

The MHP Bulletin

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News

State

Somali Families Struggle to Find Homes in Greater Minnesota

Finding a safe, affordable, and well-kept place to live is a perpetual problem for new immigrants in America. New challenges, however, have arisen in recent years as immigrant populations move to rural communities to find work. In September, the [St. Cloud Times reported](#) that many Somali families live in St. Cloud and travel 45 minutes to Melrose, MN to work at the Jennie-O Turkey Store plant. Although some would prefer to live closer to their job, they are unable to find affordable homes large enough to accommodate the size of many Somali families.

This issue, however, is not isolated. A new report from the Housing Assistance Council, [Immigration and Housing in Rural America](#), found that rural communities across the country are unprepared to meet the housing needs of growing immigrant populations, in part due to lack of appropriate-sized accommodations for families. Nationwide, non-metropolitan counties experienced a 78 percent growth in the immigrant population from 2000 to 2005, compared to a 58 percent growth in metro counties. While foreign-born households in non-metro areas have higher homeownership rates and lower cost burdens than those in urban settings, they also have higher poverty rates and lower incomes. Ten percent of these families live in crowded conditions, compared with just 1 percent of their native-born counterparts.

The Number of Cost-Burdened Homeowners in Minnesota Continues to Grow

More and more homeowners are unable to afford their homes, according to the recently released 2006 American Community Survey (ACS) data from the US Census Bureau. In 2006, 33.9 percent of Minnesotans had an unaffordable mortgage, up from 31.4 percent just one year before. According to HUD, housing is considered unaffordable if thirty percent or more of the household's income is spent on rent or mortgage.

For mortgaged owners paying at least half their income on housing, an amount that indicates severe cost-burden, the trend was also for the worse. 115,750 mortgaged Minnesota households fell into this category in 2006. Taking a longer view, from 2002 to 2006, the number of mortgage-paying households spending more than half of their income on housing increased by 128 percent.

The report also revealed that the majority of cost-burdened households were low-income. A whopping 51 percent of home-owning households earning less than \$50,000 per year were paying more than 30 percent of their income for housing, while for owners with incomes over \$50,000, only 15 percent paid that amount. Experts expect this trend to continue, particularly as the foreclosure crisis worsens.

September Minnesota Housing Board

It should come as no surprise that aid for Southeastern Minnesota was a significant topic at Minnesota Housing's September board meeting. Commissioner Tim Marx explained that problems arose from inadequate communication between the agency and legislators regarding emergency monies. While agency staff applied an income cap of 120 percent of area media income for homeowners to access the recovery funds, legislators expected the state's \$18 million contribution to be available to all flood victims.

Word of the cap made its way to legislators from the region, prompting phone calls to the agency and the governor, and the rules were changed. Now anyone impacted by the flood is eligible for an interest-free rehab loan of up to \$23,000 through Minnesota Housing. The loans cover expenses not met by FEMA (Federal Emergency Management Agency) and SBA (Small Business Administration) and are forgiven after ten years. The agency expects that the funding, made available by the legislature in the special session, will fully cover the housing portion of the flood recovery.

With the end of FY2007 on September 30, the board also reviewed the agency's financial performance and approved the 2008-09 Affordable Housing Plan. 2007 was a good year for Minnesota Housing, with a "profit" of \$31 million. This is up from \$23 million in 2006. This strong financial picture provided the context for the adoption of the new Affordable Housing Plan. In August, Commissioner Marx said the \$1.6 billion, two-year funding proposal was the largest in agency history and would benefit 90,000 Minnesotan households.

On October 1, the start of FY2008, the agency held accumulated net assets of \$751 million. Under the agency's financial plan it will retain a floor of \$640 million in net assets. On an annual basis, the agency will decide what amount to add to the net asset floor and what amount to transfer to its foundation. The newly-minted foundation starts FY2008 with \$110 million in capital, \$80 million of which is cash. The 2008-09 funding plan allocates \$59 million of Minnesota Housing's foundation cash resources across ten housing programs. [Go to MHP's Web site to find foundation outlays.](#)

Lastly, artists hoping to find state and federally subsidized housing set aside for them might be disappointed to know that the IRS has determined that such housing is ineligible for federal low income housing tax credits. This issue arose during discussion of a \$90,000 supplemental request for Artspace's proposed Franklin School development in Brainerd. The board learned that investors, not the agency, would be at risk should the tax credits already awarded to the Brainerd project be denied by the IRS. Staff said that Artspace believes that the project, being marketed to professional artists *and* those with an interest in the arts, will meet the new IRS standard. With a \$90,000 increase, the board approved a total \$240,000 in Challenge program monies for the project. However, the award is subject to the agency receiving a letter of explanation on this topic from Artspace. —*Chip Halbach*

National

Breaking Down Barriers to Build More Affordable Homes

Among the many barriers and challenges to creating affordable housing, few things can kill a project as effectively as regulatory barriers. Increasingly complex environmental regulations and impact fees, misuse of smart growth policies, and obsolete permitting processes and building codes are just a few examples of rules that many communities have adopted expressly to discourage affordable development and rehabilitation.

In a recent presentation in Seattle, national housing expert Ron Terwilliger went so far as to state that "[\[l\]ocal zoning is the No. 1 enemy of work-force housing.](#)" reports the **Seattle Post Intelligencer**. Even HUD, at times criticized for its own bureaucratic-barriers, says that excessive state and local development and building regulations are squelching projects and significantly increasing project costs. In an effort to address regulator issues, HUD has renewed its commitment to bringing down these walls by updating research and commitments in this area. "[Why Not in Our Community? Removing Barriers to Affordable Housing.](#)" an updated version of a 1991 report, examines the current regulatory environment, state and local efforts to tackle barriers, and HUD's efforts to reduce excessive regulation. HUD's guide "[Creating a Task Force on Regulatory Barriers to Affordable Housing.](#)" is a how-to-handbook for identifying excessive regulation and creating a local task for to combat the problem.

National Nonprofit Gives Minnesota "C" on Housing Report Card

The [Assets and Opportunity Scorecard](#), published by [CFED](#) (Corporation for Enterprise Development), awarded Minnesota a "C" grade for homeownership and a "D" for business development. Large racial inequalities in homeownership rates contributed to the "C" grade. Low ownership rates and business value for Asian-, American Indian-, and Hispanic-owned businesses along with "[a] relative dearth of private loans to small businesses," led to Minnesota's "D" grade. Overall, however, the state received an "A" for asset-building opportunities. The report rates all fifty states and the District of Columbia in the areas of financial security, business development, homeownership, health care, and education, focusing on twelve critical policies that promote asset accumulation and protection for all Americans.

From the MHP Boardroom

MHP Partner Profile: Lake Benton EDA

Lake Benton is a small rural community of 703 in Southwestern Minnesota. Despite lagging homes sales in other parts of the state, the City of Lake Benton has seen growth in both population and home sales in recent months. Area communities Pipestone, Marshall, and Brookings are experiencing significant job expansion which is leading to Lake Benton's new growth. Through a grant provided by MHP, the city is commissioning a housing study to identify area needs and to determine how best to develop 160 acres of municipal land.

Hiring: Policy and Outreach Organizer

MHP is hiring for the [Policy And Outreach Organizer](#) (PDF) position. This person will provide outreach and legislative support to advance affordable housing policy initiatives at the local, state and federal levels. The position will be full time with benefits. Essential functions include supporting affordable housing policy at the local, state and federal levels through outreach and advocacy to advance the MHP legislative and program agenda. Candidates should have at least two years of organizing experience including issue advocacy, coalition work, citizen mobilization, leadership development, and strategic campaign planning. Please submit resume and cover letter to Leigh Rosenberg, Minnesota Housing Partnership, 2446 University Ave. W, Suite 140, St. Paul, MN 55114 or rosenberg@mhponline.org.

Resources

Our Communities, Our Homes: Pathways to Housing and Homeownership in America's Cities and States

Two of America's leading experts on housing in the United States have come to the conclusion that solving our country's affordable home shortfall will require a bipartisan and holistic approach. Former HUD Secretaries Henry Cisneros and Jack Kemp, along with Harvard University's Joint Center for Housing Studies scholars Kent W. Colton and Nicolas P. Retsinas, co-authored [Our Communities, Our Homes: Pathways to Housing and Homeownership in America's Cities and States](#) as a guide for state and local leaders to learn about best-practices and action steps to end homelessness and to preserve and create affordable homes for everyone in our communities.

HousingLink Helps Southeastern Minnesota with Recovery Effort

In an effort to provide flood survivors with vitally needed housing information, The Minnesota Housing Finance Agency (MHFA) has contracted HousingLink to provide rental vacancy information for the following affected counties: Dodge, Fillmore, Houston, Olmstead, Steele, Wabasha, and Winona. Vacancy information is available on HousingLink's *Online Directory*, [hList](#) and [Disaster Recovery Web page](#). Landlords and property managers can list vacancies on [HousingLink's landlord](#) page as well.

Free Training for Organizers

The [Organizing in Ethnic Communities](#) series explores how to create effective social change movements within individual ethnicities and cultures. Roundtable Discussions are an opportunity to meet and connect with organizers and organizations, hear about current and past campaigns, and learn about effective organizing practices. All roundtables are on **Wednesdays from noon to 1:30** at the Alliance for Metropolitan Stability, 2525 East Franklin Avenue, Suite 200, Minneapolis:

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Calendar

October 9-12

National Community Land Trust Network Annual Meeting and National CLT Academy, Sheraton Midtown Hotel, Minneapolis. This year, members and supporters of the National CLT Network will gather for the purpose of showcasing new courses developed by the National CLT Academy, strategizing common solutions to organizational challenges of issues of homeowner services and sustainability, and strengthening connections among the CLTs that make up the membership of the National CLT. Click [here](#) for more information.

October 11

MCCD Annual Meeting, 5:00 p.m. to 7:00 p.m., Holiday Inn Metrodome, 1500 Washington Avenue, Minneapolis. MCCD's annual meeting features wonderful food, door prizes, and a big announcement (hint: guest speaker is Metropolitan Council Chair, Peter Bell). MCCD's annual meeting is sponsored by Wells Fargo, City of Mpls CPED, and Franklin Bank. Please RSVP to jvukelich@mccdmn.org.

October 15-16

Minnesota Coalition for the Homeless Annual Conference, Arrowwood Resort, Alexandria, MN. This year's conference focuses on the twentieth anniversary of what is now known as the McKinney-Vento Act. At the time of its adoption in 1987, the act was viewed as only the first step in a national response to homelessness. This bi-partisan legislation was to be followed by measures to prevent and end homelessness by more systemic solutions to the problem. [For more information, please visit MCH's Web site.](#)

October 16, 2007

Home Ownership Center Predatory Lending Training

The Minnesota Home Ownership Center (Center) will host an all-day training on the new predatory lending legislation with a focus on how the new law impacts you as a counselor. You will learn the ins and outs of the new laws, related legal resources available for counselors and consumers and have an opportunity to discuss with the Center other needs you have related to this issue. The Center will also provide information on the new Refinance Counseling that is required as part of the new legislation. Contact [Ed Nelson](#) for details.

October 19

CURA Housing Forum: Lessons Learned: CDCs and the Revitalization of East Franklin Avenue, 12:00 p.m. to 1:30 p.m. Speakers include Will Delaney, Research Assistant, Neighborhood Planning for Community Revitalization; Alan Arthur, President, Aeon (formerly CCHT); Theresa Carr, Executive Director, American Indian Neighborhood Development

Corporation; Steve Cramer, Executive Director and President, Project for Pride in Living; Michael Haag, American Indian Community Development Corporation; Mary Keefe, Executive Director, Hope Communities. RSVP is required no later than 10/17 to 612-625-2086 or curahf@umn.edu.

October 23 – 26, 2007

Pre-Purchase Homebuyer Counselor Training

The Minnesota Home Ownership Center has announced the dates for its upcoming Pre-Purchase Homebuyer Counselor Training. This course is designed for new housing counselors with some pre-purchase counseling experience. Learn how to provide one-on-one counseling sessions that address savings, credit, and debt barriers to home ownership. Practice mortgage-readiness assessment, prequalification, credit report reviews and other key counseling activities. Pre-Purchase counseling certification is offered by completing the course and passing the in-class exam. Contact [Ed Nelson](#) for details.

November 1

Keeping the Door Open: Strategies for Moving People from Homeless to Employment, St. Cloud.

This training is presented by local Corporation for Supportive Housing (CSH) staff and invited guests. Participants will learn how to apply strategies and techniques such as Harm Reduction and Motivational Interviewing to help homeless and formerly homeless job seekers identify his/her personal needs and aspirations around employment. Within this framework, providers will be able to better support the particular preferences, skills, and needs of the individual job seeker. [Click here to register.](#)

If you have any events you would like featured, please contact Barb Jacobs at bjacobs@mhponline.org.

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Upcoming Deadlines

October 26

Deadline for HUD Consultant Proposals. MHP is currently accepting proposals for trainings on financial management for supportive housing grantees. For more information on the courses or how the desired proposal content, please visit [MHP's Web site](#).

November 13

MHP Grants Deadline for December Awards. Minnesota Housing Partnership offers a variety of loans and grants to nonprofit organizations, government agencies, and other affordable housing developers located outside the seven-county Twin Cities metro area. MHP's Loan and Grant programs seek to build organizational competence and support the development or rehabilitation efforts of permanent affordable housing. Loan programs focus on planning, housing development, and organizational development investment. For more information, [visit MHP's Web site](#), or contact Liz Juelich at ejuelich@mhponline.org, or 651-649-1710 ext. 113.

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The MHP Bulletin is published by the Minnesota Housing Partnership, distributed monthly 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.