

METRO

## How much will Minneapolis' 2040 plan actually help with housing affordability in the city?

By [Jessica Lee](#) | 05/31/2019



MinnPost photo by Peter Callaghan

If, or to what extent, will the elimination of single-family neighborhoods actually help with housing affordability in Minneapolis?

**Eric Hauge** knows the effects of Minnesota's **housing affordability crunch** all too well. As executive director of HOME Line — a hotline for renters dealing with issues like negligent landlords, unexpected rent hikes or eviction notices — he said more and more people are calling with one main concern: Finding a way to remain in their homes, since there are so few affordable places for to live.

By studying lease agreements and renter protections, HOME Line attorneys and advocates try to identify ways clients can stay in their homes, whether through legal strategies or working out deals with property owners. But sometimes, when landlords are following housing laws and tenants are unsuccessful in their negotiating, HOME Line has no other option than to tell callers they must move. “If you don’t already have some sort of subsidized housing, it can be very difficult,” Hauge said.

The rising pressure on HOME Line and similar housing nonprofits exemplifies the region's growing housing disparities. Most new apartments in Twin Cities are unaffordable for almost half of the population, according to [census data](#) and the [Family Housing Fund](#), a Minneapolis-based housing nonprofit. Since 2013, new one-bedroom apartments in St. Paul, for example, have monthly rents ranging from \$1,275 to \$1,700 — prices that are only affordable to households that earn roughly \$50,000 to \$75,000 annually.

That gap in affordable housing has prompted a slew of new policy efforts in the past year, ranging from investments to maintain — or build more — housing for low-income renters to [inclusionary zoning rules](#) that offer incentives to developers who keep rents below market rates.

But while cities' efforts vary in size and scope, no municipality has taken a more dramatic response to the housing gap than [Minneapolis](#). In December, the City Council [approved](#) its long-term plan for development, [Minneapolis 2040](#), which made Minneapolis the first major U.S. city to eliminate single-family zoning all together. The move was celebrated by local residents who see increased density as key to the [city's housing](#) inequalities while attracting the attention of the national [media](#) and [housing-rights activists](#) who think other metros should follow Minneapolis' lead to increase residential density.

But for all the buzz generated by the plan, far less attention has focused on a very basic question about the change: If, or to what extent, will the elimination of single-family neighborhoods actually help with housing affordability in Minneapolis?

## **The disproportionate effects of the housing crunch**

Minneapolis 2040 includes two major land-use changes to spur taller, bigger housing complexes in more places: One to allow new three-to-six story buildings along some transit corridors; and another to eliminate single-family zoning and allow housing of up to three units, or triplexes, in all parts of the city.

The abolition of single-family zoning received the most attention from national onlookers, many of whom touted the change as step toward reversing some of the damage from historical exclusionary zoning policies. "[Minneapolis, Tackling Housing Crisis and Inequity, Votes to End Single-Family Zoning](#)," A New York Times headline read, while a Reuters story noted: "[In U.S. first, Minneapolis rethinks housing density to make homes cheaper](#)."

In Minneapolis, one progressive advocacy group, in particular, marked the zoning change as a major win. The group, [Neighbors for More Neighbors](#), argued greater density citywide will help make the city more walkable, diverse and affordable. Members also often cited the rising cost of Minneapolis' single-family homes as a reason [why so many residents rent in the city instead](#). (The median home value in the city is [now \\$266,800](#).) But advocates argued more diverse options could make housing more affordable.

"I want everyone to have the same access to affordable housing that I'm currently enjoying," one activist, Nicole Salica, said during the city's debate over Minneapolis 2040. "Every neighborhood

should have a variety of housing.”

The backdrop to Minneapolis’ new plans for residential development is the region’s anticipated growth and population changes. To meet existing demand for housing and build homes for future residents, cities across the Twin Cities metro would need to add more than 14,000 homes each year for the next two decades, according to the **Family Housing Fund**. But right now they are building about three-fourths of that, on average.

And though rising rents and housing costs are on track to impact households of all incomes, one demographic is expected to feel the pressure especially hard: low-income residents. The **Family Housing Fund** expects retail and restaurant employees, child care workers, nursing assistants and home health aids among people who will struggle the most.

