



City Council

City Council Chambers ◊ 524 West Stephenson Street ◊ Freeport, IL 61032

**COMMITTEE OF THE WHOLE REPORT
REGULAR MEETING
Tuesday, November 12, 2013**

1. CALL TO ORDER

The regular meeting of the Freeport, Illinois, Committee of the Whole was called to order by Mayor James Gitz with a quorum being present at 6:00 p.m. on Tuesday, November 12, 2013, in Council Chambers.

2. ROLL CALL

Present on roll call: Mayor James Gitz and council members Tom Klemm, Shawn Boldt, Ronnie Bush, Jennie DeVine, Dennis Endress, Sally Brashaw, and Michael Koester (7). Alderperson Crutchfield was absent and had advised the Mayor it was for medical reasons.

City Staff Present: Corporation Counsel Sarah Griffin, City Clerk Meg Zuravel, Community Development Director Shelly Griswold, City Accountant Duane Price, Public Works Director Tom Dole, Police Chief Jerry Whitmore, Interim Fire Chief Jim Blackburn, Water and Sewer Director Tom Glendenning, and City Engineer Shaun Gallagher

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson DeVine, chairperson of meeting.

4. APPROVAL OF MINUTES FROM MEETING HELD ON OCTOBER 28, 2013

Alderperson Brashaw moved for approval of the minutes, seconded by Alderperson Endress. Motion prevailed by voice vote without dissent.

5. PUBLIC COMMENTS – AGENDA ITEMS

- Steve Carroll, 811 S. Oak, Freeport, Illinois, spoke in support of Residential Rental Property Regulation and stated he has been struck by the opposition by the landlords and realtors. He provided information on a landlord who rented to a registered sex offender with a class x offense and the victim was the age of two. He summarized his report by stating that good landlords do not do this.
- Teresa Fogel, 1915 S. Kent Road, Pearl City, Illinois spoke about a recent article written by Mayor Gitz. She spoke out against implementing fees imposed on landlords for registration of their rental properties. She referred to the cost of implementation of the software program as being about \$18,000 which will be realized in the first year. She asked for accountability onto the administration as to revenues generated in comparison to costs for this program.
- Kelvin McIlwain, 515 West Mosely, Freeport, Illinois, spoke in favor of the Residential Rental Property Regulation and stated he hopes a solution can be found. He referred to landlords that

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live a long distance away and in the cases where a tenant has no idea who their landlord is in order to call when repairs on the property are necessary because they send rent payments to a postal box. He summarized by saying that the blight is spreading and if this can help the issue then he is in favor of it.

- Evelyn Curry, 806 S. Float Avenue, Freeport, Illinois, stated she lived in Freeport most of her life and as part of her job she completes home visits on clients and many of them live in rental properties. This evening on the way into the meeting she was insulted by one of the landlords saying that she is being paid by the Mayor to be here this evening. She spoke in favor of the Residential Rental Property Regulation because she has seen the living conditions of many of her client's rental units that have holes in the wall and cold air coming in and when you try to contact the landlord the only contact is a postal box.
- Kevin M. Cooley, 1324 W. American, Freeport, Illinois, stated he is the pastor of the First Church of God and spoke in favor of the Residential Rental Property Regulation. He asked citizens to stand up for this is our Freeport and we want to live in good neighborhoods. He asked the committee members to consider this ordinance as a good step towards reducing blight in Freeport. He referred to the part time positions in the Police and Community Development departments and if this is what was recommended by the department heads then we should move forward with it.
- James Rhyne, 1256 W. Palmer, Freeport, Illinois, spoke in favor of the Residential Rental Property Regulation because he stated it is in the best interest of the City. If this ordinance fails it will impact low income neighborhoods and in particular the 3rd Ward. Residents want their neighborhoods to be safe and aesthetically pleasing. He asked the committee members to make their own decision because that is what they were elected to do.
- Chairperson DeVine reminded speakers that there is a council rule for meetings that public comments are limited to three minutes.
- Jerry Siedenbug, 1255 W. Empire Street, Freeport Illinois, stated we need an ordinance to fight crime and drugs. He asked the committee to consider an ordinance that addresses bad landlords and bad tenants.
- Marianne Garvens, 537 W. Dewey, Freeport, Illinois, spoke about the history of the landlords association that she founded. She stated their goal was to improve the housing stock in Freeport. She stated that landlords already pay higher taxes because they do not receive the credit on their taxes. She spoke about the history of the Neighborhood Housing Services, the landlords association and the ability to borrow money from banks to fix up properties.

