



Legislation Text

File #: Ord 21-21, **Version:** 1

Repealing Chapter 193 of the Legislative Code related to Tenant Protections.

SECTION 1

WHEREAS, on July 8, 2020, this Council adopted Ordinance 20-14 Creating Chapter 193 of the Legislative Code (Title XIX) pertaining to Tenant Protections, which ordinance took effect on March 1, 2021; and

WHEREAS, on February 12, 2021, several plaintiffs including Lamplighter Village Apartments LLLP filed a federal civil complaint for declaratory and injunctive relief, which complaint was assigned to the Honorable Paul A. Magnuson, United States District Court Judge for the District of Minnesota; and

WHEREAS, plaintiffs asserted several claims, alleging that Ordinance 20-14 violated the Minnesota and United States constitutions; and

WHEREAS, on April 19, 2021, Judge Magnuson temporarily and preliminarily enjoined enforcement of Saint Paul's Tenant Protections Ordinance; and

WHEREAS, Judge Magnuson's preliminary injunction order stated that plaintiffs had demonstrated a likelihood of success on the merits of their constitutional claims; and

WHEREAS, in light of Judge Magnuson's order, the City Council finds it necessary and reasonable to repeal Chapter 193 in order to reassess legislative opportunities and strengthen the City's resolve to eliminate rental housing discrimination and ensure access to housing for all Saint Paul residents; and

WHEREAS, repealing Chapter 193 does not mean that Saint Paul residents who are victims of rental housing discrimination are without recourse, as federal and state laws-including the Minnesota Human Rights Act-remain in effect to prohibit such discrimination; and

WHEREAS, the City of Saint Paul remains committed to stable, accessible, fair and equitable housing; now, therefore be it

RESOLVED, that the Council of the City of Saint Paul does hereby ordain:

SECTION 2

Chapter 193 of the Saint Paul Legislative Code is repealed in its entirety.

Sec. 193.01. Definitions.

For the purposes of this chapter, the following terms shall have the meaning ascribed to them in this section.

Affordable housing building shall mean a single-family rental home or a multiple-family rental housing building where at least twenty (20) percent of the units rent for an amount that is affordable at no more than thirty (30) percent of income to households at or below eighty (80) percent of area median income, as most recently

determined by the United States Department of Housing and Urban Development for Low Income Housing Tax Credit (LIHTC) purposes, as adjusted for household size and number of bedrooms.

Affordable housing dwelling unit shall mean a rental dwelling unit in an affordable housing building that rents for an amount that is affordable to households at or below eighty (80) percent of area median income, as most recently determined by the United States Department of Housing and Urban Development, as adjusted for household size and number of bedrooms.

Available for sale shall mean the earliest implementation of any of the following actions: negotiating to enter into a purchase agreement that includes an affordable housing building, advertising the sale of an affordable housing building, entering into a listing agreement to sell an affordable housing building, or posting a sign that an affordable housing building is for sale.

Cure the deficiency shall mean that a tenant pays all monies rightfully owed, or fully complies with an order to correct a lease violation or notice to cease an activity that is in violation of a lease.

Displacement dwelling unit shall mean the dwelling unit from which a tenant was displaced pursuant to section 193.05(5) or (7).

Eviction shall mean a summary court proceeding to remove a tenant or occupant from, or otherwise recover possession of, real property by the process of law, pursuant to Minn. Stat. Ch. 504B.

Family member shall mean a property owner's child, step-child, adopted child, foster child, adult child, spouse, sibling, parent, step-parent, mother-in-law, father-in-law, grandchild, grandparent, or registered domestic partner as defined by Saint Paul Code of Ordinances section 186.02 and any individual related by blood or affinity whose close association with the property owner is the equivalent of a family relationship.

Just cause shall mean any of the bases listed in section 193.05(a) upon which a landlord may terminate tenancy.

Landlord shall mean the property owner or agent of the property owner.

Lease shall mean an oral or written agreement creating a tenancy in real property.

Relocation assistance shall mean a payment in an amount equal to three (3) times the rental housing affordability limit at sixty (60) percent of area median income for the Twin Cities metro area as published by the metropolitan council. Annually updated payments calculations can be located on the met council websites affordability limits for ownership and rental housing: <https://metro council.org/>

Rental application fee shall mean a fee paid by the potential tenant to a landlord, in order for the landlord to screen the background of the potential tenant before signing the lease.

