



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: April 27, 2021

Subject: Rental Housing Ordinance Adoption

The City Council initiated a study on the impact of single-family rentals on neighborhoods in 2020. The study, completed in early 2021, provided guidance on how to improve shortcomings in the City's rental housing licensing program. Those recommendations were reviewed by the City Council at a work session on February 8, at which time the City Council directed staff to draft an ordinance and inspection policy implementing the recommendations. Staff completed that ordinance and policy work, which was presented to the City Council at its April 12 work session. Upon review, the City Council recommended referring the ordinance and policy to the City Council meeting on May 3 for possible adoption.

Below is a summary of changes resulting from Ordinance 473:

- Removes reference to the R-4, R-5 and R-6 zoning districts from the definition of Residential. These zoning districts were consolidated into the R-3 zoning district with the 2015 zoning ordinance update.
- Updates the licensing procedure to include processes outlined in the Property Maintenance Inspection Policy (to be adopted).
- Adds additional information to the license application to include the person to whom notices of violation should be directed to and require the licensee to provide a list of all rental units owned by the applicant. Also adds a statement stating that an incomplete license application is grounds for denial of the license.
- Updates the suspension and revocation process for rental licenses.
- Adds violations of M.S. 609.71, 609.713 and 609.715, regarding riots, terroristic threats and presence at unlawful assembly as violations of the "Three Strikes" ordinance.
- Requires licensees to obtain a criminal background check on prospective tenants and to make those available to the City upon the City's request.
- Adopts the 2018 edition of the International Property Maintenance Code. The City currently utilizes the 2006 edition.
- Repeals the rental housing moratorium.

Due to the length of the ordinance, staff is recommending the City Council approve Resolution 21-17, allowing for publication of title and summary of the Ordinance.

If you have any questions regarding the proposed Ordinance, please don't hesitate to contact me at 763-784-6491.

