

**DRAFT # 1-----Review and add July 19, 2007**

**Review, Revise & update August 8, 2007-Revision August 12, 2007**

June 26, 2007

Proposal to amend Section 5.90.020 (Definitions) of Chapter 5.90 (Rental Housing) of Title 5 (Business Regulations and Licenses) of the Barstow Municipal Code is hereby amended by adding subdivisions -----.

The following proposal contains three sections that amend the City of Barstow existing rental property registration Ordinance.

Executive Summary: **Pages 6-7-8**

### **SECTION I. Proposal to Establish Rental Housing Standards**

I. The purpose of this proposal is to insure that all rental property in the City of Barstow meets the highest standards of health, safety and habitability. Identification of legal ownership, absentee ownership, property managers or other entities charged with management or oversight of the property is a necessary component.

See Code Section Amendment 5.90.040 – requirement of residential rental unit registration program.

II. In order to determine that rental property in the City of Barstow meets the highest standards of health, safety and habitability the City of Barstow will establish a rental property inspection system.

III. Initial inspections will commence within 6 months of the passage of this amended ordinance.

IV. Inspections will be conducted in accordance with recommended Housing Quality Standards established by the United States Department of Housing and Urban Development.

V. Inspections will incorporate examination of existing rental or lease agreements between owner or owner's designee and tenant.

VI. Cost of Inspections will be assessed to the legal owner of the property.

## **SECTION II. Housing Quality Standard – Health –Safety-Right to Peaceful Enjoyment**

I. United States Department of Housing and Urban Development incorporates Housing Quality Standards in form HUD-52580-A.

Health, Safety, Right to Peaceful Enjoyment of their residences by persons residing in the rental unit or in vicinity of the rental unit details are contained in form HUD-52641-A. Specific Activities that are a violation include:

A. Criminal activity or alcohol abuse may result in imposition of fines to the owner of the rental unit if the tenant or any member of the tenant's household, a guest or another person under the tenant's control commits any of the following types of criminal activity:

1. Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents.
2. Any criminal activity that threatens the health or safety of, or right to peaceful enjoyment of their residencies by persons residing in the immediate vicinity of the premises.
3. Any violent criminal activity on or near the premises; or
4. Any drug-related criminal activity on or near the premises.
5. Any vandalism including graffiti committed by the tenant or any member of the tenant's household, a guest or another person under the tenant's control.

B. Owners of rental units are responsible for tenant behavior that creates any of the following:

1. Disturbance of neighbors,
2. Destruction of property, or
3. Living or housekeeping habits that cause damage to the unit or premises.

**SECTION III. Classifications of Property – Registration – Fees - Inspection Schedule**

**I. Classification of Property-by-Property Type.**

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|--|--|
| A. Single Family Detached<br>Duplex or Two Family<br>Town Home<br>Condominium<br>Low Rise 3-4 Stories<br>Garden Apartments<br>High Rise 5 or More Stories<br>2-5 Units Multifamily | 6-16 Multifamily<br>16 Units or More<br>Manufactured Home<br>Congregate<br>Cooperative<br>Independent Group Residence<br>Single Room Occupancy<br>Shared Housing |
|--|--|

**B. Residential rental registration: AMEND CODE SECTION 5.90.040 OF EXISTING ORDINANCE.**

C. Fee Schedule determined by property type, number of units, any exclusions determined by legal or public policy decisions.

**1. Suggested fee to consider – flat fee for Single Family, Duplex or Two Family, Town Home, Condominium.<sup>3</sup>**

**2. Fee per unit for multifamily complexes under 6 units.**

**3. Fee per unit for multifamily complexes of 6-16 units.**

**4. Fee per unit for multifamily complexes of 16 units or more.**

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<sup>3</sup> Appendix 1

**5. Fee per unit Manufactured Home.**

**6. Fee per unit Congregate, Cooperative, Independent Group Residence.**

**7. Fee per occupant single room occupancy, shared housing.**

D. Inspection Schedule:

**Initial Inspection within 30 days of Rental Property Registration filing.**

Inspections to be on quadrennial basis **after initial inspection** subject to any violations of City Ordinances, HUD Housing Quality Standard, Emergency event, Habitability, Health or Safety complaints.

**Methodology: Option # 1.**

Divide the City of Barstow by Census Tracts – establish inspection schedule in 12 month increments.

Update data base as new properties are added after initial inspections. Remove properties that cease to be rental properties.

Publish dates of inspection of specific areas on the City's web site. **Example:**

**Scheduled Inspections for area 0094.00 within 12 months.**

**Scheduled Inspections for area 0093.00 within 24 months.**

**Scheduled Inspections for area 0095.00 within 36 months.**

**Scheduled Inspections for areas 00118.00, 00120.00, 00121.00 within 48 months.**

The City could be divided into sub-divisions within Census Areas. By using HUD's Qualified Census Tract Locator, which delineates the Low –income Housing Tax Credit tracts. This is accessed through HUD's User GIS Service.

