

CITIZENS LEAGUE REPORT



BETTER USE
OF
LAND
AND
HOUSING

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A Modest Proposal for
a New Public Role in the Re-Building of
the Older Neighborhoods of the Twin Cities Area

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MAJOR IDEAS

- * The residential neighborhoods of the Twin Cities area are gradually wearing out . . . and are--inevitably--being re-built into a new pattern. Houses will continue to be demolished . . . privately, if not publicly.
- * But the re-building is un-planned . . . and is reducing housing opportunities for the least advantaged groups in our population. It is shaped fundamentally by the pattern of land ownership. The old, small-lot pattern and the high-density zoning combine to produce a housing type--the three-story walkup--which offers little variety in the size, type and price of living units, and which achieves few of the opportunities to improve the living environment for people.
- * The Twin Cities area will not get built a housing stock that truly fits the needs of its population unless we develop a community housing policy, and a housing plan.
- * But more than building is required . . . much as this needs to be encouraged. Most people who move do not move into a house they have just built. Most find their housing from within the existing stock. The supply of used houses is, therefore, as critical to the solution of the housing problem as is the supply of new houses.
- * Currently, in the Twin Cities area, there appear to be tens of thousands of well-maintained two- and three- and four-bedroom houses occupied by single individuals and couples whose children have left home. These 'empty bedrooms' are not being made available to the new families being formed . . . partly because tax policies encourage individuals to live in free-standing houses, and partly because the three-story walkup does not provide an acceptable housing alternative.
- * Most housing is--and will continue to be--built, owned, bought and sold privately. There is a role for the public, however, in research and planning for the housing stock which is badly needed--and is, currently, missing--in this highly fragmented industry. This, in addition to the needed public role in building at the lowest end of the market.
- * Agencies should be created by the Legislature, in 1971, to provide the needed assistance for this private housing industry . . . help with financing . . . help with land assembly . . . help in simplifying the building codes . . . as well as help with research and planning.

. IN OUR REPORT

- * Two 'fringes' of development exist in the Twin Cities area, along which new housing is appearing. There is an 'outer fringe' in the suburbs, where open, agricultural land is being converted to residential use for the first time. And there is an 'inner fringe'--mainly, but not entirely, in the central cities--where the building is taking place on land already occupied by structures and by people. It is this inner fringe that raises by far the most complex problems. Here the land problem is critical.

- * The challenge on the inner fringe is to find some workable alternative to urban renewal . . . which was the mechanism developed during the 1940s for the reassembly, replanning and replatting of old, in-city neighborhoods. Our hope is that the transition can be handled with a smaller public role: less public money, and less public acquisition . . . within a framework of public planning.

- * A strategy of 'gradual re-building' in the older neighborhoods calls for:
 - letting private developers proceed as far as they can, with private funds and private negotiation for the purchase of land.
 - reserving the public authority to acquire land only for the last, 'holdout' parcels . . . and, even here, providing new opportunities for these existing owners not only to sell out but also to join the project, with 'a piece of the action'.
 - more than 'relocation assistance' . . . for, in fact, a real effort to provide adequate new units in the housing stock, somewhere in the community (even if not on the identical block) as replacement for units withdrawn and demolished.
 - more emphasis on larger-scale building, in planned unit developments. Most of our objectives--for good design, for a choice and 'mix' of housing sizes, types and prices--are tied to the ability to achieve scale.

- * Increasingly, new housing developments on the re-building inner fringe should be measured--as they come before planning agencies for approval--not against what stands on the ground today, but against the best that might be built, if an area of significant size were planned and developed as a unit.

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INTRODUCTION

The year 1971 can be a "breakthrough" year for housing in Minnesota. Elected officials -- from the Governor on through the officials of municipal councils -- are active as never before. So is the Metropolitan Council. So is the federal government. So is the housing industry. And so -- in a new and intensive way -- are the citizens . . . particularly the groups arising out of the social-action concern of the churches. A package of proposals addressed to all the major aspects of this complex problem is before the Legislature. And the climate is right for action.

This report is not . . . and could not hope to be, and need not be . . . a comprehensive proposal for actions needed on the whole of this huge, and enormously complicated problem.

Our own proposal for a metropolitan housing agency was made in our 1969 report: "Adequate Housing Is Now Everybody's Problem."

Other problems identified in that report -- building technology, for example, and housing finance -- have long been the concern, also, of other groups, whose interest and particular expertise has this year produced specific proposals for action in these areas.

Nor does this report focus on the individual problems that arise out of the whole, difficult area of landlord/tenant relationships, or out of the enforcement or non-enforcement of public regulations about housing maintenance. These are real . . . as the newspaper accounts of the wretched conditions in the buildings on Nicolet Island make clear. They are, also, the subject of proposals this year.

Finally, this report is addressed less to the problems on the outer, suburban fringe, where the new subdivisions are being developed on open farm land, than to the immensely more complex and painful transition on what we will call the inner fringe, where the new housing must be developed on land presently occupied by structures and by people.

Once again: We do not mean in the slightest to under-emphasize the importance or the complexity of these other aspects of the problem . . . or the need, this year, for action to provide solutions.

Our aim is simply to direct a new and increased concern toward the fundamental problem of land . . . its ownership, the regulation of its use, its price . . . and to the need to create new arrangements for making available parcels of the right size, at the right place, at the right time, for housing development, particularly in the older, in-city neighborhoods.

Our reasons for this focus on the inner, rather than the outer, fringe . . . and on improved use of the existing housing stock, as well as on new construction . . . are explained in detail in the pages that follow.

BASIC FINDINGS

1. *The critical problem is the inability to handle the transition of land uses in the older areas (usually, but not always, in the central cities), where re-building is taking place on land occupied by the lowest-priced housing and by the lowest-income people, providing adequately for their re-housing.*

The whole idea of re-building . . . of "re-cycling" our land uses . . . is new. For most of its life the Twin Cities area has simply been building. It is true that residential areas have been giving way before the growth of the downtown cores almost from the beginning: In Minneapolis, the "suburban fringe" was once at 8th and Nicollet. But this change was submerged in the larger pattern simply of growth. It is, really, only since 1945 that the large subdivisions of frame houses built during the great expansion of the area after 1890 have begun reaching the end of their physical and economic life. But now the problem of the "old neighborhoods" is upon us. And it will grow: Each decade, the number of houses turning 80 years of age increases. And it will be, shortly, a problem for the suburbs, as well. Many of the subdivisions built after 1945 were built so poorly, and have been used so hard, and make such poor use of the land, that the need for re-building may come well short of 80 years.

Because we cannot escape the fact of change, we cannot, as reasonable and prudent people, escape the need for thinking about how to handle it. Broadly, as Bernard J. Frieden says in his study, "The Future of Old Neighborhoods," there are only three alternatives:

- * We can buy up and clear, publicly, large areas of old houses, write down the cost of land, and sell for re-building.
- * We can let these areas decay, until prices are so low that private parties can purchase the land, demolish the buildings, and re-build.
- * We can provide a framework for a gradual re-building, with a mixture of public and private authority and financing.

The first of these has been considered, has been found generally infeasible, and has been substantially rejected. The second is, as we will show in this report, neither realistic nor desirable. The third has not really been tried.

More specifically, on the inner fringe, the following problems are evident:

- a) Housing deteriorated and obsolete -- The areas around the old central cores of Minneapolis and St. Paul contain most of the region's oldest and least-well-maintained housing. Roughly half the units of the two central cities are now 50 years old, or older. Some of these neighborhoods, to be sure, contain well-built and well-kept houses. But some have deteriorated greatly. Many of the big, three-story houses are expensive to maintain, and are ill-suited to today's family needs. These neighborhoods are also, in many cases, blighted by traffic, and obsolete public facilities.
- b) Pressure growing for land-use changes.-- The expansion of the commercial and institutional centers in the two cities continues to exert pressure on the surrounding land . . . in some cases, for sites for new public works or private developments themselves; in others, for housing for the young,

single girls and other employees in these institutions. The expansion of the student bodies around the University of Minnesota and Augsburg College has had a particular impact, during the last several decades. Pressure for higher-density development and apartment construction results.

- c) Old zoning and planning encourage "small-unit" pattern -- Much of this older part of the two central cities -- though developed with single-family houses -- is covered by the multiple-dwelling zoning provided during the 1920's and carried forward to the present day. The land remains, at the same time, divided into the relatively small parcels contained in the original platting. The small builders who buy in these areas have neither the interest nor the ability -- nor, under present requirements, the need -- to assemble the land into larger tracts.
- d) Pressures exist to build, quickly -- Developers, increasingly, want to build apartments, particularly in-city but also in many suburbs, for the growing under-25 and over-65 markets. Municipalities, at the same time, need higher valuations to increase their tax base. Small-bedroom apartments have appealed to them, more and more since about 1960, as a way to get tax base without, at the same time, attracting children and other heavy consumers of public services. Local planners sometimes disagree about this with their councils . . . but, visibly, this kind of building and re-building has come rapidly during the past decade.
- e) Limited ability to implement a planned transition -- Through the 1960's both central cities (and, more recently, such suburbs as Richfield) have been planning for the changes they see coming. They have been, however, severely restricted, practically, in their ability to implement an orderly transition of land uses. Rearrangement of street patterns is restricted. Proposals for cutting-in new open space are blocked. Changes in zoning which would have the effect of reducing permitted densities prove unacceptable. Plans -- as in Minneapolis -- for the trend toward higher density to proceed in the form of high-rise developments, surrounded by open space, fall down over the obstacles to large-scale land assembly. Authority to write down land costs is unavailable.
- f) A city of three-story walkups -- As a consequence of all these factors operating together, the re-building around the inner fringe is taking the form of 2½- and 3-story buildings, fitted onto two, three or more lots. Most are exclusively efficiency and one-bedroom units. Each, together with its required parking space, nearly covers the land available. There is some trend toward larger projects. But few exceed a half-block.
- g) The long term effect of this pattern may be detrimental -- Nothing was so intensely and broadly criticized, in the committee's deliberations, as the pattern of re-building with low-rise multiple dwellings, within the existing pattern of land ownership. Critics argued that:
 - * Construction tends frequently to be poor.
 - * The low-rise, high-land-coverage, pattern makes poor use of city land.
 - * The parcel-at-a-time development produces buildings when the object ought to be to produce neighborhoods. No real rearrangement of the traffic pattern, for example, is possible. No open space is worked in. The living environment, as a result, remains basically uncompetitive with apartment developments elsewhere.

- * Developers invest little in good design.
- * The non-contiguous pattern of location and development does maximum damage to the single-family neighborhoods into which the apartment area is gradually moving.
- * Types and sizes of housing are not provided for a number of groups which the city will continue to want to attract as residents.

Frequently, it was predicted: The cities will look back on this development, before many years, and regret it -- but find it difficult if not impossible to alter.

- h) Low-priced family units are removed, without replacement -- The buildings removed for the three-story walkups are typically older, larger single-family houses, occupied by lower-income people -- sometimes, but not always, elderly; sometimes single persons; sometimes families. While some developers do provide a relocation payment and some assistance in finding alternate units, others do not. None is required as it is of the public housing authority. At most, the effort is to locate a unit vacant in the existing market -- not to provide a new unit, net. The problem is illustrated by the incident on Blaisdell Avenue in Minneapolis in 1970, where tenants attempted to prevent the demolition of houses for more three-story walkups.
- i) Race and poverty compound the problem -- In the past, as a result of the pressures for change in land use, groups have moved through the neighborhoods. The upper-income groups in Minneapolis, for example, moved from near-downtown first to what was once Oak Lake (now the lower North Side), then to Lowry Hill, and then, in the 1920's and after, to the suburbs. An old Jewish community in what is now the Seward neighborhood moved to the North Side, and later to St. Louis Park. This mobility is difficult if not impossible, however, for the blacks, Indians and low-income people in the old single-family areas around the two downtowns . . . blocked, as they are, by discrimination and by the absence either of units elsewhere at prices they can afford or of housing-assistance programs to bring alternate units within their economic reach. As a consequence, they resist major changes in the land-use pattern, and press hard on public agencies to improve and rebuild housing on the land they now occupy.
- j) Single-family neighborhoods are increasingly "protected" -- The lower-income people being pressed outward from the central cities by the expansion of the downtowns and of the institutions are squeezed, from the other side, by programs -- public and private -- to maintain the stability of the existing, sound single-family neighborhoods. The cities are making concerned effort to maintain the areas built in the 1920's, and after, which are not underlaid by multiple-dwelling zoning, as middle-class, family neighborhoods. New programs are appearing which permit municipalities to buy and demolish older, lower-value houses in these areas: Such a program is under way in Robbinsdale, and is proposed for Minneapolis.
- k) Suburban alternatives not freely available -- Land is available on the outer fringe, and proposals are frequently made for the provision, there, of housing for individuals and families displaced by the re-building outward from around the cores. Action has been limited, however, by social, racial and economic differences with the existing suburban population; by resistance from local governments to houses that do not "pay their way" in property taxes; by requirements that push up the cost of housing beyond what

can be afforded; by lack of public transportation to fringe areas; and by other factors. Difficulties exist even where the developers are large organizations, contemplating something on the scale of a "new town." There is some indication that a number of families do relocate out of the central cities into unincorporated areas beyond the suburban fringe, where the absence of regulations permits small, possibly pre-fab, houses and house trailers . . . and into old houses in the hamlets that were once farm trade centers.

In the older areas, a sizeable site for housing can occasionally be found . . . two blocks sold by the Archdiocese, for example, in south Minneapolis; a half-block released by the replacement of a school; or a tract made available by the relocation of an industry. Increasingly, however, we found that the provision of land for housing will involve the removal of existing housing, and a complex set of questions about what is to be built, where, and for what groups. It is to these twin questions . . . how land is made available for new housing, and how alternate housing is made available for the people displaced . . . that we, therefore, devoted most of our attention.

2. *The community's housing and development goals are frustrated largely by the inability to reassemble the original platting into tracts of sufficient size, and to make them available at a price that will stimulate new construction.*
 - a) Development is shaped largely by the pattern of ownership -- The land was originally subdivided by the city into lots about 40 feet by 125 feet. No provision was made for reassembly of these parcels. Ownerships are divided, and are difficult to assemble. Private parties are limited in their ability to undertake this time-consuming and difficult process. A housing industry divided into many small firms tends to undertake a minimum of assembly. This basically shapes the pattern in which the industry builds. Residential units are provided separately. Commercial activities are left to be provided separately. Open space and other facilities are left to be provided by the public. Integrated developments of the sort now appearing in the best suburban areas, and in the "new towns", are unachievable.
 - b) Assembly is blocked by the "holdout parcel" -- Private parties, attempting to put together lots for a development, must negotiate a purchase from each owner, voluntarily. Frequently, this is possible. But, at times, the last parcel critical to the development is unobtainable -- at a price the developer can afford, to make the project succeed, or within a period of time he can afford to wait. In such cases, the project -- however desirable from the point of view of the developer, of the other owners, or of the city -- fails . . . or falls short of its optimum development. Projects tend to be built, therefore, not so much where they should -- according to the best planning judgments -- be located, but rather more where the sites can be assembled.
 - c) Public authority to solve the "hold-out" problem limited -- The original effort to provide a public mechanism for the reassembly of land parcels for re-building was the urban redevelopment program, which appeared in state and federal legislation in the late 1940's. It authorized the use of eminent domain in blighted areas for the assembly of tracts to be cleared and re-sold to private parties for new construction. Its constitutionality has been upheld. Its actual use has, however, been gradually restricted by the opposition of persons whose land is taken and whose business

and residences are displaced. In both Minneapolis and St. Paul the renewal program has undergone a gradual change . . . away from the clearance and re-building which characterized the original projects in Minneapolis' lower North Side, or around the State Capitol, toward "rehabilitation" projects involving a minimum of demolition. The program today does not function as a land-assembler. It is involved, rather, in what might be called the "repair" of the older neighborhoods . . . pulling out a few dilapidated houses in a given block, and making them available for the construction of a new single-family house. Much of the opposition has, clearly, come because of the inability of the program to provide adequate alternative housing. But some of it is, equally, attributable to the forced sale of older properties, and the transfer of that land to other owners. Where this cuts off the prospect of higher land values and increased return for the original owners, it is -- not surprisingly -- resisted.

- d) Public ability to affect land economics is limited -- The community is not inclined to let old neighborhoods decay to the point where the buildings are literally worthless, and the only cost to the developer (beyond that of the land) is the cost of their demolition. But the cost of acquiring habitable dwellings increases the cost of a new development in the older city . . . and, along with it, the price of the housing provided. The urban renewal framework -- recognizing that land assembly was only one part of the problem of stimulating re-development -- provided also for a write-down, or subsidy, of the land costs. Outside an urban renewal area, no land write-down is presently available. Other inducements -- in the form of subsidies to housing for low- and moderate-income persons, in the form of tax reductions for particular kinds of development, and in the form of special permission to place a higher number of housing units on a given parcel of land -- may or may not be available.
- e) Public interest not asserted -- The local municipality created the system of land ownership, and the system of land-use classification known as zoning. It has virtually lost, however, the ability to re-create them. Few municipalities themselves initiate proposals for re-zoning: Typically, proposals for change are initiated in pursuit of private interests. And little, if anything, has been done to declare a public interest in the assembly of land parcels so that re-building can occur in the form of planned, integrated developments . . . on a scale at least comparable with the original platted subdivision. No "yardstick" of optimum development has been set up, against which to measure the pattern of development in three-story walkup apartments . . . and by which to estimate the loss of potential values to land owners, potential income to developers, and potential tax return to the city from the failure to provide for better-planned development.

3. *New approaches to the problem of land assembly and land economics are beginning to appear.*

- a) Land purchase a proper city function -- Nationally and locally, interest is developing in the role of a municipality acquiring and "banking" land for future development -- both on the outer and on the inner fringes. There is, as well, a growing interest in the leasing, rather than the

sale, of land for development. Suburbs such as Robbinsdale and Hopkins are beginning to negotiate for the purchase of older properties, which they demolish and re-sell . . . absorbing a loss temporarily, but recouping their investment over a period of years from the increased taxes from the higher-value building constructed. In Minneapolis, the City Council President has proposed such a program, and put it before the 1971 Legislature for approval.

- b) The inadvertent example of Cedar-Riverside -- In Minneapolis the old area around Seven Corners (a part of the old Town of Minneapolis platting) had long been marked out for urban renewal. In 1960, it was proposed to initiate a survey and planning application looking toward a redevelopment project. Only through public action, it was felt, could the hundreds of land ownerships be reassembled for the kind of quality development needed around the newly-designated West Bank campus of the University. The proposal was defeated. Then, in a small way at first, private developers began to assemble parcels by negotiated purchase. Success enlarged their ambitions, and their resources. Over a period of several years they succeeded in gaining control of roughly 80 per cent of the land in the area. At this point the proposal for an urban renewal project was revived, and approved. The city provided a basic plan for the re-building; the major land-holders were excluded from acquisition on condition their development fit into, and help carry out, the plan; and the city committed itself to acquire the holdout parcels, if necessary, to make the development complete, and to re-build its streets and other functions as a part of the project. While many special, and perhaps unique, features were present in this particular situation, the basic idea . . . of a new "mix" of public and private authority and financing . . . has had considerable appeal as an approach to be tried elsewhere.
- c) The "Housing Development District" proposal -- The general idea of a municipality helping a potential developer acquire the "holdout parcels" necessary to complete his project was picked up late in 1970 and incorporated in a proposal by the Minneapolis Department of Planning and Development. Under the plan, the city would designate districts in which, due to the existence of functionally obsolete structures, rebuilding should occur. If a housing developer could assemble 75 per cent of the land, the city would, if necessary, acquire the remaining parcels by eminent domain, and resell the land to him. The land would be written down to the extent necessary to permit new construction within the densities specified by the city's plan. A revolving fund established for this purpose would be repaid, over the years, from the increased taxes resulting from the new construction. The plan was discussed with our committee, and elsewhere. It was opposed at its public hearing before the City Planning Commission, largely because of its provision for the use of eminent domain, and was not revived before the City Council.
4. *The "reservoir" of housing required to free up land on the inner fringe for re-building has not, so far, been provided.*

A complex "chain" of movements -- by individuals and families of different incomes, among units of different types, sizes and prices -- needs to be set in motion.

- a) Public housing only a partial answer -- Programs in both central cities have attempted to provide replacement units for low-income individuals and

families . . . partly through new construction (as in the high-rise buildings for the elderly) and partly through the programs which permit the HRAs to acquire rental or single-family units from the existing stock for lease or for sale to persons meeting public housing requirements. In Minneapolis, however, some city officials are no longer encouraging additional elderly housing projects. And resistance is rising to the concentration of leased-housing units in certain neighborhoods of the city.

- b) New, private housing construction is limited -- The new housing that is built in the inner city does not well accommodate the kinds of individuals and families who are displaced when the older units are removed. As we noted above, the three-story walkups serve largely a population of younger singles, or couples -- not the lower-income elderly or families who occupied the older houses or apartments demolished. High-rise, luxury housing obviously serves a different market. It has been difficult to stimulate construction of moderate-income units. And the town house -- to some, an almost ideal type of unit for the moderate-income couple that desires to remain in the city -- has scarcely appeared within the central cities at all. Nor -- as also noted above -- has new construction on the suburban fringe provided an outlet for inner-city residents.

5. *A potential "reservoir" of sound, well-maintained units for family housing may exist . . . already built . . . in the thousands of under-utilized houses just beyond the inner fringe.*

- a) "Empty bedrooms" common -- As representatives of the Planning Department pointed out to the committee, Minneapolis, particularly, is at a peculiar stage in the cycle of its population . . . with an unusually large proportion of residents 65 or older. Whole neighborhoods built after World War I and during the 1920's are, currently, occupied by the couples and surviving single members of the original families . . . many of them in three- and four-bedroom houses. This kind of under-occupancy apparently accounts for one striking fact reported by the 1970 census, and noticed early by our committee: the fact that, while the population of the city dropped markedly from 1960 to 1970, the number of housing units remained stable, or rose slightly. While the block figures from the census are not yet available to substantiate this fully, it was the almost universal impression of persons knowledgeable about the city that this marked under-utilization exists in large areas of the central cities.
- b) Obstacles exist to their availability -- There are sound reasons why the present occupants continue to hold these units, however much beyond their needs. It is the family home. It is in the familiar neighborhood. It is probably paid for. And the tax laws markedly favor home ownership. An apartment would be smaller. Tax costs (paid through rents) would be relatively higher. And a change to an apartment probably means a move to a new -- and perhaps less desirable -- neighborhood.
- c) Still, units might be made available -- Many of the factors presently inhibiting a move to a smaller unit are subject to public influence, and could be modified, if not removed. Operating and maintaining a house, particularly in winter, can be a burden for an elderly person: Apartments or town houses, with maintenance provided, could be attractive. For a number of low-income elderly, too -- as investigation by a member of our

committee has made clear -- continued ownership of a house can mean a real sacrifice of income needed for living expenses. The tax differential need not be maintained: Multiple-dwelling units can qualify for homestead preference, as condominiums . . . and the homestead preference might be lifted, entirely. Finally, of course, these units will come onto the market in growing numbers in a fairly short period of time, inevitably.

6. *The lack of a strategy for handling this problem of land and housing is, in large part, a result of the failure to assign sufficiently broad responsibility to any community agency. There is, as a result, no real housing policy.*

- a) City HRAs limited -- Minneapolis and St. Paul authorities are restricted, geographically, to the central cities. They cannot reach the open land on the suburban fringe. And they are restricted, as well, in their programs, to serving individuals and families below defined income levels, and to leasing or buying housing within certain price limitations. *
- b) Suburban HRAs largely unconcerned with housing -- The municipal authorities created in the suburbs have been established largely in the older suburbs, and primarily for the purpose of carrying on a renewal of the older commercial districts. A few have begun -- or begun talking about -- programs of housing for the elderly.
- c) Housing requirements on local councils unclear -- Federal law now requires a "housing element" in each municipal comprehensive plan aided by the 701 planning assistance program. But the requirement applies only to plans prepared after the date the requirement appeared in law . . . which "grandfathers out" most Twin Cities area suburbs. And the requirements look only to the housing needs of the population of that municipality. It does not clearly establish a responsibility on a municipality to provide for the needs of people now residing elsewhere.
- d) Metropolitan Council role restricted -- This agency's jurisdiction embraces the entire community . . . both the outer and the inner fringes . . . and it has been pressed hard by the federal government to take a leadership role in housing solutions. But it cannot, at present, acquire land, or build housing, or finance projects, or compel action on the part of any local unit.
- e) State agency largely advisory -- Minnesota's housing law pre-dates the 1949 Federal Housing Act. It establishes a framework for the creation of municipal housing authorities, and a state housing officer to assist localities in this effort. But it has never provided funds for housing assistance . . . let alone developed the capabilities possessed by such newer state agencies as the New York State Urban Development Corporation.
- f) Housing conflicts unresolved, and policy unclear -- The most fundamental questions about what this community is doing, and not doing, ran through all the discussions in our committee.

* Are we, really, engaged at present in anything more than a game of beggar-my-neighbor . . . with each local unit trying -- through a combination of restrictions against low-priced units where they do not exist, and removal of low-priced units where they do exist -- to shuffle the low-income people off to some other location?

