

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

JUNE 18, 2019

The Special Meeting of the Ames City Council was called to order by Mayor John Haila at 5:30 p.m. on the 18th day of June, 2019, in the City Council Chambers in City Hall, 515 Clark Avenue. Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson were present. *Ex officio* Member Devyn Leeson was also present.

SECOND PASSAGE OF ORDINANCE AMENDING CHAPTER 22 OF THE AMES MUNICIPAL CODE REGARDING DEFERRAL OF INFRASTRUCTURE IMPROVEMENTS: Moved by Nelson, seconded by Corrieri, to pass on second reading an Ordinance amending Chapter 22 of the *Ames Municipal Code* regarding deferral of infrastructure improvements.

Roll Call Vote: 6-0. Motion declared carried unanimously.

PROPOSED 2019-2023 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CONSOLIDATED PLAN AND PRIORITY GOALS AND 2019-2020 ACTION PLAN PROJECTS: Housing Coordinator Vanessa Baker-Latimer introduced Nora Ladjahasan, Assistant Scientist for Institute for Design Research and Outreach at Iowa State University (ISU). Ms. Baker-Latimer told the Council they would be sharing the data for compiling the Consolidated Plan and the Analysis of Impediments to Fair Housing Choice survey.

Ms. Baker-Latimer said submitting the five-year Consolidated Plan to the federal Department of Housing and Urban Development (HUD) is a requirement for receiving CDBG and HOME funds and serves as the planning document of the jurisdiction for the next five years. She also said the Analysis of Impediments to Fair Housing Choice survey must be conducted to make sure the CDBG funds are being used without discrimination and that an effort is being made to determine housing impediments and barriers in the community in order to provide affordable and safe housing.

Ms. Baker-Latimer said the majority of the data came from American Community Survey and Comprehensive Housing Affordability Strategy (CHAS), which includes students living in on-campus housing (excluding dormitories) and off-campus housing in the household data. Ms. Baker-Latimer shared data with Council on cost burden, availability burden, and housing barriers in Ames. She told the Council that based on all data the number one barrier to housing in Ames is the cost of housing for renters and owners, and the number two barrier is availability of affordable housing for renters.

The proposed goals and priorities to address low and moderate income residents in the community were reviewed. Ms. Baker-Latimer said the following program projects are being proposed to address the needs outlined in the data: 1. Utilize both CDBG and HOME funds to completed the 321 State Avenue Subdivision, which will include public infrastructure and new home construction; and 2. Utilize CDBG to acquire, demolish, or rehabilitate deteriorated housing city-wide (as possible convert single rentals back to single family home ownership); to sell or transfer these lots or houses to non-profit housing organizations to provide to low income households to rent or purchase.

Mr. Leeson asked what the City is doing about accessibility inside homes. Ms. Baker-Latimer said funds cannot be used to do accessibility modifications in rental housing, but in owner-occupied units CDBG funds have been used to move laundry to the main floor and build ramps. Member Gartin said it would be nice to have data for another university population. He said the student numbers can distort the data, and it would also be helpful to compare Ames to communities without the student population.

Mayor Haila said many renters have affordability challenges and asked if there has been thought toward building new subsidized rental properties. Ms. Baker-Latimer said HOME funds can be used for building rental housing.

Moved by Martin, seconded by Betcher, to change the second program project of the Annual Action Plan to: Utilize CDBG and/or HOME funds to acquire, demolish, or rehabilitate deteriorated housing city-wide (as possible convert single rentals back to single family home ownership); to sell or transfer these lots or houses to non-profit housing organizations to provide to low income households to rent or purchase.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Nelson, seconded by Gartin to adopt RESOLUTION NO. 19-287 approving the goals and priorities for the 2019-2023 proposed five-year Consolidated Plan and the 2019-2020 Annual Action Plan projects in connection with the City's CDBG program as amended.

Roll Call Vote: 6-0. Motion declared carried unanimously.

RENTAL HOUSING REGULATIONS: Mayor Haila said the purpose of the discussion is to evaluate specific aspects of rental housing, not a whole scale review.

Building Official Sara Van Meeteren discussed the recent legislative change made at the State level that invalidated the City's rental concentration cap standards. She said the topics Council has discussed or entertained regarding rental housing over the last years are listed in the Staff Report. She highlighted concerns under the issues of Quality of Life, Health, and Safety; Reducing the Intensity of Rentals; Incentivizing Conversion of Rentals to Owner-Occupied Dwellings; and Occupancy Limitations.

