



## You Ask, We Answer

### Red Wing's Rental License Program

*(Please note: For this article, the terms "landlord," "property owner," and "owner" are used interchangeably.)*

**What is the purpose of the Rental License Program?** The purpose of the program is to ensure that every tenant in Red Wing has a safe and healthy place to live.

**When was this program approved?** More than 2 years of planning and outreach went into the program. The program was unanimously approved by City Council on August 9, 2021.

**When does the program begin?** January 1, 2022.

**How many rental units are in Red Wing?** Statistics from the U.S. Census-2019 American Community Survey show that 34.5% of all occupied housing units in Red Wing are rental units. That equals an estimated 2,500 rental properties total. About 83% of those rental properties consist of one unit or two units.

#### **What are the basics of the program?**

License fee: Property owners are charged \$40 per unit each year for a rental license. That equals \$3.33 per unit each month and will be the same no matter how many units are in a rental property.

License fee deadline: The license period starts January 1 each year. License applications and fees will be due December 1 annually (one month prior to the license expiration date). In 2022, the first year of the program, all fees are due January 1, 2022 (not December 1, 2021).

Inspections for health and safety issues: Properties will be required to be inspected every three years for basic health and safety issues as part of the license program. Examples of items from the inspection checklist include a roof with no leaks, proper plumbing and electrical systems, one working toilet, and operable smoke detectors. The full checklist is on the City's website.

Inspection zones: Properties in the east side of town (Zone 1) will be inspected first in 2022; properties in the middle of town (Zone 2) will be inspected second in 2023; and properties in the west side of town (Zone 3) will be inspected third in 2024. Large, multi-family units (Zone 4) will be in a "floating" category, spread across the three zones and inspected accordingly during the three-year cycle. Zone boundaries have been drawn based on the number of rental properties in each area so the inspection workload will be divided up equally. To see the online map of specific zones and properties, visit the link on the City's website page.

Inspection visits: Property owners/managers are required to attend inspections. Tenants are welcome to attend an inspection but not required. The inspector will work with the landlord to visit all of an owner's properties in one day, including those in different zones, if that option is easier for the landlord. Accommodations can be made on special request for a weekend or evening inspection.

Inspection timelines: The City will first inform a landlord of the year the property is planned to be inspected. The City will later give the landlord notification of the specific inspection at least two weeks in advance. The landlord/owner must give tenants at least 72 hours notice of the inspection. The landlord must also demonstrate to the City inspector that a tenant is aware of the upcoming inspection and has consented to it.

### **How is the program paid for and staffed?**

The City will have a full-time inspector dedicated to the program because it is important that inspections are done consistently using the same methods and standards. The total estimated annual cost for the program is \$95,000, which includes staff, equipment, software, and other items. License fees will pay for the full program.

### **What do landlords get out of this program?**

Landlords are provided an inspection of their properties at relatively low cost. These inspections help identify safety issues that may need to be addressed before problems cause harm to tenants or someone else. Landlords also know that all rental properties in Red Wing are being addressed in the same manner regarding the health and safety items listed on the checklist.

### **What happens if a property does not pass an inspection?**

If a property does not pass its first inspection, the City notifies the owner in writing, and the owner will have up to 90 days to fix the items and report back to the City that the improvements have been made. The inspector will visit the property one more time, free of charge, to ensure the repairs are completed. If the items are still not fixed, an additional inspection will be necessary. Any of these additional follow-up inspections will cost the owner \$50 per inspection. (Note: Repairs could be mandated to happen immediately if a situation is threatening to someone's life or property.)

### **What should I do if I am a tenant and have a health or safety concern about my unit right now?**

You can call the City's building inspection department now or any time at 651-385-3623 to talk to one of the current building inspectors. Often an inspector can come look at the issue you're concerned about free of charge and help you work with your landlord to get it fixed.

### **If I am a tenant looking for a new rental place to live, how will I know that a property has a license and complies with the City's health and safety standards?**

The City will keep a list of all properties that have passed inspection so you can call the City to check. In addition, all multi-unit properties that have passed inspection must post that

information in a conspicuous location. For one- and two-unit properties, the landlord must give a copy of the license information to each tenant. During the first three years of the program, some properties will have a Temporary License from the City until they get inspected. A Temporary License means the license fee has been paid but the property has not been inspected yet during the start-up phase of the program.

**What if a person or family needs to leave their housing unit right away due to a major health and safety issue?**

If the inspector finds a major health or safety issue and someone must leave their housing unit until it is safe, the City has set up a fund that will pay to house people short-term in a separate unit while their own housing unit is being fixed. The landlord will need to fix the problem immediately and when the property is safe, the person or family will be able to move back in.

