



WEST JORDAN CITY RENTAL UNIT DISPROPORTIONATE IMPACT MUNICIPAL SERVICES STUDY

May 8, 2009

INTRODUCTION

Section 10-1-203(5)(a)(C) Utah Code Annotated (“UCA”) authorizes the imposition of an additional licensing fee on business classes which represent a disproportionate impact on city services. When imposing a fee based on a disproportionate impact on services, the jurisdiction is required to complete a Municipal Services Study which quantifies:

- The base level of services,
- The extent of the disproportionate impact, and
- The cost of the disproportionate impact.

When imposing a disproportionate impact fee on residential rental units, §10-1-203(5)(3)(ii) UCA requires that, in addition to completion of a Municipal Services Study, the local jurisdiction must also implement a “Good Landlord Program” which provides for a reduction in the disproportionate rental fee for a landlord who:

- Completes a landlord training program approved by the jurisdiction;
- Implements crime reduction measures; and
- Operates and maintains their rental housing in accordance with applicable municipal ordinances.

West Jordan does not currently impose a per unit rental disproportionate impact fee and does not impose a licensing fee on rental facilities with fewer than three (3) units. Based on the findings of this Municipal Services Study, effective October 1, 2009 West Jordan proposes to implement the following disproportionate rental fees:

Table 1: Maximum and Proposed Rental Fees

	Maximum Allowable Fee	Proposed Full Fee	Discounted Fee	Discount Percentage
Rental Base Fee per Application	\$ 75	\$ 75	\$ 75	0%
Single Family Rental per Unit	\$ 201	\$ 200	\$ 7	97%
Duplex Rental per Unit	\$ 69	\$ 65	\$ 7	89%
Multi-family Rental per Unit	\$ 74	\$ 70	\$ 7	90%
Condominium Rental per Unit	\$ 60	\$ 60	\$ 7	88%

Source: Wikstrom



Proposed
Implementation Date:
October 1, 2009

Landlord Training
Program begins:
July 1, 2009

Staggered renewal dates.

Base application fee:
\$75

Full Per Unit Fees:
Single Family: \$200
Duplex: \$65
Multi-family: \$70
Condominium: \$60

Good Landlord per Unit
Fees:
All Unit Types: \$7

The base fee will be charged for each application. Multi-family applications will include two or more units; single-family applications will include one unit or, if the property owner owns one or more single-family rentals within West Jordan City, may include multiple units. The base fee is not subject to discount. Participation in West Jordan's Good Landlord program provides a reduction in the disproportionate unit fee equal to 88 to 97 percent of the fee depending on the type of rental. The Good Landlord program will be administered by the West Jordan Police Department which will certify, to the West Jordan Business License Division, that participating landlords have:

- Completed an approved landlord training program within the last three (3) months, to be repeated every two (2) years;
- Implemented the required crime reduction measures including:
 - Approved leasing language
 - Background/credit checks;
- Completed Crime Prevention Through Environmental Design (CPTED) and code enforcement inspections; and
- No current outstanding violations of municipal ordinances.

SUMMARY AND CONCLUSIONS

The City of West Jordan asked Wikstrom to complete the required Municipal Services Study to evaluate the disproportionate impact, if any, of single-family, duplex, and multi-family rental units on police and fire services within the jurisdiction. Rental housing is defined at § 10-8-85.5 UCA as “a building or portion of a building that is: (a) used or designated for use as a residence by one or more persons and (b)(i) available to be rented, loaned, leased, or hired out for a period of one month or longer; or (ii) arranged, designed, or built to be rented, loaned, leased, or hired out for a period of one month or longer.” The disproportionate rental fee will not be increased or the good landlord fee credit decreased without first completing a new Municipal Services Study, in accordance with State Statute.

West Jordan City does not currently charge a “Rental Housing Cost Fee.” Based on current budget levels and current patterns of calls within the City, a fee of not more than \$201 per unit is justified for all renter-occupied single-family units, \$69 for duplexes, \$74 for rentals in buildings with three (3) or more units, and \$60 for rented condominiums.

This analysis is based on 42 months of call data provided by Valley Emergency Communications Center (“VECC”) and the West Jordan City Fiscal Year 2009 Police and Fire Services budgets.

