

Rental Ordinance 6-Month Review

Written & Oral Comments Received

Written comments are provided as submitted, no comments were edited. Some clarification may have been added in parenthesis. Oral comments are written to the best of Staff's ability regarding their intent.

Most comments have follow up statements. If it is noted as a "response" then it occurred at the meeting. If noted as a "staff comment" it is for clarification purposes at the time of dissemination of this document.

Comment	How Was it Received?
<p>Is information available about who complained about an issue? <i>Response: They are handled anonymously, with the City working to learn both sides and act as appropriate.</i></p>	Oral: 11/10/15
<p>Is the proposal to move to 3 unrelated persons on any new rental? <i>Response: Yes, at this time. No tiered or review process, simply 3 unrelated guaranteed for new rentals and then applicable to registered rentals (prior to 8/19/14) when sale/transfer.</i></p>	Oral: 11/10/15
<p>How will paving of driveway/parking off an alley work when alley hasn't been paved yet (transition)? <i>Response: Situation will be approached similar to a road reconstruction project where the City must tie in with grades in place for driveways. We will be working with the property owners. We have had some owners approach us asking about timeline, such as one on University Avenue. We will work with them, considering timelines and road work. Also, City plans to look at timeline of alley projects compared to rental paving triggers to see if projects can be coordinated to help private property owners reduce cost of just working individually. City may also look to do this for rentals overall, regardless of whether there is an alley project or not.</i></p>	Oral: 11/10/15
<p>Currently the ordinance applies to single-family in R-1,R-2, etc. It does not apply to duplexes, right? <i>Response: Correct. Staff agrees we could look to clarify this in the ordinance, to avoid any confusion.</i></p>	Oral: 11/10/15
<p>Would there be potential for a resident-only parking program, particularly in campus area? <i>Response: This might be considered if a majority of the residents supported it. Not a focus of the efforts right now.</i></p>	Oral: 11/10/15
<p>Explain the interfamilial transfer approach. <i>Response: It's been requested to approach these differently, since there are arrangements where kids are already managing the property for parents. It seems appropriate to recognize these. Proposal would be to maintain up to 4 unrelated persons in a property where the parents transfer to kids, but not to a nephew, cousin, etc. Also, an organizational change where formerly owned by two individuals but put into an LLC with only those two individuals listed in the LLC, also seems appropriate. Adding people to LLC is a transfer.</i></p>	Oral: 11/10/15
<p>The trigger of requiring sprinklers when 5 unrelated people should be reviewed.</p>	Oral: 11/10/15
<p>Have Landlord Accountability be for each landlord instead of based on each property.</p>	Written: 11/10/15

Comment	How Was it Received?
Inspect all commercial and rental properties every year.	Written: 11/10/15
<p>Changes requested with this revision:</p> <ol style="list-style-type: none"> 1. The current ordinance states “the landlord will only be allowed to have three non-related renters in a house the size of John’s [Paulson, 212 Spruce Hills Dr.] due to size and parking limitations. This ordinance however is written not to apply until a landlord decides to sell the home. At that time the new owner falls under the ordinance guidelines and may only rent to three non-related people. 2. My proposal is that this ordinance be changed to state “the new ordinance goes into effect when the home in question is sold OR when the current renters move out of the rental unit.” At that time the new ordinance takes effect. 	Written: 11/17/15
<p>I am a resident of College Hill, and now also own a rental property there as well. I know any changes to rental and zoning ordinances raise lots of concern, and many suggested these changes would be disastrous. What was very clear from your review is that the sky isn’t falling. In fact, the way in which the changes were made, with new policies activated on change of ownership, enables the ordinance to be phased in very, very gradually, over many years. As both a homeowner and rental property owner, I appreciate that. (We even bought the rental property after the changes went into effect, with no undue hardship.)</p> <p>I also do appreciate the city’s willingness to listen to criticisms. The changes such as allowing properties to change hands within the immediate family (e.g., from parent to child) without activating the new ordinance is fair, as is changing paved driveway requirements after hearing about problems from contractors [speaks to zoning ordinance changes proposed].</p> <p>Thanks for all of the work by you, city staff, and city council on these changes. So far, they are working well.</p>	Written: 11/19/15
<ol style="list-style-type: none"> 1. The proposed change for single family rentals to have a maximum of 3 unrelated renters is arbitrary and too harsh. If the property can support housing and parking for more than 3 renters it should be allowed to be used for that purpose. This change would harm landlords, home owners, the city, and students. It harms landlords by having their property values immediately reduced by 25% (3 renters vs. 4) to 40% (3 renters vs. 5). This reduction in property values will spill over to other homeowners. The reduced valuation/assessments will harm the city’s tax revenue. Students will experience fewer choices in rentals and a resulting increase in rent levels. There doesn’t seem to be any upside to the change either. The common complaints seem to be about noise and roadside parking. Having 3 renters vs. 4/5 is unlikely to change the incidence of a loud party. And having 1-2 fewer tenants will not have much effect on roadside parking. Not all renters have a car, and commuters seem to gobble up any available parking anyway. Finally, the comment from the audience that all grandfathering be removed is very heavy handed and patently unfair. If the Council goes in this direction I would imagine there would be much 	Written: 11/19/15

