

Homes for All!

The MHP Bulletin

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News/Announcements

Federal Update

Joint Funding Resolution Announced

On December 11, members of the House and Senate Appropriations Committees announced that a joint funding resolution will be issued to fund the nine appropriations bills left unfinished by the 109th Congress. Programs funded by these bills, which includes funding for HUD, have been operating under a continuing resolution (CR) that will expire February 15. The CR funds programs at the fiscal year 2006 level or the House-approved fiscal year 2007 level, whichever is lower. This would reduce the funding levels received by many housing programs. Unlike the CR, the joint funding resolution allows for consideration of individual program needs.

Out of Reach Covered by Media

On December 12, the National Low Income Housing Coalition released its annual **Out of Reach** report, which showed that U.S. affordable rental price growth outpaced U.S. wage growth yet again. Data for Minnesota was in lock step with the national trend, a fact that was covered by state-wide media following the report's release. Some of the **Out of Reach** media coverage included:

- **MPR:** go to <http://minnesota.publicradio.org/display/web/2006/12/18/affordablerent/>
- **St. Cloud Times:** go to <http://www.sctimes.com/apps/pbcs.dll/article?AID=/20061213/NEWS01/112130032&template=printart>
- **USA Today (nationally):** go to http://www.usatoday.com/news/washington/2006-12-12-affordable-housing_x.htm?csp=34

Coalition Facilitates Federal Briefing Conference Call

The Minnesota Federal Housing Action Campaign facilitated a conference-call briefing in which 76 Minnesotans at 14 sites plus members of Minnesota's congressional delegation in Washington participated. Held on November 13th, the briefing aimed to educate Minnesota's lawmakers in Washington about funding for the state's federally subsidized affordable housing. For more information about MnFHAC, to participate in a future briefing, or to be added to their mailing list, please contact Eric Hauge at erich@homelinemn.org.

State Update

Capitol Update

With Minnesota's legislative session starting in less than 2 weeks, MHP offers the opportunity to stay abreast of important housing bills with the weekly newsletter, the **Capitol Update**. Contact Barb Jacobs at bjacobs@mhponline.org, or 651-649-1710 ext. 117 to receive the **Capitol Update**.

Homes for All! 2006 Convention a Success

On December 7, Minnesota Housing Partnership, along with 24 other organizations, hosted the Homes

for All! 2006 Convention in St. Paul, MN. More than 900 people from various community sectors registered to participate in Homes for All!, which offered multiple opportunities to take action on three main themes: ensuring affordability, ending homelessness and building better communities. You can find more information, press on the Convention, and event materials at www.homes-for-all.org.

Minnesota Housing Resource Advisory Committee Meeting

Minnesota Housing convened its 23 person advisory board on December 8th to review several program initiatives the agency is considering. Commissioner Tim Marx opened the meeting by informing the board that in the upcoming legislative session, state government will have \$200 million in the base budget, after accounting for inflation, to allocate for new program initiatives. In what is perhaps the best opportunity for increasing funds for affordable housing, the state has the capacity to allocate about \$1 billion in one-time program expenditures.

Marx told the committee that one program under consideration for revision is the rehab loan program, through which local funds are dispersed to repair or renovate homes owned by low-income households. The agency would like to focus this program's resources in fewer communities and where there are matching funds available. Marx explained the agency wants to see more significant change coming from its program expenditures.

While the proposed program modification was generally well received, advisory committee members voiced two concerns. First, Jim Standish, Grant County HRA director, said that in sparsely populated areas, administrators appreciate the opportunity to make loans throughout a county, rather than for just a single community. Similarly, Mark Ulfers, Dakota County CDA, said that there were not areas of concentrated blight in his county so he wants to use the program to treat homes on a scattered-site basis. Marx said that these comments would be considered in further agency discussions.

The second program under consideration for revision is the Challenge Fund. Currently, state law requires 50 percent of program funds to be used for projects that include employer matched contributions. Commissioner Marx said that this rule discounts contributions from other parties, like local governments and private foundations. In addition, the rule disproportionately benefits projects with employers that make minor contributions. The agency would like to prioritize projects receiving matching contributions from any source that exceed a minimum percentage of total development costs—2 percent was used as an example threshold.

For the allocation of one-time funds, the agency recommends an add-on to the Challenge program to fund housing projects established to further school achievement. Commissioner Marx said that it was important to connect housing initiatives with other concerns that are higher up on legislators' priority lists. The resource advisory committee will be reconvened after the governor's budget is released in mid January. —*Chip Halbach*

December's Minnesota Housing Board Meeting

The agency's December board meeting was relatively inconsequential; the first snowfall of the season commanded more attention than the business before the board. Board members did support a staff recommendation to revise the MURL program (urban and rural homesteading). The program, funded from federal HOME dollars, provides local administrators revenue to fix up homes and sell them to low-income households via contracts for deed.

Currently, HUD does not consider a contract sale to be a sale of real estate, and therefore prohibits agency use of HOME funds for this purpose. In response, the agency board approved a staff recommended plan to use MURL funds for land purchase and construction by participating agencies. Homebuyers would then obtain a mortgage to purchase the renovated home. Homes will be sold at market value, and affordability would be attained by the home purchaser receiving a second deferred repayment loan.

