



THE PEW CHARITABLE TRUSTS

# Code Enforcement and Rental Housing Quality: New Research and Policy Tools

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DAG Meeting, January 6, 2022

[pewtrusts.org](https://pewtrusts.org)

## Agenda

- Introduction to PRPI
- Overview of new Pew research on code enforcement
- Introduction to health impact assessments (HIAs)
- Audience Q&A

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## Recent and Upcoming from PRPI

- **Economic development**
  - Online dashboard tracking local businesses and jobs
  - City responses to COVID
- **Fiscal health**
  - How cities are using ARPA funds
  - Scenarios for Philadelphia's post-COVID economic future
- **Polling/State of the City**
  - Periodic poll of city residents and annual State of the City report

More at: <https://www.pewtrusts.org/en/projects/philadelphia-research-and-policy-initiative>

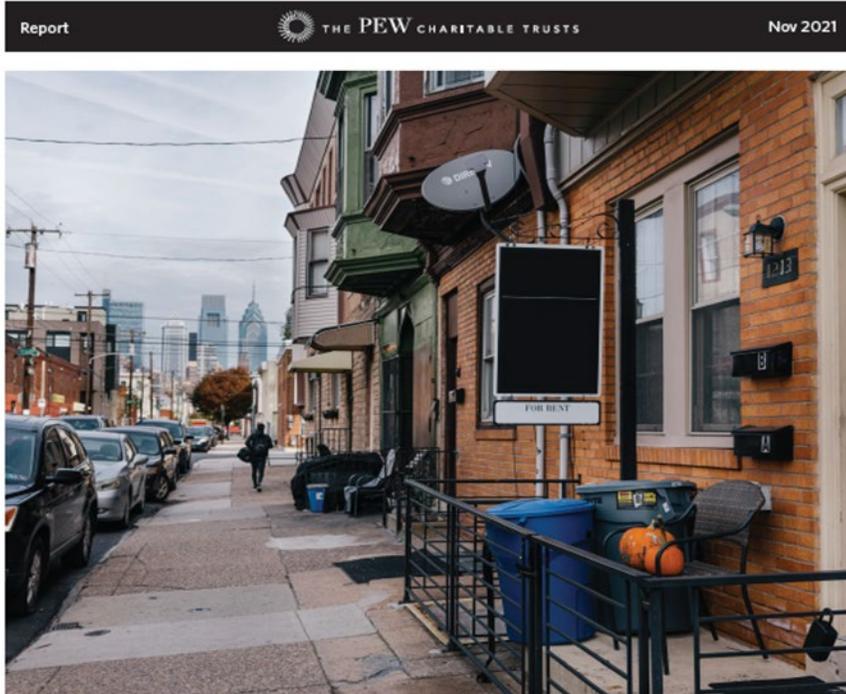


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# Code Enforcement and Rental Housing Quality

## Overview



- Philadelphia is increasingly renter-occupied
- Philadelphia's aging housing units tend to have deferred repair needs, which are greater among those serving high poverty households
- Renters have limited control over property conditions
- Substandard housing conditions can have serious impacts on health and vulnerability to injury

## Rental Code Enforcement in Philadelphia

How it works, and what other cities are doing

# Code Enforcement and Rental Housing Quality

## Legal standards for rental properties

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- Rental standards are dictated by the city's property maintenance, fire, administrative, and zoning codes
- As of October 2020, rental units must be certified lead-free or lead-safe by a third-party inspector
- Landlords must obtain a rental license and self-certify compliance with city codes
- Failure to have a license is a code violation, subject to a \$300 fine

# Code Enforcement and Rental Housing Quality

## A reactive system of enforcement

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- Most rental inspections in Philadelphia are initiated by a complaint
- As a result of these complaints, L&I inspects about 7% of all rental units each year (roughly 20,000 properties on average)
- 5 of 9 comparison cities take a more proactive approach — inspecting all rental units over a period of 1-5 years

