

# CITY OF BROOKLYN CENTER

Notice is hereby given that a public hearing will be held on the 14th day of January, 2019, at 7:00 p.m. or as soon thereafter as the matter may be heard at City Hall, 6301 Shingle Creek Parkway, to consider an ordinance related to tenant protections.

Auxiliary aids for handicapped persons are available upon request at least 96 hours in advance. Please notify the City Clerk at 763-569-3306 to make arrangements.

## ORDINANCE NO. 2018-18

### AN ORDINANCE AMENDING CHAPTER 12 OF THE CITY CODE OF ORDINANCES REGARDING TENANT PROTECTIONS

THE CITY OF BROOKLYN CENTER DOES ORDAIN:

**Article I.** Brooklyn Center City Code, Section 12-201 is amended as follows:

**2a. Affordable Housing Building** – a multifamily rental dwelling, as defined in Section 12- 201(26), having three or more dwelling units and where any of the units rent for an amount that is affordable to households at or below 80% of area median income, as median income is 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.

**2b. Affordable Housing Unit** – a rental unit in an affordable housing building that rents for an amount that is affordable to households at or below 80% of area median income, as median income is 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.

**3c. Cause** – the tenant or a member of the tenant's household violates a provision of the City's rental housing provisions including, but not limited to, Section 12-915 Crime Free/Drug Free Housing Lease Addendum, or materially violates a term of the lease related to one or more of the following:

a. Nonpayment of rent;

b. Malicious destruction of the affordable housing unit or the affordable housing building;

c. Disturbance of the peace verified by the police department; or

d. A violation of any of the covenants in Minnesota Statutes, section 504B.171.

**13a. Lease** – an oral or written agreement creating a tenancy in real property.

**13b. Material Change** – a change in the terms of a lease, either through an amendment of an existing lease or the adoption of a new lease, that significantly limits or restricts the tenants use and enjoyment of an affordable housing unit or the affordable housing building.

**25a. Relocation Assistance** – a payment to the tenant of an affordable housing unit in the amount equal to three months of the current monthly lease rent.

**36a. Tenant Protection Period** – the period that commences on the date when a written notice of the transfer of ownership is sent to each affordable housing unit tenant pursuant to Section 12- 912D(2) and ends on the last day of the third full calendar month following the date on which the notice was sent. In no case shall the tenant protection period be less than 90 days.

**36b. Transfer of Ownership** – any transfer of ownership of an affordable housing building by an owner to another person, agent, firm, or corporation that becomes the new owner.

Article II. Brooklyn Center City Code is amended by adding a new Section 12-912D regarding transfer of ownership of an affordable housing building as follows:

#### Section 12-912D. TENANT PROTECTIONS.

**1. Purpose.** It is the purpose of this Section to provide housing stability and protection to tenants in affordable rental housing units who are facing displacement when there is a transfer of ownership of an affordable housing building. This Section requires, upon such a transfer, notice to the tenants and the City and the payment of tenant relocation assistance when affordable housing is converted and tenants are required, through direct or indirect means, to move without adequate time to find new housing. This Section is to be interpreted broadly to ensure the tenants of affordable housing units are afforded the protections intended by this Section.

#### 2. Transfer of Ownership.

**a. Notice.** Within 30 days after the transfer of ownership of an affordable housing building, the new owner shall give written notice to each affordable housing unit tenant of the building that the property is under new ownership. The notice must, at a minimum, include the following information:

(1) The name, mailing address, and telephone number of the new owner;

(2) The following statement: Brooklyn Center City Code, Section 12-912D provides for a three-month tenant protection period for affordable housing unit tenants after an affordable housing building is transferred to a new owner. Under Section 12- 912D, affordable housing unit tenants are entitled to relocation assistance from the new owner if, during the tenant protection period, the new owner:

(i) Without cause, terminates or does not renew the tenant's lease;

(ii) Raises the rent and the tenant submits a written notice of termination of their lease;

(iii) Requires existing affordable housing unit tenants to comply with new residency screening criteria and the owner or tenant terminates or does not renew the tenant's lease; or

(iv) Imposes, without the tenant's consent, a material change in the terms of the lease and the owner or tenant terminates or does not renew the tenant's lease.

(3) Whether there will be any rent increase during the tenant protection period, 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 comply with new residency screening criteria during the tenant protection period and, if so, a copy of the new screening criteria;

(5) Whether the new owner will, without the tenant's consent, impose a material change in the terms of the lease during the tenant protection period and, if so, the language of the material change and an explanation of its effect;

(6) Whether the new owner will, without cause, terminate or not renew the tenant's lease during the tenant protection period, and if so, the date the lease will terminate and the amount of relocation assistance that will be provided;

(7) The date the tenant protection period will expire; and

(8) Whether the new owner, within 30 days following the tenant protection period, intends to: increase rent; require existing affordable housing unit tenants to comply with new residency screening criteria; impose a material change in the terms of the lease; or, without cause, terminate or not renew affordable housing unit leases.

