

Minnesota ACORN Political Action Committee Questionnaire
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Housing

What do you see as the biggest challenge(s) to increasing the City's supply of affordable housing – for both homeownership and rental – and how do you plan to deal with it? In your answer, please address your positions on rent control, the amount of handicap-accessible housing, and how to deal with the rising costs of taxes/insurance/etc due to gentrification that is pricing out low-income families from keeping their own homes?

From what I understand, Maplewood is doing relatively well in terms of affordable housing at the present time. However, this is no reason to become complacent. One challenge is the growing need for senior housing. Attractive senior housing should allow an aging population to remain in or near their long-time neighborhoods, freeing up housing stock there for younger families.

I do not support the imposition of rent controls. However, the city plays a crucial role in affordable housing when it comes to approving housing developments and deciding whether or not to use tax increment financing in some situations.

For example, I have spoken in support of the Common Bond housing development on the site of Saint Paul's Monastery. This is appropriate use for the land within the current comprehensive land use plan and zoning, and it benefits the community for this new affordable housing to be built. While the city is not being asked to financially support the project, I do think the city should be actively supportive of the development in other ways (such as endorsing the bonding effort for the development).

In another example, Gethsemane Lutheran Church has proposed a senior housing development on part of their land. They are interested in getting a tax increment financing district, the revenue of which would go to subsidize a number of affordable units in the development for lower-income seniors. From what I know at this point, this sounds to me like a wise use of TIF: We are adding land to the tax rolls (the church land is currently tax-exempt), and the TIF revenues will be going directly to maintaining affordable housing for seniors in our community.

While the city is not the largest part of a homeowner's property tax bill, it is important for the city to restrain the growth of taxes over the long term. This requires spending carefully today and making smart investments that will deliver quality results and save money over the long run. Cities also need to work with the legislature for restoration of local government aid, to alleviate the regressiveness of property taxes.

Living Wage Jobs

“Big box” retailers like Wal-Mart and Target have led a “race to the bottom” in our country’s economy, where workers’ wages are continually slashed while executives’ pay and stockholders’ returns increase. Would you support an ordinance (or other efforts) that requires major retail developers to provide health care for its workforce, living-wage jobs paid sick days and to hire from the community?

Philosophically, I do not support singling out specific businesses for special treatment, neither by supporting them with taxpayer subsidies nor by penalizing them with special restrictions. I agree that excessive executive pay is a serious problem, and so is the need for universal health care and other adequate benefits. However, I don't see the city as being the right level at which to deal with these issues. In a metro area like the Twin Cities, restrictions in one community will only lead a corporation to locate in a neighboring community without such restrictions. To be effective, solutions need to come at the statewide and national level. A big part of the solution needs to be stronger support for the rights of workers to organize and collective bargaining. Specifics of employment should be worked out by negotiation between labor and management, rather than mandated by government.

Predatory Lending and Foreclosure

More than 3,000 Minnesota families face foreclosure this year because they are trapped in predatory mortgage loans – loans which would now be criminal. ACORN and ACORN Housing have been working hard to reach out to families in unaffordable mortgages and connect them with HUD-certified loan counseling which can help them save their home. Would you support a six month moratorium on foreclosures resulting from sub-prime and predatory loans?

I applaud ACORN for your work in helping pass Minnesota's new laws this year against predatory lending, and for your loan counseling outreach efforts. I would be interested in ways that the city of Maplewood could help families having trouble paying their mortgages get connected to such services.

However, I am reluctant to endorse a moratorium on “sub-prime and predatory” loan foreclosures. I am always worried about unintended consequences; for example, interfering with the credit markets for sub-prime borrowers may mean that credit to such persons simply dries up, possibly preventing them from ever buying a home. The credit markets are already in turmoil from investors fleeing sub-prime loan securities. Blocking lenders' ability to get at the collateral for a defaulted loan could make things even worse. The way the mortgage markets work, the folks who originally engaged in predatory practices (such as excessive fees and points) have usually pocketed their money and sold off the loan, so they are not the ones paying the price when a loan goes bad. Instead, it is the network of institutions — including pension funds, mutual funds in individual retirement plans, etc. — who have bought the securitized loans.

I also have to raise the issue of moral hazard, when it comes to those institutions. If investment professionals believe that their mistakes will be bailed out by the government (as has often happened in the past), then they will continue to pursue higher returns through risky financial behavior, believing that the risk will ultimately be put off on the taxpayer. The willingness of institutional investors to buy dubious paper is what made it possible for predatory lenders to give mortgages to people who could not afford them.

