



The Macalester-Groveland Community Council fosters citizen participation in government and community decisions that make our neighborhood a great place to live, work, learn, and play.

Minutes - May 2020 HLU Meeting

Housing and Land Use Committee (“HLU”) Macalester-Groveland Community Council (“MGCC”)

Date: Wed. May 27th, 2020 at 6:30pm
Location: Held remotely via Zoom
Chair: Mike Moore
Secretary: (Open Position)
Staff: Alexa Golemo

Attendees:

Staff:
Alexa Golemo

Committee Members:

Art Punyko	Brian Baird	Brian Martinson	Brian Wagner
Cathy Plessner	Cindy Radtke	Colin Fesser	Dave Pasiuk
Elizabeth Wefel	Gene Johnson	Jack Fei	James Walker
Kate Baxter-Kauf	Kensy Lipstreuer	Marc Manderscheid	Michael Sonn
Mike Moore	Saura Jost	Tim Schmidt	Tom Dietsche
Wendy Merrell			

Invited Guests:

Kirstin Burch (City of St. Paul - Fair Housing Coordinator)

Community Members:

Alisa Lein	Erika Sanders	Jay Wilkinson	Jeffrey Arnold
Julie Kaupa	Kyle Carlson	Luke Hanson	Mikki (?)
Shane Montoya			

AGENDA

6:35pm I. Introductions

The normal introductions were skipped to save time for the main discussion.

Chair Mike Moore introduced the primary agenda item (proposed city Ordinance 20-14) and reviewed how the discussion of the ordinance, by section, would be conducted.

All voting will be done by typing “aye”, “nay” or “abstain” in the Zoom chat window.

6:35pm II. Addition/Deletion of agenda items

None.

6:36pm III. Approval of April 2020 meeting minutes

Jack Fei moved approval of the April 2020 meeting minutes.

Art Punyko seconded, no discussion, unanimous approval.

6:37pm IV. Ordinance 20-14 v3, S.A.F.E Housing Tenant Protections Ordinance

The review of the ordinance began with introductory comments by the chair. The shorter sections will be read aloud by the chair prior to discussion (to assist any audio-only attendees). Each section will be screen-shared by staff, so that online participants can read and refer to them.

6:38pm Sec. 193.01 Definitions

Audience comments and questions, and responses from Kirstin (city rep), included:

- are any of the definitions in this ordinance unique or different from other city code?
- Kirstin: can't answer that definitively, but these definitions are all focused to this ordinance
- why is the definition of affordable housing different than in the similar Minneapolis ordinance?
- Kirstin: we have different housing stock in St. Paul than in Minneapolis, more smaller units and income levels
- in point 8, does "family" include a first cousin, and how much of a family tree is included?
- Kirstin: this is the city definition of 'family', is used in other parts of city code
- Kirstin: would like to get back to you on this, possibly also for other questions
- why are oral agreements included, are they legal, how would they be enforced?
- Kirstin: yes, oral agreements are allowed in state law, but could be hard to enforce
- is the definition of which properties are covered and in what areas of the city specified anywhere?
- Kirstin: it applies to all residential rental properties in St. Paul, not sure where it says that
- why the 80% affordable housing limit, was it to mitigate uprooting of natural affordable housing, as in Richfield and Bloomington?
- Kirstin: the 80% is to cover a broader population in St. Paul and to help prevent that, yes
- general discussion on how state legal language on leases, verbal agreements and carryover would apply here

6:53pm Sec. 193.02 Tenant Rights Information Packets & Tenant Rights Posters

no comments

6:54pm Sec. 193.03 Security Deposits

Audience comments and questions, and responses from Kirstin (city rep), included:

- a young man with a disability and no rental history was able to get a lease by making a substantial rent prepayment, but with this ordinance, it appears he couldn't do that
- landlords often make such deals with renters who have no rental history or poor history
- a co-signer or 2 month deposit is a popular option for renters without good rental history

