8/27 UPDATED DRAFT LONG-TERM RENTAL ORDINANCE

Draft 8/27/19

CITY OF SPRING PARK
HENNEPIN COUNTY, MINNESOTA

ORDINANCE NO. 2019 – _____

AN ORDINANCE AMENDING CHAPTER 12 (BUSINESSES) TO ADD ARTICLE V. (RENTAL HOUSING) SECTION 250-264 OF THE SPRING PARK CITY CODE

THE CITY COUNCIL OF THE CITY OF SPRING PARK, MINNESOTA ORDAINS AS FOLLOWS:

Section 1. Article V. (Rental Housing) Section 250-264 is hereby added to Chapter 12 (Businesses) to read as follows:

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Sec. 12-250. - Statement of policy.

(a) The City believes that promoting the public health, safety and welfare of 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. It is the purpose of this article 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.

(b) This article 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 townhomes or multiple family housing. It also shall apply to accessory structures such as garages and storage buildings and appurtenances such as sidewalks and retaining walls, which are on the property. This article does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, residential group homes licensed by the state, nursing homes, hotels or motels, having up to two roommates in an owner-occupied dwelling, or owner-occupied dwelling units.

Sec. 12-251. - 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 townhomes.

Building official means the building official for the City, or his/her designee.

City shall mean the city of Spring Park, Minnesota.

City administrator means the city administrator of the City, or his/her designee.

City council means the city council of the City.

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.

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 article, a single-family dwelling 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 containing two dwelling units.

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

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

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

Owner means any person, agent, operator, firm or corporation having a legal or equitable interest in the property or the rental dwelling unit; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property or rental dwelling unit, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court, or any person representing the actual owner or holding a valid rental registration permit from the city.

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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 one or more tenants.

Rental registration permit means the formal approval of an activity specified on the rental registration certificate issued by the city.

Roommate means a person unrelated to the owner of the property, who shares living of the common quarters for longer than 30 consecutive days within a homesteaded and owner-occupied property.

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.

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.

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DIVISION 2. REGISTRATION PERMIT.

Sec. 12-252. - Required.

No person shall operate, let or cause to be let a rental dwelling unit which has not been properly registered by the city. 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. 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 the building official to determine whether the unit(s) is/are in compliance with all code requirements and the laws of the State of Minnesota. If compliance is determined, the City shall issue a registration permit. Every rental dwelling unit shall be re-inspected upon submission of a renewal application, as required by this article, to determine if it still conforms to all applicable codes and laws.

Sec. 12-253. - Application.

A registration permit application shall be submitted to the city administrator on forms furnished by the city and must contain all information contained thereon, including the following:

(a) 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. The applicant shall indicate if the owner is an individual, corporation, partnership or sole proprietorship;

(b) Name, address, and telephone number of any owner's agent responsible for the management of the rental dwelling unit(s), if applicable;

(c) Legal address of the rental dwelling unit(s) and, for apartment buildings or condomoniums, the unit numbers for reach rental dwelling unit; and

(d) Number and type of rental dwelling units by bedroom count (efficiency, one bedroom, two bedrooms, etc.).

Sec. 12-254. - 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 30 days of acquiring the property if continuing to operate a rental dwelling unit thereon. If any changes occur in any information required on the registration application, the owner must submit an amended registration application to the city within 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.

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Sec. 12-255. – Registration Permit Duration.

All rental dwelling units shall be registered before being let, in whole or in part; provided, however, that all rental dwelling units that are leased and occupied by tenants as of the effective date of this ordinance shall be registered no later than April 1st, 2020. The first registration permit assigned to a rental property will be a 2-year term and upon first renewal, the term length shall be determined by the building inspector based on condition of the rental property and the city's Tiered Rental Housing Inspection Program. Registration permits will expire at midnight on April 1st of the assigned year. Registration permits must be renewed at least 30 days prior to the expiration of the current permit. Rental dwelling units must be registered as an efficiency, a single-family dwelling, a two-family dwelling, or an apartment building. Any unregistered rental dwelling units are subject to penalties as provided in this article or elsewhere in state or local law.

Sec. 12-256. - Fees.

A registration fee and per-unit inspection fee shall be adopted by the city council and included in the city's official fee schedule. All required fees must accompany the registration application and shall double when an application renewal is received more than 30 days after it was due.

Sec. 12-257. - Inspection.

