



Resolution No. 2022R-187

City of Minneapolis

File No. 2022-00362

Author: Jenkins

Committee: COW

Public Hearing: None

Passage: Jun 30, 2022

Publication:

JUL 08 2022

RECORD OF COUNCIL VOTE				
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT
Payne	X			
Wonsley	X			
Rainville	X			
Vetaw	X			
Ellison	X			
Osman	X			
Goodman	X			
Jenkins	X			
Chavez	X			
Chughtai	X			
Koski	X			
Johnson	X			
Palmisano	X			

MAYOR ACTION

APPROVED

VETOED


MAYOR

JUL 05 2022

DATE

Certified an official action of the City Council

ATTEST:


CITY CLERK

Presented to Mayor: JUN 30 2022

Received from Mayor: JUL 05 2022

Amending Resolution 2022R-110 entitled "Establishing the Housing/Rent Stabilization Work Group," adopted April 14, 2022, revising the Work Group Structure.

Whereas, the voters of Minneapolis approved Charter Amendment No. 185 ("Question 3") at the November 2, 2021, General Municipal Election, which authorized the City Council to regulate rents on private residential property in the City of Minneapolis; and

Whereas, as part of its organizational meeting on January 10, 2022, the City Council agreed to a proposal offered by President Jenkins to form a work group to explore and develop recommendations for a housing/rent stabilization policy; and

Whereas, the City Council ratified its Rules of Order at its regular meeting of January 27, 2022, which included Rule IV, Section 5, related to work groups that the City Council may establish “to give focused attention to specific subject matters referred to them, generally for the purpose of providing advice and recommendations on referred matters as well as preparing proposals for new or amended policies which could be addressed through the regular legislative process”;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That a Housing/Rent Stabilization Work Group is hereby established to provide a structured forum to engage a broad set of key stakeholders, representing multiple perspectives, in studying and making recommendations to the Mayor and City Council for a policy framework to address a targeted housing/rent stabilization policy.

Objectives. The Housing/Rent Stabilization work group is specifically charged with submitting a report with recommendations on the following policy components:

1. Recommendation for a policy framework for rent stabilization.
 1. The recommended policy framework should be targeted to—
 1. Protect Minneapolis residents experiencing the worst housing disparities based on race, ethnicity, income, and other factors.
 2. Hold rental owners accountable to fair, equitable, and reasonable practices by prohibiting excessive annual rent increases for existing residents.
 2. Key components of the policy framework should include—
 1. Rent increase restrictions and how they are calculated.
 2. Any exemptions to the policy.
 3. Mechanisms of enforcement.
 4. A regional approach on the impact of the policy.
 3. If the work group cannot agree on a single recommended policy framework, it may recommend two policy frameworks that meet the criteria listed above.
2. The policy framework(s) must not constrain the goals of the Minneapolis 2040 plan.
3. Analysis of the recommended framework, including:
 1. A full fiscal analysis on the possible impacts of a policy against the goals in the Minneapolis 2040 Plan and its impact on housing stability, homelessness, and the housing market.
 2. Policy analysis required for alignment with the city’s existing goals, including racial equity impact analysis (REIA) and Minneapolis 2040 goals related to affordability and access to quality housing.

Recommended Work Group Structure. The work group should be comprised of the following 25 seats. The composition of the membership should reflect the racial, ethnic, socio-economic, geographic, and gender diversity of the community. ~~Work group membership shall not include any rental property owners with properties designated as “Tier 2” or “Tier 3” by the Department of Regulatory Services at the time of the adoption of this resolution. A property owner with a portfolio containing less than 5% of Tier 2 licenses and no Tier 3 licenses may be considered.~~

1. 12 seats to be appointed by the City Council and Mayor.

1. 6 seats reserved for renters:
 1. At least 3 of these seats to be filled such that one individual (renter) is selected from each of the three zip codes identified as priorities in the City's Strategic Racial Equity Action Plan (SREAP) (55411, 55412, 55404), one of whom is a current resident of Public Housing in Minneapolis.
2. 3 seats for rental property owners:
 1. At least 1 must have one rental license (small-scale landlord);
 2. At least 1 must have more than one rental license; and
 3. At least 1 must be a rental property owner who is a participant in the City's 4D housing initiative (whether small-scale or otherwise).
3. 3 seats for developers, provided no developer or representative of a developer who has documented histories of labor violations shall be appointed:
 1. 1 developer who retains and performs property management/operation;
 2. 1 developer who sells to another entity for property management/operation; and
 3. 1 non-profit developer.

2. 13 designated organizational seats to be chosen by the CPED Director upon the recommendation of the respective agencies or organizations listed below.

