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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

Legislative Session Brings Mixed Results for Housing

As Minnesota's 2010 legislative session gives way to campaign season, it's a good time to review what happened for housing. Behind session headlines—about the deficit, the Supreme Court case against Governor Pawlenty's unallotments, and the fight over health care—there were major wins for housing, as well as disappointments.

Among the wins was a new [Tenant Bill of Rights](#). The new law caps late fees at 8% of rent, ensures that tenants get receipts for cash payments, and ensures fairer tenant screenings, application fees, return of security deposits, and division of utility costs. The bill passed due to the work of HOME Line and other organizations.

The Minnesota Housing Finance Agency (Minnesota Housing) budget was another closely watched item. In the second year of a biennium, budgets normally are not the session's main focus, but the budget deficit put all programs and departments at risk for cuts. [Minnesota Housing's budget](#) was cut by \$4.7 million for 2010–11 (5.5% of total budget) and by \$5.4 million for 2012–13 (6.2% of budget), including ratification of the governor's 2009 unallotments. Specifically, the 2010–11 cuts affect the PARIF (Preservation Affordable Rental Investment Fund) and the Rental Rehab Loan Program. Despite this less-than-ideal outcome, reductions to Minnesota Housing were proportionally less than cuts to most other departments.

Other new laws for housing include:

- The authority granted Minnesota Housing in 2008 to issue non-profit housing bonds for permanent supportive housing was increased from \$30 million to \$36 million. These bonding dollars can now also be used for remediation of vacant or foreclosed homes for rental housing.
- The Minnesota SAFE Act guards against predatory and exotic loan products by lenders. Organizations like Habitat for Humanity and the MN Home Ownership Center were successfully exempted to prevent undue financial burden to them (though this exemption is still subject to HUD approval).
- \$5 million in historic preservation tax credits annually from 2011 through 2016 was made available to rehabilitate qualifying historic properties, similar to the federal historic tax credit.
- Comp Plan law changes allow governing bodies to amend their Comprehensive Plans with a simple majority vote, rather than a two-thirds majority, if the change is for the purpose of affordable housing.
- Reverse mortgage protections provide safeguards for applicants.
- A fix to the sales tax exemption on construction materials for affordable housing production expands existing exemptions to limited liability companies owned by nonprofit developers.
- Property taxes for manufactured housing park co-ops were lowered to a 0.75% class rate (similar to 4d) if the co-op includes at least half of the occupied units in the park, and to a 1% class rate otherwise.
- Renters' credit: The final budget ratified \$52 million in 2009 unallotment cuts to the renters' credit, but cuts to subsequent years were successfully avoided.
- The existing MFIP (Minnesota Family Investment Program) penalty—a \$50 reduction in monthly MFIP cash assistance for those who also receive federal housing subsidies—was not increased, despite proposals to the contrary. However, the \$50 bonus for families leaving MFIP was reduced to \$25.

The stage was set for future legislative work with the launch of the [HousingJobs Campaign](#), spearheaded by MHP and the Metropolitan Consortium of Community Developers (MCCD), with dozens of organizations in support roles. Legislation was introduced to create 10,000 additional units of housing—which would also create jobs, stabilize communities and increase local revenues. Supporters hope to see HousingJobs' priorities pass within three years—see the [June 15 "Supporters" meeting](#), later in this issue's "Calendar" section. For questions or details, contact MHP's Julie Johnson: JJohnson@mhponline.org or 651-925-5548.

May 24 Gubernatorial Candidates Forum Covers Housing & Homelessness

On May 24th, perhaps the only Minnesota gubernatorial candidates' forum focusing on homelessness and poverty this election cycle was held at Temple Israel in Minneapolis. Hosted by [JRLC](#) (Joint Religious Legislative Coalition) and



[Downtown Congregations to End Homelessness](#), the event was attended by all contenders from three political parties, except for the Republican endorsed candidate, Tom Emmer.

Due to the large number of candidates and the breadth of discussion, candidates had little over a minute to address each of four housing questions—concerning *homelessness*, *homeless youth*, *foreclosures*, and the *high-cost burdens facing renters* coupled with declining resources.

