

Affordable Housing Trends

Production and Policy

Committee of the Whole
September 15, 2021

metro council.org

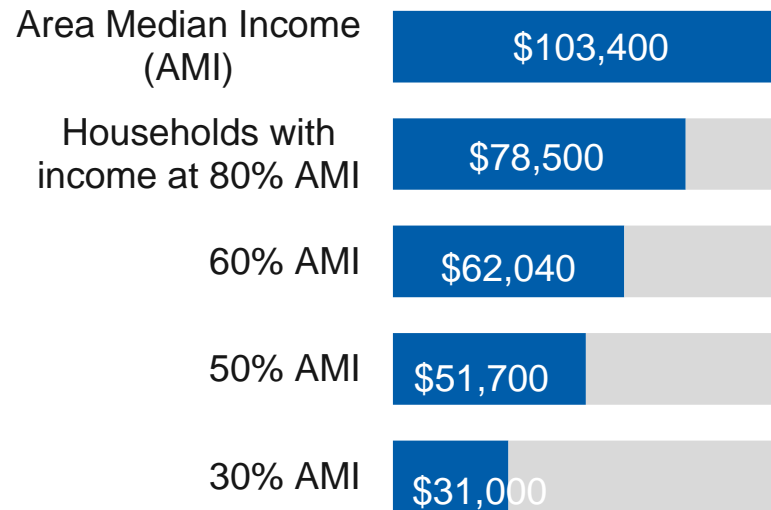
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Affordability Metrics: Reality Check

Area Median Income

- Based 16-county MSP-WI metro statistical area
- Numbers below for a family of four



Source: U.S. Department of Housing and Urban Development. *80% AMI is capped for U.S. so number above is <80% of MSP-WI AMI.

2020 Affordability Limits

2 Bedroom Unit, affordable at 60% AMI:

\$1,395

1 Bedroom Unit, affordable at 30% AMI:

\$582

Single family home, affordable at 80% AMI

\$293,500

Regional context

21

Jurisdictions have median household incomes at or below 60% AMI

~80%

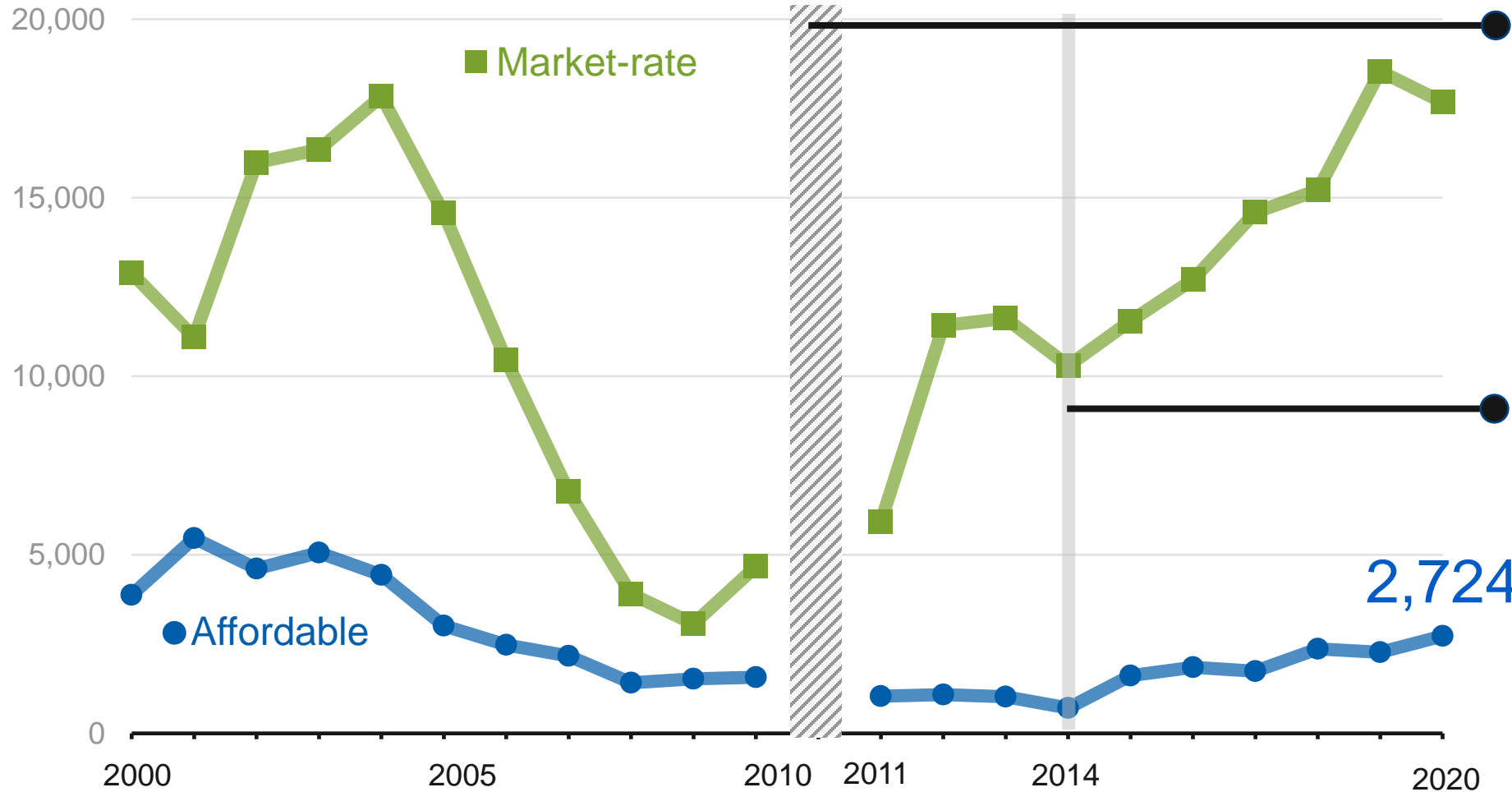
Share of households with income at or below 30% AMI experiencing cost burden (2019)

