

Report to Lead Safe Advisory Board City of Cleveland

August 2021

Submitted by the Lead Safe Auditor
Center on Urban Poverty & Community Development
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Period Covered: April 1-June 30, 2021

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Summary

The Cleveland Lead Safe ordinance requires that all rental properties built prior to 1978 receive a Lead Safe certification by March 30, 2023. Cleveland Building & Housing has established a schedule of compliance by Zip Codes over eight calendar quarters, through the end of 2022. The period April-June 2021 marks the requirement for the second roll-out zone (Zone 1 - Zip Codes 44104, 44111).

The second quarter of 2021 was characterized by marked growth in key metrics of property owners beginning to comply with the ordinance. The volume of applications for lead safe certification grew substantially over the quarter and reflects the population of rental owners in the two zones subject to the ordinance thus far. Operational details show that applications are being handled in a timely way by Building & Housing and approval rates are high among completed applications. As application volume continues to grow, Building & Housing has plans for much-needed automation of procedures for the processing of applications. As tactics shift to include enforcement actions soon, tracking of metrics on noncompliant properties will become important to monitor.

Key Findings

- Substantial growth in lead safe applications and certifications – By the end of the second quarter (June 30, 2021), applications for lead safe certification had grown to 293 and approvals stood at 225. This far outpaced activity in the first quarter (28 applications, 19 approvals). Month over month activity from April to June saw a doubling of the number of applications each month (April [30], May [83], June [153]).
- Despite growth, compliance with ordinance quite low so far – Compared to the numbers of properties subject to the Lead Safe ordinance in roll-out Zones 1 and 2, the numbers involved in a lead safe certification application reflect low compliance. Based on the numbers of known rentals (on the City's Rental Registry in a previous two-year period), applications account for approximately 6% of these properties in Zones 1 & 2. Based on the estimated total number of rentals subject to the ordinance in these zones, applications account for only 2% of estimated rental properties.

- Certification application approval rates are high – Among the 293 lead safe certification applications, 225 were approved in the period (77%). An additional 45 (15%) were still in process (“waiting”), pending the submission of additional materials. Only 21 applications (7%) resulted in a denial of lead safe certification based on the submission. For two other applications, one was determined exempt from the ordinance and one had a lead hazard control order in place with the City. Among applications for which a determination was made (i.e., excluding those pending), the approval rate overall is 92%.
- Determinations are made quickly on completed applications – Building & Housing has maintained timely handling of the lead safe applications received thus far with a mean time between submission and a determination letter being issued of 4.7 days. Fully 43% of applications for which a determination was made (i.e., excluding pending group) had a determination letter generated the same day as the application was submitted and 87% have a determination within one week of submission. Less than 1% had a period of 14 days or longer between submission and determination.
- Applications reflect many properties owners with single property - Among the pool of 174 unique property owners that have applied for lead safe certification, nearly one-half (44%) have applied for certification of a single property. A small group of owners (8) have applied for lead safe certification for 5 or more properties, but these account for 27% of all applications received. These include individual owners, owner groups, LLCs, and other institutional owners.
- Lead inspections being conducted by a growing pool of licensed contractors – Through June 2021, a total of 31 different licensed lead assessors had conducted lead inspections submitted as part of a property’s lead safe certification application. Thus far, one-half of the assessors had conducted lead inspections for 1-4 properties, while a small group of assessors had provided many more. Three lead assessors provided inspections for nearly 40% of the applications so far.
- Role for enforcement for noncompliance is eminent – The ordinance combines a requirement for lead safe certification with the ability to sanction landlords for

noncompliance. For landlords that have reached their initial compliance date, Building & Housing has now issued letters of delinquency to these owners which alerts them to the consequences for noncompliance. Though no property owners have been ticketed as of the end of the period, Building & Housing has plans to begin this process soon. The effects of this practice will need to be monitored, as sanctioning provides an important consequence for noncompliance but also communicates the full scope of the lead safe ordinance to landlords.

