



JULY 2020

CITY OF FRAZEE
RENTAL DENSITY STUDY

Executive Summary

This study was undertaken to gain an understanding of the issues associated with the increasing conversion of single-family homes to rentals in Frazee and to examine if the City Council should adopt a rental density ordinance.

Rental restrictions have come to the forefront of municipal planning efforts in Minnesota as cities realize increased rates of conversion of single-family homes to rentals. Several studies have documented adverse effects associated with concentrations of rental properties and cities have found resolve with the establishment of ordinances regulating the number of rentals on a given block. Research shows that rental concentrations are linked to increased police calls and code violations, and data findings in Frazee give merit to those claims.

The key findings of this study are outlined below:

- The proportion of renter-occupied housing in Frazee has risen substantially in recent decades, and is now well above the statewide average (42% vs. 27%). Much of this increase can be attributed to the conversion of older, lower valued single-family homes that were once owner-occupied into rental use. Based upon future housing projections, this trend is expected to continue into the future.
- The need to consider a rental density ordinance is rooted in the City of Frazee's Comprehensive Plan (2019), which contains a strategy to "Explore a rental density code to limit the concentration of rental properties within the city."
- The literature review indicates that the overconcentration of rental houses in single-family residential neighborhoods can have the following negative impacts on surrounding residential properties and neighborhoods: increased noise, traffic, litter, and illegal parking; inadequate property maintenance; and a general decrease in quality of life for permanent residents of the neighborhood.
- Literature also demonstrates that there is a beneficial relationship between homeownership and neighborhood stability. Homeowners have more at stake with their properties and, in turn, take better care maintaining them. In doing so, property values are maintained and may increase, and social conditions may be improved as another result. Along with the maintenance of property values comes maintenance of property tax revenues collected by the City, benefitting all in the community.
- Data for Frazee reveals a direct relationship between the concentration of rentals and rental-related calls for police service. Areas of the City that have the highest concentration of rental properties also have the highest rate of rental-related police calls. Additionally, public nuisance/property maintenance issues are greater among rentals than owner-occupied housing.
- Other Minnesota cities, including Anoka, Mankato, North Mankato, Northfield, West Saint Paul, and Winona, have enacted a rental density limit for various reasons. Several of these cities established their ordinance many years ago and continue to enforce it, which is an indication that the ordinance has been effective.

Recommendations from this study are outlined below:

Recommendation 1: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include a rental unit density limit.*

Recommendation 2: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include a definition for a 'block'.*

Recommendation 3: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include an option for a temporary rental unit registration.*

Section 1: Study Background

1.1 Purpose

The City of Frazee's Housing Study (2019) indicates that the percentage of renter-occupied housing units in the City has increased substantially in recent decades. Much of this increase has occurred because of the conversion of older, lower valued homes that had once been owner-occupied to rental use. While the City values providing opportunities for renters, research shows that concentrations of rental properties can lead to undesirable conditions posing a threat to neighborhood quality of life. These conditions include increased nuisance complaints, code violations, and calls for police service that impact the public welfare of citizens who both own and rent homes. Data collected in Frazee demonstrate a connection between the concentration of renter-occupied properties and increased incidents of these actions.

In accordance with the implementation of the City of Frazee's Comprehensive Plan (2019), on October 14, 2019, the City Council enacted a one-year moratorium on new rental registrations (Appendix A) in order to prepare this study and protect the planning process. The purpose of this study is to document and recommend actions to address the increasing conversion of single-family, owner-occupied, residential homes to renter-occupied homes in the City.

1.2 Intent

This study provides background information, supporting data, and recommendations that work toward a shared community vision of maintaining a high quality of life in the City of Frazee and its neighborhoods. In this context, the City approaches the regulation of rental properties in a nondiscriminatory manner, appropriately considering the rights of property owners, renters, and their neighbors similarly. With these values in mind, this study provides recommendations based on peer reviewed empirical research, as well as data collection and analysis specific to Frazee.

Section 2: Studies Conclude that Issues Exist When Rentals are Concentrated in Single-Family Neighborhoods

2.1 Negative Impacts Associated with Rental Concentrations in Single-Family Neighborhoods

In 2012, the City of Winona contracted with the Hoisington Kogler Group Inc. (HKGI) to conduct a literature review relating to rental housing concentrations and associated negative impacts on neighborhood quality and livability; a copy of this review is provided in Appendix B. The review found several studies containing empirical analyses linking higher concentrations of rental houses to negative impacts on surrounding neighborhoods. Findings concluded that overconcentrations of rental houses in single-family residential neighborhoods can have the following negative impacts on surrounding residential properties and neighborhoods: increased noise, traffic, litter, and illegal parking; inadequate property maintenance; and a general decrease in quality of life for permanent residents of the neighborhood. Nuisance complaints, code violations, and crime incidents are key indicators of a neighborhood's livability and residents' satisfaction with their neighborhood. The literature supports claims of increased occurrences of these in areas of rental concentrations. Likewise, data collected and analyzed for Frazee provides evidence of this locally and is further explored in Section 4 of this study.

HKGI also identified several studies through their research containing empirical analyses linking higher concentrations of rentals to decreases in property values of nearby homes. One study in particular, "The Impact of Rental Properties on the Value of Single-Family Residences", concluded that "an inverse relationship exists between the value of a house and the presence of rental properties in the study area." Data used in this study included over 23,000 single-family residences and over 1,100 home sales in San Antonio, Texas. The other studies researched by HKGI supported these findings. No such analysis was conducted assessing the impact of property values in single-family neighborhoods with a high concentration of rentals in Frazee as part of this review.

2.2 Positive Influence of Homeownership on Neighborhood Stability

Rohe and Stewart (1996)¹ authored an article entitled "Homeownership and Neighborhood Stability" that gives merit to conventional thinking that increased homeownership leads to greater neighborhood stability. The authors focused research efforts on a conceptual model outlining the effects of homeownership rates on various indicators of neighborhood stability and found support for that model within existing literature. At least four aspects of neighborhoods were found to be positively affected by homeownership, including length of tenure of residents, property values, physical condition of properties, and social conditions in the neighborhood, such as crime and school dropout rates.

Rohe and Stewart (1996)¹ advanced a model that provides evidence of a link between homeownership and neighborhood stability. Those opting for homeownership differ from those opting to rent in a number of social characteristics. Homeowners are more likely stable defined in terms of length of residence and property maintenance. Homeowners possess both economic and use interests in their properties, which leads to increased support for increased property maintenance standards. These interests also lead to greater social interaction within, and psychological identification with, the neighborhood as a whole. With this, homeowners may be more likely to join area organizations that protect neighborhood interests. Research also suggests, "homeowners are more likely than landlords to

undertake repairs and spend more on them.” It is these interests homeowners have in their property that fosters a vested interest in the quality of the neighborhood as a whole.

The article further suggests that homeownership can be an indicator of a family’s status and offers great control over one’s living environment. These represent important social and psychological benefits that are closely guarded by individuals. The deterioration of surrounding homes within neighborhoods can affect their property and may be interpreted as threats to their status and security.

Rohe and Stewart (1996)¹ also developed a property value model and found this to suggest that changes in the homeownership rate have a positive association with property value changes; suggesting that even modest increases in homeownership rates may increase neighborhood property values over time.

¹ Rohe, W. M. and L. S. Stewart. 1996. Homeownership and Neighborhood Stability. *Housing Policy Debate*. 7(1):37-81.

Section 3: Legal Framework Enabling Rental Restrictions

Restrictions on the density of rentals in a municipality brings several constitutional issues into question regarding equal protection, procedural due process, and substantive due process rights under the Minnesota Constitution. Additionally, appellants have questioned the level of zoning power provided cities under Minn. Stat. § 42.357, Minnesota’s zoning enabling statute, to regulate housing in a municipality. Recent proceedings involving property owners and the City of Winona, Minnesota have given new light to the constitutional validity of a municipality’s efforts to control the quantity of rentals.

A common reaction of many individuals when discussing regulating rental density in a municipality is that regulations such as this violate property rights of individuals. However, if a municipality has more to gain regarding the general welfare of its citizens, the Minnesota Constitution (according to the Court of Appeals of Minnesota) upholds this as a valid use of police power that is not in violation of property rights.

3.1 Constitutional Validity: Case Study - Dean v. The City of Winona

In 2005, the City of Winona enacted an ordinance restricting the amount of rental units on a given block in certain zoning districts. This was prompted by increased parking demands in the neighborhood and concerns of rental concentrations leading to neighborhood blight. Ethan Dean, among others, sued the City after a request for a rental license was rejected. The group alleged the Winona City Council exceeded legislative authority with the rental density limit claiming the ordinance was unconstitutional. The Minnesota Court of Appeals easily concluded against this, finding that the public’s interest in regulating rental housing was sufficient to justify the municipality’s police power delegated by the State of Minnesota to regulate property.

Dean and others also raised claims that equal protection, substantive due process, and procedural due process rights had been violated by the imposition of the ordinance. In the case of equal protection, “A party may raise an equal protection challenge to a statute based on the statute’s express terms, that is, a ‘facial’ challenge, or based on the statute’s application, that is, an ‘as-applied’ challenge.” *State v. Richmond*. 730 N.W.2d 62.71 (Minn.App.2007) “A facial challenge to a statute on equal protection grounds asserts that at least two classes are created by the statute, that the classes are treated

differently under the statute and that the treatment cannot be justified.” *In re McCannel*, 301 N.W.2d 910, 916 (Minn.1980). Within this context, an equal-protection challenge requires an initial showing that “similarly situated persons have been treated differently.” Based on this information, the Court of Appeals of Minnesota rejected equal protection challenges concluding the rule to be facially neutral and that no similarly situated groups were treated differently; the rule was not applied in an arbitrary manner, and in any event would not have resulted in “invidious” discrimination even if similarly situated persons were treated differently.²

Substantive due process rights require that only that a statute not be arbitrary or capricious; the statute must provide a reasonable means to a permissible objective. *Stat v. Behl*. 564 N.W.2d 560, 567 (Minn. 1997). The Court of Appeals of Minnesota found that substantive due process rights weren’t violated because the ordinance promoted a valid public purpose of controlling rental density; was enacted after considerable deliberation and analysis, didn’t unreasonably, arbitrarily, or capriciously interfere with private interests, and was rationally related to the purpose served.²

Appellants also contended that the rental density limit violated their “procedural due process right by unconstitutionally delegating legislative power to a property owner’s neighbors.” Arguments that the rule delegated legislative power to the neighboring property owners was also rejected finding that neighbors don’t vote on how the rule is applied nor do they make decisions regarding its application.²

This case became moot while on appeal to the Supreme Court of Minnesota. The appellants were found to “no longer have an interest in the outcome of the litigation” as the properties in which rental licenses were being sought for were sold. Appellants attempted to raise claims that this issue was of statewide significance and should be ruled on in anticipation of future events to others. Supreme Court Justices found no support for this determination and suggested that these claims would not be pursued. In light of this, the Supreme Court declined to reach the merits of the appellants’ claims and dismissed the appeal.³

² Dean v. City of Winona, 843 NW 2d 249 - Minn. Court of Appeals 2014

³ Dean v. City of Winona, 868 NW 2d 1 - Supreme Court of Minnesota 2015

Section 4: Trends in Neighborhood Conversion to Rental Property

4.1 Zoning District Affected by Regulation

The residential properties being considered for further regulation in this study are those located in Frazee's Single and Two-Family Residential (R-1) Zoning District.

4.2 Rental Unit Registration Status

As of March 2020, there were 220 rental units registered with the City of Frazee. Of this total, 86 rental units were located within the Single and Two-Family Residential (R-1) Zoning District, comprising 20% of all housing units in the district. However, it is important to note that based upon a review of available parcel information, there are several homes in the in the R-1 Zoning District that are suspected to be unregistered rental units. Therefore, this percentage likely does not include all renter-occupied housing units.

4.3 Trends in Renter-Occupied Housing Units

A healthy mix of owner and renter-occupied units is important for a community and many communities strive to maintain 65-70% of their housing units owner-occupied. The City of Frazee has experienced a substantial increase in the amount of rental housing in recent decades. According to the US Census, the percentage of renter-occupied housing units increased from 30% in 1990, to 42% in 2010; the corresponding statewide average in 2010 was 27%. The City of Frazee's Housing Study (2019) states that many of the rental units added in recent years have been older, lower valued single-family homes that had once been owner-occupied. The City of Frazee's Comprehensive Plan (2019) indicates that nearly one-third of the City's housing was built in 1939 or earlier. Additionally, the City of Frazee's Housing Study (2019) reports that the median value of an owner-occupied home in the City was \$103,900 in 2017, which was substantially lower than the surrounding communities of Perham (\$138,200) and Detroit Lakes (\$167,000).

Housing projections contained in the City of Frazee's Housing Study (2019) indicate that between 30 and 40 additional rental units could be added in the City by 2023 to keep pace with expected high demand. Given the high proportion of older, lower valued homes in the City, it is reasonable to expect that this segment of the housing market will continue to be targeted for conversion to rental properties in order to meet this demand. The City of Frazee's Housing Study (2019) recognizes this trend and cautions that it "reduces affordable home ownership opportunities", and "can also negatively impact community stability, as fewer homeowners often result in more household turnover and fewer residents with long-term ties to the community." Furthermore, the City of Frazee's Housing Study (2019) states that while this trend "expands rental options, it is probably in the City's best long-term interest to attract home owners, and increase the rate of home ownership." Keeping in mind the purpose of this study is to find the appropriate balance for owner/renter-occupied single-family homes, this expected trend should be observed carefully for decision making purposes. If left unchanged, upward trends in rental unit registrations will lead to increased concentrations in renter-occupied properties.

4.4 Distribution of Police Calls

Police call data (2015-2019) was collected and analyzed for renter-occupied dwellings located within Frazee's Single and Two-Family Residential (R-1) Zoning District. Figure 1 provides a map of the of renter-occupied dwellings within this zoning district; each of these dwellings had a rental unit registration during the 2015 to 2019 timeframe. Areas 1-3, as depicted in the map, were determined to have the highest concentrations of renter-occupied dwellings. Table 1 provides ownership and police call-related statistics for these selected areas. Approximately 80% of all police calls to renter-occupied dwellings in the R-1 Zoning District during this timeframe occurred in these three areas. Area 1 had the highest amount of renter-occupied dwellings (46%) and the most police calls (118). Areas 2 and 3 each had a slightly lower percentage of renter-occupied dwellings, but had a relatively high number of police calls.

In contrast to Areas 1-3, the data for Area 4 demonstrates that limiting the concentration of rentals in a neighborhood can have a positive effect on rental-related calls for police service. Area 4 had a high rate of owner-occupied dwellings (86%) and a limited number of renter-occupied dwellings that are fairly evenly distributed throughout the area. From 2015 to 2019, there were no police calls to renter-occupied dwellings in this area.

Citywide data indicates a large disparity between homeowner and rental calls for police service. In 2017, Frazee's Public Nuisance/Property Maintenance Committee estimated that rental-related calls were six times that of homeowner-related calls. Furthermore, a 2018-year end police call summary shows that calls for service to rental properties were nearly three times higher than owned properties.

4.5 Distribution of Public Nuisance and Property Maintenance Issues

In October 2017, members of Frazee's Public Nuisance/Property Maintenance Committee conducted a windshield assessment of the City to document the extent of public nuisance and property maintenance issues. Approximately 33% of registered rental properties had an apparent public nuisance and/or property maintenance issue, compared to 12% of homeowner-owned properties that had a similar issue. The most common types of public nuisances noted were weeds and untrimmed grass, unlicensed vehicles, and piles of debris/refuse/rubbish. The most common types of property maintenance issues noted were building surfaces in need of paint, decks/stairs in need of repair or replacement, and shingles in need of maintenance or replacement.

Figure 1: Map of registered rental units (highlighted red) located in the Single and Two-Family Residential (R-1) Zoning District. Area 1 includes highlighted parcels located between Lake St S and 2nd St SW. Area 2 includes highlighted parcels located between Maple Ave E and Oak Ave E. Area 3 includes highlighted parcels between Main Ave E and Balsam Ave. Area 4 includes highlighted parcels between 5th St NW and Lake St N.

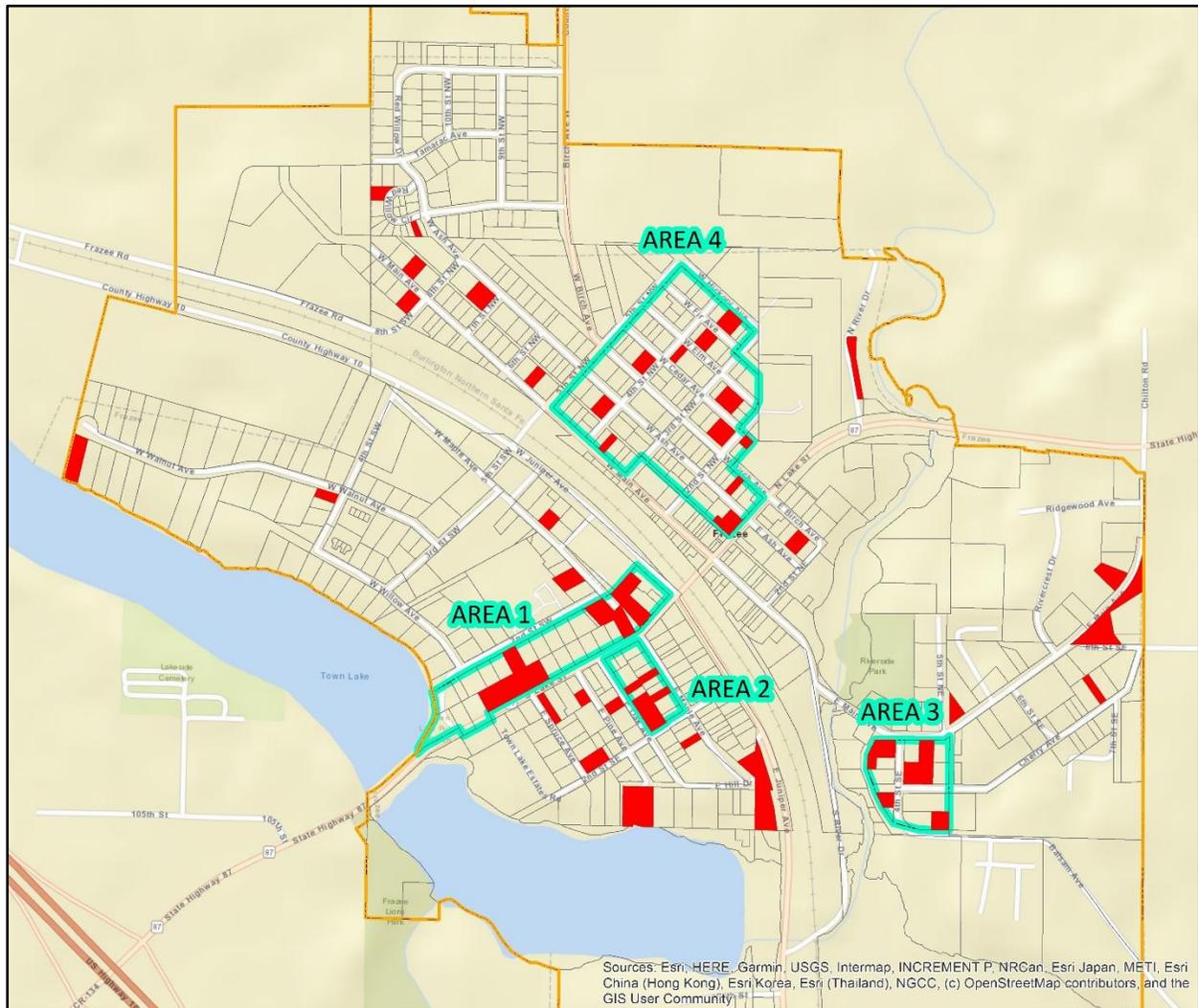


Table 1. Ownership status and police call statistics (2015-2019) for identified areas located within the Single and Two-Family Residential (R-1) Zoning District.

| Statistic | Area 1 | Area 2 | Area 3 | Area 4 |
|---|--------|--------|--------|--------|
| # of dwellings | 28 | 15 | 13 | 84 |
| % of owner-occupied dwellings | 54 | 60 | 62 | 86 |
| % of renter-occupied dwellings | 46 | 40 | 38 | 14 |
| # of police calls to renter-occupied dwellings | 118 | 36 | 35 | 0 |
| # of renter-occupied dwellings with a police call | 5 | 1 | 1 | 0 |

