



CITY OF HOPKINS

Sale of Affordable Rental Housing Building—Tenant Protection Ordinance Information Packet

In May 2019, the Hopkins City Council adopted Ordinance No. 2019-1141 enacting a tenant protection period following the sale of an affordable housing building. The goal is to protect low 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 defines affordable properties as rental apartment buildings with three or more units 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 City of Hopkins uses the U.S. Department of Housing and Urban Development (HUD) Affordable Rent limits which are updated annually.

2020 Rental Housing Rates (defined annually by U.S. Department of Housing and Urban Development)	
Number of Bedrooms	60% AMI
Studio	\$1,086
1 Bedroom	\$1,164
2 Bedroom	\$1,395
3 Bedroom	\$1,612
4 Bedroom	\$1,800

The following [Tenant Protection Ordinance Information Packet](#) includes the ordinance and provides other resources to help owners and property managers understand the ordinance. The packet includes the following:

- Ordinance
- Frequently Asked Questions
- Draft tenant letters
- Resources for tenants

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.hopkinsmn.com. Contact Jan Youngquist, Community Development Coordinator, at jyoungquist@hopkinsmn.com or 952-548-6343 with any questions.

HOPKINS CITY CODE OF ORDINANCES
Part II, Chapter 20

DIVISION 6. - AFFORDABLE RENTALS

Sec. 20-305. - 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.

(Ord. No. 2019-1141, § 1(460.00), 5-7-2019)

Sec. 20-306. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Affordable housing building means 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.

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.

Cause means the tenant or a member of the tenant's household materially violated a term of the lease or rental agreement, or violated an applicable federal, state, or local law or regulation.

Relocation assistance means a payment in the amount equal to three months of the current monthly contract rent.

Tenant protection period means 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 date in which written notice of the transfer is sent to each affordable housing unit tenant pursuant to section 20-307.

Transfer of ownership means any conveyance of title to an affordable housing building 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.

(Ord. No. 2019-1141, § 1(460.01), 5-7-2019)

Sec. 20-307. - Notice.

(a) 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 include the following information:

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

- (2) The following statement: "Hopkins City Code section 460 provides for a tenant protection period for affordable housing unit tenants after an affordable housing building is transferred to a new owner. Under section 460, affordable housing unit tenants may be entitled to relocation assistance from the new owner if, during the tenant protection period, the new owner:
 - a. Terminates or does not renew the tenant's rental agreement without cause;
 - b. Raises the rent and the tenant submits a written notice of termination of their rental agreement;
 - c. Requires existing affordable housing unit tenants to comply with existing or modified residency screening criteria and the owner or tenant terminates or does not renew the tenant's rental agreement."
 - (3) Whether there will be any rent increase within 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 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, the date the rental agreement 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, on the day immediately following the tenant protection period, intends to: increase rent, require existing affordable housing unit tenants to be comply with existing or modified residency screening criteria, or terminate or not renew affordable housing unit rental agreements without cause.
 - (8) Each notice required by this subsection 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: Spanish and Somali. Upon request by a tenant, the owner must provide a written translation of the notice in the tenant's native language.
- (b) The new owner shall provide a copy of the notice required by this section to the city at the same time notice is provided to the tenant or 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 require existing affordable housing unit tenants to comply with existing or modified residency screening criteria without giving the notice required by this section.

(Ord. No. 2019-1141, § 1(460.02), 5-7-2019)

Sec. 20-308. - Relocation assistance.

- (a) *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:
 - (1) Terminates or does not renew the tenant's rental agreement without cause;
 - (2) Raises the rent and the tenant submits a written notice of termination of their rental agreement;
 or
 - (3) Requires existing affordable housing unit tenants to comply with existing or modified residency screening criteria and the owner or tenant terminates or does not renew the tenant's rental agreement.
- (b) *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 rental agreement or within 30 days after the owner notifies the tenant that the rental agreement will be terminated or not renewed.

(Ord. No. 2019-1141, § 1(460.03), 5-7-2019)

Sec. 20-309. - Penalty.

- (a) A violation of section 20-308 is an administrative offense that may be subject to an administrative citation and civil penalties as provided in section 2-154. Notwithstanding any provision of section 2-154, the penalty for a violation of section 20-308 shall be the sum of the applicable amount of relocation assistance plus \$500.00.
- (b) A violation of section 20-307 is an administrative offense that may be subject to an administrative citation and civil penalties as provided in section 2-154.
- (c) A violation of this ordinance as to each dwelling unit shall constitute a separate offense.

(Ord. No. 2019-1141, § 1(460.04), 5-7-2019)

Sec. 20-310. - Payment by city to displaced tenant.

Within 30 days after a person pays the penalty provided for in section 20-309(a) to the city, the city shall pay the applicable amount of relocation assistance to the displaced tenant of the affordable housing unit for which the violation occurred.

(Ord. No. 2019-1141, § 1(460.05), 5-7-2019)

Secs. 20-311—20-326. - Reserved.



