

A photograph of a two-story house with a porch. The house has light-colored siding and a dark roof. The porch has white columns and a white railing. The house is set against a blue sky with white clouds. The text is overlaid on the image.

# **HOUSING QUALITY TASK FORCE REPORT AND RECOMMENDATIONS**

**JUNE 24, 2022**

# Housing Quality Task Force Report and Recommendations

## Composition and Charge

Mayor Malik Evans announced the creation of the City of Rochester Housing Quality Task Force on February 15, 2022. The group of housing advocates, providers, City officials, and government and nonprofit leaders was co-chaired by Aqua Porter, Executive Director of the Rochester-Monroe Anti-Poverty Initiative and Carol Wheeler, Manager of Housing for the City of Rochester. Full membership appears in appendix A.

The task force's charge from Mayor Evans was to consider, research and recommend policies and programs that the City of Rochester can take to improve and enhance housing quality in Rochester.

## Approach

The task force committed to providing its recommendations within 90 business days from its February 15<sup>th</sup> starting date, and delivered its recommendations to Mayor Evans one day before its deadline of June 24, 2022.

Co-chairs set standing, weekly, 90- to 120-minute full-group meetings from February 24 through June 23, 2022. In addition, sub-group meetings were held to work through follow-up items, resulting in 35 or more hours of work for each task force member. The vast majority of members attended nearly all weekly task force meetings.

The team met in-person, via Zoom, and in hybrid meetings (some members sitting together in a meeting room with others dialing in via Zoom). In-person meetings were held at Rochester Housing Authority and at RMAPI's offices.

The task force also established a community engagement sub-group, which met with various housing-related organizations. A list of questions was provided in advance of each meeting. All organizations responded to the questions, and some shared personal experiences to elaborate on their responses. The list of community groups consulted is provided in Appendix B.

The task force used a Sharepoint file sharing system to share documents and resources, and utilized online tools including Jamboards and Zoom white boards to support group brainstorming. The co-chairs facilitated the weekly full-group discussions using these online tools as well as a "roadmap" framework that organized the group's work into several key areas:

- Developing shared understanding of the Rochester housing landscape
- Defining "housing quality" and the key challenges to achieving it in Rochester, particularly for low-income households
- Identifying policy and program ideas that could potentially improve housing quality, particularly for low-income households
- Vetting and refining initial ideas into a set of actionable recommendations for submittal to the Mayor

The task force's discussions about potential solutions were wide-ranging and generated many ideas. The group decided to focus on a list of recommendations with a strong nexus to housing quality that would be actionable at the local level (versus requiring state or federal action). Additionally, the group reviewed each idea for how feasible it was and how "shovel ready" it was. The task force used consensus at full-group meetings to decide which proposals to include as final recommendations. Each recommendation was discussed, vetted, and refined in full-group meetings where multiple perspectives were shared.

## **Understanding the Rochester Housing Landscape**

The task force approached the question of housing quality by first reviewing Rochester and Monroe County housing studies that have been conducted since 2018. The task force drew in particular upon the City's 2018 Housing Market Study and the 2021 Mechanics of Monroe County Rental Market study, conducted by CZP LLC, and the Rochester 2034 comprehensive plan. A full list of studies and data informing the task force's work appears in Appendix C.

Looking across these studies and the knowledge base of its members, the task force developed an understanding of Rochester's housing ecosystem to inform its work. It recognized a housing stock that is predominantly older, with nearly half of units dating from before 1940, and 90 percent older than 1978, when lead was banned in paint. This consists predominantly of single-family through four-family houses (64 percent of units), with the remainder in larger buildings.

The older stock, combined with a 36 percent decline in Rochester's population from 1950-2010, contributed to an oversupply of housing units and existing home values well below the cost of new construction. This kept housing costs low by national standards, but contributed to substantial deferred maintenance, especially in lower-demand areas of the city, and little new construction. Even today, very little new construction is profitable in Rochester without subsidy.

The challenges of older stock and deferred maintenance are compounded by high poverty rates in much of the city. The city's median income of \$37,395 (2020) was 42 percent below the national median, and represented a 20 percent decline in constant dollars from the year 2000. For the 40 percent of city residents making less than \$20,000, affordable rent by the commonly used standard of 30 percent of income would be \$500 or less, an amount that fails to meet the cost to own and maintain nearly any type of housing unit.

