

City of Delano  
County of Wright  
State of Minnesota

Ordinance No. O-19-04

An Ordinance addition Section 425.01, Licensing of Rental Housing to the Delano City Code.

The City Council of the City of Delano ordains:

**Section 1.** Section 425.01, Licensing of Rental Housing, of the City Code is hereby added to read as follows:

**SECTION 425.01. LICENSING OF RENTAL HOUSING.**

**Subd 1. Purpose and Scope.**

- A. Preamble. The City believes that providing for the public health, safety and welfare of its citizens mandates the existence of a rental dwelling unit licensing program that corrects substandard conditions and maintains standards for rental dwelling units.
- B. Purpose. It is the purpose of this section to assure that rental housing in the City is decent, safe and sanitary and is operated and maintained so as not to become a nuisance to the neighborhood or to become an influence that fosters blight and deterioration or creates a disincentive to reinvestment in the community. The operation of rental dwelling units is a business enterprise that entails certain responsibilities. Operators are responsible to take such reasonable steps as are necessary to assure that the citizens of the City who occupy such units may pursue the quiet enjoyment of the normal activities of life in surroundings that are safe, secure and sanitary. The criteria and standards for rental housing shall be consistent with the International Property Maintenance Code as adopted by City Code Section 405.01.
- C. Scope. This section shall apply to all dwelling units that are leased for thirty or more consecutive days in whole or in part as a rental dwelling unit including single-family and two-family townhome or multiple family housing. It also includes accessory structures such as garages and storage buildings and appurtenances such as sidewalks and retaining walls, which are located on the property. This section shall not apply to dwelling units governed by Section No. \_\_\_\_, which governs dwelling units that are leased for fewer than thirty consecutive days.

**Subd. 2. Definitions.**

- A. **"Apartment Building"** means any building or portion thereof that contains three or more dwelling units, sleeping rooms, or a combination thereof but not including condominiums or town homes.
- B. **"Building Official"** means the building official for the City of Delano or his/her duly authorized representative(s).

- C. **"Condominium"** means a single-dwelling unit in a multi-dwelling unit building that: (i) is separately owned, (ii) may be combined with an undivided interest in the common areas and facilities of the building or property, and (iii) may be sold or encumbered by its individual owner.
- D. **"Dwelling Unit"** means any building or portion thereof that contains living facilities, including provisions for sleeping, eating, cooking and sanitation, for not more than one (1) family.
- E. **"Dwelling, Single-Family"** means a building or portion thereof containing one dwelling unit. For purposes of this section, a single-family dwelling unit includes a freestanding single-family residence, a single dwelling in a cooperative, an individual condominium or townhouse unit, a single dwelling unit in a non-residential structure, or a dwelling unit offered for rent in a duplex in which the owner occupies the other dwelling unit.
- F. **"Dwelling, Two-Family"** means a building or portion thereof containing two dwelling units.
- G. **"Efficiency Dwelling Unit"** means a dwelling unit containing only one habitable room used for combined living, dining, and sleeping purposes, plus private bathroom facilities within the unit.
- H. **"Family"** means an individual or two (2) or more persons each related to the other by blood, marriage, adoption, or foster care, or a group of not more than three (3) persons not so related maintaining a common household and using common cooking and kitchen facilities.
- I. **"Lease"** means an oral or written agreement between a dwelling unit owner and a tenant for temporary use of a rental dwelling unit, usually in exchange for payment of rent.
- J. **"Operate"** means to charge a rental charge or other form of compensation for the use of a rental dwelling unit.
- K. **"Rent"** means the monetary or other consideration paid by a tenant to the owner of a rental dwelling unit for temporary and exclusive use of the rental dwelling unit by the tenant.
- L. **"Rental Dwelling Unit"** means a dwelling unit or sleeping room occupied and leased for thirty or more consecutive days by a tenant.
- M. **"Sleeping Room"** means any room used or intended to be used by a tenant for sleeping and living purposes, but not for cooking of meals, and not licensed by the Minnesota Department of Health.
- N. **"Tenant"** means any person granted temporary use of a rental dwelling unit or sleeping room pursuant to a lease with the owner of the rental dwelling unit or sleeping room.
- O. **"Townhouse"** means a single-family dwelling constructed in a group of dwellings attached to each other and where each dwelling unit extends from the foundation to the roof and is separated from other dwelling units by property lines.

