

ST. PAUL

Federal judge hears arguments on constitutionality of St. Paul rent control

A pair of property owners sued the city in June.

By Katie Galioto (<https://www.startribune.com/katie-galioto/6134707/>) Star Tribune |

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After hearing more than two hours of arguments Monday for and against St. Paul's rent control law, a judge is considering whether the policy is unconstitutional, as a pair of landlords claim in a federal lawsuit.

Attorneys representing two apartment building owners have asked U.S. District Judge Nancy Brasel to stop the city from enforcing its ordinance, which places a 3% limit on annual rent increases at residential properties, with some exceptions (<https://www.startribune.com/what-you-need-to-know-about-st-pauls-rent-control-law/600245366/?refresh=true>).

St. Paul's law is the first rent control policy in the Midwest. Voters approved the ordinance in the fall of 2021, and it took effect last May.

In a complaint filed against the city (<https://www.startribune.com/property-owners-file-lawsuit-challenging-st-pauls-rent-control-law/600183153/?refresh=true>) in June, attorneys for Woodstone Limited Partnership and the Lofts at Farmers Market LLC argued the law violates contractual and property rights, plus constitutional due process. The St. Paul City Council, Mayor Melvin Carter and Angie Wiese, director of the Department of Safety and Inspections, also were named as defendants.

In the months that followed, the council substantially amended (<https://www.startribune.com/divided-st-paul-city-council-approves-substantial-changes-to-rent-control-law/600209105/?refresh=true>) the law to exempt new housing construction and affordable units from the rent cap. Joseph Anthony, an attorney for the plaintiffs, argued the changes force "certain landlords, alone, to bear public burdens, which in all fairness and justice should be borne by the public as a whole."

"They added conditions which made it arbitrary and discriminatory and still didn't come up with a plan that addressed the needs they said they need to address," Anthony said. He listed a loss of property value and the inability to do short-term leases as being among the harms allegedly suffered by his clients.

In response, Assistant City Attorney Megan Hafner argued a long legal precedent exists for finding price-control laws constitutional.



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"The majority of what [the plaintiffs] make are arguments about policy and about whether rent control is effective or not. ... Those are their opinions," Hafner said. "They are asking the court to act as a super-legislature and pick and choose what's appropriate for the city. And that's not for this court to do."

Landlords [successfully challenged](https://www.startribune.com/split-st-paul-city-council-repeals-tenant-protections/600071674/) another St. Paul policy in federal court in 2021 that was aimed at protecting tenants, but a law passed by the City Council to limit background screening of potential renters was deemed unconstitutional. City leaders did not appeal the district court ruling despite requests from tenant advocates to do so.

Tenant organizations [asked to intervene](https://www.startribune.com/tenant-organizations-ask-to-intervene-in-lawsuit-challenging-st-paul-rent-control/600218645/?refresh=true) in the rent control lawsuit, a legal maneuver that would have allowed them to file motions and participate in hearings and settlement discussions. Brasel denied the request but did not rule out allowing the organizations to join the case later to appeal her final order.

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