

# The MHP Bulletin

June 8, 2007  
Volume 6, Issue 6

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## News

### Federal Update

#### **HEARTH Act Congressional Briefing**

Minnesota Housing Partnership and its federal housing policy advocacy partners are hosting a congressional briefing on the [HEARTH Act](#) on Monday, June 18 from 9 a.m. to 10 a.m. The HEARTH Act, or Homeless Emergency Assistance and Rapid Transition to Housing Act, consolidates all HUD McKinney-Vento programs except Emergency Shelter Grants. The act also updates the definition of homelessness to reflect the definition used by other federal agencies.

Staffers from all of Minnesota's congressional offices have been invited to participate and communicate their interest in supporting the HEARTH Act and hear constituents share their views on this important legislation. Join us at one of our many briefing sites situated throughout the state (see attached flyer for more information). To find out if there is a briefing site in your area, please contact Linda Larson ([lindal@homelinemn.org](mailto:lindal@homelinemn.org)) at 612-728-5770 ext.106.

#### **Federal Candidates Housing Policy Profile Series Part 1: John Edwards**

Last August, the **Washington Post** reported that despite the nation's increasing need for affordable housing, it was one of the least talked-about issues in recent national elections. It seems the federal government's seventy-year interest in affordable housing has eroded. In fact, as the **Post** pointed out, neither Sen. John Kerry nor President Bush even proposed affordable housing plans during their 2004 campaigns. In contrast, a recent Zogby America poll reported that nine out of ten American's cited affordable housing as a high priority. In the months leading up to the 2008 elections, numerous organizations, including MHP, will be tracking presidential hopefuls' housing policy (or lack thereof). This effort will work to reinstate housing as a priority issue in presidential politics. We will support these efforts by reporting on one candidate each month, starting with the most vocal anti-poverty candidate thus far: John Edwards.

Former North Carolina Senator John Edwards made eliminating poverty in America one of his main platform issues, calling it "[the great moral issue of our time](#)." He proposed the most ambitious attack on poverty since the late 60's, explaining that housing is crucial to economic opportunity. Edwards' says reforming HUD, promoting "regional decision-making," and de-concentrating affordable housing through the distribution of one million new Section 8 Housing Vouchers are among his initiatives. Notably, this last initiative also includes "[ending existing public housing that ties families to certain locations](#)."

For more detailed campaign information, go to:

- [On Poverty, Edwards Faces Hurdles, \*Washington Post\*, May 7, 2007](#)
- [A National Goal, End Poverty Within 30 Years, <http://johnedwards.com/>](#)
- [Radically Overhauling HUD, <http://johnedwards.com/>](#)

## State Update

### Minnesota Legislative Review 2007

Minnesota Housing Partnership and its advocacy partners achieved numerous policy victories in Minnesota's 2007 legislative session. Our most significant accomplishment was working with the Legislature and governor to increase affordable housing appropriations by over \$44 million. Of the additional \$44 million, \$15 million went to the Housing Challenge Program, which is Minnesota's primary vehicle for creating new affordable housing.

Most of Minnesota Housing Partnership's legislative agenda garnered bipartisan, bicameral, and administration support, helping many of MHP's initiatives make their way into final omnibus bills. In fact, the sales tax exemption on construction materials for affordable housing was the largest tax exemption in the final Omnibus Tax Bill. For reasons unrelated to any of MHP's initiatives, the Tax Bill, which also contained the Low Income Rental Classification modifications, was vetoed by the governor. To receive MHP's legislative session summary and final budget numbers, please contact Barb at [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org).

### Minnesota Housing's May Board Report

#### *Legislative Wrap-up*

Much of the May board meeting focused on assessing and celebrating the outcome of the 2007 legislative session. The budget adopted by the Minnesota Legislature closely tracked the governor's recommendations. Commissioner Marx said the \$114 million legislative appropriation for the upcoming biennium represents a 62 percent increase over current funding. In addition, the agency's \$90 million base budget appropriation is the biggest ever for the agency.

Another legislative outcome was the passage of manufactured housing legislation. The agency was named trustee for monies paid by residents and owners of manufactured home parks for a park-closure relocation fund.

Agency staff further noted that the legislature failed to increase counseling funding to address the epidemic in mortgage foreclosures. The legislature also failed to pass a revolving loan program for lead paint removal and an incentive program to encourage the use of home equity to pay for in-home health care.

#### *Strategic Planning*

In other action, the staff prepared the board for the June strategic planning meeting where it will set agency priorities for the next four years. In conjunction with the planning discussion, the agency will establish financial principles and parameters for its two-year Affordable Housing Plan, to be adopted in September. For the first time in its funding plan, the agency will distinguish use of cash in its mortgage business from grant equivalent funds that it will allocate in a foundation-like manner.

#### *Board Action*

The board adopted a procedure manual change enabling the agency to provide Community Revitalization Fund (CRV) dollars to Habitat for Humanity. Previously, Habitat affiliates were excluded from CRV because they benefited from a secondary market program the agency established to purchase loans Habitat affiliates made to their homebuyers. The board also adopted a rule change allowing Minnesota Housing to increase payment to agencies administering state rental assistance programs. Payments are up to ten percent of the assistance awarded based on program size. Administrators of flat-payment rent assistance or those serving large geographic areas are allowed additional amounts. Previously, Minnesota Housing limited administrative payments to that allowed under the Section 8 program.

#### *Miscellaneous*

The agency's summer interns were introduced. Their project will be to work with staff to assess long-term costs of operating multifamily housing. This assessment will help create a baseline for the agency as it tries to identify cost savings from its new sustainable development guidelines. —*Chip Halbach*

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## From the Boardroom

### Minnesota NAHRO Names Chip Halbach 2007 Award Recipient

At Minnesota NAHRO's 2007 Spring Conference, Chip Halbach, founder and executive director of the Minnesota Housing Partnership, was awarded the Housing & Community Development Achievement Award. The Achievement Award is presented annually to a non-NAHRO member who has greatly contributed to the success of Minnesota NAHRO Members' programs. Award nominations cite Halbach's thirty years of local and state housing leadership and his "absolutely tireless" advocacy efforts for the recognition. One nomination letter explains that "despite all his experience and accomplishments Chip remains a humble and dedicated friend to all those families who he has helped house through his Sisyphian\* efforts." Congratulations, Chip, and thanks for all your hard work!

*\*For those of you who can't remember one iota of their high school Greek mythology, Sisyphus is the guy charged to eternally roll a giant rock up a hill, only to have it roll down when he reaches the top. (Nice reference, Tom!)*

### Project Profile: Semcac's Spanish Home Stretch in Southeastern Minnesota

*This is the first in a series of articles celebrating the successes of MHP's grant-recipients. Please contact Barb Jacobs at [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org) if you have suggestions for future Project Profiles.*

One of the major barriers to becoming a successful homeowner in rural areas of Southeastern Minnesota is financial management. Although affordable financing is available, there is a dearth of credit counseling and money management services for low- and moderate-income families in Southeastern Minnesota. This barrier is particularly high for Spanish-speaking Minnesotans who are often employed in low-wage jobs, have few affordable home buying options, and lack access to information about available resources.

Semcac, a community action agency based in Fillmore County, in partnership with the Home Ownership Center (HOC), is addressing this information gap. This initiative includes the creation of a Spanish Home Stretch initiative that is based on HOC's ever-popular Home Stretch course.

Semcac is enhancing their program from monies available in part by MHP's U.S. Department of Agriculture's Rural Community Development Initiative (RCDI) grant. The money will be used to offset one-on-one training for educators and will benefit the Latino communities that Semcac serves.

The money will also be used to enhance their growing housing program. Technical assistance was awarded to Semcac to help them continue looking at expanding their rental portfolio in the region. Trained MHP staff provides technical guidance and helps Semcac to purchase and rehab more properties that will ultimately lead to safe, decent, and affordable housing.

Semcac has addressed rural poverty in Minnesota for over four decades and serves the counties of Dodge, Fillmore, Freeborn, Mower, Winona, Houston and Steele, with additional programs available in Goodhue, Rice, Wabasha and Olmsted. For more information about MHP's technical assistance, please contact Rosemary Fagrelus at [rfagrelus@mhponline.org](mailto:rfagrelus@mhponline.org), or visit [www.mhponline.org](http://www.mhponline.org).

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## Resources

## HUD Studies Finds Net Loss in Affordable Housing Stock

On May 3, HUD released two reports showing that low-cost rental and owner units were more likely to leave the stock or become more expensive between 2003 and 2005, while high-cost units were more likely to be built. The first report, **Components of Inventory Change: 2003-2005** (CINCH) found that the number of units renting for less than \$600 per month (including no cash rent) decreased from 15.6 million in 2003 to 14.1 million in 2005. Meanwhile, the private-sector housing market built high-cost units at a much faster rate than low-cost homes. The second study, **Rental Market Dynamics**, found that only the extremely low and very low rent groups experienced a net loss in stock. This loss was about 800,000 units from 2003 to 2005. The moderate and high rent categories ended the study period with approximately 600,000 additional units. The reports, based on the American Housing Survey, are available at [www.huduser.org/datasets/cinch/cinch05/cinch03-05.html](http://www.huduser.org/datasets/cinch/cinch05/cinch03-05.html).

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## Upcoming Events

### April 21 to July 1

[Affordable Housing: Designing an American Asset](#), Goldstein Museum of Design, University of Minnesota, St. Paul Campus. This exhibit explores the history of housing for the least wealthy Americans and presents a statewide-view of affordable housing in Minnesota.

### June 6 thru June 20

[Alliance for Metropolitan Stability Grassroots Roundtable Discussions](#). The Grassroots Organizing series explores how to create effective social change movements. All roundtables are on Wednesdays from Noon to 1:30 at the Alliance for Metropolitan Stability office, Suite 200, 2525 East Franklin Avenue, Minneapolis. For more details, please [see our website](#). Please RSVP to Unny Nambudiripad, [unny@metrostability.org](mailto:unny@metrostability.org) or 612-332-4471.

#### June 6

**Expanding Your Base**

#### June 13

**Building Volunteer Leadership**

#### June 20

**Cross-cultural Organizing**

### June 15

[Greater Minnesota Housing Fund | Greater Minnesota Foreclosure Prevention Summit](#), Radisson Hotel, Saint Cloud. Greater Minnesota Housing Fund will be hosting this summit on the influence of foreclosures on Greater Minnesota communities. The goals of the summit are to examine the latest statewide data on the foreclosure crisis in Minnesota, identify the most effective strategies to assist threatened homeowners and communities, and to organize a coordinated response system to help homeowners and communities throughout Greater Minnesota. Contact Andy Schlack, [aschlack@gmhf.org](mailto:aschlack@gmhf.org), at GMHF for more information, or go to <http://www.regonline.com/134561>.

### June 19-20

[Minnesota Affordable Housing Symposium: Celebrating, Designing, Innovating for the Future](#), 32 McNeal Hall, 1985 Buford Ave, St Paul. This symposium, hosted by the University of Minnesota's College of Design Continuing Education, explores the past, present, and future of affordable housing in Minnesota. Panelists will review the individuals, organizations, policies, and programs that brought Minnesota to the forefront of affordable housing. Building on this information, participants will engage in world café conversations to design creative solutions to the affordable housing crisis that will be shared in the concluding session. Register now!

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*The 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 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](mailto: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.