



CITY OF SPRING PARK
PLANNING COMMISSION AGENDA
FEBRUARY 13, 2019 – 6:00 PM
SPRING PARK CITY HALL

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ADOPT AGENDA
5. APPROVAL OF MINUTES
 - a. Planning Commission Meeting Minutes from January 9, 2019
6. CONSIDERATION/DISCUSSION ITEMS
 - a. Short-Term/Rental Licensing Ordinance Discussion
7. COMMUNICATIONS
8. MISCELLANEOUS
9. ADJOURNMENT



CITY OF SPRING PARK
PLANNING COMMISSION MINUTES
JANUARY 9, 2019 – 6:00 PM
SPRING PARK CITY HALL

1. CALL TO ORDER - The meeting was called to order by Chair Hoffman at 7:00 p.m.
2. PLEDGE OF ALLEGIANCE – Chair Hoffman led the audience in the Pledge of Allegiance.
3. ROLL CALL

Planning Commissioners Present: Jeff Hoffman, Chair, Bruce Homan, Michael Mason, and Pete Kaczanowski

Planning Commissioners Absent: Max Avalos

Staff Present: Dan Tolsma, City Administrator; Al Brixius, City Planner; Scott Qualle, Building Official; and Theresa Schyma, City Clerk.

Others Present: Catherine Kane Palen, City Council Member/Planning Commission Ex-Officio; Pamela Horton, City Council Member/Planning Commission Ex-Officio Alternate

4. ADOPT AGENDA

Commissioner Mason asked for an addition of Item #8a – City of Spring Park memorabilia.

M/Mason, S/Homan to approve the agenda as amended.

Motion carried 4-0.

5. APPROVAL OF MINUTES

- a. Planning Commission Meeting Minutes from December 12, 2018

M/Homan, S/Kaczanowski to approve the minutes.

Motion carried 4-0.

6. CONSIDERATION/DISCUSSION ITEMS

- a. Short-Term/Rental Licensing Ordinance Discussion

City Planner Brixius provided an overview of the International Property Maintenance Code (IPMC) and how it would factor into a rental ordinance in the City of Spring Park. He stated that the goal of a rental ordinance is to 1) ensure rental housing conditions are safe, 2) require that the landlord is responsible for tenant behavior, and 3) provide a licensing process so that properties are inspected. He stated that rental properties are businesses operating in a residential district and standards need to be maintained for both the renters and the surrounding neighborhood.

Commissioner Mason asked if the IPMC was stricter on short-term rental properties than long-term.

Building Official Qualle responded that the IPMC provides a level playing field for all rental properties. He added that the IPMC has reasonable standards and there is not an undue burden on property owners to comply.

Commissioner Homan asked what would happen to a single-family rental property that was built at a time when smoke alarms were not required.

City Planner Brixius responded that the change from strictly owner occupancy to a short-term or long-term rental property would require life safety upgrades since the owner is no longer the only person taking the risk of living in that home.

Commissioner Mason stated he wants a requirement for short-term rental properties to be owner occupied so that the neighborhood doesn't feel like they are the ones who have to monitor these rental properties.

Chair Hoffman stated he is not in favor of requiring owner occupied short-term rentals.

Commissioner Homan agreed with Chair Hoffman stating that owner-occupancy is ideal but that it shouldn't necessarily be a requirement.

Commissioner Mason responded that requiring owner occupancy keeps the neighborhoods clean.

Chair Hoffman responded that is not necessarily the case. He added that the outdoor storage and nuisance ordinances from 2017 came about because homeowners were neglecting their own properties. He stated that it is the character of the property owner, and not the proximity to the property, that determines how well someone maintains their property.

Chair Hoffman questioned the IPMC standards for the exterior of the housing since the focus should be on health, safety, and welfare not the aesthetics of a property.

Building Official Qualle responded that each section of the IPMC is within the City's control to adopt, alter, or remove. He added that the premise of the IPMC is to get housing stock up to par and that chipping paint leads to rotting wood which leads to drainage issues which can lead to other types of health issues.

City Planner Brixius added that the IPMC doesn't care about what color a house is painted but that the property is maintained so that minor issues do not become major health and safety issues.

Chair Hoffman agreed.

Commissioner Mason stated that he believes the required parking spaces need to be identified on the property owner's application.

City Planner Brixius responded that identifying parking spaces and meeting parking requirements will be part of the application process.

Chair Hoffman asked for a recap of the next steps in the process.

City Planner Brixius responded that staff would draft ordinance language for short-term rentals, long-term rentals, and IPMC standards for the Planning Commission to review in February. After the Planning Commission has provided feedback and made their edits the new draft language would be added to the City's website. Public hearings will be scheduled and all residents and property owners in the City will be notified. He stated that several public hearings may be necessary since many topics are addressed within this proposed ordinance.

7. COMMUNICATIONS – None.

8. MISCELLANEOUS

a. City of Spring Park memorabilia - Commissioner Mason requested a follow-up on his idea of having Spring Park memorabilia available to the public for purchase.

City Administrator Tolsma responded that he would talk to the Minnetonka Beach City Administrator and visit their City Hall to see what kind of a display area they have.

9. ADJOURNMENT

M/Mason, S/Homan adjourn the Planning Commission Meeting at 7:38 p.m.

Motion carried 4-0.

Date Approved: February 13, 2019

Dan Tolsma, City Administrator

Theresa Schyma, City Clerk



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MEMORANDUM

TO: Dan Tolsma
FROM: Al Brixius / Ryan Saltis
DATE: February 6, 2019
RE: Rental Housing Ordinance Drafts
FILE NO: 175.01 18.18

BACKGROUND

The Spring Park Planning Commission has requested staff to draft a Rental Housing Ordinance after prior discussion of the topic at meetings. The Planning Commission has reviewed ordinances from several surrounding communities for both short term rental properties and long term rental properties. Some of the communities that were researched included both short term and long term properties in one cohesive rental ordinance while other communities had separate regulations depending on the length of stay. Staff is also proposing the inclusion of some or all of the International Property Maintenance Code (IPMC) into the ordinance to ensure that the rental housing units are in safe, sanitary and livable conditions.