This change will bring to an end the requirement that MURL homes go to “at risk homebuyers,” who will likely be unable to obtain a mortgage. Also, in the past, the local administrators were able to keep the contract for deed payments and use these payments for other program purposes. Starting with the use of 2006 federal funds, the proceeds of the home sale must be repaid to the agency for reuse under HOME program rules. —*Chip Halbach*

Reading/Resources

Minnesota Housing Partnership Makes Available “Closing the Housing Gap” Booklets

Minnesota Housing Partnership (MHP) has recently released a series of three short booklets that give an overview of housing in Minnesota. The booklets, which address housing affordability, homelessness, and better communities, provide background information on challenges faced in these three areas, and strategies for addressing these challenges. The booklets are available for download from MHP’s website, <http://www.mhponline.org> and at www.homes-for-all.org.

Studies Reveal Long Waiting Lists, Low Acceptance Rates for Section 8 Vouchers

In the first half of 2006, 89 Minnesota housing agencies completed a questionnaire designed to collect information on public housing and Section 8 voucher waiting lists. The findings of the questionnaire, which was designed by Minnesota Housing Partnership with the assistance of Minnesota NAHRO, reveal a typical wait time of 12 months for a Section 8 voucher in Minnesota, with much longer wait times at housing agencies in the Twin Cities area. The full questionnaire findings are available at <http://www.mhponline.org>.

In its 12th annual survey of rental housing developments, HOME Line measured acceptance of Section 8 vouchers in suburban Hennepin County, as well as parts of Anoka and Dakota Counties. Findings indicate that nearly two-thirds of rental units covered by the survey were unavailable to voucher holders. Reasons for low acceptance include landlord refusal to participate in the program, asking rents that exceed eligibility limits, and minimum income requirements that disqualify voucher holders. The HOME Line Section 8 report is available for download at <http://www.homelinemn.org/downloads/section8/2006Section8report.pdf>.

Northcountry Development Fund Job Openings

The Northcountry Cooperative Development Fund (NCDF) is a rapidly growing Community Development Financial Institution (CDFI) providing loans and other assistance to a range of small and medium-sized consumer, worker, agriculture and housing cooperatives across eleven states of the Upper Midwest. NCDF is hiring two positions in their housing development department, both working with residents of manufactured home park cooperatives. Go to www.ncdf.coop for full job descriptions.

From the Boardroom

Crisis Housing Milestone

As of November 1, 2006, Minnesota Housing Partnership has distributed \$3,029,711 to 3602 clients utilizing the Crisis Housing Fund program, which covers housing expenses for people receiving in-patient psychiatric treatment. MHP administers the program under contract with the Minnesota Department of Human Services and funded through a grant from the Minnesota Department of Human Services Mental Health Division. For more information, go to www.mhponline.org.

New Faces

At the meeting on December 14th, the MHP board appointed Eric Schubert as a new member. Schubert

is currently the director of communications at Ecumen, Minnesota's largest non-profit senior housing company. Prior to his work at Ecumen, Schubert was a member of the senior leadership team at Himle Horner and worked on the HousingMinnesota campaign. Welcome, Eric!

MHP would also like to welcome the new VISTA leaders, Pilar Rick and Mary Wolf. You can find out more about the important work that Pilar, Mary, and the other VISTAs throughout the state at www.mhpvista.org.

Chip Halbach Named Chair of Campaign for Affordable Housing Board

Minnesota Housing Partnership's executive director, Chip Halbach, was named Board Chair of the Campaign for Affordable Housing this fall. With changes in power within the U.S. Congress, Halbach looks forward to crafting and promoting local and national communications strategies that will lead to more affordable housing. For more information about the Campaign, please go to <http://www.tcah.org/>.

Upcoming Events

January 13

Environmental Justice Advocates of Minnesota 4th Annual Founders' Day, 10:30 a.m. to 6:30 p.m., Minneapolis Urban League, 2100 Plymouth Av. N, Mpls. EJAM's fourth annual Founder's Day will include: panel on EJ issues; workshops on healthy home, climate change, asthma and more; "Town hall forum" open dialogue with the community; and dance, spoken word, art auction, awards. For more information, contact Karen Monahan, 612-436-5402

February 5

State of the Region, 10 a.m., Auditorium, Minnesota History Center, 345 W. Kellogg Blvd., St. Paul. Metropolitan Council Chair Peter Bell will discuss the opportunities and challenges facing the Twin Cities metro area at the Council's annual State of the Region event. This year also marks the Council's 40th Anniversary. We have invited all of the Council's past chairs, and plan to acknowledge their contributions to progress in our region. Following his speech, Chair Bell will take questions from the audience. Afterward, refreshments will be served and information will be displayed on the 40th Anniversary of the Metropolitan Council. Watch the Council's website for further information.

February 15

Minnesota Coalition for the Homeless' Day on the Hill, Capitol, St. Paul. Go to <http://www.mnhomelesscoalition.org/events/capitol/> for more information.

February 26-27

National Low Income Housing Coalition's 2007 Annual Policy Conference and Lobby Day in D.C. Go to www.nlihc.org for more information.

The MHP Bulletin is published by the Minnesota Housing Partnership, distributed bi-weekly and 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 to include in future issues, or if you would like to unsubscribe, please contact Barb Jacobs at (651) 649-1710 ext. 117, email bjacobs@mhponline.org.

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.