



# THE MHP BULLETIN

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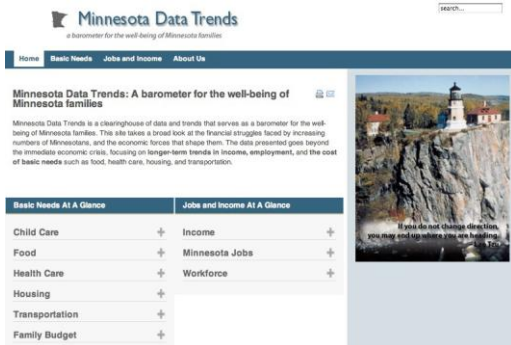
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In addition to **The Bulletin**, MHP also publishes **The Capitol Update**, a newsletter that follows the ins and outs of state and federal housing policy and legislation that affect Minnesota. Click [here](#) to sign up for the **Update**.

## NEWS



### New Website Charts Decades of Change for Housing in MN

With monthly changes in home prices making headline news, many Minnesotans follow each uptick and downturn in the housing market and the economy. But less common is data looking at how the state has fared over the long haul. Did you know, for example, that since 1980, rental costs rose by 19 percent, while the incomes of renters dropped by 10 percent?

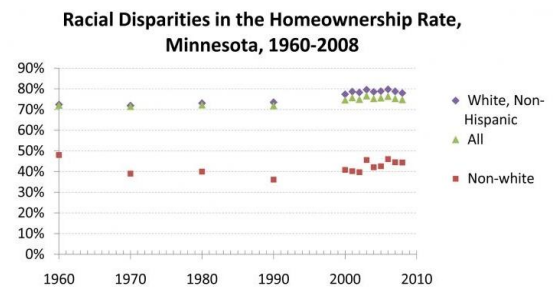
MHP and five partner organizations recently launched [Minnesota Data Trends](#), a web-based portal of information taking a long view of the financial situation for Minnesota families. The site looks at the impact of economic and

workforce changes on family budgets and choices. The data go beyond the immediate economic crisis, focusing on longer-term trends in *income* and *employment*, and then the cost of basic needs such as *food, health care, housing, and transportation*.

[Minnesota Data Trends](#) charts and graphs reveal the following:

- While the cost of food has been stable in recent decades, basic needs expenses in child care, health care, housing, and transportation costs have all outpaced the rate of inflation.
- Minnesota household income rose for nearly four decades from 1960 to 1999, but in the 2000s, buying power was flat to declining. Households had nearly \$3,600 less to spend in 2008 than they did in 1999, after adjusting for inflation.
- About 8 percent of Minnesota households were paying more than half their income for housing from 1980 to 2000, but by 2008, nearly 13 percent had this level of cost burden.

The project is a unique collaboration between *Affirmative Options Coalition, Children's Defense Fund Minnesota, Jobs Now Coalition, Minnesota Budget Project, Minnesota Community Action Partnership, and Minnesota Housing Partnership*. Check out [Minnesota Data Trends](#) for more.



### Wall Street Reform & Consumer Protection Act Provides a Boon to Housing

President Obama signed the financial reform act on July 21. This massive bill contained a number of provisions that will directly affect Minnesota affordable housing efforts. First, the legislation provides an additional \$1 billion for the Neighborhood Stabilization Program (NSP), where HUD will emphasize the creation of affordable rental housing. The law provides an additional \$1 billion for bridge loans to unemployed homeowners—to help them make mortgage payments until reemployment. The bill also extends protections of tenants in foreclosed properties for two additional years through December 2014, enabling tenants to retain their homes a minimum of 90 days after their building is foreclosed or for the duration of their lease.

As widely reported, part of the responsibility of the newly created consumer protection agency will be to protect home purchasers from bad mortgage products. In a more general directive, the law instructs the HUD secretary to: 1) provide financing to help multifamily housing stay afloat when facing foreclosure, and 2) make grants providing foreclosure-related legal assistance for homeowners and tenants. To see the bill, [click here](#).

### July Minnesota Housing Board Meeting – Report

Three major topics of discussion at the Minnesota Housing Finance Agency's July board meeting were the Agency's need to be more competitive in its mortgage purchasing business, the limit to which the Agency should fund high-cost units, and the link of Agency program investments with geographic areas in the state.

