



## CITY OF HAYWARD

### AGENDA REPORT

AGENDA DATE 07/27/99

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM WS #2

**TO:** Mayor and City Council

**FROM:** Director of Community and Economic Development

**SUBJECT:** Residential Rental Inspection Program

#### **RECOMMENDATION:**

It is recommended that the City Council review and comment on possible changes to the Residential Rental Inspection Program.

#### **BACKGROUND:**

On January 19, 1999 Council reviewed a report which contained information about the purpose, history, staffing, inspection charges and operating procedures and policies of the Residential Rental Inspection Program. As a result of this review, in conjunction with adoption of the budget Council authorized the imposition of penalty fees in cases where an inspector is repeatedly denied access to a unit. This hopefully will help speed-up the compliance process.

In addition, staff has since looked into two other issues raised at the work session: (1) modifying the content and format of the List of Common Building and Housing Code violations which property owners must address as part of the mandatory inspection process; and (2) examining the current fee schedule to see if changes would be desirable.

#### **DISCUSSION:**

##### Common Code Violation List

Exhibit A is a totally revised version of the previous list reviewed by Council (Exhibit B). Instead of one lengthy list of violations, it has been reformatted to list violations by the type of violation – building code, electrical code, etc. It is less repetitive, and it is written in a more friendly, conversational style, which we believe will make the document easier to understand.

Staff investigated the feasibility of reducing the type and/or number of items cited, without undermining one of the program's basic tenets – maintenance of a minimum standard of habitability.

The result of this review revealed that the majority of items on the list are directly derived from building, electrical, mechanical and plumbing code standards. Other items deal with maintenance, that is, whether fixtures, equipment, wiring etc. are maintained in good condition. Although some maintenance items are subjective, since they involve making a judgement about the degree of deterioration, they are important to insuring a safe and habitable unit. These items are derived from the Housing Code definition of a substandard building, which states: "conditions exist to the extent wherein the **welfare** of occupants is compromised"; and the Rental Inspection Ordinance statement of purpose which is to safeguard the stock of decent housing.

#### Alternative Fee Structure

Current inspection fees (including penalty charges) are contained in the City's Master Fee Schedule (see Exhibit C). Charges are based on the total cost of inspecting a property, inspector salary and benefit costs, field and office supplies, car rental costs, clerical support etc. The site visit charge is \$100 per inspection. For multi-family properties an additional charge of \$40 is levied for each unit found to contain a violation(s) during the initial survey, and a similar fee is assessed for each reinspection. Because the mix and number of single and multi-family units inspected (and the quality of their maintenance) varies considerably from year to year, so does the revenue generated.

When the Rental Inspection Program was initiated (1989), a goal of the Program was that it be 100% self-supporting. During the period 1994-98, approximately 55% of the Program's costs, or \$164,000 a year, was recovered. The other 45% of the Program costs was supplied by the general fund.

In addition to being an unstable source of revenue, the existing fee structure requires substantial staff time to be devoted to issuance and collection of bills and handling and resolving complaints about the charges. Further, the current system of charging a fee for each unit with a violation is unpopular with many landlords. Some are convinced violations are cited only to justify an inspector's salary, while others believe charging for a violation that is not an imminent hazard is picky.

At the last work session staff was asked to examine the concept of using a registration fee in lieu of the present fee schedule. In response to this request, staff has developed an alternative fee structure for Council's consideration. Under this alternative, fees for both single family and multifamily properties would be flat charges, regardless of the number of units with violations or the number of violations in a unit. This system would eliminate the need to bill a property owner for inspection fees at the same time money is needed to make repairs or upgrade property. It would also provide a stable source of income to the City.

The proposed alternative would establish an annual fee of ten dollars (\$10.00) per unit in lieu of the current fee contained in the Master Fee Schedule. This scheme would provide a certainty of cost to the property owner and could be budgeted for in advance. The fees would cover the cost of the initial survey and one reinspection. For those who don't complete the work by then, penalty fees would be applied, as is now the case. This method of charging would also eliminate the concern of some property owners that staff must find violations to pay

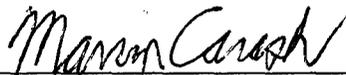
for the program. Based on the current estimate of the number of single family and multi-family rental units (19,500), this fee would generate about \$195,000 annually. While this new fee would increase the revenue generated to about 65% of Program costs, this still would be short of full recovery.

Presently, owners of four or more rental units must obtain a City business license. The fee for the license, which is based on gross rental receipts, generated \$50,691 (including \$3,066 in penalty charges) the past fiscal year. This money goes directly into the general fund and is not allocated for support of the Program.

