



CITY OF ALBION CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

AGENDA

COUNCIL-MANAGER
GOVERNMENT

Council members and
other officials normally in
attendance.

David Atchison
Mayor

Vicky Clark
Council Member
1st Precinct

Lenn Reid
Council Member
2nd Precinct

Al Smith
Council Member
3rd Precinct

Marcola Lawler
Council Member
4th Precinct

Jeanette Spicer
Council Member
5th Precinct

Shane Williamson
Mayor Pro Tempore
Council Member
6th Precinct

Darwin McClary
City Manager

The Harkness Law Firm
Atty Cullen Harkness

Jill Domingo
City Clerk

STUDY SESSION
Monday, February 10, 2020
Ludington Center
101 N. Superior St.

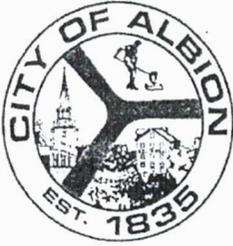
6:00 P.M.

PLEASE TURN OFF CELL PHONES DURING MEETING

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. ITEMS FOR INDIVIDUAL DISCUSSION
 - A. Rental Inspection & Certification Program
- V. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).
- VI. CITY MANAGER REPORT
- VII. MAYOR AND COUNCIL MEMBER COMMENTS
- VIII. ADJOURN

NOTICE FOR PERSONS WITH
HEARING IMPAIRMENTS
WHO REQUIRE THE USE OF A
PORTABLE LISTENING DEVICE

Please contact the City
Clerk's office at
517.629.5535 and a listening
device will be provided
upon notification. If you
require a signer, please
notify City Hall at least five
(5) days prior to the posted
meeting time.



Council Action Summary Sheet

Agenda Item #:	
Agenda Item Title:	Rental Certification
Meeting Date:	02/10/2020
Submitted by:	John Tracy, Director of Planning, Building & Code Enforcement
Contact Information:	
Agenda Item Approvals:	<input type="checkbox"/> City Clerk <input type="checkbox"/> Finance Director/Treasurer <input type="checkbox"/> City Attorney <input type="checkbox"/> City Manager

Background Brief:

Rental Certification Ordinance requested by City Council. Council created Rental Certification Subcommittee. Subcommittee members Jeanette Spicer, Marcola Lawler & Lenn Reid met by-monthly and then quarterly with city staff. In addition, four meetings were held with subcommittee, landlords and city staff to discuss ordinance. As a result of meetings, current rental certification ordinance draft has been created by subcommittee and city attorney, copy attached.

Alternatives Analysis:

1. Make no change, continue with complaint based inspections.
2. Pass Rental Certification Ordinance to assure minimum required health and safety standards for rental occupants: required working smoke alarms; heating systems to sustain min. 68 deg. in cold weather; potable cold and hot running water; adequate ventilation; properly secured windows and doors; adequate emergency egress; structural integrity; safe and sanitary living condition's for all.

Summary of Previous Council Action: In 2016 as result of health and safety concern of occupants of rental housing, former City Manager Dr. Sheryl Mitchel requested rental certification ordinance to be written, staff completed first draft December of 2016.

Financial Impact:

Recommended Motion(s):

Attachments:

- > Rental Certification Ordinance 2020-_____ Draft
- > Residential rental property permit questions & answers per 2015 Michigan Residential Code
- > Check list example
- > Rising Tide: Rental Inspection Survey, Sept. 2017

CITY OF ALBION ORDINANCE 2020-___

AN ORDINANCE TO ADD CHAPTER 17 LICENSE TO OPERATE SINGLE, TWO-FAMILY, AND MULTI-FAMILY RENTAL STRUCTURES

FINDINGS AND PURPOSE: The City of Albion recognizes the importance of the general health, safety, and welfare of all its citizens, including citizens who reside in residential rental dwellings. The City has previously discussed implementing a process for rental properties to be licensed, inspected, and to establish standards for the maintenance of the same. This Ordinance outlines a process for obtaining a license, required inspections, enforcement procedures, and potential penalties for non-compliance.

THE CITY OF ALBION ORDAINS THAT THE CODE OF ORDINANCES, CITY OF ALBION, MICHIGAN, IS HEREBY AMENDED BY CREATING CHAPTER 17, ADDING ARTICLE I, AND ADDING SECTIONS 17-1, 17-2, 17-3, 17-4, 17-5, 17-6, 17-7, 17-8, AND 17-9 WHICH READS AS FOLLOWS:

Section 1:

CHAPTER 17: LICENSE TO OPERATE SINGLE, TWO-FAMILY, AND MULTI-FAMILY RENTAL STRUCTURES

ARTICLE I:

Sec. 17-1: License to Operate Single, Two-Family, and Multi-Family Rental Structures.

A. License Required.

1. It shall be unlawful for any person to operate, maintain, or offer to rent within the City, a single-family, two-family, or multi-family rental structure, whether vacant or not, without first obtaining a license as provided in this Chapter.
2. It shall be unlawful for a person to enter into a lease, either as lessor or lessee, for a rental structure if the premise is unlicensed or has a revoked license which has not otherwise been renewed.
3. It shall be unlawful for any person to occupy, renew a lease, offer for rent or permit occupancy of any vacant dwelling unit or any dwelling unit that becomes vacant that is unlicensed or while a license is under revocation.
4. These licensing requirements shall not apply to the following structures:
 - a. Hotels and motels which rent rooms to occupants to make use of the facilities for a period of less than thirty (30) days;

b. Nursing homes, retirement centers and rest homes, which are subject to licensing and inspection by the state or federal government;

c. Dormitories of colleges or universities;

5. A license for a rental structure cannot be transferred to another rental structure.

B. License Application.

1. Each applicant for a license to maintain a rental structure shall file a written application with the Department of Planning, detailing the full legal name and address of the owner, address of the rental structure, and number of units within the structure. An owner who is not a resident of the City shall include in his or her application either of the following:

a. The name, address and phone number of an agent within the City with authority to accept service or notice of a violation; or

b. A statement by the owner that service by regular mail upon the owner at the address stated in the application will be considered sufficient service for all purposes.

2. A license issued under this chapter shall be valid for a period of one (1) year. All license fees shall be due and payable on or before January 1st of each year and shall expire on December 31st of the year of issuance.

3. Each license application shall be accompanied by an application fee. The amount of the application fee shall be set by the City Council.

4. If an application for renewal of an existing license is received after January 1st a twenty-five (25%) percent late fee shall be assessed.

5. If there is a change in the ownership of a multi-family rental structure or a change in the owner's property agent, the owners shall, within fifteen (15) days of such change, file a written notice with the Department of Planning indicating such change.

6. Application for license renewal shall be made in the same manner as a new application except that the application shall state that it is for renewal.

7. Prior to licensing, all landlords will be required to attend a crime-free housing course facilitated by the Public Safety and Planning departments.

This class will review the following:

a. Tenant screening process;

b. Property maintenance code;

c. Inspections process;

- d. How to make your environment safe and free of crime;
- e. Fire safety.

8. All single-family, two-family, or multi-family rental structures shall be registered with the City as required by this Ordinance and obtain an initial license within thirty (30) days of the effective date of this Ordinance.

Sec. 17-2: Inspections by the City of Albion

A. Inspection Requirements; License Issuance or Denial.

1. Each unit within the rental structure shall be subject to inspection in accordance with this section for compliance with all applicable State of Michigan health and safety code requirements, Albion Code of Ordinances, or the International Property Maintenance Code as adopted by the City of Albion. A license may be denied if the property has been inspected and is not in compliance with the applicable State of Michigan health and safety code requirements, Albion Code of Ordinances, or the International Property Maintenance Code as adopted by the City of Albion.

