

Memorandum



DATE April 3, 2015

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Changes to Chapter 27: Minimum Urban Rehabilitation Standards

On Monday, April 6, 2015 you will be briefed on Changes to Chapter 27: Minimum Urban Rehabilitation Standards. A copy of the briefing is attached.

Please let me know if you have any questions.



Joey Zapata
Assistant City Manager

Attachment

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Changes to Chapter 27: Minimum Urban Rehabilitation Standards

Briefing to the Housing Committee

April 6, 2015



Chapter 27 - Minimum Urban Rehabilitation Standards

- ▶ Purpose: protect the health, safety, morals, and welfare of city of Dallas residents by establishing minimum standards applicable to residential and nonresidential structures
- ▶ Minimum standards are established with respect to utilities, facilities, and other physical components essential to make structures safe, sanitary, and fit for human use and habitation

Scope of Chapter 27

- ▶ Minimum Urban Housing Standards
- ▶ Regulation of Urban Nuisances
- ▶ Administrative Adjudication Procedures
- ▶ Multi-Family Registration and Inspections
- ▶ Non-Owner Occupied Rental Program (NOORP)
- ▶ Mandatory Crime Reduction Program (MCRP)

Scope of Chapter 27

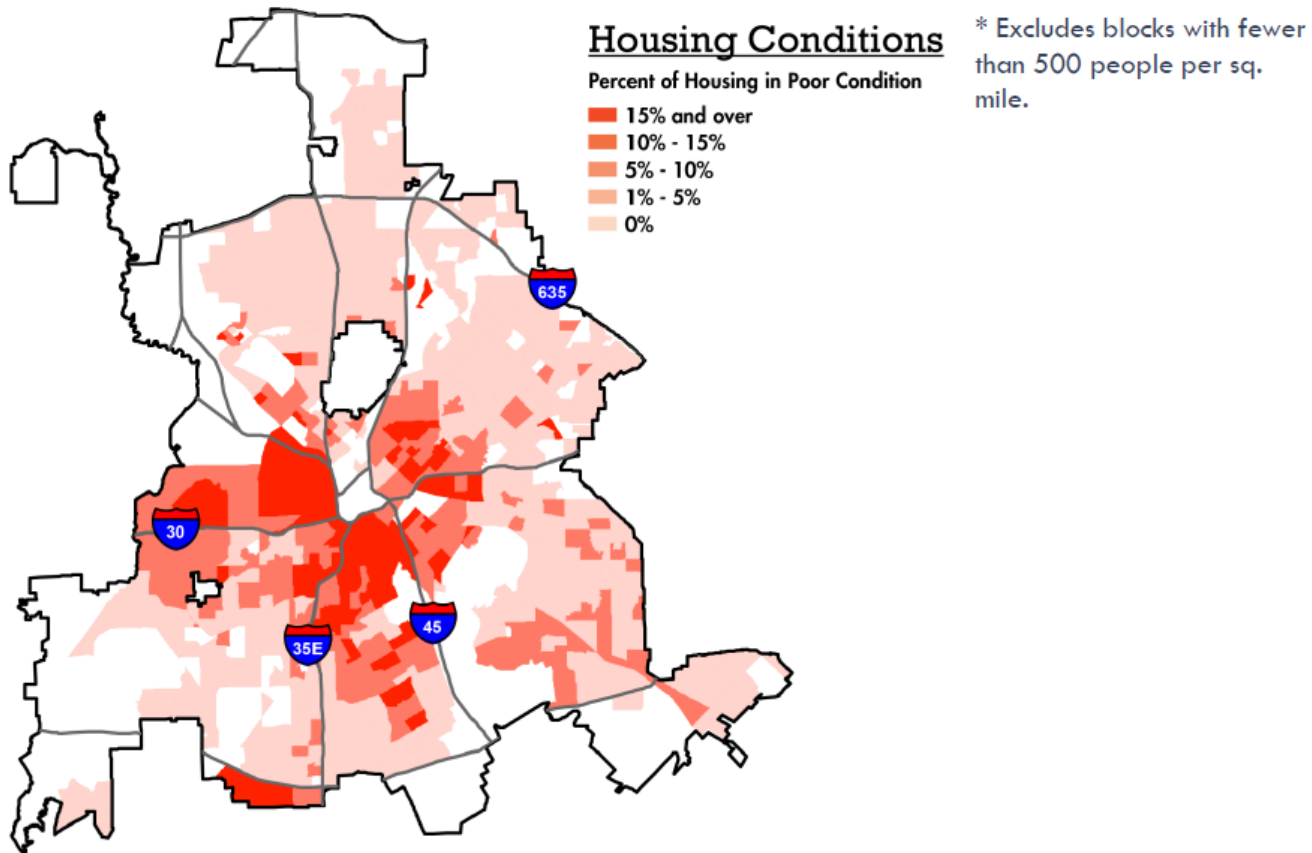
- ▶ Affects nearly everyone who lives in Dallas directly or indirectly
- ▶ The ordinance establishes the minimum standards of health, safety, and quality of life throughout the City



