

Community Development Committee

For the Metropolitan Council meeting of March 25, 2015

Subject: Release of a draft amendment to the *2040 Housing Policy Plan* and set public hearing date

Proposed Action

That the Metropolitan Council:

- Release a draft amendment to the *2040 Housing Policy Plan* for public comment;
- Conduct a public hearing on May 4, 2015, regarding the draft amendment to the *2040 Housing Policy Plan* for public comment;
- Keep the hearing record open until 5:00 p.m. on Friday, May 15, 2015; and
- Direct staff to publish public hearing notices and distribute copies of the draft amendment to the *2040 Housing Policy Plan* for public comment under the Council's administrative procedure for public hearings.

Summary of Committee Discussion/Questions

Libby Starling presented the draft amendment. Councilmember Elkins requested a change to the amendment to add "for 2021-2030" to the titles of Exhibits 5 and 6. Committee members agreed to this change by a voice consensus. Committee members discussed alternative language to replace a sentence regarding explanations of why communities are choosing not to use available tools to implement the housing element in their local comprehensive plans. Councilmember Letofsky moved with a second from Councilmember Elkins to remove the last sentence of the second paragraph under the Implementation Plan from the draft amendment. The motion to amend the amendment passed on a voice vote with one dissent.

Councilmembers Elkins and Wulff expressed concerns about a lack of variation in the minimum densities proposed in the draft amendment and asked that those be revisited based on comments received through the public comment period. Councilmember Wulff expressed her concern that the lack of a transit adjustment in the Allocation of Affordable Housing Need was overstating the need for housing units affordable to households earning 30% of area median income or less outside the area served by all-day transit service and Metro Mobility. Councilmember Elkins responded that a transit adjustment could reinforce concentration.

Councilmember Chávez moved and Councilmember Elkins seconded a motion to approve the proposed action, including the revisions to the amendment. The motion passed on a voice vote with one dissent.

Councilmember Commers and Councilmember Chávez moved to reconsider the motion. Councilmember Chávez and Councilmember Commers moved to amend the amendment to replace "diversified stock portfolio" with "diversified investment portfolio" and "new affordable housing" with "additional affordable housing" throughout the document. The motion to amend the amendment passed on a voice vote.

Councilmember Elkins moved and Councilmember Chávez seconded a motion to approve the amendment as revised twice. The motion passed on a voice vote.

Community Development Committee

Meeting date: March 16, 2015

For the Metropolitan Council meeting of March 25, 2015

Subject: Release of a draft amendment to the *2040 Housing Policy Plan* and set public hearing date
District(s), Member(s): ALL
Policy/Legal Reference: Minn. Stat. 473.145
Staff Prepared/Presented: Libby Starling, Manager of Regional Policy and Research (651-602-1135)
Division/Department: Community Development / Regional Planning

Proposed Action

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- Direct staff to publish public hearing notices and distribute copies of the draft amendment to the *2040 Housing Policy Plan* for public comment under the Council's administrative procedure for public hearings.

Background

The *2040 Housing Policy Plan* adopted in December 2014 referred to three unfinished areas of work that would be the subject of an amendment this year—the precise methodology of the Allocation of Affordable Housing Need, criteria for reviewing the housing elements and housing implementation programs of local comprehensive plans, and details to the update of the Housing Performance Scores.

Metropolitan Council staff convened three workgroups to refine the directional language in the adopted *2040 Housing Policy Plan* into detailed language for the amendment. All members of the Housing Policy Plan Work Group had the opportunity to participate in the workgroups; staff also invited additional members, particularly to the Comprehensive Plan Review workgroup, to ensure a diversity of local representation. Lists of the membership of the workgroups are included in the amendment. All three workgroups have concluded their three meetings.

Rationale

Responding to negative feedback from local governments about the late timing of receiving their Allocation of Affordable Housing Need for the 2030 Comprehensive Plan Updates, the Council intends to incorporate the Allocation of Affordable Housing Need for 2021-2030 in the System Statements that will be distributed to local governments in September 2015. Without this amendment, there is no approach for the Allocation of Affordable Housing Need for the 2021-2030 decade.

This amendment defines the Council's expectations for the housing element and the housing implementation program of local comprehensive plan updates and outlines the Council's strategy for reviewing this portion of local comprehensive plan updates. The Council would like to include this language in the Local Planning Handbook to be distributed to local governments with System Statements this fall.

This amendment also incorporates a reframing of the Housing Performance Scores, replacing the Guidelines for Priority Funding for Housing Performance that largely date from 2002. This new approach will improve the responsiveness of the scoring system to local actions and strengthen the scores as a foundation for funding decisions in both the Livable Communities Act and the Regional Solicitation for transportation funding.

The public comment period and public hearing will offer partners, stakeholders and the public the opportunity to formally comment on the amendment to the *2040 Housing Policy Plan*.

Funding

The development and implementation of the *2040 Housing Policy Plan* has been a part of the Metropolitan Council Community Development Committee workplan.

Known Support / Opposition

Council staff convened three workgroups to advise the development of the language in this amendment. Not all members agreed with all elements of the language in this proposed amendment, but this language reflects the prevailing sentiments of each group.

PROPOSED AMENDMENT TO THE 2040 HOUSING POLICY PLAN (as amended 3/16/15)

(pagination reflects the [2040 Housing Policy Plan](#) available on the Council's website)

Executive Summary, page 1:

Like a diversified ~~stock~~ investment portfolio, a diversity of housing types can increase local government resiliency through changing economic climates.

Executive Summary, page 2:

- **More people will need affordable housing options:** The Council forecasts that between 2020 and 2030, our region will add ~~49,500~~ 37,400 low- and moderate-income households who will need new additional affordable housing. For comparison, in the first three years of this decade, the region added just under 3,000 new affordable units, far under the need.

Executive Summary, page 3:

~~To fully implement this plan, the Council has more work to do to finalize the changes to the Allocation of Affordable Housing Need, the Housing Performance Scores, and the Council's strategy for reviewing the housing element of local comprehensive plan updates. In 2015, the Council will formally amend this plan, including a formal public comment process, to incorporate the final updated methodologies for the Allocation of Affordable Housing Need and the Housing Performance Scores and reflect any other updates.~~

Introduction, page 5:

Like a diversified ~~stock~~ investment portfolio, a diversity of housing types can increase local government resiliency through changing economic climates.

Introduction, page 14:

(Note that this ignores the need for affordable housing that existed in 2010, that is, the ~~60,000~~ nearly 140,000 households paying more than half of their income on housing—much less the additional ~~190,000~~ 125,000 who are paying between 30% and 50% of their income on housing. These are the households that currently experience housing cost burden.)

Introduction, page 14:

Looking ahead, the Council forecasts that between 2020 and 2030, our region will add ~~49,500~~ 37,400 low- and moderate-income households who will need new affordable housing ~~options~~.¹ Even if we are successful at addressing today's housing cost burden, the challenges will continue to increase with the region's ongoing population growth.

Part II: Outcomes (Prosperity), page 39:

- Expand viable housing options by investing in and encouraging **new additional** affordable housing in higher-income areas of the region, particularly in areas that are well connected to jobs and opportunity.

Part II: Outcomes (Equity), page 45:

- Expand viable housing options by investing in and encouraging **new additional** affordable housing in higher-income areas of the region, particularly in areas that are well connected to jobs and opportunity.

Part II: Outcomes (Equity), page 47:

- Allocating each growing city its share of the region's need for **new additional** affordable housing.

Part II: Outcomes (Equity), page 48:

While access to transit can expand household transportation choices particularly for low-income households, access to transit should not constrain where **new additional** affordable housing is constructed. Even among the lowest income households—those earning less than \$30,000 a year—64% of all trips are by automobile.³⁰

Part II: Outcomes (Equity), pages 50-51:

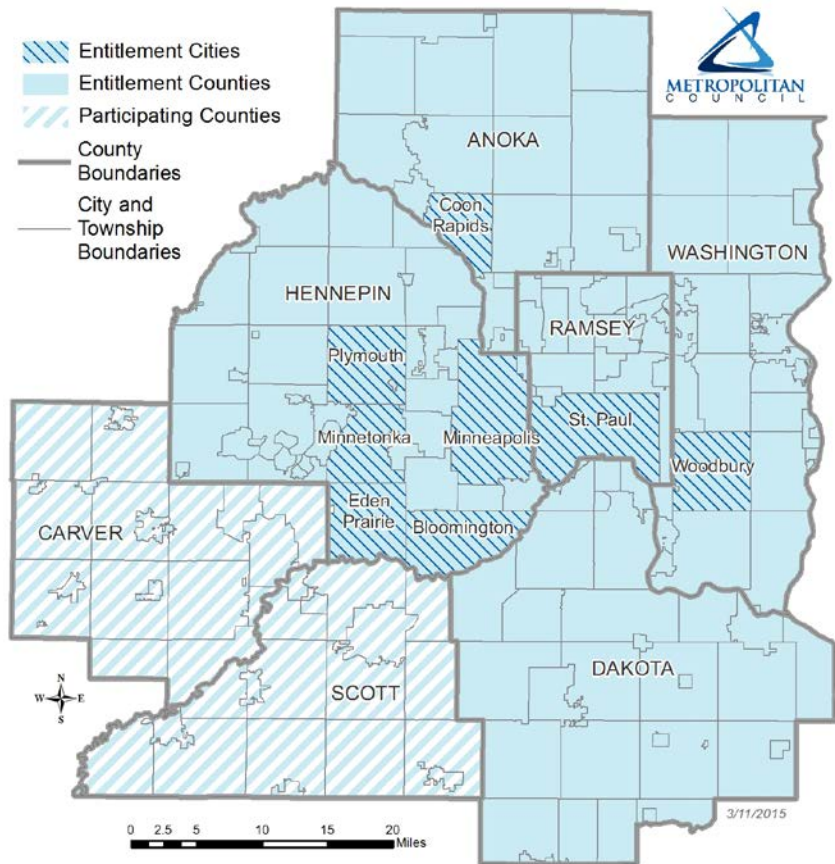
In July 2013, HUD issued a proposed rule on Affirmatively Furthering Fair Housing. As of ~~November 2014~~March 2015, HUD has not released a final version of the rule. Moreover, in January 2015, the Supreme Court heard oral arguments on Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc., ~~has agreed to hear~~ a case that will refine the legal extent of the Fair Housing Act. At this time, federal guidance is in flux.

Established in 2002, the region's Fair Housing Implementation Council (FHIC) provides a venue for local entitlement communitiesⁱⁱ to voluntarily cooperate to develop a regional response to the HUD-required Analysis of Impediments (AI) to fair housing choice and to leverage their use of federal CDBG and HOME funds to affirmatively further fair housing. The current signatories to the 2012-2015 FHIC Cooperative Funding Agreement are the Anoka County Housing and Redevelopment Authority, Dakota County, Hennepin County, Ramsey County, Washington County, and the cities of Coon Rapids, Woodbury, Minneapolis and Saint Paul, ~~and the Metropolitan Council.~~

In developing an AI, jurisdictions examine the impediments or barriers to fair housing, housing choices, and the availability of housing choice that affects protected classes¹ within a geographic region. The essential components of an AI include:

- Reviewing the state's or the entitlement jurisdiction's laws, regulations and administrative policies, procedures, and practices.
- Assessing of how those laws affect the location, availability, and accessibility of housing.
- Evaluating of conditions, public and private, affecting fair housing choice for all protected classes.
- Assessing of the availability of affordable, accessible housing in a range of unit sizes.

Figure 1: Jurisdictions participating in or considering participation in the 2014 Regional Analysis of Impediments to Fair Housing Choice



The FHIC has produced an AI in 2001, and 2009, and is preparing the 2014 AI (for 2014). The 2014 AI is expected to cover the jurisdictions receiving direct funding from HUD—that is, the cities of Bloomington, Coon Rapids, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Saint Paul and Woodbury, as well as Anoka, Dakota, Hennepin, Ramsey and Washington counties. In addition to the thirteen entitlement jurisdictions, the Carver County Community Development Agency, the Scott County Community Development Agency, and the Metropolitan Council participated in and helped fund the AI to ensure that the process encompassed all seven counties of the metropolitan area. (The Council itself does not receive either CDBG or HOME dollars and is therefore not required to complete an AI. However, the Council contributes funding, participation, and technical support to the work of the FHIC to identify and develop strategies that address impediments to fair housing in the region.) To date, the Carver and Scott Community Development Agencies have also expressed interest in their counties signing onto the 2014 AI to create a complete seven-county area regional perspective.

Part III: Council Policies and Roles, page 79:

The Need attempts to provide the most objective, accurate prediction possible of the number of new low- and moderate-income households that will need affordable housing without considering the cost of, resources available, for, or barriers to building that housing. Looking ahead, the Council forecasts that between 2020 and 2030, our region will add 37,400 low- and moderate-income households that will

¹ As detailed above, protected classes under Minnesota law are race, color, religion, sex, disability or handicap, familial status, national origin, creed, sexual or affectional orientation, marital status, and receipt of public assistance.

need new affordable housing. ⁱⁱⁱ (For more information on the calculations, see Appendix B.) The Need measures future affordability demand and does not incorporate existing unmet demand for affordable housing. It is determined every 10 years as a precursor to the decennial comprehensive plan updates. Over the last three years, resources distributed through the Consolidated Request for Proposals have supported the seven-county development of:

- 2012: 763 new multifamily rental affordable housing units
- 2013: 422 new multifamily rental affordable housing units
- 2014: 1,182 new multifamily rental affordable housing units (including units funded with the Housing Infrastructure Bonds that Minnesota Housing received in 2014)

Multifamily rental units funded through the Consolidated Request for Proposals are generally affordable to households earning 50% of AMI with some units reserved for households earning 30% of AMI. While not all new affordable rental units in the region receive funding through the Consolidated Request for Proposals, these numbers provide some sense of scale—fewer than 2,500 new affordable rental units over three years.

Looking at projects selected to receive funding in 2014, overall per-unit total development costs varied from \$110,000 for single-room occupancy facilities such as the proposed Catholic Charities Higher Ground St. Paul to \$259,000 for family townhomes such as the proposed Morgan Square Townhomes in Lakeville. Excluding single-room occupancy facilities and recognizing the range of pro formas, the average subsidy—including tax credit equity and public grants—is \$185,000 per affordable unit. This suggests that meeting the 2021-2030 need for housing units affordable to households earning 50% of AMI and below would require over \$5 billion in subsidy over the decade or over \$500 million a year.

Part III: Council Policies and Roles, page 80:

Overview of allocation methodology

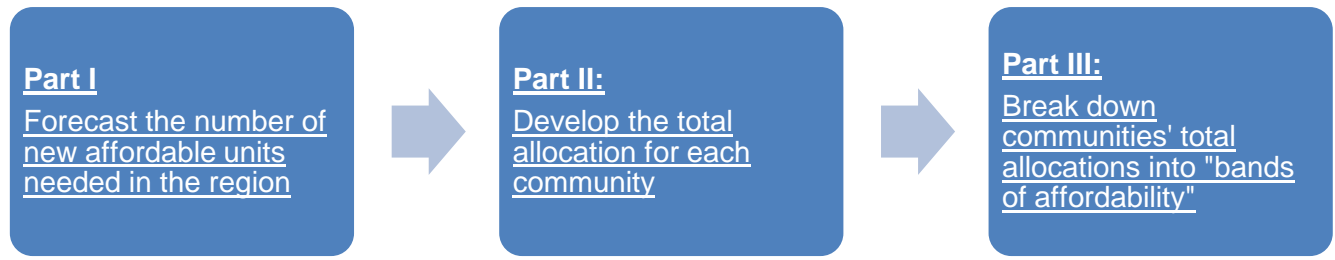
Appendix B provides a detailed methodology to the Allocation of Affordable Housing Need for 2021-2030. This updated methodology has three main steps:

- Part I forecasts the proportion of 2021-2030 net growth in households that will need affordable housing, resulting in a regional Need of 37,900 new affordable housing units:
 - 18,900 housing units for households earning at or below 30% of AMI
 - 9,450 housing units for households earning from 31% to 50% of AMI
 - 9,550 housing units for households earning from 51% to 80% of AMI (assuming a 5% vacancy rate).
- Part II allocates that regional Need to each community in the region with sewer service in alignment with the Council's policy of limiting growth in areas without sewer service. Additional adjustment factors allocate relatively more new affordable housing where the housing will help expand housing choices the most.
- Part III distributes each community's adjusted allocation into the three bands of affordability. Each community's share of existing affordable housing within each band of affordability affects how much of its Need is distributed into each band.

• *Adjustment factors*

In addition to allocating a Need that is distinguished by levels of affordability, the Council will make certain adjustments that will place relatively more new affordable housing where the housing will help low-income families the most.

Figure 19: Allocation methodology overview



Rather than allocate a Need number to communities that is simply the same share of their total forecasted growth as the overall Need for the region, two specific key adjustment factors ~~will be~~ are used to better reflect unique characteristics of each city that impact the Need:

- **Ratio of low-wage jobs to low-wage workers:** The ratio of low-wage jobs in the community to low-wage workers who live in a community indicates whether a community imports low-wage workers to fill its low-wage jobs and could therefore use ~~more new~~ additional affordable housing for those workers.
- **Existing affordable housing:** Placing ~~new~~ additional affordable housing in communities where existing affordable housing is scarce expands choice for low-income households.

The existing affordable housing stock has twice the impact on a community's allocation than its ratio of low-wage jobs to low-wage workers because the existing housing stock is a more stable and place-based indicator; workers are more likely to move than is housing stock.

Table 6: Adjustment factors to the Allocation of Affordable Housing Need

Adjustment factors	Need is increased for communities that have:	Need is reduced for communities that have:
Ratio of low-wage jobs to low-wage workers	<u>Relatively more</u> low-wage jobs than low-wage workers living in the community	<u>Relatively more</u> low-wage workers living in the community than low-wage jobs
Existing affordable housing	Lesser share of existing affordable housing than the <u>region overall average sewerer community</u>	Greater share of existing affordable housing than the <u>region overall average sewerer community</u>

The threshold for housing affordability and the adjustment factors for determining the Need provide a framework for determining a community's share of the Need. This framework will be the basis for a detailed methodology for determining the Need that the Council will develop in partnership with affordable housing stakeholders as a part of the implementation of this plan.

Council actions:

- ~~Use the above defined framework to define a detailed methodology for determining the Allocation of Affordable Housing Need for 2021-2030.~~
- ~~Amend the *Housing Policy Plan*, including a full public comment process, to incorporate the final methodology prior to the distribution of Systems Statements to local governments in late 2015.~~
- Distribute the local Allocation of Affordable Housing Need to each jurisdiction with System Statements in fall 2015.

- Review 2040 local comprehensive plan updates and subsequent amendments to verify that each community is guiding an adequate supply of land to accommodate their share of the region's need for low- and moderate-income housing, i.e., the Allocation of Affordable Housing Need.

Part III: Council Policies and Roles, page 81:

As mentioned previously, the Need and the Goal are frequently confused. Where the Need is a proxy for demand for ~~new~~ additional affordable housing that should be addressed in local comprehensive plans, the Goal is a mechanism for participants of the Livable Communities Act to show their commitment and effort to produce affordable and life-cycle housing. With their Goal expressing a desire to expand housing choices, the LCA-participating communities are aided and rewarded by access to the LCA funding discussed on page 84. The two measures are products of different legislation with different purposes and requirements. One of the desired outcomes of this *Housing Policy Plan* is to improve the understanding of the roles of these measures in the regional housing conversation.

Part III: Council Policies and Roles, pages 82-3:

Emerging from this *Housing Policy Plan* ~~will be~~ is a new set of scoring criteria the Council will ~~create~~ use to develop local Scores annually. This methodology replaces the Guidelines for Housing Performance developed in 2002 and updated in 2012. ~~Jurisdictions vary widely in their fiscal, technical, and human resource capacity, existing built environments, cost and availability of land, and existing level of developer interest. The Housing Performance Scores should recognize these differences. For the legitimacy of the Scores, all cities and townships should believe they have a real possibility of achieving a high Housing Performance Score. Additionally, the Housing Performance Scores can serve as a platform for the Council and cities to inventory programs and activities, and contemplate new means of addressing local housing needs given available resources. Framework for developing new Housing Performance Scores~~ The goals of the revisions to the Housing Performance Scores are to:

- Better recognize local variations in their fiscal, technical, and human resource capacity, existing built environments, cost and availability of land, and existing level of developer interest.
- Provide all cities and townships a real possibility of achieving high Housing Performance Scores if they are active in providing affordable housing or related services.
- Make the scoring process more transparent.
- Minimize the administrative burden on cities by leveraging information from sources such as applications to the Consolidated Request for Proposals and county housing investments.

The table on the following page compares the 2002 (revised in 2012) and 2015 methodologies for the Housing Performance Scores. The Council expects that these refinements to the Scores will lead to both a better ability to evaluate local performance on expanding affordable housing and also a greater opportunity to help cities connect tools, ideas, and resources with development opportunities, potential partners, and a larger pool of funding and technical options.

- ~~Use the following broad categories for the Scores:~~
 - ~~Tools available at the local level~~
 - ~~Tools or resources used in the last five ten years~~
 - ~~Number of affordable housing units or affordable housing opportunities created in the last five ten years~~
 - ~~Existing stock of affordable housing~~
 - ~~Local participation in state, regional, or county housing programs, whether as an administrator, lender, funding allocator, pass-through entity, or funding applicant~~

- Applications (whether funded or unfunded) submitted to the Consolidated Request for Proposals (the “Super RFP”), county-issued RFPs, or other major competitive funding processes
- Align counts of existing affordable housing (including unsubsidized affordable housing) with the 30%, 31-50% and 51-80% of area median income levels defined in the Need.
- Expand the list of scoring opportunities to reflect the full and evolving range of housing activities, programs, and tools used by local jurisdictions, including new elements such as:
 - Strategies to preserve unsubsidized affordable housing
 - Fair Housing and Equal Opportunity efforts
 - Efforts to recruit landlords to accept Section 8 Housing Choice Vouchers
 - Foreclosure prevention, counseling, mitigation, and remediation
 - Energy, water, and other resource conservation
- Use the mechanisms of the Affordable Housing Production Survey and Housing Performance Score process to refer jurisdictions to best practice resources, technical toolkits, and funding opportunities.
- Evaluate the potential utility of using the housing element and implementation program components of local comprehensive plans as an assessment component under the Scores.
- Plan for the transition from the existing scoring system to the new Housing Performance Scores developed under this plan.
- Institutionalize local government review and comment on their preliminary Housing Performance Scores and create a formal structure for local governments to provide the Council additional information.

