

Balanced housing policy needed to weather Minnesota's financial storms

Written by MN State Rep. Karen Clark, 61A
Monday, 02 February 2009 15:19

In need of a balanced housing policy to weather Minnesota's financial storms.

Minnesota is in the midst of an unprecedented housing and economic crisis that has no end horizon in sight. Some troubling trends provide a clearer overview of the financial storms to be weathered in the days ahead as we search for innovative solutions to keep a roof over every Minnesotan's head.

It's unfortunate but true that too often affordable housing is not given the resources our families and communities need. Right now less than three-tenths of 1 percent of our state budget is allocated for housing in Minnesota. Last week Gov. Pawlenty presented his budget proposal for the 2010-11 biennium, recommending an overall 2.2 percent reduction from the 2008-09 expenditures. A closer look at the Governor's cuts and changes appear to hit hardest at the poorest of the poor.

What does the Governor's budget mean for affordable housing in Minnesota?

The Governor proposes reducing our housing base budget that currently exists to provide many supportive housing services for low - moderate income individuals and families. Specific proposed cuts include decreasing the Minnesota Housing Finance Agency (MHFA) budget by more than 25 percent and the Department of Human Services housing related budget by 24 percent. I think we need to see the faces that go with these numbers - so we can really understand who is helped or hurt by these proposed budget cuts.

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As Chair of the Housing Finance and Policy and Public Health Finance Committee at the Minnesota House of Representatives, I strongly believe that the \$114 million in the 2008-2009 budget of the Minnesota Housing Finance Agency should be preserved. At a minimum, because we are in a deep housing crisis, an additional \$220 million in funding should be committed to invest in better and more adequate housing resources particularly in the face of mounting unemployment, homelessness, and ever increasing foreclosures.

Today, housing is just not affordable for many Twin Cities working families. Affordable housing should cost no more than 30 percent of a household's income, whether the "household" is an individual or a family. Families who pay more than 30 percent of their income for housing may have difficulty affording the basic necessities such as food, clothing, transportation and medical care. In 2007, 1 in 8 Minnesota households reported paying more than half their income for housing. Between 2000 -2007, Minnesota experienced the fastest growth in severely cost burdened households in our nation as the prices per housing significantly increased faster than increases experienced in income.

Concentrated foreclosures have left thousands of properties vacant, contributing to a downward spiral of falling property values and rising crime. As a result, local tax bases in many areas have weakened while the costs of public services have increased. The Minnesota Housing Partnership (MHP) has issued a disturbing new housing trends report

(www.mhponline.org) that graphically illustrates recent increases in home foreclosures, coupled with higher unemployment and a tightening rental market.

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In this economic climate, many Minnesotans are finding themselves only a job loss or a car accident away from being homeless. During the past two years, Hennepin County shelters experienced nearly a 60% increase in the average number of families seeking shelter on a monthly basis.

These are tough times and troubling trends that require a balanced housing policy that works for Minnesotans and their housing needs. Adequate housing is universally viewed as one of the most basic human needs - I believe the right to adequate housing should be a cornerstone of Minnesota law. Our housing policies should echo our commitment to protect and preserve the health and well-being of all our citizens, not deny or ignore those most in need of our leadership and compassion.

Each week, the Housing Finance and Policy and Public Health Finance Committee at the Minnesota House of Representatives has been hearing testimony from Minnesota's housing advocates. I encourage legislators and citizens to attend and contribute their voice.

I am working to keep Minnesotans informed about housing issues and policies as they unfold during the 2009 Legislative Session. These are real opportunities to create good-paying jobs as we invest in housing production, particularly as we consider the "green jobs" and "healthy homes" approach. Please feel free to call or write with any ideas or issues. I can be reached by phone at (651) 296-0294, by mail at 471 State Office Building, 100 Martin Luther King Blvd., St. Paul, MN 55155 or by e-mail at rep.karen.clark@house.mn.

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