



## City of Knoxville Rental Housing Inspection Program Administrative Policy

The Knoxville City Council passed Ordinance Number 20-05 on the 6th day of July 2020 thereby establishing a Rental Housing Inspection Program to be in effect on the 1<sup>st</sup> day of July, 2020. The purpose of this program is to provide safe and sanitary housing conditions for the residents of Knoxville by establishing minimum standards and regular inspections for all rental housing units in Knoxville.

The authorization to carry out this program is set out in the Knoxville Municipal Code (KMC), Title 8, Chapter 10, which authorizes inspections of rental properties in order to enforce regulations set forth in KMC Title 8, Chapters 3, 4, 5 and 8.

This policy outlines the administrative guidelines to implement and organize the program. The Rental Housing Inspection Program is administered by the City of Knoxville Planning and Zoning Department with direction from the Planning and Zoning Administrator.

### **DEFINITIONS**

The following general definitions are used throughout this administrative policy:

1. DWELLING UNIT: One or more rooms, designed, occupied or intended for occupancy as a separate living quarter, with cooking, sleeping, and sanitary facilities provided within the dwelling unit for the exclusive use of a single family maintaining a household, in accordance with KMC Section 9-1-3 Definitions.
2. RENTAL PROPERTY: Any structure that includes a dwelling unit that is being held out or offered for rent or is currently being let for rent and occupied by any person who is not the owner of the premises, except that the following properties shall not be regarded as rental properties under this program:
  - a. Dwellings owned by the local, state, or federal governments.
  - b. Hotels, as defined by Chapter 137 of the Iowa Code.
  - c. Dormitory rooms of higher education institutions.
  - d. Nursing homes, long-term care, and medical care facilities.
  - e. Church parsonages, and other similar facilities owned by religious institutions, that provide housing for their clergy or other similar staff.
3. RENTAL UNIT: One dwelling unit within a rental property. If a common area and facilities are provided in a dwelling for the use of the occupants of units therein, such common area and facilities shall constitute a part of each rental unit for the purpose of inspection and compliance with this Rental Housing Inspection Program.
4. RENT: Any form of payment, including but not limited to cash, services, or other valuable considerations, provided as a condition of occupying a dwelling not owned by the occupant.
5. OWNER (Landlord): Person(s) listed as the deed holder as recorded at the Marion County Assessor's Office.

6. OWNER'S REPRESENTATIVE (Property Manager): A person who is appointed by a rental property owner to provide access to a City Inspector to the owner's rental property. The representative must have keys for all portions of the rental property, must be authorized to act on behalf of the owner concerning compliance with the requirements of the Rental Housing Inspection Program, and must be at least 18 years of age.
7. INSPECTOR: The person(s) designated by the City of Knoxville Planning and Zoning Administrator to conduct the inspections of rental properties and units for this program. The City of Knoxville may contract with an outside entity to conduct these inspection services.
8. MAJOR VIOLATION: A violation of the rental housing code that if left as is would constitute an immediate threat to the life and/or safety of those living in the home (Examples could include: lack of or damaged water heater, boiler, or furnace flue; smoke detectors which are missing, inoperable, or are improperly placed; storage of flammable liquids in a dwelling; electrical cords, wiring, or equipment that has begun to fail due to being overloaded or damaged).
9. TENANT: Person(s) or family occupying a dwelling unit for rent.
10. NO SHOW: When the owner of the structure or any other responsible adult designated by the owner do not attend the scheduled inspection.

## **REGISTRATION OF RENTAL PROPERTIES**

All rental properties in the City of Knoxville shall be registered as outlined in KMC Chapter 8-10-4. Registration is required so that the City has the most current contact and ownership information. At registration, the owner or owner's representative shall be required to attest that the rental unit(s) meets building regulations identified in KMC, Chapters 3, 4, 5 and 8, as summarized in Appendix A: Rental Housing Inspection Checklist. Additionally, by filing a registration form with the City, the owner is granting consent to an inspection of the rental property by the City for the purpose of determining compliance with this Rental Housing Inspection Program. Registration forms (Attached to this policy as **Appendix B: Rental Housing Registration Form**) shall be provided and records maintained by the City of Knoxville Planning and Zoning Department. A receipt of registration will be provided to the property owner or owner's representative at the time of registration.

