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Chair Hausman and Members of the Housing Finance and Policy Committee:

HOME Line is a statewide legal advocacy non-profit organization for renters. We operate a tenant hotline that offers free, confidential legal advice to renters throughout Minnesota. We average over a thousand households advised per month and have served over a quarter million renter households since opening. We have advised thousands across the state on legal issues specific to the pandemic, and for that reason, we want to thank you for the opportunity to submit this written testimony.

We convey several points in this testimony:

First, regarding Article 5 of this bill, the eviction moratorium phaseout, the policies in the bill will create a better result than if Executive Order 20-79 and/or the peacetime emergency were to end abruptly without any guardrails. By defining guidelines for how the eviction moratorium ends, the Minnesota Legislature will help avoid much confusion and prevent a good number of evictions. Because of the unique nature of the last sixteen months, this is likely one of the most impactful pieces of tenant-landlord policies that the Legislature has ever considered.

Second, we appreciate that the bill includes the 15-day notice requirement and the protection against eviction while an application is pending. These sections—while not perfect—will provide most tenants and landlords with clarity and a pathway to avoid eviction. This is important because evictions create long-term housing instability and homelessness for households. Third, while we understand there will be no action taken at this meeting, as specialists on tenant-landlord law, we want to alert the Legislature about what we see as the good and bad consequences of passing this legislation and want to call attention to concerns about the practical application of this bill as well as to missed opportunities, which we cover in more detail over the next three pages.

We also must also raise one point that is not explicitly about this legislation, but about many of our clients—disproportionately low-income and/or individuals who identify as black, indigenous, or people of color. Some will be resigned in response to dealing with matters of the State. They may be very apprehensive about engaging in any way with the government or the courts specifically. They may not be able to afford an attorney and court processes may seem confusing and, in an unbalanced way, adversarial. Therefore, they may not defend themselves even when they are in the right. This will lead to a significant number of unnecessary evictions, and as said before, long-term housing instability or

even homelessness. This is not something that can be solved with a single piece of legislation, but must be addressed through a meaningful, systematic review of how our state approaches housing policy.

Overview of bill, with suggestions:

Section 2 starts by adopting the Governor's Executive Order's eviction moratorium exceptions (for example: seriously endangering others/damaging property). It should be noted that both of these exceptions in the Governor's EO 20-79 order referred to actions occurring *on the premises*. The proposed bill does not include this explicit limitation, which seems like an oversight instead of an intentional decision. Adding the phrase "on the premises" in an appropriate way on lines 29.18 and 29.26 would fix this.

A new lease termination/non-renewal reason and eviction exception is authorized for "material violations of the lease other than nonpayment of rent." We have heard phrasing from landlords and legislators that this is to help remove "bad actors," or disruptive, unruly tenants driving away both neighbors and even property management staff. While this may be true, there are also lease violations that should not fall under this category, but likely will be used anyway as an excuse for eviction. Unfortunately, pent up frustrations about the eviction moratorium, combined with a lack of public confidence in rental assistance programs will push some landlords to non-renew leases or evict for reasons other than nonpayment because they do not believe they will be paid. For example, in pre-pandemic times, we frequently saw "material violations" for an unauthorized occupant or a non-approved pet.

The ability to terminate/evict for material violation has been demanded by some stakeholders for over a year, and this bill will allow it immediately. This will lead to contentious court cases and potentially result in significantly more evictions/displacement of tenants. It will increase housing instability and homelessness. Further, some of these contentious relationships will be ended by landlords, who under this bill will be able to non-renew leases (line 29.16) with notice required under the lease (typically a month or two) and not lead to actual eviction cases in court, but nevertheless tenants will still face increased displacement.

Section 2 also defines several timelines. It is likely helpful to the courts that certain actions are spaced out over time, however we are unsure it will provide access to adequate due process depending on the number of cases filed in each judicial district and if they are all filed within a short time of each other.

A serious concern we have with Section 2 is on lines 30.19-30.21. The statement "[tenant] refuses to provide information needed by the landlord to apply for assistance on the tenant's behalf" is creating an expectation that may not be logistically achievable for the tenant. Our understanding is that landlords are not able to apply on behalf of tenants under RentHelpMN. They can input the tenant's

information, and encourage renters to apply, or even assist them while they apply, but the tenant has to complete it. That language in this section should be removed.

Lastly, Section 2 strictly defines rental assistance—a definition used throughout the bill and again repeated in Section 4. This definition establishes important guidelines and protections. Unfortunately, by limiting the definition to two federal laws (CAA 2021 and ARP 2021), some tenants will face eviction even though they are trying to pay their rent via other means. There are many other programs tenants currently do and will have access to. The definition of rental assistance should be inclusive of all programs that would pay a landlord.

Section 3 is a critical piece of the compromise agreement. To start, in non-payment of rent evictions, the landlord will be required to provide a 15-day notice to tenants prior to filing an eviction. To say that the last sixteen months of landlord/tenant law has been confusing is a significant understatement. Many tenants, and landlords, remain genuinely confused about what the rules are or have been. Requiring this notice, which may convince tenants to apply for rental assistance, and then qualify for that assistance to ensure the landlord is paid in full, is a true win-win for both landlords and tenants.

While the notice is exceptionally helpful, two things would make this section more effective for everyone involved:

First, line 31.6 must be amended to state, “...the total amount currently due, including past rent...” Late fees and other amounts due under the lease may have accrued in many leases. The landlord wants to get fully paid for everything the tenant owes, not simply the rent. By requiring the landlord to name the total dollar amount due, it is more likely the landlord will get paid in full and the tenant will be settled up completely. Refining this language would align with the documentation required by RentHelpMN. Further, this is also consistent with an earlier version of the Senate proposal. The primary goal of this notice provision is to get landlords fully paid, which cannot happen if they do not name the exact amount due.

The second issue is more complex. Lines 31.9 through 31.13 are confusing instructions for judges/referees in eviction hearings. What constitutes ‘substantially complied’ (line 31.11), other than following the plainly stated instructions found in lines 31.2 through 31.8? Allowing something other than directly following this language is difficult to fathom. The simplest solution is to remove lines 31.9 to 31.10.

Section 4 creates a prohibition on evictions for non-payment of rent if the tenant has filed for rental assistance. This has appeared in several earlier versions of this policy proposal and it is critically important. By giving tenants until June 1, 2022 to hopefully obtain financial assistance that goes directly to the landlord is essential. This single paragraph will keep many tenants in their homes and

make landlords financially whole, which is something an eviction almost certainly will not accomplish. However, we again raise the previous concern about the strict definition of assistance in this section.

Comments on other Articles of the bill:

We are disappointed that a number of long-term improvements to Minnesota's increasingly last-century approach to tenant-landlord law appear to never have been considered for inclusion in this bill. Policies that passed this committee, like more expeditious eviction expungements, a statewide heat code, source of income protections against discrimination, and the unanimous support in this Committee and the Judiciary Finance and Civil Law Committee for a right of a tenant to break a lease because of an infirmity should have received attention in the Senate and inclusion in this bill. Nearly three in ten Minnesota residents are renters, and Minnesota continues to send a clear signal to these households that they and their rights are not valued here as much as they are in many other states around the country. It is also problematic that this bill does not ensure that all evictions filed improperly during the peacetime emergency are automatically expunged.

Respectfully,

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