

May 10, 2022

Members of the Agriculture, Housing, and Broadband Conference Committee:

Thank you for the opportunity to submit comments on HF 4366, the Omnibus Agriculture, Housing, and Broadband Supplemental Budget Bill.

Minnesota Realtors® (MNR) was founded in 1919 and is a 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.

House Housing Provisions

MNR appreciates the inclusion of \$50 million for the proposed “First-Generation Homebuyers Down Payment Assistance Fund” pilot project and the accompanying language in Art. 4, Sec. 10 of the House bill.

The “First-Generation Homebuyers Down Payment Assistance Fund” initiative represents an innovative approach for delivering down payment assistance that attempts to better meet the needs of first-generation homebuyers (a buyer who hasn’t owned a home in the last three years and whose parent/legal guardian does not, or did not at the time of their death, own a home), reduce barriers to homeownership, and reduce Minnesota’s racial homeownership gap. The Minnesota Homeownership Center, Twin Cities Habitat for Humanity, and Minnesota Realtors® proposed this initiative (HF 4269-Rep. Agbaje/SF 3897-Sen. Draheim) and it is supported by a diverse coalition of non-profits, local units of government, businesses, and business trade associations.

MNR would like to again share our concerns with Art. 6, Sections 1-3 of the House bill, which would add, “participation in or requirements of a public assistance program,” along with a new definition of “public assistance program,” to Minn. Stat. 363A.09.

The House language is extremely broad, and it is unclear to us how it interacts with the numerous federal, state, and local assistance programs currently in existence and those that may be created in the future. The language also does not recognize that some government assistance programs may include requirements for a property owner that present challenging financial or administrative obligations.

We encourage the Legislature to focus instead on engaging with property owners to understand the administrative and financial challenges some voluntary programs pose

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and then address those challenges so programs can better meet the needs and expectations of both those seeking housing as well as property owners.

Finally, Article 6 of the House bill includes several proposed changes to landlord tenant law, on which the Minnesota Multi Housing Association (MMHA) has shared detailed testimony regarding the concerns of property owners. We urge you to take those concerns seriously and avoid advancing provisions that may result in unintended consequences or disincentives to creating more housing opportunities.

Senate Housing Provisions

MNR appreciates the overall emphasis on homeownership and efforts to address housing supply and affordability in the Senate bill.

Throughout the Session, MNR has emphasized that Minnesota needs to increase the supply of housing, particularly housing that is broadly affordable to more Minnesotans, to meet current and future demand.

Some barriers to building more housing are regulatory and within the Legislature's capacity to address.

MNR appreciates the provision in Art. 6, Sec. 2 of the Senate bill, that would prohibit municipalities from requiring a planned unit development (PUD) agreement for a proposed new residential development if the proposed residential development complies with existing city zoning ordinances, subdivision regulation, or qualifies as a conditional use and also the provision that would prohibit municipalities from conditioning approval of a building permit, subdivision development, or planned unit development on the use of specific materials, design, or other aesthetic conditions that are not required by the State Building Code.

We also appreciate the provision in Art. 6, Sec. 1 of the Senate bill, which would prohibit an executive order that delays eviction proceedings for more than 30 days unless a majority vote of the House and the Senate approve the extension. Decisions impacting landlords and tenants beyond 30 days are serious and the Legislature should have a stronger voice in those decisions.

Finally, MNR believes rent control policies create a disincentive to creating more housing units and rehabilitating existing properties and we appreciate the Senate's attention to the adverse impacts of rent control.

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Minnesota needs more housing of all types to meet demand, not policies like rent control that adversely affect property owners and reduce the quality and quantity of housing opportunities both now and into the future.

Again, thank you for the opportunity to submit comments on the House and Senate versions of HF 4366, the Omnibus Agriculture, Housing, and Broadband Supplemental Budget Bill.

Sincerely,



Paul Eger
Senior Vice President, Governmental Affairs
Minnesota Realtors®