Planning for Equity and Affordability

Andrea Brennan
Director of Housing Policy and Development
City of Minneapolis
2017 Election

- 1 – City Council adopted community engagement plan with intentional reach & approved 14 goals with clear direction for staff
- 2 – Staff embraced focus on race equity + other goals and brought forward a draft that had been well researched with strong engagement and support
- 3 – Advocates across issue areas were generally aligned in support + raised during election year
14 Goals

1. Reduced disparities
2. More residents and jobs
3. Affordable and accessible housing
4. Living-wage jobs
5. Healthy, safe, and connected people
6. High-quality physical environment
7. History and culture
8. Creative, cultural, and natural amenities

9. Complete neighborhoods
10. Climate change resilience
11. Clean environment
12. Healthy, sustainable, and diverse economy
13. Proactive, accessible, and sustainable government
14. Equitable civic participation system
minneapolis | 2040

Growth  Equity  Sustainability  Livability  Competitiveness  Good Government
Where are we now

U.S.

The Miracle of Minneapolis
No other place mixes affordability, opportunity, and wealth so well. What’s its secret?

DEREK THOMPSON  MARCH 2011/ISSUE

The Miracle of Minneapolis
No other place mixes affordability, opportunity, and wealth so well. What’s its secret?

BUSINESS

Minneapolis's White Lie
Despite being applauded by many, the "miraculous" prosperity of the Twin Cities is only a reality for a certain slice of their population.

JESSICA NICKRANS  FEB 21, 2015

Minneapolis's White Lie
Despite being applauded by many, the "miraculous" prosperity of the Twin Cities is only a reality for a certain slice of their population.

In August 1973, Time magazine ran a cover of Minnesota Governor Wendell Anderson proudly holding up a fish. The accompanying story called Minnesota a "state that works," and promised “The Good Life in Minnesota.” More
TODAY, the Twin Cities has among the largest disparities among persons of color and indigenous peoples compared with white people in poverty rates, homeownership, employment, and level of education.

Minnesota ranked 2nd-Worst in U.S. for Racial Equity

- 24/7 Wall St.

Minnesota ranked last in 51 states in overall financial inequality in 2015

- Pew Research Center via U.S. Census Bureau

U.S. Census data show most Minnesota families of color now have median incomes about half those of their counterparts.

This plan is our opportunity to undo barriers & overcome inequities created by a history of policies in our city that have prevented equitable access to housing, jobs, and investments.
Mapping Prejudice project traces history of discriminatory deeds in Minneapolis

Researchers trace a history of discrimination buried in Mpls. housing deeds.

By Steve Brandt | Star Tribune | NOVEMBER 25, 2016 — 7:58AM

The ugly history of racism is buried in the restrictive deed covenants of homeowners across Minneapolis.

From the neighborhoods near Lake Nokomis to properties along Minnehaha Creek to subdivisions in Northeast’s Waite Park, real estate documents spell out requirements meant to keep people “other than anyone of the Caucasian race” out.

Now, a team of local researchers aims to make Minneapolis the first city in the nation to map every residential lot’s history of racially restrictive deed covenants. Their painstaking research is accelerating, thanks to digital technology that will let them scan records that once resided in huge dusty tomes or on microfilm in the Hennepin County recorder office.

“If we succeed, we’ll be the first city in the country,” said Kirsten Delegard, director of the joint effort between Augsburg College, where she runs the Historyaplis Project, and the University of Minnesota’s Borchert Map Library.
Example Restriction from 1940:

“These premises...shall not at any time be conveyed, mortgaged or leased to any person or persons of Chinese, Japanese, Moorish, Turkish, Negro, Mongolian or African blood or descent.”
284 (1). Protection from Adverse Influences.—The Valuator should realize that the need of protection from adverse influences is greater in an undeveloped or partially developed area than in any other type of neighborhood and, in general, a high rating should be given only where adequate zoning regulations or effective deed restrictions exist inasmuch as these provide the surest protection against undesirable encroachment and inharmonious use.

284 (2). Carefully compiled zoning regulations are the most effective because they not only exercise control over the subject property but also over the surrounding area. However, they are seldom complete enough to assure a homogeneous and harmonious neighborhood.

284 (3). Recorded deed restrictions should strengthen and supplement zoning ordinances and to be really effective should include the provisions listed below. The restrictions should be recorded with the deed and should run for a period of at least twenty years. Recommended restrictions include the following:

(a) Allocation of definite areas for specific uses such as single or double-family houses, apartments, and business structures.

(b) The placement of buildings so they will have adequate light and air with assurance of a space of at least ten feet between buildings.

(c) Prohibition of the resubdivision of lots.

(d) Prohibition of the erection of more than one dwelling per lot.

