



ORD 20-14 -- SECTION 193.06 AND 193.08

POLICY BULLETIN FOR LANDLORDS

EFFECTIVE DATE: MARCH 1, 2021

ADVANCE NOTICE AND NOTICE OF SALE

POLICY PURPOSE:

The **Advance Notice** policy supports the preservation of housing that serves low- and moderate-income residents and provides stability and transparency to Tenants of changes that may impact their homes. It ensures that a notice of a proposed sale be provided to the City and Tenant before a property that has affordable rents is placed on the market as well as after the transfer of ownership occurs, coupled with a Tenant Protection Period after the sale.

INTENDED AUDIENCE:

The City of Saint Paul is providing this guidance to Landlords to support compliance with these new regulations.

APPLICABILITY:

These sections (193.06 & 193.08) apply to buildings with rents affordable to low- and moderate-income residents, defined below as "Affordable Housing Buildings" located within the City of Saint Paul. This section does not apply to the sale or transfer of title of subsidized affordable housing building already subject to federal, state, local rent or income restrictions that continue to remain in effect after the sale or transfer.

CONTACT:

For more information or to ask a question, please visit the City of Saint Paul [S.A.F.E. Housing page](#).

S.A.F.E. HOUSING SAINT PAUL DOCUMENTS:

- Just Cause Notice Bulletin
- Tenant Screening Guidelines Bulletin
- Security Deposit Limitation Bulletin
- S.A.F.E. Housing At A Glance
- StPaul.gov/SAFE

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Advance Notice of Sale

What is the Advance Notice of Sale policy?

Before making an **Affordable Housing Building** available for sale, the Landlord must provide a notice of the proposed sale. This means the Landlord must:

- Notify the City of Saint Paul and the residents of any **Affordable Housing Dwelling Unit** within the property of their intent to place the property on the market at least 90 days in advance of making the property Available for Sale.

Once an Affordable Housing Building is sold, the new owner must provide a notice of completed sale. This means the Landlord must:

- Notify the City of Saint Paul and the residents of the change of ownership within 30 days of the purchase and Transfer of Ownership.

Notification Requirements

NOTICE OF PROPOSED SALE

Manner and timing of notice to City: The notice of proposed sale is to be completed and submitted online, mailed, or hand-delivered to the Director of the Department of Planning and Economic Development no later than 90 days prior to the Affordable Housing Unit being made Available for Sale.

The [Landlord Notice of Proposed Sale](#) form should be used to provide the notice of proposed sale to the City. The form requests the following information

- Current owner's information (name, business name if applicable, phone number, email and mailing address)
- Address of the Affordable Housing Building that will be made Available for Sale
- Date the building will be made Available for Sale
- Total number of dwelling units in the building
- Number and type (e.g., efficiency, one bedroom, two bedrooms, etc.) of dwelling units in the building and the contract rent for every dwelling unit in the building

Manner and timing of notice to Tenants: The notice of proposed sale shall be delivered to all tenants residing in Affordable Housing Dwelling Units no later than ninety (90) days prior to the Affordable Housing Building being made Available for Sale.

The [Advance Notice of Sale for Tenant](#) form may be used which includes the following advisory in English, Spanish, Somali, Karen, and Hmong:

“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.”

Upon request by the Tenant, the Landlord must provide a written translation of the notice into the Tenant's preferred language of ones listed above.



BEFORE MAKING THE RENTAL PROPERTY AVAILABLE FOR SALE:

Here's how to determine if Advance Notice of Sale applies to your property

- Do any of the units have rents less than the rents listed in the income chart below, by bedroom size?**

| # BEDROOMS | 2020 80% AMI RENTAL RATES |
|------------|---------------------------|
| Efficiency | \$1,448 |
| 1 Bedroom | \$1,552 |
| 2 Bedrooms | \$1,860 |
| 3 Bedrooms | \$2,150 |
| 4 Bedrooms | \$2,400 |



If yes, how many?

These are the units in the property with affordable rents, defined as a "Affordable Housing Dwelling Unit."



