

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: An Ordinance Extending the Rental Housing Code

Meeting Date: June 11, 2012
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Stuart Ramsing
Contact Telephone Number: 541-682-6801

ISSUE STATEMENT

The City Council is scheduled to take action on an ordinance that would extend the Rental Housing Code. Two options exist: one to remove the current sunset and replace it with a required work session every four years, and a second option that was prepared in response to comments at the public hearing and that retains the sunset provision and extends it four years to September 30, 2016.

BACKGROUND

The Rental Housing Code went into effect in 2005, with a three-year sunset. It has been extended twice, both times for three-year periods. In fall 2011, the code was extended for an additional nine months, during which time staff worked with the Housing Policy Board (HPB) developing recommendations for the future. Recommendations were presented at the council's April 18, 2012, work session.

At the work session, the council directed staff to:

- a. Proceed with a public hearing on a draft ordinance that continues the program by eliminating the sunset provision and instead requires a mandatory discussion every four years; and
- b. Continue discussion with the HPB committee and bring back recommendations to the council in fall 2012.

An ordinance was prepared for a May 21, 2012, public hearing where a majority of those speaking requested that the sunset be retained in line with the Housing Policy Board and City Manager recommendation. A desire to reinstate the sunset provision was also expressed by four of the councilors present, but no formal direction was provided at the hearing. In anticipation that the sunset provision may again be considered as part of the council's final action, an additional ordinance was drafted and attached to this summary.

Ordinance option 1 removes the sunset and instead requires a work session every four years. Option 2 extends the sunset date to September 30, 2016. Both options include the same changes that will allow multi-year billing if it is determined to be fiscally prudent.

RELATED CITY POLICIES

The Rental Housing Program connects with four of the five council goals, including: Safe Community, Sustainable Development, Effective, Accountable Municipal Government and Fair, Stable and Adequate

Financial Resources. The more general topic of rental housing is also addressed in the ongoing Envision Eugene work and the Climate and Energy Action Plan.

COUNCIL OPTIONS

Ordinance option 1 removes the sunset date and replaces it with a work session every four years.

Ordinance option 2 retains the sunset and extends it to September 30, 2016.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends adoption of Ordinance option 2, retaining the sunset and extending it to September 30, 2016.

SUGGESTED MOTION

I move to adopt Council Bill 5073, an ordinance extending the rental housing code sunset date to 2016, and making other amendments.

ATTACHMENTS

A. Ordinance Option 1: Removes Sunset Date

B. Ordinance Option 2: Extends Sunset Date to September 30, 2016

FOR MORE INFORMATION

Staff Contact: Stuart Ramsing

Telephone: 541-682-6801

Staff E-Mail: Stuart.G.Ramsing@ci.eugene.or.us

Option 1: Removes Sunset Date

ORDINANCE NO. _____

AN ORDINANCE CONCERNING THE RENTAL HOUSING CODE; AMENDING SECTION 8.440 OF THE EUGENE CODE, 1971; AND REPEALING THE RENTAL HOUSING CODE SUNSET DATE.

The City Council of the City of Eugene finds as follows:

A. Sections 8.400 through 8.440, and 8.995 of the Eugene Code, 1971, (“the Rental Housing Code”) were adopted by Ordinance No. 20329 on November 22, 2004. Ordinance No. 20329 also provided that the Ordinance and the Rental Housing Code be repealed effective December 31, 2008.

B. On May 27, 2008, Ordinance No. 20408 extended the sunset date to December 31, 2011. On November 28, 2011, Ordinance No. 20480 extended the sunset date to September 30, 2012.

C. The Council has determined that the sunset date of the Rental Housing Code provisions should be repealed and that revisions be made to the Eugene Code to allow for flexibility of the billing process.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Section 8.440 of the Eugene Code, 1971, is amended to provide as follows:

8.440 Rental Housing – Registration and Fees.

- (1) All rental housing not excluded under 8.410(2) shall be registered with the city on a form and in a manner to be determined by the city manager.
- (2) For the purpose of offsetting the costs to the city associated with the enforcement of this code, the city manager, using the process contained in section 2.020 of this code, shall set a~~[n-annual]~~ fee for each dwelling unit covered by a rental agreement.
- (3) The following unit types, while subject to the standards, enforcement procedures, and other requirements established in sections 8.400 through 8.440 of this code, shall be exempt from the fee payment requirements:
 - (a) Rentals with a recorded deed restriction requiring the units to be rented affordably to households at or below 60 percent of the Area Median Income; and
 - (b) Rentals that have been approved by the city for an exemption from property taxes pursuant to sections 2.910 to 2.922 and 2.937 to 2.940 of this code or that are recognized by the city as exempt from property taxes pursuant to ORS 307.092.
- (4) The owner or the owner’s agent shall be responsible for paying the ~~[annual]~~ fee. The total ~~[annual]~~ fee shall be paid for any dwelling unit which is covered by this Rental Housing Code for any portion of ~~[that calendar year]~~ **a billing period, and no refunds will be provided after fees are paid if a dwelling unit:**
 - (a) ***Ceases to be a rental; or***

Option 1: Removes Sunset Date

(b) Changes ownership.

