



## STAFF REPORT

DATE: MAY 1, 2012  
TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ROD FOSTER, CITY MANAGER  
PREPARED BY: MARK TOMICH, DEVELOPMENT SERVICES DIRECTOR  
SUBJECT: RENTAL HOUSING REGISTRATION AND INSPECTION PROGRAM

A handwritten signature in blue ink, appearing to read 'Rod Foster', is written over the 'TO:' and 'FROM:' lines of the header.

### RECOMMENDED ACTION

It is recommended that the City Council waive first reading and introduce by title only, Ordinance No. O-05-12, an Ordinance of the City Council of the City of Colton, adding Chapter 15.49 to the Colton Municipal Code relating to the Rental Housing Registration and Inspection Program.

### GOAL STATEMENT

The proposed action will support the City's goal to improve the quality of life for Colton residents.

### BACKGROUND

In late 2011, staff began exploring the establishment of an annual citywide rental housing inspection program. The primary objectives of such a program are to help improve and maintain the quality of the City's housing stock, thereby preventing blight and improving the quality of life for our residents. Approximately 49% of the City's 16,350 housing units consist of rental properties - 8,011 units. Of these, 4,300 units are located in 28 apartment complexes distributed throughout the City.

Staff from the Development Services Department, Police Department, and City Clerk's Office took the lead on developing an inspection program. Initial research included meeting with staff from neighboring cities to discuss their single-family rental inspection programs, and conducting phone interviews with staff from cities with active rental inspection programs. Cities interviewed include Azusa, Grand Terrace, Rialto, Pasadena, San Bernardino and Highland. A memo summarizing the input from each city is attached (Attachment 1).

## ISSUES/ANALYSIS

Interviews with staff from cities with active rental inspection programs revealed a myriad issues and options to consider in developing a program suitable for the City of Colton. Such issues and options included:

- Whether to include both single-family and multi-family rental units in the inspection program;
- Whether to exempt condominium units, as some cities do because of overlapping homeowner association responsibilities;
- Scope of inspections (e.g. interior and/or exterior, fire and building code violations, deferred exterior maintenance, landscaping, outdoor storage, etc.);
- Timeframe for roll-out of a new inspection program;
- Implementing/administering agency (e.g. planning/building departments, police/code enforcement, or other entity);
- Staff certifications and training for inspections (e.g. Code Enforcement Officer, Certified Building Inspector);
- Frequency of inspections (e.g. annually, bi-annually, or other interval);
- Whether to permit self-certification by owners of rental units; and
- Appropriate assumptions to include in fee calculations.

With consideration of these issues to ensure the most suitable standards for the City of Colton, staff is recommending a rental housing registration and inspection program that includes the following major components:

**Applicability:** Multi-family and single family rental units. Condominiums, townhouses or single-family homes that are covered by a homeowners association which enforces CC&Rs are proposed to be exempt. See proposed Colton Municipal Code (CMC) Section 15.49.030 for list of all exemptions (Attachment 2).

**Administering Agency:** Police Department/Code Enforcement Division.

**Scope of Inspections:** Common areas and exteriors for purpose of identifying any threats to health or safety, including property maintenance standards. Private, interior areas are exempt, except in circumstances outlined in CMC Section 15.49.090.

**Frequency of Inspections:** Annually, with 30-day notice prior to initial inspection, and by appointment thereafter. Re-inspections are required if violations are identified during the first inspection. Initial inspections of registered

rental units will be phased in over a three year period, starting with apartment complexes of five or more units (CMC Section 15.49.160B.).

