

Report to Lead Safe Advisory Board City of Cleveland

October 2021

Submitted by the Lead Safe Auditor
Center on Urban Poverty & Community Development
Jack, Joseph and Morton Mandel School of Applied Social Sciences
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Period Covered: July 1-September 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 July-September 2021 marks the requirement for the third roll-out zone (Zone 3 - Zip Codes 44102, 44142).

The third quarter of 2021 was characterized by increased growth in key metrics of property owners pursuing lead safe compliance. The volume of applications for lead safe certification grew substantially over the quarter and reflects the population of rental owners in the zones subject to the ordinance thus far. Operational details show that applications continue to be handled in a timely way by Building & Housing and approval rates are high among completed applications. Building & Housing has plans for enhanced automation of procedures for the processing of applications which will be essential as application volume continues to grow. As enforcement actions begin to be taken, tracking of metrics on noncompliant properties will become important to monitor.

Key Findings

- Continued marked growth in lead safe applications and certifications – By the end of the third quarter (September 30, 2021), applications for lead safe certification had grown to 781 and approvals stood at 703. The third quarter far outpaced activity in the first two quarters. Month over month activity has continued rapid growth from 9 applications per month in Q1, 80 per month in Q2 and 172 per month in Q3¹.
- Compliance with ordinance remains low so far – Compared to the numbers of properties subject to the Lead Safe ordinance in roll-out Zones 1-3, the numbers involved in a lead safe certification application continue to 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 12% of these properties in Zones 1-3. Based on the estimated total number of rentals subject to the ordinance in these zones, applications account for only 4% of estimated rental properties.

¹ Activity in October 2021 is even higher with 320 applications submitted.

- Certification application approval rates are high – Among the 781 lead safe certification applications received through September 30th, 702 were approved in the period (90%). Only 42 applications (5%) resulted in a denial of lead safe certification based on the submission. For 25 applications (3%) the property was found to be exempt from the ordinance. An additional 11 applications (1%) were still in process (“waiting”), pending the submission of additional materials. For one other application, an approval could not be granted due to a lead hazard control order being in place with the City. Among applications for which a determination was made (i.e., excluding those pending and exempt), the approval rate overall is 94%.
- Determinations are made quickly on completed applications – Building & Housing has maintained timely handling of the lead safe applications received thus far, with an average time between submission and a determination letter being issued of 6 days and a median of 1 day. Fully 36% 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 80% have a determination within one week of submission. An additional 16% of applications had a determination issued in less than 30 days. Less than 4% had a period of 30 days or longer between submission and determination.
- Applications reflect many properties owners with single property - Among the pool of 495 unique property owners that have applied for lead safe certification, approximately three-quarters (76%) have applied for certification of a single property and 13% have applied for two properties. A small share of owners (11%) have applied for lead safe certification for 3-9 properties, and 5 owners have applied for ten or more properties. These include individual owners, owner groups, LLCs, and other institutional owners.
- Lead inspections being conducted by a growing pool of licensed contractors – Through September 2021, a total of 51 different licensed lead assessors had conducted lead inspections submitted as part of a property’s lead safe certification application. Thus far, more than one-half of the assessors had conducted lead

inspections for 1-4 properties, while a small group of assessors had provided many more. Ten lead assessors provided more than 25 inspections each, accounting for 69% of the applications so far.

- Group of noncompliant properties continues to grow –Among properties in Zone 1, approximately 2,100 known rentals have now reached 180 days past their initial deadline (March 30th)without achieving certification. Among Zone 2 properties, approximately 1,800 known rentals have now reached 90 days past their initial deadline (June 30th) without achieving certification. These counts do not include the estimated numbers of probable rental properties which have yet to comply with the City’s rental registry requirement. As the population of noncompliant properties grows, it calls for clarity on the City’s plan for using enforcement actions as established in the ordinance as a mechanism to bring more properties into compliance.

Introduction

This is the third 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 July-September 2021 marks the requirement for the third roll-out zone (Zip Codes 44102, 44142) and continued outreach to owners in Zones 1 and 2.

