



City of Clearlake

City Council

| STAFF REPORT | |
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| SUBJECT: Discussion and Consideration of Ordinance No. 279-2025, An Amendment to Section 9-4 of the Clearlake Municipal Code Regarding Residential Rental Registration and Inspection | MEETING DATE: June 5, 2025 6:00 p.m. |
| SUBMITTED BY: Michael Taylor Associate Planner | |
| REPORT PURPOSE: <input checked="" type="checkbox"/> Action Item <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information Only | |
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WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to reconsider the first reading of Ordinance No. 279-2025 (Attachment A), which proposes amendments to Section 9-4, Rental Housing Unit Registration, Inspections, and Inventory, of Chapter IX, Building and Housing, of the Clearlake Municipal Code. The ordinance is associated with Municipal Code Amendments MCA 2025-01 and the corresponding environmental determination, Categorical Exemption CE 2025-02. The proposed updates aim to improve the City's rental registration and inspection program by clarifying existing requirements, enhancing enforcement mechanisms, and ensuring greater alignment with current housing safety goals.

The ordinance was originally introduced for the first reading on March 20, 2025. At that time, the City Council continued the item at the request of the Lake County Association of Realtors Association, which sought additional time to review the proposed code amendments. The City Council granted this request, and the Realtors submitted comments to City staff on April 17, 2025. (attached) In response, staff revised the ordinance to address the concerns raised and met with the Realtors again on May 22, 2025, to review the proposed modifications. Based on that discussion, the Realtor group indicated that they are amenable to the revised language. Staff are now returning the item to the City Council for reconsideration.

BACKGROUND / DISCUSSION:

Section 9-4, was adopted by City Council on October 25, 2001, and came into effect on November 24, 2001, as Ordinance No. 102-01 (Attachment B). The ordinance mandates that landlords register their rental housing units and comply with required inspections to ensure safe, decent, and sanitary living conditions. Requiring registration and inspections of rental housing units aid in

realizing those units that do not meet acceptable living standards and requires landlords to improve their properties offered for rental or lease.

The code's intent is to identify and correct violations of City codes, the California Building and Fire Codes, State Housing Law, and other applicable regulations that apply to rental properties. It aims to address conditions that pose immediate hazards or threats to the safety and welfare of residents and the public. Furthermore, conditions leading to severe dilapidation will be subject to strict enforcement. However, landlords will be given time to comply with code requirements, aiming to ensure all rental housing meets minimum standards set by local and State laws.

By establishing regulations for maintaining, sanitizing, and ensuring the safety of all residential rental properties, including single and multi-unit structures, motels, hotels, and their common areas, this section aims to safeguard public health and welfare. However, the code does not mandate retrofitting of units built to earlier standards unless required by State or local laws, provided the units are maintained safely.

Through these measures, the code seeks to achieve rental housing that meets the minimum housing and property maintenance standards, contributing to better living conditions for all residents.

Proposed Code Changes

As part of staff's ongoing efforts to enhance city municipal codes and ensure alignment with current standards, city staff is proposing several revisions for review (see "Attachment C", for specific text amendments).

1. Inspection Responsibility and Enforcement: Transition of the responsibility for inspections and enforcement from the Code Department to the Building Department Official. This change aims to streamline processes and improve efficiency in code enforcement.
2. Updates to Code References: Update references to state building, fire, and residential codes, along with corresponding definitions. These updates ensure our codes are consistent with state regulations.
3. Clarification of Registration and Inspection Requirements: Update text to clarify registration requirements, inspection protocols, and procedures for reinspection. These revisions aim to provide clear and consistent guidelines for inspections.
4. New code additions: including phasing of inspections, a self-certification program, occupancy pending inspection certificate, change of ownership, and tenant rights and landlord limits on liability.

5. Online Registration Portal: Update text to include rental registration through a secure website.
6. Value of Rental Unit Inspections: Add a discussion section to highlight the value of rental unit inspections. Emphasizes that data collected from these inspections can inform future policy decisions and contribute to better housing standards.

Resolution No. 01-84

Resolution No.01-84 was adopted on November 8, 2001, to amend, at the time, the Clearlake Schedule of Fees establish fees for the rental property inspection program (Attachment D).

Current Rental Property Inspection Program Fees:

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| Annual Inspection | \$40.00 (site and 1st unit) \$15.00 (each additional unit) |
| Noncompliance re-inspection | \$30.00 (site and 1st unit) \$10.00 (each additional unit) |

Under subsection 9-4.12 Fees-Adopted by Resolution of the Rental Housing Unit Inspection and Registration section, the City may adopt, and amend, from time to time, by resolution, the fees required to address current costs, future regulations and programs that may be related to the section. Staff are reviewing the current fees related to the amendments to the code and current implementation cost.

Staff has determined that the adopted program fees are outdated and may no longer cover the costs necessary to effectively implement and administer the program. The operational costs associated with the program should align with current economic conditions. Since the existing fees have not been updated to reflect these changes, an adjustment is necessary. Staff have prepared under resolution proposed modification to adopted fees.

Fiscal Impact

The fiscal impacts associated with updating the existing code fees and implementing changes are not fully known and anticipated costs, which include developing an online registration portal, creating a database, City staffing-related expenses, compliance efforts, and legal assistance, need to be aligned with current economic conditions. Since the current fees were adopted by resolution in 2001 and have not been updated to reflect current costs, this adjustment is necessary. While some variability in costs may be expected in subsequent years, annual

operating costs are likely to remain close to the implementation level. This matter is anticipated to be discussed at future meetings and is subject to direction from the City Council.

ENVIRONMENTAL REVIEW (CEQA):

Staff has made the determination pursuant to the California Environmental Quality Act (CEQA) Sections 15060(c)(2), the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, 15060(c)(3) the activity is not a project as defined in Section 15378, and Section 15061 (b)(3) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential for resulting in physical change to the environment, directly or indirectly. Additionally, the proposed text amendment serves to establish general standards and regulations. Individual projects that are subject to the Ordinance would require individual review for conformance with CEQA. Therefore, the proposed amendments are exempt from CEQA.

LEGAL NOTICE & PUBLIC COMMENT:

A public hearing was originally noticed (10) days in advance in an electronic publication of the Lake County Record Bee on Saturday, March 8, 2025, in accordance with the City Municipal Code, for a the City Council meeting held on March 20, 2025

MOTION/OPTIONS:

1. Hold first reading of Ordinance No. 279-2025, read by title only, waive further reading and set second reading for next Council Meeting.
2. Move to continue the item and provide alternate directions to staff.

ATTACHMENTS:

Attachment A (Ordinance No. 279-2025)
Attachment B (Ordinance No. 102-01, Adopted October 2001)
Attachment C (Ordinance No. 102-01 - Redline)
Attachment D (Resolution No. 01-84)