



Minnesota **H O U S I N G** Partnership

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## **US House Passes Most Significant Bill Addressing Affordable Housing Shortage in Two Decades**

### **6 of Minnesota's 8 Congresspeople Co-Sponsor Bill**

**St. Paul, Minn. (October 11, 2007)** – On October 10, the U.S. House of Representatives passed the National Housing Trust Fund Act of 2007, the most significant legislation to address the nation's affordable housing shortfall in two decades. The Trust Fund aims to produce, rehabilitate, or preserve 1.5 million affordable rental units nationwide over 10 years. Minnesota's congressional delegation showed considerable support for this bill with six of eight representatives as co-sponsors of the legislation.

"This is a victory for families in Minnesota and across the country," said Chip Halbach, the executive director of Minnesota Housing Partnership. "One in eight Minnesota households pays over half of their income on housing. Moderate- and low-income families paying that much for their homes are forced to cut spending on other necessities, like medical care and groceries, just to make ends meet."

Shortly after the bill passed, the House Financial Services Committee reported in a press statement that the Trust Fund "will initially allocate between \$800 million and \$1 billion annually directly to states and local communities, without increasing government spending or the federal deficit." The House passed legislation assigning two funding sources for the Trust Fund earlier this year. Reforms of federal Government Sponsored Enterprises Freddie Mac and Fannie Mae, and the Federal Housing Administration (FHA) are the first of multiple sources of financial support designated by the House for the Trust Fund.

"The growing shortage of affordable housing is one of the most serious social and economic problems facing our country. Given our severely constrained fiscal realities, we are today doing the best we can to address this – creating a low income housing trust fund that will be paid for in ways that do not draw from federal tax revenues," said Rep. Barney Frank, Chairman of the House Committee on Financial Services.

"In the coming weeks, MHP will be encouraging Minnesota's senators to support similar legislation in the Senate," said Halbach. Advocates expect a trust fund bill to be introduced in the Senate in November or December.

The Minnesota Housing Partnership is a statewide nonprofit organization that advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing, in addition to advocating and educating people on sound housing policies. MHP's work in Greater Minnesota is primarily supported by The McKnight Foundation.

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