MEETING MINUTES
RENTAL UNIT LICENSING COMMITTEE
Thursday, May 17, 2012
7:00pm
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Room 2404

Members Present: Albert Bowen, Jane Evans, Barbara Janes, Steven Monacelli, Pat Phillips, Lisa Pildes, James R. Schermerhorn, Niabi Schmaltz, Mayor Elizabeth Tisdahl, Alderman Judy Fiske, Alderman Donald Wilson, Jane Grover

Members Absent: Paul Arntson, Dana Carroll, Richard Buchanan

Staff Present: Steve Griffin, Shanee Weston, Jeff Murphy

Presiding Member: Alderman Judy Fiske

INTRODUCTION
Alderman Fiske began the meeting with an introduction and informed the Committee that Mayor Tisdahl was unable to attend the beginning of the meeting; therefore Alderman Fiske chaired the first part of the meeting.

DECLARATION OF QUORUM: ALDERMAN FISKE, CHAIR
With a quorum present, Alderman Judy Fiske called the meeting to order at 7:04pm.

APPROVAL OF APRIL 19, 2012 MEETING MINUTES
A motion to approve the minutes was moved by Barbra Janes, Alderman Grover seconded the motion to approve the minutes. Edits and corrections were proposed and noted for revision/clarification of minutes, a voice vote was then taken and the minutes were unanimously approved.

CITIZEN COMMENT (30 minutes)
Regina Cartwright (1315 Crain St.), property owner, voiced her opposition against the ordinance and feels the ordinance makes other landlords suffer for the few that are not currently complying with the City.

Barbara Bernsen (1501 N. State Pkwy.), questioned why the committee has put long-term and private leases in the same ordinance. Ms. Bernsen also inquired how collections for licenses would be handled, when currently ‘registration fees are not being handled properly.’ She further stated the license fee will be another expense to the tenant.
**Eric Paset** (830 Forest Ave.), owns Evanston Northshore Apartments/Condos and Board of Director for Evanston Properties, feel that buildings are currently being maintained and inspected and another layer or process of registering each unit takes away from what the City is trying to achieve. Questions how will City maintain the proposed process.

**Nefrette Halim** (107 Greenbay Rd. / Garnett Pl.), property manager that manages over 500 units, expresses the concern of landlords and managers needing a good group of City staff that can help with non-compliance due to tenant issues. Request that the burden not be placed on the landlord and feels as that the proposed ordinance will have a counter effect.

**Mora Slobrial** (2037 Pratt), property owner, request that the City consider how to establish a better relationship between the City and landlord that are doing a good job, in the area with the students.

**Bernard Hammer** (1455 Tower Rd., Winnetka IL), read letters submitted to Steve Griffin, Director of Community and Economic Development. Mr. Hammer informed the Committee that further litigation is soon to come, if ordinance is passed.

**STAFF REPORTS**

Alderman Fiske stated for the record that Mayor Tisdahl has stepped in as Chair for the remainder of the meeting.

Ken Cox, Assistant City Attorney, responded to Chicagoland Apartment Association April 19, 2012 letter to the Committee, submitted by Judith Roettig. Mr. Cox clarified that the Illinois Real Estate License Act addresses that it is illegal to license real estate agents, not buildings. To date, no cases have been cited on this matter. An Oak Park, IL appeal was overturned in 1989, to date, no one has challenged the case. He confirmed that licensing of rental units is lawful. He further referenced the November 11, 2011 memo from Mr. Griffin stating that in FY2010-2011 the City spent approximately $603,000 for the compliance program. There are 13,486 rental units in the City, at $26 per unit which yield $350,636, leaving a quarter million dollar deficit. The ordinance proposed does not cover the cost of the compliance/inspection program.

Mr. Schermerhorn inquired of the dollar amount it will cost the City to defend this ordinance if challenged in Circuit Court, Appellate Review, or Illinois Supreme Court. Mr. Cox responded that he could not speculate the cost, it varies most litigation is done in house. Alderman Wilson informed the Committee that the City has retained attorneys that can handle litigation in-house now, all employees in the Law Department are salaried with no timesheets therefore they just get the job done. Mayor Tisdahl added that the City is winning a lot more of their litigations.

Mr. Griffin informed the Committee of the draft memo prepared for the Planning & Development Committee (P&D) and Council for the consideration of amending Title 5, Chapter 8 of the City Code. The memo was submitted to the Rental Unit Licensing Committee in the May 17th meeting packet. Mr. Griffin brought attention to City Staffs
draft memo which will be presented to the full Council as a consensus from the committee and to articulate the intent of the ordinance: ‘Overall, the Committee suggests that rental inspections focus on life safety and basic housing standards for the occupants of the property. The goal of the proposed ordinance is compliance and not punishment.’

The Committee has requested Staff to provide an edited and revised copy of the proposed ordinance before going to Council. Alderman Grover informed the Committee that the proposed ordinance, she assumes, would be presented to P&D and to the City Council for at least two readings and that whatever comes out of this meeting does not mean it’s final. She reminded the Committee that this could be a long deliberative process. The Committee wants to make sure that the best comes out of this Committee and that they agree on what is presented to P&D for recommendation.

