

January 2021

A MORE STRATEGIC, EQUITABLE APPROACH TO HOUSING AND BUILDING CODE ENFORCEMENT IN TOLEDO, OHIO

AUTHORS:

MATT KREIS | General Counsel, Center for Community Progress

KAREN BLACK | CEO and Principal, May 8 Consulting, Inc.

This report was prepared by the Center for Community Progress with support from Karen Black of May 8 Consulting, Inc. For additional information, please contact the authors listed below.

Matt Kreis

General Counsel, Center for Community Progress
mkreis@communityprogress.net

Karen Black

CEO and Principal, May 8 Consulting, Inc
kblack@may8consulting.com

ABOUT CENTER FOR COMMUNITY PROGRESS

The mission of Center for Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Founded in 2010, Community Progress is the leading national, nonprofit resource for urban, suburban, and rural communities seeking to address the full cycle of property revitalization. The organization fulfills its mission by nurturing strong leadership and supporting systemic reforms. Community Progress works to ensure that public, private, and community leaders have the knowledge and capacity to create and sustain change. It also works to ensure that all communities have the policies, tools, and resources they need to support the effective, equitable reuse of vacant, abandoned, and deteriorated properties. More information is available at www.communityprogress.net.

Center for Community Progress

(877) 542-4842

info@communityprogress.net

www.communityprogress.net

© Copyright 2021, Center for Community Progress. All rights reserved.

TABLE OF CONTENTS

Acknowledgments	4
Introduction & Key Takeaways	5
I. Background and Local Context	10
II. Summary Observations	14
A. Data to Define the Problem and Inform Code Enforcement Goals and Priorities	14
B. State and Local Legal Authority to Address Problem Properties	23
C. Code Enforcement Staffing and Case Management	27
D. Code Enforcement Partners	30
III. Framework for a More Strategic Approach to Code Enforcement that is Equitable, Efficient, and Effective	32
IV. Recommendations	35
Recommendation 1: Set Clear Goals and Priorities for Code Enforcement to Move from Reactive to Strategic and Proactive	35
Recommendation 2: Improve Data Collection, Management, and Analysis	38
Recommendation 3: Create an Enforcement Decision-making Tool to Ensure Consistent, Equitable Enforcement	43
Recommendation 4: Ensure Equitable Safeguards in the Enforcement Process	48
Recommendation 5: Change the Culture from Enforcement to Compliance	50
Conclusion	58
Appendix A: List of Stakeholders Interviewed	59

ACKNOWLEDGMENTS

Community Progress wants to sincerely thank all of the Toledo stakeholders interviewed throughout this engagement for offering their valuable time and insight to support this project, especially those individuals from the City of Toledo's Division of Code Enforcement, a division of the Department of Neighborhoods led by Director Rosalyn Clemens, and from the Lucas County Land Bank, led by President and CEO David Mann. Special thanks are due to the Commissioner of the Division of Code Enforcement, Dennis Kennedy, and his team for devoting significant time to responding to our requests for data and information, engaging in bi-weekly conference calls and a number of virtual interviews, and for their general willingness to share their knowledge and expertise. Finally, we must acknowledge the generosity of the Lucas County Land Bank and its Board of Directors. Without their partnership and financial support, this report would not have been possible.

We are grateful to have had the opportunity to learn from these talented and dedicated public servants, and we hope this engagement can be a catalyst to improve upon the great work already being done in Toledo.

INTRODUCTION & KEY TAKEAWAYS

In May 2020, the Center for Community Progress (“Community Progress”) was asked by leaders at the City of Toledo (“City”) and their partners at the Lucas County Land Bank (“Land Bank”) to assess the City’s approach to the enforcement of housing and building codes. The timing of this request is critically important, as the City and the Land Bank—like many local governments and their partners across the country—are grappling with how to maintain and prioritize services in the face of significant fiscal stresses induced by the pandemic.

At the same time, national calls for racial justice are challenging local governments to disrupt the status quo and re-imagine all decisions and policies through the lens of racial equity, which should include the allocation of more resources to communities of color to correct decades of disinvestment and unjust policies.

The scope of work for this project calls for Community Progress to evaluate existing practices, policies, and laws related to the City’s housing and building code enforcement. It also asks for Community Progress to offer in this report observations and recommendations for how the City’s approach to housing and building code enforcement can more effectively and equitably play a critical role in property preservation and reuse in Toledo.

The focus of this report is the City’s approach to *housing and building code enforcement*, which is primarily carried out by the Division of Code Enforcement (“DCE”), a division of the City’s Department of Neighborhoods. Housing and building code enforcement is a critical public tool to address the quality, health, and safety of neighborhoods and residents that are impacted by vacant, abandoned, and deteriorated properties, as well as substandard occupied properties (collectively, “problem properties”). The term “code enforcement” is used throughout this report to refer to housing and building code enforcement unless otherwise indicated.¹ It is also used to refer to the City’s broader approach to code enforcement, as opposed to solely DCE’s approach.

Housing and building code enforcement is:

A system of law, policy, practice, and programs that provides a framework by which local governments can induce property owners to comply with minimum property standards

¹ Local government departments and agencies responsible for code enforcement across the country, including DCE, enforce a wide range of critically important state and local codes and regulations that impact the health and safety of residents but do not pertain directly to the condition of buildings or real property. DCE also enforces, for example, laws that regulate public safety measures designed to limit the spread of COVID-19, certain types of business activity, and the use of advertising signs. See the Toledo Municipal Code §§ 719 and 767 (Municode 2020). The enforcement of these types of codes and regulations, which include the enforcement of certain business activities, pandemic-related public health regulations, or advertising signs, are no less important but are simply beyond the scope of this report. ¹

The observations and recommendations included in this report were informed by the following:

- Research of state and local law and local policies related to the enforcement of housing and building codes and property tax collection.
- Evaluation of available data and information related to properties and demographics in Toledo.
- Review of all existing code enforcement and housing programs, DCE operations, Toledo Housing Court (“Housing Court”), and Land Bank activities.
- Interviews and follow up calls with dozens of local stakeholders, including DCE management and staff; Land Bank management and staff; leaders and staff of the City’s departments of Law, Economic Development (Division of Building Inspection), Fire and Rescue, and Police; officials from the County Prosecutor’s Office and the County Treasurer’s Office; Judge Joseph J. Howe and the Chief Housing Specialist at the Housing Court; local nonprofit and other private housing developers and partners; and a group of resident/neighborhood leaders.²
- Community Progress’ extensive knowledge of national best practices and creative interventions to minimize the negative impacts of problem properties.

These activities revealed several foundational strengths upon which the City and its partners can build. For example, the City has a team of smart, talented public servants at DCE committed to improving the neighborhoods of their constituents, an excellent network of local partners at the Land Bank and across the community willing to support the City’s broader efforts to address problem properties, and extensive state authorized legal tools to address problem properties.

Our research and conversations also revealed significant challenges, including high levels of property owners and residents who live in poverty, severely limited resources to assist low-income owners of deteriorating and substandard properties, a shrinking code enforcement budget, and a reliance on punitive measures to compel compliance with housing and building codes, like the use of criminal charges, that can lead to inequitable outcomes.

The following five key takeaways summarize our overarching findings:

- 1. The time for change is now.** There is a critical need to improve code enforcement to propel neighborhood stabilization. The pandemic has increased the urgency to act to support low-income and middle-income neighborhoods with substantial problem properties, the majority of which are neighborhoods of color—and are predominantly Black and Brown neighborhoods—that have already experienced decades of discrimination and disinvestment.³ Moreover, time is the enemy when it comes to problem properties, and the costs imposed on a community by these properties are significant and well-known to the City and its residents.
- 2. Property maintenance challenges are largely due to pervasive poverty and an aging housing stock, which requires a more equitable code enforcement approach that recognizes that different strategies are needed for different types of owners, properties, and housing markets.** In many Toledo neighborhoods, the cost of repairs to fix code violations may exceed the equity in the

² A complete list of stakeholders interviewed can be found in **Appendix A** of this report.

³ In fact, the commissioning of this report is one of several recent examples of local leaders pursuing a variety of urgent initiatives to improve neighborhood conditions and economic opportunity for all Toledo residents, initiatives which include the University of Toledo Jack Ford Urban Affairs Center’s report, *Toledo and Lucas County Poverty Study* (July 2019), commissioned by the Toledo City Council, and *Forward Toledo: Exploratory Assessment to Inform Future Comprehensive Planning* (December 2020), commissioned by the Land Bank and the Toledo-Lucas County Plan Commissions and developed by SmithGroup, Mass Economics, and Center for Community Progress.

property or simply be too expensive for a low-income property owner to afford.⁴ More than ¼ of the City's residents are living in poverty—an issue that disproportionately impacts the 38% of Toledo's population that are residents of color, most of whom are Black Americans (27% of total population).⁵ The homeownership rate of white residents in Toledo is 63%, while the homeownership rate of Black residents is 34%, a stark gap that strongly suggests that Black households have a much more difficult path to building generational wealth.⁶ Median household income is \$37,100, about \$17,400 less than the median household income in the rest of the state of Ohio.⁷ Toledo homes are also aging and in need of investment with more than 65% of Toledo's housing units built prior to 1960.⁸

Many of the tools currently used in Toledo to address code violations—like the threat of fines and criminal prosecution—are tools that are more likely to compel compliance when (a) there is sufficient equity in the property *and* (b) the owner is financially able but either unaware or willfully neglecting the property. These tools are less likely to compel voluntary compliance when the owner is living in poverty or is on a fixed income and is facing a choice between repairing a leaky roof or purchasing groceries for the month. Thus, there is a strong need to develop and prioritize a range of code enforcement strategies to support those owners who want to comply but lack the means to do so—such as increased education and community outreach. Over time, these strategies can create a greater culture of compliance and build trust with residents who currently feel as though the City has little capacity to engage with their needs.⁹

3. Limited staffing and resources require a more proactive, strategic approach to code enforcement guided by clearer goals and priorities. DCE currently has only 11 field inspectors to serve a city of roughly 275,000, which is low compared to peer cities that prioritize code enforcement. DCE has done a commendable job responding to service requests and investing in robust nuisance abatement activities with the limited resources at its disposal. DCE also continues to explore and implement good tools to improve efficiency, like the recent upgrade of its case management system and assigning inspectors to geographic areas of focus based on caseload and HUD-defined “blighted areas.”¹⁰

Increasing the efficiency of the City's existing approach alone is not enough given the nature and scale of the challenges posed by problem properties in Toledo and the City's budget limitations. Developing a more strategic approach focused on more equitable outcomes, guided by clearly defined goals and priorities for code enforcement, is critical. These goals and priorities must be informed by a deeper analysis of the nature and scale of problem properties, the effectiveness of existing legal and policy tools, and community feedback. This will help the City to prioritize its limited code enforcement resources where it can achieve the most impact.

⁴ A reasonable estimated value of a single-family home in good repair in the Junction neighborhood, a predominantly African American neighborhood on the near west side of Toledo, is around \$35-40,000 per stakeholders interviewed.

⁵ 2018 American Community Survey (“ACS”) 5-Year Estimates.

⁶ 2015 ACS 5-Year Estimates, Selected Population Detailed Tables: TablID: B25003

⁷ 2014-18 ACS.

⁸ See *City of Toledo's FY 2020–2024 Consolidated Plan & FY 2020-2021 Annual Action Plan* (July 2020), available at: <https://www.toledofhc.org/wp-content/uploads/2020/07/Toledo-Final-Con-Plan-Download-7-21-20-for-Double-sided-Printing.pdf>, and which includes the following statement on p. 79: “An older housing stock can create several challenges including a rise in incidents of housing with lead-based paint, greater maintenance needs, and homes that may not meet the needs of today's market. These issues can cause hardships for both owners and renters, and over time lead to depressed values.”

⁹ Community Progress engaged with a group of resident and community leaders as part of this process; some of their feedback is summarized throughout this report.

¹⁰ Community Progress generally prefers to avoid using the words “blight” or “blighted” in our work in recognition of the way this term has been historically abused to describe certain people or communities, almost always Black Americans or other communities of color. Where we do use or cite this term, it is always to refer to property conditions or specific legal terms.

- 4. State and local law provide sufficient legal tools to address problem properties, but there is need for better tracking and analysis of enforcement outcomes to inform more strategic and equitable decision-making and achieve higher impact results.** Ohio law gives local governments a variety of effective tools to address problem properties. However, there is a need for all City departments that play a role in code enforcement, as well as the Housing Court, to better share and track data that reveals how effectively certain tools are achieving their intended outcome—compliance. The fact that limited data exist by which to analyze the utility of code enforcement tools used by the City and its partners limits Community Progress’ ability to recommend more specific strategies to address problem properties in this report.

The Ohio Revised Code (“ORC”) and the Toledo Municipal Code (“TMC”) also authorize the use of certain heavy-handed enforcement tools that are ineffective against certain owners and result in inequitable outcomes for others. Chief among those is the use of criminal enforcement, which in Community Progress’ experience often fails to compel compliance from absentee or corporate property owners and penalizes owners too poor to fund repairs. The Housing Court does offer some programs to assist owners facing financial hardship, but more resources and assistance are needed.¹¹

- 5. Strong partnerships, like the City’s partnership with the Land Bank, provide good opportunities to build capacity and develop a more strategic approach to code enforcement that is centered in equity.** DCE is one of several City departments and agencies that address problem properties, including the Division of Building Inspection, the Division of Housing, the Fire and Rescue Department, the Police Department’s Community Service Officers, and the Toledo-Lucas County Health Department. DCE works well with each of these City partners on a variety of programs and partnerships, such as the Code Enforcement Response Team (“CERT”), a task force of multiple City departments that targets properties where certain illegal activity occurs. The Land Bank is an excellent example of DCE’s efforts to partner with cross-sector organizations and to invest in broader efforts to address housing security and the health and safety of people and places—the unprecedented demolition program managed by the Land Bank and supported by the City is a strong example of this partnership.¹² Continuing to nurture these types of relationships is important. DCE and its partners should also establish shared goals, increase data and information sharing, coordinate the investigation of code violations, and jointly develop a plan of action to address problem properties in a way that results in equitable outcomes for Toledo residents.

¹¹ See the Toledo Housing Court’s programs on its website at: <https://www.toledohousingcourt.org/court-programs/>.

¹² Note that the Land Bank’s ambitious Project 2020 action plan, a targeted demolition plan to demolish those vacant and abandoned properties causing the most harm to neighborhoods throughout Toledo, is set to expire this year as funding for the program is exhausted. Past collaboration between the Land Bank and the City on demolition is frequently cited by Community Progress as a best practice. Although demolition is an important part of any code enforcement program, given the limited time available in this engagement we do not examine new strategies for demolition in this report and defer to the local experts on both strategies for the work moving forward and where it fits into the City’s and Land Bank’s priorities. See more at: <https://lucascountylandbank.org/services/demolition/>.

The report is organized into the following sections:

Section I provides context for why a more strategic and equitable approach to code enforcement in Toledo is critical moving forward.

Section II contains Community Progress' summary observations and assessment of the City's existing approach to code enforcement.

Section III describes a framework for a more strategic approach to code enforcement that is equitable, efficient, and effective.

Section IV offers specific recommendations for the City, the Land Bank, and their partners to consider.

Some parts of this report contain citations to the Ohio Revised Code ("ORC") and to the Toledo Municipal Code ("TMC"), but the recommendations that follow do not constitute legal advice. They are based on Community Progress' national expertise and independent research. All recommendations are subject to the review and guidance of local legal counsel, and the decisions about which to pursue are left entirely to City and Land Bank leadership and their partners.

Community Progress has been privileged to work with, and to learn from, such an incredible group of smart and talented individuals across the City and the Land Bank. It is our hope that this work will provide these individuals some guidance as they seek to improve upon their good work addressing problem properties in Toledo. This report is also intended to build upon the prior work of Community Progress, the Land Bank, and the City, which culminated in two 2016 Community Progress reports: *A Conservative Analysis of Costs Imposed by Vacant and Blighted Properties in Toledo: Conducted at the Invitation of the Junction Neighborhood* (June 2016);¹³ and *An Open Space Action Plan for the Junction Neighborhood in Toledo, Ohio* (June 2016).¹⁴ Community Progress looks forward to our continued partnership with the City and Land Bank in the years to come.

¹³ The report estimated that the total annual lost tax revenue and direct public costs of providing code enforcement, police, and fire services to vacant and abandoned properties in Toledo was \$9.2 million per year. The study also estimated that such properties resulted in cumulative lost residential property values of \$98.7 million. See the Cost of Blight Study at: https://www.communityprogress.net/filebin/160630_TASP_LCLRC_Toledo_Cost_of_Blight_Study_Final.pdf. The report was authored in partnership with Dan Immergluck, PhD, currently a professor at Georgia State University's Andrew Young School of Policy Studies.

¹⁴ The report took a deeper dive into vacancy and abandonment in the Junction Neighborhood, one of Toledo's historically African American neighborhoods. The report outlined an Open Space Action Plan centered around the nearly 60% of the neighborhood that consists of vacant lots, parks, and other open spaces. As the Action Plan notes, Junction may be "rich with cultural traditions," but like many other Toledo neighborhoods "it also bears the scars of unjust urban policies, such as redlining and urban renewal, as well as decades of disinvestment." See the Action Plan at: https://www.communityprogress.net/filebin/160630_TASP_LCLRC_Open_Space_Action_Plan_Final.pdf. The report was authored in partnership with the Trust for Public Land.

I. BACKGROUND AND LOCAL CONTEXT

Code enforcement is a critical tool to address the harms that problem properties impose on residents and their neighborhoods. Today, Toledo needs code enforcement more than ever. Unfortunately, problem properties are merely a symptom of far more serious demographic and market trends that are not going away—concentrated poverty, decades of disinvestment focused primarily in Toledo’s predominantly Black, Latinx, and other communities of color, an aging housing stock that is expensive to fix, and depressed property values that indicate both that investing in repairs and improvements may not make economic sense and that opportunities for lower-income families to build generational wealth are narrowed.

Significantly, the challenges that Toledo is facing are exacerbated by the COVID-19 pandemic. The health and economic impacts of the pandemic and the resultant efforts to curtail the spread of the virus have had a direct and profound impact on Toledo. For example, the unemployment rate more than quadrupled in April 2020 to 21.8%.¹⁵ While the unemployment rate has been decreasing since that point, industries across Toledo have still been hit hard. According to the U.S. Bureau of Labor Statistics, Toledo industries that have lost a significant part of their workforce over the past twelve months include: Government (11.3% loss of jobs from November 2019 to November 2020), Leisure and Hospitality (13.5% loss over the same time frame), and Professional and Business Services (10.7% loss over the same time frame).

It is likely the collective impacts of COVID-19, including high unemployment, will result in less money invested in caring for and maintaining property, increased changes in property ownership tenure, and increased residential and commercial vacancies as more people struggle to pay for upkeep and, eventually, the mortgage, property taxes, and the rent.¹⁶

The impacts of the pandemic are likely to be most acute in Toledo's lower-income neighborhoods—predominantly communities of color where code enforcement is most prevalent.¹⁷ The residents of these neighborhoods have already experienced decades of public and private disinvestment, as well as the impact of historic racist land use laws and policies.¹⁸ Figure 2 highlights those lower-income census tracts most likely to be disproportionately impacted by the pandemic and resultant high unemployment in Toledo: these are generally census tracts with a high percentage of residents who are Black, where the number of households that earn less than \$25,000 is greater than 20%, and where more than 20% of addresses are vacant.

