



City of Lawrence

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CITY COMMISSION

MAYOR
ROBERT J. SCHUMM

COMMISSIONERS
MICHAEL DEVER
HUGH CARTER
MIKE AMYX
ARON E. CROMWELL

November 27, 2012

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Schumm presiding and members Amyx, Carter, Cromwell and Dever present.

A. RECOGNITION/PROCLAMATION/PRESENTATION:

Mayor Schumm recognized the Old Fashioned Christmas Parade for its appearance in an article in USA Today regarding the best Christmas celebrations in the United States.

B. CONSENT AGENDA :

Carter requested that item number 1, minutes of the 11/13/12 City Commission meeting be deferred for one week to make a correction requested by Richard Hird.

It was moved by Amyx, seconded by Cromwell, to approve the consent agenda as below, minus item number 1 which is deferred. Motion carried unanimously.

1. DEFERRED Approval of the City Commission meeting minutes of 11/13/12
2. Received minutes from various boards and commissions:
Parks & Recreation Advisory Board meeting of 11/13/12
Public Health Board meeting of 09/17/12
3. Approved claims to 148 vendors in the amount of \$1,415,281.49.
4. Approved the appointments to the Douglas County Senior Services Advisory Board:

Dr. Phil Godwin to a one-year term that ends 12/31/13.
Dennis Domer to a two-year term that ends 12/31/14.
Hank Booth to a three-year term that ends 12/31/15.
Kathy Clausing-Willis to a three-year term that end 12/31/15.
5. Bid and purchase items:

- a) Set bid date of Tuesday, December 18, 2012 for the Comprehensive Rehabilitation project at 133 Florida Street.
 - b) Awarded Bid No. B1263; Water and Wastewater Treatment Chemicals for 2013 to the bidders marked by a triple asterisk (***) on the attached bid summary.
 - c) Awarded bid to replace the Bly room floor in Holcom Recreation Center for the Parks and Recreation Department to Regents Flooring Co. for \$18,484.
6. Adopted on first reading, Ordinance No. 8825, authorizing the codification of ordinances of the City of Lawrence, January 1, 2013 edition.
 7. Adopted on second and final reading, Ordinance No. 8822, establishing the parking lot adjoining 700 New Hampshire Street as two hour parking for the duration of the lease agreement between the City of Lawrence and Lawrence Store No. 203, L.L.C.
 8. Approved annexation, A-12-00190, of approximately 90 acres, located east of Kansas Highway 10 (K-10) and north of W 6th Street adjacent to the Baldwin Creek City Park, generally bounded by E 902 Rd on the west and George Williams Way extended on the east. Submitted by Paul Werner Architects, for Fairway, LC, Property owner of record. Adopt on first reading, Ordinance No. 8823, to annex (A-12-00190) approximately 90 acres located east of Kansas Highway 10 (K-10) and north of W 6th Street adjacent to the Baldwin Creek City Park, generally bounded by E 902 Rd on the west and George Williams Way extended on the east. (PC Item 2A; approved 8-0-1 on 11/12/12)

C. CITY MANAGER'S REPORT:

David Corliss, City Manager, introduced Eileen Horn, County/City Sustainability Coordinator. Horn gave a presentation regarding the Common Ground Program.

Schumm asked if the 8 sites were new, for a total of 12 sites.

Horn said yes.

Schumm said it was a great program and Horn was a big reason it was successful.

D. REGULAR AGENDA ITEMS:

1. **Received update from Bob Sanner regarding the Ugly Sweater Run scheduled for December 1, 2012 and the 2013 Color Run.**

Bob Sanner, Lawrence Sports Corporation, presented the update.

Amyx asked if all costs related to the runs would be borne by the city or the run.

Corliss said by the run owners, and also the Sheriff's Office would be providing the traffic control for the event.

Jonathan Douglass, Assistant to the City Manager/City Clerk, said the city was sending invoices for services related to the runs to the Sports Corporation, and they were passing on the costs to the run organizers.

Sanner said the costs were being covered by both the run and the Sports Corporation and sponsors. Sometimes you had to offer the events some enticement to come.

2. **Discuss move of downtown transit transfer point from the area of 9th and New Hampshire to the area of 9th and Vermont Streets.**

Robert A. Nugent, Public Transit Administrator, presented the staff report.

Mayor Schumm called for public comment. None was received.

Schumm asked if we would move when construction was imminent and not before then.

Nugent said yes. Last time we had two weeks of notice, we moved quickly, and then construction didn't start for a couple months. He didn't want that to happen again.

Amyx asked how long we would be at this location.

Nugent said mid 2013 we would have recommendations from the consultant. If we found somewhere that worked without modifications we could move quickly, but if we had to reinforce concrete or something like that it would be longer, perhaps a year.

Amyx asked if there was concern about the length of time parking would be taken up for the temporary location.

Schumm said we hoped the new garage would be open by June, another 125 spaces. You free up a little parking where we are moving from unless construction takes it.

Corliss said he doesn't think the transition will happen this calendar year before the holidays. He didn't think construction at 9th and New Hampshire would be happening then. We should be past this holiday season before the transition.

Moved by Cromwell, seconded by Amyx, to direct staff to temporarily move the downtown transit transfer point from the area of 9th and New Hampshire to the area of 9th and Vermont Streets. Motion carried unanimously.

3. **Review staff report related to occupancy limits and rental licensing requirements in Planned Development districts.**

Scott McCullough, Director of Planning and Development Services, presented the staff report.

Schumm asked if it was normal to have 2 different definitions in the same planning guide for family. One definition was 3 unrelated by blood and the other was 4 unrelated by blood. He asked if that was found often in other cities.

McCullough said staff had not done an exhausted comparison with other cities on that issue. He said staff was familiar that the change happened as an outcry of neighborhoods, essentially near campus that were becoming populated with over occupied structures.

Schumm said in Planned Unit Developments, in some areas there was a mix of single family homes and duplexes.

McCullough said yes. There could be a mix of single-family duplex, triplex, multi-dwelling and even some commercial. It was really intended to be a more of a mixed use district, especially in the early years.

Schumm said the long term policy for duplexes, if having a half of a duplex that had two bedrooms might you traditionally find 4 people unrelated by blood with 4 students in 2 bedrooms.

McCullough said yes.

