Funding an Equitable Transit System

Minnesota is on the verge of a major transit breakthrough. Never in the history of our state have so many communities, organizations, agencies and business leaders lined up on the same side to finally “go big” on transit investments.

Alongside our partners in the Transit for a Stronger Economy coalition, the Alliance has been working to pass a comprehensive transit funding plan. The Alliance is one of more than 50 supporting organizations seeking a larger, dedicated funding commitment to expand all aspects of transit service. The plan could free Metro Transit from its biennial pilgrimage to the state legislature, where it often must beg for a bare minimum of operational support just to sustain the current system.

Community-based organizations that operate along our region’s planned transit corridors have been watching this discussion with anticipation and interest for years. Several have signed on to the Transit for a Stronger Economy campaign. Many are meeting regularly in convenings organized by the Alliance and our campaign partners to monitor transit developments at the Capitol and to raise racial and economic equity considerations with legislative leaders. Our message is that if Minnesota is going to make a significant new investment in transit, we need to build it right—and that means finding ways for low-income communities and communities of color to both plan for and benefit from the build out.

continued on page 4
From the Director’s Desk

Demographic Change and our Regional Economy

By now most of us have heard that the demographics of the Twin Cities region are changing. People of color, who comprised just 24 percent of the region’s population in 2010, will make up 43 percent by 2040.

Our region’s culture has already begun to evolve as our population becomes less homogenous, and those changes are only going to accelerate as a time approaches when there will be no racial majority. But have you spent much time thinking about what these changes mean for our regional economy?

This is an important question, and one that has just begun to be asked in the Twin Cities region. The reason it’s so critical is that the statistics tell us another story about our region: people of color who live here face unacceptable disparities that put them at a significant disadvantage in school and in the job market. Beginning in early childhood, people of color are more likely to fall behind in academic achievement. Racial disparities are widespread throughout the education and employment life cycle. Students of color are significantly less likely to graduate from high school, and adults of color are less likely to participate in the workforce than whites. But even with equivalent education to white peers, people of color are significantly more likely to be unemployed as adults.

This is bad news for an economy that will depend on a markedly more diverse workforce in just a few decades. Many people are proud to call the Twin Cities home because of our good schools, our educated workforce and our overall quality of life. But what will happen if nearly half of our population lacks adequate access to the many opportunities available in the Twin Cities?

The truth, although well concealed from many people, is that racial disparities are already harming everyone in our region. Studies show that racial inequities slow economic growth and that greater economic inclusion corresponds
with more robust economies. It stands to reason that the more diverse our region becomes, the more our economy will depend on people of color to bring the innovation and ingenuity that will drive progress in the future.

Problems of this magnitude can seem daunting, especially with relatively little time to fix them. That’s why this problem requires multiple, coordinated efforts that create a new pipeline to opportunity for people of color in the Twin Cities region. That pipeline must include a life cycle of investments, from early childhood education all the way through adult employment training programs. Many of these programs already exist and are succeeding, but require the funding to bring them to scale.

And this particular problem is too big for any one sector, or for government and philanthropic investment, to solve alone. Institutional and structural racism are pervasive and deeply engrained in the way unseen systems work in our lives. Racism affects who is called in for employment interviews, who gets coveted union apprenticeships and who obtains the highest paying jobs. It affects who is targeted for unethical loans and which areas of a city get the most government resources. In order to build a healthy and well functioning economy for the future, residents and decision-makers in the Twin Cities region will need to have more open conversations about race and develop programs, policies and relationships that are race-conscious rather than colorblind.

We all want to live in a place where every student has the same chance to learn and every worker has the same chance to earn. But with the changing face of our region, the same old ideas and approaches won’t get us there. The Twin Cities region must have an honest conversation about what needs to be done to build a strong regional economy that works for everyone. Then, each of us needs to commit to doing our part and pointing out when others aren’t doing theirs. Racial equity is no longer something that only people of color have to worry about. Our region’s shared prosperity depends on working together to build a new economy.