High poverty rates are one of many factors contributing to Rochester's low homeownership rate of 36 percent. The city's number of owner-occupant households decreased by 35 percent from 1970 through 2019, accounting for its entire net loss of households over this period. Poverty also factors prominently into the city's eviction filing rate, which averaged 8,284 per year from 2015 through 2019. In the lowest demand 30 percent of areas within the city, nearly three quarters of households are housing cost burdened. Eviction rates in these areas are generally three to four times those of high-demand areas.

## **Defining Quality Housing**

Task force members were asked to describe what quality housing meant to them. As a baseline, members broadly felt that quality housing must be free of physical and environmental hazards, and pest infestations. They also noted that building mechanical systems should function properly and efficiently. Matters of safety, including smoke and CO alarms, lead safety, and absence of code violations, along with cleanliness, were also considered basic requirements of quality housing.

Beyond these basic requirements, members felt that quality housing derived from quality workmanship, finishes that were in good condition and updated when needed, and general aesthetic appeal. There was a sense that "you know it when you see it," and that quality rental housing was housing that owners themselves would want to live in. Some members felt that newer housing correlated with better quality, and some cited considerations beyond the state of the property itself, such as a safe neighborhood and good landlord/tenant relations.

## **Defining the Challenges to Housing Quality**

Once the task force had given shape to its concept of quality housing, it started to look at challenges and needs in housing. It analyzed these from the perspectives of tenants, landlords, and the overall community.

As some of the most prominent challenges facing tenants, task force members generated a broad list of problems related to property conditions, including poor mechanicals and plumbing, malfunctioning windows and doors, roof leaks, and pest infestations. Landlord failure to perform maintenance, or in some cases respond at all to requests for service, was particularly frustrating. They also identified unsafe neighborhoods, criminal activity within and outside their buildings, and a general lack of options to move someplace better.

Significant challenges from the housing provider perspective included the difficulty of affording upkeep and improvements with relatively low rents, a perceived lack of tenant accountability for damage and inconsiderate behavior, and inconsistent or excessively harsh enforcement of code and other regulations. Cost inflation and shortages of both materials and labor were also seen as making the current market difficult for property owners.

For the well-being of the overall housing ecosystem, task force members discussed improving relationships and mutual respect between landlords and tenants. They felt that tenants deserve responsiveness and to be treated like valued customers, while landlords deserve responsible treatment of their property. Members said that code enforcement should hold serious and repeat offenders responsible while remaining fair and consistent, and should take into account both landlord responsibilities and tenant-caused issues. Members also brought up the need to fill the gap between many tenants' ability to afford quality housing and landlords' cost to provide it.

## **Principles and Problem Statements**

Informed by the review of studies and group brainstorming around quality and the obstacles to it, the task force set out principles and problem statements to guide its recommendations:

- There are many excellent landlords and tenants in the City of Rochester, along with many struggling or lower-performing landlords and tenants. Improving housing quality is a shared responsibility of landlords, tenants, government, and society.
- Low incomes, concentration of poverty in the city, and concentration of extreme poverty in particular neighborhoods are the major driving factors of affordability and quality.
- Tenant ability to pay in the lower-income market does not meet the cost to provide quality housing. Extraction is often the only economically viable business model in low-income areas, as reinvestment in quality is not supported by market rents.
- Tenant market power drives housing quality. Increased incomes allow tenants to “fire” subpar landlords and move into better housing.
- Policy should reward responsible landlords and tenants, and discourage irresponsible landlord and tenant actions. Unintended or counterproductive consequences (such as policies making things harder for good landlords/tenants) should be avoided.
- Existing laws and tools should be used to effectively and consistently enforce City Code across the city.
- Meaningful enforcement against substandard housing conditions must have teeth.

## Scope of the Recommendations

Housing is a basic need of people, a source of aesthetic and emotional value, a defining component of the built environment, and a large and complex economic sector. Addressing all of the issues involved with housing would surpass the task force's charge and its deadline of 90 business days. The membership therefore chose to focus on issues that are most proximate to housing quality, that can be impacted through local action, and that offer high return on effort and expenditure in a reasonable amount of time.

As a result, some bigger picture concerns like poverty reduction, evictions, and homeownership are addressed only insofar as they pertain to this focused approach to housing quality. However, there is broad agreement among the task force membership that significantly reducing poverty would make a bigger difference than anything else the City, or society, can do to improve housing quality.

The following are the task force's recommendations to improve the condition of Rochester's existing housing stock, add new supply of quality housing, and incentivize landlord and tenant actions that improve housing quality.