Housing affordability is a bigger discussion than unit production

There are important issues we won't discuss today:

- Naturally Occurring Affordable Housing (NOAH)
- Policies to support equitable housing choice
- COVID-19 impacts: assistance and gaps
- Unhoused individuals & families
- Accessible housing

Affordable Housing Production



In 2011, the Council defined affordable units at or below 60% AMI. A change from previous years.

With *Housing Policy Plan*, more detailed levels of affordability were added.

Source: Metropolitan Council's Housing Performance Score Survey.

Top producers of affordable units

Added affordable units (60% AMI)

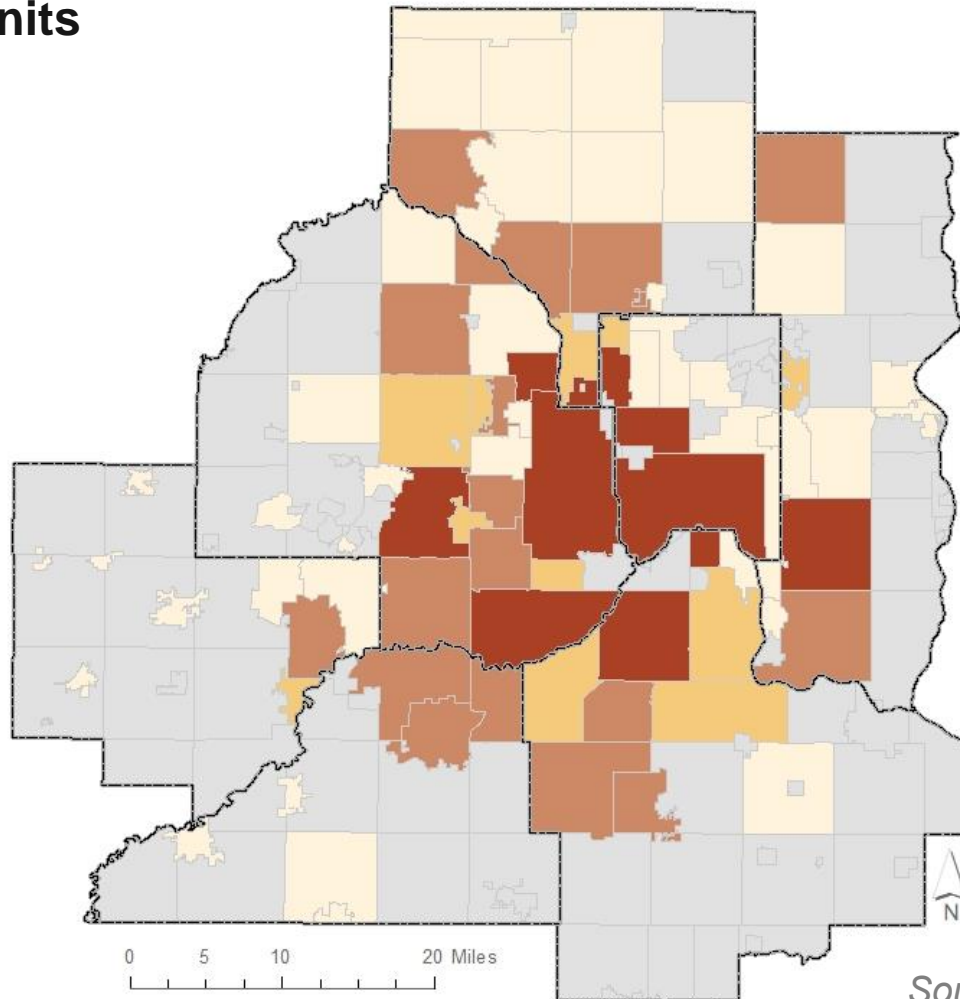
Added over 250 units

+101 to +250

+51 to +100

Added 50 or fewer

No added affordable
units



Jurisdictions with largest number of added affordable units, 2011-2020

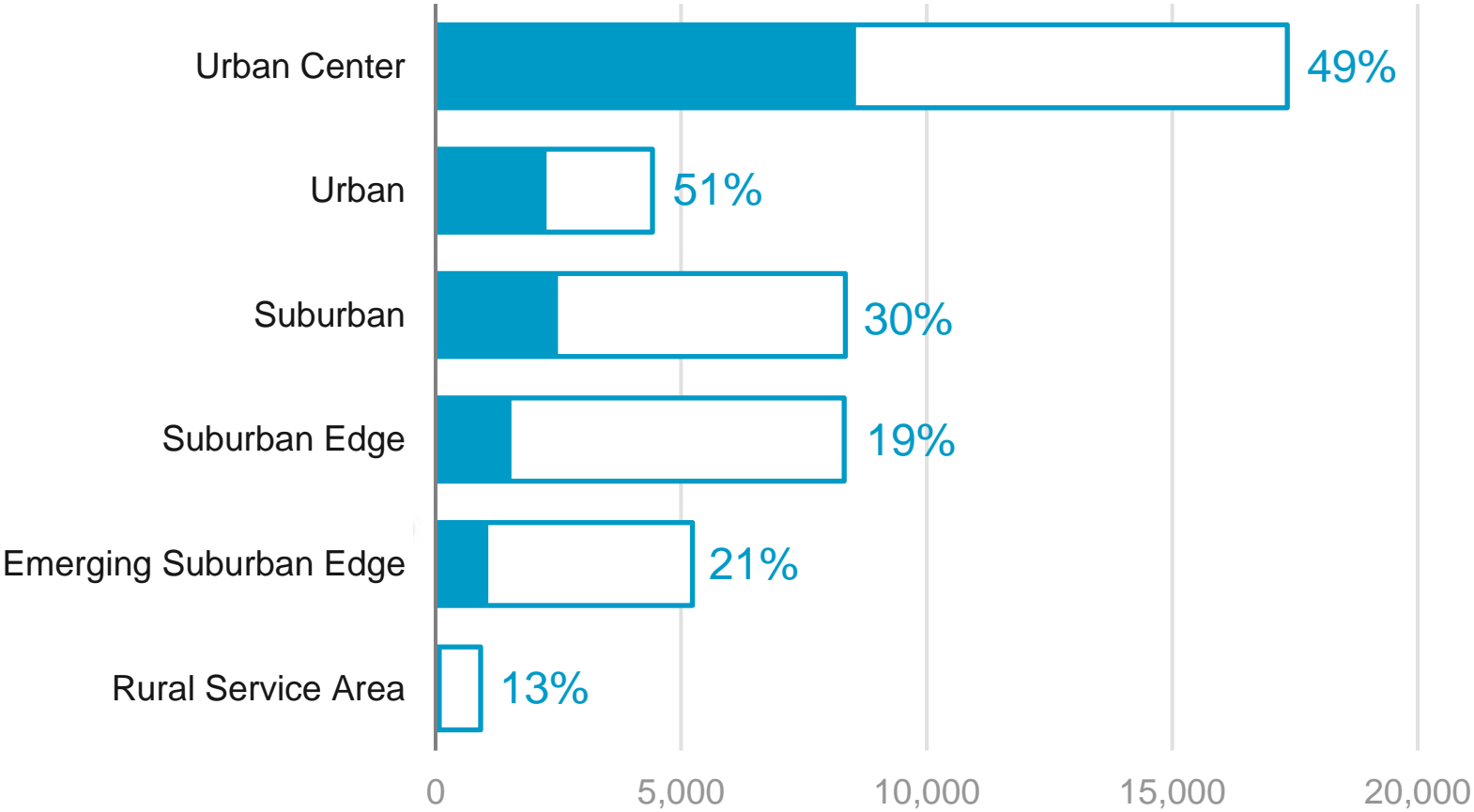
1	Minneapolis	4,851
2	St. Paul	2,627
3	Minnetonka	644
4	Bloomington	489
5	Brooklyn Center	431
6	New Brighton	430
7	West St. Paul	398
8	Roseville	368
9	Eagan	359
10	Columbia Heights	349

Source: Metropolitan Council's Housing Performance Score Survey.

