



Public domain photos not specifically from Nashville

Report on Staffing and Organization of the Property Standards Division Metropolitan Government of Nashville & Davidson County, Tennessee December 20, 2016

FISCAL CHOICE
CONSULTING LLC

790 Frontage Road
Suite 110
Northfield, Illinois 60093
(847) 441-4175

www.fiscalchoice.com

Table of Contents

- 1. Executive Summary3**
- 2. Purpose of the Project6**
 - a. Council Request6**
 - b. Mayor’s Response to Council Request.....7**
 - c. Scope of Review7**
- 3. The Status Quo8**
 - a. Metro Nashville’s efforts in comparison to peers 11**
- 4. Short Term Rentals..... 12**
 - A. HOST Compliance 15**
 - B. Hotel/Motel Tax Receipts 15**
- 5. Council comments on enforcement of property standards code..... 17**
 - a. Differences between geographic areas..... 19**
 - b. Codes & Building Safety Job Descriptions..... 20**
 - c. Coordination with other units of Metro Government 21**
 - d. Staying Current with Rule Changes..... 21**
- 4. Nashville’s Goals and Lessons from Peers 22**
 - a. How peers accomplish the same goals..... 23**
- 5. Recommendations 24**
 - a. Staff size (number by job title) 24**
 - i. Comparisons to other communities..... 24**
 - ii. Loan fund 24**
 - iii. Operational review and recommendations..... 25**
 - b. Organization structure..... 26**
 - c. Shifts 27**
 - d. Reports 28**
 - e. Customer Service Orientation..... 28**
 - f. Codes Offender School..... 30**
 - g. Training 31**
 - h. Coordination with Metro Police 32**

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

- i. Language needs (esp. Spanish)..... 33**
- j. Balancing reactive (complaint-driven) and proactive efforts 33**
- k. Change the Process for High Weeds and Grass and Abandoned Vehicles..... 34**
 - i. High Weeds and Grass 34**
 - ii. Abandoned Vehicles..... 34**
- l. Enacting an Administrative Hearing Officer in Lieu of Environmental Court 35**
- m. Performance Metrics 38**

- Appendix I Requests for Service Maps**
- Appendix II Indianapolis Charts**
- Appendix III List of Interviews**
- Appendix IV Property Standards Division – Flow Chart and Complaint Process**
- Appendix V Data Management Reporting Elements**

1. Executive Summary

People who do not maintain or use their property according to established ordinances may infringe on the rights of neighbors. In Metro Nashville/Davidson County, enforcement of relevant ordinances is the duty of several units of Metro Government, but principally, of the Property Standards Division. The Division is a unit of the Department of Codes & Building Safety.

Neighbor conflicts are always a source of concern, but one emerging issue –increasing impact of short-term rental properties – has raised the visibility of this issue. This report is one element of Metro Government’s attempt to reach effective enforcement of property standards codes in a way that is fair both to property owners and to their neighbors. The report makes recommendations on staff size, organization structure, work shifts, processes, and use of technology.

The policy debate about short-term rental properties is lively. We are aware of both active litigation and pending legislation addressing short-term rentals. This report, however, is based on the current situation, as of November 2016. It is not the purpose of this report to address or resolve the legislative or litigation issues, nor is short-term property rental the sole focus of this review.

In some cases, we do not believe that the Property Standards Division can address all of the issues raised in our research. We identify problems where the solution would require other functions in Metro Government to help or take the lead. As to short-term rental properties, once they are permitted, neighbors making complaints will face a lengthy due process period where relief is uncertain.

Key Findings and Recommendations

The following table presents key findings in the following areas:

- Staffing
- Operations
- Automation
- Coordination with Other Metro Agencies
- Performance Management

Some findings overlap these areas. We also summarize recommendations related to each finding and suggest who should be responsible for implementing or serving as the lead on each recommendation.

Table 1 – Summary of Findings and Recommendations

Findings	Recommendations	Responsibility
Staffing		
Property Standards had several staffing vacancies for Inspectors and Customer Service Representatives.	Property Standards should promptly fill all vacancies as well as add seven more positions (5 Property Standards Inspectors, 1 Office Support Representative and 1 Data Analyst)	Director, Codes & Building Safety Assistant Director for Property Standards
Automation		
Property Standards lacks the technology to efficiently identify unpermitted short-term rental properties and to estimate the hotel/motel taxes due from permitted and unpermitted properties.	Metro Government has identified and should acquire a software solution to identify short-term rental properties and the hotel taxes they owe. This will also permit Metro Government to issue fines for operating such facilities without a permit.	Finance Information Technology Property Standards
Property Standards has an online form to report requests for service (i.e., complaints), but that form has deficiencies. It does not allow a report of all of the suspected code violations at an address. It does not have a lookup function that provides the Council district number for given street addresses. These conditions mean that the full nature of code violations may be underreported and that Council members cannot easily find what issues exist in their districts.	Property Standards should work with Metro Information Technology to expand the functionality of the online complaint form so that more complaint types can be reported in one incident report and the Metro Council District can be identified.	Assistant Director for Property Standards Information Technology
Operations		
After a citizen files a complaint, it is difficult to learn the status of the complaint.	<p>Either by posting the status of response to requests to the Web or otherwise notifying those who bring problems to its attention, the Division should keep these people informed. This will address the current situation where some people wonder if the Division cares about and takes action in response to their complaints. In general, we find that the current system is skewed more toward protecting the rights of property owners against unjustified complaints than it is toward providing relief to neighbors. We urge a balance of those two interests.</p> <p>Broadcasting availability of this online update service will encourage more complaints to be filed through Metro’s online system</p>	Property Standards Division Information Technology
While Property Standards reports that it responds to 69% of all Requests for Service within 3 days, these responses are reactive and initiated through citizen complaints. A proactive approach of monitoring Districts for violations related to high grass / weeds, trash, abandoned cars, and illegal signs may reduce the number of citizen complaints.	The Property Standards Division should direct all inspectors to dedicate 20 percent of their work year to proactive inspections, instead of the current nearly exclusive effort in response to service requests. This is not possible now for lack of adequate staff. The Flex Team, which is tasked with proactive work, need not remain an independent unit, but may be folded into the geographic-based Blue and Red teams. This will allow each inspector to cover a smaller territory, but to enforce ordinances more intensively.	Assistant Director for Property Standards
A construction boom places increasing demands on the Director of Codes & Building Safety, particularly for the largest projects. It is, of course, vital that those projects be built according to Building Code, but the demands of this effort diminish the Director’s time available for oversight of the Property Standards Division. In the near term, there may not be a successful remedy.	Since a key component of the position of Director of Codes & Building Safety is to focus on policy-related matters and executive-level administration, it may be necessary to provide additional project-level resources in building permit review and construction oversight so that the Director can delegate day-to-day activities and function more in an oversight role for the entire department.	Mayor Codes & Building Safety
One reason for poor maintenance of a property may be financial distress of the property owner.	Metro Government might capitalize a small property repair loan fund, with liens on properties receiving financing.	Mayor’s Office Finance Property Standards
Depending on vehicle age, status of licenses, condition, and where the vehicle is parked, responsibility for the	Where Property Standards is responsible for the vehicle, develop a process – most likely by vendor contracts - to tow abandoned vehicles	Finance Property Standards

Findings	Recommendations	Responsibility
vehicle can be with Property Standards or Metro Police.	to a storage lot. Consistent with the practice of many other local governments nationally, owners may retrieve their vehicles by paying fines and towing fees. If they do not seek return of their vehicles within a reasonable time period (e.g., 30 days), Metro Government should then demolish the vehicle.	
While the threat of enforcement by order of the Environmental Court is real, in practice, it is almost never used. Of approximately 18,000 annual requests for service (2015) to Property Standards, fewer than 200 cases went to Environmental Court. Even fewer of those resulted in sanctions for violating code. Most cases went on the Warrant Docket. By far, the most effective tool to resolve a matter is property owner response to a Notice to Abate a code violation. As to short-term rental properties, no property owner has had a permit revoked for code violations, which does not help to incentivize the desired behaviors.	<p>Property Standards should use automated tools to:</p> <ul style="list-style-type: none"> • Identify unpermitted short-term rentals • Collect data on the extent of the non-compliance • Initiate fines until the property is permitted • Estimate rental activity for permitted and unpermitted properties • Compare estimated rental activity with hotel / motel tax receipts from the property • Support legal action to recoup unreported tax income 	<p>Law Department Finance Property Standards</p>
In 2015, Council authorized the creation of a Codes Offender School. The program is not yet in operation.	Procurement for a vendor to operate the program is underway and, despite delays in getting to this point, is expected to result in a contract award in February 2017.	<p>Property Standards Law Department</p>
Coordination with Other Metro Agencies		
Metro Police writes Safety Hazard Notification citations for noise and illegal parking, but does not provide these in electronic form to Property Standards. This keeps Property Standards in the dark about violations that might otherwise allow effective enforcement of ordinances for short-term rental properties.	<ul style="list-style-type: none"> • Property Standards should contact Metro Police to discuss modifying its Form 271 to include Noise and Parking as violation types and provide all such reports to Property Standards in electronic format. These changes may involve computer system modifications and training materials. • Property Standards should compare all notices to its short-term rental file and track the number of violations by address so it can initiate permit suspension proceedings when warranted 	<p>Metro Police Property Standards Information Technology</p>
Property Standards writes Notices of Abatement for high grass and weeds. Public Works is not authorized to mow on private property.	Property Standards should contract with commercial landscaping services and issue work orders for mowing. Property Standards should contact the Law Department to determine how the commercial services can access private property. Property Standards should forward the invoice to the property owner. If unpaid after 90 days, Metro should place a lien on the property.	<p>Property Standards Law Department</p>
Performance Management		
The Division is not currently reviewing its own data to identify trends and report to the Mayor and Council. This would be a duty of the proposed new Data Analyst position. That position can also work with other units of Metro Government so that data flows between Metro departments will improve	The Division should assign a full-time Data Analyst to manage all data reporting functions within the Division, including reporting to elected officials and the public.	<p>Property Standards Division Information Technology</p>

2. Purpose of the Project

Metro Government balances the rights of property owners and neighbors through ordinances and enforcement efforts. The impetus for regulation is when a property owner's use of private property infringes on the rights of adjacent property owners to the quiet and healthy enjoyment of their own properties.

The Property Standards Division in the Department of Codes & Building Safety has principal responsibility for many of these efforts, including monitoring and enforcement of requests for service. The number of enforcement areas has expanded in recent years to now include Health and Short-Term Rentals. Previously, focus areas were:

- Enforcement of the Metro Property Standards Code, including:
 - High grass and weeds
 - Junk, debris and trash
 - Abandoned vehicles
 - Short-term rental properties
- Inspections for enforcement of the Zoning Code

Metro Nashville's Police Department also plays a key role in these activities, being principally responsible for responding to calls regarding noise, traffic and parking.

a. Council Request

On September 20, 2016, 28 members of the Metro Council wrote to Mayor Megan Barry expressing concern about short-term rental property enforcement. Council specifically asked the Mayor to consider options to improve the enforcement of property standards ordinances and to do so quickly.

We interviewed several members of the Metro Council (*Appendix III*). We promised not to attribute comments to anyone in a way that would allow the reader to identify the speaker. These interviews revealed that a) property standards concerns are not limited to short-term property rentals, b) property standards issues are the single most frequent reason that citizens call their Council members and c) of all property standards issues, short-term rental property concerns are the most common for some Districts in or near Downtown and Lower Broadway. The frequency of requests for service related to short-term rentals has increased to the point where Council is looking to the Mayor for additional emphasis on enforcing the ordinances.

b. Mayor's Response to Council Request

Mayor Barry responded to the Council request with a letter dated October 6, 2016. The response addressed not only the Mayor's intent to respond to Council's urgent concern about short-term rental property enforcement, but also to review the Property Standards Division altogether. As the Division has many duties, it is important that any improvements to short-term rental property enforcement be balanced with diligent attention to the other duties of the Division.

c. Scope of Review

This review is intended to provide recommendations for effective enforcement of codes related to property standards. In some cases, this alone may not suffice to address all resident concerns. This report addresses all of the duties of the Property Standards Division, not just short-term rental property enforcement. We reviewed the workload for various activities and developed staffing recommendations that address:

- The number of people needed in the Division
- Geographic and shift assignments
- Use of data to align staff with workload
- How to transform from a complaint-driven process to one that also incorporates proactive efforts

All members of Council, citizens and Metro staff that we interviewed – including Codes officials and staff - expressed a belief that the Division does not have enough people. (Codes had previously declined offers for additional staff.) None of those we spoke with had quantified how many additional staff would be necessary. This report is an attempt to answer that question, along with comments on how to improve the effectiveness of the Division's efforts.

