

TO: Honorable Mayor and City Council

CC: Heidi Nelson, City Administrator

FROM: Joe Hogeboom, Community and Economic Development Director

DATE: March 6, 2023

SUBJECT: 2022-2024 City Goals – Community and Economic Development

Overview

In 2022, the City Council established certain goals that are to be addressed by 2024. Several of those goals pertained to work within the Community and Economic Development Department in the areas of zoning enforcement and housing. This report outlines the specific goals, work that has been done to achieve them, and recommendations for future action.

Zoning Enforcement

The City Council directed staff to look for ways in which to be more efficient in commercial, industrial, and residential property maintenance enforcement. The City employs one fulltime Zoning Enforcement Officer (“ZEO”). It is the ZEO’s job to enforce all property maintenance complaints in the City, administer all massage licenses, administer all sign permits, and conduct all landscaping inspections to ensure that new developments install all approved landscaping.

With one staff person in that role, the City is limited in the amount of proactive zoning enforcement that can occur. As part of its goalsetting session in 2022, the City Council discussed becoming more proactive with property maintenance inspections, including the possibility of staff conducting scheduled comprehensive sweeps of neighborhoods and commercial districts. Additionally, with only one staff in the ZEO role, it becomes challenging at times to perform enforcement of complaints at an expedited pace. Even with one additional zoning staff person, full proactive inspections would likely not be feasible in a city of Maple Grove’s size. However, one additional staff member could allow the City to become more proactive in certain areas, such as in targeted commercial districts.

Zoning code and property maintenance enforcement is handled differently by different communities. In the City of Coon Rapids, the Fire Department handles zoning and property maintenance complaints. Coon Rapids employs 3 fulltime property maintenance inspectors within the Fire Department who concentrate on proactive zoning inspections, while day-to-day complaints are often handled by other Fire inspectors. In Anoka, the Fire Department also handles proactive property maintenance inspections, which is shared amongst all Fire inspectors. In Brooklyn Park, proactive property maintenance inspections are handled by a division within their Community Development Department which employs 11 people.

The cities of Blaine, Plymouth, Hopkins, and New Hope perform complaint-based property maintenance inspections. These cities each have 2-3 positions to handle code enforcement.

Zoning and property maintenance complaints have been consistently rising through the years, as the City both continues to age, as well as add additional residents and businesses. In the 2022 Community Survey, code enforcement was among the city services for which respondents were the least satisfied. Only 60% of respondents felt that code enforcement responses were good, or very good. This number has been steadily declining from 73% in 2008.

Zoning complaints are typically made about the following:

- Trash/ recycle container placement
- Debris/ items in yard
- Parking
- Exterior storage
- Junk vehicles
- Signage placement
- Sidewalk obstruction (snow or otherwise)
- Illegal fence
- Grass, weeds, or tree overgrowth
- Vandalism/ graffiti
- Excessive light

In 2021, the City received formal 710 formal complaints that needed follow-up action. In 2022, the City received 760 complaints that required formal action. To date in 2023, the City has received 70 complaints that require formal action. On average, the ZEO addresses approximately 80 to 90 complaints a month during non-snow months and approximately 30 to 40 complaints per month when there is snow present. It is during snow months when the ZEO is able to address the majority of additional duties, including license issuance and renewals.

Additionally, in 2021, the ZEO processed 116 sign permits, 34 sign hanger licenses, 133 personal massage licenses, 21 massage business licenses, and conducted 17 landscape plan inspections. In 2022, the ZEO processed 118 sign permits, 24 sign hanger licenses, 132 personal massage licenses, 22 massage business licenses, and conducted 18 landscape plan inspections.

One of the specific City Council goals surrounding zoning enforcement was to evaluate existing code requirements to ensure that community needs and standards are being addressed. One area where this was addressed in City Code was to amend trash and recycling container placement requirements to allow residents to store bins outside, behind the front plane of the house. This action still places certain regulations around bin placement and upholds community standards. However, it provides greater flexibility of placement for residents who simply do not have the space to store all refuse inside the garage. In 2021, the year prior to the change in ordinance, there was a total of 335 trash placement complaints. In 2022, there was a total 234 trash placement complaints. In the future, there could be additional opportunities for modifications to City Code language, including adding additional requirements for façade maintenance (cracked and fading paint, rusted siding, etc.), yard maintenance, etc.

In 2020, the City Council adopted an ordinance that allows staff to issue administrative citations for zoning and property maintenance violations. This action has led to significant increases in achieving code compliance. Administrative citations are \$50 per violation on a property. If violations persist after 10 days, then additional citations can be issued. If compliance is not achieved, additional citations can be issued every 10 days until the total amount reaches \$2,000. In some instances, even with the issuance of multiple citations, compliance is still not achieved.

If property owners do not correct a violation, and citations have not been paid, additional measures can be taken. One measure is to “abate” a property. Abatement works by the City Council declaring a property (or situation on a property) a nuisance, and orders the clean-up of the property. This action allows staff to arrange for a moving company to haul material off of the property. Material that is determined to be refuse is taken to the landfill. Material that appears to hold value is taken off-site and stored in a secured facility for six months. The property owner must pay the costs of the unpaid citations, as well as costs associated with moving and storing the materials, within six months. If payment is not made, the material in the storage unit can be either disposed of, or auctioned-off, depending its condition and value. Unpaid costs are then assessed to the property.

