BUDGET DOCUMENT # 53

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: MAYOR REED

FROM: Vice Mayor Madison Nguyen

SUBJECT: BUDGET DOCUMENT

DATE: May 22, 2013

Approved Madison Nguyen Date 5/22/13

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Multiple Housing Occupancy Permit Proposed Pilot Program

Amount of City Funding Required: $0

Fund Type (i.e. General Fund, C&C funds, etc.):

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

Direct Planning, Building, & Code Enforcement staff to develop a self-certification pilot program for the City's Multiple Housing Permit Program. The goal of this pilot program would allow property owners of buildings that have been constructed within the past ten years, who pay Multiple Housing Occupancy Permit fees, and do not have existing or within the past six month, violations of building, housing or other municipal codes to self-certify their compliance. The self-certification should include the following:

- A self-certification checklist of applicable codes for property owners wanting to participate in the program
- Validity of property self-certification for a 3-year period
- Development of training and outreach materials to support owners desiring to participate in the program.

The City of San Jose has maintained the Multiple Housing Residential Occupancy Permit (ROP) as a means to sustain the Multiple Housing Inspection Program, administered by Code Enforcement. The ROP is paid by owners of apartments, emergency residential shelters, guesthouses, motels/hotels, residential care facilities for seven or more persons, residential service facilities and fraternity houses and sorority houses. The permit is assessed to the complexes per unit on an annual basis. The current permit is set at $43.81 per unit, which is 100% cost recovery. Currently, there are 6,588 buildings with

a total of 83,641 units in the City's Multiple Housing Program. The annual permit currently provides funding sufficient to ensure all buildings receive an inspection on a six-year cycle.

According to MBA #37 issued during the Fiscal Year 2012-2013 budget, ROP funds 12 Code Enforcement Inspectors solely assigned to the program. These Code Enforcement inspectors are responsible for conducting routine inspections of the building exterior and a percentage of the interior dwellings based upon the age and condition of the building. Inspectors identify zoning, building, plumbing, mechanical, and electrical, fire and other health and safety violations.

The city is seeing a growth in the number of new rental units subject to this program. Many of these newer units and those that do not have a history of violations are still being inspected taking Code Enforcement staff from focusing on the properties/buildings that are truly laden with violations causing neighborhood blight and disruption to tenants. Such a pilot program will allow Code Enforcement to focus their limited staff resources on these properties with the goal of improving the quality of life for the residents and addressing the issues surrounding substandard housing which diminishes community pride, public safety, and strong neighborhoods.

Under the pilot program, with their annual ROP payment, newer property owners will be given a choice of signing up for a self-certification program. It is anticipated that many these owners will opt for self-certification. Properties that are eligible for self-certification, the owner/operator will conduct a self-inspection every three (3) years of all the residential rental dwelling units, including exterior conditions and site conditions, and certify under penalty of perjury that the conditions at the property achieve the minimum standards listed on a Self-Certification Program Checklist developed by Code Enforcement. Code Enforcement will review the checklist and sign-off on the self-certification for that period. This will result in these units actually being inspected more frequently.

Allowing these owners to self-certify will allow Code Enforcement staff to truly focus on those properties that pose risk to our community and the residents who call those units home.

At the end of the pilot program, staff should report back to the Community and Economic Development Committee with a status of the pilot program including, results achieved, and additional streamlining opportunities..

Funding Source

☐ Essential Services Reserve ($2 million)

☐ Other (Program/Project/Fund):

X No funding required

Department or Organization: Planning, Building and Code Enforcement

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

Name: Diane Buchanan, Director of Code Enforcement

Phone number: (408) 535-7780

E-mail address: diane.buchanan@sanjoseca.gov

This change is:

__X___ One-time _____ Ongoing

The City Service Area to which the change best relates:

X Community and Economic Development Services
☐ Environmental and Utility Services
☐ Neighborhood Services
☐ Public Safety
☐ Strategic Support
☐ Transportation and Aviation Services