Commissioner Bartholomay also used the July meeting to update the board on the Agency's process for developing a multi-year strategic plan. The Agency will be getting stakeholder input in August and will prepare a draft plan for the board's October meeting. The board will approve final plan in November.

Once again Minnesota Housing staff expressed concern about their ability to achieve the Agency's revenue targets. The record-low interest rates in conventional mortgage markets have diminished the Agency's competitive advantage as a low-cost mortgage lender. Coupled with overall slow demand for mortgage loans, this left the Agency short of its revenue goals. With a need to increase the volume of its mortgage business, Agency staff presented to the board ideas for new marketing initiatives and using the Agency's \$280,000 budget for advertising and related activities. One idea was to highlight on the

Agency's web site those private loan officers that place large numbers of Agency loans. The board pushed back a bit, however, wanting assurance that there would not be an appearance of endorsing specific individuals or companies.

The toughest board vote this month was a decision to not support the staff's recommendation to fund an eight-unit long term homeless development proposed for Moorhead. The board was taken aback by the high, \$256,000 per unit cost of the Clay County HRA proposal. Staff identified reasons justifying the high cost—ranging from extra durable building materials to costs attributed to Davis Bacon labor rates. Staff said that the quality of construction and the HRA's commitment of project-based Section 8 subsidies guaranteed many years of affordability without further Agency investment. The board was not convinced Davis Bacon labor was required, or that these material costs would rise so high for the development. Chairman Finch cautioned about the public response if the Agency supported per unit costs far above the price of good homes in the Moorhead community.

The Moorhead project was one of several proposed for the remaining \$10 million available to Minnesota Housing in nonprofit and public bonding authorized by the legislature. Staff said that, once these remaining bond funds were used, most of the future supportive housing units would be financed through the federal tax credit program. To achieve its goal of ending long-term homelessness, the Agency will be increasingly reliant on the competitive requirement that tax credit developments include 4 homeless units.

The meeting ended with Agency research director John Patterson's overview of a [preliminary report](#) on job-housing disparities and the distribution of Agency funding to different geographic areas. The report identified areas of the state where the number of low-wage jobs exceeds the number of low-wage earners. Patterson said that, once finalized, this information could help identify where new workforce housing would be needed. Areas where jobs exceeded housing were prevalent in 25 population centers both large and small, extending from Austin in the south to Warroad in the north.

Patterson's report also broke out use of Agency resources compared to housing need in different areas of the state, for the first time allowing comparison of Rochester and other large Greater Minnesota cities to more rural areas. Focusing on this new community-type distinction, the report showed that the nine largest communities in Greater Minnesota had 8 percent of cost burdened households and received 12 percent of the RFP funding (grants and deferred loans), while less populated areas had 29 percent of the state's cost burdened households yet received only 21 percent of the RFP funding.

Agency staff said that much of the funding-need differences among community-types can be explained by the location of job centers, the lower capacity of rural agencies, and lower construction costs in rural areas—a point questioned by Barb Sanderson, the board member from Grand Rapids. Sanderson, along with fellow board member Lee Himle of Spring Valley, had expressed concern that Agency funding was not fairly going to small communities, and that this discrepancy had been masked by Agency funding reports that combined all Greater Minnesota.

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## RESOURCES



### Revamped MCCC web site: [OwnaHomeMN.org](http://OwnaHomeMN.org)

This Metropolitan Consortium of Community Developers' (MDDC) web site has an upgrade. The site enables home buyers and realtors to gain information on affordable ownership opportunities through MCCC's members. Get real time updates on new property listings that meet your criteria, use the Area Median Income (AMI) calculator to determine income requirements based on family size, and more: [www.OwnaHomeMN.org](http://www.OwnaHomeMN.org).

### Mixed-Use Downtown Development Puts Standard Malls' Tax Yield to Shame

Mixed use properties inside city limits yield much higher local revenues than even malls and big box stores, finds a [study of Sarasota County, FL](#). Property taxes for single family homes inside the county's

municipalities yielded \$8,200 per acre annually, big box stores such as WalMart and Sam's Club yielded \$8,400 per acre, and a high-end mall yielded \$22,000 per acre. By contrast, mixed-use projects in downtown Sarasota yielded \$70,000 to \$800,000 per acre.

