.

Policy Considerations: The primary goal of this update is to clarify language in the ordinance to transition the program from implementation to ongoing operation and maintenance. The significant elements of these revisions address increased participation of units in the self-certification program.

Economic Impacts: None.

Environmental Considerations: This project is exempt from California Environmental Quality Act (CEQA) because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §15061(b)(3))

Sustainability: There are no sustainability considerations applicable to amending City Code relating to the proposed ordinance to the RHIP.

Commission/Committee Action: On May 7, 2013, the Law and Legislation Committee passed a motion to approve and forward amendments to City Code Chapter 8.120 relating to the RHIP to City Council.

Rationale for Recommendation: RHIP was created to address the issue of substandard rental properties. The proposed amendments will help to promote greater compliance with the program. The amended fees are necessary to address increased participation in the self-certification program.

Financial Considerations: RHIP recovers costs through the collection of program fees. The proposed fees have been adjusted to address the increased participation in the self-certification program. For FY 2013/14, the proposed operating budget for RHIP is approximately \$1.34 million. In regard to the proposed fees, no budget adjustments will be necessary as these fees will continue to support program costs. This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The proposed fee will cover the department's cost to administer and maintain the program and to perform inspections and other services related to the program.

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

Background

The City Council adopted Chapter 8.120 of the Sacramento City Code, establishing a Rental Housing Inspection Program (RHIP) to address the issue of substandard rental properties, promote greater compliance with health and safety standards and preserve the quality of Sacramento's neighborhoods and available housing. This program has reduced the number of parcels with violations since program inception.

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	Total
Parcel Inspected	2,932	4,223	5,213	4,876	17,244
Units Inspected	2,943	6,951	5,909	6,847	22,650
Violation	9,892	17,249	15,551	9,223	51,915
% Parcels w/Violations	69%	43%	42%	30%	46%
Self-Certified Parcels	2,401	3,872	4,960	4,600	15,833

RHIP has implemented a systematic process to inspect rental properties within the City. Corrections were issued for a variety of violations. The 10 most common violations are:

1. Lack of smoke detectors
2. Faulty electrical service panels
3. Lack of ground fault circuit interrupter
4. Faulty weather protection
5. Lack of door viewer
6. Faulty water heaters
7. Improper venting
8. Unapproved plumbing
9. Faulty electrical wire
10. Inadequate or lack of heating

The program is transitioning from implementation to ongoing operations and maintenance. This includes increased participation in the self-certification program. To ensure safety and compliance, units in the self-certification program will be subject to random inspections. New properties will continue to be inspected.

In this regard, staff worked with key stakeholders representing tenants, real estate businesses, and rental property owners to review the ordinance and develop amendments. On April 1, 2013, staff met with stakeholders and provided information on the ordinance revisions. A draft of the ordinance was also distributed to stakeholders for review. The primary goal of this update is to clarify language in the ordinance. The significant elements of these revisions include:

- Clarifying the definition for new and renovated construction that is exempt from the program;
- Establishing program fees that include reduced costs for units in the self-certification program;
- Requiring property owners to provide tenants with information on tenant rights and responsibilities;
- Clarifying transfer of ownership related to participation in the self-certification program;
- Reducing the requirement to retain completed self-certification forms from 10 years to 3 years; and
- Revising the enforcement and collection process to utilize a hearing examiner to be consistent with other code and housing compliance programs.

In addition to ordinance revisions, it was determined that program fee adjustments were necessary as more units qualify for self-certification and fewer units require inspections by City staff. The proposed fees reduce cost for units participating in the self-certification program. However, the proposed fees will continue to cover total program cost and will not require any operating or revenue budget adjustments.

Ordinance – Clean

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

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

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

SECTION 1.

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

Chapter 8.120 RENTAL HOUSING INSPECTIONS CODE

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.

A. The city council of the city of Sacramento recognizes that the preservation of existing rental housing stock is of tremendous importance. 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.

B. 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.

C. 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.

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

“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.

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, have been newly constructed and either have been issued a certificate of occupancy or have passed final inspection by the city of Sacramento. For purposes of this chapter, a unit has been newly constructed if the city determines that 50% or more of the building has been constructed or replaced within a one-year period. The determination of whether the construction or replacement is at least 50% may be based on the linear length of all existing walls, square footage of the building, percentage of altered construction, actual construction valuation, or any combination of these factors.

