

**CITY OF NEWARK  
DELAWARE**

**COUNCIL MEETING MINUTES**

**February 3, 2020**

Those present at 7:00 p.m.:

Presiding: Mayor Jerry Clifton  
District 1, James Horning  
District 2, Sharon Hughes  
District 3, Jen Wallace  
District 5, Jason Lawhorn  
Deputy Mayor Stu Markham, District 6

Absent: District 4, Chris Hamilton

Staff Members: City Manager Tom Coleman  
City Secretary Renee Bensley  
City Solicitor Paul Bilodeau  
Assistant to the Manager Jeff Martindale  
Finance Director David Del Grande  
Planning and Development Director Mary Ellen Gray  
Planner II Mike Fortner  
Deputy Chief of Police Mark Farrall  
Code Enforcement Manager Stephanie Petersen  
Code Enforcement Officer Tim Poole  
Property Maintenance Inspector II Ryan Straub

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1. Mr. Clifton called the meeting to order at 7:00 p.m.

2. **SILENT MEDITATION & PLEDGE OF ALLEGIANCE**

Mr. Clifton asked for a moment of silence and the Pledge of Allegiance.

3. 1. **FINANCIAL STATEMENT (Ending November 30, 2019) (15 minutes)**

**1:06**

Mr. Del Grande reported the expenditures for November reflected a positive variance of \$3 million which was an improvement of \$373,000 when compared to October. He stated \$1.8 million derived from electric purchases falling under budget for the year and City operations for non-utility purchases reflected a \$1.2 million positive variance with \$433,000 coming from personnel expenses and \$316,000 from various contractual services lines. Total revenue recognized for November was \$84.7 million which was \$499,000 short of the estimate for 2019 when annualized and \$140,000 less than what was collected through the same time in 2018.

Mr. Del Grande explained that the overall tax revenue sources, including real estate transfer tax (RTT), property tax, lodging tax, and cable franchise tax, remained stable and offset the revenue decline from electric and water utilities. He stated RTT would be \$1.1 million positive for the year and November electric sales were down 3% which translated to a shortage of 1.7% on sales on an annualized basis. Source sales exceeded the budget for 5.7% and water sales fell 3% short of expectations. In terms of dollars, the electric sales were short \$2.2 million in revenue, \$266,000 shortfall in water, and a positive variance of \$43,000 in sewer.

Mr. Del Grande stated overall expenditures and revenues netted to a positive \$2.5 million variance. The cash balance at the end of November was \$42.9 million which included \$23.3 million in the City's long-term cash account and \$19.6 million in operating cash which reflected a \$1.1 million decrease from October. He reported the electric regulatory liability continued to carry a credit balance of \$2.8 million, reflecting a \$300,000 increase from October. The liability would be managed through the 2020 rate stabilization adjustment. The Customer Connect6 project moved into the third month and nearly 5,400 customers had signed up as of January 30, 2020, with 2,000 selecting automatic payment via credit cards or bank accounts and half of those customers elected to pay via check to help the City reduce merchant fees.

The Chair opened the floor to questions from Council.

Mr. Markham understood that sewer and water were tied together and asked if the sewer purchases were infiltration. Mr. Del Grande explained there were exceptions as the STAR Campus was a sewer customer only and there were 3,000 water customers outside of the City so as water volume and sales increased outside the City, there would not be an impact to sewer. He informed that water and sewer were joined for inside-City customers. Mr. Markham thought it would be useful to highlight the difference for future Councils. He asked Mr. Coleman if there was an infiltration issue and Mr. Coleman confirmed but noted it was not worse than any other system. Mr. Markham asked if there was an issue with sending stormwater into the sewer and Mr. Coleman replied that staff had fixed all the issues they found, and most were unintentional.

Mr. Markham cautioned future Councils that the RTT was volatile and suggested reporting the numbers for the reservoir even if it was not included in the bottom line. He asked Mr. Del Grande to explain the over-budget stormwater fees. Mr. Del Grande answered that the City paid stormwater fees and had underestimated the amount because staff had not incorporated newly acquired parcels. Mr. Markham asked if the new parcels would be budgeted in the next year and Mr. Del Grande confirmed. Mr. Markham commented that a recommendation on renewable energy was to expand McKees and encouraged future Councils to use funding generated by McKees to expand the solar park.

Ms. Hughes asked if staff accounted for a lag in the economy with the RTT and Mr. Del Grande replied that staff conservatively budgeted with \$1.5 - \$1.6 million in revenue and anticipated \$2.6 - \$2.7 million. He stated 9 out of 500 transactions accounted for 60% of the RTT in the last year because they were large commercial transactions. Mr. Del Grande said he would send a follow-up email with the breakdown.

