Getting the Big Picture Right:
A series of conversations on Housing + Transit, 2016 - 2017

Gentrification, Displacement, and Creating Integrated Communities
September 9, 2016
Wilder Conference Center
Corridors of choice and opportunity

Positive placemaking

Our investments in affordable housing must integrate anti-displacement and mortgage foreclosure prevention, market rate housing, small business opportunities and jobs, green space, good design principles, and positive placemaking.

- Jobs
- Anti-displacement
- Affordable Housing
- Market-rate Housing
- Small Businesses
- Green Space
- Good Design Principles
- Foreclosure Prevention
- Transit and Multi-modal
Panel: Setting the groundwork for what we know

- **Peter Mathison**, Wilder Research
- **Libby Starling**, Metropolitan Council
- **Jim Erkel**, MN Center for Environmental Advocacy
- **Neeraj Mehta**, Center for Urban and Regional Affairs, University of MN
- **Metric Giles**, Community Stabilization Project
- **Jacob Wascalus**, Federal Reserve Bank of Minneapolis / Turning the Corner Project
Presentations:

• **Miriam Zuk**, Ph.D., UC Berkeley, The Urban Displacement Project

• **Rick Kahn**, President, National Affordable Housing Advisors
Gentrification, Displacement, and Creating Integrated Communities: Setting the Stage

Lessons from the Big Picture Project and Central Corridor Tracker

Peter Mathison – MN Compass, Wilder Research
Minnesota Compass provides a common foundation of information to effectively address community issues and measure progress in solving them. What is MN Compass?

Welcome to Minnesota Compass

By tracking and analyzing trends in areas that affect our quality of life, Compass gives everyone in our state – policymakers, business and community leaders, and concerned individuals who live and work here – a common foundation to act on issues to improve our communities. MORE >

Compass News

- Minnesota Compass
  Retweeted

  Pew Research Cen…
  @pewresearch

  Three fastest-growing counties by Latino population since 2007 are in North Dakota pewsr.ch/2tZpE7q

New Data

Statewide testing results for 3rd grade reading, 5th grade science, and 8th grade math show proficiency rates remained relatively flat in 2016. Gaps by race and income remained stable for all three test-based measures. The number of youth under age 18 has remained flat in Minnesota for the past 15 years. Minnesota’s youth population statewide is becoming steadily more diverse. VIEW MORE UPDATES >

Insights

Racial disparities in Minnesota: better, worse, or the same?

Compass Project Director Craig Heimstetter dug into data on education, employment, health, and housing to help answer that question. Take a look at what he found.

Geographic Profiles

Find data organized by geographic area. Get profiles for the state, Minnesota’s 7 regions, 87 counties, and cities with populations of 1000+. View profiles More profiles

Minneapolis and Saint Paul neighborhoods

East metro area of the Twin Cities

Duluth - select neighborhoods
Big Picture Project Progress Report

- Working group of the Central Corridor Funders Collaborative
- Annual report tracks progress towards 2012 Central Corridor Affordable Housing Coordinated Plan goals
  - Affordable housing unit production
  - Homeownership stabilization efforts
  - Demographic change

Central Corridor Tracker

- Track progress towards four outcome areas
  - Access to affordable housing
  - Strong local economy
  - Vibrant, transit-oriented places
  - Effective coordination and collaboration
Setting the stage

- Population and demographics
- Income
- Property values, rents, tenure
- Affordable housing production
Population (2014): **107,628**
up 13% from **94,611** at baseline

Corridor is 5% Hispanic/Latino (of any race)

20% foreign-born

Slight growth in Asian-American and Black/African-American communities
Setting the stage: income

- Incomes along the corridor are statistically unchanged compared to pre-construction.
- 45% of corridor households make less than $30,000/year.

Households with Income Under $30,000
The proportion of very low income residents is higher along the Corridor than across the region.

- Central Corridor Aggregate: Very Low Income Residents (44%), All Other Residents (56%)
- Minneapolis/St. Paul Aggregate: Very Low Income Residents (32%), All Other Residents (68%)
Setting the stage: property values, rents, tenure

- Median estimated market value for single-family homes remains below 2011-levels
- Rents for advertised 2BR units are 44% higher than in 2011
- New luxury construction

Slight increase in renter-occupancy
Setting the stage: affordable housing production

Stretch GOAL: **4,500** new or preserved affordable units by 2020

Expanded Goal: 4,500

Baseline Goal: 2,540

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Preserved</td>
<td>1,540</td>
<td>1,781</td>
<td>2,077</td>
<td>2,375</td>
<td>3,573</td>
</tr>
<tr>
<td>New</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Thank you! To keep in touch:

- Visit www.MNCompass.org
- Tweet @MNCompass
- Connect with MNCompass on Facebook and LinkedIn

Questions? Email Peter.Mathison@wilder.org
Gentrification, Displacement, and Creating Integrated Communities: What Parcel Data Tell Us
Questions we can examine:

• Where are single-family homes owner-occupied?
• Where are single-family homes renter-occupied?
  ….and how are these patterns changing over time?

• Where are single-family homes changing ownership?
• How often are single-family homes changing ownership?
  ….and what does this tell us about the stability of residential neighborhoods?
Share of single-family units in 2004 that were not homesteaded

- 50% - 100%
- 25% - 49.9%
- 10% - 24.9%
- 5% - 9.9%
- 0% - 4.9%
- Fewer than 20 housing units in 2004

Note: Homesteaded units are typically owner-occupied; not-homesteaded units are typically renter-occupied.

Source: MetroGIS Regional Parcel Datasets, 2005 (which represents tax information in 2004). Data are summarized to census block groups.
Share of single-family units in 2015 that were not homesteaded

Note: Homesteaded units are typically owner-occupied; not-homesteaded units are typically renter-occupied.

Source: MetroGIS Regional Parcel Datasets, 2016 (which represents tax information in 2015). Data are restricted to units that existed in 2004 and summarized to census block groups.
Share of homesteaded single-family units in 2004 that were not homesteaded in 2015

Note: Homesteaded units are typically owner-occupied; not-homesteaded units are typically renter-occupied.

Source: MetroGIS Regional Parcel Datasets, 2005 and 2016 (which represent tax information in 2004 and 2015 respectively). Data are summarized to census block groups.
Share of single-family units in 2004 that had a different owner in 2015

Source: MetroGIS Regional Parcel Datasets, 2005 and 2016 (which represent tax information in 2004 and 2015 respectively). Calculations are made by comparing owner names in different years, accounting for formatting changes in the datasets, and supplementing with Certificate of Real Estate Value data from the Department of Revenue. Data are summarized to census block groups.
Ownership changes per housing unit, 2004-2015

Source: MetroGIS Regional Parcel Datasets, 2005-2016 (which represent tax information in 2004-2015). Calculations are made by comparing owner names in different years, accounting for formatting changes in the datasets, and supplementing with Certificate of Real Estate Value data from the Department of Revenue. Data are restricted to units that existed in 2004 and summarized to census block groups.
Median length of ownership for single-family housing units in 2015

Source: MetroGIS Regional Parcel Datasets, 2005-2016 (which represent tax information in 2004-2015). Calculations are made by comparing owner names in different years, accounting for formatting changes in the datasets, and supplementing with Certificate of Real Estate Value data from the Department of Revenue. Data are restricted to units that existed in 2004 and summarized to census block groups.
For more information:
Libby Starling
libby.starling@metc.state.mn.us
www.metrocouncil.org/data
Community Stabilization Project

"R U RENT READY"

COMMUNITY STABILIZATION PROJECT "TENANT STABILITY LEADS TO COMMUNITY STABILITY"
RENTAL CRITERIA

• NO Evictions
• NO Criminal Background
• Credit Score 500 & UP
• Credit Score under 550, require double Security Deposit to be considered.
• Income: 2 – 3 times the Amount of the RENT
EVICION CASES FILED IN RAMSEY COUNTY
HOUSING COURT IS HELD 2X’S A WEEK.
30-40 CASES ARE HEARD PER COURT HEARING.