Already, the shortage of affordable housing is taking a toll on Minneapolis’ poorest residents. Currently, about 27 percent of the city’s households earn less than 30 percent below the area’s median income (AMI) — \$28,300 for a family of four — according to research by the University of Minnesota’s **Center for Urban and Regional Affairs**. That is the **U.S. Department of Housing and Urban Development** (HUD) definition of “extremely low income” and a demographic that can apply for public subsidies.

Meanwhile, thousands of local households of higher incomes are living in homes that are better priced for those low-income workers, with monthly rent prices below about \$700, research found. “When you look at what the housing needs are in Minneapolis, St. Paul, the region, the state, really the biggest chunk of the folks who are struggling the most are households that are making less than about \$25,000 a year,” said **Margaret Kaplan**, policy director at the Housing Justice Center, a local nonprofit that works to maintain and expand affordable housing options. “We are basically blocking out a large chunk of our population from being able to access housing.”

For people of all income levels to live comfortably, experts say renters should not spend more than about one-third of their monthly income on housing costs. And homeowners, meanwhile, should not buy homes that cost more than 3.5 times their annual household income. If, or when, a household exceeds those thresholds, it is likely to start sacrificing money on other basic needs, such as food and clothes.

According to Census data, more than 36 percent of all Minneapolis households are in that tight financial situation, including about one in every two renters.

## **More options, but little benefit for low-income residents**

Supporters of zoning changes to add density, like Minneapolis’ elimination of single-family neighborhoods, often cite the theory of supply and demand for their land-use adjustments. If you build more housing of any kind, you will decrease the cost of housing overall because people who can afford higher prices will move into those new places with more amenities (luxury apartments with spacious layouts, condos with yards, etc.).

But, according to Kaplan, that theory doesn't always reflect what happens in the housing market, for several reasons. First, people often pay far above what they should on rent or mortgages, just so they can remain in a particular neighborhood or living situation, or because they have no other option, she said. That complicates the economic ladder for housing and makes the market unique. Also, housing is often ranked highest on residents' lists of expenses. "Some commodities you don't need, and so when the price gets high enough you're going to say, 'I'm not going to do it unless they lower the price,'" Kaplan said. "Housing isn't like that. We all need a place to call home."

Minneapolis 2040's move to allow triplexes everywhere is not likely to help people at the bottom of the city's income scale very much.

The area's increasing cost of **labor, construction and land** puts existing single-family neighborhoods out of range for most developers of affordable housing, Kaplan said.

Nonprofit or for-profit organizations that build housing for low-income residents (for those at or below 50 to 60 percent AMI) are usually in the business of large-scale properties of 40 units or more, she said. For housing aimed at poorer households (30 percent AMI), developers need local or federal subsidies. They typically want to spread the cost of construction and maintenance over as many units as possible, and some sources of subsidy don't work well for small-scale multi-family housing. HUD's Low Income Housing Tax Credits, for example, require transaction costs that make them very difficult to use for smaller buildings, Kaplan said. As a result, there are few developments in Minnesota for households below 30 percent AMI that have fewer than 20 units.

All of which means the zoning change is likely to give middle- to- upper class residents more options for owning or renting. A homeowner, for example, could decide to gain a new stream of revenue by renovating their house into a duplex and renting out the new space. "It might not be a \$3,000 unit, but it's probably not going to be a \$500 unit either," Kaplan said.

## **'It's crisis mode'**

To Kaplan and her colleagues at the Housing Justice Center, Minneapolis 2040's lack of specifics to help the city's poorest residents is a misstep. "We've oversold the benefits of doing this," she said. "I think we've declared victory too early."

About a month after the City Council approved the long-range-plan, a senior attorney from the group, Jack Cann, wrote a **letter** of objections to leaders of the **Metropolitan Council**, which coordinates comprehensive plans across the seven-county metro. The letter alleges that the plan violates the **federal Fair Housing Act** by limiting the possible construction of affordable housing and missed an opportunity to describe future operating subsidies for low-income housing, among other claims.

"Unless the council is prepared to effectively address the housing problems of extremely low income, disproportionately minority households, its commitment to regional equity will prove to be extremely hollow," Cann wrote.

