

Memorandum

TO: City Council
FROM: Niki Hill, AICP , Economic Development Coordinator
DATE: January 4, 2021
SUBJECT: Adopt Ordinance 988 establishing Tenant Protections and amending Administrative Citations
ITEM NUMBER: 9.f
SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt Ordinance 988 establishing Tenant Protections and approving the Administrative Citation changes.

INTRODUCTION

The adoption of a Tenant Protection Ordinance reflects the city's priorities and goals to promote life-cycle housing choices including the preservation of naturally occurring affordable housing. The city is concerned about the potential displacement of low income tenants residing in NOAH (Naturally Occurring Affordable Housing) properties that may be sold to a new owner.

DISCUSSION

The EDA board reviewed and was supportive of regulations that would better protect tenants in NOAH multi-family rental properties from rent impacts caused by changes in ownership of apartment complexes. The attached ordinance looks to assist tenants living in NOAH properties in the community. These NOAH properties are rental buildings where at least a certain percentage of the units have rents that are affordable to households with incomes at or below 60 percent of the area median income (AMI). Affordable rent levels are defined annually for the region. The ordinance applies to those units specifically.

Under the Tenant Protection Ordinance, new owners of affordable housing buildings are required to pay relocation benefits to tenants if the new owner increases the rent, re-screens existing residents or implements non-renewals of leases without cause within a three-month period following the ownership transfer of the property and the tenant chooses to move due to these actions.

Ordinances that have been reviewed in other suburban communities allow for a 90-day time period for residents to work with housing support resources and seek alternative housing if they are facing rent increases that are not affordable, new screening criteria requirements, or a 30-day non-renewal without cause notice to vacate. The ordinances also require the new owner of an affordable housing building to provide notice of the ordinance protections to tenants of affordable housing units within 30 days of the sale of an affordable housing building.

Staff has prepared Ordinance 988 for formal adoption, as well as a FAQ packet that would be posted on our website for the general public. Key provisions of the proposed ordinance, include:

- A minimum 15% of units must be affordable for a building to qualify
- Three times the current rent as penalty payable to the tenant plus a \$500 administrative citation per unit
- 90 day notification period starts the first day of the month following the month the notice was sent out.

It should be noted that these types of tenant protection and notification regulations are relatively new and may need to be adjusted as cities and property owners go forward with enforcement and compliance, respectively.

Changes to the Administrative Citation portion of the City Code are also proposed. This includes adding an Administrative Citation process to section 100, General Provisions. This process is the same as the existing section 203.090. The change is being proposed to allow the Administrative Citation process to be used by both section 614 and 211, instead of having it in multiple places in the City Code.

RECOMMENDATION

Based on the unanimous support of the EDA, staff is recommending the City Council formally adopt Ordinance 988 establishing Tenant Protections and approving the Administrative Citation changes.

ATTACHMENTS

[Ordinance 988](#)

[Tenant Protection FAQ - Shoreview](#)