

THE BIG PICTURE PROJECT

Aligning housing plans along
Central Corridor

PROGRESS REPORT 2016 Twin Cities LIISC

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Though we always expected development to follow the LRT, this pace is ahead of expectations. Original projections called for \$7 billion worth of development along the line over 30 years. After just five years (three years of construction and almost two years of operation), we are already halfway to our goal. And we are absolutely hearing from developers that the Green Line is driving their investments.*

—Mayor Chris Coleman, City of Saint Paul

“

The Green Line success story illustrates exactly why transit is such a good investment for our communities. At a cost of \$957 million—half of that covered by the federal government—the Green Line has provided a serious return on investment for Minnesotans.*

—Chair Adam Duininck, Metropolitan Council

*Source for quotes: Metropolitan Council; About Council, Communities, Transportation post, 4/19/2016

Dear friends of the Big Picture Project

The 2012 Central Corridor affordable housing coordinated plan helps align public and private investments, and mobilizes all sectors behind strategies and tools that strengthen affordable housing along the corridor. Key to the plan's success are collaboration, new and existing financial resources, and supportive public policies.

As we head into our fifth year of operation along the Green Line LRT, how are we doing? It's hard to believe, but we've already far exceeded our half-way mark for the Big Picture Project's 10-year affordable housing goals!

- Since 2011, we've built or preserved 3,573 units of affordable housing—**80% of our 10-year goal.**
- In our efforts to provide resources to help stabilize lower income families in their homes, we're at 968 households served—**61% of our 10-year goal.**
- More than \$4.2 billion has been invested in residential and commercial development (not including the new stadiums) along the existing Green Line.
- Of the 6,388 new housing units built, 1,269 (20%) are designated affordable.

While this is impressive progress, in the wake of all this new investment there's concern about our most vulnerable community members being displaced. With rising rental rates throughout the corridor, the threat of families losing their homes is very real, especially those with fixed or marginal incomes.

More must be done to define strategies that help stabilize those that are most vulnerable. How can we strengthen support for renters who are the most vulnerable to displacement?

Big Picture Project Objectives 2011–2020

Objective I

Invest in the production and preservation of long-term affordable housing

Objective II

Stabilize the neighborhood and invest in activities that help low-income people stay in their homes

Objective III

Strengthen families through coordinated investments

Through our concerted efforts, we've seen amazing results that go far beyond what we imagined five years ago. Encouraged by this progress, we'll continue to strive toward an equitable economy: one in which everyone can participate, prosper, and reach their full potential.

Thank you for your partnership in that work. And a special thanks to Central Corridor Funders Collaborative for their ongoing interest and support. As they sunset in 2016, their legacy will live on.

