Rail-Volution

NEERAJ MEHTA
Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

Median Rent: $809

Median Renter Income: Affordable Threshold:

White Not Hispanic or Latino

$39,390
$1,000 (rounded from $985)
Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

2000
Median Rent: $809

Median Renter Income: Affordable Threshold:

2014
Median Rent: $854

Median Renter Income: Affordable Threshold:

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS
Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

2000
Median Rent: $809
Median Renter Income: $26,729
Affordable Threshold: $700 (rounded from $688)

2014
Median Rent: $854
Median Renter Income: $40,234
Affordable Threshold: $1,000 (rounded from $1,006)
Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

2000
Median Rent: $809
Median Renter Income: $26,729
Affordable Threshold: $700 (rounded from $688)

2014
Median Rent: $854
Median Renter Income: $40,234
Affordable Threshold: $1,000 (rounded from $1,006)
Ownership Housing Affordability in Minneapolis Neighborhoods

Change in Ownership Affordability by Race/Ethnicity 2000 and 2014

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

2000
Median Home Price: $159,952

Median Owner Income: $60,773
Affordable Threshold: $150,000 (rounded from $151,933)

2014
Median Home Price: $205,200

Median Owner Income: $65,151
Affordable Threshold: $175,000 (rounded from $162,878)
Identification Model of Gentrifying Neighborhoods

1. Is the neighborhood gentrifiable?
   - Yes
     - Did the neighborhood gentrify during the study period?
       - Yes: Gentrified
       - No: Did not gentrify
   - No: Not gentrifiable

Freeman (2005)
## Demographic Changes MPLS & 7C Metro

<table>
<thead>
<tr>
<th></th>
<th>Minneapolis</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Pop</strong></td>
<td>382,618</td>
<td>394,424</td>
</tr>
<tr>
<td><strong>% White</strong></td>
<td>62.5</td>
<td>61.0</td>
</tr>
<tr>
<td><strong>% Bach</strong></td>
<td>37.4</td>
<td>47.0</td>
</tr>
<tr>
<td><strong>% Own</strong></td>
<td>51.4</td>
<td>48.6</td>
</tr>
<tr>
<td><strong>% Pov</strong></td>
<td>16.9</td>
<td>22.6</td>
</tr>
<tr>
<td><strong>Med Inc</strong></td>
<td>$53,421</td>
<td>$50,767</td>
</tr>
<tr>
<td><strong>Med Value</strong></td>
<td>$159,952</td>
<td>$205,200</td>
</tr>
<tr>
<td><strong>Med Rent</strong></td>
<td>$809</td>
<td>$854</td>
</tr>
</tbody>
</table>

Source: Author calculations, 2000 Census, 2010 – 2014 American Community Survey
## Demographic Changes MPLS & 7C Metro

### Minneapolis

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010 - 2014</th>
<th>Abs. Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pop</td>
<td>382,618</td>
<td>394,424</td>
<td>11,806</td>
<td>3.1</td>
</tr>
<tr>
<td>% White</td>
<td>62.5</td>
<td>61.0</td>
<td>-1.5</td>
<td>-2.4</td>
</tr>
<tr>
<td>% Bach</td>
<td>37.4</td>
<td>47.0</td>
<td>9.6</td>
<td>25.7</td>
</tr>
<tr>
<td>% Own</td>
<td>51.4</td>
<td>48.6</td>
<td>-2.7</td>
<td>-5.3</td>
</tr>
<tr>
<td>% Pov</td>
<td>16.9</td>
<td>22.6</td>
<td>5.7</td>
<td>33.7</td>
</tr>
<tr>
<td>Med Inc</td>
<td>$53,421</td>
<td>$50,767</td>
<td>-$2,654</td>
<td>-5.0</td>
</tr>
<tr>
<td>Med Value</td>
<td>$159,952</td>
<td>$205,200</td>
<td>$45,248</td>
<td>28.3</td>
</tr>
<tr>
<td>Med Rent</td>
<td>$809</td>
<td>$854</td>
<td>$45</td>
<td>5.6</td>
</tr>
</tbody>
</table>