6. SUMMARY OF STATUS AND AMENDMENTS FOR: ORDINANCE #2013-56: AN ORDINANCE CREATING CHAPTER 882 ENTITLED (RESIDENTIAL RENTAL PROPERTY REGULATION) IN THE CITY OF FREEPORT, ILLINOIS

Provided on the agenda was the following, "The first reading of this ordinance was held on November 4, 2013. A motion to place this ordinance on the council floor for approval was given by Alderperson Bush and a second by Alderperson Crutchfield. After much discussion and debate, the ordinance was

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sent back to the Committee of the Whole on a motion by Alderperson Klemm, seconded by Alderperson Brashaw. This motion was approved by a majority vote (6-2).”

Chief of Police Jerry Whitmore presented the following proposed amendments by stating that the following amendments are proposed by the administration in order to address concerns raised by the City Council and the public during the Committee of the Whole meetings. We have separated them so that the Council can consider them each separately on their own merits.

Proposed Amendment 1: Land Trust definition

This amendment is in response to Landlord requests that we change the disclosure requirement for the beneficial owner of a land trust. This now allows them to use the trustee.

Section 882.01 Definitions.

- a. Landlord. The legal title holder of the premises, as shown by the records of the Stephenson County Recorder’s office, which has one (1) or more residential rental units on it. If the legal title holder is a land trust, however, the landlord shall mean the beneficial owner or owners of the land trust, or a trustee having legal authority to act on behalf of the land trust.

AND

Section 882.03 Application.

- b. The Application for Registration shall state, concerning the residential rental structure:
 - (i) its address,
 - (ii) a description of the structure,
 - (iii) the number of rental units in the structure,
 - (iv) the name, mailing address and telephone number of each owner of the structure. If an owner is a business entity that has its own separate legal existence, rather than a natural person, then the Application shall provide the name, phone number and address of a natural person that is the controlling individual on that entity, or in the case of a land trust, a natural person that is the trustee having legal authority to act on behalf of the land trust – in no event shall compliance consist of the name of another company or non-natural persons,
 - (v) the name, mailing address, physical address, and telephone number of the Local Agent for the structure.

Proposed Amendment 2: Rental structure definition.

This amendment clarifies certain exclusions from the ordinance.

Section 882.01 Definitions.

- d. Residential Rental Structure. A “residential rental structure” is any apartment, rooming house, boarding house, dwelling, multi-use dwelling structure (excluding hotels, and motels, assisted living facilities, residential care homes, and nursing homes, all as defined elsewhere in these codified ordinances) - and any mobile home – located within the corporate limits of the City of Freeport that the owner thereof rents, either entirely or in part, to another person or persons for occupancy as a residence, regardless of the zoning

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of the property. If there is more than one unit within such structure, it shall be identified by the term "residential rental unit".

Proposed Amendment 3: Fees and implementation dates.

In response to concerns regarding lack of justification for fees past the implementation stage, this amendment adds a sunset clause to the fees at the end of the first full year. It also adjusts the implementation dates in order to allow time to collect data regarding benchmarks and to see if the program is having a positive impact.

Section 882.08 Fee.

Annual registration fees for the periods of April 1, 2014 through December 31, 2014 and January 1, 2015 through December 31, 2015, respectively, shall be \$25.00 for single family dwellings containing one (1) residential rental unit, \$35.00 for dwellings containing two (2) – five (5) residential rental units, and \$45.00 for dwellings containing five (5) or more residential rental units. For apartment complexes, each separate building will be assessed a registration fee as outlined above. For mobile home parks, a single trailer is considered one (1) residential rental unit and the entire contiguous park is considered one dwelling. These fees shall be pro-rated on a nine (9) month basis during 2014.

