



# MHP Capitol Update

Volume 2, Issue 12 March 26, 2007



## Capitol Notes

### **Senate Housing Numbers in Neutral**

The release of the Senate's Health and Human Services funding bill reinforces the fact that housing targets will hover close to the governor's budget requests. The Senate basically matched the funding dollars put forth by the Human Services department for homeless supportive services. Homeless advocates were quite disappointed that other big ticket initiatives like the Homeless and Runaway Youth Act and a large increase in funding for emergency services and transitional housing came up short as well. Repeal of the MFIP penalty made it into the bill and so did an increase for group residential housing increases for homes in Ramsey and Hennepin counties along with authorization for a new 65-bed facility in Crow Wing County. The Senate has placed a significant amount of money in the budget reserve so there may be an opportunity after the spring break to free up some of those dollars for housing, but that will require a concerted and coordinated advocacy effort by the housing community.

### **Freshmen Hollering Gets Housing a Few More Dollars**

We have noted before, the House Housing and Public Health committee has eight freshman legislators serving on it, seven of whom are democrats. Over the course of the session they have continually commented about the frustration of listening to weeks of testimony on housing, homelessness, and public health needs of people and communities across the state, but having few resources to deal with them. It became clear early on that they would not have the funding to address these issues adequately and after the initial targets were set they reacted strongly. A visit with leadership by a majority of the freshman committee members cleared the air regarding funding needs and support for the deed tax. This show of chutzpah resulted in a small target increase of about \$7 million for the committee. It was a good move on their part and will help with funding pressures but we still expect to see lower dollar allocations in the House than in the Senate in a number of areas.

### **House Housing Committee – An Interesting Mix**

Somehow we have failed to provide a breakdown of the House's Housing Committee, which is too bad because it's an interesting group, among other things. Aside from the large makeup of freshman—50 percent of the committee's members—Karen Clark of Minneapolis, the chair, is really only one true big city urban legislator. The committee is primarily suburban and rural folks with some representation from St. Cloud and Duluth. In addition, there are only two Democrats with more than two terms in legislature while the Republican contingent is predominantly more senior.

This mix has led to some long winded discussions among Capitol insiders, but the result to date has been pleasantly surprising with a fair amount of bi-partisan support (except for the deed tax). We are now entering the budget-setting period, so we expect more partisan haggling in the near future. The committee has consistently acknowledged the need to address housing and homelessness, but their budget constraints are now coming home to roost, leading to more rhetoric than we saw earlier when discussing policies and funding programs.

### **The Big Week – Table Setting**

The Senate has released its budget bills and its tax bills will be unveiled in a few days. By the end of this week, we expect all funding bills to pass the floor and that the tax bill will be debated for passage prior to the session break, which begins on April 2<sup>nd</sup>.

The House started off with a transportation funding bill and by the end of the week all budget bills will be passed out of committee and head to the floor. The property tax portion of tax bill will be released on Monday and the entire bill should be rolled out before the break. These actions will lay the groundwork for the final play, which includes the governor. There is still plenty of time left to rework bills, change priorities, unveil “the real deal,” or just negotiate on items that pass both bodies. Housing supporters should take a breather this week while things settle, but be prepared to regroup and work for the final six weeks of sessions.

### **Manufactured Housing Bills Head to Floor in the House**

Affordable housing supporters have successfully advocated two significant pieces of legislation designed to help preserve the state’s largest source of affordable housing (50,000 units) in the event of manufactured home park sales. A comprehensive relocation compensation bill and a right of first refusal proposal have been supported by a bi-partisan group of legislators from across the state and are now on the floor of the House. Park owners are working with representatives of manufactured homeowners groups to finalize the details of the relocation proposal. The right of first refusal bill is opposed by the park owners but has received a great deal of support from legislators who view the legislation as an integral housing preservation tool. These bills move on to hearings in the Senate this week. Feel free to contact All Parks Alliance for Change at [info@allparksallianceforchange.org](mailto:info@allparksallianceforchange.org), or 651-644-5525, if you would like more info or would like to lend your support.