B. A rental housing unit that is determined to be exempt pursuant to subsection A of this section, 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 of this section, 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 shall be imposed upon the owners of rental housing properties:

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. This fee shall be imposed annually for each rental housing unit on the owner's property. The fee shall also pay for the costs of all random inspections conducted pursuant to section 8.120.180.
2. Unit inspection fee. This fee shall be imposed annually for each rental housing unit on the owner's property that is subject to inspection pursuant to subsection B of section 8.120.080.

3. Additional unit inspection fee. This fee shall be imposed when an additional unit is inspected on the owner's property pursuant to subsection B of section 8.120.080. The fee shall pay for the costs of an inspection of each additional unit.

4. Rescheduling fee. This fee shall be imposed when an inspection is re-scheduled in violation of section 8.120.100. The fee shall pay for the costs of re-scheduling an inspection.

5. Reinspection fee. This fee shall be imposed when an additional periodic inspection is conducted pursuant to section 8.120.120. The fee shall pay for the costs of the additional periodic inspection.

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

8.120.055 Tenant Rights and Responsibilities.

Before the commencement of any tenancy of a rental housing unit, the owner shall provide the tenant(s) with information concerning tenant rights and responsibilities. The information shall be provided in a form or forms approved by the director.

Article II. Registration and Fee

8.120.060 Registration and fee required.

A. No person shall engage in the business of rental housing, unless:

1. Each rental housing unit is registered with the city; and
2. The annual rental housing inspection program fee is paid for each rental housing unit when payment is due.

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, and

- e. Any other information as reasonably required by the director;
 2. The annual rental housing inspection program fee as described in section 8.120.050.A.1;
 3. The unit inspection fee, as described in section 8.120.050.A.2, unless the property is in the self-certification program and exempt from the fee pursuant to section 8.120.190; and
 4. 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 fees established in this chapter when payment is due.

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 ten 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, or the time that the inspection was properly re-scheduled in accordance with section 8.120.100. 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 Rescheduling 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 seven calendar days prior to the scheduled inspection date. An inspection may only be rescheduled to a date within 21 calendar days of the previously scheduled inspection date. Rescheduling an inspection more than once or with less than seven calendar days notice may result in the imposition of a re-scheduling fee.

8.120.110 Entry.

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.

8.120.120 Noncompliance.

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 of this section, 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 representative with a copy of the written results of the inspection.

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

8.120.140 Nonexclusivity.

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 exemption.

All rental housing properties that are in the self-certification program shall be exempt from the unit inspection fee established in section 8.120.050.A.2.

8.120.195 Transfer of ownership.

If a rental housing property in the self-certification program is transferred to a new owner, the property shall remain in the self-certification program for two years following the date of transfer, unless it is sooner removed from the

self-certification program pursuant to subsection B of section 8.120.150. After the two year period, the rental housing property shall become subject to routine inspection in accordance with Article III of this chapter.

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 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 Collection—Unpaid fees, costs or charges.

A. In addition to any other remedy provided by law, the city may collect any fee, cost or charge imposed pursuant to this chapter that has not been paid within 45 days of notice thereof, by making the amount of the unpaid fee, cost or charge a lien against the rental housing property that is the subject of the fees, costs or charges.

B. A hearing examiner appointed pursuant to section 8.04.070, shall hear all objections to proposed liens, as described in this chapter.

8.120.220 Collection—Notice of proposed lien and hearing.

A. The city shall provide the owner of the property with written notice in plain language of:

1. The proposed lien;
2. A description of the basis for the amounts comprising the lien;
3. The owner's opportunity to pay the fee, cost or charge within forty-five (45) days after the mailing of the notice;
4. The owner's opportunity to appear before the housing code and appeals board and be heard regarding the amount of the proposed lien; and
5. The procedure for challenging the amount of the proposed lien as set forth in section 8.120.230.

B. The notice shall be mailed by certified mail to the last known address of the owner of the property.

8.120.230 Collection—Objections.

To challenge the amount of the proposed lien, the owner must file an objection with the Community Development Department within ten calendar days from the mailing of the notice. No objection received after that date shall be considered. Each written objection must contain a description of the property that is the subject of the proposed lien and the grounds of the objection.

