

City of St. Johns, Michigan
DRAFT Ordinance – May 17, 2022

An Ordinance to Require Registration, Inspection, and Certification of Residential Rental Properties in the City of St. Johns

The St. Johns City Commission hereby enacts Ordinance No. _____, to be known as the “Rental Registration and Certification” Ordinance.

SECTION 1. A New Ordinance ____ shall be adopted, containing the following language:

- 1) **Title.** This Ordinance may be cited as the Rental Registration and Certification Ordinance of the City of St. Johns.
- 2) **Registration for Rental or Lease of Dwellings.** It shall be unlawful for an owner to rent or lease a dwelling for financial compensation, for any period of time, unless a registration certificate has been issued and maintained for the dwelling in the manner required by this chapter.
- 3) **Registration Procedures.** The City Commission shall establish, by resolution, the required fees for Registration, Certification, Inspection, Appeals, and other applications under this Ordinance, as well as the fines for non-compliance with this Ordinance. The City Commission shall also establish, by resolution, procedures and deadlines for initial Registration and Certification of Rental Dwelling Units under this Ordinance. The City Commission may establish a fee schedule that includes deadlines for Registration and/or Certification and higher fees or fines if those deadlines are not met.
 - a. **Notice to Non-100% PRE (Principal Residence Exemption) Residential Property Owners.** Prior to a date set by the City Commission by resolution, the City shall inform, in writing, the owners of all residential dwelling units that do not claim a 100% Principal Residence Exemption of the Rental Registration requirement.
 - b. **Application for Registration.** Following the written notice described in Subsection 3.a, any property owner renting or leasing a dwelling unit in exchange for financial compensation, for any period of time, shall be required to be registered. The City shall create a registration form and shall provide it to property owners upon request. The registration form, or another form to be included with the registration form, shall require such information as shall be determined by the public safety departments of the City. Once all required registration information is submitted for a given property, the property shall be placed on the Rental Registration List, which the City shall maintain.
 - c. **Inspection and Certification Requirement.** Prior to a date set by the City Commission by resolution, there shall be no inspection or certification requirement. All registration applications prior to that date shall be approved by the City, with the dwelling units listed in the application added to the Rental Registration List. After the date set by City Commission, all registered rental dwelling units must be in Good Standing under the Rental Inspection and Certification Program described in Subsection 4 in order to house tenants for any period of time.
 - d. **Conversion from Owner-Occupied to Rental.** No owner-occupied dwelling unit

shall be rented or leased for financial compensation for any period of time until the following requirements have been met.

- i. The Rental Registration Application must be submitted and the dwelling unit must be added to the Rental Registration List.
 - ii. The Principal Residence Exemption for the dwelling unit must be voided by the City Assessor.
 - iii. An Inspection as described in Subsection 3.b.iii must occur, and the dwelling must be Certified by the Inspector.
 - iv. All required fees must be paid.
- e. **Newly Created Rental Dwelling Units.** When a dwelling unit is newly constructed, or created through renovation, the City shall register the unit as a rental at the time of the issuance of a Certificate of Occupancy, unless the property owner submits a Principal Residence Exemption claim to the City Assessor. There shall be no fee for registering a newly created dwelling unit, provided that all required Zoning and Building Fees have been paid.
- f. **Removal from Rental Registration List.** If a property owner is approved for a Principal Residence Exemption, or otherwise demonstrates to the City that the dwelling unit is not being rented or leased, and is not being marketed for rental or lease (for any period of time), the property shall be removed from the Rental Registration List.
- 4) **Rental Inspection and Certification Program.** Beginning on a date to be set by the City Commission by resolution, it shall be unlawful for an owner to rent or lease a dwelling for financial compensation unless the dwelling unit is in “Good Standing” under the Rental Inspection and Certification program, as described below.
- a. **Good Standing.** A dwelling unit shall be considered in “Good Standing” if it meets the following criteria:
 - i. A registration application has been submitted to the City and the dwelling unit is included on the Rental Registration List described in Subsection 3.
 - ii. The dwelling unit was Certified following an inspection of the building it is located within by the City, as described in Subsection 3.c-d within the previous three calendar years OR the building the dwelling unit is located within is scheduled for its first inspection under the Rental Inspection and Certification Program within the coming three calendar years.
 - iii. All required fees have been paid.
 - b. **Inspection Requirement.** The owners of all dwelling units listed in the Rental

Registration List shall make their dwellings available for inspections by the City once in every third calendar year.

- i. After a date to be set by the City Commission by resolution, the City shall divide the buildings containing dwelling units on the Rental Registration List into three Groups, and shall notify property owners of the Group each building has been assigned to.
 1. Group 1 shall be inspected in a year to be established by the City Commission by resolution, and each subsequent third year, for as long as any dwelling units in the building remain on the Rental Registration List.
 2. Group 2 shall be inspected in the year after Group 1, and each subsequent third year, for as long as any dwelling units in the building remain on the Rental Registration List.
 3. Group 3 shall be inspected the year after Group 2, and each subsequent third year, for as long as any dwelling units in the building remain on the Rental Registration List.
- ii. Newly created residential buildings containing dwelling units shall be added to the Group that will be inspected in the third calendar year following the issuance of their Certificate of Occupancy.
- iii. Fully or partially owner-occupied buildings that are converted to rentals shall be subject to the requirements of Subsection 3.e and must be inspected and certified prior to any tenants occupying the dwelling unit. Once certified, the buildings shall be added to the Group that was inspected in the calendar year that it was certified, and shall be inspected in each subsequent third year.
- iv. **Number of Units Inspected Per Building.** For each building to be certified, the following number of units shall be inspected during each regularly scheduled inspection. When calculating the required number of units, fractional units shall always be rounded up. The Inspector shall choose the units to inspect at random, and shall not inform the property owner in advance which units will be chosen for inspection. Additionally, if the building contains a basement dwelling unit, the basement dwelling unit must be one of the units inspected during every regularly scheduled inspection of the building.
 1. **Buildings with 4 or Fewer Units:** All units in the building.
 2. **Buildings with 5-10 Units:** 50% of the units in the building, minimum of 4 units.
 3. **Buildings with 11 or More Units:** 25% of the units in the building, minimum of 5 units.