As Vice President of **Aeon**, a Minneapolis-based company that buys and renovates properties for low-income renters, Blake Hopkins is another person with firsthand experience of helping people navigate

the limited market for affordable housing in the area. He also said Minneapolis' unprecedented zoning change will have minimal impact on Aeon's work since it primarily manages large-scale properties. "We're at a point right now where it's a crisis mode," Hopkins said. "We're seeing more communities coming to us to address affordable housing issues."

HOME Line's Hauge, meanwhile, said that while the majority of the organization's calls are about housing conditions, it is seeing a spike in tenants seeking help to deal with rent increases or informal notices to vacate. Oftentimes, those issues are a result of property owners planning to remodel, change their clientele or sell their apartment buildings, he said.

"That's happening consistently throughout the metro — private market customers have really fragile leases," Hauge said. "That's a tactic some landlords take to demonstrate their property is a good investment for upscaling, for renovating, and so then they put people on month-to-month leases and then they have minimal notice" before having to move.

## **Change to be measured in decades**

Another wrinkle in the goal to address a housing deficit via Minneapolis 2040: Many owners of single-family lots in Minneapolis have no plans of moving anytime soon. That means the zoning change could take years, if not decades, to make any noticeable impact on the housing supply.

Currently, about three-fourths of Minneapolis' population live in neighborhoods zoned primarily for single-family homes or small multifamily housing, according to land-use maps and Census data. In those areas, there are currently just two rental units for every three owner-occupied homes.

Demographers expect the number of homeowners in the city to decrease when some of them do eventually decide to sell, while the **number of renters** grows to make up more of the majority. To accommodate that shift in the market — which researchers expect to affect St. Paul, too — the Twin Cities need to boost their stock of multifamily housing (from 40 percent now to 43 percent) and decrease its proportion of single-family housing (from 60 percent to 57 percent) in future years, according to the **Family Housing Fund**.

Enter Minneapolis 2040. Its call to allow multifamily housing across the city, sometimes referred to as "upzoning," could help spark new development to meet those projections.

Across the country, the idea of upzoning is a hot one in urban planning, especially among leaders of cities that are also grappling with a gap of affordable housing. All efforts have faced some pushback from residents who call upzoning a misguided approach to solving housing equity problems, saying it would alter the look and feel of neighborhoods, hand too much power over to developers or raise property values.

In Minneapolis, those concerns were at the heart of a citizen-led campaign, **Minneapolis for Everyone**, that successfully persuaded city planners to dial back their original idea of allowing **fourplexes everywhere in the city to allow for triplexes** instead.

“I think the city has an extensive housing crisis, and I think it has an affordable housing crisis, but those things are solved in different ways,” said one of those advocates, former City Council member Lisa McDonald, during the city’s discussion over the 2040 plan. “Just building triplexes — that’s not going to solve the affordable housing problem.”

A 2019 [study](#) of upzoning in some Chicago neighborhoods found some truth in that critique and highlighted the long-term nature of such zoning changes. The researcher behind the study, Yonah Freemark, who is a doctoral candidate at the [Massachusetts Institute of Technology](#), analyzed housing prices and construction permits in areas where Chicago began upzoning in 2013 and 2015. He found increasing property taxes, but little change in the areas’ housing supply as a result of the zoning changes.

In other words, buyers quickly took advantage of the new land-use designations and were willing to pay more for buildings, but housing construction didn’t accelerate, the research found.

“The study’s overarching account raises concerns in that it tempers the expectation that upzoning can be by itself a remedy for housing affordability through increased construction,” Freemark wrote. “Whether these trends continue into the longer term is unclear.”

Freemark has urged cities that are considering upzoning to listen to residents who are worried about rising housing costs and to make other types of investments in new affordable housing while working “to promote immediate new construction, not just speculation related to the possibility of future construction.”

## No illusions

[City Council President Lisa Bender](#), a proponent of increased density who signed off on the comprehensive plan, does not have any grand illusions about Minneapolis 2040 solving the city’s affordability woes.

She sees the elimination of single-family zoning as a sequel to an ordinance she authored in 2014 that [allows accessory dwelling units on residential lots \(ADU’s\)](#). Under that zoning change, owners of single-family houses can build an additional dwelling — or simply rent out an existing space — on their properties, changes that often take the form of mother-in-law units or carriage houses. Supporters have touted that zoning change as a low-key way to add housing density without upsetting neighbors. [Minneapolis homeowners have built some 140 ADU’s since its adoption](#), which accounts for 0.2 percent of single-family lots.

