

Affordability is tough sell in suburbia

Met Council wants suburbs to build their 'fair share,' but many cities aren't going along

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Greg Bogut lives in a \$575,000 home.

He can afford it.

To him, that makes it affordable housing.

What bothers him is affordable housing that people can't afford without a government subsidy — such as the town homes he can see from his front porch.

The affordable complex has slashed the value of his Woodbury house, he says.

"If I had known then what I know now," Bogut said, "I wouldn't have moved here."

He would have had many alternatives. While Woodbury embraces affordable housing — government-subsidized or not — dozens of Twin Cities suburbs don't.

Traditionally, homeowners like Bogut have made the suburbs hostile territory for affordable housing. The lack of affordability is written into building codes, integrated into local regulations and woven into suburban culture.

But the anti-affordable way of life is under attack.

The Metropolitan Council has set goals for new affordable housing through 2020 — assigning 86 percent to the suburbs. Its plan calls for nearly one in three new housing units to be affordable, defined as housing for which occupants pay no more than 30 percent of monthly income.

With demand for affordable housing hitting an all-time high, the suburbs have dodged their responsibilities long enough, said Chip Halbach, director of the nonprofit Minnesota Housing Partnership. "We would like to see a fair share of affordable housing in every community," he said.

That raises questions that will rage through the suburbs for decades: What is a "fair share"? How much affordability should each suburb offer?

GOALS 'HAVE NO TEETH'

Landfall and Hilltop, with their mobile home parks, are full of units listed as affordable. Millionaire enclaves North Oaks and Sunfish Lake have almost none.

But between those extremes, the amount of affordable housing varies greatly, even in similar suburbs. Burnsville, for

example, has more than twice the number of subsidized affordable units per capita as Eagan. Stillwater has three times as many per capita as Lakeville.

Looking ahead, the Met Council has set goals for construction of new affordable housing according to a formula that considers:

- Land availability and prices. Affordable-housing developers are usually small businesses and can't compete against big national builders. "They have to buy little parcels and plug in affordable housing where they can," Met Council analyst Guy Peterson said.
- Availability of mass transit that allows workers to commute by bus or light rail, cutting down on highway congestion.
- Availability of nearby jobs.

The Met Council is aiming for 51,000 new affordable units between 2011 and 2020.

But that assumes the suburbs will cooperate. And if history is an indication, they won't.

The Met Council can force suburbs to plan for regional infrastructure such as sewers or roads. But to promote affordable housing, it can only offer incentives — such as payments for future projects to cities that cooperate.

That leaves suburbs free to ignore the goals.

"They really have no teeth," Apple Valley City Council Member Tom Goodwin said.

Suburbs "don't come right out and say they don't want it," he said. "They say, 'Gee, if we had a place to put it, we would.' "

Apple Valley now has more than twice as much subsidized affordable housing per capita as some of its neighbors, which Goodwin said is not fair.

When he has asked supporters of affordable housing if other cities are taking their share, "they just look down at their shoes. I am amazed at communities that turn it down and get away with it."

Afton, for example, has no subsidized affordable housing. Lake Elmo, a city of 7,700, has a single unit.

The reason is simple, Lake Elmo Mayor Dean Johnston said. Voters don't want it.

"Around here, affordable housing has a bad reputation. People think it brings in crime and density, and no one wants either of those," he said.

But does Lake Elmo have a moral obligation to the metro area?

"I don't want to get into the moral-obligation argument," Johnston said. It's better, he said, to provide affordable housing that isn't government-financed — such as the 500 trailer homes in Lake Elmo's Cimarron mobile home park.

The city's stock of unsubsidized affordable homes will soar, he said, with the completion of the Old Village expansion of the downtown area.

Sometimes, local opposition can be so strong that affordable housing can be built only with legal muscle. Forest Lake accepted the Forest Ridge affordable housing complex in December only after losing a lawsuit.

THE RIGHT THING TO DO?

Supporters of affordable housing are honing their arguments, which are bound to be heard more in the future.

When promoting the units, backers stress they aren't like the crime-ridden tenements of the 1960s. New affordable units are well managed to keep crime controlled and are built attractively to fit into neighborhoods.

"Affordable housing has learned its lesson," said Ed Goetz, professor of urban and regional planning for the Humphrey Institute of Public Affairs at the University of Minnesota.

Another argument is that affordable housing is "work force housing," where local workers can afford to live. Businesses benefit by having lower-wage workers living nearby, supporters say.

But the most common argument is moral — that providing decent, safe and affordable housing is the right thing to do.

It's an easier sell if officials see affordable housing as helping the elderly or disabled. That's who occupies two-thirds of the units in St. Paul public housing, according to St. Paul Public Housing Agency director Jon Gutzmann.

