

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: February 13, 2023
Item No.: 7.i

Department Approval

Janice Gundlach

City Manager Approval

Sam J. Tranter

Item Description: Consider Ordinances amending Title 9, Section 909 of the City Code in order to stop issuance or renewal of Short Term Rental licenses

BACKGROUND

The legislative history surrounding Short Term Rental (STR) licenses is as follows:

- August 24, 2020: The City Council engaged in a discussion regarding options to regulate STR's. This meeting included extensive public comment.
- September 28, 2020: The City Council reviewed three options to regulate STR's. These options included: 1) amend the existing Rental Registration requirements outlining a definitive process to revoke and/or suspend a problem rental registration, 2) outright ban on STR's, and 3) create a business license for rentals less than 30 days. The Council directed staff to pursue a combination of options one and three. This meeting included extensive public comment.
- January 11, 2021: The City Council reviewed draft ordinances regulating STR's and provided direction to staff. This meeting included extensive public comment.
- February 8, 2021: The City Council adopted Ordinance 1596 establishing a license requirement for STR's. Since adoption of ordinance 1596, six licenses have been issued.
- January 30, 2023: By motion, the City Council directed staff to prepare the necessary ordinance to stop issuance of future STR licenses until such a time the regulations can be further evaluated. This motion passed unanimously.

Based on public testimony provided at the January 30th meeting, the City Council directed staff to draft an ordinance to stop the issuance of STR licenses so that the existing regulations can be reevaluated. After consultation with the City Attorney, the Ordinance provided in Attachment A is recommended for adoption, which stops the issuance of any new STR licenses, as well as issuance of any renewals given licenses are only valid for one year. Once the City Council has determined if any regulations need to be changed, another ordinance would need to be adopted to reflect those new rules. The City Council can always choose to simply reinstate the rules that were in place prior to adoption of this proposed Ordinance if revised regulations are deemed unnecessary.

The below table outlines all current licenses and their expiration date (including the two approved on January 30th):

License Holder	STR Address	Issue Date	Expiration Date
Michelle Mulvehill	1885 Shady Beach Avenue N	6/22/2022	6/22/2023
Eric Carrara	257 South McCarrons Blvd West	7/14/2022	7/14/2023
Connie Marty	1901 N Shady Beach Avenue	9/13/2022	9/13/2023
Grygorii Zaiets	1277 Garden Avenue	9/13/2022	9/13/2023
Tim Nguyen	770 W Heinel Drive	1/31/2023	1/31/2024
Jason Wilson	395 W Woodhill Drive	1/31/2023	1/31/2024

The proposed Ordinance was posted on the City’s website on Friday, February 3rd in accordance with the required 10-day public notification requirement. At the City Manager’s direction, staff also provided written and email notification to all current license holders of the Council’s intention pass an ordinance stopping the issuance and renewal of any future STR’s. If the Ordinance is adopted, staff will notify these same license holders of passage of the Ordinance. Staff will also disable the online application process for STR licenses.

Additionally, given the length of the ordinance, staff is proposing the Council approve a summary publication (Attachment B). The summary requires a 4/5th vote.

POLICY OBJECTIVE

The purpose of the license requirement for STR’s is to ensure that non-owner-occupied short-term rentals of dwelling units is conducted, operated, and maintained so as not to become a nuisance to the surrounding neighborhood or an influence that fosters blight and deterioration or creates a disincentive to reinvest in the community. The operation of a short-term rental property is a business enterprise that entails responsibilities required of the owner, local agent, and guests.

BUDGET IMPLICATIONS

No meaningful budget implications have been identified related to adoption of the proposed ordinance. STR licenses cost \$515 annually, but actual collected revenue is nominal given only six licenses have been issued to-date.

RACIAL EQUITY IMPACT SUMMARY

Any racial equity impacts as a result of adoption of the proposed ordinance have not been evaluated.

STAFF RECOMMENDATION

Adopt the Ordinances provided stopping the issuance or renewal of any future Short Term Rental licenses and approving a summary publication.

REQUESTED COUNCIL ACTION

By motion, adopt the Ordinances provided stopping the issuance or renewal of any future Short Term Rental licenses and approving a summary publication.

Prepared by: Janice Gundlach, Community Development Director
 Attachments: A: Proposed Ordinance
 B: Summary Ordinance

City of Roseville
ORDINANCE NO.

