

## Frequently Asked Questions: Tiering and Rental License Renewal Billing

### **Why did my fees go up this year?**

During the summer of 2018, the City conducted an extensive fee review. The review found that the cost of our current rental license program is \$9 million while the revenue generated by the program is \$2.5 million. To continue to provide a high-quality program that ensures safe rental housing for residents and timely and accurate services to property owners, the annual rental license fees were raised, effective January 1, 2019.

### **How many times am I going to be billed this year?**

Twice. The January bill will be reflective of the fee change and will also be prorated to reflect your 2018 payment. We recognize this increase may represent an unplanned expense for some owners. By billing in January 2019 and July 2019, the City is dividing this payment to ease potential hardship.

### **Why is there a difference in the tier rental license fees?**

Rental license inspections that occur more frequently at properties require more resources. A tiered structure allows Regulatory Services to directly recapture costs from inspections rather than passing the costs onto all property owners and prioritize inspections. In addition, a tiered model incentivizes rental license holders to actively manage their properties such that they are placed in a lower tier and therefore undergo fewer inspections and pay a lower renewal fee.

### **How are tiers determined?**

A set of fifteen elements are used to determine a property's tier, which is reflective of the guidelines established by ordinance 244.1890. The tier elements are focused primarily on the condition and maintenance of the property itself, with a subset of the elements effecting fire risk and compliance. Each element has a set point value. The elements were developed with input from stakeholders including rental property owners, tenants, neighborhood associations, City Council, the Minneapolis Police Department, and the City Attorney's Office. A detailed description of the tier elements can be found in the table on page 2.

### **What dates did you review for this year's assigned tier?**

To coincide with the rental license billing process, the period of time reviewed for the rental license tiering was September 2016-September 2018. Tiers are assigned each year and are listed on the rental license renewal letters.

### **What if I have questions about why my property was placed in its respective tier?**

Regulatory Services provides the full rental license tier scoring data online to provide property owners and managers with a helpful resource to reconcile their records with the department's. If you feel that your property is tiered incorrectly, please call 311 and ask for an administrative review.

In requesting an administrative review, the requester must provide the element that they believe was scored incorrectly. Administrative reviews are only undertaken if the rental license fee is paid. A property's tier is only modified if the data is found to be inaccurate.

## 2019 Rental Licensing Tier Elements

Element	Description	1-3 Unit Rental Buildings		4+ Unit Rental Buildings, Condominiums, and Mixed-Use Buildings	
		Count	Points	Count	Points
Inspections	The number of inspections conducted by Regulatory Services at a given property	1-3	0	1-3	0
		4-6	10	4-6	10
		7-9	20	7-9	20
		10+	30	10+	30
Violations	The number of housing or fire code violations issued by Regulatory Services, with violations identified as high risk being assessed five points each	1-5	5	1-5	5
		6-15	10	6-15	10
		16-30	20	16-30	20
		31+	30	31+	30
Letter of Intent to Condemn for Lack of Maintenance	The number of letters issued with the intent to condemn a building for the lack of maintenance	1	15	1	15
		2+	30	2+	30
Rental License Operation Conditions	The rental property owner has met with the City to agree upon certain conditions or restrictions for a given rental property	1	10	1	10
License Revocation Action	Revocation action has been taken against the property for the violation of rental licensing standards	1	65	1	35
Solid Waste Dirty Collection Point Warning Letters	The number of Solid Waste warning letters issued to a property for a dirty collection point	2-3	5	2-3	5
		4-5	10	4-5	10
		6+	15	6+	15
Solid Waste Dirty Collection Point Clean-Ups	The number of collection point clean-ups undertaken at a property by Solid Waste	1-2	10	1-2	10
		3-6	15	3-6	15
		7-9	20	7-9	20
		10+	30	10+	30
Public Works Snow and Ice Removal Letters	The number of Public Works warning letters issued to a property for snow and ice removal	2-3	5	2-3	5
		4-5	10	4-5	10
		6+	15	6+	15
Public Works Public Walk Snow and Ice Removal Clean-Ups	The number of snow and ice clean-ups undertaken at a property by Public Works	1-2	10	1-2	10
		3-6	15	3-6	15
		7-9	20	7-9	20
		10+	30	10+	30
Delinquent Rental License Fee	The rental license fee has not been received by the due date	1	15	1	10
		2	31	2	21
Administrative Citations	Fines issued at a given property	1-2	5	1-2	5
		3+	10	3+	10

Element	Description	1-3 Unit Rental Buildings		4+ Unit Rental Buildings, Condominiums, and Mixed-Use Buildings	
		Count	Points	Count	Points
Special Assessments	All outstanding fines or fees issued to a given property	2-4	10	2-4	10
		5-7	20	5-7	20
		8+	30	8+	30
Conduct on Premises	A provision in the Rental Licensing Ordinance that allows the City to address qualifying incidents of disorderly conduct of tenants and their guests that adversely impacts neighbors	1	15	1	15
		2+	20	2+	20
Building Age	The age in which the building was constructed			1990 or later	1
				1966-1989	2
				1931-1965	3
				1915-1930	4
				1914 or earlier	5
Fire Alarm and Suppression Systems	A permit for the building's fire alarm or suppression system has been approved or its existence has been verified			Has not been approved or verified	5
		1-3 Unit Rental Buildings		4+ Unit Rental Buildings, Condominiums, and Mixed-Use Buildings	
		Tier	Score	Tier	Score
		3	65+	3	35+
		2	31-64	2	21-34
		1	0-30	1	0-20