

COMMITTEE ON ADMINISTRATION AND FINANCE

December 13, 1993

Committee Members Present:

Michael Pollock (Chairman), James Hayes, Marya Ryan, Clifford Singer, John Taylor, Joseph Whelan

Committee Members Absent:

None

Staff Members Present:

Bruce Walden, Jack Waaler, Tom Lindsey, Bill Gray, Rod Fletcher, April Getchius, Bill Schlieter, Bruce Stoffel, Ron Gremore, Mayor Satterthwaite, Phyllis Clark

Others Present:

Jennifer Putman, Tom Hays, Robert G. Albers, Lori Blewett, John Kocoras, Laura Kurre, Sally Stocks-Eissfeldt, Murray E. Snyder, John Roska, Myrna Golden, Jeff Wampler, Charles Lozar, William Payne, Sandra Daniel, Ellen Beattie, Pat Roberts, Barb Nott, Esther Patt, Caren Rohr, Stephen Brand, Karen K. Miller, Henry Voigtlander, Stan Summers, Robert Naiman, Thomas Betz, Larry Wingate, Members of the News Media

Meeting Location:

City Council Chambers

There being a quorum, the meeting was called to order at 8:14 p.m. by Chairman Pollock.

Additions to the Agenda and Staff Report

Ms. Ryan moved to change the order of the agenda by placing Landlord-Tenant Ordinance and Ordinance Approving Development Agreement - I.D.S. and Herberger's after Public Input.

Mr. Whelan moved a substitute motion to place Landlord-Tenant Ordinance and Update on Railroad Right-of-Way after Public Input. The motion was seconded by Mr. Taylor and carried by a show hands vote.

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The motion to change the agenda placing Landlord-Tenant Ordinance after Public Input followed by Railroad Right-of-Way and Ordinance Approving Development Agreement - I.D.S. and Herberger's carried by a voice vote.

Public Input

Mr. Singer moved to limit public input to forty minutes and follow the formal rules for debate which allows members to speak two times per topic for ten minutes per motion on the floor.

Mr. Whelan moved to separate the question. The motion was seconded by Mr. Taylor. Mr. Pollock ruled that the motions are separated.

The motion to follow formal rules for debate carried by a voice vote.

Mr. Singer requested that his motion regarding a time limit for public input be changed to sixty minutes. There were no objections.

The motion to limit public debate to sixty minutes carried by a show of hands vote.

Jennifer Putman, 1006 West Clark Street, stated she would like provisions codified by the City that would result in all tenants having as good a landlord-tenant relationship as she has with her landlord. She added that as a tenant she experiences tax increases by means of raised rent even though she cannot deduct such expenses from income tax claims as homeowners are allowed.

Tom Hays, 906B Colorado Avenue, stated that the ordinance being considered by the Council seems to be one-sided against landlords. He suggested that adopting such regulations would be counteractive to economic recovery by discouraging landlords from providing rental residences in the City of Urbana.

Robert G. Albers, 107 West California, #9; Lori Blewett, 702 South McCullough and John C. Kocoras, 302 South Busey, #205 chose not to address the Committee, but asked that their support of the ordinance be recorded.

Laura Kurre, 202 West California Avenue, read a statement from John Lee Johnson regarding the City's 1994 Comprehensive Housing Affordability Strategy. Mr. Johnson said the document sends false messages to HUD and the citizens of Urbana by continuing not to address the real issue of the Public Housing Authority's role in the City's housing strategy. He suggested that the CDBG Commission take the responsibility to review weak areas of the document and make preliminary recommendations to the City Council by April, 1994.

Sally Stocks-Eissfeldt, Champaign County Apartment Association, stated that as a participant in a study group addressing the proposed landlord-tenant ordinance, she was under the

impression that the group would meet again to review the draft ordinance before it was presented to a Council Committee. She said it never happened and some people have had less than eight hours to review the document for comment. She said that discussions at meetings were not taken into consideration in the revised ordinance and the City has not acted in good faith.

Murray E. Snyder, Florida Avenue Apartments, stated that he feels he and his colleagues voices have not been heard and any attempt to suggest common ground solutions have not been considered.

John Roska, Attorney, Land of Lincoln Legal Assistance, urged passage of the proposed ordinance. He said the ordinance, which is modest, will codify reasonable business behavior

Myrna Golden, 903 West Oregon Street, shared some of the procedures followed by her landlord and suggested that other landlords consider using their techniques which would result in good landlord/tenant relationships.

Jeff Wampler, Champaign County Apartment Association, stated that although the process of discussing the proposed ordinance started off well, it became unfair when the study group was not presented with the proposed draft. He suggested that the study group meet again to see if disputed items can be addressed. Mr. Wampler made specific suggestions to add a provision that landlords may notify tenants of access by telephone or by leaving a notice on the door of their apartment and to reconsider the interest rate on Security Deposits proposed.