Implementation of Ordinance

The third quarter involved the implementation of a September 30th compliance deadline for rental properties in the third roll-out zone, as well as continued outreach to property owners in Zones 1 and 2. See Figure 1 for map of three zones and included Zip Codes.

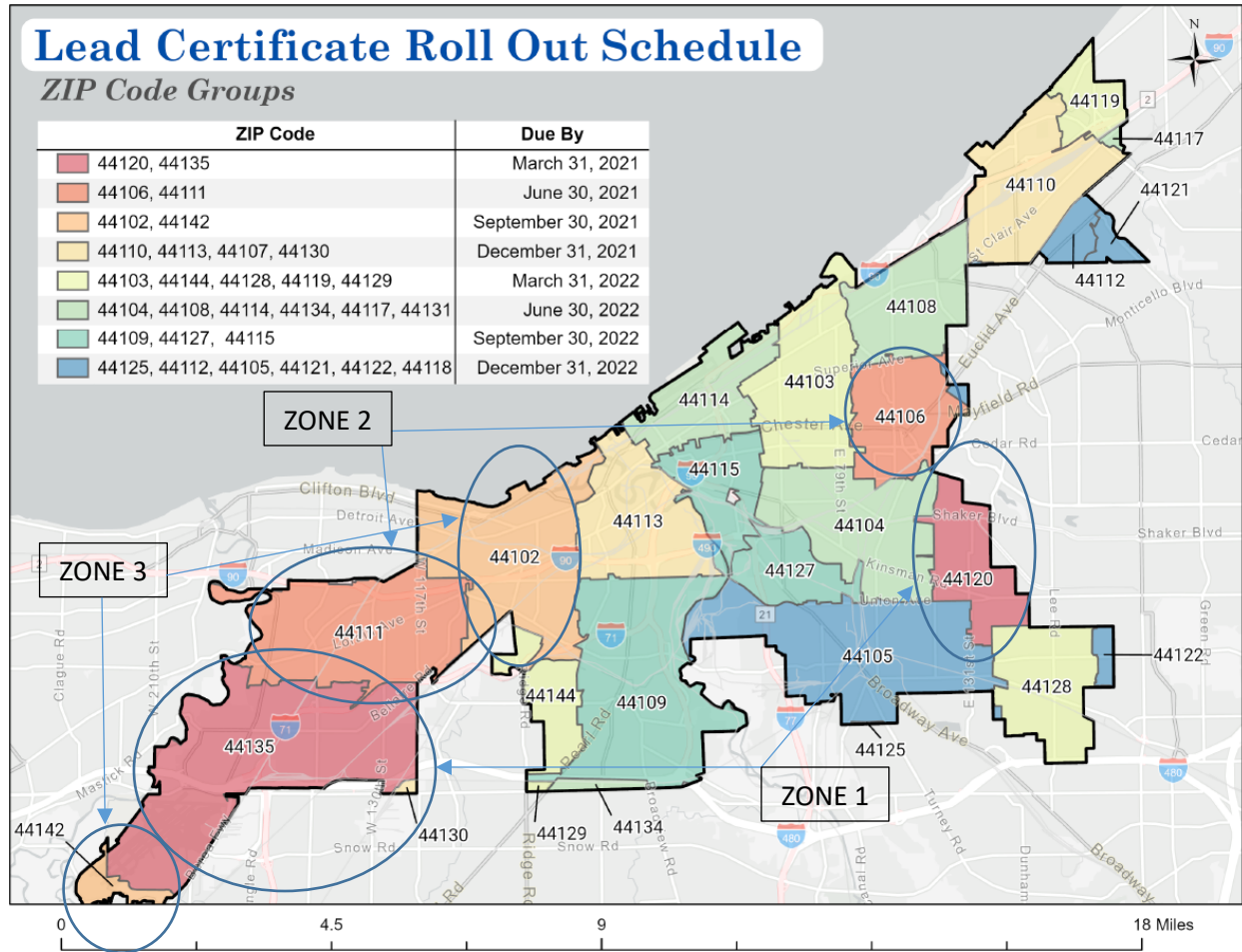


Figure 1 Ordinance Roll-out Zones 1, 2 & 3

Through the third quarter, six 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 21,000 likely rental properties was identified in these Zip Codes (See Table 1). Of these, approximately 6,500 were on the rental registry in 2019 and are referred to as registered rentals. An additional 14,000 properties had characteristics that suggested they were being operated as rentals, even though they were not on the City’s rental registry (“likely rentals”). An issue is noteworthy here. Properties previously on the rental registry reflect owners who have already complied with the City rental registry requirement, whereas likely rentals have yet to comply with this requirement. Practically speaking, the owners of likely rentals, since

they are not on the rental registry, will be more challenging for City of Cleveland Building & Housing to connect with and motivate to full lead safe compliance.

Table 1 – Roll-out Zones Subject to the Ordinance, September 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
	Z1 Total	7,284	2,179	5,105
Zone 2	44111	5,327	1,705	3,622
	44106	1,713	308	1,405
	Z2 Total	7,040	2,013	5,027
Zone 3	44102	6,889	2,342	4,547
	44142	0	0	0
	Z3 Total	6,889	2,342	4,547
