



7800 Golden Valley Road  
Golden Valley, MN 55427

## Tenant Protection Ordinance Information Packet

In August 2018, the Golden Valley City Council adopted Ordinance No. 642 enacting a tenant protection period following the sale of an affordable housing building. The goal is to protect lower-income tenants in the city when there is an ownership transfer of an affordable rental property. Under the ordinance, new owners of affordable housing buildings are required to pay relocation benefits to tenants if the new owner increases the rent, re-screens existing residents or implements non-renewals of leases without cause within a three-month period following the ownership transfer of the property and the tenant chooses to move due to these actions.

The ordinance was also recently adopted by the City of St. Louis Park. It was recommended by a workgroup convened by the Urban Land Institute and the City of St. Louis Park, advocating for the preservation of naturally occurring affordable housing (NOAH). The workgroup included representatives from MN Multi-Housing Association (MHA), the Golden Valley and St. Louis Park rental community, and representatives from agencies advocating for the preservation of NOAH. NOAH properties are rental buildings where at least 15 percent of the units have rents that are affordable to households with incomes at or below 60 percent of the area median income (AMI). Affordable rent levels are defined annually for the region. The ordinance applies to those units specifically.

The ordinance takes effect on October 1, 2018.

The following Tenant Protection Ordinance Information Packet includes the ordinance and provides other resources to help owners and property managers understand the ordinance.

The City of Golden Valley uses the Housing and Urban Development (HUD) Affordable Rent limits which are updated annually.

<b>2018 Rental Housing Rates (defined annually by U.S. Department of Housing and Urban Development)</b>	
<b>Number of Bedrooms</b>	<b>60% AMI</b>
Studio	\$991
1 Bedroom	\$1,062
2 Bedroom	\$1,273
3 Bedroom	\$1,471
4 Bedroom	\$1,640

As the owner of a multi-family rental property, it is your responsibility to understand the requirements set forth in the ordinance. If you are selling your property, you can request a copy of this packet or download it at [www.goldenvalleymn.gov/planning/housing](http://www.goldenvalleymn.gov/planning/housing).

ORDINANCE NO. 642, 2<sup>ND</sup> SERIES  
AN ORDINANCE AMENDING THE CITY CODE  
Protection of Tenants in Affordable Housing  
The City of Golden Valley, Applicant

The City Council for the City of Golden Valley hereby ordains as follows:

Section 1. City Code Chapter 6 entitled "Other Business Regulation and Licensing" is amended by adding the following:

## Section 6.27 Protection of Tenants in Affordable Housing

### Subdivision 1. 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.

- A. **Affordable Housing Building:** A multi-family rental housing building having three or more housing units, where at least 15 percent 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.
- B. **Affordable Housing Unit:** 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.
- C. **Cause:** The tenant or a member of the tenant's household materially violated a term of the lease or violated a provision of City Code Section 6.29, Subdivision 4(I) Crime Free/Drug Free Lease Addendum Requirements.
- D. **Tenant Protection Period:** The period that commences on the date when a real estate closing transfers ownership of an affordable housing building and ends on the last day of the third calendar month following the month in which written notice of the transfer is sent to each affordable housing unit tenant pursuant to Subdivision 3 of this Section.

### Subdivision 2. Relocation Assistance

- A. 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 an amount equal to the Federal Highway Administration Fixed Payment for Moving Expenses for the state of

Minnesota as published in the Fixed Residential Moving Cost Schedule pursuant to section 202(b) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, plus two times the rental housing affordability limit at 60% Area Median Income for the Twin Cities metro area as published by the Metropolitan Council. The relocation benefit shall be adjusted annually based on updated figures from the Federal Highway Administration and the Metropolitan Council, and the adjusted relocation benefit shall take effect on January 1 of each calendar year. The amounts in effect for the 2018 calendar year are as follows:

	Studio/Single Room	One Bedroom	Two Bedroom	Three+ Bedrooms
<b>Moving Expenses</b>	\$725	\$925	\$1,125	\$1,325
<b>Rent at 60% AMI</b>	\$991	\$1,062	\$1,273	\$1,471
<b>Total Relocation Assistance</b>	\$2,707	\$3,059	\$3,671	\$4,267

- B. If, during the tenant protection period, 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 the new owner 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 an amount equal to the Federal Highway Administration Fixed Payment for Moving Expenses for the state of Minnesota as published in the Fixed Residential Moving Cost Schedule pursuant to section 202(b) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, plus two times the rental housing affordability limit at 60% Area Median Income for the Twin Cities metro area as published by the Metropolitan Council. The relocation benefit shall be adjusted annually based on updated figures from the Federal Highway Administration and the Metropolitan Council, and the adjusted relocation benefit shall take effect on January 1 of each calendar year. The amounts in effect for the 2018 calendar year are as follows:

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### Subdivision 3. Notice

- A. Whenever ownership of an affordable housing building shall transfer, the new owner shall, within 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. This Section of City Code provides for a tenant protection period for affordable housing unit tenants. Under this Section, 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 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, including 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.
- B. 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.