Schumm said if you change that to 3 unrelated then duplexes that traditionally held 4 people would then be limited to 3 unrelated by blood.

McCullough said yes.

Schumm asked if triplexes would be included.

McCullough said that was a discussion item. Staff's revisions to the rental licensing ordinance earlier this year essentially captured any rental housing type in RS districts because there were non-conforming triplexes and such. Where it was limited to detached dwellings single family and duplex, it now covered everything in RS zoning district. They would have to discuss that and whether the desire would be to cover triplexes. The way staff was trying to frame the discussion was that the RS Districts of which 3 occupants were the limit, essentially just allowed single-family under today's code and not duplex or triplex or multi dwelling. He said single family and duplex have essentially been where the discussion of occupancy had stood for a while.

Mayor Schumm called for public comment.

Gwen Klingenberg said she lived in a Planned Unit Development, south of 6th Street off of Wakarusa where they had a few duplexes at the end of one of the streets, but the rest of the neighborhood had single-family homes. She said when she moved to her location 15 years ago, most of the homes were lived in by single families. She said they went into a long switch into rental properties, especially along Jefferson Street which was directly connected to commercial. They had big problems with parking issues because they were on a small street. There was no way 2 cars could get past each other and was sure in other areas, it would be similar. If looking at PUD's you might want to discuss housing types because she could understand staff's concerns about the duplexes. She said she did not want to see more than 4 in a duplex obviously.

Ted Boyle, North Lawrence Improvement Association, said until recently, North Lawrence did not have a problem of unrelated people living in a single-family resident neighborhood. However, in the last couple of years that living situation started popping up. He said he had that situation across the street from his residence. Originally, at the beginning of

the school year 5 female students moved into this house across the street. Last year there were 3 students, one being the women's boyfriend, but they left when the 5 female students moved in and immediately there was no parking and trash increased. There were also a couple of other instances that residences had complained about. He said this needed to be strictly enforced, but he understood that Code Enforcement was short-handed and to keep this under control, that department needed more code enforcement out on the street.

Betty Alderson said she was involved in the original occupancy discussion that went on for a number of months. She would like to ask that they had some very definite definitions. She said they discussed a duplex with the 4 occupancy requirement and asked if they were talking about 4 people in each half or 4 people all together. She thought they defined family for 3 unrelated and all of a sudden, discovered there were 4 people living in those houses with no inspections because mom and pop bought the house and they were renting it out to their friends. She said parking was a problem as well as the properties not being taken care of. She said she knew the City needed more staff in code enforcement.

Dan Dannenberg said he did not see why planned developments had to be treated any differently than the rest of the City. This control or licensing of rental units should be the same throughout the City and this planned development business made no sense. Many of those owners of the residential properties live out of Lawrence and they don't care about the property or the neighborhood. All they were in it for was for the rental income, appreciation and a place for their kids to stay while they were in school at K.U. It was interesting to note that there was no one from K.U. present. Basically these units were defacto K.U. housing. The university needs to be involved in making sure that there are standards of conduct that were upheld. The other issue was trash in the public right-of-way. He said these rental units were costing the City money and there were not enough code enforcement officers to keep track of everything.

City Staff needs to get a handle on the licensing of these properties and needs to be the same across the City.

Candice Davis said regarding duplexes, it was similar to the situation with boarding houses and there's been an evolution of purpose that's different than it was intended some time ago. She said that because the parking standard was different in duplexes throughout the City and allowed stacked parking or tandem parking. Tandem parking was normally seen in a family home where there were one or two vehicles which allow you to park a car but get it in and out and it was shared by a group of people, usually a family. She witnessed in those PUDs that it's an opportunity to put more individuals in units and those weren't families. She urged the City Commission to reevaluate this whole duplex code because it needed to be updated and addressed.

Carter said housing type versus zoning district seemed to make the most sense. He said even with the zoning district there was some confusion as to who actually had to license. He said the housing type made it clearer, although there were certain neighborhoods and zoning where single-family residential developments could be very easily affected by having multiple unrelated people move into the neighborhood. He said he was open to looking at some overlay district to address that as well.

Schumm said he lived in a planned unit development area and always thought, because he lived in a single-family home, and at least 10 houses in each direction were all nice single-family homes, that it was single family, but he found out that when the house across the street sold, they could start out having 4 people. He said that one house now stood out like a sore thumb and was not well maintained. In a couple of years it had depreciated badly. He said he called in 2 or 3 code complaints as well as some of his neighbors. He said there were 4 people that lived in that home that did not care about what that neighborhood looked like. He said he was glad he had the experience of watching it from across the street, but for the strength of

the neighborhoods, you had to do something to reinforce the value of the housing stock otherwise, the entire neighborhood starts to run down. He said he was in favor of changing this PUD in single-family dwellings to 3 unrelated individuals.

He said in the district where he lived, there were a multitude of office building which worked out well, as well as churches and was around a golf course area. He said he could not see the difference in terms of allowing more than 3 unrelated by blood in a single family structure. Duplexes were different because they were designed to have a little bit heavier load of unrelated people.

Amyx said when Commissioner Carter mentioned an overlay districts, he asked if Carter was talking about the planned development areas themselves.

Carter asked McCullough how that could work.

McCullough said moving forward it would be most helpful, in terms of code architecture, to look at revising the definition of family to make it applicable to housing type, if it was single-family detached dwelling for example, versus zoning district. He said that way you would be picking up all detached dwelling housing types within the City limits. There were already overlays on many of those and as he tried to reflect, a few of those along through that process of putting that overlay on their based zoning district had reduced it down to 3 anyway. That would be a mechanism to do that, going back to the planned development overlay itself and do it individually or holistically for the entire City.

Dever said McCullough kept referring to the definition of family changing, but he thought McCullough meant the application of the definition to the planned development. He said there was a pre-1975 planned unit development allowing 4 unrelated occupants, but McCullough was saying take the definition of family that the City created and apply it to certain areas.

McCullough said the definition for family was for 4 unrelated. He said they went from the 1966 code forward. In 2001 there was a change in that code to reduce it to 3 unrelated only for RS Districts. There was an administrative determination made at that point that planned developments were non-RS and they maintained at 4 unrelated. That's how it's been viewed in our definition of family today treated it by zoning district. He said for RS Districts, which were only RS Districts and on PD's, it was 3 unrelated and for non-RS which was RM's and PD's it was 4 unrelated. He said it probably lies in the definition itself in terms of making it applicable to housing type versus zoning district. Right now the distinction was zoning district and staff had to make decisions and determination because they had single-family type housing in different zoning district that weren't technically RS and the decision there was to give them 4 and not 3 unrelated individuals.

