

Annual License Fee, Inspection Fee and Incentive Schedule

- ❖ New structures that are three years old or newer will be licensed, including payment of the fee, upon receiving their certificate of occupancy, but will enter the inspection portion of the program on year 4.

Proposed Administrative Fees

- No show for inspection - \$25
- Appeal filing fee - \$25
- Re-inspection after initial re-inspection - \$50 per inspection

Proposal

Number of rental units	Annual License Fee	Inspection Fee (Paid in year of inspection)	Inspection Schedule (every 3 years)	Incentive Schedule (50% of Inspection Fee)
1-10	\$15/Unit	\$50/Unit	All units	5 or less minor violations
11-50	\$15/Unit	\$50/Unit	Greater of 11 units or 50% of all units	10 or less minor violations
51+	\$15/Unit	\$50/Unit	Greater of 26 units or 33% of all units	20 or less minor violations

Cost Examples

Number of Rental Units	Annual License Fee \$15 per unit	Inspection Fee \$50 per unit	Costs in year of inspections	Total Costs in the two years of no inspection	Total Costs for first 3 years	3 Year total of rent generated with all units occupied (\$500 per Unit)
6 units	\$90	6 x \$50 = \$300	\$390	6 x 15 x 2 = \$180	\$570	\$108,000 (.53%)
20 units	\$300	11 x \$50 = \$550	\$850	20 x 15 x 2 = \$600	\$1,450	\$360,000 (.40%)
100 units	\$1,500	33 x \$50 = \$1,650	\$3,150	100 x 15 x 2 = \$3,000	\$6,150	\$1,800,000 (.34%)

Costs Examples for Incentive-Eligible Properties

Number of Rental Units	Annual License Fee \$10 per Unit	Inspection Fee \$25 per unit (half of normal fee)	Costs in year of inspections	Total Costs in the two years of no inspection	Total Costs for years 4 – 6.	3 Year total of rent generated with all units occupied (\$500 per unit)
6 units	\$90	6 x \$25 = 150	\$240	6 x 15 x 2 = \$180	\$420 (-\$150)	\$108,000 (.38%)
20 units	\$300	11 x \$25 = \$275	\$575	20 x 15 x 2 = \$600	\$1,175 (-\$275)	\$360,000 (.32%)
100 units	\$1,500	33 x \$25 = \$825	\$2,325	100 x 15 x 2 = \$3,000	\$5,325 (-\$825)	\$1,800,000 (.29%)

Revenue Generated vs. Cost of Program

Estimated revenue generated from annual license and inspection fees.

Number of Units	Annual License Fee Revenue	Annual Inspection Fee Revenue	Total Annual Revenue Generated	Cost of program
20,000 (est.)	20,000 x \$15 per unit = \$300,000	5,000 (est.) x \$50 =\$250,000	\$550,000	\$526,092

- ❖ Annual inspections of 5,000 are estimated as the number of units inspected per year in structures with at least 11 dwelling units is not known at this time. Therefore, the revenue generated by the inspection fee may be lower or higher depending on that variable as well as number of units that have minor violations during initial inspection thus receiving the reduced inspection incentive for next required inspection.
- ❖ Fee schedule to be analyzed every 3 years to ensure that the program’s fees are appropriate to maintain a program that does not require funds to be drawn from the general fund and ensuring that the program is not a profit center.

2013 Implementation Schedule

- Q1 – Adopt ordinance and begin the licensing of properties. Outreach to landlords on inspection program.
- Q2/Q3 – Continue the licensing process and hire/train staff.
- Q4 – Continue licensing properties and begin inspections.
Promote licensed properties through website and KU.

