Access to Housing Increase the supply of housing and its diversity of location and types.



The population of Minneapolis is growing. Housing demand exceeds supply in many areas of the city, which has resulted in rising rents and sale prices. Increased demand for housing is accompanied by demographic changes that affect the types of housing Minneapolis residents will need between now and 2040. The people of Minneapolis and the region as a whole are becoming older and more culturally diverse. In many parts of the city, aging single-family home dwellers do not have the option to move into multifamily housing close to their established social support networks. This further restricts access to singlefamily homes for households with growing families who desire that housing type and would prefer to stay in the city.

Areas of our city that lack housing choice today were built that way intentionally through zoning regulations and racially-restrictive federal housing policies during the first half of the twentieth century. Today, our city reflects those past policies which determined, based on their race, where generations of Minneapolis residents had access to housing. These policies and regulations left a lasting effect on the physical characteristics of the city and the financial well-being of its people. Areas of Minneapolis with higher densities and a mix of land uses experienced disinvestment, in part because banks were not lending in these areas. On the outskirts of the city, a post-depression development pattern emerged with little variation in housing types and density, and few areas for commercial development. Today, the zoning map in these areas remains largely unchanged from the era of intentional racial segregation. This comprehensive plan is an opportunity to foster inclusive communities free from barriers to housing choice.

Housing cost and housing choice, including diversity of housing location, and diversity of housing type, all influence the guidance found in the Future Land Use and Built Form maps. Strategies outlined below each address the issue of housing choice in a different way. The Built Form map on its own cannot affect housing cost, but allowing for growth is a prerequisite to addressing market rate housing production as well as affordable housing production and preservation. Allowing for an increase in the overall housing supply is intended to result in overall lower housing costs than would occur if no more supply was built. The intent of each of these built form strategies is outlined below.

 Increase housing choice and housing supply by allowing multifamily housing on select public transit routes, with higher densities along high-frequency routes and near METRO stations.



- In neighborhood interiors that contain a mix of housing types from single-family homes to apartments, increase housing choice and supply by allowing new housing within that existing range.
- Increase housing choice and supply by allowing the highest-density housing in and near Downtown.







ACTION STEPS:

The City will seek to accomplish the following action steps to increase the supply of housing and its diversity of location and types.

- a. Allow housing to be built in all areas of the city, except in Production and Distribution areas.
- b. Allow the highest-density housing in and near Downtown.
- c. Allow multifamily housing on public transit routes, with higher densities along high-frequency routes and near METRO stations.
- In neighborhood interiors that contain a mix of housing types from single family homes to apartments, allow new housing within that existing range.
- e. In neighborhood interiors farthest from downtown that today contain primarily single-family homes, achieve greater housing supply and diversity by allowing small-scale residential structures with up to three dwelling units on an individual lot.
- f. Encourage inclusion of units that can accommodate families in new and rehabilitated multifamily housing developments.

Coordinated Development Strategy

Coordinate the development of housing, businesses, and infrastructure in geographic areas where a district-wide approach has the greatest opportunity for achieving Minneapolis 2040 goals.

By several measures, Minneapolis is experiencing a resurgence. The city's number of residents and jobs is increasing, new businesses are opening, and over \$1 billion each year is invested in new buildings and remodeling. Despite this overall success, some areas of the city are not sharing in the positive effects of reinvestment, perpetuating institutional racism in housing and the economy. In addition, some areas of the city may grow dramatically and may not experience commensurate infrastructure or service investments. Overcoming those disparities requires community centered, long-term, sustained, and coordinated investments in public and private land development, development-related public infrastructure, and transportation systems.

In some areas of the city strategic investments by the public sector can spur the private market to deliver new development that provides housing, jobs, and retail goods and services while increasing the tax base. In these cases, the City recognizes that redevelopment areas can benefit from a system-wide district approach through coordinated infrastructure improvements, building on proximity to critical resources, and implementing synergistic land use and transportation strategies. This approach can also be utilized when planning for stormwater management, energy, parking, place making, green space, and marketing as opportunities for achieving the goals of this plan. This district-wide approach to coordinated development can be, but is not limited to,referred to as an Innovation District or a Cultural District.

ACTION STEPS

The City will seek to accomplish the following action steps to coordinate the development of housing, businesses, and infrastructure in geographic areas where a district-wide approach has the greatest opportunity for achieving Minneapolis 2040 goals.

- a. Use data on racial disparities and community asset mapping criteria to identify geographic areas most in need of reinvestment and where a coordinated approach would result in achieving Minneapolis 2040 goals, including but not limited to areas that have historically experienced disinvestment.
- In geographic areas most in need of reinvestment, conduct community centered planning processes that clearly articulate a coordinated districtwide development plan including the location, phasing, and conceptual design of buildings and infrastructure as well as strategies to minimize the displacement of nearby residents and businesses.
- c. Devote City staff time to interdepartmental and interagency coordination teams tasked with implementing coordinated district-wide development plans in these areas.

- d. Prioritize use of City dollars, as well as resources from other jurisdictions, on implementing coordinated district-wide development plans in these areas.
- e. Use and leverage City funds, including the City's Development Infrastructure Fund, to make strategic infrastructure investments that implement coordinated district-wide development plans in these areas.
- f. Prioritize acquiring and disposing of property in order to implement coordinated district-wide development in areas where the positive benefits of reinvestment can have the greatest gain by and most immediate impact for people of color, Indigenous people, immigrants, and low-income residents.
- g. Ensure a participatory decision-making process with a focus on the equitable engagement of historically underrepresented populations throughout City-coordinated and funded projects.
- Invest in transportation infrastructure in locations experiencing growth, particularly in locations that have existing transportation infrastructure that needs to adapt to the demands and opportunities brought by growth.

Affordable Housing Production and Preservation Produce housing units that meet the changing needs of Minneapolis residents in terms of unit sizes, housing types, levels of affordability, and locations while preserving existing housing using targeted, priority-based strategies.



Affordable housing is rental housing with rent and income restrictions (typically 60% of Area Median Income or below) or housing for homeownership with income restrictions (typically less than 80 percent of Area Median Income) as governed by local, state, and federal housing assistance programs. This is in comparison to *Housing Affordability*, which is access to homeownership or rental options based on housing price relative to household income. In Minneapolis, renters who qualify for affordable housing earning less than 30% of the Area Median Income (\$28,300 per year), are one of the two largest groups of residents in the city after 100% AMI or greater homeowners (\$94,300 per year). (**Figure P33.1**).

