

# The MHP Bulletin

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Volume 6, Issue 5

- [News](#)
  - [Federal Update](#)
    - [Section 8 Voucher Reform Act Enjoys Bipartisan Support](#)
    - [Federal Housing Finance Reform Act up for Vote on Tuesday](#)
  - [State Update](#)
    - [Foreclosure Discussions Widens to Include Renters and Greater Minnesota](#)
    - [Special Session?](#)
    - [April Minnesota Housing Board Meeting](#)
- [From the Boardroom](#)
  - [HUD Chooses MHP for Technical Assistance Award for 11<sup>th</sup> Consecutive Year](#)
  - [MHP VISTA's Getting It Done!](#)
- [Resources](#)
  - [Green Grants](#)
- [Upcoming Events](#)

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## News

### Federal Update

#### Section 8 Voucher Reform Act Enjoys Bipartisan Support

In March, Maxine Waters introduced the Section 8 Voucher Reform Act (SEVRA). Enjoying bipartisan support from co-sponsors Representatives Judy Biggert (R- IL), Barney Frank (D-MA) and Chris Shays (R-CT), the bill includes a number of measures that simplify and streamline the Section 8 program.

Highlights of the bill include a new funding formula and improved voucher portability. In a congressional briefing conference call last week, MHP and other members of the [Minnesota Federal Housing Action Coalition](#) asked Minnesota's congressional offices to consider two amendments to the bill. First, as a response to the loss of over 150,000 vouchers since 2004, support was expressed for the authorization of 100,000 new, incremental housing choice vouchers. Second, coalition members explained that the voucher program is designed to let some participants pay more than 30% of their income for rent. This is resulting in a higher share of voucher holders paying excessive rent burdens which causes extreme hardship for many families, which the bill should be amended to curb.

To find out how you can participate in the next congressional briefing on the Homeless Emergency Assistance and Rapid Transition to Housing Act, or HEARTH Act, contact Linda Larson at [lindal@homelinemn.org](mailto:lindal@homelinemn.org), or (612) 728-5770 ext 106. The HEARTH Act reauthorizes the McKinney-Vento Homeless Assistance Programs. [To learn more about the status of the Section 8 program in the Metro Area, listen to MPR's interview with Jon Gutzmann, St. Paul PHA executive director.](#)

#### Federal Housing Finance Reform Act Up for Vote on May 29<sup>th</sup>

Last Thursday, Congress finished debate on the Federal Housing Finance Reform Act. This legislation establishes the Federal Housing Finance Agency (FHFA) as an independent entity to oversee government sponsored enterprises (GSEs): Fannie Mae, Freddie Mac, and the 12 Federal Home Loan Banks. The legislation also requires GSEs to meet FHFA-set affordable housing goals and establishes an Affordable Housing Fund to be funded by Fannie Mae and Freddie Mac. As currently written, the bill dedicates \$500 million of the Affordable Housing Fund to the [National Housing Trust Fund](#).

The office of the Financial Services Committee told MHP that on Tuesday the bill and its 8 amendments will be up for vote on the House floor. This, of course, means it is not too late to call your congressperson and tell them you support H.R. 1497! Please call Chip Halbach at 651-649-1710 ext. 101 with questions.

## State Update

### Foreclosure Discussions Widens to Include Renters and Greater Minnesota

Foreclosure topics received significant media interest recently—MPR alone ran at least three foreclosure stories (listed below) in less than a week. Although much attention has been given to single family homeowners affected by this crisis, less has been paid to an equally important group of people: renters. MHP would like to give kudos to MPR for paying attention to this important, but overlooked, group. Hopefully we will soon see some stories on how foreclosures are affecting the affordable rental market.

Another overlooked area affected by the foreclosure phenomenon exists outside the metro area. [On June 15, Greater Minnesota Housing Fund will be hosting a summit on the affect of foreclosures on Greater Minnesota communities.](#) The goals of the summit are to examine the latest statewide data on the foreclosure crisis in Minnesota, identify the most effective strategies to assist threatened homeowners and communities, and to organize a coordinated response system to help homeowners and communities throughout Greater Minnesota. Contact Andy Schlack, [aschlack@gmhf.org](mailto:aschlack@gmhf.org), at GMHF for more information.

- [Foreclosed properties aren't necessarily a steal, May 16](#)
- [Even with new legislation, foreclosure crisis will continue, May 13](#)
- [Renters put out by foreclosures, May 11](#)

### Special Session?

As **The MHP Bulletin** goes to press, suspense is mounting over whether the legislature and Governor Pawlenty are going to be able to find common ground on a number of bills. Of main interest to MHP are the jobs and economic development and tax bills. Although the governor's flurry of vetoes has threatened the passage of much legislation, some promising moves have taken place that bode well for affordable housing advocates. Mainly, some controversial initiatives were taken out of the tax bill that holds multiple MHP agenda items and there has been some promising negotiation regarding the jobs and economic development bill which funds Minnesota Housing.