**Methodology: Option # 2.**

Inspections to be on a biennial basis **after initial inspection** subject to any violations of City Ordinances, HUD Housing Quality Standard, Emergency event, Habitability, Health or Safety complaints.

Divide the City of Barstow by Assessor Parcel Numbers – Lot and Tract- Define neighborhoods with concentrations of rental properties.

Establish inspection schedule in two 12 month increments. Update data base as new properties are added after initial inspections. Remove properties that cease to be rental properties.

Publish dates of inspection of specific areas on the City's web site. **Example:**

Scheduled Inspection for A.P. 0183-051-09-000 Lot 18, Tract 2770 within 12 months.

Scheduled Inspection for A.P. 0422-213-13-0000 Lot 23, Tract 7191 within 24 months.

This method would be more costly for the City. By incorporating exceptions to the schedule the City could still insure the integrity of the inspection ordinance, such as the habitability, code violation, disruption of neighborhood and items detailed by HUD in their guidelines for Section 8 Housing Choice Voucher program.

The inspection form HUD-52580-A used by HUD is comprehensive it is recommended that the City consider using this form or a similar vehicle.

## EXECUTIVE SUMMARY

The City of Barstow authorized the retention of a consultant to analyze the effects of Section 8 housing on Barstow, if negative effects are found, to develop strategies to mitigate these effects.

A strategy proposed by the consultant addressed all rental property in the City of Barstow. The broader mission was consistent with previously enacted City policy, in the form of the Rental Registration Ordinance.

Adhering closely to the United States Department of Housing and Community Development regulations for **Housing Quality Standards** (HQS), Inspection procedures, Maintenance, Tenant Screening, Tenant Obligations, Owner Obligations the Pilot Program developed will insure the preservation of clean, decent, safe housing in the City of Barstow.

Project Manager, Jeanette Hayhurst and Consultant, Patricia Neal assembled a Core Group of community stakeholders to help gather information to fully initiate the existing Rental Registration Ordinance. The group represented Barstow Police Department, Barstow School District, Alliance Property Management and the Barstow economic development department.

The first meeting of the Core Group provided insight into the problems a community encounters with a large rental population, increased numbers of non-owner occupied properties and investor/speculator owned properties.

Some key points raised by the Core Group were the need for enforcement of existing ordinances, including HUD and the Public Housing Authority rules, regulations and guidelines. Success depends on identifying the property owners, educating them as to their responsibilities; and then putting in place an enforcement mechanism.

Additional problems surfaced concerning the impact on schools due to truancy, an increase in criminal activity that includes juvenile vandalism. The deterioration of the overall housing stock due to deferred maintenance, which has resulted in blighted neighborhoods.

The Core Group suggested expanding their number to include other stakeholders such as: representatives of the Sheriff's Department, Highway Patrol, Fire Department, Caltrans, Realtor Association, and the utility companies.

This expanded group addressed the following question –

**What challenges are your agency, organization or business facing due to the increase in the renter population in Barstow?**

The Core Group discussed at length possible solutions to problems and challenges emerging in the City of Barstow, due to the increase in its low-income renter population. The group agreed that owning rental property is a business; therefore requiring a business license is one item to be considered. This revenue could help defray the added budget costs for police, fire, schools, emergency services and other public assistance needs.

Information gleaned from the Core Group suggests significant changes are occurring in the tenant population of the city.

Barstow has the lowest housing prices in San Bernardino County. Rental rates follow the same pattern. Two bedroom units in San Bernardino City are approximately \$825 a month. The same size unit in Barstow is \$650.00 a month.

One specific U.S. Census Tract 0094.00 has the largest number of very low and low-income residents in the City of Barstow. After analyzing data from a title company, it appears that the percentage of absentee owners/landlords in this area is 42%. The rental stock consists primarily of single-family homes. If the pattern of absentee ownership appears in other areas of the City than the need to identify owners/landlords is critical.

Information from the Barstow Police Department noted that they have few problems with the County Housing Authority owned and managed units in Barstow. According to the police the rental properties owned privately have the most problems due to a lack of oversight or local management.

Barstow may see an increase in costs to provide adequate services to incoming tenants. The issues noted by the Core Group will necessitate added budget increments for the affected departments.

There are several areas the City can look for additional funds. The Core Group mentioned that owning a rental unit is a business therefore the owner should pay a license fee. Another area to look is the Rental Registration Ordinance. The Ordinance provides a vehicle to incorporate many of the suggestions from the Core Group. For example the Ordinance could include the following:

1. Require owners/landlords to follow HUD rental guidelines for all tenant applications.
2. Encourage owners/ landlords to adopt the “ Crime Free Multi-Housing Program” for all rental units.<sup>1</sup>
3. Provide training for owner/landlords showing the benefits of applicant screening, code compliance, proper maintenance, developing a fire safe environment and life safety awareness.
4. Annual inspection of the property, this would be in addition to the initial and subsequent annual inspection on HUD Section 8 Housing Choice Voucher rentals.<sup>2</sup>
5. Enforcement of HUD occupancy rules for Section 8 Housing Choice Voucher rentals, applying the rules to all rental housing.
6. Encouraging property owners to seek help from the City in dealing with problem properties or tenants. Problems could include code violations, eviction procedure and fire /safety hazards caused by tenants.

Rental inspection programs are in place in a number of cities in California, more information on inspection programs is provided in **Appendix 2**.

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<sup>1</sup> see appendix

<sup>2</sup> see appendix

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## Appendix 1

**Footnote 1** – Crime Free Multi-Housing Program –the San Bernardino Sheriff’s Office has established a partnership with the San Bernardino Housing Authority to implement the Crime Free Multi-Housing program. This program addresses evictions, code enforcement, fire prevention, drug nuisance abatement and applicant screening. The Sheriff’s Office has said that since implementing the program there has been an 85% reduction in calls for service.

Included in the program is information on applicant screening, developing a fire safe environment and life safety awareness programs. The program includes a Drug Nuisance Abatement section that teaches the property owner or property manager how to spot the warning signs of drug activity; actions that must be taken if it is discovered the tenant or tenant’s guests are conducting drug activities at the property. The role of the police is explained.

**Footnote 2** – Representative Maxine Waters (CA-35) has proposed reforming the HUD Section 8 Housing Choice Voucher program. H.R. 1851 or the SEVRA Bill has passed the House of Representatives on 333-83 vote. At this time there is no companion Bill before the US Senate. However, it is likely one will be introduced in January 2008.

SEVRA has the following key elements that could impact the City of Barstow. The Bill proposes a change in the initial inspection. Currently, no payments are allowed until the initial inspection, the change would allow payment if failure to meet standards is a result of only non-life threatening conditions. Payments would be suspended if deficiencies cited were not corrected. The annual inspections are changed to biennial inspections.

**The Bill will not pre-empt State law or local ordinances on inspections. They would remain in place.**

There is legislation pending in California to address Sub-Standard Housing, AB 864 (Davis). The Bill would impose additional enforcement duties on local enforcement agencies. This is a State mandated program that requires the State to re-imburse local entities their costs of complying.

## Appendix 2

The city of Antioch in Northern California adopted a Rental Inspection Program, a proactive effort to tackle community blight and clean up poorly maintained properties. Los Angeles has an inspection program to identify code-enforcement violations and sub-standard housing. The City of Pasadena adopted their program in 1973. The City of Azusa has a comprehensive Rental Housing Inspection Program.

Many proposals for inspections seek to ensure code compliance for rental property and landlord accountability. Some of the ordinances developed include the following items:

- Establish a data base of all rental property
- Inclusion of an enforcement process
- Self-supporting funding mechanism
- Contain an inspection process for all rental property
- Impose fines on property owners for violations of the ordinance.
- Community and Rental property owner education
- Property management company incentives

Rental inspection programs can clean up rental stock, improve quality of life in the neighborhoods and increase the economic value of single-family homes and rental properties.

Additional benefits are increased property values; increased rental demand; decreased calls for police and other public safety services; decreased calls about problems with Code Enforcement and a higher quality of life for all renters and community residents.

**The California Supreme Court upheld rental Housing Inspection Programs in California and the right of California cities to charge rental property owners for inspections on January 9, 2001. In the case of the Apartment Association of Los Angeles County, Inc., et al. vs. City of Los Angeles, the Court found that a city ordinance imposing an inspection fee on private landlords does not violate article XIII D of the California Constitution, added by initiative measure, Proposition 218, in 1996.**

## **Continuation Appendix 2**

Questions to be addressed when adopting a Rental Housing Inspection Program:

What is the purpose of adopting a Rental Housing Inspection Program?

The program is designed to ensure that all rental property in the City of Barstow meets basic health and safety code standards. The program is designed to model the Section 8

Housing Choice Voucher inspection process. In addition, the program is designed to create safe housing for tenants, and not place an unnecessary burden on landlords. The program's goals include cleaning up the rental housing stock; identifying problem properties and neighborhoods; identifying the ownership and management of the rental property; improving the quality of life in Barstow neighborhoods and increase the economic value of single-family homes and rental properties in Barstow.

