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SECTION SEVEN: PUBLIC POLICIES AND INVESTMENTS

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How place-based public investments build access to opportunity

Government influences the distribution of opportunity by how and where it allocates resources. Investments that change the geography of opportunity occur through all levels of the government:

- **The federal government** provides resources to targeted places for specific investments—such as the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants or the Promise Neighborhoods.
- **The state government** provides resources to targeted places for specific investments—such as the Job Opportunity Building Zones (JOBZ) program in Greater Minnesota, bonding for community infrastructure or grants and low-interest loans to build affordable housing.
- **The Metropolitan Council** operates Metro Transit; builds transitways, working with county governments; determines what land is served by regional wastewater treatment; administers federal rent assistance programs in parts of the region; and provides grant funding for contamination cleanup.
- **County governments** operate criminal justice systems; choose where to provide social services, where and how to invest in affordable housing, and where to invest in county roads.
- **City governments** fund police operations and finance specific projects using local resources such as Tax-Increment Financing.
- **School districts** determine where to build schools and design transportation strategies.

Public investments address public needs—such as education or public space. This report focuses on the place-based dimension of opportunity—that is, investments that change the landscape of access and proximity to opportunity. This report does not address the many other ways that public resources can build opportunity across places—for example, services that are available to everyone regardless of location.

Fiscal Disparities: Changing the landscape of local resources

Given the role of city-level investments and services (including police protection), variations in local access to public resources become important. The Twin Cities region is nationally recognized for its unique tax-base-sharing program, Fiscal Disparities, which reduces the gap between the lowest and highest communities in terms of tax-base wealth. The program provides a way to share the resources generated by the region's growth and reduces competition for tax base.

Under this program, taxing jurisdictions in the seven-county area contribute part of the growth in their commercial-industrial property tax base values into an area-wide shared pool. This shared pool of tax base is then distributed based on population and the value of all property in a community compared to the metro average. Jurisdictions with below-average per capita property values receive a relatively larger distribution of tax base.

Without the fiscal disparities tax-base-sharing program, the per capita ratio of highest to lowest commercial-industrial tax base for cities with a population of 10,000 or more would be 12 to 1. With the program, the ratio is reduced to 4 to 1. Map 7.A describes the per capita commercial-industrial property tax base for the seven-county region. Map 7.B shows the top 20 net contributors and net recipients in the region for 2013. While some communities, such as Bloomington, consistently contribute to the fiscal disparities pool, other communities, such as Minneapolis, vary from being a contributor one year to being a recipient the next year.

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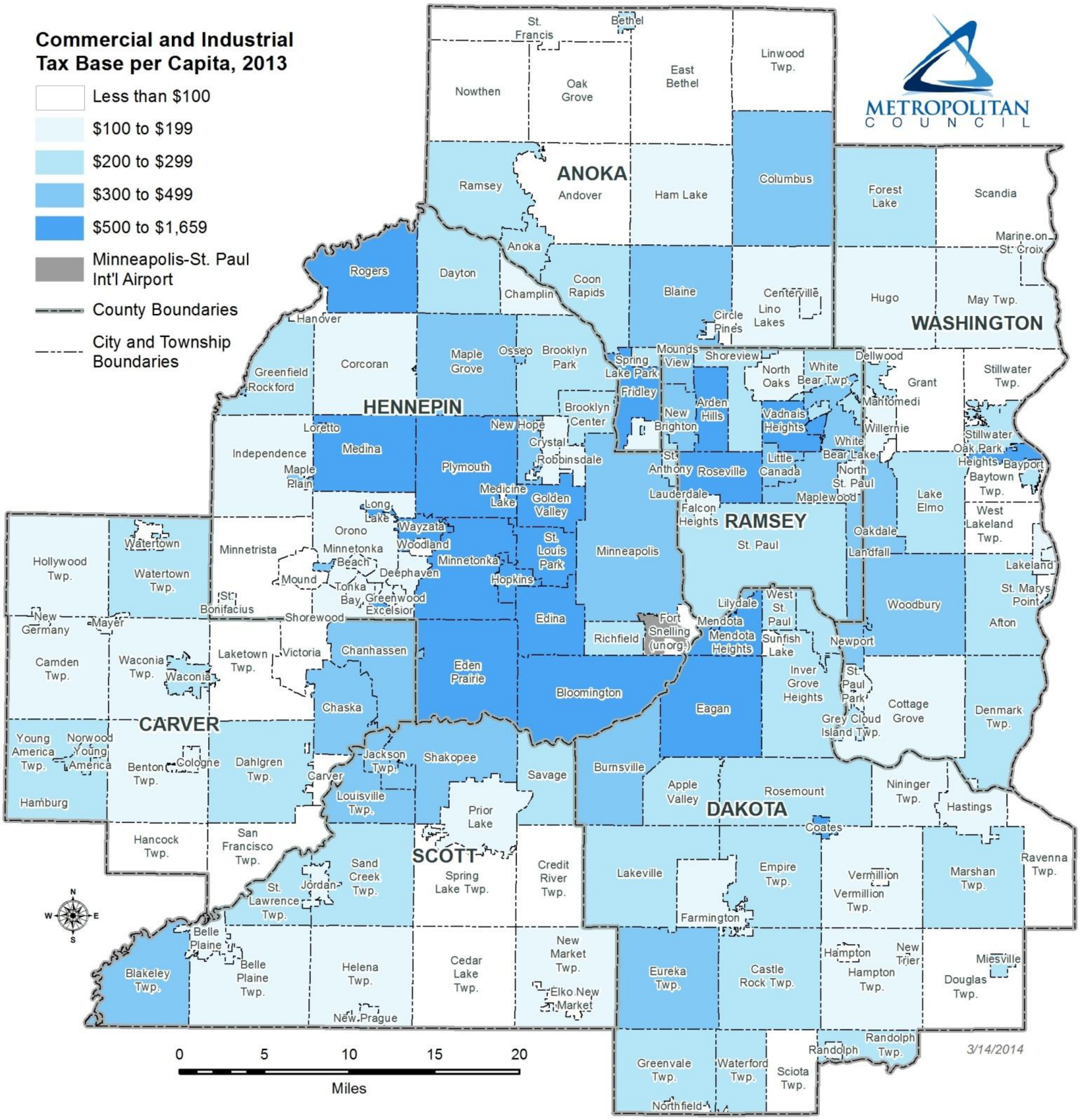
Map 7.A Commercial-Industrial tax base per capita of communities in the Twin Cities region, 2013



Source: Minnesota Department of Revenue, Property Tax Division, 2013 and Metropolitan Council, 2011 Population Estimates.

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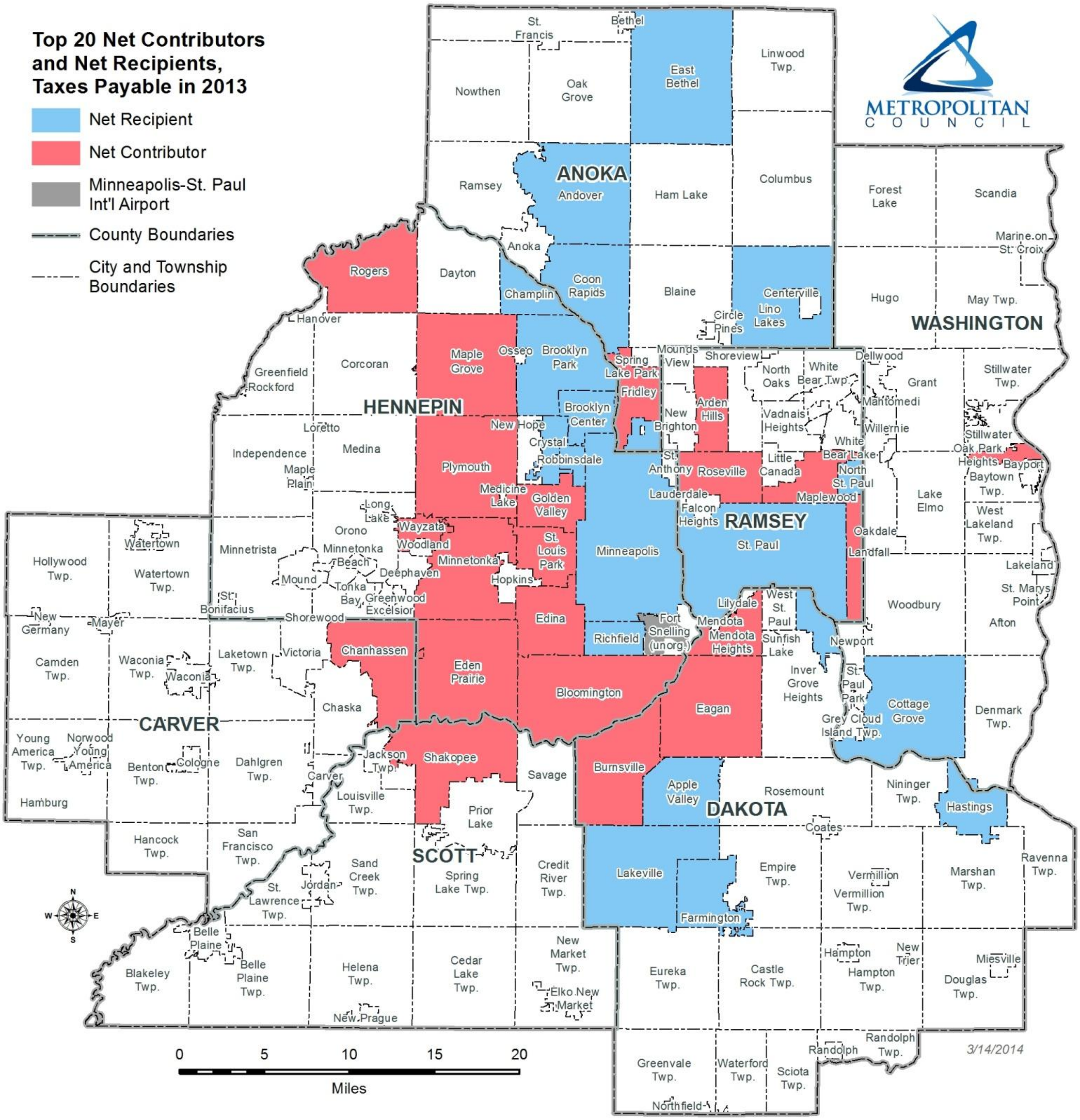
Map 7.B Top 20 net contributors and recipients in Fiscal Disparities program, taxes payable in 2013



Source: Minnesota Department of Revenue, Property Tax Division, 2013.

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Affordable housing

The location of affordable housing influences where low- and moderate-income households can afford to live in relation to opportunity. As outlined in Section Four of this report, the public sector influences the location of affordable housing opportunities in the Twin Cities region by:

- distributing 20,000 Section 8 Housing Choice Vouchers to assist households to pay for rental housing with landlords who accept Section 8;
- financing the construction, rehabilitation and preservation of 54,500 units of publicly subsidized affordable rental housing, including public housing, units assisted with project-based Section 8, and units built or rehabilitated by using Low-Income Housing Tax Credits;
- enacting local zoning and land use policies that have led to, allowed and/or preserved an estimated 148,000 units of naturally-affordable rental housing, over 14,000 manufactured housing units and smaller and therefore more affordable owner-occupied housing units;
- establishing local zoning and land use policies that encourage housing affordability and prohibit exclusionary practices;
- encouraging inclusionary practices through tools such as density bonuses, tax abatement, fast-tracked approvals or waiving of fees for developers willing to commit to affordability;
- giving funding priority in requests for proposals (RFPs) to development projects that advance fair housing, economic integration or that link households with jobs, transit and services; and
- promoting fair housing for households of color and other underserved populations and enforcing fair housing legislation.

Figure 7.1 describes the distribution of occupied housing units by tenure and the distribution of Section 8 voucher holders by opportunity cluster. Overall, half of the region’s total occupied housing units are in the blue cluster, compared to 29% in the yellow, and 15% in the green cluster. The region’s occupied rental units, however, are more evenly distributed across the clusters. Of these rental units, 30% are located in the green cluster, compared to 34% in the yellow and blue clusters, respectively.

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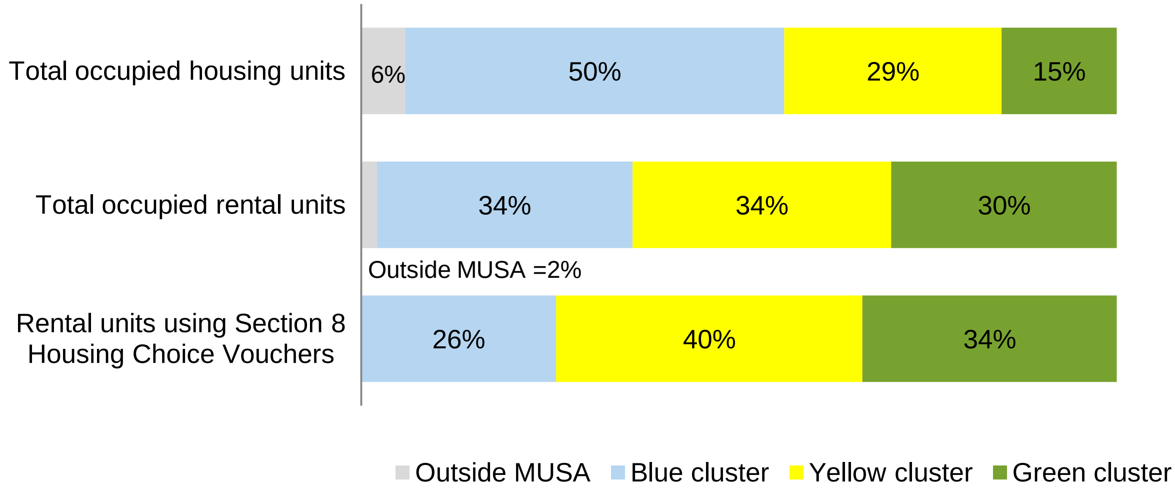
7.1 Occupied housing units by tenure and Section 8 voucher holders by opportunity clusters



Sources: Cluster analysis performed by Institute for Metropolitan Opportunity staff, informed by Fair Housing Equity and Assessment Data and Mapping Team, and analyzed by Metropolitan Council staff; U.S. Census Bureau, Decennial Census, 2010; U.S. Department of Housing and Urban Development, Picture of Subsidized Households (2012).

Section 8 Housing Choice Vouchers are more likely to be used in the yellow and green clusters relative to the overall distribution of rental housing (Figure 7.1 and Map 7.C). Thirty-four percent of the Section 8 Housing Choice Vouchers are used in the green cluster compared to 30% of rental units. Similarly, 40% of the Section 8 vouchers were used in the yellow cluster compared to 34% of rental units. Several factors may help explain these variations:

- rents in the blue cluster might exceed Section 8 voucher-eligible rents;
- rental housing units in the blue cluster may be less likely to accept Section 8 Housing Choice Vouchers; and
- Section 8 voucher holders may prefer to live in the green and yellow clusters or be more aware of housing opportunities there.

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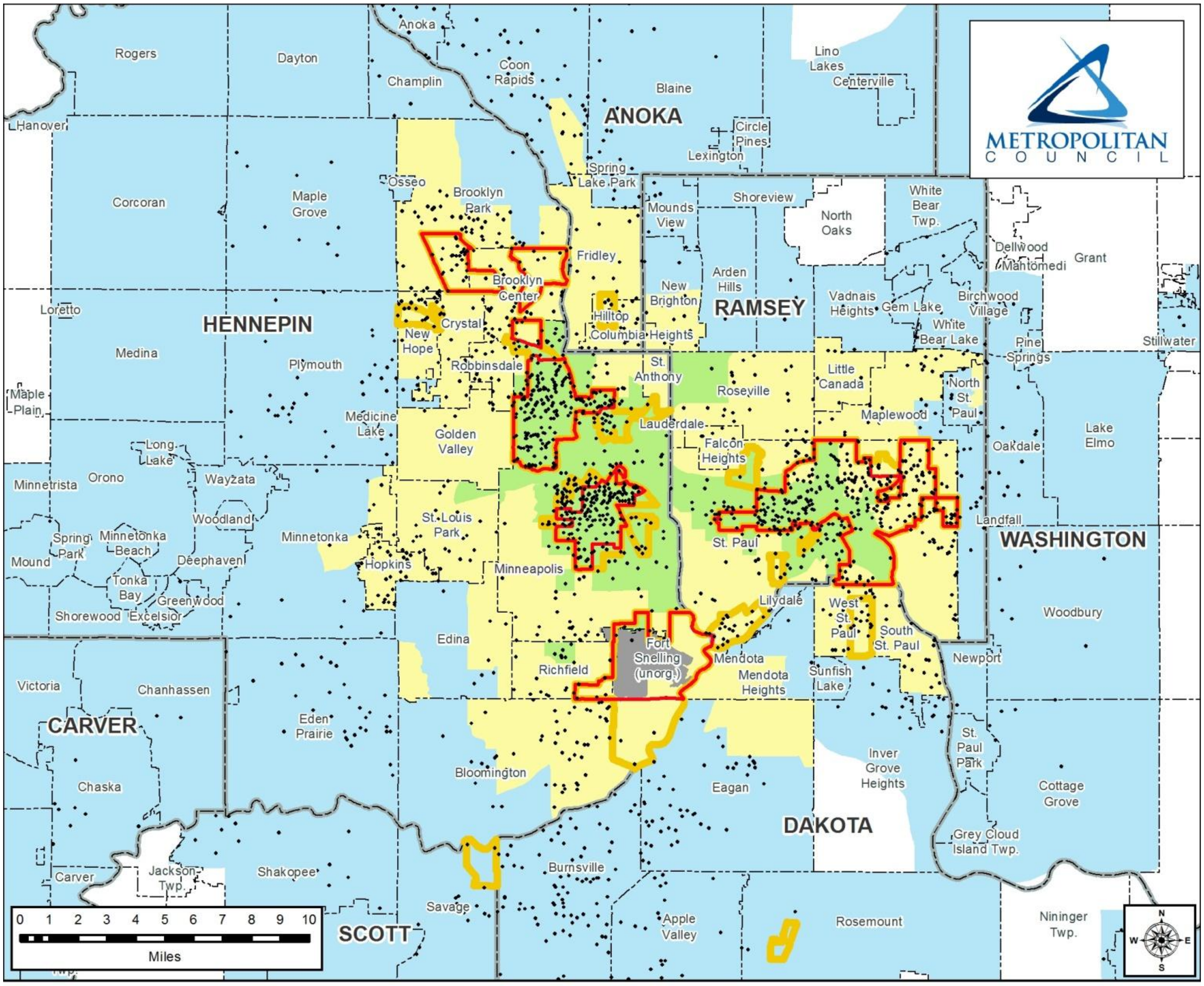
Map 7.C Section 8 Housing Choice Voucher holders and opportunity clusters



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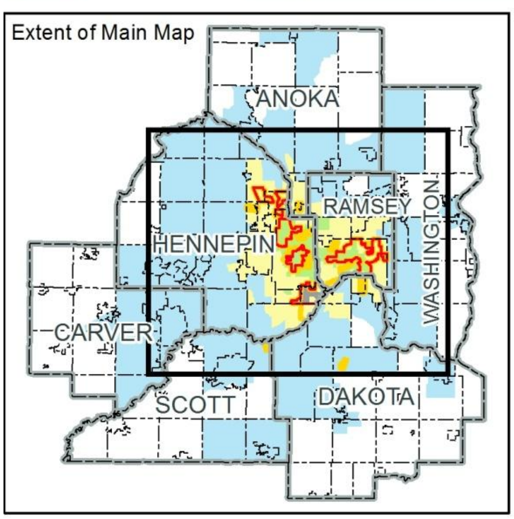

Voucher Holders, 2012

- • 1 Dot = 10
- RCAP (40% Poverty and 50% People of Color)
- Area of Concentrated Poverty (40% Poverty)
- County Boundaries
- City and Township Boundaries

Opportunity Clusters

- Yellow Cluster
- Blue Cluster
- Green Cluster
- Tracts largely outside the MUSA
- Minneapolis-St. Paul Int'l Airport

Source: Housing vouchers from U.S. Department of Housing and Urban Development, Picture of Subsidized Households (2012); RCAPs and Areas of Concentrated Poverty as defined by Metropolitan Council on March 6, 2013; Cluster analysis by Institute on Metropolitan Opportunity, informed by the Fair Housing and Equity Assessment Data and Mapping Team.

