



February 25, 2010

Rep. Karen Clark, Chair, Housing Finance and Policy and Public Health Finance Division
Sen. Dave Tomassoni, Chair, Economic Development and Housing Budget Division

Dear Representative Clark and Senator Tomassoni,

As members of the affordable housing advocacy community, we would like to thank you for the meeting with you this past Thursday. We appreciated the opportunity to share ideas regarding what can be done in this session, and with the current economic reality, to address the serious affordable housing crisis in our state.

As an advocacy community, we cannot support cuts to the Minnesota Housing Finance Agency budget. Cuts to the agency's budget would slow progress on its strategic goals of financing new affordable housing opportunities, preserving existing affordable housing, ending long-term homelessness, and increasing emerging market homeownership. For this reason, we oppose the Governor's proposed reductions in housing funding in his supplemental budget.

That said, we understand the challenge you are facing in allocating scarce resources among the many demands for state investment. We greatly appreciate your commitment to investing in job creation and your recognition that investing in housing is a key part of that stimulus.

Following our meeting with you we arrived at three points of consensus – a shared legislative agenda for which you would have our grassroots and advocacy support:

1. We respectively ask you as Chairs to support our position with your caucus leadership that now is not the time for reductions to housing appropriations. But in the case the housing appropriations cuts must be made, we request that you support our position of mitigating that pain by allocating additional general fund resources to support debt service for bonds funding housing construction. The standing appropriations for debt service should be included in MMB's debt service expenditures rather than as part of Minnesota Housing's general fund program budget.
2. We believe that the appropriations bonds should be available and flexible to fund the broad variety of housing types needed by the state --from creating new supportive housing to revitalizing vacant, foreclosed homes, regardless of public, nonprofit, or for-profit ownership of the housing.
3. Because the long-standing shortage of affordable housing calls for a sustained commitment of resources, we advocate for a dedication to the Challenge program of any increase in the mortgage registry and deed taxes collected by the state.

Finally, we share the goal of funding the broad variety of housing needs. For that reason, we call upon legislative leaders to investigate the state's bond policies and seek the best way the state can support affordable housing through its capital budget.

Thank you for your efforts to ensure that all Minnesotans are affordably housed and we look forward to working with you the remainder of this session, and beyond, in realizing our shared objectives.

Sincerely,

Center City Housing Corporation

Corporation for Supportive Housing

Duluth HRA

Duluth Local Initiatives Support Corporation

D.W. Jones, Inc.

Greater Minnesota Housing Fund

Housing Preservation Project

Metropolitan Consortium of Community Developers

Midwest Minnesota CDC

Minnesota Community Land Trust Coalition

Minnesota Community Action Partnership

Minnesota Housing Partnership

Minnesota NAHRO

Neighborhood Development Alliance

North Central States Regional Council of Carpenters

Project for Pride in Living

St. Paul PHA

Twin Cities Housing Development Corporation

Twin Cities Local Initiatives Support Corporation