Why is this program necessary?

Barstow has a large renter population. The Core Group of community participants identified a number of problems the City is having with sub-standard rental properties, transients, overcrowding in rental units, vandalism by un-supervised juveniles in many heavily renter neighborhoods. Barstow schools have seen a large increase in truancy rates, which results in lost revenue.

State law requires cities to ensure that housing units meet minimum standards of habitability. In order to comply with this requirement, Barstow needs to identify the rental properties and owners. The city receives complaints from tenants, neighbors, rental property owners, and property managers concerning the lack of proper maintenance on many rental properties.

Will this program address the problem of absentee ownership?

Yes, enforcement of the existing Rental Registration Ordinance combined with the Rental Housing Inspection Program will make it possible to locate the owners of rental properties.

Will there be a regular inspection program schedule?

Yes, after the registration and initial inspection, a system will set up for inspections.

What type of fee schedule is proposed?

Unit type and number of units will determine the Rental Property Registration fee and Rental Property Inspection program fee.<sup>3</sup>

What items will be required for a single family home?

The HUD inspection form lists items such as: electricity, electrical hazards, security, window condition, ceiling condition, wall condition, floor condition, lead-based paint.

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<sup>3</sup> see Appendix 3

Site and neighborhood conditions are also listed these include: other buildings near the property that pose serious hazards; evidence of flooding or drainage problems; fire hazards.

Items to be inspected would also note any code infractions.

Who will be responsible for notifying the tenants of a pending inspection?

The property owner- landlord or property manager is responsible.

Who is responsible if the tenant refuses entry to the inspector?

The property owner-property manager will be notified with a notice to reset the inspection. If this is not successful, the enforcement authority will obtain a warrant to inspect.

Will there be a time certain for repairs and code violation corrections?

Yes, depending on the nature of the repairs and violations, if it is an emergency situation the time frame could be 24 hours. Normal repairs and code corrections would be 30 days with re-inspection set at the time of citation. There will be a process for extension of the time, with the imposition of an added fee per 30-day extension.

Will it be necessary to employ specified licensed contractors or will the owner/ management company be allowed to provide their own maintenance people or handymen?

That will depend on the type of repairs or corrections needed. Any code violations or items that need a permit will follow normal city requirements.

Will the city inspections be in addition to HUD Section 8 Housing Choice Voucher inspections?

Yes.

### **Appendix 3**

Suggested fee schedules based on a sampling of fee schedules existing in other California communities.

**Single Family Residence – Condo, Cooperative, Independent Group Residence –SRO- Shared Housing** \$30.00 to \$121.00 – Re-inspection fee if violation found \$50.00 plus \$50.00 per violation. One community assesses the re-inspection if a violation is found at the time and cost accrued by the city.

**Suggested for the City of Barstow**

	Registration Fee	\$ 50.00
	Inspection Fee	\$100.00
	Re-inspection Fee	\$100.00
<b>Multiple Units - 2-4 units</b>	Registration Fee	\$ 50.00
	Inspection Fee	\$200.00
	Re-inspection Fee	\$200.00
<b>Multiple Units under 6 units</b>	Registration Fee	\$ 100.00
	Inspection Fee	\$ 250.00
	Re-inspection Fee	\$ 250.00
<b>Multiple Units 6-16 units</b>	Registration Fee	\$ 200.00
	Inspection Fee	\$ 350.00
	Re-inspection Fee	\$ 350.00
<b>Multiple Units of 16 or more</b>	Registration Fee	\$ 400.00
	Inspection Fee	\$ 550.00
	Re-inspection Fee	\$550.00
<b>Manufactured Home</b>	Registration Fee	\$50.00
	Inspection Fee	\$100.00
	Re-inspection Fee	\$100.00

**Recommendations to consider –**

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1. Establish a Citizen Advisory, utilizing the Core Group.
2. Work with the Barstow Schools to address the truancy problem.
3. Encourage use of the Crime Free Multi-Housing Program.
4. Develop a partnership with Caltrans, public safety, law enforcement and the City to resolve the graffiti problem.
6. Clearly define enforcement procedures and responsibilities to insure success of the registration and inspection programs.
7. Develop an outreach/education program for property owners, tenants and property managers.
8. Consider the development of a recognition –reward program for property owners and property managers.

**For Example:** Certificates could be awarded to rental property owners with the most improved property.

Property managers could be awarded a special status of excellence. One community established a point system giving a “STAR” to the Firms that scored 100%.

9. Utilize the City’s Economic Development department to promote the program.
10. Encourage tenants and property owners to become community involved by establishing area advisory committees led by members of the Core Group Citizens Advisory Council.