

Councilor _____ introduced the following ordinance and moved for its adoption:

ORDINANCE NO. 22-02-21

AN ORDINANCE ADDING CHAPTER 28 OF THE GRAND RAPIDS MUNICIPAL CODE

WHEREAS, in July of 2017, the City Council appointed a Residential Rental Licensing and Inspection Taskforce (Taskforce) to provide oversight, input and direction in the development of a study examining the necessity for enacting an ordinance requiring the licensing and regular inspection of rental housing units; and

WHEREAS, the purpose of such an ordinance is to promote and, if necessary, compel proper maintenance of rental housing to ensure safe and sanitary living environment for the occupants and to enhance the value and livability of neighborhoods; and

WHEREAS, the Taskforce conducted an open public process of outreach, fact finding and measurement of benefit and cost before submitting their report and recommendation to the City Council in the *Residential Rental Housing Licensing and Inspection Ordinance Feasibility Study*, dated May 30, 2018; and

WHEREAS, the Taskforce's general finding was that the benefits of a rental registration and inspection program far exceed the community costs and, therefore recommended to the City Council that they move forward with drafting and adopting such an ordinance; and

WHEREAS, the City Council has reviewed an updated budget for the implementation of such an ordinance and has given further consideration to the Taskforce's recommendation; and

WHEREAS, the City Council finds that the establishment of a rental licensing and inspection ordinance is necessary to protect the health, safety and welfare of the public; and prevent deterioration and blight conditions that adversely affect the quality of life in the City.

NOW, THEREFORE, the City Council of Grand Rapids does hereby ordain that the Grand Rapids Municipal Code be amended as follows to include Chapter 28, entitled "Grand Rapids Rental Housing Code":

CHAPTER 28 - GRAND RAPIDS RENTAL HOUSING CODE

ARTICLE I – IN GENERAL

Sec. 28-1. - Purpose.

The city recognizes the need for an organized, systematic inspection program of residential rental units within the City of Grand Rapids in order to ensure that rental units meet city and state housing safety, health, fire, building and zoning codes, and to provide a more effective system for compelling the correction of code violations and the proper maintenance of rental property within the city. Further, the most effective system to provide for rental inspections is the creation of a program requiring the registration of all residential rental units within the city so that an orderly inspection schedule can be undertaken by the city building inspection and fire departments. This registration program is intended to protect and promote the health, safety and general welfare of the entire community.

Sec. 28-2. - Definitions.

[The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

Dwelling unit means any structure or building, or portion thereof, including a "manufactured home (mobile home)" which is intended to be used for living or sleeping by human occupants, including bathroom and kitchen facilities permanently installed.

Family means an individual or two or more persons related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit; or a group of not more than four persons who need not be related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.

- (1) For purposes of this chapter "related" shall be interpreted herein to include any owner of record and an owner's natural children, adopted children, foster children, spouse, other blood relations, any significant other and any other dependent minors, residing with that owner as a family unit; "significant other" means romantic partner;
- (2) For purposes of this chapter "related" shall also be interpreted herein to include a tenant's natural children, adopted children, foster children, spouse, other blood relations, any significant other and any other dependent minors, residing with the tenant as a family unit; "significant other" means romantic partner.

Person means any natural person, the person's heirs, executors, administrators, or assigns, and also includes a firm, partnership or corporation, it's or their successors or assigns, or the agent of any of the aforesaid.

Rental charge means any compensation, either monetary or "in lieu of" payments, such as but not limited to utilities, upkeep, repair, or the provision of services.

Rental property means a rental unit occupied by a person or persons in the status of tenant(s), and shall include "lease to buy, contract for deed, installment sale purchases", and other similar arrangements whereby nonpayment of a periodic payment or nonperformance of a periodic service means the occupants may be evicted without the necessity of either a statutory mortgage foreclosure procedure, a statutory termination of contract for deed procedure or a statutory repossession procedure. A contract for deed is exempt from this chapter if the contract is properly recorded at the Itasca County Recorder's Office.

Rental unit means any room or group of rooms located within a dwelling unit and forming a single habitable unit.

Tenant, except as otherwise provided herein, means any person who occupies and uses as their primary residence a dwelling unit furnished that person for payment of a rental charge to another.