For properties that are occupied by someone other than the owner for more than 30 days per year, suspected of being a rental property, and claimed not to be rental properties by the landlord, the property owner shall file with the city a notarized affidavit describing the circumstances under which the occupants are allowed to live in the property without paying rent and attesting that the property is not a rental property.

Registration of new and/or converted property or properties which changes ownership shall be completed within thirty (30) days of such activity, at which time the registration fee is due. Properties not registered in accordance with this Policy shall be considered non-complaint with this Rental Housing Inspection Program, shall be subject to late-fees described below, and may be subject to penalties described in the Violations section below. Properties shall also be registered at the time of inspection.

An annual per-rental-unit fee shall be paid by the owner or owner's representative at the time of registration. The fee shall be established according to the City-adopted fee schedule. Failure to pay the rental registration fee by the due date shall result in a late-fee of \$50 per day up to a maximum of \$500 per rental property. The Rental Compliance Certificate will not be issued without payment of the registration fees.

Properties that remain unregistered more than 30 days past the change of ownership or becoming a rental property will be considered non-compliant properties. A non-compliant property may have its Certificate of Occupancy revoked, have its Rental Compliance Certificate revoked, have its occupancy discontinued pursuant to KMC 8-10-9 – Building Official-Occupancy discontinuance for violations, and/or the owner may be prosecuted for municipal infractions, as described in KMC, Chapter 8-10-7 and in the Violations section below.

In addition, the Planning and Zoning Department staff will monitor utility billing signups for rental units or properties and compare their known rental units and/or properties with those registered rental properties to ensure that accurate records are maintained in both areas. The owners of rental units and/or properties that are determined to be unregistered shall be contacted by certified letter, which will provide them with instructions for registration. Property owners will have thirty (30) calendar days to register their rental property, failure to do so shall be considered non-complaint with this Rental Housing Inspection Program and may be subject to penalties described in the Violations section below.

### **TRANSFER OF OWNERSHIP**

Rental property that is transferred from one owner to a different owner shall have thirty (30) calendar days in which to re-register the rental units or property(s) under the new owner's name. No refunds shall be given to property owners for a partial year's registration. Additionally, provided that the new owner registers the rental property in their name within thirty (30) calendar days of the transfer of ownership they shall not be required to pay a second registration fee.

### **RENTAL UNITS OUT OF SERVICE**

Should an owner desire to take his/her rental unit or property out of service for a minimum of sixty (60) days they may file with the City a written notice of the rental unit or property being taken out of service. While the unit is taken out of service they shall not rent or allow anyone to live within the rental unit or property until such time as the unit is re-registered with the City of Knoxville.

Once the rental unit or property is re-registered with the City the owner shall pay a new rental registration fee and the property shall be inspected within sixty (60) calendar days of being re-registered.

### **INSPECTION SCHEDULE**

The baseline schedule for the inspection of all rental properties shall be once every three (3) years. As a benefit to compliant landlords, properties that pass the first inspection, with no noted concerns from the inspector, will not need to be inspected for another four years. Rental properties that require two or more inspections (three or more during the first three-year cycle) to pass and that receive multiple noted concerns from the inspector will need to be inspected every year until they pass on their first inspection. Those rental properties will then move to the standard inspection cycle.

Beginning in Fiscal Year 2021, newly registered rental properties shall be inspected within six (6) months of the property being registered with the City. Subsequent inspection shall be in accordance with the standard scheduling process outlined previously.