This review included interviews with people from the following organizations:

- Property Standards Division staff and supervisors
- Council Members
- Finance Department
- Law Department
- Mayor's Office
- Environmental Court
- Community Stakeholders
- Airbnb.com
- HomeAway
- HOST Compliance (software provider to cities with short-term rental properties)

See Appendix III for a complete list of interviews.

Metro identified several peer communities and asked us to contact them to collect data on their approaches to common problems. We interviewed representatives in Austin, TX; Chattanooga, TN; Hamilton County, TN; and Indianapolis, IN. We also contacted Charlotte, NC; Knoxville, TN; Louisville, KY; and Memphis, TN but we were not able to interview representatives from those cities within the timeframe allotted for this study.

3. The Status Quo

While the population service has grown rapidly, staffing has not kept pace. Worse, authorized positions have been vacant in both Property Standards as well as Codes & Building Safety. Finding qualified personnel for these positions is not a problem unique to Nashville. Local governments in many regions have difficulty filling similar positions. The Great Recession resulted in many qualified people leaving the building trades. Combined with recent increases in building activity in Nashville, it has become harder to fill these positions and retain qualified personnel.

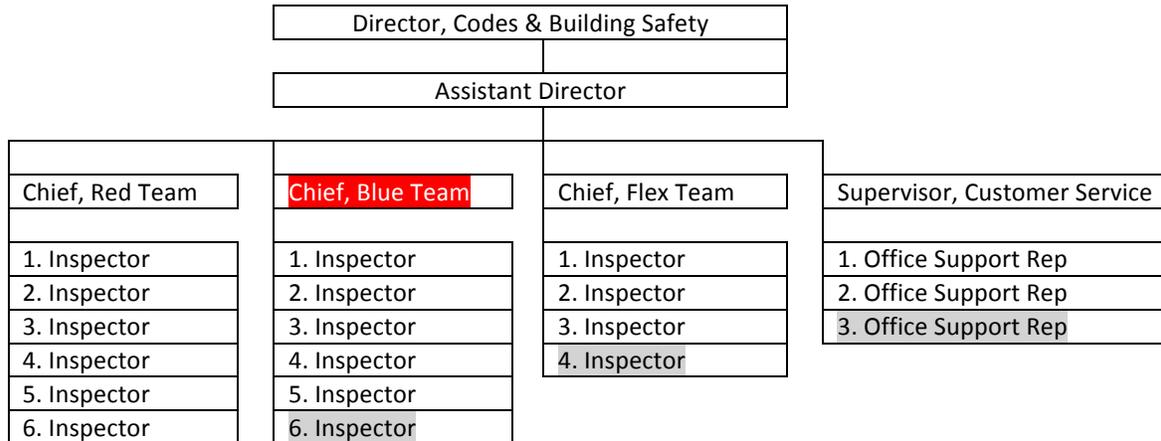
In Codes & Building Safety, vacancies have ranged from 8 (8%) to 16 (15%) in the past year (data from Metro Finance Department).

Table 2 Codes & Building Safety Staffing

Month	Budgeted Positions	Vacancies	Percent
Jul-15	104	15	14.4%
Aug-15	104	14	13.5%
Sep-15	104	13	12.5%
Oct-15	104	13	12.5%
Nov-15	104	10	9.6%
Dec-15	104	8	7.7%
Jan-16	104	9	8.7%
Feb-16	104	11	10.6%
Mar-16	104	11	10.6%
Apr-16	104	9	8.7%
May-16	104	9	8.7%
Jun-16	104	10	9.6%
Jul-16	107	15	14.0%
Aug-16	107	16	15.0%
Sep-16	107	14	13.1%
Oct-16	107	13	12.1%
Nov-16	107	9	8.4%

Metropolitan Government of Nashville and Davidson County, Tennessee
 Review of Property Standards Division Staffing

In Property Standards, as of October 2016, there were four vacancies out of 24 authorized positions; Codes moved to fill these positions while our review was underway. As of early December, there was one vacancy. The following chart depicts the current organization of the Property Standards Division. Highlighted boxes indicate vacant positions.



Red shading = vacant position

Grey shading = vacancies filled Oct--Dec 2016

Vacancy rate as of December 2016 = 4%

Sixteen (15 filled) of the 24 authorized positions are for Inspection staff. We note that when this project began, the vacancy rate was 17%, so it is clear that the Division has stepped up its hiring pace.

The interviews that we held across various levels of Metro Government created an impression of a Division that is dominated by reactive work, with little staff capacity to plan or report. Later in the Recommendations section of this report, we will present thoughts on how to increase the staff size to get a better balance of reactive and proactive efforts. Recommendations also address changes in other resources and work methods.

Nashville’s construction boom imposes demands on the time of senior management in the Department of Codes & Building Safety, at the expense of time for Property Standards matters. Since FY 2010, permit activity has grown as follows:

Table 3 - Building Permit and Construction Value

FY	Permits	Project Value	Average Value Per Permit
2010	10,980	\$1,376,357,840	\$125,351
2011	7,660	\$1,150,731,273	\$150,226
2012	11,051	\$1,619,391,827	\$146,538
2013	9,710	\$1,709,826,578	\$176,089
2014	11,027	\$2,276,645,897	\$206,461
2015	12,389	\$2,846,209,533	\$229,737
2016 (est.)	12,779	\$4,003,107,286	\$313,257

The growth in the number and size of projects has consumed more senior management time at the expense of Property Standards. Since FY 2010, the number of permits has increased by 16 percent while total project costs jumped 191 percent. The average cost per permit increased 150 percent. Temporary services are available for plan review and inspection but these will not relieve the Codes Director of the time needed to work with elected officials, other Metro agencies, and developers.

Council asked the Director of Codes & Building Safety during recent budget hearings if he wanted more staff. The Director responded that the Division is capable of discharging its duties without extra staff. This has surprised and frustrated many people who want enforcement of property standards to be enhanced.

Codes has successfully implemented a commercial software application to manage the building permit process. This application is also used to manage Request for Service (RFS) and the enforcement of the Property Standards Code. This reduced pressure to increase staff because existing staff became more efficient through use of the application. However, the recent growth in large projects continues to raise the question about the need for staff.

Vacancies limit the Division’s ability to maintain the services it has been providing. Proactive work has dwindled for lack of staff. The Red and Blue teams have geographic responsibilities where their respective regions are defined by the Cumberland River. The Flex team handles special situations, including short-term property rental matters.

Later in this report, we discuss a need for additional positions. This assumes that the Division will fill all vacancies and treat with urgency the need to fill any vacancies that may

occur during the year in Property Standards as well as in other parts of Codes & Building Safety.

While inspectors occasionally drive with two to a car for neighborhood audits, the bulk of the work they do requires them to drive to sites alone. Therefore, each inspector requires a vehicle.

Inspectors have substantial office time for phone calls and emails related to the cases they are investigating. They are in the field approximately from 10:30 AM until 2:30 PM. This is not a great deal of field time and we looked for ways to increase it. Inspectors have notebook computers and tablets with embedded air cards (i.e., a technology allowing the device access to the Internet and email at remote locations). We believe that this may allow management to expect more field time per inspector, although whether data entry is done in the field or in the office is of limited significance. We believe that the community wants inspectors to be visible, partly for deterrent value. Therefore, management should urge inspectors to spend more time in the field than currently allotted.

a. Metro Nashville's efforts in comparison to peers

Table 4 - Comparison of Inspectors

	Number of Inspectors	Inspectors per 100,000 population	Square miles per inspector
Nashville	16	2.35	32.88
Austin, TX	65	6.97	4.18
Chattanooga, TN	12	6.67	11.92
Indianapolis, IN	30	3.97	12.4

Compared to the other cities, Nashville has fewer inspectors on a population basis and each inspector is responsible for a greater geographic area. We did not present averages for the four communities because the duties of each of the peers varies, making such a ratio less relevant. However, to reach 6.5 inspectors per 100,000 population, Metro would need to add more than 20 inspectors. All the additional positions that we recommend should be filled as soon as practical.

4. Short Term Rentals

The rapid increase in the number of short-term rental property units has received much attention. The opportunity to rent a property for income is potentially lucrative and has incentivized a huge increase in units available for rent – with and without required permits. “Party houses” have had a significant negative impact on some neighborhoods, effectively rezoning residential neighborhoods into commercial ones outside of the established rezoning process. The situation in Nashville is primarily, but not exclusively in the urban core (see Appendix I for maps that show the number of Requests for Service by District and year; 2016 map is through October).

The “sharing economy” has grown rapidly in the U.S. Short-term rental properties alone have increased dramatically. Data from the top four short-term rental-listing sites shows an increase to nearly 4 million units from only 300,000 in 2008 (*HOST Compliance presentation to Metro Government, page 10, July 2016*).

HOST Compliance is a privately held Silicon Valley based company that has developed a software solution for short-term rental compliance monitoring for local governments. It estimates that there are about 4,600 short-term rental properties in Nashville/Davidson County. By comparison, Metro has issued 2,051 permits and another 454 applications have been submitted (*per Property Standards Division report, 11/23/16*). If the 4,600 properties is a reasonable estimate, then there are about 2,100 properties operating outside the permitting process. Of the 2,051 permits, Metro estimates that 1,800 are active renters. Some landlords are not active enough to make a significant income from short-term rentals, but others earn thousands or tens of thousands of dollars per month.

We saw evidence of out-of-state investors exploring buying non-owner occupied properties in Nashville because the opportunity can be so lucrative.

In an effort to restrict the impact of short-term rentals on Nashville’s neighborhoods, Council imposed a restriction of supply that limits non-owner occupied unit permits to three percent of the total housing units in a census tract. Economic principles teach us that limiting supply increases price and that increasing price increases profit. When profits increase, so too does the incentive to enter the market – tempting some people to operate illegally. Combined with Nashville’s reputation as a “fun destination” and the limited number of existing hotel rooms, the financial incentive to operate a short-term rental is significant.

There are approximately 27,100 hotel / motel rooms with plans for another 12,110 to 12,448, short-term rentals are filling a gap in visitor accommodations. According to the Nashville Convention and Visitors Corporation, there are 27,100 hotel rooms - a total of 39,700 in the Nashville MSA. Metro estimates that there are 12,448 hotel rooms under

construction or in the planning stage. The Nashville Convention and Visitors Corporation estimate is 12,110 rooms under construction or in the planning stage.

Short-term rental properties are clustered closer to downtown and lower Broadway. Council Districts closest to nightlife locations have more short-term rental appeal to visitors. However, in 2013 and 2014 there were no specific “STR” complaints reported. In 2015, there were a total of 15. If the complaint is recorded as Noise or Trash it may be recorded as such, whether or not the property is a short-term rental. This would require that the complaint database have the capability to match with the short-term rental database. Property Standards has included a code for STR complaints in the CityWorks system; the KIVA system did not allow included a searchable data field for type of violation.

There are approximately 2,000 permitted short-term rental units in Nashville now, of which an estimated 1,800 have been active in renting. According to a report provided by Property Standards (11/23/16), there are 2,505 short-term rental units that are authorized or have applied for permits.

Table 5 – Short-Term Rentals: Permits Issued or Applied For

Type	Issued	Applied For	Total
Short Term Rental – Multifamily	431	88	519
Short Term Rental - Non-Owner Occupied	916	176	1,092
Short Term Rental - Owner Occupied	704	190	894
Total	2,051	454	2,505

Estimates of non-permitted (unpermitted) units vary from 1,500 to 2,300, but since they are operating without proper paperwork, the number of non-permitted units is simply an estimate. The table below uses HOST’s estimate of 4,600, meaning that there are 2,100 short-term rentals in Metro that are neither permitted or “application pending.”

We compared Nashville to other metro areas in terms of how many short-term rental units (permitted and non-permitted) there are in each city. The units below are estimates because there are non-permitted units in every city. *(The Nashville estimates ranged from 4,200 to 4,600 and came from several sources. The Austin estimates are from the City of Austin and Home Away. The others are from HOST Compliance.)*

Table 6 – Short-Term Rentals in Nashville and Other Cities

City	Estimate of Short-term Rental Units	2016 Population	Units per 1,000 Population
Nashville	4,600	678,889	6.78
Austin	1,200	931,830	1.29
Ft. Lauderdale	7,000	165,521	42.29
Los Angeles	26,000	4,011,000	6.48
Toronto	5,000	2,790,000	1.79
Vancouver	5,300	603,502	8.78

The reason we compared cities was to learn if Nashville’s situation differs significantly. On a per capita basis (short-term rentals per 1,000 population), Nashville is similar to Los Angeles and Vancouver. HOST estimates that Ft. Lauderdale has the most units per 1,000 (only an estimated 5% of the units in Ft. Lauderdale are permitted).