**Subd. 3. License Required.** No person shall operate a rental dwelling unit within the City without first obtaining a rental license in compliance with the provisions of this Section. A rental license must be

obtained for each rental dwelling unit except that two or more rental dwelling units located within a single building and having a common owner and a common property identification number shall require only a single rental license.

**Subd. 4. Exceptions.** No rental license is required for the following:

- A. Facilities licensed by the Minnesota Department of Public Health, including rest homes, nursing homes, convalescent care facilities, or residential group homes serving six (6) or fewer persons.
- B. Accessory dwelling units or sleeping rooms utilized by a blood relative or on-site employee of the owner of the dwelling.
- C. The boarding of up to two (2) people as roommates that are unrelated to the owner of the owner-occupied dwelling.

**Subd. 5. License Applications.**

- A. Application. All applications for rental licenses under this Section shall be made on forms furnished by the City. All questions asked or information required by the application forms shall be answered fully and completely by the applicant. The application shall be executed by the owner of the rental dwelling unit(s) if such owner is a natural person or, if the owner is a business entity, by a person authorized to legally bind the entity.
- B. Certificate of Property Maintenance. No rental license shall be issued until the applicant has obtained a Certificate of Property Maintenance from the City.
  - 1. The applicant shall arrange for an inspection of the rental dwelling unit(s) proposed to be licensed by either the building official or a state-certified building official to determine whether it is in compliance with the requirements of this Section, other sections of the Delano City Code, International Property Maintenance Code and all other applicable federal, state, and local laws. If compliance is met, the City shall issue a Certificate of Property Maintenance.
  - 2. All buildings proposed to be licensed under this Section, including mechanical, electrical, plumbing and other building systems, originally constructed or installed in accordance with applicable federal, state, and local codes and laws must be maintained in conformance with the requirements of the laws in effect at the time of construction or installation.
  - 3. Specific requirements of other provisions of the City Code, including but not limited to Sections 405.01 (Property Maintenance Code), 415.01 (Fire Code), Chapter 8 (Nuisances and Public Health, Safety and Welfare) and Chapter 51 (Zoning and Land Use), shall supersede the general requirements of this Section.
  - 4. In cases where a conflict may occur between the requirements of this Section or other applicable law, the requirements providing the greatest degree protection of life safety, property maintenance, and general welfare shall govern.

C. Application, Inspection, and License Fees.

1. Inspection Fee. Upon submission of an application or renewal application, applicants for a renewal license under this Section shall pay an application and inspection fee to the City, nonrefundable to the applicant, to cover the costs of the City in processing the application and the inspection of the rental dwelling unit(s) proposed to be licensed.
2. License Fee. Upon approval of an application and issuance of a Certificate of Property Maintenance, the applicant shall pay a license fee in the amount described in this Section. The rental license will not be effective until the license fee is paid.
3. Exemption from Fees. Rental dwelling units owned or under the control of the City must be licensed but are exempt from the application, investigation, and license fees required by this Section.
4. Fee Amounts. Fee amounts shall be as follows:

| Type of Dwelling            | License Fee | Inspection Fee<br>(per unit) |
|-----------------------------|-------------|------------------------------|
| Single Family Dwelling      | \$50.00     | \$70                         |
| Twinhome/Duplex             | \$50.00     | \$70 per unit                |
| Townhouse                   | \$50.00     | \$70 per unit                |
| Condominium                 | \$50.00     | \$70 per unit                |
| Apartment Complex 3-5 units | \$100.00    | \$25 per unit                |
| Apartment Complex 6+ units  | \$100.00    | \$18 per unit                |