**SUMMARY:**

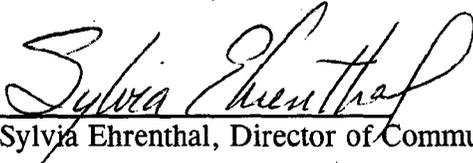
Council members may wish to comment on their reactions to the annual, standardized fee for all units as opposed to the current practice of changing only for units with violations, as well as the reformatted and modified list of corrections. Staff intends to contact the Rental Housing Owner's Association (RHOA) over the summer to obtain their input regarding the proposed revisions. The matter then will be brought back for Council action in September.

Prepared by:



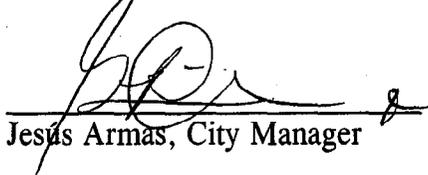
Marvin Carash, Development Inspection Services Administrator

Recommended by:



Sylvia Ehrental, Director of Community and Economic Development

Approved by:



Jesus Armas, City Manager

Attachments: Exhibit A - Revised Inspection List  
Exhibit B - Previous Inspection List  
Exhibit C - Rental Inspection Fee Schedule

**EXHIBIT A**  
**CITY OF HAYWARD**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**RENTAL INSPECTION PROGRAM**

**INSPECTION LIST/CORRECTIVE MEASURES**

- A. Inspection for code compliance is based on the Building, Housing, Electrical, Plumbing and Mechanical Code in effect at the time of original construction or subsequent additions or repairs. The following standard list of items will be cited if uncorrected. However, if the inspection reveals the existence of other serious code violations they must also be corrected.**
- B. Pursuant to City regulations, the owner of a rental unit is only allowed to pull a building permit. Electrical, plumbing or mechanical permits must be pulled by a State licensed contractor**
- C. The 1998 California Building Code (Section 310.9) requires owners of residential dwellings to install smoke detectors whenever a building permit is issued for additions, alterations or repairs and the valuation of the work exceeds \$1,000. Therefore, smoke detectors (where not existing) must be installed in each sleeping room and at a point centrally located in the corridor or area giving access to each sleeping area.**
- D. For questions about this list, the inspection process, or fees, please contact your housing inspector (see page 1 of letter).**

**BUILDING CODE ITEMS**

- Replace damaged areas of roof rafter tails, eaves or soffit that contain significant dryrot and paint new construction. **Building permit required.**
- Repair or replace substantially deteriorated wall or siding. **Building permit may be required depending on extent of damage.**
- Replace missing or defective underfloor or roof eave vents and screens.
- Repair or replace defective stairways or railings.
- Repair or replace defective, loose or deteriorated balcony support posts, railings or deck.
- Replace substantially deteriorated roof. **Building permit required.**
- Repair or replace deteriorated fence or fence post(s).
- Replace damaged shower wall. **Building permit required.**
- Repair or replace damaged subfloor, underlayment or vinyl covering. **Building permit may be required depending on extent of damage.**
- Repair or replace improperly modified or damaged window to conform to code and to operate easily.
- Remove door between bedroom and garage and replace with approved wall. **Building permit is required.**
- Repair wall damage and tape all joints on one-hour firewall adjoining garage.
- Install missing self-closer on door between living area and garage.

- Remove non-solid core door between living area and garage and install solid core door (1 3/8" minimum thickness).
- Reconvert unauthorized living area back to a functioning garage. **Building permit required.**
- Remove patio cover, shed or other external or interior improvements built without permit(s), or obtain necessary permits and zoning approval.
- Replace inside keyed deadbolt lock on front exit door with thumb-operated lock.

### **HOUSING CODE ITEMS**

- Repair or replace substantially damaged front or rear exit door.
- Replace defective or missing gutter/downspouts with galvanized or aluminum replacements.
- Replace missing light cover adjacent to front and/or rear exit door.
- Replace missing unit, building or property street address number(s).
- Repaint exterior areas that are severely peeling, flaking or otherwise deteriorated so that weather protection is compromised.
- Repair significantly cracked or chipped sink or basin or replace.
- Repair or replace inoperable exhaust fan and/or missing grease screen.
- Repair or replace defective lock, handle, rollers or cracked glass in sliding door.
- Eliminate insect or rodent infestation to prevent potential health and/or safety problems.
- Tighten floor bolts and/or install new wax ring to eliminate toilet leak.
- Repair or replace leaking sink trap, water supply valve and/or missing sink, tub, shower or toilet valve handle.
- Replace missing or defective smoke detector.
- Clean track, install glides and/or repair bedroom window (emergency exit) so it easily opens.
- Repair or replace and paint substantially damaged sheetrock or ceiling.
- Remove all flammable and non-flammable materials stored in water heater room or closet.

