Minnesotans, Like Rest of Nation, Make Mad Dash for Section 8 Waiting Lists

It wouldn't be hard for a person to draw the conclusion that with home prices dropping, housing affordability is increasing. But housing and redevelopment officials in Minnesota and across the country tell a different story, at least for low-income families. In recent months, communities from Boca Raton to Bemidji have seen swarms of people descend on local HRAs as Section 8 waiting lists open up, many for the first time in years.

Minnesota has seen a considerable, growing demand for vouchers. In January, the HRA of Bemidji opened its waiting list and received 267 applications over three days and more than half of the applicants reported being homeless. Officials later found that several others were homeless as well.

The Minneapolis Public Housing Authority and the Bloomington HRA opened their voucher waiting lists in June for the first time in five and four years, respectively. Minneapolis received approximately 15,000 applications and Bloomington received 3,600 applications. Bryan Hartman with the Bloomington HRA says the 1,500 households that win the lottery for a waiting list spot may wait up to three or four years for a voucher. If history repeats itself, Minneapolis applicants may wait as many as ten years for a voucher, MPR reports. [http://minnesota.publicradio.org/display/web/2008/06/12/housingvoucher/](http://minnesota.publicradio.org/display/web/2008/06/12/housingvoucher/)

In an effort to better understand Minnesota’s voucher need, MHP interviewed 161 Section 8 waiting list applicants at eight different HRA-designated sites when Minneapolis opened its list in mid-June. Questions addressed current housing and employment situations as well as the impact of today’s economy on applicants. Survey results will be released within the next month or two.
In April, the Chicago Housing Authority (CHA) opened its Section 8 waiting list for the first time in 10 years. The result: more than a quarter million applications were picked up from CHA in one day with the hope to win, via lottery, one of the 40,000 coveted waiting list spots.

http://www.chicagotribune.com/news/columnists/chi-schmich_bd20apr20,0,3502438.column

A smaller, albeit more chaotic, scene erupted in Boca Raton, Florida in March when more than 500 people standing in line at the local housing authority were greeted by police in riot gear. Although the housing authority advertised that applications would be distributed starting at 9:00 a.m. on March 12th, the line started to form the night before. At 2:00 a.m. authorities handed out 500 applications to try to shrink the growing crowd. People continued to arrive at 10:00 a.m. and police were called to disperse the throngs of people, most of whom were unaware that the majority of applications had already been distributed. The Palm Beach Post features a photo essay of this situation.

http://www.palmbeachpost.com/search/content/local_news/slideshows/031208brhousing/index.html

Housing Market Trends – The Good, the Bad, and the Ugly
A series of new data and reports suggests that there will be no immediate improvement in the nation’s housing market. The State of the Nation’s Housing, 2008, a report released in June by the Joint Center for Housing Studies of Harvard University predicts that a market upswing in 2008 will remain elusive. The report cites the current surplus of homes for sale, unstable prices, and an uncertain economy as obstacles to recovery. Continued market woe is borne out by the Standard and Poor’s/Case-Shiller Home Price Index, which measures housing prices in a composite of 100 cities nationwide, dropped 14.1 percent in the last fiscal year. Furthermore, the recent price drops and the growing number of unsold houses on the market have led economists such as Mark Zandi with Moody’s economy.com to suggest that home prices have not yet reached their lowest level.

The flip-side of this continued decline in the housing market is that as home prices decrease, there is an increase in the number of homes for sale at lower prices. Recent data released by the Minneapolis Area Association of Realtors finds that there were 5,850 homes for sale at less than $150,000 in June in the Twin Cities, an increase of 77.7% over the previous year. This silver lining is featured by a cnnmoney.com piece reporting that “bargain hunters” drove the National Association of Realtors’ Pending Home Sales Index up 6.3 percent between March and April. While economists agree that this does not signal a larger turnaround in the housing market, it does offer evidence that some consumers are seizing the opportunity to purchase homes that they might not be able to afford during stronger market conditions.

What do you know of Minneapolis city ordinances?
Minnesota Public Radio is looking for input on business and homeowners’ experience with Minneapolis city codes. This is a great opportunity for local developers to share their experiences. Don’t miss this opportunity! Please share your experiences by clicking here.

June Minnesota Housing Board Report
The June Minnesota Housing board was relatively uneventful. Mike Finch, the agency’s board chair, brought relief to the plodding discussion of interest rate swap bonds by blue suited bankers. Finch invited everyone to loosen up in attire over the summer, strongly encouraging the bankers to show up at July’s meeting in Polo shirts.

