



MHP Capitol Update

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Capitol Notes

Budget Game Gets Serious: Forecast, Supplement, and Targets

This week's release of the revenue forecast and the governor's supplemental budget will throw the legislature into high gear. We expect caucuses to set budget targets in the next few weeks which means that the big picture for spending and taxes will become clearer. These budget allocations will have a significant impact on housing programs and policies.

Housing champions in the legislature, including funding chairs, have been indicating that there is not much money for housing programs and it appears that most tax expenditures will be going towards property tax relief. It is still not clear whether the House or Senate will increase revenues (taxes) through the tax bill. Currently, the House and Senate can't agree on whether inflation should be included on the expenditure side of the budget.

If you haven't contacted your legislators and legislative leadership and you want to see increases in housing program support, please do it now. Without your voice, even the administration's budget recommendations are in jeopardy.

Preserving Manufactured Housing

There are over 50,000 units of unsubsidized, low-income housing located in Minnesota's 915 manufactured housing parks that are at risk of being lost to park closure or sales. All Parks Alliance for Change (APAC) has initiated a legislative agenda aimed at preserving this affordable homeownership opportunity. APAC, supported by the North Country Development Fund, Legal Services Advocacy Project, AARP, Minnesota Association of Cooperatives, and others, have introduced legislation designed to deal with park closures and sales. The initiatives include a uniform relocation compensation bill to give manufactured homeowners the right of first refusal for the land their homes are on in the case of park sales. These bills will get their first hearings this Wednesday in the House Housing Committee.

Over the last four years, more than 2500 units of manufactured housing have been lost due to park closures and sales. These lost units only add to Minnesota's affordable housing shortage. Your support for this effort is welcome. For more information, contact Dave Anderson or Margaret Kaplan at APAC at 651-644-5525, or 1-866-361-2722 in greater Minnesota, or send an e-mail to info@allparksallianceforchange.org.

Housing Partnership Tax Bills – Ready to Roll

You will find below a list of various housing tax bills that were introduced in the House and Senate this week. We expect that in the next three weeks all of them will have hearings in both the House and Senate. Please let us know which topics are of importance to you. All items will take a strong effort in order to be enacted.

H.F. 1030 (Mullery ; Kahn; Carlson; Lanning; Brod; Greiling; Otremba; Thao; Simpson; Gunther) / S.F. 824 (Moua; Skoe; Sparks; Limmer) — Low income rental credit (also known as 4d) extension

H.F. 1204 (Davnie; Simpson; Lesch; Jaros; Brod; Thao; Lanning) / S.F. 800 (Moua; Pogemiller; Limmer; Dibble; Bakk) — Sales tax exemption extension for affordable housing building materials

H.F. 1312 (Jaros; Simpson; Lanning; Koenen; Marquart; Brod; Fritz; Berns) / S.F. 1052 (Moua; Limmer; Dibble; Tomassoni; Senjem) — Affordable housing donor credit

\$100M for Housing and \$34M for Support Programs: Ready for Primetime and Needs Your Support

Housing supporters have agreed to push for an additional \$134 million in funding for affordable housing and homeless programs--\$100 million specifically for housing and \$34 million through the Department of Health and Human Services for homelessness supportive services. It is expected that caucus leadership will be making decisions in the next two weeks on budget targets and, unless housing advocates speak up loud and soon, even the proposed increases submitted by the governor will be in jeopardy. As we have noted from the onset of session, many consider housing a second-tier issue. We have strong supporters in the legislature, but they are few and a number of them now chair funding committees that compete with housing for money. The next two weeks will be critical to a successful legislative session.

MHP will have available a spreadsheet on the \$100 million plus \$34 million ask. It doesn't include everything that all housing organizations want, but at this time a unified voice from the affordable housing community is needed. Once we have larger targets, we can worry about how funding is focused.

