

Cityscape

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## The ins and outs of public and otherwise affordable housing

By [Bill Lindeke](#) | 03/13/15

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MinnPost photo by Bill Lindeke

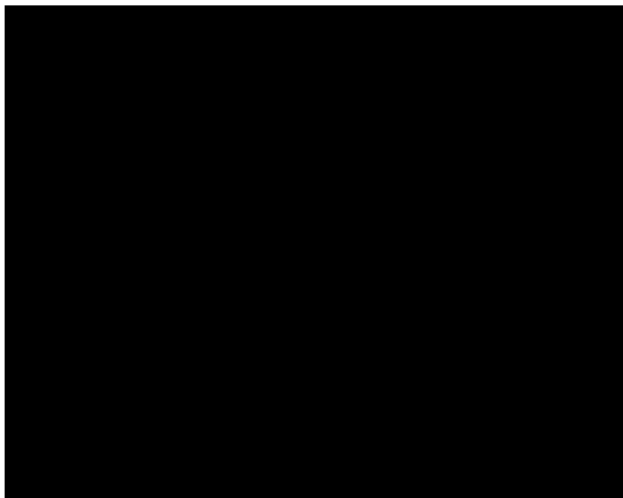
The Montreal Hi-Rise public housing in St. Paul.

The story sounds straight out of Franz Kafka: After eight years, an obscure bureaucracy holds a lottery. Tens of thousands of people sign up for a chance to win a golden ticket that entitles them to rent an affordable place to live. But – and here’s the ironic twist – even if they win, the ticket is only good for a spot on a waiting list. It might take a decade to cash in, and even if you last that long, you only have 60

days to use the housing voucher. For some families, especially in a tight market, that might not be

enough time to find a home before the voucher expires, along with the dream of a stable place to live.

Sadly, that's an accurate description of how we provide housing for poor people in the Twin Cities. Just a few weeks ago, the [Met Council's Housing and Redevelopment Agency](#) held a lottery for 2,000 spots in the Section 8 voucher program, aimed at providing affordable housing in the Twin Cities suburbs. And the voucher system is only one small piece of the Twin Cities' byzantine public and affordable housing landscape, which might hold the key to our persistent racial and economic inequalities.



This month, Americans everywhere are celebrating [the 50th anniversary of the march on Selma](#), which launched the modern-day civil rights movement and led to legal protections in arenas like voting and employment. But segregated living and racial tensions are as alive as ever, suggesting that the ideals of the 1968 Fair Housing Act, which was spurred by a series of late '60s riots, are still important.

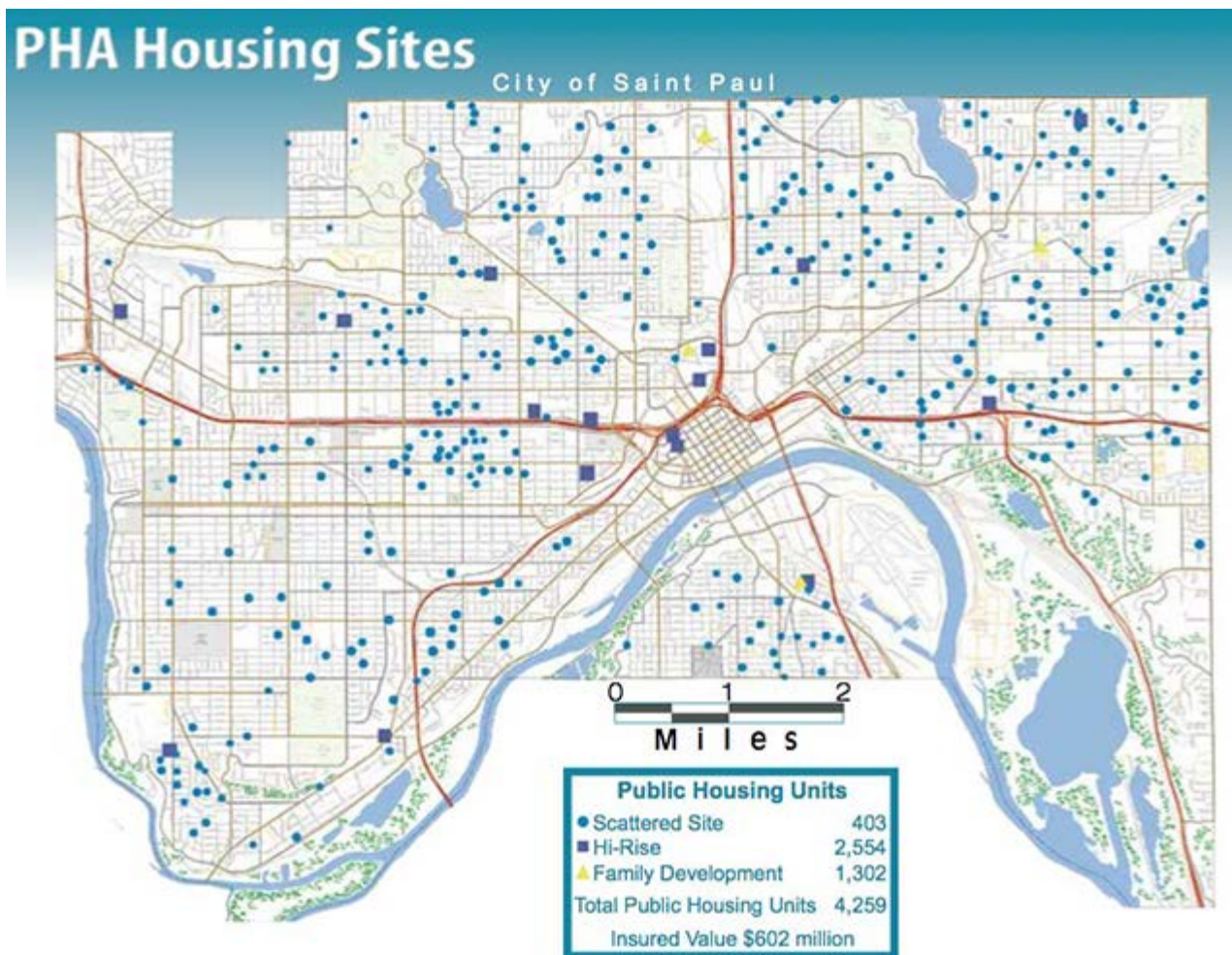
At root, racial segregation remains a huge problem in the Twin Cities. A few years ago the Metropolitan Council [released a thorough report](#) detailing how "racially concentrated areas of poverty" have grown within the region. Unequal opportunities presented by our segregated educational and economic landscape make Minnesota a ["miraculous" place](#) for white families, but leaves people of color behind.

## A complex housing system

"There are so many layers of programming and funding, most people get lost in the jargon," [Jon Gutzmann](#), the executive director of [the St. Paul Public Housing Agency](#) told me this week.

Actual public housing, which is explicitly owned by the government, is something that dates back to the New Deal era and accelerated during the huge housing shortages that followed World War II. Nationwide, the majority of public housing is in big cities like New York City and Chicago; but within the Twin Cities, the only place you'll find public housing is in Minneapolis and St. Paul proper, and even there, only in certain neighborhoods.

"Public housing was sited in St. Paul between 1965 and 1976," Gutzmann told me. "If you look at the public housing map, its very un-concentrated. But there's been no vehicle to add public housing since the 1980s. As far as any new public housing development goes, there's no money."