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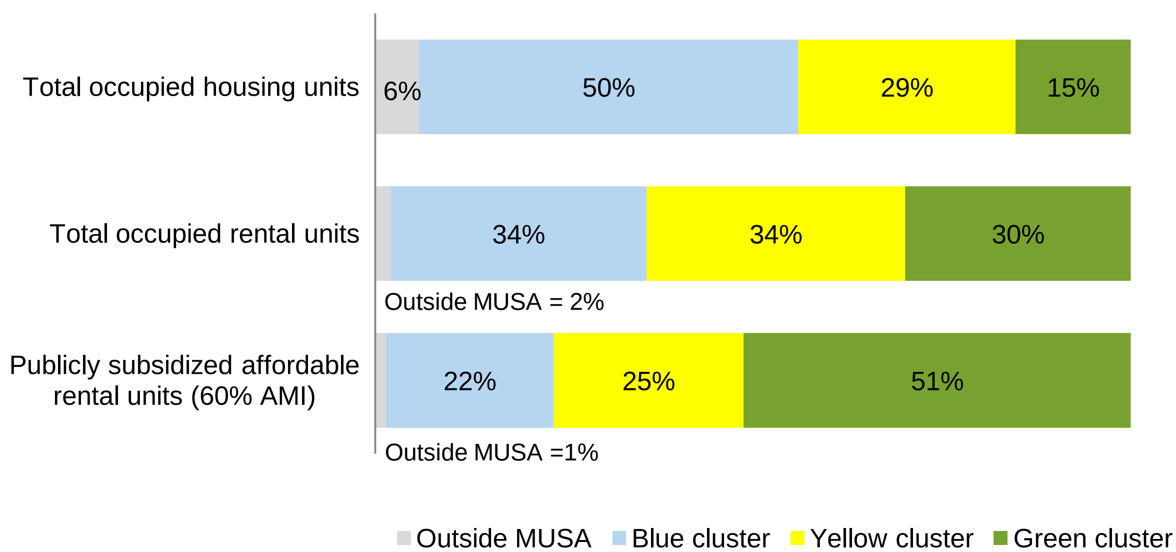
Place-based publicly subsidized affordable rental housing shows less geographic dispersion than Section 8 Housing Choice Vouchers (Figure 7.2 and Map 7.D). These units are disproportionately sited in the green cluster which contains 51% of the region's publicly subsidized affordable rental housing but only 30% of all rental housing. Conversely, both the yellow and blue clusters have smaller shares of publicly subsidized affordable rental housing than the share of rental housing located in the respective clusters. For instance, 22% of the publicly subsidized affordable rental units are in the blue cluster compared with 34% of the occupied rental units. Similarly, the yellow cluster has one-quarter of the region's publicly subsidized affordable housing units, in contrast to 34% of the occupied rental units.

These geographical disparities result from the following:

- much of the region's publicly subsidized affordable housing was built between the 1940s and the 1970s, before significant amounts of development occurred in the blue cluster;
- funders of affordable housing give funding priority to locations that are proximate to jobs and transit, which are more prevalent in the green cluster;
- developers of affordable housing target markets in proximity to jobs, transit, and services;
- certain funding sources are linked to certain property types. For example, historic preservation tax credits can create new opportunities for affordable housing in older buildings of historic significance, which are more likely to be in the green and yellow clusters; and
- funding sources such as the Livable Communities Act target redevelopment and walkable urban communities that are also more likely to be in the green and yellow clusters.

7.2 Occupied housing units by tenure and publicly subsidized affordable rental units by opportunity cluster



Sources: Cluster analysis performed by Institute for Metropolitan Opportunity staff, informed by Fair Housing Equity and Assessment Data and Mapping Team, and analyzed by Metropolitan Council staff; U.S. Census Bureau, Decennial Census, 2010; HousingLink, 2012.

Note: Publicly subsidized affordable rental units are defined as all federal, state, and local government subsidized units with long-term income and/or rent restrictions. These include public housing units, units assisted with project-based Section 8, units constructed and/or rehabilitated using funding through Low Income Housing Tax Credits (LIHTC), Tax Increment Finance (TIF) proceeds, HUD financing, and other state and local funds supporting affordable housing.

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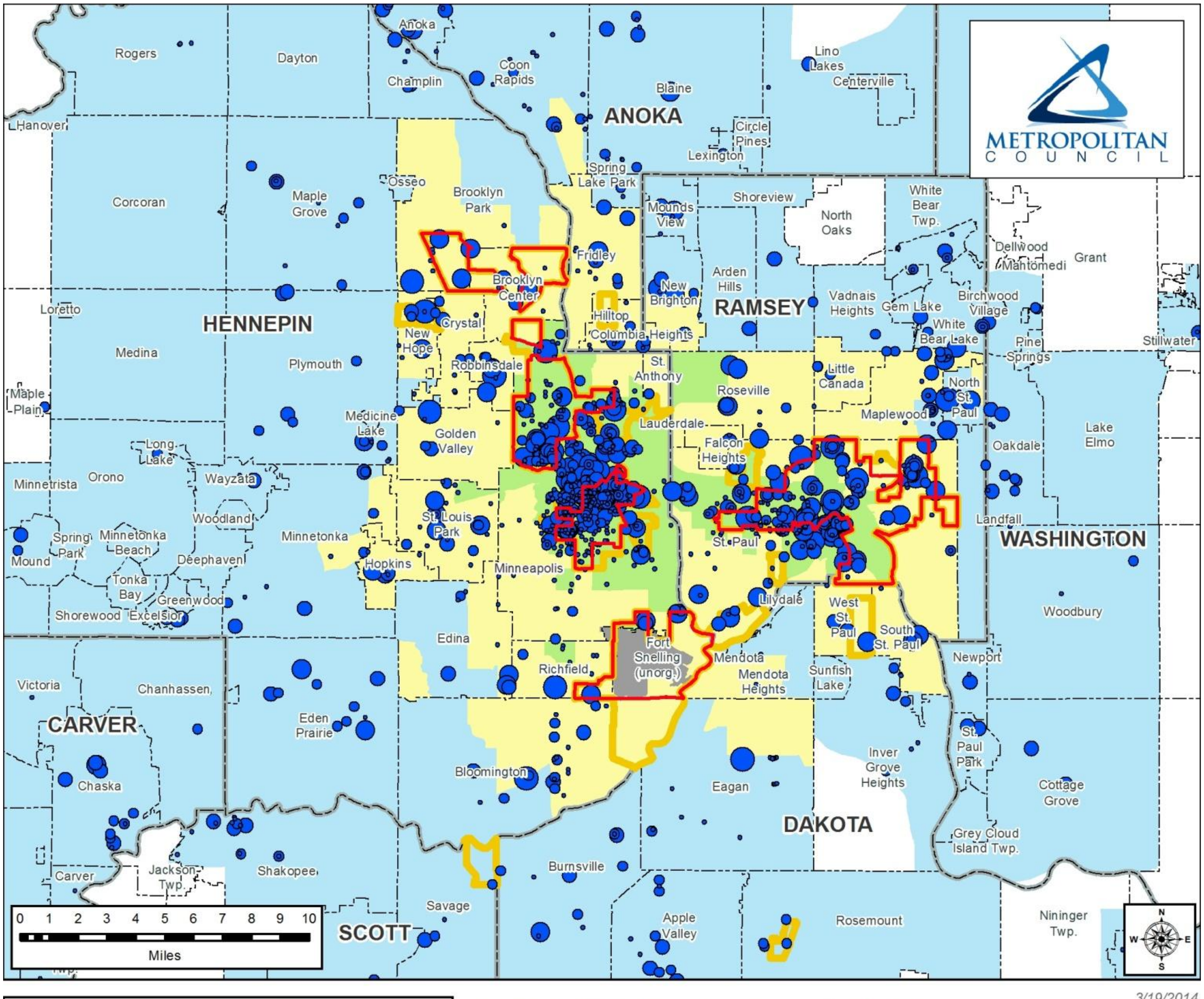
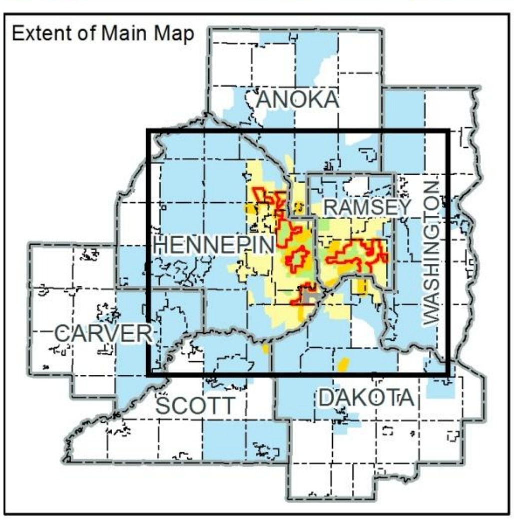
Map 7.D Publicly subsidized affordable rental housing units and opportunity clusters





Publicly Subsidized Housing Units, 2013

- 4 - 24
- 25 - 49
- 50 - 99
- 100 - 199
- 200 - 1153
- County Boundaries
- City and Township Boundaries

Opportunity Clusters

- Yellow Cluster
- Blue Cluster
- Green Cluster
- Tracts largely outside the MUSA
- RCAP (40% Poverty and 50% People of Color)
- Area of Concentrated Poverty (40% Poverty)
- Minneapolis-St. Paul Int'l Airport

Source: Publicly Subsidized Housing Units from HousingLink, 2013 (Only properties with 4 or more units are included and mapped by primary address); RCAPs and Areas of Concentrated Poverty as defined by Metropolitan Council on March 6, 2013; Cluster analysis by Institute on Metropolitan Opportunity, informed by the Fair Housing and Equity Assessment Data and Mapping Team.

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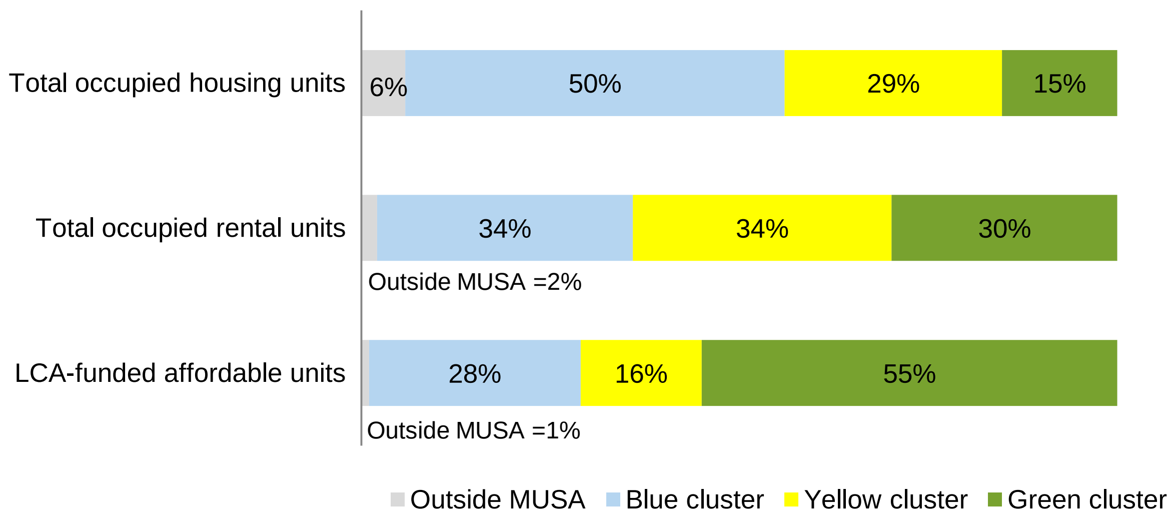
Figure 7.3 and Map 7.E describe the Metropolitan Council's housing investments through the Livable Communities Act (LCA). The Council provides LCA grants to local cities to support development and redevelopment, including the creation of new affordable housing. This funding—as well as other local sources, such as the city of Minneapolis Affordable Housing Trust Fund and the Hennepin County Affordable Housing Incentive Fund—complement federal sources to address the financial gaps that are almost inevitably present when trying to build new affordable housing. Figure 7.3 shows that 55% of the housing units built with assistance of LCA grants were in the green cluster compared with 28% in the blue cluster and 16% in the yellow cluster. The relative concentration of LCA grants to areas in the green cluster reflects where the walkable urban development and redevelopment prioritized by the LCA funds have been occurring.

