

To: Ames Mayor and City Council

From: Mark O. Lambert, City Attorney

Date: April 20, 2018

Subject: Rental concentration cap ordinance

At the April 10, 2018 Council meeting, the Council directed staff to prepare an ordinance on limiting concentration of rental dwellings to 25% in certain neighborhoods, for first consideration at the April 24 Council meeting.

City Council's direction on drafting a rental concentration ordinance for the April 24 meeting included the following:

1. Calculation of the percentage of existing rentals is based upon properties zoned R-L or UCRM.
2. All properties zoned R-L and UCRM with a registered rental dwelling are calculated in the percentage.
3. A maximum of 25% of R-L and UCRM properties within a defined neighborhood are permitted to have registered rental dwellings.
4. No new rental registrations can be approved if the percentage of rentals would exceed the 25% cap.
5. If a defined neighborhood exceeds the 25% cap, no new single-family rental registrations may be approved.
6. A duplex dwelling may register the second unit of the duplex, regardless of the neighborhood cap percentage.
7. Currently registered rental dwellings may maintain their registration and renew their Letter of Compliance.
8. If a registered rental dwelling ceases to operate as a licensed rental dwelling, the owner cannot seek a new registration if the neighborhood exceeds the 25% cap. *For example, an existing rental dwelling cannot be demolished and rebuilt and then registered as a rental dwelling if in a neighborhood over the 25% cap.*

The Council also directed that the ordinance allow a Transitional Letter of Compliance (LOC) for one year, and have it be renewable for an additional year, but after two years of a Transitional LOC the property owner would have to wait a year before being eligible for another Transitional LOC, and that the Transitional LOC could be issued regardless of whether the neighborhood exceeded the 25% cap.

The Council also decided to apply the 25% rental concentration cap to only four neighborhoods. Those four neighborhoods are College Creek/Old Ames Middle School, SCAN-North, Colonial Village, and Oak-Riverside. Because of the difficulty and time involved in describing boundaries with words, and the fact that placing a map image in the Ames Municipal Code would be difficult to read, staff has chosen to follow the same method used to define the neighborhoods in the Rental Occupancy Ordinance. A definition of a term, "Rental Concentration Cap Neighborhoods," is established by the ordinance in Chapter 13. The definition says that the boundaries of the neighborhoods will be set by a Resolution adopted by the Council; the Resolution will have a map attached to it. **It is staff's intent to bring the Resolution setting the neighborhoods to the Council when the third and final reading of the ordinance takes place. The map that will be attached to the Resolution is attached to this memo.**

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY ENACTING A NEW SECTION 13.201 RENTAL CONCENTRATION CAP, 13.300 (9) AND AMENDING SECTION 13.301(10) TRANSITIONAL LETTER OF COMPLIANCE THEREOF, FOR THE PURPOSE OF POTENTIAL NEIGHBORHOODS FOR RENTAL CONCENTRATION CAP REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; PROVIDING A PENALTY; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by enacting a new Section 13.201, 13.300(9) and amending 13.301(10) as follows:

“Sec. 13.201. TERMS DEFINED

...

RENTAL CONCENTRATION CAP NEIGHBORHOODS: Certain neighborhoods as designated by a Resolution adopted by the City Council, which are subject to the limitation on the number of rental properties established in Section 13.300(9).

...

Sec. 13.300. GENERAL

...

(9) Limitation on number of rental properties in certain neighborhoods.

For each neighborhood established as a Rental Concentration Cap Neighborhood, the number of rental dwellings allowed shall be no more than 25% of the dwellings in each neighborhood. In each neighborhood, only properties zoned R-L or UCRM will be used in calculating the percentage of rental dwellings to other dwellings in the neighborhood. No new rental registration applications will be accepted or approved in a neighborhood if the neighborhood has 25% or more registered rental dwellings or the application for a new rental registration would cause the ratio of rental dwelling to other dwellings to exceed 25%.

Rental dwellings with a rental registration or Letter of Compliance in place as of the effective date of this ordinance will be allowed to remain as registered rental properties and may renew their registrations and Letters of Compliance even if the number of rental dwellings is above the 25% cap. Additionally, the owner of a duplex may register both legally established units of the duplex, regardless of whether the 25% cap is exceeded in the neighborhood. If a registered rental dwelling ceases to operate as a licensed rental dwelling, the owner cannot subsequently register the dwelling if the registration would cause the ratio of rental dwellings to other dwellings to exceed 25%. Transitional Letters of Compliance may be issued regardless of the 25% cap.

...

Sec. 13.301 LETTER OF COMPLAINE (LOC)

...

(10) Transitional Letter of Compliance.

...

