

**CITY COUNCIL / OAK RIDGE HOUSING AUTHORITY
WORK SESSION AGENDA**

**November 3, 2011
5:30 P.M.**

Municipal Building Training Room

- I. Overview of City of Oak Ridge relationship to Oak Ridge Housing Authority (ORHA) (legal, appointments, and authorities).
- II. "Not in Our City" campaign and need for the ORHA to work in conjunction with the City on ORHA properties, including issues related to Section 8 rental properties, certificates from outside agencies, and the City's EPA Administrative Order involving inflow and infiltration.
- III. Police Department activities associated with ORHA properties and trends in community.
- IV. City of Oak Ridge utility deposit policy and potential community impacts.
- V. Public policy to establish community land bank services through ORHA.
- VI. ORHA/City of Oak Ridge involvement in tax increment financing programs.



Presentation by City Staff
Hosted by the Oak Ridge Municipal Planning
Commission
October 20, 2011

Introduction

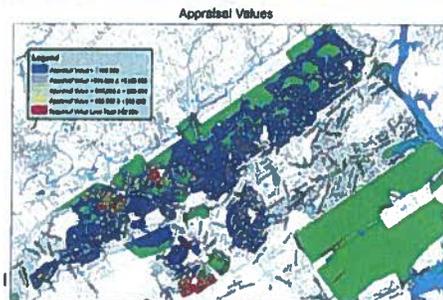
- In June 2010 the Planning Commission hosted a Housing Summit: Identifying a Path Forward, to discuss how to join forces, eliminate duplication of efforts, and establish a path forward in addressing our housing needs in Oak Ridge.
- Since that time, City staff has been working diligently under the leadership of City Manager Mark S. Watson on the *Not In Our City* initiatives. This is a city-wide campaign to address drugs and crime, improve housing, and make Oak Ridge a better place to live and invest.

Introduction

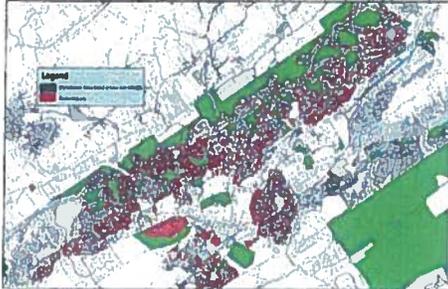
Existing Housing Challenges In Oak Ridge



Manhattan District Overlay Appraisal Values



Manhattan District Overlay Rental Property



Agenda

- Neighborhood Watch Program (NWP)
- Cleanup Container Program
- Top 5 List of Blighted Properties; 5 Most Improved
- Policies & Ordinances
- Community Development Housing Initiative
- Administrative Hearing Officer
- Land Bank Program
- Residential Properties Utility Program

Neighborhood Watch Program (NWP)

- Partnership between residents and the Oak Ridge Police Department to proactively prevent crime
- Residents are instrumental in addressing livability issues within their neighborhoods
- Participants provide an invaluable contribution to the *Not In Our City* campaign

Cleanup Container Program

- Groups and organizations can reserve a 30 cubic yard roll-off container to dispose of many unwanted materials
- Proactively cleans up neighborhoods
- Reservations are made 3 days in advance through the Public Works department
- Reservations are for the weekend (drop off on Friday and pick up on Monday); however special arrangements can be made

Cleanup Container Program

Acceptable Materials

Household rubbish

Bicycles

Swing sets

Appliances (compressors must be removed from refrigerators, freezers, and air conditioners)

Minor remodeling materials

Brush & limbs (limb diameter should be no larger than 3 in. at any point and no longer than 8 ft.)

Cleanup Container Program

Unacceptable Materials

Hazardous waste

Tires

Paint

Top Five List of Blighted Properties

- Review Oak Ridge City Court and Board of Building and Housing Code Appeals for cases
- Publish 5 most blighted properties on a monthly basis
- Publish 5 most improved properties on a monthly basis

Policies, Ordinances, and Code Changes

- Proposed amendments to the City Code regarding motor vehicles, traffic and parking within the right-of-way
 - On-street parking
 - Commercial and/or oversized vehicles
 - Recreational vehicles
 - Utility trailers
 - Boats

Policies, Ordinances, and Code Changes

- Proposed regulations for parking on private property
 - Parking limited to designated areas
 - Prohibit vehicles for permanent living purposes
- Allowances for ordinary activities
 - Temporary loading and unloading
 - Temporary use for construction, maintenance and/or repairs

Policies, Ordinances, and Code Changes

- Proposed amendments to *Property Maintenance Code* to include weeds, rubbish, and unsanitary matter
 - Additional definitions
 - Procedures for notification of violations
 - Expedited process for repeat offenders
 - Responsibility of property owners to maintain rights-of-way, which abut their property