Dark Winter

Percentage of adults living in households not current on rent or mortgage where eviction or foreclosure in the next two months is either very likely or somewhat likely

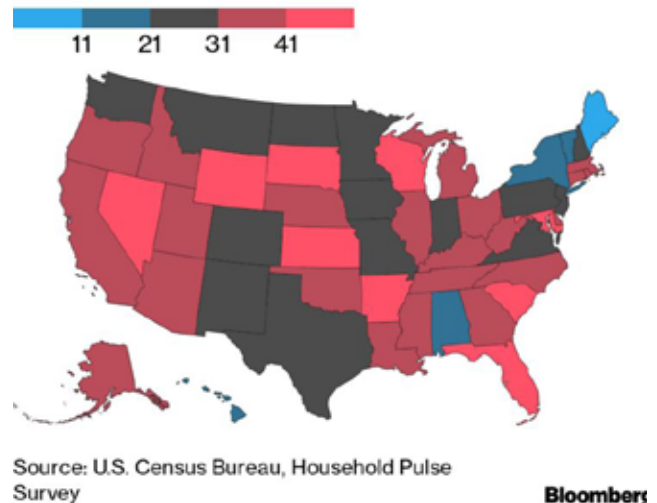


FIGURE 1: Map from Bloomberg.com highlighting adults at risk of losing their home as of Nov. 2020

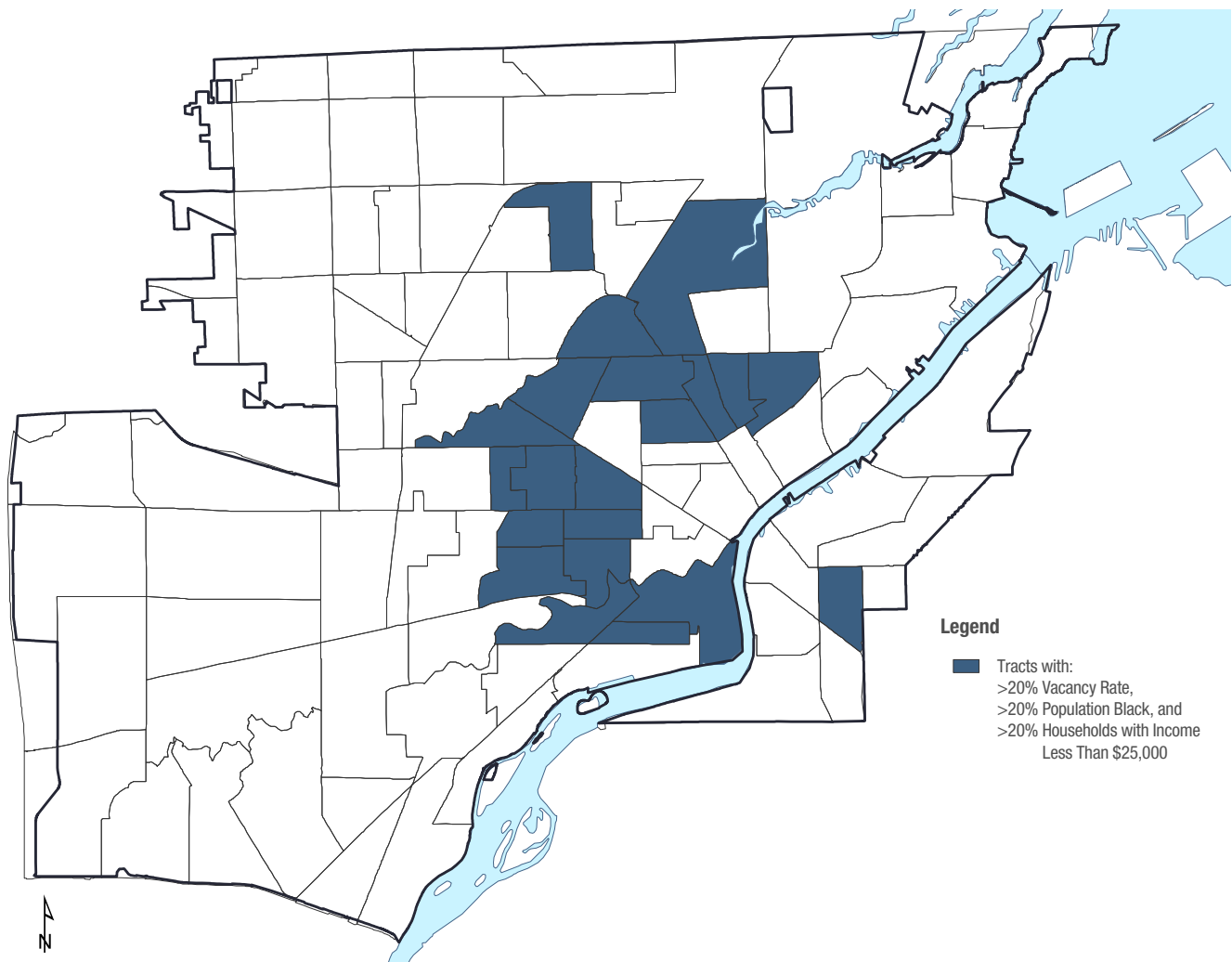
¹⁵ See Toledo's unemployment rate on the U.S. Bureau of Labor Statistics website at: https://www.bls.gov/eag/eag.oh_toledo_msa.htm.

¹⁶ Tonzi, Alexandre, *Millions of Americans Expect to Lose their Home as COVID Rages*, Nov. 23, 2020, available at: <https://www.bloomberg.com/amp/news/articles/2020-11-23/millions-of-americans-expect-to-lose-their-homes-as-covid-rages>.

¹⁷ See Section II of this report for additional analysis of where code enforcement is most prevalent.

¹⁸ Elms, *New data shows coronavirus disproportionately impacts black Lucas Co. residents*, April 15, 2020, available at <https://www.toledoblade.com/local/Coronavirus/2020/04/15/New-data-shows-coronavirus-disproportionately-impacts-black-Lucas-County-residents/stories/20200415095>.

FIGURE 2: Toledo Census Tracts with Greater than 20% Vacancy Rate, households that earn less than \$25,000, and % of Black Residents Source: ACS 5-Year 2018¹⁹



The City and the Land Bank seek to step up their efforts to address problem properties, but resources are limited. The Land Bank has completed its ambitious “Project 2020” Action Plan and acquired and demolished nearly 2,000 problem properties since 2017. This is a positive development which may diminish some of the harms (and costs) imposed by vacant structures.²⁰ However, the City continues to spend close to \$4 million annually in direct code enforcement, police, and fire costs related to vacant property, the same amount defined in Community Progress’ 2016 report. In fact, according to DCE leadership, the cost of mowing vacant lots has increased from about \$1.8

¹⁹ Census tracts in the maps included in this report do not fully align with Toledo’s city boundary. As a result, there are some census tract boundaries that extend beyond the city’s boundary, notably in the southwest. Additionally, in the northwest, there are small areas for which the census tracts fall almost entirely outside of the city’s boundaries. For these tracts, Community Progress elected to display the classification from the most immediately adjacent tract, within city boundaries, for illustration purposes only.

²⁰ See the Land Bank’s website at: <https://lucascountylandbank.org/services/demolition>.

million in 2016 to about \$2 million in 2020. Unfortunately, declining City budgets and funding challenges have resulted in the discontinuation or restructuring of many of the helpful and more proactive programs described in Community Progress' Open Space Action Plan (see footnote 14) that once fell under DCE's purview.²¹

DCE is expected to continue existing code enforcement efforts and assume additional responsibilities for enforcement of a new lead-safe ordinance in 2021 with a budget of around \$1.9 million, reduced from \$2.6 million the year before, and staffing costs that remain mostly stagnant. DCE is being asked to reduce program costs in 2021 *and* take on additional responsibilities (e.g., enforcing the rental registration component of the City's new lead-safe ordinance)²² *and* rely more on fines and fees collected from enforcement to support its general operating budget in spite of its potential to penalize low-income (i.e., vulnerable) Toledo property owners.

²¹ DCE oversees the routine mowing and clean-up of thousands of vacant lots throughout the City, but the work is often contracted out to various vendors instead of being coordinated in-house by DCE.

²² The new law is called the Residential Rental Properties and Lead Safety Compliance Law and will be discussed later in this report.

II. SUMMARY OBSERVATIONS

The following summary observations are grouped into four subsections: (A) an assessment of what existing data reveals about general housing and building conditions and code enforcement activities in Toledo and the types and scale of problem properties; (B) a brief review of the legal and policy enforcement tools available to the City to compel compliance with minimum property standards; (C) an overview of the City’s approach to code enforcement, with a strong focus on DCE’s staffing, process, and operations; and (D) a brief summary of City and County agencies that either play a direct role in code enforcement or that partner with DCE.

A. Data to Define the Problem and Inform Code Enforcement Goals and Priorities

Access to accurate, timely, and robust parcel data sets—and understanding how to interpret these data—is one of the most important factors in helping local governments prioritize their approach to addressing problem properties. Parcel data, when supplemented with market data and regular and intentional community input, or ‘social data,’ are essential to guide systemic reform and better align code enforcement with other public systems and strategies to address problem properties. Examples of important data include:

Parcel Data	Market Data	Social Data
• Delinquent property taxes • Unpaid code or other public liens • Frequency & volume of code violations • Nuisance & police calls • Utility shut-offs • Occupancy status • Structure conditions	• Foreclosure rates • Sales volume, if any • Sales prices • Purchaser types (e.g. individual, LLC, etc.) • Number of cash sales • Assessment values	• Regular resident input on top problem properties • Neighborhood needs/ goals for land & services • Neighborhood racial & ethnic history • Identity of community-based orgs & partners

At the outset of our engagement, Community Progress requested and reviewed a number of publicly available data sets to get a sense of the general state of housing and building conditions in Toledo and requested from DCE a range of data related to code enforcement activity, the types of problem properties they dealt with, and data to assess code enforcement outcomes.

There is a wealth of publicly available parcel data in Toledo, **though most of it is spread across a number of different databases and throughout various City departments and Lucas County agencies.** Thus, there is no single platform that aggregates all of these parcel data sets for ease of analysis, though the Land Bank's 2015 Toledo Survey (if you have a subscription to Landgrid Pro) and the City's recent implementation of a new case management system, Cityworks PLL ("Cityworks") for DCE and other City departments both offer some opportunities in terms of more comprehensive data integration and visualization.

With respect to the specific data request made to DCE, those requests were grouped into three categories:

- *Data to assess code enforcement activities*, which was intended to ascertain the scale of DEC's current operations, outcomes of enforcement, and types of property on which it focused. The request included, for example, total numbers of requests for service, Notices of Liability (i.e., tickets) sent, nuisance abatement actions and clean ups conducted, court cases, and rates of compliance for each.
- *Data to assess code lien enforcement*, which was intended to ascertain the rate at which the City was able to collect fines and fees assessed, as well as to recoup its costs from abatement and clean-up actions.
- *Data to assess Toledo Housing Court outcomes*, which was intended to ascertain how court cases were resolved, and the general rate of compliance.

DCE keeps excellent records of its activities and was able to supply a wealth of data from the last 3 to 4 years around how many requests for service were directed to DCE and how many inspections were conducted (see Figure 3), as well as exactly how many notices of liability (i.e., essentially a ticket that proscribes a civil fine) were issued, how often a nuisance was abated, and how often a case was sent to court. This ability to track outputs is excellent and important for a variety of reasons, including inspector management, performance management, and reporting (e.g., CDBG reporting).

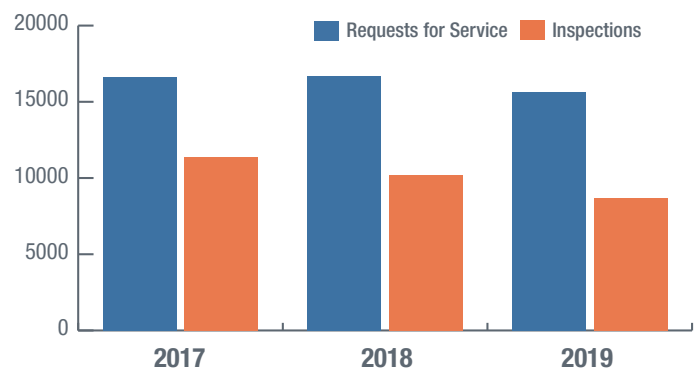


FIGURE 3: DCE Requests for Service & Inspections *Source: DCE*

As is common among code enforcement departments across the country, however, data related to code enforcement outcomes (e.g., compliance rates) for different property types was elusive. DCE simply does not track cases by property type, owner type, enforcement approach, compliance, or collection of fines and penalties.²³ Once DCE refers a matter to the Housing Court, outcomes are not regularly shared with or tracked by DCE.²⁴

²³ All fines and fees collected from enforcement of the Nuisance Codes (and some select additional provisions) are deposited into a Nuisance Abatement Trust Fund; revenue in the fund has fluctuated between \$267,000 and \$346,000 over the last three years. Data showing the exact amount collected as opposed to the exact amount of fines assessed was not clear, though estimates from DCE staff were that the overall collection rate is less than 20%.

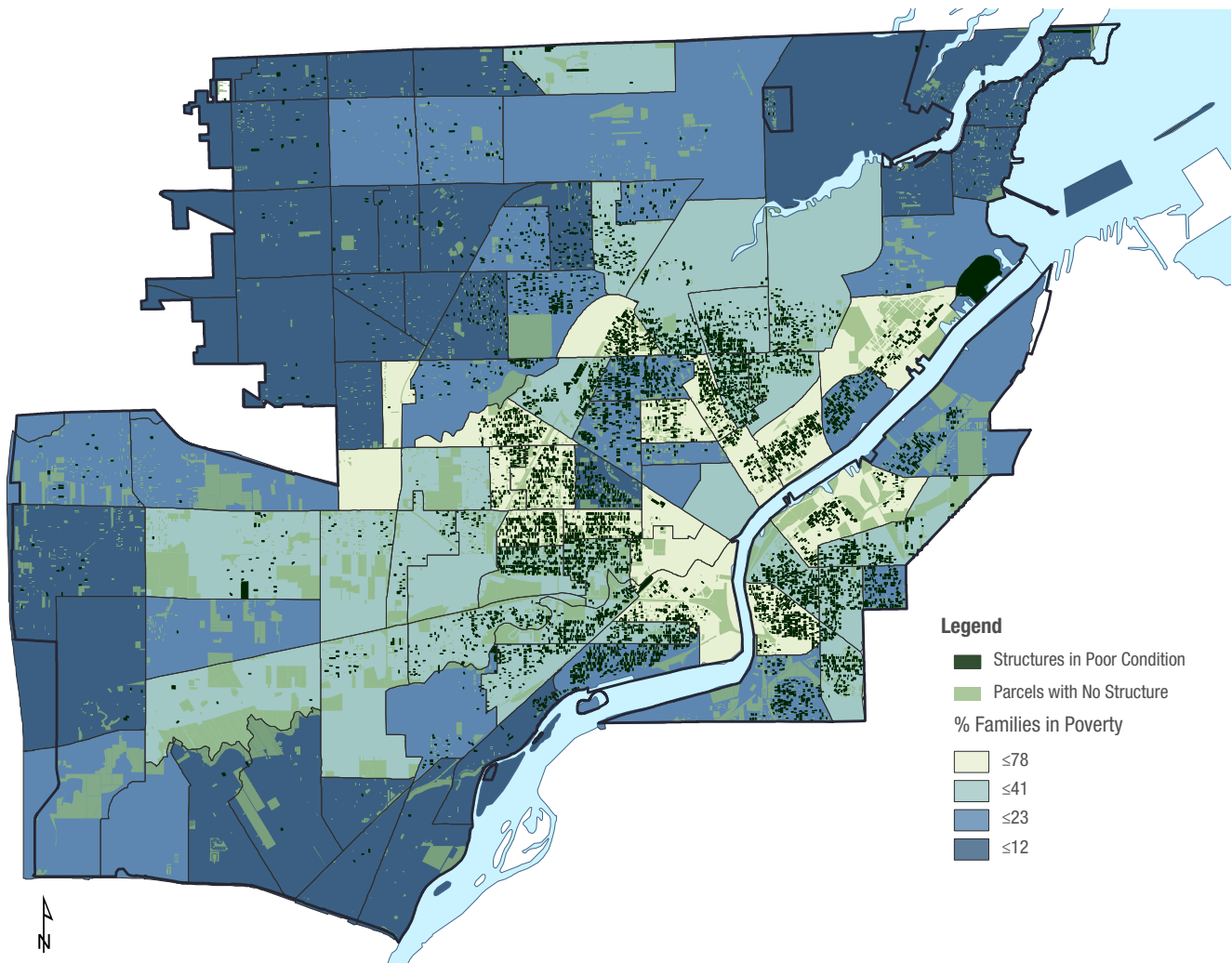
²⁴ As will be discussed later, the Housing Court only tracks outcomes by the terms "convicted," "dismissed," or "active bench warrant." This does little to confirm if the outcome actually resulted in compliance, though it may be that "dismissed" cases would only be those where compliance was achieved. If that is the case, then the rough 'compliance rate' of cases referred to the Housing Court is less than 50%.

After analyzing the data supplied by DCE as well as publicly available data and social data collected from stakeholder interviews, Community Progress came to the following conclusions about general housing and building conditions in Toledo and the type and scale of problem properties.

1. Problem properties and code enforcement activity are concentrated in neighborhoods where poverty is high, housing markets are weak, and nonwhite residents are the predominant population.

The purpose of this exercise was to provide context for the general state of housing and building conditions throughout Toledo and a sense of where in Toledo code enforcement activity is most concentrated.²⁵ As shown in Figure 4, census tracts with high levels of people in poverty also contain a high number of properties that

FIGURE 4: Vacant, Distressed Parcels, Percentage of Families in Poverty *Source: Toledo Survey, ACS 2014-18*



²⁵ Community Progress was able to acquire and compile useful data from the Lucas County Auditor's AREIS Online parcel database ("AREIS"), the Land Bank's 2015 Toledo Survey ("Toledo Survey"), U.S. Census data and data from the 2014-18 ACS obtained through a subscription to Policy Map, and a variety of other data sets obtained by Community Progress in its role as a subconsultant to SmithGroup to conduct an exploratory assessment to inform a new Comprehensive Plan for the Toledo Region.

are in fair, deteriorated, or hazardous condition (collectively referred to herein as in “poor” condition) or are vacant as determined in the Toledo Survey. The housing stock is also old. More than 65% of residential properties were built prior to 1960 and more than 42% were built prior to 1950.²⁶

While the information gleaned from the Toledo Survey is dated—particularly in light of the fact that the Land Bank has impressively completed more than 2,000 demolitions since 2015—it still offers a useful glimpse into property characteristics across Toledo as well as broader neighborhood conditions and trends. The Land Bank will be updating the survey in 2021 and it will be important to compare results with the numbers in Figure 5 to assess changes and possible trends to monitor.

FIGURE 5: Toledo Survey Data on Residential Building Condition by Occupancy (2015)

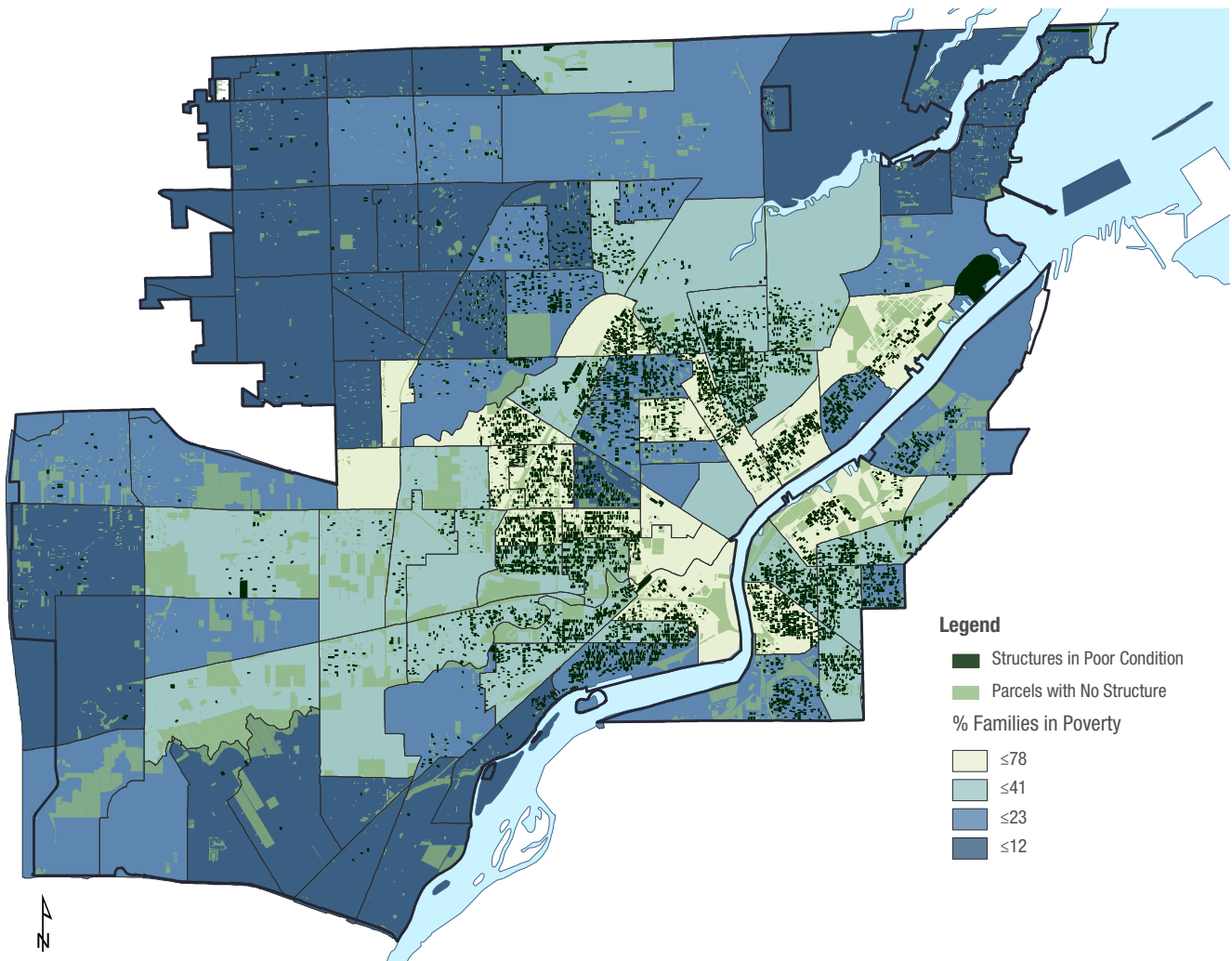
CONDITION	OCCUPIED	%	VACANT	%	UNKNOWN	%	TOTAL
Very-Good	61,950	69.3%	566	11.5%	505	48.1%	63,021
Good	20,437	22.8%	949	19.3%	354	33.7%	21,740
Fair	6,341	7.1%	1,452	29.5%	155	14.8%	7,948
Deteriorated	612	0.7%	1,190	24.2%	27	2.6%	1,829
Hazardous	96	0.1%	760	15.4%	8	0.8%	864
Unknown	5	0.0%	6	0.1%		0.0%	11
TOTAL	89,441	100.0%	4,923	100.0%	1,049	100.0%	95,413

Though the data is not entirely clear, stakeholders interviewed shared that the challenges of housing stock in poor condition and located in distressed market areas are not exclusive to either owner-occupied properties or rental properties. Data from the 2014-18 American Community Survey (“ACS”) reveal that 51% of housing units are owner-occupied and 49% of housing units are renter-occupied. The City estimates roughly 25,000 housing units are found in 1- to 4-unit rental properties. If we assume that most owner-occupied housing units are single-family homes, this means that the roughly 44,000 remaining housing units are found in rental properties with 5 or more units.