Looking back: 2011-2020 affordable housing need

Affordable units needed based on actual household growth between 2011 and 2020

Affordable units built between 2011 and 2020

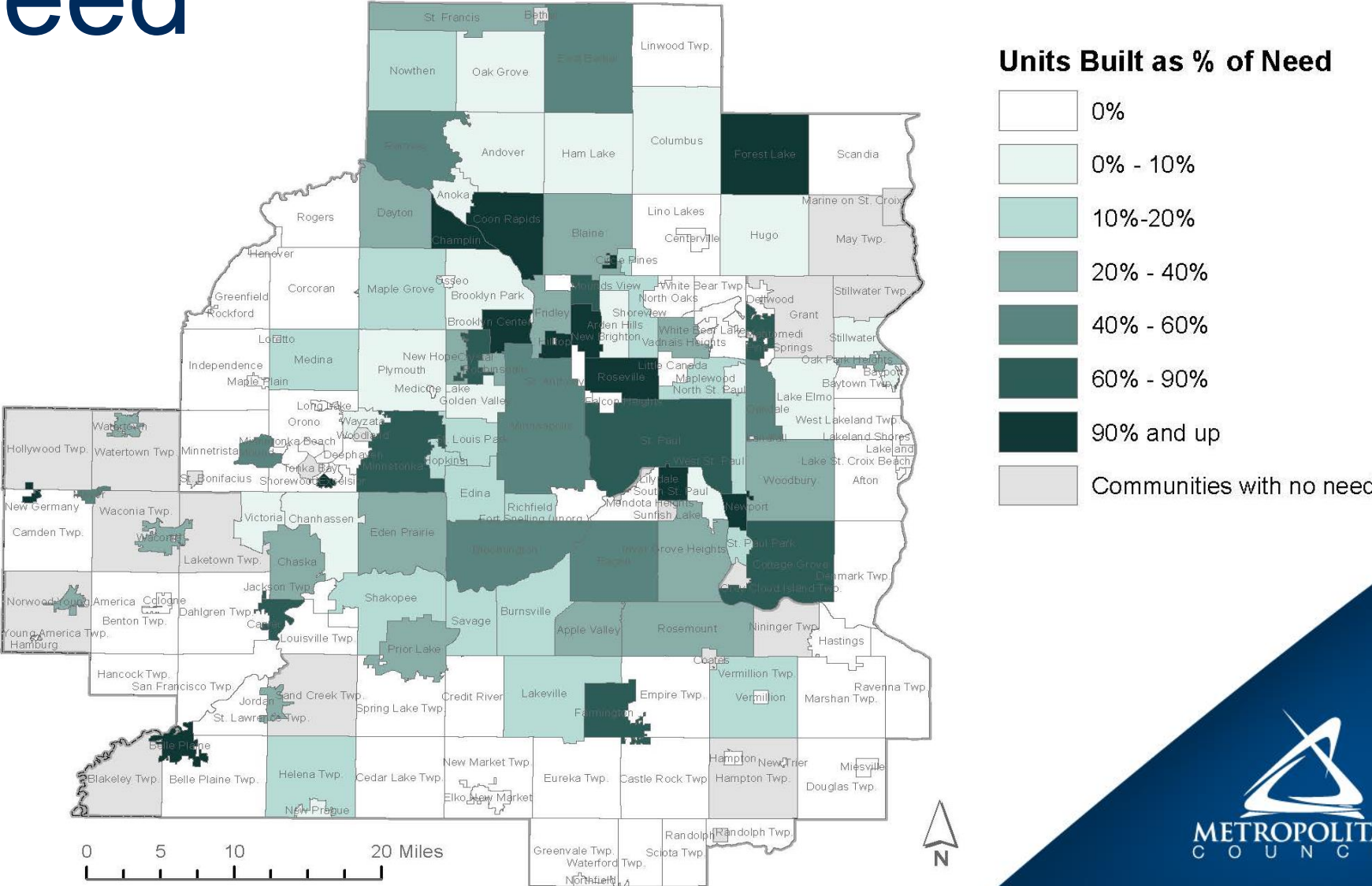


Source: Metropolitan Council's Housing Performance Score Survey.



