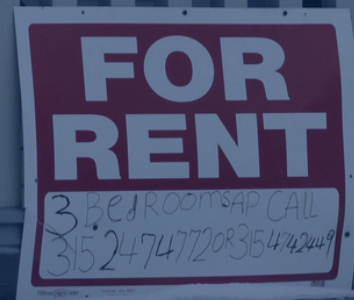




# **RUNAWAY RENTALS**

**ANALYSIS OF THE ENFORCEMENT AND  
EFFECTIVENESS OF SYRACUSE'S RENTAL  
REGISTRY**



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SYRACUSE CITY AUDITOR**

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# Message From The City Auditor

January 22, 2025

Syracuse's housing situation is deeply broken. And it is not a tale of two cities – poverty is a cancer in our community and we are mostly a city of have-nots. The regulatory systems which exist to protect and improve the quality of life for those in need have fallen apart, leaving just a frayed and tattered safety net to catch our most vulnerable neighbors.

Our housing shortage has been exacerbated by the pestilence of deteriorating vacant properties. And while policy makers and community activists across Syracuse have excelled at identifying our problems, advancing workable and achievable solutions has proven more challenging.

Building more and better-quality housing is an appropriate goal, but one which is a costly, long-term solution; it does not address our challenges today. As city leaders, we must also identify and implement policies to immediately improve our existing housing stock and protect tenants who need safe, quality, affordable housing.

One of the most important tools available to address this challenge is the Rental Registry. As designed, this critical tool identifies one- and two-family rental properties and ensures their ongoing compliance with City codes. Unfortunately, widespread compliance has long eluded the City. According to the City's own Data.Syr.Gov site, compliance hovers around 42% and City officials admit that number may be overstated. Our analysis believes compliance may potentially be as low as 25% - just one in four rental properties.

In recent years, the City has begun seeking court-ordered warrants to inspect these properties; this effort should be unnecessary, except is now often needed following a lawsuit by landlords seeking yet another excuse to avoid reasonable tenant protections. Our Corporation Counsel's work to seek these warrants should be commended but also accelerated and expanded; these required inspections help promote safe, healthy places to live for Syracuse families. The City should also continue to be aggressive in their responses to landlord lawsuits and appeal court decisions which jeopardize the rights of tenants and needs of our City.

These legal actions come at a cost. Fortunately, the Rental Registry has the potential to be a significant driver of revenue for City housing operations. Unfortunately, our review found that budgeted projections often far exceed actual revenues, creating growing budget variances each year.

This report lays out a series of recommendations to ensure prospective tenants are more aware of the law and the requirements landlords must comply with. It also recommends required disclosures to tenants so they are made aware of potential lead hazards, in keeping with one of the most critical issues of the day.

Providing quality housing for everyone in our community must be a priority. The Rental Registry can go a long way towards achieving that outcome today, and with the right improvements and oversight, we can ensure every Syracuse tenant has a safe, healthy home.



**Alexander Marion, MPA**  
**Syracuse City Auditor**



## Executive Summary

Rental registries are databases of rental properties and rental units. Owners of rental properties are required to regularly re-register their units and pay a fee which supports code enforcement, fire prevention, and other safety operations.

Many communities around New York State have enacted rental registries to help ensure safe and code compliant rental properties in their localities. The City of Syracuse enacted a Rental Registry law in 2007. The rental registry is overseen and enforced by the City of Syracuse Department of Neighborhood and Business Development Division of Code Enforcement.

The Syracuse Rental Registry law only applies to One-Family and Two-Family non-owner-occupied rental dwellings. Larger units and mixed income buildings are exempt from the Rental Registry and instead are required to receive a Certificate of Compliance. According to the "Syracuse Rental Registry" data file available on OpenData Syracuse, the City's publicly available open data website, 8,358 properties are required to have a Rental Registry Certificate (as of December 9, 2024).

For years, the City has struggled to get landlords to comply with the Rental Registry law. The Rental Registry file on OpenData Syracuse appears to confirm the claim of 42% compliance. With a three-year registration period, approximately one-third of all rental required dwellings need to re-register annually. Activity indicators from recent years show the Division of Code Enforcement regularly registered roughly half that figure.

Our review of the City's bookkeeping found that the Rental Registry account also includes revenues from fines and penalties related to the Rental Registry, making it difficult to identify registration fees versus fines. Since this is a Code Enforcement revenue line, it would be best to only include registration fees; fines and penalties would be better booked to a Fines and Penalties account under the Bureau of Administrative Adjudication.

It also appears the City consistently adopts budgeted revenue for rental revenue much higher than actual revenues, creating significant budget gaps. Budget forecasters have consistently overstated the anticipated annual revenue by hundreds of thousands of dollars which has put city finances in jeopardy.

The report finds about 8,350 properties are required to be registered with the Rental Registry but the actual number of properties meeting the requirements may be *thousands* higher. Rental Registry revenues have consistently fallen short of adopted revenues, causing significant negative budget variances for this revenue source. City Code Enforcement officials have issued fewer than 2,500 violations to property owners since July 2022 for failing to register for the Rental Registry. With more than 4,500 properties required to participate but knowingly not on the Registry, Code Enforcement's violations have not kept pace with uncompliant properties.

The report recommends requiring all rental units to display similar licenses via posting a Rental Registry placard on every unit door, indicating a unit is registered and compliant with the Rental Registry. The City should require that the presence of lead water service lines be a required disclosure to prospective tenants and all lead fixtures should be required to be replaced prior to the issuance of a Rental Registry Certificate and properties should be subject to lead paint swipes as part of their inspections.

The Common Council should amend the Code to significantly raise the penalties for failure to register properties in accordance with the law and allow for revocation of a Rental Registry Certificate. Revenues from the program should support hosing goals and the City should also fast-track housing permits. And finally, homeowners should ensure they are enrolled in the STAR (New York State School Tax Relief) Program receiving rebates valuable property tax rebates.

# Introduction

Rental registries are databases of rental properties and rental units. These registries are typically created through local government legislation, each with their own rules, exemptions, and enforcement strategies, but all designed to ensure healthy and safe rental housing.

Rental registries collect certain details about rental properties, like number of units, bedrooms, and rent price, along with contact information for owners and property managers. Owners of rental properties are required to regularly re-register their units and pay a fee which supports code enforcement, fire prevention, and other safety operations. Many municipalities have successfully enacted legislation requiring regular code inspections of these rental units.

## **RENTAL REGISTRIES AROUND THE COUNTRY**

An early example of a rental registry was Berkeley, California. In 1980, after years of facing housing shortages, rapidly rising rents, and deterioration of the existing housing stock, the City of Berkeley passed Ordinance No. 5261, the Rent Stabilization and Eviction for Good Cause Ordinance. [Appendix 1] This ordinance was designed to “regulate residential rent increases in the City of Berkeley and to protect tenants from unwarranted rent increases and arbitrary, discriminatory, or retaliatory evictions, in order to help maintain the diversity of the Berkeley community and to ensure compliance with legal obligations relating to the rental of housing. This legislation was designed to address the City of Berkeley’s housing crisis, preserve the public peace, health and safety, and advance the housing policies of the City with regard to low and fixed income persons, minorities, students, handicapped, and the aged.”

The legislation created a Rental Registry requiring most properties which were not owner-occupied to file a “rent registration statement for each rental unit” which included the property address, the name and address of landlord(s) and property managers, a list of housing services provided at the unit, the rents, the price of other deposits required, and its vacancy status.

In the years since, many communities around the country have developed rental registries which have given local governments a better handle on code violations and living conditions, average rents, and problem properties. According to a study of North Carolina cities, those cities with rental registry ordinances had less code complaints, quicker compliance with code enforcement issues, and a reduction in residential fires. In Greensboro, NC, housing code complaints decreased by more than 60% in the three years following the adoption of a rental registry program. [Appendix 2]



## **RENTAL REGISTRIES IN NEW YORK STATE**

Many communities around New York State have enacted rental registries to help ensure safe and code compliant rental properties in their localities. Many cities, including New York City, Buffalo, Rochester, Albany, Utica, Ithaca, and Binghamton have registries, as do the Towns of Amherst near Buffalo, and the Rochester suburb of Henrietta, home of the Rochester Institute of Technology (RIT). The City of Syracuse enacted a Rental Registry law in 2007.

These municipalities have all enacted their own unique policies impacting registration requirements, exempt properties, and enforcement strategies. Most rental registry laws require rental property owners to provide owner name and personal contact information including a physical address where the owner can be reached. In the case of out-of-area owners, most communities have enacted requirements for the owner to identify and provide contact information for a local property manager. Another similarity is that nearly all registries require a code inspection for compliance with local and state building and/or fire codes.

The City of Buffalo, New York passed a rental registry in 2005, adopted to track problem properties and absentee landlords while aiding code enforcement. In 2021, city leaders expanded that program launching the Proactive Rental Inspections program to provide for inspections of various health and safety issues including lead paint, infestation, safety exits, smoke detectors, carbon dioxide detectors, and leaking pipes.

Communities have created varied rules related to the cost for the registry and how often registration is required. Some localities, including the City of Syracuse, have created a Conditional Rental Certificate which gives a landlord the right to rent a unit contingent upon their willingness to correct issues or deficiencies identified during the inspection.

A detailed analysis of various regulations from across New York State is included as Appendix 3.

# Syracuse Rental Registry

Syracuse enacted General Ordinance 16-2007 in May 2007 which amended the Property Conservation Code concerning the City's Certificate of Sufficiency and created a "one and two-family vacant registry and rental registry." Last amended in 2020, this legislation includes the rental registry application, inspection requirements and applicable fees. The goal of the rental registry is to "ensure tenants are living in rental units that are safe, healthy and up to code." Properties larger than two-family, along with mixed-use structures, inns and dorms require a Certificate of Compliance and an inspection every three years.

The rental registry is overseen and enforced by the City of Syracuse Department of Neighborhood and Business Development Division of Code Enforcement. To receive a rental registry certificate, properties must complete the application and pay the application fees, have no open cases with the Division of Code Enforcement, complete an affidavit of compliance, and be current on all City bills. Properties must also pass an exterior and interior inspection conducted by the city division of code enforcement. The city may not compel landlords to agree to an interior inspection, however the city may receive permission to enter a unit from a willing tenant or request an inspection warrant from a judge. Rental registry certificates are required for most non-owner-occupied one-and two-unit dwellings and valid for three (3) years.\*

Application information includes the owner's name, domicile address, and telephone number, as well as the contact information of property managers if applicable. If the owner of the unit is an entity, such as an LLC, applications must include the name, domicile address, and telephone number of each principal, partner, associate, or member responsible for the contracts of said entity.

The Division of Code Enforcement is also able to issue conditional rental registry certificates for rental dwellings that completed the rental registry application and meet the application requirements but are unable to satisfy the requirements of inspection, most commonly due to seasonal weather conditions which make it "impractical" for the property owner to address external issues which do not have an immediate impact on health and safety. Landlords who hold conditional certificates must make necessary improvements and request an external inspection no later than the 21<sup>st</sup> day of June. Once a property with a conditional registration is inspected and passes, the conditional certificate will be converted into a normal Rental Registry Certificate. Properties may only be issued one conditional registration every three (3) years.

\*The draft version of this report stated that *all dwelling units* were required to receive a rental registry certificate. This error was brought to our attention in the Administration response and has been updated.



## **MAJOR LEGISLATION IMPACTING SYRACUSE RENTAL REGISTRY**

2007 – Syracuse Rental Registry Law approved and adopted into law

2010 – Required landlords to register their properties every other year, instead of every third year, increased the fee from \$125 to \$150

2013 – Created the Vacant Property Registry and established requirements for maintaining those properties

2018 – Changed registration period to every third year from every other year

2020 – Prohibited a landlord from collecting rent if the landlord is not in compliance with the rental registry and created a Conditional Rental Registry Certificate

<b>BASICS OF THE CITY OF SYRACUSE RENTAL REGISTRY</b>	
Properties Required to Register	One-Family and Two-Family non-owner-occupied rental dwellings
Exempt Properties	Owner-occupied units and properties where at least one dwelling unit is occupied by a person related by blood, marriage, adoption, or legal custody of the owner of the unit
Registration Fee	\$150 per dwelling every three years
Registration Frequency	Re-registration is required every three years.
Registration Term	Certificates are valid for three years; renewals are required at least 45 days prior to the expiration of a current registration
Registration Information Required	Registrants must provide the property owner name, domicile address, and telephone number. If the owner is a corporation, partnership or LLC, the name(s), address(s), and telephone number(s) of all managers/partners must be provided; no post box offices are accepted as addresses.
Laws Governing Inspections	Code Enforcement officials use New York State Multiple Residence Law, Uniform Fire Prevention and Building Code, and International Property Management Code, along with Syracuse Property Conservation Code and Zoning Code as the basis of the inspection [Appendix 4]
Inspection Frequency	Prior to issuing a registration, the dwelling must pass an exterior and interior inspection. If a landlord or property manager declines consent to the inspection, the City may obtain a court-ordered warrant to complete the inspection.
Registration Transferability	Registrations are non-transferrable
Tenant Responsibilities	Syracuse rental registry law places no specific responsibilities, rules, or accountability upon tenants
Vacancy Rules & Requirements	If the property converts to a vacant structure, the order shall notify the Upon becoming vacant, the Rental Registry Certificate can be converted to a Vacant Property Registration is no additional cost
Penalties for Failure to Register	Failure to register a property violates the Syracuse Property Conservation Code and will be pursued by the Division of Code Enforcement. It is subject to fines or punishment including a penalty of \$100.00 per day.*

\*A draft version of this report stated that fines for failure to register were \$100 and pursued by the Bureau of Administrative Adjudication. The Administration response noted the fine to be "\$100 per day" and pursued by the Division of Code Enforcement. The final report has been edited to reflect that change.

# Inspecting Rental Properties And Other Businesses

One of the more contentious issues surrounding the Rental Registry law is the provision requiring an interior inspection of rental units. Under current law, City officials are prohibited from compelling landlords to permit code inspectors inside their rental units. To ensure rental units provide healthy and safe living conditions, lawmakers amended the Rental Registry law in 2018 to allow the Division of Code Enforcement to seek court-ordered warrants for inspections of rental units as it deems fit. To date, the City has sought warrants for dozens of properties and has successfully been granted a warrant each time.

Inspections of businesses of all sorts are routinely required, not just in Syracuse, but across Onondaga County, New York State, and the entire country. Nearly all businesses are required to receive basic inspections prior to opening for customers, and again on regular intervals, to ensure business owners are keeping their properties safe for the public.

In Syracuse, inspections are commonplace and required at a of host businesses, including:

- Entertainment and amusement venues
- Bars and restaurants
- Commissaries and ice manufacturers
- Food and drug stores, vending machines
- Smoking establishments
- Movie theatres
- Daycare centers
- Service and fueling stations
- Parking garages
- Hotels and motels
- Facilities which host bingo and other games of chance
- Public swimming pools
- Tanning facilities
- Buildings with conveying devices such as escalators and elevators

These inspections are carried out by the City's Division of Code Enforcement and the Syracuse Fire Department, along with partners in county government like the Health Department and the Bureau of Public Health Engineering (who tests scales, gas pumps and other weighing and measuring devices) and State entities including the Department of Motor Vehicles Bureau of Consumer and Facility Services

These inspections all have the same goal – to ensure that these places of business are fit, safe, and fair for the public.

Buildings which include residential rental units (which range from one-unit single-family homes to several hundred-unit apartment buildings) *are businesses*, despite landlords arguing the contrary. Many of these properties are clearly organized as Limited Liability Companies (LLCs) or corporations and their income is reported on business tax forms or as rental/real estate income on personal tax returns. These properties collect revenue and fees from members of the public who use them, and they have associated business expenses which are deductible. It is well within the government's purview to ensure that these buildings are safe and fit for habitation for those who live in them.

# Rental Registry By The Numbers

## PROPERTIES REQUIRED TO REGISTER

The Syracuse Rental Registry law only applies to One-Family and Two-Family non-owner-occupied rental dwellings. Larger units and mixed-use buildings are exempt from the Rental Registry and instead are required to receive a Certificate of Compliance.\*

According to the final 2024 City Assessment Roll, there are 24,335 One-Family dwellings (Assessment Code 210), and 6,934 Two-Family Dwellings (Assessment Code 220), along with 213 other properties which are also classified as "Residential" (Assessment Codes 215, 290, and 281) and may be required to comply with the law. The sum of these properties is more than 31,000 units across the City.

