

Affordable Housing Production in 2015



Community Development Committee



Affordable Housing Production



From M.S. 473.254:

“... a comprehensive report card on affordable and life-cycle 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 – \$51,960 in 2015

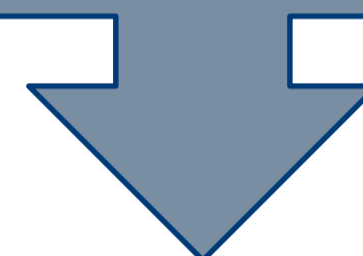
Rental price thresholds

Efficiency	\$910
One-bedroom	\$975
Two-bedroom	\$1,170
Three-bedroom	\$1,351
Four-bedroom	\$1,507

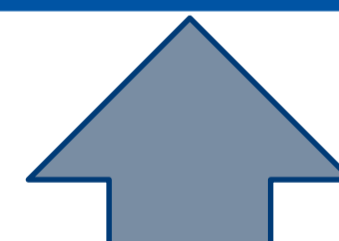
Owner-occupied units at or below \$185,000

A note on timelines

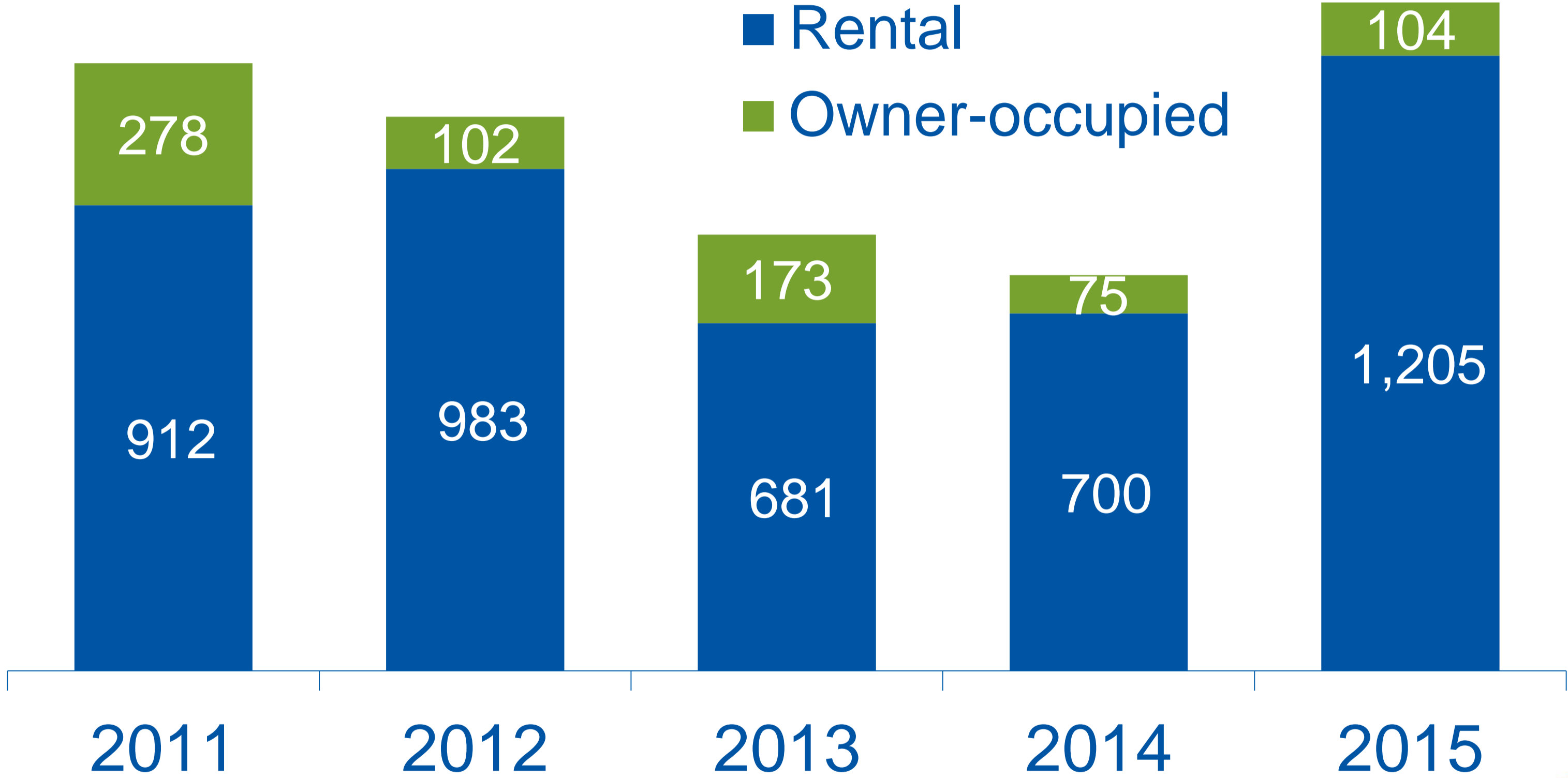
Affordable **homeownership** generally counted here



