



## Legislation Text

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**File #:** Ord 22-16, **Version:** 2

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Amending Chapter 193A of the Legislative Code to define certain terms contained therein and ensure consistency of language used throughout. (Public hearing continued from March 23.)

**AMENDED 3/23/2022**

### SECTION 1

WHEREAS, on November 2, 2021, a majority of voters in the City of Saint Paul voted in favor of adopting the residential rent stabilization ordinance; and

WHEREAS, the ordinance, as approved by voters, does not contain a definitions section; and

WHEREAS, since the ordinance was approved on November 2, 2021, the lack of a definitions section has been a source of confusion for Saint Paul landlords and tenants alike, which has made it necessary to amend the ordinance to include a definitions section; and

WHEREAS, in the course of drafting definitions, it was necessary to renumber the ordinance approved by voters, but, in doing so, no substantive changes were made to the original language except the addition of section 193A.03; now, therefore, be it

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

### SECTION 2

Section 193A.01 of the Saint Paul Legislative Code is hereby amended as follows:

Sec. 193A.01. - Findings.

In order to retain or find adequate rental housing, many residents of the City of Saint Paul pay a substantial amount of their monthly income for Rent; that the present shortage of residential Rental Units and the prevailing Rent levels have a detrimental effect on the health, safety, and welfare of a substantial number of Saint Paul residents, particularly persons in low and moderate income households, and persons on fixed incomes who reside in the City; that residential Tenants constitute over 50% of the residents in Saint Paul; that residential Tenants suffer great and serious hardship when forced to move from their homes; that the community is impacted by housing instability when rent increases outpace incomes; and that the welfare of all persons who live, work, or own Property in the City of Saint Paul depends in part on ensuring that Saint Paul residents have access to affordable housing.

### SECTION 3

Section 193A.02 of the Saint Paul Legislative Code is hereby amended as follows:

Sec. 193A.02. - Authority.

Pursuant to Minnesota Statutes, ~~§section~~ 471.9996, subdivision 2, the City of Saint Paul shall establish a policy limiting rent increases on ~~r~~Residential ~~r~~Rental ~~p~~Properties as approved in a general election.

#### SECTION 4

Section 193A.03 of the Saint Paul Legislative Code is hereby amended as follows:

~~Sec 193A.03 Limitation on rent increases.~~

~~No landlord shall demand, charge, or accept from a tenant a rent increase within a 12 month period that is in excess of 3% of the existing monthly rent for any residential rental property except as otherwise allowed under section 193A.05 or 193A.06.~~

Sec. 193A.03. - Definitions.

Unless otherwise expressly stated, the following terms shall, for the purposes of this chapter, have the meanings indicated in this section:

- (a) *Change of Occupancy.* A change in occupation of the Rental Unit from one Tenant to another Tenant.
- (b) *City.* The City of Saint Paul.
- (c) *Code.* The Saint Paul Legislative Code.
- (d) *Housing Services.* Housing Services include but are not limited to repairs, maintenance, painting, light, hot and cold water, elevator service, window shades and screens, storage units, kitchen, bath, and laundry facilities and privileges, janitorial services, utilities that are paid by the landlord, refuse removal, furnishings, telephone services, vehicle parking spaces, the right to have a specified number of occupants, and any other benefit, privilege, or facility connected with the use or occupancy of any rental unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Unit is contained.
- (e) *Landlord.* An owner of real property, a contract for deed vendee, receiver, executor, trustee, lessee, agent, or other person directly or indirectly in control of rental property.
- (f) *Local Housing, Health, and Safety Codes.* Any building, fire, housing, health, safety, or other similar code, law, or ordinance promulgated or enacted by the County of Ramsey and/or the City of Saint Paul, or any lawful agency or department thereof, which is applicable to a building in such city. Housing, health, and safety codes include, without any limitation on the foregoing sentence as a result of this specification, the provisions of chapters 33, 34, 43, 45, 49, 55, and 58 of the Code.
- (g) *Rent.* All monetary consideration charged or received by a Landlord concerning the use or occupancy of a Rental Unit pursuant to a Rental Agreement. ~~All periodic payments and all nonmonetary consideration, including but not limited to the fair market value of goods or services rendered to or for the benefit of the Landlord under a Rental Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services.~~
- (h) *Rental Agreement.* An agreement, oral, written, or implied, between a Landlord and a Tenant for the use or occupancy of any Rental Unit.
- (i) *Residential Rental Unit, Rental Unit, or Unit.* Any dwelling unit, or portion of a dwelling unit, that is rented or otherwise made available for rent for residential use or occupancy, together with all Housing Services connected with the use or occupancy of such property. This term shall not include the following:
  - (1) Rental Units which a government unit, agency, or authority owns, operates, or otherwise manages;
  - (2) Rental Units in hotels, motels, inns, tourist homes, or other similar establishment which

