



Rental Inspection Committee
Meeting Agenda – November 16, 2016
6:30 pm

Mayor's Conference Room
Municipal Building
200 S. Osage Avenue

Present:

Stephen Galliher
Jeff Leeman
Dave Wiedeman
Terri Hunter

Kim Welch
JoAnn Martin
Chuck Leftwich

Staff Present:

Gary Edwards
Anne Gardner
John Simmons
Jilene Streit

Esther Schultz
Tom Mayes

- I. The Rental Inspection Committee meeting was called to order at 4:00 pm.
- II. The Mayor took roll call, all members present.
- III. Conference Call – Cape Girardeau, MO – Alex McElroy – Development Services Director and Gary Hill – lead inspector, in charge of the rental inspection program. The Rental Program adopted by Council October, 2012, became effective April, 2013. Program gave landlord 6 months to get registered, to date 776 registered landlords; 6,966 rental units; 2,910 rental buildings. Mayor asked if there was much opposition to the rental inspection program? Gary Hill responded, this is his 4th year in the program & noticed there wasn't very many complaints coming in from the rental

units. Gary Hill suggested to council, management, as well as the landlord association to start a pre-scheduled compliance inspection. This started in September, 2016. He created a random schedule of landlord to inspect with the goal to visit a property from every landlord, this will take approximately 3 years to complete. He gives them 30 days' notice of date & time. Gary has developed a working relationship with landlords & tenants. Not receiving much negative feedback from most landlords. If he does a re-inspection, the fee is \$65.00. Mayor Galliher asked how long the average inspection takes? Gary indicated usually takes 30-45 minutes. He likes to schedule inspections for the same area to save time from driving. Mayor asked if you have renters that trash homes, how do you handle? Gary said they don't get involved in civil types of issues. Gary said, we are there strictly to be sure the property is safe to live in. Local landlord association was formed to help with these issues, help educate new landlords, how to screen tenants, etc... Landlords that screen tenants, do credit checks, background checks and monitor their properties on a regular basis don't have near the problems with tenants as the landlords that don't. Jeff wanted to know out of the 776 registered landlords, how many aren't registered. The City of Cape is in control of the water service & can check those records. When he discovers an unregistered landlord he sends them a letter indicating they have 10 days to get registered. Terri wanted to know what the fees for registering are? Based on 1-5 rental units \$50.00 per year; 6 or more units \$100.00 per year. Terri wanted to know if they were inspection all of a particular landlords unit or just a portion of them? Gary indicated he's trying to go through the 700+ landlords & just taking a sample of their units. No way 1 person can go through 7,000 units. Just a shotgun approach. Terri wanted to know how long it would be for those units to be re-inspected or that landlord would be called upon again to have an inspection done? If there are violations, he schedules 30 days or up to 90 days if major issues. The city has control over the water department & once that unit becomes vacant, the water account is flagged for future & not able to get water unless in landlord's name. Mayor asked when the inspections are completed, do they check for bug infestation? Yes, they do. Have to be really bad – wall to wall infestation. Typically these aren't landlord problems, they are tenant problems. If the tenants are receiving any social services assistance, we work with those agencies also. Mayor wanted to know is there any renter education classes?? Gary

indicated there are files he carries with him, EPA information for roaches, bed bugs, mold and he will distribute to the tenants. The more experienced landlords will put the language in the leases that will address on the front end. Having the language to spell out the requirements in the lease and when they sign that binds them to it. Gary indicated when they shut down rentals properties – they are vacant rental properties. An excellent resource website is NOLO.COM – a free website for legal information regarding to rentals, sample leases, etc... He shares this information with the new landlords. There is a book, What every landlord needs to know. It covers rentals from A-Z & all the forms necessary. The Mayor asked if a completed inspection report can be given to the landlord in order to verify post inspection damage by the renter? Gary indicated they would verify damage to a property & do an inspection report to give to the landlord. An option for the landlord, is to get a complaint report & if a tenant files a complaint regarding the property, we can pull the report & prove it's not true. Mayor thinks that's fair for the landlord and tenant and both are protected. In their program over 95% of the issues are tenant, not landlord problems. Chuck asked do you find that the majority of your landlords keep the exterior of their properties well maintained? Gary said we don't inspect pretty, we inspect structurally sound. We have a Property Maintenance Inspector that would address those issues. Want properties to be safe, sanitary, properly functioning utilities, etc... Building a good communication with the landlords, renters & and the City is key. Chuck wanted to know if they have rental properties where the exterior is so bad they would be considered a nuisance? Glen said most of the time it's the trash & tall grass, abandoned cars. The city's police department deals with those issues. He deals with the structural issues. Kim's question is – how does that work with the landlords if it's not the landlords responsibility for the tall weeds, cars, rubbish & trash? Gary indicated it goes back to the relationship with the landlord. The owner of the property is responsible for whatever goes on with the property. If you have a lease of what to expect of the tenant and no matter how long you lease it for, if they violate that lease, it will be voided. He's had some landlords mow the property & add it to the rent. We don't get involved with civil issues between the landlords & the tenants. We encourage the landlords & tenants to work it out. He has some landlords that change out the furnace filters every 3 months so they can check on things inside their rentals to be sure nothing is wrong or going