Attached for reference:

Exhibit A: Draft- Spring Park Rental Housing Ordinance (Long Term Properties)
Exhibit B: Draft- Spring Park Rental Housing Ordinance (Short Term Properties)
Exhibit C: IPMC Summary Report

ANALYSIS

Long-Term Rentals:

The Delano rental housing ordinance was closely reviewed by the Planning Commission and seemed to follow proper regulations that the City is seeking for long term rental properties. The draft of the Spring Park rental housing ordinance for long term properties

can be seen in Exhibit A attached to this report. Key points of this newly drafted ordinance include the following:

Key Points:

1. This code would be applicable to all rental properties requiring a City rental license for multiple family apartments, townhomes, twin homes and single family homes. The only exception would be State licensed convalescent facilities, nursing homes, and assisted living facilities.
2. This code would not apply to the lodging of one person within one's home.
3. The license will require an application and fee.
4. Issuance of a rental permit will require an initial inspection of the building, the individual units, and the site for compliance with the International Property Maintenance Code. During this inspection, the building inspector looks for items in the building and/or units that present safety or maintenance concerns. The inspector will ensure that minimum maintenance standards are met. The structure shall be maintained in a safe, sanitary and functional condition, and there are no hazards present. Following the inspection, the property owner receives a "fix it" list that spells out the repairs that will be needed to bring the property into compliance with City Codes. A follow up inspection is conducted to ensure the "fix it" list has been completed prior to issuance of the rental license.
5. The license shall be renewed in a three year cycle and an inspection is required with each renewal.
6. The ordinance holds the property owner/landlord responsible for their tenant's behavior. If the tenant presents frequent disorderly behavior that presents nuisance or safety issues within the site or adjoining neighborhood, both the City and the landlord are responsible of corrective measures. The lack of action on behalf of the landlord may lead to fines or the suspension, revocation or the not renewing a rental license.

Short-Term Rentals:

Nearby cities with similar land uses to Spring Park were researched for short-term rental regulation per request from the Planning Commission. After researching surrounding communities and hearing the requests set forth by City staff and the Planning Commission of Spring Park, an ordinance has been drafted for short term rental housing and can be seen fully in Exhibit B attached to this report. General license standards are set in order to lease a rental unit for a period of less than 30 days and a set of conditions must be met prior to receiving a short term rental license. The general license standards conditions include the following:

General License Standards:

1. The owner shall provide the City and any tenant with a 24-hour emergency contact that will be available to respond to complaints regarding the condition, operation, or conduct of occupants of a rental unit at the rental property within 60 minutes.
2. The rental property must have a visible house number that can be easily seen from the street both day and night.
3. All advertising for the rental shall include the city issued license number.
4. The primary overnight and daytime occupant of a rental unit must be an adult 18 years of age or older. This adult must provide a telephone number to the owner and shall be accessible to the owner by telephone at all times.
5. Minimum of two off street parking spaces shall be provided. The maximum number of vehicles allowed at a rental property shall be limited to the number of available off street parking spaces.
6. Licenses issued are non-transferable. Each license shall automatically terminate upon the sale or other conveyance of the property to an unlicensed person or entity.
7. Licenses granted constitute a revocable, limited right. Nothing shall be construed as granting a vested property right.
8. The licensee must provide a Certificate of Property Insurance at the time of license issuance. The City may request proof of such insurance at any point during which the license is active, and the licensee must provide evidence that the coverage has remained in effect during the entire license period within one week of the city's request for confirmation. Such obligation shall exist during all times at which a valid license is issued for the property.
9. Licenses granted under this section are valid for a three year term. A renewal license must be applied for three months prior to expiration. Licenses expire on April 1st after the third year of issuance.
10. Each license shall indicate the number of bedrooms which are contained in the Primary Residence. No licensee shall advertise the Primary Residence as containing any more than the identified number of bedrooms. The number of bedrooms, as indicated on the license, shall be used for all calculations.
11. The maximum number of guests permitted to stay within a Short Term Home Rental during one rental period shall be the sum of the number of Bedrooms contained in the Primary Residence multiplied by two, up to a maximum of 10. Such sum shall include adults and children.

12. No commercial signage is allowed on the property of any Short Term Home Rental.
13. Follows the 2018 International Property Maintenance Code.
14. Applicant demonstrates that they have obtained a State of Minnesota and Hennepin County License.

Several regulations will need to be followed for short term rental compliance with the State, County and finally the City. These regulations are described below:

State Regulations:

The Minnesota Department of Health is the agency that handles the licensing, inspection, and regulation of all lodging establishments. Short-term rentals are considered by the state to fall into the category of Vacation Home Rentals, which are established as having 1 or more units and can be rented for as little as a single day, just like any other lodging establishment such as a hotel. Vacation home rentals are required to be licensed with the state annually, and this requires the payment of a fee and an inspection carried out by the Minnesota Department of Health.

Fees for licensing and operating a vacation rental are variable depending on a number of factors but generally includes the following. These licensing fees are laid out in Minnesota Statute 157.16.

Fee Type	Fee Amount
Base Application Fee	\$165
Lodging Establishment Fee	\$11 per sleeping accommodation unit
Private Sewer or Water	\$60
Statewide Hospitality Fee	\$40

In addition to these fees, operating a lodging establishment without a license or after a license has expired has a fee of \$120, and this fee becomes \$360 after 30 days have passed.

Inspections by the MDH are conducted upon lodging establishments with varying frequency depending on the level of public health risk the establishment presents. The majority of vacation homes would be considered “low-risk” and would therefore be inspected every 24 months. Rentals would have to meet the requirements for lodging establishments laid out in chapter 4625 of Minnesota’s Administrative Rules.