²⁶ See the City of Toledo's *FY 2020–2024 CONSOLIDATED PLAN & FY 2020-2021 ANNUAL ACTION PLAN* (July 2020), available at: <https://www.toledofhc.org/wp-content/uploads/2020/07/Toledo-Final-Con-Plan-Download-7-21-20-for-Double-sided-Printing.pdf>, and which includes the following statement on p. 79: “An older housing stock can create several challenges including a rise in incidents of housing with lead-based paint, greater maintenance needs, and homes that may not meet the needs of today’s market. These issues can cause hardships for both owners and renters, and over time lead to depressed values.”

Most properties identified by the Toledo Survey as in poor condition are concentrated near the City's downtown, and in census tracts where the home values are low and there is little market activity. In Figure 6, the small parcels in blue are those parcels that are in poor condition per the Toledo Survey. The pale yellow census tracts indicate housing markets that are considered distressed as determined by a recent neighborhood conditions analysis.²⁷

FIGURE 6: Vacant and Distressed Parcels, Neighborhood Market Conditions *Source: Toledo Survey, Community Progress*²⁸



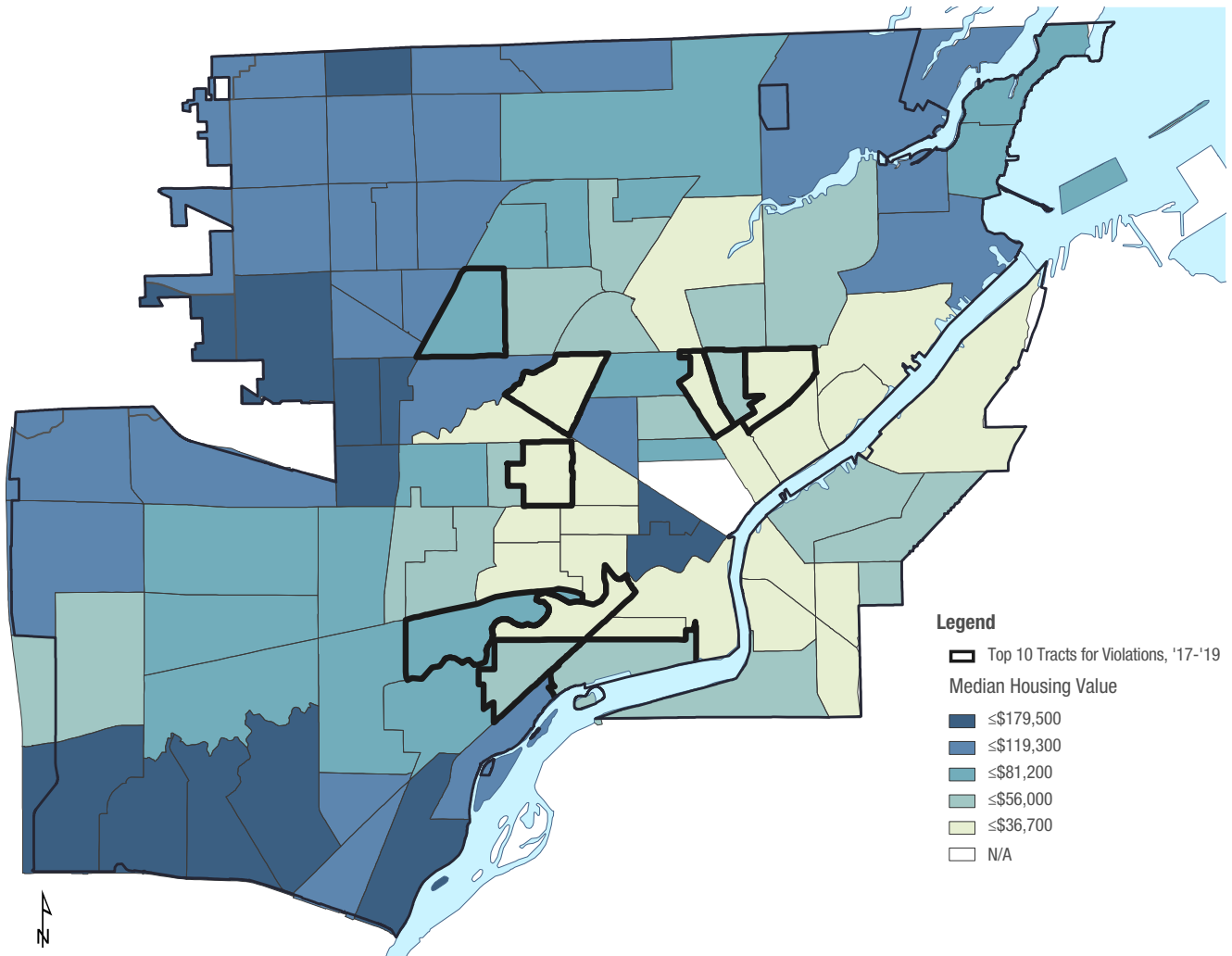
a. **Most Code Enforcement Activity is Concentrated in Weaker Housing Markets**

According to service request data provided by DCE, of the top 10 census tracts where DCE has inspected property and found a code violation in the years 2017-19—outlined in black in Figure 7—the median housing values range from as low as \$15,500 to no more than \$56,000 in 8 of them. For the most part, these census tracts closely overlap with those tracts with the highest concentration of property in hazardous or deteriorating condition in the Toledo Survey.

²⁷ There is also strong correlation between where deteriorated properties are located and where properties that are tax delinquent are located. According to data supplied by Lucas County, there are 16,270 parcels certified as tax delinquent and 14,727 parcels are residential—of those, only 3,900 are vacant lots without a structure. Most of these properties are concentrated in the pale yellow census tracts.

²⁸ Composite analysis of data sourced from ARIES, MHDA, ACS 5-year 2018, City of Toledo, Toledo Parcel Survey.

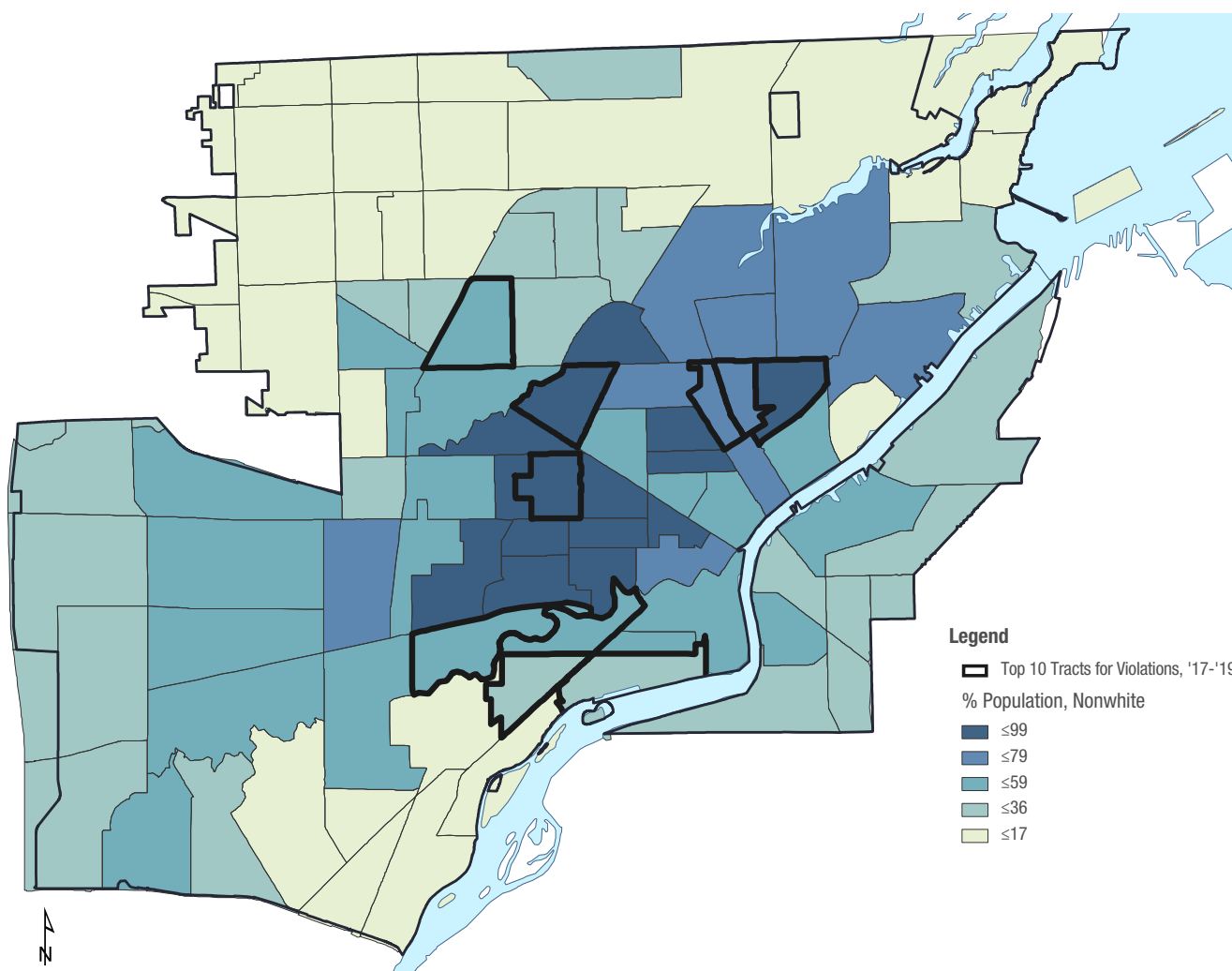
FIGURE 7: Top Code Violations by Census Tract, Median Housing Values *Source: DCE, ACS 2018 5-year*



b. Most Code Enforcement Activity is Concentrated in Neighborhoods with a High Percentage of Nonwhite Residents.

Given that historically racist policies like redlining, race-based zoning ordinances and restrictive covenants, and urban renewal shaped the inequitable trajectory of neighborhoods across the country, it is not surprising to see in Toledo a trend that is almost universally present in cities large and small across this country: the neighborhoods where code enforcement activities are most frequent tend to have the highest concentration of nonwhite residents, weak housing markets and low property values, and the highest numbers of properties in deteriorating condition. Figure 8 shows that in 6 of the top 10 census tracts where DCE has inspected property and found a code violation in the years 2017-19, the population is more than 60% nonwhite, and in all 10 of them the population is at least 37% nonwhite (noting the citywide *median* is 37%).

FIGURE 8: Top Code Violations by Census Tract, Percentage Nonwhite *Source: DCE, U.S. Census*



2. Stakeholders identified top problem properties as vacant buildings, substandard rental properties, substandard owner-occupied properties, and vacant lots.

As noted above, DCE does not regularly track data about specific types of properties, nor who owns them, which is critical information to help identify and prioritize problems, and to tailor specific interventions for a particular type of property, owner, or housing market based on likelihood of success.

To supplement this data review and come to some conclusions about the types of problem properties causing the most harm in Toledo, Community Progress utilized anecdotal data, or ‘social data,’ from interviews with DCE staff, as well as residents, City Council members, and City and Land Bank staff. Stakeholders identified four types of problem properties that stakeholders felt had the greatest impact on Toledo neighborhoods. Those four types, listed in order in which they were described to Community Progress as a priority are:

a. Vacant Residential and Commercial Buildings

The top type of problem property for most stakeholders interviewed was vacant residential and commercial buildings. These properties posed far greater harm to a neighborhood than most any other type of property. While all parties agreed that vacant residential buildings were a bigger problem because of the larger number of them, there was also strong consensus that in many cases it was the two or three vacant commercial buildings in the neighborhood that had been vacant the longest that were really “dragging down the neighborhood” and for which residents seemed to have little hope anything would be done in the near future.²⁹



FIGURE 9: Vacant Multi-family Building Photo Credit: DCE

According to USPS data obtained from Landgrid Pro (2nd Quarter 2020), there are 7,686 vacant residential properties in Toledo. Data from Valassis Lists indicate there were 2,663 vacant business addresses in the second quarter of 2020 (26.14% of total business addresses). Thus, assuming each vacant business address represents a single property, there are potentially 10,249 vacant residential and commercial properties, or roughly 8.75% of the total parcels in the City.

b. Substandard Renter-occupied Properties

Ensuring Toledo’s occupied rental properties meet basic code standards is critical to ensure the health and safety of Toledo tenants and neighborhoods—especially during a pandemic, when “stay at home” orders or recommendations literally means ‘housing is health.’ Several City Council members report that the most common complaints residents bring to their attention are about substandard rental properties. Community members and key code enforcement staff similarly report that deteriorating rental properties are a significant problem. In addition, stakeholders interviewed believe that a significant percentage of problem landlords are not from Toledo or are corporate owners and therefore difficult to reach by the courts.³⁰

The City does not have data that clearly defines how many rental properties are in the city, who owns them, where they are located, how many are substandard, or what types of substandard conditions are problematic. According to the Toledo Survey, just over 7,000 occupied residential properties were in either “fair,” “deteriorated,” or “hazardous” condition, though most were in “fair” condition (6,941). Based on the maps in Figures 6, 7, and 8, it is likely that many of these substandard rental properties are located in neighborhoods that are distressed and are primarily nonwhite. The City, DCE, and their partners at the Toledo-Lucas

²⁹ For more on the costs imposed by vacant properties in Toledo, see Community Progress’ *A Conservative Analysis of Costs Imposed by Vacant and Blighted Properties in Toledo: Conducted at the Invitation of the Junction Neighborhood*, referred to earlier in this report.

³⁰ Many stakeholders interviewed, including several inspectors, expressed a desire to have dedicated staff to research corporate or LLC managers and members and attempt to bring them into Housing Court and to hold them responsible for problem properties. This was not limited solely to substandard rental property owners. In Community Progress experience this is a task that takes a great deal of effort and rarely results in success. As will be discussed later, the more practical and cost-effective (and less time-intensive) approach is to focus on the property, not the person, seeking a lien against the property that impacts the owner’s equity in the asset. Or, if the property is vacant, the lien can be used to compel a potential transfer of the property if it is sufficient priority (e.g., nuisance abatement liens that can be collected with tax liens).

County Health Department will soon be implementing a new lead-safe program, part of which requires all landlords of 1- to 4-unit rental properties built prior to 1978 to register their properties and meet basic maintenance standards to reduce incidents of lead poisoning. This may give stakeholders a more accurate count of how many and where these types of properties might be located in the future.

c. Substandard Owner-occupied Properties

Substandard owner-occupied properties were cited as a challenge by all stakeholders, though some stakeholders assumed these types of property owners were individuals who were likely very low-income, possibly seniors, and living at or below the poverty rate. Just over half of all Toledo households are homeowners, most of whom live in single-family homes. Like substandard rental properties, we know from the Toledo survey that just over 7,000 occupied properties were in fair, deteriorated, or hazardous condition in 2015. While we do not know for sure how many are owner-occupied, it is likely that a significant number of those 7,000 properties are owner-occupied.

According to AREIS, 16,270 properties are certified tax delinquent in Toledo and 45% of them are owner-occupied and owe more than \$5,000 in back taxes. This is a significant amount of tax lien debt that raises some key questions: Are these owners facing legitimate financial struggles and in dire need of additional targeted resources or relief? Or are these owners willfully taking advantage of the fact that the County is unlikely to foreclose on lower-value tax delinquent properties because the sheer volume of tax delinquency requires local officials to prioritize higher-value properties?

d. Vacant Lots

Vacant lots were described by most as a major annoyance that invited illegal dumping, though to DCE and their City partners tasked with mowing and maintaining most of these lots every year, it's a bit more than that.³¹ Almost 13,000 vacant lots exist in Toledo, or 11% of all parcels, though some neighborhoods like the Junction neighborhood, a predominantly African American neighborhood, have a much higher concentration of vacant lots (~40%). About 8,950 of the 13,000 vacant lots are tax delinquent and many of them are likely eligible to go through tax foreclosure. It seems that local officials have determined, and not unreasonably, that due to limited development, opportunities and the low likelihood of recovering any unpaid taxes (or City nuisance abatement costs since 2018), it makes more sense to prioritize higher-value tax delinquent properties for enforcement, given limited capacity. Thus, these tax and code liens continue to pile up without intervention, meaning the City and its partners still own the problem...but not the property. Figuring out how to treat this significant inventory of vacant land as an asset, rather than a liability, is a core pillar of the Land Bank's new five-year strategic plan, adopted in December 2020.

Most of the remaining vacant lots are publicly owned, primarily by either the City or the Land Bank (with a smaller inventory held by the state of Ohio due to forfeiture). As mentioned earlier, DCE spends about \$2 million per year just to mow and maintain vacant lots in the City—both publicly and privately owned. The Land Bank spends another \$500,000 on top of that amount.

It should be noted that although concrete data about the impacts of the pandemic on specific property types were not available, most stakeholders agreed that they thought the pandemic would likely have the greatest impact on renters (e.g., risk of displacement for nonpayment of rent) and on the ability of vulnerable homeowners to be able to afford to address any major repairs.

³¹ DCE submitted work orders for more than 20,000 separate cuts in 2019—many lots obviously required several cuts.

B. State and Local Legal Authority to Address Problem Properties

Toledo has the foundational codes and laws in place that are necessary to affirmatively require owners to maintain and care for their properties, however, it is unclear if the tools are being deployed in the most effective ways because of the lack of available data related to enforcement outcomes.

1. The City has a broad set of tools to address problem properties

Ohio law provides the City with broad authority to adopt and enforce local codes to regulate property condition because it is in “their legitimate interest in maintaining the aesthetics of a community and in protecting the value of real estate.”³² Ohio law and the Toledo Municipal Code gives code enforcement inspectors the right to enter a structure or premises at reasonable times to enforce the code.³³

An analysis of DCE orders issued between 2017 and 2019 shows that DCE most often issues

a notice to correct a violation under a variety of public nuisance provisions that DCE collectively refers to as Nuisance Codes. At a much lower rate, DCE issues violations of the Housing Code and the Zoning Code³⁴ or declares dangerous properties to be unfit for human habitation.³⁵ In addition the City has adopted and enforces the International Property Maintenance Code on commercial properties, though such inspections do not occur frequently and are coordinated by the City’s Division of Building Inspection as opposed to DCE.

A violation of any of these codes is a criminal misdemeanor, though DCE does have the option to use civil enforcement tools.³⁶ Most of the time, DCE sends an order to correct the violation within a certain period of time, depending on the violation—most often 72 hours or 30 days. If the owner fails to correct the violation, DCE has the authority under state and local law to enforce noncompliance in a variety of ways, though

TABLE 1: DCE Orders to Correct, 2017 to 2019

2017-19 Orders to Correct	2017-19 Count
Unfit for Habitation Orders	125
Housing Code Orders	174
Zoning Code Orders	1,327
Nuisance Code Orders	20,717
TOTAL	28,343

³² *Mayfield Hts. v. Cardarelli* (1989), 63 Ohio App.3d 812, 81.

³³ TMC §1303 and §1303.09.

³⁴ TMC Chapters 11, 13, and 17 (Planning and Zoning, Building, Fire Prevention and Health Codes. Nuisance is defined within Chapter 17 of the Health Code and Chapter 955 of the City of Toledo Municipal Code regulates grass and weeds.