Mr. Horning asked if the City got RTT for the sale of 321 Hillside Road and Mr. Del Grande replied that per State code, any real estate transaction involving UD was exempt from RTT whether it was a purchase or a sale.

Mr. Clifton asked if staff anticipated the first quarter of electric sales to be substantially lower than last year's numbers and Mr. Del Grande confirmed that it had been a spring-like winter. Mr. Clifton asked if staff had an idea of where the sales stood from January to January and Mr. Del Grande explained that staff did not yet have the January results, but he anticipated them to be slightly lower than last year. He was not concerned with individual monthly performance but was more interested with the annual basis because the City was dependent on weather. Mr. Clifton remarked that the biggest sources of income were the summer and winter and this winter was mild and Mr. Del Grande commented that it meant the City purchased less.

There were no public comments.

**4. 2. SPECIAL DEPARTMENTAL REPORTS:**

**A. Rental Workgroup Presentation, Discussion and Path Forward – Planning and Development (120 minutes)**

**13:38**

Ms. Gray presented the draft recommendation of the Rental Workgroup Committee and acknowledged the efforts of the team. Ms. Gray introduced:

- Workgroup Chair – Marguerite Ashley
- Rental Permits Chair – Adam Fahringer (not present)
- UD Senior Assistant Director for Residence Life & Housing – Michele Kane
- Chair of the Non-student Affordable Housing Committee – Dr. Freeman Williams
- JMT Consultant – Elizabeth McCullum
- JMT Consultant - Allysha Lorber
- Tina Jackson

Ms. Gray explained the purpose of the group was to provide rental housing planning, legislative, and policy recommendations to Council and was formed on recommendation of the Planning Commission at the May 15, 2018 Planning Commission hearing, in lieu of recommending the following ordinance proposals:

- Add nine streets to the list of exempt streets under student home ordinance Section 32-4(a)(123.1)

- Allow single family rental units on streets listed as exempt under Section 32-4(a)(123.1) to be occupied by up to four unrelated tenants

Ms. Gray stated the workgroup was comprised of various stakeholders including representatives designated by the Mayor and Council and met regularly as a group and as subcommittees. Per Council direction, the workgroup was originally divided into four groups, but it was determined that Affordable Housing and the Non-student Housing Subcommittees should merge. Ms. Gray described how the workgroups functioned and established goals for productivity and how staff created a webpage and email to engage the public in attending the open meetings.

The UD Student Growth Subcommittee discussed the Rental Housing Needs Assessment Analysis (RHNA), UD growth projections, student housing impacts, UD student housing obligations, and student housing locations. The RHNA indicated 50 rental units needed to be added each year to accommodate UD growth determined at the time of the study in 2017. Ms. Gray revealed the study was conducted prior to UD's announcement of the Christina Towers demolition and the latest UD growth plan and needed to be recalibrated. She provided Council with an updated version of the multi-family dwellings matrix used by the Planning Commission to track approved and upcoming multi-family projects. She revealed 41 units were added on average per year between 2005 and 2011 and 362 units were added over 2014-2019. She explained the number did not include the 305 non-student housing units planned for College Square.

The topics discussed by the Rental Permits Subcommittee included potential revisions to the rental ordinance, policing of rental properties, the role of UD Police, Newark Police, and Newark Code enforcement, as well as nuisance properties and fees. Ms. Gray explained that potential renters had every expectation that the properties were safe and met a standard set of applicable codes that Code Officials had a duty to uphold. She showed examples of properties that were not regularly inspected and explained that tenants often called for assistance and, in one case, staff suspected a gas leak in an abandoned, condemned house. She highlighted common issues such as plumbing problems, mold growth, and electrical system hazards.

Ms. Gray introduced Mr. Straub who spoke of one property that had upgraded to 150-amp service without a permit or an inspection from a third-party agency, tampered with a City meter box by removing the seal, and left tenants with exposed, live wires near water. The same landlords had also removed the oil furnace and installed a heat pump without permits or inspections. Mr. Straub explained that the gas line at the condemned building had a faulty lock and was still leaking gas into the basement when authorities found people breaking in to throw parties. The gas had to be disconnected at the street and he stressed that the situation could have been a catastrophe. Another gross violation Mr. Straub described was a single-family home that rented their unfinished, uninsulated garage to a father and son. The property had trench dug for bathroom purposes, a tent-shower outside of the garage, and a camping stove in the kitchen area. He stated the lack of insulation as the likely reason the tenants did not die of carbon monoxide poisoning. Mr. Markham asked if the properties shown in the presentation were older and Mr. Staub confirmed they dated from the 1930's to the 1970's.

Ms. Gray explained the Non-Student and Affordable Rental Housing Subcommittee discussed identifying need, exploring policy options to incentivize, exploring partnerships to increase affordable housing stock, and identifying housing policy opportunities for over 55, young professionals, families, low-income and market rate units.