Committee member, Pat Philips expressed the insult she felt from the receipt of a letter sent to the Committee from Mr. Frank McCannon III, in regards to Committee member that may have not been in attendance at prior meetings. She felt the letter expressed that the Committee was not competent to carry on what they were charged to do. Ms. Phillips reiterated the insult she felt as a Committee member, previous property owner, and a current renter. She added, the notion of replacing Committee members would not solve anything and the current Committee members are very competent.

Alderman Wilson specified two concepts he would like to see addressed in the ordinance: the next step if a license is denied after the appeal process; and if a license is revoked what happens to the building. Alderman Wilson is not interested in imposing ‘draconian’ results to citizens. Lisa Pildes stated she is against the ordinance of licensing and feels the City is building an obstacle for itself with an ordinance they don’t need, when an inspection process is already in place. Jane Evans stressed this is a city-wide ordinance and that she tries to not just consider her neighborhood but the entire City. She also agreed that a revocation process needs to be explained. Ms. Evans added it does bring her concern or pause that the revocation process is only reviewed by the City Manager. The Committee came to consensus that a revocation process plan needs to be developed and to have revocation hearings reviewed by a panel.

NEW BUSINESS
At the request of Ms. Pildes, the Committee went through the proposed memo and ordinance in its entirety to review and discuss the draft ordinance and the proposed recommendations submitted in the draft memo to P&D Committee and City Council, the following items were:

- **Section 5-8-3**, Ms. Pildes motioned to strike section 5-8-3(A)3 from the proposed ordinance, Mr. Schermerhorn seconded. A voice vote was taken and was not approved 3 – 6.
- **Section 5-8-4(A)**, the Committee recommends the consideration to accept floor plans that may not be “to scale” but provide sufficient detail that meet property maintenance standards of the unit. The floor plan is to depict the living space such as the number of bedrooms, living room, and kitchen. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **Section 5-8-4(B)**, the Committee recommends the consideration of a fee schedule that prorates the $26.00 annual license fee for multi-unit buildings that would be subsequently adopted by the City Council. Alderman Wilson motioned to adopt recommendation, Mr. Schermerhorn seconded. A voice vote was taken and was approved 7 – 2.

- **Section 5-8-4(C)**, Ms. Pildes motioned to add language to this section that provides a 14 day period for City to inspect and issue its report, Mr. Schermerhorn seconded. A voice vote was taken and was not approved 2 – 7.

- **Section 5-8-5(A)**, the Committee recommends language amendment stating “The City shall may inspect all any rental Units no less than once every four (4) years.” (CDBG code compliance will still remain on a 2 year cycle). The ordinance will provide the inspector with the ability to enter the unit and inspect for the safety of the building. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **5-8-5(C)**, Alderman Wilson motioned to have Legal draft language to section of City Code that extends the current license period until the end of the compliance schedule, Grover seconded.

- **5-8-7(B)**, the Committee interpret that the intent of this section applies to the submission of false information and/or lack of submission of accurate and true information. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **Section 5-8-8(A)**, the Committee came to consensus that egregious violations such as: “Life Safety”; “Building Regulations”; “Housing Regulations”; “Zoning”; “Health and Sanitation”; and Nuisance premises, should be a fundamental part of licensing rental units, denial of the license, and/or revocation. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **Section 5-8-8(B)**, the Committee recommends the consideration to revise the language in this section to require the Community and Economic Development Director to send any notices of license revocation “Not less than three (3) (14) business days prior to revoking a hearing to revoke a license…” Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for
approval and Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **5-8-8(C)**, Ms. Pildes moved to have Legal draft language in the section of the City Code that state hearings will be conducted by a panel, and amending the language stating “hearings shall be conducted by the City Manager”, Alderman Wilson seconded. A voice vote was taken and was approved 6 – 3.

- **Section 5-8-8(E)**, the Committee recommends the elimination of the section in its entirety, which called for a 180 day wait period for the issuance of a new license to any rental unit where a license was revoked for over occupancy or nuisance. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

- **Section 5-8-9(C)**, the Committee recommends the elimination of the section in its entirety, which prohibits the City Clerk from issuing transfer stamps unless the grantor or seller present a current and valid license for every premise unit. Alderman Wilson moved to incorporate item in the next P&D meeting as a recommendation for approval, Alderman Fiske seconded. A voice vote was taken and was unanimously approved.

Alderman Wilson moved to incorporate recommendations in the May 8, 2012 draft memo to P&D and City Council and the recommendations move into the next P&D meeting, Alderman Fiske seconded. A voice vote was taken and was unanimously approved. Alderman Wilson also motioned that Legal research best practices or next steps of rental license revocation, Ms. Evans seconded. A voice vote was taken and was unanimously approved.

Committee agreed that the next meeting date will be June 14, 2012 at 7:00pm.

**ADJOURNMENT**

The meeting adjourned at 8:39pm, on May 17, 2012.

Respectfully Submitted,
Shanee Weston
Management Analyst, Community & Economic Development