

1 [Health Inspection Fees.]

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3 **Ordinance amending the San Francisco Health Code by deleting Sections 609, 609.1,**
4 **609.2, and 609.3 and adding new Sections 609, 609.1, and 609.2 to impose a fee for**
5 **vector control and healthy housing inspections, increase fees for reinspections,**
6 **substitute the lien procedures of Article XX of Chapter 10 of the San Francisco**
7 **Administrative Code for collection of reinspection fees, and add provisions for the**
8 **Controller to adjust fees annually, and making environmental findings.**

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Note: Additions are *single-underline italics Times New Roman*;
deletions are *strikethrough italics Times New Roman*.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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Be it ordained by the People of the City and County of San Francisco:

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Section 1. The Planning Department has determined that the actions contemplated in
this Ordinance are in compliance with the California Environmental Quality Act (California
Public Resources Code sections 21000 et seq.). Said determination is on file with the Clerk of
the Board of Supervisors in File No. _____ and is incorporated herein by reference.

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Section 2. The San Francisco Health Code is hereby amended by deleting Sections
609, 609.1, 609.2, and 609.3 and adding new sections 609, 609.1 and 609.2 to read as
follows:

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SEC. 609. REINSPECTION FEE AUTHORIZED.

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*If an inspection by a representative of the Department of Public Health discloses a violation of
any provision of this Code or of any State law for which the Department is responsible for enforcement,
the Department shall determine a period of time that is reasonable to correct the violation and shall
thereafter reinspect the property to verify such correction. The Department shall collect a fee from the
legal owner of the property in the amount of \$63 to compensate the Department for its costs in*

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1 ~~performing the reinspection. Reinspections which require more than one hour to complete shall be~~
2 ~~subject to an additional fee at the rate of \$15 for each quarter hour or part thereof beyond the first 60~~
3 ~~minutes. If more than one reinspection is necessary to secure correction of the violation, the~~
4 ~~Department shall collect a fee in the amount set forth herein for each reinspection.~~

5 **VECTOR CONTROL AND HEALTHY HOUSING INSPECTION PROGRAM FEE**

6 (a) Payment of Fee. Every owner of an apartment house or hotel, as these terms are defined
7 by Section 401 of the San Francisco Building Code, shall pay an annual fee to the Department as
8 required by this Section. This fee shall be known as the "Vector Control and Healthy Housing
9 Inspection Program Fee." The amount of the fee shall be determined by the number of rental units in
10 the building. For purposes of this section, "rental unit" shall mean a dwelling unit, as that term is
11 defined by Section 401 of the San Francisco Building Code, which is rented or offered for rental at any
12 time during the year for which the fee is billed, whether rent is paid in money, goods, or services. An
13 owner of a residential condominium located in a building with three or more rental units (including but
14 not limited to condominiums) shall pay a fee proportional to that owner's share of the rental units in
15 the building.

16 (b) Purpose of Fee. The City may expend the proceeds of this fee only to defray the
17 program and other costs of the vector control, lead hazards, asbestos hazards, and other inspections
18 for health violations and the regulation of these buildings by the Department of Public Health pursuant
19 to Cal. Gov. Code Sec. 54988. The Director shall develop a program for regularly occurring
20 inspections. In addition, the Department may make additional inspections to respond to complaints by
21 occupants, or as otherwise appropriate.

22 (c) Responsibility for Payment. The owner is responsible for payment of the fee. The City
23 may collect only one annual fee set forth in subsection (f) per apartment house or hotel, except that
24 residential condominium owners shall pay their share of the fee as set forth in subsection (a). Where
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1 more than one person has an ownership interest in an apartment house or hotel, each owner is
2 responsible for payment of the fee.

3 (d) Late payment penalty. If an owner does not pay the fee required by this Section within 30
4 days of the due date, the owner shall pay a late payment penalty of \$10. If an owner does not pay the
5 fee within 60 days of the due date, the owner shall pay an additional late payment penalty of \$20.

6 (e) Collection of Fee. In the event that the owner fails to pay any fee due under this Section,
7 the City may collect the fee through the placement of a lien in the amount of the fee owed or delinquent,
8 plus interest at the rate of one and ½ percent per month on the outstanding balance and any late
9 payment penalties, against the real property pursuant to the procedures set forth in Cal. Government
10 Code Sec. 54988 and Chapter 10, Article XX of the San Francisco Administrative Code (beginning with
11 Section 10.230). In accordance with California Government Code Section 54988, all laws applicable
12 to the levy, collection, and enforcement of ad valorem taxes shall be applicable to the proposed lien.