Ms. Gray provided background for Council to understand the magnitude of the lack of affordable housing in the City. She presented statistics prepared by Morgan Jordan and Meghan George, both of the Newark Housing Authority (NHA) that indicated there were 579 seniors and 445 families on the waiting list for low-income public housing and 638 families on the Section 8 Voucher Program waiting list while the NHA offered 36 senior units, 18 scattered sites, 56 units at Alder Creek, and 209 vouchers. Of the 209 vouchers, 121 vouchers were unused because the disparity between what the tenant paid on a sliding scale combined with the voucher was not enough to cover the cost of the City's high rents. She stated the American Communities Survey of the 2014-2017 Newark Census indicated the median housing price in Newark was \$274,900 and the median rent was \$1272. She then stated she had provided Council and staff with the detailed Rental Housing Workgroup recommendations.

Ms. Gray disclosed the UD Student Growth Subcommittee goals were to develop a community relations campaign between UD and the City, be aware of available properties, and understand current UD and forecasted populations. The subcommittee recommended a campaign to help off-campus students learn how to become productive citizens, suggested UD improve data on student enrollment and off-campus living, improve processes to inform tenants of available properties, and improve the ability for the general public to learn about rental property ownership.

The Rental Permits Subcommittee goals were to ensure the safety of properties for tenants through regular interior inspection, research revisions to allow better enforcement, provide benefits to encourage compliance prior to enforcement, and consider revising the student home ordinance. The subcommittee recommended improving the rental inspection program, reassessing the Student Home Classification Ordinance, expanding the Property Maintenance Code to inform all landlords of civil violations, improving policy on enforcement of repeat offenders, considering reducing rental permit late fees, and consolidating bills and inspections for owners of multiple properties.

The Non-Student and Affordable Rental Housing Subcommittee (NSARHS) goals included the need to better understand rental housing demands, collect revenue and incentivize diverse rental options, improve safety for non-student renters, identify locations to increase density for diverse development, and increase opportunities for rent-to-own programs as well as convert rental units to owner-occupied homes. The subcommittee recommended amending the zoning code to require affordable housing measures for new development, amending the zoning codes to allow Accessory Dwelling Units (ADU), identifying additional sources for renter and home ownership programs, working with safety officials to increase safety and appeal for non-student renters, and increasing development density within downtown core for diversification.

Ms. Gray summarized the Rental Housing Survey, which was open from September 15 through October 14, 2019, and polled voters on the recommendations of the subcommittees. Of the 378 responses, 65-75% supported the recommendations by the Rental Permits and UD Student Growth Subcommittees and 63-67% supported those by the NSARHS. She reported on the various close calls of the survey and comment themes:

- Rental Permits Subcommittee Recommendation 2.2 to reassess the Student Home Ordinance - 48% yes, 42% no, 10% no opinion
  - Comments:
    - Concerns with exempt streets
    - Definition of bedrooms
    - Secondary effects of parking
    - How to enforce
- Rental Permits Subcommittee Recommendation 2.5 to reduce Rental Permit Late Fees - 41% yes, 45% no, 14% no opinion
- NSARHS Recommendation 3.1 to amend the code for inclusionary zoning – 40% yes, 42% no, 18% no opinion
  - Comments:
    - Definition of affordable housing
    - What is the need for affordable housing
    - Would this make apartments cheaper for students
- NSARHS Recommendation 3.2.B to allow duplex and semi-detached housing in areas with single-family zoning – 43% yes, 46% no, 11% no opinion
  - Comments:
    - Undermines single-family home zoning
    - Would provide expanded housing opportunities
    - Could just apply to a few neighborhoods
- NSARHS Recommendation 3.6 increase development density downtown – 45% yes, 42% no, 13% no opinion
  - Comments:
    - Infrastructure issue
    - Will pull students from residential areas
    - What are focus areas
    - Affordable housing and mixed use must be incorporated

The Chair opened the floor to questions from Council.

Mr. Horning expressed the frustration of the residents of his district over the last tax increase with regards to focus on student housing where residents felt they were maintaining a town for the UD. They thought UD was large enough and had the means to manage housing for its enrolled students. He acknowledged the City benefitted from private developers and expressed the concern of his constituents who were retirees and burdened with tax increases to support infrastructure used by UD's students. He was pleased with Ms. Olsen's responses to his inquiries and thought the City had a good partnership with UD. He recalled litigation surrounding the Student Home Ordinance and stressed that Mr. Bilodeau be involved in the definitions. Mr. Horning voiced concerns on increasing the occupancy of the exempt

streets to benefit landlords but noted it could help with student housing concerns. He revealed there was confusion regarding the reduction of the rental permit late fees and wanted the City Solicitor to ensure requiring a developer to include affordable housing measures was legally defensible. He thought the allowance of Accessory Dwelling Units would change the expectation of single-family home definitions and potentially decrease home values. He wanted to be sensitive of intruding on homeowners who rented rooms to conscientious students. He wanted to protect and preserve the downtown area from an overly increased density and the accompanying parking issues. Mr. Horning stated there was a misunderstanding with affordable housing and indicated many of those in need were veterans and seniors seeking basic shelter and not gangsters. He asked if the City was addressing the request for more 55 and older accommodations. He thought the downtown focus areas had been addressed and students could be directed to those streets.