Section 5: Findings

The findings of this study support the City's decision to establish a moratorium on the issuance of new rental unit registrations and to consider the adoption of an ordinance to limit the density of rental units. The number of renter-occupied dwellings has increased substantially in recent decades and data suggest that police calls and public nuisance/property maintenance issues are greater among rentals than owner-occupied housing. If left unchecked and unregulated, increased rental concentrations will likely lead to the deterioration of neighborhoods. Further, the ability of a municipality to regulate rental density is engrained in the police powers delegated through the State Constitution which is defined as: **"...the power to impose such restrictions upon private rights as are necessary for the general welfare."**

The key findings of this study are outlined below:

- The proportion of renter-occupied housing in Frazee has risen substantially in recent decades, and is now well above the statewide average (42% vs. 27%). Much of this increase can be attributed to the conversion of older, lower valued single-family homes that were once owner-occupied into rental use. Based upon future housing projections, this trend is expected to continue into the future.
- The need to consider a rental density ordinance is rooted in the City of Frazee's Comprehensive Plan (2019), which contains a strategy to "Explore a rental density code to limit the concentration of rental properties within the city."
- The literature review indicates that the overconcentration of rental houses in single-family residential neighborhoods can have the following negative impacts on surrounding residential properties and neighborhoods: increased noise, traffic, litter, and illegal parking; inadequate property maintenance; and a general decrease in quality of life for permanent residents of the neighborhood.
- Literature also demonstrates that there is a beneficial relationship between homeownership and neighborhood stability. Homeowners have more at stake with their properties and, in turn, take better care maintaining them. In doing so, property values are maintained and may increase, and social conditions may be improved as another result. Along with the maintenance of property values comes maintenance of property tax revenues collected by the City, benefitting all in the community.
- Data for Frazee reveals a direct relationship between the concentration of rentals and rental-related calls for police service. Areas of the City that have the highest concentration of rental properties also have the highest rate of rental-related police calls. Additionally, public nuisance/property maintenance issues are greater among rentals than owner-occupied housing.
- Other Minnesota cities, including Anoka, Mankato, North Mankato, Northfield, West Saint Paul, and Winona, have enacted a rental density limit for various reasons. Several of these cities established their ordinance many years ago and continue to enforce it, which is an indication that the ordinance has been effective.

These findings give merit to the literature that suggests there are adverse effects associated with rental property concentrations and provide further evidence of the presence of those effects in Frazee. In light of these findings, efforts to establish an ordinance that will limit the issuance of rental unit registrations to protect neighborhood stability are warranted and should be pursued by the City of Frazee.

Section 6: Recommendations

Based upon the findings of this study, the following recommendations are provided to ensure an appropriate balance of owner and renter-occupied homes that will allow rental opportunities, while not adversely affecting permanent residents or overburdening City services because of issues related to the concentration of rental units:

Recommendation 1: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include a rental unit density limit.* It is recommended that no more than ten (10) percent of the lots on any designated block in the Single and Two-Family Residential (R-1) Zoning District should be eligible to obtain a rental unit registration. This regulation will balance two goals. First, it will continue to achieve accessibility for renters to reside in Frazee because rental registrations will continue to be available. Second, it will apply a ceiling on the total amount of property that may be converted to rentals in the R-1 Zoning District to achieve and maintain neighborhood stability in Frazee. The police call data from Area 4 suggest that a ten (10) percent density rate is appropriate to accomplish these goals. Additionally, other cities, including Anoka, North Mankato, and West Saint Paul, have enacted a ten (10) percent rental density limit.

Recommendation 2: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include a definition for a 'block'.* For the purpose of the administration of the rental unit density limit and achieving a ten (10) percent density rate, it is recommended that a 'block' should be defined as an area of land containing a minimum of six (6) lots within the Single and Two-Family Residential (R-1) Zoning District that is enclosed within the perimeter of streets, watercourses, public parks, municipally owned lots, and city boundaries. Table 2 indicates how many lots per block should be eligible for a rental unit registration based on the number of lots that exist in a block.

Table 2. Number of rental unit registrations allowed per block within the Single and Two-Family Residential (R-1) Zoning District.

| Lots/Block | Rental Units Allowed |
|------------|----------------------|
| 6-15 | 1 |
| 16-25 | 2 |
| 26-35 | 4 |
| 36-45 | 4 |
| 46-55 | 5 |

Recommendation 3: *The City Council should amend Title 9, Chapter 2 (Rental Units) of the Frazee City Code to include an option for a temporary rental unit registration.* Other communities have suggested that the establishment of a temporary rental unit registration alleviates some unforeseen circumstances that may occur in relation to homeowners who are unable to sell properties but cannot afford the property or do not reside there.

Appendix A: Moratorium on New Rental Unit Registrations

CITY OF FRAZEE
MINNESOTA
ORDINANCE NO. 153

AN ORDINANCE ESTABLISHING A MORATORIUM
ON NEW RENTAL UNIT REGISTRATIONS
WITHIN THE CITY OF FRAZEE, MINNESOTA

WHEREAS, the percentage of renter-occupied housing units in Frazee has risen substantially, increasing from 30% in 1990 to 42% in 2010 (U.S. Census Bureau);

WHEREAS, according to the City of Frazee's Housing Study (2019), the trend of an increasing percentage of renter-occupied housing units is projected to continue into the near future;

WHEREAS, according to the City of Frazee's Housing Study (2019), much of the recent increase in renter-occupied housing units can be attributed to the conversion of older, lower valued homes that had once been owner-occupied to rental use;

WHEREAS, according to the City of Frazee's Comprehensive Plan (2019), the aforementioned increase in rental housing is an area of concern for residents;

WHEREAS, the City of Frazee's Public Nuisance/Property Maintenance Committee (2017) conducted a windshield assessment of the City in October 2017 and determined that 33% of registered rental properties had an apparent public nuisance and/or property maintenance issue, compared to 12% of homeowner-owned properties that had a similar issue;

WHEREAS, the City of Frazee's Public Nuisance/Property Maintenance Committee (2017) reviewed City-wide law enforcement call data and estimated that rental-related calls for service were six times that of homeowner-related calls for service;

WHEREAS, studies indicate that over-concentrations of rental housing in single-family residential neighborhoods can have the following negative impacts on surrounding residential properties and neighborhoods: noise, increased traffic, litter, illegal parking, inadequate property maintenance, decreased property values, and a general decrease in quality of life for permanent residents of the neighborhood;

WHEREAS, the City of Frazee's Housing Study (2019) recognizes that the trend of older, lower valued homes being purchased for use as rental housing "reduces affordable home ownership opportunities. It can also negatively impact community stability, as fewer homeowners often result in more household turnover and fewer residents with long-term ties to the community. Ideally, the expansion of affordable rental housing would not result in a reduction of affordable ownership housing";

WHEREAS, the City of Frazee's Public Nuisance/Property Maintenance Committee (2017) recommended several changes to the City's Rental Units Ordinance (Title 9, Chapter 2), including the adoption of a rental density limit;

WHEREAS, the City of Frazee's Comprehensive Plan (2019) includes an action item to "Form a committee to evaluate a rental density code and perform an analysis of density in Frazee";

WHEREAS, the City of Frazee hereby authorizes a study to be conducted related to limiting the density of rental units within areas zoned for residential use;

WHEREAS, it is estimated that it will take between six (6) to twelve (12) months to complete the study; and

WHEREAS, the City of Frazee finds that a moratorium will protect the planning process and the health, safety, and welfare of its citizens;

NOW, THEREFORE, pursuant to Minnesota Statutes Section 462.355, Subd. 4, the Frazee City Council ordains:

SECTION 1: A moratorium on accepting applications for new rental unit registrations in areas zoned R Residential for a period of twelve (12) months, unless ended earlier by action of the City Council.