7.3 Occupied housing units by tenure and LCA-funded affordable units by opportunity cluster



Sources: Cluster analysis performed by Institute for Metropolitan Opportunity staff, informed by Fair Housing Equity and Assessment Data and Mapping Team, and analyzed by Metropolitan Council staff; U.S. Census Bureau, Decennial Census, 2010; Metropolitan Council Livable Community Account, 2011.

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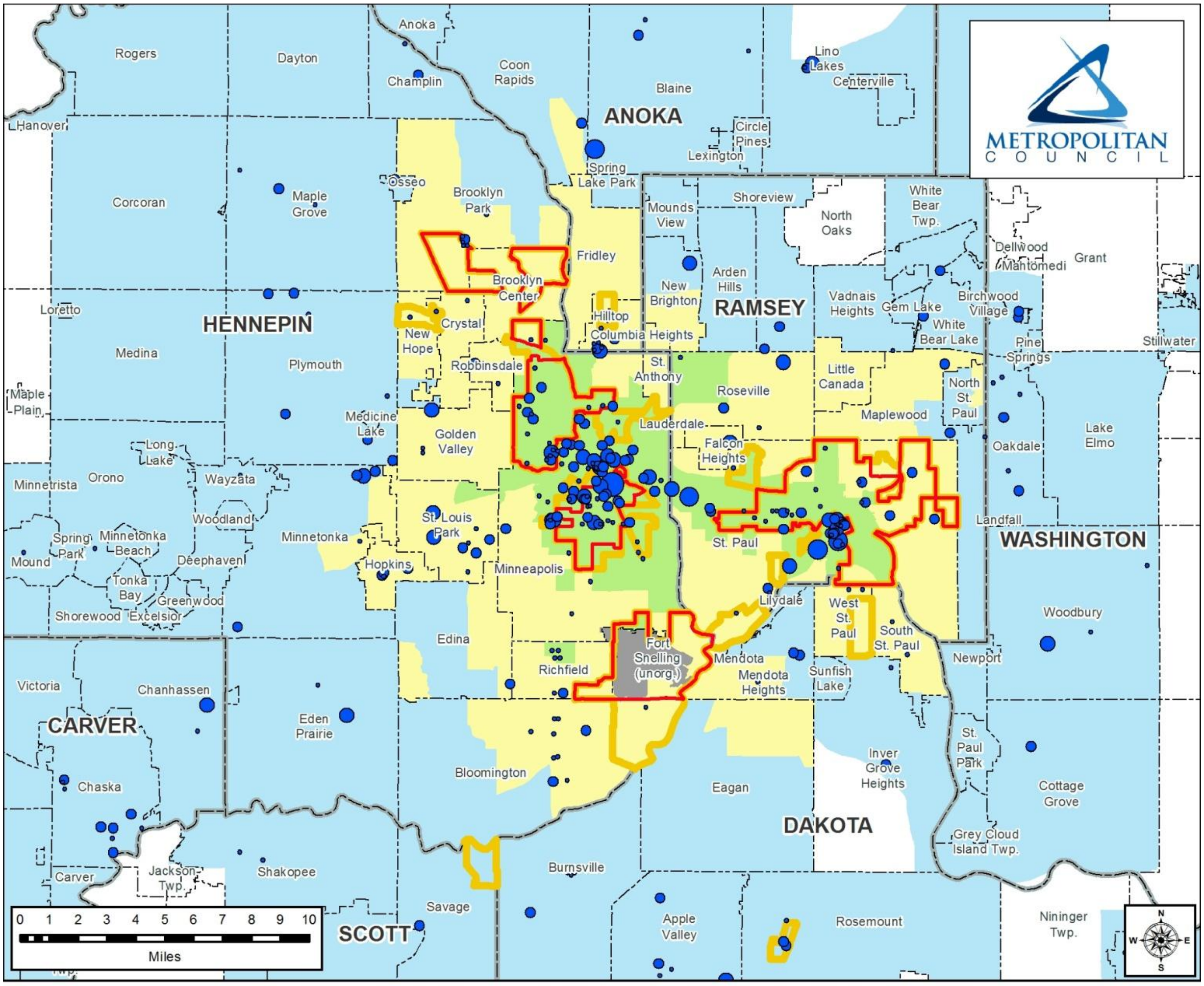
Map 7.E Housing units with Livable Communities Act investments by opportunity clusters



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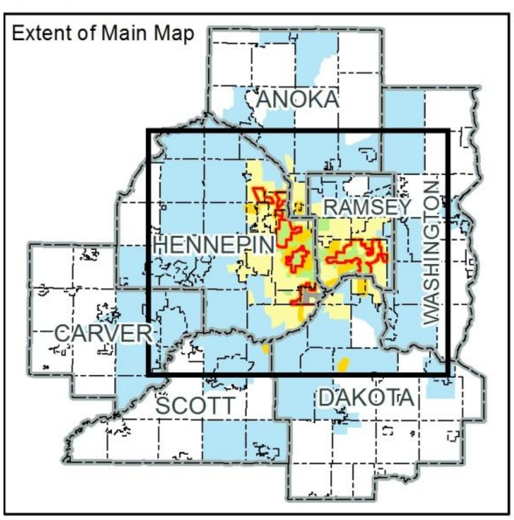

Housing Units with LCA Investment

- 1 to 49
- 50 to 199
- 200 to 499
- 500 to 1,199
- 1,200 to 1,567
- County Boundaries
- City and Township Boundaries

Opportunity Clusters

- Yellow Cluster
- Blue Cluster
- Green Cluster
- Tracts largely outside the MUSA
- RCAP (40% Poverty and 50% People of Color)
- Area of Concentrated Poverty (40% Poverty)
- Minneapolis-St. Paul Int'l Airport

Source: Housing Units from Metropolitan Council Livable Community Account, 1996-2012; RCAPs and Areas of Concentrated Poverty as defined by Metropolitan Council on March 6, 2013; Cluster analysis by Institute on Metropolitan Opportunity, informed by the Fair Housing and Equity Assessment Data and Mapping Team.

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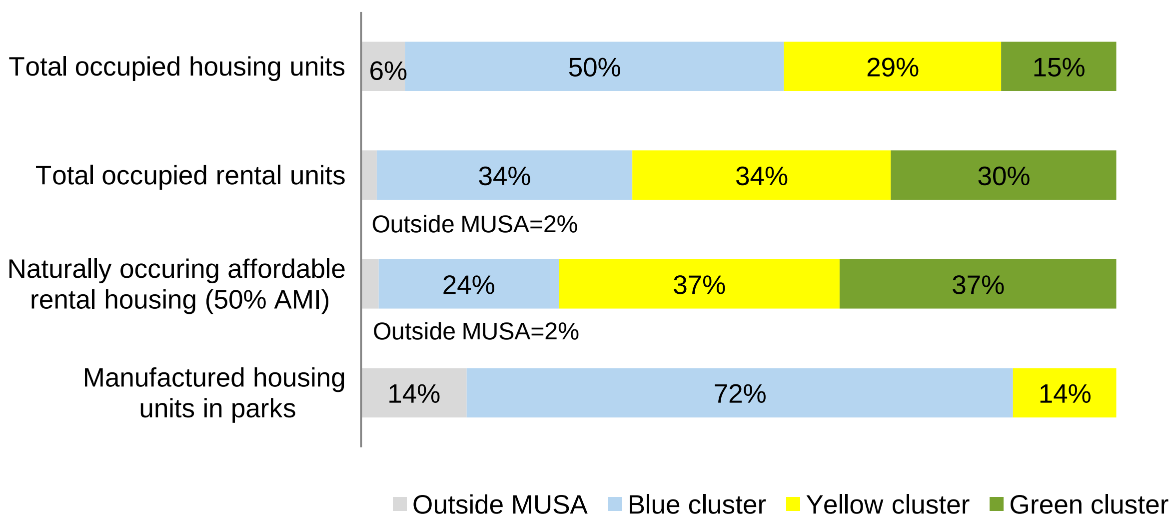
Local policies shape the regional distribution of manufactured housing parks, which contribute to the region's affordable housing stock. Residents of manufactured housing units are overwhelmingly low-income. For instance, the median income of manufactured home owners is $38,290, in contrast to a median income of $82,329 for all homeowners.[1] The distribution of the region's 14,400 manufactured housing units is heavily skewed toward the blue cluster where the availability of larger swaths of cheap land allowed parks to develop, generally decades ago. New manufactured housing parks are unlikely; the most recent park to open, the Cottage Grove Estates, opened in 1989. The blue cluster is home to 72% of the area's manufactured housing units while the yellow cluster hosts 14% of the regional total (Figure 7.4). In contrast, the green cluster has no manufactured housing parks and the remaining 14% of the units are located outside the areas where regional sewer service is provided.

The region's naturally occurring affordable rental housing stock is mostly in the green and yellow clusters.[i] Nearly three in four of the naturally occurring affordable rental housing units are in the green or yellow clusters, compared to two in three of rental units. These units exist where market forces allow or push landlords to offer rents that are affordable to low- and moderate-income households.

7.4 Occupied housing units by tenure, naturally occuring affordable housing and manufactured housing units in parks by opportunity cluster



Sources: Cluster analysis performed by Institute for Metropolitan Opportunity staff, informed by Fair Housing Equity and Assessment Data and Mapping Team, and analyzed by Metropolitan Council staff; U.S. Census Bureau, Decennial Census, 2010; U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy data (2006-2010); Metropolitan Council, 2012 Manufactured Housing Parks Survey.

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[i] The affordability threshold used in this figure is 60% of the Area Median Income (AMI). The threshold used for identifying naturally occurring affordable housing units, however, is 50% of AMI. This is due to the lack of Comprehensive Housing Affordability Strategy (CHAS) data for this threshold.

