April 22, 2020

Dear Chair Westrom, Chair Weber and Committee Members,

Thank you for your leadership on Minnesota’s response to COVID-19. As a coalition of more than 250+ organizations, we share your concern that our State prioritize those most vulnerable and most likely to experience dire health and economic consequences. The current COVID-19 outbreak puts additional strain on already limited resources and poses even greater challenges for individuals already experiencing or at increased risk of homelessness.

We urge the legislature to pass $100 million in emergency funding for the Family Homeless Prevention and Assistance Program (FHPAP) to support the thousands of Minnesotans who are struggling to maintain housing as a direct result of the COVID-19 crisis. FHPAP is an existing tool and flexible solution supported by advocates, landlords and renters to help Minnesotans maintain housing stability throughout this pandemic. FHPAP can temporarily help pay rent, utilities and mortgage payments.

Unfortunately, as of today there are still many Minnesota households that have not been able to access unemployment benefits, especially small business owners and those who have had their hours or pay cut. Additionally, delays in benefits have meant that families have fallen behind. Homes for All has been informed by many coalition members, who are FHPAP administrators, that inquiries for FHPAP assistance is up, often by people who have never accessed social safety net programs prior to this pandemic. FHPAP funds for the 20 providers were dispersed on April 1st and in some regions those funds were completely depleted as of last week for the rest of the quarter. Additionally, Homes for All is gravely concerned that once the additional federal unemployment resources end, households around the state who were already cost burden, may now find themselves paying more than 75 percent of their income on housing.

Housing assistance is critical to maintaining community stabilization. Homeowners are assets in their communities, and it is imperative that we ensure families do not lose wealth as a result of foreclosure and that communities do not lose stability. Additionally, housing assistance ensures Minnesota maintains its existing affordable housing stock. Most landlords cannot sustain losses that were reported in April and that are projected for May and beyond. Many operate on tight margins. Housing assistance ensures landlords can make mortgage, utility, property tax, and insurance payments. Without housing assistance, multifamily properties will face foreclosure, which jeopardizes our unsubsidized and subsidized affordable housing stock.

Governor’s Walz’s Emergency Executive Order 20-14 suspended evictions and writs of recovery during the COVID-19 Peacetime Emergency. Homes for All supports this action but urges lawmakers to conform to the timeline enacted by the U.S. Federal Government. In the CARES ACT, there is a 120-day moratorium on evictions for certain covered properties, including a minimum additional 30-day notice period after the moratorium ends before a tenant may be evicted. Federally, the estimate is that 28% of rental units are impacted by the CARES Act. Not mirroring the CARES Act would create two sets of rules in Minnesota. Two different rules will be very complicated for landlords, tenants, and the courts. The CARES Act was passed by a Democrat-led house, a Republican-led Senate and signed by President Trump and Homes for All encourages alignment.
Additionally, we urge you to expand foreclosure moratoriums to everyone. A foreclosure moratorium will help cover gaps in the federal CARES ACT. Also, while many of the larger utility companies have already halted utility shut-offs during the COVID-19 crisis, we urge you to enact legislation including moratoriums on utility shutoffs, as part of the response.

The funding and policy tools mentioned throughout this letter will have an immediate impact in communities across Minnesota. They will keep people housed and safe in this precarious time. As advocates that see the realities of the housing and homeless crisis firsthand every day, we know that the needs are great, growing and consequential if we don’t act boldly now.

Homes for All is grateful for your thoughtful consideration and hopes that homelessness and housing will be included as part of the COVID-19 funding response. Please reach out to the policy co-chairs, Libby Murphy (612-716-9703) or Kari Johnson (612-387-6398) should you need any further information regarding the specifics of the Homes for All request.

Sincerely,

Allison Streich & Pastor Sue Koesterman
Homes for All Co-Chairs

Identical Letter Sent To:
Chair Hausman, Vice Chair Howard and Rep. Theis

cc: Office of Governor Walz & Lt. Governor Peggy Flanagan
Minnesota Housing Finance Agency, Commissioner Jennifer Ho