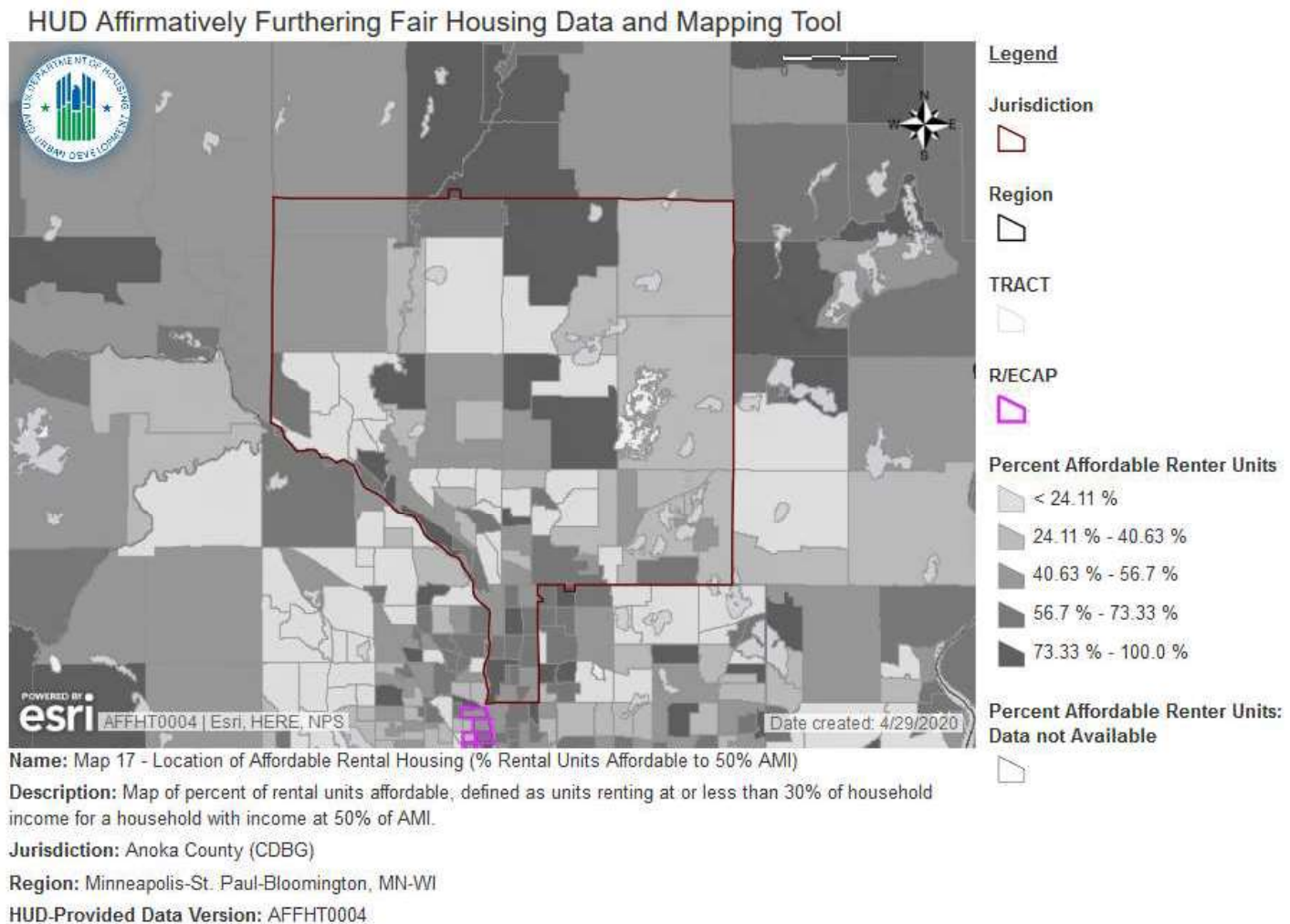


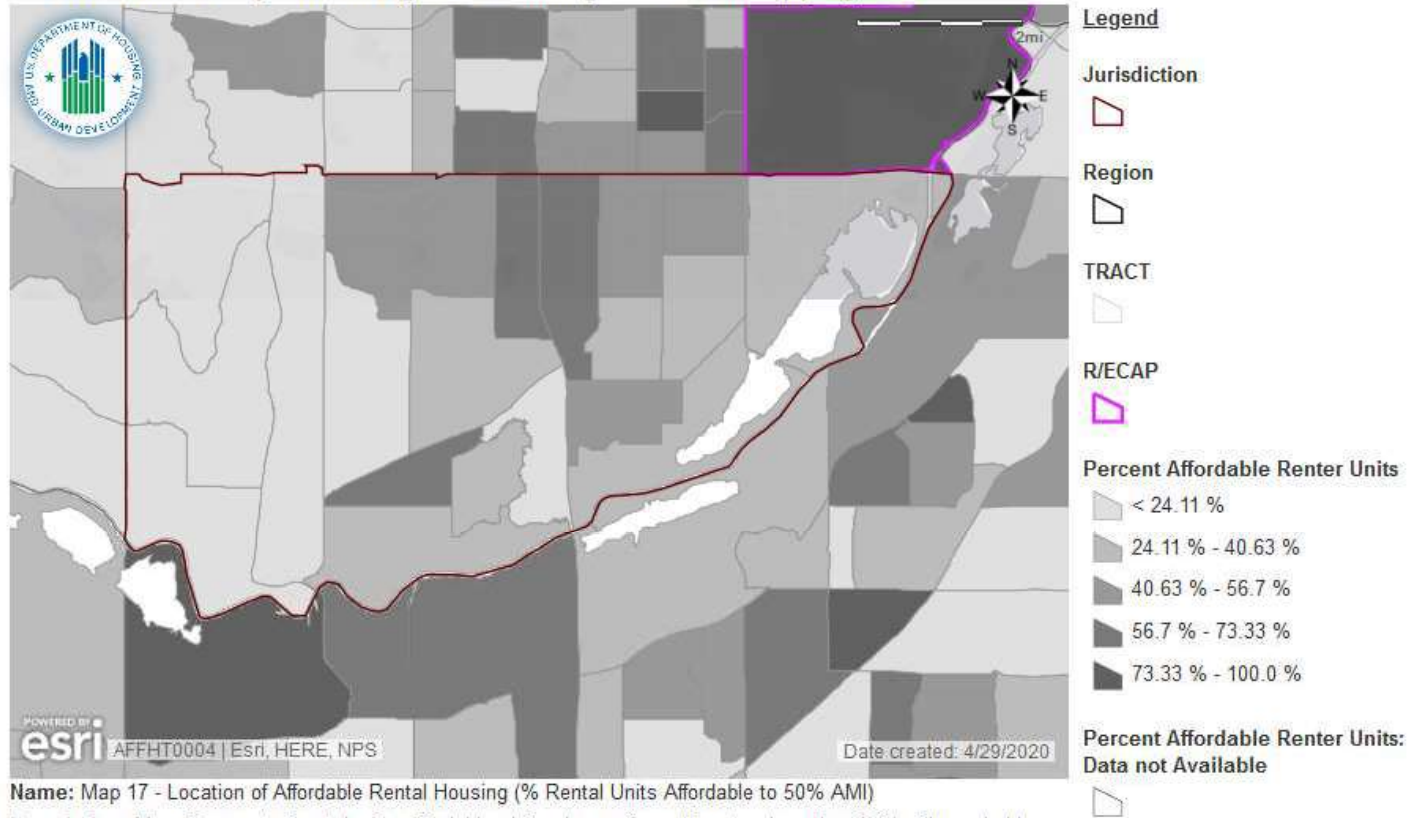
E. Publicly Supported Housing Appendix

Map 1: Location of Affordable Rental Housing, Anoka County



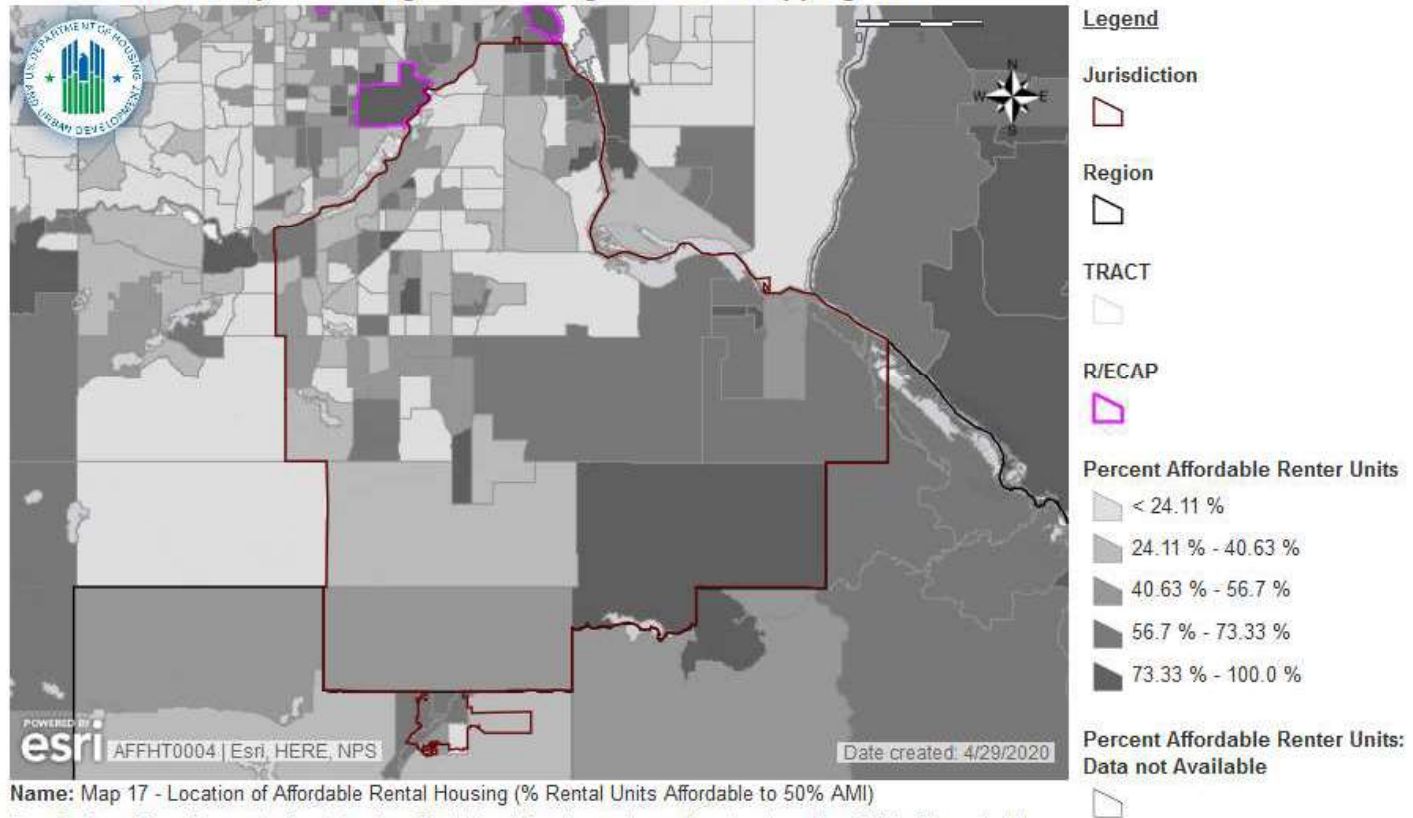
Map 2: Location of Affordable Rental Housing, Bloomington

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Map 3: Location of Affordable Rental Housing, Dakota County

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Name: Map 17 - Location of Affordable Rental Housing (% Rental Units Affordable to 50% AMI)

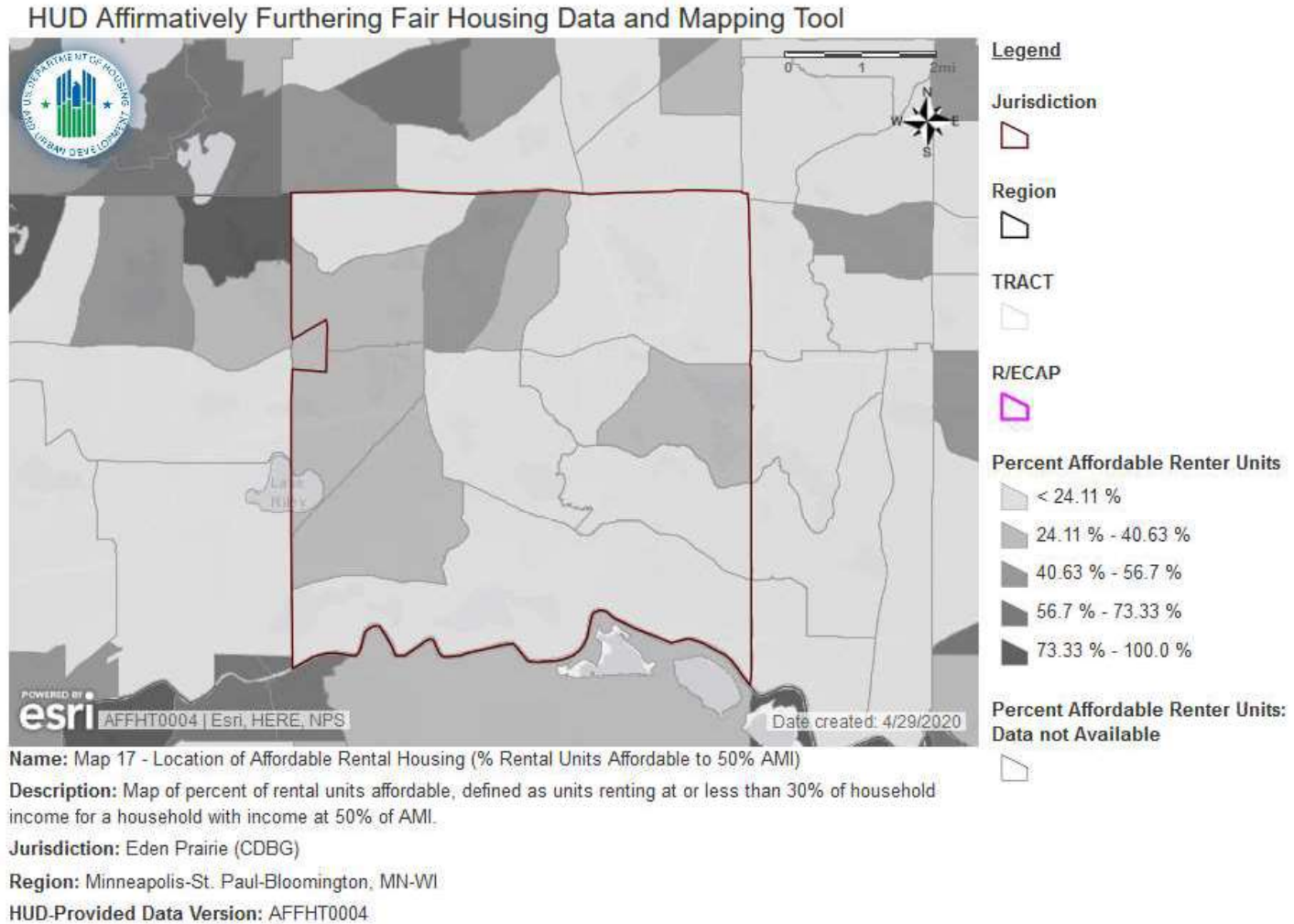
Description: Map of percent of rental units affordable, defined as units renting at or less than 30% of household income for a household with income at 50% of AMI.

