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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

MHP “2 x 4” Report and New Wilder Report Confirm Increased Homelessness

Newly released initial findings from Wilder Research on [people experiencing homelessness](#) in Minnesota suggest the economy has made homelessness worse (see “Resources” section, below). [Minnesota Housing Partnership’s \(MHP\)](#) fourth quarter 2009 “2 x 4” [Report](#) tells a similar story, with evidence of the tough economy and more homelessness.

The latest “2 x 4” Report found that fewer workers were able to earn a living by building and rehabbing homes than in any fourth quarter since 1992. In the last four years, Minnesota has lost well over half its housing construction jobs, leaving families struggling to make ends meet.

In addition, more owners were falling behind on mortgage payments with no relief from high foreclosure rates. But there were signs that federal dollars are addressing recent increases in homelessness and the real estate market is stabilizing.

In fourth quarter 2009, the data showed continuing hardship for many trying to make ends meet—and the crucial need for state investment in housing to create jobs and ensure resident affordability:

- Twin Cities rental market vacancies continued upward—to the highest in over five years, likely due to families doubling up to save on rent.
- Mortgage delinquencies for primary (first lien) mortgage holders increased—yet again—now reaching 8.1%.
- Homelessness was 66% higher in the 4th quarter of 2009 than the 4th quarter of 2006. Minneapolis and St. Paul schools identified 4,700 kids as homeless—8% more so far this school year than last school year. At the same time, there was a dramatic drop in Hennepin County homelessness in December—likely due to the rollout of a federal homeless prevention program funded by the stimulus bill.
- The number of people employed in housing construction fell to 8,500—a 4th quarter figure not seen in 18 years.
- Signaling a possible end to the glut in supply, the inventory of homes for sale in the Twin Cities metro fell to the upper end of what is considered a “balanced” level.

[MHP's “2 x 4” Report](#) graphically depicts 2 indicators for each of 4 key housing areas: *the home ownership market, the rental market, homelessness, and the housing industry.*

March Minnesota Housing Board Meeting – Report

Prior to regular board business, Commissioner Bartholomay introduced Pat Hanson as the new assistant commissioner for housing programs. In this new position, Ms. Hanson oversees the Agency's rental, homeownership, and community development divisions. She will help strengthen interdivision work and plan for staff leadership succession. Ms. Hanson had recently retired from Wells Fargo, where she was president of community development, specializing in lending.

Next the board was provided a mid-year update on the Agency's financial status and its loan programs. Six months into the 2010 fiscal year, the Agency is running a projected year-end loss of about \$1 million. Deputy Commissioner Patricia Hippe said that the Agency still has a strong ability to generate revenues through its mortgage business. The current loss was attributed to the allowance for bad debt from Agency mortgage loans. Without this expense, the Agency would be on track to post a “profit” of about \$30 million, an amount in line with Agency earnings in less chaotic financial times.

Unfortunately, these loan losses are likely to continue for some time, said Assistant Commissioner Mike Haley. The pace of defaults on Agency loans has not subsided. The Agency now has about 120 foreclosed homes. And currently, because property values have declined so much, the Agency is losing \$23,600 on each foreclosed home, even after recovering loan insurance proceeds. Mr. Haley said that the Agency and its loan servicers are doing everything they can to avoid foreclosing on homes. Ms. Hippe told the board that, because the Agency has started securitizing most of its loan acquisitions, financial losses caused by foreclosures should eventually subside.

The board also discussed the approval of the Qualified Allocation Plan (QAP) for the 2011 low income housing tax credits, which governs the use of tax credits awarded to rental housing projects this fall. New board member Barbara Sanderson raised a concern that the points given for proximity to transit would disadvantage proposals from smaller communities. She referenced the Arrowhead Economic Opportunity

Agency's (AEOA) dial-for-service bus operation in the Iron Range area: this is the region's only public transit, but it lacks a fixed route, and therefore does not meet the new criterion. Staff replied that, for the first funding round, Greater Minnesota proposals did not compete against Twin Cities proposals. Board members pointed out that, based on this factor, the Iron Range would be at a competitive disadvantage compared to proposals from Greater Minnesota communities like St. Cloud or Duluth, with set transit lines.

This discussion led to a broader one about whether or not Agency scoring criteria and programs serve rural communities as well as they do larger, regional centers. Commissioner Bartholomay said that he wanted the Agency to investigate how well Agency programs, as well as other state and federal programs, work in meeting local needs in different types of communities.