Mr. Lawhorn asked for the next step after Council voted on the recommendations. Ms. Gray answered that staff was looking for feedback in order to finalize the recommendations into a report to present to Council on a future agenda after which the Planning staff would create a work plan for implementation over the course of one to two years. He commented that the committee was an impressive, diverse cross-section of the community. He recalled that housing was an issue when he first ran and noted that the housing supply was not only insufficient for the student demand but non-student demand as well. He acknowledged developers concentrated on student housing instead of affordable housing and would do so until the student housing demand was met. He thought that concentrating density in the proper areas gave the City an opportunity to generate revenue without increasing taxes and he saw the redevelopment of older, poorly-maintained homes into denser housing as an asset as it addressed the supply and demand issue and increased the assessment value of the property to the advantage of the City and residents.

Ms. Hughes wondered how it was possible to accommodate all of the housing needs given the limited size of the City and thought it was important to have a good relationship with UD regarding the student population because of the potential imbalance of owner-occupied homes and student rentals. She was interested in hearing suggestions of how and where affordable housing would be addressed.

Mr. Markham asked Ms. Gray if the survey included anything out of the City and she confirmed. He noted a few of the recommendations required UD to take the lead and asked if they were interested in doing so and Ms. Gray stated the representatives that she met with had indicated participation. He agreed that information regarding last inspections and any issues should be posted and pointed that it was information covered under FOIA. He explained that he viewed the late permit fee as more of a fine. He expressed his disdain for irresponsible landlords and did not believe that uninspected properties should be granted a permit and felt renewals should not be granted without inspections. He wanted to make it easier for tenants to call with concerns to ensure they were not living in substandard conditions. Ms. Gray stated that the Rental Permits Group spoke extensively about education. He suggested surveying the exempt zone occupancy streets to indicate a possible desire.

Mr. Markham asked if college students could still qualify for affordable housing and Ms. Ashley answered that a person could qualify for affordable housing if they were not listed as a dependent on their parents' tax returns. She explained a student would not be eligible if their parents claimed them and the parents were not deemed income-eligible for affordable housing but that a student who was not a dependent could qualify. Mr. Markham had been under the impression that students would absorb all the available affordable housing and Ms. Ashley explained that it depended on the student's true income provided they were not claimed by their parents. He asked if it was possible to enforce a developer to adhere to an affordable housing program and Ms. Ashley thought the idea was to utilize an administrative entity familiar with the system. Mr. Markham remarked that he had not seen government housing mentioned in the presentation and Ms. Gray confirmed. He noted the issue with addressing density was height and remarked that public transportation had to be fixed in conjunction with creating density.

Mr. Clifton appreciated the work group and thanked them for their efforts. He noted that the meetings were held during the day as it was convenient for the stakeholders but did not feel that it was a feasible possibility for residents who were employed full-time. Mr. Clifton stated the conversation for affordable housing began in 1997 over the Student Rental Ordinance. He thought the ordinance was going to be impactful but was waylaid over the years and doubted the numbers were qualifiable to how the ordinance read. He noted there were 5,200 units in 14 years and asked Ms. Gray if the Studio Green numbers were included. She explained they were not as they were pre-existing units and pointed out that staff had not done a complete inventory. Mr. Coleman interjected the numbers did not include any UD units that were removed, and Ms. Gray confirmed the numbers were new units coming online. Mr. Coleman pointed to the numbers for 321 Hillside that indicated zero existing but were really 700. Mr.

Clifton stated the numbers reported a UD deficit of 2,500 units. Mr. Coleman explained that UD had built two dorms on Academy but agreed they were not enough.

Mr. Clifton wanted the inspection results to be made public to address slum lords. He understood the 4<sup>th</sup> amendment but wanted to determine a way to inspect rental units as the units were technically the business of the landlords and not their personal homes. He noted that backyards had been turned into parking lots and stated it was against code. He explained it was an enforcement issue but acknowledged the issue of manpower. He was in favor of the focus areas and spoke for Mr. Hamilton who suggested that areas next to campus made the most sense for students.