To build a healthy and well functioning future economy, we will have to have more open conversations about race and develop programs, policies and relationships that are race-conscious rather than colorblind.
There are several equity milestones that can mark this new pathway:

• **ACCESS**
  
  First, we need to think about equitable access to the system itself. The plan would accelerate the build-out of our regional rail system in 15 years rather than 30. The Itasca Project estimates that when the expanded system is complete, half a million more residents in the metro region will have better access to their jobs. Further, a University of Minnesota study showed that residents in the lowest-income neighborhoods will have access to around 45,000 more jobs, accessible within 30 minutes by transit. The report noted that increases in job access would be the most pronounced in North Minneapolis.

• **JOBS**
  
  The transitway expansion is projected to create 30,000 jobs. If 19 percent of those construction jobs went to people of color as they did on the Central Corridor LRT project, we would create 5,700 jobs for, and direct an estimated $228 million in economic benefit to, households of color. If we meet the state of Minnesota’s new equitable hiring goal of 32 percent for workers of color on publicly subsidized construction projects, we would secure 9,600 jobs and $384 million in income for people of color.

• **BUSES, NOT JUST RAIl CORRIDORS**
  
  Right now, low-income people depend more on bus than rail to access jobs, educational institutions, medical facilities and other destinations. Our current network of bus routes has been called the “workhorse of the transit system,” so we can’t leave buses behind in the push for an expanded rail system. Our coalition is asking for a 4 percent increase in investment in bus operations and funding for local connectors and circular systems. That’s important, because the last time the legislature freed up a large quantity of funding for transit in 2008, new operational support for the bus system was left out of the picture.

The main financing device being considered at the legislature this year involves a dedicated increase to the regional sales tax, which is the most common form of funding regional transit services.

---

**CoALITION PARTNERs:**

- Advocating Change Together (ACT)
- African Career, Education & Resource, Inc.
- AFL-CIO
- AFSCME Council 5
- Alliance for Metropolitan Stability
- Alliance for Sustainability
- Amalgamated Transit Union Local 1005
- American Heart Association
- American Lung Association in Minnesota
- Asian Economic Development Association
- Bicycle Alliance of Minnesota
- BlueGreen Alliance
- CWA Minnesota State Council
- Conservation Minnesota
- The Cornerstone Group
- Cycles for Change
- Envision Minnesota
- Episcopal Homes of Minnesota
- Fresh Energy
- Growth & Justice
- HIRE Minnesota
- Hope Community
- ISAIAH
- Jewish Community Action
- Local Initiatives Support Corporation Twin Cities
- Masjid An-Nur
- Minneapolis Bicycle Coalition
- Minnesota Center for Environmental Advocacy
- Minnesota Consortium for Citizens with Disabilities
- Minnesota Environmental Partnership
- Minnesota Public Interest Research Group (MPIRG)
- Minnesota Public Transit Association
- Minnesota State Building & Construction Trades Council
- Minnesota Young Professionals Environmental Group
- Minnesotans for Healthy Kids Coalition
- MN350
- National Multiple Sclerosis Society, Upper Midwest
- New American Academy
- Nice Ride Minnesota
- Project for Pride in Living
- Saint Paul Bicycle Coalition
- SEIU Minnesota State Council
- Sheet Metal Workers Local #10
- Sierra Club, North Star Chapter
- Summit Academy OIC
- Transit for Livable Communities
- United Food and Commercial Workers (UFCW) 1189
- United Transportation Union
- YEA! MN, a program of the Will Steger Foundation
An accelerated timetable for a public transit build-out will likely mean an increased sales tax in Minnesota. That got the Alliance and our allies thinking: how can we ensure that everyone in our region benefits from that investment?

The Alliance convened a group of organizations based in communities of color and low-income communities, as well as those serving people with disabilities, to discuss what they think are the most important equity issues associated with a transit system expansion. Through discussions with this group and our partners in the HIRE Minnesota coalition, we identified community engagement and hiring equity as critical issues.

We then teamed up with legislative ally Sen. Bobby Joe Champion to add policy language to the transit funding bill he was carrying. Sen. Champion’s amendment would encourage better community engagement in transit planning projects and better construction hiring outcomes for women and people of color.

The amendment encourages the lead agency of any transit project to contract with community groups that represent low-income people and people of color to engage them in the planning process. The hiring language it proposes reinforces the existing state hiring goals of 32 percent for people of color and 6 percent for women, which are set by the Minnesota Department of Human Rights. In addition, it requires the lead authority to contract with a community-based employment assistance agency to create a program to recruit, hire and retain women and people of color on future transit projects.

