The City of Arden Hills is building a new neighborhood on 427 acres of publicly owned land but it refuses to include affordable housing opportunities for everyone to live there.

In this Race & Regionalism report we examine this massive tract of undeveloped land as a case study for how and why cities like Arden Hills must ensure that new developments — particularly those subsidized by taxpayer dollars — do not continue the disturbing legacy of intentional exclusion of low-wealth families from their communities and instead actively provide housing options that meet the real affordability needs of the region.

Since acquiring the 427-acre Twin Cities Army Ammunition Plant (TCAAP) property in 2012, Ramsey County has invested tens of millions in taxpayer dollars to remediate the superfund site for new, private development. In 2018, the County entered into an agreement with the City of Arden Hills that outlined the planned development of Rice Creek Commons: 1,460 homes, 1.4 million square feet of commercial/office space, and a 200-room hotel. Missing from the agreement: affordable housing.

In June 2019, the Alliance, in partnership with the Housing Justice Center, filed a complaint in Ramsey County District Court because plans for the largest mixed-use development in the Twin Cities region — the size of more than 85 city blocks — actively perpetuate inequity and exclusion by failing to meet even the lowest bar for affordable housing production.

While the scale of the TCAAP site and Rice Creek Commons development is unique, the failings it reveals are nearly universal: In the Twin Cities and across the country, city and county governments are routinely abdicating their responsibility to meet the housing needs of low-wealth households of color while continuing to subsidize production for white, wealthy residents.

In this report, we use TCAAP site as a case study to explore how:

- Cities fail to meet housing needs — without consequence
- Governments underwrite private interests at the expense of public good
- Cities perpetuate racial inequity with lack of truly affordable housing
- Cities concede to “affordable housing” that doesn’t meet the need
- Instead of affordable housing, cities subsidize white affluence
- Fair housing must address this intentional exclusion

OUR FRAME:
What do we mean when we say Fair Housing?

In our region and nationwide, fair housing issues are framed around “geographies of opportunity” that label neighborhoods as “high opportunity” or “low opportunity” — and focus on “racially concentrated areas of poverty” as a central problem. This deficit-based frame, developed by people and organizations disconnected from impacted communities, reinforces racist and classist tropes about residents in communities of color and suggests solutions that fail to address the systemic causes of poverty. Our interpretation of fair housing rejects the notion that proximity to whiteness is the primary objective of land use policy and affordable housing development. We believe that creating access to places where exclusion exists is the responsibility of those who seek to exclude and those who allow exclusion to happen — and should not be prioritized over resourcing communities of color that have been intentionally and systematically disinvested for generations.
The City of Arden Hills, like all communities, is required by state law to create a plan to meet the housing needs of its residents. And, like many communities, it has a dismal track record in making good on that responsibility.

Just to meet the demands of its own population growth from 2011 to 2020, Arden Hill needed to produce 288 units of housing affordable to a family of four earning $60,000 per year (60% AMI). As of August 2019, they had produced just four units.²

And that’s a sliver of the actual crisis. While the goals address projected population growth, they don’t account for the massive need that already exists. In 2017, more than 182,000 renter households in the Twin Cities region paid more than they could afford on housing, and 22% paid more than half of their income on housing.³ Additionally, the few affordable options in the private market continue to disappear; according to Minnesota Housing, the region loses 1,300 unsubsidized affordable units every year.⁴

Governments underwrite private interests at the expense of public good

Our policymakers have the right — and responsibility — to serve local residents before subsidizing profits for private interests. When public land is sold or made accessible for private gain, city and county governments must use their leverage to prioritize the benefit to its people and demand more of the private market.

At more than 400 acres, the TCAAP site is a significant example of publicly owned land. But there are many areas of future or prospective development on public land in the Twin Cities region, including the Upper Harbor Terminal in Minneapolis, the St. Paul Riverfront, Brooklyn Center’s Opportunity Site and the University of Minnesota’s UMore Park in Rosemount.

Policymakers must hold the private market accountable to public good when they ask for concessions from government agencies. While there are many points of intervention — from approving zoning variances to providing tax-increment financing — the sale or lease of publicly owned land is one of the most fundamental ways a public agency can make good on its mandate to steward public dollars and serve ALL residents.

Arden Hills has a once-in-a-generation opportunity to capture value for community benefit through the use of public land for Rice Creek Commons, not to mention the investment of millions in public subsidy.
Due to generations of racist policies that led to their intentional exclusion from homeownership, educational resources and workforce opportunities, households of color are vastly more likely to be renters than white households.

While 25% of white households in the Twin Cities region are renters, 63% of households of color are renters. That inequity is even more pronounced when income is considered. While 2/3 of renter households of color earn less than $50,000 per year for a family of four (50% AMI), only 40% of white renter households fall below that income threshold.\(^5\)

Given those inequities, only 5% of all white households in the region are renters earning 50% of AMI and facing serious housing problems\(^6\), compared to 21% of all households of color. That means households of color are four times more likely to be low-wealth renters with the most significant housing challenges.

Rice Creek Commons (RCC) purports to include affordable housing, but that affordability does not reflect real need — and instead provides new homes for modest income, predominantly white renter households.

While 90% of Ramsey County renter households with serious housing problems earn 50% AMI or less ($50,000 for a family of four), only 7% of the renter households bearing that burden earn 50-80% AMI. Yet, Rice Creek Commons provides zero units affordable to the lower-income families and all of its “affordable” units to the income bracket with a much lower need and, as highlighted above, higher percentage of white households.

Looking to 2021-2030, Arden Hills needs to create 229 units affordable to households earning 50% AMI or less just to meet its own population growth. If the largest development site in the region with the potential for thousands of units has zero units at that affordability level it is virtually impossible for the city to meet its goal.
Fair housing is not optional and when government actors block efforts to meet the housing needs of low-income households of color it cannot go unchecked.

Traditionally, neighborhoods evolve over a long period of time, and development patterns appear organic. But hidden beneath this surface perception are intentional choices made at all levels of government, in addition to lenders, developers, and individuals. With the TCAAP site, Arden Hills is making a set of deliberate choices that will dictate the future of an area bigger than downtown St. Paul — and decide who gets to live in the city for the next generation.

There is no justification to block the development of truly affordable housing on the TCAAP site and if cities like Arden Hills continue to allow development exclusively for wealthier, whiter residents, they will be complicit in perpetuating the spatial and racial inequities that persist throughout our region.

Creating access to places where exclusion exists is the responsibility of those who seek to exclude. In a region where there is an acute shortage of affordable housing, every part of the region must create opportunities for safe, stable, affordable places for ALL people to call home.

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8- Racially Concentrated Areas of Affluence: A Preliminary Investigation, Edward G. Goetz, Anthony Damiano, Rashad A. Williams, University of Minnesota, 2019;
9- Ramsey County; 10- Alatus Development