SCOPE AND METHODOLOGY

The City of West Jordan provides a full range of municipal services to all residents of the community. Municipal services are defined in § 10-1-203 UCA as public utilities, police, fire, storm water runoff, traffic control, parking, transportation, beautification or snow removal. This study focused on quantifying the impact of rental housing on police and fire services. Public safety services are disproportionately impacted by the rental of all types of housing units. The cost of the disproportionately impacted services is subject to recovery through a disproportionate rental fee.

To establish the base rental housing cost Wikstrom first established the level of municipal services reasonably attributable to the rental units that would not have occurred in the absence of their status as rental units. The cost of providing the municipal services reasonably attributable to the rental housing was then established using West Jordan City's FY 2009 cost of services.

Wikstrom examined call and dispatch data for police and fire from VECC for the 42 month period July 1, 2005 through December 31, 2008, for six unit types including owner-occupied single-family dwellings, renter-occupied single family dwellings, duplexes, apartments, owner-occupied condominiums and renter-occupied condominiums. The calls were analyzed to produce a "calls per housing unit" comparison among the various samples.

SAMPLE SELECTION

All samples were randomly selected from the city-wide parcel data-base provided by the Salt Lake County Assessor's Office. This method ensures unbiased, geographically distributed samples.

The first sample of data collected is for the City as a whole. The database includes traffic related calls, animal control calls, calls to the City's approximately 1,300 commercial businesses and calls to single-, duplex, multi-family and condominium housing. The city-wide, undifferentiated data was used to generate a cost per call and to verify the relative consistency of call volumes over time. Animal control and traffic-related calls were then removed from the data base to generate call volume analysis attributable to calls for police and fire services. This data base was used to generate the baseline calls per address analysis and for analysis of the remaining samples.

The second sample of data collected comes from owner-occupied single-family units. Owner-occupied units are defined as all units for which the physical and owners address are the same in the parcel data base. There are a total of 19,906 owner-occupied units in West Jordan. The sample size of 178 represents a 95 percent confidence level with a ± 0.675 margin of error.

The third sample of data is non-owner occupied single-family dwellings. These are units for which the property address and the owner's address are different. Wikstrom assumes that all non-owner occupied units are offered for rent or lease. There are 2,726 non-owner occupied single-family units in West Jordan. The sample size of 178 represents a 95 percent confidence level with a ± 0.675 margin of error.





The fourth sample is of duplexes. There are 37 duplexes or 74 duplex units, in West Jordan City. Wikstrom counted calls for all duplexes, representing a 100 percent confidence level.



The fifth sample was of multi-family units. These are units in buildings with three or more units which are currently licensed by West Jordan City. All apartments were included in the analysis. There are 4,598 units currently licensed in the City of West Jordan.



The last unit types to be sampled were owner- and renter-occupied condominiums. All condos were sampled for the overall calls per unit calculation. However, due to data limitations, only 52 percent of condo calls could be associated with specific units within their respective complexes. All calls that could be associated with specific units were included in the calculations of calls per unit for owner- vs. renter-occupied condos.

DATA

The data provided by VECC includes a set of codes indicating the nature of the call. Each designated “nature of the call” has a priority which was identified by the West Jordan Police and Fire Departments. Dispatch is based on pre-determined priority codes. Wikstrom’s analysis differentiates between “Priority One,” “Priority Two,” “Priority Three,” and “All Other Priorities” with one being the highest priority. There are four types of calls: calls to which fire apparatus was dispatched; calls to which police vehicles were dispatched; calls to which both police and fire were dispatched; and miscellaneous or information only calls. All types of calls are included in all call categories. For purposes of analyzing the impact of different types and density of housing on public safety services, traffic and animal control related calls were eliminated from the types of calls analyzed. The call types eliminated from the analysis include: Acc auto/ped, Acc hit/run, Acc hit/run inj, Acc mc/bike, Acc pi, Acc rollover, Joyriding, Traffic offense, Traffic problem, Traffic stop, Select traffic, Assault vehicle, Fire vehicle, Plane crash, Plane standby, Plane hijack, Accident, Assist motorist, DUI, Reckless driver, Abandoned veh, Animal attack A, Animal attack P, Animal bite, Animal cruelty, Animal dead, Animal followup, Animal in custo, Animal injured, Animal loose, Animal noise, Animal nuisance, Animal problem, Animal too many, Animal unwanted, Animal vicious, Animal welfare.

Priority one calls for both police and fire are generally more serious situations demanding immediate attention and presence of public safety personnel and vehicles. Table 2 provides a listing of representative Priority One calls.

