

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: On-Site Management for Multi-Unit Rental Housing

Meeting Date: November 28, 2012
Department: Planning and Development
www.eugene-or.gov

Agenda Item: A
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ISSUE STATEMENT

The work session is an opportunity to share information about on-site management concepts for multi-unit rental housing, and for council consideration and direction on these issues.

BACKGROUND

The concept of requiring on-site management for multi-unit rental properties surfaced during the council's consideration of the Capstone student housing project. On May 9, 2012, the council approved a multi-unit property tax exemption (MUPTE) for the Capstone project, which included a requirement that Capstone provide on-site management of the property. The council directed staff to conduct research on how property managers and other communities are managing the impacts of larger rental housing developments including on-site management requirements, and to bring this item back for council consideration by the end of the year.

To address the council's requests, staff contacted property managers and conducted an informal survey of 10 other communities to find out how they were protecting community livability and preventing undesirable behavior for larger multi-unit rental properties. The property managers who specialize in student rental housing stated that they used on-site live-in management and wrote lease provisions to cover tenant behavior. Conversely, property managers specializing in non-student rental housing preferred on-site property management but not live-in resident management. They explained that a live-in manager resulted in unintended consequences, such as decreased project revenue by dedicating a unit and limiting who might apply for the position. Both types of property managers agreed, however, that effective management of the property is crucial.

The survey of 10 communities indicated several techniques were used to address the impact of larger rental housing developments. A summary of staff's research is available in Attachment A. In general, communities addressed the issue of promoting appropriate behavior in four different ways: 1) establishing occupancy limits; 2) developing informative materials/programs for tenants and property managers; 3) specifically applying nuisance ordinances to rental housing; and 4) creating incentives for property owners to better manage their properties.

These approaches focus on clarifying desired behavior and shifting the burden and cost of problematic tenants to the property owner and away from public services. The regulating mechanisms typically included ordinances, policies, and incentives that ensure both the property owner and the tenant are well-informed of their responsibilities.

The goal of developing an appropriate mechanism for Eugene's larger multi-unit properties is not an isolated issue. The council is currently considering an ordinance to address unruly gatherings by holding the party hosts and property owners accountable and exacting fines. Accordingly, staff intends to coordinate across departments as requirements for multi-unit rental properties are developed. Based on council discussion at this work session and future action on the social host ordinance, staff will bring options for multi-unit management requirements back for council review and action.

RELATED CITY POLICIES

The adoption of requirements for on-site management of large multi-unit rental housing would be consistent with numerous planning and policy documents. Examples include:

Growth Management Policies

- Policy 1 Support the existing Eugene Urban Growth Boundary by taking actions to increase density and use on existing vacant land and under-used land within the boundary more efficiently.
- Policy 2 Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Policy 3 Encourage a mix of business and residential uses downtown using incentives and zoning.

Eugene Downtown Plan

- Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Stimulate multi-unit housing in the downtown core and on the edges of downtown for a variety of income levels and ownership opportunities.

Envision Eugene

- Provide affordable housing for all income levels
- Promote compact urban development and efficient transportation options
- Protect, repair, and enhance neighborhood livability
- Provide for adaptable, flexible, and collaborative implementation

Eugene Counts

A greater sense of safety, especially downtown, and better police and community relations are two of the desired outcomes identified under the Council Goal of Safe Community.

Eugene-Springfield Metropolitan Area Plan

Metropolitan Goal: Environmental Design

1. Secure a safe, clean, and comfortable environment which is satisfying to the mind and senses.
2. Encourage the development of the natural, social, and economic environment in a manner that is harmonious with the area's natural setting and maintains and enhances quality of life.
3. Create and preserve desirable and distinctive qualities in local and neighborhood areas.

Policy E.6 Local jurisdictions shall carefully evaluate their development regulations to ensure that they address environmental design consideration, such as, but not limited to, safety, crime prevention, aesthetics, and compatibility with existing and anticipated adjacent uses (particularly considering high and medium density development locating adjacent to low density residential).

COUNCIL OPTIONS

The work session is an opportunity to provide information and listen to feedback from the council on options regarding multi-family management requirements; no formal action is requested.

