

A Report on Rental Inspections Innovations in Waterloo, IA

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Public Policy and Persuasion

Background

Prior to 2014, the Fire Department assisted in the inspections program which bolstered the one-man operation by allowing six assistants to perform inspections. This was not ideal as the fire department is not intended to conduct rental inspections, but it was an effective stopgap measure to help aid the understaffed inspections program. In 2014, the current rental inspections program was implemented which did not include the fire department. This reduced the number of inspectors for Waterloo's 9,000 rental units to one. Waterloo seeks to inspect each unit at least once every three years which was more than possible with the extra assistance, but after the 2014 changes, this goal is no longer feasible.

Current State

The city of Waterloo is responsible for inspecting an estimated 9,000 rental units. All inspections regarding rental residential units are governed by the city's Rental Registration Program. The purpose of the program is to provide minimum standards for health, safety, and public welfare among rental units within Waterloo. One caveat to the rental inspection process is that the city currently employs one rental inspector. As a result, Waterloo does not have the capacity to inspect all 9,000 units within a 3-year span under the terms of the Rental Registration Program.

Beyond the capacity to conduct inspections is the quality of the inspection itself. On-site inspection processes in Waterloo should be modernized and more efficient. Currently, an inspection requires an in-depth look into the physical structure of a rental unit, followed by recording data for evaluation. Waterloo's current processes involves having to record on-site data, and then having to input data into a separate software after the inspection.

Increased efficiencies relating to data collection methods are necessary to improve Waterloo's current rental inspection process.

Since the city of Waterloo has nearly 10,000 rental units, there are many active landlords. As of today, there is little regulation regarding overall landlord operations. While the quality of landlord interaction differs among tenants, the city lacks a system to maintain standards among landlords. Current methods of landlord accountability include:

- Waterloo's city website, which offers a complaint and jurisdiction oversight
- Rental Registration Program fees and late fines
- Mandates following rental inspections

Stakeholders

There are three main stakeholders regarding inspections innovations in Waterloo. The first group of stakeholders is tenants, those who are living in rental units. They stand to benefit greatly from a more efficient inspections process because inspections offer them an opportunity to speak up about repairs and maintenance that need to be done in their home. They would be able to point out any areas of concern to a person who keeps official records of such information. A better inspections process could mean a better standard of living for tenants.

The second group we have identified is landlords. They own the buildings being inspected and as a result, a more robust inspections process could cost them money in the short run. This is because they would be under more pressure from the city to complete more costly home maintenance and repairs. In the long run however, this could save them money. If they choose to repair a smaller part of a larger system, rather than waiting to replace the entire system due to failures stemming from neglected maintenance, they are likely to save money.

The City of Waterloo is listed as a stakeholder because this is an issue that impacts thousands of their residents. At the highest level, Mayor Hart has said that the issue of subquality housing needs to be urgently addressed. This issue largely affects diverse, low-income neighborhoods, which represents the city's history of discriminatory housing policies. Addressing this issue through inspections innovations means that not only do those living in the neighborhoods that have been most affected by housing inequalities get to have an official method of redress, so does the rest of the community. Better inspections help the entire city, and they will build trust among residents that the city can help when needed.

Best Practices

1. Iowa City, IA: iPads for data collection

Iowa City, IA has added iPads to its inspections program. Doing so has made work easier and faster for inspectors. Stan Laverman, the Senior Housing Inspector of Iowa City has credited the increased ease and speed of his work solely to the use of iPads. Using tablets allows for inspectors to directly input inspections information into a digital format which can be easily accessed and transferred for future use.

2. Sacramento, CA: Self-inspections

Sacramento, California has a self-inspections program that rewards landlords who follow the codes, reducing the cost burden on the city, which allows the city to focus their attention on landlords who are breaking codes. In order to qualify for self-inspections, the landlord must:

- Have no violations at the time of the initial inspections or
- Have fixed any violations found during the inspection within 30 days of the re-inspection

When a landlord is put on the self-inspections program, they must conduct annual inspections themselves along with conducting inspections whenever there is a change in tenancy. Landlords are provided with a self-certification checklist (see Appendix A) for their inspections and must keep their self-certification checklists for three years after the inspection. The rental inspections program conducts random inspections on 10% of units to see if they are maintaining the codes. If a landlord is maintaining their property, they are kept in the self-inspections program, but if they are not, then they are removed from self-inspections and are subject to annual inspections until they pass again.