Co-Chairs, Big Picture Project Oversight Team

St. Paul Council Member Russ Stark

Minneapolis Council Member Cam Gordon



Russ Stark



Cam Gordon

Thanks to the Big Picture Oversight Team Members

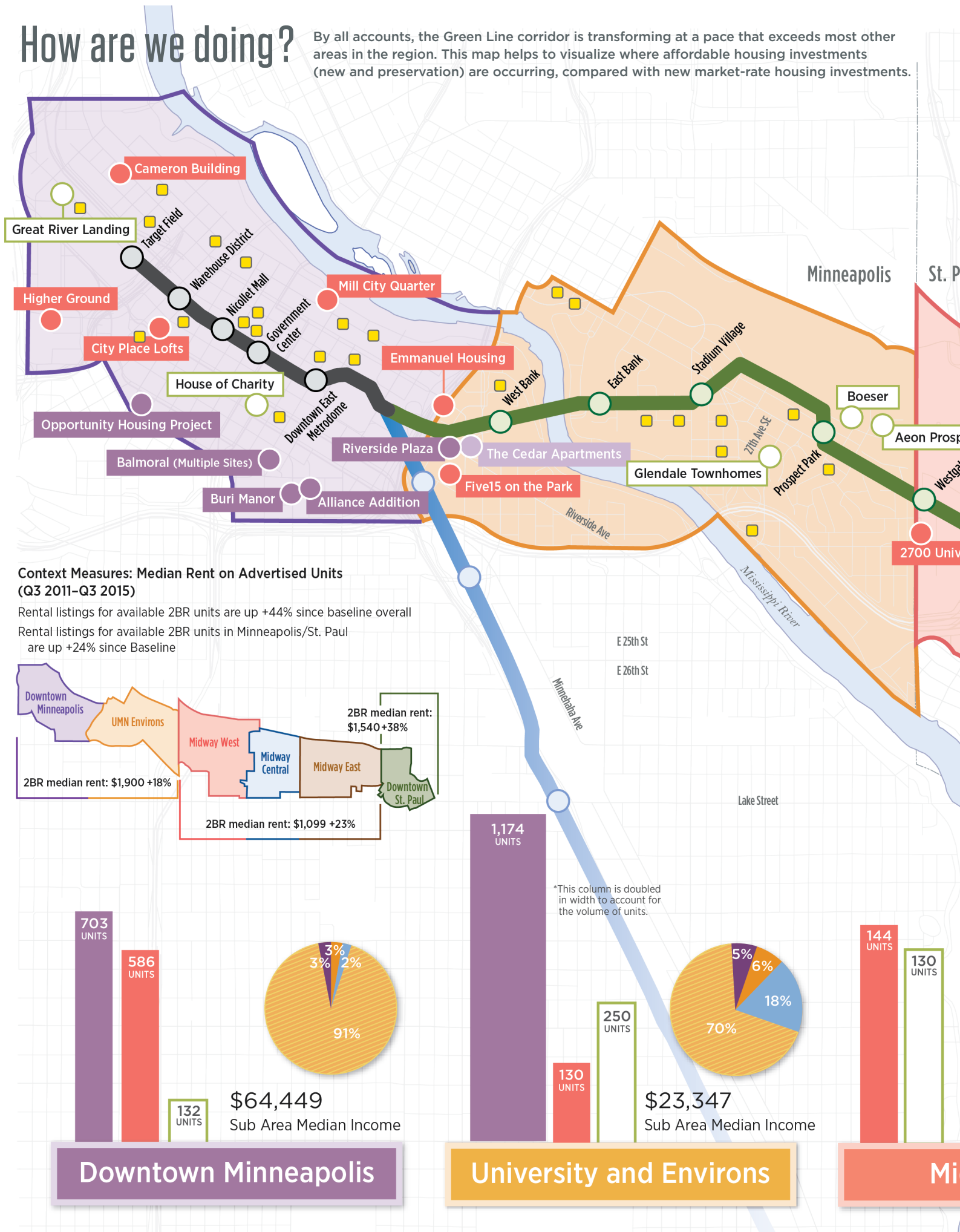
Co-Chair Russ Stark, Saint Paul City Councilmember, Ward 1
Co-Chair Cam Gordon, Minneapolis City Councilmember, Ward 2
Patty Lilledahl, Saint Paul Dept of Planning and Economic Development
Theresa Cunningham, Minneapolis Community Planning and Economic Development
Margo Geffen, Hennepin County, Housing Development/Finance
Kerri Pearce Ruch, Hennepin County Community Works
Denise Beigbeder, Ramsey County HRA
Margaret Kaplan, MN Housing Finance Agency
Beth Reetz, Metropolitan Council
Elizabeth Ryan, Family Housing Fund
Eric Muschler, The McKnight Foundation
Amy McCullough, Twin Cities LISC
Vicki Shipley, U.S. Bank
Trent Bowman, Associated Bank
Mary Kay Bailey, Central Corridor Funders Collaborative
Barbara McCormick, Project for Pride in Living
Tim Thompson, Housing Justice Center
Bill Lerman, Jewish Community Action
Metric M. Giles, Community Stabilization Project

Staffing

Gretchen Nicholls, Twin Cities LISC
Kate Speed, Twin Cities LISC

How are we doing?

By all accounts, the Green Line corridor is transforming at a pace that exceeds most other areas in the region. This map helps to visualize where affordable housing investments (new and preservation) are occurring, compared with new market-rate housing investments.



