

TRANSMITTAL

To:

THE COUNCIL

Date: 11/01/2018

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garceiti', is written over the printed name.

(Ana Guerrero) for

ERIC GARCEITI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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October 29, 2018

Council File: **16-1190**
Council District: All
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT'S REQUEST FOR APPROVAL OF SYSTEMATIC CODE ENFORCEMENT PROGRAM INSPECTION REGULATIONS (CF: 16-1190)

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval and requests authority to implement Systematic Code Enforcement Program (SCEP) tiered periodic inspection regulations developed in accordance with the existing provisions of Section 161.602.B of the Los Angeles Housing Code (Article 1 of Chapter XVI of the Los Angeles Municipal Code). These regulations establish standard criteria for the identification and inspection of non-compliant properties in the city under a tiered inspection structure.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that the Mayor and City Council adopt the Systematic Code Enforcement Program tiered periodic inspection regulations promulgated by the Los Angeles Housing + Community Investment Department in accordance with Section 161.602.B of the Los Angeles Housing Code.

BACKGROUND

On February 18, 2017, the City Council adopted Ordinance No. 184768 (CF 16-1190) modifying the frequency of periodic housing inspections performed under the Systematic Code Enforcement Program from once every three years to once every four years for historically well-maintained properties. In addition, the Council adopted the Housing Committee's recommendation requesting that HCIDLA prepare inspection regulations that govern shorter inspection cycles for historically non-compliant properties under a two-tiered inspection structure. Specifically, the Housing Committee requested HCIDLA work in conjunction with the City Attorney and representatives of apartment owner associations and tenant advocacy groups to prepare these regulations in accordance with Section 161.602.B of the Los Angeles Housing Code.

Presently, the SCEP program is in its final stages of the 4th inspection cycle (Cycle 4). We anticipate completion of this Cycle 4 by January 2019 and are poised to launch the tiered inspection program at the start of Cycle 5. As a result, HCIDLA respectfully submits these regulations for consideration and approval in advance of Cycle 5. This will afford the Department sufficient lead time for reorganization and implementation.

Stakeholder Engagement

In response to the Housing Committee's instructions, HCIDLA staff collaborated with the City Attorney and engaged key stakeholders to collectively develop new SCEP tiered periodic inspection regulations and standard criteria for the identification and inspection of non-compliant properties. HCIDLA has listened to the stakeholders and incorporated their feedback into the regulations (attached). For example, upon review of the regulations with property owners and apartment associations, they were supportive of the regulations and did not express any specific concerns; however, they did want to make certain that the regulations are fair and not unduly punitive. Once presented with the final draft document, all parties agreed that the regulations adequately addressed their concerns.


Our discussions with the community-based and tenant organizations yielded positive results as well. These groups were also supportive of a tiered inspection program and offered some specific feedback regarding substandard properties. One point in particular is a request to define the term 'Substandard Order' for clarification and meaning in the regulations. In addition, the stakeholders requested a modification to the point system created by HCIDLA to identify non-compliant properties and determine tier level designation. Under the point system, properties start with a base score of ten, and HCIDLA deducts points for certain violations and actions. Properties with a final score of six or below are placed into the short inspection cycle. The points range from one to four, depending on the severity of the violation. The stakeholders requested the maximum deduction (four points) for properties identified as substandard to ensure these properties are included in the short inspection cycle.

We have taken into consideration this valuable input from all stakeholders and the changes are reflected in the final document. With these changes, SCEP will shift to a tiered inspection program where properties are divided into two distinct tier groups based on compliance or non-compliance. These regulations are intended to work complementary to existing SCEP regulations and will allow HCIDLA to shift enforcement efforts and allocate resources to more challenging properties on a shorter inspection cycle. Our objective is to reduce the number of non-compliant properties in the city and maintain safe and livable rental housing for Los Angeles residents.

CONCLUSION

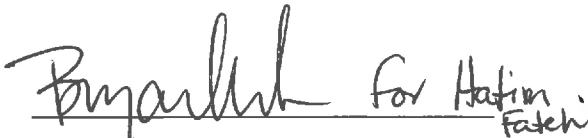
These regulations will allow HCIDLA to implement a tiered SCEP inspection program for the City. We recognize the importance of continuing to encourage and initiate communication with our stakeholders to improve the regulations, as necessary.