Code	Description	Notes	Properties In Syracuse
210	One family year-round residence	A one-family dwelling constructed for year-round occupancy (adequate insulation, heating, etc.)	24,335
220	Two family year-round residence	A two-family dwelling constructed for year-round occupancy.	6,934
215	One family year-round residence with accessory apartment	A one family, year-round residence with a secondary self-contained dwelling unit. Accessory apartments are usually contained within or added to the principal residence and are often occupied by immediate family members.	10
280	Residential	Multi-Purpose/Multi-Structure	1
281	Multiple Residences	More than one residential dwelling on one parcel of land. May be a mixture of codes 210's, 220's, and 230's, or all one type.	202
<b>TOTAL</b>			<b>31,482</b>

Properties required to be on the rental registry are located around the City with a notable exception of Downtown. While this area is a growing residential neighborhood, Downtown includes apartment buildings and lacks one- and two-family residences.

\*A draft version of this report incorrectly referred to "mixed-use" buildings as "mixed income" buildings. This has been corrected.

In addition to Downtown, several other neighborhoods, including Meadowbrook, Strathmore, Winkworth, and Sedgewick, have noticeably fewer properties which are required to have rental registry certificates. These neighborhoods are heavily owner-occupied and have fewer rental properties.

According to the "Syracuse Rental Registry" data file available on OpenData Syracuse, the City's publicly available open data website, 8,358 properties are required to have a Rental Registry Certificate (as of December 9, 2024).\* The data file does not include assessment property classification or other information to inform the user about the exact type of property for comparison to assessment data.

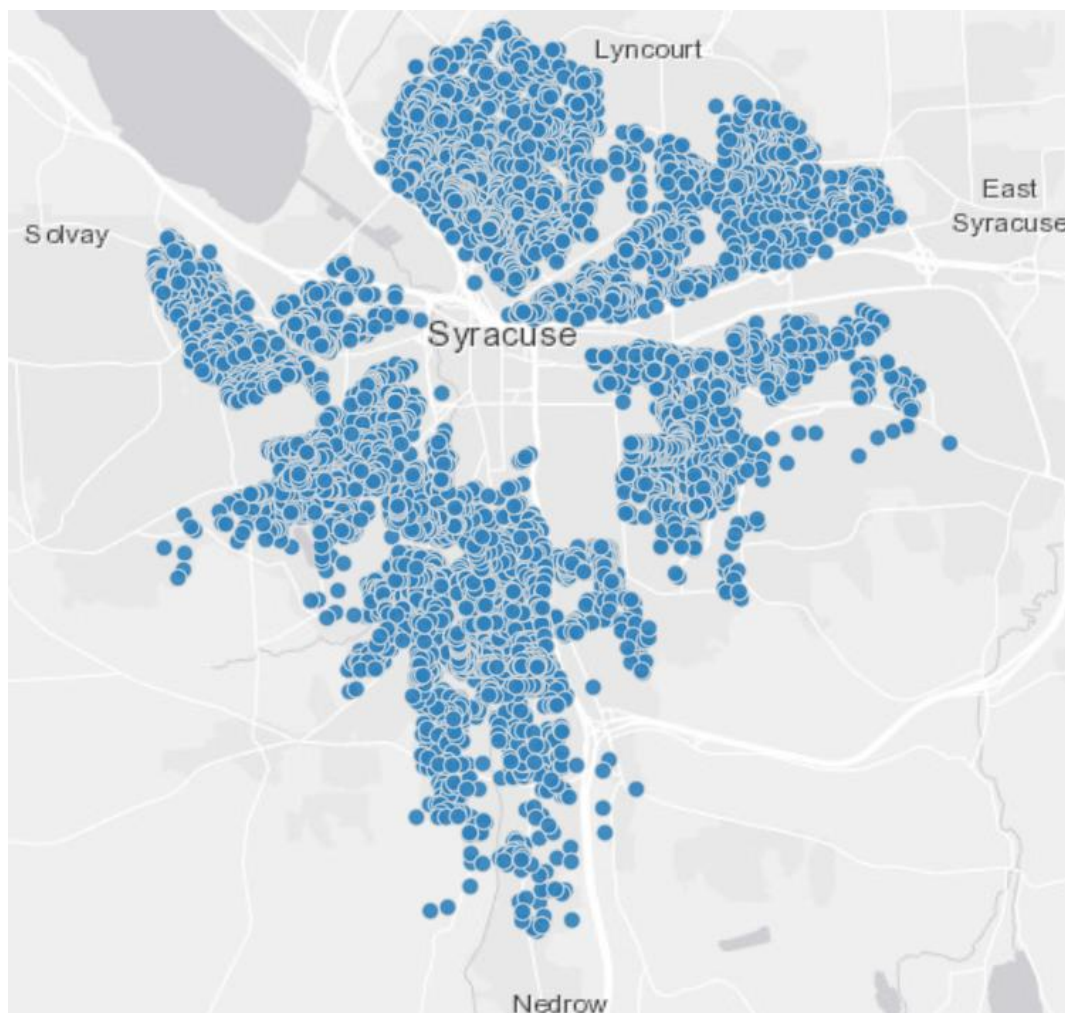
To attempt to understand the ratio of One- and Two-Family properties required to comply, a sample of 75 properties on the Rental Registry were reviewed against the Assessment Roll. That sample found 39 properties shown as Two-Family, 32 properties as One-Family, and two (2) properties listed as Multiple Residences.

Sampling of 75 Properties on Rental Registry	
Property Type	Count
One-Family Residential	32
Two-Family Residential	39
Three-Family Residential	1
Multiple Residences	2
Auto Dealer	1

In the review, several properties were concerning. Two properties were identified to not have the residential codes above, including 401 Bear St & Park St (shown in the assessment roll as a 3-Family Residential property) and 326-38 Hiawatha Blvd E. (shown in the assessment roll as an Auto Dealer.) The property at 326-38 does appear to include a residence in addition to the auto dealership, but the Rental Registry law *does not apply* to 3-Family dwellings.

If this sample is extrapolated to the full Rental Registry, 111 properties may be misclassified as requiring a registration for a property type which is exempt from the regulations.

\*The Administration response notes an updated formula which has been implemented to better calculate the number of properties required to be on the Rental Registry. That new formula identified 10,567 properties which should comply with the law, up more than 25%. A January 22, 2025 review of the City's Open Data portal only resulted in 8,336 properties in the file.



Blue dots represent properties which, according to the City, should have Rental Registry Certificates

## **DETERMINING THE PROPERTIES REQUIRED TO REGISTER**

According to the Commissioner of Neighborhood and Business Development (NBD), the City uses a formula which considers a number of property records to determine if a property is required to comply with the Rental Registry law.

A complete understanding of the methods was not provided but several factors were identified as considerations, including:

- (1) Tax billing address vs. Assessed billing address
- (2) STAR (New York State School Tax Relief) program exemption (or lack thereof)
- (3) Code enforcement vacant structure records
- (4) Assessment land use records, and
- (5) Water activity



Using these considerations, NBD makes an initial assessment of each property and when those assessments don't match existing rental registry information, the NBD team manually verifies properties which should be newly added.

The Commissioner states that updates to the formula are underway and, in fact, there may be up to 11,000 properties which are required to be on the Rental Registry. This would represent a 32% increase in properties and suggests current Rental Registry reporting is underreported by as much as 24%. These adjustments should be reflected later in December or in early-2025. (It is worth noting that the number of properties displayed in the City's OpenData Rental Registry dataset has *decreased* since October).

**OTHER FACTORS TO CONSIDER**

When determining a new formula, NBD should consider information including prior rental information, home sales, tax and water bill mailing addresses, and license and permit filings. Properties owned by any company, including corporations and Limited Liability Companies (LLCs) should be assumed to be rental properties unless owners can prove otherwise. The department should also be cognizant of updates to the STAR program which now comes in the form of a credit; the exemption was phased out in in the 2015-16 school year.

The STAR credit provides direct payments to eligible households. Individuals who own their home, use it as their primary residence, and have an income of \$500,000 or less are eligible for the credit.

Homeowners who were receiving the STAR exemption and met other eligibility guidelines couple keep the STAR tax exemption or transition to the STAR credit. According to City records, 10,838 households receive the STAR Exemption and an additional 5,165 households participate in the STAR Credit program. These 16,003 residences are owner-occupied primary residences and are not rental properties.

CITY HOUSEHOLDS ENROLLED IN STAR PROGRAM			
	Basic STAR	Enhanced STAR	Type Totals
Receiving Tax Exemption	7117	3721	10838
Receiving Credit	4440	725	5165
Program Totals	11557	4446	
TOTAL HOUSEHOLDS RECEIVING STAR CREDIT OR EXEMPTION			16003

Using the assessment roll data shown in the previous section, total one- and two-family year-round residences in the City is 31,269 properties, with another 213 similar properties which may potentially be required to comply with the Rental Registry.

Using the most conservative figure of 31,269 households and subtracting those 16,003 owner-occupied households leaves 15,266 properties which may be required to comply with the Rental Registry.

Subtracting the City’s Rental Registry data which shows 8,358 properties are required to comply with the registry, the remaining 6,908 properties fall into three categories:

- Owner-occupied but ineligible for the STAR program due to income over \$500,000
- Owner-occupied but eligible and not registered for the STAR program
- Not owner-occupied and required to register with the Rental Registry, but unknown to the City

Any updated formula should consider not just STAR Exemptions, but also STAR Credits, and the City should consider a specific outreach program to these properties to identify if they are exempt from the Credit, required to be on the Rental Registry, or eligible but missing out on this credit which will reduce their property tax liability.

**COMPLIANCE**

For years, the City has struggled to get landlords to comply with the Rental Registry law. In 2010, an estimated 10,000 properties were required to comply with the Rental Registry law, and “about 75 percent...complied with the original law.” (Knauss 2010)

In 2023, a report from Syracuse.com stated that “only about 60% of the 9,000 rentals in Syracuse are on the registry” (Briedenbach and Dowty 2023) and according to Jake Dishaw, Deputy Commissioner of Code Enforcement and Zoning for the Neighborhood and Business Development, only about 42% of eligible properties now have rental registry certificates, as of September 2024 (Knauss, Syracuse seeks 40 warrants to look inside rental homes. A landlord says it’s just ‘theater’ 2024).

The Rental Registry file on OpenData Syracuse appears to confirm the claim of 42% compliance, showing 8,358 properties required to be registered but only 42.2% with an active and current registration certificate.

Registered	Count	Percentage
Yes	3,530	42.2%
No	4,828	57.8%
<b>Totals</b>	<b>8,358</b>	<b>100.0%</b>

According to the file, 329 registrations which expired in 2024 (through December 8, 2024) were not renewed. An additional 37 registrations were slated to expire between December 9<sup>th</sup> and the end of the year.

Period	Registrations Expiring
2024 (to date)*	329
12/9/24 to 12/31/24	37
2025	1,208
2026	1,200
2027	809

\* This represents the number of registrations which are shown to have expired during 2024 and not renewed as of December 8, 2024.

**BUDGET PROJECTIONS AND ACTIVITY INDICATORS**

The Budget Book produced by the Office of Management and Budget includes Activity Indicators which are used to demonstrate the workload and effectiveness of departments. The Division of Code Enforcement provides Activity Indicators for the Rental Registry which should identify how many properties were compliant. The activity should match the revenue booked to the ledger and serve as a useful tool to project future revenue and activity.

With a three-year registration period, approximately one-third of all rental required dwellings need to re-register annually. Using the Rental Registry data which shows 8,358 required properties, approximately 2,786 properties each year would be required to re-register.

Activity indicators from recent years show the Division of Code Enforcement regularly registered roughly half that figure, which comports with the roughly 42% compliance rate.

Budget Year	Activity Indicator Actual Registrations
2020-2021	1,441
2021-2022	1,619
2022-2023	1,195

With a \$150 registration fee, actual counts of registered properties should directly correspond to a certain amount of revenue using simple multiplication. In recent years, however, the actual annual revenue provided in the City’s Budget Book never equals this equation, sometimes coming in higher, and other times lower, depending on the year. It also never divides out to an even value.

Our review of the City's bookkeeping found that the Rental Registry account also includes revenues from fines and penalties related to the Rental Registry, making it difficult to identify registration fees versus fines.

Since this is a Code Enforcement revenue line, it would be best to only include registration fees; fines and penalties would be better booked to a Fines and Penalties account under the Bureau of Administrative Adjudication.\*\*\*

Budget Year	Budget Activity Indicators # of Registrations	Expected Revenue from Registrations	Actual Booked Revenue
2020-2021 (FY 21)	1,441 (Actual)	\$216,150	\$246,120
2021-2022 (FY 22)	1,619 (Actual)	\$242,850	\$295,335
2022-2023 (FY 23)	1,195 (Actual)	\$179,250	\$209,735
2023-2024 (FY 24)	1,200 (Estimated)	\$180,000	\$145,545

It also appears the City consistently adopts budgeted revenue for rental revenue much higher than actual revenues, creating significant budget gaps.

Budget Year	Adopted Revenue	Actual Revenue	Difference Between Adopted and Actual
2021-2022	\$200,000	\$295,335	\$95,335 Excess
2022-2023	\$350,000	\$209,735	\$140,265 Shortfall
2023-2024	\$360,500	\$145,545 ^ ^	\$214,955 Shortfall **
2024-2025	\$371,315	\$155,640 ^	\$215,675 Shortfall **

^^ This figure is presented as it is displayed in the City's financial software system. Financial statements from FY24 are currently under review by Bonadio & Co., the city's outside auditor.

^ This is an estimated amount calculated by extrapolating the fiscal-year-to-date revenue booked to the Rental Registry ledger account over the full year.

\*\* These figures are an estimate calculated by subtracting the fiscal year's actual general ledger revenue from adopted revenue.

Significant unfavorable budget variances have become regular occurrences in this revenue line. Councilors and the Administration should be able to easily determine anticipated revenue through a simple calculation of registered properties multiplied by the registration fee. Budget forecasters have consistently overstated the anticipated annual revenue by hundreds of thousands of dollars which has put city finances in jeopardy. Budget forecasters need to better predict future revenues using readily available data.

\*\*\*The Administration response notes that Bureau of Administrative Adjudication fines are not co-mingled with Rental Registry fines. Our office would recommend the City not co-mingle Rental Registry Fees with fines and penalties attributable to that program.

For instance, the FY25 adopted revenue of \$371,315 grossly oversimplifies the budget and represents a simple calculation of a 3% increase over the prior year’s budgeted amount. That budgeted amount fails to consider the anticipated number of registrations or prior year actuals. It also suggests nearly 2,500 registrations would need to be completed in FY25, which would represent 50% more registrations than the actual number of registrations in any previous year on record. The budgeted revenue for the Rental Registry should also always be divisible by the registration fee as there is no partial-year fee.

**CODE ENFORCEMENT VIOLATIONS**

Failure to register for the Rental Registry is a violation of Section 27-133 of the Syracuse Property Conservation Code.

City records indicate more than 4,800 properties are required to have a registration but are not actively registered. Despite that, the City has been slow to issue violations with less than 2,500 violations issued in total over the last three years. Of those, nearly 40% are still open violations.

RENTAL REGISTRY VIOLATIONS ISSUED			
	FY 23	FY 24	FY 25
Open Violations	339	336	283
Closed Violations	1,018	412	69
Totals	1,357	748	352

# Findings

## **City Records Indicate More Than 8,300 Dwellings Should Be Registered with Rental Registry: Actual Count May Be Underreported By Thousands**

City records show that about 8,350 properties are required to be registered with the Rental Registry but the actual number of properties meeting the requirements may be *thousands* higher.

The Commissioner of Neighborhood and Business Development indicated as many as 11,000 properties may be required to be on the registry; however, an analysis by the City Auditor using STAR program data, a State property tax rebate program for owner-occupied properties, indicates that number may more than 15,000 properties.

## **New Rental Registry Formula Shows Only 33% Compliance Rate, Up 25% from Prior Formula\***

Compliance with the City's Rental Registry laws is extremely low, with City records indicating just over 3,500 properties have active Rental Registry certificates.

Under an old formula used for determining properties required to participate, compliance hovered at just 42%. In recent weeks, a new formula has been finalized by the Department of Neighborhood and Business Development which substantially increases the number of properties required to comply from roughly 8,350 to 10,567, an increase of 25%. Under the new formula, the program now has just a 33.4% compliance rate.

## **Actual Rental Registry Revenue Misses Adopted Revenues By Hundreds of Thousands of Dollars Each Year**

Rental Registry revenues have consistently fallen short of adopted revenues, causing significant negative budget variances for this revenue source. For FY 23, the City adopted a revenue of \$350,000 for Rental Registry but only booked revenues totaling 60% of that amount, causing a shortfall of more than \$140,000. Despite falling short in FY 23, the administration proposed – and lawmakers adopted – a higher revenue in FY24 (\$360,500), but fell even shorter, this time by more than \$214,000.

In FY 25, adopted revenues increased yet again, up a flat 3% from FY 24. The City Auditor predicts revenues in this account will again fall short of adopted revenue, by more than \$200,000.

\*A draft version of this report was completed and provided to the Administration prior to the release of the new rental registry formula. This finding has been adjusted to reflect the information provided.



