

Notes-City of Minneapolis Rent Stabilization Working Group #8

November 17th, 10:00am-12:00pm, Minneapolis Central Library, 300 Nicollet Mall, Minneapolis

The City of Minneapolis hosted the eighth Meeting for the City of Minneapolis Rent Stabilization Working Group Meeting Series on November 9, 2022, from 11:30 am to 1:30 pm at the Minneapolis Public Service Building with facilitation by NEOO Partners. Here working group members witnessed a presentation on Monitoring and Compliance by Dr. Ed Goetz from CURA at the U of M. This was followed by a small group activity focused on Rent Stabilization Monitoring, Compliance, and Enforcement. The members ended with a personal reflection activity in which they each crafted individual frameworks.

I. Welcome (5 min)(11:35-11:40)

II. Review Ground Rules (5 minutes)(11:40-11:45)

Review and Update Ground Rules

- Step Up Step Back
- Be respectful
- Call out and then call in.
- Speak from your own experience instead of generalizing
- Participate to the fullest of your ability, be curious
- Listen to understand, not to respond
- All roads will lead to a framework!
- Leave Ego at the Door

III. Ed from U of M (15 minutes) (10:00 - 10:15)

IV. Q&A (15 minutes) (10:15 - 10:30)

Q: Either Rent Boards Can Hear Disputes What Happens In Oregon? What is the benefit of a rent board over a housing court?

A: The advantage is best experienced by the renters and tenants themselves. As a tenant you have to know about the law and what it requires, when there is a violation and have the means to go through with reporting. They can also be involved if there is a robust public information element to implementation.

Q: Do we have data on what portion of rental units in Oregon are rental units that are subsidized or regulated units?

A: Do not have that information on hand. One of the functions of the rent board would be to notify both the landlord and the tenant that this is a regulated unit.

Q: How does a unit become regulated?

A: According to how the law is structured. According to what exemptions are put out which would be laid out in the ordinance.

Q: Do You Have Any Information On Anti-Gouging Properties?

A: The State Of Oregon Is Cpi + 7% Over The Last 10 To 15 Years Ago That Would Be A Rent Cap Of 10% This Would Be Considered an Anti-Rent Gouging Law.

V. Small Group Activity (30 minutes) (10:50-11:10)

Group Composition

Pink Facilitator: Adriana Silva

Members: Jimmy Lee Harris (Not Present), Dan Largen, Daniel Sutor, Jennifer Arnold, Kim Smith-Moore

Black Facilitator: Denetrick Powers

Members: Alex Kane, Ryan Taylor, Joseph Peris, Kadra Abdi, Peggy Clark

Navy Facilitator: Deanna Mazone

Members: Jonathan Kim, Cathy Capone, Maura Brown, Henry Parker, Yolanda Roth

Orange Facilitator: D'Angelos Svenkeson

Members: Kelly Elgin, Jose Zayas, Bruce Brunner, Kayla Gibbons, Cecil Smith

Yellow Facilitator: Sharice McCain

Members: Eric Meyers, Rico Morales, Asalesole Young, Sue Speakman, Ellen Sahli

1. Initial Certification

Navy Group:

Self Certification?

- Yes the notification will let people know that this is a rent stabilized building. This would have to be included in the lease. This information will be listed on the city website. Jonathan- yes developing good communication, if it is on the website how do you know if it is being monitored correctly.

- Yes could be included as part of the annual rental license. If the cap is 3% and you are above 3% you have to get an exception. You would certify your exemptions based on annual rental certification that would be public information,
- Yes, if the compliance piece is there. Where do you see tenants getting notified on what the rent should be ? Yolanda-
- yes ,if there are other pieces applied but see a lot of issues including lots of money being spent on the back end.

Third Party?

- Creates a lot of issues and costs, and the fees that are charged are only 60% covered. Interest is rising, and heat and maintenance are rising.

2. Compliance/Monitoring

Pink Group:

- City? Monitoring makes more sense under regulatory services.

Black Group:

- If the landlord was to raise the rent, have a policy where the landlord has to provide disclosure to the tenant on the rent increases.
- What can we improve in the existing systems to improve monitoring and compliance. The most efficient way for people to get things done is for them to do it themselves.
- How can the city support tenants to take things into their own hands? Public housing authorities provide documents to tenants on tenant and landlord responsibility that is detailed.
- Need to be aware of barriers such as language and education that may prevent tenants from self advocating. City council part time staff that tenants can call to help them navigate the policies and resources available to them. Current language for eviction notices (a specific 14 day letter for notice of eviction) feels top down and authoritative. Needs to be written in a way that is empathetic.

