Addison Residential Rental Licensing Program

I. Introduction

The Village of Addison implemented a residential rental licensing program in the late 70s for its 3,300 rented units. The Service Request process was no longer effective in helping the maintenance of rental properties, which make up 1/3 of Addison’s housing stock. In 2000, the program became performance-based. The intent of this program is to ensure public health, safety and welfare, as they are affected by the continued occupancy and maintenance of rental structures and premises. All owners of such properties are required to obtain an annual rental license. The fee for this license includes the cost of an annual inspection. There is a grading system based on the results of the annual inspection. That grade determines any applicable inspection fees, other required inspections and/or waivers. There are currently 3,902 licensed rental units in the Village of Addison. The program is staffed by a group of employees in the Community Development Department, and is self-sustaining. The goal of this program is to impress the importance of property maintenance on landlords and to have pride in the community. This program has allowed the Village to form positive relationships with the landlords.

II. Intent... to ensure public health, safety and welfare in so far as they are affected by the continued occupancy and maintenance of structures and premises.

A) 2012 International Property Maintenance Code
B) Chapter 10 of Village of Addison Municipal Code- Licenses

III. Program

A) License Required

All dwellings or dwelling units occupied by others than the owner, where rent is charged are required to obtain a Residential Rental License on an annual basis. The rental license year runs from May 1 – April 30 (the Village’s fiscal year). Renewal licenses are sent in the mail the second week of March and are always due no later than April 30.

License fees = $75.00 per dwelling/dwelling unit plus:

- $50.00 for each building having 2 to 5 units;
- $75.00 for each building having 6 to 11 units;
- $100.00 for each building having 12 to 17 units;
- $125.00 for each building having 18 to 23 units;
- $150.00 for each building having more than 23 units.
Examples:  
- 4-Unit Building = $350.00/year  
- 6-Unit Building = $525.00/year  
- 8-Unit Building = $675.00/year  
- 12-Unit Building = $1,000.00/year  

Flat fees:  
- Single Family Homes = $150.00  
- Condo Unit/Townhouse = $75.00  

B) Employees Involved – Fees are established at a rate to pay for the cost of the program.

<table>
<thead>
<tr>
<th>Title</th>
<th>Percent of Job Dedicated to Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director of Community Development</td>
<td>30%</td>
</tr>
<tr>
<td>Code Enforcement Supervisor</td>
<td>99%</td>
</tr>
<tr>
<td>Code Enforcement Officer</td>
<td>99%</td>
</tr>
<tr>
<td>Community Development Inspector</td>
<td>99%</td>
</tr>
<tr>
<td>Housing Program Clerk</td>
<td>95%</td>
</tr>
</tbody>
</table>

C) Inspection Process & Grading System

**Annual Inspection:** A yearly inspection where 20% of the units in a multi-family dwelling, as well as interior & exterior common areas are inspected. A notification is sent to the landlord in the mail a month prior to the inspection. A grade is assessed at the end of an annual inspection. One of three grades is given:

**Very Good:** having on average 1 or less violations per inspection area.

**Satisfactory:** having on average more than 1, but not more than 3 violations per inspection area.

** Unsatisfactory:** having on average more than 3 violations per inspection area.

<table>
<thead>
<tr>
<th>Inspections</th>
<th>Very Good</th>
<th>Satisfactory</th>
<th>Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reinspection¹ (if applicable)</td>
<td>- 1 additional exterior-only inspection²</td>
<td>- Semi-Annual Inspection³</td>
<td></td>
</tr>
<tr>
<td>- No additional inspections</td>
<td>- Reinspection</td>
<td>- 2 additional Exterior-Only inspections</td>
<td></td>
</tr>
<tr>
<td>- No Annual Inspection the following license year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- No charge for reinspections</td>
<td>- Reinspection Fee⁴</td>
<td>- Reinspection Fee</td>
<td></td>
</tr>
<tr>
<td>- No charge for license the following license year</td>
<td>- Exterior –Only Inspection Fee⁵</td>
<td>- Semi-Annual Fee⁶</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 2 Exterior –Only Fees</td>
<td></td>
</tr>
</tbody>
</table>

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¹ Reinspections are scheduled when violations are found during inspection.
² Exterior-Only Inspections are conducted at properties where the owner is responsible for maintaining the Exterior. Single family homes, condo units and townhouses are exempt from this inspection.
³ A Semi-Annual inspection consists of another Annual inspection being conducted several months later.
⁴ Reinspection fees are equal to $50.00 per unit where violations exists &/or building size fee if violations exist in interior/exterior common areas.
⁵ Exterior-Only fees correspond to the fee that is charged opposite of the per unit fee for the license depending on the size of the building. Single family homes, condo units and townhouses are exempt from this charge.
⁶ Semi-Annual fees are charged at the same rate as the rental license fee.
Waived Properties

- Properties that receive a Very Good during the annual inspection earn a grade status of “Waived” the following license year. This means that no license fee is due at the time of renewal and no annual inspection will be scheduled. The property will not be required to pay for a license and be inspected until the year following the waived year.

- If a property earns 3 Very Good grades in a row, the license fee and annual inspection is waived for 2 consecutive years.

Grade Comparison: 2004 & 2014

<table>
<thead>
<tr>
<th></th>
<th># of Units</th>
<th>Very Good</th>
<th>Satisfactory</th>
<th>Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3,333</td>
<td>53%</td>
<td>37.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>2014</td>
<td>3,896</td>
<td>67.5%</td>
<td>20.7%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

D) Crime Free Multi-Housing Class

- All owners of residential rental properties are required to attend an 8 hour Crime Free Multi-Housing class.
- This program combines the efforts of the Addison Police Department and the owners and managers of rental properties to keep drugs and illegal activity off the property.
- Property owners are provided with many valuable resources including tenant screening, premise liability, evictions and recognizing gang and drug activity.
- New property owners have three months from the date they obtain a residential rental license to complete this class.
- Failure to take this class can result in the issuance of citations as well as withholding the rental license renewal.

IV. Tenant and Landlord Commission

A) Purpose

The purpose of this commission is to develop programs which will aid and benefit the Village through cooperation of the Village with the owners of residential rental property and the tenants of such properties.
B) Members

This commission is made up of 7 members: 4 rental property owners and 3 tenants. The term of Tenant and Landlord Commission members is three (3) years staggered, so that three (3) terms expire one (1) year, two (2) terms the next year and two (2) terms the next year.

C) Duties

The Tenant and Landlord Commission shall review the operation of the Housing Inspection Program, make recommendations to the Village Board regarding the Program, and act as a liaison with the owners of rental property and tenants of rental property within the Village.

D) Meetings

Meetings are held on the second Wednesday of every month in one of the meeting rooms at the Village Hall starting at 6:30 P.M.