

A Step Forward: The region's 2016 affordable housing production



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% of Area Median Income – \$51,480 in 2016

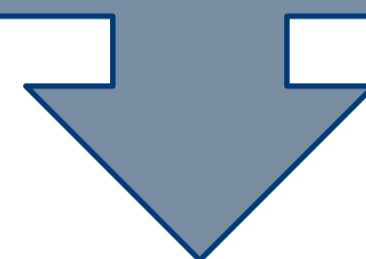
Rental price thresholds

Efficiency	\$901
One-bedroom	\$966
Two-bedroom	\$1,159
Three-bedroom	\$1,338
Four-bedroom	\$1,494

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

A note on timelines

Affordable **homeownership** generally counted here



Affordable **rental** generally counted here

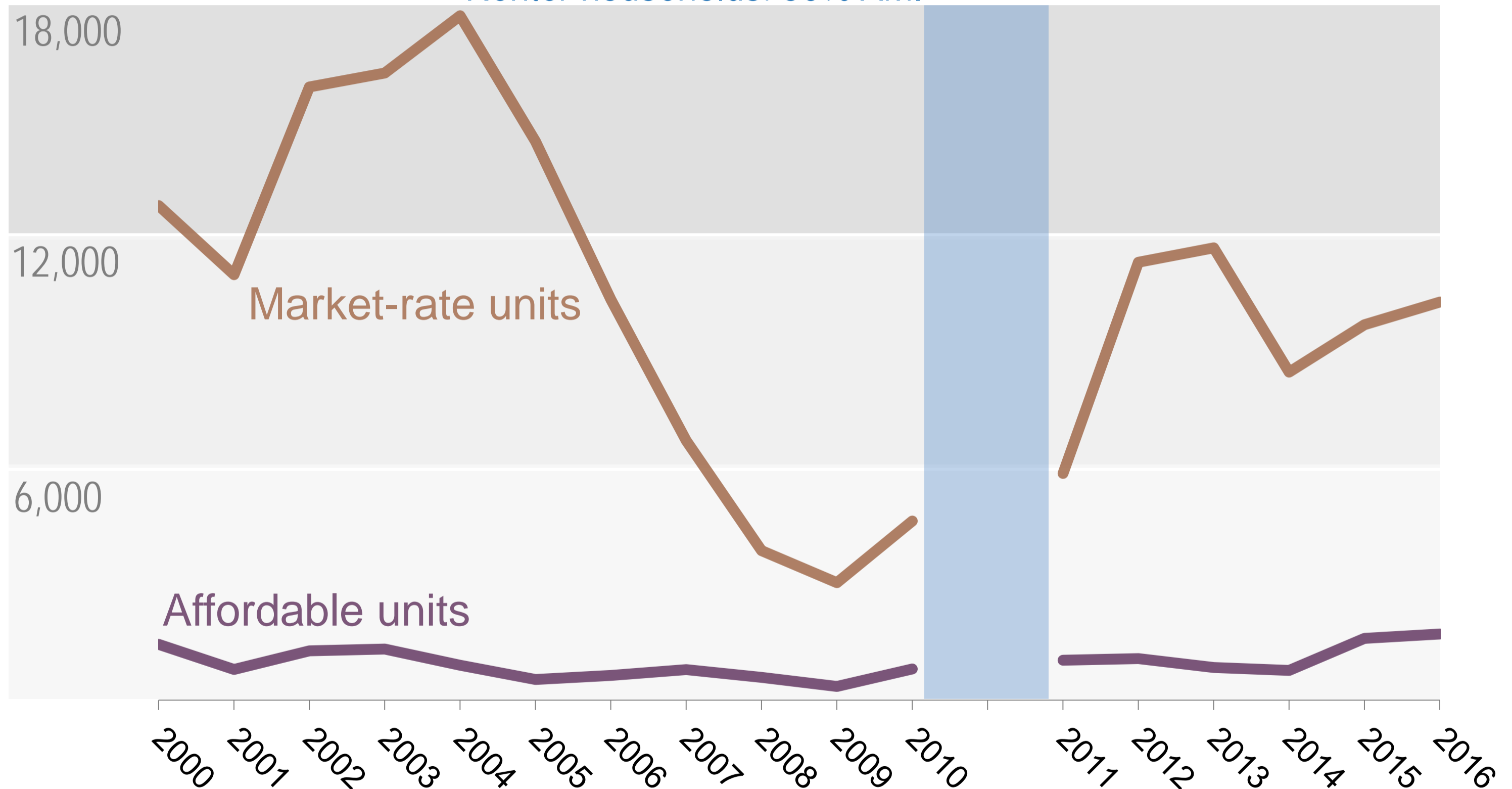


Trend in housing affordability

Owner households: 80% AMI

Renter households: 50% AMI

Since 2011: 60% AMI



Source: Metropolitan Council Affordable Housing Production Survey

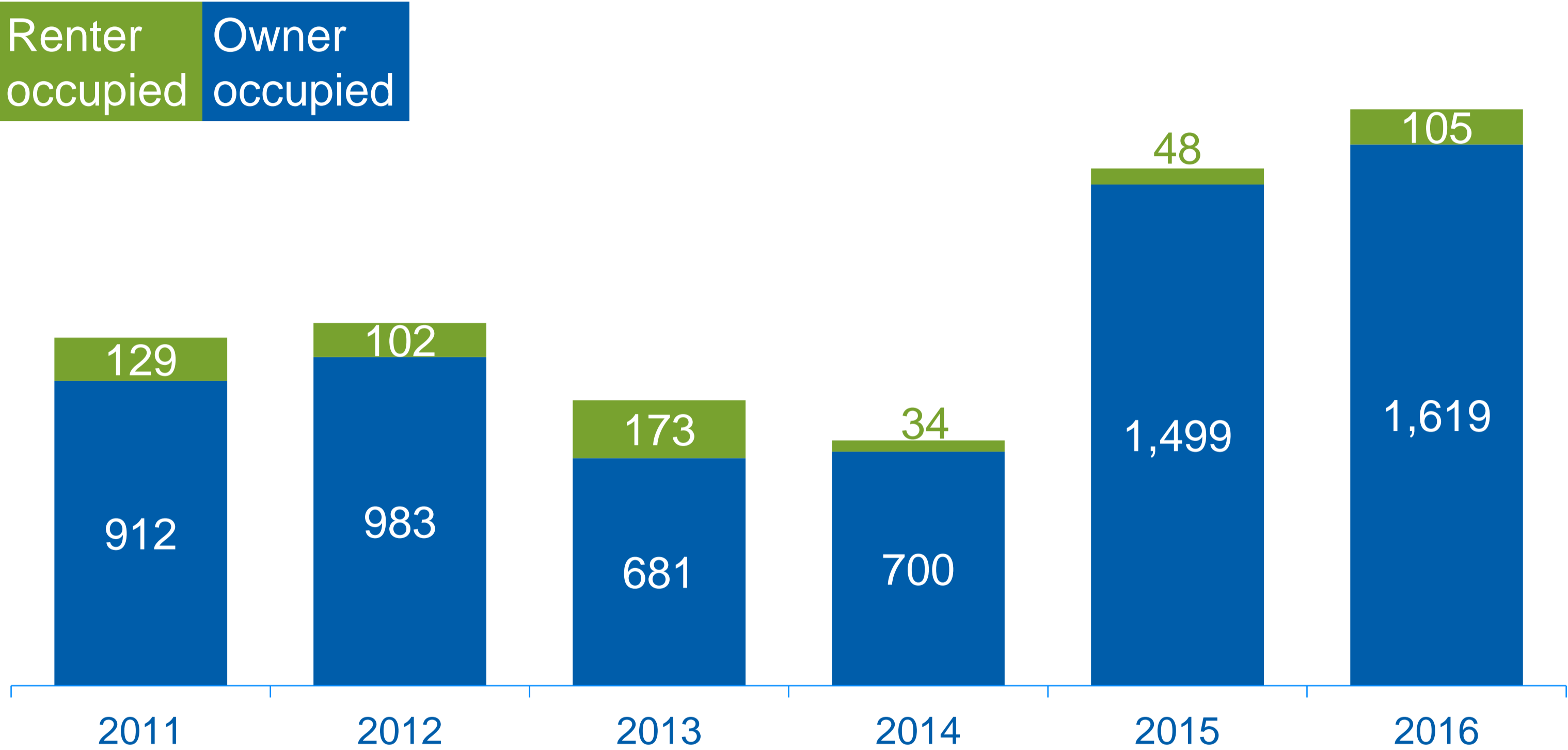


One in seven new units added in 2016 was affordable (at 60% AMI)



Source: Metropolitan Council Affordable Housing Production Survey

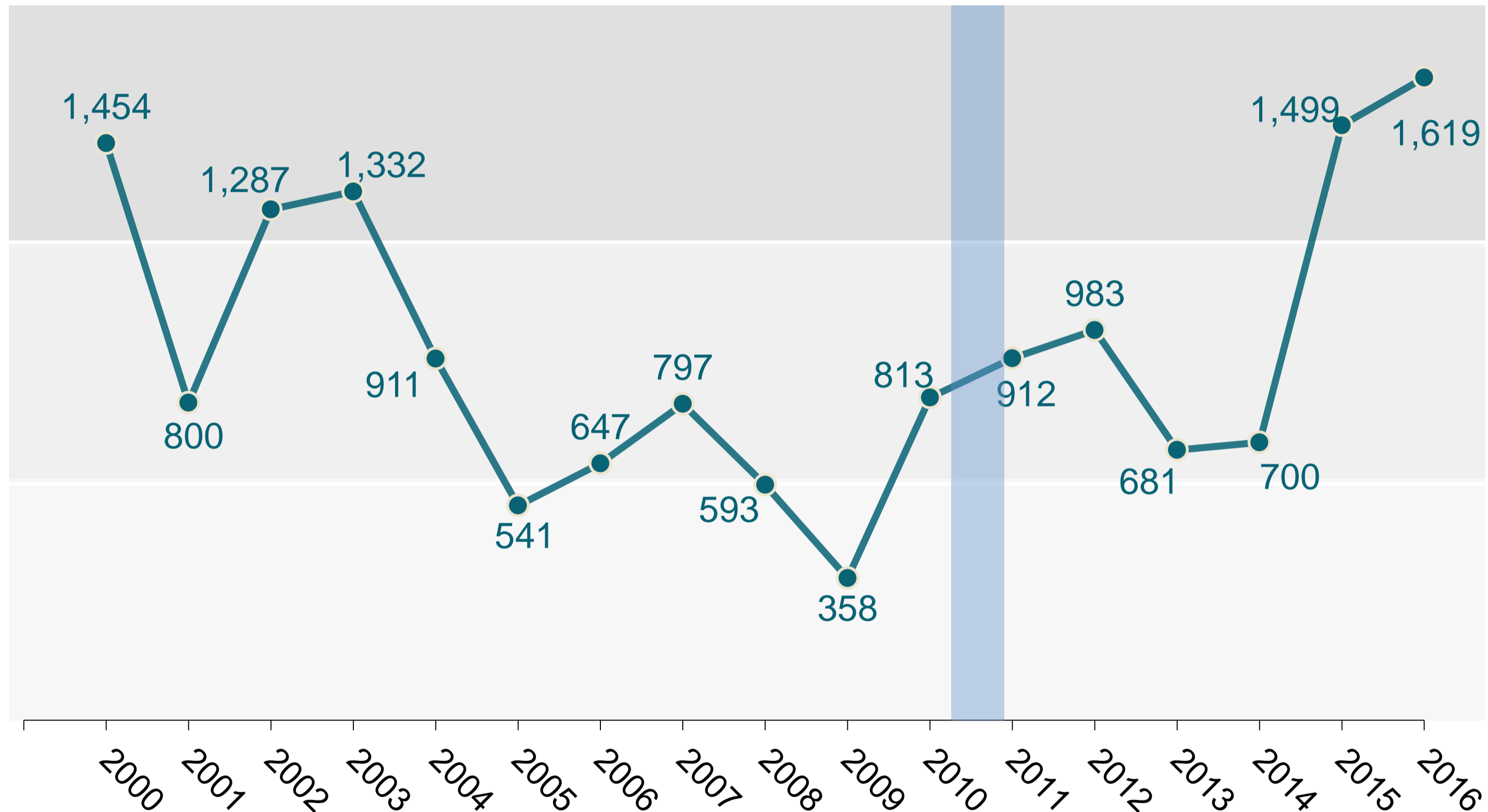
New affordable units since 2011



Source: Metropolitan Council Affordable Housing Production Survey



New units of affordable rental housing, by year



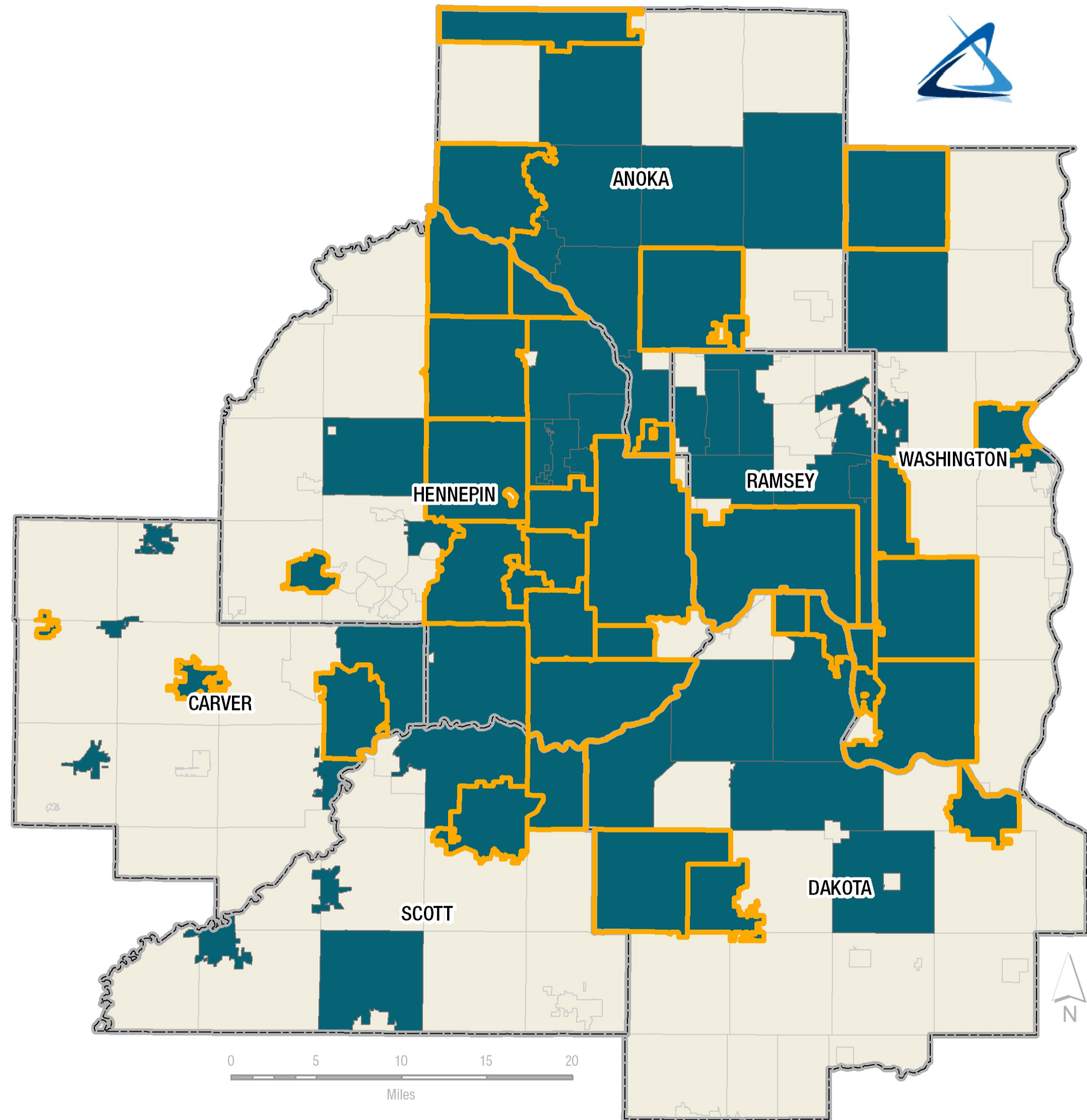
Source: Metropolitan Council Affordable Housing Production Survey



