Landlords Of Linn County

Newsletter

JUNE 2010

SPECIAL POINTS OF INTEREST:

- Upcoming Meetings
- Changes to
 Chapter 29
 Housing Code
- Evening"NetworkingMeetings"
- New member packages explaining membership benefits and training

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Upcoming Monthly Meetings

JUNE 10, 2010

Joe Kelly state lobbyist will talk about past and future legislation affecting landlords and property owners in lowa

Location: Clarion Convention Center 525 33rd Avenue SW Cedar Rapids, IA 52404

6:00 Social Hour; 7:00 Program.

JULY 8, 2010

Presentation will be about lead paint and disclosures in rentals.

Location: Clarion Convention Center 525 33rd Avenue SW Cedar Rapids, IA 52404 **AUGUST 12, 2010**

Speaker to be determined

Location:

Clarion Convention Center 525 33rd Avenue SW Cedar Rapids, IA 52404



Changes to Chapter 29 Housing Code

Updates:

29.04 C # 4 & 29.05 a #6 & 7; Why does the Housing Inspection Department need to know the name, addresses and telephone numbers of the individuals responsible for the maintenance and management of the registered premises? Why is not the owner's name and management office numbers sufficient information?

29.04 # 6; Revoke, deny or not renew a license for one year for a violation of the Crime Free Agreement. See comments on Crime Free Lease Agreement below.

29.05 A # 8; Why does the Housing Inspection Department need to know the lien-holder(s)? 29.05; Why is a Rental Registration Permit valid for only one year? Why is the same registration information required to be submitted each year? Submitting duplicate information each year is extremely wasteful. More than 95% of the information will have been submitted before. Why can't just the changed information be submitted each year?



Chapter 29 continued....

29.06 (b) (2) Requires an initial inspection within no less than thirty five (35) calendar days to allow violations to be corrected. What about repairs that cannot be done in 35 day period like reroofing a dwelling or doing exterior painting and concrete work in the winter time?

29.07; Why is this necessary to place the rental permit decal on the electrical service panel door? The **Housing Inspection** Department has the record of the rental

and what are Sections 1.06 and 1.12?

Crime Free Lease Agreement

5. "One clear and present danger violation within in a 12 month period shall result in the affected property being declared a "Nuisance Property". How is a landlord going to know ahead of time that a tenant or someone else is going to commit a clear and present danger violation on their property? How does a single violation of any type make a property a nuisance property? This needs to be change to at least two clear and present danger violations by the same residential household or guest or other persons affiliated with the resident within in a 12 month period before it is declared a "Nuisance Property".

house or an owner who can not sell their house or condo, who then rents it but does not registered for 6 months because they do not know there is Rental Licensing Registration requirement, is fine \$6000. That is not reasonable? A total \$350 total penalty fee is more reasonable. Or a penalty fee of \$1,000 per month after the owner has been notified of the **Rental Licensing** Registration requirement and then does not register their property.

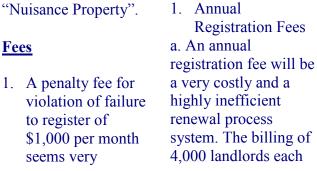
unreasonable and

violation. A person

does not fit the

severity of the

who inherits a







permit and no one else uses the information.

29.12 "Violations ... maybe punished ... Sections 1.06 and 1.12 of this code". Where

1. A penalty fee for violation of failure to register of \$1,000 per month

Evening Monthly "Networking Meetings"

Thanks to everyone who has attended our evening meetings in 2010. Our attendance and feedback has been great!

This is probably one of the biggest changes for our organization but for good reason. We looked around the state of lowa and talked to other landlord organizations and the most successful monthly meetings were in the evenings. We've had a number members ask for evening meetings because they work during the day.

We also feel rushed at our noon

meetings as people need to get back to work or their properties.

The new schedule is:

6pm drinks/social hour

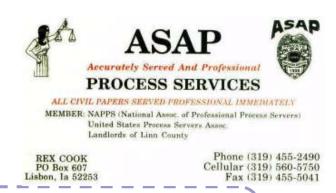
7pm dinner

7:15-8pm presentation

There will be a short Vendor Spotlight at each monthly meeting

Again we want to create more of a monthly social gathering so our members can get to know each other more, ask questions and discuss landlord topics.

Of course some will prefer Noon meetings but we need to commit to this change and not switch back/ forth and confuse the group!



LinnForRent.com and yard signs

All landlords members who have paid their 2010 membership are eligible to receive LinnForRent.com yard signs for free!

If you paid your 2010 membership and you have not received your signs be sure and attend our next meeting and you can pick up your signs there. There are large yard signs as well as 1/2 size directional signs.



Both signs have space for you to put your phone number and it gives the tenants a website to view your listing online.

If you haven't reviewed our online site yet go to http://
LinnAreaRentals.com

For Rent yard
signs will drive
tenants to our
website to
learn more
about the
property for
rent.

New Member Packages

ALL current paid members will receive a New Member Package after January 2010 for no additional cost!

