

## **Frequently Asked Questions – Rental Housing Licensing Program**

1. *Why is the City requiring rental properties to be licensed?*

*This program supports the City's goal of preserving stable neighborhoods and property values. A number of issues have been raised regarding the City's rental housing stock including maintenance, use and/or activity. A licensing program enables a community to ensure these units and properties are maintained in a manner that provides decent housing for residents and upholds the property maintenance standards of the community. The other issues with respect to rental housing reflects the property owner's responsibility to assure that citizens who occupy these units pursue lifestyles that are safe, secure and do not create nuisances for surrounding property owners.*

2. *How much will it cost to license my property?*

*License fees are based on the classification of the unit. Re-inspection fees will be charged if the City Staff cannot access the property during the initial scheduled inspection and after the second inspection if corrections are needed.*

**Rental License Fee: \$150.00**

*(Includes Rental license fee of \$100.00 and inspection fee including one follow up inspection \$50.00)*

**Addition inspections on an hourly basis: \$50.00 per hour**

3. *What data source(s) did you use to determine whether or not a property might be rental property?*

*Data from a variety of public information sources were used including Wright County tax records provide information regarding property owner name and address non-homestead and homestead classifications, and number of units in a structure. Property owners of properties classified as non-homestead as well as those that contain more than one unit were identified as potential rental properties. Also, the property was included in the database if there was a discrepancy between the County registered property owner and licensing/registration information.*

4. *I am not renting my property but for some reason it was included in the City's database. What do I need to do to prove the property is not being rented?*

*You will need to file an Affidavit with the City verifying that the property is not being rented. Affidavit forms were included with this initial mailing and are also available on the City's web site [www.ci.otsego.mn.us](http://www.ci.otsego.mn.us) or by calling the City at 763-441-4414. The signatures on this form need to be notarized. Notaries are available at City Hall. Please note that submitting false information to the City is considered a violation.*

5. *I am renting out a townhome unit that I own. Am I required to apply for a license?*

**Yes.** *The licensing ordinance applies to all dwelling units that are being rented including detached single family homes, condominiums, town home, duplexes and apartments.*

6. *I own the property but am not living there, however, my daughter is. Currently, I am not charging her rent. Is this considered a rental property?*

**Yes.** *The ordinance defines rent as, "to permit occupancy of a dwelling unit by a person other than the legal owner thereof, pursuant to a written or unwritten agreement, whether or not a fee is required by the agreement."*

7. *I own more than one rental property in Otsego. Do I need to obtain more than one license?*

**Yes. A license is required for each property that is being rented.**

8. *I live out-of-state. Do I need to hire a management company to oversee my rental property?*

**No, however, rental property owners must designate an agent who resides in the area. This agent will be the City's primary contact and is responsible for the maintenance of the dwelling, receipt of compliance order and all other service associated with the license. A tenant may serve as your agent; however, the City must be notified within five business days of any change in the identification of your agent.**

9. *After I apply for the license, what does the City review during the licensing process?*

**When an application for a license is received, the City will be reviewing information on file to verify that the property is in compliance with City ordinances and that real estate taxes and utility bills have been paid. In addition, police calls will be reviewed to determine if there are conduct issues occurring on the property.**

10. *How long is the license issued for? Does the license need to be renewed?*

**The Rental Housing License is an annual license effective for one year from the application date. All licenses are to be renewed annually.**

11. *Does the license need to be kept at the rental property?*

**Yes. The City will mail the license to the owner or residential agent, as applicable. The license must be available on request.**

12. *Are there any penalties if I chose not to license my rental property with the City?*

**Yes. Violation of the City's ordinance is considered a misdemeanor punishable by a maximum fine of \$100 or 90 days in jail or both.**

**Rental Housing Licensing Program – Inspections**

1. *When will an inspection be scheduled?*

**The City Staff will contact you via mail to set up the inspection. As the property owner, it is your responsibility to notify tenants of the scheduled inspection. Please note that a re-inspection fee will be charged if the City Staff cannot access the property or dwelling unit during the scheduled inspection time frame. If you need to cancel and re-schedule the inspection, please contact the City Staff at least 24 hours in advance of the scheduled inspection date.**

2. *What is the City Staff looking for during the inspection?*

**The City Staff will be reviewing the exterior and interior of the property to insure it complies with the City's Ordinances regarding Rental housing, Section 11.**

3. *How do I know if the property passed the inspection?*

***The City Staff will leave a compliance form at the premises that will identify whether or not corrections are needed. If the property does not pass the inspection, this compliance form or compliance order will indicate the corrections needed and the time frame in which they are to be completed.***

4. *If my rental property fails the inspection, will my license be revoked?*

***A compliance order will be written to identify what corrections need to be made. This order will establish a time frame to correct the violation and a re-inspection date will be set. A fee is not charged for this initial re-inspection, however, a fee will be charged for any subsequent re-inspections that are needed to verify that the corrections have been completed. If progress is not being made on the corrections, the City Council does have the authority to suspend or revoke the license.***