13 (f) Fee Schedule.

14 Apartment Building Fees

<u>Number of Rental Units In Apartment Building</u>	<u>Fee Per Building Per Annum</u>
<u>3 units</u>	<u>\$25</u>
<u>4-6 units</u>	<u>\$31</u>
<u>7-10 units</u>	<u>\$42</u>
<u>11-15 units</u>	<u>\$50</u>
<u>16-20 units</u>	<u>\$70</u>
<u>21-30 units</u>	<u>\$82</u>
<u>Over 30 units</u>	<u>\$103</u>

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24 Hotel Fees
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<u>Number of Rental Units of Hotel</u>	<u>Fee Per Building Per Annum</u>
<u>Less than 20 units</u>	<u>\$151</u>
<u>20-29 units</u>	<u>\$177</u>
<u>30-39 units</u>	<u>\$218</u>
<u>40-49 units</u>	<u>\$269</u>
<u>50-59 units</u>	<u>\$353</u>
<u>60-99 units</u>	<u>\$407</u>
<u>100-149 units</u>	<u>\$439</u>
<u>150-175 units</u>	<u>\$494</u>
<u>More than 175 units</u>	<u>\$582</u>

SEC. 609.1. NOTICE UPON NONPAYMENT.

The Department shall send a written notice to the legal owner of the property requesting payment of the reinspection fees levied pursuant to Section 609. The notice shall request that the fees be paid within 30 days of the date of notice and shall warn the owner of possible penalties and interest fees if payment is not made within that time. If payment is not received, the Department shall send a second request stating that the legal owner is liable for payment of the cost indicated on the notice and that if the Department does not receive payment within 30 days of the date of the second request, a penalty of \$40 or 10 percent of the amount due, whichever is greater, plus interest at the rate of one and 1/2 percent per month on the outstanding balance, shall be added to the amount otherwise due.

Interest fees, if imposed, shall accrue beginning on the date of the second notice. The second request shall also notify the owner of the property that the City is authorized by the provisions of this Section to enforce payment of reinspection fees and penalty and interest payments by the imposition of a lien on the property. **REINSPECTION FEE AUTHORIZED.**

1 (a) If an inspection discloses a violation of any provision of this Code or of any State law
2 for which the Department is responsible for enforcement, the Department shall determine a period of
3 time that is reasonable to correct the violation and shall thereafter reinspect the property to verify such
4 correction. The term "reinspection" shall refer to any inspection by the Department to verify whether
5 an owner has corrected a violation.

6 (b) Except as provided in subsection (c), the owner shall pay a fee in the amount of \$167
7 per hour for each reinspection by an environmental health inspector, and \$150 per hour for each
8 reinspection by an environmental health technician to compensate the Department for its costs in
9 performing the reinspection. Reinspections that require more than one hour to complete shall be
10 subject to an additional fee at the rate of \$83 for reinspections by environmental health inspectors, and
11 \$75 for reinspections by environmental health technicians, for each half-hour or part thereof beyond
12 the first 60 minutes. If more than one reinspection is necessary to secure correction of a violation, the
13 owner shall pay a fee in the amount set forth herein for each reinspection. In the event that the owner
14 fails to pay any reinspection fee due under this Section within 30 days of the due date, the owner must
15 pay a late payment penalty of \$40, and the City may collect the reinspection fee through the placement
16 of a lien in the amount of the fee and any late payment penalty owed or delinquent, plus interest of one
17 and ½ percent per month, against the real property pursuant to the procedures set forth in Chapter 10,
18 Article XX of the San Francisco Administrative Code (beginning with Section 10.230).

19 (c) The Vector Control and Healthy Housing Fee shall cover the cost of regularly occurring
20 inspections, initial complaint-based inspections, and the first reinspection. The reinspection fees
21 described in subsection (b) shall apply to apartment houses and hotels subject to the Vector Control
22 and Healthy Housing Inspection Program Fee for the second and every subsequent reinspection
23 necessary to secure the correction of a violation. In addition to the lien procedures set out in
24 subsection (b), all laws applicable to the levy, collection, and enforcement of ad valorem taxes shall be
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1 applicable to proposed liens for collection of reinspection fees for property subject to the Vector
2 Control and Healthy Housing Inspection Program Fee.