### **Gay & Transgender Youth Still Disproportionately Homeless**

According to a [new report](#) by the Center for American Progress, gay and transgender youth between the ages of 12 and 24 make up only 7% of the U.S. youth population, yet comprise as much as 39% of all homeless youth. They are also disproportionately non-white, and face high rates of harassment, violence, and discrimination.

### **Loss of Income Top Reason for Mortgage Default in Minnesota in 2009**

A new [report from the Minnesota Home Ownership Center](#) (HOC) found that, in 2009, 84% of the homeowners served by the HOC's foreclosure counseling network had prime mortgages. Loss of income was the primary reason for default. Overall, the number of homeowners served in 2009 (16,000) increased by 34% from the previous year. Foreclosures prevented by the HOC saved Minnesota homeowners, lenders, neighborhoods, and local governments up to up to \$600 million, says the report.

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## **MHP @ WORK**

### **2010 County Profiles on Housing in MN: Housing Costs, Extended Hardship Continue Their Toll**

Many, even many employed, for years continue in housing situations not affordable. MHP's newly released [County Profiles](#) paint a picture of chronic housing need, especially for lower-paid occupations. In many areas, certain occupations cannot afford the costs of either renting or owning a home. MHP's [County Profiles](#) pull together housing data specific to each of Minnesota's 87 counties—including changes in home prices, rental costs, foreclosures, homelessness, and unemployment. The housing profiles also examine the ability of workers in five occupations to afford renting and owning. See MHP's [www.MHPonline.org/research/county-profiles](http://www.MHPonline.org/research/county-profiles) to access the profiles—and MHP's "[Press](#)" section for some of the extensive media coverage, including a front page article in the *Star Tribune*.

### **MHP Hiring: Grant Manager**

This professional will be responsible for maintaining financial and program-related records, providing guidance to staff, and compiling reports for MHP's federal programs including HUD, RCDI and NSP. The position ensures compliance and reporting of our technical assistance activities and MHP loan programs to federal agencies, private organizations, and funders. The successful candidate will have exemplary interpersonal skills, ability to function independently and work with a team, plus proven organizational skills and attention to detail. For details and application information, visit MHP's "[Jobs](#)" page. (Review of applications begins August 4; position open until filled.)

### **MHP Invites NSP-related Questions & TA Requests**

NSP (Neighborhood Stabilization Program) obligations are looming. For any and all NSP-related questions, let us help. As a National Technical Assistance (TA) Provider, MHP is offering direct technical assistance for Minnesota NSP Recipients. Call 651-925-5559 and within one working-day receive an answer to program questions. This phone assistance is part of [new TA services](#)—under grants from The [St. Paul Foundation](#) and the [F. R. Bigelow Foundation](#)—that include:

- Direct TA to CDCs (Community Development Corporations)
- "On-Line" Phone TA
- Short informal meetings to assist with NSP-related questions or concerns

## CALENDAR

### August 10 (Roseville) & 11 (Mankato)

#### HOME Rental Projects: Workshop for Managers and Owners

Sponsored by HUD, these day-long sessions (8:30 A.M.–4:45 P.M.) focus on rental projects funded by the HOME Program. Attendees learn how to collect data from applicants, calculate annual income, and assemble tenant files with supporting source documentation. Participants are informed about required HUD and HOME program policies, procedures, manuals, and forms to maintain program compliance. The training is free; space is limited. For details, including the [brochure](#), and to register by July 30, go to the “[Training](#)” section of MHP’s web site. (To sign up for future training alerts [click here](#).)

### August 16, August 26

#### Landlord-Tenant Law Seminars

Minneapolis - August 16<sup>th</sup>, 12:30–4 P.M. (location to be determined); Rochester - August 26<sup>th</sup>, 9 A.M.–12:30 P.M. (Rochester Public Utilities). These half-day trainings through HOME Line inform landlords, tenants, service providers, and attorneys about Minnesota’s state laws (Chapter 504b) on landlords’ and tenants’ rights and responsibilities. Fee: \$30. (Prospective volunteers for staffing HOME Line’s tenant rights hotline can attend at no cost.) For details and to register, [click here](#). Contact [Deb](#) at 612-728-5770 ext.109 with questions.