Dever said what he was hearing was to tie this new definition created, which was applied to RS, and to apply it to all similar type dwelling regardless of whether it was in a planned development district or some other differently zoned area.

McCullough said staff had not crafted any language for City Commission consideration and was still talking about the concept of if they would like the definition of family to a 3 occupant limit applied to all detached dwelling in the City and/or detached and duplex dwelling types in the City.

Carter said on the detached dwelling, as far as an overlay, his thought was that there were certain areas where the exact issues that the Mayor pointed out that were happening there were largely owner occupied duplexes and what not. They had that population of 4 unrelated in a duplex which just completely changed the neighborhood. It was a nuisance and a challenge to keep up with. He said he was wondering about the possibility of looking at that from an overlay district and possibly applying the 3 unrelated not necessarily universally, but that could be something more of an overlay district in places they might feel appropriate. He

said he was not sure what the criteria would be, but knew there were places it would be appropriate. All around campus it would probably be appropriate to have 4 unrelated in duplexes and there were places it wasn't envisioned that way. He said there were a lot of things happening from just the housing crisis, economy, etc...

McCullough said that was a great option to consider and they had not given that careful consideration at this point because they started at this level of discussion. He said Commission Carter was correct that it had to do with what criteria do you judge that by, obviously, they were looking at consistency in zoning as one criteria and staff needed to study that idea a little bit more.

Schumm said regarding the revision of rental licensing ordinance so that detached dwellings and duplex uses in any PD zoned area are required to participate in the residential program, similar to how the program was administered in RS zones, he was all for that based on what he'd seen.

Carter said he echoed Mayor Schumm because again, in those neighborhoods it was much more easy to affect the entire neighborhood. A lot of times the expectation was not that they were going to have rentals in your neighborhood. It was okay, as long as they were on the radar and being watched. He said there needed to be some regulation.

Amyx said in a similar situation that the Mayor referred to, he asked if the individual was an owner occupant of that property.

Schumm said he did not know.

Amyx asked if Mayor Schumm's thinking was that anyone in the PD District would have to be licensed if they had a minimum of one tenant.

Schumm said it was fine with him based on what he's observed. He said if someone was renting one bedroom, they were in the rental business.

Cromwell said what they were discussing was applicable to the RM's and anywhere they had those types of houses was the same thing and were talking about the number of occupants. He said it was very difficult sometimes to know what your zoning was. Most people would think a house was a residential single family zoned. He asked where else could they have single family homes.

McCullough said there were non-conforming homes in the Oread District, primarily where there was detached dwelling in an RM District. They could occur in other places and with a mix of development in a planned development area.

Amyx asked how many properties this would affect.

McCullough said changing the occupancy limits from 4 to 3 affected greater than 1500 structures.

Amyx asked how many total structures would be affected in the PD District and how much more staff would it take to do this.

McCullough said they were not talking about additional staff to make those revisions. He said he answered the question for issue 1 which was the occupancy limit for issue 2 which was bringing the rented units back into the program, it was determined that there were somewhere less than 200 units and could absorb that into their current program. He said if you would recall this was the primary unintended consequence of adopting a 2006 code, was that all the PD rental license units dropped out of the program based on a staff determination.

Schumm said it sounded as there was some consensus to follow staff's recommendations on both issues which was to revise the definition of family to no more than 3 unrelated by blood as well as revised the rental licensing ordinance so that detached dwellings and duplexes in planned developments would follow a program similar to those in RS zoned.

Carter asked to clarify, was that duplexes as well.

Schumm said that was fine with him.

Amyx said that will make the definition consistent throughout the City for RS and PD.

Cromwell said he wanted to change that to RM as well.

McCullough said in terms of occupancy limit, detached dwelling should be reduced to 3, regardless of zoning. If you're a non-conforming single-family house in an RM district, you would have an occupancy limit of 3. One specific issue noted on the report in terms of duplexes was that RM12D was an RM District that allowed duplexes which was an RM District. He said language could be crafted so that duplexes in RS or PD zoned areas would be reduced to 3, but in RM12D districts would maintain 4. He said he thought he was hearing was that the Commission wanted to make a distinction between RS type neighborhoods and RM type neighborhoods. Staff needed to go back and craft language for Commission consideration and figure out the implication of those.

Schumm said the Commission was only going to direct staff to make the next step so that upon trying to quantify and qualify all of these things, staff could come back to the Commission with things that could be done such as areas that were affected and areas that were not and see if the Commission wanted to go forward.

Moved by Dever, seconded by Carter, to direct staff to prepare ordinances for city commission consideration that 1) revise the definition of Family to limit unrelated occupants to no more than 3 for the Detached Dwelling and Duplex housing types in PD zones and provide a grace period of 18 months for owners to comply with the revised code standard, 2) revise the definition of Family to limit unrelated occupants to no more than 3 for the Detached Dwelling and Duplex housing types in PD zones and provide a grace period of 18 months for owners to comply with the revised code standard, and 3) direct staff to analyze including RM in the limits. Motion carried unanimously.

4. **Review staff report related to expanding the rental licensing program.**

Scott McCullough, Director of Planning and Development Services, presented the staff report.

Schumm asked if it were possible to have some hybrid options such as a bonus for people who scored high, and they would not need inspections for 5 years.

McCullough said yes. There could be some incentives built in to the details of the program, given the direction of the Commission.

Schumm said with apartment complexes a sampling could be taken and if the sampling turned out good, a bonus could be initiated as well.

McCullough said staff could also look at hybrid fee structures. He said other cities do not have straight fees per unit, but based on structure type, how many units, and how many bedrooms. He said there could be some ways to address the issue such as a brand new apartment complex would have a different fee than an older structure.

Cromwell asked what other peer communities were looking at regarding the age or distinction. He asked what was the rationale for coming up with the age of 50 years.

McCullough said the way staff got to the 50 year model was in response to the Commission discussion in 2009. Obviously, it was a bad time for the economy. There was concern for the startup cost of the program and staff looked at options to do it for lower cost and that was one of the options put forth.

