NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Sharon Ragoonan

Date: March 11, 2014

Re: **Landlord Registration Fee Schedule**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE PROPOSED SCHEDULE OF FEES, PURSUANT TO CHAPTER 5 OF THE CODE OF ORDINANCES, ENTITLED "BUILDING STANDARDS AND REGULATIONS," SPECIFICALLY AT ARTICLE VII ENTITLED LANDLORD REGISTRATION; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

RECOMENDATION

It is recommended that the Mayor and City Council adopt the proposed fee schedule for the Landlord Registration Program.

BACKGROUND

On February 25th, 2014, the Mayor and City Council heard on first reading legislation to adopt a landlord registration program, which requires the annual registration and inspection of rental units in buildings with more than 2 dwelling units. The program authorizes the Minimum Housing Officers to inspect the interior of rental units and ensure compliance with the minimum housing standards established by the City.

In an effort to fully fund the implementation and operation of the program, a fee and penalty structure is proposed to cover the cost of automating the procedures, administering the program, conducting inspections, and adjudicating cases. The fee schedule is based on a sliding scale to incentivize the inspection process and promote compliance.

All property owners will be required to pay the annual application fee of $100.00 for any structure with more than 2 (two) units and $25.00 inspection fee per unit. Buildings with more than 10 units are subject to an inspection of 30% to 35% of the total units and will pay the $25.00 inspection fee per unit in correlation to the number of units inspected. The Minimum Housing Officer will have the discretion to inspect 100% of the dwelling units if unsafe or uninhabitable conditions exist within the collective inspected living units.

The proposed fee structure is provided below and will generate approximately $ 195,061.00 in general fund revenue. As mentioned above, the licensing fee will be used to manage the program, perform inspections, and carry out enforcement action as required. A penalty structure is also recommended to stimulate compliance.

LANDLORD REGISTRATION PROGRAM
PROPOSED FEE SCHEDULE

Description	Fee/Penalty Amount	Comments
Application Fee	$100.00	Annual fee and change of tenant
Application Update	$5.00	Change information in the landlord database
Late Application Fee	$50.00	Application fee doubled if filed after Oct. 1
Inspection Fee	$25.00/unit	Rate per unit inspected
Re-Inspection Fee	$40.00/unit	Rate per non-compliant unit
Additional Fines and Penalties	Maximum penalty $250 per day	Special Magistrate adjudication

LANDLORD REGISTRATION PROGRAM
REVENUE PROJECTION

Building Category	# of Buildings	$100.00 Application Fee	# Living Units	Est.# Living Units Inspected	$25.00 Inspection Fee per Unit	$40.00 Re-Inspection Fee Per Unit
10 units or less	192	$19,200.00	1,145	1,145	$28,625.00	$13,740.00
11 Units to 30 Units	71	$7,100.00	1,297	454	$11,349.00	$5,447.00
31 Units to 50 Units	20	$2,000.00	792	238	$5,940.00	$2,851.00
51 or more units	33	$3,300.00	4,299	757	$18,925.00	$9,084.00
Unsafe/Uninhabitable Units				1,500	$37,500.00	$30,000.00
Totals:	**316**	**$31,600.00**	**7,533**	**4,094**	**$102,339.00**	**$61,122.00**

*Note: 4,094 units/50 weeks = 82 inspections/week or 16 inspections/day
*Note: Maximum number of units inspected is 30 for buildings with more than 50 units
*Note: Unsafe/Uninhabitable Units represents the buildings that required an inspection of 100% of units due to dilapidated conditions.