Introduction

This is the second in a series of reports from the Lead Safe Auditor addressing the implementation of the Lead Safe Ordinance. The Lead Safe Auditor role was created as part of the Lead Safe Ordinance passed in 2019. Per City of Cleveland Ordinance 747-2019 [Section 365.05 Internal Review], “The Director, through a designated Lead-Safe Auditor, shall monitor the City lead-safe certification process to ensure efficiency and effectiveness. The Lead-Safe Auditor shall perform such other tasks as required by the Director, including maintaining a list of certified inspectors and contractors and coordinating regular monitoring and reporting with the Lead-Safe Advisory Board and other appropriate entities.” See Attachment 1.

The implementation of the City Ordinance is being done concurrent with a set of supporting strategies implemented by the Lead Safe Cleveland Coalition. These are designed to increase public awareness of lead safety and the ordinance and provide resources to property owners and tenants (see Appendix 2). Implementation of the Lead Safe certification is occurring across eight calendar quarters. Each quarter focuses on a selected zone of the City, as defined by a subset of Zip Codes (See Attachment 3). The period April-June 2021 marks the requirement for second roll-out zone (Zip Codes 44106, 44111) and continued outreach to owners in Zone 1 (Zip Codes 44120, 44135).

Implementation of Ordinance

The second quarter involved the implementation of a June 30th compliance deadline for rental properties in the second roll-out zone, as well as continue outreach to property owners in Zone 1. See Figure 1 for map of two zones and included Zip Codes.

