

Whittier Housing Issues Committee Meeting Minutes
November 17, 2020, 6:30-8:00pm
Zoom Digital Meeting

Attendees: *Stephanie Brown, *Nick Hutchinson, Shane Morin, *Jo Ann Musumeci, *Cat Hammond, *Nico/le Weiler, *Daniel Perez, *Cyndi Hovey, *Brigid Higgins, *Caroline Alkire, *Nate Broadbridge, *Erika Shearer, *Luna Allen-Bakerian, *Mike Davis, *Jenny Wollner, *Bruce Brunner, Harry Matthiasson, *Ron Johnson, *Joanna Johnson, Jonathan Moses, *George Rishmawi

**Asterisk indicates they are a registered voter*

Presenter: Matt Borowy, Bright Pixel Design (Architect at 112 E Lake St)

Staff: Kaley Brown, Julie Strand

Welcome/Introductions

-The Chair recognized WA's Standard of Conduct & Non-discrimination and Anti-racism Policies / Conflicts of Interest.

-Chair reviewed the agenda with the committee pointing to the anti-displacement focus and a presentation from the developer for the 112 E Lake Street project.

Motion to approve the agenda. Seconded. **Motion passes.**

The October Meeting Minutes were not ready by the meeting so they will be approved along with the November minutes at the next meeting.

Discussion of Anti-Displacement Efforts (Jonny Moses, Daniel Perez)

Jonny, Daniel, and Stephanie have been meeting about anti-displacement. The sub-committee has been trying to find different policies to advocate for that would allow people who want to stay in the neighborhood to stay. The variety of reasons people are displaced were defined by the group and shared with the committee through a powerpoint.

Definitions:

- **Cultural Displacement** - The closing of long-time neighborhood landmarks or businesses.
- **Direct Displacement** - When residents are forced to move because of rent increases and/or building renovations.
- **Displacement Pressures** - When supports and services that low-income families rely on disappear from the neighborhood.
- **Disinvested** - When a neighborhood has little to no development or renovations of local buildings by businesses or government.
- **Exclusionary Displacement** - When housing choices for low-income residents are limited and they must find housing elsewhere.
- **Housing Displacement** - When residents are forced to move because of direct, or exclusionary displacement, or displacement pressures.
- **Gentrification** - The rapid development of an area that transforms the neighborhood into a

high-income sink, pressuring original residents to find housing elsewhere. Development or investment, in and of itself, is not necessarily gentrification.

The group commented on the slide that there is a difference between gentrification and development. New buildings aren't necessarily bad, it is about those new buildings creating equitable opportunity for our neighbors. Also that the process was illuminating in terms of the understanding of gentrification and development. Knowing the difference can help us figure out how to address change in Whittier. It is a paradigm shift. Gentrification doesn't have to result in displacement. The next slides set goals and policy strategies for the group:

Goals:

There is strength in diversity, both in income and background, and while we cannot nor should not hinder the progress of our neighborhood, **we should develop in such a way as to preserve that diversity which makes our neighborhood successful and such a great place to call home.**

Rising property value means that houses cost more to purchase, rents increase to meet market value, and new development has to set rents or condo ownership at a higher price to meet the costs of building, all of which leads to those with less income to move elsewhere, or not move in at all.

This committee sets out to develop new strategies to combat displacement, better utilize the strategies we have available, speak with property owners about new initiatives, and reach out nationally and globally to make the best possible decisions possible for our neighborhood.

Policy Strategies for Consideration:

As an incentive for property owners of buildings which are at least a duplex to reduce their price of rent, the City of Minneapolis has enacted a program called 4D, a reference to the tax identification 4D, that **lowers the property tax of a building under an agreement that the property owner will hold rents at a steady price** and cannot increase the price unless at a slow rate of change.

Tax relief

(Minneapolis 4d program)

Property of real estate is divided between a homeowner, who owns the home and property above the land, and a community land trust that owns the land that the building is on. This is a persuasive option for first time home owners or low income individuals to buy a house, because **the purchase price of the property is divided between the land trust and the new buyer.** When the home is to be sold, it is agreed that the new owner will also agree to the land trust terms of home to land ownership, and the money from the sale is divided between homeowner and land trust in proportion to the amounts that they provided upon original purchase.

Explanatory comments from the group: This is a tax credit that many places throughout Minnesota use.