Non-traffic and non-animal control Priority One calls represented 80 percent of fire only calls, six percent of all police only calls and 88 percent of all police and fire combined calls.

Priority two calls for both police and fire are serious situations. Table 3 provides a list of representative Priority Two calls.

Priority Two calls represented nine percent of all fire only calls, 25 percent of all police only calls, and nine percent of all police and fire combined calls.

Citywide there were a total of 262,679 calls during the 42 month period July 1, 2005 through December 31, 2008. This is an average of 6,254 calls per month.

Medical calls	Fires	Alarms
Arcing power lines	In-progress calls	Attempt to locate
Biological hazards	Bomb	Carbon monoxide
Dead body	Drowning	Escape
Explosion	Extrication	Lockout with child
Hazmat incident	Fleeing	Flooding
Fuel spill	Hanging	Homicide
Hostage	Trapped	Lines down
Lost child	Man down	Man with gun
Mass casualty	Mental subject	Natural gas leak
Natural disaster	Overdose	Pedestrian stop
Police backup	Protective order service	Propane leak
Prowler	Pursuit	Rescue
Riot	Roof collapse	Shooting
Shots fired	Stabbing	Suicide
Summons service	Swat operations	Domestic threats
Warrant service	Weapons offense	

911 hangup	Medical problems	Intrusion alarm
Assault (not in progress)	Bar check	Burglary (not in progress)
Child neglect	Civil problem in-progress	Criminal mischief in-progress
Custodial interference	Customer problem	Disorderly conduct
Armed domestic	Electrocution	Fight
Gas theft	Ungovernable juvenile	Lewdness
Lockout w/animal	Unsecure premises	Rape
Robbery	Sex offense	Shoplifting
Suspicious circumstance	Suspicious person	Suspicious vehicle
Theft in-progress	Trespassing	Welfare check

When traffic and animal control related calls are eliminated there was an average of 4,341 calls per month over the same period. A total of 80,352 traffic and animal control related calls was excluded from the database for purposes of calculating the number of calls per housing unit by housing type. Traffic and animal control calls represented 31 percent of all public safety calls dispatched through VECC for the period July 1, 2005 through December 31, 2008.

The 42 month period included three and one half fiscal years. When reviewed by fiscal year, average calls per month have decreased over the period (see Table 4). Fire only and police/fire combined calls have remained relatively constant, police only calls have been decreasing. However, the severity of the police only calls, as measured by priority code, has been increasing.

Table 4: Average Total Calls per Month per Fiscal Year

Fiscal Year	All Calls			No Traffic/Animal Control		
	Total Calls	Average Calls/Month	Percent Change from prior FY	Total Calls	Average Calls/Month	Percent Change from prior FY
2006	81,467	6,789		57,957	4,830	
2007	75,890	6,324	-7%	53,462	4,455	-8%
2008	71,267	5,939	-6%	47,455	3,955	-11%
2009 *	34,116	5,686	-4%	23,453	3,909	-1%
Total	262,740	6,256		182,327	4,341	

* Note: FY 2009 includes 6 months

Source: VECC, West Jordan City, Wikstrom

Table 5 demonstrates change in call priority over time. When all calls are analyzed, the frequency of priority one through three calls increased from 55 percent in FY 2006 to 66 percent in FY 2009. When traffic and animal control calls are removed from the data base, the increase in frequency in priority two and three calls is more significant reflecting a five percent increase.

Table 5: Change in Call Priority FY 2006 through FY 2009

	All Calls					No Traffic/Animal Control				
	FY 2006	FY 2007	FY 2008	FY 2009	Percent Change FY 2006 to FY 2009	FY 2006	FY 2007	FY 2008	FY 2009	Percent Change FY 2006 to FY 2009
Priority 1	23%	24%	29%	26%	3%	12%	13%	15%	14%	3%
Priority 2	22%	23%	25%	27%	4%	22%	22%	26%	27%	5%
Priority 3	10%	10%	11%	13%	3%	14%	15%	17%	19%	5%
All Other	45%	43%	35%	34%	-11%	52%	50%	43%	40%	-13%
Total	100%	100%	100%	100%		100%	100%	100%	100%	