- * Why are we preoccupied with the question of how to build housing almost to the exclusion of a concern with improved management of the existing housing stock? Most people find their housing opportunities in existing units. It is estimated that 15 per cent of the area's people -- or perhaps 90,000 families -- move every year. Last year we built about 12,000 units, of all kinds (gross -- before demolitions). Units might be made available, cheaper, from the presently mal-apportioned housing stock.
 - * Why is there no provision for thinking about the availability of housing when a new, major employment center develops in the suburbs? What is the load imposed on our transportation system when these centers depend -- in many cases -- on housing provided on the other side of the metropolitan area?
 - * Why are our efforts concentrated on providing for the low-income groups through new construction? It is hard to feel we do this well. Price limitations frequently prevent quality construction. Pressure frequently dictates inferior locations. A maximum of subsidy is required. Relatively few units result.
 - * Why do tax policies continue to discriminate so heavily in favor of single-family houses, and against apartments, when such a high proportion of new units are, today, apartment units, and when the occupants of apartments tend to be the relatively lower-income groups -- young and old.
 - * Why are we continuing to develop housing units so heavily on the outer fringe, where schools and other public facilities must be built new for them, when schools and hospitals remain, under-utilized, in the existing parts of the area?
- g) Nobody makes a "housing plan" -- Conflicts continue, and policy remains unclear, in part because -- at both the metropolitan and the municipal levels -- agencies are not adequately charged and adequately equipped to identify housing issues and to propose a housing plan. In Minneapolis, for example, conflicts exist among the City Council, the Housing and Redevelopment Authority, and the City Planning Commission over the extent of low-income housing to be provided in the city . . . in part because there is no framework for a regional decision about the provision of housing at this price level.

CONCLUSIONS

From these findings we conclude as follows:

1. Change continues, presenting issues which cannot be avoided. Land will be cleared. People will be displaced . . . privately, if not publicly. Old units will be torn down. New units will be built.
2. The immediate and practical question is whether the community will undertake to manage this transition of land uses and housing on the inner fringe . . . minimizing hardship and maximizing the land values and the quality of new development, and providing for a balanced diversity of housing types.

3. A strategy of "gradual re-building" should be followed . . . but into a new pattern of development rather than within the old pattern of land ownership.
4. Achieving the objectives of an improved environment, both design and a greater mix of housing types and sizes, in the new development will require increasing the scale at which projects occur. Planned unit developments will be required . . . on the outer and on the inner fringes.
5. Development in larger, planned units at the proper locations will require a new and more effective land-assembly mechanism, based on a new public/private relationship, in which:
 - * The public must designate the areas for transition, and the new uses to be provided;
 - * Private developers must take more of the initiative and responsibility in land acquisition; and
 - * The public asserts its interest in assisting this private land assembly.
6. New efforts should be made to improve the utilization of the existing housing stock.
7. A major effort should be made to bring adequate housing within the reach of low-income families, but new construction should come primarily in the moderate and middle-income range.
8. New public agencies must be created, with new authority and responsibility, to assist the development of new housing and the improved management of the existing housing stock.

RECOMMENDATIONS

On the basis of these findings and conclusions we recommend as follows:

1. *The 1971 Legislature should provide, for municipalities in the Twin Cities metropolitan area, the authority to require -- once a private or nonprofit developer has acquired most of an area designated for a planned unit development under a local zoning ordinance -- the assembly of the remaining parcels. Specifically:*
 - a) The law should assert a public interest in enhancing the quality of design; the improvement of the living environment; the range of housing size, type, and price; property values and long-term tax return to the city; and the integration of residential and commercial development with open space and other public facilities . . . and, therefore, a public interest in assisting the re-assembly of land ownerships needed to make this planned unit development occur.
 - b) A range of authorities should be provided, including those:
 - * To purchase properties, through negotiation, and to hold these properties for later sale to the developer of a planned unit development.
 - * To establish by ordinance procedures through which holdout parcels could be pooled into the planned unit development, with owners receiving a proportionate interest in the total tract.
 - * To acquire property by eminent domain, as a last resort, in order to permit a planned unit development (PUD) to proceed.
 - * To write down the cost of land for a planned unit development, where necessary to permit development at densities provided in the plan, with funds raised through the issuance of bonds secured against the taxes to be generated by new construction.
 - c) No authority to compel the pooling of individual properties into the development unit, or to compel the sale of an individual property, should come into force until the developer of the unit has assembled two-thirds of the land area of the designated tract.
2. *The 1971 Legislature should authorize the Metropolitan Council, through a subordinate Metropolitan Housing Board, to facilitate the assembly and proper use of land for housing. The Board should have authority and responsibility:*
 - a) To prepare a housing plan and program fully coordinated with other public plans and facilities, and which fully links together housing needs and opportunities on both the inner and the outer fringes. This should be based on a research program that produces much fuller and more current data than exists at present about the characteristics of the population and about the size and condition of the housing stock, and the extent of over- and under-occupancy.
 - b) To participate and assist, from the outset, in municipal planning for housing without infringing upon the final decision-making authority of a

municipality. Specifically: To review local actions that relate to housing for conformity with the areawide plan and program. This would include local land and building regulations, and local HRA projects.

- c) To acquire and hold tracts of undeveloped land for the purpose of preserving the land for planned unit housing developments.
- d) Through its Housing Board, to plan and carry out housing projects, under the Minnesota Housing and Redevelopment Authority Act, and to conduct research and demonstrations for the provision of low- and moderate-income housing.
- e) To become a party in legal action where local regulations are believed to be unduly discriminatory against particular types and classes of housing.

3. *The Legislature should provide for a structure of housing agencies at the state and local levels, charged and equipped to carry out programs for the improvement of housing. In addition to the metropolitan agency:*

- a) A State Housing Finance Agency should be created to assist in the financing of low- and moderate-income housing. The Agency should provide the administrative capability and state financial resources to utilize federal grants more effectively. In addition, the agency should provide research and other technical assistance required to assist in developing low- and moderate-income housing.
- b) A state building code, and provision for certification of manufactured housing should be provided. Such state provisions should supersede any conflicting local provisions.
- c) Municipal Housing and Redevelopment Authorities, and/or municipal governing bodies, should be enabled to purchase, hold and re-sell, without the power of eminent domain, scattered residential parcels, for purposes of neighborhood preservations.

4. *These new housing agencies, with their expanded powers, should pursue a strategy of growing emphasis on better utilization of the housing stock, and having these principal features:*

- a) An orderly and gradual re-building of the older areas on the "inner fringe," which may include older suburban as well as older central city areas . . . making use of the PUD device and the land-assembly mechanism recommended above.
- b) An emphasis, in new construction, on the relatively smaller moderate- and middle-income apartments and townhouses not provided in the rebuilding of these older areas at present.
- c) A new program to make available larger, family units from the existing stock of housing . . . with the single persons and couples presently under-occupying these units encouraged to move to the new and smaller units that will be constructed. (This will require accompanying changes in the tax laws which now affect individual decisions to sell, or to hold, property.)
- d) Subsidy programs, to bring housing within the price range of individuals and families in the various income brackets, with the new state housing finance agency perhaps providing aid to non-profit organizations that acquire and/or rehabilitate houses for lower-income families.

DISCUSSION OF RECOMMENDATIONS

1. *What would be the basis -- the legal and practical rationale -- for requiring the re-building of land on the inner fringe to occur in relatively large planned unit developments?*

Essentially, it's the attraction of the opportunity to maximize the gain for almost everybody involved if the planning and construction can be integrated into a unit. For example:

- * The residents in the future development should get a significantly superior living environment . . . as contrasted with what is happening in the blocks of three-story walkups surrounded by parking lots and rivers of automobile traffic at present. Commercial facilities can be worked in where needed, open space can be provided, and everything can be better designed.
- * The developers should, as a result, emerge with a more valuable property.
- * The city, as a result of this, should get a greater tax return.
- * And the original owners should, therefore, receive in the aggregate a higher price for their property.

The committee spent some considerable time examining a remarkably parallel sort of problem, in land assembly, as it exists -- and as it has been solved -- in the oil industry. There, a strong public interest has been asserted in what amounts to planned unit developments . . . and a mechanism provided for assembling the small parcel ownerships into the planned units without public condemnation and purchase of the individual interests.

The problem in the oil industry . . . and the parallel with urban land . . . runs something as follows:

- * We're dealing in both cases with a natural resource . . . the ownership of which has been divided some years previously by action of a public body into an "artificial" pattern of small parcel ownership.
- * Pressure arises, as a result, to "develop" on each individual tract. This, in turn, sets up a pressure to exploit the resource rapidly, with emphasis on maximizing gains in the short run for the individual owners.
- * There arises, in consequence, a problem of protecting "correlative rights"; that is, the action of one land owner in trying to develop and exploit his particular parcel frequently has "spillover" effects that damage his neighbor. Obviously, in the oil industry this occurs as one individual who drills his land begins pumping oil from under the land belonging to the adjoining land owner. But something essentially like it occurs when one land owner secures a variance and builds a small apartment building as close as possible to the lot line of his neighbor's single-family house.
- * A public interest has, therefore, been asserted, both in protecting correlative rights and in maximizing "recovery: from the resource . . . emphasizing

the returns to all parties involved over the long run. The public is involved -- frequently as a land owner whose property values are affected, and always through the fact that it taxes the values created -- whether these be represented by the number of barrels of oil produced or the construction erected on urban land.

- * In the oil country, the petroleum engineers (who pretty much do the industry's research and planning) have been able to demonstrate that far more efficient use will be made of the reservoir, and far greater amounts of oil recovered, if the underground reservoir can be operated as a unit. As a result, in most states provisions have now appeared in the law opening up ways for an oil field to be operated as a unit under a single "operator" or "developer". In the beginning, these were fully voluntary . . . that is, they were something that the developer could make use of if he found it in his interest -- which presumably he would, considering the increased financial return that unit operation made likely.
- * In some cases, however, where the interest in an oil field was divided among a number of operators, it proved impossible to form a unit through voluntary cooperation alone. In these cases, in more and more states, the law has been amended to bring a unit into existence, even if the consent of a minority owner cannot voluntarily be obtained. The feeling has been that his individual interest must be weighed against the interests of the majority of owners, and of the public, and the determination has been, on balance, that a minority ought not to be able to deprive the majority and the public of the increased return that would be possible through unit operation.
- * Out of this has come the program of "pooling" of interests in a planned unit operation. Typically, it works roughly as follows: Some one of the operators in the area undertakes to try to get together as many of the interests as possible. If he can get (typically) 80% of the ownership, he can file an application to create a unit. A public hearing will then be called by the state. If the state agency finds that a unit is indeed in the public interest, it will then order the so-called "unsigned interests" to come into the unit. It is critical to understand that condemnation is not exercised over these "hold-outs". They simply become partners in the unit as if they had signed voluntarily.

Nor is the basis on which the various interests participate left to voluntary agreement. Rather, the plan for the unit sets up a formula that allocates to each tract a share of the total production and recovery . . . based on such factors as its past history of production and the estimated amount of oil yet unrecovered. It is essentially the reverse of a "special assessment" process that apportions among various land owners the cost of a public improvement. Translated to urban land, the parallel would suggest that "participation factors" be assigned based on whether a particular land owner in a multi-block area scheduled for land unit development was located on a hilltop or in a swamp, along a residential street, or along an arterial street, etc.

An owners' committee is designated to supervise the development and operation of the unitized tract. One "developer" is named to be the "unit operator".

And the total tract is then operated as a unit. This means that some parts of the area may be specialized as places where the oil is pumped out, while other parts of the area are specialized for wells through which salt water is pumped in, and other parts of the area have no wells of any kind. Each part of the area is, in other words, used for the purpose for which it is best suited . . . just as on a tract of urban land one part of the area might be designated for fairly dense, medium- or high-rise development, and another might be designated for open space. The point is that all of the former owners share in the (increased) return from the total tract under the formula which allocates them the share of the total represented by their original holding.

- * This system works in the oil industry. Roughly half of all the oil produced in North Dakota, for example, now comes from land involved in unit operation. "Compulsory unitization", as it has been called, has been held constitutional in the courts of various states, and it is effective -- and essential -- in making the unit approach to oil production work effectively. Ownerships -- of working interest and of royalty -- that are much more fragmented than the fee ownerships in urban land are successfully reassembled and transformed into unit operations.

2. *In practice, how would your new approach to land assembly actually work? Is it really any different than urban renewal?*

Yes, it is. There will be some similarities, but there will be a very different mix of public and private activity . . . and, particularly, a significantly diminished use of public dollars and public purchase or condemnation of property.

The first responsibility will be on the local city planning office . . . to forecast changing trends in the older part of the city and to mark out particular areas in which a rebuilding for a new and different use is -- or will soon be -- appropriate. In much the same way, the city planning agency has long been required to produce a general neighborhood plan as a basis for the Housing Authority's undertaking a specific renewal project.

We envision this kind of planning working considerably farther ahead of actual rebuilding than has been the case in urban renewal. There, the effort has been to get the land cleared and rebuilt as rapidly as possible, once the decision was made to make a change in land use. It seems to us, on the other hand, that the changes under way in the city can be observed and projected some distance ahead. There can be time, in other words, for people to adjust to the idea of a move and wait for parcels to become available.

