

Attachment B

City of Arcata, Building Department Response to Council General Plan, Housing Element - Fee Analysis - One-page breakdown by the Building Department in relation to the proposed Residential Rental Inspection Program

Question: “How does the RRIP fit within the General Plan? Are there any conflicts?”

Answer: The RRIP fits well within the general plan. The Building Department has determined that there are no conflicts between this draft ordinance and the General Plan. The Community Development department has endorsed the following explanation.

Explanation:

Indented and italicized text are excerpts from the General Plan.

The California Health and Safety Code, Division 13, Part 1.5, Chapter 2, Section 17920.3 Clearly outlines the minimum standards for the “Regulation of Buildings used for Human Habitation.” These regulations are further reinforced by the cities adoption of the current California Building Standards Code, and the International Property Maintenance Code. Currently enforcement of these provisions is only carried out in response to complaints. The RRIP is designed to alleviate the pressure on tenants by making code enforcement proactive and requiring all residential units to comply with minimum standards. Many tenants are afraid to complain due to a fear of retaliation. The Housing Element states the following:

3.1 As the population of the state continues to grow and pressure on resources increases, Arcata is concerned with providing adequate housing opportunities while maintaining a high standard of living for all citizens in the community.

The State of California has declared that “the availability of housing is of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.”

The purpose of these requirements is to develop an understanding of the existing and projected housing needs within the community and to set forth policies and schedules promoting the preservation, improvement, and development of diverse housing types in Arcata that are available at a range of costs.

Due to the city’s proximity to the University, many of the residential units within city limits have been utilized to provide income to property owners:

3.3 Humboldt State University had 7,774 undergraduate and graduate students enrolled in 2018, with approximately 1,944 students living on campus and the remaining 5,830 students living in

the nearby communities. Maintenance of existing housing for students and the addition of new homes for students is needed.

As of 2017, there were 7,078 occupied homes in Arcata, with 37 percent of those occupied by owners and the remaining 63 percent occupied by renters.

Appendix A: Condition of the Housing Stock. The condition of the City's housing stock was evaluated from the 2009 housing condition survey of 2,413 randomly selected housing units (about 30 percent of Arcata's housing units). The survey evaluated a total of 500 housing units. Of these units, 56.4 percent (282 units) needed minor repairs, 11.4 percent (57 units) needed moderate repairs, and 0.2 percent (1 unit) needed substantial rehabilitation.

In November 2019, a City Building Official reviewed the data from the 2009 housing conditions survey and stated that it still accurately reflects the current housing conditions in Arcata. He noted that any degradation to the housing stock since 2009 is balanced by the numbers of permits the city has received to complete improvements. Through code enforcement, the City successfully worked with owners of three blighted properties to complete rehabilitations. He expects these trends to continue.

Appendix A, Interior/Not Readily Visible Housing Conditions: In addition to exterior condition that is visible in a windshield survey, housing units also may need interior repairs, such as electrical, plumbing, or other improvements, that are not visible from the exterior of the unit.

The Housing Element outlines the cities responsibility to proactively regulate housing standards within the city limits:

3.6 Policy HE-2 - Encourage the maintenance of existing housing to prevent deterioration and promote dwelling lifespan. (Reference Implementation Measures: 2 and 3)

2 Housing Review and Rehabilitation Program

Identify neighborhoods with housing requiring rehabilitation, then offer financial assistance to lower income households for housing rehabilitation through code enforcement and a rental inspection program.

The city will continue to identify housing in need of preservation or replacement, and to provide information about its Housing Rehabilitation Program to people living in housing units in need of rehabilitation, and community agencies that can help identify such housing.

The city will continue to implement processes for prompt responses by its Building Department to complaints of housing code violations and making educational materials for tenants accessible including ("A Guide for Renters – Substandard Housing," and "Getting Repairs Corrected in Rentals").

The city will continue to implement the recently launched Rental Inspection Program.

The city will continue to focus on the following areas to ensure safe and decent housing: Education; Tenant Rights; Voluntary Inspections; Flexible regulatory compliance to correct health and safety

violations; Recorded notices of nuisance for non-compliance; and Abatement of violations on a case-by-case basis under the process outlined in the Arcata Municipal Code.

