



THE MHP BULLETIN

November 2010

Volume 9, Issue 11

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The MHP Bulletin will transform in coming months—the same great content, yet in a new, still more user-friendly, web-based form, called **MHP Connect**.

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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

Minnesota Nabs Sustainability Awards

The [September issue](#) of the *Bulletin*, featured a story on the three Minnesota applicants for the new HUD federal Sustainable Communities Regional Planning grants. These grants were designed to promote regional planning to integrate housing, land use, economic and workforce development, transportation,

and infrastructure. In October HUD announced two winners for the Gopher State: the Twin Cities consortium led by the Metropolitan Council was awarded \$5 million and the Central Minnesota consortium will get \$825,000 for planning work.

Then, days after the HUD awards were made, the Twin Cities was awarded an additional \$16 million by the national funders collaborative called Living Cities. Both awards focus on equitable development and completion of Twin Cities transit corridors. Mark Vanderschaaf, Met Council planner, said that they expect to have an agreement signed by HUD in mid-December, with detailed workplans to be submitted within 60 days after that. The Council will post the position to manage the planning in early November; the Policy Board and leaders of the consortium, including mayors Rybak and Coleman, will meet on November 19 to set direction for the now funded work. Vanderschaaf believes that the sustainable planning work will be fully underway in Spring 2011.

Charyl Hill, the director of Region Five, has the opposite problem of the Met Council, now flush with funds. The Region Five group has to scale back from the \$1 million it requested from HUD. But that reduction does not diminish the enthusiasm Hill has for the regional planning she envisions. She expects that most of the community-driven sustainable planning outlined in the proposal will go forward. Hill expects a kick-off meeting for their consortium in January, with about 200 attending.

More on the plans submitted by the Met Council and Region Five can be found in the lead news piece from September's [MHP Bulletin](#).

Rental Housing Could Get Boost

The annually updated Consolidated Plan for Minnesota holds the promise of a new loan source for developing affordable rental housing. The state's Consolidated Plan, required by HUD as a condition of receiving various federal block grants for housing, community development and homeless activities, is produced jointly by Minnesota Housing, DEED, and DHS. Large counties and cities that receive the block grants also produce their own plans annually.

While, jurisdictions normally don't spend a lot of time on their Consolidated Plans, the documents and public hearings are required by HUD before it can release funding allocated by Congress under the housing and development programs going by the acronyms CDBG, HOME, ESG, and SHP. (For Minnesota Housing the most intensive planning is reserved for the bi-annual Affordable Housing Plan and the Agency's strategic plan, which is generally done on a four year cycle.)

In its 2011 Consolidated Plan Minnesota Housing proposes a new program, the Rental Capital Program. Through this program, \$3 million in HOME funds would be made placed in a capital account to be used by developers to subsidize the cost of producing new or rehabbed rental housing. The rest of the \$11 million the Agency will receive in HOME funds will fund rehab of owner occupied housing and down payment assistance. The new Rental Capital Program is a welcome recommendation, in light of recent losses in state-appropriated Challenge program funds, which can be used for similar purposes.

Copies of the proposed plan are available by [clicking here](#). There will be a public hearing on the plan November 18. The state is taking comments on the plan until November 19.

October Minnesota Housing Board Meeting – Report



The October meeting of Minnesota Housing's board is the annual big money event, when Minnesota Housing awards most of its available subsidy funds. This year, the board committed \$33 million in grant-like funding, and \$7 million in federal housing tax credits.

Following staff recommendations, the Agency awarded \$4.8 million to support 20 home ownership projects around the state. Staff commented that there were fewer requests this year; a drop they attributed to the community staff being consumed with the HUD foreclosure funding (NSP),

and developers cautiously considering market risk. Most requests were for foreclosure remediation or neighborhood stabilization.

Board member Barb Sanderson again brought up the Agency's current preference for development adjacent to fixed transit routes and how that policy works against smaller rural communities.

Staff called attention to Build Wealth Minnesota as a model program the Agency funds. Build Wealth received \$156,000 to make nine homes affordable to emerging market home purchasers in high need Minneapolis zip code areas. Homes are typically provided by Urban Homeworks and other nonprofit agencies, and buyers receive considerable home ownership counseling and financial literacy education, typically lasting two years. Chair Mike Finch called the model "fabulous" and encouraged the staff to further support this model if it is effective.

Regarding rental housing, the Agency received 85 applications for \$128 million in funding. Most of the applications were for preserving existing affordable housing, and about one-third of funded applicants were for supportive or transitional housing projects. Of total units provided financial support, 2,300 were preservation and 600 were new construction. With funding provided for 139 new housing opportunities for the long-term homeless population, the state reached 3,259 opportunities committed, or 81 percent of the homeless plan's original goal for 2010.

Competition for federal housing tax credits was high, with nearly four times as many requests for funding as the Agency had credits to allocate. Staff noted that the purchase price of the credits had improved from 60 cents on the dollar to the 70s and even the low 80s on some projects, though smaller rural projects were still in the low 60 cent range. (The average price is still substantially lower than prices prior to the financial crisis.) \$400,000 in credits was held over for a second funding round with proposals due in February.

In other business, the board received another draft of the Agency 2011-12 strategic plan. There was considerable discussion regarding the priority to "Prevent and address homelessness." Board members said that they received numerous calls from people disappointed that the priority was not to "end homelessness." Board members Mike Finch and Rebecca Otto commented on priorities they hoped would be added to the plan. Chair Finch hoped the plan would emphasize the Agency's promotion of good design. State auditor Otto said that it was important that the plan should have a strategic priority related to the increasing need to house the elderly. The plan will now be reworked and submitted for board adoption at the board's November 18 meeting.

In an attempt to maintain the state's network of foreclosure counselors, the board awarded \$1 million to the Home Ownership Center from Agency reserves set aside for technical assistance activities. In the middle of the mortgage melt down, Minnesota expanded the number of counselors through the use of federal dollars—from 19 in 2007, to 74 in 2010. Agency staff reported that households receiving counseling had at least a 50% better likelihood of curing a foreclosure than those not receiving counseling.

The federal funds run out in November, however, and it is not clear whether Congress will support counselors at anywhere near the previous level. With 2011 expected to be another year of high levels of foreclosure, the Home Ownership Center put together a plan for sustaining the counseling network, at reduced cost, through and beyond the expected funding gap. Tenants as well as homeowners will receive support under the plan, which calls for \$5.8 million to carry out the program over 14 months. Of the Agency's contribution, \$500,000 will be made available immediately to help bridge the gap in federal funding, while the other \$500,000 will only be made available if matched by other sources.

SPECIAL PREVIEW:


Homes for All
2010
Monday, November 8

REGISTER NOW!
www.homes-for-all.org

Featuring Keynote Speaker
HUD Secretary Shaun Donovan
Saint Paul RiverCentre
8 a.m. to 6 p.m.

Believe Connect Create

HUD Secretary Shaun Donovan • Homes for All Keynote Speaker - Secretary Donovan believes America's homes are the foundation for family, safe neighborhoods, good schools, and solid businesses. He has a strong commitment to make quality housing possible for every American. ([Click here](#) for Secretary Donovan's full bio.)

To discover more about the Secretary's views on transportation and housing costs, check out his Sept. 28 PBS interview on the department's new approach integrating transportation and housing policy: [HUD Secretary Donovan on the spiraling costs of sprawl](#)



Agenda & Programs - Homes for All features two stellar plenary sessions and 17 dynamic workshop sessions that aim to help shape statewide housing policy. Recommendations that come out of the workshops will be presented to the Governor-elect at the reception. A snapshot of the day's offerings:

- Opening plenary featuring Senator Amy Klobuchar, Congressman Keith Ellison, Congressman Erik Paulsen, and moderator Gary Cunningham of the Northwest Area Foundation.
- Breakout sessions on housing preservation, rental assistance, neighborhood revitalization, equitable development, ending homelessness, green housing, Greater Minnesota and suburban housing policies, transit orientated-development, faith-based organizing, senior housing, and more!
- Afternoon plenary featuring Burnsville Mayor Elizabeth Kautz, Pat Geraghty of Blue Cross and Blue Shield of Minnesota, St. Louis County Commissioner Steve O'Neil, Shar Knutson of the AFL-CIO, and moderator Lee Sheehy of The McKnight Foundation. [Click here](#) to view the full day's agenda

Ways to Register & Attend

[Register online](#) by noon, Wednesday Nov. 3—or bring the \$65 payment to the event on Nov. 8 (8 A.M. registration) at Saint Paul RiverCentre.

Legislator Forum & Reception

3–5 p.m. – [Click here](#) for the reception invitation and more information.

RESOURCES**Homeownership: Essential for Raising Children Successfully?**

A [research brief](#) by the Center for Housing Policy calls into question earlier research findings that homeownership itself leads to better outcomes for children than renting. The brief cites newer studies that suggest that residential stability, neighborhood quality, and character traits of parents are what really matter for positive childhood outcomes. However, these traits are often strongly associated with homeownership. The report promotes policies that support both renters and owners, as neighborhood stability and quality are achievable through either both.

Minnesota Housing Releases New Foreclosure Report

A [new report released by Minnesota Housing](#) analyzes trends in foreclosure using data by zip code for the entire state. The report, based on proprietary data from June 2010, finds that the percentage of mortgages at least 60 days past due declined during the first half of 2010. This period marks the first time the state has seen two consecutive quarters of decline since the start of the mortgage crisis. However, as of June, the delinquency rate of 4% remained very high. With predictions of continued high unemployment, and recent shifts towards foreclosure among homeowners with prime loans, the crisis is expected to continue. The report includes a series of maps and tables by zip code.

