

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

May 8, 2017

5:00 PM

Mayor Genshaw called the Rental License Committee Meeting to order with the following Committee members present, Councilman Dan Henderson, Mark Hardesty, George Farnell, Frank Parks, Vergonda Thomason, James King and Deric Parker. Assistant City Manager Charles Anderson and Josh Littleton, Building Official were also present. He welcomed the participants of the Committee.

Assistant City Manager Anderson came forward to present New Business #1, Overview of incentives considered by the Committee. Mr. Anderson stated that at the last meetings, the Committee went over some incentives, one being to incentivize investors to purchase and invest in condemned and substandard properties to produce affordable, sustainable housing opportunities and apply a ten-year incentive calculated on the increased tax revenue. This incentive would apply a ten-year incentive for the increased tax revenue, for an upfront cash payment from the City. (ex: existing home assessment = \$51,000, tax revenue \$158.10. New home constructed assessment = \$126,600, city tax revenue \$392.46. Different in revenue is \$234.36/ yr. x 10-year incentive = \$2343.60 upfront cash payment).

Mr. Anderson asked the committee if there were any questions in regards to this incentive.

Mr. Hardesty asked who chooses who would qualify for substandard housing.

Mr. Anderson stated that the City would.

Mr. Henderson stated that some of the properties that are condemned could fall under the incentive requirements and may also be eligible for grants through the Downtown Development District.

The other incentive would be to encourage the conversion of rental property into owner occupied housing. Any house would have to qualify per City requirements, but the owner would not be charged City taxes for the first five years of occupancy by the owner, and then will be charged graduated taxes for the next five years. (year 6, 20%, year 7 40%, year 8 60%, year 9 80% and year 10 100%).

Mr. Anderson presented New Business #2, outline of the potential rental licenses. Mr. Anderson stated that two proposed fee options for the license have been discussed. One, would be an annual fee of \$50.00 per unit and an additional \$50 fee would be charged for any additional inspection for that property. The second would be \$25.00 per bedroom, for each property. (ex: \$25.00 x 3 bedrooms= \$75.00 for license).

Mr. Anderson then presented a draft of an inspection check list that would be used for the inspections of the properties, which has been presented at prior meetings.

Mr. Anderson solicited any questions or comments from the Committee in regards to the outline of the potential rental license.

Mr. Farnell stated that he agreed with Mr. Daisey's comment from the last meeting, that the rental license should not need to be displayed on the premises.

Mr. Anderson reiterated that the inspection list that was being shown, was a draft and things on the list could be changed.

Mr. Hardesty stated that he believed that the person(s) doing the inspections should be someone from "in-house".

Mr. Anderson agreed; this way things do not slip through the cracks, as they may if an outside company were used for the inspections.

Mr. Parker stated that the challenge for the inspections are going to be having both the tenant and landlord available for an inspection.

Mr. Anderson stated that the City is aware there will be difficulty in scheduling the inspections, but the staff is willing to work with landlords and tenants to make it manageable for both.

Mayor Genshaw stated that after discussing incentive options, fees and inspections details, they will move forward with the rental license process. He explained the next steps. Staff from the City will prepare draft code language related to rental licensing. This draft will then be presented to City Council for consideration.

Mayor Genshaw adjourned the meeting at 6:01 pm.

Shannon Elliott, Secretary