



The City of Waterloo
Waterloo, IA



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To: Mayor Quentin Hart and The City of Waterloo

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Cc: Barry Stratton, Wendy Bowman

Re: Inspections Innovations

INTRODUCTION

The City of Waterloo lacks enough capacity and technology to conduct rental inspections in an efficient and effective manner.

SUMMARY

Our group has researched numerous ways to innovate city rental inspections. The following report contains details of stakeholders, best practices, and policy recommendations for Waterloo's Rental Inspections Program.

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. 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.

STAKEHOLDERS

- **Tenants:** Inspections offer them the opportunity to bring their housing quality concerns to an official who has the power to do something about them.
- **Landlords:** They own the buildings being inspected and as a result, a more robust inspections process could cost them money in the short run but save them more money in the long run. Landlords would benefit from a better inspections system because their investment properties would be better maintained.
- **The City of Waterloo:** 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. 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. Using tablets allows for inspectors to directly transfer

inspections information to 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 along with conducting inspections whenever there is a change in tenancy. Landlords are provided with a self-certification checklist which they must keep for three years. The 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

The city of Boston, MA charges 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 RECOMENDATIONS

1. Digitalize On-Site Data Collection

Our recommendation is that the City of Waterloo purchase iPads and an inspections app for their inspectors.

2. Implement Self-Inspection Policies

Our recommendation is that the City of Waterloo adopt a Self-Inspection policy. Reducing the number of units to be inspected by a city inspector would help greatly help capacity. This policy aims to get every unit inspected either by a city inspector or by landlords in the self-inspection program within a 3-year time frame.

3. Increase Rental Registration Fee

Our recommendation is that the City of Waterloo raise their rental registration fee. Each of the three methods below increase the amount of revenue per year that will be put towards hiring additional inspectors. Leftover revenue will cover governmental benefits for additional employees. Remaining funds will 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

4. Standardize landlord punitive measures

Our recommendation is that the City of Waterloo enforces punitive measures against landlords. A standardization of policy and increased fee structure helps to address problematic issues with landlords.

NEXT STEPS

1. Convene housing task force to discuss proposals

- Attend next housing task force meeting
- Present necessary policy recommendations

2. Craft specific policy list and convert into city code

- Select favorable policy recommendations for implementation

3. Conduct hearings with the public

- Understand public perception on potential policy changes