

**CITY OF BEVERLY HILLS**  
**STAFF REPORT**

**Meeting Date:** September 4, 2007  
**To:** Honorable Mayor & City Council  
**From:** George Chavez, City Building Official *GC*  
David Yelton, Building Inspection Manager  
**Subject:** Proposed Rental Housing Inspection Program  
**Attachments:** Staff Report Dated November 7, 2006

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**INTRODUCTION**

This memo is intended to provide an update to the City Council on the progress of the proposed Rental Housing Inspection Program and seek feedback and direction with regard to moving forward with an ordinance including the proposed changes.

**DISCUSSION**

Last November, the department presented the City Council a progress report on the proposed systematic Rental Housing Inspection program (Staff Report Attached). The proposed program mimicked established programs found locally and throughout the State. In an effort to properly shape the program, staff conducted multiple public outreach presentations which included invitations to:

- Apartment Owners Association
- Rent Control Association
- Realtors
- Homeowners Associations
- The Beverly Hills Chamber of Commerce Government Affairs Committee

Participation and feedback from the public outreach presentations varied. The apartment owners association provided the most feedback based on experiences they have had with other inspection programs. This particular meeting was held in February and resulted in gaining important perspectives from the property owners. Unfortunately,

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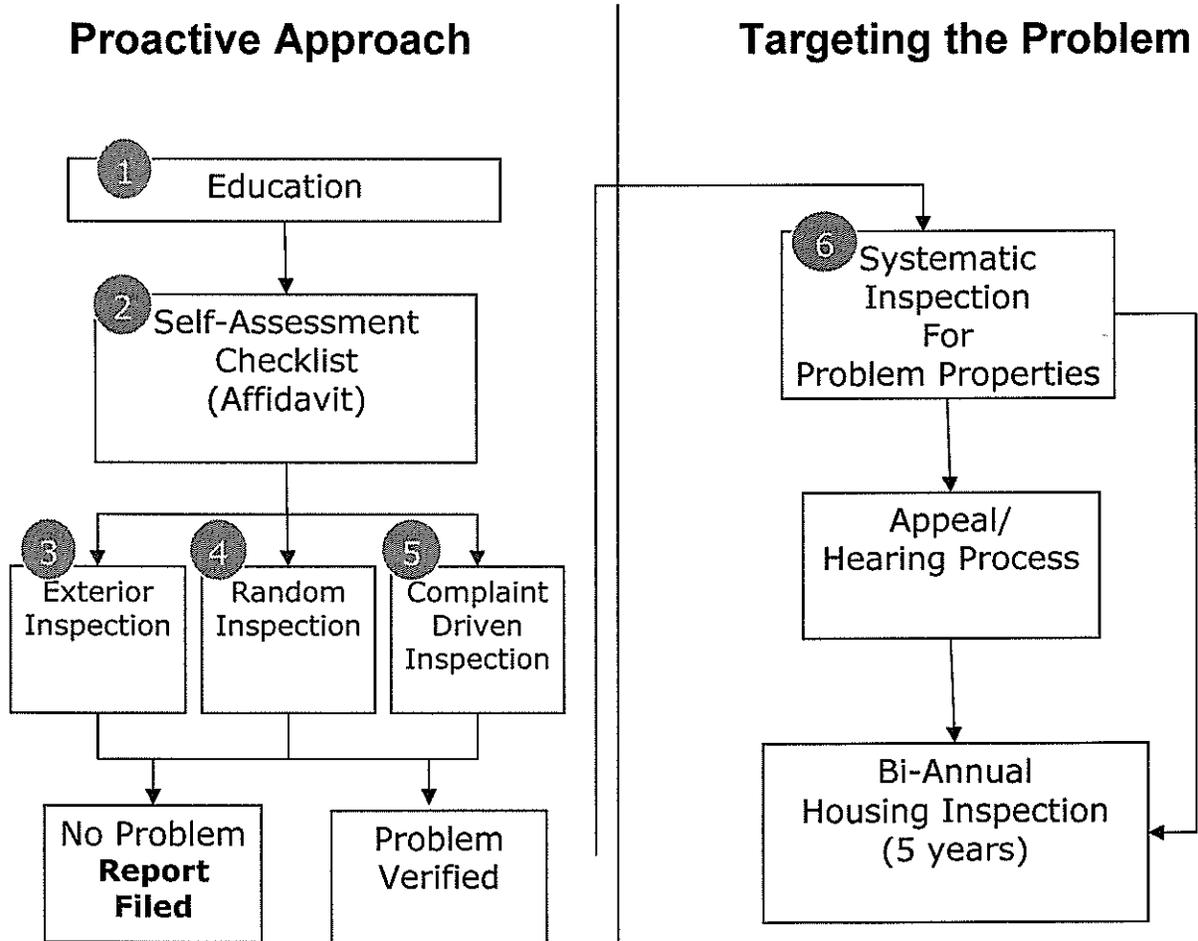
only two members of the public showed up at the outreach meeting arranged for tenants and the homeowners groups.