Nashville currently has approximately 27,100 hotel rooms, but there are another 12,448 units in the pipeline. According to Davidson County Hotel Development Pipeline Report (10/3/2016), there are 12,448 rooms either under construction, in planning, or unconfirmed. The Nashville Convention and Visitors Corporation estimates the number of new rooms at 12,110. The number of existing hotel rooms is from the Nashville Convention and Visitors Corporation.

A tight supply of hotel rooms may have increased the supply of short-term rental units, as the market responded to a shortage of lodging options. As the new hotel rooms come on line, it will be interesting to observe the impact of the new hotel rooms on the demand for short-term rental units.

Property Standards staff also reviews Internet advertisements for short-term rental properties and attempt to match the information to public records to see if the ads are for properties with permits to rent. This is a slow and painstaking process, but it can produce results. The Internet advertisers (e.g., Airbnb, HomeAway) do not list addresses. *(During our interviews, they indicated two reasons for not listing addresses: 1) they do not want renters going directly to the property owner; 2) they want to help protect the property because the public will know that the property may be vacant during a specific time period.)* Advertisements may list a property as being in “Nashville” when in fact in may be in the metropolitan area, not in Nashville itself. The division’s current manual search process involves identifying ads on line, then trying to determine the address, and then comparing the address to Metro’s permit file. In September 2016, Codes reassigned a staff member to assist in this process. Given the short timeframe, there could not have been significant progress. In our opinion, without a property address or even an exterior photo of the

property (short-term rental services typically only show interior or rear yard pictures), the division’s current process is akin to “finding needles in haystacks.”

A. HOST Compliance

HOST Compliance (HOST), a software vendor with an application for STR enforcement, met with Metro Government in July to present a program that it is offering to cities in the US and Canada to address the issue of identifying short-term rental properties. This program could also help cities in managing compliance with local regulations. The division provided us with a copy of the HOST presentation and we followed up with a phone interview with HOST’s senior management.

HOST is working with cities of various sizes on the short-term rentals, including:

Table 7 – Short-Term Rentals in Other Cities Supported by HOST

City	Estimate of STRPs
Los Angeles	26,000
Vancouver	5,300
Toronto	5,000
Fort Lauderdale	7,000

HOST offers several services including:

- 1. Trend monitoring
- 2. Address identification
- 3. Compliance monitoring
- 4. Rental activity monitoring
- 5. 24/7 dedicated hotline

The first four services above are estimated to cost \$225,000 per year. We believe it would cost Metro much more than that in additional personnel to achieve similar results. The dedicated hotline would bring the total cost to \$267,000. See our Recommendations section for additional information.

B. Hotel/Motel Tax Receipts

If Metro Government adopts the HOST Compliance software, it should identify significant underpayment of hotel/motel taxes. Metro Government should prepare an aggressive effort to collect these taxes and withhold permit renewals for nonpayment of taxes. Failure to enforce these requirements may undermine other compliance efforts.

Nashville currently receives about \$3.6 million per year in hotel / motel tax revenues for short-term rentals, according to the Metro Treasurer’s Office. This is about \$1,750 in tax

Metropolitan Government of Nashville and Davidson County, Tennessee
 Review of Property Standards Division Staffing

revenue for each of the 2,051 permitted properties. Hotel/motel tax revenue consists of a base fee of \$2.50 per night plus 6 percent on the daily rate.

Using this average and adding 500 properties (from unpermitted to permitted) because of HOST’s research capabilities, could add almost \$900,000 in tax revenue, more than offsetting the cost of the HOST contract. However, changes in economic activity and the impact of new hotel rooms in Nashville could impact any estimates. As one Metro employee stated: “it would take an additional eight employees to do what HOST can do”.

It is impossible to predict the additional tax revenue with any certainty but we believe Metro can estimate the range of this revenue. If HOST helped Metro identify an additional 50,000 occupancy nights at an average rate of \$200 per night, the additional tax revenue would be over \$700,000, more than three times the fee paid to HOST ((50,000 x \$2.50) + (6% x 50,000 x \$200)).

The additional nights should result from identifying unpermitted short-term rentals and increasing the number of nights reported by permitted properties. As an example, there are 2,051 permitted STRs (another 454 have applied for a permit) plus an estimated 2,100 unpermitted properties. The average number of rental nights per location to reach the 50,000 additional nights is 10.9 (50,000 nights / 4,600 properties).

Depending on the number of additional nights and the daily rate, the additional hotel/motel tax revenue could be:

Table 8 – Additional Hotel/Motel Tax Revenue: Estimates for Additional Nights

Daily Rate	Additional Nights				
	50,000	75,000	100,000	150,000	200,000
\$200	\$725,000	\$1,087,500	\$1,450,000	\$2,175,000	\$2,900,000
\$250	\$875,000	\$1,312,500	\$1,750,000	\$2,625,000	\$3,500,000
\$300	\$1,025,000	\$1,537,500	\$2,050,000	\$3,075,000	\$4,100,000
\$350	\$1,175,000	\$1,762,500	\$2,350,000	\$3,525,000	\$4,700,000
\$400	\$1,325,000	\$1,987,500	\$2,650,000	\$3,975,000	\$5,300,000
\$450	\$1,475,000	\$2,212,500	\$2,950,000	\$4,425,000	\$5,900,000
\$500	\$1,625,000	\$2,437,500	\$3,250,000	\$4,875,000	\$6,500,000

Nashville could also enter into a contract with Airbnb.com to have it collect and remit hotel/motel taxes on properties where Airbnb acted as the rental agent. It would apply only to rentals arranged through Airbnb.com so Metro would still have a collections issue with other rentals.

Airbnb has not been willing previously to provide reports of the addresses for which it collects the taxes, but even an unattributed process would increase funding for compliance

activities. Airbnb and the City of New Orleans have reached an agreement to rent only properties that have permits, to collect and remit hotel/motel taxes for those properties and to share the addresses of those properties. (*"New Orleans Becomes New Model for Airbnb to Work With Cities,"* New York Times, December 8, 2016, page B1). This could be a significant as a precedent if available to Nashville as well, as it would reduce unpermitted rentals and provide the tax revenue owed for rentals. This would be a "level playing field" for hotels competing with STRPs and would help greatly in weeding out "party houses" from law-abiding rental units.

5. Council comments on enforcement of property standards code

As noted in Appendix III, we interviewed several Council members to gather their comments on Codes & Building Safety and Property Standards. Rather than characterize Council comments, we list the comments below.

We tried to offer the Property Standards Division more staff during the latest budget cycle and were quite surprised that our offer was rejected. We felt the Division needed more people.

We do not typically know if a constituent has tried other channels before calling us. Sometimes, identifying whom to contact in Metro Government is unclear and constituents know we can get their requests to the right place.

While there is a lot of concern being expressed, it is not clear that the situation itself is dire.

We are concerned about lack of support for property standards issues during nights and weekends. We are also of the opinion that the Division does not always care deeply about the citizen complaints.

Enforcement is ineffective. Legislation cannot remedy that.

Just addressing issues of short-term rental properties would frustrate those citizens with other property standards issues who feel that their concerns deserve attention too.

The Division may not be current on what the law would allow in terms of aggressive enforcement. It may help for a Metro attorney to develop refresher training on this.

We are alarmed that vacancies have not been filled. We have not received a report on how many vacancies there are at present or how long the positions have been vacant.

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

We realize that Nashville patterned its ordinance on the one from Austin, Texas, but our conversations with Austin suggest that Austin is not happy with its own approach. That approach poses significant enforcement challenges.

We get very little in the way of useful status reports from the Division.

There is a lot of frustration with Codes about whether it cares enough. Follow-up is weak.

Is response slow? According to Property Standards, in 2015 it made its first site investigation visit within 3 days in 69 percent of new complaint cases. We believe this is a reasonable response rate for initial investigations. However, this does not mean that the complaint was resolved within 3 days. Due process can take months and frustration about the time involved may be attributed unfairly to Property Standards.

It is possible that certain factors contribute to the impression that Property Standards does not respond quickly:

- The Division is often not the primary point of contact for complaints. Complaints about noise and parking go to Metro Police while other complaints can be routed through Council members, the Mayor's Office, or the 311 system before reaching the Division. The Division needs to record both the time the initial complaint was filed AND the date is entered into the Division's tracking system. The Division can then report on elapsed time.
- Many responses are related to high weeds/grass and abandoned cars. Responses in these areas may appear slow to the public for good reason. Metro personnel are not authorized to mow on private property. Public Works has two mowing crews that mow in the public right-of-way and on vacant lots for which Metro is responsible. According to Public Works, the crews cannot mow on private property in response to a complaint. Abandoned cars are not towed immediately until their condition meets current guidelines (e.g., two broken windows – per Metro Code of Laws, Section 12.08.210, which defines “abandoned motor vehicle” and “obvious state of disrepair.”). We address these types of complaints in the Recommendations section.

Metro is implementing a new 311 system (“HUB”). While this could streamline the process for how the public submits complaints, how the complaints are routed to the appropriate Metro agency, and the scheduling of initial investigations, the new system is unlikely to improve the timeliness of resolving complaints.

While complainants may provide their contact information, there is no routine practice for letting the complaining party know what actions were taken. As Metro Government adopts the “HUB” system, that will change, as the HUB system takes that information and reports resolution to the complainant.

Noise and parking issues are, generally, the responsibility of Metro Police, rather than Property Standards. Metro Police records complaints in its dispatch system for each time officers have responded to a noise complaint at a particular address. It does not currently have a practice in place wherein it notifies Property Standards each time it responds to a noise complaint. No STR property has lost its permit because of noise complaints.

Property Standards has limited staff availability during evenings and weekends. Whether this makes it less effective is ambiguous. After-hours staffing might help to collect evidence for Environmental Court and might make the Division appear speedier, but it is unclear how that would affect outcomes. Also, for worker safety reasons, the Division does not want its staff inspecting resident yards in the dark.

a. Differences between geographic areas

The Division provided us with data on various types of Requests for Service (RFS) by Metro Council District. Appendix I includes maps for all RFSs by Council District and year.

The following table lists the top 10 Districts for each type of complaint for FY 2015. For example, District 11 had the most Total Requests for Service in 2015 while District 7 had the most for High Grass / Weeds.

Table 9 – Rank Order of Districts for Number of Requests for Service

Rank Order	Total Req for Service	High Grass/Weeds	Abandoned Vehicles	Trash	Violations
District Numbers					
1	11	7	6	11	7
2	7	21	28	16	11
3	21	11	21	9	21
4	28	5	33	21	28
5	16	13	5	13	6
6	5	16	17	5	5
7	6	9	19	28	16
8	13	6	29	30	12
9	9	28	31	26	13
10	12	31	11	2	9

Some Districts appear in the top 10 multiple times. We presented the data in the order of complaints, not the actual numbers. Districts 5, 6, 9, 11, 13, 16, 21 and 28 appear in the Top 10 in each category at least four times.

We believe there are reporting differences transitioning from the old KIVA system to CityWorks that affect a clear picture of the results. Properties that receive complaints may

have violations in more than one category –we do not know how multiple violations at a property are recorded. Also, we do not believe that there are specific code types (e.g., 1 for trash, 2 for high grass, etc.) to log complaints. The Division indicated that complaints are recorded in text fields, which make it difficult to track detailed data by type.

From the above table, it is clear that not all districts face the same level of issues. This was also borne out during our interviews with Council members. We asked several Council members about the frequency of calls related to certain types of complaints. The percentage of complaints about short-term rentals ranged from 0 to 33 percent of all calls. Calls related to trash and debris were 10 percent for one district and 50% for another.

b. Codes & Building Safety Job Descriptions

We reviewed the following positions with the Codes & Building Safety area:

- Director, Codes & Building Safety
- Assistant Director for Property Standards
- Property Standards Inspector 1
- Property Standards Inspector 2
- Office Support Rep

We believe the Major Job Responsibilities in each job description are appropriate. The Director is charged with responsibilities for coordinating with outside professionals, policy-related matters, executive-level administration, and long-range planning.

The Assistant Director is responsible for day-to-day division management, including interpretation and application of ordinances and regulations. This position is also charged with evaluating work methods, evaluating operation procedures, improving operating efficiency, and formulating and directing preparation of reports. We believe these latter responsibilities would be performed better by the Assistant Director coordinating with a dedicated data analysis / management specialist. One of our recommendations addresses the need to create this type of position within the Department.

c. Coordination with other units of Metro Government

A citizen reporting an issue of noise, traffic or parking should call the Metro Nashville Police Department. This does not necessarily require the Property Standards Division to be involved, except that if there are three documented violations in a year, the Division may revoke a permit to operate a short-term rental property. However, the Division has never suspended or revoked a permit.

