



Madam Chair and members of the Committee,

I write today on behalf of the Minnesota Multi Housing Association (MHA) in opposition to the housing omnibus bill. MHA is made up of 1,700 members representing 400,000 housing units in Minnesota.

MHA is incredibly disappointed the agreement does not include language to clarify the rent control provision in statute. Minnesota has effectively had 37 years of rent control preemption but for an exceptionally narrow, unexercised exception. Extreme policies such as the rent control ballot initiative in St Paul will have long-term negative repercussions for our metro housing market and will be devastating, especially for poor and disadvantaged communities. Please exercise leadership and pass the clarification to keep vital capital investment flowing into Minnesota's housing infrastructure.

Executive Order 20-79 needs to end now. Evidence from other states shows there is no need for an off-ramp. Housing providers know they will not receive rental assistance money on behalf of a resident who is removed from their home or decides to leave on their own. This is an incentive for housing providers to keep residents stably housed. MHA is pursuing litigation to end the moratorium since the ongoing Executive Order and legislative indecision has protected bad actors and created housing instability for their neighbors.

It is unfortunate there are no fixes in this agreement to the RentHelpMN program. Ignoring the problems with the program will not resolve the slow distribution of funds. The Legislature should strongly consider language, like that which it plans to apply to housing providers, that a resident must upload all applicable documents quickly if they are behind on rent and are eligible for assistance. Residents should be held to a requirement of full participation as is expected of housing providers.

The current off-ramp proposal has poorly conceived language in Section 4 that creates a loophole that puts housing providers at great financial risk. The Legislature should add guardrails so a resident who is not eligible for assistance is not allowed to "slow walk" an application to delay eviction or so that those who are denied assistance cannot shelter behind repeated "pending applications" until June 2022. The Legislature should require the agency to timely distribute funds by creating a timeline for approval or dismissal of applications. Due to the ongoing software issues with RentHelpMN, residents should be required to provide a notice to their housing provider that they have requested assistance.

We ask for the Legislature to add the rent control exception repeal and correct the glaring problems with the off-ramp proposal. Failure to fix this bill now will only lead to housing instability.

Regards,

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Minnesota Multi Housing Association (MHA)