1. 1 seat reserved for a representative of the City's Housing Advisory Committee (to be selected by the Committee);
2. 1 seat for HOME Line (renter advocacy organization);
3. 1 seat for Family Housing Fund (intermediary and funding organization focused on affordable housing);
4. 1 seat for Mid-Minnesota Legal Aid (MMLA) (organization that provides legal services to renters in Minneapolis);
5. 1 seat for Twin Cities Housing Alliance (housing policy organization);
6. 1 seat for a representative of a financial institution (lender) for residential development projects, to be identified by the Director of CPED);
7. 1 seat for a member of the Homeownership Center (network of organizations focused on homeownership with an emphasis on addressing barriers to homeownership);
8. 1 seat for HousingLink (resource and research organization focused on access to affordable housing);
9. 1 seat reserved for the Metropolitan Consortium of Community Developers (MCCD) (association of non-profit community development organizations, focused on both housing and workforce);
10. 1 seat for The Alliance (coalition of community-based organizations focused on equity);
11. 1 seat for Minneapolis Area REALTORS (local realtors association);
12. 1 seat for Inquilinx Unidxs Por Justicia; and
13. 1 seat for Minnesota Multi Housing Association (MHA).

3. The City of Minneapolis believes in local control. Members will actively participate in the work group in good faith with the shared goal of developing the suggested policy framework(s) and analysis described above.

Shared Expectations for Work Group.

1. Members will actively participate in the work group with the shared goal of developing the suggested policy framework(s) and analysis described above.

2. Work group meetings will be accessible for the public to attend or view, but only work group members will participate in regular meeting discussions. Logistics for work group meetings will follow the same protocols as for other City Advisory Boards and Commissions.
3. At the discretion of the work group, wider public participation opportunities, such as listening sessions or focus groups, may be considered.

Lead Department. The Community Planning & Economic Development (CPED) Department will be the lead department within the City enterprise responsible for coordinating and supporting the Housing/Rent Stabilization Work Group. CPED will designate a staff person to act as lead project coordinator, which includes providing interdepartmental coordination with the other support departments. Other key departments that will be engaged in this work include the City Coordinator, the City Attorney, and Regulatory Services.

Facilitator. To maximize the work group's independence, the credibility of its work and any policy recommendations, and to ensure a neutral process, it is recommended that an outside facilitator be engaged to act as the convenor and overall facilitator of the work group. This individual would be responsible for planning the work group's overall plan, developing meeting agendas, ensuring focus on key objectives, and appropriate interaction/follow-up with City departments (through the CPED lead project coordinator). Having a neutral facilitator to act as the work group's convenor also eliminates the need to designate a chair or co-chairs from the group of stakeholders; thereby ensuring total equality among the members selected to serve on the work group. Ideally, this would be someone with the following expertise and characteristics:

1. Skilled in group facilitation;
2. Skilled in consensus-building techniques;
3. Skilled in effective group communication and coordination of resources;
4. Has access to relevant research and background material;
5. Skilled in development of reports and recommendations; and
6. Neutral on the outcome of the policy or content of the recommendations.

Other Resources. In addition to the department/staff support and resources listed above, the following resources are identified to support the work group:

1. Depending on the facilitator selected, additional funding may be needed to secure expert-level economic consultants and others needed to complete a racial equity impact analysis, cost-benefits analysis, and related research. These analyses are critical to ensuring the recommended policy framework will produce clear benefits to those most impacted by disparities in housing stability.
2. Staff recommends that stipends for parking/transportation be offered to work group members, if funds are available within existing budgets.
3. A budget appropriation of up to \$150,000 is recommended to support the facilitator, any additional consultants needed, and parking/transportation stipends for members.
4. The Federal Reserve is offering facilitated seminars/workshops on rent control policies in the coming weeks, with a potential opportunity for work group members and City staff to attend a special session. The first session is scheduled for April 11th.
5. Other external resources via partnerships include potential interest from HOME Line or Hennepin County Evictions Court staff; UMN/CURA study researcher; economist to focus, in part, on St. Paul's rent stabilization policy as an example and include economic impacts of

evictions and homelessness; homelessness research subject matter expert (e.g., Wilder Foundation or Continuum of Care Partnership to End Homelessness), etc.

Orientation. City staff shall prepare and provide an orientation for the work group. Copies of relevant documents shall be provided to each member as part of this orientation, including but not limited to

1. Minneapolis 2040 (including policies #1, 2, 33-47).
2. SREAP (brochure, reports to Council on progress).
3. Renter First Policy.
4. Tenant Protection Ordinances (ordinance language and one-pagers developed by implementation team).
5. Minnesota Housing, Metropolitan Council, and other data on the need for additional housing supply (Source TBD).
6. Way Home Report (2020).
7. Nonpayment evictions data.
8. CURA's follow-up study and recording of Policy & Government Oversight Committee presentation on February 22, 2022.

Timeline/Deliverables. In order to have a full policy finalized through the legislative process in time to submit a question to voters in 2023, the work group will need to submit its final report with recommendations by the end of 2022. This will give Council, through its normal legislative process, and in collaboration with the Mayor and City Administration, sufficient time to prepare a proposal to refer to voters in 2023. Any policy proposals not requiring a formal vote by the electorate can (and should) be brought forward at any time. For a ballot question to be referred to voters in 2023, all legislative action must be done by June 1, 2023, meaning the absolute latest date that a proposal needs to be completed is early in the first quarter of 2023.