Comment	How Was it Received?
<p>litigation to follow.</p> <p>2. The proposed change to protect grandfathering of rental rules when property sales are within a family seem fair and reasonable. I would suggest defining this as sales (in either direction) involving grandparents, parents, adult children and siblings. Also it should be made very clear that a change in ownership form does not trigger new rules (for example changing from sole proprietor to LLC).</p> <p>3. There should be better and more durable solutions for these problems. Many of the complaints were about illegal parking. The city can strongly enforce existing parking rules. As for noise complaints, the city created the tenant and landlord accountability scores which should be helping to modify behavior. Another idea discussed that makes a lot of sense is to create a zone around campus where the rental rules are more accommodating and create a buffer between rental zones and family zones.</p> <p>4. As for the paving of gravel areas, the concept is fine, but forcing rentals to do this but not forcing family homeowners to do this is fundamentally unfair. There should be consistency on this issue and perhaps some form of incentive to help everyone get started.</p>	
<p>When alley is paved, driveway needs to be paved. Gravel ok to that point.</p>	<p>Written: 11/19/15</p>
<p>Single-family dwellings must remain single-family – either rented to a family or sold to a family. Single-family should not be rented to a “group.” If landlords want to rent property, they should invest in apartments or duplexes. Renting a single-family home to a “group” is not fair to other families living in the neighborhood.</p> <p>The “grandfather” clause should end when a new renter moves in – not when the house is sold.</p> <p>This should apply to neighborhoods that are not next to UNI, ie. North Cedar, Greenhill, etc.</p> <p>Families that live in neighborhoods that are primary “single-family” need to be thought about and listened to and not let the landlords always have it their way.</p>	<p>Written: 11/19/15</p>
<p>First let me pass on my thanks for what the City is doing to bring about standards in the rental market. I attended a portion of the meeting last night but unfortunately was triple booked for time so I couldn't stay past your presentation. I have a former neighbor who, unfortunately, I will never be able to make happy but I do believe I have gone above and beyond to make our rental house look like an integral part of the community. I wanted to address one complaint and offer a solution for Spruce Hills Drive.</p> <p>5-6 years ago a neighbor petitioned the city to make the street 1 sided parking only. It made sense especially for snow removal purposes but unfortunately now all the mailboxes on one side are continually blocked....</p> <p>So I'm asking simply move the mailboxes across the street to the non-parking side. That is one of Jerry Dixon's biggest complaints is mailbox blocking, which is unrelated to the rental issue and should have been remedied the moment the</p>	<p>Written: 11/20/15</p>

