



# Memo

**Date:** February 3, 2012

**To:** Chairman Cliff Carrignan  
And Planning and Development Committee

**From:** Rita Tungare, Community Development Director  
Jim Lamkin, Police Chief

**Cc:** Brian Townsend, City Administrator  
Bob Vann, Building & Code Enforcement Division Manager

**RE:** Residential Rental Licensing and Inspection Program

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## **BACKGROUND:**

The Rental Licensing and Inspection program has been discussed at two public meetings on September 12th and November 9<sup>th</sup>, 2011. In November, the City Council reviewed four program options and directed staff and legal counsel to proceed with development of documents for a program that consists of the following components:

1. Licensing - All persons engaged in the business of renting residential housing units will be required to obtain a license from the City and pay an annual license fee.
2. Crime-free lease addendum - All leases for rental residential housing units will be required to include an addendum that permits termination of the lease, if the tenant engages in certain illegal activities.
3. Training - All owners and managers of rental residential housing units will be required to participate in a training seminar offered by the St. Charles Police Department, once every 4 years.
4. Exterior inspections of rental units - All rental residential housing units will be required to undergo regular exterior inspection to ensure compliance with building and property maintenance codes.

Attached for your consideration at the March 12, 2012 Planning & Development Committee meeting is an ordinance that outlines the provisions of the rental licensing program.

## **LICENSE FEES AND CITY COSTS:**

The proposed license fees are structured to ensure that the program will be self- supporting and will not have a significant impact on the City's budget.

### **Estimated City Costs:**

a) One-time cost of **\$6,500**

b) Recurring Costs:

**\$12,000** for the Police Dept.

\$58,000 for Community Development which includes additional staffing

**Total City Costs: \$76,500**

**Proposed Annual License Fees:**

- Single family dwelling: **\$42** per dwelling unit
- Two-family dwelling: **\$38** per dwelling unit
- Condo/Townhomes: **\$22** per dwelling unit
- Multi-family dwellings (fees will be charged per complex, not per unit):

3-10 Units-	<b>\$175</b>
11-50 Units-	<b>\$325</b>
51-100 Units-	<b>\$550</b>
101-151 Units-	<b>\$700</b>
151-200 Units-	<b>\$850</b>
201-250 Units-	<b>\$1,000</b>
251+ Units-	<b>\$1,200</b>

**PROGRAM TIMELINE:**

In an effort to allow impacted property owners and managers to familiarize themselves with the new program, staff is proposing the following timeline for implementation.

- Rental License applications and fees for the calendar year 2013 will be due prior to January 1, 2013.
- Crime free training, rental license application materials and crime free lease addendum forms will be made available at the City after July 2, 2012, for those who wish to get a head start with the process.
- Exterior inspections may be scheduled after October 1, 2012.
- Applicants will have three months (90 days) after submittal of the rental license application to complete the crime free training, to enter into lease addendums and also have property inspections conducted.
- If property inspections reveal code violations, the owner/agent shall be required to comply within 14 days or a longer time period as specified by the City.

**BACKGROUND CHECKS:**

Background checks were a discussion point at the last meeting. The benefit of conducting background checks, credit worthiness, financial security and criminal histories are topics of the crime-free housing seminar. It is not mandated in the proposed rental licensing ordinance. A prospective tenant has the ability through the Illinois State Police to obtain a background check on themselves at their own expense. Background checks regarding previous criminal history does not always identify all potential problems related to a tenant. Nor does past criminal history or lack thereof automatically predict future behavior of a tenant. Fingerprint cards can be obtained from the Illinois State Police or through the police department. The prints can be rolled at the St. Charles Police Department or another agency where the applicant may currently reside. The instructions are self-explanatory and the cost to the applicant is \$20.00. There is no requirement being imposed for this to be submitted through the St. Charles Police Department.

**STAFF RECOMMENDATION:**

Staff recommends approval of the proposed Rental Licensing and Inspection Program as presented.