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# MEMO

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To: City Council  
From: Mayor Kalb  
cc: Solicitor  
City Clerk  
Date: October 17, 2007  
Re: Portsmouth Rental Registration

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Please advise as to whether or not you are interested in pursuing a rental regulation program. Thank you.

Respectfully,

A handwritten signature in black ink that reads "James D. Kalb". The signature is written in a cursive style with a large initial "J".

Mayor James D. Kalb  
City of Portsmouth

## **Portsmouth Rental Registration**

**Issue:** *There is interest in the Portsmouth City community to enact a Rental Registration Program. The city requested information and support from COHHIO to develop some talking points and provide information on possible funding venues to assist them with this process.*

### **Local profile** (information from Ohio Department of Development – County profiles):

- Scioto County has a population of 77,046 persons of which 20,100 persons reside in the City of Portsmouth.
- Population projections show an increase of slightly more than 1000 persons over the next 20 plus years.
- 57.4% of the population is living at 200% of the poverty level or more.
- 19.3% of the population is living in poverty.
- The median income in Scioto County is \$28,008 per year.
- 88.9% of the population has lived in the county for over ten years.
- 27.1% of the housing stock in the county is renter occupied.
- The median gross rent for the county is \$378.
- Scioto County is paying 25.8% of their income towards the housing needs (median gross rent as a percentage of income).
- 1959 is the median year that the housing stock was built in Scioto County.

### **Enacting a Rental Registration Program – as reviewed in the meeting:**

#### **Pros –**

- The Scioto County Housing Continuum Association is supportive of increasing the quality of the housing stock and the economy in the Portsmouth area. It is an acknowledgement that if the quality of the housing stock is increased, that the city could more easily recruit businesses to assist in the city's economy development.
- Continuum is supporting local units of government in the hopes of enacting a Rental Registration Program.
  - Provides an inventory of local rental units.
  - Funding from the Registration would be utilized to implement the program.
  - Would allow inspectors to review the safety of the entire structure, not just the complaint specified.
  - This process would not require complaints to be made prior to the inspection – hence decreasing the concerns of tenants and/or neighbors not wanting to complain.
- There is interest to advocate to stakeholders – community members, social service agencies, faith-based organizations, landlords, realtors, etc. to provide insight and information on the benefits on the Rental Registration Program.
- There is interest in looking at a land reutilization program to acquire properties.

## **Cons –**

- There have been three attempts in the past to pass the Rental Registration Program with City Council. There have been some concerns on behalf of the local landlords regarding the passing of such ordinances due to the fees involved and that there is already a rental development code – property maintenance code already in place.
- There is an identified problem in Portsmouth that many of the housing units are substandard.

### **Issues include:**

- Units that may need to be condemned.
- Older housing stock that has not been maintained.
- Units are not meeting minimum housing quality standards.
- Health issues – mold, sanitary issues.
- There are some concerns in the community regarding the enactment of a Rental Registration Program – e.g., if units are condemned, there will be many people displaced with few options for other safe, decent and affordable housing.
- The Health Department is being notified of concerns.
- Due to a lack of capacity in the City Government, the City has not applied for funding recently from the Ohio Department of Development for community development, revitalization, economic development, emergency home repairs, and/or water and sewer infrastructure. These funding options could be essential in the revitalization of the city.

## **Problem:**

- According to the Joint Center for Housing Studies of Harvard University affordable rental apartments units for low-income working families decreased by 13% between 1993 and 2003. During those ten years 5.4 million rental units were no longer affordable.
- “Affordable” housing is defined by the federal government as having housing costs no more than 30% of a family’s monthly income. According to the Joint Center for Housing Studies of Harvard University, “The State of the Nation’s Housing: 2005”. One in three households spends more than 30% of their income on housing and about one in eight households (over 14 million families) are defined as having “critical housing” needs because they pay more than 50% of their income for housing costs.

## **Benefits of Rental Registration Programs:**

- Universal registration or licensing of multi-unit residential buildings help to ensure that landlords maintain minimum property maintenance standards.
- Tenants benefit by being provided with legal, safe, and sanitary living conditions, by eliminating their fear for filing complaints and by being educated on their responsibilities and rights.
- Neighbors benefit by knowing the code will protect against deteriorating housing, address minor defects, and help prevent major defects from becoming unsightly, unsafe, and impacting the neighborhood properties value.

