



MHP Capitol Update

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Distributed weekly during the legislative session and periodically outside of session, the Capitol Update provides information about bill introductions, committee hearings, policy analysis and political chatter. Contact us with items to include in future issues.

Legislative Session Looming – Help Set MHP’s Agenda!

Since the election on November 7th, the pace at the Capitol has been picking up in anticipation of the legislative session that convenes on Tuesday, January 3rd. Minnesota Housing Partnership’s staff have drafted a legislative agenda that focuses on increased funding for housing programs and enactment of tax proposals that will preserve and create new housing units. (Please see the attachment for details)

MHP would like to hear your comments and suggestions on these proposals, as well as any other agenda items that you think should be considered for this session. Although we have found that a short priority list allows for a more focused effort and increases the likelihood of success, we welcome your comments. The MHP Board will be finalizing the agenda December 14th, so please forward your responses and suggestions to Chip Halbach as soon as possible.

Housing Issues From Around the State

The MHP staff has been meeting with housing advocates and providers around the state. The following items have been suggested for consideration as part of MHP’s legislative agenda.

Manufactured Housing – There is concern about preserving the existing 50,000 units of manufactured housing. Additionally, a number of communities are considering developing new projects particularly in response to the pressing need for workforce housing in Greater Minnesota. All Parks Alliance For Change (APAC) is working on a variety of legislative items and convening a coalition to work on these issues.

Foreclosures – This issue has been raised in both metro and Greater Minnesota meetings as a growing concern. It is not clear whether a legislative or regulatory approach would best address this issue.

Workforce Housing – The timely development of affordable housing to meet increased job opportunities around the state is a significant concern as it relates to job creation activities. Increased funding for the Challenge Program and creating a Charitable Tax Credit remain top priorities.

Public Housing Funding Crunch – The federal government’s lack of support for existing public housing units is creating a budget crisis for many agencies around the state. Suggestions include supplemental appropriations from the legislature and a bonding proposal for capital improvements.

Capturing Potential Budget Surplus Funds – It was suggested that housing advocates be prepared to lay claim to a portion of any budget surplus for even a one-time infusion of funds for existing housing programs.

Green Housing Initiative – Interest in developing green housing may provide an opportunity to increase funding for affordable housing.

Comments, suggestions, or recommendations? Send responses to Chip at chalbach@mhponline.org.

The New Majority

The election on November 7th produced a new majority and has resulted in legislative leadership changes. Minnesota's new legislative leaders are:

Senate

Majority Leader: Sen. Larry Pogemiller
Assistant Majority Leader: Sen. Tarryl Clark
Minority Leader: Sen. Dave Senjem

House

Speaker of the House: Rep. Margaret Anderson Kelliher
Majority Leader: Rep. Anthony "Tony" Sertich
Minority Leader: Rep. Marty Seifert

The legislature has also created a new committee structure and committee chairs to reflect the changes. The committees that are going to influence housing policy the most are:

Senate Taxes: Sen. Tom Baak (Cook), Chair
Sen. Rod Skoe (Clearbrook)-Property Tax Division

Senate Capital Investment: Sen. Keith Langseth (Glyndon)

Senate Health, Housing and Family Security: Sen. John Marty (Roseville)

Senate Economic Development Budget Division: Sen. David Tomassoni (Chisholm)

Senate Finance: Sen. Dick Cohen (St. Paul)

House Taxes: Rep. Ann Lenczewski (Bloomington), Chair
Rep. Paul Marquart (Dilworth)-Property Tax Relief and Local Sales Tax Division

House Housing and Public Health Policy and Finance: Rep. Karen Clark (Mpls.)

House Ways and Means: Rep. Loren Solberg (Grand Rapids)

House Capital Investment: Rep. Alice Hausman (St. Paul)

Budget Surplus – Is there One?!

It is expected that the November forecast will project a budget surplus between \$1 billion and \$1.4 billion. These numbers do not account for inflation or for existing budget items on the spending side. A 3 percent inflation factor would eat up about \$1 billion of a projected surplus. The February forecast will be used for final budget recommendations and negotiations. Though the economy does seem to be improving and additional revenues are coming into the state coffers, for the first time in decades Minnesota's economy growth rate is lagging behind the rest of the country.

Send Capitol Update to a Friend – Give us their info

MHP provides the Capitol Update to interested housing advocates and professionals around the state. We attempt to provide you with a concise weekly report that will keep you abreast of the workings at the Capitol with the objective of increasing participation in the legislative process. Feel free to forward to other interested parties, or provide Barb Jacobs with contact info for folks you think should be in the loop. We also appreciate feedback, comments, criticisms, corrections, and recommendations.

For more information on affordable housing, the content of this document, or if you have information to include in future issues, contact Barb Jacobs at (651) 649-1710 ext. 108, email bjacobs@mhponline.org or go to Minnesota Housing Partnership's website at www.mhponline.org. In addition, please contact us if you would like to be taken off the *Capitol Update* email list.

--Cindy Jepsen and Julian Loscalzo(MHP's lobbying team)