

Rental Vacancy Study

City of Rochester

Council Work Session – October 20, 2021

Introductions

- City of Rochester staff
- M&L, Fourth Economy, Highland Planning

About ETPA

- Housing Stability and Tenant Protection Act of 2019 expanded the ability to opt-in to rent stabilization under New York's Emergency Tenant Protection Act (ETPA)
- To opt-in, municipalities must declare an emergency under the ETPA
- Emergency = municipality must have **vacancy rate of less than five percent** of the rental stock to be regulated

Survey Overview

Rental Vacancy Survey

- Municipalities must fund a study of their housing accommodations to determine the existence of an emergency under the ETPA
- Purpose of the study was to determine whether or not Rochester qualifies to opt-in to rent stabilization under ETPA
- Survey modelled on two other NY communities that recently completed similar survey (Ossining, Kingston)

Methods

Property Survey Eligibility

- Eligible
 - Buildings with six (6) or more legally established residential units built prior to January 1, 1974
 - “Garden style” apartment complexes built before 1974 (regardless of # of units per building)
- Not eligible includes buildings
 - Owned or operated by RHA
 - Subject to NYS affordable housing programs/regulation
 - Converted to residential after 1974
 - Converted to 6+ units after 1974
 - Buildings owned by institutions (hospitals, colleges, non-profits) operated for charitable or educational purposes

Survey Questions

- Total number of residential rental units
- Number of rented/occupied units
- Number of units that were vacant *and* available for rent
- Number of units vacant *but not* available for rent:
 - Uninhabitable
 - Under renovation
 - Being used for a non-residential purpose (e.g., storage)

Survey Distribution

- April 20, 2021 – May 11, 2021
- Letters sent to all 668 properties via first class mail
 - Cover letter from Mayor
 - Paper copy of surveys
 - Pre-paid envelope to return paper survey
 - Link to online survey
- Each property assigned a unique three (3) digit code to be used when completing the survey

Survey Follow-Up

- 111 Surveys returned by May 11 (17%)
- Conducted follow-up with all 557 non-response properties
- Multiple phone calls made to each (2 minimum)
- Consultant + City staff (Code Enforcement, Planning, Law, Housing)
- Survey closed July 15 with 254 survey responses (38%)
- Follow-up more than doubled response rate, generated 152 additional survey responses

Survey Data Clean-Up and Validation

- Data clean-up performed
- Flagged responses needing additional validation
 - +/- 3 unit difference in survey units vs. city records
 - Internal consistency issue with survey response
 - Properties of 10+ units with incomplete unit info
- Conducted follow-up/validation with 38 properties
- Final results
 - 245 accepted surveys (37 percent final response rate)
 - 9 responses rejected due to incomplete or incorrect unit information
 - 414 non-response properties

Results

Results Overview

Accepted Surveys	245
Total Residential Units (City Records)	3,539
Total Residential Units (Survey)	3,543
Total Off-Market Vacant Units (Survey)	68
Net Available Units (Survey)	3,475
Total Occupied Units (Survey)	3,162
Net Occupancy Rate	91%
Net Vacancy Rate	9.0%

Considerations and Limitations

Considerations & Limitations

- Scale of outreach (668 properties vs. fewer than 100 in other communities)
- COVID-19 Eviction Moratoria
- Survey Response Bias

How We Tested Bias

- Looked at a number of factors to assess how reflective of the total population surveyed the accepted responses were:
 - Survey Period
 - Property Size
 - City Geography
 - Property Owner Location
- Calculated net vacancy rate for multiple sub-categories to see if it was less than 5% anywhere within the response data

Analysis of Bias

- Nearly 2/3 of accepted responses reported property-level net vacancy rate below 5%
- Accepted survey data generally reflects the total population surveyed by property size, city geography, and property owner location
- *Therefore, there is no compelling evidence of bias in the survey response*
- Also – survey data do not show net vacancy below 5% for any sub-category of analysis

Analysis of Non-Response and Rejected Survey Data

*What would it take for the 423 non-response/
rejected survey properties to influence the
reported net vacancy rate of 9% from accepted
surveys and drive it below 5%?*

- Could be ***no more than 199 vacant/available units*** total across the entire non-response/
rejected property population (6,709 units)
- ***Net vacancy*** rate across the entire non-
response/rejected survey population would
have to be ***less than 2.97%***

Summary of Analysis

- Reported net vacancy from accepted surveys is 9% - significantly higher than 5%
- Accepted survey response rate is 37%, so reported net vacancy is an estimate, however:
 - Analysis shows no evidence of bias in accepted survey response
 - No sub-category of analysis showed net vacancy below 5% from accepted surveys
 - Net vacancy across *all* non-response/rejected survey properties would have to be less than 2.97% to drive overall rate below 5%

Conclusion

- Rochester cannot prove a net vacancy rate of less than 5% among potentially ETPA-eligible properties
- Therefore, Rochester does not currently meet the legal threshold required by the ETPA to declare an emergency and opt-in to rent stabilization

Questions

Reference Tables

Net Vacancy Rate of Accepted Responses Above and Below 5%

* All units off-market vacant in these properties so no vacancy rate calculated.

