Affordable Housing Production in 2014

Community Development Committee



Affordable Housing Production



From M.S. 473.254:

"... a comprehensive report card on affordable and lifecycle housing in each municipality in the metropolitan area. The report card must include information on government, nonprofit, and marketplace efforts."



Thresholds of affordability

Affordable to households at 60 percent of area median income -- \$49,740 in 2014

Rental price thresholds:

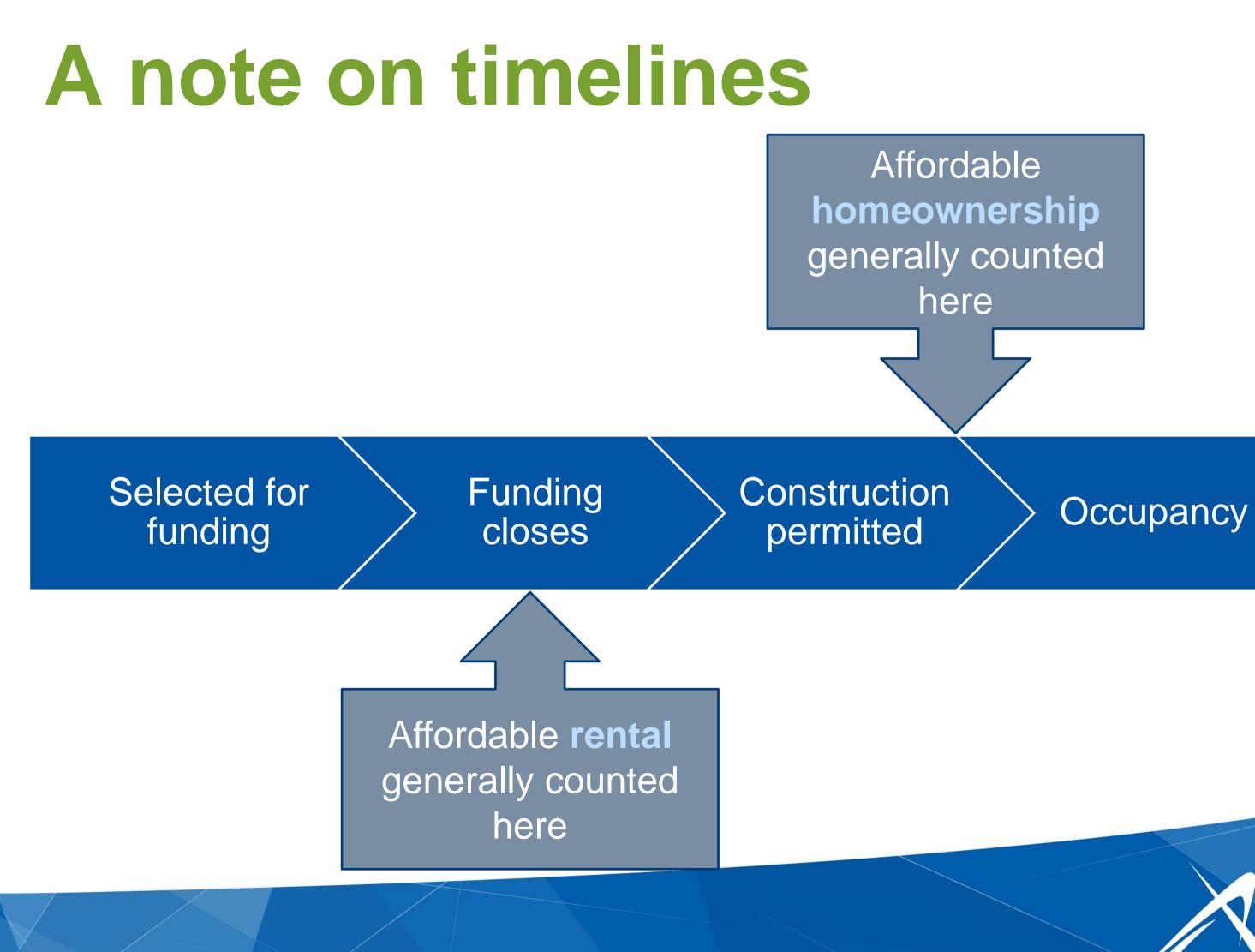
- Efficiency: \$872
- One-bedroom: \$935
- Two-bedroom: \$1,122
- Three-bedroom: \$1,284
- Four-bedroom: \$1,445

