

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 9/16/13
Item No.: Item 14.a

Department Approval

City Manager Approval



Item Description: Review of drafted Multifamily Rental Licenses 908

BACKGROUND

RHRA created program guidelines that were reviewed by the City Council at the March 11, 2013, joint meeting. The guidelines were updated and then reviewed by the RHRA Board on April 16, 2013. The RHRA then directed staff to draft an ordinance.

In addition to the public meetings noted above, the RHRA Board received testimony from the public regarding the guidelines on November 20, 2012, February 19, 2013, and August 13, 2013.

RHRA staff worked with the City's Building Codes officials and the City Attorney to draft Ordinance 908 (Attachment A: Draft Ordinance 908), which was reviewed by the RHRA Board on August 13, 2013. Public comment was taken and some modifications were made based upon that meeting (Attachment B: Draft Minutes).

Based upon testimony of rental property owners, staff has made the following changes to the program. All changes have been reviewed by the City Attorney.

- The required licensing of Multi-family Rental properties will become effective January 1, 2015.
- The inspections will be conducted by the Community Development Department (CDD) staff and will be done by a seasonal code enforcement officer.
- The cost of the initial inspection will be included in the licensing fee the first year.
- The proposed fee for the first year is \$20/unit + \$100/building.
- All costs for the subsequent years of the program will come from the CDD budget.
- The first-year inspections are estimated to begin in May 2014 and are intended to conclude in September 2014.
- One third of all rental units will be inspected unless the code enforcement officer deems it necessary to inspect more of the units.
- The draft ordinance would require owners/managers of Multi-family Rental Dwellings (MRD) to do criminal background checks on all renters, to include a disorderly behavior lease addendum to all leases, to maintain a current occupancy register of all renters, and to ensure that all maintenance/repairs have been completed.
- The ordinance would require that property owners have a management representative located within the 7-county metro area.

While the RHRA staff has taken the lead to write the Ordinance and Implementation Plan, it is

33 anticipated that the Building Codes Division of the Community Development Department will
 34 take over the Implementation Plan and put together the inspection criteria, inspection manual,
 35 and program details (Attachment C: Implimentation Plan).

36 **POLICY OBJECTIVE**

37 The intent of the rental licensing program is to ensure that multi-family rental property
 38 owners provide and maintain safe and healthy living accommodations. The proposed
 39 program will require properties with five (5) or more units to be licensed with the City.
 40 The program will require an initial inspection of the rental properties and, depending on
 41 the classification of the rental property license, a schedule for reinspection will be
 42 determined. The program will also require property owners to attend educational
 43 programs hosted by the City.

44 Most communities that have Rental Licensing also require the Minnesota Crime-Free
 45 Multi-Housing Program as it relates to property licensing type. The Minnesota Crime-
 46 Free Multi-Housing Program is taught by the community it is offered in and customized
 47 for each community’s laws and ordinances. Currently, the program does not have any
 48 staffing to offer the program in Roseville. It is recommended that the Council’s 2015
 49 budget include the necessary funding to hire a person for the police department to
 50 conduct the program.

51 If the Council is supportive, then we would modify the requirements for rental licensing
 52 type as follows. (Attachment D: Crime Free Multi-Housing Program)
 53

Requirement → License Type ↓	Attend Roseville Multifamily Property Owner’s Quarterly meetings	Participate in Crime Free Housing Program	Inspections and Licensing Fee	Mitigation Plan	Monthly Updates
Type A	Recommended	Phase 1 (recommended)	Once every 3 years	-	-
Type B	Attend 25%	Phase 1	Once every 2 years	-	-
Type C	Attend 50 %	Phases 1 & 2	Once a year	-	-
Type D	Attend 75 %	Phases 1, 2, & 3	Once every 6 months	Required and may be brought forth to Council.	Required

54 **BUDGET IMPLICATIONS**

55 The first year rental licensing fees (2014 fees) would cover the cost to implement the
 56 program. In subsequent years if the licensing fees do not cover the cost for staff, the
 57 costs will come from the Community Development Department’s operating budget .

58 **STAFF RECOMMENDATION**

59 Staff recommends reviewing the attached ordinance for Council and Public comments.

60 **REQUESTED COUNCIL ACTION**

61 Based upon comments, Council may choose to forward the attached ordinance on for the
 62 public hearing process.

Prepared by: Jeanne Kelsey, Acting Executive Director, 651-792-7086

- Attachments:
- A: Draft Ordinance 908
 - B: Draft Minutes
 - C: Implimentation Plan
 - D: Crime Free Multi-Housing Program

CHAPTER 908
Rental Licensing for Multifamily Rental Properties of 5 or more Units

SECTION:

- 908.01: Purpose
- 908.02: Definitions
- 908.03: Licensing Requirements
- 908.04: Licensing Term
- 908.05: Fees
- 908.05: Local Agent Required
- 908.06: Licensing Suspensions, Revocation, Denial and Non-Renewal
- 908.08: Appeal
- 908.09: Maintenance of Records
- 908.10: Authority
- 908.11: Rules, Policies and Procedures
- 908.12: No Warranty by the City
- 908.13: Severability

908.01: PURPOSE:

It is the purpose of this Chapter to assure that Multifamily Rental Dwelling (MRD) with 5 or more units in Roseville are decent, safe and sanitary and well maintained. The implementation of a MRD licensing program is a mechanism to ensure that rental housing will not become a nuisance to the neighborhood; will not foster blight and deterioration; and/or will not create a disincentive to reinvestment in the community. The operation of MRD is a business enterprise that entails responsibilities. Operators are responsible to assure that citizens and children of MRD's may pursue the normal activities of life in surroundings that are; safe, secure and sanitary; free from crimes and criminal activity, noises, nuisances or annoyances; free from unreasonable fears about safety of persons and security of property..

908.02: DEFINITIONS:

For the purpose of this Chapter, the following terms shall be defined as set forth below.

- A. Building Official: The designated Building Official for the City of Roseville or his/her duly authorized representative(s).
- B. City: Shall mean the City of Roseville.
- C. City Council: Shall mean the City Council of the City of Roseville.
- D. City Approved Inspectors Report or Inspection Report means a rental dwelling inspection report prepared and signed by a City rental housing inspector or inspector contracted by the City to conduct an inspection and provide a report to the City.

- E. Denial: As used in the City of Roseville Ordinances is the refusal to grant a license to a new or renewing applicant by the City.
- F. Dwelling Unit: Any portion of a building thereof that contains living facilities, including provisions for sleeping, eating, cooking and sanitation.
- G. Lease: An oral or written agreement between a MRD owner and a tenant for temporary use of a rental dwelling unit, usually in exchange for payment of rent.
- H. License: The formal approval of an activity specified on the certificate of license issued by the City.
- I. Local Agent: Owner's representative who resides in any of the following Minnesota counties; Hennepin, Ramsey, Anoka, Carver, Dakota, Scott, or Washington.
- J. Multifamily Rental Dwelling (MRD) any building or portion thereof that contains five (5) or more dwelling units that may be attached side-by-side, stacked floor to ceiling and/or have common entrance and have a common owner that are being rented out in the City of Roseville. This does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, nursing homes, hotels, motels, managed home-owner associations or on-campus college housing.
- K. Owner: a person, agent, firm or corporation having a legal or equitable interest in the property. In any corporation or partnership, the term owner includes general partners and corporate officers.
- L. Permissible occupant load: The maximum number of person permitted to occupy a building or space within a building per city code.
- M. Reinspection: a follow-up inspection that is a) conducted to determine if a Code violation has been corrected; b) needed because a licensee, owner, or other responsible party fails to attend a scheduled inspection; c) needed because a scheduled inspection does not occur or is prevented due to any act of a licensee, owner, or responsible party; or d) any inspection other than the initial inspection for a license application where one or more violations are found.
- N. Rent: The consideration paid by a tenant to the owner of a rental dwelling unit for temporary and exclusive use of the rental dwelling unity by the tenant. The consideration is not limited to cash.
- O. Repair: To restore to a sound and functional state of operation, serviceability or appearance.
- P. Revoke: To take back a license issued by the City.
- Q. Safety: The condition of being reasonable free from danger and hazards that may cause accidents or disease.
- R. Suspend: To make a license temporarily inoperative.
- S. Tenant: Any adult person granted temporary use of a rental dwelling unit pursuant to a lease with the owner of the MRD.