Given time, opportunities of several sorts are opened up to have a maximum part of the land acquisition conducted by private parties with private resources. For example, one existing owner may begin to acquire nearby lots, or some "outside" developer may begin to put together one sizable parcel. Or, various smaller owners may combine their holdings to form a large parcel, in which each of the former owners holds a proportionate undivided interest. Within the urban renewal framework a substantial parcel assembled in any one of these ways could be excluded from public acquisition on condition the owners agreed to rebuild in accordance with the plan for the area. This is essentially what eventually occurred in the

Cedar-Riverside neighborhood. The urban renewal program could then be used to acquire publicly any remaining parcels, and this land would be put up for sale. The "housing development district" program proposed by the City of Minneapolis in 1970 worked essentially this way . . . but would have operated directly under the City government and not through the Housing Authority. Both, however, would have relied on the use of eminent domain to acquire the parcels that could not be assembled by the original parties.

A number of alternatives to condemnation, however, do exist . . . which still offer some real promise of getting the full parcel together for rebuilding. Along with the negotiated purchase program of the private party (or parties) could go a negotiated purchase program run by the City. That is, the City might be authorized -- as the Minneapolis City Council President did propose in 1970 -- to negotiate with owners for purchase of properties, whether blighted or not, and outside as well as inside an urban renewal area. The City could lease the property back to the owner, or to some other occupant, for whatever period of time remained before the start of the proposed rebuilding program. Or the City might simply take an option to buy. This approach might be particularly useful in a block, for example, in the older city designated for rebuilding ten years from now. If it were bought now by a couple that might live in it 20 or 25 years, it would be a difficult acquisition problem at the time the rebuilding began. The City might forestall this problem by picking up the house and entering into a fixed tenure lease with the new occupant.

The committee was also intrigued with the possibility of borrowing from the oil industry the principle of the "unit operation". Under this approach, the full parcel is assembled, not by forcing a holdout owner to sell his property to the public (which then would resell it to another private party), but simply by requiring what the oil industry calls an "unsigned interest" to join the majority group, in return for his fair share of the return from the project. (This program in the oil industry has been more fully described at another point in this section of the report.) Alternatively, a 'cash take-out' should be permitted.

One other "tool" available to the public to encourage the assembly of land has to do with the valuation of property for tax purposes. Again: Assume there are in a particular area designated to be a planned unit development several properties owned by landlords for speculative purposes which choose not to sell to the principal developer or to the City. It may be decided not to move either to condemnation or to any kind of "mandatory pooling of interest". But it might be fair enough, nevertheless, for the public to assume that the price asked by the owner should also be the valuation on the property used by the assessor for the calculation of future taxes. This could have the effect of discouraging prices for the last remaining parcels so high that they make it impossible to assemble the tract by negotiation.

Finally, if it is needed as a last resort, there is the use of the eminent domain power . . . which does have a number of advantages to it, from the owner's point of view. For one thing, the tax laws provide special advantages to persons whose property is taken by the public in a forced sale, as against persons who sell through negotiation. Also, the federal laws have recently been changed to provide dramatically increased payments to owners displaced by public acquisition:

The committee was told that under the 1970 Uniform Relocation Act, if any federal funds are used, a payment can be made over and above fair market value of up to \$15,000 to an owner-occupant, if he purchases another home within one year. In addition to this, moving costs up to \$300 can be provided. Similarly, a tenant displaced through a program covered by the Act can be provided with a grant of up to \$4,000, plus moving costs.

3. *Why do you encourage greater use of planned unit developments?*

Historically, cities and municipalities have attempted to regulate development through zoning standards which must be met on a lot-by-individual lot basis. This has led to a great deal of sameness, as builders tended to comply with the minimum requirements in a very repetitive way. This also led to a system of segregation of types of land uses, often when a controlled degree of integration would have been desirable.

Increasingly, planners have come to realize that better land use could be achieved if areas were planned as integral units with a variety of uses. A planned unit development is a device whereby zoning provisions for individual lots are somewhat relaxed if a specific plan for an integrated development is approved by a government body. Planned unit developments may permit density allowances for individual lots to be pooled through aggregate density provisions, or even allow an increase in the overall density. PUDs may also be designed to allow additional types of land uses than the single lot provisions would allow.

We feel that a PUD provides an appropriate mechanism for harnessing private creativeness and public review to provide integrated project developments that complement plans for the larger community. Under PUD ordinances, the city provides the basic parameters as to the minimum size, the possible land uses, and the portions of the city for which the PUD provisions apply. The initiative is then shifted to the private developers who must assemble the land and develop specific project plans for the city to consider for approval.

The developer gains added flexibility in designing his project, and the city gains a better designed project, over which it has specific review authority. PUDs allow the project planner to take advantage of special terrain characteristics. By doing so, a project may take on a distinctive characteristic of its own. Existing natural site features may be retained and existing vegetation preserved. Cost savings may be achieved by reducing site preparation requirements in terms of grading and drainage, and in terms of the amount of street, sewer and utility construction required.

Other practical advantages of a PUD might include: Large tracts of open space, providing both esthetic and functional bonuses; separate and distinct neighborhood housing clusters centering around a cul-de-sac or a square; more convenient shopping and school facilities; better traffic patterns and correspondingly safer streets and walkways; additional amenities; a greater range of housing alternatives; higher land uses; and closer regulation by city planners.

4. *WHY aren't PUDs used more extensively?*

As our committee explored the PUD concept, we were very impressed by the impact PUDs could have on new developments on the suburban fringe and on the redevelopment of built-up areas. However, we were also discouraged to find that developers and builders in this metropolitan area, and elsewhere, have not been sufficiently motivated to utilize PUD zoning alternatives when they exist.

A Metropolitan Council study surveyed 26 cities' use of PUDs. Sixteen of the 26 cities had PUD ordinances, but only two cities cited as many as 30 specific instances of where the PUD ordinances were used.

Minneapolis example -- Minneapolis has a PUD ordinance for residential developments, which provides that the development must contain at least two acres (about $\frac{1}{2}$ block), be located in an area zoned to allow multiple family units, contain at least two principal buildings, and be unique and different from the surrounding section.

Under the Minneapolis ordinance, the City Council may authorize specified business uses of the property not otherwise permitted, provided that such uses do not utilize more than 10% of the ground or gross floor plan area of the development, and they are necessary or desirable and are appropriate with respect to the primary purpose of the development.

The Minneapolis City Council may also authorize the overall floor-to-lot ratio for the Planned Development to exceed by up to 15% the maximum floor area required for individual uses in the development. The minimum lot area per dwelling unit requirements can be decreased up to 15%.

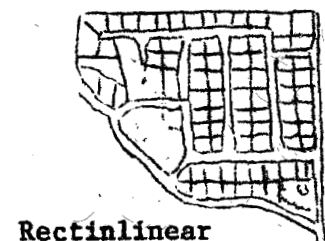
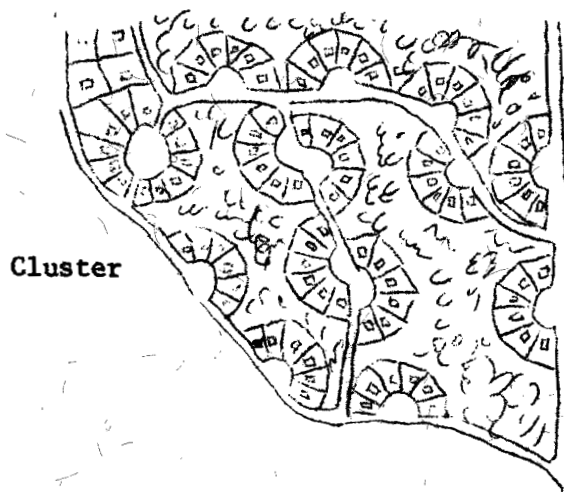
Despite the rather small scale required in the Minneapolis ordinance, we were informed that the Minneapolis PUD provisions have only been used four times in seven years. Our committee came to understand that despite the advantages of a PUD to the developer and the community, the use of the PUD provisions depends on the developer's ability to assemble larger tracts of land within a reasonable time and cost frame.

Most builders . . . when confronted with land assembly problems in a built-up area . . . decide to build on a smaller scale, under single lot zoning restrictions rather than attempting to assemble the land and preparing a PUD project proposal. This suggests that greater use of PUDs in built-up areas will require additional assistance and/or regulation on the part of government. On the one side, the city might work in closer partnership with the builder in land assembly. On the other side, the city might discourage redevelopment under the traditional single lot zoning regulations.

Since land is initially held in larger parcels on the suburban fringe, the task is somewhat easier. The problem there is to require that an individual project will be designed as a unit that will fit into the broader community planning. Perhaps PUD provisions could be transferred from an optional to mandatory status. This would give the governmental planning authority specific review of all development.

Land Area and Street Comparison
(Schemes by Sussna Associates)

	Cluster	Rectilinear	Curvilinear
Number of lots	94	94	94
Size of lots	3/4 acre	1 acre	1 acre
Street length	6000 feet	12,000 feet	11,600 feet



Cost Comparison Table
(Result of planning for Ville Du Parc, Milwaukee)

	Conventional	Cluster
Sewer and Water	\$ 439,770	\$ 258,490
Streets	104,000	68,120
Storm Drains	220,140	56,600
Sidewalks, hydrants	51,160	10,572
Engineering, etc.	41,178	26,725
Land	360,000	360,000
Development cost	1,216,248	780,607
Cost per lot	4,807	2,891
Special features		
Fee for no park space (\$200 per lot)	50,600	
Courts, recreation areas		275,000
Total cost	1,266,848	1,055,607
Total cost per lot	5,007 (253)	3,987 (270)
Estimated sales price per lot	6,000	8,000
Estimated gross return	1,518,000	2,160,000
Net return on lots	251,152	1,104,393
Percent on investment	19.8%	104.6%

5. *How can you advocate a larger scale program for land assembly and re-building without some kind of program for making adequate housing opportunities available for the people who will have to move?*

You can't. There must be alternatives provided. And it must be more than a "relocation assistance" program which helps people to find vacancies somewhere else in town. It has to be a program that puts new units into the stock, net.

The big question is whether the new units added should precisely correspond to the units taken out . . . that is, the same number of units, at the same price level, re-built at the same location . . . or whether the new units might be of different size, at different prices and at different locations.

We considered this question carefully . . . aware of the arguments heard currently for the re-building of the Model Cities and other, similar, neighborhoods, and aware, too, of the problems raised by any re-building strategy that involves population groups moving among neighborhoods. On balance, we rejected the notion that the pattern of land uses, and the distribution of people in the area by age, economic, racial or religious groups, should be (or can be . . . or has ever been) frozen.

We began to think, therefore, in terms of a kind of "management" of the housing stock, and a strategy that would call for the introduction of the new units not just "at the top," with the most expensive units, and not (as we will explain next) just "at the bottom," with the lowest-priced units . . . but would emphasize the new construction of apartment units and townhouses for a much broader range of family sizes and incomes than is being provided by the market at present.

This will serve the needs of the people in the areas being re-built, in two ways. To the extent these are single individuals and couples, living in old apartments slated for replacement, it will provide new units of similar size, nearby, and to the extent these are families, it will work indirectly, by making available smaller units for the singles and couples currently under-occupying houses elsewhere in the community, into which the families being displaced will then have an opportunity to move.

This approach tries to work with the housing market as it presently operates. The community cannot begin to build, new, the number of units required. Most of the opportunities, for most people, are going to be found within the existing housing stock. It is, therefore, essential to make the housing market work . . . so that units -- and, indeed (though much more slowly), whole neighborhoods -- turn over. In some cases people in old houses will be moving to new houses (or apartments). In other cases, people who built new houses (say, in the suburbs) will be moving into older, perhaps closer-in, neighborhoods.

This is not new. To try, now, to prevent turnover . . . and to freeze the present pattern . . . would be new. An effort to remove the rigidities that have developed in the housing market may, in the end, free up substantially more units, particularly at the lower-priced end, than we could afford to build, new.

6. *Why should government subsidize private housing developments through writing down the cost of land in a planned unit development area?*

There are currently a number of ways in which government subsidizes housing construction. Specific subsidies are made available if the project is to house low-income, moderate-income, or elderly persons; if the project is to take place in an urban renewal area; if the project is to provide an entire new community; or if new technology is to be utilized. General subsidies are provided through depreciation allowances and interest deductibility on income tax computations. An individual community may subsidize a housing project by the manner in which it assesses for utilities, or by increasing land values through variations in its land use regulations.

It is an easy matter for a community to subsidize a development by changing the land value through revising land use regulations to allow a higher use, after a specific parcel has been acquired by the developer. However, it is not always in a community's interest to encourage . . . or even allow . . . a higher land use in a given area. In fact, it may well be desirable to have an area redeveloped at a lower level of land use than the maximum use it is currently zoned for. Therefore, a land subsidy is required before such lower-density rebuilding will actually take place.

Our committee concluded that in some cases it is desirable to redevelop built-up areas with a higher level of land use. This can, and does, occur naturally in a free market. However, we also felt that a variety of housing options was desirable, and that not all redevelopment should be geared to greater density. We came to understand that the only way lower density redevelopment can be achieved . . . particularly where sufficient land for a PUD is desired . . . is if land costs are reduced to the point that they are competitive with the cost of acquiring undeveloped suburban land.

