

5. Discussion: Residential Rental Property Regulations

Mr. Dunning stated that this had the support of the Police Department; however, it was not time-sensitive. It involved rental regulation programs, and would not go into detail about the types of programs available, nor was staff bringing any recommendations forward at present; but a discussion was needed about the potential for rental programs, which could vary widely. Staff was also seeking some direction as to whether the process of identifying and evaluating the data on Lee's Summit's rental market should be done by staff alone, through committee or with the help of a task force.

A "rental program" was often perceived as discrimination against those who rented and did not own real property by holding rental properties to a higher standard. Mr. Dunning stated that this was not the case. These programs were intended to regulate the quality, safety, maintenance and upkeep of properties as the responsibility of property owners. When someone bought a home, it was a common practice to have an inspection done before making a final decision; so home owners often had these same standards themselves. Further, the Fire Department regularly inspected commercial properties in a fire safety context. However, no program existed in Lee's Summit to provide this kind of assurance in the case of rental properties and this was a gap a rental program would fill. Mr. Dunning emphasized that the purpose of this kind of program was to hold property owners and landlords to minimum standards. The City would need to decide on what those minimum standards were, should it undertake a rental program.

Mr. Dunning pointed out that this kind of program was referenced in the City Council's Goal #9: *"Preserve the integrity of affordable housing options within the City, protect the rights of renters, and preserve the standards of the surrounding neighborhoods through enhanced code enforcement of rental properties."*

A rental program indisputably involved proactive enforcement. Mr. Dunning referred the Committee to the earlier situation with the Nancene Apartments as an example of where a rental program could have had an impact. Although Nancene was under HUD inspections, it still had some issues in addition to other unfortunate circumstances.

Mr. Dunning then referred to the Safe Community Task Force, comprised of individuals from City departments. The group had been formed basically to address the question displayed on the Power Point slide: *"What can be done in Lee's Summit to sustain quality of life within the community and minimize crime or the fear of crime?"* The group had been formed because of a number of unfortunate incidents, and had been a good mix of people. The group had identified three different areas: new development, existing development and the level of Police presence. New development had been where Crime Prevention Through Environmental Design (CPTED) had been introduced; and that had resulted in some changes to the UDO and building security

ordinances. Police presence had been expanded, with Police Department going from 7 districts to 10, and the City had hired 21 new police officers. That had gone along with an emphasis on the philosophy of community-oriented policing.

However, in the existing development area the City had achieved some things but this was the area that needed more attention. A rental program and proactive code enforcement program would be part of that. Mr. Dunning displayed a slide outlining the Safe Community Task Force's analysis of proactive property maintenance programs.

Mr. Dunning summarized the evolution of codes enforcement. Every community had zoning regulations that were standards for the use of property. The next step was property maintenance standards and regulations; and Lee's Summit had first introduced this in 1999. At present, its approach was basically reactive rather than proactive; other than removing signs in rights-of-way and matters involving life safety that had to be dealt with immediately. The foundation of successful rental programs and code enforcement programs was quality code enforcement programs; and Mr. Dunning stated that Lee's Summit had achieved that with its zoning and property maintenance program. These were working very well.

Mr. Dunning then displayed statistics from the 2010 census data. They indicated that 21% of Lee's Summit housing was rental property. These properties were occupied by 20% of the local population. This represented an increase in rental property, which reflected the current uncertainty in the job and real estate markets. Another graphic showed how rental housing was distributed in terms of location. Within a one-mile radius of Downtown was 47% of the rental housing, with the percentages declining further out to 30% within a three-mile radius and 23% within a six-mile radius.

When staff had presented the Safe Community Task Force recommendations, they had included research on the impact of disorder and decline in neighborhoods. It showed a connection between lack of maintenance upkeep and crime. When blight and crime moved into a neighborhood, the destruction was like a cancer and the trend was very difficult to reverse once it was established. That gave added significance and importance to being proactive rather than reactive when it came to neighborhood decline and its impact on economy and quality of life.

Mr. Dunning then displayed a map overlay, with purple dots representing property maintenance calls from the neighborhood and yellow dots representing those from police. It reflected six months, but staff could run these for various parts of town and time frames.

The next slide displayed points of consideration in implementing a rental program. "*Scope and extent*" included single-family, duplex and multi-family housing, and these had some gray areas such as an owner-occupied house whose owner rented bedrooms. Other considerations were

what minimum standards should be, whether to have a registration program requiring registration of owners renting property and whether to require licenses for multiple rental properties. The current ordinance required licensing as a business for four rental units or more. Many rental programs required out of town landlords to have local representatives.

Policies would need to be in place about inspections, including whether to do them, whether to include interiors or just an exterior inspection and when to have inspections. Options for the latter included annually and when the property changed hands. Additionally, many communities had written standards for landlord responsibilities and tenant responsibilities. In terms of enforcement, some communities had escalating enforcement, with heavier penalties when repeated visits became necessary. "*Level of service*", "*resources*" and "*financial impact(s)*" were connected; and the City's "*ability to condemn [property] or remove tenant*" as well as the "*ability to revoke license*" would also have impacts. Training would be a large part of an effective rental program, and there were ways to offer incentives, such as when a development could be certified as crime-free multi-family housing. This was an arrangement whereby an inspection occurred annually or whenever there was a tenant change. It would be necessary to set up an appeals process as an avenue for landlords who did not agree with a decision.

