

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on September 6, 2016. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Freyberg, Spears, Steiner and Norland, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, City Planner Fischer, Public Works Director Swanson and City Clerk Van Genderen.

Approval of Agenda

Council Member Spears requested Consent Agenda Items G and H be removed for separate consideration. Council Member Norland moved, seconded by Council Member Freyberg, to approve the agenda with Consent Agenda Items G and H removed for separate consideration. Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen aye; no nays. Motion carried.

Approval of Council Workshop Minutes

Council Member Norland moved, seconded by Council Member Spears to approve the minutes of the Council Workshop meeting of August 15, 2016. Vote on the motion: Norland, Spears and Dehen aye; no nays. Freyberg and Steiner abstain. Motion carried.

Approval of Council Meeting Minutes

Council Member Norland moved, seconded by Council Member Spears to approve the minutes of the Council meeting of August 15, 2016. Vote on the motion: Norland, Spears and Dehen aye; no nays. Freyberg and Steiner abstain. Motion carried.

Consent Agenda

Council Member Freyberg moved, seconded by Council Member Norland, to approve the Consent Agenda which included:

- A. Bills and Appropriations.
- B. Adopted Res. 72-16 Approving Donations/Contributions/Grants.
- C. Approved Large Group/Audio Permit for Bier on Belgrade on September 24, 2016 from 12 noon to 8:00 p.m.
- D. Set Public Hearing for 7 p.m. on September 19, 2016 for Consolidated Annual Performance and Evaluation Report (CAPER).
- E. Adopted Res. No. 73-16 Awarding Bid for Rehabilitation of Well No. 7.
- F. August Traffic & Safety Committee Meeting Minutes.

Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen aye; no nays. Motion carried.

Consent Agenda Item G Review Comprehensive Plan Amendment No. 4 and Consider Setting a Public Hearing for 7 p.m. on September 19, 2016 on Amending Comprehensive Plan Chapter 6, Transportation. Council Member Spears requested clarification on the term "Minor Collector roadway". City Engineer Sarff indicated the classification was established by the MPO and adopted during the North Mankato Comprehensive Plan process. Council Member Spears expressed concerns about the use of the Sidewalk Installation & Maintenance Policy map. Administrator Harrenstein indicated the action was to set the Public Hearing to consider reducing the minimum required width of sidewalks from 6 feet to 5 feet. **Council Member Norland moved, seconded by**

Council Member Steiner to Set the Public Hearing for 7 pm on September 19, 2016 to Consider Amending Comprehensive Plan Chapter 6: Transportation. Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen aye; no nays. Motion carried.

Consent Agenda Item H Review Amendments to City Code Section 155.46 and Consider Setting a Public Hearing for 7 p.m. on September 19, 2016 to Consider Amending City Code, Chapter 155.46-Streets, Alleys and Sidewalks. Council Member Spears stated he was concerned about amending the ordinance to state “Sidewalks will be installed in existing residential subdivisions as identified in the Future Sidewalk Development Map”. He indicated concern about referencing the map in the ordinance. Administrator Harrenstein reported the proposed amendment was due to the history of difficulty deciding if sidewalks should be incorporated during reconstructions. He stated the complete process of public notification and hearings would occur during a reconstruction but the Council would use the map to direct decision making concerning the inclusion of a sidewalk. Council Member Spears stated he would like future discussion on what is included in the Consent Agenda. **Council Member Freyberg moved, seconded by Council Member Norland to Set the Public Hearing for 7 pm on September 19, 2016 to Consider Amending City Code Chapter 155.46-Streets, Alleys and Sidewalks. Vote on the motion: Freyberg, Spears, Steiner, Norland and Dehen aye; no nays. Motion carried.**

Public Comments

Matthias Leyrer, 526 Wall Street, appeared before Council and requested clarification on why there was a proposal to reduce the minimum width of a sidewalk from 6 feet to 5 feet and if it was to accommodate developers. Mayor Dehen responded that it was due to resident concerns.

Public Hearing, 7 pm City Code Chapter 151 Residential Rental Property Licensing Code.

Administrator Harrenstein reported staff was recommending revisions to Chapter 151 of the City Code that regulates residential rental properties. The proposal follows the presentation of the rental density study on August 1, 2016 and two public forums held on August 17th and August 24th.

Administrator Harrenstein indicated the impetus for the proposal follows the adoption of the Comprehensive Plan in February of 2015 where one of the policy objectives is that “consideration be given to a policy that permits a limited number of rental density units in a specified area to minimize turnover of owner occupied single family homes to rental units within established neighborhoods.” He reported that in October of 2015, the increasing conversion of owner occupied single family homes to renter occupied homes was reviewed and found to be accurate. In July of 2016 following the completion of the Rental Density Analysis it was confirmed that increasing concentrations of rental properties in single family neighborhoods were experiencing rates of police calls and nuisance problems greater than their owner-occupied peers. Administrator Harrenstein reported that the public engagement sessions brought forth numerous questions which resulted in additional revisions to the proposed amendments to Chapter 151 of the City Code. The changes include: increased police discretion to issue a strike even if a citation is not made after a complaint is received and confirmed at a rental property, implementing an immediate fine for landlords who own property where a strike occurs, address off street parking concerns by requiring a minimum of two off-street parking stalls for all rental licenses issued and additional parking stalls linked to the total square footage of the sleeping rooms on the premises, implementing mandatory inspections of both the interior and exterior of the premises when a strike is issued, and requiring code compliance for continuation of the rental license and requiring a prospective landlord to have the “intent” to rent to the property before receiving a rental license. Administrator Harrenstein noted the proposed changes did not address all concerns and

that is why staff proposed a report reviewing the effects of the policy be completed after 18 months so dialogue regarding the policy may continue.

Administrator Harrenstein stated staff is also recommending the Council adopt the 10% density cap as outlined in section 151.18 of the proposed policy. The cap applies to the following zoning districts: R-A, R-1, R-1S, and R-2. Specifically excluded are the CBD, high density residential districts, and commercial and industrial districts because they are designed to accommodate and serve higher concentrations. He noted a map of the city broken into blocks will serve to determine whether or not a block has reached the 10% cap. Exceptions to the cap are made for homeowners residing in the dwelling and any state licensed residences. Temporary licenses may be granted for up to 24 months if the property is listed for sale or the occupants are providing a caretaking function for the property.

Administrator Harrenstein indicated there were many differing views on the merits of the proposed Ordinance. Staff's recommendation is aimed at meeting both sides where possible. The plan includes a density cap combined with increased enforcement measures and continued dialogue through a review process over the next 18 months.

Andrew Kolars, Jason Beal and Karla Van Eman, from the Realtor's Association Board of Directors, appeared before City Council and stated the Realtor Code of Conduct requires realtor's to protect the property rights of owners. Mr. Kolars stated the Realtor's Association advocates for the end of the moratorium and no rental cap. He stated the cap stigmatized renters as second class citizens.

Dustin Lee, 720 Cornelia Street, appeared before Council and stated he agreed with the realtors that the study did not differentiate between good rental properties and poor rental properties. He indicated that if Mankato would have known what would happen to neighborhoods when many properties were turned into rentals they would not have allowed the conversion. He stated if the City does not pass a rental density cap lower North Mankato would see declining neighborhoods.

Matthias Leyrer, 526 Wall Street, appeared before Council and stated the past does not repeat itself as historically there were higher rental rates. He indicated very little affordable housing exists in North Mankato and the rental cap would not resolve any issues, rather rezoning the City to allow greater density and allowing the City to grow horizontally would help. He noted the 2008 recession would happen again and the City would need to be prepared.

Stefanie Jaquette, 509 Wheeler Avenue, appeared before Council and stated she opposed the rental cap. She indicated she believes the rental cap would increase the cost of rentals making it more difficult for low income families to find locations to rent. She stated instead the City should increase enforcement of current laws.

Bruce Walter, 212 Pebble Creek Drive, Mankato, appeared before Council and indicated that the higher concentration of rentals in lower North Mankato would not disappear with the rental density cap and the City should increase enforcement.

Lynn Solo, 726 Grant Avenue, appeared before Council and stated the parking requirements seemed very restrictive.

John Hurd, 732 Garfield Avenue, appeared before Council and indicated his block had a rental density of about 33% and he appreciated the diversity it brought to the neighborhood.

Chris Good, 512 Sherman Street, appeared before Council and stated she believed the City should hold landlords accountable for their rental properties and a task force should be put together to take on the properties that were not well taken care of.

Andrea "Onnie" Brodkorb, 316 Byron Street #3, Mankato, appeared before City Council and stated more than 300 students in the Greater Mankato Area were identified as homeless and if the City limits rentals the cost for rentals will increase. She stated affordable housing needs to be built for the working poor.

Shawn Tweten, 1678 LaMar Drive, appeared before Council and stated he had a difficult time locating an affordable home to rent in North Mankato. He indicated the City should not lump all renters together, not all renters are bad.

Tom Hagen, 927 Lake Street, appeared before Council and stated he disapproved of the process. He was concerned that landlords were the only ones who received letters to the open houses and he disliked the method that was used at the meetings.