Sec. 28-3. - Applicability and exceptions.

- (a) The provisions of this chapter shall apply to all rental property and rental units, including rented single-family dwellings and duplexes, manufactured homes, and rented units in owner-occupied dwellings. The provisions of this chapter shall not apply to that portion of the rental property rented by a family member.
- (b) The provisions of this chapter shall not apply to jails, hospitals, parish houses, manses and rectories, dwelling units in a cooperative or owner occupied condominium building, hotels,

motels, or facilities licensed by the State of Minnesota and inspected by the State Fire Marshall's Division, nor to any dormitory owned and operated by an educational institution.

Sections 28-4 – 28-30. Reserved

ARTICLE II – REGISTRATION

Sec. 28-31. - Registration permit required.

No person shall occupy, allow to be occupied, or to let another for occupancy, any rental property in the City of Grand Rapids, without first having obtained a registration permit from the city under the terms of this article. Dwelling units constructed or converted to rental usage after the effective date of this chapter shall not be occupied for human habitation prior to inspection and issuance of a registration permit by the city. The payment of fees set forth in this article will be a prerequisite to this required permitting. An application for registration shall be made upon forms furnished by the city for such purpose and shall require the minimum information required under section 28-34.

Sec. 28-32. - Resident agent required.

No registration permit shall be issued or renewed for a nonresident owner of a rental unit unless such owner designates in writing in the permit application the name of a local resident agent who is responsible for management, maintenance and upkeep of the unit(s) and who is authorized to receive service of notice of ordinance violations, orders or process pursuant to law. The resident agent must reside within a four-hour drive of the corporate city limits of the City of Grand Rapids.

Sec. 28-33. - Manner of registration; registration permit expiration and renewal; and, first-time rental registration fee.

- (a) A registration permit shall be issued annually and expire on December 31, following the issuance therefore. Permit renewal applications for the following year, along with the required fees, shall be filed on or before November 15 of the current year. On or before October 1, the city shall mail notice of registration renewal and renewal application forms to the property owner or designated agent. The renewal application may be in such abbreviated form as deemed sufficient by the building official to verify current information on file concerning ownership and the rental unit(s).
- (b) Upon receipt of a completed renewal application form and payment of the applicable fee, the city will schedule an inspection pursuant to Article III of this chapter. Issuance of a permit prior to inspection is not a determination that the rental unit complies with code requirements
- (c) The city shall not register a rental unit or allow it to be occupied as a rental unless the permittee has paid all property taxes assessed to the property and the property is not delinquent in any other obligation to the City of Grand Rapids, including payment of the first-time rental registration fee in subsection (e).
- (d) Except as otherwise provided in this article, any application for the renewal of an expired registration permit shall be processed as a new permit application and the rental unit must comply with all applicable laws.
- (e) First-time rental registration fee. Any rental property not currently registered pursuant to this article on the effective date of this chapter, shall be subject to a first-time rental registration fee at the time it is initially registered as a rental unit. The first-time rental registration fee

includes the initial annual rental license fee. The payment of the first-time rental registration fee will be a prerequisite to the required registration and shall be in the amount set by the city council in the city's fee schedule ordinance as the same may be amended from time to time.

- (f) Late fee. Failure to timely file a renewal application shall result in a late fee being assessed in an amount set by the city council in the city's fee schedule resolution, as the same may be amended from time to time.

Sec. 28-34. - Application for registration permit; register of occupancy.

- (a) The owner of each rental unit shall make written application to the city for registration of the rental unit(s). A new owner shall be required to register units within ten days after acquiring them. Application for registration shall be made upon forms furnished by the city and shall specifically set forth the following information:

- (1) The name, address and telephone number of the owner of the rental unit(s); if a partnership, the name of the partnership, and the name, address and telephone number of the managing partner; if a corporation, the name and address of the corporation, and the names and addresses of all shareholders who own ten percent or more of the corporation's stock.
- (2) In the case of a non-resident owner, the name, address and telephone number of a designated local resident agent.
- (3) Name, address and telephone number of parties, if the rental unit is being sold by a contract for deed.
- (4) The street address of each rental unit.
- (5) Number and types of rental units within a dwelling.
- (6) The maximum number of occupants permitted for each rental unit as determined by the standards referenced in section 28-38 of this article.
- (7) At least one emergency telephone number, and address of the person authorized to make or order made repairs and/or service to the building, to provide required services necessary to protect the health, safety and welfare of the occupants or is able to contact the person so authorized.
- (8) A detailed site drawing to scale showing designated off-street parking areas for each existing rental property consisting of five units or less, which areas comply with the off-street parking requirements of this article and Chapter 30, Article VI, Divisions 7 & 8, as the same may be amended from time to time, which Divisions are adopted herein by reference and incorporated as if fully set forth herein.

An incomplete application may be rejected by the city.

- (b) Every permit holder, or their resident agent, shall maintain a current register of all tenants and other persons with a lawful right of occupancy to each rental unit. The register shall be kept current at all times and shall be available for inspection by the city at all times. Failure to maintain a current register or to allow the city inspection of the register may result in suspension of the registration permit.
- (c) The city shall be promptly notified of any change of the resident agent, and any change in the names, addresses, and other information concerning the persons listed in the last registration application filed with the city.

Sec. 28-35. - Transferability of registration permits.

No permit shall be transferable to another person or to another rental unit without registration of such transfer with the city. Every person holding a valid registration permit shall give notice in writing to the city within five days after having transferred or otherwise disposed of a rental unit. Such notice shall include the name, address and telephone number of the new owner and, if applicable, a resident agent in control of the rental unit. The new owner or resident agent shall have ten days to re-register the units after acquiring them. If any change in the number of rental units or in the type or occupancy as originally registered is contemplated, a new registration application and inspection is required along with payment of an additional permit fee to cover additional rental units. Failure to register transfer of ownership shall be subject to a failure to transfer fee.

Sec. 28-36. - Posting of registration.

Each registration permit issued by the city shall be displayed in a conspicuous spot near the front entrance and shall be visible to all residents. Only one registration need be posted for each separate apartment building. Failure to post a permit shall not be grounds for suspension or revocation of that permit, but such violation shall subject the permittee to a \$50.00 penalty for issuance of a new registration permit.

Sec. 28-37. - Fees.

Fees for permits, renewals, inspections, penalties, reinstatement and appeals, shall be in the amount set by the city council from time to time in the city fee schedule resolution, a copy of which shall be on file in the offices of the city clerk and building official. The permit fee is non-refundable in the event of discontinuance of use, sale, or the revocation or suspension of a permit.

Whenever any person fails to pay the registration fees or other fees associated with this article, the city may assess these fees against the property for which they were assessed and such assessed fees shall be certified as other taxes are certified.

Sec. 28-38. - Registration standards and conditions.

The following minimum standards and conditions shall be met in order to hold a registration permit. 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 registration permit.

- (1) Permit holder shall have paid the required permit fee(s);
- (2) Rental units shall not exceed the maximum number of rental units permitted by the zoning code;
- (3) The rental unit shall not be under condemnation as hazardous or unfit for human habitation;
- (4) Every rental unit shall be maintained in accordance with the minimum standards set forth in the applicable codes adopted by the city including but not limited to the International Property Maintenance Code; Fire Code; International Building Code and International Residential Code, as the same may be amended from time to time, as adopted. No rental registration permit may be issued unless each rental unit for which it is issued meets all minimum applicable housing, building, fire, and zoning standards.
- (5) All single-family dwellings and duplexes that were unlicensed or not used as rental properties on the effective date of this chapter and subsequently registered or converted to registered rental unit(s), shall provide the off-street parking spaces required under this

article. The number of required off-street parking spaces shall be determined by the city zoning official at the time of registration

- (6) All rental units existing or registered on the effective date of this chapter may be registered or continue to be registered even though the property does not conform to the off-street parking requirements of this article. However, if the number of bedrooms, or number of rooms occupied as bedrooms, is increased, the off-street parking requirements of this article shall apply to the entire registered property. If the registration for the nonconforming rental is revoked or lapses for any period of time, all nonconforming use rights related to off-street parking requirements shall terminate.

Sections 28-39 – 28-50. Reserved

ARTICLE III - INSPECTIONS

Sec. 28-51. - Inspections; enforcement generally.