2015
THERE WERE 2,836 EVICTION
CASES FILED.

• Ruling cases are not tracked.
• Non Tracking of the court ruling, when the eviction case has been settled leaves a negative impact on the renters when seeking new housing.
• CSP is working on Legislative Policy to address the negative impact evictions leave on tenants public record.

2016
AS OF SEPTEMBER 8TH, 2016, THERE HAS BEEN 2,020 CASES FILED.

ON A AVERAGE 40 CASES FILED 2X’S PER WEEK = 80 CASES PER WEEK = 320 PER MONTH TOTALING: 3,840 BY THE END OF 2016.

COMMUNITIY STABILIZATION PROJECT " TENANT STABILITY LEADS TO COMMUNITY STABILITY"
EXAMPLE OF CURRENT RENTAL MARKET REQUIREMENT:

• 2 Bedrooms 1 full Bathroom $$$ Price: $1,100.00
• Multi-Family Home

Single family home in artistic W. 7th Neighborhood
Two beds, hardwood floors, views over the bluff, big yard and off street parking. Tenant pays all utilities. Pets will be considered with an additional deposit. $45 application fee per adult. One time $150 lease administration fee. One month deposit. Renters Warehouse. Tenant must have Credit score of 600+ Income of 3300+/month No evictions or UD

** CSP is working on Policy to address application fees/ Rental Criterial. **
# Income Amount To Rent

- Market Rate Rent Range Amount for Studio, 1,2,3,4 Bedrooms

<table>
<thead>
<tr>
<th>Rent</th>
<th>2x’s</th>
<th>21/2 x’s</th>
<th>3x’s</th>
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<tr>
<td>500</td>
<td>1,000</td>
<td>1,250</td>
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<tr>
<td>550</td>
<td>1,100</td>
<td>1,375</td>
<td>1,650</td>
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<tr>
<td>600</td>
<td>1,200</td>
<td>1,500</td>
<td>1,800</td>
</tr>
<tr>
<td>625</td>
<td>1,250</td>
<td>1,562</td>
<td>1,875</td>
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<td>700</td>
<td>1,400</td>
<td>1,750</td>
<td>2,100</td>
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<tr>
<td>725</td>
<td>1,450</td>
<td>1,812.50</td>
<td>2,175</td>
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<td>735</td>
<td>1,470</td>
<td>1,837.50</td>
<td>2,205</td>
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<td>740</td>
<td>1,480</td>
<td>1,850</td>
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<td>745</td>
<td>1,490</td>
<td>1,862.50</td>
<td>2,235</td>
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<table>
<thead>
<tr>
<th>Rent</th>
<th>2x’s</th>
<th>21/2 x’s</th>
<th>3x’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>750</td>
<td>1,050</td>
<td>1,875</td>
<td>2,250</td>
</tr>
<tr>
<td>800</td>
<td>1,600</td>
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<td>2,400</td>
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<tr>
<td>850</td>
<td>1,700</td>
<td>2,125</td>
<td>2,550</td>
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<tr>
<td>900</td>
<td>1,800</td>
<td>2,250</td>
<td>2,700</td>
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<td>4,500</td>
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<td>1,825</td>
<td>3,650</td>
<td>4,562.50</td>
<td>5,475</td>
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<tr>
<td>1,900</td>
<td>3,800</td>
<td>4,750</td>
<td>5,700</td>
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</tbody>
</table>
CSP Client Income Range

Monthly Income

- Social Security: $732
- MFIP (County Assistance Family of 2): $432
- General Assistance (County Assistance for 1): $203
- Part Time Employment at $10.00 Per Hour: $640
- Full Time Employment at $11.00 Per Hour: $1,600
- Liveable Monthly Wage: $3,000

COMMUNITY STABILIZATION PROJECT: TENANT STABILITY LEADS TO COMMUNITY STABILITY
In the US, there are “ONLY” **31** affordable units for every **100** extremely Low – Income renters

- Half of all Renters in the US have affordable housing.
- People of Color are hit the hardest:
  - 75% of ELI Renters households spent more than 50% of their income for **Rent & Utilities**.
  - **75%** of ELI Renters households spent more than 50% of their income for **Rent & Utilities**.

