

Why the Housing Task Force (and the City Council) Should Support Common Sense.

Next Tuesday, the City of Albert Lea appointed housing task force will vote on the, now much publicized, Rental Licensing Ordinance. After much discussion and hard work, the task force will be presented with at least two proposals for consideration – one from the City and one from the Landlord Association.

From a big picture perspective, we should all continue to recognize that we are in this together. Everyone at the table has an interest in making the community a better place. With that said, an agreed upon purpose that has been now been added to both versions of the ordinance reads, “To preserve and promote tax base growth throughout the City.” This stated purpose recognizes the need for balance.

According to the 2006 Maxfield Research Housing Analysis, 90% of the housing stock in Freeborn County was built prior to 1980. In Albert Lea, 46% of the housing stock was built in the 1950’s or earlier. It is unrealistic and almost arrogant to believe that this quantity of aged housing stock can be “made like new” by the symbolic passing of a “tough” ordinance with unrealistic timelines.

A better approach is to acknowledge the problem, identify the parties that can help solve the problem and then find a common solution. The City must recognize that they cannot legislate their way to prosperity. They can tell people to fix up property in as tough of a manner as possible. If it is economically not feasible to do so, however, that property will fall off the property tax roll and into blight.

The landlord proposal actually takes a reasoned approach in accomplishing the goals of the City. There are no differences between the proposals on the need for inspections and creating a good inventory of the rental housing stock in Albert Lea. The differences arise under the implementation of the program. It appears that the City cannot resist their use of the stick in accomplishing their goals.

The major areas of difference are summarized as follows:

1. Talk Tough Language. The City continues to include tough language and the criminalization of every technical aspect of the ordinance. The Landlord proposal recognizes that the ordinance is legally enforceable, but softens this approach;
2. Owner-Occupied Property. The City wishes to require a license for a “dwelling unit occupied by the Owner and rented or leased by more than one Occupant unrelated to the Owner.” Consider whether you know any unmarried individuals living together with their families? Licensing is required if they share expenses. How about the host families for the new hockey team?
3. Length of Provisional License. The Landlord proposal requests 9 months after they receive the results of the inspection. The City gives 6 months after the provisional license is issued. That’s right, if it takes 5 ½ months

for the City to get the results of the inspection to you, you have 15 days to complete the upgrades. “Do not worry” the City will tell us: the Ordinance says that we “may” give you an extension. Unrealistic and unnecessary? I believe so.

4. Payment of Taxes and Utilities. How does requiring payment of taxes help tenants and improve the housing stock? It doesn't, it just adds current tax dollars to the City's revenue stream. In our discussions, it seemed that the City was agreeing that, so long as you had a payment plan in place for your taxes you would not be “delinquent” and they would issue the license. Their recent proposal, however, has gone completely the other direction. Now, they've added the word “unpaid” to the ordinance. Meaning all current and owing amounts (including taxes, utilities and other charges to the City) must be paid in full to get your license. If not, you must immediately evict your tenant or you've broken the law. While I do not advocate non-payment of taxes, the current system is set-up so that there is a substantial opportunity to work through tough times before you lose your property. The City's attempt to short-circuit this process is mean spirited when you consider the large short-term investment they are asking some landlords to make.
5. Landlord and Tenant Registry. The City continues to indicate that they may implement a searchable system in the future, but that they do not want to be obligated to do so. At first, Landlords were told that a registry would be illegal. Yet, it was later discovered that the City of Rochester has an on-line system that is accessible by all licensed landlords. Providing access to this information to the tenants and the landlords seems like a no-brainer. If the City wants to hold everyone else accountable, a little bit of accountability in their direction seems appropriate.

Given this explanation, it is my hope that you will understand the frustration that has been voiced by the landlords. These changes are more about fairness, than about “fighting the inspections.” In fact, as the differences are compared side-by-side, it appears that the City is driven more by dollars and cents, rather than common sense. I advocate for common sense.