All of the language in the equity amendment relates to already proven, on-the-ground collaborative efforts between governmental authorities and a variety of project stakeholders. The amendment seeks to enable transportation and transit project authorities to improve on these efforts, meet hiring goals and achieve equitable outcomes that serve the public good. The language has passed through a key committee, and we will keep pushing for it to be in each draft of the bill as it moves forward this legislative session.
Central Corridor Project Exceeds Hiring Goals!

Back in 2010, HIRE Minnesota set out to ensure that the Metropolitan Council achieved its goal for 18 percent of the hours on the Central Corridor LRT project being completed by people of color.

Over the next several years, we went to many meetings. We developed a workforce projection system that allowed contractors to predict workforce gaps so the community could help fill them. We helped the Met Council standardize the contractors’ reports so the community had access to uniform information. In short, we were there every step of the way.

And now it’s time to celebrate. As construction winds down, the Alliance and our partners in the HIRE Minnesota coalition are thrilled to announce that the actual hiring on the Central Corridor LRT has exceeded the goal for people of color. People of color worked more than 19 percent of the hours on the project during major construction.

The $1 billion Central Corridor LRT project is one of the largest projects in the state ever to achieve its hiring goals for women and people of color, generating more than $7 million in estimated wages for these workers.

Congratulations to the Met Council, the Minnesota Department of Human Rights, Walsh Construction and Ames-McCrossan Construction. As the Twin Cities’ workforce continues to diversify, it is critical to have strong examples that prove hiring equity can be achieved on large-scale projects. Your example will lead the way as public infrastructure projects transition to higher workforce goals for Twin Cities-area projects.

Together, we can move Minnesota from worst to first in hiring equity!
EquityNOW Twin Cities explores how to make “game-changing” Bay Area program successful in our region

Riana Shaw Robinson, from the Oakland-based Urban Habitat, is excited about her work. “It’s a game changer,” she said. “It’s literally changing the game in the Bay Area.”

Shaw Robinson directs Urban Habitat’s Boards and Commissions Leadership Institute (BCLI), which identifies, trains, places and supports low-income people and people of color for priority government boards and commissions in the Bay Area region. The BCLI is changing the power dynamic in the region so that people of color who once had to fight for a seat on important boards are now sought out by decision-makers who are beginning to recognize that there is strength in diversity.

People of color who once had to fight for a seat on important boards are now sought out by decision-makers who are beginning to recognize that there is strength in diversity.

Nexus Community Partners, a key Alliance partner on projects like the Corridors of Opportunity Community Engagement Team and EquityNow Twin Cities, will be initiating a BCLI to serve the Twin Cities later this year. As a part of a recent Urban Habitat visit to the Twin Cities, Shaw Robinson and Urban Habitat Executive Director Allen Fernandez Smith spent time with members of EquityNow Twin Cities (www.equitynowtc.org), sharing more about the BCLI work and ways in which a network like EquityNow might be able to support the ability of the Twin Cities BCLI to ensure more people of color hold key decision-making roles in our region.
Affordable Housing Investment for the 21st Century

Last year, the state legislature approved $35 million for affordable housing investment in Minnesota. Housing advocates agree that we need more public investment like this to meet the growing need for housing that is affordable to our state's diverse families. The matter of where those investments should be made, however, is still being debated.

Two prominent voices in that debate, University of Minnesota professors Myron Orfield and Edward Goetz, recently discussed the merits of different affordable housing investment models at a Metropolitan Council committee meeting.

Orfield, who is director of the university’s Institute on Metropolitan Opportunity, took what he called a pro-integration stance, arguing that building affordable housing where there are already large concentrations of low-income people of color is against federal fair housing law.

"Federal law couldn’t be clearer,” he said. “Colorblindness is impermissible.”

Seventy percent of low-income students who are black or Latino go to schools that are attended by a majority of people of color. Integrating those students into higher-wealth areas is important, according to Orfield, because the zip code in which a person lives in the Twin Cities determines their life outcomes. He recalled that the Met Council used to push “the most aggressive pro-integrative housing policy in the nation” and asked the agency to skew new investments toward suburban communities that may offer more opportunity, such as nearby jobs, good schools and connections to other resources, to low-income people and people of color.

