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Title: AN ORDINANCE AMENDING SECTIONS 29A-27, 29A-29, 29A-32, AND 29A.34 RELATED TO RENTAL PROPERTY LICENSING AND OFF-STREET PARKING

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AN ORDINANCE AMENDING SECTIONS 29A-27, 29A-29, 29A-32, AND 29A.34 RELATED TO RENTAL PROPERTY LICENSING AND OFF-STREET PARKING

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That Section 29A-27 of the Duluth City Code, 1959, as amended, be amended as follows:

Sec. 29A-27. Definitions.

- The definitions contained in Sections 201 and 202 of the year 2000 edition of the IPMC, as adopted by Section 29A-1 of this Chapter, shall apply to this Article;
- For purposes of this Article, the phrase "one-family dwelling" shall have the meaning ascribed by Chapter 50, Article VI;
- For purposes of this Article, the phrase "two-family dwelling" shall have the meaning ascribed by Chapter 50, Article VI;
- For purposes of this Article, the phrase "multiple-family dwelling" shall have the meaning ascribed by Chapter 50, Article VI;
- Rental unit means any dwelling that is occupied by any tenants. For purposes of any fees under this Article, each bedroom in a multi-tenant single-family and multi-tenant two-family dwelling constitutes a rental unit;
- Residence means the primary dwelling where an individual lives and usually sleeps;
- Except as otherwise provided in Section 29A-27(g)(1)-(2), tenant means any adult person or emancipated minor who is occupying a dwelling under any agreement, lease or contract, whether oral or written, and for a period of 30 or more consecutive or nonconsecutive days in

any year, whether or not such occupancy requires the payment of rent, the payment of utilities or the provision of services, for the use of the dwelling;

- (1) A tenant shall not 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) A tenant shall not 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;

Section 2. That Section 29A-29 of the Duluth City Code, 1959, as amended, be amended as follows:

Sec. 29A-29. Licenses--application, procedure, type.

- (a) Applications for rental licenses shall be filed with the code official by the owner or the owner's agent and shall be accompanied by the required license fee. The code official may reject any incomplete application;
 - (1) Applications for license renewals shall be filed at least 90 days prior to license expiration;
 - (2) Upon receipt of a complete application and fees the code official may issue a license if the rental unit is eligible for licensure;
 - (3) Rental units which comply with the State Building Code and have been constructed and certified for occupancy within one year prior to date of application and are otherwise eligible for licensure shall be issued a license for the initial licensing period without further inspection;
- (b) All other rental units shall be inspected before a license is issued. No license shall be issued unless the rental unit complies with the provisions of this Chapter and all other applicable laws;
- (c) Except as otherwise provided in this Article, any application for the renewal of an expired license shall be processed as a new license application and the rental unit must comply with all applicable laws;
- (d) If a rental license lapses as a result of the failure to comply with this Section, the license may be administratively reissued without regard to the provisions of paragraphs (a) through (c) of this Section if within ~~60~~ 480 days of the expiration of the license the owner complies with all other requirements of this Section 29A-29;
- (e) The applicant shall identify a managing agent or contact person who resides within a 25 miles radius of the city and who has the authority to act for the owner. It shall be the responsibility of the owner or owner's agent to provide and maintain updated contact information, including address, phone number, and e-mail, for receipt of all notices, orders, or other correspondence relating to the licensed property;
- (f) Except as otherwise provided, all new rental license, short term license, ~~change of license type~~ and rental license renewal applications shall be completed and applicable fees paid for a ~~specified~~ the maximum number of bedrooms that can be occupied by tenants. The maximum allowable number of bedrooms that can be occupied by tenants in a rental unit is determined

by Section 29A-32;