ATTACHMENTS
Resolution
Comparative Chart of Fees

RENTAL INSPECTION PERMIT PROGRAM
COMPARATIVE FEE CHART

Daytona Beach, FL – Rental Property Program Fees

Initial application fee	$40.00	• Requires inspection on a biennial basis • Requires permit for single-family, duplex, triplex or fourplex properties • Exempts properties with five or more number of units, which are regulated by the State of Florida • Requires a Business Tax Receipt (single-family - $14.00; multi-family - $30.00)
Initial inspection fee	$50.00 per unit	
Annual license renewal fee	$15.00	
Annual inspection fee	$68.00 per unit	
Each re-inspection fee after 2nd failed inspection	$100.00	

Delray Beach, FL – Rental Housing Inspection Program

Annual permit fee	$60.00 per unit	• Contacts landlord in advance to enable him to advise tenant about the scheduled inspection • Requires to submit lease agreements for all new and renewing applicants • Exempts properties enrolled in federal housing programs, under federal housing and urban development supervision or hotels • Requires information on permit application includes ownership, condition of unit, and number of occupants in each unit • In the event applicant is denied a landlord permit, applicant may submit an appeals to the Chief Building Officials to case before the Permit Review Committee • Prohibits more than 3 unrelated persons residing in the unit
Annual permit fee penalty (failure to obtain or renew permit)	Triple permit fee	

Cocoa, FL - Residential Rental Program

Annual permit fee	$74.00	• Requires a Business Tax Receipt

(residential unit)		• Intends to inspect each unit at least once every five years. Depending on rating assigned to the property unit, unit may be inspected more frequently • Classifies units from A (no violations) through F (extensive violations, N (newly constructed), and R (rehabilitated/renovated) • Issues an administrative warrant if the owner objects to the inspection, unless emergency circumstances exist • Inspects units randomly (2 to 4 units = all units; 5 to 10 units = 40% of units; 11 to 30 units = 35% of units; 31 to 50 units = 30% of units; 51 or more units = 30% of units up to 30 total units with the potential of inspecting 100% of the units if 10% of the overall number of units has 1 or more major life safety violations) • Exempts units that are required by law to be inspected on a periodic basis for compliance with state or federal housing standards
Annual permit fee (multi-family)	Varies (awaiting confirmation from Darla)	
Inspection fee	$0.00	
First re-inspection fee	$0.00	
Second re-inspection fee	$75.00	

Temple Terrace, FL - Residential Rental Permit Program

Annual Rental Permit	$200.00 per unit	• Requires permit for single-family (attached or detached), and all two- or three-family dwellings (townhouses, condos, and mobile homes) • Prohibits more than 3 unrelated persons residing in the unit • Prorates mid-year rental applications

North Miami Beach, FL - Residential Rental Permit Program

Annual permit fee	Varies	• Exempts single-family properties and duplexes
Triplex	$100.00	
Fourplex	$110.00	
Five units	$120.00	
Six units	$130.00	
Seven units	$140.00	
Eight units	$150.00	
Nine units	$160.00	
10 units	$170.00	
10 – 20 units	$200.00	
20 – 30 units	$250.00	
Over 30 units	$300.00	

Miami Gardens, FL – Landlord Permit

Application fee	$11.00	• Requires permit for single-family, duplexes, triplexes, fourplex, multi-family, rooming houses, and dormitories • Requires applicant to provide tenant with F.S. Ch. 83, Pt II, entitled "Residential Tenancies"; copy of the "Landlord Permit" ordinance; and information that is provided by the City
Single family dwelling	$63.00 per unit	
Multi-family dwellings w/more than one unit	$52.50, first unit $25.00, each additional unit	
Single-family dwelling renewal	$47.25 (if no code violations)	
Multi-family dwelling renewal	$36.75 first unit (if no code violations) + each additional unit $15.00	
Re-inspection ree	$25.00	
Late fee	Fee due April 1st. After April 1st, 10% for April plus %5 for each month of delinquency thereafter until paid. Max. penalty 25% of fee due.	

