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NEWS

Richfield Distributes 10,000 Section-8 Applications—for 500 Wait-list Slots
New Wilder Study Tracks 13,000 Homeless Minnesotans in FY '07-08
October Minnesota Housing Board Meeting – Report

RESOURCES

Duluth: 2nd in Nation for Construction Losses
Affordable Loan Product Matrix—Available Online
HUD Releases 2010 Fair Market Rents: Most Areas See Increase
HAC Research Note: Foreclosures in Rural Minnesota
Report Finds Affordable Housing Near Transit at Risk in Minneapolis-St. Paul

MHP @ WORK

Federal Housing Forum 2009
Legislative Forum 10-29-2009
MHP Grants and Loans: Money for Greater MN
MHP Invests in Hibbing Housing Rehab Program
Call for New MHP Board Members

CALENDAR

Rural Development Regional Dialogs—Nov. 6, 9, 10
Becoming Green Stewards Workshop—Nov. 10
HousingLink Open House—Nov. 12
Shelter from the Storm – IOCP Sleep Out—Nov. 14–23
On Solid Ground: Tools & Tactics for Managing Your Construction Program—Nov. 17-19
25th Annual Homeless Memorial March & Service—Dec. 17

Upcoming MHP Deadlines

MHP's 2009–2010 Loan & Grant Application Deadlines

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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**.

NEWS

Richfield Distributes 10,000 Section-8 Applications—for 500 Wait-list Slots

October 8–9, the Twin Cities inner-ring suburb of Richfield opened its waiting list briefly to distribute applications for its Housing Choice Voucher (Section 8) program. The Housing & Redevelopment Authority (HRA) gave out 10,000 applications. Of those returned by the November 6 deadline, about 500 applicants will be selected by lottery to go on a waiting list for a voucher. The first day of the opening, MHP staff were there to interview applicants.

“When we first saw throngs of people gathered outside in the park, we wondered what event was happening. Then it hit us: *that* was the line of people waiting for an application,” said Chip Halbach, MHP’s executive director. Some applicants were not clear that spots on the waiting list would be by lottery; they showed up early, desperate to be among the first to sign up. “By the time we got there, the police had already been called to break up fights. The atmosphere was really tense,” Halbach added.

According to Lynnette Chambers, head of Richfield HRA's Section 8 program, as of October 28th about 3,500 applications had been returned, with many more expected. Yet even applicants lucky enough to be drawn for the waitlist spot will have a long wait for a voucher. Thirty-seven people are still in line from the last waitlist opening—in 2002.

MHP research manager Leigh Rosenberg spoke with about thirty Section 8 hopefuls: "They needed vouchers for many reasons, from job loss and inability to find jobs, to loss of homes through foreclosure, to medical conditions and low wages. The extremely high cost of housing leads to an untenable situation for many families. Many people spoke of too little money for food."

In the Twin Cities metro, the 2010 fair market rent for a 2-bedroom apartment is \$899—which requires a monthly income of about \$3,000 to be affordable. Chambers with the Richfield HRA is hopeful the first new applicants will see vouchers in late 2010, but says it's more likely to be early 2011. Only about four slots open up each month for the HRA's 230 vouchers. The next waitlist opening in Richfield is scheduled for 2014.

New Wilder Study Tracks 13,000 Homeless Minnesotans in FY '07-08

According to Wilder's first report of [Homeless Service Use in Minnesota](#) using the new [Homeless Management Information System \(HMIS\)](#), 13,000 individuals showed up in the HMIS system over the course of the 2007-2008 fiscal year, including about 4,700 in transitional housing and 8,800 in emergency shelters. HMIS data currently tracks approximately 80% of the state's transitional housing units and 30% of emergency shelter units.

Key report findings include:

- Minnesota's emergency shelter and transitional housing facilities were operating near full capacity throughout the year.
- Families had a longer median length of stay than individuals in both types of housing.
- Three-quarters of those in emergency shelters were men. However, when they had minor children with them, adults in emergency shelters and transitional housing were much more likely to be women.
- Non-white people were highly over-represented in shelters and transitional housing. This trend was even more pronounced among families, as compared to individuals.
- Disabilities were more common among people in shelters and transitional housing than the general public.
- Veterans accounted for 12% of individuals in emergency shelters.
- Point-in-time counts found 4,300 to over 4,500 people using emergency shelters or transitional housing each quarter during the 07-08 fiscal year.

