

The MHP Bulletin

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The New and Updated MHP Bulletin

Minnesota Housing Partnership is currently evaluating the types of information we share with our partners as well as the ways we convey that information. We would love to hear if you have ideas for topics or articles. Please feel free to email Barb Jacobs at bjacobs@mhponline.org with your thoughts!

MHP is also working to provide unique value through both our newsletters: [The MHP Bulletin](#) and the [MHP Capitol Update](#). In upcoming months, you will notice that the monthly **Bulletin** focuses on local, state, and national housing trends, industry research, and agency information. In contrast, the **MHP Capitol Update** will focus on local, state, and national policy advocacy. In addition, the **Update** will be published on a monthly basis during the summer, while maintaining weekly coverage during Minnesota's legislative session. Please contact [Barb Jacobs](#) if you would like to subscribe to the **MHP Capitol Update**.

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News

State Update

Bridges and Homes

By Chip Halbach

My concern with the catastrophe of the I-35W bridge in Minneapolis may have been heightened by the fact that I drove under the bridge only an hour prior to its collapse. But as a housing advocate, I also am struck by the connection between that incident and our country's failure to address the deterioration of public housing.

The most direct connection between the I-35W bridge and affordable housing is that this bridge has frequently been used as a refuge by homeless individuals. Patrick Wood, with the Minnesota Coalition of the Homeless, assures us that due to the time of day of the collapse and because of recent city and state efforts to keep the homeless from using bridges for shelter, it is unlikely that any homeless people were injured.

But I also view public housing, like bridges, as a vital element of America's infrastructure designed to serve our communities. The media is rightly publicizing the failure of government to maintain the country's transportation infrastructure. The disinvestment in public housing provides a story line similar to that for transportation. While hopefully we won't see headlines describing a building's collapse, there is a real risk to the well-being of residents, if not their safety.

Much of Minnesota's public housing, like the I-35W bridge, was built in the 1960s. And, just like for our nation's aging bridges, there is inadequate attention to the aging public housing stock. Just in the Minneapolis neighborhoods near the bridge, the backlog of public housing repairs amounts to \$200 million. Due to the federal government's continued underfunding, the financing needed for repairs and improvements to the nation's public housing is estimated to be \$20 billion and growing.

Public housing repair needs, such as replacement of roofs, elevators and boilers, do not appear as immediately life threatening as those for bridges ... but then again, before August 1, no one thought the delayed repairs to the I-35W bridge were a matter of life and death either.

While Minnesota does invest in preservation of its public housing, the current level of investment is no where near what's needed to arrest the mounting physical deterioration of these buildings—which are home to many of the state's low wage workers, retirees, and people with disabilities.

For the sake of our communities, I hope that the nation's leaders get the message. The tragic bridge collapse in Minneapolis must not be repeated; the preservation of our nation's infrastructure, including its public housing, must be a priority.

MHFA July Board Report

The agency took a breather from its strategic planning process and focused its July board meeting on more mundane business. While providing an annual overview of loan servicer performance, agency staff updated the board on its foreclosure experience. The agency's rate of foreclosures is at the low end of its historic range. In 2006, the agency only lost \$160,000 on a \$1.6 billion loan portfolio. Notably, this loss-rate is well below that of other lenders even though it serves a low-income population. Many of the private lenders that suffered greater losses during this same period did so because they were overly dependent upon automatic underwriting and loosened loan terms. Agency staff said that the reasons families were unable to repay agency loans has not changed: job loss, divorce, and financial mismanagement. Agency staff informed the board that their planning discussions will continue in August with a review of the draft Affordable Housing Plan (more information below). In September, the agency expects to adopt the two-year funding plan. —*Chip Halbach*

MHFA Two-Year Housing Plan Recommendations

On July 30th, MHP hosted a meeting for nonprofit, public agency, and for-profit users of Minnesota Housing resources regarding Minnesota Housing's new Affordable Housing Plan. The meeting served the dual purpose of gathering input from Minnesota's affordable housing and homelessness leaders regarding how the agency should invest their resources and educating participants on Minnesota Housing's decision-making processes. The agency will allocate \$50 million of its own resources to various housing programs based on the adopted Plan.