Hennepin County Regulations:

Hennepin County has an ordinance in place for lodging establishments that would impact short-term rentals in Spring Park. In addition to the State Regulations listed above, licensing for lodging establishments is subject to the requirements of Ordinance 1, County Licenses, Procedures – Criminal Penalty. This ordinance lays out what qualifies as an unlawful activity relating to the operation of a business requiring county licensing, such as operating a lodging establishment with a suspended license or failing to correct methods of operation after receiving a citation from the county.

In addition to the fees levied by the state in statute 157.16, Hennepin County has a separate set of licensing fees. Similar to the state’s structure, the County’s food, beverage, and lodging license fees are based on the risk level presented by the establishment. The 2018 fees for lodging are shown below.

Fee Type	Fee Amount
Base Application Fee (Small Establishment)	\$160
Additional Fee per Room (Small Establishment)	\$12 per sleeping accommodation unit

ARTICLE V. - RENTAL HOUSING

DIVISION 1. - GENERALLY.

Sec. 12-247. - Statement of policy.

- (a) The City believes that providing for public health, safety and welfare to its citizens mandates the existence of a rental dwelling unit registration permit and maintenance program that corrects substandard conditions and maintains a standard for rental dwelling units.
- (b) It is the purpose of this section to assure that rental housing in the City is decent, safe and sanitary and is so operated and maintained as not to become a nuisance to the neighborhood or to become an influence that fosters blight and deterioration or creates a disincentive to reinvestment in the community. The operation of rental dwelling units is a business enterprise that entails certain responsibilities. Operators are responsible to take such reasonable steps as are necessary to assure that the citizens of the City who occupy such units may pursue the quiet enjoyment of the normal activities of life in surroundings that are: safe, secure and sanitary; free from crimes and criminal activity, nuisances or annoyances.
- (c) This section shall apply to all dwelling units that are leased in whole or in part as a rental dwelling unit for 30 consecutive days or more, including single-family and two-family townhome or multiple family housing. It also includes accessory structures such as garages and storage buildings and appurtenances such as sidewalks and retaining walls, which are on the property. This section does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, residential group homes licensed by the State serving six (6) or fewer persons, nursing homes, hotels or motels licensed by the City or accessory apartments utilized by blood relative or on-site employee or servant or the boarding or up to one (1) unrelated person.

Sec. 12-248. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Apartment Building means, any building or portion thereof that contains three or more dwelling units, sleeping rooms, or a combination thereof but not including condominiums or town homes.

Building Official means the building official for the City of Spring Park or his/her duly authorized representative(s).

City shall mean the City of Spring Park.

City Council shall mean the City Council of the City of Spring Park .

Condominium means a single-dwelling unit in a multi-dwelling unit building that is separately owned and may be combined with an undivided interest in the common areas and facilities of the property. Each individual owner may sell or encumber his/her own unit.

Denial means, as used in this code is the refusal to grant a rental registration permit to a new or renewing applicant by the City.

Dwelling Unit means any building or portion thereof that contains living facilities, including provisions for sleeping, eating, cooking and sanitation, for not more than one family.

Dwelling, Single-Family means a building or portion thereof containing one dwelling unit. For purposes of this section, a single-family dwelling unit includes a free standing single family residence, a single dwelling in a cooperative, an individual condominium or townhouse, a single dwelling unit in a non-residential structure or a dwelling unit offered for rent in a duplex in which the owner occupies the other dwelling unit.

Dwelling, Two-Family means a building or portion thereof containing two dwelling units.

Efficiency Dwelling Unit means a dwelling unit containing only one habitable room plus private bathroom facilities within the unit.

Family means One (1) or more persons each related to the other by blood, marriage, adoption, or foster care, or a group of not more than three (3) persons not so related maintaining a common household and using common cooking and kitchen facilities.

Lease means an oral or written agreement between a dwelling unit owner and a tenant for temporary use of a rental dwelling unit, usually in exchange for payment of rent.

Rent means the consideration paid by a tenant to the owner of a rental dwelling unit for temporary and exclusive use of the rental dwelling unit by the tenant. The consideration is not limited to cash.

Rental Dwelling Unit means a dwelling unit or sleeping room occupied and leased by a tenant.

Rental Registration Permit means the formal approval of an activity specified on the rental registration certificate issued by the City.

Revoke means to take back a rental registration permit issued by the City.

Sleeping Room means any room or rooms used or intended to be used by a tenant for sleeping purposes with or without meals and not licensed by the Minnesota Department of Health.

Suspend means to make a rental registration permit temporarily.

Tenant means any adult person granted temporary use of a rental dwelling unit or sleeping room pursuant to a lease with the owner of the rental dwelling unit.

Townhouse means a single-family dwelling constructed in a group of dwellings attached to each other and where each dwelling unit extends from the foundation to the roof and is separated from other dwelling units by property lines.

DIVISION 2. REGISTRATION PERMIT.

Sec. 12-249. - Required.

No person shall operate, let or cause to be let a rental dwelling unit which has not been properly registered by the City in the manner required by this code. A registration permit must be obtained for each residential dwelling unit except, two or more residential dwelling units located within a single building and having a common owner and a common property identification number shall require only a single permit the applicant. Upon receipt of the properly executed initial application for a rental registration permit, the applicant shall cause an inspection to be made of the rental dwelling unit(s) by either the City Building Official or a certified building inspector to determine whether it is in compliance with this section or other Spring Park Code sections or the laws of the State of Minnesota. If code compliance is met, the City shall issue a certificate of property maintenance. Every rental dwelling unit may be re-inspected on a regular basis after a renewal application is filed to determine if it still conforms to all applicable codes and laws.

Sec. 12-250. - Application.

A registration application shall be submitted to the building official on forms furnished by the City and must contain the following information:

- (1) Name, address, and telephone number of the owner of the rental dwelling unit(s). This is the address to which the City will send all future correspondence. Owner shall indicate if the owner is a corporation, partnership or sole proprietorship.
- (2) Name, address, and telephone number of any owner's agent responsible for the management of the premises rental dwelling unit(s).
- (3) Legal address of the premise rental dwelling unit(s).
- (4) Number and type of dwelling units by bedroom count (efficiency) (one (1) bedroom, two (2) bedrooms, etc.)