Community Land Trusts

When selling a rental apartment building, **property owners must give the option to tenant residents to purchase the property for themselves** if they can provide the capital to pay. Tenants may also be able to "sign over" their rights to a good faith developer. *[NOTE: Currently under discussion by the City Council]*

Explanatory comments from the group: This is a pretty persuasive option for first time home buyers. You are essentially paying for the property and not for the land. When the house is sold you don't gain all the profit, or get as much equity, but can become a first time home buyer.

Tenant Opportunity to Purchase (TOPA)

Policy Strategies for Consideration

Many development projects are subsidized by local governments, and as such, the development is

accountable to the people of the area they are to build around. To prevent displacement in our area, **developers can enter into a Community Benefits Agreement with the Whittier Alliance to have development plans approved by the Housing Committee before reaching the city government.**

Explanatory comments from the group: Property owners can provide the option to purchase to their tenants, essentially giving them first dibs on ownership.

Community benefits agreements

Tenant protection **designed to prevent arbitrary, retaliatory, or discriminatory evictions** by establishing that landlords can only evict renters for specific reasons, or just causes, such as failure to pay rent.

Explanatory comments from the group: The HI committee sort of already does this. We encourage developers to come to the community first.

Just cause eviction

Evictions are currently not allowed by executive order to the Covid-19 public health crisis. While this means people can't lose their homes right now, it does not mean that rent is not owed. There is on-going concern and active work underway to make sure that, once the moratorium is lifted, there are options for people who have fallen behind in rent.

Explanatory comments from the group: This is just a way to ensure that the relationship between the owner and renter is respected to the fullest, and the tenant can't be unjustly evicted.

Evictions Moratorium [Covid-specific]

Daniel-wanted to research what was working in terms of policy strategies.

Explanatory comments from the group: This is in place in MN right now, when that goes away though there could be a wave of people evicted. Options are in development but nothing is clear.

Overall Explanatory Comments: The group talked about this information in terms of direct organizing, but it can also help us be thoughtful and persistent when talking with developers. Group also realized that if we want to work effectively we need to know the policies and tools in place. Example we need to let landlords know about 4d options. Also, showing up when policies are under review with the city. In terms of cultural displacement, a group of students is working on that in the neighborhood. We need to open it up so we can work on multiple fronts.

The chair opened up the conversation to the group.

Ideas: City of Lakes Land Trust made a partnership with the Kingfield neighborhood and the community housing fund to enact this kind of work in the Kingfield Neighborhood. Maybe Whittier can use that kind of model here to get the City of Lakes Land trust to invest or create opportunity.

Q: How would any of this apply when a homeowner rents rooms in their house?

A: The policies generally don't apply in that situation, you need to be at least a duplex.

Qs:

-What are the limitations on evictions once the moratorium lifts?

-What are the nuances in terms of gentrification?

-How does the moratorium factor in?

-Are we worried about retaliation on tenants that didn't pay and got to stay because of the moratorium?

-How are we protecting people or preparing them for when the moratorium is lifted?

As:

- That is tricky, when the moratorium lifts, not paying rent is just cause for eviction and there are no policies to support them being able to stay under those circumstances.
- The policies in place right now prevent arbitrary evictions only. There is a grace period with rent, but when the moratorium lifts someone can file for eviction right away when rent is not paid.
- Currently there are tremendous resources to apply for rent money from the county or city. We should publish those options on the site etc. The city needs to use this money in this way. If not enough people apply the money will be repurposed.

Q: Knowing what we now know, what is the most important policy to act on our support and how? Where do we go from here?

As:

- Maybe we should focus on sharing out this info.
- Should we end this out to developers at first contact?
- Should we continue to advocate for potential projects?
- Let's make sure our developer scorecard is in alignment.
- Let's reach out to the community land trust to have them present.
- Let's add this to our design guidelines.
- Let's continue to advocate for affordable housing.
- Let's talk with Kingfield about the land trust project.
- Let's look into partnerships with orgs in anticipation of the eviction moratorium lifting. Maybe reach out to Homeline?
- Let's work on building a network with neighborhoods so we can get the needed info to residents.

Whittier Alliance is now hiring for an AmeriCorps Tenant Organizer VISTA. This position will help drive some of this work. If you know of anyone who would be a good fit for this position please have them apply: <http://www.whittieralliance.org/job--internship-openings.html>

There will no longer be a subgroup specifically on anti-displacement, and it is up the HI committee as a whole now to work on this.

Policy discussion: Tenant Opportunity to Purchase proposed legislation

This legislation is designed to give tenants, single family or apartments, an opportunity to purchase their unit or building. There will be no full public forum meeting until January, if you are interested in working on this and strategizing for the forum let the chair know.

