



“The Fight Against Blight”

Rental Permit Ordinance

Pittsburgh City Council

October 24, 2007

Councilman Dan Deasy



Why have a Rental Permit Ordinance?

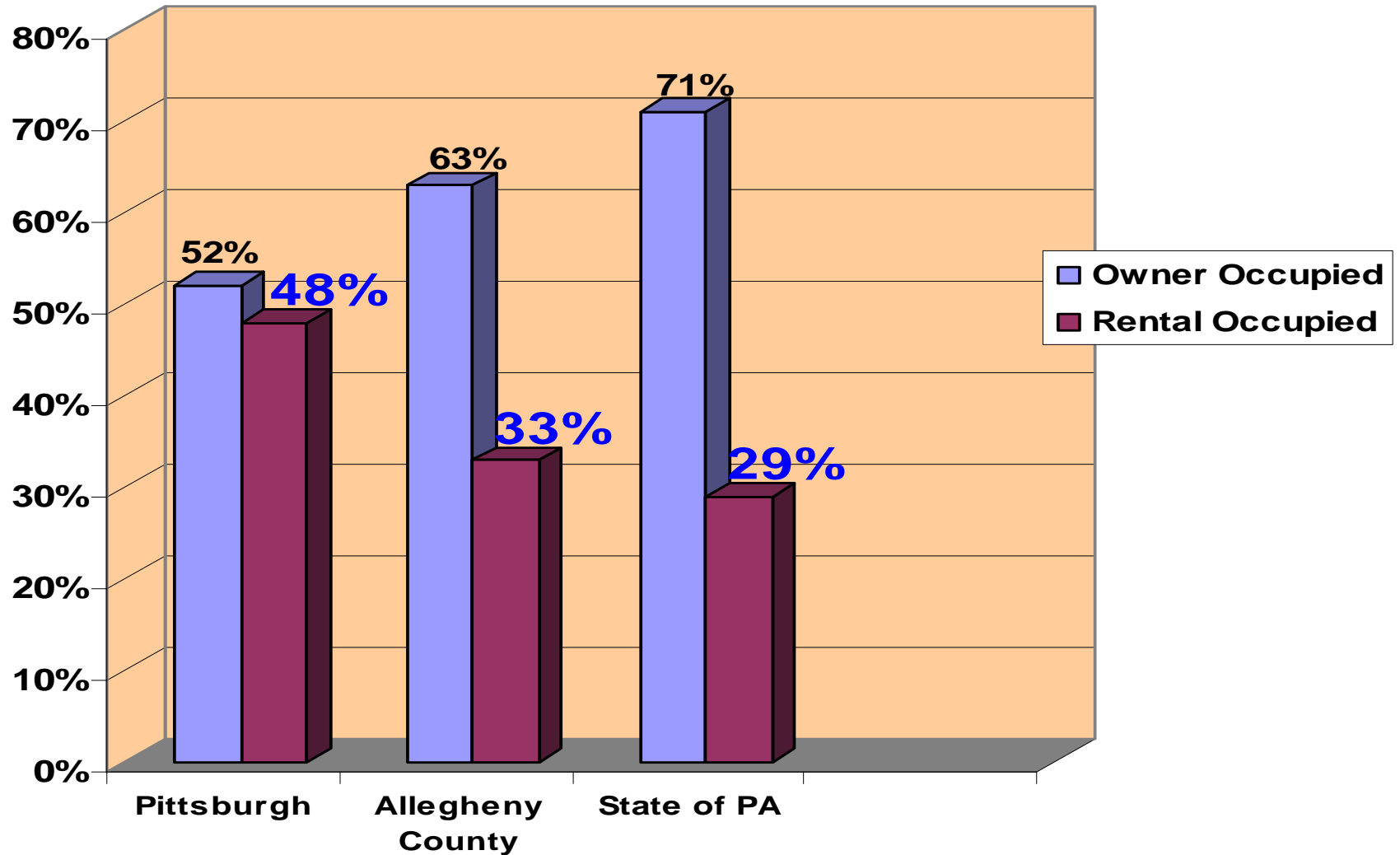
- Absentee property owners are a major concern in almost all city neighborhoods
- Provides revenue to fight blight
- Certifies decent and safe housing
- Protects renters from slumlords and provides for a stable living environment
- Provides a database and tracking mechanism to rein in the code enforcement history of repeat offenders

WHY?

- Encourages property owners to maintain and improve the quality of housing, especially student housing, in our neighborhoods.
- Protects neighborhoods from absentee owners
- Additionally, Pittsburgh is the largest urban area in PA that does not require any registration or licensing for residential rental property
- Pennsylvania municipalities of all sizes have residential rental licensing programs including Philadelphia, Allentown, Elizabethtown, Erie, Pottstown, Lebanon County, Easton, and others

Percentage of Rental Occupied Vs. Owner Occupied

Source: 2000 Census



Ordinance Requirement

- Landlords must register and apply for a rental permit once a year
- All rental properties must be inspected and issued a certificate of compliance biannually
- Property owner must provide the address and contact information for the responsible local management agent in the event he resides outside the City
- Landlords must satisfy any outstanding code violations
- Landlords must be up-to-date on their taxes
- Fines of up to \$300 per infraction shall be levied for violations of the ordinance
- Ordinance has sunset/review provision

Why Charge a Permit Fee?

- Residential Renting is a business activity that impacts city neighborhoods
- There is currently no system to identify owners engaged in this activity
- Fee will offset cost of supporting and augmenting \$3.2 Million Dollar Bureau of Building Inspection Annual Budget as well as other costs for lot cleaning, rental education, prosecution and other direct and indirect costs

Quick Facts

- There are over 63,500 rental (occupied) units in the City with an average price between \$750-\$800/month for a \$550 Million industry
- BBI performed 27,000 inspections in 2006, of which 9,000 were issued violation notices and over 500 were referred to Housing Court
- The City spends millions each year in BBI, Public Works, Refuse, Legal and Public Safety costs each year as a result of absentee rental property
- The rental permit fee of \$25/unit is projected to generate revenue of approximately \$1.2 million. That amount will fund the salaries and benefits of additional BBI inspectors, support personnel and software and equipment needs as well as offset other direct and indirect costs associated with rental activity
- With the elimination of the 6 mill Business Privilege Tax the city will lose \$2.8 million dollars in revenue and landlords will see a significant savings for their business activity