

## Summary of Jolene Johnson's Testimony in support of S.F. 1750 March 13<sup>th</sup>, 2025

### Info about Speaker

Dr. Jolene Johnson and her husband Zach Armstrong are 17-year residents of Heritage Park in North Minneapolis. Zach is currently on the Heritage Park Master Association Board. We fully support S.F.1750 and encourage you to do everything possible to discourage HOA creation in Minnesota as it raises the cost of housing unnecessarily and increases segregation of residents by income and race.

Bullet point outline of our experience with the Heritage Park Master Association and why we believe this bill is necessary.

- Heritage Park Neighborhood was formed due to the [Hollman Decree](#) stemming from a lawsuit about the concentration of low income housing in North Minneapolis
- The city/developer required the formation of a master HOA to oversee the single-family homes along with three sub associations of townhomes.
- The master HOA is not responsible for any common elements, nor has it ever consistently provided services such as snow removal or security. The sole purpose of the HOA is to collect yearly dues and fine members who violate the rules and regulations.
- Our neighborhood is racially and economically diverse and includes homes bought with assistance of various organizations including Habitat for Humanity. We ourselves were able to afford our home through a city of Minneapolis program for income qualified buyers.
- We had a string of at least four management companies since our founding around 2005.
- In May 2020 we received a letter stating we must address multiple issues about our gardens (which had not been changed in 10 years and had followed the rules when they were installed)
- Upon receiving this letter, we demanded to attend board meetings. At these board meetings it was mentioned the HOA was starting the foreclosure process on multiple homes
- The HOA refused our requests for information about which properties were affected, the reasons, or any additional information.
- We went through the Hennepin County records house by house to discover that ten homes all owned by black residents eventually had foreclosures brought against them in 2020.
- While also fighting to keep our food garden (during a pandemic with supply issues!) we also helped organize our neighbors to fight foreclosures and other issues of discrimination by race, national origin and disability.
- We filed an AG complaint about these issues in Aug 2020 (email attached). The management company responded by saying we had hired legal representation so from that point on any questions we asked would be sent to their lawyer and we would be billed. They charged us nearly \$4000 and billed us for issues including responding to another neighbor's petition (attached) that they respond to neighbor complaints including stopping the foreclosures.
- The HOA continued to participate in discriminatory actions including
  - excluding the sole black board member from notification of meetings,
  - repairing city sidewalks of white residents using HOA funds but not repairing city sidewalks of black residents even when the discrepancy was pointed out.

- not properly responding to issues related to disability accommodations needed. This includes a blind refuge homeowner who was put into foreclosure by the HOA, and the HOA refused to provide consistent verbal communication based on their disability.
- uneven enforcement of fines and fees with more nonwhite residents reporting fees being assessed for similar violations
- harassment of residents by HOA executive committee members including at resident's place of employment
- Due to constant threat of legal fees, it was exceedingly difficult to figure out a solution that didn't end up with residents facing large bills (again many homeowners of low and moderate income)
- Through help of a pro bono lawyer, we were able to alert the Minnesota Department of Human Rights about this situation
- The settlement took many years, and multiple management companies have opposed it, but there is a signed agreement which is attached.
- Residents do have the opportunity to get financial reimbursement from the insurance settlement, but many homeowners are frightened about their information becoming public
- Part of the MDHR process looked at dissolving the HOA as it is unnecessary, however MDHR did not have the authority under state law to do this. The current law requires 80% of homeowners to vote yes (which we have) but also 80% of mortgage holders (aka banks) to vote yes. This is an exceedingly complicated process that would involve at least 40 financial institutions.
- The current board is fully in favor of dissolving but without a law change this will not be possible.
- In the meantime, because we had an insurance claim our board member insurance increased from under \$2000 per year to over \$9000 per year. Our management fees are around \$15000 per year. These are the only two expenses as the HOA does not provide a single service. Without dissolving we will need to significantly increase dues to cover this. Additionally, many residents see no benefit to this HOA (because there is none), so they have stopped paying. This leaves the board potentially unable to pay for insurance, but also extremely unwilling to take people's houses over an organization that provides zero benefits to them.

Other issues this bill addresses that we support (and encourage even stronger legal protections)

- No foreclosures for low dollar amounts. Set strict rules around foreclosures. Have a process to address complaints quickly.
- Encouraging rules and regulations to be a minimal as possible and comply with city and state regulations that encourage responses to environmental issues.
  - Protect pollinator gardens.
  - Promote solar installations with no delays caused by HOA interference.
  - Encourage planting of trees especially in urban areas
- No attorney fees just for asking questions.
- Limits on legal fees attached to foreclosures.
- Oversight and a mechanism to file complaints when HOAs and management companies are not following the rules.

- Discouragement of single family HOAs unless actually necessary (no building private parks just to force an unnecessary HOA)

Please vote yes on this bill. The residents of Minnesota overwhelmingly oppose HOAs and would choose to buy in non-HOA communities when possible. HOAs increase the cost of home ownership, increase segregation by income and race and do not increase home values. Nobody should be forced to endure the situation that we and our neighbors faced. Minnesota can become a leader in protecting homeowner rights over management company and legal firms' profits.