

Information Item

Community Development Committee



Meeting Date: October 21, 2024

Topic

2023 Affordable Housing Production Trends and Opportunities

District(s), Member(s):	All
Policy/Legal Reference:	Minn. Stat. § 473.254
Staff Prepared/Presented:	Matt Schroeder, Principal Researcher (651-602-1513) Maia Guerrero-Combs, Senior Planner (651-602-1060)
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 2023.

Key Research Findings

- Housing production dropped considerably between 2022 and 2023, especially for multifamily housing permits.
 - Due to strong construction activity in 2021-2022, the regional Future Need for the entire 2021-2030 decade has already been met for housing affordable for households making 51-80% of the area median income (AMI).
1. There is a large production gap, however, in meeting the decade’s Future Need for deeply affordable housing units (affordable to households making 30% AMI or less).

Key Policy Connections

Council staff will connect the research findings with policy background and considerations including

- A deeper look at affordable housing demand for households at 30% AMI, as well as the barriers to production, including feedback from city staff around the region
- Considerations of Met Council efforts to specifically address the greatest affordable housing needs at 30% AMI
- A look into ownership production and the gap in affordable homeownership options
- Considerations of Met Council efforts to specifically address the affordable homeownership needs in the region