- propose changing the limit to 3 months rent, that is reasonable
- many students prefer to prepay multiple months rent for convenience
- unintended consequences: if you can't mitigate risk of tenants with bad credit history, won't rents have to go up?
- Kirstin: there are 2 scenarios, initial deposits/prepayments vs subsequent prepayments
- Kirstin: this ordinance does not prevent multiple months' prepayments after the tenant is in the unit
- under this ordinance, landlords would have to reject more people who couldn't make a larger prepayment
- in the first example of the young man with a disability and no rental history, they would have to turn him down
- huge consequences of a limit to 1 month's deposit, landlords would reject more people
- will be really confusing for tenants with good history who do want to prepay
- should be optional for renters to offer to do this, just don't allow landlords to require it
- the language is not clear, need more detail to clarify initial vs later prepayment rules
- landlord has many dozens of times been able to accept people with bad history by accepting bigger deposits or prepaid months
- they can also offer a clear and concise payment plan to tenants
- without more flexibility on this, it will just increase the number of application declines
- supports ord but thinks this should be changed to provide more flexibility for applicants who fail to meet a landlord's guidelines
- under fair housing rules, who decides on the exceptions and who gets asked for those larger deposits?
- this ord. is meant to prevent abuses, need uniform written guidelines, esp. for small landlords
- point 2 should allow multi-month payments and security deposit should be 3 months
- it's fairer to set the same limits for everyone, not have special side deals, have one set of rules for everyone
- there does need to be better wording in part B to clarify the intent, which is good
- the lack of rental history should not a disqualifying condition
- the example of lack of rental history is precluded by next section which doesn't allow it to be considered
- landlords don't make "special side deals", they have a clear policy for different risk levels that they follow
- there are different risk levels for different renters, so you have to have a way to mitigate that risk
- if your history is bad per the risk policy, here are your choices: a co-signer or a double deposit

7:15pm Sec. 193.04 Applicant Screening Guidelines for Prospective Tenants

Audience comments and questions, and responses from Kirstin (city rep), included:

- credit reports don't show timeliness or failure to pay for rent or utilities, so why use it?
- see requirements for income and minimum credit score, but credit score is kind of worthless for this purpose
- does understand the need for landlords to be able to collect their rents
- Kirstin: credit reports could show judgments for unpaid rent or utilities, bankruptcies, etc.

- likes clear criteria to avoid unconscious bias and to implement fair housing procedures
- likes transparency of clearly written criteria that are useful for both landlords and tenants
- with clear criteria, people can know in advance if they will qualify or not instead of applying and getting turned down
- excited to see the transparency and clear criteria of this section
- this avoids hidden bias for some classes of residents
- our housing system has tremendous racial disparities
- old criminal history makes it very hard to get housing, especially unfair to minorities
- strongly in support to make our housing fully open to all people
- why the differences from the Minneapolis ord. regarding use of higher standard but with use of individual assessments and written histories?
- under this, a landlord couldn't turn down someone who had a history of threatening him
- Kirstin: don't know how this ordinance would address that kind of threat scenario
- Kirstin: St. Paul heard from Minneapolis that landlords didn't think individual assessments would be especially useful, so they took that out when copying Minneapolis language
- would like to clearer rules on how rental and criminal history could be used in a numerical rating system, etc.
- how to strike a balance between fairer rental rules and keeping small landlords?
- likes the direction this is going

7:29pm Sec. 193.05 Just Cause Notice for Tenants

Audience comments and questions, and responses from Kirstin (city rep), included:

- this section causes me the greatest heartburn, based on long experience representing tenants for residential evictions and indigency
- this will preclude voluntary agreements to end a lease, resulting in more evictions that go on a tenant's record
- unintended consequences - won't create more affordable housing, just the opposite
- voluntary agreements can avoid legal proceedings and a judgment that harms a tenant
- giving all tenants the right to hold over will just result in more legal evictions
- Kirstin: this does not prevent a landlord from not renewing a lease if the tenant has violated any of the ten causes including non-payment of rent
- how did they arrive at 5 months of late rent pmts being a cause, what's the drafting history on that?
- Kirstin: at first the draft said "repeated late pmts", but were told they needed a clear number
- Kirstin: started with 4 months in a year, were told it was too low because it's a last resort, so they landed at 5 months, and it's not a mandate, just an optional cause
- doesn't state law preclude the city from allowing tenants to force a landlord to renew a lease?
- Kirstin: this is separate from the law on legal evictions, it only applies to lease renewals
- Kirstin: it doesn't prevent a legal eviction for any violation of the lease provisions
- Kirstin: cannot answer the question about state law precluding this section
- this section raises the hairs on her neck, raises many potential problems
- landlords usually want to avoid eviction court, it's the last thing they want to do

- usually try to work it out with tenant and find a way that's mutually beneficial
- views this section as correcting a power imbalance and a way to avoid arbitrary nonrenewals
- there are lots of other ways to work out a problem
- he tries everything before going to eviction, not just because he doesn't like the tenant that does happen, probably, but how often? Nobody here really knows that number.
- need ability to deal with bad tenants who don't quite rise to the level of these just causes
- sometimes landlords make mistakes in application screening and end up with tenants who cause many problems
- what about tenants who create problems for other tenants by smoking dope, constantly making lots of loud noise, etc.
- this section would be ripe for a lawsuit against the city