Table 7: Comparison of 2002 Housing Performance Scores methodology with 2015 Housing Performance Scores methodology

	2002 Methodology	2015 Methodology
<u>Overall points structure</u>	<p style="text-align: center;"><u>Up to 37 points for characteristics of the existing housing stock</u></p> <p style="text-align: center;"><u>Up to 63 points for local initiatives to facilitate affordable workforce housing development or preservation</u></p>	<p style="text-align: center;"><u>Up to 25 points for existing affordable housing stock</u></p> <p style="text-align: center;"><u>Up to 25 points for local housing programs and policies</u></p> <p style="text-align: center;"><u>Up to 50 points for new affordable housing construction or rehabilitation/preservation of affordable housing</u></p>
<u>Adjustments to recognize local variation</u>	None	<p style="text-align: center;"><u>Points available for new construction vs. rehabilitation/preservation adjusted by Community Designation</u></p>
<u>Approach to income thresholds</u>	<p style="text-align: center;"><u>Used a single threshold to define affordable housing (60% of AMI since 2011)</u></p>	<p style="text-align: center;"><u>Uses multiple thresholds to define affordable housing:</u></p> <p style="text-align: center;"><u>30% or less of AMI</u></p> <p style="text-align: center;"><u>Between 31% and 50% AMI</u></p> <p style="text-align: center;"><u>Between 51% and 80% AMI</u></p> <p style="text-align: center;"><u>Between 81% and 115% AMI for homeownership</u></p>
<u>Income targeting</u>	None	<p style="text-align: center;"><u>Provides more points for housing affordable to lower income households, starting at households earning 30% or less of AMI</u></p>

<u>Approach to fiscal tools</u>	<u>Gave points for fiscal tools in local policy but not necessarily connected to actual use</u>	<u>Gives points to fiscal tools used in connection with affordable housing development projects</u>
<u>Approach to official local controls</u>	<u>Gave points for the use of up to two local controls for any development project</u>	<u>Gives points for all official local controls used in connection with affordable housing development projects and asks for estimated financial value of adjusted controls and local contributions to projects</u>
<u>Approach to programs</u>	<u>Gave points for up to five local programs</u>	<u>Gives points for county, city, or nonprofit-administered programs (including participation in select Minnesota Housing programs)</u>

The Council expects that these refinements to the Scores will lead to both a better ability to evaluate local performance on expanding affordable housing and also a greater opportunity to help cities connect tools, ideas, and resources with development opportunities, potential partners, and a larger pool of funding and technical options.

Council actions

- Use the approach defined outlined above and further defined in Appendix C to update calculate the Council's calculation of Housing Performance Scores annually beginning in 2015.
- Discontinue the calculation of county Housing Performance Scores and embed county activities into city and township Housing Performance Scores.
- Implement the transition from the 2002 Housing Performance Scores methodology to the 2015 Housing Performance Scores methodology with a hold harmless that no city will receive a 2015 score lower than 80% of the average of their 2010-2014 Housing Performance Scores.
- Offer cities a narrative field to describe policies, programs, or services that aren't part of the standard scoring categories with an opportunity to earn points for them.
- Use the mechanism of collecting data for the Housing Performance Scores to refer jurisdictions to best practices, technical tools, and funding opportunities.
- Institutionalize local government review and comment on their preliminary Housing Performance Scores and create a formal structure for local governments to provide the Council additional information.
- ~~Amend the *Housing Policy Plan*, including a full public comment process, to incorporate the final methodology for Housing Performance Scores.~~

Part III: Council Policies and Roles, pages 86-87:

The SAC system is a complex structure governed by state statutes and administrative procedures. As a result, it is both politically and ~~structurally~~ financially challenging to leverage SAC to promote affordable housing. Through its outreach- ~~and~~ engagement, ~~and policy development on the 2040 Water Resources Policy Plan, to be adopted in 2015,~~ the Council will determine if there is a viable opportunity to promote affordable housing production through its handling of SAC. ~~The 2040 Water Resources Policy Plan will conclude this conversation that began in the development of this Housing Policy Plan;~~ any proposal that is subsequently adopted in the ~~2040 Water Resources Policy Plan~~ will be included in a future amendment to this ~~Housing Policy Plan~~.

Council actions to leverage the Sewer Availability Charge structure to expand affordable housing

- Collaboratively explore opportunities to promote affordable housing production through its handling of SAC, and, if any are identified, include those in the Sewer Availability Charge Procedure Manual. Consider including an “Affordable Housing SAC Credit” in the 2040 Water Resources Policy Plan to be adopted in 2015.

Part III: Council Policies and Roles, page 89:

Review of Housing Requirements for Local Comprehensive Plans

Cities, townships, and counties in the seven-county area prepare local comprehensive plans as required by the Metropolitan Land Planning Act. These plans must include a housing element and a housing implementation program. Local governments will begin this decade’s round of local comprehensive plan updates following Council adoption of *Thrive MSP 2040* and the systems and policy plans (including this *Housing Policy Plan*) and the anticipated September 2015 distribution of Systems Statements. Comprehensive plan updates must be submitted to the Council in 2018. The Council assists local governments to create consistent, compatible, and coordinated local comprehensive plans that achieve local visions within the regional policy framework.

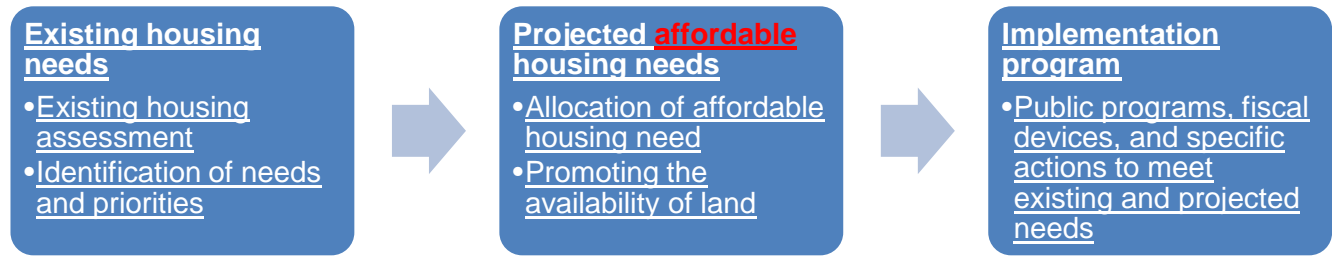
The Council reviews updated local comprehensive plans based on the requirements of the Metropolitan Land Planning Act and the comprehensive development guide (*Thrive MSP 2040* and the system and policy plans). The Council considers each local comprehensive plan’s compatibility with the plans of other communities, consistency with adopted Council policies, and conformance with metropolitan system plans. If the Council finds that a community’s local comprehensive plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans, the Council can require the community to modify its local plan to assure conformance with the metropolitan systems plans (Minn. Stat. 473.175).

Under the Metropolitan Land Planning Act, local comprehensive plans must include a housing element that:

- Contains standards, plans, and programs for providing adequate housing opportunities to meet existing local and regional housing needs;
- Contains standards, plans, and programs for providing adequate housing opportunities to meet projected local and regional housing needs; Acknowledges the community’s share of the region’s need for low- and moderate-income housing (the Need); and promotes the availability of land for the development of low- and moderate-income housing; and
- Includes an implementation section identifying the public programs, fiscal devices, and official controls, and specific actions the community will use to address their existing and projected needs (Minn. Stat. 473.859, subd. 2 and 4).

With the development of this *Housing Policy Plan*, the Council has identified an opportunity to improve the consistency and quality of the housing elements and implementation programs of local comprehensive plans. While communities are now guiding enough residential land at densities to support affordable housing development to address their Need, the Council had not previously provided specific guidance to local communities on other housing element requirements in the Metropolitan Land Planning Act. comprehensive plans could do more to strengthen the connection. For example, comprehensive plans could identify sites (or the characteristics of sites) that offer the best opportunities for affordable or mixed-income housing. In addition, local governments can improve the likelihood of new affordable housing by expressing what types and locations of new affordable or mixed-income housing they would support or finance.

Figure 20: Components of the housing element of local comprehensive plans



Existing housing needs

Under the Metropolitan Land Planning Act, local comprehensive plans must include a housing element that addresses existing housing needs in the community. The existing housing assessment serves as the starting point to determine a community’s existing housing needs. Complete housing elements analyze the existing housing assessment through the lens of local knowledge and priorities, identifying clear, specific housing needs to be addressed in the housing implementation program. Complete housing elements must contain an assessment of existing housing, including at minimum:

- Number of existing housing units within the three bands of affordability:
 - 30% or less of Area Median Income (AMI)
 - Between 31% and 50% AMI
 - Between 51% and 80% AMI
- Split of rental and ownership housing
- Split of single-family and multifamily housing
- Units of publicly subsidized housing
- Number of existing households at incomes at or below 80% AMI that are experiencing housing cost burden
- A map of owner-occupied housing units identifying their assessed values, differentiating the values above and below what is affordable to a family of four at 80% AMI (see Table 8)

This minimum information is both easily available and informative about existing housing needs. While the Council will provide communities with basic data for their existing housing assessments, the Council encourages communities to include any additional reliable data that enhance their existing housing assessments.

Table 8: Affordable home prices by household income (2013)

Household Income Threshold	Household Income for a family of four (2013)	Affordable Home Price ^{IV}
115% of area median income	\$94,650	\$325,000
80% of area median income	\$64,400	\$217,000
50% of area median income	\$41,150	\$133,000
30% of area median income	\$24,700	\$74,000

Projected affordable housing needs

The Council provides the projected affordable housing needs for each community through the Allocation of Affordable Housing Need, described earlier in Part III. Allocating future need within the three bands of affordability allows communities to focus on the kinds of affordable housing that are most needed in their community. These future needs must be considered as communities guide future land uses in their comprehensive plan updates. The Metropolitan Land Planning Act specifically states that housing elements contain “land use planning to promote the availability of land for the development of low and moderate income housing.” (Minn. Stat. 473.859, subd. 2(c))

Land availability is measured in comprehensive plans by having enough land guided at high enough densities to support the creation of affordable housing sufficient to meet a community’s Need. Higher density promotes the availability of land for affordable housing in several ways:

- Increased density correlates with reduced costs of developing new housing by reducing the per-unit cost of land and fixed infrastructure. With limited resources for developing affordable housing, mechanisms that reduce development costs promote new affordable housing.
- Increased density creates more housing units overall. New market-rate or luxury units can still promote the availability of affordable housing by increasing the supply of all housing units.
- Sites with higher density signal to affordable housing developers where communities are more likely to support affordable housing proposals.

For context, of the multifamily affordable units built between 2003 and 2013 in developments with at least four units affordable at 60% AMI or less, the average project density was more than 49 units per acre.

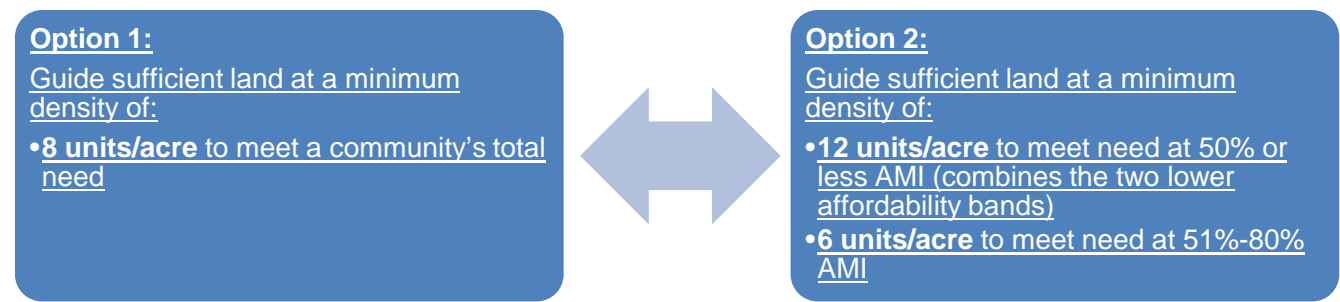
Communities should guide an adequate supply of land at appropriate densities to meet their Allocation of Affordable Housing Need. Communities have two ways to address the need for the 2021-2030 decade:

- Option 1: Guide sufficient land at a minimum density of 8 units/acre to meet the community’s total Need.
OR
- Option 2: Guide sufficient land at a minimum density of 12 units/acre to meet Need at 50% or less of AMI (that is, the two lower affordability bands) and a minimum density of 6 units/acre to meet need at 51%-80% AMI.

Communities that do not guide an adequate supply of land at appropriate densities to meet their Allocation of Affordable Housing Need will be inconsistent with Council policy and will not be eligible to participate in, and receive funding from, the Livable Communities Act programs. These options allow communities flexibility in how they guide land use to meet statutory requirements within the range of community characteristics. Additionally, communities that choose Option 2 and have a *demonstrated* history of creating affordable units at densities lower than 6 units/acre may guide land at lower minimum densities (as low as 3-6 units/acre) when promoting land availability at the 51%-80% band of affordability.

In addition to meeting the requirements of the Metropolitan Land Planning Act, these minimum densities help create opportunities across the region for new affordable housing rather than only in the older parts of the region that have higher densities.

Figure 21: Options for guiding land to meet projected need for affordable housing



Implementation program

Communities have a variety of additional tools at their discretion to encourage, incent, and even directly create affordable housing opportunities; guiding land at higher densities alone is insufficient to meet the existing or projected needs for affordable housing. Complete housing elements must not only identify a community's "programs, fiscal devices and other specific actions" (Minn. Stat. 473.859, subd. 4) available to meet housing needs as stated in statute, but also clearly and directly link which tools will be used, and in what circumstances, to explicitly address the needs previously identified.

The Council recognizes that this is a more robust application of the statutory language than in the last round of comprehensive plan updates. The Council will ensure that technical assistance is available to help communities identify and direct their resources. Complete housing elements do not have to commit every available tool to meet housing needs, but must identify and consider all reasonable resources. ~~The Council will accept reasonable explanations (e.g. lack of capacity or competing priorities) for why available tools will not be used to address housing needs as part of a complete housing element.~~

Council actions to review comprehensive plan updates to expand housing choices

- ~~Work with local governments and other appropriate stakeholders in the first quarter of 2015 to determine how to strengthen and more effectively review the housing element and implementation program in local comprehensive plans in preparation for the 2018 round of local comprehensive plan updates.~~
- ~~Include local responsibilities connected to housing in the 2015 update of the Local Planning Handbook.~~
- ~~Incorporate new Include updated housing requirements and review criteria in into the 2015 update of the Local Planning Handbook.~~
- ~~Provide technical assistance to communities desiring more detailed discussion about new requirements and review criteria.~~
- ~~Provide communities basic data to inform their existing housing assessments.~~
- ~~Provide technical assistance to communities desiring support identifying and understanding available tools to meet existing and projected affordable housing needs.~~
- ~~Review the housing element of 2040 Comprehensive Plan updates for completeness with new updated requirements review criteria.~~
- ~~Provide technical assistance to communities desiring ways to get the most out of their housing element beyond minimum requirements, both in the Local Planning Handbook and in direct assistance if requested.~~

Renumbering:

Page 65: Table 7 9

Page 91: Table 8 10

Page 101: Figure 49 22

Page 103: Figure 20 23

Page 105: Figure 21 24

Page 107: Figure 22 25

Part V: Next Steps, page 113:

~~This document has repeatedly referenced additional work needed to implement this plan and to clarify concepts that need more conversation and definition. Changes to the established Council roles in housing—including the Allocation of Affordable Housing Need, the Goals for Affordable and Life-cycle Housing, the Housing Performance Scores, and expanded roles in technical assistance—are examples of the Council's next steps to refine and implement this plan. Note that in 2015, the Council will formally amend this plan, including a formal public comment process. The amendment will incorporate the final updated methodologies for the Allocation of Affordable Housing Need and the Housing Performance Scores, and reflect any other updates.~~

With the amendment to this plan in 2015, the Council is now moving its focus from developing housing policy to implementing housing policy in collaboration with local units of government.

Priorities through 2015 and the issuance of Systems Statements

- ~~• Finalize the methodology for the 2021-30 Allocation of Affordable Housing Need and the Housing Performance Scores.~~
- ~~• Determine how to more effectively review the housing element and implementation program in preparation for the 2018 round of local comprehensive plan updates, and incorporate new comprehensive plan review criteria into the Local Planning Handbook.~~
- Identify indicators to measure how Council-supported projects advance equity.
- Adopt a fair housing policy.
- Analyze the impact of using the Housing Performance Scores as a prioritization factor and evaluation measure in transportation investments.
- ~~• Refine and, if appropriate, implement the proposal to create a Sewer Availability Charge Affordable Housing Credit. Collaboratively explore opportunities to promote affordable housing production through its handling of Sewer Availability Charge, and, if any are identified, include those in the Sewer Availability Charge Procedure Manual.~~
- Plan and facilitate, in coordination with the Equity in Place coalition, a series of public engagement sessions in specific communities where more prominent disparities exist in our region.

Addition to Appendix A after p. 118:

Three working groups were convened to advise the Council on the development of the Housing Performance Score methodology, the Allocation of Affordable Housing Need methodology, and the requirements for housing elements of local comprehensive plans. The first two groups continued work begun in subgroups of the original Housing Policy Plan Work Group (HPPWG), supplemented with

additional participants. The Council invited additional participants to add perspectives that were lost when some original HPPWG members did not reengage beyond their initial commitment, which ended when the original Housing Policy Plan was adopted in December 2014. The third group was new and consisted of some original HPPWG members (all members were invited to participate) and a significant addition of technical staff from our partners in the local government community, particularly those with expertise and experience in the comprehensive planning process.

Each of the three groups met a total of three times during January and February of 2015, contributing a wealth of information, questions, and perspectives to consider in the drafting of this amendment. Participants in the three workgroups are identified below:

Members of the Housing Performance Scores Workgroup

Organization

<u>Cathy Bennett</u>	<u>Urban Land Institute Minnesota / Regional Council of Mayors</u>
<u>Emily Carr</u>	<u>City of Brooklyn Park</u>
<u>Theresa Cunningham</u>	<u>City of Minneapolis</u>
<u>Barbara Dacy</u>	<u>Washington County HRA</u>
<u>Darielle Dannen</u>	<u>Metropolitan Consortium of Community Developers</u>
<u>Kevin Dockry</u>	<u>Hennepin County</u>
<u>Owen Duckworth</u>	<u>Alliance for Metropolitan Sustainability</u>
<u>Mayor Debbie Goettel</u>	<u>City of Richfield</u>
<u>Chip Halbach</u>	<u>Minnesota Housing Partnership</u>
<u>Jill Hutmacher</u>	<u>City of Arden Hills</u>
<u>Margaret Kaplan</u>	<u>Minnesota Housing</u>
<u>Jake Reilly</u>	<u>City of Saint Paul</u>
<u>Elizabeth Ryan</u>	<u>Family Housing Fund</u>
<u>Nelima Sitati Munene</u>	<u>Organizing Apprenticeship Project</u>
<u>Jamie Thelen</u>	<u>Sand Companies</u>
<u>Tim Thompson</u>	<u>Housing Preservation Project</u>
<u>Charlie Vander Aarde</u>	<u>Metro Cities</u>

Members of the Allocation of Affordable Housing Need Workgroup

Organization

<u>Karl Batalden</u>	<u>City of Woodbury</u>
<u>Kim Berggren</u>	<u>City of Brooklyn Park</u>
<u>Jack Cann / Tim Thompson</u>	<u>Housing Preservation Project</u>
<u>Jessica Deegan</u>	<u>Minnesota Housing</u>
<u>Owen Duckworth</u>	<u>Alliance for Metropolitan Stability</u>

<u>Steve Juetten</u>	<u>City of Plymouth</u>
<u>Haila Maze</u>	<u>City of Minneapolis</u>
<u>Patricia Nauman / Charlie Vander Aarde</u>	<u>Metro Cities</u>
<u>Michele Schnitker</u>	<u>City of St. Louis Park</u>
<u>Angie Skildum</u>	<u>Family Housing Fund</u>
<u>Mark Ulfers</u>	<u>Dakota County CDA</u>

Members of the Comprehensive Plan Requirements Workgroup

Organization

<u>Chelsea Alger / Holly Kreft</u>	<u>City of Belle Plaine</u>
<u>Cathy Bennett</u>	<u>Urban Land Institute Minnesota / Regional Council of Mayors</u>
<u>Doug Borglund</u>	<u>Consultant</u>
<u>Kathleen Castle</u>	<u>City of Shoreview</u>
<u>Brenda Lano</u>	<u>Carver County CDA</u>
<u>Patricia Nauman / Charlie Vander Aarde</u>	<u>Metro Cities</u>
<u>Lars Negstad</u>	<u>ISAIAH</u>
<u>Rick Packer</u>	<u>Mattamy Homes</u>
<u>Melissa Poehlman</u>	<u>City of Richfield</u>
<u>Jamie Radel</u>	<u>City of Saint Paul</u>
<u>Mark Ulfers</u>	<u>Dakota County CDA</u>
<u>John Rask</u>	<u>Hans Hagen Homes/ Builders Association of the Twin Cities</u>
<u>Joyce Repya</u>	<u>City of Edina</u>
<u>Bryan Schafer</u>	<u>City of Blaine</u>
<u>Brian Schaffer</u>	<u>City of Minneapolis</u>
<u>Cindy Sherman</u>	<u>City of Brooklyn Park</u>
<u>Nelima Sitati Munene</u>	<u>Organizing Apprenticeship Project</u>
<u>Barb Sporlein</u>	<u>Minnesota Housing</u>
<u>Tim Thompson / Jack Cann</u>	<u>Housing Preservation Project</u>
<u>Bryan Tucker</u>	<u>City of Savage</u>
<u>James Wilkinson</u>	<u>Mid Minnesota Legal Aid</u>
<u>Eric Zweber</u>	<u>City of Rosemount</u>

Appendix B: Methodology of the Allocation of Affordable Housing Need

Definitions and Concepts

The following definitions and concepts are important for understanding the methodology behind the allocation of affordable housing need in the Twin Cities region between 2021 and 2030.

- Low-Income Household: In this process, a household is considered “low income” if its annual income is at or below 80% of the Area Median Income (AMI) for the 13-county Minneapolis-Saint Paul-Bloomington metropolitan statistical area, as determined by the U.S. Department of Housing and Urban Development. Approximately 37% of the region’s households are “low income” under this definition.¹
- Household Growth: The methodology relies on Metropolitan Council forecasts of growth in sewer-serviced households between 2020 and 2030. A given community’s growth in sewer-serviced households could be different from its growth in all households if some households in the community are not connected to regional or municipal sewers. Exhibit 1 provides a map of forecasted net household growth for sewer-serviced communities.
- Existing Affordable Housing Stock: The methodology increases the Need allocation for communities with a lower share of existing affordable housing than the average sewer-serviced community and decreases the Need allocation for communities with a higher share than that average. We then estimate the share of a community’s housing units that are affordable to households with income at or below 30% of AMI, between 31% and 50% of AMI, and between 51% and 80% of AMI—including ownership housing,² rental housing,³ and manufactured homes.⁴ These estimates cover all housing units, whether they are publicly subsidized or unsubsidized. Exhibit 2 provides a map of existing affordable housing shares for sewer-serviced communities.
- Balance of Low-Wage Jobs and Workers: The methodology increases the Need allocation for communities that are relatively large importers of workers in low-wage jobs and decreases the Need allocation for communities that are relatively large exporters of workers in low-wage jobs. We estimate this for each community by examining the ratio of low-wage jobs to residents who

¹ Source: U.S. Department of Housing and Urban Development, 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) data.