### **Rental Registry Revenue Accounts Include Registration Fees and Fines/Penalties Revenues**

The City only maintains one account for all things related to Rental Registry, booking annual \$150 registration fees in the same account as any fines and penalties for failure to comply with the law.

In City budget documents, Rental Registry Fees is classified as a Code Enforcement Revenue but there is no Code Enforcement "Fines and Penalties" account to measure revenues for violations. All Rental Registry registration fees are co-mingled with fines and penalties for that program.\*

### **Violations of the Rental Registry Not Keeping Pace With Unregistered Properties; More than 35% of Violations Not Closed**

City Code Enforcement officials have issued fewer than 2,500 violations to property owners since July 2022 for failing to register for the Rental Registry. Of those, nearly 1,000 cases remain open, including hundreds from past years. With more than 4,500 properties required to participate but knowingly not on the Registry, Code Enforcement's violations have not kept pace with uncompliant properties.

\*A draft version of this report incorrectly stated that the Bureau of Administrative Adjudication levies and collects fines for violations of the Rental Registry.

# Recommendations

## **Require All Business Properties Be Inspected by Fire Department**

The Common Council should pass an ordinance requiring any property not owned by a named individual (including all Limited Liability Companies and corporations) to be declared as a place of business unless the owner can prove otherwise. All places of business should be subject to reasonable regulations, including receiving a general business license and receiving basic safety and code inspections from the Syracuse Fire Department.

## **New York State Should Extend Certificate Of Compliance To 1- And 2-Unit Dwellings**

As part of New York State's multiple dwelling law, the Certificate of Compliance (C of C) requires certain inspections of 3-unit and larger dwellings and mixed-use properties. New York State should expand the Certificate of Compliance to also cover any 1- and 2- unit dwellings where a unit is used as a rental unit, ensuring more tenants in Upstate New York and smaller communities are guaranteed the same access to quality, inspected housing that their downstate and larger-city counterparts receive.

## **Require Rental Properties to Post Rental Registry Certificate Placard on Unit Doors**

Nearly all businesses are required to conspicuously post their business licenses and proof of their most recent inspections; for example, restaurants must clearly display their Onondaga County Health Permits.

The City should amend the Code to require all rental units to display similar licenses via posting a Rental Registry placard on every unit door, indicating a unit is registered and compliant with the Rental Registry. This clear visual indication of compliance with the law would provide protections to prospective tenants. As recommended in "A License May Be Required," a City Auditor audit on business licenses, these documents should be made of counterfeit-resistant materials and regularly updated by the appropriate departments.

### **Require Disclosure Of Lead Pipes To Prospective Tenants; Require Removal of Lead Fixtures**

The City of Syracuse holds a mostly-comprehensive list of lead water lines which service properties. The City Council should require that the presence of lead water service lines be a required disclosure made by property owners/landlords to prospective tenants as part of any lease agreement before a property is inhabited. The City, as part of its inspection process, should also test for lead plumbing and lead fixtures. All lead fixtures should be required to be replaced prior to the issuance of a Rental Registry Certificate.

### **Perform Lead Swipes At All Registry Properties**

Lead paint is a major challenge for the City of Syracuse and has been linked to hundreds of potential poisonings every year. These poisonings lead to physical, cognitive, and developmental delays that can impact children throughout their life. As part of Rental Registry inspections, and prior to renting a unit to new tenants, properties should be subject to lead paint swipes as part of their inspections. Units found to contain high levels of lead paint should be fast-tracked for remediation assistance programs.

### **Increase Proactive Inspections, Contact Potential Owners Annually**

The City should aggressively pursue warrants for inspections at all properties which are required to be compliant with the Rental Registry. Furthermore, the City should proactively notify, though mail, owners of all properties that are potentially eligible for Rental Registry inclusion with basic information about who is required to register, how to register, and the consequences of failing to register. This would be a smart, proactive step to ensuring everyone who needs this information receives it.

### **Improve Landlord Education About The Rental Registry**

The City should work with landlords proactively, offering educational programming and seminars about compliance with the Rental Registry, inspections, Code Enforcement matters, and tenants' rights on a regular basis. Conducting these seminars and partnering with outside entities including CNY Fair Housing and the Volunteer Lawyers Project, would provide property owners and management firms with a stronger understanding of the regulations under which they must operate.

Landlords who attend and pass these classes could be awarded a certification, which they could use to promote themselves as a responsible landlord who is familiar and compliant with all relevant laws. The certification could even be upgraded with endorsements for taking additional training courses or making more property improvements.

### **Create Citywide Compliant Landlord List**

As noted in “A License May Be Required,” a July, 2024 audit by the City Auditor, “companies and individuals who follow the rules and pay fees to be licensed should be actively promoted by the City as qualified and licensed businesses who are doing right by our community.” To that end, the Division of Code Enforcement should actively promote landlords who are properly registered and compliant with the Rental Registry. This list can serve as an important tenant protection as well as a tool to increase compliance with the law. The Compliant Landlord List should include the names of beneficial owners of LLCs.

### **Update the Rental Registry Fee Schedule**

The \$150 fee for the Rental Registry amounts to less than \$5 per month to help ensure safe and healthy housing throughout our City but the program comes at a cost. The Division of Code Enforcement uses significant staff time and resources to inspect properties, and when landlords ignore the law or fight reasonable provisions in court, the Bureau of Administrative Adjudication and the Department of Law (some of City Hall’s most expensive staff) have to dedicate long hours to help ensure tenants are protected.

The Common Council should amend the Code to increase the fee for the Rental Registry to \$250 every three years to help support the costs of operating this program. They should also significantly raise the penalties for failure to register properties in accordance with the law and for providing false information on the application to \$1,000 with escalations for continued non-compliance.

### **Amend Code to Allow for Revocation of a Rental Registry Certificate**

The City’s Certificate of Compliance law allows for the revocation of the certificate under Section 27-15(c) if a violation or order is issued to a certificate-holding property, however, no such revocation exists for the Rental Registry. Lawmakers should amend City Code to ensure renters who reside in one or two-family properties have the same protections as those who choose to live in larger or mixed-use buildings.

### **Homeowners Should Ensure They Are Receiving STAR Credit; City Should Perform Outreach to These Owners and Assist**

More than 6,000 properties in the City are not listed on the Rental Registry while also not receiving a STAR Exemption or Credit. Most owner-occupied properties are eligible to participate in the STAR program, providing a direct cash payment to help offset high school property taxes. While high-earning households do not qualify for the Credit, households with an income under \$500,000 do qualify, and these homeowners should make sure they apply for the STAR program and

### **Earmark Rental Registry Revenues to Support Housing Goals**

Revenues generated from the Rental Registry should be earmarked to support City housing priorities and ensure tenants who are forced to relocate from unfit properties are able to be rehomed without financial burden. With a Citywide housing crisis, additional revenues should be used as a gap funding source for the construction of new affordable housing units.

### **Incentivize New Construction, Fast-Track Housing Permits**

Syracuse's housing challenges will only be solved by expanding our existing stock of quality, affordable housing. The City should incentivize owners of existing, or builders of future housing developments, to build and expand their developments and keep those projects on track by expediting permits for new housing, creating a "fast lane" to prioritize Fire and Codes review of any permits related to construction of new, or rehab/expansion of existing housing units. Units should also have their Rental Registry inspections completed simultaneously to this process. This would help the City create more units of rental housing quickly and safely and ensure greater compliance.

## Works Cited

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- Knauss, Tim. 2010. "Syracuse Common Council amends requirements for landlords." *Syracuse.com | The Post-Standard*. December 21. [https://www.syracuse.com/news/2010/12/syracuse\\_common\\_council\\_amends.html](https://www.syracuse.com/news/2010/12/syracuse_common_council_amends.html).
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ORDINANCE NO. 5261 -N.S.

ADOPTING A RENT STABILIZATION AND EVICTION FOR GOOD CAUSE PROGRAM.

BE IT ORDAINED by the People of the City of Berkeley as follows:

Section 1. TITLE.

This Ordinance shall be known as the Rent Stabilization and Eviction for Good Cause Ordinance.

Section 2. FINDINGS.

a. The Housing Element of the Berkeley Master Plan of 1977 states that:

(1) Berkeley residents have the right to decent housing in pleasant neighborhoods which meet standards of adequacy at a range of prices they can afford. (Goal 1)

(2) Existing housing should be maintained and improved. (Goal 2)

(3) Berkeley should have an adequate supply of housing throughout the City for persons with special needs. (Goal 3)

(4) All residents should have equal access to housing opportunities, financing and insurance on a non-discriminatory basis. (Goal 4)

b. On June 6, 1972, the electorate of the City of Berkeley passed a Rent Control Charter Amendment that was later voided by the California Supreme Court as being unconstitutional.

c. On June 5, 1973, the City Council declared the existence of a housing emergency in the City of Berkeley, based upon the Council's finding of a pattern of steadily rising rents, a shortage of decent housing and an increased deterioration of the existing housing stock in the City.

d. On November 7, 1978, the electorate of the City of Berkeley

passed a Renter Property Tax Relief Ordinance.

e. On October 25, 1979, the Berkeley City Council, Berkeley Housing Authority, the Berkeley Housing Advisory and Appeals Board, and members of the City's administrative staff held a public workshop regarding the current housing conditions in Berkeley.

f. On October 30, 1979, January 26, 1980 and February 21, 1980, the Berkeley City Council held public hearings at which members of the public expressed their views regarding current housing conditions in Berkeley and legislative proposals for rent stabilization and eviction controls.

g. The most significant provisions of the 1978 Renter Property Tax Relief Ordinance expired on December 30, 1979.

h. On November 27, 1979, the Berkeley City Council passed an ordinance establishing a Temporary Rent Stabilization Program, effective until June 30, 1980.

### Section 3. PURPOSE.

The purposes of this Ordinance are to regulate residential rent increases in the City of Berkeley and to protect tenants from unwarranted rent increases and arbitrary, discriminatory, or retaliatory evictions, in order to help maintain the diversity of the Berkeley community and to ensure compliance with legal obligations relating to the rental of housing. This legislation is designed to address the City of Berkeley's housing crisis, preserve the public peace, health and safety, and advance the housing policies of the City with regard to low and fixed income persons, minorities, students, handicapped, and the aged.

### Section 4. DEFINITIONS.

a. BOARD: The term "Board" refers to the appointed Rent Stabilization Board established by this Ordinance.

b. COMMISSIONERS: The members of the Board are denominated Com-

missioners.

c. HOUSING SERVICES: Housing services include but are not limited to repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, refuse removal, furnishing, telephone, parking and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the rental unit is contained.

d. LANDLORD: An owner of record, lessor, sublessor or any other person or entity entitled to receive rent for the use or occupancy of any rental unit, or an agent, representative or successor of any of the foregoing.

e. RENT: The consideration, including any deposit, bonus, benefit or gratuity demanded or received for or in connection with the use or occupancy of rental units and housing services. Such consideration shall include, but not be limited to, monies and fair market value of goods or services rendered to or for the benefit of the landlord under the rental agreement.

f. RENTAL AGREEMENT: An agreement, oral, written or implied, between a landlord and a tenant for use or occupancy of a rental unit and for housing services.

g. RENTAL UNIT: Any unit in any real property, including the land appurtenant thereto, rented or available for rent for residential use or occupancy (including units covered by the Berkeley Live/Work Ordinance No. 5217-N.S.), located in the City of Berkeley, together with all housing services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the tenant.

h. PROPERTY: A parcel of real property which is assessed and taxed as an undivided whole.

i. TENANT: Any renter, tenant, subtenant, lessee or sublessee of a rental unit, or successor to a renter's interest, or any group of tenants, subtenants, lessees, or sublessees of any rental unit, or any other person entitled to the use or occupancy of such rental unit.

j. SKILLED NURSING FACILITY: A health facility or a distinct part of a hospital which provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. It provides 24 hour inpatient care and, as a minimum, includes medical, nursing, dietary, pharmaceutical services and an activity program. The facility shall have effective arrangements, confirmed in writing, through which services required by the patients, but not regularly provided within the facility can be obtained promptly when needed.

k. HEALTH FACILITY: Any facility, place or building which is organized, maintained and operated for the diagnosis, care and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which such persons are admitted for a 24 hour stay or longer.

l. RECOGNIZED TENANT ORGANIZATION: Any group of tenants, residing in rental units in the same building or in different buildings operated by the same management company, agent or landlord, which requests to be so designated.

m. RENT CEILING: The maximum allowable rent which a landlord may charge on any rental unit covered by this Ordinance.

n. BASE RENT CEILING: The maximum allowable rent established under Section 10 of this Ordinance.

o. FEES: A fee, for the purpose of this Ordinance, is a charge fixed by law for services of public officers or for use of a privilege under con-

trol of government.

Section 5. APPLICABILITY.

This Ordinance shall apply to all real property which is being rented or is available for rent for residential use in whole or in part, except for the following:

a. Rental units which are owned by any government agency. However, the exemption of units owned by the Berkeley Housing Authority from the terms of this Ordinance shall be limited to their exemption from the terms of Section 8, Rent Registration; Section 10, Establishment of Base Rent Ceiling and Posting; Section 11, Annual General Adjustment of Rent Ceilings; and Section 12, Individual Adjustments of Rent Ceilings, of this Ordinance.

b. Rental units which are rented primarily to transient guests for a period of less than fourteen (14) days in establishments such as hotels, motels, inns, tourist homes, and rooming and boarding houses.

c. Rental units in nonprofit cooperatives owned and controlled by a majority of the residents.

d. Rental units leased by the Berkeley Housing Authority under the Section 23 program (42 U.S.C. Section 1421b) or rental units leased to tenants assisted under the Section 8 program (42 U.S.C. Section 1437f). However, except as may be preempted by state or federal law, the exemption of such rental units from the terms of this Ordinance shall be limited to Section 8, Rent Registration; Section 10, Establishment of Base Rent Ceiling and Posting; Section 11, Annual General Adjustment of Rent Ceilings and Section 12, Individual Adjustments of Rent Ceilings, of this Ordinance.

e. Rental units in any hospital, skilled nursing facility, health facility, asylum, or nonprofit home for the aged.

f. Rental units in a residential property which is divided into a maximum of four (4) units where one of such units is occupied by the landlord

as his/her principal residence. Any exemption of rental units established under this subsection (5.f.) shall be limited to rental units that would have been exempt under the provisions of this Ordinance had this Ordinance been in effect on December 31, 1979.

g. A rental unit in a residential property where the landlord shares kitchen or bath facilities with the tenant(s) of such rental unit and where the landlord also occupies a unit in the same property as his/her principal residence.

h. For the purposes of Subsections 5.f. and 5.g., the term landlord shall be defined only as the owner of record holding at least fifty (50) percent interest in the property.

i. Newly constructed rental units which are completed and offered for rent for the first time after the effective date of this Ordinance, provided that such new units were not created as a result of rehabilitation or conversion as opposed to new construction. However, the exemption of such newly constructed units shall be limited to their exemption from the terms of Section 8, Rent Registration; Section 10, Establishment of Base Rent Ceiling and Posting; Section 11, Annual General Adjustment of Rent Ceilings; and Section 12, Individual Adjustments of Rent Ceilings, of this Ordinance.

#### Section 6. RENT STABILIZATION BOARD.

a. COMPOSITION: There shall be in the City of Berkeley a Rent Stabilization Board; the Board shall consist of nine (9) appointed Commissioners. The Board shall elect annually as chairperson one of its members to serve in that capacity.

b. ELIGIBILITY. Residents of the City of Berkeley are eligible to serve as Commissioners on the Board.

c. FULL DISCLOSURE OF HOLDINGS: All commissioners shall file with the City Clerk a verified statement listing all of their interests and dealings in



real property, including but not limited to ownership, sale, management, transfer or exchange, and interests in entities whose primary purpose is the ownership, sale, management, transfer or exchange of real property during the previous three years. Such statements shall be made available for public inspection.

d. APPOINTMENT OF COMMISSIONERS: Commissioners shall be appointed by members of the Berkeley City Council in accordance with the Fair Representation Ordinance (No. 4780-N.S.), within thirty (30) days after the adoption of this Ordinance.

e. TERM OF OFFICE: Commissioners' terms of office shall be in accordance with the Fair Representation Ordinance (City of Berkeley Ordinance No. 4780-N.S.).

f. POWERS AND DUTIES: The Board shall have the following powers and duties:

- (1) Set the rent ceilings for all rental units.
- (2) Require registration of all rental units under Section 8.
- (3) Publicize the manner in which the Base Rent Ceiling is established under Section 10.
- (4) To make adjustments in the rent ceiling in accordance with Sections 11 and 12.
- (5) Set rents at fair and equitable levels in view of and in order to achieve the purposes of this Ordinance.
- (6) To issue orders, rules and regulations, conduct hearings and charge fees as set forth below.
- (7) Make such studies, surveys and investigations, conduct such hearings, and obtain such information as is necessary to carry out its powers and duties.
- (8) Report annually to the City Council of the City of

Berkeley on the status of rental housing units covered by this Ordinance.