Security deposit shall have the meaning stated in Minn. Stat. § 504B.178.

Single month's rent shall have the following meaning: for a lease in which rent is paid once each month in the same amount, single month's rent means that amount. When a tenant's rent is supplemented by a rental subsidy, rent means the total contract rent for the dwelling unit. For a lease in which rent is paid once each period in the same amount but the period is not one (1) month, single month's rent means the amount paid per period divided by the number of days in the period and then multiplied by thirty (30). For other leases, single month's rent means the total amount of rent due under the anticipated length of the lease divided by the number of days in the anticipated length of the lease and then multiplied by thirty (30).

Substantially equivalent replacement unit shall mean a dwelling unit which is decent, safe and sanitary, contains at least the same number of bedrooms and other living areas as the displacement dwelling unit, and is available at a substantially similar rental rate within the neighborhood district of the displacement dwelling unit. Perfect comparability is not required.

Substantially similar rental rate shall mean the displacement dwelling unit rental rate plus five (5) percent or minus ten (10) percent of the contract rate for a single month rent.

Tenant shall mean an authorized occupant of a residential rental building under a lease or contract, whether oral or written.

Tenant protection period shall mean the period that commences with the transfer of ownership of an affordable housing building and runs through the end of the ninety (90) calendar days following the month in which written notice of sale is delivered to each affordable housing dwelling unit tenant pursuant to section 193.08(a).

Termination of tenancy shall mean the end of a tenancy following written notice given by a landlord to a tenant requiring the tenant to move, including nonrenewal of lease.

Transfer of ownership shall mean any conveyance of title to an affordable housing building, whether legal or equitable, voluntary or involuntary, resulting in a transfer of control of the building, effective as of the earlier of the date of delivery of the instrument of conveyance or the date the new owner takes possession.

Sec. 193.02. Tenant rights information packets and tenant rights posters.

(a) Tenant rights information packets and posters for landlords and tenants. The office of financial empowerment (the office) will create and maintain a tenant rights information packet that includes:

(1) A summary of the City of Saint Paul Chapter 193 (Tenant Protections), the Minnesota Attorney General's booklet on Landlords and Tenants Rights and Responsibilities pursuant to Minn. Stat. § 504B.275, and a summary of federal fair housing laws describing the respective rights, obligations, and remedies of landlords and tenants thereunder; and

(2) A list of tenant resources, including, but not limited to: information regarding community organizations, government departments, and other entities and organizations that tenants can use to support their housing stability, seek legal advocacy, and provide information or resources for other housing needs.

(b) Tenant rights information poster. the office of financial empowerment will create and maintain a poster summarizing tenant rights and responsibilities that includes a summary of City of Saint Paul Chapter 193 (Tenant Protections).

(c) Online availability. The office will make the information packets and posters described in section 193.02 available online.

(d) Non-English versions. The poster and packet will be printed in English and any other languages that the department determines are needed to notify tenants of their rights under this chapter.

Sec. 193.03. Security deposits.

(a) Limit on security deposit amount. No landlord shall demand, charge, accept, or retain from a tenant more than a single month's rent as a security deposit.

(b) Pre-paid rent limitation. No landlord shall demand, charge, accept, or retain from a tenant pre-paid

rent an amount that exceeds the equivalent of a single month's rent. This provision should not be read to prohibit a landlord from demanding, charging, accepting, or retaining a security deposit, pet deposit, or application fees, pursuant to section 54.03 of the Saint Paul Legislative Code.

(c) ~~Governing law. Any security deposit furnished herein shall be governed by the provisions of Minn. Stat., § 504B.178, together with this section.~~

(d) ~~Exception. For applicants who could be disqualified under section 193.04 an owner may charge, accept and retain an additional payment not to exceed one (1) single month's rent in the form of a security deposit or pre-payment as a condition to enter into a lease agreement with the applicant.~~

Sec. 193.04. Applicant screening guidelines for prospective tenants.