908.03 LICENSING REQUIREMENTS

General Rule. No person shall operate, let or cause to be let a MRD which has not been properly licensed by the City of Roseville in the manner required by this Ordinance. A license must be obtained for each MRD. Upon receipt of the properly executed initial application for a rental license, the Community Development Department shall cause an inspection to be made of the MRD to determine whether it is in compliance with Section 906, other Roseville ordinances, and the laws of the State of Minnesota. Every rental dwelling unit shall be re-inspected after a renewal application is filed to determine if it still conforms to all applicable codes and ordinances.

- A. Licensing. A license will be granted as Type A, Type B, Type C, or Type D based on nationally recognized standards recommended by the Building Official and adopted by the City Council. All rental dwelling units shall be licensed before being let, in whole or in part. Licenses will expire annually or semi-annually as determined by the licensing type and City.
- B. Criminal Background Check. The licensee shall conduct criminal background checks on all prospective tenants. The criminal background check must include the following:
 - a. A statewide (Minnesota) criminal history check of all prospective tenants covering at least three years; the check must be done utilizing the most recent update of the state criminal history files;
 - b. A statewide criminal history check from the prospective tenant's previous state of residence, unless not allowed, if the tenant is moving directly from the previous state;
 - c. A criminal history check of any prospective tenant in their previous states of residence, unless not allowed, covering the last three years if they have not resided in Minnesota for three years or longer;
 - d. A criminal history check of any prospective tenant must be conducted in all seven counties in the metro Twin Cities area (Hennepin, Ramsey, Anoka, Carver, Dakota, Scott and Washington) covering at least the last three years including all misdemeanor, gross misdemeanor, and felony convictions.
- C. Disorderly Behavior Lease Provisions. All tenant leases shall contain crime-free drug-free provisions as on file with the City that prohibit disorderly behavior identified in City Ordinance 511.02. These lease provisions shall be incorporated into every new lease for a tenancy beginning January 1, 2015 or all renewed leases by such date.
- D. Occupancy register. Every owner of a licensed rental dwelling shall keep, or cause to be kept, a current register of occupancy for each dwelling unit that provides the following information:
 - a. Dwelling unit address.
 - b. Number of bedrooms in dwelling unit and size of each bedroom, include the maximum number of occupants allowed.
 - c. Legal names and date of birth of adult occupants and number of adults and children (under 18 years of age) currently occupying the dwelling units.
 - d. Dates renters occupied and vacated dwelling units.

- e. A list of complaints and requests for repair by dwelling unit occupants, which complaints and requests are related to the provisions of this Code of Ordinances.
 - f. A similar list of all corrections made in response to such requests and complaints.
- Such register shall be made available for viewing by the Code Enforcement Officer upon at each routine inspection or upon city receipt of a report of potential occupancy violation.
- E. Application Filed. A license application shall be submitted to the Community Development on forms furnished by the City of Roseville and must contain the following information:
- a. Name, address, telephone number, and e-mail address of the owner of the rental dwelling units. This is the address that all future correspondence from the city will be sent to. Owner shall indicate if the owner is a corporation, partnership, sole proprietorship, or other business entity.
 - b. Name, address, telephone number, and e-mail address of designated local agent responsible for the management of the MRD.
 - c. Street address(es) and unit numbers for the MRD.
 - d. Number and type of dwelling units including unit size and bedroom size for each building (One (1) Bedroom, Two (2) Bedrooms, etc...)
 - e. Description of property listing number of buildings and number of dwelling units in each building.
 - f. Owner shall certify compliance with the requirement for conducting background checks on perspective tenants found in 908.03B.
 - g. Owner shall certify compliance with the requirement to include disorderly behavior lease provisions required in 908.03C.
 - h. Owner shall certify compliance with the requirement to include 908.03D.
- F. Changes in Ownerships and Amended Licenses. A license is not assignable. Any changes occurring in the ownership of a MRD requires a new license. The new owner must obtain a new license within thirty (30) days of acquiring the property. The fee paid for the new license shall be the fee required for an initial license. If any changes occur in any information required on the license application, the owner must submit an amended license application to the City within thirty (30) days of the change. If any rental dwelling units are added to a current license, the additional rental dwelling units must be licensed by amendment of the current license and must be accompanied by the fee required for the additional units.
- G. Complaint Based Inspection. The City may, upon receipt of creditable third party complaints or complaints of residents with reasonable concerns, require an inspection of a unit. A complaint based inspection may require additional units to be inspected. Upon the additional unit inspection, the City may require a license category criteria inspection be performed using the same standards as the license renewal inspection.
- H. Additional Requirements. The City may require additional educational, training or participation in programs related to the license type.

908.04 LICENSING TERM:

Licenses will be issued for a time period according to the license type as indicated in Diagram I. All licenses may be reviewed at any time after the beginning of the license term to determine whether the property continues to have the appropriate Type License.

Diagram I

Requirement →	Attend Roseville Multifamily Property Owner's Quarterly Meetings	Inspections and Licensing Fee	Memorandum of Understanding for correction of nuisance	Monthly Updates
License Type* ↓				
Type A	Attend 25%	Once every 3 years	-	-
Type B	Attend 50%	Once every 2 years	-	-
Type C	Attend 75%	Once a year	May be required	-
Type D	Attend 100%	Once every 6 months	Required (<i>Shall be brought to Council</i>)	Required

- A. New Licenses. MRD's that have legally not been required to have a rental license due to new construction will qualify for a Type B License. Properties found operating without a valid rental license from the City or failing to meet City Code requirements or that have been the subject of enforcement actions such as criminal prosecution or civil penalties for violation of this chapter, will only qualify for a Type C license.
- B. License Renewals. All rental properties are subject to review and may be required to apply and qualify for a different license Type based on the level of compliance with City Codes and applicable regulations.
- C. Any Type Property Licenses. For properties that have chronic code violations that are not being resolved in a timely manner, the City Council may pursue any and all remedies under Minnesota Statutes sections tenant remedies action 504B.395 through 504B.471 in addition to any other legal or equitable relief.
- D. License Category Criteria. License type will be determined on the basis of number of property Code and nuisance violations as recommended by the City Manager and approved by the City Council.
 - a. Property Code and Nuisance Violations. Standards for property maintenance will be based on compliance with City and other applicable Codes or other nationally recognized standards as adopted by the city council.
- E. License Process and Renewal.
 - a. Initial application of existing MRD's in the City will need to complete full application and pay license fee by December 31, 2014.
 - b. Code enforcement officers will notify applicant approximately thirty (30) days prior to inspection.

- c. Notice of licensing type will be sent to the applicant. Licensing fee will be due and payable within 30 days of notice of licensing type. A license will be issued for each MRD. Every Owner of MRD shall conspicuously post the current license certificate within 14 days of receipt in the main entryway or other conspicuous location within the MRD. For MRD that do not have shared common area or entrance the Owner must provide a copy of the license certificate to each tenant by attaching a copy to the tenant's copy of the executed lease agreement.
- d. License renewals shall be filed between 90 and 120 days prior to the license expiration date. Upon receipt of a completed application and of the licensing fee as established by the City Fee Schedule in Section 314.05 all fees and fines shall be charged to and payable by the property owner.
- F. Issuance of License. The City shall issue a license once the City deems the property to not have any unsafe, unsanitary, or dilapidated conditions as defined in Section 906.03H or elsewhere in Roseville's City Code.

908.05 FEES

There shall be a licensing fee as established by the City Fee Schedule in Section 314.05. All fees and fines shall be charged to and payable by the property owner.

908.06 LOCAL AGENT REQUIRED:

- A. Local Agent No operating license shall be issued or renewed for a nonresident owner of a MRD (one who does not reside in any of the following Minnesota counties; Hennepin, Ramsey, Anoka, Carver, Dakota, Scott, or Washington) unless such owner designates in writing to the Building Official the name of the owner's local agent (one who does reside in any of the following Minnesota counties: Hennepin, Ramsey, Anoka, Carver, Dakota, Scott, or Washington) who is responsible for maintenance and upkeep and who is legally constituted and empowered to receive service of notice of violations of the provisions of the City Code of Ordinances, to receive orders and to effect such orders and to accept all service or process pursuant to law.
- B. Responsibility for Acts of Manager, Operator, or Local Agent. Licensees are responsible for the acts or omissions of their manager, operators, local agent, or other authorized representative.

