

# Rental Housing Workgroup Background and Recommendations



## About the Rental Housing Workgroup

The Rental Housing Workgroup was approved by City Council to examine the issues related to the high demand for student housing due to student growth, the management of rental housing, and to address the need for non-student as well as affordable rental housing. The goals of the Workgroup are to: facilitate increased communication, trust and cooperation amongst stakeholders and the public; provide desirable options for all who want to live in the City of Newark; and improve quality of life for all residents of Newark

The Workgroup has been meeting since April 2019 to develop recommendations for Council consideration on these issues. The Workgroup has developed a draft list of recommendations (refer them to the link), and would like your feedback before they are presented to Council at a public meeting scheduled for October 28, 2019 for Council feedback and public input. The Workgroup will be reviewing the feedback from this survey and incorporating it into the presentation to Council at the 10/28/19 meeting. After the 10/28/19 Council meeting, the Workgroup will reconvene and review the Council and public feedback and refine their recommendations in anticipation of a final presentation to Council at a later date.

The Workgroup is divided into 3 subcommittees to address specific concerns around the following topics: University of Delaware Student Growth, Rental Permits, and Non-Student and Affordable Housing.

The goals of each subcommittee are as follows:

1. University of Delaware Student Growth
  - a. Develop community relations campaign in partnership with City of Newark and University of Delaware (UD)
  - b. Gain a better understanding of what rental properties are available and what development projects are in the pipeline
  - c. Gain a better understanding of UD current student population and expected population and campus growth
2. Rental Permits
  - a. Make rental properties safe for all tenants by ensuring interior inspections take place on a regular basis
  - b. Look into revisions or incentives that allow for better enforcement or provide benefits that encourage compliance before enforcement is necessary. Revisit fine/fee structure, timing, etc.
  - c. Explore the effectiveness of and potential revisions to the Student Home ordinance to facilitate enforcement
3. Non-Student and Affordable Housing
  - a. Better understand rental housing demand in Newark
  - b. Identify opportunities for rent-burdened families to find rental housing within City limits
  - c. Identify opportunities to collect revenue and incentivize diverse and affordable housing options
  - d. Identify areas to improve safety and increase neighborhood appeal for non-student renters
  - e. Identify locations to increase development density and support diverse rental housing development
  - f. Identify opportunities to increase home ownership with rent to own programs and conversion of rental units to owner-occupied homes

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## Issues and Recommendations

### 1. University of Delaware Student Growth Subcommittee

- 1.1. **Issue:** Students living off campus may be disobeying rules, may not maintain their properties well, or may be disruptive, disorderly, or incompatible to the surrounding community.

**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.

- a. City and UD to collaborate on publishing a “Good Neighbor Guide” available online and as a pamphlet that can be distributed through the UD Office of the Dean of Students, at Student Centers, by Landlords, in Libraries, and at the City’s Municipal office.
- b. The University’s Student Government Association can establish a “Neighborhood Ambassador” program to serve as a point person to help organize community events for students living off campus.
- c. UD’s Division of Student Life can periodically post social media messages with brief reminders about good neighborly behavior. For example: “It’s been 2 weeks since you moved in. If your landlord doesn’t maintain the grass, is it time to mow your lawn?”
- d. Include reference to educational materials discussed in Recommendation 2.1.

**Type of Recommendation:** Administrative

**Lead Responsibility:** University of Delaware

**Key Partners:** City of Newark – Communications

- 1.2. **Issue:** City Planners and developers are seeking better data to help better understand the market demand for student housing. 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 the city limits, or how many students are enrolled.

**Recommended Solution:** UD to improve available data about student enrollment numbers and students living off campus.

- a. UD can issue a voluntary student survey to gain a better understanding of where students live and their housing choice preferences. This survey can provide better data to help refine future housing policies and outreach campaigns, and the data can be shared with the City of Newark and the public.

**Type of Recommendation:** Administrative

**Lead Responsibility:** University of Delaware

**Key Partners:** City of Newark – Planning and Zoning

- 1.3. **Issue:** It is difficult for students to find information about rental housing opportunities without a single source for housing availability, 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 for people seeking rental housing.

- a. UD will confirm contract obligations with “Places4Students.com” to clarify how much information UD is able to provide regarding other 3rd party advertising sites.