Source: VECC, West Jordan City, Wikstrom

POPULATION AND HOUSEHOLDS

The basis of the analysis is the number of dwelling units served by West Jordan's public safety services. West Jordan City's Census 2000 population was 68,336 with a total of 19,583 dwelling units for an average number of persons per household of 3.49. This is higher than the statewide average of 3.13 persons per household and the Salt Lake County average of 3.00. Shortly after the Census 2000 count, West Jordan annexed the 812 acre Oquirrh Shadows area increasing the population by an estimated 10,378 persons or roughly 3,000 households. The Census bureau estimates that West Jordan's July 1, 2007 population had grown to 102,445 and an average household size of 3.57 persons for a total of 28,696 dwelling units. Salt Lake County assessor and West Jordan apartment license data identifies 30,656 dwelling units in West Jordan City. The assessor data includes the Oquirrh Shadows annexation and provides a more accurate breakdown of the number and type of housing unit in West Jordan.

Table 6 provides the breakdown of housing units in West Jordan as of February 2009 based on data from the Salt Lake County Assessor.

Table 6: Housing Unit Summary

Type	Parcels	Units
Single Family	22,632	22,632
Apartments	56	4,598
Duplexes	37	74
Condos	1,904	1,904
PUD	889	889
Trailer Park	2	382
Total	25,520	30,479

Source: Salt Lake County Assessor, Wikstrom

On this table, single-family homes on their own lot, manufactured homes on an owner-occupied pad and single-family homes in PUD's are classified as single-family; multi-family units, low-income housing, and residential-multi are classified as apartments. According to the Assessor's data, 74 percent of West Jordan's housing units are single-family, 15 percent are apartments, six percent are condos, three percent are in PUDs and one percent is manufactured homes on pads rented within a mobile home park. Wikstrom uses the Salt Lake County Assessor information in order to provide consistency and accuracy with the GIS shapes used in this analysis. In addition to an estimated 30,479 dwelling units, West Jordan is estimated to have 1,300 commercial businesses.

COST PER CALL

West Jordan City's Fiscal Year 2009 Police budget is \$13,967,374. This budget funds police line and support services for the period July 1, 2008 through June 30, 2009. In addition to the West Jordan police line and support budget, police operations in West Jordan will require an estimated \$136,000 in capital expenditures for equipment, vehicles and fleet costs.

West Jordan City's Fiscal Year 2009 Fire budget is \$8,801,123. This budget funds fire operations for the period July 1, 2008 through June 30, 2009. In addition to the West

Jordan fire operations budget of \$8.8 million, fire operations in West Jordan will require an estimated \$408,000 in capital expenditures for equipment, vehicles and fleet costs.

Table 7: Public Safety Costs

	Police Department	Fire Department	Total Public Safety	Monthly Budget
FY 2006 Actual	11,711,520	7,658,183	19,369,703	1,614,142
FY 2007 Actual	12,256,994	8,572,660	20,829,654	1,735,805
FY 2008 Actual	13,625,740	8,495,193	22,120,933	1,843,411
FY 2009 Budget	13,967,374	8,801,123	22,768,497	1,897,375
Total	51,561,628	33,527,160	85,088,787	1,772,683

Source: Utah State Auditor, West Jordan City, Wikstrom

Public safety costs are budgeted to average almost \$1.9 million per month in FY 2009 before accounting for capital and fleet costs. The monthly average number of total calls for the period July 1, 2005 through December 31, 2008 is 5,932. This includes traffic related incidents, calls to businesses and calls to all types of residential units. This call volume does not include animal control calls. The cost of responding to animal control calls is budgeted separately from the overall Police budget. The average cost per call is the basis of the per unit fee in the event of a disproportionate impact on public safety services. As can be seen in Table 8, on average, it costs West Jordan \$276 to respond to or service each public safety call that is within its boundaries. The fire-only cost per call is \$1,947. It costs West Jordan City \$154 per call to provide police services.

Table 8: Component Cost Per call

Service	FY 2009 Adjusted Budget	Monthly Budget	Avg. Monthly Calls	Cost/Call
Fire	9,198,036	766,503	394	1,947
Police	10,458,418	871,535	5,653	154
Combined	19,656,454	1,638,038	5,932	276

Source: West Jordan City, VECC, Wikstrom

PUBLIC SAFETY SERVICES IMPACTS

SERVICE CALLS AND HOUSING UNITS

Methodology – The calls per housing unit method was used, as opposed to calls per address method, under the logic that any concentration of people is likely to have more calls simply because there are more people, without being indicative of a disproportionate increase in burden of service or of a greater incidence in crime. The calls per housing unit method were used as opposed to a calls per capita method in order to have a more accurate ratio, using public data. Frequently, residential units, both high and low density, experience changes in total members of a household; changes which may occur monthly and with or without public knowledge. By contrast, housing units are a more stable measure.

