

# Addressing Local Needs Across the Housing Spectrum

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# Understanding the Past to Address the Future

- History of racism on access to housing, which impacts Minnesota's homeownership gap today
- Homeownership rates increased for Asian, Native American, and Latino/a Minnesotans in past decade, but homeownership rate for Black Minnesotans continues to lag behind national average
- Many Minnesota cities are engaging on this issue locally and grounding policies and resources to address these disparities in housing

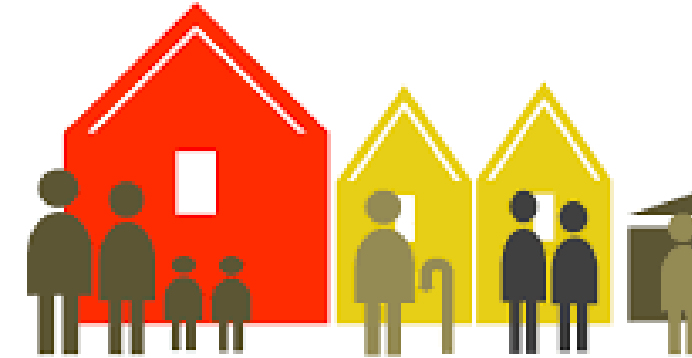


*Jim Crow of the North (TPT) addresses Minnesota's racial disparities & impact of racial covenants*

# Emerging Trends



- Increase in institutional/investor purchasing of homes driving down homeownership rates and disproportionately impacting low-income neighborhoods
- Increase in single-family homes purchased to rent instead of owned by city residents
- Cities want diverse housing stock and affordable housing options, but prices are controlled by the market
- Despite need for market-rate development in Greater Minnesota, these cities unable to attract new development
- Continued oversubscription of state and local resources for housing



Full Housing Spectrum  
Solutions

Local Innovation Support

Incentives  
Instead of Mandates

Community-specific  
Solutions Throughout  
Minnesota

*What meaningful housing policy should include...*



# The Spectrum of Housing in a City

[www.lmc.org/HousingDevelopment](http://www.lmc.org/HousingDevelopment)

The housing needs of a city can be as unique as the residents that live there, and often reflect the demographics, economic priorities, and geography of the community.

City officials use the tools and authority available to them to **PRESERVE, MAINTAIN, ATTRACT, and DEVELOP** the mix of housing options that their community needs most, which may include:

- New Affordable and Market-Rate Single Family Homes
- Condos and Townhomes
- Existing Single-Family *Owner Occupied*



- Rental Apartments, Townhomes, Duplexes
- Single-Family Rental Property
- Subsidized Rental



- Tiny Homes
- Accessory Dwelling Units



- Short-Term Rental
- Hotels



- Student Housing
- Rooming Houses



- Senior Housing
- Veterans Housing



- Rehabilitation Facilities
- Long-Term Care Facilities



- Emergency Shelter



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# Full Housing Spectrum

[www.lmc.org/housingdevelopment](http://www.lmc.org/housingdevelopment)

# Address Entire Housing Spectrum

## Affordable Housing Continuum Minnesota



### Housing Type



### Income

**\$20,000 and below**

**\$20,000 to \$34,999**

**\$35,000 to 49,999**

**\$50,000 to \$74,999**

### Population

**249,437** total households

**19%** of all BIPOC households are in this income level.

**10%** of white households are in this income level.

People Experiencing Homelessness | People with Disabilities | People with Service Needs | People Exiting Incarceration

**253,352** total households

**16%** of all BIPOC households are in this income level.

**28%** of white households are in this income level.

Working Poor | People with Episodic Housing Crises and Service Needs

**258,205** total households

**15%** of all BIPOC households are in this income level.

**8%** of white households are in this income level.

Working Poor | People with Episodic Housing Crises and Service Needs

**383,640** total households

**17%** of all BIPOC households are in this income level.

**18%** of white households are in this income level.

People Who Are Accessing Market Housing but Are Limited by Locational Choice

[Minnesota Housing Partnership: 2021 Minnesota Housing Continuum](#)



## Address Entire Housing Spectrum

Housing needs include more than new market-rate, single-family homes

- **Consider:** policies mitigating renter displacement
- **Consider:** additional resources for state and local down-payment assistance programs for first-time homebuyers while continuing to bolster local efforts such as Local Housing Trust Funds
- **Consider:** policies providing city authority to develop market-rate, workforce housing when market isn't responding

Most cost-effective way to provide affordable housing: preservation of existing housing

- **Consider:** fully funding state assistance for Naturally Occurring Affordable Housing (NOAH) preservation

# Meeting the Moment through Local Innovation

[\\* check out more](#)

FEATURED

## St. Louis Park pilot program would seek to facilitate homeownership for people of color

Jul 20, 2021 • 0

### SOUTH METRO

With zoning change, Eagan tries to encourage building of smaller homes

## Lanesboro council considers tax abatement for proposed housing development

August 9, 2021 by Hannah Wingert — [Leave a Comment](#)

## Golden Valley adopts first reading of tenant protection ordinance

'The challenge continues, the solution remains elusive' for seniors, families to find affordable housing

Alaina Rooker Jul 25, 2018 • 0

## City of Saint Paul to Remove Citywide Parking Minimums for Real Estate Developments

*New Zoning Provisions to Align with Best Practices for Land Use and City's 2040 Comprehensive Plan*

## Tiny 'cottage homes' with big views planned for rocky hillside in Duluth

Developer could break ground next spring on Point of Rocks Cottage Home Neighborhood.





# Support Local Innovation

**Local innovation** is key to addressing unique housing needs – approaches differ community to community

- **Consider:** Resources to help cities continue to fund municipally developed lots for affordable and workforce homeownership in partnership with developers
- **Consider:** Additional flexibilities for cities to utilize Tax Increment Financing to support Local Housing Trust Funds and pool excess increment to support housing development
- **Consider:** Policies to address uptick in institutional investor flipping and renting of affordable single-family, owner-occupied homes, keeping single-family homes available for affordable homeownership





# Incentivize Innovation: Progress Over Preemption

- Proposals seeking to treat all cities and their housing and development needs the same through preemption does not guarantee affordability
- Effective state-local partnership means supporting local innovation through incentives rather than mandates
  - **Consider:** Incentive-based approach to assist cities seeking to develop and implement comprehensive housing policy plans
  - **Consider:** State support for waived city fees as a part of inclusionary housing policies



# Community-Specific Solutions Factor Statewide Market Differences



- Housing market challenges in Twin Cities are not always the same challenges faced by all regions of the state
- Factors like demographics, land availability, and infrastructure shape a community's housing needs and the solutions they need to deploy to respond – from Baudette to Bloomington, housing solutions must be responsive to circumstances of each city
  - **Consider:** Incentives for developers to access resources earmarked specifically for the construction of new market-rate starter homes that account for regional median incomes and regional needs
  - **Consider:** Tailoring current and new programs to address the unique needs of Greater Minnesota



LEAGUE of  
MINNESOTA  
CITIES