v. **Complaint-Based Supplemental Inspections.** A tenant may request a supplemental inspection of their unit at any time. In the event of a request for a supplemental inspection, the inspection shall take place within 60 days using the process and criteria described in Subsections c and d.

1. Only the unit of the tenant making the request shall be inspected.
2. If the unit passes the inspection, then the property owner shall be refunded 50% of the inspection fee.
3. The regularly scheduled inspections on the three year cycle described in Subsection b.i shall be unaffected by a request for a supplemental inspection.

c. **Certification Criteria.** The Planning Commission shall develop and adopt a list of inspection criteria. The list shall include “Life Safety” requirements that directly impact the life, safety, and welfare of the tenants, and “Quality of Life” requirements that do not impact safety, but are important for the comfortable enjoyment of the unit by the tenant. In order to be Certified, a unit must comply with all Life Safety requirements, and at least 80% of the Quality of Life requirements. The Planning Commission shall review the inspection criteria on an annual basis and make adjustments to the list as necessary.

d. **Rental Certification Determination and Outcome.**

- i. **Good Standing.** If all of the Life Safety criteria and 80% of the Quality of Life criteria are met, in the opinion of the inspector, the City shall issue a Rental Certification Certificate to the building and shall designate the building as in “Good Standing” on the Rental Registration List. The criteria shall not be cumulative among units, but shall apply to each unit individually.
- ii. **Failure to Meet Criteria.** If ANY of the Life Safety criteria OR more than 20% of the Quality of Life criteria, are not met, in the opinion of the inspector, for any inspected dwelling unit, the inspector shall instruct the owner to make the necessary improvement within 7 days (for Life Safety issues) or 30 days (for Quality of Life issues). The property owner may choose which Quality of Life improvements to make to bring the unit up to 80% compliance. If the inspector determines that the work may reasonably take longer than that, the inspector may designate a different deadline. The inspector shall schedule a re-inspection on or soon after the deadline. If the improvements are made by the deadline, the City shall issue the Rental Certification Certificate and designate the building as in “Good Standing” on the Rental Registration List.
- iii. **Failure to Meet Improvement Deadline.** If required improvements are

not made by the deadline designated by the inspector, then the owner of the property shall be fined an amount to be set by the City Commission by resolution, and a new deadline shall be set for completion of the improvements. If that deadline is also missed, the owner of the property shall be fined double the amount of the first fine, a new deadline shall be set, and the City Attorney may begin proceedings to remove the tenants. Any further missed deadlines shall result in a fine of four times the amount of the first fine.

- e. Appeals.** If an inspection requires improvements, the property owner may, within 21 days of receiving the inspection report, appeal the inspector's determination to the Planning Commission.
- i. The fee for the appeal shall be set by the City Commission by resolution.
 - ii. Filing the appeal shall stay any deadline imposed by the inspector until after the Planning Commission hearing.
 - iii. The Planning Commission hearing shall take place no more than 60 days after the appeal is filed with the City.
 - iv. The Planning Commission shall hear evidence from both the inspector and the property owner, and shall either determine that the inspector's required improvement to the property is not necessary, or shall order the improvement completed, setting a new deadline under Subsection 3.d.ii.. In order for the Planning Commission to determine that an improvement is not necessary, both of the following criteria must be met:
 1. The existing condition of the dwelling unit does not threaten the life, health, or safety of the tenant.
 2. The improvement is not possible due to historic preservation requirements, potential damage to other parts of the unit or other dwelling units, or potential long term deterioration of the unit due to the impacts of the required improvement.
 - v. The outcome of re-inspection of a unit to determine if improvements required by an inspector or the Planning Commission have been satisfactorily completed may not be appealed to the Planning Commission. The ordered improvements must be completed to the satisfaction of the inspector.
 - vi. A determination by the Planning Commission that an improvement is not necessary shall not exempt the unit from the requirement to comply with that improvement at the next regularly scheduled inspection. However, the Planning Commission ruling shall exempt the unit from the requirement during any Supplemental Inspections.

SECTION 2. Repealer Clause

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

SECTION 3. Savings Clause

This Ordinance shall in no manner affect pending litigation, either civil or criminal, founded or growing out of any Ordinance, Resolution, Order or parts hereof, hereby repealed, and this Ordinance shall in no manner affect any rights, claims, privileges, immunities or causes of action of the City, or other person, either criminal or civil, that may have already occurred, accrued or grown out of any Ordinance, Resolution, Order or policy, or any part thereof, hereby repealed.

SECTION 4. Validity and Severability

Should any portion of this Ordinance be found invalid for any reason, such a holding shall not be construed as affecting the validity of the remaining portions of this Ordinance.

SECTION 5. Effective Date

This Ordinance shall be effective seven (7) days from and after its adoption by the City of St. Johns City Commission and after its publication.

Eric Hufnagel, Mayor

Mindy Seavey, City Clerk