Metro Police sends the Division a paper copy of the complaint notice (Safety Hazard Notification, Form 271). However, Noise is not listed as a type of complaint so the Division cannot track noise complaints by address. Also, the District number is not recorded and this complicates reporting to Council. Property Standards should 1) ask Police to add Noise as a violation code to Form 271, 2) train staff to use it, 3) submit an electronic file summarizing the forms generated to Property Standards to allow for matching of noise violations to addresses of short-term rental properties. Property Standards will have to pay for the changes, but they will make enforcement and compliance monitoring of short-term rental properties much more effective.

If the Property Standards Division is investigating what appears to be an abandoned property, it will often seek Police assistance in entering the property to ensure that the premises are safe for inspection.

On occasion, the occupant of a property under investigation may not appear to be of sound mind or body. In these cases, Property Standards staff may refer the matter to the appropriate human services agency of Metro Government. Property Standards must still enforce code compliance in these cases, but coordination with an appropriate social services professional may make the effort more effective.

d. Staying Current with Rule Changes

The Property Standards Division needs to stay current with rule changes that affect how it works. Outside of the short-term rental issue, the other ordinances have not been changing rapidly. While short-term rental property regulation in Nashville only dates to 2014, the matter is of sufficient interest that several amendments to the current ordinance are under consideration. This is a challenge to Property Standards, not only to learn that ordinances have changed, but also to adapt staffing and process to meet changing requirements.

The Director of Codes & Building Safety and his immediate staff should track legislative and regulatory changes and communicate changes to staff, stakeholders including elected officials and other Metro departments. For example, we are aware that there are several proposed amendments to Metro's ordinances regarding short-term rentals. Council seeks staff input on all legislative changes, so Codes will have advance notice of possible changes.

The Director and Assistant Director should refine an internal process to review and revise processes affected by relevant regulations so that the Division will be able to enforce codes rapidly upon their adoption. In this vein, we suggest that the 2015 establishment of a codes offender school ordinance –not yet implemented – is evidence of the need for attention to timely adaptation to new ordinances.

4. Nashville’s Goals and Lessons from Peers

During this project, we heard many statements from Nashville’s leaders about what they see as Nashville’s values. These included:

- Neighborhoods are vital to the quality of life in the City
- The rights of property owners are important but need to be balanced with the rights of neighbors
- The public right-of-way is considered freely available, with limited exceptions. Additional regulation of parking is unpopular.
- Small Council Districts enhance contact between residents and their elected representatives

During our phone interviews with Austin, Chattanooga and Indianapolis, we discussed how these cities address issues similar to those facing Nashville, without infringing on the above values. We believe that Nashville should consider some of their approaches as “best practices” in the areas of in-take processing, enforcement, data analytics and ways to be proactive in anticipating problems. Senior Metro management has told us of the willingness to invest in improving the Department’s capabilities. Our peer interviews identified several approaches that Nashville should consider.

a. How peers accomplish the same goals

We show below comments we received from other cities. We have highlighted the areas that we believe represent “best practices” that Nashville could consider:

Table 10 – Results of Peer City Interviews

City	Observation/Finding	Best Practice
Austin	<ul style="list-style-type: none"> Police do not regularly respond to noise complaints Short-term rental properties do not generate many complaints Short-term rental ordinances are under review and may change Short-term rentals do not pay hotel/motel tax 	<ul style="list-style-type: none"> All complaints come through the Austin 311 system with 311 routing appropriate issues to the Department of Code Compliance They use an Administrative Hearing Officer and Municipal Court. Fines are authorized up to \$2,000, but are typically in the range of \$200-\$300
Chattanooga	<ul style="list-style-type: none"> Short-term rental properties do not generate many complaints No business license is required and the city does not regulate short-term rentals per se 	<ul style="list-style-type: none"> Inspectors drive streets proactively to scan neighborhoods for violations of property maintenance codes The city uses an Administrative Hearing Officer in lieu of Environmental Court. It is faster, easier and fines are more aligned with the gravity of the offense than fines levied by Environmental Court.
Indianapolis	<ul style="list-style-type: none"> Short-term rental properties are not regulated and do not generate many complaints 	<ul style="list-style-type: none"> Fines for code violations are authorized up to \$5,000 Vendors are on retainer to cut high grass. The property owner must pay the charge of \$363 per cutting. The city uses salesforce.com to manage its call center The city has strong performance metric reports

We have included sample performance reports for Indianapolis in Appendix II.

5. Recommendations

a. Staff size (number by job title)

We believe there are several approaches to estimating how many positions the Division should add to the current 16 authorized Inspection-related positions.

i. Comparisons to other communities

As noted in a previous section, our interviews with peer communities indicated that Nashville has fewer inspectors per 100,000 population and per square mile (see Table 4).

Comparisons to other communities are useful but are not the absolute indicator for guiding Nashville because each community is different. For example Indianapolis does not license short-term rentals while the Chattanooga inspectors coordinate more with the local police department. Therefore, staffing ratios are just one way to evaluate staffing requirements.

For Nashville to increase its inspection team to the level of Austin or Chattanooga, Nashville would need to add more than 20 inspectors. Six inspectors per 100,000 in Nashville would be approximately 40 inspectors fewer than the 16 currently authorized.

ii. Loan fund

Among the reasons that people do not maintain their properties is their financial inability to do so. To this end, Metro Government may wish to consider capitalizing and operating a small loan fund. Eligibility for loans would require a notice of abatement for a violation of code and proof of fiscal need. Metro may secure the loans with a lien on the property. The typical loan value would very likely be much smaller than a commercial bank could consider and the default rate would likely be higher. Metro Government would need to confirm that the loan funds were spent to remedy the code violation.

iii. Operational review and recommendations

Since the start of this project, Property Standards filled three of its four vacant positions, including the vacant Property Standards Inspector positions. We support that. At this time, we also recommend that Metro Government increase the Division’s staffing with an **additional seven positions** above and beyond the recent filling of three vacancies:

Table 11 – Recommended Staffing Increases

Job Title		Number
Data Analyst	<ul style="list-style-type: none"> Maintain CityWorks databases, monitor Division activities and prepare internal and external reports 	1
New Property Standards Inspector positions for proactive auditing (see table below)	<ul style="list-style-type: none"> Increase proactive efforts Develop deeper team in anticipation of staff turnover 	5
New Customer Service Representative	<ul style="list-style-type: none"> Additional Customer Service Representative because of new Inspector positions 	1
Total		7

The additional inspectors would allow the Division to focus more attention on proactive monitoring of potential violations, not on reducing response time for complaints. Codes & Building Safety provided an analysis of the time needed for the initial inspection of Property Standards Violations. Nashville has about 2.35 inspectors per 100,000 population – even adding all 5 new inspectors to enhance proactive audit efforts would still have Nashville at a staff level below that of Austin or Chattanooga (both have 6 to 7 inspectors per 100,000).

We based our estimate of 5 additional Inspector positions on the need to inspect 240,000 Metro parcels each year at a rate of 2,000 per week. Using two person crews, we estimate the need for 5 positions. We believe that the additional inspectors should have the same duties as current inspectors. This will reduce the impact of turnover and provide a larger pool of candidates to replace current team leaders / managers considering retirement. Inspectors would conduct proactive duties as part of their regular assignments, not as dedicated proactive inspectors.

Our recommendation addresses the need for more proactive efforts by auditing parcels for code compliance. If problems are identified earlier, it may reduce the number of complaints. Increasing the inspectors by five should provide Property Standards with the capacity to reduce the cycle time for auditing most Metro areas that have the most complaints. Should these proactive efforts not result in reductions in complaints, Metro can revisit the staffing level and add more inspectors in the future.

During 2015, there were 12,995 new cases with initial investigations as follows:

Table 12 – Property Standards: Complaint Responsiveness

Initial Investigation	Number	Percent
Within 3 days	8,892	69%
Within 5 days	10,939	84%
Within 10 days	12,955	100%

Almost 70% of cases were investigated within three days. We believe these response times are acceptable and do not require additional staff at this time to reduce response times.

We recommend that all inspectors (Blue and Red teams, as well as the Flex team) should devote at least two days a month to proactive review of their territories to identify violations relating to building conditions, abandoned vehicles, high grass/weeds, trash, signs, graffiti, and other Code violations so that Property Standards can initiate abatement actions before there is a complaint. The Flex team is assigned to perform neighborhood “audits,” meaning proactive neighborhood patrols to look for code violations prior to citizens reporting them. An audit typically surveys approximately 2,000 parcels and takes a team of two people approximately a week to perform. At this pace, current staffing does not allow audits to happen at a sufficiently aggressive interval. This contributes to our recommendation to add inspectors to the Division.

Audits are currently a Flex Team responsibility. However, the geographic-based teams (Red and Blue) are already in neighborhoods regularly and are familiar with chronic problem addresses. One option is to fold the Flex Team staff into the Red and Blue teams, draw the geographic responsibilities of each inspector in smaller areas and make each inspector responsible not only for response to complaints, but also, for proactive inspection

b. Organization structure

Currently, Property Standards is staffed at a level that limits proactive inspections work. The Division does not have the resources to permit it to reflect on how its efforts drive results. It needs someone to organize and present data that will allow management to align resources with needs. We recommend that the new position of Data Analyst report to the Department Director and the Assistant Director for Property Standards. This person should review monthly reports with them and prepare reports to the Mayor and Council. This person would also develop recommendations about improving the use of CityWorks (e.g., codes to identify individual complaint types) and processes for transferring data from Metro Police. A key aspect of this position will be to incorporate the HOST Compliance system into the identification of unpermitted properties. This will help to close down STRPs operating without permits and will aid in collecting unremitted hotel/motel tax

revenues. That revenue is an important contribution to funding the enforcement of related codes.

c. Shifts

All Division personnel have a standard Monday – Friday daytime work schedule. Some people have suggested that staffing other shifts might make enforcement more effective. There are cases where this may be true. For example:

- Confirming that cars parked on lawns when occupants return home for the evening. If a complaint is filed on Monday at 7:00 pm, the Division could monitor that address on other days at that time.
- Confirming that the number of vehicles at an address is consistent with the occupancy limit.

Options involving night shifts and weekends were discussed during interviews. We do not recommend that Division staff be assigned to night or weekend duty because:

- Division staff are not deputized.
- We believe that night and weekend complaints would tend to involve issues over noise. Noise complaints are the responsibility of the Nashville Police Department. The Division could use Police reports for generating notices to property owners and for creating documentation that can be used in initiating administrative hearings.
- Division staff could be on call so that they can respond to requests from the Police Department. Division staff could then respond on an as-needed basis. This is the approach used in Chattanooga.
- Complaints about noise could also be reported to the HOST call center or Metro's 311 call center.

We also noted that inspection personnel are in the field from about 4 to 5 hours per day, from about 10.15am to 2.30pm. The other hours are devoted to phone calls and paper work. Field staff should have a goal of 80 percent outside the office, or 6 to 6.5 hours per day. This can be accomplished by improving the use of technology and mobile devices, and reducing some of the time spent in the office at the start and end of each shift.

d. Reports

The Property Standards Division developed a report format that could be sent to Council members. This report can be modified to reflect other data elements that we recommend be collected (see Appendix V). However, the way the Division maintains data in the CityWorks system needs to be modified to reflect the following:

- Council District is not currently collected in the on-line complaint system so addresses information is converted to District number. This requires the support of Metro’s information services department.
- Reported Violation covers many types of violations. Each violation related to an RFS and address should be identified, coded and reported individually.

Property Standards RFS Activity Report			
Date:	Council District:	Date Range of Report:	
New RFS Cases:	Number of RFS Cases (Previous year):	RFS Cases Closed (during this reporting period):	Number of Court Cases (during this reporting period – initiated / closed):
RFS Cases Activity By Category			
Abate Notices Issued:	Cases with No Violation Found:		
Open RFS Cases By Address			
Property Address	Reported Violation	Date Initiated	Status

e. Customer Service Orientation

People who report issues to the Division presumably experience some degree of frustration before taking action. An effective customer service approach will recognize not only the facts in play, but also, the emotional situation. We highlight this here because violations of law are subject to the investigative and remedial efforts governed by due process.

Having a strong customer service orientation involves prompt communication to let the party know that the complaint has been recorded and to provide updates on the status of the complaint. The online and phone complaint systems allows for inclusion of an email

address. The request for service number is provided to the party submitting the complaint so they can return to the system and inquire later about the status. A customer service orientation should include sending status updates to the complaining party so Metro is informing them of changes in the status. The online and phone complaint systems should encourage entering either email address or cell phone numbers to allow for sending of status updates as either emails or text messages.

