

Minneapolis Advisory Committee on Housing

Regular Meeting

June 13, 2019, 3:30 – 5:00 p.m.

City Hall Room 333

Board/Commission Members: Coriner Boler, Mary Christianson, Brittany Lewis, Colleen O'Connor Toberman, Scott Shaffer, Shanea Turner-Smith, Colleen Ebinger, Queen Maletta Kimmons, Rose Teng, Annie Wells, Ryan Strack, Jeff Horwich, Michelle Basham, Joanna Dobson, Barbara McCormick, Cecil Smith, David McGee, Sebastian Rivera

Staff: Katie Topinka, 612-673-5068, Kellie Rose Jones, Lisa Smestad

Absent: Brenda Marcos, Hukun Abdullahi, Damaris Melo

Call to Order

Adoption of the Agenda

Announcements

Discussion

1. HPD Committee Update

The committee approved a contract with Mid-Minnesota Legal Aid for eviction prevention services.

2. Debrief of May meeting

a. What went well? What changes should we make?

The Committee reviewed group norms discussed at previous meeting and agreed to focus more time on discussion rather than presentations.

3. Renter Ordinance Drafts – (D'Ana Pennington, aide to CP Bender & Dani Hans, aide to CM Ellison)

- a. Q&A regarding ordinance details**
- b. Group discussion**
- c. Determine process for committee weighing in**

Aides to Council President Bender and Council Member Ellison gave an overview of two ordinances related to renters that are in draft form. They shared information about the reasoning behind the ordinances, including the tight housing market, increasing rents and incomes not increasing at the same rate. They also noted supporting policy guidance that the City Council has adopted related to the renters: the Comprehensive Plan, the Strategic and Racial Equity Action Plan and the Renter-First Policy.

The Council Aides shared the ordinance development process to date:

- March 2018: notice and intros
- April-Oct: meetings with advocates, landlords, and other housing experts
- Aug-Dec: 3 community meetings attended by renters and landlords
- Jan-April: staff research and drafting
- Currently: Sharing draft and asking for feedback from stakeholders

They hope to receive feedback on the ordinances from the Housing Advisory Committee at July 11 meeting.

The council aides then shared an overview of each ordinance, one related to capping security deposits and one focused on tenant screening criteria. See attached slides.

After the overview, the Committee members asked questions and made comments about the proposed ordinances. Below is a summary of those comments and questions.

Security Deposit ordinance:

- A committee member mentioned disparities and how it affects the housing market. Does the city have data specific to the city that guided the research? Yes, City can share research with Committee.
- There was a question raised about non-profit exceptions in the security deposit ordinance, which would allow a property owner working with a non-profit provider to charge up to 1.5 month's rent for a security deposit.
 - Staff shared that this was done to take into account unique cases where someone may be working with a provider.
- A committee member asked about whether the City has looked at the impact that ordinances like this have had on cities like Seattle and Portland.
 - The Council aides shared that there are some significant differences between the city's draft and those ordinances. Staff has looked at the research Portland has done to prepare its ordinances.
- A committee member commented that we should make sure there is a section on enforcing state law that requires landlords to provide tenants a receipt for repair expenses incurred when the full security deposit is not returned. That way there is a more accountability on part of the property owners and may lead to more equitable practices.
- A committee member asked what conversations have taken place about how to enforce these ordinances.
 - Staff shared that tenants would bring forward a complaint. Then the city would investigate, and there would be consequences through fines, involuntary/voluntary conditions.
- A committee member commented that the City should make sure that we take into account what goes behind security deposits—what qualifies as a damage? What things would make the landlord keep the security deposit?
- A committee member questioned how the security deposit would work for month to month leases. Staff will follow up with City Attorney's office on this question.
- A committee member asked what the city done to look at intended and unintended consequences.
- A committee member asked whether it is common for more than the proposed amount (in the ordinance) to be charged for security deposit.

