



Rental Registration Program Update



Purpose of presentation

- Update on current rental registration program
- Present options to consider
- Staff recommendation and get direction from Council



Impact of rentals on the community

- Single family housing units
 - 25,043
- Single family housing units that are rental
 - 18,030 (72%)
- Number of Texas State University students living off campus in the community
 - 19,000 + estimated (apartment & single family, SM only)



Options to consider

- Maintain current process of registration only
- Implement a Bad Actor Registration
- Implement an Inspection Program
- Repeal current ordinance and utilize other tools



Current Registration Ordinance

- Currently voluntary
 - 339 currently registered under the voluntary program
- Properties must be registered by January 1, 2021
- What steps are being taken
 - Identifying single family rental properties not currently registered (Identified 3120 SF properties out of potential 18,000)
 - Will send notice to those not registered
 - Create PSA's about the ordinance with communications



Maintain current process of registration only

All properties affected regardless of condition or compliance

- Pros
 - We have a mailing list
- Cons
 - Problem properties will not register
 - Requires extra staff resources to maintain (estimated 15,000 unaccounted for properties)
- Options in lieu of
 - There are State Statutes (Texas Property Code, Subchapter E, Sec 92.201 has requirements and penalties)



Bad Actor Registration

Only properties with issues or problems are affected

- Pros
 - Creates an incentive for property owners and landlords to comply with codes
 - Renters can identify problem properties or managers
- Cons
 - Requires extra staff resources
 - Does not address issue of vulnerable renters reporting issues



Bad Actor Registration

Examples of what constitutes bad actor

- (1) Two or more separate notices of violation are issued for the same property within a 12-month period and the owner of the property fails to correct the violations within the time frame required by the code official;
- (2) Five or more separate code violations within a 12-month period regardless of whether the owner of the property corrects the violations within the time frame required by the code official; or
- (3) Two or more citations are issued for the same property within a 12-month period.
- (4) For the purposes of this section, violations identified in the notices and citations must be related to the San Marcos Code of Ordinances, or violations of state law relating to public order and decency, controlled substances or alcohol, or public health, safety and morals.



Inspection Program (Only for life, health and safety)

All properties affected, but impact can be limited

- Self certification (properties conduct inspections and city spot checks of records and/or scheduled property inspections)
- Good Landlord Program (education that lowers fees)
- Tiered program (age and condition)
- Combination
- Pros
 - Ensures we don't have citizens living in properties with life, health or safety issues (vulnerable populations are hesitant to report)
 - Fees can fund the program



Inspection Program

- Pros continued
 - Helps to preserve current housing stock which would have a positive effect on affordable housing initiatives
- Cons
 - Expense would be passed on to tenants
 - Could cause houses in need of major work to be demolished which would have negative effect on affordable housing initiatives



What are the benefits of Proactive Rental Inspection programs?

- Protects vulnerable tenants (low-income, elderly, non-English speaking, immigrants) that may live in the worst housing conditions
- Helps provide tenant rights protections
- Alerts landlords to problems before they become severe
- Fosters preventative maintenance which helps preserve housing
- Maintains neighborhood quality of life for neighboring properties
- Maintains property values



Repeal and utilize other tools

- Pros
 - There are current enforcement tools to address substandard housing conditions
- Cons
 - Limits what can be done to help vulnerable who are hesitant to report
 - Unable to proactively identify housing units in need of care
 - Costs to rehabilitate housing increases significantly if preventative measures are not taken



Staff recommendation

- Keep the current long-term rental registration ordinance for purposes of notification and data collection(mandatory registration January 1, 2021)
- Move forward with drafting a proactive rental inspection program (12 to 18 month process)
 - Obtain stakeholder input
 - Develop the most cost efficient and less intrusive program.
 - Draft best solution for San Marcos
- Council direction needed



Questions and Recommendations