

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Non-Owner Occupied Housing (f/k/a Rental Housing) Registration Ordinance Amendments

**Manager's Recommendation:**

I recommend approval of the ordinances introduced under the regular order of business, that amends §151.095, "Registration Fee Required," §151.096, "Fee Schedule," and §151.097, "Late Payment Fees," and re-entitles §151.095-§151.098, of Chapter 151, "Housing Regulations", of Title XV "Land Usage" of the City of Saginaw Code of Ordinances O-1, from "Rental Housing Facility Fees" to "Non-Owner Occupied Housing Facility Fees" and re-titles "Appendix: Rental Housing Registration Fees" to "Appendix: Non-Owner Occupied Housing Registration Fees" and amends §1 "Rental housing registration fees" to §1 Non-Owner Occupied housing registration fees" and to add §2, "New Registrations" and §3, "Effective Date" to this Appendix, of Chapter 151, "Housing Regulations", of Title XV "Land Usage" of the City of Saginaw Code of Ordinances O-1.

**Justification:**

The City's current ordinances reference "rental registrations" which does not clearly define that any home that is non-owner occupied must be registered, whether or not the owner is receiving payment from the occupant (i.e. parent who is not an occupant allowing his/her child to live in the home). Re-titling this section will better describe its intent and purpose.

Also, the current ordinance provides for a 2 or 4-year license term with a larger fee due the first year and a reduced fee due in subsequent years. This has been problematic for billing purposes, as the City's HTE software is not capable of billing different amounts due and owing in different years. As such, much of the invoicing must be done through alternate databases and some by hand. In addition, having the same fee due and owing each year for these properties would be less confusing on the licensees, as he or she would know the same fee would be due and owing each year. Currently, one and two family dwellings are charged \$100 for the first of the 4-year license and \$25 for years 2, 3 and 4. In the same sense multiple dwelling units (more than 2) and lodging houses are charged \$50.00 for the first year and \$25.00 for the 2<sup>nd</sup> year of the 2-year license, plus an

# COUNCIL COMMUNICATION

additional cost of \$5.00 for each unit in excess of 2. Hotels are currently \$100.00 for the first year, \$25.00 for the second and \$2 for each rooming unit.

Under the revised ordinance all non-owner occupied one and two family dwellings, multiple family dwellings and lodging houses licensees would pay a \$50.00 registration fee per year and an additional \$5.00 per unit (in excess of 2) for multiple family dwellings and lodging houses. Hotels would pay a \$100 registration fee and \$5.00 per unit (in excess of 2).

Changes to these ordinances would make billing less difficult, increase the current fee and provide for a steady cash flow for the City. The fines for failure to register would also increase as currently in years 2, 3 and 4 for one and two family dwellings, failure to re-register is double the registration fee (\$25), which is a \$25.00 fine. Under the revised ordinance, each year would have a \$50 registration fee and double to \$100 for failure to re-register or pay.

Other sections of the ordinance have been amended to clearly define that registration fees are not prorated, provide penalties for failure to initially register the non-owner occupied facility, and provide that owners will be responsible to pay for inspection(s) necessitated by the owner's failure to maintain their property after compliance.

The application for Non-Owner Occupied will also be amended to request the owner provide a "local" contact for those owners living out of the area.

The Chief Inspector met with the Saginaw Landlords Association and advised them of this upcoming change, including the fact that all licenses would be rolled over under the new program and license year regardless of when the dwelling was first registered, and they were agreeable to this change.

## **Council Action:**

This Council Communication is for explanation purposes only of the ordinances to be introduced.