3 policy options being explored by the city right now are outlined on this slide:

<https://lms.minneapolismn.gov/Download/File/4578/Minneapolis-OTP-Presentation-11-17-2020.pdf>

- Tenants rights and anti displacement (Focus on Tenants)
- Tenants rights, anti-displacement, tenant protects, and rent stabilization (About stabilization Tenants and or Qualified Organizations)
- Anti-displacement, tenant protections and affordability restrictions. (Qualified organization only)

Cat, Nate, Erika volunteered to explore next steps.

Project Discussion - 112 E Lake St. Matt Borowy, Bright Pixel Design (architect)

This project is a new development on a piece of land affected by the unrest following the murder of George Floyd. Committee members and staff organized to ask the Planning Commission to hold off on

approval until January to give WA time to work together with the developer and architect, and they granted us that opportunity. Our goal for today is to understand the constraints the project is working under and what are our opportunities. A revised proposal needs to go to the City the day before the next Housing Issues meeting. At the next meeting we can make a statement on the plan, but the plan will be done.

Matt Borowy, shared design with the group on screen. The budget has expanded greatly since the original plan. The biggest thing in terms of housing is the mix of unit types available in the plan. Every unit is unique, studios to 2 bedrooms. 13 units total. Note: It was previously 13 one bedroom apartments. The design now incorporates many of the committee's suggestions from the Planning Commission meeting discussion.

Reactions from the group: We are happy that families of different sizes could now live here. The design improvements are great. We like that there will now be windows on the ground floor and a corner of significance. We see this as a redevelopment of the area affected by the unrest. We see the name of the building could be the name of the area and commercial business that will follow.

Q: Please point to a couple of changes you are evaluating, what would be helpful to have input on?

A: Because of the efficiency and construction, this would be considered affordable at the 60% AMI level if all one-bedrooms. Now with the unit changes, it should be about the same. The goal is to be \$100 cheaper per month than average in the area. There won't be parking for residents on site, but there will be a few spaces for the retail tenant.

Q to the committee: What do we do with the west side of the building? In two or three years this side could get covered by development.

A: Could there be windows? Murals? Can we incorporate designers of color or local designers into the challenge of this side of the building?

Q: What is the affordability of these units? What would market rents be?

A: It is an inexpensive side of market rate for new construction. 1 bed-\$1,100

Q: What could be added to make this building and space welcoming and representative of Whittier?

Q: Is there development already planned next door?

A: Not that we know of yet, but we will reach out to the other owners again for an update.

To help with energy use, they are also planning to create a white roof. The building will be at the silver level for LEED certification.

Suggestions: With a roof that big, you could lease the roof space of the building to offset 50% of the 13 units energy consumption with solar and a third party power purchase agreement would enable the owner to pay \$0. Can also help prolong the roof's life helping with reduction of roof waste. Nate B. will connect Borowy with experts on that.

Q: Are balconies an option? Even just on some of the units.

Comment: There is only 1 ADA unit. Our district is the second highest serving special ed students. Stable homes make stable schools and stability is needed for our community. If units are family friendly and accessible, then our community is supported. Is this providing what our community needs enough?

Q: What is the application process for living in this building? Can we go through its accessibility?

If members want to continue to talk through this project, reach out to be a part of the smaller group discussion on the final project elements following this meeting.

Take aways:

- Good changes already
- We appreciate your adaptability
- Art and Mural space addition would be positive
- Solar connections-Nate
- Green wall/alternative-George
- Add some balconies
- We need to advocate, and show up to support the project at the January Planning Commission hearing to help their team secure the necessary variances on the design.
- We will need to find funds to help alleviate any of these costs/changes we are asking for
- We need to tell owner how to apply for TIFF financing

General Announcements, Updates, and Opportunities

Neighbors For More Neighbors advocated for greater Floor Area Ratios for duplexes and triplexes giving more opportunities for increased housing inside Whittier. The plan still needs to go through City Council, you can still get involved. Also, N4MN included an ask for Interior 3 zones to include a 4th story at our request. Again if you want to get involved in their work, please reach out and know that it is also supporting this committee.

Motion to adjourn at 8:20pm. Seconded. **Motion passes.**

HI Meetings Every third Tuesday of the month

NEXT MEETING: Tuesday, December 15, 6:30-8:00 pm @ Zoom

Meeting Minutes submitted by Julie Strand.