8.120.240 Collection—Failure to object.

The failure of the owner to file an objection in accordance with section 8.120.230 shall constitute a waiver of the owner's opportunity to challenge the amount of the proposed lien. If no objection is properly filed, the director shall transmit a report of the proposed lien to the city council.

8.120.250 Collection—Report to hearing examiner, notice.

A. If any objection is timely filed with the Community Development Department, the director shall transmit a report of the proposed lien and the objections thereto to the hearing examiner.

B. Upon receipt of the report, the hearing examiner shall fix a time, date and place for hearing the report, and any objections thereto. The director shall cause notice of the hearing to be mailed by certified mail to the last known address of the property owner at least 30 days prior to the date set for the hearing.

8.120.260 Collection—Hearing before the hearing examiner.

Upon considering the report of the proposed lien and the objections thereto, the hearing examiner shall follow, as nearly as practicable, those procedures that the city council would have followed if it had conducted the hearing. The hearing examiner shall make a written recommendation to the city council which shall include the factual findings based on evidence introduced at the hearing.

8.120.270 Collection—City council.

A. Upon receipt of a report of a proposed lien in accordance with section 8.120.240 or 8.120.260, the city council shall determine whether the proposed lien shall become a lien, and whether the amount of the lien is to be collected at the same time and in the same manner as property taxes are collected.

B. In cases in which a hearing before the hearing examiner has been held, the city council shall adopt the recommendation of the hearing examiner without a hearing, or set the matter for a de novo hearing before the city council.

Notice of the de novo hearing shall be provided to the property owner in writing, at least ten days in advance of the scheduled hearing.

C. If the city council determines that the proposed lien shall become a lien, the city council may also cause a notice of lien to be recorded. This lien shall attach upon recordation in the office of the Sacramento County recorder and shall have the same force, priority, and effect as a judgment lien, not a tax lien. The notice of lien shall, at a minimum, identify the record owner or possessor, set forth the date upon which the lien was created against the property, and include a description of the real property subject to the lien and the amount of the lien.

D. If the city council determines that the amount of the lien is to be collected at the same time and in the same manner as property taxes are collected, all laws applicable to the levy, collection, and enforcement of ad valorem taxes shall be applicable to the proposed lien, except that if any real property to which the lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attached thereon, prior to the date on which the first installment of taxes would become delinquent, then the lien that would otherwise be imposed by this section shall not attach to real property and the costs of enforcement relating to the property shall be transferred to the unsecured roll for collection.

Ordinance – Redlined

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

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

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

SECTION 1.

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

Chapter 8.120 RENTAL HOUSING INSPECTIONS CODE

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.

A. The city council of the city of Sacramento recognizes that the preservation of existing rental housing stock is of tremendous importance. 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.

B. 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.

C. 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.

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

“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.

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, have been newly constructed and either have been issued a certificate of occupancy or have passed final inspection by the city of Sacramento. For purposes of this chapter, a unit has been newly constructed if the city determines that 50% or more of the building has been constructed or replaced within a one-year period. The determination of whether the construction or replacement is at least 50% may be based on the linear length of all existing walls, square footage of the building, percentage of altered construction, actual construction valuation, or any combination of these factors.

B. A rental housing unit that is determined to be exempt pursuant to subsection A of this section, 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 of this section, 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 shall be imposed upon the owners of rental housing properties:

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. This fee shall be imposed annually for each rental housing unit on the owner's property. The fee shall also pay for the costs of all random inspections conducted pursuant to section 8.120.180.
2. Unit inspection fee. This fee shall be imposed annually for each rental housing unit on the owner's property that is subject to inspection pursuant to subsection B of section 8.120.080.

3. Additional unit inspection fee. This fee shall be imposed when an additional unit is inspected on the owner's property pursuant to subsection B of section 8.120.080. The fee shall pay for the costs of an inspection of each additional unit.

4. Rescheduling fee. This fee shall be imposed when an inspection is re-scheduled in violation of section 8.120.100. The fee shall pay for the costs of re-scheduling an inspection.