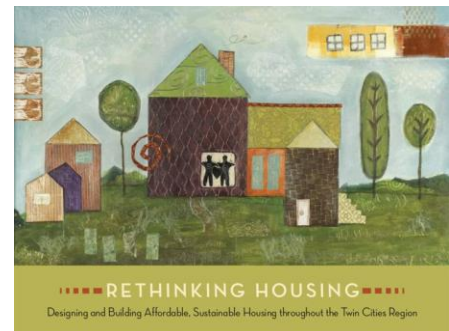
In its effort to meet federal deadlines for Neighborhood Stabilization Program (NSP) fund allocation, the Agency exercised its right to re-allocate monies for foreclosure remediation. They transferred funds to communities that were demonstrating an ability to fully utilize available NSP funding from those that were not. Staff told the board that about 49% of the Agency's \$38.3 million NSP allocation had been committed since 21 suballocators were selected in February 2009.

In the re-allocation, four Greater Minnesota recipients and one Twin Cities recipient lost funding: Elk River, Monticello/Otsego, Zimmerman, Buffalo, and Washington County. The re-allocated funding went to the cities of Rochester, Duluth, Big Lake, and Anoka and Scott counties. Staff said the major problem in Greater Minnesota was that communities relied on time-intensive buyer-driven acquisitions of foreclosed homes. In Washington County the problem was two-fold: a delay due to loss of county NSP program staff, and the bidding requirements for use of NSP funds, which placed the program recipients at a disadvantage to private buyers. Staff said that they would continue to help sub-recipients use all NSP funds, but would need to do another re-allocation this June if any fall behind in using the funds.

RESOURCES

Rethinking Housing - online resource

"A Continuing Conversation to Identify and Develop Innovation in Buildings, Places, and Systems throughout the Twin Cities Region," this initiative sponsored by the Family Housing Fund, The McKnight Foundation, Metropolitan Council, Minnesota Housing, Twin Cities LISC, and the ULI Minnesota/Regional Council of Mayors provides thought-provoking information and analysis from regular contributors and guest writers, while showcasing best practices and innovations in design, policy, and financing. Visit the [Rethinking Housing](#) website, submit comments, volunteer as a guest writer, or suggest relevant topics for posting. Or view a [Summary Report](#) from November's Rethinking Housing forum.



Homelessness in Minnesota – 2009 Survey Initial Results

On March 31, Wilder Research released initial findings from Minnesota's most definitive [study of people experiencing homelessness](#), which suggest the economy's role in worsening homelessness. Wilder releases the full report in May. For instance:

- 9,452 homeless adults, youth, and children were identified in shelters, transitional housing, and on the streets—a stark 22% increase from 2006.
- The number of homeless families with children increased by 27% to 1,670 in 2009, from 1,318 in 2006.
- Compared to 2006, a higher proportion of people attributed their loss of housing to being evicted, having a foreclosure, or failing to have their lease renewed.

- 40% of people interviewed (up from 31% in 2006) reported that job loss or reduction in hours was a reason they last became homeless. Overall, fewer homeless people were employed in 2009 than in 2006, and employed people worked fewer hours.

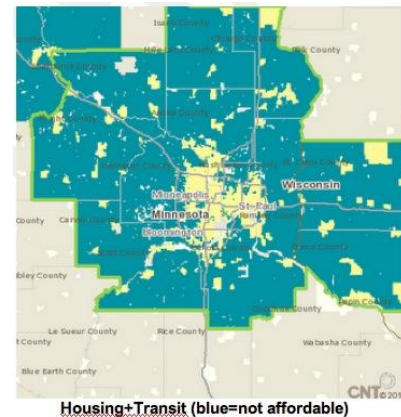
Again in 2009, people of color were vastly over-represented among the homeless. People of color make up 62% of Minnesota's adult homeless population, but only about 13% of the adult population.

Paycheck to Paycheck Study Looks at Minneapolis & Duluth Housing Affordability

The newest [Paycheck to Paycheck study](#) looks at rental and ownership affordability for workers of different occupations in hundreds of cities across the country. Out of 207 cities, Minneapolis and Duluth (the two Minnesota places included), had higher-than-average percent declines in the amount needed to afford a home from 2008 to 2009. - [MHP commentary: The home values used in the study (\$170,000 in Minneapolis and \$110,000 in Duluth) might paint an overly optimistic picture of affordability for homebuyers. Local data from the Minneapolis Area Association of Realtors find that in February 2010, although the median sales price was \$158,000, traditional homes, excluding foreclosures and short sales, sold for a median of \$204,900. While some workers would be able to purchase a foreclosed or short sale home, many do not have the resources to be able to purchase such homes, or the ability to compete with investors for such properties.]