KEY

New/Preserved Affordable Housing Units

(Symbols on Map and Bar Charts)
Based on Averages of Housing Projects

- Preservation (2011–2015)
- Preservation (2008–2010)
- New Construction (2011–2015)
- New Construction (2008–2010)
- Pipeline/Proposed

Total Housing Units by Type

(Pie Charts)

Building Type Based on Number of Units

NOTE: Charts reflect data within 1/2 mile of station boundaries.

- Single Family or Duplex
- Small Apartment (3–9 Units)
- Large Apartment (10+ Units)
- Other (Townhome/Condo)

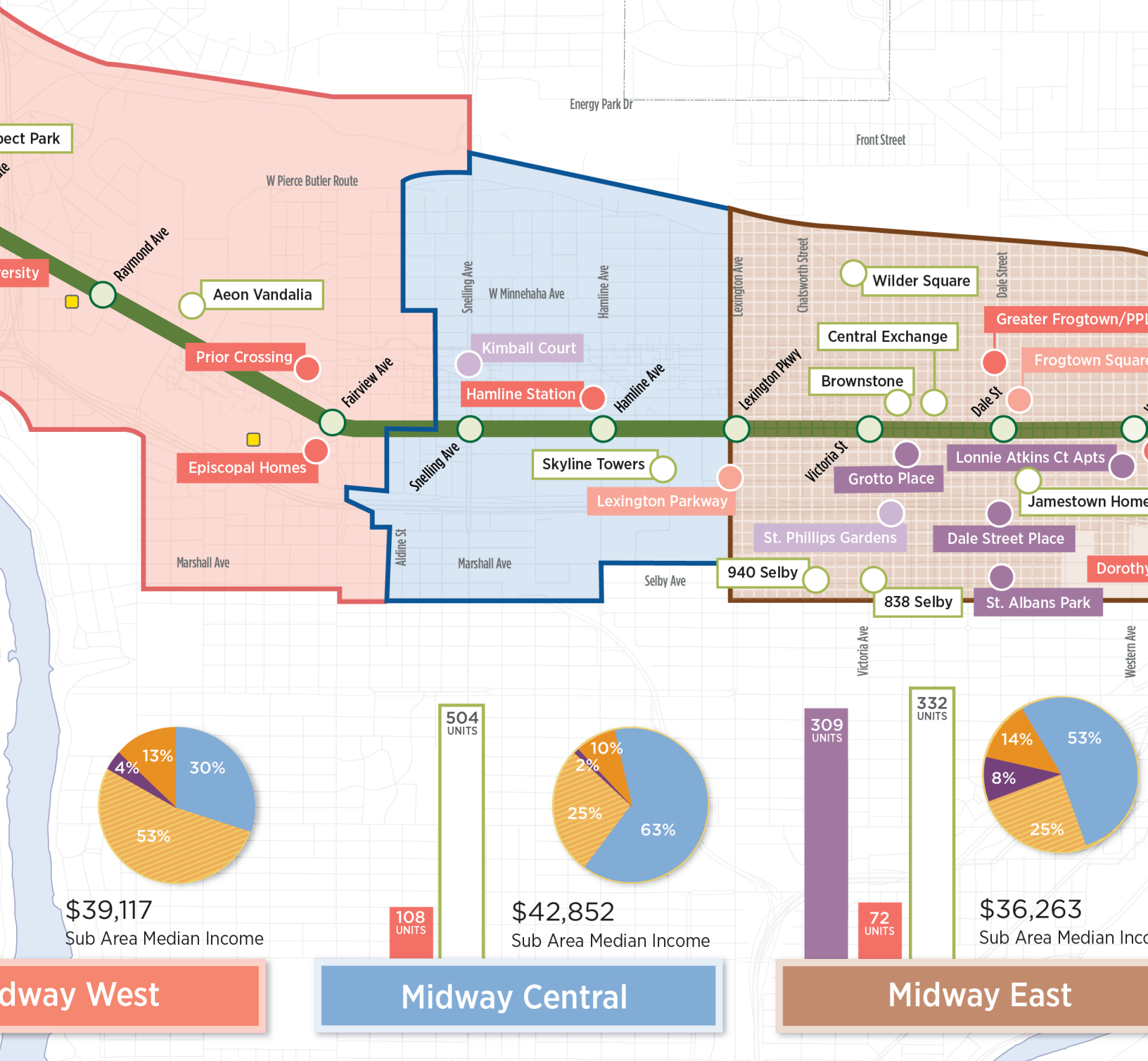
New Market-Rate Housing (2011–2015)

