



## 2009 MN Legislative Session Snapshot – What Changed for Housing

### Economic Development and Housing Budget (Chapter 78)

- **Minnesota Housing Finance Agency Budget** – Funded at \$86.77m for FY 2010-11. This represents a 4% base budget reduction and a 24% overall reduction in funding from last biennium.
- **Housing Challenge Program** – Funded at \$14.8m for FY 2010-11 as part of the MHFA budget, including \$2.8m for Urban and Tribal Indian programs. This represents a 33% base budget reduction and a 61% overall reduction in funding for the two programs from last biennium. Base funding will increase to \$18.8m for FY 2012-13. Challenge provides flexible funds for both the CRV (single family) and EDHC (rental) affordable housing development programs.
- **Housing Trust Fund** – Base funding of \$17m was preserved for FY 2010-11. As part of the plan to end long-term homelessness, an additional \$4m in funding was transferred to the trust fund from Challenge. An additional \$500,000 was appropriated for High-Risk Adult Demonstration Project.
- **Manufactured Housing Relocation Trust Fund** – Makes important changes to the way fees are collected for the relocation fund that reduce cost and protect homeowners.
- **Urban Revitalization Assistance Program (URAP)** – Expanded to statewide applicability. No money is appropriated.

### Homelessness Budget – Department of Human Services (Chapter 79)

- **Runaway & Homeless Youth Act** – Funded at \$218,000 for FY 2010 with new base funding at \$119,000 per year to start in FY 2011. An additional \$2.5 million in federal stimulus (not state) funds was also set aside to the extent allowable by federal law.
- **Long-term Homeless Support Services** – Base funding for \$10m was preserved and an additional \$3m was appropriated for the biennium. Base funding is increased by \$68,000 per year beginning in FY 2012.
- **Emergency Shelter** – Base funding of \$700,000 was preserved for FY 2010-11. Additional funding of \$600,000 was not re-funded.
- **Transitional Housing** – Base funding of \$5,476,000 was preserved for FY 2010-11. Additional funding of \$750,000 was not re-funded.

### Taxes

- **Renters' Credit** – Reduced tax refund from 19% of rent paid to 15% during unallotment. This reflects a 27% cut in funding, or \$51m.

### Bonding (Chapter 93)

- **Public Housing Bonds** – \$2m in bonding was provided for public housing rehabilitation.

### Foreclosure

- **Abandoned Foreclosed Properties (Chapter 123)** – Cities are granted greater power to secure the premises and file court action to have the property deemed vacant when property owners fail to do so. For properties thus deemed vacant, the redemption period is reduced to 5 weeks.
- **Foreclosure “Clean Up Bill” (Chapter 130)** – Requires lenders who opt to postpone a sheriff's sale to notify the homeowner, and to include the exact date/time to vacate by if the borrower fails to redeem. The bill also strengthens contract for deed provisions and extends the consumer protections to foreclosures by action.
- **Sheriff's Sale Postponement (Chapter 78, Art. 8, Sec. 21)** – When requested by the homeowner, the sale is postponed by five months in exchange for reducing the redemption period by five months. This gives a homeowner five more months to bring the mortgage current, rather than five months to repay the mortgage in full.

## State Appropriations for Housing, 2009 Legislative Session

Programs of Minnesota Housing	Base Budget Funding (2010-11) from 08-09	One-Time Funding (for FY 08-09)	FY 2008-09 Total Budget	Governor's Proposed Budget FY 2010-11	FY 2010-11	FY 2012-13
					Actual Budget*	Base Budget
Challenge Program	\$19,244,000	\$15,000,000	\$34,244,000	\$10,748,000	\$11,996,000	\$15,996,000
Urban and Tribal Indian Programs (to be combined with Challenge Program)	\$2,790,000	\$661,000	\$3,451,000	\$2,790,000	\$2,790,000	\$2,790,000
Preservation Loans and Grants (PARIF)	\$17,992,000	\$2,500,000	\$20,492,000	\$17,992,000	\$17,642,000	\$17,992,000
Housing Trust Fund	\$17,110,000	\$5,000,000	\$22,110,000	\$21,110,000	\$21,110,000	\$17,110,000
Demonstration program for high risk adults (as part of Housing Trust Fund)	\$0	\$0	\$0	\$0	\$500,000	\$0
Family Homeless Prevention (FHPAP)	\$14,930,000	\$0	\$14,930,000	\$14,930,000	\$14,930,000	\$14,930,000
Rehab Loans	\$8,574,000	\$1,300,000	\$9,874,000	\$8,574,000	\$8,574,000	\$8,574,000
Bridges (rent assistance for mentally ill, SPMI)	\$5,276,000	\$0	\$5,276,000	\$5,276,000	\$5,276,000	\$5,276,000
Housing Counseling (HECAT)	\$1,730,000	\$0	\$1,730,000	\$1,730,000	\$1,730,000	\$1,730,000
Nonprofit Capacity Building	\$500,000	\$180,000	\$680,000	\$500,000	\$500,000	\$500,000
Homeownership Assistance Fund	\$1,770,000	\$0	\$1,770,000	\$1,770,000	\$1,720,000	\$1,770,000
<b>TOTAL MINNESOTA HOUSING</b>	<b>\$89,916,000</b>	<b>\$24,641,000</b>	<b>\$114,557,000</b>	<b>\$85,420,000</b>	<b>\$86,768,000</b>	<b>\$86,668,000</b>
<b>Programs of the Department of Human Services</b>						
Long-Term Homeless Plan Implementation (Supportive Services)	\$10,000,000	\$3,000,000	\$13,000,000	\$9,811,000	\$13,000,000	\$10,136,000
Runaway and Homeless Youth Act	\$0	\$1,000,000	\$1,000,000	\$0	\$218,000	\$238,000
Emergency Services Grants	\$700,000	\$600,000	\$1,300,000	\$688,000	\$700,000	\$700,000
Transitional Housing Grants	\$5,476,000	\$750,000	\$6,226,000	\$5,868,000	\$5,476,000	\$5,476,000
<b>TOTAL DHS</b>	<b>\$16,176,000</b>	<b>\$5,350,000</b>	<b>\$21,526,000</b>	<b>\$16,367,000</b>	<b>\$19,394,000</b>	<b>\$16,550,000</b>
<b>TOTAL Housing and Homelessness Base Budget</b>	<b>\$106,092,000</b>	<b>\$29,991,000</b>	<b>\$136,083,000</b>	<b>\$101,787,000</b>	<b>\$106,162,000</b>	<b>\$103,218,000</b>

\* Governor may still unallot money for housing for FY 2010-11 once FY 2010 begins on July 1, 2009.

Updated June 11, 2009.

