



# MHP Capitol Update

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In addition to [MHP Capitol Update](#), MHP also publishes [The MHP Bulletin](#), a newsletter that follows housing trends that affect Minnesota. Click [here](#) to sign up for The Bulletin.

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## STATE UPDATE

### Mortgage and Deed Tax Anchoring Hearing Rescheduled

Last week, Capitol Update readers learned that Rep. Clark's Housing Finance and Policy and Public Health Finance Committee in the House was to hold a hearing on the HousingJobs bill ([HF 3725/SF 3304](#)) to increase funding for housing by [capturing new growth in existing mortgage registry and deed tax revenues](#). The hearing has been now pushed back a week (tentatively) to Wednesday, April 21. This bill helps anchor housing funding by capturing any increases over the sum of deed and mortgage taxes collected in 2011 for housing, starting in 2012 as the market improves. If adopted, the bill is expected to create 10,000-15,000 units of additional affordable housing over 10 years, based on existing tax rates. The state will also recoup about half of its investment through sales tax, income tax, deed and mortgage tax revenues each year of construction.

This hearing is a good opportunity for advocates to demonstrate their support to lawmakers simply by attending, so please mark your calendars for April 21. Contact Julie

Johnson at [jjohnson@mhponline.org](mailto:jjohnson@mhponline.org) or 651-925-5548 for more information about how to support this legislation and the hearing.

### **Lawmakers Hit Wait-and-See Period**

Capitol insiders agree: this year has hardly been the norm at the legislature. While the pace of session is normally fast and furious after Spring recess, the action has all but come to a halt. Legislators are now awaiting forces beyond their control to breathe the home-stretch fire back into the session.

First, the important yet controversial health and human services portion of the budget cannot be decided upon until lawmakers have more information about the federal assistance Minnesota will receive. Rumor has it that \$400 to \$600 million in federal assistance could head to the state from the Patient Protection and Affordable Care Act. At this level, health care cuts in state budget would be reduced dramatically. But until there is some clarity from the feds, all bets are off.

Secondly, the courts have still not issued a ruling in the unallotment Supreme Court case challenging the legality of Pawlenty's unallotments at the close of the 2009 session. The fact that no court order has been issued yet is surprising to most everyone. Legislators are not keen on wrapping up session until the court issues its ruling, because they'd simply rather not leave final budget decisions up to the Governor.

### **SAFE Act Exemption for Habitat and Foreclosure Counselors Inches Closer**

Capitol Update readers might recall that Habitat for Humanity and the Home Ownership Center are seeking exemptions from the state and federal SAFE Acts, otherwise decent bills designed to protect consumers from bad actors in the mortgage loan industry. Exemptions are needed, though, to ensure that these non-profit entities can meet the standards without undue financial burden.

On Tuesday, Rep. Mullery amended the state version of the SAFE Act in the House to exempt Habitat affiliates, but not housing counselors, and only if HUD gives permission for the exemptions. Meanwhile the Department of Commerce is amending the Senate version of the bill to exempt housing counselors, Habitat affiliates and government agencies. Advocates support this more expansive version of the bill. (Simultaneously, federal efforts are underway to exempt Habitat affiliates and housing counselors from the federal SAFE Act. Contact Kristin Beckmann at Twin Cities Habitat for Humanity at 612-305-7137 for more information.)

## **Bits & Bytes**

### **Tenant Bill of Rights in Conference Committee; Passage Likely**

After being passed by a unanimous vote in the House and a 55-7 vote in the Senate, the Minnesota Tenant Bill of Rights heads to a conference committee. The bill ([HF 2668](#) / [SF 2595](#)), is expected to be signed by the Governor, once differences between the two

versions have been reconciled in the next week or two. The bill includes a number of excellent protections for renters such as caps on late fees, receipts for rent paid in cash, payment to tenants for attorney fees when they win certain court cases (as exists for landlords), limits to fees for and increased fairness in tenant screening, penalties to landlords for improper division of utility charges, and higher penalties to landlords for improper retention of security deposits. Finally, the bill of rights brings state law into conformity with federal law for protections for renters living in foreclosed property. Visit the [HOME Line Blog](#) for more details on the current bills and the multi-year Tenant Bill of Rights campaign.

### **Supportive Services for Homeless Avoid Cuts in House Subcommittee**

On April 7 Karen Clark's House finance subcommittee for public health and housing made a recommendation to retain all funding appropriated for 2010-11 for supportive services for the homeless. Now that this recommendation has been made, the full health and human services finance committee, chaired by Rep. Huntley, is tasked with acting on this section of the budget. However, as described in the [article above](#), the health and human services bills are delayed indefinitely, awaiting funding news from the feds. On the Senate side, health and human services finance subcommittee chair Sen. Berglin has delayed even putting her bill together.

### **Another Break in Session to Come?**

With both the DFL and the Republican state conventions scheduled in the next few weeks, rumor has it that we could see another session break. In addition to the wait-and-see issues outlined in the [article above](#), lawmakers also face the prospect of exceeding the allotted number of days that they can legally be in session. Early passage of the bonding bill and negotiating a solution to GAMC required a higher-than-normal number of days in session early on. The DFL convention April 23-25 in Duluth is followed by the Republican convention April 29-May 1 in Minneapolis. This schedule leaves open the distinct possibility of a late-April break around or between the two conventions.

## **FEDERAL UPDATE**

### *National Housing Trust Fund Campaign Launches New National Sign-On Letter*

Still looking for a source to capitalize the National Housing Trust Fund (NHTF), the NHTF campaign launched a new sign-on to a letter to Congress. The letter is directed to Senators and Representatives from every district to demonstrate breadth of support for the NHTF. The letter requests \$1.065 billion for the NHTF, including \$1 billion to capitalize the trust fund and \$65 million for project-based vouchers to be paired with NHTF capital grants.

The NHTF was created in the Housing and Economic Recovery Act of 2008 (HERA) to address the severe shortage of rental homes affordable for the lowest income families, but it has not yet been funded. The President proposed funding for the NHTF in both his FY10 and FY11 budget requests. Organizations at the local, state, and national levels can sign the letter at: [www.nlihc.org/sign](http://www.nlihc.org/sign).

Congress resumed meeting on Monday, April 12 after its Spring recess.

## Heard Under the Marble Dome

*"There will be a Vikings bill, and I want money for affordable housing in it." – A powerful state senator. The scoop is that any successful Vikings bill will also include funding for legislators' favorite causes or projects, though the possibility of passage of any Vikings bill remains unknown.*

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Distributed weekly during the Minnesota legislative session and periodically 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 Rick Bernardo at [Rick.Bernardo@mhponline.org](mailto:Rick.Bernardo@mhponline.org) or 651-925-5549.

Minnesota Housing Partnership also publishes and distributes [The MHP Bulletin](#) monthly, which includes affordable housing news and trend information, new research, publications, and upcoming events. Please [click here to subscribe](#) *The Bulletin*, or contact Rick Bernardo at (651) 925-5549 or at [Rick.Bernardo@mhponline.org](mailto:Rick.Bernardo@mhponline.org).

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.