

# LOUISVILLE

LIVE. WORK. CREATE. INNOVATE.



An aerial photograph of a city skyline, likely Nashville, Tennessee, featuring a large white truss bridge spanning a wide river. The city buildings are visible in the background under a clear sky. The image is overlaid with a semi-transparent blue filter and has green vertical bars on the left and right sides.

# Property Maintenance Inspections and Rental Registrations

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# Rental Registration Overview

- Current Rental Registration ordinance is a 1-time registration with no expiration
- Current Rental Registration ordinance captures 1 address on a parcel not each address being registered\*
  - \*If there are fewer than 4 units on a parcel each address is registered.

# Current Registration Exemptions

- Housing units registered with the short-term rentals registry
- Hotels, motels, inns , bed and breakfasts, or similar lodging for transient guests
- Hospitals, hospice facilities, nursing homes etc..
- Convents, monasteries or other facilities occupied exclusively by religious order
- Transitional Housing, homeless shelters, rehabilitation homes, and other shelters
- Housing units owned or operated by a major education or medical institution or by a third party for the institution
- Housing units owned or operated by a government
- Accessory apartments and dwelling units when the principal unit located on the same property is occupied by the owner of record

# Current Registrations

- 44,455 Active Registrations
- 32,957 Parcels With a Registration

# Property Maintenance Cases

- 11,687 currently open Property Maintenance Cases
- 78,429 inspections completed FY22
- 18,191 Cases Closed in FY 22
- 14,343 Citations placed in FY 22

# Case and Registration Overlap

- 3,293 registered parcels have an open case
  - 10% of registered parcels have a case
  - 28.1% of cases on registered Parcels
- 6,891 registered parcels had a case at some point in FY 2022
  - 20.9% of registered parcels had a case in FY 22
- 23,953 inspections completed on registered parcels in FY 22
  - 30.5% of inspections in FY 22 on registered parcels

# Estimated Cost To Implement Proposed Ordinance

- Start up Cost (Year 1)
  - \$3,303,161
    - 29 New Staff
    - 18 New Vehicles
    - System Development for new registry
    - Office Supplies, Uniforms, Printers, Desks, Etc.
- Annual Costs (Year 2+)
  - \$2,364,133

# Cost Drivers

- Annual Registration
  - Current registration is one time, with 44,455 registrations this would Codes & Regulations largest annual licensing program
  - Even when registration is online people have questions and need assistance from staff. These calls take a significant amount of staff time.

# Cost Drivers

- Manual Review of each Registration Required
  - 119.03 (B)(8) sworn affidavit
    - This would require manual staff review of every registration application to ensure affidavit is notarized and attached
  - 119.04 Registration with the Louisville Metro Revenue Commission
    - This would require receiving proof of registration for every applicant or financial records indicating they don't have to register with Metro Revenue Commission

# Cost Drivers

- Annual Inspection
  - US Census data estimates over 120,000 rental units. An Annual inspection of a random 10% of these would require 12,000 units be inspected
  - Based on our experience administering the HQS program it would take 15 inspectors to conduct the randomized inspections and the follow up inspections to ensure compliance.
  - In FY 22 we inspected ~22% of registered properties however most inspections in the Property Maintenance Program exterior inspections. Also, these inspections are typically started as a result of a complaint and not at random as the ordinance would require. (We do not have data identifying the number of those that were interior inspections)
  - This program would require an interior inspection which would need to be scheduled with the Property Owner and/or Tenant

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# Other Concerns

- Equity
  - Single family homes or duplexes are being asked to pay the same as 50+ unit apartment complexes
  - Only randomly selected units would potentially have to pay a fee
    - Ordinance as proposed would be revenue negative after the first year.

# Other Concerns

- Data retention period for building permits is 5 years proposed ordinance is exempting renovated properties for 10 years
  - Not all building permits are created equal, a permit to renovate a part of the unit may have left a significant portion of the unit untouched.
- Annual report to Council requires reporting of data that is not being required to be collected by the registration
  - Examples
    - Total Number of Occupied Rental Housing Units
    - Availability of units for rent

**QUESTIONS??**