Community Development Housing Initiative

- Addition to Community Development Staff
 - Hire a remediation specialist who will:
 - Manage Residential Property Utility Program
 - Coordinate acquisition of blighted properties
 - Develop and coordinate housing-related initiatives between departments

Administrative Hearing Officer

- June 29, 2010 the Governor signed into law Public Chapter 1128 which, as enacted, authorizes municipal governments to create an office of Administrative Hearing Officer to hear building and property maintenance code violations
- Adopt an ordinance which creates the Office of Administrative Hearing Officer in the City of Oak Ridge to hear building and property maintenance code violations
- Fines issued by hearing officers would be up to \$500 "per violation" for violations occurring upon residential property and up to \$500.00 "per violation per day" for violations occurring upon non-residential property

Land Bank Program

- The U.S. Department of Housing and Urban Development (HUD) definition: an entity established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property.

Land Bank Program

- Progressive way for cities to reclaim unused, vacant, or undesirable land for potential housing opportunities or public use
- Increasing popularity over the last decade; prevalent in Georgia, New York, Michigan, and Pennsylvania
- Currently assembling legislative support
- Introduce Land Bank legislation in the January 2012 Tennessee Legislature

Residential Properties Utility Program

- Change of occupancy will require a home inspection prior to establishing a utility account
- Property owners will submit a *Home Inspection* form, according to HUD guidelines
- Smoke test confirmation for housing sewer laterals
- Home inspections will be performed by:
 - Licensed Home Inspector
 - City Codes/Fire Inspectors
- Inspections will be good for 3 years

Residential Properties Utility Program Pilot in Highland View



Not In Our City
Next Steps

- City Council Work Session October 24, 2011
- Resolution to adopt *Not In Our City Plan* – tentative date November 14, 2011
- Phased Implementation Plan

**City of Oak Ridge
Utilities Business Office**

**Deposits
Effective Date: March 17, 2011**

1.0 Purpose

The purpose of this document is to establish policy guidelines regarding residential and commercial deposits in regard to opening and maintaining a utilities account with the City of Oak Ridge Utilities Business Office (UBO).

2.0 Deposits

Except as specifically provided in this document, all new accounts are required to be backed by a deposit. The deposit will vary in amount depending on whether the account is a commercial or residential account and, in the case of residential accounts, the credit rating of the customer.

2.2 Residential Deposits

This section applies to residential utility accounts. Residential accounts provide service to a single-family dwelling, such as a house, apartment, or condo (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

2.2.1 Amount of Residential Deposits

Deposit amounts for residential electric, water and sewer service are established by Council Resolution. As of March 17, 2011, the standard deposits are shown below:

Electric Service: \$300

Water and Sewer Service: \$20

Electric, Water and Sewer Service: \$320

2.2.2 Risk Assessment

- a. **Availability:** All residential customers will be afforded an opportunity to participate in an evaluation to determine the risk level of the residential customer. This is an optional service. Customers may opt in or opt out of a risk assessment. However, customers who opt out or refuse to provide their social security numbers for this service will be assigned the standard deposit amount.
- b. **Social Security Number Required:** The customer's social security number is used to run the risk rating in the risk assessment system. Customers who do not have a social security number or cannot provide a social security number will be assigned the standard deposit amount.
- c. **Possible Results:** The risk assessment system will automatically assign a risk rating of green light (low risk), yellow light (medium risk) or red light (high risk) to the customer and identify any outstanding utility debts the customer might have. Based on the results of that evaluation, effective March 18, 2011, the following residential deposits will apply:

Light Color	Electric and Water Service	Electric Service Only	Water Service Only
Green Light	Waived	Waived	Waived
Yellow Light	\$170	\$150	\$20
Red Light	\$320	\$300	\$20

- d. **Adverse Action Letter:** Customers who receive a risk assessment of medium or high will be provided with a letter of explanation of the credit rating as well as contact information for the credit agency and the risk assessment agency.
- e. **Previous Credit History with UBO:** Regardless of a customer's credit history with the UBO, such as late payments, disconnections or other, the amount of deposit will be dictated by the risk assessment. For example, a customer who receives a green light will have their deposit waived even though they might have a history of late payments with the UBO.
- f. **Multiple Person Contracts:** All adult persons on the lease or mortgage and / or known to occupy the premises must supply information necessary to evaluate their risk in order for the reductions to be applied. The deposit amount is based on the highest risk of all the persons occupying a residential unit.

2.2.3 Reduction of Existing Residential Deposits

Existing customers may opt to have a risk assessment run and may be able to have their deposit reduced or waived. Current customers may have additional risk assessments run every two years to determine if they qualify for a reduced or waived deposit. Re-evaluation dates and results will be logged in the comment section of their account file.