908.07 LICENSING SUSPENSIONS, REVOCATION, DENIAL AND NONRENEWAL

- A. Applicability. Every license issued under the provisions of this Chapter is subject to suspension or revocation by the City Council.
- B. Unoccupied or Vacated Rental Units. In the event that a license is suspended, revoked, or not renewed by the City Council, it shall be unlawful for the owner or the owner's duly authorized agent to thereafter permit any new occupancies of vacant or thereafter vacated rental units until such time as a valid license may be restored by the City Council.
- C. Grounds for License Action. The Council may revoke, suspend, or decline to renew any license issued under this Chapter upon any of the following grounds:

- a. False statements, misrepresentations, or fraudulent statements on any application or other information or report required by this chapter to be given by the applicant or licensee.
 - b. Failure to pay any application fee, fine or penalty, reinspection fees, reinstatement fee, special assessments, real estate taxes, or other financial claims due to the City as required Chapter and City Council resolution.
 - c. Failure to continuously comply with any property maintenance, zoning, health, building, nuisance, or other City Codes; or failure to correct deficiencies noted in Compliance Notices in the time specified in the notice.
 - d. Failure to comply with the provisions of an approved memorandum of understanding (MOU) with the City that addresses the underlying causes for the nuisance conduct and provides a course of action to alleviate the nuisance conduct.
 - e. Failure to actively pursue the eviction of tenants who have violated the provision of this Chapter or Lease Addendum on file with the City or have otherwise created a public nuisance in violation of City, state, or applicable laws.
 - f. The failure to eliminate imminent health and life safety hazards as determined by the City, or its authorized representatives.
 - g. Failure to operate or maintain the licensed premises in conformity with all applicable state and local laws and Ordinances.
- D. License Action Sections. Revocation, suspension, and non-renewal may be brought under either this Section or any other Section of 908.
- E. Notification, Hearing and Decisions Basis.
- a. Written Notice, Hearing. A decision to revoke, suspend, deny, or not renew a license shall be preceded by written notice to the applicant or licensee of the alleged grounds therefor and the applicant or licensee will be given an opportunity for a hearing before the City Council before final action to revoke, suspend, deny, or not renew a license.
 - b. Decision Basis. The Council shall give due regard to the frequency and seriousness of violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply and shall issue a decision to deny, not renew, suspend or revoke a license only upon written findings.
- F. Affected MRD. The Council may suspend or revoke a license or not renew a license for part or all of a MRD.
- G. License Actions, Reapplication
- a. Suspension. Licenses may be suspended for up to ninety (90) days and may after the period of suspension, be reinstated subject to compliance with this Chapter and any conditions imposed by the City Council at the time of suspension.
 - b. Revocation, Denial, Nonrenewal. Licenses that are revoked will not be reinstated until the owner has applied for and secured a new license and complied with all conditions imposed at the time of revocation. Upon a decision to revoke, deny or not renew a license, no approval of any application for a new license for the same facility will be effective until after the period of time specified in the Council's written decision, which shall not exceed one year. The Council shall specify in its written decision the date when an application for a new license will be accepted for processing. A decision not to renew a license may take the form of a suspension or

- revocation. A decision to deny an initial application for a new facility will not take the form of a suspension or revocation unless false statements have been made by the applicant in connection with the application. A decision to deny an initial application shall state conditions of reapplication.
- c. Reinstatement Fees. All new applications must be accompanied by a reinstatement fee, as specified by Council resolution, in addition to all other fees required by this Chapter.
 - d. Written Decision, Compliance. A written decision to revoke, suspend, deny, or not renew a license or application shall specify the part or parts of the facility to which it applies. Thereafter, and until a license is reissued or reinstated, no rental units becoming vacant in such part or parts of the facility may be re-let or occupied. Revocation, suspension or non-renewal of a license shall not excuse the owner from compliance with all terms of state laws and Codes and this Code of Ordinances for as long as any units in the facility are occupied. Failure to comply with all terms of this Chapter during the term of revocation, suspension or non-renewal is a misdemeanor and grounds for extension of the term of such revocation or suspension or continuation of non-renewal, or for a decision not to reinstate the license, notwithstanding any limitations on the period of suspension, revocation or non-renewal specified in the City Council's written decision or in paragraph 6 of this Section.
 - e. New License Prohibited. A property owner who has a rental license revoked may not receive a new rental license for another property within the City for a period of one year from the date of revocation. The property owner may continue to operate current licensed MDR's if the properties are maintained in compliance with City Codes and other applicable regulations.
 - f. The Council may postpone or discontinue an action to deny, not renew, revoke or suspend a registration certificate, or to fine a licensee or applicant, if the licensee or applicant has taken appropriate measure which will correct the violation.

908.08 APPEALS

- A. An appeal pertaining to any licensing decision addressed in this Chapter may be filed by a MRD property owner.
 - a. The appeal shall be submitted to the City Manager within 10 calendar days after the making of the order or decision being appealed.
 - b. The appeal shall state the specific grounds upon which the appeal is made.
 - c. The appeal shall be accompanied by the fee set forth in Chapter 314.
- B. When an appeal is filed, a public meeting regarding the matter shall be held before the City Council, acting as the Board of Adjustments and Appeals, at a regular meeting held within 30 days of the receipt of the appeal. The board of Adjustments and Appeals may consider any of the evidence that had previously been considered as part of the formal action that is the subject of the appeal. New or additional information from the appeals applicant(s) may be considered by the Board of Adjustments and Appeals at its sole discretion, if that information serves to clarify information previously considered by the Building Official.

908.09 MAINTENANCE OF RECORDS:

All records, files and documents pertaining to the Licensing of MRD shall be maintained in the office of the City and made available to the public as allowed or required by laws, rules, codes, statutes or ordinances.

908.10 AUTHORITY:

Nothing in this Chapter shall prevent the City from taking action under any applicable rule, standard, statute or ordinance for violations thereof and to seek either injunctive relief or criminal prosecution for such violations as therein provided. Nothing contained in this Chapter shall prevent the City from seeking injunctive relief against a property owner or designated agent who fails to comply with the terms and conditions of this Chapter on licensing.

908.11 RULES, POLICIES, PROCEDURES:

The City Council may adopt from time to time, by resolution, rules, policies and procedures for the implementation of this Chapter. Violation of any such rule, policy or procedure by a property owner shall be considered a violation of this Ordinance.

908.12 NO WARRANTY BY THE CITY:

By enacting and undertaking to enforce this Chapter, neither the City, its designees, the City Council, or its officers, agents or employees warrant or guarantee the safety, fitness or suitability of any MRD in the City. Owners or occupants should take whatever steps they deem appropriate to protect their interests, health, safety and welfare. A warning in substantially the foregoing language shall be printed on the face of the rental registration.

908.13 SEVERABILITY:

If any provision of this Chapter or amendment thereto, or the application thereof to any person, entity or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, the remainder of this Chapter shall remain in full force and effect and the application thereof to other persons, entities or circumstances shall not be affected thereby.



Housing & Redevelopment Authority
Roseville City Hall Council Chambers, 2660 Civic Center Drive
Minutes – Tuesday, August 13, 2013 at 6:00 p.m.

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4
5 **1. Call to Order**

6 Chair Maschka called to order the regular meeting of the Housing & Redevelopment Authority (HRA)
7 in and for the City of Roseville at approximately 6:00 p.m.

8
9 **2. Roll Call**

10
11 **Present:** Chair Dean Maschka; and Members Susan Elkins; Kelly Quam; Bob
12 Willmus; Bill Masche; and Vicki Lee

13
14 **Members Excused:** Member Bill Majerus

15
16 **Staff Present:** HRA Acting Executive Director Jeanne Kelsey

17
18 **3. Approval of Minutes**

19 **Motion: Member Masche moved, seconded by Member Elkins to approve the Regular HRA**
20 **Meeting Minutes of July 16, 2013 as presented.**

21
22 **Ayes: 6**

23 **Nays: 0**

24 **Motion carried.**

25
26 **4. Announcements, Agenda Adjustments, Recognitions, Correspondence, and Comments**

27
28 **5. Community/Citizen Comments**

29
30 **6. Consent Agenda**

31 Acting HRA Executive Director Jeanne Kelsey briefly reviewed the Consent Agenda item as detailed in
32 the staff report dated August 13, 2013:

33
34 **a. Acceptance of HRC Monthly Reports for July 2013**

35
36 **Motion: Member Elkins moved, seconded by Member Quam to approve the Consent**
37 **Agenda as presented.**

38
39 **Ayes: 6**

40 **Nays: 0**

41 **Motion carried.**

42
43 **7. Public Hearings**

44 None.

45
46 **8. Presentations**

47
48 **a. University of Minnesota Extension Business Retention & Expansion (BR&E) Strategies**
49 **Program, Presentation by Program Director Michael Darger**

50 Acting HRA Executive Director Kelsey briefly summarized receipt of four (4) responses to the
51 Request for Proposals (RFP's) authorized by the HRA at their June 18, 2013 meeting. Ms.
52 Kelsey noted that the RFP's were to seek Business Retention and Expansion (BR&E)
53 consultant services. Ms. Kelsey noted that HRA staff had received a commitment of \$2,500
54 from Xcel Energy to assist with this expense. Responses were received as follows:
55