Affordable **rental** generally counted here



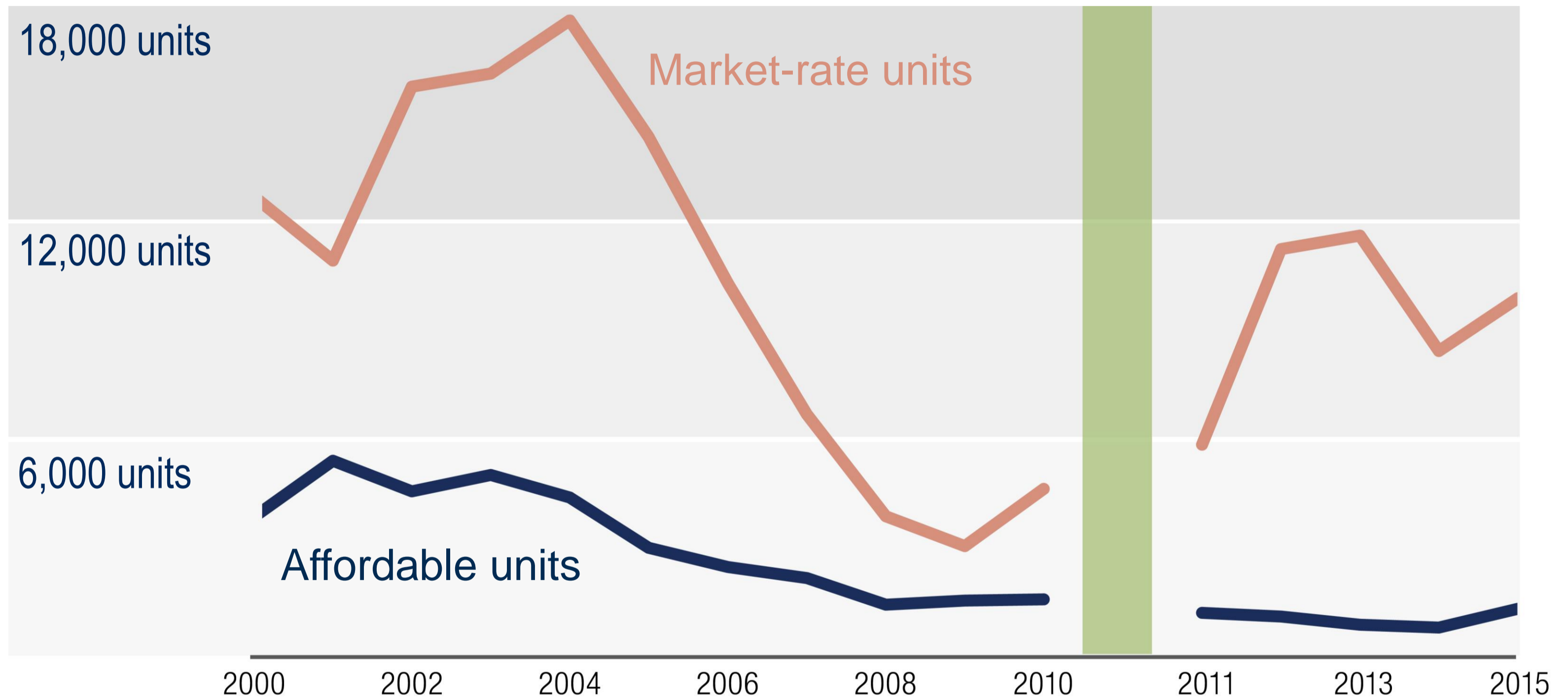
New affordable units since 2011



Source: Metropolitan Council Affordable Housing Production Survey



Trend in housing affordability



Owner households: 80% AMI
Renter households: 50% AMI

Since 2011: 60% AMI



One in ten new units added in 2015 was affordable (at 60% AMI)

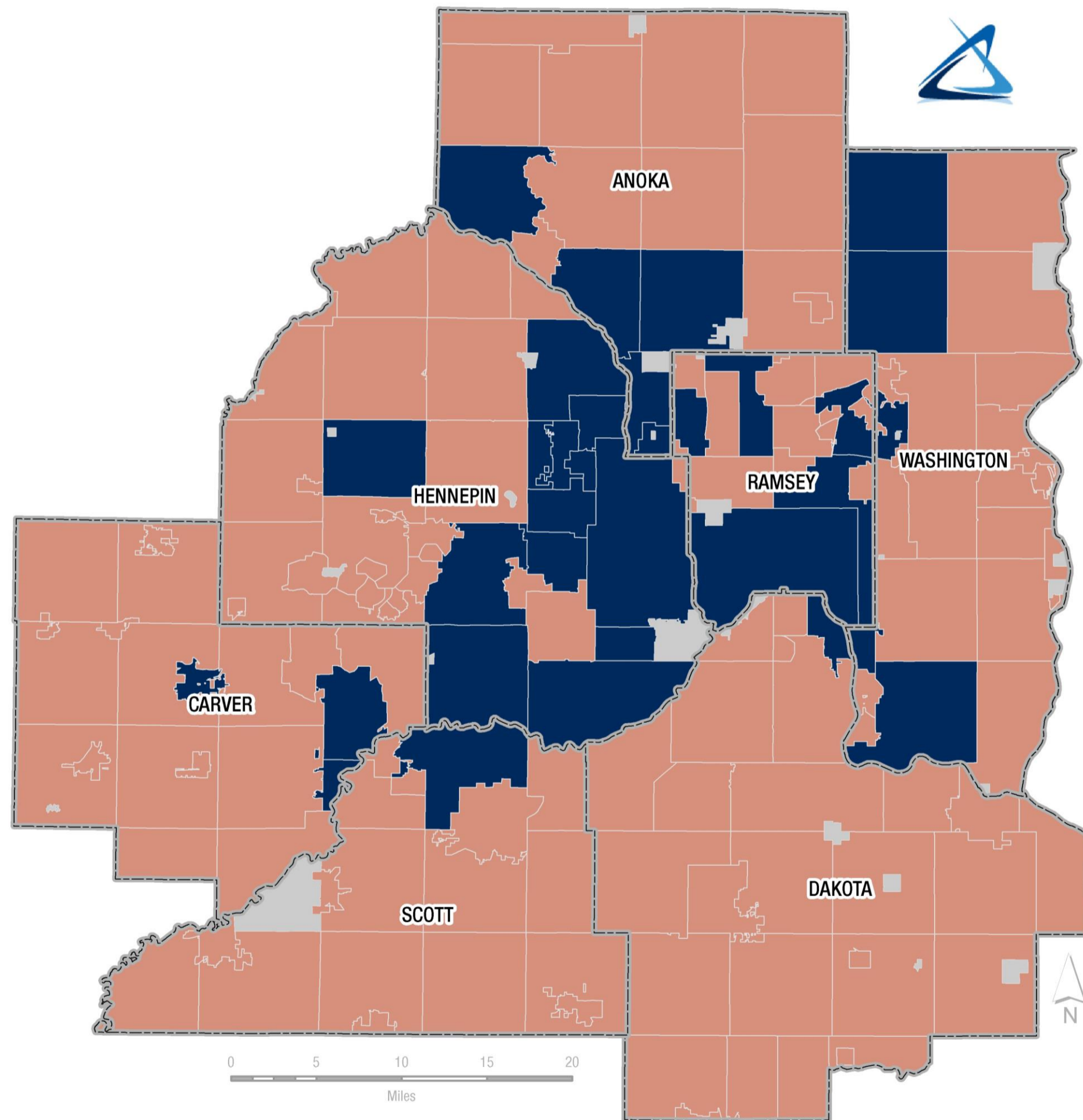


2015

Only added
market rate
housing

Added at least
one affordable
unit

No housing
added

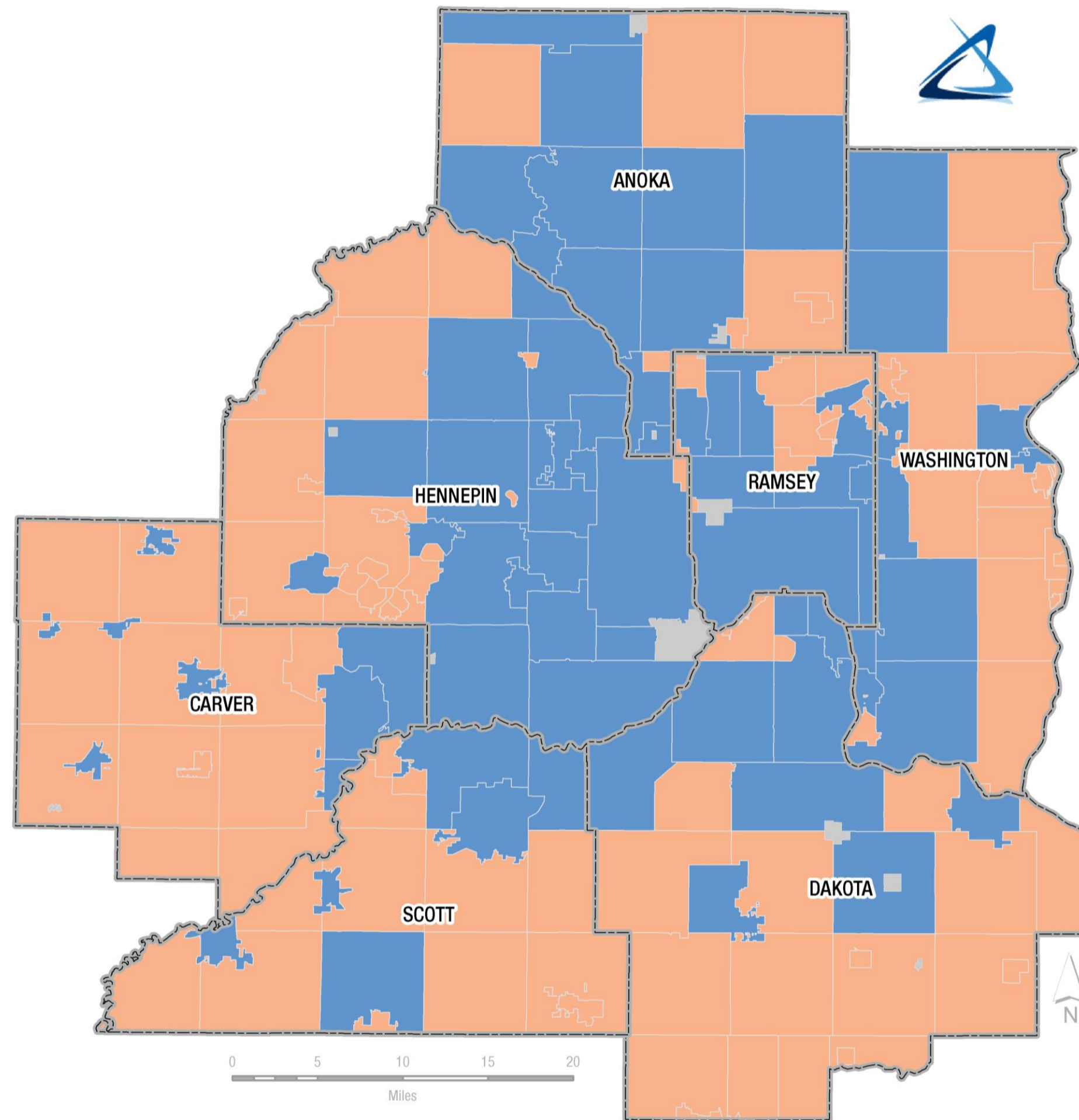


2011-2015

Only added market rate housing