² Source: 2013 and 2014 MetroGIS Regional Parcel Datasets. We examined the 2013 assessed market value for homesteaded units and classified them as affordable at or below 30% of AMI if the value was \$74,000 or less; affordable between 31% and 50% of AMI if the value was between \$74,000 and \$133,000; and affordable at 51% to 80% of AMI if the value was between \$133,000 and \$217,000. These are the values at which estimated monthly mortgage payments—including principal, interest, property taxes, and insurance—are no more than 29% of the monthly income for a family of four at these income levels. We then adjusted the resulting counts to better match the Council’s 2013 estimates of housing units.

³ Source: U.S. Census Bureau, 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) data. This data provides counts of units that are affordable to households with income at or below 30% of AMI, between 31% and 50% of AMI, and between 51% and 80% of AMI. (“Affordable” in this context means that the combined cost of rent and utilities is no more than 30% of the monthly income of a household that could live in the unit without overcrowding. The specific threshold for affordability thus varies by unit size and AMI threshold.) We adjusted the resulting counts to better match the Council’s 2013 estimates of housing units.

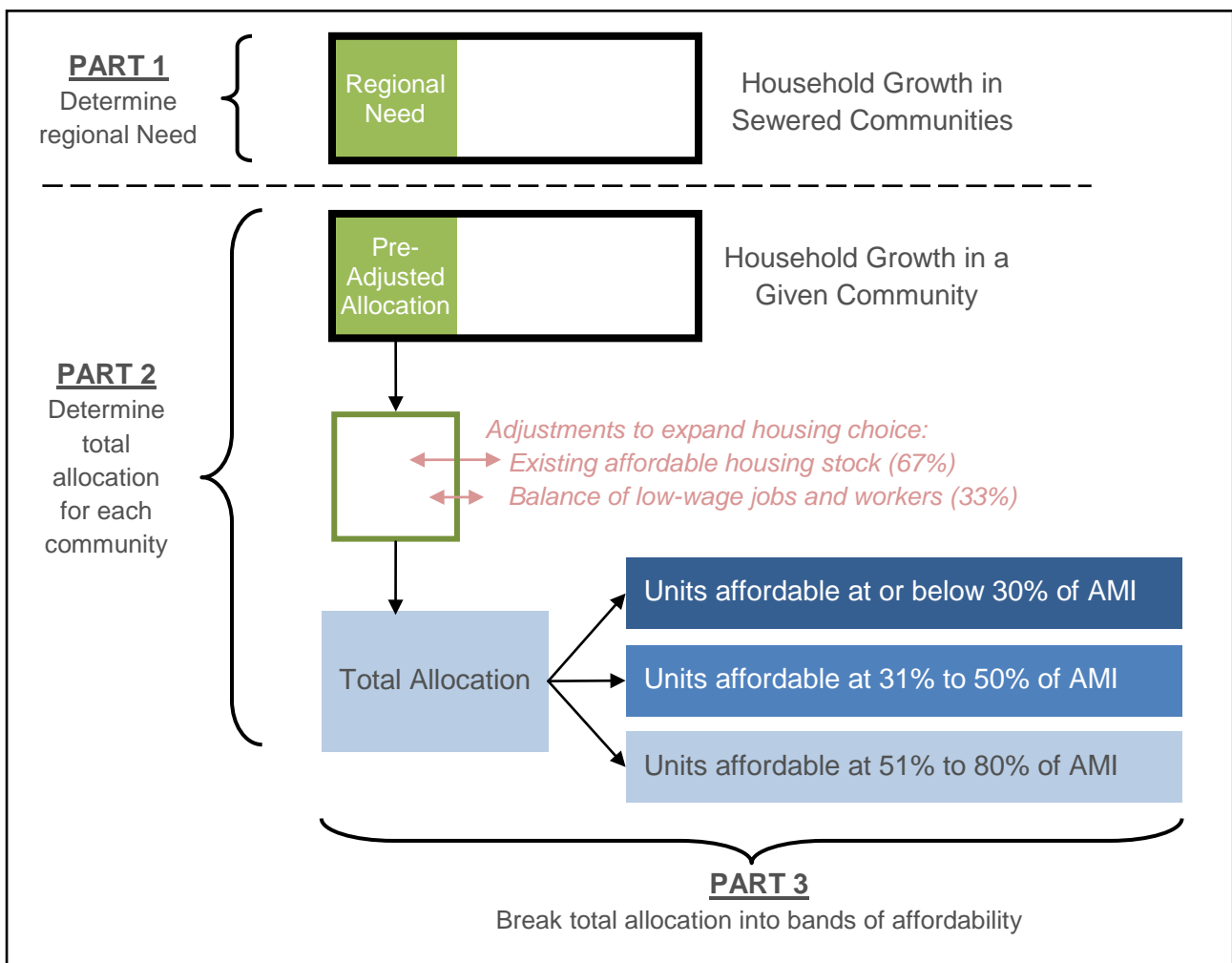
⁴ Source: Metropolitan Council, 2013 Manufactured Housing Park Survey. We assume that all manufactured homes are affordable to households with income at or below 30% of AMI.

work in low-wage jobs for all areas within five miles of the community’s geographic center.⁵ Using this five-mile radius rather than jurisdictional boundaries balances the need to have a reasonably “local” measure with the fact that labor markets cross jurisdictional boundaries. Exhibit 3 provides a map of low-wage job/worker balance for sewerred communities.

Specific Steps in the Methodology

The allocation process has three main steps, shown below in Figure B-1. In Part 1, we forecast the proportion of 2021-2030 net household growth that will require **additional** affordable housing, resulting in a regional Need of 37,900 new affordable housing units. In Part 2, we allocate that regional Need to each community in the region with sewer service, making adjustments that allocate relatively more **additional** affordable housing where the housing will expand housing choices the most. In Part 3, we distribute each community’s adjusted allocation into three “bands of affordability.”

Figure B-1. Overview of Allocation Process



⁵ Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES), 2011. “Low-wage jobs” are those paying \$3,333 or less per month (equivalent to \$40,000 or less per year). “Residents who work in low-wage jobs” are people whose primary job is a low-wage job. We also examined ratios based on areas within five miles of the community’s *population* center; results were very similar.

The following explains the detailed calculations behind the Need allocation. Exhibit 4 provides a map of the allocated Need for sewered communities; tables showing calculations are available in Exhibits 5 and 6.

Part 1: Forecast the Number of New Affordable Units Needed in the Region

Figure B-2. Overview of Regional Need Calculations

Step 1: Determine forecasted household growth	Step 2: Determine income levels	Step 3: Determine how many households at each income level need additional affordable housing units (Total = 37,400 households)	Step 4: Ensure healthy vacancy rate (51-80% band only)	
119,000 more households in 2030 than in 2020	<i>Income at or below 30% of AMI (20,400)</i>	18,900 households	18,900 units	Total Allocation = 37,900 units
	<i>Income at 31% to 50% of AMI (16,550)</i>	9,450 households	9,450 units	
	<i>Income at 51% to 80% of AMI (19,450)</i>	9,050 households	9,550 units	
	<i>Income above 80% of AMI (62,600)</i>			

- [Step 1: Determine forecasted household growth.](#)
 The Metropolitan Council’s regional forecast on which system statement forecasts will be based shows that the region will have 1,258,000 households in 2020 and 1,377,000 households in 2030—a net growth of 119,000 households.

- [Step 2: Determine the proportion of growth constituted by low-income households.](#)
Of the 119,000 additional households the region is expected to add between 2020 and 2030, 17.2% (20,400) will have incomes at or below 30% of AMI, 13.9% (16,550) will have incomes between 31% and 50% of AMI, and 16.3% (19,450) will have incomes between 51% and 80% of AMI. This is a total of 56,400 households. These projections come from historical income distribution patterns, applied to the 2020 and 2030 household forecasts.⁶
- [Step 3: Determine how many low-income households will need additional affordable housing units.](#)
Not all low-income households will need additional affordable housing units. Some will be low-income seniors who already own their home free and clear without experiencing housing cost burden. Filtering out those households, there will be a total of 37,400 low-income households needing additional affordable units—18,900 households with income at or below 30% of AMI, 9,450 households with income between 31% and 50% of AMI, and 9,050 households with income between 51% and 80% of AMI.⁷
- [Step 4: Calculate how many housing units will be needed to accommodate these low-income households.](#)
Housing units in the 51-80% band are likely to be supplied by the private market rather than governmental subsidies. If the region added only 9,050 housing units to accommodate the net growth in new low-income households needing additional units in that band, the market for affordable housing in that band would become increasingly tight. To ensure the 5% vacancy rate that fosters a healthy housing market, the region needs 9,550 total housing units to house the net growth in low-income households with income between 51% and 80% of AMI. We do not apply this vacancy rate adjustment to the 0-30% band or the 31-50% band because those units are likely to be publicly subsidized and less subject to the upward pressure on housing prices resulting from low vacancy rates. Adding those 9,550 units in the 51-80% band to the 18,900 units in the 0-30% band and the 9,450 units in the 31-50% band yields a total regional Need of 37,900 units.

[Part 2: Develop the Total Allocation for Each Community](#)

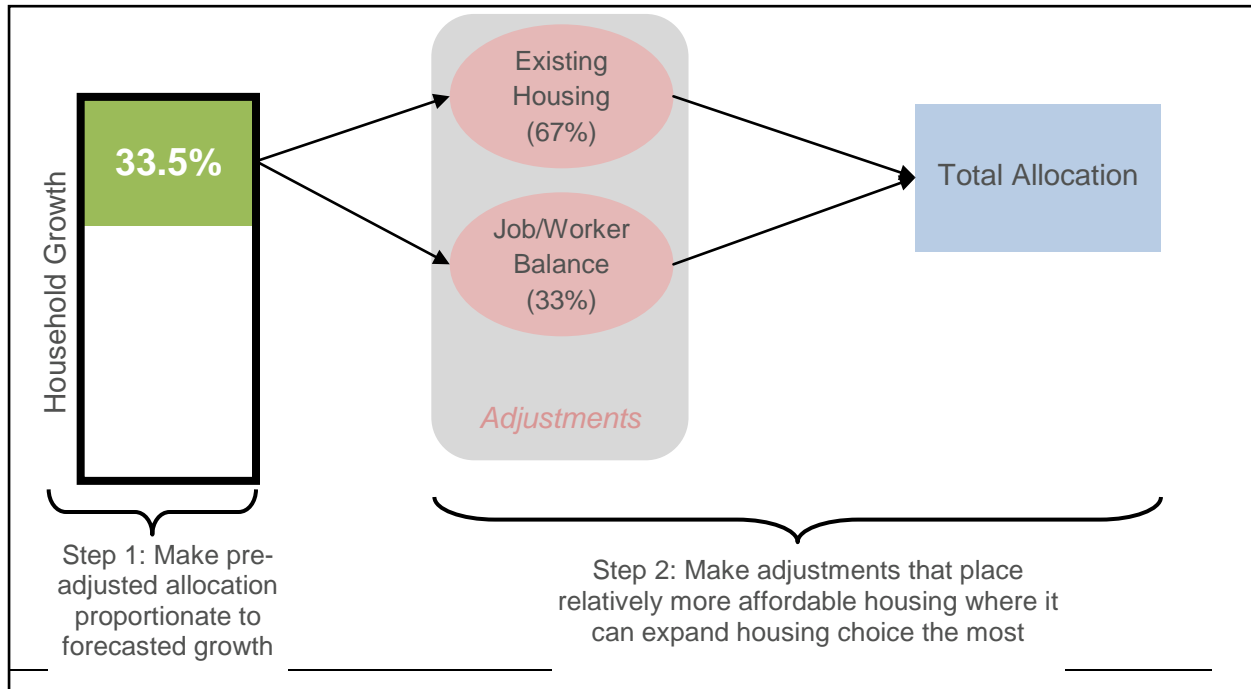
The 37,900 total affordable units should be allocated across the region’s communities in a way that places relatively more affordable housing units where they will expand housing choices the most. Recognizing that Council policies do not encourage development beyond sewer-serviced areas, we allocate Need only for the 124 communities with sewer service.

