



# THE MHP BULLETIN

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In addition to **The Bulletin**, MHP also publishes **The Capitol Update**, a newsletter that follows the ins and outs of state and federal housing policy and legislation that affect Minnesota. Click [here](#) to sign up for the **Update**.

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## NEWS

### **Community Profiles—Minnesota Housing’s New Way to Prioritize Funding**

To encourage proposals from communities where housing is most needed, the [Minnesota Housing \(MHFA\)](#) has developed community profiles, ranked by need based on 15 factors such as housing need, jobs, and transportation.

Currently on the Agency’s web site in draft form, “[Community Profiles: Housing Needs in Minnesota](#)” will be updated as information becomes available. According to John Patterson, Minnesota Housing’s director of research, the profiles will be used increasingly to direct Agency resources after 2010, when more information is available by Census tract. But even now staff will use the profiles to inform investment decisions. In addition to profiling each of Minnesota’s 87 counties, the Agency developed profiles for 51 communities.

The Agency's Community Profile report describes how it determines areas of "high need" for its investments. Yet it cautions readers about making generalizations: for example, while a community (or county) might not be considered high need, there could be a neighborhood (or town) in the area that so qualifies.

The 15 indicators used in the profiles prioritize investments toward one of four needs: *affordable rental housing*, *workforce housing*, *community stabilization*, and *economic integration*. For example, 14 counties qualify as high need for affordable rental housing, comprising the ring of counties surrounding Hennepin and Ramsey (except Dakota), as well as Wabasha, Morrison, Aitkin, Carlton and Lake counties. Such areas meet two Agency criteria: counties must have over 51% of their lower-income renter households paying more than 30 percent of income on housing, and the homeownership rate must be greater than 80%.

The Agency encourages comments on the criteria and hopes developers and communities find them helpful in their project planning.

### **Minnesota Housing Releases Draft Affordable Housing Plan**

In August, the Minnesota Housing board of directors had its first look the Agency's proposed two-year funding plan (October 2009–September 2011). Now in draft form, the plan will receive final approval at the Agency board's September 24 meeting. Once adopted, the plan will be posted on the [Agency's web site](#) and be presented to housing stakeholders across the state. (See the "Calendar" section, below, for the Affordable Housing Plan's Sept. 21 legislative hearing.)

The plan distributes \$1.4 billion from financial sources available to the Agency: state appropriations, federal funds, proceeds of Agency-sold bonds, and the Agency's own resources. The assets over which Minnesota Housing has most discretion are the Agency's allocation of its own resources and the Agency's distribution of HOME (federal block grant) funds. (For those discretionary allocations, see MHP's table in the [State Public Policy](#) section of MHP's web site.)

The plan for 2010–11 emphasizes a response to foreclosures and housing preservation. It includes funding for some new construction—primarily for rentals and a "modest" number of units for supportive housing or to support economic development.

#### *Highlights from MHP's review of the draft plan:*

- Due to the Agency's reduced profits, state appropriations, and bond sales, the overall funding commitment is down 14 percent from the prior, record-setting biennium. Commissioner Dan Bartholomay noted that the plan's funding commitment is still second-largest in Agency history.
- With lower net revenue this past year, the Agency will not add funds to its foundation. Even so, the Agency plans to draw down from the foundation \$52 million for its housing program—over half of the \$82 million in the foundation account.
- For the first time, the Agency is committing its own foundation resources (\$7.7 million), along with an additional \$32 million in loan funds, to the Challenge program. This program was recognized by Assistant Commissioner Orr for its flexibility and utility in addressing foreclosures. Orr said the program will be modified so that Agency can direct funds where most needed, rather than an automatic 50-50 division in fund use between rental and ownership housing.
- The MURL program (Minnesota Urban and Rural Homesteading)—which enabled nonprofits to rehab single family homes and sell to low income families by contract for deed—will be phased out. MURL was funded last biennium by \$6 million in Agency reserves, but staff said the program was too expensive to continue in a time of limited resources.

- Commitment to “the plan to end long term homelessness” remains. However, according to Assistant Commissioner Bob Odman, head of rental programs, Minnesota Housing will put more resources into addressing short-term homelessness. The Agency will wait to recalibrate the homelessness plan—after data is available from Wilder Research’s 2009 survey of homeless people.

### **August Minnesota Housing Board Meeting – Report**

Besides the Affordable Housing Plan discussion, this month’s board meeting included a review of the Agency’s 2009 audit, adoption of new Green Rehab criteria, and allocation of federal stimulus funds for tax credit projects.

Deputy Commissioner Patricia Hippe said the Agency had weathered a very difficult year and that is reflected in the audit. For the first time since its inception in 1973, Minnesota Housing saw a reduction in net assets. While its core business related to its bond sales and mortgage purchases posted a \$6 million gain, that was down from the prior year’s \$35 million. Hippe said the net revenue loss was caused by high loan losses and expenses for its loan-loss reserve account.