7:45pm Sec. 193.06 Advance Notice for Sale (of Affordable Housing)
Sec. 193.07 Relocation Assistance
Sec. 193.08 Notice of Sale (of Affordable Housing)

Audience comments and questions, and responses from Kirstin (city rep), included:

- responding to various comments he's heard from city council members on these sections
- unintended consequences will include a flight of mom-and-pop landlords out of the city
- on a national level there is a move toward large businesses buying up rental properties
- increasing tenant protections will help prevent large Wall St firms from moving in here
- supports these affordable housing sections for those reasons
- more unintended consequences will likely result
- won't it disadvantage small landlords who can't afford lawsuits so they decide to sell out?
- then they end up flipping it to some big firm who renovates it and raises rents
- Kirstin: the advance notice is the intent of this, to allow time for some nonprofit or preservation buyer to step in.
- Kirstin: rental rehab programs are meant to help small landlords and to engage/educate them on tools available
- why 90 days advance notice here vs 60 days in Minneapolis?
- Kirstin: we learned from the Minneapolis experiences, preservation buyers will often need more than 30-60 days to step in

7:54pm Sec. 193.09 Enforcement, Penalties, and Prohibitions

no comments

7:56pm General Discussion of Ordinance 20-14 v3

Audience comments and questions, and responses from Kirstin (city rep), included:

- renters with 3 years good rental history submitted an ESA letter to landlord
- landlord was immediately aggressive in filing an eviction letter as retaliation
- there is no just cause currently to prevent a non-renewal
- but there are state laws preventing retaliation for raising proper housing concerns
- "Home Line" tenant advocacy group can help with this
- how does this match with state law on retaliation?
- Kirstin: this adds stronger protections against retaliation
- currently must go through eviction and then go to court, many tenants just won't do that

- this way there is space to have a conversation first and work on it informally
- but, there is nothing preventing them from having that discussion right now
- more on unintended consequences:
- won't reducing deposits attract "bad apple" tenants who ruin things for others?
- who does this advantage or disadvantage?
- big rich landlords can afford to fight in court, small ones can't
- email question: there is already a state AG renters' document, why a city one also?
- which one or both must a landlord present and honor with renters?
- Kirstin: the city document would summarize state law in a more readable manner and also add city rules
- understands the issue of unintended consequences, and concern about what happens when you make a change
- but renters are in a bad situation now, so they need fixes, maybe this is not perfect but something is better than nothing
- the enforcement section at the end does address some of the concerns, to help renters to get help
- feels the city has worked hard to remedy a fundamentally inequitable situation and involve stakeholders
- are we going to make a motion now, what is the process here?

Staff: explained the procedures and timeframe for a possible HLU resolution. We don't know if our board will meet again before the city takes action, it depends on the timing of city actions

Motion by Kate Baxter-Kauf

"The Housing and Land Use Committee of the Macalester Groveland-Community Council recommends passage of ORD 20-14, Creating Chapter 193 of the Legislative Code (Title XIX) pertaining to Tenant Protections."

Second by Dave Pasiuk.

Discussion of Kate's motion:

Art:

- appreciate the research, information gathering, Kirstin's involvement
- pleased to see the changes in the justice aspect and access to housing
- asks if there is any research or studies in other cities on whether this will actually increase affordable housing

Kirstin

- goals are to decrease housing displacement, increase housing access, part of a broader city effort
- this ordinance is not necessarily the piece that will increase affordable housing, the city has other strategies for that

Brian M.

- discussed the study by U of Washington on the outcomes after Seattle passed a similar ordinance
- he contacted the author of this study which was done after these 2017 ordinances
- the study did informal attitude and opinions surveys of landlords (not any tenants)

- some of the survey questions were hypothetical, but not actual results, they are still working on a followup study
- the Seattle ordinances had many differences from this ordinance, including a very controversion "First-in-Time" part
- in responding to Jack's comments on attracting bad tenants:
- he had worked on this in Hennepin County Community Corrections back in the early 1990's
- did one study requested by the court on statistics about Class 1, 2 and 3 sexual offenders in Hennepin County
- he learned there were about 1,200 Class 3 sexual offenders in the county
- there's no reason to think that it's any different in Ramsey County and St. Paul
- these are people who are part of our community too
- if they have paid their dues, done their time and not re-offended, then they have rights too
- it's all part of living in a big city with lots of different kinds of people

Wendy

- asked if we have to vote on the motion "as is" and that all the comments today are not being addressed

Mike Moore

- explained how to make a motion to amend Kate's original motion

Wendy

- Made a motion to amend Kate's motion:
- "Motion to amend Kate's motion to change the deposit limit from one month to three months and to request clarification of 'Sec. 193.03(b) Prepaid Rent Limitations' that this section applies to initial payments and not tenants who want to pay multiple months rent at once."

