

**Ordinance amending St. Louis Park City Code Section 8-334
related to affordable housing**

THE CITY OF ST. LOUIS PARK DOES ORDAIN:

SECTION 1. St. Louis Park City Code Section 8-334 is hereby amended by as follows by adding underlined language and deleting stricken language:

Sec. 8-334. 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 capitalized or not.
- (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.
 - (5) *Relocation assistance payment* means a payment calculated by the city as follows: The Federal Highway Administration uniform relocation assistance rate and two months’ rent at 60% area median income. The relocation assistance payment amount will be reviewed and updated annually by the city.

- (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 relocation assistance payment calculated by the city per this ordinance. ~~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) During the tenant protection period if a rent increase goes into effect on any affordable housing unit, or 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 relocation assistance payment ~~in the amount~~ calculated by the city per this ordinance. ~~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 8-334 provides for a tenant protection period for affordable housing unit tenants. Under Section 8-334, affordable housing unit tenants may be entitled to a relocation assistance payment 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 payment from the new owner if the owner raises the rent or initiates a tenant rescreening process within the tenant protection period and the tenant terminates their rental agreement.
 - (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 re-screened 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, 2023.

First Reading	May 15, 2023
Second Reading	June 5, 2023
Date of Publication	June 15, 2023
Date Ordinance takes effect	July 1, 2023

Reviewed for administration:

Adopted by the city council (insert date)

Kim Keller, city manager

Jake Spano, mayor

Attest:

Approved as to form and execution:

Melissa Kennedy, city clerk

Soren Mattick, city attorney