Screening Criteria:

- A committee member commented that people are forced to move in to certain spaces because they have limited options because of their records
- A committee member asked how the staff arrived at the credit score of 500 in the draft screening criteria ordinance and recommended that the City be able to explain this clearly to constituents and council when the final ordinance is being presented.
 - Staff shared that it is in part because credit scores are disproportionately lower for people of color. Especially in certain zip codes, people tend to have lower scores

- A committee member commented that there are already requirements that the denial must be written which is something that is required in the ordinance.
- A committee member asked why some crimes are not exceptions to the ordinance, such as rape, homicide, etc. They shared that these should be considered by landlords. However, petty misdemeanors make sense because usually they are things that overwhelmingly affect communities of color disproportionately in comparison to their white counter-parts.
- A committee member commented that the City should make a clear distinction for crimes that disproportionately keep people out of the housing market.
- A committee member recommended that the City look at State Statute 245c for help with distinguishing between types of offenses.
- A committee member commented that felonies hold a lot of power and they can really keep people from living a normal life after serving their time in prison.
- A committee member asked whether the City considered rent control and addressing rent increases. They commented that the City should look at more than just the initial screening process.

General Discussion:

- A committee member asked about the legal implications of enforcing ordinances like this for the city and asked if the City is looking at whether there are discrepancies between this ordinance and state law.
- A committee member asked whether there is something set up that would assist the tenants in going through the process. They expressed concern that currently tenants don't bring up complaints and asked how this will be different.
- A committee member commented that there is a shortage of housing, particularly affordable housing and asked how we can make sure the housing shortage doesn't disproportionately affect certain people.
- A committee member commented that some college students and some cultural groups don't use traditional banks which can make it hard for them to gain a credit score, therefore making it difficult for them to have options when it comes to housing.
- A committee member commented that some people are just looking for a second chance, however there ends up being few housing options for them. They end up having to live with roommates or in spaces that are undesirable. Sometimes ex-felons and people with records just want to have their own space and to be treated with respect so that they can get their life back together, however, the system prevents that from happening when it doesn't allow them to thrive in their housing spaces which then affects other areas of their life.
- A committee member asked how to negotiate for people who don't have the support of a non-profit or government agency as it relates to the exception in the security deposit ordinance. That type of help is a privilege that some people don't have.
- A committee member asked what is safe and what is not? They commented that we need to rethink our idea of what safe means. People with records are not necessarily as dangerous as they are cut out to be.
- A committee member commented that the City should think about the unintended consequences of landlords getting licenses taken away and tenants suffering the consequences of having to leave a space because of a license removal, leaving them without housing, which can sometimes be hard for people who were living there because they have no other option.
 - City staff shared that the Renters First policy is intended to change the approach that Regulatory Services takes. License removal is a last resort.

- A committee member who owns rental property commented that these ordinances should present little to no fear for property owners if they are acting fairly. What matters is whether people can pay rent.
 - A committee member suggested adding a section about income requirements.
 - Another property owner commented that they are hearing from their insurance brokers that rates could go up due to this ordinance.
 - This would call into question whether people would be able to refinance and at what rates
 - They suggested that the City should talk to other stakeholders involved with housing, including banks, etc.
 - A committee member asked whether there are any protections for undocumented tenants. Some undocumented people expect discriminatory practices from their landlords because of their status. They expect to pay more rent, to be charged a greater security deposit. This does not get addressed because people are afraid and used to this mistreatment. What can be done to stop this for undocumented people and make sure that they feel safe coming forward if they are subject to this treatment?
 - A committee member suggest that the City should consider a pilot project for these ordinances to be able to benchmark and measure success
 - A committee member suggested that the City look into how the market would be affected by these ordinances (developers choosing not to build in Minneapolis or local owners selling to national buyers, for example)
4. **Brainstorming and Subcommittees** – did not get to this agenda item
- a. **What are additional issues the group should consider working on?**
 - b. **How should the group handle subcommittees? Ad Hoc vs. Standing**
5. **Debrief - how did this meeting go for everyone?**

Adjournment

Next Meeting: July 11, 2019, 3:30 – 5:00 p.m.

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