3. Cedar Rapids, IA: Tiered rental registration fees

Cedar Rapids has developed a working fee system that accommodates for larger apartment buildings, while still generating satisfactory revenue. Below is the fee structure (see Appendix B)

- Single Family Dwelling/Duplex - \$38
- Multiple Dwelling (3+ units) - \$30 (structural fee)
 - o Each dwelling/rooming unit within structure - \$10

Currently, Waterloo's Rental Registration program does not accommodate for larger apartment structures. The tiered structure of Cedar Rapids' registration fees acquires 52% more revenue per unit compared to Waterloo (for single family dwellings and duplexes). Collected fees for multiple dwelling structures will incrementally decrease as apartment structures get larger. However, this system creates a monetary incentive for landlords of large apartment structures to register their properties.

4. Boston, MA Re-inspection failure fees

Boston, MA has a punitive system in place for delinquent landlords. They charge fees for multiple inspection failures at the same property. If a property fails re-inspection, they are issued a fine. Following a third failed inspection, the landlord is charged a minimum of \$300 in addition to the cost of re-inspection. If the landlord continues to fail to make necessary repairs, then the city has options for legal recourse. They can place a lien on the property, rendering it unsellable until the landlord fixes the necessary repairs. They can also issue health and sanitary citations to the landlord. Currently, Waterloo does not have any monetary punitive measures in place for landlords who fail to maintain and repair their properties.

Policy Recommendations

1. Digitalize On-Site Data Collection

The introduction of iPads and inspections apps would help the speed and efficiency of the inspections process. Our recommendation is that the city of Waterloo purchase iPads and an inspections app for their inspectors.

2. Implement Self-Inspection Policies

Self-Inspections would help take the burden of inspections off rental inspections, encourage landlords to maintain their property, reward landlord who are maintaining their properties properly, and allow rental inspections to focus their attention on the handful of troublesome landlords. With the current state of inspections, reducing the number of units on the rental inspections program would help greatly towards getting every unit inspected either by a city inspector or by landlords in the self-certification program.

Our recommendation is simple; the City of Waterloo should adopt Sacramento's policy. They did the hard part of creating and testing its effectiveness, and Waterloo can benefit by adopting this proven, well-functioning policy. It can help to reduce cost in the long run, as less inspections will need to be conducted. It can also encourage landlords to follow the rules as they would be rewarded with self-inspections and lower cost for themselves if they did.

3. Increase Rental Registration Fee

Within Waterloo, IA, landlords must pay a licensing for each year in order to practice as a landlord for that property. Currently the rental registration fee is \$25 per rental unit. Our research into governing practices of surrounding Iowa cities demonstrates that Waterloo charges a lesser amount for rental licensing than average.

We recommend that the City of Waterloo raise their rental registration fee in order to create more revenue to hire additional inspectors. There are three feasible methods in which the fees can be raised. Each of the three methods increase the amount of revenue per year that will initially be put towards hiring additional inspectors. Leftover revenue will cover governmental benefits for additional employees, then be allocated towards equipment and hiring out inspections for the first few years following implementation.

- Method #1: Raise the current fee by \$10
- Method #2: Incrementally raise the fee by \$5 for each of the next 3 years
- Method #3: Implement a tiered fee structure system
 - o A tiered fee structure allows for landlords to pay differing amounts based on the types of properties that they oversee. For example, if a landlord has 4 dwelling

units within an apartment building; There will be an overall structural fee, and then subsequent fees per dwelling unit.

4. Standardize landlord punitive measures

Waterloo already has several different punitive measures written into code currently, but these measures are underenforced and largely at the discretion of individuals to enforce them. Standardizing what criteria cause a punitive measure to be used can help make the process more transparent and punish those who are breaking rules consistently and not fulfilling their obligation to their tenants. In addition, the addition of more inspectors can give them a chance to follow up on things like court dates and enforcement, as with the city's lone inspector just getting inspections done is already too large of a task, let alone worrying about individual cases.

The other measures to consider would be increasing fees and punitive measures. In places such as Boston, the city will go as far as putting a lien on the property should fines prove insufficient. These types of measures alongside health and safety evictions or fines can help to change landlord behavior in a positive way, alongside forcing them to maintain the quality of Waterloo's housing stock.