Sec. 12-251. - Changes in Ownership and Amended Permits.

A registration permit is not assignable. Any changes occurring in the ownership of a rental dwelling unit(s) require a new registration permit. The new owner must obtain a new registration permit within thirty (30) days of acquiring the property. If any changes occur in any information required on the registration application, the owner must submit an amended registration application to the City within thirty (30) days of the change. If any rental dwelling units are added to a current registration permit, the additional rental dwelling units must be registered by amendment of the current registration permit and must be accompanied by the fee required for the additional units.

Sec. 12-252. - Three Year Cycle Registration.

All rental dwelling units shall be registered before being let, in whole or in part. Registrations will expire at midnight on April 1st of the third year. The registration permit for each building containing rental dwelling units must be renewed at least 30 days prior to the expiration of the current rental license. Rental dwelling units must be registered as a sleeping room, a single-family dwelling, a two-family dwelling, or an apartment building. Any unregistered rental dwelling units are subject to penalties.

Sec. 12-253. - Registration Fee.

The registration fees required by this section are set forth in Sec. 12-266 of this Code. The fee must accompany the registration application. The registration fee is doubled when an application is received more than thirty (30) days after it was due. Exception: Rental dwelling units owned or under the control of the City must be registered but are exempt from paying registration fees.

Sec. 12-254. - Record Retention.

The registration application and all other documents pertinent to a rental dwelling unit shall be kept on file in the office of the building official. A copy shall be furnished to the owner or other authorized person upon request.

Sec. 12-255. - Issuance of Permit.

The City shall issue a registration permit if the rental dwelling unit(s) and the application are found to be in compliance with the provisions of this Section and any required registration fees are paid. A registration permit will be issued for each residential dwelling unit except, two or more residential dwelling units located within a single building and having a common owner and a common property identification number shall be issued a single registration permit. Rental registrations shall be conspicuously posted in all rental properties sharing a common entrance used by two (2) or more rental dwelling units and the

property owner or agent for the owner must be able to present the registration permit if asked to do so.

Sec. 12-256. - Authority.

The City Administrator or the Administrator's authorized designees shall be responsible for enforcement and administration of this code. Authority to take any action authorized under this section may be delegated to the City Administrator's authorized designee.

Sec. 12-257. - Certificate of Property Maintenance.

A Certificate of Property Maintenance shall be required prior to issuance of a Rental Registration Permit. Upon inspection, the proposed rental property shall meet the following criteria.

- (1) All buildings for rental registration including mechanical, electrical, plumbing and other building systems, previously constructed or installed in accordance with the City and state codes, must be maintained in conformance with the requirements of the codes in effect at the time of construction or installation.
- (2) Specific requirements of other sections of this code, including, but not limited to, zoning, fire, building, and nuisances, and the International Property Maintenance Code and nuisances, shall supersede the general requirements of this Section.
- (3) In cases where a conflict may occur between requirements of this section or other codes, the requirements providing the greatest degree of life safety, property maintenance and general welfare to the City shall govern.

Sec. 12-258. - Inspection.

The building official may set up a schedule of periodic inspections to insure compliance with this section. The building official shall provide reasonable notice to the owner or the owner's agent as to the date and time of the inspection. Each occupant of a rental dwelling unit shall give the owner or the owner's agent access to any part of such rental dwelling unit at reasonable times for the purpose of effecting inspection, maintenance, repairs or alterations as are necessary to comply with the provisions of this Ordinance. If any owner, owner's agent or tenant of a rental dwelling unit fails or refuses to permit entry to the rental dwelling unit under his/her control for an inspection pursuant to this section, the building official may seek a Court Order authorizing such inspection. As an alternative to City inspection, the landlord may elect to hire a private certified building inspector at his or her cost. Those results and findings of said inspection shall be turned over to the City's building official for review.

Sec. 12-259. - Disorderly Behavior at Registered Rental Dwelling Units.

- (a) It shall be the owner's responsibility to assure that the tenants, the tenants' family members and the guests of any tenant or tenant's family member not engage in disorderly behavior in the rental dwelling unit. For the purposes of this section, rental dwelling unit shall include common areas in the building where the rental dwelling unit is located.

- (b) For the purposes of this section, disorderly behavior may include but is not limited to the following:
 - (1) Drug-related illegal activity in the rental dwelling unit. "Drug-related illegal activity" means the illegal possession, manufacture, sale, distribution, purchase, use, or possession with intent to manufacture, sell, or distribute a controlled substance (as defined in the Controlled Substance Act [U.S.C. 802]) or possession of drug paraphernalia (MS 152.092). A tenant shall be deemed to be in possession of a controlled substance if any amount is located in the tenant's rental dwelling unit even if the tenant claims not to know the controlled substance was present unless the tenant provides a sworn statement by a person, other than another tenant or tenant's family member, that the controlled substance was theirs and the tenant had no knowledge of the controlled substance.
 - (2) Acts of violence or threats of violence including but not limited to discharge of firearms, prostitution, intimidation, or any other act that otherwise jeopardizes the health, safety or welfare of the owner, his agents or tenants.
 - (3) Violation of Minnesota Statute, Section---609.72 (Disorderly Conduct).
 - (4) Violation of Minnesota Statutes 609.74 and 609.745 (Public Nuisance).
 - (5) Violation of Minnesota Statutes 609.66, Subd. 1(a), 609.67 or 624.713 (Unlawful use or possession of a firearm or weapon).
 - (6) Violation of Minnesota Statute 609.50 (Obstructing Legal Process).
 - (7) Exceptions:
 - a. Calls will not be counted for purposes of determining whether a registration permit will be denied, suspended, non-renewed or revoked where the victim and suspect are "Family or household members" as defined in the Domestic Abuse Act, Minnesota Statutes, Section 5186 01, Subd. 2(b) and where there is a report of "Domestic Abuse" as defined in the Domestic Abuse Act, Minnesota Statutes, Section 5186 01, Subd. 2 (a).