Staff's research had indicated that there was not one ideal program for every community. These programs were design for specific goals and needs, but it also indicated that a citizens' task force to bring the idea forward was beneficial; and this task force would need to have a good cross-section of the community. Staff could bring back additional information for the Committee to consider.

Chairperson Gray recognized Councilmember Robert Johnson, who was attending the meeting.

Councilmember Johnson gave his address as 1000 NE Remington Court. He first stated that he wanted to have a sno-cone mobile vending operation in the summer, and he had looked at the cost of retrofitting a trailer, and the equipment. He did not have any intention of operating the business in Lee's Summit.

Councilmember Johnson noted Mr. Dunning's assertion that rental programs were not discriminatory. He stated that this kind of program needed to include everyone, as rental properties were not the only ones that had problems. His biggest concern was that many of the property owners were probably families who had one or two units for rent. Some were represented by apartment complexes, such as Nancene. He believed that the biggest problems and negative impacts came from apartment complexes rather than individual houses or duplexes. He would want some distinction made in the rental program between these two. Additionally, any time the City did inspections they always wanted to charge someone, and whatever the charge was, it would get passed on to the tenant.

Councilmember Hofmann asked if the owner was responsible in the case of an owner-occupied unit, and Mr. Dunning answered that the owners of the property were the responsible parties. Councilmember Hofmann then remarked that when a number of foreclosures of properties had occurred, the owners were required to register with the City. Mr. Dunning answered that this was required if the building was both vacant and in foreclosure; and that "owner" could include a bank in some cases.

Councilmember Hofmann agreed that an increase in rental properties and renters in Lee's Summit was likely and that the city did need this kind of program. The City did need to exercise more control over rental properties, and Councilmember Hofmann recalled a 2005 rezoning where the lack of maintenance of rental properties was a major issue. Rundown properties did reduce property values and were associated with an increase in crime; and this was something the City needed to deal with. She had noted all the police calls indicated on the map, and she did hear of a lot of that in her district. A task force was a good idea, but the City might also need to consider requiring registration of rental houses; although in cases of one or two-property landlords, such as people who had inherited a parent's house, they should not be required to get a license. A permit should be required for anyone who owned more than two rental properties.

Councilmember Mosby was generally in favor of this approach, including a citizens' task force. He thought he had heard Mr. Dunning say that commercial entities and owner-occupied houses were inspected when they were built and that some had annual inspections by the Fire Department; and wanted to know if this was correct. Mr. Dunning replied that the City inspected new houses, but the owner might also have someone else inspect them as well. Similarly, when someone purchased a home that was not new, they would have an inspection done. Fire inspections of commercial entities were routine and not necessarily done when the property changed ownership or tenants. Councilmember Mosby asked if duplexes and fourplexes also had inspections when they were constructed. Mr. Dunning said that was correct. In the case of existing multi-family units, Fire did do regular inspections in the common areas and would often inspect vacant units as well.

Councilmember Mosby remarked that although new buildings were inspected, there was no mechanism for inspection when an owner-occupied building became a rental, and Mr. Dunning said that was correct. Councilmember Mosby also liked the citizen task force approach, but he also wanted to know what the scope of a rental program would be, specifically for owners of one or two single-family dwellings that were rented. Mr. Dunning answered that the scope was something that the City and the City Council could debate, or staff could take the information to a task force for recommendations. In the first option the City would analyze the details and in the second, the task force would be instructed to bring back a report and recommendations to the CDC.

Councilmember Mosby asked how long the task force would be expected to operate, noting that if they covered all the rental properties that would take a lot of time and work. He suggested that

a lot of the crime and blight was taking place in larger commercial rental complexes rather than single units. The City had been quite efficient in responding to complaints about individual homes. Mr. Dunning responded that if they were going to put a task force together, he was in favor of a more comprehensive approach in making recommendations.

Councilmember Mosby asked if staff had data indicating that the problems were consistent whether units were single-family or multi-family. Mr. Dunning answered that calls for service were not for one specific type of rental. There were a number of calls on single-family homes, sometimes involving an absentee landlord. On the maps the dots representing higher-density units were closer together, but another pattern was that most calls were in older areas of town. These were the two patterns that were evident. Councilmember Mosby said that he had not been asking about geography but whether the pattern was for one type of facility; and Mr. Dunning answered that the age of the facility was significant as well as size. Councilmember Mosby stated that these details should be clear before the task force started. Mr. Dunning agreed that staff would need to develop specific data for the task force to work with. Concerning duration, he could not give a definite time but noted that the stormwater task force had been together for a year.

Councilmember Hofmann stated that the City should look at all the rental units. She did know of a number of duplexes and single-family homes that should not be rented. Her church had rented a house for an interim pastor, and the congregants had to repair even the stairs to make them safe and this kind of situation could occur in any rental property. She believed that single-family rental units, duplexes, and multi-family apartments all had the same issues.

Councilmember Cockrell remarked that the Council had already made a decision that this was a goal, so the CDC did have clear direction in that sense. He agreed with Councilmember Mosby that a decision needed to be made about what kinds of units would be priorities. He then asked what staff needed from the Committee, and Mr. Dunning said that the presentation was partly to give the Committee an overview of the situation, with the idea of making a decision about forming a task force. Staff could bring back recommendations to the CDC and later to the Council about what the scope should be as well as getting more specific information.

Chairperson Gray agreed with this approach, and the Committee agreed by consensus to Mr. Dunning's proposal.