Transit Lines

- Central Corridor LRT Route
- Hiawatha LRT Route
- Merged Lines

Additional Boundaries

- St. Paul Promise Neighborhood



What People are Saying

Russ Stark
St. Paul City Council



"Five years ago, we were uncertain that our collective resources could meet the "stretch" goal for affordable housing production and preservation along the Green Line. But we were able to meet that goal—years ahead of schedule—by focusing attention and resources on the need for affordable housing as part of new development along the Central Corridor."

Beverly Oliver Hawkins
Model Cities



"The Green Line has offered Model Cities a great opportunity to join with other revitalization efforts along University Avenue. Model Cities' BROWNstone building interweaves quality affordable housing, commercial space, public art and green space into a place where people want to live and businesses want to grow. This is good news for an area that was especially hard hit by the housing crisis and has experienced decades of disinvestment. Investments made along the Green Line will transform University Avenue into the thriving destination point that it enjoyed in years past."

Tim Thompson
Housing Justice Center

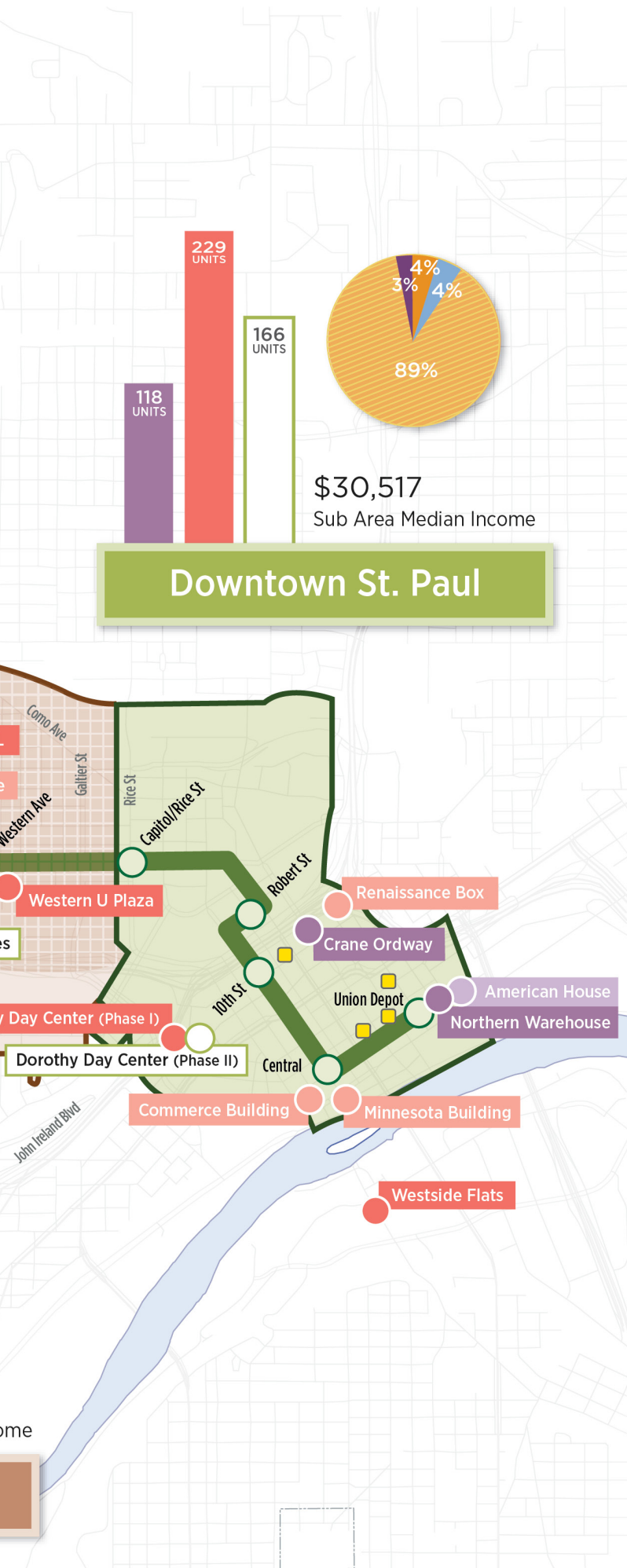


"Measurable goals are essential for making progress on regional housing goals because without them there is no way to know if we've succeeded. What the Big Picture project has done is show that a broad range of stakeholders can come together to produce ambitious and realistic goals, along with workable strategies, that so far, are proving to be on track and doable."

