

**STAFF REPORT**  
City of Lancaster, California

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Date: January 9, 2007

To: Mayor Hearn and City Council Members

From: Elizabeth Brubaker, Housing & Neighborhood Revitalization Director

Subject: **Introduction of an Ordinance for Rental Housing Business License and Preservation Inspection Program, Consideration of adoption of a Resolution for Adoption of Business License and Rental Inspection Fees, and Approval to Increase Code Enforcement Staff to Implement the Rental Preservation Program.**

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**Recommendation:**

1. Introduce Ordinance No. 869, adding Chapter 5.40 to the Lancaster Municipal Code to establish the Rental Housing Business License and Preservation Program.
2. Adopt Resolution No. 07- 12, adopting the Business License and Rental Inspection fee for the Rental Housing Business License and Preservation Program.
3. Approve an increase of staff to implement the Residential Rental Inspection Program.
4. Amend budget as follows:

101-4545-101	Salaries	\$95,000
101-4545-121	Fringe Benefits	\$40,000
101-4545-217	Vehicle Fuel	\$9,000
101-4545-752	Motor Vehicles	\$60,000
101-4545-209	Uniforms	\$1,350
101-4545-259	Office Supplies	\$17,000
101-3102-401	Rental Housing Inspection Revenue	\$260,000

**Fiscal Impact:**

Increase permanent staff by adding three Code Enforcement Officers and one administrative clerk in the Code Enforcement Division of the Housing & Neighborhood Revitalization Department to implement the Rental Inspection Program and the Group Home Ordinance. Hiring of additional staff will require an on going annual increase to the budget as follows: \$273,000 salaries and fringe benefit, \$9,000 vehicle fuel, \$1,350.00 for uniforms and one time increase of \$17,000 for office equipment, furniture and supplies and \$60,000 to purchase vehicles. The budget amend above reflects salary costs and rental inspection revenues for 6 months

The proposed fees are as follows: \$60.00 fee per facility for processing the Rental Housing Business License, \$93.00 fee for the inspection of the first rental unit and a \$23.00 fee per each additional rental unit. The Rental Housing Business License fees are estimated to produce \$315,000 to cover the cost to administer the business licensing process. The Rental Housing Inspection fees are estimated to produce \$520,000 to cover the cost to operate the Rental Housing Inspection Program.

**Background:**

In August of 2004, the City Council established the Lancaster Community Appreciation Project (LAN-CAP) crime free rental housing program. The City's LAN-CAP program coordinated abatement efforts and landlord training classes. These classes are intended and designed to promote voluntary code compliance and establishment of crime-free multi-family housing by exposing landlords to the City's enforcement programs and training them on how to screen prospective tenants effectively to keep out those tenants who would turn their properties into havens for crime. While the classes have obtained a great deal of voluntary compliance, there are many landlords who own less than ten rental units who are not required and do not participate in the voluntary programs.

Staff has increasingly come to believe that it is time to augment LAN-CAP's voluntary programs with a pro-active regulatory inspection program administered by the Housing & Neighborhood Revitalization Departments' Code Enforcement Division. The Residential Rental Preservation Inspection Program will drastically reduce the instances of rentals being left in disrepair and substandard condition and ensure that aging residential rentals are maintained in decent condition within in the City of Lancaster.

**Discussion:**

There is a strong presence of affordable rental housing located throughout the City of Lancaster. There are approximately 14,815 rental units according to the 2000 census, and not including rental properties constructed or converted during 1999-2006. The State Legislature has found and declared that there is a statewide shortage of affordable housing exacerbated by substandard dwelling units. Statewide, the state Housing and Community Development Department has estimated that one in every eight dwelling units is substandard and fails to meet minimum housing code requirements. The effects of even one single substandard unit, the Legislature has declared, can lead to the deterioration of an entire neighborhood. (California Health and Safety Code Section 17998).

The public now places a high priority on the commitment and ability of local agencies to maintain neighborhoods, protect property and property rights, and preserve the value of public and private investments. Consequently, many municipalities recognize code enforcement as an important tool to help sustain and protect the health, safety, and welfare of their cities, towns and neighborhoods. Several cities throughout California and the United States have Rental Inspection Programs. The more established communities have had rental inspection programs for years and the programs have been a success for the tenants, property owners and cities.

The City of Lancaster has a substantial interest in maintaining neighborhoods, protecting property and property rights, and preserving the value of public and private investments. The City is committed to sustaining and protecting the health, safety, and welfare of the neighborhoods within the City of Lancaster. The proposed Ordinance takes the City of Lancaster to the next level of protection and promotes the public health, safety and welfare.

The purpose of the ordinance is to ensure the rehabilitation or elimination of housing that does not meet minimum Municipal and/or state Building, Housing Code and Health and Safety standards. In addition, the ordinance is intended to promote safety and enhance the quality of life for City residents living in rental units.

This program is designed to proactively identify blighted, deteriorated, and substandard rental housing stock and to ensure the rehabilitation or elimination of such housing that does not meet minimum standards. These standards address not only life, health, and safety issues but also the results of deferred or inadequate maintenance.

The proposed Ordinance while establishing a regulatory inspection program incorporates compelling incentives for landlords to bring their buildings quickly into compliance. This is done by establishing regular "Inspection Frequency" schedules of 3 years, 2 years, and 1 year. Buildings where no major violations have been found will be re-inspected three years from the date of issuance of the certificate of rental inspection compliance. Buildings where violations have been found, but all violation corrections are fully completed within thirty days after notice by Code Enforcement Officer will be re-inspected two years from the date of issuance of the certificate of rental inspection compliance. Buildings where violations have been found, but all violation corrections are not fully completed within thirty days after notice and order will be re-inspected one year from the date of issuance of the certificate of rental inspection compliance. Since per-unit registration fees are due upon inspection or re-inspection, the landlords have a compelling financial incentive to maintain their building and quickly abate all violations.

The draft ordinance takes the City of Lancaster to the next level of protection and promotion of the public health, safety and welfare. A well-integrated, incentivized program will enable the City to preserve housing stock and increase the quality of life of the community.