TOTAL	Zones 1-3	21,213	6,534	14,679

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

During the third quarter of 2021, some procedures were still in process and under refinement. For example, Building & Housing was progressing in the implementation of a new interface for landlords to submit applications for the lead safe certification. In addition, plans for piloting enforcement procedures with properties (>5 units) were in development. 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 of Cleveland Building & Housing.

Lead Safe Certification Process

The third 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 Cleveland Coalition and City of Cleveland Building & Housing since fall 2020. By the end of the third quarter, applications for lead safe certification had grown to 781 and approvals stood at 702. The Quarter 3 application volume (517) was nearly double the activity in the first two quarters combined (267). Month over month showed an increase from 9 applications per month in Quarter 1, to 80 per month in Quarter 2 to 172 per month in Quarter 3. See Figure 2.

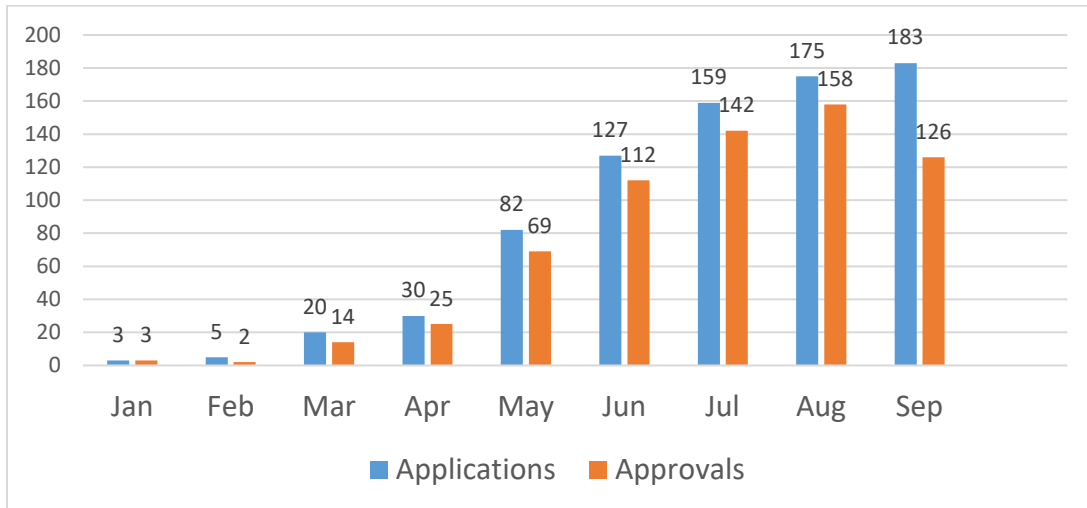


Figure 2 Lead Safe Certification Applications and Approvals by Month, 2021

Through September 30, 2021, a total of 781 Lead Safe certification applications had been submitted to Cleveland Building & Housing, involving over 4,000 units of rental housing. Though approximately 91% of applications were for properties in Zones 1-2, 9% came from owners of properties in zones (4-8) not yet subject to the ordinance requirement. See Table 2.