Minneapolis has less affordable housing than it did 10 years ago, and production of affordable housing is not keeping pace with the loss. There is a great need for the creation of new legally binding affordable housing as well as for the preservation of existing legally binding and naturally occurring affordable housing (NOAH). This need outstrips the resources and tools that are currently available to produce and preserve affordable housing;



meeting the need will require new and expanded tools and resources. Since 2000, Minneapolis has lost roughly 15,000 housing units that are considered affordable for those earning 50 percent of the area median income. This is despite the City producing or preserving 8,900 such housing units.

The loss of affordable units is compounded by decreasing wages and rising rents. The median income of renters is down 14 percent from 2000 while median rent has increased by 11 percent. This is further evidenced by the fact that 50 percent of all renters are cost-burdened and 74 percent of low-income renters are cost-burdened.

Another factor impacting housing in Minneapolis is that its residents continue to change, and along with that their housing needs and desires change.

ACTION STEPS

The City will seek to accomplish the following action steps to produce housing units that meet the changing needs of Minneapolis residents in terms of unit sizes, housing types, levels of affordability, and locations while preserving existing housing using targeted, priority-based strategies.

- a. Produce more affordable housing by expanding tools and resources, prioritizing funding to households earning at or below 30% and 50% of area median income.
- Pursue policies, tools, and programs to ensure long-term housing affordability, such as requiring the maximum affordability term of at least 30 years for new affordable housing construction.
- c. Strengthen strategies to retain naturally occurring affordable housing, such as reducing property taxes and increasing funding for acquisition.

- d. Create strategies to retain naturally occurring affordable housing and existing housing types that are typically not constructed in the marketplace, such as, single room occupancy, shared housing, co-housing, cooperative housing, and 3+ bedroom units for families.
- e. Encourage affordable living features in residential development that result in lower transportation costs and reduce monthly utility bills for its residents.
- f. Ensure an equitable spacing across the city of affordable housing, supportive housing, shelters, and government placed residents.
- g. Create strategies that reduce the cost of affordable housing, such as design competitions for low cost housing using innovative techniques like prefab and manufactured housing, 3-D printed housing and tiny houses.
- h. Provide density bonuses and other incentives for the construction of affordable housing.
- i. Preserve, improve, and expand public housing that serves the lowest-income people in our city.
- Support and promote housing options that allow for aging in place, both within a community and at home.
- k. The City of Minneapolis is committed to preserving and increasing our public housing stock.

Cultural Districts Strengthen neighborhoods by prioritizing and accelerating economic development, public transit, and affordable housing policies, practices, and resources to protect the racial diversity and uplift the cultural identity of the city's areas where a significant portion of the population is comprised of people of color, Indigenous people, and/or immigrant (POCII) communities.

Given the history of redlining and economic exclusion, the City will designate Cultural Districts to prevent the displacement of low-income residents while nurturing thriving commercial corridors. A Cultural District is a contiguous area with a rich sense of cultural and/ or linguistic identity rooted in communities significantly populated by people of color, Indigenous people, and/ or immigrants. The City of Minneapolis' Cultural Districts designation will allow for the creation and prioritized implementation of new investment tools, policies, and practices that directly respond to the needs of POCII communities to stop the displacement of these communities and advance racial equity in Minneapolis.

ACTION STEPS

The City will seek to accomplish the following action steps to strengthen neighborhoods by prioritizing and accelerating economic development, public transit, and affordable housing policies, practices, and resources to protect the racial diversity and uplift the cultural identity of the city's areas where a significant portion of the population is comprised of people of color, Indigenous people, and/or immigrant (POCII) communities.

- Partner with the Cultural District residents, cultural workers, artists, entrepreneurs, businesses, institutions, and other levels of government to develop multi-faceted strategies that elevate the district's cultural and linguistic identity.
- Partner with POCII entrepreneurs and business owners to create new tools that help them retain and expand commercial activities.
- c. Provide more flexible response to and support for efforts that help Cultural Districts thrive. This includes, but is not limited to, facilitating increased street activation by addressing regulatory barriers and amplifying the impact of Special Service Districts and the City's Great Streets Program.
- Current City policies, resources, and departmental work will be prioritized to accelerate racially equitable outcomes in commercial vitality, stable housing, and infrastructure within the District area.
- e. Help create and prioritize the implementation of cooperative-based economic and housing development strategies such as cooperativelyowned housing and commercial land trusts to secure long-term affordability and greater equitable outcomes for POCII.
- f. Promote Cultural Districts as prime areas for ethical tourism by aligning and leveraging funding and programs with key regional partners such as Meet Minneapolis and Greater MSP.

Innovative Housing Types Pursue innovative housing types and creative housing programs to help meet existing and future housing needs.

The demand for affordable housing choices combined with a growing population and changing desires often results in innovative concepts for housing. Sometimes these housing types, such as cooperative housing, condominiums, bungalow courts, and single room occupancy units, are not new; they were prominent at other times in history, in other parts of the United States or in other countries. Having a broad understanding of both renewed and new housing options and the opportunities they present will help the City meet the demand for housing choices.

ACTION STEPS

The City will seek to accomplish the following action steps to pursue innovative housing types and creative housing programs to help meet existing and future housing needs.

- a. Support community driven innovative housing solutions, such as prefabricated and manufactured housing, 3-D printed housing, and tiny houses.
- b. Review and revise existing policies, programs, and regulations to remove barriers and support innovative, energy efficient, and creative housing options, such as multi-generational housing that supports large family structures, single room occupancy, shared housing, co-housing, and cooperative-housing.
- c. Invest in the training and expansion of housing code enforcement to monitor and ensure owneroccupant and investment properties are meeting the standard of building maintenance and health conditions.
- Allow Accessory Dwelling Units (ADUs) on both owner occupied and non-owner occupied property, develop a set of ADU templates that meet City codes to ease ADU construction and allow the use of tiny homes and other alternative housing as ADUs.
- e. Allow new forms of intentional community cluster housing to house people transitioning out of homelessness, especially forms of housing that are supported by funding from the healthcare system.

Innovative Housing Strategies and Data-Driven Decisions Pursue innovative housing strategies to maximize the creation and preservation of affordable housing; use data and research to guide and evaluate housing priorities, policies, and programs.

In recent years, the City of Minneapolis has annually provided \$10 million to aid in the production and preservation of affordable housing units. These City resources, coupled with state and federal resources, have not been enough to meet the minimum established housing goals set by the Metropolitan Council, the regional policy-making body, planning agency, and provider of essential services for seven counties in the Twin Cities metro, nor are they enough to meet the true demand for affordable housing in Minneapolis. More must be done. The City needs new and innovative strategies to successfully meet the Allocation of Affordable Housing Need goals set by the Metropolitan Council, as well as the affordable housing development and preservation goals of this comprehensive plan.

Access to data and the tools, staff, and resources needed to analyze that data to inform priorities, policies, and programs is paramount to achieving success in Minneapolis' housing work. The City has access to companies and organizations, such as the University of Minnesota and others, that are conducting research in housing policy and programs, as well as harnessing new and existing data sets in innovative ways to better inform, evaluate, and understand existing conditions.

ACTION STEPS

The City will seek to accomplish the following action steps to pursue innovative housing strategies to maximize the creation and preservation of affordable housing. In addition, use data and research to guide and evaluate housing priorities, policies and programs.

- Explore new strategies and tools to create and preserve affordable housing throughout the city, such as inclusionary zoning and naturally occurring affordable housing (NOAH) preservation.
- b. Continue to explore opportunities to expand and maximize local, regional, state, and federal affordable housing resources, partnerships, and tools.
- c. Engage in regional dialogue and collaboration to expand affordable housing resources and tools.
- d. Conduct and refresh housing market and needs analyses by real estate analysts on a regular basis. Use this information to establish programs and set priorities and targets geographically.
- e. Examine and review data to understand how areas of the city change and how that will affect public policy, including data such as the Center for Urban and Regional Affairs (CURA) healthy neighborhood indicators, rates of tax delinquency

- f. and foreclosure, building permit activity, vacant property lists, sales prices, and ownership tenure.
- g. Maintain a local affordable housing database as a tool for studying trends over time in the development of affordable and mixed-income housing projects.
- h. Incorporate community engagement in housing research and data analysis.
- Develop competitive selection criteria to prioritize the greatest needs in the allocation of affordable housing resources, expanding housing choice and preventing housing displacement throughout the city.
- j. Coordinate with the Results Minneapolis team to create a methodology for measuring the success of the 2040 Plan. Establish measurable goals for equity and affordable housing and report annually.
- k. Establish specific affordable housing goals for all neighborhoods.
- I. Prioritize data driven narratives in policy making.

Mixed Income Housing Promote mixed-income development throughout the city.

The development of new housing in Minneapolis is mostly occurring in amenity-rich areas with access to transportation choices, jobs, goods, services, and recreation. The cost of this new housing is typically out of reach for those making the city's median household income. In Minneapolis, the median household income is \$52,611 and the median family income is \$72,970. The market alone will not deliver new affordable housing units to many of the city's existing residents. Affordable housing is rental housing with rent and income restrictions (typically 60% of Area Median Income or below) or housing for homeownership with income restrictions (typically less than 80 percent of Area Median Income) as governed by local, state and federal housing assistance programs. This is in comparison to Housing Affordability, which is access to homeownership or rental options based on housing price relative to household income.

City intervention may be needed throughout the City to support mixed-income housing, including both market rate and affordable housing, at all levels of affordability.

ACTION STEPS

The City will seek to accomplish the following action steps to promote mixed-income development throughout the city.

- a. Create and refine policies, programs, regulations, and other tools to develop mixed-income housing throughout the city for ownership and rental housing.
- Expand the City's inclusionary housing policies to apply to newly constructed housing developments throughout the city and explore applying inclusionary housing policies to substantial housing rehabilitations.
- c. Cultivate a culture of mixed-income housing production.

Affordable Housing near Transit and Job Centers Create more affordable housing near transit and job centers.

Housing near transit and job centers not only aids in reducing Minneapolis' greenhouse gas emissions, it can also help reduce overall living expenses by lowering transportation costs, primarily those of automobile ownership. The Center for Neighborhood Technology estimates the annual cost of owning an automobile to be approximately \$8,000. Households that can reduce their number of automobiles can save that money or use it for other living costs.

ACTION STEPS

The City will seek to accomplish the following action steps to create more affordable housing near transit and job centers.

- Maximize opportunities to create affordable housing, including senior housing and multigenerational housing, near transit stations and along high-frequency transit corridors.
- b. Identify and pursue opportunities to acquire and assemble vacant and for-sale properties for affordable housing near transit stations and along transit corridors.
- c. Improve coordination within the City enterprise and with outside jurisdictions to identify opportunities to increase housing density and affordability along transit corridors and near job centers.
- Promote a diversity of housing options throughout the city, especially in places near job employment opportunities, commercial goods and services, and educational institutions.
- e. Support education and housing stability by encouraging the development of larger, familysupportive housing units (with at least two bedrooms) in close proximity to Minneapolis Public Schools and along Minneapolis Walking Routes for Youth.

Fair Housing Expand fair housing choice and access throughout the city.

Minneapolis, like all cities in the region and nation that utilize HUD grants, has the responsibility to take meaningful action to eliminate discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. This means examining policies, regulations, programs and actions that the City and its partners take to assess their impact on affordable housing and the ability of people of color, indigenous people, LGBTQ+, senior residents, families with children, etc. - to make housing choices in an environment free from discriminatory practices – referred to as "fair housing choice". City decisions regarding housing policy, investment, land use, and zoning have a direct and profound impact on affordable housing and fair housing choice, shaping the city's and region's potential diversity, growth, and opportunity for all.

The City's work to eliminate barriers to fair housing requires ongoing policy development, strategy implementation, and evaluation. This work is informed by data and robust community and stakeholder engagement. Racial disparities developed in large part as a result of discriminatory policy; proactive policy and strategies will be required to eliminate these disparities. Fair housing barriers are regional in nature. The City will participate in regional efforts to eliminate racial disparities and fair housing barriers.

ACTION STEPS

The City will seek to accomplish the following action steps to expand fair housing choice and access throughout the city.