Jurisdiction: Dakota County (CDBG, ESG)

Region: Minneapolis-St. Paul-Bloomington, MN-WI

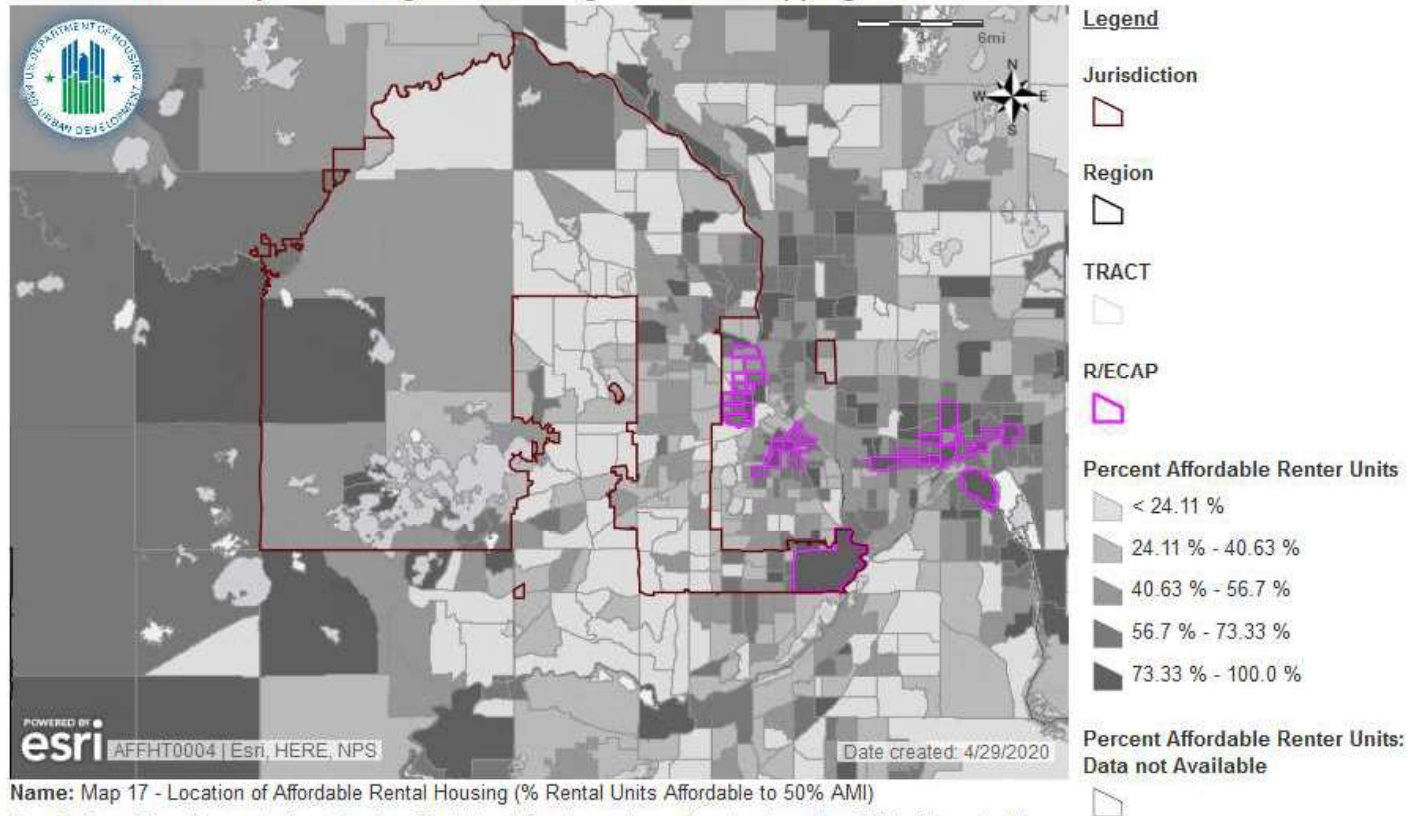
HUD-Provided Data Version: AFFHT0004

Map 4: Location of Affordable Rental Housing, Eden Prairie



Map 5: Location of Affordable Rental Housing, Hennepin County

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Name: Map 17 - Location of Affordable Rental Housing (% Rental Units Affordable to 50% AMI)

Description: Map of percent of rental units affordable, defined as units renting at or less than 30% of household income for a household with income at 50% of AMI.

Jurisdiction: Hennepin County (CDBG, ESG)

Region: Minneapolis-St. Paul-Bloomington, MN-WI

HUD-Provided Data Version: AFFHT0004

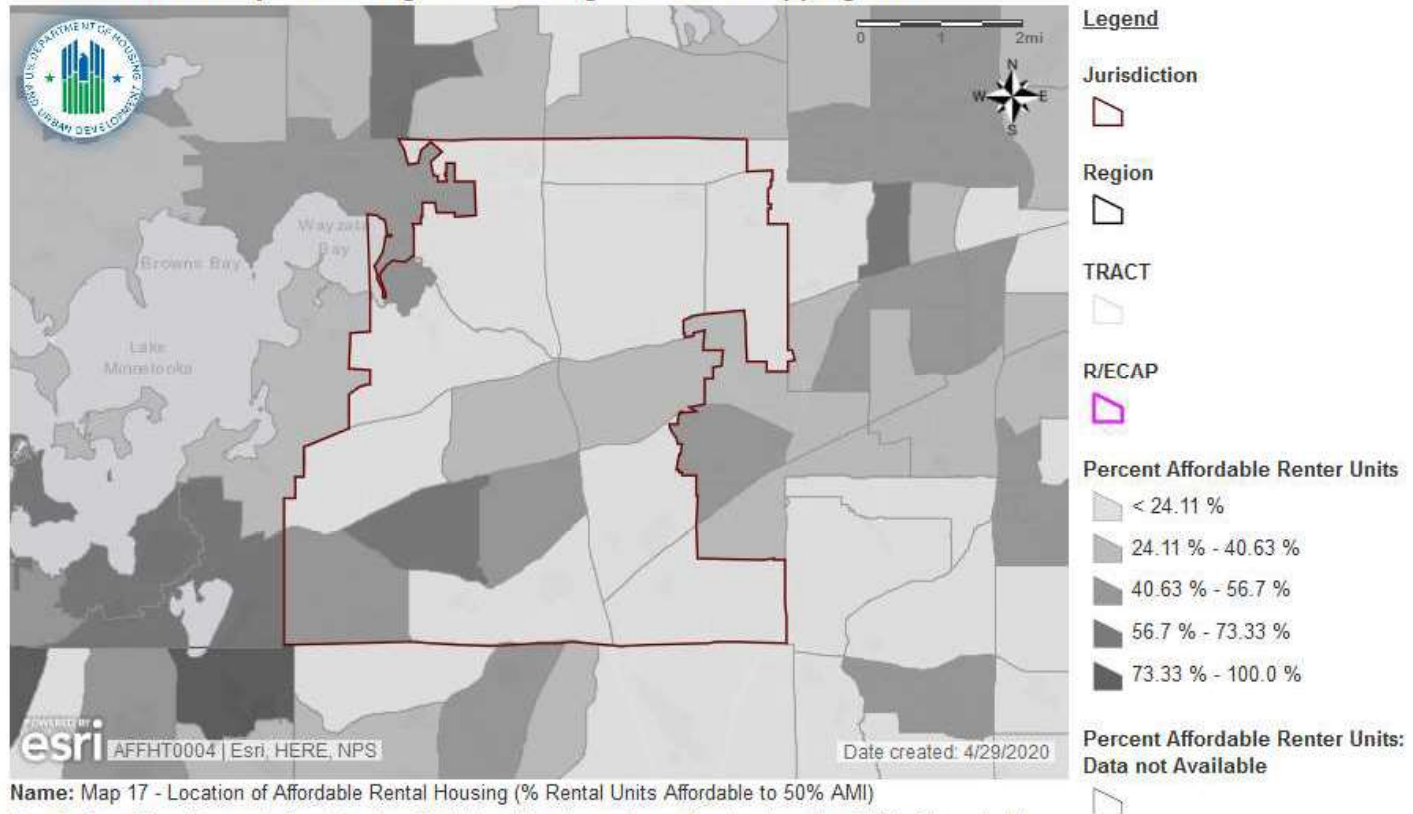
Map 6: Location of Affordable Rental Housing, Minneapolis

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



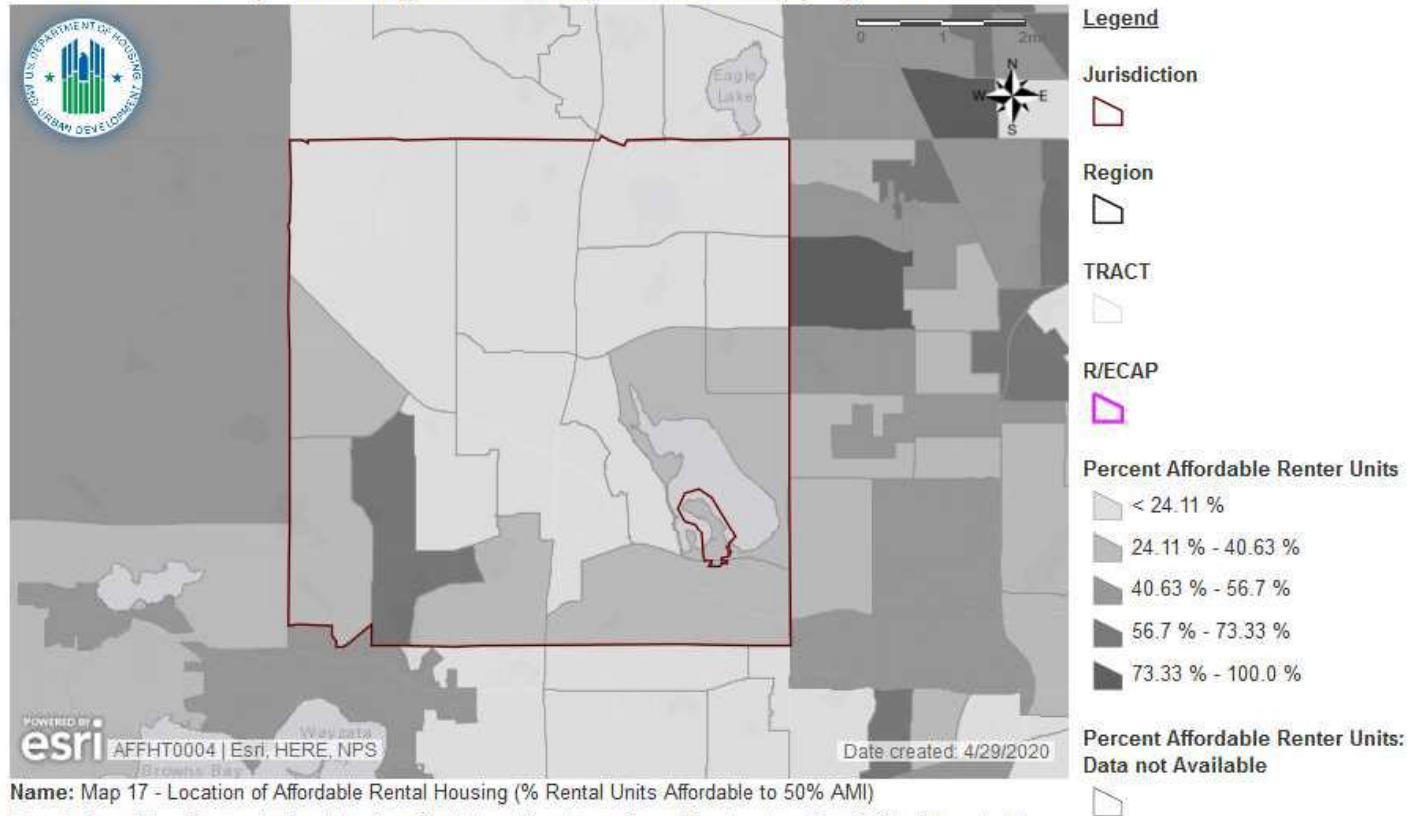
Map 7: Location of Affordable Rental Housing, Minnetonka

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



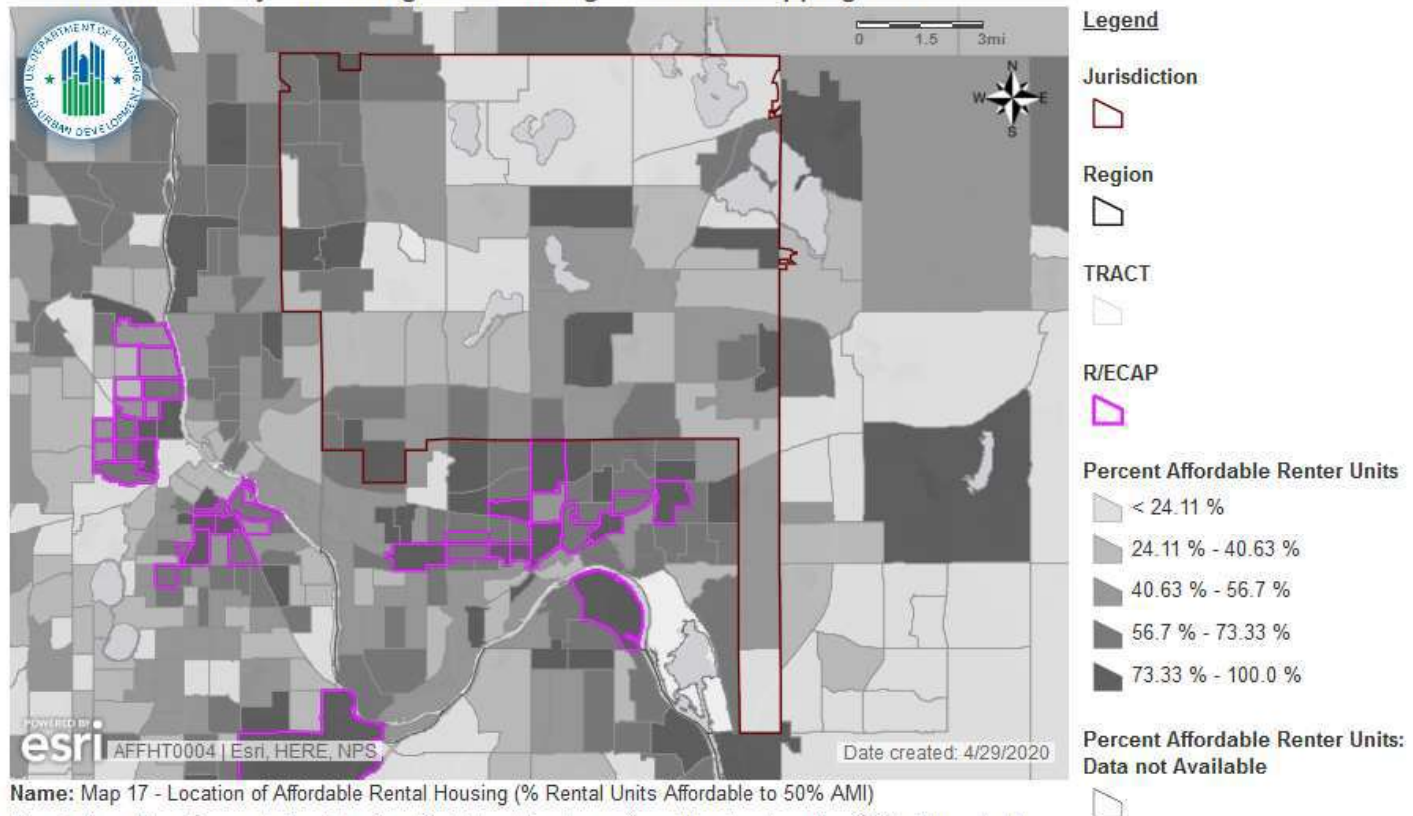
Map 8: Location of Affordable Rental Housing, Plymouth

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Map 9: Location of Affordable Rental Housing, Ramsey County

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool

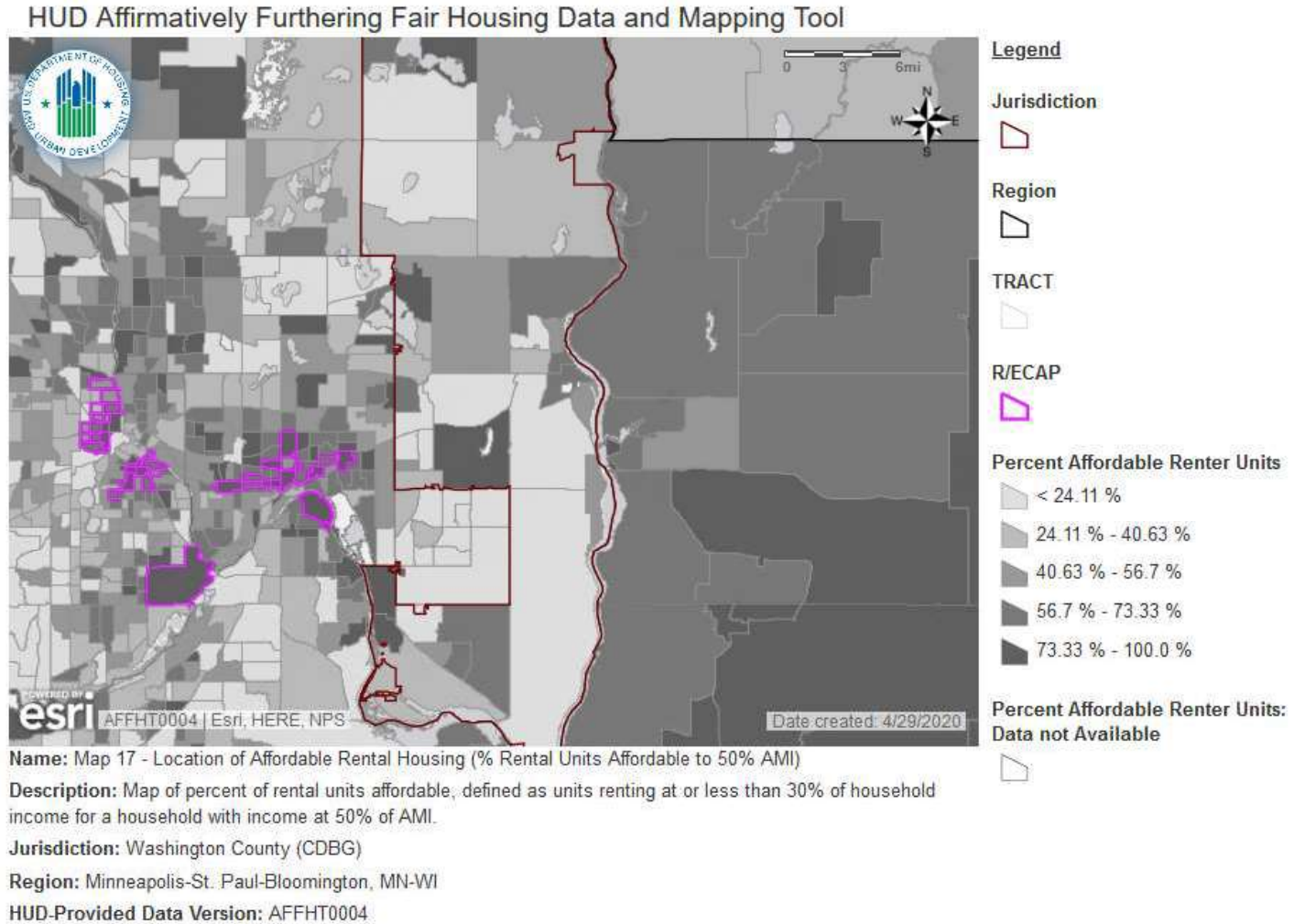


Map 10: Location of Affordable Rental Housing, St. Paul

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Map 11: Location of Affordable Rental Housing, Washington County