Proposal/Firm	Proposed Cost for Services
Kirstin Barsness, Maxfield Research, Inc.	\$17,745.00
Municipal Development Group, Inc.	11,000.00
Main Street Research & Consulting	4,699.68
U of MN Extension BR&E Strategies Program	9,700.00

1
2
3 Ms. Kelsey introduced U of MN Extension Strategies Program Director Michael Darger, with
4 Chair Maschka extending a welcome on behalf of the HRA. Mr. Darger reviewed his
5 background and credentials; and provided a brief overview of the community approach to
6 BR&E, examples of suburban BR&E from other communities (e.g., Blaine, Forest Lake, Coon
7 Rapids), and specifics proposed for the for the City of Roseville effort.
8

9 At the request of Member Quam, Mr. Darger advised that those performing the actual visits to
10 businesses were anticipated to be from a broad-based spectrum, including City staff,
11 colleagues and representatives of the HRA, and other applicable agency, government and./or
12 business representatives. Mr. Darger noted the advantage of involving a diverse leadership
13 team and broad cross-section of the community throughout each of the steps in the big picture
14 (research, prioritization, and implementation). Mr. Darger further noted the advantage of
15 sponsoring or partnering agencies (e.g., Xcel Energy).
16

17 Chair Maschka noted that business visits in the past had typically been done by the Mayor and
18 City Manager.
19

20 Mr. Darger presented a brief video providing a sampling of similar efforts and community
21 interaction from other communities. Mr. Darger also provided sample portions of research
22 reports prepared for the Cities of Blaine, Hugo, Coon Rapids and Forest Lake; and provided
23 some actual hard copy reports. Mr. Darger noted that their services would include a detailed
24 research report, as well as a summary report. Other deliverables, as detailed in the proposal
25 dated July 17, 2013, included the Program's guidance to the HRA and staff on recruitment of a
26 BR&E Task Force; identification of businesses to be interviewed and surveyed; training for the
27 Task Force and the BR&E visitor panel on effective business interviewing, the full BR&E
28 research package; a summary report after the community made decisions and embarked on
29 priority projects; implementation; and a six- (6) month follow-up review as a report card for
30 both the U of MN and the HRA on the effects of the program.
31

32 Mr. Darger advised that Ms. Kelsey would facility the process through the HRA, with the
33 BR&E assisting with research outcomes and providing priorities through a Program Advisory
34 through the Extension office. As similarly done in the City of Owatonna, Mr. Darger advised
35 that the U of MN would essentially do the research and the community would then handle the
36 process. Ms. Darger noted that Ms. Kelsey and Community Development Director had
37 recently both successfully completed the BR&E class offered by the U of MN Extension.
38

39 At the request of Chair Maschka, Mr. Darger encouraged using area Chambers of Commerce
40 to the extent they were willing to get involved. However, Mr. Darger noted that the Minnesota
41 Chamber of Commerce organization encouraged communities to consider "Grow Minnesota"
42 offered through their organization, which did not provide a community-driven applied research
43 approach as the U of MN Extension BR&E program offered. Mr. Darger opined that the
44 Chambers used a more business to business approach with annual visits to those businesses.
45 Mr. Darger stated that he would love to have either or both of the two (2) area Chambers
46 involved in the process; suggesting that they be involved in visits after completion of the
47 research portion of this program.
48

HRA Meeting
Minutes – Tuesday, August 13, 2013
Page 3

1 At the request of Chair Maschka, Mr. Darger confirmed that Step 1 of the proposal involved
2 business owners.

3
4 Chair Maschka noted the unique nature of Roseville's obviously large retail business sector
5 compared with the sample reports provided by Mr. Darger; and noted their challenges with the
6 incredible amount of self-destruction and challenges they were facing with on-line versus on-
7 site sales.

8
9 Ms. Kelsey responded that staff was recommending that retail businesses, those nationally
10 operated at a corporate headquarters versus locally owned and operated, not be incorporated in
11 to the initial study. Ms. Kelsey advised that she would recommend to the BR&E Task Force
12 that they focus on office users and business owners (e.g., manufacturers) with local decision-
13 making rather than those management decisions being made elsewhere, such as their rationale
14 for choosing to operate and remain in Roseville.

15
16 Chair Maschka noted that representatives of Rosedale Center management interacted with the
17 City of Roseville frequently; and Ms. Kelsey clarified that they would certainly be involved,
18 but that her comments were intended to recognize and distinguish individual stores with local
19 franchises or operations, but corporately managed at the national level.

20
21 Member Willmus concurred with Chair Maschka, opining that local management
22 representatives at Har Mar Mall and Rosedale Center needed to be involved. Member
23 Willmus also referenced the recent City Council meeting with developers and property owners
24 in the Twin Lakes Redevelopment Area, and the valuable information coming from that
25 session as the City Council sought to hear from them on what the City could do to facilitate
26 development.

27
28 Ms. Kelsey concurred with the comments of Chair Maschka and Member Willmus.

29
30 Member Willmus, in his comparison of Roseville with Coon Rapids, noted that Roseville had
31 a considerable number of multi-tenant buildings, with some or many of those tenants choosing
32 to expand or relocate to a different community after 3-5 years. Member Willmus asked Mr.
33 Darger how such a model related or applied versus that of Blaine or Coon Rapids with their
34 typical stand-alone businesses owning their own buildings.

35
36 Mr. Darger concurred that Roseville was indeed unique to any other community the BR&E
37 Program had worked with to-date; but suggested that the deeper and more broad-based the
38 applied research, the better value it provided for the community, including types of businesses
39 and associated political issues, or perceptions by businesses that their host community didn't
40 care about them if they were not surveyed. Mr. Darger advised that each community decided
41 on which businesses or types of businesses, as part of the calculus of the HRA and/or the
42 BR&E Task Force, along with what to address and how many businesses to visit within a
43 certain amount of time. Mr. Darger opined that there were many considerations that went into
44 the organization of the process; with the community determining the direction they wanted as
45 their focus.

46
47 Mr. Darger advised that the BR&E Program used several Roseville businesses for practice
48 visits, including Ehlers & Associates who owned their multi-tenant building, and Fantasy
49 Flight, who is looking to relocate within Roseville. Mr. Darger advised that those visits had
50 been very helpful for their class exercise.

51
52 In response to Chair Maschka on how to recruit members for the BR&E Task Force, Ms.
53 Kelsey advised that this would be an effort by the HRA to identify participants, as well as the
54 extent of their membership on the Task Force. Ms. Kelsey did note that the business visits

1 would need to occur during daytime hours when business owners/managers were on site rather
2 than during the evening.
3

4 Ms. Kelsey suggested opening the task force panel to individual HRA and/or City
5 Councilmembers, past policy makers that had been heavily involved in past BR&E efforts, and
6 other individuals in the community as identified by the HRA. Ms. Kelsey advised that both
7 area Chambers of Commerce had been asked to submit RFP's for these services in assisting
8 the City in performing the BR&E, but neither wanted to be involved. Ms. Kelsey suggested
9 that the HRA consider and engage a broad-based community task force that could include
10 other property owners in the community.
11

12 Ms. Kelsey reviewed the process for the BR&E Task Force that included training for visits to
13 businesses by two (2) task force members (a scribe and a questioner) with a lengthy
14 questionnaire to ensure 100% consistency and completion of the survey and follow-up
15 questions. Ms. Kelsey advised that the survey will probably be provided to businesses prior to
16 the actual visit to allow them time to complete a portion, or refer it to other departments within
17 the business to provide some of the information. Ms. Kelsey noted that staff would encourage
18 keeping a partnership with the Chambers of Commerce, as they already had a good
19 relationship with businesses in the community, since the last BR&E performed by the City was
20 done in 2004 prior to staff changes/reductions. Ms. Kelsey suggested taking names from the
21 initial list of participants in those past studies as a starting point of task force members and
22 then expanding that group.
23

24 **9. Action/Discussion Items**

25
26 **a. Authorization to work for University of Minnesota Extension BR&E Services**

27 Ms. Kelsey advised that, based on review of the four (4) proposals and the extensive
28 experience of the U of MN Extension's BR&E Strategies Program, along with the
29 comprehensive report that will be provided to the HRA, staff recommended entering into a
30 contract with the U of MN Extensions BR&E Strategies Program in an amount not to exceed
31 \$9,700.00. Ms. Kelsey reviewed staff's rationale in making that recommendation, opining
32 that based on the quality of the U of MN reporting products, their close proximity to the City
33 of Roseville; and capability of meeting and programming elements that addressed Roseville-
34 specific problem and issues, they should prove most beneficial to the HRA's efforts.
35