(9) Request the City Council to remove rent controls under Section 6.q.

(10) Administer oaths and affirmations and subpoena witnesses and relevant documents.

(11) Establish rules and regulations for settling civil claims under Section 15.

(12) Seek injunctive relief under Section 15.

(13) Pursue civil remedies in courts of appropriate jurisdiction.

(14) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a landlord or tenant with respect to rental units covered by this Ordinance.

(15) Hold public hearings.

(16) Other powers necessary to carry out the purposes of this Ordinance which are not inconsistent with the terms of this Ordinance.

(17) Except as provided in Section 6.n. of this Ordinance, the Board shall finance its reasonable and necessary expenses for its operation without the use of General Fund monies of the City of Berkeley.

g. RULES AND REGULATIONS: The Board shall issue and follow such rules and regulations, including those which are contained in this Ordinance, as will further the purposes of this Ordinance. The Board shall publicize its rules and regulations prior to promulgation in at least one newspaper of general circulation in the City of Berkeley.

All rules and regulations and relevant documents explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying.

The Board shall publicize this Ordinance so that all resi-

dents of Berkeley will have the opportunity to become informed about their legal rights and duties under this Ordinance. The Board shall prepare a brochure which fully describes the legal rights and duties of landlords and tenants under this Ordinance. The brochure shall be made available to the public.

h. MEETINGS: The Board shall hold regularly scheduled meetings. Special meetings shall be called at the request of at least a majority of the Commissioners of the Board. The Board shall hold its initial meeting no later than July 15, 1980.

i. QUORUM: Five (5) Commissioners shall constitute a quorum for the Board.

j. VOTING: The affirmative vote of five (5) Commissioners of the Board is required for a decision, including all motions, rules, regulations, and orders of the Board.

k. COMPENSATION: The Rent Stabilization Board shall be a working Board. In order to compensate Commissioners for their time and work performed as required by this Ordinance, Commissioners shall receive five dollars per hour, but in no case shall compensation for any one Commissioner exceed three thousand dollars in the first twelve month period or in any subsequent annual period that the Board is in operation for services rendered. Procedures and regulations for accounting for hours worked and compensation shall be developed and adopted by the Board and filed with the City Clerk. Upon request by the Board the City Council may annually adjust the hourly compensation rate and the maximum annual sum received by the Commissioners.

l. DOCKETS: The Board shall maintain and keep in its office all hearing dockets, which shall be available for public inspection.

m. VACANCIES: If a vacancy shall occur on the Board, a qualified person to fill such vacancy shall be appointed in accordance with this Ordinance and the Fair Representation Ordinance (No. 4780-N.S.).

n. FINANCING: The Board shall finance its reasonable and necessary expenses for its operation without the use of General Fund monies of the City of Berkeley except as stated in this subsection, by charging landlords an annual registration fee of twelve dollars (\$12.00) per unit, per year in the first year of operation. After the first year, upon request by the Board the City Council may make reasonable annual adjustments in the fee. The Board is also empowered to request and receive funding when and if necessary, from any available source, except the City of Berkeley's General Fund, for its reasonable and necessary expenses, including but not limited to salaries and all other operating expenses.

Notwithstanding the preceding provision of this Section, the City Council of the City of Berkeley shall appropriate as a loan to the Rent Stabilization Board sufficient funds for the reasonable and necessary expenses of the Board during the six month period following the adoption of this Ordinance, said funds to be repaid to the City by the Rent Stabilization Board within one year's period following the adoption of this Ordinance.

o. STAFF: The City Manager is authorized to employ and pay staff for the Board, including hearing examiners and inspectors, as may be necessary to perform the Board's functions efficiently in order to fulfill the purposes of this Ordinance.

p. REGISTRATION: The Board shall require the registration of all rental units covered by this Ordinance as provided for in Section 8. The Board may also require landlords to provide current information supplementing their registration statements.

q. DECONTROL: If the annual average vacancy rate for all rental units in the City of Berkeley exceeds five (5) percent over a six month period, the City Council is empowered, upon request by the Board, at its discretion and in order to achieve the purposes of this Ordinance, to exempt rental units covered

by this Ordinance from Sections 8, 10, 11, and 12 of this Ordinance. In determining the vacancy rate for the City of Berkeley the Board and the City Council shall consider all available data and may conduct their own survey. If units are exempted pursuant to this Subsection (6.q.) coverage shall be reimposed if the City Council finds that the average annual vacancy rate has thereafter fallen below five (5) percent. Prior to any decision to exempt or renew coverage for rental units under this Subsection (6.q.) the Board shall hold at least two public hearings.

r. CONFLICT OF INTEREST: Commissioners shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a landlord or tenant. However, a Commissioner shall be disqualified from ruling on a petition for an individual adjustment of a rent ceiling under Section 12, where the Commissioner is either the landlord of the property or a tenant residing in the property that is involved in the petition.

#### Section 7. SECURITY DEPOSITS.

Any payment or deposit of monies by the tenant, the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including an advance payment of rent, shall be placed by the landlord, in an interest bearing account at an institution whose accounts are insured by the Federal Savings and Loan Insurance Corporation until such time as it is returned to the tenant or entitled to be used by the landlord. The interest earned by said payment or deposit on monies shall be returned along with the appropriate part of the principal to the tenant upon departure from the premises.

#### Section 8. RENT REGISTRATION.

a. The Board shall require all landlords subject to the provisions of this Ordinance to file with the Board by September 1, 1980 a rent registration statement for each rental unit covered by this Ordinance. An owner who has resided

in a single family dwelling for at least 365 consecutive calendar days need not file a rent registration statement under the provisions of this Ordinance if he/she rents this single family dwelling to another person or persons for a period not to exceed nine calendar months.

b. Landlords shall provide in their initial rent registration statement the following information:

- (1) The address of each rental unit;
- (2) The name and address of the landlord(s) and the managing agent, if any;
- (3) The date on which the landlord received legal title to or equitable interest in the rental unit;
- (4) The housing services provided for the rental unit;
- (5) The rent in effect on June 6, 1978;
- (6) The rent in effect on December 30, 1979;
- (7) The base rent ceiling;
- (8) The lowest rent in effect between June 6, 1978, and the date of the adoption of this Ordinance.
- (9) The amount of any deposits or other monies in addition to periodic rent demanded or received by the landlord in connection with the use or occupancy of the rental unit;
- (10) Whether the rental unit was vacant or occupied on May 31, 1980.

c. All rent registration statements provided by landlords in accordance with this Ordinance shall include an affidavit signed by the landlord declaring under penalty of perjury that the information provided in the rent registration statement is true and correct.

d. The first annual registration fee of twelve dollars (\$12.00) per unit shall be paid by the landlords to the Board no later than September 1,

1980. Subsequent annual registration fees set in accordance with Section 6.n. of this Ordinance shall be paid no later than September 1 of each year.

e. The Board shall provide forms for the registration information required by this Section and shall make other reasonable efforts to facilitate the fulfillment of the requirements set forth in this Section.

f. Every annual registration fee required by this Ordinance which is not paid on or before September 1 is declared delinquent, and the Board shall add to said registration fee and collect a penalty of one hundred (100) percent of the fee so delinquent in addition to the fee.

g. The amount of any registration fee and penalty imposed by the provisions of this Ordinance shall be deemed a debt to the City.

Section 9. USE AND CONFIDENTIALITY OF INFORMATION SUBMITTED TO BOARD.

a. All information and forms required by this Ordinance and submitted to the Board shall not be used by any other governmental unit of the City of Berkeley for the enforcement of City of Berkeley Ordinances other than this Ordinance.

b. The Board shall adopt rules and regulations providing for the confidentiality of information submitted to the Board in support of a petition for an individual rent ceiling adjustment under Section 12 of this Ordinance when such confidentiality is deemed necessary by the Board.

Section 10. ESTABLISHMENT OF BASE RENT CEILING AND POSTING.

a. Base Rent Ceiling. Upon adoption of this Ordinance, no landlord shall charge rent for any rental unit covered by the terms of this Ordinance affecting rents in an amount greater than the lawful rent which was actually due and payable on, or last preceding, May 31, 1980, under the periodic term of the rental agreement, in accordance with the provisions of the Temporary Rent Stabilization Ordinance, No. 5212-N.S., except as permitted by the Board under Sections 11 and 12 of this Ordinance. Such lawful rent in effect on May 31, 1980,

is the base rent ceiling and is a reference point from which the rent ceiling shall be adjusted in accordance with Sections 11 and 12. For such rental units where no rent was in effect on May 31, 1980, the base rent ceiling shall be the most recent lawful periodic rent in effect for that rental unit during the six months preceding that date. For such rental units where no periodic rent was in effect on May 31, 1980, or during the six months preceding that date, the base rent ceiling shall be a good faith estimate of the median rent in effect for comparable units in the City of Berkeley on May 31, 1980.

b. Posting. The Board may establish reasonable rules and regulations for the posting of rent ceiling and other relevant information to further the purposes of this Ordinance.

Section 11. ANNUAL GENERAL ADJUSTMENT OF RENT CEILINGS.

a. Once each year, the Board shall consider setting and adjusting the rent ceiling for all rental units covered by this Ordinance in general and/or particular categories of rental units covered by this Ordinance deemed appropriate by the Board. The Board shall hold at least two public hearings prior to making any annual general adjustment of the rent ceilings. The first such public hearing shall be conducted no later than October 31, 1980, and the first annual general adjustment shall be made no later than December 31, 1980.

b. In making annual general adjustments of the rent ceiling, the Board shall:

(1) Adjust the rent ceiling upward by granting those landlords who pay for utilities a utility adjustment for increases in the City of Berkeley for utilities.

(2) Adjust the rent ceiling upward by granting landlords a property tax, maintenance and operating expense increase adjustment (exclusive of utilities) for increases in the City of Berkeley for property taxes and maintenance and operating expenses.



3) Adjust the rent ceiling downward by requiring landlords to decrease rents for any decreases in the City of Berkeley for property taxes.

In adjusting rents under this subsection, the Board shall adopt a formula or formulas of general application. This formula will be based upon a survey or other available data indicating increases or decreases in the expenses in the City of Berkeley set forth in this subsection. For maintenance and operating expense adjustments, the Board may also use survey data from surrounding communities where appropriate. The Board shall make no more than one annual adjustment of rent ceilings per rental unit per year.

c. An upward general adjustment in rent ceilings does not automatically provide for a rent increase. Allowable rent increases pursuant to a general upward adjustment shall become effective only after the landlord gives the tenant at least a thirty (30) days written notice of such rent increase and the notice period expires.

d. If the Board makes a downward general adjustment in the rent ceilings, landlords of rental units to which this adjustment applies shall give tenants of such rental units written notice of the rent decrease to which they are entitled. Such rent decreases shall take effect not later than thirty (30) days after the effective date set by the Board for the downward general adjustment.

e. If the maximum allowable rent specified under this Ordinance for a rental unit is greater than the rent specified for such unit in the rental agreement, the lower rent specified in the rental agreement shall be the maximum allowable rent until the rental agreement expires. If the maximum allowable rent specified under this Ordinance for a rental unit is less than the rent specified for such unit in the rental agreement, the lower rent specified under this Ordinance shall be the maximum allowable rent.

f. No rent increase pursuant to an upward general adjustment of a rent ceiling shall be effective if the landlord:

(1) Has continued to fail to comply, after order of the Board, with any provisions of this Ordinance and/or orders or regulations issued thereunder, or

(2) Has failed to bring the rental unit into compliance with the implied warranty of habitability.

Section 12. INDIVIDUAL ADJUSTMENTS OF RENT CEILINGS.

a. Petitions. Upon receipt of a petition by a landlord and/or tenant, the rent ceiling of individual controlled rental units may be adjusted upward or downward in accordance with the procedures set forth elsewhere in this Section. The petition shall be on the form provided by the Board. The Board may set a reasonable per unit fee based upon the expenses of processing the petition to be paid by the petitioner at the time of filing. No petition shall be filed before September 1, 1980. Notwithstanding any other provision of this Section, the Board or hearing examiner may refuse to hold a hearing and/or grant an individual rent ceiling adjustment for a rental unit if an individual hearing has been held and decision made with regard to the rent ceiling for such unit within the previous six months.

b. Hearing Procedure. The Board shall enact rules and regulations governing hearings and appeals of individual adjustments of rent ceilings which shall include the following:

(1) Hearing Examiner. A hearing examiner appointed by the Board shall conduct a hearing to act upon the petition for individual adjustments of rent ceilings and shall have the power to administer oaths and affirmations.

(2) Notice. The Board shall notify the landlord if the petition was filed by the tenant, or the tenant, if the petition was filed by the landlord, of the receipt of such a petition and a copy thereof.

(3) Time of Hearing. The hearing officer shall notify all parties as to the time, date and place of the hearing.

(4) Records. The hearing examiner may require either party to an individual rent ceiling adjustment hearing to provide it with any books, records and papers deemed pertinent in addition to that information contained in registration statements. The hearing examiner shall conduct a current building inspection and/or request the City to conduct a current building inspection if

the hearing examiner finds good cause to believe the Board's current information does not reflect the current condition of the controlled rental unit. The tenant may request the hearing examiner to order such an inspection prior to the date of the hearing. All documents required under this Section shall be made available to the parties involved prior to the hearing at the office of the Board. In cases where information filed in a petition for an individual rent ceiling adjustment or in additional submissions filed at the request of the hearing examiner is inadequate or false, no action shall be taken on said petition until the deficiency is remedied.

(5) Open Hearings. All individual rent ceiling adjustment hearings shall be open to the public.

(6) Right of Assistance. All parties to a hearing may have assistance in presenting evidence and developing their position from attorneys, legal workers, recognized tenant organization representatives or any other persons designated by said parties.

(7) Hearing Board. The Board shall make available for inspection and copying by any person an official record which shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the cost of copying. The record of the hearing shall include: all exhibits, papers and documents required to be filed or accepted into evidence during the proceedings; a list of participants present; a summary of all testimony accepted in the proceedings; a statement of all materials officially noticed; all recommended decisions, orders and/or rulings; all final decisions, orders and/or rulings, and the reasons for each final decision, order and/or ruling. Any party may have the proceeding tape recorded or otherwise transcribed at his or her own expense.

(8) Quantum of Proof and Notice of Decision. No individual rent ceiling adjustment shall be granted unless supported by the preponderance

of the evidence submitted at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceedings shall also be notified of their right to and the time limit for any appeal allowed by the Board and/or to judicial review of the decision pursuant to this Section and Section 18 of this Ordinance.

(9) Consolidation. All landlord petitions pertaining to tenants in the same building shall be consolidated for hearing, and all petitions filed by tenants occupying the same building shall be consolidated for hearing unless there is a showing of good cause not to consolidate such petitions.

(10) Appeal. Any person aggrieved by the decision of the hearing examiner may appeal to the Board or to any appeals panel of the Board established by the Board, so long as such panel has at least three (3) Commissioners. On appeal the Board or panel shall affirm, reverse, remand, or modify the decision of the hearing examiner. The Board or panel may conduct a new (de novo) hearing or may act on the basis of the record before the hearing examiner without holding a hearing. An appeal to the Board shall be filed no later than thirty (30) days after receipt of the notice of the decision of the hearing examiner. The Board may set a reasonable appeal fee to be paid by the appellant at the time of filing the appeal.

(11) Finality of Decision. The decision of the hearing examiner shall be the final decision of the Board in the event of no appeal to the Board. The decision of the hearing examiner shall not be stayed pending appeal; however, in the event that the Board or panel reverses or modifies the decision of the hearing examiner, the Board shall order the appropriate party to make retroactive payments to restore the parties to the position they would have occupied had the hearing examiner's decision been the same as that of the Board's.

(12) Time for Decision. The rules and regulations adopted by the Board shall provide for final Board action on any individual rent adjustment petition within one hundred and twenty (120) days following the date of filing of the individual rent ceiling adjustment petition, unless the conduct of the petitioner or other good cause is responsible for the delay.

