

**NOTICE OF AN OPEN WORK SESSION
OF THE CITY COUNCIL OF THE CITY OF
NORTH KANSAS CITY, MISSOURI**

**April 21, 2020
6:00 PM**

Due to the recommendations of the Centers for Disease Control and the State of Emergency declared by the City of North Kansas City and the Stay at Home Order issued by Mayor Don Stielow, this meeting will be held virtually, with the Mayor, City Council members and City staff joining the meeting on an online platform. The public may view the meeting live on Channel 2, the City's Cable Channel or YouTube channel, which can be found on the City's website at www.nkc.org/live.

The tentative agenda of this meeting includes:

1. Call Meeting to Order

2. Rental Inspections 

Earlier this year the City Council requested information on our current rental inspection program and on steps that might be taken if the Council was interested in augmenting the existing program. In its memo, staff relates some history, describes the City's current program, and discusses measures that might be taken to augment the City's current effort should Council wish to do so.

3. Adjournment

This open work session of the City Council of the City of North Kansas City, Missouri, has been duly called pursuant to the provisions of Section 2.04.030 of the Code of the City of North Kansas City, Missouri, by the undersigned Mayor of the City of North Kansas City, Missouri.

DONE this 16th day of April 2020 at 5:00 p.m.



Don Stielow, *Mayor*

Representatives of the news media may obtain copies of this notice by contacting:

Crystal Doss, City Clerk, City Hall
2010 Howell Street
North Kansas City, Missouri 64116
Telephone No. (816) 412-7815

MEMORANDUM

TO: Mayor and City Council

FROM: Sara Copeland, AICP; Community Development Director

DATE: April 21, 2020

RE: Rental Inspections

Introduction

Earlier this year the City Council requested information on our current rental inspection program and on steps that might be taken if the Council was interested in augmenting the existing program.

Comments were made during the Public Comments section of a City Council meeting. Staff has no comment on the anecdotes that were presented to the Council. In general, however, staff is not aware of a severe issue of substandard rental housing in the city.

Background

The City began conducting rental unit inspections in 1992, after the adoption of Ordinance 6236 on June 30, 1992 authorizing rental inspections when a unit was vacated. Inspections were based on Chapter 10 of the Uniform Housing Code concerning substandard housing, which laid out criteria such as sanitation, wiring, plumbing, mechanical equipment, and fire safety. Just six months later, at the January 5, 1993 City Council meeting, the Council considered a request to put the inspection ordinance onto the April ballot for consideration by the community at large, but the motion failed on a 3-5 vote.

In 2007, the City considered amending the municipal code to add new residential rental regulations as a new Title 18, Housing, Rental. The proposed regulations included a rental licensing program, with an annual per unit license fee, and an annual inspection requirement for all rental units. The consideration of this amendment turned out to be quite controversial. The City held a public hearing on this proposal at the February 6, 2007 City Council meeting, which 122 people attended. After an hour of public comment, Mayor Bruns continued the hearing to March 6, 2007; 117 people attended the second hearing, which was relocated to the Community Center.

Public comments about the proposed regulations included concerns that landlords would pass costs on to their tenants in the form of raised rents, objections to inspections of occupied units, and complaints regarding treating rental housing differently from owner-occupied housing. One

landlord threatened to sue the City if the proposed regulations were adopted. Ultimately, the proposed amendments were not brought before the Council for adoption after the public hearings.

The rental inspection program conducted today is generally similar to the program begun in 1992. In 2018, as part of the adoption the 2018 building codes, the City added a landlord registration program. The registration program is intended to collect data on landlords to improve communications and contact with landlords.

NKC Housing Units

According to American Community Survey (ACS) data from the US Census Bureau (the most recent data available at this time), North Kansas City contains 2,657 total housing units. Of total housing units, 42 percent are single-family units (detached houses or townhomes). The ACS estimates that 78 percent of all housing units in NKC are renter-occupied and 22 percent are owner-occupied. The ACS data does not indicate how many units of various types (single-family, duplexes, small multi-family buildings, etc.) are renter-occupied.