Charles Lozar, owner of apartments located in Urbana, challenged the Committee to a reality check. He cited the 24 hour notification for showing apartments, the lack of limitations on tenants who may take temporary residence in a motel under certain conditions, interest on security deposits at 5%, and suing for damages incurred by students as points to consider. He added that passage of the proposed ordinance would result in investments being placed in other communities and questioned the need for codification of landlord-tenant regulations.

William Payne, Institute of Real Estate Management, stated that his research of the effects of landlord-tenant ordinances in other cities has determined that their ordinances have caused extremely harmful effects to landlords, driving some into bankruptcy and that a slow down in construction of rental facilities has resulted. He said there is no fairness or balance in the proposed ordinance and he estimates the added administrative costs for landlords will cause a 10-20% decrease in the owner's value of his property.

Sandra Daniel, 216 1/2 West Main Street, #4, shared her experiences with a landlord and expressed support for an ordinance that would specifically address prohibitive access and retaliatory conduct.

Ellen Beattie, 602 South Broadway, raised concerns about the retaliatory conduct

provision of the ordinance, lock out charges, prohibitive provisions, the notice requirement for non-renewal and a requirement that landlords provide copies of the ordinance to tenants.

Pat Roberts, Landmark Apartments, requested that the record reflect her opposition to the proposed ordinance.

Barb Nott, 1507 East Washington, #B13, related an experience of cash disappearing after maintenance personnel entered her apartment in her absence. She stated support for the ordinance that would require 24 hour notice before landlords could enter a rental unit.

Mr. Pollock noted that the time allotted to public input on the landlord-tenant ordinance has expired and requested that the remaining ten speakers be allowed to proceed. There were no objections.

Esther Patt, Champaign-Urbana Tenant Union, responded to claims by other speakers that the economy of the City will be undermined by passage of the proposed ordinance by listing tenant's rights that are not included in the ordinance: There is no limitation on the amount a landlord may charge for rent, property damages, goods and services; landlords are not required to provide any goods or services, plow snow covered parking lots, provide storm windows; there is no set time limit for repairs, and eviction laws are unchanged. She said the ordinance provides basic rights that are fair and passing the ordinance will make Urbana a more desirable place to rent which would have a positive impact on the rental market.

Caren Rohr, 904 North Broadway, Crystal Lake Village Apartments Manager, requested that the Committee not act on the proposed ordinance which she believes is unnecessary. She said passage of the ordinance would be a detriment to the community financially and emotionally.

Stephen Brand, 805 South Cottage Grove Avenue, Champaign County Board Member, stated the ordinance is modest and will make Urbana an attractive place to rent. He believes the ordinance offers security and peace of mind to tenants.

Karen K. Miller, 2708 Perkins Road, State Certified General Appraiser, stated that she believes the proposed ordinance punishes many for the sins of few. She explained how an appraiser determines the value of property and stated that increasing the burden of management and risk would result in decreased appraised values for apartment owners.

Henry Voigtlander, 802 West Pennsylvania, objected to the provision in the proposed ordinance regarding bi-weekly notices to tenant until a unit is rented; he suggested that tenants be notified when an apartment is rented. He pointed out that the provision regarding showing times is a problem because renters do not show up for their appointments on time and suggested that if the ordinance is passed that the effective date be changed to January 1995.

Stan Summers, 103 South Busey Avenue, asked if the Committee would be acting on the

ordinance at this meeting. Mr. Pollock responded by explaining that final action cannot be taken at the Committee level.

Robert Naiman, #1 Buena Vista Court, a County Board Representative, stated that he repudiates the view that because landlords own property, they should have the strong voice; and renters, who are students and the poor, should have the weak voice. He maintained that tenants, as a majority, should have the strong voice.

Thomas E. Betz, Champaign-Urbana Tenant Union, stated that he was under the assumption that a draft copy of the propose ordinance would be presented back to the study group before consideration by Council. He said he didn't recognize the document as what was agreed upon in the study group. He added that the ordinance does not grant privacy, but rather sets up terms for invasion of privacy. He stated that if the Council must take action on the ordinance at this time, he supports adoption of the ordinance.

Larry Wingate, representing Town and Country Apartments, stated that he is disappointed in the process by which the proposed ordinance has come before the Council. He suggested that the Council delay acting on the ordinance until both sides of the issue can be represented as was discussed in study group meetings. He mentioned that an honest landlord can be found in violation of the ordinance by an innocent, honest mistake; an aspect of the proposed ordinance that concerns him.

Minutes of Previous Meetings

Ms. Ryan moved to approve the minutes of the November 8, 1993 regular meeting. The motion was seconded by Mr. Taylor and carried by a voice vote.

Mr. Singer moved that the Committee complete discussion of the Landlord Tenant Ordinance by 10:15 p.m., the Railroad Right-of-Way by 10:30 p.m. and that a Motion Authorizing Third Quarter Expenditures - U-Cycle, Revisions To Civil Service Ordinance and C.H.A.S. be deleted from the agenda. The motion was seconded by Mr. Taylor. Mr. Singer further requested that the items not addressed at this meeting be placed on the agenda of the December 20, 1993 Council meeting.