Total Cost of Program

First year in 2013 dollars

Position	Total Compensation Salary + benefits	Computer, Office Furniture, Phone, etc...	Vehicle Cost, Fuel & Maintenance	Total Cost for Each Position
Code Enforcement Officer	\$41,614	\$2,300 ¹	\$16,800	\$60,714
Code Enforcement Officer	\$41,614	\$2,300	\$16,800	\$60,714
Code Enforcement Officer	\$41,614	\$7,800 ²	\$16,800	\$66,214
Code Enforcement Officer	\$41,614	\$7,800	\$16,800	\$66,214
Code Enforcement Officer	\$41,614	\$7,800	\$2,500 ³	\$51,914
Code Enforcement Officer II ⁴	\$61,650	\$2,300	\$2,500	\$61,796
Administrative Support III	\$37,213	\$7,800	Not Applicable	\$45,013
Administrative Support III	\$37,213	\$7,800	Not Applicable	\$45,013
Code Enforcement Manager (60%)	\$54,000	Not Applicable	\$500 ⁵	\$54,500
Planning Director (10%)	\$14,000	Not Applicable	Not Applicable	\$14,000
			Total Program Costs	\$526,092

¹ Division has two unoccupied work stations available therefore the cost of computers/phone of \$2,300 is shown for two of the new officers.

² Price of office furniture (\$5,500) added for three Code Enforcement Officer positions.

³ Division has one extra vehicle to utilize therefore fuel and maintenance account for the total expenditure.

⁴ Existing Code Enforcement Officer position upgraded to act as Field Supervisor.

⁵ Manager utilizes a vehicle and averages approximately 1/5 of fuel consumption as inspection staff.

RENTAL INSPECTION PROGRAM

Minor and Major Violations

During the exterior and interior inspection of a rental dwelling unit, inspection staff will determine if the violation(s) cited fall into the category of a minor or major violation. The following lists of minor and major violations have been established to provide property owners/property managers a general guide as to how violations will be categorized. These lists of violations are not meant to be all inclusive. Inspection staff can and will use discretion when determining when a minor violation could become a major violation.

- Lack of required handrail for stairs (interior and exterior)
- One or more GFCI receptacles need replaced.
- GFCI receptacles need to be installed in wet areas, bathrooms and or kitchens.
- Receptacles that are improperly wired
- Exterior door that does not provide weather tight fit.
- Interior doors that do not fit in jamb or are damaged
- Small areas of unsanitary conditions such as fungus that is most likely mold that is located on walls, ceilings, or floors.
- Leaks from fixtures in kitchen, bathroom, wet areas, laundry room, etc...
- A required smoke detector that is not hard wired does not have battery.
- Windows that are not fixed, but do not open
- Inoperable bathroom ventilation fan
- Broken or missing outlet and/or light switch covers
- Clogged drains
- Dirty furnace and/or filter
- Open port in electrical panel or missing electrical panel cover
- Trash, debris or exterior storage in yard
- Lack of deadbolt locks on exterior doors
- Cracked window
- Vehicle that is not properly tagged or inoperable
- Grass or weeds in violation of the city's weed ordinance

The following list of violations will most always be considered "major" in nature. This list is not meant to be all inclusive as there will be other violations that come to the attention of inspection staff that will be classified as "major".

- Any roof leak
- Backed up sanitary sewer line
- Lack of egress for bedrooms.
- Lack of required headroom in habitable rooms as defined by code.
- Lack of heat due to no heating facilities provided or current heating facilities to be inoperable, operating in an unsafe condition, or incapable of maintaining 68 degrees in habitable rooms.
- Exposed or frayed electrical wiring or faulty wiring as defined by code.
- Extensive areas of exterior wood rot on siding, trim, window sills or other structural exterior elements.
- Lack of hot water due to inoperable water heating facilities.
- Large areas of unsanitary conditions such as fungus that is most likely mold that is located on walls, ceilings or floors.
- Occupancy violation
- Structural deficiencies that affect the structural integrity of ceiling, walls, flooring, etc....
- Lack of required combustion "makeup" air for mechanical rooms housing furnace and/or water heater.
- Missing more than one required smoke detector.
- Gas fired furnace and/or water heater not properly vented.
- Dryer not vented to exterior or improperly vented
- Lack of or inoperable window locks
- Loose or disconnected water heater or furnace flue
- BBQ grill on deck
- Lack of fire escape from 3rd story or higher when required by code.
- Broken or missing window