

March 24, 2020

The Honorable Jeff Hayden
95 University Ave W
Minnesota Senate Building, Room 2209
St Paul, MN. 55155
Via email



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Re: COVID-19 Housing Response Recommendations from MHP's Public Policy Advisory Group

Dear Senator Hayden:

Thank you for speaking with the Minnesota Housing Partnership's (MHP) Public Policy Advisory Group (PPAG) on Thursday, March 19, 2020, regarding the work of the Minnesota Legislature and housing issues in the context of COVID-19. We are grateful for the opportunity to share our recommendations with you and other members of the Minnesota Legislature.

MHP is a housing non-profit that strengthens development capacity and promotes public policy change to expand opportunity, especially for those with the greatest need. MHP provides capacity building for rural and Native communities throughout the United States, produces original research, and advocates for policies that advance affordable housing and strengthen communities.

MHP's Public Policy Advisory Group provides advice to MHP on public policy issues in housing, with a focus on equity analysis. Members of the PPAG represent a diversity of experience, thought, and expertise throughout the affordable housing continuum.

During our call March 19, PPAG members raised housing-related concerns for the state's COVID-19 response. The concerns identified by PPAG members reflect concerns MHP has also heard from others within the housing advocacy community; MHP urges response to these concerns from the State Legislature and State Agencies.

- First and foremost, a **robust fiscal response** is essential to help people who cannot afford their rent or mortgage payments. **Rental assistance** is essential support, for renters and to ensure landlords can continue providing safe, stable housing. While the Governor's eviction moratorium of March 23 places a temporary halt on displacement, it does not forgive or replace non-payment of rent; failure to provide financial assistance will result in future displacement of many residents and the loss of affordable housing properties that cannot continue to pay mortgage or operations fees.
- Families ready for **homeownership** will experience significant negative consequences to credit and ownership readiness, impacts exacerbated for many families of color. According to Habitat for Humanity many families they serve work in sectors most affected by business closures, include retail and other people serving industries. **The financial hardships caused by this crisis could forever put homeownership out of reach for many families, especially families of color.** As part of recovery efforts, lawmakers will need to directly engage impacted communities to find solutions to overcoming barriers to achieving homeownership. Increased investments in homeownership education and credit counseling will be critical as we help families get back on track to achieving their homeownership goals.
- PPAG members identified concern for the **ability to develop affordable housing now and in the future, worsening what was already a severe affordable housing shortage.** For projects under construction, scheduled to start construction this spring, and finalizing financing there is real

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concern they will fall apart due to COVID-19's impact on the economy. Many of these projects already took years to assemble financing.

- For **immigrants, and particularly undocumented immigrants, the need for direct assistance is especially severe**. To ensure best response to our public health needs, the State must identify mechanisms to provide health support, rent and income support, and support to many entrepreneurs and small business owners, who are extremely vulnerable in the face of the health and economic crisis of COVID-19.
- Finally, **local government and redevelopment authorities** are already stretched, and are concerned about being able to help people who can't pay for housing and support small businesses among many issues. **They are ready and willing to help but want to align their support to what is offered at the state level.**

PPAG members identified issues for which administrative or executive action may provide needed solutions. Again, these are issues that other housing advocates and providers have identified to MHP as well:

- **Flexibility needed for bond and financing requirements** for affordable housing projects in development. Today, affordable housing projects have 180 days to issue bonds and close on transactions; this deadline is not reasonable in light of business closures in the financing industry and closure of many local government offices and public meeting processes that impact the development approval process. Many of the projects that might be impacted in 2020 include rehab projects intended to ensure existing affordable homes are safe and healthy.
- **Greater guidance needed for safe operations of affordable homes**. Property managers, including those of public and affordable properties, are scrambling to ensure residents and workers are safe, and properties are in compliance with public health guidelines. It is more and more clear that many staff serving these properties are "essential" workers, even as cleaning and protective gear is unavailable to properly serve residents and properties. As well, many properties are working now to revise all operating procedures to remove in-person interactions to the greatest extent possible. It is critical that the **State of Minnesota provide comprehensive guidelines for multifamily properties operations during the COVID-19 pandemic, including operations during any "shelter in place" order.**

Thank you for your attention. We are prepared to assist with any feedback helpful to ensure attention to these housing-related recommendations. Please note that PPAG members are providing recommendations as individuals, not on behalf of their respective organizations.

Sincerely,



Libby Murphy
Deputy Policy Director

On behalf of: Members of MHP's Public Policy Advisory Group
Encl: List of PPAG Members; Description of MHP's PPAG