- a. Participate in regional collaboration to eliminate fair housing barriers, including the completion of a fair housing assessment at least every five years, to be informed by robust community and stakeholder engagement.
- Annually establish, review, assess and implement strategies for removing barriers to fair housing choice, using feedback from community and stakeholder engagement of the people most impacted by these barriers.
- c. Disseminate fair housing information and resources, with a particular focus on empowering people of color, indigenous people, low-income residents, and cultural communities.
- d. Conduct fair housing testing to ensure compliance in the rental housing community with fair housing law.
- e. Produce more affordable housing.
- f. Expand affordable homeownership opportunities and rental options for residents across the entire city.
- g. Support housing options that allow for aging in place, both within a community and at home.

Homelessness Eliminate homelessness through safe, stable, and affordable housing opportunities and strategies for homeless youth, singles, and families.

Homelessness affects the lives of many people who do not have a stable and permanent housing situation.

This diverse population includes families with children, unaccompanied youth & young adults, LGBTQ+, those chronically ill, single adults, fixed-income seniors, nontraditional families, victims of human trafficking, veterans, individuals released from prison, and those displaced due to domestic violence; each requiring different kinds of resources and care. People experiencing homelessness may continue in that state without help from a regional support network and housing assistance.

As a city we are experiencing a shortage of housing for households at or below 30 percent of area median income. The matter intensifies for those who may face a lack of employment, chronic physical and mental health conditions, violence, trauma and/or the lack of transportation to access a job, appointments, or support services such as child care and counselling. This results in higher rates of homelessness, dislocation, and crowded and unsafe living conditions for thousands of residents annually – and it disproportionately impacts communities of color and indigenous people. (**Figure P40.1**).

Access to stable and safe housing that people can afford and essential support services are at the core of city efforts to prevent and eliminate homelessness. Minneapolis will strengthen coordination with local and regional partners within the seven county Metropolitan



Council to develop unified goals, strategies, and programs to prevent homelessness and to help those experiencing homelessness, acknowledging that this issue is not confined by municipal boundaries. Important strategies include efforts to prevent tenant evictions, provide timely response to emergency rental assistance and other housing crisis, while providing community and home-based supports.

ACTION STEPS

The City will seek to accomplish the following action steps to eliminate homelessness through safe, stable, and affordable housing opportunities and strategies for homeless youth, singles, and families.

- a. Strengthen the City's coordination with local and regional partners and local service providers to have a strong regional network, aligned with state goals, to financially support and develop strategies to address and prevent homelessness.
- b. Ensure that City housing programs are aligned with county and state goals to end homelessness.
- c. Prioritize the enhancement of local shelter safety methods and systems.
- d. Support greater access to emergency shelters, drop-in centers, soup kitchens, and other urgent or day-use services.
- e. Strengthen City efforts to engage directly with people experiencing homelessness to understand their stories and situations and focus on improving their health and safety by supporting the Minneapolis Police Department homeless and vulnerable population initiative, street outreach services, and other engagement efforts.

- f. Support and expand low barrier housing opportunities to better serve households with criminal and credit reports through rental housing that serves tenants with the greatest barriers to securing housing, such as having no or very low income, poor rental history and past evictions, or criminal histories.
- g. Collaborate with local and regional partners to expand housing programs beyond those that serve families to address other populations such as transitional supportive services for young adults aging out of the foster care system.
- h. Create a regulatory framework to allow new rooming houses, single room occupancy units, and other forms of transitional housing.

Tenant Protections Protect tenants' rights, improve living conditions in rental housing, and ensure renters can fully participate in community life.

In Minneapolis nearly 51 percent of residents rent their housing. Renters in Minneapolis are also more likely to be people of color and indigenous people. Increased rents, decreased or stagnant incomes, and the loss of affordable housing units have challenged many residents in their search for affordable housing, and have put many renters at risk of living in housing that may not be decent, affordable, healthy, or safe. These factors also put renters at greater risk of eviction, which exacerbates housing instability.

Ensuring long-term housing stability is essential to the success of the city and its residents. This requires investments in rental housing quality, affordability, and access. In addition, investments in resident's ability to protect their civil rights aids in their ability to overcome housing barriers by improving access to safe, decent, and affordable housing; supporting their ability to participate fully in community life.

The City is actively working to strengthen protections for tenants. There are barriers under state statute to certain types of tenant protection initiatives. However, the City will continue to engage with stakeholders to determine how tenant protections can be enhanced at the local level.

ACTION STEPS

The City will seek to accomplish the following action steps to protect tenants' rights, improve living conditions in rental housing, and ensure renters can fully participate in community life.

- a. Emphasize the value and contributions of renters to the City and communities.
- Focus City policies and resources on equitably promoting the ability of tenants to secure and maintain stable housing, including increased City participation in Tenant Remedies Actions.
- c. Ensure tenants and landlords are aware of their rights in their native language by providing materials in commonly spoken languages of Minneapolis residents.
- d. Provide funding to community-based organizations that proactively help tenants understand and enforce their rights, and assist financially with emergency housing relocation.
- e. Identify and implement policy, financial, regulatory, and other incentives and disincentives that reduce evictions, support source of income protection, and expand tenant protections.
- f. Create incentives to increase landlord participation in rental assistance programs and other initiatives to serve tenants with the greatest barriers to securing housing.
- g. Ensure rental housing is well-maintained, healthy, and safe through proactive policies and programs for property owners and managers, including trainings and maintenance resources.
- h. Continue to investigate and address tenants' livability, health, and safety concerns.

Expand Homeownership Improve access to homeownership, especially among low-income residents, people of color, and indigenous people.

Homeownership has given generations of Minneapolis residents the opportunity for housing stability and wealth development. However, these opportunities have not historically been available to all city residents. The combination of past racially restrictive housing policies and current lending practices have significantly reduced homeownership opportunities for people of color in particular African-Americans, Hispanics, Asian-Americans, and indigenous people.

Although income is the largest factor in purchasing a home, even high-income households of color still face denied access to credit or are issued higher loan origination rates. In 2005, according to the Home Mortgage Disclosure Act Ioan data, very high-income African-Americans, Hispanic, and Asian applicants with incomes of more than \$157,000 per year had denial rates higher than white applicants with incomes of less than \$39,250 per year, with the greatest disparities among African-American applicants. In 2018, the Department of Justice settled its second-largest residential fair-lending case for \$175 million, finding that the nation's largest home mortgage lender participated in discriminatory lending practices. Borrowers of color were directed to sub-prime loans, charged higher fees, and received higher interest rates while white borrowers with the same credit risk profile were directed to less risky and more traditional mortgage products. When the housing market crashed in 2008, mostly subprime loan borrowers - largely households of color - faced foreclosure, lost the equity in their homes, and had to re-enter the rental housing market with damaged credit and limited assets.