## Recommendations

### Code Enforcement

- 1) Increase staffing of code enforcement and develop improved systems to focus resources on the biggest problems. Use increased staff and data analysis to improve training and consistency, respond to complaints, and accelerate closure of violations, issuance of fines, and adjudication. Develop meaningful code enforcement KPIs.
- 2) Establish a dedicated Housing Attorney in the City Law Department. This attorney can bring enforcement cases in the Municipal Code Violations Bureau and Housing Court, and better coordinate with Housing Court and tenant attorneys on matters of habitability, patterns of retaliation, and landlord and tenant accountability. Seek contempt sanctions for landlords and tenants who fail to comply with court-ordered actions.
- 3) Dedicate a cross-functional team across City departments to target habitually non-compliant landlords and long outstanding C of O and code violation cases ("worst of the worst") for additional fines, adjudication, and enforcement. Fines should be added to taxes and proceed to foreclosure, receivership, and contempt filings when applicable. Aggregate units for receivership and direct them to responsible owners identified by City scoring system.
- 4) Implement a property owner/manager scoring system by the end of 2022 and make the system publically available and searchable on the City's website. Scoring property owners and managers will improve tenants' ability to make informed choices, reward good housing providers, focus enforcement on poor performers (including a potential "worst of the worst" list), and allow the City to create preferential benefits for responsible owners/managers. This could include an incentive-based certificate of occupancy program that requires more frequent inspections for low-scoring properties but not high-scoring properties.

- 5) Draft rent abatement legislation modeled on the Spiegel Act and Multiple Residence Law 305-a, providing for a rent abatement where there are health and safety violations or dangerous and hazardous conditions about which an owner has received notice from the City but failed to cure. Include an exception for tenant-caused damage or tenant denial of access.

### **Facilitating Responsible Ownership Through Land Bank, Foreclosures, and Building Registry**

- 1) Increase the scale and effectiveness of the Rochester Land Bank. Maximize the number of tax delinquent properties that are transferred to responsible owners by expanding the Land Bank's pre-qualified developer partner network and providing funding for the Land Bank to acquire all properties that partner developers commit to rehabbing. Whenever possible, focus Land Bank partnerships on efforts that create home ownership opportunities for income-qualified households. Consider targeting specific geographic areas for improvement.
- 2) Better ensure that those purchasing properties at the City's delinquent tax foreclosure auction will maintain housing quality consistent with City Code by conditioning the ultimate transfer of title on the purchaser demonstrating that any other properties owned in the City are code-compliant with no outstanding complaints/violations and have a C of O where required. Increase the minimum deposit at the annual auction from \$1,000 to \$2,500.
- 3) Dedicate a cross-functional team across City departments to enhance the vacant property management program to be more comprehensive and proactive. Streamline disposition of salvageable vacant properties through foreclosure, Land Bank, and private rehabilitators. Use demolition to remove properties that are too unsafe and deteriorated to be restored at a reasonable cost.
- 4) Strengthen the City's building owner registry program. Require the majority owner and/or managing partner name(s) to be listed on the registry, identifying person(s) who are reasonably presumed to be responsible for the property. Additional information on all LLC members will be on file and only retrieved through a FOIL request.

### **Repair and Improvement Programs**

- 1) Increase funding of the Emergency Hazard Abatement Program, in which the City hires contractors and bills the landlord if the landlord fails to correct immediate hazards, by \$440,000 (2 years' expenses). This program restores basic health and safety, and avoids displacement, while holding landlords accountable for costs they are responsible to bear.

- 2) Fund repair and improvement grants and loans to both owner-occupants and high scoring landlords in low-income areas. Evaluate how to increase funding available per housing unit for housing providers creating high quality housing for income-eligible residents. Lack of payback and appreciation discourage expensive repairs and improvements in challenged areas. Targeted funding can reduce the risk of not recouping these investments for both owner-occupants and landlords, in exchange for a period of required occupancy or rent affordability. Work with financial institutions to create favorable lending products for quality rehabilitation projects.
- 3) Scale up the RENEW program, a local backbone model that integrates across multiple housing agencies, services, and funding streams to provide “whole-house” rehab that improves housing quality and sustainability. Increase the pool of flexible funding that RENEW has available to braid with other housing rehab and quality initiatives in the community, expand the program’s reach to serve low-income tenants as well as low-income owner-occupants, and ensure that healthy, age-friendly, and green/energy efficient housing remains central to its approach.