(13) Board Action in Lieu of Reference to Hearing Examiner. The Board, on its own motion or on the request of any landlord or tenant, may hold a hearing on an individual petition for a rent ceiling adjustment without the petition first being heard by a hearing examiner.

c. In making individual adjustments of the rent ceiling, the Board or the hearing examiner shall consider the purposes of this Ordinance and shall specifically consider all relevant factors, including (but not limited to):

- (1) Increases or decreases in property taxes;
- (2) Unavoidable increases or any decreases in maintenance and operating expenses;
- (3) The cost of planned or completed capital improvements to the rental unit (as distinguished from ordinary repair, replacement and maintenance) where such capital improvements are necessary to bring the property into compliance or maintain compliance with applicable local code requirements affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvement;
- (4) Increases or decreases in the number of tenants occupying the rental unit, living space, furniture, furnishings, equipment, or other housing services provided, or occupancy rules;
- (5) Substantial deterioration of the controlled rental unit other than as a result of normal wear and tear;

(6) Failure on the part of the landlord to provide adequate housing services, or to comply substantially with applicable state rental housing laws, local housing, health and safety codes, or the rental agreement;

(7) The pattern of recent rent increases or decreases;

(8) The landlord's rate of return on investment. In determining such return, all relevant factors, including but not limited to the following shall be considered: the landlord's actual cash down payment, method of financing the property, and any federal or state tax benefits accruing to landlord as a result of ownership of the property.

(9) Whether or not the property was acquired or is held as a long-term or short-term investment; and

(10) Whether or not the landlord has received rent in violation of the terms of this Ordinance or has otherwise failed to comply with the Ordinance.

It is the intent of this Ordinance that individual upward adjustments in the rent ceilings on units be made only when the landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment.

d. No individual upward adjustment of a rent ceiling shall be authorized by the Board by reason of increased interest or other expenses resulting from the landlord's refinancing the rental unit if, at the time the landlord refinanced, the landlord could reasonably have foreseen that such increased expenses could not be covered by the rent schedule then in existence, except where such refinancing is necessary for the landlord to make capital improvements which meet the criteria set forth in Section 12.c.(3). This paragraph shall only apply to that portion of the increased expenses resulting from the refinancing that were reasonably foreseeable at the time of the refinancing of the rental unit and shall only apply to rental units refinanced after the date of adoption of this Ordinance.

e. Except for cases of individual hardship as set forth in Sub-

section 12.i. of this Ordinance, no individual upward adjustment of a rent ceiling shall be authorized by the Board because of the landlord's increased interest or other expenses resulting from the sale of the property, if at the time the landlord acquired the property, the landlord could have reasonably foreseen that such increased expenses would not be covered by the rent schedule then in effect. This Subsection (12.e.) shall only apply to rental units acquired after the date of adoption of this Ordinance.

f. No upward adjustment of an individual rent ceiling shall be authorized by the Board under this Section if the landlord:

(1) Has continued to fail to comply, after order of the Board, with any provisions of this Ordinance and/or orders or regulations issued thereunder by the Board; or

(2) Has failed to bring the rental unit into compliance with the implied warranty of habitability.

g. Allowable rent increases pursuant to an individual upward adjustment of the rent ceiling shall become effective only after the landlord gives the tenant at least a thirty (30) day written notice of such rent increase and the notice period expires.

h. If the Board makes a downward individual adjustment of the rent ceiling, such rent decrease shall take effect no later than thirty (30) days after the effective date set by the Board for the downward adjustment.

i. No provision of this Ordinance shall be applied so as to prohibit the Board from granting an individual rent adjustment that is demonstrated necessary by the landlord to provide the landlord with a fair return on investment.

### Section 13. GOOD CAUSE REQUIRED FOR EVICTION.

a. No landlord shall be entitled to recover possession of a rental unit covered by the terms of this Ordinance unless said landlord shows the existence of one of the following grounds:

(1) The tenant has failed to pay rent to which the landlord is legally entitled pursuant to the lease or rental agreement and under the provisions of state or local law, unless the tenant has withheld rent pursuant to applicable law.

(2) The tenant has continued, after written notice to cease, to substantially violate any of the material terms of the rental agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the tenant or made part of the rental agreement.

(3) The tenant has wilfully caused or allowed substantial damage to the premises beyond normal wear and tear and has refused, after written notice, to pay the reasonable costs of repairing such damage and cease damaging said premises.

(4) The tenant has refused to agree to a new rental agreement upon expiration of a prior rental agreement, but only where the new rental agreement contains provisions that are substantially identical to the prior rental agreement, and is not inconsistent with local, state and federal laws.

(5) The tenant has continued, following written notice to cease, to be so disorderly as to destroy the peace and quiet of other tenants or occupants of the premises.

(6) The tenant has, after written notice to cease, refused the landlord access to the unit as required by state or local law.

(7) The landlord, after having obtained all necessary permits from the City of Berkeley, seeks in good faith to undertake substantial repairs which are necessary to bring the property into compliance with applicable codes and laws affecting the health and safety of tenants of the building or where necessary under an outstanding notice of code violations affecting the health and safety of tenants of the building, and where such repairs cannot be completed



while the tenant resides on the premises. Where the landlord recovers possession under this subsection 13.a.(7), the tenant must be given the right of first refusal to re-occupy the unit upon completion of the required work.

(8) The landlord, after having obtained all necessary permits from the City of Berkeley, seeks in good faith to recover possession of the rental unit, in order to remove the rental unit from the market by demolition.

(9) The landlord seeks in good faith to recover possession for his or her own use or occupancy as his or her principal residence, or for the use and occupancy as a principal residence by the landlord's spouse or by the landlord's or the landlord's spouse's child, parent, brother, sister, grandparents or grandchildren. For the purposes of this subsection 13.a.(9), the term landlord shall be defined as the owner of record holding at least a 50% interest in the property and shall not include a lessor, sublessor, or agent of the owner of record. The landlord may not recover possession under this subsection 13.a.(9) if a comparable unit is already vacant and available in the property.

(10) A landlord or lessor seeks in good faith to recover possession of the rental unit for his/her occupancy as a principal residence, where the landlord or lessor has previously occupied the rental unit as his/her principal residence and has the right to recover possession of the unit for his/her occupancy as a principal residence under an existing rental agreement with the current tenants.

b. A landlord's failure to specify good cause as listed above in subsections 1 through 10 of Section 13.a. in the notice of termination or the notice to quit and in the complaint for possession shall be a defense to any action for possession of a rental unit covered by the terms of this Ordinance.

c. In any action to recover possession of a rental unit covered by the terms of this Ordinance, except an action to recover possession under subsections 13.a.(7) and 13.a.(8), a landlord shall allege substantial

compliance with the implied warranty of habitability and compliance with Sections 10 (Rent Ceiling) and 8 (Rent Registration) of this Ordinance.

Section 14. RETALIATION PROHIBITED.

No landlord may threaten to bring, or bring, an action to recover possession, cause the tenant to quit the unit involuntarily, decrease any services or increase the rent where the landlord's intent is retaliation against a tenant for the tenant's assertion or exercise of rights under this Ordinance. Such retaliation shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the tenant for actual and punitive damages and injunctive relief. In an action by or against a tenant, evidence of the assertion or exercise by the tenant of rights under this Ordinance within six months prior to the alleged act of retaliation shall create a presumption that the landlord's act was retaliatory. "Presumption" means that the Court must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence. A tenant may assert retaliation affirmatively or as a defense to the landlord's action without the aid of the presumption.

Section 15. REMEDIES.

a. For Violation of Rent Ceilings or Failure to Register.

If a landlord fails to register in accordance with Section 8 of this Ordinance, or if a landlord demands, accepts, receives or retains any payment in excess of the maximum allowable rent permitted by this Ordinance, a tenant may take any or all of the following actions until compliance is achieved:

(1) A tenant may petition the Board for appropriate relief. If the Board, after the landlord has proper notice and after a hearing, determines that a landlord has wilfully and knowingly failed to register a rental unit covered by this Ordinance or violated the provisions of Sections 10, 11 and 12 of this Ordinance, the Board may authorize the tenant of such rental unit

to withhold all or a portion of the rent for the unit until such time as the rental unit is brought into compliance with this Ordinance. After a rental unit is brought into compliance, the Board shall determine what portion, if any, of the withheld rent is owed to the landlord for the period in which the rental unit was not in compliance. Whether or not the Board allows such withholding, no landlord who has failed to comply with the Ordinance shall at any time increase rents for a rental unit until such unit is brought into compliance.

(2) A tenant may withhold up to the full amount of his or her periodic rent which is charged or demanded by the landlord under the provisions of this Ordinance. In any action to recover possession based on nonpayment of rent, possession shall not be granted where the tenant has withheld rent in good faith under this Section.

(3) A tenant may seek injunctive relief on behalf of herself or himself to restrain the landlord from demanding or receiving any rent on the unit until the landlord has complied with the terms of this Ordinance.

(4) A tenant may file a damage suit against the landlord for actual damages when the landlord receives or retains any rent in excess of the maximum rent allowed under this Ordinance. Upon further proof of a bad faith claim by the landlord or the landlord's retention of rent in excess of the maximum rent allowed by this Ordinance, the tenant shall receive a judgment of up to seven hundred and fifty dollars (\$750.00) in addition to any actual damages.

b. For Violation of Eviction Proceedings. If it is shown in the appropriate court that the event which the landlord claims as grounds to recover possession under Subsection 13.a.(7), Subsection 13.a.(8), Subsection 13.a.(9), or Subsection 13.a.(10) is not initiated within two months after the tenant vacates the unit, or it is shown the landlord's claim was false or in bad faith, the tenant shall be entitled to regain possession and to actual damages.

If the landlord's conduct was willful, the tenant shall be entitled to damages in an amount of \$750 or three times the actual damages sustained, whichever is greater.

c. The City Attorney may bring an action for injunctive relief on behalf of the City or on behalf of tenants seeking compliance by landlords with this Ordinance.

d. The Board may seek injunctive relief to restrain or enjoin any violation of this Ordinance or of the rules, regulations, orders and decisions of the Board.

e. If a tenant fails to bring a civil or administrative action within one hundred and twenty (120) days from the date of the first occurrence of a violation of this Ordinance, the Board may either settle the claim arising from the violation or bring such action. Thereafter, the tenant on whose behalf the Board acted may not bring an action against the landlord in regard to the same violation for which the Board has made a settlement or brought an action. In the event the Board settles the claim it shall be entitled to retain from any payments made by the landlord, the costs it incurred in settlement, and the tenant aggrieved by the violation shall be entitled to the remainder.

#### Section 16. PARTIAL INVALIDITY.

If any provision of this Ordinance or application thereof is held to be invalid, this invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications, and to this end the provisions and applications of this Ordinance are severable.

#### Section 17. NONWAIVERABILITY.

Any provision in a rental agreement which waives or modifies any provision of this Ordinance is contrary to public policy and void.

Section 18. JUDICIAL REVIEW.

A landlord or tenant aggrieved by any action or decision of the Board may seek judicial review in a court of appropriate jurisdiction.

This ordinance was approved by the electors of the City of Berkeley at the Municipal Election held in the City of Berkeley on June 3, 1980.

In effect: June 29, 1980

## APPENDIX #2

### **Ensuring Housing Quality: Proactive Minimum Housing Code Inspections of Rental Properties in North Carolina Cities**

by

Carol Cooley Hickey

A paper submitted to the faculty of  
The University of North Carolina at Chapel Hill  
in partial fulfillment of the requirements for the degree  
Master of Public Administration

April 4, 2008

#### **Executive Summary**

In response to increasing concerns about the prevalence of substandard rental properties, five cities in North Carolina—Greensboro, Asheville, Statesville, Morganton, and Reidsville—have adopted ordinances making it illegal for landlords to lease housing units that do not have valid certifications from the cities that the units meet minimum housing codes. These cities are certifying code compliance through proactive inspections of all rental properties in their jurisdictions. This capstone paper examines how these rental inspections programs function and what returns on investments they provide, focusing on program purposes, formats, costs, measures of effectiveness, and considerations for implementation. Through stronger legal incentives and more inspections, the cities aim to prevent and correct housing deterioration and unsafe living conditions. Indicating successful outcomes, data show relationships between proactive rental inspections programs and decreases in housing complaints and residential fires. As cities implement these programs, performance measures help program staff evaluate effectiveness and sustain political and community support.

*The attached paper represents work done by a UNC Chapel Hill Master of Public Administration student as a class project. It is not a formal report of the Institute of Government, nor is it the work of School of Government faculty.*

**The Problem of Substandard Housing.** Deteriorated or substandard housing negatively impacts the public health, economic viability, and safety of communities:

- A 2007 report by the North Carolina Housing Coalition found that North Carolina spent \$95 million in 2006 on childhood illnesses and injuries attributable to living in substandard housing.<sup>1</sup>
- In a study of the New York City area, researchers found that “property values were *one third higher* for properties not located in run-down neighborhoods,” even when accounting for other factors.<sup>2</sup>
- The *broken windows theory* provides evidence that deteriorated housing, or “untended property,” sends messages that “no one cares” and crime is acceptable in a neighborhood.<sup>3</sup>

To address the problem of deteriorated housing, most mid- to large-size cities have adopted minimum housing codes that establish minimum standards for safety, sanitation, and human habitation.<sup>4</sup> To enforce these codes, most cities conduct inspections in response to citizen complaints. Some cities are finding that rental properties compose the majority of housing units in violation of municipal minimum housing standards. In 2003, the city of Greensboro, for example, found that of 1,042 housing units known to be in active violation of its housing code, 798, or 77 percent, were rental properties.<sup>5</sup>

**Proactive Rental Property Inspections Programs as Potential Solutions.** In response to increasing concerns about the prevalence of substandard rental properties, some cities in North Carolina, including Greensboro, Statesville, Morganton, and Reidsville, have adopted ordinances making it illegal for landlords to lease housing units that do not have valid certifications from the cities that the units meet minimum housing codes.<sup>6</sup> To certify code compliance, these cities are conducting proactive inspections of all rental properties in their jurisdictions and issuing escalating fines for noncompliance.<sup>7</sup> Asheville had a similar ordinance and inspections program from 1994 to 2003 but has since returned to complaint-based enforcement.<sup>8</sup> In contrast to inspections that respond to complaints, the phrase “proactive inspections” describes city-initiated, periodic inspections of all rental properties. For each city, “inspections program” refers to proactive rental property inspections, certification requirements, and sanctions established by the city’s rental property ordinance, and as applicable, the sanction of withholding access to utility services.

**Capstone Purpose and Research Questions.** This capstone paper examines proactive rental inspections programs as a means of enforcing landlord compliance with requirements that leased housing units meet minimum housing standards, drawing on data and program information from Greensboro, Asheville, Statesville, Morganton, and Reidsville. This paper’s purpose is to provide an overview of these programs to inform local government managers, administrators, and elected officials about key considerations for possible program implementation. The research questions guiding this capstone paper are:

*In selected North Carolina cities, how do rental property inspections programs function, and what are the returns on the cities’ investments in these programs?*

Appendix A shows housing data for each of the five cities included in this study, as well as state-level data. The percentages of total housing units that are renter-occupied range from 42.1 to 47 percent, all above the statewide 30 percent. In four of the five cities, the percentages of housing stock built before 1970 are greater than 50 percent.

**Rental Inspections Program Purposes.** The purposes of all the programs focus on “preventing decay and deterioration” of rental housing by enforcing minimum housing standards.<sup>9</sup> Other objectives include:

- To protect tenants and prevent families from moving into substandard housing (Greensboro)<sup>10</sup>
- To stop landlords from renting substandard housing to immigrants (Greensboro)<sup>11</sup>
- To address related problems of overcrowding and public nuisances (Morganton)<sup>12</sup>
- To protect older neighborhoods (Asheville)<sup>13</sup>
- To avoid the greater costs associated with alleviating slum and blight conditions (Statesville)<sup>14</sup>

**Program Formats.** Table 1 summarizes main aspects of each program. Greensboro, Morganton, and Asheville established five-year provisional periods for landlords to arrange inspections and obtain certifications before receiving penalties. On January 1, 2009, Greensboro's legal sanctions will take effect for properties without valid minimum housing certifications.

**Table 1: Details of proactive rental property inspections programs in selected North Carolina cities**

City	Program dates	Staff	Fees for inspection or rental license	Time periods for rental inspections	Tracking compliance through utility use
Greensboro	2004 – present	7 housing inspectors	None	5 years or upon complaint	No
Asheville	1994 – 2003	3 housing inspectors (used private inspectors)	\$100 - \$125 per unit per inspection	5 years or upon complaint	Yes Water
Statesville	1976 – present	1 housing inspector	None	At change of tenants or upon complaint	Yes Electricity and water
Morganton	2003 – present	4 combined housing and building inspectors	None Free rental permit every 5 years	3 years, at change of tenants, or complaint	Yes Electricity and water
Reidsville	1995 – present	3 combined housing and building inspectors	\$15 per unit per year for rental property privilege license	3 years or upon complaint	Yes Water

Each city made a variety of choices concerning program format. Three main program variations are:

1.) *Fees.* Greensboro, Morganton, and Statesville made their inspections free of charge to compliant landlords. Reidsville charges yearly fees of \$10-\$15 per unit for rental property privilege licenses. Asheville directly charged landlords for the cost of inspections (\$100-\$125 per unit). In Asheville, licensed private housing inspectors conducted initial inspections and city staff provided follow-up visits.