# Code Enforcement and Rental Housing Quality

## Legal standards for rental properties

### Rules for Rental Property Registration and Inspections

Requirements vary among cities

	Registration required?	Registration fee	Registration frequency	Timing of initial inspection
<b>Baltimore</b>	Yes	\$25-\$35/unit	Annual	Scheduled after registration; valid for two years
<b>Chicago</b>	No	N/A	N/A	None required
<b>Cleveland</b>	Yes	\$70/unit	Annual	Scheduled after registration
<b>Detroit</b>	Yes	\$0	Upon change of ownership	Scheduled after registration
<b>Milwaukee</b>	Yes	\$76-\$152/ building	Upon change of ownership	None required; may be requested by owner
<b>New York</b>	Yes	\$13/building	Annual	None required
<b>Philadelphia</b>	Yes	\$56/unit	Annual	None required
<b>San Diego</b>	No	N/A	N/A	None required
<b>San Francisco</b>	No	N/A	N/A	Scheduled periodically
<b>Washington</b>	Yes	\$43/unit	2 years	Required before registration



# Code Enforcement and Rental Housing Quality

## Common code violations

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- It's virtually impossible to know the true condition of rental properties without a more systematic approach
- The health and safety implications of the most frequently cited violation categories — interior surfaces and plumbing — can be serious
- Some tenants choose not to report code violations for fear of retaliation

# Code Enforcement and Rental Housing Quality

## Addressing property violations

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- Inspections are prioritized by severity: lack of heat – within 48 hours; average time to first inspection is 21 days
- The city code stipulates that owners may be given up to 35 days after inspection to correct a violation
- An inspector has discretion to require immediate correction or obtain a cease operations order to address serious violations

# Code Enforcement and Rental Housing Quality

## Addressing property violations

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### Code Violation Notice or Site Violation Notice

- No reinspection
- Financial penalty imposed
- Administrative – no courts

### Notice of Violation

- Reinspection after +/- 30 days
- No financial penalty if violations corrected
- More time to comply if reinspection failed
- Repeated failed inspections referred to courts via Law Department
- Penalties and fines levied by courts for continued noncompliance

# Code Enforcement and Rental Housing Quality

## Challenges: Incomplete and inconsistent data

- Current and accurate ownership and contact information is essential for enforcement
- Limited compliance with license requirement and standards for updating contact information; some landlords seek to mask identity
- Data from legacy system is unstandardized; opportunity for better data stewardship with new system

### Use of Alternate Names and Addresses Among Philadelphia Landlords

The practices are widespread

Landlords	All owners		Non-LLC owner		Owner with LLC status	
One address, one name	40,000	73%	37,000	74%	3,000	60%
One address, two to three names	10,000	18%	9,000	18%	1,000	20%
One name, two to three addresses	1,000	2%	1,000	2%		0%
More than four names and/or addresses	4,000	7%	3,000	6%	1,000	20%
<b>Total</b>	<b>55,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>	<b>5,000</b>	<b>100%</b>

Source: Pew analysis of Office of Property Assessment and L&I business license data

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# Code Enforcement and Rental Housing Quality

## Challenges: Limited Resources

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- L&I is the primary agency responsible for code enforcement; it would need at least \$3.4 million per year to conduct proactive inspections of rental units on a 5-year cycle
- L&I generates more revenue than its annual budget – \$65.6M vs. \$38M – but those revenues are directed to the city’s general fund
- Rental code enforcement is one of many responsibilities for L&I; other functions – including fire code enforcement – compete for its resources
- Difficulty attracting and retaining inspectors
  - Third-party inspectors
  - Gig worker inspections

# Code Enforcement and Rental Housing Quality

## Challenges: Tenant Impact

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- Tenants in illegal units
  - Boarding houses and basement apartments may not be able to come into zoning compliance
- Tenants in substandard units
  - Potential for increased rents
  - Potential for landlords/units to exit the market entirely
- Weak pipeline of support for displaced tenants