This section of this Chapter shall expire of its own accord on December 31, 2015, absent further action by this City Council. ~~The annual registration fee shall be waived during the initial ninety (90) day period after the effective date of this Chapter, and in light of this grace period, fees shall not be prorated for the 2014 year. These fees shall be reviewed from time to time for consistency with actual costs.~~

AND

Section 882.02 Registration of landlords and rental properties.

Registration Required. It shall be unlawful for an owner of a residential rental structure to rent that residential rental structure or unit thereof, either entirely or in part, to another person for occupancy as a residence, unless the owner shall have registered the residential rental structure and/or unit thereof with the City of Freeport on or before ~~June 2~~ April 1, 2014.

AND

Section 882.06 Rental Agreements – Required Terms.

- a. All rental agreements should be in writing. ~~Effective June~~ April 1, 2014, all rental agreements shall be in writing and comply with this section.

AND

- c. Crime Free Housing Lease Addendum.-

After ~~June~~ April 1, 2014, every lease, including lease extensions, shall contain a crime free lease provision...*(the rest of this section remains unchanged).*

Proposed Amendment 4: Penalties.

This amendment clarifies which sections of the Ordinance constitute a violation and sets the penalties under the general section of the City Code, similar to most other ordinance violations.

Section 882.09. Penalty.

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Failure to comply with the requirements of ~~this ordinance~~ Sections 882.02, 882.03, 882.04, 882.05 or 882.06 will result in a violation being issued either through the Administrative Adjudication processes of the City or through a citation to appear in Court. Fines shall be in accordance with the General Penalty section of these codified ordinances, Section 202.99 of Chapter 202. ~~There shall be a minimum fine of two hundred fifty dollars (\$250.00) and a maximum fine of seven hundred and fifty dollars (\$750.00) per day for each violation hereunder."~~

Chief of Police Jerry Whitmore recommended that the council hear the two presentations then item number 10 will be considered later in the meeting to address any amendment to the ordinance.

7. PRESENTATION OF OTHER COMMUNITIES' EXPERIENCE ON RENTAL PROPERTY REGISTRATION/CRIME FREE HOUSING PROGRAMS

Mayor Gitz discussed the communities of DeKalb, Schaumburg and Collinsville who have implemented successful rental property registration and crime free housing programs and how the ordinance before the council was modeled from these programs. He reviewed what the proposed job duties of two part time employees for the Community Development Department and the Police Department (an additional part time employee in each department) could be and proposed roll out dates for the program.

Chief of Police Jerry Whitmore introduced John Nebl, police sergeant, from the Village of Schaumburg. Sergeant Nebl provided a Power Point presentation on the Schaumburg residential rental ordinance that includes Crime Free Multi-Housing Program and Crime Free Rental Housing Program. He stated the program was initiated in April 1999 and this program operated as a voluntary program. From April 1999 to March 2003 the program results are obvious and positive in their apartment communities. He stated it was noted that some serious nuisance and criminal problems were occurring in single unit rentals (single family homes or condos). Despite having a rental license there small property owners were found to be unaware of their responsibilities and abilities relative to Illinois rental law and were unable to effectively deal with the problems. In March of 2003, the Schaumburg village board adopted a Residential Rental Ordinance and it had three components 1) As a pre-requisite of obtaining a rental license, the rental property owner, agent (manager) or owner's designee shall complete the eight hour crime free multi-housing seminar provided by the village 2) a crime free housing lease addendum or similar wording must be in the body of the lease 3) a definition for a nuisance rental property has been established. Once a rental property is declared a nuisance and the owner, agent (manager) or owner's designee is failing to attempt to resolve the problems, the village manager may suspend the rental license or request the village board to revoke the rental license. Sergeant Nebl explained that from March 2003 to April 2007 the Schaumburg Police Department provided 80 Crime Free Multi-Housing seminars which were attended by over 100 owners/managers that represented 1350 individual rental properties. Subsequently several owners were contacted as their rental property met the definition of a nuisance. These owners successfully elected to either utilize the Crime Free Lease Addendum and evict the tenant or did not renew the lease upon its expiration which then removed the nuisance from the rental property. To date it has not been necessary to suspend or revoke a rental license. Sergeant Nebl stated there was 8,000 rental units in Schaumburg and because of the implementation of this program the calls to the police have been reduced. The committee members were provided an opportunity to ask questions of the presenter.