The meeting produced numerous recommendations that MHP then forwarded to Minnesota Housing. Some local governments and nonprofits expressed concern about losing the ability to address local needs should their community's housing needs not square with the strategic priorities of the agency. This was not an objection to the priorities set by the agency, but a hope that the agency would be more open to the ideas presented to them by community partners.

While everyone considered the agency an important and valued partner, several attendees said that the agency could do more to meet the housing rehabilitation needs of small rural communities. Others hoped that Minnesota Housing would provide foreclosure assistance in their communities similar to the type of investments being made in Minneapolis and St. Paul.

Attendees also generated many ideas for the agency's \$50 million investment. Suggestions included more project-based rental assistance to help nonprofits providing homes for extremely low-income households and funding local agency administrative costs related to regional homelessness plans.

At the end of the meeting, participants agreed that this sort of conversation needs to happen on a regular basis and requested MHP to host similar meetings periodically. [To learn more about the discussion, click here.](#) –*Chip Halbach*

Sheriffs' Sales Show Twice As Many Foreclosures In Greater Minnesota Than Previously Shown

The Greater Minnesota Housing Fund (GMHF) and HousingLink recently released a report highlighting the increase of foreclosures across the state. "This study reveals what was an invisible epidemic of foreclosures in Greater Minnesota," said Warren Hanson, president of Greater Minnesota Housing Fund. "We now see that the foreclosure crisis extends to every corner of the state and hurts both families and neighboring property owners," said Hanson.

GMHF's new report quantifies, for the first time ever, the number of actual sheriffs' sales of foreclosed properties county by county in Minnesota in 2006. It found a stunning 11,207 foreclosures statewide — nearly double the 5,995 reported in a national study conducted over the same period by RealtyTrac, a leading provider of real estate industry data. Click [here](#) for the full report and visit [here](#) for a news article covering the study in the **Star Tribune**.

National Update

Study Finds Cost Savings in Public Housing Revitalization

According to a [new study](#) by the Urban Institute, redeveloping severely distressed public housing as mixed-income housing would likely "yield dramatically better outcomes than would inaction." The annual housing subsidy costs for a prototypical mixed-income redevelopment project are \$3.9 million lower than costs associated with leaving a distressed project standing, the study said. Improvements in the well-being of low-income families translate into an estimated \$313,000 in annual savings in public costs, such as unemployment insurance and criminal justice. Further, a good redevelopment project could increase local property tax revenues by \$492,000 annually. –*From KnowledgePlex's **Week In Review***

Despite Research Indicating Otherwise, Bias That Affordable Housing Breeds Crime Persists

A [recent study found no cause-and-effect relationship between Section 8 homes and crime](#) in Charlotte North Carolina, reported **The Charlotte Observer** on July 1. The data did show that "rental properties that accept Section 8 vouchers are five times as likely to be within 100 feet of a violent or property crime," the **Observer** article said.

Despite this and other recent research showing affordable housing does not create public safety issues, advocates in the Twin Cities aiming to enlighten local residents have their work cut out for them. In response to [an article on Metro suburbs' move to crack down on "problem renters,"](#) several Star Tribune readers sounded off on the paper's Business section front-page regarding supposed evils of affordable rental housing. Even though no mention or allusion to subsidized housing was made in the original article, four out of the eleven responses printed specifically mentioned affordable rental housing as a menace. One person even wrote, "Section 8 is [sic] housing is killing America—one neighborhood at a time." Another person claimed that "St. Louis Park's middle and high schools are rife with gang members and gangster wannabes due to the city's penchant for high-density subsidized housing."

[The original article](#) described new initiatives by several Twin Cities suburbs giving police and government officials the legal power to reprimand rental property owners and tenants for repeated police calls to their properties. According to the **Star Tribune**, St. Louis Park is now requiring landlords to evict tenants for drug dealing, committing a violent crime, or "repeatedly disturb[ing] neighbors." Those who fail to comply will receive a \$750 per month fine. Brooklyn Park is upping the ante by "seizing rent at poorly maintained properties and holding it in escrow until repairs are made."

