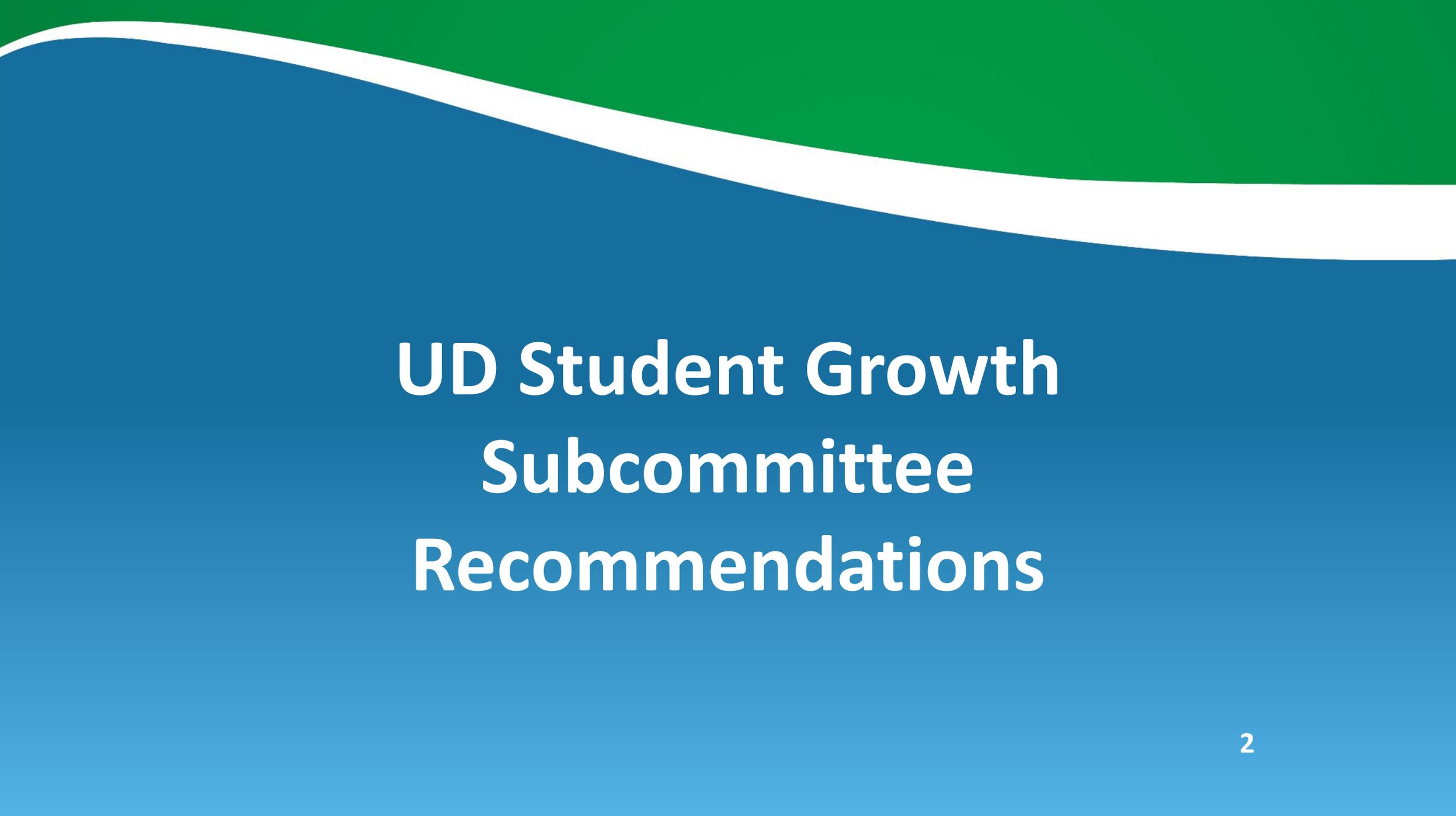


RENTAL HOUSING WORKGROUP MEETING #3

Council Chambers

August 28, 2019



UD Student Growth Subcommittee Recommendations



RECOMMENDATION 1.1

Issue: Students living off campus may be a nuisance in the neighborhoods because they may not follow rules, may not maintain their properties well, or may be disruptive or disorderly.