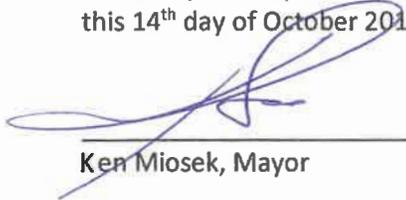
SECTION 2: This ordinance shall be effective immediately upon its passage and may be extended, as provided by law.

SECTION 3: In cases of hardship, any person having a legal or equitable interest in land and aggrieved by the requirements of this ordinance may apply to the City Council for a waiver of all or a portion of the applicable restrictions. A waiver may be granted when the City Council finds substantial hardship caused by the restrictions and finds that the waiver will not unduly affect the integrity of the planning process or the purposes for which this ordinance was enacted.

SECTION 4: If any portion of this ordinance is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of the ordinance. The City Council hereby declares that it would have passed each portion thereof irrespective of the fact that any one or more portions be declared unconstitutional, invalid, or ineffective.

SECTION 5: The City may enforce this ordinance by mandamus, injunction, or other appropriate civil remedy in any court of competent jurisdiction.

Passed by the City Council of Frazee, Becker County, Minnesota
this 14th day of October 2019.



Ken Miosek, Mayor

Attested:



Denise Anderson, City Clerk/Administrator

Appendix B: HKGI Literature Review



MEMORANDUM

To: Winona City Council, Planning Commission and City Staff
From: Mark Koegler and Jeff Miller (HKGI)
Date: February 21, 2012
Re: Winona Rental Housing Restriction Ordinance – Literature Review & Data Analysis Findings

Holsington Koegler Group Inc. (HKGI) has conducted a literature review relating to rental housing concentration and its negative impacts on neighborhood quality and livability. This literature review included rental housing's relationship with increased nuisance complaints, increased police incidents, decreased property maintenance levels, decreased homeownership levels, and decreased property values. Although there is a substantial amount of literature that addresses rental housing issues, much of the literature does not contain empirical analysis. Through our literature review, we were able to identify empirical studies of five cities that have faced rental housing issues that are relevant to Winona. Based upon our findings from the literature review, HKGI then compiled and analyzed detailed data related to Winona's rental housing concentration levels and its relationship to nuisance and police violations. Based on our findings from the literature review and city-level empirical studies that nuisance and police violations are key indicators of neighborhood quality and livability, we focused our data analysis on the relationships between concentrated rental housing and nuisance/police violations in Winona. This memo summarizes our literature review and data analysis findings.

I. Literature Reviewed

1. Craig Raborn, "Coping With Colleges: How Communities Address the Problems of Students Living Off-Campus," *Zoning News* (May 2002).
2. Duncan Associates, "Analysis of Issues Regarding Student Housing Near the University of Florida," April 2002.
3. Jack S. Frierson, "How Are Local Governments Responding to Student Rental Problems in University Towns in the United States, Canada, and England?" *Georgia Journal of International and Comparative Law* (Winter 2005).
4. John Janmaat, "The Curse of Student Housing: Evidence from Wolfville, Nova Scotia," 2010.
5. Ko Wang, Terry V. Grissom, James R. Webb and Lewis Spellman, "The Impact of Rental Properties on the Value of Single-Family Residences," *Journal of Urban Economics*, 1991.
6. Mayor's Commission on Housing & Home Ownership, "Promotion of Home Ownership in the City of Binghamton: A Report of the Mayor's Commission on Housing and Home Ownership," 2008.
7. Ngal Pindell, "Home Sweet Home? The Efficacy of Rental Restrictions to Promote Neighborhood Stability," *Scholarly Works* (Paper 57), 2009.
8. Terance J. Rephann, "Rental Housing and Crime: The Role of Property Ownership and Management," *The Annals of Regional Science* (43), 2009.
9. Sage Policy Group, "There is a Rational Basis for Rent Stabilization in College Park, Maryland," April 2005.

10. Sage Policy Group, "There Remains a Rational Basis for Rent Stabilization in College Park, Maryland," August 2009.
11. State College Borough Staff, "Sustainable Neighborhoods in State College Borough," June 8, 2009.
12. West Urbana Neighborhood Association, "What Other College Communities Have Done: Examples of Regulatory Actions to Preserve the Single-Family Residential Character of a Campus Neighborhood," January 2005.
13. William M. Rohe and Leslie S. Stewart, "Homeownership and Neighborhood Stability," *Housing Policy Debate* (Volume 7, Issue 1), 1996.
14. *Farley v. Zoning Hearing Board of Lower Merion Township*, 1994.
15. *Lantos v. Zoning Hearing Board of Haverford Township*, 1993.

ii. Issues with Concentration/ Density of Rental Housing in Single-Family Neighborhoods

Regulating the concentration or density of rental housing in single-family residential neighborhoods is a particular issue that the City of Winona is addressing with its 30% limit of rental housing properties per block. Specifically, the City's low and medium density residential zoning districts allow rental units as a permitted use but limit the number of residentially-zoned lots on any block that can obtain rental housing certification to a maximum of 30%. According to City Planning Commission Meeting Minutes, the Parking Task Force concluded that housing density, property maintenance, off-street parking and deteriorating residential community character were major problems "resulting from the extensive number of homes which have been converted to rental purposes"¹ in some areas of the community. Based on this finding, the task force proposed to establish a limitation on the number of rental houses that could be concentrated within each block within all residential zoning districts, with the exception of the R-3 zoning district.

The literature review supports the City's concerns with an over-concentration of rental houses in single-family residential neighborhoods. Many university towns face the problem of large numbers of single-family houses being converted to rental houses in single-family residential neighborhoods, thereby, creating a high concentration of student rental houses within single-family residential neighborhoods. The literature reviewed supports the argument that over-concentrations of rental houses have negative impacts on surrounding residential properties and neighborhoods in general, including noise, increased traffic, litter, illegal parking, inadequate property maintenance, and a general decrease in the quality of life for permanent residents of the neighborhood.² The impacts typically fall into three primary categories:

- Increased nuisance and property maintenance complaints,
- Increased City Code violations and police citations,
- decreased property values.

Thus, the impacts are physical, economic and social, ultimately contributing to decreases in the quality and livability of neighborhoods.