### **OOOOPS!**

Lost in last week’s analysis of the Senate’s housing allocations was the fact that funding for mortgage foreclosure help was woefully inadequate. The budget proposal didn’t even match the administration’s request for funds, which advocates thought was about \$1 million short. In addition, the Homeownership, Education Counseling and Training program (HECAT) at the Housing Finance Agency was \$630,000 below what was recommended. The rising tide of foreclosures seems to require an increased commitment in this area.

We also forgot to mention that the Builders Association of Minnesota weighed in by supporting the Housing Donor Tax Credit. Our friends in the building industry view this proposal as good incentive to increase contributions of materials to affordable housing projects. We’ve even had discussions about it helping to encourage builders to write down the sales prices of existing inventory to levels that would allow moderate-income families to buy.

## **Committee Action**

### **House**

## Housing Committee

- **H.F. 196 (Greiling) / S.F. 148 (Marty)** — Mental Health Omnibus Bill; re-referred to Health Care and Human Services Finance Division
- **H.F. 1174 (Davnie) / S.F. 1588 (Pappas)** — Appropriates \$2 million for HECAT; laid on the table for possible inclusion in Housing Omnibus Bill
- **H.F. 1851 (Morgan) / S.F. 1569 (Torres Ray)** — Housing Trust Fund; laid on the table for possible inclusion in Housing Omnibus Bill
- **H.F. 1387 (Benson) / S.F. 1145 (Sheran)** — Funding for homeless support services; laid on the table for possible inclusion in the Housing Omnibus Bill

## Commerce and Labor

- **H.F. 931 (Mullery) / S.F. 1553 (Pappas)** — Prohibits predatory lending; re-referred to Public Safety and Civil Justice and re-referred to the General Register of the House Floor
- **H.F. 1004 (Davnie) / S.F. 809 (Higgins)** — Prohibition against predatory lending; re-referred to Public Safety and Civil Justice and re-referred to the General Register of the House Floor

## Local Government and Metropolitan Affairs

- **H.F. 1205 (Kranz) / S.F. 1196 (Jungbauer)** — Homeowner reimbursement upon manufactured home park closing or sales for another use; General Register of House Floor
- **H.F. 301 (Davnie) / S.F. 308 (Higgins)** — Addresses blighted housing; received an informational hearing and re-referred to Housing Policy and Finance Committee for possible inclusion in the Omnibus bill

## Tax Committee: Property Tax Division

- **H.F. 2142 (Marquart) / S.F. ### (###)** — Citizens Property Tax Relief Omnibus Bill; laid on the table for possible inclusion in the Omnibus Tax Bill

## Senate

### Health and Human Services Budget Division

- **S.F.### (Berglin)** Omnibus Health and Human Services Bill—only spread sheets were made available and work will continue in committee this week

## **Economic Development Budget Division**

- **S.F. 2089 (Tomassoni)** — Omnibus Economic Development Bill; re-referred to full Finance Committee; heard and laid on the table. Will be taken up again this week and advanced to the floor.

## **Judiciary**

- **S.F. 308 (Higgins) / S.F. 301 (Davnie)** — Addresses blighted housing; laid on the table and will be worked on during the interim.

## **Commerce and Consumer Protection**

- **S.F. 225 (Pappas) / H. F. 1773 (Knuth)** — Requires counseling and disclosures on high interest home loans
- **S.F. 809 (Higgins) / H.F. 1004 (Davnie)** — Prohibits predatory lending; re-referred to Judiciary
- **S.F. 988 (Higgins) / H.F. 931 (Mullery)** — Prohibits predatory lending; re-referred to Judiciary

## Committee Hearings

*Please note committee meetings and schedules can change almost daily. Use the website below to sign up for daily schedules or contact a specific committee to get on their email notice list.*

## **House**

### **Property Tax Division**

Monday, March 26, 10:30 a.m., Room 5, State Office Building

Agenda:

- **Marquart Division Report:** presentation and discussion of contents of the report

Wednesday,, March 28, 10:00 a.m., Room 10 State Office Building and if necessary 6:00 p.m. Room 200 State Office Building

Agenda:

- **Marquart Division Report:** mark-up of the report. Some or all of this report will become the property tax article in the Omnibus Tax Bill.