The HMIS data system does not include all housing services for the homeless, and excludes domestic violence shelters for women. Where appropriate, HMIS data was supplemented in the Wilder report by data from Hennepin County and some St. Paul shelters. The report also compares Minnesota's HMIS data to Wilder's 2006 statewide homeless survey, HUD's national Annual Homeless Assessment Report (AHAR), and the general population of the state. In coming years, HMIS coverage is expected to improve, making possible more comprehensive reports.

October Minnesota Housing Board Meeting – Report

The major discussion topic for October's board meeting was the summer intern study of community land trusts (CLTs). Humphrey Institute student Nicholas Petersen assessed the variety of Minnesota's land trusts to better understand how they balance the competing goals of long-term affordability with asset building for the homebuyers.

Petersen reported that most of Minnesota's 600 community land trust properties are in Rochester and Duluth; there is significant variation in the way they divide price appreciation between homebuyer and the trust. Several Minnesota CLTs only enable a homebuyer to receive 25% of the appreciation in value of the structure, and none on the land. However, for the state's largest trust sponsor, First Homes in Rochester, the homebuyer receives 50% of appreciation on the structure. Petersen said that limiting homebuyers to 25% of the appreciation value actually allows homes to become more affordable to successive buyers. On the other hand, the 50% formula keeps homes affordable to future homebuyers at roughly the same median income percentage as the original homeowners.

There are several questions to consider from the review, said Petersen. First, if there is an increase in affordability to successive homebuyers, as with the most restrictive trusts, should the Agency require the trust to return some of the "profit" on the sale to the Agency (theoretically leading to property maintained at a constant affordability)? Second, should the Agency require that a set share of the appreciation go to a homebuyer to ensure asset-building? And finally, should the Agency consider limiting its investments in CLTs to specific markets, such as those experiencing significant price-appreciation?

Board member Celeste Grant, representing the State Auditor's office, asked whether the Agency should be concerned at all with wealth accumulation: long-term affordability, the agency's purpose, should be the dominant consideration. Jeff Washburn, director of Minneapolis' City of Lakes CLT, added that the analysis did not touch upon a number of land trusts' benefits, such as reaching significant low income and minority homebuyers. Minnesota Housing staff said that the study will be used to shape proposed policy for Agency investments in CLTs. They also noted the Ford Foundation was carrying out a major review of CLT home resales in Minnesota, Vermont, and Colorado.

Revisiting a past innovation stemming from the 1992 Hollman consent decree, the board approved a grant to help a Mounds View townhouse project with ten Metropolitan Housing Opportunities Program (MHOP) units to pay for deferred maintenance. Under the Hollman consent decree, HUD, Minneapolis, and Metropolitan Council agreed to a number of initiatives to reverse harm from public housing concentration in North Minneapolis. Under MHOP, an initiative intended to spread out public housing, HUD provided the Minneapolis Public Housing Authority funds to build or purchase townhouses in Mounds View and other suburban communities. The townhome public housing units were three to four bedrooms and housed large families. The property suffered in 2006, when HUD revised the property's operating subsidy and owners underestimated MHOP maintenance costs (which staff estimates at roughly 30% higher than other apartments). The owner ran out of reserves and required additional Agency funding.

A final note: Staff announced that the U.S. Treasury and state housing agencies came to an agreement which should at least temporarily enable Minnesota Housing to resume its mortgage business. For several months, the Agency's mortgages have not been price competitive due to the drop in investor interest in tax exempt revenue bonds. With the new agreement, the Agency expects 2010 to be a strong year for its purchase of home mortgages.

RESOURCES

Duluth: 2nd in Nation for Construction Job Losses

Between August 2008 and 2009, the area in the nation second-hardest hit by construction job loss was Duluth MN, which lost 33% of its construction workforce. Duluth was second only to Reno-Sparks NV, with a 35% decline, states the [Associated General Contractors of America](#) (AGC) plan, "[Build Now for the Future: A Blueprint for Economic Growth](#)." The plan is designed to revive the economy's hardest hit sector: construction. Stephen Sandherr, AGC's chief executive officer, said, "Simply put, you can't fix our economy until you fix the construction industry." For more of Sandherr's remarks, current construction employment data, and the recovery plan, visit [Blueprint.agc.org](#).