5. Reinspection fee. This fee shall be imposed when an additional periodic inspection is conducted pursuant to section 8.120.120. The fee shall pay for the costs of the additional periodic inspection.

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

8.120.055 Tenant Rights and Responsibilities.

Before the commencement of any tenancy of a rental housing unit, the owner shall provide the tenant(s) with information concerning tenant rights and responsibilities. The information shall be provided in a form or forms approved by the director.

Article II. Registration and Fee

8.120.060 Registration and fee required.

- A. No person shall engage in the business of rental housing, unless:
1. Each rental housing unit is registered with the city; and
 2. The annual rental housing inspection program fee is paid for each rental housing unit when payment is due.
- 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, and

- e. Any other information as reasonably required by the director;
 2. The annual rental housing inspection program fee as described in section 8.120.050.A.1;
 3. The unit inspection fee, as described in section 8.120.050.A.2, unless the property is in the self-certification program and exempt from the fee pursuant to section 8.120.190; and
 4. 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 fees established in this chapter when payment is due.

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 ten 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, or the time that the inspection was properly re-scheduled in accordance with section 8.120.100. 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 Rescheduling 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 seven calendar days prior to the scheduled inspection date. An inspection may only be rescheduled to a date within 21 calendar days of the previously scheduled inspection date. Rescheduling an inspection more than once or with less than seven calendar days notice may result in the imposition of a re-scheduling fee.

8.120.110 Entry.

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.

8.120.120 Noncompliance.

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 of this section, 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 representative with a copy of the written results of the inspection.

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

8.120.140 Nonexclusivity.

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 exemption.

All rental housing properties that are in the self-certification program shall be exempt from the unit inspection fee established in section 8.120.050.A.2.

8.120.195 Transfer of ownership.

If a rental housing property in the self-certification program is transferred to a new owner, the property shall remain in the self-certification program for two years following the date of transfer, unless it is sooner removed from the

self-certification program pursuant to subsection B of section 8.120.150. After the two year period, the rental housing property shall become subject to routine inspection in accordance with Article III of this chapter.

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 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 Collection—Unpaid fees, costs or charges.

A. In addition to any other remedy provided by law, the city may collect any fee, cost or charge imposed pursuant to this chapter that has not been paid within 45 days of notice thereof, by making the amount of the unpaid fee, cost or charge a lien against the rental housing property that is the subject of the fees, costs or charges.

B. A hearing examiner appointed pursuant to section 8.04.070, shall hear all objections to proposed liens, as described in this chapter.

8.120.220 Collection—Notice of proposed lien and hearing.

A. The city shall provide the owner of the property with written notice in plain language of:

1. The proposed lien;
2. A description of the basis for the amounts comprising the lien;
3. The owner's opportunity to pay the fee, cost or charge within forty-five (45) days after the mailing of the notice;
4. The owner's opportunity to appear before the housing code and appeals board and be heard regarding the amount of the proposed lien; and
5. The procedure for challenging the amount of the proposed lien as set forth in section 8.120.230.

B. The notice shall be mailed by certified mail to the last known address of the owner of the property.

8.120.230 Collection—Objections.

To challenge the amount of the proposed lien, the owner must file an objection with the Community Development Department within ten calendar days from the mailing of the notice. No objection received after that date shall be considered. Each written objection must contain a description of the property that is the subject of the proposed lien and the grounds of the objection.

8.120.240 Collection—Failure to object.

The failure of the owner to file an objection in accordance with section 8.120.230 shall constitute a waiver of the owner's opportunity to challenge the amount of the proposed lien. If no objection is properly filed, the director shall transmit a report of the proposed lien to the city council.

8.120.250 Collection—Report to hearing examiner, notice.

A. If any objection is timely filed with the Community Development Department, the director shall transmit a report of the proposed lien and the objections thereto to the hearing examiner.

B. Upon receipt of the report, the hearing examiner shall fix a time, date and place for hearing the report, and any objections thereto. The director shall cause notice of the hearing to be mailed by certified mail to the last known address of the property owner at least 30 days prior to the date set for the hearing.

8.120.260 Collection—Hearing before the hearing examiner.

Upon considering the report of the proposed lien and the objections thereto, the hearing examiner shall follow, as nearly as practicable, those procedures that the city council would have followed if it had conducted the hearing. The hearing examiner shall make a written recommendation to the city council which shall include the factual findings based on evidence introduced at the hearing.