³⁵ TMC Chapter 17.

³⁶ The TMC’s Chapter 11 (Planning and Zoning Code) specifically outlines criminal penalties for zoning violations. However, it is our understanding that Ohio law would allow the use of civil or other penalties to enforce violations of the Zoning Code. If so, TMC §1115.0508 already appears to allow the use of “other penalties and remedies as are provided by Ohio law.” Local legal counsel should be consulted on this issue.

they primarily choose one of the following three paths (see these three tools highlighted in yellow in Table 2). (1) assess a civil fine, (2) abate with public funds (high grass, clean up debris, board up, or mow), or (3) file a criminal misdemeanor action in Housing Court. If the property is vacant and not registered with the City’s vacant property registry, DCE will also cite the property and issue a civil fine.

2. The three most commonly used legal tools can be effective in certain situations.

- a. **Notice of Liability (e.g., ticket).** City inspectors can issue a notice of liability (NOL) describing the location and nature of the public nuisance or violation, the time and date it was observed, and the amount of the fine—up to \$600—to be assessed to the owner.³⁷ Owners can appeal the NOL to the Nuisance Abatement Administrative Appeals Board. Failure to file an appeal constitutes an admission of the NOL. The Board does not have authority to order the owner to make repairs and its powers are largely limited to hearing appeals of DCE’s notice or order, as the Housing Court has exclusive jurisdiction over all cases involving premises used or intended for use as a place of human habitation whether civil or criminal.³⁸ Civil fines from NOLs are collected by the Department of Finance and while there was no available data available for review on these collections, interviewed stakeholders believe that collection rates are extremely low (less than 20% of all cases) and that the City is required to “go to court” to collect fines and fees in a personal action against the owner, though Ohio law does not appear to prohibit to collection of such fines and fees in other ways (e.g., working with the County Auditor to certify them to the tax duplicate) in certain situations.

Assessing a civil fine in the same way as a ticket can be a useful tool to gain compliance in the right circumstances. This type of tool is most effective when it is issued to a property owner who has resources, when the property is located in a neighborhood where the housing market is either stable or higher performing, and when the property owner is confident the City will pursue collection or enforcement. Ultimately, if the City’s strategic goal is to compel compliance and reimagine a more equitable, efficient, and effective approach to code enforcement, an analysis of how often this tool results in compliance (and for which types of owner/neighborhood markets) is necessary to determine whether the resources committed to this enforcement pathway could be better deployed elsewhere.

- b. **Nuisance Abatement.** The City has the power to abate nuisances and bill the owner for the work where the owner fails to comply. Starting in 2018 the City has begun to certify a lien for the cost of abatement to the Lucas County Auditor to be added to the property tax bill and collected by the Lucas County Treasurer. For vacant and abandoned property, this process ensures that the property owner pays back the cost or

TABLE 2: Code Enforcement Tools in Toledo

Code Enforcement Tools in Toledo
More Time or Additional Education
Direct to Home Repair Grants/ Resources
Notice of Liability (Civil Fine Assessed Administratively)
Nuisance Abatement (Board Up, Exterior Clean Up)
Civil Case at Toledo Housing Court
Criminal Case at Toledo Housing Court
Receivership
Rental Property Registration (1-4 Unit, Pre-1978)
Vacant Property Registration
Emergency Demolition
Lien Foreclosure on “Blighted Property”

³⁷ TMC Chapter 1726.08.

³⁸ Ohio case law, as well as Ohio R.C. 1901.20(A)(1), as amended by H.B. 62 in 2019, gives the municipal housing court, the Housing Court in Toledo, sole jurisdiction to adjudicate any municipal ordinance and severely curtails the City’s ability to establish a more expanded or alternative administrative hearing processes.

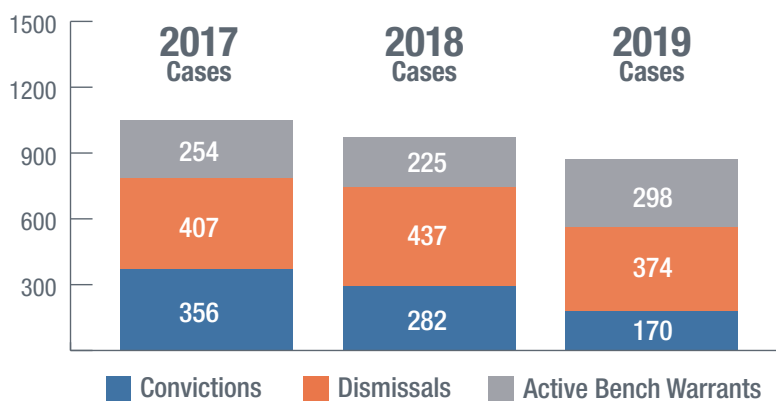
provides authority to compel a transfer of the property to a new owner through the delinquent property tax enforcement process. There is insufficient data to determine how effective this has been given how recently the practice began (e.g., liens collected since 2018).³⁹

The Nuisance Codes available to the City support an ideal approach to address *vacant property*—what Community Progress refers to as “Fix it Up, Pay it Up, Give it Up.” This approach is premised on the idea that property owners have a responsibility to maintain their property in a way that does not have a negative impact on the health and safety of neighbors and can be described as follows: If the owner fails to respond to requests to fix the property, then the local government should seek to correct the problem and bill the owner for the cost. If the owner fails to pay back the taxpayers for the cost of repairs, and if all equitable solutions and resources have been exhausted, then the owner risks losing the property through code lien or tax lien foreclosure. Note the focus of this approach is not on the owner, but on the property coming into compliance, which is always the overarching goal of an equitable, efficient, and effective approach to code enforcement. This approach also requires a commitment to reallocate or provide additional resources to support the potential transition of property to new responsible ownership. Longer-term, the threat of the loss of property and the possible decrease in properties that require repeated visits from code enforcement, police, fire, and other services may have a positive impact.

- c. Criminal Prosecution at Housing Court.** Toledo is one of just three Ohio jurisdictions with a dedicated housing court to address code violations. The court can order an owner to pay fines or penalties, abate the nuisance, post a cash bond and take other actions. The Housing Court has the power to issue bench warrants for the arrest of an owner who failed to appear or comply with court orders. The court typically sentences the property owner to a maximum fine amount and maximum jail time and stays enforcement of the sentence for three months to give the owner time to resolve the violations through repair, demolition, or sale with the assistance of housing specialists.⁴⁰ It is not clear how often property owners obtain a misdemeanor criminal record that they must report to all future employers. Housing Court data is limited but it appears that owners are convicted about one-third of the time. The Housing Court can also order an owner to not rent a housing unit until repairs are made and can continue to hold the owner liable where they sell a house with violations and the new owner fails to fix them within thirty days.⁴¹

FIGURE 10: Toledo Housing Court: DCE Case Dispositions 2017-19

Source: Toledo Housing Court



³⁹ In addition, it is important to note that there are two conflicting Attorney General Opinions regarding the ability of a municipality to add abatement costs, fines and fees to the owner's property tax bill: [OPINION NO. 2009-012 \(2009\)](#) and [OPINION NO. 2017-025 \(2017\)](#).

⁴⁰ The Toledo Housing Court does have some helpful resources for property owners, and all property owners can be assigned an attorney at no cost. The Housing Court has some helpful programs for first time offenders. First offenders for violations in owner occupied properties are eligible to meet with a housing specialist and develop a compliance contract to itemize repairs in return for the case being dismissed. Defendants must pay a nonrefundable \$50 fee to participate. See the Housing Court's website for more about the [First Offender's Program](#).

⁴¹ O.R.C. §5301.253 and TMC §1726.00.

Criminal enforcement may be a helpful tool when the property owner is willfully neglecting the property and has resources—the most common culprit is a slumlord with means who refuses to invest in his property solely to maximize cash flow. In those cases, the threat of harsh penalties like significant fines, jail time, and having a conviction go on your record for a housing violation may be helpful to compel compliance. However, many irresponsible landlords or investors incorporate as LLCs, both hiding their identity and making it difficult to bring them to court. In addition, criminal enforcement can be problematic when attempting to enforce code violations against a property owner that wants to comply but simply does not have the resources. As shared by stakeholders interviewed, most individuals who appear at the Housing Court on a criminal matter fall under that category.

3. Ohio law also provides some key opportunities for the City and the Land Bank to explore additional partnership opportunities.

- a. **Land Bank as an enforcement partner.** Ohio law allows a land bank to engage in code enforcement and nuisance abatement activity as a contractual partner of the municipality and recover costs.⁴² The City and the Land Bank have not explored these powers to date.
- b. **Receivership.** The Housing Court may appoint the City, the Land Bank, or a non-profit corporation, such as a Community Development Corporation (CDC), to be appointed as a receiver for residential property in a civil case.⁴³ A receiver has the authority to correct code violations and otherwise manage the property—including renting the property if the property is or can be occupied. The receiver can recover their costs through a priority lien against the property (which includes a 10% receiver's fee) and foreclose on the lien and seek to sell the property to recover their costs. However, as seen in other communities across the country, receivership is primarily used when the home is in fair or decent shape and where there is some equity in the property, as the receiver wants to feel confident they can recover their costs.

The City has used receivership in the past—and itself was appointed as receiver—but time and costs, among other factors, led the City to discontinue the practice. This is understandable, because of both where code enforcement focuses its resources (weaker housing markets) and on which properties (fair to deteriorating). However, local officials should keep receivership in mind as a potentially useful tool should the City's new Residential Rental Properties and Lead Safety Compliance Law (see below) require an alternative mechanism to gain control over a noncompliant property and property owner where there are health and safety risks at play.

Finally, the City has adopted a new rental registry under its new Residential Rental Properties and Lead Safety Compliance Ordinance (Lead Safety Law), enacted in October 2020.⁴⁴ The law requires owners of 1-4-unit rental properties built before 1978 to *register* the property with the County Auditor and obtain a “lead-safe certificate” from a private third-party inspector. There is no fee for registration, but civil fines and potential criminal penalties may apply for late registration or failure to register. DCE will enforce noncompliance with the registry requirement and the Toledo-Lucas County Health Department will focus on landlords who fail to secure a lead-safe certificate. The City and the County are rolling out the program over 5 years, focused first on census tracts of greatest risk.

⁴² O.R.C. §1724.02(A)(10) and §715.261.

⁴³ O.R.C. §3767.41.

⁴⁴ The Residential Rental Properties and Lead Safety Compliance Ordinance, No. 396-20, passed on October 20, 2020 as noted in Toledo City Journal No. 42, p. 937, available at: <https://toledo.legistar.com/MeetingDetail.aspx?ID=809852&GUID=C4DA960B-3431-4F3A-B3BD-08F5EF9F9727&Options=&Search=>.

C. Code Enforcement Staffing and Case Management

Leadership of the Department of Neighborhoods, in which DCE is housed, changed hands at the beginning of 2020. Director Rosalyn Clemens brings a wealth of management and development expertise with her from her time with Prince George's County in Maryland, and her oversight of DCE and the Division of Housing ("Housing") under the same umbrella provides an excellent opportunity for DCE to help inform the need for new or additional funding for housing repair grants or loans, and to learn from Housing about the availability of any new or existing resources for property owners.

The Commissioner of DCE, Dennis Kennedy, and his staff are professional, experienced, and dedicated to addressing the harms imposed by problem properties on neighborhoods throughout Toledo. Despite spending the majority of DCE time and resources responding to the roughly 16,000 annual requests for service that come in through Engage Toledo, DCE invests significant time abating nuisances and mowing vacant lots, enforces Ohio litter laws and laws regulating advertising on public benches and donation bins, oversees emergency demolitions, and works with the Land Bank on non-emergency demolitions. Additionally, DCE will soon be charged with enforcing the registration provision for rental properties subject to the City's new Lead Safety Law.

1. Staffing is limited compared to peer cities

DCE's organizational chart includes 24 full-time positions, though at the time of this report only 20 positions were filled.⁴⁵ The breakdown of existing staff is as follows:

- 11 Inspectors
 - 7 Code Compliance I Inspectors (no certification)
 - 4 Code Compliance II Inspectors (certified by the International Code Council)
- 3 Inspector Supervisors
- 2 Maintenance Workers/Alternate Inspectors
- 2 Clerk Specialists
- 1 Acting Manager
- 1 Commissioner

The population of Toledo is approximately 275,000, according to U.S. Census 2018 estimates. For context—and with the caveat that circumstances in different cities are vastly different in terms of geographic size, population, general housing and economic conditions, and the types of problems code enforcement is designed to address—other cities that are considered successful at certain aspects of code enforcement employ far more inspectors than the City.⁴⁶ Rochester, New York, a city of just over 202,000 residents and nationally

⁴⁵ DCE also tasks a Code Compliance I inspector to serve as a liaison to the Housing Court and support DCE's cases; DCE also enjoys dedicated support from the City's Department of Information, Communication, and Technology ("ICT") as it implements the new Cityworks software upgrade.

⁴⁶ Data on number of code enforcement staff or inspectors are not readily available across the country; these findings are based on Community Progress' research and conversations.

recognized for its effective enforcement of rental housing (especially as it relates to mitigating the harm of lead hazards), employs about 30 code inspectors in the field. San Antonio, a city of 1.48 million residents whose code enforcement department was recently recognized for operating at a “high level of organizational, legal and technical standards” by the International Accreditation Service, employs more than 100 code inspectors in the field.

In terms of how these numbers compare to total housing units:⁴⁷



2. New case management system provides opportunities for better data tracking and more efficient process

The primary focus of DCE is to promptly address requests for service that indicate a property may be in violation of the TMC. Requests come in through the City’s Engage Toledo intake system and are filtered directly to a dedicated queue for each DCE inspector in Cityworks based on pre-assigned geographic zones. Inspectors go out to inspect the property and choose one of several enforcement options if they observe a violation of the City’s Nuisance Codes, Housing Code, Building Code, or other related issue.

The intake process through Engage Toledo, particularly the smartphone app and the online portal, are intuitive and easy to follow.⁴⁸ An individual reporting a violation can either input an address or find the property using a GIS mapping tool. The questions asked allow the collection of just enough information to get an inspection moving forward but leave out a number of opportunities to collect simple data points early in the enforcement process that might shed additional clarity on the problem and help to prioritize the work for DCE inspectors. For example, the online portal and the app both fail to ask what the property type is. It also separates out potential violations into two categories: violations where the grass needs to be cut, or an extremely broad category that includes “junk, debris, broken vehicles, or *structure problems*.”⁴⁹

⁴⁷ See data from ACS 2014-18 Survey, obtained through PolicyMap.

⁴⁸ Details about Engage Toledo and access to the online portal, a SeeClickFix tool, can be found at: <https://toledo.oh.gov/engage-toledo>. Residents can also call Engage Toledo and a staff member will input the information into the online portal.

⁴⁹ Residents can also report an unregistered vacant building through the DCE landing page, but this option does not appear on the Engage Toledo landing page.

FIGURE 11: Screenshot of Engage Toledo Online Intake Form *Source: City's website*

The screenshot shows a mobile app interface for reporting issues. The main form is on the left, titled 'Details', and the preview is on the right.

Details Form:

- Description:** A text input field. Below it, the text 'Optional, Displayed publicly' is shown.
- What is the address where the property is located?:** A text input field. Below it, the text 'Required, Displayed publicly' is shown.
- Is the property occupied?:** A dropdown menu. Below it, the text 'Required, Displayed publicly' is shown.
- Is there high grass at the property that needs to be cut?:** A dropdown menu. Below it, the text 'Required, Displayed publicly' is shown.
- Are there junk, debris, broken vehicles, structure problems?:** A dropdown menu. Below it, the text 'Required, Displayed publicly' is shown.
- Please provide any additional details:** A text input field. Below it, the text 'Required, Displayed publicly' is shown.

Preview Section:

- Yard and/or Structure Concern (High Grass, Junk, Broken Down Vehicles, Buildings, Sheds, Garages)**
- 1650 Milburn Ave, Toledo, OH, 43606, USA**
- Public** (with an eye icon)
- Neighborhoods** (with a building icon)

Inspectors also pointed out a couple of minor issues with the online intake system—if an address has been reported multiple times in Engage Toledo, it often will appear as multiple cases in Cityworks. Moreover, an intake system is only as good as the information entered into the system, and inspectors noted that sometimes the description of the problem provided by residents is lacking. There is certainly an opportunity to address these issues with the City’s Department of Information, Communications, and Technology staff.

Engage Toledo is connected directly to DCE’s case management system, Cityworks, meaning requests for service are automatically pushed in the system and allocated to Inspectors/Users individual queues based on the property address. This is an excellent workflow efficiency and one that Community Progress often recommends to code enforcement departments.

DCE in partnership with ICT recently rolled out a new version of Cityworks. Overall, the system appears to be an efficient case management tool and includes the following features:

- Requests for services are automatically associated with a property address (though not a parcel ID at this point) and assigned to each inspector based on the inspector's geographic area of focus, except for requests for mowing which are filtered directly to the DCE Manager.
- The inspector interface contains a GIS map that with multiple layers of parcel data that show the last taxpayer of record, property type, tax delinquency data, past code enforcement history, and other data layers. The system is also being rolled out to Building Inspections, and when done, DCE inspectors will be able to access building permit and other Building Inspections data.
- The system is designed to help inspectors map out an efficient route to address all outstanding code violations in the area they are currently located and to sort out requests that are higher priority (e.g., no heat or water).
- Service requests can be organized in the Inspector's assignment queue from oldest to newest or by priority (if the description in the violation has been entered into Engage Toledo as a priority).
- Inspectors can upload pictures, add owner information, and generally include any relevant notes needed to complete the case.
- Inspectors can dictate the enforcement action needed (e.g., 72 Hour Nuisance Order), the system will automatically send the case to be printed, and another member of the DCE administrative staff will help print and send the order.
- If a NOL or ticket should be issued, the inspector can select the fine amount from a dropdown list and the notice is automatically generated and printed and sent by a member of the DCE administrative staff.
- Status updates can be entered into a Notes field, which is visible through the Engage Toledo system and available for public viewing through Engage Toledo.
- Finally, the system can be used to download a variety of reports to track progress.

The design and functionality of the new Cityworks system has the potential to be very efficient, though like all code enforcement case management systems, it will take time for inspectors to get used to the tools and to allow the system to begin to dictate daily workflow to the inspector, as opposed to the inspector exercising total discretion over how to approach the daily workload.

D. Code Enforcement Partners

While a host of City departments and County agencies play some role in addressing problem properties, DCE is by far the most prominent actor. There are variety of ways DCE partners with these entities, including as part of the City's Code Enforcement Response Team ("CERT"), a multi-department City task force to target properties where certain illegal or criminal activity occurs.

FIGURE 12: Key City and County Code Enforcement Partners

City Partners / Actors	Division of Code Enforcement, Department of Neighborhoods	- Enforces various provisions of the City's Housing, Health, Zoning, and Nuisance Codes in response to requests for service - Oversees nuisance abatement, mowing program, works with Land Bank on demolition, partners with a wide variety of public actors
	Division of Building Inspection, Department of Economic Development	- Reviews and issues building permits and monitors contractor licenses - Inspects and enforces IPMC for commercial and industrial buildings, and makes final assessment when DCE finds a property in need of emergency demolitions or to be issued a violation for illegal occupancy - Issues stop work orders and refers violations to the Housing Court - Occasionally DCE refers applicants for permits
	Fire Prevention Bureau, Fire and Rescue Department	- Enforces provisions of the Ohio Fire Code and select provisions of the City's Building Code - Will inspect and assess certain properties at great danger of collapse as "code red building" and prohibit entry - Works with DCE, Buildings, and Land Bank on limited basis for demolitions
	Community Services, Police Department	- Provides support to various departments that enforce housing and building codes, assists with related criminal matters - Partners with DCE on certain inspections where there is a potential criminal element
	Department of Information, Communications, and Technology	- Manages Engage Toledo, the primary intake system for code violations - Helped DCE build out and implement Cityworks, a case management system
	Division of Environmental Health, Toledo-Lucas County Health Department	- Will be a key partner in issuing lead-safe certificates as part of the City's new lead ordinance - Although DCE has the authority to enforce provisions of the City's Housing Code, Health serves as an occasional partner where a particular health-related issue is revealed
County Partners / Actors	Lucas County Land Bank	- Partners with DCE on demolition initiatives - Has the legal authority to enter into contract with the City to assist with code enforcement or nuisance abatement on the City's behalf - Works closely with Lucas County Treasurer and Prosecutor to coordinate delinquent tax foreclosure process
	Lucas County Auditor	- City sends unpaid nuisance abatement liens/costs to the Auditor, who certifies the costs to the County Treasurer to add to the property tax bill - Maintains AREIS database, which is linked to Cityworks and is a key data source for DCE and its partners
	Lucas County Treasurer	- Sends property tax bills, which as of 2018 also include nuisance abatement costs/liens, and collects property tax payments - Works closely with the Land Bank and the Prosecutor to conduct the delinquent tax foreclosure process
	Lucas County Prosecutor	Works closely with the Land Bank and the Treasurer to conduct the delinquent tax foreclosure process
	Toledo Housing Court	Hears all criminal cases filed by DCE and other City and County agencies for violations of the Zoning Code, Housing Code, and others

III. FRAMEWORK FOR A MORE STRATEGIC APPROACH TO CODE ENFORCEMENT THAT IS EQUITABLE, EFFICIENT, AND EFFECTIVE

Community Progress seeks to help the City and its key partners implement a series of changes to their code enforcement operations that will help it become more strategic and impactful.