#### **Subdivision 4. Penalty**

- A. A violation of Subdivision 2 of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 2.90. Notwithstanding any provision of City Code Section 2.90, Subdivision 3(E), the penalty for a violation of Subdivision 2 of this Section shall be the sum of the applicable amount of relocation assistance plus \$500.
- B. A violation of Subdivision 3 of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 2.90.
- C. A violation of this ordinance as to each dwelling unit shall constitute a separate offense.

#### **Subdivision 5. Violation**

Within 30 days after a person pays the penalty provided for in Subdivision 4(A) 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 Subdivision 2 of this Section.

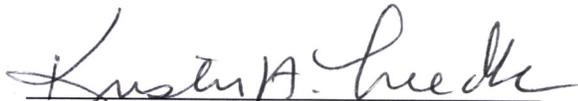
Section 2. City Code Chapter 1 entitled "General Provisions and Definitions Applicable to the Entire City Code Including Penalty for Violation" and Sec. 6.99 entitled "Violation a Misdemeanor" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

Section 3. This ordinance shall take effect October 1, 2018, after its passage and publication as required by law and expire on September 30, 2023.

Adopted by the City Council this 8th day of August, 2018.

  
Shepard M. Harris, Mayor

ATTEST:

  
Kristine A. Luedke, City Clerk

Published in the New Hope-Golden Valley Sun Post on August 16, 2018.



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## Frequently Asked Questions - Golden Valley Tenant Protection Ordinance

### 1. What is the Tenant Protection Ordinance?

The Tenant Protection Ordinance requires a three month period following the ownership transfer of a Naturally Occurring Affordable Housing (NOAH) multi-family residential property in which the new owner is required to pay relocation benefits to tenants if the new owner increases the rent, rescreens existing residents or implements non-renewals without cause and the tenant chooses to move during this period.

### 2. Why was this ordinance adopted by the City of Golden Valley?

The proposed ordinance reflects the city's priorities and goals to provide a full range of housing choices, particularly for low-income residents. The city is concerned about displacement of low-income tenants residing in NOAH properties that have been sold to a new owner. The ordinance allows for a three-month period of time for residents to work with housing support resources and seek alternative housing if they are facing unaffordable rent increases, new screening criteria requirements, or a thirty day non-renewal without cause notice to vacate. The ordinance also requires the new owner of an affordable housing building to provide notice of the ordinance protections to tenants of affordable housing units within 30 days of the sale of an affordable housing building.

### 3. When does the ordinance apply?

The ordinance applies when there is an ownership transfer of a NOAH property.

### 4. How do I know if my building qualifies as a NOAH property?

NOAH is an abbreviation for Naturally Occurring Affordable Housing. NOAH properties are defined as buildings where at least 15% of the units have rents affordable to households with incomes at or below 60% Area Medium Income (AMI). Owners will self-report annually.

### 5. Does a transfer of sale include an ownership transfer to an immediate family member? Or as the result of inheritance?

If it is an actual transfer of ownership title that was not previously in place, it would be considered a sale and the ordinance would apply.

### 6. Would the policy apply to bank owned or foreclosed properties?

Yes, all multifamily residential properties transferring ownership through the sale of the property that meet the definition of a NOAH property would be required to comply with the ordinance. For a foreclosed property, the three month notification period will begin when the redemption period has expired and the new owner has taken possession of the property.



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7. Does the ordinance apply to only the residents residing in the property's NOAH units or to all units in the building?

NOAH rental units only.

8. How will NOAH properties be identified? How will affordable rents be established?

As part of the annual rental licensing process for multi-family buildings, owners will be asked to list the number of units and the number of affordable units in a property. If the rents charged for at least 15% of the units are at or below rent amounts affordable to households with incomes at 60% AMI or below, the building is certified as a NOAH property.

9. What is my responsibility as a seller?

It is the responsibility of the seller to identify their property as a NOAH property at the time they submit their rental license application. Sellers should make sure that the potential buyers are aware of the ordinance either directly or through their broker.

10. I'm buying a NOAH building – what is my responsibility?

If the property meets the definition of a NOAH property, the new owner is required to comply with the requirements of the Tenant Protection Ordinance.

11. Who needs to be notified?

For properties in which the ownership is transferring and the property meets the definition of a NOAH property, the new owner must comply with the requirements of the Tenant Protection Notice including notification to all tenants residing in NOAH units.

12. Where can I find the 60% Area Medium Income (AMI) rent limits?

Current rent levels can be found on the Metropolitan Council's web page. It is calculated annually by the U.S. Department of Housing and Urban Development (HUD) for the Minneapolis-St. Paul region.

13. Can I raise rents, facilitate non-renewals without cause or re-screen existing residents during the three month protection period following the transfer in ownership?

Yes, this ordinance does not prohibit a new owner from taking the actions listed above; however, the owner would be required to pay resident relocation benefits if they do take any of those actions during the 3 month tenant protection period following the transfer in ownership.

14. When does the new owner have to provide relocation benefits?



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A new owner is required to pay relocation benefits to tenants if the rent is increased, existing residents are rescreened or non-renewals are implemented without cause and the tenant chooses to move during this period during the three month tenant protection period.