Map 12: Location of Affordable Rental Housing, Woodbury

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Table 1: Public Housing Demographics, Anoka County

Project-Based Section 8						
(Anoka County, MN CDBG) Jurisdiction						
Development Name	# Units	White Residents	Black Residents	Hispanic Residents	Asian Residents	Households with Children
Grasslands	24	91	5	0	N/a	9
Abbey Field	42	87	3	5	5	82
Mississippi View Apartments	93	81	16	1	1	51
Northgate Woods	75	76	22	1	N/a	39
Osborne Apartments, Inc.	60	82	4	4	7	N/a
Oxbowl Bend Apartments	60	94	5	2	N/a	N/a
Sunny Acres Estates	52	65	26	2	N/a	70
Walker On The River	45	98	N/a	2	N/a	N/a
Drake Apartments	48	74	19	2	2	84
Village Green Family	195	65	32	3	N/a	23
Heights Manor	85	90	7	1	N/a	5
Bridge Square Apartments	101	97	1	1	N/a	N/a
Dublin Park Apartments	89	100	N/a	0	N/a	N/a
Galway Place	36	68	24	6	3	80
Other Multifamily Assisted Housing						
(Anoka County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Asi Anoka County	12	100	N/a	0	N/a	N/a
Norwood Square	50	86	4	4	4	N/a
Columbia Village	39	87	5	5	3	N/a
North Gables Senior Housing	49	94	N/a	2	4	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 2: Public Housing Demographics, Dakota County

Public Housing								
(Dakota County, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Portland N&S/Biscayne Townhomes/Office	MN147	Dakota County Cda	243	46	43	5	6	86
John Carroll	MN010	Hra Of The City Of South St Paul, Minnesota	166	82	12	4	1	N/a
Colleen Loney Manor	MN147	Dakota County Cda	80	67	15	10	6	N/a
Nan McKay	MN010	Hra Of The City Of South St Paul, Minnesota	132	75	13	8	2	N/a

Project-Based Section 8						
(Dakota County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Rosemount Plaza	39	72	14	6	8	N/a
Spruce Place Apartments	60	91	9	0	N/a	N/a
Rosemount Townhouses	28	56	44	0	N/a	88
Greenvale Place	96	68	27	3	2	30
Jefferson Square	50	76	10	12	N/a	85
Northfield Manor	63	95	N/a	2	2	N/a
Three Links Apartments	82	99	N/a	1	N/a	N/a
Mount Carmel Manor	60	54	10	36	N/a	2
Oak Ridge Manor	109	95	2	1	1	N/a

Prairie Estates	40	50	35	9	3	85
Camber Hill	44	41	39	15	2	90
Apple Valley Villa	72	97	1	0	1	N/a
Oaks Of Apple Valley	56	34	56	4	6	54
Chancellor Manor	196	15	83	1	1	59
Chowen Bend Townhomes	32	33	63	0	3	83
Cliff Hill Townhomes	32	50	50	0	N/a	66
Dakota'S Adult'S, Inc.	12	82	9	0	9	N/a
Fairfield Terrace	24	80	8	0	8	N/a
Horizon Heights Townhouses	25	36	64	0	N/a	81

Other Multifamily Assisted Housing						
(Dakota County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Ebenezer Ridge Point	42	95	3	0	3	N/a
West Apartments	24	70	26	4	N/a	9
Leah'S Apartments	17	56	33	6	6	6
Apple Grove Court	16	94	N/a	0	6	N/a
Prairie View Heights	39	87	8	5	N/a	N/a
Park Ridge Apartments	20	100	N/a	0	N/a	N/a
Wellstone Commons	29	90	3	7	N/a	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 3: Public Housing Demographics, Hennepin County

Public Housing								
(Hennepin County, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Indian Knoll Manor	MN074	Hra Of The City Of Mound, Minnesota	50	93	7	0	N/a	2
Dow Towers	MN078	Hra Of Hopkins, Minnesota	76	64	27	3	5	N/a
Louisiana Court	MN144	Housing Authority Of St Louis Park, Minnesota	159	47	48	2	2	28

Project-Based Section 8						
(Hennepin County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Dover Hill Apartments	0	N/a	N/a	N/a	N/a	N/a
Minnetonka Th'S Aka Elmbrooke	46	32	62	2	4	72
Emerson Chalet	18	18	71	6	6	30
Ewing Square Townhomes	23	0	95	0	5	76
Golden Valley Townhouses	8	N/a	N/a	N/a	N/a	N/a
Hickory Ridge	32	26	70	4	N/a	85
Hillside Terrace - Long Lake	44	100	N/a	0	N/a	15
Walnut Place	30	87	10	3	N/a	74
South Shore Park	67	97	3	0	N/a	N/a
North Park Plaza	104	86	8	1	2	N/a
Pleasant Place	24	91	N/a	5	N/a	N/a

Sheridan Court	30	97	3	0	N/a	N/a
South Haven	100	86	8	1	4	N/a
Lilac Pkwy Apts	48	72	24	0	2	N/a
Lou Park Apartments	32	88	12	0	N/a	27
Oak Glen Of Edina	26	33	59	0	7	74
Oak Park Village Apartments	100	32	68	0	N/a	54
Richfield Towers	150	64	20	1	14	N/a
Robbins Landing	110	58	40	2	N/a	8
Hopkins Village	64	77	11	2	6	2
Maple Terrace	38	94	3	0	3	N/a
Medley Park	30	78	22	0	N/a	56
Menorah Plaza	154	92	5	3	1	N/a
Menorah West	45	93	7	0	N/a	N/a
Wildwood Apartments	18	50	50	0	N/a	88
Calvary Center Apartments	80	89	8	0	3	N/a
Winnetka West Aka New Hope Np Hsing	26	85	12	4	N/a	8
Summit Point	29	97	3	0	N/a	N/a
Yorkdale Townhomes	90	33	65	3	N/a	68
Yorktown Continental	179	71	11	3	15	N/a
Boardwalk	77	92	6	1	N/a	N/a
Bnr	222	30	66	0	2	31
Park Haven Apts. (Aka Carriage Hous	123	7	90	2	2	59
Westonka Estate	42	95	N/a	3	3	N/a
The Cunningham	25	87	13	0	N/a	4
Unity Place	112	9	86	3	1	81
Raspberry Ridge	101	31	61	5	3	39

Walker On Kenzie	45	91	7	0	2	N/a
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Other Multifamily Assisted Housing						
(Hennepin County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Four Seasons Community Housing	7	N/a	N/a	N/a	N/a	N/a
Arbor Lakes	49	86	4	2	8	N/a
Autumn Trails Of Rogers	20	95	5	0	N/a	N/a
Sonoma Apartments	24	85	12	0	4	4
Hayden Lake/Wiggins Apartments	23	91	9	0	N/a	5
Meadow Trails Apartments	17	88	6	0	6	6
Fraser Hopkins Court	14	93	N/a	0	7	N/a
Pesch Place	5	N/a	N/a	N/a	N/a	N/a
Robert Will Community Housing	11	82	18	0	N/a	N/a
Evergreen Apartments	22	75	25	0	N/a	N/a
Robbins Way Senior Housing	36	54	40	3	3	N/a
Asi Hennepin County	4	N/a	N/a	N/a	N/a	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 4: Public Housing Demographics, Bloomington

Project-Based Section 8						
(Bloomington, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Newton Manor	45	95	2	0	2	N/a
Blooming Glen Townhomes	50	33	45	2	19	57
Highlands Apts Aka Bloomington Fami	28	38	58	0	4	69
Bloomington Barrier Free Hsg	24	87	9	0	N/a	N/a
L.W. Fraser Indep Living Prj 2 - Ly	30	96	4	0	N/a	N/a
Ridgeview Terrace	51	86	8	2	4	N/a
Bloomington Housing	306	66	12	1	20	16

Other Multifamily Assisted Housing						
(Bloomington, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Metro Apartments	23	72	28	0	N/a	N/a
Nhhi-Senior Bloomington, Inc.	49	76	10	2	12	N/a
Penelope 35	41	88	5	0	7	N/a
Garfield Commons	20	85	15	0	N/a	5
Penelope 35 li Apartments	36	72	N/a	0	28	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 5: Public Housing Demographics, Eden Prairie

Project-Based Section 8						
(Eden Prairie, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Edendale Residence, Inc.	61	87	5	3	5	N/a
Prairie Meadows	168	9	84	0	7	53
Briarhill Apartments	124	25	69	0	6	54

Table 6: Public Housing Demographics, Minneapolis

Public Housing								
(Minneapolis, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Glendale	MN002	Pha In And For The City Of Minneapolis	183	6	86	1	7	71
Northeast	MN002	Pha In And For The City Of Minneapolis	941	41	49	3	5	0
Hiawatha	MN002	Pha In And For The City Of Minneapolis	884	13	84	1	1	2
Cedar	MN002	Pha In And For The City Of Minneapolis	892	9	78	2	10	2
Horn	MN002	Pha In And For The City Of Minneapolis	936	12	85	1	1	3
Heritage Park	MN002	Pha In And For The City Of Minneapolis	200	3	90	1	4	91
Scattered Sites	MN002	Pha In And For The City Of Minneapolis	750	5	76	2	14	85
North	MN002	Pha In And For The City Of Minneapolis	1342	21	69	3	6	1

Project-Based Section 8						
(Minneapolis, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Ebenezer Park Apartments	200	49	35	12	3	2
Ebenezer Tower	91	62	33	2	2	N/a
Elliot Park Apartments	30	0	97	3	N/a	73
Holmes Greenway	50	82	12	4	N/a	4
Holmes Park Village	107	63	33	2	N/a	22
Albright Townhomes	89	10	86	0	1	46
Accessible Space, Inc,	30	74	19	0	4	N/a

Nicollet Towers	306	62	32	2	2	9
Stevens House Apartments (Fka Steve	56	2	59	0	39	43
Plymouth Ave. Townhomes	136	3	96	0	N/a	63
St. Paul'S Home	53	33	54	4	N/a	N/a
Stevens Community	59	25	73	2	N/a	12
Stonehouse Square Apartments	19	33	44	6	N/a	67
Talmage Green	26	7	85	4	4	75
Teamster Manor Minneapolis	24	67	33	0	N/a	17
Maryland Apartments	79	59	35	3	3	10
Matthews Park	24	15	75	10	N/a	75
Seward Tower East	307	9	89	0	0	11
Seward Tower West	316	8	92	0	N/a	19
Kosciolek House	15	85	8	0	8	N/a
Labor Retreat	77	79	17	0	1	N/a
Loring Towers Apartments	187	18	71	6	3	16
Loring 100 Apartments	107	59	33	0	4	1
Oak Haven Townhomes	10	9	73	9	9	54
Oakland Square	31	0	100	0	N/a	60
Olson Towne Homes	92	1	47	0	52	46
Parkview Apts - - (Mpls) Aka Bethune	222	5	94	1	N/a	39
Phillips Tower	88	15	84	1	N/a	1
Riverbluff Townhomes	30	10	90	0	N/a	66
Riverside Plaza	669	4	86	0	10	32
Seward Square	81	47	53	0	N/a	8
Madison Apartments	51	4	93	0	N/a	69
Whittier Townhomes	12	0	67	0	33	67
Chicago Avenue Apartments	60	5	95	0	N/a	28
Creek Terrace	16	69	15	15	N/a	15

Whittier Community Housing	45	30	45	7	18	55
18th And Clinton Townhomes	8	N/a	N/a	N/a	N/a	N/a
Abbott View Aka Stevens Court	20	68	11	16	N/a	16
Village At Franklin Station	90	16	58	3	7	12
Little Earth	212	0	2	5	0	70
Booth Manor Residence	100	87	9	1	3	N/a
Diamond Hill Th'S Aka Bossen Terrac	66	8	84	2	2	72
Cecil Newman	64	2	95	0	2	72
West Bank Homes Iii	8	N/a	N/a	N/a	N/a	N/a
West Bank Homes	65	11	84	0	5	59
Trinity Elderly	120	71	19	1	1	5
Other Multifamily Assisted Housing						
(Minneapolis, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Home Share	22	81	14	5	N/a	N/a
Ford House, Inc.	11	82	9	0	9	N/a
N/a	35	76	12	6	6	N/a
Walker On Lyndale	49	67	25	2	6	N/a
Kingsley Commons	23	76	19	0	N/a	5
Becklund Outreach Elliot House	3	N/a	N/a	N/a	N/a	N/a
Riverview Apartments Senior Housing	42	77	8	5	3	N/a
Bii Di Gain Dash Anwebi Elder	47	2	55	0	N/a	N/a
Snelling Avenue Apartments	60	37	59	0	2	2

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 7: Public Housing Demographics, Minnetonka

Project-Based Section 8						
(Minnetonka, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Glen Lake Landing	97	93	1	1	4	N/a
Minnetonka Heights	90	71	28	0	1	15
Hunter'S Ridge Apartments	25	77	14	0	5	64
Cedar Hills Townhomes	30	43	54	0	N/a	46

Other Multifamily Assisted Housing						
(Minnetonka, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Excelsior Court	23	100	N/a	0	N/a	N/a
Boulevard Gardens Senior Housing	45	93	2	0	2	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 8: Public Housing Demographics, Plymouth

Public Housing								
(Plymouth, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Mhop	MN002	Pha In And For The City Of Minneapolis	112	21	74	0	5	81
Project-Based Section 8								
(Plymouth, MN CDBG) Jurisdiction								
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children		
Kimberly Meadow	39	61	26	0	11	52		
Mission Oaks Townhomes	26	58	42	0	N/a	79		
Willow Wood Estates	40	37	59	5	N/a	68		

Other Multifamily Assisted Housing						
(Plymouth, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Bassett Creek Commons	45	87	7	2	4	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 9: Public Housing Demographics, Ramsey County

Project-Based Section 8						
(Ramsey County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Concordia Arms	125	79	13	4	3	N/a
Coventry Apartments	195	54	42	1	2	21
Crossroads Of New Brighton	172	68	25	1	5	21
Franklyn Park	117	93	5	2	N/a	N/a
The Meadowlands Aka Crossroads Of S	44	42	42	2	12	86
Roseville Seniors	127	88	4	1	4	N/a
Maple Pond Homes	121	43	50	7	1	34
Century Hills	55	64	18	11	5	65
Maple Knoll Townhomes	57	54	41	6	N/a	69
Maplewood Gardens	29	17	79	0	N/a	75
Vadnais Highlands	35	47	41	0	6	97
Washington Square	81	97	N/a	1	1	N/a
Garden Terrace	41	83	12	2	2	2
Wildwood Manor	40	90	3	5	N/a	N/a
Other Multifamily Assisted Housing						
(Ramsey County, MN CDBG) Jurisdiction						
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Asi Ramsey	8	N/a	N/a	N/a	N/a	N/a
Thorndale Plaza	24	83	13	0	4	8
Willow Wood	45	98	N/a	0	2	N/a
Roselawn Village Apartments	22	77	18	0	5	N/a

Garden Terrace Commons	35	89	8	3	N/a	N/a
Mounds View Gables	19	94	N/a	0	6	N/a
Century Trail	40	85	8	5	3	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 10: Public Housing Demographics, St. Paul

Public Housing								
(St Paul, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Ravoux Hi-Rise	MN001	Public Housing Agency Of The City Of St Paul	509	38	40	2	20	8
Dunedin Terrace	MN001	Public Housing Agency Of The City Of St Paul	574	45	33	8	13	17
Scattered	MN001	Public Housing Agency Of The City Of St Paul	360	3	23	1	73	82
Roosevelt Homes	MN001	Public Housing Agency Of The City Of St Paul	320	6	35	3	56	63
Mount Airy	MN001	Public Housing Agency Of The City Of St Paul	613	12	42	4	42	45
Exchange Hi-Rise	MN001	Public Housing Agency Of The City Of St Paul	265	47	41	5	5	N/a
Mcdonough Homes	MN001	Public Housing Agency Of The City Of St Paul	580	5	39	3	52	82
Hamline Hi-Rise	MN001	Public Housing Agency Of The City Of St Paul	479	45	43	3	8	1

Edgerton Hi-Rise	MN001	Public Housing Agency Of The City Of St Paul	556	50	27	6	17	0
Project-Based Section 8								
(St Paul, MN CDBG) Jurisdiction								
Development Name	# Units	White	Black	Hispanic	Asian	Households with Children		
Afton View	268	3	93	2	2	66		
Como By The Lake	57	55	32	9	4	N/a		
Etna Woods	20	20	53	13	13	93		
Maryland Park	143	9	75	12	4	53		
Dale Street Place	82	33	59	7	N/a	N/a		
Rivertown Commons-St. Paul	28	10	70	10	7	66		
Rockwood Place	109	69	29	2	N/a	N/a		
St. Albans Park	24	12	88	0	N/a	63		
Community Plaza	40	0	97	3	N/a	91		
Mears Park Place Apartments	50	65	24	8	2	N/a		
Ramsey Commons	16	53	47	0	N/a	N/a		
Birmingham	21	14	62	5	19	67		
Capitol Plaza South Apts.	36	35	55	6	3	51		
Grand Pre'	43	20	78	2	N/a	49		
Hanover Townhomes	96	12	59	1	29	41		
Heritage House	58	65	26	4	5	N/a		
Jamestown Apartments	73	7	91	0	N/a	63		
Labor Plaza	67	40	6	52	N/a	N/a		
Lewis Park Apartments	103	41	50	6	2	19		
Lonnie Adkins Court	57	6	85	2	8	56		
Lyngblomsten Apartments	105	97	N/a	0	N/a	N/a		
Cathedral Hill Homes	60	12	88	0	N/a	52		