- are rented primarily to transient guests for a period of fewer than thirty (30) days:
- (3) Rental Units or other accommodations provided by a church, chapel, synagogue, temple or other similar place of worship; and
  - (4) Hospitals, long-term care facilities or nursing homes licensed under Minnesota Statutes sections 144A.02 to 144A.10, boarding care homes licensed under sections 144.50 to 144.56, assisted living facilities or assisted living facilities with dementia care licensed under chapter 144G, or licensed or registered residential settings that provide or arrange for the provision of home care services.
- (j) Residential Rental Property. Residential Rental Property shall have the same meaning as Residential Rental Unit, Rental Unit, or Unit as defined in section 193A.03(i) of the Code.
  - (k) Tenancy. The right or entitlement of a Tenant to use or occupy a Rental Unit under the terms of a Rental Agreement.
  - (l) Tenant. A person who is occupying a Rental Unit in a residential building under a Rental Agreement that requires the payment of money or exchange of services, as well as other regular occupants of that Unit.

## SECTION 5

Section 193A.04 of the Saint Paul Legislative Code is hereby amended as follows:

### ~~Sec. 193A.04 Vacancy~~

~~Limitation on the amount of annual rent increase shall apply regardless of change of occupancy in a residential rental unit except as otherwise allowed under section 193A.05 or 193A.06.~~

### Sec. 193A.04. - Limitation on rent increases.

No Landlord shall demand, charge, or accept from a Tenant a Rent increase within a 12 month period that is in excess of 3% of the existing monthly Rent for any Residential Rental Property except as otherwise allowed under sections 193A.06 or 193A.07.

## SECTION 6

Section 193A.05 of the Saint Paul Legislative Code is hereby amended as follows:

### ~~Sec 193A.05 Reasonable Return on Investment.~~

~~(a) The city shall establish a process by which landlords can request exceptions to the limitation on rent increases based on the right to a reasonable return on investment. Rationale for deviations from the limitation on rent increases must take into account the following factors:~~

- ~~(1) Increases or decreases in property taxes~~
- ~~(2) Unavoidable increases or any decreases in maintenance and operating expenses~~
- ~~(3) The cost of planned or completed capital improvements to the rental unit (as distinguished from ordinary repair, replacement and maintenance) where such capital improvements are necessary to bring the property into compliance or maintain compliance with applicable local code requirements affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvement~~
- ~~(4) Increases or decreases in the number of tenants occupying the rental unit, living space, furniture, furnishings; equipment, or other housing services provided, or occupancy rules~~
- ~~(5) Substantial deterioration of the rental unit other than as a result of normal wear and tear~~
- ~~(6) Failure on the part of the Landlord to provide adequate housing services, or to comply substantially with applicable state rental housing laws, local housing, health and safety codes, or~~

the rental agreement

(7) ~~The pattern of recent rent increases or decreases~~

~~(b) It is the intent of this chapter that exception to limitation on rent increases be made only when the Landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment.~~

~~(c) The city will not grant an exception to the limitation on rent increases for any unit where the landlord has failed to bring the rental unit into compliance with the implied warranty of habitability.~~

Sec. 193A.05. - Vacancy.

