

New Partners for Smart Growth Conference

CLTs – Displacement is Preventable

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The Mission of the CLCLT is to provide and foster stewardship of perpetually affordable home ownership opportunities for low- and moderate-income families throughout Minneapolis.

- City of Minneapolis
- Incorporated in 2002
- First Household assisted in 2004
- Staff of 3.75 FTEs
- 200+ CLT homeowners, 24 resales to date
- Single Family Homes, Townhomes, and Condos
- Developments, Buyer-Initiated Program, C4D Program



- On Average, 49% of Area Median Income (Average income of \$33,290)
- Equity – despite 40% of City residents Community of Color households, only 13% are homeowners – 53% of CLCLT households are Community of Color households.
- Foreclosures – 8 CLCLT foreclosures over the past 10 years. CLCLT homeowners 50% less likely to experience foreclosure as average Minneapolis homeowner.
- Rents – Over the past three years, the average rent previously paid is equal to their new CLCLT PITI.
- Incomes – Over 3 years, CLCLT homeowner incomes have risen by 25% on average since purchasing home.



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SOUTHWEST
Median Home Value
~ \$700k
(expensive SF Homes and Condos)

BOTTINEAU
Median Home Value ~ \$125k
(primarily SF Homes, MF & SF Rental)

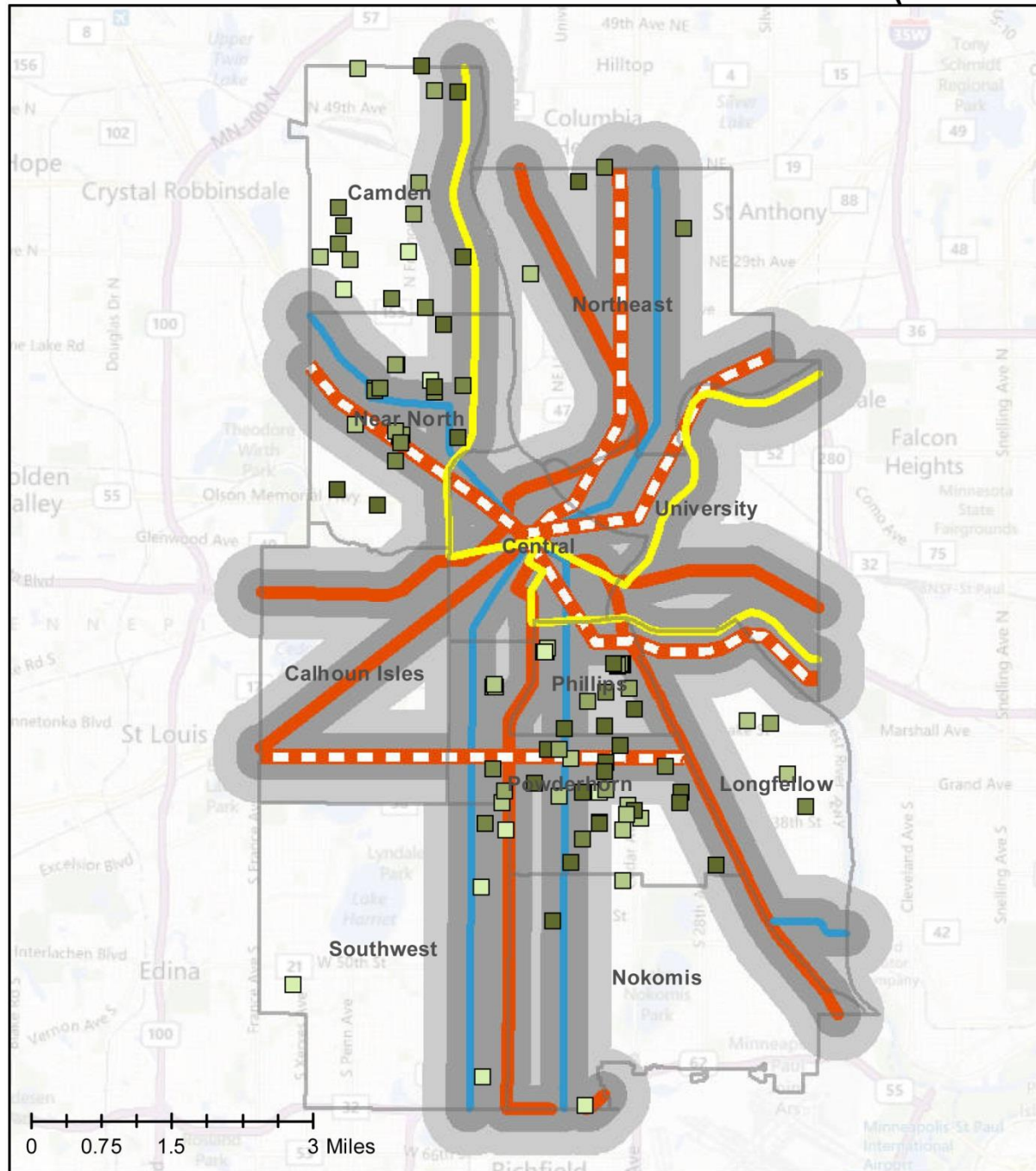
CENTRAL
Median Home Value ~ \$250k
(few SF Homes)

HIAWATHA
Median Home Value ~ \$180k
(primarily SF Homes & MF Rental)

Average CLT Buyer purchase price of approximately \$103k and average property value of \$150k.

