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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

Brookings: Cities Show Resilience, Suburbs Not Spared during Housing Crisis

Two new [Brookings](#) reports suggest that central cities, which usually feel the pinch of recessions the most, are weathering the recent recession better than expected. In both population changes and unemployment, central cities are showing resilience, with the Twin Cities being no exception. Suburbs, this time around, are not shielded from the pain.

The first report, [“Big City Populations Survive the Housing Crunch.”](#) finds population growth in the suburbs slowing down, even as growth in the central cities accelerates. This information is based on Census figures current up to the 12-month period ending July 2008, when the mortgage and foreclosure crisis began to make its full impact felt.

An MHP analysis of the source data found that the national trend holds in the Twin Cities. Minneapolis and St. Paul combined had faster annual population growth from 2007 to 2008 than at any other point in the decade, while growth for the rest of the metro held at a steady rate after a period of marked growth in 2000-01.

The second Brookings report, [“The Landscape of Recession: Unemployment and Safety Net Services Across Urban and Suburban America.”](#) found that, compared to the recession at the turn of the decade, in this downturn suburbs appear to be bearing more of the unemployment brunt. For the 100 largest metros, the unemployment rate in central cities has risen 3.9 percentage points—nearly the same as the 3.7 point rise for suburban unemployment from May 2008 to May 2009.

The integration of the suburbs into this current recession is even more pronounced in the Twin Cities, where unemployment rose by 3.1 percentage points in the suburbs, compared to 2.8 percentage points in the Cities. In fact, by May 2009 the suburban unemployment rate stood at 7.8%, even higher than the 7.7% Cities rate. By contrast, suburbs nationally continue to have a lower unemployment rate than central cities. The report, also found that exurbs (lowest density, outer ring suburbs) and new suburbs have higher unemployment rates than other types of suburbs.

Local Professor, Ed Goetz, Testifies Before Congress on Public Housing HOPE VI

In [July 29th testimony](#) before the House Committee on Financial Services Subcommittee on Housing and Community Opportunity, University of Minnesota professor Edward Goetz reported on research evaluating the HOPE VI public housing program—and gave it mixed reviews. HOPE VI is a HUD program based on the premise that de-concentration of poverty will benefit neighborhoods and residents. HOPE VI demolishes old, “severely distressed” public housing properties, to replace them with mixed-income developments. However, Goetz reported that, at times, residents do not wish to leave existing buildings and experience forced relocation.

With more than a decade’s experience studying public housing nationally and locally, Professor Goetz reported that, though there appear to be some HOPE VI benefits, drawbacks outweigh them. HOPE VI improves neighborhood conditions, but these improvements are likely due to neighborhood demographic changes, rather than original residents seeing better outcomes. Neighborhood benefits include more aesthetically appealing buildings, increased property values, and less crime.

For residents, drawbacks can be serious—though there may be benefits for some, such as improving residents’ sense of safety, perception of housing conditions, and neighborhood civility. Yet the research shows no improvement for health or educational outcomes, economic security, or family self-sufficiency. At its worst, forced relocation caused by demolishing units disrupts social supports and possibly increases residents’ economic insecurity.

Professor Goetz made a series of recommendations, such as halting further public housing demolition, limiting or avoiding forced displacement of residents, and creating new public housing units. (Goetz is director of the [Center for Urban and Regional Affairs](#) at the University of Minnesota, and is professor of Urban and Regional Planning at the university’s Hubert H. Humphrey Institute of Public Affairs.)

EMHI Part of Home Ownership Center

The Federal Reserve Bank of Minneapolis [recently reported](#) that the [Emerging Markets Homeownership Initiative](#) (EMHI) in April ceased as an independent corporation and became a program within the Minnesota Home Ownership Center ([Mn HOC](#)). EMHI is a housing community collaborative effort, kicked off in 2004 to increase home ownership among minority communities.

July Minnesota Housing Board Meeting – Report

Soon *The Bulletin* will have “competition” in reporting agency board meetings. Commissioner Bartholomay announced that Minnesota Housing (MHFA) will be posting its own take on board meetings—on the [Agency’s web site](#) as a board chair report. *The Bulletin* encourages readers to check the Agency’s report before believing anything recounted here!

HEARTH Connection’s Jennifer Ho provided the board an overview of her agency’s research on assisting homeless people through combined housing and services. She described the benefit of this approach as

shifting public expenditures from “bad services,” like jail time, to “good services,” like job counseling. She said Wilder’s Paul Anton is also doing a study on supportive housing’s cost effectiveness. When asked about the benefit of long term homeless living in scattered-site versus a single facility, Ho responded that outcomes depend on the individual; a generalization cannot be made.