2.) *Tracking through Utility Changes.* All cities, except Greensboro, use (or used) change of utility accounts to track compliance and enforce inspections requirements. These cities will not provide utilities to noncompliant rental properties. In addition to water services, Morganton and Statesville also distribute electricity. The threat of withholding utility services, especially electricity, may be a powerful tool for encouraging compliance.

3.) *Scope of Inspections.* Except for Statesville, all the cities use sampling methods to inspect a representative portion of units in larger apartment complexes. For example, Asheville inspected 20 percent of such units.<sup>15</sup> Greensboro conducts proactive inspections of only rental properties. While beyond the scope of this paper, inspections of owner-occupied properties warrant brief mention. Morganton, Statesville, and Reidsville conduct inspections of owner-occupied residential properties at change of ownership but require more frequent inspections of rental properties (every three to five years). Asheville also conducted inspections of both renter- and owner-occupied properties.

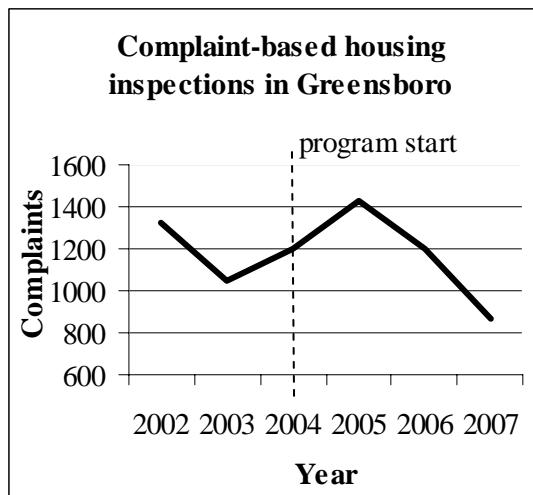


**Program Costs.** Before implementing an inspections program, a city must estimate program costs and time needed to complete the initial round of inspections, given staff size.<sup>16</sup> Total costs per inspection range from \$51 to \$75.<sup>17</sup> Housing inspections supervisors estimate that one full-time housing inspector can complete six inspections per day.<sup>18</sup> If a city has 10,000 rental units and one housing inspector, that inspector would need approximately seven years to complete initial inspections (given 48 work weeks per year).<sup>19</sup> A housing inspector's salary range is \$32,500 to \$43,000.<sup>20</sup>

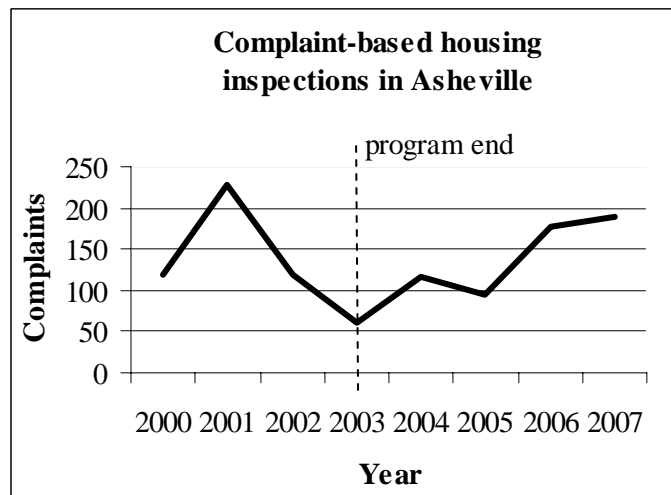
To implement its program, Morganton increased its inspections staff by one. Greensboro and Reidsville did not hire any additional housing inspectors, but Greensboro added three lower-paid, part-time staff to focus on other local ordinance violations, such as abandoned and junked vehicles.<sup>21</sup> Asheville used private inspectors and transferred costs directly to landlords through fees.<sup>22</sup>

**Measures of Effectiveness – Decreased Number of Complaints.** Through proactive rental inspections programs, the cities aim to prevent and correct housing deterioration and unsafe living conditions. The number of complaints a city receives about substandard housing is an important measure of program effectiveness. If inspections programs result in code compliance, a city should receive fewer complaints. Greensboro's program began in 2004.<sup>23</sup> Chart 1 shows that after a high of 1,427 housing complaints in 2005, the number of complaints fell by 61 percent to 871 in 2007. Asheville operated its program from 1994 to 2003, with full implementation of legal sanctions in 1999. Chart 2 shows that after a decrease from 227 to 60 complaints between 2001 and 2003, Asheville's complaints rose to 189 in 2007.<sup>24</sup>

**Chart 1: Greensboro complaints**

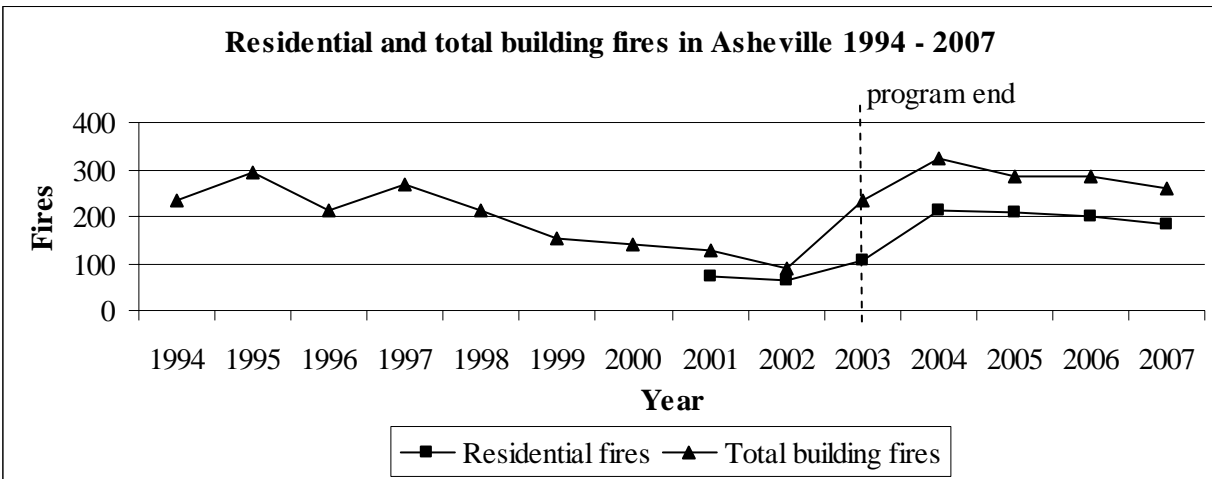


**Chart 2: Asheville complaints**



From 2005 to 2007, Statesville received only eight to 16 housing complaints a year. For the cities with available data, housing complaints per 1,000 units of housing stock are as follows: Greensboro (9.43), Asheville (6.13), and Statesville (1.71). The long existence of Statesville's inspections program, more than 30 years, may contribute to its lower rate of complaints. Statesville inspections staff reports that experienced landlords have learned how to comply with city codes.

**Decreased Residential Fires.** Decrease in fires is another important indicator that inspections programs are ensuring housing safety. In 2002, the city of Asheville reported that the number of residential fires had decreased by 50 percent since it fully implemented its inspections program in 1999.<sup>25</sup> Chart 3 shows Asheville's total building fires (1994-2007) and residential fires (2001-2007). After a low of 65 residential fires in 2002, residential fires began to increase in 2003, when proactive inspections ended, up to 187 in 2007.<sup>26</sup>

**Chart 3: Asheville fires**

**More Rapid Compliance with Housing Codes.** In four years, Greensboro has brought more than 8,700 rental properties up to minimum standards.<sup>27</sup> The Greensboro Housing Coalition reports that the number of rental units in active violation of Greensboro's housing code fell from 1,250 in 2004 to 441 in November 2007 (a 65 percent decrease).<sup>28</sup> Chart 4 shows time to compliance for proactive rental inspections (2004-2007) versus complaint-based inspections (2002-2007) for Greensboro. In this chart, same-day compliance may indicate that inspectors found no problems or that landlords made prompt repairs. Of the over 20,000 proactive rental inspections Greensboro has conducted since 2004, 88 percent of rental properties were in compliance with housing codes within 30 days of initial inspection, compared to just 30 percent of properties receiving complaint-based inspections. The knowledge that all rental properties must be certified as compliant with housing codes before January 1, 2009, may provide added incentive for landlords to make prompt repairs and receive certifications.

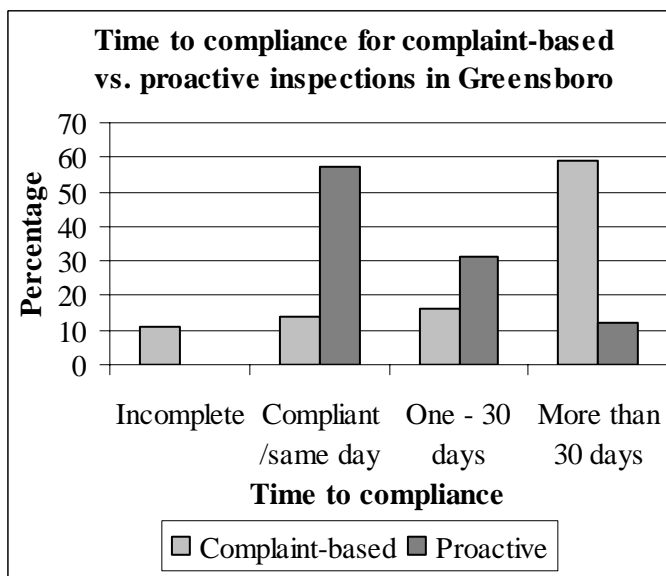
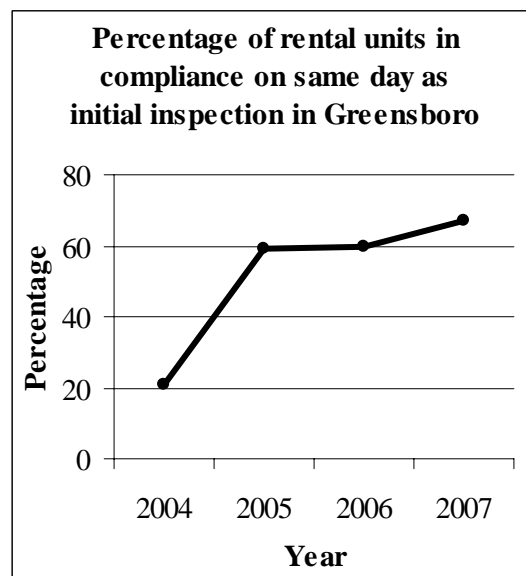
**Chart 4: Complaint versus proactive inspections****Chart 5: First day rental compliance**

Chart 5 shows that the percentage of rental properties in compliance at time of initial inspection increased from 21 percent in 2004 to 67 percent in 2007. These data suggest that landlords are increasingly prepared for inspections, potentially indicating the success of Greensboro's public information efforts.

**Barriers to Program Implementation.** During interviews, program staff in each city mentioned various barriers to program implementation, including:

- *Staff Capacity to Conduct Extensive Inspections.* Greensboro originally set its deadline for completing initial inspections for July 1, 2007, but changed that deadline to January 1, 2009, because staff needed more time to complete inspections.<sup>29</sup>
- *Resistance to Fees.* Asheville's program is no longer operating, in large part because of resistance to inspections fees. Landlords objected to the high fees and put pressure on officials to change policies.<sup>30</sup>
- *Organized Landlord Opposition.* Landlords in Asheville organized through landlord and real estate associations and successfully changed program policies.<sup>31</sup> Greensboro involved landlords in program development, but landlord associations disapproved of the final program format.<sup>32</sup> Landlord association representatives sit on Greensboro's program advisory board.<sup>33</sup>

**Success Factors for Program Implementation.** Staff also mentioned the following factors for success:

- *Housing as City Council Priority.* The Greensboro city council adopted safe and affordable housing as a consistent council priority.<sup>34</sup> It unanimously voted in favor of Greensboro's rental ordinance and inspections program.<sup>35</sup>
- *Broad Citizen Support.* In Morganton, program recommendations developed out of a fair housing task force.<sup>36</sup> In Greensboro, initial recommendations came from a citizen subcommittee on housing.<sup>37</sup> Greensboro involved over 300 citizen representatives in its program planning. Greensboro also had the support of the Greensboro Neighborhood Congress, a coalition of 45 neighborhood associations.<sup>38</sup>
- *Presence of Nonprofit Partners.* As Greensboro's leading housing advocate, the Greensboro Housing Coalition (GHC) was instrumental in the city's adoption of its rental inspections program.<sup>39</sup> A nonprofit organization, GHC had the flexibility to convene stakeholders and to petition council members for support. Since 2004, GHC has informed the Greensboro public about the program, monitored the progress of inspections, and reported successes.

**Concluding Considerations for Proactive Rental Inspections.** Conducting proactive inspections to enforce legal requirements that rental properties meet housing codes may result in beneficial community outcomes. As available data indicate, the returns on investments in proactive rental inspections programs may include decreasing the number of housing complaints from citizens, decreasing the number of residential fires, and prompting landlords to invest in maintenance and timely repairs of rental properties. Before deciding to adopt more stringent rental property regulations and to issue minimum housing certifications through proactive rental inspections, city leaders and staff must clarify the city's goals and analyze other situational factors. Key considerations include whether the city would need to hire additional inspections staff, whether it would link housing certifications with access to utility services, and whether the city has sufficient political support for the rental ordinance and inspections program.

When planning and implementing rental inspections programs, staff should incorporate performance measures that accurately indicate progress towards meeting program goals. Such measures can help staff evaluate levels of effectiveness and identify areas for improvement. For potentially controversial programs, collection and reporting of performance measures become particularly important. As in Asheville, proactive rental inspections programs can easily become targets of landlord associations or city council members with differing agendas. Along with informing staff, performance measures can also demonstrate to council members and citizens that rental inspections programs are worth the investment of city resources and the added costs to landlords. Cities creating or administering rental inspections programs would benefit from operational procedures and database technologies that enable staff to track progress in individual cases and also create reports on program outputs and outcomes, such as types of inspections, time to compliance, and number of properties with repeat violations. A carefully planned and well implemented proactive rental inspections program may be a valuable tool for cities to certify that rental properties meet housing codes and to ensure that all citizens gain the benefits of quality housing.

<sup>1</sup> Chenoweth, David. "The Economic Cost of Substandard Housing Conditions among North Carolina Children." Prepared for the North Carolina Housing Coalition, May 2, 2007.

<sup>2</sup> Grieson, Ronald and James White. "The Existence and Capitalization of Neighborhood Externalities: A Reassessment." *Journal of Urban Economics* 25, no. 2 (1989): 68-76. As cited in: Crichton, Ian, Matt Rosenberg, and Joe Thompson. "Rental Unit Licensing: Applicability to Milwaukee." La Follette School of Public Affairs. University of Wisconsin-Madison web site.

<sup>3</sup> Wilson, James Q. and George L. Kelling. "Broken Windows: The Police and Neighborhood Safety." *The Atlantic Monthly*, March 1982, 29-38.

<sup>4</sup> City of Greensboro Engineering and Inspections Department web site: <http://www.greensboro-nc.gov/departments/Engineering/resident/renter/>

From web site, pertaining to minimum housing standards:

**Housing Premises**

Houses must be structurally sound and must be waterproof and weatherproof.

**Equipment and Furnishings**

Occupants of a house must be supplied with adequate heating facilities, potable water, sanitary facilities, and adequate space for sleeping.

**Sanitation**

All rooms used by the occupants of a house must be maintained in a clean and sanitary condition.

Content of minimum housing codes vary by city. For example, Greensboro uses the 2000 International Property Maintenance Code by the International Code Council. Morganton uses the Standard Housing Code 1997 edition by the Southern Building Code Congress International, Inc.

<sup>5</sup> Barkley, Melissa. "Summit Aims to Mend City's Unsafe Housing." *Greensboro News and Record*, January 29, 2003, B4.

<sup>6</sup> In North Carolina, state enabling statutes establish parameters for many aspects of the inspections process. However, the statutes do not explicitly authorize local government power to prohibit a landlord from leasing a housing unit if it is not in compliance with minimum housing codes (*N.C.G.S.* 160A-443).

<sup>7</sup> Greensboro's program has a specific name and acronym: Rental Unit Certificate of Occupancy Program (RUCO).

Several other municipalities in North Carolina conduct proactive rental property inspections (populations in parentheses):

- Ayden (4,622)
- Farmville (4,302)
- Lexington (19,953)

These municipalities are all ElectricCities, operating their own electric distribution systems.

Several municipalities have other variations of rental property inspections and registration programs:

- Raleigh (276,093) has a program named Probationary Rental Occupancy Permit (PROP) for landlords who violate housing codes.
- Garner (17,751) requires an annual registration fee of \$25 per landlord but does not conduct inspections.
- Elizabeth City (17,118) requires an annual registration fee of \$25 per rental unit but does not conduct inspections.
- From 2002-2005, Chapel Hill (48,715) required an annual registration fee of \$10 per unit and required landlords to conduct self-inspections of their properties to certify minimum housing code compliance.