- LEGEND**
- Commuter rail
 - Airport connection
 - Amtrak terminal
 - Metro Transfer Station
 - Metro Terminal Station
 - Bus Exchange

CLCLT PROPERTIES AND TRANSIT CORRIDORS (CURRENT AND FUTURE)



CLCLT Homes - Market Price

- \$195,001 or more
- \$169,501 - \$195,000
- \$151,501 - \$169,500
- \$125,001 - \$151,500
- \$125,000 or less

Transit Corridors (Transitways 2030)

- Complete or Under Construction
- Under Development
- Arterial BRT
- Express Bus
- Transit Corridor - 1/4 mile buffer
- Transit Corridor - 1/2 mile buffer
- Minneapolis Communities

Distance	Homes	Percent of Total
Within 1/4-mile	84	59.6%
Within 1/2-mile	116	82.2%
> 1/2-mile	25	17.7%
Total	141	100%

Map made by CURA Staff
 June 2012
 Data Sources: CLCLT
 Met Council
 City of Minneapolis

**Center for Urban and
 Regional Affairs (CURA)**
 UNIVERSITY OF MINNESOTA

SOUTHWEST & CENTRAL LINES

Existing Higher-cost Land (high home values)

- Huge Affordability Gap investments are needed (\$200-\$400k per unit)
- Affordability investment needed often in excess of land value
- SF CLT Units highly unlikely in these markets, but possible (University District Example)
- Higher Density (Condos/Townhomes)
- Inclusionary Housing/Zoning tied to Long-term Affordability Benefits
- Embed policy language into Transit Line/Regional Plans
- Equity and access are very real factors



HIAWATHA LINE

Average Land (home values)

- Slightly above-average affordability investments
- Land value typically on par with affordability investment needed
- SF CLT Units can be achieved through SF development and/or Buyer-Initiated Program
- CLT Condos/Townhomes also work in this market



BOTTINEAU LINE

Lower-Cost Land (home values)

- Average affordability investments
- Land value typically far less than affordability investment needed
- SF CLT Units can be achieved through SF development can be achieved IF development (value) gap subsidies are available
- SF CLT Units can be achieved through Buyer-Initiated Program
- CLT Condos/Townhomes probably not housing proposed
- Gentrification and displacement a very real possibility



How is the CLCLT well situated to be a policy partner in Transit Planning?

Established public/funder relationships

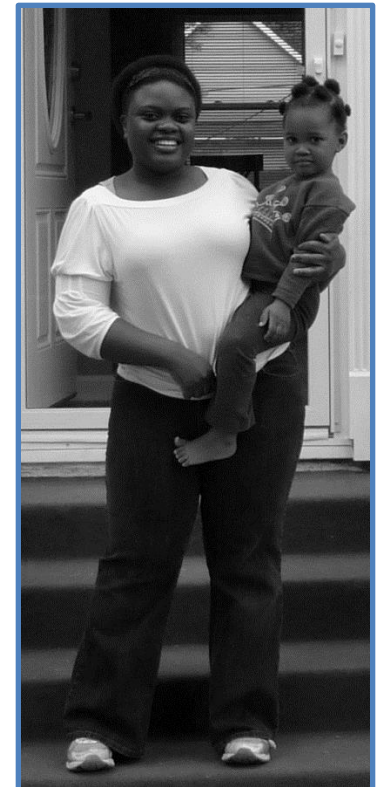
Experience with Condos, Townhomes, SF homes

Through CLT homeowners, policy/politically engaged

Previous partnerships with non- and for-profit developers

Deep, trusted relationships with Mpls. neighborhood leadership, communities, and residents

Engaged in conversations related to commercial and agricultural applications tied to Community Land Trusts



Why should a growing, but not an extremely high-cost city like Minneapolis, consider affordable housing with its transit planning?



“Metropolitanization” of America

There is great aspiration (political and funding) for the Twin Cities Metro to compete with other large metropolitan areas

Increased housing costs will follow (sooner than later)

Displacement will occur unless we act in front of cost increases

What are the plans moving forward? What can the CLCLT do to increase CLT units along transit lines?

Inclusionary Zoning

- Density (unit/floors/height/setbacks)
- In Lieu Fund

Value Capture Financing

(TIF - tax increment financing)

– tied to long-term affordability

Advocate (through CLT owners/buyers)!

- Subsidy retention
- Leverage over time
- Reinforcing the how much more expensive it will be into the future
- Articulate and put a face behind who will win/lose

