

# **Metropolitan Interfaith Council on Affordable Housing (MICAH)**

## **Recommendations for Housing Policies to Advance Racial and Economic Justice and Benefit the Transit Corridor Communities**

### PRIORITIES

We are focused on three areas; the intersection of housing and transit, development and gentrification around transit stops, and racial and economic equity issues.

### THE INTERSECTION OF HOUSING AND TRANSIT

- We must focus on the need for housing, not the current capacity to build housing. We are called by our faith to mention the uncomfortable truth; we are nowhere near providing enough affordable housing in the metro area. In 2012, nearly 160,000 households were housing burdened - they paid over 50% of their income for housing, forcing them to choose between housing, prescription drugs, food and transportation. (2012 American Community Survey)
- We must focus on those most in need. The open market serves those with resources very well, we will focus on those with incomes at 30% of area median income (\$24,850, roughly \$12.50 an hour) or less.
- Affordable housing that is demolished or displaced, by government or the market, must be replaced at a 1:1 ratio within a half mile of station areas.
- 50% of the new housing (both ownership and rental) built along transit corridors, from the urban core to the suburban fringe, should be affordable.

### DEVELOPMENT AND GENTRIFICATION

- Increasing property values can make it hard for renters and low-income homeowners to stay in their current neighborhoods. Policies need to be in place to support these residents to continue to live in their current affordable housing.
- Cities and neighborhoods should create housing preservation plans and actively work to prevent involuntary economic dislocation and other negative impacts of gentrification.
- Development along corridors in neighborhoods hit by foreclosures need to take that dynamic into account, developing policies that will avoid foreclosures and/or provide relief.

### RACIAL AND ECONOMIC EQUITY ISSUES

- The role of racism both historically and structurally is central to the disparate outcomes we are experiencing and we will act to highlight both racial and economic injustice. 76% of whites in the metro own their own homes compared to 26% for African-Americans. This 50% disparity is the highest in the nation. (2010 Census)
- Increasing accessibility, both for people with physical, mental, chemical and emotional issues as well as people with negative rental histories, credit histories, or criminal records, will be one of our guiding principles.

## BACKGROUND

MICAH has worked on the intersection of housing and transit since the late 1990s. We began with the Hiawatha Corridor and North Star, and continued along Central, Southwest, and Bottineau. We work with residents to maintain and develop affordable housing, supporting locally owned business, equitable placement of stops. We know that access to community opportunities including employment, education, basic needs, services and their faith communities are important.

MICAH has also been and continues to be an organization dedicated to fighting racism and economic injustices. We understand that equity – which we define as including both racial and economic justice – is a superior growth model as well as being something that we, as people of faith, are called to do. We will strive to bring to light the central concerns of historic and current racial and economic bias that have led to such disparate outcomes in the Twin Cities.

In 2004, MICAH's faith and community partners organized residents of communities along the Central Corridor to identify community housing and economic priorities. In 2006 a door knocking campaign was undertaken to uncover resident concerns with the proposed light rail corridor. Some of the greatest concerns were housing affordability, gentrification and involuntary economic displacement and inadequate stops. The shadow of the destruction of the Rondo neighborhood by I-94 loomed over the neighborhood. Beginning in 2007 MICAH members were active in the "Stops for Us" campaign to get three additional stops along University Avenue. In 2009 MICAH Ramsey was a leader in the Community Agreements Coordinating Committee (CACC) initiative to establish priorities and develop transformative goals for the construction and preservation of affordable housing. We concentrated our focus on the Frogtown and Rondo neighborhoods, which are both economically disadvantaged and have a high proportion of people of color. MICAH continues to work with people along all 8 corridors with special emphasis in 2011-2013 on Bottineau and Southwest Corridor and more recently on the Gateway Corridor.

Current economic development is centered around transit corridors. This is one reason we focus there. This development can also either increase or decrease racial and economic equity. We are fighting to increase equity broadly. We know that this work connects us to employment, education, and accessibility issues.