Data from: National Low Income Housing Coalition

<table>
<thead>
<tr>
<th></th>
<th>59% OF black households have unaffordable housing</th>
<th>35% Of Black Households are Paying more than Half of their income to housing</th>
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<tbody>
<tr>
<td>57% Hispanic</td>
<td>31% Hispanic</td>
<td></td>
</tr>
<tr>
<td>48% Asian</td>
<td>27% Asian</td>
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</tr>
<tr>
<td>46% White</td>
<td>25% White</td>
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COMMUNITY STABILIZATION PROJECT" TENANT STABILITY LEADS TO COMMUNITY STABILITY"
Definitions of Income Levels

- **AREA MEDIAN INCOME (AMI):** The median family income in the metropolitan or nonmetropolitan area
- **DEEPLY LOW INCOME (DLI):** Households with income at or below 15% of AMI
- **EXTREMELY LOW INCOME (ELI):** Households with income at or below 30% of AMI
- **VERY LOW INCOME (VLI):** Households with income from 31% to 50% of AMI
- **LOW INCOME (LI):** Households with income from 51% to 80% of AMI
- **MODERATE INCOME:** Households with income from 81% to 120% of AMI
- **COST BURDEN:** Spending more than 30% of household income on housing costs
- **SEVERE COST BURDEN:** Spending more than 50% of household income on housing costs
2016 STATE HOUSING PROFILE

MINNESOTA

Senators: Al Franken and Amy Klobuchar

Many renters in Minnesota are extremely low income and face a housing cost burden. Across the state, there is a deficit of rental units both affordable and available to extremely low income (ELI) renter households, i.e. those with incomes at 30% or less of the area median income (AMI).

Last updated: 6/24/16

HOUSING COST BURDEN BY INCOME GROUP

- Cost Burdened
- Severely Cost Burdened

KEY FACTS

28% Households in this state that are renters

175,440 OR

29% Renter households that are extremely low income

$23,390 Maximum state level income for an ELI household

110,406 Shortage of units affordable and available for extremely low income renters

$17.76 State Housing Wage

The hourly amount a household must earn to afford a two-bedroom rental unit at HUD’s Fair Market Rent

1000 Vermont Avenue, NW, Suite 500, Washington, DC 20005

WWW.NLIHC.ORG
## FY 2016 FMR’S BY UNIT BEDROOMS

<table>
<thead>
<tr>
<th>EFIENCY</th>
<th>1 BEDROOM</th>
<th>2 BEDROOMS</th>
<th>3 BEDROOMS</th>
<th>4 BEDROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>656</td>
<td>813</td>
<td>1027</td>
<td>1444</td>
<td>1693</td>
</tr>
</tbody>
</table>

## FY 2016 RAMSEY COUNTY INCOME LIMIT

<table>
<thead>
<tr>
<th>INCOME Limit</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Person</th>
<th>8 Person</th>
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</thead>
<tbody>
<tr>
<td>FY Low Income Limit</td>
<td>46,000</td>
<td>52,600</td>
<td>59,150</td>
<td>65,700</td>
<td>71,000</td>
<td>76,250</td>
<td>81,500</td>
<td>86,750</td>
</tr>
</tbody>
</table>

- **Annual 2 Bedrooms FMR**: $12,324
- **35% of US Median Income**: $22,995.00
- **Comparison**:
  - 16,761
  - $22,995