Looking back: 2011-2020 affordable housing need

Only 13 cities produced 90% or more of their share of affordable housing need

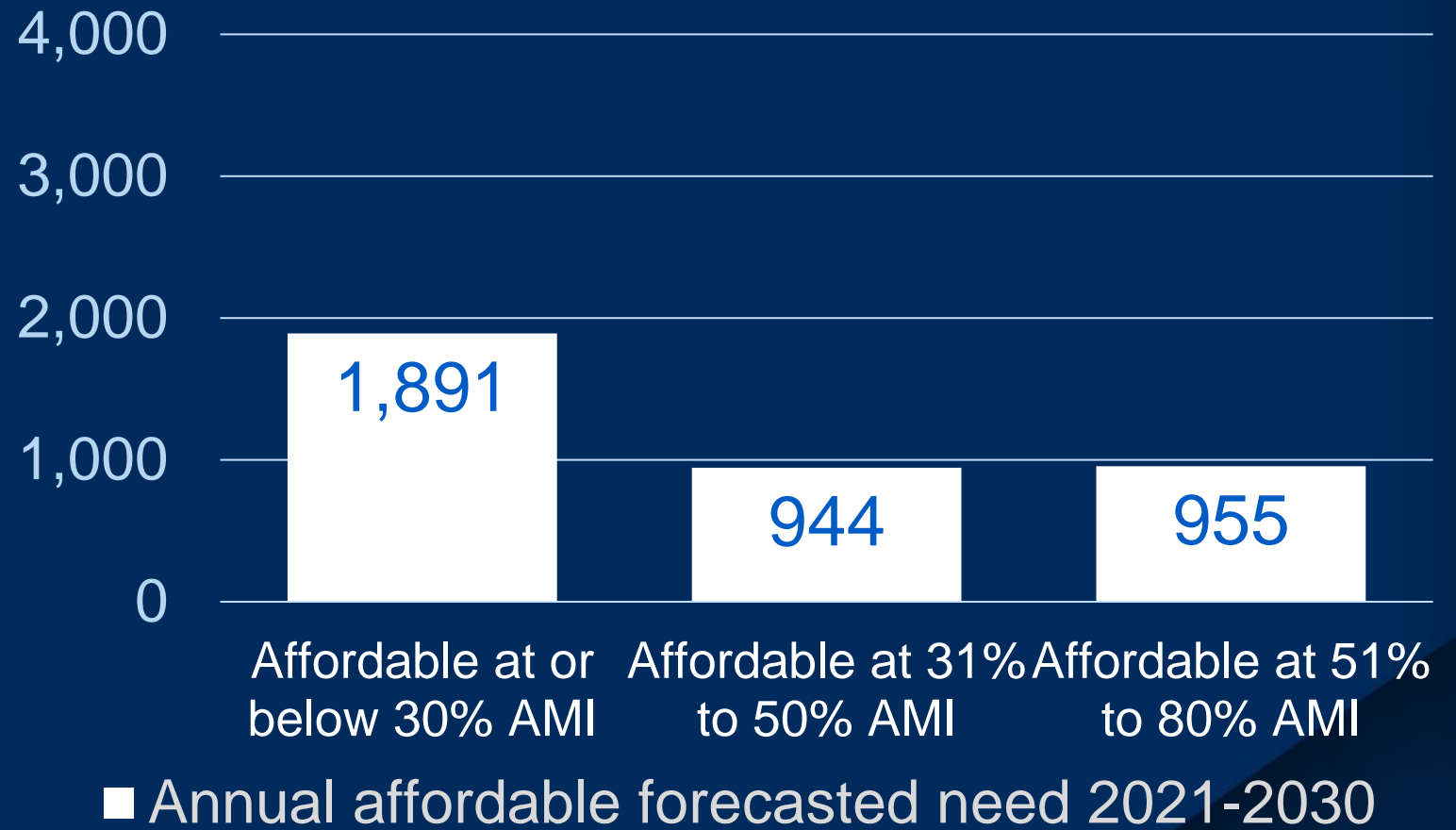


Source: Metropolitan Council, Livable Communities 2021



Key issue: depth of affordability

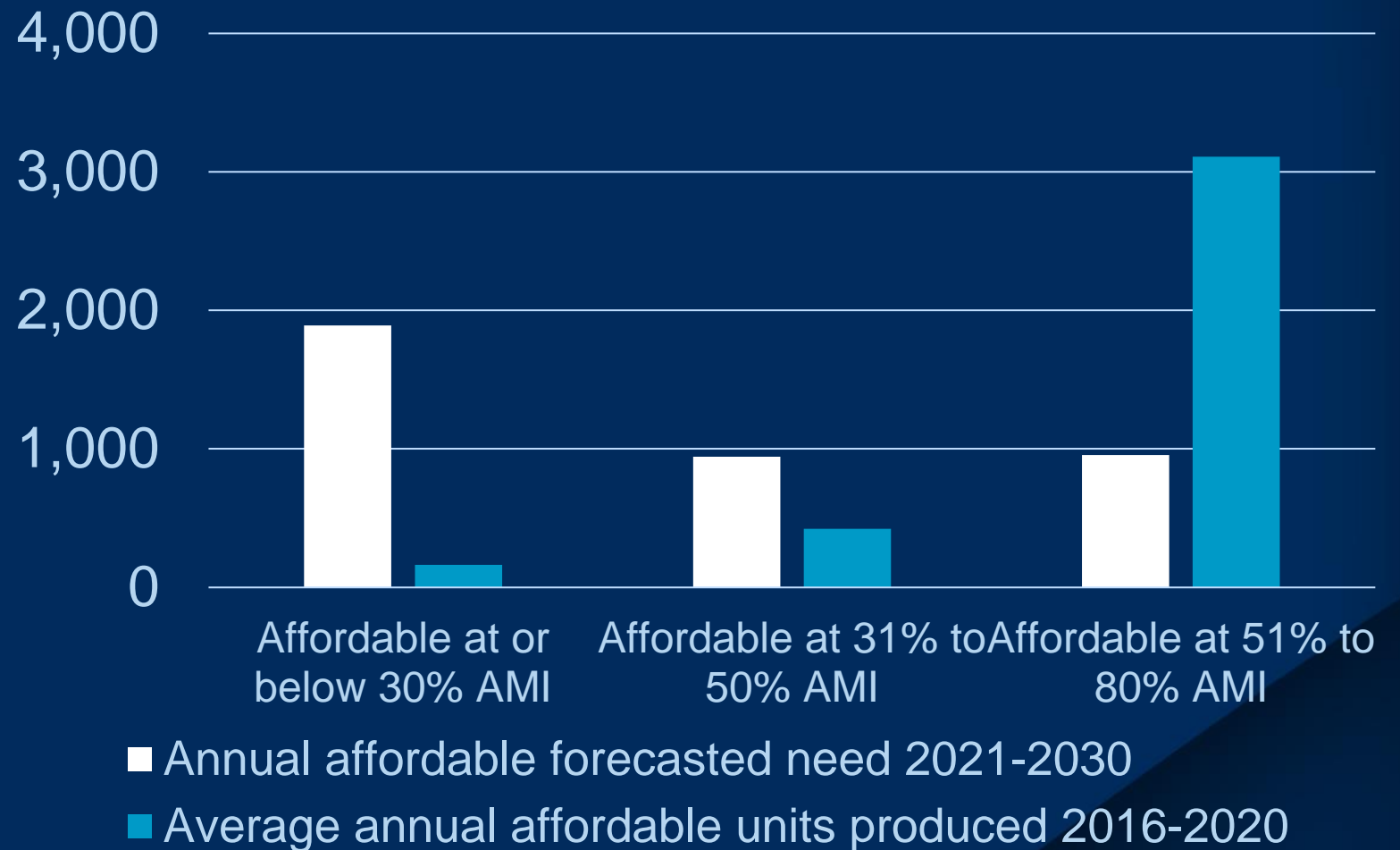
Housing affordable at or below 30% AMI is the region's greatest need



