

Week 6 Webinar

Operating PRI Programs – Recouping Program Costs While Ensuring Equity & Compliance

Partnerships for Quality Housing and Eviction Prevention

July 9, 2020



Agenda

- Housekeeping
- Check-in on Course Progress
- Enforcing PRI Programs - *Overview, Lessons from Syracuse, Q&A*
- Funding PRI Programs - *Overview, Lessons from Syracuse, Q&A*
- Evaluating PRI Programs - *Overview, Lessons from Syracuse, Q&A*
- Wrap-up and Next Steps



Housekeeping

- Please remain on Mute unless asked to share
- If bandwidth allows, please consider sharing your video while asking questions.
- Update your name to read “First Name_City, State”
 - Click Participants
 - Select your name, then select “Rename”
- Share any questions you may have in the public chat box:
- All sessions will be recorded; shared with registered participants.



Sprint Check-in

- Week 1: *Sprint Kick-Off and Overview*
- Week 2: *Creating a Healthy Housing Snapshot*
- Week 3: *City Breakout Discussions (Part One)*
- Week 4: *City Breakout Discussions (Part Two)*
- Week 5: *Policy Learning: Housing & Inspections*
- **Week 6:** **Policy Learning: Operations**
- Week 7: *Racial Equity & Community Engagement*
- Week 8: *Lessons Learned from Other Local PRI Efforts*
- Week 9: One-on-One Action Plan Development Sessions
- Week 10: *Changing the Culture of Code Enforcement*
- Week 11: *Beyond PRI*
- Week 12: *Moving Forward & Next Steps*



Proactive Rental Inspection

What Works Cities



- PRI programs typically include a basic program structure:
 - Registration of rental properties
 - Regular, periodic inspections of rental properties
 - Enforcement designed to incentivize compliance while promoting equitable outcomes
- Lots of options for how to structure



QUESTIONS TO CONSIDER WHEN DEVELOPING A PRI PROGRAM

- ✓ How will we identify rental units?
- ✓ Which units should be inspected?
- ✓ How often will inspections take place?
- ✓ Who will perform the inspection?
- ✓ What will be the scope of inspections?
- ✓ How will we give notice?
- ✓ What will enforcement look like?
- ✓ How will the program be funded?
- ✓ How will we know it is working?

Enforcing PRI Programs





What is equitable enforcement?

the process of ensuring compliance with law and policy
that considers and minimizes harms
to underserved communities

Equitable Enforcement & PRI

PRI can help to address systematic *underenforcement* of local housing codes in underserved communities . . .

. . . BUT, PRI programs should also be implemented carefully and conscientiously to ensure that enforcement actions don't result in avoidable adverse consequences for tenants and landlords.



Potential Unintended Consequences

Burdens on Landlords (especially low-income)

- Inability to pay fines or afford the cost of repairs
- Foreclosure, if there is a loss of rental income
 - *In a weak market, LL may walk away if repairs + liens > FMV*

Burdens on Tenants

- Rent increases, if LL raises rent to cover the cost of repairs
- Displacement, if . . .
 - *Severe habitability issues*
 - *Illegal units*
 - *Tenant-side code violations (e.g., hoarding, overcrowding)*
- Landlord retaliation or harassment

PRI Enforcement:

What are your goals?

In general, the **goals of enforcing PRI requirements** include:

- **Incentivize compliance with the local housing code**
- Promote community health and safety
- Maintain the supply of quality, affordable housing
- Increase housing stability



Traditional PRI Approach: What is the enforcement process?

Three steps:

1. If a violation is identified upon inspection, issuance of a **notice** or **order to comply**
2. If compliance is not achieved within the requisite timeframe, imposition of a **fine** or **other penalty**
3. Potentially, a **right to appeal** or **contest the penalty**



PRI Enforcement: Design Considerations

Factors to consider when weighing enforcement options:

1. What is the best approach given the **severity of the violation**
2. What is the best approach given the **landlord's past record of compliance**



Step 1: Notice of Violation

A notice typically must . . .