Table 2 – Lead Safe Applications and Disposition by Zone through September 2021

Zone	Apps	Units	Approved	Denial	Pending	Exempt
1	400	1,968	371	15	6	8
2	200	474	181	10	2	7
3	111	583	95	11	0	4
4-8	70	1,230	55	6	3	6
Total	781	4,255	702	42	11	25

Among the 781 lead safe certification applications, 702 were approved in the period (90%). Only 42 applications (5%) resulted in a denial of lead safe certification based on the submission. For 25 applications (3%) the property was found to be exempt from the ordinance. An additional 11 applications (1%) were still in process (“waiting”), pending the submission of additional materials. For one other application, an approval could not be granted due to a lead hazard control order being in place with the City. Among applications for which a determination was made (i.e., excluding those pending and exempt), the approval rate overall is 94%. See Figure 3. Approval rates across Zip Codes are comparable (approximately 88-95%). See Figure 4 for a map showing the location of all properties receiving a lead safe certification during the first three quarters.

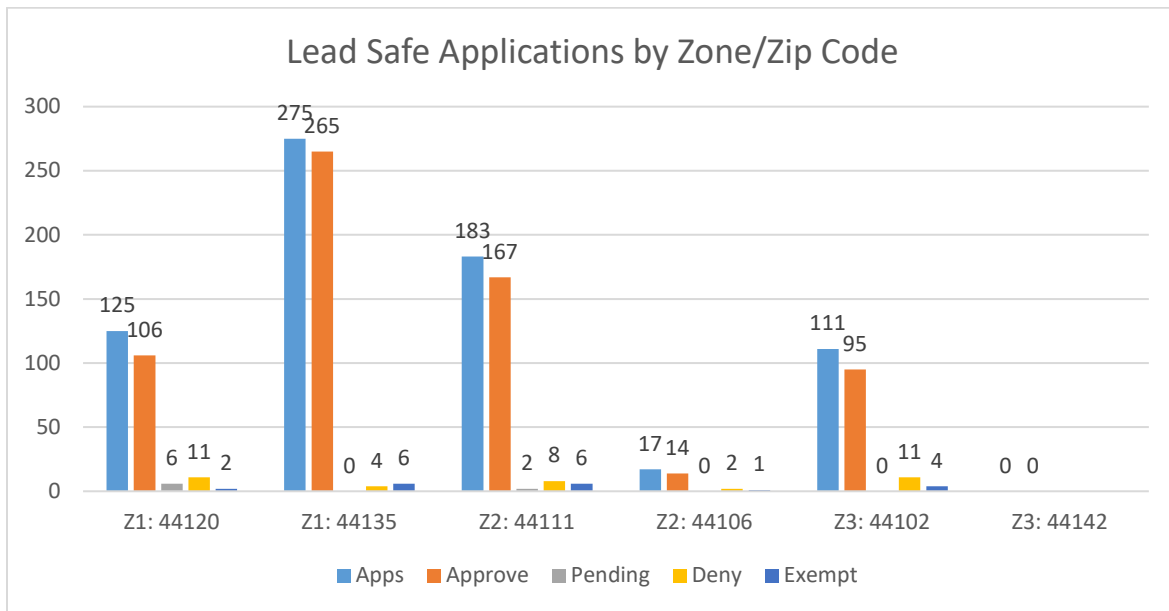


Figure 3 Lead Safe Certification Applications and Disposition, Zones 1-3, through September 30, 2021