Source: Metropolitan Council's Housing Performance Score Survey.

Key issue: depth of affordability

Very little housing affordable at or below 30% AMI is being built



Source: Metropolitan Council's Housing Performance Score Survey.

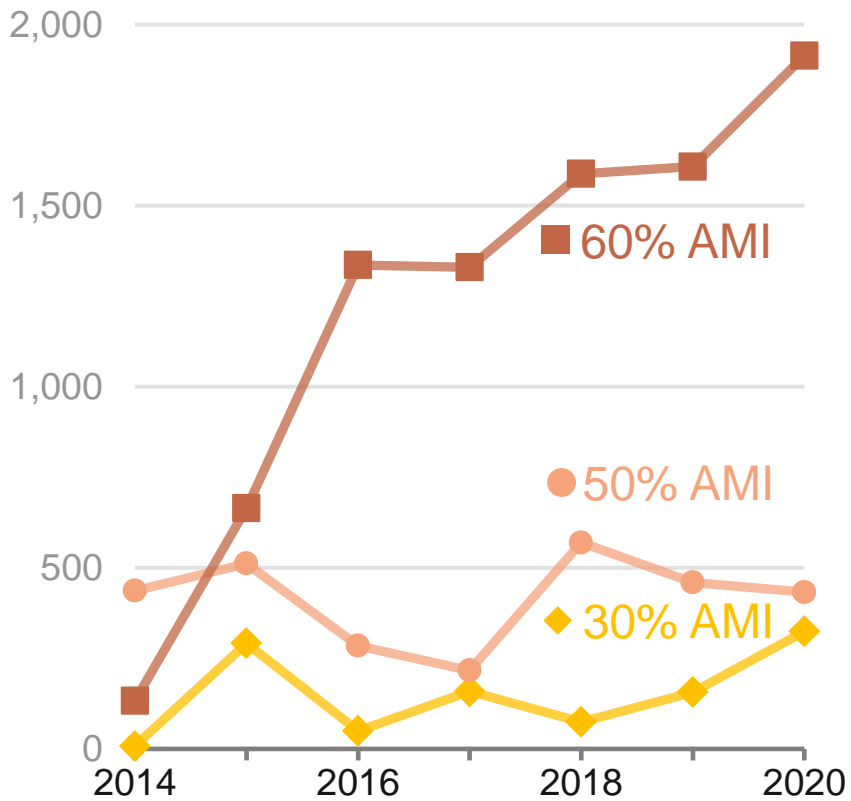
Addressing depth of affordability

What can the Met Council do?

