



CITY COUNCIL AGENDA ITEM

To: Mayor Graham and City Council
From: John Betten, Director of Public Safety
Ted Shekell, Planning Director
Walter Denton, City Administrator
Date: February 25, 2010
Subject: Ordinance No. _____: An Ordinance Known as “Residential Rental License Program” – **Second Reading**

List of committees that have reviewed: For the First Reading, the Community Development Committee reviewed and voted 4-0 to approve the program at its November 23, 2009 meeting. For **Second Reading**, the CD Committee at its regular meeting on Feb 22, 2010, voted 5-0 to move the ordinance forward, with edits to be made by staff to the final version. This ordinance has received extensive input from several landlords in the community, and significant effort and input has been made by the Community Development Committee and other aldermen.

Over the past two months, staff has met with or discussed this program with several landlords and property management company representatives. The final ordinance reflects many of these concerns, although obviously the largest opposition seems to be centered around the \$50/unit/year fee, and this provision remains in the final draft. It is estimated that initial implementation of the licensing provisions of the program may take up to 120 days of background work, due in large part to the time it will take to identify the majority of the landlords and to create a computer licensing and payment module to handle the licensing. One of our main goals is to have a system that will enable a licensee to apply, pay for, and receive licensure electronically, at least for those landlords who choose to do so. The second primary implementation issue revolves around working with the rental community on organizing the training, having the landlords include the Crime-Free lease addendum to their leases, etc. Once the majority of the current landlords are identified, we would plan to notify them of the program benefits, expectations, timeframes, training requirements, etc.

Legal Considerations, if any: The second reading ordinance has had city legal review.

Budget Impact: The proposal is to charge \$50.00 per residential rental unit per year. With an estimated 3,500 rental units in O'Fallon, we believe the program will generate approximately \$175,000 in revenue to cover anticipated program costs. The program will be administered out of the O'Fallon Police Department, with the Planning and Zoning Department providing administrative and licensing support to PD. We expect this to be a revenue-neutral program.

Staff Recommendation: Attached is an ordinance creating the program drafted by attorney Dan Vogel and is based on the model ordinance put forward by the International Crime Free Housing Program. Staff recommends creation of the program and approval of the draft ordinance as presented.