36 In evaluating the low proposal, Ms. Kelsey opined that, while this included work previously
37 performed by the HRA's Intern, the proposal seemed to include inexperienced and unrealistic
38 expectations of the efforts needed.
39

40 Chair Maschka referenced the five (5) bullet points under Item E (Budget and Timeline) of the
41 U of MN Proposal included in the \$9,700 fee.
42

43 Ms. Kelsey confirmed that observation; and advised that staff was in final negotiations with
44 Xcel Energy on a contract that would reimburse the HRA in the amount of \$2,500.00 of the
45 total \$9,700 fee.
46

47 **Motion: Member Quam moved, seconded by Member Lee to authorize entering into a**
48 **contract for Business Retention and Expansion (BR&E) services and reports with the U**
49 **of MN Extension BR&E Program, as detailed in the staff report dated August 13, 2013**
50 **and Attachment A proposal dated July 17, 2013; at a total cost not to exceed \$9,700.**
51

52 At the request of Member Masche, Ms. Kelsey confirmed that the U of MN had the ability to
53 assist the HRA in implementing items from the report that moved beyond research. Ms.
54 Kelsey advised that from the end report, recommendations for programs in the community

1 would be provided, but left to the HRA to determine which of those items best addressed the
2 issues and available resources to address them.

3
4 Mr. Darger clarified that his proposal provided a gratis build-in consultation and facilitation of
5 Best Practices for Implementation, with their personnel returning to Roseville after a 6-9
6 month interval after implementation for a “ripple effect mapping” exercise to facilitate task
7 force discussion and determine the results of the BR&E Program. Mr. Darger advised that this
8 exercise had been done elsewhere and had provided interesting results that could be left with
9 the City. Mr. Darger noted that it was their program’s interview of the task force, with both
10 parties thereby getting something out of that exercise.

11 **Ayes: 6**

12 **Nays: 0**

13 **Motion carried.**

14
15
16 **b. Authorize Request for Proposal for Redevelopment of Dale Street Site**

17 Chair Maschka welcomed audience members in attendance for this item.

18
19 Ms. Kelsey reviewed the staff report dated August 13, 2013; the Corridor Development
20 Initiative (CDI) process, and proposed timeline for the Request for Proposals (RFP) process as
21 detailed. Ms. Kelsey advised that the full and final CDI report is 125 pages, and was available
22 as a link on the HRA website, or available if requested at City Hall. Ms. Kelsey noted that a
23 summary outline was provided as part of the meeting materials for the HRA and on the back
24 table for public review. Ms. Kelsey advised that anyone who had previously provided their e-
25 mail or mailing address information and asking to be kept informed, had received notice of
26 tonight’s HRA meeting.

27
28 Chair Maschka advised that he and Member Lee had attended all of the community meetings
29 related to the project, and after having reviewed the full CDI report in-depth, opined that it
30 captured the essence of those community discussions.

31
32 Member Willmus noted that he had attended three of the four meetings, and was eager to hear
33 from the public.

34
35 Member Quam questioned if the RFP’s inclusion of a proposed purchase price for the property
36 would be a deciding factor for a Purchase Agreement.

37
38 In response, Ms. Kelsey advised that it may be a deciding factor, pending the HRA’s
39 determination.

40
41 Chair Maschka encouraged public comment on the report and process to-date.

42
43 **Public Comment**

44 **Rich Schlueter, 794 Lovell Avenue**

45 Mr. Schlueter noted that no mention was made regarding the amount of money that would be
46 required or requested from the City to subsidize a development project. With that unknown,
47 Mr. Schlueter questioned if that could influence the ultimate design of what project ended up
48 on the property; if developments differed significantly in their proposals and the amount
49 needed to fill that financial gap. Mr. Schlueter questioned who made the decision on the
50 amount or type of subsidy.

51
52 Chair Maschka responded that the issue became one of how much was needed to fill that gap
53 and the type of funding available to do so; with that serving as only one of many factors in the
54 final consideration.
55

1
2 Member Lee concurred with Chair Maschka; opining that the assessment of any and all
3 proposals would be a very complicated process and consisted of many variable that went
4 beyond the financial focus.
5

6 Ms. Kelsey referenced the City's past experience with projects (e.g., Applewood Pointe at the
7 former Ralph Reeder School site) when twelve (12) RFP's for redevelopment were received.
8 Ms. Kelsey noted that the City did not choose the highest bidder for the site as their product
9 did not serve to provide a product to fill a pre-existing market demand in Roseville. Ms.
10 Kelsey noted that the resulting project included cooperative, single-family and townhome
11 units. Using this as an example, Ms. Kelsey noted that while the financial aspects were a
12 factor for consideration, they were not 10% of the driving factors, but only a portion of all of
13 the items addressed during the CDI process. Ms. Kelsey assured the public that this remained
14 a public process and would continue to be, similar to the process used by the City Council
15 during development of the former Ralph Reeder site.
16

17 Mr. Schlueter advised that his rationale for the question was in presentation to the
18 neighborhood of sample developments that went from single-family homes to multi-family
19 buildings, representing two completely different designs that may ultimately cost the same and
20 require the same City funding subsidy. Mr. Schlueter opined that it was reassuring to
21 understand that there would be other factors going into the decision-making, since the
22 variables of potential developments and impacts were significant for neighbors.
23

24 Chair Maschka recognized and concurred with Mr. Schlueter's and the neighborhood's
25 concerns.
26

27 Member Lee referenced the list of priorities included in the draft RFP that would serve to
28 weigh in on consideration and ultimate decision-making.
29

30 Mr. Schlueter referenced Item #5 of the draft RFP specific to "Company and Developer Team
31 Information," and the four (4) bullet points in that section. Mr. Schlueter suggested the
32 addition of another bullet point as to whether the developer was "for profit" or "non profit."
33 As brought up during community involvement meetings, Mr. Schlueter opined that such
34 information could prove of value.
35

36 Ms. Kelsey advised that that point had been intentionally removed from the on-line RFP
37 document, and reviewed the rationale for that removal, based on a "for profit" developer
38 having a "non profit" project not responding to the RFP because of that perceived exclusivity.
39 Ms. Kelsey advised that the more proposals received the better, and the intent was that on
40 interested developers be short-circuited from providing a proposal or being considered.
41

42 Chair Maschka assured the public that it would be obvious if a developer was "for profit" or
43 "non profit."
44

45 Ms. Kelsey referenced page 3 of the RFP under "Qualifications and Experience;" and offered
46 to *include language that clarified "non-profit" under that section of the RFP.*
47

48 Under the same section (page 3) under "Company and Developer Team Information," Mr.
49 Schlueter questioned the intent of and specifics for rental agreements, such as the disorderly
50 lease addendum.
51

52 Ms. Kelsey clarified that this particular discussion was related to the RFP only, with the rental
53 licensing discussion coming next on the agenda; and that such addendums would be addressed
54 as part of rental property licensing requirements in Roseville, but not specifically addressed in
55 the RFP at this time.

1 Regarding criminal background check information on all renters, Mr. Schlueter questioned
 2 what was done with that information, and if and when the information could prohibit someone
 3 renting, or if it depended on the type of infraction.

4
 5 Again, Ms. Kelsey clarified that this should be part of the upcoming rental licensing portion of
 6 tonight's meeting.

7
 8 No one else appeared to speak at this time.

9
 10 **Motion: Member Lee moved, seconded by Member Elkins, to authorize the Request for**
 11 **Proposals for the Dale Street Fire Station Redevelopment dated August 14, 2013**
 12 **(Attachment A); amended to add the "non-profit" provision to the "Qualifications and**
 13 **Experience" section (page 3).**

14
 15 **Ayes: 6**

16 **Nays: 0**

17 **Motion carried.**

18
 19 **c. Rental Licensing Ordinance and Implementation Plan**

20 In her summary comments, Ms. Kelsey reviewed the process for ordinance adoption through
 21 the City Council. Ms. Kelsey advised that the HRA had simply taken the lead at this stage of
 22 the process, modeling the proposed Roseville Multi-Family Rental Housing Licensing
 23 Ordinance currently used by other communities (e.g., Cities of Hopkins and Brooklyn Center)
 24 for recommendation to the City Council. As detailed in the staff report dated August 13, 2013,
 25 Ms. Kelsey noted that a tiered system was proposed; and highlighted those revisions made as
 26 directed by the HRA in previous discussions and incorporating testimonial of rental property
 27 owners during that process.