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- b. The UD Classifieds and “Good Neighbor Guide” noted above 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.
- c. The UD “Good Neighbor Guide” noted above can include information about the timeframe to find rental housing and note that it can happen later in the school year.

**Type of Recommendation:** No Action needed by City of Newark

**Lead Responsibility:** University of Delaware

**Key Partners:** Private sector rental referral services

- 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.

- a. Confirm with the City’s legal counsel if the City can lawfully share code enforcement information publicly online so that the public can check on status of code enforcement complaints.
- b. If legally allowable, provide information online about location of permitted rental properties and contact information for owners/permit holders on the City’s website. Consider presenting the information in a more user-friendly and searchable format such as spatially mapped similar to the zoning map already online.
- c. Code Enforcement may investigate improving current reporting system software/platform or procuring new to better document, report, and track rental permits, violations, leases, billing, related data, and information.

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – City Solicitor, Code Enforcement, and Communications

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## 2. Rental Permits Subcommittee

- 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 tenants (on the advice of the property owner/landlord.)

**Recommended Solution:** Improve the rental inspection program to include:

- a. A marketing and educational component about safety.
- b. Promote voluntary interior inspections and develop a “what to expect” document for explaining the inspection purpose and process.
- c. Provide a publicly available list of properties that have been interior-inspected. Initially, the information provided will be current status, and as data is collected over time, may show the property’s inspection record over a 5-year period.
- d. Confirm with the City’s legal counsel if the City can publicly share inspection records.

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – City Solicitor, Code Enforcement, and Communications

- 2.2. **Issue:** The current Student Home Classification Ordinance is meant to limit the density of students within traditional, family-focused neighborhoods by restricting the number of tenants and proximity to other Student Homes. Exempted areas do not require a student Home classification and are typically neighborhoods with a high population of students. However, the Student Home Classification Ordinance has not prevented encroachment of Student Homes into non-exempt areas. The City is unable to enforce the Student Home Ordinance because inspectors are unable to confirm if tenants are students. When the ordinance was adopted, the City was able to obtain enrollment information from UD. However, UD is no longer able to provide this. Furthermore, tenants may be students at other institutions or may be part-time students.

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

- a. Change the word “student” to “unrelated persons”
- b. 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

**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor, Zoning, Code Enforcement, and Communications

- 2.3. **Issue:** Currently, property owners/landlords are only notified when their tenants are in violation of the City’s noise ordinance, and not when other issues occur.

**Recommended Solution:** Expand Property Maintenance Code section 404.8.3.D to include all civil violations from the Unruly Social Gathering Ordinance in addition to noise. These include:

- a. Underage drinking
- b. Publicly urinating
- c. Littering
- d. Standing on roofs
- e. Disorderly premises
- f. More than 150 people present without a permit
- g. Obstruction of public rights-of-way

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- h. Public drunkenness
- i. Fights
- j. Criminal mischief
- k. Drug use
- l. Trespassing on neighboring property

**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor and Code Enforcement.

- 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.

**Recommended Solution:** Improve policy on enforcement of repeat offenders.

- a. Investigate feasibility/legal means of penalizing property owners for repeat code and criminal offenses
- b. Reassess current fee structure and consider escalating fines for repeat offenders and problem properties that require excessive enforcement
- c. Reject any annual rental permit renewal requests for properties that have outstanding late fees, liens with the City of Newark, or have not passed an annual inspection.

**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor and Code Enforcement.

- 2.5. Issue:** The current rental permit late fee is also 5 times the amount of most other City services/permit late fees.

**Recommended Solution:** Consider reducing rental permit late fees from 25% to around 5%, like other City permit late fees

**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor and Code Enforcement.

- 2.6. Issue:** The City’s permit invoicing and inspections program is currently managed by property and is inefficient to track invoicing, payments, and inspections for landlords who own multiple properties.

**Recommended Solution:** Consolidate bills and inspections for owners of more than 1 rental property

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – Code Enforcement.

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## 3. Non-Student and Affordable Housing Subcommittee

**3.1. Issue:** There is limited availability of good-quality, affordable (below-market rate) 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 requiring new housing development to include affordable housing measures -- especially for rental housing-- such as:

- a. Requiring new housing development to include a percentage of housing units as affordable housing, or
- b. 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.
- c. Allow for density bonus if affordable units are included in new housing developments
- d. Incorporate deed restrictions to ensure that recipients of affordable housing units meet Newark Housing Authority low income requirements for eligibility.