(e) Control of the design of all buildings through requiring their approval by a qualified committee and by appropriate cost limitations.

(f) Prohibition of nuisances or undesirable buildings such as stables, pig pens, temporary dwellings, and high fences.

(g) Prohibition of the occupancy of properties except by the race for which they are intended.

(h) Appropriate provisions for enforcement.
Predominantly White

Predominantly People of Color

Found Racial Covenants
Eliminate all R1 + R1A Zoning

Redefine R1 to include all buildings 1-4 units by right

Exclusionary Zoning Zone
Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

2000
Median Rent: $809
($575 in 2014 dollars)

Median Renter Income:
Affordable threshold:

Black or African American
$26,729 ($19,000 in 2000 dollars) $886 ($475 in 2000 dollars)

Hispanic or Latino
$40,234 ($28,600 in 2000 dollars) $1,086 ($715 in 2000 dollars)

White Not Hispanic or Latino
$39,380 ($28,000 in 2000 dollars) $985 ($700 in 2000 dollars)

2014
Median Rent: $854

Median Renter Income:
Affordable threshold:

Black or African American
$14,951 $574

Hispanic or Latino
$30,491 $762

White Not Hispanic or Latino
$39,525 $988

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS
All bolded values adjusted to 2014 dollars
Incomes for households
Minneapolis 2040: The most wonderful plan of the year

Jenny Schuetz  Wednesday, December 12, 2018
What Brookings said about 2040...

1. Build more housing

- The only long-term way to reduce housing costs—or at least reduce the rate of housing price growth—is to build more housing. Many single-family neighborhoods claim that they are “built out,” meaning that no additional housing can be constructed—or at least, not under existing zoning. By rezoning lots that currently accommodate only one single-family house to allow duplexes and triplexes, Minneapolis effectively triples the housing capacity of some neighborhoods.
2. Build less expensive housing

- Large houses cost more to buy or rent than small houses, conditional on structure quality and location. A 3,000 square foot structure divided into three apartments not only creates more housing units, but each apartment will be cheaper than the single-family house it replaces. Another plan component that helps to lower costs: the plan tackles the sacred cow of requiring developers to provide off-street parking for new houses (often a poison pill for low-cost housing).
3. Build less expensive housing in desirable neighborhoods

• The biggest benefit to economics for low and moderate-income households comes from improving affordability in high amenity neighborhoods. Key features of those neighborhoods are proximity to employment centers, public transit stations, low crime, low poverty, and high quality public schools. Minneapolis 2040 puts access to high quality neighborhoods at the center of the plan.
The housing affordability problem in Minneapolis is a racial equity issue.
The housing affordability problem in Minneapolis is a racial equity issue. 

*Part* of the solution for reducing racial disparities is to increase **housing supply** and **choice**.
Incremental (Choice)
Substantial (Supply)
Downtown
Transit Corridors
Inner Neighborhoods
Outer Neighborhoods
What is the big deal with triplexes?
Predictability: Allow multifamily housing *as-of-right*. 
Transit 20
The Transit 20 district is typically applied along high frequency transit routes, adjacent to METRO stations, in neighborhoods near downtown, and in downtown.

*Built Form Guidance*: New and remodeled buildings in the Transit 20 district should reflect a variety of building types on both moderate and large sized lots. Upper floors of taller buildings should be set back to increase access to light and air. Building heights should be 6 to 20 stories. Building heights should be at least 6 stories in order to best take advantage of the access to transit, jobs, and goods and services provided by the Transit 20 district. Requests to exceed 20 stories will be evaluated on the basis of whether or not a taller building is a reasonable means for further achieving Comprehensive Plan goals.

**Related policies:**
- Policy 1: Access to Housing
- Policy 2: Access to Employment
- Policy 4: Access to Commercial Goods and Services

**Map color:**

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*Image of a map showing the Transit 20 district in Minneapolis.*

*Image of a street scene with people walking and biking along a sidewalk near a park and a transit stop.*
**Interior 2**

The Interior 2 district is typically applied in parts of the city that developed during the era when streetcars were a primary mode of transportation, in the areas in between transit routes, and on select streets with intermittent local transit service. It is also applied adjacent to the Corridor 4 and Corridor 6 districts, serving as a transition to lower intensity residential areas.

*Built Form Guidance:* New and remodeled buildings in the Interior 2 district should be small-scale residential. Individual lots are permitted to have up to three dwelling units. Multifamily buildings with more than three units are permitted on larger lots. Limited combining of lots is permitted. Building heights should be 1 to 2.5 stories.