28
 29 Ms. Kelsey advised that once the City Council received the recommendation from the HRA
 30 preferably at an upcoming City Council Worksession currently projected for mid-September,
 31 the process would continue with additional discussions and a formal Public Hearing for
 32 additional public comment anticipated in October of 2013, depending on discussion at the City
 33 Council Worksession.

34
 35 Chair Maschka noted that, since the Ordinance would not be implemented until 2015, it would
 36 allow property owners to incorporate fees into their annual operating budgets as applicable.

37
 38 Ms. Kelsey clarified that the proposed timeframe would provide sufficient notice time to
 39 property owners and for fee collection by year-end 2014 for 2015 implementation.

40
 41 In response to Chair Maschka regarding the funding the City's cost for ongoing inspections,
 42 Ms. Kelsey advised that the initial cost of the additional staff should be covered by licensing
 43 revenue for the first year; and after that baseline was established that determined the number
 44 and frequency of inspections based on the classification tier of buildings, any budget shortfalls
 45 would come from the Community Development Department budget, with that budget
 46 supported 10)% by inspection and building permit fees.

47
 48 **Public Comment**

49 **Lisa Peilen, Director of Municipal Affairs with the Minnesota Multi-Family Housing**
 50 **Association**

51 On behalf of its members, Ms. Peilen thanked Ms. Kelsey and the HRA for working with the
 52 Association and positive movement on the fee issue; and expressed the Association's
 53 gratefulness for being willing to revise those fees. Ms. Peilen opined that this brought
 54 remaining issues down to only a few things needing further tweaking in the proposed
 55 ordinance that would still meet the City's needs but be less onerous for rental property owners.

1
2
3 Section 908.03 Licensing Requirements, D. Occupancy Register

4 Ms. Peilen asked that the HRA consider striking the “chronological” requirement for the list of
5 complaints and repairs, and responses to those items. Ms. Peilen advised that work orders
6 were typically filed by individual unit, and if required to be chronological, it would prove
7 cumbersome for rental property owners.
8

9 From his personal perspective, Chair Maschka opined that if the individual unit files were open
10 for access by the inspector at any given time, it made sense to remove that requirement.
11

12 Ms. Kelsey suggested that the HRA received recommendations and/or comments at this time,
13 and then after consultation with the City Attorney, staff would recommend revisions to the
14 HRA for future action as applicable and as indicated.
15

16 Section 908.07 Licensing Suspensions, Revocation, Denial and Nonrenewal, C. Grounds for
17 License Action, e. (failure to actively pursue the eviction of tenants...)

18 Ms. Peilen advised that the Association had provided staff with proposed language revising
19 this section. “The Council may postpone or discontinue an action to deny, not renew, revoke
20 or suspend a registration certificate, or to fine a licensee or applicant, if it appears the licensee
21 or applicant has taken appropriate measure which will correct the violation.” Ms. Peilen
22 provided the Association’s rationale for this request providing the applicant has taken
23 appropriate measures to correct the violation. Ms. Peilen advised that this could be addressed
24 through the crime-free lease addendum and often could be solved through a tenant’s signature
25 on that addendum providing a quicker and less formal solution for eviction rather than the
26 proposed language and potential license suspension, revocation, denial or non-renewal for
27 property owners when they were successful in removing a tenant in another manner. Ms.
28 Peilen further noted that this provided incentive for remove the tenant without formal filing by
29 the property owner against them. Ms. Peilen opined that she hated to see a multi-family
30 property owner lose their rental license if they had taken other steps to remove a tenant.
31

32 Member Willmus opined that using the rental addendum for undesirable tenant removal was a
33 very effective strategy, one that he had personally utilized in his property rental business.
34

35 **Douglas Jones, 4025 Stinson Blvd. (Owner of a 40-unit townhome building on Old**
36 **Highway 8 since 1988)**

37 Mr. Jones advised that he was also concerned about those items mentioned by Ms. Peilen;
38 stating that his firm owned multiple buildings throughout the metropolitan area. Mr. Jones
39 noted that their maintenance requests were done centrally, not by building or unit, with a
40 maintenance crew handling all of their property complaints/maintenance requests on a priority
41 level. Mr. Jones opined that a chronological list would be cumbersome for their firm, and
42 questioned why an inspector would need that information or how it would be relevant after the
43 inspector’s initial checklist. Mr. Jones opined that having previous maintenance records
44 available for the inspector didn’t make any sense, nor could he understand the rationale for
45 such a requirement.
46

47 With concurrence by Chair Maschka Ms. Kelsey responded that the rationale was for
48 producing evidence for accountability purposes in ensuring that complaints were being
49 followed-up.
50

51 Mr. Jones advised that his firm would have to create an entirely separate record specific for the
52 City of Roseville property since all of their properties were centrally filed, with a team of six
53 (6) full-time maintenance staff to respond to all of their properties depending on the priority of
54 the complaint or maintenance issue.
55

HRA Meeting
Minutes – Tuesday, August 13, 2013
Page 9

1 Mr. Jones further advised that a required posting of their rental license would be problematic
2 as there was no common area for the townhome units.

3
4 Mr. Jones expressed his frustration that he had not been provided with a copy of the draft
5 ordinance for his more detailed review prior to this meeting.
6

7 Chair Maschka noted that the process was still relatively early, and any changes would
8 ultimately be made at the City Council level. Chair Maschka asked that staff provide a copy of
9 the draft ordinance to Mr. Jones.

10
11 Ms. Kelsey clarified that, if staff had been provided an e-mail address by the multi-family
12 property owner, staff had attempted to provide a copy of the draft ordinance prior to tonight's
13 meeting. Ms. Kelsey apologized for any oversight on the part of staff; and referenced the City
14 website as another source for the draft document.
15

16 Ms. Jones opined that it would be helpful to include numbers on the pages; with concurrence
17 by the HRA and duly noted by staff for future reference.
18

19 Regarding the requirement for participation of property owners in crime-free multi-housing
20 classes, Mr. Jones advised that while he had never attended those classes, as a Real Estate
21 professional, he was required to attend other continuing educations; and questioned if any
22 allowance would be made for those alternative classes if a property owner had not been the
23 subject of multiple complaints.
24

25 Mr. Jones further questioned who made the determination of how properties were classified;
26 and questioned why that was not included in the ordinance.
27

28 Ms. Kelsey advised that those classifications would not be included in ordinance language; and
29 noted that those details were still in process and would include various factors in determining
30 that criteria at the time of implementation, most likely related to an average developed on
31 property code violation criteria (e.g., number and type of violations) and broken out per
32 inspected unit compared with overall units inspected on average. Ms. Kelsey advised that as
33 the process was implemented, she anticipated adjustments in those criteria.
34

35 Mr. Jones questioned why the City of Roseville didn't simply have their Fire Department
36 inspect properties, referencing his experience with that practice in the City of Columbia
37 Heights and the multi-family properties his firm owned in that community. Mr. Jones opined
38 that the Fire Department was already familiar with the buildings and any inspection issues; and
39 performed the inspections as time allowed and as their schedules were adjusted.
40

41 Ms. Kelsey stated that, from her initial research, it was her understanding that the City of
42 Columbia Heights did not base their inspections on the IBC Maintenance Code, only on the
43 Fire Code; with the IBC Code already in place and used by the City of Roseville for other
44 applications.
45

46 Mr. Jones disputed that finding, opining that they inspected for venting, leaky drains and
47 faucets, and other things that went beyond the Fire Code; and suggested further discussions
48 with someone in the Columbia Heights' Fire Department to verify that. Mr. Jones opined that
49 since the Fire Department already provided training for their firefighters, it also proved
50 beneficial for them to be familiar with rental properties in case of an emergency, benefiting
51 both the City and the property owner.
52

53 **Rich Schlueter, 794 Lovell Avenue**

1 Mr. Schlueter referenced issues with a specific rental property in his immediate neighborhood
2 and frustrations related when renting from a family versus non-family member. Mr. Schlueter
3 sought recourse on whether or not the proposed ordinance spoke to that type of rental.
4

5 Ms. Kelsey clarified that the proposed ordinance, Chapter 908, was related only to rental
6 properties of five (5) units or more.
7

8 **Michelle Harris, (no street address given)**

9 Ms. Harris questioned how their neighborhood could review the proposed ordinance to bring
10 forward questions.
11

12 Ms. Kelsey noted that the proposed ordinance, Chapter 908, had not yet been adopted or had a
13 formal Public Hearing at the City Council level; and was only in initial discussion stages at the
14 HRA level prior to recommendation to the City Council for consideration. Ms. Kelsey advised
15 that the entire multi-family rental process was available on the City's website; or by contacting
16 her at City Hall.
17