Assistant Commissioner Tonja Orr updated the board on the Agency impact from the governor’s unallotment. Minnesota Housing was asked to cut program spending by \$512,000, or 1% of operations, well below the 2.25% asked of other agencies. Staff selected the rehab loan program for funding reduction—it had a large carry-forward of past biennium funding, and was appropriated \$8.6 million by the legislature. Orr said that the level available for rehab of rental housing—now the approved usage for rehab loan funds—will not be reduced because of the unallotment.

The most significant debate came with respect to a proposed reduction of the required minimum per house discount for the state’s Neighborhood Stabilization Program (NSP). Until recently, HUD (and the Agency) required NSP fund recipients to purchase homes from lenders at a minimum 5% discount off the appraised value. HUD recently changed the minimum discount to 1%, and also eliminated a requirement that program-wide NSP purchases average a 15% discount across all properties bought. The Agency proposed reducing their own discount requirement from 5% to 1%. Agency staff reported that as the market was changing, lenders were less willing to accept discounted offers on foreclosed homes. Due to the discount, lenders rejected 39% of offers from the Agency’s NSP sub-recipients, as well as 26% of offers from homebuyers intending to use NSP funds. By contrast, staff reported that National Community Stabilization Trust, the nonprofit set up to obtain foreclosed homes, was able to obtain an average 29% discount. Chair Finch, the sole vote against the plan, expressed he was not convinced there was evidence to justify the reduced discount standard. The Agency is under HUD pressure to commit all NSP funds by September 2010.

Staff described how the Agency will use American Recovery and Reinvestment Act (ARRA) resources in conjunction with their fix-up home rehab loan program beginning in mid-September. The legislature allocated \$7.65 million of ARRA State Energy Program funds for Minnesota Housing programs. The Agency will use the grant to write down the cost of windows, furnaces, water heaters, and insulation or weather stripping. The loans are available to improve one-to-four unit properties occupied by owners whose incomes do not exceed \$96,500.

RESOURCES

New MHP Federal Housing Policy Table Reviews Minnesota Impact

MHP recently released a table of key federal housing issues facing Minnesota. This resource, to be expanded online in coming weeks, is designed to help stakeholders, communities, developers, advocates, and citizens track federal housing policy changes and their implications for Minnesota. To access the table, visit MHP’s [Federal Policy Webpage](http://www.mhponline.org/policy/federal) at www.mhponline.org/policy/federal. Continue to check that page frequently as we add new information.

New Fact Sheets and Talking Points from the Center for Housing Policy

The Center for Housing Policy, in conjunction with *Solutions for Working Families*, has released a series of Fact Sheets and Talking Points. The [Fact Sheets](#) provide an overview of relevant housing policy issues; the [Talking Points](#) are designed to help state and local officials make the case for affordable housing in their jurisdictions. Featured issues include: Foreclosure Prevention, Neighborhood Stabilization, Comprehensive Housing Strategy, Reconstructing the Ladder to Sustainable Homeownership, Combined Costs of Housing, Transportation and Utilities, Rental Housing Preservation, and Shared Equity Homeownership.

2009 Learning Conference Keynote Speeches - Now Online

Did you miss the *Solutions for Working Families: 2009 Learning Conference on State and Local Housing Policy*, this June in Chicago? The Center for Housing Policy has [audio recordings](#) of the keynote speeches available online. Presenters included [Carol Coletta](#) (CEOs for Cities); [Henry Cisneros](#)

(CityView); [Bruce Katz](#) (Brookings Institution) on federal policy; and a panel including [William Klein](#) (American Planning Association), [George “Mac” McCarthy](#) (Ford Foundation), [Shelley Poticha](#) (Reconnecting America) and [Nicolas Retsinas](#) (Harvard University’s Joint Center for Housing Studies). Also available are remarks by the Center for Housing Policy’s [Jeffrey Lubell](#), [Allen Jones](#) (Bank of America), and [HUD Secretary Shaun Donovan](#).

MHP at WORK

Karnas, Sr. Advisor to HUD Secretary, MHP 20th Anniversary Keynote Transcript Available

Senior Advisor to HUD Secretary Shaun Donovan, Fred Karnas, Jr., spoke at [MHP’s 20th Anniversary Gala](#)—he talked about the Minnesota housing community’s achievements and concerns; he described the many changes happening at HUD. His full keynote text is at: www.MHPonline.org/20thAnniversary.

MHP Commentary in *Star Tribune*: “Please Be Patient—We’ll get to you in 25 years...”

