

COUNCIL ACTION FORM

SUBJECT: RENTAL REGISTRATION FEES FOR CURRENT FISCAL YEAR

BACKGROUND:

Rental registration fees are adopted by the Council near the end of each fiscal year, typically in March. Rental owners then received their annual registration bills in May. To calculate these fees, the program's actual and anticipated costs are divided by the number of rental units. Fees are differentiated between various types of rental units. This differentiation seeks to acknowledge the difference in time needed by inspection personnel to conduct the inspections.

As a part of the recent budget process, staff presented Council with a projection for the current year's rental registration rates. Subsequent to the budget presentation, current fiscal year actual costs were down slightly and some additional rental units came on line. The rates are \$0.15 less per unit than was anticipated at the budget hearing. A resolution reflecting these 2010-11 rental registration fees is attached.

ALTERNATIVES:

1. Approve the rental registration rates for fiscal year 2010-11.
2. Give staff additional direction for changes to the rental registration rates for the current fiscal year. It should be noted that any reductions in these fees would result in a shortfall in the general fund budget for 2010-11.

MANAGER'S RECOMMENDED ACTION:

The attached fees reflect estimates seen by Council during consideration of the 2010-11 budget amendments. These fees will generate the revenue needed to cover the anticipated costs of the City's rental housing program this year, which are actually \$.15 less per unit than presented during the budget hearing. Adoption of the fee schedule will allow billings to be sent out and payments to be received prior to the end of the fiscal year. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving approval of the rental registration rates for fiscal year 2010-11.