- b. Calls will not be counted for purposes of determining whether a registration permit will be denied, suspended, non-renewed or revoked where the call is a result of a tenant, a member of a tenant's household, or guest taking action to seek emergency assistance that is protected by Minnesota State Statute 504B.205, Residential tenant's right to seek police and emergency assistance.
- (c) Instances of Disorderly Behavior.
 - (1) First Instance. Upon determination by the City Administrator that a rental dwelling unit was the location of disorderly behavior, the building official shall notify by first class mail the owner and tenant of the violation and direct the owner to take steps to prevent further violations.
 - (2) Second Instance. If a second instance of disorderly behavior occurs at a rental dwelling unit within three (3) months of the time a notice was sent for previous disorderly behavior at the same unit, the City Administrator shall notify by first class mail the owner and the tenant of the violation and direct the owner to submit, within ten (10) days of the date of the notice, a written report of all actions taken by the owner since the first violation notice and actions the owner intends to take to prevent further disorderly behavior.
 - (3) Third Instance. If a third instance of disorderly behavior occurs at a rental dwelling unit within three (3) months after the first of two previous notices of disorderly behavior at the same unit, the rental dwelling unit registration permit may be revoked, suspended or not renewed by the City Council upon the recommendation of the City Administrator. The building official shall make his/her decision to recommend revocation, suspension or non-renewal of the registration permit and submit his/her recommendation to the City Council within ten (10) days of the third instance of disorderly behavior.
 - (4) For purposes of this section, second and third instances of disorderly behavior shall be those which:
 - a. Occur at the same rental dwelling unit; or
 - b. Involve tenants at the same rental dwelling unit; or
 - c. Involve guests or invitees at the same rental dwelling unit; or
 - d. Involve guests or invitees of the same tenant; or
 - e. Involve the same tenant

- (d) No adverse registration permit action shall be imposed where the instance of disorderly behavior occurred during pending eviction proceedings (unlawful detainer) or within thirty (30) days of notice given by the owner to a tenant to vacate the rental dwelling unit. However, adverse registration permit action may proceed when the owner fails to diligently pursue the eviction process. Further, an action to deny, revoke, suspend or not renew a registration permit based upon violations of this Section may be postponed or discontinued at any time if the owner has taken appropriate measures which will prevent further instances of disorderly behavior which may include a failed eviction process.
- (e) A determination that the rental dwelling unit has been the location of disorderly behavior shall be made upon substantial evidence to support such a determination. It shall not be necessary that criminal charges be brought in order to support a determination of disorderly behavior, nor shall the fact or dismissal or acquittal of such a criminal charge operate as a bar to adverse registration permit action under this section.
- (f) Enforcement actions provided in this section shall not be exclusive, and the City Council may take any action with respect to an owner, a tenant or the registered rental dwelling unit(s) as is authorized by this ordinance or state law.

Sec. 12-260. – Revoking, Suspending, Denying or Not Renewing a Registration Permit.

- (a) The City Council may revoke, suspend, deny or decline to renew any registration permit issued under this section. In buildings containing more than one rental dwelling unit, the revocation, suspension, denial or declination may apply to one or more rental dwelling units at the discretion of the City Council. The basis for such revocation, suspension, denial or non-renewal includes, but are not limited to, any of the following circumstances:
 - (1) The registration permit was procured by misrepresentation of material facts with regard to the rental dwelling unit or the ownership of the rental dwelling unit.
 - (2) The applicant or one acting in his/her behalf made oral or written misstatements accompanying the application.
 - (3) The applicant has failed to comply with any condition set forth in any other permits granted by the City.
 - (4) The activities of the owner/agent create or have created a danger to the public health, safety or welfare.

- (5) The rental dwelling unit contains conditions that might injure or endanger the safety, health or welfare of any member of the public.
 - (6) Failure to pay any application, per or reinstatement fee required by this section and City Council resolution.
 - (7) Failure to correct violations of Spring Park Code Section 406.01 (Rental Housing Code) in the time period specified in the notice of violation and correction.
 - (8) Following the third instance of disorderly behavior specified in Section 12-259 (c)(3) that is not subject to the exception set forth in subdivision 2(g) of Section or the circumstances set forth in subdivision (c)(4) of Section 12-259.
 - (9) Violation of any regulation or provision of the code applicable to the activity, to which the registration permit has been granted, or any regulation or law of the state so applicable.
 - (10) Failure to continuously comply with any condition required of the applicant for the approval or maintenance of the registration permit.
 - (11) Any violation of this section.
- (b) Fines. In lieu of or in addition to revoking or suspending a registration permit for violations of this section of the Code or Section 1-14, the City Council, in its sole discretion, may impose a civil fine. Fines shall primarily apply to the following violations of this code and shall be in an amount as set out in the matrix following this section:
- (1) Renting a residential dwelling unit without proper registration as required herein.
 - (2) Failure to comply with a property maintenance correction order from the Building Official or his designee before a third property maintenance inspection is conducted in response to the property maintenance correction order.

Fine Matrix		
1st Violation	2nd Violation Within 12 Months of 1st Violation	3rd Violation Within 12 Months of 1st Violation
\$100.00	\$150.00	\$200.00

