

MEMORANDUM

August 21, 2013

TO: Property Maintenance Code Advisory Group

FROM: Ken Gibb, Community Development Director



RE: Role and Work of the Advisory Group

Welcome, and thank you all for agreeing to assist the City in our development of a local Property Maintenance Code to establish and implement a comprehensive set of property maintenance standards in Corvallis. Your work will help us define those standards; outline the implementation protocols that will be used to apply them; establish the budget and staffing levels that will be needed for successful program implementation; and design an education and outreach effort to inform landlords and tenants, neighborhood residents, and other community members with interest about the program, its content and its purpose.

In this first Work Group meeting City staff will:

- Provide you with background on the Group's purpose and charge;
- Outline the City/OSU Collaboration process, one result of which is a City Council decision to pursue implementation of a Property Maintenance Code; and
- Facilitate a discussion of protocols for future meetings of the Advisory Group.

In your meeting packet you will find two documents: a copy of the Work Group's current charge/ membership listing/meeting schedule, and a copy of the set of Property Maintenance Code-related recommendations that were developed by the City/OSU Collaboration Neighborhood Livability Work Group, and subsequently endorsed by the Collaboration Steering Committee and the Corvallis City Council.

In preparation for future meetings we will be providing you with additional information about potential Code content, approaches to Code enforcement, program budget and staffing requirements, and potential elements of a community outreach and education program. Your work and discussions on these topics will help guide staff in our development of a comprehensive implementation package for consideration by the City Council in November/December of this year.

Again, thanks to all of you for agreeing to invest your time, experience, and expertise in this important program development process.

**CITY OF CORVALLIS
PROPERTY MAINTENANCE CODE ADVISORY GROUP
MEETING AGENDA**

4:00 p.m.

Tuesday, August 27, 2013

Madison Avenue Meeting Room

500 SW Madison Avenue

- I. Introductions
- II. Overview of meeting packet: staff memo and attachments
- III. Discussion of Work Group operating protocols
- IV. Next steps, questions and other business
- V. Adjourn

Property Maintenance Code Advisory Group Charge

The Property Maintenance Code Program Design Advisory Group (the PMC Advisory Group) is an ad-hoc volunteer committee of rental property owners and managers, tenants, neighborhood representatives and other citizens interested in assisting staff of the City's Community Development Department with the development and implementation of a Corvallis Property Maintenance Code. Future implementation of the PMC will be carried out by the Department's Housing and Neighborhood Services Division.

The purpose of the PMC Advisory Group is to provide City staff with stakeholder perspectives and feedback regarding the following topics:

- The scope and content of the PMC
- PMC implementation protocols
- PMC delivery characteristics including staffing and program budgets
- Education and outreach efforts for property owners/managers, tenants, and neighborhoods

The duration of the PMC Advisory Group is intended to be limited, with the expectation that the group will meet approximately six times over the course of the summer and fall of 2013. Meetings will begin in August and should be completed by late October.

Community Development Department staff will chair the PMC Advisory Group and develop meeting materials and agendas. Staff of the Development Services Division and Housing Division will also act as resources/topic experts on issues of PMC content, delivery, funding, outreach, and other aspects of program design that will facilitate the Advisory Group's work.

The outcome of the PMC Advisory Group's assistance in this process is expected to be a detailed program content and delivery package for presentation by City staff to the Corvallis City Council by November, 2013.

PMC Advisory Group Membership

Members of the PMC Advisory Group represent a range of interests:

Rental housing industry representatives:	Jerry Duerksen, Amy Harding, Kari King
Tenant representative:	Rachel Ulrich
OSU/ASOSU representative:	Allie Bircher
Community/neighborhood representatives:	Charlyn Ellis, Karen Levy Keon

PMC Advisory Group Meeting Schedule/Topics

<i>Meeting Number</i>	<i>Meeting Topics</i>	<i>Meeting Dates</i>
1	PMC background, Advisory Group protocols	August 27
2	Scope and content of the PMC	September 10
3	Scope and content of the PMC	September 24
4	Progressive compliance/enforcement of PMC	Early October
5	PMC outreach and education, staffing, budget and fees	Mid-October
6	Development of PMC recommendations	Mid-late October



MEMORANDUM

TO: Collaboration Corvallis Steering Committee
FROM: Eric Adams, Project Manager
DATE: March 13, 2013
SUBJECT: Third Round of Work Group Recommendations

(NOTE: This document is excerpted from the original memorandum by Mr. Adams to the Collaboration Corvallis Steering Committee dated March 13, 2013. To shorten the time required for Property Maintenance Code Advisory Group members to review the Livability Work Group's recommendations, only the portions of Mr. Adams' memorandum that reference the development and implementation of a Property Maintenance Code are included here.)