**Registration and  
Inspection Fees:**

A full-cost recovery fee resolution is forthcoming as part of the Citywide User Fee recommendations in June 2012. Based on full cost recovery fee analysis conducted to date, we estimate the following fees will be recommended:

Site Visit: \$95.00 (includes inspection of first unit)  
2 to 12 units: \$60.00 per unit (\$95.00 + \$60.00 per unit from  
2 to 12 units)  
13 to 50 units: \$48.00 per unit (\$755.00 + \$48.00 per unit from  
13 to 50 units)  
51 to 79 units: \$36.00 per unit (\$2,579 + \$36.00 per unit from  
51 to 79 units)  
80+ units \$19.00 per unit (\$3,623 + \$19.00 per unit over 79 units)

**FISCAL IMPACTS**

Fees for registration and inspection of rental units will cover the City's cost of administering the program. Cost recovery for Fiscal Year 2012-13 is anticipated to be approximately \$500,000, and \$500,000 to \$600,000 each year thereafter.

**ALTERNATIVES**

1. Do not approve a Rental Housing Registration and Inspection Program.
2. Provide alternative direction to staff.

**ATTACHMENTS**

1. Comparison Summary of Rental Inspection Programs
2. Ordinance No. 0-05-12

## SUMMARY OF CITY RENTAL INSPECTION PROGRAMS

City	Interior/Exterior	Business License?	Inspection Frequency	Fees	Notes
Azusa	Exterior – obvious violations warrant request for internal inspections	Yes - \$128	Annually	\$108 + \$7 per additional unit	Program applies to single family and multi-family (except condos). Also inspection upon sale of SF units. City is very satisfied with program.
Grand Terrace	Exterior – unless complaint.  Look primarily for maintenance issues	Yes – for 2+ rentals	Annually – but 3 consecutive years w/o complaint = 50% discount	SF - \$95 MF - \$48 (1-199 du) or \$36 (200+ du) Reinspection fee - \$47	Single family and multi-family rentals.  No immediate fine – 30 days to fix problems
Rialto	Exterior only	Yes - \$120	Bi-annual	\$63 + \$20 per door	Applies to 3 or more rental units only.  Inspections performed by Certified Building Inspector.
Pasadena	Interior & exterior	Included in insp. fee	Every 4 yrs if pass inspection (self-inspection report)	\$58 per DU for 3 or more units; \$135 per SF attached	Also applies upon sale of SF attached units.
San Bernardino	Multi-family – interior & exterior Single family - exterior	Yes - \$70	Annually  Self-cert. program if no issues for 2 consecutive years – re-inspect every 3 yrs.	SF - \$100  MF – scaled fee - \$38 + \$87.27 hourly for 3 or more inspection (+ \$100 fine)	Two separate programs: Multi-family by Fire Dept (interior) and Code Enf. (exterior)  Single Family by Code Enf. (focus on aesthetics)
Highland	Interior on initial inspection, then exterior only	Yes	Annually	\$160 initial fee, then \$35 annual	Applies to <u>all</u> rental units.  Inspections performed by Code Enf. Officer who is also Certified Building Inspector

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**ORDINANCE NO. O-05-12**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF COLTON, CALIFORNIA ADDING CHAPTER  
15.49 TO THE COLTON MUNICIPAL CODE RELATING  
TO THE RENTAL HOUSING REGISTRATION AND  
INSPECTION PROGRAM**

**THE CITY COUNCIL OF THE CITY OF COLTON, CALIFORNIA  
DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** Chapter 15.49 is hereby added to the Colton Municipal Code to read as follows:

**“Chapter 15.49**

**RENTAL HOUSING REGISTRATION AND INSPECTION PROGRAM**

**Sections:**

- 15.49.010 Purpose.**
- 15.49.020 Definitions.**
- 15.49.030 Application of Chapter; Exemptions.**
- 15.49.040 Registration Requirement.**
- 15.49.050 Registration Prerequisite to Utility Connection.**
- 15.49.060 Registration Process.**
- 15.49.070 Annual Inspection.**
- 15.49.080 Reinspections.**
- 15.49.090 Interior Inspections.**
- 15.49.100 Certificate Availability.**
- 15.49.110 Certificate Transferability.**
- 15.49.120 Other Actions, Prosecutions, Court Cases.**
- 15.49.130 Appeals.**
- 15.49.140 Violations; Penalty.**
- 15.49.150 Public Nuisance.**
- 15.49.160 Time for Compliance and Schedule for Initial Inspections.**
- 15.49.170 Late Filing Penalties.**
- 15.49.180 Maintenance of Records.**

