

VILLAGE OF SCHAUMBURG

Crime-Free Multi-Housing/Residential Rental Ordinance Innovations Group – 2006 Innovation Awards Submission

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Brief Program Description

Crime-Free Multi-Housing Program (CFMHP)/Residential Rental Ordinance

In 2003, the Village of Schaumburg passed a strict Residential Rental Ordinance. The ordinance consisted of three main components. The owner or manager (or designee) of *EVERY* rental property in the Village would be required to attend a CFMH seminar (the CFMHP was originally developed by the City of Mesa, Arizona) in order to qualify to obtain their rental license. Secondly, the Village required the property owner to use a Crime-Free Lease Addendum in every residential rental lease. The Crime-Free Lease Addendum would provide the property owner the ability to evict a tenant for criminal activity related to their rental unit. Finally, the ordinance established a definition for a nuisance rental unit, providing the Village the ability to suspend or revoke a rental license if the property owner failed to address problems with their rental units. The Village of Schaumburg was the first community in the country to require such training for the owners/managers of a single rental unit.

Description of Jurisdiction/Reason for Innovation

The Village of Schaumburg, a northwest suburb of Chicago, is a community of 75,000 residents. The Village has substantial business, industrial, and commercial districts, which cause the daytime population of the Village to swell to 150,000. There are 18 apartment complexes located in the Village, and hundreds of individual rental units.

One challenge the Village has dealt with is rising levels of crime and police calls for service in rental units. This was especially true in single rental units (an individual house or condominium) which owners often rented out as a second source of income. Those people who only rented one unit were not familiar with the rights of a property owner, and did not know how to manage their units properly. More generally, they did not believe that they would get a "nightmare" client, and thought they would be able to choose tenants that were law-abiding citizens.

The issue came to a head in 1992 when there were two gang related drive-by shootings and many incidents of drug sales. All of these incidents were located at single rental units. Residents and Village officials were extremely concerned, and at this time, the Village Manager directed staff to find a solution.

The Village adopted the City of Meza, Arizona's Crime-Free Multi-Housing Program (CFMHP) as a voluntary program for property owners in 1998. The CFMHP consists of the following:

Phase #1: Involves an 8-hour seminar presented by the Schaumburg Police Department. Topics include: crime prevention, benefits of applicant screening, crime free lease addendums, evictions, and pro-active management techniques.

Phase #2: CPTED (Crime Prevention Through Environmental Design) certification. CPTED Reviews security requirements necessary for tenant's safety.

Phase #3: To obtain full certification, property managers are required to hold a crime prevention meeting for tenants. The Village provides property owners with materials and assistance to publicize the meeting with their tenants.

After a few years of operating the program, the village found that only a small number of single unit property owners were taking advantage of the CFMH seminars. Additionally, police calls for service at single units remained a problem. Police staff noted that in order to run a single rental unit, the village required the owner to obtain a rental license. In light of the issues with single rental units, staff proposed the Residential Rental Ordinance to the Public Safety Committee. In March of 2003, the Village Board adopted the Residential Rental Ordinance. From March of 2003 on, *ALL* rental units, whether complexes or single units, were required to attend a CFMH seminar within three months of obtaining their rental license. Failure to attend the seminars and to complete the CFMHP would result in the revocation of the property owner's rental license.

Implementation of CFMHP/Residential Rental Ordinance

A committee composed of the Crime Free Multi-Housing Officer (Police Department), Assistant Village Attorney (Legal Division), and the Environmental Health Supervisor (Health Division) initially developed the ordinance. The Police Department then took the lead in presenting the proposal to the Public Safety Committee, guided it through approval by the Village Board and post implementation review by the Finance, Legal, Administrative, and General Government Committee.

Once the Village enacted the ordinance in March 2003, the Finance Department provided the CFMH Officer with a list of all rental licenses. This allowed the CFMH Officer to notify all rental license holders of the new ordinance and its requirements. In return, the CFMH Officer notifies the Finance Department of all the rental addresses eligible for a rental license.

In addition, the success of this program hinges on the relationships that the CFMH Officer has developed with property managers and board members from many of the condominium and homeowners associations in the Village. This has allowed the Village to identify previously unlicensed single rental units. The CFMH Officer is then able to contact the owner and advise them of the ordinance and its requirements. In addition, these important relationships increased the active participation in the program and property owners' desire to develop crime-free policies outside of what is required through the Residential Rental Ordinance.

The CFMH Officer has also worked closely with the media to publicize the ordinance. Many newspapers have published articles about our program and ordinance. The CFMH Officer has also been interviewed for magazine articles and on television and radio, which helps to get the word out about the importance of the program.

