

O'FALLON CRIME FREE HOUSING PROGRAM

Overview and Operational Audit

October 14, 2011

On March 1, 2010 the O'Fallon City Council adopted an ordinance creating a Crime Free Housing program. The ordinance was modeled on a concept developed in Mesa, Arizona in the early 1990's in response to escalating crime and drug dealing in their rental communities. Since the program was developed, hundreds of communities across the country, including many in Illinois, have adopted programs based upon the Mesa model. Across the country, the police spend between 6 and 8 times more time responding to calls-for-service at rental properties than they do responding to owner occupied properties. The rental properties included in the program include single family residences, apartments, condominiums, town houses, duplexes, mobile homes and mobile home pads, rooming houses and Hotels and Motels that offer long term rentals. Property owners are required to pay a \$50.00 per unit annual fee to cover the cost of the program administration, training and property inspections.

The Crime Free Housing Program teaches rental owners and managers how to keep crime away from their property. The program was developed with input from people on all sides of the issue – not only landlords and property management associations, but legal aid attorneys, tenant advocates, public housing agency personnel, police officers and others. The key to the program is the use of a “crime free addendum” to the lease or rental agreement that informs tenants that they could face eviction if their unit is identified as a nuisance.

The program delivers two important messages: 1) effective property management can have a major impact on the health of a community and; 2) there are simple, legal and fair techniques that can be used to stop the spread of crime in and around rental properties. The program does not teach landlords and property managers to become agents for the police nor does it require that they take any extraordinary actions against their tenants. What the program does is emphasize the responsibility that owners/managers have to work with the police to keep crime away from their property.

TRAINING COURSE CONTENT INCLUDES:

- ◆ **ORIENTATION:** The role of the landlord in keeping neighborhoods healthy and what it takes to build and maintain healthy communities.
- ◆ **PREPARING THE PROPERTY:** How the concept of CPTED (crime prevention through environmental design) can best be used to prevent illegal activity on rental property.
- ◆ **APPLICANT SCREENING:** How to screen out dishonest applicants while ensuring that honest applicants are encouraged to apply for housing. Identify the warning signs of dishonest applicants.
- ◆ **RENTAL AGREEMENTS:** Approaches that will strengthen the landlord's ability to evict problem tenants.
- ◆ **ONGOING MANAGEMENT:** How to manage property in a way that discourages illegal behavior and ensures early warning should such behavior occur.
- ◆ **COMMUNITY BUILDING:** How to strengthen the sense of community in multi-family and rental housing and the benefits for managers and residents doing so.
- ◆ **WARNING SIGNS:** What to look for to help identify potential criminal, gang and drug activity.
- ◆ **CRISIS RESOLUTION:** The options, the process and the practical application in situations where illegal activity is suspected.
- ◆ **WORKING WITH THE POLICE:** What to expect, what not to expect and how to get maximum cooperation.

LOCAL BENEFITS:

- ◆ Improved Communication and Information Sharing (regular reporting) Between Police and Landlords.
- ◆ Additional Police Patrols in Key Areas
- ◆ Reduction of Crime and Calls for Service
- ◆ Property Values Maintained
- ◆ Reasonable Cost Solution (\$4.17/unit/month)
- ◆ Additional Resources Available to Address Problems
- ◆ It's a Proactive, Crime Prevention Oriented Program
- ◆ Formal Training to Landlords
- ◆ Lease Addendums and City Support
- ◆ CPTED Site Assessment Program
- ◆ Electronic Means to Apply, Pay For, and Renew Licenses

To date, city staff has identified 3,454 rental units by searching through property tax records, utility billing records, planning and zoning records, occupancy permits and police contacts and applications have been sent to the individuals found to be responsible for the property. The city began to collect the \$50.00 fees in September of 2010 and the necessary training and inspections related to the program began in the same timeframe.

Included with this report are 3 Tables outlining of variety of program statistics from the first operational year 9-1-2010 to 8-31-2011, the highlights of the program audit reports are as follows:

- ◆ Table 1: Of the 3,454 rental units identified, 3,221 of the property owner/managers have filed an application and paid the necessary fee. An additional 49 have applications on file but have not paid the fee and 132 have been identified and have not applied nor paid the fee. We continue to take the steps necessary to reach 100% compliance.
- ◆ Table 2: In the one year period 09/01/2010 to 08/31/2011 the program collected \$161,050.00 in fees and expended approximately \$143,545.00 to administer the program (refer to Income/Expense report for details)
- ◆ Table 3: The projected revenue based upon 3,454 (total identified) units and 3,221 (total registered) units when calculated by fee rates calculated in \$5 increments between \$25 and 50 for comparison.

At this point, staff considers the program a complete success and we have received a lot of positive feedback from property owners/managers and residents as well. While it is too early to quantify signs of "quality of life" improvement statistically, the Police Department Patrol staff reports that the affected residents are well aware of the intent of the program and are making every effort to comply. The number of eviction actions taken as a result of the program being in place is reasonable at 19 when compared to the total number of units involved.

Despite the fact that the revenue/expense report shows a program surplus of \$17,504.00 staff would not recommend a drop in the fees at the time. The program has just completed its first year and some unexpected expenses may arise as the program developments. The fees generated by the addition of the units not yet enrolled in the program coupled with an additional year's experience regarding program expenses may well indicate that a future change in rate structure may be warranted.

In the coming year we plan on concentrating on identify the owners or managers of the units that have not yet enrolled in the program and facilitating or compelling their participation. In addition

we hope to tailor the Police Directed Patrols to make the best use of that resource and to identify tangible way to demonstrate the impact of the program on the community.

Table 1

O'FALLON CRIME FREE HOUSING PROGRAM

Program Statistics as of 08/31/2011

Number of Rental Properties Identified		3,454
Number of Rental Properties Registered with Fee Paid		3,221
Number of Properties with Application on file no Fee Paid		49
Number of Properties Identified with no Application on Fee		132
Number of Property Owners Unidentified/Non-responsive		52
Total		3,454
Training Sessions Provided		22
Training Attendees Phase 1		327
Number of Units Represented by Attendees		2,606
Number of Units Inspected for CPTED Phase 2		1,085
Number of Units CPTED Certified		958
Evictions Actions Based Upon Program Guidelines		19
Number of Hours of CFH Directed Patrol		550

Table 2

O'FALLON CRIME FREE HOUSING PROGRAM

Income and Expense Report 09/01/10 through 08/31/2011

Payroll		20% Benefit Cost	Training	Printing	Supplies	Computer	NNO	
PD	\$45,677.00	\$54,812.40	\$5,210.00	\$3,402.00	\$2,900.00	\$9,450.00	\$4,000.00	
PD Admin	\$5,000.00	\$6,000.00						
PD Over time	\$22,000.00	\$26,400.00						
P&Z	\$21,143.00	\$25,371.60						
P&Z Admin	\$5,000.00	\$6,000.00						
Total Expenses		\$118,584.00	\$5,210.00	\$3,402.00	\$2,900.00	\$9,450.00	\$4,000.00	\$143,546
Projected Income		Annual Income from 3,221 units @\$50.00						\$161,050

Table 3

O'FALLON CRIME FREE HOUSING PROGRAM

Projected Annual Income Based Upon Unit Counts

	3,454 Units	3,221 Units
\$50	\$172,700	\$161,050
\$45	\$155,430	\$144,945
\$40	\$138,160	\$128,840
\$35	\$120,890	\$112,735
\$30	\$103,620	\$96,630
\$25	\$86,350	\$80,525