James Lehnhoff
Aeon



"The Big Picture Project was a benefit to the stakeholders along the Corridor precisely because it looked at the big picture! The project recognized the vital interconnections between people, transit, employment, housing, and amenities. As an affordable housing developer and owner, we appreciate this incredible interconnectivity because it has the ability to provide new or expanded opportunities for our residents."



The BPP Dashboard

The Big Picture Project will monitor and report progress on the Central Corridor Affordable Housing Coordinated Plan through a dashboard of change indicators to track outcomes.

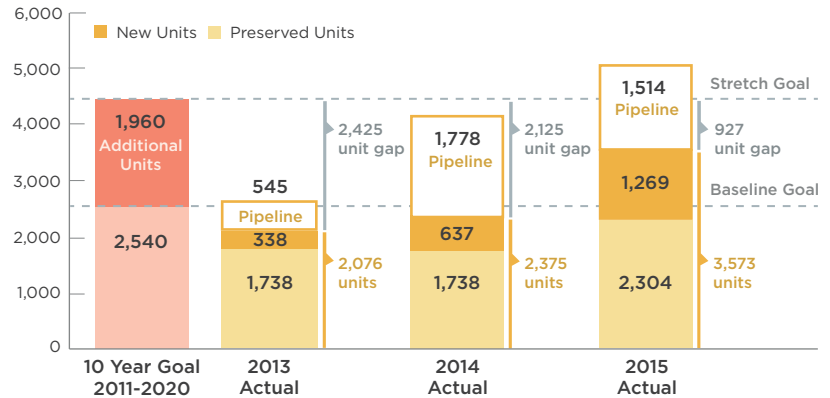
Objective I

Invest in the production and preservation of long-term affordable housing.

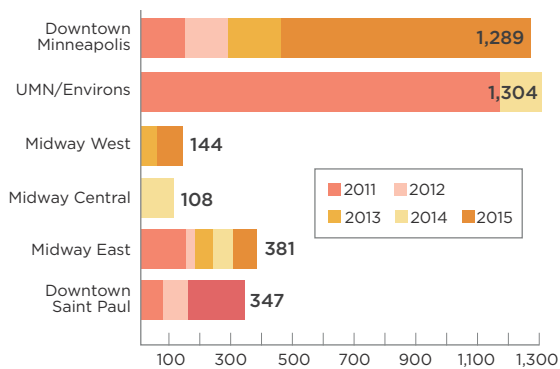
Reaching the Expanded Goal

Notes: Newly constructed and preserved housing units are officially counted at finance closing. Since 2011, 3,573 (subsidized) affordable units have been built or preserved along the corridor. To reach the expanded goal of 4,500 new or preserved units by 2020, private and public resources must be identified for 185 units per year for the next five years. With another 1,514 in the pipeline (meaning those units are still securing financing), the stretch goal seems easily reachable.