Member Betcher asked about the legal decision regarding expansion or intensification of rooms in a home. Ms. Van Meeteren said in a current non-conforming structure, the decision determined that adding bedrooms increased the intensity. City Attorney Mark Lambert said the ordinance was changed to reflect that court decision. Mr. Leeson asked about mold in a rental property as a responsibility of the landlord. Ms. Van Meeteren said a tenant complaint process is in place, and a tenant can file a complaint with the Inspections Division. She said the Rental Code doesn't specifically name mold, but does discuss sanitation. She said the Inspections Division is happy to facilitate a conversation, and if a property is not in compliance the City can issue a citation. Mr. Leeson said he has heard of a mold situation that was not remedied. Ms. Van Meeteren said there's always a cause, and that cause can be found. Mr. Leeson asked about vermin problems. Ms. Van Meeteren said the code language is very clear about when it is the landlord's or tenant's

responsibility to take care of those issues.

Member Martin asked about the Assessor's definition of bedrooms and if it would be a difficult transition to match the definitions. Ms. Van Meeteren said it could be difficult as the Assessor's office counts egress windows but does not measure them, and can count a bedroom with a lower ceiling that would not be approved by the Rental Code. Member Gartin said the legislature made it clear that it didn't want to see a rental concentration cap, and asked for help in lessons during the legislative session. City Attorney Mark Lambert said much of the debate was around property owners being able to do what they want with their property. Member Gartin said if the Council tried to create spatial separation, it starts to feel like a rental cap. Mayor Haila said property rights was a big issue, and on more than one occasion an Iowa Representative suggested passing more ordinances to enforce issues that exist such as parking. Discussion ensued regarding new rental properties.

Mr. Schainker noted that an email from the South Campus Area Neighborhood (SCAN) was received, and that it was incorporated into the staff report.

Leslie Kawaler, 2121 Hughes Street, Ames, said the SCAN neighborhood has been dealt a double blow. She said there is an imbalance of owner-occupied and rental properties and some sort of special designation must be maintained going forward to recognize challenges these neighborhoods face. She said the most important item is the number of renters in a dwelling, and that the simplest fix would be to return the occupancy maximum to three adults, no matter the size of the property. She said families are priced out of their neighborhood because of the number of renters paying rent in the homes.

Barbara Pleasants, 516 Lynn Avenue, Ames, said using the bedroom number for determining occupancy is a crucial issue. She said occupancy should be limited to three or determined by number of bedrooms as of January 1, 2018 and frozen there. She said in the absence of a cap they will see an increase of four and five bedroom houses. She said the number of bedrooms should be determined by the Assessor and the most essential goal is to limit the increase of rental properties.

Nancy Marion, 2226 Jensen Avenue, Ames, said the number one concern is affordable housing. She said a single family home cannot be built under \$275,000. She said the older housing stock is needed for rentals. She said if new rental codes are enacted, complying with new requirements is going to increase rent. She said if LOCs are not transferable, rents will go up and if Council denies vacation homes, that will push short stay costs up. Ms. Marion said prohibiting roomers does not help those that are hurting financially.

Member Gartin said the public can email the Mayor and City Council with comments any time.

Ryan Houck, 65697 190th Street, Nevada, said data shows transient guests are coming to see people in Ames. He said there was not an Airbnb available during graduation weekend in Ames. He said no one has talked badly about Airbnb properties in Ames. He said they bought a property for \$105,000 and invested in it, and made it into something they are very proud of. He said he does not

support option 2, but would be in favor of the other options.

Paul Attema, 229 S. Russell Avenue, Ames, said he is a property owner and has rented two bedrooms of his four bedroom home, which provided income for mold treatment and a new roof. He said without the owner-occupied rental option, those improvements would not have been made. He said there is accountability in place with owner-occupied rental housing. He asked the Council to continue to allow owner-occupied rentals.

Paul Livingston, 1926 George Allen Avenue, Ames, said he has had the pleasure of representing sellers in areas near campus that want to sell to owner-occupied buyers, sellers that don't care and want the highest price, and buyers that want an investment property. He said he's about the individual and their rights. He said concerning occupancy limitations, a number of those restrictions are restrictions on improvements to the property, and provide the owner terrible restrictions on things that would otherwise be legal. He said it's offensive to limit students even though it isn't a protected class. He said basic property rights should be afforded to any owner.

Sarah Conroy, 840 Brookridge Avenue, Ames, said she is in favor of proactively making sure landlords are good landlords. She said it is illegal for a landlord to punish a tenant for things like noise.

Nancy Johnston, 1147 295th Street, State Center, said she owned a property on Donald Street and was going to sell to her daughter. She said when her daughter moved, she wasn't aware of the actions taking place, and so did not register the property as a rental and the home sat empty for a year. She said a young family would have been perfect for the home. She said she believes specifying rental limits by neighborhood is discriminatory and diverse neighborhoods are a good thing for the community.