Sherman-Forbes Housing	104	22	56	14	1	50
Skyline Towers	448	3	91	2	4	29
Nhhi-St. Paul Barrier Free Hsg Aka	36	63	34	3	N/a	6
St. Philip'S Gardens	41	8	85	5	N/a	64
Torre De San Miguel	124	7	58	10	25	80
Vista Village	46	11	70	11	N/a	43
Westminster Place	90	10	75	3	11	44
S E Hall - Whitney Young Plaza	45	15	74	0	11	N/a
Wilder Square	54	37	52	2	10	13
Wilder Square Coop	48	17	70	13	N/a	48
Wilkins Townhomes	23	5	73	5	N/a	87
Wilder 202 Apartments	121	56	19	17	3	N/a
Winslow Commons	121	63	10	3	23	1
Women'S Advocates	12	6	94	0	N/a	50
Central Towers, Inc.	126	58	25	5	8	N/a
Liberty Plaza	78	4	83	1	12	65

Other Multifamily Assisted Housing

(St Paul, MN CDBG) Jurisdiction

Development Name	# Units	White	Black	Hispanic	Asian	Households with Children
Midway Pointe	49	61	14	2	22	N/a
Harry And Jeanette Weinberg	45	89	11	0	N/a	N/a
Elders Lodge	43	24	11	5	3	N/a
Arlington Gardens Apartments	49	16	4	4	76	2
Seabury	49	55	33	0	12	N/a
Carty Heights	49	19	40	0	40	N/a
Kings Crossing	49	9	40	0	49	N/a

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 11: Public Housing Demographics, Washington County

Public Housing								
(Washington County, MN CDBG) Jurisdiction								
Development Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Whispering Pines	MN212	Washington County Hra	40	97	3	0	N/a	N/a
Project-Based Section 8								
(Washington County, MN CDBG) Jurisdiction								
Development Name			# Units	White	Black	Hispanic	Asian	Households with Children
Kilkenny Court			91	97	N/a	2	N/a	1
Raymie Johnson Estates			120	96	1	1	2	15
Red Rock Manor			24	92	N/a	0	4	N/a
Rivertown Commons			96	97	N/a	1	N/a	1
East Shore Place			61	90	7	0	3	N/a
Gentry Place			48	27	42	0	29	84
Waterford Townhouses			31	73	23	3	N/a	83
Westridge Townhomes			42	88	5	5	N/a	90
Westview Apartments			32	85	4	4	4	45
Victoria Villa			40	86	6	9	N/a	57
Woodmount Townhouses			50	68	20	6	6	78
Birchwood Townhouse Apts, Ldp			49	88	6	4	2	61
Century North			168	42	49	7	2	58
Charter Oak Townhomes			60	66	29	0	5	74
Lincoln Place Aka Diamond Estates			48	29	62	4	N/a	84
Other Multifamily Assisted Housing								
(Washington County, MN CDBG) Jurisdiction								
Development Name			# Units	White	Black	Hispanic	Asian	Households with Children
Oak Terrace			50	90	2	6	2	N/a
Hillcrest Apartments			24	87	8	0	4	4

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Table 12: Public Housing Demographics, Woodbury

Public Housing								
(Woodbury City, MN CDBG) Jurisdiction								
Developm ent Name	PHA Code	PHA Name	# Units	White	Black	Hispanic	Asian	Households with Children
Scattered Site	MN212	Washington County Hra	65	48	49	2	N/a	71

Sources: Inventory Management System (IMS)/PIH Information Center (PIC), 2016; Tenant Rental Assistance Certification System (TRACS), 2016; Low Income Housing Tax Credit (LIHTC) database, 2014

Additional Units, Built 2017-2018**2017-2018 Additional PSH Units: Anoka County**

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Homeownership	2018	Anoka County	Single Family/Habitat for Humanity	0	1	0
Preservation/Stabilization: Rental	2018	Anoka County	North Pointe Townhomes	0		15
New Production: Homeownership	2017	Anoka County	Single Family/Habitat for Humanity	0	4	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Coon Rapids

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
Preservation/Stabilization: Rental	2018	Coon Rapids	Northstar Ridge	0	0	56
Preservation/Stabilization: Rental	2018	Coon Rapids	Riverdale Station	7	48	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Dakota County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Dakota County	Prestwick Place Townhomes	0	25	15
Preservation/Stabilization: Rental	2018	Dakota County	Westview Park Apartments (Oakdale)	0	9	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Hennepin County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Hennepin County	Bottineau Ridge Phase II	14	36	0
New Production: Homeownership	2018	Hennepin County	Single Family/Homes Within Reach	0	2	0
New Production: Homeownership	2018	Hennepin County	Single Family/Homes Within Reach	0	0	1

New Production: Homeownership	2018	Hennepin County	Single Family/Homes Within Reach	0	1	0
Preservation/Stabilization: Rental	2018	Hennepin County	Carrington Drive	0	0	128
Preservation/Stabilization: Rental	2018	Hennepin County	Maple Lakes Townhomes (fka Weaver Lake TH)	0	0	35

Source: HousingLink.org

2017-2018 Additional PSH Units: Bloomington

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Homeownership	2018	Bloomington	Single Family/Homes Within Reach	0		1
New Production: Homeownership	2017	Bloomington	Single Family/Habitat for Humanity	0	1	0
New Production: Homeownership	2017	Bloomington	Single Family/Homes Within Reach	0	1	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Eden Prairie

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Eden Prairie	Elevate	0	45	0
New Production: Homeownership	2018	Eden Prairie	Single Family/Homes Within Reach	0	1	0
New Production: Homeownership	2017	Eden Prairie	Single Family/Homes Within Reach	0	0	1

Source: HousingLink.org

2017-2018 Additional PSH Units: Minneapolis

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Minneapolis	East Town Apartments	0	0	169
New Production: Rental	2018	Minneapolis	Great River Landing	54	18	0
New Production: Rental	2018	Minneapolis	Green on Fourth Apartments (aka Boeser Site, Prospect North Gardens)	0	49	17
New Production: Rental	2018	Minneapolis	Hook & Ladder Apartments	10	0	108
New Production: Rental	2018	Minneapolis	Minnehaha Commons	0	44	0
New Production: Rental	2018	Minneapolis	Minnehaha Townhomes	116	0	0
New Production: Rental	2018	Minneapolis	New Vision LLC	0	10	9
New Production: Homeownership	2018	Minneapolis	Single Family/CLCLT	7	6	3
Preservation/Stabilization: Rental	2018	Minneapolis	17XX 3rd Avenue South	0	0	12
Preservation/Stabilization: Rental	2018	Minneapolis	19XX Colfax Avenue South	0	0	12

Preservation/Stabilization: Rental	2018	Minneapolis	19XX Vincent Avenue North	0	0	13
Preservation/Stabilization: Rental	2018	Minneapolis	24XX Golden Valley Road	0	0	11
Preservation/Stabilization: Rental	2018	Minneapolis	27XX Grand Avenue South	0	0	12
Preservation/Stabilization: Rental	2018	Minneapolis	27XX Humboldt Avenue South	0	0	11
Preservation/Stabilization: Rental	2018	Minneapolis	29XX 18th Avenue South	0	0	12
Preservation/Stabilization: Rental	2018	Minneapolis	620 Cedar Avenue Modernization	116	0	0
Preservation/Stabilization: Rental	2018	Minneapolis	Albright Townhomes	89	0	0
Preservation/Stabilization: Rental	2018	Minneapolis	Dundry Hope Block Stabilization Phase II	7	5	0
Preservation/Stabilization: Rental	2018	Minneapolis	Folwell Park Apartments	0	0	31
Preservation/Stabilization: Rental	2018	Minneapolis	France & Ewing Ave South	0	0	25
Preservation/Stabilization: Rental	2018	Minneapolis	The Louis Apartments (aka Aeon Prospect Park)	16	29	18
Preservation/Stabilization: Rental	2018	Minneapolis	Riverside Homes	0	0	191
Preservation/Stabilization: Rental	2018	Minneapolis	St. Anthony Apartments	0	0	68
New Production: Rental	2017	Minneapolis	1500 Nicollet	0	37	146
New Production: Rental	2017	Minneapolis	Augsburg Apts Karinplas	0	0	16
New Production: Homeownership	2017	Minneapolis	Single Family/CLCLT	6	4	5
New Production: Homeownership	2017	Minneapolis	Single Family/Habitat for Humanity	0	3	0
Preservation/Stabilization: Rental	2017	Minneapolis	Canadian Terrace	19	0	0
Preservation/Stabilization: Rental	2017	Minneapolis	Ebenezer Park Apartments	0	200	0
Preservation/Stabilization: Rental	2017	Minneapolis	Midtown Exchange	0	62	116
Preservation/Stabilization: Rental	2017	Minneapolis	Portland Village	22	4	0
Preservation/Stabilization: Rental	2017	Minneapolis	PPL Foreclosure Redirection	0	4	0
Preservation/Stabilization: Rental	2017	Minneapolis	Saint Annes Senior Housing	4	21	35

Source: HousingLink.org

2017-2018 Additional PSH Units: Minnetonka

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Minnetonka	Dominium Apartments	0	0	482
New Production: Rental	2018	Minnetonka	Marsh Run	0	35	0

New Production: Homeownership	2018	Minnetonka	Single Family/Homes Within Reach	0	0	1
New Production: Homeownership	2017	Minnetonka	Single Family/Homes Within Reach	0	1	1

Source: HousingLink.org

2017-2018 Additional PSH Units: Plymouth

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Homeownership	2018	Plymouth	Single Family/Habitat for Humanity	0	1	0
Preservation/Stabilization: Rental	2018	Plymouth	Vicksburg Commons	8	42	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Ramsey County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	Ramsey County	Edison Apartments	4	1	53
Preservation/Stabilization: Rental	2018	Ramsey County	Provinces/AEON	0	0	118
Preservation/Stabilization: Rental	2018	Ramsey County	Maplewood Gardens Apartments	0	0	29
Preservation/Stabilization: Rental	2018	Ramsey County	Cedarview Commons	0	0	204

Source: HousingLink.org

2017-2018 Additional PSH Units: St. Paul

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2018	St. Paul	Rice Street Flats	0	16	27
New Production: Rental	2018	St. Paul	Technology Park Apartments	0	0	66
New Production: Homeownership	2018	St. Paul	Single Family/Habitat for Humanity	0	1	0
Preservation/Stabilization: Rental	2018	St. Paul	Como By the Lake	0	57	37
New Production: Rental	2017	St. Paul	1500 Thomas	0	0	51
New Production: Rental	2017	St. Paul	72 Cesar Chavez	4	0	36
New Production: Rental	2017	St. Paul	Dorothy Day Phase I	193	0	0
New Production: Rental	2017	St. Paul	Dorothy Day Phase II (Residence)	92	85	0
New Production: Rental	2017	St. Paul	East Side Apartments	0	23	91
New Production: Rental	2017	St. Paul	Euclid View Flats	0	0	12
New Production: Rental	2017	St. Paul	Larpenteur Villas	0	0	82
New Production: Rental	2017	St. Paul	McDonough Public Housing Six Plexes	12	0	0
New Production: Rental	2017	St. Paul	Pioneer Press Building	0	0	143

New Production: Rental	2017	St. Paul	Selby/Victoria	25	8	0
New Production: Rental	2017	St. Paul	Union Flats	0	0	217
New Production: Homeownership	2017	St. Paul	Single Family/Habitat for Humanity	0	5	0
Preservation/Stabilization: Rental	2017	St. Paul	Families First Model Cities SHRP	0	20	0
Preservation/Stabilization: Rental	2017	St. Paul	Hanover Townhomes	90	0	0
Preservation/Stabilization: Rental	2017	St. Paul	University Dale Apartments	10	10	60

Source: HousingLink.org

2017-2018 Additional PSH Units: Washington County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Homeownership	2018	Washington County	Single Family/Two Rivers	0	0	1
Preservation/Stabilization: Rental	2018	Washington County	Headwaters Landing	16	29	0
Preservation/Stabilization: Rental	2018	Washington County	Green Twig Villas II	0	15	57
New Production: Homeownership	2017	Washington County	Single Family/Two Rivers	0	2	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Woodbury

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
Preservation/Stabilization: Rental	2018	Woodbury	The Glen at Valley Creek	5	37	0
New Production: Rental	2017	Woodbury	Legends of Woodbury	0	11	205

Source: HousingLink.org

2017-2018 Additional PSH Units: Scott County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Homeownership	2018	Scott County	Single Family/Habitat for Humanity	0	1	0
New Production: Rental	2017	Scott County	Pike Lake Marsh	4	0	64
New Production: Homeownership	2017	Scott County	Single Family/Habitat for Humanity	0	1	0

Source: HousingLink.org

2017-2018 Additional PSH Units: Carver County

Type of Housing	Year Added	Place	Name	30% AMI	50% AMI	60% AMI
New Production: Rental	2017	Carver County	Creek's Run Townhomes	4	32	0

Source: HousingLink.org

F. Public Comments Index



Equity in Place (EIP) is a diverse group of strategic partners from organizations led by people of color and housing advocacy organizations. Our work is centered around an understanding of the legacy and ongoing impact of structural racism on development and growth in the Twin Cities region and how it has undermined our communities' access to housing, property ownership, and wealth building opportunities. The only way we can begin to address our regional and state inequities is by bringing the expertise of impacted communities into decision making processes in meaningful and powerful ways.

We appreciate that the process of doing this round of the Regional Analysis of Impediments (RAI) to Fair Housing has been one that has better engaged organizations and communities that historically have not been well represented in the process historically. We also recognize that much work needs to be done to articulate pathways towards real accountability in how identifying these impediments will lead to systemic change and justice for renters, low wealth communities, and Black, Indigenous, and people of color (BIPOC).

We have broken down our comments by the different sections of the draft RAI.

Overview

- We appreciate the acknowledgement of investor forces who deploy their capital to create housing unaffordable to residents of color - and the acknowledgement that systemic racism within the region has led to strategic disinvestment in communities of color
- We believe the following items should be added to “Contributing Factors to Fair Housing Issues”
 - Gentrification that arises from the combination of private sector land/property speculation and public sector policies (opportunity zones, planning/zoning policies, tax incentives, etc) which prioritizes development that serves wealthier residents and works to displace lower wealth residents over time.
 - Lack of regulation of the private housing market, where the majority of fair housing issues exist.
 - Unwillingness of local governments to enact policy that regulates or impacts the private housing market, even as the market drives the creation of housing units that are largely unaffordable to people most in need.
 - Lack of meaningful engagement/listening/acting on voices/ideas/policy proposals of communities most deeply impacted by fair housing issues (by local governments.)

- Historically declining federal resources for housing infrastructure.
- Lack of political will to address root issues of racism/white supremacy in housing inequities in the region.
- Imbalance of power between those who own land (predominantly white property owners) and those who rent housing on that land (disproportionately BIPOC.)

Proposed Goals

● Goal 1

- The framing of neighborhoods and geographies with higher numbers of wealthy and white residents as “high opportunity” remains a problematic and false binary frame that labels neighborhoods with larger numbers of people of color and people of lower economic wealth as “low opportunity.” Instead, there is a need to articulate what are the actual descriptors of what are currently referred to as “high opportunity” areas. Namely, whiter, wealthier neighborhoods that have been on the receiving end of the privilege and power to access public and private investments that have not been equitably allocated to BIPOC communities.
- This narrative also frequently leads to the following suggested “solution” to racial disparities: people of color can simply be “moved to opportunity” while ignoring the systemic barriers that people of color face across geographies in our region, including in whiter, wealthier parts of the region. Proximity does not equate to access.
- We recognize this is a frame that has existed for a number of years and might be required by HUD that the consultant and the FHIC use in this report, but we encourage getting rid of this language at local, regional, state, and federal levels of government.
- We would suggest that the FHIC consider modeling future analyses of geography/race/power/wealth by cities/counties after the [Met Council’s method](#), which has a much more nuanced approach developed through conversations with community.
- Additional suggestions:
 - Add “expand bonus point offerings in RFPs to incentivize the development of units at the deepest affordability levels.”
 - Require that government agencies assess affordability of housing with a recognition of different approaches needed to move towards equitable housing goals.
 - In lower-wealth neighborhoods that have experienced disinvestment, using a city or neighborhood median income measurement more accurately captures residents’ affordability needs than the area median income. For context, in many

predominantly BIPOC neighborhoods in the region, the median incomes levels are well below even 60% AMI, which means that affordable housing investment needs to be 30% AMI for units to be affordable to current residents.

- In wealthier parts of the region (see below for more on [Racial Concentrated Areas of Affluence](#) frame) using the AMI should be used to support the development of units that are affordable and accessible.

