

"How MCDA housing policies affect the neighborhoods in Minneapolis?"

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United Neighborhood
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Executive Summary

The United Neighborhoods (UN) project attempts to analyze the city of Minneapolis housing policies as they are administered by the Minneapolis Community Development Agency (MCDA) through their programs. In these programs, houses were demolished, rehabilitated, or built. We looked at their programs from 1995-97 and mapped out where each program occurred. In the end we found a noticeable pattern seemed to emerge. We found that MCDA seemed to demolish more homes than build or rehabilitate, especially in the poorer neighborhoods.

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Research summary

This paper is a continuation of a research project begun by a CURA intern, Stuart Alger and continued by another CURA intern, Linda Wong. A brief history of the genesis of the project is explained in the report, MCDA Single Family Housing Development in Minneapolis: Reported to the United Neighborhood Coalition. In the first part of the project, Alger concentrated on explaining the relationship between MCDA and United Neighborhoods. In the second part of the project, the United Neighborhoods Coalition was concerned about the discrepancy between the number of housing units demolished versus new units built, in other words, the housing loss.

The Project overview:

In researching the housing loss in Minneapolis, the researcher began a search into the housing development patterns displayed by the City of Minneapolis and MCDA, the development arm of the City. We looked into areas of spending, building, demolishing and acquiring of properties in Minneapolis from 1995-1997. Since most of the housing development is performed by MCDA, most of the research was concentrated on MCDA.

One of the goals of the projects was to see how UN can impact/affect/inform the decision making process at MCDA, especially decisions in their neighborhoods.

Process of Research:

The research project focused in three aspects. The first was finding similar pro-active programs involving neighborhoods and development agencies that focus on revitalizing distressed areas in the USA. The second focused on the spending patterns of MCDA, with respect to housing. The third focused on analyzing the rehab standards imposed by MCDA, FHA and the City Inspections office.

Evidence/Findings:

Pro-active programs: This area had the least amount of information. A few cities, Hartford and Portland were mentioned in a few reports as having an effective impact on housing development in their cities.

Hartford:

The Hartford Neighborhood Housing Coalition began in 1979; an ad hoc group of community leaders and organizations came together in order to provide input to the city council on the neighborhood-level development

priorities. The group came together in a time when the corporate sector in Hartford was much more organized and unified in its perception of the development priorities for the city. Neighborhood groups and citizens came together and attempted to articulate a single vision of the city's development needs from the perspective of the neighborhoods. One of the issues of importance was the manner in which the city distributed housing and community development.

The coalition was able to pass some important policies. The Housing preservation and replacement ordinance, which requires owners or developers who wish to demolish or convert a housing unit to either physically replace the units within 18 months, pay an in-lieu fee to the city's housing preservation loan fund, or appeal to the board. The group figured that developers were demolishing an average 51 units each year or 2.5 times the number of units being added through new construction. An Anti-blight Ordinance which prevents landlords from intentionally holding units empty for the purpose of speculation.

As a strategy to accomplish these policies: they sent out questionnaires to the city council candidates to request their positions on the neighborhood and community development issues. A larger progressive movement was playing in Hartford and the coalition was able to tap into the movement. They were able to place a number of its members in appointed positions, forge alliances with labor organizations and new parties. Finally with appointed members on boards, the community groups were able to play the confrontational role. NHC leaders would then position themselves as more rational experts, ready with a policy solution to the problems identified by community organizing groups.

Portland had a progressive mayor who was more sympathetic to neighborhoods. In the case of Portland, there was great concern over the way the city treated neighborhood organizations opinions in development projects that affected these neighborhoods. A formalized citizen participation program formed called the Office of Neighborhood Association (ONA). ONA was then part of the District Coalition Boards, which attempted to equitably distribute the participation in the Portland. These Dcbs were suppose to facilitate neighborhood activities, and take up issues that are explicitly referred to the district level by the associations. The district offices notified neighborhoods of zoning changes and conditional use permit applications. The recommendations of ONA were focused on increasing citizen involvement in local government. One in particular was to establish an early notification process, whereby neighborhood organizations are brought into the planning of city actions at the earliest possible stage. This goal is similar to one set by the United Neighborhood.

Spending Pattern

This section has two primary focuses, the spending patterns of MCDA and the distribution of loan programs in the city. Two types of answers are given in this section because I received 2 sheets of information from the same agency, MCDA. One set of data was a list of all the properties acquired, sold and demolished by MCDA during 1992-1997. The second set of information was the Housing Development Production Report for the years 1995-1997. Each report should essentially contain the same information, but they did not. The first report was an overview and was not entirely accurate. The second report provided detailed information on which properties participated in each housing program for MCDA. In some cases, the amount of money listed in report one as spent, did not match report two.