2011-2016

Added at least one affordable unit

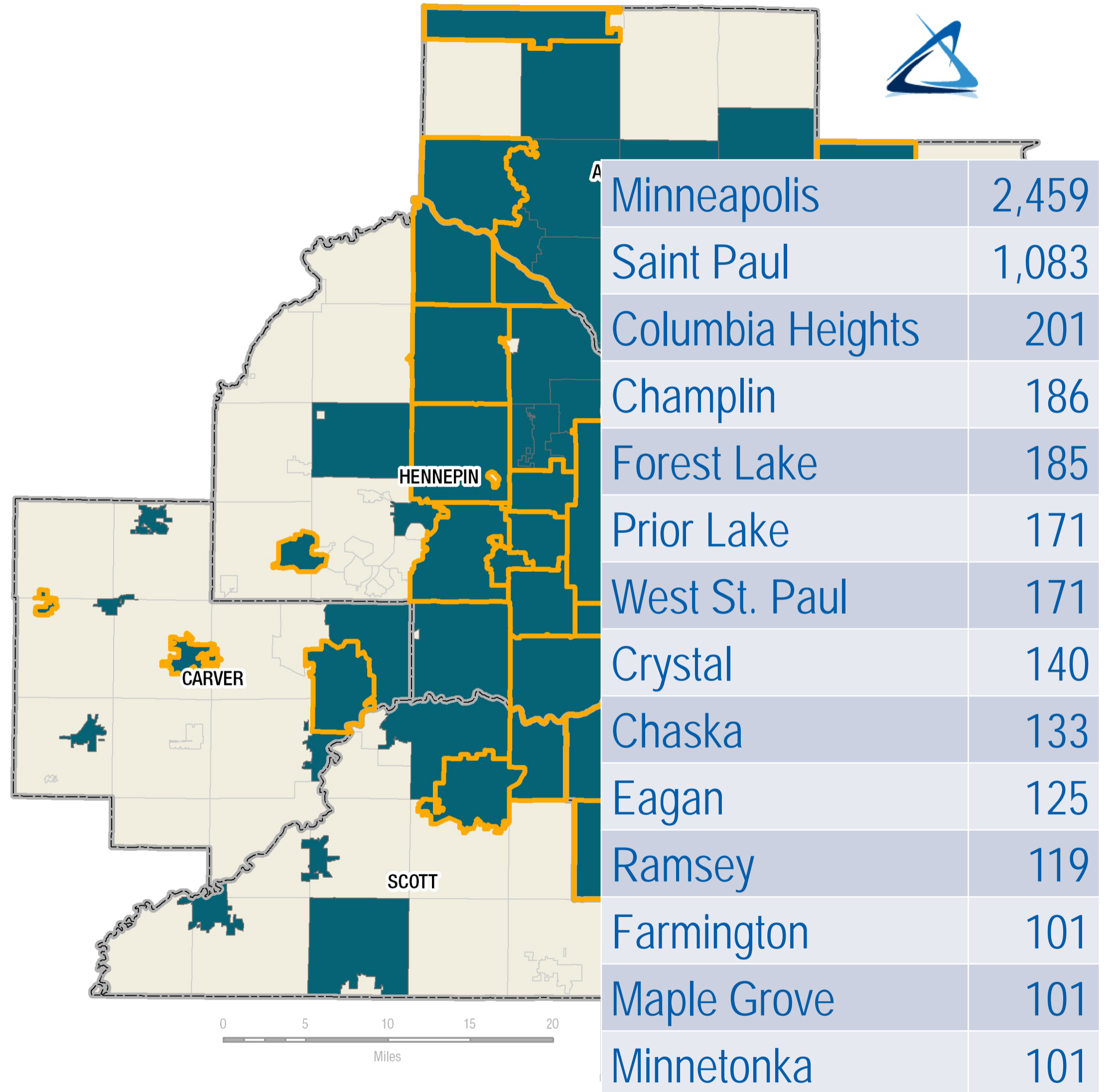
Added at least one affordable unit in 2016



2011-2016

Added at least one affordable unit

Added at least one affordable unit in 2016



Two trends of note in 2016

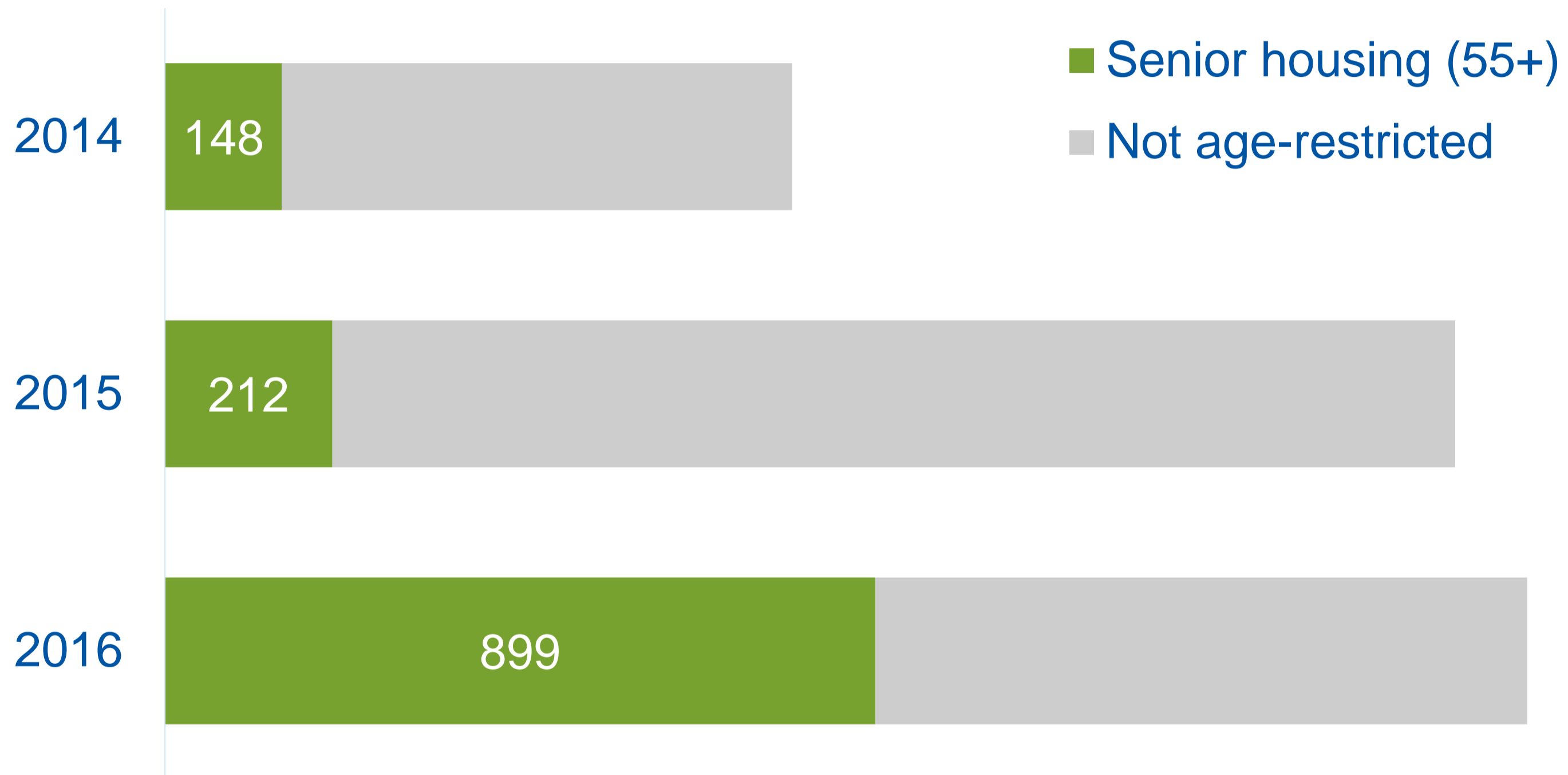
Loss of naturally-occurring affordable housing