Impact of CFMHP/Residential Rental Ordinance

During the first 5 years that our CFMHP was operational, the Village experienced a 12% reduction in calls for police service to our 18 apartment complexes. Calls for police service for calendar year 2005 are not yet available; however, during calendar year 2004, 15 of the 18 apartment complexes in the Village experienced decreases in calls for police from the previous (2003) year.

One specific example of the success of the CFMHP is Legend Park Apartments. This was perennially one of the busiest (calls for police service) apartment properties in town. A new company purchased the property in November 2002. The new property manager attended a CFMH seminar during December 2002 and implemented several CFMH based management practices effective January 2003. From January 2003 through December 2004, Legend Park had a 51% reduction in calls for police service. By implementing CFMH and continuing to work with the CFMH Officer and the police beat team, they not only reduced crime and nuisance issues, Village inspectors found less code violations.

Statistics related to crime in single unit rentals were not tabulated prior to the ordinance. However, since the Village Board enacted the ordinance in 2003, 64 seminars have been held. This has provided training to more than 900 property owners and managers, which represent over 1200 individual rental units in the Village. By providing training and support to all these rental properties, there is no question many problems have been avoided. Additionally, we have assisted with several evictions and non-renewals of tenants involved in criminal and nuisance activities. There have been no court challenges to our ordinance and there has not been a need to suspend any rental license. Every owner of a nuisance rental unit has addressed the issue when contacted by the CFMH Officer.

Costs of the CFMHP/Residential Rental Ordinance

The costs of the program are minimal compared to the benefits that the community receives. The Police Department has assigned one officer from the Community Relations/Crime Prevention Unit to work with the CFMHP/Rental Ordinance full-time. He conducts the CFMH seminars, works with the property owners, and provides the Finance Department with an updated list of those people who can apply for a rental license.

Prior to enacting the ordinance, from April 1999 to March 2003, the CFMH Officer presented the seminar 3 to 4 times a year and trained 80 individuals. After enacting the ordinance, the CFMH Officer presents the seminar 2 or 3 times every month. The Village spends approximately \$4,000-\$5,000 a year on the CFMHP to provide materials to property owners, and conduct the proper training seminars.

Lessons Learned/Application to Other Communities

Through the implementation of the ordinance and the CFMHP, the Village has discovered that many property owners did not know the rights that they possessed. Many of the property owners failed to use a Crime-Free Lease Addendum that would have provided them with the right to evict tenants for criminal behavior. In addition, the Village learned that in making the CFMHP mandatory, we were able to fully train all of the property owners in the Village, as well as identify single unit renters who were not properly licensed.

With the support of the Village Board and the Police Chief, the Village of Schaumburg's Crime-Free Multi-Housing Police Officer has conducted seminars all over the country talking with other communities about enacting a similar ordinance and Crime-Free Multi-Housing policy. The CFMH Officer has traveled to other communities in other states such as Pennsylvania, Ohio, Colorado, Oklahoma, and Michigan to train other municipalities on CFMH practices. In addition, ten Illinois communities now have active CFMH programs due to the assistance of the Village's CFMH Officer. The CFMH Officer is currently working with other communities in the area to develop additional programs. Several Communities have adopted or are considering adoption of ordinances modeled after the Village of Schaumburg's Residential Rental Ordinance.

ORDINANCE NO. 03-39

ORDINANCE REGARDING THE LICENSING AND OPERATION OF MULTIPLE FAMILY DWELLING UNITS, ROOMING HOUSES AND ANY SINGLE FAMILY RENTAL RESIDENTIAL UNITS

WHEREAS, the Village requires persons who rent residential units within the Village of Schaumburg secure a license from the Village of Schaumburg; and

WHEREAS, it would be in the best interests of the Village of Schaumburg and those landlords to have crime free housing; and

WHEREAS, exchange of information between landlords and the Police Department is a good way to reduce the level of crime in rental units.

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF SCHAUMBURG:

SECTION ONE: Any owner of property, which property is being rented out for residential purposes shall attend and complete a Village of Schaumburg Crime Free Multi-Housing Program Seminar. The owner, agent or designee shall attend the Seminar prior to obtaining or being issued a Village of Schaumburg residential operator license. Any current license holders shall have until December 1, 2003, to attend the Village of Schaumburg Crime Free Multi-Housing Program Seminar.

