

CITY OF SAINT PAUL

8/3/2022

Rent Stabilization Amendment



Overview of Actions on Rent Stabilization

- Rent Stabilization Ordinance passed by voters on November 2, 2021
- Rent Stabilization Stakeholder Group:
 - Weekly meetings February through March, 2022
 - Public hearing at Stakeholder Group April, 2022
 - Report to City Council and additional public hearing on report July, 2022
- Implementation:
 - Ordinance amendments with administrative code and definitions April, 2022
 - Rulemaking process April, 2022



Features of Proposed Amendments

• **New Construction Exemption:** The proposed Amendment includes a 20-year exemption for new construction or reclassification from non-residential to residential.

 Partial Vacancy Decontrol: Allows landlord to bank 3% increases over a period of time and then reset rent after a just cause vacancy.

• Affordable Housing Exemption: This provision exempts low income housing programs.



Features of Proposed Amendments (cont.)

- Codified Process: Property owners can submit:
 - Reasonable rate of return application
 - Capital improvement and renovation application
 - Other exceptions available that require city review (i.e. code compliance)
- Additional Renter Protections:
 - The proposed amendment provides just cause vacancy protection
 - An anti-retaliation provision, and the landlord application process now includes notifications to renters from the City of Saint Paul
 - The amendment also provides for a tenant complaint process and a tenant appeal process and notification of approval of exceptions



Next Steps

- DSI implemented voter-approved rent stabilization anticipating ordinance changes once stakeholder work was complete
- Changes to ordinance will begin a new rules review process which includes a public comment period





















Process Flowchart – Complaints

Submit Web Complaint Form to DSI

Includes:

- Contact information (voluntary)
- Property information
- Nature of the complaint
- Any details complainant wants to share
- Complainant receives email explaining process and where to find other mediation resources

Staff Review

Includes:

- Reviewing content of complaint
- Requesting more information if necessary
- Reviewing any landlord application, if there is one on file

Investigation

- Establish if Final Determination has occurred
- Review content of application and compare to complaint

Follow-Through

Includes:

- Communicate with complainant, if contact information is provided
- Send educational letter to landlord, if found to be out of compliance.
- Ask for supporting documentation, if a selfcertified application.

Landlord Application on File?



Investigation

Includes:

 Send educational letter to landlord, asking them to come into compliance. Landlord submits application and goes through normal process

Landlord lowers rent in compliance with the ordinance

Landlord takes no action, investigation continues. Variable depending on specifics related to the complaint





















Process Flowchart - Exception Requests

Self-certification administrative process • Currently available between 3% and CPI + 1.95%

Receive Confirmation

Includes:

- Confirmation of receipt of self certification
- Tenant notification (from DSI)
- Option for appeal within 21 days of determination
- · Audit information

Complete initial financial worksheet and other forms

Includes

documentation of:

- Net Operating Expenses
- Annual Income
- Amortized Capital Improvement formulas
- Where asking for deferred rent increases, Just Cause documentation

Submit "Rent Increase Exception Request" form

Found online Rules describe what needs to be submitted Includes:

- Applicant information
- Property information
- Property information
 Iustification selection
- Increase amount proposed
- Portion of building impacted
- Rent roll for notification- Unit numbers (no names rather, Resident of Unit 102)

StaffDetermination

Landlord to Receive Confirmation of Application Includes:

- Information for submitting supporting documentation
- Next steps for making a determination
- Staff contact information

Work Towards Determination

Includes:

- Dialogue with City staff
- Submit additional or missing details
- Note: an application is abandoned if no action after 60 days.

Conclusion

Includes:

- Determination letter provided to applicant and tenants (notification comes from DSI)
- Option for appeal within 21 days of determination

Appeal to Hearing Officer

Optional for Landlords or tenants not satisfied with the











Process Flowchart - Appeals Process

DSI Determination

Grant/Deny Application for Exemption to 3% Annual Rent Increase Cap



No Appeal

Determination Finalized After 21 Days



Appeal Filed

- Filed with Legislative
 Hearing Office at City
 Council within 21 days of
 issuance
- · \$25 filing fee
- Appeal of determination may be filed by landlord or tenant
- Tenants and landlords notified of each other's appeal from Legislative Hearing Office and the scheduled hearing date
- DSI notified of appeal
- Rent increase stayed pending outcome of appeal
- Hearing scheduled 2-4 weeks from application

Appeal File Developed

- Appeal reviewed for completeness
- If self-certification, request for RROI forms to landlord and RROI added
- DSI information used for determination review added
- DSI inspection & permit history added
- Appeal file published with meeting agenda

Legislative Hearing(s) Conducted

- Staff report on analysis and determination
- Staff analysis of additional information received in appeal file, such as RROI for self-certification
- Appellant presentation of appeal
- Interested party and public comment received
- Discussion of appeal among staff, appellant and hearing officer

Hearing Officer Findings & Recommendation(s)

- Hearing Officer review of appeal, testimony and supplemental information gathered in appeal process
- Written record of appeal findings and recommendation(s) provided to appellant and interested parties
- Appellant and interested parties may provide additional information for Council consideration and inclusion in Council record
- Hearing Officer recommendation subject to potential modification based on additional information provided

City Council Decision

- Public hearing conducted
- Hearing Officer report provided on Council request and for contested recommendations
- Testimony from appellant and/or interested parties received
- Deliberation and decision (note matter may be continued to another meeting)