Samples

Sample Type 1 – City-wide. Non-traffic and non-animal control related calls within West Jordan averaged 4,341 calls per month over the 42 month period for which data was analyzed. This is an average of 0.1358 calls per month per dwelling unit and business. Of the 0.1358 average, 0.0072 are fire only calls, 0.1229 are police only calls and 0.0043 are police and fire combined calls

Sample Type 2 – Owner-occupied single-family units. Owner-occupied single-family units averaged 3.28 calls per unit over the 42 month time frame. This is an average of 0.078 calls per month. Of the 0.078 average, 0.002 are fire only calls, 0.072 are police only calls and 0.003 are police and fire combined calls.

Sample Type 3 – Renter-Occupied single-family units. Renter-occupied single-family units averaged 5.83 calls per unit over the 42 month time frame. This is an average of 0.139 calls per month. Of the 0.139 average, 0.007 are fire calls, 0.127 are police calls and 0.005 are police and fire combined calls.

Sample Type 4 – Duplex units. Duplexes averaged 4.15 calls per unit over the 42 months. This is an average of 0.099 per month. Of the 0.099 average, 0.005 are fire calls, 0.090 are police calls and 0.003 are police and fire combined calls.

Sample Type 5 – Units in multi-family complexes. Multi-family units average 4.21 calls over the 42 months. This is an average of 0.100 per unit per month. Of the 0.100 calls, 0.007 were fire, 0.088 were police and 0.004 were police and fire combined calls.

Sample Type 6 – Owner-occupied condominiums. Owner-occupied condos averaged 1.84 calls per unit over the 42 months. This is an average of 0.044 calls per month. Of the 0.044 average, 0.004 are fire only calls, 0.038 are police only calls and 0.002 are police and fire combined calls.

Sample Type 7 – Renter-occupied condominiums. Renter-occupied condos averaged 2.60 calls per unit over the 42 months. This is an average of 0.062 calls per month. Of the 0.062 average, 0.007 are fire only calls, 0.053 are police only calls and 0.002 are police and fire combined calls.

Table 9: Calls per Unit by Type: July 2005 - December 2008

	Single Family		Condos		Duplexes	Apartments
	Owner-Occupied	Renter-Occupied	Owner-Occupied	Renter-Occupied	All	All
Fire Only	0.10	0.28	0.18	0.29	0.19	0.30
Police Only	3.04	5.32	1.58	2.22	3.80	3.72
Fire/Police Combined	0.11	0.22	0.07	0.09	0.14	0.18
Total	3.28	5.83	1.84	2.60	4.15	4.21
Monthly Fire Only	0.002	0.007	0.004	0.007	0.005	0.007
Monthly Police	0.072	0.127	0.038	0.053	0.090	0.088
Monthly Fire/Police Combined	0.003	0.005	0.002	0.002	0.003	0.004
Monthly Total	0.078	0.139	0.044	0.062	0.099	0.100

Source: VECC, Wikstrom

Note: Information calls are included in total calls but are not broken out separately due to the small size of the sample.

As can be seen in Table 9, the average number of calls per unit to renter-occupied single family dwellings is 78 percent higher than the average number of calls per unit to owner-occupied single family dwellings. This means that, city-wide, there were a total of almost 2,000 calls for service to renter-occupied single family homes which would not be expected if the home were owner-occupied in a single year. The average number of calls to apartments is 28 percent higher than to single family owner occupied units. This difference translates into an extra 1,200 calls to apartments in a single year.

DISPROPORTIONATE IMPACT

Renter occupied units have disproportionately high public safety call volumes for structures in which one or more units are not owner-occupied. If the call volumes to renter occupied units were comparable to those experienced by owner-occupied single family units in West Jordan, the cost of public safety services would be expected to be lower. Table 10 provides the expected cost of providing services to rental units using the owner-occupied single-family call rate as the base rate for services in West Jordan.