### Region

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010 - 2014</th>
<th>Abs. Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pop</td>
<td>2,642,054</td>
<td>2,920,637</td>
<td>278,583</td>
<td>10.5</td>
</tr>
<tr>
<td>% White</td>
<td>83.2</td>
<td>75.2</td>
<td>-8.0</td>
<td>-9.6</td>
</tr>
<tr>
<td>% Bach</td>
<td>34.8</td>
<td>41.3</td>
<td>6.4</td>
<td>18.5</td>
</tr>
<tr>
<td>% Own</td>
<td>71.4</td>
<td>68.8</td>
<td>-2.6</td>
<td>-3.6</td>
</tr>
<tr>
<td>% Pov</td>
<td>6.9</td>
<td>11.1</td>
<td>4.1</td>
<td>59.8</td>
</tr>
<tr>
<td>Med Inc</td>
<td>$77,207</td>
<td>$67,777</td>
<td>-$9,430</td>
<td>-12.2</td>
</tr>
<tr>
<td>Med Value</td>
<td>$196,313</td>
<td>$214,644</td>
<td>$18,331</td>
<td>9.3</td>
</tr>
<tr>
<td>Med Rent</td>
<td>$919</td>
<td>$924</td>
<td>$5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: Author calculations, 2000 Census, 2010 – 2014 American Community Survey
## Demographic Changes MPLS & 7C Metro

<table>
<thead>
<tr>
<th></th>
<th>Minneapolis</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Pop</strong></td>
<td>382,618</td>
<td>394,424</td>
</tr>
<tr>
<td>% White</td>
<td>62.5</td>
<td>61.0</td>
</tr>
<tr>
<td>% Bach</td>
<td>37.4</td>
<td>47.0</td>
</tr>
<tr>
<td>% Own</td>
<td>51.4</td>
<td>48.6</td>
</tr>
<tr>
<td>% Pov</td>
<td>16.9</td>
<td>22.6</td>
</tr>
<tr>
<td><strong>Med Inc</strong></td>
<td>$53,421</td>
<td>$50,767</td>
</tr>
<tr>
<td><strong>Med Value</strong></td>
<td>$159,952</td>
<td>$205,200</td>
</tr>
<tr>
<td><strong>Med Rent</strong></td>
<td>$809</td>
<td>$854</td>
</tr>
</tbody>
</table>

Source: Author calculations, 2000 Census, 2010 – 2014 American Community Survey
Qualitative Analysis Methodology

**Main Objective:** Assess whether or not our quantitative indices of gentrification match resident perceptions

Step 1: Compare our initial interviews with public officials and non-profit neighborhood leaders with what our quantitative analysis identified as gentrifiable neighborhoods.

Step 2: Identify 5 cluster neighborhoods that will be the sites that we will conduct a deeper set of residential interviews.

Step 3: Create a list of residents to interview based on recommendations made by our community partners for the purpose of conducting a minimum of 50 interviews (10 in each neighborhood cluster) focusing on the following demographic populations:

- Long term residents (10+ years)
- Homeowners
- Renters
- Business Owners
Minneapolis-St Paul: Transitways and Gentrification

- Gentrifiable
- N/A
- Not Gentrifiable

Data Sources: Rail routes and stations - MetCouncil June 2016, Gentrification Typologies - CURA Research 2017
Minneapolis-St Paul: Transitways and Gentrification


<table>
<thead>
<tr>
<th>City</th>
<th>Gentrifiable Tracts</th>
<th>Gentrified Tracts</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis</td>
<td>53</td>
<td>19</td>
<td>35.8</td>
</tr>
<tr>
<td>St. Paul</td>
<td>30</td>
<td>7</td>
<td>23.3</td>
</tr>
</tbody>
</table>

Data Sources: Rail routes and stations - MetCouncil June 2016, Gentrification Typologies - CURA Research 2017
Minneapolis-St Paul: Transitways and Gentrification

- Did Not Gentrify
- Gentrified
- N/A
- Not Gentrifiable

Existing LRT, BRT and stations
- Light Rail
- BRT

Planned LRT and BRT
- Light Rail
- BRT and streetcar

Data Sources: Rail routes and stations - MetCouncil June 2016, Gentrification Typologies - CURA Research 2017
Q: How do you solve a problem as old as the United States of America?
The origin story we tell ourselves over and over again in this country is that good and brave men came and settled a foreign, dangerous and wild land and made it civilized.