Rarely is due process speedy, which may lead some who complain to believe that Metro Government does not care. We heard some people express that this may be the case.

The first element in timeliness is how fast the Division responds to a Request for Service. Division records show that 69% of complaints are investigated within three days. We believe that this is reasonable. Neighbors want immediate relief, but the demands of due process take time, which contributes to an impression that Property Standards is slow. That seems unfair.

In addition to speed is the concern that the service be customer friendly. While current use of automated call taking is efficient, it does not create a customer-friendly impression. Adoption of the HUB (as a 311 call center solution) will provide a more human touch. Moving at least some of the telephone traffic to a call center may help. Metro Government is evaluating the HOST Compliance software application to assist with short-term rental properties, which is paired with a call center for this purpose. We believe this has merit.

We recommend that Metro continue to encourage residents to file complaints via the Internet. The application also works on mobile devices. Complaints filed with Council members are also routed to Metro's website for filing. However, all persons wishing to file a complaint do not have access to the Internet. Metro should instruct 311 operators to also record complaints received via phone to enter these into the complaint system.

We make the following recommendations related to the filing of complaints:

- The website contains a drop-down list with 26 types of complaint options. The user can only select one. We recommend that this page be designed so that the person completing the on-line form can select more than one violation type.
- The drop-down list does not include "Noise". While Metro Police is generally responsible for noise complaints, Property Standards should ask Police to add this category be on the list so that Property Standards may document violations that may affect someone's ability to retain a permit for short-term rental of a property.
- District number is not included on the page as a data entry field. We recognize that most people will not know the district number; the application should have a look-up function where it can match the street and address to a specific district. This will help in reporting to Council members.

- The Property Standards Division should develop a protocol for explaining both to those who complain and to those who own the subject properties what the process will involve. Many people will not know what to expect from the process or how long it may take. Even if they may be able to look up the status of the item online, many do not know where or how to do that and not everyone has Internet access.

f. Codes Offender School

The goal of enforcement is not only the swift resolution of code violations, but also to create incentives to avoid being a repeat offender. To that end, Metro Government has authorized (but has yet to implement) a school for code violators. Similar to Traffic School, the goal is to avoid a harsher and lengthier enforcement process by educating violators about their responsibilities. Property Standards is seeking a contractor (RFP 960630) who can create, craft, and provide ongoing teaching/training services for property standards codes violators. A contract award is anticipated in February 2017. The Division has issued a request for qualifications and will soon review responses. The class would follow the traffic school model. Property Standards has not yet worked out the criteria for attendance but it would focus on violators who would normally end up in Environmental Court.

Council's analysis of the new ordinance (Ord. BL2015-1129 § 1, 2015), 16.24.185 – Codes Offender school - provided:

This ordinance amends the Metro code to establish a codes offender school. This school, which would be similar to the traffic school, DUI school, and the animal offender school currently in existence, would be operated under the supervision of the codes department. This ordinance would give the environmental court the discretion to order a person found to be in violation of the property standards code to attend the codes offender school in addition to, or in lieu of, any monetary fine. The purpose of the school would be to provide education about the purpose of the property standards code and the impact of violations on the health, safety, and welfare of the community. Persons ordered to attend the school would be responsible for paying a fee up to \$90, which would be used to cover the expenses of the school. The ordinance would give the codes department the authority to select a nonprofit organization or organizations to operate the codes offender school subject to approval of the council by resolution.

The Director of Finance did not sign the ordinance as to availability of funds as a result of a lack of information regarding whether the revenue generated from the class would offset the costs of the program. However, a recent letter from assistant codes director Bill Penn states that the \$90 per attendee fee should be sufficient to cover the costs, especially if each class has 12 or more attendees.

This sends a message that kinder, gentler enforcement is available in exchange for more effort to avoid future violations. However, academic evidence that traffic school reduces crashes and moving violations is very thin, so predicting how a property standards violator program might reduce future violations in Nashville is very difficult.

Whether it would achieve its aims or not, failure to implement a legislatively authorized solution creates the impression that the Division is not fully committed to Council's goal of enhancing an enforcement effort. It undermines credibility.

g. Training

Codes & Building Safety and Property Standards management should communicate expectations to all Inspectors as to the overall goal of the Division: enforcing property standards aggressively, subject to the protections of due process. It should also develop metrics for inspector effectiveness and monitor that they are met. These standards should, at a minimum, address the number of sites inspected per week and the expected disposition of those visits. Individual results may be affected by particular cases. The goal is not "gotcha," but rather, identifying how consistently people with the same job are performing, rather than trusting to chance.

While Division staff are prompt in responding to complaints, we believe the Division should also emphasize:

- Identifying potential issues before there is a complaint
- Identifying properties that do not comply with existing ordinances related to short-term rentals
- Being aggressive in properties with substandard building conditions in returning to standard

While the latter may be difficult because of the owner's age or financial situation, not addressing the situation will not help resolve the situation.

We believe that Property Standards would benefit from additional training in:

- Current statutes and ordinances
- How to categorize complaints and violations
- How to employ computers and remote devices
- Options for properties that need renovation assistance

Training on ordinances and coding would provide consistency in how violations are recorded. Again, we believe part of the problem is because of how violations are coded in CityWorks. Inspectors and the Data Analyst should define unique numeric codes for

Metropolitan Government of Nashville and Davidson County, Tennessee
 Review of Property Standards Division Staffing

violations and incorporate the unique codes into all forms and computer screens. Property Standards should not use alpha characters to combine multiple violations as it complicates reporting and analysis. As a result, many complaints are combined as “violations”.

Improved use of electronic tools could help in reducing time spent in the office. We did not review forms used by the inspectors but we believe that improved use of electronic templates and transfer of paperwork functions to in-office administrators could expedite workflow.

h. Coordination with Metro Police

Noise and parking issues are, generally, the responsibility of Metro Police, rather than Property Standards. Metro Police uses a Safety Hazard Notification (Form 271) for certain hazards and for noise complaints. This is a paper form and Metro Police sends copies to Property Standards. The following is an example from a complaint about noise. Even though the description field describes the complaint about noise, there isn't a “type” category for noise complaints.

SAFETY HAZARD NOTIFICATION REPORT M.P.D. FORM 271 <small>(CALEA 61.2.1, 66.1.6)</small>		METROPOLITAN POLICE DEPARTMENT NASHVILLE, TENNESSEE		AGENCY'S COPY	COMPLAINT NO. 2016- [REDACTED]
LOCATION OF HAZARD (ENTER ONLY ONE HAZARD PER REPORT) [REDACTED]				DATE / TIME OF REPORT 6-24-16 2350	
TYPE OF HAZARD <input type="checkbox"/> 01 ROADWAY/WALKWAY <input type="checkbox"/> 02 COMBUSTIBLE <input type="checkbox"/> 03 HEALTH <input type="checkbox"/> 04 STRUCTURAL / PROPERTY <input type="checkbox"/> 05 TRAFFIC CONTROL <input type="checkbox"/> 06 UTILITY SERV. <input type="checkbox"/> 07 RECREATIONAL <input type="checkbox"/> 08 WATERWAY <input type="checkbox"/> 09 RAILWAY <input type="checkbox"/> 10 HIGHWAY / INTERSTATE <input checked="" type="checkbox"/> 11 OTHER, DESCRIBE					
DESCRIPTION OF HAZARD / NO. 11 AGENCY'S NAME AND ADDRESS Loud party at residence, cars parked up and down street, one was blocking roadway. resident Vriscilla Little stated she would keep everyone indoors and would be quiet. The car blocking the road was moved.					
COMPLAINANT'S NAME AND ADDRESS <input type="checkbox"/> UNK. <input type="checkbox"/> REPORTING OFFICER [REDACTED]				TELEPHONE NO. RES. [REDACTED] BUS. [REDACTED]	
CORRECTIVE ACTION TAKEN BY REPORTING OFFICER <input type="checkbox"/> NONE, FILED REPORT <input checked="" type="checkbox"/> OTHER, DESCRIBE -- <input type="checkbox"/> TEMPORARILY CORRECTED, BUT, FURTHER ACTION REQUIRED BY RESPONSIBLE AGENCY. resident told to keep party quiet					
REPORTING OFFICER'S NAME (PRINT) [REDACTED]		EMP. NO. [REDACTED]		APPROVING SUPERVISOR'S SIGNATURE [REDACTED]	
COMPLETE MAILING ADDRESS SECTION ON REVERSE SIDE OF ALL COPIES					

THIS REPORT IS TO BE COMPLETED ONLY WHEN IMMEDIATE CORRECTIVE ACTION IS NOT REQUIRED BY RESPONSIBLE AGENCY.

The problems with this process are:

- Noise and parking are not listed as options under “Type of Hazard.” Verifiable complaints may ultimately allow revocation of a permit for a short-term rental property, but this lack of coding makes it harder to document that.
- Property Standards gets the physical notices, not an electronic file. This makes it painfully difficult to match the offenses to addresses in a way that would support appropriate remedies against a chronic offender.

Since Metro Police is generally responsible for responding to noise complaints, we believe that Property Standards should:

- Contact Metro Police asking it to modify Form 271 to include Noise and Parking as violation types and
- Provide all such reports to Property Standards in electronic format.

These changes may involve Police computer system modifications and training materials. Property Standards should compare all notices to its short-term rental file and track the number of violations by address so it can initiate permit suspension proceedings when warranted.

i. Language needs (esp. Spanish)

Approximately one-third of the children in Nashville's public schools do not speak English as a first language. (The Tennessean, *Nashville Schools have Thousands of ELL Students*, November 14, 2015) Two-thirds of this group arrives at school with Spanish as a primary language. While the schools work to develop English fluency, there is still a need for services in languages that students can understand so that they can become successful in learning English.

This suggests that for services of Metro Government to be available to all residents, there is a need for Metro employees to be able to communicate with residents. The Division has one employee fluent in Spanish and another with conversational skills. The Division should have at least one Customer Service Representative and one Inspector on staff that is fluent in Spanish.

j. Balancing reactive (complaint-driven) and proactive efforts

Property Standards Division receives Requests for Service in a number of ways. The Division then logs the RFS into CityWorks and assigns the incident to one of its three teams for follow-up.

We recommend that the Division designate at least two days a month for each field staff to drive through two Districts (1 day per District) to identify property issues that should be logged in and addressed. We anticipate that this process would identify properties with high grass and weeds; junk, debris and trash; abandoned vehicles; graffiti; and other observable issues.

We believe this process can have several advantages:

- The Division can proactively identify problems, instead of waiting for a citizen complaint
- The Division will be visible to the public

k. Change the Process for High Weeds and Grass and Abandoned Vehicles

i. High Weeds and Grass

During our interviews, Division staff indicated it asks the Department of Public Works to mow lots that have violated the standard for high grass/weeds. Public Works has two crews that mow in the public right-of-way and on lots for which Metro is responsible. The Public Works crews will not normally mow on private property. According to Metro Procurement, Metro has a contract with a landscaping vendor to mow Metro property, typically large tracts of land. The vendor has subcontractors. Depending on satisfying legal standards, Metro should consider having this vendor available to mow properties that are the subject of high weed / grass complaints.

We recommend that Property Standards implement a work order process within CityWorks or Hub / 311 whereby it requests that Public Works coordinate mowing within a specific timeframe. The work orders could be initiated through Hub / 311 or by the Inspector identification of neighborhoods during the March – November growing season. If Public Works can use its own crew to meet the standard it should perform the work by Metro staff. If Public Works cannot meet the deadline, it should refer the work order to one of its vendors. If a vendor does the work, Public Works should forward the invoice to Property Standards for payment. Property Standards would then place a lien on the property if the invoice were unpaid after 90 days.

ii. Abandoned Vehicles

Handling of parked vehicles is the responsibility of Metro Police or Property Standards, depending on the circumstances. The authorizing rule is in the Metro Code as Title 12.08.210, Ordinance No. BL2002-1128. Code defines an “abandoned vehicle” as more than four years old and left unattended on public property for more than ten days, or in an obvious state of disrepair and left unattended on public property for more than three days.

Property Standards (Codes & Building Safety) is responsible for cars parked illegally on private property (even if tags are valid) and the towing of abandoned vehicles. We understand that the process involves several weeks, if not months, for Property Standards to remove a vehicle. A private firm then tows the vehicle and the vehicle is immediately crushed and sold as scrap. In Metro, there were almost 800 complaints about abandoned vehicles in 2015.

Metro Police is authorized to tow vehicles in the public right-of-way if the vehicle tags have expired. Absent a parking violation or registration issue, all other vehicles considered “abandoned” are a matter for Property Standards.

