



Legislation Text

File #: 211066., **Version:** 1

Residential Rental Unit Permit and Inspection Program Update (B)

This item includes an update on the Residential Rental Unit Permit and Inspection Program and proposed program efficiencies.

In September 2020, the Residential Rental Unit Permit and Inspection Program was adopted by Ordinance, and staff was directed to come back to the Commission during the first year of the program to provide an update. This item is to provide an update on the program and propose modifications to improve the efficiency and effectiveness of the program.

In October 2021, the program was implemented by the Department of Sustainable Development (DSD). Since that time, DSD has processed approximately 15,000 applications, issued approximately 7,000 Residential Unit Permits, and through the City's inspection vendor, CAP Government Inc. (CAP), conducted approximately 400 rental housing inspections. The City is currently working on verifying the status of approximately 8,500 units that either have not returned an application or have claimed an exemption from the program. Results from the initial inspections are currently being returned to owners via mail.

Over the five months that the program has been in place, several process improvements have been identified for Commission consideration:

1. The self-inspection checklist requirement for issuance of the Rental Permit had initially resulted in delays in processing approximately several hundred permits. The City provided an extension of time to turn in the checklists however, there are approximately 100 applications that are still missing the self-inspection form. Staff recommends the Commission consider continuing to use the form as an informational tool but revise the ordinance to remove completion of the form as a prerequisite for permit issuance.
2. The current contract with CAP Government, Inc. has posed some logistical challenges. Currently, University of Florida students hired by CAP are conducting in-person documentation of rental unit conditions and transmitting that documentation to a remote CAP inspector who is then reviewing those materials and providing the inspection result (pass/fail). Student schedules, training, availability, etc. have been an aspect that CAP has had to manage in addition to conducting the inspections and providing the results in a timely manner. Based on the structure of the contract, these are challenges that will persist into the future of the program. Based on these challenges, the Commission may wish to consider having the City assume responsibility for conducting the inspections using City staff to replace the current contract.
3. The number of rental units is less than originally estimated with almost half of the total number of estimated units claiming an exemption from the program. This has resulted in permit fee revenue falling short of initial projections and raised the need to recalibrate the permit fee for the program to remain self-sufficient. Staff contracted with Berry McNeil & Parker, LLC. to conduct a cost-of-service analysis. Based on that analysis, adjusting the permit fee to \$155/year will ensure the program remains cost-neutral to the City. For context, the 2021 fee for the former Landlord License program which preceded the current rental inspection program was

\$154.00.

Strategic Connection:

This item relates to the Sustainable Community Goal of the City's Strategic Plan.

The fiscal impact would be an increase of \$33 to the 2023 rental permit fees.

The City Commission: 1) hear an update from staff; 2) receive a report and presentation from Berry Dunn McNeil & Parker, LLC., 3) approve and direct staff to move forward with proposed modifications for inspections and self-inspection checklists; and 4) approve increasing the current Residential Rental Unit Program annual permit fee from \$122.00 to \$155.00, and 5) direct the City Attorney to revise the Ordinance.