Table 10: Expected Annual Cost of Public Safety Services

Type of Unit	# of Units	Expected Average Calls/Unit	Expected Total # of Calls	Cost/Call	Expected Annual Cost of Public Safety Services
Owner-Occupied Single-Family	19,906	3.28	65,198	276	\$5,143,983
Renter-Occupied Single-Family	2,726	3.28	8,928	276	\$704,436
Owner-Occupied Condominium	1,407	1.84	2,592	276	\$204,493
Renter-Occupied Condominium	497	1.84	916	276	\$72,234
Duplex	74	3.28	242	276	\$19,123
Apartment	4,598	3.28	15,060	276	\$1,188,186

Source: Wikstrom

Table 11 estimates the actual cost of providing services to rental units based on historical rates of calls for public safety services.

Table 11: Estimated Annual Cost of Public Safety Services

Type of Unit	# of Units	Average Calls/Unit	Estimated Total # of Calls	Cost/Call	Estimated Annual Cost of Public Safety Services
Owner-Occupied Single-Family	19,906	3.28	65,198	276	\$5,143,983
Renter-Occupied Single-Family	2,726	5.83	15,881	276	\$1,253,001
Owner-Occupied Condominium	1,407	1.84	2,592	276	\$204,493
Renter-Occupied Condominium	497	2.60	1,293	276	\$101,991
Duplex	74	4.15	307	276	\$24,222
Apartment	4,598	4.21	19,372	276	\$1,528,395

Source: Wikstrom

Table 12 provides the estimated cost per unit of the disproportionate levels of public safety services provided to renter-occupied units. The estimated cost per unit is the maximum disproportionate impact fee which can be charged for each unit type.

Table 12: Per Unit Cost of Disproportionate Impact

Type of Unit	# of Units	Expected Cost of Public Safety Services	Estimated Cost of Public Safety Services	Difference	Per Unit Difference
Owner-Occupied Single-Family	19,906	\$5,143,983	\$5,143,983	\$0	\$0
Renter-Occupied Single-Family	2,726	\$704,436	\$1,253,001	\$548,566	\$201
Owner-Occupied Condominium	1,407	\$204,493	\$204,493	\$0	\$0
Renter-Occupied Condominium	497	\$72,234	\$101,991	\$29,757	\$60
Duplex	74	\$19,123	\$24,222	\$5,099	\$69
Apartment	4,598	\$1,188,186	\$1,528,395	\$340,209	\$74

Source: Wikstrom

GOOD LANDLORD PROGRAM

The purpose of the Good Landlord Program is to promote good rental housing management in an effort to decrease the disproportionate impact of rental housing on City services. By certifying implementation of the components of the program, landlords will receive a reduction in the disproportionate rental fee as well as improving the living environment for their tenants and neighbors.

Good landlord programs have been developed in jurisdictions across the country. Locally, many cities implemented crime-free multi-housing programs in the 1990s. Several have begun to combine the training and leasing elements of the original programs with fee reductions to provide an added incentive for participation. Current state statute governing disproportionate rental fees requires the implementation of a related good landlord program when a fee is implemented or increased.

Good landlord programs can have the benefit of significantly reducing the measurable disproportionate impact of rental units on city services resulting in a win-win situation for the landlord and the city.

COMPONENTS

The five programs currently implemented in the State of Utah -West Valley City, Ogden, South Salt Lake, Washington Terrace and Clearfield - vary in their details and how they have implemented their programs. In addition, several cities are considering implementing good landlord programs including Salt Lake City, Sandy and Taylorsville. There are several components which are universal to all of the implemented programs. The programs are incentive based and provide discounts on license fees for rental unit owners who agree to:

- Run credit and criminal background checks on all applicants,
- Have a zero tolerance policy for crime committed on the property and agree to begin evictions immediately when tenants or their invited guest cause a criminal disturbance,
- Comply with all zoning and city ordinances, and
- Attend a city approved landlord training program to help assure owners know their responsibilities, understand the impact bad tenants have on communities, and know the proper, legal way to deal with problems.

Variations include the extent to which negative elements on a criminal background check will impact the leasing decision (Salt Lake City is considering not requiring the landlord to reject applicants with a criminal background but ensure the landlord is informed.) Most jurisdictions require that the landlord refuse to rent to tenants convicted of the any of the following crimes within the past three (3) years:

- Drug related,
- Alcohol related,
- Property damage,
- Prostitution,
- Violence of any kind,
- Assault
- Crimes involving weaponry.

In addition, most jurisdictions also require that the landlord refuse to rent to tenants who are on the Utah Sex Offender Registry.