As this Rental Inspection Program begins implementation, it will take significant time to work through the initial inspection of all rental properties in Knoxville. Likely, it will take substantially more time than the six (6) months after registration stated above. In order to provide a systematic method, staff shall create a consistent approach to select properties for inspection. As staff workloads fluctuate and as scheduling practicalities are better understood, the approach to selecting properties may be revised. A proposed initial approach is as follows:

1. The City will be divided into four quadrants

The Planning and Zoning Department staff will be responsible for notifying property owners of the timeframe in which they have to schedule an inspection. Staff shall send written (or electronic, if selected by the owner/owner's representative) notice that it is time to schedule an inspection for their rental properties. The owner/owner's representative will be given thirty (30) days from the time the notice is sent to schedule the inspection. The inspection must take place within sixty (60) days of the inspection notice. It is the owner/owner's representative's responsibility to contact the Inspector to schedule the inspection(s). Failure to schedule the inspection shall be considered a violation of this program.

Owners (or their representatives) may elect to schedule an inspection at any time before the City-determined time for inspection. Upon passing this elective inspection, the property will then be placed on the appropriate inspection schedule (typically three years from the inspection). The inspector will not perform an inspection if the tenant has not been notified of the inspection by the owner or owner's representative, if the owner or owner's representative does not show up for the inspection, or if the owner's representative is not at least eighteen (18) years of age.

Properties will **NOT** be inspected as a part of a contingency for a real estate sales transaction. The City shall not be responsible for late or misdirected notifications, either by US Mail or by email.

The "Inspection Notice" shall consist of the following items:

- Letter stating the following minimum items:
  - Date by which the inspection must be scheduled;
  - Address of property to be inspected including number of unit(s) to be inspected; and
  - Contact information for the Rental Inspector.
- Copy of the Rental Inspection Checklist (Appendix A) and the Rental Inspection Form (Appendix C).

Follow up inspections, as required, shall be scheduled at the time of the initial inspection by the inspector. The inspector shall document all inspections and provide records to the Development Services Department.

## **INSPECTIONS**

The property owner will pay for the inspection at the time it is conducted. If the inspection is conducted by a contracted entity, the owner/owner's representative shall pay the inspector directly for the inspection at the time of inspection. The inspection fees shall be \$75 for the first unit, plus \$25 for each additional unit in the rental property. These fees shall also be charged for each required re-inspection.

The inspector shall conduct the inspection in-person and shall visually inspect all exterior and interior spaces of the rental property. The inspector shall inspect all sides of the exterior structure and the

grounds of the property. The inspector shall inspect every room in the rental property. The inspection shall be focused on building regulations identified in KMC, Chapters 3, 4, 5 and 8, as summarized in Appendix A: Rental Housing Inspection Checklist. A rental property is considered to have “passed” the inspection once the inspector completes an inspection, finds no violations of KMC, and signs the Rental Housing Inspection Form. The completed and signed Rental Housing Inspection Form will remain on file in the Planning and Zoning Department. A copy of the completed form may be provided to the property owner or owner’s representative, if requested.

It is the inspector’s responsibility to determine if a particular violation constitutes a major violation. If a major violation – summarized, but not limited to, the list below – is found, a mandatory re-inspection is required within forty-eight (48) hours. If a major violation is identified, the inspector may refer the property to the city’s Building Official to be pursued as a Dilapidated Building under KMC Chapter 8-8-3. This may result in a determination that the property is uninhabitable until corrections are made and a re-inspection has been completed.

### **MAJOR VIOLATIONS WHICH REQUIRE A MANDATORY FORTY-EIGHT (48) HOUR REINSPECTION**

Major Violations are those violations that would cause a building to be considered “unsafe” under KMC Chapter 8-8-3 – Unsafe Building. Some, but not all, of the Major Violations are listed here:

1. Structurally failing portions of the structure.
2. Storage of flammable liquids in a dwelling.
3. Fuel fired equipment with missing or inoperable flues.
4. Electrical cords or wiring that shows signs of failure.
5. Inoperable heating system during winter months, generally considered between November and March.
6. Other life safety issues or items as determined by the designated inspector.