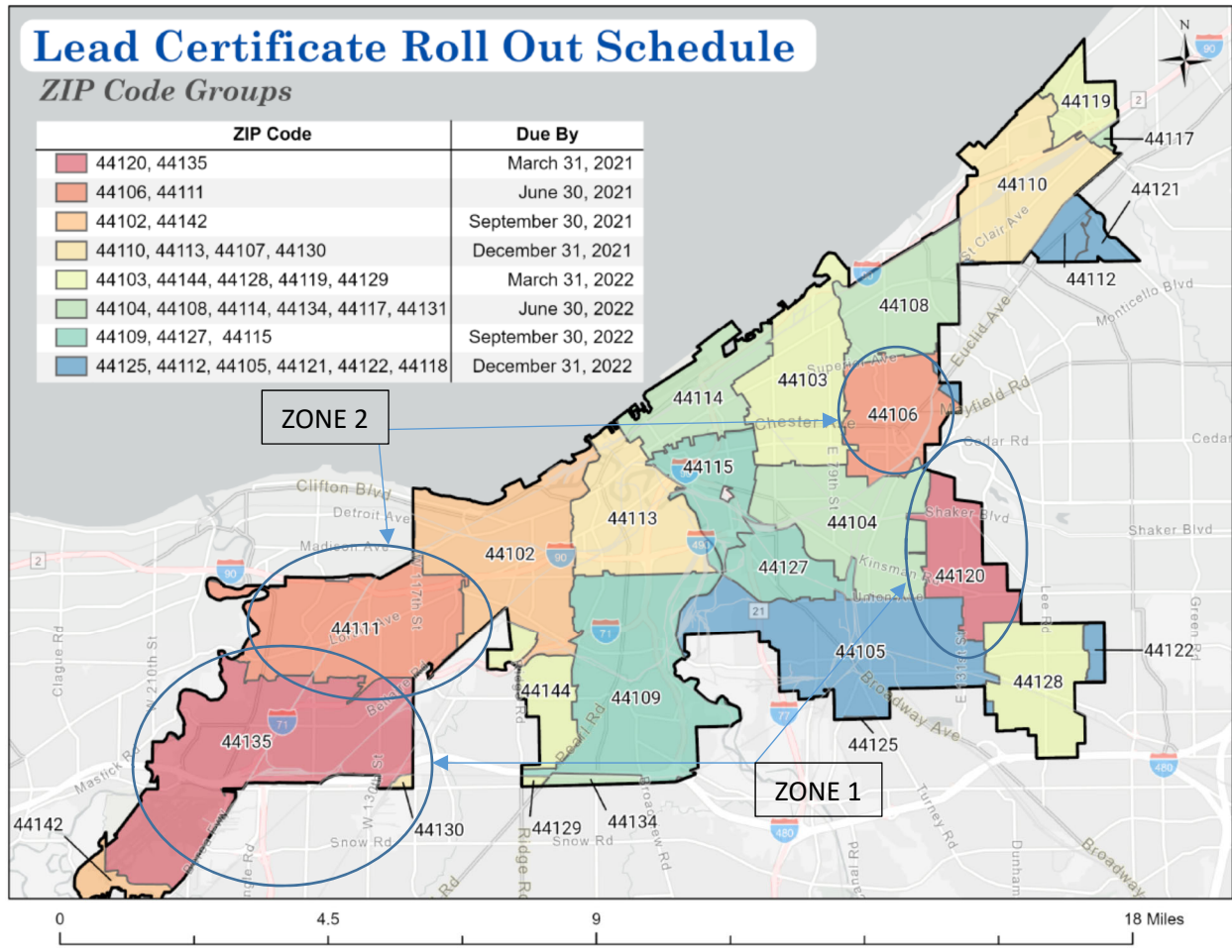


Figure 1 Ordinance Roll-out Zones 1 & 2

Through the second quarter, four Zip Codes were subject to the ordinance with an initial deadline of submission at the end of each quarter for lead safe certification. Using baseline data on the rental housing market, a universe of over 14,000 likely rental properties was identified in these Zip Codes (See Table 1). Of these, approximately 4,000 were already on the rental registry in 2019 and are referred to as registered rentals. An additional 10,000 properties had characteristics that suggested they were being operated as rentals, even though they were not on the City’s rental registry (“likely rentals”). Two issues are noteworthy here. First, properties already on the rental registry reflect owners who have already complied with the City rental registry requirement, whereas probable rentals have yet to comply with this requirement. Second and relatedly, the task of securing compliance by probable rentals requires owners to both join the rental registry and secure

lead safe certification. Practically speaking, the owners of probable rentals, since they are not on the rental registry, will be more challenging for City Building & Housing to connect with and motivate to full lead safe compliance.

Table 1 – Roll-out Zones Subject to the Ordinance, June 2021

Roll-out Zone	Zip Code	Est Universe of Rental Properties	# Properties on Rental Registry 2019	# Likely Rental Properties not on Rental Registry
Zone 1	44120	4,245	1,146	3,099
	44135	3,039	1,033	2,006
	Total	7,284	2,179	5,105
Zone 2	44111	5,327	1,705	3,622
	44106	1,713	308	1,405
	Total	7,040	2,013	5,027

Note: Data extracted from *Characteristics of Rental Properties and Landlords in Cleveland: Implications for Achieving Lead Safe Rental Housing* (September 2020).

During the second quarter of 2021, many procedures were still being refined. For example, Building & Housing was progressing in the implementation of a new interface for landlords to submit lead safe certifications, however, the process remained paper-based during much of the quarter. Data on progress during the quarter were assembled by the Lead Safe Auditor team from a variety of sources, primarily from data provided by City Building & Housing.

Lead Safe Certification Process

The second quarter saw substantial increases in activity by landlords in regard to complying with the lead safe ordinance. This follows extensive marketing and outreach efforts by the Lead Safe Coalition and City Building & Housing since fall 2020. By the end of the second quarter, applications for lead safe certification had grown to 293 and approvals stood at 225. This far outpaced activity in the first quarter (28 applications, 19 approvals).

Month over month activity from April to June saw a doubling of the number of applications each month (April [30], May [83], June [153]). See Figure 2.