2. Initial and subsequent annual licensing inspections shall include the building exterior, common areas, basement, and interior of all units within the structure. All units within the structure shall be inspected every two years. The owner of the rental structure shall be responsible for inspection fees as set by the City Council. Initial inspections under this Ordinance shall commence as follows:

- a. January 1, 2021 through December 31, 2021: The City shall inspect 50% of the registered single-family and two-family rental structures and 50% of the dwelling units contained within the registered multi-family rental structures.
- b. January 1, 2022 through December 31, 2022: The City shall inspect the remaining registered single-family and two-family rental structures not inspected in 2021 and the remaining dwelling units contained within the registered multi-family rental structures not inspected in 2021.
- c. Re-inspections may be had subsequent to any inspection as deemed necessary by the Director of Planning or his or her designee.
- d. Thereafter, all dwelling units in any registered rental structure shall be inspected at least every two years as required in Section 17-2(A)(2).

3. The owner will be given at least thirty (30) days' notice by regular mail prior to any inspection being conducted. Upon receipt of the notice of inspection, the owner shall notify the tenant, on a form provided by the City, of the date and time of the inspection by either placing the completed form under or on the door of the unit at least seventy-two (72) hours prior to the inspection. The form shall contain a certification that the owner has served the notice as set forth in this subsection.

Each notice shall inform the owner and occupant of their right to refuse to consent to the inspection and to require the City to obtain an administrative search warrant. The Director of Planning shall establish procedures for attempting to assure reasonable notice in circumstances where service and posting are not necessarily in accordance with this subsection (i.e., lack of cooperation by owner).

4. If any owner, property agent, tenant or other person in control of a rental structure or a dwelling unit fails or refuses to consent to access and entry to the property or dwelling unit following reasonable notice for any inspection pursuant to this section, the code official or designee may, after consulting with the City Manager and the City Attorney, apply to the district court for an administrative warrant or other appropriate court order authorizing such inspection. Such an application shall not be a waiver of the City's right to seek other remedies pursuant to this chapter.

5. When a licensing inspection of a rental structure reveals any violation, a time period for compliance shall be set by the code official in accordance with the City's property maintenance code. The code official shall send notice of the violations and compliance period to the property owner or the listed property agent by regular U.S. mail at the address provided on the most recent license application. The notice shall include the following:

- a. Identification of the property;
- b. A statement listing the violations and applicable code section;
- c. The time period for compliance; and
- d. An explanation that if all violations have not been corrected within the compliance time period, the license is subject to revocation and non-renewal.

6. A licensing reinspection will be conducted at the request of the owner or the owners.

7. If, following a licensing inspection or reinspection, any dwelling unit is determined to be unfit for human occupancy as specified in the international code council property maintenance code, as adopted by the City of Albion, the premises must be vacated immediately. If similar violations are observed throughout the rental dwelling, the owner's license is subject to revocation and non-renewal. The owner will be required to pay additional inspection fees for any dwelling unit determined to be unfit for occupancy.

8. Prior to entering an occupied apartment, the City's inspector shall give the resident manager or owner a reasonable opportunity to be present during the inspection. Unless otherwise specified in a court order or warrant, the inspector will not inspect or search personal property of the occupant. The inspector, while performing the duties of office, will otherwise fully consider the privacy and dignity of the occupant. If a resident desires to be present for an inspection and it would result in an unusual hardship for that resident to be present during regular City business

hours, the inspector shall attempt to conduct the inspection at a time reasonably convenient to the resident.

Sec. 17-3: Notification of Violations; Corrections; Appeals and Re-inspections

Whenever violations or warning conditions are found during inspection, the owner or property agent shall be notified of the findings and the right to appeal such findings. Upon expiration of the time limit set by the code official for repairs, if the property is not in full compliance, the owner may be subject to both the payment of enforcement fees and revocation or denial of a license, as set forth in Section 17-2 of this Chapter.

Sec. 17-4: Notice of Failure to License

Whenever an owner or property agent of a rental property fails to license the property with the City, the code official shall post a notice on all entrances to the rental property containing the following statement:

“You are hereby notified that the owner or agent of this rental structure has failed to license this rental property with the City and is in violation of Section 17-2 of the City of Albion Code of Ordinances. No new leases may be entered into and no leases may be renewed until the proper license has been secured.”

Sec. 17-5: Revocation or Denial of License

A. If, upon reinspection of a rental structure, the code official finds conditions or practices which are in violation of any applicable regulations, the code official shall serve the owner or operator with a notice of violation. The notice shall state that unless all violations are corrected within a reasonable time of not less than five (5) days and not more than thirty (30) days, the operating license will be revoked. In the case of a renewal, the notice shall state that the license will be denied.

B. At the end of the time allowed for correction of any violation cited, the City shall reinspect the rental structure. If it is determined that the violations have not been corrected, an order shall be issued revoking or denying the operating license. The order shall take effect within seven (7) business days of the property owner’s receipt of the notice unless a hearing is requested as set forth in subsection C of this Section.

C. Any person whose license to operate a rental structure is subject to revocation or denial shall be entitled to appeal the revocation or denial action by filing with the Department of Planning a written request for appeal within seven (7) business days of receipt of the revocation order. Upon receipt of the request, the Director of Planning shall schedule a date to meet with the appellant to hear the appeal not more than twenty-one (21) business days thereafter. Upon completion of the appeal, the Director of Planning may:

1. Confirm the revocation or denial;

2. Hold the revocation in abeyance and allow additional compliance time not to exceed thirty (30) days;
3. Rescind the revocation or issue the license; or
4. Issue a conditional license subject to any conditions deemed appropriate by the Director of Planning.

D. If a timely request for an appeal is not filed then the revocation or denial order for that individual license shall be permanent.

E. In the event an operating license is revoked or denied, the following apply:

1. No existing rental agreement or lease shall be renewed and no new rental agreement or lease shall be entered into with respect to any rental unit located within the rental structure; and
2. The City shall have the right to proceed under Section 17-8 of this Chapter.

F. A license which has been revoked or denied shall not be reinstated. The property owner may, however, obtain a new license after all violations have been corrected and by following the procedures for obtaining a new license.

G. Whenever a license is revoked or denied, the code official shall send notice to the property owner or the listed property agent at the last address provided on the most recent application. This notice shall be sent by certified mail. The code official shall also notify all tenants of the rental residential structure by posting a notice on all entrances to the rental residential structure. The notice to the tenants shall include the following statement:

“You are hereby notified that the license for this structure has been revoked or denied pursuant to Section 17-5 of the City of Albion Code of Ordinances. No existing rental agreement or lease shall be renewed and no new rental agreement or lease shall be entered into with respect to any rental unit located within this building.”

H. If the owner has requested an appeal before the Director of Planning and is dissatisfied by the Director of Planning’s decision, the owner may appeal the decision to the City Manager.

Sec. 17-6: Violations, Notice of Court Proceeding

A. The following shall constitute violations of this Chapter:

1. Failure of the owner or owners of the rental property to obtain a license for such property;
2. Failure of the owner of the rental property to maintain the structure and premises in compliance with State of Michigan health and safety code requirements,

Albion Code of Ordinances, or the International Property Maintenance Code as adopted by the City of Albion.

3. To remove or deface any notice which has been posted pursuant to this Chapter.

B. Before issuing a citation or filing an action in court with respect to a violation of this Chapter, the Director of Planning shall deliver by certified mail a violation notice to the owner or other party designated to receive notices and service of process on behalf of such owner.