Bender expects similar, gradual results from Minneapolis 2040, which will take effect when the City Council updates zoning codes neighborhood-by-neighborhood as early as this year.

Instead, she said, the comprehensive plan’s call for more density near some transit corridors is likely to spur more noticeable change to the city’s streetscapes compared to the new triplex policy.

Upzoning “isn’t likely to have an immediate impact on, you know, our [rental vacancy numbers](#), which are very low and some of those other extreme pressures on our housing market,” she said. “But over

time it will help create more housing units, especially smaller units in more neighborhoods, creating flexibility for property owners and allowing people to use their homes and buildings in new ways.”

Responding to those who believe the plan does not go far enough to help the city’s lowest-income residents, Bender added: “I certainly would never argue ... that the change alone would address affordability,” she said. “This plan looked at housing affordability holistically. We looked at ways to address our supply problem because we literally don’t have enough homes for people who want to live in our growing city, and that’s causing all kinds of problems that are affecting our more vulnerable, low-income renters.”

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### COMMENTS (21)

SUBMITTED BY THEO KOZEL ON [05/31/2019 - 02:24 PM](#).

How can a 2019 study of upzoning in Chicago find any truth in pessimistic long-term projections when the upzoning began just six years ago? Just a few sentences away the article correctly states that the change will be measured in decades. Reasonably speaking, wouldn’t the Chicago market need to go through a variety of economic conditions over a longer time frame to accurately assess the long-term impact of upzoning?

Also, “About a month after the City Council approved the long-range-plan, a senior attorney from the group, Jack Cann, wrote a letter of objections to leaders of the Metropolitan Council, which coordinates comprehensive plans across the seven-county metro. The letter alleges that the plan violates the federal Fair Housing Act by limiting the possible construction of affordable housing and missed an opportunity to describe future operating subsidies for low-income housing, among other claims.”

A couple questions: this plan has been in the works and has been publicly debated for several years now. Why would the objections be brought up just now?

Furthermore, is it common for zoning plans to describe future operating subsidies for low-income housing, or do zoning plans cover...you know...zoning?

[LOG IN TO REPLY](#)

SUBMITTED BY DAVE PORTER ON 05/31/2019 - 02:56 PM.

The major factor keeping Tiny Houses unavailable is the federal law disqualifying manufactured housing from federal loan guaranty programs.

The other answer would be to allow mobile homes in back yards.

The present 2040 plan is entirely unworkable because it costs about \$1.5M to take over an existing single family home and come up with a modern triplex. A unit costing \$500,000 cannot be made into “affordable housing.”

The latest round of catering to all-those-renters-who-vote-in-Minneapolis, throwing landlord discretion and control over those they do business with, amounts to taking private property for a public purpose. If we’re going to do that, then we have to pay for what we’re taking. At the very least, property tax breaks... which leads to the circular firing squad of reduced income for the city in order to provide benefits.

Capitalism vs. government. Always a thrill.

[LOG IN TO REPLY](#)

SUBMITTED BY PAT TERRY ON 05/31/2019 - 03:55 PM.

Your comment assumes that its the new housing itself that is going to be the affordable housing. As you point out, it is very difficult to make a new triplex (or any new construction) affordable. But because the affordable housing crisis is largely caused by an overall housing shortage, adding those unaffordable units will help alleviate the problem. Building new units opens up older, more affordable housing and reduced the demand pressure driving up rents.

[LOG IN TO REPLY](#)

SUBMITTED BY ALEX SCHIEFERDECKER ON 05/31/2019 - 03:12 PM.

This is a challenging topic and there is a lot of confusion being spread by people who make inaccurate statements.

For an example of this, this article quotes former City Councilmember Lisa McDonald, who says, “Just building triplexes — that’s not going to solve the affordable housing problem.” The article then juxtaposes this quote with Yonah Freemark’s Chicago zoning study.