AN ORDINANCE AMENDING

TITLE 9 CHAPTER 909

AN ORDINANCE AMENDING TITLE 9, SECTION 909 OF THE
ROSEVILLE CITY CODE IN ORDER TO STOP ISSUANCE OF NEW
SHORT TERM RENTAL LICENSES

THE CITY OF ROSEVILLE ORDAINS:

SECTION 1: Title 9 Section 909.03 of the Roseville City Code is amended to read as follows:

909.03: LICENSE REQUIRED:

- A. It shall be unlawful for any person to hereafter occupy, allow to be occupied, or let to another person for occupancy any residential property within the City ~~for which an application for~~ without a short-term rental license ~~has not been properly made and filed with~~ issued by the City or after the time that a license is suspended or revoked. ~~Applications for licensure shall be as required by Chapter 301 of City Code, and shall be made upon forms furnished by the City for such purpose and shall specifically require the following minimum information:~~
 1. ~~Name, street address, email and phone number of the property owner.~~
 2. ~~The name, street address, email and phone number(s), of a local agent authorized to make or order repairs or services for the property, if in violation of City or State Codes, if the person is different than the owner.~~
 3. ~~The street address of the short term rental property.~~
 4. ~~The type of units within the rental property (single family, twin home, townhome, condo, duplex, triplex or fourplex).~~
 5. ~~The number of bedrooms in the unit.~~
 6. ~~Certification and attestation that the maximum occupancy per unit is either 4 or less unrelated adults or one family pursuant to Roseville City Codes 906.06 and 1001.10. (Ord 1596, 2-8-2021)~~

43 SECTION 2: Title 9 Section 909.04 of the Roseville City Code is amended
44 to read as follows:

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909.04: EXPIRATION OF LICENSE:

- 48 A. ~~Term: All licenses issued under this Chapter are effective upon issuance and~~
49 ~~shall expire one year (365 days) from date of issuance. All required renewal~~
50 ~~license application materials shall be received and submitted prior to the~~
51 ~~expiration date.~~
- 52
- 53 B. ~~Late fee: Any renewal license applications submitted after expiration will be~~
54 ~~considered late and subject to fee penalties.~~
- 55
- 56 C. ~~Violation: Any license not renewed after expiration, with continued short-~~
57 ~~term renting of the property, will be considered a violation of this ordination.~~
58 ~~Renters will not be allowed to occupy a property if the renewal license is not~~
59 ~~issued within 5 days after expiration. (Ord 1596, 2-8-2021)~~

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SECTION 3: Title 9 Section 909.05 of the Roseville City Code is amended
62 to read as follows:

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909.05: FEES, LODGING TAX:

- 66 A. There shall be a license fee ~~and late renewal fee~~ as established by the City
67 Fee Schedule in Section 314.05. All fees and fines shall be charged to and
68 payable by the property owner.
- 69
- 70 B. Pursuant to Minnesota Statutes, section 469.190, local lodging taxes shall be
71 collected on all rentals less than 30 days in length in accordance with Chapter
72 312 of the City Code.
- 73
- 74 C. Short-Term Rentals in violation of this ordinance may be subject to
75 administrative fines, in addition to any other fees or penalties per Section
76 909.10 or other applicable sections of City Code. (Ord 1596, 2-8-2021)

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SECTION 4: Title 9 Section 909.06 of the Roseville City Code is amended
79 to read as follows:

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909.06: MANNER OF LICENSURE:

- 83 A. An owner who has an existing Short-Term Rental property as defined by this
84 Chapter that is ~~not already~~ licensed under the requirements of City Code
85 Chapter 909, may continue to operate until expiration of such license.

86 Following the effective date of this Chapter, no further licenses will be
 87 issued, no change in occupancy type will be approved, and no transfer or
 88 renewal of license will be permitted. must apply for licensure pursuant to this
 89 Chapter, no later than 30 days following the effective date of this Chapter.