In summary, public comments and concerns voiced are as follows:

- Concerns with Cost
- Equity (good buildings should not need systematic inspections)
- Tenant's privacy
- Added Bureaucracy
- Negative experience with other programs
- Positive nature of Self Assessments
- Education for Landlords & Managers is key

As a result of comments and concerns raised at public outreach meetings, staff went back and reshaped the proposed program addressing concerns raised, while still keeping in mind the goal of preserving and maintaining the City's aging rental housing stock to standards Beverly Hills residents expect.

Instead of systematically inspecting the interiors and exteriors of the over 8700 units, the revised proposal relies on a unique approach which focuses on the following Six elements:



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1. **Education-** Owners and Managers will be provided checklists along with information related to State Housing Codes and Municipal Code standards so there is a clear understanding of program expectations.
2. **Self-Assessment-** Owners or managers will simply fill out a self-assessment checklist and submit it to the department on an annual basis. Included on this checklist will be questions related to the interior and exterior of the building including the Fire Department requirements. Owners will be required to sign an affidavit.
3. **Exterior Inspections-** Staff will inspect the exterior of all multi-family properties and verify conditions submitted on the checklists. (The Fire Department currently inspects apartment buildings with 3 or more units).
4. **Random Interior Inspections-** A small percentage of the units city-wide will be inspected to verify the interior conditions stated on the checklist. This will only be done by invitation of the tenant unless a hazardous condition is observed.
5. **Complaint Driven Inspections-** Staff will continue to respond to tenant complaints.
6. **Systematic Inspections-** If a building is verified to be substandard and is not repaired in a reasonable amount of time, it will be placed on a mandatory systematic inspection program. This measure includes a process to allow a property owner an opportunity to appeal their case to an independent hearing officer. In an effort to reduce ongoing costs, workload associated with enforcement in these cases will be outsourced to a third-party inspection company with all costs borne by the owner of the problem property.

In summary, the proposed Rental Housing Inspection Program will proactively enforce existing property maintenance and Housing & Fire Codes without creating new codes. Efficiencies will be realized by consolidating efforts by the Fire Department and Building and Safety Division. Building and Fire inspections and checklists will be consolidated eliminating duplicate efforts. These efforts will free up Fire Department staff allowing them to focus on other areas of Public Safety getting involved only when necessary.

### **FISCAL IMPACT**

To establish a program based on the above recommendations, it is estimated that \$200,000 in staffing costs will be necessary to support this program. This is \$390,000 less than the program originally proposed last year. Verified substandard properties will be charged separately and directly for the enforcement time and efforts spent on them.

### **RECOMMENDATION**

Staff recommends an ordinance be developed establishing a Rental Housing Inspection Program.

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Vince Bertoni  
Approved By



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George Chavez, City Building Official *GC*  
**Subject:** Rental Housing Inspection Program  
**Attachments:** 1. Exhibits A & B

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**INTRODUCTION**

This memo is intended to provide an update to the City Council on the progress of Building & Safety's Rental Housing Inspection Program (The Program) approved as part of the Community Development's 2006/2007 department budget goals.

The Program is intended to provide a proactive approach to property maintenance & habitability standards targeted at the aging multi-family housing stock consisting of over 8,700 rental units. Exhibit A (attached) illustrates some interesting statistics related to rental housing within the city.

**DISCUSSION**

Currently, Code Enforcement staff deal with rental housing issues on a complaint basis. The current process is purely reactive and adopted housing codes are minimum standards dealing with basic health and safety issues. The current process seeks and generally achieves voluntary compliance, however, some cases require stepped up enforcement measures requiring significant staff time and occasionally requiring the involvement of the City Prosecutor's Office.

Again, our current approach is complaint driven and the mere fact Code Enforcement staff is asked to respond to a complaint often places a tenant in an awkward and

sometimes adversarial position with managers and/or property owners. The Program being developed is comprehensive, systematic with a proactive approach largely eliminating the need for tenants to contact us in most cases. It should be noted that housing inspection programs are not unique and can be found throughout the State (Exhibit B)

### **The Program**

The systematic housing inspection program is being developed to ensure that all residential multi-family rental dwelling units meet and exceed minimum habitability standards. A primary goal of The Program is to ensure the on-going quality, maintenance and safety of the City's aging multi-family housing. Once The Program is initiated, the rental housing stock will be routinely inspected and the quality of life for renters in the city will remain constant and in many cases, improve. This will be achieved by conducting systematic inspections of these buildings and individual dwelling units on a two to three year basis.

The Program anticipates the following:

- Improved housing codes consistent with Beverly Hills standards.
- Inspection of all multi-family buildings with two or more units.
- Systematic inspections with advance notices sent to property owners, managers and tenants allowing plenty of time to schedule and prepare for inspections.
- Staff resources dedicated solely to rental housing issues.
- Incentives for well maintained buildings
- Certificate of Tenancy's issued and valid until for two years (inspection period).