- Highlight that not all of the solutions listed actually create “affordable housing” opportunities. For example, allowing ADUs does not create an affordable ADU. Allowing ADUs with affordability mandates or public subsidies has the potential to create affordability.
- Add “increase public investments, including affordable housing investments in lower income, historically disinvested, neighborhoods to ensure that every community is one with opportunity.”
- Require that any policy that increases supply of housing also includes a policy setting aside a significant portion of that supply for deep affordability.

- Goal 3

- Go beyond “review” of local lending practices and demand change in discriminatory lending practices
- Demand reparative actions for people who were targeted by predatory lending practices that led to foreclosure/homelessness/housing instability.

- Goal 4

- Add “require that all cities have a land disposition policy that prioritizes deeply affordable housing development when environmentally feasible”
- Fund grassroots community organizations led and represented by BIPOC communities who organize tenants and actively prevent the displacement of BIPOC communities
- Cities should pursue Tenant Opportunity to Purchase (similar to Right of First Refusal) policies to provide a path for tenants and/or tenant-chosen preservation buyers to be able to purchase properties for sale, preserving the affordability of the units and preventing displacement of current residents. This should be paired with significant public resources to support these purchases.

- Goal 6

- Increase support and capacity of nonprofit community and legal advocacy organizations to investigate and challenge discrimination in the housing system.
- Goal 8
 - Prohibit developments that receive public funding from setting rents above the voucher payment standard (unless the building is using income averaging and offsets higher rents with deep affordability.)

Policy and system change ideas that we are pleased to see in Goals:

- Right to counsel
- Just cause eviction
- Statewide rent control
- Source of income protections
- Elimination of crime free multi-housing program
- Requirement that all rental/homeownership applications be made available in multiple languages
- Statewide inclusive screening criteria that does not rely on FICO scores ●
- Funding for record expungement clinics
- Rental licensing and regular code enforcement review of all rental properties (like Minneapolis) instead of complaint-based enforcement services
- Prevent evictions from remaining on a tenant's record when eviction has been dismissed, reduction of time evictions remain on tenant's record from 7 to 2 years ●
- Restrict ability of landlords to evict during winter months
- Banning excessive security deposits or multiple months' rent

RECAPS

- If RECAPs must be kept as an assessment tool, then there is also a need to examine and include an analysis of Racially Concentrated Areas of Affluence (RCAAs), as outlined in [CURA](#)'s research and mapping, and discuss the role they play in perpetuating racial inequities across the region. Focusing exclusively on RECAPs unfairly problematizes and stigmatizes BIPOC communities, while ignoring that the patterns of segregation, investment, wealth building/extraction that have occurred in our region historically (and continually) are the result of the politics and power that exist in segregated white communities.
- In addition to mapping, this analysis should include an explanation of the many institutions and systems who are complicit in perpetuating the existence of RECAPs through taking part in the disinvestment of communities and people. In other words, provide historical context so there can be an understanding why and how RECAPs were created.

We appreciate your consideration of our comments.

Sincerely,

Equity in Place

Equity in Place is convened by the Alliance and the Center for Urban and Regional Affairs. Members include: African Career, Education, and Resources, Inc. / American Indian Family Center / Community Stabilization Project / Frogtown Neighborhood Association / HOME Line / Hope Community / Housing Justice Center / Jewish Community Action / Metropolitan Consortium of Community Developers / Minnesotans Standing Together to End Poverty and Homelessness / Native American Community Development Institute / New American Development Center / Pueblos de Lucha y Esperanza / Urban Homeworks / South East Community Organization / West Side Community Organization



October 18, 2020

**MICAH's Initial and Detailed Comments on the
Twin Cities Region Assessment of Fair Housing Draft**

Thank you for the opportunity to share our initial comments and more detailed comments on the draft.

MICAH actively participated with the Lawyers' Committee for Civil Rights Under the Law by setting up meetings and providing contacts to listen and discuss fair housing issues with diverse communities experiencing homelessness and housing crises in the Twin Cities region and with our MICAH Chapters throughout the region.

- 1. MICAH had requested a copy of the draft Twin Cities Region Assessment of Fair Housing be sent to us as soon as it was published. We received the draft just prior to Dakota and Washington County public comment meetings. We recognize we are all very busy with addressing COVID-19 challenges in our communities but MICAH was very disappointed we were not notified of its release on June 26, 2020. MICAH has worked on Fair Housing issues throughout the Twin Cities for 32 years. We are very concerned about the current process for community input in reviewing the draft.**
- 2. We appreciate the excellent identification of most of the issues discussed in the listening sessions; but believe more details need to be provided for people to understand the recommendations. For example tiny home options, ADU (Accessory Dwelling Units) etc.**
- 3. The charts and information sections provide very detailed information.**
- 4. The proposed goals and strategies are suggestions/ aspirations not goals and strategies. To be goals and strategies they need to be operationalized by each County with the specific benchmarks, timelines, outcomes and resources to implement the goals and strategies.**
- 5. We strongly encourage you to NOT to accept or approve the Twin Cities Region Assessment of Fair Housing Draft in its current format and that you require that goals and strategies section is updated with clear measurable goals and strategies including funding resources and dates to be completed. These strategies should be identified as goals and strategies in the Consolidated Plan and the accomplishments should be identified in every annual CAPER.**

MICAH's detailed analysis of the draft plan.

- 1. The draft plan includes a very good summary of many positive actions taken by each community on the strategies outlined but there was limited or no data on specific outcomes from those actions. Page 29, provided specific outcomes HOME Line's Tenant Hotline resulting in \$378,00 in damage deposits and rent abatements recovered and 244 evictions prevented. This type of detailed outcome information is critical to properly evaluate if the actions being taken by each community are significantly impacting housing choice and opportunities in every community in the region.**
- 2. Each County and Community needs to identify goals in implementation of each strategy that are achievable and can be measured.**
- 3. MICAH strongly supports the draft plan's "proposed goals and strategies" to address the impediments identified; but they are worded as are suggestions/aspirations not goals and strategies. To be goals and strategies they need to be operationalized by each County/community with the specific benchmarks, timelines, outcomes and identified resources to implement the goals and strategies.**
- 4. MICAH appreciates the excellent detailed charts and documentation of needs, the extensive outreach to our diverse communities and use of the public's input in the development of this document.**
- 5. Pages 583-594. The charts visually demonstrate the concentration of affordable rental units in each community/county. Specific goals should be developed by each community to identify specific plans to provide housing choices and opportunities throughout their community/county.**
- 6. Pages 595-611 Public Housing Units. In some of the larger developments, the number of people identified was significantly less than the number of units. Please explain.**
- 7. Pages 611-614. Thank you for the information on income levels on additional PSH units built in 2017-2018. The income of people in the units tends to be either at 50% or below median or at 60% of median income with very few projects having a mixture of units at 30%, 50% and 60% of median income. MICAH strongly encourages communities to provide more income diversity in all of their developments by utilizing income averaging when using Low Income Housing Tax Credits and other funding resources.**

Gary Kwong, MICAH Board President

Additional Comments:

gary.kwongw@gmail.com, 10/17/2020

TWIN CITIES REGION ASSESSMENT OF FAIR HOUSING DRAFT

The report seems consistent in being a narrative and the various housing recommendations and actual currently existing housing programs not subject to an in depth analysis. Programs are described without any way of evaluating them.

It would have been helpful to have the number of attendees at the community engagement meetings and the number of people who spoke with questions or comments. Meetings without a measure of actual participation doesn't provide input from the community.

For example,

“Impediment: Potential homebuyers of color are denied for home purchase loans at rates exceeding White homebuyers.

Recommendations:

1. Development of partnerships with reputable credit counseling agencies and financial literacy trainers to reach communities of color and create pipeline of potential homebuyers who are ready and qualified to purchase a home.”

Each partner in the process should report how many clients were served. Having percentages for an activity is helpful but without knowing how many clients there were the percentage can be deceptive. 20% of 5 people is 1. 20% of 100 people is 20. An increase from 1 to 2 clients of 5 is a doubling or 100% but from 20 to 40 is also a doubling and 100% but much more significant in terms of impact.

Similarly, advertising as a part of outreach but not saying how many calls for information resulted (ask callers about a program how they heard about the program) is a start but what resulted?

Because public funds are being spent I assume that numbers are tracked but in this report they are not reported so improvement or decreasing success of a program cannot be accounted for.

For example, on p 16

“Dakota County: Since 2015, the Dakota County CDA has provided down payment assistance to 173 households. Homebuyers purchasing their first home in Dakota County can access: Fixed interest rate mortgage financing, Mortgage Credit Certificate, \$8,500 in down payment and closing cost assistance, and Reduced Private Mortgage Insurance (PMI) with our conventional HFA preferred mortgage. Dakota County CDA has also partnered with Twin Cities Habitat for Humanity to redevelop vacant NSP lots which are then sold to qualified low income homebuyers.”

However, there is no mention of how many applicants there were for down payment assistance who were turned down, how many received counseling and then qualified for assistance. 173 households in 5 years or 260 weeks How many vacant NSP lots were redeveloped?

I would guess that this comment on 'Fair Housing Advisory Committee' is related to the actions taken upon complaint by MICAH, several cities, and neighborhood associations to HUD about the lack of desegregation in affordable housing in St Paul, Minneapolis, and the surrounding counties. Isn't an analysis of impediments supposed to include specific information about complaints to the cities and other entitlements and HUD with regard to housing, education, transportation, and employment?

I am unclear about the process used to notify community members about the various meetings to solicit input for the draft. I heard about this effort only after the first several meetings had occurred.

With regard to the many programs to meet the goals: there are no numbers consistently presented so that the programs can be graded vs one another to evaluate each in terms of relative improvement vs prior efforts and to prioritize what worked well enough vs other programs to decide whether to continue each particular program. In the current pandemic there are quite a few proposed vaccines but without an adequate numerical evaluation of side effects, ease of use, etc how many would voluntarily submit to taking the vaccine? Just saying a program was started and has continued does not show that it met the goal or need or how worthwhile it was in time, effort, and money.

Fair Housing Advisory Committee Recommendations

Following the conclusion of the formal AI process, several community groups expressed concern that the community engagement process did not sufficiently consult communities of color and other marginalized groups. As a result, Fair Housing Advisory Committee was formed, and an Addendum to the 2014 Analysis of Impediments to Fair Housing Choice was drafted. The impediments identified and the recommendations made to address them include:

Impediment: Access to housing is reduced for some groups.

Recommendations:

- Work toward enactment of local source of income protection legislation that specifically covering voucher holders.
- Collect and present local data to elected officials illustrating the need for source of income protection; advocate for such local legislation.
- Based on results of Responsible Banking study from U of M, withhold government business from poor-performing financial institutions.
- Develop partnerships with credit counseling agencies to reach communities of color and build a pipeline of potential homebuyers.

Starting about p 144 there is discussion of the School Proficiency Index.

“The School Proficiency Index compares the 4th grade test scores of elementary schools to the neighborhoods they live in or near to block-group level census data to determine which neighborhoods have access to proficient schools.” I assume the 4th grade test scores are for public elementary schools. The evaluation may be influenced by the disproportion number of White, more financially well-off parents sending their children to private schools. These absent from public school would raise the index for the well-off Whiter areas relative to the students in more segregated areas.

Be safe and well.

God's peace,

Sue Watlov Phillips M.A.

Executive Director, MICA

President, National Coalition For The Homeless



Comments from the Institute on Metropolitan Opportunity on the Draft 2020 Regional Analysis of Impediments for the Twin Cities

In its current state, the Draft 2020 Regional Analysis of Impediments for the Twin Cities has several major deficiencies:¹

- It omits recent HUD fair housing complaints of regional import, which in turn leads to the omission of several critical factors causing regional housing segregation. This includes specific policies, promulgated by the state and Metropolitan Council, for allocating housing subsidies and guiding regional housing development.
- It does not accurately characterize the relative roles of housing displacement and poverty concentration in the region, in part because it omits critical research context. It is essential that the AI correctly characterize the relative frequency of these phenomena.
- Most importantly, several of its fair housing strategies are unlikely to accomplish the stated goals of improving access to opportunity, producing affordable housing in high-opportunity areas, and reducing barriers to mobility. Moreover, there is also a risk that strategies intended to promote other goals, such as preserving affordable units, could undermine the goals listed above.

Curing these deficiencies would significantly improve the document.

Several other aspects of the Draft AI are improved from previous Analyses of Impediments adopted by Twin Cities jurisdictions.² In particular, its clearer focus on reducing segregation and increasing integration, fostering housing mobility and access to opportunity, more closely reflects the purpose of the Analysis of Impediment process and the “affirmatively further” requirements of the Fair Housing Act.³ Twin Cities municipalities have often struggled to recognize and conform to these requirements. The Draft AI represents an important opportunity to change the direction of housing and land use policy in the Twin Cities, and foreground the region’s decades-long failure to address its enclaves of opportunity and concentrations of poverty.

¹ LAWYERS’ COMMITTEE FOR CIVIL RIGHTS UNDER LAW, TWIN CITIES REGION ASSESSMENT OF FAIR HOUSING DRAFT (2020) [hereinafter Draft AI].

² See, e.g. FAIR HOUSING IMPLEMENTATION COUNCIL, 2014 ANALYSIS OF IMPEDIMENTS FOR THE TWIN CITIES REGION (2014) [hereinafter 2014 Regional AI].

³ 42 U.S.C. § 3608 (d), (e).

Below, each of the above concerns with the Draft AI is described in greater detail. **HUD**

FAIR HOUSING COMPLAINTS

In 2014 and 2015, two related HUD fair housing complaints were filed against Minnesota and a variety of Twin Cities governmental entities.⁴ The first complaint, filed in late 2014, was brought by fair housing organization MICAHA and the racially diverse Twin Cities suburbs of Brooklyn Center, Brooklyn Park, and Richfield. The respondents were the state of Minnesota, the Metropolitan Council, and the Minnesota Housing Finance Agency. The second complaint was filed in early 2015 by MICAHA and several Twin Cities neighborhood organizations. The respondents were the cities of Minneapolis, Saint Paul, and the two cities' joint housing board, which is responsible for drafting the Qualified Allocation Plan (QAP) used by the cities to allocate housing tax credits. Taken together, the allegations of these two complaints form a critical piece of the historical record of housing segregation in the Twin Cities region.

Both complaints allege that the respondent entities had violated civil rights and fair housing law through a variety of practices, including the disproportionate concentration of Low-Income Housing Tax Credit (LIHTC) and other affordable housing subsidies in lower-income areas of the Twin Cities metropolitan area, which perpetuated and increased segregation.

As described in the complaints and the complaint process, concentration occurred through a variety of mechanisms. The cities and state operated competitive LIHTC allocation processes which awarded a high number of priority points to projects with characteristics that were commonly found in older, lower-income neighborhoods, such as projects that rehabilitated existing affordable housing or were located near high-speed transit hubs. In addition, other policy choices by the assorted respondent entities had a significant impact on the siting of housing, including the state's use of a so-called "suballocator" system.⁵ This system designated certain municipalities – most notably the central cities of Minneapolis and Saint Paul – as tax credit "suballocators" which were permitted to set their own allocative schemes and received a LIHTC set-aside separate from the state's pool of tax credits. This, in effect, ensured that these jurisdictions were insulated from broader changes to the state's system for allocating tax credits. Moreover, these jurisdictions – which already contain a disproportionate share of the region's concentration of poverty and racially segregated neighborhoods – were assigned a set aside that was disproportionately larger than their share of population.

In addition to claims related directly to housing finance, the first complaint also alleged that the Metropolitan Council had abandoned historic policies that promoted integration and increased access to opportunity, including its practice of allocating "fair share" affordable housing goals to white-segregated suburbs, conditioning the receipt of various

⁴ Additional information about both complaints, and the complaints themselves, are available on the MICAHA website. MICAHA, *MICAHA Complaints to HUD*, <https://www.micah.org/hud-complaint>. ⁵ Minn. Stat. 462A.222 (2020).

types of state and federal funding on satisfaction of housing goals, and forming cooperative

agreements with other state agencies to advance these goals. Historically, these policies had helped steer a large amount of affordable housing construction in the Twin Cities towards higher-opportunity areas in suburban locales, reversing the concentrative patterns seen in most of the nation.⁶ However, over time, enforcement of these policies was eroded and they were repealed by, at latest, 2015, when the Metropolitan Council adopted a new Housing Policy Plan that omitted them.⁷

The first complaint, against the Metropolitan Council, state housing agency, and state, appears to still be ongoing, albeit with few recent developments. As of 2016, after the failure of a conciliation process, it was being actively investigated by HUD, with frequent participation from all parties. However, there has been little apparent progress since the current presidential administration took power and subsequently slowed the pace of fair housing enforcement.

The second complaint, against the central cities, resolved in 2016 with the adoption of two Voluntary Compliance Agreements by the cities. The resolution of the complaints became interwoven with the previous Twin Cities Regional Analysis of Impediments. In 2014, the Fair Housing Implementation Council released the previous iteration of the regional AI. That document was clearly insufficient, omitting many required AI components, including any analysis of public policy's role in creating segregation, or indeed, any discussion of segregation whatsoever.⁸ As a component of the Voluntary Compliance Agreements, Minneapolis and Saint Paul agreed to conduct a lengthy addendum process to strengthen the Regional AI, including participation from a variety of regional stakeholders in the form of a Fair Housing Advisory Committee, known as the FHAC. Respondents also agreed to incorporate analysis of certain critical questions into the AI addendum. Those topics are as follows:

- a. The distribution of affordable housing throughout the Twin Cities metropolitan area;
- b. the extent to which the recipients' administration of its low income housing tax credit allocations reinforces existing racial or ethnic concentrations of poverty or perpetuates racial or ethnic segregation;
- c. the extent to which the administration of the recipients current zoning ordinances reinforces existing racial or ethnic concentrations of poverty or perpetuates racial or ethnic segregation;

⁶ See, e.g., Myron Orfield and Will Stancil, *Why Are the Twin Cities So Segregated?*, 43 MITCHELL HAMLINE L. REV. 1 (2017).