# Code Enforcement and Rental Housing Quality

## Addressing poor property Conditions

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Type of landlord	Number of landlords
Small <i>owns 1-2 units</i>	40,000 73%
Mid-size <i>owns 3-24 units</i>	14,000 25%
Large <i>owns 25+ units</i>	1,000 2%
Total	55,000

### Some landlords need support

- 2020 survey found that 23% of Philadelphia landlords had difficulty paying for property repairs or renovations
- Loan Funds

### Some landlords require a strong financial incentive to make repairs

- Liens
- Conservatorships

## Agenda

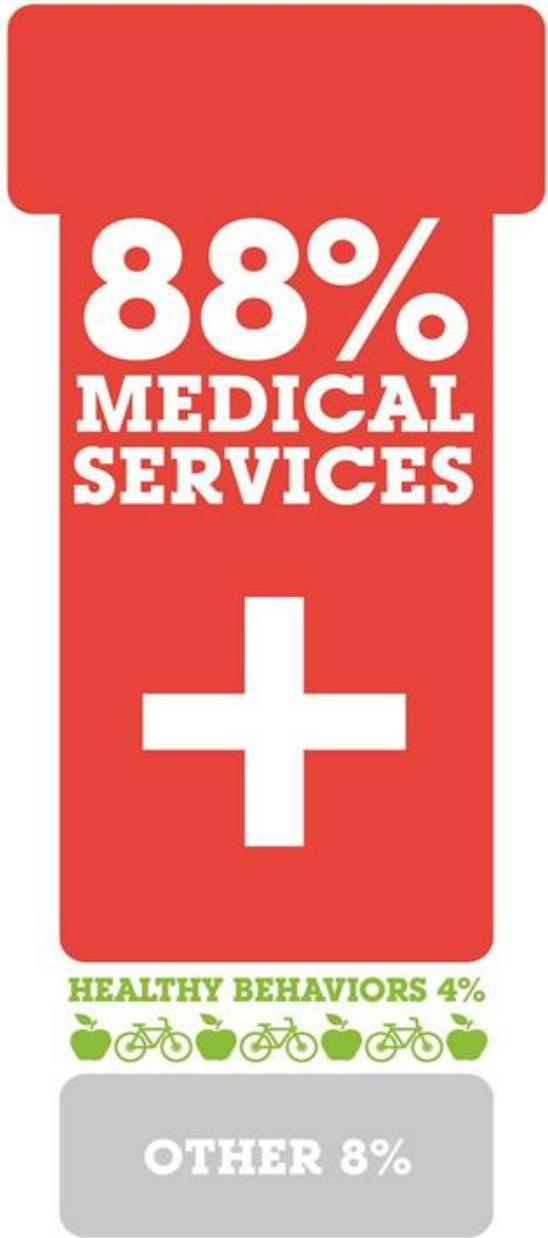
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# What makes us healthy?