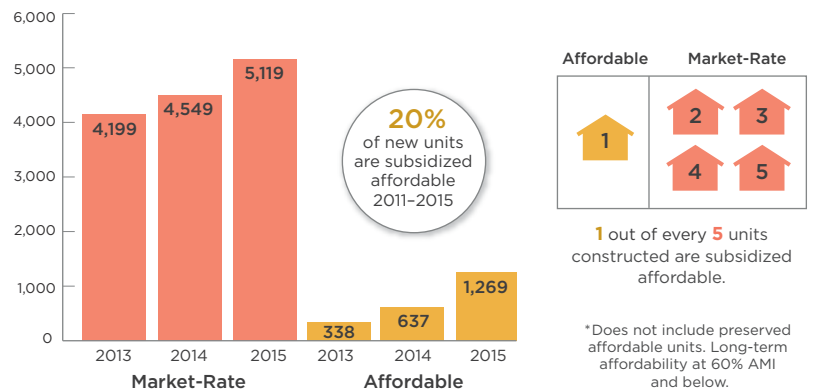
Pipeline refers to active affordable housing development projects that are still seeking financing.



New and Preserved Affordable Units by Sub Area



Comparing New Market-Rate to Affordable Housing Units: 2011-2015*



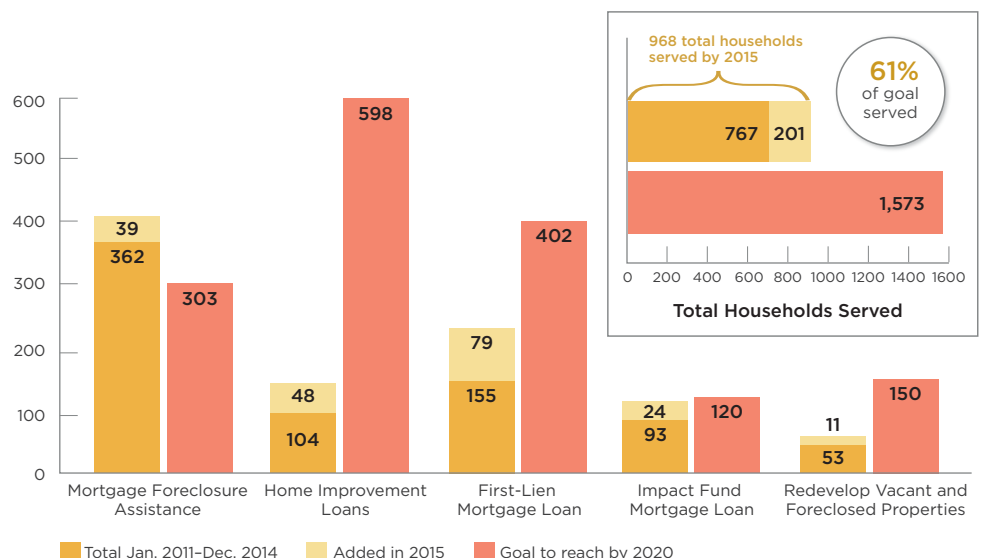
Objective II

Stabilize the neighborhood and invest in activities that help low-income people stay in their homes.

Tracking Activities that Help Low and Moderate-Income People Stay in Their Homes

Notes: The corridor is making progress towards the overall goal of 1,573 households served.

The overall goal consists of a variety of programs and services provided for homeowners depicted in the graph (each with their own ten year goals). One of the five programmatic categories has already exceeded its ten-year goal (mortgage foreclosure assistance), and another is nearly there (Impact Fund mortgage loans).

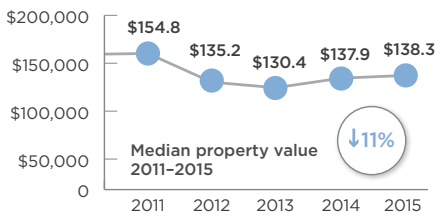


Objective III

Strengthen families through coordinated investments

Tracking Change in Median Assessed Value for Single Family Homes (shown in aggregate)

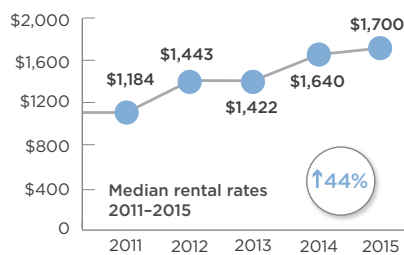
Eleven percent decrease across the Corridor compared to a City of St. Paul decrease of about 6%