Arlene Glaser, 601 Center Street, appeared before Council and stated her neighborhood had changed with the increase of renters but she believed enforcement would be a better method to control the decline of neighborhoods than a rental cap. She also stated the City should help poor people.

Julio Zelaya, 702 Front Street, Mankato, appeared before Council and stated he was representing the ACLU of Minnesota and he believes the Ordinance could infringe on the rights of minorities.

Business Items

Consider Adopting Ordinance No. 80, Fourth Series an Ordinance of the City of North Mankato, Minnesota, Amending North Mankato City Code, Chapter 151 Residential Rental Property Licensing Code. Mayor Dehen thanked the public for their attendance and stated he appreciated the good discussion. He indicated the results of their input were included in the proposed changes including stronger enforcement of code and better recording of rental strikes. He reported the governing body sometimes has to legislate to the lowest common denominator and in this case it is the low performing landlord. Council Member Freyberg stated he received a lot of emails and most were in favor of preserving the City's single family homes. He stated staff did a good job bringing citizen concerns into the proposed changes. He stated he would vote in favor of the 10% cap with an 18 month review of the Ordinance. Council Member Steiner reported the 18 month review was important and current licenses would not be eliminated. He stated the homeowners he spoke with were in support of the 10% cap. Council Member Norland stated she was in support of the 10% cap. She owns several rental properties in both Mankato and North Mankato and as a landlord it is important to maintain the property. She also approved of the development of a task force to review the Ordinance. Council Member Spears stated rental properties are not the cause of the problem. He disagreed with legislating to the lowest common denominator, rather legislate to the highest and use statutes to deal with the lowest denominators. He indicated he disagreed with the cap for three reasons; constitutional, compassionate and fiscal. He stated constitutionally the Supreme Court has ruled a property owner can rent their property so that right should not be removed. Compassionate because the Ordinance appears to designate renters as a problem. Fiscal because he believes a lawsuit is pending. **Council Member Spears moved to amend Ordinance No. 80 by removing sections 151.14 and 151.18. No second was made, motion failed.** Mayor Dehen stated he was in favor of stronger enforcement of current laws and encouraged the staff to create landlord and renter information to help improve the quality of properties with the goal of maintaining North Mankato as the best possible town. Mayor Dehen stated 180 licenses were still available throughout North Mankato and the goal is to maintain safety in the City. He indicated the City does need additional workforce housing but conversion of single family R-1 houses into multi-family homes is not the answer. Council Member Steiner stated existing licenses will remain and there is a homeowner exemption for those with owner occupied rentals and there was a temporary license available for those selling their homes. **Council Member Freyberg moved, seconded by Council Member Norland to Adopt Ordinance No. 80, Fourth Series an Ordinance of the City of North Mankato, Minnesota, Amending North Mankato City Code, Chapter 151 Residential Rental Property Licensing Code. Vote on the motion: Freyberg, Steiner, Norland and Dehen aye; Spears nay. Motion carried.**

City Administrator and Staff Comments

Public Works Director Swanson stated the City Hall parking lot should open on Friday, September 9, 2016. He indicated the Roe Crest Drive utility reconstruction was half completed and the construction company was going to work as quickly as possible as soon as the weather permits.

Mayor and Council Comments

Council Member Norland stated the North Mankato Public Art committee has met several times and have some wonderful ideas.

Council Member Spears stated he does not want anything in the Consent Agenda that did not receive unanimous approval.

Mayor Dehen stated he attended the SCC Scholarship Luncheon and read a thank you note from Naomi Peterson, the recipient of a scholarship.

Mayor Dehen stated Coffee with the Council would be held on Saturday, September 10th at 10:00 a.m. at Spinners.

Mayor Dehen stated a level three sex offender was moving into Mankato near North Mankato and directed staff to review if the City could enforce any of North Mankato's City Code.

Public Comments

Karla Van Eman, 109 Manchester Court, Mankato, appeared before Council and requested inclusion in the Rental Housing Task Force.

Chris Good, 512 Sherman Street, appeared before Council and requested inclusion in the Rental Housing Task Force.

Dan Thielges, 44946 Judson Bottom Road, appeared before Council and stated good landlords sometimes rent to 'jerks' and it would be good if landlords would be able to find out if renters were good or bad. Administrator Harrenstein indicated the Rental Housing Task Force could look into the issue.

Phil Henry, 1300 Noretta Drive, appeared before Council and thanked the Council for adopting the 10% rental density cap.

Andrew Kolars, 364 Carol Court, appeared before Council and stated he was disappointed the rental density cap passed and property owners have the right to rent their property.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Norland, the meeting adjourned at 8:27 p.m.

Mayor

City Clerk