

## **Maple Grove City Council work session**

### **meeting minutes**

**April 18, 2022**

#### **Call to order**

Pursuant to call and notice thereof, a City Council work session was held at 5:30 p.m. on Monday, April 18, 2022 at the Maple Grove Government Center/Public Safety Facility, Hennepin County, Minnesota. Present was Mayor Steffenson and Councilmembers Karen Jaeger, Phil Leith, Judy Hanson, and Kristy Barnett. Absent was none. Present also was City Administrator Heidi Nelson, Community and Economic Development Director Joe Hogeboom, Planning Manager Peter Vickerman, Director of Public Works/City Engineer Ken Ashfeld, Assistant City Engineer Jupe Hale, Parks and Recreation Director Chuck Stifter, and City Attorney Justin Templin. Also present was Planning Commission members: Chris Ayika, Lorie Klein, Craig Lamothe, Susan Lindeman, Mike Ostaffe, and Joe Piket, and Park and Recreation Board members: John Ferm, Debra Syhre, Deb Coss, Ken Helvey, Bill Lewis, and Andrew Mielke.

Mayor Steffenson called the meeting to order at 5:37 p.m.

#### **Rental housing discussion**

Community and Economic Development Director Joe Hogeboom stated that in the past several years, the city has experienced a significant increase in the construction of new residential projects as well as an increase in the number of existing residences being converted into rental properties. This increase equates to a 38% increase in the last five years, which presents two primary challenges. He noted that the first challenge is insufficient staffing to maintain effective and thorough licensing and inspections of new and existing rental units given the increase. He explained that there is currently one staff member who serves as rental inspector/housing coordinator. Because of the staffing capacity issues, rental licenses are valid for three years, but inspections are only taking place about every five years.

Community and Economic Development Director Hogeboom stated that the second challenge with the increase in single family and town home rental is the loss of home-ownership opportunities that are at an entry-level or move-up level price point. City Administrator Nelson stated that much of the housing in the \$300,000 price range is becoming unattainable to families because they cannot compete with corporations that are able to come in with cash offers and potentially pay higher than the asking price.

Community and Economic Development Director Hogeboom stated that to address these issues, the City Council has inquired about the possibility of enacting a moratorium that would place a temporary restriction on allowing new rental licenses to be issued. He indicated this could be done through the adoption of an interim ordinance that would address temporarily limiting all rental licenses, or by limiting rental licenses for single-family and townhome products only. He suggested that during the time of a moratorium: staff could analyze current and

potential licensing and inspection staffing models, current and potential rental licensing fee structures, potential incentives for attainable homeownership development projects, potential permanent rental licensing limits, and other property maintenance and inspection considerations. He stated that if a moratorium is enacted, staff feels that 9-12 months would be a sufficient amount of time to complete the analysis. He further commented a public hearing would be required to formally consider the interim ordinance and notice would be sent to all current rental license holders.

City Attorney Justin Templin talked about the legal framework allowed during a moratorium. He explained how a rental housing moratorium would allow the city up to one year to pause new rental activity in order to complete a study. He indicated that after the study parameters were determined, staff could conduct the study. He noted that any applications already in process would be allowed once a moratorium began, but that no other new rental license business would occur during that time. He also noted that categories of rental licenses could be exempt as long as it's not discriminatory.

Community and Economic Development Director Hogeboom stated that an agenda item for a rental housing moratorium will be on a future City Council agenda for council's consideration.

## **Territorial Road master plan**

Community and Economic Development Director Joe Hogeboom stated that over the past eight months, city staff and WSB & Associates staff have been performing a land use study for the Territorial Road area. He indicated this area is bordered by County Road 81 to the south and west, Fernbrook Lane to the east, and the City of Dayton to the north. He stated that the purpose of the study is to develop a small area land use plan that guides land use for future development, sets the location and scope of a future city park, and addresses future trail alignment in the area.

WSB & Associates Planner Lori Johnson provided an overview of the master planning duties she has been working on with regard to the Territorial Road area. She explained that the goal of the master planning process was to engage in thoughtful discussion with residents, property owners, developers, the school district and other governmental agencies to determine how the area might be developed over time. She spoke to the existing land use and zoning in the area as well as the environmental constraints. Ms. Johnson discussed the phone and mail survey that was conducted and the survey results. She also talked about the Three Rivers Park District owning three properties within the study area and outlined the Park District's vision for future regional trail extensions.

Community and Economic Development Director Hogeboom advised that a plan draft has been produced that outlines the highlights of the planning process and provides groundwork for future development of the area. He then requested feedback from the Planning Commission and Park and Recreation Board members regarding the preferred plan scenario.

Discussion ensued regarding a future scenario for the Territorial Road area amongst commission and board members, home owners, staff and WSB representatives. Park amenities, road alignment, land use, transportation, traffic control, housing, historical landmarks, and preservation were discussed.

WSB & Associates Senior Planner Eric Zweber stated that he will work with WSB's landscaping staff to evaluate environmental impacts and historical features as well as land use comments from this meeting to provide adjustments to the plan.

Community and Economic Development Director Hogeboom noted that information regarding the Territorial Road master planning was available on the city's website. He indicated that next steps will happen in the May or June timeframe and that a public hearing will be a part of the process.

**Adjournment**

The meeting was adjourned by Mayor Steffenson at 7:22 p.m.

Respectfully submitted,

Heidi Nelson  
City Administrator