MINNEAPOLIS AREA REALTORS®

June 17, 2022

Mayor Karasek & Members of the Council
City of Champlin
11955 Champlin Drive
Champlin, MN 55316

RE: REALTORS® Recommend--DO NOT ADOPT Rental Density Restrictions; Note Disparate Impacts/Discriminatory Effects

Dear Mayor Karasek, Members of the Council, and City Staff:

Minneapolis Area REALTORS® ("MAR") is a professional association representing more than 9,500 REALTORS® who live and work in the Twin Cities. More than 230 REALTORS® call Champlin home and many more serve clients in the community. Our overall goal is to support the healthy growth of the Twin Cities' real estate market and help consumers make informed real estate decisions.

Minneapolis Area REALTORS® has a standing public policy opposing Rental Density Ordinances. Below are the two most compelling reasons to not pursue a Rental Density Ordinance.

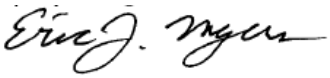
- **Disparate Impacts & Discriminatory Effects**--Minnesota Homeownership rates in communities of color are disproportionately lower. Black Minnesotans have an ownership rate of only 25.3% while white homeownership rates are 76.9%, according to the Minneapolis Federal Reserve. Further restricting rental opportunities via a Rental Density Ordinance in Champlin will have a disparate impact and discriminatory effect on communities of color. Rental Density ordinances convey the message "you cannot live here."

- **Property Rights** -- REALTORS® believe in private property rights. These rights include the rights to buy, sell, or rent real property. Cities have the right to general police powers in regulating rental units and should have the right to expect compliance but should not interfere or unfairly restrict those rights. Rental Density ordinances confer those rights to a limited few (10%) while simultaneously denying those rights to the remaining owners (90%). We find this fundamentally unfair in its administration. Furthermore, we implore the city to further consider private property rights themselves are not derived from the government but protected by it.

Rental Density ordinances have largely been a college town phenomenon and therefore have focused on student populations. Students of course are not a protected class. However, when applied more broadly in non-college communities the impacts are clear. We believe rental density ordinances have lost favor in recent years because of widespread agreement over disparate impacts, discriminatory effects, and private property rights.

REALTORS® strongly urge the council to oppose rental density caps. Instead, strengthen existing ordinances that solve specific issues and expand housing choice. Embrace individuals seeking the opportunity to join your community. Seek to provide them with options, incentives, and homeownership opportunities within your city. Today's renter may very well be tomorrow's homeowner—both are deserving residents of your community.

Sincerely,



Eric J. Myers
Director of Government Affairs

Sheree Steele
KW Classic Realty, MAR GA NW Suburbs, Chair

cc: Bret Heitkamp, City Administrator
Scott Schulte, Community Development Director