

Information Item

Community Development Committee



Meeting Date: October 17, 2022

Topic

Residential Development and Deeply Affordable Housing

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.254

Staff Prepared/Presented: Joel Nyhus, Researcher (651-602-1634)
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Division/Department: Community Development

Background

Under Minn. Stat. 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 annual surveys of local governments regarding building permits and the construction and preservation of affordable housing. The Council supplements the information submitted with additional information from County development agencies and other housing market data sources available. According to statute, the Council’s data on new affordable housing must “include information on government, nonprofit, and marketplace efforts” and capture all new housing that meets the Council’s affordability thresholds, including units added without public subsidy or income restrictions. This Committee presentation will meet the requirements of Minn. Stat. 473.254 for 2021.

Following the Committee of the whole discussion last year on the need for Deeply Affordable Housing affordable to households earning 30% of the Area Median Income, the policy-focused part of this presentation will focus on further actions the Council can take to support these households.

Key Research Findings

- The region added 22,327 new housing units in 2021, which was the highest number produced since 1987. Multifamily development continues to have the largest share of the units produced at 61% of the total number of units permitted.
- The region added 2,121 affordable housing units affordable at or below 60% of the Area Median Income in 2021. This was a small share of the total number of all residential units added, which was about 10% of the total. Less than 1% of the total units permitted were affordable at 30% AMI.

Deeply Affordable Housing Policy Discussion Points

Council staff will provide further policy background and considerations, including:

- An updated “big picture” of affordable housing demand for households at 30% AMI.
- Consideration of Council efforts to specifically address the hardest to meet affordable housing needs at 30% AMI.
- A preview of future work under consideration to calculate the cost of inaction and explore new measures of housing affordability.