Vacant Buildings and Housing in Poor Condition Affects Quality of Life



Concentrated areas with high percentage of housing in poor condition



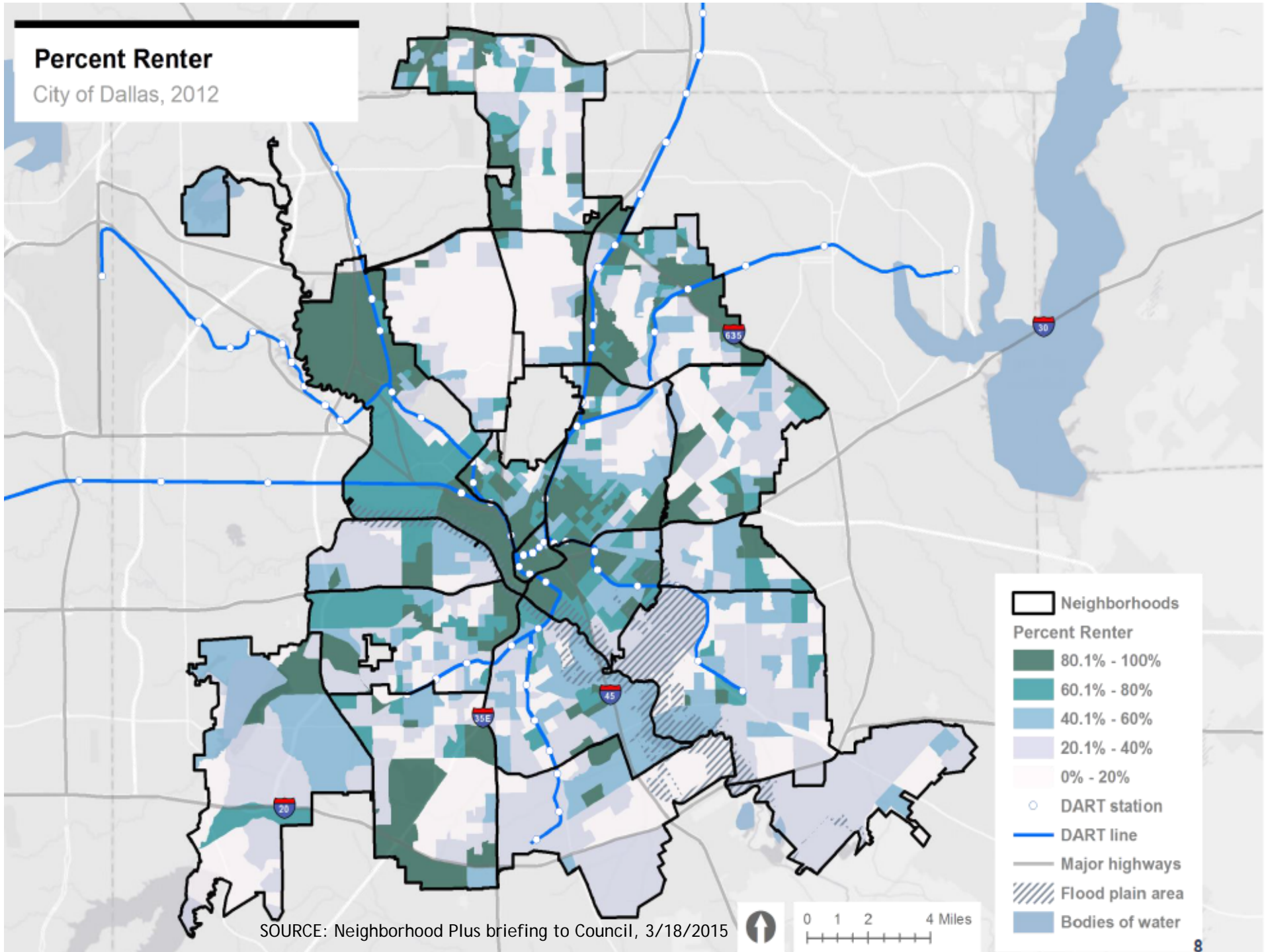
SOURCE: Neighborhood Plus briefing to Council, 3/18/2015