Lauderdale Lakes, FL - Rental Inspection Program

Annual Rental Permit	$150.00 per unit (according to article published	• Repealed program due to a class action suit filed by a group of apartment owners claiming the program was

	in the Sun Sentinel)	unconstitutional and amounted to warrantless searches of their property • Redesign of program in progress (awaiting phone call from Dan Holmes, Director of Community Development)

Hayward, CA – Residential Rental Inspection Program

Annual fee (single-family, condos, and townhouses)	$41.00	• Requires inspection of all units in selected focus areas and random sampling of units in other areas • If owner, manager or tenant refuses to permit an inspections, authorizes enforcement official to procure and inspection warrant • Requires owner to provide notice of availability of rental inspection program and its complaint procedures to each tenant upon execution of lease or rental agreement • Includes motels and hotels in the inspection program • Includes section in municipal code that provides protection from retaliation for tenants who exercise their rights to file a complaint regarding a code violation
Annual fee (2 – 4 units)	$41.00	
Annual fee (5 or more units)	$10.00 per unit	
Inspection, Report and Enforcement	Varies (see below)	
Inspection, Report, and Enforcement Actions Pursuant to H.M.C. Chapter 9, Article 5 <u>Parcel containing two or more rental housing units or a hotel/motel</u> a. Initial Inspection (1) No Violations found **No Charge** (2) Violations Found $272 per parcel + $27 per unit or hotel/motel room with violation b. Progress Checks (1) First Progress Check (a) Violations corrected **No Charge** (b) Violations not corrected $154 per parcel + $53 per unit or hotel/motel room with violation (2) Second Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $200 penalty (3) Third Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $400 penalty (4) Fourth Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $800 penalty (5) Fifth and Subsequent Re-Inspections $154 per parcel + $53 per unit or hotel/motel room with violation + $1,600 penalty <u>Parcel containing one single-family rental unit (including condominium or townhouse)</u> c. Initial Inspection (1) No Violations found **No Charge** (2) Violations Found $272		

d. Progress Checks (1) First Progress Check (a) Violations corrected No Charge (b) Violations not corrected $154 per parcel (2) Second Progress Check $154 per parcel + $200 penalty (3) Third Progress Check $154 per parcel + $400 penalty (4) Fourth Progress Check $154 per parcel + $800 penalty (5) Fifth and Subsequent Re-Inspections $154 per parcel + $1,600 penalty <u>Two or more contiguous dwelling units/same owner</u> e. Initial Inspection (1) No Violations found **No Charge** (2) Violations Found $154 per parcel + $53 per unit or hotel/motel room with violation f. Progress Checks (1) First Progress Check (a) Violations corrected **No Charge** (b) Violations not corrected $154 per parcel + $53 per unit or hotel/motel room with violation (2) Second Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $200 penalty (3) Third Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $400 penalty (4) Fourth Progress Check $154 per parcel + $53 per unit or hotel/motel room with violation + $800 penalty (5) Fifth and Subsequent Re-Inspections $154 per parcel + $53 per unit or hotel/motel room with violation + $1,600 penalty **Initial Inspection or Progress Check – No Access** a. No Access – First Site Visit $100 b. No Access – Second Site Visit $200 c. No Access – Third Site Visit $400 d. No Access – Fourth Site Visit $800 e. No Access – Fifth and Subsequent Site Visits $1,600	

Palatine, IL – Residential Rental Licensing Program

Single-family	$70.00 every other year	• Minimum inspection requirement and fee are

		maintained if there are 3 or less violations. •
Single-family (4 or more violations)	$125.00 for the license renewal and the following year	
Multi-family	$20.00 per unit or $100.00 per building ,whichever is greater	• Inspects 25% of units in multifamily buildings. This minimum inspection requirement and fee are maintained if owner maintains an average of 3 or less violations
Multi-family renewal (4 – 5 violations)	$55.00 per unit for the license renewal year and the following year	• Inspects 50% of the units the following year
Multi-family renewal	$90.00 per unit for the license renewal year and the following year	• Inspects 100% of the units within 60 days of the initial inspection in the same year
Single- and multi-family	• Requires owner/agent to attend the Crime Free Multi-Housing Seminar and adopt and enforce a Crime Free Lease addendum	

El Cerrito, CA – Residential Rental Inspection Program

- Includes an apartment house, in-law unit, duplex and single-family home, which is rented or occupied for any portion of a year, regardless of whether any compensation is received
- Exempts Section 8 Housing, newly constructed rental units for the first two years from the date of occupancy approval and units occupied by the legal owner of the property
- Certificate valid for 2 years
- Requires a business tax receipt