Recommended Solution: Institute a community relations campaign to help students living off campus to understand expectations and common courtesies as a community member in the City of Newark:

- ▶ City and UD to collaborate on publishing a “Good Neighbor Guide”
- ▶ University’s Student Government Association to establish a “Neighborhood Ambassador” program
- ▶ UD’s Division of Student Life to periodically post social media messages with reminders about good neighborly behavior



RECOMMENDATION 1.2

Issue: Data is not readily available about where students live off campus. It is not known how many students live in the City of Newark versus outside City limits.

Recommended Solution: UD to improve available data about students living off campus by issuing a voluntary student survey to provide better data to help refine future housing policies and outreach campaigns.



RECOMMENDATION 1.3

Issue: It is difficult for students to find information about rental housing opportunities without a single source, and students feel pressure to secure housing too early in the school year.

Recommended Solution: Improve the process to disseminate information about available rental housing opportunities with more concise, aggregated information :

- ▶ UD will confirm contract obligations with “Places4Students.com”
- ▶ The UD Classifieds and “Good Neighbor Guide” may consider accepting advertisements by landlords, lawn care services, cleaning services, etc. to help provide information about available housing and maintenance services available to students
- ▶ The UD “Good Neighbor Guide” can include information about the timeframe to find rental housing and note that it can happen later in the school year



RECOMMENDATION 1.4

Issue: Permanent residents can find it difficult to obtain information about the owner of rental properties and the status of code enforcement complaints.

Recommended Solution: Improve the ability for the general public to find out information regarding rental property ownership:

- ▶ Incorporate information about location of permitted rental properties and contact information for owners/permit holders on the City's website
- ▶ Confirm with the City's legal council if the City can lawfully share code enforcement information publicly online so that the public can check on status on code enforcement complaints



RECOMMENDATION 1.5 (Similar to Recommendation 3.6)

Issue: New student housing development is creeping into established communities affecting the neighborhood's historic character.

Recommended Solution: Promote more density of student housing development into targeted areas that are more likely to be desirable communities for the student population to live:

- ▶ Increase zoning density in central, targeted locations
- ▶ Consider housing development incentives for these locations



Rental Permits Subcommittee Recommendations



RECOMMENDATION 2.1

Issue: There are concerns about the safety of rental properties that have not been inspected in a while/on a regular basis since interior inspections are often denied by and are not enforceable.

Recommended Solution: Improve the rental inspection program to include:

- ▶ A marketing and educational component about safety
- ▶ A “what to expect” document/inspection list
- ▶ Voluntary interior inspections
- ▶ A publicly available list of properties that have been interior-inspected by year for past 5 years



RECOMMENDATION 2.2

Issue: The current Student Home Classification Ordinance is not enforceable. A majority of local residents desire that the student population be condensed/centralized in specific areas to avoid encroachment into traditional, family-focused neighborhoods.

Recommended Solution: Reassess the Student Home Classification Ordinance and consider revisions/updates that may incorporate:

- ▶ Change the word “student” to “unrelated persons”
- ▶ Exempt Zone Home Occupancy - increase occupancy on exempt streets based on what’s allowable specific to each home’s square footage and number of bedrooms



RECOMMENDATION 2.3

Issue: Currently, property owners/landlords are only notified when their tenants are in violation of the City's noise ordinance.

Recommended Solution: Expand code/provision 404.8.3.D to include all civil violations from the Unruly Social Gathering Ordinance in addition to noise:

- ▶ Underage drinking
- ▶ Publicly urinating
- ▶ Littering
- ▶ Standing on roofs
- ▶ Disorderly premises
- ▶ More than 150 people present without a permit
- ▶ Obstruction of public rights-of-way
- ▶ Public drunkenness
- ▶ Fights
- ▶ Criminal mischief
- ▶ Drug use
- ▶ Trespassing on neighboring property



RECOMMENDATION 2.4

Issue: There is no process in place to review and assess a property owner's/landlord's "performance" before issuing a new or renewing an existing rental permit. The current rental permit late fee is also 5 times the amount of most other City services/permit late fees.

Recommended Solution:

- ▶ Reduce rental permit late fees from 25% to around 5%, like other City permit late fees
- ▶ Reassess current fee structure
- ▶ Consider escalating fines for repeat offenders and problem properties that require excessive enforcement
- ▶ Review policy on enforcement of repeat offenders
- ▶ Investigate feasibility/legal means of penalizing property owners for repeat code and criminal offenses



Administrative Actions

Efforts that can be undertaken without City Council Approval:

- ▶ Code Enforcement/City to look into improving current reporting system software/platform or procuring new to better document, report, and track rental permits, violations, leases, billing, related data and information, etc.
- ▶ Consolidate bills and inspections for owners of more than 1 rental property
- ▶ Request University of Delaware to assign a Blue Hen and/or Social Media Ambassador to work with representatives from the landlords' group to educate off-campus students. (Addressed as part of Recommendation 1.1)



Non-Student and Affordable Rental Housing Recommendations



RECOMMENDATION 3.1

Issue: There is limited availability of good-quality, affordable rental housing within the City of Newark for rent-burdened families, and new development is typically not addressing the lack of affordable housing.