Next Steps

Moving forward, the housing task force should convene to discuss these policy proposals and determine which ones they would like to move forward with. Using that a specific policy proposal can be put together and put into more formal code. Of course, public input on the subject would be needed, through a council hearing or town hall style format. These policies would have a large impact on not just landlords but tenants themselves, so ensuring that the public understands what is changing and how it affects them is an important step in the process.

Appendix A: Self-Certification Checklist



RENTAL HOUSING INSPECTION PROGRAM
 Department of Community Development
County of Sacramento
 916.876.9020

City of Sacramento
 916.808.7368



Interior Inspection -PART II: <i>Unit Identification (Print legibly)</i>	
Property Address:	Unit Number:
Tenant Name:	Phone Number:

Check the box next to each item ONLY if the item is found to be in compliance

<i>Interior Checklist</i>	<i>Comments</i>
<input type="checkbox"/> Hot/Cold Running Water (Unit must have hot and cold running water)	
<input type="checkbox"/> Electrical Power (Unit must have electrical power)	
<input type="checkbox"/> Heat (Unit be permanently installed and property functioning)	
<input type="checkbox"/> Sewage Disposal Systems (Unit must have a proper sewer system and must be clear of any surfacing sewage indoors or outdoors)	
<input type="checkbox"/> Entry Doors (All doors and door jambs have strike plates that are secure, not loose; entry doors have a standard deadbolt with thumb latch at interior, locking mechanisms do not exceed 48" in height, a peephole, and are weather sealed.)	
<input type="checkbox"/> Vector Infestation or Rodent Harborage (Unit must be clear of any infestations)	
<input type="checkbox"/> Mechanical (All mechanical equipment in the unit must properly function including: appliances, venting systems, thermostats, smoke detectors, carbon monoxide detector, air conditioning unit – if provided, etc. *Bathrooms must have operable window or exhaust vent)	
<input type="checkbox"/> Electrical (All wiring must be in good working condition – no spliced wiring, no exposed wiring, and all outlets and switch plates must have appropriate coverings. Electrical panel must be labeled. GFCI outlets must function and be installed in bathrooms, kitchen, exterior, and garage)	
<input type="checkbox"/> Plumbing (Unit must have proper plumbing throughout unit – no leaks, must have P-traps, must have proper caulking, toilets must be secured to ground and sinks must be secured to walls. Water heaters are installed in an approved location, and have seismic strapping, operable temperature relief valve and drain line, venting, and a minimum 110 degrees water temperature.)	
<input type="checkbox"/> Counters and Sink Surfaces (Surfaces are in good condition, no significant cracked, chipped or missing pieces, and not constructed with porous material)	
<input type="checkbox"/> Windows (All windows must have proper weather protection and can be opened and closed easily, and have no missing or broken glazing. Bedroom egress windows are not blocked by furniture or air conditioners, and any security bars can be released from the interior.)	
<input type="checkbox"/> Flooring (Floors must be in good condition, free from holes/missing pieces and do not create a trip hazard or unsanitary conditions)	
<input type="checkbox"/> Foundation/Sub-flooring (Must be in good condition, must not be buckling or sagging)	
<input type="checkbox"/> Walls/Ceiling (Walls must be clear of holes, missing sections, must not be collapsing, buckling or sagging)	
<input type="checkbox"/> Smoke Detectors/Carbon Monoxide Detectors (Smoke detectors are working, and are located in hallways leading to rooms used for sleeping purposes or are installed and maintained in compliance with the Code in effect at the time of their original installation. Carbon Monoxide detectors are located outside each sleeping area and on each level of a dwelling including basements. Installation must be per manufacturer's instruction and per California Building Code)	

I certify that I have inspected the aforementioned unit and that the information above is true and correct to the best of my knowledge.
(Provide a copy of this form to the tenant and keep a copy for your files. Do not send copies to Code Enforcement.)

Name (Please print): _____ Phone Number: _____

Relationship to the Property: _____

Signature: _____ Date: _____

Tenant Signature: _____ Date: _____

Audit inspections will be done randomly and property owners/managers will be required to produce proper documentation within 72 hours after notification (16.20.906 (D, E, F) of the Sacramento County Code.)