⁷ METROPOLITAN COUNCIL, 2040 HOUSING POLICY PLAN (2014), available at

<https://metro council.org/housing/planning/housing-policy-plan.aspx>. The exact date of repeal of the Metropolitan Council policies has been a subject of dispute, including in the HUD fair housing complaints. At times, the Council has claimed to have repealed the prior policies impliedly, by omission, as early as the mid-1990s, although it has not been able to provide a firm date on which that happened, or evidence of an explicit Council action towards that end.

⁸ 2014 Regional AI.

- d. the extent to which the recipients other housing related activities and policies affecting affordable housing reinforces existing racial or ethnic concentrations of poverty or perpetuates racial or ethnic segregation;
- e. the appropriate balance of investment in place and in investment in new construction.⁹

The FHAC process concluded in 2017 with the publication of the required AI Addendum.¹⁰ Although the revised AI did improve on some defects of the original AI, it only provided cursory discussion of the core topics required by the VCA, particularly the role of public policy and housing subsidies in perpetuating existing concentrations of poverty. However, in part due to the reduced emphasis on fair housing enforcement in the new presidential administration and HUD leadership, the Addendum was completed despite these deficiencies.

The current Draft AI skims over this lengthy HUD complaint process, which is still ongoing. The Addendum is mentioned at several points, but the complaint that led to its creation is only briefly described in passing as a dispute over whether Minneapolis and Saint Paul had “discriminated on the basis of race, color, and national origin in their administration of the Community Development Block Grant and HOME fund program.”¹¹ The Draft AI does not discuss in any detail the nature of this claim, the evidence marshalled in support of it, which are critical to understanding recent increased in housing segregation in the Twin Cities region. Moreover, the Draft AI does not fully address the additional five topics, laid out above, that the VCAs incorporated into the AI Addendum. Although discussion of these five topics in the 2020 AI is not obligated by the VCAs, they remain as central to any analysis of fair housing impediments in 2020 as they were three years prior.

More significantly still, the Draft AI contains no discussion at all of the first HUD fair housing complaint, against the State of Minnesota, Metropolitan Council, and state housing agencies. Although these entities are not included on the Fair Housing Implementation Council, their policies guide and shape the development of the communities which are represented on the FHIC (and, in the case of the Metropolitan Council, are virtually coterminous with FHIC jurisdictions). Unquestionably, the allegations included in this first complaint are highly relevant to the existence of fair housing impediments in the Twin Cities region today. Even absent an ongoing complaint, statewide housing subsidy allocation, and the Metropolitan Council’s regional land use policy, would be public policies with far-reaching implications for housing segregation in the Twin Cities, access to opportunity in the region, and housing mobility. The existence of the complaint increases the importance of addressing these policies, as it demonstrates

⁹ Voluntary Compliance Agreement, MICAH, et al. v. City of Minneapolis, et al., Title VI Case Number: 05-15-0007-6; Section 109 Case Number: 05-15-0007-9 (May 16, 2016).

¹⁰ FAIR HOUSING IMPLEMENTATION COUNCIL, ADDENDUM TO THE 2014 TWIN CITIES REGIONAL ANALYSIS OF IMPEDIMENTS (2017).

¹¹ Draft AI at 286.

a significant group of regional stakeholders – including major municipal governments – see these policies as a major obstacle to fair housing and metropolitan integration.

Recommendation: The Draft AI should include more robust discussion and analysis of the two HUD fair housing complaints described above, including the allegations at the core of those complaints and, in the case of the second complaint, discussion of the additional topics included in the 2017 AI Addendum.

DISPLACEMENT, GENTRIFICATION, AND POVERTY CONCENTRATION

Several portions of the Draft AI discuss the role of gentrification and displacement in reducing housing opportunity. The most comprehensive available research shows that displacement and gentrification, though a problem in limited parts of the region, are not overwhelming trends in the Twin Cities. However, the Draft AI omits that research entirely, and instead relies on other studies with limited scope and questionable methods. It is important that gentrification and displacement be correctly characterized, because the remedies to these problems can, if misapplied, result in increased disinvestment and poverty concentration.

Methodological Barriers to Identifying Gentrification

Unquestionably, many families in the Twin Cities region are displaced by high housing costs. However, cost-driven displacement is not synonymous with gentrification, a phenomenon that is more difficult to quantify and analyze.

The definition of gentrification is hotly contested in academic circles and popular discourse alike. Typically, gentrification is understood as being a process in which demand for development in a neighborhood suddenly spikes, leading to an influx of new residents and investment, which in turn compete for scarce housing with existing residents. As a result, gentrification is commonly identified with displacement. However, some scholars have argued that gentrification may be defined more broadly, and might occur in the absence of new displacement. At other times, scholars have argued for even less quantifiable forms of gentrification, such as “cultural gentrification,” in which the character of a neighborhood changes in some intangible way. These latter definitions are of questionable relevance to policymakers: while it is indisputable that cities can evolve in innumerable ways, preventing cultural or physical changes to an area that do not have direct housing consequences seems to be largely outside the scope of housing policy.

The blurred definition of gentrification poses significant analytic difficulties. In particular, it limits the usefulness of relying on neighborhood self-reporting to identify gentrification, since virtually any change can be described as “gentrification” under some definition. Moreover, the unique character of gentrification – a problem of *too much* investment, despite investment being typically understood as a net positive for an area – lends itself to imprecision. Small improvements to the physical infrastructure of an area, such as upgraded shops, better-kept roads, new buildings, can be interpreted as alarming harbingers of gentrification and displacement. But in a modern city, only exceptionally

poor areas receive no upgrades whatsoever to physical or commercial infrastructure. In fact, it is not uncommon to hear residents worry that new subsidized housing units will induce gentrification, despite the unlikelihood that subsidized housing will attract the affluent residents who typically seek homes in high-demand areas. When almost any change can be seen as a sign of incipient gentrification, firsthand reports of gentrification become empirically unreliable.

Analysis of gentrification poses other difficulties, as well. While “displacement” describes a negative effect of housing cost pressure, “gentrification” describes a specific cause of cost pressure. Gentrification implies that cost pressure has increased because demand for housing and real estate in a neighborhood has increased *relative to surrounding areas*. But many other factors can lead to housing cost pressure on individual residents, such as declining or stagnant incomes, regional housing cost increases that are nonspecific to any neighborhood, or extortionate or predatory practices by landlords. Unfortunately, individuals are typically poorly situated to identify which of these factors (or others) is driving cost pressures they experience, since from the perspective of a resident, they all have the same key characteristic: housing costs being too high, relative to income. Because of this, while firsthand accounts of displacement pressures are reliable, attributions of those pressures to “gentrification” is best confirmed with neighborhood- and regional-level comparative analysis.

This is not merely an academic distinction. It is vitally important that gentrification be correctly identified, and not overcredited as a housing barrier, because the remedies to gentrification can, in non-gentrifying neighborhoods, cause greater harms. Some anti gentrification measures, like tenant protections, are relatively low-risk. But others are

best thought of like a dangerous antitoxin, that if administered to an individual who has not been poisoned, can itself function as a poison.

This is because the root cause of gentrification is increased investment, construction, and demand for housing in a neighborhood. But hundreds of historically segregated and low income neighborhoods in America suffer from disinvestment and low demand. In some cases, anti-gentrification measures involve steering away new investment and development, and barring new housing that would attract affluent residents. If anti gentrification measures are inappropriately applied to a neighborhood historically suffering from disinvestment, they risk increasing the depth of poverty in that area.

Flaws in the Draft AI Discussion of Gentrification

The Draft AI’s treatment of gentrification does not directly address these concerns. Instead, it makes broad assertions that are not wholly supportable by the empirical research available. It omits the single most comprehensive study of regional gentrification, authored by this Institute, which attempts to quantify the scale and location

of the problem.¹² Importantly, that study, unlike other limited studies of Minneapolis and Saint Paul, is bidirectional: it seeks to establish which neighborhoods are still suffering from economic decline *as well as* which neighborhoods show evidence of demand-driven displacement consistent with gentrification. Finally, the Draft AI relies heavily on a study, created by the University of Minnesota Center of Urban and Regional Affairs, which is deeply flawed.¹³

The Draft AI states that “increasing and rapid gentrification of areas that were previously affordable has resulted in the loss of affordable housing throughout the Region, and particularly in Minneapolis, St. Paul, and the immediate suburbs.”¹⁴ However, it cites no empirical evidence for this claim. There is little evidence that neighborhood-specific gentrification has resulted in significant loss of affordable housing in either the central cities or its suburbs. The limited research that has been conducted on rising housing costs makes no attempt to connect rising housing costs with neighborhood-specific increases in housing demand.¹⁵ In fact, housing costs appear to rising most slowly in low-income neighborhoods – in other words, to the extent that housing costs are too high, it appears to reflect *regional* increases, not a phenomenon specific to individual neighborhoods.¹⁶

The Draft AI discusses a lengthy report on gentrification conducted by the Center for Urban and Regional Affairs (CURA) at the University of Minnesota.¹⁷ However, this report has major methodological flaws. First, it theorizes that gentrification can take many forms, including forms in which poverty *increases* in a particular neighborhood.¹⁸ While the definition of gentrification is nebulous, as discussed above, it is hard to conceive of gentrification being a primary concern in an area that is getting noticeably poorer.

¹² INSTITUTE ON METROPOLITAN OPPORTUNITY, AMERICAN NEIGHBORHOOD CHANGE IN THE 21ST CENTURY: GENTRIFICATION AND DECLINE (2019), <https://www.law.umn.edu/institute-metropolitan-opportunity/gentrification>.

¹³ CENTER FOR URBAN AND REGIONAL AFFAIRS, THE DIVERSITY OF GENTRIFICATION: MULTIPLE FORMS OF GENTRIFICATION IN MINNEAPOLIS AND ST. PAUL (2019),

<http://gentrification.dl.umn.edu/sites/gentrification.dl.umn.edu/files/media/diversity-of-gentrification-012519.pdf>.

¹⁴ Draft AI at 292.

¹⁵ Note that the claim that gentrification is causing rising housing costs is separate from the claim that housing costs are rising. It is this nexus between cause and effect that undermines most purported studies of gentrification that focus on housing costs. These studies often make no attempt to determine whether demand for development or housing has increased in a given area.

¹⁶ See, e.g., INSTITUTE ON METROPOLITAN OPPORTUNITY, ARE MINNEAPOLIS AND SAINT PAUL GENTRIFYING? (2016), <https://www.law.umn.edu/sites/law.umn.edu/files/metro-files//are-minneapolis-and-stpaul-gentrifying-jan2016.pdf>.

¹⁷ CENTER FOR URBAN AND REGIONAL AFFAIRS, THE DIVERSITY OF GENTRIFICATION: MULTIPLE FORMS OF GENTRIFICATION IN MINNEAPOLIS AND ST. PAUL (2019),

¹⁸ *Id.* at 2.

In addition, the CURA study relies heavily on interviews obtained through non-random “snowball sampling.”¹⁹ Its sample of interviews contains very few neighborhood residents, including a total of 12 renters and 23 homeowners, divided between five different large neighborhoods.²⁰ In other words, “gentrification” causing rental cost increases is described in a neighborhood based the reports of fewer than 3 renters. The snowball sampling method also results in a disproportionate number of interviews with non-resident neighborhood stakeholders, such as affordable housing developers, who have a clear economic interest in describing an area as vulnerable to gentrification.

Most damning of all, the CURA report make virtually no attempt to distinguish between cost pressures caused by increasing poverty and displacement caused by increasing demand. Without making that distinction, its findings are virtually useless in housing policy, because the remedies to these two different problems are often diametrically opposed. For instance, the report maps census tracts in Minneapolis in which the median rental and homeowner units are affordable to the median renter household, broken down by different racial groups.²¹ These maps show dramatic reductions in the number of affordable neighborhoods between 2000 and 2016. However, the report fails to note a critical fact about these same maps: the accompanying figures show that median rent and median housing costs remained relatively stagnant over the same period, while median income declined significantly (for instance, by nearly 10,000 inflation-adjusted dollars for black renters). This data strongly implies that reductions in affordability were the product of increases in poverty, not gentrification. However, this obvious conclusion is hidden by the report, because it undermines the idea that gentrification is an endemic problem in the Twin Cities. In short, the CURA report is unreliable analysis containing data that contradicts or undermines some of its own chief conclusions. Standing alone, it is not suitable for identifying major regional trends.

Omitted Scholarly Analysis

The CURA report’s flaws are highlighted by the fact that its depiction of a heavily gentrifying region is contradicted by most other scholarly treatment of this subject.

First, the National Community Reinvestment Coalition conducted a nationwide study of gentrification. Although it only provides summary analysis of Minneapolis, this study found that only 22 of 771 Twin Cities census tracts had gentrified – a total of 2.9%.²²

In addition, the Institute on Metropolitan Opportunity has published two much more detailed reports on the gentrification and displacement in the Twin Cities, both of which adopt a more consistent methodology than the CURA study, and rely less on anecdotal self-reporting. Both find that gentrification is a relatively rare phenomenon in the region,

¹⁹ *Id.* at 20.

²⁰ *Id.*

²¹ *Id.* at 11-12.

²² NATIONAL COMMUNITY REINVESTMENT COALITION, SHIFTING NEIGHBORHOODS: GENTRIFICATION AND CULTURAL DISPLACEMENT IN AMERICAN CITIES (2019), <https://ncrc.org/gentrification/>.

and the latter finds, consistent with the NCRC report, that the region has relatively little gentrification compared to wealthier American cities.

The first of these Institute studies, *Are Minneapolis and Saint Paul Gentrifying?*, analyzes changes in neighborhood demographics and housing cost factors across all major Minneapolis and Saint Paul neighborhoods between 2000 and 2016.²³ It finds very few changes consistent with gentrification in lower-income neighborhoods: virtually all such neighborhoods saw an increase in poverty, a decrease in white population share, and stagnant or decreasing relative housing and rental costs. However, like the CURA study, this study made no effort to analyze changes in suburban locales.

The second Institute study, *American Neighborhood Change in the 21st Century*, is dramatically broader in scope.²⁴ This study, which is nationwide but includes a subreport on the Twin Cities, is the single most comprehensive look at neighborhood change in the United States in at least the previous decade. It is distinguished from every other major study in at least three ways. First, it is multidirectional, looking at neighborhood economic growth *and* decline, in order to determine the relative location and scale of the two problems. Second, it uses population change to estimate changes in demand for a neighborhood, rather than attempting to measure demand through housing prices, which can be affected by a variety of other factors. Third, it incorporates suburban as well as urban areas. The study classifies every census tract in America by the type of change that is occurring in the tract, which can include overall population growth, population growth with low-income displacement (corresponding with gentrification), population decline with low-income concentration (corresponding with poverty concentration), and overall decline. This methodology allows for clear distinctions between gentrifying and non gentrifying neighborhoods, and allows for rough estimates of the scale of the problem in a given region.

The second Institute report finds that the Twin Cities are suffering from low-to-moderate degrees of gentrification and displacement.²⁵ On net, approximately 1,100 low-income residents were prospectively displaced from gentrifying areas in the central cities between 2000 and 2016, while about 500 low-income residents were prospectively displaced from suburban areas. However, by comparison, about 30,300 low-income residents were concentrated into economically declining central city neighborhoods, and 86,700 low-income residents were concentrated into economically declining suburban neighborhoods. The population subgroup most likely to live in a gentrifying or economically expanding neighborhood was black residents, of whom about 4% live in

²³ INSTITUTE ON METROPOLITAN OPPORTUNITY, ARE MINNEAPOLIS AND SAINT PAUL GENTRIFYING? (2016), https://www.law.umn.edu/sites/law.umn.edu/files/metro-files//are-minneapolis-and-stpaul-gentrifying_jan2016.pdf.

²⁴ INSTITUTE ON METROPOLITAN OPPORTUNITY, AMERICAN NEIGHBORHOOD CHANGE IN THE 21ST CENTURY: GENTRIFICATION AND DECLINE (2019), <https://www.law.umn.edu/institute-metropolitan-opportunity/gentrification>.

²⁵ The Twin Cities regional report can be accessed at

https://www.law.umn.edu/sites/law.umn.edu/files/metro-files/minneapolis_incomechange_report.pdf.

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such an area. But black residents were also the group most likely to live in an economically declining area. About 42% of regional black residents lived in a declining neighborhood.

About 9% of Minneapolis residents live in an area that experienced gentrification and economic expansion between 2000 and 2016, the highest share of any municipality in the region. However, even in Minneapolis, an even larger share – 23% of total population – lived in an area experiencing economic decline. By comparison, only a tiny share – less than 2% – of residents of Saint Paul and the region’s suburbs live in a neighborhood that is prospectively gentrifying.

