

# Post-Bulletin

## Property owners seek end to rental restrictions near Winona college

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By Elizabeth Baier

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WINONA — Ted and Lauren Dzierzbicki bought a house in Winona in 2007, when their daughter, Jenna, started college at Winona State University.

Aiming to have her live in part of the house and rent the rest out to other students, they spent \$40,000 to renovate the two-story house and Jenna found roommates.

But when the Dzierzbickis applied for a rental license with the City of Winona, they learned the house was ineligible for a permit. The block had already reached its 30 percent limit for rental certificates.

“It was a little shock because we had purchased it,” Ted Dzierzbicki said. “The realtor hadn’t said anything. The bank hadn’t said anything. The lawyer hadn’t said anything. And in the whole process of talking with these people, we were hoping, yeah, we want it for our daughter but we’re going to have other kids live with her, charge them rent and help offset some of the costs.”

On Tuesday, the Dzierzbickis and two other homeowners filed suit against the city in Winona County District Court. The suit, which seeks to overturn the city’s rental rule, alleges that it violates homeowners’ equal protection rights under the state constitution.

The law — known as the “30-percent rule” — prevents new rental permits from being issued to homes on blocks where at least 30 percent of homes already have rental certificates. The city passed the law in 2005 to control the number of rentals near Winona State University.

Winona is one of several Minnesota cities that have passed the controversial rental rules. Others include Mankato, Northfield and West St. Paul.

Although city officials and longtime property owners say such rental controls have stabilized neighborhoods near college campuses, the Dzierzbickis say the rules are onerous and unfair. Every few weeks, they drive from the Chicago area to Winona to check on the house. It’s been empty since their daughter graduated last year.

“It’s beyond me how this house impacts the neighborhood or rentals, when I’m surrounded by rentals,” Dzierzbicki said.

Dzierzbicki said he’s stuck with two problems. He can’t rent the house because he doesn’t have a license. And he claims the 30-percent rule makes it nearly impossible for him to sell the property, since the ban applies to current and future property owners. He’s had the house on the market since 2009, but hasn’t had a single offer.

“This is one of our rights, as a U.S. citizen, to own a home and to do things with our own home, not to be dictated to by the city that you can’t rent your house out,” he said.

But not everyone here opposes the 30-percent rule. Less than two block away from the Dzierzbicki’s house, Heidi Guenther Ryan lives in the home she and her husband Kevin bought 21 years ago. It’s a block away from the college campus.

Guenther Ryan said landlords swooped in to buy homes to use as rental properties in the 90s. As a homeowner still living in the neighborhood, she said the 30-percent rule is working.

“What the 30-percent rule has at least done, is it’s at least stopped the growing of these little slum-type areas,” she said.

**Residents and city officials say rising student enrollment at the university has created tension in surrounding neighborhoods. Students represent about a third of the city's population and loud parties are common in some areas.**

**City Attorney Chris Hood said the 30-percent rule was intended to help the entire community, not just a handful of people in some neighborhoods. He said the rule has stabilized the neighborhoods closest to the university.**

**"We have a legislative authority to pass local laws that will protect, facilitate, enhance the public healthy, safety and welfare of the residents and the people that live there, balancing all of their interests of the public not just the self-interests of a couple individuals," he said.**

**Hood said the city has offered owners like the Dzierzbickis a short-term exemption to the 30-percent rule that would allow them to temporarily rent out their homes.**

**Two other plaintiffs have taken the temporary exemptions, which expire in May. The Dzierzbickis say it's not the city's job to limit to the number of homeowners who want to rent their properties.**

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