### **Program Benefits**

- Preserving a high quality of life for renters in the City of Beverly Hills.
- Proactive vs. Reactive city services.
- Systematic inspection approach will reduce or eliminate landlord-tenant animosity caused by tenants initiating complaints.
- Preserve and extend the usable life of city's existing rental housing stock.
- Safer, healthier and more comfortable multi-family buildings.
- Multi-family neighborhoods will improve.
- Reduce demand for complaint-driven code enforcement services.
- Dedicated Housing Inspection staff will free up Code Enforcement Officers to deal with other code enforcement issues throughout the City.
- Substandard housing units will be proactively identified and rehabilitated.
- Illegal units will be identified and eliminated.
- Properties will be checked to ensure City Business Tax is current.

### **Community Outreach**

As part of the Program development, staff will notify and invite property owners, tenants, associations and members of the community to meetings in an effort to properly shape the Program by seeking stakeholders input. It is anticipated that the community outreach will be extended to but not limited to:

- Apartment Owner's Associations
- Board of Realtors
- Rent Control Association
- Home Owners' Associations
- Beverly Hills Chamber of Commerce

In addition to seeking input from Community groups and associations, staff will present information to the Human Relations Commission to gain their feedback and perspective.

#### **Implementation Timeline**

The Program implementation timeline is anticipated to be as follows:

- |                          |                        |
|--------------------------|------------------------|
| • Community Outreach     | November-December 2006 |
| • Ordinance Development  | December 2006          |
| • City Council           | January-February 2007  |
| • Recruitment            | March-May 2007         |
| • Program Implementation | June 2007              |

#### **FISCAL IMPACT**

The Program is being developed to be self-sustainable through funding paid for by building owners on a cost per dwelling unit basis. Preliminary estimates suggest the program will cost approximately \$590,000 annually which translates to \$6 per/unit, per/month for a bi-annual Program.

#### **RECOMMENDATION**

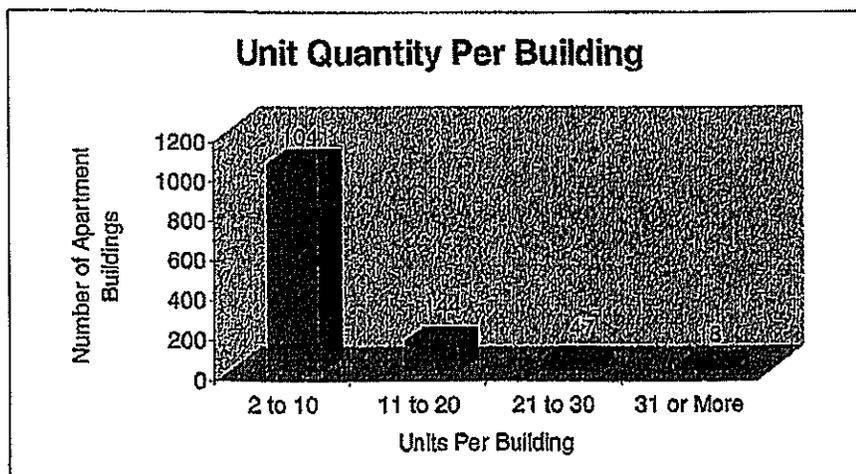
Staff is providing a progress report at this time. Once outreach is complete, staff will prepare a draft housing inspection ordinance and return to the City Council in January 2007 to provide an update and seek feedback. Should Proposition 90 pass today, this program will be re-evaluated based on advice from the City Attorney.

Mahdi Aluzri

Approved By

**EXHIBIT A**

Dwelling Units Per Property	Properties	Percentage
2 to 10	1041	83%
11 to 20	144	12%
21 to 30	47	4%
31 or More	18	1%



Year	Structures Built	Percentage
1922 to 1930	290	23%
1931 to 1950	663	52%
1951 to 1970	296	23%
1971 to Present	28	2%

- Average Age of Apartment Buildings is 65 years old.
- 15% of Apartment Housing was built between the years of 1935 & 1936 (191 Apartment Buildings)

- 69% of Apartment Housing was built before 1941.  
(877 Apartment Buildings)

**EXHIBIT B****CITIES SURVEYED WITH HOUSING INSPECTION PROGRAMS**

<b>City Jurisdiction</b>	<b>Units Covered</b>	<b>Inspection Frequency</b>
Azusa	All Units	Annual
Lincoln Park	All Units	Annual
City of Los Angeles	All Units	5 Years
County of Los Angeles	All Units	4 Years
Long Beach	All Units	Annual
Montclair	Apartments	Voluntary
Palmdale	All Units	3 Years
Pasadena	All Units	4 Years
Rialto	Apartments	Annual
Concord	All Units	3 Years
Berkeley	All Units	3 Years
Sacramento	Apartments	Annual
San Francisco	Apartments	Annual
Santa Ana	Apartments	Annual