The following steps, visualized below in Figure B-3, provide more detail on the method for allocating Need across these 124 communities. Exhibits 5 and 6 following this report indicate the results of these calculations for each community’s share of the regional Need.

⁶ Source: U.S. Census Bureau, 2009-2013 American Community Survey Public Use Microdata Sample and Metropolitan Council’s March 2015 update to the regional forecast.

⁷ Source: Metropolitan Council staff estimates based on U.S. Census Bureau, 2009-2013 American Community Survey Public Use Microdata Sample.

Figure B-3. Overview of the Total Allocation



- [Step 1: Calculate pre-adjusted allocation proportionate to forecasted household net growth.](#) A community's initial, "pre-adjusted" allocation is proportionate to its forecasted household growth: the more households it is expected to add, the higher its allocation will be. Specifically, the pre-adjusted allocation is 33.5% of each community's forecasted household net growth.⁸ This percentage comes from dividing the regional Need (37,900) by the forecasted household growth across all sewer-served areas (113,300). For example, Golden Valley and West St. Paul both have forecasted net growth of 400 households and thus a preliminary allocation of 134 housing units (33.5% of 500), as Table B-1 shows.

⁸ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-served areas. In some communities where the sewer network expands to cover existing households, these numbers produce higher net household growth than the *Thrive MSP 2040* forecasts. In these cases, we used the *Thrive MSP 2040* forecasts to avoid conflating changes in household growth with changes in the sewer network. The regional forecast has been updated since these local forecasts were made, resulting in lower projections of household growth between 2020 and 2030. As a temporary measure, we adjusted communities' local forecasts downward to reconcile them with the March 2015 update to the regional forecast, so the forecasts that appear here may not match forecasts that appear in other Council publications. The final version of this amendment, to be adopted in summer 2015, will reflect final local forecasts for system statements.

Table B-1. Calculation of Pre-Adjusted Allocation

	(A) <u>Forecasted Sewer- Served Households, 2020</u>	(B) <u>Forecasted Sewer- Served Households, 2030</u>	(C) <u>Forecasted Net Growth in Sewer- Served Households (B – A)</u>	(D) <u>“Equal Share” Factor</u>	(E) <u>Pre- Adjusted Allocation (C x D)</u>
Golden Valley	<u>9,400</u>	<u>9,800</u>	<u>+400</u>	<u>33.5%</u>	<u>134</u>
West St. Paul	<u>9,600</u>	<u>10,000</u>	<u>+400</u>	<u>33.5%</u>	<u>134</u>

- Step 2: Adjust the pre-adjusted allocation upwards or downwards according to the balance of low-wage jobs and workers and the existing affordable housing stock.

The pre-adjusted allocation is adjusted as follows:

- Existing affordable housing stock: A community’s allocation is increased if its existing affordable housing share is less than that of the average community with sewer service. A community’s allocation is decreased if its existing affordable housing share is greater than that of the average community with sewer service. This is measured by the proportion of existing housing units that are affordable, as described above.
- Balance of low-wage jobs and workers: A community’s allocation is increased if it imports workers in low-wage jobs to a greater extent than the average community. A community’s allocation is decreased if it imports workers in low-wage jobs to a lesser extent than the average community. This is measured by the ratio of low-wage jobs to residents working in low-wage jobs, as described above.

Because the jobs/workers ratios (which range from 0.21 to 2.88) and the existing affordable housing shares (which range from 4% to 100%) have such different scales, any adjustments based on the raw measures could unintentionally let one adjustment have more influence over the final allocation than the others. We address this by standardizing these raw measures, also known as converting them into Z-scores, with the formula: $= (X - \bar{X}) \div SD$.

That is, we subtract the average for all sewerred communities from each community’s measure and divide by the standard deviation.⁹ The specific formulas for determining the Z-scores for each community are:

- $Z_{Housing} = (Community's\ Affordable\ Housing\ Share - 0.66) \div 0.25$
- $Z_{Job/Worker\ Balance} = (Community's\ Job/Worker\ Balance\ Ratio - 1.08) \div 0.52$

These Z-scores can be positive (if the community has a higher-than-average ratio or proportion) or negative (if the community has a lower-than-average ratio or proportion). Values of Z-scores represent how many standard deviations each community is from the average ratio or proportion, which is represented by a Z-score of 0. For example, a community with a Z-score of

⁹ Like the mean, the standard deviation is a statistic that summarizes a set (“distribution”) of numbers. Where the mean represents the *average score*, the standard deviation represents the *average distance of communities from the mean*. Higher standard deviations indicate that a distribution has more “spread,” rather than being tightly clustered around the average score.

+2.0 has a substantially higher ratio or proportion than average, and a community with a Z-score of -2.0 has a substantially lower ratio or proportion than average.

Next, we rescaled both sets of Z-scores to percentages so that the pre-adjusted allocation would not be increased by more than 100% or decreased by more than 100%.¹⁰ This simply changes the scale of the standardized scores; it does not change their distributions.

The result is a set of adjustment factors that can be weighted as desired to achieve the intent of the policy. For example, weighting each adjustment factor at 50% would allow existing affordable housing and job/worker balance to affect the adjustment step equally.

We weight the affordable housing adjustment at 67% and the job/worker balance adjustment at 33%, allowing affordable housing to have twice as much influence on the allocation as job/worker balance. We do this because the existing housing stock is a more stable and place-based indicator; workers are more likely to move than housing units are.

Table B-2 shows these calculations for Golden Valley and West St. Paul. For example, 58% of Golden Valley's existing housing units are affordable to low-income households—lower than 66%, the average share for all sewered communities. This is reflected in the Z-score of +0.34 for Golden Valley's housing measure. (The actual Z-score is -0.34, but we reverse the sign because the original measure does not go in the desired direction: communities with *lower-than-average* existing affordable housing shares have their allocations adjusted *upwards*.) West St. Paul's affordable housing share of 92%, though, is considerably higher than the average of 66%; it receives a Z-score of -1.03.

If we multiplied the pre-adjusted allocation by the standardized scores in Column C to calculate the adjustments, some communities' allocations could be negative or more than their forecasted growth. The rescaled standardized scores described above avoid this problem: Golden Valley's rescaled housing score is +0.10, while West St. Paul's is -0.30.

Applying weights (Column E) to the rescaled Z-scores (Column D) yields the final adjustment factors (Column F): +7% for Golden Valley and -20% for West St. Paul.

The jobs adjustment factors work identically, although the sign of the Z-score is not flipped because the original measures goes in the desired direction (communities with *higher-than-average* job/worker balance ratios have their allocations adjusted *upwards*).

Note that both communities are farther from the average community with respect to job/worker balance than existing affordable housing (the Z-scores are farther from 0). Because of the weighting, however, the adjustment factors are equal in Golden Valley and larger for housing in West St. Paul.

¹⁰ To do this, we divide the Z-scores for affordable housing and job/worker balance by 3.44, the standardized score with the highest absolute value.

Table B-2. Calculation of Adjustment Factors

		(A) Original Measure	(B) Average Community	(C) Measure Converted to Z-score	(D) Z-score rescaled (C ÷ 3.44)	(E) Weight	(F) Adjustment Factor (D × E converted to %)
Housing	Golden Valley	58%	66%	+0.34	+0.10	67%	+7%
	West St. Paul	92%	66%	-1.03	-0.30	67%	-20%
Jobs	Golden Valley	1.46	1.08	+0.73	+0.21	33%	+7%
	West St. Paul	1.76	1.08	+1.30	+0.38	33%	+12%

While this method of creating adjustment factors is more complicated than simply relying on the raw measures, it produces adjustment factors that more accurately reflect the policy intent of the *2040 Housing Policy Plan*.

Finally, we multiply the pre-adjusted allocation by the adjustment factors to calculate the numerical adjustments for job/worker balance and existing housing stock. Summing the pre-adjusted allocation and the numerical adjustments yields the adjusted allocation.¹¹ Table B-3 carries out this math for Golden Valley and West St. Paul.

Table B-3. Implementing Adjustments for Overall Allocation

	(A) Pre- Adjusted Allocation	(B) Adjustment Factor for Housing	(C) Adjustment Factor for Jobs	(D) Change in Allocation for Housing (A × B)	(E) Change in Allocation for Jobs (A × C)	(F) Adjusted Allocation (A + D + E)	(G) Final Allocation ¹¹ (F × 99%)
Golden Valley	134	+7%	+7%	+9	+9	152	150
West St. Paul	134	-20%	+12%	-27	+17	124	123

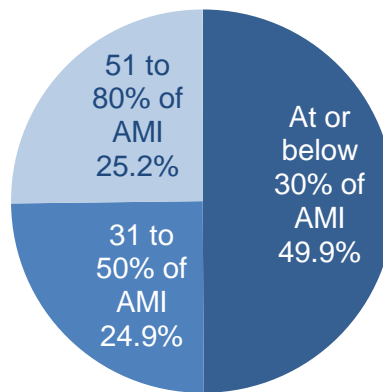
Part 3: Break Down Communities’ Total Allocations into “Bands of Affordability”

Low-income households have a wide variety of needs and preferences for the types and locations of their housing. To provide nuance and flexibility for local planning for homeownership and rental housing across a range of incomes and housing types, the Council is allocating Need within three bands of affordability:

- Need for housing units affordable to households with incomes at or below 30% of AMI (49.9% of the regional Need);
- Need for housing units affordable to households with incomes between 31% and 50% of AMI (24.9% of the regional Need); and
- Need for housing units affordable to households with incomes between 51% and 80% of AMI (25.2% of the regional Need).

¹¹ Under our methodology, the adjusted allocations for all communities add up to 38,281. This is higher than the regional Need of 37,900, so we adjust all allocations proportionately downward to achieve the regional Need.