- Describe the activities or conditions in violation of the municipal code
- List actions necessary to correct the violation(s)
- Set out the deadline or specific date to correct the violation(s)
- Explain the consequences of continued noncompliance



Step 1: Notice of Violation

Design Options to Promote Equity and Compliance

- Issue the notice in multiple languages so that the information is accessible to speakers with limited English proficiency
- Vary the timeline for compliance based on the severity of the violation
- Provide opportunities for extension based on owner's demonstrated progress towards making repairs



Step 2: Consequences for Noncompliance

Types of Penalties

- Administrative penalties
 - *Administrative fine*
 - *Suspend or revoke rental license*
- Civil penalties
 - *Civil monetary penalty*
 - *Injunction*
- Criminal penalties
 - *Criminal fines (infraction or misdemeanor)*
- Property liens to recover fees or costs



Step 2: Consequences for Noncompliance

Design Options to Promote Equity and Compliance

- Adopt a cooperative compliance model -- landlord outreach, education, and connections with resources to help with repairs
- Implement a Rent Escrow Account Program or Rental Rehabilitation Assistance Program
- Build inter-agency or cross-sector partnerships to provide services



Step 3: Right to Appeal

- Appeal process can vary depending on whether the enforcement action is administrative, civil, or criminal in nature
- Administrative appeals are typically overseen by a specialized administrative appeals agency within city government or by a hearing officer, who is a city employee
- Civil and criminal appeals happen within the court system



Syracuse Proactive Enforcement Strategies

- Stick
 - BAA
- Carrot
 - Voluntary Compliance
 - Landlord Outreach
 - Inspection Invitation
 - Code Inspector Binders
 - Connection to Resources
 - Landlord Education Opportunities
 - Public Meetings



Syracuse Proactive Enforcement Strategies

Bureau of
Administrative
Adjudication



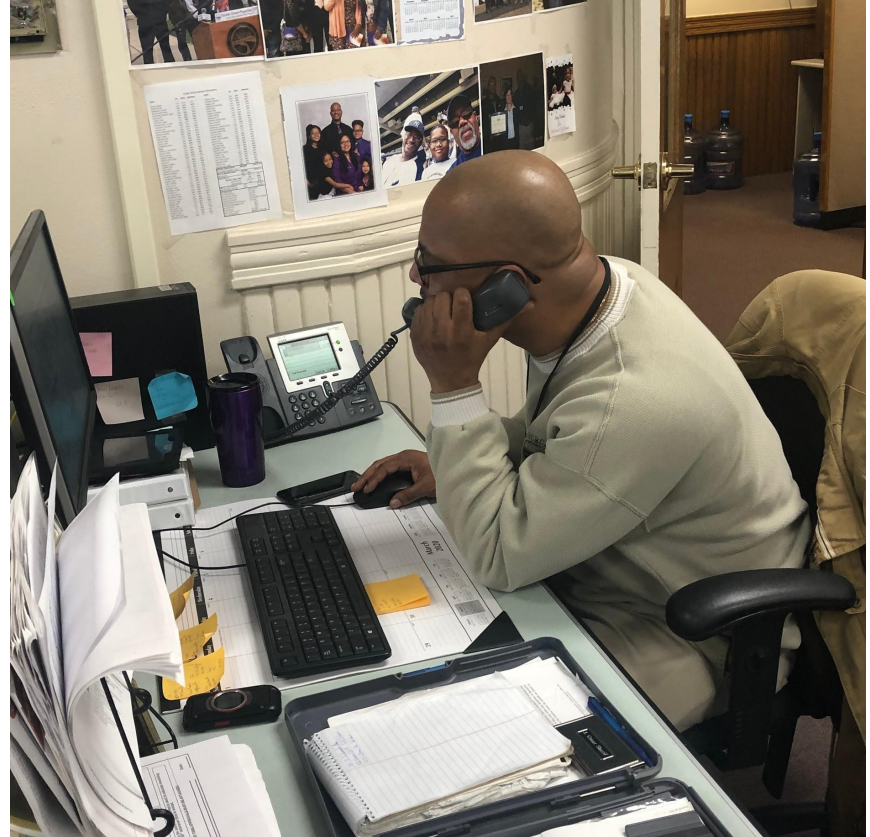
Syracuse Proactive Enforcement Strategies