Professor Goetz, who leads the university’s Center for Urban and Regional Affairs, agreed with Orfield that affordable housing needs to be built in the suburbs. The main difference between their points of view is that Goetz also sees a need for continued investment in the core cities. He argued that prohibiting affordable housing construction in urban communities of color is “like a form of public-sector redlining.” While people of color are more likely to need affordable housing, there are still greater numbers of white people who need affordable housing in this state. Suburbs are already failing to meet the affordable housing need for their existing low-income residents, the majority of whom are white in many communities. Eliminating new affordable housing investment in urban communities of color, Goetz said, would likely create a racial bias in who has access to affordable housing—a bias skewed toward white people.

“If we were to build all of our affordable housing in suburbs, we would not get rid of segregation in our core cities,” Goetz said.

The approach that Goetz favors is a more coordinated approach to transit, housing and economic development investment that would align resources to connect residents from a variety of urban and suburban areas—each with their own unique set of assets and challenges—to tailored approaches for achieving economic, educational and social opportunity. Urban neighborhoods already offer many benefits to low-income families, including existing connections to jobs and transit, he said, so it would be a mistake to assume that displacing residents to higher-wealth communities would always be perceived and experienced as a benefit. Instead of restricting resources to certain communities, he said, public decisions should be more focused on eliminating differences in access to resources across communities.

“Couple affordable housing with transportation and jobs and you can see real economic revitalization,” said Goetz.
The debate about the direction the Met Council should take with affordable housing investment is being influenced by the study of racially concentrated areas of poverty (RCAPs). The purpose of studying RCAPs, the practice of which is mandated by the federal government, is to determine whether metropolitan regions have large populations of people of color living together in low-income communities. The implication is that concentrations of poor people of color are bad. Interestingly, our region has large concentrations of white people, which are usually not viewed negatively.

Sometimes designing good public policies starts with how you define the problem. So we decided to ask a different question. Where are the racially concentrated areas of wealth (RCAWs) in our region?

Check out the map below to see where high concentrations of wealth and whiteness exist in the Twin Cities.

Affordable housing investment-prioritization has been debated for decades, but the Met Council is making decisions now that will be affected by the philosophy the agency embraces. The most immediate decision-making process is a regional Fair Housing and Equity Assessment (FHEA). The Met Council is charged with completing the FHEA to identify ways to connect low-income communities and communities of color to opportunity by identifying a set of indicators of opportunity and mapping how well (or how poorly) communities are connected to regional resources. The plan, which is required by the U.S. Department of Housing and Urban Development, could become a blueprint that would de-silo public investments and maximize the effectiveness of expenditures in communities across the region.

While discussions like those between Orfield and Goetz are important, one of the biggest mistakes the region could make is to allow the conversation to solely happen at an academic level. The Alliance believes that community organizing is one of the most effective ways to arrive at public decisions that benefit the people most directly affected by public policies. Our staff is working with the Center for Urban and Regional Affairs in an effort to create more inroads for community input into the FHEA so that people and communities who might be most affected by these decisions are at the tables where they are being made.

Our hope is that by directly addressing, and when necessary challenging, existing relations of power, low-income people of color will be able to hold our leaders accountable to steering the right resources to the places where those residents choose to live.
**TruthToTell: A Community Forum on the Bottineau Transitway**

In February, TruthToTell, a KFAI radio program, partnered with the Alliance to host a community forum on the Bottineau Transitway. This forum explored what community and elected leaders are doing to ensure that residents are engaged in decision-making about the proposed 13-mile line that will run from Minneapolis through the northwest suburbs of Golden Valley, Robbinsdale, Crystal, Brooklyn Park and Maple Grove.

“With the Southwest LRT and Bottineau Transitway coming through North Minneapolis, and potential street cars along Broadway Avenue, we have the opportunity to remake the community into an economic hub,” said Metropolitan Councilmember Gary Cunningham. “But what is the public investment that is needed to reinvent the economic vitality of North Minneapolis and beyond?” To listen to the full TruthtoTell broadcast, visit http://bit.ly/WpGVDm.

