



Thank you for the opportunity to provide written testimony on Funding Homeless Programs

My name is Sue Watlov Phillips, Executive Director of MICAHA- Metropolitan Interfaith Council on Affordable Housing, President of National Coalition For The Homeless (NCH). I have worked with people experiencing homelessness for over 53 years and I experienced homelessness in the early 1970s.

Over ½ of MICAHA's Board and staff have experienced homelessness and/or housing crises. 70% of our Board of Directors and Staff are from diverse communities. We work to ensure people who have experienced homelessness, housing crises, and/or housing discrimination are at every decision making table about their lives.

Our faith calls us to be a welcoming community, to love and treat others the way we want to be treated. MICAHA members address the immediate needs of people in our community as we work together to change the structural causes of homeless, end homelessness and to realize our mission to ensure everyone, without exception, has safe, decent, accessible home that is affordable to them.

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Testimony on Funding Homeless Programs

MICAHA supports our Continuum to Housing's focus on prevention of homelessness, addressing the immediate needs of people experiencing homelessness, and rapidly moving people back into housing that is affordable for them. It is critical people who have experienced homelessness are at every decision making table as experts and are involved in the implementation and governance of programs.

MICAHA continues to be very concerned about cost and potential data privacy violations of HMIS, Coordinated entry and other data systems. Until recently, we were spending more funds and staff time on collecting data vs providing shelter in Minnesota

We can fully fund the Continuum to Housing and expand our affordable housing stock if we are willing to:

**Put All the Budgets on the Table to Create Housing Equity
Tax Expenditure, Appropriations, Bonding Budgets**

Background: Homeowners receives 4-5X more subsidy than affordable rental housing. This funding primarily comes through the tax expenditure budget in multiple categories including: deductions in FY 21 for mortgage interest (\$83.4 Million), property tax(52.5 Million), capital gains (\$186.6 million), homestead credit (\$154.5 Million), and mortgage revenue bonds for first time homebuyer mortgages (\$1 Billion/ year) in addition there is funding for down payment assistance and rehab loans in the MHFA Budget.

https://www.revenue.state.mn.us/sites/default/files/2020-02/2020%20Tax%20Expenditure%20Budget_0.pdf

<file:///C:/Users/Owner/Downloads/Satellite.pdf> Appendix A-2

The need for a diversity of rental housing options that are affordable and providing affordable home ownership options for our diverse communities, are critical to stabilizing our communities (MHP State of Housing Report)

<https://www.mhponline.org/publications/state-of-the-state-s-housing-2019>

Proposal:

- 1. Limit the Mortgage Interest Deduction**
- 2. Limit Capital gains exemptions to 2-3x in a lifetime.**

Use the \$200 Million- \$300 Million /biennium in revenue raised to expand the base funding of these programs in the Continuum to Housing

\$25 million Prevention (including mediation, tenant training/assistance, etc)

\$25 Million Outreach and Shelter

\$25 Million Transitional Housing

\$25 Million Supportive Housing - provide funding to Housing Support program so residents only pay 30% of income for housing and rents are adjusted automatically to annual FMRs.

\$ 100-200 Million Affordable Housing- Rental and Home ownership targeted primarily at 30% of median income without the requirement of supportive services.

I would be willing to testify in person in the future about these and other options.

God's peace,

Sue Watlov Phillips

Sue Watlov Phillips, M.A.

Executive Director MICAH

President, National Coalition For The Homeless