Voluntary
Compliance



Syracuse Proactive Enforcement Strategies

Landlord Outreach



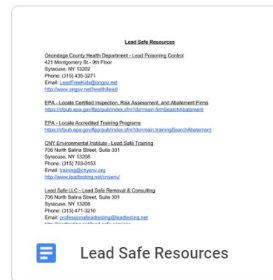
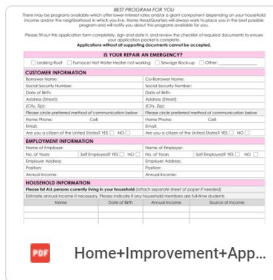
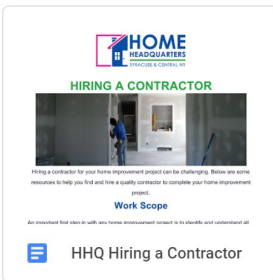
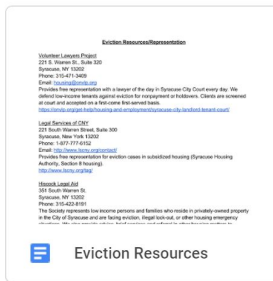
Syracuse Proactive Enforcement Strategies

Inspection Invitation
for Property Owner



Syracuse Proactive Enforcement Strategies

Code Inspector Binders



Syracuse Proactive Enforcement Strategies

URGENT CARE PROGRAM

The Urgent Care program provides income-eligible homeowners with loans of up to **\$20,000**. Some loans may be partial payback depending on your household income. This program is made possible through the **City of Syracuse**. **This program is for EMERGENCY REPAIR ONLY: Leaking Roof, Sewage/Plumbing Leak, Non-Working Furnace, Foundation Collapse, Ramps and Priority Code Violations.**

PROGRAM DETAILS

- Income-eligible homeowners may receive part of the loan as a grant. If you qualify, you will only have to pay back a portion of the repair costs.
- The portion of the loan that you have to pay back has a 4.99% fixed interest rate.

ELIGIBILITY REQUIREMENTS

- You must own your house in the City of Syracuse.
- Your repairs must be an emergency, including: leaking roofs, sewage backup, broken furnaces, code violations, and other life/safety issues.
- Your household must earn less than **80% of HUD median income guidelines** (based on family size).
- Your property taxes, water bill, and mortgage must be current.
- The home must be your primary residence.

PROGRAM APPLICATION

Connection to
Resources

Syracuse Proactive Enforcement Strategies

Landlord Education
Opportunities



Syracuse Proactive Enforcement Strategies

Landlord Education Opportunities



Syracuse Proactive Enforcement Strategies

Public Meetings



Equitable Enforcement to Achieve Health Equity

An Introductory Guide for Policymakers and Practitioners



New Resource!

[Equitable Enforcement to Achieve Health Equity: An Introductory Guide for Policymakers and Practitioners](#)



Questions?



Funding PRI Programs



Funding: What We'll Discuss

- Traditional PRI funding mechanisms
- Alternative funding sources -- general fund revenues, grants, and institutional partnerships
- Options to tailor your PRI program to conserve city resources while promoting program goals



Overarching Considerations

- Most PRI Programs are funded by fees and fines
- In this way, funding and enforcement are linked
- To promote equitable outcomes . . .
 - Revenue generation should not be the primary purpose of enforcement
 - Funding should not drive policy design decisions



Traditional Funding Tools

- **Fees vs. Fines**

- Fees are payments for specific city functions. They are primarily intended to cover operational costs.
- Fines are monetary punishments for code violations. They are primarily intended to incentivize compliance.