Budgetary Problems

It seems like at all levels of government the basic needs for public services are not being met with the current amount of tax revenues being generated. What steps will you support to increase the revenues to better meet important needs?

The city of Maplewood relies on a mixture of taxes and fees for revenue generation. One reason that I think fiscal responsibility is so important in our city government is because these methods of raising revenue tend to be regressive, not tied to an ability to pay, and thus have a disproportionate impact on lower-income residents. (The classic example is the senior citizen forced to sell a house that she can no longer afford to pay taxes on.)

When it comes to fees, I prefer to see fees whose application and structure is related and proportional to consumption of city services or resources. I would rather avoid fees that amount to a “per capita” tax.

For example, last fall the city council proposed a 440% increase in the electric franchise tax collected through Xcel Energy. I spoke against this proposed increase at the November 13th council meeting, and subsequently wrote a letter to the council and Xcel expressing my concerns. (The letter is on my campaign website at <http://www.johnnephew.com/letters/index.php>.) Part of the goal of the proposed tax increase was to derive revenue from various entities located in the city that do not pay property taxes but benefit from city services, such as non-profits, schools, and other government entities. But the more pronounced effect would have been to increase the tax burden on renters, fixed income seniors, and others on the lower end of the economic spectrum, in order to reduce the net tax burden on owners of more expensive homes.

When I look at the managerial and budgetary decisions the present city council majority has embraced, I see many choices that appear aimed at savings in the short term, but which cost us more in the end. I would offer the city manager himself as a case in point. The present city manager is compensated less than an experienced professional would expect for this position — but all it takes is the \$50,000 insurance deductible from one needless lawsuit, which a well-qualified manager would know how to avoid, to more than make up the difference. When you add up all the choices of this council majority, it is unfortunate but not surprising that their 2007 budget gave us a tax levy increase of 10.2%, the second highest in the past decade.

Given the lack of qualifications of our current city manager, the long period that the city went without a finance director, and related issues, I suspect that we will be able to go looking for waste and inefficiency before looking for new revenue streams. The first priority of the city therefore must be to hire an experienced, competent city manager.

Immigration

Do you support keeping safe access to police services for all city residents by not having our police officers do the job of the INS?

Yes. To do their jobs effectively, police need the confidence of the local community. If they are turned into agents of immigration enforcement, it will harm the entire community, if undocumented workers are unwilling to come forward with reports when they are victims or witnesses to criminal activity in our community.

Representation

How does your campaign work on a grassroots level to increase political participation by low- and moderate-income people and people of color?

If elected, how will your philosophy, programs, and staffing work to eliminate institutional racism in Maplewood?

Maplewood has a history of low turnout in its municipal elections – something in the range of 25% of registered voters for the general election. Given that my funds are not unlimited, my campaign is targetting voters with a history of voting in municipal races, regardless of income or ethnicity.

The ethnic diversity of Maplewood is increasing, which presents opportunities and challenges. From my door-knocking across the city, I have certainly witnessed bigotry, as when someone talks about “those people” moving into their neighborhood. One of the most interesting conversations I had was with a woman who expressed discomfort with the increasing Hmong population near her home. But what she then added was that she is very aware of her own feelings about these different and unfamiliar neighbors, and she was afraid she could be unintentionally teaching prejudice to her children. To me, this is cause for hope; some bigotry may never go away, but many more people have self-awareness and a genuine longing to reach across the barriers of understanding that divide them from their neighbors.

The current city council eliminated the Human Relations Commission, and replaced it with something called the Community Outreach Commission (which, as far as I know, has so far had no appointments to fill it). Perhaps the HRC was underutilized, but I'm concerned that this sent a message that the city does not care about “equal opportunity in housing, employment, public accommodations, public services and education” (the stated mission of the HRC).

In terms of institutional racism, I would like to know specific examples, so that the city council can address them.

Accessibility

If elected, how would you work to stay connected with the communities in Maplewood that elected you? Will you commit to meeting with ACORN Members monthly to discuss the progress being made on the issues outlined above?

As a councilperson, I will seek to stay connected with all the communities in Maplewood. Unfortunately, as I wrote above, only a small percentage of eligible Maplewood residents turn out to vote in municipal elections. I believe that an elected official has an obligation to serve the interests of their entire community, not just highly motivated factions that may have supported them, or demographic groups that tend to vote more often. I intend to have an open door policy for citizens and residents' organizations, but would not commit to a specific schedule of meetings.