



STAFF REPORT

Date: October 22, 2014
To: Bryan H. Montgomery, City Manager
From: Troy Edgell, Code Enforcement Coordinator
Subject: **Resolution Establishing Fees for the Rental Inspection Program**

Approved and Forwarded to City Council:


Bryan Montgomery, City Manager

Background and Analysis

In 2008 the City Council approved the creation of Oakley's Rental Inspection Program. The purpose of the Program was to identify blighted and deteriorated rental housing that can be harmful to the health and safety of the public, ensure the rehabilitation or abatement of housing not in compliance with state and local building and housing laws, and preserve and enhance the quality of life for residents of the City living and around rental dwelling units.

It has been determined the original Rental Inspection Program was lacking in desired compliance. This was evidenced by a compliance rate ranging from 2% to 6% of the estimated available rental units for the years 2012 and 2013. Specifically, of the estimated 2,530 Single-Family Residents available for rent, only 60 property owners responded by registering in 2013. Year-to-date registration for 2014 is currently at 129 units.* To address this and other concerns, on October 14, 2014 the City Council adopted an amendment to the existing Rental Inspection Program.

The purpose of this Staff Report is to gain City Council approval of the attached proposed Fee Schedule. When developing the proposed Fee Schedule, two major assumptions were taken into consideration: One, those who are in compliance with the Rental Inspection Program should be guaranteed the absolute lowest fee possible and two, those who are not in compliance should not be subsidized by those abiding with the Ordinance.

Using these two assumptions, a Time in Motion Study was performed to separately determine the rate to register and inspect rental dwellings in compliance with the Ordinance and a rate to re-inspect properties not in compliance. Additionally, to encourage registration a penalty for non-compliance using established Administrative Penalty guidelines would be put into place and aggressively enforced.

The Time in Motion Study indicates that due to improved technology and tracking systems currently in place, the Registration and Inspection Fee can be reduced from its current cost of \$167.50 to \$105.00 annually. To gain increased compliance there will be Administrative Citations nearly double the Registration Fee beginning at \$100 for those property owners not abiding by the Ordinance. This penalty will increase as non-compliance continues. To facilitate correction of potential violations before the inspection is performed, property owners will be provided with a Self-Inspection checklist and face a



Re-Inspection Fee proposed at \$63.00 if violations are not corrected prior to the first inspection.

The amendment and proposed fee schedule were drafted using the "best practices" of Rental Inspection Programs in cities similar in size and demographics to Oakley.

Fiscal Impact

It is anticipated the fiscal impact will be neutral. A Time in Motion Study was performed to ensure no fees charged were above covering the anticipated expenses.

Summary and Recommendation

Staff recommends the City Council adopt the proposed Fee Schedule.

Attachments

- 1) Exhibit A: Time in Motion Study
- 2) Exhibit B: Fee Schedule
- 3) Proposed Resolution

*2013 Oakley Economic Development Data prepared by Nielson Solution Center

EXHIBIT A**TIME IN MOTION STUDY****RENTAL DWELLING UNIT INSPECTION PROGRAM**

Rates as of 20 October 2014

INITIAL INSPECTION FEE

| <u>POSITION</u> | <u>TIME</u> | <u>RATE</u> | <u>TASK DESCRIPTION</u> |
|-------------------|-------------|-------------|----------------------------|
| Permit Technician | 20 min | \$53 | Process Registration |
| Finance | 10 min | \$79 | Payment Deposit/Processing |
| Code Enforcement | 10 min | \$89 | Travel |
| Code Enforcement | 10 min | \$89 | Site Inspection |
| Code Enforcement | 10 min | \$89 | Reporting Letter |
| Code Enforcement | 10 min | \$89 | Data Entry |
| Code Enforcement | 10 min | \$89 | Phone/Research |

TOTAL = \$105.00**RE-INSPECTION FEE**

| <u>POSITION</u> | <u>TIME</u> | <u>RATE</u> | <u>TASK DESCRIPTION</u> |
|-------------------|-------------|-------------|----------------------------|
| Permit Technician | 5 min | \$53 | Process Form(s) |
| Finance | 7 min | \$79 | Payment Deposit/Processing |
| Code Enforcement | 10 min | \$89 | Travel |
| Code Enforcement | 7 min | \$89 | Site Inspection |
| Code Enforcement | 7 min | \$89 | Reporting Letter |
| Code Enforcement | 5 min | \$89 | Data Entry |
| Code Enforcement | 5 min | \$89 | Phone/Research |

TOTAL = \$63.00

EXHIBIT B

FEE SCHEDULE

RENTAL DWELLING UNIT INSPECTION PROGRAM

Effective 28 October 2014

ANNUAL RENTAL REGISTRATION AND INSPECTION FEE

\$105.00*

RE-INSPECTION FEE

(Per Inspection)

\$64.00

NON-COMPLIANCE PENALTY

Administrative Citation for Failure to Register and Pay Fee

First Citation: \$100

Second Citation: \$200.

Third Citation: \$500

Rental Property Owners failing to register and pay the annual fee by January 31st of the calendar year or within 30 days of renting the property will be issued an Administrative Citation.

Administrative Citations are in addition to the Rental Registration and Inspection Fee and any other citations issued for Building and/or Code Enforcement violations.

*Rental Registration and Inspection Fee for property not inhabited by tenants or vacant and not listed for rent on January 1st of each calendar year will be prorated on a monthly basis.

RESOLUTION NO. ____-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ADOPTING
THE RENTAL INSPECTION PROGRAM FEE SCHEDULE**

WHEREAS, the City seeks to preserve the health, safety and general welfare of the community; and

WHEREAS, the City Council seeks to maintain and improve the quality of life of Oakley residents residing both in and around rental property and established a Rental Dwelling Unit Inspection Program found in Title 4, Chapter 30 of the *Oakley Municipal Code*; and

WHEREAS, in conformance with the *Oakley Municipal Code* and applicable state laws the City Manager has caused a time and motion study to be performed outlining the City's actual and reasonable costs for implementing the Rental Dwelling Unit Inspection Program, a summary of which is attached hereto as Exhibit A; and

WHEREAS, the City Council desires to set forth a schedule of fees related to the implementing the Rental Dwelling Unit Inspection Program; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the City Council of the City of Oakley hereby approves the fee schedule attached hereto as Exhibit B for the implementation of the Rental Dwelling Unit Inspection Program.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 14th day of October 2014, by Councilmember _____, who moved its adoption, which motion being duly seconded by Councilmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date