Recapture through tax increment financing. Fortunately, lower density can be subsidized through land writedown without incurring any direct cost to a municipality. Tax increment financing provides a means whereby land writedown can be financed on a self-liquidating basis. In fact, in the long run it adds to the municipal revenue. This is how it would work:

- a) An area would be designated by a municipality for redevelopment through housing planned unit developments.
- b) A private developer would then prepare a plan for developing a project within the designated area, and would acquire at least two-thirds of the land for his proposed project.
- c) Upon approval of the developer's preliminary plan, the municipality would then assist the developer . . . if such assistance were required . . . to acquire the remaining parcels needed for the project.
- d) The land would then be appraised at its existing market value under the existing land use. The land would also be appraised at an appropriate value for the proposed land use.
- e) The municipality would then subsidize the developer to the extent that the existing property value exceeds its land value for the proposed development

- f) Once the project is completed, the total assessed valuation of the land and improvements would exceed the assessed valuation of the land and improvements before the rebuilding was begun. The increase in the property tax collected on the property after redevelopment would be set aside to pay off bonds, which would have been sold to finance the land subsidy. Once the cost of the writedown has been recaptured, increased revenue from the property would be distributed in a normal fashion. Cases could arise -- say, where an old high-density apartment area was being rebuilt for lower, perhaps townhouse, density -- where an inadequate (or no) tax increment would be created. In these cases, general revenues might be used for the write-down.

Our committee is convinced that an orderly, rational development is essential to the future viability of our cities. If the economics of redevelopment effectively dictate that all new building in the built-up areas must take place on a higher level of land use, our cities will become an increasingly undesirable place in which to live.

7. *Why put the emphasis on making better use of existing housing, particularly for the lowest-income families?*

For one thing, the subsidy dollar goes farther, this way . . . and subsidies of some kind will inevitably be required. A new multi-bedroom house, soundly built, will cost over \$20,000 to build, today. Houses of similar size, and perhaps better-built, can be found in the existing stock, we were told, for several thousand dollars less. More units can thus be brought within the economic reach of more low-income families, with a given amount of community housing resources.

Also, locational conflicts can be minimized. So can the impression that anything resembling a "housing project" is being created. Some members of our committee felt, too, that the standard of housing provided to a family in this manner can be higher than can, realistically, be achieved for a comparable family with new construction.

Some subsidized housing will, and should, be knitted-in to new developments, city and suburban. Some public housing, for example, will be a part of the Cedar-Riverside development. Some persons on -- and appearing before -- our committee also argued particularly the importance of "a new house" for the younger black family, as a symbol of opportunity. But, overall, the committee felt that better housing can frequently be provided by making units available from the present housing stock. This would supplement, not supplant, new-housing programs.

8. *How can the existing housing stock be put to better use?*

Our committee has tentative evidence that a substantial amount of our existing housing stock has a very low level of use (see Appendix C). It appears that, once a family has been raised, the typical couple tends to retain as large a home as, or even larger than, they held during their child-rearing years. Particularly, as the couple reaches retirement years, the house may become a burden, and they may become reluctant, or unable, to keep up with home maintenance and repairs.

There are a number of important factors which tend to tie a couple, a widow, or widower to their larger home after their need for the size is reduced.

There may be a strong personal identification with the neighborhood and the house itself. They may desire to retain a place where their family may come home to and visit.

On the other hand, there are those who retain their larger homes not so much by preference, but because they have not been presented with alternatives that better meet their needs. In some cases, better alternatives already exist, and all that is needed is someone to explain these alternatives and provide assistance with the details. For others, there are financial disincentives to moving, which might be overcome with townhouse, condominium, or cooperative alternatives. Such alternatives are not presently available within much of our metropolitan area.

Inadvertently, we discourage a couple from selling its large home by subsidizing home ownership . . . in part, out of a higher real estate taxes paid on rental units. Under pending legislation, the amount of the subsidy would be increased for the elderly.

As our committee discussed the problem of under-utilization, a committee member -- Fred Stahl -- began to relate his experience working with elderly persons. For the last 18 months he had worked as a financial advisory in the Jordan Neighborhood, where he interviewed over 200 elderly persons. He described the interviewees as living in three, four, or five-bedroom houses, but only occupying one or two bedrooms. Almost all of them are living poor, but will die rich . . . as their homes are mortgage-free.

The annuity alternative -- It occurred to Mr. Stahl that there ought to be some way of relating the pressing need for moderately-priced housing with a means of easing the financial dilemma for the elderly. It was suggested that if the sizable fixed asset, represented by the house, were transferred to annuity income, these elderly people might be able to acquire suitable housing for themselves and still have a sizable increase in funds to live on.

Accordingly, Mr. Stahl pulled all of his files where the occupant is over 65 years of age, and calculated the economic effect of selling the home and putting the equity into an annuity. An example of how the idea would work is as follows: The lady involved is 72 years old with a theoretical life expectancy of 86, or 14 additional years. Since she has savings of only \$3,758, and an income, after housing expenses, of only \$11 per month, unless someone rescues her from this situation, she could die from starvation long before she reaches 86. By selling her house and placing the equity in an annuity, this lady could keep her savings of \$3,758 and her total monthly income would be increased from \$66 to \$169. She would then be eligible for an HRA-owned apartment at a monthly rate of \$35.49, including utilities, or an HRA-leased apartment at \$42.25 including utilities. As a result, her monthly adjusted income would increase from \$11 to \$126.75 or \$133.51. At the same time, the house would become available for a family.

Existing obstacles -- Our committee has heard a number of reasons which discourage elderly persons from selling their homes and moving into apartments: (a) There is an inadequate supply of low-rent apartments; (b) there is an asset limit of \$5,000 in order to qualify for a low-rent apartment; (c) the 6% real estate broker's fee tends to discourage elderly persons from selling their houses; and (d) there often is no one to turn to for advice and assistance in making the change. However, if better utilization of existing housing stock were made part

ECONOMIC EFFECT ON 18 ELDERLY FAMILIES
OF SELLING THEIR HOMES AND
PUTTING THE EQUITY INTO AN ANNUITY

	Ages	Gross Income	*M.H.E.	Adjusted Income	Life Expec- tancy	Liquid Assets	Market Value of House	Monthly Annuity Income	Total Monthly Income
1	68 F	241.00	83.90	157.00	84	11,794	18,500.00	145.00	386.00
2	70 M	201.00	61.00	140.00	82	6,000	10,500.00	101.00	302.00
3	76 M 84 F	297.00	74.00	223.00	85 92	9,846	14,000.00	101.00 99.00	497.00
4	72 F	66.00	55.00	11.00	86	3,758	12,000.00	103.00	169.00
5	70 F	137.00	70.00	67.00	85	5,646	17,000.00	139.00	276.00
6	66 F	171.00	72.00	99.00	83	603	14,000.00	107.00	278.00
7	82 F	113.00	66.00	47.00	90	8,325	18,500.00	223.00	336.00
8	77 M 76 F	295.00	76.00	219.00	85 87	0	15,000.00	72.00 93.00	460.00
9	79 F	239.00	65.00	174.00	89	1,802	15,000.00	166.00	405.00
10	81 F	134.00	69.00	65.00	90	2,486	12,000.00	144.00	278.00
11	78 M 67 F	298.00	72.00	226.00	86 84	0	15,000.00	79.00 68.00	445.00
12	69 M 67 F	269.00	93.00	176.00	81 84	100	16,000.00	58.00 72.00	399.00
13	69 M	135.00	57.00	78.00	81	700	12,000.00	109.00	244.00
14	67 F	173.00	60.00	113.00	84	1,721	15,000.00	113.00	286.00
15	70 M 65 F	279.00	71.00	208.00	82 83	1,607	15,500.00	60.00 67.00	406.00
16	70 M 62 F	387.00	67.00	320.00	82 82	1,980	14,500.00	56.00 58.00	501.00
17	66 F	114.00	67.00	47.00	83	250	12,000.00	90.00	204.00
18	70 F	137.00	60.00	77.00	85	38	18,000.00	147.00	284.00

Note: Adjusted income is the gross income minus housing expenses for taxes and assessments, hazard insurance, gas, electricity, water, and only \$10 a month for maintenance. The monthly annuity income is the amount a single person or couple would receive every month if they were to sell their house and invest the equity in an annuity. The total monthly income is the gross income plus the monthly annuity income.

of the housing strategy, assistance and alternatives could be made available, and to do so would serve the interests of the elderly and the greater community.

This means that a very careful market analysis will be required to determine where, and in what form, the alternatives should be built. It suggests that greater use should be made of cooperatives, condominiums, and townhouses, particularly within the two central cities. In building for the elderly, apartments may need to be located within the neighborhoods in which the potential occupants currently reside.

9. *The process of deciding what housing should be built seems, currently, to be as much an issue as precisely what get built. What do you propose to resolve this side of the problem?*

We "incorporate by reference", so to speak, an earlier Citizens League report on citizen participation in planning and decision-making: Our 1970 report, "Sub-Urbs in the City." Most of the issues currently being raised in both central cities about housing policy, and about the procedures for arriving at housing policy, were raised in that report . . . and recommendations were made there which we believe address themselves usefully to this "how" side of the problem. A critical question is: Just who are the "parties at interest," in a question about the re-building of the Model Cities area, or of the Summit-University area, or of the Cedar-Riverside area . . . or, in suburban terms, of Richfield? How far should the decision rest with the city government? How far should it rest with the people who live on the land at the time the question is presented? How far should it involve people who may live elsewhere in the region? Our 1970 report laid out a structure for considering these issues, and for arriving at balanced decisions, which we believe can usefully be considered in implementing the substantive "gradual re-building" strategy laid out in this, present report.

10. *Aren't you concerned about the problem at the suburban fringe?*

Yes . . . but in a different way. At the suburban fringe, land has generally not been built upon, and it is held by fewer owners, in larger tracts. The primary problems developers encounter generally center around land use regulations, and the provision for services, utilities and transportation corridors . . . rather than land assembly.

Scattered development -- Just as built-up areas are confronted with a haphazard smattering of 2½- and 3-story walkups, the suburban fringe often finds development coming in uncoordinated blotches. This "skip development" is often unnecessarily expensive for the local governmental jurisdictions serving the area. It may also have an even more wasteful side effect of preventing the area from developing later as a planned unit development. Smaller scale tends to dictate sameness in a competitive market, and only when projects are planned and developed on a larger basis can a variety of complementary land uses be effectively incorporated.

Coordinating housing and employment -- In 1968 the President's Committee on Urban Housing reported that "Utilization of the suburban vacant land supply to develop substantial low- and moderate-cost, job-located housing units offers the only hope in securing the necessary vacant land base to deal with the substantial housing problem and with the unemployment and under-employment problems of the nation's larger cities." In this metropolitan area . . . as in most . . . the suburbs have not furnished job-linked housing for low- or moderate-income families.

Lower-cost housing developments tend to take place where land is most economical. The influx of children, which the housing development brings, more than offsets any additional property tax base to the school district. Therefore, the property tax rates are the highest in these communities. The high property tax then serves to hold down land costs and discourage industry, which would share the tax burden.

The unskilled and unemployed are primarily housed in the central cities, while new industry tends to locate near the more affluent southern suburbs. Blue-collar workers tend to live in the cities or the northern suburbs, and, accordingly, many must commute across a large portion of the metropolitan area to get to their jobs. Executive and professional personnel tend to live in the southern and western suburbs, and commute to the downtown commercial centers.

As our committee explored the problem, it became increasingly apparent to us that housing planning must be coordinated with planning for transportation, industrial development, and commercial centers. The development and redevelopment of the entire area must be planned as a unit. Artificial restrictions to the logical location of complementary facilities, such as housing and employment, must be reduced or eliminated.

In order to accomplish these ends, we have urged that the 1971 Legislature should authorize the Metropolitan Council, through a subordinate Metropolitan Housing Board, to facilitate the assembly and proper use of land for housing. The Metropolitan Council should then develop a housing strategy that would encourage the judicious utilization of the existing housing stock, as well as new developments in either built-up areas or vacant land on the suburban fringe. Accordingly, we have recommended that the Metropolitan Housing Board, and the Metropolitan Council, be given sufficient tools to accomplish the task.

11. *What tax considerations discourage a home owner from selling his house and moving into a rental unit?*

There are a number of state and federal tax incentives which encourage home ownership. Most of these are incorporated into income and property tax provisions.

Homestead reimbursement -- Minnesota provides a homestead credit which lowers the property tax on an owner-occupied housing unit by up to \$250 per year. The state assumes 35% of the first \$714 of local property tax for purposes other than debt retirement. A renter may receive a direct income tax reduction of up to \$45, based upon that part of his rent which consists of property taxes. Clearly, the \$45 maximum renter credit is not comparable with the \$250 maximum homestead credit.

Income tax break -- Under Minnesota and federal income tax provisions, the homeowner is allowed to deduct his property taxes and also the interest on the home mortgage. On the other hand, the renter is permitted no federal or state income tax deduction for the property tax included in his rent.