The community panel looks on as Alliance Executive Director Russ Adams addresses the forum.

**ASK OUR MEMBERS:**

**What are your hopes for advancing regional equity in this year’s legislative session?**

“I hope that this legislative session will promote authentic community engagement and will bring about legislation that will actually allow communities to benefit economically. I want to see access to resources that many communities do not presently enjoy such as employment, affordable housing, and improved transportation.”

– Nieeta Presley, Aurora St. Anthony Neighborhood Development Corporation

“For this legislative session, I am hopeful that the legislature and the governor will develop a long-term budget fix that raises revenues more equitably. As Minnesotans, we need to make investments that allow our economy to grow in ways that reduce the income disparity gap and result in creating healthy, thriving communities.”

– Lee Helgen, Envision Minnesota

“My hopes for advancing regional equity during this legislative session revolve around the renter’s tax credit, an excellent form of tax relief for low-income people that has been cut in previous legislative sessions. Currently, there are proposals to restore the credit back to its original level, but to also change the formula so that it benefits those who need it the most. This is important to me because I believe that it really comes down to fairness and ensuring that our tax system benefits low-income people.”

– Eric Hauge, HOME Line
Brooklyn Park Subsidy to Target Corporation Questioned

Y ears ago, the Alliance was involved in a campaign to secure a community benefits agreement between Target Corporation and a coalition of Brooklyn Park-based organizations and residents as the retailer planned a major taxpayer-funded expansion in that northern suburb. When the economy stalled, so did Target’s expansion plans and the campaign dwindled.

But now things are heating up again.

At a February news conference, a coalition called the Northwest Community Collaborative announced a campaign to ensure the $2 million subsidy the city provided to Target would result in equal benefits to the community. Jobs are a primary concern; according to the coalition, most of the 3,000 jobs that will be moved to Brooklyn Park are transferred employees from the company’s downtown Minneapolis offices, creating little benefit to area residents.

“The city of Brooklyn Park is giving away to Target more than we are getting back,” said Northwest Community Collaborative member and Brooklyn Park resident Nelima Sitati in an interview with Channel 12. “The way they reached this ‘sweetheart deal’ lacked community engagement and lacked transparency.”

The coalition, which the Alliance is providing technical assistance to, is asking Target to invest in the local community by hiring residents and forming training partnerships. To learn more about the Northwest Community Collaborative, visit its Facebook page at http://on.fb.me/13VQbHZ.

Goodbye Tracy!

Please join us in thanking Tracy Babler for her six years as the Alliance’s director of development and communications and in wishing her well in her new venture. Tracy’s contributions to the Alliance have been an inextricable part of making our work as strong and thriving as it is today. She has helped guide and shape who we’ve become over the years, and we owe her a deep debt of gratitude. While we are all sad to see her go, we are also excited that she is leaving in order to satisfy a long-time dream of starting her own writing and editing business. Tracy has been a great partner and friend to all of us here and we are additionally fortunate that she will continue to contribute her skills to several projects in her new capacity.

“I’m so grateful for everything I’ve learned from the Alliance, both personally and professionally,” Tracy said. “The Alliance and our partners’ commitment to equity is something I will carry forward with me in my future work.”

Thank you, Tracy, for your contributions to the Alliance—we wish you the best!
YES!!! I support the work of the Alliance for Metropolitan Stability to advance racial, economic and environmental justice in the way growth and development occurs in the Twin Cites region.

☐ You can count on me! Here’s my tax-deductible contribution to support your efforts:

   ____ $25   ____ $50   ____ $25   ____ $100   ____ $250   ____ $500   ____ (Other $___________)

☐ Stay up-to-date with bi-weekly news about regional development by subscribing to The Link e-newsletter. My e-mail is: ________________________________________________________________

Name: _____________________________________________________________________________________

Organization: ______________________________________________________________________________

Street Address: ______________________________________________________________________________

City: _____________________________________________ State: ___________ Zip Code: _______________

Home Phone: ___________________________________

Make checks payable to: Alliance for Metropolitan Stability
and send to: Alliance for Metropolitan Stability, 2525 E. Franklin Ave., Suite 200, Minneapolis, MN 55406