Added at least one affordable unit

No housing added



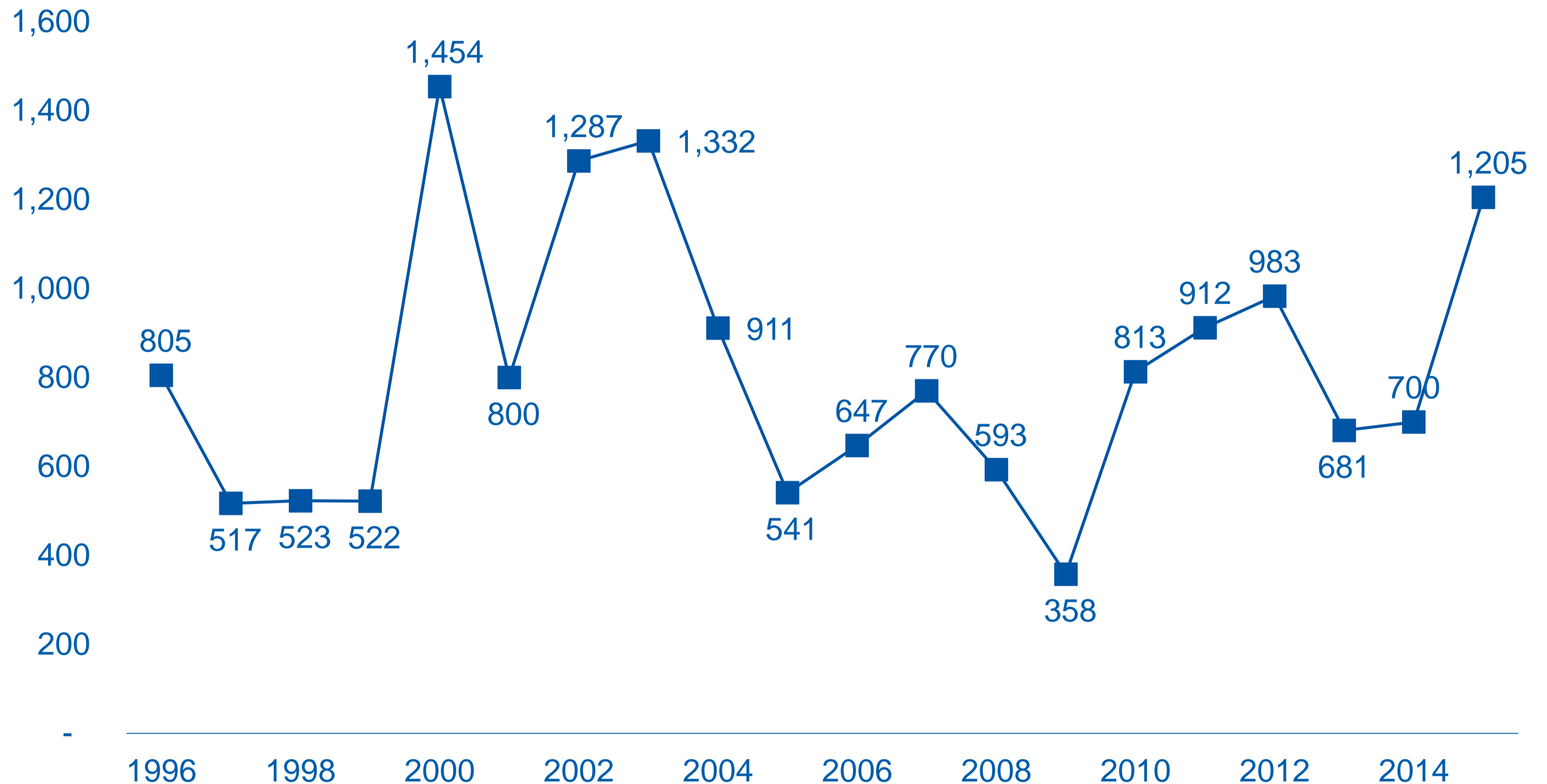
New units in 2015 by price point



Level of affordability



New units of affordable rental housing, by year



