



MINUTES
CITY COUNCIL SPECIAL MEETING
COUNCIL CHAMBERS – HUTCHINSON, KANSAS
JUNE 2, 2016
8:00 A.M.

1. The Governing Body of the City of Hutchinson, Kansas met in special session at 8:00 a.m. on Thursday, June 2, 2016 in the City Council Chambers with Mayor Daveline presiding. Councilmembers Dechant, Inskeep, and Piros de Carvalho were present. Councilmember Soldner was absent.

2. New Business

a. Consider Rental Registration and Inspection Program Amendment Options.

Mayor Daveline spoke about the purpose for this meeting, saying it was disappointing the legislature failed to listen to the communities. The Mayor said the Senate Bill that was passed now prohibits interior inspections unless permission is given by the tenant. He said the discussion today is to center on options available, not the pros and cons of the program.

Jana McCarron, Director of Planning and Development, spoke. Ms. McCarron said the changes do not prohibit registration or licensing programs, but limits interior inspections unless the lawful occupant gives permission to inspect the premises. Options were presented, as well as advantages and drawbacks of each option.

Ms. McCarron said the Housing Commission recommends Option 1 which requires mandatory exterior inspection for all rentals; and interior inspections when the tenants gives consent or, if vacant, when the landlord gives consent. Ms. McCarron said the City of Lawrence has had success with this approach. She said Hutchinson doesn't have the same demographic as Lawrence, so the success rate may not be the same. Mayor Daveline asked if the landlord would be on site for the inspection when the tenants gives consent. Ms. McCarron said it's not required, but the City of Lawrence does notify the landlord. Ms. McCarron said the Housing Commission recommends keeping the current fee structure, with surplus funds being used for education efforts, etc. She said staff does not concur with this; and recommends that fees be lowered per Option 1 as presented. Discussion ensued regarding the various fee structures.

Councilmember Dechant asked if the City would be looking at a rebate for this year. Ms. McCarron said there would not be a rebate; and it would be an administrative nightmare. She said the extra funds could be used to promote next year's program, educate tenants, etc. She said they could also consider giving credit for next year if the council chooses to lower the fee.

Councilmember Inskeep asked if the number of complaints was up or down. Trent Maxwell, Building Inspector, said the number of complaints is up. Ms. McCarron said tenants are more aware now that complaints can be made. Councilmember Dechant asked about the two housing studies done since 2000; and whether there are been improvements, more deterioration, etc. Ms. McCarron said the state of housing has declined; and is not improving.

Richard Greever, speaking as a member of the Housing Commission, asked that Council scrap the whole program and start over. He said he has some ideas on how to get rid of blighted properties; and said the City is missing the "sold on contract for deed" properties because they aren't inspected.

Greg Binns, a member of the Housing Commission, said the issue has been passionate on both sides. He said there are over 5,000 rentals; and a lot of people don't understand their rights. Mr. Binns said it's a health and safety issue which involves heating problems, water heaters blowing up, etc. He said he understands the privacy issue, but this is a business; and landlords need to take care of their properties. Mr. Binns said Option 1 is the best option to allow us to do what we want to do.

Fred Bruce, 102 West Avenue E, South Hutchinson, commented about the home that was shown in Ms. McCarron's presentation. He said the biggest problem is meth. He said he has several rentals west of town, but no one decent wants to live there. Mr. Bruce said it costs him \$15,000 to \$20,000 to fix up homes.

Robin Jackson of 3805 Quivira, said she agrees with the last speaker in some ways. Ms. Jackson said she doesn't think the state legislature was wrong in what they did; and only upheld the constitution and our 4th amendment rights. She said if the big push is for safety, then why is safety only being addressed in properties occupied by tenants. She said we all have the same goal which is for the city to be beautiful. She asked if this is a problem because people don't care or if it is economic. Ms. Jackson said the City is being discriminatory by addressing only rental units; and said it needs to go back to the drawing board. She suggested a voluntary program, with properties being listed on the City web site that have met rental inspections. She again said she appreciated what the legislature did by upholding the U.S. Constitution.

Mark Coberly, 400 East 23rd, said he owns rental properties and believes many of the rental properties in town are uninhabitable and unsafe. Mr. Coberly

said he disagrees with the committee's recommendation saying landlords with uninhabitable and unsafe properties will coerce tenants into not allowing inspection by offering incentives such as reduced rent, etc. He said the City will be spending its time inspecting only properties that would pass inspection. Mr. Coberly spoke about Option 2 which would allow the City to do exterior inspections. He said this will identify those properties most likely to have interior issues. He said people in unsafe housing will be displaced no matter what option is chosen; and if a tenant is displaced, the City has a responsibility to find new housing for them. Mr. Coberly said he favors Option 2; and agrees unsafe housing is an issue that needs to be addressed and corrected. He also said all non-rental housing should be inspected when sold to ensure it is safe and meets the required standards.