### **ELECTRICAL CODE ITEMS**

- Replace missing circuit breaker tie bar, breaker cover or door cover.
- Correctly label circuit breakers or fuses.
- Install spacers to cover unused openings in electrical panel.

- Rewire defective front or rear light fixture. **Electrical permit required.**
- Replace ungrounded three prong electrical receptacles with 2 prong receptacles, equipment grounding conductors or GFCI.
- Remove illegal wiring and/or unpermitted extension cords.
- Replace missing weatherproof outlet cover(s).
- Repair or replace defective range top, burner unit or oven.
- Repair or replace defective electrical switch, receptacle or missing cover.

### **PLUMBING CODE ITEMS**

- Replace missing or improperly installed water heater temperature and pressure relief drainline with a ¾" hard drawn copper or galvanized pipe extended to exterior. (Line must point down and terminate within 6" above grade.)
- Install one strap at top and one at bottom of water heater to conform to seismic standards.
- Replace broken water heater shut-off valve.
- Install missing dishwasher air gap.
- Install missing garbage disposal cable connector and/or secure unclamped wire.
- Replace plastic drain assemblies (p-trap) with copper or metallic pipe.

### **MECHANICAL CODE ITEMS**

- Secure water heater flue joint(s) to provide proper ventilation.
- Clear material blocking passage of air through water heater or furnace combustion air vent(s) or install new vents (minimum size 50 sq. in. per vent).
- Replace or secure missing or loose wall heater cover.
- Replace broken wall heater shut-off valve/handle.

EXHIBIT B  
CITY OF HAYWARD  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
RENTAL INSPECTION PROGRAM

Please Note: Inspection for code compliance is based on the Building, Housing, Mechanical, Plumbing and Electrical Code in effect at the time of construction or subsequent additions or repairs. For your convenience, the following is a list of the most common violations found during past inspections. However, should other violations of the above codes be discovered they will also be cited.

**LIST OF COMMON CODE VIOLATIONS/CORRECTIVE MEASURES**

**STRUCTURAL/GENERAL**

- 1) Reskin/replace front/rear door.
- 2) Replace gutter/downspout, galvanize or aluminum required.
- 3) Trim defective; renail and caulk.
- 4) Exterior front/rear light missing globe; replace.
- 5) Unit, building or structure address number missing; replace.
- 6) Entry door lacks weather-stripping; install.
- 7) Exterior wood or trim flaking or peeling to the extent weather protection is compromised; repaint.
- 8) Underfloor vents defective or missing; replace screens.
- 9) Exterior stairways, treads or railings defective; repair or replace.
- 10) Balcony support posts loose or deck or posts deteriorated or cracked; repair, replace or secure.
- 11) Roof substantially deteriorated; replace. Building permit required.
- 12) Circuit breaker tie bar/dead front and/or door cover missing; replace.
- 13) Substantial holes in driveway and/or parking area; repair with asphaltic concrete (black top) or concrete.
- 14) Ungrounded electrical outlets require two prong receptacles.
- 15) Exterior front/rear light defective; rewire, electrical permit required.
- 16) Exterior electrical receptacle not grounded; ground or install GFCI in outlet.
- 17) Deteriorated walls or siding; repair or replace.

- 18) Raised cracks in walk area; repair to avoid tripping.
- 19) Structure (e.g. patio cover, shed) built without permit(s) and/or unauthorized garage conversion; if zoning regulations permit (contact Development Review Services Division @ 583-4200). Obtain building permit etc., or remove structure or reconvert garage.
- 20) Deadbolt lock on the only exit door is keyed on the inside; replace lock.
- 21) Secure threshold.
- 22) Replace/paint dryrotted rafter tails.
- 23) Replace/paint dryrotted eaves/soffit.
- 24) Install eave vents.
- 25) Bus bar exposed in electrical panel; install spacers.
- 26) Replace exterior weatherproofing outlet cover.
- 27) Repair fence; replace post.
- 28) Insect or rodent infestation; hire exterminator.
- 29) Ungrounded electrical outlets; install two prong receptacles.
- 30) Circuit breakers or fuses not labeled; label correctly.
- 31) Sheetrock damaged; repair or replace and paint.
- 32) Water heater or furnace lacks adequate combustion air; unblock vent(s) or install two new vents, one each at top and bottom, minimum size 50 sq. inches per vent.