The board enthusiastically endorsed the Agency staff’s green-standards proposal for multifamily and single-family rehab projects. The adoption of green rehab criteria followed the approvals of new green multifamily housing (2007) and new single-family housing (2008). Staff advised the board that health and environmental standards for rehab were tougher to establish than those for new construction. Staff said the criteria would be effective for funding awards this coming January.

The board allocated \$45 million in federal cash grants and tax credit exchange resources available through the federal stimulus bill. Fourteen projects received the federal funds that are intended to move forward rental housing tax credit projects stalled by the market shrinkage for housing tax credits. Staff said they will need to monitor the use of these funds, as they do their rental loans, but they are not liable for repaying the federal government if program criteria are not met. About \$5 million in federal funds are still available for applications received in October.

### **Report Finds Urgent Need for Senior Housing**

A new report, “[The Elder Economic Security Standard™ Index for Minnesota](#),” assesses the cost of living for elderly individuals and couples in each Minnesota county. The study, released this summer by [Wider Opportunities for Women](#), concludes the cost of housing constitutes the greatest challenge for a senior in good health. Examining costs for bare bones living, researchers looked at seniors’ income relative to costs of food, transportation, housing, health care, and other necessities. 19 percent of Minnesota seniors (112,000 people) live with incomes that are substantially below the minimum required for meeting basic needs. Housing costs are particularly burdensome for the 20% of seniors who are homeowners with mortgages and the 22% who are renting.

A companion report, “[Elders Living on the Edge](#),” includes six policy recommendations—two of which concern housing. First, the report calls for maintaining the property tax refund (and renter’s rebate). The rental rebate increases the average senior recipient’s income by \$601. Second, the report calls for a strengthened commitment to affordable housing, including funding for repair and energy assistance, rental subsidies, and creating affordable housing options.

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## **RESOURCES**

### **New HousingLink Foreclosure Data Released**

In its [newest release](#) of supplemental data, this [HousingLink](#) report found Minnesota foreclosures down during the first half of 2009. However, there were more foreclosures (as measured by sheriffs’ sales) in the second quarter of 2009 than in the first quarter. (The report includes data by county for both the number and rate of foreclosures.)

**Mortgage Delinquencies by Legislative District Now Available**

A Government Accountability Office (GAO) report includes the number and percentage of seriously delinquent mortgages in every congressional district. *Characteristics and Performance of Nonprime Mortgages*, GAO-09-848R, is available at [www.gao.gov/cgi-bin/getrpt?GAO-09-848R](http://www.gao.gov/cgi-bin/getrpt?GAO-09-848R), or for a fee by calling the GAO at 866-801-7077. [From the *Housing Assistance Council*]

**Housing Subsidies are Key Component to Ending Homelessness for Families**

A [new report](#) finds that access to affordable housing is the key to preventing and ending homelessness for most families. The literature review, conducted by the [National Alliance to End Homelessness](#) and Enterprise Community Partners, found housing subsidies frequently are all that is needed to ensure families' housing stability.

**Shared Equity Homeownership: Affordability and/or Wealth Creation?**

A new Center for Housing Policy report, [Balancing Durable Affordability and Wealth Creation: Responding to Concerns about Shared Equity Homeownership](#), explores the potential of shared equity homeownership to balance long-term affordability with asset-building objectives—and how communities have responded to concerns over limiting families' wealth creation opportunities.

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## MHP at WORK

**HUD Awards MHP \$773K with Midwest Technical Assistance Consortium**

The U.S. Department of Housing and Urban Development (HUD) awarded MHP \$773,000 as lead-agency of a Midwest consortium to provide [Neighborhood Stabilization Program \(NSP\)](#) technical assistance (TA). In providing experts for communities to manage the backlog of foreclosed homes, MHP will coordinate and work with the [Greater Minnesota Housing Fund \(GMHF\)](#) and the [Wisconsin Partnership for Housing Development \(WPHD\)](#) in four states—Minnesota, Wisconsin, Iowa, and Nebraska. The only such regional effort awarded from the national TA pool, this consortium is among recipients of \$50 million in Recovery Act funds for stabilizing neighborhoods hard hit by foreclosure. ([Click here](#) for full press release.)

**MHP Secures \$345K in HUD Community Development Technical Assistance (CD-TA) Grants**

The U.S. Dept. of HUD recently awarded MHP three grants totaling \$345,000—to deliver technical assistance for affordable housing providers across the state. Awarded to national and state-based organizations, HUD's CD-TA funds assist local communities to produce more affordable housing and better serve persons who are homeless. Since 1995, MHP has been HUD's sole Minnesota-based TA-award winner.

**MHP Working with ZOOM House**

[ZOOM \(Zion Originated Outreach Ministry\) House](#) is a transitional housing program in Minneapolis dedicated to removing barriers for working, low-income families struggling to achieve economic self-sufficiency. Besides working with them under their HUD Cooperative Agreement for technical assistance, MHP is now to provide ZOOM House assistance with funding proposals to address some of their greatly needed capital improvements.