Traditional Funding Tools

- **Types of program administration fees**
 - Registration and licensing fees
 - Inspection, reinspection, and self-certification fees
 - Fees for late payments or missed appointments
- **Types of fines**
 - Administrative, civil, criminal



City	Pop.	Renter Homes	License or Registration Fee	Inspection Fee	Reinspection Fee	Notes
New Brunswick, NJ	54,500	80.58%	\$25 per unit annually	\$20 per unit every 3 years	\$15 per unit	N/A
Santa Cruz, CA	64,752	56.04%	\$50 per unit annually	\$22 per unit annually (covers first inspection and 1 reinspection)	\$123 per hour	Owners with a record of compliance are eligible for reduced inspection fees
Boulder, CO	107,353	52.21%	\$105 per building every 4 years	N/A – Initial inspections are performed by licensed, third-party inspectors	\$250 per “investigative” inspection	N/A
Rochester, NY	206,284	63.12%	For structures with 3 units or more, base fee of \$100 every 3 years*	N/A	N/A	*An additional \$10 fee applies for each additional unit over 5

Alternative Funding Sources

- General fund revenues
- Public and Private Grants
 - Example: [HUD Lead-Based Paint Hazard Control Grant Program](#)
- Hospital Partnerships
 - Example: [Bon Secours Hospital](#)



Policy Design Options:

Tailoring Your Program to Conserve City Resources

- **Targeting “bad actors” based on prior compliance**
- Targeting high-risk areas for more frequent inspections
- Limiting the # of units covered
- Allowing third-party inspectors



Policy Design Options: Tailoring Your Program to Conserve City Resources

Example: Brooklyn Center, MN (source: NLC, [Advancing City-Level Healthy Housing](#))

License Category	Number of Units	Violations Per Unit	Duration of Rental License
Type I	1-2 3+	0 - 1 0 - 0.75	3 years
Type II	1-2 3+	$1 < x \leq 4$ $0.75 < x \leq 1.5$	2 years
Type III	1-2 3+	$4 < x \leq 8$ $1.5 < x \leq 3$	1 year
Type IV	1-2 3+	> 8 > 3	6 months

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Policy Design Options:

Tailoring Your Program to Conserve City Resources

- Targeting “bad actors” based on prior compliance
- Targeting high-risk areas for more frequent inspections
- **Limiting the # of units covered**
- **Allowing third-party inspectors**



Syracuse Funding Strategies

- Permit fees
- Periodic inspection fees
- HUD Funding
- Grants
- Partnerships



Moral of the funding story

There are things you can do without any money. Don't be discouraged if you don't have a budget for new things.



Questions?



Evaluating Your PRI Program



Purposes of Evaluation

- Improving program outcomes
- Identifying challenges and course correcting
- Increasing program transparency by reporting to government officials and community members



Include Evaluation and Reporting Requirements in PRI Ordinance

- **Example:** The City of Seattle's PRI ordinance requires an annual report to city council, including an evaluation of properties' registration status, rates of compliance, and program fees and costs
- **Example:** The City of Santa Cruz's PRI ordinance requires reporting to city council about the number of rental units saved and lost as a result of the PRI program



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Law & policy innovation for the common good.

Model Proactive Rental Inspection Ordinance

Article VI. Program Review.

____-18. Program Review. Beginning on [_____] and annually, thereafter, the Director shall report to the [City Council / County Board of Supervisors] on the activities of the Proactive Rental Inspection Program, including, but not limited to: (1) the number of rental units registered (including details about any previously unidentified housing units that have been discovered); (2) the number of rental units inspected; (3) Owners' compliance in allowing inspections to be completed within the timeframe;

ChangeLab Solutions, [Model Proactive Rental Inspection Ordinance](#)

Additional Considerations

Policy Design Options to Promote Health and Equity

- Tracking health outcomes
 - EXAMPLE: [An Evaluation of the City of Rochester's Lead Law](#)
- Tracking rates of displacement or eviction
- Requiring disaggregated data by race, income, or other demographic factors