Source: Metropolitan Council Affordable Housing Production Survey



Owner-occupied affordable units

- 104 new owner-occupied units in 2015
- Affordable if \leq \$185,000
- All but 10 are single-family detached homes
- Townhomes are not currently a viable path to affordability at 60% AMI

Two trends of note in 2015

Conversion of naturally-occurring affordable to income-restricted



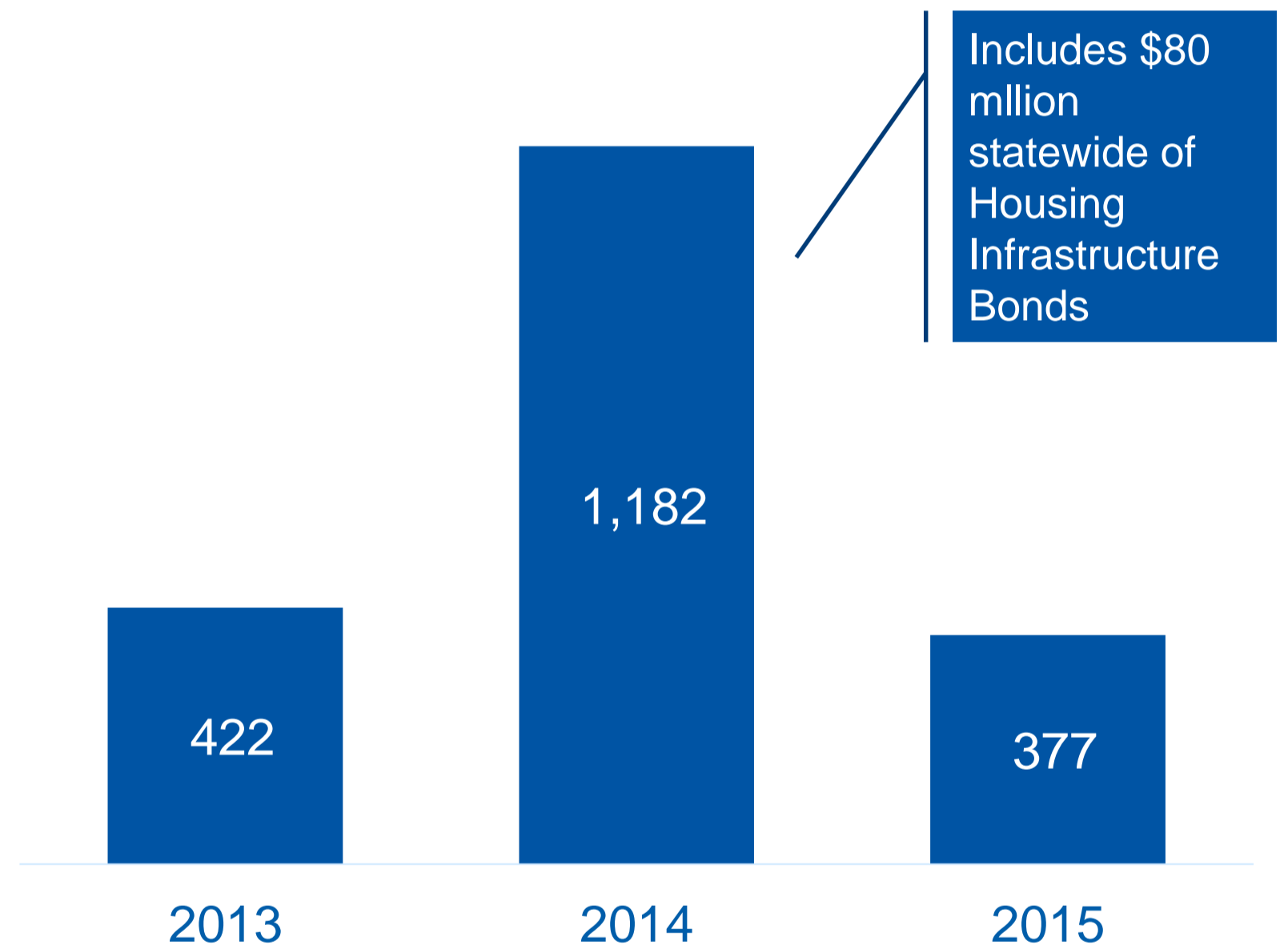
Bump upward in affordability at 30% of area median income and below



