

March 5, 2024

Attn: Members of Housing Committee c/o jack.dockendorf@house.mn.gov

Re: HF 3350

Members of the Housing Committee,

As you discuss HF 3350, which seeks to cap rent increases on senior housing that was or will be financed with low-income housing tax credits provided under section 42, we wanted to you to be aware of some of the potential unintended consequences of such legislation.

As background, Ecumen is a nonprofit provider of housing, health care and services for older adults. With more than 160 years of serving Minnesotans, we envision a state where every older adult has a home with innovative services to live the life they choose. We are committed to affordable housing and have recently opened several affordable communities throughout the Twin Cities.

Our primary concern with this legislation is the impact it could have on trusted nonprofit organizations like Ecumen by limiting our ability to sustainably operate our affordable communities. Projects funded by tax credits already abide by rent limitations. Further restricting these increases would hinder our ability to cover rising operational and maintenance costs.

We have heard from our development partners that this legislation could slow or even halt housing production. The concern is that institutional investors like pension funds and real estate investment trusts would opt to invest in other markets where there is less uncertainty – leading to an even greater housing shortage in our state.

We work diligently with our residents and tenants to ensure that any rent increases are reasonable and discuss options such as payment plans and access to rent assistance. Additionally, we support the residents in our affordable communities with food pantries and other needs and services through philanthropic efforts.

We urge you to consider all the organizations who are providing services to our older adults who need our support. We ask that you not hamstring those – like Ecumen – who are seeking to make a positive difference in the lives of older Minnesotans.

Thank you,

Shelley Kendrick
Ecumen, President & CEO

Brett Anderson
SVP, Chief Operations and Strategy Officer