There’s just one problem. Freemark studied narrow, targeted upzonings near transit, and found that \*no new housing was built.\* His study cannot be read as refuting supply and demand, because \*no new supply resulted.\*

Minneapolis has taken a different approach from Chicago, and is a different city with a different housing market than Chicago. Three principle differences:

- (1) Minneapolis’ upzoning is broad based; every neighborhood is affected, but no neighborhood is affected too much. This should prevent the kind of speculation that Freemark found.
- (2) Minneapolis’ upzoning also targets all kinds of neighborhoods, allowing many different types of developments, while Chicago’s upzoning targeted transit-adjacent areas for much larger buildings.
- (3) Minneapolis is a hotter housing market than most of Chicago. While the Chicago metro area is growing slowly, the MSP metro area is growing quickly. A lack of development pressure that led to no new construction in the upzoned areas in Chicago. There is more pressure in Minneapolis.

It takes paragraphs and paragraphs to explain why a single line of misdirection is misleading. This is the challenge that housing advocates face.

Minneapolis 2040 will not solve housing issues overnight. Nor will it solve the poverty that puts people's incomes below what even the cheapest home would cost. But in the long run, it should help alleviate the pressure on the housing market overall by allowing cheaper \*types\* of homes to be built (wood construction is far cheaper than concrete and steel), and more homes to be built. It will not solve issues, but it is the fundamental first step to solving them.

[LOG IN TO REPLY](#)

SUBMITTED BY JIM MEYER ON 05/31/2019 - 06:11 PM.

Thank you for a detailed, balanced reply.

[LOG IN TO REPLY](#)

SUBMITTED BY LISA MILLER ON 05/31/2019 - 06:38 PM.

I think you make some good points however—many say that increasing density does not in fact lower housing costs for many. Also any good city needs a strong middle class and how many people want to live in condos and apartments and how much is the government able to subsidize? It's hard to ask middle and working class tax payers to subsidize things when they struggle with bills. And where does a decent minimum wage fit into this? Why are we subsidizing housing for Walmart workers? The transit and build around it—is it really any different than past having buses near complexes? Has anyone looked at if indeed people in transit near housing now have good jobs that they can now commute to? Also what about lowering some regulations to lower price and the lack of workers to build causing more issues. Some studies say it would take years and years of building more housing to make a dent in cost and who knows by then the population may turn down. Many also do not want to live in high density—the twin cities has had lots of open spaces and if you don't offer that option, people move further out, negating any environmental gains. People should have options, but many of us would like to live in places beyond our pay, so do we then mandate every city have a range of housing and then subsidize building it? Look at why people want to move—I think what is overlooked is that every neighborhood should have a quality school and every neighborhood should have a focus on low crime. I remember when people did not for the most part to live in the city and housing prices were low here and now many of us can't afford to live where we grew up.

[LOG IN TO REPLY](#)

SUBMITTED BY ALEX SCHIEFERDECKER ON 06/02/2019 - 05:13 PM.

>> "I think you make some good points however—many say that increasing density does not in fact lower housing costs for many."

Let's be precise about what we are saying. There is substantial research that shows that building more housing supply is correlated with lower housing prices or lower growth in housing prices. While that may not be good enough to make housing affordable for many people, it is wrong to suggest that increasing supply does not lower costs. If done enough, that's exactly what it does.

>>" Also any good city needs a strong middle class and how many people want to live in condos and apartments and how much is the government able to subsidize?"

Given the price signals, it's clear that many more people want to live in condos and apartments than there are opportunities to do so. Let's let developers build them, and let's

see how people respond.

>> “Some studies say it would take years and years of building more housing to make a dent in cost and who knows by then the population may turn down.”

Maybe, but maybe not. Let’s start building more housing now, just in case. A lot of our current shortage is due to drop-offs in home construction that started when cities got heavily downzoned in the 1970’s and 80’s.

[LOG IN TO REPLY](#)

SUBMITTED BY WILLIAM LINDEKE ON 05/31/2019 - 06:54 PM.

Great comment Alex.

[LOG IN TO REPLY](#)

SUBMITTED BY THOMAS QUINN ON 05/31/2019 - 04:35 PM.

Do people have an inherent right to live in the city? Rural Minnesota has lots of jobs and plenty of affordable housing. Whether you prefer city life or not, wouldn’t moving to where housing and jobs are more plentiful be the reasonable thing to do?

[LOG IN TO REPLY](#)

SUBMITTED BY RORY KRAMER ON 06/02/2019 - 04:28 PM.