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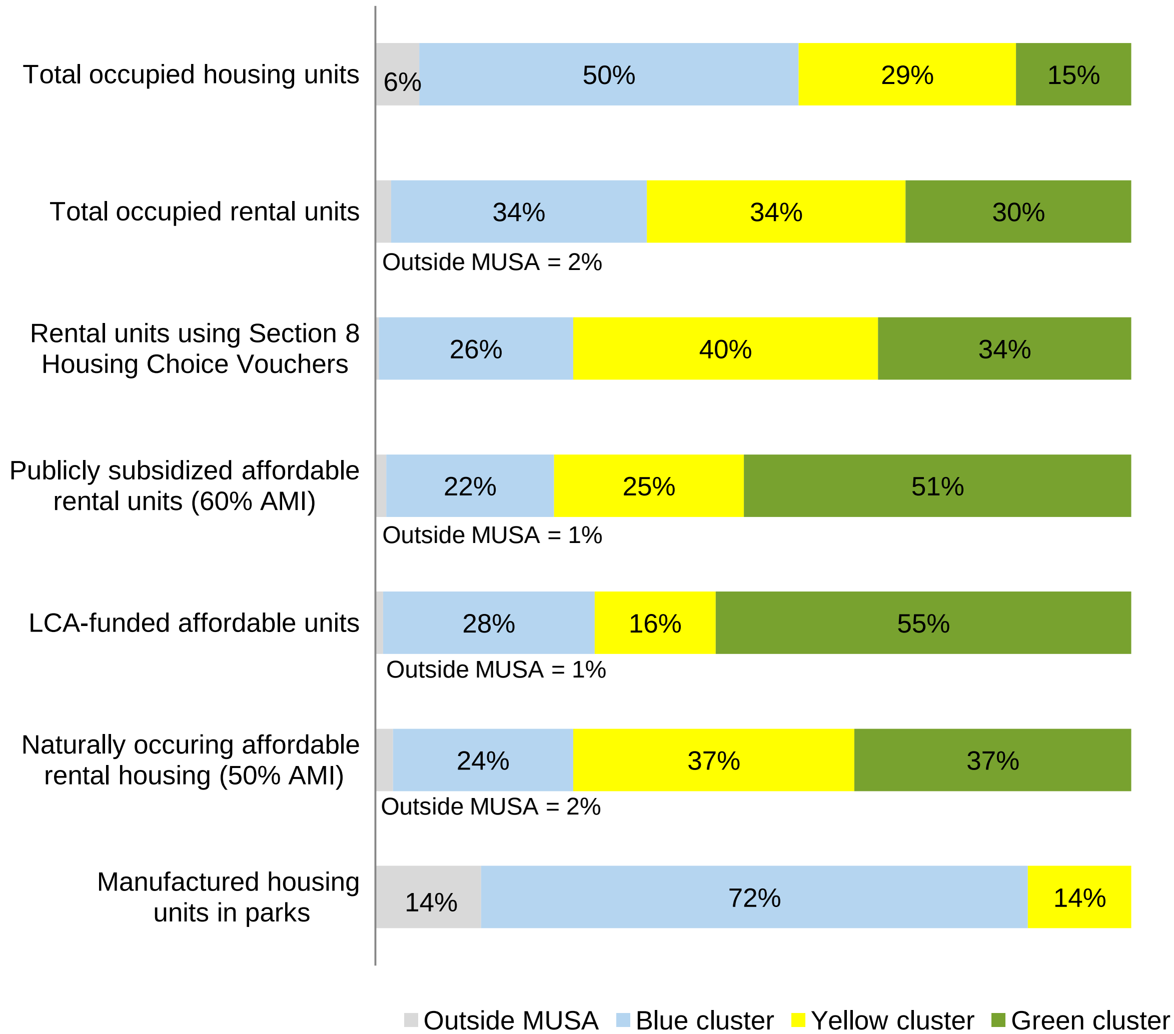
In sum, the landscape of affordable housing options in the Twin Cities region is far from even. Figure 7.5 shows the variations in the spatial distribution of various affordable housing options for the region's residents. Despite these variations, however, these options are disproportionately available in the green and yellow clusters—with the significant exception of manufactured housing parks. While around two-thirds of the region's total occupied rental units are in the green or yellow clusters, around three-quarters of the region's affordable housing options are located in the green and yellow clusters.

7.5 Selected housing indicators by opportunity cluster



Sources: Cluster analysis performed by Institute for Metropolitan Opportunity staff, informed by Fair Housing Equity and Assessment Data and Mapping Team, and analyzed by Metropolitan Council staff; U.S. Census Bureau, Decennial Census, 2010; U.S. Department of Housing and Urban Development, Picture of Subsidized Households (2012); HousingLink, 2012; Metropolitan Council Livable Community Account, 2011; U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy data (2006-2010); Metropolitan Council, 2012 Manufactured Housing Parks Survey.

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Fair housing enforcement

While the availability of affordable housing options expands housing choice based on cost, fair housing policy seeks to eliminate discrimination that limits housing choice based on protected class.

Institutional structure and activities

Fair housing regulations are based on several federal laws.[2] In the Twin Cities region, these laws are further reinforced by the Minnesota Human Rights Act as well as local ordinances.[3] The enforcement of fair housing laws is a tiered process that involves key federal agencies, such as the Office of Fair Housing and Equal Opportunity (FHEO) at the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Justice and most recently the Office of Fair Lending & Equal Opportunity at the Consumer Financial Protection Bureau.[4]

Fair housing infrastructure is also present at the local level. In addition to a HUD field office in Minneapolis, a number of other government agencies investigate discriminatory complaints in housing or real estate transactions in the Twin Cities region. Figure 7.6 lists these agencies and their recent activities.

7.6 Fair housing infrastructure—Government agencies and organizations

Agency	Description	Recent activities
Minnesota Department of Human Rights	State agency that investigates charges of illegal discrimination. The Fair Housing division ensures compliance with the Fair Housing Act and the Minnesota Human Rights Act.	• Under the area of housing/real estate, 36 complaints based on race, national origin, and/or public assistance status were filed in 2013. • Reforms implemented in 2011 have resulted in faster investigation of charges.
Fair Housing Implementation Council	A voluntary consortium of stakeholders who focus on fair housing issues and the strategies needed to eliminate discrimination in housing practices.	• Implements recommendations in Analysis to Impediments studies. • Funded fair housing testing of rental properties across the region in 2009, 2011, and 2012. • Trains housing providers and provides educational resources to metro residents.
Minneapolis Department of Civil Rights	Enforces protections guaranteed by the Minneapolis Civil Rights Act for residents of the City of Minneapolis.	• Under the area of housing/real estate, 7 complaints were filed since 2010. • In 2012, MDCR presented at a landlord/tenant conference hosted by the Minnesota State Bar Association.

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Saint Paul Department of Human Rights and Equal Economic Opportunity	Enforces protections guaranteed by Saint Paul Human Rights Act for the residents of the City of Saint Paul. HREEO participates in HUD's Fair Housing Assistance Program (FHAP).	• As of October 2013, HREEO investigated 10 cases related to housing/real estate which involved discriminatory allegations based on race, national origin, and color. • Provided fair housing training to adult ESL students in Saint Paul. • The department will launch a multi-ethnic media campaign about fair housing issues.

Sources: Information provided by the Minnesota Department of Human Rights, 2013; Minneapolis Department of Human Rights, 2013; and the City Saint Paul Department of Human Rights and Equal Economic Opportunity.

Other agencies are also involved in fair housing enforcement through complaint intake and investigation as well as outreach and education to residents, housing providers, and other industry stakeholders. Figure 7.7 highlights two organizations that are particularly active in fair housing issues in the region.

7.7 Fair housing infrastructure—Legal service and housing organizations

Organization	Description	Activities
Legal Aid	Legal Aid offers legal representation and information at no cost to low-income persons, including issues related to discrimination in housing. Several separate offices serve the low-income residents of the Twin Cities region, including Mid-Minnesota Legal Aid (MMLA), Southern Minnesota Regional Legal Services (SMRLS) and Legal Aid Society of Minneapolis (LASM).	• Over 1,700 housing discrimination complaints have been filed in the city of Minneapolis alone from 2003-2013. Seventy-two percent of these complaints involved renters. • 1,400 fair housing complaints were made by renters through MMLA and SMRLS from April 2011 to June 2013, mainly in Minneapolis, Saint Paul and the surrounding suburbs. • Legal Aid carries out fair housing testing and provides fair housing resources, such as FairHousingMN.org.
HOME Line	A non-profit organization that provides free legal, educational, and advocacy services to tenants across Minnesota.	• Refers complaints of discrimination to other agencies. • Maintains tenant hotline, hosts an information website and actively participates in policy conversations related to fair housing.

Source: Information provided by Mid-Minnesota Legal Aid, 2013.

Furthering fair housing

In the Twin Cities region, the organizational capacity of existing agencies and organizations involved in fair housing enforcement is relatively limited.[5] Most recently, however, Minnesota Department of Human Rights intensified its enforcement efforts through a series of reforms.[6] While these reforms enabled the Department to resolve more charges and reduce the time it takes to investigate charges, the Department's capacity is still inadequate compared to the volume of existing complaints. For instance, the average caseload of an investigator is currently 76 cases. The limitations of quickly responding to complaints further discourage reporting of ongoing discrimination.

The collective ability of these institutions to enforce fair housing in the region is further impaired by lack of coordination and funding. Sustained, coordinated efforts are necessary to streamline and expand enforcement and increase awareness of fair housing rights. Currently, fair housing organizations handle complaints and provide fair housing education by using occasional project-based assistance from agencies. Increasing the opportunities for collaborations between agencies and organizations and institutionalizing these collaborative efforts will be essential for enhancing the region's capacity for fair housing enforcement.

These organizations and agencies also face the challenge of responding to the changing demographics of the region. The growing share of immigrants in the region's population makes it necessary for these institutions to change their outreach efforts and public awareness campaigns. Providing educational materials in multiple languages and seeking creative ways to reach out to target populations can significantly enhance awareness of fair housing rights in the region. For instance, the fair housing training provided to adult ESL students by the Saint Paul Department of Human Rights and Equal Economic Opportunity is a step in the right direction.

Most importantly, the region's capacity for fair housing enforcement depends on the federal fair housing infrastructure and the federal resources dedicated to fair housing. In July 2013, HUD proposed new guidelines for furthering fair housing. The proposed rule directs HUD grant recipients to take steps to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities for all. The proposed rule has not yet been finalized.

Transit

For households without an automobile and people who do not drive, transit is an essential public service that connects people to opportunities such as jobs, education, social services and retail. Living and working in areas well-served by transit allows households to reduce their overall transportation costs and live either without a car or with fewer cars per household.

Not surprisingly, lower-income households are more likely than higher-income households to use public transit. Figure 7.8, which illustrates the distribution of the region's transit riders and residents by income, shows that transit riders are disproportionately represented at income levels below $35,000. For instance, 24% of the region's transit riders make less than $10,000, compared with only 6% of the region's households. Overall, 60% of the region's transit riders make less than $50,000.