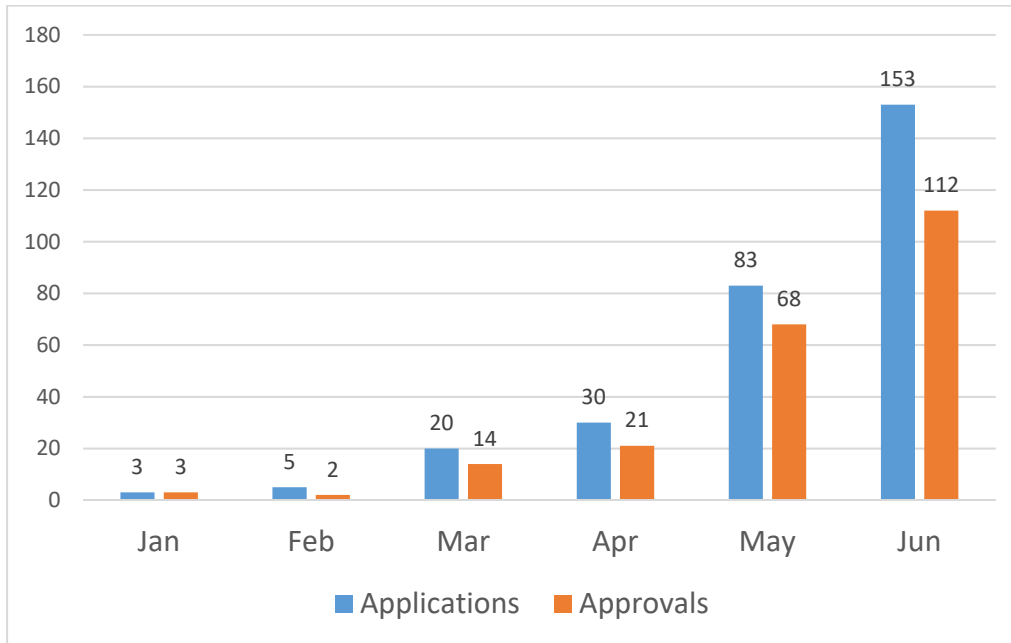


Figure 2 Lead Safe Certification Applications and Approvals by Month

Through June 30, 2021, a total of 293 Lead Safe certification applications had been submitted to Cleveland Building & Housing, involving over 1,000 units of rental housing. Though approximately 80% of applications were from Zones 1 & 2, 20% came from owners of properties in zones not yet subject to the ordinance requirement. See Table 2.

Table 2 - Lead Safe Applications and Disposition by Zone through June 2021

Zone	Apps	Units	Approved	Pending	Denial
1	130	678	100	19	10
2	103	183	80	23	0
3	33	46	23	1	8
4	4	73	2	1	1
5	8	10	8	0	0
6	3	5	2	0	1
7	6	7	5	0	1
8	6	9	5	1	0
Total	293	1011	225	45	21

Among the 293 lead safe certification applications, 225 were approved in the period (77%). An additional 45 (15%) were still in process (“waiting”), pending the submission of additional materials. Only 21 applications (7%) resulted in a denial of lead safe certification based on the submission. For two other applications, one was determined exempt from the ordinance and one had a lead hazard control order in place with the City. Among applications for which a determination was made (i.e., excluding those pending), the approval rate overall is 92%. Specific to the Zip Codes in Zones 1 & 2, 44135 and 44111 have generated the most application volume. See Figure 3. Approval rates in these two Zip Codes are comparable (approximately 95%), while in 44120 the rate was 71%.

