



# 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

### **Governor 2010: Run To Minnesota's Home Base**

Over the summer, affordable housing organizations compiled a [briefing book](#) for the 2010 gubernatorial race that outlines major policy issues and the housing needs of Minnesotans. The idea is to both raise housing as a priority issue and educate sitting legislators who are hearing about housing from their constituents. Election season represents the perfect opportunity for housing advocates to make their voices heard and inform candidates of critical issues facing the state.

Candidates are receiving the briefing book by mail and at events such as the [candidate forum](#) in late September sponsored by the Minnesota Coalition for the Homeless. [HOME Line's Public Policy blog](#) features some of the book's content, and we've even heard the book might be promoted at party caucuses.

Contributors to the briefing book include Corporation for Supportive Housing, Heading Home Minnesota, Hearth Connection, HOME Line, Inc., Lutheran Social Service of Minnesota, Metropolitan Consortium of Community Developers, Minnesota Coalition for the Homeless, Minnesota Community Land Trust Coalition, Minnesota Housing Partnership and Twin Cities Habitat for Humanity.

Please *lend a hand* by presenting the briefing book to candidates and staff during meetings, forums, or other events. Contact Julie Johnson at MHP at 651-925-5548 or [jjohnson@mhponline.org](mailto:jjohnson@mhponline.org) if you need more information.

## FEDERAL UPDATE

### Put the “Fund” in the Housing Trust Fund

Legislation providing \$1 billion in funding for the [National Housing Trust Fund](#) has been introduced in both the House and Senate. The trust fund is a new program created in 2008 to create or preserve mostly rental housing for extremely low income households. It is currently unfunded.

Please ***call your elected officials in Congress as soon as possible, urging them to cosponsor these bills:***

- In the House, H.R. 3766, the "Main Street TARP Act", introduced by Rep. Barney Frank (D-MA).
- In the Senate, S. 1731, the "Preserving Homes and Communities Act", introduced by Sen. Jack Reed (D-RI).

It's a huge help to let us know you called. [Click Here If You Did!](#)

Distict #	Name	Phone #
At Large	Senator Amy Klobuchar	202-224-3244
1st District	Representative Tim Walz	202-225-2472
2nd District	Representative John Kline	202-225-2271
3rd District	Representative Erik Paulsen	202-225-2871
4th District	Representative Betty McCollum	202-225-6631
5th District	Representative Keith Ellison	202-225-4755
6th District	Representative Michelle Bachmann	202-225-2331
7th District	Representative Collin Peterson	202-225-2165
8th District	Representative James Oberstar	202-225-6211

**Senator Al Franken has already signed as a co-sponsor of the legislation!**

### Tax Credit for Homebuyers Expanded: What to Expect

On November 5<sup>th</sup>, an extension and expansion of the July 2008 Housing and Economic Recovery Act (HERA) homebuyer tax credit went into law. The new legislation extends the \$8,000 credit for first-time homebuyers to those who enter into home sales contracts by April 30, 2010 and close within 60 days. The law also adds a new \$6,500 credit for current homeowners (the “move-up buyers”), as long as they have lived in their current homes for

five straight years, and raises upper income limits to \$125,000 for individuals and \$225,000 for married couples. Homes sold for over \$800,000 are not eligible for the credit.

So what does it all mean for housing? According to [Wall Street Journal](#) sources, because of the new credit, the number of home sales to first-time buyers from March through November of 2009 can be expected to be 10% higher, and sales to existing buyers will be 5% higher than they would have been otherwise. The article adds that the tax credit makes up about 4% of the average purchase price for first-time buyers nationally, but only about 2% of the average purchase price for move-up buyers.

Here in Minnesota, Jeff Allen, Research Manager of the Minneapolis Area Realtors Association, [predicts in his blog](#) that first-time home buyer activity in the metro will remain strong, but that most first-time buyers in the market would have pushed up their purchases already. While high unemployment might be a deterrent, he predicts that the higher income limits associated with the new tax credit will appeal to a number of buyers who did not qualify previously.

Allen also expects that the \$6,500 credit for homeowners looking to sell and buy again will motivate some sellers in the low-to-mid price ranges to put their homes on the market. For those with negative equity, he adds that the \$6,500 might help cover losses when they sell.

All told, the new homebuyer tax credit is expected to cost the federal government \$10.8 billion, on top of \$14 billion from the previously enacted provisions. The offset comes from delaying a tax break for multinational companies that pay foreign taxes.

## Bits & Bytes

### **MHP and MnFHAC Featured in Memo to Members**

[Memo to Members](#), the weekly newsletter of the National Low Income Housing Coalition, featured the work of Minnesota advocates on federal housing policy in its November 16<sup>th</sup> issue. The article highlights MHP's [Federal Housing Pages](#), which were designed to help people keep on top of changes in federal housing policy. It also features the work of the Minnesota Federal Housing Action Coalition (MnFHAC) in organizing regular calls with congressional staff. MHP's October 23 Federal Housing Forum, a follow-up event to educate state lawmakers about federal housing policy, and HOME Line's new [policy blog](#) are also mentioned.

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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 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 email [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.