Transit usage is also higher for low-income workers than those with higher incomes. For instance, 12% of workers in households with incomes of less than $30,000 commute to work via transit compared to 4% of those in households with incomes of $60,000 or more.[7] Similarly, 13% of all trips in households with incomes of less than $30,000 are by transit compared to 2% of households with incomes of $60,000 or more.[8]

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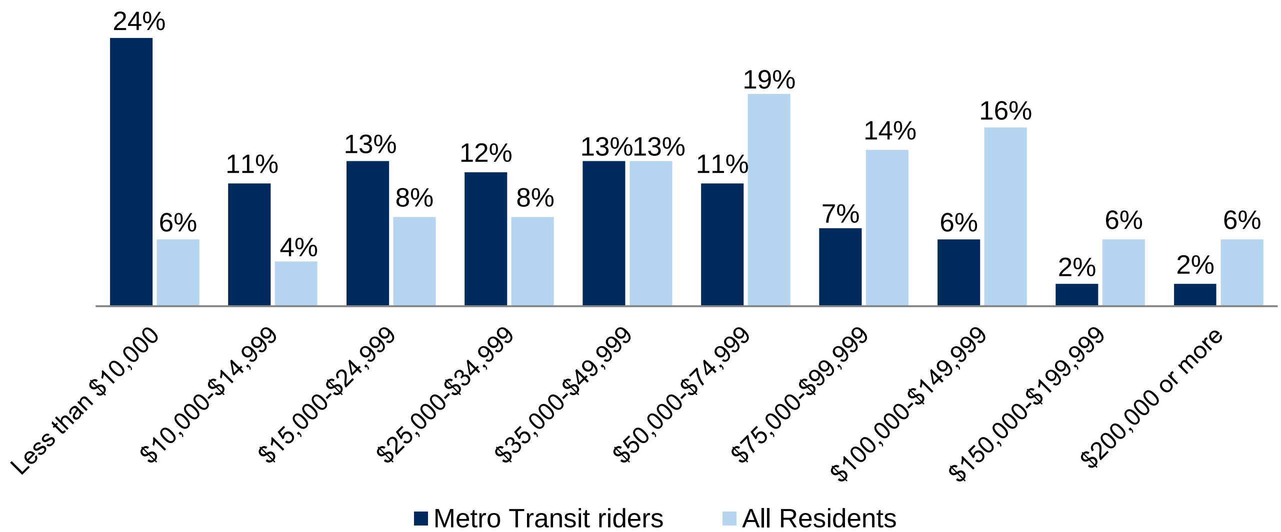
7.8 Household income distribution of residents in the Twin Cities region compared to transit riders (2011 dollars)



Source: 2012 Metro Transit Rider Survey, April 2013.

Transit use in the region also varies by race and ethnicity, although these differences may largely be the result of variations in income by race and ethnicity. Figure 7.9 shows the distribution of the region's transit riders and residents by race and ethnicity. Whether to get around or to travel to work, black residents are considerably more likely than whites to use transit: blacks constitute 27% of the region's transit riders but only 9% of the region's residents. In contrast, while 81% of the region's residents are white, only 55% of the transit riders are.

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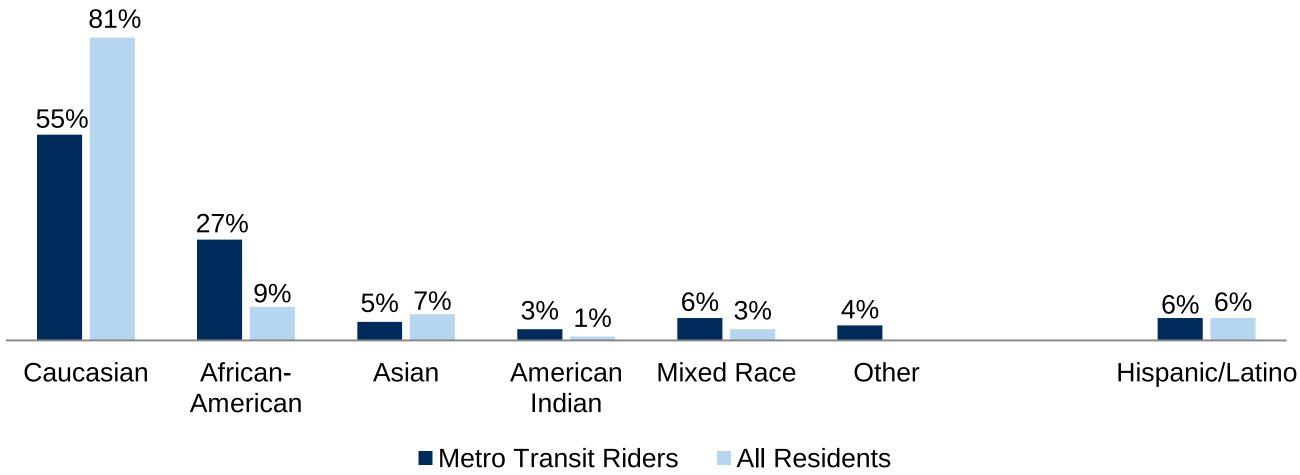
7.9 Racial and ethnic distribution of residents in the Twin Cities region compared to transit riders



Source: 2012 Metro Transit Rider Survey, April 2013.

Note: The racial and ethnic categories used in this chart do not match the ones used throughout the rest of this report. The data for this chart come from the 2012 Metro Transit Rider Survey, which did not divide individual race categories by ethnicity, unlike the U.S. Census Bureau data used elsewhere in this report. As a result, Caucasians in this survey may include residents who identify as white, Latino as well as those who identify as white, non-Latino. In contrast, the white category used in the rest of the report specifically refers to those who identify as white, non-Latino.

Similar racial and ethnic variations in transit usage exist among the region's commuters. Figure 7.10 shows the transit usage of the region's commuters by race and ethnicity. Residents of color are more likely to use transit to travel to work than their white counterparts. In contrast to 4% of white commuters who use transit to go to work, 15% of black, 11% of Latino, 6% of Asian, and 14% of Native American commuters do so. These variations likely result in part from the income differences among racial and ethnic groups and in part from the higher share of residents of color living in neighborhoods that are well-served by transit.

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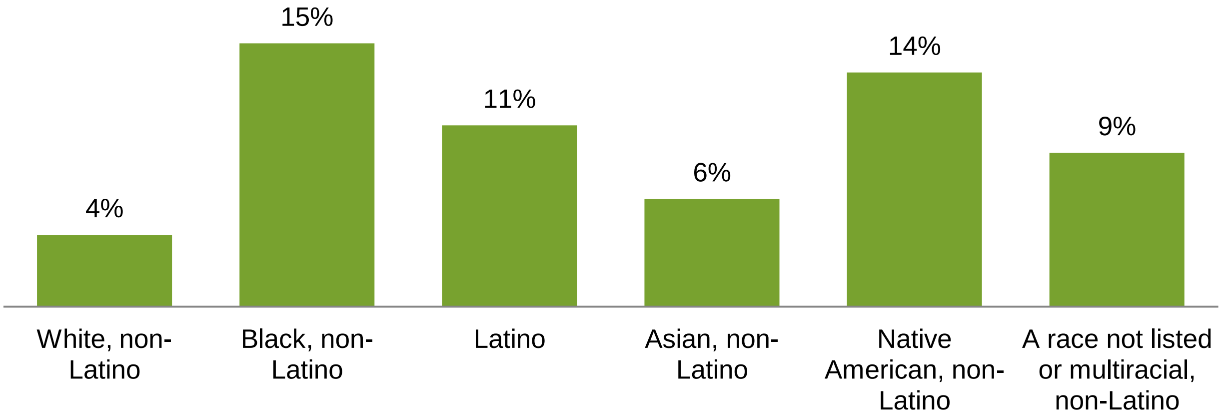
7.10 Commuters in the Twin Cities region reporting public transit use by race and ethnicity



Source: U.S. Census Bureau, American Community Survey, Public Use Microdata Sample, 2007-2011.

Strong transit markets have high residential density and employment, low auto ownership, and well-connected development patterns—characteristics of many of the region's lower-income areas and communities of color. Transit service is most cost-effective when connecting high densities of destinations, especially in areas with low auto ownership rates and/or high parking costs (Map 7.F).

For example, 40% of downtown Minneapolis workers commute by transit during rush hour. In a reinforcing cycle, improvements to transit service go to areas that are strong markets for transit—e.g., housing and job dense areas that often have concentrations of lower-income residents. Households that are reliant on transit are more likely to locate in areas that already have transit service. This, in turn, increases the share of transit riders, making future service improvements more likely.

Many neighborhoods in the region's urban core are strong transit markets, but the strength of transit markets declines in less dense suburban areas. Lower-income neighborhoods whose residents travel to dispersed destinations (for work or school) are weaker transit markets. Encouraging employment opportunities to concentrate in areas that can be well-served by transit can improve overall job accessibility via transit.

Improvements and investments in transit come in two broad categories—changes to the regular-route bus system and capital investments in transitways (i.e., fixed-route transit such as light rail transit, bus rapid transit or commuter rail). Successful bus service generally precedes transitway investments. Given the resources available for the regular-route bus system, planners must balance the level of transit service and the geographic reach of transit.

As a hypothetical, transit planners could deploy all buses toward providing high-frequency service to the small number of routes that attract high ridership. Conversely, transit planners could provide a limited level of service across a broad geographic footprint. While the policy preference is for a balanced approach, the specific weighting of each approach is always subject to review. A survey informing the current update of the Regional Service Improvement Plan asks if respondents prefer:

- Only make service improvements that serve the most people, even if it means some geographic areas have limited transit.

- Only make service improvements that offer a basic level of coverage all over the region, regardless of ridership potential. (This allows more people some access to transit but means less frequent service in places where demand is highest.)
- Emphasize service improvements that will serve the most people but save some resources for basic coverage in less-dense areas.
- Emphasize service improvements that give more people access to transit but save some resources for changes that will serve the most people.

Allocating resources to expand the geographic coverage of transit service into areas that do not have the characteristics for ridership may result in less frequent service in stronger transit markets.

