Lisa Bender - Minneapolis City Council Ward 10

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Tomorrow, the City Council's Housing Policy and Development Committee will receive an update on our city's anti-displacement and housing stability work. CM Jeremiah Bey Ellison and I have worked together with committee chair CM Cameron Gordon to bring a direction to staff to initiate a study of rent stabilization policy for Minneapolis that we plan to offer during the committee meeting.

The pressure of residential displacement is a serious issue in our community: in Minneapolis alone 3,000 people face eviction each year. Since 2000, housing costs for renters have increased by 17% while average renter income has increased by only four percent.

Renters represent about 75% of cost-burdened and severely cost burdened households, meaning families that pay more than one third of their income for housing costs. Cost-burdened households are disproportionately communities of color. 59% of Black renters are cost-burdened compared to 40% of white renters. Almost 1 in 2 American Indian households are cost burdened (regardless of whether they rent or own). And, not surprisingly, these groups are significantly over-represented in our homeless population.

In our growing city with rental vacancy rates that have consistently been below 4% (well below the national average) since 2012, too many working families are being forced out of the communities they live in. We are at a crossroads as a city. If we are to remain an inclusive, welcoming city that continues to be affordable for all the people who call it home, we must be willing to explore new strategies.

The City Council has supported a number of measures in recent years to impact these trends. The Minneapolis 2040 plan creates opportunities for new housing in every Minneapolis neighborhood, lessening the pressure on our housing market. But supply alone will not ensure that working families can afford a place to live. That's why the City Council has adopted a number of supportive policy changes, including the Renters First Policy, income non-discrimination policies, protection for renters after a building sale, a redo of our city's conduct on licensed premises ordinance, a fair chance housing access ordinance and funding not only for affordable housing construction and preservation, but also investments in a Right to Counsel pilot program that provides low-income renters with legal support. Our colleagues are now working on a Tenants' Opportunity to Purchase policy that would give renters the opportunity to purchase their buildings, and on expanding building sale protections to renters in buildings who lose their rental license.

All of these important policy changes and investments are crucial to prevent displacement, but our neighbors are still losing their homes because they simply cannot keep up with the rent. This is contributing to record-high homelessness rates here and across the state. That is why we feel it is time for our City to have a meaningful, informed conversation about rent stabilization.

Rent stabilization policies have recently been adopted in the states of Oregon and California and are under consideration in Illinois and Colorado. Simply put, rent stabilization policies set a cap on the amount landlords can raise the rent each year above inflation.

There are many questions to answer about this policy and how it would work here. In order to answer those questions, tomorrow we plan to move a direction to staff to contract with a research team to review the status quo in Minneapolis and the potential impacts and benefits of rent stabilization.

In Minneapolis, like many communities around the country, we face state-level barriers to implementing a policy like this one. While the law allows us to put this question on the ballot in Minneapolis, there are a number of procedural questions to answer about that. While the process for adopting a rent stabilization policy is currently unclear, we believe that both the public and policymakers in Minneapolis deserve more information about the potential effectiveness of this tool to impact residential displacement in our city.

Council Member Jeremiah Ellison, Ward 5
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