Santa Cruz, CA – Residential Rental Inspection Program

Annual registration fee	$45.00, plus $20.00 per unit	• Applies to owners of one or more residential rental units (unit rented/leased for 30 days or longer)
Annual self-certification	$45.00 registration fee, plus $20.00 per unit for 20% of the	• Provides owner with the choice of registering for City inspections or self-certification of the rental property

	units at the property	• Requires inspection of all units and certification of condition of the units by the owner • Requires 20% of units (of one unit for properties with 5 units or less) to be inspected by the City during a 5 year period; otherwise units are inspected annually. Property shall have no violations within the last 3 years to be accepted into the program. • Requires the owner to coordinate with the tenants for access to the units
Annual self-certification (if not accepted into the program)	$45.00 registration fee, plus $20.00 per unit for all units at the property	
Re-inspection	$107.00	

Sacramento, CA – Residential Rental Housing Inspection Program

Annual Rental inspection program fee	$16.00 per unit	
Unit (and additional unit) inspection fee	$127.00 per each new rental unit inspected by the program; exempt from paying fee if placed in self-certification program	• Validates registration for 5 years • If no violations are found or violations are corrected within 30 days, the property is placed in the Self-Certification Program, which requires the owner to perform an inspection on each unit annually and upon any change in tenancy. The self-certification inspection checklists must be retained by the owner for a period of three years. • (City) Inspects 10% of properties that have
Missed appointments/Appointments not rescheduled	$80.00	
Re-inspection fee	$127.00 (if violations are not corrected within 30 days are required to be inspected the following year)	
Random inspections of self-certified properties	$127.00 per unit	

		been self-certified. If no violations, remains in program. If property does not pass inspection, it will be removed from self-certification and subject to annual inspections. • Allows inspection of up to 100% of the units if more than one violation exist on property • Exempts units that are regularly inspected by another agency or rental properties less than 5 years old • Requires the tenant receive "Resident's Rights" form

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE PROPOSED SCHEDULE OF FEES, PURSUANT TO CHAPTER 5 OF THE CODE OF ORDINANCES, ENTITLED "BUILDING STANDARDS AND REGULATIONS," SPECIFICALLY AT ARTICLE VII ENTITLED LANDLORD REGISTRATION; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on March 11, 2014, the Mayor and City Council of the City of North Miami ("City") adopted Ordinance No. _____, amending Chapter 5 of the City of North Miami Code of Ordinances ("City Code"), entitled "Building Standards and Regulations," and created a Landlord Tenant Registration Program; and

WHEREAS, the amended ordinance will provide and require inspections for rental units throughout the City; and

WHEREAS, following an analysis of personnel and administrative costs including but not limited to processing, scheduling, reviewing, investigating, prosecuting and hearing landlord registration and inspection violation cases before the special magistrate, City administration is recommending approval of the following Fee Schedule, attached hereto as "Exhibit A"; and

WHEREAS, the Mayor and City Council have determined that the Proposed Schedule of Fees is fair, reasonable and in the best interest of the residents and the City of North Miami.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. **Approval of Schedule of Fees.** The Mayor and City Council of the City of North Miami, Florida, hereby approve the Proposed Schedule of Fees attached hereto as "Exhibit A".

Section 2. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of March, 2014.

LUCIE M. TONDREAU
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Lucie M. Tondreau	_____ (Yes)	_____ (No)
Vice Mayor Scott Galvin	_____ (Yes)	_____ (No)
Councilperson Carol Keys, Esq.	_____ (Yes)	_____ (No)
Councilperson Philippe Bien-Aime	_____ (Yes)	_____ (No)
Councilperson Marie Erlande Steril	_____ (Yes)	_____ (No)

EXHIBIT "A"

LANDLORD REGISTRATION PROGRAM

PROPOSED FEE SCHEDULE

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