17-7: Penalties

A. In addition to any other remedy or penalty specified for a violation of any provision of this Chapter, upon a finding of responsibility or guilt, any person violating any provision of this Chapter shall be subject to the penalties for each offense as set forth in subsection (C) of this section. Each day during or on which a violation occurs or continues shall be deemed to constitute a separate offense.

B. Nothing in this Chapter shall prevent the City from taking any action available under Michigan law or the Albion Code of Ordinances to ensure the health, safety and public welfare of the residents of Albion. Further, nothing in this Chapter shall prevent the City from taking any emergency action as permitted by law when any portion of a rental structure poses an imminent danger to a person or property.

C. Fines. A violation of this chapter shall be deemed to be a civil infraction. If violations are not corrected within the specified time, in addition to revocation or denial of a license, the following fines may be assessed:

1. First Offense: \$150.00 per day the violation exists;
2. Second Offense: \$300.00 per day the violation exists;
3. Third or Subsequent Offense: \$500.00 per day the violation exists;

17-8: Civil Action by the City to Enforce Compliance

Whenever the City Manager or Director of Planning, or their designee has reasonable cause to believe that any owner or occupant/resident is engaged in a pattern or practice of violating the provisions of this Chapter, or the owner's operating license has been suspended, the City, in addition to all other remedies provided herein, may bring a civil action, setting forth the facts pertaining to such cause and shall have a right to one or more of the following; a permanent or temporary injunction, restraining order, damages, and any other relief available under Michigan law. Such relief may be obtained against the owner or occupant/resident responsible and shall be as is necessary to ensure compliance with the provisions of this Chapter and full enjoyment of rights herein established. Before filing a civil action with respect to a violation of this Chapter, the City Manager shall notify the offending occupant/resident, owner, operating licensee or other party designated to receive notices and service of process on behalf of such owner or licensee requesting compliance.

17-9: Definitions

- A. Code Officer shall mean the officer or code official charged with the enforcement of this code, or their designee.
- B. Director of Planning shall mean the Director of Planning, Building, and Code Enforcement for the City of Albion who is charged with the administration of this code.
- C. Dwelling Unit shall mean a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.
- D. Lease shall mean any written or oral agreement that sets forth any and all conditions concerning the use and occupancy of rental dwellings or rental units.
- E. Multi-Family Rental Structure shall mean a rental structure containing two or more dwelling units or a rental structure divided into three or more single-family rental structures.
- F. Rental Structure shall mean any structure, building or other facility designed, used and/or intended to be used as a home, residence or sleeping unit except owner-occupied single-family residential structures. This definition includes, but is not limited to, single, two-family, and multi-family rental structures, rental dwelling units, apartment units, boarding houses, and rooming units, (except owner-occupied single-family residential structures)
- G. Single-Family Rental Structure shall mean a rental structure intended for occupancy by an individual or group of individuals related by blood, marriage, adoption, foster relationship, or other legal relationship, with a maximum of not more than three (3) additional unrelated persons.
- H. Two-Family Rental Structure shall mean a rental structure containing two dwelling units or a rental structure divided into two single family rental structures.

Section 2: Validity and Severability. The provisions of this Ordinance are severable and the invalidity of any phrase, clause or part of this Ordinance shall not affect the validity or effectiveness of the remainder of the Ordinance.

This Ordinance shall take effect Month / Day / Year after publication.

First Reading:
Month / Day / Year

Ayes _____
Nays _____
Absent _____

Second Reading & Adoption:
Month / Day / Year

Ayes _____
Nays _____
Absent _____

Jill Domingo,
City Clerk

David Atchison,
Mayor

RESIDENTIAL RENTAL PROPERTY PERMIT QUESTIONS AND ANSWERS PER 2015 MICHIGAN RESIDENTIAL CODE
(Pending any code change)

TYPE OF WORK	PERMIT REQUIRED	WHO CAN PERFORM WORK	COMMENT
STRUCTURAL			
Framing	Yes	Owner or Lic. Contractor	
Roofing	Yes	Owner or Lic. Contractor	
Siding	Yes	Owner or Lic. Contractor	
Window's	No	N/A	Unless size of opening is change <i>(Pending any code change)</i>
Door's	No	N/A	
Drywall	Yes	Owner or Lic. Contractor	Unless it is a repair less than 32 sq. ft. or veneer covering
Painting	No	N/A	
Cabinet's	No	N/A	
CONCRETE / MORTER			
Laying or replacement of block/brick	Yes	Owner or Lic. Contractor	
Flat work - sidewalk, driveway, curb	No	NOTE →	Driveway approach and/or curb require city permit
ELECTRICAL			
Replacement of switch	No	N/A	
Replacement of recepticle	No	N/A	
Lighting fixtures	No	N/A	
Ceiling fans	No	N/A	
Vent fan replacement without alteration	No	N/A	
Electric water heater element replacement	No	N/A	
Wiring - repair	Yes	Licensed Contractor	
Wiring - new circuits	Yes	Licensed Contractor	
Cirect braker replacement only	No	N/A	Alteration or relocation requires permit & Lic. Contractor
Electric water heater replacement/change out	Yes	Licensed Contractor	
MECHANICAL			
Furnace repair	No	N/A	Unless gas piping or venting are altered - permit required
Furnace change out	Yes	Licensed Contractor	

TYPE OF WORK	PERMIT REQUIRED	WHO CAN PERFORM WORK	COMMENT
Gas water heater repair	No	N/A	Unless gas piping or venting are altered - permit required
Gas water heater change out	Yes	Licensed Contractor	
Gas water heater power vent replacement	Yes	Licensed Contractor	
PLUMBING			
Water heater replacement/change out- electric	Yes	Licensed Contractor	
Water heater replacement / change out - gas	Yes	Licensed Contractor	
Water fixture repair	No	N/A	
Water fixture replacement with alteration	Yes	Licensed Contractor	
Toilet replacement without alteration to plumb.	No	N/A	
Sink replacement without alteration to plumb.	Yes	Licensed Contractor	
Tub replacement without alteration to plumb.	Yes	Licensed Contractor	
Water line leak repair without line or fitting replacement / alteration	No	N/A	
Gas line leak repair without line or fitting replacement / alteration	Yes	Licensed Contractor	NOTE: 10 ft. or 6 fitting exceptoin to gas piping only applies to relocation or changout of gas meter or regulator on exterior of dwelling
Water heater drop tube from presure relief valve	No	N/A	
Water softner installation	Yes	Licensed Contractor	
CITY WATER & SEWER			
City water supply line leak repair between city shut off valve and structure.	Yes	Owner or Lic. Contractor	
City water supply line replacement between city shut off valve and structure.	Yes	Owner or Lic. Contractor	
City sewer line leak repair between city hook-up and structure.	Yes	Owner or Lic. Contractor	
City sewer line replacement between city hook-up and structure.	Yes	Owner or Lic. Contractor	

Address: _____

Apt. # _____

Inspector: _____

Living Room

Pass /Fail

Comment

Living Room	Pass /Fail	Comment
Smoke Alarm?		
Minimum living area of 120 sq. ft. 6 or more occupants 150 sq. ft. minimum		
Minimum room width of 7 ft.?		
Minimum ceiling height of 7 ft.?		
Minimum of two working electric outlets?		
Working electric light fixture?		
Electrical Hazardous Exposed wiring, water, flammables, missing cover plates, flexible cords used as permanent wiring, extension cord hazards?		
Floor Condition free from hazardous defects?		
Ceiling Condition free from hazardous defects?		
Wall Condition free from hazardous defects?		
Peeling Paint?		
Window Condition Openable window? Openable area not less than 45%? Free of signs of severe deterioration or missing or broken out panes/glazing? Security?		
Ingress/Egress Door to outside Condition / seals? Security?		
Other		