Today in Minneapolis, there is a 36 percentage point gap between households of color that own their home versus white households. Over 59 percent of white non-Hispanic households own their home, while less than 21 percent of African-American and American Indian households own their home. Just under 25 percent of Hispanic households own their home (**Figure P42.1**).



The City can work to overcome the legacy of past barriers as well as current barriers in accessing homeownership for all people, specifically reducing racial disparities within homeownership. These actions are not just investments in filling the financial gap between the cost of a home and what buyer can afford; they are investments in people to help develop the skills and capacity to support homeownership.

ACTION STEPS

The City will seek to accomplish the following action steps to improve access to homeownership, especially among low-income residents and people of color and indigenous people.

- a. Support nonprofit organizations that provide financial counseling and homebuyer education to build homeownership capacity among lowand moderate-income households, especially households of color.
- Support wealth-building housing models and local credit unions or financial institutions with a particular focus on empowering communities of color, low-income renters, and cultural communities.
- c. Prioritize outreach to local developers and businesses owned by people of color, indigenous people, and women, in the administration and development of City-funded housing projects.
- d. Evaluate programs on how well they serve communities of color, low-income renters, and cultural communities using clear, measurable indicators.
- e. Support services that promote post-purchase counseling and foreclosure prevention and other services.
- f. Develop tools to support long-term affordability when the City makes investments in housing, including community specific equity sharing models such as housing cooperatives or land trusts.

- g. Develop a marketing campaign of existing homeownership resources that includes lowincome residents, communities of color, and indigenous people.
- Increase homeownership in existing multifamily buildings by exploring ordinances including right of first refusal and/or opportunity to purchase when buildings are sold.
- i. Explore the creation of a public bank to further this goal.
- j. Explore providing downpayment assistance and loan forgiveness programs to further this goal.
- k. Explore and encourage new and innovative homeownership opportunities.

Housing Displacement Minimize the involuntary displacement of people of color, indigenous people, and vulnerable populations such as low-income households, the elderly, and people with disabilities, from their communities as the city grows and changes.

As Minneapolis grows, communities within it will

change. To achieve Minneapolis 2040 goals, everyone must benefit from this growth; historically, people of color and indigenous people have not experienced the same benefits of growth. Without an equitable and inclusive

FIGURE P43.1: CURA Study of Gentrification in Minneapolis, 2000-2015

growth and development strategy, involuntary displacement and cultural displacement may occur.

Especially at risk are the many Minneapolis residents who are cost-burdened, meaning more than 30 percent of their income goes toward housing costs – mortgage or rental payments. New investment and increased housing demand results in rising housing costs, which has a greater impact on these cost-burdened households. These households are disproportionately households of color, and disproportionately renting versus owning households: Fifty-six percent of black or African-American renting households are cost-burdened, and 51 percent of American Indian, Hispanic, and Asian renting households are costburdened. **(Figure P43.1)**

It is especially challenging for cost-burdened residents to meet the challenge of rising housing costs – and costs are



Bates Methodology Stages of Gentrification

Early Stage -At risk of gentrification -Best Opportunities for early intervention (e.g. affordability preservation)

Mid Stage -Ongoing gentrification pressures -Opportunities for mitigating displacement despite affordability losses

Late Stage -Housing market is high value, but potential further loss of affordability -Has experienced gentrification-related change, but vulnerable populations remain rising. A report from the Minnesota Housing Partnership found that the number of rental property sales increased rapidly between 2010 and 2015, with a disproportionate number of sales in moderate-income, racially diverse neighborhoods. These sales are almost always followed by rent increases. The homeownership market is also experiencing significant price increases that affect low- and moderate-income homebuyers and homeowners.

ACTION STEPS

The City will seek to accomplish the following action steps to minimize the involuntary displacement of people of color, indigenous people, and vulnerable populations, such as lowincome households, the elderly, and people with disabilities, from their communities as the city grows and changes.

- Look at early indicators of neighborhood change and rents to determine where programs should be targeted.
- Evaluate City investments to determine whether they will cause involuntary displacement and create strategies to prevent displacement when possible and mitigate it when prevention is not possible.
- c. Develop and implement policies and programs that support the preservation and rehabilitation of naturally occurring affordable housing to prevent the displacement of existing residents, for example an Advanced Notice of Sale Policy.
- d. Prioritize the rehabilitation and preservation of existing legally binding affordable housing.
- e. Expand programs that support existing homeowners in affording and maintaining their home, with a focus on people of color, indigenous people, and vulnerable populations, such as lowincome households, the elderly, and people with disabilities.
- f. Prioritize the inclusion of affordable housing in development activity.
- g. Analyze impact of property tax trends on displacing homeowners, and evaluate strategies to reduce displacement.

Comprehensive Investments Support coordinated, comprehensive investment strategies in people and in communities to enhance livability and economic mobility throughout the city.

Many Minneapolitans do not have stable housing, which is foundational for success in school, work and civic life. City investments in buildings, neighborhoods and systems are important to the creation and retention of housing stability in Minneapolis, but it's not enough: Because the barriers to stable housing are individual as well as systemic, investment in people is also needed to build capacity for and remove barriers to long-term housing stability.

Investments in people and housing occur within neighborhoods, and these investments are most successful if they operate as part of a comprehensive community development strategy including housing, transportation, schools, parks, and business development. These investments in people and their communities, paired with investments in safety and public health, can help ensure a comprehensive approach to supporting communities throughout Minneapolis.

ACTION STEPS

The City will seek to accomplish the following action steps to support coordinated, comprehensive investment strategies in people and in communities to enhance livability and economic mobility throughout the city.

