



Blue Line Coalition Housing Policy Platform

The Blue Line Coalition is deeply concerned about the potential increase in housing costs and loss of affordable housing in the Bottineau LRT Corridor. History shows that when highly-desirable transit is built in low- or moderate-income communities, housing costs tend to rise. An increase in housing costs will have a significant impact on the most vulnerable corridor residents:

- Forty-two percent of Bottineau Corridor households are cost-burdened (spending over 30 percent of their income on rent).¹
- Nineteen percent of corridor residents live below the poverty line, nearly twice the regional poverty rate of ten percent.²
- Fifty-six percent of non-white corridor residents live in areas experiencing development pressure.³

Corridor residents have spoken to these concerns during community engagement processes. Housing affordability and displacement have been common themes during station area planning, Health Equity Engagement Cohort outreach, and community surveys. Residents have expressed concern that:

- Many corridor residents already struggle to afford their housing; rising rents would make that more difficult.
- Homeownership will be less affordable due to rising home values and rising property taxes.
- Families could be forced to move from their longtime neighborhoods, schools, and communities as housing costs rise.
- Low-income residents will not be able to take advantage of the improved transit access to employment because they will not be able to afford to live near a station.

The Blue Line Coalition supports the following policies for affordable housing preservation and production. We call on our elected leaders to enact them at the municipal and state levels.

Just-Cause Eviction

Just-cause eviction prevents landlords from terminating leases without a demonstrated reason. A landlord's desire to raise the rent on the unit is not considered a sufficient reason for ending a lease. Landlords can still end leases or evict tenants for violating their lease, failing to pay rent on time, causing damage or disruption, etc. but tenants have some protection that they can stay in the unit as long as they are good tenants and pay their rent on time. These protections apply to both long-term and month-to-month leases and remain in effect even if the property changes ownership.

Just-cause eviction policies provide stability for families and neighborhoods while preserving community diversity and affordability. These policies have been in effect across the nation for

decades. Jurisdictions with just-cause eviction policies include Chicago, Seattle, Washington, D.C., San Francisco, Los Angeles, and New York state.

Tenant Relocation Assistance

When low- and moderate-income tenants are displaced from their housing, they often lack the financial resources to move into a new home. Moving expenses, security deposits, application fees, and time away from work to search for housing are some of the costs they may incur. These cost barriers force some tenants from stability into homelessness. Relocation assistance policies require that tenants be compensated when their lease is terminated through no fault of their own (such as building sale or redevelopment) or when their rent is increased beyond ten percent annually. To target assistance at the households most in need, BLC recommends that the policy apply to tenants with incomes at or below 80% of Area Median Income (AMI).

St. Louis Park is currently considering a policy requiring advance notice of sale or rent increases, along with requiring relocation assistance for tenants in such circumstances. Seattle, Portland, and Austin have relocation assistance policies in place. Some cities require the landlord to pay the full relocation fee; others supplement landlord payments with city- or developer-provided funds.

Notification of Sale and Right of First Purchase

In areas undergoing rapid development or redevelopment, existing affordable housing properties are often sold to buyers who plan to increase building rents. This policy would require sellers of multifamily properties (5+ units) to inform the city and tenants 90 days before the property is going to be sold. Tenants, or another buyer who pledges to maintain long-term affordability, are then given the first opportunity to purchase the property at market rate before the seller can sell to another party. This policy does not limit the price of the property. The advance notification of a planned sale allows tenants to find a partner and financing to assist in the property's purchase and/or have more time to secure other housing.

Minnesota currently has a law that gives manufactured home park residents “first right of refusal” to purchase their park if another buyer is slated to purchase and close the park. This should be strengthened and expanded to cover other multifamily affordable housing properties.

Inclusionary Housing

Inclusionary housing, or inclusionary zoning, is a common policy both locally and nationally for promoting mixed-income housing. Developers of new multifamily housing are required to include a certain percentage of long-term affordable units in their buildings. BLC recommends that this policy apply to all new rental and ownership developments of 10+ units that require any action from the city (funding, zoning variances, permits, etc.). Affordability protections should be a minimum of 30 years.

BLC supports inclusionary housing policies that require developers to include their affordable units in their project (not pay a fee in lieu, which can result in affordable units only being developed in less-expensive areas further away from the transitway). These units should be comparable in size and quality to the market-rate units and the property should be required to accept tenant-based rental assistance (such as Section 8 vouchers) on all units. Local communities with inclusionary housing policies include Golden Valley, St. Louis Park, Edina, Minnetonka, Chaska, and Minneapolis.

Affordable Housing Trust Fund

Affordable housing trust funds can be established at state, city, state levels to create a designated source of funding for affordable housing acquisition, rehabilitation, or construction. Funds are typically offered as deferred interest-free loans to developers. These funds serve as gap financing and attract additional capital. For example, every dollar of trust fund money invested by the city of Minneapolis is matched by an average of \$9 in other project funding.

BLC calls on Brooklyn Park, Robbinsdale, Crystal, Golden Valley, and Hennepin County to establish affordable housing trust funds. Existing trust funds administered by Minneapolis and the state of Minnesota should be expanded. Dedicated funds should be adequate to allow for housing preservation and creation in station areas where real-estate costs are rising. The trust fund's appropriation should be continuous year after year.

Affordable Housing Acquisition Fund

Preserving current affordable housing and developing new affordable housing are both critical to family and community stability. However, financing these complex deals often takes longer than today's fast-paced real estate market allows. While funding is being assembled, properties are being sold, land and construction costs are rising, and we continue to fall further behind on meeting the community's urgent need for affordable housing.

BLC calls for the creation of a regional Affordable Housing Acquisition Fund. These funds would serve as short-term gap financing to allow building purchase or construction while traditional funding sources are still being assembled. This fund is especially critical for tenants or preservation buyers exercising their first right to purchase a building at risk for redevelopment. The fund should be agile in its administration, sufficiently large to support the need, and funded by both the private and public sectors. The San Francisco Housing Accelerator Fund could serve as a model.

¹ Bottineau Corridor Housing Needs and Affordability Assessment, 2014.

² Bottineau Transitway Health Impact Assessment, 2013.

³ Bottineau Corridor Housing Needs and Affordability Assessment, 2014. (Development pressure is defined as an increase in property values, median income, or education level at a greater rate than regional changes.)