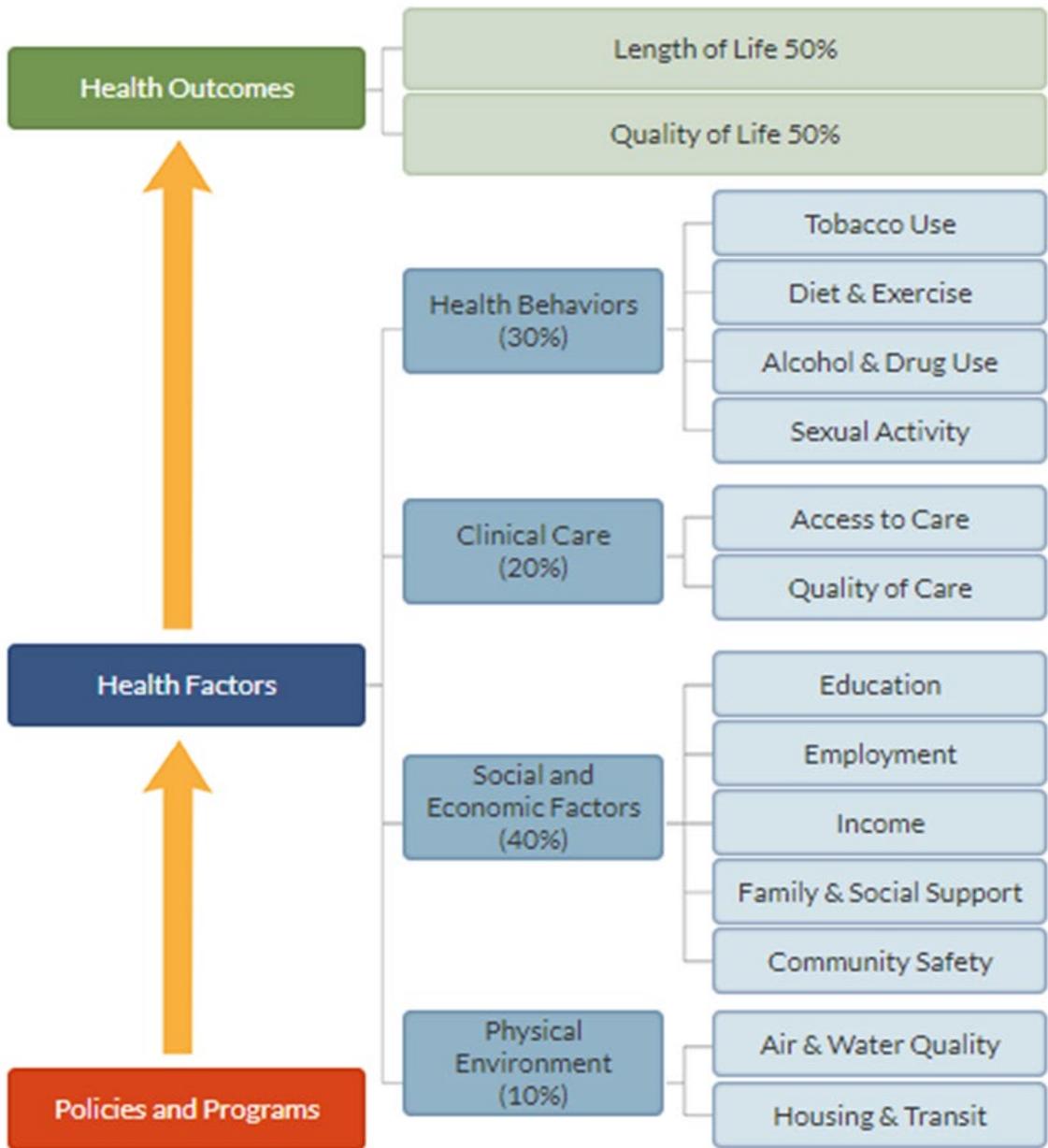
## What **Makes** Us Healthy



## What We **Spend** On Being Healthy



# Factors that drive health outcomes



County Health Rankings model © 2014 UWPHI



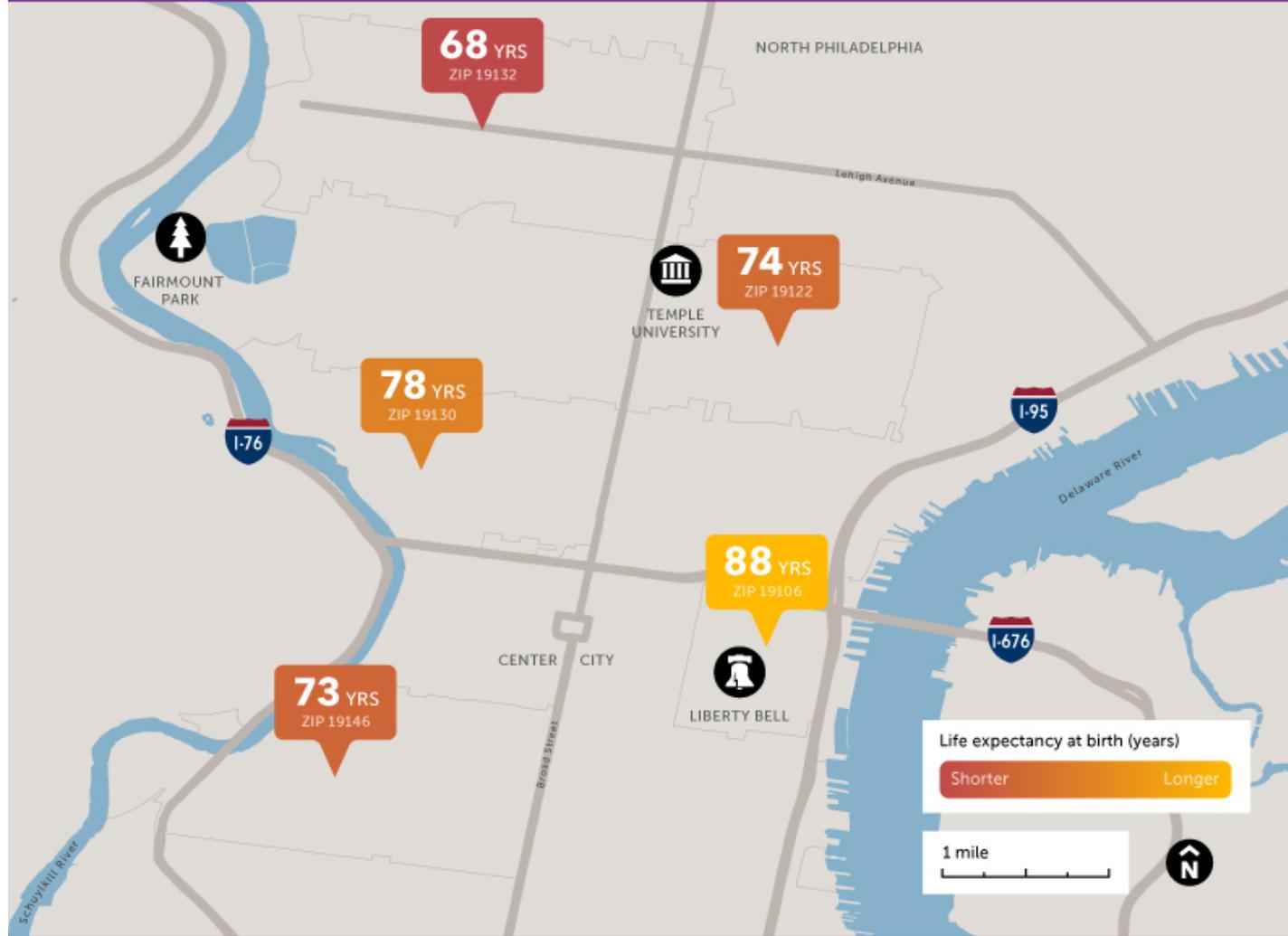
# Mapping life expectancy in Philadelphia

PHILADELPHIA, PENNSYLVANIA

## Short Distances to Large Gaps in Health

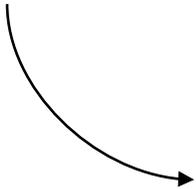
Follow the discussion

#CloseHealthGaps



# What is a health impact assessment?

How might the proposed project, plan, policy...



affect health factors ...

- Housing
- Air quality
- Safety
- Social networks
- Nutrition
- Parks and natural space
- Public services
- Transportation
- Livelihood
- Water quality
- Education
- Inequities



...and potentially lead to predicted health outcomes?