on & can check in with their tenants. Kim wants to know if their landlord license is a business license or something different? The landlord license is a business license that allows the landlord to rent properties to the city of Cape. They also have an occupancy permit for the properties. He has shut down vacant units until compliant. Seems to be effective due to the landlord losing monthly rent....it's a motivating factor.

Discussion - The Mayor thought the previous call was very interesting with a different outlook. JoAnn seemed to think there were 2 different mechanisms, 1 being code enforcement doing the whole city once a year & then the rental inspection. Looks like they are holding everyone in the city accountable for at least the outside of their properties. Terri said it sounds like they have more teeth in getting theirs done because they control the water company.

Kim said that they could put all kinds of things in their leases & Terri and Kim agreed that if the judge isn't going to follow through or stand behind them, it's hard to do.

Jason Coulter, head of the landlord association in Cape Girardeau, joined us on a conference call. Wanted to get his perspective on the rental inspection ordinance in place, the landlords involvement with the process & his opinion. Mayor indicated he would like his perspective as a landlord on the rental inspection. Mr. Coulter discussed that some program was needed for the properties that had been inhabited for too long without proper safety or rehabilitation efforts. The landlords are making money off tenants and they need to be treated professionally and give them a safe, sanitary place to live. Also as tenants they have to treat the landlords properties right and be held accountable. It has to be balanced for landlord and for the city to make it work. The landlords have to feel like there are benefits to them as a result of them being a part of the rental inspections.

Jason said it is important to put the inspector on a 1st name basis with owner/manager. City had been doing a poor job of enforcement. If landlords are being required to spend their time on these inspections & be held accountable, the City has to have integrity & hold themselves accountable as well. You have to have someone to run the program that the landlords can trust. We have seen tremendous success since the implementation of this process. If you are a property owner & not accountable & just had 3 or 4 of your 7 properties red-tagged, your cash flow hit bottom & if you can't afford to do the upkeep, they sell,

kind of takes care of themselves without going to court. Kim wanted to know what is the red-flag? Jason said a red label is placed on the house and they are notified this house is no longer able to be rented. The city provides water, sewer, trash, so if this property is red tagged they are shut down. Kim said, can't the landlord take the tag off & rent the property anyway? Jason said if you're a landlord & if you've gotten to this point, there should have been dialogue between the city & the landlord before it becomes red-tagged, the landlord knows they are in the wrong. In Cape Girardeau, if you have more than 5 units the license is \$100.00 per year. If you have 5 or less than the license is \$50.00 per year and you receive 1 free inspection. The inspector can look at the list of properties & they can pick whichever property they want to inspect. This helps to keep landlords accountable for their properties to keep them updated. Jeff is curious as to how many of the 700 landlords are members of the association? Jason said, as with most places, 20% of the landlords own 80% of the properties. Have about 60-70 members, maybe 100. Have monthly meetings there are probably 25-40 at each meeting. Can not stress enough how necessary it is to have an inspector that is accountable to the landlords as much as they are to the city. Need trust with the inspector and the landlords. Dave's question is, what will happen if you get a different administration in the city & a different inspector? Jason noted there would be some conflict. Most of the people that own quality properties are professional business people & this is their retirement. Important to property owners is that they are respected. There has been a change in administration over the time of this ordinance. Putting this program together as a group is so important because you're getting the business owner perspectives, if you're willing to modify as you go. Most landlords should be accountable as it is and you don't want them to be penalized for the one's that aren't.

Mayor likes what he said regarding the City and landlords line of communication and working together. Terri said that's why we need to hear both the city and the landlords perspectives.

IV. Draft of the Ordinance will be ready to the next meeting.

V. Next Meeting – December 14, 2016 at 4:00 pm.

VI. Jeff Leeman made the motion to adjourn the meeting. Kim Welch seconded. All approved.