

Community Development Committee

Meeting date: December 21, 2015

Subject: New Affordable Housing Built in 2014

District(s), Member(s): ALL

Policy/Legal Reference: Minn. Stat. 473.254

Staff Prepared/Presented: Libby Starling, Manager of Regional Policy and Research (651-602-1135)

Division/Department: Community Development / Regional Policy and Research

Background

Under [Minnesota Statute 473.254](#), the Metropolitan Council is responsible for preparing a “comprehensive report card on affordable and life-cycle housing in each municipality in the metropolitan area.” The Council fulfills this responsibility by conducting an annual survey of local governments regarding new affordable housing. The Council supplements the information submitted by local governments with data collected by [HousingLink](#) on affordable rental housing and the initial sales prices of new owner-occupied housing listed in county parcel data. According to statute, the Council’s data on new affordable housing “include information on government, nonprofit, and marketplace efforts” and capture all new housing that meets the Council’s affordability thresholds, including units added with neither public subsidy nor income restrictions.

For 2014, the Council identified units as affordable if the monthly housing costs were 30% or below of household incomes up to 30%, 50%, 60%, 80%, and (for owner-occupied homes only) 115% of area median income.

2014 AFFORDABILITY LIMITS					
Income level:	30 percent of area median income (\$24,850)	50 percent of area median income (\$41,450)	60 percent of area median income (\$49,740)	80 percent of area median income (\$63,900)	115 percent of area median income (\$95,350)
Rental housing by bedroom size:					
Monthly gross rent including tenant-paid utilities					
• Efficiency	\$435	\$727	\$872	\$1,163	N/A
• 1 bedroom	\$466	\$779	\$935	\$1,246	N/A
• 2 bedrooms	\$560	\$935	\$1,122	\$1,496	N/A
• 3 bedrooms	\$646	\$1,078	\$1,284	\$1,725	N/A
• 4 bedrooms	\$721	\$1,202	\$1,445	\$1,923	N/A
Owner-occupied housing: Initial purchase price					
(measured by monthly payment -- including principal, interest, property taxes and home insurance)					
	\$73,500	\$132,000	\$161,500	\$211,500	\$323,000

For comparability with the Allocation of Affordable Housing Need for 2011-2020 and the goals for affordable housing communities negotiated to participate in the Livable Communities Act programs, the primary affordability threshold will be 60% of area median income.

In order to provide Council Members information simultaneous with the public release of the data, the new *MetroStats* that summarizes 2014's affordable housing production will be available at the December 21 Community Development Committee. The new *MetroStats* and the Committee presentation will contain information on:

- Where are 2014's new affordable units?
- How many new units are rental, how many are owner-occupied?
- How many new units are affordable at each income level?

According to the Council's [2011-2020 Allocation of Affordable Housing Need](#), the region's jurisdictions are expected to need over 52,000 additional affordable housing units to accommodate the region's expected increase in low- and moderate-income households over 2011 to 2020. (According to the Council's [2021-2030 Allocation of Affordable Housing Need](#), the region's jurisdictions are expected to need over 37,900 additional affordable housing units to accommodate the region's expected increase in low- and moderate-income households over 2021 to 2030.) Affordable housing production in the region is far below what the region needs to stay apace of growth in low- and moderate-income households.