Properties Issued a Lead Safe Certification through Sept. 30

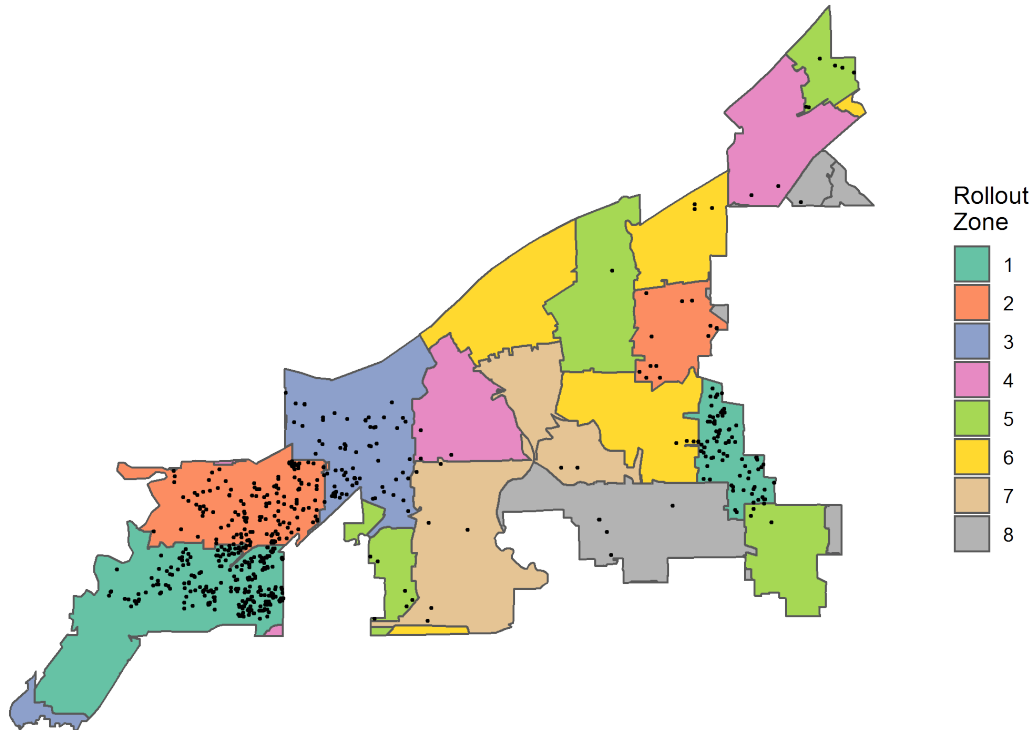


FIGURE 4: Map of Properties for which a Lead Safe Certification was issued January-September, 2021

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 6 days and the median is 1 day. Fully 36% 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 80% have a determination within one week of submission. An additional 16% of applications had a determination issued in less than 30 days. Less than 4% had a period of 30 days or longer between submission and determination.

Property Owners. The 781 lead safe certification applications involved a pool of 495 unique property owners, based on the name of the individual or entity owning the property. Approximately three-quarters (76%) of these owners have applied for

certification of a single property. A small group of owners (22) have applied for lead safe certification for 5 or more properties, and 5 of these have applied for 12 or more properties. These include individual owners, owner groups, LLCs, and other institutional owners. The prevalence of single property owners is generally consistent with baseline data on the characteristics of rental owners in the City of Cleveland, however owners may have additional owned properties that fall in zones not yet subject to the ordinance.

Lead inspectors. During this period, applications involved lead inspections done by 51 certified lead assessors, showing activity by a good number of qualified individuals. Nearly one-half of these inspectors completed inspections for 1-4 applications and the median number of applications per inspector was 3. Of the applications with an inspection result reported, 515 (or 69%) involved an inspection from one of ten individual inspectors, with 126 applications linked to a single inspector.

Enforcement

On the matter of taking enforcement action against noncompliant property owners, Building and Housing has sent delinquency notices to owners of properties in Zip Codes in Zones 1 and 2 as well as reminder letters during this quarter. The next step after delinquency notification involves the issuing of violation notices to noncompliant owners as well as ticketing of property owners. The department is in discussion about a plan to pilot enforcement procedures with the subgroup of properties with 5 or more units. This approach is partly informed by the experience of the City of Detroit, which approved a lead ordinance in 2010. There, the City began wide-scale ticketing for noncompliance early on but could not successfully manage the process of dealing with a large number of noncompliant properties. This resulted in only modest effects on compliance and soured relations with the landlord community. 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 3 show substantial growth in both the applications for and approval of properties' Lead Safe Certification. This process is the primary function under the purview of City of Cleveland 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 minimal thus far and could jeopardize the achievement of full compliance among rental properties by March 2023.

