



Memorandum

To: Honorable Mayor and Members of the City Council
CC: Members of the Planning and Development Committee
From: Andrew San Roman, Building & Development Services Manager
CC: Sarah Flax, Community Development Director
Subject: Ordinance 101-O-24, Amending Title 5 – Housing Regulations, Chapter 8, Registration of Rental Residential Buildings
Date: January 27, 2025

Recommended Action:

Staff recommends the City Council adopt Ordinance 101-O-24, Amending Title 5, Chapter 8 of the City Code. Two alternative fee structures are proposed that adjust the rental registration fees and establish fees for routine inspections of residential housing units performed by Property Standards staff in the Community Development Department. Approval will result in increased revenues to cover more of the cost of providing these services in 2025, as directed by the City Council on November 25, 2024, and included in the 2025 budget.

Council Action:

For Action

Summary:

At its December 9, 2024, meeting, the Planning and Development Committee tabled the discussion of Ordinance 101-O-24 and the two alternate fee schedules provided and directed City staff to engage landlords and solicit their feedback on the proposed changes. Staff sent emailed invitations to landlords with registered rental properties for two in-person meetings at Robert Crown Community Center on January 6 and 8; approximately 70 landlords attended. In addition, an online survey was sent to the same list of registered landlords; 210 responses were received. A summary of responses follows:

- Landlords were asked which of the three proposals they preferred.
 - **Six (6)** respondents selected "Proposal 1" (\$100 renewal; \$40 inspection per unit)
 - Of this number:
 - 2 manage between 1 and 4 units
 - 3 manage between 25 and 50 units

- 1 manages between 51 and 100 units
- **Ten (10)** respondents selected "Proposal 2" (lower renewal fee for small buildings; \$50 inspection per unit)
 - Of this number:
 - 6 manage between 1 and 4 units
 - 1 manages between 5 and 12 units
 - 1 manages between 25 and 50 units
- **One-hundred ten (110)** respondents selected "Proposal 3" (current renewal fee increased by inflation; \$50 inspection per unit)
 - Of this number:
 - 83 manage between 1 and 4 units
 - 7 manage between 5 and 12 units
 - 4 manage between 13 and 24 units
 - 1 manages between 25 and 50 units
 - 2 manage between 51 and 100 units
- **Eighty-two (82)** respondents selected "None of the above"
 - Of this number:
 - 9 manage between 13 and 24 units
 - 6 manage between 25 and 50 units
 - 4 manage between 51 and 100 units
 - 7 manage more than 100 units
- Landlords were asked to explain the reasons for their choices, and the following comments were provided with the highest frequency in the survey and meetings:
 - A tiered or proportional fee structure for registration renewal based on the number of rental units was widely viewed as fairer than a flat registration fee per building.
 - Small and owner-occupied buildings should not pay the same fees as large rental companies.
 - Rising property taxes, insurance, and maintenance costs compound the financial strain on property owners, leaving little room for additional fees.
 - Gradual increases aligned with inflation are preferred over large changes to fees.
 - Increased fees would be passed on to tenants and result in rent increases, and was viewed as contradictory to the City's goals of maintaining existing unsubsidized, or naturally occurring, affordable housing.
 - Fee increases are a concern, particularly for older landlords who rely on rental income from small rental properties to supplement their fixed incomes.
 - Some view the fee increases as a way to generate general revenue for the City, not as a means of recovering the cost of providing a necessary service.
- Several landlords acknowledged that a routine inspection program that determines whether the next inspection is scheduled in one, three, or five years based on the number of violations found would result in better maintenance and improve the quality of rental housing, as intended. Workshops and training for landlords to educate them on policy changes would be beneficial.

Given the feedback received, a new alternative fee schedule that results in a consistent cost per unit for registration renewal and inspection, regardless of the building size, is included below for consideration by the City Council. In addition, Proposal 2 in the survey (Alternate 1

in the memo to the Planning and Development Committee on December 9), which was preferred by only 10 landlords responding to the survey, has been deleted. (That alternative would result in decreased revenue from annual registration fees compared to the original proposal due to the number of smaller 1-4 unit buildings affected by the decreased registration fees while increasing the per unit inspection cost by 25%, from \$40 to \$50, compared with the original proposal. The estimated annual revenue would be \$410,208, approximately \$12,378 less than the original proposal.)

New Alternative (based on survey and meeting feedback)

This alternative proposal includes an initial registration fee of \$200 per building, inclusive of all units owned by the registrant, which is the same as the current fee structure and other proposals. The main difference is that this alternative would assess the annual renewal fee directly on a per-unit basis, \$12 per unit, regardless of the size of the building. This will result in an equal average monthly cost per unit for all building sizes. All units will be inspected at the initial registration, and an initial inspection fee of \$50 will be assessed for each unit in the building.

Rental inspections are performed on all registered dwelling units on a routine basis, with the scheduling frequency based on the number of violations found during the previous routine rental inspection. An inspection fee of \$50 will be charged for each dwelling unit, which will be assessed only in the year those inspections are performed. Additionally, when violations are cited at a dwelling unit, a re-inspection will be performed to ensure the violations have been corrected. If the violations have not been corrected by the time of the scheduled re-inspection, subsequent re-inspections will be charged a fee of \$50 for each re-inspection until the violations are corrected. The chart below gives an overview of the proposed structure.

New Alternative (based on feedback)			
	Initial Registration Fee (per building)	Annual Registration Fee (per unit)	Inspection Fee (per unit)
All Buildings	\$200.00	\$12	\$50.00

This alternative proposal will result in a small decrease in revenue from annual registration fees compared to the original proposal. The estimated annual revenue would be \$410,191, approximately \$12,395 less than the original proposal.

Background

At its meeting on November 11, 2024, the City Council directed staff to revise the fees for services provided by the Building and Development Services division, including rental program registration and inspection fees, to increase revenues for the 2025 budget.

The registration fee for rental housing units has not changed since the inception of that program in 2008. The current initial registration fee is \$200. The annual renewal registration fee is \$20 for a single unit and rises incrementally to \$500 for properties with 100 or more

units. The initial registration fee includes the first inspection of a rental housing unit being registered. However, fees are not currently charged for routine rental inspections or re-inspections performed after violations are found. This structure results in disproportionate costs for small buildings that are more likely to be owned by local landlords who provide most of the naturally occurring affordable housing (NOAH) and does not account for poorly maintained properties that require more City resources. The proposed rental registration and routine inspection program is designed to make the total fees more equitable based on the number of units per address and to focus routine inspections on the properties with the most violations to ensure decent and safe rental housing.

Current Structure (2008)			
# of Units in the Building	Initial Registration	Annual Renewal	Inspection Fee
Single Unit	\$200.00	\$20.00	-0-
2-4	\$200.00	\$30.00	-0-
5-12	\$200.00	\$50.00	-0-
13-24	\$200.00	\$100.00	-0-
25-50	\$200.00	\$150.00	-0-
51-100	\$200.00	\$300.00	-0-
100+	\$200.00	\$500.00	-0-

City Council voted to introduce 101-O-24 at its meeting on November 25, 2025, and referred it to the Planning & Development Committee meeting on December 9, 2024. Ordinance 101-O-24 proposed an initial registration fee of \$200 per building, inclusive of all units owned by the registrant, and an annual renewal registration fee of \$100. All units would be inspected at the initial registration, and in multi-unit buildings, an initial inspection fee of \$40 would be assessed for each unit. Staff provided two alternative registration and inspection fee structures to mitigate the impact on small landlords by reducing the annual registration renewal fee for small buildings, many of which are locally owned, and increasing that fee for larger buildings. The per unit inspection fee is raised from \$40 to \$50 in both alternatives to offset the revenue lost from the changes in the registration fees. Both alternatives result in reduced revenue and impact the goal of funding a robust routine inspection program.