or below \$161,500



Owner-occupied units at







New affordable units since 2011 Rental Owner-occupied

Source: Metropolitan Council Affordable Housing Production Survey





Added at least one affordable unit in 2014

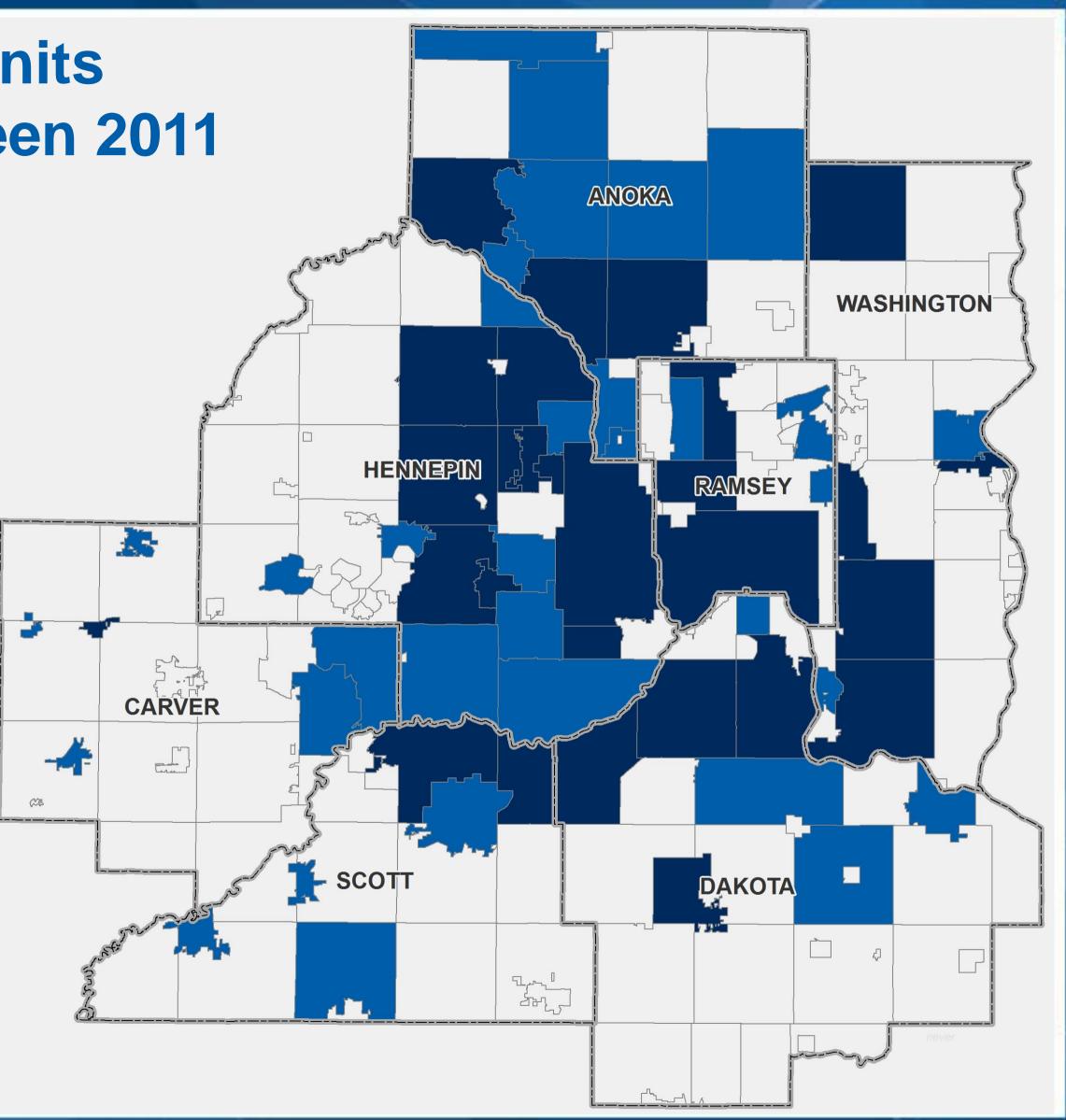
<10 units 10 or more



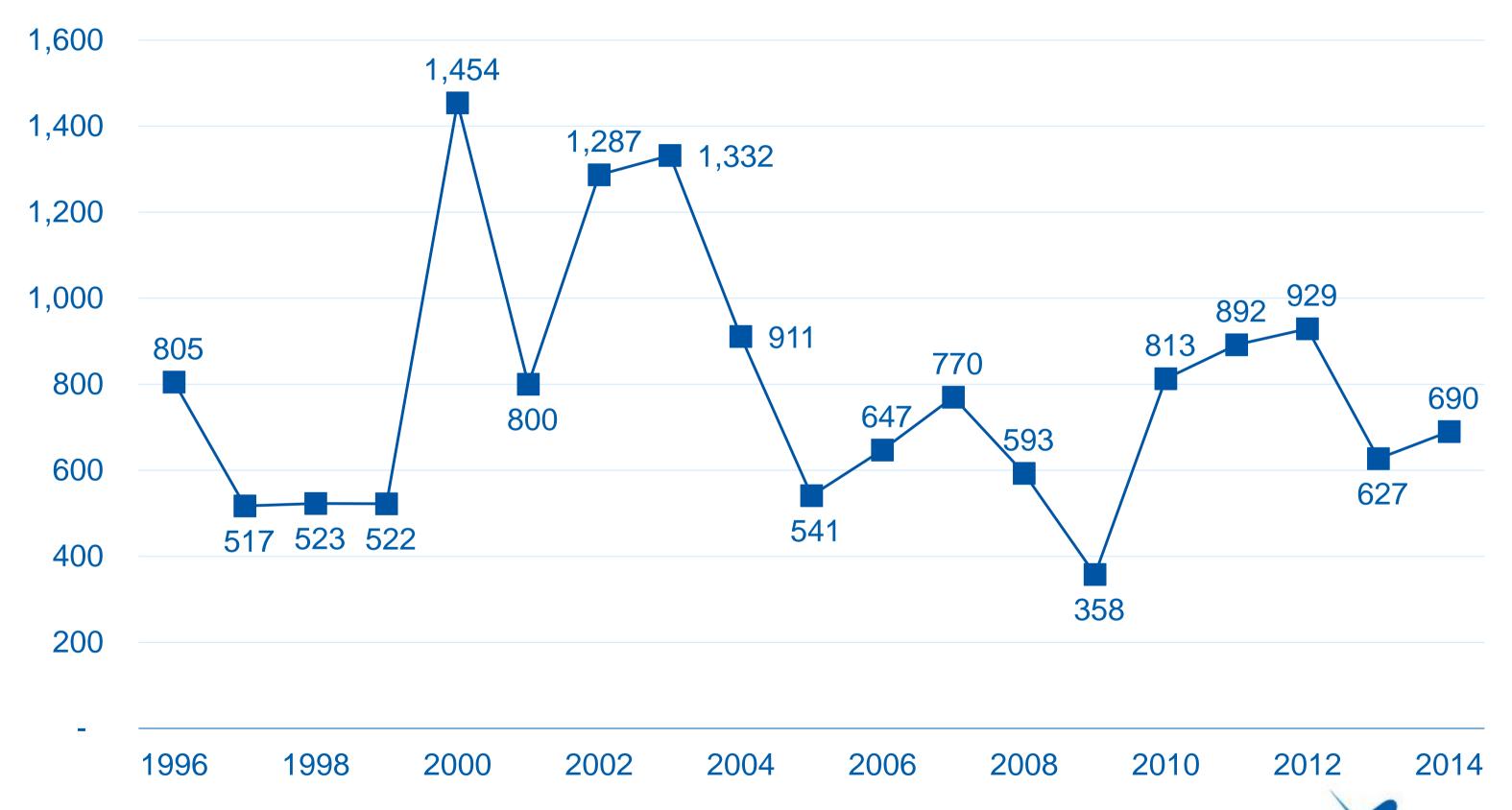
Affordable units added between 2011 and 2014

<10 units

10 or more



New units of affordable rental housing, by year



Source: Metropolitan Council Affordable Housing Production Survey



MEIRO

New Affordable Rental Projects

Project	City	Affordable Units (below 60%)	Livable Communities Act Funding	Low Income Housing Tax Credits
Cavanagh Senior Apartments	Crystal	130		
Five15 on the Park (fka Currie Park Lofts)*	Minneapolis	130	X	X
Hamline Station	Saint Paul	107	Х	X
Compass Pointe	New Hope	68		X
Lakeshore Townhomes	Eagan	50	Х	X
Commons at Penn	Minneapolis	47	X	X
The Rose*	Minneapolis	47	X	X
Greenway Heights	Minneapolis	42	X	X
Clare Terrace	Robbinsdale	36	X	X
Overlook on the Creek*	Minnetonka	20		
Mary's Place	Minneapolis	8		

