



Internal Memorandum

Department of Public Works

TO: Don Greer
City Administrator

FROM: James A. Eckrich, P.E.
Director of Public Works

DATE: February 16, 2005

RE: Rental Property Re-occupancy Permit

For some time I have been working with the City Attorney to draft the necessary ordinances to institute a rental property re-occupancy program. At the time this matter was initially considered, it seemed that the best option would be to contract with St. Louis County Department of Public Works to perform the property inspections. Adopting the St. Louis County property maintenance code, while not impossible, is problematic in several ways. The biggest obstacle is that the County does not differentiate between rental and owner occupied houses within their code. In order to distinguish between rental and owner-occupied housing, the City would have to do one of the following:

- Modify the County code. The County's initial position was that they will not allow this. However, they have recently backed off a bit and stated that they may entertain administrative revisions to their code. Administrative revisions would help in this process but would not alleviate all of the City staff's concerns.
- Adopt the County code in its entirety solely for rental properties. This would result in the City having two exterior maintenance codes, one for rental (the County code) and one for owner-occupied (the current Crestwood City code). This does not make much sense and may not be legal.
- Adopt the County code in its entirety and remove from the City's code all references to external maintenance. The City could then adopt the portions of the property maintenance code regarding external property and make that applicable to all properties in the City. This has some merit, but the problem is the St. Louis County would in essence be dictating our external property maintenance code for all properties and the Board of Aldermen would not be able to modify it.

In addition to the problem of distinguishing between rental and owner-occupied housing, there are several other issues with the County's property maintenance code that make it difficult for the City to adopt without significant modifications. For example, St. Louis County has set up an appeals process within the property maintenance code. This differs from the City's appeals process. Unless we want our citizens appealing to St.

Louis County, we would have to modify the code. There are several similar examples, which make adoption of their code cumbersome.

While adopting the County code can still be accomplished, I have come up with another option for the Board of Aldermen to consider. The City could adopt the 2003 International Property Maintenance Code (IPMC) with our own revisions. Then we could contract with a private inspection service to perform the inspections of the rental property. There are several inspection firms in our area who are qualified to perform inspections to verify compliance with the IPMC. Contracting with such a company would allow the Board of Aldermen to maintain control over the property maintenance code. If we institute the inspection program and a provision of the code becomes a problem, the Board of Aldermen can remove or amend that section of code.

With either option, the City of Crestwood would not have to hire additional staff. The private inspection option likely involves more annual staff time due to the nature of the contract, but I do not think that time will be significant. Our current estimates are that contracting with St. Louis County would involve 170 hours of annual city staff time versus 230 annual hours for contracting privately. Most of that work would be completed by the Public Works administrative secretary, and the cost for staff time could be recuperated through the inspection fees. More staff time will be involved initially in drafting the necessary ordinances and initiating the contracts.

Attached is a memo from the Assistant Director of Public Works, which describes the estimated costs associated with this program, and provides some information regarding the number of rental units within the City. As you can see, the estimated cost for the re-occupancy inspection on a single-family dwelling is \$125 if the County provides the service or \$190 if the City contracts the service with a private company. The additional cost is the biggest drawback for private inspection.

At this point I would like to meet with the Board of Aldermen to discuss the options regarding the rental property re-occupancy program. I think that either option will work; both have benefits and drawbacks. Once the Board of Aldermen provides the necessary direction, the City Attorney and I should be able to draft the necessary ordinances for the Board's consideration sometime this spring.



Internal Memorandum

Department of Public Works

TO: James A. Eckrich, P.E.
Director of Public Works

FROM: Craig Wilde
Assistant Director of Public Works

DATE: February 1, 2005

RE: Residential Re-occupancy Inspection – Rental Property

As you requested, I have gathered some information regarding staff time and cost estimates for the above referenced program. Using the St. Louis County tax records from 2003, it appears that we have approximately 570 rental properties in the City of Crestwood. 230 (40.3%) of these units are apartments with the remaining being single-family residences. Given an average turnover rate reported to us by members of the code enforcement community of 40% annually, this would require inspections on approximately 230 properties per year.

It is estimated that the internal resources required from the City to accept applications and issue the permits would vary based upon what type of inspection service we are using. The administrative functions offered by St. Louis County through their inspection program would most likely require that we spend less internal staff time than with a private inspection service. The fees required for each scenario are summarized below.

| | St. Louis County | Private Service |
|---|------------------|-----------------|
| Inspections | 230 | 230 |
| Cost for Inspection Service ¹ | | |
| Apartments | \$75 | \$115 |
| Single Family | \$95 | \$150 |
| City Staff Time / Permit | 45 Minutes | 60 minutes |
| City Staff Cost ² | \$30 / each | \$40 / each |
| Annual Staff Time | 170 Hours | 230 Hours |
| Cost for Service to Owner | | |
| Apartments | \$105 | \$155 |
| Single Family | \$125 | \$190 |
| Annual Inspection Revenue | | |
| Apartments (92) | \$9,660 | \$14,260 |
| Single Family (138) | \$17,250 | \$26,220 |

1 - Costs for St. Louis County are regulated by the standard contract required by St. Louis County. Those for the private service are estimates and actual costs will need to be obtained under the City purchasing policy.

2 - Staff Cost was established using a rate of \$40 / hour

3 - Costs for the Private service were estimated using an approximate hourly rate of \$75, which was obtained by contacting several home inspection contractors, and multiplying that by 2 hours of inspection time for each single family residence and 1 ½ hours for each apartment.