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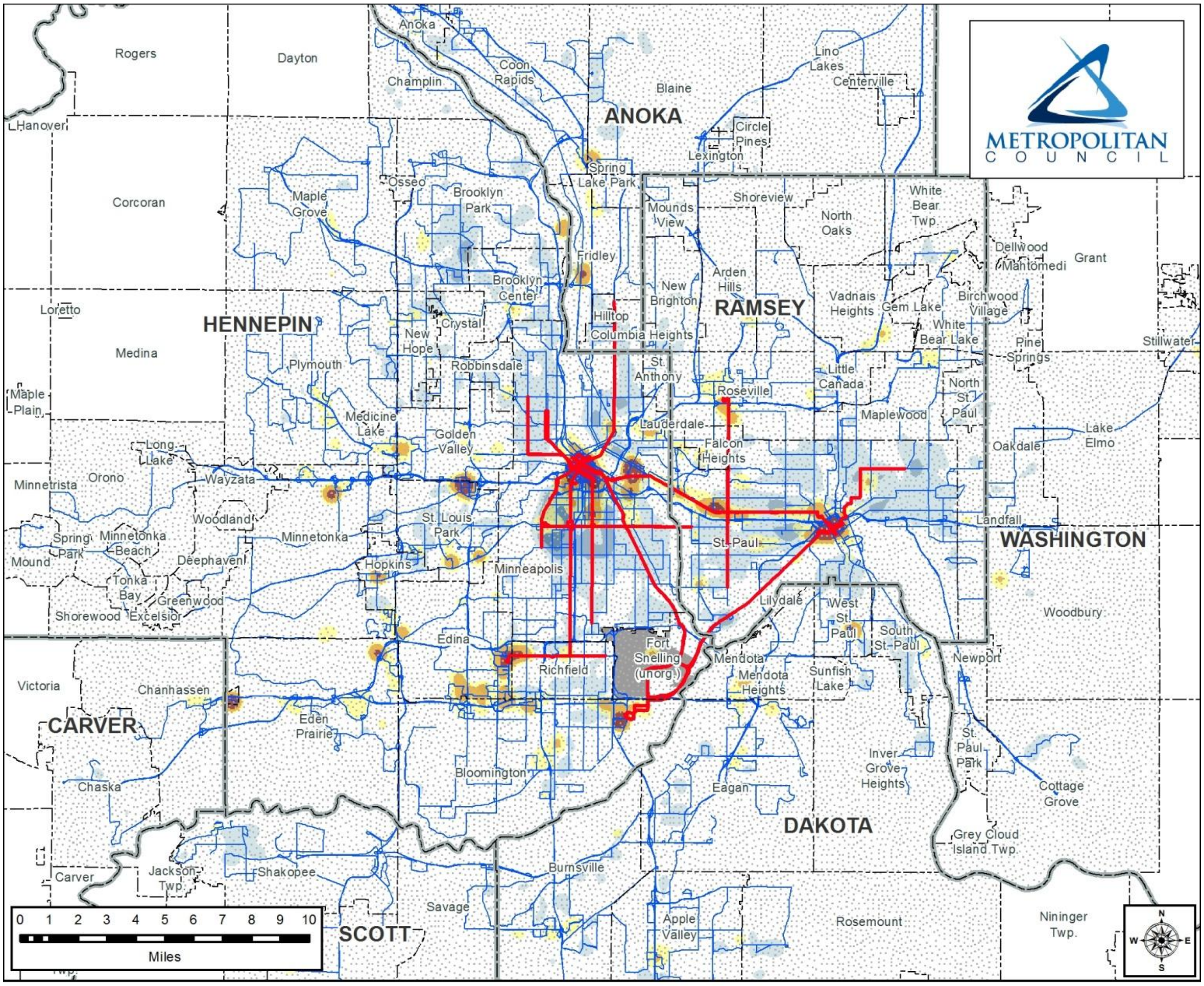
Map 7.F Transit service and concentrations of low-wage workers and low-wage jobs



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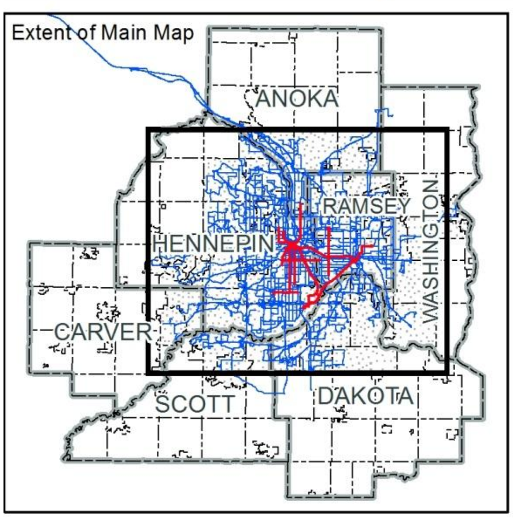

- Hi-Frequency Service Network
- Transit Service
- Transit Taxing District
- County Boundaries
- City and Township Boundaries
- Minneapolis-St. Paul Int'l

Low-Wage Workers / Acre

- Less than 2
- 2 to 3.9
- 4 to 5.9
- 6 or More

Low-Wage Jobs / Acre

- Less than 5
- 5 to 9.9
- 10 to 19.9
- 20 or More

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, 2010. Low-wage is equivalent to $40,000 or less; Metropolitan Council - Metro Transit.

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The region's transit providers—Metro Transit and the suburban transit providers—are constantly looking to maximize ridership while balancing transit service coverage across the 90 cities in the region's transit service area.[ii] Transit providers adjust bus service to take advantage of new opportunities and test new markets, whether that is Metro Transit's plan to realign regular-route bus service to improve connections to the METRO Green Line (Central Corridor) or SouthWest Transit's planned pilot project to provide service from the southwest suburbs to the new Target campus in Brooklyn Park.

Transitways are major investments that provide faster service than regular-route buses, better customer experience, and more certainty to investors that can attract development. The areas around transitway stations can accommodate regional growth; offer expanded living, working, and shopping choices; increase the efficiency of existing infrastructure; and contribute to climate change mitigation and resiliency.

Between high capital costs and ongoing operational costs, transitway investments are only viable in areas where transit-supportive development patterns, such as denser and walkable neighborhoods and transit destinations, exist. Map 7.G outlines the region's aspirations for future and existing transitway investments. The planned build-out of the regional transitway system will increase the frequency and convenience of transit service along select corridors.

[ii] The transit service area, also known as the Transit Capital Levy Communities, generally defines the limits of the regular-route transit system.

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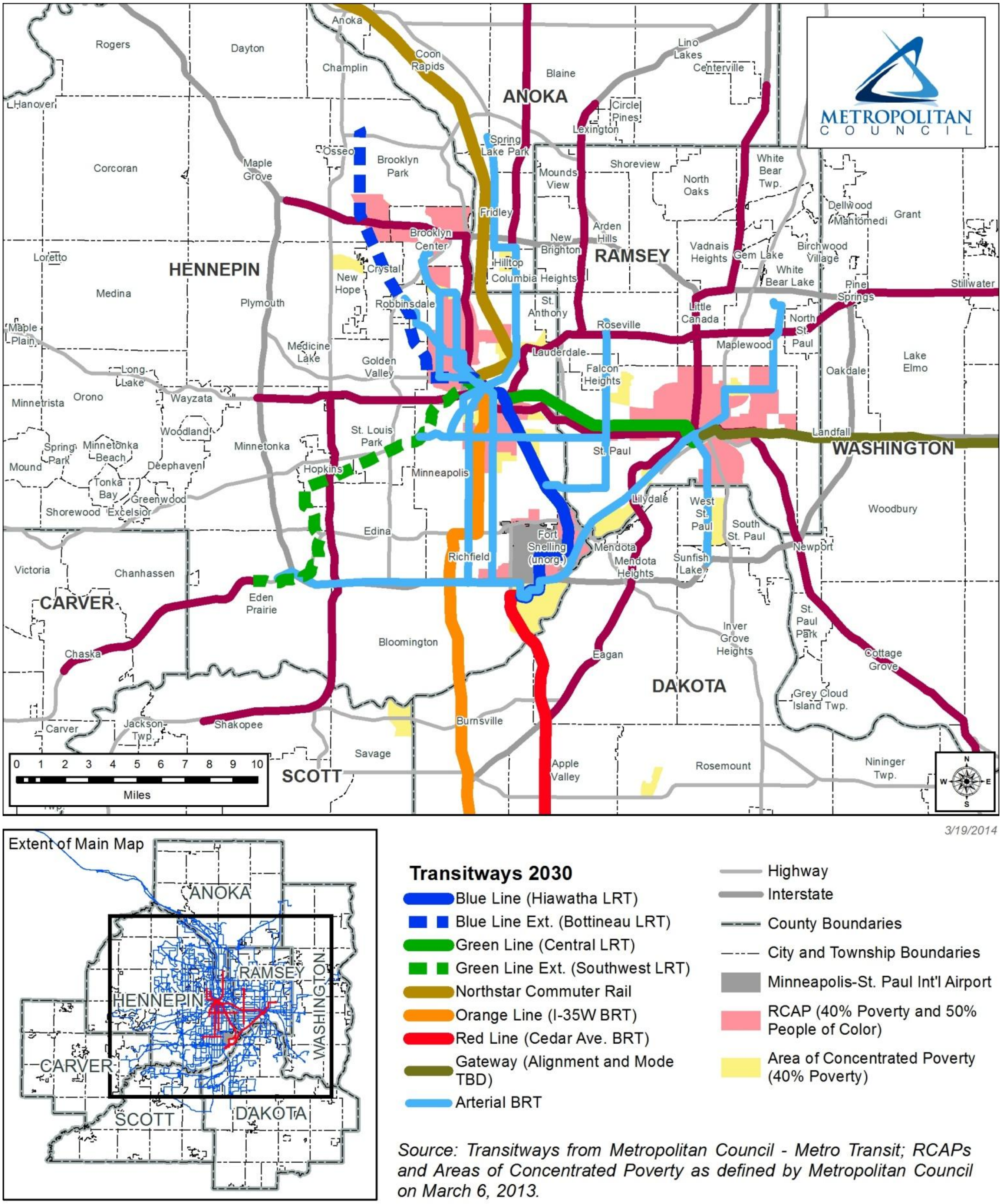
Map 7.G Planned transitway investments by 2030



Source: Transitways from Metropolitan Council - Metro Transit; RCAPs and Areas of Concentrated Poverty as defined by Metropolitan Council on March 6, 2013.

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Changes to the existing transit system as well as new capital investments in fixed-route transit raise several issues regarding equity. In order to prioritize equity in transit investments, the following questions may help in making informed policy decisions:

- Do transit routes provide a viable option to get people from where they live to where they want to go (e.g., employment, education, shopping, services)?
- Is it convenient? How frequent is transit service? How many hours a day is transit service available?
- What is the quality and character of transit amenities such as bus shelters, park-and-ride facilities, and the vehicles themselves?
- What is the impact of transit investments—especially transit where capital investments demonstrate the permanence of a route—on development?

Under the Federal Transit Administration guidelines for Title VI, Metro Transit regularly undertakes analyses to ensure that any major changes in transit service do not lead to disparate impacts on low-income residents and communities of color.

Community development and economic development investments

Affordable housing policies can expand the residential choices of lower-income households. Transit service gives people the ability to travel without a car. Community and economic development investments aim to create or attract job opportunities and private investment to specific locations. Investments in community development and economic development can change the landscape for access to opportunity in several ways.

One approach to expanding opportunity through economic development occurs through public efforts to develop or redevelop land for employers to increase local tax base, revitalize economically depressed areas, and provide jobs for a potential workforce. For example, the Saint Paul Port Authority works within many Saint Paul neighborhoods to redevelop underdeveloped and abandoned industrial land. After cleaning up often heavily polluted sites, the Port Authority requires businesses to agree to pay their employees at least $11 per hour plus benefits and to ensure that 70% of the new employees the businesses add over at 10-year period must be Saint Paul residents.