If the above items are not corrected prior to re-inspection, the property shall be considered non-compliant with this Rental Housing Inspection Program, may have their Rental Compliance Certificate revoked, and may be subject to penalties described in the Violations section below. Additionally, the property will be pursued as a Dilapidated Building under KMC Chapter 8.

### **VIOLATIONS WHICH REQUIRE A SIXTY (60) DAY REINSPECTION**

All other violations shall be corrected within sixty (60) calendar days. If the violations are not corrected prior to re-inspection, the property shall be considered non-compliant with this Rental Housing Inspection Program and may be subject to penalties described in the Violations section below. This may include the revocation of the Rental Compliance Certificate and the immediate vacation of the rental property and/or rental units.

Rental properties or units that fail three or more inspections during an inspection cycle will be considered non-compliant with this program and shall have their Rental Compliance Certificates revoked.

### **RENTAL COMPLIANCE CERTIFICATES**

For properties that have undergone an inspection, a current Rental Compliance Certificate is required to continue operating as a rental property. A provisional compliance certificate shall be issued to each property that is properly registered with the city, but has not yet had an initial inspection. Properties without a current (or provisional) Rental Compliance Certificate will be considered non-compliant with the program and may be subject to the Violations section below. These certificates can be revoked by the Rental Housing Inspector or by the Building Official for non-compliance with this policy or with any section of KMC Title 8 Chapter 10.

## **NO SHOWS**

The inspector shall meet the owner or the owner's representative at the agreed upon date, time, and location. The property owner shall be assessed a \$50 "No Show" fee for each time the owner or owner's representative fails to be at a scheduled inspection.

Consideration will be given to property owners who contact the Inspector minimum of two (2) business days **prior to the date of the inspection** to reschedule a rental inspection due to an inability to get a contractor onsite to correct the violations. **This shall not apply to violations which require a forty-eight (48) hour follow up inspection.** If a rental inspection is rescheduled more than once, a \$50 "No Show" fee will be assessed to the property owner for each rescheduling.

The inspector will not perform an inspection if the tenant has not been notified of the inspection, if the owner or owner's representative does not show up for the inspection, or if the owner's representative is not at least 18 years of age. In each of these cases, a \$50 "No Show" fee will be assessed to the property owner.

## **NUISANCE COMPLAINTS**

The city's Nuisance Enforcement Program may from time-to-time identify nuisance complaints at rental properties. If the Nuisance Enforcement Program can work with the tenants and/or property owner to have the complaint resolved within the initial timeframe given by the Nuisance Enforcement official, then no further coordination is needed with the Rental Housing Inspection Program. If, however, the nuisance is not addressed within the initial timeframe given by the Nuisance Enforcement official, the property shall be referred to the Rental Housing Inspection Program, where it will be scheduled for a full rental inspection or re-inspection and sent an inspection notice with the next month's inspection notices. The property owner shall be responsible for paying the standard inspection fees to the inspector.

## **TENANT COMPLAINTS**

Only current tenants of a rental property or unit(s) may file complaints of violation regarding a rental housing property. Complaints shall be made in writing using the Rental Housing Complaint Form (Appendix D) and delivered to the Planning and Zoning Department. Inspections based on a complaint will not be conducted if the Rental Property Complaint Form is not completed.

At the time the complaint is made, city staff will ask the tenant for any other type of documentation s/he may have – for example any pictures or letters they may have sent to the landlord. The tenant shall

be required to certify that s/he has registered a complaint with the owner or owner's representative at least fourteen (14) days prior to filing the complaint with the city, unless the complaint is regarding a major violation. The tenant will be advised that the landlord will be notified regarding the complaint and a determination will be made on the validity and severity of the complaint and if an inspection is warranted. City staff will contact the owner or owner's representative by phone within two (2) business days if a complaint falls under the purview of this Rental Housing Inspection Program.

