



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

Date: April 18, 2011

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

Subject: Ordinance Amendments to Title 12, Chapter 244 related to Housing: Rental Licensing Standards

Recommendation: Amend Title 12, Chapter 244 Section 244.1910 of the Minneapolis Code of Ordinances relating to Housing: Licensing Standards adding a new subdivision (23) licensing standard
Amend subdivision (13) rental licensing standard by adding a subsection (b)

Amend Title 12, Chapter 244 Section 244.1930 of the Minneapolis Code of Ordinances relating to Housing: Rental Dwelling Licenses. Section 244.1930 Directors determination of noncompliance;

Amend Title 12, Chapter 244 Section 244.1940 of the Minneapolis Code of Ordinances relating to Housing: Denial; non-renewal; revocation; suspension. Adding language related to the changes in Section 244.1930, adding subsection (b) Lapsed licenses and subsection (c) any license action taken against an owner(s), licensee will also include an action against the appointed Property Manager of the property.

Previous Directives: None

Department Information

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Approved by:

Rocco Forté, Director of Emergency Preparedness & Regulatory Services

Thomas Deegan, Director of Housing Inspections

JoAnn Velde, Manager of Housing Inspection Services

Presenters in Committee: JoAnn Velde

Financial Impact

- No financial impact
- Action is within the Business Plan

Community Impact

- City Goals

Supporting Information

Section 244.1910 New Rental Licensing Standards:

- (23) A licensee or applicant shall not have any outstanding fines or fees owed to the city of Minneapolis related to their rental property. This standard will be enforced when a department or division has exhausted all legal means to collect the fine and fees and the owner has exhausted their appeal rights.

This change will broaden the responsibility of the rental property licensee to ensure all outstanding fines or fees owed to the city are paid. Business Licensing has similar language under 259.15: *No license or license permit shall be issued or maintained for operation on any premises, on which taxes, assessments or other financial claims of the city or of the state are due, delinquent or unpaid.*

Currently under the rental licensing standards Regulatory Services has the authority to recommend revocations for the following unpaid fines & fees:

- Water shuts caused by lack of payment by the owner,
- Unpaid judgments,
- Delinquent taxes,
- Unpaid administrative citations related to the rental property, these do include the Police Department administrative citations issued for noisy/unruly assemblies' violations on a licensed property, Fire Department residential enforcement and other divisions within Regulatory Services that apply to the rental business.
- Re-inspections fees related to Housing Code Violations

(13) b. Any person(s) who has had one license revoked will no longer be eligible to obtain any new rental licenses for a period of three years. The owner/licensee will be able to maintain their current portfolio of rental properties during this period but cannot apply for any new rented properties. The three year period will be a sufficient time period to ensure the owner/s will comply with all required rental standards for a sustainable period of time to lower the risk of poor property management practices at their properties.

Section 244.1930 Director's determination of noncompliance; notice

- (a) Adding language to not only hold the licensee accountable but also their appointed person responsible for the maintenance and management of their property for rental licensing standard violations.

Adding language that eliminates the need for this notice when a licensee and property manager violates standards a second time under 244.1910 (2) illegal dwelling units (3) over occupancy limits (4) illegally renting rooming units (18) water shuts off for non-payment (21) operating rental without a license. Once the licensee & property manager violates these standards a second time after Housing Inspection Services notifies them of the first violation any future violation of the rental license standard is grounds for revocation pursuant to Section 244.1940.

Section 244.1940 Denial; non-renewal; revocation; suspension.

- (a) Adding the same language in 244.1930 (a)
- (b) Lapsed licenses. When an owner sells their property and a revocation action has commenced the director may proceed, pursuant to subdivision (a) with an action to deny, non-renew, revoke or suspend the license held by the owner/s, licensee.

Any action taken under this section against the rental dwelling license held by the owner(s), licensee and the person designated by the owner as the person responsible for the maintenance and management