



AGENDA ITEM SUMMARY FORM

MEETING DATE: 2/13/23

PREPARED BY: Giles Tucker - CED

AGENDA ITEM CONTENT: CED Fee Schedule Amendment- 4-Year Landlord License Term

AGENDA ITEM SECTION: Reports

BUDGETED AMOUNT: \$0

FUNDS REQUESTED: \$0

FUND: 101-017-476-4771

EXECUTIVE SUMMARY:

A resolution extending the term of landlord licenses from three years to four years. The proposed change is intended to stagger renewals over a greater period of time, reducing additional inspection costs by stabilizing the volume of rental inspections from month to month, and providing a more manageable and predictable cycle of inspection and repair for property managers.

RECOMMENDATION:

Staff recommends that the landlord license terms be extended from three to four-year terms, made effective immediately following the approval of the proposed resolution.

MEMORANDUM

DATE: February 13, 2023
TO: Melissa Marsh - City Manager
FROM: Giles Tucker - Community & Economic Development Director
SUBJECT: CED Fee Schedule Amendment- 4-Year Landlord License Term

SUMMARY:

The city's property maintenance code includes a landlord licensing program that requires inspection and license renewal for a term and fee set by city council resolution. The current landlord license has a term of three years. In 2020, the city ended the full-time, in-house inspector position and added a 20 hour per week rental inspector fee paid monthly. This reduced available inspection hours for scheduling, but maintained the same inspection volume. This has resulted in delays inspection scheduling, and additional inspection fees in busy months.

Extending the term of the license from three to four years will allow more scheduling flexibility. This will allow staff to stagger inspections for larger complexes between terms, creating a more consistent volume of inspections throughout the year. This will help reduce inspection costs and provide a more manageable and consistent repair cycle for property managers.

The extension also allows the City to avoid legal issues that can potentially arise from landlord licensing limitations posed by the Mobile Home Commission Act. The act states that the period between inspections shall not be less than three- years unless the city is responding to a tenant complaint. A four year term will provide enough flexibility to ensure that noticing, scheduling and initial inspections will occur well after this 3 year minimum has been met.

STAFF RECOMMENDATION:

Staff recommends that the landlord license terms be extended from three to four-year terms, made effective immediately following the approval of the proposed resolution.

**RESOLUTION
AMENDMENT TO COMMUNITY DEVELOPMENT DEPARTMENT
FEE SCHEDULE**

WHEREAS, the City of Madison Heights has adopted a City Code containing building regulations including the property maintenance code and other provisions such as landlord licensing, to protect the public health safety and welfare; and

WHEREAS, the City Code provides that fees and term of a landlord license shall be established by City Council; and

THEREFORE, BE IT RESOLVED, that the Community Development Fee Schedule be amended as follows:

Landlord licensing registrations and renewals calculated on a 48- month basis with fees set according to the following schedule:

<u>Four-Year Registration Fees:</u>	<u>New Registrations and Renewals Through Renewal Date*</u>
Single-family	\$200.00
2 to 4 units	\$245.00
5 or more units	\$47.50 per unit

*Code enforcement action will commence if the application and fee are not received before the current expiration date; if the renewal is not completed within thirty (30) days after the renewal date; or if a new application is not completed within thirty (30) days of the initial application date.

A fee of \$70.00 per inspection shall be charged for all locked-out inspections and the second re-inspection of all failed inspections.

Note: All renewal licenses are for thirty-six (36) months. New and pro-rated licenses may be for less than thirty- six (36) months. All licenses for the same landlord will expire on the same date.

Yeas:

Nays:

Absent:

Motion Carried.