Provided below is the third round of recommendations that have been developed by each of the three Collaboration Corvallis work groups directly in response to the Scope of Work objectives.

I. Neighborhood Livability Workgroup Recommendations

Scope of Work Objective 3 – Develop a funding mechanism to support an enhanced code enforcement and student conduct program.

a. Create outreach and informational programs as key components of the new Program

At the outset of its efforts to address Scope of Work Objectives related to the Neighborhood Livability track, the work group articulated a set of 12 goals that has served as a guide for strategy development and assessment. The six following goals relate to Scope of Work Objective 3.

- Decrease the current amount of high risk drinking.
- Decrease the amount of junk/trash and vandalism.
- Identify resources necessary to establish and/or maintain efficient and effective responses to conduct issues.
- Increase prevention and education.
- Quiet, safe, and clean neighborhoods.
- Create a landlord training and accountability program.

These goals respond to testimony received by the work concerning property maintenance conditions and tenant conduct that can have negative impacts on neighborhood livability. Property maintenance concerns include excessive accumulation of debris and refuse, illegally parked vehicles, general deterioration of a dwelling's exterior (e.g., old paint, cracked and decaying siding, broken windows, unmaintained roofing, etc.), and lack of regular landscape maintenance, all of which can detract from the aesthetics of a neighborhood. Tenant behaviors related to frequent disruptive social gatherings, loud noise, and other forms of disorderly conduct were also repeatedly cited as adversely affecting neighborhood livability. In general, the complaints regarding these issues seemed to be associated with rental housing units more often than not. Of primary concern was a perception that rental property managers and landlords are either not aware of property maintenance issues and tenant behavior, or are not willing to address these issues in order to mitigate impacts on the surrounding neighborhood.

As part of its review of "best-practices" research compiled by Collaboration Corvallis project staff, the work group identified implementation of a Property Maintenance Code and Rental Housing Licensing program as a potential solution for these issues. Six public meetings were held on this concept to assess the effectiveness of similar programs implemented in other university jurisdictions, gain public input from a diverse set of stakeholders, and discuss the associated trade-offs and potential unintended consequences. Through the course of receiving additional public testimony, the work group became aware of several concerns from local landlords and property managers concerning the equitability of such a program. The work group also gained a fuller understanding of the types of health and safety impacts to various segments of the community's rental housing tenants that can result from inadequate property maintenance practices.

The work group reviewed and considered the effectiveness of existing rental housing and property maintenance codes administered and enforced by the City of Corvallis. In general, the work group found that these existing codes and programs are inadequate to thoroughly address the spectrum of property maintenance issues impacting both tenants and neighborhood residents. Of particular concern was the need for increased staffing to more efficiently respond to a significant increase in code enforcement complaints. In 2012, more than 850 complaints were received by the City of Corvallis related to Land Development Code, Municipal Code, or Rental Housing Code regulations. Approximately 280 of those pertained to habitability issues, but only 170 could be addressed locally through the existing Rental Housing Code. Currently, there is a backlog of more than 600 code enforcement cases.

Another need identified by the work group was an increase in educational and outreach efforts to inform the community about opportunities for resolving property maintenance issues, as well as identify financial resources that might be available to prevent them from occurring. Several programs researched for this topic include a liaison who works to fulfill this need by facilitating communications between property owners, tenants, neighborhood residents, and local government staff. The City of Corvallis Housing Division staff are currently performing many of these tasks. However, the work group concluded that additional resources are necessary to respond to increasing needs within the community as rental housing becomes a greater portion of the overall housing supply.

Recommendations

1. **The Neighborhood Livability Work Group recommends to the Collaboration Corvallis Steering Committee that the City of Corvallis:**
 - a. **Implement a Property Maintenance Code that applies to all properties;**
 - b. **Create, through subsequent political process, an equitable funding structure that gives consideration to demands on the complaint-response system;**
 - c. **Provide staffing commensurate with the requirements of the code; and**
 - d. **Utilize culturally and linguistically appropriate education and outreach strategies to engage community stakeholders to better understand and reduce barriers to complaints**

Basis for Recommendation

Testimony to the Neighborhood Livability Work Group from community stakeholders and local experts has illuminated significant health, safety, and neighborhood livability concerns (e.g., overcrowding, mold, illegal housing units, inadequate exterior maintenance, and solid waste accumulation) that are not adequately addressed by existing, locally-enforced housing codes. Testimony suggests that such conditions can be the result of tenant and/or landlord actions, and that impacts to neighborhood livability resulting from these conditions have increased over the past several years. In addition, testimony indicates that many community members do not utilize the current complaint-driven rental housing system due to fear of intimidation or eviction, language barriers, and/or lack of awareness.