D. Issuance or Denial.

1. Issuance. The City Administrator shall issue a rental license if the rental dwelling unit(s) and the application are found to be in compliance with the provisions of this Section and any required fees are paid. A rental license will be issued for each rental dwelling unit, except two or more rental dwelling units located within a single building and having a common owner and a common property identification number will be issued a single license.
2. Denial. The City Administrator may deny a rental license on the same grounds for which a license may be suspended or revoked as set forth in Subdivision 8 of this Section. Written notice of the denial shall be mailed to the applicant at the address listed on the application. An applicant may appeal a denial by submitting a hearing request to the City Clerk within ten (10) days of the date contained in the notice of denial. If a hearing request is not received by the City Clerk within such time period, the applicant's right to a hearing shall be deemed waived. If timely requested, the hearing shall be held in accordance with the procedures set forth in in Subdivision 8.C.2 and 8.C.3 of this Section.

- E. Posting. Rental licenses shall be conspicuously posted in all rental properties sharing a common entrance used by two (2) or more rental dwelling units and the property owner or agent for the owner shall present the license upon request.
- F. License Term and Renewal.
  - 1. Term. All rental dwelling units shall be inspected and assigned a tier rating based on the property's physical condition in accordance with the Delano Tiered Rental Housing Inspection Program. The duration of the license will be based on the tiered rating assigned to the property. Rental licenses issued under this Section shall expire at midnight on November 1<sup>st</sup> of the year that the property's tier belongs to after issuance.
  - 2. Renewal. Applications for renewal of rental licenses issued under this Section shall be made at least ninety (90) days prior to the expiration of the current license and shall contain such information as may be required by the City. The City shall issue or deny a renewal application in accordance with the provisions for issuance or denial of an initial license set forth in Subdivision 5.D of this Section.
- G. Changes in Ownership and Amended Licenses. A rental license is not assignable. Any changes occurring in the ownership of a licensed rental dwelling unit(s) require a new rental license. The new owner must obtain a new rental license within thirty (30) days of acquiring the property. The fee for the new rental license shall be twenty-five percent (25%) of the fee required for an initial license. If changes occur in any information required on the license application other than the change in ownership, the new owner must submit an amended license application to the City within thirty (30) days of the change. If any rental dwelling units are added to a current rental license, the additional rental dwelling units must be licensed by amendment of the current license and must be accompanied by the fee required for the additional unit(s).

**Subd. 6. Authority.** The City Administrator or his or her authorized designee shall be responsible for enforcement and administration of this Section.

**Subd. 7. Inspections.**

- A. Authority. Whenever necessary to make an inspection to enforce any of the provisions of this Section, or whenever the building official has reasonable cause to believe that there exists in any building or rental dwelling unit any condition or code violation which makes such building or unit unsafe, dangerous, or hazardous, the building official may enter such building or unit at all reasonable times to inspect the same or to perform any duty imposed upon the building official by this Section or other applicable law. The building official may set up a schedule of periodic inspections to ensure compliance with this Section.
- B. Access for Inspection. No rental license shall be issued under this Section unless the owner of the rental dwelling unit agrees to permit inspections, upon reasonable notice from the building official to the owner, to determine compliance with the City Code and state law. The submission of a rental license application or the possession of a rental license issued by the City shall constitute such



agreement by the owner identified in the application or on the rental license. The building official shall provide reasonable notice to the owner or the owner's agent as to the date and time of the inspection. Each tenant or occupant of a rental dwelling unit shall grant access to any part of such rental dwelling unit at reasonable times for the purpose of effecting inspection, maintenance, repairs or alteration as are necessary to comply with the provisions of this Section. If any owner, owner's agent, tenant, or occupant of a rental dwelling unit fails or refuses to permit entry to the rental dwelling unit under his/her control for an inspection pursuant to this Section, the building official may pursue any remedy at law or under the City Code, including, but not limited to, securing an administrative search warrant for the rental dwelling unit, issuing a citation, denying a rental license application, imposing a fine, revoking or suspending a rental license, or denying a renewal license.

