

Participation

On July 17th and July 18th, 2019, the Residential Real Estate Development team hosted two community feedback sessions and a caucus for community development organizations focused in Black and Indigenous communities at the Matthews Recreation Center and the North Regional Library. The goal of the events were to gather suggestions, comments, concerns, and questions as part of the City’s [Long Term Affordable Housing Policy Study](#). Overall, 48 residents, developers, lenders, realtors, community development representatives and contractors participated over two days. Feedback was collected, and participants were asked to rank their priorities regarding LTA.



Scoring Criteria

During the feedback session, 15 people from the community session and three from the caucused conversation completed the scoring criteria activity, which asked participants to rank seven possible criteria based on qualities they prioritize in an LTA program from 1 to 5 (1=least preferred, 5=most preferred). The results below are ordered by the highest combined average.

Criteria	Average Ranking		
	Community	Caucus	Combined
I prefer an LTA program that provides long-term stability over time.	4.54	4.33	4.44
I prefer an LTA program that prioritizes more wealth building.	3.93	4.67	4.30
I prefer an LTA program that keeps equity within local communities.	4.07	4.00	4.04
I prefer an LTA program that gives communities more control.	3.33	4.33	4.04
I prefer an LTA program that helps people stay in neighborhoods where they have roots.	4.15	3.67	3.91
I prefer an LTA program that serves the greatest # of families with the money available.	3.77	4.00	3.81
I prefer an LTA program that helps people move into neighborhoods they couldn't otherwise afford.	4.08	3.33	3.71

Community Session Program Guidelines

Participants were asked to share their thoughts, questions, feedback, and concern by responding to four questions related to the presentation and potential LTA models keeping in mind the following themes while giving their feedback: **community, wealth building, affordability, and racial equity**. The four LTA models presented were: **shared appreciation loans, deed restricted housing, community land trusts, and limited equity cooperatives**. Responses were collected via post-it or written directly onto a poster. Overall, 91 responses were collected during the community engagement sessions. A summary of the feedback is below.

Question 1: What more information do you need?

12 responses were received for this question. Participants noted a need for

- more statistics and facts regarding the specific LTA models
- more information and clarification about
 - application process
 - funding
 - other tools to combat rising home prices
 - benefits/negatives of each model.

Examples of questions from participants:

- Who are the homeowners currently thriving in these LTA programs? Can we hear about their experiences in order to build trust within communities about who benefits?
- It was said that [with] 20-unit buildings or more, a certain percentage of units are set aside as affordable units - what are those numbers? Is this info public?

Question 2: How can we talk about this better?

20 responses were received for this question. Participants found the presentation to be too technical and hard to understand without the use of examples and/or a terminology cheat sheet. Overall, participants would like to see the City:

- Conduct more outreach
- Use Minneapolis specific Area Median Income (AMI) limits only
- Create a graphical visualization of each model
- List pros & cons of each LTA model presented
- Use simpler language to present information
- Use examples to explain models and terms
- Be intentional about prioritizing racial equity

Other specific feedback included:

- Using another word other than "covenant"
- Education for lower-income families about homeownership options

Question 3: Are there barriers to these models?

29 responses were received for this question. Participants believe the following are barriers to the LTA models:

- Lack of access to information and education about the process and how to build wealth in general
- People may misconstrue deferred interest as a grant
- People may forget that their home is part of a shared appreciation loan or a deed restriction
- Models do not seem to address how to maintain affordability for future homebuyers after the sale of the home (by the initial family)
- Equity will be lost upon resale with some models
- Having the initial financing/equity to purchase a home in the first place
- Lack of foreclosure prevention to maintain homeownership
- Lack of financial literacy education for the community
- Using regional AMI instead of Minneapolis AMI provides an inaccurate reflection of the local community
- Lack of community representation reflected in City staff
- The City does not seem serious about racial equity
- Models do not consider condos

Question 4: What should the City do with its homeownership program?

30 responses were received for this question. Specific suggestions for what the City should do with its homeownership program include:

- Create incentive programs to expand homeownership for disadvantaged groups
- Add a deed restriction to all Down Payment Assistance
- Create a cohort model for homeowners, and continued education of programs.
- Ensure sustainable funding streams for LTA and create accountability standards for those receiving funds
- Give reparations for black and indigenous residents
- Prioritize racial equity by prioritizing Black homeowners and minority developers
- Create higher standards for absentee landlords such as capping rental prices and reduce investor-owned single-family homes
- Create alternative wealth building programs for renters, single residents, and black men
- Involve case/social workers into program development and implementation processes
- Maintain stable homeownership
- Create intentional and target outreach strategy to individuals who may be missed in otherwise and train community members in information delivery
- Prioritize flexible land trust & co-operative models

Conclusion

- Participants expressed a desire to learn more about the LTA models as well as alternative models that promote not only homeownership but affordability for rental housing.

- Participants want an easier and more accessible way to understand the presentation as they felt it was too technical to understand.
- Participants were concerned about investor-owned housing, the decrease of naturally occurring affordable housing (NOAH), and maintenance of affordability beyond initial financing.
- Overall, participants seemed supportive of the concept of LTA, but want more information on the pros and cons of each model.

Caucused Conversation

Community development organizations that focus in Black and Indigenous communities were invited to a roundtable to discuss their concerns. The format of the roundtable was an open discussion both during and after the presentation. The summary is below.

Question/comments during the presentation

Concerns were raised about how the data was being presented. Participants would like to see how assistance differs by race and had comments about the proportionality of the percentage of homes sold compared to the absolute number of homes sold. Project development gap assistance and reparations were brought up as well. Lastly, there were questions and discussion around deferred loans and equity sharing through an LTA model. For example:

- If there is an LTA model and other deferred loan products but the deferred loans become due on sale - how do you maintain affordability?

Discussion

The discussion revolved around concern about wealth building for homeowners within LTA models. A participant mentioned that LTA models need additional funding beyond what the City is offering. Another topic of discussion revolved around adding a debt and financial education component for home buyers.

Conclusion

Overall, participants had concerns about how LTA models can build wealth for the homeowner; though there was some general support for LTA models overall.