¹ City of Winona Planning Commission Meeting Minutes, October 24, 2005: 5.

² Jack S. Frlerson, "How Are Local Governments Responding to Student Rental Problems in University Towns in the United States, Canada, and England?" *Georgia Journal of International and Comparative Law* (Winter 2005): 1.

In general, the studies found that rental residential properties, particularly, rental single-family houses, are generally maintained at a lower level than owner-occupied houses. Property maintenance issues often include building repairs, yard care, and snow removal. The "Homeownership and Neighborhood Stability" article cites several studies that show "that homeowners are more likely than landlords to undertake repairs and that they spend more on them."³ This same article also asserts that owner-occupied housing units are generally maintained at a higher level because homeowners, unlike landlords and renters, possess both an economic and use interest in their homes. "The Impact of Rental Properties on the Value of Single-Family Residences" article cites several studies that have empirically demonstrated this situation. Inadequate property maintenance issues often result in increased levels of nuisance complaints and City Code violations, as well as decreases in property values of nearby housing.

Several studies (Wang, et al; Rohe & Stewart, Janmaat, Pindell) contain empirical analyses that linked higher concentrations of rental houses to decreases in nearby property values. The most direct study of those reviewed relating to impacts on property values was "The Impact of Rental Properties on the Value of Single-Family Residences" study, which concluded that "an inverse relationship exists between the value of a house and the presence of rental properties in the study area."⁴ This study analyzed data from 23,119 single-family residences and 1,162 single-family sales in San Antonio (TX). Another study found that "after controlling for housing stock characteristics, household characteristics, and MSA-level economic factors, a 5-percentage-point change [increase] in the homeownership rate of a tract would be associated with about a \$4,000 increase in mean single-family property value over a 10-year period of time."⁵ A subsequent impact of decreased property values is the decrease in property tax revenues for the City, County and other taxing jurisdictions.

Several studies (Sage Policy Group, Rephann, Duncan Associates, State College Borough) contain empirical analyses that link the concentration of rental houses to increases in nuisance complaints, City Code violations, and crime incidents. Nuisances typically include yard care (e.g. weed control, grass cutting), snow removal, refuse, illegal parking, noise, disorderly conduct, liquor and over-occupancy. Section III of this memo describes the empirical analyses linking the concentration of rental houses with nuisance complaints and City Code violations in five cities. Nuisance complaints, code violations and crime incidents are key indicators of a neighborhood's livability and residents' satisfaction with their neighborhood. The literature reviewed indicates increased incidences of nuisances, code violations and crimes in renter-occupied houses versus owner-occupied houses. A subsequent impact of increased complaints, violations and crime incidents is the additional costs incurred by a city to observe, address and process them.

³ William M. Rohe and Leslie S. Stewart, "Homeownership and Neighborhood Stability," *Housing Policy Debate* (Volume 7, Issue 1), 1996: 48.

⁴ Ko Wang, Terry V. Grissom, James R. Webb and Lewis Spellman, "The Impact of Rental Properties on the Value of Single-Family Residences," *Journal of Urban Economics*, Volume 30, Issue 2 (1991): 164.

⁵ William M. Rohe and Leslie S. Stewart, "Homeownership and Neighborhood Stability," *Housing Policy Debate* (Volume 7, Issue 1), 1996: 71-72.

III. Empirical Studies of Rental Housing Impacts on Community Livability in Five Cities

Through the literature review, we were able to identify empirical studies in five cities that show a correlation between the concentration of rental housing and negative impacts on community livability. The five cities are Gainesville (FL), State College (PA), College Park (MD), Cumberland (MD), and Chapel Hill (NC). Specifically, these five empirical studies identify a link between the concentration of rental housing and increases in nuisance complaints, code violations and police incidents.

Gainesville, FL

In 2002, the City of Gainesville conducted an analysis of student housing issues in the neighborhoods around the University of Florida, which were identified as the study's University of Florida (UF) Context Area. The City's Comprehensive Plan specifically contains a policy calling for such a study in its Future Land Use chapter. Policy 5.1.7 states that "The City shall prepare a study of the impacts of rentals on single-family neighborhoods and shall implement additional programs as necessary and appropriate to stabilize and enhance these neighborhoods."⁶ Based on Census data for the census tracts that make up the UF Context Area, the study estimated that approximately 75% of the residences in this area are used as rental housing. Using code and noise complaint data from the City's Code Enforcement Division, the study tabulated and compared the number of complaints from the UF Context Area with the overall city. Although the UF Context Area represents 23% of the households in the city, the study found that approximately 51% of the noise complaints came from this area, 46% of the over-occupancy complaints, 50% of the "vision triangle" (obstructed views at intersection corners) complaints, 43% of the sign violations, and 37% of the minor housing code violations.⁷

State College, PA

In 1994 and 2007, the Borough of State College compiled "Violations by Housing Type" reports. The housing types include apartments, duplexes, fraternities, single-family houses, rental houses, rooming houses and townhouses. This analysis showed that rental single-family houses had the highest average number of nuisance violations per unit, followed by duplexes and fraternities.⁸ The top four violations for rental single-family houses were snow, refuse, weeds and noise. The record does not show any evidence that the maximum of three unrelated persons rule, which was enacted in 1979, reduced the number of conversions of owner-occupied single-family houses to student rental houses. In 1997, State College Borough established a minimum spacing ordinance between student rental houses. The record suggests that the minimum distance between student rental single-family homes has resulted in a decrease in conversion of owner-occupied homes to rental homes.⁹

College Park, MD

In 2005, the City of College Park conducted a rental housing study that looked at declining homeownership, an increasing trend in conversions of owner-occupied single-family housing being to rental housing, and the

⁶ Duncan Associates, "Analysis of Issues Regarding Student Housing Near the University of Florida," April 2002: 1.

⁷ Ibid: 24.

⁸ Staff of State College Borough, "Sustainable Neighborhoods in State College Borough," June 8, 2009: 7.

⁹ Ibid: 8-9.

concentration of City Code violations occurring in rental single-family housing. In 2004, the study calculated that the average number of first notice code violations per residential rental unit was 0.78 compared to 0.21 first notice code violations for owner-occupied residential units, which equates to 3.7 times more violations for rental housing¹⁰. In 2008, there were 0.92 violations per rental housing unit compared to 0.38 for owner-occupied housing unit.¹¹ This study found an increasing trend in conversions of owner-occupied single-family homes to rental housing and a corresponding higher rate of City Code violations in rental single-family housing. In addition to the negative impact on neighborhood quality and livability, this significant higher level of nuisance violations also results in additional costs for the City to process code violations, including observation, recording, communicating and rectifying them.

Cumberland, MD

This paper analyzes the links between residential rental properties and crime incidents in the City of Cumberland, MD, which has a population of approximately 21,000 residents. Using police incident report data for privately owned rental properties, the type (disturbances, assaults and drug activity) and frequency of crime incidents were analyzed. The study selected these crimes because "they are frequently found in a residential setting and are considered important measures or indicators of neighborhood quality of life."¹² This study found that increases in crime were linked to residential rental properties, in particular rental properties where the landlord does not live on-site, properties that are part of larger rental property holdings, properties that use Section 8 vouchers, and properties in neighborhoods with a lower percentage of owner-occupied houses.