8. SOFTWARE DEMONSTRATION – RENTAL PROPERTY REGISTRATION/CRIME FREE HOUSING PROGRAMS

Chief of Police Jerry Whitmore and Deputy Chief of Police Jim Drehoble introduced a webinar of sample software that could be used and is being used by the City of Rockford for rental property registration. The presenter was Daniel Andresen from Easy Tracking Web which he said has been used across the United States for seventeen years. The software was shown to all council members and the public via a live screen presentation. The committee members were provided an opportunity to ask questions of the presenter.

9. DISCUSSION OF IMPLEMENTATION STRATEGY FOR RENTAL PROPERTY REGISTRATION PROGRAM

Chief of Police Jerry Whitmore and Community Development Director Shelly Griswold provided written presentations to committee members regarding the implementation strategy. This information included the Community Development position and the estimated number of hours it would take. Director Griswold provided a working list of items that this person would perform and it came to a total of 1,193 hours and the person being hired would work 1,040 hours at 20 hours per week. The additional hours would be filled in by other staff members. Director Griswold also provided in the handout the U.S. Bureau 2010 census data used to calculate the estimated fee revenue. This data provided that there is a total of 12,396 housing units in Freeport and, of those, there are 4,204 rental units. She noted that these numbers have been modified to remove the 446 units of housing owned and managed by the Freeport Housing Authority since we do not have the ability to regulate those federally-owned units. Based on the rental units, Director Griswold estimated that \$61,605 would be generated from the proposed fees of the rental registration based on the sliding scale of units per building. Based on information that they received from other communities you should only count on 90% of that revenue being generated which would be \$55,445. The total projected costs of the program were estimated to be \$57,848.57. Director Griswold and Chief Whitmore reviewed the draft budget for the rental registration/crime free housing program taking into account a labor grade 19 part-time person in the Police Department and a grade 17 part-time person in the Community Development Department. Discussion was held as to the timing of the implementation this program and the costs of implementation and carrying it through for many years to come.

10. PRESENTATION/CONSIDERATION OF AMENDMENTS TO RENTAL PROPERTY REGISTRATION ORDINANCE

Discussion was held on a listing of amendments provided to the committee members by a member of the audience and that the members did not have a chance to review them prior to the meeting. The committee members stated their pleasure with the information provided in the presentations. Discussion was held that this program is not a one year shot and Schaumburg's issues now that they do not have a person dedicated to this program. Discussion was held on the projected implementation date of April 1, 2014.

Aldersperson Bush made a motion to recommend the Ordinance #2013-56 to council floor (in its original form) for the next city council meeting and to deal with the amendments then. This motion was seconded by Aldersperson Koester. Motion prevailed by a roll call vote of:
Yeas: DeVine, Endress, Brashaw, Koester, Klemm, Boldt, and Bush (7)

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Nays: none

Aldersperson Boldt and Aldersperson Koester stated they would not be in attendance at the council meeting on Monday, November 18, 2013. Corporation Counsel Griffin stated that the ordinance would be on the floor as a second reading and therefore could be voted on that evening.

11. PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

- A letter was read into the record which was addressed to council and written by Mike Clark, former 4th Ward Alderman, in support of the landlord registration as a positive step for Freeport.
- Jilly Whiting, 411 S. State Street, Freeport Illinois, spoke about a crime committed on a landlord and stated that is why it is not safe to provide contact information to renters.
- Conor Brown 725 Harrison Avenue, Rockford, Illinois, spoke about the presentations this evening and Crime Free Housing in the State of Illinois. He does not want to see fees generated from this program and then used in the general fund.
- Marianne Garvens 537 W. Dewey, Freeport, Illinois, spoke about coming to Freeport in 1992 and having to move her child to different schools throughout Freeport and relayed to the committee members her experience in the various schools. She also spoke about the cost of rehabilitation of houses and the ability to borrow money from the banks to do so.

12. ADJOURNMENT

Upon motion (Bush) duly made and seconded (Koester), the meeting was adjourned at 9:00 p.m.

S/ Meg Zuravel
Meg Zuravel, City Clerk