### **KITCHEN**

- 1) Sink is cracked, chipped, or glaze worn off; repair or replace.
- 2) Sink trap defective or faucet angle stops leak; repair or replace.
- 3) Sink drains very slowly; clear drain.
- 4) Armored cable connector at disposal is loose or missing, or wire into disposal is not clamped; tighten or install connector as necessary and/or clamp wire.
- 5) Range top, oven or burner unit defective; replace.
- 6) Range exhaust fan not operating, runs slowly or filter missing; repair or replace.

- 7) Self-closer missing on door to garage; install closer.
- 8) Door to garage is not solid core; change door to 1 3/8" minimum thickness.
- 9) Defective counter top; repair.
- 10) Plastic drain assemblies (p-trap); replace with copper or metallic pipe.
- 11) Gas leak; call P.G. & E. and/or plumber; repair leak.
- 12) Window(s) cracked, lock defective, or frame broken; repair or replace.
- 13) Repair window to open.
- 14) Three prong electrical receptacles ungrounded; install equipment grounding conductor or GFCI.
- 15) Electrical switch/receptacles defective or covers missing; replace.
- 16) Dishwasher air gap missing; install.
- 17) Water heater or furnace lacks adequate combustion air; unblock vent(s) or install two new vents, one each at top and bottom, minimum size 50 sq. inches per vent.

## **BATHROOMS**

- 1) Plastic drain assemblies (p-trap); replace with copper or metallic pipe.
- 2) Bathtub or sink drain very slowly; clear drain.
- 3) Basin is cracked, chipped, or loose; replace and/or secure as needed; caulk at rear of basin.
- 4) Toilet loose or leaks; tighten floor bolts and/or install new wax rings as needed.
- 5) Toilet tank or tank cover is cracked, chipped or broken; replace.
- 6) Defective shower door, panel(s) cracked or rollers worn; repair or replace.
- 7) Water supply valves leaking or valve handle missing (sink, tub, shower or toilet); repair or replace.
- 8) Base of shower/tub wall or floor at base of tub inadequately caulked, or tiles need to be repaired; replace or install grout or caulk as needed.
- 9) Bath fan not operating or runs slowly; repair or replace.
- 10) Ungrounded electrical outlet; install two prong receptacles.
- 11) Three prong electrical receptacles ungrounded; install equipment grounding conductor or GFCI.

- 12) Damaged subfloor/underlayment; repair.
- 13) Window(s) cracked, lock defective, or frame broken; repair or replace.
- 14) Repair window to open.
- 15) Electrical switch/receptacles defective or covers missing; replace.

### **BEDROOMS**

- 1) Window(s) too hard to open to function as emergency access; clean track and/or install glides to open easily.
- 2) Smoke detector battery missing or defective; replace.
- 3) Bedroom window emergency egress improperly modified; replace window. Building permit required when window is reframed.
- 4) Door to garage prohibited; remove door and replace with approved wall per code. Building permit required.
- 5) Sliding doors cracked, roller worn, handle or lock defective; repair or replace.
- 6) Window(s) cracked, lock defective, frame broken; repair or replace.
- 7) Repair window to open.
- 8) Ungrounded electrical outlets require two prong receptacles.
- 9) Electrical switch/receptacles defective or covers missing; replace.
- 10) Sheetrock damaged; repair or replace and paint.

### **HALL/STAIRS**

- 1) Stairways, treads or railings defective; repair or replace.
- 2) Smoke detector missing, battery missing or defective; replace.
- 3) Install wall heater flue to code. Mechanical permit required.

### **GARAGE, LAUNDRY OR HEATER ROOM**

- 1) Hole or damage in one-hour fire protection wall; repair and tape all joints.
- 2) Hot water heater lacks Temperature Pressure and Relief (TPR) valve; replace.
- 3) TPR drain line is missing or non-complying. Extend 3/4" hard drawn copper or galvanized pipe to exterior pointing down 6" above grade.