Capital gains -- If a person sells a home and buys another equally expensive home, he does not have to pay capital gains on the appreciation of the property sold. However, if the owner sells his home and moves into a rental unit, he must pay capital gains . . . unless he is 65 years of age or older. If the owner is over 65, capital gains must be paid only where the house sells for over \$20,000, and then the rate is reduced.

WORK OF THE COMMITTEE

Background

This is the second Citizens League report on housing in the last two years. Our first study -- "Adequate Housing Is Now Everyone's Problem" -- served to bring out the magnitude of the problem, and led us to understand the need for the public to assume greater responsibility in this area.

After taking a rather broad approach to the problem in the earlier study, the Board of Directors decided the League might best concentrate on some critical aspect of the housing problem. It was decided that a study of land aspects of the problem appeared to be the most fruitful area to explore further.

The Land for Housing Committee was organized in September, 1970. It was assigned the following charge by the Board of Directors:

"The rising cost of land is one of the major factors now pushing up the price of housing. For this reason, the provision of adequately sized and adequately located sites is critical. What is the appropriate public role in facilitating the assembly of sites? Do the appropriate powers and agencies exist? What public financial assistance may be necessary? What organizations -- public and private -- are appropriate? The committee should: (1) Review established needs for housing based on existing public and private studies, (2) Review the 1947 Minnesota Housing Act, and the powers and authorities it created, (3) Review the administration of the act by the housing authorities under it, in the central cities and suburbs, (4) Review problems experienced by developers and potential builders with respect to the availability of sites, (5) Examine national proposals for "new town" programs, and their implications for the provision of land, and (6) Explore with the Metropolitan Council the implications of its development guide and its programs for housing as they relate to the public role in land assembly."

Membership

The interest in . . . and importance of . . . the topic was evident as over 100 persons indicated an interest in serving on the committee, and 75 attended meetings. The committee was chaired by Thomas F. Beech, Director of Human Environment, Apache Corporation. Harold D. Field, Jr., an attorney, served as Vice Chairman. Staff assistance was furnished by Ted Kolderie, Executive Director; Calvin W. Clark, Research Associate; and Vera Sparkes. In addition to the chairman and vice chairman, the following members served on the committee:

James J. Carney, Neill T. Carter, Roger Conhaim, James Cosby, John Cummings, Mrs. Nicholas Duff, F. Keith Emery, Gilbert R. Falk, Roger J. Forbord, Sam Fried, Mrs. W. J. Graham, Jr., Mrs. David Graven, Ray H. Harris, George C. Hite, B. F. Ihlenfeldt, James J. Kaufenberg, Robert T. Kueppers, Oscar Lund, Robert W. MacGregor, Wilbur R. Maki, Stanley F. Miller, Jr., R. Alan Oppenheimer, Mrs. Vicki Oshiro, F. Warren Preeshl, Mrs. John Rollwagen, B. Warner Shippee, James J. Solem, Fred A. Stahl, Mr. and Mrs. John Sten, David B. Stewart, S. L. Stolte, Robert E. Stucki, Matthew Thayer, Paul J. Uselmann, John Weaver and T. Williams.

Committee Activity

The committee held 24 meetings from September 23, 1970 to April 22, 1971. Most of the meetings were 2½-hour evening sessions held alternately at public libraries in Minneapolis and St. Paul. During the course of the committee's deliberations, numerous resource persons met and discussed various aspects of the problem with our committee. The following persons (listed in chronological order) generously shared their thoughts and opinions with the committee:

B. Warner Shippee, Executive Director, University Community Development Corporation
Larry Laukka, (then) Vice President, Pentom, Inc.
Ralph Quiggle, Minneapolis Planning & Development Department
Dr. Noland Heiden, Director, St. Paul Planning & Zoning Board
Clayton Rein, St. Paul realtor
Samuel Marfield, Belmar Builders
Professor Stephen Scallen, Law School, University of Minnesota, and Campus Development, Ltd.
Allan Anderson, State Housing Director
Charles Krusell, Executive Director, Greater Minneapolis Metropolitan Housing Corporation
Carmen Bieker and William Sayles, St. Paul Model Cities
William Scroggins, Minneapolis Model Neighborhood
Minneapolis Alderman Richard Curtin
Philip Schmidt, President, and Loren Simer, Council of Community Councils
Gordon Moe, Minneapolis Assessor
James M. Kramer, appraiser, Shenehon, Goodlund, Johnson, Inc.
Gary Thompson, Orrin Thompson Homes
George Hite, Eden Prairie Village Manager
Trudy McFall and Roland Westerlund, Metropolitan Council
Keith Heller, Cedar-Riverside Associates
Howard Dahlgren, Midwest Planning & Research
DelRoy Peterson, Minneapolis Planning & Development Department
Thomas Dougherty, Apache Corporation
Russell Lindquist, Minneapolis Attorney
John Palmer, Minneapolis Attorney
Gloria McGregor, Metropolitan Council
Paul Fuchs, Minneapolis Housing & Redevelopment Authority
Robert Hall, St. Paul Housing & Redevelopment Authority

The committee received excellent cooperation and assistance from various groups. The Minneapolis Planning & Development Department provided background information, and James Daire and Carl Schenk of their staff attended many committee meetings. Other groups that were particularly helpful were the Metropolitan Council staff, the Minneapolis and St. Paul Housing & Redevelopment Authorities, and the St. Paul Planning & Zoning Board.

APPENDIX A

1970 BASIC HOUSING DATA*

	<u>Minnesota</u>		<u>Metropolitan Area</u>		<u>Minneapolis</u>		<u>St. Paul</u>	
Population	3,805,064		1,813,647		434,400		309,980	
Housing Units	1,276,227		576,891		167,214		107,717	
Owner Occupied	824,529	67.7%	363,295	63.2%	79,653	47.6%	58,651	55.5%
Renter Occupied	329,317	27.0%	193,852	33.7%	81,488	48.7%	45,477	42.2%
Vacant	64,754	5.3%	17,797	3.1%	6,055	3.6%	3,579	3.3%
1.00 or less persons/room	1,068,967	92.9%	519,848	93.3%	153,882	95.5%	97,802	93.9%
1.01 to 1.50 persons/room	69,630	6.0%	31,475	5.6%	5,635	3.5%	5,260	5.1%
1.51 or more persons/room	15,349	1.3%	5,824	1.0%	1,624	1.0%	1,066	1.0%
Median # of rooms/housing unit	5.1		5.0		4.6		4.8	
Median # of persons/housing unit	2.7		2.8		2.1		2.3	
Median \$ value of owner-occupied units	18,000		21,500		18,000		18,600	
Median monthly rent/housing unit	\$101		\$121		\$105		\$95	
One unit structures	895,172	73.5%	364,204	63.3%	77,530	46.4%	56,928	52.9%
Structures with 2 or more units	296,436	24.3%	203,920	35.5%	89,547	53.6%	50,720	47.1%
Mobile homes or trailers	27,092	2.2%	6,820	1.2%	119	0.1%	59	0.1%

* Data taken from the Advance Report of the Bureau of Census, 1970 Census of Housing

APPENDIX B

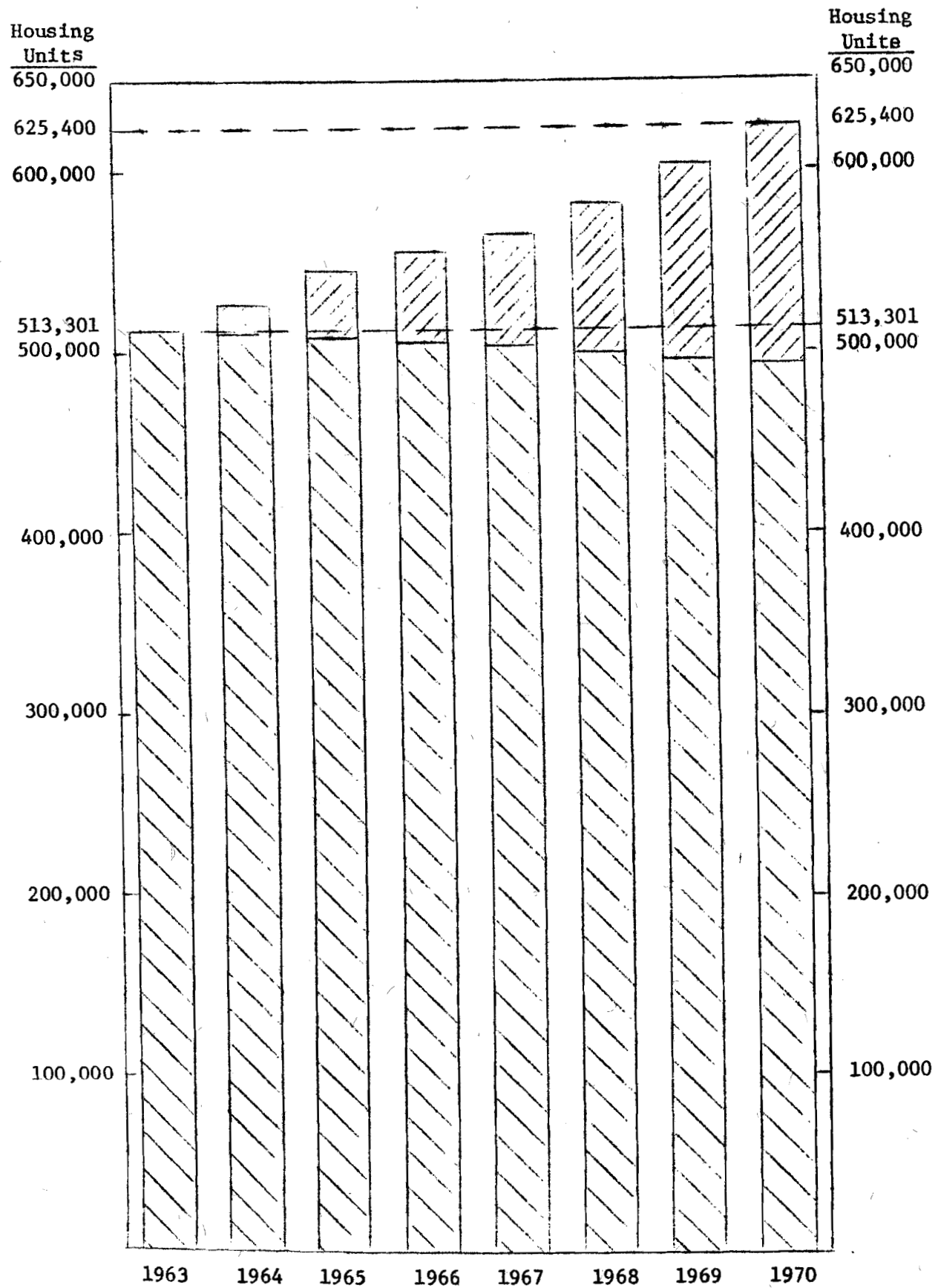
CHANGES IN THE METROPOLITAN HOUSING STOCK, 1963-70

Net Housing Changes in Metropolitan Area *				
Year	Total Housing Stock	New Starts	Demolitions and Move-Outs	Net Change
1963	513,301	17,471	1,796	15,675
1964	528,976	18,347	2,032	16,315
1965	545,291	15,877	3,790	12,067
1966	557,358	12,177	3,085	9,092
1967	566,450	18,453	2,722	15,731
1968	582,181	24,437	2,264	22,173
1969	604,354	24,880	3,834	21,046
1970	625,400			

New Housing Components *						
Year	1 & 2 Family		Multi-Family		Mobile Homes	
	#	%	#	%	#	%
1963	9,759	56	7,712	44		
1964	8,854	48	8,731	48	762	4
1965	7,770	49	7,907	50	210	1
1966	6,566	54	4,918	40	693	6
1967	7,916	43	10,029	54	508	3
1968	9,981	41	14,067	57	389	2
1969	7,991	32	15,125	61	1,764	7

