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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

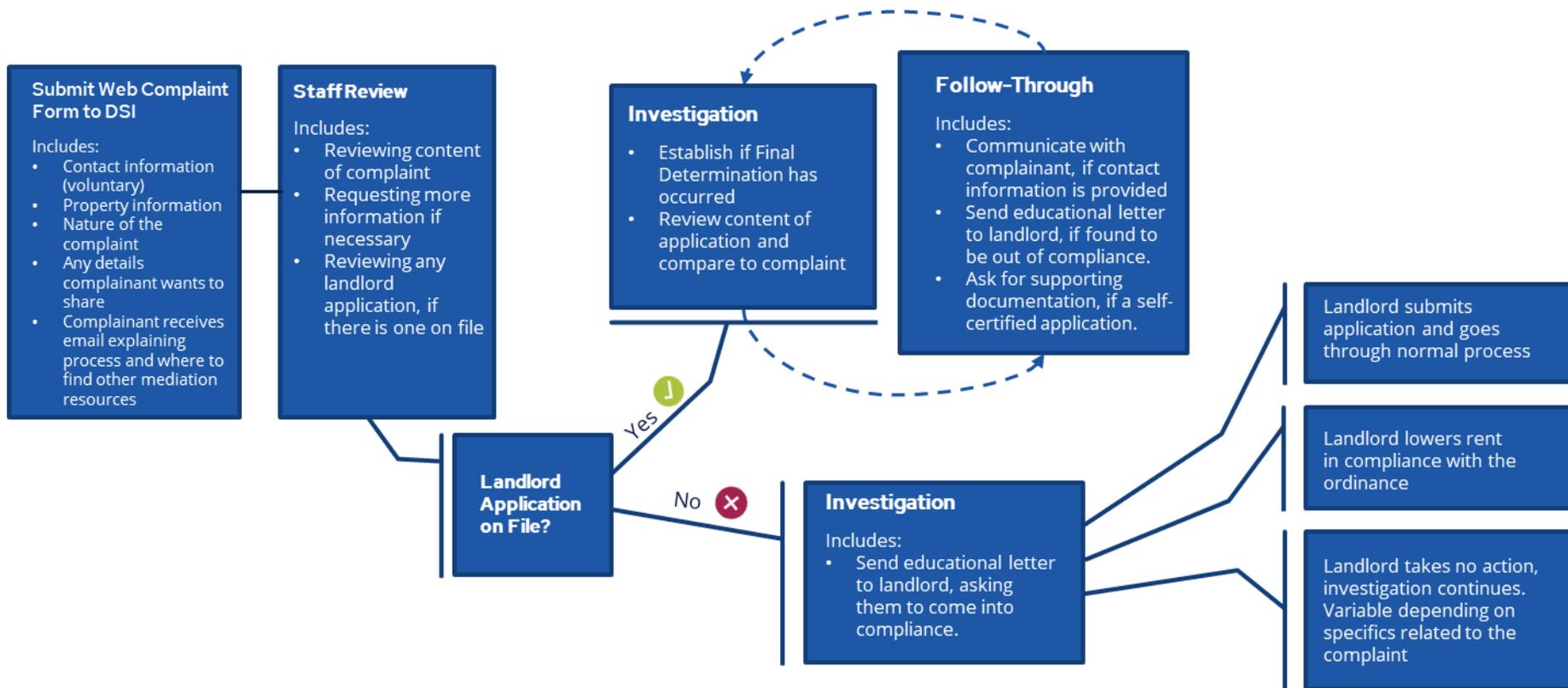


Next Steps

- 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





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



Staff Determination

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 staff determination





Process Flowchart - Appeals Process

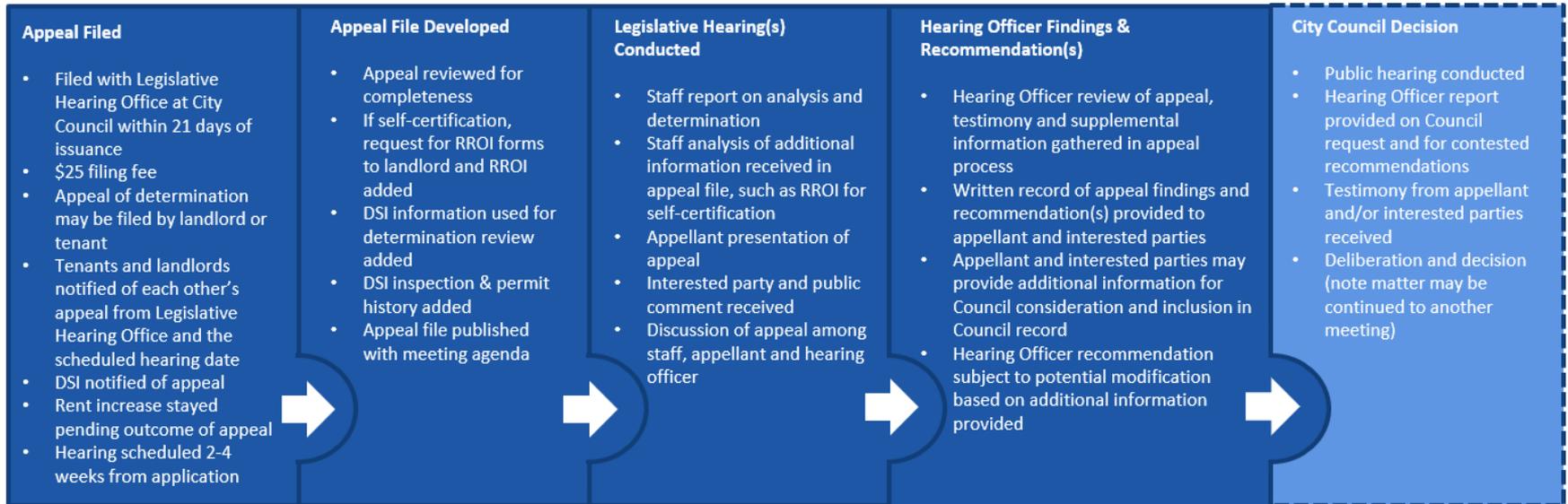
DSI Determination

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



No Appeal

Determination Finalized After 21 Days





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Questions / Discussion