



Rental Housing Licensing, Nuisance, & Enforcement Code Updates



Introduction

The City of Northfield (the “City”) is a growing community in Southeastern Minnesota. Home to several colleges, a strong economy, and a diverse population, the City is seeing an increased demand for all types of rental housing. In response to this demand, City staff started to review the City’s rental housing licensing program in 2020.

Staff worked with consultants from WSB and city attorneys from Flaherty & Hood, P.A. to:

- Assess the weaknesses and strengths of the current rental housing licensing program.
- Identify goals for the new version of the program.
- Review successful programs in other cities.
- Revise the City Code to accomplish the changes.
- Develop supporting documentation for the program.

During the process, the group identified a lack of flexible enforcement tools as one of the significant weaknesses of the current program. In response, the project’s scope expanded to include a review of the City’s nuisance codes and enforcement tools.

This report outlines the group’s findings and proposed solutions in the following areas:

- Rental housing licensing purpose.
- Rental housing license types.
- Mitigation and action plans.
- Housing standards.
- Complaints.
- Administrative citation authority.
- Orders to correct.
- Abatement.

- Nuisance code clarification.
- Supporting documentation.

The group also identified issues that require the City Council to weigh in on the policy decisions. Such decisions are found both in the section covering the policy area, indicated by an *, and in a separate section.

The report is an important step toward bettering the rental housing licensing program, but it is not the last. The City Council, and possibly the community, will have to provide additional input before final drafts can be compiled. Even after passage, standard operating procedures, templates, and other supportive items will need to be developed and implemented. The last section of the report discusses what steps should be taken to bring the program changes from a theory into practice.

Rental Housing Licensing Purpose

Current

The current rental housing licensing purpose statement is based on an outdated notion that rental housing creates more problems for the community than owner-occupied housing.

Goals

- Remove outdated provisions.
- Shift focus to tenants.
- Reflect the City's equity and inclusion plan.

Proposed solution

- Replace the current statement with an updated statement focused on responsibilities and protections.
- Remove outdated language and replace it with neutral language, including broadening the definition of "family."

Rental Housing License Types

Current

The City's rental housing is diverse in size, nature, and condition. Despite the diversity, the City has only one level of licensing and a temporary licensing program. The majority of rental properties consistently comply with standards. Under the current program, City staff spends too much time on low performing properties needing more attention, without adequate tools or cost recovery measures to gain consistent compliance.

Goals

- Efficient use of resources, including staff time.
- Improvement of tools for administration and enforcement of program.
- Clear guidance to landlords on standards and required changes.
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- Spend more time on housing failing to meet standards.
- Improve overall quality of housing stock.

Proposed solution

- Move from one license type to three license types.
- Shorten license terms for properties not meeting standards.
- Introduce an escalating correction and accountability process (Action Plan, Mitigation Plan)
- Maintain temporary license option.

Rental Housing License Types (con't)

Proposed Licensing

Licensing Category	Licensing Period	Minimum Inspection Frequency	Required Improvement Plan	Number of Units	Property or Nuisance code violations allowed per inspection per unit
Type I	2 years	1 in 2 years, upon request, or as needed as determined by the City	N/A	1-2	Not more than 4
				3+	Not more than 1.5
Type II	1 year	1 per year, upon request, or as needed as determined by the City	Action Plan	1-2	Greater than 4 but less than 8
				3+	Greater than 1.5 but less than 3
Type III	6 months	1 every 6 months, upon request, as specified by the Mitigation Plan, or as needed as determined by the City	Mitigation Plan	1-2	8 or more
				3+	3 or more
Temporary	1 year or less	Once per year, upon request, or as needed as determined by the City	N/A	N/A	3 or more

Action and Mitigation Plans

Current

City staff does not have adequate tools to direct and monitor landlords whose properties do not meet the standards. Holding up the renewal of a license creates uncertainty for current tenants, but preliminary issuance does not provide sufficient leverage to make sure problems are addressed. There is also not a standard protocol for how to handle minor issues versus major issues. Staff and landlords would benefit from being able to communicate exactly what must happen for a premise to be brought up to the required standards.

Goals

- Clear guidance to landlords on standards and required changes.
- Improvement of tools for administration and enforcement of the program.
- Efficient use of resources, including staff time.
- Spend more time, more effectively, on housing failing to meet standards.
- Improve overall quality of housing stock.

Proposed solution

- Require actions plans for premises showing minor issues, with the goal of making sure the issues do not become major. Re-inspect these premises as needed, or at minimum at the end of the one-year license.
- For major or multiple issues, require mitigation plans outlining steps the landlord will take by certain deadlines to make progress toward compliance. Re-inspect the premises at each step and at the end of the six-month license.
- Create standard forms to use for action and mitigation plans.

- Create adjustable template timelines.