(a) ~~Screening criteria made available. Before accepting applications for rental housing, a landlord must provide written rental screening criteria to all applicants.~~

(b) ~~Uniform screening criteria. A landlord must apply uniform screening criteria and cannot disqualify an applicant for any of the following reasons:~~

~~(1) Criminal history.~~

~~a. Any arrest or charge that did not result in conviction of a crime;~~

~~b. Participation in or completion of a diversion or a deferral of judgment program, including, but not limited to: pre-charge or pretrial diversion, stay of adjudication, continuance for dismissal, or a continuance without prosecution;~~

~~c. Any conviction that has been vacated or expunged;~~

~~d. Any conviction for a crime that is no longer illegal in the state of Minnesota;~~

~~e. Any conviction or any other determination or adjudication in the juvenile justice system, except under procedures pursuant to Minn. Stat. § 260B.130.~~

~~f. A petty misdemeanor offense is not a criminal offense. For the purposes of this chapter, a petty misdemeanor cannot be grounds for a denial;~~

~~g. Any misdemeanor, gross misdemeanor or felony conviction stemming from the following traffic offenses: reckless driving, driving without a license, driving with a suspended or revoked license, and DUI that did not result in additional charges for injury to a person;~~

~~h. Any conviction for misdemeanor or gross misdemeanor offenses for which the dates of sentencing are older than three (3) years;~~

~~i. Except as indicated in paragraph (j) below, any criminal conviction for felony offenses for which the dates of sentencing are older than seven (7) years; however, a landlord may deny an applicant who has been convicted of the illegal manufacture or distribution of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), or for those same offenses that mandate denial of tenancy in federally assisted housing subject to federal regulations, including, but not limited to, when any member of the household is subject to a lifetime sex offender registration requirement under a state sex offender registration program.~~

~~j. Any criminal conviction for the following felony offenses for which the dates of sentencing are older than ten (10) years: first-degree assault (Minn. Stat. § 609.221), first-degree arson~~

(Minn. Stat. § 609.561), aggravated robbery (Minn. Stat. § 609.245), first-degree murder (Minn. Stat. § 609.185), second-degree murder (Minn. Stat. § 609.19), third-degree murder (Minnesota Statutes 609.195), first-degree manslaughter (Minnesota Statutes 609.20), kidnapping (Minn. Stat. § 609.25), or first-degree criminal sexual conduct (Minn. Stat. § 609.342).

(2) Credit history.

- a. Credit score by itself; however, a landlord may use credit report information to the extent the report demonstrates a failure to pay rent or utility bills; or
- b. Insufficient credit history, unless the applicant in bad faith withholds credit history information that might otherwise form a basis for denial.

(3) Rental history.

- a. An eviction action pursuant to Minn. Stat. ch. 504 or other equivalents in other states, if the action occurred three (3) or more years before the applicant submits the application or if the action occurred during the three (3) years immediately preceding submission of the application but did not result in a judgment entered against the applicant.
- b. Insufficient rental history, unless the applicant in bad faith withholds rental history information that might otherwise form a basis for denial.
- c. If a landlord uses a minimum income test requiring an income equal to two and half (2.5) times the rent or higher, the landlord must allow an exception to that test where the applicant can demonstrate a history of successful rent payment with the same or lower ratio of income to rent.
- d. Exception. Whenever local, state, or federal funding or loan requirements for tenant screening conflict with any portion of section 193.04, the funding or loan requirements will take precedence over only those portions in conflict.

Sec. 193.05. Just cause notice for tenants.

(a) Just cause notice. A landlord may not issue a notice terminating tenancy unless the landlord is able to establish one (5) or more of the following grounds:

(1) Non-payment of rent. The tenant fails to cure the deficiency after receiving a non-payment notice from the landlord, and the landlord does not pursue a valid non-payment eviction action under Minn. Stat. § 504B.291, subd. 1(a), but decides to terminate tenancy at the end of the lease.

(2) Repeated late payment of rent. The tenant repeatedly makes late payments of rent, no fewer than five (5) times in a 12-month period. The landlord must provide the tenant with notice following a late payment that a subsequent late payment may be grounds for termination of tenancy. If the tenant continues to make a late payment on no fewer than five (5) occasions per year, the landlord must give the tenant notice to vacate at least equal to the notice period outlined in the original lease agreement terms.