Table 3 – Quarter 3 Cumulative Ordinance Metrics as of September 30, 2021

Lead Safe Certification	Count
Lead Safe Certifications submitted	781
Lead Safe Certifications approved	702
Lead Safe Certifications pending	11
Lead Safe Certifications denied	42
Citations for noncompliance	0

Note: 25 applications were coded as exempt and one involved a lead control order.

Compared to the numbers of properties subject to the Lead Safe ordinance in roll-out Zones 1-3, 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 11% of these properties in Zones 1-3. Based on the estimated total number of rentals subject to the ordinance in these zones, applications account for only 3.5% 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 three quarters, approximately one-third 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 engaging and supporting landlords, 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 Cleveland Coalition. These other areas are:

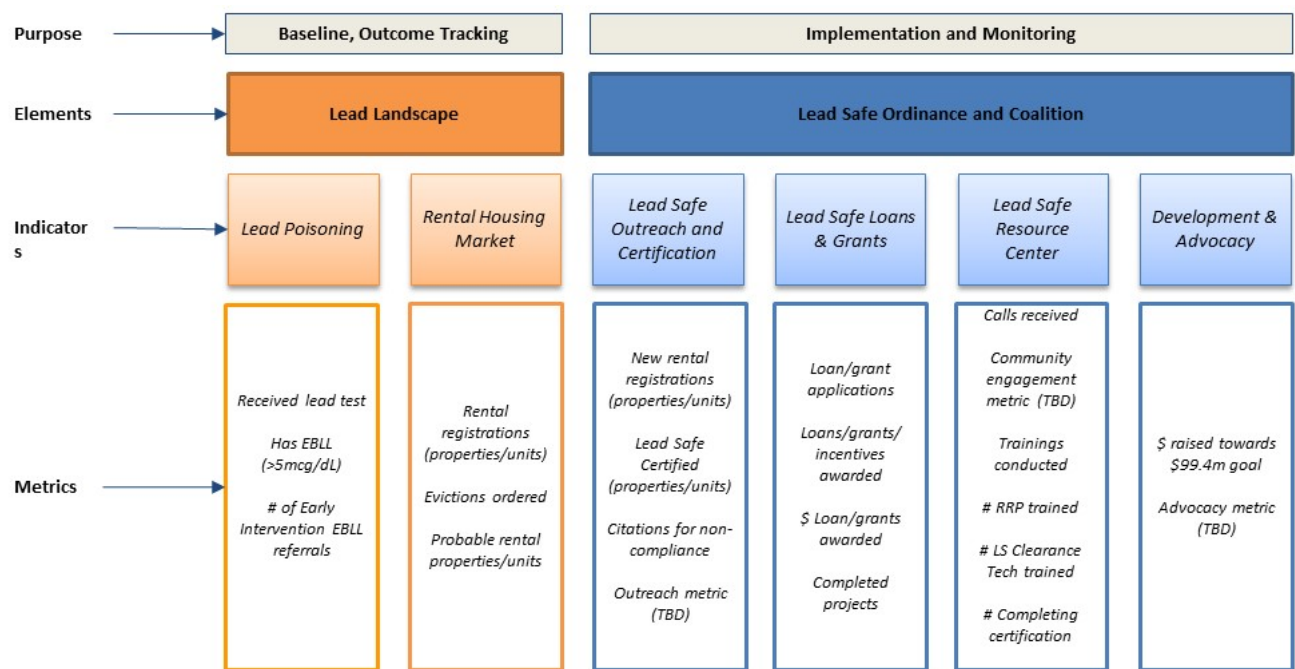
- Lead Safe Loans and Grants – The Loans and Grants, managed by the nonprofit CHN Housing Partners, provides a variety of grant and loan products to property owners as well as project management to assist with the remediation of lead risk hazards.
- Lead Safe Resource Center – The Resource Center, managed 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 Cleveland 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 focused 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