Community development investments also encourage additional private investment to selected locations. For example, the construction of the METRO Green Line has attracted well over $1 billion in new development projects to the corridor. While some of this development might otherwise have happened elsewhere in the region, the Green Line's proximity to RCAPs and lower-income neighborhoods will help contribute to their revitalization.

Another approach is targeting jobs and contracting opportunities created through publicly funded construction projects to neighborhood residents, residents of color, low-income residents, and disadvantaged business enterprises (DBE). Under Section 3 of the federal Housing and Urban Development Act of 1968, HUD expects its financial resources used for construction of housing or community development to benefit low- and very-low-income residents, especially those who receive housing assistance.[9]

Similarly, the Metropolitan Council has set goals for contracts and procurement from disadvantaged business enterprises and underutilized businesses. For example, the largest building project in the region in recent years was the construction of Target Field in downtown Minneapolis—which is 0.4 miles from the edge of a RCAP. The construction of the METRO Green Line (light rail), running

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between the downtowns of St. Paul and Minneapolis, created 5,445 construction jobs and a payroll of $252 million in wages for workers in more than 60 Minnesota counties. Looking ahead, the next large-scale development project with public funding is the $700 million construction of a new stadium for the Minnesota Vikings—again, 0.1 miles away from the edge of a RCAP. All three projects have had hiring goals for the percent of construction hours by workers of color. Efforts to ensure that people of color receive construction jobs help to mitigate the region's overall employment disparities though they may or may not affect neighborhood residents.

Public resources for brownfield remediation provide funding to investigate and clean up contaminated land, groundwater, and buildings to prepare sites for redevelopment. Resources available in the seven-county area include:

- Department of Employment and Economic Development Contamination Cleanup and Investigation Grants
- Metropolitan Council Tax Base Revitalization Account
- Hennepin County Environmental Response Fund
- Ramsey County Environmental Response Fund

Map 7.H depicts the resources dedicated to brownfield site cleanups by the Metropolitan Council, Hennepin County and Ramsey County.[iii] These resources go to core areas of the region in or near RCAP areas where there is demand to redevelop previous industrial uses and contaminated land. The funds help restore tax base and develop more jobs and affordable housing by providing critical resources that make development happen.

iii The contamination cleanup and investigation dollars spent by DEED are not mapped because addresses for individual projects were not available.

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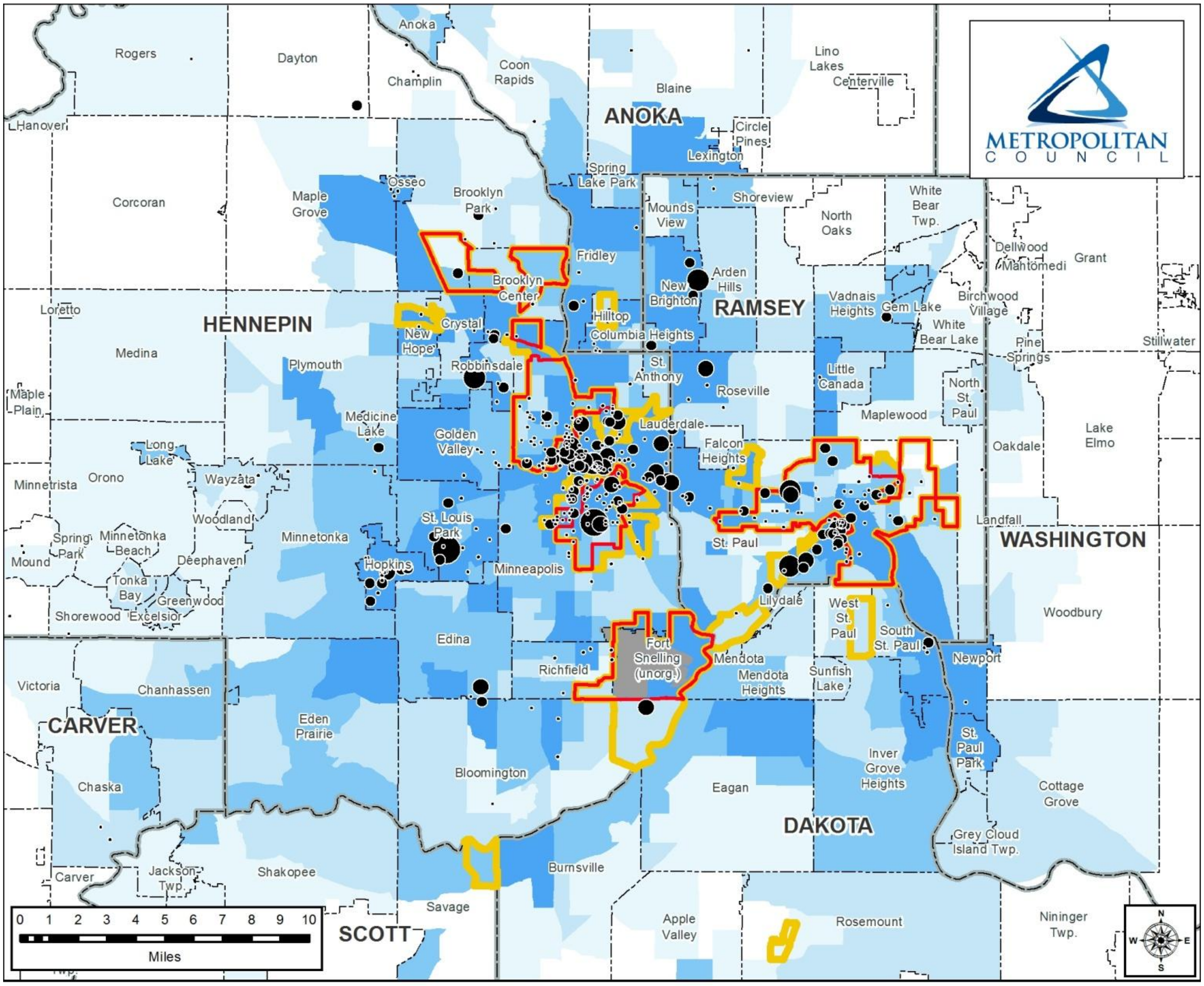
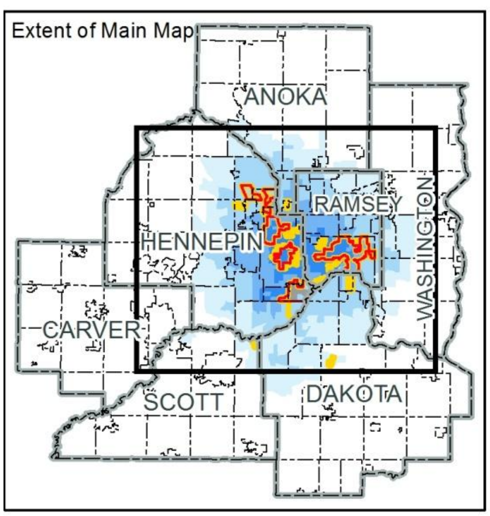
Map 7.H Brownfield Clean-up investments and exposure to environmental hazards





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Investment in Brownfield Cleanup

- Less than $5000,000
- $500,000 to $999,999
- $1,000,000 to $1,999,999
- $2,000,000 to $4,999,999
- $5,000,000 to $5,813,314
- RCAP (40% Poverty and 50% People of Color)
- Area of Concentrated Poverty (40% Poverty)
- Minneapolis-St. Paul Int'l Airport

Exposure to Environmental Hazards

- Very High
- High
- Medium
- Low
- Very Low
- County Boundaries
- City and Township Boundaries

Source: Brownfield cleanup from Hennepin County's Environment Response Fund, 2001-2012, Ramsey County's Environment Response Fund, 2004-2013, and Metropolitan Council's Tax-Base Revitalization Account, 1996-2013; Environmental Hazards from EPA's Toxic Release Inventory, MPCA's "What's in My Neighborhood?" dataset, and Metropolitan Council's Generalized Land Use, 2010; RCAPs and Areas of Concentrated Poverty as defined by Metropolitan Council on March 6, 2013; Cluster analysis by Institute on Metropolitan Opportunity, informed by the Fair Housing and Equity Assessment Data and Mapping Team.

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Section Seven described the impact of and policy landscape of several key levers that affect access to opportunity—the Fiscal Disparities program; investments in affordable housing; fair housing enforcement; transit service; and investments in community and economic development. Section Eight will focus explicitly on the policies that the Metropolitan Council is undertaking to enhance housing and transportation choices and improve access to opportunity, while Section Nine will discuss the efforts of other organizations in the region.

[1] http://cfed.org/assets/pdfs/TWINCITIES_DATASSNAPSHOTw_Edit_2.pdf

[2] The Fair Housing Act (Title VII of the Civil Rights Act); the Fair Housing Amendments Acts of 1988; the Civil Rights Act of 1964; the Housing and Community Development Act of 1974, and the Americans with Disabilities Act of 1990 are among these federal laws.

[3] At the state level, the Minnesota Human Rights Act prevents discrimination in housing on the basis of race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, and family status. The Act also prohibits retaliation against persons filing a discrimination charge or complaint or taking part in an investigation by a human rights organization. The Minneapolis Civil Rights Act for residents of the City of Minneapolis adds ancestry to the state definition of protected classes. Similarly, the Saint Paul Human Rights Act added ancestry and age to this definition.

[4] In response to the “widespread failures in consumer protection and rapid growth in irresponsible lending practices” that preceded the financial crisis in 2007, a new financial agency for consumers was established within the Dodd-Frank Wall Street Reform and Consumer Protection Act legislation. Signed in 2010, the Act created the Consumer Financial Protection Bureau (CFPB), an agency designed to keep American consumers’ interests a top priority in regards to financial products and services, ensuring they are fair, transparent, and competitive for all consumers. As an independent agency, the CFPB effectively consolidated the oversight and enforcement of federal financial regulations and consumer laws that were previously scattered across the government.

[5] See, for instance, annual Fair Housing Trend reports published by the National Fair Housing Alliance, which summarizes complaint data from private, nonprofit and government entities. These reports consistently demonstrate that private fair housing organizations are the primary investigators of housing discrimination complaints, despite small staffs and underfunding. For the latest report, see National Fair Housing Alliance, “Modernizing the Fair Housing Act for the 21st Century: 2013 Fair Housing Trends Report,” April 11, 2013.

[6] Minnesota Department of Human Rights, *2011-2012 Biennium Report,* available at http://mn.gov/mdhr/public_affairs/documents/MDHRBienniumReport2011-2012.pdf.

[7] U.S. Census Bureau, American Community Survey, Public Use Microdata Sample, 2007-2011.

[8] Metropolitan Council Travel Behavior Inventory

[9] http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3brochure