# Health Impact Assessment Process

## Components of an HIA

Steps	Description
Screen	<ul style="list-style-type: none"><li>■ Identify proposed policy or program within political context</li><li>■ Analyze feasibility of study, expected resource requirements</li><li>■ Determine whether HIA would add value to decisionmaking process</li></ul>
Define scope	<ul style="list-style-type: none"><li>■ Identify goals and stakeholders, and develop logic model diagram</li><li>■ Identify potential health effects</li><li>■ Identify research questions, data sources, and data gaps</li></ul>
Assess	<ul style="list-style-type: none"><li>■ Undertake literature review, stakeholder analysis</li><li>■ Undertake data analysis</li><li>■ Undertake health effects analysis, including baseline analysis</li></ul>
Recommend	<ul style="list-style-type: none"><li>■ Identify proposals and alternatives to mitigate adverse health effects</li><li>■ Create health management plan</li><li>■ Identify stakeholders who could implement recommendations</li></ul>
Report	<ul style="list-style-type: none"><li>■ Analyze proposal population affected, stakeholder engagement, data methods, findings, and recommendations</li><li>■ Communicate recommendations to decisionmakers and other stakeholders</li></ul>
Monitor and evaluate	<ul style="list-style-type: none"><li>■ Track changes in implementation of HIA recommendations</li><li>■ Evaluate if HIA influenced decisionmaking process</li></ul>

**Source:** Adapted from National Research Council, *Improving Health in the United States: The Role of Health Impact Assessment*, (Washington, DC: National Academies Press, 2011).