- C. Private Inspection. As an alternative to an inspection by the building official, the owner may elect to hire a private certified building inspector at his or her cost. The results and findings of said inspection shall be provided to the building official for review.

**Subd. 8. Suspension or Revocation of Rental License.**

- A. Grounds for Suspension or Revocation. The City may suspend or revoke a rental license issued under this Section. In buildings containing more than one rental dwelling unit, the revocation or suspension may apply to one or more rental dwelling units. The following are grounds for suspension or revocation of a license:
1. The license was procured by misrepresentation of material facts with regard to the rental dwelling unit or the ownership of the rental dwelling unit.
  2. The applicant or one acting in his/her behalf made oral or written misstatements accompanying the application.
  3. The applicant has failed to comply with any condition set forth in any other permit or approval granted by the City related to the rental dwelling unit.
  4. The activities of the owner or the owner's agent have created a danger to the public health, safety, or welfare.
  5. The rental dwelling unit contains conditions that may injure or endanger the health, safety, or welfare of any member of the public.
  6. The failure to pay any application, inspection, or license fee required by this Section.
  7. Any violation of this Section, or any other provision of the City Code or other federal, state, or local law or regulation applicable to the rental dwelling unit.
  8. The failure to correct any violation of City Code Section 405.01 (Property Maintenance Code) in the time period specified in the notice of violation and correction.

9. The failure to continuously comply with any condition required of the applicant for the approval or maintenance of the rental license.

B. Fines. In lieu of or in addition to revoking or suspending a rental license, the City may impose a civil fine for the following violations of this Section:

1. Renting a rental dwelling unit without a rental license as required herein.
2. Failure to comply with a property maintenance correction order from the building official in the time required by the order.
3. Fine amounts shall be as follows:

| Fine Matrix   |   |   |
|---------------|---|---|
| 1st Violation | 2 <sup>nd</sup> Violation Within 12 Months of 1 <sup>st</sup> Violation | 3 <sup>rd</sup> Violation Within 12 Months of 1 <sup>st</sup> Violation |
| \$200.00      | \$400.00  | \$600.00  |

4. All fines are payable within thirty (30) days of the imposition of the fine. Failure to timely pay any fine imposed will result in a late fee equal to twenty-five percent (25%) of the fine and revocation or suspension of the rental license to which the fine applies.

C. Procedure.

1. Notice. A suspension, revocation, or fine shall be preceded by written notice from the building official to the licensee and an opportunity for a hearing by the City Council. The notice shall state the nature of the violation(s) or grounds for fine, suspension, or revocation and shall inform the licensee of the licensee's right to request a hearing within ten (10) days of the date contained in the notice to dispute the fine, suspension, or revocation. The notice shall be mailed by regular mail to the licensee at the most recent address listed on the license application. If a hearing request is not received by the City Clerk within ten (10) days of the date contained in the notice, the licensee's right to a hearing shall be deemed waived. No fine, suspension, or revocation of a license shall take effect until (a) the licensee's time to request a hearing expires; or (b) if a hearing is requested, after the licensee is informed of the decision of the City Council.
2. Hearing. If a hearing is requested, the City Clerk shall provide written notice to the licensee of the date, time, and place of the City Council meeting at which the hearing will take place. The notice shall be mailed in the same manner as the initial notice and shall be mailed no less than ten (10) days and no more than thirty (30) days prior to the hearing. The licensee and the building official shall be given an opportunity to be heard. The licensee may be represented by counsel.
3. Decision. The City Council shall make findings based on the evidence and shall make a decision on the recommendation to fine, revoke, or suspend a rental license based on the findings. The City Council shall issue a written decision regarding the recommendation of the building official within thirty (30) days following the date of the hearing. The City Clerk shall notify the licensee of the decision by regular mail. The decision shall specify the rental

dwelling unit or units to which it applies. Thereafter, and until a rental license is reissued or reinstated, no rental dwelling unit that has had its license revoked or suspended may be re-let or occupied. Revocation or suspension shall not excuse the owner from compliance with all terms of this Section for as long as any rental dwelling unit(s) in the building is occupied.