90
 91 B. ~~An owner of a property that after the effective date of this Chapter wishes to~~
 92 ~~convert the property into a Short Term Rental property, shall apply for and~~
 93 ~~license the property prior to its conversion.~~

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 95 C. ~~If there is a change in the type of occupancy from the type stated on the~~
 96 ~~license form, an amended license form shall be filed within 30 days of the~~
 97 ~~change.~~

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 99 D. ~~When a previously licensed property is sold, the new owner, if continuing to~~
 100 ~~offer Short Term Rental, shall apply for a license within 30 days of the sale.~~

101
 102 E. ~~Valid Short term rental license holders shall not be required to register said~~
 103 ~~rental per Chapter 907 if they enter into rental lease periods in excess of thirty~~
 104 ~~(30) consecutive days.~~

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 106 F. ~~The City Manager may administratively deny a license under this Chapter if~~
 107 ~~the property has been issued fines for repeat nuisance violations per City~~
 108 ~~Code Section 511.~~

109
 110 G. ~~If a person is found to have engaged in rentals that require a license under~~
 111 ~~this Chapter, but no license has been obtained, upon application for licensure~~
 112 ~~said license shall not become effective for 90 days. (Ord 1596, 2-8-2021)~~

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 114 SECTION 4: Title 9 Section 909.09 of the Roseville City Code is amended
 115 to read as follows:

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 117 **909.09: LICENSE SUSPENSION AND REVOCATION:**

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 119 A. A Short-Term Rental license may be revoked or suspended by the City
 120 Council at any time under the provisions of this chapter, or Chapter 301
 121 Section 301.09, for grounds including, but not limited to, the following:

- 122 1. Two or more confirmed violations of this section within 180 days,
 123 except for a single violation as outlined in paragraph B of this section.
- 124 2. False or misleading information given or provided in connection with
 125 a license application.
- 126 3. Failure to maintain the residential rental property in a manner that
 127 meets pertinent provisions of City Code including, but not limited to,
 128 Code Chapters 407 and 906.

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4. Violations committed or permitted by the owner or the owner's agent, or committed or permitted by the tenant or the tenant's guests or agents, of any rules, codes, statutes and ordinances relating to, pertaining to, or governing the premises including, but not limited to, the following:
- a. Minn. Stat. 609.75 through 609.76, which prohibit gambling;
 - b. Minn. Stat. 609.321 through 609.324, which prohibit prostitution and acts relating thereto;
 - c. Minn. Stat. 152.01 through 152.025 and 152.027, subs. 1 and 2, which prohibit the unlawful sale or possession of controlled substances;
 - d. Minn. Stat. 340A.401, which regulates the unlawful sale of alcoholic beverages;
 - e. Minn. Stat. 609.33, which prohibits owning, leasing, operating, managing, maintaining, or conducting a disorderly house, or inviting or attempting to invite others to visit or remain in a disorderly house;
 - f. Minn. Stat. 97B.021, 97B.045, 609.66 through 609.67 and 624.712 through 624.716 and Chapter 103 of the City Code, which prohibit the unlawful possession, transportation, sale or use of weapon;
 - g. Minn. Stat. 609.72, which prohibits disorderly conduct;
 - h. Minn. Stat. 609.221, 609.222, 609.223, 609.2231 and 609.224, regarding assaults in the first, second, third, fourth and fifth degree.
 - i. Roseville City Code Sections: 407, prohibiting public nuisances, 405, noise control, 511, repeat nuisance, 906, property maintenance, 1004 and 1005, land use and 1018, parking.
- 159 B. Upon recommendation by the Chief of Police, the City Manager is authorized
160 to administratively suspend a license after a single violation that reasonably
161 posed or poses a threat to public safety.
162
- 163 C. License suspension shall be for a term not less than: 180 days for the first
164 suspension and 365 days for the second suspension. Depending on the
165 gravity of the offense, the Council may impose longer suspension timeframes
166 than noted in this paragraph.
167
- 168 D. License revocation shall be considered by the City Council when violations
169 occur under paragraph A or B of this section and/or when two prior
170 suspensions occurred under the same licensee.
171

