Agenda Item #14.4 For Council Meeting of: January 28, 2020

CITY OF SANTA ROSA CITY COUNCIL

TO:MAYOR AND CITY COUNCILFROM:DAVID GOUIN, DIRECTOR, DEPARTMENT OF HOUSING AND<br/>COMMUNITY SERVICESSUBJECT:ORDINANCE AMENDING THE SANTA ROSA CITY CODE<br/>ADDING CHAPTER 18-50 RENTAL HOUSING INSPECTION<br/>PROGRAM

AGENDA ACTION: ORDINANCE INTRODUCTION

# RECOMMENDATION

It is recommended by the Department of Housing and Community Services that the Council introduce an ordinance adding Chapter 18-50 - Rental Housing Inspection Program to the Santa Rosa City Code.

# EXECUTIVE SUMMARY

This is to present a draft ordinance regarding the Rental Housing Inspection Program (and provide an estimate of associated fees) based on Council's October 22, 2019 feedback. Outreach has been completed and the ordinance was discussed with California Apartment Association (CAA) and North Bay Association of Realtors (NORBAR), tenant advocacy and other community groups.

# BACKGROUND

- 1. The proposed Rental Housing Inspection Program was first introduced to Council at a Study Session on April 5, 2016, during a Code Enforcement presentation as a possible proactive tool to improve the quality of the rental housing stock and create a policy that provides safe, decent and sanitary housing.
- Given the increased housing cost burden faced by many Santa Rosa residents exacerbated by the 2017 wildfires, and some complaints received regarding substandard conditions of rental units, Council expressed an interest in developing a rental inspection program as part of the sixteen specific deliverables of the housing strategy to be completed by 2023.
- 3. The Council of the City of Santa Rosa selected a proposed rental inspection program to be included in its Tier 1 housing goals on February 21, 2019, during

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Goal Setting. A component of the housing strategy may be to adopt a local ordinance and create a program intended to safeguard the health and safety of rental units.

- 4. A study session was scheduled to be presented to Council on September 24, 2019 and due to the potential for a conflict of interest of a few members of the City Council, the study session was rescheduled to October 22, 2019, to seek advice from the Fair Political Practices Commission (FPPC).
- 5. The Proposed Rental Housing Inspection Program was reintroduced to Council on October 22, 2019 as a study session, and four Council members created a quorum. Council member Sawyer (owns a single-family residence with an attached in-law unit) and council member Tibbetts (rents out a room in his owneroccupied home) have potential conflicts of interest and did not participate. The City Attorney's Office has requested an opinion from the FPPC on whether these council members can participate on this item.
- 6. The Core and Optional Elements were discussed with Council during the study session and majority decided on the following, which are included in the draft ordinance.
  - All rental housing types will be included, except those in the Housing Choice Voucher Program, units constructed within the previous ten years, and owner-occupied units, where owner rents a room within dwelling unit.
  - Each unit will be inspected every five years.
  - Allows for the Property Owner and Occupant to self-certify that the unit is compliant with City Codes. Self-certified units are inspected every eight years.
  - Property owners will be required to register their rental units in the program.
  - A rental inspection fee will be assessed when an inspection is scheduled.
  - A relocation/displacement fund will be included in the registration fee.
- 7. Estimated program fees are as follows:
  - One-Time Registration Fee of \$45
  - One-Time Relocation/Displacement Fee of \$7.50 per Property Owner
  - Per Unit Inspection Fee of \$172
  - Inspection Billing Fee of \$13.50 per Property Owner
- 8. If approved by Council, a fee study will be completed and included in the annual budget process.

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#### STAKEHOLDER FEEDBACK

Outreach was held with the North Bay Association of Realtors (NORBAR), California Apartment Association (CAA), Legal Aid, North Bay Organizing Project and other tenant advocacy groups regarding concerns about the rental inspection program, the ordinance and proposed fees. Property Owners are not supportive of the program citing a lack of data to demonstrate the need and to utilize City existing Inspection Services such as Code Enforcement, Neighborhood Revitalization Program, Housing Choice Voucher Program, and Fire Department Inspection Services. Resident Organizations are supportive of the program, recommending Program Education including the rights and responsibilities of both parties. They also provided feedback that the City should be sensitive to minority populations with additional outreach.

#### FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

# ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

# NOTIFICATION

NORBAR, CAA, Legal Aid of Sonoma County, North Bay Organizing Project, North Bay Labor Council, and associated groups

# **ATTACHMENTS**

• Ordinance

# <u>CONTACT</u>

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