PUBLIC NOTICE OF A MEETING

RENTAL UNIT LICENSING COMMITTEE

Thursday, May 17, 2012
7:00 P.M.
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Room 2404

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

2. APPROVAL OF APRIL 19, 2012 MEETING MINUTES

3. CITIZEN COMMENT (30 minutes)

4. STAFF REPORTS
   A. Review of DRAFT Recommendation Memo to P&D and Council

5. NEW BUSINESS

6. ADJOURNMENT
Rental Unit Licensing Committee
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MEETING MINUTES
RENTAL UNIT LICENSING COMMITTEE
Thursday, April 19, 2012
7:00pm
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Room 2402

Members Present: Paul Arntson, 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,

Members Absent: Dana Carroll, Pat McPherson

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 the Mayor was unable to attend the beginning of the meeting, therefore Alderman Fiske chaired the meeting.

DECLARATION OF QUORUM: ALDERMAN FISKE, CHAIR
With a quorum present, Alderman Judy Fiske called the meeting to order at 7:05pm.

APPROVAL OF MARCH 22, 2012 MEETING MINUTES
A motion to approve the minutes was moved by Alderman Wilson and Alderman Grover seconded the motion to approve the minutes. A voice vote was taken and the minutes were unanimously approved.

CITIZEN COMMENT
Andrew Roberts (1009 Wesley Ave.), representing the Evanston Properties Association, informed the Committee that the members will be receiving a packet from the organization in the mail.

Barry Beansen (1901 Sherman Ave.), suggested attaching license fee to water bill.

Michael Morand (3036 Central St.), expressed a concern for the potential of abuse by tenants of the proposed ordinance.
Bernard Hammer (1455 Tower Rd.), representing a property owner in Evanston, informed the Committee that he has provided Ken Cox, Staff Attorney, a letter regarding the assessment of fees for rental licensing. Mr. Hammer read Ken Cox’s response letter. Mr. Hammer will submit further comments in writing to Mr. Griffin for distribution to the Committee.

Judy Roettig (Chicagoland Apartment Association), informed the Committee that the association was around for the adoption of the Rental Registration ordinance in 2008. Ms. Roettig is concerned about the assessment of inspection fee and referred to November 2011 memo from Community & Economic Development.

Mike Tanner (2237 Ridge), feels that proposed is a “heavy handed tactic” to enforce.

Bilha Salom Hoffman, wants the Committee to consider that what is proposed is “bad business for Evanston”. She would like the consideration of her as a property owner as a small business owner.

Howard Handler (Realtors Association), would like the Committee to consider ‘why licensing is impossible to enforce and denies due process’. He expressed that rental registration process should continue.

Irene McKirdy, would like clarification from the Committee regarding occupancy. Ms. McKirdy als inquired if meeting minutes reflect the comments of citizens and on a factual basis. Alderman Fiske assured tenant that the meeting minutes reflect what was said at the previous meeting.

STAFF REPORTS

Mr. Griffin provided the Committee with an update on Bed Bugs from the Health Department state that a proliferation of, or evidence of would not be grounds for unsafe for occupancy and does not weigh in for the licensing. He added that the Health Department would weigh in regarding rodent harboring, lack of running water in the inspection process. Mr. Schermerhorn spoke of frustration of all the expenses of running a building and stated it has morphed into a “bureaucratic beast” that needs to be fed.

Mr. Griffin informed the Committee that the HUD Inspection process was provided in the packet and introduced Jeff Murphy, Building and Inspection Services Division Manager, to provided pros and cons for using the HUD inspection in lieu of using City inspectors for the inspection process of rental unit license. Mr. Murphy informed the Committee that there is a total of 870 dwelling units in the City that are subsidized housing, 200 are dwelling units for elderly and disabled. There are 625 voucher holders that don’t live in HUD owned properties; these individuals live in rental buildings throughout the City which is 6% of the rental inventory. The pros of using the HUD inspection for licensing would mean marginally less inspections, the City can work with HUD and Police to get HUD voucher holders out of properties where there are substantial code
violations. The cons of using the HUD inspection for licensing would be that HUD violations cannot be enforced by City Property Maintenance Inspectors; HUD does not consider City Code; HUD inspects voucher holder units not the entire building or common area but not quantified; landlords are reluctant to share inspection information with staff; HUD staff are difficult to reach and does not communicate with City staff. Mr. Murphy clarified to Ms. Janes that HUD voucher holders are the same as Section 8 recipients. There are 45 scattered buildings throughout Evanston. Mr. Griffin summarized that HUD inspections could be useful information, but not take the place of actual inspections for the City. Mr. Griffin emphasized that the focus of the inspections are on properties with open violations and cases yet to be resolved. We are giving them time to fix violations prior to the issuance of license. Alderman Wilson noted he would like to see a policy referring to the HUD reports if all inspections were like A+, and not written into the ordinance. He added, ‘just because you have a good report from HUD doesn’t mean we will issue a license’. Alderman Wilson clarified that HUD inspections could be a “data point” or course of reference, not to rely exclusively on HUD report.