What are the total number of units in the property?



Do more than 20% of the units in the property have affordable rents?

$$\frac{\text{\# of units with affordable rents}}{\text{\# of total units}} = \text{\% of affordable rents in the property}$$



If more than 20% of the units have affordable rents, the building is an Affordable Housing Building and the Advance Notice policy applies.

The landlord must:

Tell the City and residents in the units with affordable rents of the intent to sell the property at least 90 days in advance of making the property being made Available for Sale.



Example:

A property has 4 total units with the following rents:

| # BEDROOMS | RENT |
|------------|---------|
| 1 bedroom | \$1,600 |
| 1 bedroom | \$1,600 |
| 2 bedrooms | \$1,750 |
| 2 bedrooms | \$1,875 |

1 unit has an affordable rent amount

1 affordable rent / 4 total units = 25%

This property is an Affordable Housing Building and the policy applies.



When purchasing a rental property:

- Is the property an Affordable Housing Building?
- If yes, the Landlord must:
- Provide the notice of sale within 30 days of the Transfer of Ownership.
- Adhere to the requirements of the Tenant Protection period.



FOR A LIST OF DEFINED TERMS, REFER TO **PAGE 4**.

Notification Requirements

NOTICE OF SALE

Manner and timing of notice to Tenants: When the Transfer of Ownership occurs, the new owner must deliver written notice to each Affordable Housing Dwelling Unit Tenant of the Affordable Housing Building that the property is under new ownership, within thirty (30) days of acquiring the property.

The Notice of Sale for Tenant form may be used which, includes the following required information:

- New owner’s information (name, business name if applicable, phone number, email, and mailing address)
- Whether there will be any rent increase within the 90-day Tenant Protection Period, the amount of the rent increase and the date the rent increase will take effect.
- Whether the new owner will require existing Affordable Housing Dwelling Unit Tenants to be rescreened to determine compliance with existing or modified residency screening criteria during the 90-day Tenant Protection Period and, if so, a copy of the screening criteria.
- Whether the new owner will terminate or not renew rental agreements without cause during the 90-day Tenant Protection Period

and, if so, notice to the affected affordable housing dwelling unit tenants whose rental agreements will terminate and the date the rental agreements will terminate.

- Whether, on the day immediately following the tenant protection period, the new owner intends to increase rent, require existing Affordable Housing Dwelling Unit Tenants to be rescreened to determine compliance with existing or modified residency screening criteria, or terminate or not renew Affordable Housing Dwelling Unit rental agreements without cause.

The notice must include the following advisory in these languages: English, Spanish, Somali, Karen, and Hmong:

“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.”

The notice must also include the following statement:

“Saint Paul Code of Ordinances Sec. 193.08 provides for a ninety (90) day tenant protection period

for affordable housing dwelling unit tenants. Under Sec. 193.07, an affordable housing dwelling unit tenant may be entitled to Relocation Assistance from the new owner if the new owner terminates or does not renew (pursuant to the City of Saint Paul Just Cause Notice) the tenant’s Lease without cause within the ninety (90) day tenant protection period following delivery of this notice. 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 screening process within the tenant protection period and the tenant terminates their Lease.”

[See the resource section on pg. 5 for links to the Online Advance notice tool and forms.](#)

Manner and timing of notice to City: This same written notice must be sent to the Director of the Department of Safety and Inspections. The notice is to be completed online, mailed, or hand delivered at the same time that notice is delivered to Tenants.

TENANT PROTECTION PERIOD:

The **Tenant Protection Period** begins with the Transfer of Ownership and runs through the end of the 90 calendar days following the month in which written notice of sale is delivered.

The Landlord shall not terminate or not renew a Tenant’s Lease without cause, raise rent, or rescreen existing Tenants during the Tenant Protection Period without providing the notices required by this section.