The limitation on the amount of annual Rent increase shall apply regardless of Change of Occupancy in a Residential Rental Unit except as otherwise allowed under sections 193A.06 or 193A.07.

## SECTION 7

Section 193A.06 of the Saint Paul Legislative Code is hereby amended as follows:

~~Sec. 193A.06 Exceptions~~

~~(a) The limitation on rent increases shall not apply to the amount that a housing service provider can be reimbursed by a government entity under the Housing Support Act, Minn. Stat. § 256I.~~

~~(b) The limitation on rent increases shall not apply to changes in the tenant obligation for income based payments where the renter obligation is established as a share of income.~~

Sec. 193A.06. - Reasonable return on investment.

(a) The City shall establish a process by which Landlords can request exceptions to the limitation on Rent increases based on the right to a reasonable return on investment. Rationale for deviations from the limitation on Rent increases must take into account the following factors:

- (1) Increases or decreases in property taxes;
- (2) Unavoidable increases or any decreases in maintenance and operating expenses;
- (3) The cost of planned or completed capital improvements to the Rental Unit (as distinguished from ordinary repair, replacement and maintenance) where such capital improvements are necessary to bring the property into compliance or maintain compliance with applicable local code requirements affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvement;
- (4) Increases or decreases in the number of Tenants occupying the Rental Unit, living space, furniture, furnishings, equipment, or other Housing Services provided, or occupancy rules;
- (5) Substantial deterioration of the Rental Unit other than as a result of normal wear and tear;
- (6) Failure on the part of the Landlord to provide adequate Housing Services, or to comply substantially with applicable state rental housing laws, Local Housing, Health, and Safety Codes, or the Rental Agreement; and
- (7) The pattern of recent rent increases or decreases.

(b) It is the intent of this chapter that exception to limitation on Rent increases be made only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a fair return on investment.

(c) The City will not grant an exception to the limitation on Rent increases for any unit where the Landlord has failed to bring the rental unit into compliance with the implied warranty of habitability.

## SECTION 8

Section 193A.07 of the Saint Paul Legislative Code is hereby amended as follows:

~~Sec. 193A.07 Enforcement, penalties, and prohibitions~~

~~(a) 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 as provided by Sec. 1.05 of the Legislative Code.~~

~~(b) Private right of action. Any tenant aggrieved by a landlord's noncompliance with this Chapter may seek equitable relief in any court of competent jurisdiction to the extent permitted by law.~~

~~(c) 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.~~

Sec. 193A.07. - Exceptions.

(a) The limitation on Rent increases shall not apply to the amount that a housing service provider can be reimbursed by a government entity under the Housing Support Act, Minnesota Statutes chapter 256I.

(b) The limitation on Rent increases shall not apply to changes in the Tenant obligation for income based payments where the renter obligation is established as a share of income.

## SECTION 9

Section 193A.08 of the Saint Paul Legislative Code is hereby amended as follows:

~~Sec 193A.08 Severability.~~

~~If any of the parts or provisions of this section or the application thereof to any person or circumstance is held invalid or unconstitutional by a decision of a court of competent jurisdiction, the remainder of this section, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this section are severable.~~

Sec. 193A.08. - Enforcement, penalties, and prohibitions.

(a) 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 as provided by section 1.05 of the Code.

(b) Private right of action. Any Tenant aggrieved by a Landlord's noncompliance with this chapter may seek equitable relief in any court of competent jurisdiction to the extent permitted by law.

(c) 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.

## SECTION 10

Section 193A.09 of the Saint Paul Legislative Code is hereby amended as follows:

~~Sec 193A.09 Effective date.~~

~~This section shall become effective May 1, 2022.~~

Sec. 193A.09. - Severability.

If any of the parts or provisions of this chapter or the application thereof to any person or circumstance is held invalid or unconstitutional by a decision of a court of competent jurisdiction, the remainder of this chapter, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this chapter are severable.

SECTION 11

Section 193A.10 of the Saint Paul Legislative Code is hereby created as follows:

Sec. 193A.11. - Effective date.

This chapter shall become effective May 1, 2022.

SECTION 12

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