



Request for City Council Committee Action from the Department of Regulatory Services

Date: January 5, 2012

To: Council Member Elizabeth Glidden, Chair – Regulatory, Energy & Environment Committee

Referral: Council Member Betsy Hodges, Chair – Ways & Means/Budget Committee

Subject: Point of Conversion, Single Family Dwellings to rental
Provide an incentive for rental property owners to attend the fundamentals of property management by reducing the fee by \$250

Recommendation: Amend Title 12 Chapter 244 Section 244.1870 Point of Conversion or change of ownership Minneapolis Code of Ordinances relating to Housing: Maintenance Code, Enforcement

Department Information

Prepared by: JoAnn Velde, Manager – (612) 673-5850

Approved by:

Gregory K. Stubbs, AICP, Director of Regulatory Services

Thomas Deegan, Director of Housing Inspection Services

JoAnn Velde, Manager of Housing Inspection Services

Presenters in Committee: JoAnn Velde

Financial Impact

- No financial impact

Community Impact

- City Goals

Supporting Information

In the past three years there has been a significant increase of property owners purchasing single family dwellings for the purpose of renting and there are some accidental rental property owners trying to avoid foreclosure that do not have the experience to effectively manage rental properties. This reduction of \$250 from the \$1,000 conversion fee will provide an incentive and opportunity for new owners to get training on the fundamentals of managing their rental property and will provide a stronger foundation for them to succeed.

To offset the revenue reduction Regulatory Services is recommending increasing the civil base fine for administrative offenses from \$200 to \$250.

	fee	instances	total
current conversion fee 800 conversions	1,000.00	800.00	800,000.00
Proposed training estimate 800 trainees with fee reduction to \$750	(250.00)	800.00	(200,000.00)
Proposed administrative citation increase \$200 to \$250	50.00	4,000.00	200,000.00
Same total revenue			800,000.00