A Transitional Letter of Compliance shall be in effect for a maximum of one year and is renewable for a period of time not to exceed one additional year. No more than two Transitional Letters of Compliance may be issued within a 36 month period. If a property is acquired by a new owner, the new owner is eligible for Transitional Letter of Compliance without regard to the prior owner having obtained a Transitional Letter of Compliance.”

(Ord. No. 4067, 05-24-11)

Section Two. Violation of the provisions of this ordinance shall constitute a municipal infraction punishable as set out by law.

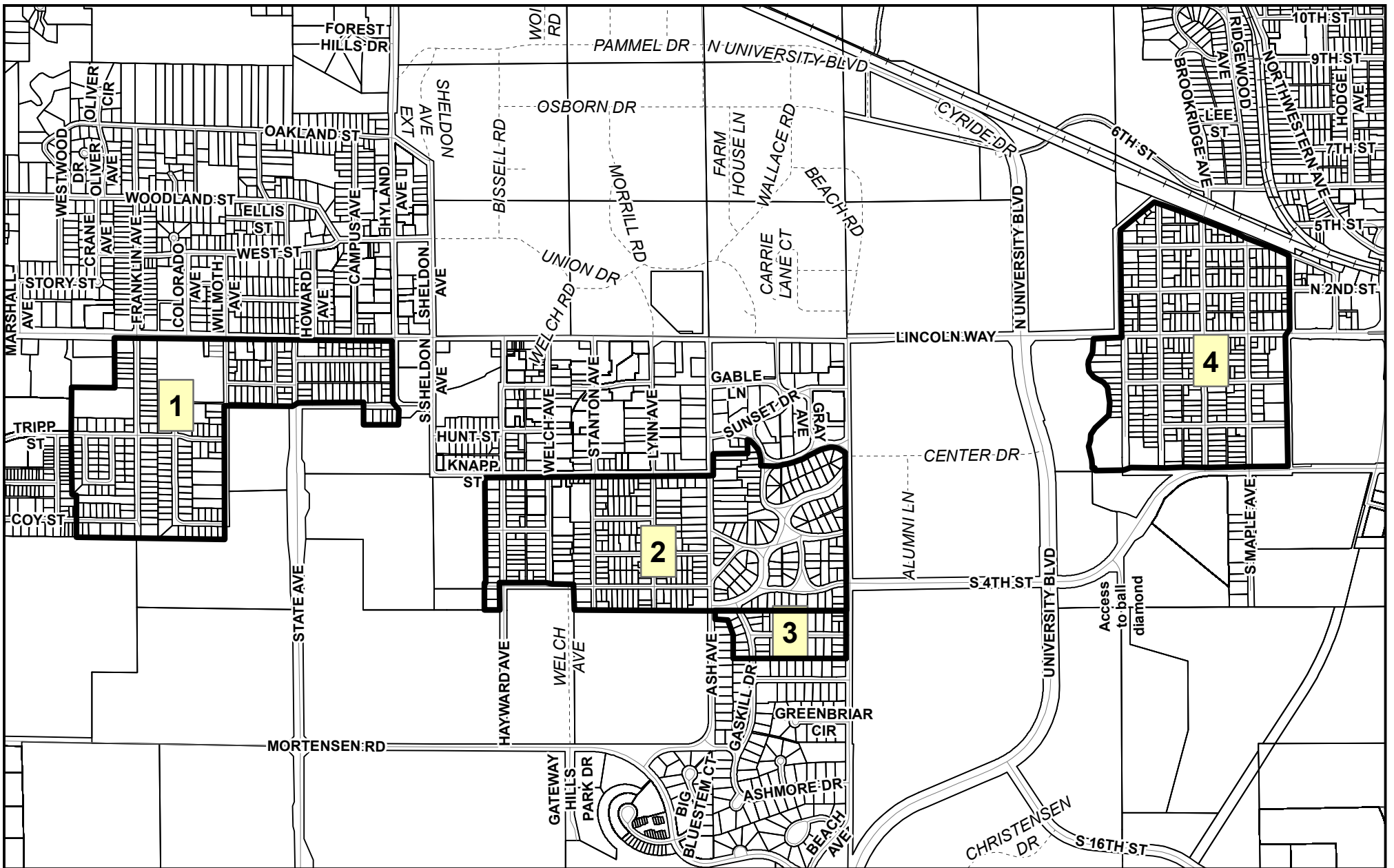
Section Three. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Four. This ordinance shall be in full force and effect from and after its passage and publication as required by law.





Passed this _____ day of _____, _____.

Diane R. Voss, City Clerk

John A. Haila, Mayor



Rental Concentration Cap Neighborhoods

	1. College Creek/Old Ames Middle School		3. Colonial Village
	2. SCAN - North		4. Oak-Riverside