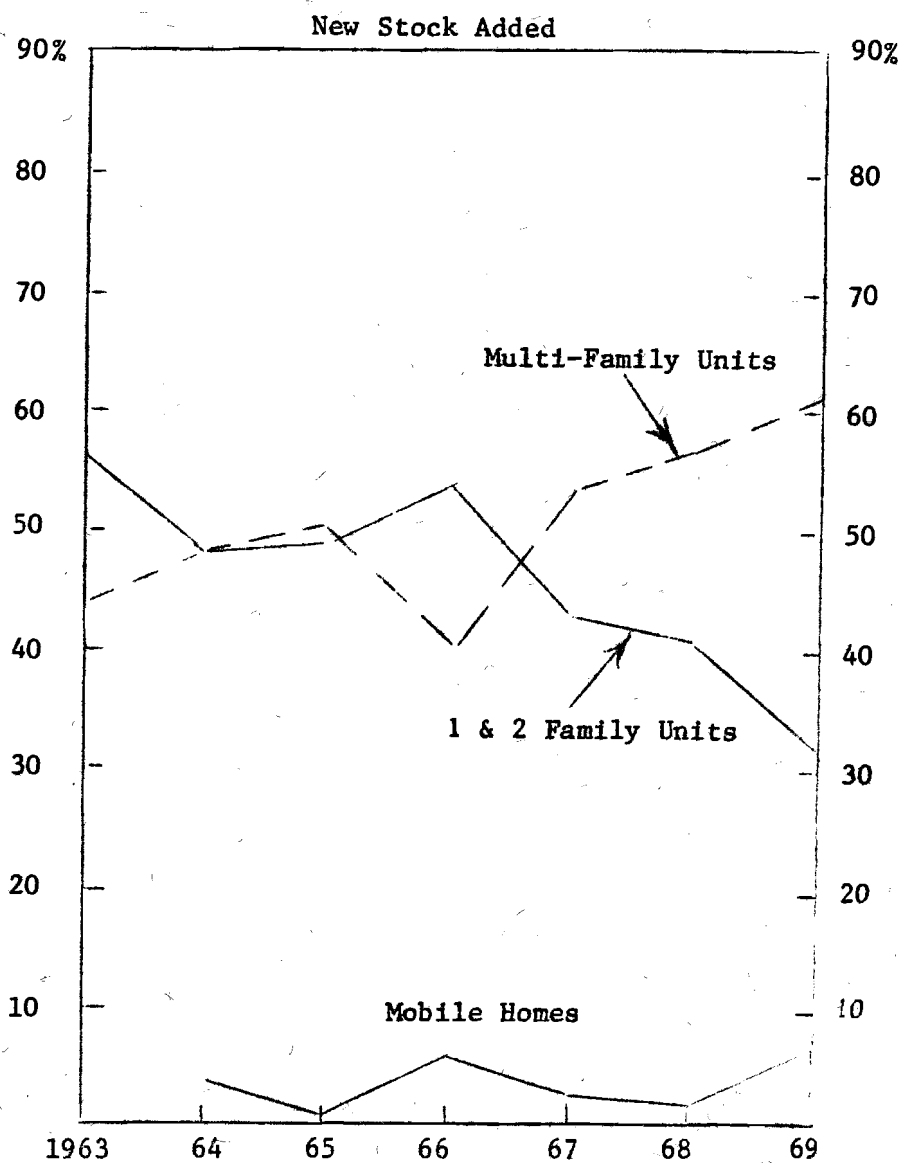
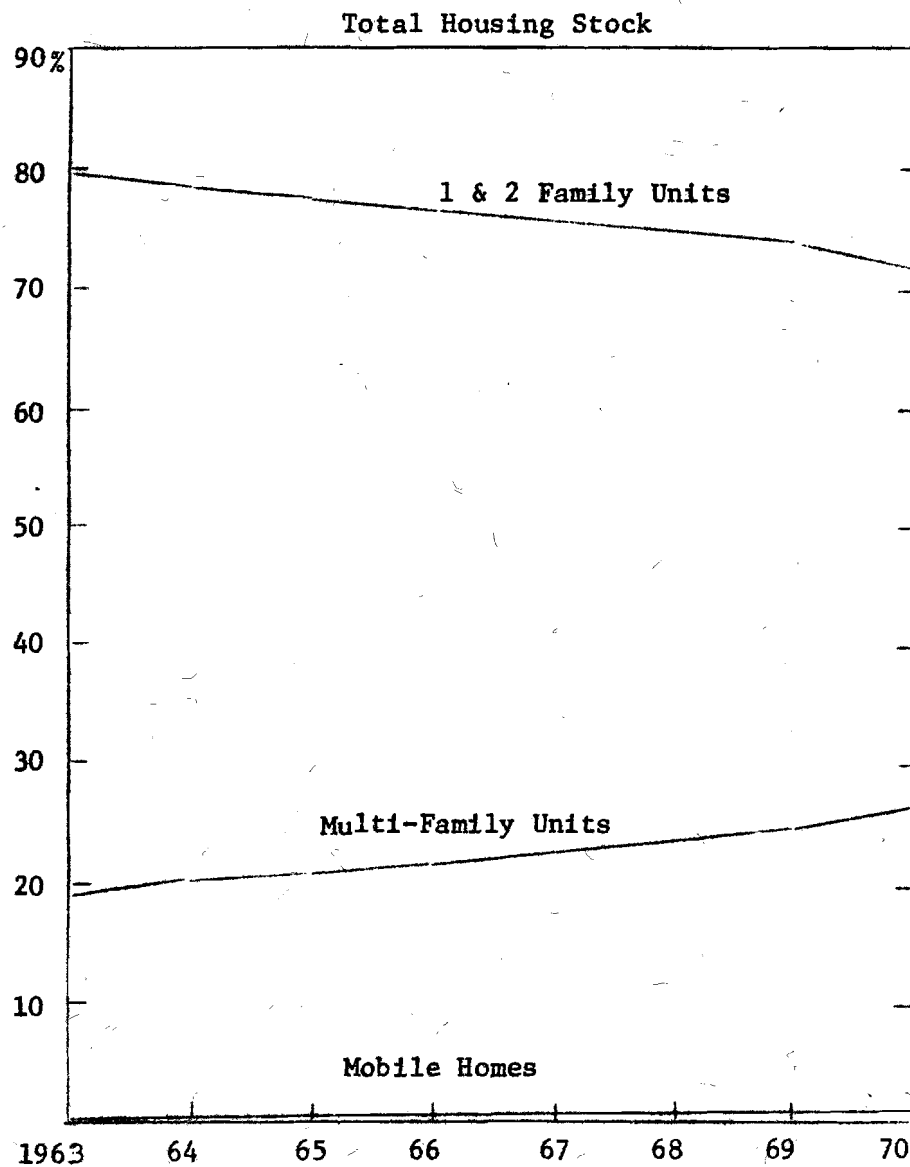
* Data taken from Metropolitan Council Data-log #5, "1970 Housing Unit Estimates (January 1, 1970)", August 19, 1970.

HOUSING UNITS IN METROPOLITAN AREA, 1963-70



New Housing Starts Since 1/1/1963

PERCENTAGE OF METROPOLITAN HOUSING STOCK
BY 1 & 2 FAMILY UNITS, MULTI FAMILY UNITS, AND MOBILE HOMES, 1963-70



APPENDIX C

PRELIMINARY EVIDENCE OF UNDER-UTILIZED HOUSING

Several resource persons, as well as members of our committee, had the impressionistic feeling that there were substantial numbers of older homes that are being significantly under-utilized . . . particularly homes owned by elderly persons in the two central cities. Accordingly, we have looked for clues that would confirm or deny this notion.

Minneapolis Census Data -- One means of checking our hypothesis was to see what relevant information was available from census figures. We explored 1960 block data for Minneapolis, as well as preliminary 1970 Minneapolis data as it became available. The following information seemed to be relevant, and it does support our general hypothesis.

1. Minneapolis population dropped from 482,812 in 1960 to 434,400 in 1970, or - 10.0%
2. Housing units in Minneapolis increased from 165,791 to 167,685, or + 1.1%
3. In 1960 there was an average of 1.70 rooms per person in exclusively owner-occupied blocks, 3.44 persons per house and 5.80 rooms per house. The average number of rooms per person in exclusively owner-occupied blocks by census tract ran from 0.94 to 3.63.
4. There were 2.91 persons per dwelling unit in 1960, and 2.59 persons per dwelling unit in 1970, or - 11.0%
5. In 1960, 87,412, or 52.7%, of the dwelling units in Minneapolis were owner-occupied. If the percentage decrease in persons per dwelling unit is fully attributed to decreases in occupancy in 1960 owner-occupied housing, and exclusively owner-occupied blocks are representative of owner-occupied housing units in general, then the average number of rooms per person would increase from 1.70 to 2.05, or + 20.0%

If the decrease in persons per dwelling unit was shared equally by owner- and renter-occupied housing units, the 1.70 figure would increase to 1.89 rooms per person in 1970.

6. In any case, the data shows a substantial decrease in housing utilization in Minneapolis, from 1960 to 1970, and suggests a considerable amount of under-utilized housing in 1960, which was drastically increased by 1970.

A map was prepared to show where the exclusively owner-occupied blocks were located, and where there was the lowest level of utilization. Nearly all of the owner-occupied blocks exist in the far north, west and south portions of Minneapolis. Those census tracts with an average of two or more rooms per individual in owner-occupied

housing are almost exclusively located in the southern half of Minneapolis. Areas with a high percentage of people over 65 in 1960 also corresponded with the areas of low utilization of housing.

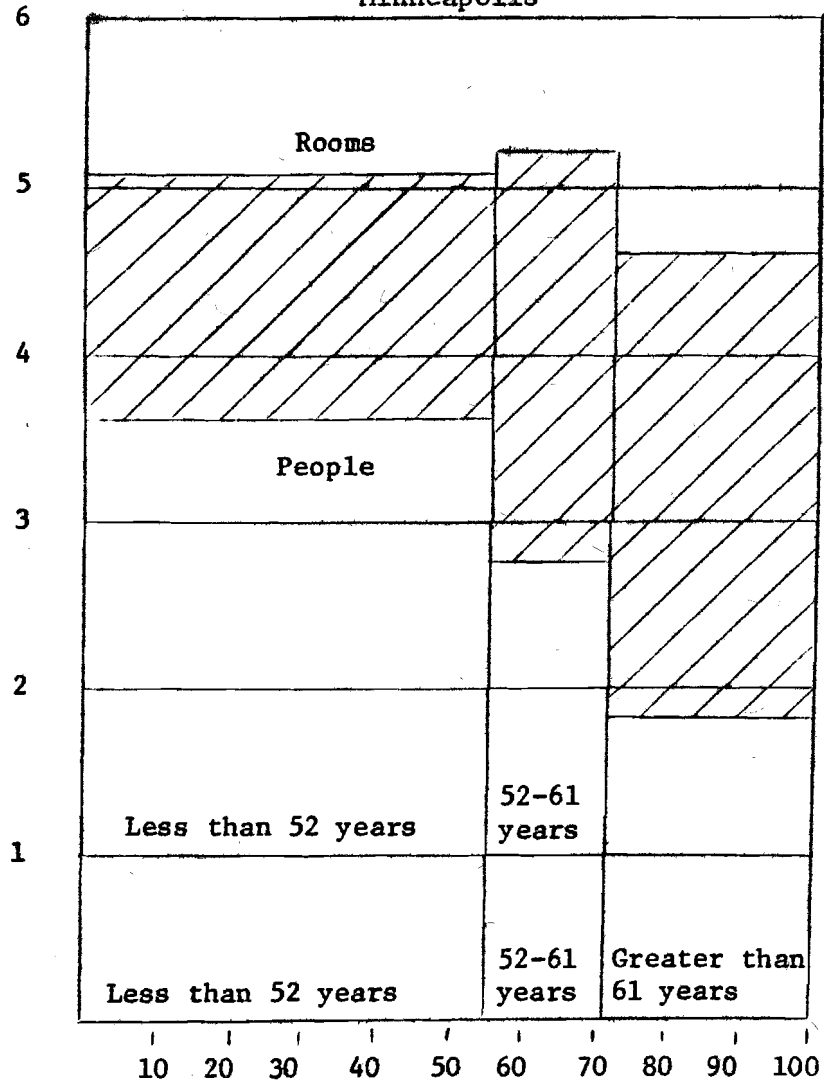
Data collected by North Star Research & Development Institute -- In 1969 the North Star Institute did housing inventory studies for the Minneapolis and St. Paul Housing & Redevelopment Authorities. The data printed in their final report did not provide the specific data we needed to check our hypothesis. However, the North Star Institute, with permission from the Housing Authorities, made some non-published data available to our committee. The following tables compare the number of rooms in housing units by the age of the head of the household and the number of persons in housing units by the age of the head of the household.

While the number of rooms in a dwelling unit stays relatively constant regardless of the age of the head of the household, the number of persons in the dwelling unit decreases with age. This then again tends to confirm the assumption that there are substantial numbers of homes under occupied by elderly residents in the two central cities.