Original Proposal (Proposal 1)

Ordinance 101-O-24 proposes an initial registration fee of \$200 per building, inclusive of all units owned by the registrant, and an annual renewal registration fee of \$100. All units will be inspected at the initial registration, and in multi-unit buildings, an initial inspection fee of \$40 will be assessed for each unit.

Rental inspections are performed on all registered dwelling units on a routine basis, with the scheduling frequency based on the amount of violations found during the previous routine rental inspection. An inspection fee of \$40 will be charged for each dwelling unit, which will be assessed only in the year those inspections are performed. Additionally, when violations are cited at a dwelling unit, a re-inspection will be performed to ensure the violations have been corrected. If the violations have not been corrected by the time of the scheduled re-

inspection, subsequent re-inspections will be charged a fee of \$40 for each re-inspection until the violations are corrected. The chart below gives an overview of the proposed structure.

Original Proposal			
	Initial Registration Fee	Annual Registration Fee	Inspection Fee (per unit)
All Buildings	\$200.00	\$100.00	\$40.00

Staff anticipates that this new fee structure will result in an average annual revenue of \$422,587, an increase of \$321,487 over the current registration renewal fee structure. This will allow the department to cover a larger portion of the costs associated with the rental registration and inspection process, resulting in safer rental housing through improved maintenance.

Alternative 2 (Proposal 3 in the survey provided to landlords)

This alternative proposal includes an initial registration fee of \$200 per building, inclusive of all units owned by the registrant, and an annual renewal registration fee based on the current structure, but adjusted for inflation of approximately 47.8% since it was originally introduced in March 2008. This would result in annual renewal fees of \$30 for single-unit buildings, \$45 for 2-4 unit buildings, \$75 for 5-12 unit buildings, \$150 for 13-24 unit buildings, \$220 for 25-50 unit buildings, \$440 for 51-100 unit buildings, and \$740 for buildings with more than 100 units. All units will be inspected at the initial registration, and an initial inspection fee of \$50 will be assessed for each unit in the building.

Rental inspections are performed on all registered dwelling units on a routine basis, with the scheduling frequency based on the number of violations found during the previous routine rental inspection. An inspection fee of \$50 will be charged for each dwelling unit, which will be assessed only in the year those inspections are performed. Additionally, when violations are cited at a dwelling unit, a re-inspection will be performed to ensure the violations have been corrected. If the violations have not been corrected by the time of the scheduled re-inspection, subsequent re-inspections will be charged a fee of \$50 for each re-inspection until the violations are corrected. The chart below gives an overview of the proposed structure.

Alternative (formerly Proposal 3)			
	Initial Registration Fee (per building)	Annual Registration Fee (per building)	Inspection Fee (per unit)
Single-unit	\$200.00	\$30	\$50.00
2-4	\$200.00	\$45	\$50.00
5-12	\$200.00	\$75	\$50.00
13-24	\$200.00	\$150	\$50.00
25-50	\$200.00	\$220	\$50.00
51-100	\$200.00	\$440	\$50.00
100+	\$200.00	\$740	\$50.00

This alternative proposal will result in decreased revenue from annual registration fees compared to the original proposal due to the number of units in smaller buildings affected by the decreased registration fees. This proposal was the most favored in the survey provided to landlords. The estimated annual revenue would be \$389,263, approximately \$33,323 less than the original proposal.

Legislative History:

Ordinance 101-O-24 was tabled by the Planning and Development Committee at its December 9, 2024, meeting until the January 27, 2025, City Council meeting. Staff was directed to meet with landlords to gather additional input on the proposed fee schedules for the January 27 meeting.