Case Studies of Rural Livability and Transit

Transportation for America has compiled [twelve case studies](#) of rural places successfully integrating transit and livability principles. The compilation shows how sustainability need not be limited to large urban areas.

Suburban Social Service Challenged by Rising Poverty

With poverty rising faster in the suburbs than the central cities in the nation's largest metro areas, [a new Brookings paper](#) assesses how well social services networks in Chicago, Los Angeles, and Washington, D.C. are meeting rising needs. Food, utilities and housing were the most common areas in which non-profits saw increased need, according to agencies surveyed. The report finds suburban nonprofit social service organizations seriously challenged by the demographic shifts in poverty.

New Research and Policy Toolkit Considers Impact of Transit on Neighborhoods

A new report considers the more than 3,000 transit-rich neighborhoods (TRNs) in U.S. metropolitan areas with fixed-guideway transit stations, including the Twin Cities metro area. [The report suggests](#) that transit investment can at times lead to undesirable forms of neighborhood change, and aims to illuminate the mechanisms behind such change to help minimize these negative consequences. Includes a Policy Toolkit for Equitable Transit-Rich Neighborhoods including tools for planning, addressing housing, and transportation management.

MHP @ WORK

Updated, Improved Format for MHP Subscription Publications You Depend On

The MHP Bulletin and *MHP Capitol Update* will transform in coming months—the same great content, yet in a new, even more user-friendly, web-based form. *The Bulletin*, soon to be called *MHP Connect*, will allow readers to receive timely news, resources, analysis, updates, and event-notices throughout the month in brief, easy-to-click headline format. *The MHP Capitol Update* will also be updated for Minnesota's upcoming legislative session, providing subscribers timely information about state and national housing policy and politics that affect Minnesota. Readers will be able to choose RSS feeds for these MHP publications as well.

New Member and Two Re-appointed to MHP Board of Directors

At its October meeting, the MHP board appointed one new director and reappointed two for three-year terms beginning January 2011. The new director is Hennepin County commissioner Jan Callison. She also serves as chair of the county housing authority, was past mayor of Minnetonka, and served as executive director of the West Hennepin Affordable Housing Land Trust. Reappointed to the MHP board are Jim Miley, president of Bremer Bank Residential Real Estate, and Dean Doyscher, president of Mankato-based Security Management and Realty.

Sustainable Community Engagement – New MHP Funds Program

MHP's Sustainable Community Engagement Fund will be used to guide community efforts in building capacity and integrating affordable housing programs with sustainability strategies when addressing local and regional housing needs. The program is designed to assist nonprofit organizations, public agencies, and communities to become strong, successful affordable housing providers with financial and technical

support by MHP. Funding activities may include organizational/community capacity building, strategic community development planning, and increasing the public's knowledge of affordable housing policies and their understanding of affordable housing programs and available resources. The total maximum contribution from MHP will not exceed \$10,000 plus MHP staff time, which will be determined by the individual proposals; match requirements will be a minimum of 1:1. Communities and organizations interested in this MHP Fund grant should contact Sarah Bellefui, *MHP Housing Programs Officer*, to schedule an initial concept meeting: 651-925-5558 or Sarah.Bellefui@mhponline.org.

CALENDAR

November 8

"Homes for All 2010" (see Special Preview section, above)

Register online by Nov. 3 for [Homes for All 2010](http://www.Homes-for-All.org)—Minnesota's largest gathering of affordable housing supporters and experts at St. Paul's RiverCentre. Full schedule, including keynote (HUD Secretary Shaun Donovan), breakout sessions, and more at: www.Homes-for-All.org (Co-hosted by MHP and Twin Cities Habitat for Humanity.)



November 9

HEARTH Implementation: Opportunities, Actions, and Challenges

9 A.M.–noon, Union Gospel Mission Chapel, St. Paul MN - Sponsored by Elim Transitional Housing, Integrated Community Solutions, and the National Coalition For The Homeless, this workshop is on the McKinney-Vento Homeless Assistance Act, as amended by S. 896, [The Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\) Act of 2009](#). (free) Presenters: HUD: Michele Smith and Mary Burbank; National Coalition For The Homeless: Sue Watlov Phillips.

November 15-16

Minnesota Coalition for the Homeless - Conference

"Rising to the Challenge: Building a Culture of Collaboration to End Homelessness" - St. Cloud Civic Center, MN. Download registration materials, Workshop/Institute Descriptions & Speaker Bios, Conference Scholarship Form, Bruce Vento Distinguished Service Award Nomination, and the Call for Silent Auction items—all at the [Coalition's web site](#).

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 guidelines, application materials, and schedule, go to the ["MHP Funds" section](#) of MHP's web site. For more, contact Sarah Bellefui, *MHP Housing Programs Officer* Sarah.Bellefui@mhponline.org or 651-925-5558.

Next application deadline is:

- *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.