**15.49.010 Purpose.**

The city council recognizes a need for an organized inspection program of residential rental units within the city in order to upgrade rental units to meet city and state life, safety, health, fire and zoning codes within the city and to provide a more efficient system for compelling both absentee and local landlords to correct violations and to maintain, in proper condition, rental property within the city. The city council recognizes that the most efficient system to provide for rental inspections is the creation of a program requiring the registration of all residential rental units within the city so that orderly inspection schedules can be made by city officials.

**15.49.020 Definitions.**

- 1 A. "Chief" means the chief of police.
- 2 B. "Division" means the code enforcement division of the city's police department.
- 3 B. "Dwelling Unit" means a building or portion thereof designed and used exclusively  
4 for residential occupancy with permanent provisions for living, sleeping, eating, cooking and  
5 sanitation. Dwelling unit shall not include hotels, motels, boarding homes or convalescent  
6 care facilities. The existence of a permitted home occupation within a dwelling unit will not  
7 limit the application of this chapter if such dwelling unit is otherwise subject to the provisions  
8 of this chapter.
- 9 C. "Occupant" means any person occupying a dwelling unit, whether as a tenant or  
10 permittee of the owner.
- 11 D. "Owner" means the record owner of a dwelling unit subject to the requirements of this  
12 chapter including the agent of the owner.
- 13 E. "Person" means any natural individual, firm, partnership, association, joint stock  
14 company, joint venture, public or private corporation, or receiver, executor, trustee,  
15 conservator or other representative appointed by order of any court.

16 **15.49.030 Application of Chapter; Exemptions.**

- 17 A. The provisions of this chapter shall apply only to a dwelling unit that is rented, leased  
18 or otherwise let to a person other than the owner of the dwelling unit.
- 19 B. The provisions of this chapter shall not apply to the following:
- 20 1. Dwelling units occupied by the record owner of such dwelling unit.
  - 21 2. Mobilehomes within mobilehome parks.
  - 22 3. Second units or "granny units," occupied by a family member of the owner of  
23 the primary dwelling unit, that are legally constructed on the same lot as the  
24 primary unit and conform with the provisions, standards and criteria of  
25 Government Code § 65852.2 and 65852.1, respectively.
  - 26 4. Condominiums, townhouses or single-family homes that are covered by a  
27 homeowners association ("HOA") which actively and effectively enforces  
28 covenants, codes and restrictions ("CC&Rs").

29 **15.49.040 Registration Requirement.**

30 No person shall rent, lease, or otherwise permit another person to occupy a dwelling  
31 unit within the city unless such dwelling unit is registered with the city's code enforcement  
32 division as required by this chapter.

33 **15.49.050 Registration Prerequisite to Utility Connection.**

34 No connection of city utilities, including water and electricity, shall be made for any  
35 dwelling unit which is proposed to be rented, leased or otherwise occupied by a person other  
36 than the owner of the dwelling unit until such dwelling unit is registered as required in this  
37 chapter and the owner presents proof of registration to the city utility department.

38 **15.49.060 Registration Process.**

- 39 A. The owner or designated local property manager of every dwelling unit subject to the  
40 requirements of this chapter shall obtain an annual registration certificate from the code  
41 enforcement division and shall pay an annual registration fee and inspection fee, which shall

1 be established by resolution of the city council.

2 B. Registration shall be made upon forms furnished by the code enforcement division for  
3 such purpose and shall specifically require the following minimum information:

- 4 1. Name, address and phone number of the owner.
- 5 2. Name, address and phone number of the designated local property manager if  
6 the owner lives outside the city.
- 7 3. The street address of the property on which the dwelling unit is located.
- 8 4. The number and types of dwelling units on the property (e.g. single family,  
9 multifamily).
- 10 5. The maximum number of occupants permitted for each dwelling unit.
- 11 6. The name, phone number and address of the person authorized to make or  
12 order made repairs or services for the dwelling unit, if in violation of city or state codes, if the  
13 person is different than the owner or local manager.