Prepared By:



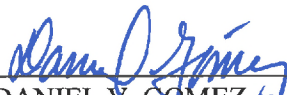
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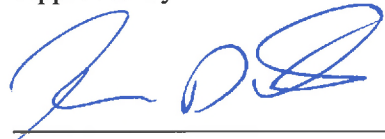
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Tiered Periodic Inspection Regulations

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Rule 1. Authority and Title.

The Tiered Periodic Inspection Regulations are enacted pursuant to Section 161.602.B of the Los Angeles Housing Code (Article 1, Chapter XVI of the Los Angeles Municipal Code). Wherever the word “Regulations” is used herein, it shall refer to the Tiered Periodic Inspection Regulations.

Rule 2. Purpose and Intent.

- A. The purpose of these Regulations is to establish:
 - 1. Criteria for determining when a residential rental property, building, unit, or structure may be inspected more frequently than provided in Los Angeles Housing Code Section 161.602.A due to a substantial risk of violation of the Los Angeles Housing Code and
 - 2. The frequency of more periodic tiered inspections.
- B. The intent of the Regulations is to promote enforcement in conformity with the Los Angeles Housing Code by encouraging property owners to better maintain and manage their residential rental property, building, unit, or structure.

Rule 3. Definitions and Interpretation.

The following words, phrases and acronyms whenever used in the Regulations and pursuant to work performed under the Tiered Periodic Inspection Program shall be construed as defined herein unless from the context a different meaning is intended, or unless a different meaning is specifically defined. Words and phrases not defined herein shall be construed as provided in the Los Angeles Municipal Code.

- 1. **“RISE” (Reliable Information to Score Effectively)** refers to the Tiered Periodic Inspection Program scoring system that captures event-based data from inspection and enforcement activities and then assigns a score to a property to designate the property tier level.
- 2. **“RISE SCORE”** means a score assigned to a property using RISE.
- 3. **“INSPECTION CYCLE”** means the time period between initial periodic inspection and the next regularly scheduled initial periodic inspection.
- 4. **“TIER LEVEL”** refers to the Tier level assigned to a Property based upon review of the Property RISE score.

5. **“TIER 1 PROPERTY”** means a property which receives a RISE score of seven (7) or more.
6. **“TIER 2 PROPERTY”** means a property which receives a RISE score of six (6) or less.
7. **“PROPERTY”** refers to the residential rental property, building, unit, or structure subject to inspection.
8. **“CASE EXCEEDS 120 DAYS FOR COMPLIANCE”** means the property is not in compliance with the order on the 121st day from the issuance of the order.
9. **“AVERAGE NUMBER OF VIOLATIONS EXCEEDS FIVE (5) PER UNIT”** means total number of cited violations at the Property divided by number of units.
10. **“CASE IS REFERRED TO ENFORCEMENT”** means a failure to comply notice is issued.
11. **“BASELINE RISE SCORE”** refers to the score assigned to a Property within the scope of the Los Angeles Housing Code which shall start with a RISE score of 10 points at the beginning of an inspection cycle.
12. **“SUBSTANDARD ORDER”** refers to an order issued pursuant to State Housing Law (commencing at Part 1.5, Division 13 of the California Health and Safety Code)

Rule 4. Methodology to Identify Tier 2 Property.

- A. **RISE Point Deductions.** The Department shall deduct points from the Baseline RISE Score in accordance with the following table provided in this Rule.

Inspection and Enforcement Activity	Points deducted
Case exceeds 120 days for compliance.	-1
Average number of violations exceeds 5 per unit.	-1
Case is referred to enforcement.	-1

Cited violation remains on the day of the General Manager's Hearing.	-1
Property receives more than 3 orders to comply based on complaint inspections per inspection cycle.	-1
A substandard order is issued.	-4

- B. The Department shall review the RISE score of each Property at the end of the inspection cycle and designate a Tier level to each property in accordance with Rule 5.

Rule 5. Tier Designation.

The Department shall designate a Tier level to a property based on the review of RISE score as follows:

RISE Score Assigned To Property	Tier Level Designation
7-10	Tier 1
6 or below	Tier 2

Rule 6. Frequency of Periodic Inspection.

- A. Tier 1 Property. The Department shall make every effort to inspect a Tier 1 property once every four (4) years.
- B. Tier 2 Property. The Department shall make every effort to inspect a Tier 2 property once every two (2) years.
- C. Tier 2 Properties shall be inspected more frequently than as provided in this rule when ordered by the General Manager pursuant to the Los Angeles Housing Code.