CITY MANAGER'S RECOMMENDATION

The City Manager will use the feedback obtained at this work session to schedule future work sessions and make recommendations regarding multi-family management requirements.

SUGGESTED MOTION

No motion necessary at this time.

ATTACHMENTS:

A. Community Strategies for Regulating Behavior in Multi-Unit Properties

FOR MORE INFORMATION

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Community Strategies for Regulating Behavior in Multi-unit Properties

- 1) **Aurora, Illinois** established a Crime Free Multi-Housing Program (CFMHP) through the Police Department. CFMHP is a nuisance ordinance applied to rental properties in response to the recurring problems related to rental properties. The CFMHP is meant to remedy situations where a nuisance related to rental property occurs and the property owner is unaware or unable to quickly and effectively resolve the matter. CFMHP requires that out-of-state property owners register a local agent with the city and that the property owner or agent attend a property management training class. The curriculum used was initially developed by the Mesa, Arizona Police Department in 1992.
- 2) **Boulder, Colorado** has a Rental License Program to regulate habitability standards and to set and enforce occupancy limits. This program requires that out-of-state property owners register an agent with the city. Boulder is currently in the process of reviewing its land use code to help mitigate community impacts related to the over consumption of alcohol. In 2004, Boulder City Council adopted Resolution No. 960 which expressed the city's recognition that it has a role in addressing the overconsumption of alcohol as an important health, safety, and welfare issue in the in community.
- 3) **Bloomington, Indiana** implemented the Quiet Nights program that funds night patrol officers dedicated to enforcing the noise ordinance. Fines paid for violating the noise ordinance fund the program.
- 4) **Corvallis, Oregon** has a rental housing code for establishing and enforcing habitability standards. It also applies its chronic nuisance code (disorderly conduct, alcohol violations, etc.) to multi-unit property in a specific section of that code. Of note, , a chronic nuisance determination may be applied to the entire property when a Hearings Officer determines that the incidents occurred in the common areas of the property or incidents continue to occur despite previous intervention and the owner has demonstrated an inability or unwillingness to correct the issue.
- 5) **Duluth, Minnesota** has an Off-Campus Housing Listing Service Policy Agreement with landlords through the University of Minnesota in Duluth. In the agreement, the University reserves the right to de-list or refuse to list properties or landlords when the landlord has had too many tenant complaints, inspection issues, municipal code violations, or misrepresents the property in a listing.
- 6) **Fort Collins, Colorado** regulates rental housing developments through its nuisance and occupancy codes. Currently, Fort Collins is developing a Student Housing Action Plan (SHAP) to develop strategies that encourage and provide an adequate supply of quality student housing while maintaining neighborhood quality and compatibility. The SHAP focuses on parking, traffic, noise, scale, and use.

- 7) **Iowa City, Iowa** has developed an Off-Campus Living Resources including the Being a Good Neighbor guide book. At one point the city considered an on-site management and safety plan requirement for rental housing developments. Instead the city uses a Code Compliance Settlement Agreement process for “problem properties.” This process involves a meeting between the city, the landlord and the tenants. Sanctions are mostly imposed on the landlord but can also impact the tenant.
- 8) **Madison, Wisconsin** recently amended its code to require every owner of a rental dwelling to keep on record with the city contact information of two or more persons located in the county, by virtue of his or her ownership, employment, or delegation, can exercise control and care over the property, and provide access to the property.
- 9) **St. Paul, Minnesota** released a Student Housing Zoning Study in May 2012. The study was part of a one year moratorium on the conversion of single-family homes into rental properties in specific neighborhoods. Recommendations from the study require the involvement of all community partners (universities, neighbors, tenants, landlords, etc.) and focus on regulating behavior through lease terms, education, outreach, and enforcement.
- 10) **Tallahassee, Florida** has a Rooming House Ordinance that regulates single-family houses that have been converted into rental housing. This ordinance requires out-of-state property owners to register an in-county agent with the city. Existing rooming houses in neighborhoods are grandfathered under the ordinance. Grandfathered status may be revoked when the property becomes the source of multiple complaints.