
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: 202

Rooming House Ordinance

OVERVIEW

On Monday, March 24, 2008 the City Council will consider approving the Rooming House Ordinance. This item was first heard at the November 19, 2007 City Council meeting where the Council voted to continue the item with the direction that the City Attorney, Mayor, and Development Services staff work together to address any unresolved issues and on crafting ordinance language. Based on conversations with the Mayor's staff and the City Attorney's office, both are satisfied with the current version of the ordinance.

The Rooming House Ordinance prevents the practice of rooms being rented individually to a large number of tenants as a business. This is accomplished by limiting landlords from renting rooms individually. Enforcement of this ordinance would be typically complaint driven but could also be enforced in conjunction with other mini-dorm related regulations. Other mini-dorm enforcement regulations previously approved by the City Council include the Administrative Citation Program, Physical Development Regulations, and the Residential High Occupancy Permit.

FISCAL/POLICY DISCUSSION

Fiscal Impact of the Rooming House Ordinance

In the City Attorney's February 19, 2008 Executive Summary Sheet, staff reports the Fiscal Considerations as none. However, in a November 14, 2007 report by the Mayor's staff to the City Council on the Residential High Occupancy Permit (#07-179), staff stated that there could be a workload and fiscal impact with the implementation of the Residential High Occupancy Permit (RHOP) and/or the Rooming House Ordinance

(RHO). Staff also indicated that it would be difficult to estimate the type of case volume and felt that if these ordinances yielded similar results to that of other mini-dorm regulations, they expected an estimated 60-120 requests for investigation to be generated annually. The field work related to these ordinances would be absorbed by the existing Neighborhood Code Compliance (NCC) staff. Staff also recommended that until the case load and impact on workload could be quantified, adding additional resources would be premature.

In recent discussions with the Development Services Department (DSD) and NCC staff, they have stated that they are still in the process of implementing the RHOP and have not seen a great impact on workload to gauge performance. In addition, in October 2007, the Land Use & Housing Committee approved the expansion of the Administrative Citation Program Citywide. Initially, it was thought that the expansion of the program would have a substantial impact on the San Diego Police Department and NCC. It was estimated by staff that the expansion of the program would result in approximately 400 citations per year. However, recent data provided by NCC indicates that the workload impact has not been as great as initially thought. For the period of April – October 2007, 75 citations were issued. Since the expansion of the program to Citywide in October, only 25 additional citations have been issued. Staff attributes this to the awareness and success of the program.

DSD staff has also indicated that they are seeing fewer requests for renovations related to multi-family dorm type remodels. This is due to the Physical Development Regulations implemented starting in August 2007. The new regulations prevented smaller lots from having a high number of bedrooms and excess hardscape/surface parking. It also prevents the previous trend towards garage conversions and 6+ bedrooms in campus impact areas.

IBA Recommendations

In our January 11, 2008 report on the RHOP, we agreed with the Mayor's plan to wait until case load volume and impact on workload could be quantified before requesting additional resources, if necessary. ***We recommended that the staffing and workload impacts, if any, be discussed as part of the Fiscal Year 2009 Budget hearings where the overall challenges facing the department and the impacts of the new regulations could be discussed and prioritized if necessary. We still agree with this recommendation.*** We also recommend that the following information be provided to the City Council as part of the Proposed Fiscal Year 2009 Budget or under separate cover prior to the budget hearings on DSD and NCC:

- Performance measures that enable the City Council and public to gauge current workload and the impacts of mini-dorm related programs on the departments.
- Information on the fines collected by NCC and how these funds are used. Currently, fines collected by NCC reside with the department and are used to fund

training for department staff. In Fiscal Year 2007, \$197,489 was collected in NCC fines, and in Fiscal Year 2008 the department is estimated to collect \$220,000. A discussion should occur on the current uses of these fines and the possibility of using these funds for purposes other than training.

- NCC is primarily funded by the General Fund. However, some special enforcement programs are funded by CDBG, CCDC and SEDC contracts. In November 2005, the U.S Department of Housing and Urban Development (HUD) conducted an audit of the City's CDBG Program. A concern raised by the HUD auditors was the possibility of supplanting of the City's General Fund responsibilities with CDBG funds. In response to HUD's concerns, City CDBG staff agreed to work with the NCC department to develop a "comprehensive plan" to ensure that CDBG funds are only used for eligible activities. This plan is to be in effect by July 1, 2008. A discussion should occur during the budget hearings on the impact of the comprehensive plan on workload and other NCC programs.

CONCLUSION

The IBA recommends the approval of the Rooming House Ordinance. The Rooming House Ordinance is an additional tool to supplement existing regulations and enforcement programs to address mini-dorms. Although the workload impacts to the departments are still relatively unknown, recent information provided by DSD and NCC indicates that the impacts are not as great as was expected. The mini-dorm related regulations were put in place to be a deterrent and current data reflects that they are working. However, it is important that the staffing and workload impacts, if any, be discussed as part of the Fiscal Year 2009 Budget hearings.

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