I live in rural Minnesota and your so-called plentiful jobs and housing available is a myth. Yes, jobs are available but they’re mostly your sevice-type jobs that pay 75-80% of what the same position would earn you in the Twin Cities. Housing might be cheaper but the supplies are tight as people are staying in their homes longer, usually until they die at home. People who work in Rochester are moving to towns 20-45 miles away and commuting to find cheaper housing than what is available in town. Rural Minnesota is no place for the millennial generation with the lack of unique dining restaurants available in places like the Twin Cities and Rochester and other basic essentials a millennial requires, which includes high-speed broadband internet.

[LOG IN TO REPLY](#)

SUBMITTED BY SUSAN HERRIDGE ON 05/31/2019 - 05:05 PM.

Thank you MinnPost and Ms. Lee for helping to unpack this complicated topic.

[LOG IN TO REPLY](#)

SUBMITTED BY WILLIAM HUNTER DUNCAN ON 05/31/2019 - 05:08 PM.

As a builder I have been telling people since I first heard about this plan, that adding more housing units will not reduce rents, because the cost of building, not the the number of units built, determines cost. If we want to build a 100,000 units in the form of 70-120 unit apartment buildings, maybe...but not by allowing single family houses to become tri-plexes.

The other fundamental and more important issue neither most liberals nor conservatives seem willing to admit, is the downward pressure on wages for 40 years, particularly for working class people. I worked at a big box store in 1992 making \$7hr. That same store offers the same job at \$9 in 2019.

The Federal Reserve puts \$7 in 1992 at about \$13 today. However if you are honest about how the Federal Reserve judges inflation, neither counting housing or health care costs, then you know their numbers are highly massaged to benefit money managers. Measured the old way according to a "basket of goods", that \$7 in '92 is more like \$20.

Now consider that the median house cost in America in 1992 was \$120,000. The median house cost in America is now \$342,000, an increase of 185%. But the Federal Reserve has inflation in that 27 years at 85%

Now consider that median household income in 1991 was 53,025, and is around 63,000 today, which is an increase of about 19%

So housing has increased by 185% since 1992, inflation is "officially" at 85%, and income increased 19%.

Housing density is not the problem. Thinking people not being honest about economics is the problem.

[LOG IN TO REPLY](#)

SUBMITTED BY BETSY LAREY ON 05/31/2019 - 06:17 PM.

And now today the city of Mpls is proposing an ordinance limiting land lords from screening tenants. You will not be able to look at criminal history or credit scores. Are you kidding me? What in the hell is wrong with this city council? At some point people will just bail out and move to the burbs or someplace else altogether.

I'd like to add my agreement with Mr Quinn. I don't understand why people think they have a right to live in Minneapolis. I have suggested multiple times on this site the concept of buying run down neighborhoods in north Mpls, and building something like Heritage Landing, just north of downtown off 55. The standard response from the pro 2040 crowd is always the same —. That's fine, but we don't want to live on the north side. Of course not, we want ( and lets be honest, demand) to have affordable housing in south and southwest Mpls. What are they asking, that the city buy 500K plus houses, tear them down and build subsidized housing? There is massive disconnect here, and this needs to be addressed by Minnpost instead of dancing around the issue.

[LOG IN TO REPLY](#)

SUBMITTED BY KAREN SANDNESS ON 05/31/2019 - 06:43 PM.

What's really obnoxious is landlords who have affordable apartments kicking out the current tenants, adding marble countertops, stainless steel appliances, panel flooring, and maybe a washer-dryer to each apartment and then claiming that the apartments are "luxury" housing with prices to match.

[LOG IN TO REPLY](#)

SUBMITTED BY PAUL UDSTRAND ON 06/01/2019 - 09:27 AM.

The “density theory” of affordable housing didn’t emerge from any serious economic analysis in the first place. Obviously the most densely populated cities in the developed world are not the cheapest cities to live in, nor do they have the most efficient economies of scale. If these theories made any sense American cities like Chicago wouldn’t have an affordable housing crises to begin with.

Builders like Mr. Hunter will build where they can make the most money, they don’t build to fulfill urbanist dreams of high density. How many decades of rising rents and prices have to pass before people admit that simplistic supply and demand density theories will not produce affordable housing? The US will simply not be able to even begin to address housing costs until American’s abandon their neoliberal fantasies of self regulating “markets”.

