

FAQs: Cleveland Local Agent in Charge (LAIC)

RE/MAX Haven Property Management, www.rentcle.com

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Resources

We strongly recommend you review the following resources to become fully acquainted with the new requirements of the *Residents First* legislation as these will answer many questions:

- Residents First Webpage
 - Residents First Legislative Package
 - Ohio County Map for Cuyahoga contiguous counties
- Rental Registration Webpage
 - Residents First Rental Registration Process for Landlords
- Penalty for not registering per Cleveland Housing Codes:



o 367.99 - "Whoever violates any provision of this Housing Code for which no other penalty is provided or any rule or regulation promulgated thereunder or fails to comply with this Housing Code or with any order issued shall be guilty of a misdemeanor of the first degree. Each day of a continuing violation shall be deemed a separate offense."

Q: Why do I need a Local Agent in Charge (LAIC)?

A: In April 2024 Cleveland passed new legislation called the Cleveland Residents First Initiative. There are a number of new responsibilities for landlords, one of those is to appoint a Local Agent in Charge. This agent must be a person and live in Cuyahoga county or a contiguous county, or you may be your own agent if you live in Cuyahoga county or a contiguous county.

Q: If this was passed in April 2024, why am I hearing about it now?

A: While the law was passed, the rules (still not 100% complete), forms and related items only became available mid July. At that time the management team at RE/MAX has had extensive talks with three attorneys and a number of competitors to interpret the law/rules and how best to comply with the new law/rules. The information is being shared as quickly as possible.

Q: What are the responsibilities of a LAIC?

A: The LAIC shares joint responsibility with the owner for maintenance and upkeep at the property. Any civil fines or criminal citations may be assessed to LAIC in addition to the owner.

Q: What if I do not appoint a LAIC?



A: The LAIC is required to obtain a Rental Registration. Not obtaining a Rental Registration is punishable by law, per <u>Cleveland Housing Codes</u>: <u>367.99</u> - "Whoever violates any provision of this Housing Code for which no other penalty is provided or any rule or regulation promulgated thereunder or fails to comply with this Housing Code or with any order issued shall be guilty of a misdemeanor of the first degree. Each day of a continuing violation shall be deemed a separate offense."

Q: Am I required to use David Terbeek of RE/MAX as my LAIC?

A: No. You have these 3 options to comply:

- A. You live in Cuyahoga County or one of its contiguous counties and therefore can be your own LAIC for all of your rental properties.
 - a. If yes you must:
 - i. <u>Complete this form</u> with your notarized signature and <u>submit to the City</u> <u>per their instructions</u> with a copy of your valid ID.
 - ii. Hit "decline" when you receive the DocuSign from us.
 - iii. We will then remove the LAIC management fee(s) in your account.
- B. You do not live in Cuyahoga County or one of its contiguous counties BUT you have someone who does and who consents to being your LAIC for all of your rental properties.
 - a. If yes you must:
 - i. <u>Complete this form</u> with both of your notarized signatures and <u>submit to</u> the <u>City per their instructions</u> with a copy of both parties' valid ID.
 - ii. Hit "decline" when you receive the DocuSign from us.
 - iii. We will then remove the LAIC management fee(s) in your account.
- C. You do not live in Cuyahoga County or one of its contiguous counties, and you do NOT have someone who does and can be your LAIC, and therefore you need David Terbeek, Founder of Re/Max Haven Property Management, to become your LAIC.
 - a. If yes you must:
 - i. Complete & Submit the DocuSign the LAIC form we sent you via email
 - ii. Fund your account for the \$500 LAIC annual fee charge(s).

No matter which option you choose, it is critical to complete this as soon as possible to



ensure compliance as the City can enforce legal and/or financial ramifications.

Q: Why is there a fee for the LAIC, isn't this part of the management company's responsibility?

A: This legislation has two provisions: 1) A management company may not be a LAIC, it must be an individual 2) The law as written, makes the LAIC individual personally liable for maintenance, civil fines, and criminal prosecution.

These requirements are all above and beyond our existing management agreement and management scope as these requirements are new and a previously unknown responsibility.

Q: Is this law and the LAIC provision permanent?

A: We anticipate that there will be litigation to have the law, or specifically this provision, either removed or drastically altered. There are a number of trade groups, large operators and our company itself that plan to file legal challenges once the first fine or criminal prosecution is initiated by the city against an LAIC. Attorneys that we have spoken to agree that attempting a pre-emptive lawsuit will be much more difficult then after an action is taken by the city.

Q: Why didn't I receive a Docusign for my property(s)

A: There are several possibilities:

- a) The most likely answer is that the property is not currently lead compliant. We do require active Lead Certification for each property before we can become the LAIC. Please work with your Client Success team to ensure compliance.
- b) The Docusign went into your SPAM folder or did not get delivered for any other reason, we would be happy to resend it.



c) If the property is not in the city of Cleveland itself, this form is not needed.

Q: I've reviewed this FAQ Document and the email sent but I still have questions - what do I do?

A: If you have questions specifically regarding the legislation, penalties, property registration, or upcoming changes - given that we only know as much as the City has provided us via the documentation enclosed - if you have any questions or concerns regarding property registration and the upcoming changes, please contact the Department of Housing, Records Administration at (216) 664-2825. Or via email at Bhrental@clevelandohio.gov.

If you have any questions specific to the DocuSign we sent you for David Terbeerk to be your LAIC; or the annual fee process - please reach out to your Client Success Team (formerly known as "CRM Team").

Q: I already paid for lead repairs, why haven't I received my LAIC paperwork yet?

A: If repairs have been completed, we are pending lead inspection or re-inspection. This is just a reminder that if you have not already approved, funded for, or scheduled the repairs - please do so. If they are done, you can disregard and look out for your LAIC paperwork once the inspection takes place and passes.

Q: I thought we were already working on repairs, why am I getting notification that I don't have lead clearance to assign an LAIC?

A: If repairs have been completed or are in the process of being completed; we are pending lead inspection or re-inspection. This is just a reminder that if you have not already approved, funded for, or scheduled the repairs - please do so. If they are done, you can disregard and look



out for your LAIC paperwork once the inspection takes place and passes. Please keep an eye out on your owner portal under the Maintenance tab to review updates in any open or previous work orders.

Q: Any action needed on my end here?

A: If you are already actively working on lead related repairs to prepare the property for inspection or re-inspection, no further action is needed. If you have been provided a quote for those repairs, please approve and fund so we can ensure repairs are completed as soon as possible for testing and re-inspection. If you do not have an open work order in your portal for these repairs, please request this repair work from your Client Success team.

Q: Can we handle LAIC paperwork once the property has lead clearance?

A: Yes, of course. We would be happy to assist once the property has passed lead clearance.

Q: How much is the lead inspection once repairs are done?

A: The cost is approximately \$675 for a single property/unit and around \$325 per unit after. The cost varies slightly based on the number of rooms that need to be tested (ie: 4 bedrooms with living room, dining room, den/office, kitchen and bathroom will cost more than a 2 bedroom 1 bathroom with eat in kitchen and living room).

Q: How long will it take?



A: We are working through any necessary, approved and funded repairs as quickly as possible. Factors that affect timeframe include scheduling availability for vendors and residents, time to approve + fund, scope of work necessary, and inclement weather.

Q: How much will the repairs cost?

A: Most repairs are a few hundred to \$1,000 but some repairs may be more extensive if, for example, the entire house needs to be painted on the outside.