SECTION TWO: In the event a Village of Schaumburg Crime Free Multi-Housing Program Seminar is not available prior to obtaining the operating license, a conditional license may be issued subject to the owner, agent or designee attending the Village of Schaumburg Crime Free Multi-Housing Program Seminar within three months of issuance of the license. In the event that seminar is not attended within three months, the license shall be void without any need of further action. After the seminar is attended, the license shall be issued for the balance of the year.

SECTION THREE: A property manager shall be considered an agent of the owner. If a new manager is hired, the new manager shall have three months after hiring to attend the Village of Schaumburg Crime Free Multi-Housing Program Seminar.

SECTION FOUR: Any owner, agent or designee shall attend the Village of Schaumburg Crime Free Multi-Housing Program Seminar every three years.

SECTION FIVE: The Crime Free Multi-Housing Coordinator, as designated by the Director of Police, shall provide the Finance Director with a list of owners, agents and/or designees who have attended the Village of Schaumburg Crime Free Multi-Housing Program Seminar, with the date of attendance and verification that the owner, agent or designee has complied with this ordinance and is eligible to obtain, maintain or renew the operating license.

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SECTION SIX: Any owner, agent or designee of residential rental property is required to utilize a crime free lease addendum or have a clause in the lease similar to a crime free lease addendum for any leases executed after December 1, 2003. The Crime Free Multi-Housing Coordinator shall provide at no cost samples of the crime free lease addendum and shall review any clauses within actual leases with the Village Legal Department to determine if the clause is similar to the crime free lease addendum. The clause is to make criminal activity (not limited to violent criminal activity or drug related criminal activity engaged by, facilitated by or permitted by the renter, member of the household, guest or other party under the control of the renter) a lease violation. The landlord shall have authority under that clause to initiate an eviction proceeding as specified in the Illinois Compiled Statutes Forcible Entry and Detainer statutes. Proof of criminal violation shall be by a preponderance of the evidence.

SECTION SEVEN: That Title 9, Section 90.55 be amended to add as follows:

Nuisance Residential Rental Property. It is hereby declared a nuisance and to be declared against the health, peace and comfort of the Village for any property owner, agent, or manager to allow or permit the following: a) rental of a residential unit, or residential building within an apartment community or governed by a homeowner's association to a tenant who allows any of the following offenses to occur relating to the tenant, member of the tenants household, quest or other party under control of the tenant to occur: murder, kidnapping, aggravated kidnapping, prostitution, solicitation of prostitution, pandering, obscenity, child pornography, harmful materials, sale of obscene publication, criminal housing management, possession of explosives, unlawful use of weapons, sale of firearms, gambling, keeping a gambling place, concealing a fugitive, violation of the Illinois Controlled substances Act, violation of the Cannabis Control Act or commission of any two or more of any other crimes under the State of Illinois or under the Federal Government not specifically listed above; b) rental of a residential unit, or residential building within an apartment community or governed by a homeowner's association to a tenant who allows any of the following offenses to occur relating to the tenant, member of the tenant's household, guest or other party under control of the tenant commission of 4 or more Village ordinance violations in a six month period or an unreasonably high number of calls for police service including, but not limited to, calls that may fall within the descriptions listed above that when compared to other properties in the Village of Schaumburg of similar type, reasonably indicate that the activity at this property is out of character for the area and is impacting the quality of life of those in the area.

SECTION EIGHT: The Village Manager may suspend and/or recommend revocation of any license issued hereunder if it appears to his satisfaction from the report of any Village officer or Village employee making an inspection, or any other available information, that the licensee is violating any law or ordinance, or is in violation of the nuisance section or his operating in a manner not conducive to the public health, morals or safety. Any suspension of a license may be appealed directly to the President and Board of Trustees within 15 days of rendering his decision by the Village Manager. In the event the Village Manager determines that revocation of the license is appropriate, he shall so forward his recommendation to the Village President and Board of Trustees for their review and determination.

ORDINANCE REGARDING THE LICENSING AND OPERATION OF MULTIPLE FAMILY DWELLING UNITS, ROOMING HOUSES AND ANY SINGLE FAMILY RENTAL RESIDENTIAL UNITS

SECTION NINE: That this Ordinance shall be in full force and effect, after passage, approval and publication as required by law.	
AYES: NAYS: ABSENT:	(6) TRUSTEES: CONNELLY, ECKER, DAILLY, DUNHAM, SULLIVAN (0) NONE RILEY (0) NONE
PASSED AND APPROVED this 25th day of March , 2003.	
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	Village President
ATTEST:	
Village Clerk APPROVED:	DieTnick

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Assistant Village Attorney