Ms. Ryan suggested that more time be allowed for discussion of the Landlord-Tenant Ordinance.

Mr. Singer offered a friendly amendment to allow discussion of the Landlord Tenant Ordinance until 10:30 p.m. and the Railroad Right-of-Way until 10:40 p.m. There were no objections.

Mr. Whelan moved to amend by sending Informational Memo - Update on Railroad Right-of-Way to the January 10, 1994 Committee on Administration and Finance meeting. The motion was seconded by Mr. Taylor and carried by a voice

vote.

The motion to end discussion of the Landlord Tenant Ordinance by 10:30 p.m. and forward items relating to third quarter expenditures, Civil Service and CHAS to the December 20, 1993 City Council agenda carried by a voice vote.

Landlord-Tenant Ordinance

Mr. Singer moved to send the Landlord Tenant Ordinance to Council as presented to Committee. The motion was seconded by Ms. Ryan.

Vice-Chair Hayes assumed the Chair and Mr. Pollock presented his amendments to the Landlord-Tenant Ordinance.

Mr. Pollock moved to amend Section IV, Definition of Essential Services to read as follows:

"Essential services: water, heat, hot water, gas, electricity, sanitation and cooking facilities as required to be maintained by the minimum housing code of the city, and a fully functional refrigerator." and to delete Section IX(f) in its entirety. The motion was seconded by Mr. Singer and carried by a voice vote.

Addressing Mr. Whelan's question regarding unfurnished apartments, Mr. Pollock moved to amend by adding language to Section IV that would clarify when a fully functional refrigerator is required. There were no objections.

Mr. Pollock moved to delete Section V(A)(1)(g). The motion was seconded by Mr. Singer.

Mr. Taylor clarified that he will not be voting in favor of the amendments presented because it would be inconsistent with his opposition to the ordinance. Mr. Whelan stated that he too would not vote to approve the amendments.

Mr. Pollock moved to send the Landlord-Tenant Ordinance to Council as amended by his fifteen amendments (copy attached). The motion was seconded by Mr. Hayes.

Mr. Pollock proceeded with review of his amendments.

Ms. Ryan moved to amend Mr. Pollock's amendment #7 that allows landlord's to enter an apartment to perform repairs within 30 days by changing to 5 days, and amendment #11 that allows landlords to dispose of abandoned property from vacated apartments after 15 days by changing to 30 days.

Ms. Ryan moved to separate the items in her motion. The motion was seconded by Mr. Singer and carried by a voice vote.

Calling for the orders of the day, Mr. Singer moved to refer the ordinance as it presently stands to a Select Committee composed of Mayor Satterthwaite, Mr. Pollock, Ms. Ryan, Mr. Hayes and Mr. Singer to meet after the next Council meeting and report back to the Council with a final draft of the ordinance for consideration by the Council. The motion was seconded by Mr. Pollock.

Mr. Singer noted that his motion is based on Robert's Rules of Order and that those opposed to the ordinance will have an opportunity to comment when it appears before the Council.

Mr. Singer called for the orders of the day. He stated that his call for the orders of the day will move all previous motions, which means if the motion for a Select Committee succeeds, all that has been moved will be before the Select Committee when it meets after the Council meeting next week. If the motion for a Select Committee fails, the motions will be on the floor at this time, would be undebatable and subject to an immediate vote; then, they would be forwarded to Council, if approved.

Clarifying further, Mr. Singer stated that when the Select Committee meets, the original motion, Mr. Pollock's motions to amend, Ms. Ryan's motions to amend and to separate will be on the floor.

The Chair was returned to Mr. Pollock.

Mr. Pollock stated that in the absence of a vote, the motion passes. He requested that the Clerk issue public notice of the Select Committee meeting scheduled for December 20, 1993 following the regularly scheduled Council meeting.

Ordinance Approving Development Agreement - I.D.S. and Herbergers

Chief Administrative Officer Bruce Walden stated that the agreement before the Council provides an arrangement for the City to provide certain guarantees and incentives to I.D.S Life Insurance Company, owners of Lincoln Square Mall, as inducements for Herbergers. He said the incentives involve parking, including the demolition of the Diana's property for additional parking, and financial incentives relating to recovering development costs by the developer. I.D.S. would commit millions of dollars for improvements and agree to enter into a long-term lease with Herbergers scheduled to open for business August, 1994. Mr. Walden offered to answer questions on an individual basis and said he intends to provide copies of the final lease next week.

Mr. Singer moved to send the Ordinance Approving Development Agreement - I.D.S. and Herbergers to Council without approval pending receipt of the complete lease agreement. The motion was seconded by Mr. Taylor and carried by a voice vote.

Mr. Pollock stated that the ordinance will be on the agenda of the December 20, 1993

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Council meeting.

Adjournment

There being no further business to come before the Committee, Chairman Pollock declared the meeting adjourned at 10:50 p.m.

Respectfully Submitted,

Sharon Menges, Secretary

**This meeting was broadcast on cable television