18 **Janet Kyser, Asset Manager with Steven Scott Property Management**

19 With their firm managing 8,000 rental units in the Twin Cities, in ten (10) different cities, Ms.
20 Kyser advised that her recent assignment of various properties after working with the firm for
21 twenty-eight (28) years now included the Rosetree and Hillsborough properties in Roseville.
22 Ms. Kyser referenced her past knowledge in 1985 of the Fire Department performing
23 inspections of buildings and individual units. Ms. Kyser advised that their property was the
24 first obtain crime-free rental certification, obtained in Coon Rapids, and recommended anyone
25 involved with multi-family rental housing to participate in the program.
26

27 Ms. Kyser advised that the requirement for chronological registers would not be problematic
28 for them to provide, as all of their work orders and maintenance request records were
29 computerized and available as requested. While those records were not a challenge for their
30 firm to provide, Ms. Kyser suggested that they may be more challenging or become
31 cumbersome for small communities or buildings.
32

33 Ms. Kyser did question the legality and right to copy the registry (rent roll) and why that was a
34 requirement. Ms. Kyser opined that her concerns were related to whether or not this could be
35 interpreted as an invasion of a tenant's privacy, and questioned whether or not it was actually
36 necessary for the City to have. Ms. Kyser advised that their mortgage company didn't even
37 require that information, even though there were high stakeholders, they only required the
38 number of units. Ms. Kyser opined that their firm provided a great tax base in that compact
39 area; and while having worked with many communities during her career, including the Cities
40 of Brooklyn Park and Brooklyn Center that was the only item she questioned on the proposed
41 ordinance.
42

43 Chair Maschka agreed with Ms. Kyser that this appeared to be a logical question.
44

45 Ms. Kelsey apologized and advised that this was a "cut and paste" error remaining in the
46 document from the City of Hopkins' model; and advised that it was not applicable and would
47 be removed on the next iteration.
48

49 Maschka – me too
50

51 **Doug Jones**

52 Mr. Jones requested further clarification on criminal histories and background checks that his
53 firm performed at a minimum of three years back, and questioned what determined whether a
54 prospective tenant was disallowed (e.g., felony conviction history).

1 Ms. Kelsey advised that the City's intent was not to give rental property owners instruction,
 2 just to make sure they were being responsible rental property owners.

3
 4 Chair Maschka suggested that this would most likely be based on an individual firm's business
 5 policies.
 6

7 Mr. Jones clarified that his firm was a member of the Minnesota Multi-Family Housing
 8 Association.
 9

10 **Lisa Peilen**

11 Ms. Peilen advised that screening basics for rental property owners was but one of many class
 12 offerings provided by the Association; noting that with changes in 2010 to the State's
 13 Landlord/Tenant law, a property owner was required to perform a background check if they
 14 charged an application fee, with that including a written outline of criteria provided to
 15 prospective tenants.
 16

17 Member Lee advised that she had taken several of the class offerings provided by the
 18 Association and found them very beneficial. Member Lee responded to Mr. Jones' concerns
 19 that the intent of the ordinance's requirements that rental property owners have a formal
 20 written Fair Housing policy in place, including background checks and other criteria.
 21

22 **Mr. Jones**

23 Mr. Jones noted that the cost of filing an unlawful detainer in Ramsey County was \$4,000 and
 24 therefore very prohibitive; inciting negotiations with a tenant to avoid eviction while solving
 25 the problem. Mr. Jones opined that to simply make a blanket statement, as proposed in current
 26 ordinance language, was difficult in the rental property industry.
 27

28 At the request of Member Willmus, Ms. Kelsey advised that staff would perform additional
 29 due diligence on that specific language, including review by the City's Police Department and
 30 City Attorney on that section. Ms. Kelsey also confirmed, at the request of Member Willmus,
 31 that the requirement of a local agent, was included throughout the seven (7) county
 32 metropolitan area.
 33

34 At the request of Member Quam, Ms. Kelsey verified that the appeal process in the proposed
 35 ordinance had been vetted by the City Attorney and consistent with other applicable City of
 36 Roseville ordinances.
 37

38 **Motion – Lee/Masche – all aye**

39 **Recommend to cc with comments with comments gathered tonight**

40 **Motion: Member Lee moved, seconded by Member Masche to forward to the City**
 41 **Council the draft ordinance for their review of Chapter 908 Rental Licensing for Multi-**
 42 **family Rental Properties of Five (5) or more Units (Attachment A); including revisions**
 43 **addressed during tonight's discussion, for the purpose of initiating the adoption process.**
 44

45 **Ayes: 6**

46 **Nays: 0**

47 **Motion carried.**
 48

49 Chair Maschka thanked audience members for their attendance and comment.

50
 51 Specific to the problem property on Lovell, Member Willmus suggested that Mr. Schlueter
 52 contact the Roseville Police Chief directly; and to keep the line of communication open
 53 regarding this ongoing problem.
 54

55 **d. Levy Request**

HRA Meeting
Minutes – Tuesday, August 13, 2013
Page 12

1 Ms. Kelsey referenced the staff report dated July 16, 2013, noting that there should be no
2 further impact to a median-valued home in Roseville beyond the 2012 HRA levy.

3
4 Chair Maschka concurred that this was basically a flat increase request from the 2013 HRA
5 levy.

6
7 **Motion: Member Quam moved, seconded by Member Elkins to adopt Resolution No. 50**
8 **entitled, “A Resolution Adopting a Tax Levy in 2013 Collectible in 2014;” as detailed in**
9 **the staff report dated August 13, 2013.**

10
11 **Ayes: 6**

12 **Nays: 0**

13 **Motion carried.**

14
15 **e. Discussion of Living Smarter Home and Garden Fair**

16 In response to previous HRA discussions regarding the Living Smarter Fair, Ms. Kelsey
17 provided background information and survey information received from attendees and
18 exhibitors of the most recent Fair. Ms. Kelsey expressed appreciation for the survey
19 information completed for guiding future programming. Detailed information was provided in
20 the staff report and Attachments A, B and C dated August 13, 2013. Ms. Kelsey sought further
21 guidance from the HRA for the 2014 Fair.

22
23 Discussion included hours of operation based on attendance while accommodating the
24 popularity of workshops; weather impacts on attendance during the day; perception of
25 continually declining attendance for the event; and how to gather feedback from those
26 choosing not to attend and their rationale for that decision.

27
28 Ms. Kelsey advised that, until a new hire was in place for the Communications/Marketing
29 position, that more detailed information, probably accessible through social media, would not
30 be available. Ms. Kelsey opined that it was vital to find how the Fair could meet the needs of
31 today’s residents versus those originally served when the Fair began eighteen (18) years ago,
32 when the intent was to address the needs of a fully-developed community with older homes
33 and trying to encourage people to make the right type of home improvements. Similar to the
34 energy audit program, Ms. Kelsey suggested that the desire was to bring resources to residents
35 enabling them to better their homes.

36
37 Ms. Kelsey opined that another component was what the HRA wanted the Fair to morph into if
38 different than today’s model. Ms. Kelsey advised that there was evidence from reports
39 received from the Housing Resource Center that the scope of services they provided to
40 Roseville residents definitely spiked immediately after the Fair. Ms. Kelsey noted that,
41 through providing the energy audit program resource to people, indications were given that
42 97% of those audited homes planned to improve their home. However, Ms. Kelsey advised
43 that there was no current way to track those plans with reality, and as a clear indication of
44 whether or not the resources brought to them had proven beneficial.

45
46 Member Willmus opined that a more direct survey of those not attending and why, and what
47 would encourage their attendance, would be beneficial.

48
49 Ms. Kelsey opined that it would serve as a great outreach tool if a way could be found to
50 implement such a survey.