- Prioritize programs to support long-term housing stability, including but not limited to wealthbuilding housing models and the reduction of eviction, criminal, and credit report barriers, with a particular focus on communities of color, indigenous communities, low-income renters, and seniors.
- Expand coordination with internal and external partners to identify opportunities and strategies for comprehensive investments.
- c. Expand coordination within the City enterprise including the Police, Regulatory Services, Health, Public Works, and community organizations to address crime and safety issues.
- d. Prioritize the use of housing program dollars where coordinated, comprehensive investment is occurring.
- e. Ensure that housing investments are part of a comprehensive community investment strategy to benefit existing residents and improve opportunity.
- f. Support local credit unions or financial institutions with a particular focus on empowering communities of color, indigenous communities, low-income renters, and cultural communities.
- g. Ensure that every part of the city shares in both the opportunities and burdens of urban economic, environmental, and social life.

Leverage Housing Programs to Benefit Community Design housing programs in a manner that also benefits the larger community.

In 2017 Minneapolis' housing investments helped leverage nearly \$50 million of development in

Minneapolis. These investments helped create and retain affordable housing for Minneapolis residents, but they can do more for Minneapolis communities: The investments in housing can help leverage community wealth building, improve access to employment and skills development, and grow entrepreneurship.

ACTION STEPS

The City will seek to accomplish the following action steps to design housing programs in a manner that also benefits the larger community.

- a. Prioritize local hiring, contracting, and development in housing.
- b. Prioritize participation by local businesses owned by people of color, indigenous people, and women, as well as community-based businesses and institutions in the administration and development of City-funded housing programs and projects.
- c. Encourage residents, especially people of color, indigenous people, and women, to participate in real estate development through the city's Small Developers Technical Assistance Program (D-TAP).
- d. Explore and implement options for amplifying community voices in housing policy and program development, including those of non-English speakers and those from communities with strong oral traditions.

Healthy Housing Proactively address health hazards in housing and advance design that improves physical and mental health.

As people spend more of their time indoors (according to the Environmental Protection Agency people spend on average 93 percent of their time indoors), it becomes more important than ever for those indoor spaces to foster a healthy environment. Poor indoor air quality and indoor environmental pollutants such as lead, mold, pests and radon can have lifelong impacts on health. These conditions and pollutants disproportionately impact lowincome households, children of color, and renters.

The design and maintenance of housing also has a dramatic impact on both physical and mental health. Housing design that embraces active and healthy living can include deliberate placement of stairwells, bicycle storage areas, play spaces for children, and social spaces in buildings that foster connections within the building and with the broader community.

ACTION STEPS

The City will seek to accomplish the following action steps to proactively address health hazards in housing and advance design that improves physical and mental health.

 Focus resources for housing improvement programs and actions in historically underinvested communities where unhealthy housing has caused poor health outcomes.

- Support and expand programs and actions that identify and proactively remediate health hazards in existing housing, such as lead and radon abatement programs.
- Support and expand programs and redevelopment activity to remediate environmental and public health hazards related to housing and neighborhoods.
- d. Promote inclusion of active living design components in housing.
- e. Promote building and community design that includes public spaces that foster connectivity within and outside of a building.
- f. Establish healthy homes priorities, weighing both the housing needs and the amount of vulnerable populations that reside nearby.
- g. Encourage, and require when possible, use of environmentally responsible building materials and construction practices.
- h. Link healthy housing to energy efficiency improvements in existing housing.
- Encourage the use of interior landscaping and greening for air quality and psychological health benefits.
- j. Adjust design standards to maximize access to natural sunlight.

Housing Quality Ensure the preservation and maintenance of existing housing.

Minneapolis' housing stock is a city asset, not just a personal asset to the current owners. In most cases throughout the city, the current owners and inhabitants of housing are not the original owners, nor will they be the last. The housing stock is an asset that spans generations and provides shelter, stability and a place to generate wealth – a home to past, present, and future generations of Minneapolitans.

Like any asset, Minneapolis' housing stock needs to be stewarded and maintained to ensure its longevity and to allow for its ability to evolve so it can be a home to future generations. The safety and maintenance of Minneapolis' housing is important to the success, health, and happiness of the residents of Minneapolis and to future Minneapolitans. However, it is important that alongside the City's efforts to ensure the safety and maintenance of Minneapolis' housing stock, it also makes every attempt to not displace current residents.

ACTION STEPS

The City will seek to accomplish the following action steps to ensure the preservation and maintenance of existing housing.

- a. Promote the long-term retention of housing through maintenance.
- b. Provide targeted outreach to homeowners about the home maintenance needs of older homes.
- c. Support rental property owners and tenants in maintaining safe, code-compliant rental properties through continued enforcement of codes, the use of grants, and other incentives.
- Invest in housing code enforcement training and expand enforcement efforts to monitor and ensure both owner-occupant and investment properties are meeting regulatory standards of building maintenance and health conditions.
- e. Expand financial and technical resources for the maintenance and improvement of owner-occupied and rental properties with conditions that ensure the continued affordability of the housing units.
- f. Explore and implement options for requiring a minimum set of labor standards in development projects.

Freeway Remediation Recover and repurpose space taken by construction of the interstate highway system in Minneapolis and use it to reconnect neighborhoods and provide needed housing, employment, greenspace, clean energy and other amenities consistent with City goals.

During the 1950s, 60s, 70s and 80s, freeways were built in Minneapolis and across the United States to more efficiently move traffic through the city, region, state and country. These highways accelerated car travel through and around the city, but also decimated neighborhoods. Many areas in Minneapolis were cleared for highway corridors and so-called "urban renewal" housing projects. These projects removed hundreds of housing units and businesses, creating barriers and cutting deep and enduring trenches in neighborhoods throughout the City. The impacts on land value and future property tax revenue is difficult to quantify, but it is estimated that the Minneapolis property taken for freeway constructions would be worth at least \$655 million today.

In 1960, the areas where Interstate Highways 35W, 94, and Minnesota State Highway 55 were built were home to approximately 27% of the city's white population, but 82% of its black population. Many African American communities were pushed into these locations as a result of restrictive racial covenants that were introduced in 1910. These areas were often seen as "blighted" because a majority of the residents were African American and had been subject to redlining and systematic disinvestment since the 1930s. As a result of freeway construction, there were direct and disproportionate losses of residential and commercial property occupied and owned by black residents. Minneapolis' black residents and other people of color are still more likely to live near a freeway than other residents, which has been and continues to be associated with a variety of negative consequences including increased health problems due to air quality impairment.

In recent years, the disparate impact of the interstate highway system on poor people of color is getting more attention, and more cities across the United States have been developing policies and strategies to repair the damage done by the freeways built in their communities.