Mayor Haila closed public input.

Member Gartin asked if Realtors or landlords would like to speak to limiting tenants to square footage of the house.

Mayor Haila opened public input.

Mary Warren, 3121 Maplewood Road, Ames, said she owns rental property in Ames and feels the Council should move on, and wait to see if there are issues. She said she would like to see an owner-occupied ordinance for life, health, and safety issues.

Nancy Marion, 2226 Jensen Avenue, Ames, said she believes Realtors in her group would be happy to sit down to discuss some questions. She said a LOC should be required in any situation where there is a roomer, nuisance remediation classes for landlords and renters could be offered, and rent abatement is a good option for a landlord that will not rectify a situation.

Luke Jensen, 2519 Chamberlain Street, Ames, said to his knowledge, the members of the Central

Iowa Board of Realtors have not been invited to participate in dialogue outside of a City Council meeting. He extended the invitation to SCAN members and Council members to discuss some of the issues.

Paul Attema, 229 S. Russell Avenue, Ames, said he had two renters and received a temporary LOC.

Mayor Haila closed public input.

Member Gartin asked about next steps. Mayor Haila said staff is looking for direction from Council. He said no one has asked Council to meet regarding this topic as Luke Jensen has, and that is an option for Council. Discussion ensued.

Member Martin asked about rent abatement. Ms. Van Meeteren said Iowa City has used this four times so far in instances where property owners are not registering their properties. She said this would be a good tool in the instances where Inspections cannot locate or get in touch with a landlord. Mr. Martin said he is in favor of rent abatement for properties that are not registered. Mr. Lambert said tenants are not responsible for rent in certain situations. He said a City ordinance would allow the Housing Official to issue the abatement. The Iowa City Code section was reviewed.

Ms. Beatty-Hansen said holding owners responsible for the standards already in place seems like the issue with the most consensus.

Moved by Beatty-Hansen, seconded by Betcher, to direct staff to bring ideas back to Council on how to hold owners responsible for nuisance issues.

City Manager Steve Schainker asked if a tiered system is desired. It was noted the concepts in the staff report (suspending or revoking LOCs after repeated violations, tiered fee system (increase rental fees when violations increase, and issue longer LOCs for those in compliance) should be used as a starting point.

Ms. Corrieri said Council should keep in mind input from staff and the public regarding the eviction process.

Discussion ensued regarding owner and renter violations. Ms. Van Meeteren said there is a difference between criminal and civil violations. She said noise violations are criminal violations to the resident/tenant and garbage can issues are worked out with the owner of the property.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Gartin, seconded by Beatty-Hansen, to direct staff to bring ideas regarding prohibiting or restricting the addition of off-street parking. Motion withdrawn.

Moved by Gartin, seconded by Betcher, to ask staff to come back with proposals with respect to making illegal rentals ineligible to receive a LOC for a substantial period of time.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Martin, seconded by Beatty-Hansen, to ask staff for proposals on implementing rent abatement for unregistered rental properties and other serious non-compliance issues.

It was noted that the Iowa City language could be a starting point.

Vote on Motion: 6-0. Motion declared carried unanimously.

Member Nelson discussed off-street parking and said he would like to see a limit to adding more. Ms. Van Meeteren reviewed the parking limitations. Mayor Haila asked about off-street parking requirements. Ms. Van Meeteren said current gravel can remain if maintained and brand new rentals have to have a minimum of two paved spaces. Member Martin said a street being clogged with cars is a separate issue than limited occupants. He suggested a resident parking permit pilot program as an experiment that could address clogged streets by creating a system to give each property so many tags for street parking.

Discussion ensued on porches. Ms. Betcher said using porches to create an additional bedroom has been a problem in the past.

Mayor Haila said the Code does not specifically mention mold, as brought up by Mr. Leeson. Ms. Van Meeteren said it is required that units be maintained in a clean and sanitary manner.

Member Martin said the roomer exception to requiring an LOC is you can have one roomer without meeting the Rental Code standards. He said the current law allows a first degree relative to be living in the home with a roommate. Discussion ensued.

Moved by Martin, seconded by Betcher, for staff to bring a proposal removing the consanguinity clause.

Vote on Motion: 4-2. Voting aye: Beatty-Hansen, Betcher, Corrieri, Martin. Voting nay: Gartin, Nelson. Motion declared carried.

Discussion ensued regarding code requirements for new rentals.

Ms. Beatty-Hansen said she received a suggestion about a minimum energy efficiency standard for rental properties.

Member Gartin said he received an email from Ames Rental Association regarding the number of tenants allowed. Discussion ensued regarding occupancy and adding bedrooms. Ms. Betcher verified near campus neighborhoods are still part of the Code. Mr. Lambert concurred, and said Council defined near campus neighborhoods with a resolution and map.