Based on our work across the country, Community Progress sees many code enforcement programs that are under-resourced and as a result are almost exclusively focused on reacting to complaints. In many cases, local government leaders are often unaware of the unintended consequences of applying enforcement practices equally across all housing markets and all owners. To build a more equitable, effective, and efficient approach to problem properties, City officials and their key partners need to thoughtfully transition from this traditional form of code enforcement to strategic code enforcement, the key components of which are listed in Figure 13.

When done right, strategic code enforcement can help maximize the use of limited public resources to address problem properties and to put in place processes and procedures that prioritize equity as the guiding principle. Based on our observations and assessment of where the City is currently at and what is needed at the present time, Community Progress recommends the City and its partners consider the following framework to create a more strategic approach to code enforcement that is equitable, efficient, and effective.

FIGURE 13: Features of Strategic Code Enforcement

KEY COMPONENTS OF STRATEGIC CODE ENFORCEMENT

- ❖ Targeted allocation of limited resources to achieve maximum impact in line with clearly defined goals and priorities
- ❖ Ability to diagnose the problem based on data and community input
- ❖ Proactive, data-driven interventions tailored to neighborhood market conditions
- ❖ A suite of programs, laws, and tools, flexible to accommodate and protect vulnerable property owners who want to comply
- ❖ Coordination across silos, aligned with other key systems of vacancy and abandonment
- ❖ Cross-sector partnerships, investing in the health and safety of people and places
- ❖ Enforcement officers with excellent interpersonal and problem-solving skills
- ❖ The process is efficient and effective, and outcomes are equitable
- ❖ Expanded and sustained capacity
- ❖ Ability to define, measure, report success

1. **Establish clear goals and priorities for limited resources.** Strategic code enforcement requires making smart and informed choices. The City and its partners can achieve specific goals more effectively if they establish clear priorities for their limited code enforcement resources. These priorities will help to maximize the impact of resources allocated but will necessarily mean that some goals will not be met.
2. **Establish more robust data collection, management, and analysis.** Improvements to existing data collection and management related to problem properties will help the City, DCE, and their partners better (a) establish clear goals and set priorities; (b) prioritize caseloads by addressing priority problems first; and (c) track enforcement outcomes to better assess how particular tools can be most effectively used to address particular problems. At a minimum, diagnosing the problem should start with asking whether the property is vacant or occupied, given the answer may dictate the desired outcome and which enforcement tool or approach would be most appropriate to achieve that outcome.
3. **Establish clear, compliance-centered guidelines for enforcement based on desired outcomes and principles of equity.** Having a more comprehensive understanding of existing tools and their potential outcomes can help in the design of more proactive, data-driven interventions that are tailored to neighborhood market conditions. This understanding can help inform the development of decision-making tools that result in more consistent enforcement in pursuit of outcomes that support code enforcement goals and priorities. These types of tools can also provide clear guidance to inspectors so that all property owners are treated fairly and predictably.
4. **Enforcement tools must be flexible to accommodate and protect vulnerable owners who want to comply.** Inevitably, financially vulnerable owners may get caught up in the enforcement process. Safeguards must be built into the process to provide these owners who are willing and able to comply (perhaps with a little help) an opportunity to avoid fines or criminal penalties. Applying fines and criminal penalties will further limit their ability to make repairs to the property.
5. **Foster a strong culture of compliance.** Given how decades of historical disinvestment and racist policies and practices shaped the inequitable trajectories of Toledo neighborhoods, and how the pandemic is exacerbating these inequities in harmful if not deadly ways, the City should act swiftly to design a system that shifts the primary programmatic and strategic focus of code enforcement from *enforcement* to *compliance*. Although it is critical that bad actors are held accountable, the most equitable, efficient, and effective way to achieve the primary goal or goals of code enforcement is to design a program that prioritizes providing residents with sufficient knowledge and resources needed to bring and keep properties in compliance and contribute to safer, healthier neighborhoods. Moreover, *efficiency in the context of strategic code enforcement is measured in terms of achieving voluntary compliance in the shortest amount of time possible*. Investing in equitable tools that provide owners—particularly the owners of occupied properties—with sufficient education about what is expected and how to comply with local codes, may provide even greater efficiency if they prevent violations from happening in the first place. Finally, where possible, limited resources should be targeted to a priority subset of vulnerable property owners to help support maintenance and repairs (e.g., those neighborhoods where the Black homeownership gap is most pronounced).

There are three core terms Community Progress uses frequently to describe strategic code enforcement: **equitable, efficient, and effective**.⁵⁰ Table 3 defines those terms.

⁵⁰ For additional context on how Community Progress uses the terms “equitable,” “efficient,” and “effective” to describe code enforcement, as well as a more comprehensive analysis of code enforcement approaches, please see the Community Progress publications *Revitalization in Michigan: A Guide to Transforming Vacant, Abandoned, and Deteriorated Properties through Code Enforcement*, available for download at: <https://www.communityprogress.net/blog/download-revitalization-michigan-guide>; and *Alternative Strategies for an Equitable, Efficient and Effective Code Enforcement System in Mobile, Alabama*, available at: https://www.communityprogress.net/filebin/FINAL_Strategic_Options_for_Mobile_Alabama_Code_Enforcement_June_2016.pdf.

TABLE 3: Definitions of Equitable, Efficient, and Effective

TERM	ELEMENTS
Equitable	• Recognizes that different property types, owners, and neighborhood markets may require different approaches • Provides necessary support and protection for property owners in more vulnerable positions to ensure further individual hardship is mitigated and property conditions are improved • Recognizes the historical, racist segregation of housing and resources that still guides development and the allocation of resources across neighborhoods today and is willing to examine the extent to which certain types of enforcement may exacerbate these historical inequities • Requires the voices of those residents most impacted by problem properties to be incorporated in the creation of policies designed to address such conditions
Efficient	• Achieves voluntary compliance by the owner in the shortest amount of time possible • Liability imposed against the property (<i>in rem</i>) as opposed to the person who owns the property (<i>in personam</i>), as the goal is compliance or productive use and not necessarily punishment • Administrative forums generally offer more flexibility and allow for more timely resolution than court forums, either civil or criminal, though a dedicated housing court may offer additional efficiencies
Effective	• Tailors strategies based on the likelihood of compliance • When compliance is likely, as determined by data, knowledge of local housing market conditions, and circumstances of owner, then simple efforts to educate or notify the owner are often sufficient • When compliance is unlikely, and all equitable options have been exhausted or are not appropriate, effective enforcement may require full due process notice and seek to compel the transfer of the property to new, responsible ownership with insurable and marketable title (primarily vacant properties)

While efficiency and effectiveness are relatively self-explanatory and typically can be tracked through data metrics, equity is a more difficult goal to communicate and implement. Stakeholders interviewed repeatedly noted that the majority of problem properties in the city exist not due to willful neglect by investors who choose not to maintain them, but to low-income owners who cannot afford to make repairs and therefore defer maintenance. Where owners do not have the money to comply, it does little good to threaten high fines or criminal misdemeanor charges and may do a great deal of long-term harm by causing greater difficulty getting a job with a criminal record that he or she must report to a potential employer. Recent studies have shown how imposing fees, fines, and criminal penalties on poor people serves to increase poverty and decrease equity while rarely resulting in positive results for the municipality.⁵¹ Equitable code enforcement includes resources for owners who need financial assistance while more strictly enforcing the law against those with the means, but without the willingness to maintain their properties. To be clear, the responsibility for securing these types of equitable outcomes does not fall entirely on the shoulders of DCE. Instead, it will take City leadership and a broad network of public and private partners to work closely with DCE and help to monitor and invest in the types of collaborative approaches that will be more likely to support these goals.

⁵¹ Shayne Kavanagh, *Financial Policies for Imposed Fees, Fines, and Asset Forfeitures* (Government Finance Officers Association, August 2020), available at: https://gfoa.org/cdn.prismic.io/gfoaorg/2e311329-a26d-4d75-9330-7d59964820e6_FeesFinesAssetForfeitures_R3.pdf; *Targeted Fines and Fees Against Low-Income Communities of Color: Civil Rights and Constitutional Implications* (U.S. Commission on Civil Rights 2017), available at: https://www.usccr.gov/pubs/2017/Statutory_Enforcement_Report2017.pdf.

IV. RECOMMENDATIONS

The recommendations below provide the key elements for a multi-year action plan to create a strategic, effective, and equitable code enforcement system. Each of these recommendations is relatively low cost and could result in high-impact visible improvements to the City's approach to code enforcement. Within each recommendation is a series of recommended strategies to help the City and its partners accomplish the broader recommendation.

A critical next step for the City is to divide the recommendations and strategies into early priority steps (initial 12 months), core intermediate actions (years 1-2) and long-term steps (year 3).⁵² After prioritizing these recommendations, the City should assign one responsible person to lead each step or action along with a timeline for completion. Each of these recommendations is intended to leverage and build upon other recommendations. The design and implementation of many of these recommendations will require the participation of multiple City departments and the collaboration of external partners, like the Land Bank. Together these recommendations will allow the City to go well beyond just providing code enforcement as a public service and will allow code enforcement to contribute to the City's broader goals for neighborhood stabilization and revitalization.

RECOMMENDATION 1:

Set Clear Goals and Priorities for Code Enforcement to Move from Reactive to Strategic and Proactive

The Mayor's office has set objectives for code enforcement to improve "community well-being" and DCE to provide a "best level of service" but these goals do not make the hard choice of defining or prioritizing the type of approach or outcomes the City wants in its code enforcement strategy.⁵³ A more focused, overarching goal or objective for code enforcement will help guide the development and prioritization of strategies, as well as shape operations, inform how limited resources are deployed, and guide partnerships and program design.

⁵² To help the City with this process, Community Progress has made a preliminary attempt to categorize each of the strategies within the recommendations as either "Priority, Initial 12 Months," "Intermediate, Years 1-2," or "Long-term, Years 3+." The ultimate decision of which recommendations are a priority, and which are not, is up to City leadership and their partners.

⁵³ See the City's Strategic Priorities at: <https://toledo.oh.gov/government/strategic-priorities>. The Mayor's office establishes five strategic priorities for City departments; the third priority, "Quality Investments," includes two overarching objectives for "Neighborhoods" in Toledo. These objectives provide some guidance on City priorities, but the focus on "enforcement of regulations" to promote "community well-being" as a core objective, as opposed to a focus on promoting *compliance* with local regulations to support "community well-being," is a key challenge. Existing DCE annual goals and the description of code enforcement on the DCE landing page on the City's website are aligned with the Mayor's strategic priorities but are quite broad. Inspectors note that the goal of DCE has always been to provide "the best level of service" they can, but what that means varies. They state the goal has always been compliance, but that achieving compliance very much "depends on the owner." Inspectors also cited another key goal is provide support to neighbors who want to live in a "healthy, safe environment."

For example, code enforcement can help to stabilize or revitalize a neighborhood but only where it focuses significant resources and attention on that geography. Code enforcement can preserve older occupied housing that is affordable in a more distressed housing market, but only where it limits enforcement to basic structural and health and safety standards while making a conscious policy decision not to enforce codes that few older homes can meet, such as provisions requiring electrical outlets to be a certain distance from a window. Code enforcement can raise the health and safety standards of the rental housing stock across the city, but only where there is a proactive inspection and/or licensing requirement that occurs every few years and when the city has built a strong program in partnership with good landlords and with protections for vulnerable tenants (a goal made even more urgent by the pandemic). Finally, code enforcement can prevent many of the negative neighborhood spillover effects of foreclosure but only where lenders are routinely required to maintain the property from the time they begin foreclosure action to the time when a new responsible owner takes control of the property. There are no cities in the country that are able to achieve all of these goals. Most must choose and then apply a series of strategies to achieve the specific goal they have chosen. As seen in the Best Practices Sidebar below, key elements in achieving success include strong city and cross-sector partnerships and the commitment of leadership to prioritize the problem or program over time.

Code enforcement in **Rochester, New York** established its key priority in 2006 as healthy, safe homes based on data showing high lead poisoning in children in older housing stock.⁵⁴ Through strong leadership, expansive cross sector partnerships, and a comprehensive customer-service inspection approach that prioritizes maintaining strong relationships with local landlords and tenants, the City's approach has established its rental inspection and lead safety enforcement program as a national model.

For **Chicago, Illinois**, a key priority was the preservation of existing housing to prevent displacement, the loss of affordable housing, and unnecessary demolition. In line with this priority, the City developed its Troubled Buildings Program.⁵⁵ TBI leverages a broad range of city and cross-sector partners and a strong receivership tool. As the program became more successful, they were able to expand their focus. According to the City's website, "TBI began in 2004 with a focus on troubled multifamily rental properties. In 2006, the program expanded to include vacant and abandoned one- to four-unit properties. In 2008, the program grew to

incorporate distressed condominiums. Collectively, these efforts have preserved more than 16,000 rental and for-sale units across the City."

Baltimore, Maryland recognized that its goal of ensuring basic health and safety standards across its entire rental housing stock would not work if its approach to enforcement was inconsistent, bureaucratic, and costly to landlords. Moreover, an overly burdensome approach could inadvertently displace vulnerable tenants or, just as harmful to low-income residents, inflate rents of naturally occurring affordable housing units. Baltimore inspects 12 basic safety standards defined by a working group of city staff and property owners. Limiting inspections—many of which are conducted by private, outside home inspectors licensed by the state of Maryland—to basic habitability conditions such as heat, hot water and stabilized lead paint ensures consistent, predictable inspections and sets the stage for proactive inspections.⁵⁶

⁵⁴ See more about Rochester's Lead Law here: <https://www.cityofrochester.gov/article.aspx?id=8589936091>.

⁵⁵ See more about Chicago's Troubled Buildings Initiative here: https://www.chicago.gov/city/en/depts/dcd/supp_info/troubled_buildinginitiative.html.

⁵⁶ Information gleaned from webinar hosted by Strategic Code Enforcement Management Academy and led by former Baltimore Director of Housing and Community Development Michael Braverman; see <http://strategiccodeenforcement.com/events/>.

A. Strategies to consider that support the development of clear code enforcement goals

1. **City leadership should reframe and clarify their primary goals and objectives for code enforcement with the understanding that this is a prerequisite to a proactive, strategic, and high impact system.** Stakeholders interviewed shared several different goals for code enforcement efforts. For some, the assumption was that a good code enforcement system could achieve a wide variety of goals, like the ones listed above, just by reacting to complaints filed by residents and continuing to invest heavily in abatement actions like mowing vacant lots, cleaning up illegal dumping, removing graffiti, and boarding up vacant buildings. Others were far more pessimistic and expressed their belief that the scale of the problem made it impossible for code enforcement to have an impact. The most promising opportunity code enforcement has to have a substantial impact is to define the goal and outcomes it seeks and specifically tailor and prioritize its programs to achieve those goals and outcomes. DCE and its partners can help to develop these goals, but ultimately City leadership must provide clear direction and support, understanding that a code enforcement department that tries to achieve multiple goals, often achieves none. It also is important that these goals are developed and prioritized with the input of the residents most impacted by problem properties. *(Priority, Initial 12 Months)*
2. **City leadership should align partner organizations and eligibility for all relevant City funded programs around achieving this goal.** Code enforcement cannot revitalize a neighborhood alone. It is one tool among many that a local government has and they all must work in concert to be effective. For example, if the eventual goal is to maintain existing homeownership and affordable housing, that will require very different policies than if it is to ensure the immediate abatement of code violations. In such cases, the City may want to work closely with the Land Bank, Habitat, and other partners who are willing or have some expertise in property management and explore whether the use of the City's receivership law is a viable strategy.⁵⁷ *(Priority, Initial 12 Months)*
3. **Once clear goals are established, publicly communicate them.** DCE should consider establishing and promoting on its website a goal statement and list of priorities that demonstrate its commitment to addressing the underlying systemic problems and working closely with partners and residents.⁵⁸ Make clear that this is the key goal for code enforcement and that it guides the City's response and that the City will monitor and regularly report its performance in achieving that goal. One idea to consider developed by Community Progress, depending on DCE's and City's ultimate priorities:

“The goal of code enforcement is to support community well-being and neighborhood stability by ensuring property owners maintain their properties in compliance with the appropriate property maintenance and zoning codes. We seek to accomplish these goals through the following:

 - a. Committing to inclusive, accessible community outreach and education;
 - b. Responding in a timely fashion to reported violations impacting the health and safety of residents and abating dangerous and nuisance conditions;
 - c. Proactively supporting healthy and safe housing for our most vulnerable residents; and
 - d. Partnering with other City and County agencies to expand resources and capacity to address and better support residents impacted by problem properties.”

(Priority, Initial 12 Months)

⁵⁷ See O.R.C. §3767.41.

⁵⁸ One example of a code enforcement department centering the importance of resident partnerships publicly is the city of San Diego: <https://www.sandiego.gov/development-services/code-enforcement>.

RECOMMENDATION 2:

Improve Data Collection, Management, and Analysis

Through the efficient collection, integration, and analysis of multiple parcel data points, and supplemented by market and social data, the City and its partners can create a better code enforcement system with a deeper understanding of the inventory and challenges imposed by the various types of problem properties. These data are also needed to strategically implement policies and programs to achieve equitable and effective outcomes. The good news is that the City has the capacity to regularly generate and use parcel data to better understand the nature, extent, and location of problem properties with minimal cost given how much of the data infrastructure is already in place.

When asked why data points like property type are not routinely collected or analyzed, the City responded that its role is to address requests from the community and to investigate potential health and safety risks. If a code violation impacting the health and safety of the neighborhood is observed, DCE uses the tools available to the City to enforce the code no matter the type of property or type of owner. A philosophical shift, from *equal* treatment to *equitable* treatment, is an inherent part of reimagining the status quo. Certainly this is a difficult cultural shift, but those code enforcement departments that are leading the national field of practice have found it an essential step toward building a more equitable code enforcement approach.

There are three particular areas where the City could improve its approach to data collection, management, and analysis: (A) standardize data collection and tracking to help develop clear goals and track progress; (B) optimize the use of existing intake systems and new case management platforms to support strategic decision-making; and (C) build out an enforcement decision-making matrix to provide greater consistency and predictability in enforcement approaches.

A. Standardize data collection and management to define clearer, data-driven goals and priorities

- 1. Track property and owner type on City forms.** All City departments who address problem properties—including DCE, Building Inspections, Fire, Community Police, and, if possible, the Housing Court—should routinely track property type and the type of owner on all standard forms and in all case management systems to enable better analysis of the types and scale of problem properties the City is addressing. Property types should include, at a minimum: vacant residential building; vacant commercial building; vacant lot; owner-occupied, single-family home; 1- to 4-unit rental building; 5+ unit rental building; condominium; mixed use. Property owner types should include, at a minimum: individual; partnership; corporation or LLC; bank or financial institution; and public entity. It seems likely that this type of standardization in the new Cityworks case management system—which will be used by multiple City departments—is likely not a heavy lift, though it may require some additional data entry by DCE inspectors or staff, which if the data in the Lucas County Auditor’s online platform, AREIS, is accurate should be a manageable exercise. *(Priority, Initial 12 Months)*
- 2. Create an intra-agency Neighborhood Conditions Working Group to standardize and centralize the collection and management of property and neighborhood condition data.** The City and the County have access to a wealth of property and neighborhood condition data across multiple platforms, including through AREIS, Cityworks (which also links directly to data from AREIS), and the Toledo Survey. Despite good data that exist, there is no single, easy-to-access platform through which both City and County data can be compared, analyzed, and mapped. At the direction of the Mayor’s Office, consider establishing a working group to convene key actors who address or are impacted by problem properties and can help to identify opportunities for the City

and the County to create and manage a central, public-facing platform (or build on an existing platform, like the GIS mapping tool in Cityworks) to standardize, share, and analyze property data and neighborhood conditions and trends, including, for example, (a) vacancy and data that could indicate potential vacancy (e.g., USPS data, utility shut offs), (b) tax delinquency, (c) trends related to specific property types, (d) property and neighborhood conditions, and (e) code enforcement activities and enforcement outcomes (see next section for related recommendation) and other related data sets that track City or County efforts to address problem properties. Potential working group members could include representatives from the Mayor's Office, DCE, Housing, ICT's GIS team, the Housing Court, Land Bank staff, and the County Auditor.