Figure B-4. Share of Regional Need in Each Band

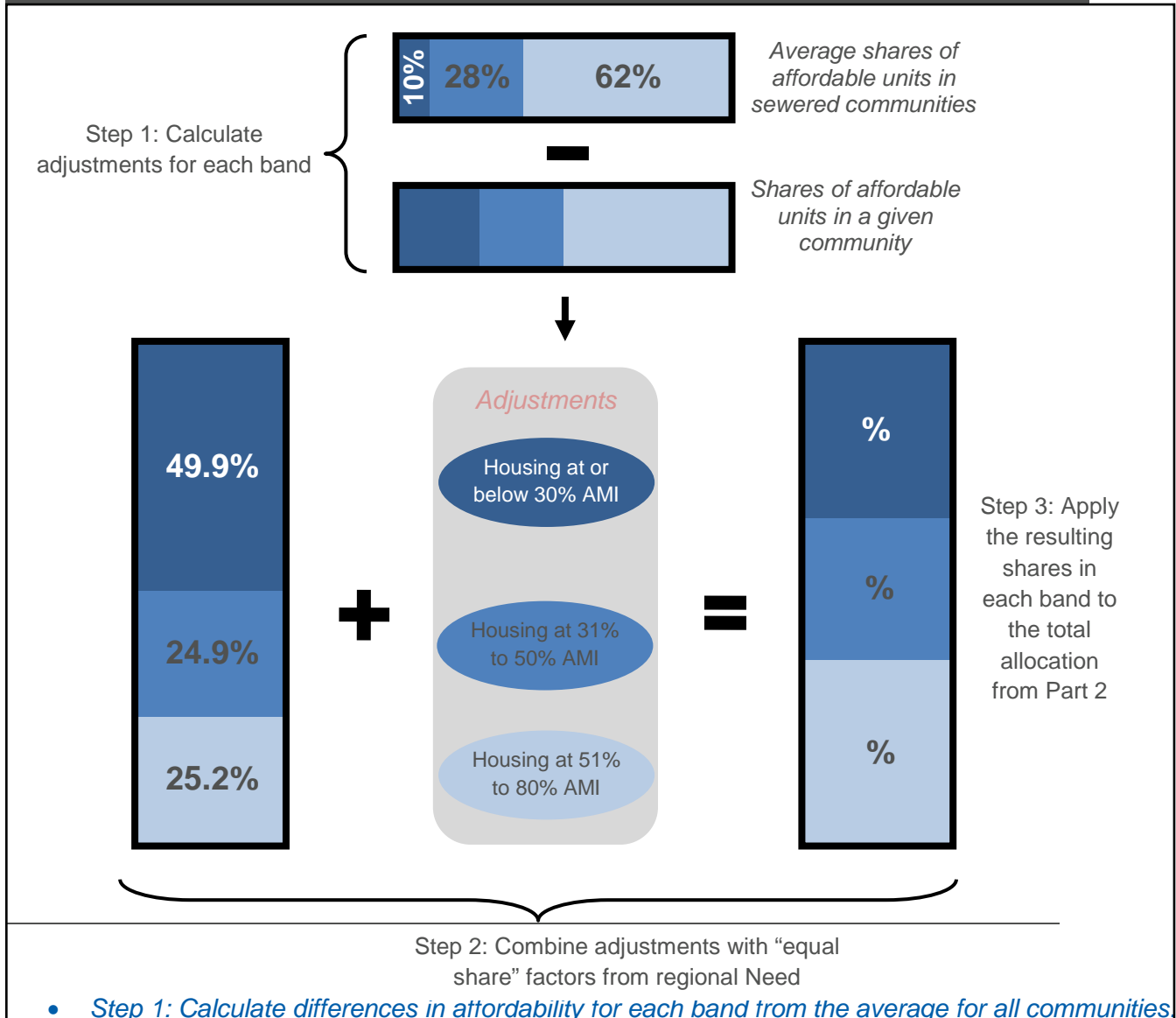


Applying these regional shares to each community's adjusted allocation does not reflect the diversity within communities' existing housing stock. For example, one community might have a higher-than-average share of housing in the 51-80% band and lower-than-average shares of housing in the other two bands. To expand housing options and choice, we reduce this community's allocation in the 51-80% band and increase its allocation in the other two bands.

The method for Part 3 is diagrammed below in Figure B-5. We start with the regional shares of the Need, adjusting them as outlined in the previous paragraph. Those adjustments are developed in Step 1, where we compare each community's shares of affordable units in each band to the average shares for all sewerred communities. In Step 2, we combine those adjustments with the "equal share" factors, resulting in each community's share of its allocation that goes to each band. Finally, in Step 3, we apply those shares to the total allocation to calculate the number of units in each band.

Note that Part 3 does not change the overall allocation for communities developed in Part 2. Rather, we are simply assigning different shares of each community's allocation to different bands. Accordingly, we are no longer examining differences across communities in the overall level of affordable housing, but differences in affordability within each community's set of affordable units.

Figure B-5. Overview of the Breakdown of the Total Allocation into Bands of Affordability



- Step 1: Calculate differences in affordability for each band from the average for all communities

In this step, we examine the shares of each community's affordable housing in each band and compare them to the average for all sewered communities. The difference between them provides an adjustment that will help determine the share of each community's total allocation to place in each band.

Table B-4 provides examples. In Golden Valley, the share of existing affordable units in the 31-50% band is lower than average (so the adjustment factor for that band is positive), while the shares in the 0-30% and 51-80% bands are higher than average (so those adjustment factors are negative). West St. Paul displays the reverse dynamic: a relatively higher share in the 31-50% band and relatively lower shares in the 0-30% and 51-80% bands.

Note that the shares of existing affordable housing within each band sum to 100%, as do the shares for the average community.

Table B-4. Calculation of Adjustments to Band Shares

<u>Band</u>	<u>(A)</u> <u>Share of</u> <u>existing</u> <u>affordable</u> <u>housing in band</u>	<u>(B)</u> <u>Share of</u> <u>existing</u> <u>affordable</u> <u>housing in band</u> <u>for average</u> <u>community</u>	<u>(C)</u> <u>Difference of</u> <u>community from</u> <u>average</u> <u>(B – A)¹²</u>
Golden Valley	At or below 30% AMI	12.4%	-2.1%
	31% to 50% of AMI	21.9%	+6.2%
	51% to 80% of AMI	65.7%	-4.1%
West St. Paul	At or below 30% AMI	8.5%	+1.8%
	31% to 50% of AMI	34.4%	-6.3%
	51% to 80% of AMI	57.1%	+4.4%

- Step 2: Calculate the share of the total allocation going to each band, adjusting for the differences calculated in Step 1.

To determine the share of each community’s allocation that should go to each band, we start with the “equal share” factor from the regional Need (Column A in Table B-5), then add the adjustment developed in Step 1. For example, 49.9% of the region’s total Need lies in the 0-30% band; this is the starting point for all communities. In Golden Valley, where the share of existing affordable units in this band is higher than average, the adjustment is -2.1%, which yields an adjusted share of 47.8%. In West St. Paul, where the share of existing affordable units in this band is higher than average, the adjustment is +1.8%, which yields an adjusted share of 51.7%. The final shares, in Column D, reflect benchmarking to attain the regional Need in each band.

¹² Entries may not equal the difference between Columns A and B due to rounding.

Table B-5. Calculation of Shares for Band Breakdown

<u>Band</u>	<u>(A) “Equal share” for each band</u>	<u>(B) Adjustment from Step 1</u>	<u>(C) Adjusted share of allocation to place in band (A + B)</u>	<u>(D) Share of allocation to place in band (benchmarked)¹³</u>
Golden Valley	<u>At or below 30% AMI</u>	<u>49.9%</u>	<u>-2.1%</u>	<u>47.8%</u>
	<u>31% to 50% of AMI</u>	<u>24.9%</u>	<u>+6.2%</u>	<u>31.2%</u>
	<u>51% to 80% of AMI</u>	<u>25.2%</u>	<u>-4.1%</u>	<u>21.0%</u>
West St. Paul	<u>At or below 30% AMI</u>	<u>49.9%</u>	<u>+1.8%</u>	<u>51.7%</u>
	<u>31% to 50% of AMI</u>	<u>24.9%</u>	<u>-6.3%</u>	<u>18.7%</u>
	<u>51% to 80% of AMI</u>	<u>25.2%</u>	<u>+4.4%</u>	<u>29.6%</u>

- Step 3: Apply the shares from Step 2 to the total allocation from Part 2.
In this step, we use these shares (Column D of Table B-5) to break the total allocation developed in Step 2 of Part 2 into the bands of affordability.

The resulting allocations in each band, shown below in Table B-6, address the differences in affordability *within* the set of affordable units in each community while maintaining the total allocation that address the differences in affordability (as well as job/worker balance) *across* communities.

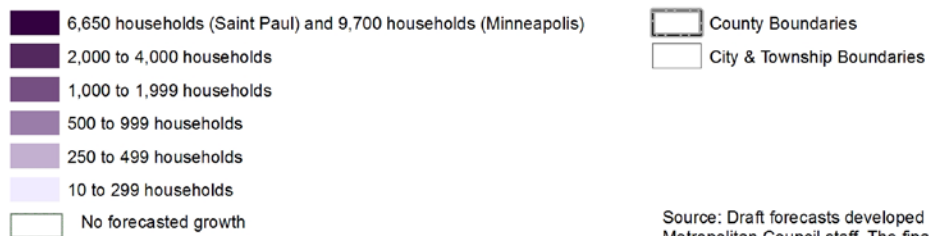
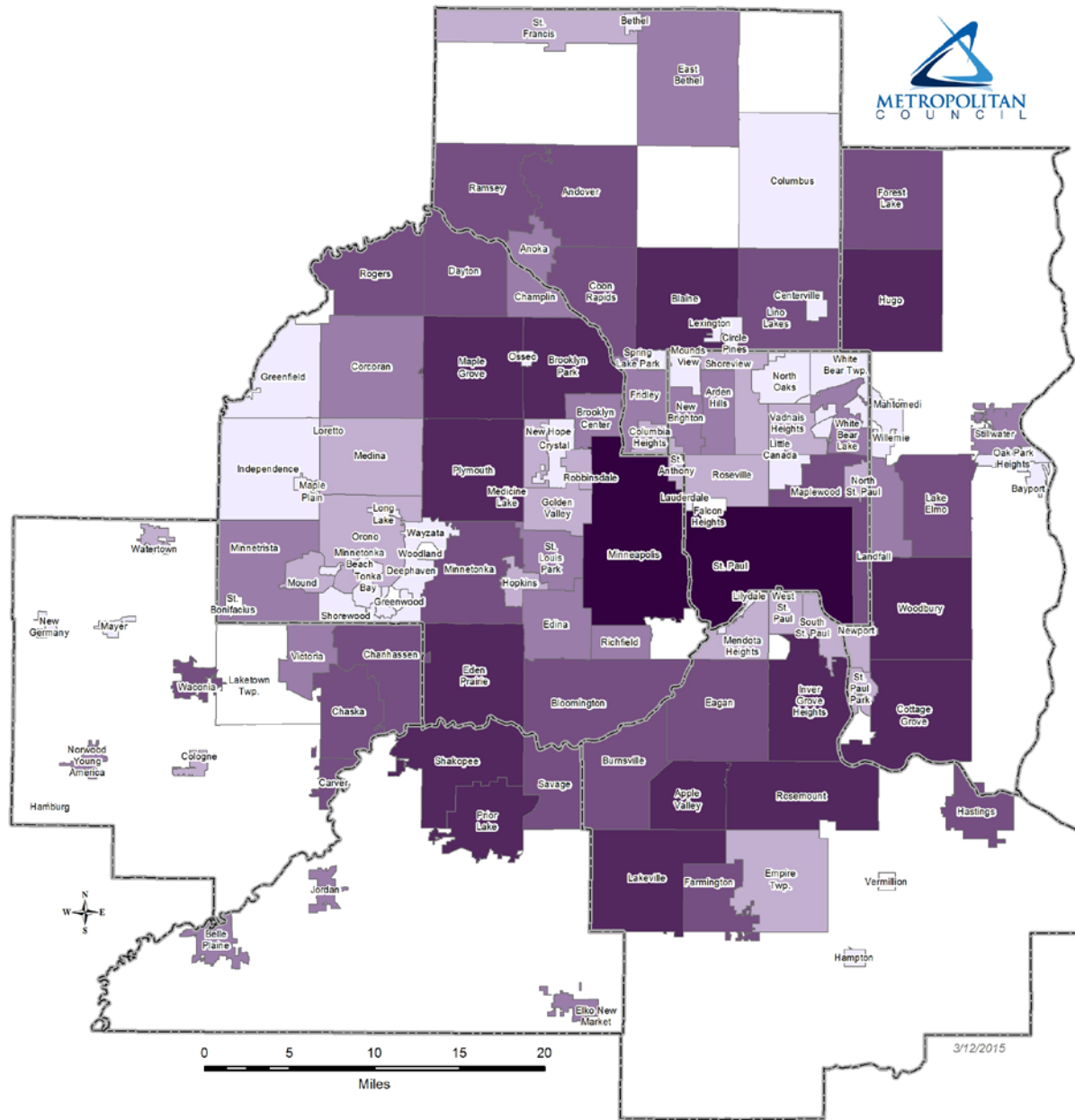
For example, Golden Valley’s total allocation is higher than West St. Paul, largely because Golden Valley has a lower share of existing affordable housing than West St. Paul does. But because a higher share of Golden Valley’s existing *affordable* units lie in the 51-80% band than in West St. Paul, Golden Valley’s allocation in the 51-80% band is reduced, and West St. Paul’s allocation in the 51-80% band is increased, such that Golden Valley’s allocation in this band is actually lower than West St. Paul’s.