Cromwell asked if there was no rationale regarding health and safety.

McCullough said of course there was some rationale in terms of an older structure was going to need more TLC, more inspection, more public health, safety and welfare attention than a newer apartment complex or newer structure.

Cromwell asked if staff had information regarding inspections to that effect.

McCullough said staff had field experience in that regard.

Amyx said the calls and complaints that the Commission might receive regarding structures from tenants, were those tenants in structures in that 50 year old bracket?

McCullough said staff did not have any hard data at this time. Staff fields complaints on all types of structures. Complaints are rarer with the new structures, but staff did field complaints on structures that could be 3 years old. He said based on staff's experience, the older the structure, the more dilapidated and more attention was needed.

Carter said the conversation they had when this first came up about the ability to treat landlords with violations differently than other landlords whether it was frequency of inspections, costs, etc... He said he believed at one point he was told there was Kansas law that didn't allow the City to do that. He asked if there was any law issue with how this would be crafted.

Corliss said the only law that he was familiar with was that the City did not have the legal authority, because there was a state statute, to ask for the names of tenants as part of a rental licensing ordinance. He said he was not giving the exact vernacular translation of the law, but when the city adopted rental licensing, the landlord lobby went to the legislature and adopted a law that prohibited municipalities from asking for tenants' names and identifications as part of an ordinance. Obviously, if there was a criminal investigation, it would be allowed. He said that hampered the City's ability to enforce all aspects of the City Codes in regards to rental licensing.

Amyx said when talking about the 50 year old expansion, he asked if staff was currently licensing approximately 1700 units. If they were to adopt, during the first year, the 50 year model, it would take them to a minimum of 4200 units. He asked if the City would be inspecting all properties that would fall under the rental category that would be 50 years old and older. He said there were some properties that did not fall under the 50 year model, that were licensed. He asked if those properties would drop from the program.

McCullough said it would maintain the current program which was all properties in RS District and then it would add to that any property 50 years or older in any other district.

Amyx said this was a way to take care of the problems with the older units when they came aboard and a way to recognize problems such as life/safety issues, without the City adding more staff.

McCullough said each year a new crop would roll into the system. Staff would contact those owners and get them into the licensing program. He said staff identified at least one enforcement officer that would get them to that point. At some point they would get enough units in the system where they would need additional staff, but that gets the program expanded and gets some of those life/safety issues covered for the oldest of the structures.

Amyx asked if those properties would be primarily in and around campus area, east of Iowa Street.

McCullough said yes, the older established neighborhoods.

Amyx said the calls and complaints the Commission might receive, were they generally coming from that area or everywhere.

McCullough said staff received all kinds of calls from neighbors on the exterior part of structures, from tenants on the inside of a structure. He said the current program in the RS District probably did a good job of proactively picking up issues as inspections occurred. The complaints he was speaking of were all the structures that weren't currently part of the City's licensing program that staff addressed on a complaint basis.

Brian Jimenez, Code Enforcement Manager, said based on staff's experience with things found out in the field was that a number of violations per unit, currently licensed, were much lower than tenant complaint inspections. Secondly, a lot of the higher number of violations per unit on a tenant complaint was around campus with older structures. Complaints could vary

because they received complaints on relatively new structures, but for the most part, it was older structures.

Amyx asked if it was staff's recommendation to just focus on life/safety issues in those rental units. He said was it the City responsibility and should the City's focus be on life/safety issues.

Jimenez said without a doubt and secondary, it was just the overall minimum standards that staff looked at from exterior to interior. He said his concern was the problems seen in older homes that had been broken up into apartments. He said there could be third floor attic spaces that were being occupied with no egress and no ceiling heights and basements that were being occupied that don't even come close to code. A lot of those houses were going to be 50 years old or older and a lot of those structures surround campus that weren't currently regulated right now.

Mayor Schumm called for public comment.

Martin Moore, Lawrence Apartment Association, said Lawrence Apartment Association opposed the expansion of rental registration in Lawrence. He said he heard a lot of discussion about homes and single-family residences that had been converted to rental housing stock which the current registration system took into account for the most part. He said their association did not believe that there was much of a problem with apartment units in the City that would merit dragging 18,000 apartment units into a registration program, nor do they believe that dragging an additional 2500 units into an inspection program would solve the problem that was currently being discussed. They also heard about a lot of complaints that had come to the City's attention. It sounded like the safety precautions that were in place for tenants and residents were being taken care of and people were responding to those. If the City would do anything in terms of expanding, maybe it should investigate better awareness of

tenant protections that were in place instead of requiring the mandatory inspection of 18,000 apartment units or 2500 units. It was a major imposition not only in terms of the cost, but it was a significant cost. If you had 100 units you would be paying \$4500 a year. He said that was a lot of money in the apartment industry which was a very competitive business. He said they would rather see the City use the protections that were in place to address the problems that were being talked about in the Oread Neighborhood.

Carter said when talking about 18,000 and 2500 units, he asked Moore about the difference between those two numbers.

Moore said from the numbers he had seen, the 2500 would be for the 50 year old stock and the 18,000 would be every unit in town.

Matt Hoy, attorney working with the Lawrence Apartment Association, said the association opposed this proposal at least as it applied to the apartment industry. Lawrence Apartment Association was an organization that was established in 1970. This organization consisted of community investors, people who owned property and frankly, the apartment industry. He said he challenged the Commission to find an industry that was more invested in this community, than the apartment industry. He said who paid more in property taxes than the apartment industry. He said there was significant economic impact from the apartment industry in this community.

The Lawrence Apartment Association was not an organization of rich, fat cats, but folks that were seen in grocery stores and neighborhoods that were investing in this community. To a degree in this community they found themselves positioning things "us" versus "them" and he did not think this proposal needed to be that type proposal, but there was a part of that that felt that way. He said he had sent correspondence to staff and to the governing body several times asking that they were included in discussions at City Hall on what a proposal might be. Except for one brief acknowledgement by a former Mayor that they would be included, they had

not been, which was disappointing. The apartment industry might have some helpful insights to the City in what a rental registration program might be crafted. As Moore indicated, they had to identify the problem before selecting the solution. The City Auditor's report indicated that there was no proper measurement of what were the issues. The community had not been surveyed to find out what needed to be addressed. There should be measurements to determine what the issues were so they could tailor precisely the right kind of solution to address those issues. In summary, he asked that as the Commission considered solutions to the issue that had been identified, that you allow the Lawrence Apartment Association to be part of crafting the solution.