The bankers and bond sellers were there to discuss options for the agency in light of the continued slump in financial markets. They said that fixed rate bonds, the bread and butter of the agency’s strategy to raise cash to purchase Minnesota mortgages, were not competitive. They suggested that, instead, the agency turn to selling more variable-rate bonds for which it “swaps” interest rates with other financial institutions in order to match its financial obligations with the fixed rate home mortgages it intends to purchase. The agency pays a small premium to exchange variable-rate for fixed-rate debt.
In other financial matters the board looked at the agency’s administrative budget for the coming year. The agency continues to run very efficiently. Like the previous three fiscal years, the estimated administrative expenditures of the agency for 2008 will amount to only 3 percent of the volume of loan and grant assistance provided by the agency, as reported by staff.

After some questioning about mission-match, the board voted to accept a staff recommendation to waive income and rent restrictions for an eight-unit rental property in the town of Warren. Staff explained that the property was running a series of operating losses and the agency’s permitted monthly rent of $700 was reduced to $550 to meet the depressed market of the Northwestern Minnesota town. Staff explained that the agency originally invested in the property not to meet affordable housing needs but, similar to communities in Southeastern Minnesota, to help the town recover from a flood. The board also approved converting the $325,000 amortizing loan on the property to a forgivable loan.

Finally, the agency introduced its summer interns. Two Humphrey students will be researching the economic impact of agency funding. They will report back to the board in September.

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**Resources**

**Pioneer Press Runs Series on Affordable Housing**

Last week the Pioneer Press printed a series of articles on affordable housing in the Twin Cities Metro Area, covering topics such as NIMBYism in the 'burbs and regulatory barriers to development. We highly recommend you take a few moments to read all of them if you haven't done so already.


**New Newspaper Looking for Public Service Announcements**

Minnesota's new Spanish-English newspaper, Eventos Sin Fronteras, is looking for PSAs. The bilingual publication is distributed in over 30 Southern Minnesota Counties and aims to provide information regarding valuable resources and services made available by community outreach organizations throughout Minnesota. The deadline for the August/September issue is July 17, 2008. Contact Larry Thompson at 612 382-1913, or ttahoe3@yahoo.com, for more information.

**State of the Nation’s Housing Harvard Report 2008**

This annual report is a “must-read” for anyone that works in housing. It tracks the most influential affordable trends as well as progress (or lack thereof) towards providing all Americans with safe, affordable homes. [http://www.jchs.harvard.edu/publications/markets/son2008/index.htm](http://www.jchs.harvard.edu/publications/markets/son2008/index.htm)

**Foreclosure Mitigation Resources**

NeighborWorks America is launching its new online learning center with an introductory course to foreclosure counseling. Click here for more information. [from KnowledgePlex](http://www.knowledgeplex.org/redir.html?url=htp://www.nw.org/network/training/elearning.asp)

**Reports Showcases Variety of Perpetual Affordability Mechanisms**

The Center for Housing Studies at Harvard University and NeighborWorks America recently released an inventory of strategies for perpetual affordability in hot markets. The report, called “Long-Term Affordable Housing Strategies,” reviews everything from abatements to zoning. Click here for more information.
**From the Home Front**

**Range Readies for Huge Economic Expansion**

On June 24, 2008, nearly 250 housing organizations and community leaders gathered at the Range Readiness Initiative conference. The aim of the initiative is to plan for the area’s housing needs for a potential five billion dollar economic expansion and at least 2,500 new jobs. Up to nine energy and mining projects in the Iron Range are slated to expand and spur job growth during the next six years. Minnesota Housing Partnership supports these efforts by facilitating Range Readiness meetings, such as the one in June, and making multiple multi-year financial commitments for housing.

At the June meeting, Bonestroo, a MN-based planning and engineering firm, released results from a market assessment that concludes the area will need 722 to 2,712 more housing units to meet demand. For the market assessment and other materials presented at the conference, go to [http://rangereadiness.com/housing/market-assessment](http://rangereadiness.com/housing/market-assessment).

Below lists news coverage of the event:

- Range boom triggers housing concerns, *MPR*
- Iron Range study puts focus on housing crunch, *Duluth News Tribune*
- Range needs housing to meet worker boom, *AP*

**MHP Welcomes Two New Staff Members and Says Thank You to Two Long-Time Staff Members**

Earlier this summer, Ann O’Toole started her retirement after ten years with Minnesota Housing Partnership. Ann held a variety of titles while at MHP, but is best known for her diligent management of the Crisis Housing Fund. Barbara Kennedy, MHP’s Administrative Finance Assistant, is now managing the Crisis program.

Also departing this summer after sevens years at MHP is staff member Liz Juelich. Liz, who is in law school at William Mitchell, accepted a position at a law firm earlier this summer, but has been assisting with the hiring and training of her replacement. Almost legendary for her attention to detail and follow-through skills, Liz frequently went above and beyond her title, Capacity Building Manager. Both Ann and Liz will be missed and we wish them the best of luck!