A Property Maintenance Code (PMC), with adequate staffing and resources, would provide an important and immediate first step in addressing these concerns. Furthermore, culturally and linguistically appropriate, targeted education, outreach to and engagement with community stakeholders are essential in order to better understand and address barriers to the current complaint-driven system. A Neighborhood Liaison position has the potential to assist with these efforts. An equitable funding structure that gives consideration to resource demands on the complaint-response system should be determined by the City Council through subsequent political processes.

2. **The Neighborhood Livability Work Group recommends to the Collaboration Corvallis Steering Committee that the City of Corvallis utilize a progressive enforcement strategy as part of the process for resolving complaints related to habitability and livability codes.**

Basis for Recommendation

Testimony provided to the work group from the community (including students, at-large renters, landlords, property managers, and City of Corvallis staff) reflects a divided argument between two positions. Renters believe there is a need for additional property maintenance oversight while property managers and landlords disagree. It is estimated that 30% of the approximately

13,000 rental housing units in Corvallis are in need of some type of improvement to comply with locally enforced safe housing codes, Oregon Landlord/Tenant Law, or requirements addressed through a typical Property Maintenance Code. At present, City Code Enforcement Staff are faced with a backlog of over 600 complaints, approximately 75% of which are estimated to be related to rental housing, and 20% are estimated to be associated with property owners who have multiple complaints. The maximum civil penalty for failure to comply with a Notice and Order under the existing Rental Housing Code is \$250 per day, while most violations of the Land Development Code are punishable by a maximum fine of \$500 per day. Staffing limitations aside, the current code enforcement process does not include a progressive enforcement strategy with increasing fines for repeat violations, which, if adopted, could act to diminish the prevalence of livability and habitability issues currently impacting Corvallis neighborhoods; particularly those within the Collaboration Corvallis Project Area.

3. **The Neighborhood Livability Work Group recommends to the Collaboration Corvallis Steering Committee that the City of Corvallis:**
 - a. **Support collaborative efforts to seek additional information and input from diverse stakeholders to develop additional programs and policies to address concerns raised, and**
 - b. **Review options for additional policies or programs needed to address housing conditions (e.g, a rental licensing program with mandatory inspections, a performance-based inspection model, an enhanced inspection model that focuses on problem areas and/or landlords, self-monitoring by property managers) within two years of implementing a Property Maintenance Code.**

Basis for Recommendation

A number of solutions, such as a rental housing licensing program with mandatory inspections, a performance-based inspection model, an enhanced inspection model that focuses on problem areas and/or landlords, and a system of self-monitoring by property managers, have been proposed as responses to livability concerns. However, the work group believes further investigation and consideration are needed before adopting any particular approach beyond implementation of a Property Maintenance Code. Although qualitative data concerning the conditions of housing stock and barriers to utilizing a complaint-driven system exist and warrant action, more comprehensive, quantitative data are needed to fully understand the scope of these issues.

Therefore, during the first two years of implementation of a Property Maintenance Code accompanied by increased staffing and community outreach, additional information should be collected on: benefits and gaps of the new Property Maintenance Code, conditions of local housing stock, dynamics related to a complaint-driven system, and potential programmatic solutions. Furthermore, during this period of assessment, opportunities exist for continuing to engage diverse community stakeholders (e.g., property owners, managers, and brokers; student groups; housing experts; City and County staff; cultural groups; and the faith community)

through participatory public processes (e.g., public meetings, work groups, and/or a health impact assessment) to better understand current conditions and seek solutions.

A commitment to review the issue within two years of implementation provides time to observe the impact of the Property Maintenance Code, seek additional information, work collaboratively with community stakeholders, and ensures that the City is committed to addressing these concerns.

Attachment 3

Property Maintenance Code and Related Recommendations

Summary of the Proposal

Attachment 2 (pages 6 – 9) provides background and rationale for the recommendations from the Neighborhood Livability Work Group related to implementation of a property maintenance code, associated staffing and related actions. The Work Group determined that the existing rental housing code provisions as well as other existing codes were not sufficient to address the range of property maintenance, housing conditions and livability concerns that impacts both tenants and neighborhood residents. The Work Group conducted several public comment opportunities and considered multiple options including:

1. Implementation of a property maintenance code with a rental housing licensing program and proactive inspection program for rental units and commensurate staffing.
2. Adoption of a property maintenance code with a complaint based code compliance program with commensurate staffing levels.
3. Maintaining existing codes and code compliance efforts.