(3) Material non-compliance. After receiving a written notice to cease from the landlord, the tenant continues, or fails to cure the deficiency, to a material breach of the lease. This subsection shall not diminish the rights of a landlord, if any, to terminate a lease for actions permitted under Minn. Stat. § 504B.281, et seq.

(4) ~~Refusal to renew. The tenant refuses to renew or extend the lease after the landlord requests in writing that the tenant do so. The landlord shall give the tenant notice to vacate at least equal to the notice period outlined in the original lease agreement terms following the tenant's refusal to renew or extend the lease. This subsection shall in no way diminish the fifteen (15) to thirty (30) day notice period as required by Minn. Stat. § 504B.145 for leases with automatic renewal provisions.~~

(5) ~~Occupancy by property owner or family member. The property owner, in good faith, seeks to recover possession of the dwelling unit so that the property owner or a family member may occupy the unit as that person's principal residence. The property owner or family member must move into the unit within ninety (90) days from the tenant's vacation. If a substantially equivalent replacement unit is vacant and available, that unit must be made available to the tenant at a substantially similar rental rate as the tenant's current lease.~~

(6) ~~Building demolition and dwelling unit conversion. The landlord (i) elects to demolish the building, convert it to a cooperative provided the landlord complies with the provisions of Minn. Stat. ch. 515B, or convert it to nonresidential use; provided that, the landlord must obtain a permit necessary to demolish or change the use before terminating any tenancy, or (ii) the landlord seeks, in good faith, to recover the unit to sell it in accordance with a condominium conversion, provided the landlord complies with the provisions of Minn. Stat. ch. 515B, or (iii) the dwelling unit is being converted to a unit subsidized under a local, state or federal housing program and the tenant does not qualify to rent the unit under that program.~~

(7) ~~Rehab and renovation. The landlord seeks, in good faith, to recover possession of the dwelling unit that will render the unit uninhabitable for the duration of the rehabilitation or renovation. The landlord must provide ninety (90) days' written notice to the tenant, and shall provide relocation assistance to the tenant upon delivery of the written notice. If a substantially equivalent replacement unit is vacant and available in the building, that unit may be made available to the tenant at a substantially similar rental rate as the tenant's current lease.~~

(8) ~~Complying with a government order to vacate. The landlord is complying with a government agency's order to vacate, order to abate, or any other order that necessitates the vacating of the dwelling unit as a result of a violation of Saint Paul city codes or any other provision of law. The landlord shall provide relocation assistance to the tenant upon delivery of the written notice. If a substantially equivalent replacement unit is vacant and available in the building, that unit may be made available to the tenant at a substantially similar rental rate as the tenant's current lease.~~

(9) ~~Occupancy conditioned on employment. The tenant's occupancy is conditioned upon employment on the property and the employment relationship is terminated.~~

(10) ~~Exceeding occupancy. Tenant exceeds the occupancy standards under City of Saint Paul Code 34.13, except for that no tenant may be evicted, denied a continuing tenancy, or denied a renewal of a lease on the basis of familial status commenced during the tenancy unless one (1) year has elapsed from the commencement of the familial status and the landlord has given the tenant six (6) months prior notice in writing, except in case of nonpayment of rent, damage to the premises, disturbance of other tenants, or other breach of the lease. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.~~

(b) ~~Landlord responsibilities. All residential tenant leases, except for state licensed residential facilities and subject to all preemptory state and federal laws, shall include the following just cause notice language: The landlord under this lease shall not unilaterally terminate or attempt to terminate the tenancy of any tenant unless the landlord can prove in court that just cause exists. The reasons for termination of tenancy listed in the City of Saint Paul's just cause notice (section 193.05), and no others, shall constitute just cause under this provision.~~

(c) ~~Application. This section applies to every lease, written or oral.~~

(d) ~~Notice requirements. With any termination notices required by law, landlords terminating any tenancy protected by this chapter shall advise the affected tenant or tenants in writing of the reasons for the termination and the facts in support of those reasons.~~

Sec. 193.06. Advance notice of sale (of affordable housing).