- Allows the city to contact owners/landlords at any time in an emergency. Also having a working data base can assist with the successful delivery of legal notices to expedite the compliance or enforcement of actions needed to achieve compliance with the local code that is already enacted.
- Unsafe conditions will be easier to spot and remedy when inspectors are visiting more properties frequently.
- Additional inspections, over time can lead to safer housing stock.
- Inspections completed on a regular basis will prevent minor infractions from becoming a bigger problem.
- Public health benefits when there is consistent enforcement of housing codes improving the likelihood of effective maintenance, reducing the risk of lead hazards.
- Provides an opportunity for inspectors to review whether or not furnaces and water heaters have been installed properly to discuss risk of harm to tenants.
- Social service agencies, housing authorities and public safety agencies can benefit from the database that can assist them to fulfill their missions.
- Landlords benefit by receiving guidance from housing professionals by being provided with a documented record of the conditions of the rental unit.
- Landlords benefit from the program due to the protection of the character and stability of the residential areas, hence preserving the value of the land and buildings.
- Landlords benefit by having the tenants being accountable for issues such as respecting the occupancy limit, monitoring for unlawful use of the dwelling, maintaining sanitary conditions and keeping pets in an appropriate manner and under control.

**Rental Registration is NOT:** (\*be prepared to defend against these issues that the opposition may present)

- A list or affidavit of every resident in a rental unit.
- A way for the city to generate revenue for non-housing enforcement programs.
- A way to make it harder or less profitable to operate rental housing in Portsmouth.
- The only way to ensure that there is safe and sanitary housing in Portsmouth, but it is an essential tool to be used in conjunction with others.
- A costly program, it can be supported by the registration fee and can generate income to support pro-active inspections and/or enforcements.

**Suggestions on how to proceed:**

- Send a survey to several other cities to see how they handle housing inspections and rental registration. Suggested questions: populations, number of rental units, building inspection staff, and fees charged.
- May wish to consider a program that has separate fee schedule for single-family, duplex, small and large apartment complexes. Many rental registration programs have per building and per rental unit fee (e.g., \$25 per building and \$15 per rental unit).

- Some communities have placed a provision in the program that prohibits an eviction case to proceed without the property being registered.
- Some communities have developed a "tagging" system that identifies units that are not registered that indicates that the structure will be closed down and occupants removed according to the ordinance.
- To decrease the concerns of some of the Continuum members, the city and the housing and homeless providers should team together to form a displacement plan for those that may potentially need to be moved from the housing. This process would need to review what the providers capacities are to handle additional homeless individuals and families and to determine what funding may be available from the city or other funds to assist with the relocation of those displaced.

Displacement/Relocation Plans Should Include:

- Description of households potentially being displaced (special needs; individual/family units; bedroom size needed; income levels; elderly; what services are needed)
- Relocation assistance benefits (subsidy available; deposit assistance; funds to cover moving costs; supportive services to assist with identifying housing options; supportive services to address financial and other obstacles that have prevented the tenant from securing other housing)
- Relocation process (supportive services to meet with every potentially displaced tenant; housing search assistance; transportation to new unit; linkage to community resources to assist with the displacement)
- Need to decide whether facilities such as group homes, foster care homes, assisted living facilities, etc. are to be registered.
- May wish to have a conversation with the County Community Development staff about the potential partnership to write, administer, report, etc. grants to help with property infrastructure and revitalization issues to build capacity of both entities.
- Review City's Community Housing Improvement Plan (CHIS) for strategies previously identified.
- Enlist stakeholders to meet with city council -- would encourage one-on-one or two-on-one meeting with council members; review the benefits of the program and interventions that need to take place prior to implementation of the program.
- Enlist local "champions" that are willing to meet with council, present at council meetings, talk with neighborhood groups, etc. They should be given a list of talking points and feel comfortable talking about how the implementation of a Rental Registration Program would enhance the community, increase community value, meet the needs of the low-income members of the community, increase the quality of life in the neighborhoods, etc.
- Additional champions to enlist:
  - Faith-based organizations
  - Law-enforcement, jail staff, probation/parole officers
  - Fair housing
  - Tenants in public/metro housing that previously lived in substandard housing
  - Neighbors of distressed properties

- Shawnee State University professors of Sociology/Psychology that can provide research regarding living in substandard properties
- County Commissioner
- United Way
- Hospital

**Funding Possibilities for Renovations/Revitalizations that would support the Renter Registration Program:**

- Comprehensive Downtown Revitalization Program (ODOD) Eligible Activities:

<http://www.odod.state.oh.us/webforms/default.cfm>

- Zoning research
- Ordinance revisions
- Development of design review criteria
- Development of design review enforcement mechanism
- Development of comprehensive market analysis
- Development of comprehensive feasibility analysis
- Development of a comprehensive downtown revitalization & development plan
- Development of a holistic overall marketing strategy for the downtown
- Development of an operations/strategic plan for on-going downtown sustainability and maintenance

- Neighborhood Revitalization Grant and Small Cities Community Block Grant (ODOD) Eligible Activities:

<http://www.odod.state.oh.us/webforms/default.cfm>

- Acquisition of easements
- Acquisition of vacant land
- Acquisition of land and buildings
- Rehabilitation or demolition of a residential or non-residential structure
- Relocation of occupants