If, during the Tenant protection Period, the new owner of an Affordable Housing Building:

- terminates or refuses to renew any Affordable Housing Dwelling Unit Tenant’s Lease without cause; or
- raises any Affordable Housing Dwelling Unit Tenant’s rent; or
- rescreens an existing Affordable Housing Dwelling Unit Tenant

and the Tenant or Landlord delivers written notice to Terminate the Tenancy, the Landlord shall, within 30 days of receiving or delivering written notice of Termination of Tenancy, pay Relocation Assistance to the Tenant.

RELOCATION ASSISTANCE AMOUNT

| # BEDROOMS | Efficiency | 1 Bedroom | 2 Bedrooms | 3 Bedrooms | 4 Bedroom |
|-----------------------------------|------------|-----------|------------|------------|-----------|
| 2020 RELOCATION ASSISTANCE | \$3,258 | \$3,492 | \$4,185 | \$4,856 | \$5,400 |

See definitions for more details on calculations

* DEFINITIONS

Affordable Housing Building:

A single family rental home or a multiple-family rental housing building where at least 20 percent of the units rent for an amount that is affordable at no more than 30 percent of income to households at or below 80 percent of area median income, as most recently determined by the United States Department of Housing and Urban Development for Low Income Housing Tax Credit (LIHTC) purposes, as adjusted for household size and number of bedrooms.

Affordable Housing Dwelling Unit:

A rental dwelling unit in an affordable housing building that rents for an amount that is affordable to households at or below 80 percent of Area Median Income, as most recently determined by the United States Department of Housing and Urban Development, as adjusted for household size and number of bedrooms

Available for Sale: The earliest implementation of any of the following actions: negotiating to enter into a purchase agreement that includes an affordable housing building, advertising the sale of an affordable housing building, entering into a listing agreement to sell an affordable housing building, or posting a sign that an affordable housing building is for sale.

Landlord: The property owner or agent of the property owner.

Lease: An oral or written agreement creating a tenancy in real property.

Relocation Assistance: A payment in an amount equal to three times the rental housing affordability limit at sixty 60 percent of Area Median Income for the Twin Cities metro area as published by the Metropolitan Council.

Annually updated payments calculations can be located on the Met Council's Website: [2020 Affordability Limits for Ownership and Rental Housing](#): [2020 Affordability Limits or Ownership and Rental Housing](#)

Tenant: An authorized occupant of a residential rental building under a lease or contract, whether oral or written.

Tenant Protection Period: The period that commences with the transfer of ownership of an affordable housing building and runs through the end of the 90 calendar days following the month in which written notice of sale is delivered to each affordable housing dwelling unit tenant pursuant to Sec. 193.08 – Notice of Sale.

Transfer of Ownership: Any conveyance of title to an affordable housing building, whether legal or equitable, voluntary or involuntary, resulting in a transfer of control of the building, effective as of the earlier of the date of delivery of the instrument of conveyance or the date the new owner takes possession.

Termination of Tenancy: The end of a tenancy following a written notice given by a landlord to a tenant requiring the tenant to move, including nonrenewal of lease.

ENFORCEMENT:

- 1. Legislative Code:** Chapter 193 of the Legislative Code (Title XIX) pertaining to Tenant Protections will be monitored and enforced by the City of Saint Paul Office of Financial Empowerment and the Department of Human Rights and Equal Economic opportunity.
 - a.** If a violation of an ordinance occurs, then the landlord is subject to Section 1.05 of the Legislative Code. Section 1.05 provides that a violation of any provision of the Legislative code is a misdemeanor, punishable by a fine not to exceed seven hundred dollars (\$700.00) or imprisonment for a term not to exceed ninety (90) days, or both. [Click here for more information.](#)
- 2. Administrative fines and notice requirement for violation of 193.08, Notice of Sale:** A violation of Sec. 193.08 as to each Affordable Housing Dwelling Unit shall result in a separate offense. A notice of violation shall not be required in order to establish or enforce a violation of the section. The administrative fine for a violation of Sec 193.08 shall be the sum of the applicable amount of Relocation Assistance.
- 3. Private Right of Action Created:** Any Tenant aggrieved by a Landlord's noncompliance with Chapter 193 has the right to file a lawsuit in court.



