

## Community Development Committee

Meeting date: February 16, 2016

For the Metropolitan Council meeting of February 24, 2016

**Subject:** Forecast Changes and the Allocation of Affordable Housing Need

**District(s), Member(s):** Districts 3, 5, 7.

**Policy/Legal Reference:** Minnesota Statutes 473.146, 473.856, 473.857, and 473.859;  
*2040 Housing Policy Plan*

**Staff Prepared/Presented:** Todd Graham (651-602-1322) and Tara Beard (651-602-1051)

**Division/Department:** Community Development, Regional Policy and Research

### Proposed Action

That the Metropolitan Council approve changes to its forecasts for four cities and adjust 2021-2030 Allocations of Affordable Housing Need for two cities.

### Background

In September 2015, Metropolitan Council issued system statements that included population, employment, and household forecasts as required by Minn. Stat. 473.856. Local governments are allowed 60 days to identify disagreement with the forecasts or any other system statement content. During September–November, four cities requested forecast modifications. Council staff have negotiated agreements on revised forecasts and achieved reconciliation of the cities' issues following system statements issuance, as allowed by Minn. Stat. 473.857.

To assist communities in meeting their obligations under the Metropolitan Land Planning Act to plan for their share of the region's need for low and moderate income housing, the Council calculates each community's Allocation of Affordable Housing Need. The Council estimates what share of the region's growth will be households in need of affordable housing, or households making 80% or less of the Area Median Income (AMI), and allocates that portion of regional growth to each community with growth in sewer-serviced households, using a methodology described in the *2040 Housing Policy Plan* as amended in July 2015. To be consistent with Council policy, communities with an Allocation of Affordable Housing Need must plan for that need by guiding sufficient available land at densities high enough to support affordable housing development in their Comprehensive Plan Updates.

### Rationale

Metropolitan Council's forecasts provide a reference as the Council and other government prepare plans addressing areas and populations to be served, the levels, distribution, and staging of services (Minn. Stat. 473.146). The Council and cities share an interest in forecasts that represent, to the extent possible, the most likely outcomes of trends and plans.

During September–November, four cities requested forecast modifications:

- The City of Bloomington requested an increased forecast for employment growth. The City's provided an inventory of known projects and analysis of development capacity of remaining commercial, office and industrial land. City and

Council staff met and compared data and assumptions. City and Council staff agreed on the revised employment forecast in February.

- The City of Minnetonka Beach requested a reduced forecast for households and population growth. The City provided an analysis demonstrating full build out of all lots. The City expects no household growth in the near term. Council staff support the modification.
- The City of Robbinsdale requested an increased forecast for population only. Council staff prepared a compromise time-series that projects average household sizes in Robbinsdale declining gradually.
- The City of Tonka Bay requested a reduced forecast for employment growth. Tonka Bay has limited space guided for commercial development and asked that the Council's forecast be adjusted accordingly. Council staff support the modification.

In addition to those listed above, the cities of Orono, Shoreview and Woodbury requested modifications to forecasts of sewer-service levels – but no changes to total forecasts. Each of the three cities requested that a larger share of households would be provided sewer service in future years. As there was no change to total forecasts, these modifications were administratively approved by Metropolitan Council's Environmental Services Division in 2015.

Because each community's Allocation of Affordable Housing Need is assigned based on forecasted household growth, the forecast modifications affect the 2021-2030 Allocation for two cities:

- As Minnetonka Beach expects no household growth between 2020 and 2030, their Allocation of Affordable Housing Need is reduced from 4 to 0 units.
- As Orono's staging of sewer-service levels is adjusted to stage more growth before 2020 and less growth during 2020-2030, their Allocation of 2021-2030 Affordable Housing Need is reduced from 158 to 154 units.

### **Funding**

Not applicable.

### **Known Support / Opposition**

Council staff have agreed on the revised forecasts with cities. Council staff are unaware of opposition to the revised forecasts.

## Attachment 1. Revised forecasts for Council approval.

The following forecast modifications are submitted for the Council's approval. These forecast modifications achieve reconciliation of the issues identified by the cities following system statements issuance, as allowed by Minn. Stat. 473.857.

### Metropolitan Council Forecast

#### Bloomington

	Census	Previous Council Forecasts			Revised Council Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	82,893	86,100	89,400	93,300	86,100	89,400	93,300
Households	35,905	38,100	39,700	41,250	38,100	39,700	41,250
Employment	86,530	93,900	98,900	104,000	98,700	104,300	109,700

#### Minnetonka Beach

	Census	Previous Council Forecasts			Revised Council Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	539	540	530	530	520	490	510
Households	201	240	220	220	200	200	210
Employment	174	180	180	180	180	180	180
Allocation of Affordable Housing Need (2021-2030)			4			0	

#### Orono

	In the Housing Policy Plan	As Revised
Allocation of Affordable Housing Need (2021-2030)	158	154
At or below 30% of AMI	74	69
31 to 50% of AMI	58	56
51 to 80% of AMI	29	29

#### Robbinsdale

	Census	Previous Council Forecasts			Revised Council Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	13,953	14,200	14,700	15,300	14,750	15,100	15,300
Households	6,032	6,300	6,600	6,800	6,300	6,600	6,800
Employment	6,858	7,000	7,100	7,200	7,000	7,100	7,200

#### Tonka Bay

	Census	Previous Council Forecasts			Revised Council Forecasts		
	2010	2020	2030	2040	2020	2030	2040
Population	1,475	1,520	1,550	1,560	1,520	1,550	1,560
Households	586	630	660	680	630	660	680
Employment	298	420	490	540	340	370	400