Mr. Clifton remarked that Newark was a town of residents and stated the City would only maintain the strength of the community by being committed to year-round residents. When Newark lost its full-time residents, the fabric of the community was destroyed. He wanted the solution to be strong, effective, hard-hitting, and convey the City's dedication to the residents. He wondered at the effectiveness of the Workforce Housing due to the lack of potential development availability and remarked that an upper-level UD employee was unable to find an affordable home due to the inflated student rental market. Mr. Clifton addressed the issue of the ADUs and agreed that they changed the zoning of a single-family home. He was concerned that firefighters responding to a garage fire might not consider the garage to be a dwelling. He looked forward to seeing the final legislation.

Mr. Clifton invited Caitlin Olsen, UD Director of Government Relations, to come forward to provide any information that UD may have related to this topic. Ms. Olsen confirmed to Mr. Markham that UD was on-board. She agreed that there needed to be more education for students to learn to be good neighbors and indicated that UD had ideas to incorporate students into the community. She claimed that UD was keeping track of available inventory and potential development sites as well as keeping track of student growth. She stated she would continue to update Council every fall with the application numbers so that Council could plan on the outyears. She commented that once students became juniors and seniors, they no longer wanted to live on campus, and acknowledged the City and UD had to work together to determine who was moving into the community.

The Chair opened the floor to public comment.

Georgia Wampler, District 4, had been a resident for 45 years and wanted to address changing the language in the Student Home Classification Ordinance from "student" to "unrelated persons" and asked if it would be used in the classification of a permit in the non-exempt areas and would it carry the ten lot buffer loan between student houses. She was concerned that the language suggested there would no longer be a student house designation and that every house could become a rental. She wanted Council to consider that permitting ADUs and duplexes and detached houses essentially eliminated single-family homes by creating a high-density in the single-family home zone. She wondered what percentage of rentals was beneficial for a town versus owner-occupied and how many did the City want. She questioned the legality of having a cap on the percentage.

Marguerite Ashley, 52 Kells Avenue, reminded Council that central Newark was for everyone and cautioned against allowing the area to become 100% student populated. She questioned the logic at setting policy based on three to four occupancy because it encouraged higher rents and selling prices. She noted that New Castle County had an eleven-year history with 25 ADUs added each year and reported that the program had not resulted in public concerns or complaints during the current reporting period regarding the added units. Ms. Ashley described ADUs as a niche housing option and did not think it was popular. She felt that the Student Home Ordinance would be easier to enforce with the cooperation of UD and without compromising privacy. She stated that regulation of student housing was not a fair housing issue and recalled the litigation was based on the familial status part of the fair housing law that declared one cannot discriminate based on familiar status. She thought the current Student Ordinance was written that there could not be more than two students in a student home because of the concept of a married student couple. She noted the original ordinance had a potential fair housing violation based on the protected class of familial status but remarked that students were not a protected class. She stated the Student Ordinance was not a mean law to keep students out of neighborhoods but rather a law that recognized the need to keep non-students in neighborhoods. She thought the City had lost its grasp on density and affordability and revealed she once lived in the Dr. Cox building and paid only \$150 a month on a \$96 per week salary.

James Creque, District 3, acknowledged the City was striving to make affordable housing available but was concerned that it would attract too many people and then the City would be left with another problem to solve.

Bob Anderson, non-resident, asked if Council spoke to school districts with new developments. He recalled his time as an administrator in the school district, they would meet with the superintendent and City officials to determine how many students and single families would come from the new development. With those calculations, the administrators could determine how to plan for new students but he was concerned that the City only spoke to UD. He noted that UD was a great institution but it was public and private. He stated it was the only institution in the State that was exempt from the RTT. He wanted the committees to concentrate on determining the objectives the Council wanted to accomplish in the plan. He recalled the meeting topics had been part of conversations in the City for over 30 years.

Reverend Blaine Hackett, Pastor of St. John's Church, District 5, wanted Council to consider density because the church was compressed with new development. He indicated there were only three churches left of the historically black community and requested Council to consider the amount of traffic generated in the area. It was already difficult for parishioners to access the parking lot on Sundays and they were unable to have services during the week due to the overwhelming amount of traffic even when school was not in-session. He hoped the area would not become more populated than it already was because the traffic issue would have to be addressed and could result in widening the streets. He wanted Council to consider that St. John's Church had already donated land to widen Hillside Road and he did not want to reach that point again in Focus Area 1.

Keith Green, Newark resident, was a lifetime member of Mt. Zion UAME Church and commented that the traffic on Ray Street, where his mother lived, was dangerous because of the students going to the dorms and revealed they often drove opposite the one-way street. He commented there was no room left in the City and was disheartened at the loss of the once-thriving black community. He acknowledged that UD was a revenue source and noted it did not give much but took a lot. He disclosed that students urinated and vomited near his mother's home. He wanted Council to consider the last residents of the area in their decisions. Mr. Markham told Mr. Green that Ray Street was District 6 and he wanted to do a traffic study and suggested increasing Police patrols. Mr. Coleman confirmed he would speak to Chief Tiernan.