- 172 E. In order to reinstate a suspended license, the applicant shall apply following
 173 the same process as if applying for a new Short-Term Rental license.
 174 Reinstatements following suspension will only be considered when the
 175 circumstances leading to the suspension have been remedied, the suspension
 176 penalty imposed by the City Council has been satisfied, the licensee has
 177 submitted a Mitigation Plan outlining policies and procedures to prevent
 178 violations from occurring in the future, and upon City Council approval.
 179 Reinstatement after suspension may be denied by the City Council if the
 180 licensee cannot satisfactorily meet the requirements in this paragraph.
 181
- 182 F. If a license is revoked, reinstatement will not be considered. ~~may only be~~
 183 ~~considered by the City Council if there is an ownership change. Ownership~~
 184 ~~change to a family member of the prior owner, or entity affiliated with the~~
 185 ~~prior owner shall not constitute compliance with this requirement.~~
 186
- 187 G. Repeat Nuisance Service Call fees shall be applied pursuant to City Code
 188 Section 511. (Ord 1596, 2-8-2021)
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190 SECTION 5: Title 9 Section 909.10 of the Roseville City Code is amended
 191 to read as follows:
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193 **909.10: VIOLATION:**
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- 195 A. Misdemeanor: Any person who maintains a short-term rental property
 196 without having the property licensed, or after the short-term rental license for
 197 the property has been revoked, or who permits new occupancy in violation
 198 of Section 909 is guilty of a misdemeanor and, upon conviction, is subject to
 199 a fine and imprisonment as prescribed by state law. Each day each violation
 200 continues or exists, constitutes a separate offense.
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- 202 B. Administrative fee: In addition to, or in lieu of, charging a misdemeanor, the
 203 City may impose administrative fees in an amount set in the City Fee
 204 Schedule. Each day each violation continues or exists, constitutes a separate
 205 offense.
 206 1. Upon the failure to pay an administrative fee, the City may post the
 207 dwelling unit as illegal for occupancy as a short-term rental.
 208
- 209 C. Prohibited occupancy: Pursuant to 909.10.B.1, the dwelling unit or portion
 210 of, may not be occupied by anyone other than the primary homestead owner
 211 and that person's immediate family until:
 212 1. The administrative fee has been paid; and
 213 2. ~~A short term rental license is obtained or~~ The City is satisfied that the
 214 ~~dwelling unit will not be used as a short-term rental dwelling unit; and~~

215 3. Completion of any abatement, written compliance order, legal action
216 from a citation or action per City Code Sections 407 and 906. (Ord
217 1596, 2-8- 2021)

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219 SECTION 6: Effective date. This ordinance shall take effect upon its
220 passage and publication.

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222 Passed by the City Council of the City of Roseville this ____ day of _____ 2023.

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225 Signatures as follows on separate page:

226
227 *Ordinance – AN ORDINANCE AMENDING TITLE 9, SECTION 909 OF THE*
228 *ROSEVILLE CITY CODE IN ORDER TO STOP ISSUANCE OF NEW*

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231 **SHORT TERM RENTAL LICENSES**

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234 (SEAL)

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CITY OF ROSEVILLE

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BY: _____
Daniel J. Roe, Mayor

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243 ATTEST:

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247 Patrick Trudgeon, City Manager

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City of Roseville
ORDINANCE SUMMARY NO. 1627

**APPROVING PUBLICATION OF AN ORDINANCE SUMMARY OF THE
AMENDMENT TO TITLE 9, SECTION 909 OF THE
ROSEVILLE CITY CODE IN ORDER TO STOP ISSUANCE OF NEW
SHORT TERM RENTAL LICENSES**

SECTION 1: The City Council of the City of Roseville, on February 13, 2023, adopted Ordinance No. 1626. Minnesota Statutes, section 412.191, subd. 4, allows publication by title and summary in the case of lengthy ordinances or those containing charts or maps.

The City Council has determined that the following summary would clearly inform the public of the intent and effect of the ordinance.

SECTION 2: The following is the official summary of Ordinance No. approved by the City Council of Roseville on February 13, 2023 and directs the City Clerk to publish the title and summary as follows in the official newspaper in lieu of the entire ordinance:

On February 13, 2023, the City Council of the City of Roseville adopted Ordinance No. 1626, an ordinance amending title 9, section 909 of the Roseville city code in order to stop issuance of new short term rental licenses. The Ordinance maintains the regulations for current license holders, but prohibits issuance or renewal of new licenses, including licenses that are revoked.

SECTION 3: A printed copy of the full ordinance is available for inspection by any person during regular office hours in the office of the City Manager at the Roseville City Hall, 2660 Civic Center Drive, Roseville, Minnesota 55113. A copy of the ordinance and summary shall also be posted on the Internet web page of the City of Roseville (www.cityofroseville.com).

ATTEST:

Patrick Trudgeon, City Manager