Syracuse Evaluation Strategies

What Works Cities



- Philosophy of Evaluation
- Mechanics of Evaluation
- Pushing down Evaluation



Philosophy of Evaluation

Codesign



Philosophy of Evaluation

Permission to Fail +
Iteration



Storytelling

Telling Detroit's Story



Aaron Foley
Chief Storyteller
Detroit, Michigan

Metrics

1. Identify specific program, behavior, initiative you want to measure
2. Brainstorm what can be measured
3. From brainstorm list, identify the mechanics of measuring each item
 - a. Which of these items are easier to measure?
4. Baseline your favorite metrics
 - a. Are there any surprises?
5. Select the metrics that you like

Metrics

Property Owner Outreach	Total number of inspector meetings + phone calls per month
	Average number of inspector communications per month
	Percentage of cases that reach compliance after a property owner was contacted



Targets

1. Identify potential types of goals for your selected metrics
 - a. Mean/Median
 - b. % change
 - c. # change
 - d. % goal
2. Review baselines
3. Set target that pushes you, but with change can be achievable
4. Select the metrics that you like

Targets

Property Owner Outreach	Increase inspector meetings + phone calls by 20% during pilot period.
	The median number of communications per inspector should increase by 50 per inspector. (~2 per day)
	Twenty percent of properties will reach compliance within two weeks of being contacted by the inspector.



Mechanics of Evaluation

Check-ins + Feedback

Metric		Pilot Inspectors 2016	Pilot Inspectors 2017
General Information	Total number of complaints opened	32	92
	Average number of complaints by inspector	16	46
Territories	Total number of complaints opened by inspector	5	85
	Percentage of complaints opened by inspector	16%	95%
Block by Block	Percentage of identified properties with cases opened (as of 11/21/2017)		5
Building Blocks	Number of cases identified on priority block		47%
Meet Your Inspector	Number of cases opened by MYI interactions		4
Health and Safety Priorities	Average number of Health and Safety Violations per week	8	8
	Percentage of Health and Safety Violations that reach compliance within 30 days		
Customer Service	Number of people who complete survey		0
Property Owner Outreach	Total number of inspector meetings and phone calls per month	34	195
	Average number of inspector communications per month	17	98
	Percentage of cases that reach compliance after a property owner was contacted		
Compliance	Percentage of complaints that have been closed	97%	50%
	Percentage of complaints that have been closed within 90 days of being opened	81%	
Displacement	Number of households displaced for unfit homes		

Key Result: Ninety-five percent of City services will be delivered by their established resolution time

Due to the seasonality of service types (No Heat in winter vs. Overgrowth in summer), categories will change throughout the year.