We recommend that Metro streamline this process by authorizing removal of a vehicle within one week of the complaint being filed and Metro satisfying the waiting periods. Metro would retain a firm to *store* (as opposed to demolishing) the vehicle for up to 90 days. Metro would notify the registered owner of the vehicle of the tow and where the vehicle was stored. After 90 days in storage, the tow company could dispose of the vehicle. Metro should establish standards for how it determines if the vehicle is in an “obvious state of disrepair” (e.g., burned, no tires, broken windows, out of date registrations, etc.). According to Metro Purchasing, Metro currently has a contract in place with United Towing for management of the tow-in-lot. Codes should initiate contact with Purchasing to investigate whether this is a feasible option under that contract.

I. Enacting an Administrative Hearing Officer in Lieu of Environmental Court

Tennessee law permits Environmental Court to levy a fine of only \$50, which is meaningless when compared to the revenue a landlord can earn from a short-term property rental. There is a possibility of a fine of \$50 per day (limited by state law), but the rules of evidence are daunting. For example, to get a fine for each day a property is advertised as available, the plaintiff must prove that the property was advertised for each day. Demonstrating that it was advertised only on the first and last days of a period does not meet the evidence standard of proof of each day advertised. According to the Department of Law, however, the evidentiary standards needed for a court proceeding are generally more stringent than those normally needed in an administrative remedy.

Metropolitan Government of Nashville and Davidson County, Tennessee
 Review of Property Standards Division Staffing

Codes & Building Safety provided the following 2015 data on complaints by type:

Table 13 – Property Standards: Complaints by Type

Type	Number
Violations	10,431
Short-Term Rentals	13
High Grass	3,222
Abandoned Vehicles	782
Graffiti	61
Junk, Trash, Debris	3,570
Demo Case	75
Repair Case	30
Illegal Use	63
Total	18,247

Very few of the complaints about violations result in hearings (citations) before the Environmental Court. For comparison, the Circuit Court Clerk provided a report of citations written for code violations in 2016 (through October 31st). It includes citations for the following violations:

10.26.010 High Weeds and Debris	16.24.330 Exterior Property Areas
10.28.010 Excessive Growth/Debris Prohib	16.24.340 Exterior of Bldg and Structure
10.32.120 Storage and Disposal of Garbage	16.24.440 Water System Requirements
10.32.130 Accumulation of Garbage	16.28.010 Building Permit Req.
10.32.140 Building Materials on Premises	17.32.050 Prohibited Sign
10.32.160 Stagnant Water	20-01-141 Accumulation of Trash - No longer a valid code)
16.24.320 Unsafe Vacant Building	

The number of citations is presented in the following table:

Table 14 – Environmental Court: Citations First Ten Months of 2016

	Dismissed	Dismissed with cost	Dismissed – no service	Exterior Property Area	Failure to Appear	Guilty	Retired	Blank	Total
16.24.330 Exterior	20	22	32		5	12	3	7	101
16.24.340 Exterior	1	1	2						4
16.28.010 Building permit required								1	1
17.32.050 Prohibited sign						3			3
20.01.141 Accumulation of trash						1			1
16.24.330 Blank				1					1
Total	21	23	34	1	5	16	3	8	111

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

There were 111 total citations. Of these, 101 were for violations falling under section 16.24.330, “Exterior Property Areas.” During our meetings with Council members, several mentioned resident complaints concerning trash and weeds. The Referee indicated that the majority of cases from Property Standards involve matters related to trash, high grass / weeds, improper usage, and parking. He commented that the cases are documented and that inspectors do a good job of preparing cases.

The Circuit Court Clerk provided the Warrant and Citation dockets for a recent session. The Warrant docket had 57 cases but the report did not include a complaint type (cause). The Citations docket had 128 cases. The complaints were:

Table 15 – Citations Docket – Recent Session

Type	Number
Animal related	60
Alarm related	47
Noise	17
Certificate of compliance	12
Marijuana and paraphernalia	8
Exterior	6
Causes listed on citation	5
Total	155

We believe that the large difference between the numbers of Requests for Service compared to Cases may be attributable to:

- Effectiveness of abatement notice process within Property Standards, and/or
- Reluctance of inspectors to issue warrants

We learned of the Administrative Hearing Officer (“AHO”) option from Chattanooga. When we mentioned it to Metro Nashville staff, we learned that Nashville has two such positions authorized in its Metropolitan Code of Laws, Section 2.20.130.B. Metro’s Law Department advises that according to Section 2.20.130.A, the option to utilize the AHO process is at the discretion of Codes & Property Standards. The Director of Codes & Building Safety supports the Administrative Hearing Officer option. This will require the support of Metro policy makers.

A Referee hears most Property Standards cases brought to Environmental Court. The Judge hears cases too but these are primarily appeals of the Referee’s rulings and involve animals, not building violations.) The Referee hears cases related to health issues and taxis, as well as those brought by Property Standards. According to the Department of Law, the Environmental Court Judge currently holds a session each month to hear Environmental Court cases on appeal from the Referee. While this session has, generally, been limited to

three cases per session, the Judge has expressed a willingness to hear more cases per session, as needed.

m. Performance Metrics

Problems change over time and it is important to identify trends in types and locations to allow the Division to react by adjusting training, staff levels, assignments, and processes.

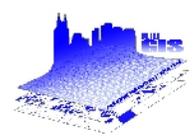
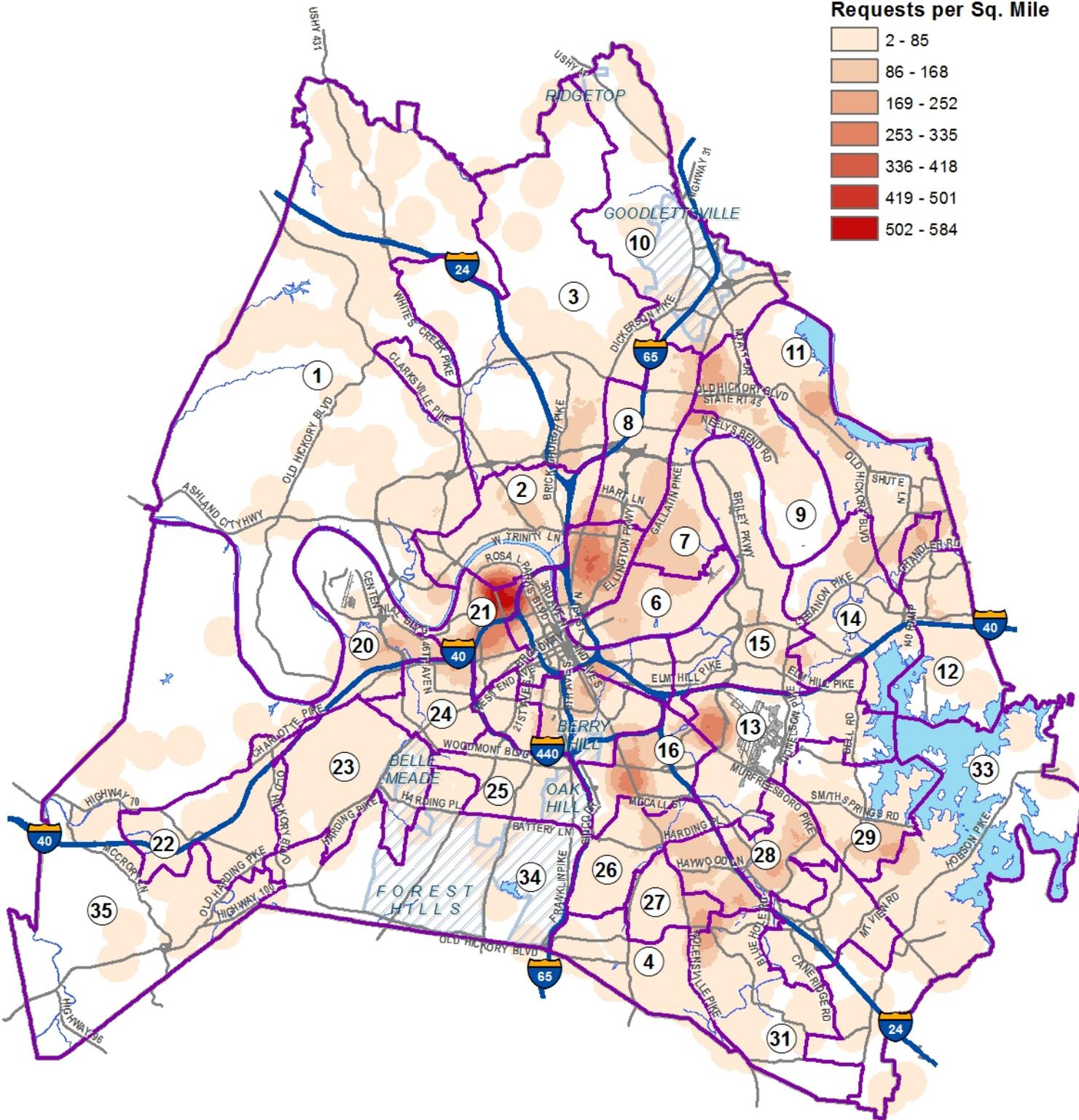
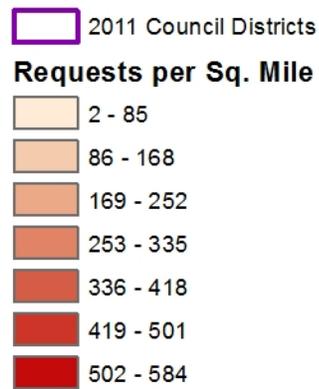
From our interviews with division management, we believe that it is currently difficult to report on complaints by type of incident because some of the data is entered as text fields, so it is not sortable by complaint type. In Appendix II, we have included dashboard reports from the City of Indianapolis. These reports are released weekly to show the number of incident reports by source (e.g., 311, mobile device, department), and complaint type (e.g., trash). We recommend that Metro have high-level summary reports like these but more robust reports that will provide management tools to track staff effort, time to first investigation, District and status as short-term rentals. Having the above data elements resident in CityWorks will give the division greater capability to report on its activities and manage its operations.

Appendix V contains a list of the elements we recommend Property Standards Division record. The Division can then use the above data elements to develop standard weekly or monthly reports that can be sent to appropriate Council members, the Mayor's Office and public websites to report on activities in individual Districts. The data can be used within the Division to monitor staff activity, elapsed days from creation of a system record to initial investigation, and type of complaints.

Appendix I

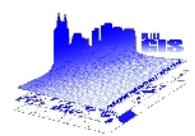
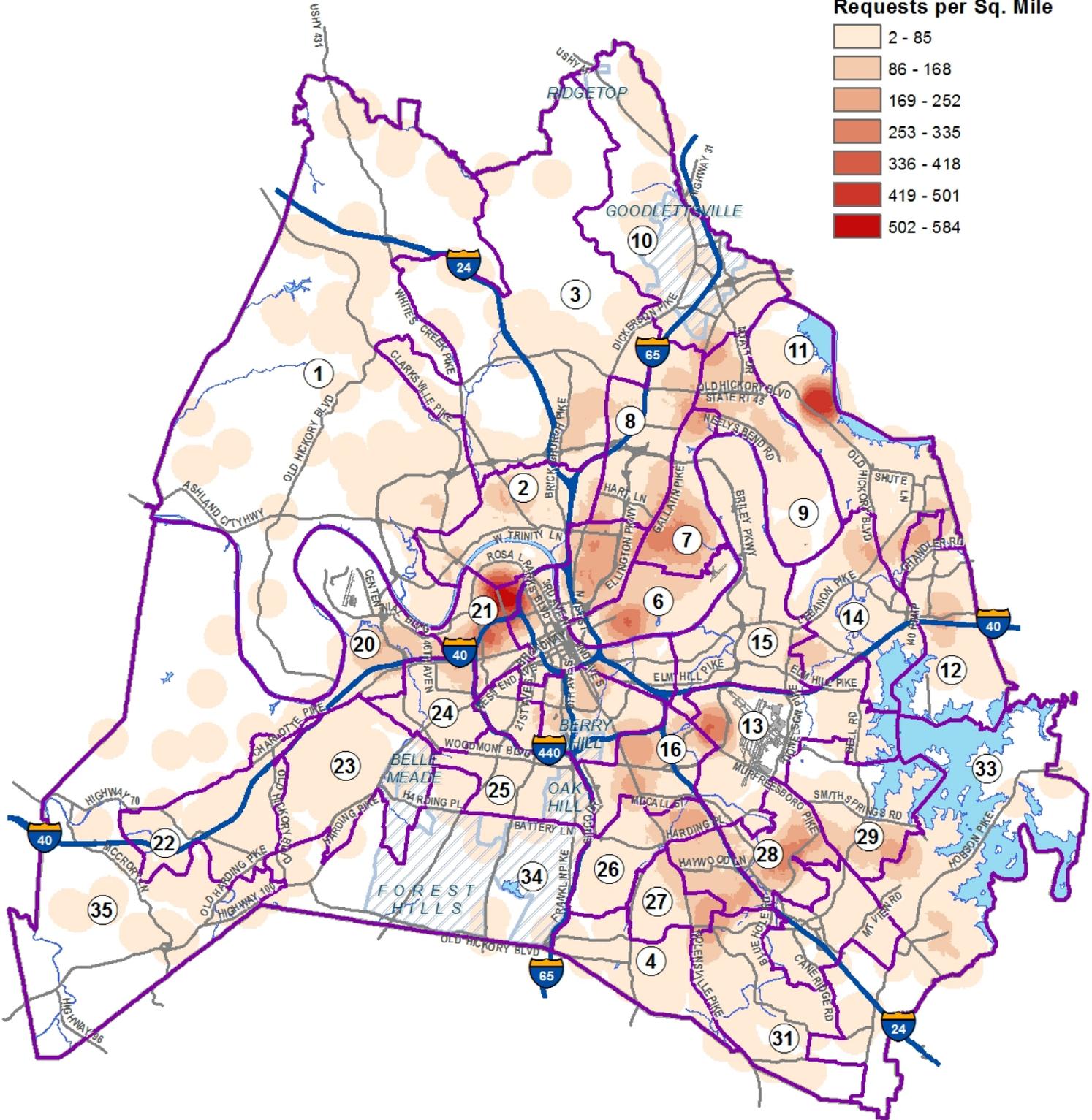
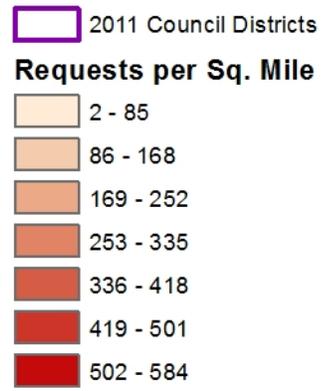
Requests for Service Maps

