



South St. Paul

WORKSESSION AGENDA
SSP City Hall
125 3rd Avenue North
Training room

Monday, January 23, 2023
7:00 pm

AGENDA:

1. Proposed Rental Housing Code Updates
2. Business License Update
3. Temporary Intoxicating Liquor License Restrictions
4. Sidewalk Policy Discussion
5. Housing Strategy Implementation Discussion
6. Council Comments & Questions



CITY COUNCIL WORK SESSION REPORT

DATE: January 23, 2023

DEPARTMENT: CITY CLERK

Prepared by: Deanna Werner, City Clerk/Amanda Johnson, Asst. City Atty.

ADMINISTRATOR: RG

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AGENDA ITEM: Proposed Rental Licensing Code Updates

OVERVIEW:

Residential rental housing continues to grow in South St. Paul. Due to the growth, City Staff have been in discussion about how to make sure our oversight isn't overreaching but still allows our enforcement division and our City Police Force the tools they need to ensure rentals are safe, well maintained dwellings for both the residents as well as the neighbors. The proposed additions and modifications to the rental code will enhance what is currently in the code. We are proposing the following additions/modifications:

- Written leases.
This addition will protect tenants from being illegally evicted by landlords.
- To require licensee's to provide the City with copies of required documentation outlined in the City Code as requested by the City.
As a condition of the rental license, the City has always required several items, the addition of this language makes certain property owners/landlords, understand the City has the right to request the information.
- Include illegal evictions as a violation of a rental license to the list of activities that are considered disorderly.
This will strengthen the City's oversight of licensed rental properties.
- Increase the time between the first and second incident from 3 months to 6 months.
This modification allows the City a greater window of time to issue a 2nd administrative citation.

Attachment:

Proposed Ordinance

**City of South St. Paul
Dakota County, Minnesota**

Ordinance No. _____

**AN ORDINANCE AMENDING ARTICLE VII
REGARDING RESIDENTIAL RENTAL HOUSING**

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Article VII is hereby amended as follows:

Sec. 106-231. - Definitions.

Words used in this article shall have the following meanings unless otherwise defined in this article.

Alternative inspection report means a rental dwelling inspection report that the applicant obtains from an independent building inspector or for insurance-related or mortgage-related purposes, or another inspection report deemed acceptable by the city's building official. An alternative inspection report is valid for a period of twelve months.

Apartment means a community, complex or building having a common owner and containing at least one rental dwelling unit.

Boardinghouse means a building other than a motel or hotel where, for compensation and by prearrangement for definite periods, meals or lodging are provided for more than three unrelated persons.

City approved inspector's report or inspection report means a rental dwelling inspection report prepared and signed by a housing evaluator. A city approved inspector's report is valid for a period of thirty-six months.

City administrator means the South St. Paul City Administrator or his or her designee.

Dwelling means a building or one or more portions of a building occupied or intended to be occupied for residential purposes.

Family means those persons legally related to each other in a linear relationship such as spouses, grandparents, parents, children, grandchildren and siblings. Family does not include branching relationships such as aunts, uncles or cousins.

Housing evaluator means an independent inspector who is licensed by the city as an evaluator, pursuant to section 106-181.

Let for occupancy or to let or to rent means to permit possession or occupancy of a dwelling or rental dwelling unit by a person who is not the legal owner of record thereof, pursuant to a written or unwritten lease.

Licensed rental property means the residential rental building for which a rental license is needed, including, but not limited to the building containing the residential dwelling units, common areas for the benefit of its tenants, such as parking lots, playgrounds, social gathering areas, yards and open space.

Occupant or tenant means any person living or sleeping in a dwelling unit, or having possession of a space within a dwelling unit.

Operate means to rent, lease or grant the use and possession of a rental dwelling unit, whether or not compensation is paid.

Operator or manager means any person who has charge, care or control of a structure or premises that is let or offered for occupancy.

Owner or licensee means any person, agent, or operator having a legal or equitable interest in the property or recorded in the official state, county or city records as holding title to the property or otherwise having control of the property.

Person may be an individual, corporation, firm, association, company, partnership, organization or any other group acting as a unit.

Rental dwelling unit means any room or rooms, or space, in any rental dwelling designed or used for residential occupancy by one or more persons who are not the owner or a member of the owner's family.

Sec. 106-232. - License required.

(a) *General rules.*

- (1) No person shall operate a rental property or rental dwelling unit in the city without a license pursuant to City Code chapter 18, article II.
- (2) No person shall operate a boardinghouse in any zoning district within the city, which means that no more than three unrelated persons may reside in one rental dwelling unit.

(b) *Applications.* An application for a license shall be made on a form provided by the city. The license application shall include:

- (1) *Property owner information.*
 - a. The name, address, and complete information of the property owner, if the property owner is an individual.
 - b. The name, address and complete information of at least one officer, manager or director, if the property owner is a business entity.
- (2) *Property contact information.* For single-family residential dwellings, the license applicant must provide 24-hour contact information for one person in any of the following categories, which shall be kept current for the term of the license. For all other types of dwellings, the license applicant must provide 24-hour contact information for two people in any of the following categories:
 - a. At least one owner of the rental property or rental dwelling unit.
 - b. At least one person, if different from the owner, who is responsible for compliance with this and any other code requirement pertaining to the rental dwelling or rental dwelling unit, such as a manager.
 - c. Any of the owner's agents responsible for management of the rental property or rental dwelling unit, such as a property management company and the name and contact information of a person at the property management company.
 - d. Any vendors and all vendees, if the rental dwelling or rental dwelling unit is being sold pursuant to a contract for deed.
- (3) *Number and type of units.* The license application must contain the number of units and types of units (condominium, apartment, townhome, etc.) within the rental property.
- (4) *Inspection report.* The license application must be accompanied by a satisfactory city approved inspector's report or an alternative inspection report.
- (5) *Notification of changes.* The city clerk must be notified in writing of any changes to the information provided on the application.

Sec. 106-237. - Conditions of the license.

As conditions of the license, the licensee agrees to do ~~must do~~ the following and upon request by the City, shall provide copies of the documents listed below:

- (1) *Written Lease.* Use a written lease with each tenant that includes the Minnesota Crime-Free Lease Addendum, or its equivalent.

~~(1)(2)~~ (2) *Tenant register.* Maintain a current register of tenants and other persons who have a lawful right to occupancy of rental property or rental dwelling units, ~~which must be available for inspection by city officials upon request. The licensee must designate the name of the person or persons who will have possession of the register and must promptly notify the city administrator of any change in the identity, address or telephone numbers of such person.~~ For purposes of this section, “current” means that the register is updated every 30 days.

~~(2)(3)~~ (3) *Fire certification.* Execute a statement that the smoke detectors are properly installed and operable and that the fire exits are accessible.

~~(3)(4)~~ (4) *Tenant screening certification.* Execute a statement that includes the description of the screening process that the licensee ~~has a screening process the licensee uses~~ during the approval process of each tenant to attempt to ~~insure~~ ensure quality tenants occupy the rental dwelling.

~~(4)~~ ~~*Minnesota Crime-Free Lease Addendum.* Use the Minnesota Crime-Free Lease Addendum, or its equivalent, as part of its leases.~~

Sec. 106-242. - Conduct in rental dwelling or rental dwelling unit.

(a) *Provisions.* It shall be the responsibility of the licensee to ensure that persons occupying a licensed rental property conduct themselves and cause their guests to conduct themselves in such a manner as not to cause the licensed rental property or surrounding neighborhoods to be disorderly. For the purposes of this section, a licensed rental property is disorderly at any time that any of the following activities occur involving:

- (1) Noise complaints;
- (2) Disorderly conduct;
- (3) Controlled substances;
- (4) Violations of city code chapter 6 article III regarding intoxicating liquor or 3.2 percent malt liquor ;
- (5) Falsely reporting a crime;
- (6) Prostitution or acts relating to prostitution;
- (7) The unlawful use of a firearm or unlawful possession of a firearm;
- (8) Terroristic threats, not including domestic assault; assault,;
- (9) Contributing to the need for protection or services or delinquency of a minor, child abuse/child endangerment;

- (10) Violations of subsection 106-241 (maintenance standards for rental dwellings);
- (11) Murder;
- (12) Rape, indecent exposure, other sex crimes;
- (13) Robbery, burglary or theft (including Auto Theft);
- (14) Arson, negligent fires;
- (15) Property damage (including criminal damage to property);
- (16) Trespass;
- (17) Warrant arrests;
- (18) Public health violations;

~~(18)~~(19) Unlawful eviction in violation of Minnesota Statute Chapter 504B.

~~(19)~~(20) Aiding and abetting the commission of a violation contained herein.

- (b) *First incident.* Upon a determination by the city that a licensed rental property was used in a disorderly manner, as described in section 106-242, the city shall give written notice to the licensee, and the tenant of the incident if the City deems applicable, and direct the licensee to take steps to prevent further incidents. Such notice shall comply with the requirements of a compliance letter issued pursuant to section 38-105 and notify the licensee that if another disorderly incident occurs within ~~three~~six months of the first incident, an administrative citation may be issued.
- (c) *Second incident (two incidents within three months).* If a second incident of disorderly use of the licensed rental property occurs within ~~three~~six months of the first notice, the city may issue an administrative citation pursuant to section 38-106.
- (d) *Third incident (three incidents within 12 months).* If a third incident of disorderly use of the rental dwelling unit occurs within 12 months after the first incident noted above, the city shall issue an administrative citation.

Sec. 106-244. - License denial, suspension, or revocation and administrative penalties.

- (a) *Grounds for denial, suspension or revocation.* Regardless of whether any administrative citations are issued pursuant to Section 106-242, the city council may deny, revoke or suspend a license for any of the following:

- (1) Any of the reasons enumerated in city code section 18-47(b) (revocation, suspension or denial of a business license).
- (2) Any uncorrected violations of section 106-241 (maintenance standards).
- (3) Violations of subsection 106-242(a) (code of conduct).
- (4) Any other violation of this article or Minnesota Statute Chapter 504B.

Any temporary suspension, suspension or revocation shall comply with section 18-47(c) and (d).

- (b) *Nonexclusive remedy.* Enforcement actions provided in this section are not exclusive, and the council may take any action with respect to a licensee, a tenant or the licensed premises as is authorized by the city code, state or federal law.
- (c) *Reapplication.* Upon suspension or revocation of a license, the owner may not reapply for a license for a period of six months. Upon expiration of the six-month period, the applicant must re-apply by complying with all the provisions of section 106-232.
- (d) *Notification to tenants.* . Upon receipt of notice of a hearing to be held by the city council to consider the denial, suspension or revocation of the rental license, the property owner will notify all affected tenants of the license hearing by providing a copy of the notice of hearing to all tenants. Following the hearing, upon the suspension, revocation or denial of a license, the property owner will notify all affected tenants that the license has been revoked, suspended or denied.

SECTION 2. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

SECTION 3. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: _____

Published: _____



AGENDA ITEM: Repeal of unnecessary business licenses.

OVERVIEW:

Business license renewals begin in during the middle of February and the City of South St. Paul has a very large list of business licenses which are currently required. Some of these licenses may have been necessary at some point in time but no longer seem needed. Some of these licenses are already under the oversight of other government agencies which are more appropriate to oversee their functions. There are others that seem unnecessary to regulate.

I am proposing the elimination of the following licenses for the 2023 renewal period and would seek for repeal prior to the City Clerk 's office beginning the process of Business License Renewals so this change can be communicated to the businesses impacted prior to fees being paid to the city.