License types and accompanying plans



Type I License

- Responsible landlords who meet high standards at inspection.
- No plans required.



Type II License

- Minor issues needing to have action taken to prevent becoming major issues.
- Action plan, with or without progress checks.



Type III License

- Major or multiple issues requiring a stepped mitigation plan to make sure property comes back into compliance.
- Mitigation plan with progress checks.



Temporary License

- Short term for specific hardships, such as moving
- One renewal only, no plans.

Housing Standards

Current

Rental properties and owner-occupied properties are held to different standards, based on an outdated idea of owners being more responsible than landlords. The difference between the standards can be confusing for current and prospective landlords. Policies are currently not well organized and are intermingled. Even for staff, the standards can be hard to understand because zoning, nuisance, and other parts of the code are repeated in the rental housing licensing section.

Goals

- Clear guidance to landlords on standards and required changes.
- Improve organization of code and ease of use.
- Improve overall quality of housing stock.
- Shift focus to tenants.
- Remove outdated provisions.

Proposed solution

- Move zoning, property maintenance, nuisance, and hazardous building provisions to the appropriate places in the code.
- Confirm the basic property maintenance standard must be met by all owners—regardless of rental status.
- Call out specific tenant protections needed in addition to property maintenance code, such as fire extinguishers.
- Provide ability for prospective inspections for landlords and staff to talk about issues before licensing.

Complaints

Current

Currently, the code limits who can file a complaint, and complaints cannot be made anonymously. This discourages people who feel insecure in their housing from contacting the City about real issues. In addition, some of the most common tenant complaints, such as bugs, mold, or mice, are not addressed at all in the code, and options for mitigating these can be unclear.

Goals

- Efficient use of resources, including staff time.
- Clear guidance to landlords on standards and required changes.
- Improve tenant access to identify complaints.
- Improve overall quality of housing stock.
- Shift focus to tenants.
- Remove outdated provisions.

Proposed solution

- Allow for anonymous and non-tenant complaints.
- Specify how inspectors should handle common tenant issues outside of their expertise.
- Provide staff resources on how to address the most common issues.
- Provide resources to landlords when common issues arise.

Administrative Citation Authority

Current

City code violations, including the property maintenance, nuisance, and rental housing licensing standards sections, can only be enforced through criminal or civil penalties. Staff lacks the ability to issue administrative citations for violations that must be addressed but should not immediately rise to the level of a criminal matter or a major civil case. Ordinances from other cities provide this type of authority as another option for enforcement. The staff has had experience in other cities with the process and found it to be a useful tool for gaining compliance with code provisions. Ultimately, compliance is the goal of rental housing licensing standards.

Goals

- Improvement of tools for administration and enforcement of the program.
- Efficient use of resources, including staff time.
- Spend more time on housing failing to meet standards.
- Improved quality of housing stock.

Proposed solution

- Provide authority for certain staff to issue administrative citations for violations of City code.
- Administrative citations fine someone for a violation.
- Move criminal, civil, and administrative remedies all under one section.
- Provide template administrative citations.
- Create appeals process.*
- Use appeals process for rental housing licensing, as well.*
- Develop fee schedule.*

Orders to Correct

Current

Staff does not currently have a standardized process for ordering people/properties to correct code violations. While the building inspector has authority to issue orders to address building code issues under state statute, city staff does not have a similar way to order the correction of other code issues. Like the administrative citation, the order to correct is aimed at gaining compliance with the city code rather than punishment or more serious civil remedies.

Goals

- Improvement of tools for administration and enforcement of the program.
- Efficient use of resources, including staff time.
- Clear guidance to landlords on standards and required changes.
- Improve overall quality of housing stock.

Proposed solution

- Provide authority for certain staff members to issue orders to correct.
- Set guidelines in code for timeframes for compliance.
- Create standard protocols for certain types of offenses, i.e., whether an order to correct is required first or if the problem moves straight to administrative citation.
- Provide templates orders to correct.
- Provide guidance tools to staff on how to use a combination of orders to correct administrative citations, abatement, and more serious civil remedies to address common problems.
- Create appeals process.*

Abatement

Current

Cities often have code provisions authorizing the staff and/or Council to abate nuisances or code violations when the property owner is not willing or able to do so. This is not the case in Northfield. Examples from other cities were reviewed for guidance on how abatement authority can help address common nuisance and other property issues in a timely manner with better results.

Goals

- Improvement of tools for administration and enforcement of the program.
- Efficient use of resources, including staff time.
- Improve overall quality of housing stock.
- Shift focus to tenants.

Proposed solution

- Provide for abatement procedures, including notice provisions.
- Three-tier abatement system: summary/emergency, standard, or major.*
- Provide an appeals process for summary/emergency and standard abatement.*
- Create standard documents for use in abatement procedures, such as a notice.
- Create workflows and decision trees to help the staff take the next steps in an action without consulting attorneys every time.
- Provide guidance on when attorneys should become involved.
- Provide references to statutory abatement procedures for certain circumstances, i.e., hazardous buildings/property.