Spreadsheets

The spreadsheets list all the activities listed from Report one. The sheet is broken down into two groups, the members of United Neighborhoods, and the neighborhoods labeled as CTA's by the Minneapolis Community Development Agency (MCDA). From the spreadsheets, two glaring facts surface. One, the members of United Neighborhoods have a high number of properties acquired and demolished by MCDA. The ratio of properties acquired versus demo is 2:1 in both groups. The difference is in the volumes. In UN, MCDA acquired 799 properties and demolished 418, while group 2 had only 163 properties acquired and 84 demolished. The difference is UN had five times more acquisitions and demos than group 2.

If we look closely at the spreadsheets, we observe the activities of MCDA in the specified neighborhoods. A few obvious trends stand out. One, if a property was acquired by MCDA, it had a %50 chance of being demolished, regardless of the geography. Second, the rate of demolition is outpacing new construction by leaps and bounds. In

UN the rate is 799 to 75 or roughly 10 to 1. So for every 10 properties demolished one new units is built. Compare that with group two and the ratio plummets, 163 to 39 or roughly 4 to 1. So if we compare these numbers, we notice that the United Neighborhoods are experiencing rapid housing stock loss, while the CTA's have a much slower rate of attrition.

In the second set of data, we focus on a smaller time period, 1995-1997. But what we sacrifice in time we gain in detail. The second set has a detailed account of all programmatic housing activities by MCDA. Some members of United Neighborhood suggested we focus on programs that built, demolished or rehabilitated properties in Minneapolis. This lead us to the housing programs implemented by MCDA, which were the HOW, HOME, HOPE 3, RIF, TIF, GMMHC Century Homeownership, and the Vacant Housing Program.

Each spreadsheet shows each property involved in each MCDA housing program and how much was spent per property. Chart 1 explains how each neighborhood in UN participated in these housing programs. What is obvious is that a majority of the properties affected lay in Central, Hawthorne, Near North, Phillips and Willard Hay. If we look closer at the chart, a more noticeable trend occurs, a majority of these properties were demolished, except in Willard-Hay, which had more new construction. In fact if we look at most of the neighborhoods from UN, each experienced more properties being demolished then either rehabilitated or replaced with a new property. Hence, each of these neighborhoods have been experiencing a housing loss over the last three years, except Willard Hay and Regina.

Chart 1: MCDA Housing Activities for 1995-1997

Neighborhood	Total	demo	Rehab	new construction
Central	77	41	6	30
		53.25%	7.79%	38.96%
Corcoran	4	4	-	-
		100%		
Harrison	20	14	2	4
		70%	10%	20%
Hawthorne	64	56	3	5
		87.50%	4.69%	7.81%
Jordan	49	23	22	4
		46.94%	44.90%	8.16%
Near North	95	49	16	30
		51.58	16.84	31.58
Phillips	114	93	1	20
		82%	1%	18%
Regina	5	1	2	2

		20%	40%	40%
Whittier	17	13	4	-
		76.47%	23.53%	0%
Willard Hay	119	41	25	53
		34.45%	21.01%	44.54%

What does this discrepancy translate into? If we look at the maps, we will have a better understanding of how certain neighborhoods are targeted for demolition activity versus new construction.

Maps

In the last section, United Neighborhoods wanted a map that would show where MCDA was spending their housing program dollars and how they spent their dollars. At first the maps showed three types of activities by MCDA; new construction, rehabilitated properties and demolished properties. A majority of the properties were single families homes, with a few duplexes and multiplexes. In the last map, properties demolished, were a combination of MCDA sites, MPHA sites and the City of Minneapolis 249 properties. The first map is solely MCDA properties that participated in a MCDA program.

All the maps document information from January 1, 1995 to December 31, 1997. On each map, the background is the City of Minneapolis broken down into neighborhoods. Within each neighborhood is a further breakdown of household incomes. **The household income data is broken down by census tracts, which is usually 10 square blocks.** All the income data comes from the 1990 Census.

Creating the Maps

At first the most important information was the addresses of each property involved in various housing programs. With the addresses, the Map program was able to plot each address on a map of Minneapolis. The most important information needed was a clear understanding of the type of map they wanted to create, and a library technician to guide you through the map program.

A Map Atlas program created all these maps, which is available in the John Borchert Map Library at the University of Minnesota. Before we began, United Neighborhoods knew they wanted a map of Minneapolis showing the income levels and that plotted all the properties involved in a housing development program. From that point we consulted with a lab technician and determined the information required by the program in order to create our map. The only information needed by the program was the addresses of all the properties, a decision on the symbols for each program and the colors for the income levels.

