

Saint Paul Rent Stabilization Stakeholder Group

Report to City Council

July 13, 2022

Rent Stabilization Stakeholder Group

- 41 members
- Met 15 times from February 22 to June 7, 2022
- Co-Chairs:
 - Phillip Cryan, Service Employees International Union – Healthcare MN & IA
 - Tony Sanneh, The Sanneh Foundation
- Center for Urban and Regional Affairs (CURA) provided technical support, content on rent stabilization approaches, and facilitation services

The charge

- To “engage with each other in a spirit of constructive dialogue” to determine what rent stabilization should look like in Saint Paul
- Two parameters:
 - Accept that rent stabilization will exist in Saint Paul
 - Accept that some changes will be made to the policy enacted by ballot initiative in November 2021
- City Council resolution of March 23 asking for input on 10 specific topics

The process

- March 1 through April 5: Learnings
 - CURA
 - Dr. Kenneth Baar
 - The Mapping Prejudice Project
- April 12 through April 26: Public input
- May 3 through May 10: Additional presentations
 - Housing stability and affordability challenges (Rasheedah Phillips, PolicyLink)
 - Housing construction financing, investment, and operation (Sarah Harris, Aeon)
 - Saint Paul rental market analysis (CURA)
- May 17 through May 31: Small group deliberations
- June 7: Large group deliberation

Agreed-upon policy objectives

A good & effective rent stabilization program for Saint Paul would...

1. Provide stability of residence and affordable housing for Saint Paul renters
2. Provide renters with predictability in their housing costs from year to year
3. Prevent rent gouging
4. Provide property owners with the ability to recoup expenses for operational costs and property maintenance, and a reasonable rate of return on their investment
5. Result in continued maintenance of property, providing rents with decent, safe, and clean living environments and property owners with properties that remain in good shape.
6. Allow and encourage the upgrading of the rental housing stock through capital improvements
7. Result in the expansion of the rental housing stock and housing options in Saint Paul through new construction by continuing to attract investment and financing
8. Operate through a clear, transparent, and simple set of regulations and processes so that all parties have a good understanding of the system
9. Be efficient and process petitions and claims quickly
10. Have regulations and procedures that are fair to all parties
11. Produce good communication between renters and owners/management
12. Produce stable communities in the city.

The framework

Program design options

Choice of cap

- Flat pct increase
- Pegged to CPI
- CPI + pct
- Nominal amount
- Maximum increases

Decontrol

- Vacancy control or decontrol
- If decontrol, full or partial?

Exceptions to cap

- Pass throughs (maintenance, CI, utilities, property taxes)
- “fair or reasonable return”
- “banked” increases
- Limits to exceptions (max increases)

Housing stock exemptions

- New construction (rolling or fixed)
- Small buildings (single family homes, 2-4 unit buildings)
- Owner-occupation

Compliance & education

- Tenant or petition driven
- Monitoring
- Dispute resolution
- Public information
- Fees to support implementation

Program design elements

Choice of
cap

Flat 3%

Decontrol

Partial vacancy
decontrol

Exceptions
to cap

Reasonable
rate of return

Banking in
some form

Housing
stock
exemptions

15-year
exemption
for new
construction

Compliance
&
education

Educational
programming &
workshops ??

Other

Just cause
eviction
protections

Recommended

For further
discussion

Subsidized
units ??