During the public review process, the Work Group received significant concerns from rental property owners and property managers about the need for and scope of a licensing and inspection program. The Work Group also heard from tenants and others expressing concern about neighborhood livability issues, the condition of rental housing in Corvallis and that a complaint based system was not sufficient to respond to these issues.

After considerable deliberation, the Work Group recommended Option 2 with the following description:

- a. Implement a property maintenance code (a more comprehensive code addressing gaps in existing codes) that applies to all properties.
- b. Create, through subsequent political process, an equitable funding structure that gives consideration to demands on the complaint based system.
- c. Provide staffing commensurate with the requirements of the code.
- d. Utilize culturally and linguistically appropriate education and outreach strategies to engage community stakeholders to better understand and reduce barriers to complaints.

In addition, the Neighborhood Livability Work Group recommended that:

- The City utilize a progressive enforcement strategy as part of the process for resolving complaints related to habitability and livability codes.

- Support collaborative efforts to seek additional information and input from diverse stakeholders to develop additional programs and policies to address concerns raised and to review options for additional policies and programs needed to address housing conditions (e.g. rental licensing program with mandatory inspections, a performance based inspection model, an enhanced inspection model that focuses on problem areas and/or landlords, self monitoring by property managers) within 2 years of implementing a property maintenance code.

Working Assumptions

In moving these recommendations forward, Staff plans to utilize the following as a basis for program design:

- The International Code Council (ICC) Property Maintenance Code, a national code model used by cities in Oregon and across the U.S. will be the base model for developing a local property maintenance code.
- Certain existing code provisions such as the current rental housing code will be subsumed into the property maintenance code in order to eliminate any duplication and/or overlap.
- The City will proceed with the concept of creating a Housing and Neighborhood Services Division that will add code compliance, additional neighborhood support, and OSU coordination functions to the responsibilities of the Community Development's Housing Division. A code compliance position would be added to existing Community Development staffing levels in order to implement the property maintenance code.
- A community liaison position would be created (using existing staffing resources) to provide the neighborhood support and OSU coordination services identified above.
- The proposed Housing and Neighborhood Services Division would include a restoration of the neighborhood empowerment program (\$10k annually).

Staff notes that all of the above points were discussed during the review by the Neighborhood Livability Work Group.

Process to Move Forward

The following outlines key aspects of further developing these particular Collaboration Corvallis recommendations for final action by the City Council:

- The recommendations and assumptions described above will be the basis for program design.
- Staff will form a program design work group to provide advice to staff on details of program design, e.g. fine tuning of the model property maintenance code, public outreach, collaboration opportunities. The advisory group will include rental property owner and property manager, neighborhood and rental housing consumer representatives.

- Program design work group meetings will be public with periodic opportunities for public comment. When the final product is presented to the City Council, there will be an additional opportunity for public comment prior to final consideration by the City Council.
- Community Development will provide the staff support for developing the implementation package for this proposal.

Cost Implications/Strategies

Based on the initial program concept, the budget for this program of enhanced code compliance, neighborhood services and community/OSU liaison work is in the range of \$515k. As discussed with the Neighborhood Livability Work Group, it is anticipated that the existing general fund support of the code enforcement program (approx. \$130k) will be carried forward and the current rental housing fee would be increased to support the expanded program. Based on preliminary estimates, the rental housing fee would be about \$30-\$35 annually per unit as compared to the \$12 annual fee that would be in place for FY 13-14.

This funding strategy will need to be further evaluated in light of the current demands for code compliance and other services in order to address the recommendation that it be an equitable structure.

Timetable

Assuming Council direction is to move forward with this approach the following outlines key milestones:

June – program design advisory work group formed

July – early September – program design work with recommendations completed by mid- September

Late September/October – Council review of implementation package and final action on proposed ordinance and budgetary adjustments

November – December – Staff work to develop program, recruit staff etc.

January, 2014 – progressive program implementation begins

Requested Action

The Council is requested to review this information and provide direction for Staff to move forward with the development of the property maintenance code implementation package as recommended by Collaboration Corvallis and further described in this information package. This action recognizes that additional refinements will be necessary and that the Council will have final decision making authority on this matter in the future.