- (1) ~~The fee per bedroom structure shall not apply to the single-tenant license. A single fee for the dwelling unit shall be established as provided in Section 29A-30;~~
- (g) ~~A single-tenant rental license may be issued to a one-family or two-family dwelling. The license limits the number of tenants that may occupy the rental unit to one tenant;~~
- (h) ~~A multi-tenant rental license authorizes the occupancy of the rental unit by more than one tenant.~~
- (g) (i) Except as otherwise provided, a short term rental license, ~~whether single-tenant or multi-tenant,~~ may be issued for a period not to exceed 12 consecutive months for any single-family or two-family dwelling under the following circumstances and pursuant to the following conditions:
 - (1) The owner is the occupant of the dwelling unit at the time of application or the code official finds that the owner was the occupant within 30 days before the date of application; and
 - (2) For professional, educational, medical, or military service reasons the owner intends to reside in another community located at least 50 miles from the city; and
 - (3) The owner provides sufficient evidence of such intention to temporarily relocate. Such evidence may include, but is not limited to written offers of employment, employment transfer directives, a letter of acceptance from an educational institution, or military orders; and
 - (4) The license may not be issued more frequently than once in any three-year period; and
 - (5) The license shall be applied for in the same manner as other rental licenses; and
 - (6) Except as otherwise provided in this Article, the rental unit shall comply with all applicable rental licensing standards; and
 - (7) A short term license may be extended for additional six month periods provided that an application for extension is received prior to the expiration of the short term license or six-month extension and adequate evidence justifying the extension is submitted.

Section 3. That Section 29A-32 of the Duluth City Code, 1959, as amended, be amended as follows:

Sec. 29A-32. License conditions.

All rental units are subject to the following conditions:

- (a) No license shall be transferred to another rental unit;
- (b) At the principal exterior entrance to a rental unit that is not owner-occupied, an informational notice shall be posted that complies with the following requirements:
 - (1) The notice shall be displayed in a conspicuous place;
 - (2) The notice shall indicate the name, e-mail address and telephone number of the owner or managing agent;
- (c) If there is a change in ownership of a rental unit, the new owner shall apply for a transfer of the license within 30 days of the change and pay the license transfer fee. If the rental unit is sold pursuant to a contract for deed, the purchaser shall be responsible for applying for the license transfer and providing a recorded copy of said contract for deed from the St. Louis County recorders office. A new license shall be issued for the remainder of the

license period;

- (d) If there is a change in managing agent, the new managing agent shall notify the code official in writing within ten days of the change;
- (e) If there is a change in type of license, an application for change of license type is required. ~~The application shall be filed with the code official as required by Section 29A-29.~~
- (e)(f) Except as otherwise provided in this Section, all rental units licensed since on March 13, 2011, and subsequently relicensed as a multi-tenant licensed one family or two family dwelling shall provide a minimum of two off-street parking spaces. In addition, for each additional bedroom in excess of three, there shall be provided one additional off-street parking space. Failure to comply with these requirements will result in an additional nonconformance fee per parking space, except that effective August 1, 2017, each licensee that the code official determines is able to provide or construct the required off-street parking space(s) in conformance with this Code shall provide the off-street parking spaces required in this Section at its own cost, and the licensee shall not be entitled to tender payment of the nonconformance fee in lieu of providing the required off-street parking. All one family or two family dwellings that were unlicensed on March 14, 2011, and subsequently converted to a multi-tenant licensed rental unit shall provide the off-street parking spaces required in this Section, and the licensee shall not be entitled to tender payment of the nonconformance fee in lieu of providing the required off-street parking;
 - (1) The city council shall establish a parking nonconformance variance application fee pursuant to Section 29A-30;
- (f)(g) All off-street parking spaces shall comply with the standards for off-street parking provided for in Chapter 50 of this Code. The number of required off-street parking spaces shall be determined by the code official at the time of licensure. Failure to comply with these requirements will result in an additional nonconformance fee per parking space, except that effective August 1, 2017, each licensee that the code official determines has space on the rental property to provide or construct the required off-street parking space(s) in conformance with this Code shall provide the off-street parking spaces required in this Section at its own cost, and the licensee shall not be entitled to tender payment of the nonconformance fee in lieu of providing the required off-street parking. The owner shall ensure that all required off street parking spaces are cleared of snow to at least the required dimension of off-street parking spaces within 72 hours after the end of every snowfall;
 - (1) All one-family or two-family dwellings, licensed on September 1, 2007, may continue to be licensed even though the property does not conform to the off-street parking provisions of this Section. The rental unit shall be treated as a lawful nonconforming use; however, the nonconformance parking fees provided for in this Section shall apply, except that effective August 1, 2017, each licensee that the code official determines has space on the rental property to provide or construct the required off-street parking space(s) in conformance with this Code shall provide the off-street parking spaces required in this Section at its own cost, and the licensee shall not be entitled to tender payment of the nonconformance fee in lieu of providing the required off-street parking. If the number of bedrooms, or number of rooms occupied as bedrooms, is increased, the off-street parking requirements of this Section shall apply to the entire licensed property. If the license for the nonconforming use is revoked or lapses for any period of time, all nonconforming use rights related to off-street parking requirements shall terminate;
 - (2) The off-street parking requirements shall not apply to a short-term single-tenant license;
- (g)(h) Except as provided in this Section 29A-32(g)(h), the maximum number of bedrooms in any multi-tenant rental unit that can be occupied by any tenant under new