(a) ~~Notice of proposed sale. Any owner or representative of the owner who intends to make available for sale any affordable housing building shall notify the director of the department of planning and economic development. The notice shall be on a form prescribed by the city stating the owner's intent to make available for sale the affordable housing building and which may include, at the city's sole discretion, some or all of the following information:~~

~~(1) Owner's name, phone number, and mailing address;~~

~~(2) Address of the affordable housing building that will be made available for sale;~~

~~(3) Total number of dwelling units in the building; and~~

~~(4) Number and type (e.g., efficiency, one (1) bedroom, two (2) bedrooms, etc.) of affordable housing dwelling units in the building and the contract rent for every dwelling unit in the building.~~

(b) ~~Manner and timing of notice. The notice shall be mailed, or hand delivered to the director of the department of planning and economic development no later than ninety (90) days prior to the affordable housing building being made available for sale. The notice shall also be delivered directly to all affected tenants and include the following language requirement: "This is important information about your housing. If you do not understand it, have someone translate it for you now, or request a translation from your landlord." This advisory must be stated in the notice in the following languages: English, Spanish, Somali, Karen, and Hmong. This notice shall be delivered to all affected tenants no later than ninety (90) days prior to the Affordable Housing Building being made Available for Sale. Upon request by the tenant, the owner must provide a written translation of the notice into the tenant's preferred language of ones listed above.~~

(c) ~~Exclusions. This section shall not apply to the sale of transfer of title of an affordable housing building already subject to federal, state, or local rent or income restrictions that continue to remain in effect after the sale or transfer.~~

Sec. 193.07 Relocation assistance.

(a) ~~Relocation assistance required. If, during the tenant protection period provided in section 193.08(b), the new owner of an affordable housing building terminates or refuses to renew any affordable housing dwelling unit tenant's lease without cause, then the new owner shall pay relocation assistance.~~

(b) ~~Relocation assistance upon written notice of termination. If, during the tenant protection period provided in section 193.08(b), the new owner of an affordable housing building raises any affordable housing dwelling unit tenant's rent, or rescreens an existing affordable housing dwelling unit tenant, and the tenant or new owner delivers written notice to terminate the lease because the new owner has determined that the tenant does not meet the new screening criteria, the new owner shall, within thirty (30) days of receiving or delivering written notice of termination of the lease, pay relocation assistance to the tenant.~~

Sec. 193.08. Notice of sale (of affordable housing).

(a) ~~Written notice required. When a transfer of ownership occurs, the new owner shall, within thirty (30) days of acquiring ownership of the property, deliver written notice to each affordable housing dwelling unit tenant of the building that the property is under new ownership and all of the following information:~~

~~(1) Name, phone number, and mailing address of the new owner.~~

~~(2) The following statement: "Saint Paul Code of Ordinances section 193.08 provides for a ninety (90) day Tenant Protection Period for affordable housing dwelling unit tenants. Under section 193.07, an affordable housing dwelling unit tenant may be entitled to Relocation Assistance from the new owner if the new owner terminates or does not renew (pursuant to the City of Saint Paul Just Cause Notice) the tenant's lease without cause within the ninety (90) day Tenant Protection Period following delivery of this notice. Affordable housing unit tenants may also be entitled to Relocation Assistance from the new owner if the owner raises the rent or initiates a tenant screening process within the Tenant Protection Period and the tenant terminates their lease."~~

~~(3) Whether there will be any rent increase within the ninety (90) day tenant protection period with the amount of the rent increase and the date the rent increase will take effect.~~

~~(4) Whether the new owner will require existing affordable housing dwelling unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria (pursuant to section 193.04) during the ninety (90) day tenant protection period and, if so, a copy of the screening criteria.~~

~~(5) Whether the new owner will terminate or not renew leases without cause during the ninety (90) day tenant protection period and, if so, notice to the affected affordable housing dwelling unit tenants whose leases will terminate and the date the leases will terminate.~~

~~(6) Whether, on the day immediately following the tenant protection period, the new owner intends to increase rent, require existing affordable housing dwelling unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria, or terminate or not renew affordable housing dwelling unit leases without cause.~~

~~(b) Tenant protection period. The tenant protection period commences with the transfer of ownership of an affordable housing building and runs through the end of the ninety (90) calendar days following the month in which written notice of sale is delivered to each affordable housing dwelling unit tenant pursuant to this section.~~