As for *homelessness*, the candidate consensus is that Governor Pawlenty dropped the ball for the state's plan to end homelessness, particularly in not ensuring adequate social service funding. Mark Dayton (DFL) called for more funding for Minnesota Housing's Family Homeless Prevention and Assistance program. Margaret Anderson Kelliher (DFL) called for more housing vouchers, said the state's homeless plan was too narrow in focus, and that some local plans did a better job of responding to the broad array of homeless issues. Tom Horner (Independence) added that the state doesn't need more solutions, but rather "the will to do it."

Though offering few solutions, all candidates appreciated the need to respond to the increasing numbers of *homeless youth*. A couple of candidates acknowledged the need for more shelter beds for youth. Anderson Kelliher made the connection between homeless youth and funding for school counselors.

Candidates proposed a variety of solutions to the *foreclosure crisis*. Matt Entenza (DFL) suggested using the state's leverage to force banks to do more to keep people in homes. Rob Hahn (Independence) said that tenants should be given a 6 to 9 month notice to vacate foreclosed properties. Dayton said he supported legislation to place a moratorium on foreclosures.

Concluding with the question about the *high cost burdens facing renters*, the candidates tended toward strategies to increase incomes. Horner felt that the housing programs were there; people just needed to be made aware of them. John Ulrich (Independence) believed that high utility costs were the culprit: "The utilities need to take a haircut." Hahn called for more investor incentives to finance affordable housing. For her part, Anderson Kelliher suggested holding the line on property taxes and childcare.

For more, including inspiring video from [The UpTake](#), see the [Downtown Congregations to End Homelessness](#) web site or [JRLC's coverage](#).

May Minnesota Housing Board Meeting – Report

At May's meeting, staff provided the board the first 6-month review of the Agency's two-year Affordable Housing Plan (AHP) for October 2009–September 2011. Meeting highlights include an overview of the Home Ownership Center's programs, and awarding \$12 million in Housing Trust Fund resources to further the plan to end long-term homelessness. While the board supported staff recommendations, a few comments showed that some board members believed the Agency was taking on too many agendas and paying too little attention to rural Minnesota.

Before beginning board business, commissioner Bartholomay and assistant commissioner Pat Hanson made staffing announcements: long-term employee Marcia Kolb was appointed Assistant Commissioner of multi-family programs; and Bob Vandenhook and Jack Jenkins, also long-term employees, are retiring in June.

Research director John Patterson introduced three projects being undertaken by the Agency's summer interns: 1) assessing the housing needs of Minnesota's aging population, 2) compiling national research on outcomes associated with affordable housing, and 3) investigating the geographic mismatch between low-wage jobs and where such workers live. Patterson also provided the Agency's first 6-month performance overview under its 2010–11 AHP. The big news: financially, the Agency is doing much better than last year. After a huge slump, the Agency's mortgage business is showing new life. While loan payment delinquencies remain high among home purchasers, the delinquency rate has recently dropped. Another success: new data show that homeless people assisted by the Agency were staying housed after one year.

Staff also for the first time included an overview of the Agency's success in achieving "sustainability." For projects selected for funding during the reporting period, 85% of multifamily units, 86% of single-family

homes, and 100% of community development units will be built to Minnesota Housing's green standards. Over the next year, staff intend to do a more formal evaluation of the Agency's sustainable housing requirements.

Patterson also compared Minnesota Housing with other state housing agencies serving low income households. In the percentage of loans to very low income households (income under 50% of median), Minnesota Housing ranks first among state housing finance agencies. It ranks 13th in the use of tax credits in housing extremely low income households (incomes under 30% of median).

Board member Barb Sanderson asked how the Agency was addressing segregation by physical ability, income, and race. Staff responded that the Agency's largest funding programs award points for economic integration.

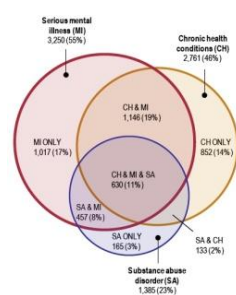
Board member and State Auditor Rebecca Otto said that a number of accomplishments in the progress report pointed to objectives she believed were outside the Agency's purview—"wealth creation," for instance. While helping build wealth is very important, she said, the Agency's work and the report should focus on creating long-term affordable housing.