51
52 Chair Maschka spoke of the turnover being experienced in his neighborhood, with more young
53 families, necessitating a way to target them, as they would most likely be making
54 improvements to their homes.
55

1
2 Member Masche noted the most recent attendance of 868, suggesting there were multiple ways
3 to measure outcome. However, Member Masche opined that the real issue should be the
4 significant staff time that went into each Fair.
5

6 Ms. Kelsey noted that the HRA budget provided for ¼ of the assistant's staff time on an annual
7 basis, with a more realistic time spent of about ½ time as the Fair approached.
8

9 Ms. Kelsey confirmed for Member Masche that it cost approximately \$5,000 - \$6,000 annually
10 to hold the Fair.
11

12 Chair Maschka opined that the increasing interest in workshops seemed beneficial, and
13 questioned if more should be offered.
14

15 Ms. Kelsey noted that the interest had prompted the City to offer three (3) opportunities
16 beyond the Fair to be held this fall at the Ramsey County Library – Roseville branch. Ms.
17 Kelsey advised that those workshops were entitled, "Buttoning Up Your Home," "Buttoning
18 Up Your Garden" and "Universal Design." Ms. Kelsey advised that the programs were
19 marketed through various sources, including the Parks & Recreation material and the Library's
20 electronic newsletter for their patrons, as well as online for registration through the library.
21

22 Chair Maschka suggested that workshops on bathroom and/or kitchen remodels would also be
23 highly-attended.
24

25 **10. Information Reports and Other Business (Verbal Reports by Staff and Board Members)**
26

27 **a. Foreclosure Map**

28 Ms. Kelsey happily reported that there were no changes or recent additions to the City's
29 foreclosure situation, which remained at it continued to hold at seventeen (17) annually. Ms.
30 Kelsey opined that this was a very positive and significant indication.
31

32 Chair Maschka concurred; and offered his personal observations of the housing market moving
33 forward in Roseville.
34

35 **11. Adjournment**

36 The meeting was adjourned at approximately 7:47 p.m.
37
38

Multifamily Rental Dwelling License Implementation Plan

The purpose of this program is to protect the public health, safety and welfare of citizens of the City who occupy rental units in Multi-family properties. This is achieved by adopting a Rental Dwelling inspection program to provide minimum maintenance standards for existing and newly constructed Multi-family rental properties in Roseville, MN.

The Multifamily Rental Dwellings (MRD) licensing program would be required for any building or portion thereof that contains five (5) or more dwelling units that may be attached side-by-side, stacked floor to ceiling and/or have common entrance and have a common owner that are being rented out in the City of Roseville. This does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, nursing homes, hotels, motels, managed home-owner associations or on-campus college housing.

The program would be set as follows:

- Notice of ordinance adoption in fall 2013 to all MRD property owners.
- Building codes to hire one temporary seasonal code enforcement officer (SCEO) as contract employee to do inspections in 2014.
- Notice in beginning of 2014 to all MRD properties to apply for licensing. Application due by April 15, 2014.
- Community Development or the SCEO will send 14-30 day notice to schedule inspection. Inspections will be conducted in the months of May, June, and July.
- A third 1/3 of all units in MRD will be initially inspected. If upon initial inspection SCEO may determine that additional units need to be inspected.
- Reinspection of code violations may need follow-up. First reinspection is free additional reinspection fees will be \$25.00 a unit and \$100 per building.
- Notice sent by October 1, 2014 License Type A, B, C, or D to MRD.
- Rental licensing fee is due and payable within 45-60 days of notice.
- Fee for licensing is \$100 per building and \$20 per unit. The license will be effective based upon the classification of the property. Property owners who fail to obtain or renew a license within 30 days of expiration will result in a \$500 penalty; the penalty will double every 2 weeks it remains unpaid.
- For properties that have chronic code violations that are not being resolved in a timely manner the City may use the "Tenant Remediation Act."
- The City may, upon receipt of a creditable third party complaint or residents with reasonable concerns, require an inspection of a unit. Upon a complaint based inspection the city may require additional units to be inspected. Upon that inspection, the City may require a license category criteria inspection be performed using the same standards as the license renewal inspection.
- Quarterly Property Owner's meetings start in 2015. Dates to be determined for the meetings and notices going out in fall of 2014 through e-mail notices from applications.

Property Licensing Requirements

The type of license (A, B, C, or D) a property owner receives will be determined by the overall number of property code violations identified during the inspection. (see table below).

Requirement →	Attend Roseville Multifamily Property Owner's Quarterly meetings	Inspections and Licensing Fee	Mitigation Plan	Monthly Updates
License Type ↓				
Type A	Recommended	Once every 3 years	-	-
Type B	Attend 25%	Once every 2 years	-	-
Type C	Attend 50 %	Once a year	May be required	-
Type D	Attend 75 %	Once every 6 months	Required and shall be brought to Council.	Required

Multifamily Property Owner's Quarterly Meetings

The Roseville HRA staff and the Roseville Police Community Relations Coordinator will provide quarterly educational outreach meetings and will provide topics that property owners will give input on. These meetings will be either recommended or required based upon level of property license received.

Violation Rate Calculation

Inspection criteria will be based upon the Building Maintenance and Preservation Code (906) or other nationally recognized standards that has been adopted by City Council. Inspection criteria and evaluators guidelines will be provided to owners and posted on the City's website. The license type will be based on the average number of code violations per inspected property. *(The City may choose upon the initial inspections to change the below criteria).*

Proposed Property Code Violations Criteria (Property Code Only)	
License Category	Property Code Violations per Inspected Unit
Type A – 3 Year	0-.50
Type B – 2 Year	Greater than .50 but not more than 1.0
Type C – 1 Year	Greater than 1.0 but not more than 1.5
Type D – 6 Months	Greater than 1.5

Example

Based on the table above, an 11-unit property would be required to have 4 units inspected ($33\% \times 11 = 3.63$)

To receive a Type A License, the 4 units could have no more than 2 violations averaged for the units inspected ($4 \times .50 = 2$)

To receive a Type B License, the 4 units could have no more than 4 violations averaged for the units inspected ($4 \times 1 = 4$)

To receive a Type C License, the 4 units could have no more than 6 violations averaged for the units inspected ($4 \times 1.5 = 6$)

Fees and Repeat Nuisance Service Code Violations

Property owners who fail to meet the requirements under the Type of license criteria may be subject to doubled fees for rental and/or change of rental licensing type and Repeat Nuisance Ordinance (RNO), Chapter 511. Enforcement of that ordinance will be coordinated between departments on a monthly basis.

Cost implications to the City

- To assist with implementation, process manual and coordinating this new program, a consultant may need to be hired.
- The city will have to hire a Seasonal Code Enforcement Officer. Fees from rental licensing should cover cost for the first year of implementation.
- If council would like the police to implement the Minnesota Crime Free Multifamily program and to make it part of the licensing type criteria than additional police staff will need to be hired.

This Multi-Family Rental Housing Implementation Plan is intended to provide program concepts and is draft for discussion purposes.

Crime Free Multi Housing

Crime Free Multi-Housing

Working to keep criminal activity out of rental property.

What is Crime Free Multi-Housing?

Crime Free Multi-Housing (CFMH) is a program designed to make multi-family dwellings safe and desirable places to live. CFMH is pro-property manager, pro-resident, and anti-crime.

The program uses a unique three-phase approach that ensures resident friendly techniques will be applied to maintain crime prevention goals. The three components that make up the program are:

1. Management training
2. Security assessment
3. Resident training/crime watch

Benefits of the Crime Free Multi-Housing Program

Management Benefits:

- A stable, more satisfied resident base
- Increased demand for rental units with a reputation for active management
- Lower maintenance and repair costs
- Increased property values
- Improved personal safety for tenants, managers, and owners
- More time for routine management and less time on crisis control
- More appreciative neighbors

Law Enforcement Benefits:

- Tried and true crime prevention methods
- Proven drop in calls for service by up to 67%
- Improved quality of life for the community at large
- Teaches property managers and residents how to work with police and neighbors to keep drugs and other illegal activity out of rental property
- A community oriented policing approach to crime prevention.

THE THREE PHASES OF THE PROGRAM

Phase One – Management training (Day One training)

Resident managers (and/or property owners) attend an eight-hour seminar presented by police, fire, public housing and others.

Managers learn:

- Use crime prevention on their property
- Benefits of applicant screening
- Tips to strengthen rental agreements
- How to become a proactive property manager
- How to maintain a fire safe environment
- The warning signs of drug activity
- Actions to take if they suspect illegal activity on their property
- The role of the police
- Crisis resolution and the eviction process
- In order to be a Crime Free Multi-Housing
- Program Coordinator, you must attend the above training plus a "Day 2" training.

Phase Two – Security Assessment

This phase will certify that the rental property has met the security requirements for the tenant's safety, which include:

- Single cylinder dead bolt locks
- Security strike plates with 3—inch screws
- Door viewers (peep holes)
- Windows with adequate locks and anti-lift/anti-remove mechanisms for sliding doors
- Adequate security lighting

Phase Three – Resident Training

A meeting is held for the residents where crime watch and crime prevention techniques are discussed. The police, resident managers and residents work together to promote a "community." Topics discussed include:

- Personal safety tips
- Using 9-1-1
- Being proactive and getting to know your neighbors
- Operation Identification