



Department Source: Housing & Neighborhood Services

To: City Council

From: City Manager & Staff

Council Meeting Date: November 18, 2024

Re: Rental Housing Inspections – Research from Comparable Cities

Executive Summary

At the August 19, 2024 meeting, City Council requested additional information on rental inspection programs from other cities, with an interest on how to encourage compliance through the program structure. This report summarizes programs in Missouri and other cities that staff thought were good to compare.

Discussion

The City of Columbia has had a Rental Unit Conservation Law since the late 1970s, which requires the registration and inspection of all residential rental properties in the City. Starting January 1, 2025, inspections will be conducted every five years. Fees are \$130 for single family structures, \$195 for two family structures/duplexes, \$70 per unit for complexes up to and including 30 units and \$50 per unit for complexes with more than 30 units. Re-inspection fees are \$70 and failure to meet the inspector fees are \$40. Licenses can be transferred to new owners upon sale for up to 90 days following closing for \$15.

A review of Missouri cities: Staff reviewed the 10 largest cities in the state for comparative data.

- Kansas City operates the Healthy Homes Rental Inspection Program through their Health Department. Fees are \$20 per unit and \$20 per property annually with annual fees of \$20 per unit in subsequent years. Inspections are only conducted upon tenant complaint.
- St. Louis conducts rental inspections before occupancy of the unit at a fee of \$120 with additional units at \$65.
- The Springfield City Council is currently considering a rental inspection program.
- Independence conducts the Rental Ready Program with inspections required every two years conducted by private inspectors. Landlords are licensed and fees are \$75 plus \$0.31 charged for every \$1000 over \$25,000 made by the owner.
- O'Fallon conducts rental inspections every 12 months unless the same tenant resides in the home. Fees are \$75 per dwelling with re-inspection fees of \$35 starting with the third inspection.
- St. Charles requires inspection upon tenant change. Fees are \$50 if unoccupied and \$200 if occupied.
- St. Joseph conducts rental inspections every five years; fees are \$5 per unit as well as an inspection fee of \$50. Inspections are waived if the unit has been inspected by a state or federal agency or the Missouri Housing Development Commission or are less than 10 years of age.
- Lee's Summit and Blue Springs do not have rental inspection programs.



Cities in other states: Staff also reviewed programs in other Midwest cities that had robust rental inspection programs:

- West Lafayette, Indiana inspects single family dwellings every two years at a fee of \$225 and multi-unit housing every four years at a cost of \$48 per bedroom. There is no cost for the first re-inspection; additional re-inspections and fail to meet the inspector are \$100 fees.
- Iowa City, Iowa inspects any property with four or more bedrooms annually as well as properties built before 1992. Other properties are inspected every two years. Fees are \$165 per building plus \$17 per unit plus \$9 per bedroom. Transfers upon ownership change are done at no cost.
- Rochester, Minnesota inspects properties annually up to every four years depending on the results of the previous inspection as determined by an algorithm provided by a third party software. Fees are \$112 per building plus \$27 per unit with re-inspection fees of \$75-\$125 depending on the number of units. Transfers upon ownership change are \$20.
- Bloomington, Indiana conducts inspections every three, four or five years with a longer inspection interval if renewals and fees are received on time. There is no fee for transferring the license upon ownership change.
- Urbana, Illinois charges annual fees of \$57 for a single family house, \$73 for a duplex and \$65 for multi-family building plus \$17 per unit. Re-inspections are \$100 per visit. Properties receive a grade A-F; properties that are A grade have their fees waived for the next year. Urbana conducts inspections in 21 areas of the City and rotates through in a fluid manner with lower graded properties being the highest priority for inspection.
- Ann Arbor, Michigan inspects rental properties every two and half years. Fees are \$175 per unit for one and two family dwellings, townhomes, or condos; \$90 per unit if there are 3-30 units and \$75 per unit for 31 or more units in a complex.
- Ames, Iowa issues Letters of Compliance on properties for one, two, three or four years depending on the results of the previous inspection; their inspection cycle criteria is included in their city code. Annual fees for one family dwellings are \$50.23 per unit, condominiums are \$34.03, duplexes are \$42.64 per unit, three to six apartments is \$28.33 per unit; seven to 20 is \$27.50 per units and over 20 units is \$25.03 per unit. There is no fee for the first re-inspection; additional re-inspections are \$56.10.

Staff response: Starting in January, the City of Columbia will inspect rental properties every five years which is more frequent than the six years which was the previous inspection cycle for the majority of rental properties. While most other cities with programs inspect rental properties more frequently, a shortened interval increases staff needs and costs to rental property owners. Currently, there are four inspectors that conduct rental inspections, averaging approximately 1,184 inspections per year (total of 4,735 inspections per year). The change to a five-year inspection cycle will result in approximately 865 total additional inspections each year, which staff believes can be absorbed by our existing inspectors. Increasing the inspection cycle to 4 years would result in an additional 2,265 inspections per year and would require one additional full-time employee. A 3-year inspection cycle would add 4,605 additional inspections per year and would require three additional full-time employees. Increased fees would be needed to offset additional staff costs.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Some communities (Rochester, MN, Bloomington, IN and Urbana, IL) have tiered inspection intervals based on inspections or compliance actions. City staff generally opposes this approach due to its increased complexity and potential for subjective application of criteria and favors fixed inspection intervals for all properties. Some cities inspect properties upon change in tenant. Adopting such a policy in Columbia would be challenging since many of our units turn over in the summer due to our student population.

One efficiency may be to consider accepting Housing Choice Voucher (HCV) inspections in lieu of City inspections as is done in St. Joseph. This could reduce costs and inspection time for property owners if a reduced City fee is developed when HCV inspection records are provided. The City of Columbia has set fees based on our cost of service; comparing fees with other communities is of limited use in setting our fees.

Fiscal Impact

Short-Term Impact: n/a
Long-Term Impact: n/a

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Safe Community, Secondary Impact: Inclusive and Equitable Community, Tertiary Impact: Organizational Excellence

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
09/15/2014	Ordinance 022214 increased fees for the Rental Unit Conservation Law (RUCL) for FY2015.
09/17/2012	Ordinance 21425 increased fees for the RUCL for FY13 and included other text changes.
01/18/2011	Ordinance 20848 added provisions to address violations of Chapter 29 and amended the transfer of ownership process.
09/21/1992	Ordinance 21425 increased fees for the RUCL for FY93
08/03/1992	Ordinance 13407 required inspections for heating & ventilation systems with fuel-burning appliances.
1965	The RUCL was established in City Code.

Suggested Council Action

No action required; this report is for informational purposes.