14 C. Upon receipt of the registration form required by subsection (B) and payment of the  
15 required registration and inspection fees, the division shall issue the owner a registration  
16 certificate which shall state the following:

- 17 1. The date of issue.
- 18 2. The legal use of the property on which the dwelling unit is located.
- 19 3. The address of the property on which the dwelling unit is located.
- 20 4. The owner's name and address.
- 21 5. A registration number.
- 22 6. The date of expiration.
- 23 7. Any other pertinent information as determined by city.

24 D. The registration certificate shall expire one year from issuance or upon a change of  
25 ownership of the dwelling unit.

#### 16 **15.49.070 Annual Inspection.**

17 A. The division shall cause each registered dwelling unit to be inspected at least once  
18 annually for compliance with applicable state and city laws relating to zoning, building,  
19 health, safety and property maintenance. The division shall prepare an inspection schedule  
20 which provides at least thirty (30) days' notice to the owner prior to initial inspection.

21 B. Inspection shall include, but not limited to, all common area hallways, stairways,  
22 lobbies, utility rooms, laundry rooms, storage rooms, recreation rooms, grounds, refuse areas,  
23 parking areas, building extensions, signs and other areas designated as common areas for the  
24 purpose of identifying any threats to safety or health, including property maintenance  
25 standards. The division shall prepare inspection guidelines to be used in determining whether  
26 a certificate of inspection will be issued for a registered dwelling unit. The inspection  
27 guidelines shall be provided to the owner and shall be made available free of charge to the  
28 general public.

29 C. If, upon completion of the annual inspection, the dwelling unit is found to be in  
30 compliance with all applicable state and city laws, the city shall issue a certificate of  
31 inspection for the dwelling unit.

32 D. If, upon completion of the inspection, the dwelling unit is found to be in violation of  
33 one or more provisions of applicable state or city laws, the city shall provide written notice of  
34 such violations and shall set a reinspection date before which such violations shall be  
35 corrected. If such violations have been corrected within that period, the city shall issue a  
36 certificate of inspection for the dwelling unit. If such violations have not been corrected  
37 within that period, the city shall not issue the certificate of inspection and may take any action

1 necessary to enforce compliance with applicable state and city codes.

2 E. Nothing in this section shall preclude the inspection of a dwelling unit more frequently  
3 than once a year or upon receipt of a complaint regarding that dwelling unit.

4 **15.49.080 Reinspections.**

5 If reinspections of a dwelling unit are necessitated by the existence of violations of  
6 this chapter or any other state or city law relating to zoning, building, health, safety and  
7 property maintenance, the owner shall pay all costs incurred by the city in obtaining  
8 compliance with the provisions of this chapter.

9 **15.49.090 Interior Inspections.**

10 Where the exterior inspection provided for in this chapter reveals evidence of possible  
11 interior defects or an extreme state of exterior dilapidation exists, the city may make an  
12 interior inspection of the dwelling unit. The city shall be authorized to inspect the interior of  
13 any dwelling unit for the purpose of enforcing state or city laws only if:

- 14 1. Such inspection is at the request of or with the consent of the occupant or  
15 owner; or
- 16 2. Unit is vacant or between occupancies, if authorized by law; or
- 17 3. Pursuant to a warrant or other court order.

18 **15.49.100 Certificate Availability.**

19 Upon the request of the city or an existing or prospective occupant, the owner of a  
20 dwelling unit shall produce the registration certificate and the certificate of inspection.

21 **15.49.110 Certificate Transferability.**

22 A registration certificate and a certificate of inspection issued pursuant to this chapter  
23 shall not be transferable to succeeding owners.

24 **15.49.120 Other Actions, Prosecutions, Court Cases.**

25 Nothing in this chapter shall prevent the city from taking action under any of its fire,  
26 housing, zoning or other health safety codes for violations thereof to seek injunctive relief or  
27 criminal prosecution of such violations. The enforcement of this chapter by a criminal, civil  
28 or administrative action shall not relieve the owner of the obligations under this chapter.

