

Anoka adopts new set of rules for its rental properties

Wednesday, 25 August 2010

The city of Anoka has adopted a new set of rules for rental properties in an effort to better protect both tenants and landlords.

by Mandy Moran Froemming

Union editor

The city of Anoka has adopted a new set of rules for rental properties in an effort to better protect both tenants and landlords.

With 47 percent of the city's housing stock identified as rental property, this updated rental licensing ordinance will reach into many different neighborhoods.

Several councilmembers have said in the past that the city doesn't have a problem with the amount of rental property in Anoka – its issues are with how those properties are managed.

This ordinance adds to rental licensing standards that were first put in place in 2007.

“The whole reason we got into rental licensing in the first place was to add to the safety of the renter,” said Mayor Phil Rice.

Rice is pleased that while the changes include several new fees, all are refundable or avoidable with either education or good property management, he said.

More recently, there have been plenty of complaints from neighbors of rental property where police calls and poor property management have become the norm.

According to Planning Director Carolyn Braun, the city considers the operation of rental property a business, therefore landlords have responsibilities to ensure the tenants and those nearby can pursue the quiet enjoyment of normal activities.

This is why the new ordinance includes a “strike rule” where the property owner will be notified after a second police call for a nuisance on the property.

After the third call the property owner will be notified by mail and will be required to respond within 10 days with a written plan to address the situation. No response will result in a fee.

After a fourth call or if the fee is not paid, the council may consider suspending the license for three months or eventually revoking the rental license in the case of a fifth nuisance call.

Reinstatement fees for a suspended license will be \$250 and \$500 for a revoked license.

There are no consequences for rental licensing for medical calls or police or emergency assistance in response to domestic abuse or other emergency situations.

Landlords will also be required to renew their rental licenses on an annual basis. The license fee is due by Nov. 1 and will double if paid between the deadline and Dec. 31. If not paid by Dec. 31, the property owner will have to apply for a new

rental license.

“Often we’re still trying to collect fees in April,” said Braun.

The rules were drafted with the input from the city council after numerous work sessions, city staff along with representatives from the North Metro Realtors Association and the Minnesota Multi Housing Association.

Councilmembers Mark Freeburg and Jeff Weaver, both rental property owners in Anoka, abstained from voting on the changes.

The council did respond to a request from local landlord Alan Williams to eliminate the requirement of a blank lease being filed at city hall, calling it a waste of time.

“It’s not proof that a landlord is operating with a lease,” said Williams.

Landlords should not have to divulge the details of these business documents to the city, he said.

The council did opt not to require landlords to file a copy of the lease once the new rules take effect.

According to City Attorney Scott Baumgartner, requiring the extra paperwork is a way to deal with “a fly-by-night landlord that comes into the city, takes advantage of a tenant, takes their money and leaves.”

Local attorney Jim Neilson took exception to a number of the changes to the rental licensing ordinance, coming to the council with a long list of complaints when the new rules were finalized on Aug. 16.

“I’ve been renting property to 40 years,” said Neilson, who has 47 years experience in real estate law. “I don’t have to go to a class to know about crimes.”

Neilson said the new ordinance was an example of big government going too far.

The council did make a change to the ordinance, at Neilson’s request, to require the city to send notice that rental licenses were coming due every year.

Neilson criticized the penalties for late payment and wondered how many landlords would remember to reapply each year without a reminder.

He was also critical of the city’s requirement for landlords to do criminal background checks on prospective tenants.

But Rice said he felt that was a valid part of the rental licensing ordinance.

“It speaks to our position we want our property owners to be educated about who it is they are renting to,” said Rice.

The amendments to the ordinance also address concerns with single-family homes turning over to rental, something that has become much more common as homeowners have difficulty selling their property and can’t make mortgage payments.

Many have turned to renting in order to make the mortgage payments.

Those who plan to convert their single-family homes into rental property will also be subject to a \$500 conversion fee. The money is refundable, if the homeowner attends property management classes to learn the ins and outs of being a landlord.

Mandy Moran Froemming is at editor.anokaunion@ecm-inc.com