- D. License Process after Revocation, Suspension, Denial or Non-Renewal. After a rental license has been denied, not renewed, revoked, or suspended under this Section, no rental license may be issued for the affected rental dwelling unit(s) until the building official determines that the licensee has remedied the conditions identified by the City as the basis for its action. An application to obtain a new license for a rental dwelling unit(s) after the City has revoked, denied, or declined to renew a license, or for reinstatement of a suspended license, for the same rental dwelling unit(s) must be accompanied by all fees required by this Section.
- E. Effect of Revocation, Suspension, Denial, or Non-Renewal. If a rental license is denied, not renewed, revoked or suspended, it shall be unlawful for the owner to operate or thereafter permit the occupancy of the then-vacant or thereafter vacated rental dwelling unit(s), until such time as a valid rental license is obtained for the rental dwelling unit(s). Issuance of a license after revocation, suspension, denial or non-renewal shall be made in the manner provided for in this Section.
- F. Posted to Prevent Occupancy. Whenever any rental dwelling unit has been denied an initial rental license or has had its license revoked, suspended, or not renewed, the rental dwelling unit shall be posted by the building official to prevent further occupancy. No person other than the building official shall remove or alter any posting. The building official will post the date the rental dwelling unit shall be vacated and no person shall reside in, occupy or cause to be occupied that rental dwelling unit until the building official permits it.

**Subd. 9. Inspections and Investigations.** All inspections will be completed by the building official.

- A. After a rental license is issued, each licensed rental dwelling unit will have a scheduled re-inspection on a schedule to be determined by the Tiered Rental License Inspection Program. The City shall have the right to make periodic inspections of all rental dwelling units based on complaints of owners, tenants, neighbors, or other individuals, or based on the building official's own initiative. Inspection procedures shall be as follows:
  - 1. In the case of a tenant-initiated complaint, the tenant shall notify the owner in writing to describe the deficiency. If the owner does not respond and address the problem within a reasonable period, tenant may send a copy of the owner notice to the city to report the deficiency;
  - 2. Whether initiated by complaint or by the building official, the building official shall provide notice and arrange to inspect the rental unit; and
  - 3. If the building official determines that the owner has violated this section, the building official will notify the owner in writing describing the violation and detailing the required corrective action.



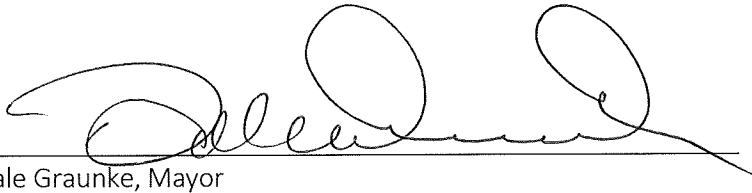
- B. **Emergency Situations.** In cases where a violation poses an immediate risk to the public health and safety, the City may take such action as is reasonably necessary with or without notice to the owner.
- C. All inspections resulting from a violation shall follow Subd. 7 of this section and will be re-inspected based on the property's tier that it is assigned to, in accordance with the City of Delano's Tiered Rental License Inspection Program. An owner's failure to remedy a violation per the building official's requirements may result in a fine, suspension, or revocation of the rental license as described in Subd. 8 of this section.

**Subd. 10. Penalties.** Any person who violates any provision of this Section is guilty of a misdemeanor. Each day that a violation continues shall be deemed a separate offense.

**Subd. 11. No Warranty by City.** By enacting and undertaking to enforce this Section, the City, the City Council, its agents, and/or employees do not warrant or guaranty the safety, fitness or suitability of any dwelling in the City. Owners and occupants should take whatever steps they deem appropriate to protect their interests, health, safety, and welfare.

**Section 2. Effective date.** This ordinance shall be in full force and effect upon its passage and publication.

ADOPTED by the Mayor and City Council of Delano, Minnesota this 16<sup>th</sup> day of July, 2019.

  
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Dale Graunke, Mayor

  
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Attest: Paula Bauman, Administrative Services Coordinator