From the MHP Boardroom

MHP Partner Profile: MHP VISTAs

This month, the MHP VISTA program concludes its 14th and final year. It was a very successful year for the program, with an 86% volunteer retention rate. Since April, 2007, MHP VISTAs have raised over \$650,000 through grants and donations for the work of their agencies, plus nearly \$20,000 in in-kind contributions. Out of 25 VISTAs this year, 11 (44%) will stay on at their current agencies, continuing to contribute to organizations' capacity to improve affordable housing statewide. Eight VISTAs have been hired on as employees, and three will stay on as VISTAs through another program. Here's a look two MHP VISTAs who will be staying on with their respective organizations.

- **Victoria McWane-Creek with the Otter Tail-Wadena Community Action Council, New York Mills**
Victoria's main focus is implementing outreach, advertising, and information-sharing to promote [Otter Tail-Wadena CAC's \(OTWCAC\)](#) affordable housing program. She also compiles information on energy usage and housing construction methods. One of Victoria's most significant accomplishments to date is undertaking a research study comparing the energy efficiency of OTWCAC homes built using Structural Insulated Panels (SIP), a construction method utilizing pre-insulated panels, and non-SIP homes built in the same period. Otter Tail-Wadena Community Action Council, Inc. is a locally controlled nonprofit resource agency striving for the success of the community, and empowers people to live, learn, work, and govern themselves. Its programs include Head Start, Energy Savers (the first Weatherization project in the nation), Fuel Assistance, Money Management, Family Planning, Wheels for Workers, Affordable homes, Home Stretch and others.
- **Long Yang with the Hmong American Mutual Assistance Association, Minneapolis**
"I like to share ideas with people that I meet. I hope one day the people I meet will share what we have done together," says Long Yang, lead VISTA with the Hmong American Mutual Assistance Association (HAMAA). Long assisted all HAMAA VISTAs and many HAMAA staff members work towards the mission of the organization. As a Lead VISTA, he held meetings with city, county, and state representatives to develop support for cultural community projects. As described on their [Web site](#), HAMAA believes "[t]he health and well-being of our Hmong family—parents, children, cousins and grandparents—is the central strength and perpetual goal for the development of our lives, our Community and our future." To realize this vision, it promotes leadership in the Hmong Community; promotes educational advancement for Hmong youth and teens; encourages Hmong refugees to be self-sufficient and contributing members of their Community, and; promotes and maintains Hmong cultural heritage.

MHP and GMHF Assist Northeast Minnesota with Development Planning

Faced with the possible creation of over 1,700 permanent and 4,000 construction jobs in Northeast Minnesota, Minnesota Housing Partnership, Greater Minnesota Housing Fund (GMHF), and local communities are working together to plan for the incoming workforce. To jumpstart the process, MHP and GMHF are hosting a Northeast Minnesota Regional Meeting on Housing Planning, Analysis, and Opportunities on August 28 in Hibbing.

"Coordination, cooperation, and thoughtful planning will help Northeast Minnesota continue to grow into the future," says ellery july MHP's Vice President of Operations. "We are proud that those communities are entrusting MHP with facilitating this very important work."

The August 28th meeting will review regional housing needs, improve regional coordination and capacity for creating affordable housing, and provide funder prospectives to help identify resources. "Most importantly," july explains, "our goal is to have an environment where local solutions and expertise emerge with clear action steps that illustrate how to move forward."

For more information on the August 28th planning session, please contact ellery july at 651-649-1710 ext. 105, or ejuly@mhponline.org.

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Resources

Report Highlights Minnesota’s Affordable Green Housing

Minnesota Green Communities recently released a report titled “Affordable Housing’s Green Future,” highlighting the process through which Minnesota arrived at the forefront of environmentally friendly affordable housing initiatives. Minnesota Green Communities is a partnership between the Greater Minnesota Housing Fund, Family Housing Fund, and Enterprise, and is in the process of creating eight demonstration projects. Several successful “green” affordable housing proposals are examined in this report which can be found [here](#). –From *HousingLink*

Updated Calculator Compares Costs of Renting and Owning

The latest version of the interactive housing cost calculator designed by The Center for Economic and Policy Research (CEPR) allows users to compare the cost of owning a home versus renting in 379 metropolitan areas. Users input the specifics of buying a potential home, and the calculator provides the monthly costs of homeownership and the expected gains or losses when the house is sold. As a comparison, the calculator provides the equivalent rental costs, the extra cash available to a renter versus a homeowner, and the maximum amount of rent one could pay and still break even relative to owning a home. Find the calculator [here](#).