Overall services delivered on-time during the last 30 days: **79% On-time**



Potholes

Pothole complaints reported in the last 30 days: **126**

100% On-time



Trash and Debris

Trash complaints reported in the last 30 days: **92**

100% On-time



No Heat

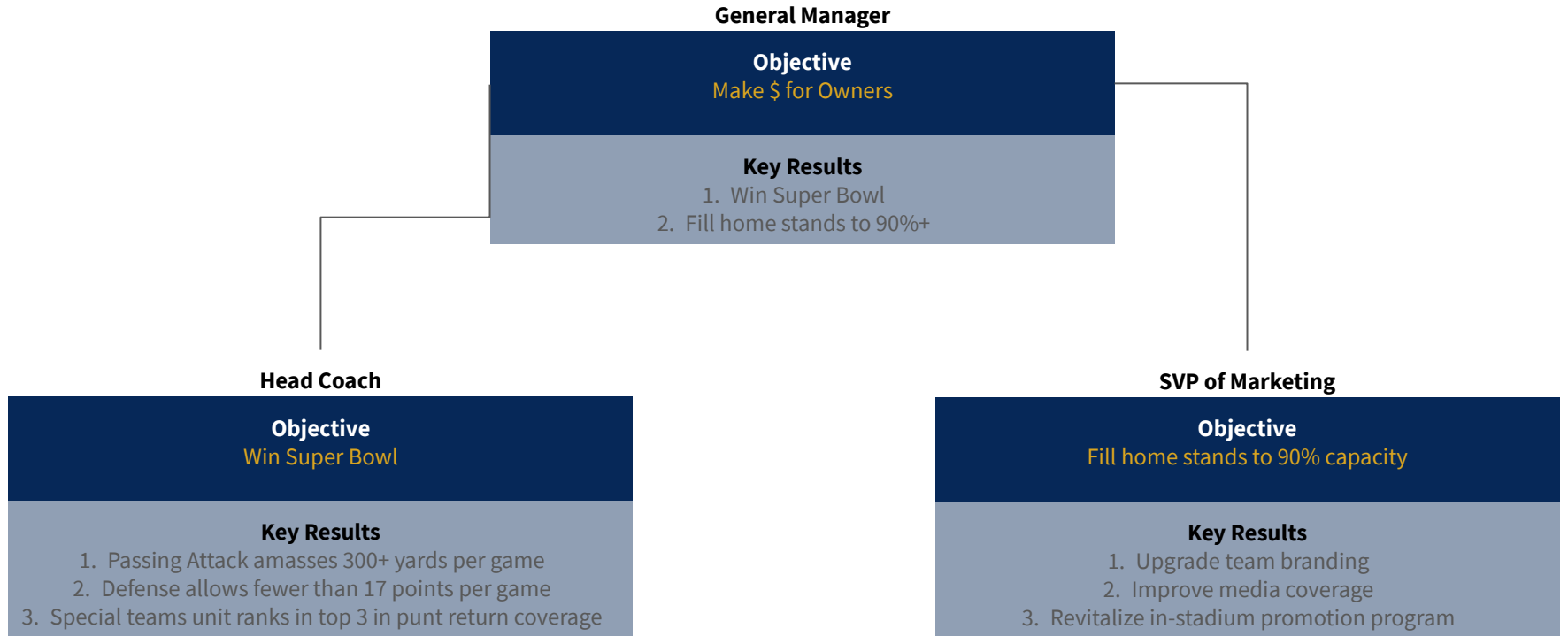
Complaints of No Heat reported in the last 30 days: **21**

100% On-time



Objective	Key Result	July 1	July 8
Achieve fiscal sustainability.	Spend 10% less each month on the same time period the previous year.	April 1 - May 30: 9.0% decrease June target \$14.1 M - June to date \$11.4 M This may change b/c some accounts may be removed	April 1 - May 30: 9.0% decrease June target \$14.1M - June to date \$11.9M July target is \$6.7M - July to date \$72,500
	Sell \$3 million of City owned property.	3 of 12 steps completed Next steps: Develop recommendations a. properties b. process SLDC on track for mid-July Offering of Memorandum release Next meeting July 6	3 of 12 steps completed Law working on sales process Top 10 lists being compiled Top 10 lists linked with assessment+geospatial data Recommendation list compiled SDC on track for mid-July Offering of Memorandum release Next meeting 7/27

Pushing Down Evaluation



General Manager

Head Coach

Offensive Coach

Objective

Generate 300-yards-per-game passing attack

Key Results

1. Achieve 65% pass completion rate
2. Cut interceptions to fewer than 1 per game
3. Hire new quarterback coach

Defensive Coach

Objective

Give up fewer than 17 points per game

Key Results

1. Allow fewer than 100 rushing yards per game
2. Increase number of sacks to 3+ per game
3. Develop a Pro Bowl cornerback

Special Teams Coach

Objective

Improve to top 3 ranking for punt coverage team

Key Results

1. Allow fewer than 10 yards per punt return
2. Block 4+ punts over season

SVP of Marketing

Marketing Director

Objective

Fill home stands to 90% capacity

Key Results

1. Upgrade team branding
2. Improve media coverage
3. Revitalize in-stadium promotion program

Publicist

Objective

Upgrade team branding

Key Results

1. Arrange for players to attend two charity events per season
2. Invite 20 sports reporters to meet and greet
3. Share photos of events on social media