Additional Information

FREQUENTLY ASKED QUESTIONS, SECTION 193.06 AND 193.08, ADVANCE NOTICE AND NOTICE OF SALE

If I have accepted a written offer or executed a purchase agreement for an Affordable Housing Building prior to March 1, 2021, or my Affordable Housing Building is otherwise under contract, do Sections 193.06 (Notice of Proposed Sale) and 193.08 (Notice of Sale) apply?
No.

Is affordability based on household size or unit size?
Affordability is based on the size of the unit. See Rent Affordability Chart on page 2.

What if I receive an offer for purchase unexpectedly?
If a Landlord receives a purchase offer on their property, it is their responsibility to identify if the building is an Affordable Housing Building, and therefore subject to advance notice of sale requirements. If the property is an Affordable Housing Building under the definition in the ordinance, the Landlord must follow all legal requirements related to pre-sale notice. Failure to provide the 90-day notice of proposed sale could result in litigation, criminal prosecution, and/or administrative fines.

What if I want to purchase the property for personal or family occupancy?
If the property is being purchased for personal use or for a Family Member to occupy the property and there is a current Tenant in the unit, the Landlord must provide the Tenant with proper notice under Sec. 193.05 (Just Cause).

What if I am conducting a 1031 exchange?
There are no exclusions for 1031 exchanges. This provision would apply in a 1031 exchange transaction.

What forms do I use to provide notice?
The City has published links to download PDFs of the forms with all of the required information. The City has also developed an online tool where you can submit an advance notice of sale (pre-sale) or notice of sale (post-sale).

How do I get the notice translated?
The City has provided the template in the following languages: English, Somali, Oromo, Hmong, Karen and Spanish.

What supporting documentation do I need to provide with my notice?
A Landlord must provide to the City the same notice it delivers to Tenants. See Resources on pg. 5 for links to the online tool and notice forms.

Does the Advance Notice expire?
No, the notice of proposed sale does not have an expiration date.

What if a Tenant violates the Lease during the Tenant Protection Period?
Landlords can handle Lease violations according to law and normal business practices during the Tenant Protection Period.

Can I issue a “no cause” nonrenewal or termination?
A no cause nonrenewal or termination would violate Chapter 193, Section 193.05 (Just Cause). A violation of ordinance could result in penalties, including Relocation Assistance to the impacted Tenant.

I am the new owner and I plan to change building policies or screening criteria, what should I do?
It is recommended that a Landlord consult an attorney to ensure proper communication of policy and procedural changes that may impact a tenant. Best practices may include communicating all building rules, regulations and policies to Tenants, in writing, along with details of any changes and effective dates.



RESOURCES

To submit notice, visit the City of Saint Paul [S.A.F.E. Housing Page](#)

[StPaul.gov/SAFE](#)

Notice Templates

Before sale:

- [Landlord Notice of Proposed Sale](#)
- [Tenant Notice of Proposed Sale](#)

After Sale:

- [Landlord Notice of Sale](#)
- [Tenant Notice of Sale](#)

Online notice tool

Additional S.A.F.E. Housing Saint Paul documents:

- [Tenant Screening Guidelines Bulletin](#)
- [Security Deposit Limitations Bulletin](#)
- [Just Cause Notice Bulletin](#)
- [S.A.F.E. Housing At A Glance](#)

POLICY CONTEXT:

The City of Saint Paul is a majority renter city with more than 57,000 households renting their homes. On July 8, 2020, The City of Saint Paul passed S.A.F.E. Housing Saint Paul, a set of stable, accessible, fair, and equitable policies geared at increasing housing access, decreasing housing displacement and affirmatively furthering fair housing. Ordinance 20-14 creating Chapter 193 of the Saint Paul Legislative Code (Title XIX) includes Tenant Rights and Responsibilities Information, Security Deposit Limitations, Tenant Screening Guidelines, Just Cause Notice and Advance Notice of Sale provisions. Please visit [StPaul.gov/SAFE](#) to learn more.