Recommended Solution: Amend zoning code to include an inclusionary zoning ordinance to require new housing development to include some affordable housing measures:

- ▶ Consider requiring new housing development to include a percentage of housing units as affordable housing
- ▶ Consider requiring new housing development pay a fee-in-lieu if affordable housing development is not provided. The fee could be collected by the City of Newark and used to fund affordable housing initiatives
- ▶ Reference the Borough of State College, Pennsylvania's model of Inclusionary Zoning



RECOMMENDATION 3.2

Issue: There is limited availability of market-rate rental units for non-student renters within the City of Newark, and new development is typically not addressing the lack of non-student housing.

Recommended Solution: Amend zoning codes to allow Accessory Dwelling Units (ADUs) at single-family, owner-occupied homes.

- ▶ The Workgroup recommends the following parameters for consideration:
 - ▶ House must be owner-occupied
 - ▶ Tenants should not be transient and there should be a requirement for tenants to stay for a minimum period of time
 - ▶ There should not be a requirement for family-member tenancy in the ADU
 - ▶ Limit the percent of housing square footage that can be considered an ADU rental unit
 - ▶ Limit the number of tenants in the ADU by square footage of the unit
 - ▶ Implement setback requirements and architectural standards for the unit in order to maintain neighborhood character
 - ▶ Do not include additional parking requirements for the lot



RECOMMENDATION 3.3

Issue: Many homes in traditionally owner-occupied neighborhoods have transitioned into rental homes affecting community cohesion.

Recommended Solution: Develop a program to support transitioning rental units into owner occupied homes through a housing purchase incentive program:

- ▶ Reinststate a program similar to the City's previous Promoting Owner-Occupancy of Homes (POOH) program. This program was suspended in 2017 and had provided zero-percent interest loans with no pre-determined payback period to people who want to buy rental properties in the city. Program was capped at \$250,000 per year, loans distributed on a first come, first serve basis.
- ▶ Consider renaming or rebranding the program when rolling out. Consider modeling after similar successful programs in Morgantown, WV, Iowa City, IA, or Burlington, VT.
- ▶ Incentives may be in the form of reduced mortgage rates, tax abatement, waiving development/permit fees, and/or grants or low-interest loans for property renovations.
- ▶ Consider utilizing revenues from the proposed Inclusionary Zoning Ordinance fee-in-lieu structure.
- ▶ Consider including a requirement to live in the home for a period of time and to redact any rental permit previously granted.



RECOMMENDATION 3.4

Issue: The City of Newark has limited funding to implement new housing and affordable housing initiatives.

Recommended Solution: Identify additional federal, state, and private funding sources for affordable renter and home ownership programs:

- ▶ Work with the Diamond State Community Land Trust to purchase and manage homes to renovate and sell to qualifying families to promote owner-occupancy of homes and prevent inventory from turning into rental stock
- ▶ *Additional research is ongoing*



RECOMMENDATION 3.5

Issue: Certain neighborhoods with good-quality rental housing opportunities have a negative stigma and are considered unsafe or undesirable to live.

Recommended Solution: Work with Civic Associations and Public Safety Officials to improve safety and increase neighborhood appeal for non-student renters:

- ▶ Collaborate with the Newark Partnership and local civic associations to promote community events within targeted neighborhoods
- ▶ Police presence should be increased neighborhoods to promote a sense of safety
- ▶ Encourage neighborhoods and provide guidance to establish Civic Associations where they don't currently exist
- ▶ Encourage forming new neighborhood watch groups



RECOMMENDATION 3.6

Issue: Lack of student housing density within core downtown areas where most students prefer to live has increased demand for student rental housing within Newark’s central neighborhoods that were traditionally owner-occupied communities.

