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TO: City of St. Paul Housing and Redevelopment Authority

RE: SR 25-227: Resolution Endorsing Amendments to the Minneapolis/Saint Paul Housing Finance Board's 2026-2027 Qualified Allocation Plan; Citywide.

HOME Line would like to take this opportunity to comment on SR 25-227, a resolution to back out of a commitment to provide affordable rental homes in downtown St. Paul for a 30-year period, as intended through the Low-Income Housing Tax Credit (LIHTC). **HOME Line strongly opposes this resolution and urges the St. Paul HRA to vote against it.**

HOME Line is a Minnesota nonprofit tenant advocacy organization that provides free and low-cost legal, organizing, education, and advocacy services so tenants can solve their own rental housing problems. HOME Line's free and confidential tenant hotline has served the city of St. Paul since 2006. Prior to that, HOME Line provided tenant organizing support to renters facing building-wide struggles and engaged in policy advocacy around local rental licensing and tenant protections at the city, state, and federal levels.

Our staff advises St. Paul renters every day—in 2024 we provided free and confidential legal advice to 2,761 St. Paul renter households—the vast majority of which identified as low-income (91%), female (67%), and from communities of color (60% BIPOC). We advise on any rental topic, regardless of income level—and we have direct Spanish-, Somali-, and Hmong-speaking hotlines for communities to secure information about their renter rights in their own language.

HOME Line is concerned that this proposal will follow the route taken with other Saint Paul tenant protection policies, such as the repeal of S.A.F.E. and further restricting rent stabilization protections. This proposal, if enacted, would jeopardize the long-term needs and further burden Saint Paul renters who need stability.

The Metro Area has an acute need to protect its affordable housing. According to the Minnesota Housing Partnership's report "State of the State's Housing, 2024," the Twin Cities region has the largest shortage of affordable and available rental units for extremely low-income households; low-income renter households in the region need an additional 64,890 units." Furthermore, "the Metro region has the highest share of low-income cost-burdened renters in the state, at 86%.” The last thing we need to do is take measures that will reduce the number of units available for low-income households. Public investment in housing should always strive for the longest period of regulated housing affordability.

As the nation’s largest affordable housing program and the largest source of federal assistance for developing affordable rental housing, the Low-Income Housing Tax Credit, should be used to both address the shortage mentioned above and reduce the number of low-income households who are cost burdened to the fullest extent possible.

Regrettably, SR 25-227 goes in the opposite direction via a loophole in the program. Through what is known as a Qualified Contract process, LIHTC owners can request to terminate the 30-year affordability restrictions after 15 years. As a result, an important affordable housing resource is lost, and more importantly, households are displaced from their homes. Reducing the timeline of availability for affordable housing will harm our clients and broadly, all communities in Saint Paul.

To be clear, HOME Line opposes SR 25-227. We ask that the St. Paul HRA vote down the proposal.

We appreciate your consideration.

Sincerely,
Michael Dahl
Public Policy Director