- (c) Notification. The building official shall notify the owner or the owner's agent in writing of the basis for the fine, revocation, suspension, denial or non-renewal and the date upon which the City Council shall review the request to fine, revoke, suspend, deny, or not renew the registration permit. The notice required by this section shall be served upon the owner or the owner's agent at least twenty (20) days before the City Council hearing. Service shall be deemed sufficient if the notice is sent to the owner or the owner's agent by first class mail at the address provided in the registration application. It shall be the responsibility of the owner or the owner's agent to notify the tenant in writing of the hearing date, time and place.
- (d) Hearing. The owner or the owner's agent and the building official shall be given an opportunity to be heard. The owner may be represented by counsel. Both sides may be permitted to examine the other side's witness(es). The City Council shall hear all relevant evidence and arguments and shall review all testimony, documents, and other evidence submitted. The City Council shall record the hearing and keep a record of documentary evidence submitted.
- (e) Decision. The City Council shall make findings based on the evidence and shall make a decision on the recommendation to fine, revoke, suspend, deny, or non-renew a registration permit based on the findings. The City Council shall issue a written decision regarding the recommendation of the building official within thirty (30) days following the date of the hearing and shall notify the appellant of the decision by first class mail with a duplicate copy to the building official. The decision shall specify the rental dwelling unit or units to which it applies. Thereafter, and until a registration permit is reissued or reinstated, no rental dwelling units that have had their rental registration permit revoked, suspended, denied, or non-renewed may be re-let or occupied. Revocation, suspension, denial, or non-renewal of a registration permit shall not excuse the owner from compliance with all terms of this section for as long as any rental dwelling units in the building are occupied. All fines are payable within thirty (30) days of the Council action imposing the fine. Failure to timely pay any fine imposed will result in a late fee equal to twenty-five percent (25%) of the fine and revocation or suspension of the registration permit to which the fine applies.
- (f) Permit Process after Revocation, Suspension, Denial or Renewal Declination. After the City Council revokes, suspends, denies or declines to renew a registration permit, no registration permit will be issued for the affected rental dwelling unit(s) until the building official determines that the applicant/owner has remedied the conditions identified by the City Council as the basis for its action. An application to obtain a registration permit for a rental dwelling unit after the City Council has revoked,

suspended, denied or declined to renew a registration permit for the same rental dwelling unit(s) must be accompanied by all fees required by this section.

Sec. 12-261. – Effect of Revocation, Suspension, Denial or Non-Renewal.

If a registration permit is revoked, suspended, denied or not renewed by the City Council, it shall be unlawful for the owner or the owner’s agent to thereafter permit the occupancy of the then vacant or, thereafter vacated, rental dwelling unit(s), until such time as a valid rental registration permit is obtained for the rental dwelling unit(s). Issuance of a new registration permit after revocation, suspension, denial or non-renewal shall be made in the manner provided for in this Section.

Sec. 12-262. - Posted to Prevent Occupancy.

Whenever any rental dwelling unit has been denied an initial registration permit, had its registration permit revoked, suspended, denied or not renewed, it shall be posted by the building official to prevent further occupancy. No person other than the building official shall remove or alter any posting. The building official will post the date the rental dwelling unit shall be vacated, and no person shall reside in, occupy or cause to be occupied that rental dwelling unit until the building official permits it.

Sec. 12-263. – Penalties.

A person who violates the provisions of this section may be charged with a misdemeanor. Each day that a violation continues shall be deemed a separate offense. The building official may post the rental dwelling unit by appropriate signs or notices prohibiting occupancy and may act to cause the rental dwelling unit to be vacated or remain vacant until the code violations are corrected.

Sec. 12-264. – No Retaliation.

Per Minnesota State Statutes Section 504B.205. 2, subdivision 2 “Emergency calls permitted”:

- (1) A landlord may not: (1) bar or limit a residential tenant’s right to call for police or emergency assistance in response to domestic abuse or any other conduct; or (2) impose a penalty on a residential tenant for calling for police or emergency assistance in response to domestic abuse or any other conduct.
- (2) A residential tenant may not waive and a landlord may not require the residential tenant to waive the residential tenant’s right to call for police or emergency assistance.

Sec. 12-265. – No Warranty by City.

By enacting and undertaking to enforce this code, the City, City Council, its agents, and/or employees do not warrant or guaranty the safety, fitness or suitability of any dwelling in the City. Owners and occupants should take whatever steps they deem appropriate to protect their interests, health, safety and welfare.

DIVISION 3. RENTAL PROPERTY REGISTRATION FEE.

Sec. 12-266. – Fee Amounts

Registration Fees shall be in place for all rental properties in the City.

- (1) Fee amounts for the rental property registration required by Sec. 12-266 of this Code shall be determined according to the following fee grid:

Type of Dwelling	Registration Fee*	Inspection Fee*	Rental Rewards Member – Fee*
Single Family Dwelling	\$50.00	\$70.00	\$15.00 ¹
Twinhome/Duplex	\$50.00	\$70.00 per unit	\$15.00 ¹
Townhouse	\$50.00	\$70.00 per unit	\$15.00 ¹
Condominium	\$50.00	\$70.00 per unit	\$15.00 ¹
Apartment Complex 3-5 units	\$100.00	\$25.00 per unit	\$25.00 ¹
Apartment Complex 6+ units	\$100.00	\$18.00 per unit	\$25.00 ¹

¹ In addition to the renewal rates, an inspection fee will also be charged. Inspection fees for renewal inspections shall be the same as indicated in the table above.

***Inspection fees subject to recommendations of City building inspector**

- (2) Double fee. If units are rented without a registration, the fee shall be doubled in accordance with Sec. 12-266 (1) of this Code.

DIVISION 4. SEPARABILITY.

Every section, provision, or part of this Property Maintenance Code is declared separable from every other section, provision, or part to the extent that if any section, provision, or part of this Property Maintenance Code shall be held invalid by a court of law, it shall not invalidate any other section, provision, or part thereof.

ARTICLE VI. – SHORT-TERM RENTAL HOUSING

DIVISION 1: GENERALLY

Sec. 12-267. – Statement of policy.