Chapel Hill, NC

Chapel Hill's 2000 Comprehensive Plan "is organized around twelve major themes, each growing out of the community values that have been identified and which, taken together, form a strategy for Chapel Hill's future."¹³ One of these major themes is to conserve and protect existing neighborhoods. The Comprehensive Plan contains an entire chapter devoted to community character, including goals, strategies and actions to conserve and protect the character of the community's neighborhoods. "The central purpose of the strategies and actions contained in the Comprehensive Plan is to manage growth and change so that Chapel Hill will continue to have a special community character and quality of life in the future."¹⁴

One of these strategies is to address the neighborhood impacts of the conversion of owner-occupied housing to rental housing, including nuisance complaints. The City has identified community indicators that are monitored annually as a means for tracking progress of the implementation of its Comprehensive Plan strategies. For the rental housing strategy, the corresponding community indicator is the percentage of loud noise complaints that occur in neighborhoods that touch and circle the downtown and central campus, which have been designated Residential Conservation Areas in the City's Land Use Plan. In 2004, 33% of loud noise complaints occurred in these neighborhoods, which have concentrations of residential

¹⁰ Sage Policy Group, "There Is a Rational Basis for Rent Stabilization in College Park, Maryland," April 2005: 17.

¹¹ Sage Policy Group, "There Remains a Rational Basis for Rent Stabilization in College Park, Maryland," April 2009: 11.

¹² Terance J. Rephann, "Rental Housing and Crime: The Role of Property Ownership and Management," *The Annals of Regional Science* (43), 2009: 2.

¹³ Town of Chapel Hill (NC), "Planning for Chapel Hill's Future: The Comprehensive Plan," May 8, 2000: i.

¹⁴ *Ibid*: 11.

rental housing.¹⁵ Since these neighborhoods represent approximately 20% of the total housing units within Chapel Hill, they are responsible for a disproportionate share of the loud noise complaints in the community. The City of Chapel Hill clearly links and monitors rental housing nuisance incidents with neighborhood character and quality of life.

IV. Minnesota Examples of Cities with Rental Housing Concentration Regulations

At the state level, in addition to Winona's rental housing concentration ordinance, we are aware of three other Minnesota cities that have established ordinances to address the issue of concentrated rental housing -- Northfield, Mankato and West St. Paul. While Winona's ordinance established a maximum of 30% rental housing properties per residential block, the other cities' maximums are all lower including 25%, 20% and 10%. These three ordinances were all established after Winona's ordinance was in place -- Northfield (2007), Mankato (2008) and West St. Paul (2012).

- **Northfield, MN:** Located in *Businesses Ordinance (not Zoning Ordinance), Rental Housing (Chapter 14, Article III)*. Limits the percentage of houses on a single block that can be granted rental housing licenses to 20% in low density neighborhoods (R-1 and R-2 zoning districts).
- **Mankato, MN:** Located in *Business Regulations & Licensing Ordinance (not Zoning Ordinance), Dwelling Unit Rental (Section 5.42, Subdivision 20)*. Limits the number of lots on any block that are eligible to obtain a rental license or to be licensed as a rental property to 25%.
- **West St. Paul, MN:** Located in *Building, Housing & Construction Regulations Ordinance (not Zoning Ordinance), Rental Dwellings (Section 435)*. Limits single-family rental properties to 10% per block in an R1 zoning district.

¹⁵ Town of Chapel Hill (NC), "2004 Chapel Hill Data Book," July 2004: S-8.

V. Analysis of Winona Nuisance and Police Violations Data

In order to compare Winona's rental housing situation with the findings from other cities' empirical studies related to rental housing concentration issues, which are described in Section III, an analysis was conducted of Winona's nuisance and police violations data. Since the City's "30% Rule" zoning ordinance was adopted at the end of 2005, this data analysis covers the time period of 2006-2011 for nuisance complaints. Police citation data was analyzed for the 2009-2010 time period. The intent of this analysis is to calculate and compare violations data for rental housing vs. owner-occupied housing within non-multifamily residential areas, as well as concentrated rental residential blocks (blocks currently over the 30% maximum) vs. all other residential blocks.

This analysis of nuisance and police violations was limited to properties within the City's residential zoning districts, except for R-3, since the "30% Rule" is only applicable to these zoning districts. Properties in the following zoning districts are exempt from the "30% Rule": B-1, B-2, B-3, R-3, M-1, and M-2. Within the applicable residential zoning districts, there are currently 7,383 properties. Some of these residential properties have not been developed with a residential building yet, therefore, the more relevant total residential properties number that we used is 6,557 developed residential properties, not including R-3 properties. In 2011, 1,161 properties had rental housing certification, which means rental housing certified properties represented 17.7% of the non-multifamily residential properties within Winona.

In 2011, there were a significant number of blocks that exceeded the maximum level of 30% rental housing. These blocks contain 1,528 residential properties, including both rental and owner-occupied housing, and represent 23.3% of the non-multifamily residential properties within Winona. 676 of the 1,528 properties on the "over 30%" blocks had rental housing certification, which translates to an average of 44.2% rental housing properties on the "over 30%" blocks. Although many blocks exceed the maximum level of 30% rental housing, many blocks do not. Within the city's area of traditional square blocks, approximately 700 additional rental housing certifications are permitted on blocks that currently have less than 30% rental housing. Within the entire city, approximately 1,400 additional rental housing certifications could be permitted. In other words, less than half of the possible rental housing certifications are currently being used since 1,171 rental housing certifications currently exist compared to the possibility of an additional 1,400 that could be permitted.

The first type of analysis looks at nuisance complaints for the time period of 2006-2011 for all properties within residential zoning districts, except R-3. The types of nuisance complaints included the following: uncontrolled weeds, grass/lawn maintenance, garbage, junk, vehicles, vehicles parked in yard, furniture in yard, snow/ice, no building permit, building deterioration, fence deterioration, and other. Table 1 below summarizes total number of residential property complaints, number & percentage of rental property complaints, and number & percentage of non-rental property complaints. The major finding is that rental housing properties, which represent just 17.7% of all non-multifamily residential properties within Winona, were responsible for 51% of the residential nuisance complaints from 2006-2011.

Table 1: Nuisance Complaints – Rental Residential Properties vs. Non-Rental Properties (2006-2011)

| Year | Total Number of Residential Property Complaints | Number of Rental Property Complaints | % Associated w/ Rental Properties | Number of Non-Rental Property Complaints | % Associated w/ Non-Rental Properties |
|-------------|--|---|--|---|--|
| 2011 | 345 | 133 | 39% | 212 | 61% |
| 2010 | 414 | 194 | 47% | 220 | 53% |
| 2009 | 492 | 249 | 51% | 243 | 49% |
| 2008 | 413 | 232 | 56% | 181 | 44% |
| 2007 | 416 | 255 | 61% | 161 | 39% |
| 2006 | 236 | 108 | 46% | 128 | 54% |
| 2006-2011 | 2,316 | 1,171 | 51% | 1,145 | 49% |

Note: Rental housing properties represent 17.7% of all non-multifamily residential properties in Winona, not including residential properties in the following exempted zoning districts – B-1, B-2, B-3, R-3, M-1 and M-2.