New members after Jan 1, 2010 will pay a \$25 processing fee to receive the package.

The processing fee pays for the "New Member Package" and the package will include:

One/two 24"x36" coroplast "For Rent" sign and post

Two 8" x 36" coroplast "For Rent" directional signs and posts

CD containing most recent copy of lowa landlord forms

Tri-fold brochures explaining our organization

Crime fee/drug free stickers for

your properties

(Additional signs can be purchased)

Attend the next meeting to receive your new member package.



Letter from the President

FEBRUARY 2010

Hello Members,
Since undertaking the

Presidency in January, I have attended many meetings and will be

regarding any questions you may have with regards to landlording or contact me if you feel there is an important issue within Linn County or the State of Iowa that Landlords of Linn County needs to be involved in.

As President, I hope to provide the membership with knowledge and information by using transparency within our organization. All information that affects the membership needs to be shared with the membership. Please watch your emails for information updates.

I am looking forward to serving you for 2010. I'm hoping to make our organization bigger and better for our members. I may be contacted at 319-329-5378 (cell) or 319-362-1020 (office). My email is

<u>President@LandlordsofLinnCounty.org.</u>

Regards,

Stephanie Feuss
President

Landlords of Linn County

INVESTIGATIONS By Ivy

lvy S. Meeker, Owner PO BOX 1001 Marion, IA 52302

Licensed Private Investigator

Private Cell: 319-551-7295 tor i.meeker@mchsi.com www.lnvestigationsbylvy.com

providing and sharing valuable information with our members. As President, please feel free to contact me

Notes from Joe Kelley

Joe Kelly sent this article from the Des Moines Register. The Register's editorial • May 22, 2010 Iowa's property-tax system has many bizarre features. For example:

It's possible for three nearly identical buildings on the same street to have three different legal descriptions: One may be defined as an "apartment" building, one as a "condominium" and one as a "cooperative." Although all three might operate the same way, with all units rented out to tenants, the owner of the first building will pay more than twice as much in prop-

erty taxes as the owners of the other two. This shifts some of the cost of local govern-



ments - schools, cities

To Co-op or not to co-op?

By Stephanie Feuss

To co-op or not to co-op. That is the hot topic among multifamily property owners and managers as they weigh whether to convert apartment buildings to co-ops (and condominiums) that are taxed at a lower rate.

Apartment buildings larger than three units are taxed at the higher commercial tax rate, while single family homes receive the state rollback. As a result, residential apartment buildings pay more property taxes (nearly double).

Even though the property owner writes the tax check, ultimately tenants are paying the property taxes through rent. In essence, renters throughout the area are paying the highest property taxes for their income. Many renters are in a lower income bracket than homeowners.

While these renters are paying the higher property taxes, generally, they have less demand on local services such as fire, schools, streets and other city services than single-family homes, according to the National Multi-Family Housing Council.



So why should they pay the higher price? In certain situations, property owners are being sucked

dry by local property taxes. The local property tax is their highest annual expense beyond their mortgage, so why shouldn't they "co-op" to save money?

City government, county government and local schools will collect fewer tax dollars, but the benefits to renters, neighborhoods and ultimately the city should be considered. Until the state decides to make a separate property tax classification for residential rental housing, go ahead and convert either to a co-op or to residential condos, which is allowed and reduces tax liability.

Previously, our company completed a condo conversion that saved the property almost 50 percent on tax bills. This savings was used to begin doing deferred maintenance and improvements that had been put off because of a lack of funds.

We see this trend happening every day. Property owners

procrastinate on preventive maintenance because of a lack of money. At the same time, the city of Cedar Rapids is forcing owners to clean up and improve properties. Since owners have prolonged this maintenance in the first place, the repairs are even costlier and now have to be done in a time sensitive manner. If property owners had the additional savings of lower taxes, maintenance wouldn't be put off and would be less expensive.

Once again, if the role were



reversed, single family homeowners would do everything in their power to keep their expenses low, so why can't the property owners and managers of apartments do the same? We probably wouldn't be having this discussion if those roles were reversed.

Once again — go ahead and co-op.

Chapter 29 Continued

year is going to be very costly. The City is then going to want these additional costs to be passed on to landlords via higher inspection fees. The landlords should not have to subsidize a highly inefficient department.

The Registration Fees should be billed and paid upon the issuance of the Certificate of Compliance. This is much more cost effective. Also, the Housing Inspection Department needs to be held financial accountable to inspection all rental units once every five years as required. This direct budgetary

financial relationship is a needed incentive for the department to greatly increase its work productive. They need to inspect and bring into compliance about 1400 properties per inspector per year. The past department inspection productivity has been very low compared to the lowa City and the Marion Housing Inspection Departments.



Joe Kelley contined...

and counties - from residential to commercial property. That is an impediment to economic development in communities struggling to attract and preserve new businesses, including Main Street shops. Elected officials have made numerous runs at fixing this problem, but they inevitably run smack into brick walls.

Meanwhile, the inequities of Iowa's property-tax system are exacerbated by property owners who exploit loopholes. In the case of apartments, owners discovered they could sneak a new multi-unit development into the residential classification by calling it a "condo," even if they never sell any of the rental units. This left owners of existing apartment buildings with significantly higher tax bills than their new competitors, so they began converting their buildings into condominiums. After local governments saw a

stampede coming - and a loss of tax revenue - they got the Legislature to discourage such conversions by requiring that older buildings first be brought up to current building

code, which requires installation of costly improvements, such as sprinkler systems. Those who can't afford upgrades seized on yet another loophole to fit the residential classification: calling their apartments "cooperatives." Des Moines, West Des Moines and perhaps other cities have retaliated by requiring them to be brought up to code in an effort to stop another stampede.

It's hard to believe the courts won't eventually declare the inequitable tax treatment of similar properties unconstitutional.

It's equally hard to believe a solution exists that everyone will like. A change that treats all multifamily rental housing equally - which is only fair runs into a wall of opposition from building owners opposed to paying higher taxes, or from local governments that don't want to lose tax revenue. The potential loss is not small change: Polk County officials calculate converting all commercial real estate would cost local governments nearly \$19 million annually (Des Moines

alone would lose \$9 million). Long range, the only solution is an overhaul of the tax system, including eliminating inequities created by the rollback. The only politically realistic way to do that, of course, is to lower taxes for all non-residential property, which means providing new sources of revenue to make up for what local governments would forfeit as a result. That would provide much-needed relief for all commercial property owners, and relieve taxpayers from scouring the law for loopholes.



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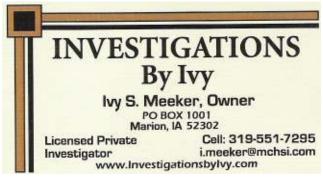
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FILL—Flood Impacted Landlords



Contact: Mari Davis, representative from

CRSBRG - FILL (fill@q.com)

RentalSolutions/Home Loca-

tors (319)364-8478 or 373-

1553

The Cedar Rapids Small Business Recovery Group (CRSBRG) announced Wednesday, October 14, 2009, the expansion of the originally formed subgroup Caption describing picture or graphic.

representing flood impacted landlords. The group, now formally named (FILL - Flood Impacted Land-

lords), is a continuation of the grass-roots efforts of the CRSBRG in conjunction with Landlords of Linn County in supporting the needs of flood impacted landlords in Cedar Rapids and the surrounding areas.

It is estimated 50 per cent of all flood impacted housing in Cedar Rapids is owned by landlords, yet the needs of landlords have been largely been ignored during the 16 months. Delays and eligibility requirements associated with current CDBG funding have left many landlords unable to rebuild.

Those interested in additional information, may contact FILL by email - fill@q.com. Interested individuals should include their name and other contact information including mailing address and phone number for periodic updates regarding FILL activities.



City's Section 8 Housing Offers Path to Homeownership

Generally associated with providing rent assistance, the City of Cedar Rapids' Section 8 Housing Choice Voucher Program also offers eligible families the opportunity to become homeowners. So far in 2009 there have been three (3) families that have transitioned from being a renter to a homeowner. This transition was made possible in part by the City's Section 8 Housing Program. As with all families who become homeowners for the first time, the stories of these three families vary. One of these families was kind enough to share their story:

Diane, a participant in the City's rent assistance program since 1998, had been thinking in recent years of

buying her own home. While renting had filled a need, she wanted to establish a permanent residence. By having such a residence, her family could have greater security and stability. The idea of homeownership also appealed to Diane in terms of having a place she could continue to live in during her retirement years.

n the last two years Diane, with assistance from the Family Self-Sufficiency staff, worked towards her goal of homeownership. Since Diane had maintained a good credit score over the years, her primary focus was to complete the required homeownership classes and continue to save money for the home purchase. On September 1, 2009,

the realization of Diane's goal became a reality. Diane and her family now reside in a home they can call their own, thanks in part to the Section 8 Housing Choice Voucher Homeownership Program.

If you have any questions about this program, please call the Cedar Rapids Housing Services Office at 286-5872.



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Landlords of Linn County

PMB 338 3315 Williams Blvd SW Ste 2 Cedar Rapids, IA 52404

We want your ideas and feedback!

Our primary goal is to offer more benefits and tools to both our landlord and vendor members.

By harnessing current technologies we now offer a website for tenants to look for current properties "For Rent", and contact the owners.

Our website has become the place to find a unit for rent! Landlord members pay nothing for this service, only their annual membership!

Vendors have new opportunities to advertise not only to our landlords but to tenants visiting our website! We are counting on you, our members to get the word out about our new website. We will by distributing attractive yard signs and directional signs to bring more tenants to your properties. Combine that



Do have an idea where to host a monthly meeting?

Do you want to host a monthly meeting?

with newspaper advertising and our website will be connected to social network sites like Facebook and Twitter!

As always we are open to any other ideas or feedback you might have.

Send your comments/ideas to: Membership@LandLordsOfLinn County.com