



Request for City Council Committee Action From the Department of Inspections

Date: October 20, 2004

To: Public Safety & Regulatory Services Committee, the Honorable Dan Niziolek, Chairperson

Forward: Ways & Means/Budget Committee, The Honorable Barbara Johnson, Chairperson

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

Recommendation: Approve the amendment of Title 12, chapter 244 Section 244.1860 and 244.1880 subsection (b) to subject rental property owners to administrative fees for failure to renew the rental dwelling license before December 31, 2004

Previous Directives- None

Prepared or Submitted by: Janine Atchison, District Supervisor,
Housing Inspections Services 673-3715

Approved by:

Rocco Forte, Assistant City Coordinator
Regulatory Services

John Moir, City Coordinator

Presenters in Committee: Janine Atchison, District Supervisor
Housing Inspection Services

Financial Impact:
X No Impact

Community Impact:

City Goals: Through education and enforcement of the Housing Maintenance Code, Housing Inspection Services works with residents and businesses in the city to preserve existing housing and improve community livability.

Background/Supporting Information Attached

Every year, around the 1st September, the Housing Inspection Services Department sends out 16000+ billing statements for rental license renewals. The rental license renewal fees are due by October 1st. If payment is not received by October 15th a 50% late fee is added to the amount owing and a late statement is sent. On December 31st we usually have approximately 900 rental licenses which have remained unpaid. The 900 unpaid rental licenses are then turned over to our 22 inspectors for additional enforcement. The inspector must visit each of the properties assigned to him/her. They must collect evidence that the property is still rental and they must issue appropriate orders to the owner/manager. If the bill remains unpaid the inspector must pursue enforcement through the courts. This is a huge drain on resources.

According to Housing Inspection Services' records 84% of those licenses which remain unpaid by December 31 are for 1 & 2 family dwellings where the late fees are \$16.50 – 26.50. Buildings with 3 & 4 dwelling units make up 9% of the December 31st unpaid list. The late fees for these buildings are still under \$50.00. Seven percent of the unpaid licenses are for buildings with 5 or more units. Last year there were only 3 unpaid licenses where the late fee exceeded \$250.00.

The proposed ordinance change would act as a deterrent for unpaid rental license renewals and assist Housing Inspection Services in recovering some of the costs for pursuing unpaid/unlicensed rentals. In this proposal a rental license not renewed by December 31st would be considered as having operated for 3 months without a rental license and would be subject to Administrative Fees of \$250.00 for the 1st unit and \$20.00 for each additional rental unit in the same building.

Each year many of the same owners re-appear on the unpaid rental license renewal list. The penalty for not renewing their license in a timely manner does not appear to significantly impact them. We would like to deter this behavior and put Housing Inspection Services resources to better use.

This idea for an ordinance change was discussed at the RPAC (Rental Property Action Committee) last week. The property owners were in agreement with the changes.