Check List Example

Address: _____

Apt. # _____

Inspector: _____

Bathrooms and toilet rooms

Pass/Fail

Comment

Bathrooms and toilet rooms	Pass/Fail	Comment
Ventilation Required Operational window for fresh air or mechanical ventilation, air exhausted outdoors? Condition? Window security?		
Fixtures Sink / condition? Shower / condition? Tub / condition? Toilet / condition? "P" traps? Leaks?		
Potable Water Hot water - minimum temperature 110°F? Cold water?		
Electrical Working electric light fixture? Electrical outlet? GFI? Electrical hazards?		
Floor Condition Free from hazardous defects?		
Ceiling Condition Free from hazardous defects?		
Wall Condition Free from hazardous defects:		
Minimum ceiling height of 7 ft.?		
Door / condition?		
Peeling Paint?		
Other		

Check List
Example

ADDITIONAL EXAMPLES

Cold Weather Heat Supply

heating facility capable of maintaining 68°F in all habitable rooms, bathrooms and toilet rooms. Measured 3ft. above floor and 2 ft. from exterior wall.

Sloped Ceiling - over all or part of the room, with a minimum clear ceiling height of 7 ft. over not less than one-third of the required minimum floor area.

Common Hallway & Stairways

Required to be lighted with not less than a 60-watt standard incandescent light bulb for each 200 sq. ft..

Clothes Dryer Exhaust

Clothes dryer exhaust shall be independent of all other systems and vented outside of structure.
Exception: Listed and labeled condensing (ductless) clothes dryers.

Handrails & Guardrails

- Exterior & interior flight off stairs with more than four risers shall have a handrail.
- Open portion of a stair, landing, balcony, porch, deck, ramp or other walking surface that is more than 30 inches above the floor or grade below shall have guards.
- Handrails shall be not less than 30 inches in height or more than 42 inches in height measured vertically above the nosing of the tread or finished floor of landing or walking surface.
- Guards shall be not less than 30 inches in height above the landing, balcony, porch, deck, or ramp or other walking surfaces.

RISING TIDE: RENTAL INSPECTION SURVEY

September 2017



Rental Demand

- Demand for rental units is increasing despite population decline in PRT communities
- Nationally, rental demand is driven by Baby Boomers and Generation X
 - Many millennials still living at home
- 2010s on track to be strongest decade for renter growth ever recorded

Change in Housing Tenure Status

Community	2010	2015	% Change Renter-Occupied
Central Lake	28.4%	33.1%	4.7%
Charlotte	28.7%	42.3%	13.6%
Evart	43.7%	54.5%	10.80%
Grayling	45.6%	55.7%	10.1%
Harrison	39.5%	40.3%	0.8%
Hillsdale	44.5%	49.8%	5.3%
Newberry	28.4%	33.6%	5.2%
Paw Paw	50.3%	60.4%	10.1%
River Rouge	44.7%	42.9%	-1.80%
Ishpeming	25.0%	26.9%	0.07%

Cost-Burden: Renters vs. Homeowners

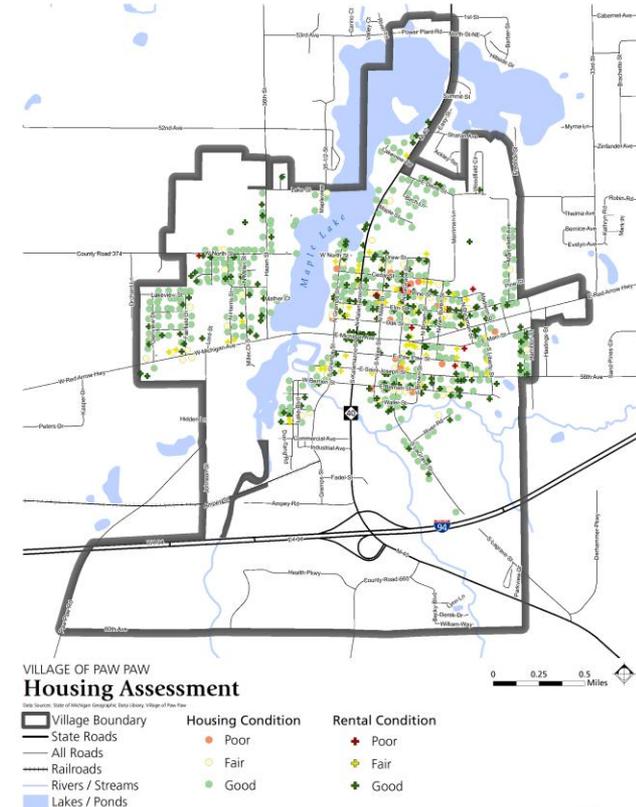
- Cost burdened: 30% or more of household income is spent on housing costs, per month
- Renters are considerably more likely to be cost-burdened
- Are renters paying more of their income for an inferior product?

Percentage of Cost-burdened Renters and Homeowners

Community	Renter	Homeowner	Difference
Central Lake	37.4%	23.5%	13.9%
Charlotte	46.9%	19.9%	27.0%
Ewart	59.2%	49.1%	10.1%
Grayling	47.9%	33.9%	14.0%
Harrison	58.0%	41.1%	16.9%
Hillsdale	46.4%	27.1%	19.3%
Newberry	53.8%	26.6%	27.2%
Paw Paw	48.0%	31.2%	16.8%
Sandusky	67.7%	33.4%	36.9%
River Rouge	44.8%	30.8%	11.4%

Substandard Housing

- National Center for Healthy Housing finds that exterior condition is a strong indicator for interior conditions
 - ▣ Poor exterior (sagging roof) leads to interior problems (leaks, rodents, cracks)
- Paw Paw Housing Assessment
 - ▣ 82% of owner-occupied properties were considered in “good” condition compared to 72% for renter-occupied units
 - Difference of 142 structures



Housing Checklist Example

Housing Feature	Type of Repair Needed	
	Major Repair	Minor Repair
Building frame/structure	Building is not straight; structure leans	Building is not leaning; missing material
Roof/chimney/gutters	A lot of deterioration, holes in roof, sagging	Minor deterioration, some mortar missing, gutters need repair
Window/doors	Windows or door missing, door rotted	Window frames need to be replaced, peeling paint
Siding/paint	Bricks missing, wood siding is rotted	Some peeling or cracking paint
Porch	Significant deterioration, steps missing, porch sagging	Separation of the porch from building, paint needed

Substandard Housing

- Common theme among PRT communities from stakeholder interviews (2016)
 - ▣ 6 of the 10 PRT communities identified lack of quality housing stock
- Evart Housing Survey
 - ▣ 74% feel rental housing options are unattractive to perspective renters
 - ▣ “run down housing with exorbitant rental rates”
 - 28 open responses supported this claim





Rental Housing Inspection Survey

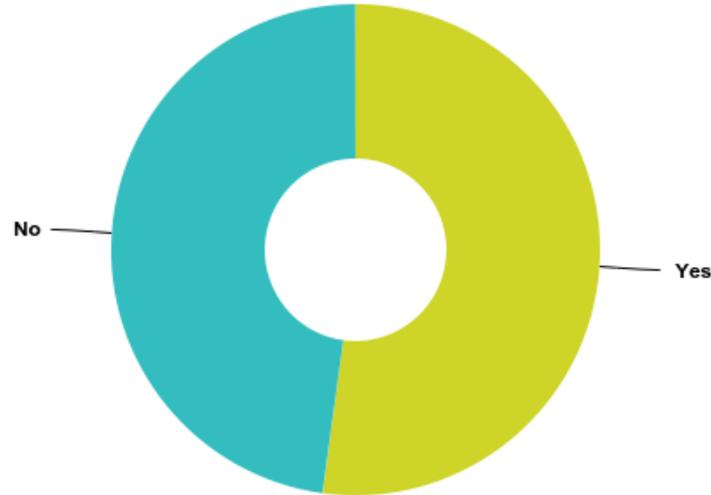
The survey was sent out to a listserv of city managers throughout the state. The following slides are their responses.