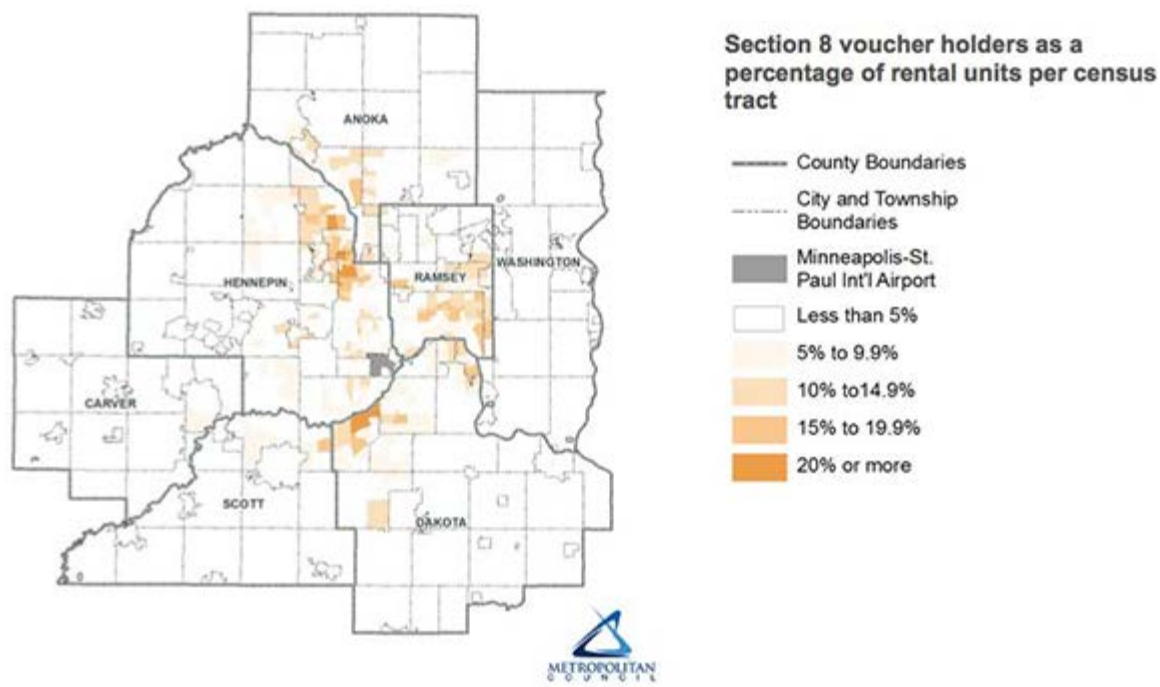
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While the traditional “high rise” style of public housing in Minneapolis and St. Paul can only be found in a few places (like along the I-94 freeway corridor, or near downtown Minneapolis) these days, the “scattered site” housing program attempts to spread public housing throughout both core cities, into more high-opportunity neighborhoods like Linden Hills and Highland Park. Given the unequal landscape of our central cities, ensuring access to stable neighborhoods is a big benefit.

## The ever-shrinking Section 8 program

Once public housing became politically poisonous, Congress created the Section 8 voucher program to provide a more market-based solution to housing the poor. Compared to public housing, which is concentrated in relatively few areas of older core cities, the Section 8 housing is relatively disbursed around the region, particularly in places outside the traditional core cities and concentrated areas of poverty.

“As you can imagine, those Section 8 vouchers are like gold,” Lael Robertson, the supervising attorney for the [Housing Discrimination Law Project](#), explained to me. “They allow you a lot more freedom because the subsidy moves with you, rather than staying with the building. The voucher allows people a chance to move into higher opportunity areas or to live in the neighborhood allegedly of their choice.”



Source: HousingLink, 2012, and U.S. Census Bureau, Decennial Census, 2010.

\_\_description\_\_

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But the freedom to choose breaks down for many cities where qualifying apartments are few and far between. While some other states and cities forbid landlords from turning people away on the basis of “source of income,” Minnesota has been unable to require that landlords accept the vouchers since a 2010 state appeals court case. In actual practice, this means the supply of Section 8 housing is limited in many of the area’s nicer suburbs, exactly the places where affordable housing is needed the most.

“The reality is that it’s a federally voluntary program,” Robertson told me this week. “It’s designed to allow people choice in their housing. But that’s not really the way that it works out because, even if the rent is affordable, landlords across the region can decide not to participate. Really what we need are more landlords willing to work with the Section 8 program and accept vouchers, and for cities and the state to put in incentives for landlords to participate.”

Expanding the program to meet the huge amount of demand for affordable housing is crucial if the Kafkaesque wait list is to shrink any time soon. But with congressional partisanship gridlocking Congress, the only remaining areas where Section 8 vouchers have received new funding has been for veterans. For example, St. Paul recently received 19 new housing vouchers dedicated for veterans; that might not seem like much, but is a big deal for the agency.

## The debate over affordable housing credits

The final evolution of the housing picture revolves around affordable housing tax credits, which are generally aimed at people who generally earn a bit more money — usually 50 percent to 60 percent of the area median income (as opposed to 30 percent of median income population, which is common with

Public and Section 8 programs). By using tax credits, cities can make sure that working-class families, including many people of color, can afford to live in all parts of the Twin cities.

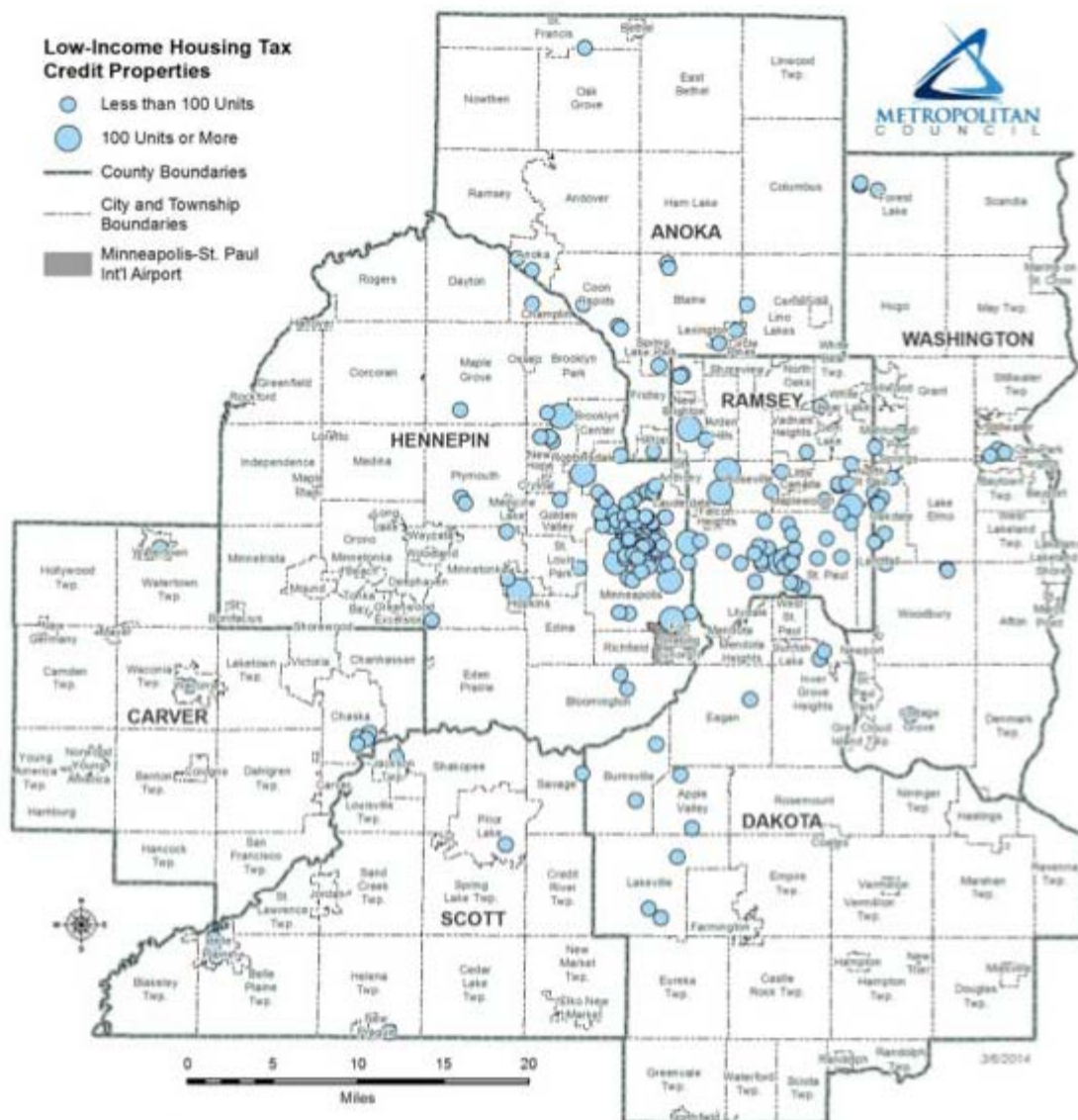
But as Peter Callaghan **outlined last week in MinnPost**, the key question for affordable housing developments is location: Where exactly are housing credits used? Will there be good schools, transit, and access to decent entry-level jobs?

“In the Twin Cities, we’re somewhat unique because we tend to try to solve these problems more earnestly than other regions,” Ed Goetz told me, pointing to our Metropolitan Council system, which allows for some regional control over planning and development patterns for the 7-counties that make up the core of the Twin Cities. Goetz directs the **Center for Urban and Regional Affairs** at the University of Minnesota, and has written extensively on how affordable housing operates in the Twin Cities.

“Of all the issues that the Met Council deals with, working with communities to build affordable housing is among the most sensitive,” Goetz explained. “They have historically been very reluctant to force communities to act in this area. The real question comes down to how much political capital they’re willing to spend to get affordable housing built.”

**As Callaghan described**, fellow U of M researcher **Myron Orfield’s** recent report calls out regional affordable housing decisionmakers for their longstanding pattern of locating housing in places already struggling with poverty.

Map 4.C Low Income Housing Tax Credit (LIHTC) properties, 2012



Source: Housing Link, 2012

The key question for affordable housing developments is location: Where exactly are housing credits used?

## Should housing be a right?

“It’s a shame we can’t get more affordable housing built to meet some of the needs,” Goetz told me. “We have suburbs that are diversifying economically and socially, and a lot of people living out there are living in really difficult situation from an economic standpoint.”

Those relying on subsidized housing for a decent place to live are going to spend years on a list, hoping for a chance at a golden ticket. Given the long wait times, and slow progress toward desegregating the metro area, the inequality conversation isn’t going away any time soon.

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## COMMENTS (5)

### My 2¢

SUBMITTED BY RAY SCHOCH ON MARCH 13, 2015 - 9:07AM.

Most of this discussion, angst, legislation and policy wrangling would be completely unnecessary were it not for the fact that the Twin Cities are not markedly different from any number of southern cities that Minnesota natives would like to point to disparagingly as examples of racism and discriminatory public policy. They are us.

There ought to be affordable housing in every neighborhood, in every community, but of course there isn't. Sometimes the discrimination is almost entirely based on race, or at best "otherness" in terms of ethnicity. Sometimes the discrimination is almost entirely based on socioeconomics (i.e., poverty), which can be viewed as simply another version of that "otherness."

When the Met Council tiptoes around the "sensitive" issue of affordable housing with Twin Cities suburbs, it is essentially tiptoeing around suburban bigotry (and occasionally, it's urban bigotry, as well). I'd argue that economic bigotry is just as ugly and just as pernicious as racial bigotry. They're often intertwined, given existing discrimination in employment and other facets of life, but especially in housing, my experience as both planning commissioner and housing commissioner was that the level of prejudice went up, and the level of tolerance for "others" went down, most dramatically when the issue was mostly about the economic.