Michele Kane, UD Residence Life & Housing, appreciated the feedback and stated her department had already begun a sign-on for responsibilities connected to making sure UD had good community relationships and understanding how UD could use the centralized information for rental opportunities to be available from its website. She claimed UD wanted to house their students, but also wanted to make sure the area's rental units were also filled. She was concerned about density and noted she was a Pike Creek resident who understood density concerns. She wanted students to be good neighbors. She told landlords in the audience there was a housing fair in the future and offered her card.

The Chair returned the discussion to the table.

Ms. Gray stated staff had not yet gotten details on exemptions, the elimination of buffers, and the Student Home Ordinance. She explained that ADUs were successful in New Castle and Kent Counties because of the design and requirements of the program. She stated the owners had to live at the property and it did not become a separate apartment. She indicated there were many case studies across the country that claimed the program helped provide non-traditional housing and wanted Council to keep an open mind. She revealed discussions with Mr. Bilodeau regarding the balance of rental properties in the City and the legality of capping the number. Mr. Bilodeau agreed it was difficult to put a cap on rentals in a society versus a condominium.

Ms. Wallace appreciated the diversity of the subcommittees and the model presented to the community. She agreed with all the UD Student Growth recommendations and was pleased to learn UD was onboard. She revealed that students wanted to learn how off-campus rentals worked and their legal rights as tenants. She understood the concern about the language regarding unrelated persons and wondered if UD could work with the City to identify off-campus students. She did not agree with increasing the number of individuals in student rentals because it was counterproductive and created an opportunity to allow landlords to increase rent. She suggested that rental permit late fee could be resolved by paying the permit on time.

Ms. Wallace understood resident hesitancy towards ADUs but saw it as a positive solution to boomer and millennial housing concerns. She remarked that trends were changing, and younger generations were not interested in single-family homes as much as previous generations. She agreed with reinstating Promoting Owner-Occupancy of Homes (POOH) but pointed out it was discontinued because it did not work, was underutilized and the City was not recouping its cost. She repeated that home ownership did not appeal to younger generations because of the burden with mobility. She did not want

to discourage rentals as it would cut out potential residents who wanted to live in the City but could not purchase a home.

Ms. Wallace agreed with Ms. Ashley's comments about downtown density and thought transportation was the key component. She revealed until the City managed the demand of the student rental market, the market rate would be inflated, and until there was enough housing for students, there was not a lot Council could do with addressing affordable housing. She noted that UD was not going to construct more dorms and the City could either ignore the issue or guide the issues with policy and direct where the students could live.

Mr. Horning referred to discussion with Aetna regarding an option to create a mixed-use firehouse with apartments for affordable housing as in the case of the Wilmington Housing Authority.

Mr. Lawhorn remarked on the complexity of the density issue and the intricacies of the relationships between space, density, and traffic. He acknowledged the focus areas were crucial and agreed that living downtown was not solely for students and Council should use focus areas as a tool. He was interested to see if College Square was occupied by the intended audience of young professionals and seniors and thought ADUs should be discussed regardless of controversy. Mr. Lawhorn acknowledged the efforts of the school board to increase community engagement and explained they had created a non-profit to reach out to government to generate more impact. He agreed that communication needed to improve between Council and the school board.

Mr. Lawhorn believed the relationship with UD was better but there was opportunity to improve, specifically in communication between the Planning Departments with the City and the University. He commented it could be beneficial to landlords if UD posted about ordinances and codes that could impact student renters. He thought there was value in making inspections public and creating a rating but acknowledged the supply and demand issue was a problem. He believed increasing occupancy in certain areas could be a positive solution but was aware of the potential for irresponsible landlords taking liberties to the detriment of others. He did not want to penalize responsible landlords with undue burden.

Mr. Lawhorn wanted to further address the incentives of adding density in return for affordable housing fund contributions because he could not recall examples that came to fruition. He thought it would be difficult to reinstate the POOH program until supply and demand was met and doubted the City could fund it due to high costs. He thought students concentrated in the downtown area would not impact traffic because of parking shortages and agreed that public transportation needed to be addressed given that UD removed themselves from a possible solution. He believed UD was evaluating student demand and its need for dorms and wanted to continue discussion of partnering towards a solution.

Ms. Hughes agreed home inspections should be required because students were victimized by landlords refusing inspections. She thought a solution would be to require a third-party certified inspector but was not sure of the legality. Mr. Bilodeau revealed that the landlord committee worked with the lobbyists and explained if the City could get the Legislature to allow administrative warrants then Council could amend the inspection code to enforce administrative warrants on properties that did not allow inspections to proceed. Mr. Markham interjected that it was a deep topic and cautioned against beginning the debate about administrative warrants and State code that evening. Ms. Gray said there were many options discussed at the subcommittee and staff was able to present them if requested. Ms. Hughes was concerned with the loss of contacts and discussions with the turnover of UD staff and City Council. She wanted to have Council share their discussions and asked how to present a more unified front.