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street was turned into a 1 side parking street.	
<p><u>Occupancy Level</u></p> <ul style="list-style-type: none"> • Clarify applicability: definition applies to single-family and that duplex or multifamily units are guaranteed up to 4 without Group Rental Committee review. (2 comments on this) <i>Response: There is agreement that clarifying this would improve the ordinance.</i> • Focus application in R-1 and R-2 zoning districts rather than any single-family rental in R-1, R-1 SF, R-2, R-3, R-4, MU or RP. • Occupancy should reduce when current tenants move, not just at sale. (Feels home owner’s investment needs to be considered and protected too, not just a landlord’s.) • Property values will reduce if occupancy limits are reduced. • The area around campus is unique and should allow higher density. (2 comments on this) <i>Response: There was discussion later in the meeting that the City has budgeted in its Capital Improvement Plan (CIP) for an overhaul to its zoning ordinance and plans to include a review of density in the UNI area. This is planned 1-2 years from now.</i> <i>Follow up question: Could this be expedited?</i> • Support the occupancy review process rather than an across the board three unrelated limit. • Concern that occupancy level is unknown when an offer is presented to the seller. <i>Response: Staff has provided preliminary information in past cases. Also, the seller or contract purchaser could go through the review process prior to closing. We have seen some where the offer to purchase is contingent on obtaining a desired occupancy level.</i> • Do multi-units decrease in occupancy at sale? <i>Response: No. The intent of the ordinance is to focus on single-family homes.</i> <p><u>Parking</u></p> <ul style="list-style-type: none"> • Some units in the R-3 and R-4 don’t have the amount of parking. Would those lose the ability to rent? <i>Response: The hard surface requirement is focused on removing gravel. If at the time the rental was established it met parking amount requirements, then it would be considered a legal, non-conforming property and be allowed to remain at the current occupancy level until a change is proposed.</i> • Some older homes (including multi-plexes) near campus were designed with no parking. Don’t punish older homes that were created in good faith. (2 comments on this) 	<p>Oral: 11/19/15</p>

