

Subcommittee on Housing and Community Opportunity
January 23, 2010 hearing: "The Impact of the Foreclosure Crisis on Public and Affordable
Housing in the Twin Cities"
Written Testimony from Mr. Marion Anderson, Constituent

Thank you, Madame Chairwoman and Members of the Subcommittee, for inviting me to testify about my experience as a renter affected by foreclosure. My name is Marion Anderson and for over a year my life has been affected by the foreclosure at my rental unit.

In November 2008, I signed a one year lease on a 2-bedroom apartment, in a four-plex in North Minneapolis. What I didn't know at the time was that my landlord was in the early stages of foreclosure. In fact, my landlord had 2 mortgages on the property, and both have gone into foreclosure. One sheriff's sale was in August, 2009 and the other in September, 2009. In addition, my landlord had filed for bankruptcy.

Our first suspicion that something was wrong was when about four months into our lease, February, 2009, our landlord started taking appliances out of the property without any explanation. The first things to go were the washer and dryer out of the basement. There were rumors among the tenants that the building was in foreclosure.

The next month we started getting utility shut off notices at our building. In our original lease, the utilities were to be paid by the landlord. The next month, April, the building was posted by the city for lack of utilities but the landlord was still asking for rent and not addressing the utilities issues.

The remaining tenants organized, contacted the utility companies, and paid to keep the utilities on. On April 15th, our landlord came by the property and manually turned off the furnace.

From April to July we had no contact from our landlord. In July our landlord showed up at the property and threatened us with evictions for non-payment of rent. At this point we were no longer paying rent, but were paying all the utilities ourselves. We had already received numerous water and gas shut-off notices. She stripped the basement of appliances, and never showed up again.

In August, the fire inspector came to our property and put up two notices. One gave us 72 hours to get the furnace turned on, or the property would be condemned. The second notice gave us until January, 1, 2010, to get a rental license on the property, or it would be condemned.

The tenants were able to get the furnace turned back on by paying current charges forward. I contacted Legal Aid who helped us with the rental license issue. Legal Aid tried to get the City of Minneapolis to allow the tenants in our building to pay for the rental license so that we could stay there throughout the redemption period. Legal Aid then connected me to St. Stephen's and their assistance program for renters who are affected by foreclosure.

Since we found out the property has been in foreclosure, we have dealt with numerous utility shut-off notices. The old building manager left his unit, and some of his family moved into the vacant unit. Another unit of tenants who were receiving Section 8 moved out of the building once Section 8 found

out about the foreclosure. These tenants left and allowed some friends and family to use their unit. There have been 3-4 squatters in vacant units and in the basement, which does not have a secured door. It has been hard or impossible to get the squatters to contribute to the utilities.

The squatters have brought other problems to the building too. The police were called out last week to the property to take out one of the squatters, who was a threat to others. The fire inspector came to the building again and told us one unit was at risk of being condemned for suspected meth use and production. In addition, there are rumors of prostitution going on in the basement of our building.

From March to December 28, 2009, our building had virtually no management or ownership. This has created an unsafe environment for the remaining tenants. There is no accountability and we have no one to address our safety, utility, or maintenance concerns.

As of December 28, 2009, a new owner has turned up. He apparently purchased the property from the foreclosing bank on the first mortgage. He did get a rental license on the property, so it was not condemned on January 1, 2010. But he is also requesting \$200 more per month in rent for the units than our original leases, and, so far, is not offering the remaining tenants new leases.

In addition to the foreclosure problems at my apartment, I have been laid off twice in the past year. I am working with a job program, but so far, have only been able to find part-time employment. At my current income there is nothing comparable for rent in the area. I feel like the new owner is pricing the current tenants out of the building. If I have to move, most places want a security deposit, first and last month rent. With Emergency Assistance in Minneapolis getting cut for single adults this year, I have few options.

The whole experience has been very stressful. I have an apartment full of stuff and have often thought that I had 24-72 hours before I'd be out on the street. I am being displaced, and not by choice. When you sign a lease, you expect to be able to comfortably stay in the apartment for the duration of that lease. You do not plan to have to move during a Minnesota winter. In this situation, a tenant must have the wherewithal to follow up with everyone and stay on it. Many people don't, and it is easy to end up in shelter when you experience foreclosure. There are times that I worried that I would end up at Harbor Lights (Salvation Army shelter) but so far, I have been able to stay in my apartment.

For me, I think employment is the key to stability, security, and self-esteem. Even to be able to afford affordable housing, you have got to be working. With many jobs no longer available it is hard to sustain a living wage and a decent place to live. It is a vicious cycle. I have been able to work with many organizations on my housing and employment issues: Legal Aid, MN Workforce Center, HIREd, St. Stephen's, and Minneapolis Urban League. You need to get connected to the right places and get referred to different places for different services. Without the non-profit network in Minnesota, I probably would have ended up in shelter.