- Community Housing Improvement Program (CHIP) – (ODOD) Eligible Activities:

<http://www.odod.state.oh.us/cdd/ohcp/hssp.htm>

- Acquisition, rehabilitation/resale activities
- Clearance/demolition – must be like to provision of land for specific activity
- Relocation payment/optional relocation – not linked to a primary housing activity
- Emergency monthly housing payment – special restrictions
- Planning – not to exceed \$10,000
- Tenant based rental assistance
- Private owner rehabilitation
- Down payment assistance
- Down payment assistance/private owner rehabilitation
- Rental rehabilitation
- Public residential rehabilitation for special needs populations
- Home repair
- Residential utility service lines

- New housing construction
- Secondary Activities (limited to 20% of grant request and must be linked to primary activity):
  - Sewer
  - Water
  - Storm sewer
  - Streets
  - Sidewalks/curbs
- Ohio Housing Finance Agency (OHFA) – Eligible Activities:  
<http://www.ohiohome.org/programs.htm>
  - Housing credit program – tax-credit program (Low-Income Housing Tax Credits)
  - Housing development loan program – seed money, construction deposit, equity bridge, direct loan, loan guarantee
  - Housing development assistance program – acquisition of land and/or buildings, demolition, on-site improvements, construction/renovation costs, furnishings/appliances, architectural and engineering fees, developer fees and developer overhead, consultant fees, legal fees
  - Loan guarantee Program – guarantee of a loan for the development of housing for low-to moderate-income persons
  - Multi-family bond program – used as incentives so that developers are interested in projects
- Section 108 Program (HUD) – Loan Guarantees Eligible Activities  
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/>
  - Economic development activities eligible under CDBG
  - Acquisition of real property
  - Rehabilitation of publicly owned real property
  - Housing rehabilitation eligible under CDBG
  - Construction, reconstruction or installation of public facilities (street, sidewalk and other site improvements)
  - Related relocation, clearance and site improvements
  - Payment of interest on the guaranteed loan and issuance costs of public offerings
  - Debt service reserves
- Brownfields Economic Development Initiative – (HUD) – \*\* BEDI program is to stimulate and promote economic and community development – used in conjunction with the Section 108 program. Eligible activities:  
<http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/>
  - Land write downs
  - Site remediation costs
  - Funding reserves
  - Over-collateralizing the Section 108 Loan
  - Direct enhancement of the Security of the Section 108 Loan
  - Provisions of financing to for-profit businesses at a below market interest rate

- Youthbuild – (HUD) \*\* Youthbuild is a program that assists high-risk youth to learn housing construction skills and complete their high school education.

\*\*Competitive grant – would really encourage you to partner with multiple counties for this grant – Eligible Activities:

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/youthbuild/>

- Ongoing training, technical assistance, education, job training, counseling, employment and leadership development services and activities
  - Wages, benefits and need-based stipends for participants
  - Entrepreneurial training, drivers' education, internships, programs for those with learning disabilities
  - In-house staff training
  - Acquisition, rehabilitation, or construction of the housing and related facilities used in the program
  - Necessary relocation payments for residents of such housing
  - Administrative costs, which generally cannot exceed 10 percent of the Youthbuild grant.
- Section 202 – HUD – development of rental housing, subsidy and supportive services for elderly

<http://www.hud.gov/offices/hsg/mfh/progdesc/eld202.cfm>

- Section 811 – (HUD) – development of rental housing, subsidy and supportive services for persons with disabilities.

<http://www.hud.gov/offices/hsg/mfh/progdesc/disab811.cfm>

- Continuum of Care – (HUD) – homeless programs

Supportive Housing -

<http://www.hud.gov/offices/cpd/homeless/library/shp/understandingshp/>

Shelter Plus Care –

<http://www.hud.gov/offices/cpd/homeless/library/spc/index.cfm>

Single Room Occupancies

<http://www.hud.gov/offices/cpd/homeless/library/sro/index.cfm>

- Redevelopment of public housing into “mixed income” properties through HOPE VI Grants – Housing Opportunities for People Everywhere – overall objective to help residents of public housing achieve self-sufficiency. Deadline to apply November 7, 2007.
  - HOPE VI Main Street program is to provide grants to small communities to assist in the rejuvenation of an historic or traditional central business district or “Main Street” area” by replacing unused commercial space in buildings with affordable housing units.
  - HOPE VI Revitalization grants is to assist PHAs to:
    1. Improve the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);
    2. Revitalize sites (including remaining public housing dwelling units) on which such public housing projects are located and contribute to the improvement of the surrounding neighborhood;

<http://www.ruralhome.org/servicesLoans.php>

- Predevelopment loans
- Acquisition loans
- Site development loans
- Construction loans
- Self-help housing
- Preservation loans