### **Increase Supply of Quality Housing**

- 1) Provide incentives for new construction and substantial rehab to generate new units for homeownership. Provide subsidy for developers who build new construction or rehab an existing vacant property in formerly redlined areas.
- 2) Encourage the expansion of high quality residential and mixed-use housing supply – both income-qualified and market rate – by implementing the Zoning Alignment Project (ZAP) in accordance with the Rochester 2034 Comprehensive Plan, to expand housing choices across the city and focus density along transit corridors.

### **Improving Communication and Education**

- 1) Leverage the City’s upcoming website overhaul to expand functionality and content to inform, educate and engage all stakeholders related to housing quality. In the meantime, incorporate Housing Quality Task Force recommendations, updates, and additional resources into content on existing City website. Include links to landlord and tenant rights and responsibilities and other educational materials (Housing Council, Monroe County tenant education program, etc.), C of O and code information, rehab grants, and RENEW and NYSERDA incentive programs.
- 2) Develop 1:1 marketing materials for inclusion in established mailings to property owners, increasing awareness of and encouraging participation in informational courses, such as the Housing Council’s Operating Rental Property course and Landlord Ambassador program.

## **Moving Forward**

We recommend that the City administration review the recommendations and assign those upon which it proceeds to the proper departments and staff within City government for implementation.

The Housing Quality Task Force proposes reconvening in August 2022 to assess and guide the City's implementation plans. At that time, the task force can establish a plan for future meetings to evaluate progress, establish key performance indicators, assess the effectiveness of implemented recommendations, and revise, terminate, or add recommendations as needed. In addition, the task force will identify community stakeholders who could further advance ideas that were not included in its final recommendations.

## **Appendix A – Housing Quality Task Force Membership as Announced by Mayor Evans**

Co-Chair: Aqua Porter – Executive Director, RMAPI

Co-Chair: Carol Wheeler – Manager of Housing, City of Rochester

### Members:

Daisy Algarin – NSC Director, City of Rochester

Lia Anselm – Senior Community Housing Planner, City of Rochester

Matt Bain – Housing Provider

Patrick Beath – Deputy Corporation Counsel, City of Rochester (Proxy for Ms. Kingsley)

John Brach – Special Assistant to the Mayor, City of Rochester

Shawn Burr – Executive Director, Rochester Housing Authority

Alex Castro – Chief Executive Officer, The Housing Council at Pathstone

Matt Drouin – Housing Provider, Oak Grove Companies

Henry Fitts – Grants Manager and Research Coordinator, City of Rochester

Erik Frisch – Deputy Commissioner of NBD, City of Rochester

Stacy Jernigan – Rochester Homeless Union

Linda Kingsley – Corporation Counsel, City of Rochester

Kurt Martin – Director of Buildings and Zoning, City of Rochester

Liz McGriff – Community Organizer, City-Wide Tenant Union of Rochester

Miguel Melendez – President, Rochester City Council

Elizabeth Murphy – Associate Planner, City of Rochester

Barbara Pierce – Communications Director, City of Rochester

Zach Pike – Director, Civil Division, Legal Aid Society of Rochester

Kim Smith – Councilmember, City of Rochester

Eric Van Dusen – Senior Community Impact Relationship Manager, ESL Federal Credit Union

### Research Staff:

Geneva Hinkson – University of Rochester B.A. candidate and City of Rochester NBD intern

Lindsay Nabozny – Senior Community Housing Planner, City of Rochester



## **Appendix B – Community Groups Consulted by The Task Force**

Affordable Housing Providers  
Rochester Housing Coalition  
Greater Rochester Area Realtors  
New American Advisory Council  
City-Wide Tenant Union of Rochester  
Tenant Defense Fund

## **Appendix C – Studies And Data Relied Upon by the Task Force**

2018 Rochester Housing Market Study  
Rochester 2034 Comprehensive Plan  
2011-2019 Eviction Data Analysis  
2020 Analysis of the Impediments to Fair Housing  
2020 Confronting Racial Covenants in Monroe County  
2021 Buy the Block Legislation (RUBI Recommendation)  
2021 Commission on Racial & Structural Equity (RASE) Report  
2021 Mechanics of Monroe County Rental Market  
2021 Harvard Small Landlords COVID Study  
2021 Housing Trust Fund Blueprint Report  
2021 Reparations & UBI (RUBI) Committee Report  
2018 Rochester Transit-Supporting Corridors Study  
2020 US Census