Merchandise Manager

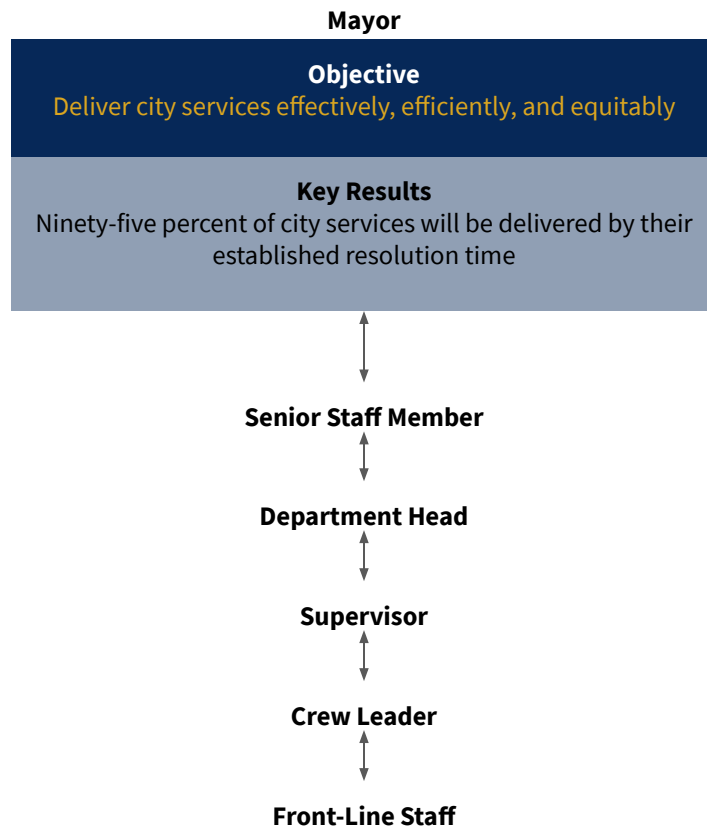
Objective

Revitalize our in-stadium promotion program

Key Results

1. Contact 10 souvenir companies
2. Price out 5 options
3. Present 3 ideas for stadium giveaways by August 1

Pushing Down Evaluation



Pushing Down Evaluation

Mayor

Objective: Increase neighborhood stability

KR: Increase compliance of violations by comply by date by 15 percentage points.

Deputy Mayor

Director of Code Enforcement

Objective: Educate public about codes.

KR: Ensure that a Codes representative attends one public meeting in each quadrant each month.

KR: Host one educational event per quarter

Director of Code Enforcement

Objective: Achieve compliance through both carrot and stick methodologies.

KR: Department issues 50 BAA tickets per week

KR: Develop landlord support program by 9/1.

Administrative Assistant

Objective: Host one educational event per quarter

KR: Identify and project plan all 2020 educational events.

KR: Get 200 Healthy Housing 101 participants in Sept.

Housing Inspector

Objective: Department issues 50 tickets per week

KR: Flag 5 cases/week that could be referred to BAA

KR: Write an average of two BAA tickets per week

Questions?



Next Steps

Week 7: Racial Equity and Community Engagement
90 minute session

Thursday, July 16, 3:00–4:30 p.m. ET
Add it to your calendar [here](#).



Webinar Opportunity

On **Wednesday, July 29th** at **1PM ET** WWC and ChangeLab Solutions will host a webinar on *Moving Forward: Ensuring Housing Stability and Promoting Equity in COVID-19 Response and Recovery*. If you're interested in joining, please register [here](#). Feel free to share with partners, colleagues, etc.

If you missed the July 1st webinar, you can watch the video recording [here](#).



Thank you for attending the webinar.
Any questions?
Email CitySolutions@Results4America.org