- (a) The city fire department, with the assistance of the police and community development department's personnel, shall make inspections necessary to the enforcement of this chapter. The city building official shall adopt a policy with guidelines for the systematic inspection of all rental units and priorities for the use of available inspection resources. Guidelines shall be based upon the following factors and any other factors, which promote an efficient inspection program:
 - (1) Receipt of a completed renewal or new rental application form and payment of the applicable fee(s).
 - (2) Property inspections shall be conducted on each rental unit at least every three years. Rentals that require three or more inspections to complete a compliance order, or have substantiated complaints, will move to a one-year inspection schedule until brought into compliance and prove that compliance is maintained. Inspection fees will be applied per the city's fee schedule ordinance as the same may be amended from time to time.
 - (3) Property identified as having an excessive number of housing code violations or a history of noncompliance or slow compliance with housing inspection orders. If excessive code violations exist for a rental property, the building official will be required to research all rental properties held by that person to determine if immediate inspections are required for any additional properties.
 - (4) Geographic distribution and concentration of rental units or dwellings.
 - (5) Rental dwellings with delinquent property taxes.
 - (6) Rental units for which no registration permit has been applied.
 - (7) Sales of rental property.
 - (8) Rental units for which a written complaint is received.
 - (9) Reason to believe a rental ordinance violation exists.
- (b) The building official may elect to issue a renewal permit pending completion of an inspection, or in the opinion of the building official and based upon and warranted by the rental history of the registered premises, decide to issue a renewal permit and postpone an inspection until the next renewal or [sooner] as compliance issues and conditions warrant. Issuance of a permit prior to inspection is not a determination that the rental unit complies with code requirements.

- (c) In order to compel the compliance with the registration requirements, the building official or designated staff will have the authority to enter any structure, at reasonable times and upon five days written notice to the property owner(s), to determine if said structure is operated as a rental property as defined in section 28-2 or to enforce this chapter, or both. In addition to those cases where emergency conditions endangering a person or property exist, where either the Grand Rapids Police Department, Grand Rapids Community Development Department or the Grand Rapids Fire Department has responded to a property and/or structure, the building official or designated staff will have the authority to enter any such property and/or structure at any time by or at the request of the police department or the community development department to enforce any provisions of this chapter.

Sec. 28-52. - Inspection access.

All premises registered pursuant to this chapter shall be made available for inspection by the city at any reasonable time. The city shall provide reasonable advance notice to the owner, or to the resident agent in the case of a non-resident owner. If denied access at any reasonable time while attempting to inspect, the city may suspend or revoke the registration permit upon written notice to the occupant, owner and resident agent, and subject to the right of appeal as provided in section 28-76. The suspension or revocation shall remain in effect until inspection has been permitted and any violations found are corrected.

Sections 28-53-28-70. Reserved

ARTICLE IV – ADMINISTRATION AND ENFORCEMENT

Sec. 28-71. - Determination of noncompliance; notice.

- (a) Whenever an inspection reveals that any rental unit(s) fails to meet the registration standards of this chapter, the building official or designated staff shall give a notice and compliance order to the owner and resident agent, and to the occupant as the case may require, specifying the reasons why the rental unit(s) fails to meet the registration standards and, shall include a copy of the inspection report if applicable. The order shall set forth the violations and order the owner or resident agent, or the occupant as the case may require, to correct such violations. The compliance order shall:
- (1) Be in writing;
 - (2) Describe the location and nature of the violations;
 - (3) Establish a reasonable time for correction of such violations, not to exceed 90 days, unless such time is extended by written agreement with the building official; and
 - (4) Include information describing how an appeal may be filed.
- (b) A copy of the compliance order shall be prominently posted on the rental unit. Every occupant of the rental unit shall give the owner or resident agent or their contractor access to the rental unit at all reasonable times for the making of repairs or alterations as are necessary to effect compliance with an order.
- (c) At the end of the period allowed for the correction of violations specified in the compliance order, the premises shall be re-inspected to determine whether corrective actions have been sufficient to bring the violation(s) into compliance. If the premises are in compliance at the time of the re-inspection, a registration permit may be newly issued if the prior permit was suspended or revoked.