Mr. Griffin informed the Committee that he and staff met with Commander Parrot of EPD regarding the nuisance ordinance. The police are yet to claim a property a nuisance over the past year, there has been less than a handful of nuisance claims over the past several years. Mr. Griffin stated that the Police will continue to use the ordinance as a tool to deal with problem properties. The EPD will report nuisance properties for the City, and the severity of property would determine of revocation. If problems exist, the City will check back the next year to see if the problem still exist, and procedures will be developed if a license scheme is set up. Ms. Evans believes there is a direct correlation to activity pre-nuisance ordinance. The nuisance ordinance has “teeth to it” that allow the Police and Fire to do their job and a tool that give credence to the neighbors. Mr. Monacelli inquired as to what the penalty for the nuisance ordinance is. Mr. Griffin quoted the City Code of Section 9-5-4(2) “in any six (6) month period, the premise is the site of two (2) or more offenses which are misdemeanors under state or federal law of violation of this code”. Whoever is at the property is innocent till proven guilty. Ms. Pildes states that there are many instance if a ticket is written and, if written, if it stands in Administrative Adjudication. She further inquired how minor do violations of section 9-5-4(2)v and (w) have to be. Mr. Griffin explained that the Police will enforce the nuisance ordinance, but Property and Zoning will enforce section (v) and (w). Ms. Pildes has a problem with what is written and what is said, she want to know what will be enforced. Alderman Wilson clarified that there are particular ordinances the Police will be interested in enforcing, and that the scope of what we’re doing has nothing to do with what the Committee is looking at. The determination of issuing a license is based upon a nuisance premise being cited. If a premise continues to be so bad the license could be revoked. Mr. Monacelli
was notified that the over-occupancy ordinance is not up for discussion. He also inquired that if a revocation occurred what would happen to the tenant and all his/her belongs. Mr. Griffin responded that it would be an issue between the tenant and the landlord. He added that the City will develop a compliance schedule. The consensus of the Committee was that the City nuisance ordinance should be a fundamental part of licensing rental units and the denial of the license.

Staff presented suggested changes requested from the first meeting with the discussion / general consensus on the following changes that will be recommended to the City Council:

- Consider a fee schedule revision to prorate the $26 annual license fee for multi-unit buildings 5-8-4 (B). The City will issue one form that has multiple units listed on it. The City Council will decide on what the fee schedule is, which will not be within the Rental Unit Licensing Ordinance. Alderman Grover recognized that the fee considers the cost for the inspection program;
- Revise the language in 5-8-5 (A) so that the City “may” inspect “any” rental units no less than once every 4 years. (CDBG code compliance will still remain on a 2 year cycle). The ordinance will allow the inspector to have the ability to go in and inspect to ensure the safety of the building. Mr. Arnston received clarification that with the license you have the leverage to inspect, with the registration you go through Circuit Court;
- Revise language in 5-8-8 (B) to provide that the Community and Economic Development Director send any notices of license revocation not less than “14” business days prior to “a hearing to revoke” a license;
- Eliminate section 5-8-8 (E) entirely that 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;
- Eliminate section 5-8-9 (C) that prohibits the City Clerk from issuing transfer stamps unless the granter or seller present a current and valid license for every premise unit;

NEW BUSINESS
The Committee did not come to a consensus to accessing a graduated fee or removing the exception of owner occupied flats. Mr. Murphy explained the inspections are estimated $45 per building, 15 minutes to inspect the unit and 15 minutes for the common area. Staff informed the Committee that hardware and technology would be needed.

Other Committee discussions included the 3 unrelated rule (possible amendments to it and how such violations would be treated via licensing), tenant and / or landlord rights and impacts for licenses that are not issued or revoked.
Committee agreed that the next meeting date will be May 17, 2012 at 7:00pm:

- Provide additional information on when / how fines would be imposed via section 5-8-7(B). The Committee would like for it to specify that if “false information” is submitted a fine could be imposed by Administrative Adjudication if “deliberately” or “intention to deceive”.

- Provide a summation of the Committee’s suggestions and recommendations of the draft rental licensing ordinance that will be included in a staff report to the Planning and Development Committee & Mayor and City Council.

- Provide a final mark up of Draft ordinance suggested changes for Committee review.

ADJOURNMENT
The meeting adjourned at 9:30pm, on March 22, 2012.

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

To: Honorable Mayor and Members of the City Council
Planning & Development Committee

From: Rental Unit Licensing Committee
Steve Griffin, Director of Community & Economic Development
Shanee Weston, Management Analyst

Subject: Recommendation for the consideration to amend Title 5, Chapter 8 of the City Code to Require the Licensing of Rental Dwelling Units

Date: May 8, 2012

On November 14, 2011, the Planning and Development Committee recommended a mayoral-appointed committee be established to review proposed Ordinance 38-O-11, regarding the licensing of rental dwelling units. At the direction of City Council, the Rental Unit Licensing Committee was established and comprised of homeowners, renters, real estate professionals, and Alderman with the following charge:

- To ensure that the focus of the proposed program is based on life safety and basic housing standards for the occupants of the property;
- To ensure that the licensing program will be implemented with the goal of compliance and not punishment, if inspections reveal life safety or basic housing standard violations of rental dwelling units;
- To ensure the incorporation of best practices discovered by review of other municipalities and similar national communities;
- To ensure that the proposed ordinance balances the needs of all concerned parties.

The Committee met three times to review and discuss the draft ordinance and offered the following recommendations:

- **Section 5-8-4(A)6**, 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.
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.

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.

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.

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.

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..”

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.

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;

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.