**Related policies:**
- Policy 1: Access to Housing
- Policy 2: Access to Employment
- Policy 4: Access to Commercial Goods and Services

**Map color:**

[Map image with legend]
City Housing Strategy

THE DIVERSITY OF GENTRIFICATION:
Multiple Forms of Gentrification in Minneapolis and St. Paul

Edward O. Conner, Brittany Lawless, Anthony Daniels, Molly Cahillan

NOTE: Our dataset includes only properties with four or more units. Given the prevalence of smaller properties and rental of single family homes in North Minneapolis our analysis likely dramatically underestimates the availability of affordable units in these neighborhoods.

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>40-60 AMI units</th>
<th>Neighborhood</th>
<th>60+ AMI units</th>
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<tr>
<td>Whittier</td>
<td>1,800</td>
<td>Hiawatha</td>
<td>130</td>
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<tr>
<td>Mary Holmes</td>
<td>1,187</td>
<td>Hiawatha</td>
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<td>Loring Park</td>
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<td>Ventana Village</td>
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<td>Cedar Isles Dora</td>
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<td>Cedar Riverside</td>
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<td>Winona</td>
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<td>Irvington</td>
<td>138</td>
<td>Cleveland</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Minnesota Housing Partnership “Market Watch: Minneapolis” | www.mnhomeonline.org/market-watch-mpls
Innovative Housing Strategies

Pilot Program Steps

1. Issue and opportunity identification
2. Research and concept development
3. Pilot program
4. Evaluate and revise pilot program
5. Scale up to full program

Innovative Housing Strategies

POLICY 36
City Housing Strategy

Housing challenges complex, dynamic:

- Affordable housing production: not keeping pace with loss; need for expanded choice in all Minneapolis neighborhoods
- Housing stability: increasing cost burden rates for low income renters; need for anti-displacement strategies
- Racial disparities: all aspects of housing; impact on wealth creation and need for homeownership strategy

Response: set of broad strategies including investment, policy, public-private partnership, innovative new programs, and tenant supports
Increased Housing Investments

2019 Housing Division Budget: $45.3 Million

- New rental housing production
- Homeownership education and lending
- Renter Stability
- Stabilization Pilot
- Prevent and End Homelessness
- Strategic Acquisition and Recycling
- Admin/construction/contract services

Does not include investments in other City departments (increased housing inspectors, homeless and vulnerable populations, healthy housing, MPHA)
Inclusionary Housing Policy

- **2004:** City financial assistance
- **2017:** City owned land
- **2018:** “Interim” Inclusionary Zoning Ordinance: substantial additional development capacity (60% or more)
- Under development **2019:** “Comprehensive” Inclusionary Zoning Ordinance: all new projects

Affordable housing goals of **Minneapolis 2040:**

**ensure all Minneapolis residents are able to afford and access quality housing throughout the City**
Housing Stability

• Naturally Occurring Affordable Housing (NOAH) Preservation Initiatives
  • Acquisition by preservation buyer
  • Incentives for existing rental properties to maintain lower rents

• Policy Initiatives
  • Tenant protections
  • Anti-displacement policy agenda

• Tenant Stability
  • Tenant hotline
  • Legal services for tenants
  • Stable Homes Stable Schools partnership with public housing authority, non-profits
Homeownership Capacity

- Development assistance
  - 77% POCI
- Education, counseling, financial wellness
  - 80% POCI
- Downpayment assistance
  - 85% POCI
Predictability: Achieving Plan Goals

**Eliminate disparities**
In 2040, Minneapolis will see all communities fully thrive regardless of race, ethnicity, gender, country of origin, religion, or zip code having eliminated deep-rooted disparities in wealth, opportunity, housing, safety, and health.

**Affordable and accessible housing**
In 2040, all Minneapolis residents will be able to afford and access quality housing throughout the city.

**Living-wage jobs**
In 2040, all Minneapolis residents will have the training and skills necessary to participate in the economy and will have access to a living-wage job.

**Complete neighborhoods**
In 2040, all Minneapolis residents will have access to employment, retail services, healthy food, parks, and other daily needs via walking, biking, and public transit.

**Climate change resilience**
In 2040, Minneapolis will be resilient to the effects of climate change and diminishing natural resources, and will be on track to achieve an 80% reduction in greenhouse gas emissions by 2050.
Forget the brawl here: Minneapolis’ 2040 plan is getting national raves

The New York Times

Minneapolis, Tackling Housing Crisis and Inequity, Votes to End Single-Family Zoning

Los Angeles Times

What L.A. can learn from Minneapolis’ ban on single-family zoning

CITYLAB

Why Minneapolis Just Made Zoning History

The ambitious Minneapolis 2040 plan will encourage more dense housing development in single-family neighborhoods.

Esquire


Zoning laws are more than just municipal red tape—they’re drivers of racial and economic segregation.
What made it work?

Engagement  Goals  Advocacy  Leadership