The second type of analysis looks at nuisance complaints for the time period of 2006-2011 comparing blocks with over 30% rental housing to blocks with less than 30% rental housing. Table 2 below summarizes total number of residential property complaints, number & percentage of complaints associated with blocks having over 30% rental housing, and number & percentage of complaints associated with blocks having less than 30% rental housing. The major finding is that blocks with over 30% rental housing, which represent just 23.3% of all non-multifamily residential properties within Winona, were responsible for 47% of the residential nuisance complaints from 2006-2011.

Table 2: Nuisance Complaints – Concentrated Rental Blocks vs. Other Residential Blocks (2006-2011)

| Year | Total Number of Residential Property Complaints | Number of Complaints in Blocks OVER 30% Rental Housing | % Associated w/ Blocks OVER 30% Rental Housing | Number of Complaints in Blocks LESS THAN 30% Rental Housing | % Associated w/ Blocks LESS THAN 30% Rental Housing |
|-------------|--|---|---|--|--|
| 2011 | 345 | 131 | 38% | 214 | 62% |
| 2010 | 414 | 187 | 45% | 227 | 55% |
| 2009 | 492 | 233 | 47% | 259 | 53% |
| 2008 | 413 | 203 | 49% | 210 | 51% |
| 2007 | 416 | 228 | 55% | 188 | 45% |
| 2006 | 236 | 102 | 43% | 134 | 57% |
| 2006-2011 | 2,316 | 1,084 | 47% | 1,232 | 53% |

Note: Blocks with over 30% rental housing represent 23.3% of all non-multifamily residential properties in Winona, not including residential properties in the following exempted zoning districts – B-1, B-2, B-3, R-3, M-1 and M-2.

The third type of analysis delves deeper into nuisance complaints for the time period of 2006-2011 to compare rental/non-rental properties on "over 30% rental blocks" with rental/non-rental properties on "less than 30% rental blocks". Table 3 below summarizes this data. The analysis in the upper half of Table 3 shows that rental housing properties on concentrated rental blocks had an average number of nuisance complaints per property of 1.16 vs. 0.80 for rental housing properties on non-concentrated rental blocks. This difference translates to a 45% higher rate of nuisance complaints for rental housing properties that are located on concentrated rental blocks. Another way to look at it is that rental housing properties located on concentrated rental blocks, which represent 10% of all residential properties, are responsible for 34% of residential nuisance complaints. Furthermore, the analysis in the lower half of Table 3 shows that non-rental housing properties on concentrated rental blocks had an average number of nuisance complaints per property of 0.35 vs. 0.19 for non-rental housing properties on non-concentrated rental blocks. Thus, the concentration of rental housing creates a spillover effect on non-rental housing to increase its rate of average nuisance complaints per property more than 80%.

Table 3: Nuisance Complaints – Rental/Non-Rental Properties & Concentrated Rental Blocks (2006-2011)

| <i>Type of Properties</i> | <i>Total Number of Properties</i> | <i>Number of Nuisance Complaints 2006-2011</i> | <i>Average Number of Nuisance Complaints per Property</i> | <i>% of Total Residential Properties</i> | <i>% of Nuisance Complaints</i> |
|--|-----------------------------------|--|---|--|---------------------------------|
| Rental Housing Properties on Over 30% Rental Blocks | 676 | 783 | 1.16 | 10% | 34% |
| Rental Housing Properties on Less Than 30% Rental Blocks | 485 | 388 | 0.80 | 8% | 17% |
| Non-Rental Housing Properties on Over 30% Rental Blocks | 852 | 301 | 0.35 | 13% | 13% |
| Non-Rental Housing Properties on Less Than 30% Rental Blocks | 4,544 | 844 | 0.19 | 69% | 36% |
| Total | 6,557 | 2,316 | 0.35 | 100% | 100% |

The fourth type of analysis looks at police citations for the 2009-2010 time period. The types of police citations analyzed included primarily loud party, minor consumption, social host ordinance, public urination, criminal damage to property, and theft/burglary. Table 4 below compares the number of police citations associated with rental/non-rental properties on "over 30% rental blocks" with rental/non-rental properties on "less than 30% rental blocks". The analysis in the upper half of Table 4 shows that rental housing properties on concentrated rental blocks had an average number of police citations per property of 0.0533 vs. 0.0206 for rental housing properties on non-concentrated rental blocks. This difference translates to a 160% higher rate of police citations for rental housing properties that are located on concentrated rental blocks. Another way to look at it is that rental housing properties located on

concentrated rental blocks, which represent 10% of all residential properties, are responsible for 55% of residential nuisance complaints.

Table 4: Police Citations – Comparison of Rental Properties & Blocks (2009-2010)

| <i>Type of Properties</i> | <i>Total Number of Properties</i> | <i>Number of Police Citations 2009-2010</i> | <i>Average Number of Police Citations per Property</i> | <i>% of Total Residential Properties</i> | <i>% of Police Citations</i> |
|--|-----------------------------------|---|--|--|------------------------------|
| Rental Properties on Over 30% Rental Blocks | 676 | 36 | 0.0533 | 10% | 55% |
| Rental Properties on Less Than 30% Rental Blocks | 485 | 10 | 0.0206 | 8% | 15% |
| Non-Rental Properties on Over 30% Rental Blocks | 852 | 3 | 0.0035 | 13% | 4% |
| Non-Rental Properties on Less Than 30% Rental Blocks | 4,544 | 17 | 0.0037 | 69% | 26% |
| Total | 6,557 | 66 | .0100 | 100% | 100% |

Note: The police citations data for 2009-2010 above does not include nine (9) of the citations because no address was indicated on these citations for the actual location of the crime incident.

VI. Conclusion

Our literature review of rental housing concentration and its effects, including the empirical studies of five cities, supports the conclusion that the concentration of rental housing results in negative impacts to the quality and livability of residential neighborhoods. In addition, our compilation and analysis of the relationship between Winona's rental housing concentration and nuisance complaints/police violations data parallels the findings of the literature review. In particular, we find that concentrated rental housing in Winona has resulted in a much higher rate of nuisance complaints and police violations in concentrated rental housing blocks, impacting both rental and non-rental residential properties. Thus, based upon the literature review, including the empirical studies of five cities relevant to Winona's rental housing issues, and the detailed analysis of Winona data, we conclude that the concentration of rental housing in Winona results in increased levels of nuisance and police violations in those neighborhoods. As these violations are indicators of increased nuisances and decreased property maintenance levels that negatively affect neighborhood quality and livability, we also conclude that the concentration of rental housing leads to decreased neighborhood quality and livability.