



# MHP Capitol Update

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## State Update

### **“Partnerships and Policies in a Time of Retrenchment”**

The headline for this story isn't MHP being a Cassandra; it's the title of the Minnesota Council of Nonprofits' upcoming annual conference. It's also a pretty accurate representation of Minnesota's nonprofit and agency stress levels. Although the Legislature doesn't convene again until January 6, many organizations are already strategizing ways to protect their future budgets against the projected \$2 billion deficit. Despite budget advances in 2007, housing advocates are going to have a difficult time maintaining funding levels in upcoming budget discussions.

This spring housing advocates were relatively successful at protecting Minnesota Housing's budget, but 2009 is a different ballgame. First, the pending deficit is projected to be twice the size of the one dealt with in 2008. Second, with all the state's reserve coffers empty, we only have two options to fill budget gaps: budget cuts or raising taxes. Given the economic and political climate, raising taxes is going to be about as likely as Brett Favre playing for the Vikings (i.e. not very likely, no matter how desperate the situation may become).

Another funding challenge for housing advocates will be dealing with the one-time allocations from 2007. As you may recall, 2007 was a red-letter budget year for Minnesota Housing, with agency funding levels increased by \$44 million. However, of the total \$114 million housing appropriation, over \$24 million was “one-time funding,” meaning that it goes away at the end of the budget cycle unless the administration decides to make it part of the “base,” or permanent, funding. Assuming that the one-time commitments are not made permanent, Minnesota Housing will sustain a 21 percent budget cut before session even starts. On top of this, we anticipate that advocates are going to have to fight just to sustain the agency's \$89 million in base funding. Click here for more detailed information on the state's 2006-2009 housing-related funding. [http://www.mhponline.org/files/08-09\\_Final\\_Budget.pdf](http://www.mhponline.org/files/08-09_Final_Budget.pdf)

Don't wait to act until your budget is cut! Please contact Julie Johnson at MHP ([jjohnson@mhponline.org](mailto:jjohnson@mhponline.org) or 651-649-1710 ext. 121) to find out how you can get ready for 2009.

### **Off-Season & Civic Engagement**

What better time to test out your budget-protection messages before the 2009 session begins than while leading your local legislators on an affordable housing tour? Summer is a great time to establish a relationship with your lawmakers and get a leg-up on your advocacy efforts. In the off season, state lawmakers aren't being pulled in a million different directions, have time to hear the finer points of your affordable housing pitch, and are simply more relaxed. Tours also provide great media and photo opportunities. Please contact Julie Johnson at MHP for tips or assistance with coordinating a legislator tour and/or meeting.

Summer is also a good time to reach out to prospecting politicians. In the next few months, communities big and small will host all sorts of pre-election events. These forums, town hall meetings, and meet-and-greet mixers are great opportunities to impress the importance of housing and homeless issues on future lawmakers. Please contact Maureen Cisneros, Minnesota Council of Nonprofits' Minnesota Participation Project Organizer, at 651-642-1904, ext. 229 to learn more about upcoming candidate events and organizing possibilities.

### **Resources**

Give your advocacy efforts a boost with some new data and a stronger voice! There are a variety of research and tutorial tools available on the Web to help you perfect your pitches. Here's a sampling of just a few.

*1. MHP Research and Trend Tracking, [www.mhponline.org](http://www.mhponline.org)*

Ranging from county-specific profiles to state-level trend tracking, Minnesota Housing Partnership's Web site offers a variety of unique research reports and information. Make sure to check out the "What's New" section of MHP's homepage.

*2. National Low Income Housing Coalition's Congressional District Profiles*

*[http://www.nlihc.org/detail/article.cfm?article\\_id=3810&id=61](http://www.nlihc.org/detail/article.cfm?article_id=3810&id=61)*

Download congressional-district level renter statistics from the National Low Income Housing Coalition's (NLIHC) Web. Available for all fifty states, the district profiles are a great way to illustrate the affordable housing needs of your community to your Congressperson.

*3. Broadcast Media and Spokesperson Skills Tutorial*

*<http://salsa.democracyinaction.org/dia/track.jsp?v=2&c=1Oy5ofWJBYYaNisczxxAnqAPWo0iFkPz>*

Although its impact may be waning, broadcast media is still king for reaching large audiences. Ensure that your organization's message is heard loud and clear by brushing up your media skills with the Spin Project's latest media tutorial. This will be particularly useful during your affordable housing tour!

## Federal Update

### **Gigantic Housing Bill Was Signed by the President!**

Many, many thanks to everyone who contributed time and effort to creating a national housing trust fund. Your work is about to pay off! For those of you out of the media's reach recently, on Saturday the Senate passed one of the most significant housing bills to grace the legislative branch in over three decades. The Senate's action followed lock-step with a House vote that took place last Wednesday shortly after President Bush rescinded his veto threat over a \$3 billion measure included in the bill aimed at acquiring vacant, foreclosed properties. This morning, President Bush signed the bill.

Although many of the issues covered by the bill have been in the works for years, the momentum for the measure stemmed mainly from the recent housing market problems. Some of the topics addressed in the bill include:

1. housing tax credit modernization;
2. increased bonding authority for state housing agencies;
3. first-time homebuyer tax credits;
4. \$3.9 billion in CDBG-like funding to address vacant, foreclosed homes;
5. increased support for housing counseling;
6. FHA modernization, including restructured manufactured housing insurance and increased consumer protections for manufactured home buyers;
7. GSE reform, including the creation of a new omnipotent housing regulator called the Federal Housing Finance Agency (FHFA);
8. mandatory increased federal housing focus on extremely low-income households;
9. establishment of a Capital Magnet Fund at the Department of the Treasury;
10. FHA mortgage acquisition of loans at risk of foreclosure;
11. foreclosure assistance for armed services members and veterans;
12. support for creation of a National Mortgage Licensing System and registry; and
13. improved mortgage disclosure for consumers.

For more detailed information on these provisions and the many others included in the bill, go to [http://www.nlihc.org/detail/article.cfm?article\\_id=5394](http://www.nlihc.org/detail/article.cfm?article_id=5394). Perhaps most significant for the neediest among us is the bill's creation of a National Housing Trust Fund (NHTF). A main advocacy effort for MHP and other federally-interested advocates for many years, the trust fund creates rental units affordable to extremely low- and very low-income households. The provision aims to create 1.5 million units over ten years. For more information on the National Housing Trust Fund, click here [http://www.nlihc.org/detail/article.cfm?article\\_id=5393](http://www.nlihc.org/detail/article.cfm?article_id=5393).

Some of the new funding provisions in the bill may start as soon as 90 days from now. On Friday, August 15, the Metropolitan Consortium of Community Developers will be hosting a conversation with Congressman Keith Ellison to get an update on this and other housing legislation. The meeting will be held at the Capri Theater, 2027 West Broadway from 7:45 to 9:30 AM. For more information please contact [inathanson@mccdmn.org](mailto:inathanson@mccdmn.org).

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. **MHP Capitol Update** is published by Minnesota Housing Partnership. To share ideas for future issues, to ask questions, or to unsubscribe, please contact Barb Jacobs at [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org) or 651-649-1710 ext. 117.

Minnesota Housing Partnership also publishes **The MHP Bulletin**. **The Bulletin** is distributed monthly, and includes affordable housing news and trend information, new research, publications, and upcoming events. Please contact Barb Jacobs at (651) 649-1710 ext. 117, email [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org), to subscribe to **The Bulletin**.

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.