Notes: Declining assessments of single family homes along the corridor indicate that homeowners are less likely to see property tax pressure from increased assessments. Increased taxes as the result of higher property values are often cited as a sign of gentrification and possible precursor to displacement. Home valuation has stabilized in the corridor after a notable decline (2011-13), followed by a slight recovery (2013-14). Values are now 11% below baseline, suggesting that homeowners are facing little pressure to sell, either from increased property taxes or from market demand. While property tax assessments are not currently showing signs of driving people from their homes, the project will continue to track these changes as values continue to recover.

Tracking Change in Median Rental Rates for Available Two-Bedroom Housing Units (shown in aggregate)

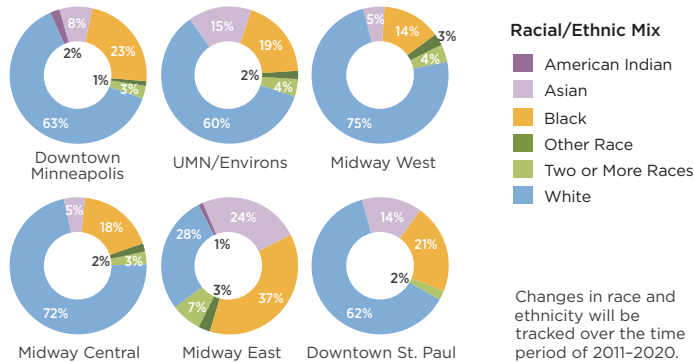
Forty-four percent increase across the Corridor compared to a Minneapolis-St. Paul increase of about 24%



Notes: The rental rate data is comprised exclusively of advertised rental listings, providing a snapshot of a prospective renter's options when looking for a two-bedroom housing unit at a given point in time (here, third quarter of each year). However, this data does not include rental rates or rates of change for existing, occupied units; as such, rising rents for advertised units do not necessarily indicate that renters along the corridor are being forced out of their current situations. The change in advertised listings largely reflects the increase in luxury apartments in the two downtowns, as well as new student housing located near the University of Minnesota. Three-quarters of above-median rents fall in Downtown Minneapolis and the UMN/Environs segments. Although median rents for available listings within the Midway segments have risen over baseline to \$1,099/month (and grew by 5% between 2014 and 2015, the largest year-over-year percent increase along the corridor), rents remain significantly lower than the corridor median (\$1,700/month). The project will continue to track these changes over time.

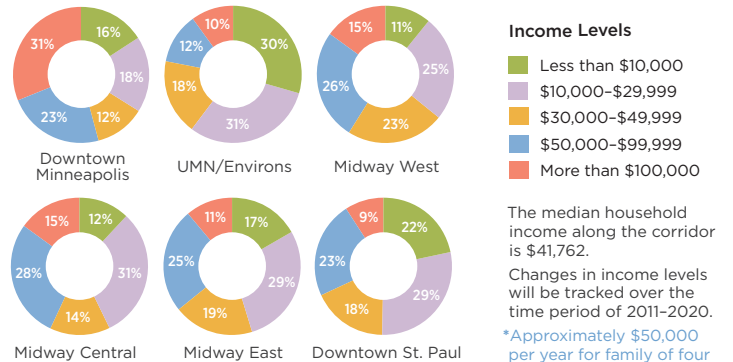
Central Corridor Racial/Ethnic Mix by Sub Area (2010-2014)