This centralized platform should display parcel data similar to what is available to DCE inspectors on the GIS map in Cityworks and should include key features and data points available in AREIS, from U.S. Census data or other sources of demographic information, and the Toledo Survey to start. All property data—to the extent possible—should be capable of disaggregation by property type, owner, race, household income, neighborhood housing markets if available, and other relevant information.⁵⁹ If existing City or County platforms do not support such a purpose, there are a variety of vendors and outside partners that can help communities integrate existing data and compare and/or layer with other key data related to race and other socioeconomic data, population trends, and other data sets. Some of those vendors have extensive experience working with municipal and state agencies; platforms that might be interesting to explore include Tolemi's Building Blocks Platform, Loveland Technologies' Landgrid (which already supports the Toledo Survey), and the Northeast Ohio Community and Neighborhood Data for Organizing, or NEOCANDO.⁶⁰ *(Priority, Initial 12 Months)*

- 3. The working group should meet regularly to assess progress and identify key data trends to highlight publicly.** The working group should meet regularly (e.g., once a month or more) while getting the platform up and running, and then occasionally (e.g., twice a year) thereafter to assess the need for additional data sources or improvements to the platform. The working group should also develop metrics to monitor data and regularly publish updates of key data trends impacting neighborhood and property conditions in Toledo. The city of New Orleans's BlightStat program, for example, provides an interesting model to consider.⁶¹ *(Priority, Initial 12 Months)*
- 4. Longer-term, expand or re-configure the working group to focus on coordinating policies and strategies to address problem properties.** The new centralized data platform can be a critical tool around which to gather a range of stakeholders to assess existing and identify new opportunities for strategies to address problem properties. While DCE does a good job working with partners across the City on a variety of initiatives and task forces (e.g., CERT to focus on top problem properties where criminal activity is also a problem) to address specific problems, there is still a need to share information and connect public and private partners around efforts to address problem properties in support of broader efforts to stabilize Toledo neighborhoods. New members could include representatives from Fire, Community Police, the County

⁵⁹ For additional ideas about the importance of neighborhood level data and how it can strengthen communities, see Mallach, Alan, *Neighborhood by Numbers: An Introduction to Finding and Using Small Area Data*, (Community Progress 2017), available at: <https://www.communityprogress.net/download-neighborhoods-by-numbers--2017--pages-552.php>; also see Kingsley, G. Thomas, Coulton, Claudia J., and Pettit, Kathryn L.S., *Strengthening Communities with Neighborhood Data* (Urban Institute, 2014), available at: <https://www.urban.org/sites/default/files/publication/42096/2000115-Strengthening-Communities-with-Neighborhood-Data.pdf>.

⁶⁰ See, for example, Tolemi's Building Blocks Platform at: <https://www.tolemi.com/buildingblocks/>, Loveland Technologies' Landgrid at: <https://landgrid.com/>; and NEOCANDO, available at: <https://neocando.case.edu/>.

⁶¹ See more about the BlightStat methodology on the city of New Orleans's website at: <https://www.nola.gov/performance-and-accountability/methodology/>.

Treasurer, the County Prosecutor, Maumee Valley Habitat for Humanity, LISC Toledo, Lucas County Metropolitan Housing Authority, NeighborWorks Toledo, the University of Toledo, and should also include representatives from neighborhood organizations or other resident leaders. Key priorities could include:

- a. Focus on key strategies that support the City's priorities for neighborhood stabilization (see Recommendation 1).
- b. Meet quarterly or twice a year and identify a running list of existing policies and strategies designed to address problem properties that support the City's key priorities.
- c. Using data from the centralized data platform as the basis for evaluation, use these meetings to assess progress on existing policies and strategies, inform development of new policies and strategies, and identify opportunities to support each other's efforts.
- d. Invite new key neighborhood and resident leaders to these meetings to learn, contribute to program development and design, and report on whether the data and reporting aligns with what residents are seeing on the ground.
- e. Issue a public report—the State of Toledo's Neighborhoods, for example—every two years. These reports should not be overly complicated and should share key property and neighborhood conditions or trends and progress on new and existing programs to address problem properties. The report could also support the periodic assessment of existing strategic priorities and goals for City and other leaders. The report should break down findings by neighborhood or census tract to help identify *where* efforts are being targeted and provide residents a clearer picture of progress—or lack thereof—in their neighborhoods.

(Intermediate, Years 1-2)

B. Strategies to help leverage existing data and case management system to support a more strategic approach

- 1. Encourage and incentivize inspectors to use the Cityworks case management system.** Encourage and provide training and support to inspectors starting to use the new Cityworks system to make their daily workflow more efficient. For example, the system can map out an inspection route based on where the inspector is located. One option for training is to borrow an idea from Rochester, New York and set aside 90-minutes once a month for peer-to-peer training of inspectors where they can “role play” specific cases or approaches using the new Cityworks system. *(Priority, Initial 12 Months)*
- 2. DCE should work with ICT to integrate data into Cityworks from the Office of Finance, the Department of Law, the Housing Court, and the County Treasurer to measure enforcement outcomes.** If the City wants to transition to a more strategic approach, it is critical to provide a baseline understanding of whether enforcement tools are successful and in what circumstances (e.g., property types, owners, neighborhood markets). It may be possible that DCE can fairly easily explain the outcome of a particular address or case. What is needed is a better way to aggregate that data for ease of analysis. Integration of these data into Cityworks should also be filtered into any new centralized data platform that might be created (see Recommendation II.A.2.). Some data sets to consider tracking for each of the most common enforcement tools used by DCE:
 - a. Compliance rate with all orders issued by DCE
 - b. Compliance rate with NOLs
 - c. NOLs where owner paid
 - d. NOLs where City pursued collection and collected

- e. Compliance rate with cases/affidavits filed in Housing Court
- f. Nuisance abatements where the owner pays
- g. Total nuisance abatement liens sent to County Auditor for certification

(Priority, Initial 12 Months)

3. Work with ICT to add fields in Engage Toledo to improve ability to prioritize work. Community Progress recommends just a few small tweaks to Engage Toledo that may make a big difference in helping to prioritize work for DCE inspectors and improve tracking and reporting on specific problems:

- a. Add an additional required field for “Property Type.” A drop-down list could include:
 1. Single-family home
 2. 1- to 4-Unit Rental
 3. 5+ Unit Rental
 4. Commercial
 5. Vacant Lot (could move this from the occupied field)
- b. Replace existing questions to better separate out types of violations. Categories could include:
 1. Yard Concern: High Grass, Junk, Broken Down Vehicles
 2. Accessory Structure Concern: Sheds, Garages
 3. Exterior Structure Concern: Broken Windows, Peeling Paint, Leaking Roof
 4. Interior Structure Concern: No Running Water, No Heat, Mold

(Priority, Initial 12 Months)

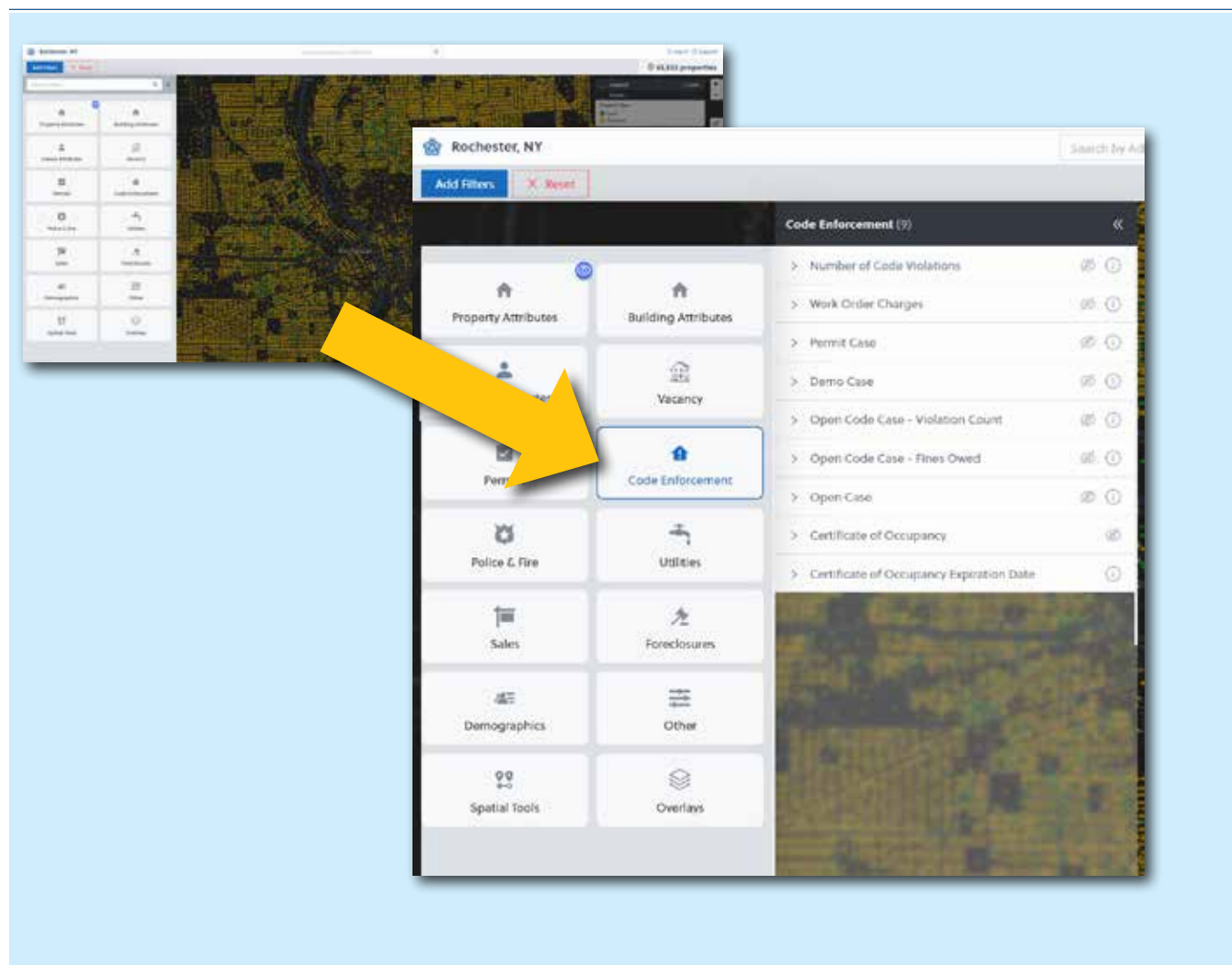
4. Based on strategic priorities, establish different response times based on the seriousness of the complaint and property type. A tiered system for responding to various property or violation types could be automated in Cityworks similar to the tiers established by the city of San Antonio in Figure 15. DCE should track and publicly report progress towards meeting response and compliance goals. *(Priority, Initial 12 Months)*



FIGURE 15:
 City of San Antonio's “Targeted Tiered Enforcement” Model *Source: City of San Antonio website at: <https://www.sanantonio.gov/ces/About/Prioritization>*

- 5. Improve public reporting of progress on individual code violation cases and code enforcement as a whole.** Residents interviewed mentioned that they had little way of knowing whether a violation that was reported was progressing through the enforcement process. In recognition of this need, DCE inspectors can now use the “Notes” section in Cityworks to provide status enforcement updates in their own words that residents can access on Engage Toledo and DCE and their partners at ICT are exploring how to better share this information. For consideration, residents may benefit from a system that provides regular, timed (e.g., every time an enforcement decision is made or at least every 30 days) status updates of the case and that shares information in a more formal fashion—as well as the notes. As demonstrated in the screenshot in Figure 16, the city of Rochester, New York uses a platform called Building Blocks (created by Tolemi) to track actions taken by code enforcement and automatically displays them on a public-facing platform. Inspectors do not have to separately enter notes, and this approach also eliminates worries about inspectors making typographical errors or not knowing what to write.⁶² In addition, as DCE begins to define success in terms of outcomes and outputs, these achievements should be celebrated publicly. This does not have to be a complicated or data-intensive exercise—the city of Irving, Texas, offers a few very simple statistics on its website that celebrate the overall compliance rate.⁶³ (*Intermediate, Years 1-2*)

FIGURE 16: Rochester, NY, Building Blocks Platform



⁶² See Rochester's Building Blocks platform by visiting [this hyperlink](#).

⁶³ See the Irving website at: <https://www.cityofirving.org/3430/Code-Enforcement>.

RECOMMENDATION 3:

Create an Enforcement Decision-making Tool to Ensure Consistent, Equitable Enforcement

Currently, each inspector has extremely broad discretion to define what actions to take against an owner or a property to obtain code compliance. While discretion can be a good thing, the lack of clear direction and guidance may also lead to inconsistency and less than optimal outcome. Putting in place a clear decision-making process or tool, like a matrix, will improve consistency and transparency in the system. It will provide clear guidance to inspectors so that all property owners are treated fairly and predictably. The following examples may provide some ideas for how a strategic approach, driven by clear goals and priorities, can help guide inspectors particularly as City leadership considers changes to the focus of enforcement or targets resources. It will also improve the department's ability to use available data to track outcomes and performance.

A. Strategies to improve decision making progress

- 1. Develop an enforcement decision-making matrix for inspectors to follow.** In Figure 17, Community Progress offers a simple decision-making tool for inspectors to follow based upon the type of residential property. As DCE well knows, however, a property owner's decision as to whether to invest in repairs or maintenance is ultimately an economic decision, which makes enforcement decisions more difficult and usually dependent on current market conditions and future land use opportunities. Figure 17 is intended solely as an example starting point for deciding how to address a problem property in a weak neighborhood housing market and to illustrate from a visual standpoint how to start thinking of different property types as going down different paths. *(Priority, Initial 12 Months)*

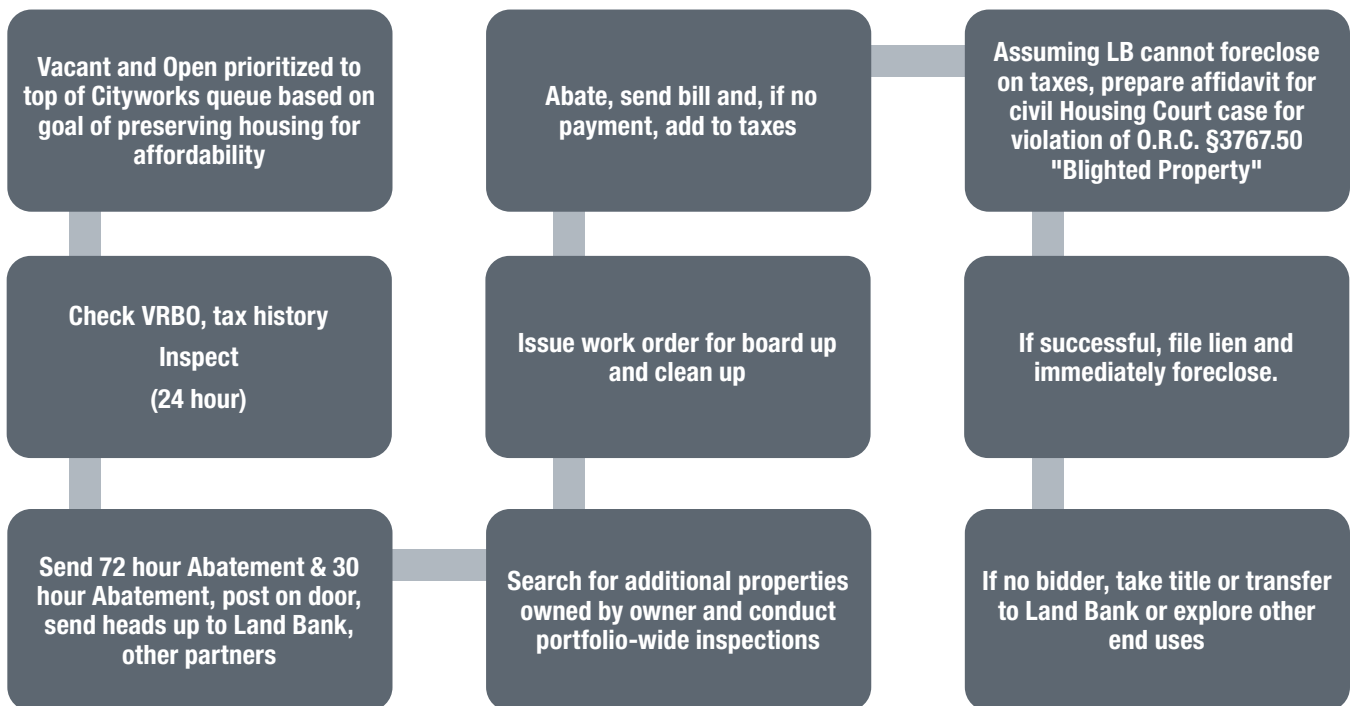
FIGURE 17: Sample Enforcement Matrix

Threshold Question (in Struggling or Weak Housing Market): Vacant or Occupied?			
VACANT		OCCUPIED	
Vacant Lot	Vacant Structure	Owner-Occupied	Renter-occupied
IMMEDIATE ACTION: Refer to DCE Manager for Abatement (current process) Notify Partners for potential acquisition/assembly (Land Bank, etc.)	IMMEDIATE ACTION: Check for VPRO registration Board-up or abate dangerous conditions Notify partners for potential rehab or demo (Land Bank, etc.)	IMMEDIATE ACTION: Auto-send courtesy letter, links to education	IMMEDIATE ACTION: Check for Rental Registry Auto-send courtesy letter, links to education Assess need for administrative inspection warrant
POSSIBLE TOOLS: Refer to DCE Manager for Abatement (current process) Notify Partners for potential acquisition/assembly (Land Bank, etc.)	POSSIBLE TOOLS: Check for VPRO registration Board-up or abate dangerous conditions Notify partners for potential rehab or demo (Land Bank, etc.)	POSSIBLE TOOLS: Refer to DCE Manager for Abatement (current process) Notify Partners for potential acquisition/assembly (Land Bank, etc.)	POSSIBLE TOOLS: Check for VPRO registration Board-up or abate dangerous conditions Notify partners for potential rehab or demo (Land Bank, etc.)
PREFERRED OUTCOME: Nuisance Abated by City Explore temporary use programs (e.g., community garden) Ownership transferred to City through tax foreclosure	PREFERRED OUTCOME: Property secured Renovated by owner Transferred for housing	PREFERRED OUTCOME: Owner fixes Connected to resources or support (e.g., social worker) if vulnerable and in targeted pop.	PREFERRED OUTCOME: Landlord compelled to fix, no negative impact on renter Connected to landlord resources if appropriate
AVOID: NOLs (unlikely to pay) Court (unlikely find owner)	AVOID: NOLs (unless strong market) Housing Court Criminal (for properties owned by LLCs or absentees)	AVOID: NOLs (unless strong market and owner has resources) Housing Court Criminal (if result of conviction goes on record)	AVOID: Heavy-handed enforcement that impacts or could displace tenants unless equitable programs to protect in place (e.g., anti-retaliatory laws, legal aid, relocation ord.)

- 2. Establish more outcome-driven enforcement for vacant, residential building with corporate owner.**⁶⁴ Based on the sample matrix supplied above and some of the recommendations made throughout this report, here is one possible enforcement path for DCE and its team to consider that is focused on a particular outcome in line with a clear overarching City priority or objective (based on data supplied by DCE about an actual problem property on Custer Street in Toledo):

FIGURE 18: Enforcement Path, Vacant Building Absentee Owner

	Property Characteristics (Weak Market)	
	Possible Objective	Preserve and transfer for affordable housing
	Owner	Absentee California LLC for which no record can be found
	Case History	Over 4 years, 4 orders, ⁶⁵ 8 clean-ups, 1 court case
	Enforcement Outcomes	No show in court, No payment
	Tax History	Delinquent 4 years
	Current Condition	Open, vacant, dumped couches, structurally sound



⁶⁴ The City and the Land Bank provided several examples of actual code enforcement cases focused on vacant buildings to explore through hypotheticals—Community Progress chose to focus on this example as a representative of the key problems with absentee owners.

⁶⁵ Each time an order was sent, a 30-day nuisance order and a 72-hour nuisance letter were sent on the same day.