**15.49.130 Appeals.**

Any dispute arising between the city and the owner of a dwelling unit registered and  
inspected pursuant to this chapter may be reviewed by or appealed to the Code Enforcement  
and Housing Advisory Appeals Board established pursuant to City Council Resolution R-27-  
94. The appeal must be filed in writing within seven days after notification of the city's  
actions and must state with particularity the reason for the appeal. The owner shall have the  
right to appear and to be represented by counsel. The Code Enforcement and Housing  
Advisory Appeals Board, after due and proper hearing, shall issue its order of decision in  
writing within 30 days of receipt of the written appeal. The decision of the Code Enforcement  
and Housing Advisory Appeals Board may be appealed to a court of competent jurisdiction in  
the manner provided by state law.

1 **15.49.140 Violations; Penalty.**

2 Any violations of this chapter shall be deemed a misdemeanor and shall be punished  
3 as provided in section 15.04.010 of this code.

4 **15.49.150 Public Nuisance.**

5 Any violation of this chapter is hereby declared to be a public nuisance. The Chief  
6 shall have the authority to require correction of any violations identified through inspection by  
7 using the procedures set forth in chapter 8.04 of this code, Health and Safety Code Section  
8 17980, Revenue and Taxation Code Sections 17274 and 24436.5 and any other applicable  
state or federal law. In addition to any other relief provided by this chapter, the city attorney  
may apply to a court of competent jurisdiction for an injunction to prohibit the continuation of  
any violation of this chapter. Such application for relief may include seeking a temporary  
restraining order, temporary injunction and permanent injunction.

9 **15.49.160 Time for Compliance.**

10 All dwelling units subject to the requirements of this chapter shall register with the  
11 city's code enforcement division within 60 days of the effective date of this chapter. In the  
12 event of a change of ownership of a dwelling unit subject to the requirements of this chapter,  
13 the new owner must register such dwelling unit with the city's code enforcement division  
14 within 30 days of such change of ownership. No inspection fee shall be required of the new  
15 owner after a change of ownership provided that the previous owner has paid all inspection  
fees and has complied with all requirements of this chapter and any notices from the city  
concerning violations of health, fire, safety, building or zoning codes of the city.  
Notwithstanding the foregoing, upon a change of ownership, the new owner shall be required  
to pay a registration fee.

16 **15.49.170 Late Filing Penalties.**

17 Any owner who fails to register a dwelling unit as required by this chapter shall pay a  
18 penalty of ten percent (10%) of the registration and inspection fee established by resolution of  
the city council for each month or part thereof after the date such registration is required.

19 **15.49.180 Maintenance of Records.**

20 All records, files and documents pertaining to the requirements of this chapter, except  
21 business licenses, shall be maintained by the code enforcement division and made available to  
the public as allowed or required by state law or city ordinance."

22 **SECTION 2:** The City Council hereby finds that this Ordinance is categorically  
23 exempt from further environmental review pursuant to the California Environmental Quality  
24 Act (Pub. Resources Code, sec. 21000 *et seq.*) ("CEQA") because, pursuant to Section  
25 15321(a), Class 21, Category (a) of the State CEQA Guidelines, the Ordinance constitutes the  
enforcement of a law administered or adopted by the City as a regulatory agency. City staff is  
hereby directed to file a Notice of Exemption with the County Clerk within three (3) days  
following the adoption of this Ordinance.

26 **SECTION 3:** The City Clerk shall certify to the passage of this Ordinance and cause  
27 the same or a summary thereof to be published within fifteen (15) days after adoption in a  
28 newspaper of general circulation, printed and published in Colton, California, and the  
Ordinance shall take effect thirty (30) days after its enactment in accordance with the  
provisions of California law.

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**PASSED, APPROVED, AND ADOPTED**, this \_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor

**ATTEST:**

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EILEEN C. GOMEZ, CMC  
City Clerk