Net Vacancy Rate	Number of Properties	Percent of Properties	Number of Total Residential Units Reported in Properties	Percent of Units in Properties
Below 5.0 Percent	158	64%	2,055	58%
Above 5.0 Percent	85	35%	1,445	41%
N/A*	2	1%	23	1%
TOTAL	245	100%	3,543	100%

Responses & Net Vacancy by Survey Period

Survey Phase	Total Properties	Total Residential Units (Survey)	Total Off-Market Vacant Units	Net Available Units	Total Occupied Units	Net Occupancy Rate	Net Vacancy Rate
Initial Response (April-May)	105	1,736	38	1,698	1,516	89.3%	10.80%
Follow-up Response (June-July)	140	1,807	30	1,777	1,646	92.6%	7.40%
Total	245	3,543	68	3,475	3,162	91%	9.0%

Response Rates by Building Size

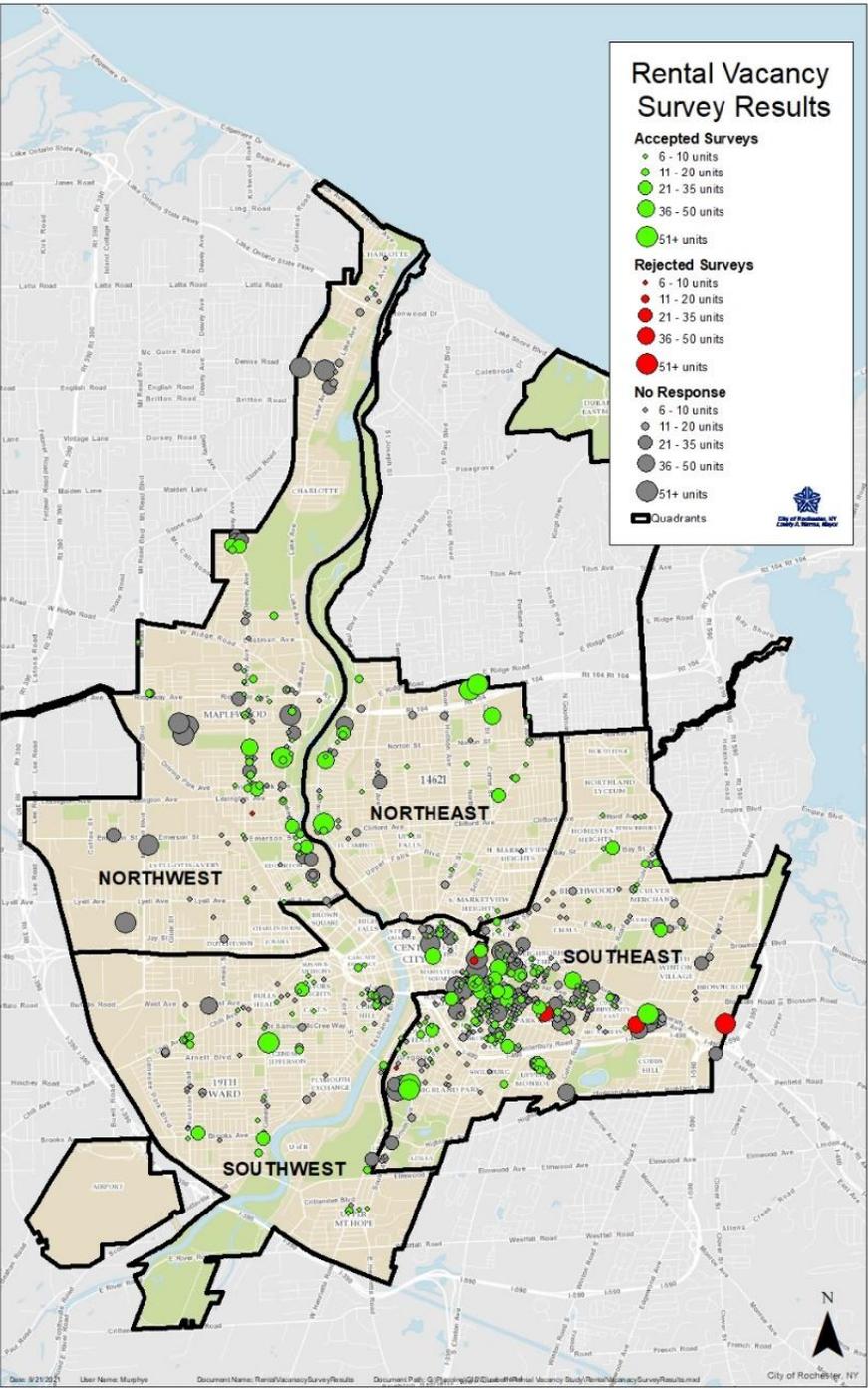
Property Size	Total Units Surveyed*		Accepted Surveys		Non-Responses	
	Number of Units	Percent of Units	Number of Units	Percent of Units	Number of Units	Percent of Units
6 Units	1,044	10%	384	11%	648	10%
7-10 Units	1,914	19%	679	19%	1,212	20%
11-15 Units	1,275	12%	475	13%	788	13%
16-20 Units	748	7%	384	11%	364	6%
21-25 Units	763	7%	319	9%	444	7%
26-35 Units	838	8%	260	7%	578	9%
36-50 Units	959	9%	340	10%	537	9%
51+ Units	2,711	26%	702	20%	1,621	26%
Total	10,252	100%	3,543	100%	6,192	100%

