



Legislation Details (With Text)

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**Title:** Actions related to the Rental Housing Improvement Act:  
1. \*\*\*BILL NO. B-3 - (Intro. 2/2/2017) (For adoption) - Adopting the Rental Housing Improvement Act.

**Sponsors:** Office of Mayor & City Manager

**Indexes:**

**Code sections:**

**Attachments:** 1. Regulations\_FINAL.pdf, 2. Changes to Rental Hsg Impr Ordinance.pdf, 3. Ordinance.pdf, 4. Rental Hsg Impr Act Regulations.pdf, 5. Corrected Staff Report.pdf, 6. Ord w Attorney Initial.pdf

Date	Ver.	Action By	Action	Result
2/9/2017	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**February 9, 2017**

**FROM:** BRUCE RUDD, City Manager  
Mayor and City Manager's Office

**SUBJECT**

Actions related to the Rental Housing Improvement Act:  
1. \*\*\*BILL NO. B-3 - (Intro. 2/2/2017) (For adoption) - Adopting the Rental Housing Improvement Act.

**RECOMMENDATION**

Staff recommends that the City Council accept the introduction of the attached ordinance adding Article 16 related to a residential rental inspection program to Chapter 10 of the Fresno Municipal Code

**EXECUTIVE SUMMARY**

In response to community concerns regarding substandard housing conditions, the attached ordinance has been prepared to establish a residential rental inspection program. The intent of this article is to proactively ensure rental housing units in the City of Fresno meet the minimum health and safety standards required by the State of California and are safe to occupy. It is important to note

that a proactive approach is recommended to comprehensively and systematically improve the quality of rental housing stock in the City of Fresno.

## **BACKGROUND**

The Fresno General Plan was created to protect investments in private and public property; to preserve neighborhood character and community values; and to promote investment and reinvestment in Fresno's established neighborhoods.

Recognizing that the strategic, efficient and effective use of the City's code enforcement authority is a key to successful implementation of the 2035 General Plan, Mayor Ashley Swearingin, along with select members of the Fresno City Council, launched a multidisciplinary Code Enforcement Task Force in September 2014. The purpose of the Task Force was to review existing codes in relation to the Fresno General Plan; evaluate current Code Enforcement processes and procedures; and make specific recommendations for improvements, including division structure, case prioritization, technological and legal tools, and fee structures that the City can implement now, as well as over time.

After extensive discussion, the Task Force identified Vacant Blighted Residential Properties as the highest and first priority for immediate action and the greatest impediment to protecting established neighborhoods throughout the city. In April, 2015 the Mayor and City Manager's Office presented the Task Force recommendations along with revisions to the Vacant Blighted Building Ordinance.

In April, 2016 the Task Force was reconvened in an advisory capacity with the focus on interior inspections of rental properties. After thorough discussions, consultation with industry experts and input from the Task Force participants as well as other community members, the Swearingin Administration has proposed the introduction of a municipal ordinance that establishes a routine residential rental inspection program. This proposal is the result of over two years of stakeholder engagement, evaluation of similar programs around the state and nation, and consultation with national experts. The operative points in the proposed ordinance are provided below.

**Purpose of the Program:** To proactively ensure rental housing units in the City of Fresno meet minimum health and safety standards required by the State of California and are safe to occupy. No new building or habitability standards are being imposed through this ordinance. The ordinance simply establishes a program to monitor and ensure that the existing state laws are being met.

**Properties Covered by the Program:** A "residential rental unit" is defined as any structure or part of a structure that is used by one or more persons as a home, residence, dwelling, or sleeping place for longer than 30 days, including single family dwellings, duplexes, triplexes, or multi-family residential buildings, excluding (1) mobile home parks, (2) properly registered vacant property, (3) hotels, motels, and "bed and breakfasts", (4) any rental unit in a state licensed hospital, hospice, community care facility, intermediate care facility, or nursing home, and (5) rental housing units owned, managed or operated by an educational or mental institution.

**Scope of the Interior Inspections:** The inspections required in this ordinance are limited to minimum health and safety standards as defined by the State of California (see below). During the inspection, the owner may make immediate repairs to satisfy the requirements of the inspection and be found in compliance to avoid the need for a re-inspection. Repairs that cannot be immediately made will result in a re-inspection.