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<ul style="list-style-type: none"> ● Focus on rental parking is unfair. Owner-occupied dwellings can park as many cars pretty much wherever they want. Example: a family of 5 may have 5-6 cars. (2 comments on this) <i>Staff comment: The parking amounts were changed in the City’s Zoning Ordinance in March 2015. Owner occupied must have two spaces, whereas rentals then have additional spaces required if there are more than 2 bedrooms. The parking requirement is not by number of occupants for either situation. The tandem parking limit applies to all situations. Owner occupied are not allowed to park on the grass.</i> ● There are rentals with tenants that don’t have cars. Some consideration should be given to this in the parking discussion, particularly when closer to UNI. ● A College Hill Residential Parking District was suggested, noting more and more students own vehicles. ● Personal experience expressed on parking: owner occupied rarely are an issue. Typically just when a special event. ● If rental cars were moved off the street, these would just be replaced by commuters and visitors. There would be no change in the overall parking/character of the neighborhood. ● Why are renters treated differently, working to limit their use of on-street parking? Homowners can park on the street, why can’t tenants? ● Why can’t street parking count toward parking requirement? ● In the 2010 Census, owner occupied homes have more cars than rentals. <i>Staff comment: Information we could find in the Housing Characteristics dataset of the 2010 Census, did not report vehicles by rental or owner-occupied. This is what staff found:</i> <table border="1" data-bbox="246 1243 961 1444"> <thead> <tr> <th style="background-color: #d9e1f2;">VEHICLES AVAILABLE</th> <th colspan="4" style="background-color: #d9e1f2;">Cedar Falls</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d9e1f2;">Occupied housing units</td> <td>14,158</td> <td>+/-348</td> <td>14,158</td> <td>(X)</td> </tr> <tr> <td style="background-color: #d9e1f2;">No vehicles available</td> <td>767</td> <td>+/-154</td> <td>5.4%</td> <td>+/-1.1</td> </tr> <tr> <td style="background-color: #d9e1f2;">1 vehicle available</td> <td>4,120</td> <td>+/-357</td> <td>29.1%</td> <td>+/-2.3</td> </tr> <tr> <td style="background-color: #d9e1f2;">2 vehicles available</td> <td>6,254</td> <td>+/-369</td> <td>44.2%</td> <td>+/-2.3</td> </tr> <tr> <td style="background-color: #d9e1f2;">3 or more vehicles available</td> <td>3,017</td> <td>+/-288</td> <td>21.3%</td> <td>+/-2.1</td> </tr> </tbody> </table> <p><i>The Census also shows that average household size is 2.37 persons, down from 2.45 in 2000.</i></p> <ul style="list-style-type: none"> ● Would like to gift rental to her grandchildren, without reduction in occupancy. Could this be considered in the amendments suggested for interfamilial transfer? (Generation skipping is becoming a more common tax planning tool.) ● There are landlords that don’t have children that would like to be able to maintain occupancy level at sale/transfer. 	VEHICLES AVAILABLE	Cedar Falls				Occupied housing units	14,158	+/-348	14,158	(X)	No vehicles available	767	+/-154	5.4%	+/-1.1	1 vehicle available	4,120	+/-357	29.1%	+/-2.3	2 vehicles available	6,254	+/-369	44.2%	+/-2.3	3 or more vehicles available	3,017	+/-288	21.3%	+/-2.1	
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<ul style="list-style-type: none"> ● Concern over the ability to finance paving, especially when the occupancy level has decreased. Noted that the value of the home has gone down so investment will be lost. Sale of a property more recently purchased, would have an occupancy reduction and therefore value decrease, thus losing value. Whether selling or keeping the property, it could be tough to obtain a home equity loan to pave with the value reduction. It would then result in people being financially under water. <i>Staff comment: If they have been a registered rental, they have 3 years from the next inspection to hard surface and their occupancy level would not reduce if they plan to keep it. Depending upon their inspection schedule, the paving timeline could be 3-6 years from February 2015. This was intentional to provide time to plan for the improvement. In the case of a sale of a rental closer to the time hard surfacing is completed, it is agreed the financial impact will be felt more.</i> <i>Follow up: Still tough for landlords to develop a business plan with these added expenses.</i> ● Parking [on the street?] is a problem community wide, especially around schools and other high traffic areas. <p><u>Gravel/Hard Surface:</u></p> <ul style="list-style-type: none"> ● Feels it unfair that only rentals are being targeted for removing gravel driveways. (3 comments on this) ● If there are environmental reasons for removing gravel, then shouldn't it be applied everywhere? Are their plans for other forms of implementation? <i>Response: Change in March 2015 applied to any <u>new</u> home (owner or rental) must have a hard surface. Commercial properties are required to have hard surface.</i> ● How will shared access easements be paved if one of the properties is a rental and the others are not? Unfair to that rental. <i>Response: These are situations where we will need to talk on a case by case basis.</i> ● The city should consider a tax incentive for installing a permeable cement driveway. ● Why not just make landlords pave the perimeter of their driveways/parking lots? This will delineate the area and reduce spread while also mitigating the expense. It could also maintain some pervious surface (gravel). <p><u>Presentation/General Questions</u></p> <ul style="list-style-type: none"> ● Is there sales data for just rentals? Feels the slide showing sales data should show value separately for owner-occupied vs. rentals. <i>Response: This is data we were able to get from the County. We aren't aware of sales data tracked based on rental or owner occupied.</i> ● How many single family homes have paved driveways? <i>Staff comment: We collected this data on rentals through the mandatory filing.</i> 	

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<ul style="list-style-type: none"> • For an offer on a home subject to an appeal, who would be responsible for making the appeal for an existing registered rental sale? <i>Response: Either the contract purchaser or the current owner could make that appeal.</i> • Clarify when these proposed ordinance changes will come into effect? (2 comments on this) <i>Response: Staff will present all comments received to Council in January and discuss recommendations with Council. After that, ordinance revisions will be drafted and will go through the adoption process which involves setting a public hearing and then holding three separate readings. The process takes at least 2 months.</i> • How will the Board of Housing Rental Appeals 7-member composition be balanced? <i>Response: The ordinance was recently changed [September] and will seek a balance and diversity from the following categories: owner occupied residential property; single or multi-unit rental investment residential property; residential student tenant; and residential non-student tenant.</i> • Does the city plan to pave the alleys? <i>Response: Yes.</i> • What affect to rentals have on the value of owner-occupied properties? (Is there a reduction in the owner-occupied value? Feels that there probably is and would like to know if there is any data on that.) • What happens if a rental unit sits empty for a time? <i>Response: In terms of occupancy level, vacancy does not change that. A valid rental permit is the driver in order to maintain occupancy level.</i> • Landlords should be take better care of their properties. Gave example of a home that could not sell because previous renters were allowed to have animals and did not take care of the property. 	