

Legislators and Governor Must Find Common Ground to End Homelessness in Minnesota

Five Housing Issues to Watch to Gauge Minnesota's Commitment to Housing and Homelessness

St. Paul, Minn. – Investments in housing needs, like many programs for low-income Minnesotans, have been hard hit by state funding cuts and the lack of agreement on state budget issues. The House of Representatives, Senate and Governor Pawlenty has each forwarded spending proposals that will preserve and enhance different portions of the state's housing continuum.

Only a concerted effort to invest in the best of each of these proposals will allow the state to maintain a healthy continuum of housing and services that move low-income Minnesotan's from shelter to apartments to homeownership. Failure to invest in the full continuum of housing needs in Minnesota, coupled with cuts to health care and social services, will increase the gap in affordable housing units, destabilize working families and increase homelessness in our communities.

"It is short-sighted for legislators to reduce funding for housing programs," said Chip Halbach, Minnesota Housing Partnership executive director. "Housing is a critical component of stable families and strong communities. With more housing opportunities for all Minnesotans, we will create better and more productive communities to help our economy grow."

As the House and Senate move into conference committees to resolve budget items, here are five housing issues for Minnesotans to watch closely. How these issues are resolved will determine whether our state continues to invest in the housing needs of our communities or backslides on the progress we've made over the last decade.

- 1. Support policies and programs to end homelessness.** The governor has laid a plan to end long-term homelessness in Minnesota and it is vital that legislators fund the critical pieces to successfully launch the plan this year. The \$10 million for supportive housing services grants will provide important supportive services and \$4 million operating subsidy in the Housing Trust Fund will assist in financing important supportive housing needed to house the long-term homeless. In addition, transitional housing funds are crucial to move people out of shelter into stable housing. *For more information about programs to end homelessness contact Andy McMahon, Corporation for Supportive Housing program officer, at (612) 619-0538; or Michael Dahl, Minnesota Coalition for the Homeless executive director, at (651) 336-5902.*
- 2. Oppose cuts to the Renters' Credit.** The Renters' Credit provides tax relief and housing assistance to 270,000 Minnesotans whose rent is high relative to their income. With historically high rents, stagnant incomes, and a significant lack of affordable housing, renters in Minnesota cannot afford to absorb a cut in the Renters' Credit. *For more information about the Renters' Credit go to <http://www.mncn.org/bp/renterscredit.htm> or contact Rachel Callanan, Minnesota Coalition for the Homeless policy advocate, at (612) 803-1008; or Nan Madden, Minnesota Budget Project director, at (651) 642-1904 ext. 230.*
- 3. Support property tax relief for rent-restricted apartments.** Across Minnesota owners of affordable rental housing are experiencing significant increases in property taxes due to the elimination of the 4d class rate in 2001 and increasing property values placing a multi-billion dollar public investment at risk. The Legislature must find a solution this year to preserve thousands of homes affordable to working families. *For more information go to <http://www.housingminnesota.org/propertytaxes> or contact Chip Halbach, Minnesota Housing Partnership executive director, at (651) 649-1710 ext. 101.*
- 4. Support funding for workforce housing.** Workforce housing development is an important component of Minnesota's continuum of housing. The Administration proposed to reduce the Challenge program by \$13 million (60 percent), reducing the number of housing units produced by 50 percent. The lack of resources for the Housing Challenge Fund will greatly reduce incentives for developers to partner with the private sector to invest in local workforce housing development. *For more information go to <http://www.housingminnesota.org/challengefund> or contact Chip Halbach, Minnesota Housing Partnership executive director, at (651) 649-1710 ext. 101.*
- 5. Support repeal of the housing and SSI MFIP penalties.** In 2003, the Legislature enacted a law that reduces the MFIP cash assistance for families who receive either a housing subsidy or SSI. This reduction in benefits makes it more difficult for families to meet their basic needs. The House Health and Human Services bill includes language to increase the housing penalty from \$50 to \$200 per month while the Senate eliminates both penalties. *For more information contact Karen Kingsley, Affirmative Options director, at (651) 642-1904 ext. 229; or Rachel Callanan, Minnesota Coalition for the Homeless policy advocate, at (612) 803-1008.*

See the attached spreadsheet for a detailed account about how housing programs fare heading into conference committees.

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