**How do I learn more about my rights and responsibilities as a landlord or tenant?**

You can visit the City's website and read the Minnesota Attorney General's booklet "*Landlords and Tenants: Rights and Responsibilities.*" English and Spanish versions of the information are available.

**How will this work be documented?**

The City will regularly update its GIS mapping system to show how many units have been inspected and how many units required improvements.

**What if someone is renting without a license?**

If someone is renting without a license, that owner will have to pay double the license fee right away to get the required license (\$80). If after 60 days the owner has still not taken the steps to receive the license, the owner will be fined \$500.

**What happens if a landlord or tenant refuses an inspection entirely?**

If a landlord and/or tenant continues to refuse an inspection, the City can seek an administrative warrant through the county court system that will ask a judge to allow the City inspector to conduct the inspection.

**What if a property owner wants to appeal an order to comply with the City code?**

An owner will have 10 days to appeal in writing and state the specific grounds for the appeal. The City Council will then hold a hearing on the appeal in a timely manner and make the final decision.

**What happens if a property owner fails to comply at all with a compliance order?** If a landlord fails to comply with a compliance order within the set timeline, that person will be guilty of a misdemeanor and subject to a fine. (Under extreme circumstances, state law prescribes imprisonment but most likely that will not be needed.) Each day a landlord fails to comply can

constitute a separate offense. Licenses may be suspended for up to 90 days, and licenses may be reinstated after the property owner makes the necessary fixes to the unit.

**If I recently purchased a rental property or am turning a current residential unit into a rental unit, how soon do I need to contact the City to apply for a license?**

You need to contact the City's building inspections department and apply for a license within 10 days after acquiring the property or converting the property.

**Will I get my license fee back if I transfer ownership of my property to someone else during the year, or if my license is revoked?** No, you will not receive the license fee back.

**What if I am a property owner that lives far away from Red Wing?** If you are an owner who lives outside of Goodhue, Dakota, Rice, Wabasha, Hennepin, Washington, Ramsey, Olmsted, Pierce, or St. Croix county, you must designate someone in writing who will be responsible for the maintenance and upkeep of your property and who is legally empowered to receive notice of any violations and receive orders pursuant to a violation.

**What if I own a multi-family unit that is already inspected by a state or federal agency every few years?**

The City will still inspect these units to make sure they meet the City's code. The City also inspects every unit in a building, whereas other agencies often inspect only a percentage of units in a building. (See below for information specific to HRA-owned properties.)

**Are there any exceptions to the proposed \$40 annual fee?**

Yes. The program has two exceptions:

-- The license fee is 50% for properties owned by the local Housing and Redevelopment Authority (HRA). The HRA owns various properties such as Jordan Tower I and Jordan Tower II downtown and already inspects those properties. The HRA is working in partnership with the City so the HRA will continue inspecting all HRA-owned properties following City code. HRA staff will provide documentation to the City of all inspections and improvements. The HRA, in turn, will pay 50% of the annual license fee for each unit.

-- The license fee will also be 50% for newly constructed properties during each property's first three years. All newly built rental properties will already have passed an inspection, so during the first three years, those property owners pay only 50% of the license fee.

**How has the City reached out to the public about this program?**

The City has connected in the following ways. More details are on the City's website.

-- Public meetings occurred on May 20, 2021 (virtual) and March 12, 2020 (in person).

-- Informational flyers and surveys in English and Spanish were sent to every tenant in Red Wing in October 2020.

- Multiple articles and requests for feedback were in the City's free online newsletter, City Beat.
- Articles and a video went out on the City's social media platforms and on Channel 6.
- City Council Workshops happened on November 10, 2020 and March 24, 2021, plus multiple Council meetings and reports provided discussion or updates over the last 18 months.
- Articles were printed in the Republican Eagle.
- Individual interviews happened with local landlords, tenants, and organizations, as well as conversations with officials from multiple surrounding towns and cities with similar programs.
- Updates on all meeting recordings, notes, and documents have been on the City's website page: [www.red-wing.org/RentalLicense](http://www.red-wing.org/RentalLicense)

**Resources:**

Visit the City's website page: [www.red-wing.org/RentalLicense](http://www.red-wing.org/RentalLicense)

Questions: Contact Dan Rogness at 651-385-3637 / [dan.rogness@ci.red-wing.mn.us](mailto:dan.rogness@ci.red-wing.mn.us).