* Based on the number of units reported in accepted survey responses plus number of units in City records for non-response properties and rejected surveys.

Net Vacancy Rates by Building Size

Property Size	Total Residential Units (Survey)	Total Off-Market Vacant Units	Net Available Units	Total Occupied Units	Net Occupancy Rate	Net Vacancy Rate
6 Units	384	9	375	353	94.1%	5.9%
7-10 Units	679	20	659	611	92.7%	7.3%
11-15 Units	475	22	453	405	89.4%	10.6%
16-20 Units	384	4	380	357	93.9%	6.1%
21-25 Units	319	1	318	288	90.6%	9.4%
26-35 Units	260	3	257	214	83.3%	16.7%
36-50 Units	340	3	337	289	85.8%	14.2%
51+ Units	702	6	696	645	92.7%	7.3%
Total	3,543	68	3,475	3,162	91.0%	9.0%

Response Rates by City Geography



Net Vacancy Rates by City Geography

Quadrant	Number of Accepted Surveys / Properties	Total Residential Units in Accepted Surveys / Properties	Net Available Units	Total Occupied Units	Net Occupancy Rate	Net Vacancy Rate
Southwest	52	602	578	475	82.2%	17.8%
Southeast	125	1,737	1,707	1,598	93.6%	6.4%
Northwest	44	591	580	542	93.4%	6.6%
Northeast	24	613	610	547	89.7%	10.3%
TOTAL	245	3,543	3,475	3,162	91.0%	9.0%

Response Rates by Owner Location

Property Owner Location	Number of Properties Surveyed	Percent of Total Properties Surveyed	Number of Accepted Surveys / Properties	Percent of All Accepted Surveys / Properties	Number of Non-Response Surveys / Properties	Percent of All Non-Response Surveys / Properties
City	318	48%	105	43%	211	51%
Region	288	43%	122	50%	159	38%
Outside Region	62	9%	18	7%	44	11%
TOTAL	668	100%	245	100%	414	100%

Net Vacancy Rates by Owner Location

Property Owner Location	Number of Accepted Surveys / Properties	Total Residential Units in Accepted Surveys / Properties	Net Available Units	Occupied Units	Net Occupancy Rate	Net Vacancy Rate
City	105	1,322	1,298	1,220	94%	6%
Region	122	1,836	1,792	1,589	89%	11%
Outside Region	18	385	385	353	92%	8%
TOTAL	245	3,543	3,475	3,162	91%	9%

For TOTAL net vacancy to be less than 5%, there could be no more than 199 vacant units or a net vacancy rate of no more than 2.97% among non-response/rejected survey properties.

Data Categories	Estimates
TOTAL ETPA Eligible Properties	668
TOTAL Residential Units*	10,252
TOTAL Net Vacancy Rate	4.99%
TOTAL Occupied Units	9,739
MAX TOTAL Vacant Available Units	512
Vacant Available Units from Accepted Surveys	313
Accepted Survey Properties / Units	245 / 3,543
MAX Vacant Available Units Among Non-Response or Rejected Survey Properties	199
Non-Response or Rejected Survey Properties/Units	423 / 6,709

* Assuming 100% of total units available

Reported Net Vacancy Over 3% by Building Size

Property Size	Total Accepted Survey Properties	Properties Reporting Net Vacancy Over 3%		Total Available Units in Accepted Survey Properties	Units in Properties Reporting Net Vacancy Over 3%	
		Number	Percent		Number	Percent
6 Units	64	15	23%	375	89	24%
7-10 Units	83	24	29%	659	188	29%
11-15 Units	37	17	46%	453	212	47%
16-20 Units	22	9	41%	380	156	41%
21-25 Units	14	7	50%	318	161	51%
26-35 Units	9	5	56%	257	143	56%
36-50 Units	8	5	63%	337	204	61%
51+ Units	8	5	63%	696	403	58%
TOTAL	245	87	36%	3,475	1,556	45%