rental licenses, short-term licenses, and rental license renewals shall be based on the number of bedrooms on record in the city assessor's office on the date of rental application;

- (3) The number of tenants cannot exceed the number of bedrooms that can be occupied under this Code and Minnesota law applied for and paid for in the license application;
- (4) In no case shall a bedroom be allowed that does not comply with all applicable state and city building and housing codes;
- (5) If the multi-tenant rental unit is a one-family or two-family dwelling, the maximum number of bedrooms that can be occupied by any tenant shall be based on the lesser of the number of bedrooms on record in the city assessor's office and verified or corrected by the life safety division on the date of the rental application or four bedrooms. The four bedroom limitation shall not apply to multi-tenant one-family or two-family dwellings licensed on July 26, 2012, or those properties that have a valid purchase agreement as of June 9, 2012; instead, the number of bedrooms that may be occupied shall be the greater of the number of bedrooms authorized by the license in effect on July 26, 2012, or four bedrooms, except those properties which are larger than 2,500 ~~3,000~~ square feet as of August 1, 2017, ~~June 9, 2012~~, may be allowed up to the maximum of five ~~six~~ legal bedrooms.

Section 4. That Section 29A-34 of the Duluth City Code, 1959, as amended, be amended as follows:

Sec. 29A-34. Violations, enforcement and penalties.

(a) Violations. It shall be a violation of this Article, and a public nuisance, to do any of the following:

- (1) Allow tenant occupancy in any portion of an unlicensed rental unit;
- (2) Allow tenant occupancy in any unlicensed portion of a licensed rental unit;
- (3) Allow more total tenants to occupy a rental unit than are allowed pursuant to that unit's number of legal bedrooms ~~multi-tenant occupancy in a rental unit licensed for single-tenant occupancy~~;
- (4) Refuse entry to an inspection official where such entry is allowed pursuant to Section 29A-3;
- (5) Fail to comply with any final order of the code official;
- (6) Advertisement by a property owner or owner's representative of any dwelling or rental unit or any portion thereof as available for rent that is not licensed for rental at the time the advertisement is made. For purposes of this Section, advertisement includes, but is not limited to, oral or written notice, such as a poster or a paid announcement in the print, broadcast, or electronic media, designed to attract public attention or patronage;
- (7) Advertisement by a property owner or owner's representative of any dwelling or rental unit or any portion thereof in excess of the number of bedrooms licensed for rental at the time the advertisement is made. For purposes of this Section, advertisement includes, but is not limited to, oral or written notice, such as a poster or a paid announcement in the print, broadcast, or electronic media, designed to attract public attention or patronage;
- (8) Advertisement by a property owner or owner's representative of any dwelling or rental

unit or any portion thereof as available for rent without the rental application license number for the rental unit appearing in the advertisement. For purposes of this Section, advertisement includes, but is not limited to, oral or written notice, such as a poster or a paid announcement in the print, broadcast, or electronic media, designed to attract public attention or patronage;

(b) Continuing violations. Each day that a violation occurs or remains uncorrected after the final order of the code official shall constitute a separate violation;

Section 6. That this ordinance shall take effect 30 days after passage and publication.

STATEMENT OF PURPOSE: This ordinance implements changes to the rental licensing code. Rental licenses shall be issued and priced based on the maximum number of tenants that can occupy the property. The city shall inspect and issue licenses assuming that all bedrooms that can be legally occupied on the property will be rented. Additionally, all licensees that can legally provide required off-street parking space(s) on their rental property shall be required to do so at their own cost rather than opting to pay the off-street parking nonconformance fee.