Committee Hearings

House

Housing Committee

Tuesday, February 27, 10:00 a.m., Room 5, SOB

Agenda:

- **H.F. 758 (Laine) / S.F. 0992 (Dibble)** — Emergency assistance and transitional housing appropriations

Wednesday, February 28, 10:00 a.m., Room 5, SOB

- **H.F. 1205 (Kranz) / S.F. XXX** — Relocation reimbursement required for displaced homeowners of manufactured homes
- **H.F. 1301 (Moe) / S.F. XXX** — First right of refusal for homeowners of manufactured home parks

For up-to-date information about House hearings and more, go to
<http://www.house.leg.state.mn.us/comm/commemlist.asp>

Senate

Tax Committee

Monday, February 26, 8:30 a.m., Room 15, State Capitol

Agenda:

- **S.F. 800 (Moua) / H.F. 1204 (Davnie)** — Sales Exemption on Construction Materials

For more up to date committee schedules for the Senate, go to:
<http://www.senate.leg.state.mn.us/committees/>

Bill Introductions

House

H.F. 1030 (Mullery) / S.F. 824 (Moua) — drops eligibility threshold of low income rental credit from 75% of affordable units in a project to 20% and adds local financing as eligibility factor

H.F. 1204 (Davnie) / S.F. 800 (Moua) — sales tax exemption on construction materials for non-profits acting as general partner in limited equity partnership

H.F. 1205 (Kranz) / S.F. XXX — compensates manufactured homeowner for moving expenses or appraised value of home when a park closes

H.F. 939 (Kranz) / S.F. 442 (Cohen) — Housing Solutions Act; increases deed tax and dedicates increase to Housing Trust Fund and Challenge program

H.F. 1240 (Marquart) / S.F. 385 (Pogemiller) — Income tax credit for historic structure rehabilitation

H.F. 1301 (Moe) / S.F. XXX — Allows manufactured homeowners to 90 days to match offer for purchasing park

Senate

S.F. 1052 (Moua) / H.F. 1312 (Jaros) — Income tax credits for cash or in-kind donations for affordable housing

S.F. 1145 (Sheran) / H.F. XXX — long-term homelessness supportive services appropriation

S.F. 1150 (Latz) / H.F. XXX — homeless outreach grant program

Bytes and Bits

Why the Rush? Some Views from the Capitol

The Capitol gang is still trying to figure out what the rush is to get things done so early. Why are they trying to finish things by April 2? Can they really wrap up most of the big things by then? These questions are bouncing around constantly while we wander hither and yon getting bills introduced, squeezing bills on to hearing schedules, and figuring committee jurisdictions while trying to get a handle on funding and tax targets. In addition, the House and Senate deadlines don't match up. We do attempt to try to pull logic from Capitol madness, so here are a few "expert" observations about what this legislature might be thinking.

Don't do much – looks like a lot

"Let's just get a couple of things done that we know we can do then go home. It will look like we got a lot done, have collaborated, avoided gridlock and no one will notice we didn't address any really big issues."

Don't let the folks back home get a hold of them

"We need to pass these budget and tax bills early so that when all these folks go back home at the holiday break and meet with constituents they can say sorry 'we can't spend anything else' on your special interest."

No Kumbaya

Democrats can't work together or agree on dates. They need the extra time to see if they can agree on an end game on taxes and spending.

Let the folks back home get them

Send them home with nothing to show constituents on the program spending side, convince public we need 'revenue raisers' and bring them back to raise it with a groundswell of support.

Capitol Cynic

They know exactly what they are going to do but won't tell us until after the break when they release the "real deal."

We'd love to hear your theories about what the legislature is thinking, so send them in and we'll reprint a few in the next couple of weeks. The best one will get four tickets to the Saints after the session (unless we are in special session?!).

Distributed weekly during the legislative session and periodically outside of session, the **MHP Capitol Update** provides information about bill introductions, committee hearings, policy analysis, and political chatter in St. Paul. **MHP Capitol Update** is published by Minnesota Housing Partnership, and content is provided by MHP's lobbying team, Cindy Jepson and Julian Loscalzo. To share ideas for future issues, to ask questions, or to unsubscribe, please contact Barb Jacobs at bjacobs@mhponline.org or 651-649-1710 ext. 117.

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.