

May 2, 2021

Members of the Housing Finance and Policy Omnibus Bill Conference Committee:

Thank you for the opportunity to submit written testimony on the Senate and House Housing Finance and Policy Omnibus Bills.

Minnesota Realtors® (MNR) was founded in 1919 and is a statewide business trade association with a membership of over 21,000 real estate professionals working with buyers and sellers of all types of property in every corner of the state.

Both Bills

Support for Homeownership

MNR appreciates the appropriations in both the Senate and House bills which support homeownership, including: Workforce Homeownership Program (page R2); Home Ownership Assistance Fund (pages R3-R4); Owner-Occupied Housing Rehabilitation (pages R4-R5) and Homeownership Education, Counseling, and Training (R5-R6).

MNR recommends the conference committee prioritize programs and appropriations that are focused on helping more Minnesotans achieve homeownership.

Addressing Manufactured Home Title Issues

MNR appreciates the inclusion of language in both the Senate and House bills (pages R60-R64) simplifying the process by which manufactured homeowners cancel their certificate of title when affixing their home to the land, making it real property.

Simplifying this process will make it easier to sell and transfer manufactured homes, which are one of the most affordable types of home on the market today.

Senate Bill

Encouraging Development of Unsubsidized Affordable Housing and Limiting Regulations on Residential Development

MNR supports the provisions in the Senate bill aimed at stimulating the development of more housing that is broadly affordable to more Minnesotans (R22-R23).

Lack of housing inventory, especially at the most affordable price points, continues to be a serious and chronic challenge for buyers, is holding the market back, and is a barrier

to getting more Minnesotans into homeownership. Lack of inventory will continue to pose a significant challenge until creative, intelligent, market-driven responses that meet consumer demand are implemented.

Repeal of the Rent Control Prohibition Exception

MNR supports the provision in the Senate bill (Pages R24 and R30) that repeals the current law exception to the prohibition on rent control.

Minnesota needs more housing and more types of housing to meet current and future demand. MNR believes local rent control polices, if enacted, would adversely affect property owners and reduce the quality and quantity of housing opportunities.

Eviction Moratorium Phaseout

MNR supports the Senate's eviction moratorium phaseout language (pages R33-R36).

With COVID-19 presenting financial challenges to both tenants and housing providers, the Senate language represents a reasonable and balanced approach for phasing out the current eviction moratorium.

The availability of substantial resources from the federal government for rental assistance should allow eligible tenants affected by COVID-19 to access the help they need to pay their rent.

In addition to the \$100 million Minnesota allocated to rental assistance last summer from the federal CARES Act, Minnesota received \$375 million for rental assistance from the federal Consolidated Appropriations Act (CAA), signed into law in December. Most recently, the federal American Rescue Plan was enacted and guarantees all states another \$152 million, plus further allocations based on population, for rental assistance.

With MN Housing launching RentHelpMN.org to distribute the CAA rental assistance dollars and with another \$150 million plus from the American Rescue Plan allocated to Minnesota, the resources should be available to assist those in need while implementing a phaseout of the eviction moratorium.

House Bill

Manufactured Home Park Opportunity to Purchase

MNR opposes the language in the House bill (pages R65-R68) creating a manufactured home park residents' "opportunity to purchase" process.

One of the fundamental rights of any property owner is the ability to freely market and sell their property without unreasonable restrictions. An owner of any property,

including a manufactured home park, may have numerous business or personal reasons for deciding to sell a property and then when to put the property on the market.

This “opportunity to purchase” process would substantially interfere with this important property right.

Residents are already free to submit an offer on any park when the property goes on the market. In fact, for manufactured home parks, current law even includes a “Notice of Sale” provision which states, “...*the owner must provide concurrent written notice to a resident of each manufactured home in the park that the park is being offered for sale*” (this provision is being repealed in the House bill).

MNR also opposes policies that adversely affect the timeliness of the real estate transaction. The “opportunity to purchase” process in the House bill could represent a delay in the market time of the property of at least 91 days if the owner does not accept the offer submitted by the residents: a 60-day notice period followed by a minimum 31-day period if the owner rejects the offer submitted by the residents’ representative.

Meanwhile, there may be potential buyers with the resources to purchase, and invest in, the property, but who are not willing or able to wait out the delay mandated by this proposed process.

Thank you again for the opportunity to provide written testimony on the Senate and House Housing Finance and Policy Omnibus Bills.

Sincerely,



Paul Eger
Vice President, Governmental Affairs
Minnesota Realtors®