In October, the City conducted the first “abatement” of a residential property in many years, which forcibly removed trash and excess items from a yard. There are several additional properties that will likely be in need of abatement this spring in order to achieve compliance with City Code.

Housing

The City Council directed staff to evaluate the current rental licensing application process, fee structure, and rental inspection frequency to ensure that the processes are efficient and effective. Additionally, the City Council directed staff to look into staffing needs for rental inspection, and to continue to digitize the rental licensing program. There is currently one fulltime Housing Coordinator/ Rental Inspector (“Inspector”) for the City. The Inspector, along with one halftime Office Clerk, are responsible for issuing all rental licenses, conducting inspections of all rental properties in the City, and performing other housing-related duties.

Currently, a rental property is inspected upon initial application, and every three years thereafter. Rental licenses are currently required for any residential property in which the owner of the property does not reside, as well as any property in which the owner does reside, but has one or more adult, non-familial roommates.

In the summer of 2022, the City implemented a moratorium on the issuance of new rental licenses, which allows staff time to research ways in which to make the rental program more effective. The moratorium will expire on June 30, 2023. Since the implementation of the moratorium, two changes have been made to the way in which the City administers the rental licensing program. First, a Fire Inspector position was added for 2023. This position will ultimately be responsible for licensing and inspection of “commercial” buildings (apartments, condominiums, etc.). There are various life safety issues within these types of buildings that differ from those that apply to single-entry homes. Eventually, capacity will be increased for the Rental Inspector to focus more time on single-entry properties.

In addition, staff conducted a survey of neighboring communities and found our rental licensing and inspection fees to be very low. In fact, these fees had not been raised in over 10 years. The City Council approved an increase to rental fees as follows:

	Former Fee	Current Fee
Single Unit Rental License	\$225	\$500
Apartment Rental License	\$150 per building, plus \$15 per unit	\$500 per building, plus \$20 per unit
Crime-Free Multi-Housing Seminar Fee	\$35	\$100
Rental Conversion Fee	\$100	\$1,000
Appeal of Compliance Order	\$50	\$250
Late Fee Penalty	\$25	\$100
Re-Inspection Fee	\$60 per time	\$150 per time

The number of rental units in Maple Grove continues to rise. This is due to both an increase in the development of rental housing developments, as well as the conversion of existing properties to rental. The following table demonstrates the growth in the number of rental units in Maple Grove since 2017:

	2017	2018	2019	2020	2021	2022**
Single Family Homes	409	465	451	544	609	653
Townhomes*	1,443	1,451	1,419	1,478	1,563	1,772
Apartment Units	3,380	3,680	3,968	4,868	5,053	5,806
Total Units	5,232	5,596	5,838	6,890	7,225	8,231

**includes duplexes, quad homes, and other single-entry, multiple units*

*** numbers would be higher, if not for the moratorium which took effect 07/01/22*

In addition to the above numbers, there are 1,191 apartment units that are either under construction, or have been approved by Council and will soon be under construction.

Opportunities for Affordable Owner-Occupied Housing

In addition to addressing rental efficiencies, staff was also directed to evaluate available options to encourage development of low- to mid- priced homeownership opportunities. There are various properties that the City owns which could be used for development of affordable owner-occupied housing. With Council direction, staff could make contact with groups such as Habitat for Humanity and the West Hennepin Affordable Land Trust (WHAALT), to look at ways to develop homes on city-owned single-family lots. There are seven single-family city-owned lots in the northeastern section of the City that could be evaluated as potential sites for housing.

In addition, the City owns a larger parcel at 15606 93rd Avenue N that could potentially be developed as an extension the adjacent Rice Lake North townhomes. Staff can engage with the townhome association and developers on this possibility.

Next Steps and Recommendations

In order to procure more proactive zoning enforcement, in either commercial or residential areas, as well as to keep pace with growing zoning enforcement complaints, staff recommends the addition of 1 FTE to the Community and Economic Development Department. This position could aid in conducting field inspections, assist with backlogged office work, and assist with various property maintenance (outside) inspections of single-entry rental properties. The position could also assist with single family rental housing inspections, increasing the frequency in which those properties are inspected.

With regard to future restrictions on rental licensing, there is discussion at the state legislature regarding limiting corporations’ abilities to convert single family homes into rental property. As has been seen in Maple Grove and across Minnesota, corporations have been outbidding potential homeowners for homes that are often priced in the entry- to mid-level range, converting the properties to rental, and charging rents at rates higher than monthly costs associated with owning a home.

In consultation with the City Attorney, staff has identified legal concerns with placing restrictions on rental licensing, or restrictions on developing new rental property, when the moratorium concludes. Doing so can often lead to challenges surrounding property rights that are protected by state and federal law. Rather, with additional staffing resources, more frequent proactive inspections, and increased fee structures in place, many issues and challenges surrounding rental properties will likely be resolved.

Staff looks for guidance from the City Council in moving forward in achieving city goals associated with zoning enforcement and rental housing.

Attachment A - City of Maple Grove 2022-2024 Goals (1 page)

Attachment B - Cottage Court Renderings (8 pages)