- a. Although many of the steps above are currently used by DCE, some differences may include:
 1. The case heads immediately to the top of the Cityworks queue given the priority of preserving housing stock for possible transfer to support affordable housing.
 2. The clearly established objective means all possible strategies are focused on preserving the property through abatement and seeking any means necessary to get control as soon as possible to ensure it gets in the hands of a responsible end user. This means exploring: Land Bank interest, tax foreclosure status, the use of any and all civil tools that could either result in gaining control over the property or, at the very least, result in priority liens in favor of the City that would position the City to act quickly if the right, interested end user were to come along.
 3. A step to immediately understand if the owner owned multiple properties may give the City additional enforcement leverage to compel the owner to act.
 4. NOLs and criminal charges are likely inefficient uses of the City's resources because they rarely work against absentee or corporate owners.⁶⁶
- b. Another example of a vacant building with an absentee owner on Collins St is worth highlighting as a true success because the Land Bank recently completed a full renovation, but the example is also perhaps a stark reminder of the market realities in some of Toledo's more challenged neighborhoods. The Land Bank acquired the property in 2017 after the property was tax delinquent for nearly 5 years. The property was located in a "constrained" market (similar to "struggling" market from the map in Section III) and needed substantial subsidy—including a \$30,000 renovation grant, a PACE loan, and other subsidy—to get the work done. After renovation, the property sold for \$95,600, and the total, all-in costs to acquire and get the property "market ready" was \$125,000. Thus, the 'subsidy in the property was over \$30,000, making this outcome uncommon and not likely scalable without supportive funding sources.

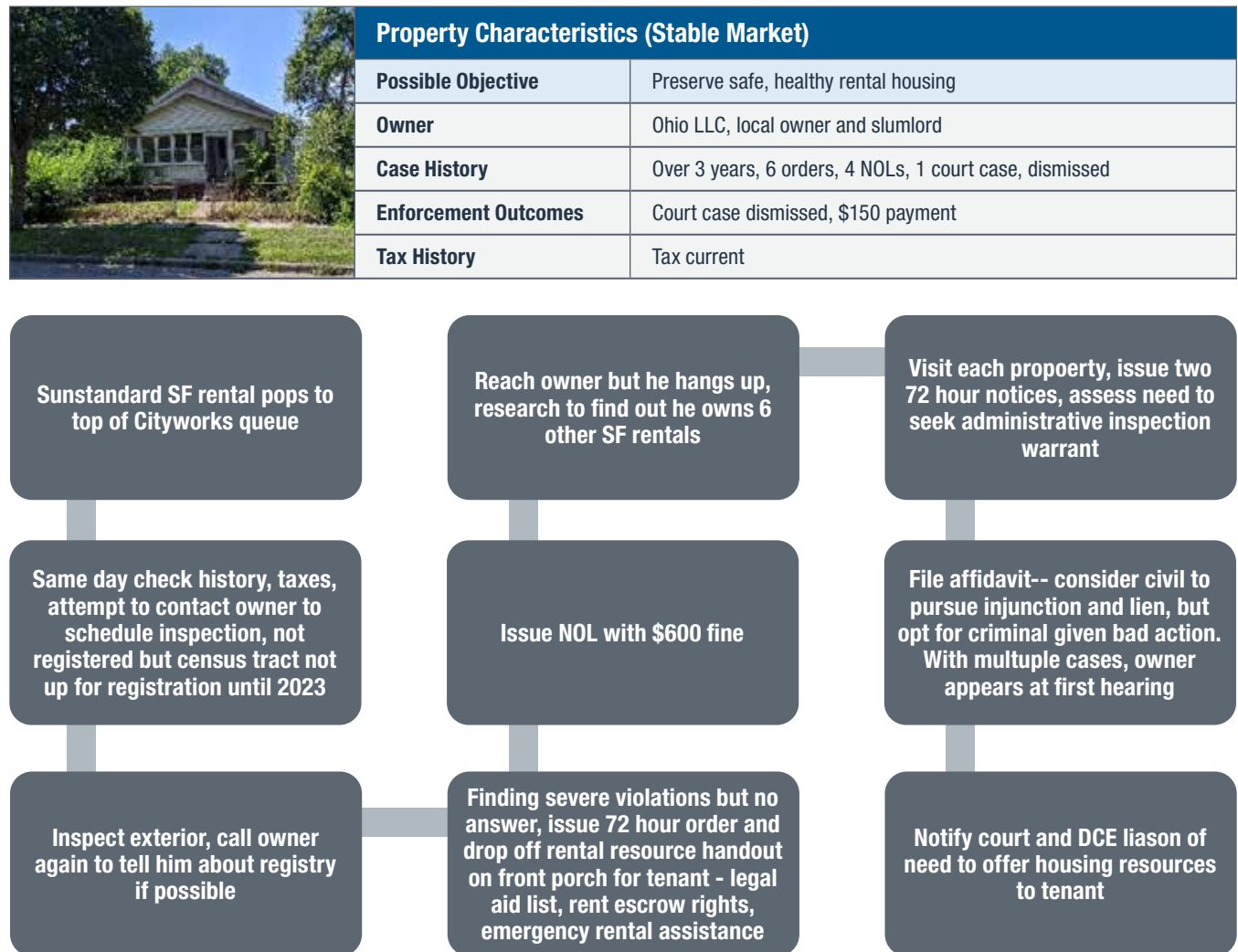
FIGURE 19: The Rowley House Project, Lucas County Land Bank



⁶⁶ Inspectors expressed interest during our engagement at having a staff member to track down former managers or members of corporations or dissolved LLCs to bring them into court. In Community Progress experience, it isn't worth the effort it takes. The success rate for such an approach is extremely low (10-20% would seem high) and it is an intensive and potentially expensive process. Instead, the preference is on doing the work to secure and preserve the property, securing that investment with a priority lien, and forcing a transfer as soon as able.

- 3. Establish outcome-driven enforcement for substandard occupied rental property with corporate owner.** Based on the sample matrix supplied above and some of the recommendations made throughout this report, here is one possible enforcement path for DCE and its team to consider that is focused on a particular outcome in line with a clear overarching City priority or objective (based on a hypothetical property created by Community Progress):

FIGURE 20: Enforcement Path, Substandard Rental



- The possible objective is what drove the process contemplated above. The first priority was to do what was possible as soon as possible to make sure the violations were corrected.
- Recommendation 5.A.5. (p. 51) notes the importance of searching for a bad actor's entire portfolio of properties, noting the increased possibility of violations at these other properties. This may be a helpful tool to compel the owner's response.
- Just as important, was making sure the tenant was aware of their rights in case enforcement action had a negative impact on the tenant's rights.

RECOMMENDATION 4:

Ensure Equitable Safeguards in the Enforcement Process

The City could create a more effective and equitable system by building in safeguards to the enforcement process to protect and support vulnerable property owners. First, as federal revenues for local governments continue to shrink, ensuring that there is funding to implement new or expanded programs to serve vulnerable owners becomes critical. There are several actions that the City can take to improve its collection practices to ensure this money can be used to finance operations and programs to help owners who require financial assistance to maintain and repair their homes, and to ensure those vulnerable, low-income owners who inadvertently get caught up in enforcement have a possible off-ramp from enforcement.

Second, there is an opportunity to work with the Housing Court to add safeguards to the current criminal process to ensure vulnerable, low-income property owners receive assistance and do not obtain a criminal record due to code violations that the owner cannot afford to repair. To achieve this goal, the City and Housing Court could create a protocol that places owners on a separate enforcement path where they prove financial hardship. Attaching these safeguards to the criminal process are particularly important because it is difficult to expunge a criminal record and cannot be done for at least a year after the violation. Until a property owner successfully expunges a criminal conviction, the owner cannot answer “no” to questions about criminal convictions asked by universities or employers. Under Ohio law, the owner must wait one year before the owner can expunge a misdemeanor from their record.⁶⁷

A. Strategies to improve fine collection and make it more effective and equitable.

- 1. Explore authority to collect and to forgive NOL fine and fee debt.** There is a need for clarity and increased focus on how to enforce and collect fines assessed via the NOL process. The City will be able to more aggressively and equitably pursue fines with clear answers as to whether the City can place a lien on property for unpaid fines, can add them to the owner’s property tax bill (for vacant and abandoned property),⁶⁸ and can release a lien or forgive the debt should the appropriate equitable concern arise. *(Priority, Initial 12 Months)*
- 2. Explore authority to forgive or reduce nuisance abatement liens.** Continue the City’s recent practice of adding nuisance abatement costs to the tax bill and track this coming year of tax foreclosures to assess whether properties that include nuisance abatement costs are considered by the County Treasurer’s office for tax foreclosure. Determine whether the City has the authority to release nuisance abatement liens if the owner demonstrates the ability to make substantial progress towards repairs. *(Priority, Initial 12 Months)*
- 3. Use any increase in collections to fund direct grants to vulnerable owners from the Nuisance Abatement Trust Fund.** DCE and its partners could consider working with City leadership to protect fines, fees, and nuisance abatement costs collected from NOLs or abatement costs added to the tax bill to support the

⁶⁷ In July 2020, the Ohio Supreme Court ruled that even technical violations of community control can lead to prison sentences of more than six months long: <http://www.courtnewsoriohio.gov/cases/2020/SCO/0715/190049.asp>.

⁶⁸ A number of cities across the country place liens on property for unpaid code enforcement fines and many also add these fines to the owner’s property tax bill (see, for example, the city of Rochester’s process at: <https://www.cityofrochester.gov/article.aspx?id=8589936012>), though it should be clear that this is most appropriate for vacant and abandoned property and that equitable safeguards must be in place so such a tool is not used to displace occupants, especially those that are most vulnerable.

creation of a program to provide direct grants to property owners who demonstrate a willingness to make repairs and who might not otherwise qualify for City programs. Consider requiring such owners to contact the Land Bank to access the HPI program and condition the grant amount on the amount certified by HPI, or a similar amount. The city of San Antonio has a compliance assistance fund administered by the City's administrative hearing officer, but the program is woefully underfunded (\$15,000 total). (*Intermediate, Years 1-2*)

B. Strategies to avoid inequitable outcome for criminal enforcement.

- 1. Establish form to declare financial hardship.** As a matter of course, prior to or at the first Housing Court hearing, property owners who believe they cannot afford to make the repairs required by the pending court case should complete and submit a form in support of their declaration that they lack the financial ability to do so. Note that the city of Dayton, Ohio, expressly allows city housing inspectors to waive fees where there is financial hardship.⁶⁹ Encouraging these discretionary decisions to be made at the Housing Court level allows for greater consistency and transparency and allows for owners to connect with housing specialists. (*Priority, Initial 12 Months*)
- 2. Create an alternative enforcement track.** If the owner demonstrates their financial inability to repair code violations, the Housing Court could place them on a different enforcement and assistance track that involves a compliance contract and does not impose a Community Control Sentence that will show up as a misdemeanor on their record and must be reported to schools and employers. Under Ohio law, the Community Control Sentence works similar to probation.⁷⁰ The defendant must sign a form and issue a plea of no contest agreeing to being placed on Community Control in return for the stay. It appears that Community Control Supervision automatically places a 1st, 2nd, 3rd, or 4th degree misdemeanor on the owner's criminal record. The court typically sentences the owner to a maximum fine amount and maximum jail time and then stays both while placing owners on Community Control for a period of three months to resolve the violations. The goal of this recommendation would be to work with the Housing Court to see if it is willing to systematically refrain from using this process for owners who are financially unable to make repairs.⁷¹ (*Priority, Initial 12 Months*)
- 3. Housing Specialist support.** An owner with a financial hardship would then work with Housing Specialists who will connect them with resources to make highest priority repairs and create a one-year compliance contract to address remaining violations with Housing Specialist assistance. These owners should receive priority for limited City (or Housing Court-controlled) repair and abatement resources.⁷² (*Priority, Initial 12 Months*)
- 4. Use minor misdemeanors instead of more severe penalties.** Where the owner fails to take actions even with assistance, the court can impose minor misdemeanors that do not create a criminal record. In Ohio, convictions for 1st, 2nd, 3rd, or 4th degree misdemeanors and any felony conviction will give you a criminal record. Minor misdemeanors do not. Other peer Ohio cities appear to use minor misdemeanors more frequently for less severe offenses. (*Priority, Initial 12 Months*)

⁶⁹ See Dayton, Ohio, Code Chapter 93, Section 93.05.2.

⁷⁰ See O.C.R. §2929.

⁷¹ For a detailed discussion of the process in Cleveland, see 2016 law review article by Cleveland Housing Court Judge Pianka <https://www.memphis.edu/law/documents/pianka46.pdf>.

⁷² The Housing Court maintains a separate Nuisance Abatement Trust Fund from fines and fees it collects from defendants to help support programs to assist certain qualified property owners.

5. **Expand First Offenders Program.** The program should include low-income homeowners without capacity to pay for repairs. Another potential way to frame this recommendation is that the First Offenders Program should be expanded to include all owners with a financial hardship. Currently first offenders in owner occupied properties can pay a \$50 fee to be placed in the First Offenders Program and develop a compliance contract to avoid a criminal conviction in their case. All fines or participation fees should be eliminated. This may be a more palatable way to request that the housing court implement this change for vulnerable homeowners. (*Intermediate, Years 1-2*)
6. **Explore utility of filing cases on the civil docket as opposed to the criminal docket.** Ohio law and the TMC do not appear to prohibit the City from filing most cases alleging a violation of the Nuisance Codes or Housing Codes on the Housing Court’s civil docket. The City and the Housing Court may want to consider whether this option would be useful in two situations. First, consider whether another “alternative track” for vulnerable owners who demonstrate hardship (as referenced in Recommendation 4.B.2.) could be re-filing or transferring the case to the civil docket where similar support may be offered, and which removes the threat of jail time for the vulnerable owner. Second, when the property is owned by a corporation or an LLC that the City cannot find—or if the company is dissolved—filing a case in civil court with the ultimate goal of eventually compelling a transfer of the property (or at least getting leverage to compel the transfer at a later point through a judgment lien), as opposed to spending many hours pursuing criminal penalties against a defendant that is unlikely to be found. Civil tools that may be worth exploring could include the City’s ability to foreclose on liens for property that is considered “blighted,”⁷³ receivership, and whether a monetary judgment could be converted into priority lien against the property and enforced to either compel payment or the transfer of the property (e.g., through foreclosure action in the Housing Court or by adding the amount to the property tax bill). (*Intermediate, Years 1-2*)

RECOMMENDATION 5:

Change the Culture from Enforcement to Compliance

Local governments can increase rates of compliance and improve overall building quality by redirecting efforts from enforcement to outreach and education and, when available, resources to support home repair or improvements. Residents interviewed as part of this engagement noted most members in the community had very little idea of how DCE or the City’s approach to code enforcement worked. They also mentioned that they rarely saw or interacted with DCE inspectors and expressed a desire to partner more and support efforts to address problems in their neighborhoods. The City must continue to impose appropriate and effective penalties against willful offenders, but it needs a very different approach when addressing vulnerable owners—and it needs to be particularly sensitive to those vulnerable owners who are nonwhite and have experienced decades of disinvestment in their neighborhood.

Vulnerable property owners in Toledo also need help to maintain and improve their properties. An equitable code enforcement system requires municipalities to assist owners who seek to keep their property in good repair but do not have the ability to do so. City leaders were all very clear in interviews that many homeowners care about the quality of their home and community but defer maintenance due to financial constraints. So along with efficient and effective enforcement practices, the City needs to expand private funding and in-kind contributions that provide some help and assistance to property owners.

⁷³ See O.R.C. §3767.50.

Making a shift to a more compliance-centered approach will require clear direction and support from executive leadership, coordination with public and private housing, development, and financial entities to increase the availability of and access to resources, and the buy-in and commitment of DCE and other City staff, Land Bank staff, and other partners tasked with offering this support.

There are two additional and critical factors that will have substantial impact on the success of new efforts to shift to a more supportive focus as much as any others: trust and time. As reported to Community Progress, most residents—especially residents living in predominantly Black, Latinx, and other nonwhite neighborhoods in Toledo, do not trust or believe that the City will follow through on efforts to truly invest or support their communities. A common and disheartening refrain heard when speaking with stakeholders was that folks “had heard that before” when Community Progress described this engagement and the hope that these conversations would lead to the development of new policies or programs to improve Toledo’s neighborhoods. For those reasons and more, a shift to a more compliance-centered approach will take time. The City and its partners will need to demonstrate that they are committed to these changes for the long-term, meet residents where they are to educate them about new programs and opportunities, and be prepared to see low initial participation in City programs, which will likely increase as awareness grows and the City begins to establish trust that its efforts and programs are an authentic and intentional commitment to serve residents for years to come.

A. Strategies to shift to a more compliance-centered approach

- 1. Provide DCE with the name, training, tools, and community engagement to increase focus on voluntary compliance.** Across the country code enforcement departments are changing their name and practices to become Code Compliance departments—a reflection already clear in the DCE’s inspector title, Code Compliance Inspectors. See how the city of Dallas, Texas, describes its code compliance program,⁷⁴ for example. ICC certification courses that inspectors are encouraged to take along with regular local training can provide consistent training in how to obtain public trust, customer service/interaction, implicit bias, and racial equity. By improving how inspectors ask for compliance, some communities have increased owner accountability and addressed problem properties more quickly and at lower cost. The city of Syracuse, New York is currently exploring opportunities to change code enforcement culture and expand inspector training to include topics related to racial justice and implicit bias. Brooklyn Park, Minnesota established inspector training more than 6 years ago that not only prioritized racial equity training, but also encouraged inspectors to decline enforcement when they felt as though race was a motivating factor in the complaint.⁷⁵ *(Priority, Initial 12 Months, but also a long-term and ongoing strategy)*
- 2. Build DCE capacity by hiring additional staff.** Hiring additional DCE inspectors would help improve the City’s the ability to meet its goals for code enforcement, particularly in light of current limited staffing (e.g., one inspector for every 13,000 housing units, as mentioned previously). Given budgetary constraints, this is a significant ask. Another option is to hire two or more support staff to improve efficiency, which could help to maximize inspector time in the field and ability to work directly with the community. Other cities have found that support staff—with the proper training—can play several vital roles, including proactively reaching out to the owner after the property has been inspected to try to gain compliance by phone. In

⁷⁴ See the city of Dallas website at: <https://dallascityhall.com/departments/codecompliance/Pages/default.aspx>.

⁷⁵ Information about these programs is not available online, but Community Progress can share information upon request from the City or the Land Bank.

Rochester, New York, tasking support staff to conduct these calls has helped to resolve up to 50% of complaints.⁷⁶ DCE support staff already provide support in a variety of ways, including printing and helping to send out orders and NOLs, and could use additional help to maximize efficiency. *(Intermediate, Years 1-2)*

3. Enlist the help of all residents and partners in improving property conditions. When it is safe to do so, and/or if proper public health guidelines are followed, DCE should prioritize the expansion of existing initiatives or create new initiatives where DCE and its partners can partner with community members to provide a visual demonstration of the City's commitment to improve neighborhood conditions and aesthetics and to build trust. Options may include:

- a. Expand current participation and support of existing Engage Toledo Recycling Days or Trailer Days, which currently involve primarily lending DCE tools and materials to support the programs.
- b. Revisit the former "T-Town Proud Community Maintenance Program" and/or conduct regular "service blitzes" on targeted blocks.
- c. Create and host up to three new Toledo Community Improvement Days over the next year on targeted blocks in partnership with the Land Bank and staff from Housing, on a Saturday or other time when residents are available. This is not a new concept for DCE and could include activities similar to previous City-sponsored community clean events, such as DCE helping to mow overgrown lots, remove junk and debris, help with fence repair and minor painting projects, and other items within a 1-2 block radius within their district to build a rapport and, eventually, trust with residents. Areas of focus should include not just those areas represented by strong neighborhood associations, but on those blocks located in predominantly Black or other nonwhite neighborhoods that have historically not been 'at the table.' To expand outreach and impact, consider partnering with City elected officials and/or local nonprofits that could include, for example, Keep Toledo/Lucas County Beautiful.⁷⁷ Unless potentially life-threatening violations are observed or reported, DCE should avoid performing its enforcement role during the event. In Detroit, the annual citywide cleanup and beautification effort, Motor City Makeover, offers an interesting model to consider.⁷⁸

(Priority, Initial 12 Months)

4. Limit inspections to core health and safety issues. Ohio law allows code enforcement inspectors to conduct interior inspections if the tenant or owner grants their permission. If that permission is not granted, the City can seek an administrative warrant through the Housing Court to inspect the interior. As the DCE and the City consider whether to continue to or expand the use of interior inspections to address health and safety issues—particularly within rental properties—they should consider limiting interior inspections to a short list of basic health and safety violations. This will allow the City to build trust with landlords amid limited inspection resources. For example, Baltimore inspects 12 basic safety standards defined by a working group of city staff and property owners. Limiting inspections to basic habitability conditions such as heat, hot water and stabilized lead paint ensures consistent, predictable inspections and sets the stage for more proactive inspections as it builds trust that the City is not interested in imposing overly burdensome restrictions on landlords—which may be passed down to tenants. *(Priority, Initial 12 Months)*

⁷⁶ December 2019 interview with Gary Kirkmire, Commissioner of the Department of Neighborhood and Business Development in Rochester, NY.

⁷⁷ See the Keep Toledo Lucas County Beautiful website here at: <https://co.lucas.oh.us/345/Keep-Toledo-Lucas-County-Beautiful>. DCE currently partners with Keep Toledo Lucas County Beautiful to provide litter supplies for clean events and on administering OhioEPA grant opportunities.

