



June 2, 2020

Saint Paul City Council

RE: Ordinance 20-14 (Tenant Protections)

Dear Mayor Carter and Members of the Saint Paul City Council:

We are writing to you today in support of the proposed tenant protections ordinance, Ord 20-14, "Creating Chapter 193 of the Legislative Code (Title XIX) pertaining to Tenant Protections."

Twin Cities Habitat for Humanity has enjoyed a partnership with the City of Saint Paul for years. Since 1985, we have built over 370 homes in St. Paul and helped over 1300 families across Minnesota achieve homeownership. Today, many of our clients live in St. Paul before entering our programs, and many choose to purchase their first home in St. Paul. Our work in St. Paul and elsewhere is driven by our mission to eliminate poverty housing from the Twin Cities and to make decent, affordable shelter for all people a matter of conscience.

While our primary focus is homeownership, the issue of tenant protections is important to us and to the families who partner with us. Most of the clients in our homeownership program are first-time homebuyers. Many families rent before partnering with us, and many continue to rent as they work towards their goal of homeownership and until they close on their new home. The proposed ordinance would impact current and future Habitat for Humanity clients. It is because of this potential impact that we offer the following comments.

Security Deposits and Relocation Assistance

The protections outlined in Ordinance 20-14 will help to create stability and safety for tenants. Sec. 193.03, regarding security deposit limits, and Sec. 193.07, regarding relocation assistance, help provide financial stability for renter families. These sections serve to limit hidden fees and remove disproportionate costs that would unfairly hinder the financial mobility and security of renters. From our work in financial coaching, we know that when families are able to budget and save money, they can become homeownership ready. Unexpected, exorbitant costs, such as a security deposit worth more than one month's rent or an unanticipated rent hike, can set a family back on their path to success.

Applicant Screening Guidelines

Tenant protections are a matter of racial justice. Sec. 193.04, regarding applicant screening guidelines, provides reasonable limitations on screening tenants for criminal, credit, and rental history. According to research conducted by the Amherst H. Wilder Foundation, 11 out of 15 criminal offense categories studied had no significant effect on housing outcomes.¹ Where there was an effect, it decreased over time; the impact of a misdemeanor became insignificant after 2 years, the impact of a felony after 5 years. This data suggests what we already know: criminal history has little bearing on tenant reliability. Criminal background screenings assess criteria that are not pertinent to a potential renter or homebuyer's chance of success.

Moreover, the disparities in our criminal justice system make tenant screening guidelines an issue of fair housing. According to census data from 2010, African Americans make up 5% of Minnesota's general population and 31% of the incarcerated population. Indigenous and Latinx communities are also overrepresented in the incarcerated population.² Renters in St. Paul are disproportionately people of color. This means that when tenant screening

¹ "Success in Housing: How Much Does Criminal Background Matter?" Wilder Research, 2019. [Link here.](#)

² "Minnesota Profile," Prison Policy Initiative. [Link here.](#)



guidelines include criminal history, people of color are disproportionately likely to be affected. The events of the last week have further shown us that communities of color are unfairly targeted by the criminal justice system. At the very least, those who are formerly incarcerated deserve fair access to safe and stable housing. This can prevent racial injustices from being compounded even further.

Just Cause

The proposed ordinance strikes a balance that is fair and equitable for both tenants and landlords. Under Sec. 193.05, if tenants are unable to pay rent or they otherwise violate the terms of their lease, landlords may file an eviction. Landlords may also terminate a lease when their plans for a rental property change significantly—for example, when the owner wishes to move in or to convert the units. We believe this provides landlords sufficient flexibility and security to protect their own interests. Just cause is a critical tool for protecting tenants from undue eviction and displacement. Without just cause, tenants have few defenses against gentrification, unfair treatment, or discrimination. Research shows that just cause protects low-income tenants from displacement and stabilizes rental markets.³ This is critical in St. Paul, a city where 51% of residents are renters.

Advance Notice of Sale

We support Sec. 193.06, which requires owners of affordable multi-family rental housing to notify the City and all tenants at least 90 days in advance of the building being made available for sale. This would allow the City to intervene to preserve Naturally Occurring Affordable Housing (NOAH). Additionally, Sec. 193.08 requires that new owners of affordable housing inform all tenants of transfer of ownership within 30 days of acquiring the property. This section establishes a 90-day tenant protection period, during which time tenants may be entitled to relocation assistance if the new owner raises rent, refuses to renew the lease, or instills new screening guidelines. We support this protection period and the relocation assistance clause for reasons stated earlier.

At Twin Cities Habitat for Humanity, we know that the housing disparities we see today are a result of decades of discriminatory policy. We are committed to addressing these disparities. Through the proposed tenant protections ordinance, the City of St. Paul has an opportunity to do the same. The ordinance as drafted is an essential tool for allowing low income renters and renters of color to gain housing stability. We are confident that with tenant protections, renters will find greater success in their housing outcomes. This has ripple effects across the housing continuum, including for homeownership providers like Twin Cities Habitat for Humanity.

In the wake of COVID-19, tenant protections are more urgent than ever. As we see increasing displacement due to the economic impacts of this crisis, renters need basic legal protections. For this and the reasons above, we are glad to support Ordinance 20-14. The St. Paul City Council, along with community advocates, has been visionary on this issue. We are grateful for your commitment to St. Paul residents and to affordable housing.

Thank you for your leadership.

A handwritten signature in black ink that reads "Chris Coleman".

Chris Coleman
President and CEO
Twin Cities Habitat for Humanity

³ "Protect Tenants, Prevent Homelessness," National Law Center on Homelessness and Poverty, 2018. [Link here.](#)