Ordinance 101-O-24 was introduced at the City Council meeting on November 25, 2024, and referred to the Planning and Development Committee on December 9, 2024. At that meeting, staff was directed to provide alternate fee structures based on input from landlords for consideration.

Attachments:

[101-O-24 Amending Title 5 Chapter 8 Regarding Residential Registration and Inspection Fees](#)
[2025 Residential Rental Registration and Inspection Program - Fee Structure](#)

101-O-24

AN ORDINANCE

Amending Title 5, Chapter 8 of the City Code

WHEREAS, in order to promote the public health, safety, and welfare, the City of Evanston requires registration and inspection of buildings within the City of Evanston that contain dwelling units, and

WHEREAS, the City of Evanston requires annual renewal registrations of all dwelling units continuing to be rented in order to protect the health, safety, and welfare of the residents of Evanston; and

WHEREAS, to offset the administrative costs of registrations and inspections of buildings containing dwelling units, the City of Evanston assesses an initial, and annual renewal, registration fee to the owners of such buildings; and

WHEREAS, the City of Evanston does not currently assess a fee for routine rental inspections or for re-inspections to check whether cited property maintenance violations have been cured, and the registration fees alone are not sufficient to cover the costs of performing such inspections; and

WHEREAS, simply raising the registration fees imposed on all owners in order to cover costs would not be equitable, because it would not account for properties that are not as well-maintained and require more frequent inspections; and

WHEREAS, the Evanston City Council finds that it is in the best interest of the City of Evanston residents to amend the City Code to amend the registration and inspection fee schedule.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
EVANSTON, COOK COUNTY, ILLINOIS:**

SECTION 1: Title 5, Chapter 8 of the Evanston City Code of 2012, as amended, is hereby further amended as follows:

**TITLE 5
HOUSING REGULATIONS**

...

5-8-3.- INITIAL INSPECTION AND REGISTRATION REQUIRED.

- (A) The owner of any dwelling unit being registered for permanent rental for the first time shall file a registration statement for each such dwelling unit with the Department on forms provided by the Department for such purposes; provided, however, that the registration of a vacant building pursuant to Title 4, Chapter 20 of the City Code shall satisfy the registration requirement of this Chapter. Any such registration statement shall be deemed prima facie proof of the statements therein contained in any administrative enforcement proceeding or court proceeding instituted by the City against the owner of the building. For purposes of this Chapter, a post office box does not suffice as a street address. For addresses with multiple dwelling units owned by separate and distinct owners, each owner shall register separately. The registration statement shall include the following information:

....

7. The owner of ~~a dwelling unit~~ one or more dwelling units in a single building being rented for the first time shall pay an initial registration and inspection fee ~~of two hundred dollars (\$200.00)~~ per the fee schedule adopted by, and updated from time to time by, the City Manager or the City Manager's designee ~~for each existing dwelling~~

~~unit being rented for the first time.~~ New rental construction is exempt from this fee and inspection, as the Certificate of Occupancy determines that the unit meets current building standards for safe and sanitary housing.

...

5-8-4.- ANNUAL REGISTRATION; REGISTRATION FEE; CERTIFICATE OF REGISTRATION.

...

- (B) The owner of a building or, if multiple owners own dwelling units within the same building, each unit owner, shall pay an annual registration fee for each building so registered at the time the owner files the annual registration renewal statement, per the fee schedule adopted by, and updated from time to time by, the City Manager or the City Manager's designee., as per the table below. The registration fee shall not be prorated. If the owner of a building that contains no more than two (2) dwelling units is a person sixty-five (65) years of age or older, resides in one (1) of the two (2) dwelling units in the building, and furnishes proof with the application that he/she has qualified for the State of Illinois Circuit Breaker program, he/she shall be required to pay fifty percent (50%) of the registration fee.