8.120.270 Collection—City council.

A. Upon receipt of a report of a proposed lien in accordance with section 8.120.240 or 8.120.260, the city council shall determine whether the proposed lien shall become a lien, and whether the amount of the lien is to be collected at the same time and in the same manner as property taxes are collected.

B. In cases in which a hearing before the hearing examiner has been held, the city council shall adopt the recommendation of the hearing examiner without a hearing, or set the matter for a de novo hearing before the city council.

Notice of the de novo hearing shall be provided to the property owner in writing, at least ten days in advance of the scheduled hearing.

C. If the city council determines that the proposed lien shall become a lien, the city council may also cause a notice of lien to be recorded. This lien shall attach upon recordation in the office of the Sacramento County recorder and shall have the same force, priority, and effect as a judgment lien, not a tax lien. The notice of lien shall, at a minimum, identify the record owner or possessor, set forth the date upon which the lien was created against the property, and include a description of the real property subject to the lien and the amount of the lien.

D. If the city council determines that the amount of the lien is to be collected at the same time and in the same manner as property taxes are collected, all laws applicable to the levy, collection, and enforcement of ad valorem taxes shall be applicable to the proposed lien, except that if any real property to which the lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attached thereon, prior to the date on which the first installment of taxes would become delinquent, then the lien that would otherwise be imposed by this section shall not attach to real property and the costs of enforcement relating to the property shall be transferred to the unsecured roll for collection.

RESOLUTION NO.

Adopted by the Sacramento City Council
May 28, 2013

A RESOLUTION ESTABLISHING THE AMOUNTS OF FEES REGARDING THE RENTAL HOUSING INSPECTION PROGRAM

BACKGROUND

- A. WHEREAS, the Sacramento City Council has adopted Sacramento City Code Chapter 8.120 relating to the Rental Housing Inspection Program.
- B. WHEREAS, Section 8.120.050 of the Sacramento City Code establishes fees related to the Rental Housing Inspection Program and authorizes the City Council to establish the amounts of those fees and any penalties for delinquent payment of such fees, by resolution.
- C. Proposed new fees are set forth in Exhibit A.

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

- Section 1. The amounts of fees and penalties authorized by Section 8.120.050 of the Sacramento City Code are hereby established as set forth in Exhibit A.
- Section 2. Exhibit A is part of this resolution.
- Section 3. This resolution shall become effective on June 27, 2013.

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Exhibit A: Rental Housing Inspection Program Fees

EXHIBIT A

RENTAL HOUSING INSPECTION PROGRAM FEES

Fee Name: Rental Housing Inspection Program Fee

Fee Amount: \$16.00

Justification for Fee: This charge is imposed for the reasonable regulatory costs to the City to administer and maintain the Rental Housing Inspections Program and conduct random inspections and audits. The fee is imposed on all rental housing property owners for each rental housing unit on their property.

Fee Name: Unit Inspection Fee

Fee Amount: \$127.00

Justification for Fee: This charge is imposed for the reasonable regulatory costs to the City to inspect rental housing units. The fee is imposed on rental housing property owners for each rental housing unit on their property that is subject to mandatory inspection, including newly registered units and those that do not qualify for self-certification.

Fee Name: Additional Unit Inspection Fee

Fee Amount: \$127.00

Justification for Fee: This charge is imposed for the reasonable regulatory costs to the City to inspect rental housing units after an inspector determines that additional inspections are necessary due to one or more violations found on the property. The fee is imposed on rental housing property owners for each additional rental housing unit on their property that is inspected.

Fee Name: Rescheduling Fee

Fee Amount: \$80.00

Justification for Fee: This charge is imposed specifically for the service of rescheduling an inspection that is cancelled without proper notice. The fee does not exceed the reasonable administrative and inspection costs to the City for that service.

Fee Name: Reinspection Fee

Fee Amount: \$127.00

Justification for Fee: This charge is imposed for reasonable regulatory costs to the City to reinspect each rental housing unit due to failure to correct violations noted during the Initial Unit Inspection within the required timeframe. The fee is imposed on rental housing property owners for each rental housing unit on their property that is required to be reinspected.