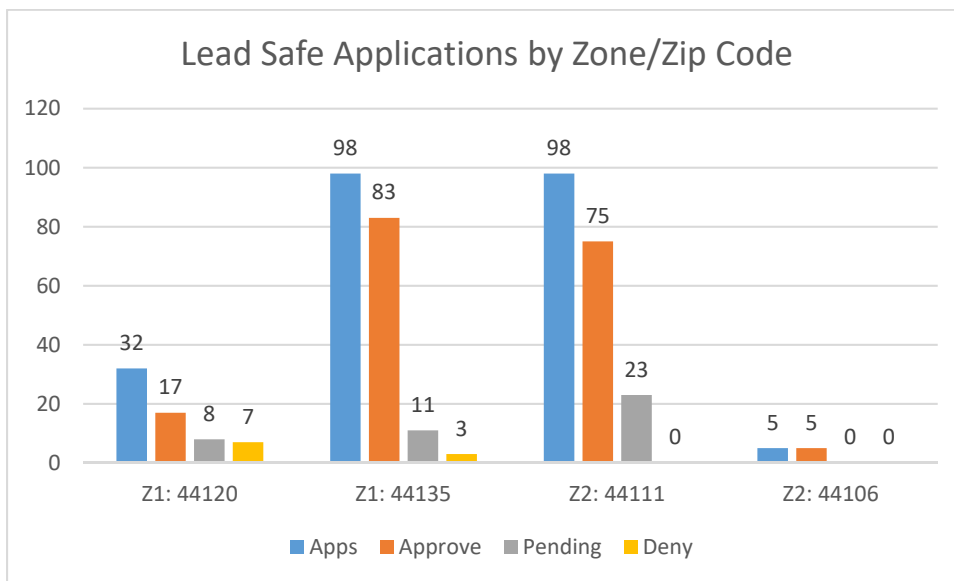


Figure 3 Lead Safe Certification Applications and Disposition, Zones 1 & 2

Application processing. As application volume has increased, Building & Housing has maintained timely handling of the lead safe applications received thus far. The average time between submission and a determination letter being issued is 4.7 days. Fully 43% of applications for which a determination was made (i.e., excluding pending group) had a determination letter generated the same day as the application was submitted and 87% have a determination within one week of submission. Less than 1% had a period of 14 days or longer between submission and determination.

Property Owners. The 293 lead safe certification applications involved a pool of 174 unique property owners, based on individual or entity owning the property. Nearly one-half (44%) of these owners have applied for certification of a single property. A small group of owners (8) have applied for lead safe certification for 5 or more properties, but these account for 27% of all applications received. These include individual owners, owner groups, LLCs, and other institutional owners. The prevalence of single property owners is consistent with baseline data on the characteristics of rental owners in the City of Cleveland.

Lead inspectors. During this period, applications involved lead inspections done by 31 certified lead assessors, showing activity by a good number of qualified individuals. Nearly one-half of these inspectors completed inspections for 1-2 applications and the median number of applications per inspector was 4. Of the 253 applications with an inspection result reported, 178 (or 70%) involved an inspection from one of seven individual inspectors, with 54 applications linked to a single inspector. Among all inspection reports submitted, 9% involved a property failure and 91% involved a property clearance.

Enforcement

On the matter of taking enforcement action against noncompliant property owners, Building and Housing has sent out delinquent letters to owners of properties in Zone 1 Zip Codes. Building & Housing intends to mail out another reminder to property owners in Zones 1 and 2 prior to the end of August 2021. The next step after delinquency notification involves the ticketing of property owners. Due to a lack of staffing, the plan for commencing ticketing has been delayed. However, B&H intends to begin manually issuing tickets using existing authorized staff in August 2021. There is also a forthcoming system application to be available in B&H's current operating system that will allow the automatic release of tickets as staff input the data. The implementation of this function will obviate the need for the temporary manualized approach to ticketing. As enforcement activities get underway it will be crucial to assess the extent of any unintended consequences stemming from the ordinance and its implementation.

Tracking Metrics

The overall data from quarter 2 show marked growth in both the applications for and approval of properties' Lead Safe Certification. This process is the primary function under the purview of City Building & Housing in regard to the Lead Safe ordinance, and thus a primary focus for the Auditor. See Table 3. Despite this growth, the compliance rate among property owners is insufficient thus far and could jeopardize the achievement of full compliance among rental properties by March 2023.