Housing & Transportation Indices for Greater MN Cities

The Center for Neighborhood Technology has expanded its [Housing + Transportation Affordability Index](#) to 337 metro areas. The index, first developed in 2006 for the Minneapolis-St. Paul area, aims to paint a truer picture of housing affordability by including the transportation costs. The new release includes maps for these Greater MN metro areas: [Duluth-Superior](#), [St. Cloud](#), and [Rochester](#), as well as [LaCrosse WI-MN](#), [Fargo-Moorhead](#), and [Grand Forks ND-MN](#). The release also includes the original [Twin Cities](#) map. While much of the data relies on the decade-old 2000 census, the maps show that, in general, when the cost of transportation is included, living in central cities is often far more affordable for residents.



MHP @ WORK

New MHP Board Member

Welcome to Skip Duchesneau, appointed to MHP's board of directors for a term starting in July. Skip is the president of D.W. Jones Management, Inc., a family-owned business in Walker, MN which, since 1989, has developed and managed affordable housing in central and northern MN and North Dakota.

MHP Fosters News to Support Affordable Housing

The past 2 weeks have seen at least 5 news and opinion pieces making the case for affordable housing in Minnesota—starting with the *Star Tribune's* rapid coverage of MHP's March 22nd release of the ["2 x 4" Housing Indicators](#) report: ["Would-be Renters Living with Family, Friends."](#) A piece in *Finance & Commerce* followed: ["Minnesota Housing Construction Jobs Tumble."](#) The next week, the *Pioneer Press* included MHP's voice for housing in, ["Is Any Home Good Enough for the Homeless?"](#) followed by an MHP letter of correction that again made the case for essential state investment in housing choice, ["A Necessary Conversation."](#) Early this week the MN News Connection (Public News Services) also covered MHP's "2 x 4" Housing Indicators report in: ["Tough Climb for MN Housing Construction."](#)

Building Support for a Range of Housing Choices – Research-Based Talking Points

At a March MCCD ([Metropolitan Consortium of Community Developers](#)) housing committee meeting, MHP facilitated a conversation between [Action Media](#) and nonprofit housing developers on new message research. Action Media presented their [McKnight](#)-funded findings about Minnesotans' support for affordable housing: developers face the challenge of bringing change into communities where residents are comfortable with the status quo. Responding was a panel: Lee Blons of [Plymouth Church](#)

[Neighborhood Foundation](#), Paul Fate of [CommonBond](#), and Matthew Ides of [SPARC](#). They emphasized the need for cultivating local allies, for helping neighbors appreciate the attractiveness of currently produced affordable housing, and for seeing that intended residents share their values. For a copy of Action Media's talking points, [click here](#).

The Capitol Update—As-It-Happens Legislative Session Housing Updates

During the Minnesota legislative session MHP publishes *The Capitol Update*, a newsletter following the state and federal housing policy and legislation affecting our state. Click [here](#) to sign up for the *Update*.

CALENDAR

April 7–May 12

[TeamWorks 2010: Working to End Homelessness \(6 Wednesdays\)](#)

Following on the City of Minneapolis/Hennepin County's 9th Project Homeless Connect event in March, HandsOn Twin Cities presents [TeamWorks 2010: Working to End Homelessness](#). This set of weekly service learning projects provides volunteers with the insights and community connections essential to fully appreciating the causes and consequences of homelessness, as well as background to help advance real solutions. Presenters are from MHP, the Minneapolis Office to End Homelessness, People Serving People, MN DHS, MN Assistance Council for Veterans, and the MN Coalition for the Homeless. MHP's presentation on April 14 will be on housing affordability. Cost: \$25 for food and beverages. Space is limited. For more, contact Sam Tracy at sam@handsontwincities.org or (612) 379-4900 x.22.