Carter said as far as input from their organization, your input was that apartments should not be included in rental registration.

Hoy said at this point, what he was hearing was issues that were associated with properties that were in single-family zoning designations and expanding it to multi-family zoning did not seem to be necessarily solving any of the problems that were significant and needed to be addressed, but if you want to expand it to multi-family zoning, let's narrowly tailor that in a way that would address the issues that need to be addressed which again, they didn't even know what those issues were to the extent that they apply to multi-family zoning districts.

Schumm said just recently there was an apartment complex that was condemned, east of Iowa Street near 26th or 27th Street. He said he looked at that complex as well as others in the area and it was despicable. He could not believe there were people living in those kinds of places. He said to what Hoy was speaking of there was very good apartment owners and then there were some that weren't very good and that was what needed to be figured out to see how they wanted to regulate the group of people they were trying to get to.

Hoy said they would be delighted to participate in those discussions.

Tom Harper said one of the reasons he voted for Mayor Schumm was this issue and was happy they were having this discussion. He said what was really important was safety. He said the idea about sampling those apartments was a great idea. Of course it was a hardship to spend \$4500 per year on a rental complex. There were other ways of spending that money, but if you make sampling, it made sense. He said he owned rentals in single-family zoned neighborhoods and 2 rentals in the Oread Neighborhood. He was in favor of expanding the rental registration to at least the 50 year mark. He said he would like to see it expanded beyond that mark in some way, but he learned over the years that they keep getting nixed because there was not enough money to implement this program. Jimenez needed more staff to enforce the current ordinance that was sometimes not enforced. He said Jimenez has done a great job with the single-family zoned areas, the next step was expanding it and to what degree, was the Commission's decision.

Ted Boyle, North Lawrence Improvement Association, said some of the problems with 4 or 5 unrelated people living in single-family residential homes were usually in older homes in North Lawrence. There was a home in the 300 block that had 3 apartments and the basement only had one way out which was a safety concern and doubted this house was on the rental registration program. Another home across the street was the same way and did not have an exit plan to get out of that house. He said NLIA would like to see the continued effort to control and enhance rental registration for the safety of the residents.

Rob Farha, property owner throughout the Oread area, said on the topic about 50 years old or older structure, he suggested putting in language to consider homes that had been updated and re-inspected. He said regarding the previous topic, he said he owned a 4 bedroom house in the Oread Neighborhood and asked if his occupancy would be lowered to 3 unrelated individuals. He said his rental property was a single-family home in the RM District with 4 bedrooms.

McCullough said staff needed to bring that issue back to the Commission on a future agenda.

Farha said a boarding house was 5 unrelated individuals, but 4 unrelated was being recommended to 3 unrelated. A lot of those houses were bought and valued on the income approach.

Mayor Schumm said as a counter point, the people across the street from his house were taking the value away from his home because they are destroying his neighborhood.

Farha said that was in the RS District and his property was bought in RM32.

Dan Dannenberg said with regard to the apartment association having a seat at the table they were entitled to be present. He said they, as real property owners that lived in their residences needed a big seat at the table because they were taking it on the chin with those rental properties. He said they did not have the resources for high priced counsel in fancy suites. He said he liked the apartment association's position because they'll be like the old interstate commerce commission back in the 1880's. The railroads really didn't like it until they found out they could just buy it. He said they often had the situation where the regulated parties capture the regulators and that was his fear in this case. As far as 50 years or older, he asked why that number? It should be all properties regardless of age. There was some evidence that current construction materials that had been used aren't quite as good as they used to be and everyone needed to be in the pool, not just a select few. He said they heard a lot of talk about the Oread area, but this was a problem throughout the City. He said he did not want his neighborhood to become an Oread neighborhood, but that could happen unless they took action with regard to rental registration and code enforcement. He said the safety of the residential rental properties needed to be a primary concern, but so did the people who lived in that neighborhood.

KT Walsh, East Lawrence Neighborhood Association, said they had consistently voted to support rental registration, staffing in the City's inspections department. They were a neighborhood that had been hit hard by demolition by neglect which might come from a health and safety aspect.

Laura Routh said with the past few years of the foreclosure crisis, there has been an overall slump in the housing market. Municipalities throughout the country had seen a dramatic increase in rentals. If you look around Lawrence there was no exception, particularly to the west. Based on the auditor's research it seemed this City was decades behind other communities of the City's size and demographics in terms of this issue. She said she and her spouse owned a rental property in Iowa City, Iowa. Their house was purchased when they were in school and when they moved away, they rented the property. In the intervening time, the City implemented a rental registration program. She said she was an absentee landlord and she was the person that had to tend to all the bills and the paperwork associated with this property. Initially, she was a little shocked to receive a letter from the City telling them they had issues with their rental property. As they went through that process as someone who lived 500 miles away from that property, she was ultimately grateful to know that the City was tending to things, preserving the property both from a historic perspective, but also good relations with their neighbors. This was an extra set of eyes helping them tend to things. As an absentee landlord in another community, she said rental registration and regular inspections was a good idea and it benefitted the community overall. She said she did not know the number in terms of how many absentee landlords the City had, but from her perspective, relying solely on a rental agent has been disappointing and she was grateful for the efforts that the City of Iowa City had made. Ultimately, owning a rental property was a business activity and while there was potential profit to be made, there were also fundamental responsibilities. Landlords need to ensure their units were safe and met minimum standards and without

municipal regulation there might be little incentive for landlords to protect the renters or promote good housing conditions. In some cases, maximizing capacity and seeking tax breaks and realizing depreciation becomes what drives landlords decisions. This resulted in less than desirable conditions for the community.

It was a good idea for the City to better monitor, inspect, and maintain oversight of rental housing stocks in Lawrence. She was a little concerned with the proposition that they would base the inspection solely on the age of properties without some real good data to back that up. She said she would argue that it would be easier and they could appeal to the better angels of everyone involved to just have the program expand to cover all rental properties. There was also a need for this program for this program to be effective, the City needed to be willing to exercise the authority that it was taking and be willing to revoke rental licenses for particular buildings or landlords who willfully, egregiously, and repeatedly violate City code. This required resources. She encouraged the City Commission to vote in favor of the proposal and to expand to all rental properties.

