

Please find below the following action adopted by the City Council on 2/29/2008.
Petn No. 272621 (has documentation submitted to the Committees)

The PUBLIC SAFETY & REGULATORY SERVICES and WAYS & MEANS/BUDGET Committees submitted the following reports:

PS&RS & W&M/Budget - Your Committee, to whom was referred an ordinance amending Title 12, Chapter 244 of the Minneapolis Code of Ordinances relating to *Housing: Maintenance Code*, requiring an inspection and fee at the time a property converts from homestead to rental, now recommends that said ordinance be given its second reading for amendment and passage.

Your Committee further recommends:

a. That the Department of Regulatory Services be authorized an increase of 5.5 Full-Time Equivalent (FTE) positions to implement the program.

b. Passage of the accompanying resolution appropriating a maximum expense amount of \$445,700 to the Department of Regulatory Services.

c. That staff from the Department of Regulatory Services be directed to return to the City Council with a status report on the program by September 2008.

Samuels moved that Section 244.1810 of the ordinance be amended to read as follows:

244.1810. License required. No person shall allow to be occupied, let or offer to let to another for occupancy, any dwelling unit unless the owner has first obtained a license or provisional license under the terms of this article. **The practice of pre-leasing new rental construction shall be exempt from the provisions of this section.** Seconded.

Adopted upon a voice vote.

Samuels moved that Section 244.1980 of the ordinance be amended to read as follows:

244.1980. Operation of rental dwelling without license a misdemeanor. A person who allows to be occupied, lets or offers to let to another, any dwelling unit, without a license as required by this article, is guilty of a misdemeanor, punishable as provided in section 1.30 of this Code. **The practice of pre-leasing new rental construction shall be exempt from the provisions of this section.** Seconded.

Adopted upon a voice vote.

Goodman moved that Section 244.1870 (b) of the ordinance be amended to read as follows:

244.1870. License nontransferable Point-of-conversion inspection.

(b) Whenever a dwelling is converted to rental usage, the dwelling shall be promptly inspected for compliance with the minimum standards set forth in section 244.1855 of this article. The fee for the inspection required by this section shall be one thousand dollars (\$1,000.00) for the inspection of any dwelling converted to rental usage. This fee shall be in addition to the annual license fee. This provision shall not apply to buildings containing six (6) or more dwelling units nor to any rental dwelling owned by a nonprofit entity, as that term is defined in this title. The Director of Inspections may waive this provision if a property received a certificate of occupancy within three (3) years of the application date. Seconded.

Adopted upon a voice vote.

The report, with amended ordinance, was adopted 2/29/2008.

Ordinance 2008-Or-016 amending Title 12, Chapter 244 of the Minneapolis Code of Ordinances relating to *Housing: Maintenance Code*, amending Section 244.1810, 244.1850, 244.1870, 244.1910, and 244.1980 to require an inspection and fee at the time a property converts from homestead to rental, was adopted 2/29/2008 by the City Council. A complete copy of this ordinance is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized ordinance.

ORDINANCE 2008-Or-016
By Johnson, Hofstede and Samuels
Intro & 1st Reading: 11/16/2007
Ref to: PS&RS
2nd Reading: 2/29/2008

Amending Title 12, Chapter 244 of the Minneapolis Code of Ordinances relating to Housing: Maintenance Code.

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That Section 244.1810 of the above-entitled ordinance be amended to read as follows:

244.1810. License required. No person shall allow to be occupied, let or offer to let to another for occupancy, any dwelling unit unless the owner has first obtained a license or provisional license under the terms of this article. The practice of pre-leasing new rental construction shall be exempt from the provisions of this section.

Section 2. That Section 244.1850 of the above-entitled ordinance be amended to read as follows:

244.1850. Provisional licenses. The director of inspections may issue a provisional license to the owner of a rental dwelling who has submitted an application and paid the license fee required by this article. A provisional license shall authorize the continued occupancy of rental dwelling units in actual existence on the effective date of this article, pending issuance of a rental dwelling license. A provisional license shall authorize the continued occupancy of dwelling units converted to rental usage after the effective date of this article, which shall be inspected ~~within one (1) year of issuance pursuant to section 244.1870 of this article.~~ Dwelling units constructed for rental usage after the effective date of this article shall not be eligible for a provisional license.