There is significant potential in Minneapolis to recover land and space lost to the freeways. This could be accomplished by repurposing or reclaiming space the system isn't using or doesn't need and finding ways to build near and over the current system even while it keeps functioning.

ACTION STEPS

The City will seek to accomplish the following action steps to recover and repurpose space taken by construction of the interstate highway system in Minneapolis and use it to reconnect neighborhoods and provide needed housing, employment, greenspace, clean energy and other amenities consistent with the City goals.

- a. Work with the state of Minnesota and other partners to analyze and mitigate the negative effects of the highway system in Minneapolis.
- b. Identify possible locations where land bridges and freeway lids can be used over portions of the interstate highway system for housing, commercial, or transit purposes.
- c. Consider the removal of portions of freeways, including some exit and entrance ramps, to

better connect communities and open land for development.

- Identify alternatives for using the land on freeway embankments for energy collection with solar panels or wind harvesting; water management and purposeful plantings; and as dedicated public transit corridors.
- e. Explore options for how private development could support the construction of freeway lids or covers and other mitigations.
- f. Consider how some portion of the proceeds from any private development could be paid to the people whose homes were taken by eminent domain (or their descendants).
- g. Support initiatives to reconnect neighborhoods separated by freeways, in partnership with MnDOT and other stakeholders, including improvements and replacements to pedestrian and multi-use bridges.

Development Near METRO Stations

Support development and public realm improvements near existing and planned METRO stations that result in walkable districts for living, working, shopping, and recreating.



The system of existing and planned METRO Light Rail Transit and Bus Rapid Transit lines in our region presents substantial opportunities to develop new housing, employment, and commercial goods and services in a manner that allows people to conduct daily activities without using a car. This concept is often called Transit-Oriented Development. In Minneapolis, the existing development pattern is supportive of transit, and residents and workers are served by an extensive system of buses and trains. Collectively, the policies of this plan support Transit-Oriented Development, and ongoing improvements to the transit system, in all parts of the city. METRO stations, however, provide a level of amenity and service a step above the rest of the system. And in many cases, areas near existing and proposed METRO stations require special attention to achieve their full potential.

The METRO Blue Line, Blue Line extension, and Green Line extension run in highway and freight rail rights-of way for much of their extent. This results in a unique set of weaknesses, strengths, and constraints related to the physical environment of each station, every station area has a need for improvements in connectivity and placemaking. With strategic investments, METRO station areas can become high-quality, walkable districts for living, working, shopping, and recreating for people of all ages and incomes.

ACTION STEPS

The City will seek to accomplish the following action steps to support development and public realm improvements near existing and planned METRO stations that result in walkable districts for living, working, shopping, and recreating.

- Allow and encourage a dense mix of housing, employment, and commercial goods and services near METRO stations.
- b. Develop affordable housing near METRO stations.
- Require a minimum level of development near METRO stations to ensure that land is used efficiently near major transit investments.
- Ensure that METRO stations are accessible via sidewalks and bicycle facilities including to those with mobility challenges.

- e. Identify and implement strategic investments to increase connectivity and support development.
- f. Break up large blocks into small, walkable blocks.
- g. Orient buildings to the sidewalk.
- Focus active uses on the ground floor of buildings along main pedestrian routes leading to and facing METRO stations.
- i. Incorporate well designed plazas and open spaces into development and station design.
- j. Minimize the impact of automobiles near METRO stations by locating parking behind and under buildings, by sharing parking among area uses, by prohibiting the establishment of auto-oriented uses, and by prohibiting the establishment of stand-alone dedicated park-and-ride facilities.
- Make strategic investments around individual stations that create safe high-quality, walkable districts for living, working, shopping, and recreating for people of all ages and incomes.
- Allow space for connecting bus routes, bike-share and other first-last mile infrastructure near METRO station in the city rights-of-way, coordinating with development whenever possible.

Northside

Reverse institutional harms caused to the Northside community by building on the many assets of the community while also prioritizing community wealth building in the form of housing, small business, public safety, youth opportunities, and environmental justice.

The City of Minneapolis recognizes the institutional harm it and other governing systems have had on the community in North Minneapolis. To begin the process to remedy these harms and move towards reconciliation, the City is committed to doing its part to build individual and community wealth in North Minneapolis.

With the 2008 foreclosure crisis and the 2011 tornado, large amounts of the Northside's housing stock has been rapidly converted into rentals causing the housing stock to disproportionately extract wealth rather than build it. To leveraging leverage homeownership as a wealth building strategy on the Northside, the housing stock must first be stabilized. Beyond housing as a wealth building strategy, housing is also a basic human right. Further, displacement causes the Northside to lose its greatest asset - Northsiders, particularly seniors, community elders, and families with children.

While the City strives to produce and preserve more affordable units, it is necessary to balance that with increasing people's wages to be able to achieve housing stability in a real estate-based economy. Small business development is also a wealth building opportunity. Research has shown small business owners of color and/or from the neighborhood are more likely to hire other people of color and/or from the neighborhood. Small business development can also be leveraged as a form of local job creation. Overall, this will increase Northsiders' access to jobs, goods and services in their neighborhoods.

Public safety is also a top concern for many Northside residents. The public health approach to public safety includes prevention, intervention, enforcement, and reentry efforts. A comprehensive public health approach with evidence-based practices will help to sustainably interrupt cycles of violence and crime.

ACTION STEPS

The City will seek to accomplish the following action steps to reverse institutional harms caused to the Northside community by building on the many assets of the community while also prioritizing community wealth building in the form of housing, small business, public safety, youth opportunities, and environmental justice.

- a. Take actions to stabilize housing stock by increasing homeownership in interior residential areas with a focus on supporting first-time, first generation homebuyers, and provide "right to return" supports to homebuyers with historic ties to the community, such as those displaced by rising rents or foreclosure or returning home after completing higher education.
- Increase access to affordable housing options in neighborhoods, particularly multifamily housing along transit corridors.
- c. Increase access to financially-accessible youth opportunities in the neighborhoods.
- d. Support Northside entrepreneurs to become small business owners and leverage small business development as job creation opportunities.