This is essentially a gentrification and displacement narrative.

American development has always hinged on the idea of a conquered frontier.
How did we get here (geographies of inequality)?
• What we live with today is the result of careful planning.

• The public policies of yesterday still shape the racial landscape of today.

• For government and other institutional actors to offer remedies, we have to acknowledge and take responsibility for our past actions.

150 years post slavery.
50 years post civil rights.
8 years post Obama.
…most whites in America… proceed from a premise that equality is a loose expression for improvement.

White America is not even psychologically organized to close the gap – essentially it seeks only to make it less painful and less obvious but in most respects to retain it.
Americans believe in white supremacy as much as we believe in democracy.
Equity in Place is a strategic group of diverse partners from place-based, housing, and advocacy organizations in the Twin Cities.

• We recognize that current systems are failing our communities and together we are building connection and power across geographies to advance systems that are more just and fair and in harmony with our shared beliefs.

• We believe everyone in the Twin Cities region deserves to live where they want and have access to opportunity.

• We believe equitable growth creates healthier outcomes for everyone—individuals, communities, and the greater region.

• We believe equitable growth requires intentional planning, policymaking, and implementation.

• We believe plans about investment and opportunity in communities of color must be made in partnership with communities of color.
Strategies for Equitable Neighborhood Revitalization

Leaders are organizing and working at the policy, electoral and legal levels to ensure that the interests and well being of low wealth communities of color are advanced in our neighborhoods and communities.

To make effective progress we must work together to:

• Ensure that a dedicated percentage of every neighborhood or community’s overall housing stock is affordable to the residents who live there.

• Prevent involuntary displacement and protect the rights of renters.

• Help build the economic resources and wealth of communities of color.
Equity in Place: How Community Groups Are Shaping Investment in the Twin Cities Region

Equity in Place is a diverse group of strategic partners from place-based, housing, and advocacy organizations. We believe that everyone in the Twin Cities region deserves to live where they want to live and have access to opportunity. Our region benefits from many assets, but we continue to be unable to translate these benefits to everyone, specifically to communities of color.

Equity In Place engages community-based organizations in influencing planning and investments that will shape the future of the Twin Cities region. We believe:

- Equitable growth is good for everyone—individuals, communities, and the greater region.
- Equitable growth requires intentional planning, policymaking, and implementation.
- Government plans about communities of color need to be completed in partnership with communities of color.

A major opportunity came in 2012, when the Metropolitan Council was asked to complete a regional assessment called the Fair Housing and Equity Assessment (FHEA). The FHEA was a first-of-its-kind process, mandated by U.S. Department of Housing and Urban Development (HUD) and intended to identify where opportunities existed (or didn’t) in the Twin Cities region, with particular attention to low-wealth areas of wealth. That provocative change allowed decision-makers to consider why concentrations of affluent white people were not also seen as a problem for the region. We were able to subtly shift the narrative, opening peoples’ minds to new ways of thinking.

- Building a self-interest in engaging in this process: Community-based organizations are often overworked and don’t have the capacity to engage in processes that don’t have an immediate and visible connection to their constituents. But Equity in Place knew that the health of our communities depends on being connected to one another and to decision-makers. We also knew that the region had been having conversations and making decisions about race and place for a long time without much consultation with people of color. We were able to rally around the idea that outsiders would not make decisions, once again, for our communities.

- Democratizing expertise: One of our goals was to redefine who is seen as an expert in the region. After years of traditional, top-down planning in the Twin Cities region, government had been positioned as the expert on how to solve problems in low-wealth communities of color. This process, in contrast, elevated the wisdom, experience, and vision of people who lived in those communities.

- Crafting a shared analysis around opportunity and equity: We developed a shared narrative about opportunity, which crossed different communities.