90% of 2014's total in these 11 projects

*Mixed-income project that includes market rate units





Owner-occupied affordable units

- 69 new owner-occupied units in 2014
- Affordable if \leq \$161,500
- Over half of new owneroccupied units received public or non-profit subsidy to be affordable
- Townhomes are not currently a viable path to affordability at 60% AMI

Singlefamily detached 26

Townhomes or other attached 6



Habitat for Humanity 24

Community Land Trusts 13



New units in 2014 by price point





- Over 80% AMI
- 61-80% AMI
- 51-60% of AMI
- 31-50% of AMI
- Under 30% of Area Median Income (AMI)

Future years: What to expect

- More money in the **Consolidated RFP for** affordable housing will mean more affordable rental units in 2015 and 2016
- New construction competes with rehabilitation and preservation for scarce dollars

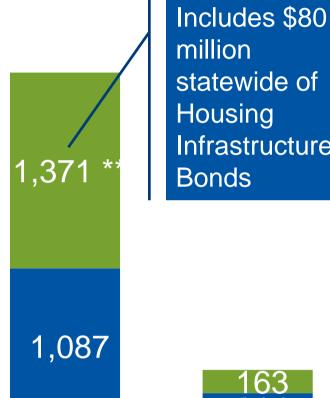
Units funded through the **Consolidated RFP**



*Skewed by large Minneapolis portfolio project (582 units) **Numbers skewed by Seward Towers (640 units) & Skyline Tower (504 units)







Housing Infrastructure Bonds

2014 2015

New Construction Rehabilitation / Preservation

Affordable Housing Production: For more information

Libby Starling Manager of Regional Policy and Planning libby.starling@metc.state.mn.us 651-602-1135 www.metrocouncil.org/data

MetroStats

Key finding

Aboutus

 Only a small percentage of added housing units were affordable to households with low and moderate incomes. In 2014, the Twin Cities region added only 758 affordable housing units. which was 7% of all new housing.

- Thouse multifactive construction is on the rise, the share of multifamily units affordable to kee- and moderate-income cuseholds has decreased
- The current need for affordable housing in the Twin Ottes region is largely unmet, based on the number of low ncome households that are cost burdened and the low number of existing

Affordable housing production reached its highest level in 2001, with over 5,400 units added across the region. The number of affordable units fell in most years thereafter, and never again reached the 2001 peak. While market-rate construction plummeted during the housing market crisis. bottoming out in 2009, the decline in affordable housing was slow and steady between 2003 and 2010. Affordable housing production continued to decline between 2011 and 2014, even as market-rate development gained momentum, especially after 2012. Of all housing units added in 2011, 16% were affordable By 2014, only 7% of new housing was affordable

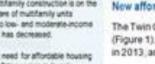
Figure 1. Units added to the Twin Cities region's housing stock by price point, 2000-2014

http://metrocouncil.org/lata_Select "Affordable housing construction," then your peoprechic areas of interest.

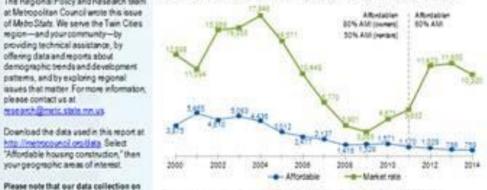
Please note that our data collection or development is ongoing—the numbers published in this report may not reflect the most current data available.

patterns, and by exploring regional assess that matter. For more informats

please contact us at man arch Growie, state mei un









Housing-along with food, clothing, transportation and medical care-is a necessity. For many households, the rent or mortgage payment is the largest monthly expense. When people cannot find housing they can afford the effects are far-reaching households make trade-offs between housing and other daily essentials, which can undermine their overall well-being Understanding the landscape of housing options for households at all income levels is crucial to our region's short- and long-term success.

New affordable housing production hits record low in 2014

The Twin Cities region added only 759 affordable housing units in 2014 (Figure 1). This is a 3% decrease from the number of affordable units added in 2013 and the lowest total in our annual data to-date.

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