15. Where can I find the required relocation benefit payment amount?

Current amounts can be found on the City's web page.

16. Are there any restrictions after the three month Tenant Protection period expires?

No, owners can manage the property in accordance with their management practices and the tenant lease.

17. Are there income restrictions that apply to the households residing in the NOAH units?

No, the NOAH designation is based on the rent amount charged regardless of the tenant's income.

18. If a lease expires during the three month protection period, can I raise the rent?

You can renew the lease but any rent increases must be effective following the expiration of the three month tenant protection period has expired.

19. Does the City imposed penalty of \$500 per unit for failure to comply with the Tenant Protection Ordinance apply to all the units in a building or only those units that qualify as a NOAH rental units?

The penalty only applies to NOAH rental units.

20. Can tenants waive the protection period and/or relocation benefits?

No, the ordinance applies to the actions of the new owner. The tenant cannot waive the ordinance requirements.

21. Does the ordinance apply if the management changes in the building?

No, the ordinance only applies if the ownership of the property transfers.



7800 Golden Valley Road  
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Your Company's Letterhead  
[DATE]

*Draft Notice: No rent increases,  
rescreening, or non-renewals  
during tenant protection period.*

Dear Tenant:

This letter is notifying you of a change of ownership at the property and the Golden Valley Tenant Protection Ordinance. Our company purchased the property and the new ownership is:

[New Owner Name]  
[New Owner Mailing Address]  
[New Owner Telephone Number]  
[include new management information if applicable]

Golden Valley Ordinance No. 642 provides for a tenant protection period for affordable housing unit tenants. Under the Ordinance, affordable housing 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 owner raises the rent or initiates a tenant rescreening process within the tenant protection period and the tenant terminates their rental agreement.

The tenant protection period is three calendar months following the month in which this written notice, ending [date of end of protection period].

During the tenant protection period, there will be no rent increases, we will not be re-screening existing tenants, and we will not issue non-renewals of leases without cause.

On [date], which is after the tenant protection period, we will/will not be increasing rents by [insert dollar amount/range or percentage amount/range], we will/will not rescreen tenants for eligibility, and we will/will not terminate or not renew affordable housing unit rental agreements without cause.

If you have any questions regarding this notice, please contact [insert contact information].

Sincerely,  
[New property owner]



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The tenant protection period is three calendar months following the month in which this written notice, ending [date of end of protection period].

During the tenant protection period, we will be issuing rent increases, re-screening existing tenants, and/or terminating or not renewing affordable housing rental agreements without cause. We will notify individual tenants of the date of the rent increases or non-renewal of the lease. A copy of the re-screening criteria is attached.

If you have any questions regarding this notice, please contact [insert contact information].

Sincerely,  
[New property owner]



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## Tenant Resources

### **PRISM (People Responding in Social Ministry)**

Provide social services including food shelf, housing programs, thrift shop, and children's programs. 763-529-1350. [www.prismmpls.org](http://www.prismmpls.org)

### **Community Action Partnership of Suburban Hennepin County – CAPSH**

Programs and services that provide opportunities to community members that will help identify and overcome economic barriers. 952-933-9639. <https://www.caphennepin.org/contact-us/>

### **HomeLine**

Tenants may speak with a tenant advocate who will provide free advice regarding Minnesota landlord/tenant law. 612-728-5757. <https://homelinemn.org/>

### **Housing Link**

Statewide list of affordable rental vacancies and information about Section 8 programs. 612-522-2500. [info@housinglink.org](mailto:info@housinglink.org)

### **United Way 2-1-1**

Dial 211 or 612-340-7400 (English, Hmong, Russian, Somali, and Spanish) <http://www.gtcuw.org/>

### **Minnesota Housing**

A state agency that provides financial and customer assistance for decent, safe, and affordable housing. 651-296-8215. [mn.housing@state.mn.us](mailto:mn.housing@state.mn.us)

### **HUD in Minnesota**

information about Section 3, homeownership, rental help, avoiding foreclosure. Also has homeless resources and housing counselors. 612-370-3000. <https://www.hud.gov/states/minnesota/renting>

### **Minnesota Attorney General's Office**

Landlord and Tenants: Rights and Responsibilities  
651-296-3353. <https://www.ag.state.mn.us/Office/ContactUs.asp>

### **Minnesota Homeownership Center**

State's leading non-profit provider of information and resources aimed at helping Minnesotans begin and maintain homeownership 651-659-9336. <http://www.hocmn.org/>

### **Catholic Charities**

Provide service to people in need, to advocate for justice in social structures, and to call people of good will to do the same. 612.204.8500. <https://www.catholiccharitiesusa.org/>

### **Hennepin County Front Door**



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Residents may apply for short-term emergency rental assistance through the county. 612-596-1300.

<https://www.hennepin.us/>

**Lutheran Social Service (LSS)**

LSS operates a Housing Resource. LSS is also a provider of transitional, supportive, and permanent scattered-site housing, but requires referrals. 612.879.5266. <http://www.lssmn.org/About-Us/Contact-Us/>