Navy Group:

- Tenants? Wants to be easy as possible to submit complaints
- City? There should be some city compliance, takes too much time from the city
- Third Party? Very costly
- Board? Can decrease the reliance of the court system ? should be appointed and not elected. One person believes having a board is important to have to

help with compliance and education. City will still be involved in providing information to the board.

- Other? Overall group consensus is compliance should involve property owners, tenants and the city. Who is providing the ongoing education to people?

Yellow Group:

- **Tenants?** Tenant and landlord handbook or guide developed. Clarity with both sides. Parallel guides with tenant and landlord protections. Provides a summary and clarity around the process. (MN Attorney General Bill of Rights but more accessible and easy to physically locate) . Broad agreement and understanding
- **Board?** Appointed or elected? (Question to grapple with) Whose on it? Mix? Landlord? Tenants? 42% Landowners vs Developers? City Council or citizens. Likes the idea of being citizen-elected. (declaration of “property owner” vs “Renter” etc. Some elected positions some appointed.
 - Process: Appointment is easier than election and is specific about composition. Paid board? Biased. Advocate for non jail time due to offenses. Loss of license is possible if the board makes decisions, based on a number of infractions. Board and City step in at property forfeiture

3. Enforcement

Pink Group:

- Board? St paul monitors in the city and what is the purpose of the rent board?
- Worried that the rent board will be politicized. St. Paul has a city council vote on every single rent appeal. An appointed rent board would be politicized but they would have the expertise to address appeals. One leans towards appointment one unsure. A board seems useful because it provides subject matter expertise. Even in housing courts sometimes they still don't have expertise on an issue and it takes time to build that. Enforcement through the courts is more expensive for the people a rent board would be more expensive through the city. A City administrative process works faster than a district court, allows for more expertise and differing perspectives, and will be more transparent. They have to meet often enough to hear all the hearings they have to meet regularly. There are not going to be enough lawyers for low-income tenants and middle-income tenants still have to pay for an attorney. A rent board allows better representation for the tenant. An eviction mechanism that

did not involve housing court because it is costly for both the landlord and the tenant

- Open elections for rent board seats seem like a recipe for disaster.
- If it is appointed it should be appointed by the council than the mayor.

Black Group:

- When the landlord goes to renew their license, they should have to read and sign something on the policy before renewal.
- The city should consult with ____ on language for documents and notices. Should make a policy law where tenants can sue landlords for breaking the law.
- U of M is an example of how to communicate with tenants. That there are no substantive costs to inform this framework. How much bureaucracy will be around the policy?

4. Exceptions to Rent Stabilization

Pink Group:

- City? City Staff Exceptions should go through a standard determination process. A baseline of information should be provided and the city would review it. Provide internal financial statements, building plans, and cost estimates for approval by the city. Can be approved or appealed by a rent board.

Yellow Group:

- **Other Notes:** Registration fee connected to reporting
- Ensure that there are resources to execute the framework!
- **Self?** 100,000 units plus than self-reporting may be necessary for practicality. What enforcement is there for self-reporting? Self-reporting up to a certain cap and paired with an education component. The rent board or renters are left to advocate.
- **City?** City-engaged, regulated system. Not self-certified, involve some oversight. The city is not collecting but responding to information. The city is making the determination. If the tiered system continues, then some regulation and license loss should come into play.

VI. Break (10 minutes) (11:00 - 11:10)

VII. Presentation (10 minutes) (11:10-11:20)

Review process to consensus, voting, and worksheet

VIII. Personal Reflection (30 minutes) (11:20-11:50)

Questions and Comments:

- The framework must not constrain the 2040 plan. When are we discussing the 2040 plan?
Chance to talk to other groups.
- There are tradeoffs to large group vs small group discussion. As facilitators, we chose to have a more substantive and respectful discussion in a small group setting.
- We need more time to review the final report and time for community talk back and listening sessions. The undue burden of representing the whole is on this group. The legislative process will have community engagement as part as its Due Process.
- This working group's end is to produce a framework. The financial and market analysis will be produced by a third-party consultant. The report is us categorizing what has been done to get to the final framework.

Parking lot:

- Were LA boards and CURA examples paid or unpaid. Stipends?
- Where does the 1 year clock begin? -Factor in weather changes and conditions during moving? (July)
- More time for community engagement; give Working Group stakeholders understanding

Q: Where is Report and analysis?

A: Fiscal and overall report occurring with a separate consultant group

Q: Why were the final days selected as the final days?

Feels like the end is missing