### August 17 & 19

#### Homelessness 201 Workshops: Chemical Health, Harm Reduction

August 17: *Chemical Health*, 2–4 P.M. St. Paul (Union Gospel Mission). Gives an overview of common drugs of abuse in Minnesota, some problems these chemicals can cause, and how to help those that have a problem. • August 19: *Harm Reduction*, 2–4 P.M. Minneapolis (North Point Health & Wellness Center). Explores strategies that encourage substance users and service providers to work together to reduce harm done by substance use and other high-risk behaviors. Find out more and register through the “[Homelessness 201](#)” page on [Metro-wide Engagement on Shelter and Housing’s](#) web site.

### Aug. 23–25, Nov. 15–19

#### Housing Development Finance Professional (HDFP) Certification Program

North Hennepin Community College, Center for Training & Development (7411 - 85<sup>th</sup> Ave N., Brooklyn Pk) - The National Development Council’s (NDC) 4-course HDFP Certification Program examines affordable housing finance and development. Topics include the housing development process, historic rehabilitation and low-income housing tax credits, negotiating, problem solving, deal structuring, and more: Aug. 23–25 - Computer Spread Sheet Analysis / Nov. 15–19 - Housing Development Finance: Problem Solving & Deal Structuring. For more, contact [Minnesota NAHRO](#): 651-925-4070 or [events@mnnahro.org](mailto:events@mnnahro.org).

### September 2

#### Training: Subsidy Layering

[Ridgedale Library, Minnetonka](#) – This HUD-sponsored training will teach attendees how to evaluate projects that use HOME funds in combination with other governmental assistance to ensure that only the necessary amount of HOME Program funds is invested in any one project. Topics cover subsidy layering requirements, cost reasonableness, return on investment, appropriate subsidy layering, tax benefits, and cash flow. Attendees will also walk through the required steps of a subsidy layering review. Visit the [training section of MHP’s web site](#) for details.

**November 8****“Homes for All 2010” • Program & Registration**

Watch the [Homes for All 2010](#) web site—“Believe Connect Create”—and mark your calendar for Minnesota’s largest gathering of affordable housing supporters and experts at St. Paul’s RiverCentre. Look for the program schedule (including keynotes and 18 breakout sessions), more materials, and registration online in early August 2010. (Co-hosted by MHP and Twin Cities Habitat for Humanity.)



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## Upcoming MHP Deadlines

**MHP Funds - 2010 Programs, Application Materials & Deadlines**

To help build organizational competence and support the development or rehabilitation of permanent affordable housing, MHP offers funds and loans to nonprofit organizations, government agencies, and other affordable housing developers outside the 7-county Twin Cities metro area. For 2010’s guidelines, application materials, and schedule, go to the [“MHP Funds” section](#) of MHP’s web site. For more, contact Sarah Belleful, *MHP Housing Programs Officer*: [Sarah.Belleful@mhponline.org](mailto:Sarah.Belleful@mhponline.org) or 651-925-5558.

Next application deadlines are:

- *September 14*
- *November 16*

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[The MHP Bulletin](#) is published and distributed monthly by the Minnesota Housing Partnership (MHP - 2446 University Ave. W. - Ste. 140 | St. Paul MN 55114). It includes affordable housing news, announcements, legislative updates, publications, and upcoming events. For more information on affordable housing, back issues of *The MHP Bulletin*, to submit news or events for future issues, or if you want to unsubscribe, call Rick Bernardo at (651) 925-5549 or email him at [Rick.Bernardo@mhponline.org](mailto:Rick.Bernardo@mhponline.org).

MHP also publishes the [MHP Capitol Update](#). Distributed weekly during the Minnesota legislative session, and occasionally outside of session, the *MHP Capitol Update* provides information about state and national housing policy and politics that affect Minnesota. Please contact Minnesota Housing Partnership at [info@mhponline.org](mailto:info@mhponline.org) or [click here to subscribe to the Update](#).

Minnesota Housing Partnership’s mission is to promote homes for all Minnesotans and to assist Minnesota communities in the creation and preservation of housing affordable to low- and moderate-income people. MHP is an equal opportunity provider and employer.