Moved by Beatty-Hansen, seconded by Corrieri, to ask staff to bring back an option to freeze the number of bedrooms on all properties, rental and owner-occupied, in the near campus neighborhoods

as of January 1, 2018.

Discussion ensued regarding bedroom count by the Assessor and the Inspections Division. It was noted that the Assessor's numbers will be used for owner-occupied homes. Member Martin said for rental properties the City has bedroom numbers. Member Gartin said he has some concerns on this regarding property owner rights.

Vote on Motion: 6-0. Motion declared carried unanimously.

Member Gartin asked if more attention is needed on the disparity in bedroom count between the Assessor's Office and the Inspections Division and asked what the value is for changing the bedroom definition to match the Assessor's. Ms. Van Meeteren said it would be messy. She said there is a home listed as a four bedroom by the Assessor, but the fourth bedroom has a low ceiling that would not satisfy the Rental Code, so no one can legally sleep in that room. Member Gartin said holding off on the discussion is fine, but if there's certainty that can be created, it could be a benefit.

Member Martin said there is a standing request that Council receive updates on LOC's for particular neighborhoods.

Moved by Martin, seconded by Beatty-Hansen, to stop requiring reports on LOCs by neighborhood.
Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Haila asked how long it will take staff to craft these options as directed. He said he desires a draft ordinance based on staff's interpretation be presented to Council, then a two-week comment period, and then the Ordinance will be brought back to Council for discussion, to receive public comment, and be finalized. He said when it comes to Council the next time, it will be for first reading.

Member Gartin said this isn't a comprehensive plan, and it could be that Council decides to back off on some of the content requested. Planning and Housing Director Kelly Diekmann asked for clarification on public comment. Mayor Haila said the first time the Ordinance should be presented to Council with no public comment, then two weeks allowed for receiving comments, then be on an agenda for Council discussion and public input. He said when it comes to Council the next time, it will be for first reading and public input will be allowed at that meeting.

Member Nelson asked when Council will discuss vacation rentals. It was noted that no further information from staff is needed on vacation rentals, but the topic will be placed on the agenda for Council discussion at the same meeting Council first receives the draft ordinance changes on rental housing regulations.

DISPOSITION OF COMMUNICATIONS TO COUNCIL: The communication provided to Council was for informational purposes only.

COUNCIL COMMENTS:

Member Gartin said he appreciates the stability of those who come with comments regarding rental housing.

Moved by Beatty-Hansen, seconded by Corrieri, to direct staff to form a committee including the Police Department, Legal Department, and ISU to explore the regulation of micromobility modes of transportation in Ames and on campus and report back to Council on any consensus reached.

Member Gartin said so much effort and money has been expended on mixed-use trails, and he will be a hard sell on this idea. Mayor Haila said ISU was approached by a scooter company, and ISU decided not to allow scooters on campus. Mayor Haila said Council needs to have a policy before a large amount of scooters just show up. Discussion ensued. Mr. Lambert said various traffic regulations and rules about street use are in place. He said there's nothing prohibiting the scooters themselves from running. Mr. Schainker brought up park paths and streets. Ms. Beatty-Hansen said these modes of transportation are coming for private use and some rules need to be in place. Mayor Haila asked if micromobility includes skateboards. Ms. Beatty-Hansen said yes. Mayor Haila said ISU is very concerned about the skateboards for safety reasons. Ms. Betcher said she shares Member Gartin's concerns, but has heard that communities not ahead of this are having concerns. Member Gartin asked what it would look like to be "ahead of this." Mr. Schainker said to have regulations in place. Mayor Haila said there is a certain company that will fine \$100 per day when a scooter is not returned to the stand as required, so some regulations could prevent chaos.

Vote on Motion: 5-0. Voting aye: Beatty-Hansen, Betcher, Corrieri, Martin, Nelson. Voting Nay: Gartin. Motion declared carried.

Mr. Leeson said rental housing issues he is concerned about include controlling mold, impact analysis with landlords on lease gap solutions, and closing lease loopholes. Mayor Haila said he appreciates Mr. Leeson's efforts toward his concerns, and suggested the concerns be referred to Campus and Community Commission.

Moved by Corrieri, seconded by Nelson, to refer Mr. Leeson's email to Campus and Community Commission.

Vote on Motion: 6-0. Motion declared carried unanimously.

Mr. Leeson discussed the importance of ADA accessibility for rental housing units.

ADJOURNMENT: The meeting adjourned at 8:58 p.m.

Diane R. Voss, City Clerk

John A. Haila, Mayor

Erin Thompson, Recording Secretary