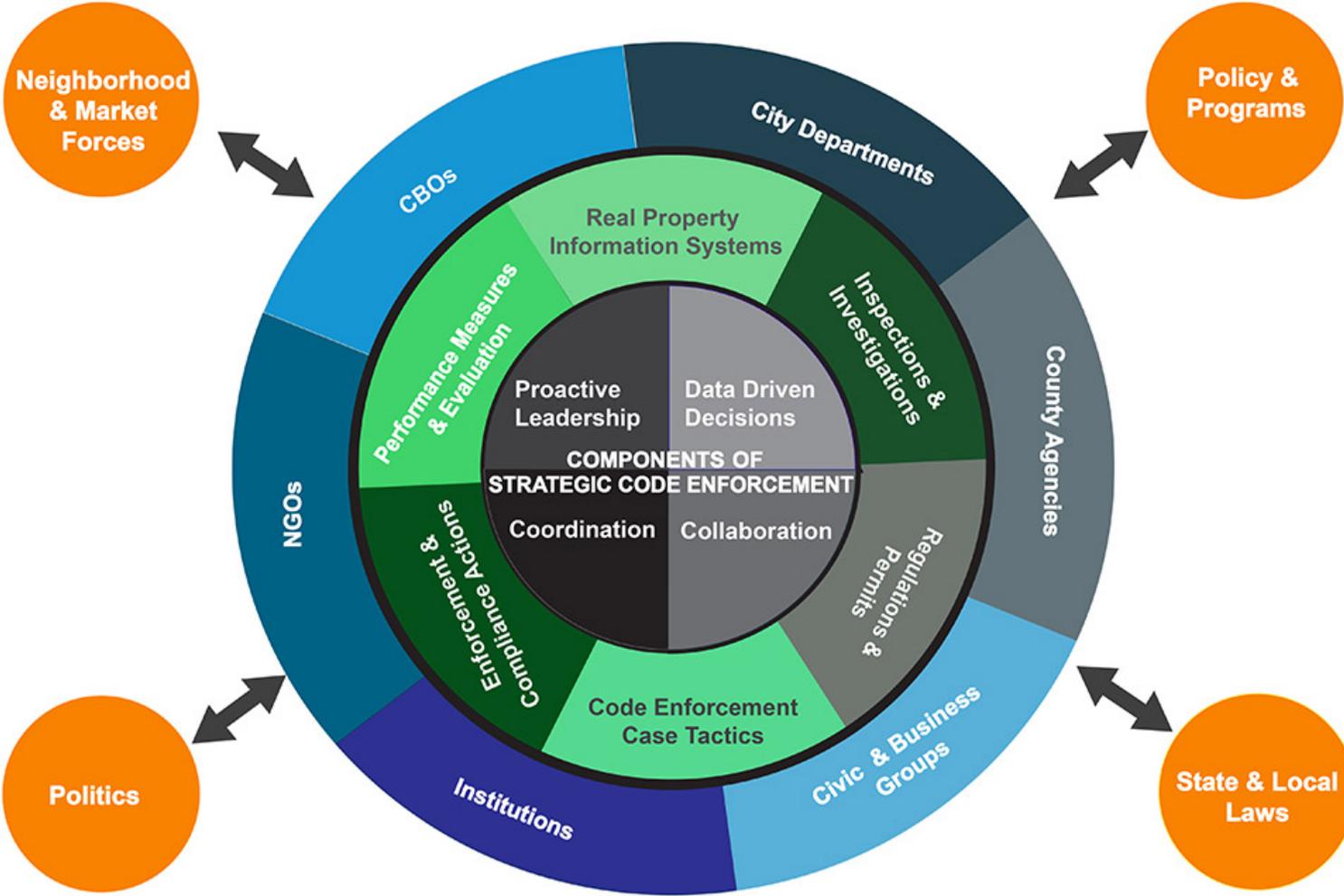
# Housing and health generally separate

Policies and programs targeted at housing and neighborhoods don't typically focus on health as a primary policy goal or objective

For example, housing code inspectors throughout the country often respond to complaints and cite violations, rather than prioritizing proactive interventions for properties based on potential negative health outcomes such as lead and mold

Code enforcement departments could have a greater impact on resident health if they better incorporated public health perspectives, metrics, and strategies into their plans and actions and better coordinated with public health, medical, and health care systems

# Strategic code enforcement constellation



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# Memphis HIA Project

**Strategic Health Impact Assessments** examine and adapt policy/program models that elevate health as critical priority during policy design and development.