### **Full Tax Committee**

Thursday, March 29, 12:30 p.m., Basement Hearing Room, State Office Building

Agenda:

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

#### **Higher Education and Work Force Development Finance Division**

Tuesday, March 27, 12:30 p.m., Room 5, State Office Building

Agenda:

- **H.F. ### (Rukavina) / S.F. 2089 (Tomassoni)** — Omnibus Economic Development Bill; presentation and walk through

Wednesday, March 28, 6:00 p.m., Room 5, State Office Building

Agenda:

- **H.F. ### (Rukavina) / S.F. 2089 (Tomassoni)** Omnibus Economic Development Bill; final presentation and mark-up

#### **Health and Human Services Finance Division**

Tuesday, March 27, 8:00 a.m., Room 200, State Office Building

Agenda:

- **H.F. 196 (Greiling) / S.F. 148 (Marty)** — Omnibus Mental Health Bill

Wednesday, March 28, 12:00 p.m., Room 200, State Office Building

Agenda:

- **H.F. ### (Huntley) / S.F. ### (Berglin)** — Omnibus Health and Human Services Bill; presentation of the bill

Thursday, March 29, 12:00 p.m., Room 200, State Office Building

Agenda:

- **H.F. ### (Huntley) / S.F. ### (Berglin)** — Omnibus Health and Human Services Bill; public testimony

Friday, March 30, 10:00 a.m., Room 10 State Office Building

- **H.F. ### (Huntley) / S.F. ### (Berglin)** — Omnibus Health and Human Services Bill

#### **Education Finance and Economic Competitive Finance Division**

Friday, March 30, 12:30 p.m., Basement Hearing Room, State Office Building

- **H.F. ### (Rukavina) / S.F. 2089 (Tomassoni)** — Omnibus Economic Development Bill

### **Senate**

#### **Health and Human Services Budget Division**

Monday, March 26, 8:30 a.m., Room 123, State Capitol

Agenda:

- **S.F. ### (Berglin) / H.F. ### (Huntley)** — Omnibus Health and Human Services Bill

### **Health Housing and Family Security**

Monday, March 26, 6:30 p.m., Room 15, State Capitol

Agenda:

- **S.F. 1253 (Marty) / H.F. 1301 (Moe)** — Right of first refusal for manufactured home owners when a park is sold or closes

### **Finance**

Wednesday, March 28, 8:00 a.m., Room 123, State Capitol

Agenda:

- **S.F. ### (Berglin) / H.F. ### (Huntley)** — Omnibus Health and Human Services Bill

**For more up to date committee schedules for the Senate, go to:**

<http://www.senate.leg.state.mn.us/committees/>

## **Bytes and Bits**

### **Advocacy Opportunities**

MHP is looking for letter to the editor authors to help educate communities and legislators around the state about the importance of affordable housing. This is a great opportunity to increase the visibility of your organization or the issue most important to you. MHP will provide assistance when requested. If you, or anyone you know is interested, please contact Barb Jacobs at [bjacobs@mhponline.org](mailto:bjacobs@mhponline.org), or 651-649-1710 ext. 117.

### **Deadlines and Milestones**

March 28<sup>th</sup> represents a session milestone. It is the accelerated viability deadline for policy bills to make it through all policy committees. Bills that haven't made it thus far are technically dead for the session. We tend not to toot our own horns, but given the dynamics of this session, we are pleased as can be that legislation advocated by MHP has met the deadline.

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](mailto: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.