



## STAFF REPORT

DATE: 1/28/19  
BUSINESS ITEM  
ITEM #: 5B  
MOTION

**TO:** Planning Commission  
**FROM:** Ken Roberts, Planning Director  
**ITEM:** **High Density Residential and Rental Housing Study**  
**REVIEWED BY:** Ben Prchal, City Planner

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### **BACKGROUND:**

The City Council, when considering the 2019 Work Plan for the City Planning Commission, directed staff to work with the Planning Commission to study development and ordinance standards for high-density residential rental housing in Lake Elmo.

### **ISSUE BEFORE COMMISSION:**

Are the existing City standards and ordinance requirements for high-density housing in Lake Elmo adequate to ensure the development of safe and well-designed high density residential housing in the city?

Also, are there are measures or ordinances the City should consider adding to the City Code to regulate the operation of high density and/or rental housing in Lake Elmo?

### **DETAILS/ANALYSIS:**

As the city continues to grow and add housing units, especially in the urban areas with sanitary sewer and water, there will be more medium and high density residential housing (both owner-occupied and rental) proposed and built. There are areas south of 5<sup>th</sup> Street that the City has planned for medium density residential development (4-8 units per acre) and the new mixed use ordinance allows for residential development ranging from 6-10 and 10-15 units per acre.

### **Existing City Code Requirements**

For background purposes, I have attached Article XII, Urban Residential Districts, from the Lake Elmo Zoning Code and Chapter 2 (High Density Residential Development) of the Lake Elmo Design Guidelines and Standards. The Zoning Code includes district descriptions (HDR – Urban High Density Residential), the permitted and conditional land uses in each zoning district, the lot dimensions and building requirements and site design and development standards for the various land uses.

The City Design Guidelines and Standards provide more detailed standards and examples for items such as building placement, landscaping, parking and building design. The City uses both these documents and their corresponding requirements when reviewing and analyzing development proposals - including high density residential projects. I am not aware of any particular issues or concerns with either of these sets of standards, so I am not proposing any changes to them at this time.

### **Other Possible Considerations**

In preparing this report, I found three general categories or areas of regulation that cities use for high density and rental housing. They include Rental Housing Licensing, Excessive Consumption (or Use) Services Ordinances and Zoning and Design Standards.

1. Is there a need for rental housing licensing in Lake Elmo? **(Staff does not see the need or support this step at this time).** **NOTE:** There are many cities in the area that have a rental housing licensing program.
  - a. If so, for what units or types of buildings? (For all rentals or just those buildings or development with four or more units?)
  - b. What would be the purpose and intent of such a program?
  - c. How many rental housing units are now in the City?
  - d. For just licensing of rental properties (but no inspections), would there be a need for additional city staff to implement – clerical, tracking, complaints, etc.
  - e. Require inspections? There would be additional staffing required (inspectors, clerical) to accomplish this.
  - f. Require owners or managers to join a crime-free housing association? How would the city track or verify this?
  - g. Require owners or management companies of residential rental property to use a crime free lease addendum as part of every lease? Again, how would the City track or verify this?
2. Should the City consider adding an Excessive Consumption (or Use) of Services ordinance?

Local jurisdictions use such an ordinance to help recover their costs from property owners and managers of properties where the city determines there have been an excessive number of calls for city service (Police, code complaints, nuisances). I have included several examples of such ordinances and 3 articles that provide additional information (with pros and cons) about such programs for the city's consideration.

- a. See information from St. Paul, West St. Paul, Lakewood Ohio and Hagerstown Maryland for examples
- b. How many visits would trigger – 3, 4 or more per year?
- c. What types of visits – Police, Sheriff, Fire, Code complaints, nuisances could qualify
- d. Must identify the types of properties the ordinance would apply to (typically would apply to properties or addresses – not just residential, or just rentals, or only commercial)

- e. City would need to establish a system for tracking calls and reports and then determining who and how to respond to violators. (Call information should be available from the Sheriff's office and the Fire Department)
  - f. Would need to include the expectations of property owners, landlords or managers responsible for the property with violation(s) of the ordinance
  - g. Must include penalties for failure to comply with the ordinance
  - h. Must not negatively affect victims of domestic violence or sexual assault (these types of service calls cannot be counted against a property)
  - i. Must not violate the Fair Housing Act (including discrimination relating to sex, race, and disability)
  - j. Must allow for due process and appeals (with possibly an appeal hearing with a hearing officer or some other official))
3. Should the City change (strengthen) the zoning and/or design standards for multi-family and high density residential housing?
- a. Are the problems or concerns with the current expectations and standards for these types of developments? If so, what?
  - b. See Lake Elmo Zoning Code, Article XII (Urban Residential Districts) and City Design Guidelines and Standards (Chapter 2) for more information.
  - c. The Met Council prepared a power point presentation in 2015 showing a range of housing types and densities in urban and suburban setting. This is helpful visual tool for a person to study to get a sense of size and scale of various housing types.
  - d. The Urban Land Institute (ULI) prepared a fact sheet about higher-density development myths and facts that I have attached for your reference.

### **RECOMMENDATION:**

Staff recommends that the Planning Commission review the high-density housing study information and provide staff feedback as to what, if anything, the City should study further or change about the regulation and development of high density residential and rental housing in Lake Elmo.

### **ATTACHMENTS:**

- 1. Article XII – Urban Residential Districts (Lake Elmo Zoning Ordinance)
- 2. Chapter 2 (High Density Residential Development) from the City Design Guidelines and Standards
- 3. Excessive Consumption Information and Ordinances
  - a. St. Paul
  - b. West St. Paul
  - c. Lakewood, Ohio
  - d. Hagerstown, Maryland
  - e. May 1, 2018 Star-Tribune Article (Nuisance property laws)
  - f. June 19, 2018 article “The Problem with Crime-Free Housing Ordinances” (ACLU)
  - g. September 18, 2018 post “Reducing Crime and calls for Service through Nuisance Abatement” (Dolan Consulting Group)
  - h. *To view the two documents associated with point “g.” please visit the link below.*  
<http://www.lakeelmo.org/january-28-2019-planning-commission-meeting-attachments>
    - i. Density of Development Housing examples from Met Council (dated 5-13-15)
    - ii. ULI Higher density myth/fact sheet