

Business, Inspections, Housing & Zoning Committee Agenda

Regular Meeting

March 16, 2021 - 1:30 pm

Online Meeting

Members: Council Members Lisa Goodman (Chair), Jeremy Schroeder (Vice-Chair), Kevin Reich, Cam Gordon, Jeremiah Ellison, and Jamal Osman (Quorum: 4)

Clerk: Lisa Brock, (612) 673-2216

Consent Agenda Item #24 ...

24. Tenant Protections ordinance ([2021-00288](#))

1. Passage of Ordinance amending Title 12 of the Minneapolis Code of Ordinances relating to Housing, creating a new Chapter 246 entitled “Tenant Protections” and adding thereto provisions creating a right of first refusal and/or opportunity to purchase for tenants and qualified developers to the sale of rental housing.

2. Directing City Attorney’s Office to work with the Council authors and staff from the Community Planning and Economic Development and Regulatory Services Departments to draft an Opportunity to Purchase ordinance and return it to the BIHZ committee by July 1, 2021 for further action, based on the following framework:
 1. The Tenant Opportunity to Purchase applies to all rental housing in the City of Minneapolis, with the following exemptions: 1-4 unit buildings owned by an individual (not an LLC) who has five or fewer rental licenses; 1-4 unit buildings that are homesteaded, relative homesteaded, or partially homesteaded; five-plus unit buildings that received a certificate of occupancy within the last ten years.
 2. Establishes a private right of action for all covered properties in the city.
 3. Allows a tenant, tenant organization, tenant partner, or qualified organization to exercise rights, in a “waterfall” that gives tenants the first opportunity, and qualified organizations subservient rights. These rights should run concurrently.
 4. Before offering a property for sale, a property owner must provide tenants and qualified organizations with a right of first offer. In order to make an offer, a tenant, tenant organization, tenant partner, or qualified organization must register their rights.
 5. Tenants may assign their rights only to a tenant partner that meets baseline criteria regarding the management of rental properties. Tenant partners must inform the City that they will be serving this role before any assignment of individual tenant rights.
 6. If the tenant, tenant organization, tenant partner, or qualified organization does not register their right to make an offer, the sale may proceed without additional requirements under the policy.
 7. If a property owner chooses not to accept the first offer from a tenant, tenant organization, tenant partner, or qualified organization that has registered their rights, the tenant, tenant organization, tenant partner, or qualified organization has a right of first refusal.
 8. The timeline for each of these elements will be based on the timelines identified in the Opportunity to Purchase Policy Options report completed by consultants to the City.

Further directing the Community Planning and Economic Development and Regulatory Services Department to work with the Council authors to address outstanding policy details, including but not limited to the following:

1. Criteria for City support of tenants and qualified organizations, by building rent levels and/or income of tenants, and requirements that would be tied to City support;
2. Effective date(s) for this policy;
3. Possible compliance alternatives;
4. Potential exemptions for certain types of transfers of ownership;
5. Types of buildings other than standard rental properties that may be covered or exempted;
6. The process for identifying tenant partners;
7. The process for identifying qualified organizations;
8. Staff resources required to implement this policy;
9. Resources the City should make available to external partners in order to maximize low-income tenants' exercise of their rights;
10. Outreach and education necessary to successfully implement this policy; and
11. Additional resources and/or regulations required to ensure compliance.

Tenant Opportunity to Purchase ordinance development - Fiscal Note

- [Home](#)
- [File](#)
- Fiscal Note

IS THIS REQUEST INCLUDED IN THE CURRENT YEAR BUDGET?

No

PROPOSED FUNDING SOURCE

Community Planning & Economic Development

FUND:

8900210-00100-507000

IS THIS REQUEST SUPPORTED IN ANY WAY BY GRANT FUNDS?

No

ASSUMPTIONS:

This staff direction will require staff time as well as external professional services.

BUDGET IMPACT

List of revenues and expenditures related to this request

Request Financing	2021	2022
Revenue Sources		
CPED Professional Services	\$50,000	
Total Revenues	\$50,000	\$0
Expenditures		
Professional Services -- Policy Development	\$50,000	
Total Expenditures	\$50,000	\$0
Net Budgetary Impact (Revenue-Exp.)	\$0	\$0

DOES YOUR REQUEST HAVE PERSONNEL IMPACT?

Not Applicable

DOES YOUR REQUEST HAVE IT IMPACT?

Not Applicable