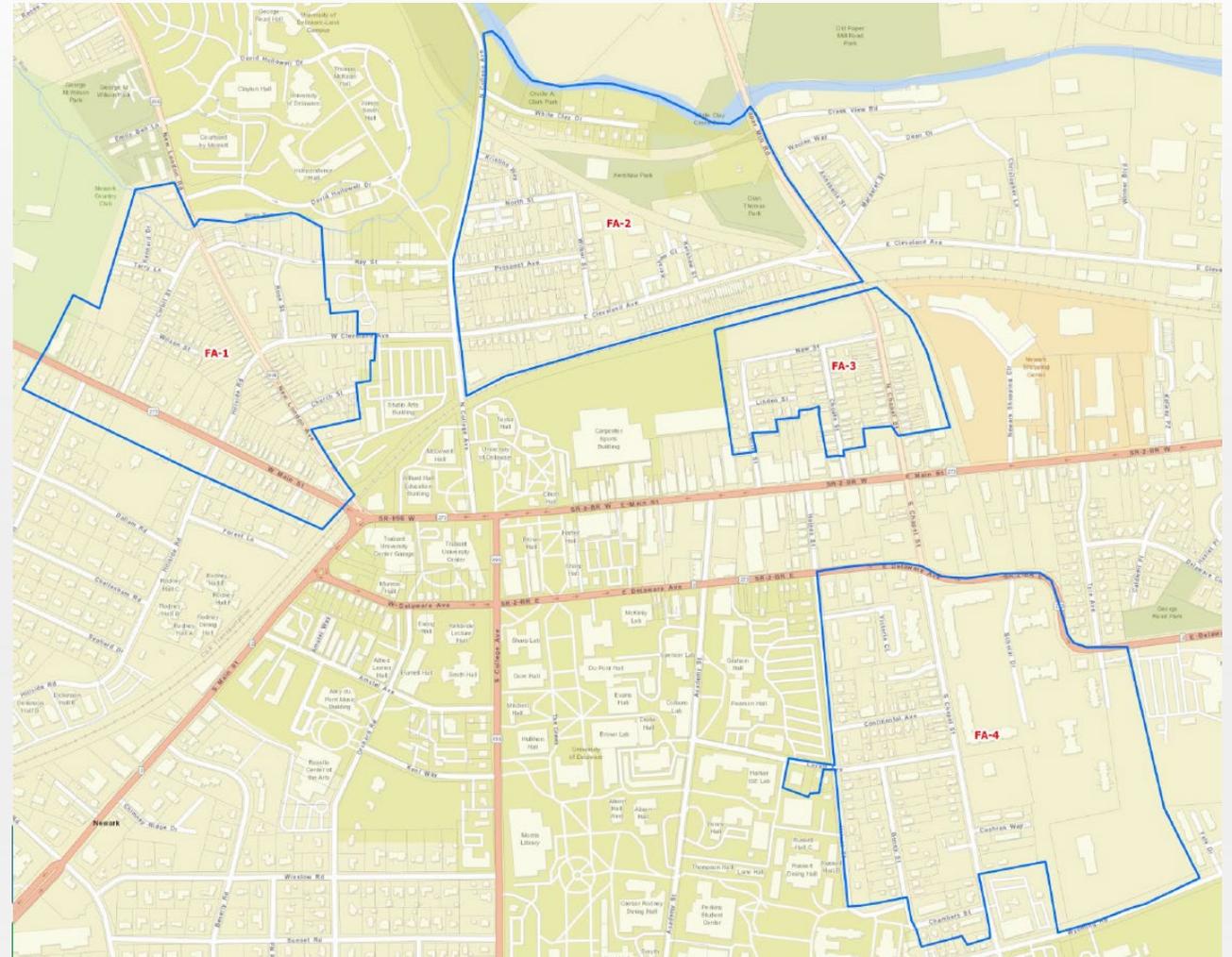
Recommended Solution: Increase development density within the downtown core to allow more student housing development in the areas where most students prefer to live:

- ▶ Implement the proposed zoning density increases within Newark’s “Focus Areas” to allow more infill development of higher density student housing

RECOMMENDATION 3.6

Higher density zoning and development patterns proposed:

- ▶ for appropriate areas facing development pressure
- ▶ complimentary to the surrounding neighborhood
- ▶ fostering multi-modal and active transportation.



Next Steps

MEETING SCHEDULE

Meeting	Date
Subcommittees 1 and 2 Meeting #3	August 13, 2019
Subcommittee 3 Meeting #3	August 15, 2019
Workgroup Meeting #3	August 28, 2019
Presentation to Planning Commission	September 4, 2019
Public Survey	Early September – Mid October, 2019
Workgroup Meeting #4	Mid October - TBD
Preview of Recommendations to Council	October 28, 2019
Public Meeting #2	TBD Fall 2019
Council Presentation	TBD Fall 2019/Winter 2020

Thank You!