Sec. 28-72. - Emergency cases; summary action.

Whenever a violation of this chapter poses imminent peril to life, health, or property, the building official may require immediate compliance, and if necessary take appropriate action to protect that life, health or property, including declaration that the dwelling or dwelling unit, is a hazardous building and unfit for human habitation and treated consistent with the provisions of the housing code and Minn. Stat. §§ 463.15 and 463.16 relating to hazardous buildings. Notice of summary condemnation shall be posted at the rental unit(s) or areas affected and shall indicate the units or areas affected. No person shall remove the posted notice other than the building official or their designated representative.

Sec. 28-73. - Trash removal for rental properties.

- (a) Rental properties must have regularly scheduled weekly trash pick-up and have adequate number and size of containers so that garbage is not overflowing or lying about.
- (b) If the trash has not been removed within seven days of the normally scheduled pick-up, the trash will be removed under emergency abatement procedures.
- (c) If the lack of trash removal becomes a recurring problem, refuse service will be authorized by the city and will be assessed on the property's tax bill or to its utility bill.

Sec. 28-74. - No retaliation.

No permittee or resident agent will evict, threaten or evict or take any other punitive action against any tenant by reason of good faith calls made by such tenant to enforcement agencies and/or city officials relating to criminal activity, suspected criminal activity, suspicious occurrences, public safety concerns or property maintenance concerns. This section will not prohibit the eviction of tenants from a dwelling unit for unlawful conduct of a tenant or invitee or violation of any rules, regulations or lease terms other than a prohibition against contacting enforcement agencies.

Sec. 28-75. - Permit suspension, revocation, denial and non-renewal.

- (a) The building official may revoke, suspend, deny or decline to renew any registration permit issued under this chapter upon any of the following grounds.
 - (1) False statements on any application or other information or report required by this chapter to be given by the applicant or permittee.
 - (2) Failure to pay any application, penalty, re-inspection or reinstatement fee required by this chapter and city council fee ordinance or resolution.
 - (3) Failure to correct deficiencies noted in notices of violation in the time specified in the notice.
 - (4) Any other violation of this chapter.
 - (5) Any violation of the City of Grand Rapids Disorderly House Ordinance, section 42-103.
- (b) The building official may, for good cause, authorize additional time to correct the defects that cause the violation.
- (c) If the defects create an imminent hazard to health or safety, the building official may proceed immediately for denial, non-renewal, revocation, or suspension of a permit.
- (d) A decision to revoke, suspend, deny or not renew a permit will be preceded by written notice to the permittee or resident agent of the alleged grounds therefore and the applicant or permittee will be given an opportunity for a hearing before the housing appeals board before

final action to revoke, suspend, deny or not renew a permit. The notice shall include information describing how an appeal may be filed.

- (e) Upon a decision to revoke, deny or not renew a permit, no new application for the same rental unit(s) will be accepted for a period of time specified in the building official's written decision, not exceeding one year. Such new applications must be accompanied by a reinstatement fee, in addition to all other fees required by this chapter.
- (f) A written decision to revoke, suspend, deny or not renew a permit or application will specify the rental unit(s), if more than one occur together in a dwelling structure, to which it applies. Written notice of a suspension, revocation, non-renewal or denial of a permit and the reasons therefore shall be mailed to the owner or resident agent and posted in a conspicuous place on the premises, and both notices shall order the vacation of the affected rental units within a reasonable time. Thereafter, and until a permit is reissued or reinstated, no rental units becoming vacant as specified may be re-let or occupied. Revocation, suspension or non-renewal of a permit will not excuse the owner from compliance with all terms of this chapter for as long as any units in the dwelling structure are occupied. Failure to comply with all terms of this chapter during the term of revocation, suspension or non-renewal is a misdemeanor and grounds for extension of the term of such revocation or suspension or continuation of non-renewal, or for a decision not to reinstate the permit, notwithstanding any limitations on the period of suspension, revocation or non-renewal specified in the building official's written decision or the provisions of subsection (d) of this section.
- (g) Rental units within a structure which are in compliance with the registration standards may continue on condition that units and other portions of the dwelling in noncompliance do not create an immediate hazard to the health and safety of the persons in the occupied units.
- (h) A reinstatement fee will be charged to the owner of a rental unit the registration of which has been revoked. Before a registration permit is re-issued, any violations or deficiencies must be corrected prior to inspection and any outstanding fees must be paid in full.