In-depth analysis of state legislative action on housing issues can be found in the **MHP Capitol Update**. Following session close, MHP will send **Update** subscribers a special legislative session report. To subscribe, please contact Barb Jacobs at [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org).

### April Minnesota Housing Board Meeting

In the spirit of the legislature's marathon sessions, the Minnesota Housing board spent four hours deliberating foreclosure commitments, single-family grants and loans, proposed rule changes, and a variety of other planning and funding issues at April's board meeting. By the end of the meeting, the agency committed \$11.5 million of its resources in response to mounting foreclosures.

The bulk of the foreclosure investment focuses on Minneapolis. Greater Metropolitan Housing Corporation will receive \$1 million to acquire and put homes back on Minneapolis' market. Family Housing Fund (FHF) will receive a two-year, \$10 million working capital loan to strategically gain control of homes in north Minneapolis to help stabilize neighborhoods that have seen the greatest concentration of foreclosures.

The remaining \$500,000 will help community groups in St. Paul acquire and resell foreclosed homes on the city's east side. This project may include a bulk reduced price sale of homes from RFC-GMAC.

Agency staff told the board that more Twin Cities homes were subject to sheriff's sales in the first three months of 2007 than for all of 2004. Staff continued that the impact is also being felt in the suburbs and statewide: Scott now ties Ramsey as the counties with the greatest increase in foreclosures in Minnesota and Rochester is second only to the Twin Cities for city foreclosure rates.

Staff noted that the total average cost stemming from a foreclosure is \$80,000, with \$34,000 experienced by public agencies. For the agency's own mortgage portfolio, the foreclosure rate jumped from 0.27% (June 06) to 0.53% (March 07). However, agency staff assured the board that the delinquent mortgage percentage had been declining recently, so they expected their foreclosure rate to decline as well.

While the board supported the funding commitments, they challenged staff to develop a longer range strategy for the agency. They told staff that governments cannot spend their way out of the foreclosure problem.

In their single family program funding report, staff pointed out that significant agency commitments were proposed for manufactured housing and community land trust projects: Five land trust projects and two manufactured housing parks. One of these, in Moorhead, enables cooperative conversion of the park, while the other commitment provides downpayment assistance for purchase of manufactured homes in a Faribault park. Foreclosure funding commitments were also part of the board's single-family program allocation. Minnesota Housing distributed an additional \$6 million in funding for 311 homes, 238 of which are for low-income households.

The board approved all single family program staff recommendations. There was concern, however, at the high costs of some proposals, including one projecting per unit costs of up to \$423,000. This was for a tear-down and new construction project in north Minneapolis. This led to discussion about the value of land trusts enabling the agency to guarantee long-term affordability with its single family investment. The agency expects to reassess its development policies prior to its next funding round.

In other business, the board accepted the staff recommendation to cancel its commitment of \$1 million (from 2006 HUD HOME program allocations to the state) for Greater Minnesota nonprofit operating support. The agency has a long standing disagreement with HUD over allowed use of HOME funds. This disagreement held up the distribution of 2005 nonprofit operating funds. Staff said that they can now release the 2005 funds; this would effectively skip a year of nonprofit funding.

Finally, the staff received board approval to solicit comments on a series of agency rule changes. The changes affect administration of the Housing Trust Fund and the Challenge Program. One important issue concerns long-term affordability. The staff report states that the "rules need to be clearer about how to balance the costs of achieving long-term affordability and the benefits." Another change of note is that the agency is considering allowing paying of asset management fees as an operating cost for Housing Trust Fund awardees. The agency will now begin the process of soliciting comments on the proposed changes. — *Chip Halbach*

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## From the Boardroom

### HUD Chooses MHP for Technical Assistance Award for 11<sup>th</sup> Consecutive Year

This February, the U.S. Department of Housing and Urban Development (HUD) announced two grants totaling \$192,000 have been awarded to Minnesota Housing Partnership (MHP) for the delivery of technical assistance to affordable housing providers across the state. The HUD Community Development Technical Assistance awards, given to national and state-based organizations across the country, assist local communities to produce more affordable housing, better serve persons who are homeless, and more effectively assist persons living with HIV/AIDS.

"This is about making government work better and smarter," said Alfonso Jackson, secretary of HUD, on the agency's Web site. "These technical assistance grants will give local housing and service providers the tools they need to do what they do best—help people," Jackson continued.

MHP has been HUD's sole Minnesota-based provider since the program began in 1996. "MHP ensures these resources address Minnesota's unique housing and homelessness needs," said Liz Juelich, MHP's Capacity Building Manager. "HUD's award enables MHP to provide critical expertise to local programs."

The awards will support a range of activities including support and training for community housing development organizations (CHDOs) and homeless assistance programs.

MHP carries out its HUD technical assistance program in partnership with the two Minnesota offices of Local Initiatives Support Corporation and the Corporation for Supportive Housing. These three agencies coordinate to ensure that all types of nonprofit and public housing agencies benefit from the HUD program.

