

MINUTES OF THE MEETING OF THE
CITY OF SEAFORD RENTAL LICENSE COMMITTEE

March 27, 2017

4:00 PM

Mayor Genshaw called the Rental License Meeting to order with the following Committee members present, Councilman Dan Henderson, Harry Daisy, Deric Parker, Mark Hardesty, George Farnell and Jim King. City Manager Dolores Slatcher, Assistant City Manager Charles Anderson, Josh Littleton, Building Official were present. He welcomed the participants of the Committee.

Assistant City Manager Anderson came forward to present New Business #1, Bridgeville Code Enforcement Official Jerry Butler to present details of the Towns rental licenses process, code process and procedures.

Mr. Jerry Butler, Bridgeville Code Official, stated that the Town of Bridgeville has had the Rental License in effect for 4-5 years. During that time the number of rentals have increased, the conditions of the homes have improved, and the number of problem properties have decreased. The license helps both tenants and landlords; it protects landlords from tenants that abuse the property, and protects tenants from having landlords who do not make living conditions safe. The landlords can request the Code Official to inspect a property if they suspect abuse from the tenants and if so, can summons the inspector to court regarding their findings during the inspection that proves the tenant is abusing the property. The license also helps the overcrowding of unrelated persons in one home. Mr. Butler added that one of the biggest benefits was having the names of the persons on the lease for each rental location. He stated that this was helpful to the Police Department and it assisted with addressing overcrowding issues that can occur.

Mr. Butler added that the Rental License cost the property owner/ landlord \$25 per bedroom, per year. For example, a three-bedroom home, would cost \$25 per bedroom x 3 bedrooms = \$75.00 for the annual fee of the rental license for that property.

Mr. Butler asked the committee if they had any questions.

Mr. Hardesty asked what can the official do, if the tenant is a hoarder?

Mr. Butler stated that they can enforce safe living conditions, and can give that tenant a time frame to clean up the property.

Mr. King asked if the Code Official can evict the tenants.

Mr. Butler stated no. They do not do any evictions, that is the landlords responsibility. They can be summonsed to court for their findings during an inspection that can help with the eviction process, but they do not do the eviction.

Mr. Farnell asked if they take pictures during their inspection.

Mr. Butler stated yes; they will take pictures of any abused conditions and make a report of the inspection results.

Councilman Henderson asked how does the Town enforce the landlords to having a license.

Mr. Butler stated that if they rent the house without a license they receive a fine. The tenants also come in for an application and at that time, we know that a tenant is taking possession of that property.

Mr. Hardesty asked if the property has lead paint that is chipping or peeling off, does that cause the property owner to be unable to receive a rental license.

Mr. Butler stated no, lead paint is the state's job to inspect and handle and has no effect on receiving a license.

Mr. Butler also stated that, if any citations for the property are received, the property owner is responsible, even if it is a tenant related issue. Mayor Genshaw thanked Mr. Butler for attending and providing the program as it is administered in Bridgeville.

Mr. Anderson came forward to present Old Business #1, follow up information for the Committee regarding incentive examples for investments in rehabilitation. Mr. Anderson reviewed with the Committee three examples to incentivize investors to purchase and invest in condemned and substandard properties to produce affordable, sustainable housing opportunities.

Example Incentive #1:

Existing Home Assessment = \$51,000 = City Tax Revenue = \$158.10

New Home Constructed; Assessment = \$126,600 = City Tax Revenue = \$392.46

Difference in Tax Revenue (old vs. new) = 234.36/yr.

Apply a ten-year incentive for the increased tax revenue = \$2,343.60 Upfront Cash Payment

Example Incentive #2:

Existing Home Assessment = \$91,800 = City Tax Revenue = \$248.58

Home Renovated; Assessment = \$129,700 = City Tax Revenue = \$402.07

Difference in Tax Revenue (old vs. new) = \$153.49/yr.

Apply a ten-year incentive for the increased tax revenue = \$1,534.90 Upfront Cash Payment

Example Incentive #3:

Existing Home Assessment = \$56,800 = City Tax Revenue = \$176.08

Home Renovated; Assessment = \$74,400 = City Tax Revenue = \$230.64

Difference in Tax Revenue (old vs. new) = \$54.56/yr.

Apply a ten-year incentive for the increased tax revenue = \$545.60 Upfront Cash Payment

Restrictions are attached to the Reinvestment Incentive Ordinance including, no tax appeals permitted during the 10-year period, and the City would stipulate minimum improvements required to properties to qualify for the incentive, such as, insulation, upgraded HVAC, roofing, plumbing and cosmetic improvements.

Mr. Anderson asked the Committee if they had any questions or if any of the incentives would make them want to purchase more property in the City of Seaford.

Mr. King asked what happens to a property if the owner purchases a property that has a demolition order on it.

Mr. Anderson stated that the owner still owns the property after the demolition is complete, but is responsible for the demolition fees. If the fees are not paid, a lien is placed on the property.

Mayor Genshaw stated that at this time, there is not a finalized recommendation from the Committee members to present to the City Council. He thanked the Committee for their input and the Committee will meet again at a later date to discuss the next steps.

Mayor Genshaw adjourned the meeting at 4:59 pm.

Shannon Elliott, Secretary