~~(c) Delivery of notice to department of safety and inspections. This same written notice shall be furnished to the director of the department of safety and inspections at the same time notice is delivered to tenants. The new owner or representative of the new owner of an affordable housing building shall not terminate or not renew a tenant's lease without cause, raise rent, or rescreen existing tenants during the tenant protection period without providing the notices required by this section. The notice shall also include the following language requirement: "This is important information about your housing. If you do not understand it, have someone translate it for you now, or request a translation from your landlord." This advisory must be stated in the notice in the following languages: Spanish, Somali, Karen, and Hmong. Upon request by the tenant, the owner must provide a written translation of the notice into the tenant's preferred language of ones listed above.~~

Sec. 193.09 Enforcement, penalties, and prohibitions.

- (a) ~~Private right of action created penalties for violation. In addition to any other remedy available at equity or law, failure to comply with the provisions of this chapter may result in criminal prosecution and/or administrative fines. In addition, any tenant aggrieved by a landlord's noncompliance with this chapter may seek redress in any court of competent jurisdiction to the extent permitted by law.~~
- (b) ~~Damages for violation of section 193.05, Just Cause. A landlord who terminates a tenancy using a notice which references section 193.05 as the ground for termination of tenancy, without fulfilling or carrying out the stated reason for or condition justifying the termination of such tenancy, shall be liable to such tenant in a private right for action for damages equal to relocation assistance under section 193.07(b), costs of suit or arbitration, and reasonable attorney's fees.~~
- (c) ~~Administrative fines and notice requirement for violation of section 193.08, Notice of Sale. A violation of section 193.08 as to each affordable housing dwelling unit shall constitute a separate offense. A notice of violation shall not be required in order to establish or enforce a violation of the section. Notwithstanding any other provision to the contrary, the administrative fine for a violation of section 193.08 shall be the sum of the applicable amount of relocation assistance. Within thirty (35) days after receipt of this money by the city, the city shall pay to the displaced tenant of the affordable housing dwelling unit for which the violation occurred an amount equal to the relocation assistance as defined by this chapter.~~
- (d) ~~Prohibition of waiver. Any lease provision which waives or purports to waive any right, benefit or entitlement created in this chapter shall be deemed void and of no lawful force or effect.~~
- (e) ~~'No just cause' as lawful defense. In any action commenced to non-renew or to otherwise terminate the tenancy of any tenant, it shall be a defense to the action that there was no just cause for such non-renewal of lease or termination as required in this section.~~
- (f) ~~Mutual termination. This section does not preclude a landlord and tenant from agreeing to a mutual termination.~~

Sec. 193.10. Evaluation.

~~The OFE shall conduct an evaluation of the impact of this chapter to determine if the section should be maintained or amended. The evaluation shall demonstrate the section's impacts, if any, on the ability of low-income persons, persons of color, and persons with limited English proficiency to obtain housing, and the overall availability of affordable housing in the city and known data on the compliance and known violations of the ordinance. The OFE may retain an independent, outside party to conduct the evaluation. The evaluation shall be conducted eighteen (18) months following the effective date of this chapter, and be submitted to the city council within two and one-half (2.5) years following the effective date.~~

Sec. 193.11. Budget.

~~Within ninety (90) days after passage of this section, the OFE shall present to the council the costs of implementing this section, including education and enforcement, and will propose a budget equal to these costs for the council's consideration for every year beginning in 2021.~~

Sec. 193.12. Exemptions.

~~Whenever local, state, or federal funding or loan requirements conflict with any portion of this chapter, those funding or loan requirements will take precedence over only those portions in conflict. This subsection shall not be read to exempt properties from the requirements of this chapter based on funding source alone.~~

Sec. 193.13. Implementation task force created.

~~The office of financial empowerment (OFE) shall convene an implementation task force made up of tenants, landlords and tenants' and landlords' advocates to propose rules and an implementation plan for this chapter, including a plan for educating landlords and tenants about the provisions in this section.~~

Sec. 193.14. Severability.

~~If any section, clause, provision, or portion of this chapter is determined to be invalid or unconstitutional by a court of competent jurisdiction, that section, clause, provision, or portion shall be deemed severed from the chapter, and such determination shall not affect the validity of the remainder of the chapter.~~

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days following its passage, approval, and publication.