If a complaint is within the purview of this program, the rental inspector will conduct an inspection within ten (10) business days of the complaint. If violations exist at the time of the inspection, the inspector will document utilizing the same procedures as if a non-complaint inspection was performed. The tenant will be contacted by phone regarding the outcome of the inspection. The inspection form shall be made available to the tenant upon request.

Complaints regarding major violations, which would require a mandatory forty-eight (48) hour re-inspection during a normal rental inspection, will require that an inspection be scheduled within forty-eight (48) hours of receipt of the complaint, excluding weekends or holidays.

If the complaint is regarding an item not covered by the Rental Housing Inspection Program, the tenant shall be informed of such and no further action shall be taken.

The City of Knoxville Planning and Zoning Department shall maintain the record of each complaint and the outcome of the complaint as a part of the rental program.

Any complaint that requires an onsite inspection shall have an associated \$75 re-inspection fee. If the complaint is found to have merit and violations are found in the rental property, the property owner will be responsible for paying the fee. If the complaint is found to have no merit and violations are not found in the rental property, the tenant filing the complaint will be responsible for paying the re-inspection fee.

## **APPEALS**

The Building Code Board of Appeals, as defined in KMC, Chapter 15, serves as the appeals board for disputes regarding notices of violations issued during a rental inspection, in accordance with KMC section 8-10-10.

An owner or owner's representative of a property who wish to make an appeal regarding a notice of violation of their rental property or unit(s) shall complete an appeal form provided by the City of Knoxville (Appendix E). This appeal must be filed with the Planning and Zoning Department within sixty (60) days of the initial inspection. The Building Code Board of Appeals shall then schedule a hearing within thirty (30) days of receiving the appeal. City staff shall compile information related to the inspection and identified violation. At the Building Code Board of Appeals hearing, City staff shall present evidence of the violation and the rental property owner will be provided an opportunity to state his/her perspective on the need to reconsider the inspector's decision. The Building Code Board of Appeals shall provide a ruling within ten (10) after the hearing. If the owner is not satisfied with the ruling, the owner may file a request with the city manager's office for a public hearing with the Knoxville City Council. This request must be filed within ten (10) days following the Building Code Board of

Appeals ruling. At the next regularly scheduled meeting, the City Council shall schedule a public hearing and provide a ruling.

## **VIOLATIONS**

Rental properties and/or rental units that fail to comply with the rental housing inspection program, shall be referred to the City Building Official and Attorney for prosecution as a municipal infraction. Failure to comply with this program, including but not limited to failure to register a property, may result in the revocation of a Certificate of Occupancy and/or a requirement to vacate the property.

## **ANNUAL TRAINING PROGRAM**

As a part of the annual rental registration process, the Planning and Zoning Department shall provide for a minimum of three separate Rental Housing Inspection training sessions. This training sessions will provide property owners with information about the program including, but not limited to, common violations, changes in the rental housing code, and allow for feedback from the landlords.

These annual training programs shall be offered on three different dates with at least one session during the evening hours (defined as 5:00 PM or later).

## **ANNUAL REPORT**

The City of Knoxville Planning and Zoning Department shall provide an annual report to the Knoxville City Council. The report shall provide data on the number of housing units in the City and the frequency and type of violations that have been found in the previous year. The report shall be prepared in July of each calendar year showing the reporting period beginning July 1 of the previous year and running through June 30 of the current year.

An audit of the program will be conducted by an independent committee within the first 180 days of the program to evaluate program goals and inspection findings.

## **MINOR ADMINISTRATIVE ADJUSTMENTS**

City Council authorizes the City Manager, or designee, to make minor administrative adjustments to appendices of this policy. Any changes or adjustments that substantially change the program, registration, inspections, violations, or complaint process shall require the approval of City Council.