



# S.A.F.E. Housing Tenant Protections

## Security Deposit Limitations

**CITY OF SAINT PAUL**

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# S.A.F.E Housing Saint Paul Pre-Recorded Webinar Series

S.A.F.E.  
Housing  
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Security  
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Tenant  
Screening  
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## What is S.A.F.E Housing Saint Paul?

The **S.A.F.E. Housing Saint Paul Tenant Protections** are a set of new rental housing policies being implemented to support a **Stable, Accessible, Fair, and Equitable** Saint Paul rental market.

Increase  
Housing  
Access

Decrease  
Housing  
Displacement

Affirmatively  
Furthering  
Fair Housing

Policy Goals



# ORD 20-14 Chapter 193 Section 193.03



Rights and  
Responsibilities  
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Security  
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# Security Deposit Limitations 193.03

The **Security Deposit Limitation policy** ensures equitable access to housing by limiting the upfront charges related to Security Deposits and Prepaid Rent.

## Summary of new rules for owners:

The Security Deposit Limitation policy establishes the maximum amount that may be charged for a Security Deposit and Prepaid Rent.

- **Security Deposit** cannot exceed One (1) months' rent
- **Prepaid Rent** cannot exceed One (1) months' rent





**Let's review each piece in more detail.**



# Single Months Rent

*Single Month Rent* shall have the following meaning:

## Common

- 1) For a lease in which rent is paid once each month in the same amount, single month rent means that amount.
- 2) When a tenant's rent is supplemented by a rental subsidy, rent means the total contract rent for the dwelling unit.



# Single Months Rent

*Single Month Rent* shall have the following meaning:

## Less Common

3) For a lease in which rent is paid once each period in the same amount but the period is not one (1) month, single month rent means the amount paid per period divided by the number of days in the period and then multiplied by thirty (30).

4) For other leases, single month rent means the total amount of rent due under the anticipated length of the lease divided by the number of days in the anticipated length of the lease and then multiplied by thirty (30).

### **Example**

Rent is \$140.00 per 7-day week

$\$140.00 / 7 = \$20.00$

$\$20.00 \times 30 = \$600.00$





# Security Deposit

**Security Deposit** Mn Statute 504B. 178: Any deposit of money, the function of which is to secure the performance of a residential rental agreement or any part of such an agreement, other than a deposit which is exclusively an advance payment of rent.

**Current Requirements that apply:** MN Statute 504B.178 provides the requirements related to processing, retaining and returning a security deposit.

**New Requirement:** The security deposit cannot exceed the equivalent of a Single Months rent as established in Section 193.03.



# Prepaid Rent

**Prepaid Rent:** Any charge for rent used as a condition of move in.

**New Requirement:** The Prepaid Rent amount cannot exceed the equivalent of a Single Months rent as established in Section 193.03.



## Exclusions

- Owners may still charge a Rental Application fee
- Owners may still charge a pet deposit.



## Exceptions

- **IF** a potential renter could be denied by the owner after application under Section 193.04 – Tenant Screening Guidelines, the owner may charge an accept an additional Security Deposit **or** Prepaid Rent amount as a condition to enter into a lease agreement with the applicant.



**Let's look at a couple  
examples.**



## Scenario/Examples:

### APPLICANT MEETS LANDLORD'S SCREENING CRITERIA

SCENARIO 1	SCENARIO 2
<b>Rent:</b> \$1200.00 per month	<b>Rent:</b> \$1200.00 per month
<b>Security Deposit:</b> \$600.00	<b>Security Deposit:</b> \$1200.00
<b>Tenant Pays:</b> Security Deposit \$600.00* First month's rent \$1200.00	<b>Tenant Pays:</b> Security Deposit \$1200.00* First month's rent \$1200.00
<b>Total =</b> \$1800.00 at move in	<b>Total =</b> \$2400.00 at move in



\*Security Deposit does not have to equal the equivalent of a Single Month's Rent; Security deposit cannot exceed the equivalent of a Single Month's Rent.



## Scenario/Examples:

### APPLICANT DOES NOT MEET LANDLORD'S SCREENING CRITERIA. EXCEPTION BEING OFFERED

SCENARIO 1	SCENARIO 2	SCENARIO 3
<b>Rent:</b> \$1200.00 per month	<b>Rent:</b> \$1200.00 per month	<b>Rent:</b> \$1200.00 per month
<b>Security Deposit:</b> \$1200.00	<b>Security Deposit:</b> \$1200.00	<b>Security Deposit:</b> \$1200.00
<b>Tenant Pays:</b> Security Deposit \$1200.00 Additional Security Deposit \$1200.00 First month's rent \$1200.00	<b>Tenant Pays:</b> Security Deposit \$1200.00 First month's rent \$1200.00 Last month's rent \$1200.00	<b>Tenant Pays:</b> Security Deposit \$1200.00* First month's rent \$1200.00 Additional Security Deposit \$600.00*
<b>Total =</b> \$3600.00 at move in	<b>Total =</b> \$3600.00 at move in	<b>Total =</b> \$3000.00 at move in

\*Additional Security Deposit or Prepaid Rent does not have to equal the equivalent of a Single Month's Rent; Additional Security Deposit or Prepaid Rent cannot exceed the equivalent of a Single Month's Rent.



# Enforcement

	Security Deposits	Tenant Screening Guidelines	Just Cause	Advance Notice
<b>Section 1.05 of the Legislative Code</b> 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.	X	X	X	X
<b>Private Right of Action Created:</b> Any Tenant aggrieved by a Landlord's noncompliance with this section has the right to file a lawsuit in court.	X	X	X	X
<b>Relocation Assistance:</b> A payment in an amount equal to three (3) times the rental housing affordability limit at sixty (60) percent of the Area Median Income (AMI) for the Twin Cities. Updated annually by HUD			X	X



**Have Questions or need more information?**

**Visit: [StPaul.gov/SAFE](https://stpaul.gov/SAFE)  
for more resources**