Sec. 28-76. - Right of appeal.

- (a) Any person aggrieved by a decision of the building official, by a compliance order, or a decision to deny, suspend, revoke or not renew a permit, may appeal to the housing appeals board by filing a written notice of appeal with the building officials office within ten business days after receipt of such order or notice. The appeal shall contain a statement setting forth the grounds for the appeal and be accompanied by the applicable fee. The timely filing of a written appeal shall stay all proceedings until the appeals process is completed, unless such stay would cause imminent peril to life, health or property.
- (b) The housing appeals board shall meet as needed, or at the call of the chair, to hear appeals. A hearing shall be held within 30 days after filing of an appeal. The city clerk shall provide the appellant five business days written notice of the time and place of the hearing. If necessary to do so, the board may postpone a hearing to a later date, not to exceed 60 days after the filing of an appeal.
- (c) The board shall hear all relevant evidence and argument. The board may admit evidence which possesses probative value commonly accepted by reasonably prudent persons in the conduct of their affairs. The housing appeals board will give due regard to the frequency and seriousness of violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply and will issue a decision to deny, not renew, suspend or revoke a permit only upon written findings. The board shall tape record the hearing and keep a record of documentary evidence submitted.

- (d) The board shall issue its decision in writing 15 days after the close of the hearing. The decision shall either deny or uphold the decision of the building official or may grant a registration permit upon such terms and conditions as the board deems necessary to accomplish the purposes of this article. A copy of the decision shall be mailed to the appellant. Notice of the final decision also shall be mailed to each occupant.
- (e) The decision of the board may be appealed by filing an appeal or appropriate writ with the Itasca County District Court within 15 days after the issuance of the board's written decision.

Sec. 28-77. - Vacation.

When an application for a registration permit has been denied, or a registration permit has been revoked, suspended, or not renewed, the city building official shall order the dwelling or the affected dwelling units therein vacated, giving tenants a reasonable time to arrange new housing and to move their possessions.

Sec. 28-78. - Administrative modification.

Whenever there are practical difficulties or unnecessary hardships in carrying out the strict enforcement of this chapter, the building official, and similarly the housing appeals board, may waive or modify compliance standards, providing there is otherwise substantial compliance with these provisions, and such waiver or modification will not be detrimental to the public health and safety of the occupants of the rental unit(s) and, without impairing the intent of this chapter.

Sec. 28-79. - Notices.

Whenever a notice is required to be sent or served under this chapter, notice shall be deemed sufficient if sent by first class mail to the owner or resident agent at the address(es) specified in the last permit application filed with the city, and said notice shall also be posted on the rental unit or dwelling.

Sec. 28-80. - Applicable laws.

Registration permits will be subject to all of the ordinances of the City of Grand Rapids and the State of Minnesota relating to rental dwellings, and this chapter shall not be construed or interpreted to supersede or limit any other such applicable ordinance or law.

Sec. 28-81. - Severability.

If any article, section, subsection, sentence, clause, or phrase of this chapter is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this chapter.

Sec. 28-82. - Violations and penalties.

- (a) Violations of the provisions of this chapter will be enforced by any one, all or any combination of the following penalties or remedies:
 - (1) A violation of any of the terms of this chapter shall be guilty of a misdemeanor and, upon conviction, shall be punished by not more than 90 days in jail, or a fine of not more than \$1,000 or both.
 - (2) Violations may be enforced as administrative offenses pursuant to section 1-13 of the Grand Rapids City Code. (3) This chapter may also be enforced by injunction, abatement, mandamus or any other appropriate remedy in any court of competent jurisdiction.

(b) Each violation of this chapter shall constitute a separate offense.

This Ordinance shall become effective after its passage and publication.

ADOPTED AND PASSED BY THE City Council of the City of Grand Rapids on the 22nd day of February 2021

Dale Christy, Mayor

Attest:

Kim Gibeau, City Clerk

Councilor _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same:
