



MINNESOTA

**NAHRO**

**2024**

# **LEGISLATIVE PRIORITIES**

## **PUBLIC HOUSING**

Fund and improve the Publicly Owned Housing Rehabilitation program.

## **HRA LOCAL RESOURCES**

Empower housing and redevelopment authorities with meaningful and impactful tools.

## **LANDLORD TENANT LAW**

Refine laws to ensure equitable access to affordable apartments.



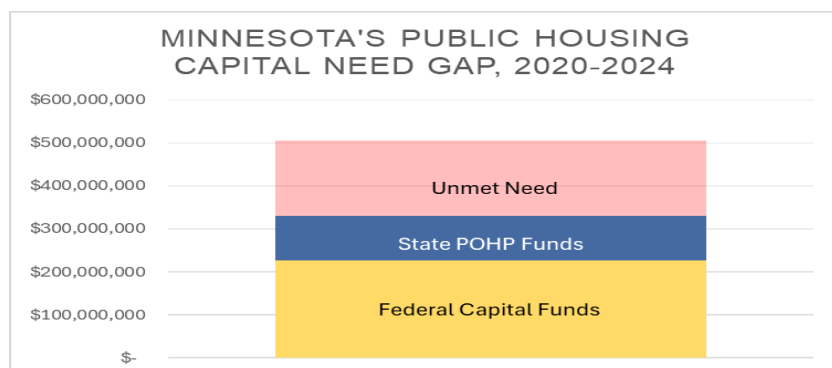
# PUBLIC HOUSING

## Improve the Publicly Owned Housing Rehabilitation program.

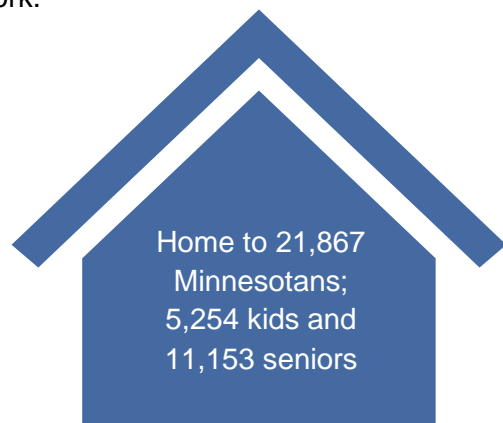
### Preserve Minnesota’s Public Housing.

Over the past 5 years, Minnesota has invested \$103 million in Public Housing rehabilitation loans. Even with the \$227 million of federal capital funds, there is a backlog of \$172 million of unmet capital needs. Minnesota’s Publicly Owned Housing Program (POHP), funded with general obligation bonds and appropriations, has proven to be a successful investment. HUD does not allow housing authorities to take out debt to complete the capital repairs and improvements. Public Housing provides safe housing to our lowest income neighbors. The average annual income of Public Housing residents is \$17,781.

- Invest \$100 million in POHP to address health and safety issues, replace and repair major systems and energy conservation measures in publicly owned housing.
- Include administrative fees as eligible expense for HRAs to also pay for their developer, processing and other administrative costs to implement the rehabilitation work.



Source: US Department of Housing and Urban Development and Minnesota Housing, 11/2023



### Review public ownership definition in General Obligation Bonds.

POHP was created prior to HUD’s introduction of “repositioning” policies which also allow HRAs to leverage private funding to rehabilitate public housing units. Some policies require the HRA to transfer the property to a single asset entity wholly owned by the HRA. Minnesota Management and Budget, the state department issuing the program bonds, does not interpret that structure as public ownership, a requirement for the state’s general obligation pledge to the bonds.

- Provide a consistent definition of public ownership across state programs and a transparent process with POHP for HRAs seeking to reposition their public housing assets.

# HRA LOCAL RESOURCES

Empower housing and redevelopment authorities with meaningful and impactful tools.

## **Include HRAs as entities authorized to create a Local Housing Trust Fund (LHTF).**

There are many stand-alone and multicounty housing authorities in Minnesota who have levies or other local resources. However, housing authorities must rely on a county or city to establish a local housing trust fund. Allow HRAs to independently establish a local housing trust fund in the process outlined in statute. Doing so would maximize local investments in housing and leverage HRA levies and other local dollars.

- Amend Minnesota Statutes 462C.16 to add HRAs to the definition of “Local government” entities empowered to create LHTFs.

## **Increase the allowable HRA levy rate.**


Minnesota is experiencing a housing shortage, which has affected even those with moderate incomes, particularly those trying to buy single-family homes. However, the shortage of owned and rental homes is especially severe for lower income households. Fortunately, HRAs are empowered to develop affordable housing, support affordable housing construction, and attract redevelopment. HRAs are further empowered to fund those activities with a special benefit levy, which currently limits HRAs abilities to fully address the local challenges.

- Amend Minnesota Statutes 469.033 to increase the maximum HRA levy rate to 0.037% to allow local jurisdictions to increase local funding for affordable housing.