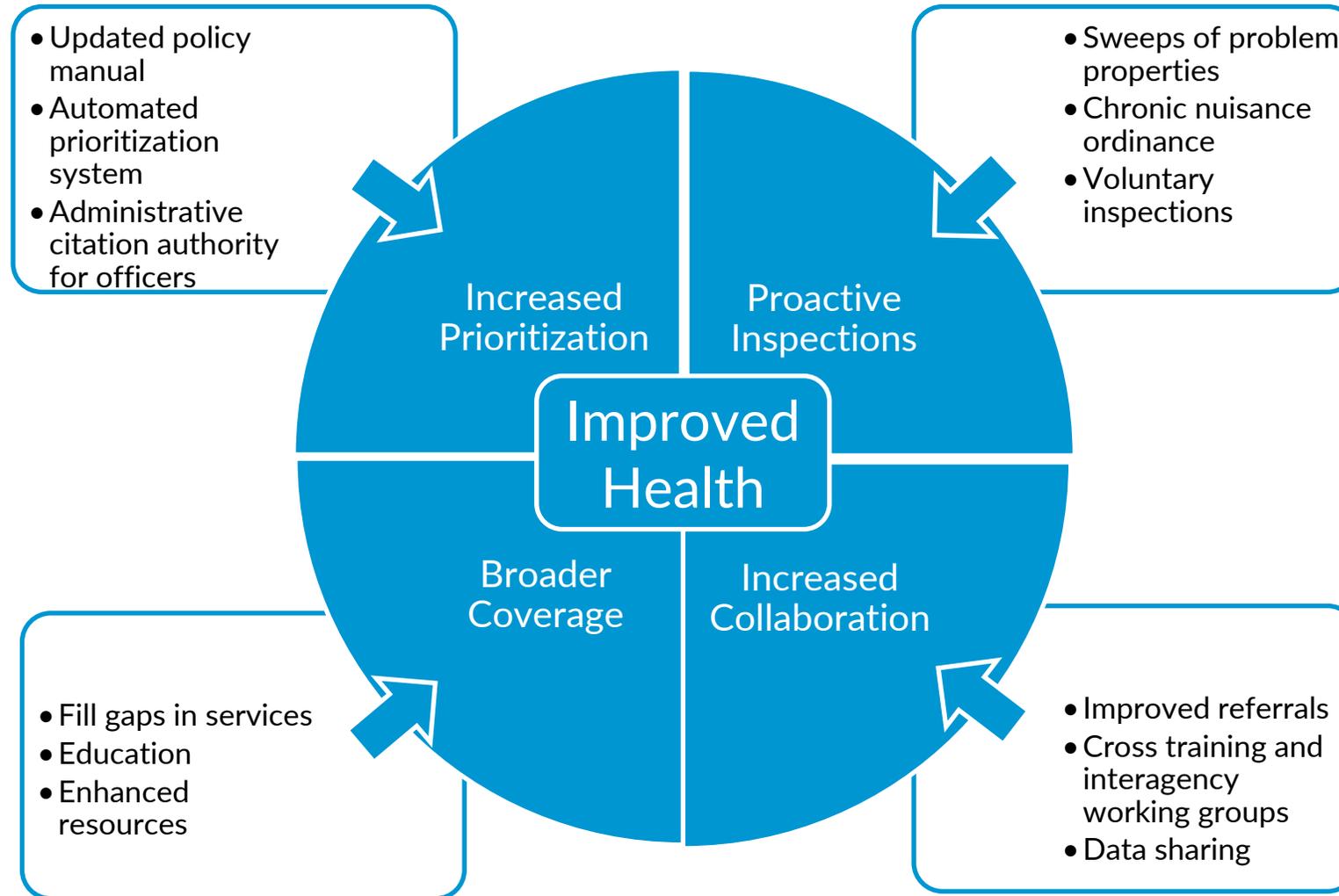
**RWJF Interdisciplinary Research Leaders** provided the HIA's resources and guidance with supplemental funding from the Kresge Foundation.

**Main Research Question:** How can housing code enforcement agencies in Memphis more strategically prioritize public health and better coordinate with public health agencies, community health nonprofits, and the broader system of health care institutions?

Where we live is one of the  
main social determinants of  
our health



# Memphis HIA Recommendations



# Philadelphia HIA Research Questions

- What are the primary health pathways that could be affected by changes to local rental regulatory and resource systems?
- How does the city of Philadelphia's current system of rental housing resources and regulations impact, positively or negatively, the health, safety, and stability of its residents?
  - How do the impacts vary from neighborhood to neighborhood?
- What would be the impacts of implementing a more strategic approach to improve the quality of rental housing in Philadelphia?
- What lessons can we learn from other cities in support of these proposed changes?
  - How do the public health impacts of the city of Philadelphia's current regulatory system for addressing substandard rental housing compare with models and outcomes from other cities?



# HIA Project Advisory Group

December 9, 2021



# Philadelphia PAG Members

- Paul Badger, HAPCO
- Rickie Brawer, Jefferson Health
- Tyra Bryant-Stephens, CHOP
- Steven Carson, Temple Health
- Paul Cohen, HAPCO (Victor Pinckney, alt.)
- Ralph DiPietro, Department of Licenses and Inspections
- Celeste Fields, Philadelphia Housing Authority
- Will Gonzalez, Ceiba
- Andrew Goodman, Councilmember Gauthier's office
- Karen Guss, Department of Licenses and Inspections
- Nicole Lawrence, TURN
- Ali Mooney, Philadelphia Housing Development Corporation
- Rasheedah Phillips, Community Legal Services (Rachel Garland, alt.)
- Carolyn Placke, LISC Philadelphia
- Palak Raval-Nelson, Department of Public Health
- Herbert Wetzel, Council President Clarke's Office
- Yue Wu, Philadelphia Chinatown Development Corporation

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