



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Building Safety Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, ^{CHT} FAICP, Director, Community Development Services

DATE: August 22, 2013

SUBJECT: Amendment to Schedule of Fees for Annual Rental Property Registration

Description:

On the agenda of the August 26, 2013 meeting of the Urbana Committee of the Whole is an Ordinance Amending Urbana City Code Chapter 14, Section 14-7, Regarding the Schedule of Fees (annual rental property registration). The proposed amendment would increase fees for registering rental property in the City.

Background & Discussion

On January 16, 2007, the City Council passed Ordinance No. 2006-08-109 establishing a rental registration and inspection program for residential property within the City of Urbana. See Section 12-5, Article III of the City Code:

<http://library.municode.com/index.aspx?clientID=11645&stateID=13&statename=Illinois>

Since its establishment, this program has been very successful in facilitating the expansion and improvement of our systematic inspection program (which now covers all rental properties in the City), establishing records for rental property contacts, and improving enforcement to ensure the maintenance and safety of our rental housing stock and compliance with occupancy limits. The rental registration fees have helped to fund inspection and clerical staff, as well as legal support and other support services.

The rental registration cycle is timed to avoid busy leasing and move-in periods, with annual bills sent out on or about October 15th of each year. Following an initial partial year billing in early 2007, the City has successfully completed five full billing cycles for the program. During our current billing period (October 15, 2012 – October 14, 2013), the City registered 8,839 occupied rental units contained within 1,401 single family, 206 duplex, and 589 apartment buildings. The total net billing for the year was \$210,237. (Refer to the Building Safety Division Annual Reports for further details:

http://urbanaillinois.us/sites/default/files/attachments/2012-annual-report-city-urbana_0.pdf

The City currently has two full-time housing inspectors, who are responsible for systematically inspecting the 8,900 rental units that are in the program, responding to tenant complaints (there

were 42 of these in 2012), administering the certified housing inspections under a services contract with the University of Illinois (24 properties housing 1,326 student residents), monitoring and registering vacant properties, bi-annually inspecting hotels and motels, annually inspecting mobile home parks, and responding to various neighbor complaints and inquiries on a daily basis.

In recent years, our housing inspectors have spent increasing amounts of times addressing distressed or problem properties within the City (i.e., blighted, foreclosed, undercapitalized, and/or vacant properties). Since the recession started in 2008, this concerning trend has occurred in a high proportion of U.S. cities, due to increasing rates of poverty, increased foreclosures and bankruptcies, aging housing stock, and other economic stresses. In response, many other communities have adopted rental registration programs, vacant property registration programs, and condemned building demolition programs. Staffing levels for inspection and enforcement have also increased. This has occurred in the nearby communities of Champaign, Rantoul, and Danville.

At the time of the establishment of the rental registration program, it was the City Council's stated goal to achieve a systematic inspection cycle of three to five years for all rental properties in the City to ensure the overall continuing safety of our rental housing stock. Our efforts dealing with problem properties and increased neighborhood complaints have necessarily slowed down our progress with the systematic inspection program. Our inspectors have also struggled to keep up with inspection schedules, complaints, inquiries, reporting, repeated visits to vacant properties, and compilation of information for ongoing appeal and legal cases. Especially time consuming activities have been associated with the Ramos, Urbana Townhomes, Country Club Apartments, Hanford Inn, and Silver/Vawter area properties for a variety of reasons.

In 2012, our inspectors were able to complete systematic inspections for 666 units, including 436 multi-family and 230 single and duplex dwelling units. At this rate, our inspection cycle for all 8,900 units in the program, would take over 13 years. This is well in excess of the target three to five years.

Proposed Fee Schedule Amendment

Because of the increasing demands on the rental registration program, along with the increasing concerns of Urbana residents who are impacted by problem rental properties, City staff believe it is important to increase rental registration fees in order to better support the program. A fee adjustment at this time would allow us to incorporate any changes into our next billing cycle which is sent out in October.