Affordable Loan Product Matrix—Now Available Online

For over a decade, the [MN Home Ownership Center](#) has produced the “[Affordable Loan Product Matrix](#)” to inform non-profit housing counselors of affordable loan programs available to their clients. To assist low- to moderate-income buyers of first homes, the matrix includes programs with flexible underwriting guidelines, higher LTV limits, lower buyer investment, and *required* homebuyer education and/or counseling. For the first time, the Center is making the Affordable Loan Product Matrix available online to the general public, real-estate and lending professionals.

HUD Releases 2010 Fair Market Rents: Most Areas See Increase

[HUD's newly released fair market rents](#) for two-bedroom apartments in Minnesota range from \$588, in 39 Greater Minnesota counties, to \$899 in the 11-county Minneapolis-St. Paul metro. Nearly all counties saw a 1–3% increase in their 2-bedroom Fair Market Rents (FMR) over 2009. The exceptions were Blue Earth and Nicollet counties; each changed more dramatically (down and up respectively) after being combined into a single Mankato-North Mankato metropolitan area. The FMRs are meant to represent the 40th percentile for rent, including utilities, for each area. Counties that make up the same metropolitan statistical area share the same FMR.

HAC Research Note: Foreclosures in Rural Minnesota

The impact of recent foreclosures in rural communities became a little clearer through the [Housing Assistance Council's](#) (HAC) October 2009 Research Note—an overview of rural lending contrasted with urban loans. Fewer financial institutions exist in rural areas, compared to urban locales, leading to higher consumer costs. A disproportionate burden on minority borrowers also surfaces in rural areas; for instance, while 17% of all rural borrowers have high cost loans, the figure is 27% for rural minority borrowers. The Research Note looks at two types of rural housing: manufactured housing (two-thirds are in rural areas) and Section 502 USDA home purchase loans. HAC reports that 3.7% (as of March 2009) of manufactured homes were 30-plus days delinquent, as were 13.5% of 502 direct loans (loans made to lowest income homebuyers, as of September 2008). See HAC's [Reports](#) section.

Report Finds Affordable Housing Near Transit at Risk in Minneapolis-St. Paul

A [new AARP report](#) of 20 cities, including the Twin Cities metro, found that about 6,000 (38%) of privately-owned, federally subsidized apartments exist within a half-mile walking distance to quality transit in the Minneapolis-St. Paul metro area. With rising demand to live near transit and upward pressure on housing prices, this critical housing resource for older Americans increasingly is at risk. Expiring government subsidies pose added jeopardy: in the Twin Cities area, about 70% of these well-located units have contracts set to expire by 2014. The report concludes that preserving affordable housing near transit is essential for creating livable communities for older Americans. The report was co-authored by the [National Housing Trust](#) and [Reconnecting America](#).

MHP @ WORK



Federal Housing Forum 2009

As housing initiatives evolve rapidly—and federal programs respond to the worst economic crisis since the Depression—the impact on Minnesota will last for years. Oct 23rd at the Wilder Center, MHP convened the “Federal Housing Policy Forum 2009” with a look at what it all means for Minnesota. Presenters sharing information and insights included **Mark A. Linton** (pictured left), Director of the Center for Faith-Based and Neighborhood Partnerships (HUD); **Colleen Landkamer**, Minnesota State Director for Rural Development (USDA); **John Patterson**, Minnesota Housing's Director of Research & Evaluation; **Michele Smith**, HUD's Director of MN Office of Community Planning and Development; Minnesota Housing's Assistant Commissioner, **Tonja Orr**; and other community experts. Find forum agenda and speaker notes, pictures (and soon some presenter recordings)—as well as MHP's [Federal Housing Pages](#) (web tools for communities, stakeholders, developers, advocates, and citizens to track federal programs and resources)—all through links on [MHP's Federal Public Policy](#) page.

