



STAFF REPORT – CITY COUNCIL MEETING

April 17, 2024

TO: Honorable Mayor and City Council Members

FROM: Netra Khatri, City Engineer

PREPARER: Mara Grow, Administrative Specialist

DATE: April 04, 2024

TITLE: **Receive an Update on the Current Status of Registrations and Inspections for the City's Residential Rental Inspection Program (RRIP).**

RECOMMENDATION:

Receive an update on the current status of registrations and inspections for the City's Residential Rental Inspection Program (RRIP).

INTRODUCTION:

The purpose of the Residential Rental Inspection Program is to address the issue of substandard, long-term rental properties, promote greater compliance with existing health and safety standards, and preserve the quality of Arcata's neighborhoods and available housing. The program provides greater oversight for compliance of health, safety and welfare code violations in/on residential rental properties that can become a threat to the occupant's safety, a threat to the long-term structural integrity of the building, and have a negative impact on the surrounding neighborhoods.

BACKGROUND:

For many years there has been increasing concern about the City of Arcata's aging housing stock, as well as concerns about illegal dwelling units and unpermitted construction which could pose health and safety, and neighborhood compatibility problems. The current Housing Element adopted by the City Council in 2019 encourages the maintenance of existing housing to prevent deterioration and promotes dwelling lifespan. The Implementation Measures of the Housing Element calls for the City to identify neighborhoods with housing requiring rehabilitation through code enforcement and a rental inspection program.

As part of efforts to address enforcement and nuisance property issues within the City of Arcata, the recently adopted RRIP is seen as another tool to meet City goal of providing housing that meets minimum health and safety standards.

Ordinance No. 1552 was first brought before the City Council on September 15, 2021. Upon the second reading on October 20, 2021, the Council directed staff to form a Working Group to ensure the ordinance had greater community input and better meets the needs of the City. The Working Group consisted of nine (9) community members, a mix of operators, tenants, and property owners.

Over the course of five (5) meetings the Working Group provided staff with feedback that was used by Staff to produce the latest draft of the Ordinance as well as various supporting documents. A Public Meeting was held on May 23, 2022 at the D Street Neighborhood Center to update the public on the changes made to the Ordinance. A public comment period was open until June 24, 2022. The Council received an updated Ordinance on August 3, 2022 and motioned to have Staff provide answers regarding a few remaining questions regarding the projected budget and how program fit within the General Plan. On February 15, 2023 the Ordinance was introduced for a first reading and adopted unanimously upon the second reading on March 1, 2023.

Information regarding the RRIP was sent out to all residents and business owners in the city of Arcata via their water bills from mid-April of 2023 through May of 2023. Staff also tabled at the Arcata Farmer's Market on April 22, May 6, May 20, and June 3 of 2023.

Registration for the RRIP opened on July 3, 2023 giving property owners six (6) months to register their properties before the January 3, 2024 deadline. Using tax data from the Humboldt County Assessor's office, 1,614 letters were sent in September of 2023 to property owners of non-owner occupied residentially zoned parcels within the City limits informing them of the RRIP. 1,060 letters were sent in November of 2023 informing property owners of the coming January 3, 2024 deadline for registration. In February of 2024, 583 past due letters were sent to property owners informing them of potential late fees and fines.

DISCUSSION:

With January 3, 2024 registration deadline passed, staff wanted to provide the Council with a snapshot of the current status of registrations and inspections. To date 1,367 unique parcels have registered for the RRIP. Of those parcels, 311 are exempt from inspections per one of the following reasons as provided by the Ordinance: (1) rooms rented to single individuals in an owner-occupied single family residence; (2) hotel or motel units subject to the Transient Occupancy Tax (TOT); (3) units inspected for housing and safety standards by another governmental authority; (4) mobile home parks; (5) newly constructed dwelling units for a period of five (5) years from the issuance of the Certificate of Occupancy.

Since the beginning of the program ninety-four (94) Inspections have been performed with one (1) resulting in formal code enforcement.

As a result of the letters sent to property owners it became clear that staff needed to make a determination regarding the definition of the terms "owner-occupied" and "tenant" which were not outlined in the Ordinance. Staff decided that having a legal relationship to the property in terms of ownership was crucial in determining rights and responsibilities. A legal occupant of a property has the same rights and responsibilities as a tenant when they are not the owners of that property. Properties that were determined to be owner-occupied were removed from the mailing list and not considered subject to the RRIP.

The next step in the registration process is to send a Notice of Violation in June of 2024 to the remaining 286 individuals who have not yet registered or contacted the Building Division regarding the status of their property. Administrative Citations are set to begin in July of 2024 for the remaining property owners.

ENVIRONMENTAL REVIEW (CEQA):

The RRIP has been determined to be exempt from the California Environmental Quality Act (CEQA) in that the activity is covered under the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment.