



THE MN CHALLENGE

To Lower the Cost of Affordable Housing



Talking Points: Outreach to the Community (Long Version)

SUPPORTING A FULL RANGE OF HOUSING CHOICES TO INCREASE COMMUNITY PROSPERITY

The following talking points are a great starting point. It's important to personalize these points by making them your own and tailoring them to the context of the discussion at hand. Use your own tone, voice and language that is comfortable for you. Remember to add local data, examples and anecdotes when speaking to your community. Key talking points are in the lefthand column; sources for additional information and tips to localize the talking points are in the righthand column.

MAJOR MESSAGES	SUPPORTING DATA, ADDITIONAL RESOURCES
<p>Minnesota is changing dramatically. We are becoming older and more diverse. We will see the same changes in our community that we are seeing statewide. It's not just the makeup of the population that will be different, but the lifestyle choices that a changing population are making, especially in the kind of housing many people need and want.</p> <p>Few people understand the housing market in our region better than Ron Clark. Clark has been one of the area's most successful housing developers, building everything from luxury homes to affordable developments. "Twenty or 30 years ago, everything was focused on family housing," says Clark. "More and more, communities are seeing the need for a mix of housing, including upscale, rental for seniors, young singles and families, and workforce housing. There is still a good mix of housing being built. Some communities are attracting market-rate developments, but some communities are coming straight to us and telling us they need a better mix of housing choices."</p> <p>To be a successful community – one that continues to be a desirable place to live – then we need to build on a strong foundation of housing. To be part of Minnesota's successful future, we need to build on a foundation of a full range of housing choices.</p> <p>Let me suggest four housing goals that I believe are important for our community's success:</p> <ul style="list-style-type: none"> • First, we should have housing for people at different stages of their careers and income, from those starting out to those who have made it to the top. • Second, we should have housing that makes it possible for the people we depend on – teachers, public safety officers, health providers and those in other jobs that are essential to our community – to live where they work. • Third, we need workforce housing, housing that is affordable for singles and young families and seniors who want to stay here after they retire. • And, fourth, we need to plan for this housing, bringing predictability to developers, future residents and, most of all, those of us already living here. 	<p>According to the Minnesota State Demographic Center:</p> <ul style="list-style-type: none"> • Minnesota's population is still growing; the population is expected to top 6 million by 2032. • Most of the growth is among older Minnesotans: the number of those under age 18 will grow by about 28,000 by 2035. Meanwhile, those 65 and older will increase by more than half a million. • We also are becoming more diverse. The percent of Minnesota's population that is nonwhite and/or Latino is projected to grow from about 14 percent today to 25 percent in 2035.

The MN Challenge to Lower the Cost of Affordable Housing is an ideas competition. Its goal is to be a catalyst for innovative problem-solving, bringing together teams of the most knowledgeable housing professionals to propose ideas that could reduce the cost of creating or preserving affordable housing. This report is one of several products sharing ideas that can advance the mix of housing choices available in communities throughout MN.

These are goals that most Minnesotans – and I think most of us in this community – already support. A 2009 statewide survey of Minnesotans found nearly 9 out of 10 of us believe our communities should offer housing choices for young people starting out...homes for people to stay in their communities after retirement...and homes for working class and young families.

A part of our diverse housing choices – the part that serves these populations – is what we often call “affordable housing.” So here’s our dilemma: Most of us are in favor of the goals of affordable housing, but we aren’t so sure of the specifics.

Time and again controversy comes with many proposals for housing – especially affordable housing. Some are quick to paint opponents of affordable housing with all kinds of negative stereotypes. But I think for most of us, it’s simpler – we have a lot invested in our homes and are wary of change and all of us have a lot of misunderstandings about affordable housing and who lives there.

Two other statistics from the McKnight survey that I think are worth noting:

- First, we Minnesotans LOVE where we live: 92 percent of Minnesotans say that their community is at least somewhat close to our ideally preferred community in which to live. We like the status quo.
- And, second, 75 percent of us believe that our communities already have the right mix of housing. Why? Because we define “affordable housing” literally – it’s housing you and I can afford.

The reality is that in Minnesota – and in our community – housing choices haven’t kept pace with changes in the economy:

- According to the Metropolitan Council, about 266,000 households in the Twin Cities are paying at least one-third of their incomes in housing costs. One-in-eight are paying HALF or more.
- Today, Minnesota has the most job openings since 2001. But many of the jobs openings are in professions that typically pay low wages. For example, one-third of the openings in the September 2015 labor report are in food preparation and services, sales and related jobs and office and administrative support. All of those occupations have a median wage of \$12.52 an hour or less...in some cases, far less.
- More and more seniors are struggling with housing costs. According to the Minnesota Housing Partnership, 90,000 Twin Cities households headed by those 65 and older are paying more than 30 percent of their incomes in housing costs – an increase of almost 40 percent since 2005.

Meanwhile, the number of new affordable units being built in the metro area is only 20 percent of the annual need.

Why should housing that is affordable be part of our long-term plan for creating a full range of housing choices in our community? Let me give you three reasons:

- First, it creates new tax revenue and new economic activity. That keeps taxes lower for everyone. In a survey cited by the Center for Housing Policy, 55 percent of the companies with more than 100 employees say there is insufficient affordable housing near their operations; two-thirds of the businesses responding said the shortage is negatively affecting their ability to hold onto qualified employees.
- Second, renters become buyers. A survey of Minneapolis renters found that 66 percent plan to purchase a home. That’s higher than the national average.
- And, third, stable housing is a key contributor to both academic achievement and good health. If we want to close the achievement gap and control long-term health costs, housing must be part of the solution.

The McKnight Foundation 2009 survey on housing:
<http://tinyurl.com/pbrayah>

Localize information and anecdotes for your community.
Talk to developers about their experience in your community or nearby areas.

The Minnesota Housing Partnership has data on housing by legislative district: <http://tinyurl.com/zw9mkfh>

With all those assets, why isn't affordable housing better supported? Well, actually, it is. Back to the McKnight survey one more time:

There is a huge base of POTENTIAL supporters for affordable housing – a base that often is untapped. When it comes to affordable housing, there is a silent majority of supporters – 74 percent of Minnesotans are committed advocates OR quiet supporters OR uncertain.

Yet, we hear most loudly from the 16 percent who are vocal opponents. What happens most often is that opponents of affordable housing – often those who live closest to proposed projects – are quick to jump into the debate. They can be intense and a small number can be antagonistic. It's important for communities to listen to the concerns and ideas of everyone without letting a few define the proposal.

The opportunity is to educate our neighbors on why a full range of housing choices is in EVERYONE'S best interests, then create avenues to get them engaged.

We need to start by talking about what affordable housing IS and ISN'T:

First, a national study concluded, "Affordable housing generally has no adverse effects and may even have positive impacts on property values when well-dispersed." Analysis of 2002 and 2014 Twin Cities data likewise found that the sales prices of nearby homes were not harmed after the construction of affordable housing.

Second, residents pay their housing costs. Incentives go to developers of affordable housing or their investors to reduce the cost of site acquisition and construction. While these incentives lower the cost to renters and buyers, individuals aren't directly subsidized. There are programs that directly subsidize housing costs for individuals, but that's a different discussion.

Third, a full range of housing choices makes us a safer community. The National Crime Prevention Council calls for the construction of affordable housing to reduce crime because "neighborhood cohesion and economic stability are enhanced in areas where the continuing supply of dispersed, affordable housing is assured."

What should we be doing? We need a long-range housing policy for our community that defines where housing will be built, the kind of housing that our community needs and the tools – including public policies like zoning – we will use to achieve the plan.

We will build the policy on three legs:

Engagement: Begin with discussion. Engage diverse stakeholders – business, the faith community, civic organizations and others – in defining a clear statement of the kind of housing the community will need to prosper. With a vision in hand, measure it against the marketplace. What kind of housing already is in place, what are other communities doing, what is realistic for our community? That may take interviews with developers and real estate agents, with current and potential employers and with planning staff in other communities.

Create Opportunity: A good plan is specific. Evaluate your community with an eye to the future. Where will future transit be located? Where are the jobs of tomorrow? Identify the sites that make sense for different kinds of housing. Identify the opportunities for success – where do potential sites align with the necessary housing to create opportunity for our community?

Align Policies with the Goals. What is the right zoning for each site and does it support the density that makes most sense for different kinds of housing? It may make sense for a community to reduce, waive or defer fees for permits, parks and other items. Similarly, in some cases, it may make sense to create incentives (for example, zoning changes or fee waivers) in return for developers including affordable units in market-rate developments. Waivers, deferrals and other contributions are subsidies, but they can return significant community-wide benefits. Evaluating these considerations and setting policies in advance can tone down some of the issues that flare up around specific projects.

The best tool for building consensus is predictability. That's what a long-term policy accomplishes. It's up to us to build our community for the future.

Impact on housing values: <http://tinyurl.com/zhhxy4c>

Twin Cities area study on housing values: <http://tinyurl.com/k3jzab5>

Affordable housing's impact on crime and other community issues: <http://tinyurl.com/hjdt7n>

The Center for Housing Policy offers a detailed road map for advocates and communities to use to create a comprehensive housing policy: <http://tinyurl.com/hmsvonk>

The Metropolitan Council has a Housing Policy handbook with useful information: <http://tinyurl.com/n9o98ws>