COMPREHENSIVE PLAN POLICY ON AFFORDABLE HOUSING AND DIVERSITY

[To be handed out with the Land Use Plan for the Rochester Urban Service Area]
COMPREHENSIVE PLAN POLICY ON AFFORDABLE HOUSING AND DIVERSITY

The City of Rochester is suffering from a critical shortage of affordable housing (for the definition of this and other terms in italics, please see the glossary at the end of this document). Rental vacancy rates for market rate units were estimated at around 1-2% in the 1998 Housing Study prepared for the Olmsted County Housing and Redevelopment Authority. Preliminary data from the 2000 Census indicates an overall rental vacancy rate of 4% (which may include units under construction or already called for and therefore not truly on the market). By comparison, the national average rental vacancy rate from 2000 Census data is 6.8%.

Many area employers need entry level and other lower paid employees to fill the jobs that they are creating. According to economic forecasters, the major impediment to the continued economic growth of the Rochester-Olmsted community is the critical shortage of affordable housing. The 21st Century Partnership Diversity Task Force Report discusses the need to increase the supply of affordable housing and the need to provide affordable housing in scattered locations throughout area communities.

Some neighborhood groups have opposed affordable housing proposals based in part on concerns about increased traffic, increased crime, and adverse impacts on property values. Opposition to affordable housing in areas adjacent to established neighborhoods threatens to exclude affordable housing from newly developing areas. Such exclusion may result both in a shortage of affordable housing as well as in a community that is segregated by income class. Segregation by income class may lead to de facto segregation by race in our community. Continuing to curtail the supply of land for affordable housing in fringe locations will jeopardize the supply of affordable housing and will result in concentrating affordable housing in a few heavily impacted neighborhoods.

Evidence from national studies confirms that scattered subsidized and other lower cost housing development does not adversely affect housing values in adjacent areas. On the other hand, studies indicate that segregating lower cost housing in a few neighborhoods clearly destabilizes those neighborhoods, leading to declining housing stock, declining performance in neighborhood schools, and other social problems.

We are at a crossroads in our community. We can design our future to consist of integrated neighborhoods with an adequate supply of housing in a variety of price ranges. Or we can design our community to consist of concentrated pockets of lower cost housing isolated from the remainder of the community. The experience of other cities in the US clearly indicates that integration is the more desirable future.

Dividing our community either by income or by race fosters inequity, isolation, barriers to communication, and ultimately divisiveness. Class segregation, even without corresponding race segregation, is inimical to the long term cohesiveness of our community and to our quality of life. A community that is not integrated ultimately will disintegrate.

**Recommendations:**

1. THE CITY OF ROCHESTER:
   - support low income tax credit housing and other subsidized housing.
   - accommodate private development proposals that include townhouses, condominiums, apartments, and manufactured housing as part of neighborhood development areas.
• enforce minimum standards for housing and enforce such ordinances as the Disorderly Use Ordinance in order to address neighborhood concerns about crime and potential impacts on property values.

• increase the supply of land zoned for lower cost housing, especially providing for mixtures of housing by style and cost.

• provide for neighborhoods with housing that is integrated by income class as well as by race, through density bonuses and other incentives, for example.

2. AREA DEVELOPERS:

• accommodate affordable housing up front as part of well-planned communities.

• provide for affordable housing as an integrated part of neighborhood development plans

• address concerns related to traffic and property values.

3. REAL ESTATE MARKETERS, LANDLORDS, AND OTHERS WHO PROVIDE GUIDANCE TO PEOPLE LOCATING IN OLMSTED COUNTY:

• provide accurate information to new or relocating residents about all neighborhoods, without making assumptions about the preferences those residents may have based on their race or income; avoid steering.

• treat all housing customers equally

• characterize all neighborhoods accurately.

4. NEIGHBORHOODS AND COMMUNITY MEMBERS:

• Neighborhood groups should communicate to their members
  ➢ that lower income households are not equivalent to lower quality families
  ➢ that the "goodness" of a neighborhood is not measured by the price of its structures but by the character of its residents
  ➢ that the quality of a community is not measured by the degree to which it is exclusive.

• Neighborhood groups need to focus neighborhood concerns about housing on legitimate issues that can be remedied (accommodating traffic without disrupting neighborhoods, ensuring good management of rental housing, and so on).

• Neighborhoods and the community need to create a welcoming environment in all neighborhoods for persons of diverse ethnic and economic backgrounds.

Measures of Effectiveness

The following indicators should be relied on to measure the success of policy implementation:

• For affordable housing, vacancy rates by price range for owner and renter occupied housing.

• For the enforcement of minimum standards of housing and crime-free neighborhoods, crime, police calls, and housing violation data.
For segregation, the "dissimilarity index," adjusted to reflect population size and minority proportions in the community, representing the percentage of a minority population that would need to move to a different neighborhood in order to result in an even distribution of the population across the community.

Also for segregation, the concentration of minority population, which can be determined by calculating the weighted mean percentage of minority residents living in blocks with minority residents. For the student population in Rochester in 1998, blocks with any minority students averaged 39% minority students, as compared to a district average of 15%.

For segregating practices, records of complaints received by the Human Rights Commission related to suspected block-busting, redlining, and racial or other steering.

Glossary
For the purposes of this policy statement, the terms below have the following definitions:

- "Affordable housing" means housing that, through subsidy or other means, costs no more than 30% of the household income of households earning 80% of the area’s median income.

- "Block-busting," a practice outlawed by the 1968 Fair Housing Act, means the practice of encouraging panic selling among the white majority by inducing fears of "neighborhood transition," and other code words for racial diversity in neighborhoods.

- "Integrated" means including low income and other minority populations in roughly the same proportions as their proportions in the community, reflecting the goal that neighborhoods include diverse populations while avoiding concentrated poverty and racial segregation.

- "Neighborhood" means an area with generally identifiable geographic boundaries roughly equivalent in size and population to the fully developed attendance area of an elementary school.

- "Redlining" is the illegal restriction on mortgages in certain neighborhoods based on their racial composition.

- "Steering" is the practice of directing members of certain racial or income groups into or away from certain neighborhoods, regardless of eligibility for or interest in individual houses in other neighborhoods. High-income individuals may be directed away from certain neighborhoods even if they express interest in houses in mixed income, integrated neighborhoods. Low income or minority individuals may be directed away from certain neighborhoods even if they would qualify as purchasers of individual houses in those neighborhoods.