## **Clarify which tenants have a right to counsel.**

In the last legislative session, a law was created to protect tenants in public housing in breach of lease eviction actions through the provision of legal counsel. Courts throughout the state have interpreted the applicability of this statute differently. Some have limited the definition to federal public housing, others to publicly owned rental housing, others as any subsidized rental housing, and still others for any unit that receives any subsidy (market rate or affordable). This creates confusion for landlords, tenants, legal counsel, and judges not just at the courts but also at the breach of lease notice.

- Amend Minnesota Statutes 504B.268 to define public housing as housing subsidized by the U.S. Department of Housing and Urban Development under Section 9 of the United States Housing Act of 1937.



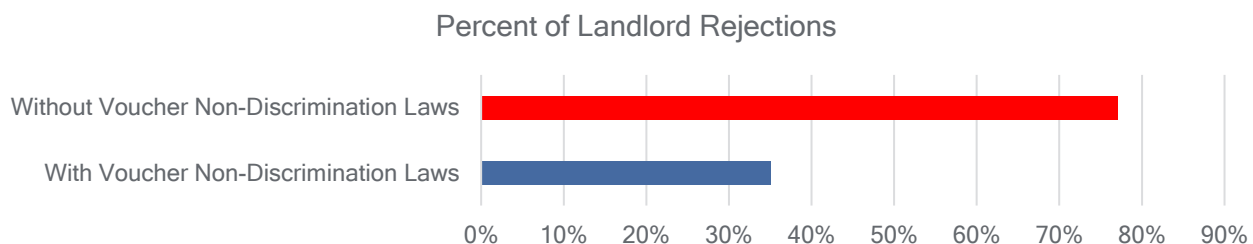
# LANDLORD TENANT LAW

## Enact laws to ensure equitable access to affordable apartments.

### Pass source of income protections.

Allowing landlords to deny apartment applicants solely because they have rental assistance limits housing choice, concentrates poverty, limits wealth-building and social mobility, and disproportionately impacts households of color. Eligible families and individuals can wait years to get on a rental assistance waitlist, then years more to receive rental assistance. Once received, many have trouble finding an apartment as they are denied access because of the rental assistance. Families have greater success finding housing in jurisdictions with Source of Income laws. Source of Income laws help prevent homelessness, deconcentrate poverty, and expand choice. Fewer landlords reject Vouchers in areas with rental assistance non-discrimination laws.

- Amend the Minnesota Human Rights Act to clarify that housing discrimination based on a person's receipt of rental assistance, as income, is illegal.



Source: Mary Cunningham et al, "A Pilot Study of Landlord Acceptance of Housing Choice Vouchers" 9/2018

### Reduce time required to hold abandoned personal property.

When a tenant abandons a rental unit or is court-evicted from a unit, housing authorities must store and care for all personal property. Abandoned property must be stored for 28 days, and after a court eviction, left behind property must be stored for 60 days. Often publicly owned buildings have no space to store the property so it must remain in the open unit before it can be disposed of or sold. This delay results in affordable apartments sitting open while people wait for this scarce and critically needed housing.

- Amend Minnesota Statutes §504B.271 to reduce the mandatory period to hold abandoned personal property from 28 days to 14 days and amend Minnesota Statutes §504B.365 from 60 days to 14 days. These changes will make the two conflicting statutes consistent, and housing more available.





MINNESOTA

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SERVING MINNESOTA'S HOUSING &  
COMMUNITY DEVELOPMENT NEEDS

*National Association of Housing and Redevelopment Officials, Minnesota Chapter*

### **Housing authorities build, preserve, and invest in Minnesota communities.**

Minnesota NAHRO represents 150 of the housing authorities in Minnesota. You may know our members by the name of HRA, PHA, or CDA. All are governmental entities established by cities, counties, or multiple counties under Minnesota law. We work tirelessly to address the housing concerns and challenges at a local level.

### **Housing authorities invest locally.**

Minnesota NAHRO members invest at the local level by addressing affordable housing and community development needs. We leverage our local resources to ensure housing is available to our workforce and to ensure the vitality of our communities.

### **Housing authorities provide low rent housing.**

Minnesota NAHRO members own and operate bring key federal funds to our communities, including 15,000 public housing and 36,000 housing choice vouchers. Many of us own rental homes financed with Rural Development, HUD project-based rental assistance, and HRA levies.

### **Housing authorities increase housing stability.**

Minnesota NAHRO members provide resources so residents can remain in their homes. We provide resources to homeowners to make repairs and improvements. We deliver homebuyer education and foreclosure counseling. We invest in the Minnesota Cities Participation Program to offer low-interest mortgages and down payment assistance to local homebuyers.

### **Housing authorities build development capacity.**

Minnesota NAHRO members partner with private and non-profit developers and service providers to increase access to and success in affordable housing. We build on the existing capacity to create and preserve affordable homes and increase access to support services.

### **Housing authorities ensure economic vitality.**

Minnesota NAHRO members play a critical role in their communities to support job growth and community revitalization through DEED Small Cities and the Redevelopment Grant programs. We create workforce housing to provide homes affordable to our local employees.



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## LEADERSHIP

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