States have varying policies concerning proactive inspections of rental properties:

- Georgia outlawed proactive inspections without probable cause and outlawed rental property registration under any circumstance (*O.C.G.A.* §36-74-30).
- Iowa requires proactive inspections in cities with populations of 15,000 or more (*Iowa Code* §364.17).
- Virginia has outlawed proactive inspections, except in “rental inspections districts,” which may be established based on evidence of need (*Code of Virginia* §36-105.1:1).
- New Jersey requires owners of buildings with three or more units to register each building, and each building must be inspected at least every five years (*N.J.S.A.* §55.13A).
- In 2007, the North Carolina General Assembly considered outlawing proactive rental property inspections without probable cause, but no legislation has been passed (SB1507/HB1011).

<sup>8</sup> In August 2003, Asheville city council voted 4-3 to end proactive inspections. (Williams, Melissa. “Asheville City Council to Debate Minimum Housing Code Again.” *Asheville Citizen-Times*, March 17, 2003, A1.)

<sup>9</sup> City of Greensboro Engineering and Inspections Department web site.

<sup>10</sup> Binker, Mark. “Apartment Owners Blast Plan.” *Greensboro News and Record*, April 11, 2003, B4.

<sup>11</sup> Interview with Dan Reynolds, Code Enforcement Manager, City of Greensboro.

<sup>12</sup> Interview with Lee Anderson, Michael Crotts, and Jackie Cain, City of Morganton staff.

<sup>13</sup> Interview with Marlene Frisbee, Housing Supervisor, Building Safety Department, City of Asheville.

<sup>14</sup> Interview with David Stewart, Planner, City of Statesville.

<sup>15</sup> Interview with Marlene Frisbee.

<sup>16</sup> Greensboro staff underestimated (by about half) the time and expense required to complete inspections. Prior to program adoption, staff estimated an inspection would cost \$27 and seven inspectors would be able to complete 1,500 inspections per month (about 10 inspections per inspector/day). For 2007, the actual cost per inspection was \$51. Each inspector is able to complete about six inspections per day. The seven inspectors are expected to complete about 700 inspections per month (Binker, Mark. “Inspections Unnecessary, Landlords Say.” *Greensboro News and Record*, May 15, 2003, B1; Interview with Dan Reynolds).

<sup>17</sup> Cost per inspection estimates: \$51 (Greensboro) to \$75 (Morganton). Greensboro cost per inspection estimate comes from 2007-08 Inspections Division Performance Measures. Morganton estimate provided by Lee Anderson. Staff in Asheville, Statesville, and Reidsville were unable to provide cost per inspections estimates.

<sup>18</sup> Six inspections per day is based on estimates provided by staff in Greensboro and Asheville. This estimate is in line with housing inspections data in Ammons, David N. *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*. Thousand Oaks, CA: Sage Publications, 2001, 78-79, 81.

<sup>19</sup> Estimate of 48 work weeks per year accounts for two weeks paid vacation, plus holidays and sick leave.

<sup>20</sup> Salary range listed is for Greensboro. The starting salary in Reidsville is slightly less (\$28,682 - \$43,023). The estimated range for Morganton is \$31,400 - \$47,000. In Asheville, the wage for a housing inspector starts at \$16 per hour.

<sup>21</sup> Binker. “Inspections Unnecessary, Landlords Say.”

<sup>22</sup> Landlords in Asheville claimed that the high cost of inspections would force them to raise rents. Assuming landlords own properties that are in compliance, funding a \$100 per unit inspections fee every five years would demand a rent raise of just \$0.34 a month (four dollars a year) for units in larger apartment complexes or \$1.67 a month (\$20 a year) for single-family rental homes (Burleson, Jenn. “Many Asheville Rental Units Missed Inspection.” *Asheville Citizen-Times*, August 3, 1999, B1.).

<sup>23</sup> Greensboro program statistics presented in this paper come from analysis of the City of Greensboro’s online local ordinance enforcement database.

<sup>24</sup> Morganton and Reidsville do not record whether an inspection is a routine proactive inspection or whether it occurs because of a complaint.

<sup>25</sup> Mackza, Beth. “Enforcement of Minimum Housing Code Substantially Decreases House Fires,” editorial. *Asheville Citizen-Times*, December 7, 2002, A9.

<sup>26</sup> Between 2003 and 2007 (time of available data), Morganton had between 14-21 residential fires each year. Yearly totals do not indicate a clear trend in residential fires (data provided by Crystal Hastings, Morganton Department of Public Safety Records Clerk).

<sup>27</sup> The concern that housing condemnation would displace residents is a common concern raised in discussions about rigorous housing inspections. In Greensboro, tenants have been displaced from only two housing units as a result of proactive inspections (Interview with Dan Reynolds). The Greensboro Housing Coalition has pledged to assist any displaced families (Swofford, Stan. “Greensboro’s New Inspections Policy Aims to Restore Neighborhoods and Eliminate Dilapidated Houses, but Some Say There will be Costs.” *Greensboro News and Record*, June 22, 2003, A1).

<sup>28</sup> Greensboro Housing Coalition Information Sheet.

<sup>29</sup> Dan Reynolds, Code Enforcement Manager, estimates that Greensboro housing inspectors will need to conduct an average of 725 inspections per month to meet the January 2009 deadline. Until January 2009, landlord participation in inspections is voluntary. Asheville found that many landlords delayed having inspections completed. (Fees charged in Asheville may have worsened this situation.) A little more than a month before full implementation (July 1, 1999), nearly 5,500 rental units had not received inspections. Between May 25 and July 1, 1999, private inspectors conducted initial inspections of about 3,640 units (“Housing Code Must be Taken Seriously,” editorial. *Asheville Citizen-Times*, May 25, 1999, 6A; Burleson, “Many Asheville Rental Units Missed Inspection”).

<sup>30</sup> In Asheville, a landlord or property management company that owned apartment complexes with 400 units was paying at least \$8,000 every five years for inspections. Reidsville charges an annual fee of \$15 per unit for a rental property privilege license, but the city has not experienced resistance to these fees. As a smaller city, Reidsville may not have the same level of landlord organization as Asheville.

<sup>31</sup> Greensboro’s and Morganton’s programs still exist, but both cities reported opposition from landlords. In 2002, the governing bodies of the following organizations passed resolutions asking that Asheville end proactive inspections: the Asheville Board of Realtors, the Carolinas Real Estate Investors Association, the Council of Independent Business Owners, the Greater Asheville Area Apartment Association, and the Home Builders Association of Greater Asheville (Williams, Melissa. “Asheville City Council to Debate Minimum Housing Code Again.” *Asheville Citizen-Times*, March 17, 2003, A1).

<sup>32</sup> In Greensboro, landlords made the following objections to proactive inspections:

- Inspections would cause “costly administrative hassles,” delays, and fees (Binker, “Apartment Owners Blast Plan”).
- Tenants would be prevented from renting for minor damages (Binker, Mark. “City to Inspect all Rental Units.” *Greensboro News and Record*, May 21, 2003, B1.).

- Thousands would be displaced (Swofford, Stan. “Greensboro’s New Inspections Policy Aims to Restore Neighborhoods and Eliminate Dilapidated Houses, but Some Say There will be Costs”).
- Fees would become a “housing tax,” and rents would increase (Swofford).

<sup>33</sup> Landlord associations with seats on Greensboro’s advisory board are Triad Apartment Association (TAA) and Triad Real Estate and Building Industry Coalition (TREBIC).

<sup>34</sup> Binker, Mark. “City to Inspect all Rental Units.” *Greensboro News and Record*, May 21, 2003, B1.

<sup>35</sup> Binker, “City to Inspect All Rental Units.”

<sup>36</sup> Interview with Lee Anderson.

<sup>37</sup> Binker, “Apartment Owners Blast Plan.”

<sup>38</sup> Downs, Patrick and Raymond Brown. “Certification Improves City’s Neighborhoods,” editorial. *Greensboro News and Record*, May 17, 2003, A8.

<sup>39</sup> GHC’s mission is “To advocate for decent, affordable housing for low and moderate income people and those with special needs” (GHC web site: <http://greensborohousingcoalition.com/> ).

**Appendix A: Housing data for selected North Carolina cities (2000 U.S. Census)**

<b>City</b>	<b>Population</b>	<b>Renter-occupied housing units</b>	<b>Renter-occupied as percentage of total housing</b>	<b>Rental vacancy rates</b>	<b>Percentage of houses built before 1970</b>	<b>Median rent in dollars</b>
Greensboro	223,891	43,430	47.0	7.2	43.0	608
Asheville	68,889	13,262	43.2	8.1	62.5	562
Statesville	23,320	4,217	45.2	6.5	58.5	533
Morganton	17,310	2,938	43.0	4.5	55.0	475
Reidsville	14,485	2,529	42.1	5.8	65.7	451
<b>North Carolina</b>	<b>8,049,313</b>	<b>959,658</b>	<b>30.6</b>	<b>8.8</b>	<b>35.2</b>	<b>548</b>



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### ***In Chapel Hill***

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CITY	REQUIRED PROPERTIES	EXEMPTIONS	APPLICATION LINK	APPLICATION FEE	APPLICATION PROCESS	REGISTRATION REQUIREMENTS	TRANSFERABLE	EXPIRATION TIME	INSPECTION	CONDITIONAL REGISTRY	PENALTIES	REVOCATION	VACANCY	TENANT ACCOUNTABILITY	ADDITIONAL NOTES
City of Buffalo	Any dwelling units, a single residential accomidation arranged, designed, or vacant intended to use exclusively for domicile or residence of one or more persons	Owner-occupied properties containing 2 or fewer dwelling units, hotels, motels, bed and breakfast establishments, rooming and boarding housing, hospitals, nursing home	<a href="https://www.buffalony.gov/723/RentalRegistration">https://www.buffalony.gov/723/RentalRegistration</a>	First year fee: \$20 per unit in a single-family dwelling, \$40 for a two-unit dwelling. Annual renewal fee: \$25 for single-unit, \$50 for two-unit.	Owner name, principal residence address, prinicpal business address, and telephone number. If the owner is a corporation or LLC, they must provide this information for all owners or general partners. If the owner has a designated agent or manager, they must provide this information for the company. (Post office box addresses will not be accepted for owner's address). If the owner does not reside in County of Erie, they must provide this information for a contact who resides in the county.	NA	Transferable to any person who has acquired ownership for registered property within the unexpired portion of the 1-year term	1 year	The Commissioner will complete inspection to determine if property is compliant with New York State Uniform Fire Prevention and Building Code. Noncompliance upon inspection, owner will be issued a notice of noncompliance. Upon reinspection, if noncompliance is found the rental certificate will be removed.	N/A	Annual registration fee doubles after 30 days late. Failure to comply with provisions results in fine of \$1,500 or by imprisonment of no more than 15 days. Lead-based paint violations are subject to additional fines.	Registration may be revoked for: fraudulation application, violations of this law, or noncompliance with New York State Fire and Building Code. When revoked, no further rental or occupancy of dwelling units then vacant will be allowed. For occupied units, when rental registration is revoked, the dwelling units must be vacated after Commisioner provides notice within a period of time. For occupied units in immediate hazard, dwelling units must be vacated within 30 days of notice.	N/A	Tenant is responsible to follow occupancy limits and maintance of property.	Provision on Lead - If property was constructed before 1978, the owner must certify the possibility of lead in the property, federal lead disclosure policy, and lead-safe methods. Inspections that find lead-based paint, the owner must remediate the violation.
City of Binghamton	Every owner of a Rental Property or Rental Units	Owner of a two-unit dwelling where owner occupies one of the units, property owned by the United States, State of New York, Broome County, or the City of Binghamton, any Mortgagee in foreclosure process, or any registered vacant property	<a href="https://nysba.org/NYSBA/Downloadable%20Forms/Zoning%20and%20Land%20Use/ZON025.pdf">https://nysba.org/NYSBA/Downloadable%20Forms/Zoning%20and%20Land%20Use/ZON025.pdf</a>	\$50 for up to 2 units, \$25 for each additional rental unit	Street Address and Tax Parcel ID Number, Ownership information including name, home or business address, telephone number, and email address. If owner is a partnership or LLC, the application must include this information for all partners, managers, or offices. Rental information including number of rental units, number of bedrooms, number of bathrooms, and a statement authorizing this information. The owner must designate a Local Authorized Representative.	An application must be submitted for each rental property.	Non-transferable. If there is a new owner, the new owner must complete a Rental Registry Application within 30 days.	3 years	Subject to inspection every 3 years consistent with NYS Uniform Fire Prevention and Building Code and include inventory of rental units, bedrooms, and bathrooms. If violation is not remediated by the second inspection, there is a fee of \$50 for each additional inspection.		If owner fails to register any units, a rental registry is revoked, or City Clerk is not notified of ownership change then the violation will be fined \$250 for the first offense, \$500 for a second offense within the same year, and \$1,000 for any additional offenses within the year	If information in the application is inconsistent with current conditions, public record conditions, or Rental Properties do not pass regulation, the City Clerk may revoke the Record of Rental Registration with a notice of 90 days.	N/A	Tenant is responsible to maintain property in sanitary condition and is liable for code violations. Tenants are protected from owners threatening or reprisal against tenants occupants, in good faith, reporting violations	Owner Responsibility Provision - owner is responsible to keep property in good condition, maintain facilities, or cause any service to be removed from occupant.
City of Utica	All owner-occupied two-family dwellings and rental dwelling units	Owner-occupied units still must apply, but are exempt from filing fees		Based on number of units: 1-5 units - \$40 per unit. 6-10 units - \$50 flat fee, plus \$20 per unit. 11-20 units - \$100 flat fee, plus \$20 per unit. 20+ units - \$150 flat fee, plus \$20 per unit	Owner information including: name, legal residence address, and telephone number of any owner. If it is an entity, the owner information should be of the manager or chief executive of the entity. If the owner lives outside of Oneida County, the owner must register a manager that lives within the county with their name, address, and telephone number. Rental information including: number and type of rental dwellings, address of rental dwelling, date of birth of owners, employer ID number if unit is owned by a company	N/A	Re-register 30 days after any changes to Rental Registry Application.	No mention of re-registration	All properties inspected to ensure compliance with Rental Dwelling Registry Code. Inspection officers are required to obtain inspection warrant if rental owner refuses a warrantless inspection.	N/A	\$500-\$1,000 for each day of noncompliance for each dwelling unit. If noncompliance extends beyond date of conviction, the penalty is the fines and 15 days in prison. During the same time, the City shall presume the dwelling unsafe and vacate it upon 20 days notice.	N/A	N/A	N/A	
City of Watertown	For all dwelling units established, occupied, or maintained for rental in one, two, or multifamily home	Owner-occupied one-family home, hotels and motels, nursing homes, hospitals, adult homes, assisted living, and other licensed residence health care facilities. Voluntary inspections do not apply to public housing units established by US government.	<a href="https://www.watertown-ny.gov/RentalRegistration">https://www.watertown-ny.gov/RentalRegistration</a>	Determined by City Council	Name, address (street and any post office boxes), telephone and facisimile numbers, and email addresses of each owners. If the owner does not live in Jefferson County, they must designate a managing agent residing in the county and provide their information on the application. Rental unit information including: street address, including apartment number, of each rental unit. Include if the rental unit is occupied at time of application and a description of the building including number of units.	Unlawful for any owner of any rental property or dwelling to use, lease, or rent properties without certificate from the City. Applications must ensure rental units comply with City Law, operational smoke and carbon monoxide detectors and operable heat system regulations from the ICC, and maintance of exterior.	A new application must be filed if there are any changes to original.	3 years	Certificate of inspection and maintance compliance may only be issued after inspection by Code Enforcement Office.	N/A	If violations are found during inspection, they must be corrected within 10 days-6 months determined by severity of violation. Any rental dwellings not registered after June 30, 2018 may not be offered for rental. Owners who fail to comply with these provisions are liable to the city including attorney fees in obtaining such judgement.	N/A	N/A	Maintenance of property in sanitary conditions, liability for violations. Protected from retaliation against occupants for reporting, in good faith, violations of property	



