



MHP Capitol Update

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Capitol Notes

The Money Game

It has become clear that legislators are worried about how to allocate this session's one-time surplus dollars. The legislature's big-ticket priorities—education, property tax relief, and health care—will require on-going base funding, but there does not seem to be any appetite for raising new revenues to pay for them. Up until recently it has been assumed that there would be some tweaking of existing taxes to help fund legislative priorities. However, now it's starting to appear that our current one-time surplus money may be the only new funds used to pay for these programs.

The line-up for one time money is growing longer daily with some significant constituencies at the table—public safety, energy, child care, and pre-school groups have all spoken up loudly. You can expect transportation and environmental groups to be added to the mix if tax proposals for their causes are not advanced. Even though housing fared very well in the governor's budget, the ball is now in the House and Senate's court where legislative supporters are strong but few.

Governor's Housing Proposal

Most housing advocates readily admit that the administration's proposed housing budget is very good with its projected 62% increase over current funding, 27% of which would be added to the base budget. However, there has been some grumbling from other agencies and conservative legislators over the size of the increase. Of more concern to housing supporters is that the governor is being criticized by members of his own caucus for spending too much on housing.

Even though we know many people mistakenly consider housing a second-tier issue, the fact that conservative legislators object to such a relatively small amount of funding--an additional *\$42 million out of a \$34 billion budget*—means that advocates have some tough work ahead. This will allow for many opportunities for you to show your support for affordable housing. Please contact us if you are interested in letting Minnesota's legislators know affordable housing is a good investment.

Housing Bills Slow Out of the Shoot

Maybe it's all the new legislators. Maybe it's all the new committees, staff, and confusion, but advocates are noting that getting authors for legislation is more difficult than usual. More seasoned legislators are being cautious not to introduce bills that spend money or raise taxes, particularly if the bill would compete with funding for their other priorities. Additionally, the veteran members are now chairing committees and not as willing to take on additional legislation that they feel doesn't directly impact their district or a specific constituency they support. New legislators are leery about accepting bills without knowing the specifics in great detail and capitol insiders are always concerned with handing off a tough bill to someone who is not battle-tested. In short, it has required a lot of work to line up a good legislative team of authors for housing issues. If you have an interest in a specific piece of

legislation on our agenda, please don't wait until the end of the session to get involved. This year is going to require pressure from the beginning to get bills passed.

Housing's \$100 Million Ask – It's time to start asking!

As you may have noticed, we are expecting a tough fight for legislation this year and it's time for housing supporters to start working. As we have noted, housing is considered by many as a second-tier issue, our legislative champions are strong but few, the administration is being criticized for its support of affordable housing, and we have a whole new ballgame at legislature.

In conjunction with a number of other housing organizations, MHP is working out the details of a \$100 million affordable housing funding request. Below is a short history of program funding levels of Minnesota Housing compared with the governor's proposal.

| Recent Changes in Minnesota Housing Programs (Dollars in Thousands) | | | | | |
|---|----------------------|----------------------|---------------------------------------|--|--|
| Housing Program Name | 04-05 Appropriations | 06-07 Appropriations | 08-09 Legislative Base Appropriations | 08-09 Governor Recommended Base Appropriations | 08-09 Governor Recommended One-time Appropriations |
| Housing Challenge Fund | \$21,814 | \$21,814 | \$21,814 | \$21,814 | \$15,000 |
| Preservation Grants (PARIF) | \$18,546 | \$17,992 | \$17,992 | \$17,992 | \$2,500 |
| Housing Trust Fund | \$8,610 | \$12,610 | \$16,610 | \$17,110 | \$5,000 |
| Family Homeless Prevention (FHPAP) | \$7,430 | \$7,430 | \$7,430 | \$14,930 | \$0 |
| Rehab Loans | \$7,944 | \$5,308 | \$7,944 | \$8,259 | \$1,685 |
| Bridges | \$3,276 | \$3,276 | \$3,276 | \$3,276 | \$0 |
| Housing Counseling (HECAT) | \$1,540 | \$1,540 | \$1,540 | \$1,730 | \$630 |
| Nonprofit Capacity Building | \$610 | \$500 | \$500 | \$680 | \$0 |
| Homeownership Assistance Fund | \$1,770 | \$0 | \$1,770 | \$1,770 | \$0 |
| Total | \$71,540 | \$70,470 | \$78,876 | \$87,561 | \$24,815 |

Related Programs Funding Proposals

- The DHS Supportive Services Fund increase by \$3.3 million to \$13.3 million
- The DHS Transitional Housing Program increase by \$500,000
- A Prisoner Reentry Initiative through the Department of Corrections is proposed to be funded at \$3 million, \$750,000 of which would be used in the three county pilot program that includes a housing component

Committee Action

During Minnesota Housing's budget presentation by Commissioner Marx to the Senate Economic Development Committee, Marx was asked if the proposed budget would cover inflationary costs. Commissioner Marx responded that funding would be about \$10 million short if inflation were taken into account.

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

Housing Policy

Tuesday, February 13th, Room 5 SOB, 10 a.m.

Agenda: **H.F. 537 / S.F. XXX (Clark)** — Appropriates \$8 million for technical assistance, capacity building and evaluation of Runaway and Homeless Youth Act.

For up-to-date information about House hearings and more, go to

<http://www.house.leg.state.mn.us/comm/commemlist.asp>

Senate

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

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

Bill Introductions

This list only contains bills recently introduced. Please let us know if you see a bill you would like us to track.

House

H.F. 537 (Clark) / S.F. XXX — Appropriates \$8 million for technical assistance, capacity building and evaluation of Runaway and Homeless Youth Act.

H.F. 724 (Madore) / S.F. 505 (Dibble) — Appropriates \$7.5 million to family homelessness prevention in addition to other base adjustments.

H.F. 758 (Laine) / S.F. XXX — Appropriates \$9.2 million for transitional housing and emergency assistance; limits amounts that can be spent for program administration.

H.F. 767 (Dominguez) / S. F. 619 (Higgins) — Appropriates \$400,000 to Corrections for a pilot offender re-entry program as a community grant.

Senate

S.F. 442 (Cohen) / H.F. XXX — Housing Solutions Act.

S.F. 659 (Skoe) / H.F. XXX — Appropriates \$374,000 to the Urban Indian Housing program and \$2.3 million to the Tribal Indian Housing program as part of Minnesota Housing's base budget.

S.F. 681 (Ortman) / H.F. XXX — Caps property taxes for homeowners age 65 and older.

Bytes and Bits

Wishful Thinking ?!

Senate leadership was suggesting that all major bills, including budget bills, would be done before Easter. There is an old capitol saying that you don't want to send legislators home for a long break unless you have the big picture settled or the folks back home might just influence them too much. On

the surface meeting this timeline appears to be highly unlikely considering the current status of affairs, but if they are going to push it, our job will get a lot harder. Housing folks may need one more crack at legislators in order to get a bigger piece of the budget pie.

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.