Mr. Markham wondered what neighborhoods had bad reputations but also had available rental space and Ms. Gray said that she would reply in an email. He asked Ms. Gray when she expected to bring recommendations back to Council and she replied that a date was not set. She explained the intent was to have the work group to go through the recommendations from Council and estimated it would take two meetings and then need to get back on a Council agenda. She assumed July would be the most realistic date. Mr. Markham noted there would be two new Council members and suggested creating a summary for them. Mr. Markham congratulated the team on their cohesiveness and thorough dedication.

Mr. Clifton remarked that Council thought that approving properties like the Courtyard would entice students to move from single family homes but that with UD removing housing over the last few years, the trend was reversing. Mr. Clifton wondered if the housing stock was appropriate for potential tenants. He thought Council should follow Wilmington's example and consider a Nuisance Property Ordinance and stressed the importance of addressing the issue of inspections. He stated that Council should not legislate from the fear of litigation when they were equipped with an accomplished, impartial solicitor. Mr. Clifton was interested in listing the inspected homes online and hoped UD would share the

information. He understood that ADUs worked at other places in the State but cautioned that Newark was a unique City. He was concerned that there was institutional bias regarding affordable housing in that the available houses were made unaffordable based on their value as a rental. He noted the individuals who had vouchers but could not use them because of the City's market and felt that at some point, Council would have to weigh the values of their actions to the unintended consequences.

Mr. Clifton explained he and staff had a productive meeting with Secretary Cohen regarding transportation where she recognized that Unicity route was a hodgepodge and not a workable route. He indicated Ms. Gray was working on a solution and Secretary Cohen was planning on sharing her ideas on how to make the system more functional and revolutionize how the City saw government-funded transportation.

**5. 3. ITEMS SUBMITTED FOR PUBLISHED AGENDA:**

**A. Council Members:**

1. Discussion Regarding Safety and Assistance Initiative for Panhandling in Public Right of Ways – Mayor Clifton/Representative Osienski (15 minutes)

**2:41:52**

Mr. Clifton explained that he and Representative Osienski had extensive conversations regarding the safety of panhandling and taking a difference funding approach. Representative Osienski explained he had served the 24<sup>th</sup> District east of Newark for over ten years and revealed he had always gotten complaints from constituents who felt panhandling was unsafe and threatening. He stated that he wanted to better understand the issue before making knee-jerk legislation and so reached out to homeless advocates and individuals with addiction and mental health experience. He specifically mentioned he had spoken to Mark Marcus, Friendship House, and Mr. Gaines, who had worked in a now unfunded shelter, and was shocked to learn that they did not support panhandling. The men explained that there were services provided for addiction and shelter, but they came with rules which stated no alcohol, drugs, or weapons so those who did not want to comply turned to panhandling.

Representative Osienski also spoke to State Police on how they addressed the issue and discovered the Police remained hands-off but learned there were traffic laws that indicated “no person shall stand in a highway for the purpose of soliciting any employment, business, or contributions from the occupant of any vehicle.” He explained if the Police issued tickets, they would go unpaid, and the judges did not level penalties or fines, so it was a waste of resources unless the individuals were overly aggressive. He reported the Police had campaigns where they provided services and food and were very unsuccessful. Representative Osienski stated that DeIDOT was willing to install signs prohibiting panhandling but noted that panhandling was a protected freedom and he wanted to avoid a lawsuit. He revealed that Delaware had a high rate of pedestrian accidents so DeIDOT wanted the issue to be remedied but was not really getting involved. He then decided to educate the public based on his findings that handing money to panhandlers was delaying them from seeking the services available. He discovered signage that advised the public not to contribute to the problem but instead contribute to the listed local assistance organizations.

Representative Osienski wanted to get the media involved to do an in-depth piece to educate the public about the signage PILOT program. He thought it would be helpful for the News Journal to interview Police, DeIDOT, assistance organizations, and the individuals seeking help. He reiterated DeIDOT's willingness of posting signs on known trouble spot medians. He revealed he spoke to staff at the National Law Center on Homelessness and Poverty who indicated the signs did not generate contributions but suggested if the signs were instituted, that local university staff be charged with conducting before and after studies to determine the actual impact. He announced that he was working with State agencies to determine the language on the signs for DeIDOT to install. He thought it was also necessary to make policy changes as there was a clear need for more shelters, Code Purple locations, affordable housing, opioid addiction and mental health services.