Legislative Forum 10-29-2009

October 29, MHP facilitated an information session for the legislative housing caucus on the impact of federal programs in Minnesota. Legislators were updated on the implementation of stimulus programs as well as pending federal housing legislation. In addition, legislators were informed about the health impact of housing investments. Dr. David Jacobs of the Maryland-based National Center on Healthy Housing described how the right investments in housing can have significant impact on the health of low income tenants, as well as other benefits. Dr. Jacobs drew upon his soon to be published study of Worthington's Viking Terrace, a project recently redeveloped to green building standards by the Southwest Minnesota Housing Partnership. Besides a 46% reduction in energy costs, Jacobs said the proportion of adult residents identified as "healthy" increased from 32% to 62%.

MHP Grants and Loans: Money Goes to Greater MN

At its October Committee meeting, MHP awarded a \$10,000 Community Building Recoverable Grant to the Southwest Minnesota Housing Partnership (SWMHP). The funds will cover exploratory expenses for development of a multifamily rental project in partnership with the city of Saint Peter, for its Washington Terrace subdivision.

MHP Invests in Hibbing Housing Rehab Program

Through MHP's Rehab-Organizational Investment Program, Hibbing Housing & Redevelopment Authority (HRA) has been granted \$10,000 for each of 2 years. Using MHP's Rehab Toolkit, the HRA will, for its first time, develop a single-family rehabilitation program. Work with the Hibbing HRA will serve as a model for other communities.

Call for New MHP Board Members

MHP is now seeking candidates for our board of directors. We encourage inquiries about board membership from individuals from nonprofit, local government, and private sectors who support our mission of promoting affordable homes for all Minnesotans, and assisting communities to create and preserve affordable homes. Email Chip Halbach at CHalbach@MHPonline.org.

CALENDAR

November 6, 9, 10**Rural Development Regional Dialogues**

Minnesota Housing, Greater Minnesota Housing Fund, and the Minnesota office of USDA Rural Development are hosting a series of regional dialogues. Already completed for the Northeast and Central regions, other dialogues will be November 6 in Mankato for the Southwest and Southeast regions, November 9 in Bemidji for the Northwest region, and November 10 in Fergus Falls for the West Central region. For more, see the link on [Minnesota Housing's home page](#) or email [Kristi Tramp](mailto:Kristi.Tramp).

November 10**Workshop: Becoming Green Stewards: How Nonprofits and Building Owners Can Protect the Environment and Cut Costs through Energy Efficiency & Renewable Energy**

Organized by [The Minnesota Project](#), this free workshop is 1:30–4 P.M. at the [Wilder Center](#) (451 Lexington Pkwy N., St. Paul 55104). Discover next steps and energy-saving programs to help your organization or company be good stewards of planet resources and make dollars go further. Learn about the [Energy Innovation Corridor](#); talk with energy experts and network with other nonprofit and building management professionals. For agenda, expert presenters, and to register go to: <http://eicenergyworkshop.eventbrite.com/?ref=ebtn>. Email The Minnesota Project's [Dan Thiede](#) with questions.

November 12**HousingLink Open House**

Presenting [HousingLink's](#) new offices and website, 4–7 P.M. (short program at 5:30), at 1200 West Broadway Ave - Suite 250, Minneapolis. For more, call 612-522-2500.

November 14–23**Shelter from the Storm – IOCP Sleep Out**

Interfaith Outreach and Community Partners' (IOCP) [The Sleep Out 2009](#) is a campaign to raise awareness and funds for the housing needs of families in the 8 western Twin Cities communities IOCP serves.

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. To register, go to [MHP's web site](#) and click on the training tab.

December 17**25th Annual Homeless Memorial March & Service**

Average life expectancy in America is 77 years; life expectancy for a homeless person is 47 years. Sponsored by Simpson Housing Services, Minnesota Coalition for the Homeless, and Shelter Providers Action Association, this occasion honors community members who died in 2009 while experiencing homelessness: 5 P.M. March & Silent Vigil at Hennepin County Government Center (3rd Ave. S. and 5th St. South); 6:30 P.M. Service of Remembrance at Simpson United Methodist Church (2740 1st Ave. S.); 7:30 P.M. Community Meal at Simpson Shelter (basement of Simpson Church). For more information—speaker, music, transportation—go to www.simpsonhousing.org/memorial, or contact Eric Johnson at 612-455-0858; EJohnson@simpsonhousing.com.

Upcoming MHP Deadlines

MHP's 2009–2010 Loan & Grant Application Deadlines:

- *January 12*
- *March 9*
- *May 11*
- *July 13*
- *September 14*

[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.

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, 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.