Future years: What to expect

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

New units funded through the Consolidated RFP



Affordable Housing Production: For more information

METROSTATS
Exploring regional issues that matter

October 2016

The Twin Cities Region Produces More Affordable Housing in 2015

Key findings

Each year the research team at Metropolitan Council asks cities and townships across the Twin Cities region about their residential construction projects and whether these new housing units are affordable. We use the term affordable to describe housing units that low-income households could pay for with up to (but not more than) 30% of their monthly income. Here, we express household income as a percentage of Area Median Income (AMI), an annual measure calculated by the U.S. Department of Housing and Urban Development. Since 2011, Metropolitan Council considers low-income households to be those with incomes at or below 60% of Area Median Income, relative to household size. For example, a family of four with an income of \$51,960 or below (60% AMI) would be considered a low-income household in 2015.


By tracking the price point of residential housing, we can better understand the landscape of housing options for households at different income levels. When people cannot find housing they can afford, the effects are far-reaching: they are forced to make trade-offs between paying their rent or mortgage and other daily essentials, like food, medical care, and transportation—undermining their economic security and overall well-being.

Our focus	How many new affordable units were added to the region's housing stock in 2015?	What are the primary housing types and tenure mix of the region's new affordable units?	Where was new affordable housing added in the Twin Cities region?
Our findings	The region added 1,309 new affordable units in 2015. This is the highest annual total since 2011 and a 69% increase from 2014. In context these gains are less impressive: only one in every 10 of the region's new housing units were affordable. Further, our data does not reflect net change, only added units. <i>Page 2</i>	The primary form of new affordable housing continues to be multifamily apartment buildings. In 2015, 92% of affordable units were renter-occupied. While the region's rental market is robust, only a small share of new rental units are affordable. Affordable single family homes and townhomes are scarce. <i>Page 3</i>	Thirty-three cities across the region added at least one affordable unit in 2015. These places were mainly (but not exclusively) clustered in eastern Hennepin County. Between 2011 and 2015, 72 cities and townships added at least one affordable unit. Affordable housing is also finding its way into transitways. <i>Pages 5 & 6</i>

Additional resources helped boost the region's affordable housing production in 2015

Nearly 12,800 new housing units were added to the Twin Cities region's housing stock in 2015—the highest annual total since 2009. Of these new housing units, one in every 10 was affordable (Figure 1).

FIGURE 1: SHARE OF NEW HOUSING UNITS THAT WERE AFFORDABLE IN 2015



Source: Metropolitan Council's Affordable Housing Production Survey, 2015. Affordable housing data are occasionally updated. The most current data are available to view and download at metro council.org/data.

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