- (a) The City believes that providing for public health, safety and welfare to its citizens mandates the existence of a rental dwelling unit registration permit and maintenance program that corrects substandard conditions and maintains a standard for short-term rental dwelling units.
- (b) It is the purpose of this section to assure that short-term rental housing in the City is decent, safe and sanitary and is so operated and maintained as not to become a nuisance to the neighborhood or to become an influence that fosters blight and deterioration or creates a disincentive to reinvestment in the community. The operation of rental dwelling units is a business enterprise that entails certain responsibilities. Operators are responsible to take such reasonable steps as are necessary to assure that the citizens of the City who occupy such units may pursue the quiet enjoyment of the normal activities of life in surroundings that are: safe, secure and sanitary; free from crimes and criminal activity, nuisances or annoyances.
- (c) This section shall apply to all dwelling units that are leased in whole or in part as a rental dwelling unit for less than 30 consecutive days, including single-family and two-family townhome or multiple family housing. It also includes accessory structures such as garages and storage buildings and appurtenances such as sidewalks and retaining walls, which are on the property. This section does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, residential group homes licensed by the State serving six (6) or fewer persons, nursing homes, hotels or motels licensed by the City or accessory apartments utilized by blood relative or on-site employee or servant or the boarding or up to one (1) unrelated person.
- (d) All short-term rental properties in the City shall follow regulations set forth by Article V, Rental Housing as well as regulations set forth in this article of City Code.

Sec. 12-268. – Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Bedroom means a habitable room within a primary residence which is used, or intended to be used, primarily for the purpose of sleeping, but shall not include any kitchen or dining room.

Primary Residence means a dwelling unit with a homestead classification, as defined by Minnesota Statutes, section 273.124, and as determined by the Hennepin County Assessor.

Primary Resident means the owner of a primary residence or a qualifying relative, including parents, grandparents, siblings, children, grandchildren, aunts, uncles, nieces, and nephews of the owner or of the spouse of the owner.

Short Term Home Rental means a primary residence that is offered to transient guests for a period of less than 30 consecutive days at a time.

DIVISION 2: LICENSING

Sec. 12-269. – General Requirements and License Issuance.

- (a) License required. No property may be used as a Short Term Home Rental unless granted a license by the City pursuant hereto.
- (b) Homestead status required. No property may be licensed or used as a Short Term Home Rental unless the property is a Primary Residence, as defined herein.
- (c) License application. Any property owner desiring to offer or use a Primary Residence as a Short Term Home Rental within the city must apply for a Short Term Home Rental License from the City of Spring Park. A license must be approved prior to operating within the city. The license application request must be submitted on the form prescribed by the city and must include all the information requested on the application form.
- (d) License fee. The license application form must be accompanied by payment in full of the required license application fee. The license application fee amount will be as determined by the city council in the city fee schedule. Fees for new licenses obtained for less than the three-year license term will be determined on a monthly pro-rated basis until the next full three-year term.
- (e) Issuance. All Short Term Home Rental Licenses shall be issued administratively by the city administrator pursuant to the terms contained herein.
- (f) Criteria for Issuance. Prior to issuance of a Short Term Home Rental License hereunder, the applicant shall ensure the following criteria are met:

- (1) The licensee certifies on the application form that all applicable items found in this Section are satisfied. Such items shall include, but not be limited to, the following:
 - a. Short Term Home Rentals are a permitted use in the zoning district of the subject property;
 - b. The Proposed Short Term Home Rental complies with all of the performance standards found in this Section;
 - c. Certificate of Property Insurance provided to the city; and
 - d. Compliance with all applicable provisions of the City Code.
- (2) Prior to rental occupancy, property owner shall provide documentation that they have obtained a Hennepin County lodging license and State of Minnesota vacation home rental license. Copies of these licenses shall be kept on file at the Spring Park City Hall.
- (3) The rental property shall follow all regulations set forth by the International Property Maintenance Code and will be inspected by a City building official prior to issuing a short term rental license.

Sec. 12-270. – General Performance Standards.

The following shall be the general standards for all Short Term Home Rental licenses issued hereunder.

- (a) **No Physical Alterations.** No physical alterations of a Primary Residence shall be permitted in conjunction with the operation of a Short Term Home Rental, except that additional onsite parking may be provided, to the extent that such parking is otherwise permitted by the applicable provisions of the city's code.
- (b) **Non-Transferable.** Licenses issued under this section are non-transferable. Each license shall automatically terminate upon the sale or other conveyance of the property to an unlicensed person or entity.
- (c) **No Vested Right.** Licenses granted hereunder constitute a revocable, limited right. Nothing herein shall be construed as granting a vested property right.
- (d) **Insurance Required.** The licensee must provide a Certificate of Property Insurance at the time of license issuance. The City may request proof of such insurance at any point during which the license is active, and the licensee must provide evidence that the coverage as remained in effect during the entire license period within one week

of the city's request for confirmation. Such obligation shall exist during all times at which a valid license is issued for the property.

- (e) Term. Licenses granted under this section are valid for three years. A renewal license must be applied for with a minimum of three months prior to the current license expiration date. Licenses expire on April 1st after the third year of issuance.
- (f) Number of Bedrooms. Each license shall indicate the number of bedrooms which are contained in the Primary Residence. No licensee shall advertise the Primary Residence as containing any more than the identified number of bedrooms. The number of bedrooms, as indicated on the license, shall be used for all calculations required herein.
- (g) Limit on the Number of Guests. The maximum number of guests permitted to stay within a Short Term Home Rental during one rental period shall be the sum of the number of Bedrooms contained in the Primary Residence multiplied by two, up to a maximum of 10. Such sum shall include adults and children.
- (h) Signage. No commercial signage is allowed on the property of any Short Term Home Rental.
- (i) Events. Events are not allowed to be hosted by transient guests on the premises. For purposes of this Section, an event means a gathering on the premises of the total number of people permitted to stay on the premises plus five. Events hosted by the property owner are allowed, but must abide by all applicable city ordinances and policies.
- (j) Parking. Short-Term Rental Properties shall provide a minimum of two (2) off-street parking stalls for renters. The maximum amount of vehicles allowed at the rental property shall be limited to the number of off-street parking spaces provided. Additional parking stalls are subject to approval by City staff and regulations set forth in the Spring Park City Code.
- (k) Occupant Eligibility. The primary overnight and daytime occupant of a rental unit must be an adult 18 years of age or older. This adult must provide a telephone number to the owner and shall be accessible to the owner by telephone at all times.
- (l) Advertising. All advertising for the rental shall include the city issued license number.
- (m) House Number Visible. The rental property must have a visible house number that can be easily seen from the street both day and night.
- (n) Disorderly Behavior. Disorderly behavior regulations shall be followed that are set forth in Sec. 12-259 of the City of Spring Park rental housing code.

