

April 6, 2020

Office of Governor Tim Walz & Lt. Governor Peggy Flanagan
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Walz,

Thank you for the proactive and data-driven measures you have taken so far to ensure the health and stability of the people of Minnesota during the COVID-19 crisis. Your strong and thoughtful approach, including the Stay at Home Executive Order to slow the spread of coronavirus and help the state prepare, is greatly appreciated.

However, this global pandemic has put a strain on every aspect of life in the US, and around the world, and I believe it's only a matter of time before it deeply strains our ability to keep people housed. I urge you to support the suspension of rent and mortgage payments, as well as enact a moratorium on commercial evictions, to mitigate the financial devastation families, residents, and local businesses, are facing across the state.

Debt is piling up for renters and mortgage-holders, despite many not having a steady income for the foreseeable future. Mass displacement, home foreclosures, and the shuttering of businesses are imminent unless aggressive measures are taken immediately. Such action is even more critical considering we have been in a housing crisis since before the outbreak of COVID-19, as housing costs continue to rise at a rate much faster than incomes. Furthermore, the housing crisis is felt most acutely by immigrant, Black, Indigenous and People of Color (BIPOC) communities, who already experience severe disparities in wages and housing, and who are far more likely to be renters than white households.

The recent temporary moratorium on evictions and foreclosures, and the expansion of unemployment insurance, are vital first steps in heading-off this looming financial devastation. However, we are still far from making families whole, and preventing evictions and foreclosures down the line when families cannot repay the debt they are accruing. Many families in the US likely cannot absorb this loss of income; forty percent of Americans do not have cash on hand to cover an unexpected expense of \$400,¹ and 78 percent of American workers said they were

¹<https://www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with->

living paycheck to paycheck.² It is clear that families are already stretched to the limit; of the 89,420 renter households in Minneapolis, nearly 50,000 earned less than 60 percent of the area median income — or \$51,500 for a family of four — in 2016. Of those families, 78 percent paid more than 30 percent of their income on housing and 46 percent paid more than half of their income on housing.³ Even with unemployment insurance, families already spending so much of their income on housing will not be able to cover their basic needs.

I am not alone in this ask; I am partnering with elected leaders from a number of US cities whose residents are also struggling under mandatory stay at home orders, including Boston, Los Angeles, New Orleans, New York City, Philadelphia, San Francisco, Seattle, and St. Paul, to call on state and federal officials to cancel rent payments and impose an immediate moratorium on mortgages during this health emergency.

We're already seeing a hit to our local economy as small businesses continue to close, in part because they cannot afford their rent. If vital measures are not taken immediately, families will lose their homes. We know that without housing, families will be fundamentally destabilized — directly affecting their health and safety, producing an even greater need for assistance, and creating a recipe that will amplify crimes of necessity. Therefore, it is crucial that we continue to be proactive through supporting the suspension of rent and mortgage payments during the COVID-19 crisis.

Sincerely,



Jeremiah Ellison
City Council Member - Fifth Ward
Minneapolis, Minnesota

Mitra Jalali
City Council Member – Fourth Ward
St. Paul, Minnesota

Phillipe Cunningham
City Council Member – Fourth Ward
Minneapolis, Minnesota

Mike Elliott
Mayor
Brooklyn Center, Minnesota

Steve Fletcher
City Council Member – Third Ward
Minneapolis, Minnesota

unexpected-expenses.htm

²<http://press.careerbuilder.com/2017-08-24-Living-Paycheck-to-Paycheck-is-a-Way-of-Life-for-Majority-of-U-S-Workers-According-to-New-CareerBuilder-Survey>

³ <https://www.mhponline.org/images/stories/docs/research/NOAH-MPLS-final.pdf>

Maria Regan Gonzalez
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Richfield, Minnesota

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cc: Minnesota Executive Council Members:
Secretary of State Steve Simon
State Auditor Julie Blaha
Attorney General Keith Ellison