- 4) Unapproved or broken gas line shut off valve to water heater or other appliance; replace.
- 5) Water heater not secured to meet seismic standards. Install one strap at top and one at bottom.
- 6) Furnace cover not correctly secured or needs approved gasline; secure cover and/or install line per code.
- 7) Water heater or furnace lacks adequate combustion air; unblock vent(s) or install two new vents, one each at top and bottom, minimum size 50 sq. inches per vent.
- 8) Fire taping or sheetrock damaged; repair.
- 9) Water heater or furnace flue(s) improperly secured; install 3 screws in each flue joint.
- 10) Gas leak; call P.G. & E. and/or plumber; repair leak.
- 11) Flammable materials improperly stored; remove.
- 12) Door between garage and living area lacks self-closing device; install closer.
- 13) Raise water heater 18" above garage floor.
- 14) Install dryer vent to exterior terminating in a damper flap.
- 15) Illegal wiring and/or extension cords; remove.

### **LIVING ROOM/FAMILY ROOM/DINING AREA**

- 1) Sliding doors cracked, roller worn, handle or lock defective; repair or replace.
- 2) Window(s) cracked, lock defective, or frame broken; repair or replace.
- 3) Repair window to open.
- 4) Ungrounded electrical outlets require two prong receptacles.
- 5) Electrical switch/receptacles defective or covers missing; replace.
- 6) Wall heater cover loose; secure.

**◆FOR QUESTIONS ABOUT THIS LIST, PLEASE CONTACT THE HOUSING INSPECTOR (SEE PAGE 2 OF LETTER).**

**◆PLEASE NOTE THAT PURSUANT TO CITY CODES, THE OWNER OF A RENTAL UNIT IS ONLY ALLOWED TO PULL A BUILDING PERMIT. ELECTRICAL, PLUMBING OR MECHANICAL PERMITS MUST BE PULLED BY A LICENSED CONTRACTOR.**

## EXHIBIT C

### Current Rental Inspection Fee Schedule

#### C. RENTAL HOUSING AND HOTEL INSPECTION FEES

a.	Request for 1 <sup>st</sup> extension to postpone initial inspection (survey)	No charge
	Request for 2 <sup>nd</sup> extension to postpone initial inspection (survey)	\$ 50.00 penalty
b.	Inspection, report, and enforcement actions pursuant to Hayward Municipal Code, Chapter 9 Article 5	
	(1) Initial inspection (survey) of a parcel containing two or more rental housing units, hotel or motel. (No per unit charge for a complaint involving one unit.)	\$100.00 per parcel + \$40.00 per unit or motel/hotel room containing a code violation.
	(2) Re-inspections	
	First two re-inspections	\$100.00 per parcel + \$40.00 per unit or motel or hotel room found to contain a code violation during the prior inspection.
	Third re-inspection	Same as above + \$100.00 penalty.
	Fourth re-inspection	Same as above + \$200.00 penalty.
	Fifth and subsequent re-inspections	Same as above + \$300.00 penalty.
	(3) Initial inspection (survey) of a parcel containing one single family rental housing unit (including a condominium or other common-wall dwelling unit, e.g., townhouse) or one rental housing unit in one duplex	\$100.00
	Concurrent inspection of two or more single-family dwelling units owned by the same owner in the same development	\$100.00 + \$40.00 per unit containing a violation
	(4) Re-inspections	
	First two re-inspections	\$100.00 each
	Third re-inspection	\$100.00 + \$100.00 penalty
	Fourth re-inspection	\$100.00 + \$200.00 penalty
	Fifth and subsequent re-inspections	\$100.00 + \$300.00 penalty
	Concurrent re-inspections of two or more single-family dwelling units owned by the same owner in the same development	\$100.00 + \$40.00 per unit found to contain a code violation during the prior inspection
	(5) Inspection (survey) - No Access	
	No access 1 <sup>st</sup> time	No charge
	No access 2 <sup>nd</sup> time	\$100.00 penalty
	No access 3 <sup>rd</sup> time	\$200.00 penalty
	No access 4 <sup>th</sup> time	\$300.00 penalty
	(6) Re-inspection/Progress Check - No Access	
	No access 1 <sup>st</sup> time	No charge
	No access 2 <sup>nd</sup> time	\$100.00 penalty
	No access 3 <sup>rd</sup> time	\$200.00 penalty
	No access 4 <sup>th</sup> time	\$300.00 penalty
b.	Inspection for rent control deregulation pursuant to Ord. No. 83-023, as amended	
	(1) Initial inspection (survey) and one reinspection	\$200.00 per unit
	(2) Concurrent initial inspection and one reinspection of two or more units owned by the same owner in the same development	\$200.00 for first unit + \$40.00 for each additional unit
	(3) Additional non-concurrent re-inspections	\$100.00 per unit
c.	Lien (per parcel)	\$100.00