2.2.4 Mandatory Residential Deposit Re-Evaluation

Existing residential customers will have their current deposits examined upon issuance of a disconnect notice. Such customers will be required to increase their deposit amount if they are not already at the standard deposit level. A deposit increase of \$80 (eighty dollars) will be required for every notice and /or reconnection, until the customer reaches the standard deposit amount for water, sewer and electric service. If the customer is already at the standard deposit amount, no additional deposit will be requested.

2.2.5 Transfer of Current Customer's Deposit

Current utility customers who wish to transfer their service and thus deposit from one address to another may do so and will be asked to undergo a risk assessment evaluation at that time, if they have not already done so. As with new customers, a risk assessment must be given to all adult persons on the lease or mortgage and / or known to occupy the residence. Customers who take the risk assessment will be charged the amount of deposit as dictated by the results of the risk assessment and their current deposit will be credited or debited to the new deposit on their account. The deposit amount will be based upon the highest risk of all the persons occupying a residential unit.

Current customers who opt out of the risk assessment will have their deposit set at the standard deposit and their existing deposit will be credited towards the new deposit on their account.

2.3 Commercial Deposits

This section applies to commercial utility accounts. For the purposes of this section, commercial accounts are considered to be any account which does not qualify as a residential account.

2.3.1 Amount of Commercial Deposits

The deposit for electric, water and sewer charges for commercial customers shall be the equivalent of two months estimated usage for the services requested or \$100 (one hundred dollars), whichever is more. In no case shall the deposit for a commercial customer be less than \$100. In lieu of a cash deposit, the city will accept a surety bond, or letter of credit.

All new locations for existing customers will require a new deposit, except as provided in section 2.3.2 below. Existing commercial accounts, which open a business at an additional location, are required to pay a utility deposit for each additional location. Significant expansion of demand can also result in increased deposit.

2.3.2 Reduction of Commercial Deposits:

- a. Minor Expansions: Accounts which have been in good standing for a period of two years (meaning no termination of service notices issues and not more than two late notices) that expand their consumption on an existing account by up to 25% (twenty five percent) at an existing or new location may have their deposits waived at the discretion of the Utility Business Office Supervisor.
- b. Insurance: Accounts which are insured through TVA programs can have their deposits waived in accordance with the policies of those programs.

2.3.3 Commercial Deposit Re-Evaluation

Existing commercial or industrial customers will have their current deposits examined if they have three or more late payments in a period of two years or have a disconnect notice issued or if, in the opinion of the City Manager, such factors occur which suggest that the financial viability of the venture is in jeopardy. When practical, such customers will be notified of the upcoming adjustment in writing. New deposit amounts will be determined by examining two months usage of all services provided and established at twice the average monthly charges. Increased deposit amounts will be applied to the customer's bill in increments of \$500 (five hundred dollars) or 1/4 of the increased deposit per month-whichever is greater.

2.4 Other Deposit Information

Failure of the customer to make a deposit or to satisfy the requirements for a reduced or eliminated deposit gives the City the right to declare the contract forfeited and to refuse service.

Deposits are held for the length of utility service with the deposit being applied to the final bill. The remainder of the deposit is returned to the customer after the final bill and any other outstanding utility debts have been paid.

Deposits are not transferable or assignable by a customer to another customer. The account must be closed and reopened in the new names. In the case of a customer's death, the heirs should bring in evidence of death to close the account. In the case of divorce, the customer must bring in the divorce decree to direct payment responsibility.

Deposits are not to be used as a substitute for payment by a customer.

Deposits must be paid in full on the day of service sign-up, no partial payment of deposits is allowed.

Interest is paid on deposits on a once a year basis as a credit to the utility bills. Interest will be delivered to the customer only as a credit on their utility bill and may not be collected as a cash disbursement.

Except as provided in section 2.3.2, deposits are required for each meter at a service address.

3.0 Responsibility

3.1 Business Office Manager: It is the responsibility of the Business Office Manager to make sure all supervisors have access to the Utility Business Office procedures and to ensure compliancy across the department.

3.2 Customer Service Representative: It is the responsibility of the Customer Service Representative (CSR) to determine appropriate deposit amounts for customers and to ensure that deposits are collected for accounts due and that accounts are properly credited. In the case of uncertainty or lack of policy guidance, the CSR should seek guidance from the Business Office Manager.

3.3 UBO Employees: It is the responsibility of the employees of the UBO to be familiar with and to follow the UBO procedures.

APPROVED / DATE:



Jack L. Suggs
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Interim Business Office Manager, UBO
City of Oak Ridge