



March 2, 2022

Chair Hausman and Members of the Committee:

MHA is made up of 1,800 members representing over 300,000 rental housing units in Minnesota. I write today to raise our concerns regarding HF 398.

A statewide minimum heating code does not recognize the regional differences in our large state, especially north to south. Our building code recognizes two different zones: climate zones 6A & 7. Additionally, the minimum heating code does not recognize how many multifamily rental properties heat their facilities. Most commonly, older facilities use a boiler system which creates constant heat that flows through the building. A boiler system causes those in the center to be warmer while those on the upper-level corners generally remain cooler.

This language is a one size fits all that doesn't match the significantly different climate and heating systems of multi housing properties. Local housing maintenance codes can be applied in circumstances to reflect the local heating requirements and have been done in many municipalities.

The expansion of the ETRA to include appliances is problematic because it does not take into account the nature of our property management business practices, especially as it relates to appliances. For example, when replacing or repairing an air conditioning unit, this is entirely a seasonal activity. Our suppliers understandably have specific inventory available at the beginning of a season. If an air conditioner breaks at the end of the season and the part is no longer available or the cost of repair is better investment in a new unit, then we are faced with the challenge that the seasonal inventory is often sold out. This is even more exacerbated with the significant recent supply-chain challenges. How can we comply with the ETRA in that circumstance? We can financially compensate the resident, supply fans, among other options to mitigate the situation. In the case of a disability related necessity for air conditioning then a reasonable accommodation would have to be made.

Finally, MHA is deeply concerned about the implementation of the most restrictive Rent Control policy in the country in our own backyard. St. Paul's rent control policy remains deeply concerning with a 3% rent cap that does not include an inflationary adjustment. Any added regulatory costs to housing providers with such restrictive rent caps could jeopardize housing stability.

My testimony today outlined a few of the concerns we have, and why we oppose the bill. Overall, the legislation simply does not account for how a rental business operates. We appreciate the opportunity to provide our concerns today.

Respectfully,

Kyle D. Berndt
Director of Public Policy
Minnesota Multi Housing Association