Table 3 – Quarter 2 Cumulative Ordinance Metrics

Lead Safe Certification	Count
Lead Safe Certifications submitted	293
Lead Safe Certifications approved	225
Lead Safe Certifications pending	45
Lead Safe Certifications denied	21
Citations for noncompliance	0

Note: One application was coded exempt and one involved a lead control order.

Compared to the numbers of properties subject to the Lead Safe ordinance in roll-out Zones 1 and 2, the numbers involved in a lead safe certification application reflect very low compliance to date. Based on the numbers of known rentals (on the City's Rental Registry in a previous two-year period), applications account for approximately 6% of these properties in Zones 1 & 2. Based on the estimated total number of rentals subject to the ordinance in these zones, applications account for only 2% of estimated rental properties. Motivating more property owners to compliance is essential for the ordinance to have its intended effect. With the roll-out over the first two quarters, approximately one-quarter of the City's rental properties have been subject to the ordinance requirement. As implementation continues, Building & Housing is well-advised to execute a dual approach of streamlining the process for landlords and supporting them, along with holding accountable those who resist compliance.

Attachment 1

Scope of Lead Safe Auditor

The Lead Safe Certification legislation (Ordinance 747-2019) passed in May 2019 outlines the following responsibilities for the Lead Safe Auditor:

- Coordinate regular monitoring and reporting to the Lead-Safe Advisory Board
- Serve as a member of the Lead-Safe Advisory Board
- Maintain a list of certified lead inspectors
- Maintain a list of certified lead abatement contractors

In addition to the fulfilling the responsibilities above, the Auditor will monitor the progress and status of City of Cleveland's Lead Safe Certification program and other lead poisoning prevention efforts conducted by the City of Cleveland, and analyze and report on a quarterly basis related to selected indicators, including:

- *Housing Units/Properties* - Rental registrations, Lead safe certified, Vacant/abandoned, Condition, violations, Value, sales/transfers, Evictions, Permits, Lead hazard control orders, Availability of lead safe rental housing
- *Property Owners/Landlords* - Type of owner, Number of properties, Sales/transfers, Eviction frequency
- *Tenants/Renters* - Mobility, Displacement, Evictions, Homelessness, Economic status, Rental costs

The Auditor will also proactively monitor for changes in the housing landscape in the community that could indicate unanticipated consequences of the Lead Safe Certification program. In March 2020, the City of Cleveland passed legislation naming the Center on Urban Poverty & Community Development as the Lead Safe Auditor for the two-year period 2020-2022.

Attachment 2

Efforts by Lead Safe Cleveland Coalition

The principal focus of the Lead Safe Auditor work is on the properties, landlords, and tenants directly impacted by the Lead Safe ordinance and does not extend to the other strategy areas undertaken broadly within the Lead Safe Coalition. These other areas are:

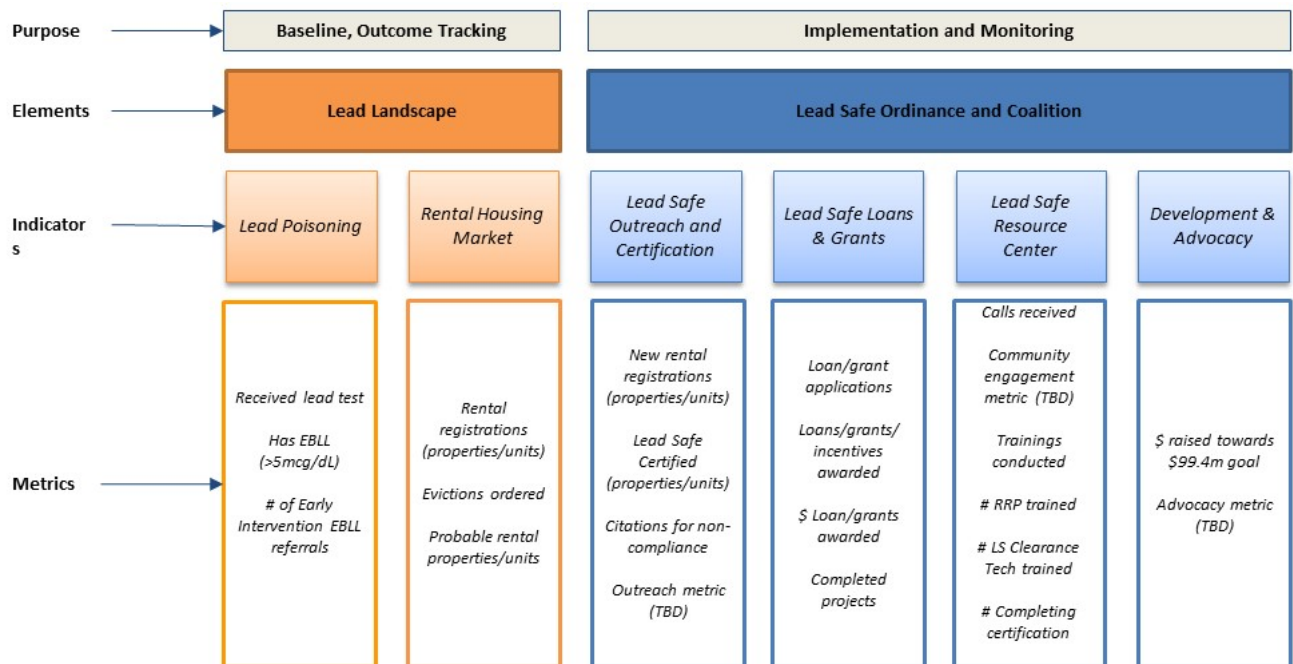
- Lead Safe Home Fund – The Fund, managed by the nonprofit CHN Housing Partners, is charged with managing a variety of grant and loan products available to property owners to assist with the remediation of lead risk hazards.
- Lead Safe Resource Center – The Resource Center, managed by the nonprofit Environmental Health Watch, is charged with operating a community-based location that makes available a wide range of information on lead safety. The Center assists landlords and tenants, families impacted by lead, and the general community in understanding information and accessing available resources. This Center also offers trainings to individuals to learn to test properties and remediate lead risk hazards.

If the Coalition's strategies are successful, a decrease in the childhood lead exposure rate in Cleveland will be evident in time. However, in the short-term, with a focus on increased screening and testing, it is likely that the number of children testing positive for lead will increase from baseline as more cases are identified. Screening and testing rates will be examined at the neighborhood-level on an annual basis. Baseline data are now available on the testing rates and these will be tracked overtime to assess the benefits of enhanced outreach to medical providers, health insurance payers, and parents. In addition, testing results will be examined at the neighborhood level annually. These data will be examined in relation to the timing of the City's roll-out by Zip Code area, allowing for comparison between the pre-roll-out and post-roll-out time periods. As properties are tested and lead risks are abated in these properties, the incidence of exposure of children from these properties should decline.

Impact Tracking Framework

Given the interrelationship between the implementation of the City ordinance and the strategies of the Lead Safe Coalition, it is useful to conceptualize an integrated view of the tracking work. Figure A shows the core set of tracking metrics. Childhood lead poisoning and the conditions of the rental housing market are conceived of as features of the baseline lead landscape (in orange). These metrics will be updated annually, partly due to the time required to effect change but also limitations on the availability of child lead testing data and having sufficient sample sizes to report estimates. Also shown in the figure (in blue) are four areas to be tracked on a quarterly basis focus on implementation of the key strategies, including lead safe certifications, access to loans and grants, access to the Lead Safe Resource Center, and fundraising for the coalition.

Figure A – Framework for Lead Safe Tracking Metrics



The metrics shown in Figure 2 represent a high-level summary of measures in each of the domains. The broader data being collected are much deeper and will allow analysis across domains over time.

Attachment 3

Lead Safe Certification Roll-Out Zones by Zip Codes