Sec. 12-271. – Enforcement and License Revocation.

- (a) Enforcement and License Revocation. Upon a finding that a licensee has violated the terms of this section, or any other applicable ordinance, law, or regulation, on two occasions within the license period, the City may revoke the license. Prior to such revocation, the city administrator shall mail written notice of the license violations to the licensee. The licensee shall have ten days to request a hearing, in writing, upon such revocation before the City Council. Failure to request such a hearing, in writing, shall constitute waiver of the right to be heard on such revocation.
 - (1) Effect of Revocation. Upon revocation of a license under this section, such licensee shall be ineligible for applying for a new Short Term Home Rental license for a period of 12 months from the date of revocation. Such prohibition shall apply not only to the Primary Residence for which the license was revoked, but also any other property held or owned by the licensee.
 - (2) Violation a Misdemeanor. Each violation of any term of this ordinance shall constitute a misdemeanor. Each day that such violation occurs shall constitute a separate misdemeanor.
 - (3) Remedies not Exclusive. In the event of a violation or threatened violation of this ordinance, the city, in addition to other remedies, is entitled to seek injunctive relief or proceedings to prevent, restrain, correct, or abate such violations or threatened violations.
 - (4) Fines. In addition to provisions herein, the city may impose fines for violations of this section in accordance with the city's approved fee schedule. Failure to pay a fine within 30 days of issuance shall be grounds for immediate revocation pursuant to this Section. A license may not be renewed until all outstanding fines have been paid.



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PLANNING REPORT

TO: Dan Tolsma
FROM: Al Brixius / Ryan Saltis
DATE: January 4, 2018
RE: Rental Housing Ordinance Drafts
FILE NO: 175.01 18.18

BACKGROUND

At their December meeting the City Council directed City Staff to proceed with the research and development of a Rental Housing ordinance for both short term and long term residential rental licensing codes. As part of all rental housing codes is the need for housing inspections to insure that the rental housing units are in safe, sanitary and livable conditions. As part of the proposed draft rental codes, staff is suggesting the adoption of the International Property Maintenance Code (IPMC). This code extends beyond in-place building and fire codes to allow a more comprehensive inspection of residential housing conditions addressing both the structure and the surrounding property conditions.

We have invited Scott Qualle to the next planning commission meeting to address the content and application of the IPMC within Spring Park. Scott has familiarity with the code and its application with other Cities.

ANALYSIS

The IPMC addresses the following topics:

Chapter 1: Scope and Administration

Section 108: Unsafe Structures and Equipment:

Unsafe structures
Unsafe Equipment
Structure for Human Occupancy
Unlawful Structure
Dangerous Structure on Premise
Closing Vacant Structures

Chapter 3: General Requirements

Section 302 Exterior Property Areas:

Grading and Drainage
Sidewalks and Driveways
Weeds
Rodent Harborage
Exhaust vents
Accessory Buildings
Motor Vehicles
Defacement of Property
Stoops, Stairs, Railings
Fences and Gates

Section 304 Exterior Structure:

Unsafe Conditions
Premise Identification, Address Signs
Foundations, load bearing, cracks, crumbling
Exterior walls, holes, cracks, decay
Roofs and drainage, leaks, eaves
Stairways, Decks, Porches, Balconies, Handrails, and guards
Chimneys and towers
Windows, Skylights, Doors, Insect Screens
Basement Hatchways

Section 305 Interior Structure:

Unsafe Conditions
Structural Supports
Interior Surfaces (walls and ceilings); clean, paint conditions (chipped, peeling), cracked walls, etc.
Stairs and walking surfaces
Handrails and Guards

Interior Doors

Section 308 Rubbish and Garbage / Section 309 Pest Elimination

Accumulation of Rubbish and Garbage
Disposal of Rubbish and Garbage
Rubbish and Garbage storage facilities
Refrigerator disposal
Pest control and elimination

Chapter 4 Light, Ventilation, and Occupancy Limitations

Section 402 Light:

Habitable Space
Common Hallways and Stairways
Other Spaces

Section 403 Ventilation:

Habitable Spaces
Bathrooms and Toilet rooms
Cooking facilities
Process ventilation
Clothes Dryer Exhaust

Section 404 Occupancy Limits:

Privacy
Minimum Room Widths
Minimum Ceiling Heights
Bedroom and Living Room Requirements
Room Area
Access from Bedrooms
Water Closet Accessibility
Prohibited Occupancy
Overcrowding

Chapter 5 Plumbing and Fixture Requirements:

Required Facilities
Toilet Rooms

Sanitary Drainage Systems
Plumbing Systems and Fixtures
Water System / Supply / Pressure
Water Supply Protection / Contamination
Water Heating

Chapter 6 Mechanical and Electrical Requirements:

Heating Facilities, Heat Supply
Safety Controls, Combustion Air, Venting, Energy Saving Devices
Room Temperatures
Occupiable Work Spaces
Ventilation and Duct Systems
Electrical Facilities
Service Connections
Electrical Wiring, Circuit Breaker Switches, Outlets
Lighting, Luminaires

Chapter 7 Fire Safety Requirements

Means of Egress
Emergency Escape Openings
Fire Resistance Ratings
Fire Protection Systems, Sprinklers, Smoke Alarms, Power Sources

CONCLUSION:

The outline above is only intended to illustrate the extent of the regulations within the IPMC. A City may edit this code and address issues unique to the individual City, however, as illustrated in the IPMC, it is intended to be comprehensive in addressing the housing conditions that are needed for safe, sanitary, and quality living environments.

With the assistance of the City Building Official we will discuss the IPMC at the Planning Commission meeting to determine if the City is comfortable with this new code and its application in Spring Park.

Theresa Schyma
Scott Quayle
Mary Tietjen