



Deconcentrate poverty

What's working

Public housing was dispersed thanks to the Hollman consent decree.

- The Hollman decree was an unprecedented success in deconcentrating public housing in north Minneapolis.

The City instituted policy changes for development projects.

- City policy now gives more points to developers who site affordable projects in neighborhoods

that don't have high concentrations of poverty. Conversely, they lose points for proposing affordable housing in low-income neighborhoods.

We're enforcing housing standards more consistently.

- The City's enforcement of housing regulations is 1,000 times better than it was four to five years ago. We are finally saying that we won't tolerate bad conditions in *any* area — poor or affluent.

What isn't working

Foreclosures have had a devastating impact.

- Stable homeowners are seeing the value of their homes cut in half.
- Overextended homeowners can't sell and move to another area.
- Not enough is being done to prevent investors from buying foreclosed homes. It's bad enough that it happened once; it's doubly bad if it happens again.

Section 8 has shortcomings.

- Section 8 vouchers are partly responsible for bringing out predatory investors. Section 8 guarantees a nice income stream so investors can buy a house at a low price and then another. Investors took neighborhoods that were formerly owner-occupied and turned them into rental.
- North Minneapolis has 50 percent of all the Section 8 vouchers in the entire city. Despite this concentration, we can't make these neighborhoods off-limits for more Section 8 vouchers.
- Section 8's federal regulations are less stringent than City regulations, so some families end up in substandard homes.

- The problem isn't tenants or the ratio of rentals to owned homes. Stevens Square is a success and it's a high rental/high density area. The issue is problem landlords.
- Rented-out single family homes are a problem. Many of these owners have no experience being landlords.
- The City's point system works at odds with the market. Land values are more expensive where we would like to direct developers so it's not economically feasible. It's also more difficult – politically – to build affordable housing in more affluent areas. Putting subsidized units in higher income areas results in smaller projects.
- The federal tax structure operates exactly opposite of the City's point system. It rewards developers for putting new subsidized housing in areas where poverty is concentrated.
- We could benefit from a moratorium on rental licenses, but it's against the law.
- Instituting a moratorium on rental and Section 8 would have a catastrophic impact on low-income families. If you eliminate whole neighborhoods from eligibility, people will have no place to go.

The problems are complicated and our tools are marginal.

- We've poured resources into certain neighborhoods, but it hasn't helped.
- We gave families the opportunity to get off the waiting list if they would leave an area of concentrated poverty. Even though the new neighborhoods are supposedly better, families move right back after a year because the old neighborhoods are where their family, friends and support systems are.

Racism and cultural elements are still factors.

- We still tolerate different standards in different areas of Minneapolis.
- People want to live among "their people," but cultural comfort can be a negative if people think they can get away with bad stuff in their neighborhood.
- Minorities were harder hit by sub-prime lenders because there weren't enough prime lenders willing to help them. Race is a big component in the foreclosure issue.
- People are steered away from areas where they don't match the prevailing racial or social makeup.

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What should be done next

Find ways to help low-income individuals live in non-poverty areas.

- Get Housing and Urban Development (HUD) to allow exception rents so clients can live in areas that are now too pricey.
- Reach out to neighborhoods. With education, some neighborhoods will step up and accept a share of affordable housing.
- Help families that move to non-impacted areas feel part of their new neighborhood so they don't move back to low-income neighborhoods. Help them find churches and schools they're comfortable with. Increase the certificate requirement from a one-year stay to three years so they'll build community connections.
- Find ways for poor people working in the suburbs to live closer to their jobs.
- Find and work with landlords in non-impacted areas.
- Recognize that private landlords are our allies – not our enemies. Start using carrots instead of sticks.
- Better align City housing regulations and federal housing policies so families don't end up in substandard homes.

Exploit education to encourage movement to different communities.

- Use magnet schools for high-achieving students to encourage middle-class whites to move into the city. The University of Minnesota could host such a school because the people who work at the university would consider moving to the city for this program.
- Link school choice to Section 8 vouchers. If families want to enroll their children in a

suburban school, encourage them to move to the neighborhood where that school is located.

Help people buy homes and build neighborhood connections.

- Help people take advantage of the historic opportunity to buy a home. The City needs to shift from brick and mortar projects to empowering people to own a home because home ownership can break the cycle of poverty by offering stability and generational advantage.
- Market foreclosed homes to the middle class because new homeowners can change neighborhoods. We're in a race against investors — we need to offer carrots like the Minneapolis Advantage program.
- Require households getting home-buying assistance to live in the home for five years.

Monitor the private market and crack down on racial steering.

Crack down on shady investors.

- Prevent investors from buying foreclosed homes.
- Rethink rental licenses and rental subsidies.
- Institute a moratorium on rental licenses, even if that means potentially drawing a lawsuit.

Focus on broader issues related to poverty.

- Instead of focusing on moving poor people, close the employment gap.
- Don't place all the services for poor people in one area — that just increases the concentration of poor people.

“People end up in poor neighborhoods for lots of reasons.

Subsidized housing can't be our only tool for deconcentrating poverty.”

- Housing policy advocate