Board chair Mike Finch asked that the Agency be clearer about the cost needed to achieve its program outcomes, saying that it had become "presumptuous" to describe the Agency as ending long-term homelessness. It was important, he said, to modify expectations as the financial environment changes. Commissioner Bartholomay responded: now that the Wilder study was complete, the Agency will recalibrate its homelessness plan to reflect the new funding environment and connect more to local homeless plans. Otto said she did not want the Agency to lose its passion for this effort.

Agency staff introduced two proposals drawing about \$12 million from the Housing Trust Fund for supportive housing operating costs and rent subsidies for the long-term homeless population. The first \$450,000 went to eight existing projects with rental income inadequate to meet expenses. Staff said that Department of Human Services was providing a like amount for this purpose from its Housing with Supports for Adults with Serious Mental Illness Program. The bulk of funds awarded went to 33 agencies administering rental assistance. Of the 1,526 households assisted, 1,166 will qualify as long-term homeless.

Board member Barb Sanderson was concerned that only a small portion of these funds were earmarked for Greater Minnesota, and that rural needs are often neglected when funds that do go to Greater Minnesota end up in the regional centers of Duluth, St. Cloud, and Rochester. She said that smaller communities frequently lack capacity to apply for funding. Lee Himle, board member from Spring Valley, echoed her concern. Commissioner Bartholomay responded that, in its upcoming planning efforts, the Agency will look at the resources and capacity smaller communities need.

RESOURCES



New Wilder Homelessness Study Resources Released

People hungry for data on homelessness in Minnesota now can draw on new resources from Wilder Research's 2009 homelessness study. The 8-page "[Homeless in Minnesota: Key Findings](#)" offers updated information not only on numbers of homeless Minnesotans, but also on employment, income, long-term homelessness, food stamp and other service usage, youth, racial disparities, co-occurrence of health and mental health issues, violence, incarceration, and geography. The "[Statewide and Region Counts of Homeless People](#)" report covers regions throughout Minnesota. Wilder plans to release additional reports throughout 2010.

Study Uses Twin Cities to Highlight Prevention of Foreclosure Blight

A new [national report](#) by PolicyLink uses North Minneapolis and East St. Paul as case studies to describe strategies and best practices for hard-hit communities to address rampant foreclosed, vacant, or condemned properties. The report covers ways to encourage homeowners or responsible investor owners to buy, rehabilitate, and maintain properties; ways communities and non-profits can strategically gain control of foreclosed properties; and methods for holding property owners and buyers accountable. The report also features best practices from other cities around the nation.

Elderly Homelessness Predicted to Increase

A [new report](#) estimates that 44,172 senior citizens are homeless nationwide; the number will grow to 58,772 by 2020, rising to 92,572 by 2050. Part of the [Homelessness Research Institute's](#) series on the demographics of homelessness, the report discusses causes and impacts of homelessness among seniors.

Housing Cost Burden Rising Fastest Among Latino Kids

A [new report](#) by National Council of La Raza (NCLR) found that between 2000 and 2008, children of all racial groups had an increased chance of living in a household that could not afford its housing. However, the situation for Latino children worsened more than for white or black children. The report covers many trends for children's well-being—[housing affordability](#) among them.

MHP @ WORK

MHP Begins Technical Assistance (TA) for St. Paul & East Metro

MHP recently received support from the [St. Paul Foundation](#) and the [F.R. Bigelow Foundation](#) to provide direct technical assistance (TA) to NSP (Neighborhood Stabilization Program/HUD) recipients such as CDC's (Community Development Corporations) in St. Paul and the East Metro. NSP programs use American Reinvestment and Recovery Act (ARRA) funds to stabilize neighborhoods hard hit by foreclosure—by purchasing, rehabilitating, and reselling properties. MHP's TA services for them will include a problem-solving clinic, one-on-one TA, and TA on-demand by phone or short meetings.