## IMPLEMENTATION STRATEGIES

### THE INTERSECTION OF HOUSING AND TRANSIT

- We will develop need-based targets, based on current and projected need, for affordable housing for each municipality through the metro area. Both the Metropolitan Council and the local municipalities need to see they have a responsibility to meet housing need. There are 390,000 households who need affordable housing in the Twin Cities metro; the Metropolitan Council new affordable housing construction goal for 2011-2020 is 51,000 units. Their goal falls far short of current need. (US Census and American Community Survey, Met Council)
- The current situation regarding affordable housing leaves many with unsustainable housing burdens. Communities must use regulatory powers to require affordable housing in developments they fund or have permitting authority over. Incentives such as public funding, density bonuses, low interest loans, reduced parking requirements, building height variances, reduced taxes or other variances or waivers must not be granted unless there are affordable units, or a guarantee of lower income long term affordability.
- Preserve housing affordability within transit corridors by creating policies which mandate one to one replacement of affordable units. City and Metropolitan Council replacement housing policies should require that: If a city grants permission to remove or destroy affordable housing within a transit corridor, the city must condition its permission by requiring the replacement of the affordable housing within the transit corridor. The replacement units must be within the same neighborhood (generally ½ mile) and must at a minimum provide the same percentage level of Area Median Income affordability or lower and the same or higher total number of bedroom units as the original affordable units..
- As both an overall strategy and as the target for inclusionary zoning, MICAH's goals for affordable housing are:

For rental:

20% of the project's total housing units to be long term affordable at or below 20% of AMI (\$16,580, roughly \$8.30 an hour), and an additional

30% of the project's total housing units to be long term affordable at or below 30% of AMI (\$24,850, roughly \$12.50 an hour).

For ownership:

20% of the projects total housing units to be long term affordable at or below 30% of AMI (\$24,850, roughly \$12.50 an hour), and an additional

30% of the project's total housing units to be long term affordable at or below 50% of AMI (\$41,450, roughly \$20.25 an hour).

## DEVELOPMENT AND GENTRIFICATION

- Tax Credit: Refund or waive transit—related increased property taxes to current low income transit corridor home owners. Property values within one half mile of transit stations will likely increase at a higher rate than properties across the city. Efforts to keep current residents with low incomes in their homes should be made. Rental property owners who agree to keep rents affordable long term should also be included.
- Neighborhood preservation plans: Cities and neighborhoods should anticipate socio-economic change in vulnerable neighborhoods and actively work to prevent displacement. This includes rent controls, home improvement and weatherization loans, and affordable housing for seniors who wish to stay in the neighborhood, all of which needs to be outlined in a transit corridor development strategy. Deferred and forgivable loans should be made available to low income residents. In many cases, racism and economic bias may play a role, and this role should be highlighted. Involuntary economic dislocation is to be avoided at all costs
- Foreclosure relief policies should be put in place for both renters and owners impacted by foreclosure. Tools such as mandatory mediation should be used to hold lenders accountable.

## RACIAL AND ECONOMIC EQUITY ISSUES

- MICAH is an anti-racist organization. Housing policy and practice in the U.S. has had racism woven thorough and through it. We will educate on this history, work to eradicate structural and systemic racism in housing, transit, and other systems. We hold tenants as important as homeowners and the disparate experiences of people of color and low-income to be morally repugnant. We are committed to being an authentic ally, member of inter-racial coalitions and creating equitable communities. Increasing accessibility, both for people with physical, mental, chemical and emotional issues as well as people with negative rental histories, credit histories, or criminal records, will be one of our guiding principles.
- Local and minority hiring: new transit builds should hire minorities and Native Americans at the same demographic percentages as that of the community it goes through, or the overall metropolitan percentages, whichever are greater.
- Physical accessibility concerns: There must be sufficient housing for people with physical, mental, chemical and emotional issues in the Twin Cities Metro Area. Further, transit developments should be built to insure access to transit for these communities. Grades, clearance at entrances, emergency phones, no-gap boarding should all be included.
- Rental, credit, and criminal histories: MICAH will support campaigns to reduce the adverse impact of negative rental histories, credit histories, or engagement with the criminal justice system. Groups like the Second Chance Coalition are important to ensure safe, decent and affordable housing for ALL.
- Excellent schools should be the standard throughout our community. Equitable opportunities for education and training should be available to everyone in our community.