Requests for Service Density 2014



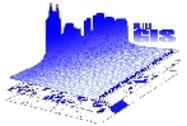
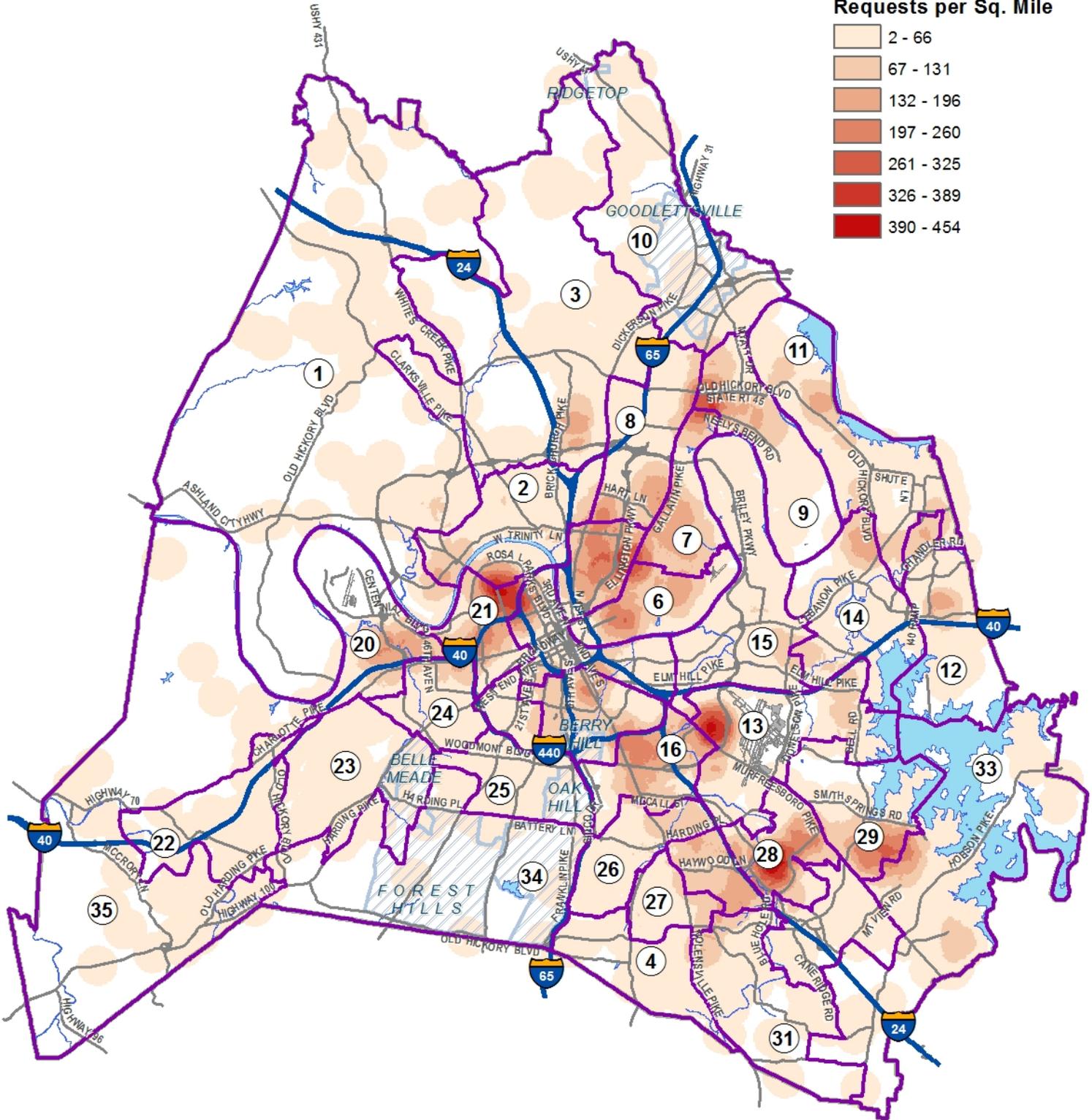
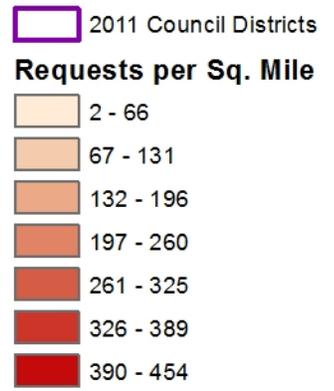
Date: 11/18/2016

Requests for Service Density 2015



Date: 11/18/2016

Requests for Service Density 2016 (Thru October)



Date: 11/18/2016

Appendix II

Indianapolis Charts

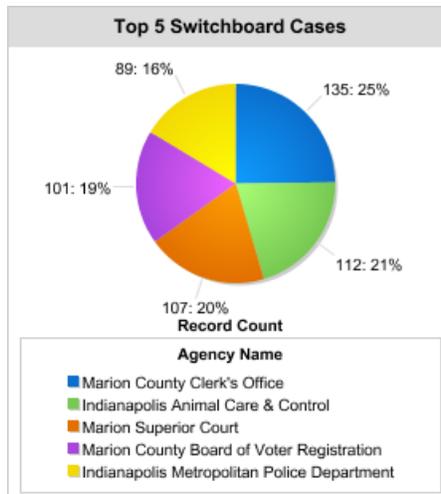
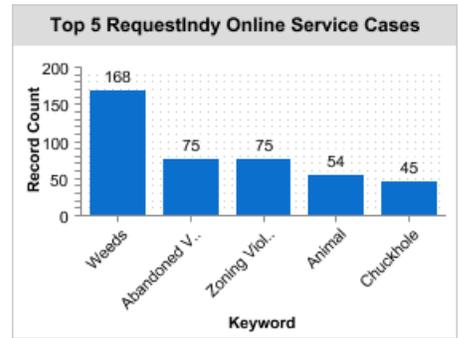
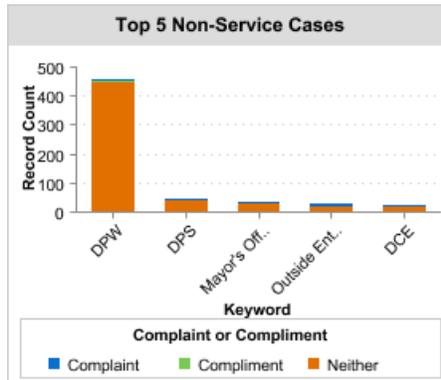
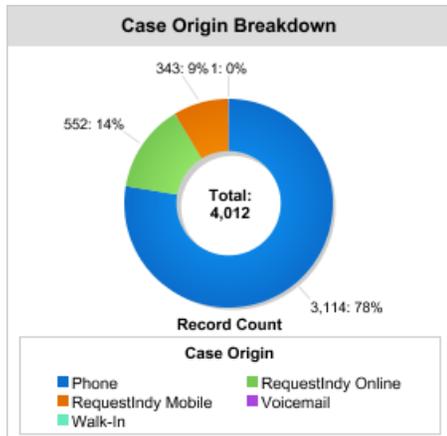
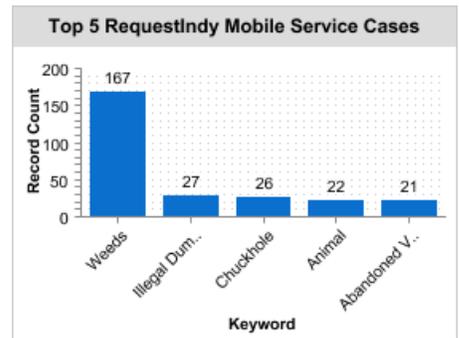
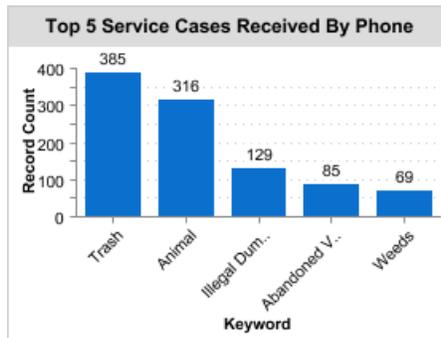
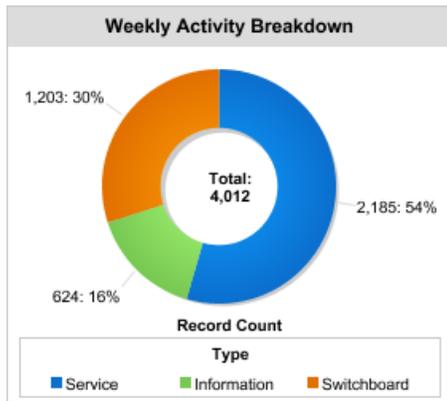
Madison, Brian D.

From: Ortman, Amanda
Sent: Monday, October 17, 2016 7:05 AM
To: Kelly, Stephanie; Rowland, Michael; Ortman, Amanda; Robinson, Katie
Subject: Dashboard: Prior Week Report As of 10/17/2016 7:04 AM

Follow Up Flag: Follow up
Flag Status: Flagged

Prior Week Report

As of 10/17/2016 7:04 AM



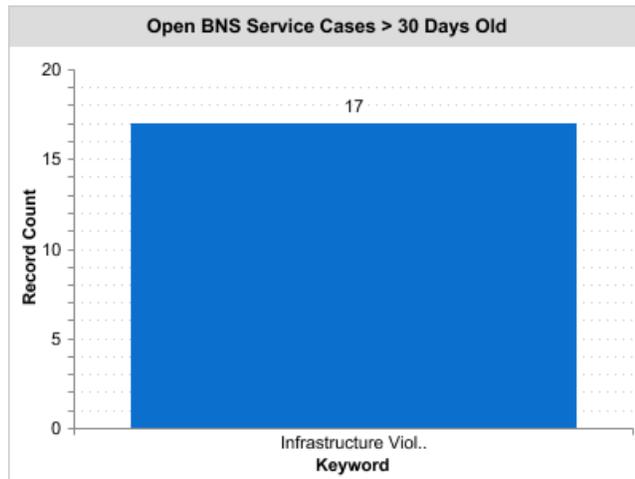
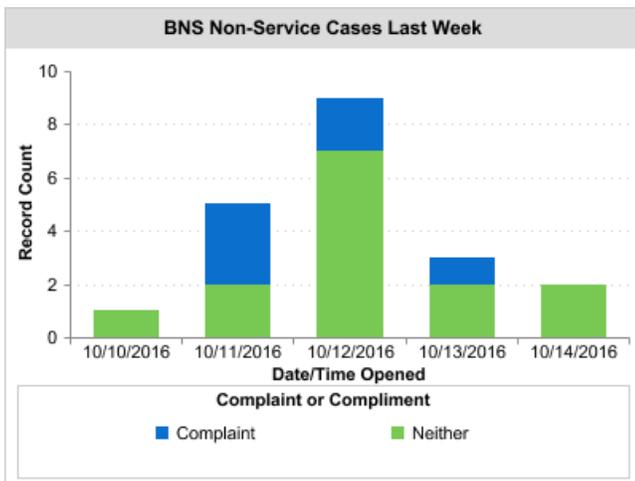
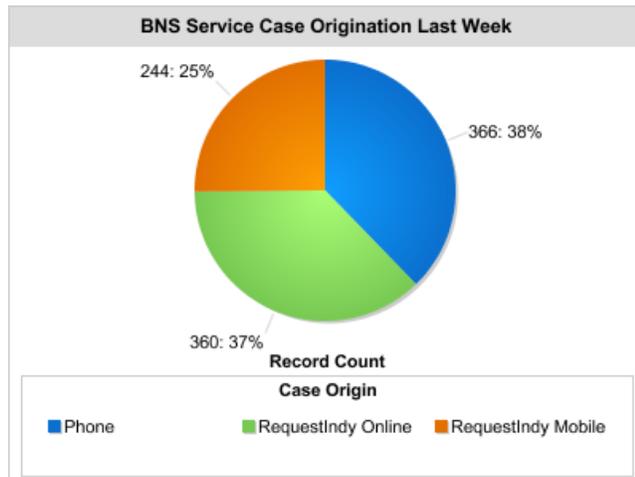
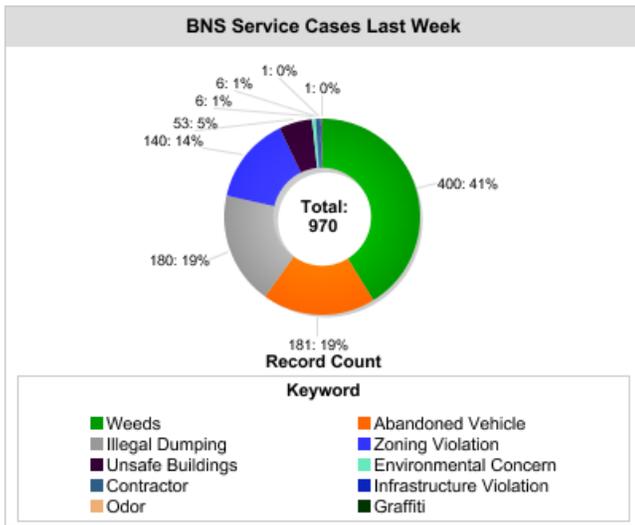
Madison, Brian D.

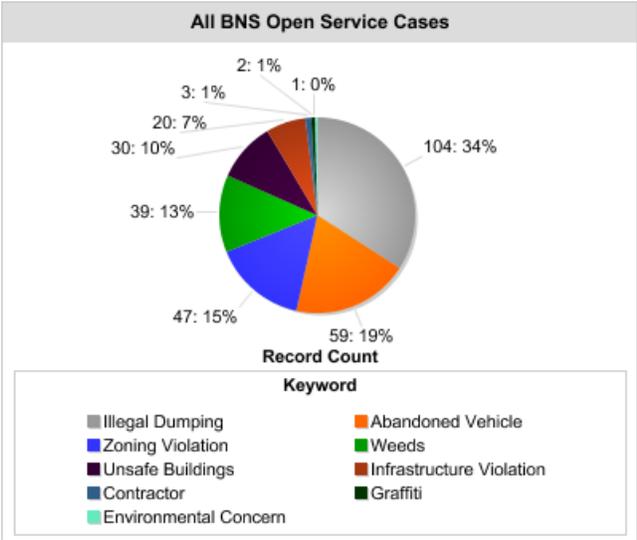
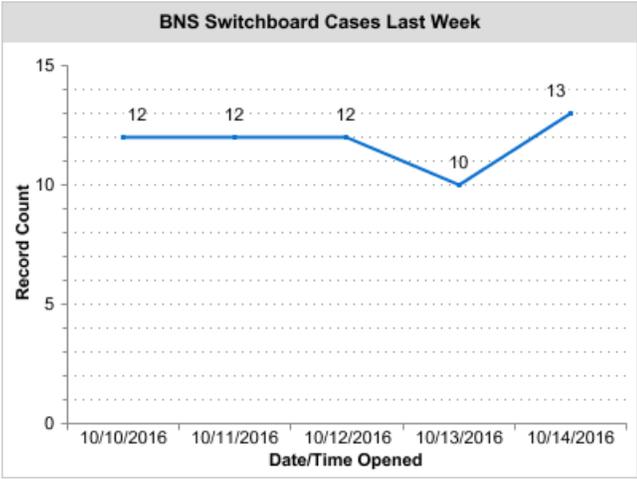
From: Ortman, Amanda
Sent: Monday, October 17, 2016 2:30 AM
To: Ortman, Amanda
Subject: Dashboard: BNS Dashboard As of 10/17/2016 2:29 AM

Follow Up Flag: Follow up
Flag Status: Flagged

BNS Dashboard

As of 10/17/2016 2:29 AM





Appendix III

List of Interviews

List of Interviews

Metro

Mayor Megan Barry
Ricky Rooker – Circuit Court Clerk
Joseph Woodson – Mayor’s Office, Metro Council Liaison
Talia Lomax-O'dneal – Finance Director
Terry Cobb – Director of Codes & Building Safety
Bill Penn – Assistant Director of Property Standards Division
Tom Eddlemon – Finance Department, Treasurer
Piper Jones – Finance Department, Collections Office Supervisor
Margaret Darby - Department of Law
Susan T. Jones - Department of Law
Bill Herbert – Zoning Administrator
Greg Stiles – Property Standards
Christine Gibson – Property Standards
Wayne Denton – Property Standards
Ron Mitchell – Property Standards
Hon. Allegra Walker, Judge Environmental Court – General Sessions Court
Donna Liles – Property Standards
Sgt. Michael Fisher – Metro Nashville Police Department
Jim Todd, Environmental Court Referee – General Sessions Court
Sharon Wahlstrom, Department of Public Works - Finance
Jeff Gossage, Department of Finance - Procurement

Metro Council Members and Staff

Burkley Allen
Freddie O’Connell
Colby Sledge
Nancy VanReece
Bob Mendes
Brett Withers
Sam Coleman
Suzanne Abel
Brandon Burnette

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

Other

Nashville Neighborhood Alliance (5 representatives)

Terry Clements, VP Government & Community Relations Nashville
Convention and Visitors Corporation

Ulrik Blazer, CEO HOST Compliance

Jillian Irvin, Airbnb Public Policy Director

Chris Lehane, Airbnb Government Relations for Southeast Region

Matthew Curtis - HomeAway Senior Director, Global Government Affairs and Public Policy

Ashley Hodgini - HomeAway Government Affairs Manager, Southeast Region

Indianapolis: Brian Wilson – Business and Neighborhood Services

Chattanooga: Donna Casteel, Division director for Inspections

Hamilton County: Greg Jones, Code Inspector

Austin: Donald Birkner – Code Enforcement Division

Appendix IV

Property Standards Division Complaint Processes

Property Standards Division Complaint Processes

The investigation of potential violations of the Metro Code begins with reports from various sources. Since there is no centralized process for the intake of complaints, we do not have data on how each complaint came into the system. Complaints are routed through Council members, the Police Department, 311 calls, the Codes & Building Safety website, and emails to the Mayor and Property Standards Division.

Once Property Standards receives a complaint, the sequence of events in this process is below.

Request for Service: Someone (citizen, Council member, Metro employee or member of Property Standards Division) notes what he or she believes to be a violation and reports it. The existence of multiple channels is a challenge that our staff has brought to Metro Government's attention before.

Requests may initiate from:

1. Direct citizen request
2. Council Member request, often initiated by citizens
3. Referrals from other Metro staff
4. Field observations by Property Standards staff

The requests may reach Property Standards through the following channels:

1. Phone calls to Property Standards
2. Reports online to the Property Standards customer service desk, located at <https://www.nashville.gov/Codes-Administration/Property-Standards/Code-Enforcement/Report-A-Codes-Violation.aspx>
3. Emails or handwritten notes
4. 311 requests referred to Property Standards

While it may seem appealing to offer many ways to get help, it is also confusing. We asked Council Members if they knew if citizens tried to get their problems solved directly with Property Standards before calling Council. They said that they do not always know, but that it can be confusing to know how to ask for help and that citizens assume that a Council Member will be able to cut through the red tape. Property Standards might take this as a useful piece of advice on how to streamline the customer service experience.

Assignment: The Property Standards Division Customer Service Division logs the Request for Service in CityWorks (a vendor-supplied platform that manages, assigns and tracks

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

work orders). CityWorks uses the address of the Request for Service to assign the matter to an inspector with geographic responsibility for the location of the complaint.

Before proceeding to an inspection, there may be additional research required. A report of an unregistered short-term rental property requires someone to verify if the property is registered. If so, the complaint would be unfounded and it would not be appropriate to visit the site. For a high weeds/grass complaint to be valid the vegetation has to exceed a certain height. Abandoned vehicles must meet specific criteria, such as the number of broken windows.

Field Inspection: An inspector visits the site to assess if there is a code violation. If not, the allegation is classified as “unfounded” and the matter is documented as resolved. If so, the inspector issues a Notice to Correct Violation. The Notice describes the finding and indicates a date by which the violation must be abated, either by ceasing the behavior, cleaning or repairing the property or explaining why the owner believes the Notice to be in error.

The Division provided data on how long it takes before there is an initial investigation of a complaint:

Percent of New Cases Investigated within	2013	2014	2015
3 days	67%	67%	69%
5 days	83%	84%	84%
10 days	100%	100%	100%
Number of New Cases	13,342	11,923	12,955

There have been suggestions to increase staffing of the Property Standards Division to respond to requests for service outside of standard daytime business hours. Property Standards has coverage for weekends and evenings, but the issue would be whether that is enough. In some cases, this would not provide immediate relief to a party seeking it, since the due process associated with the Code is not one where remedies are reached on the spot. However, it may be helpful in collecting evidence of violations to improve the chance of prevailing in court. This would be a hit and miss proposition, since noise and behavioral complaints are the responsibility of Metro Police. Other violations would, in most cases (e.g., high grass, abandoned vehicles, junk, trash and debris) still be visible the next day. If these conditions were not visible the next day, it may well be that the complaint was unfounded or resolved without intervention by Metro staff.

Hearing: Violations are referred to Environmental Court for adjudication. Each party makes its case and the judge or referee determines the disposition.

Metropolitan Government of Nashville and Davidson County, Tennessee
Review of Property Standards Division Staffing

Tennessee law permits a fine for non-compliance, but only for \$50 per incident per day. It may be possible to define an incident as each day that the violation exists, but the court has held the remedy to a high standard of evidence. For example, if Metro Government can prove a violation in effect on the first and last days of a period, the courts will not presume a violation existed in the intervening days.

It would be fair to say that Metro Government does not seek to collect significant fines, but only to have remedies that will incentivize desired behaviors. That does not appear to be the case. Some problems have abated over time, such as abandoned vehicles, which happen much less frequently than they once did. However, for short-term rental properties (including those not authorized to rent at all), the rental market is so lucrative that the fines do not have much impact on behavior. Our interviews revealed reports of landlords charging as much as \$10,000 per weekend for a short-term rental. In that situation, a \$50 fine is not meaningful.

Appendix V

Data Management Reporting Elements

Data Management Reporting Elements

We recommend that Property Standards seek to record the following data in the CityWorks system. This data will allow for improvements to management reporting and performance monitoring.

- Date complaint or incident entered into CityWorks
- Date complaint or incident reported to another Metro agency (e.g., Council member, Mayor's Office, 311 system Police Department, etc.)
- Date complaint or incident reported to another agency
- Reason(s) for complaint (codes need to be established for each type of code reported)
- Date assigned for Division investigation
- Determination of status as a short-term rental property
 - Is this property permitted as a short-term rental
 - Is this property operating as a short-term rental
- Address (number, street, unit)
- District
- Team assigned to investigate (e.g., Red, Blue, Flex, other)
- Person assigned to investigate
- Date of initial investigation
- Investigators findings (check boxes for):
 - Type of complaint
 - Complaint valid (yes or no)
 - If complaint valid:
 - Recommended for follow-up (describe type of activity)
 - Recommended for Environmental Court
 - Recommended for Administrative Hearing
- Reinspections required (Yes/No)
 - Date
 - Inspector
 - Code for reinspection (e.g., another complaint, 30-day follow-up, etc.)
- Referrals to Environmental Court or Administrative Hearing
 - Case number
 - Date referred
 - Result (e.g., abatement, fine, etc.)