

MINUTES OF THE HOUSING COMMITTEE
June 18, 2018
East Conference Room

Present: Councilmembers Anderson, Rader, & O'Malley

Also Present: Director Sylvester, Mary Leigh, Mike Molinski, Chief Gilman, one condo owner

Call to Order: 6:00 p.m.

ORDINANCE NO. 2-18 – AN ORDINANCE amending various parts of Chapter 1306, Property Maintenance and Safety Code...(light pollution)

Director Sylvester requested a deferral on Ordinance 2-18 and indicated that his staff would be prepared to discuss this next week.

ORDINANCE NO. 32-18 – AN ORDINANCE authorizing and directing the Director of Planning and Development of the Mayor to enter into an agreement with a licensed real estate broker to market for sale the real property located at 2115 Robin Avenue, Lakewood, Ohio and 2117 Robin Avenue, Lakewood, Ohio (PPN 315-22-121) for a period of 120 days, pursuant to Section 155.07 of the Codified Ordinances.

Mary Leigh of Community Development delivered a presentation on the two single-family attached properties at 2115 and 2117 Robin Ave.

The project is funded through the HOME program and therefore the sale of the properties is restricted to buyers who meet requirements of the program. One requirement is that the buyer lives in the home and there is a preference for a first-time home buyer. The program provides down payment and closing cost assistance to the buyer. The Resolution authorizes the properties to be listed with an agent.

Ms. Leigh discussed how the City evaluates applicants and presented the income guidelines for the program.

Construction on the homes is complete. Garages and landscaping need to be completed and then the properties will be listed. Ms. Leigh remarked on the success of similar infill projects in the past.

Councilmember O'Malley expressed support for this project and for the creation of affordable housing in general in the City. He asked about the City's plans to do more affordable housing projects.

Ms. Leigh replied that properties on Orchard Grove and Cove may be considered for such projects. In the past the City has offered at least 20 HOME program houses city-wide. She explained some of the challenges of the program.

A motion was made and seconded to recommend adoption of Ordinance 32-18.
All in favor. Motion adopted.

ORDINANCE NO. 18-18 – AN ORDINANCE amending Section 1306.43, Housing and Vacant Property License, and Section 1306.44, License Application Form and Fee, of the Codified Ordinances of the City of Lakewood in order to update the code with respect to the regulation of condominium associations and unit owners in the City.

Mr. Molinski presented the findings of an analysis he performed to estimate the number of condos in the City which may be rental properties. He concluded that approximately 812 or 32% of condo units in the City are likely rentals. He concluded that the City could potentially collect \$36,540 from licensing these units at the proposed rate of \$45/unit. After factoring in non-compliance, he estimated a net gain of \$20,956 through licensing.

Licensing these units would increase the workload of the property maintenance inspectors by 25%. Mr. Molinski stated that the Department would need to hire one additional Property Maintenance Inspector (PMI) in order to maintain its current rate of inspecting each rental property every 3-5 years. Without an additional PMI to help with the increase in workload, the inspection cycle would extend to 4-6 years.

Mr. Molinski explained that currently four PMIs perform property maintenance and safety inspections on a 3-5 year cycle. He explained what such inspections entail. He stated his preference for maintaining a 3-5 year inspection cycle as this catches most major building issues.

It was established that the City is not currently inspecting condo rentals due to disagreement and/or misunderstanding about what is required by the current ordinance.

Debra, a resident of the Berkshire, spoke in support of the Ordinance, stating that the current lack of inspections is diminishing the integrity of her building. She stated that many rental condos are falsely listed as owner occupied for tax purposes. She expressed concern that these owners are not paying their fair share and that the City has no record of who is living there.

Chief Gilman explained the work of LFD to complete fire inspections on the gold coast condos over recent years.

It was clarified that the proposed ordinance would not change LFD's responsibility for those inspections and rather addresses issues not under the purview of the Fire Department.

Director Butler explained the legislative history and intent of these sections of the Code. He stated that case law has changed over the years and that the City is entitled to enter condo units for inspection purposes even without including them in the housing license process.

Chief Gilman expressed a lack of support for the Ordinance and disagreed that LFD has authority to enter units for inspection purposes.

The Committee discussed further the current state of inspections, how the ordinance would change the process and why some feel this change is necessary.

Councilmember O'Malley and condo resident Debra argued that some landlords are aware of the loophole in the law and purposely deal in condo rentals to avoid City oversight and inspections.

Chief Gilman questioned how a change in the Ordinance will be enforced. He stated that condo owners are currently required to report their status to the County.

It was clarified that the intent of the proposed Ordinance is to maintain property standards, not necessarily to generate revenue.

Director Sylvester apprised the Committee of two changes to the Code his Department will be seeking shortly and explained the rationale.

The Committee agreed to defer Ordinance 18-18.

Housing Committee adjourned at 6:55 p.m.

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RE: Ordinance 18-18 Amendments to LCO Sections 1306.43 and 1306.44

Presented by Michael Molinski, City Architect & Building Commissioner

Analysis of property records and/or building rosters result in following table: Units owned by LLC's, LTD's, Corp, etc. and units owned by persons owning multiple units in the same building were assumed to be rentals.

		# of units	Estimated # of rentals	% Rental	
Street Address	Building Name				Last H/L fee paid:
12700 Lake Ave	Winton Place	380	73	19%	\$ 1,134.00
12900 Lake Ave	Carlisle	554	248	45%	\$ 2,000.00
11850 Edgewater	Lake House	316	172	54%	\$ 1,022.00
12500 Edgewater	Waterford	125	20	16%	\$ 358.00
11820 Edgewater	Berkshire	231	89	39%	\$ 856.00
12520 Edgewater	Marine Towers East	137	41	30%	\$ 492.00
14567 Madison	Waverly House	90	18	20%	\$ 300.00
11720 Edgewater	Edgewater Towers	208	81	39%	\$ 802.00
12550 Lake Ave	Meridian	197	38	19%	\$ 496.00
15555 Hilliard	Richard Hilliard House	62	7	11%	\$ 148.00
12966 Clifton	Clifton Blvd.	7	0	0%	\$ -
11811 Lake	The Envoy	95	25	26%	\$ 398.00
12029 Clifton	Coral Rock	37	0	0%	\$ 74.00
1480 Warren	Kirtland House	81	0	0%	\$ 196.00
TOTALS		2,520	812	32%	\$ 8,276.00

Projected revenues:

- Projected receipts based on above estimate and proposed \$45 fee per rental condo: **\$36,540**
- Assume noncompliance rate of 20%: **-\$7,308**
- Subtract current receipts from affected buildings: **-\$8,276**
- Net income gain after passage: **\$20,956**

Current licenses:

- 850 multifamily licenses for 9,000 units.
- 2,200 1&2 family housing licenses for 4,000 units.
- Proposed 812 licenses is a 25% overall increase (9% increase at multifamily license renewal date).

Current Safety and Maintenance Inspection cycle:

- Current state of 4 PMI's (Property Maintenance Inspector) performing average of 3-5 safety and maintenance inspections per week: **3-5 years**
- With additional 800 licenses, cycle time increases to **4-6 years**
- Current inspection rate can be maintained with one additional PMI