Q1: How many rental units does your community have?

- N=23 (Village and City Managers responses)
- Average: 1,880 units
- Range: 12 units upwards to 10,000 units

Q2: Do you have a rental inspection program?

Answered: 23 Skipped: 0



- N=23
- 52.2% Yes
- 47.8% No

Q3: Have you considered a rental inspection program?

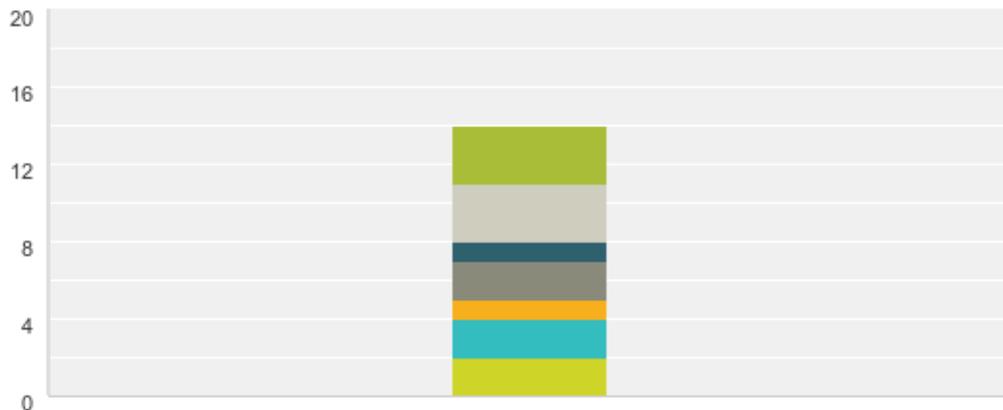
Answered: 11 Skipped: 12



- N=11
- Yes (72.7%)
- No (27.3%)

Q4: What are the reasons you decided against a rental inspection program?

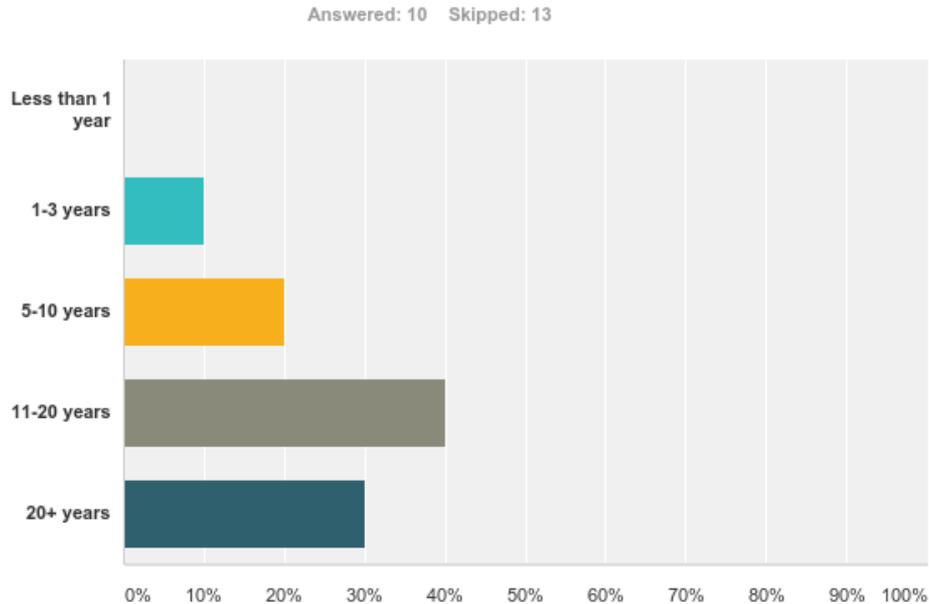
Answered: 8 Skipped: 15



■ No perceived need ■ Too costly ■ Perceived as ineffective
■ No political support ■ Not enough administrative capacity ■ Landlord resistance
■ Unsure ■ None of the above

- N=8
- Landlord resistance (37.5%)
- None of the above
 - Cost vs. benefit
 - Intrusive
 - Lack of enforcement

Q5: How long has the rental inspection been in place?

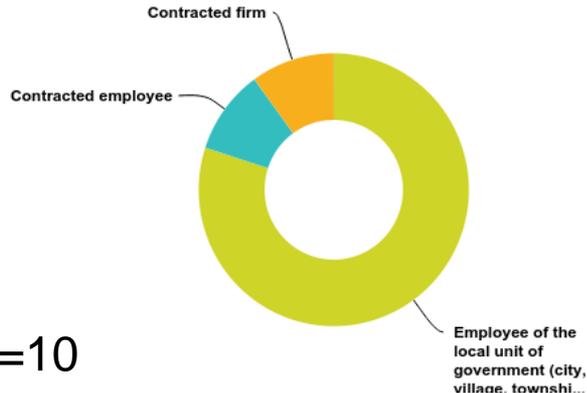


- N=10
- 1-3 years (10%)
- 5-10 years (20%)
- 11-20 year (40%)
- 20+ years (30%)

Q6&7: Rental Inspection Administration and Execution

Q6: Who administers the rental inspections?

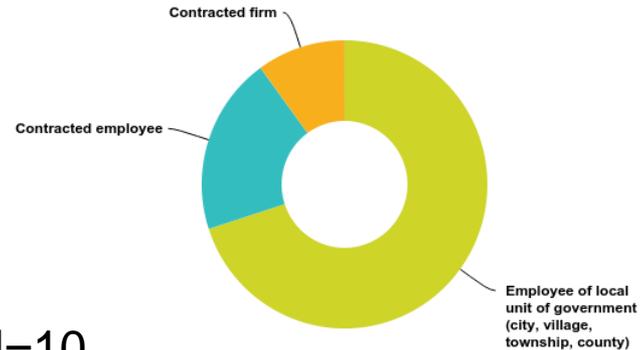
Answered: 10 Skipped: 13



- N=10
- Employee of local unit of government (80%)

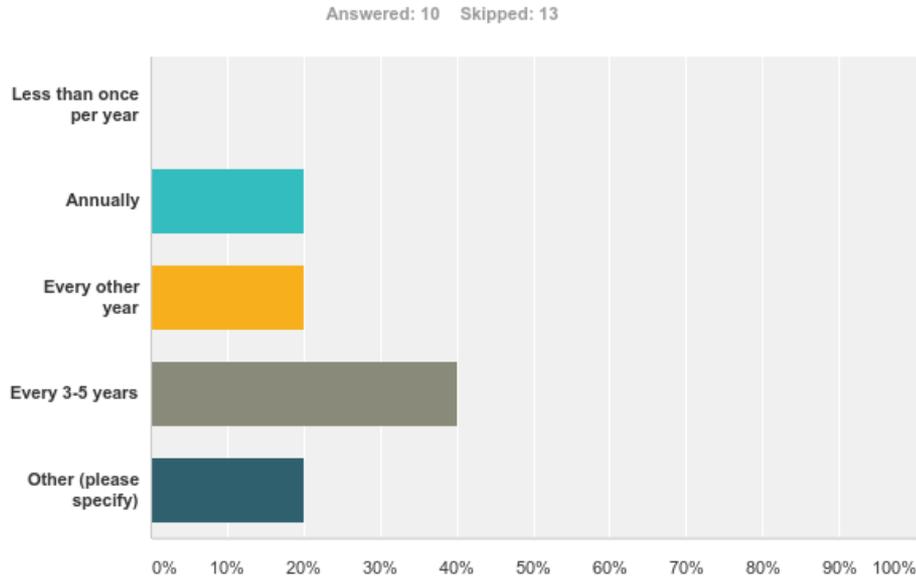
Q7: Who performs the rental inspections?