**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor, Zoning, Development Review, and Finance

**Key Partner:** Newark Housing Authority

**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 A:** Amend zoning codes to allow Accessory Dwelling Units (ADUs) at single-family, owner-occupied homes. The Workgroup recommends the following parameters for consideration:

- a. The property must be owner-occupied.
- b. Tenants should be non-transient, and include a definition for transient and non-transient tenants within the City's Code.
- c. There should not be a requirement for family-member tenancy in the ADU.
- d. Limit the percent of housing square footage that can be considered an ADU rental unit and the number of ADUs per property.
- e. Limit advertising signage to ensure that the property maintains a residential character
- f. Limit the number of tenants in the ADU by square footage of the unit.
- g. Do not include additional parking requirements for the lot.
- h. Ensure all other setback and architectural design requirements for the residential zone remain applicable to the property order to maintain neighborhood character.
- i. Consider whether the ADU must be attached or if detached is acceptable.

**Recommended Solution B:** Amend zoning codes to allow Duplex or Semi-Detached housing in areas with single-family zoning. Incorporate architectural guidelines that ensure the building setbacks, parking, height, and mass are complimentary to the surrounding neighborhood.

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**Type of Recommendation:** Changes to City Code

**Lead Responsibility:** City of Newark – City Solicitor, Planning and Zoning, and Development Review.

- 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.

- a. Reinstate 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.
- b. Consider renaming or rebranding the program when rolling out.
- c. 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.
- d. Consider utilizing the proposed Inclusionary Zoning Ordinance fee-in-lieu revenues.
- e. Consider including a requirement to live in the home for a designated period of time.
- f. Redact any rental permit previously granted.

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – Finance

- 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.

- a. Partner with the Diamond State Community Land Trust, Habitat for Humanity, or other affordable housing developers to purchase and manage homes to renovate and sell to qualifying families. This can promote owner-occupancy of homes and prevent inventory from turning into rental stock.
- b. Identify vacant properties owned and maintained by the City for new affordable housing development opportunities.
- c. Consider utilizing a new revenue source from a potential inclusionary zoning ordinance with fee-in-lieu structure.

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – Finance, Planning, and Development Review

- 3.5. Issue:** Certain neighborhoods with good-quality rental housing opportunities have a negative stigma from the general public 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.

- a. Collaborate with the Newark Partnership and active civic associations and home-owner associations to organize and promote community events within targeted

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neighborhoods. These events may include block parties, movie nights, organized community clean-up days, and other recreational activities that promote community involvement.

- b. Police presence should be increased neighborhoods to promote a sense of safety.
- c. If no civic association represents a certain area, encourage neighborhoods and provide guidance to establish civic associations.
- d. Encourage forming new neighborhood watch groups.

**Type of Recommendation:** Administrative

**Lead Responsibility:** City of Newark – Police and Parks and Recreation

**Key Partners:** Newark Partnership, established civic associations, community leaders

- 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. Downtown should be developed to attract both student and non-student residents and visitors.

**Recommended Solution:** Increase development density within the downtown core to allow more mixed-use, commercial, and housing development (including student and non-student housing and amenities) in areas within close proximity to the University. Implement the proposed zoning density increases within Newark’s Focus Areas to allow more infill development of higher density development.

- a. Incorporate land use and density revisions in the City’s Comprehensive Plan and Zoning ordinance within designated Focus Areas.
- b. Ensure the Focus Areas include housing diversity, commercial areas, and community amenities to promote economic growth and activity in summer months when there are typically fewer students in Newark.
- c. Utilize streetscape design standards promote transportation patterns in the downtown core to prioritize pedestrian, bicycle, and transit trips to help reduce traffic congestion and parking demand.

**Type of Recommendation:** Changes to City Code and Comprehensive Plan

**Lead Responsibility:** City of Newark - Planning

To provide feedback on these draft recommendations, please participate in our survey:

<https://www.surveymonkey.com/r/WPXSHRH>

For more information about the Rental Housing Workgroup, please visit:

<https://newarkde.gov/1118/Rental-Housing-Workgroup> or email: [nderentworkgroup@jmt.com](mailto:nderentworkgroup@jmt.com)