Please visit:

<https://newarkde.gov/1118/Rental-Housing-Workgroup>
for more information

Email questions or comments to:
nderentworkgroup@jmt.com

Best Practices

State College, PA (Penn State University)

- ▶ Living In One Neighborhood (LION) Bash: a partnership between the Borough of State College and Penn State Student Affairs to foster a sense of community and facilitate activities that promote safe, attractive, and diverse neighborhoods.
- ▶ Community Ambassadors: students who work part-time for the Office of Off- Campus Student Support.
- ▶ Inclusionary Housing Ordinance – Passed August, 2011
 - ▶ Current ordinance requires that new housing developments of at least six units include a 10 percent allocation of inclusionary housing – housing that is in reach of those in the middle, low, or very low economic classes
 - ▶ Developers may avoid building the inclusionary housing if they pay the borough a comparable-in-value in-lieu fee. This revenue will be put toward current borough-led efforts in affordable housing, such as the State College Community Land Trust.
 - ▶ The area lacks adequate housing for middle- and lower-income workers/families due in part to inflated housing prices driven largely by Penn State student's presence.
 - ▶ This ordinance will make the area more accessible to people of all income categories
 - ▶ As of 2016, all developers have paid the fee in lieu of building affordable units or have built them off-site.

Best Practices

Morgantown, WV (West Virginia University)

- ▶ Existing homes are purchased and rehabilitated by the City in designated areas
- ▶ Leases the homes to families who had completed homeownership counseling and eventually, sell the units once participating families were considered mortgage worthy
- ▶ The program has been expanded to allow for immediate sale and future projects will include infill new construction in targeted neighborhoods
- ▶ WVU has partnered with the City in providing forgivable down payment assistance for university employees who participate in the program

Best Practices

Iowa City, IA (Iowa State University)

- ▶ City purchases home, rehabs (up to \$50K) and then sells for up to \$235,000
- ▶ Renovation costs are not included in the final sales price and are forgiven once the home has been owner-occupied for five years
- ▶ Renovated homes are sold to households that meet income guidelines, with some preference given to University of Iowa employees
- ▶ Deed restrictions are placed on UniverCity Neighborhood Partnership properties to ensure they remain owner occupied for 20 years
- ▶ Program is funded through \$1.25 million state I-Jobs grant, a \$200,000 contribution from the University, \$100,000 from Iowa City Housing Authority, and a \$2.6 Million low-interest mortgage loan pool provided by five participating lenders.

Best Practices

Burlington, VT (University of Vermont)

- ▶ Homebuyers of multi-unit properties (up to 4 units total) are provided no interest down-payment assistance loans of \$10,000 under the condition that they reside onsite, displace no existing tenants as a result of the purchase and retain the affordability of rental units for a period of five years.
- ▶ This model does not attempt to return entire properties to homeownership.
- ▶ Instead, it acknowledges the large size of many of the homes in the target neighborhoods and the income potential of these rental properties and seeks to control pricing of rental units while also inserting on-site owner oversight.

Meeting Summary

8/28/2019

A Rental Housing Workgroup Meeting was held at The City of Newark Council Chambers on 8/28/2019. The following Workgroup Members were in attendance:

Name	Organization
Marguerite Ashley	Mayor's Representative
Jeff Dixon	District 6 Representative
Matt Dutt	Multifamily Housing Landlord
Adam Fahringer	Property Inspector, City of Newark
Mike Fortner	City Planner, City of Newark
Meghan George	Housing Manger, Newark Housing Authority
Carla Grygiel	Executive Director, Newark Senior Center
Kevin Heitzenroder	Student Housing Developer
Tina Jackson	District 2 Representative
Vinny Jackson	Office of Conduct, UD
Kevin Mayhew	Newark Landlord's Association
Stephanie Petersen	Code Enforcement Manager, City of Newark
Tim Poole	Code Enforcement, City of Newark
Katie Rizzo	Office of the Dean of Students, UD
Allysha Lorber	JMT
Angie Hernandez	JMT

The purpose of this meeting was to discuss the summary of draft recommendations developed by each of the subcommittees and get the Workgroup to come to a consensus on the draft recommendations.

The following items were discussed:

Remaining Meetings

- Next and final Workgroup meeting will be in October. The date is to be determined.
- There are no more subcommittee meetings planned.
- A public survey will be issued in early September to gain public feedback on the draft recommendations.
- October 28th will be the preview/preliminary presentation to Council, Workgroup members are encouraged to attend this meeting.
- The Workgroup will meet in mid-October before the Council meeting to assess feedback from the public survey and reach consensus on recommendations prior to presenting to Council.