Gwen Klingenberg, Lawrence Association of Neighborhoods, said they were encouraged with K.U. sent a letter to the City Commission asking for the rental expansion, based on the fact that it did work in other communities, for instance Lincoln, Nebraska, in that the landlords were excited to have the rental inspections because they get their name on a list that the university then handed out to the kids and their parents when looking for a place to rent because they know they had a safe place to live. There had been a couple of major tragedies over the last year which were not in the Oread neighborhood and this was a City wide issue. It was important to expand throughout the entire community and would make it a safer and better place.

Candice Davis said she was surprised there was only one attorney present. She said during three commissions there had been support, but there was no money. All rental

landlords should be paying a fee and whether or not the program was designed to inspect, it should be expanded beyond the 50 year old properties, but it would be a starting point. She said her interest would be to start a program, begin collecting fees from every landlord, so they could be identified. In reference to Mayor Schumm going into the complex that had the mold problem, she was a social worker and remembered going into some homes when she worked for SRS. She said those people paid a lot of rent for very substandard and unsafe housing. She said in order to find out what was really going on, getting inside some of those properties was needed. She said she liked what the lawyer indicated about including them and perhaps discussion about having a very effective and fair rental inspection program that could be implemented incrementally, but start in those areas at highest risk.

James Dunn, President of Landlords Association, said the landlord association had informative programs throughout the year. One thing he observed at those meetings was that people talked about things that tenants did to create their place unsafe. He said he wanted to go along with what the apartment association stated in that there should be some kind of collaboration with different groups in order to create a fully functioning ordinance that worked for tenants, landlords, and the City.

Jeannie Pees, Sunset Hills Association, said they supported expanding the rental registration. Their first development was in the early 1950's and did not have any answers, but thought there was great dialogue, but they had areas in their neighborhood with 8-plexes, six-plexes, and duplexes would not meet the 50 year requirements and if that could be expanded that would help their neighborhood. Some of those areas were quite dilapidated with paint peeling, front doors opened to the 8-plexes, deterioration outside of the landscaping and nothing was being done with those types of issues, not to mention all of the duplexes where there were a lot of foundation problems, front porches that were falling away. She said they supported rental registration and wanted to be included.

The City Commission recessed for a short break at 8:33 p.m.

The City Commission resumed the regular session at 8:44 p.m.

Carter said he had communications with the Director of K.U. Student Legal Services and he asked her to quantify things and officially communicate to the Commission discussion. He said she shared that this was the number one issue they dealt with which was tenant living condition issues between the student tenant and the landlord. He said a lot of students start with their student legal aid and there might be a need to communicate with legal aid to help quantify and capture some more complaints the City wasn't aware of.

Jimenez said staff worked with Kansas Student Legal Aid countless times throughout the year. A high number of complaints to the City come from K.U. Students and often had to refer them because sometimes they did not know where they could start for advice. Jo Hardesty and her staff met with City staff regarding this topic. In the past, they had vocally supported the expansion. Also, staff interacted with the housing and credit counseling office as well, because when staff was involved with tenants some of those are civil issues and landlord/tenant act type of questions which staff referred those students to the housing and credit counseling.

Dever said he had contemplated this issue several times over the last 6 years and was not convinced there was an overwhelming need to expand the program that the City had in place, mainly because of budgetary constraints. They had to make sure they had staff in place to take on the additional burden, and he had needed to educate himself on the housing stock in Lawrence and who it would affect the most. He said he went down a list of back then, the City implemented either rental registration and/or inspection programs. As the years have gone on, that number had increased dramatically, either rental registration which was more common on rental inspections which was becoming more common. The entire state of Iowa, any City greater than 15,000 people, required a rental registration program. The state mandated that program. Other sister city peer communities that weren't listed was Champaign-Urbana,

Bloomington, Normal, Durham, Bolder, Colorado, and the City of Kansas City, Missouri, all had fairly rigorous standards for rental inspection and registration. Those were programs that had been in place or had been put into place over the last 3 to 5 years or since he started paying attention 6 years ago. This was something that was growing and was not on the cutting edge whatsoever. He said this was not onerous and needed to be done right and the City needed to prove to this community that the City could do it right. He said his first instinct would be cautious, but believed some sort of enhanced inspection program should be discussed and put into place. He said he first thought it should be done on those that were most likely to be requiring repairs and/or supervision which would be the oldest rental stock and/or those that were nearest the university only because obviously a lot of those were older. He said they needed to cut their teeth on a program that was the right size because the community and staff could not take on a rigorous expansion immediately. He said he had said historically that he was not really excited about a program, but he felt now they had moved toward an organization that could handle it and an economy, although it was not out of its horrible state as it was last time. He said the City could look at ways to make this an appropriate way to protect people who live in rental housing and the neighborhoods they existed in. He said he was in favor of starting some expansion of the program starting with the oldest housing stock to determine a way to hopefully pay for that program. He said he also had cases where people had sent him emails and letters where kids moved into brand new apartment complexes that were ridiculous condition left over from the previous tenants where the landlords did not do anything prior to occupancy and expected these kids to put up with it and be quiet. To him that was an indication that it was not just older housing stock, but an example of what was happening. He said the City was increasing its rental stock tremendously and it would put a burden on the big rental apartment complexes if the City equally assessed fees the same and would be unfair. He said they needed to include those landlords in any discussion of expansion beyond this initial

phase. He said they needed to right size the program and inspections rewarding people for good behavior. He saw it was a common feature in most programs that had been successful so far. Reward the good actors, try to implement a program that helped protect the housing stock and try to improve the conditions they had because there would be change in the rental products in the City. He said he inspected apartment complexes throughout the Country for different purposes and his eyes were opened over the last 3 or 4 years with some of the conditions that units were in, mainly units that were distressed or barely making it. He said he did not want to push anyone over the edge, but they needed to make sure whatever was on the market was safe and inhabitable. Any expansion needed to include all the actors in the program and especially those that owned the most because they would be paying the biggest part of the bill. As a City they needed to make sure these programs aren't catered to them, but understand the impact of that program on their rent and bottom line and could stay solvent. He said he didn't think a program would dismantle the bottom line, but enhance the housing stock and only create better competition in the long run. He would like to focus on the older housing stock at this time.