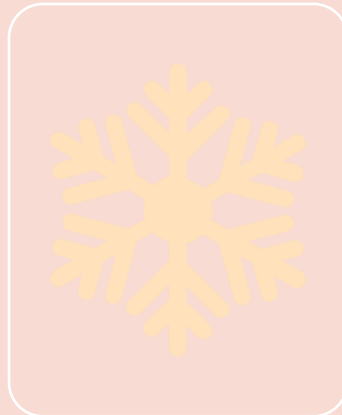
Major Abatement

- City Council Hearing/Order
- \$10,000+
- Whole building, large cleanups, junk house
- Appeal directly to court system



Standard Abatement

- Staff Order
- Up to \$10,000
- Vehicle storage, yard cleanup, waste removal
- Appeal to Council or Hearing Officer



Emergency/Summary Abatement

- Staff or Council
- Immediate threat
- Snow, collapse, public property, vegetation
- Appeal cost only to City Administrator



Optional City Administrator

- \$5,000-\$10,000
- Multiple vehicles, large yards
- Appeal to Council or Hearing Officer

Nuisance Code Clarifications

Current

Nuisances are currently spread out throughout the City code. Some provisions provide for abatement, such as snow, diseased trees, weeds/grass, but most only provide for criminal sanctions without the other tools to try to gain compliance. Nuisance provisions are often used in addressing common tenant complaints, so a strong nuisance code helps to reinforce the rental housing licensing program, while helping address other community issues.

Goals

- Improvement of tools for administration and enforcement of the program.
- Efficient use of resources, including staff time.
- Improve overall quality of housing stock.
- Shift focus to tenants.

Proposed solution

- Recodify nuisance provisions into major categories: health, peace & safety, morals/decency, and vehicles.*
- Identity when correction is appropriate vs. immediate citation vs. immediate abatement.*
- Provide broad definitions of general nuisances.
- Tie in administrative citation, order to correct, and abatement procedures with nuisance provisions.
- Reference complementary statutory processes, such as special assessments, hazardous buildings/properties, and nuisance house.
- Modify fee schedule appropriately.*

Supportive Documents

Supportive documents are meant as guides and resources, but are not replacements for the City code. All supportive documents should be drafted with references to applicable City code provisions or other laws. The documents should be tailored to the intended audience. Documents meant for public consumption should be provided in multiples languages. New tools will assist with program administration, and may include:

Standard Documents

- Orders to correct
- Administrative citation
- Abatement notice
- Appeals notice
- Action plan
- Mitigation plan
- Other notices or correspondences

Standard Operating Procedures

- Inspections checklist
- Guidance to identify level of severity
- Property seizure/disposal
- Entering property/search warrant
- Common occurrences
- Difficult occurrences, such as junk houses, difficult owners, a threat to life/safety
- Inventory

Decision Flowcharts

- When to call the attorneys
- What staff should be involved
- How to walk through complex situations

References

- State statutes for hazardous properties/buildings, build code violations, eminent domain, junk vehicles, nuisances, nuisance houses
- Eminent domain procedures
- List of resources for staff on common issues

Plain language resources for public

- Resources for tenants
- Easy to use complaint forms/information
- List of common tenant issues and if City or someone else can help
- Landlord resources
- Easy to follow overview of procedures
- What do I need to do if... I get an administrative citation, order, etc.

Key Decision Points by Area

Rental Licensing

- Internal appeals process for rental housing license actions could be accomplished by either a hearing officer, the city council, or some other group. It could be the same or different decision than the abatement and other appeals processes.

Abatement

- Abatement appeals process could be by a hearing officer, Council, or another body.
- Should there be three or four abatement levels?
 - What should the dollar amounts for the levels be?
 - Other than snow, vegetation, immediate threat to life/health/safety, what else should be a summary/emergency abatement automatically?

Nuisance

- Should ALL nuisances be moved to one area, or should they be cross-referenced?
- Which nuisances should automatically be cited versus an order to correct?
- What should timelines be for order to correct?
 - Not less than 24 hours and not more than 14 calendar days without an extension?
 - Extensions up to 30 days with a showing of progress or good cause.

Fees/Fines

- Maximum fine for an administrative offense.
- Modify fee schedule to update and align with code changes

Next Steps

- Initial Council review
 - Revisions based on Council decisions
 - Review with stakeholders
 - Present proposed changes to HRA
 - Staff team review of final drafts
 - Prepare tools and staff for implementation (ongoing)
 - City Council review of final drafts
 - Schedule City Council formal action
 - Passage
 - Implementation
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- Phase II, could include:
 - Short-term rentals/VRBO
 - Consideration of zoning and density limits for rentals
 - Code clean-up based on experience