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## CALENDAR

**September 21****Minnesota Housing (MHFA) Affordable Housing Plan - Legislative Hearing**

2:30 P.M. at the State Office Building (Room 10) is a joint MN House/Senate legislative hearing on [Minnesota Housing's \(MHFA\)](#) bi-annual plan. This Affordable Housing Plan outlines how the Agency will

distribute funds from state appropriations, federal grants, land sales, and net earnings. For more information, contact [Julie Johnson](#).

### **September 29**

#### **Gubernatorial Candidate Forum**

6:30-8:30 P.M. at the Minneapolis Hilton, this forum on housing, homelessness, and poverty is part of the Minnesota Coalition for the Homeless Annual Conference (below). Presented by A Minnesota Without Poverty, Minnesota Housing Partnership, and the Minnesota Coalition for the Homeless (cosponsored by Lutheran Social Service, Joint Religious Legislative Coalition, Minnesota Realtors Association, Youth Moving Forward Coalition, Metropolitan Interfaith Council on Affordable Housing, and Davey Law). For more, visit [www.MnHomelessCoalition.org](http://www.MnHomelessCoalition.org) or contact Liz Kuoppala, MCH Interim Executive Director, at 218-248-5963 or [kuoppala@yahoo.com](mailto:kuoppala@yahoo.com).

### **September 29–30**

#### **Minnesota Coalition for the Homeless: Annual Conference**

Tues. and Wed., Sept. 29–30, at the Minneapolis Hilton, the [Minnesota Coalition for the Homeless](#) conference also celebrates their 25 years of service. [Click here](#) to register. For questions, email conference coordinator [Richard Sondah](#).

### **October 14**

#### **25<sup>th</sup> Annual Conference on Policy Analysis—Never Let a Serious Crisis Go to Waste**

Continuing Education & Conference Center, University of MN, St. Paul - Bringing together professionals from policy analysis, public affairs, planning, research, and applied social sciences, the all-day event features keynote by Chris Farrell, America Public Media/Minnesota Public Radio's economics editor; 3 plenary sessions; 8 concurrent sessions; and an evening reception hosted by conference cosponsors. For more, go to [www.cce.umn.edu/conferences/policy](http://www.cce.umn.edu/conferences/policy) or email [Sara Van Essendelft](#).

### **October 18**

#### **“IncrediBowl 2009” - Avenues for Homeless Youth Benefit**

The first annual IncrediBowl, a benefit for Avenues for Homeless Youth, is at the Park Tavern, St. Louis Park, 3-5 P.M. Cost: \$40 (\$30 is tax deductible)—for two games of bowling, shoe rental, pizza and pop and fun. To win prizes, be creative with teams of 5–6 (costumes, themes, etc.). RSVP by Sept 18<sup>th</sup> to Erin Campbell, Policy Coordinator, Office of Senate Majority Leader (Senator Larry Pogemiller), 651-296-2167.

### **October 23**

#### **Federal Housing Forum 2009**

MHP offers a comprehensive view of recent federal housing legislation and what it means for Minnesota communities. The featured guest speaker is Mark A. Linton, newly appointed Director of the Center for Faith-Based and Neighborhood Partnerships at HUD. Linton and housing industry representatives will discuss hot funding and program topics; for more [click here](#) or contact [Julie Johnson](#) at 651-925-5548.

### **November 17–19**

#### **On Solid Ground: Tools & Tactics for Managing Your Construction Program Training**

This MHP HUD training in Minneapolis is for state, county, and local government or nonprofit staff charged with overseeing rehabilitation or construction under the HOME program. The course covers implementing housing standards, resolving construction disputes, reviewing inspections, and ensuring units comply with cost and quality requirements. For more information, email [Julie Nester](#).

## Upcoming MHP Deadlines

### MHP's 2009–2010 Loan & Grant Committee Meeting Schedule and Application Deadlines:

- October 6, **2009** (*application deadline September 15*)
- December 1, 2009 (*application deadline November 10*)
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- February 2, **2010** (*application deadline January 12*)
- March 30, 2010 (*application deadline March 9*)
- June 1, 2010 (*application deadline May 11*)
- August 3, 2010 (*application deadline July 13*)
- October 5, 2010 (*application deadline September 14*)

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[The MHP Bulletin](#) is published and distributed monthly by the Minnesota Housing Partnership (2446 University Ave. W. Ste. 140, St. Paul MN 55114). It 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, call Rick Bernardo at (651) 925-5549 or email him at [Rick.Bernardo@mhponline.org](mailto:Rick.Bernardo@mhponline.org).

MHP also publishes the [MHP Capitol Update](#). Distributed weekly during the Minnesota legislative session, and monthly outside of session, the *MHP Capitol Update* provides information about state and national housing policy and politics that affect Minnesota. Please contact Minnesota Housing Partnership at [info@mhponline.org](mailto:info@mhponline.org), or [click here to subscribe to the Update](#).

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.