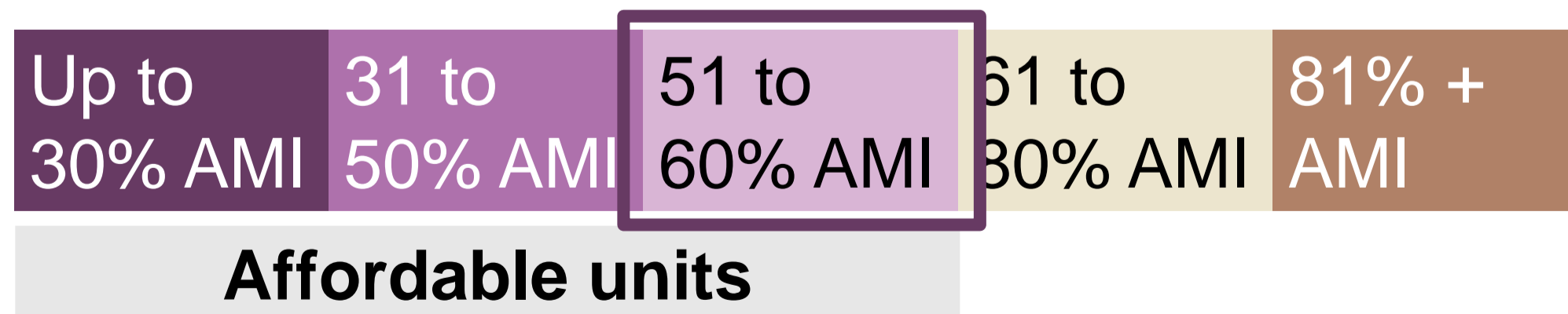
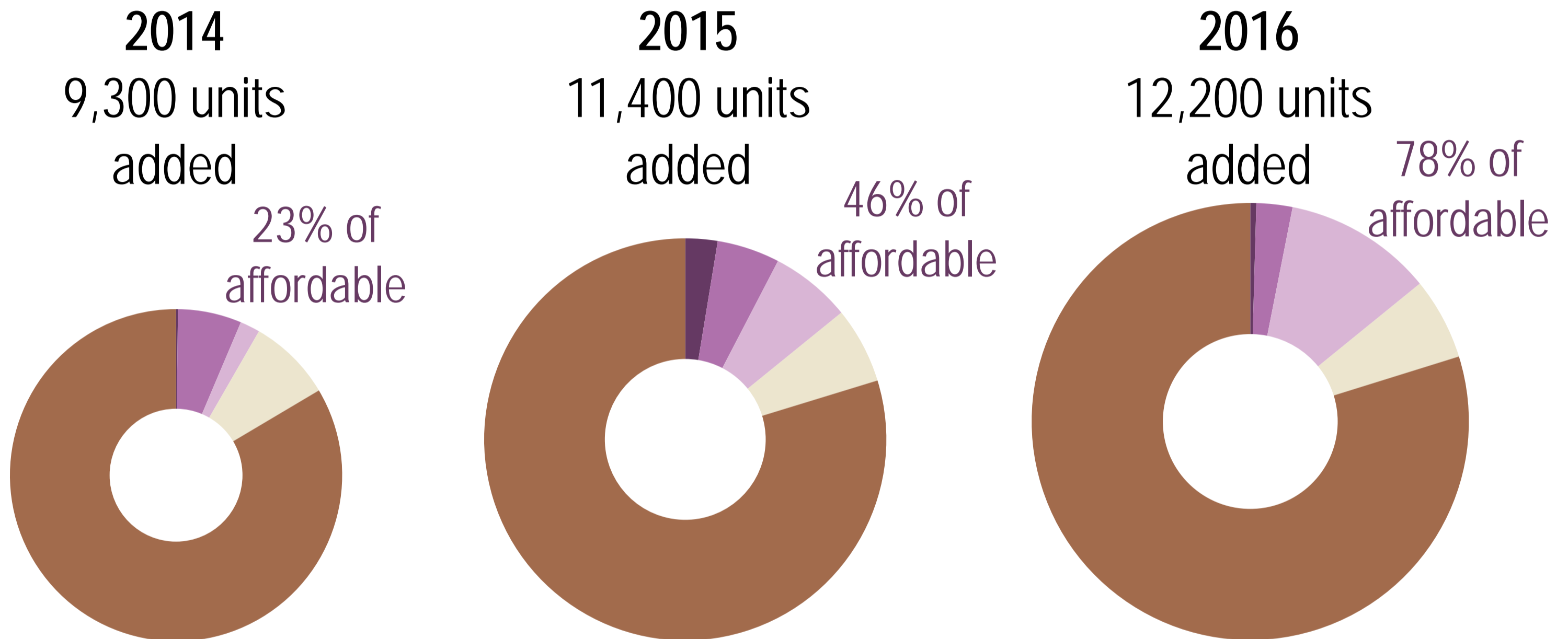
Significant growth in affordable rental for seniors