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4 **SEC. 609.2. HEARING UPON NONPAYMENT.**

5 ~~If the Department does not receive payment of the amount due within 30 days of the date of the~~
6 ~~second request for payment, the Department shall conduct a hearing to consider any protests or~~
7 ~~objections to the imposition of the fees authorized by Section 609. The Department shall fix a time, date~~
8 ~~and place for the hearing and shall mail notice of the hearing to each owner of the property not less~~
9 ~~than 10 days prior to the date of the hearing. The notice shall state the name of each legal owner of the~~
10 ~~property, the amount due, and a description of each parcel of property which is the subject of the~~
11 ~~reinspection fee. The descriptions of parcels shall be those used for the same parcels on the Assessor's~~
12 ~~map books for the current year. Following the hearing, the Director of Public Health or a designee~~
13 ~~shall determine whether the reinspection costs and any penalty and interest payments imposed pursuant~~
14 ~~to Section 609 should be affirmed, modified or vacated. The Director shall send written notice of the~~
15 ~~decision to the owner of the property. The notice shall state that the owner has 10 days in which to pay~~
16 ~~any amount determined due and that failure to pay within the time set forth will result in the imposition~~
17 ~~of a lien upon the property. The Director of Health may adopt rules and regulations regarding the~~
18 ~~hearing procedure and other matters relating to imposition and collection of reinspection fees,~~
19 ~~including penalty and interest payments.~~**FEE ADJUSTMENT.**

20 Beginning with fiscal year 2008-2009 and annually thereafter, the fees set forth in Sections 609
21 and 609.1 may be adjusted each year, without further action by the Board of Supervisors, as set forth in
22 this Section.

23 Not later than April 1 , the Director shall report to the Controller the revenues generated by the
24 fees for the prior fiscal year and the prior fiscal year's costs of operation, as well as any other
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1 information that the Controller determines appropriate to the performance of the duties set forth in this
2 Section.

3 Not later than May 15, the Controller shall determine whether the current fees have produced
4 or are projected to produce revenues sufficient to support the costs of providing the services for which
5 the fee is assessed and that the fees will not produce revenue which is significantly more than the costs
6 of providing the services for which the fee is assessed.

7 The Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal
8 year as appropriate to ensure that the program recovers the costs of operation without producing
9 revenue which is significantly more than such costs. The adjusted rates shall become operative on July
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11 ~~SEC. 609.3. LIEN PROCEDURES INITIATED UPON NONPAYMENT.~~

12 ~~If the property owner fails to pay any amount determined due following a hearing within the~~
13 ~~time required by Section 609.2, the Director of Public Health or a designee shall initiate a special~~
14 ~~assessment lien proceeding pursuant to the provisions of Article XX of Chapter 10 (beginning with~~
15 ~~Section 10.230) of the San Francisco Administrative Code. Notwithstanding anything to the contrary in~~
16 ~~Article XX of Chapter 10, pursuant to Section 38773.5 of the California Government Code, the Board~~
17 ~~may order that the amount of the lien be specially assessed against the parcel. Upon such an order, the~~
18 ~~entire unpaid balance of the costs, including any penalty and interest payments on the unpaid balance~~
19 ~~to the date that the Department reports to the Board shall be included in the special assessment lien~~
20 ~~against the property. The Department shall report charges against delinquent accounts to the Board of~~
21 ~~Supervisors at least once each year. At the time the special assessment is imposed, the Director shall~~
22 ~~give notice to the property owner by certified mail, and shall inform the property owner that the~~
23 ~~property may be sold by the Tax Collector for unpaid delinquent assessments after three years. The~~
24 ~~assessment may be collected at the same time and in the same manner as ordinary municipal taxes are~~

1 ~~collected, and shall be subject to the same penalties and procedure and sale in case of delinquency as~~
2 ~~provided for ordinary municipal taxes. All tax laws applicable to the levy, collection and enforcement~~
3 ~~of ordinary municipal taxes shall be applicable to the special assessment. However, if any real property~~
4 ~~to which a cost of abatement relates has been transferred or conveyed to a bona fide purchaser for~~
5 ~~value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior~~
6 ~~to the date on which the first installment of taxes would become delinquent, then the cost of abatement~~
7 ~~shall not result in a lien against the real property but instead shall be transferred to the unsecured roll~~
8 ~~for collection.~~

9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney

11 By: _____
12 CECILIA T. MANGOBA
13 Deputy City Attorney
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