



Council Worksession
February 8, 2022
5:00 pm

Present: Mayor Kari Niedfeldt-Thomas
Councilmember Abdullahi Abdulle
Councilmember Graeme Allen
Councilmember Pam Axberg
Councilmember Emily Dunsworth

Absent:

Staff in Attendance: Devin Massopust, Ben Gozola

Guests in Attendance:

Due to the COVID-19 pandemic this meeting was held both virtually and in person.

Rental Inspection and Licensing Policy Discussions

Massopust stated this would be a continuation of a policy discussion that the Council has had regarding the City's housing stock. He reported last year the Council passed an ordinance that regulates short term rentals. He indicated the City has regulations in place for multi-family rentals and noted staff was now looking for guidance on single family rentals.

Gozola explained historically, the City of New Brighton has tended to take a minimalist approach to regulation, but such an approach requires the City to periodically review its policies to ensure they are working as intended. Complaints in recent years from renters about living conditions in our non-licensed single family homes and duplexes have called into question whether the City's current threshold of 3+ units to trigger rental licensing and inspection is still the appropriate approach. Staff commented further on the number of rental homes in New Brighton. The pros and cons of having a rental licensing and inspection program in place were discussed. He then requested the Council discuss the City's current rental and licensing policy, and to provide direction on whether any changes are warranted at this time.

Councilmember Abdulle asked how this type of program would impact affordability. Gozola commented he has done no research and has no data, but anticipated the inspection fees charged to landlords would be passed along to the tenants.

Councilmember Dunsworth thanked staff for the detailed presentation. She explained she had no idea the sheer volume of single family rentals in the City. She stated she supported this type of regulation because it would protect the renter. She questioned what a rental license may cost for a single family rental property in New Brighton. Gozola stated he did not have a fee in mind, but noted if the Council supported moving forward with a single family rental inspection program, staff would need to evaluate how much staff time would be needed to inspect 550 additional properties. Massopust commented the licenses and fees charged by the City were used to offset City costs for a program.

Councilmember Dunsworth stated she was in favor of moving forward with a rental inspection program for single family homes. She believed this type of program would be in the best interest of both landlords and their tenants. She discussed how the issues at problem single family rental properties was becoming concerning to the surrounding neighborhood. She indicated she did not have a timeframe in mind for this program and suggested that it not apply to 2+, but rather should include single family homes as well. She wanted to make sure New Brighton was in line with neighboring communities. She also recommended the financial implications be studied closely by City staff.

Mayor Niedfeldt-Thomas explained she supported the City moving in this direction as well but noted she had a lot of questions regarding the proposed program. She questioned how much time staff was currently spending on rental inspections. Massopust reported the Code Enforcement Officer spends 75% of his time devoted to rental issues. He noted the Fire Marshal and Community Engagement Officer also address rental concerns. He estimated the City currently devotes 1.5 FTE's to current rental issues. Gozola believed this to be an accurate estimate. He reported the cities that have designated staff members to a rental inspection program typically have 1 to 2 FTE's.

Mayor Niedfeldt-Thomas asked how many complaints the City received regarding rental properties. Gozola indicated staff did not have this data, but explained the complaint database could be reviewed and tracked in the future.

Mayor Niedfeldt-Thomas indicated approximately 37% of the residents in New Brighton were renting and close to 10% were living in single family homes or duplexes. She supported the City moving forward in the same manner that was followed for the short term rental regulations in order to collect data that was currently unavailable and to assist the City with planning for a future staffing model.

Councilmember Allen commented on the potential cost for a new staff member and how the cost could be covered by rental inspection fees. He explained he would like to hear more from the inspectors to learn what they check on properties. He stated he supported the City moving forward with a single family rental inspection program. He anticipated the number of single family rentals within New Brighton was only going to increase as families are finding ways to make ends meet. He discussed how vacancy rates at local hotels could be inspected. He indicated he would like the Council to consider when landlords should be denied the ability to rent in New Brighton and how would the City advertise the new program.

Councilmember Axberg stated she has been a landlord for single family homes in Coon Rapids, St. Paul and Nisswa. She believed she was a good landlord and she took great care in screening her tenants. She believed if you had good tenants, it was mutually beneficial to both parties. She commented further on the fee that was charged by Coon Rapids for a rental license. She reported St. Paul and Nisswa did charge rental fees. She believed there were pros and cons to having a rental program and questioned if it was necessary to put a rental program in place at this time.

Councilmember Dunsworth thanked Councilmember Axberg for her comments. She indicated she did not support passing regulations for the sake of having more regulations in place. She explained she too was a landlord and had three properties in Minneapolis and two in St. Louis, Missouri. She noted all of her units were affordable. She thought of herself as an exceptional landlord, but noted she was not able to visit her St. Louis property on a daily basis. She believed that an inspection was not too much to ask. She commented further on the tiers that Minneapolis has in place for its rental program and stated she would be inclined to consider a complaint based or tiered program when considering the rates charged for rental license fees. She believed this would encourage landlords to maintain and make investments in their properties.

Councilmember Abdulle thanked Councilmember Dunsworth and Councilmember Axberg for sharing their comments. He stated he was open to seeing where a rental inspection program could go for New Brighton and wanted to see further information and analysis. He supported the City having regulations in place to ensure living conditions were reasonable. However, he was also concerned with how a rental licensing program would impact affordable housing rental rates. It was his hope that the new program would not be overburdensome. He stated he wanted to know about the types of calls the City was getting from single family rental homes for fires, nuisances and loud neighbors.

Mayor Niedfeldt-Thomas asked if the City was able to require tenants and landlords to have a lease. Massopust stated he would have to look into this further.

Mayor Niedfeldt-Thomas questioned if the City could require landlords to attend a meeting once a year. Massopust indicated he would have to investigate this further, but anticipated the meeting could be highly recommended.

Councilmember Allen stated he appreciated all of the comments and suggestions from the Council. He wanted to see the new program focused on the properties that were problems having the properties that were not a problem requiring less treatment and expense. He supported an educational process being in place for landlords.

Councilmember Abdulle stated he would like to see the multi-family safety standards addressed at the same time the Council is considering a rental licensing program. Massopust reported the City could move forward with both of these housing topics at the same time.

Councilmember Allen suggested health and safety inspections also be considered for the manufactured home parks.

Mayor Niedfeldt-Thomas indicated there was general interest in pursuing a rental licensing/inspection program. She questioned how this type of program would fit into the work being done by the Zoning Code Steering Committee. Gozola commented this program would be a completely new process and if a rental licensing program were pursued, applications could be taken at the beginning of 2023.

Worksession adjourned at 6:15 pm

Respectfully submitted,


Sandra Daniloff
Deputy City Clerk