Each program (rehab, demo /acquisition and new construction) was symbolized by a different icon. A red triangle meant MCDA demos, a red square meant a 249 demo, a red circle was a MPHA demo, a pink house meant a rehabbed property, and a blue star meant a newly constructed house. The legend, which was either in the upper left-hand corner or the right hand edge, showed the household income breakdown. UN decided to break up Minneapolis into 5 or 6 income sections. The income range is symbolized by a different color pattern. On some maps, we had 6 ranges. These ranges can be changed into a variety of sections. We choose three types of breakdowns, a natural, custom and an equivalent. The natural breakdown meant the computer computed the income breakdown. The custom meant the programmer created the breakdown. The equivalent meant the computer equally distributed the incomes into equal groupings. We also had the option of assigning a color to each range. UN opted for allowing the

computer to determine the colors. What we decided were the colors for the two extreme categories, green for the poorest group and white for the wealthiest. The computer then came up with hues in between the two and assigned them to the remaining groups respectively. We choose green because that color created the starkest (nicest) contrast. The reason we had maps with 6 ranges versus 5, was to see the difference in income variation around Minneapolis. The difference between the two can be seen in the maps. Exhibit A

Map 10 & 11 demonstrates a final product of all the inputted information plotted by the map program. The most significant pattern shown is a series of demolitions within the neighborhoods whose income levels fall below \$22,000 a year. Rehabilitation and newly constructed properties mainly occur in neighborhoods whose incomes fall between 15,700 and 27,300. This means that neighborhoods with families whose incomes fall below 15,700 are more likely to see properties demolished than saved, or replaced with a new property. This uneven pattern is seen in Chart 1. Within the three years, properties tend to be demolished at a 4:1 ratio. But if you live in a poorer neighborhood, the ratio tended to be higher. In fact if we look at the maps that show only rehabilitation (Map 3), one can see only 4 houses were built in the poorest areas. A similar pattern occurred in the new construction map. (Map 4) The exception being that the new construction tended to occur in neighborhoods of medium to low income. When we combine the two maps, we notice a concentration of housing development activities occurs in pockets of low to moderately low-income neighborhoods (Map 5). Since the information spans only three years, these observations are limited and reflect an observation, rather than a conclusion of housing activities by the City of Minneapolis.

If we turn to the section on spreadsheets, UN was able to notice another trend; properties tended to be demolished more frequently in Central, Hawthorne, Jordan, Near North and Phillips neighborhood. New construction would occur in Central, Phillips and Willard Hay, thus leaving out Hawthorne, Jordan and Near North with a net loss of housing. (See Graph 1) Coincidentally, MCDA was just beginning a new program call the Rehabilitation Support Program. This program is an attempt to target specific neighborhoods with rehab support dollars. A chosen site would receive up to a \$45,000 subsidy from the city to help rehab that property. Unfortunately the targeted areas are Willard Hay, West Jordan and Regina-Bryant neighborhoods. These neighborhoods were experiencing a loss of housing; in fact they were one of the few neighborhoods to experience a growth in housing. What is to happen to the neighborhoods in United Neighborhoods is still uncertain.

Brief Explanation of Map and Symbols:

Since the neighborhoods were interested in which neighborhoods experience demolitions of home versus rehabilitation or new construction, they were looking for a map with the following characteristics: household income and Minneapolis neighborhood boundaries. We decided to use 1990 census data because that was readily available in the University of Minnesota GIS Library.

Map 1: breaks down the household income in equal proportions (i.e.) each category has an equal amount of households) So Households with an income between \$6,000-15,000 is in white. Incomes of \$30,000-57,900 are in dark gray.

Map 2: shows the distribution of household incomes in six sections

Spreadsheet 1: Home-How-Hope

These spreadsheets list the houses that were rehabilitated in an MCDA program from 1995-97.

Map 3: shows where these houses were rehabilitated. Each star represents one house.

Spreadsheet 2: GMMC

These spreadsheets list the houses that were newly constructed in an MCDA program called GMMC from 1995-97.

Map 4: shows where the new houses were built in Minneapolis. Each house symbol represents one house.

Map 5: combines map 3 and map 4

Spreadsheet 3: VRP-ACQ-DEM

These spreadsheets list homes or properties demolished (dem) or acquired (acq) by MCDA from 1995-97.

Map 6-9: shows where these houses were demolished in Minneapolis. Each symbol represents a house, and the various symbols represent a program. The □ = homes demolished by a 249 program; the Δ = homes demolished through a MCDA program; and the * (star) = homes demolished. Map 8 and 9 are color versions. The only variable changing in each map is the breakdown of the household incomes. Each color represents a different income bracket.

Map 10 and 11: combine all the information from the three spreadsheets and maps.

In conclusion the maps demonstrate a definite pattern. MCDA demolishes homes in poorer neighborhoods and their rate of demolition of homes versus new construction and rehabilitation is out numbered by 4 to 1. (See chart 1)

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