

University Community Housing Forum Slides

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Minneapolis City Housing Policy

A look at how we are working to maintain and improve accessible, fair, safe, healthy, affordable and quality rental housing in Minneapolis

Institutional Infrastructure

- Housing Policy and Development Committee
- Housing Division of Community Planning and Economic Development Department
- Regulatory Services, Rental Housing Inspections and Enforcement
- Health Department - Healthy Homes
- Housing Advisory Committee

Policy Guidance

To address rental housing affordability, safety, stability, and racial housing disparities.

- Minneapolis 2040 Comprehensive Plan
- City's Unified Housing Policy
- Strategic & Racial Equity Action Plan
- City Housing Maintenance Code, Rental Licensing
- City Zoning Code

Minneapolis Housing Challenges

- Displacement, Gentrification
- Unsafe, unhealthy housing
- Increasing rents and low vacancy rate
- Homelessness and housing instability
- Evictions
- Access to services and assistance

Recent Work Completed

- Increased City investment in affordable housing development and preservation
- Interim Inclusionary Zoning ordinance
- Allowing more units via Comprehensive Plan land use changes
- Intentional Communities Ordinance
- Emergency Stabilization Pilot Program
- Conduct on Licensed Premises ordinance
- Advance Notice of Sale ordinance
- Post-Sale Tenant Protections
- Lead Disclosure Ordinance
- Energy Disclosure Ordinance

Renter First Housing Policy

- Revise or develop policies and protocols, including making recommendations for City policy change and creation of new tools or programs, to ensure a renter-first framework is embedded in City operations.
- Strengthen evaluation of environmental hazards such as mold, lead, radon, and infestations through use of technological assistance.
- Strengthen enforcement protocols to make sure all available tools, such as citations, criminal prosecution, and Tenant Remedy Actions are appropriately applied so that repair issues are addressed quickly with minimal negative impacts on the renter.
- Strategically use resources to direct inspection efforts towards properties in disrepair or with a high volume of renter complaints, and properties whose owners are repeatedly cited for having a property in disrepair.
- Ensure that City-initiated vacations of rental properties only occur as a last resort.
- Create financial opportunities for property owners to maintain housing conditions and affordable housing without increasing the cost to renters.
- Improve renters' and property owners' ability to access information about rental properties by supporting community outreach, creating culturally appropriate materials that improve understanding and compliance, and making relevant data available and easily obtained.

Renter Protection Ordinances: Security Deposits and Screening Criteria

Why?

- Real-world stories: Renters being disqualified from access to decent housing due to incidents that occurred in their past. Renters being charged extremely high upfront costs to secure housing.
- Data:
 - The cost of rent is increasing much faster than renters' income; since 2000, housing costs for renters have increased 17% while renter income has increased only 4%.
 - The private market vacancy rate in the Twin Cities has remained below 5% since 2015 and there are not enough units available at rates affordable to those who need them.
 - Criminal history, eviction history and credit score are shown to affect people of color disproportionately. Blanket screening criteria can exclude people even if they have a job, sufficient income, and other mitigating factors.
 - These indicators are not proven to be reliable predictors of tenant success. Recidivism studies showing that criminal history is not necessarily predictive of future behavior and as time passes, a person with a criminal history has a similar likelihood of committing an offense to a person without a criminal record.
- Federal guidance from HUD has pushed for individual assessments and against blanket policies on criminal history.

Why?

Criminal History:

- Roughly 1/3 of adults in the U.S. have a criminal history.
- Access to housing is one of the key factors to prevent recidivism.
- African Americans and Hispanics are incarcerated at much higher rates than their share of the population.
- As of January 2019, African Americans make up 34.5 % of the Minnesota prison population but only 6.5 % of the state's population as a whole (as of 2017).
- American Indians make up 9 % of Minnesota prison population but less than 2 % of state population as a whole (as of 2017).
- A criminal record doesn't in and of itself predict likelihood of housing stability
- "The assumption that a criminal record is accurately predictive of a future problematic tenancy is not supported by current social science research" (NYU Journal – "Tenant Screening in an Era of Mass Incarceration")

Credit:

- About 64 million people in the U. S. have no credit history or lack sufficient credit history to generate a credit score with the major credit bureaus.
- Low income consumers have low credit scores because they are less likely to access the types of financial services that report to the traditional credit bureaus.
- One in five consumers have errors on at least one of their three credit reports.

How? – the process

- March 2018: Notice and introduction
- April-October: Meetings with advocates, landlords, and other housing experts
- August-December: Three community meetings attended by renters, landlords
- January-April (and continuing): City staff research policy ideas and draft ordinance language (Portland, Cook County IL, Seattle, Detroit)
- May - present: Share initial draft language and request feedback from stakeholders
- Present – September: collect input, present final draft for public hearing, consider amendments at City Council meetings, vote.

What? 1. Security Deposits

Limit unreasonable up-front costs to access housing.