The problem with 2040 and the ADU’s is that they are the products of affluent urban chauvinism rather than empirical analysis. Policies like this are fads that emerge from the imaginations of affluent “urbanists” who pretend they’ve “discovered” policies. These are manifest fantasies pretending to be “livability” solutions.

To be frank, I’m not even sure even urbanists believe that density makes cities more affordable, I think they just believe that high density will create the kinds of neighborhoods they want to be (dare I say: “fantasize about?”) living in. Affluent urbanists just seem to assume that they’ll be able to afford the neighborhoods they’re creating, high costs are someone else’s problem that they’ll come back to in the future when supply meets demand, it’s an afterthought, a problem they assume will solve itself.

While we all wait for more affordability to emerge from the magic market, we can live the dream in our dense, walkable, bikeable, transited, corner stored, high-rised neighborhoods with strangers renting little houses in our back yards... won’t it be fun!

Listen: I’m not saying this urban fantasy is a “bad” vision, I like parts of it myself. The problem is that this vision is an increasingly narrow vision promoted by an affluent elite that may have no real idea at all what kinds of neighborhoods people really want to live in. They certainly have no idea how to make any of this “affordable”.

[LOG IN TO REPLY](#)

SUBMITTED BY WILLIAM HUNTER DUNCAN ON 06/02/2019 - 09:51 AM.

Paul,

I would be happy to be involved in building the utopian city, truly ecologically responsible and resilient. However I am someone who believes the very design of modern building is profoundly wasteful, based on a theory of infinite resources, like we can go on using fossil fuels for eternity just like we have since 1950 – “renewables” being mostly an extension of this flawed psychology, that we can go on living this lifestyle we have taken for granted, forever. I suspect the long view is actually less density, and for certain less resources available generally, but that is not a conversation urban planners or even most people are capable of having. As for being a builder I mostly get by remodeling small-scale to pay the bills while I strategize to get out of this business.

[LOG IN TO REPLY](#)

SUBMITTED BY PAUL UDSTRAND ON 06/01/2019 - 10:20 AM.

My only complaint about this article is that it actually does a pretty good job of obscuring the critique of “density theory”. For an article that promises to explore the efficacy of 2040 we actually get to THAT question after wading through 2/3’s of an article that recycles density claims we’re all familiar with.

I don’t why it’s so hard for Minnpost writers to simply state the fact that supply and demand models are NOT working, it’s an unavoidable observation. At this point S&D models can pretty much be described as magical thinking and those promoting them just keep asking us to double down on the magic whenever we try to talk affordable housing.

Why write an ENTIRE article about the likelihood of affordable housing emerging from 2040 instead of only 1/3 of an article about it?

The problem of affordable housing itself is likewise obscured in this article. After telling us (correctly) that affordable housing is a problem for 50% (or more) of those trying to live in MPLS, the article focuses on “very low income” residents as if they’re the only ones in crises. This creates a false impression that 2040 can or will work for all but a few economic outliers. The fact is that any program that may take decades to produce results is obviously a failure, and predicting outcomes decades out is an absurd proposal.

What we can say definitively at this point is that 2040 and ADU’s have had zero effect on the housing crises. We can also observe the fact that there is almost zero evidence that these policies can reduce housing costs. And I would take issue with the claim that the MPLS city council is proceeding without any illusions here, this is a policy almost entirely based on illusion.

None of this necessarily makes 2040 or ADU’s “bad” ideas, but we should recognize that this is about pursuing an urban “vision”, not creating affordable housing.

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SUBMITTED BY MICHAEL HESS ON 06/01/2019 - 01:16 PM.

One error in this article is the phrase “... to allow new three-to-six story buildings along some transit corridors”. The 2040 plan does in fact create these “corridor 3”, “corridor 4”, and “corridor 6” designations, however they for the most part are neighborhood streets that people would be surprised to discover are transit corridors. You might think of Hiawatha with it’s light rail, car, bus and bike traffic as a traiffic corridor, but what about a street like Bryant Ave S with 1 lane of traffic in each direction shared by cars, busses and bikes and stop signs every few blocks?

The language in the 2040 plan does call out 3, 4, or 6 stories for these corridors, but then proactively allows “or higher” if the city determines a taller building will meet comp plan goals. This is already coming into play as a freshly designated Corridor 6 parcel is being pitched for a 10 story residential tower with the addition of affordable housing units.