While it is clear the RRIP has not yet been officially adopted there are no further conflicts presented in the language of the General Plan as it relates to the implementation of the proposed RRIP. Further it identifies that due to the nature of housing in Arcata it is critically important to preserve and maintain housing conditions.

Appendix A: Code Enforcement: The City conducts code enforcement on a complaint basis and also through the recently implemented rental inspection program. The City's Building Division will conduct health and safety inspections when either the tenant or property owner provides access to the property. In some extreme the cases when there is a clear and eminent public health and/or safety issue the City will conduct inspections without a complaint filed.

The City's relatively new rental inspection program requires the registration and initial inspection of all long- and short-term rental properties in the city. After the initial registration, a health and safety inspection by the City's Building Inspector is required on a regular basis, which may vary from 3 to 5 years. The fee associated with the rental registration offsets the inspection costs.

Complaint driven code enforcement alone will not present the city with the opportunity to achieve these goals in an equitable and fair manner. We believe that the General Plan's Housing Element clearly will rely on the RRIP to address the cities needs regarding the preservation of adequate housing stock.

Question: “Will this program be sustainable with the proposed fees?”

Answer: Yes, the proposed RRIP will be sustainable and self-supporting. The fees are subject to annual CPI adjustments. Additionally, the Building Department will perform annual audits of the program to verify sustainability. The fees may be increased if necessary.

Explanation:

In response to concerns regarding the financial sustainability of the RRIP and concerns by the public that this program will place undue burden on property owners and may result in increased rent prices, staff has set the fees reasonably low to just cover the cost of the program. The following information has been pulled from the Housing Element:

TABLE A3-14. Identifies that in 2017, 4,437 units were renter occupied (62.69%)

TABLE A3-16. Identifies that in 2018, 3,374 units were “single-family detached” (42.08%), 524 units were “single-family attached” (6.53%), 1,203 units were in building with 2-4 units (15%), and 2,029 units were in buildings with 5 or more units per building.

Based on the most current data from the County Assessor’s office there are 2,242 parcels in the City that are non-owner occupied and zoned residential. While a small portion of these parcels may be exempt from the program, there a similar number of parcels that are not zoned residential yet have a residence that would be subject to this program. For the purposes of planned fee estimation, we will use 90% of these, 2,018 parcels.

Projected Expenditure vs. Revenue for “Phase One” – First Three Years of the program:

EXPENDITURE

Staff	Fully Burdened Rate Total	Allotted time/year	Cost per year (based on 2,080 working hours)	Cost for 3 years (phase one)
Code Compliance/Permit Technician	\$ 45.04	50%	\$ 46,841.60	\$ 140,524.80
Building Official	\$ 60.36	20%	\$ 25,109.76	\$ 75,329.28
Building Inspector	\$ 47.92	3%	\$ 2,990.21	\$ 8,970.62
Administrative Specialist	\$ 42.21	5%	\$ 4,389.84	\$ 13,169.52
Vehicle, office supplies and training				\$ 34,408.78
Total Anticipated Expenditure				\$ 272,403.00

REVENUE

Number of Non-owner-Occupied Parcels in the City*	2,242
Assume only 90% will be located/identified during the phase one of the program	2,018
Registration fee /year	\$ 20.00
Registration fee during phase one (3 years)	\$ 60.00
Total anticipated Registration fees during the phase one	\$ 121,068.00
Inspection fee/parcel	\$ 75.00
Total anticipated Inspection fees during the phase one	\$ 151,335.00
Total Anticipated Revenue	\$ 272,403.00

* City GIS mapping and County Assessor’s Office

Question: ***“Is there a one-page explanation or outline of this program, expressed in its most basic steps and procedures?”***

Answer: See attached flyer and trifold. The flyer is directed to owner/operators and breaks the program down into a basic step-by-step process to navigate the RRIP. A Similar one-page

explanation can be made directed towards tenants as well. The trifold is directed to all audiences.