April 12–15, Aug. 23–25, Nov. 15–19

Housing Development Finance Professional (HDFP) Certification Program

North Hennepin Community College, Center for Training & Development (7411 – 85th Ave N., Brooklyn Pk) - The National Development Council's (NDC) 4-course HDFP Certification Program is a training series that thoroughly examines affordable housing finance and development. Public agency and non-profit participants learn steps to housing development, techniques to analyze and structure financing for home ownership and rental housing, and the problem solving and negotiating skills needed to make complicated deals feasible. Topics include the housing development process, historic rehabilitation and low-income housing tax credits, negotiating, problem solving, deal structuring, and more: April 12-15: HD410 – Home Ownership Finance / Aug. 23-25: HD422 – Computer Spread Sheet Analysis / Nov. 15-19: HD430 – Housing Development Finance: Problem Solving & Deal Structuring. For more, contact Mark Vahlsing at [Minnesota NAHRO](http://Minnesota.NAHRO): 651-925-4070 or events@mnnahro.org

April 13, 14 or 20

Free Webinar: Smoke-Free Housing for Rental Property Managers

Own or manage rental property? Want to save money and time by slashing cleaning costs? Find out more through a free webinar about the benefits of smoke-free rental properties: Attorney Warren Orland of the Public Health Law Center answers legal questions and walks property managers through the steps to going smoke-free. Secondhand smoke is a major health issue—especially for children and seniors. Hosted by [Live Smoke Free](#) and free on 3 dates: April 13th (10:30 A.M.–noon); April 14th (noon–1:30 P.M.); April 20th (1:30–3 P.M.). Register by visiting www.mnsmokefreehousing.org/webinar. For more information—or for renters with secondhand smoke concerns—call (651) 646-3005.

April 16

CURA Housing Forum: Small Scattered Site Development... Does it Work?

12:00–1:30 P.M., L-110 Honeywell Auditorium, [Carlson School of Management](#) (West Bank Campus: 321 -19th Ave S., Mpls). Speaker: Chad Schwitters, Executive Director/Urban Homeworks, Inc. Free and open to the public, this [CURA](#) Housing Forum includes a “powerless point” presentation describing the Urban Homeworks model while addressing the importance of duplex, triplex, and other small multi-unit rehabilitation, stabilization, and highly relational (yet structured) property management. [Register by April 15th online](#) or by phone (612-625-9040).

April 19, May 11, June 15**Free series: Getting It Done—Creating Transit-Oriented Development & Walkable Communities**

Sponsored by [Twin Cities LISC](#), this workshop series of technical content for implementation tools and policies has three remaining sessions: April 19 - Connecting Land Use and Transportation, Overcoming Regulatory Obstacles; May 11 - Equitable Development and Community Benefits; and June 15 - Financing of Transit-Oriented Districts—Building Public/Private Partnerships. The events are free but registration (by April 14 for the next one, April 19) is required, as space is limited. To register, contact Gretchen Nicholls at gnicholls@lisc.org or 651-265-2280. For details, see the “Getting It Done” link at [Twin Cities LISC’s](#) web site.

April 23, May 21**Training Series: Services & Supportive Housing**

Offered by video conference system from locations across Minnesota, the series features speakers from around the state and throughout supportive housing. No fee for these Friday trainings (1:30–3 P.M.), but you must register—materials available on [CSH Minnesota’s](#) website: April 23 - “The Harm Reduction Approach for Tenants with Hardships” / May 21 - “Supportive Services at Scattered Site Locations.”

May 3**Supportive Housing Program (SHP) Start-Up Video Conference**

This annual “SHP Start-Up Video Conference” will be broadcast live from St. Paul to locations around the state. For an email alert when registration opens, go to the [Training section of MHP’s website](#) and click on the “[MHP Training Email Alerts](#)” link.

May 8, 15, 22 (series)**Leadership Training for Housing Residents (April 16 application deadline)**

The Amherst H. Wilder Foundation, with the St. Paul Public Housing Agency, again offers the “Housing Leadership Program: Building Connections to Community” for individuals in public housing, supportive housing, subsidized housing, low income housing, or Wilder housing. The 3-session program is free and open to residents in St. Paul or the East Metro area. For details and to apply, contact PattiJo Verdeja at WilderNLP@wilder.orgorby or 651-280-2457.

November 8**“Homes for All 2010” • Call for Presenters**

[Homes for All 2010](#) has issued its call for presentation proposals (due May 14). See the [web site](#) to apply online—and mark your calendar for Minnesota’s largest gathering of affordable housing supporters and experts at St. Paul’s RiverCentre. (Co-hosted by MHP and Twin Cities Habitat for Humanity.)

**Upcoming MHP Deadlines****MHP Funds 2010 Application Deadlines:**

- *May 11*
- *July 13*
- *September 14*
- *November 16*

[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 for future issues, or if you want to unsubscribe, call Rick Bernardo at (651) 925-5549 or email him at Rick.Bernardo@mhponline.org.

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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.