The other big change is this use of corridors vs neighborhood nodes. Instead of building out from a spot of some density, or commercial activity, as exists today through the city, the plan calls for upzoning in a strips that cut through neighborhoods, on the premise that bus service will make these convenient places to live – but you would need a very frequent bus stop frequency to make all points along the strip equally convenient.

So for the affirmations that the 2040 plan largely legitimizes what is already in place across the city, that is true up to a point of primarily 2.5 story apartment buildings, duplexes and triplexes – but introducing taller and larger scale buildings outside of a few high density areas that exist today is new – and would have the greatest impact on increasing city density. The impact of these projects into largely single family and small scale multi-family neighborhoods is so far an unknown.

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SUBMITTED BY JOE MUSICH ON 06/01/2019 - 08:32 PM.

We gambled on the future and bought a poorly maintained home in the very early 1970's. The gamble was that our income would be enough to pay the bills and make the mortgage payments. For a couple of years things were dicey and almost lost the property. Second and third jobs ensued. Same story for lots of people around us. People put in plenty of sweat equity, the city and neighborhood had very low cost loans. The value of the homes ballooned through nobody's planning or even desire. To make those of us who have checkerboard squares of property and those who have lost theirs for a multiple factors the goats in this game is nonsense. The factors that control people's destinies are alluded to by many other posters here. I must say I do like the term "urban elitist." It is quite hilarious. The thing about that tho is that they come and go. As the piece here seems to suggest, but maybe it is in my bias in the reading, that to improve the housing and economic situation for all, the factors needing attention are many and the housing plan hardly scratches the surface.

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SUBMITTED BY PAUL UDSTRAND ON 06/02/2019 - 10:30 AM.

One thing that's always puzzled me is the fact that the largest and "densest" population that ever lived in MPLS was in the 1950s (I think that was around 550k). At the time there were far more factories and industrial property in the city and not a single "high rise" apartment beyond 6-8 stories.

I know the freeway took out a lot of land but most of it was single family housing. We also know that a "single" family size in the 50's was larger, and multi-generational prior to the suburban flight. Families didn't just move to the suburbs, they split up, some stayed behind in the city, other moved out.

The latest building boom in the city has reclaimed dozens (or more) of acres of former industrial land and replaced older smaller buildings downtown and elsewhere larger higher buildings. I suspect by now in terms of actual space, there is just as much of not more residential square footage in MPLS as there was in the 50's; so a shortage of residential "space" isn't actually the issue.

It seems to me that 2040 and the ADU policies assume that "space" IS the issue, and that more people will want to live in more cramped spaces with strangers. That's a dubious prediction.

If the current population density of MPLS is the product of changing family dynamics, size, and space expectations, rather than space "availability", adding space (much less cramped space) won't restore the population. Changing the character of American families and individual space requirements is well beyond the scope of any city council or plan any city council can devise.

Yes, tiny empty "space" is something of a fad right now among a certain affluent demographic, but it's unlikely that will become a widespread durable trend; I'm noticing that tiny isn't "cheap".

It's also important to remember that MPLS doesn't exist in a bubble. The surrounding suburbs are also adding "density" and transit. Future residents will have choices beyond the urban "experience" being cultivated in MPLS.

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SUBMITTED BY MIKE PAULSEN ON 06/03/2019 - 05:09 AM.

People are throwing around a lot of future predictions here, so lets make two things clear for everyone that can not be disputed.

- 1) Pricing for housing will go up. There is no way around this, but we can limit it. The driving factors for housing going up these days is mostly city taxes rising in 2019.
- 2) If we do not build more housing, the price increases will be even greater

Looking at the new Frey-Bender “Felon Next Door” program, rents will likely have to go up even more to make up for losses landlords may incur.

We need to do a better job of housing people. One commenter on here was griping about unaffordability when she lives 3 blocks from Lake Harriet and I am sure supported the local council person who voted against creating more housing.

2040 is not a magic bullet, there is no magic bullet (ask California). Building no housing like the no-2040 people want will increase rents, yes-2040 will build more housing and slow the increase in rents (but not reverse it or stop it, partially due to taxes but also due to the cost of building things these days).

People deserve a place to live, so lets get together and build them. If the city wants affordable housing then they can subsidize it (but when they do the same anti-2040 people get angry again).

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