

# MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Rental Density Advisory Committee

DATE: April 19, 2018

SUBJECT: Final Recommendations

## **Background**

In September of 2016, the North Mankato City Council approved amendments to the Rental Property Licensing Code including a 10% rental density limitation in R-A, R-1, R-1S and R-2 zoning districts. The rental density amendments were consistent with Comprehensive Plan Policy 2.1.5 "Consider a policy that permits a limited number of rental units in a specified area to minimize turnover of owner-occupied single family homes to rental units within established neighborhoods".

In October of 2016, the City Council adopted a resolution creating a Rental Density Advisory Group to provide feedback to the City Council on the effectiveness of the revisions to the Rental Licensing Code to ensure rental density limits achieve the best living environment possible for both homeowners and renters. Membership was comprised of six members that included two property owners, one renter, one landlord, one rental management professional, and one realtor. All of which were citizens of North Mankato.

The purpose is the Rental Density Advisory Group was to advise the City Administrator, Community Development Director, Chief of Police and City Council regarding the goals and objectives of the Comprehensive Plan and the Rental Density Study as they relate specifically to maintaining residential properties to a high standard while encouraging redevelopment opportunities and as to how the revisions of Chapter 151 of the City Code adopted in 2016 are ensuring rental density limits achieve the best living environment possible for both homeowners and renters. In addition, the Rental Density Advisory Group should review proposed changes to the enforcement standards for rental properties.

## **Process**

The Rental Density Advisory Committee met on the following dates to have meaningful discussions regarding revisions to the Rental Property Licensing Code:

November 17, 2016  
January 23, 2017  
March 27, 2017  
June 26, 2017  
August 14, 2017  
April 18, 2018

As part of the process, the Committee reviewed and discussed:

- The 2016 amendments to the Rental Licensing Code
- Past rental strikes and police calls
- The Rental Density Study
- Citizen comments from engagement sessions and public hearings
- Comprehensive Plan polices
- Citizen response to the code changes since adopted
- Rental inspection process
- Rental licensing fees
- Rental housing trends
- Off-street parking requirements
- Lease agreements and tenant screening

### **Comments/Recommendations**

After review and deliberation of the topics listed above, the Rental Density Advisory Committee offers the following comments and recommendations:

#### Off-Street Parking

- The Committee reaffirms the off-street parking amendment to the Rental Licensing Code where the number of required off-street parking spaces is based on the square footage of sleeping rooms. The amendment applies to all new rental dwellings licensed after the 2016 code changes.

#### Building Inspections

- Prior to receiving a new rental license, all structures receive a building inspection. Prior to 2009, these inspections did not occur. Staff will begin inspection of all structures licensed prior to 2009 as time allows.
- The inspections department created new guidelines to be used when inspecting rental dwellings, including a number of additional points of safety that will be checked during inspection.
- To address the poor exterior appearance of some rental dwellings, the use of rental strikes should be used to ensure compliance in a timely manner. This would require an ordinance amendment.
- The Committee discussed the potential to use volunteer fire fighters to conduct inspections of rental dwellings.

#### Safety of Rental Structures

Members of the committee expressed concern or attention be given to the safety of dwelling units being offered for rent by landlords in the community. At this time, staff is unaware of any unsafe living conditions currently licensed for rent within the city limits. Typically, these types of discoveries are made when tenants contact City Hall about an unsafe living condition.

- A resource for tenants has been created on the City's website to report unsafe living conditions.
- Building inspectors will begin moving through previously uninspected licensed dwellings to review living conditions
- Should any unsafe living conditions be found, the property owner will be notified by mail of the corrections needed to comply with all State, City and life safety codes. Failure to comply within a reasonable timeline should result in the issuance of a rental strike. This would require an amendment to the Rental Licensing Code

#### Landlord Education

- The Police Chief and Deputy City Clerk will begin an effort whereby all new rental license holders will personally meet to discuss expectations and requirements for renting in North Mankato. After any second rental strike, staff will personally meet with the landlord.
- The Police Department has implemented a landlord alert program where landlords receive emails from the Department about certain Police calls at rental properties. The City of St. Paul has implemented such a program.

#### Rental Density

The group affirms that no more than 10% of the single family lots on any block shall be eligible to obtain a rental license within the R-A, R-1, R-1S and R-2 zoning districts.

#### Rental Licensing Fees

The Committee recommends an increase to the annual rental licensing fee from \$30 per year not to exceed \$45 per year.

In summary, the Committee believes that all amendments to the Rental Licensing Code made by the City Council in 2016, together with increased inspections and landlord education, achieve the best living environment possible for both homeowners and renters.

#### **Implementation to Date**

- Fire Department has begun conducting rental inspections of all rental units
- Inspections department created new guidelines to be used when inspecting rental dwellings
- The City Council approved amendments to the Rental Code whereby rental strikes will be issued for poor exterior maintenance of rental dwellings and failure to address State and local building codes after notification
- Police Chief and Deputy City Clerk began meeting with all new rental license holders regarding rules and regulations for renting in North Mankato
- Police Department implemented a landlord alert program where landlords receive emails or phone calls regarding certain police calls at rental properties
- Annual rental license fee was changed from \$30 per year to \$45 per year