

New Rental Ordinance

December 2024



TAKE PART
Opportunity Rising



City Council recently passed a major overhaul to rental inspections and oversight

- Championed by Councilmembers Waters and Santiago-Romero
- Addresses issues with the current system, which is complicated, expensive, and resulted in low compliance and few safeguards for rental housing quality
- The new system will:
 - 1 Streamline inspections to focus on on the most serious safety issues
 - 2 Make it easy for landlords offering safe housing to comply
 - 3 Make sure that landlords offering unsafe housing – or unwilling to comply – get real penalties

New inspection system launches Q2 2025

- ✓ Only one inspection per property covering all safety standards
- ✓ Simple 15-point inspection checklist with clear, specific standards
- ✓ One low annual rental fee, paid to the City to cover inspection and oversight costs

The goal is to make it easy and inexpensive for landlords offering good quality housing to receive a certificate of compliance.

15-point inspection checklist:

Sets critical and feasible safety standards

Examples of checklist items:

1. Heating, water, gas, and electric all work
2. Roof doesn't allow water in
3. Plumbing fixtures drain and do not leak
4. All windows work and have locks
5. Smoke and carbon monoxide detectors
6. Handrails for all stairs
7. Lead safety review

Tools to help you pass:

- Standardized inspection form for all inspectors, all properties
- Data dictionary with clear, specific definition for all points
- All provided in advance
- New landlord compliance guide

Lead safety: most properties will be inspected for chipping and peeling paint only

- In 75% of ZIP codes, visual assessment for lead safety:
 - No chipping, peeling, damaged paint
 - No bare soil
- In 25% of ZIP codes at high risk for lead poisoning, visual assessment and dust sampling
 - Samples collected from floors and windowsills and sent to laboratory
 - City will publish high-risk ZIPs in coming months
- Citywide, any home that fails its first inspection receives dust sampling when it is re-inspected

How to prepare for a rental inspection:

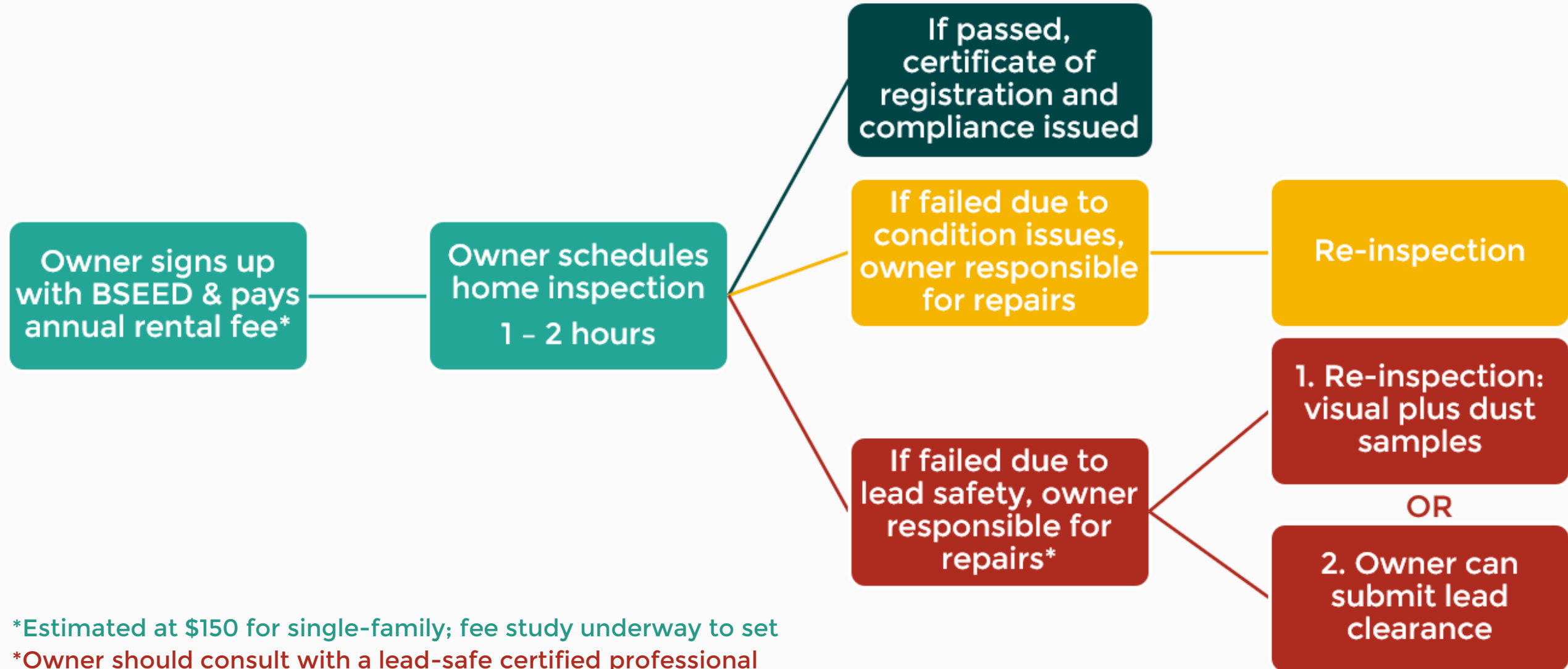
Big advantages to passing on first inspection, so prepare

1. Check every point of 15-point inspection
2. Fix any repair issues
3. Fix any chipping or peeling paint
4. If dust samples will be taken, wet clean the floors and windows
 - Use a mop, soap & water, or spray; do not use a vacuum or broom

Most common issues:

- Chipping or peeling paint
- Windows don't work
- No smoke detectors
- Gutters / downspouts damaged

New inspection process



*Estimated at \$150 for single-family; fee study underway to set

*Owner should consult with a lead-safe certified professional

Other key provisions of new process

- All certificates of compliance last 3 years – but can extend to 5 years if renewed before expiration
- BSEED can accept inspections from other government programs:
 - HUD – e.g., Section 8
 - MSHDA – e.g., state programs
 - HRD – e.g., local programs
- When a child in a rental is lead poisoned, City will order owner to complete and pay for a lead inspection / risk assessment
 - ~4 – 8-hour inspection, typically costs \$650+

New process makes compliance easy if doing the right thing: If you don't want to comply, it imposes big penalties

The new process:

- Increases violation tickets by \$150 each
 - But if property comes into compliance, ticket can be reduced up to 50%
- Lets the City convert unpaid tickets into a lien on the property
 - Lien enforced in same way as delinquent property taxes
 - Landlords will still have numerous opportunities to work with the City to address tickets first

New process helps tenants respond when their home has issues:

Escrow program

- Tenants already have a right to pay their rent into “escrow” when home:
 - Does not have a certificate of compliance
 - Has other major safety issues
- If home gets into compliance, funds in escrow are paid to landlord. If not, funds returned to tenant
- City is revamping its escrow program to make it easier for tenants to use, giving them a tool to get issues fixed
 - City will complete a formal rulemaking, with opportunity for public comment, to set program rules
- New process also bars retaliation against tenants for reporting issues