Mapping these trends reveals that they are geographically limited. The bulk of Twin Cities displacement is occurring in a handful of neighborhoods immediately adjacent to downtown Minneapolis. Meanwhile, traditionally low-income neighborhoods, particularly North Minneapolis, downtown Saint Paul, and the areas east and west of downtown Saint Paul, are sites of heavy poverty concentration and even overall neighborhood population decline.

Perhaps most importantly of all, there is an extremely rapid increase in poverty concentration in the region’s inner suburbs. The suburbs to the north of Saint Paul, such as Maplewood, Little Canada, and North Saint Paul; south of Minneapolis, such as Richfield, Bloomington, and Burnsville; and especially to the northwest of Minneapolis, including Brooklyn Park and Brooklyn Center, are sites of rapidly increasing poverty concentration and racial segregation.

Recommendation: The final version of the 2020 AI should include the full set of research and analysis related to gentrification in the Twin Cities region. It should also identify the limitations of existing research, so that policymakers do not overdraw the conclusions of particular pieces of research – for instance, by assuming that research that is geographically restricted to the central cities is applicable in the more-populous suburban portions of the region.

POLICY RECOMMENDATIONS

The broad policy goals laid out in the Draft AI are commendable.

In particular, the following goals represent a vindication of original core purposes of the Analysis of Impediments process, and the Fair Housing Act, that have been frequently ignored by Twin Cities policymakers:

- Goal 1: Increase the supply of affordable housing in high opportunity areas.
- Goal 7: Expand access to opportunity for protected classes.
- Goal 8: Reduce barriers to mobility.

Unfortunately, the underlying policy strategies intended to promote these goals are

imperfect. Several lack the specificity to accomplish the stated goal. Others need to be

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targeted to particular geographic areas in order to be most effective. Fine-tuning these strategies will make the Draft AI a much more effective policy document.

In addition, care should be taken to specify which goals apply to which jurisdictions (as was the case in the 2017 AI Addendum). Otherwise, some goals, particularly those seeking to prevent gentrification and preserve housing affordability, may be misapplied in ways that risk creating or worsening current residential divides.

Strategy-specific recommendations follow below.

Goal 1: Increase the supply of affordable housing in high opportunity areas

In general, the strategies listed under this goal are positive in effect, but unlikely to specifically increase the supply of housing in high-opportunity areas. They should be revised to more carefully target these geographic areas, particularly those areas with high educational and economic opportunity. Specific recommendations follow:

- ***“Change existing land use and zoning laws, where possible, to allow for Accessory Dwelling Units (ADUs) and tiny homes.”*** While land use laws should be altered to provide for greater housing density and construction in areas of high opportunity, limiting these changes to ADUs and “tiny homes” will have a limited impact. The most efficient way to add new units to these areas is in multifamily developments. Multifamily developments in high-demand, high-amenity areas are also more economically viable than individual ADUs or smaller-than-average “tiny homes,” meaning that the private market is more likely take advantage of land use and zoning changes to produce more housing. **Recommendation:** Expand strategy to allow for multifamily housing development in high opportunity neighborhoods and jurisdictions.
- ***“Provide additional investments in the Affordable Housing Trust Funds in St. Paul and Minneapolis and additional investments in affordable housing in the other jurisdictions.”*** Merely increasing the amount of affordable housing in a given jurisdiction does not increase the supply of housing in high-opportunity areas. In some scenarios, increasing affordable housing may *increase* the overall amount of segregation, if the housing is sited in low-income or racially segregated areas. Thus, additional investments must be restricted to high-opportunity areas. **Recommendation:** Require additional investments to be utilized in high opportunity areas with significant educational and economic amenities.
- ***“Provide funding to assist community organizations in purchasing, rehabilitating, and leasing dilapidated rental properties. Ensure that these organizations have the right of first refusal to purchase prior to outside, for profit developers.”*** This strategy does nothing to increase the supply of affordable housing in high-opportunity areas. Dilapidated rental properties are very rare in high-opportunity areas due to the existing

high housing demand in those areas. Instead, dilapidated rental properties are much more likely to be located in low income, segregated areas. Funding affordable housing creation in those areas will

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perpetuate or intensify segregation. Moreover, a preference for nonprofit developers risks backfiring. Nonprofit developers tend to be based in low-income, segregated areas, and thus such a preference could further steer investment towards low-opportunity neighborhoods. This strategy requires funding that could be better purposed towards truly integrative development. **Recommendation:** Eliminate this strategy.

- ***“Condition the distribution of grant funds to jurisdictions by the Metropolitan Council based communities providing concrete plans to meet their fair share of the decennial affordable housing needs.”*** This is an excellent strategy that echoes successful fair-share housing practices by the Metropolitan Council in the past. However, its success depends on the amount and type of funding that is conditioned on housing performance. In the past, housing performance was considered in the award of parks, sewer, and transit funding. In addition, the Council formed a collaborative agreement with the state housing agency to ensure that the agency’s housing funds – which substantially exceed those awarded directly by the Council – were distributed in compliance with Council plans. The Council has been statutorily granted the power to review plans of independent state agencies if those plans have areawide effect. **Recommendation:** This strategy should be retained and expanded. The strategy should specify that all funding sources are conditioned on housing performance, and the Council should use its statutory powers to condition state housing agency funds on housing performance as well.
- ***“Expand bonus point offerings in RFPs to incentivize the development of large units with three or more bedrooms.”*** While this strategy is beneficial, it does not directly increase the supply of affordable housing in high-opportunity areas. **Recommendation:** The strategy should specify that there should be bonus point offerings in high-opportunity areas.

Goal 7: Expand access to opportunity for protected classes

Each of the recommended strategies offered under this goal is positive. However, the goal would benefit from an expanded scope. In particular, in addition to adopting policies to improve economic opportunity, such as improving transit and increasing the minimum wage, jurisdictions should consider methods of improving access to educational opportunity.

At present, there is a high degree of segregation in Twin Cities schools.²⁶ Educational segregation is closely connected to both housing segregation and lack of access to

²⁶ See, e.g., Brief of Myron Orfield as Amicus Curiae Supporting Petitioners, *Cruz-Guzman v. Minnesota*, No.

A16-1265 (Minn., Nov. 5, 2016), *available at* https://www.law.umn.edu/sites/law.umn.edu/files/metro_files/myron_orfield_-_cruz-guzman_amicus_brief.pdf; Will Stancil, *Minnesota Is Resegregating Its Schools, and It's Bad for All of Us*, MINNESOTA REFORMER (May 27, 2020),

<https://minnesotareformer.com/2020/05/27/minnesota-is-resegregating-its-schools-and-its-bad-for-all-of-us/>.

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educational opportunity.²⁷ The State of Minnesota is currently facing a statewide school desegregation lawsuit and considering various remedies.²⁸

There are a variety of policies that could be adopted by municipalities and state agencies that would reduce segregation and increase educational opportunity. Minnesota maintains a statewide school integration rule; this rule should be redrafted to require schools to eliminate demographic concentrations or reflect the demographic or economic composition of the surrounding region.²⁹ Segregated school districts should be required to work collaboratively with neighboring districts to ensure integrated educational facilities. Schools that intentionally concentrate protected classes of students should be denied state funding.

Addressing educational demographic patterns will likely reduce barriers to fair housing choice.³⁰ Many neighborhoods and municipalities are expensive to access because of the perceived quality of their schools, while other areas have underperforming housing markets because of the perceived weakness of their schools. A comprehensive regional school integration policy would be a significant advancement in housing civil rights.

Recommendation: Strategies for promoting educational opportunity should be incorporated into the recommendations, particularly desegregation and integration. This includes adoption of a regional integration policy mandating inter-district coordination to eliminate concentrations within schools, and a ban on state funding to schools that intentionally maintain segregated student bodies.

Goal 8: Reduce barriers to mobility.

Each of the strategies in this section is positive. However, there is room for greater improvement. The metropolitan area contains 10 separate public housing authorities (PHAs), which results in a large amount of redundant – and occasionally contradictory – policymaking. The most obvious area for bureaucratic difficulties is, of course, porting vouchers between different PHAs. But there are other areas where differing policies between PHAs are likely to cause confusion for residents, waste resources, and frustrate overarching policy objections.

The obvious solution for this problem is to collapse the entire metropolitan PHA system into a single metrowide housing authority, likely operating under the Metropolitan Council. Although this proposal would invariably receive significant pushback from the employees of the existing PHAs, there are essentially no arguments whatsoever for the

²⁷ See, e.g., National Coalition on School Diversity, *Research Brief: School Integration and K-12 Outcomes: An Updated Quick Synthesis of the Social Science Evidence* (Oct. 2016), <https://schooldiversity.org/pdf/DiversityResearchBriefNo5Oct2016Big.pdf>.

²⁸ ACLU Minnesota, *Cruz-Guzman v. State of Minnesota*, <https://www.aclu-mn.org/en/cases/cruz-guzman-v-state-minnesota>.

²⁹ Minn. R. 3535 (2020).

³⁰ See, e.g., National Coalition on School Diversity, *Research Brief: The Reciprocal Relationship Between Housing and School Integration* (Sept. 2011), <https://www.schooldiversity.org/pdf/DiversityResearchBriefNo7.pdf>.

existing system. The Draft AI should recommend this change, even if institutional inertia makes it unlikely in the near future. The recommendation alone broaches the subject and may help drive longer-term changes towards PHA centralization.

In addition, there are other ways for the PHAs to work together collaboratively. The Minneapolis PHA is a “Moving to Work” jurisdiction, which allows it considerable additional flexibility under HUD PHA rules.³¹ It has used this flexibility to explore novel housing mobility programs, such as programs to provide counseling and assistance necessary to house PHA residents in high opportunity areas. In addition, the agency has taken advantage of a little-noticed provision in the Moving to Work legislation and sought permission from HUD to operate as a “regional” Moving to Work program, which allows it to partner with other PHAs and provide them with similar flexibility. MPHA has explored using this regional program to set up region-wide voucher-based mobility programs, among other innovations. Although it has offered this opportunity to all regional PHAs, at present, only the Metro PHA has joined the regional collaborative.³²

Encouraging additional PHAs to join this regional collaborative would provide many of the benefits of a unified regional housing authority, without requiring the elimination of the agencies themselves, and should be encouraged as an intermediate step towards centralization.

Recommendations: Add a strategy encouraging the consolidation of regional PHAs. Add a strategy recommendation that regional PHAs join the MPHA Moving to Work regional collaborative.

Avoiding Contradictory Strategy Recommendations

In addition to the suggestions above, several recommendations risk contradicting the stated goals of the Draft AI. In particular, any recommendation that tends to preserve affordable housing, site affordable housing in low-income areas, or could be used to block investment or development in low-income areas, risks perpetuating existing segregative living patterns. As such, any such strategies should be carefully targeted (i.e., at particular neighborhoods, jurisdictions, or situations) in order to avoid these inadvertent negative effects.

Several of the proposed strategies in the Draft AI appear to run this risk.

- **Goal 2: “Provide restrictions on the “flipping” of affordable rental housing by outside investors. Require that 1) a large percentage of units remain affordable at deeper levels of affordability; 2) previous tenants have rights of return; and 3) displaced tenants have access to relocation services.”** This strategy, in some limited instances, may have the unintended effect of suppressing development and

³¹ See, e.g., Minneapolis Public Housing Authority, *Minneapolis and Met Council to Form Nation's First Regional Moving to Work Agency* (Jan. 28, 2020), <https://mphaonline.org/mpha-and-met-council-to-form-nations-first-regional-moving-to-work-agency/>.

³² *Id.*

investment in low-income areas. In particular, the first part of the strategy, requiring that a “large percentage” of units remain at “deeper levels of affordability,” risks dramatically increasing the cost of even minor redevelopment of affordable rental units.

Recommendation: The first part of this strategy should be conditioned on the overall affordability of the surrounding neighborhood. Developers should be required to preserve more affordability in areas with smaller amounts of nearby affordable housing.

- **Goal 3: “Develop partnership with local lending institutions to conduct homebuyer and financial literacy education targeted at communities of color.”** Academic research has suggested that financial literacy education has little to no positive effect over the medium-term.³³ **Recommendation:** Eliminate this strategy.
- **Goal 4: “Establish a policy for regular community participation in advance of approving new development in areas populated by low- and moderate-income Black and Brown residents. To ensure maximum participation, these meetings should be held at a variety of times be accessible via public transportation, be in locations that are ADA accessible, and provide food and perhaps childcare, if the meeting occurs in the evening.”** Community participation can be a double edged sword. As the problem of NIMBYism has demonstrated, participative processes have a tendency to empower small, vocal minorities who want to resist change, while excluding larger majorities who are agnostic about new development. This dynamic does not appear to be restricted to high-income areas. As a result, expanding community participation in private development risks placing significant roadblocks in front of new investment. **Recommendation:** Eliminate the first sentence of this strategy. Community participation processes should be conducted identically in all neighborhoods, but with additional measures to facilitate participation from all demographic groups and socioeconomic strata, such as childcare.

³³ See, e.g., Daniel Fernandes, John G. Lynch, Richard G. Netemeyer, *Financial Literacy, Financial Education, and Downstream Financial Behaviors*, 60 *MANAGEMENT SCIENCE* 1861 (2014); Lauren E. Willis, *Against Financial Literacy Education*, 94 *IOWA L. REV.* 197 (2008).



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October 17, 2020

Kristin Burch

City of St. Paul Office of Financial Empowerment

15 West Kellogg Blvd.

St. Paul, MN 55102

Re: Comments to the Analysis of Impediments

Dear Ms. Burch:

I have reviewed the draft 2020 Analysis of Impediments to Fair Housing Choice. I am writing to make you aware and request the inclusion of a subsequent development to impediments to fair housing.

Earlier this year the Minnesota Supreme Court issued an opinion *In the Matter of Cindi Ali*, 938 N.W. 2d 835 (Minn. 2020), that impacts integrated housing for people with disabilities. The case concerned the inclusion of community support in family income for purposes of calculating eligibility for the Section 8 housing choice voucher program. Ms. Ali is a single mother of four children. Her son suffers from a severe form of autism and development disabilities. He qualifies for the Consumer Directed Community Support (CDCS) program administered by the Minnesota Department of Human Services (DHS) and receives a Development Disability waiver. The CDCS program consists of an annual budget allocated to the family to ensure that the developmentally disabled family member can remain in the home rather than being forced into institutionalization.

For the Housing Choice Voucher program, the federal regulations exclude certain forms of assistance from income. Under 24 C.F.R. section 5.609(c)(16), amounts paid by a state agency (here, the State of Minnesota) to a family with a member who has a developmental disability and is living at home are excluded if the amounts are “to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.” Despite this being a commonly excluded income source by housing authorities throughout Minnesota,

the court held that this assistance should be included in income. Because of the court's interpretation Ms. Ali's family was found ineligible for voucher assistance. She was not able to utilize her housing subsidy and her family's housing choice was diminished.

In August of this year the California Supreme Court issued an opinion interpreting the same regulation but resulting the opposite conclusion. In *Reilly v. Marin Housing Authority*, 10 Cal. 5th 583 (2020), the court held that the IHSS program (California's version of CDCS) was excluded from income for purposes of Section 8 voucher eligibility. Citing the IHSS program guidance the court found the purpose of the legislation is to give the aged, blind and disabled the "assistance



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SMRLS Board President: Brett Olander, Esq. Chief Executive Officer: Jessie Nicholson, Esq. LEGAL SERVICES CORPORATION



and services which will encourage them to make greater efforts to achieve self-care and self maintenance, whenever feasible, and to enlarge their opportunities for independence." IHSS, like CDCS, is specifically "designed to avoid institutionalization of incapacitated persons."

The *Reilly* court disagreed with the Minnesota Supreme Court's definition of cost and offset. The California court also pointed out that "the Minnesota program — which allowed the mother to 'allocate her budget as she saw fit to keep her son living at home' — is structured differently from the IHSS program in a way that makes *Ali* distinguishable."

This means that similarly situated families in California have more housing options. One way to address this impediment would be for DHS to make the CDCS program structured more like the California IHSS program. For instance, DHS could revise the program rules to mirror the California rules which state the program may compensate the parent who provides in-home care to her disabled child. This would change from a budget allocation to compensation which the regulation more clearly excludes.

Clear guidance from Minnesota DHS about the structure of the program and a change in the definition of CDCS regarding allocation of budget could change the inclusion and open up housing opportunity for families with developmentally disabled children. It would both increase housing choice and promote integrated housing for people with disabilities.

Thank you for the opportunity to explain this recent development that restricts housing choice and is an impediment to fair housing.

Sincerely,

Laura Jelinek



● Walbran, Colleen

October 19, 2020 at 1:17 PM



Re: Twin Cities AI

To: Sarah Carthen Watson

Sarah,

Thank you for your truly meaningful work analyzing data, convening stakeholders, and identifying areas for growth in fair housing in the Twin Cities region.

I wanted to briefly touch on two items in the report.

On pages 317-318 of the draft Analysis, it states "Like all Legal Aid offices, Mid-Minnesota Legal Aid is restricted from representing undocumented individuals due to conditional funding from the Legal Services Corporation." I wanted to clarify that, while many of our justice partners are recipients of LSC funding, Mid-Minnesota Legal Aid does not receive LSC funding and is not restricted from representing undocumented individuals.

On page 318, it states "Particularly for Legal Aid/Legal Services organizations, recruitment and retention of good lawyers can be a challenge based on available salaries and resources." Mid-Minnesota Legal Aid strives to ensure that legal services remains a viable career option for the talented individuals who are passionate about the work that we do.

