



DATE: December 22, 2021
TO: City Council
FROM: Deputy Mayor Jaime Tincher
SUBJECT: Update on rent ordinance

Council President Brendmoen and Members of the Saint Paul City Council,

As we continue working toward and beyond implementation next year, I am providing the information below in response to a request for an update on the rent ordinance.

We've continued to leverage the preliminary needs assessment our Office of Financial Empowerment conducted at the Mayor's direction earlier this year, which included an array of factors for the City to consider ranging from the development of rules, policies, and procedures for governance and enforcement, to the systems other jurisdictions across the country have in place. We've since further focused our plans for implementation into three core areas.

Following our conversations in recent weeks, the first of these is a proposed exemption of new housing construction. As you'll recall, the ordinance language that passed last month did not directly address new housing construction but indicated a desire to ensure that individuals and entities are able to achieve a reasonable return on their investment. This was done by providing an exemption within the ordinance itself specifically for a reasonable return on investment.

Saint Paul needs both equity and stability, while simultaneously working towards increasing the amount of housing units and options that are available throughout our City. Exempting new construction from the rent ordinance is a key part of ensuring we continue to provide new housing growth in Saint Paul, and why the Mayor remains committed to signing such an exemption when it reaches his desk. **Melanie McMahon is lead staff on an exemption for new housing construction.**

Our second area of focus is convening a group of stakeholders to collectively explore how to balance our critical goals of equity and growth. We will convene representatives from impacted stakeholder groups including renters, homeowners, advocates, experts, owners and landlords of various scales and configurations of rental properties, real estate finance and legal professionals, staff and others to make recommendations toward improving and enhancing the ordinance - based on what we have learned together - and in order to achieve our goals of both equity and growth.

We remain committed to fostering a community conversation that carefully balances the interconnected needs of renters and landlords, and continues to address our housing needs, advance our economic growth goals and our equity and affordability goals, at the same time. We expect to convene the stakeholder group in the coming weeks. **Jon Grebner is staff lead in this process.**



The third focus area will be coordinated by Daniel Yang, and the key subject matter departments are PED, OFE, and CAO who will work collaboratively to develop the policies, procedures, and systems we will need in place for the rent ordinance. Their immediate focus will be on those areas we will need in place as we work toward implementation next year including considering needs around definitions, rules, market analysis, staffing, budget considerations, monitoring and evaluation, and the potential of a self-certification reporting system. They will also incorporate the work of the stakeholder group in the development of long-term plans as we continue working to ensure this policy meets the needs of our community.

Next month, we will publish a webpage on StPaul.gov with basic information about the rent ordinance, the City's plans for implementation, and contact information for members of the public to reach out to with questions.

Just as he has supported the development of our minimum wage ordinance and supported the work of the Community-First Public Safety Commission, Daniel Yang from the Mayor's Office has been designated as lead facilitator to help usher these three areas of work forward.

While there remains much work ahead, we have proven that people from a diverse set of perspectives and interests can come together to tackle tough challenges like this one. We look forward to continuing this conversation with you, and members of our community as we work together to ensure we develop an implementation plan for rent stabilization that reflects the will of Saint Paul voters and leads to greater housing security in every neighborhood.

Thank you,

Jaime Tincher
Deputy Mayor

###