Representative Osienski reviewed the various pieces of legislation he helped to pass including raising unemployment benefits and revealed that HB 294 was recently sponsored that determined what court heard the case if Police acted. He explained that it was illegal to stand in the highway, but HB 294 allowed transferring the cases to the Court of Common Pleas to give the accused more access to social services. He also drafted a letter to his colleagues to sign requesting that the Joint Finance Committee increase the funding to the General Assistance program which helps those making less than \$1,000 a year. He stated he would report back to Mayor Clifton if the PILOT program was implemented.

The Chair opened the floor to comments from Council.

Mr. Clifton was very concerned with the safety issue of approaching cars on the roads and wanted Council to consider the safety issues as well as getting individuals the help they needed. He noted the importance of setting individuals up to live more productive lives and admitted the gross lack of shelters and housing options. Mr. Clifton mentioned that there had been discussions of putting in a non-profit on the signs and Representative Osienski explained some State agencies were concerned with putting a specific non-profit on a State roadway sign and wanted to make sure the whole agency dealt directly with the population.

Mr. Lawhorn acknowledged that laws cannot be created to fix the dilemma and agreed that educating the public would be extremely useful albeit it a challenge. He was hesitant to having more signs but thought it was the first step in a long process.

Mr. Horning asked if there was a legal distinction between panhandling and soliciting for charities and Representative Osienski explained there was not although he was not sure if DelDOT issued permits for charities. He explained he was not proposing legislation to ban solicitation or panhandling in the medians but rather wanted to educate the public on how their actions could be delaying individuals getting proper help. Mr. Coleman stated individuals with Peddlers' Licenses from the City were prohibited from entering the roadway.

Mr. Markham recalled his church had once given bags of supplies to panhandlers. He remembered an instance where an individual attempted to return a meal and threw it at the donator when it was not possible. Representative Osienski agreed some individuals were resistant to anything other than money. Mr. Markham noted that some seemed to be organized in partnerships and thought that the signs could help educate the public.

Ms. Hughes had received comments from constituents and agreed with Mr. Markham that some seemed to be organized and treated panhandling as a business. She reiterated Representative Osienski's comments that many panhandled because they refused to follow the rules of shelters and asked what he thought the solution was. He admitted it was difficult to answer because each case was different. He did not want to further criminalize the situation and revealed he met with the ACLU in Wilmington and they did not object. He reiterated the signage was a PILOT program to gauge impact.

Mr. Clifton was concerned about people enslaved in panhandling and stressed the importance of directing them to the proper channels for assistance.

The Chair opened the floor to public comment.

Marguerite Ashley stated she worked part-time at the Housing Alliance Delaware and suggested the money collected go towards bus passes and was unaware of agencies that supplied them as part of their outreach. She stated shelters, food sources, and treatment were available to those that sought them.

Jean White, District 1, had never experienced aggressive panhandling and did not believe in donating. She was against putting signs up because she did not think it would help and thought they were visual clutter. She recalled the Wilmington law and repeated the previous comments that panhandling was free speech and she agreed with the ruling. She suggested those so inclined should donate funds to helpful organizations.

Nick Wasileski, District 3, cautioned against sanitizing the problem and stated he ran the Angel Tree Program for ten years at his local church. The Angel Tree Program was part of prison ministry that provided Christmas presents to children of incarcerated parents and he noted that the presents were usually always winter coats. He could not be sure if panhandlers were doing so as a business but stressed that there were poor people in true need of assistance.

The Chair brought the discussion back to the table.

Mr. Markham noted that the News Journal had been mentioned several times, but he did not want to ignore the Newark Post.

**6. 3-A-2. POTENTIAL ITEMS FOR FUTURE MEETING DISCUSSION – COUNCIL MEMBERS (5 MINUTES)**

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**3:15:10**

Mr. Horning stated a District 1 constituent was concerned with his face being shown online during public comment and Mr. Horning thought a future meeting should discuss policy and a notice regarding livestreaming.

Mr. Clifton asked Mr. Horning if he wanted to put it on a future agenda to discuss a policy decision versus a codification. Mr. Coleman indicated the new cameras were much more capable of pan/tilt/zoom but staff never intended to zoom in on public speakers' faces. The cameras were behind the speakers at a sideways angle so they showed the side of the face and the zoom feature, if it were used, would be for the dais. He explained the other camera would show the presentation screen and not pan around for speakers. Mr. Clifton claimed the only complaint he had was for the quality of the video and audio. Mr. Coleman explained that an audio integrator was brought in and stated that the system was a combination of older and newer parts and the City did not have a mixer to adjust the volumes of each individual microphone independent of each other in real time. He explained that to do that with the current system, staff would have to man the system instead of running on autopilot.

Ms. Bensley asked Council if there was consensus to address the issue on a future agenda and Mr. Clifton thought it was an excellent point to discuss for the public.

**7. Meeting adjourned at 10:20 p.m.**

Renee K. Bensley, CMC  
Director of Legislative Services  
City Secretary

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