Charles Ulbrich, 7512 East 30th, said the County Appraiser comes by and inspects property every few years, so the City wouldn't need an inspector; and the County could send us their paperwork. He said he has talked to inspectors about various properties; and was told that unless he rented the property and had a vested interest he couldn't do anything. He said he wouldn't be ashamed to live in any of his properties; and if you wouldn't live in the property yourself, then it shouldn't be rented. Mr. Ulbrich said he would like to see every property inspected; and the problem will never be solved, if blight is not addressed.

Jean Mackay, 714 West 11th, said she and her husband own rentals; and we do need to have pride in our community. She said people don't have the money to live the way they prefer. Ms. Mackay said those living in substandard houses are one step away from being on the street. She also said landlords have no control over some issues.

The Mayor called for a break at 9:02 a.m. The meeting resumed at 9:07 a.m.

Maxine Julien, 37 Rambler Road, said she believes the letter to tenants the City is proposing will be intimidating to tenants. She said the legislature was wise in their decision; and that landlords are losing their rights. Ms. Julien said she has seven rental properties; and all are open for inspection. She said she knows something will be found that isn't right in them; and she is willing to fix whatever problems are found. Ms. Julien said tenants should have responsibilities too. She said she and her husband have been renting properties for over 50 years; and people want to rent their houses. She said when people move out, the houses are not in good condition. She said she cleans them up; and her husband has to do repairs. Ms. Julien said tenants need to be educated.

Ryan Patton, 3504 Rockwood Drive, said he is a new landlord after inheriting properties from his father. He agrees the legislature did the right thing, and said he is not opposed to the inspection program. Mr. Patton said he believes all properties need to be inspected, as there are a lot of owner occupied houses that are substandard.

Mayor Daveline asked Trent Maxwell to talk about land contracts. Mr. Maxwell said we have approximately 230 properties under land contract. He said they would like to inspect every single house, but if it's owner occupied the City cannot inspect. Mr. Maxwell said an exterior inspection still has a lot of merit. He said 266 units have been inspected; and any problems that were found have been repaired. He said the inspections had merit; and the homes are safer now. Discussion ensued. Mayor Daveline said this issue now rests back on the council.

Additional discussion ensued.

Motion by Councilmember Piros de Carvalho, second by Councilmember Dechant, to accept and approve the recommendation of the Housing Commission to make the amendments to the City's Rental Registration and Inspection Program Ordinance to:

1. Require mandatory exterior inspections for all rentals and interior inspections for those rentals where the tenant gives consent or the unit is vacant and the landlord gives consent.
2. Keep the current fee structure and use any surplus funds generated for education efforts, as well as for opening up applicable housing programs to landlord eligibility; and
3. Direct staff to prepare an ordinance reflecting said amendments for consideration June 21, 2016 or as soon thereafter as is feasible.

Councilmember Inskeep said he wanted to clarify the motion being made; and whether it was Option 1 on registration and the fee schedule. Mayor Daveline said there is a lot of uncertainty in what the future will hold if this motion passes. He questioned the impact the tenant approval process will have. The Mayor said he would like to propose for council consideration a two year sunset clause with a specific expiration date. Discussion ensued.

Paul Brown, City Attorney, said the last section of the current ordinance addresses evaluation of the program. Mayor Daveline addressed this, saying we need disciplines; and he would like to put a sunset on it. Ms. McCarron said three years would be reasonable. John Deardoff, City Manager, said he wants to be clear about keeping the existing fee structure in place, as staff's recommendation was to revise this. Discussion ensued.

Paul Brown said the council is just giving direction today; and there is no proposed ordinance. He told council to give staff a general direction; and staff would provide the specifics.

Councilmember Piros de Carvalho amended her motion and moved to make amendments to the City's Rental Registration and Inspection Program Ordinance to require mandatory exterior inspections for all rentals and interior inspections for those rentals where the tenant gives consent or the unit is vacant and the landlord gives consent, with a three year sunset provision. Councilmember Dechant seconded the motion. The motion passed unanimously.

Discussion ensued with regard to the current fee structure and the recommended options.

Motion by Councilmember Dechant to approve Option 1 of Table 1 of Potential Registration Fee Options to become effective January 1, 2017. Councilmember Piros de Carvalho asked if the new fees would take effect January 1, 2017. Ms. McCarron said that was correct, with the registration process starting in October, 2016. Councilmember Piros de Carvalho seconded the motion. The motion passed unanimously.

3. Adjournment

Motion by Councilmember Piros de Carvalho, second by Councilmember Dechant, to adjourn. The motion passed unanimously.