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Statewide rule change protects thousands of tenants from harmful rent increase practices and arbitrary evictions

In late November, the Board of Directors for Minnesota Housing, the state's housing finance agency, approved several key rule changes that greatly impact the rights of thousands of tenants in rental properties throughout the state. The two most influential changes restrict rent increases to occur only once per year, and better clarify the protections renters in these units have when a landlord attempts to end or non-renew their tenancy. The revised rules are now [published in the LIHTC Program Compliance Guide on the Minnesota Housing website](#).

Prior to the rule change, many complexes and housing developers who participate in the federal Low Income Housing Tax Credit (LIHTC) program, were raising rents significantly in the middle of yearly lease terms. The LIHTC program offers tax breaks to developers and investors for investing in modestly affordable housing developments. These complexes are predominantly marketed toward seniors and people with disabilities, many of whom have fixed incomes and found themselves unable to cover both their increasingly high rents and basic necessities. Some residents were displaced while others found themselves having to take on part-time jobs to pay for unexpected rent amounts that they had not originally budgeted for upon agreeing to their leases. The approval and publication of the changes follow well over a year of resident organizing, advocacy, and [media coverage](#) highlighting how this growing number of complexes, predominantly operated by Minnesota-based Dominion Apartments, was using such practices, negatively affecting the stability, health, and budgets of Minnesota renters. In the Dominion portfolio alone, there are 40 apartment complexes and more than 5,000 households directly impacted by this change. In the state of Minnesota as a whole, the new policy will benefit more than 45,000 households across the state.

The trend of mid-lease rent increases in LIHTC buildings was adopted by other developers as well, raising the alarm that more Minnesota families would experience housing insecurity in a program that was supposed to ensure that they would have an affordable place to call home.

"I moved in and it was supposed to be a set price and it was probably a month or so after, all of a sudden they're telling us that they're raising our rent...that's not what we were expecting. There were a lot of things that they promised, Dominion, and it's not just things that we were promised; it's lies." - Pamela Cutting, Legends of Columbia Heights

"It's kind of like having something constantly hanging over your head, the instability of not having the security of your home. People don't understand that, with renting, you can't just move and find somewhere else. When you're older and don't have income, or mobility, or a vehicle...there's just a lot of things that snowball. I try not to think about it, because it's really scary." - Judith Kroening, Legends of Silver Lake Village

"I had to go back to work, like a lot of the other people. We have 70, 80 year olds still working because of this. People have to move in with their children, and they're devastated. It was a bait and switch for a lot of us. I was shocked; I had no place to go because I sold my house. They lied to us, they told us it would be a \$5-10 increase per year." - Pam MacDonald, River North Apartments

The new guidance from Minnesota Housing puts the program more firmly in line with the legislative intent of the Low Income Housing Tax Credit program by ensuring that individuals have access to affordable places to call home free from unexpected increases. It is also more consistent with standard practices in the rental market. "When someone signs a lease they don't expect the basic terms of the lease to change mid-way through the year with no ability to get out of a rental agreement they might no longer be able to afford. When public resources are used to create housing we should expect a fair deal for renters in return." -Margaret Kaplan, President of the Housing Justice Center



Tenant association members from The Legends of Silver Lake Village, a Dominion Property, express concerns about the mid-lease rent increases to management.