Training – All programs require that landlords and property managers attend a training session. West Valley City and Washington Terrace specify that the training should include at least eight hours of instruction. Most require that the training be repeated every 2 years in order to maintain certification. Training generally includes information concerning landlord rights and responsibilities, tenant rights and responsibilities, best leasing practices, eviction procedures and information specific to the jurisdiction’s program. The training can be completed by city staff, representatives of the apartment owners association, another city with a comparable program or another provider as pre-authorized by the city.

Methods – All good landlord programs require the landlord to implement a minimal level of oversight and supervision of the property. Table 13 identifies various components included in the five programs currently implemented in the State of Utah.

Table 13: Components of Good Landlord Programs

	SSL	Washington Terrace	Clearfield	Ogden	WVC
Written Agreement with City	X	X	X	X	X
Written Tenant Application		X	X	X	X
Background Checks	X	X	X	X	X
- False information prohibition		X	X	X	X
- 3-year prohibition on specified offenses		X	X	X	X
- Prohibit those on Utah Sex Offender Registry		X	X	X	X
Written Lease	X	X	X	X	X
All Tenants > 18 Years	X	X	X	X	X
Credit Check		X	X	X	X
State Issued ID		X	X	X	X
Income/employment verification		X	X	X	X
Rental references		X	X	X	X
Eviction for Criminal/Nuisance Behavior	X	X	X	X	X
Eviction w/in 5 days	X				
Electronic notification system	X		X		X
CPTED	X				

Source: Jurisdictions

There is a high degree of consistency between the programs.

Outcomes – The goal of the programs is to reduce calls to rental properties and reduce the disproportionate impact on city services represented by rental units within the city. In order to improve owner responsiveness to problem properties several jurisdictions have implemented electronic notification systems. These systems use email to ensure that a property owner knows when city public safety services have responded to one of their units.

An electronic notification system allows a more timely response to possible issues with tenants who violate lease agreements. In addition, several jurisdictions have established

standards concerning code violations and calls for service. Good landlord certification is forfeit if the landlord fails to maintain the property resulting in uncorrected code violations or if there are more than two calls for service per unit annually. Forfeiture of certification results in immediate assessment of the full disproportionate impact fee and any other penalties and prohibition from recertification in the program for one (1) year. In the case of West Jordan, if a similar provision is included in the enabling legislation, the threshold for maximum calls for service per unit annually should be four (4) calls for combined police and fire calls. Owner-occupied single-family units are currently averaging just under four (4) calls per service annually and this should be the expected rate for properly managed renter-occupied units.

FEE REDUCTION

The incentive to landlords for participation in the program is a reduction in the disproportionate rental impact fee. A significant reduction is required in order to provide an adequate incentive. Ogden City's discount for participation in the Good Landlord Program is 91 – 92 percent. Multi-family unit rental impact fees in Ogden are \$82/unit standard and \$7/unit for participating units. Single-family unit rental impact fees in Ogden are \$156/unit standard and \$13/unit for participating units. The fee reduction does not apply to the standard business license fee of \$75.

IMPLEMENTATION

REQUIREMENTS

Table 14 identifies the number and type of licenses anticipated when the program is implemented. West Jordan City currently licenses 45 multi-family complexes but does not currently charge a fee for each of the 4,598 units included in the complexes. There are an estimated 2,726 single-family rentals owned by 2,319 separate individuals. Because an owner of multiple units will be allowed to submit one application representing all of the units, there will be an estimated 2,319 applications processed for the total 2,726 single-family rental units.

Table 14: Estimated New Rental Unit Business Licenses

	Licenses	Units
Current Multi-family	45	4,598
New Multi-family	11	33
Single Family	2,319	2,726
Condominiums	430	497
Duplex	37	66
Total New	2,797	7,920

Source: SL County Assessor, Wikstrom

The recommended fee structure for rentals and the related Good Landlord Program will result in an estimated 2,797 new licenses for a total of 7,920 rental units. In addition to licensing approximately 1,300 commercial businesses, the West Jordan Business License Division processes 1,956 home-based business licenses annually. The 2,797 new licenses represent an 86 percent increase in the number of licenses processed by the Division. In addition to the licensing activities required by the licensing division, the program will require certification by the Police Department that each licensee requesting the reduced fee allowed through the Good Landlord Program has met the requirements for participation.