COMMUNITY STABILIZATION PROJECT: TENANT STABILITY LEADS TO COMMUNITY STABILITY"
OUTCOME TO STABILIZING FAMILIES

• EVICTION(S) SHOULD NOT APPEAR ON PUBLIC RECORD UNTIL AFTER COURT RULING
• PETTY & OTHER MISDEMEANOR CHARGES SHOULD NOT BE GROUNDS FOR DENIAL ON HOUSING APPLICATION (DEPENDING ON NATURE OF CHARGE)
• INCOME REQUIREMENTS NEED TO BE BASED OFF COST OF RENT & UTILITIES
• CREDIT SCORE SHOULD NOT BE A FACTOR WHEN DECIDING APPLICATION APPROVAL
• SECTION 8 VOUCHER HOLDERS SHOULD HAVE MORE THAN 60 DAYS TO FIND HOUSING IN TIGHT RENTAL MARKET

COMMUNITY STABILIZATION PROJECT" TENANT STABILITY LEADS TO COMMUNITY STABILITY"
“R U RENT READY”

This has been presented by Community Stabilization Project.

If any one would like to learn more about “R U Rent Ready workshops” please contact:

Metric Giles: 651-236-8691

Carolyn Brown: 651-236-8692
Turning the Corner

Jacob Wascalus
Senior Project Manager
Federal Reserve Bank of Minneapolis
Goals of Turning the Corner project

• To better understand leading drivers of neighborhood change
• To formulate and share policies that foster inclusive development
Background

- Partners: the Fed System, the philanthropic community, Urban Institute, local partners
- Post-recession focus on low-income areas
- Project is also happening in Detroit.
- Other prospective cities: Charlotte, Ashville, Milwaukee, San Antonio, Buffalo, Nashville
Three phases of the project

- Identify candidate neighborhoods
- Conduct quantitative and qualitative data analysis
- Identify and share inclusive development policies
Thank you!

- Jacob Wascalus
- Jacob.wascalus@mpls.frb.org
- 612-201-6475
The Urban Displacement Project

MIRIAM ZUK, PH.D.
UC BERKELEY
Motivation

Transit-Oriented Displacement?
Developing a New Methodology for Analyzing Potential Displacement
Funded by California Air Resources Board and MTC, March 2014-Feb 2017
Defining community change, displacement, and gentrification

Community change
• Process of neighborhood transition, either upgrading or decline
• May be accompanied by racial/ethnic transition

Displacement
• When a household moves for reasons beyond their control
• Many causes – related to both disinvestment and reinvestment
• Exclusionary displacement when future generations cannot move in

Gentrification
• Process of neighborhood change characterized by new real estate investment and an influx of new residents with higher income and educational levels
• May result in displacement
Loss of Naturally Occurring Affordable Housing

**Loss** of 47% of naturally affordable units from 2000-2013 while

- Number of low income households grew by 10%
Moving to low opportunity

Number of Low-Income Black Movers by PUMA, 2013

- <400
- 400-800
- 800-1200
- >1200

Opportunity Level
- Very High
- High
- Moderate
- Low
- Very Low
Places at risk of gentrification and displacement

- Communities of color
- Employment centers
- Historic housing stock (pre-1950 buildings)
- Walkable neighborhoods
- Places near downtown with established rail stations
Study Findings

• > 53% of low-income households live in neighborhoods at risk of gentrification and displacement.

• ~ 50% of displacement is happening in moderate/high income neighborhoods
Online Interactive Map

http://www.urbandisplacement.org
The role of housing development

• Market rate housing production in 90s
  ➢ Lower median rent in ‘09-’13
  ➢ Higher cost burden for low income renters in ‘09-’13

• Subsidized housing produced in ‘90s had twice the impact in reducing loss as market rate housing
Surveying the Landscape of Early Warning Systems

- **Websites/maps exploring neighborhood issues (24):**
  Neighborhood development indicators, opportunity maps, racial or economic change

- **Early warning systems for neighborhood change (9):**
  Chicago, Houston, Los Angeles, Minneapolis, New York, Portland, St. Louis, San Francisco, Washington DC
Uses of Early Warning Systems

**Strategic**
- Framing conversation
- Target resources
  - “When you’re involved in politics, and competition for scarce resources, the more facts you can provide, the better you are”

**Tactical**
- Validating “anecdotes”
- Raise awareness outside urban core
  - “It brings data that shows that affordable housing is a real need here.”