Proposed to be repealed:

- Chapter 10, Sec. 10-1. – Mechanical Amusements (pinball/arcade games)
- Chapter 10, Sec. 10-2. – Mechanical Music (juke boxes)
- Chapter 18, Article V. – Barbers
- Chapter 18, Article VI. - Beauty Shops
- Chapter 18, Article XI. – Hotels
- Chapter 18, Article XXII. – Used Clothing

Proposed to be Amended:

- Chapter 18, Article IX., Sec. 18-189 – Restaurants, food carts, mobile food units and food stands. – Proposed Amendment Attached
- Chapter 10, Amusements and Entertainments
 - Amend Sec. 10-4, Pool; Billiards; Bowling alleys. – Proposed Amendment Attached

ATTACHMENTS

- License comparison with bordering cities.
- Proposed Amendments

DESIRED OUTCOMES

- Present a 1st Reading of the proposed ordinance changes at the February 6th Council Meeting with final approval on February 21st Council Meeting.

License Type	Currently Issued
Barber	1
Beauty Shop/Salon	9
Hotel	2
Mechanical Amusement	4 Holders/28 Amusements
Mechanical Music	5 Holders/5 Amusements
Pool Tables	4 Holders/4 Amusements

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE AMENDING SOUTH ST. PAUL CITY CODE
CHAPTER 10 – AMUSEMENTS AND ENTERTAINMENTS**

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Chapter 10, Section 10-4 is hereby amended as follows:

Sec. 10-4 ~~Pool; billiards;~~ Bowling alleys.

(a) License required. It is unlawful to maintain or operate for public use any ten pin or bowling alley ~~or billiard or pool tables~~ without a license.

(b) License fee. The license fee is set by chapter 26 of this Code.

SECTION 7. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE AMENDING SOUTH ST. PAUL CITY CODE
CHAPTER 18 – BUSINESSES**

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Chapter 18, Article IX, Section 18-189 is hereby amended as follows:

Sec. 18-189 – Restaurants, food carts, mobile food units and food stands.

(a) Definitions. The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Food and beverage service establishment means a building, structure, enclosure, or any part of a building, structure, or enclosure used as, maintained as, advertised as, or held out to be an operation that prepares, serves, or otherwise provides food or beverages, or both, for human consumption.

Food cart means a food and beverage service establishment that is a nonmotorized vehicle self-propelled by the operator.

Food stand, collectively, means the following:

- (1) Seasonal permanent food stand means a food and beverage service establishment that is a permanent food service stand or building.
- (2) Seasonal temporary food stand means a food and beverage service establishment that is a food stand that is disassembled and moved from location to location.
- (3) Special event food stand means a food and beverage service establishment that is used in conjunction with celebrations and special events, and operates no more than three times annually for no more than ten total days.

Mobile food unit means a food and beverage service establishment that is a vehicle-mounted unit operating with the approval of the appropriate state regulatory authority.

Restaurant means a food and beverage service establishment, whether the establishment serves alcoholic or nonalcoholic beverages, which operates from a location for more than 21 days annually. For purposes of this section, restaurant does not include a food cart, a mobile food unit or a food stand.

~~(b) License required. It is unlawful to keep or operate a restaurant in the city without a license.~~

(a) Proof of license or permit required. It is unlawful to operate a restaurant, mobile food unit or food stand in the city without a license or permit from the appropriate state regulatory agency, if required.

~~(d) Fee. The annual license fee for a restaurant, which shall be paid to the city, shall be as established by chapter 26 of this Code.~~

(b) Conformance with rules. The restaurant licensee must conform with all state and local laws, rules and regulations, including, but not limited to, those concerning the sale and serving of food. A copy of the licensee's current state license or permit must be filed with the city clerk.

(c) Conditions for mobile food units and food stands. All mobile food units and food stands shall comply with the following conditions:

(1) Debris, including papers, wrappers, cans, and bottles, around or in close proximity to a mobile food unit or food stand, is presumed a result of the mobile food unit or food stand's business. The mobile food unit or food stand operator must leave the area free of any debris resulting from the sale of food. The debris must be placed in the appropriate receptacles.

(2) Upon request of the city clerk, park and recreation director or their designees, the operators of mobile food units or food stands shall provide a copy of their license or permit from the appropriate state regulatory authority.

(d) Penalty. Failure to comply with subsection (c)(1) of this section is considered a public nuisance and may result in a summary abatement action, pursuant to City Code section 34-20. The costs of abatement shall be collected pursuant to City Code section 34-24. Failure to comply with subsection (c)(2) of this section may result in the issuance of an administrative citation pursuant to City Code chapter 38 article IV.

SECTION 7. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 10, Sec. 10-1 – MECHANICAL AMUSEMENTS**

The City Council of the City of South St. Paul does ordain:

SECTION 1. REPEAL. South St. Paul City Code Chapter 10, Section 10-1 Mechanical Amusements, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 10, Sec. 10-2 – MECHANICAL MUSIC**

The City Council of the City of South St. Paul does ordain:

SECTION 1. REPEAL. South St. Paul City Code Chapter 10, Section 10-2 Mechanical Music, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 18, Article V – BARBERS**

The City Council of the City of South St. Paul does ordain:

SECTION 1. REPEAL. South St. Paul City Code Chapter 18, Article V, Barbers, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 18, Article VI – BEAUTY SHOPS**

The City Council of the City of South St. Paul does ordain:

SECTION 1. REPEAL. South St. Paul City Code Chapter 18, Article VI, Beauty Shops, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 18, Article XI – HOTELS**

The City Council of the City of South St. Paul does ordain:

SECTION 1. REPEAL. South St. Paul City Code Chapter 18, Article XI, Hotels, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE REPEALING SOUTH ST. PAUL CITY CODE
CHAPTER 18, Article XXII – USED CLOTHING**

The City Council of the City of South St. Paul does ordain:

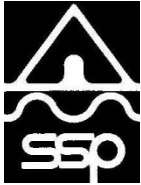
SECTION 1. REPEAL. South St. Paul City Code Chapter 18, Article XXII, Used Clothing, is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk



AGENDA ITEM: Proposed Alcoholic Beverages Code Updates

OVERVIEW:

On May 21, 2022, MN 340A.410, which addresses restrictions related to the issuance of Temporary Liquor Licenses repealed Sec. 14, Subd. 10 (b), which stated:

(b) A municipality may not issue more than one temporary license under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within any 30-day period unless the licenses are issued in connection with an event officially designated a community festival by the municipality.

The current language in our City Code mirrors the repealed language of MN 340A.410, and the City is allowed to be more restrictive than State Statute. The remaining portion of the Statute, which is also reflected in our City Code is unchanged.

Staff is proposing we align our City Code with the State Statute and remove Sec. 14, Subd. 10(b).

ATTACHMENTS

- Revised Ordinance

DESIRED OUTCOME

- Present a 1st Reading of the proposed change at the February 6th Council Meeting with final approval on February 21st Council Meeting.

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. XXXX**

**AN ORDINANCE AMENDING SOUTH ST. PAUL CITY CODE CHAPTER 6 –
ALCOHOLIC BEVERAGES**

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Chapter 6, Article III, Section 6-56 sub. (g) is hereby amended as follows:

Sec 6-56, Sub. (g) – Temporary on-sale liquor license.

(g) Temporary on-sale liquor license.

(1) General rule. A club or charitable, religious or other nonprofit organization, including a state-registered political committee, may obtain a temporary on-sale license to sell intoxicating liquor for consumption on the premises in connection with a social event within the city sponsored by the licensee.

(2) Premises. The license may authorize sales on the premises other than that owned or permanently occupied by the licensee. If the premises is not owned or permanently occupied by the licensee, the owner of the property must provide the city with written consent for the event.

(3) Caterer. The license may provide that the licensee must contract for intoxicating liquor catering services with the holder of an on-sale intoxicating liquor license issued by any municipality. The caterer must provide the city with a valid certificate of insurance for the event.

(4) Number of days per event. The license will not authorize any temporary on-sale intoxicating liquor license for more than four consecutive days.

(5) Number of events per year. The city will not authorize more than three four-day, four three-day, six two-day, or 12 one-day temporary licenses, in any combination not to exceed 12 days per year for the sale of intoxicating liquor to any one organization or for any one location within the city for a 12-month period.

~~(6) Number of events per 30-day period. The city may not issue more than one license to any organization or political committee, or any one location, within a 30-day period unless the licenses are issued in connection with an event officially designated as a community festival by the city.~~

~~(6)~~ Application. Application for a temporary license for a club must include the following information:

- a) The names and addresses of the club's officers, and evidence of nonprofit status or of its status as a club;
- b) The purpose for which the temporary license is sought, together with the location, dates and hours during which wine or intoxicating liquor will be sold;
- c) Consent of the owner or manager of the premises or person or group with lawful responsibility for the premises;
- d) Evidence that the manager or director has received alcohol awareness training pursuant to subsection 6-76(i);
- e) All other requirements for a club enumerated in subsection 6-70(h);
- f) A security plan approved by the police department.

SECTION 7. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved:

Published:

Deanna Werner, City Clerk



COUNCIL WORKSESSION REPORT

DATE: JANUARY 23, 2023

DEPARTMENT: ENGINEERING

Prepared by: Lee Elfering, Interim City Engineer

ADMINISTRATOR: RG

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AGENDA ITEM: Sidewalk Policy Discussion

DESIRED MEETING OUTCOMES:

Provide staff with input on:

- Modification of City policy on sidewalk repair to eliminate assessments.

OVERVIEW:

According to the City's published sidewalk policy, public sidewalks are in the care and upkeep of the adjacent property owner. If the sidewalk is in need of repairs, the cost of these repairs are the responsibility of the adjacent property owner. The Engineer's office is responsible for the inspection to determine the need of repairs, contract management, construction inspection, and assessments.

The policy further states that if a sidewalk is in need of repair, the property owner will be sent a letter informing them of the needed repair and the estimated cost for the city to make the repair. The property owner then has 30 days to make the repair, otherwise the city will contract out for the repair work and charge the property owner.

The City's CIP included \$318,000 for sidewalk repair and replacement in 2022. The City bid a sidewalk repair project in 2022, however bids came in higher than anticipated. No project was awarded and it was determined the project should be rebid in early 2023 to try and achieve better pricing.

PAST PRACTICE:

The City's most recent sidewalk maintenance project was completed in 2021 and consisted of horizontal cutting of concrete panels to eliminate trip hazards at a total project cost of just over \$311,000. No sidewalk panels were fully replaced with this project and there were no assessments to property owners for these improvements.

The second most recent project was completed in 2018 and consisted of full panel replacement of damaged or heaving panels at a total project cost of approximately \$87,000. For that project the costs were fully assessed to the adjacent property owners. Prior to 2018 it appears sidewalk repair projects were completed approximately every other year. Typical budgets were \$80,000 - \$100,000.

ASSESSMENTS:

Staff would like Council to reconsider sidewalk assessments. Prior to 2021, 100% of replacement costs were assessed to the adjacent property owner. However as noted above the most recent

sidewalk improvement project was not assessed and there does not appear to be any corresponding formal assessment policy change.

Staff would like the Council to consider elimination of sidewalk assessments for the following reasons:

- Sidewalks are more of a community benefit than an individual benefit.
- In recent years there have been more legal challenges to assessments.
- It is estimated that 23% of sidewalk damage is due to tree roots. Many boulevard trees have been allowed to be planted by City forces.
- City utilized 100% City funds for horizontal saw cut repairs of sidewalks in 2021.



AGENDA ITEM: Strategies to Implement the Master Housing Strategy and Assessment

DESIRED MEETING OUTCOMES:

- Review the short, medium, and long-term housing programs and policies identified in the Master Housing Strategy and Assessment
- Discuss the prioritization of the identified programs and policies

OVERVIEW:

Background

In June of 2019, the City Council gave city staff approval to assemble a Housing Task Force to create a Master Housing Strategy and Assessment. Nine stakeholders from various backgrounds and each with a unique area of expertise were selected to be a part of the Housing Task Force. Staff met with the task force members 4 times between September of 2019 and February of 2020. The input received from these meetings, in addition to the guidelines put forth by the City Council, were used to create the final policy and program recommendations found in the Master Housing Strategy and Assessment. The City Council adopted the Master Housing Strategy and Assessment (Link: <https://www.southstpaul.org/DocumentCenter/View/7047>) at their meeting on June 1, 2020.

Since adopting the Master Housing Strategy and Assessment (MHSA), the City has made minimal progress in addressing the short-, medium-, and long-term programs listed in the MHSA. This is due to various factors including the COVID-19 pandemic, the staffing needed to address the goals, and the need to address other large or pressing projects. The lone, short term goal/program that was achieved is the adoption of a Fair Housing Policy. This policy was adopted on June 15, 2020. During the goal setting session in 2022, the City Council identified revisiting and prioritizing the program and policies in the Master Housing Strategy as a priority.

Recap of Policies and Programs Identified by the Master Housing Strategy and Assessment

The Master Housing Strategy and Assessment identifies 12 potential programs or policies that the City could pursue to support a healthy and diverse housing market in South St. Paul. These 12 programs are divided into three categories based on their estimated implementation timeline. The policies and programs are as follows:

Short Term (1-2 years)

- ❖ Fair Housing Policy
- ❖ New Resident Packet
- ❖ Home Improvement Loan Education
- ❖ Zoning Code Changes

Medium Term (2-5 years)

- ❖ Annual Home Improvement Expo
- ❖ Rental Property Preservation Program
- ❖ Residential Design Standards

Long Term (5+ years)

- ❖ Accessory Dwelling Unit Policy
- ❖ Deconversion of Multi-family/Rental Properties to Single-Family Properties
- ❖ Formal Housing Evaluation Criteria
- ❖ Housing Improvement Loan (city specific)
- ❖ Mixed-Income Housing Policy

Potential Implementation Actions for Programs and Policies Listed in the Master Housing Plan

Short Term Programs (1-2 Year Programs)

New Resident Packet

South St. Paul has an existing ‘New Resident’ packet that was put together in 2015 by the City Council at the time. The guide, which is slightly dated, offers information to new residents about how to set up trash and recycling services, local government structure, voter registration information, community festivals/events, local parks, and much more.

One of the recommendations from the Housing Task Force is to update the packet to include resources about home improvement funding options as well as information about local banks, realtors, and employers. To update the existing new resident packet, the following actions should be taken:

- ❖ Action Step 1: Create a list of local partners (businesses) that would be interested in being included in the new resident packet or distributing the new resident packet.
- ❖ Action Step 2: Designate one to three City Staff or City Council members to update any out-of-date information in the existing new resident packet and include new information about local banks, realtors, employers, and financing programs.
- ❖ Action Step 3: Complete updates to the existing New Resident packet within 3 to 6 weeks of designating City Staff/City Council members for the project.
- ❖ Action Step 4: Distribute packets to local banks, realtors, and local businesses to pass onto individuals within 6 months.

Upon the point that the City does pursue updating the new resident packet, the following topics should be updated to reflect the most up-to-date information:

- Local options for driver’s license or tab renewals
- The current advisory boards and commissions
- The new South St. Paul library
- The location of the school district’s facilities, including the Community Learning Center.
- The new contact information and ownership of Central Square
- The new name of the North Urban Regional Trail (River to River Greenway)
- Frequency of City newsletter mailings

Home Improvement Loan Education for Local Residents

At this time, the City offers information about general home improvement loans that residents may be eligible for on its website under the 'Housing' tab. While the City's website is one location for loan information, this may not be the preferred channel for all residents to find/receive this information. In addition to offering this information on the City's website and in the updated new resident packet, another option would be to offer home improvement loan education classes, either in-person or virtually. If the City is interested in pursuing this option, the following action steps should be taken:

- ❖ Action Step 1: Identify a list of loans that South St. Paul residents would be eligible for.
- ❖ Action Step 2: Reach out to the corresponding loan agencies (Minnesota Housing, Dakota County CDA, and the Center for Energy & Environment, etc) to see if they are willing to partner with the City to offer educational sessions to residents.
- ❖ Action Step 3: Schedule three (3) evening in-person or virtual sessions where an individual from one of the loan agencies comes to present to South St. Paul residents about the types of loans their organization offers.
- ❖ Action Step 4: Rate the performance of each session on attendance, quality of information, and level of engagement to determine if the program should be offered again.

Zoning Code Changes

Based on the feedback received from developers as well as staff's experience navigating the zoning code, the existing zoning code often acts as a barrier to housing development and redevelopment projects.

One of the most hindersome sections of the code is Section 118-267- Multifamily residential, townhouses and cluster developments. This section of the City Code was put in place in 1992, which is the last time the city's zoning code received a major overhaul. Prior to 1992, the City Code had fairly loose standards for multifamily projects which largely mirrored the standards for the R-3 district. Most of the City's apartment and townhouse projects were constructed prior to Section 118-267 being implemented.

Since Section 118-267 was enacted, it has become almost impossible to build a code conforming apartment or townhome in the R-3 or R-4 zoning district. There are several reasons for this:

- Some of the standards in this section are archaic and do not reflect modern building design.
 - 96 square feet of extra storage space is required in each multifamily unit beyond the storage space available in wardrobes, cabinets, and closets.
 - No storage shall be permitted under a stairwell.
- Some of the standards intentionally or unintentionally prohibit infill development
 - No building within a townhouse development may be closer than 60 feet to any single-family use or district.

- Townhomes are not permitted to have more than 70% of their units be one-bedroom units, 50% of their units be two-bedroom units, and 50% of the units be three bedrooms units.
- Some of the standards are redundant and exceed the scope of a zoning review
 - Standards are listed for wiring fire alarms and electrical service for multi-family buildings. These provisions would already be covered in the National Electrical Code.
- The existing standards make it very difficult to determine the number of units that are allowed at a site.
 - Additionally, the standards for the number of bedrooms a dwelling unit can have can change depending on whether or not a room can be converted into another bedroom.
 - In the case of a one-bedroom townhome with an office large enough that it could become a bedroom, the unit must be considered a two-bedroom
- The parking standards are not conducive to modern development
 - Townhomes are required to have two off street parking spaces per dwelling unit, plus 1 ½ parking spaces for guests. This exceeds the amount of parking required for a multifamily dwelling under City's parking ordinance.
 - "The Yards" and "the Backyards" were both approved to have a parking ratio of one stall per bedroom.

If the City is in favor of new multifamily or townhome developments, this section of the code needs to be repealed and replaced with a more development-friendly code.

Actions steps to address this issue should include:

- ❖ Action Step 1: Review Section 118-267 to determine what performance standards are beneficial and what performance standards are truly just hindering development.
- ❖ Action Step 2: Hold a work session or a series of work sessions to get the Planning Commission, the City Council and staff on the same page about what changes need to be made to the existing performance standards for multifamily and townhome developments.
- ❖ Action Step 3: Amend the zoning code within one year of the last work session discussing the item.

In addition to reviewing and updating the City's standards for high-density housing, there may be opportunities to review and update the general standards for low- and- medium-density residential housing to reduce zoning barriers, such as setbacks, to reinvestment in existing properties.

Medium Term Programs (3-5 Year Programs)

Annual Home Improvement Expo

Home improvement expos are becoming increasingly popular in the Twin Cities Metro area. Minneapolis is well known for their annual home improvement show but many suburbs are now offering local home improvement shows as well. Inver Grove Heights, Eagan, and Lakeville have all hosted home improvement expos in the last few years. South St. Paul could also host a local home improvement show to encourage and educate residents about what could be done with their property. This show would also be an opportunity to connect local remodelers/contractors with residents that are interested in their services.

Most of the home improvement expos in the Twin Cities are run through an organization called Minnesota Home Shows. Minnesota Home Shows is an organization that hosts 8 home improvement expos/shows throughout the Metro each year. The organization selects communities to host their shows in based on attendees. After a brief conversation with a staff member from Minnesota Home Shows, it appears that South St. Paul does not make the list of communities they plan to host a home improvement expo in. If South St. Paul would like to pursue offering a home improvement expo, the expo will need to be run and organized entirely by staff. Actions steps to create a home improvement expo would likely include the following:

- ❖ Action Step 1: Designate staff members or a City Council-Staff team to plan and manage the Home Improvement Expo. Consider partnership with the River Heights Chamber of Commerce.
- ❖ Action Step 2: Establish a date and location for the home improvement expo. The date and location should be determined and secured 8-12 months in advance of the expo.
- ❖ Action Step 3: Determine the ideal number of vendors and set vendor fees. Start marketing to vendors 6-8 months ahead of the expo date.
- ❖ Action Step 4: Have a set number of vendors confirmed and paid for at least 3 months ahead of the events.
- ❖ Action Step 5: Advertise the event 3-5 months in advance to residents. Utilize the City's social media, website, newsletter, and other platforms such as the *South St. Paul Voice* to advertise the event.
- ❖ Action Step 6: Host home improvement expo.
- ❖ Action Step 7: Have the staff/council team reflect and evaluate to determine if the event was successful to the extent that it should be offered annually.

Rental Property Preservation Program

The goal of a rental property preservation program would be to provide resources to encourage and support rental property owners in providing high quality rental housing in South St. Paul. At this time, there are limited resources, financial or otherwise, to support rental property owners in town. Historically, South St. Paul had some support available for rental property owners, but those programs are no longer in place.

The cities of Richfield and Saint Paul both offer rehabilitation loan programs for rental properties. Richfield's rehab loan is part of a pilot program aimed to preserve 1–3-unit rental properties. Many of the rehab loans offered for rental properties are for properties with 4 or more units. Richfield's loan program was created by the city's EDA and is intended to offset the costs associated with deferred maintenance and provide funding for the costs associated with rental housing. The program loan is structured as a fifteen (15) year, zero-interest, forgivable loan. The minimum loan amount is \$3,000 and the maximum loan amount per unit is \$10,000. Loan funds must be matched on a 1:1 basis by other funds. If a borrower retains ownership and continues to rent the property and maintains a current rental license for the full length of the loan term, the loan will be forgiven 15 years from the date of the loan. If the borrower sells or transfers the title prior to the maturity date, the borrower must repay the loan in full.

South St. Paul has the opportunity to create a program that not only provides financial resources for rental property owners but also provides support through a rental property owners group. A city with a similar program is the city of Hopkins. The city of Hopkins created the Hopkins Apartment Managers' Association (HAMA) about 15 years ago. HAMA aims to create a network of apartment/rental property managers that work to maintain a strong rental market. Interested rental property owners can become involved with HAMA by checking a box on their rental license application (new or renewal) stating that they would like to be involved. Members of HAMA meet with the three staff liaisons three times a year to discuss various topics related to rental properties in Hopkins. Past meetings have included tours of newer apartments, presentations from staff about fire safety or drug trends, and discussion about legal issues with renters. This program is a unique opportunity to foster direct communication between the city and rental property owners.

South St. Paul has the opportunity to create a rental preservation program that does more than just provide funding to property owners. Action steps for creating a multi-faceted rental preservation program would likely look something like the following:

- ❖ Action Step 1: Create a list of the rental property managers in town using the Rental Licensing Program as a database.
- ❖ Action Step 2: Identify existing funding opportunities for rental property rehabilitation from non-city agencies.
- ❖ Action Step 3: Discuss whether it would be feasible for the city to offer a rental property rehab loan similar to the program that Richfield offers. If an in-house option is available, discuss loan criteria and terms.
- ❖ Action Step 4: Discuss the logistics of creating a South St. Paul rental property managers group. Identify staff members and partnering organizations that should be involved.
- ❖ Action Step 5: Perform targeted outreach to landlords to make them aware of funding options for upkeep and renovation of their rental property.
- ❖ Action Step 6: Update the rental licensing forms to include information about funding opportunities and the rental property managers group.