RENTAL HOUSING INSPECTION PROGRAM
 Department of Community Development
County of Sacramento **City of Sacramento**
 916.876.9020 916.808.7368



Exterior Inspection - PART I: Unit Identification (Print legibly)	
Property Name:	_____
Property Address:	_____

Check the box next to each item ONLY if the item is found to be in compliance

Exterior Checklist	Comments
<input type="checkbox"/> Storage of Junk and rubbish and/or overgrown vegetation (Household trash, tires, scrap wood, scrap metal, other items not intended for outdoor use – Property must be clear from any overgrown vegetation and/or weeds)	
<input type="checkbox"/> Dumpsters & Trash cans (Must be properly enclosed, free from trash overflow, and properly covered)	
<input type="checkbox"/> Inoperable/Unregistered Vehicles (DMV Non-operations permits do not qualify as current registration. Inoperable vehicles must be stored within a fully enclosed structure)	
<input type="checkbox"/> Foundation Vent Screens/Crawl Space Covers (Spaces must be properly covered. Screens must be in good working condition)	
<input type="checkbox"/> Roof/Ceiling (Must be free from any holes, leaks, etc.)	
<input type="checkbox"/> Stairways – Landings/treads/risers/balusters/railings (Must not be rotting, deteriorating, loose, etc. and the balusters must not exceed 4" apart or in accordance with code at the time of construction)	
<input type="checkbox"/> Fire Extinguishers - Multi-Family Only (Must be properly serviced, labeled, and stored)	
<input type="checkbox"/> Exterior Lighting (Must function properly and must have cover and be free from any exposed wiring)	
<input type="checkbox"/> Infestation of vectors or rodents (Property must be clear of all vector or rodent infestations)	
<input type="checkbox"/> Electrical/Gas Meters - Multi-Family Only (Must have proper labeling, be properly protected, and must not be tampered with)	
<input type="checkbox"/> Electrical Panel (Must have a panel cover, all breakers and fuses are labeled with appropriate identification, have dead front cover, and free from any exposed wiring)	
<input type="checkbox"/> Exterior Walkways (Must remain clear at all times and free from any trip hazards)	
<input type="checkbox"/> Water Heaters (Water heaters are installed in an approved location, and have seismic strapping, operable temperature relief valve and drain line, venting, and a minimum 110 degrees water temperature.)	

I certify that I have inspected the aforementioned unit and that the information above is true and correct to the best of my knowledge.
 (Provide a copy of this form to the tenant and keep a copy for your files. Do not send copies to Code Enforcement.)

Name (Please print): _____ Phone Number: _____
 Relationship to the Property: _____
 Signature: _____ Date: _____
 Tenant Signature: _____ Date: _____

Audit inspections will be done randomly and property owners/managers will be required to produce proper documentation within 72 hours after notification (16.20.906 (D, E, F) of the Sacramento County Code.)

Appendix B: Cedar Rapids Inspections Fees Schedule

SCHEDULE OF HOUSING INSPECTION SERVICES FEES (TABLE H1-A) AS AMENDED JANUARY 23, 2018

This Fee Schedule shall cover all structures & premises that are subject to Chapter 29 of the Cedar Rapids Municipal Code, entitled "Housing Code" as that Chapter has been duly adopted by the City Council.

Landlord Business Permit – Initial Permit Fee\$50.00

Additional Fee for Failure to Obtain Landlord Business Permit Prior to Occupancy

Where a landlord business permit is required by the Housing Code and a rental unit is leased, rented or let for occupancy prior to obtaining said permit, an additional **\$100.00** fee shall be added to the initial landlord business permit fee unless said permit is then obtained within the time period prescribed by the Building Official in a Notice of Violation.

Re-Instatement Fee - Suspended or Revoked Landlord Business Permit\$250.00

Annual Rental Registration Fee

Single-family Dwelling or Owner Occupied Duplex\$38.00
 Duplex (both units rental).....\$38.00
 Multiple Dwelling - 3 or more units (structure plus per unit fee).....\$30.00
 Dwelling / rooming Unit*\$10.00

*This fee shall not apply to owner-occupied dwelling units within multi-family dwellings.

Additional Fee for Failure to Obtain Rental Unit Registration Prior to Occupancy

Where a rental unit registration is required by the Housing Code and a rental unit is leased, rented or let for occupancy prior to obtaining said registration, an additional **\$100.00** fee shall be added to the annual rental registration fee unless said registration is then obtained within the time period prescribed by the Building Official in a Notice of Violation.

Re-Instatement Fee - Suspended or Revoked Rental Unit Registration.....\$50.00

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