ROOMS AND PEOPLE PER HOUSING UNIT BY AGE OF HEAD OF HOUSEHOLD

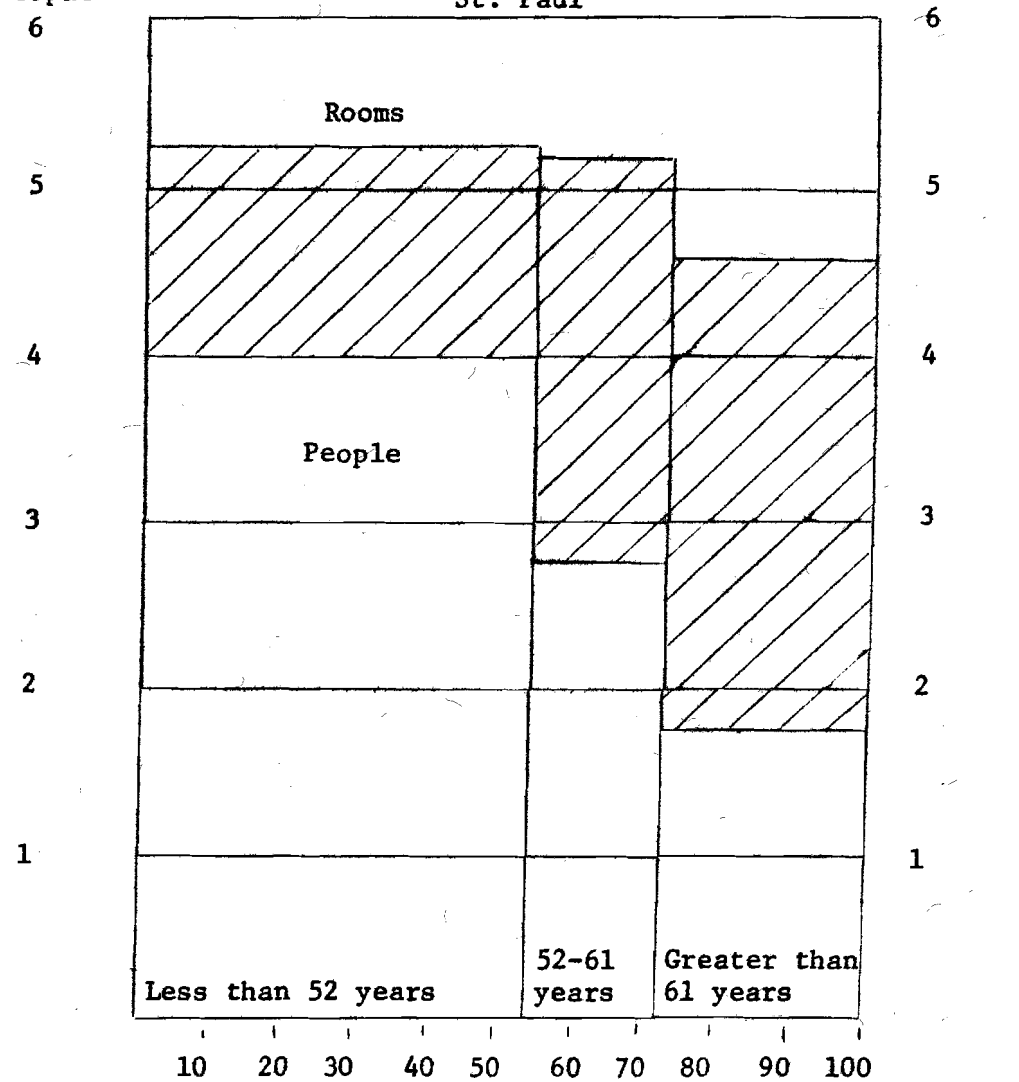
Rooms or
People

Minneapolis



Rooms or
People

St. Paul



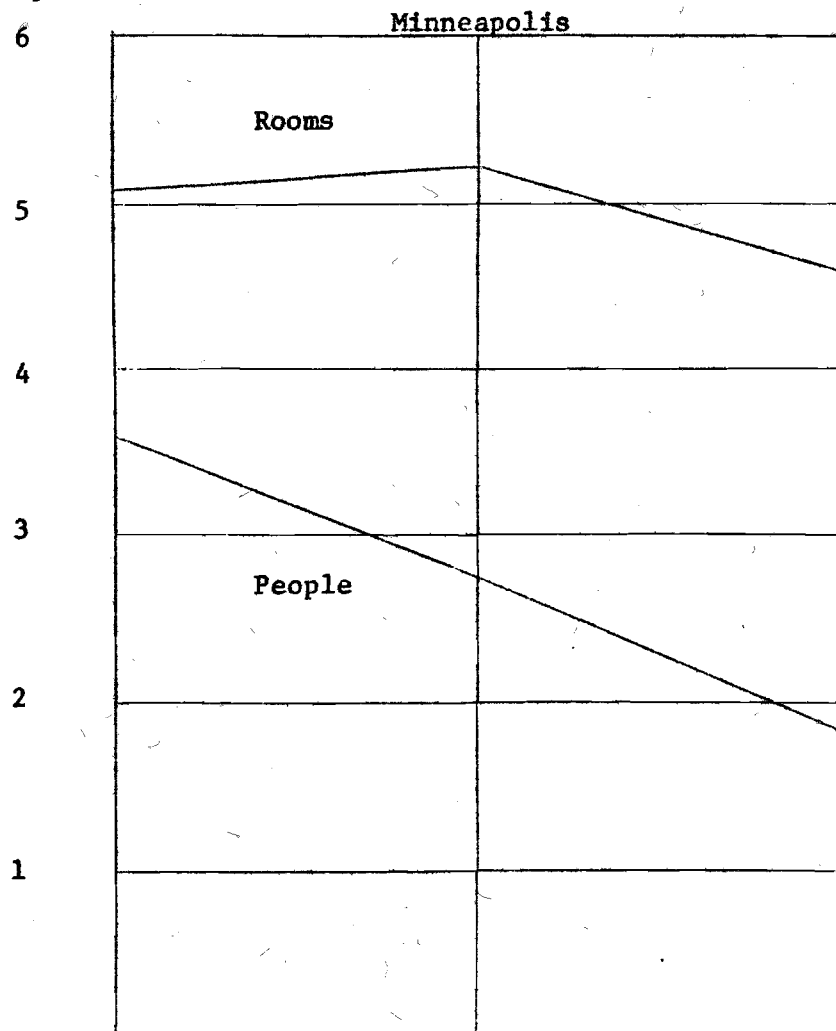
% of
households
in age group



Indicator of potential additional housing capacity of existing housing stock.

ROOMS AND PEOPLE PER HOUSING UNIT BY AGE OF HEAD OF HOUSEHOLD

Rooms or
People

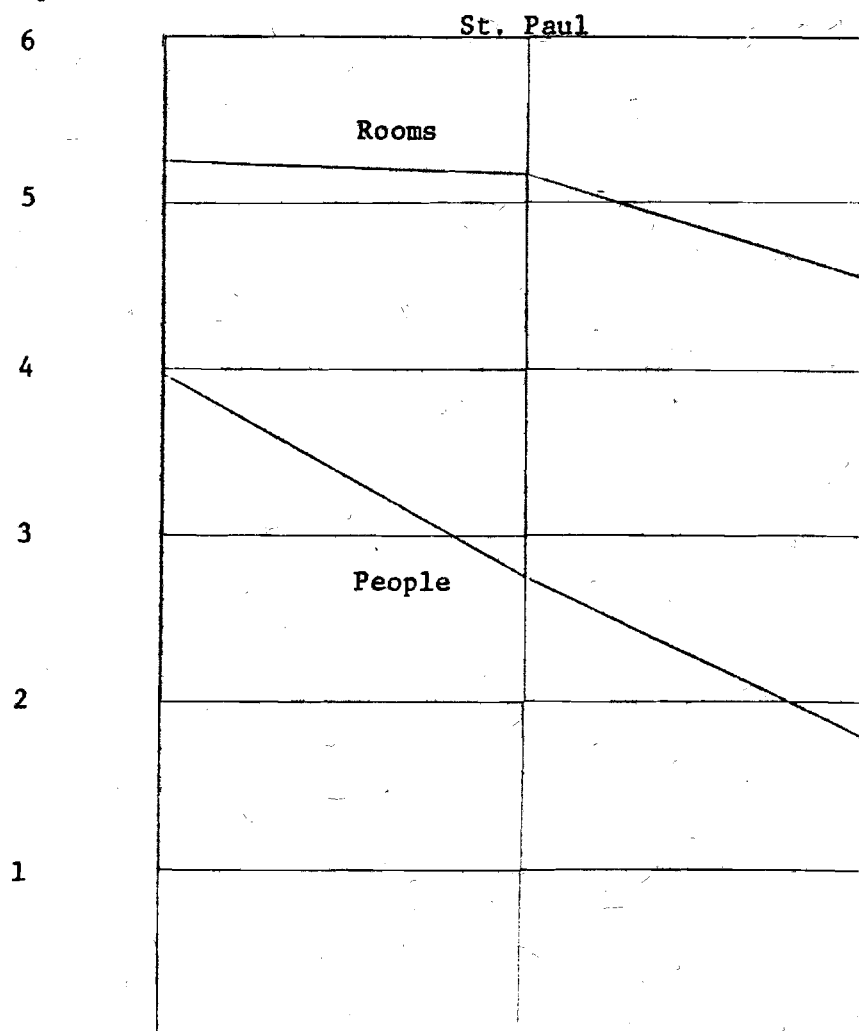


Less than
52 years

52-61
years

Greater than
61 years

Rooms or
People



Less than
52 years

52-61
years

Greater than
61 years

Rooms or
People

6

5

4

3

2

1

SIZE OF HOUSING AND FAMILY UNITS
BY AGE OF HEAD OF HOUSEHOLD IN ST. PAUL

# of Rooms	AGE OF HEAD OF HOUSEHOLD					
	Less Than 52 Years		52 - 61 Years		Greater Than 61 Years	
	# in Sample	% of Age Group	# in Sample	% of Age Group	# in Sample	% of Age Group
1	24	0.8%	12	1.2%	27	1.8%
2	67	2.3	23	2.3	128	8.3
3	361	12.5	105	10.3	244	15.9
4	550	19.0	220	21.6	374	24.3
5	717	24.8	285	28.0	366	23.8
6	561	19.4	187	18.4	227	14.8
7	334	11.6	99	9.7	97	6.3
8	144	5.0	58	5.7	49	3.2
8	129	4.5	30	2.9	25	1.6
Total	2,887	100.0	1,019	100.0	1,537	100.0
Avg.	5.26		5.16		4.57	
# of Persons						
	# in Sample	% of Age Group	# in Sample	% of Age Group	# in Sample	% of Age Group
1	240	8.4	196	19.3	645	42.0
2	576	20.0	384	37.7	702	45.8
3	481	16.7	188	18.5	121	7.9
4	556	19.4	118	11.6	32	2.1
5	432	15.0	73	7.2	20	1.3
6	268	9.3	34	3.3	6	0.4
7	149	5.2	12	1.2	2	0.1
8	76	2.6	2	0.2	2	0.1
8	95	3.3	11	1.1	4	0.3
Total	2,873		1,018		1,534	
Avg.	3.98		2.73		1.79	
Total Housing Units:						
%	53.0		18.7		28.2	
#	57,085		20,141		30,373	

SIZE OF HOUSING AND FAMILY UNITS
BY AGE OF HEAD OF HOUSEHOLD IN MINNEAPOLIS

AGE OF HEAD OF HOUSEHOLD						
# of Rooms	Less Than 52 Years		52 - 61 Years		Greater Than 61 Years	
	# in Sample	% of Age Group	# in Sample	% of Age Group	# in Sample	% of Age Group
1	83	1.9%	27	2.0%	46	2.0%
2	186	4.3	42	3.0	211	9.3
3	569	13.2	127	9.2	321	14.2
4	751	17.5	240	17.4	475	21.0
5	1,079	25.1	391	28.4	629	27.9
6	844	19.7	301	21.8	334	14.8
7	391	9.1	126	9.1	133	5.9
8	231	5.4	67	4.8	70	3.1
>8	161	3.7	57	4.1	38	1.7
Total	4,295	100.0	1,378	100.0	2,257	100.0
Average	5.08		5.23		4.59	
# of Persons						
1	475	11.1	239	17.4	895	39.7
2	935	21.8	518	37.6	1,054	46.8
3	806	18.8	257	18.0	215	9.5
4	850	19.8	185	13.4	52	2.3
5	593	13.8	98	7.1	16	0.7
6	317	7.4	49	3.6	11	0.5
7	172	4.0	14	1.0	4	0.2
8	69	1.6	6	0.4	1	0.04
>8	69	1.6	10	0.7	4	0.2
Total	4,286	100.0	1,376	100.0	2,252	100.0
Average	3.61		2.77		1.81	
Total Housing Units:						
%	54.16		17.39		28.46	
#	90,563		29,078		47,559	

ABOUT THE CITIZENS LEAGUE . . .

The Citizens League, founded in 1952, is an independent, non-partisan educational organization in the Twin Cities area, with some 3,600 members, specializing in questions of government planning, finance and organization.

Citizens League reports, which provide assistance to public officials and others in finding solutions to complex problems of local government, are developed by volunteer research committees, supported by a fulltime professional staff.

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1. The first part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of history is essential for a full understanding of the present and for the development of a sense of national identity. The author points out that the study of history is not only a means of learning about the past, but also a way of understanding the present and of shaping the future.

2. The second part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of history is essential for a full understanding of the present and for the development of a sense of national identity. The author points out that the study of history is not only a means of learning about the past, but also a way of understanding the present and of shaping the future.

3. The third part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of history is essential for a full understanding of the present and for the development of a sense of national identity. The author points out that the study of history is not only a means of learning about the past, but also a way of understanding the present and of shaping the future.

4. The fourth part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of history is essential for a full understanding of the present and for the development of a sense of national identity. The author points out that the study of history is not only a means of learning about the past, but also a way of understanding the present and of shaping the future.

5. The fifth part of the paper discusses the importance of the study of the history of the United States. It is argued that the study of history is essential for a full understanding of the present and for the development of a sense of national identity. The author points out that the study of history is not only a means of learning about the past, but also a way of understanding the present and of shaping the future.



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