

ORDINANCE NO. ____-18

**CITY OF ST. LOUIS PARK
HENNEPIN COUNTY, MINNESOTA**

**AN ORDINANCE RELATING TO
AFFORDABLE HOUSING**

THE CITY OF ST. LOUIS PARK DOES ORDAIN:

SECTION 1. The St. Louis Park City Code is amended by adding Chapter 8, Section 8-336 as follows:

Sec. 8-336. Sale of Affordable Housing Building

(a) Definitions. The following definitions apply in this Section of this Code. References to “Section” are unless otherwise specified, references to this Section of this Code. Defined terms remain defined terms, whether or not capitalized.

- (1) *Affordable housing building* means a multifamily rental housing building having three or more housing units, where at least 18% of the units rent for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.
- (2) *Affordable housing unit* means a rental unit in an affordable housing building that rents for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.
- (3) *Cause* means the tenant or a member of the tenant’s household materially violated a term of the lease or violated a provision of the City’s Rental Housing Ordinance, City Code Section 8-331 Crime Free/Drug Free and Disorderly Use Lease Requirements.
- (4) *Tenant protection period* means the period that commences on the date when a real estate closing transfers ownership of an affordable housing building and runs through the end of the 3 calendar months following the month in which written notice of the transfer is sent to each affordable housing unit tenant pursuant to subpart (c) of this Section.

(b) Relocation Assistance

- (1) If during the tenant protection period the new owner of an affordable housing building terminates or refuses to renew any affordable housing unit tenant's rental agreement without cause, then upon terminating or refusing to renew the tenant's lease, the new owner shall pay to the tenant, as relocation assistance, no later than the day upon which the tenant vacates the unit, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one-bedroom dwelling unit, \$3,600 for a two-bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.
- (2) If during the tenant protection period the new owner of an affordable housing building raises any affordable housing unit tenant's rent, or rescreens an existing affordable housing unit tenant, and the tenant gives written notice to the new owner to terminate the rental agreement, the new owner, shall within 30 days of receiving tenant's written notice of termination of the rental agreement, pay to the tenant as relocation assistance, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one-bedroom dwelling unit, \$3,600 for a two-bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.

(c) Notice. Whenever ownership of an affordable housing building shall transfer, the new owner shall, within thirty (30) days of the date on which a real estate closing transfers ownership of the affordable housing building, give written notice to each affordable housing unit tenant of the building that the property is under new ownership stating:

- (1) The name, mailing address, and telephone number of the new owner.
- (2) St. Louis Park City Code Section 8-336 provides for a tenant protection period for affordable housing unit tenants. Under Section 8-336, affordable housing unit tenants may be entitled to relocation assistance from the new owner if the new owner terminates or does not renew the tenant's rental agreement without cause within the tenant protection period. Affordable housing unit tenants may also be entitled to relocation assistance from the new owner if the tenant terminates their rental agreement because the new owner raises the rent or initiates a tenant rescreening process within the tenant protection period.
- (3) Whether there will be any rent increase within the 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 unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria during the tenant protection period and if so, a copy of the screening criteria.
- (5) Whether the new owner will terminate or not renew rental agreements without cause during the tenant protection period and if so, notice to the affected affordable housing

unit tenants whose rental agreements will terminate and the date the rental agreements will terminate.

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

The new owner shall provide a copy of the notice required by this part to the city at the same time notice is provided to the tenants. The new owner of an affordable housing building shall not terminate or not renew a tenant's rental agreement without cause, raise rent, or rescreen existing tenants during the tenant protection period without giving the notice required by this part.

(d) Penalty.

- (1) A violation of subpart (b) of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 1-14. Notwithstanding any provision of City Code Section 1-14, the penalty for a violation of subpart (b) of this Section shall be the sum of the applicable amount of relocation assistance plus \$500.
- (2) A violation of subpart (c) of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 1-14.
- (3) A violation of this ordinance as to each dwelling unit shall constitute a separate offense.

(e) Within thirty (30) days after a person pays the penalty provided for in subpart (d) (1) of this Section to the city, the city shall pay to the displaced tenant of the affordable housing unit for which the violation occurred an amount equal to the relocation assistance provided for in subpart (b) of this Section.

SECTION 3. This Ordinance shall take effect July 1, 2018 and expire on July 1, 2023.

ADOPTED this _____ day of _____, 2018, by the City Council of the City of St. Louis Park.

Public Hearing	March 5, 2018
First Reading	March 5, 2018
Second Reading	March 19, 2018
Date of Publication	March 29, 2018
Date Ordinance takes effect	July 1, 2018

Reviewed for Administration

Adopted by City Council

Thomas K. Harmening, City Manager

Jake Spano, Mayor

Attest:

Approved as to Form and Execution:

Melissa Kennedy, City Clerk

Soren Mattick, City Attorney

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