**b. Language Requirement.** Each notice required by this Section shall contain an advisory that reads as follows: "This is important information about your housing. If you do not understand it, have someone translate it for you now, or request a translation from your landlord." This advisory must be stated in the notice in the following languages: English, Spanish, Somali, and Hmong. Upon written request by a tenant that identifies the tenant's native language, the owner must provide a written translation of the notice in that language.

**c. Affidavit.** The new owner shall prepare and execute an affidavit of having provided the notice required by this Section that, at a minimum, identifies each tenant to which the notice was provided, the date on which it was provided, and the method of delivery. A copy of the notice provided shall be attached to the affidavit.

**d. Copy of Notices to City.** The new owner shall provide a copy of the notices and of the affidavit required by this Section to the City within three days of having provided the notice to the tenants.

**e. Copy of Rent Roll to City.** If the new owner claims the building or the unit does not meet the definition of an affordable housing building or an affordable housing unit, the owner shall, upon request, provide the City a copy of the rent roll, including the amount of lease rents paid by tenants.

#### 3. Relocation Assistance.

**a. When Required.** A new owner of an affordable housing building must pay relocation assistance to affordable housing unit tenants if any of the following occur during the tenant protection period:

(1) The new owner, without cause, terminates or does not renew the tenant's lease;

(2) The new owner raises the rent and the tenant submits a written notice of termination of their lease;

(3) The new owner requires existing tenants to comply with new residency screening criteria and the owner or tenant terminates or does not renew the tenant's lease; or

(4) The new owner imposes, without the tenant's consent, a material change in the terms of the lease and the owner or tenant terminates or does not renew the tenant's lease.

**b. When Paid.** The new owner shall, when required, pay relocation assistance to the tenant of an affordable housing unit within 30 days after receiving tenant's written notice of termination of the lease or within 30 days after the owner notifies the tenant that the lease will be terminated or not renewed.

**c. Affidavit.** The new owner shall prepare and execute an affidavit that, at a minimum, indicates the date of the notice of termination, identifies each tenant to which relocation assistance was paid, the amount paid, the check number for each payment, the payment date, and the address used to mail the payment.

**4. Notice of Violation.** A tenant of an affordable housing unit who believes the new owner of the affordable housing building has not provided the tenant the protections required under this Section 12-912D may submit a notice of violation to the City. The purpose of the notice is to inform the City of an alleged violation of this Section to assist the City in determining whether to impose an administrative penalty provided for in this Section, not issue a rental license to the new owner as provided in Section 12-901(8), or to take action on the rental license as provided in Section 12-910. The City is not required to take any particular action in response to a notice of violation and any enforcement action it does take shall be on behalf of the City, not the tenant. Filing a notice of violation does not prohibit the tenant from pursuing any remedy available to the tenant under law.

#### 5. Penalties.

**a. Administrative Penalty.** Failure to provide the notice of transfer or to pay relocation assistance when required under this Section is an administrative offense for which a citation may be issued and a civil penalty imposed as provided in Chapter 18 of this Code.

**b. Separate Offenses.** A violation of this Section as to each dwelling unit shall constitute a separate offense.

Article III. Brooklyn Center City Code, Section 12-901(8) regarding rental licensing requirements is hereby amended as follows:

#### 8. License Process and Renewal.

**a. Renewals.** License renewals shall be filed at least 90 days prior to the license expiration date. Within two weeks of receipt of a complete application and of the license fee required by Section 12-902, the Compliance Official shall schedule an inspection.

**b. Inspection.** No application for an initial license shall be submitted to the City Council until the Compliance Official has determined that all life, health safety violations, or discrepancies have been corrected. In cases where a weather deferral for repairs has been granted by the Compliance Official, the license may be brought forward for consideration of granting a license conditioned on completing repairs.

**c. Transfer of Ownership.** The new owner of a rental dwelling is required to obtain a rental permit from the City in order to continue renting the rental dwelling. When ownership of an affordable housing building is transferred, the new owner is required to obtain a new rental license for the property under this Section. The new owner shall include in its application for a new license the affidavit of having provided notice to the tenants and, if required, having paid relocation assistance in accordance with Section 12-912D. The new owner shall not be eligible for a new rental license if it failed to provide the notice or failed to pay, if required, relocation benefits in accordance with Section 12-912D.

**d. Incomplete Applications or Process.** If the license application is incomplete, or the applicant does not meet the requirements of the licensing process, as within 120 days of the submittal date, the application will be canceled.

#### Article IV. Effective Date.

This ordinance shall become effective after adoption and upon thirty days following its legal publication. Tim Wilson, Mayor

ATTEST: Barb Suciu

City Clerk

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