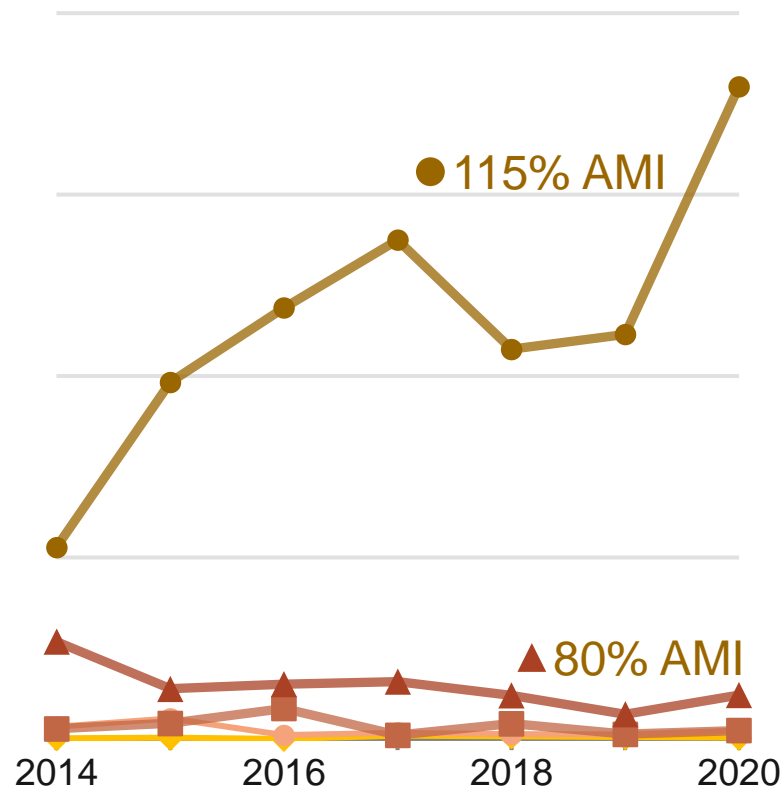
- Position LHIA to fund more 30% AMI units
- Understand tradeoffs of funding more units versus deeply affordable units
- Better understand barriers to more applications for 30% AMI units
- Continue to work with HRA to align efforts

Housing types by affordability

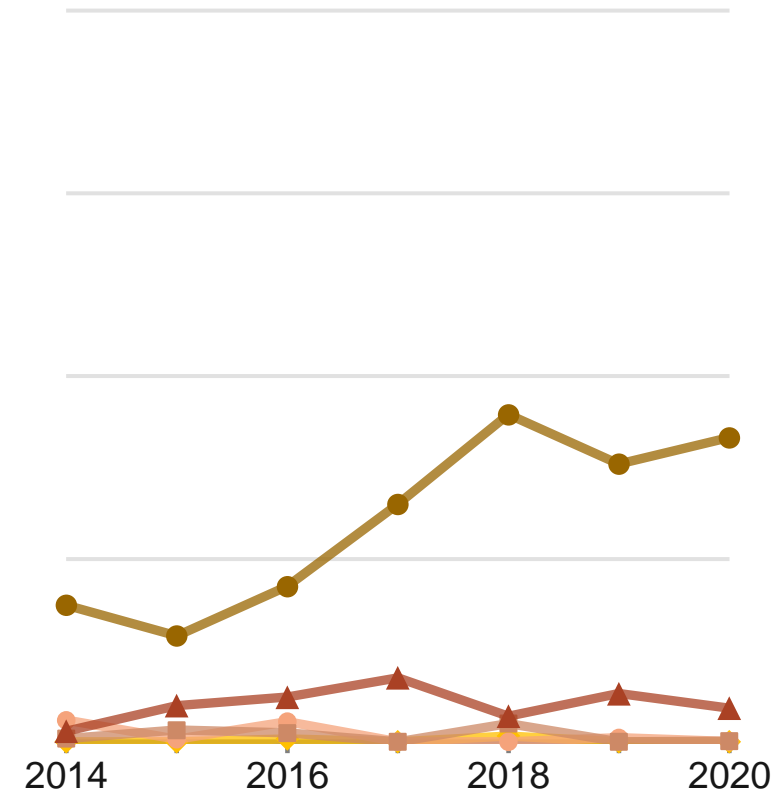
Multifamily Units (5+ units per building)



Single Family Homes (detached)



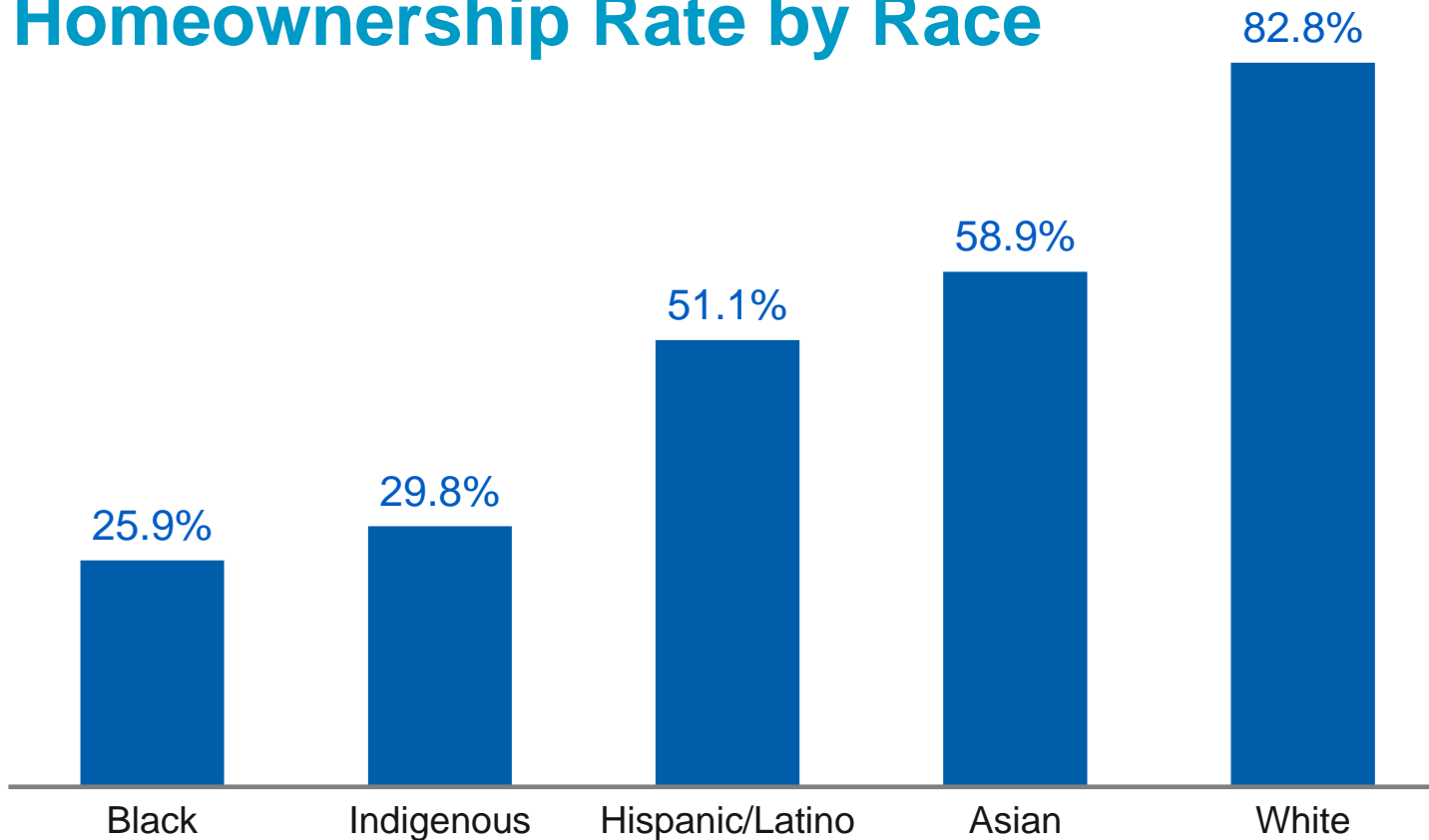
Townhomes (attached)



Source: Metropolitan Council's Housing Performance Score Survey.

Key issue: affordable homeownership

Homeownership Rate by Race



Twin Cities' racial inequities in homeownership are largest in U.S., longstanding, and persistent

Source: U.S. Census Bureau, American Community Survey, 2015-2019.



Addressing homeownership

What can the Met Council do?

- LHIA Homeownership Pilot
- Use disaggregated data to better target affordable homeownership investments
- Continue to provide technical assistance to local governments to support affordable homeownership
- Continue to partner with the HRA on ways to create homeownership opportunities for voucher holders

Thank you!

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