Two options:

1. If property owner charges security deposit and first month's rent:
 - Security deposit is capped at one month's rent
 2. If property owner charges security deposit, first month's rent, AND last month's rent:
 - Security deposit is capped at a half month's rent AND
 - Tenant has the option to pay security deposit in installments
- Exceptions: Units subject to a referral agreement between a landlord and non-profit service provider or government agency may have a security deposit up to one and one-half month's rent.
 - Pet deposits capped at 25% of one month's rent

What? 2. Screening Criteria

Establish limitations on what screening criteria will automatically disqualify a person from housing.

Two Options: Set screening standards in the ordinance or conduct an individualized assessment.

- **Set screening standards** : Property owners/managers may not consider:
 - Criminal history
 - *Misdemeanors older than 2 years*
 - *Felonies older than 5 years*
 - *Arrest that did not result in conviction*
 - *Exceptions: registered sex offender, production of methamphetamine, arson, racketeering*
 - Eviction history
 - *Dismissed eviction action*
 - *Settled with no judgement or writ entered 1 or more years before application*
 - *Resulted in a judgement entered 3 or more years before application*
 - Credit score
 - *Minimum requirement of 500 or more*

What? 2. Screening Criteria

Individualized assessment option may be more restrictive

- Before a denial, must consider and address:
 - Nature, severity, number, type, and age of the barrier(s), as well as the time that has elapsed since the barrier(s) occurred.
 - Supplemental information, provided by the applicant, that may explain, justify, or negate the potential negative background information. Ex. 6 or more consecutive months of job stability, income stability, or positive rental payments; current enrollment or completion of secondary education or job training programs; completion of credit counseling; etc.
- After a denial, must respond describing:
 - Criteria not met
 - Additional evidence that was considered and if it influenced the decision
 - Legitimate, non-discriminatory business interest for denial
- Exceptions: Units between landlord and nonprofit service provider or government agency working to place vulnerable tenants into housing; and units in compliance with local, state, or federal affordable housing loan or funding requirements.

How? Enforcement

Regulatory Services is developing enforcement strategies.

- Tenants can bring forward a complaint through 311.
- Tenant navigators conduct an investigation.
- Enforcement strategies may include:
 - Fines
 - Tiering status implications
 - Voluntary conditions
 - Involuntary conditions
 - License Revocation

Looking Ahead

What Else Can We Do?

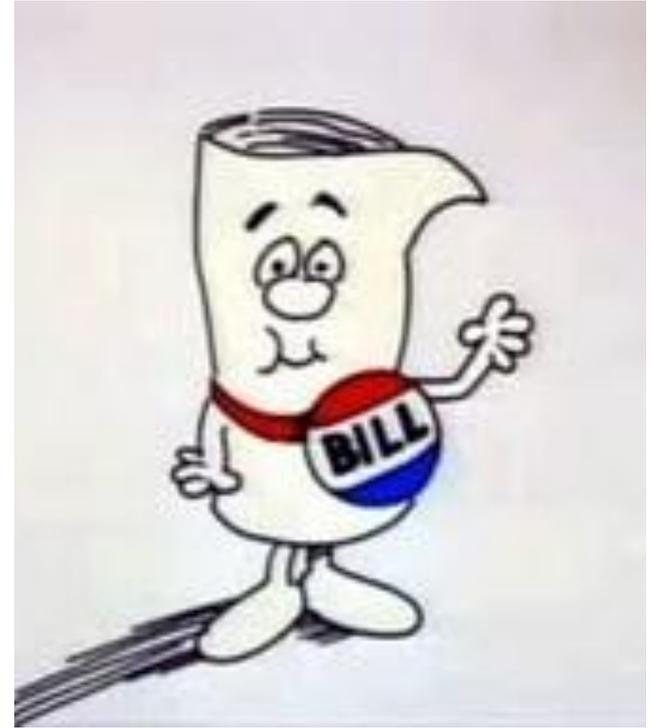
- **Permanent Inclusionary Zoning ordinance**
- **Shared Housing, Single Room Occupancy**
- **Smaller Homes and Housing Development Clusters**
- **Right of First Refusal and Option to Purchase**
- **Occupancy Limits Ordinance**
- **Short Term Rental Ordinance Revisions**
- **Rent Stabilization and Control**
- **Continue to pilot strategies for creating new housing types and preserving existing affordable housing**

Senator Dziedzic and Representative Noor



SF 125/ HF 495

- ▶ Residential lease requirements modifications
- ▶ Consumer Protection bill, that provides transparency and peace of mind to students
- ▶ Buildings with more than 12 units must list unit # in the lease
- ▶ Lease start and end date must be on the 1st page of the lease
- ▶ Thanks to Minnesota Student Association for crafting and advocating for the bill



2020 Legislative Initiatives

- ▶ Tenant notice and right of first refusal (SF 60/HF 1876)
- ▶ Evictions and expungements (SF 1751/HF 1511)
- ▶ Tenant notice for evictions (SF 338/HF 1972)
- ▶ Increasing opportunities and affordable options for housing



Questions and Answers