2. Appropriate and working fire detection systems including but not limited to smoke detectors, automatic fire sprinklers (if constructed), fire extinguishers in place as required by State law
3. Adequate and functional methods of egress including but not limited to clear, unobstructed path of travel to all exit doorways along with appropriately sized and operational windows in each living/sleeping room
4. Windows and doors with security devices such as bars must be able to be opened from the inside during an emergency
5. Storage areas, garages, and basements must be kept free of combustible materials
6. Clean and sanitary buildings, grounds, and appurtenances (for example a garden or a detached garage), free from debris, filth, rubbish, garbage, rodents, and vermin
7. Secure building envelope including but not limited to effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors, and free from moisture and/or mold
8. Adequate trash receptacles in good repair
9. Operable dead bolt locks on the main entry doors of rental units, and operable locking or security devices on windows
10. Building and access ways free from structural defects
11. Floors, stairways and railings in good repair and structurally sound
12. All painted surfaces must be free from excessive peeling and chipping paint that exposes the original surface material
13. Natural lighting in every room through windows or skylights. Windows in each room must be able to open at least halfway for ventilation, unless a fan provides mechanical ventilation in a bathroom, kitchen or utility room
14. Safe installation of utilities including but not limited to natural gas, electricity, water, and sewer systems
15. Gas facilities, fixtures, apparatus, and devices must be in proper and complete working order including oven, stove, refrigerator, washer and dryer if provided by the landlord
16. Electric facilities, fixtures, devices and apparatus must be in complete and proper working order including oven, stove, refrigerator, washer, and dryer if provided by the landlord
17. Operational heating and cooling (if so equipped) systems
18. Plumbing facilities in good working order, including hot and cold running water, connected to a sewage disposal system
19. A properly working toilet, wash basin, and bathtub or shower in a room which is ventilated and allows for privacy
20. A kitchen with a sink that cannot be made of an absorbent material such as wood

**Number of Units Subject to Inspection:** the following percentage of units shall be randomly selected and subject to inspection:

- Single Family Units All (100%)
- Duplex to 4 Units Half (50%)
- 5 to 15 Units Thirty Percent (30%)
- 16 to 50 Units Twenty Percent (20%)
- 51 + Units Ten Percent (10%)

**Fees and Rebates on Business Taxes:** Two fees are proposed in the ordinance - an annual registration fee and inspection fees. However, the amounts of the fees will not be determined until the City undertakes a competitive bid process to procure the inspection services and a market-based price on the registration and inspection fees can be determined. Once the bidding process is complete and the City Council awards a contract, then the Master Fee Schedule can be modified to include the registration and inspection fees. The ordinance allows a portion or all of the registration fee to be offered as a rebate on business taxes for businesses which comply with the ordinance and caps the inspection fee at \$100 per unit.

**Registration:** The ordinance requires all rental properties to be annually registered, even properties that are exempt from the inspection program.

**Inspection Cycle:** Properties that pass the initial inspection or re-inspection are not required to undertake another inspection for three years. Properties that fail two consecutive compliance re-inspections are required to be inspected annually for the next three years.

**Exemptions:** There are no exemptions from the annual registry. There are two exemptions from the inspection program: (1) newly constructed buildings are exempt for a period of 10 years; (2) subsidized residential rental units that are subject to routine, annual inspections by another government agency.

**Self-Certification Program:** The ordinance establishes a self-certification program if (1) the owner submits an application for the self-certification program, (2) the property is annually inspected and re-inspected upon change of tenancy by a professional property management company licensed by the State of California; (3) the owner is in compliance with the ordinance; and (4) the owner is not delinquent on any payment of City fees, penalties, taxes or other monies related to the property. A 10% random sample of properties in the self-certification program will be inspected by the City each year.

**Effective Date:** If adopted, the ordinance will become effective on the 31<sup>st</sup> day after its final passage. However, inspections will begin no sooner than September 1, 2017 to allow time to competitively bid the registration and inspection services.

## **ENVIRONMENTAL FINDINGS**

This is not a “project” for the purposes of CEQA pursuant to CEQA Guidelines, section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect physical changes to the environment.

### **LOCAL PREFERENCE**

Not applicable

### **FISCAL IMPACT**

There is no direct fiscal impact from the passing of this ordinance. However, there are fines and penalties assigned in the ordinance which will impact revenues depending upon the number and severity of cases identified.

Attachment:  
Ordinance  
Rental Housing Improvement Act Regulations