Answered: 10 Skipped: 13



- N=10
- Employee of local unit of government (70%)

Q8: How often do the rental inspections occur?



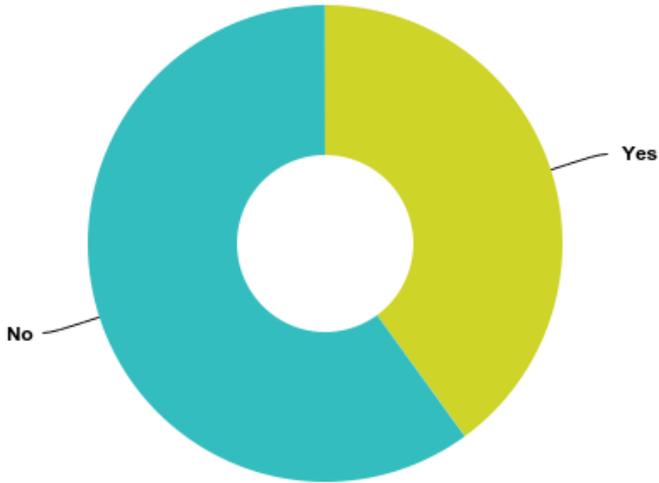
- N=10
- Every 3-5 years (40%)
- Other (20%)
 - ▣ Depends on performance

Q9: What is the cost to the landlord for the inspection?

- Cost variation
 - More for single-family homes
 - Bulk discount
 - Cost depends on inspection performance
- N=10
- Average cost \$68.50
- Range \$10-\$150

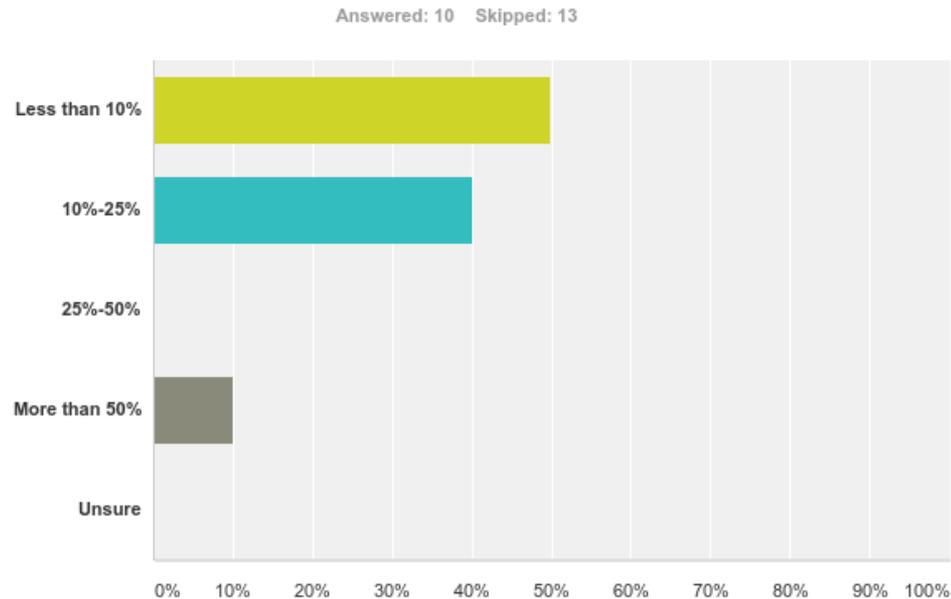
Q10: Does this fee offset the cost of the program?

Answered: 10 Skipped: 13



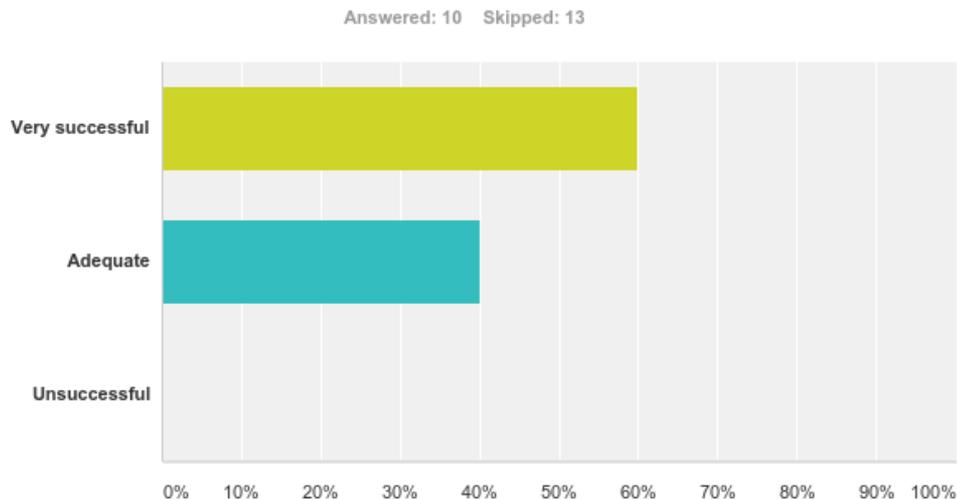
- N=10
- No (60%)

Q11: What percentage of rental inspections results in a citation to the landlord per year?



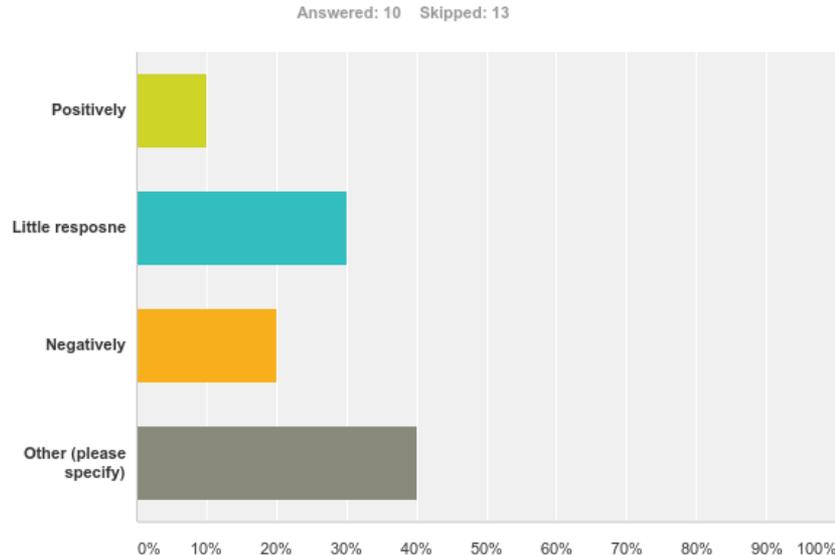
- N=10
- Half of the respondents said that less than 10% of inspections result in a citation.

Q12: How successful do you feel the rental inspection program has been?



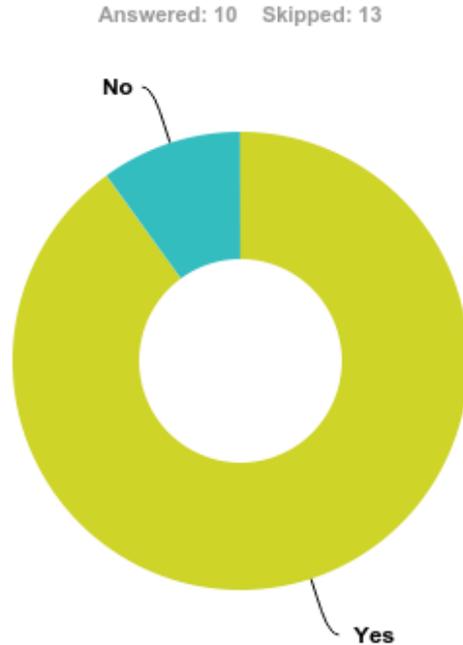
- N=10
- Very successful (60%)
- No respondent felt it was unsuccessful.

Q13: How have landlords responded to a rental inspection program?



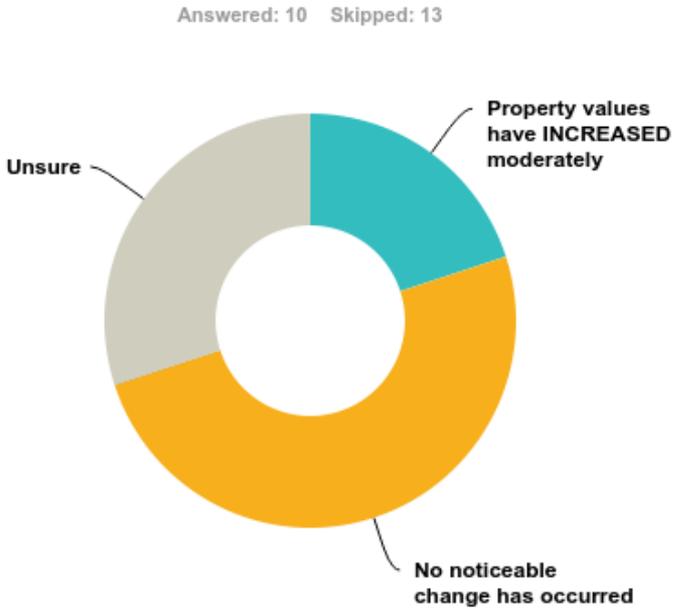
- N=10
- Other (40%)
 - ▣ Mixed response
 - ▣ Views have softened over time
 - ▣ Some believe it should not be run by the city

Q14: Do you consider rental inspections a viable tool for neighborhood revitalization?



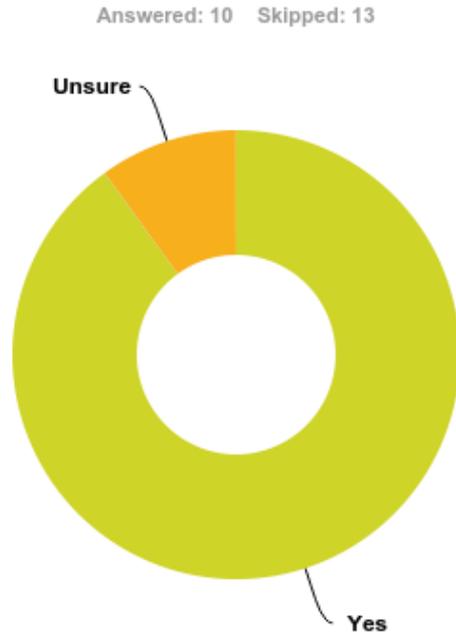
- N=10
- Overwhelming yes (90%)

Q15. Since implementing the inspection process, have you noticed a difference in property valuation?



- N=10
- No noticeable change has occurred (50%)
- Moderate increase (20%)

Q16: Do you feel the rental inspection program has become more successful over time?



- N=10
- Yes (90%)
- No respondent said “no.”



Case Studies

The following section discusses examples of funding and implementation strategies.

Typical Rental Inspection Process

Update zoning code to include a rental inspection program



Register all rental units within the city limits



Provide an inspection notice to landlords



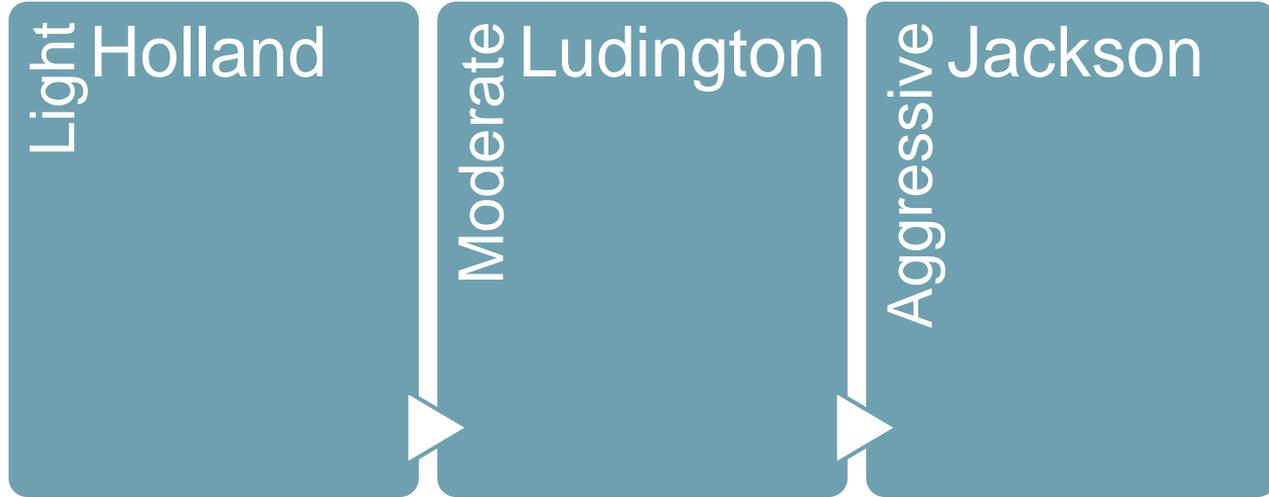
Conduct inspection and provide documentation on violations



Provide landlord reasonable time to make repairs

Case Studies

“Those who bark the loudest have the worst units.”



Rental Inspection Comparison

	Holland	Ludington	Jackson
Frequency of Inspection	Every 3-6 years	Every 3 years	Every 2 years
Depth of inspection	Every unit	Randomly inspect 50% of units if there are 6 or more units on a single parcel	Every unit
Initial inspection fee	No charge	\$50	\$175
Incurring fees	Annual rental registration fee, re-inspection fees, late charges	Non-registration fee, additional inspections, minor issues are waived if photo evidence is provided	Registration, application, inspections, late charges
# Inspectors/population	3 Full –time inspectors /33,526 people	1 part-time inspector /8,055 people	7 Full-time inspectors/33,255 people
Time given to landlord to correct violations	30 days or longer if landlord is making progress	30 days -3 years (for certain repairs)	90 days
Recourse	Misdemeanor, civil infraction ticket, placarded property	Civil infraction	Administrative Hearings Bureau: infractions and search warrants