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City of White Plains	All rental properties	Owner-occupied single-family dwelling units, two-family dwelling units where one of the units is owner-occupied, condominium or co-operative building, multifamily rental building with more than 12 units, hotels, motels, rooming houses, group or nursing homes, assisted living facilities, multifamily rental buildings managed by state or federal government.	<a href="https://www.cityofwhiteplains.com/DocumentCenter/View/3802/Rentalhousing---Application-">https://www.cityofwhiteplains.com/DocumentCenter/View/3802/Rentalhousing---Application-</a>	Initial Application: \$125 plus \$10 for each non-owner occupied unit. Annual renewal: 1/2 cost of initial application	Complete rental housing license application form (link), sketch of each floor of the building, application fee. Approved inspection by the Department of Building,	Unlawful for any person, firm, or corporation to conduct, manage, or operate any rental housing unit until a Rental Housing License is issued by the Department of Building	Must notify the Department within 30 days of transfer of ownership.	1 year (January 1-December 31)	All rental housing property are subject to inspection by Department of Building who is authorized to enter any rental housing property upon consent of the owner. The Department can apply for an administrative search warrant if the owner fails to accept an inspection.	Department may issue "Provisional License" to an existing rental property that has applied but received written orders to correct violations. A Provisional License is valid for 180 days and allows the continued occupancy as long as violations are not hazardous.	Late fee for annual renewals. Violations are \$200 per day for first offense, \$500 per day for second offense, and \$1000 for third or subsequent offenses.	License may be revoked if: false information application, failure to comply with codes, failure to correct deficiencies, recipient of a Provisional License fails to correct errors within 180 days, failure to comply with other ordinances of City of White Plains. If revoked, it is unlawful for owner to rent property until a Rental Housing License is reinstated.	If owner has a valid license to elect a building vacant, they must notify the Department immediately. Periodic inspection of the building to ensure the building remains secure.	N/A	
City of Albany	All rental units	Except where agreement governing the rental unit is between individuals related by lineal consanguinity or marriage	<a href="https://www.albanyny.gov/DocumentCenter/View/2410/Rental-Dwelling-Registry-Form">https://www.albanyny.gov/DocumentCenter/View/2410/Rental-Dwelling-Registry-Form</a>	\$50 for each unit, or \$100 for a residential unit that had not have an active residential occupancy permit for more than 45 days	Owner information: name, legal residence address, telephone number, government issued ID. If the business is a corporate entity, the names, addresses, and telephone numbers of at least 1 officer or manager responsible for the property and an address for service of process. Agent information: name, contact address, and phone number of any agent of the owner in control of the dwelling, Property Information: Address of rental dwelling, tax map parcel number, number of rental units, list of units. Emergency contacts of rental dwellings,	N/A	Update registration within 30 days of any changes.	2 years	All units are subject to inspection to ensure compliance with NYS Fire Prevention and Building Code. Unlawful and violation to rent property without inspection and certification.	N/A	Fees for additional inspection. If Code violations have not been corrected within 30 days, or 14 days in case of hazardous violations, the rental unit may be de-registered. Upon correction of the violation, the unit may be re-registered	N/A	N/A	N/A	Include 2 emergency contact for rental dwellings on application including emergency: names, telephone number, email addresses, and contact information
City of Ithaca	One- and Two-Family Homes, multiple dwellings, Fraternity and Sorority Houses, Dormitories	N/A	<a href="https://townithacany.gov/operating-permits/">https://townithacany.gov/operating-permits/</a>	Inspection fee determined by cost of the room times the number of rooms.	Rental Property Information Form: Number of dwelling units, number of residents in each unit, number of sleeping rooms in each unit, number of families in each unit, number of unrelated individuals in each unit, number of vehicles owned by occupants on property	Rental Property Information Form must be completed and signed by property owner before being issued a certificate of compliance	N/A	5 years	Every 5 years, all buildings containing rental units are subject to inspection for compliance with NYS Uniform Fire Prevention and Building Code and City of Ithaca Municipal Code, and all applicable housing standards. Make inspections upon request of owner, receipt by code enforcement personal of violation. It is the responsibility of the owner to schedule inspections	N/A	N/A	N/A	N/A	N/A	Ithaca is a unique example where they have requirements for inspection and compliance requirements every 5 years and in order to receive the compliance approval, you must complete a Rental Property Information Form. But they do not have a specific rental registry.
City of Plattsburgh	Single-family residences, duplex to 4 or more unrelated individuals, high-occupancy rental units	Any dwelling or rental unit owned by State University of New York or the Plattsburgh Housing Authority, or any property used as a nursing home.	<a href="https://cityofplattsburgh-ny.gov/sites/cityofplattsburgh.com/files/building-inspector/Application%20for%20Registration%20of%20Rental%20Housing.pdf">https://cityofplattsburgh-ny.gov/sites/cityofplattsburgh.com/files/building-inspector/Application%20for%20Registration%20of%20Rental%20Housing.pdf</a>	Set by City of Plattsburgh Common Council	Owner Information: name, mailing address, telephone number of every owner. If owner is an entity, then a name, address, telephone number, and email address of a responsible agent. Property Information: Mailing address, number of dwelling units, and a self-verification statement that the rental information in accurate.	N/A	Non-transferable. If ownership changes, they must apply for new registry within 30 days.	3 years	Code Enforcement Officer may issue a request for inspection and may deny an application for a denied inspection. Inspections determine the conditional of rental units and occupancy limits as determined by NYS Uniform Fire Prevention and Building Code and City Code of the City of Plattsburgh. Owner may elect self verification in lieu of an inspection	N/A	Fines are determined by City of Plattsburgh Common Council	N/A	N/A	Protects tenants from retaliatory action for reporting a violation	Allows for self-verification in lieu of inspection by City

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Town of Henrietta	Rental Dwelling Unit (located in one or two family dwelling established, occupied, used, or maintained for Rental Occupancy)	N/A	<a href="https://www.henrietta.org/sites/default/files/fileattachments/building_amp_fire_prevention/page/7863/rental_registry_app.pdf">https://www.henrietta.org/sites/default/files/fileattachments/building_amp_fire_prevention/page/7863/rental_registry_app.pdf</a>	Determined by Henrietta Town Board	Owner information: name, physical address, telephone numbers, email address of each owner. Post office boxes will not be accepted as physical addresses. When owner is not a natural person, must provide information relating to the principal or duly authorized representative of the owner. Rental unit information: address, number of tenants, number of tenants not related to one another by blood, names of local property managers or agents on behalf of the owner.		Updating information, if changes, within 45 days.	1 year (September 15)	Inspections completed as necessary to address suspected noncompliance with Uniform Code, Energy Code, and other laws. In this case, Enforcement Code Personell should apply for a search warrant to permit inspections.		Late fee for renewals. Any violation of this chapter results in up to 15 day imprisonment or \$250 or a corporate defendant owes \$500	If violation is not timely cured, Code Enforcement Personell may revoke Certificate of Rental Registry Compliance and deny any further application. Revoked Rental Registry Compliance Occupied Units have 60 days to vacate unit. For occupied units with immediate hazard, they have less than 30 days.	When Rental Registry Compliance has been denied or revoked, no further rental or occupancy of the unit then vacant shall be permitted until a new Compliance has been issued.	N/A	
Town of Amherst	Any dwelling units, containing more than 2 units, unless the owner has first obtained a short-term rental certificate	Does not apply to properties containing 2 or fewer units, properties owned by colleges or universities, faith-based organizations, hotels or motels, and dwelling units offering medical support such as hospitals or assisted living facilities,	<a href="https://www.amherst.ny.us/content/departments.php?dept_id=dept_04&amp;div_id=div_04&amp;menu_id=menu_18#howto">https://www.amherst.ny.us/content/departments.php?dept_id=dept_04&amp;div_id=div_04&amp;menu_id=menu_18#howto</a>	\$75	Name, principal residence and business address, and telephone number of the owner. If the owner is a corporation or LLC, they must include this contact information for every owner. If there is a property manager, the contact information must also be included. Post office boxes will not be allowed. If the owner is not from Erie County, the must provide the contact information of a manager from the county. If the property was constructed before 1978, the owner must certify the possibility of lead paint	Passes inspection and all local taxes are up to date	Is transferrable for the remainder of unexpired portion of the certificate, required 30 days to initiate transfer	3 years	Inspection required to recieve a certificate.	N/A	Penalties in additionalt to revoktion. Registration fee doubles 30 days after due date. Additionally \$75 in addition to all outstanding fees. Failure to comply shall be fined not more than \$1,500.00 or imprisonment of 15 days. Lead paint violations are subject to fines and must be remedied by the owner.	Upon re-inspection for a violations, the Commisioner can revoke a certificate. Can be revoked for violationg NY State Building Code, violations, or unpaid property taxes.	When the certificate is revoked, no rental of the unit may continue. The rental units containing violations will be vacated.	Tenates must follow occupancy limits, maintanence of clean units, disposing of garbage, and managing pets.	Provisions on lead paints, includes regulation of short-term rentals



CITY OF SYRACUSE  
DIVISION OF CODE ENFORCEMENT



# RENTAL PROPERTY INSPECTIONS

## REGISTRATION REQUIREMENTS AND PROPERTY MAINTENANCE GUIDE

**CONTACT US**  
315.448.8695 | [codeenforcement@syr.gov](mailto:codeenforcement@syr.gov)  
[syr.gov/code-enforcement](http://syr.gov/code-enforcement)

# Protecting residents and the quality of life in our neighborhoods starts with safe and healthy housing.

The City of Syracuse's efforts to maintain the quality of its housing stock and ensure the health, safety, and vitality of residents and neighborhoods requires collaboration and distinct responsibilities for property owners, tenants, neighborhood organizations, and city officials:



### VISIT US

One Park Place, 300 South State St.  
Syracuse, NY 13202

**Central Permit Office:** Entrance on East Onondaga St.  
**Codes Triage:** Floor 7 near reception desk

## REGISTRATION REQUIREMENTS

Different certifications are required depending on the type and occupancy of your property.

### RENTAL REGISTRY

One or two-unit rental properties require a rental registry certificate and inspection every three years.

### CERTIFICATE OF COMPLIANCE

Three or more-unit rental properties, mixed-use structures, inns, dormitories, and Greek housing require a certificate of compliance and inspection every three years.

### VACANT PROPERTY REGISTRY

Vacant properties with exterior code violations must be registered every year as long as the building remains vacant.

## HOW ARE CODES ENFORCED?

City code inspectors are trained to identify key property conditions that affect occupants' health and safety. Property inspections are based on standards set by the following regulations:

### NEW YORK STATE CODES

Multiple Residence Law  
Uniform Fire Prevention and Building Code  
International Property Maintenance Code

### MUNICIPAL CODES

Property Conservation Code  
Zoning Code



# RESOURCES

## SCHEDULE AN INSPECTION

### DIVISION OF CODE ENFORCEMENT

315.448.8695 | [codeenforcement@syr.gov](mailto:codeenforcement@syr.gov)  
To schedule an inspection, report specific code violations in your area, or speak with an inspector, contact the Division of Code Enforcement by phone or email.

## SUBMIT A SERVICE REQUEST

Using the SYRCityline app, you can now report non-emergency problems to the City of Syracuse from your smartphone, tablet, or computer. For more information and to download the app, visit [syr.gov/cityline](http://syr.gov/cityline).

## FINANCIAL ASSISTANCE FOR PROPERTY REPAIRS

### SYRACUSE LEAD GRANT PROGRAM

315.448.8610 | [lead@syr.gov](mailto:lead@syr.gov)  
Provides assistance to qualifying homeowners and tenants with lead remediation funds to help reduce lead hazards in City of Syracuse homes with young children.

### HOME HEADQUARTERS

315.474.1939 | [info@homehq.org](mailto:info@homehq.org)  
Provides home improvement grants for qualified, income-eligible homeowners, as well as low-interest loans, homeownership assistance, and foreclosure prevention counseling.

## GET INVOLVED

### TOMORROW'S NEIGHBORHOODS TODAY (TNT)

[tomorrowsneighborhoodstoday.org](http://tomorrowsneighborhoodstoday.org)  
TNT creates a comprehensive process for involving residents, businesses, and organizations in planning for their neighborhoods. Monthly meetings are held in each eight TNT areas throughout the city.

# PERIODIC INSPECTION MAINTENANCE CHECKLIST

During inspections, officials from the Division of Code Enforcement will check for a number of property conditions that help ensure the health and safety of occupants. The guide below outlines several common types of violations inspectors see if these conditions are not maintained:

## INTERIOR AND EXTERIOR MAINTENANCE



### LEAD PAINT

- ☐ No deteriorated paint
- ☐ No chipping paint
- ☐ No peeling paint
- ☐ No bare soil within the drip line

## EXTERIOR MAINTENANCE



### CHIMNEY

- ☐ Secure
- ☐ Properly painted



### ROOF

- ☐ Free of leaks
- ☐ No missing or deteriorated shingles



### SIDING AND PAINT

- ☐ No holes
- ☐ No deterioration
- ☐ Structurally sound



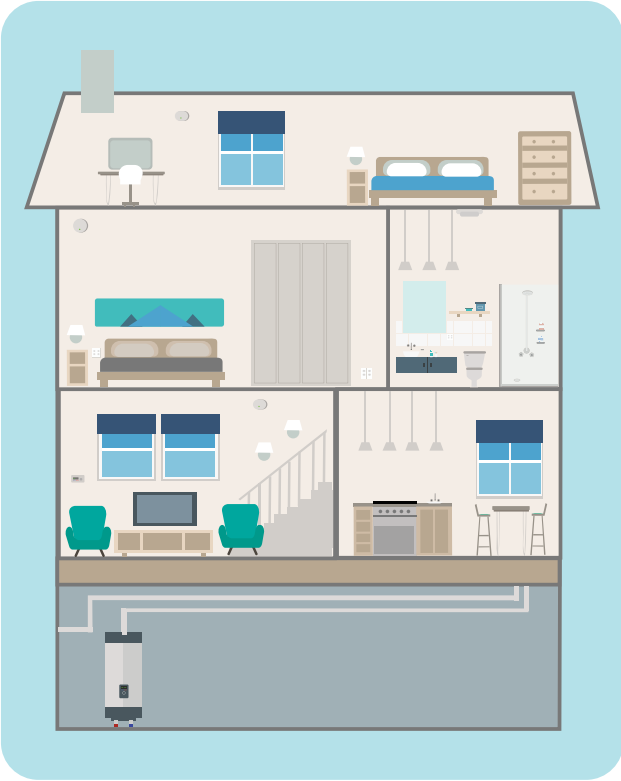
### WINDOWS

- ☐ Weathertight
- ☐ Not broken
- ☐ Have screens
- ☐ No deteriorated paint



### FOUNDATION

- ☐ No cracks
- ☐ No leaks
- ☐ No deteriorated paint



### PORCH

- ☐ Structurally sound
- ☐ Guardrails if 30 or more inches
- ☐ No deteriorated paint
- ☐ No upholstered furniture



### DOORS

- ☐ Weathertight
- ☐ Secure hinges and locks



### YARD

- ☐ Grass and weeds cut
- ☐ No trash in yard
- ☐ Yard graded for proper drainage
- ☐ No trees in contact with structure



### PROPERTY AREA

- ☐ No abandoned cars
- ☐ Garage and shed in good condition
- ☐ Trash containers secure
- ☐ Street numbers visible from road

## INTERIOR MAINTENANCE



### WINDOWS

- ☐ No broken glass
- ☐ Secure
- ☐ No chipping paint
- ☐ Capable of emergency escape



### BATHROOMS

- ☐ A toilet properly installed
- ☐ No plugged drains
- ☐ A tub or shower
- ☐ A sink properly installed
- ☐ A light fixture
- ☐ Adequate ventilation



### WALLS AND CEILINGS

- ☐ No loose plaster
- ☐ No deteriorated paint



### FLOORS

- ☐ No holes



### HALLWAY

- ☐ Well lit
- ☐ Clear path of egress



### KITCHEN

- ☐ Hot and cold water
- ☐ Proper drain connection
- ☐ No water system leaks
- ☐ No plugged drain

## UTILITIES + OTHER SAFETY



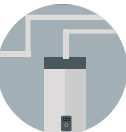
### ELECTRICAL

- ☐ Adequate service
- ☐ No frayed and exposed wires
- ☐ No broken fixtures and outlets
- ☐ Two outlets in each room



### SMOKE ALARMS

- ☐ Operable
- ☐ Installed correctly inside and outside each sleeping area



### WATER SERVICE

- ☐ No cross-connection of waste and water pipe
- ☐ No leaking pipes



### WATER HEATER

- ☐ Can heat to 120F
- ☐ Properly vented
- ☐ Temperature and pressure relief valves sealed
- ☐ Sealed chimney
- ☐ Gas shut-off



### HEATING SYSTEM

- ☐ Can heat to 68F
- ☐ Properly installed
- ☐ Properly vented
- ☐ Sealed chimney
- ☐ Gas shut-off
- ☐ Ducts and pipes leak free



### CARBON MONOXIDE ALARMS

- ☐ Installed in lowest level of unit containing sleeping areas, within 15 feet of area entrance

### MULTIPLE DWELLING UNITS

- ☐ Emergency lighting
- ☐ Exit signs
- ☐ Door closures
- ☐ Two means of egress in each dwelling unit
- ☐ Carbon monoxide alarm required on all floors with a carbon monoxide source







## **Office of the Syracuse City Auditor**

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