MHP to Work with Salvation Army's Booth Brown House

[Booth Brown House](#) in St. Paul provides homes and supportive services for young people in need spanning ages 16–25. With 35 units, some transitional and some permanent supportive, Booth Brown House is among area programs essential to addressing longstanding, high numbers of homeless youth (see "[New Wilder Homelessness Study Resources](#)," in this issue's Resources section). MHP will be working with the organization to review their organizational structure, assess compliance and monitoring procedures, develop manuals, and guide their reports, all to meet program requirements from various funders.

MHP "Suddenly Seeking Intern" for Organizational Marketing & Promotions

To promote and market our technical assistance, trainings, research, and policy work, this position will help assess current MHP strategies, create a promotional plan, and devise strategies to implement that plan. For more, see MHP's "[Volunteer and Internship Opportunities](#)."

MHP Rental Compliance Training Program

MHP has developed a [Rental Compliance Training Program](#) for owners, managers, and staff of HOME-funded rental projects. Benefits include [modules](#) (choose what is appropriate to your staff), trainings tailored to your needs, and/or administered at your site. For questions or to set up a training, contact Sarah Belleful: Sarah.Belleful@mhponline.org or 651-925-5558.

CALENDAR

HousingJobs Campaign—Supporters Meeting

— **June 15 - 3:30 P.M.** - [League of MN Cities](#) building (145 University Ave W., St. Paul, MN 55103) —
MHP and the Metropolitan Consortium of Community Developers (MCCD) are setting course for [HousingJobs](#) in 2011. Preparing for what stands to be a difficult legislative budget year, we're recruiting Supporters for the campaign—and hosting this strategy meeting. Interested in being a sponsor? Contact MHP's Julie Johnson: JJohnson@mhponline.org or 651-925-5548.

June 9 & August 16

Landlord-Tenant Law Seminars

June 9th, 9 A.M.—12:30 P.M., Plymouth Congregational Church, Minneapolis; and August 16th, 12:30—4 P.M. (location to be determined). 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 for agency staff, \$50 for attorneys (for seminar details, [click here](#)). CLE credit applied for. Prospective volunteers for staffing HOME Line's tenant rights hotline can attend at no cost. [Click here](#) to register for June 9.

June 10

Down Payment & Affordable Loan Product Training

The MN Home Ownership Center hosts this training on recently developed tools offering comprehensive information about down payment and affordable loan programs available to Minneapolis buyers. Each of the two 90-min. sessions, at the Minneapolis Area Association of Realtors (5750 Lincoln Drive | Edina, MN 55436), includes the same content: 10–11:30 A.M. or 1–2:30 P.M. Real Estate CEU Credits have been applied for. The training is free, space is limited, and registration is required. Learn more and register by [clicking here](#). (There's also a networking lunch between sessions: 11:30 A.M.—1 P.M. - \$10 includes lunch.)

June 15

Getting It Done—Creating Transit-Oriented Development & Walkable Communities

Sponsored by [Twin Cities LISC](#), the last in a workshop series of technical content for implementation tools and policies is on “Financing of Transit-Oriented Districts—Building Public/Private Partnerships.” The event is free but registration is required, as space is limited. Contact Gretchen Nicholls at GNicholls@lisc.org or 651-265-2280, and see the “Getting It Done” at [Twin Cities LISC's](#) web site.

August 10 (Minneapolis) & 11 (Mankato)

MHP - HOME Rental Projects Workshops for Managers and Owners

These day-long sessions 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. Online registration opens soon. To be alerted by email, sign up by [clicking here](#).

Aug. 23–25, Nov. 15–19

Housing Development Finance Professional (HDFP) Certification Program

North Hennepin Community College, Center for Training & Development (7411 - 85th 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.

November 8**“Homes for All 2010” • Save the Date**

Watch the [Homes for All 2010](#) web site continue its evolution—“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 July 2010. (Co-hosted by MHP and Twin Cities Habitat for Humanity.)



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 or 651-925-5558.

Next application deadlines are:

- *July 13*
- *September 14*
- *November 16*

[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.

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, 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.