

**ORDINANCE NO.\_2021-08**

**AN ORDINANCE AMENDING CHAPTER 10 OF THE EDINA CITY CODE  
RELATING TO RENTAL LICENSING**

**THE CITY COUNCIL OF THE CITY OF EDINA DOES ORDAIN:**

**SECTION 1.** The Edina City Code is amended by adding a new Section 10-733 to read as follows:

**Sec. 10-733. Sale of Affordable Housing**

- (a) Definitions. The following definitions apply in this Section of this Code. References to "Section" are unless otherwise specified, references to this Section of this Code. Defined terms remain defined terms, whether or not capitalized.
- (1) *Affordable housing building* means a multifamily rental housing building having three or more housing units, where at least 18% of the units rent for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the U.S. Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota- Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms. Housing need not be subsidized by federal, state, or local government in order to be considered affordable.
  - (2) *Affordable housing unit* means a rental unit in an affordable housing building that rents for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.
  - (3) *Cause* means the tenant or a member of the tenant's household materially violated a term of the lease or violated a provision of the City's Rental Housing Ordinance, City Code Section 10-731 Conduct on rental property Rental Licensing Requirements.
  - (4) *Tenant protection period* means the period that commences on the date when a real estate closing transfers ownership of an affordable housing building and runs for 90 days.
- (b) Relocation Assistance.
- (1) If during the tenant protection period the new owner of an affordable housing building terminates or refuses to renew any affordable housing unit tenant's rental agreement without cause, then upon terminating or refusing to renew the tenant's lease, the new owner shall pay to the tenant, as relocation assistance, no later than the day upon which the tenant vacates the unit, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one- bedroom dwelling unit, \$3,600 for a two-bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.

- (2) During the tenant protection period if a rent increase goes into effect on any affordable housing unit, or the new owner of an affordable housing building raises any affordable housing unit tenant's rent, or rescreens an existing affordable housing unit tenant, and the tenant gives written notice to the new owner to terminate the rental agreement, the new owner, shall within 30 days of receiving tenant's written notice of termination of the rental agreement, pay to the tenant as relocation assistance, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one-bedroom dwelling unit, \$3,600 for a two- bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.
- (c) Notice. Whenever ownership of an affordable housing building shall transfer, the new owner shall, within thirty (30) days of the date on which a real estate closing transfers ownership of the affordable housing building, give written notice to each affordable housing unit tenant of the building that the property is under new ownership stating:
- (1) The name, mailing address, and telephone number of the new owner.
  - (2) Edina City Code 10-733 provides for a tenant protection period for affordable housing unit tenants. Under Section 10-733, affordable housing unit tenants may be entitled to relocation assistance from the new owner if the new owner terminates or does not renew the tenant's rental agreement without cause within the tenant protection period. Affordable housing unit tenants may also be entitled to relocation assistance from the new owner if the owner raises the rent or initiates a tenant rescreening process within the tenant protection period and the tenant terminates their rental agreement.
  - (3) Whether there will be any rent increase within the tenant protection period with the amount of the rent increase and the date the rent increase will take effect.
  - (4) Whether the new owner will require existing affordable housing unit tenants to be re- screened to determine compliance with existing or modified residency screening criteria during the tenant protection period and if so, a copy of the screening criteria.
  - (5) Whether the new owner will terminate or not renew rental agreements without cause during the tenant protection period and if so, notice to the affected affordable housing unit tenants whose rental agreements will terminate and the date the rental agreements will terminate.
  - (6) Whether the new owner intends to increase rent, require existing affordable housing unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria, or terminate or not renew affordable housing unit rental agreements without cause on the day immediately following the tenant protection period.

The new owner shall provide a copy of the notice required by this part to the city's Community Development Department at the same time notice is provided to the tenants. During the tenant protection period the new owner shall not do the following unless the required notice has been given: terminate a tenant's lease without cause; refuse to renew a tenant's lease without cause; raise rent; or

rescreen existing tenants.

- (d) Penalty. In accordance with Sec. 10-726 and Sec. 10-732(d), a violation of this Section may result in a revocation of the rental license. Further, a violation of this Section may result in a rental license renewal denial.
- (e) Purpose. The City of Edina is committed to the preservation of affordable housing for people who work in Edina, who want to stay in Edina, and who want to move to Edina. Affordable housing includes houses and multifamily options that are affordable to households with low and moderate incomes.

**SECTION 3.** This Ordinance shall take effect September 1, 2021.

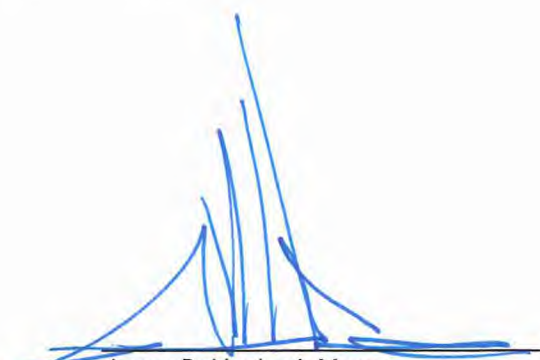
First reading: August 4, 2021

Second reading:

Published:

ATTEST:

  
\_\_\_\_\_  
Sharon Allison, City Clerk

  
\_\_\_\_\_  
James B. Hovland, Mayor

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BILL TO EDINA CITY CLERK