



April 4, 2022

Chair Long and Members of the Committee:

I write today on behalf of the Minnesota Multi Housing Association (MHA). MHA is made up of 1,800 members representing over 300,000 rental housing units in Minnesota. I write today to raise MHA's concerns regarding Article 3, Section 4 of the Supplemental Energy Omnibus Bill, HF 3337.

MHA has concerns that the energy benchmarking requirements in the proposal will add a significant administrative burden to owners and operators of rental housing. We believe the policy should look to emulate the Minneapolis policy which requires the utility companies to provide the information to the city. The policy as outlined in the DE amendment would require housing owners and operators to provide information that they may not have access to. The property owners and operators would then have to attempt to gather the information from their residents which could prove to be a significant administrative burden.

MHA is additionally concerned about the class designations and mandatory energy star rating disclosure. Our concern is raised when comparing a new multifamily property against a similarly sized 1960s multifamily rental property. The older property would need significant upgrades and investment to be similarly ranked, and in some cases, may never be able to get the property into the next star rating. These costs to improve the energy star rating would be offset by a corresponding rent increase. We are concerned requirements such as an energy audit, mandatory star rating disclosure, or other implemented rules requiring upgrades could negatively impact Minnesota's operators who are providing naturally occurring affordable housing and their residents.

We appreciate the opportunity to provide testimony today and look forward to continuing to work with the author as this bill moves through the process.

Respectfully,

Kyle D. Berndt
Director of Public Policy
Minnesota Multi Housing Association