

Creating Chapter 193A of the Legislative Code (Title XIX) pertaining to Residential Rent Stabilization

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 ensuring that Saint Paul residents have access to affordable housing.

Sec 193A.02 Authority

Pursuant to Minn. Stat. § 471.9996 sub.2 the City of Saint Paul shall establish a policy limiting rent increases on residential rental properties as approved in a general election.

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.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.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.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.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.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.09 Effective date.

This section shall become effective May 1, 2022.