Senior housing more than half of all affordable units



More units in 2016 affordable to 51-60% area median income:




Source: Metropolitan Council Affordable Housing Production Survey



Affordable Housing Production: For more information

METROSTATS

Exploring regional issues that matter



November 2017

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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. 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.¹ For example, a family of four with an income of \$51,480 or below (60% AMI) would be considered a low-income household in 2016.

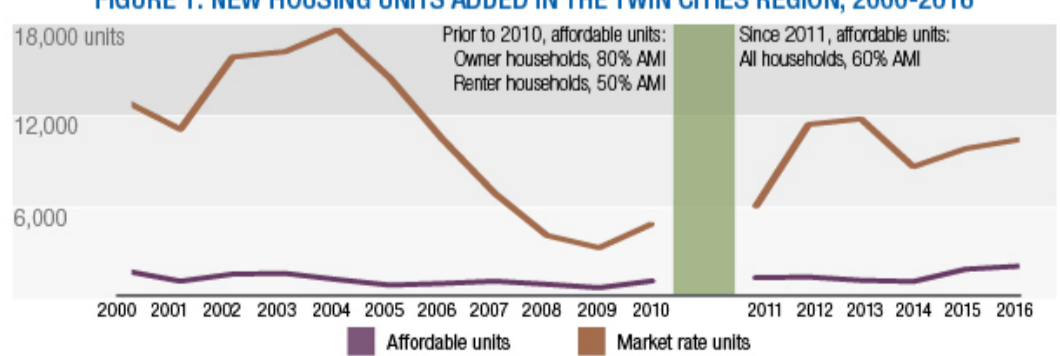
By tracking the price point of residential housing, we can better understand the landscape of housing options for households at different income levels. **When people cannot find housing they can afford, the effects are far-reaching: they are forced to make trade-offs between paying their rent or mortgage 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 2016?	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 1,814 new affordable units in 2016. This is the third consecutive year the annual total increased, an encouraging trend (though not necessarily a net gain). Further, half of 2016's affordable units were restricted to adults age 55 or older, and most were affordable at 60% AMI, the higher end of low-income.	The primary form of new affordable housing continues to be multifamily apartment buildings. In 2016, 88% of affordable units were renter-occupied. One in every four new multifamily units was affordable, a notable increase from prior years. Affordable single family homes and townhomes remain scarce.	Thirty-six cities across the region added at least one affordable unit in 2016, with a geographically diverse top 10. Between 2011 and 2016, 76 cities and townships added at least one affordable unit. Affordable housing is also finding its way into areas near transit.

Affordable housing production is up for the third consecutive year

The Twin Cities region added 1,814 affordable units in 2016, a +12% increase from 2015's total (1,613 units).² The 2016 total was the highest annual number of affordable units produced since 2011. After bottoming out in 2014 (+776 units), this marks the third consecutive year the region's added affordable units has increased (Figure 1).

FIGURE 1. NEW HOUSING UNITS ADDED IN THE TWIN CITIES REGION, 2000-2016



Source: Metropolitan Council's Affordable Housing Production Survey, 2000-2016. Affordable housing data are occasionally updated, and additional affordability levels are available for 2014-2016 data. Download at metro council.org/data.

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