Importance of Chapter 27

- Non-compliance affects neighborhood sustainability/quality of life
 - Often affects most vulnerable citizens
- Provides tools for addressing high profile issues
 - Blight
 - Housing aspects of Poverty Task Force
- 60% of residents live in rental properties
 - 40% of residents live in apartments which are subject to periodic inspection by Code and Fire departments
 - 20% of residents live in rented single family or condominium properties (approximately 50,000 households) with no periodic inspection required

Percent Renter

City of Dallas, 2012



SOURCE: Neighborhood Plus briefing to Council, 3/18/2015

Purpose of Proposed Changes

- ▶ Look at ways to do things differently as we talk about Neighborhood Plus
- ▶ Increase compliance with housing standards by creating standards that are clear and concise
- ▶ Identify and document rental, vacant and blighted properties to enable the City to strategically address these issues
- ▶ Ensure that Dallas' most vulnerable citizens are protected
- ▶ Ensure that housing in Dallas is clean and safe
- ▶ Improve the registration procedures for Multi-family Properties, Non-Owner Occupied Rental Properties (NOORP), and Vacant Buildings

Process

- ▶ Review began in 2013 by Code Compliance
- ▶ Related effort by the City Attorney's Office began in 2014
- ▶ In 2015, Code and CAO combined efforts and sought Stakeholder input
 - Neighborhood Groups
 - Industry organizations
 - Non-profit housing advocates and providers
 - Property owners and managers
 - Municipal court
 - Community Prosecutors
 - Dallas Police and Fire Departments
- ▶ Community Prosecution and Code met with 30 groups and individuals
 - Geographically dispersed across the City

Stakeholders Consulted

Neighborhoods

- Revitalize South Dallas Coalition
- Lake Highlands
- Casa View
- Mill City
- Oak Cliff
- Homestead
- Ferguson Road
- Old East Dallas
- Downtown Resident
- Claremont
- West Dallas
- Vickery Meadow
- Casa View Oaks
- South Central
- Southeast
- North Dallas

Industry

- Apartment Association of Greater Dallas
- MetroTex Realtors
- Real Estate Council
- Apartment Property Owners
- Dallas Builders Association

Agencies

- Services of Hope
- Two-WINS Foundation
- Dallas Police Department
- Texas Tenants Union
- Vickery Meadows PID
- Housing Crisis Center
- Neighborhood Plus
- Habitat for Humanity
- Children's Health and Wellness Alliance

Other Input

- ▶ In addition to Stakeholders, input was included from:
 - ▶ Ordinances of other Texas and US Cities
 - ▶ Health and Wellness Alliance / Children's Health
 - ▶ National Center for Healthy Housing
 - ▶ Habitat for Humanity
 - ▶ City Square
 - ▶ Community Development Clinic, UT-Austin
 - ▶ Center for Community Progress

