

ORDINANCE NO. 20-05

AN ORDINANCE AMENDING CHAPTER 3, BUILDING AND SIGN REGULATIONS, OF THE NEW HOPE CITY CODE BY ADDING A NEW SECTION 3-35 RELATING TO THE SALE OF AFFORDABLE RENTAL HOUSING AND ESTABLISHING NOTICE AND RELOCATION ASSISTANCE REQUIREMENTS FOR NEW OWNERS

THE CITY COUNCIL OF THE CITY OF NEW HOPE ORDAINS:

Section 1. Chapter 3, BUILDING AND SIGN REGULATIONS, is hereby amended to add a new Section 3-35 Sale of Affordable Rental Housing; Notice and Relocation Assistance Requirements by adding the underlined text as follows:

Sec. 3-35 - Sale of Affordable Rental Housing; Notice and Relocation Assistance Requirements.

(a) Definitions. The following definitions apply in this section of the Code.

- (1) "Affordable housing building" means a multifamily rental housing building having three or more dwelling units, where at least 20% 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.
- (2) "Affordable housing unit" means 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.
- (3) "Cause" means the tenant or a member of the tenant's household materially violated a term of the lease or violated an applicable federal, state or local law or regulation.
- (4) "Relocation assistance" means a payment in the amount equal to three months of the current contract rent charged to the tenant.
- (5) "Tenant protection period" means the period that commences on the date when a real estate closing transfers ownership of an affordable housing building and runs through the end of the three calendar months following the month in which written notice of the transfer is sent to each affordable housing unit tenant pursuant to subsection (b) of this section.

(b) Notice Upon Transfer of Ownership. Whenever ownership of an affordable housing building is transferred, the new owner shall, within thirty (30) days after 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. The notice must include the following information:

- (1) The name, mailing address, and telephone number of the new owner.
- (2) The following statement: New Hope City Code Section 3-35 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 3-35, affordable housing unit tenants are entitled to relocation assistance from the new owner if, during the tenant protection period, the new owner:
 - a. Without cause, terminates or does not renew the tenant's lease;
 - b. Raises the rent and the tenant submits a written notice of termination of their lease; or
 - c. Requires existing affordable housing unit tenants to comply with new residency screening criteria and the owner terminates 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 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.
- (6) The date the tenant protection period will expire.
- (7) Whether the new owner, after the tenant protection period expires, intends to: increase rent; require existing affordable housing unit tenants to comply with new residency screening criteria; or, without cause, terminate or not renew affordable housing unit leases and, if so, when the new owner intends to take such actions.

(c) Amended notice required. If a new owner decides to take action during the tenant protection period that is different than the action described in the notice required under subsection (b), the owner must send the impacted tenant or tenants an amended notice describing the modified action and the timing for the same.

(d) Copy of notices to City. The new owner shall provide a copy of the notices required by this subsection to the City at the same time notice is provided to the tenant or tenants.

(e) Copy of Rent Roll to the City. If the new owner claims the property or the unit does not meet the definition of Affordable Housing Building or Affordable Housing Unit, upon request, the owner shall provide a copy of the rent roll, including the amount of contract rents paid by tenants, to the City.

(f) Relocation Assistance

(1) When required. A new owner of an affordable housing building must pay relocation assistance to affordable housing unit tenants when, during the tenant protection period, the new owner:

a. Without cause, terminates or does not renew the tenant's lease; or

b. Raises the rent and the tenant submits a written notice of termination of their lease; or

c. Requires existing tenants to comply with new residency screening criteria and the owner terminates the tenant's lease.

(2) When paid. The new owner must pay the relocation assistance to the tenant 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.

(g) Penalty.

(1) A violation of subsection (f) of this section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 2-60. Notwithstanding any provision of City Code Section 2-60, the penalty for a violation of subsection (f) of this section shall be the sum of the applicable amount of relocation assistance plus \$500.

(2) A violation of subsection (b) of this section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 2-60.

(3) A violation of this section as to each dwelling unit shall constitute a separate offense.

(h) Payment by City to Displaced Tenant. Within thirty (30) days after a person pays the penalty provided for in subsection (g) of this section to the city, the city shall pay to

the displaced tenant of the affordable housing unit for which the violation occurred,
the applicable amount of relocation assistance.

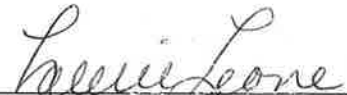
Section 2. Effective Date. This ordinance shall be effective upon passage and publication.

APPROVED by the New Hope City Council this 13th day of January 2020.



Kathi Hemken, Mayor

ATTEST:



Valerie Leone, City Clerk

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SUMMARY OF ORDINANCE NO. 20-05

**AN ORDINANCE AMENDING CHAPTER 3, BUILDING AND SIGN REGULATIONS,
OF THE NEW HOPE CITY CODE BY ADDING A NEW SECTION 3-35 RELATING
TO THE SALE OF AFFORDABLE RENTAL HOUSING AND ESTABLISHING
NOTICE AND RELOCATION ASSISTANCE REQUIREMENTS FOR NEW OWNERS**

Ordinance No. 20-05 amends Chapter 3 of the New Hope City Code establishing requirements for the sale of affordable rental housing.

The full version of Ordinance No. 20-05 is posted at www.newhopemn.gov and is available for inspection at the City Clerk's office, 4401 Xylon Avenue North, New Hope, Minnesota.

The Ordinance was adopted by the New Hope City Council on January 13, 2020, and shall become effective upon publication.

Valerie Leone
City Clerk

(published in the New Hope – Golden Valley Sun Post on January 23, 2020)