



March 14, 2023

Committee on Housing and Homelessness Prevention
Minnesota Senate
3213 Minnesota Senate Building
Saint Paul, Minnesota 55155

Dear Chair Port and Members:

Thank you for the opportunity to provide feedback on Senate File 11 by Senator Mohamed, state rent assistance program for low-income, cost-burdened households establishment and appropriation. With 50 years of experience helping communities achieve successful affordable housing solutions, Dominium's overriding objective is to build and improve communities that people are proud to call home. On behalf of Dominium, I write today to provide support for SF 11.

Housing choice vouchers, or rental assistance, are the primary federal tool intended to bridge the gap between the cost of housing and the income of low-wage earners and people on limited, fixed incomes. Vouchers bridge the difference between rents that support the cost of apartments and the actual incomes of individual families. Rental assistance provides an automatic affordability tool that is responsive to residents' personal financial circumstances by requiring families to pay about 30 percent of their income toward rent and utilities — a widely used standard for the amount a household can reasonably be expected to pay for housing — and the federal subsidy covers the remaining cost.

However, due to funding limitations, 3 in 4 eligible low-income renter households do not receive federal rental assistance, and there are years-long waits for housing assistance for most eligible Minnesotans. State rental assistance, as provided in SF 11, would help fill in the gap and meet this demand, helping to tailor affordability to individual financial situations. Families with rental assistance would be more able to afford items like food, medical care, and clothing since families with high rent burdens often must divert resources away from those needs.

By providing families with emergency rental assistance, we can also better support affordable housing providers and ensure that they can continue to provide critically needed affordable housing options across Minnesota. Monthly rent payments are essential to pay mortgages, keep apartment buildings up to date, staffed, and maintained in a way that keeps affordable housing welcomed in communities across the state. Rental assistance is critically important to address the shortage of affordable homes that are available and help families find housing near their employers, amenities, and schools.

For all these reasons, Dominium supports Senate File 11 and urges its swift passage. We greatly appreciate your consideration of our comments should you have any questions regarding our feedback, please contact Khayree Duckett at khayree.duckett@dominiuminc.com or 763-401-4359.

Sincerely,

Paula Prah
Partner, Chief Policy and Corporate Affairs Officer & Executive Vice President
Dominium Development