Highlights of Proposed Changes

- ▶ Update minimum housing standards
 - ▶ Clarify to increase enforcement efficiency and eliminate confusion of property owners
- ▶ Enhance enforcement of nuisance properties
 - ▶ Property owners could become personally liable
- ▶ Revise rental regulation and inspections
 - ▶ Strengthen single family rental regulation
- ▶ Tighten administrative court procedures
 - ▶ Require minimum penalties, clarify rules of evidence and appeals

Specific Issues - Housing Standards

- ▶ Minimum Urban Housing Standards
 - ▶ Have not been updated to reflect changes in Building Codes
 - ▶ Many sections use terms that are not defined
 - ▶ Emphasis of possible changes is on clarification of the existing Minimum Standards

Housing Standards- Stakeholder Input

- ▶ Most Stakeholders agree that clarifying the standards would aid inspector training; increase understanding and compliance from residents and businesses
- ▶ Most concerns were about uneven or inconsistent enforcement

Possible Changes to Consider

- ▶ Model Dallas standards after those of the International Property Maintenance Code and other benchmarked cities
- ▶ Incorporate standards from current construction and fire code (emergency escapes, smoke alarms, etc.)
- ▶ Consider revisions to indoor temperature standards and remedies for non-compliance
- ▶ Strengthen regulations regarding infestations of bugs and rodents as well as indoor air quality

Possible Changes to Urban Nuisances

- ▶ Align regulations with State law
- ▶ Allow City Attorney to sue a property owner individually in Municipal Court in addition to a suit against the property by itself

Possible Changes to Administrative Adjudication Procedures

- ▶ The goal is to strengthen the court procedures to support enforcement
 - ▶ Set minimum threshold for penalties
 - ▶ Require Texas Rules of Evidence to apply
 - ▶ Limit hearing officer's findings
 - ▶ Allow City to appeal a ruling of the hearing officer

Possible Changes to Rental Registration and Inspection

- ▶ Almost 60% of Dallas Citizens live in rental property
 - ▶ 40% in apartments; 20% in single family (including condominiums)
 - ▶ Condominiums pose a difficult problem in regulation that needs to be corrected
 - ▶ The single family rental program is ineffective in fulfilling the objective of establishing uniform minimum housing standards for all rental property

Possible Changes to Rental Registration and Inspection (2)

- ▶ Much of the comment from Stakeholders was directed to administration of the two rental programs
- ▶ The major complaint about apartment inspection is that the program is onerous for well managed properties
 - ▶ Suggestions for a “risk based” inspection program that rewards well-managed properties with less frequent inspections
 - ▶ Other incentives are possible

Possible Changes to Rental Registration and Inspection (3)

▶ Single Family Rental Program

- ▶ Census data indicates that there are between 48,000 and 52,000 single family rental properties in Dallas
- ▶ Less than 10% are currently registered
- ▶ Inspection is not currently authorized, only registration
- ▶ Unlike surrounding communities, registration is not tied to getting a water connection

Possible Changes to Rental Registration and Inspection (4)

- ▶ Possible Changes
 - ▶ Researched most major cities throughout the United States
 - ▶ Seattle requires 10% of all single family rental properties to be inspected each year on a random basis and all inspected during a 10 year period
 - ▶ Berkeley, CA has a non-inspection program for their 30,000 rentals
 - ▶ Relies on property condition affidavits
 - ▶ Program for Dallas should be implemented over a 2-5 year timeframe

Next Steps

- ▶ Significant Stakeholder input has been received and confirmed that changes are warranted
- ▶ Code and City Attorney's Office will lead drafting of ordinance changes
- ▶ Stakeholder input will continue through proposed ordinance revisions
- ▶ Estimate enforcement resources necessary and propose funding model
- ▶ Review by the Dallas Police Department of SAFE and MCRP programs in the context of other proposed Chapter 27 changes