Residential Design Standards

In order to help maintain the quality of the built environment, residential design standards offer the ability to integrate a variety of housing types into one cohesive neighborhood fabric. Design guidelines would not prescribe a specific architectural style and do not encourage direct limitation of existing styles. Instead design standards look to increase the aesthetic quality of the built environment. Any new residential design standards could apply to new construction or substantial renovations for some or all of the city's existing housing.

A local example of design guidelines in action is the houses that were created through the "Rediscover South St. Paul" program. The minimum architectural requirements that were in place for the "Rediscover" program were intended to help blend in the new housing with the existing housing while creating a modern and attractive housing product. Some of these standards included:

- Residential garage loading/access must be consistent with the surrounding properties (i.e. if most of the houses on the block have alley garages, the new house must have an alley garage)
- Ample window breaks on the front face of the building.
- The front face of the residence must be treated with such architectural features as roofline breaks, building face fenestration, window and roofline dormers, decorative entrance canopies or parapets, decorative front entry door systems and decorative siding treatment of any front facing gables.
- Residences with exposed side walls, or residing on corner lots, are required to provide ample window breaks on the exposed side wall of the residence. In lieu of windows, use of decorative siding, brick/stone, or other features must be used to break up blank wall spaces.

Saint Paul studied their residential design standards in 2015 to attempt to address an increase of infill and redevelopment in a specific neighborhood where many of the new developments did not match the style of the existing housing. During this process, Saint Paul weighed how regulating architectural standards for housing could result in higher administrative costs due to the additional staff time but would result in more consistent development styles. Saint Paul considered three different scenarios for architectural standards, including narrowing the overall architectural standards for housing, having context-sensitive architectural standards in various areas or limiting the architectural standards for all homes in certain areas. Saint Paul ultimately chose to create stricter architectural standards for all residential properties within the area that was being studied. These standards included:

- Reducing the maximum allowable height unless there were increase side yard setbacks
- Limiting the sidewall height within a certain distance of a lot line
- Requiring additions to have a certain number of door/window openings
- Creating exceptions for the expansion of a building with nonconforming setbacks

Saint Paul was careful to consider architectural standards that would apply and work for residential expansions in addition to new builds.

If the City would like to go forward with creating architectural standards, the following steps should be taken:

- ❖ Action Step 1: Hold a work session or series of work sessions to determine the scope and content for residential design standards with input from staff, the City Council, the Planning Commission, and members of the public.
- ❖ Action Step 2: Direct staff to draft architectural standards based on the feedback received. Discuss the proposed standards with local developers to see the cost impact of creating these architectural standards.
- ❖ Action Step 3: Bring the proposed standards and the anticipated cost of these design standards to a final joint work session for refinement and further discussion.
- ❖ Action Step 4: Implement residential design standards within one year of the final work session.

Long Term Programs (5+ Year Programs)

Accessory Dwelling Unit Policy

Accessory dwelling units (ADUs) are an approach to creating new living units that do not involve the creation of a whole new building on a single lot, but rather involve the intensification of an existing single-family lot to create a smaller “accessory” dwelling. Accessory dwelling units are often referred to as “mother-in-law” units. ADUs are a way for homeowners to build additional equity by living in the principal residence while renting out the accessory unit, which may be its own detached unit or integrated as an expansion/addition to an existing home.

In the Twin Cities Metro area, at least 10 cities allow ADUs. These cities include Minneapolis, Saint Paul, St. Louis Park, Shoreview, Bloomington, Northfield, Richfield, Roseville, White Bear Lake, and Crystal. Each city has slightly different performance standards related to the minimum and maximum size of an ADU, minimum lot size requirements, additional parking standards and where ADUs are allowed. Despite these differences, one performance standard is the same across all of these cities: the homeowner is required to reside in the principal structure and not in the ADU. This provision prevents properties with ADUs from becoming rental properties with absentee landlords.

Many cities that have amended their zoning codes to allow ADUs have done so with the need for more affordable housing options in mind; however, the mere presence of an ADU policy does not guarantee the construction of accessory dwelling units. The City of Minneapolis, for example, had only 137 ADUs built within the first 4 years of this type of housing being permitted. The cost of construction, which can range between \$140,000 and \$400,000 is often the largest barrier to construction. Accessory dwelling units are rarely created just for the sake of additional income for the property owners; rather ADUs are often constructed to offer multigenerational living for families or to create a new living space for family members or other guests when they visit.

If the City feels like this is a housing type that should be pursued for South St. Paul, the City Council should provide staff with a date by which they would like to see more information about what allowing this type of housing in South St. Paul would look like and language for a draft ordinance.

Deconversion of Multi-Family/Rental Properties to Single-Family Properties

South St. Paul has a sizeable number of single-family homes that have been converted into multi-tenant or rental units. To foster the reinvestment and ownership into the existing housing stock, the city could offer an incentive for a landlord or buyer of a property to de-convert rental or multifamily units back into a single-family home. The conversion of multi-units back into the single-family homes they were constructed as could help alleviate parking issues and increase property values.

Typically, incentives for the deconversion of multi-family properties into single family properties include grants that pay for a portion of the deconversion or lump sum payments following the completed deconversion of a property. The village of East Rochester, New York offers a lump sum payment of \$10,000 upon completion of a deconversion of a property from a multi-family dwelling to a single-family dwelling. The city of Elgin, Illinois offers a deconversion grant that provides participating property owners \$25,000 for converting their two-unit building into a one-unit building and \$30,000 per unit removed for buildings with three or more units. An additional \$3,000 per unit removed is available for buildings located within certain census tracts. If requested, up to \$10,000 per unit converted may be provided to eligible participant to start the conversion. Property owners receive their deconversion incentive after the City has inspected the property to certify that the property has been deconverted.