While saying goodbye to two of MHP’s most dedicated employees, MHP is excited to welcome two new employees. Cherre’ Palenius will be MHP’s new Housing Development Manager and Julie Nester will fill the new Program Officer position. Cherre’ brings to MHP 30 years of development experience with Minneapolis’ Community Planning & Economic Development (formerly known at Minneapolis Community Development Agency). Julie’s resume includes such varied experience as Legislative Analyst for the Minnesota House of Representatives, database designer for MNDOT and Indiana DOT, and President of the Weavers Guild of Minnesota. Welcome Cherre’ and Julie!

**Calendar**

**July 15-17**

**Advanced Financial Management Training**, San Antonio, TX. This workshop will provide training on accounting and financial management responsibilities for rural CHDOs. For more information about these
July 16
2009 Small Cities Development Program Technical Assistance Workshop, 8:30 – 11:30, South Central College
North Mankato Campus, 1920 Lee Boulevard, North Mankato, MN 56003. This workshop is aimed at representatives from cities, counties, townships, housing authorities, community action agencies, consultants, along with other housing/economic providers around the state. The principal focus of the session is to answer questions that may arise when completing an application for 2009 funding. Changes in the 2009 application include the introduction of the SCDP Short Form Application and information on supplemental bond funding for public facility projects. Please contact Gloria Stiehl (Gloria.stiehl@state.mn.us or 651-259-7462) to make reservations or with questions.

July 16-18.
HAC CHDO Training, Los Angeles, CA. There will be two tracks from which to choose. “Single Family Housing Development” will provide information about financing and developing affordable single-family housing in rural communities using HOME funds. “Building HOME for CHDOs and Nonprofits” will provide a comprehensive introduction to how CHDOs can use HOME funds to develop affordable housing in rural communities. For more information about these trainings, please go to HAC’s training webpage, www.ruralhome.org/servicesTraining.php, or contact Michael Spotts at registration@ruralhome.org.

July 23
2009 Small Cities Development Program Technical Assistance Workshop, 12:30 p.m. to 3:30 p.m., Country Suites By Carlson, 209 16th Street NE, Little Falls, MN 56345. This workshop is aimed at representatives from cities, counties, townships, housing authorities, community action agencies, consultants, along with other housing/economic providers around the state. The principal focus of the session is to provide answers to questions that may arise when completing an application for 2009 funding. Changes in the 2009 application include the introduction of the SCDP Short Form Application and information on supplemental bond funding for public facility projects. Please contact Gloria Stiehl (Gloria.stiehl@state.mn.us or 651-259-7462) to make reservations or with questions.

July 24
2009 Small Cities Development Program Technical Assistance Workshop, 8:30 a.m. to 11:30 a.m., Holiday Inn Detroit Lakes (Lakeside), Hwy 10 East, Detroit Lakes, MN 56501. This workshop is aimed at representatives from cities, counties, townships, housing authorities, community action agencies, consultants, along with other housing/economic providers around the state. The principal focus of the session is to provide answers to questions that may arise when completing an application for 2009 funding. Changes in the 2009 application include the introduction of the SCDP Short Form Application and information on supplemental bond funding for public facility projects. Please contact Gloria Stiehl (Gloria.stiehl@state.mn.us or 651-259-7462) to make reservations or with questions.

July 25 to 27
National NAHRO Summer Conference, Nashville, TN. The Summer Conference features general sessions with informative and engaging speakers; a Washington Update (find out what's happening in DC and at HUD); concurrent sessions on a variety of topics; an Awards Showcase that will give you a first-hand look at innovative programs and services that agencies are developing throughout the country; study tours that showcase Nashville and the surrounding areas; and pre- and post-conference professional development seminars. Click here for more information.
http://www.nahro.org/conferences/summer_agenda.cfm
August 6

Minnesota Housing HOME HELP Trainings, Minnesota Housing Finance Agency, 400 Sibley Street, Saint Paul, MN.

HOME HELP training is mandatory to originate the HOME HELP downpayment assistance program. Check with your manager to see if your company is able to offer the new federally funded downpayment assistance program from Minnesota Housing. We encourage loan officers, processors and underwriters from approved HOME HELP lenders to attend this technical assistance training. On August 6th, two trainings will be held:

- 10:00 a.m. to noon, Lender Training. Click here to register for this training. www.regonline.com/builder/site/Default.aspx?eventid=624475
- 1:00 p.m. to 3:00 p.m., Realtor Partner/Homebuyer Educator Information. Click here to register for this training. www.regonline.com/builder/site/Default.aspx?eventid=624490

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

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Upcoming Deadlines

July 15

MHP Grants Deadline for August 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.

July 18

RFP Deadline. MHP is accepting proposals for a consultant(s) to conduct a two-day training on Relocation and Tenant Assistance. Funding for this training will be provided by the U.S. Department of Housing and Urban Development (HUD) through the HOME Technical Assistance Program. Click here for more information.

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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.