Cromwell said this was an issue that was important. He said his first interaction with the City was 20 plus years ago when he called to complain about his rental unit on Kentucky Street. He said people that might not have all the resources that he did that allowed him to know where to look and it was up to the City to help with that process. He said this program was very important and critical to the health and well-being of the City's citizens. He said they had some issues in implementation because they could not just start a program with no way to pay for it and they were at that point right now. He said they did not want the City-at-Large to subsidize this program, but wanted the folks that were benefitting from the renters to be paying for this program. To be frank, the 40 or 50 dollars a year wasn't the concern among some of the landlords who had issues. The concern was the cost of bringing their properties up to the

minimum standards. He said this was for the protection and lives of people. He said this was going to be the new standard for everyone. An apartment complex over 50 years old was subject to the same rule. He said a lot of stakeholders needed to come together when looking at implementing this rule. He said the Commission could move forward voting in favor and staff, when it was time to implement this rental registration, needed to conduct public meetings to make the rental registration plan reasonable. He suggested random samplings for large apartment complexes; consideration of landlords that repeated violations; and, the fee needed to be something that covered the costs to implement the plan.

Amyx said one of the City's charges was to make sure everyone lived in decent housing, but it seemed like most of this rental registration discussion came about because of the Oread Neighborhood. He suggested starting a pilot project beginning with the Oread Neighborhood, looking at the properties 50 years and older. He said he would like to see this program pay for itself. One other concern was that they needed to make sure that the City could maintain affordable housing.

He said before the Commission gave staff direction in drafting the ordinance, he suggested having a group meeting of interested parties and the Commission could develop parameters for that meeting; start with the 50 years and older rental properties; and put together a plan for the program to pay for itself.

Schumm said he did not know that staff had recommended the 50 year and older plan, but only put that out as an option.

Carter said given the economy, this was an issue that was spreading throughout the community based on housing stock not being able to turn over. He said it was proliferated in recent years and not just here, but across the Country. The sustainability of our neighborhoods and quality of life was one of those core values and was the responsibility of the City Commission to respond to those things to make sure we were not losing our neighborhoods.

He said it was happening and not just 50 year old homes, but because of this economy, it was happening to all housing stock. He said there were nice homes that sat and had to turn to rentals because the banks start with the pressure and those homes could not sit too long. He said he did not feel like starting with 50 year old properties was going to be effective. He said while it could be a strategy to ease into this plan, he would like to look at doing this not based on age. He said there were 58% rentals units in this community and only 10% were covered and inspected. Again, it was the Commission's responsibility and K.U. had expressed that it was something that was important as well. This leveled the playing field for everyone. Cheaters rent cheaper. Those apartments that have people's safety at risk were typically your least expensive apartments. As far as good landlords go, this had a bit of a leveling effect as well. The bigger concern he heard from good landlords was the concern of what else this would grow into. He said he wanted to stress to focus on health/safety and neighborhood livability. In other words, blight, garbage, health, and safety issues, not having this branch out into something that becomes unmanageable for the best of landlords. He said he was not sure about the best way to handle apartment industry, but looked forward to hearing some suggestions. He could see that capped at "x" number of units as being the fee, do a sampling of inspections and those that were compliant, they see the City less often and those that were not compliant, they would see higher fees and more inspections. He said he would like to see this as close to cost neutral as possible, but he was not concerned about 100% cost neutral because if they did more than the 50 years, it was an important value to the entire community as far as quality of life. Picking up a little bit of the gap was something that could be reasonable. He said he suggested including all stock and then fees could stay lower that way as long as they were spending the majority of their time on problem properties.

Schumm said the rental registration program needed to be expanded. He had seen some pretty awful sites in town that needed to be cleaned up. He was more inclined to have a

broad rental registration requirement and believed that most of the time the quality of the property was a management issue. He said you could have a newer type property that was equally as bad as an old piece of property. He said he would be inclined to look at all rental units and believed they could have bonus options for good landlords that certify their properties that received inspections, have a registration with a base amount, and charge by the inspection. If a landlord did not do a good job, that landlord would need to pay more. Apartments with 50 units that had 10 units that passed inspections with an A+ that would certify that property for 3, 4 or 5 years or until that property received a number of complaints. He said they wanted to get to the people who need service which were properties that weren't in compliance with City standards. He said for the people who were compliant, to a certain extent, should be happy the Commission was doing this. He said this was good for the industry and there were too many people renting at the same rate, but not having the same amount of quality and safety of those properties. Overall, he could see where K.U. would be very appreciative. K.U. was trying to recruit more students which were in the mix of their options when recruiting and what that housing stock was like. He said he was in favor of as much bonus in the system to help people that wanted to use the carrot more than the stick and certainly a bonus system would be a way to do that. Again, he was for universal registration.

McCullough said he would like to get all the interested parties together to have discussions because it was helpful to get firm direction about looking eventually to capture all of the rental units.

Carter said on all the comparisons of other communities, he said Morgantown, West Virginia jumped out at him from the size of the staff to manage this program to the fees structure, and it looked to be most reasonable. He asked if the Commission could get more detailed specifics on that particular community because he wanted to know if it was revenue neutral and if not, how much it was subsidized.

Moved by Dever, seconded by Carter, to direct staff to draft an implementation plan for City Commission consideration that would eventually expand the rental licensing program to all rental units in the city, regardless of structure type or zoning, with implementation phasing options, as close to cost neutral as possible, and including a bonus/incentive system for compliant properties. Motion carried unanimously.

5. **Consider revisions to Chapter 5, Article 18 of the City Code to revise sign standards to exempt temporary, double-sided freestanding and A-Frame signs from the sign code under certain circumstances.**

Scott McCullough, Director of Planning and Development Services, presented the staff report.

Mayor Schumm called for public comment. None was received.

Moved by Cromwell, seconded by Dever, to approve the draft code language and direct staff to draft an ordinance incorporating said language. Motion carried unanimously.

6. **Consider revisions to Chapter 6, Article 12 of the City Code and to the accompanying Administrative Regulations to revise the standards related to sidewalk dining to address umbrella height, railing materials, and amplified music and sound within sidewalk dining areas.**

Scott McCullough, Director of Planning and Development Services, presented the staff report.