"I hear this all the time: 'I am 80. I lost my husband. I worked my entire life. Thank God you have a program to allow me to stay in my neighborhood and not a nursing home,'" Gutzmann said.

"I say thank God and Congress," he said.

In some cases, the affordability arguments are already having an impact.

"I am upbeat about it," said Stev Stegner, mayor of Forest Lake, which only last year was fighting affordable housing. "We need affordable housing in all communities."

Woodbury is ahead of its Met Council goals, with more than 1,800 affordable units added since 1996. This is, in part, because Woodbury is the metro area's suburban leader in Habitat for Humanity homes, with 40.

Planning and Economic Development director Janelle Schmitz said affordable housing is part of city policy. "Without it, our own children won't be able to live here," she said.

But there will always be skeptics.

School teacher Erin Burton is planning to have children but not until she and her husband can move away from Forest Ridge in Forest Lake.

"It looks new and nice," said Burton, gazing at the development from her front doorway. But she said crime is common there. She doesn't feel good about the occupants.

But doesn't everyone deserve an affordable place to live?

Burton paused, choosing her words carefully — she teaches some children who live there.

"I have a hard time saying they have to live somewhere else," she said. "But still, I would rather not have it there."

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THE WAR OVER AFFORDABLE HOUSING

Sunday: the shortage of affordable housing

Today: pushing affordability in the suburbs

Tuesday: Regulations are affordability's worst enemy.

WHAT IS AFFORDABLE HOUSING?

Housing is deemed affordable if it costs 30 percent or less of a household income. In the Twin Cities, the Metropolitan Council considers a \$201,000 home and rent of about \$883 a month affordable.

- Most affordable housing is **market-rate housing: mostly older homes and mobile homes** that happen to be cheap. Suburbs can encourage developers to build market-rate housing, but usually the costs of land and materials are too high. Another problem: New market-rate housing often inflates in value and becomes unaffordable.
- **Subsidized affordable housing** is more controversial. It includes:

New housing subsidized by a **federal tax credit** to a private developer, who then rents the units at about a 30 percent discount. This is how most affordable units are built in the suburbs. For example, Sienna Ridge in Woodbury charges occupants about \$750 a month for a unit that would normally rent for \$1,100.

Public housing usually refers to federally subsidized units administered by local agencies such as St. Paul's Public Housing Agency. In St. Paul, about two-thirds of public housing is occupied by the elderly or people with permanent disabilities, according to agency director Jon Gutzmann.

Section 8 housing, a federal program that pays up to two-thirds of rent, is targeted for impoverished households and is rare in the suburbs. Section 8 vouchers can be used anywhere; some buildings cater to Section 8 recipients.

- **Habitat for Humanity** homes account for a small fraction of affordable homes, offering occupants reduced interest rates in exchange for help building the house.

Where will affordable housing go?

Metropolitan Council projections call for suburbs to add thousands of affordable housing units — rented and owned — between 2010 and 2020. Cities are listed in order of projected 2010 units.

	2010 affordable housing units	Additional units by 2020		2010 affordable housing units	Additional units by 2020
St. Paul	56,400	2,625	Cottage Grove	1,062	985
Spring Lake Park	7,975	19	Farmington	1,050	492
Coon Rapids	6,901	200	Rosemount	1,022	923
Blaine	6,480	1,100	St. Francis	980	73
Burnsville	6,238	737	Falcon Heights	846	21
Eagan	5,830	530	Oak Park Heights	804	24
Fridley	4,176	116	Arden Hills	684	288
Maplewood	4,056	388	St. Paul Park	669	228
Roseville	4,030	201	Newport	629	70
Apple Valley	4,027	1,307	Circle Pines	594	13
Columbia Heights	3,612	231	Lauderdale	591	35
West St. Paul	3,580	104	Hugo	590	855
Inver Grove Heights	3,521	714	Lexington	527	8
Anoka	3,397	124	White Bear Township	423	65
South St. Paul	3,071	104	Mendota Heights	414	86
New Brighton	2,914	156	Lino Lakes	350	560
Hastings	2,816	241	Lake Elmo	333	528
Oakdale	2,712	184	Ramsey	300	1,143
Lakeville	2,561	2,260	Mahtomedi	285	41
Little Canada	2,205	155	Andover	269	611
Mounds View	2,140	81	Bayport	227	29
Woodbury	2,070	2,057	Centerville	134	80
White Bear Lake	2,020	74	Willernie	121	2
Forest Lake	1,960	312	Empire Township	56	100
Shoreview	1,753	107	Grey Cloud Island Township	40	170
Vadnais Heights	1,624	170	Gem Lake	2	4
Stillwater	1,378	142	North Oaks	0	51
North St. Paul	1,321	115			