Building Type	Registration Fee
Single-Family	\$20.00
Condominiums	\$20.00 per owner of rental dwelling unit(s) per building
Multifamily with:	
2-4 Dwelling Units	\$30.00
5-12 Dwelling Units	\$50.00
13-24 Dwelling Units	\$100.00
25-50 Dwelling Units	\$150.00
51-100 Dwelling Units	\$300.00
101+ Dwelling Units	\$500.00

5-8-5.- ROUTINE INSPECTION AND VIOLATION RE-INSPECTION FEES.

- (A) The owner of a building or, if multiple owners own dwelling units within the same building, the owner of each dwelling unit, shall pay an inspection fee per the fee schedule adopted by, and updated from time to time by, the City Manager or the City Manager's designee, for each dwelling unit so registered for each routine inspection done pursuant to Title 5, Chapter 1 of this Code. Such routine inspection fee shall be assessed in the year it is performed and added to the annual registration renewal statement for the registration year immediately following the routine inspection.
- (B) If the owner of a building or, if multiple owners own dwelling units within the same building, the owner of any dwelling unit within the building, violates Title 5, Chapter 1 of this Code, the owner will be given an opportunity to cure such violation prior to a re-inspection of the property. Such initial re-inspection of the property will be done without charge to the owner. If, however, the owner has not cured the violation by the time of the initial re-inspection of the property, and additional re-inspections are necessary to ensure compliance with Title 5, Chapter 1 of this Code, the owner shall be assessed a fee for each re-inspection of each dwelling unit requiring said re-inspection, per the fee schedule adopted by, and updated from time to time by, the City Manager or the City Manager's designee. Such re-inspection fee(s) shall be assessed in the year they are performed and added to the annual registration renewal statement for the registration year immediately following the inspection(s).
- (C) Any property owner who fails to provide the City with at least twenty-four (24) hours' notice prior to cancelling an inspection appointment shall be assessed a fee per dwelling unit, up to a maximum fee per building per appointment, according to

the fee schedule adopted by, and updated from time to time by, the City Manager or the City Manager's designee. For purposes of this section, "cancelling" includes failure to appear at the scheduled appointment time and place for the inspection. Each such cancellation fee shall be assessed in the year of the cancellation and shall be added to the annual registration renewal statement for the registration year immediately following the cancellation.

(D) Certificates of registration will not be issued until all assessed registration and inspection fees have been paid.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: If any provision of this Ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid application of this Ordinance is severable.

SECTION 4: This Ordinance shall be in full force and effect beginning January 1, 2025.

SECTION 5: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

Introduced: _____, 2024

Approved:

Adopted: _____, 2024

_____, 2024

Daniel Biss, Mayor

Attest:

Approved as to form:

Stephanie Mendoza, City Clerk

Alexandra B, Ruggie, Corporation Counsel

Residential Rental Registration and Inspection Program

Effective March 1, 2025

Original Proposal			
Building Size	Initial Registration (per building)	Annual Registration Renewal	Inspection Fee* (per unit)
All Buildings	\$200	\$100	\$40

Alternative (based on feedback from landlords)			
Building Size	Initial Registration (per building)	Annual Registration Renewal	Inspection Fee* (per unit)
All Buildings	\$200	\$12 (per unit)	\$50

Alternative (Proposal 3 in the survey sent to landlords)			
Building Size	Initial Registration (per building)	Annual Registration Renewal	Inspection Fee* (per unit)
Single-unit	\$200	\$30	\$50
2 - 4 units	\$200	\$45	\$50
5 - 12 units	\$200	\$75	\$50
13 - 25 units	\$200	\$150	\$50
26 - 50 units	\$200	\$220	\$50
51 - 100 units	\$200	\$440	\$50
> 100 units	\$200	\$740	\$50

*Inspection fees shall be assessed for the initial registration inspection, routine inspections, and the second and subsequent re-inspections required in the case of violations. Scheduled inspections cancelled with less than twenty-four (24) hours notice shall be assessed the full inspection fee per unit, up to a maximum of two-hundred dollars (\$200) per building.