**Empowerment**
- Capacity Building
- Recognition
  - “Residents find it extremely gratifying to see themselves on the map”
**Seek displacement remedies**
- Just Cause, tenant protections
- Discrimination enforcement
- Code enforcement
- Tenant counseling
- Tenant rental assistance
- Tenant right to purchase laws
- Community organizing

**Preserve and fund new affordable housing**
- Project-based Section 8 preservation
- Rent control/stabilization
- Rental building acquisition
- Condo conversion restrictions
- Foreclosure prevention
- SRO regulations
- One-for-one replacement
- Mobile home park preservation
- Permit streamlining/fee reduction
- Tax exemptions
- Affordable housing tax
- Bonds for housing construction
- Demolition control
- Housing rehab programs
- Homeownership programs
- Fair housing
- Asset building/minimum wage

**Stabilize neighborhoods and promote diversity**
- Density bonuses/inclusionary
- Value recapture
- Impact and linkage fees
- Community benefit districts, housing overlay zones
- Zoning/density restrictions
- Station area plans
- Reduced parking requirements
- Reduced barriers to second units
- Public land disposition
- Housing trust funds
- Land acquisition funds/land trusts
- Housing elements
- Transportation investment
Regional policy inventory

<table>
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<tr>
<th>Berkeley</th>
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<tbody>
<tr>
<td>County: Alameda</td>
</tr>
<tr>
<td>Rent stabilization or rent control: Complex formula with 29 factors annually calculated; 3.5% with $30/unit cap (1980, last amended 2005)</td>
</tr>
<tr>
<td>Rent review board and/or mediation: Yes (1980) funded by fees on all registered rental units. Independently elected board, not under the authority of the City Council, with separate staff</td>
</tr>
<tr>
<td>Mobile home rent control: Yes</td>
</tr>
<tr>
<td>SRO preservation: Yes - BHA provides subsidy for 98 units of SRO</td>
</tr>
<tr>
<td>Condominium conversion regulations: 100 units/yr. However, to the extent the number of units approved for conversion in any given year is less than 100, the quota for the following year may be increased by an equivalent amount, which may be carried forward from year to year, but shall not exceed a total of 200 rental units in any given year (2009)</td>
</tr>
<tr>
<td>Foreclosure assistance: Yes</td>
</tr>
<tr>
<td>Jobs-Housing linkage fee or affordable housing impact linkage fee: Yes - Affordable housing mitigation fee (2011)</td>
</tr>
<tr>
<td>Commercial linkage fee/program: Office $5.00/sf, Retail $5.60/sf, Industrial $2.50/sf when greater than 7,500 sf. 20% of fees go towards child care operating subsidies (1998)</td>
</tr>
<tr>
<td>Housing trust fund: Yes</td>
</tr>
</tbody>
</table>

Number of anti-displacement policies:
- 2
- 12
Policy Impact

• “[I use the site] to assist in writing public policy for the city I represent as a public official. It is very valuable and useful.”

• Incorporated into San Francisco’s Interim Mission Controls

• Policy inventory used to justify passing new anti-displacement policies in 5 different cities.

• Metropolitan Transportation Commission considering incorporating more stringent anti-displacement targets in its next long-range plan.
Potential consequences...

North Fair Oaks Road Redesign Sparks Gentrification Fears

By Jeff Barrera
OCTOBER 20, 2015
Current and Future Work

• Anti-displacement toolkit to reframe discussions around “Investment without Displacement”
  – Stabilizing neighborhoods for low income households
  – Harnessing the market to produce affordable housing
  – Improving housing quality
• Study on TODs and commercial gentrification
• Travel survey of low income households living in subsidized TODs
Thank you!

http://www.urbandisplacement.org
mzuk@berkeley.edu