Kate

- does not consider this a friendly amendment, so it would require a vote

Tom

- introduced a motion to amend Kate's motion and spoke at length on his reasons

Dave:

- Tom is not an attorney and shouldn't be making arguments about legality

Mike Moore (and others)

- lengthy discussion on how the voting on the amendment motions would work

Tom

- willing to split his motion into 2 motions addressing separate sections of the ordinance

Cindy

- seconded Wendy's motion

Brian Wagner:

- Seconded both of Tom's proposed amendments to Kate's motion

Wendy

- asked for division

Mike Moore

- more lengthy discussion on how the voting on the motions would work
- final decision that there are 3 motions to amend Kate's motion, that were made and seconded, and that will be voted on in the order made, before voting on Kate's original motion, as possibly amended.

Discussion on Wendy's motion

Mike Sonn:

- believes that clarification is not needed because part (b) on prepayments is in a section labeled "Security Deposits"
- so it only applies to the original payments when starting the lease, not the ability to make subsequent prepayments

Vote on Wendy's motion:

8 ayes, 9 nays, the motion to amend fails

First motion by Tom to amend Kate's motion, to change it to read:

'The Housing and Land Use Committee of the Macalester-Groveland Community Council recommends approval of proposed City of Saint Paul Ordinance 20-14 v3, the "S.A.F.E Housing Tenant Protections Ordinance", provided that this ordinance be revised as follows:

1. Remove "Sec. 193.05. Just cause notice for tenants." and renumber remaining sections, because this section probably violates state law and would just result in pointless legal costs to the city to try to defend it.'

Discussion on Tom's first motion:

Brian Baird:

- doesn't think legality should be part of the discussion
- leases aren't the only things that can have language about nonrenewal, insurance policies are an example

Cindy Radtke:

- is there a review process on legality?

Kirstin:

- city attorneys would offer advice to the city council, but it would be complaint driven

Kate:

- any review will be driven by any potential legal challenge to this section

Vote on Tom's first motion:

6 ayes, 9 nays, 1 abstention, the motion to amend fails

Second motion by Tom to amend Kate's motion, to change it to read:

'Revise "Sec. 193.03. Security deposits" to:

- Allow deposits to be up to 3 months.
- Remove "accept or retain" wording from part (b), so they just cannot demand or charge prepaid rent of more than one month.
- It should be allowed if voluntary or the tenant's wish.'

Discussion on Tom's second motion:

Brian Baird

- our recommendations to the city should not include proposed amendments
- if the intent is to amend the motion, then we shouldn't support the ordinance
- Tom, if you disagree so strongly, then just vote against the ordinance

Art

- the purpose of this ordinance is to increase access to housing
- lowering security deposits has a real affect on managing risk as we heard from landlords
- concerned about how landlords will manage risks, will they raise rents instead then?
- leaning toward over 1 month to avoid this, would like to hear more comments on this

Elizabeth

- have concerns about allowing landlords to require 3 months' deposit
- but do like the other part about allowing voluntary prepayments
- if this can't be split and has to be considered together, then she cannot support it

Dave

- the reason for 1 month is to end abusive landlord practices, he won't support 3 months

Tom

- further comments on his reasons for making both amendments and on this amendment in particular, and why he thinks they would better achieve the ordinance's goals

Brian Wagner

- supports all of the amendments and is disappointed that the first two did not pass
- from his experience as a Realtor, this will harm tenants and eliminate the flexibility that landlords need to be able to rent to people with higher risk factors

Vote on Tom's second motion:

8 ayes, 9 nays, the motion to amend fails

Final comments on Kate's motion

Brian Baird

- thanks to Kirstin for participating
- feels the ordinance was put together thoughtfully and not in a retributive manner

Final vote on Kate's original motion:

11 ayes, 5 nays, 1 abstention, the motion carries

9:04pm V. Updates/Announcements

Closing comments by Alexa:

Thanks again to Kirstin and for everyone keeping the meeting civil and productive

9:05pm VI. Adjourn

The meeting was adjourned by chair Mike Moore.

Minutes respectfully submitted by Tom Dietsche (acting secretary) on 6/13/2020