Again, please accept my gratitude for all the work that contributed to the development of a rich, robust analysis. Please don't hesitate to contact me to discuss this e-mail.

Colleen Walbran
Attorney
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General comment: I find few recommendations that I would disagree with but also think that some will have only minor benefit or require much greater spending than is likely. Therefore it would be helpful if the Analysis provided more insight in the form of cost/benefit analysis and ease of implementation for the jurisdictions.

Recommendation (Goal 3):

Provide more opportunities for families on public assistance to transition to ownership. ^{[[]]}_{SEP}

Comment: The low level of public assistance given to families and the high price of housing dooms this proposal except in exceptional circumstances. The subsidy must be in the hundreds of thousands of dollars, thus reducing money available to many, many other families. Sometimes the ownership cost can be reduced via a land trust but it still requires a very large subsidy. Having worked to increase homeownership in communities of color and then experienced the wave of client losses of homes after the mortgage fraud and resulting crisis, I am convinced that the cost of programs for 1st time low-income homeowners is just too high and that money is better spent in rental support or in preserving ownership for homeowners facing relatively small financial challenges..

Recommendation (Goal 6):

Require that all rental and homeownership applications be made available in Spanish, Hmong, and Somali, and ensure that paper copies are available for those without computer access. ^{[[]]}_{SEP}

Comment: Do you have any idea how many people can read and write in Hmong and Somali better than they read and write English? It is my impression that the % is likely to be very small. Which dialects? If there are relatively few, the utility for other than Spanish-speakers is minor and the cost of accurate translations is going to be quite high. Landlords will object that this is a costly step that raises the cost of housing and deleting it would be a gesture to their concerns.

Recommendation: Various Tenant Protection Proposals (Goal 6)

Comment: There are a number of changes made recently in Minneapolis and St Paul ordinances that align with the proposals in this document, for example, limits on use of criminal background checks and credit scores in tenant screening, caps on the amount of security deposits, etc. Not yet in effect in St. Paul, the Minneapolis ordinance is being challenged in federal court by landlords claiming constitutional violations. Other governments in the Region should back the City of Minneapolis as *amici* and enact their own versions of tenant protections.

Recommendation: Enact Source of Income Protection (Goal 6)

This should be a high priority recommendation as it does not require spending public money. Minneapolis has recently established a degree of protection for section 8 voucher subsidy users. The Minnesota Supreme Court has affirmed the City's power to do so. Having such protections only in Minneapolis will have the effect of further concentrating voucher users there while doing nothing to address such discrimination in other communities. Other cities, or preferably, the State, should enact such protections.

Recommendation: Various Tenant Protection Proposals (Goal 6)

Missing from these recommendations is elimination of, or restrictions on, the common requirement that rental applicants show that they have income three times the rent in order to qualify for renting a home. This was a part of the prior AI recommendation and has been the subject of ordinance changes in Minneapolis and St. Paul. (Minneapolis landlords are challenging the constitutionality of this in the suit mentioned above.) I include here a paper defending the Minneapolis provision, which merely requires landlords using minimum income screening to give applicants a chance to show that, like half of all renters in the City, that they have successfully budgeted for rent. While the data is Minneapolis-focused the

analysis would likely be applicable to other jurisdictions.

Minneapolis's Controls on Tenant Screening Practices Advance Equal Housing for Residents.

Minneapolis adopted the tenant protection ordinances after years of studies, reports and analyses that identified rental practices as impediments to fair housing and burdens on its most vulnerable residents. While there continues to be disputes as to the minimum standards for compliance with the duty to affirmatively further fair housing, it is certain that the ordinance's effort to ameliorate the racially disparate impact of the housing practices in both public and private sectors comports with its local and federally mandated obligation to ensure fair housing for its residents.

With respect to justifications for limiting rent:income tenant screening, termed a minimum income test, Minneapolis Ordinance 244.2030 (c)(3)(c), it is important to examine the 2014 Analysis of Impediments to Fair Housing and an Addendum in 2017 that were submitted to the U.S. Department of Housing and Urban Development by the City. This Analysis is required in order to comply with the Fair Housing Act, as amended, 42 U.S.C. Section 3608, and its implementing regulations and policies. These submissions addressed a number of barriers, including the use of a minimum income test.

These reports specify information on families who were actually living in homes with rent expenses of between just under one-third (30%) to more than one-half (50%) of family income. More than 50% of all Minneapolis renters paid more than 30% of income towards rent. Close to 28% paid fully half of their income for rent. Addendum Table 3-13. ²²⁵ In other words, half of all Minneapolis renters would fail a 3:1 income test in their current homes.

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<https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Draft%20III%20Addendum.pdf>.

This was aggravated in areas of poverty with more than 50% people of color in the City; in those neighborhoods, 52% paid at least 30% and 33% of these families paid more than half their income for rent. Table 3-13. The protections of the ordinance are most important in those vulnerable parts of the City where poor people of color are concentrated.

When rent burdens are examined according to the race or ethnicity of the families, the figures become more stark. The population of Minneapolis residents affected by housing problems (primarily cost or overcrowding) was very stratified by race and ethnicity. Among white, non-Latino families just 16.5% experienced housing problems as compared to 35.8% of Black non-Latino families, 29% of Asian, non-Latino families, 33.4% of American Indian, non-Latino families and 41.5% Latino families. Table 3-15.

The studies did not analyse how female-headed households fared with respect to the income/rent ratios, as women's earnings remain significantly lower than men's (85.5%), there is little doubt that such policies hurt women and their children.²²⁶ While we cannot find an analysis of housing expense and disability status, giving disabled people a chance to show their budgeting capacity also advances their opportunity to fairly choose their homes.

During this city-sponsored Analysis of Impediments to Fair Housing, residents, housing providers, and housing experts throughout the Twin Cities were asked to identify practices that interfered with fair housing choice and increased housing burdens on members of protected classes.²²⁷

During the public engagement process, the income test barrier (along with credit history, criminal history and eviction records) was raised again and again. Income screening was mentioned at least 20 times. For example:

²²⁶ https://www.bls.gov/regions/midwest/news-release/womensearnings_minnesota.htm

²²⁷ <https://www.ramseycounty.us/sites/default/files/Departments/2014%20FHIC%20AI%20-%20FINAL.pdf>.

So many people in this country are homeless because they are disabled and only have \$720/mo. in income - they are automatically denied most market rate housing (even if they can budget for the rent) due to their income.

Landlords/Owners expect and demand 3 times your income from people with fixed incomes, and deny you housing based on poor credit even though you may have exceptional rental history.

See Sections 10 and 11, pp. 109-143.

Consequently the 2014 AI did identify as an impediment:

High rental application denial rate in communities of color and those with disabilities based on rental selection criteria (criminal background, credit history, rental background). p. 101.

In the following Addendum²²⁸ from 2017 the same problems were summarised:

In addition to source of income discrimination, community members identified rental application processes and tenant selection criteria as a barrier. Credit histories and income requirements were the most frequent issues cited but criminal histories and evictions/unlawful detainers were also mentioned. p. 216

The Metropolitan Council's recent *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region*²²⁹ Section 4, p. 28 also noted:

²²⁸ <https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Draft%20III%20Addendum.pdf>

²²⁹ <https://metro council.org/Planning/Projects/Thrive-2040/Choice-Place-and-Opportunity/FHEA/CPO-Sect-4.aspx>

In addition, rental practices shown to have disparate impact—such as tenant screening procedures—are more likely to exacerbate historic and emerging barriers to housing choice in tight rental markets.

Consequently, Minneapolis's adoption of a requirement that landlords give consideration to applicants' history of successful rent payments if they choose to use the income test is not only reasonable but also a tool wielded to address the critical problem of housing discrimination.

MINIMUM INCOME RULES OF THUMB DO NOT SERVE LEGITIMATE PURPOSES

As demonstrated above, the 3:1 rule of thumb does not reflect the reality of successful renting in a city, Minneapolis, with about 92,000 rental households²³⁰ where more than 26,000 families are paying 50% of their income for rent month in and month out (see above). These families are intimately more familiar with their budgets than are landlords.

What is the source of the common practice of using a minimum income test? Obviously a tenant family must have enough income to pay rent and cover other necessities of life. But where does the 3:1 ratio come from? It is relatively common and loudly defended by some. One would assume that in data-driven times, there would be data driven justification for the ratio. But it is wholly devoid of such analysis in the real world of rental housing markets.

Defenders of the test will point to use of rules of thumb in the mortgage market (though of course mortgage qualifications are much more detailed and documented than this 3:1 test). They misapprehend the fundamental nature of the transactions. A lender is giving hundreds of thousands of dollars to the borrower and depending

²³⁰ <https://www.census.gov/quickfacts/fact/table/minneapoliscityminnesota/HSG010219#HSG010219>.

on thirty years of consistent mortgage payments to be successful. The lender's risk of default is not mitigated by even one month of a "security deposit" and it must take expensive legal actions that may last six months, a year or longer before it can retrieve its collateral. A rental owner is giving use of an apartment for one month, with an average cost of \$1240 in 2015 in Minneapolis, and typically retains a deposit of \$1240. The time it takes for an eviction is comparatively fast: the majority of the cases are done in 14 days and 90% are closed within 30 days.²³¹

J. David Hulchanski, is the Dr. Chow Yei Ching endowed chair in housing at the University of Toronto's Faculty of Social Work and is cross-appointed with the graduate program in urban planning. He teaches graduate courses and supervises dissertation research in housing policy, comparative international housing systems, human rights and social justice. His teaching and research focus on rental housing, social housing programs, homelessness, discrimination in housing markets and human rights issues in relation to social welfare and land use planning.²³² Hulchanski is apparently the sole recent scholar, business analyst or researcher to examine the minimum income test in the home rental market, although Harvard's Joint Center for Housing Studies is working on national level analysis of this issue.

The following summarizes and comments on his studies and reports on the origins, use of and justifications for an income test.

- The source of the 3:1 ratio is a 150 year old speculation by a German statistician, who later disavowed his 3:1 "rule" and there have been no subsequent examinations that validate the "rule." "The assertion that a certain ratio is too high for certain households seems to be based on nothing more than ad hoc observations by late 19th and early 20th century social reformers and local public health and social welfare officials about what

²³¹ <https://lms.minneapolismn.gov/Download/File/877/Evictions%20in%20Minneapolis%20Report.pdf>

²³² <https://socialwork.utoronto.ca/wp-content/uploads/2014/01/Hulchanski-full-CV-September-2019.pdf>.

lower income or average wage earners can pay without affecting their ability to pay for food and other necessities.”²³³

- The application of the minimum income rule is further undermined by fundamental errors in assessing the income side of the standard. First, simple income definitions ignore how low income families budget and also use informal income streams from family members, churches, social services sources that are used to meet necessities such as rent.²³⁴
- Further, while Hulchanski does not address this in detail, many Minneapolis households with low cash income also get SNAP food assistance - on average \$250 per month in Minnesota. Many such families receive energy assistance, paid to energy businesses, of between \$200 and \$1400 annually²³⁵. It is unlikely that these funds are used in the typical minimum test. Further, people with a disability often receive non-taxable Social Security income or other public benefits - thus their nominal income can purchase more housing than comparable nominal wages, which have payroll taxes, benefit costs, etc. deducted before they can be used to pay rent. HUD addresses this in its mortgage insurance program by requiring “grossing up” the non-taxable income by 25% (or the person’s prior tax rate).²³⁶ The same concept is applied to child support income by HUD. Finally, and here the value is harder to set - people who have subsidized medical care have more of their income to spend on rent. Households on Medicare, Minnesota Care, VA benefits, etc. should have their ratios calculated taking this into account, if the income:rent analysis is to have any relationship to actual budgets.²³⁷
- Hulchanski summarizes the income test and affordability issue: “There is no evidence to support its use as a measure of housing affordability, or ability to pay, or the risk of default. There is a great deal of evidence to the contrary

²³³ DECLARATION OF J. DAVID HULCHANSKI, Project Sentinel et al. v. 140-20th Avenue Associates et al, paragraph 11, February, 2000. Available from James Wilkinson.

²³⁴ Id. paragraphs 21-27.

²³⁵ <https://www.semccac.org/community-development/energy-assistance/>. Minnesota state-wide data.

²³⁶ U.S.Department of Housing and Urban Development Handbook 4155.14E.5.b

²³⁷ Indeed these factors may explain why so many Minneapolis families are able to pay more than 50% of their cash income for rent.

- evidence that many households, past and present, pay more than the prescribed ratio without defaulting on their rent.”²³⁸
- Presumably, the reason that many owners wish to use the test is to minimize rent arrearages and avoid financial losses. The previous points undercut the view that a 3:1 test measures affordability and protects against arrearages. The industry may have data that shows a link - causal or merely coincidental - between failure to pay rent and a rent burden of greater than 33% of cash income, but if it exists, it is nowhere to be found.
- Hulchanski also states that rent arrears do not significantly impact the profit and loss statements of typical owners of rental property. He has summarised the sole study on the subject:

“A 1995 study for the Ontario Human Rights Commission assessed whether the risk of tenant default on rent is a significant factor impacting on the profitability or viability of a rental apartment business (N. Barry Lyon Consultants Limited, 1995)²³⁹. The study found that compared to most investment options, investment in existing rental apartment buildings is a relatively favourable one. There is solid demand, a predictable income stream, and compared to other sectors even within the real estate industry, residential rental businesses weathered the recession of the early 1990s relatively well. Risk of tenant default was found to be ‘relatively insignificant as a determinant of the viability of a residential rental business.’ Bad debt was found to be less than 1% of gross revenue which is normal for most wholesale and retail businesses, and that default on rent is not a significant cause of business failure.... ‘When we considered the effect of a typical level of bad debt on profitability and on return on investment, we found that the effect was relatively insignificant. Underscoring this is the finding that eliminating an average level of bad debt altogether would only increase the rate of return by about one tenth of one percent. Similarly, doubling the average level of bad debt would only reduce the rate of return by one tenth of one percent. Indeed, a minor fluctuation in property tax rates, mortgage rates, or an unexpected repair bill, pose equal and potentially more

²³⁸ Declaration, paragraph 33.

²³⁹ Available from author, Wilkinson.

serious risks for landlords than is the risk of increased default.’ (N. Barry Lyon Consultants Limited, 1995:44) The study concluded that ‘tenant default is not a significant factor in determining the viability of a landlord’s business’ and that ‘restricting applicants to apartment buildings on the basis of income in the hopes of reducing default, may be counter-productive to the landlord.’ The practice may create additional costs ‘by restricting demand and increasing vacancy, rather than creating any significant savings in the area of bad debts.’ (N. Barry Lyon Consultants Limited, 1995:45).

Similar business income and expense data is not available to us, but an examination of evictions in Minneapolis by the City provides suggestions as to the extent and degree of seriousness of non-payment of rent.²⁴⁰ The total number of evictions filed against Minneapolis renters in 2015 was 3140, just 3% of the 92,000 total rental households. 93% of evictions were for rent arrears averaging \$2000 (after \$324 in court fees) with a median of \$1700 (including fees) - roughly two months of unpaid rent. It seems unlikely that there will be a large number of situations where renters are permitted to stay in their home for three, four or more months without rent payments. Some of those court cases are resolved by the tenant paying the arrearage and fees (probably about 19% of nonpayment cases). So there remain approximately 2400 Minneapolis rent cases in court with an average alleged debt of \$2000, including fees, for a total of more than \$4,800,000 in 2015. (\$4,080,000 using the mean allegation.)

It is conservative to estimate that at least third of this sum is recovered via withheld damage deposits (which is usually at least equal to one month of rent) or other collection methods. This figure of \$3,168,000 is not an insignificant sum, but spread over 92,000 rental households in the City, it is just \$34 per year. With an average yearly rent of more than \$12,480 per year in the City in 2015, this amounts to 0.27% of revenue.

If the court cases show only one-fifth of the nonpayment problem (assuming the same average arrearages and the same one-third of the arrearages recovered

²⁴⁰ <https://lims.minneapolismn.gov/Download/File/877/Evictions%20in%20Minneapolis%20Report.pdf>

through damage deposits or other collection methods) the average landlord's lost revenue is \$170 per year per unit or 1.3% of revenue, far less than taxes, insurance and other costs. It is also far less, one-quarter of the cost of vacant apartments and vacancies were 5.6% in 2015²⁴¹. A portion of that uncollected rent will reduce the owners' income taxes as a bad debt business deduction, further mitigating the effect of nonpayment.

It is therefore critical to consider the following.

- Would universal application of the income test have avoided rent arrears? No, since as already shown, renters almost always pay the rent, no matter how high a portion of their cash income goes to rent. No, because the applicant's income might decline after initially meeting the 3:1 standard. No, because there is no evidence that application of such a screen results in any, let alone, consequential differences in rent arrears.
- Would requiring flexibility by owners, like the City now does, result in financial losses? No, since uncollected rent is a miniscule portion of the expenses of the enterprises.
- What is the effect of use of this screening tool which does nothing to serve its alleged purpose? Owners have been using an income test for years. It gives owners a way to screen for wealthier, higher earning applicants, who, perhaps not coincidentally are less likely to be people of color or living with disabilities. The foregoing shows how its use reduces housing choice for a high proportion of Minneapolis residents, particularly families already burdened with low income and historic and current discrimination. Whether intentional or just a consequence of uninformed practice, there is no question that the screening tool is an impediment to fair housing.

James Wilkinson

October 12, 2020

²⁴¹ <https://fred.stlouisfed.org/series/MNRVAC>