Upon receipt of an application for a registration permit or renewal, the building official shall coordinate an inspection to ensure compliance with this article. 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 the inspection, maintenance, repairs or alterations as are necessary to comply with the provisions of this article. 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 article, the city may obtain an administrative warrant authorizing such inspection. Any city costs associated with obtaining a search warrant will be charged against the property being served. Upon inspection, the proposed rental property shall adhere to the following:

(a) The Minnesota State Building Code, including mechanical, electrical, plumbing and other building systems, and previously constructed or installed components must be maintained in conformance with the requirements of the codes in effect at the time of construction or installation; and;

(b) All other requirements of other sections of this code, including, but not limited to, zoning, fire, building, and nuisances, and the International Property Maintenance Code; and

In cases where a conflict may occur between any two or more code requirements, the requirements providing the greatest degree of life safety, property maintenance and general welfare to the City shall govern. If re-inspections are necessary to determine compliance, the applicant shall pay a re-inspection fee, as adopted by the city council.

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Sec. 12-258. - 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 article and all required registration and inspection 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 or more rental dwelling units and the owner or agent for the owner must be able to present the registration permit if asked to do so.

Sec. 12-259. – Inspections and Investigations in Response to Complaint.

All inspections will be completed by the Building Inspector or his or her designee so as all inspections will be completed in a uniform manner.

(a) Initial inspections of all registered properties will occur within the first year after adoption of this chapter. Properties will have a scheduled re-inspection on a schedule to be determined by the City Administrator or his or her designee. All properties shall be inspected by the city based on the City of Spring Park's Tiered Rental License Inspection Program. The city shall have the right to make periodic inspections of all properties based on complaints of landlords; tenants, neighbors or other individuals. Inspection procedures for complaints should be as follows:

(1) *Tenant complaint procedure.*

a. Tenant verbally notifies the owner of the property of a property complaint;

b. Tenant notifies property owner in writing to describe the complaint;

c. If owner does not respond and address the problem within a reasonable period, tenant may send a copy of the owner notice to the city to report the deficiency;

d. City Inspector arranges to inspect the rental unit; and

e. City Inspector notifies the owner in writing describing the deficiency and recommended corrective action, and schedule for needed corrections.

(2) *Owner complaint procedure.*

a. Owner of the property verbally notifies the tenant of property complaint;

b. Owner of the property notifies tenant in writing to describe the complaint;

c. If tenant does not respond and address the problem within a reasonable period, owner may send a copy of the tenant notice to the city to report the deficiency;

d. City Inspector arranges to inspect the rental unit; and

e. City Inspector notifies the tenant in writing describing the deficiency and recommended corrective action, and schedule for needed corrections.

All inspections shall follow Sec. 12-257 or Sec. 12-259 of city code.

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

(a) The city council may revoke, suspend, deny or decline to renew any registration

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permit issued under this article by following the process contained in 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 reasonable discretion of the city council. The basis for such revocation, suspension, denial or non-renewal may include, but shall not be 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 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 fee or reinstatement fee required by this article.

(7) Failure to correct any code violations in the time period specified in the notice of violation.

(8) Any violation of this article or any other state or local law related to the rental dwelling unit(s).

(9) Failure to continuously comply with any condition required of the applicant for the approval or maintenance of the registration permit.

(b) Fines. In lieu of or in addition to revoking or suspending a registration permit for violations of this article, the city in its sole discretion may impose a civil fine pursuant to and in accordance with Spring Park City Code, section 1-14.

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(c) Notification. The city shall notify the owner or the owner's agent in writing of the basis for a revocation, suspension, denial or non-renewal and the date upon which the city council will review a recommendation to revoke, suspend, deny, or not renew the registration permit. The notice required by this section shall be mailed to the owner or the owner's agent at least 10 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.

(d) Hearing. The owner or the owner's agent shall be given an opportunity to be heard during the city council hearing. The city council shall hear all relevant evidence and arguments and shall review all statements, documents, and other evidence submitted.

(e) Decision. The city council shall make findings based on the evidence presented and shall make a decision on the recommendation to revoke, suspend, deny, or not renew a registration permit based on the findings. The city council shall issue a written decision within 30 days following the date of the hearing and shall notify the owner of the decision by first class mail. 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 let or occupied by tenants. Revocation, suspension, denial, or non-renewal of a registration permit shall not excuse the owner from compliance with all terms of this article for as long as any rental dwelling units in the building are occupied.

(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 city 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 article.

<u>Sec. 12-261.</u> – 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 article.

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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 may 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 may post the date the rental dwelling unit shall be vacated, and no person other than the owner shall reside in, occupy or cause to be occupied that rental dwelling unit.

Sec. 12-263. – Penalties.

Any person who violates any of the provisions of this article shall, upon conviction thereof, be fined not more than the maximum penalty for a misdemeanor prescribed under State law. 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 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 tenants should take whatever steps they deem appropriate to protect their interests, health, safety and welfare.

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Section 2. Effective Date. This ordinance shall be in full force and effective immediately upon its passage and publication.

ADOPTED by the City Council of Spring Park this _____ day of _____, 2019.

CITY OF SPRING PARK

By: _____
Jerome Rockvam, Mayor

ATTEST:

By: _____
Theresa Schyma, City Clerk