



March 13, 2023

Re: HF 917

My name is Stacey Neameyer, and I'm the Vice President of Property Management at Steven Scott Management, Inc. We own and have been successfully managing apartments in the Twin Cities of Minneapolis and St. Paul for more than 50 years. We manage a variety of apartment communities ranging from market-rate housing to student housing, senior communities, and affordable housing. Our portfolio currently consists of 12,500 apartments and townhomes.

Our company has traditionally been quiet on political issues but when we saw this bill being proposed it became extremely apparent that we needed to provide comments as some sections are extremely concerning.

I appreciate what I believe the intent behind much of this bill is trying to do – codify management best practices. We follow best practices and know this is likely aimed primarily at the more predatory landlords. However, even within industry best practices, we have a few grave concerns related to HF 917 and I feel the need to highlight some reasons why I would strongly urge you to modify or dismiss them altogether.

First, in Article 1 regarding Mandatory Section 8, we urge you to maintain participation in this program to be voluntary. The HAP contracts still have serious concerning provisions and forcing private multifamily owners to enter into a federal contract, which does not guarantee payment and can terminate the lease at any time without penalty is not good business for housing providers or renters. Further, without voluntary participation, there will be no incentive for continuous improvement of the program or the local housing authorities. Finally, this will provide another barrier to investment in new housing supply, which will further diminish supply and thereby increase rents across the entire state.

Second, Article 2, Sub 1, (5) says housing providers would be required to supply 68-degree heat at all times. This is already common practice in our industry; however, mandating it, with threat of penalty, will cause housing providers to ensure their properties are over heated to avoid issue. For boiler heated buildings especially, this will not only increase costs for residents, but it is wasteful. It contradicts the energy savings requirement you propose in Article 2, Sub 1 (3). Further, it will cause some residents to be grossly overheated, creating a different set of issues for renters. (If you've ever driven by apartment communities in the swing season, and seen a multitude of open windows, you have seen the unintended consequences this would bring.)

Third, in Article 2 regarding expanded reasons for an ETRA, we believe your bill does not properly account for scheduled down time for preventative and repair maintenance, supply chain constraints, or reasonable accommodations that are already being made. Please remove these added items, or at a minimum, allow for the above-mentioned things before an ETRA could be commenced.

Fourth, Article 4 regarding 14-day notice prior to eviction will cause renters more anxiety than current practices. By requiring 14-day notice of eviction, housing providers will need to send their notice of eviction sooner than if they had the normal time to work with their renters for payment or payment plans. Thus, eviction notices will increase, and it will occur sooner than they are today. In our experience, renters often shut down communication after receiving an eviction notice. It's scary to receive these, and especially for the ESL renters, they do not understand that we are still willing to work with them for payment before going to court. We believe that more eviction letters sent will lead to LESS communication between residents and housing providers, which will actually lead to MORE evictions. Housing providers do not want to evict their residents, especially when non-payment or timing of a payment is the only barrier. The language you propose for the eviction letters is ok, but please do not require 14-day notice or you will increase the number of evictions filed and harm all parties.

Thank you for considering all stakeholders when it pertains to revising contract agreements between housing providers and renters.

Sincerely,

Stacey Neameyer

Stacey Neameyer
Vice President of Property Management
Steven Scott Management