Effects of Rental Inspection

Before



After



Effects of Rental Inspection

Before



After



Creative Cost Solutions

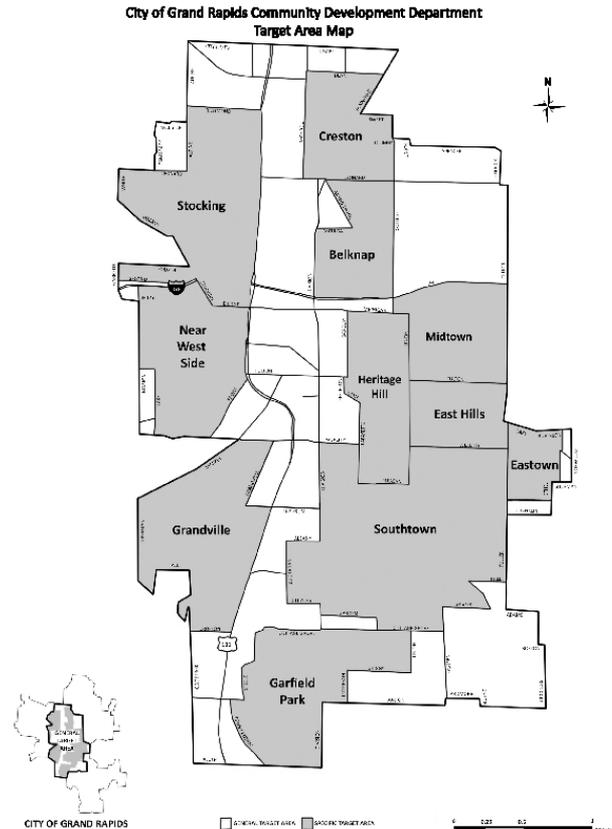
- CDBG funds for target areas
- Self-certification
- Random search for multi-family units
- Point system to track violations



A Guide to Proactive Rental
Inspection Programs

Creative Cost Solutions: CDBG Target Areas

- Example of CDBG funds at work (Grand Rapids)
- City is divided into Specific Target Areas that receive a range of services including “concentrated code enforcement” and “housing rehabilitation”



Carrot Not Stick

- Approach: rewarding good landlord behavior over punishing bad behavior.
 - ▣ City aids high-performing landlord's marketing efforts for rental properties
 - ▣ Performance-based inspections



Transparency: Fee Schedule

Task	Fee
Initial registration	\$15/unit
Renewal registration	\$10/unit (per 2-6 years)
Transfer of ownership	\$10/unit
Initial inspection	\$50/unit
Subsequent inspections	\$50/unit
Failure to register	\$500/unit
Construction Board of	\$200/unit

- Allow public access to clearly-state fee structure
- Fees will depend on number of units and number of inspectors

Transparency: Housing Inspection Checklist

- Guide for inspection for landlords to review beforehand to prepare for inspection
- ▣ Not a complete list of violations

City of Holland ~ Housing Inspection Checklist

Use this checklist, as a guide, to prepare for your housing inspection.

Inside & Outside:

- Street numbers must be 4 inches tall and visible from the road.
- Siding – check for peeling paint, broken boards, missing corner pieces.
- Window & Door Trim / Frames - check for peeling paint, deteriorated frames, broken boards.
- Make sure all steps, decks and landings are in good condition and safe to use.
- Grasable handrails are required on all sets of stairs with 5 or more steps (including the step into the house).
- Protective guardrails are required on porches, balconies and stairs more than 30 inches above the ground. Guardrails must be secure, in good condition, 30 – 38 inches tall and spaced so a 4 inch sphere cannot fit through.
- Storage of garbage, rubbish, unused household materials.
- Repair broken fences.
- Replace cracked / broken window panes. House windows must be glass. Basement windows may be plexi-glass. No boards over windows.
- Patch cracks and holes in the foundation.
- Driveways & sidewalks in good condition with no holes or trip hazards.
- All exterior doors must have a deadbolt lock.
- Check for light and air leaks around exterior doors. Install weather-stripping.
- Window screens (on openable windows) & storm doors should be in good condition, with no damage, and working hardware.

Basement / Utility Room:

- Make sure the dryer is vented outside with a metal vent hose.
- The washer must be properly hooked up with an approved standpipe for discharge.
- 100 amp electrical service panel with breakers.
- *Sleeping in the basement is prohibited!*

Throughout the house:

- All ground floor windows have locks.
- Is the bathroom ventilation adequate & working? (Openable window or vent fan.)
- All walls and ceilings are in good condition with no holes, peeling paint, peeling wallpaper.
- All floor coverings are properly installed, and maintained in good condition with no rips, tears or tripping hazards.
- Check for cover plates on outlets, switches and junction boxes.
- Check for ungrounded 3-prong outlets. (Must be grounded, GFI protected or original 2 prong.)
- Closet light fixtures - Incandescent fixtures, 12 inch clearance from any shelf or clothing. Fluorescent fixtures, 6 inch clearance from any shelf or clothing.
- Make sure the hardwired smoke detectors have new batteries, are properly installed and interconnected.
- If you do not have hardwired smoke detectors you must have an electrician obtain a permit to install hardwired, battery backup, interconnected detectors, installed according to the electric code.
- Required duplex outlets: Bedroom, living room, dining room - a minimum of 2 on separate walls. Kitchen - a minimum of 4, with 2 along the counter. Bathroom - duplex GFI adjacent to the sink.

- In a multi family – make sure the fire doors self-close and latch.
- In an older home – make sure the skeleton key locks are removed or disabled. (All doors throughout the house.)
- Interior doors are in good condition with working hardware.
- Check for plumbing leaks at the faucet and trap.
- Make sure all drains are working properly.
- Check to make sure the toilet is working properly and secured to the floor.

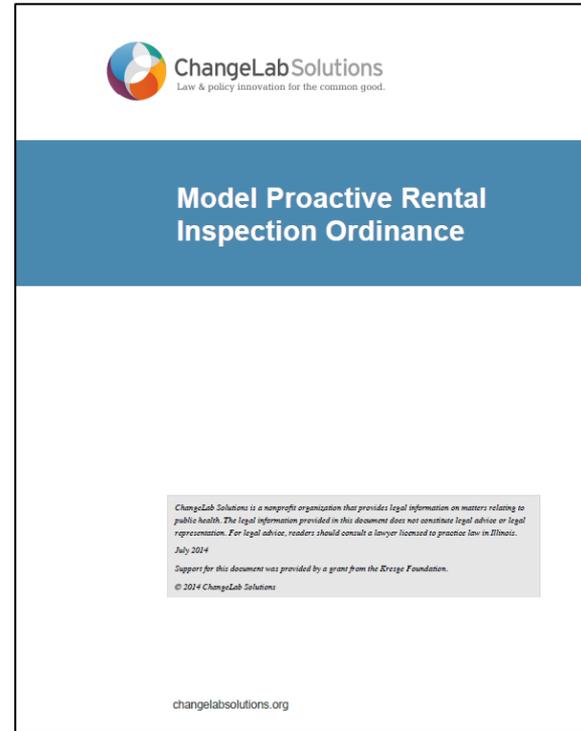
Other:

- Each room must have adequate heat. Portable heaters are not allowed.
- A licensed mechanical contractor must inspect the heating system. Provide a copy of this inspection report (conducted within the past 12 months). (Not required for electric heat pumps & other approved electric heating units.)
- Seven foot minimum ceiling height, 7 foot minimum room width.
- Restrictions on number of occupants. Call for details (616) 355-1330.
- Is the house / apartment clean? Are there insect or rodent problems? Is the yard maintained?
- Did your licensed contractor get a permit and final inspection for the new furnace, water heater, electrical wiring &/or plumbing fixtures?

This list contains commonly found violations. It is not intended to be a comprehensive list of all violations that could occur.
Questions? Contact us at 616-355-1330 or visit our Website at www.cityofholland.com.

Model Ordinance Resource

- There are resources that can cities through the process!





Thank you!