The attached amendment to the Schedule of Fees for Annual Rental Property Registration proposes a moderate increase in fees to adequately fund the addition of an experienced code enforcement specialist, who can provide additional inspection, enforcement, administrative, and supervisory functions so that we are better able to address problem properties and to once again achieve an acceptable cycle for systematic inspections.

The recommended fee increases are larger for multi-family properties, where the majority of inspection and enforcement efforts are expended. As with the previous fee schedule, there is a per-building and a per-unit fee for multi-family properties, so that the smaller owners pay a relatively smaller fee. In addition to the increases for these annual registration fees, late registration and re-inspection (for a no-show or denied entry) fees are increased and a penalty has been added for failure to register. It is also noted that these fees may be subject to additional Ordinance Violation fines set forth in our code, which may be up to \$750 per violation per day.

As shown on the attached Ordinance, the registration fee would increase just \$5 per unit for rental single family and duplex homes and would increase from \$45 to \$65 for each multi-family building. The multi-family per unit charge (which is additional to the per-building charge) would have the largest increase, going from \$12 to \$20. These fees are well within the typical ranges found in other communities that have rental registration. In order to apply the proposed changes in fees for the Rental Registration billing cycle in FY 2013-2014, an amendment to the Schedule of Fees must be approved by Council.

As a related item, Staff is also reviewing the Schedule for Failure to Comply fines contained within the 2009 Model Codes Adopting Ordinance (Section PM-104.6.1) and will be bringing forward revisions to this section at an upcoming Committee meeting. Staff anticipates that by increasing and adjusting these fines we will be able to achieve more timely compliance for these code violations.

Options

1. Approve the Ordinance Amending Urbana City Code Chapter 14, Section 14-7, Regarding the Schedule of Fees (Annual Rental Property Registration).
2. Approve the Ordinance with changes.
3. Do not approve the Ordinance.

Fiscal Impacts

Based upon our current inventory of rental properties, it is estimated that the recommended adjustments would yield an additional **\$79,600** per year toward the rental registration program. Staff recommends that any change in staffing level be fully funded by the program fees, due to the existing and projected constraints on the General Fund.

Recommendation

Staff recommends Council approve the Ordinance approving the Amendment to the Fee Schedule.

Attachment: Ordinance Amending Urbana City Code Chapter 14, Section 14-7, Regarding the Schedule of Fees (Annual Rental Property Registration).

ORDINANCE NO. 2013-08-076

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER FOURTEEN, SECTION
14-7, REGARDING THE SCHEDULE OF FEES

(Annual Rental Property Registration)

WHEREAS, the City Council did on the 17th day of June 2013, pursuant to Ordinance No. 2013-05-044, adopt a Schedule of Fees for the various licenses, permits, fines, and other fees required under the Urbana City Code; and

WHEREAS, the City Council finds that the best interests of the City are served by making limited amendments to that Schedule of Fees, pursuant to Urbana City Code Section 14-7(b), concerning annual rental registration fees.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," subsection (B), "General Licenses and Permits," Part 11, "Annual Rental Property Registration Fees," is hereby amended and as amended shall read as follows:

11. Annual Rental Property Registration Fees:

- (a) Single Family/Mobile Home - Per Building..... ~~\$ 50.00~~ 55.00
- (b) Duplexes - Per Building ~~\$ 60.00~~ 70.00
- (c) Multi-Family (3 + Units) Per Building..... ~~\$ 45.00~~ 65.00
- (d) Additional Fee Per Multi-Family Unit ~~\$ 12.00~~ 20.00
- (e) Late Registration*:
 - 1. Single Family/Mobile Home/Duplexes ~~(for every 30 days late)~~ ~~\$12.50~~
\$25.00 (per month)
 - 2. Multi-Family - (3+Units) ~~(for every 30 days late)~~ ~~\$25.00, plus \$1.00~~
~~per unit~~ \$100.00 plus \$10.00 per unit (per month)
- (f) Incomplete Registration Information*..... \$ 50.00
- (g) Re-inspection ~~(no-show/denied entry)*~~..... ~~\$ 50.00~~ \$100.00 per visit
- (h) Failure to Register*..... \$300.00

* May also be subject to Ordinance Violation fines

Section 2.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 3.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 4.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor