Landlord Licensing

This tool would require landlords of residential properties to apply for and receive a license as a stipulation of operating and maintaining non-owner occupied residential units in the City.

**For NYC:**

**POLICY OBJECTIVE:**

The primary objective of a NYC landlord licensing policy would be to provide the framework and funds necessary to proactively monitor and track all residential rental units in the City. The license is designed to provide oversight of landlords and to ensure that landlords and their agents have a working knowledge of the laws governing the management, operation, maintenance and sale of rental housing property and tenants' rights.

**HOW MIGHT IT WORK?**

A Landlord Licensing policy would require all NYC residential property owners to register with the City and to pay a per-apartment fee. An exemption could be made for buildings with four or fewer residential units where the owner occupies at least one unit. The licensing fee would go towards regular proactive inspections of all residential apartment buildings in the city. The license fee must be paid in full prior to the issuance of a Department of Buildings permit or awarding of Department of Housing Preservation and Development financing or awards. The fee could not be prorated or waived.

**WHO WOULD BENEFIT?**

Renters in residential units in all of NYC’s 2,184,200+ residential rental units, both regulated and non-regulated housing stock, would benefit from this policy.
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HOW WOULD IT BE ENACTED?
Landlord licensing legislation has been discussed at the City level, but the policy may require State authorization.

HOW WOULD IT BE ENFORCED?
The Licensing System would be created and monitored by the NYC Department of Buildings and the NYC Department of Housing Preservation and Development
The fee would be collected by the NYC Department of Finance as part of the building’s annual property taxes.

WHAT IS THE FEASIBILITY FOR ACHIEVING THIS IN NYC?
Potential Proponents:
- Regulated and un-regulated renters
- Community-based organizations
- Vulnerable populations no eligible existing rental assistance programs.

Potential Opponents:
- Rent Stabilization Association
- Real Estate and Property Managers
- Middle- and small-scale landlords and real estate developers

Challenges:
- May require State authorization
- Demands licensing fee be significant enough to cover the costs of both a landlord licensing system and proactive enforcement.
- Elected officials in low-density areas may be opposed to a licensing law for their smaller scale rental housing stock.

WHO’S INVOLVED?
Urban Justice Center Community Development Project
Landlord Licensing

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Example Policies:

HOW DOES IT WORK?
Toronto’s law requires property owners to register with the City and to pay a per-apartment fee that goes towards regular proactive inspections of all residential apartment buildings in the city. Minneapolis’ law requires all rental dwellings, including single-family rentals, rental units in owner-occupied duplexes, and rental rooms, to have a rental license.

WHO BENEFITS?
Stock: In Minneapolis, the policy applies to all buildings with rental units, including rental units in owner occupied buildings. In Toronto, it covers approximately 3,300 apartment buildings of three stories or higher and with 10 units or more.

This policy imposes an annual $8 to $15 per-unit administrative fee. These fees cover the cost of the licensing system and are then used to proactively enforce expanded renters’ rights that were enacted under the same legislation.

HOW WAS IT ENACTED?
Minneapolis enacted its Landlord Licensing bill in 1991.

Toronto’s bill was passed in 2016 despite heavy lobbying in opposition by real estate interests.

HOW IS IT ENFORCED?
In Minneapolis, the law is enforced through the Department of Housing & Fire Inspections.

In Toronto, the law is enforced through the RentSafeTO: Apartment Building Standards Program.