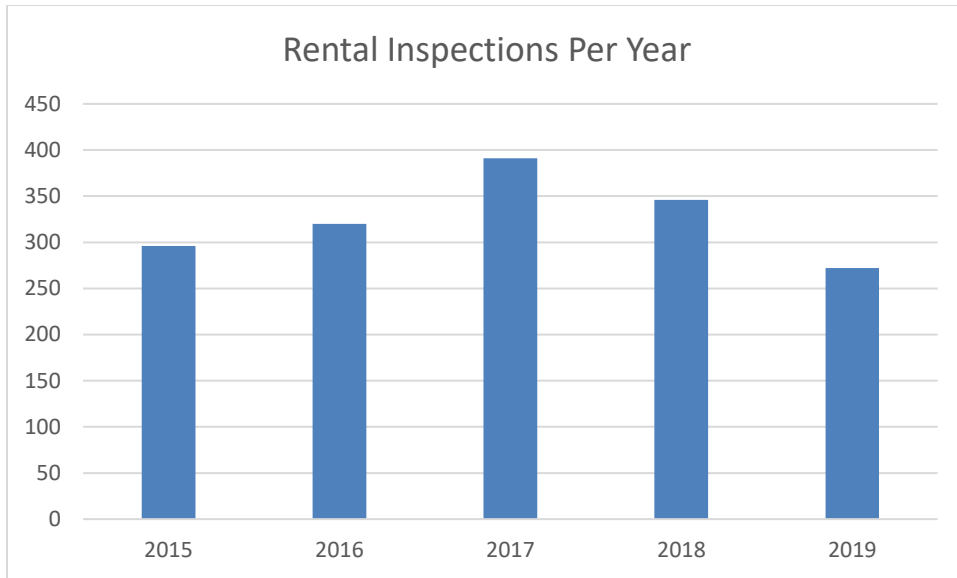
The City's Landlord Registration program collects data on landlords such as contact information, local agent, and total number of units, but previously did not ask for the types of units rented (such as single-family home, duplex, apartment building, etc.). City staff has analyzed the 2019 registrations to determine the types of units that are rented in NKC. Of the renter-occupied units in 2019, 232 units were single-family homes (approximately 21 percent of all single-family homes in NKC).

Current Rental Inspection Program

The Municipal Code requires an inspection of each rental housing unit prior to the home being occupied by a new tenant. The owner or managing agent is required to contact Community Development to schedule an inspection with the Neighborhood Services Officer. Occasionally, the officer will contact owners to remind them of the inspection requirement, particularly when a "For Rent" sign appears in front of a home where an inspection has not occurred. It is possible that some rental units turn over to new tenants without the City being notified or an inspection occurring.

Rental inspections focus on ensuring that units are safe and habitable. The inspector looks for working plumbing fixtures, functional windows and doors, safe mechanical equipment, working smoke detectors, GFCI outlets installed near kitchen and bathroom sinks, and any conditions that might cause a threat to health and safety. If any deficiencies are found, those are noted on an inspection report; owners must correct those deficiencies and schedule a follow-up inspection.

The time required to complete an inspection varies based on the size of the unit, but each inspection generally takes about 15 minutes. The number of inspections completed in a year also varies, based on the rental market. The chart below shows inspections per years over the last five years.



Options to Increase Rental Oversight

If the City Council were interested in changing the current rental inspection program to provide more oversight to rental housing conditions, a first step is to identify the desired outcomes of doing so. Establishing clear goals will allow staff to provide targeted recommendations that balance costs and benefits. Without knowing more about Council’s goals, staff has identified two general options for improving the existing inspection program. Each option has benefits and drawbacks, as discussed below.

Annual Inspections

The City’s current program provides for inspection of units between occupancies, so if a unit is occupied by a long-term renter, then it might be several years before the home is inspected. Moving to a system of annual inspection would provide for increased oversight of housing conditions, particularly for units with long-term tenants.

There are several drawbacks to annual inspections. Currently, City staff inspect only about one-sixth of the total rental units in the City each year. Existing staffing levels are not adequate to provide for annual inspections, particularly as the City continues to add new multi-family housing units. Staff estimates that to inspect all rental units annually, one or two people would need to be added to the City staff.

Annual inspections would require staff to enter occupied units, whereas now all units are vacant at the time of inspection. Interaction with an existing tenant creates concerns about scheduling and coordination for entry into a home; the possibility of negative interactions with tenants, from interpersonal conflict to complaints about theft; and legal issues that might arise from staff encountering illegal conduct in the course of an inspection.

Given the history of the consideration of annual inspections in 2007, as related above, staff believes that the landlord community might be very resistant to instituting an annual inspection program. The 2007 hearings also suggest that some tenants are likely to object to an unknown inspector entering their homes, particularly if they have no complaints and see no personal benefit to an inspection.

Rental Licensing

Currently, landlords are not required to obtain a business license. Implementing a rental licensing program might allow the City to set criteria for renting housing in NKC. While no jurisdictions in this area have rental licensing programs, rental license programs do exist in some communities, including in Colorado and Minnesota. If the Council were interested in exploring a rental licensing program, staff would conduct additional research into the specifics of implementing such a program for further consideration.

Drawbacks of licensing include additional staffing levels to administer a licensing program, particularly if annual inspections were included in such a program. Rental licensing is likely to have the same enforcement concerns as the City's business licensing program. Staff would also anticipate landlord resistance to a licensing program.

Rental licensing would increase the costs to landlords by imposing a license fee. The 2007 public hearings drew a great deal of concern about increased costs being passed on to tenants in the form of increased rents. It is unknown what kind of impact license fees might have on rents in NKC or on affordable housing.