**MHP VISTA's Getting It Done!**

Congratulations to three MHP VISTA volunteers for outstanding recent achievements. Two MHP VISTAs were honored at the first National AmeriCorps Week celebration as winners of the "Lead, Unite and Inspire, MN" awards. Kandice Cooke, serving at Southern Minnesota Regional Legal Services in Mankato won the "Legacy of Service" award for her superb contributions in doing outreach in support of the HALO program for tenant repair cases. Long Yang, a VISTA Leader and supervisor of four VISTAs at the Hmong American Mutual Assistance Association was named "Best Supervisor". Also, kudos to VISTA Stephanie Miller at the Northcountry Cooperative Development Fund for her lead role in authoring a successful \$500,000 grant awarded by Minnesota Housing (MHFA) to NCDF for manufactured home park cooperative conversion work.

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**Resources**

**Urban Institute Releases Large-Scale Development Numbers**

The Urban Institute just released their new report, [Housing Partnerships: The work of Large-Scale Regional Nonprofits in Affordable Housing](#). The study reviews the productivity, operating practices, and policy issues of the 87 members of the Housing Partnership Network (HPN). The report shows that even though MPN members are few, their impact is great. In 2004, PHN members produced roughly 20,000 housing units, 18,000 of which were rental. (Source: Knowledge Plex)

**Green Grants**

The Housing Assistance Council (HAC) is pleased to announce the availability of Green Fund Capacity Grants of up to \$15,000 to promote the effective use of green building technologies for the development of affordable rural housing. The application process opens May 16, 2007 and applications are due by July 15, 2007. Awards will be announced in early Fall 2007. The Housing Assistance Council (HAC) created their Green Building/Healthy Homes initiative with generous support from the Home Depot Foundation. [For information, click here.](#)

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**Upcoming Events**

**April 21 to July 1**

[Affordable Housing: Designing an American Asset](#), Goldstein Museum of Design, University of Minnesota, St. Paul Campus. This exhibit explores the history of housing for the least wealthy Americans and presents a statewide-view of affordable housing in Minnesota.

**May 23 thru June 20<sup>th</sup>**

**Alliance for Metropolitan Stability Roundtable Discussions**

**May 23**

**Wealth Creation in Communities of Color**, 12:00 to 1:30, The Alliance for Metropolitan Stability, Suite 200, 2525 E. Franklin Avenue, Minneapolis. This session looks at what caused and perpetuates racial disparities in wealth, and what policies will rectify the situation and will identify what local organizing efforts that are working to create equity. Sherrie Pugh of the Northside Residents Redevelopment Council, Art Weddington of the Selby Area Community Development Corporation, and Hussein Samatar of the African Development Center will kick off the roundtable and lead this open discussion. Please RSVP to Unny Nambudiripad, [Unny@metrostability.org](mailto:Unny@metrostability.org) or 612-332-4471.

**Roundtable Discussions: Grassroots Organizing**

The Grassroots Organizing series explores how to create effective social change movements. All roundtables are on Wednesdays from Noon to 1:30 at the Alliance for Metropolitan Stability office, Suite 200, 2525 East Franklin Avenue, Minneapolis. For more details, please [see our website](#). Please RSVP to Unny Nambudiripad, [unny@metrostability.org](mailto:unny@metrostability.org) or 612-332-4471.

**June 6**

**Expanding Your Base**

**June 13**

**Building Volunteer Leadership**

**June 20**

**Cross-cultural Organizing**

**June 7**

**Dialogue on Housing Issues with the Pan African Community Endowment and the African Development Center,**

5:30 pm – 9:30 pm, African Development Center, 1808 Riverside Ave, Suite 200, Minneapolis. This dialogue will address the decreasing rate of Black homeownership and the impact of foreclosures on the Pan African community. This is part of an effort to increase leadership around the issue of affordable housing within the Black community as well as addressing how to impact policy making and service delivery in regards to affordable housing. RSVP by Thursday, May 31 to Dayonna Knutson at 651-325-4252.

**June 7-8**

**9<sup>th</sup> Annual Minnesota Supportive Housing Conference,** River Centre, 175 W Kellogg Blvd, St Paul.

Presented by the Minnesota office of the Corporation for Supportive Housing, the conference brings together more than 400 housing developers, social service agencies, and community stakeholders from Minnesota and neighboring states to downtown Saint Paul, creating partnerships in the effort to end long-term homelessness in Minnesota. This year, Matthew Miller will be the keynote speaker. [Mr. Miller](#) is an author, columnist, radio host and consultant whose work focuses on agenda-setting ideas and creative problem-solving in the public, private, and nonprofit sectors.

**June 19-20**

**Minnesota Affordable Housing Symposium: Celebrating, Designing, Innovating for the Future,**

32 McNeal Hall, 1985 Buford Ave, St Paul. This symposium explores the past, present, and future of affordable housing in Minnesota. Panelists will review the individuals, organizations, policies, and programs that brought Minnesota to the forefront of affordable housing. Building on this information, participants will engage in world café conversations to design creative solutions to the affordable housing crisis that will be shared in the concluding session.

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*The 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 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](mailto: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.