Frequently Asked Questions - Hopkins Tenant Protection Ordinance Related to the Sale of Affordable Housing

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 Hopkins?

The ordinance is in response to the City's concern 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 did the ordinance take effect?

The ordinance was adopted by the City Council on May 7 and took effect on July 1, 2019.

4. When does the ordinance apply?

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

5. 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 with three or more units where at least 15% of the units have rents affordable to households with incomes at or below 60% Area Median Income (AMI).

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

It applies to NOAH rental units only.

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

The City will send a notification to multi-family property owners to report the total number of units and the number of affordable units at their property. After that initial reporting, owners will then report this information as part of the annual rental licensing process for multi-family buildings beginning in 2020. 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 will be certified as a NOAH property.

8. I own and lease out condominium units. Does the ordinance apply to these units?

No. It applies to NOAH multi-family buildings with 3 or more units.

9. What is my responsibility as an owner?

It is the responsibility of the owner to identify their property as a NOAH property to the City through the reporting described in #7. If you sell your property, you will need to make sure that the potential buyers are aware of the ordinance either directly or through their broker.

10. What is the responsibility of the buyer of a NOAH property?

If the property meets the definition of a NOAH property, the new owner will be 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 Ordinance including notification to all tenants residing in NOAH units.

12. What are the 60% Area Median Income (AMI) rent limits?

The rent levels are calculated annually by the U.S. Department of Housing and Urban Development (HUD) for the Minneapolis-St. Paul region. The affordable rent limits at 60% AMI as of July 2020 are shown below.

2020 Affordable Rents at 60% Area Median Income (AMI)	
Number of bedrooms	Rent
Studio	\$ 1,086
1 bedroom	\$ 1,164
2 bedroom	\$ 1,395
3 bedroom	\$ 1,612
4 bedroom	\$ 1,800

13. Can a new owner 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 and the tenant chooses to move.

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

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 the three month tenant protection period. Relocation benefits are equal to three month's contract rent and must be paid within 30 days of the notification of the lease termination.

15. Are there any restrictions after the three month tenant protection period expires?

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

16. 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.

17. If a lease expires during the three month protection period, can a new owner raise the rent?

A new owner can renew the lease but any rent increases must be effective after the three month tenant protection period has expired or the provisions of the Tenant Protection Ordinance will apply.

18. 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.

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

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

[Draft Notice: For use when there will not be rent increases, rescreeing, or non-renewals during tenant protection period.]

Your Company's Letterhead
[DATE]

Dear Tenant:

This letter is notifying you of a change of ownership at the property and the Hopkins 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]

Hopkins City Code Part II, Chapter 20, Division 6 provides for a tenant protection period for affordable housing unit tenants after an affordable housing building is transferred to a new owner. Under City Code, affordable housing unit tenants may be entitled to relocation assistance from the new owner if, during the tenant protection period, the new owner:

- a. Terminates or does not renew the tenant's rental agreement without cause;
- b. Raises the rent and the tenant submits a written notice of termination of their rental agreement; or
- c. Requires existing affordable housing unit tenants to comply with existing or modified residency screening criteria and the owner or tenant terminates or does not renew the tenant's 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]

[The box and text below is required to be included in the letter exactly as written]

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.

Esta información sobre su casa es importante. Si no la entiende, haga que alguien se la traduzca o solicite una traducción al dueño de la casa.

Tani waa macluumaad ama akhbaar aad muhiim u ah. Hadii aadan fahmin, fadlan hadda waydiiso inuu qof kale kuu tarjumo, ama tarjumaad ka codso milkiilaha gurigaaga.

[Draft Notice: For use when there will be rent increases, rescreening, or non-renewals during tenant protection period.]

Your Company's Letterhead

[DATE]

Dear Tenant:

This letter is notifying you of a change of ownership at the property and the Hopkins 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]

Hopkins City Code Part II, Chapter 20, Division 6 provides for a tenant protection period for affordable housing unit tenants after an affordable housing building is transferred to a new owner. Under City Code, affordable housing unit tenants may be entitled to relocation assistance from the new owner if, during the tenant protection period, the new owner:

- a. Terminates or does not renew the tenant's rental agreement without cause;
- b. Raises the rent and the tenant submits a written notice of termination of their rental agreement; or,
- c. Requires existing affordable housing unit tenants to comply with existing or modified residency screening criteria and the owner or tenant terminates or does not renew the tenant's 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, 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]

[The box and text below is required to be included in the letter exactly as written]

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.

Esta información sobre su casa es importante. Si no la entiende, haga que alguien se la traduzca o solicite una traducción al dueño de la casa.

Tani waa macluumaad ama akhbaar aad muhiim u ah. Hadii aadan fahmin, fadlan hadda waydiiso inuu qof kale kuu tarjumo, ama tarjumaad ka codso milkiilaha gurigaaga.

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

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. <https://www.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. www.mnhousing.gov

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

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/>