For a deconversion program to be successful, the incentive for deconversion must be enough to compensate the property owners for the work required to remove the additional unit and for the loss of rental income following the conversion. To ensure that a property is not reconverted shortly after receiving the funds for deconverting the property, deed restrictions should be placed on the property. If the City Council is interested in pursuing a housing deconversion program, the City Council/EDA should partner with staff to consider funding mechanisms, the maximum amount that could be allowed per property that is deconverted, and whether the program would target certain areas of the city or be offered city-wide.

Formal Housing Evaluation Criteria

At this time, housing conditions in town are assessed reactively, meaning that the conditions of a house are reviewed or addressed when a house is being sold, if the city receives a complaint about the condition of the property, or when a rental property is being evaluated for their rental license. The city could consider taking a “proactive” approach to housing evaluations by creating or following a set of criteria or framework for evaluating the conditions of housing in the community. The framework could include a provision to identify whether and where some of the aforementioned programs and policies could be put into action.

Housing Improvement Loan

Currently, home improvement loans for South St. Paul residents are available through the Dakota County Community Development Agency or private lenders. The publicly available program through Dakota County CDA is restricted to households below a certain income level which can deter property owners from pursuing home improvement projects that need financing. In an effort to further invest in South St. Paul’s existing housing stock, the city could create a home

improvement loan program that is not income restricted but that would target homes with certain characteristics that might warrant investment, such as older homes, homes with disproportionately lower property values or homes with a history of code issues.

One organization the city could partner with to offer additional home-related loans is the Center for Energy and Environment (CEE). CEE partners with several other cities including Burnsville, Minneapolis, and Roseville to offer special rates to homeowners that are looking for home improvement loans. The types of loans that can be offered through the partnership include down payment assistance, emergency deferred loans, and home improvement loans specifically for senior residents.

If the City Council would like staff to pursue offering a city specific home improvement loan, staff recommend that the City Council/EDA work in partnership with staff to determine what funding, if any, is available for a program such as this and the types of programs that are a priority to fund.

Mixed-Income Housing Policy

The City's long-range comprehensive plan calls for the preservation of housing that is attainable for a diversity of household types, at various life-stages, and for households of all income levels. One way to put this objective in to action would be to institute a requirement that any new developments would need to include a minimum number of homes or units that are available to varying income levels. This requirement is often called a "mixed-income housing policy" or a "inclusionary housing policy." Mixed-income policies can either require a mix of units for varying income levels or create incentives for developers to allow mixed-income units by providing flexibility from density or other zoning regulations.

Many of the cities with established mixed-income housing policies are cities experiencing a lot of multifamily development, such as Bloomington, Edina, St. Louis Park, Shoreview, Minneapolis, Saint Paul, Golden Valley, and Brooklyn Park. The mixed income policies in these cities focus on creating units that are affordable to people that make 80%, 60 % or 50% of the area median income (AMI). For example, the city of Shoreview has a policy that would require a new 200-unit apartment to include the following units:

- ❖ 20 units (10%) affordable to someone making 80% AMI
- ❖ 15 units (7.5 %) affordable to someone making 60% AMI
- ❖ 10 units (5%) affordable to someone making 50% AMI

Actual percentages can vary depending on the city's policy. Cities with established mixed-income policies are more likely to receive funding for development through the Metropolitan Council's grant programs, which furthers development in these communities.

If the City Council would like to pursue a mixed-income housing policy, staff recommend that the City Council discuss at a work session what a desirable mixed-income policy would look like and discuss future implementation.

SOURCE OF FUNDS:

The City retains several dedicated funds that tie to “legacy” HRA programs that are no longer being administered. Specifically, the following funds are retained by the City with no defined program purpose:

- **20292** (Rediscover South St. Paul) – this fund has a total of \$5,046.46 in available cash balance. Rediscover SSP was a program that was administered by the HRA from at least the late 1980s through 2015. The program involved the HRA acquiring dilapidated (typically) single-family homes, razing them, and selling the lot to an individual or family subject to a development agreement which required the buyer to build a new single-family home on the lot. The program saw significant success in “flipping” properties over the years but was not financially sustainable, particularly as the cost of single-family homes rose (significantly) after the great recession and the amount of financial support from the federal government (specifically, the Community Development Block Grant) has continued to decrease for more than a decade. To wit, in 2023 SSP is only eligible for a little more than \$80K in CDBG funding – all of which we agreed to dedicate to the Dakota County Community Development Agency’s Rehabilitation Loan Program.
- **20293 & 20294** (HRA Rehabilitation Loans) – Fund 20293 has a total of \$392,273.27 in available cash balance, \$303,545.95 in loans receivable, and \$187,460.98 in interest receivable. Fund 20294 has a total of \$192,294.28 in available cash balance, \$96,566.46 in loans receivable, and \$65,918.33 in interest receivable. Prior to its dissolution in 2015, the HRA offered two “in-house” rehabilitation loan products to qualifying households, which were originally funded through the HRA through levy and/or state and federal sources directly. While the essence of these programs (and the staff that administered them) were transferred to the Dakota County CDA in 2015, because the funds were funded through local dollars the cash balance in the funds and any future payoffs are not required to be transferred to the CDA and can remain with the City.

In addition, in every budget year since 2020, the City has adopted an HRA Levy (Fund 20260) that included at least \$50,000 in “set-aside” funding for future implementation of the Master Housing Strategy. These budgeted expenditures were intentioned as “seed money” for any potential programs or initiatives that the City may identify in the course of implementing the Master Housing Strategy, and as of the 2023 budget year a total of \$625,522 in retained HRA Levy Dollars are unallocated and effectively waiting for a program or programs to source.