Decent, Affordable Housing: Good for Child Health, Education, Even Marriage

Three new studies highlight the importance of housing for kids and families. A new Pew Research Center survey indicates that decent housing is a critical element for successful marriages. Fifty-one percent of respondents noted that “good housing” was “very important” for a happy marriage. Housing ranked above shared religious beliefs, shared tastes and interests, children or agreement on politics for a happy marriage. Among lower-income people and some racial and ethnic groups, these findings were even more pronounced. The full report can be found [here](#).

Meanwhile, studies from the Center for Housing Policy and Enterprise Community Partners suggested the importance of housing for children’s health and educational outcomes. One report found that children in families receiving housing assistance were about 50 percent less likely to suffer from iron deficiencies than children in low-income families without the aid. The other found that a child's academic success hinges in part upon a stable housing environment. To access the studies, [click here](#).

CSH Introduces The Supportive Housing Institute

The Corporation for Supportive Housing recently launched a comprehensive capacity building and project development initiative for prospective supportive housing providers in Minnesota. The Supportive Housing Institute will help organizations learn how to navigate the complex process of developing housing with support services and has reduced the time it takes to obtain funding for homeless housing by streamlining the planning process. [Click here for more information](#).

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Calendar

August 16

Heading Home Hennepin and the Minneapolis Affordable Housing Trust Fund Meeting, 7:00 to 8:00 pm, with a 6:45 registration, Minnehaha UCC, 4001 38th Avenue South, Minneapolis. Heading Home Hennepin, the city and county's ten year plan to end homelessness, is receiving critical acclaim for its innovations and potential to truly change the state of homelessness in our communities. Come and learn about the Ward by Ward Campaign designed to achieve the goal of fully funding the MAHTF with dedicated funds from the City of Minneapolis. Guest speakers from Plymouth Congregational Church

will present the highly effective system of advocacy and organizing implemented in their church. Please RSVP to Renee Lundgren at 612-871-8980 ext 105.

August 28

NE MN Regional Planning Meeting on Housing Planning, Analysis, and Opportunities, 9:00 a.m. to 4:30 p.m., Grand Hotel, Hibbing. For more information, please contact ellery july at ejuly@mhponline.org.

September 11-13

HOME Specialist Training

This training program is designed to recognize HOME experts throughout the country. The Certified Specialist class highlights the key regulatory requirements of the HOME Program and discusses the implementation of these rules in PJ programs. At the conclusion of the course, attendees will take a two hour exam on the basic HOME regulatory requirements for certification as a HOME Program Specialist. [Please visit MHP's Web site for details.](#)

September 19-21 & October 1-5, 2007

Minnesota Mortgage Foreclosure Prevention Association's Solving the Foreclosure Puzzle

This seminar is designed for professionals working in the area of foreclosure prevention. The seminar series is designed to be taken in sequence, with the entire 8-day course enrollment fee of \$325. The class size is limited to 45 students, so enroll now! More information can be found [here](#).

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.

If you have any events you would like featured, please send them to bjacobs@mhponline.org.

Upcoming Deadlines

August 31

Deadline for HUD Consultant Proposals

MHP is currently accepting proposals for trainings on financial management for supportive housing grantees, determining income and allowances in the HOME program, and combining HOME and CDBG (intermediate to advanced). For more information on the courses or how the desired proposal content, please visit [MHP's Web site](#).

August 31

Deadline for Technical Assistance Providers and Consultants Proposals

MHP is currently accepting proposals from skilled consultants or technical assistance providers interested in working under MHP's Technical Assistance Program to facilitate the consolidation of two to four Twin Cities suburban Continuum of Care regions. More information can be found [here](#).

September 10

MHP Grants Deadline for October 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.