

TOWNSHIP OF LOWER MERION

Building & Planning Committee (FOR INFORMATION ONLY)

Issue Briefing

Topic: Proposed Ordinance to Rename and Amend Chapter 75, entitled Fair Housing, and Chapter 92, entitled Housing-Property Maintenance, to enact new licensing requirements and regulations for student and residential rentals in the Township.

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I. Action To Be Considered By The Board:

Future action would be to authorize the Township Secretary to advertise notice of intent to adopt an ordinance to amend the Code of the Township of Lower Merion, Chapter 92, Housing-Property Maintenance by removing the provisions for residential rental licensing and the definitions of certain defined terms found only in those provisions; by amending Chapter 75, Fair Housing, to read Chapter 75, Housing; by amending Chapter 75 in its entirety to retain provisions for Fair Housing and by adding thereto provisions for student rental licensing and residential rental licensing; and by amending Chapter A167, Fees, to provide a fee schedule for student and residential rental licensing. No action is recommended at this time.

II. Why This Issue Requires Board Consideration:

Amendments to the Township Code are subject to the approval of the Board of Commissioners.

III. Current Policy or Practice (If Applicable): N/A

IV. Other Relevant Background Information:

All rental properties in Lower Merion are required to be licensed pursuant to Chapter 92, Housing-Property Maintenance, § 92-2: Insertions, additions and revisions, subsection (M) of the Township Code. These properties include single and multi-unit dwellings that are rented to student and non-student residents of the Township. Staff have experienced difficulties administering the provisions of the Code's rental licensing regulations due to a lack of specificity in enforcement actions available to Township officials and the process by which to pursue them, a limited description of the duties and responsibilities of property owners, property managers, and tenants, and the absence of regulatory distinctions between student and residential/non-student rentals. The lack of a distinction

between student and non-student residential rentals is a particular difficulty in upholding citations given the transient nature of student rentals. Frequently, by the time a violation reaches the court system, the student(s) have already moved out of the rental unit. This proposed ordinance seeks to amend those sections of the code related to housing and rental licensing in order to eliminate these difficulties and make the enforcement of rental licensing regulations in Lower Merion Township more efficient, effective, and comprehensive.

The first major change proposed by this ordinance is the relocation of the licensing regulations in the Township Code and the renaming of Chapters 75 and 92. Presently located in Chapter 92, the proposal would eliminate the current licensing language found in § 92-2(M) and insert new definitions and regulations for rental licensing in Chapter 75. The new definitions related to housing and rental licensing would be constituted under a new Article I in Chapter 75 with the existing Fair Housing provisions reorganized as Article II in Chapter 75. The ordinance also proposes separate licensing requirements and regulations for student and non-student/residential rentals. The new requirements and regulations for student rentals will be added as Article III in Chapter 75 with the requirements and regulations for non-student/residential rentals added as Article IV.

As part of the code amendments, the proposed ordinance seeks to add definitions for “student,” “disruptive conduct,” and “manager” along with several other terms that coincide with the separation of student and non-student rentals, licensing requirements, and enforcement actions. For example, the term disruptive conduct would be utilized by township officials responding to student rental units for any incident or behavior that may not rise to the level of criminal or civil offense but ultimately impacts the quality of life for the community. The generation of a disruptive conduct report to keep on file with the student rental unit’s license would enhance the ability of staff to track and take prompt action.

Another important change included in the proposed ordinance relates to the existence of violations issued by the Township. Currently, when a Township official issues a violation, the court must uphold the violation. This process is time-consuming and in the case of the more transient-oriented student rentals, often occurs after the rental unit has been vacated (thus negating the basis for enforcement action). The proposed language of the new rental regulations codifies the Township’s position that a violation exists upon issuance and can exist, for the purposes of enforcement, without a criminal conviction. This change will further enhance the ability of staff to take prompt action regarding rental properties violating any Township code.

The proposed ordinance also introduces different licensing terms and requirements. In addition to outlining the responsibilities of both property owners and tenants, including a new provision whereby property owners who do not live in Lower Merion must appoint a property manager who lives within 10 miles of the Township, student rental license applicants would be required to identify every student living in the dwelling unit. One of the most frequent violations encountered by staff is overcrowding in student rental units; each student rental unit in the Township is currently and would continue to require no more than three individuals per student rental unit. By having names of each student living

in a unit identified through the licensing process, staff will be able to more effectively track and enforce cures for overcrowding violations. Property owners/managers would also be required to notify the Township should any change to the list of individuals living in the student rental unit occur.

An additional proposed change involves how both student and non-student/residential licenses are issued. Presently, the Township issues a single license to each property with one or more rental units. Regardless of whether the property contains a single rental unit or multiple rental units, the Township currently issues a single rental license. The issuance of a single license to properties with multiple rental units complicates enforcement and action against such licenses. For example, if a violation is issued because of one rental unit, meaningful enforcement/action against the property's rental license would impact all rental units associated with that license. The proposed ordinance would require a license to be issued for each rental unit. Dwellings with multiple rental units would therefore be issued multiple rental licenses, one for each rental unit in the multi-unit dwelling. Issuing rental licenses to the individual units rather than to the property is intended to empower Township officials to take prompt action regarding individual rental units and their licenses without negatively impacting other rental units in multi-unit dwellings.

The length of the license and the application period would also change through this ordinance. Currently, all rental licenses are annual with no clearly set application or renewal period other than before the expiration license. The proposed ordinance would establish an annual licensing period from January 1 through December 31 of every calendar year for student rental licenses. Non-student/Residential rental licenses mirror the January 1 through December 31 licensing period but would change from an annual to a three-year term. Proposed amendments to Chapter A167, Fees, included in this ordinance reflect the three-year price for residential rental licenses. The establishment of a set licensing period aligning with the calendar year is expected to simplify the application process for rental license applicants as well as enhance the ability of Township officials to track rental applications, renewals, and units with expired licenses.

Lastly, the proposed ordinance offers a defined list of criteria for taking enforcement action against a rental unit and its license and would provide for several enforcement actions that are not currently stated in the Code. In addition to revocation of a license, the proposed ordinance adds the following actions:

Formal warning - written notification of at least one violation. Upon satisfactory compliance and any conditions imposed by the Township, the formal warning shall be removed when the owner applies for license renewal

License Suspension - The immediate loss of the privilege to rent student rental units for a period of time set by the Township. The owner, after the expiration of the suspension period, may apply for license renewal

License Non-renewal - The denial of the privilege to apply for license renewal after expiration of the student rental license term. The Township will permit the owner

to maintain tenants in the premises until the end of the license term but will not accept applications for renewal of the student rental license until a time set by the Township.

The proposed ordinance also outlines the appeal process to the Board of Commissioners should the Township act against a license and the owner of a property with rental units wishes to appeal the decision. Given that the rental licensing requirements and regulations are being relocated to Chapter 75, language describing an appeal process was needed since the current code language generally speaks and refers to property maintenance appeals.

V. Impact On Township Finances:

In 2023, the Township received \$185,010 in rental licensing revenue from 265 rental licenses issued or renewed by the Township. The restructuring of residential rental licenses from an annual to a three-year term would alter the receipt of revenue received from those licenses from an annual to a three-year cycle. Township staff is also conducting an analysis of student rental license fees charged by neighboring communities and assessing the actual in-house cost of administering the student rental license program so that new student rental license fees can be proposed to the Board as part of the September discussion on this proposed ordinance.

VI. Staff Recommendation:

Staff recommends no action at this time. If adopted in the fall, the intended implementation of the new licensing requirements and regulations would go into effect January 1, 2025.