A provisional license indicates only that the owner has submitted an application for a license and paid the required fee, and that the license shall be issued or denied after the building has been inspected for compliance with the minimum standards set forth in section 244.1855 of this article. A provisional license is not a determination that the building complies with the housing maintenance code or the minimum standards set forth in this article.

As a condition of a provisional license or annual renewal of such license, the applicant shall sign a statement affirming that the licensee meets the standards of section 244.1910, subsections (11) through (14).

Section 3. That Section 244.1870 of the above-entitled ordinance be amended to read as follows:

244.1870. License nontransferable Point-of-conversion inspection. (a) A license or provisional license issued hereunder is nontransferable. A new license application shall be required for each change of ownership of a rental dwelling and whenever a dwelling is converted to rental usage.

(b) Whenever a dwelling is converted to rental usage, the dwelling shall be promptly inspected for compliance with the minimum standards set forth in section 244.1855 of this article. The fee for the inspection required by this section shall be one thousand dollars (\$1,000.00) for the inspection of any dwelling converted to rental usage. This fee shall be in addition to the annual license fee. This provision shall not apply to buildings containing six (6) or more dwelling units nor to any rental dwelling owned by a nonprofit entity, as that term is defined in this title. The Director of Inspections may waive this provision if a property received a certificate of occupancy within three (3) years of the application date.

(c) Noncompliance with written orders duly issued pursuant to the inspection required under this section shall constitute cause for the imposition of adverse license action, including but not limited to license denial.

Section 4. That Section 244.1910 of the above-entitled ordinance be amended to read as follows:

244.1910. Licensing standards. The following minimum standards and conditions shall be met in order to hold a rental dwelling license under this article. Failure to comply with any of these standards and conditions shall be adequate grounds for the denial, refusal to renew, revocation, or suspension of a rental dwelling license or provisional license.

- (1) The licensee or applicant shall have paid the required license fee.
- (2) Rental dwelling units shall not exceed the maximum number of dwelling units permitted by the zoning code.
- (3) No rental dwelling or rental dwelling unit shall be over occupied or illegally occupied in violation of the zoning code or the housing maintenance code.
- (4) The rental dwelling shall not have been used or converted to rooming units in violation of the zoning code.
- (5) The owner shall not suffer or allow weeds, vegetation, junk, debris, or rubbish to accumulate repeatedly on the exterior of the premises so as to create a nuisance condition under section 227.90 of this Code. If the city is required to abate such nuisance conditions under section 227.100 or collect, gather up or haul solid waste under section 225.690 more than three (3) times under either or both sections during a period of twelve (12) months or less, it shall be sufficient grounds to deny, revoke, suspend or refuse to renew a license.
- (6) The rental dwelling or any rental dwelling unit therein shall not be in substandard condition, as defined in section 244.1920.
- (7) The licensee or applicant shall have paid the required reinspection fees.
- (8) The licensee or his or her agent shall allow the director of inspections and his or her designated representative to perform a rental license review inspection as set forth in section 244.2000(c).
- (9) The licensee shall maintain a current register of all tenants and other persons with a lawful right of occupancy to a dwelling unit and the corresponding floor number, and unit number and/or letter and/or designation of such unit within the building. The register shall be kept current at all times. The licensee shall designate the person who has possession of the register and shall inform the director of the location at which the register is kept. The register shall be available for review by the director or his or her authorized representatives at all times.
- (10) The licensee shall submit to the director of inspections or an authorized representative of the director, at the time of application for a rental dwelling license and for just cause as requested by the director, the following information: the number and kind of units within the dwelling (dwelling units, rooming units, or shared bath units), specifying for each unit, the floor number, and the unit number and/or letter and/or designation.
- (11) a. There shall be no delinquent property taxes or assessments on the rental dwelling, nor shall any licensee be delinquent on any financial obligations owing to the city under any action instituted pursuant to Chapter 2, Administrative Enforcement and Hearing Process.