- e. Invest in the public health approach to public safety to get to the root of violence in the home and out in the community, as well as address childhood and community trauma.
- f. Write a Tenant Bill of Rights to lower the disruptive impact of unjust evictions on Northside residents and families.
- g. Work alongside Northside community members to ensure the Upper Harbor Terminal redevelopment project is both an asset and wealth building opportunity for the community, as well as a destination for visitors to the Northside.
- Address environmental racism through investing in improvements in environmental health and green space on the Northside.

Innovation Districts Establish and support Innovation Districts to employ district-scale infrastructure and systems and to implement flexible policies and practices that allow for experimentation and innovation consistent with City goals.

Innovation Districts are an increasingly common tool in cities used to spur and facilitate growth of quality jobs; to coordinate district approaches to stormwater, energy, parking, place making, green space, and waste management; and to increase the tax base. Innovation Districts deliberately form stakeholder collaborations, bringing businesses, residents, non-profits, academia, government, and major institutions together to organize development, manage district systems, and act as a living laboratory for future-oriented research to make progress on big challenges like inequality and climate change.

The Brookings Institution, Project for Public Spaces, and the U.S. Conference of Mayors, among others, all recognize the importance of innovation districts. To make these districts thrive, they must be walkable, transit accessible, compact, and include a mix of residential, business, cultural, and retail uses—these attributes help facilitate established institutions and businesses clustering around incubator spaces, maker spaces, and start-up hubs.

Innovation districts are opportunities to experiment with, visibly demonstrate, refine, and produce replicable models of best practices in planning and district systems. This innovation results from intersecting ideas, cultures, and income strata. Innovation should also reside in the infrastructure and systems of an Innovation District, which should be designed to tackle Minneapolis's and the country's greatest challenges, from inequality to climate change.

ACTION STEPS

The City will seek to accomplish the following action steps in Innovation Districts to support and experiment with new policies, practices and systems and to support and require developments that are consistent with the City's highest goals as expressed in this plan.

- Support district approaches to energy, stormwater, parking, waste management, and public realm systems.
- Allow for and encourage experimentation and innovation – including through changes to City policies and practices – consistent with City goals and expressed priorities of a given Innovation District such as sustainability, job development, production, equity, and affordability.
- c. Support funding for redevelopment opportunities including housing, business development, sustainable district infrastructure, and greenspace, with priority given to affordable housing and/or job creation initiatives and projects.
- In exchange for redevelopment and district system support, require above-standard developments and systems in energy efficiency and production, stormwater, parking, waste management, and public realm.

University District Strengthen the University District's position in the state and region as a major employment center, a world class research university and a premier destination for cultural, educational and health related activities for residents, students, workers and visitors.

The University District is a center of music, arts, theater, performance, cultural events, health care, business and education. It is rich in international and cultural diversity, natural green space, industrial and commercial businesses as well as biking and other transit options that add to its unique identity and sense of place.

The University of Minnesota and the neighborhoods that surround it represent an area with unique assets for the City of Minneapolis and its residents. The four neighborhoods, Marcy Holmes, Southeast Como, Prospect Park and the West Bank, that comprise the University District support and contribute to the value which the University brings to the City as a regional employment center and world-class research university within a vibrant urban environment. The benefits from cooperation and joint planning to create a cohesive District are highly valued by the city.

ACTION STEPS

The City will seek to accomplish the following action steps to strengthen the University District's position in the state and region as a major employment center, a world class research university and a premier destination for cultural, educational and health related activities for residents, students, workers and visitors.

- Foster a unique identity for the University District as a positive, welcoming, and forward-looking place to live, work, invest, and visit.
- Facilitate communication and cooperation among the residents, businesses, institutions, and publicsector entities.
- c. Increase and improve the affordability, quality and variety of the housing stock to help broaden the socioeconomic and demographic make-up of the residents and attract a stable community of ethnically and age-diverse short term and longterm renters and homeowners.
- d. Attract and retain entrepreneurs, businesses and organizations to locate near the University where they can benefit from collaboration and partnerships with the University and capitalize on the natural, cultural, economic and educational assets of the District.

- e. Recognize and connect the University's parklike campus and riverfront to the City and neighborhood public realm, in conjunction with the Minneapolis Park and Recreation Board, the neighborhoods, and the Mississippi Watershed Management Organization.
- f. Support infrastructure and service improvements, to support increased density and intensity in the context of the surrounding built form and open space.
- g. Recognize the cooperation needed between
 University and City Police Departments to better
 protect all residents, students, visitors, and
 employees in the District.
- Recognize that rental properties in the U District, both multi-unit and single-family homes, are rented almost exclusively by groups of unrelated young people and the unique rental market in the U District.
- Support efforts to attract a stable community of ethnically and age-diverse long-term renters and owner-occupants.

Place-based Neighborhood Engagement

Strengthen the City's robust neighborhood-based community engagement system to ensure that it effectively and equitably builds people's capacity to organize to improve their neighborhoods.

Neighborhood level community organizing and neighborhood organizations play a critical role in keeping residents informed, connected to their community and empowered to guide and influence decisions that affect their lives. Through past and current efforts, neighborhood associations have helped increase safety, celebrate diversity, build community, preserve housing stock, promote economic vitality, foster a sustainable environment and improve health throughout the City.

ACTION STEPS

The City will seek to accomplish the following action steps to strengthen the City's robust neighborhood-based community engagement system to ensure that it effectively and equitably builds people's capacity to organize to improve their neighborhoods.

a. Maintain a place-based neighborhood system of community engagement.

- Continue to fund neighborhood organization community engagement programs while providing oversight and structure for the use of public funds.
- Require neighborhood organization level notification of City proposed projects and City public hearings, and encourage full participation in those public processes through neighborhood level review and input.
- Continue to consult neighborhood organizations so that they may help inform residents of potential projects and other City decisions that might impact their communities.
- e. Assist and support neighborhood organizations in expanding outreach to diverse participants and encourage more inclusive engagement to maximize the involvement of renters, people with disabilities, people of color, indigenous people and others who have been historically underrepresented in civic life.
- Implement policies and procedures that outline expectations on city departments for neighborhood and community notification and consultation.
- g. Reform the existing city-level governance structure for neighborhood programs to make it more efficient, effective and relevant to city departments and neighborhood organizations.
- Promote partnerships between Neighborhood
 Organizations and Community Organizations to increase diversity in leadership and decisionmaking at the neighborhood and citywide levels.