- (5) For each month in which the [annual] fee is not paid by the date specified in the written notice of payment, a penalty shall be assessed to the owner or the owner's agent. The amount of the penalty shall be set [~~by administrative rule by using the process contained in~~] **pursuant to** section 2.020 of this code.
- (6) The city manager may initiate appropriate action to collect the fees due. All costs associated with these actions, including attorney fees, may be assessed to the owner or the owner's agent.

Section 2. The sunset date of the Rental Housing Code provisions is repealed.

Section 3. Copies of this Ordinance shall be appended to Ordinance Nos. 20329, 20408, and 20480.

Section 4. Beginning in 2016, and every four years thereafter, the City Manager shall schedule a work session for Council discussion of the Rental Housing Code.

Passed by the City Council this

____ day of _____, 2012.

Approved by the Mayor this

____ day of _____, 2012.

City Recorder

Mayor

Option 2: Extends Sunset Date to September 30, 2016

ORDINANCE NO. _____

AN ORDINANCE CONCERNING THE RENTAL HOUSING CODE; AMENDING SECTION 8.440 OF THE EUGENE CODE, 1971; AND EXTENDING THE RENTAL HOUSING CODE SUNSET DATE.

The City Council of the City of Eugene finds as follows:

A. Sections 8.400 through 8.440, and 8.995 of the Eugene Code, 1971, (“the Rental Housing Code”) were adopted by Ordinance No. 20329 on November 22, 2004. Ordinance No. 20329 also provided that the Ordinance and the Rental Housing Code be repealed effective December 31, 2008.

B. On May 27, 2008, Ordinance No. 20408 extended the sunset date to December 31, 2011. On November 28, 2011, Ordinance No. 20480 extended the sunset date to September 30, 2012.

C. The Council has determined that the September 30, 2012 repeal date of the rental housing code should be extended for four years, and that revisions be made to the Eugene Code to allow for flexibility of the billing process.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Section 8.440 of the Eugene Code, 1971, is amended to provide as follows:

8.440 Rental Housing – Registration and Fees.

- (1) All rental housing not excluded under 8.410(2) shall be registered with the city on a form and in a manner to be determined by the city manager.
- (2) For the purpose of offsetting the costs to the city associated with the enforcement of this code, the city manager, using the process contained in section 2.020 of this code, shall set a~~n annual~~ fee for each dwelling unit covered by a rental agreement.
- (3) The following unit types, while subject to the standards, enforcement procedures, and other requirements established in sections 8.400 through 8.440 of this code, shall be exempt from the fee payment requirements:
 - (a) Rentals with a recorded deed restriction requiring the units to be rented affordably to households at or below 60 percent of the Area Median Income; and
 - (b) Rentals that have been approved by the city for an exemption from property taxes pursuant to sections 2.910 to 2.922 and 2.937 to 2.940 of this code or that are recognized by the city as exempt from property taxes pursuant to ORS 307.092.
- (4) The owner or the owner’s agent shall be responsible for paying the ~~annual~~ fee. The total ~~annual~~ fee shall be paid for any dwelling unit which is covered by this Rental Housing Code for any portion of ~~that calendar year~~ **a billing period, and no refunds will be provided after fees are paid if a dwelling unit:**
 - (a) ***Ceases to be a rental; or***

Option 2: Extends Sunset Date to September 30, 2016

(b) Changes ownership.

- (5) For each month in which the [annual] fee is not paid by the date specified in the written notice of payment, a penalty shall be assessed to the owner or the owner's agent. The amount of the penalty shall be set [by administrative rule by using the process contained in] **pursuant to** section 2.020 of this code.
- (6) The city manager may initiate appropriate action to collect the fees due. All costs associated with these actions, including attorney fees, may be assessed to the owner or the owner's agent.

Section 2. The sunset date and repeal of Ordinance Nos. 20329, 20408, 20480, and this Ordinance is September 30, 2016.

Section 3. Copies of this Ordinance shall be appended to Ordinance No. 20329, 20408 and 20480.

Section 4. Notwithstanding Section 2 of this Ordinance, any enforcement actions commenced to enforce the rental housing code provisions prior to September 30, 2016, may continue to be pursued, and the provisions related to such enforcement actions shall remain in effect with respect to those actions. In addition, any fees owed to the City under the provisions of the rental housing code remain due and owing, and all provisions related to those fees and their collection shall remain in effect with respect to those fees.

Passed by the City Council this

_____ day of _____, 2012.

City Recorder

Approved by the Mayor this

_____ day of _____, 2012.

Mayor