The affluent, through local housing legislation that typically revolves around zoning, don't want their neighborhoods sullied by the presence of people who can't match their level of affluence, as evidenced by the size and type of their residences, the number, age and condition of the vehicles they drive, clothes they wear, and so on, ad nauseum. I've encountered plenty of people in every metro area where I've lived who are convinced that the presence of apartments, for example, or rental housing of almost any kind, is an invitation to crime and degradation.

When I point out that I've lived in just about every kind of housing that exists, all with the same behavior and lack of criminality, they're not persuaded, even a little bit. Rental housing, in their worldview, invites crime. Inexpensive rental housing is even worse. Section 8 housing is worst of all, and means drug dealers on every corner not populated with prostitutes, though they sometimes intermingle. Does this sound like blatant prejudice? It does to me.

While much of the prejudice against those who need affordable housing has its roots in racism, that prejudice leaps geographic and political boundaries with ease because, in recent times, it's often equally based on income, or, more accurately, the lack thereof. Affordable housing is unpopular with sizable chunks of the population precisely \*because\* it's affordable. Its presence in an affluent suburb or Twin Cities neighborhood is an uncomfortable reminder that "the market" doesn't function at all well in the area of housing. It's also an uncomfortable reminder that not everyone is economically comfortable, that the society still has work to do in meeting the promise of equitability, and it also brings the comfortable face-to-face with the reality that those they're inclined to look down their collective nose at are just as human and deserving of a decent place to live as those doing the looking.

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### Let's ponder a moment the issue of affordable housing

SUBMITTED BY JODY ROONEY ON MARCH 13, 2015 - 9:37AM.

and poverty. While many suburbs and exurbs may be appealing the transportation and job opportunities would preclude them from being good places for people without a vehicle to live.

I have watched folks walking well over a mile back and forth to work at some of the minimum wage jobs. The community is great with good schools and low crime but people here are stuck without a car. So unless there is transportation and an opportunity for a job you have just increased isolation.

If you are to achieve success with affordable housing look at locating units or rehabbing units in areas well served by transportation and with opportunities for jobs. This doesn't necessarily mean along bus routes because you do have some concentration of poverty there (that's the way the routes are designed - sort of a chicken and egg issue) but within

walking distance of a variety of jobs.

It would be interesting to overlay jobs and public housing and see what the correlation is.

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### Good Article

SUBMITTED BY DEAN CARLSON ON MARCH 13, 2015 - 10:58AM.

Good primer on Public Housing.

The Minneapolis Public Housing Authority (MPHA) actually has authority to add 112 public housing units to its inventory, but as mentioned in the article, there is no designated money for development. MPHA is working with a variety of governmental agencies such as Henn Co, MHFA, and the City to come up with a strategy to secure development \$\$\$\$. MPHA would then scatter these 112 family units in non-concentrated areas of the City in cluster-like developments of 4-10 units, focusing on families currently residing in shelters. It's a great deal. Development dollars in exchange for permanent affordable housing targeted at families who have incomes below 30 percent AMI.

Contact me if you want to hear more.

Dean Carlson  
[dcarlson@mplspha.org](mailto:dcarlson@mplspha.org)

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### Are you citing 112 INDIVIDUAL family units, and not...

SUBMITTED BY STEVE TITTERUD ON MARCH 13, 2015 - 5:22PM.

...112 buildings, each of which would house multiple family units ?

If it's 112 individual family units, it's a rather tiny drop in the bucket for a metropolitan area of approximately 3.5 million. (I realize you're talking about the Minneapolis authority here, but still...)

We have a myriad of ways of subsidizing, supporting, and indirectly investing in profitable high rent properties, but let's face it - almost nobody wants to invest in "affordable" - housing.

We'd rather spend public money on a new football stadium. How many "affordable" family housing units would \$1 billion build ?

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### St. Paul's agency

SUBMITTED BY DAVID MARKLE ON MARCH 13, 2015 - 11:37AM.

Given the federal and state framework in which they operate, so far as I know the St. Paul Public Housing Authority deserves recognition for the exceptional job they have done with the programs and their buildings.

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