



GOVERNMENT AFFAIRS UPDATE

RHA Efforts Saves Local Rental Owners Over \$2 million in 2008 or \$25 Per Rental Unit

2008 Accomplishments

▪ ***Rental Inspection Program – City of Sacramento***

Joining a national trend, the Sacramento City Council adopted a mandatory rental inspection program, requiring the inspection of nearly 34,000 rental units over a five-year period. Rental owners will be charged an annual fee of \$28 per unit to fund the new program. However, RHA was successful in opposing another proposal that pegged the cost at \$51 per unit annually. The association also cut the initial fee on the program that was adopted by 25 percent (from \$37 to \$28 per unit) and created a “self-certification” option for owners passing the initial inspection, which should cut the annual fee even further. **RHA’s opposition to the more onerous program and recommendations on the adopted program saved owners over \$2,000,000 per year.**

▪ ***Business License Requirement – City of Citrus Heights***

In 2007, the City of Citrus Heights received a report containing a number of recommendations from an independent consultant hired to review fees charged to businesses. One recommendation was to increase the current rental housing code compliance fee charged to rental owners by 125 percent. Fortunately, RHA convinced the council to adopt a more modest increase. Another recommendation was to require rental owners to obtain a business license which has not been required. The license would be a separate fee of about \$50 per property per year. The council recently rejected a requirement to impose a business license on rental property owners. **RHA’s efforts saved rental owners nearly \$25,000 per year.**

▪ ***Anti-Gang Ordinance – City of Elk Grove***

While RHA supports efforts by local government to rid our communities of gangs, a recent proposal in Elk Grove to confiscate property, including rental property, simply went too far. The proposal was intended to hold property owners liable for situations where the owner allowed gang activity to occur, including situations where another person was harmed or killed by a gang member. However, the proposal held property owners to a “strict liability standard” meaning that owners would have been held liable regardless of whether the owner knew that a gang member was at the property or whether the owner took any actions to correct the problems. The Elk Grove City Council agreed to remove the proposal from consideration. **RHA’s efforts avoided a costly and burdensome regulation from being approved.**

▪ ***Political Sign Ordinance – City of Davis***

Current local laws prohibit many signs including advertising devices that can be displayed at rental properties. Initially, the City of Davis considered an ordinance that would have allowed tenants to display signs anywhere at the rental property identifying their preferences on political issues. However, RHA intervened arguing that while tenant should have a right to express their political opinion, that right doesn't extend to those areas where tenants do not have exclusive control. For example, RHA successfully argued that allowing a tenant to post a sign on the side of an apartment community could damage the building, leading to water intrusion and mold. Fortunately, the Davis City Council agreed that tenants should be able to post signs but only in areas, such as their window, where the tenant has exclusive control. **RHA successfully clarified a potentially intrusive ordinance by narrowing its application.**

▪ ***Smoking at Rental Properties - City of Woodland***

RHA has successfully partnered with local governments to avoid mandatory regulations on rental properties concerning prohibitions on smoking. This year, RHA worked with the Woodland City Council on a resolution encouraging rental owners to designate at least 50 percent of existing units as non-smoking. These types of resolutions encourage but do not mandate that owners set aside units as non-smoking. Several local jurisdictions around the state have mandated non-smoking units including civil penalties against rental owners for non-compliance. **RHA's efforts avoid unnecessary regulations and costly penalties for rental owners.**

Current Issues

▪ ***Rental Inspection Program – County of Sacramento***

Several months ago, County officials notified RHA about their intention to address several issues: the aging rental housing stock, current blighted areas that continue to plague certain neighborhoods and the influx of new investors who are buying properties, especially single-family homes at reduced prices. RHA and County staff have worked on a joint rental inspection program that will implement industry best practices including requiring owners or managers to inspect rental units at the beginning of every tenancy. The proposal is based on RHA's Model Rental Inspection Ordinance that was drafted several years ago to address the City of Sacramento proposal.

▪ ***Mandatory Recycling Ordinance – City of Rancho Cordova***

City officials are proposing a mandatory recycling ordinance modeled on the recycling program imposed on commercial properties in the County and City of Sacramento. While the ordinance would require apartment communities to offer residents a recycling service, it initially included stiff penalties to owners when tenants failed to recycle and required owners to provide a small recycling container in each unit. At RHA's request, the new proposal now prevents city fines against owners when tenants fail to recycle and allows owners to require their residents to obtain the recycling container.

▪ ***Smoking Ordinance – City of Woodland***

City officials have drafted an ordinance to regulate smoking at newly constructed rental properties that receive some form of city funding. RHA is working with city staff and members of the council to clarify certain provisions in the proposal that could impact properties that do not receive city funds. RHA continues to monitor this issue as a smoking regulation on market rate properties would have a significant impact on the industry.

▪ ***Parcel Tax Initiative, Measure W – City of Davis***

A new initiative on the November ballot could add another \$50 per unit annually for apartment communities and add another \$120 per parcel annually for a single family home. Money raised by the new tax would fund existing programs and services for the Davis Unified School District. RHA opposes this measure as excessive as is preparing for a grass roots campaign to defeat the measure. This tax comes on the heels of two other measures, P & Q, adopted by Davis voters in 2007. If 2/3 of voters support Measure W, it would bring the annual per unit tax for apartment to nearly \$200 and homeowners would pay over \$150 annually.

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