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AN ORDINANCE AMENDING TITLE 5 (BUILDING), CHAPTER 8 (RENTAL HOUSING), SECTION 5-8-1-7 REGARDING RENTAL PROPERTY REGISTRATIONS

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WHEREAS, the Village of Orland Park, a home rule municipal corporation, has adopted regulations requiring the licensing of all rental properties within the Village's boundaries since 2017; and

WHEREAS, since enacting those provisions of the Village code, Village staff has maintained registration statistics and other information relating to the prevalence of rental properties within the Village; and

WHEREAS, in 2017, the Village was recognized as having one of the highest rates of owner-occupied homes in the nation, with 89.2% of homes in Orland Park being owner-occupied, according to Census Bureau American Community Survey Data and an analysis by 24/7 Wall St.; and

WHEREAS, even though the national rate of owner-occupied homes has increased from 62.4% to 64.8% since 2017, the percentage of owner-occupied homes within the Village has fallen during that same time period, declining to 55.9%, according to 2022 American Community Survey Data; and

WHEREAS, at the same time as this decline in the Village's owner-occupied housing rate, institutional investors have been entering the housing market at an increasing pace, including in the Village, especially focusing on converting single-family homes into rentals; and

WHEREAS, in light of these concerns, the Village determined in February, 2024 that this precipitous and statistically unusual decline in home ownership should be studied, and the best interests of the Village's residents, visitors and businesses be considered, and enacted a temporary moratorium on the issuance of new rental housing licenses; and

WHEREAS, Village staff diligently undertook a study of the conditions surrounding rental housing in the Village of Orland Park, as well as how various jurisdictions have established regulations promoting home ownership and stability in rental housing in their jurisdictions; and

WHEREAS, careful consideration and study has resulted in the proposed changes to the Municipal Code of the Village of Orland Park outlined herein;

WHEREAS, the Village has determined that these amendments are in the best interest of the Village and its residents and property owners.

NOW, THEREFORE, BE IT RESOLVED by the Village President and Board of Trustees of the Village of Orland Park, as follows:

SECTION 1

Each of the recitals in the Whereas paragraphs set forth above is incorporated into Section 1 of this Ordinance as if fully set forth herein.

SECTION 2

Title 5 (Building), Chapter 8 (Rental Housing), Section 5-8-1-7 (Occupancy, License, and Registration) of the Orland Park Village Code shall hereby be modified by deleting it in its entirety and replacing it with the following (new text indicated with underlining):

“5-8-1-7 OCCUPANCY, LICENSE, AND REGISTRATION:

No Dwelling Unit may be occupied by other than the owner and owner's family without having been licensed, registered and inspected. The provisions of this Code's subsection 5-8-3 shall apply for Registration and Bi-Annual inspections of any Rental Unit within the Village. Rental Licenses shall be capped at 10% of the then existing dwelling units in any Census Block, as defined by the United States Census Bureau, regardless of housing type (whether detached, attached, or multi-family). Dwelling units developed and approved through the Village's development approval process as rental units, dwelling units owned and rented by individuals on active military duty, and dwelling units owned and rented for no less than five (5) months and no more than six (6) months by “snowbird” residents who temporarily reside elsewhere are exempted from the cap, though subject to the licensing requirement. The Director of Development Services or his or her designee will develop rules for the implementation of the Rental Housing Registration Program, including rules regarding non-conformance in the initial implementation of the Program. Occupancy limits shall be determined by the applicable Village Codes. No person, corporation or business entity of any kind or nature whatsoever, shall engage in the business of renting any Dwelling Unit to the public, or operating a Rental Dwelling or Dwelling Unit, rooming house or rooming unit, unless a valid and current Residential Rental License has been issued by the Village Clerk for the specific location. This Section is not intended to apply to licensed professionals acting as brokers or agents, unless licensed professionals are owners or managers of property subject to this Code. No person shall rent or occupy a Dwelling Unit or rent or occupy any rooming house unit unless a current valid license has been issued for that specific location. This licensing requirement shall not apply to group homes governed by the Specialized Living Centers Act, 405 ILCS 25/1 et seq., dealing with the developmentally disabled, or other similar uses governed by state or federal laws, rules or regulations. No license shall be issued or renewed unless the owner or operator agrees in the application to such inspections as may be required pursuant to this chapter. Any landlord found in violation of this Section will, in addition to any applicable and assessed fines, be prohibited from applying for any rental license in the Village for a period of one (1) year.

SECTION 3

Title 5 (Building), Chapter 8 (Rental Housing), Section 5-8-3-1 (Rental Registration) Subsection 5-8-3-1 (6) of the Orland Park Village Code shall hereby be modified by deleting it in its entirety and replacing it with the following (new text indicated with underlining):

“6. The Residential Rental License Application form shall contain the following information:

a. A description of the premises by street name and number and Property Tax Identification number, and a current plat of survey of the property containing the dwelling unit.

b. The name and address of the property owner. If the owner is a corporation, the name and address of the "owner's agent" thereof shall also be provided. If the property is held in a land trust, the names and addresses of all beneficiaries must be disclosed. The agent shall be authorized by the owner in writing to accept service of any Village notices on behalf of the owner, including appointment letters, notices of code violations, court process or any other communication or correspondence in connection with the administration and enforcement of this and other Village Codes and ordinances.

c. The name, address and twenty-four (24) hour contact information of the owner's agent.

1. When a rental unit is owned by more than one individual, or is owned by an entity that is not a natural person, an owner's agent must be designated. No owner's agent may be designated who is responsible for more than 8 dwelling units unless the rental units are part of a rental only development that was approved as a rental development by the Village Board of Trustees.

2. The Village shall be notified in writing within ten (10) days of any change of the owner's agent.

3. An owner with a designated "owner's agent" who is found not to be customarily available or able to perform the duties as defined shall designate a different individual who is able to properly fulfill the requirements within ten (10) days of being notified of the deficiency.

4. The signature of the owner or the owner's agent.

5. For the purposes of an emergency response to a residential rental property the owner or owner's designated agent must be located within fifteen (15) miles of the Village corporate limits for building and tenant emergencies. This person must be listed on the license application and registration form and readily accessible to the Unit Tenant, Village, Police and/or Orland Fire Protection District. The owner or owner's agent must be physically present at any time that an unleased dwelling unit is accessed by potential lessees.

SECTION 4

The Rental Moratorium enacted by the Village on March 18, 2024 shall be extended until the effective date of this Ordinance, January 1, 2025.

SECTION 5

All Ordinances and parts of Ordinances are, to the extent of any conflict with this resolution, hereby rescinded.

SECTION 6

This Ordinance shall take effect on January 1, 2025; after its adoption, approval, and publication as provided by law.

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