Process – Impacts on Business Licensing include initial application processing, notification of penalties and increased fee requirements resulting from loss of certification and verification of ongoing certification at the time of renewal. Business Licensing proposes the implementation of a kiosk system which will streamline the application process and allow applicants to fill out their application on line.

Impacts on the Police Department include initial training and certification, including CPTED and code compliance inspections, ongoing monitoring of compliance with certification requirements and email notification of property owners/managers of calls to participating units.

Staffing – Current business license staff of one FTE processes and administers approximately 1,300 commercial and 1,956 home-based licenses annually. An additional customer service representative in business licensing will be required to fully implement this program and ensure that all requirements of the program are fulfilled.

Current police department staff provides CPTED program support and code enforcement activities as well as monitoring call volumes throughout the community. However, the new good landlord program will result in a significant increase in the number of property owners participating in the program and the number of properties monitored on an ongoing basis. The Police Department estimates that an additional CSO #45 to coordinate with landlords and an additional police records technician to maintain the data base and notify landlords of calls to units will be required to fully implement the program.

Data – Ongoing administration of the program will require monitoring of rental units through Salt Lake County Assessor information. Wikstrom has provided the City with the database of existing single-family and condominium rental units based on the Assessor's data with instructions on how to update the database on an annual basis.

Additionally, the Police Department will maintain a database of rental property owner email addresses allowing notification of calls to units on a regular and ongoing basis. This activity will allow the Police Department to monitor certification requirements allowing timely response by the property owner and the Business License Division.

Costs - Table 15 identifies the estimated one-time and ongoing personal services costs associated with implementation of the disproportionate impact fee and the Good Landlord Program.

In addition to the employee related costs identified, there will be ongoing overhead expenses. The total annual cost of the program is estimated at \$250,000.

Table 15: Estimated One-time and Ongoing Implementation Costs

Position		FY 2010 One-time	FY 2010 Ongoing	FY 2010 Total	Subsequent Years Total
Business					
Licensing	Customer Service Rep. I	\$ 14,160	\$ 56,948	\$ 71,108	\$56,948
Police					
Dept.	Police Records Tech	\$ 9,700	\$ 49,833	\$ 59,533	\$49,833
	CSO #45	\$ 32,000	\$ 60,875	\$ 92,875	\$60,875
Total		\$ 55,860	\$ 167,656	\$223,516	\$167,656

Source: Police Department, Business Licensing, Wikstrom

Revenues - Implementation of the disproportionate fee is estimated to generate a maximum of approximately \$1.1 million dollars annually. Property owners can reduce their licensing costs through certification in the Good Landlord Program.

Table 16: Estimated Maximum Revenues

	Licenses	Units	Base Fee	Unit Fee	Total
Single Family Rental	2,319	2,726	\$ 75	\$ 200	\$ 719,125
Duplex	37	66	\$ 75	\$ 65	\$ 7,065
Multi-family Rental	56	4,631	\$ 75	\$ 70	\$ 328,370
Condominium Rental	430	497	\$ 75	\$ 60	\$ 62,070
Total	2,842	7,920			\$1,116,630

Source: Wikstrom

Jurisdictions with good landlord programs similar to that proposed for West Jordan report participation rates of between 70 and 90 percent. Landlords receive a reduction in the per unit fee in exchange for participation, the base licensing fee remains the same. To ensure that there will be adequate revenue available to fund the Good Landlord Program in the event that there is 100 percent participation, the reduced fee amount is recommended at \$7 per unit to generate an estimated \$269,000 annually.

Table 17: Estimated Revenues - 100% GLP Participation

	Licenses	Units	Base Fee	Unit Fee	Total
Single Family Rental	2,319	2,726	\$ 75	\$ 7	\$193,007
Duplex	37	66	\$ 75	\$ 7	\$ 3,237
Multi-family Rental	56	4,631	\$ 75	\$ 7	\$ 36,617
Condominium Rental	430	497	\$ 75	\$ 7	\$ 35,729
Total	2,842	7,920			\$268,590

Source: Wikstrom

BUDGET IMPACTS

As more rental property owners participate in the Good Landlord Program, impact on police department staffing and, to a lesser extent, Business Licensing Division paperwork will increase while revenues decrease. The offset to this lost revenue should be a decrease in call volumes to the Police Department's patrol and other divisions. By establishing the fee at \$7 per unit for participation in the Good Landlord Program, the program will generate adequate revenue to cover the its ongoing costs.