A Minneapolis public housing program reflects the dire need for Section 8 vouchers: those on a recent waiting list don’t stand to find help until July, 2034. Find this July 23 opinion piece by MHP’s executive director at: www.MHPonline.org/press/mhp. When the Brainerd Housing and Redevelopment Authority (HRA) saw the commentary, they were compelled to send a letter to Senator Klobuchar describing their situation and calling for her to support an increase in the number of Section 8 vouchers. From their letter: “The Brainerd HRA administers the Housing Choice Voucher program in Crow Wing County, and we recently closed the Housing Choice Voucher waiting list for the first time in our 43 year history ...because it had become too long to reasonably serve. In 2009, there were more than 500 families on the waiting list, which is the longest it has ever been.”

MHP Grants and Loans: Money Goes to Greater MN

At its August 4 Committee meeting, MHP awarded: a \$3,000 Capacity Building Grant to Clay County Housing & Redevelopment Authority, for commissioners’ training at the NAHRO 2009 Annual Conference; \$7,500 and \$10,000 in Community Building Grants to the Montevideo Economic Development Authority and the Hibbing Housing Redevelopment Authority, respectively, each to commission an updated housing study; and a \$50,000 Predevelopment Loan to Bemidji Supportive Housing—Headwaters Housing Development Corporation, for the Bemidji Supportive/Transitional Housing Project.

CALENDAR

August 14

Strike Out Homelessness: A Benefit for People Serving People

For the sixth year, People Serving People presents “Strike Out Homelessness” (in partnership with the Minnesota Twins, Thrivent Financial for Lutherans, and the *Star Tribune*). Come to a pre-game party and Minnesota Twins game, Friday, August 14, at the Minneapolis Metrodome Picnic Pavillion (near Gate D): 4:30–7 P.M. pre-game party, gourmet barbeque, music by Jeremy Messersmith and Ben Connelly, Twins player appearances, Twins memorabilia raffle, Mr. Magic and other children’s activities; 7:10 P.M. Minnesota Twins vs. Cleveland Indians. Tickets: \$30/adult, \$25/12-and-under (price includes pre-game party and game tickets). To register, call (612) 277-0246 or visit www.PeopleServingPeople.org.

September 9–10

HOME and NSP Training - Eagan Community Center

This training is for staff of HOME Participating Jurisdictions (PJs) who receive NSP funds directly from the U.S. Department of Housing and Urban Development (HUD), or organizations who receive NSP funds from another NSP recipient (e.g., the State). The HOME and NSP Training’s key program topics include: NSP-eligible activities; ways that HOME can be invested in NSP homebuyer and rental projects; and meeting low income targeting rules for both HOME and NSP. To register, go to www.MHPonline.org and click on the training tab. For more information, email [Julie Nester](mailto:Julie.Nester@MHPonline.org) at Julie.Nester@MHPonline.org.

September 29–30**Minnesota Coalition for the Homeless: Annual Conference**

Save the dates, Tues. and Wed., Oct. 19–20, at the Minneapolis Hilton, for this Celebration of 25 Years of service. More information's at the Coalition's web site: MnHomelessCoalition.org. For questions, email conference coordinator Richard Sondah: Sondah@mnhomelesscoalition.org.

October 14**25th 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 or contact Sara Van Essendelft at ccecon5@umn.edu.

Upcoming MHP Deadlines

MHP's 2009 Loan & Grant Committee Meeting Schedule and Application Deadlines

- October 6 (*app. deadline September 15*)
- December 1 (*app. deadline November 10*)

Upstream Health Leadership Award (Affordable Homes in Health Neighborhoods) - Nominations due by August 14

The Blue Cross and Blue Shield of Minnesota Foundation seeks nominations for its annual [Upstream Health Leadership Award](#)—recognizing individuals and their organizations demonstrating extraordinary leadership across sectors to improve all communities' health and reduce health inequities. *This year's award will recognize efforts to promote healthier, more affordable homes in healthy neighborhoods.* The awardee will be recognized at an October 30 event in St. Paul. Nominate a candidate [online, or by downloading a PDF](#) of the nomination form and sending it to: Upstream Health Leadership Award / Blue Cross and Blue Shield of Minnesota Foundation / 3535 Blue Cross Road, Route M4-59 / Eagan, MN 55122. Must be received by 4 P.M., August 14. Click [here](#) for more, including the online registration form.

[The MHP Bulletin](#) is published and distributed monthly by the Minnesota Housing Partnership (2446 University Ave. W. Ste. 140, St. Paul MN 55114), 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, 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.