- Pushing for an equitable process: Throughout the assessment, the relationship between the public sector and its partners became a key dynamic.
Shifting the Regional Narrative

Equity in Place is involved in this process because we want to ensure that all Twin Cities communities are geographies of opportunity. We told the Met Council, “Tell us what impact we can have, don’t just meet with us to say you met with us.” Our results include:

- **Reframing the analysis:** Early drafts of the FHEA did not offer a historical analysis of what factors and decisions led to racial and spatial inequities. We collectively asked the Met Council to tell a more complete story of how disparities were created and reinforced in our region. We stressed the need to clarify that “access” to opportunities such as good jobs, housing, health, and education, was very different than “proximity” to those resources.

- **Shifting governmental process:** Over the year or so that Equity in Place worked on this issue, we have observed a shift in how the Met Council approaches community engagement and talks about racial equity. Met Council staff and leadership now speak more openly about the need to lead with racial equity for the Twin Cities to thrive.

### Racially Concentrated Areas of Wealth & Poverty by Census Tract

<table>
<thead>
<tr>
<th>Color</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue</td>
<td>Racially Concentrated Areas of Poverty (RCAP)</td>
</tr>
<tr>
<td>Red</td>
<td>Racially Concentrated Areas of Wealth (RCAW)</td>
</tr>
</tbody>
</table>

**Definitions:**
- Racially Concentrated Areas of Poverty - Defined by Met Council as census tracts with a population of at least 50% people of color and a poverty rate of at least 40% (at 18.5% of federal poverty).
- Racially Concentrated Areas of Wealth - Defined by author as census tracts with a population of at least 90% non-Hispanic white and a median household income of at least $100,000.
At its core, our debates about community development or neighborhood revitalization in the region are also about race.

Without fully accounting for the historical and ongoing ways in which racial dynamics produce inequities between whites and people of color, the community development, legal, urban planning and antipoverty fields risk pursuing strategies that could be incomplete, or ineffective to the challenge.
Any conversation about neighborhood revitalization and community development without the voices of the people most impacted, is a power issue that must be corrected.

Low wealth communities of color are too often on the losing end of the power dynamics in our region. They are excluded from decision-making and priority setting, and at the losing end of a set of many other power relations. This continues a history of privilege and power that discounts the human agency and self-determination of the people and places we desire to ‘help’ in the first place.
We should advocate for more government action

During the post WWII era, urban neighborhoods were impacted by the decisions made by the federal government, bankers and real estate agents, and the private hand of the market was actively manipulated in favor of white taste and values.

The role of the government in creating the conditions that now lend themselves to persistent and durable poverty, gentrification and reduced autonomy for communities of color suggest that the government has an obligation to remedy these issues and to similarly manipulate their own policies, that of bankers and real estate agents and the private market in favor of the taste and values of people of color, just like they did for white taste and values in the early 20th century.
Public policymakers often confusedly view gentrification as an antidote to concentrated poverty.

• After all, gentrification can transform a neighborhood into one characterized by a strong commercial base, high value housing, and low rates of crime.

• But low income families, often of color, will more than likely not be living there to enjoy the new amenities.

• As a result, neighborhoods that are gentrifying are not on the pathway to being stable, mixed-income, and multi-racial.

• Rather, they are ones in which racial and economic changes occur rapidly, often fueled by market forces and various governmental policies and actions.
And this gets at the crux of the debate.

- Is what we’re experiencing now gentrification or simply revitalization?
- Who is benefiting from new investments and growth?
- Will low wealth communities and communities of color be displaced by current trends?
- How do we understand this point in time with trends and projections for the future?

Unproductive binaries
- “You were mad when the white people left, now you’re mad that the white people are coming back.”
- “What, you just want things to stay the same?”
Strategic questions we are asking:

• Which neighborhoods are changing and should be addressed first and/or with the most resources?

• Which policy tools or activities should be implemented, and how should they be prioritized?

• How can explicit anti-displacement goals lead to the development of an entirely different set of priorities for the region?

• How does an anti-gentrification policy fit into the broader set of goals, policies and identified needs for the Twin Cities?

• What is the role of public sector investments in a hot market?
Aren't most anti-gentrification policies like land trusts, value capture, local business development/retention strategies, anti-eviction policies, a proactive affordable housing strategy, etc. things that cities and regions should have everywhere anyway regardless of gentrification?