General Question

Q: What does Council hope to see?

A: A summary of recommendations that this group has come to a consensus on. Not all the details, just focus on the higher-level recommendations and highlight some of the proposed changes to City zoning and policies and procedures regarding rental housing.

Recommendation 1.1

- Should not list students as a “nuisance” in this recommendation. Instead it is suggested to use “not compatible” or something else that does not carry a negative connotation.

Recommendation 1.2

- Need current student enrollment count data from the university to be more readily available and easier to find online.
- The university needs to find out where people are planning to live or where they want to live so that this can be shared and understood by landlords and others to ensure appropriate housing can be projected and planned in order to be available in advance of need.

Recommendation 1.3

- When discussing the sense of urgency by students to secure housing for the following year, it was discussed that sorority houses add pressure on students feeling they need to get their housing plans secured far in advance. This is indicative of the overall trend that we hope to see change allowing students more time to find housing.

Recommendation 1.4

- No comments

Recommendation 1.5

- This recommendation should be merged with 3.6.

Recommendation 2.1

- From the code enforcement perspective, an online “data portal” that displays this data is ideal, but the City does not have the data from the previous 5 years. Need to reword recommendation to not set up the idea that data already exists, because it does not. The last bullet should reflect building the data portal and then the City will be able to track data and build up the database over time to then be able to show historical trends.

Recommendation 2.2

- Additional clarification should be added to the description. Code enforcement officers are not able to enforce the Student Home ordinance because they are not able to verify whether a tenant is a student. When this ordinance was written, the City was able to obtain a list of current students from UD, but UD is no longer able to provide this. Also, there are other colleges that people may be attending on a full time or part time basis. Therefore, the subcommittee settled on this recommendation after much discussion to revise the ordinance language from “student” to “unrelated persons”.
- Legal concerns over changing the word “student” to “unrelated persons”. The City Solicitor needs to weigh in on this recommendation.
- It was noted that code enforcement inspectors could also have difficulty confirming if tenants were related. Current code has an established definition of how tenants of a single unit may be considered related.
- The recommendation should emphasize that the Council needs to reassess this ordinance and find a way to make this enforceable.

- It is not appropriate to say “a majority of Newark residents desire...” because it cannot be confirmed what the majority think.
- This recommendation needs to be reworded and further explained.

Recommendation 2.3

- No comments

Recommendation 2.4

- Separate this into 2 recommendations based on 1: the late fee percentage reduction and 2: the other fines that are being proposed to be on an escalating scale for repeat offenders.

Administrative Actions

- Revise the description to confirm that these recommendations do need to be approved by Council, because they do not require any changes in code. The changes are administrative in nature.
- It’s recommended to group code changes and administrative changes in the recommendations to present to the public and Council.

Recommendation 3.1

- Explain the definition of “affordable housing” as “below market rate” and confirm that the housing recipients should qualify through NHA and HUD standards.

Recommendation 3.2

- Add square footage requirements for the property itself.
- Add a note that all other requirements for the building density and site design (such as set-backs) be maintained
- Consider whether the ADU should be attached as part of the home or if a detached building on the same property is acceptable.
- Considering adding more information to clarify what this code could potentially be.

Recommendation 3.3

- No comments

Recommendation 3.4

- Add a note that surplus land owned or maintained by the City can be used as affordable housing development sites in partnership with organizations such as Diamond State Community Land Trust and Habitat for Humanity.

Recommendation 3.5

- City of Newark Parks and Recreation are already doing a lot of this work and should be listed as a lead as well.

Recommendation 3.6

- This should be incorporated into the City Comprehensive Plan.
- Increasing the density in focused areas should be carefully balanced with community character. There is some concern that by having large areas become mostly vacant in the summer months, it could create a perceived safety concern for the Town.
- These areas should incorporate mixed use and non-student properties to keep these areas constantly populated and used as attractive parts of the City.

Additional Discussion

- It was recommended that the public survey ask where respondents live. Instead of asking for an address, they may say which Council District they live in. A map of council districts should be provided for reference in case people aren't sure, and an option of "other" should be provided for people who live outside the City or own properties in multiple districts.
- Recommendations should be classified as either changes in code or administrative, but it is anticipated that all would need City Council approval.
- Two members from the public provided comment at the end of the meeting. They expressed a general concern regarding potential new regulations, personal choices, and quality of life.