Carter asked if we would regulate just the height or the extension into the right of way outside the sidewalk dining area.

McCullough said those were both options.

Amyx said on the umbrella coming out the sidewalk, is it to protect pedestrians? We have the same issue with some of the trees.

Mayor Schumm called for public comment. None was received.

Schumm said regarding the umbrellas hanging over the sidewalk, it wasn't a big deal as long as they were high enough. A lot of them are fastened to the front rail and they would have to move back if we didn't allow them to overhand the sidewalk at all.

Carter asked for clarification of the amplification of music.

McCullough said we would have specific language later, and the City attorney's office is looking at making that compliant with the law. We are looking for direction from the commission whether that is an issue the commission wants addressed.

Carter said it may be better to address that separately and not hold this up. It seems like there would be challenges to enforce it without detracting from the ability to have reasonable level of music.

McCullough said that could certainly be done.

Schumm said the idea was to do it all at once now before licenses are renewed for the year.

Carter said he hadn't heard many music complaints.

McCullough said we had a few over the summer.

Cromwell said he was annoyed by some, but he is kind of fussy.

Moved by Cromwell, seconded by Amyx, to approve staff recommendations and direct staff to draft an ordinance for city commission consideration. Motion carried unanimously.

7. **City Auditor will present the November 2012 Audit Recommendation Follow-Up Memo.**

Michael Eglinski, City Auditor, presented his recommendations.

Schumm asked for public comment. None was received.

Moved by Carter, seconded by Amyx, to direct the auditor to close the recommendations A, B, C, and D. Motion carried unanimously.

E. PUBLIC COMMENT:

Mark MacGregor, RFDTV, said he was channel 108 on the local cable programmer, said Knology/WOW was pulling their station and he hoped the commission could help change that decision.

Dever said that he had talked to Mark yesterday and Mark had been concerned because his channel was the most popular station for the over 50 year old demographic. Dever said he recommended Mark come talk to us tonight.

Schumm asked what Mark's recommendation was.

MacGregor said to contact WOW directly regarding the community's need for the station. He said he had contact info for people.

Schumm said he would be happy to sign a letter on behalf of the commission if that was the commission's will.

Amyx asked if WOW had given a reason for being dropped.

MacGregor said no, and it was concerning. People would be upset if it happened.

Schumm asked if they were on Dish as well.

MacGregor said yes, but it was a lot of trouble for people to change.

Cromwell asked if they were being pulled in other markets.

MacGregor said a few but he didn't know which ones.

Carter said it may be worth inquiring whether we would have a local station in the future as well.

MacGregor said he could help draft a letter.

Schumm said to submit that letter to the City Manager for his review.

Corliss said a motion would be appropriate and separate follow up to the Channel 25 issue.

Moved by Carter, seconded by Cromwell, to authorize the mayor to sign a letter to WOW on behalf of RFDTV. Motion carried unanimously.

Dick Wheedle said he was a tennis player and they had a light issue. He had been playing for years. In 2009 the lights were removed and they have not been replaced at the tennis center. There was a strong tennis program in this town. He would like to be able to play under the lights again.

Grace Voegl said she was involved in many tennis associations. For the past three years they have really been limited in their ability to have tournaments and attract players.

Schumm said we are concerned about that and have tried 3 different venues, but there have been difficult challenges due to neighborhood concerns. We believe we have a good solution in the works at the proposed recreation center that will be one heck of a nice looking place. He knew it would be a year, but honestly he didn't think that something like temporary lights was going to be workable.

Voegl asked if it was a done deal that there would be this park.

Schumm said it was in the works. Staff had been authorized to negotiate contracts.

Voegl asked if one year was a good estimate.

Schumm said he hoped by sometime in 2014 it would be complete.

Corliss said we were meeting tomorrow to work on a timeline, and early 2014 was probably a good estimate.

Schumm said he would have it today if possible. They have tried and tried but it hasn't been successful. He didn't think the Centennial site was very good. Free State turned out not to be a good site either. We think we have found the perfect solution.

Amyx said the temporary lights at Centennial, was that something that should be considered.

Corliss said he didn't think it would be compliant with the photometric plans.

Amyx asked even on a temporary site.

Corliss said they could look into that.

Dever said they could be moved from one site to the next.

Corliss said cost would be a concern, but they would look at it.

Dan Dannenberg said he was a former tennis player and he could appreciate their need for lights, but you have already spent the money. Theater Lawrence came in here and waltzed off with \$100,000. You can't pay for everything for everyone. He didn't think temporary lights would be a responsible decision, unless you withdrew the money for Theater Lawrence and reallocated it. He said his other point was that we needed resources for rental registration and code enforcement. We don't need feet dragging on that. Neighborhoods are under duress. We need a program as soon as possible. We need to be prepared to dig in our heels in the face of threatened litigation. We need to get on with this project as soon as possible. To the tennis players he would say that Theater Lawrence beat you to it.

Corliss said the city's obligation was \$100,000 total, out of the guest tax fund. For \$100,000 we are getting a \$5 million dollar community theater.

F. FUTURE AGENDA ITEMS:

David Corliss, City Manager, outlined potential future agenda items.

G: COMMISSION ITEMS:

None.

H: CALENDAR:

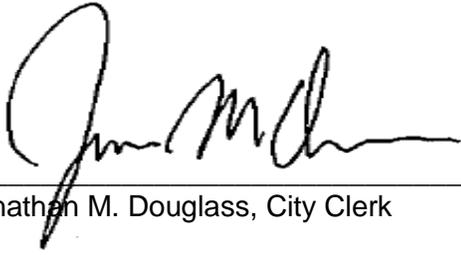
David Corliss, City Manager, reviewed calendar items

I: CURRENT VACANCIES – BOARDS/COMMISSIONS:

Existing and upcoming vacancies on City of Lawrence Boards and Commissions were listed on the agenda.

Moved by Amyx, seconded by Dever, to adjourn at 9:54 p.m. Motion carried unanimously.

MINUTES APPROVED BY THE CITY COMMISSION ON JANUARY 3, 2013.

A handwritten signature in black ink, appearing to read "Jonathan M. Douglass", written over a horizontal line.

Jonathan M. Douglass, City Clerk