Forty-four percent of households are people of color



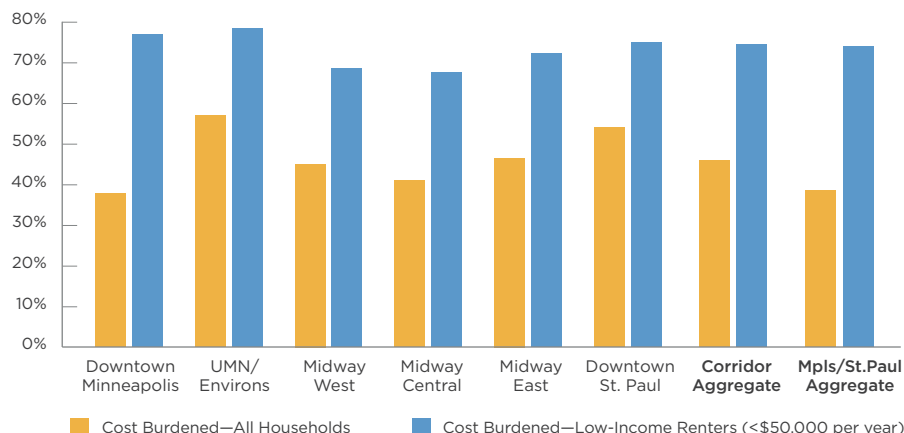
Central Corridor Income Levels by Sub Area (2010-2014)

Sixty-one percent of households earn less than 60% AMI*



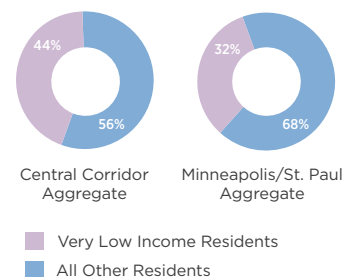
Are Households Able to Afford Housing in the Corridor?

Cost burdened households pay more than 30% of their income on housing costs



Households with Income Under \$30,000

The proportion of very low income residents is higher along the Corridor than across the region



The Momentum is Building

Investment along the Green Line LRT Corridor is undeniable.
But with that investment, we must continue to ask:
“How are the people doing?”

With the new stadium developments (Twins, Saint Paul Saints, Vikings, Gophers, and the proposed major league soccer stadium), along with the major hubs of the two downtowns, the University of Minnesota, and the State Capital, the light rail transit corridor continues to set the stage as an attractive location for regional destinations. Will they overshadow or compliment the community-based districts of Little Mekong, the Creative Enterprise Zone, West Bank, Lowertown Arts District, Little Africa, Frogtown, and Historic Rondo? The potential for displacement of these established cultural communities and their economic base can't be ignored.

While change can be slow and incremental, the lasting effects can be absolute. What we've observed in the first five years of the Big Picture Project is that the low-income renters—without any financial buffers to absorb the rate increases—are the first to feel the pressures of displacement.

As the market potential of the corridor increases, how do we ensure that the most vulnerable in our community don't get pushed aside?

The Big Picture Project, composed of public and private sector partners, will continue to monitor and address the evolving needs of the corridor through a series of topical conversations.

For more information, go to www.tclisc.org/bigpicture.

2015 Housing Highlights

1 in 5 new units are affordable. Since 2011, one out of every five new housing units have been dedicated to long-term affordability, serving families at or below 60% area median income (\$51,960 for a family of four).

Mixed-income properties emerge. 2700 University—an innovative achievement in TOD mixed income housing, adds 248 apartments with modern amenities to the Central Corridor. Twenty percent of those will be affordable, and 80% will be market-rate units, featuring a variety of indoor and outdoor amenities and 3,000 square feet of commercial space.

Equal investment in preservation and new construction. Equal amounts of new construction and preservation of existing affordable housing occurred along the corridor, resulting in a long-term commitment to providing housing options for lower income families as market forces change.

Acknowledgements for data sources

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All data in this annual report was compiled by Wilder Research. Data source: U.S. Census Bureau, American Community Survey 2010-14

The Big Picture Project has been endorsed by:

- Corridors of Opportunity Policy Board
- Central Corridor Funders Collaborative
- City of St. Paul Housing Redevelopment Authority (HRA)
- Twin Cities LISC
- Housing Justice Center (HJC)



The Big Picture Project is hosted by the Cities of Minneapolis and Saint Paul and Twin Cities LISC, and supported by the Central Corridor Funders Collaborative.

For more information please visit:

www.funderscollaborative.org/partners/affordable-housing

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