⁷⁸ See the city of Detroit's website at: <https://detroitmi.gov/departments/departments-neighborhoods/motorcity-makeover-information>.

- 5. Target the entire property portfolio of bad actor investors to more effectively improve rental housing stock.** A compliance approach should include a focus on owners of multiple properties who have the capacity to maintain and repair their property but choose not to do so. The City should identify and target owners with more than five properties that have multiple code violations. Targeting larger rental owners, for example, is a cost-effective approach to lifting up the quality of the rental housing stock. Where an owner is found who has serious code violations at a property, this should trigger an inspection of that owner's other rental properties to see if similar conditions exist. By investigating an owner's entire portfolio of properties, other cities have been able to cost effectively improve the condition of multiple units.

(Priority, Initial 12 Months)

- 6. Over the long-term, rethink how code enforcement is structured to maximize community presence and service delivery.** Code enforcement departments that assign inspectors to a specific geographic area and/or have a regular neighborhood presence, and which sometimes have offices embedded in the neighborhoods they serve, can be a valuable asset to building trust in a community and establishing code enforcement as a resource for community members. Some neighborhood code enforcement offices can also house a more comprehensive 'compliance' team that includes representatives from all of the various local government agencies (e.g., lawyers, social workers, housing specialists, etc.) that might be involved in addressing code enforcement-related problems in the community. To complement these place-based teams, smaller citywide teams of roving inspectors focused on proactive inspections, neighborhood sweeps, and nuisance abatement work can help provide additional capacity and perspective.

City leadership and DCE should consider establishing Neighborhood Stabilization Hubs in those neighborhoods where code enforcement activity is most prevalent. As referenced earlier, there is a distinct need for DCE and its partners to start building trust in Toledo neighborhoods in order to help shift the public's perception of code enforcement from an adversary to a resource. The city of Dallas has adopted a community prosecution model that establishes satellite offices throughout the City and staffs these offices with teams consisting of a code enforcement officer, a city attorney, a city staff member familiar with housing matters, and community police officers, to name a few.⁷⁹ The Livable City Initiative in New Haven, Connecticut is another such model to consider.⁸⁰ *(Long-term, Years 3+)*

- 7. Once the City has established some success implementing the lead safety law, expand rental registration to all rental properties.** Requiring *all* owners of rental property to register with City or the County and to provide contact information (and a local agent where the owner lives outside of the community) will allow the city to target code enforcement efforts more fairly and effectively. It will allow the City to communicate with owners about new laws and requirements, such as laws restricting the eviction of tenants or new lead paint requirements. Registering all rental property will require a sustained and concerted effort to educate owners of the new requirement, build their trust that registering will not have a negative impact on their business such as subjecting them to significant fees or more frequent inspections, and offer incentives for registration. Examples of incentives the City and its partners can provide for responsible owners who register can include everything from a streamlined building permit review to a discount at a local hardware store. *(Long-term, Years 3+)*

⁷⁹ See more about the Dallas community prosecution at: <https://www.dallaspolice.net/division/central/community-prosecution>. For additional information, see Community Progress 2015 report *Vacancy and Blight Action Plan for the City of Dallas, Texas* (September 2015), available at: https://www.communityprogress.net/filebin/150928_TASP_Dallas_Report_FINAL.pdf.

⁸⁰ See more about New Haven's LCI at: <https://www.newhavenct.gov/gov/depts/lci/default.htm>.

8. **Once the city has a robust rental registration in place, Toledo will be ready to convert to a proactive inspection system.** Complaint driven reactive code enforcement does not have the ability to lift Toledo's housing stock quality on its own. Proactive, periodic inspections of all rental properties, similar to what the City and County are putting in place for lead safety inspections, will give the City the opportunity to implement a fair, effective system that has the ability lift up the housing quality of all rental units. Such a program should also be paired with strong repair assistance programs for landlords in need of additional support, as well as clear, consistent, and fair expectations for enforcement, like those expectations set by the city of Baltimore in limiting enforcement to the top 12 health and safety violations as referenced in Recommendation 1. Examples of effective, proactive rental inspection programs include the city of Minneapolis which has a rental licensing program that rewards property owners who keep property in good repair with fewer inspections, lower fees, and other incentives;⁸¹ and the city of Rochester, New York, which has a renewable Certificate of Occupancy program that focuses primarily on addressing health and safety issues (e.g., lead paint, mold) in an aging housing stock.⁸² Finally, the City could address potential capacity issues by exploring the use of third party inspectors, similar to its new lead safety program. The city of Baltimore utilizes third party inspectors, and the cost of the inspection to landlords is between \$50 and \$250.⁸³ *(Long-term, Years 3+)*

B. Strategies to expand education and resources for homeowners, landlords, and tenants

1. **DCE should create or commission an accessible, easy to read, code enforcement compliance handbook for property owners.** A more comprehensive, colorful manual in multiple languages, that offers simple summaries of basic property maintenance or buildings standards and explains the enforcement process, is a valuable tool. Our engagement revealed DCE has developed various educational tools over the years, but for financial reasons the decision to produce such a manual has stalled. For some external examples, consider the easy-to-read approaches used in "Improve the Health, Safety, and Value of Your Community" produced by the Community Development Department of the city of Fort Wayne, Indiana,⁸⁴ and the "Housing Code Enforcement Handbook" developed by the Montgomery County (MD) Department of Housing and Community Affairs.⁸⁵ This manual should be posted on the City's website to supplement recent updates to the website. *(Priority, Initial 12 Months)*
2. **Ensure violation notices contain sufficient information to make compliance clear and easy.** Many of the orders or NOLs issued by DCE contain very few details about the types of violations that were observed, though most do contain pictures. To the extent possible, ensure notices specifically identify the exact violations observed during the inspection and contain a link to the City's code compliance handbook if developed. *(Priority, Initial 12 Months)*

⁸¹ See the Minneapolis website at: <http://www2.minneapolismn.gov/inspections/rental/index.htm>. Note the Minneapolis program only requires an inspection every eight years if the property is in good, habitable condition (roughly 90% of rental properties). Inspections occur every one to three years for properties that are in poorer condition.

⁸² See the Rochester website at: <https://www.cityofrochester.gov/cofo/>.

⁸³ See Donovan, Doug, *From \$15 fees to \$1,000 fines: Here's what to know about Baltimore's new rules for rental buildings, landlords* (Feb. 8, 2019), Baltimore Sun, available at: <https://www.baltimoresun.com/news/investigations/bs-md-ci-housing-inspections-explainer-20190128-story.html>.

⁸⁴ See the Fort Wayne website at: http://www.fwcommunitydevelopment.org/images/code_enforcement/docs/NeighborhoodCode-4x9trifold-2016.pdf.

⁸⁵ See the Montgomery County website at: https://www.montgomerycountymd.gov/DHCA/Resources/Files/community/code/handbook_eng.pdf.

- 3. Create a resource sheet and dedicate support for renters.** Work with Housing and other local partners, like the Toledo Fair Housing Center, to create a one-page resource sheet or tri-fold brochure of all available resources for renters who might be impacted by code enforcement, in particular, renters who might be impacted by the City's new lead-safe program. The City may want to send this resource sheet for renters by mailing the sheet, addressed to "occupant," at all registered rental properties in accordance with the five-year roll out plan for the lead-safe program. The one-pager should refer renters to the Fair Housing Center webpage,⁸⁶ and the Toledo Housing Court website for further information.⁸⁷ *(Priority, Initial 12 Months)*
- 4. Adopt a tenant navigator program.** With the newly expanded focus on regulating rental housing through the Lead Safe Law, DCE and Housing should also consider partnering with existing nonprofits and Housing Specialists at the Housing Court to develop a navigator program with dedicated staff to help tenants living in substandard rental properties navigate available resources (e.g., legal aid, information on renter's rights, rent relief programs, right to withhold rent) and receive personal direction. The Housing Court provides some good resources on its website for tenants; other cities have also dedicated staff solely to support this type of work. The city of Minneapolis, for example, created new full-time Tenant Navigator positions in 2018.⁸⁸ While a full-time position may not be possible given current budget limitations, there may be an opportunity to explore the support of University of Toledo interns to staff such a program. *(Intermediate, Years 1-2)*
- 5. Explore the Land Bank's Home Preservation Initiative as a model for equitable code enforcement.** DCE and the Land Bank should work together to discuss how the Land Bank's Home Preservation Initiative ("HPI"), a free program to all residential property owners—owner-occupied and rental—that provides free renovation advice and access to low-interest loans to qualified homebuyers, may serve as a model for providing advice and guidance to vulnerable property owners subject to potential code enforcement action.⁸⁹ Expanding the HPI program to serve this broader purpose would require sufficient funding and advance effort to develop and scale an existing program in partnership with the Land Bank. To the extent possible, any such program should likely exist outside the City, otherwise property owners who are potentially subject to enforcement action may not trust the program. Consider piloting this program in neighborhoods historically impacted by disinvestment and offer the service to any homeowner within a single census tract, such as those census tracts where the City may choose to set up a Neighborhood Stabilization Hub. If the program is successful (meaning the program helped to achieve compliance or connected the owner to appropriate resources), the program could be further expanded. *(Intermediate, Years 1-2)*
- 6. Embed HPI-type program in courtesy letters and delay or eliminate need for inspection if owner works with HPI.** Building on the City's recent efforts to send courtesy letters before pursuing any enforcement activities,⁹⁰ consider including in the notice:

⁸⁶ See the Toledo Fair Housing Center's website at: <https://www.toledofhc.org/your-rights-as-a-renter/>.

⁸⁷ See the Housing Court's website at: <https://www.toledohousingcourt.org/resources-for-tenants/>.

⁸⁸ See more about the tenant navigator position and other tenant resources on the city of Minneapolis' website: <http://www2.minneapolismn.gov/cped/housing/WCMSP-217816>.

⁸⁹ See the Land Bank's website at: <https://lucascountylandbank.org/services/free-technical-help>. Additional evaluation may be needed to assess whether the program could be expanded to property owners who or not current on property taxes or who own rental or commercial properties.

⁹⁰ See more on DCE's courtesy notice initiative here: <https://www.toledoblade.com/local/city/2020/01/10/toledo-code-enforcement-department-to-send-courtesy-notice-real-estate/stories/20200110105>.

- a. Friendly, clear language that an inspection is pending but has not yet taken place, noting that in a recent interview, a former code enforcement official at the city of New Orleans explained that an effort to reframe the language used in automatically-generated courtesy letters to property owners (pre-inspection) in a friendlier manner resulted in a 7% increase in compliance with the letter.⁹¹
- b. Links to educational resources and potential home repair grants or low-interest loans, if appropriate.
- c. Information on how to contact HPI along with a commitment to delay the DCE inspection for at least 60 days where the complaint does not threaten the health and safety of inhabitants or neighbors to confer with HPI. If it is not practical to add the HPI program to courtesy notice, consider allowing inspectors to make direct referrals to the HPI program for any residential property owners who contact DCE in response to an order to correct being issued. One potential funding model could include the City agreeing to pay the Land Bank, or whomever administers this program, \$50 or a similar sum, for every HPI visit triggered by the courtesy letter, paid quarterly.

(Intermediate, Years 1-2)

7. Explore new, low-cost programs to offer simple maintenance resources to low-income residents.

DCE already offers residents free access to a variety of tools through the Engage Toledo Trailer Days program; consider expanding these types of resources, like the city of Battle Creek, Michigan's program that offers qualified residents free paint kits to paint their homes;⁹² or find ways to support or promote programs created by local nonprofits and local funders, like the Porch Project in the city of Flint, Michigan, a program that helps residents repair and beautify their porches.⁹³ *(Intermediate, Years 1-2)*

8. Expand private home repair resources to supplement limited public resources. The City should host two brainstorming sessions with a diverse group of leaders in philanthropy, lending, business, health care,⁹⁴ real estate development or sale, and nonprofit and civic leaders to identify new and expanded funding and resources to help homeowners maintain their homes. The general goal for the sessions is to leverage privately funded grants, loans, and volunteer workforces to help make repairs to the homes of low-income owners. A more specific goal may be to double available funding by 2025 and help eliminate existing wait lists.

In other cities, nonprofit, business, and health system leaders are critical partners in helping homeowners and small landlords obtain grants, loans or free assistance making repairs. For example, in Philadelphia, Habitat for Humanity makes repairs in approximately 500 homes each year and the vast majority of their funding is from private contributions.⁹⁵ Similarly in Philadelphia, the Children's Hospital of Philadelphia is financing home repairs for some patients where poor housing conditions are contributing to repeated visits to the emergency room and financing training for contractors of color to expand the program.⁹⁶ Two Philadelphia

⁹¹ In conversations with other partners across the country, one concern raised over courtesy letters in general is whether a landlord may initiate retaliatory action against a tenant based on such a letter (given no inspection or enforcement action would have taken place), and whether a tenant would have an appropriate defense. Luckily, Ohio law would likely prevent such an action: "a tenant may raise the issue of retaliation as a defense if the Landlord brings or threatens to bring an action against the tenant for possession in retaliation against... *complaining* to a governmental agency about a violation of a building, housing, health, or safety code, or complaining to the landlord about a breach of the landlord's statutory obligations." O.R.C. 5321.02(A) (*emphasis added*).

⁹² See the city of Battle Creek's website at: <https://www.battlecreekmi.gov/686/Paint-Program>.

⁹³ See the Porch Project website at: <https://www.theporchproject.org/>.

⁹⁴ Stakeholders interviewed for this agreement noted that ProMedica and Mercy Health have started to provide some support to improve the health of Toledo housing and neighborhoods and they were part of a group working with Green and Healthy Homes in 2017 to explore the potential creation of a model to help older adults age in place in healthy homes. Health care systems are more and more being required to refer patients to helpful resources that will get to the root cause of their health challenges.

⁹⁵ See <https://philadelphia.cbslocal.com/video/3973854-habitat-for-humanity-completes-500-home-repair-projects-in-philly/>.

⁹⁶ Children's Hospital of Philadelphia Expands CAPP+ Program, Partners With The Enterprise Center to Provide Resources, Training for Small Contractors, CHOP News (December 5, 2019) <https://www.chop.edu/news/children-s-hospital-philadelphia-expands-capp-program-partners-enterprise-center-provide>

neighborhoods have established tool libraries where an owner can borrow a tool for home repair and obtain advice on DIY projects. In addition, Philadelphia just established a \$40 million low-interest loan program for homeowners after discovering that lenders were not providing small loans to owners of low value homes.⁹⁷

Funding sources the City, the Land Bank, and their partners should explore could also include identifying pools of pandemic recovery and stimulus dollars which may be able to be used to fix health and safety violations in homes so that individuals and families can shelter at home safely; increasing in-kind contributions from local partners, like the partnership with Owens Corning to provide in-kind roofing materials to support the City's roofing program; and exploring partnerships with lenders to explore small, low-interest home repair loans instead of grants.⁹⁸ The Greater Toledo Community Foundation may also be an excellent partner to explore, as its website states that its grants already support a variety of programs throughout the Toledo area, including programs related to "neighborhood and urban affairs."⁹⁹

Nonprofits present some interesting opportunities, and the City may want to explore new opportunities with Maumee Valley Habitat for Humanity and the local NeighborWorks affiliate to leverage public dollars with private philanthropy to expand their reach. Maumee Valley Habitat for Humanity and NeighborWorks are currently significant partners and work closely with the City in support of their mission to ensure every house in Toledo is safe and healthy. Habitat and NeighborWorks are also well-respected home repair partners nationwide. Each has access to a network of national experts and funders. Toledo could also explore launching a Rebuilding Together affiliate.¹⁰⁰ The goal is to create a public private partnership that can more fully meet local needs. *(Long-term, Years 3+)*

⁹⁷ See <https://phdcphila.org/residents/home-repair/restore-repair-renew/>

⁹⁸ Home improvement loan programs offer a more sustainable option than grants to help owners who can afford to pay back a small loan. Lenders typically are reluctant to provide small loans because the administrative costs are high, the profits are low, and the risk of default may be greater where the applicant has imperfect credit. Cities like Philadelphia and Detroit are proactively partnering with lenders to provide low or no-interest loans for home improvement as a much-needed service to the community. A nonprofit in Cleveland Heights, Ohio partnered with a lender to make capital much more available to Seniors to invest in needed home repairs so they could pass the home down to their heirs. The nonprofit "guaranteed" either 40% or 100% of the loan through a \$160,000 certificate of deposit kept at the bank. Over 40 years this nonprofit guaranteed over \$6 million in loans to households formerly considered unlendable with a default rate of 6%.

⁹⁹ See the Greater Toledo Community Foundation at: <https://toledocf.org/grants-2/#.YBSTW-BOnUJ>

¹⁰⁰ See, for example, Rebuilding Together Northeast Ohio at: <https://www.rebuildingtogetherneo.org/>.

CONCLUSION

Like many legacy cities, Toledo faces significant challenges impacting the quality and condition of its neighborhoods. The good news is that code enforcement can play a critical role in helping the City to create healthier, safer, more vibrant neighborhoods for all which, as a result of the pandemic as well as decades of disinvestment in lower-income communities of color, has never been more important. It is critical that the approach to code enforcement be more strategic to maximize limited resources, as well as to ensure that the pursuit of more equitable outcomes for all of Toledo's residents is what drives decision making. It will not be easy to move the needle, but the City and its partners have the legal tools, the leadership, and the commitment to make code enforcement an even more valuable tool than it already is in support of the City's goals and priorities for its neighborhoods and residents.

APPENDIX A: LIST OF STAKEHOLDERS INTERVIEWED

Name		Title or Position	Organization
Larry	Anderson	Housing Manager	Division of Housing, Department of Neighborhoods, City of Toledo
James	Below	Community Police Officer	Police Department, City of Toledo
Kenneth	Boles	Board Member	Junction Coalition
Tracey	Britt	Community Police Officer	Police Department, City of Toledo
Kenya	Brown	Maintenance Worker 2, Alternate Inspector I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Shantae	Brownlee	VP, Director of Community Engagement, Treasurer	Lucas County Land Bank
Millard	Catchings	Supervisor, Code Compliance	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Matt	Cherry	Council President, District 2	Toledo City Council
Rosalyn	Clemens	Director	Department of Neighborhoods
Christy	Cordell	Code Compliance Inspector II	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Dan	DeAngelis	Court Liaison	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Chris	Delaney	Council Member, District 6	Toledo City Council
Barbara	Falls	Senior Housing Specialist	Toledo Housing Court
Ken	Fischer	Commissioner	Division of Building Inspection, Department of Economic Development, City of Toledo
Theresa	Gadus	Council Member, District 3	Toledo City Council
Amelia	Gibbon	Executive Director	Reinvest Toledo
Paulette	Gray	Clerk Specialist I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo

Name		Title or Position	Organization
Kayla	Griswold	Clerk Specialist II	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
William	Hayes, II	Code Compliance Inspector I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Alisia	Hightower	Code Compliance Inspector II	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Joseph	Howe	Judge	Toledo Housing and Environmental Court
Ebenezer	Ise-Kwame	Housing Manager	Division of Housing, Department of Neighborhoods, City of Toledo
Dennis	Kennedy	Commissioner	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Eric	Lewis	Code Compliance Inspector I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Lyn	Lundquest	Manager	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Suzanne	Mandros	Assistant Prosecuting Attorney	Lucas County Prosecutor's Office
David	Mann	President & CEO	Lucas County Land Bank
Michael	McIntyre	Executive Director	Maumee Valley Habitat for Humanity
Tiffanie	McNair	Commissioner	Division of Housing, Department of Neighborhoods, City of Toledo
Sam	Melden	Council Member, District 5	Toledo City Council
Kevin	Mikolajczyk	Co-owner	ARK Restoration & Construction
Andrew	Monticure	Code Compliance Inspector I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Josh	Murnen	VP and General Counsel	Lucas County Land Bank
Daniel	O'Leary	Lieutenant	Fire and Rescue Department, City of Toledo
Sean	O'Neill	Code Compliance Inspector II	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Ramon	Perez	Junction Community Organizer	Junction Coalition
Deb	Rodriguez-Dickerson	Code Compliance Inspector I	Division of Code Enforcement, Department of Neighborhoods, City of Toledo
Lourdes	Santiago	Member	Reinvest Toledo
Ruth	Seth	Foreclosure Supervisor	Lucas County Treasurer's Office
Stephanie	Shackleford	Projects Manager	Lucas County Land Bank
Anne	Wistow	VP for Projects and Planning	Lucas County Land Bank
Robert	Worthington	Chair	Burroughs Neighborhood Organization



HEADQUARTERS

111 E. Court St.
Suite 2C-1
Flint, MI 48502

(877) 542-4842

 www.communityprogress.net

 [@CProgressNews](https://twitter.com/CProgressNews)

 facebook.com/CenterForCommunityProgress