- b. The licensee or applicant shall have satisfied all judgments duly entered or docketed against the licensee or applicant by any court of competent jurisdiction arising out of the operation of a rental property business. This subsection shall not be found to have been violated if the licensee or applicant demonstrates that the underlying case or action leading to the entry of judgment is being properly and timely removed to district court or otherwise appealed, or when the judgment is being paid in compliance with a payment plan accepted by either a court possessing jurisdiction over the judgment or the judgment creditor or during any period when the enforcement of the judgment has been duly stayed by such a court. This subsection shall become effective January 1, 2008.
- (12) There is no active arrest warrant for a Minneapolis Housing Maintenance Code or Zoning Code violation pertaining to any property in which the licensee, applicant or property manager has a legal or equitable ownership interest or is involved in management or maintenance.
- (13) Any person(s) who has had an interest in two (2) or more licenses revoked pursuant to this article or canceled pursuant to section 244.1925 or a combination of revocations or cancellations shall be ineligible to hold or have an interest in a rental dwelling license or provisional license for a period of five (5) years.
- (14) No new rental dwelling license shall be issued for the property during the pendency of adverse license action initiated pursuant to section 244.1940.
- (15) The licensee or applicant must have a current, complete, and accurate rental dwelling application on file with the director of inspections in accord with the provisions of section 244.1840.
- (16) a. Before taking a rental application fee, a rental property owner must disclose to the applicant, in writing, the criteria on which the application will be judged.
- b. Application forms must allow the applicant to choose a method for return of the application fee as either 1) mailing it to an applicant's chosen address as stated on the application form, 2) destroying it 3) holding for retrieval by the tenant upon one business-day's notice.
- c. If the applicant was charged an application fee and the rental property owner rejects the applicant, then the owner must, within fourteen (14) days, notify the tenant in writing of the reasons for rejection, including any criteria that the applicant failed to meet, and the name, address, and phone number of any tenant screening agency or other credit reporting agency used in considering the application.
- d. The landlord must refund the application fee if a tenant is rejected for any reason not listed in the written criteria.
- e. Nothing in this section shall prohibit a rental property owner from collecting and holding an application fee so long as the rental property owner provides a written receipt for the fee and the fee is not cashed, deposited, or negotiated in any way until all prior rental applicants either have been screened and rejected for the unit, or have been offered the unit and have declined to take it. If a prior rental applicant is offered the unit and accepts it, the rental property owner shall return all application fees in the manner selected by the applicant, pursuant to section (b).
- f. Violation of this subsection, 244.1910(16), may result in an administrative citation, or may contribute to the denial or revocation of a rental license.
- g. This subdivision shall become effective December 1, 2004.

- (17) An owner shall not have any violations of Minnesota Rule Chapter 1300.0120 subpart 1, related to required permits, at any rental dwelling which they own or have an ownership interest. A violation of Minnesota Rule Chapter 1300.0120 subpart 1 shall result in a director's determination of noncompliance notice being sent, pursuant to 244.1930 to the owner regarding the rental dwelling where the violation occurred. A second violation, at any rental dwelling in which the owner has an ownership interest, of Minnesota Rule Chapter 1300.0120 subpart 1, related to required permits, shall result in the issuance of a director's notice of denial, non-renewal, or suspension of the license or provisional license, pursuant to 244.1940 of the Code, for the rental dwelling where the second violation occurred.
- (18) The owner, where the owner pays the water bill for a rental dwelling, shall not allow the water to be shut off for non-payment. If water to a rental dwelling has been turned off, for lack of payment by the owner it shall be sufficient grounds to deny, revoke, suspend or refuse to renew a license or provisional license.
- (19) The provisions of this section are not exclusive. Adverse license action may be based upon good cause as authorized by Chapter 4, Section 16 of the Charter. This section shall not preclude the enforcement of any other provisions of this Code or state and federal laws and regulations.

Section 5. That Section 244.1980 of the above-entitled ordinance be amended to read as follows:

244.1980. Operation of rental dwelling without license a misdemeanor. A person who allows to be occupied, lets or offers to lets to another, any dwelling unit, without a license as required by this article, is guilty of a misdemeanor, punishable as provided in section 1.30 of this Code. The practice of pre-leasing new rental construction shall be exempt from the provisions of this section.

Adopted 2/29/2008.

**RESOLUTION 2008R-086
By Samuels and Ostrow**

Amending The 2008 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution, as amended, be further amended as follows:

That the Finance Officer be directed to increase the 2008 revenue estimate for Regulatory Services (0100-835-8560-3110) and the 2008 expense appropriation for Regulatory Services (0100-835-8560) on a quarterly basis pursuant to revenues as they are collected for the Rental Licenses Inspection at Point of Conversion Program, up to a maximum expense appropriation increase of \$445,700.

Adopted 2/29/2008.