¹³ Entries are calculated by using the shares in Column C to calculate the number of units in each band in each community, then adjusting those numbers so that they add up to the regional Need in each band. We omitted those intermediate calculations from Table B-6 for brevity; the point is that the resulting shares, shown in Column D, are those needed to attain the regional Need in each band.

Table B-6. Calculation of Allocation for Each Band

<u>Band</u>	<u>(A) Total allocation from Part 2</u>	<u>(B) Share of regional Need in each band</u>	<u>(C) Band breakdown shares from Step 2</u>	<u>(D) Allocation in each band (A x C)</u>
Golden Valley	<u>At or below 30% AMI</u>	<u>150</u>	<u>49.9%</u>	<u>47.7%</u>
	<u>31% to 50% of AMI</u>	<u>150</u>	<u>24.9%</u>	<u>29.8%</u>
	<u>51% to 80% of AMI</u>	<u>150</u>	<u>25.2%</u>	<u>22.5%</u>
West St. Paul	<u>At or below 30% AMI</u>	<u>123</u>	<u>49.9%</u>	<u>51.6%</u>
	<u>31% to 50% of AMI</u>	<u>123</u>	<u>24.9%</u>	<u>17.7%</u>
	<u>51% to 80% of AMI</u>	<u>123</u>	<u>25.2%</u>	<u>30.6%</u>

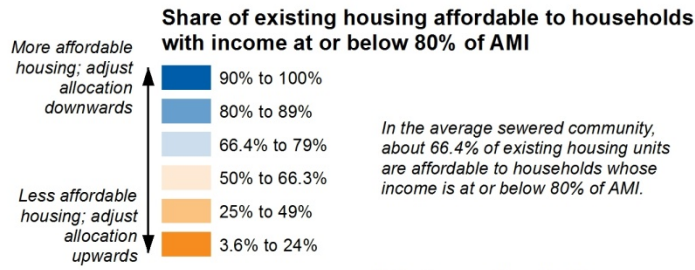
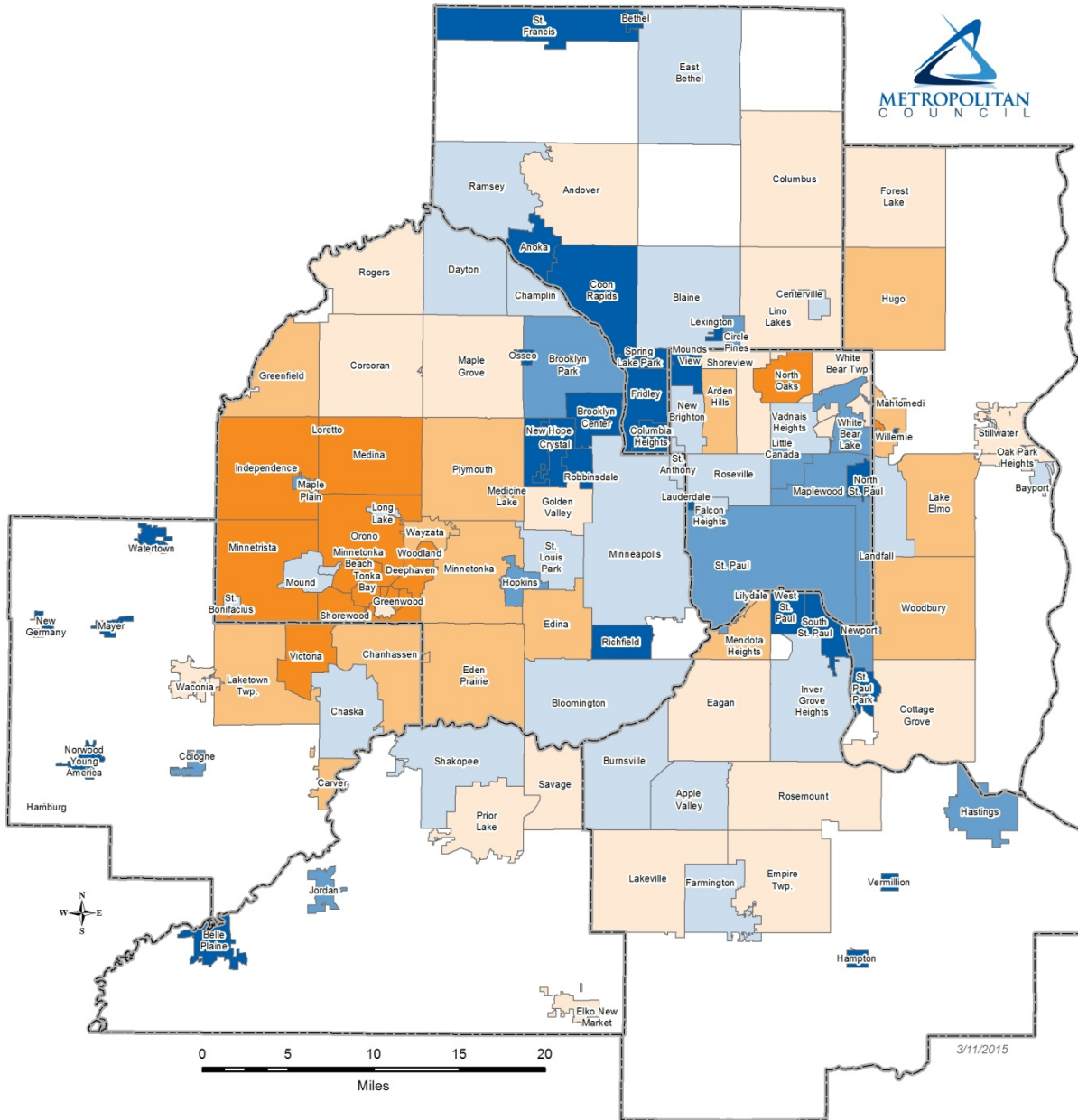
Exhibit 1: Forecasted net household growth



Note: Communities without sewer service are not shown.

Source: Draft forecasts developed by Metropolitan Council staff. The final version of this amendment, to be adopted in the summer of 2015, will reflect final local forecasts for system statements.

Exhibit 2: Existing Affordable Housing Shares



In the average sewerred community, about 66.4% of existing housing units are affordable to households whose income is at or below 80% of AMI.

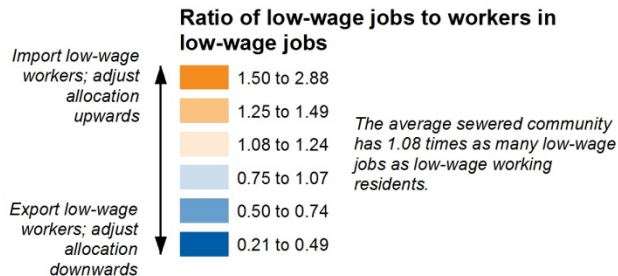
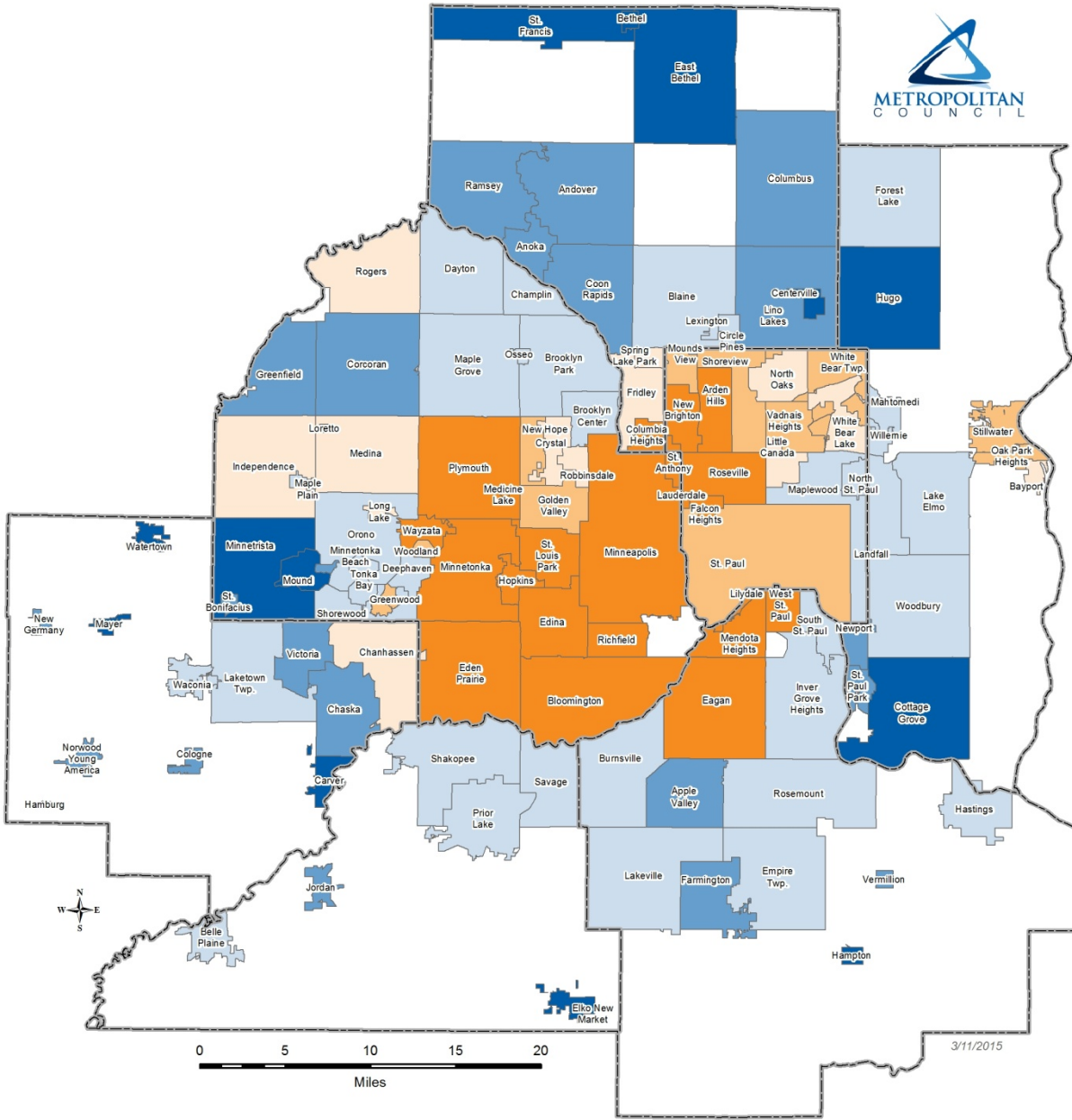
Note: Communities without sewer service are not shown.

County Boundaries
City & Township Boundaries

Source: Metropolitan Council estimates based on 2013 and 2014 MetroGIS Regional Parcel Datasets; 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) data; and the Metropolitan Council's annual survey of manufactured housing parks.

Estimates include all housing units affordable to households at 80% of Area Median Income, whether units are publicly subsidized or unsubsidized.

Exhibit 3: Balance of Low-Wage Jobs and Workers



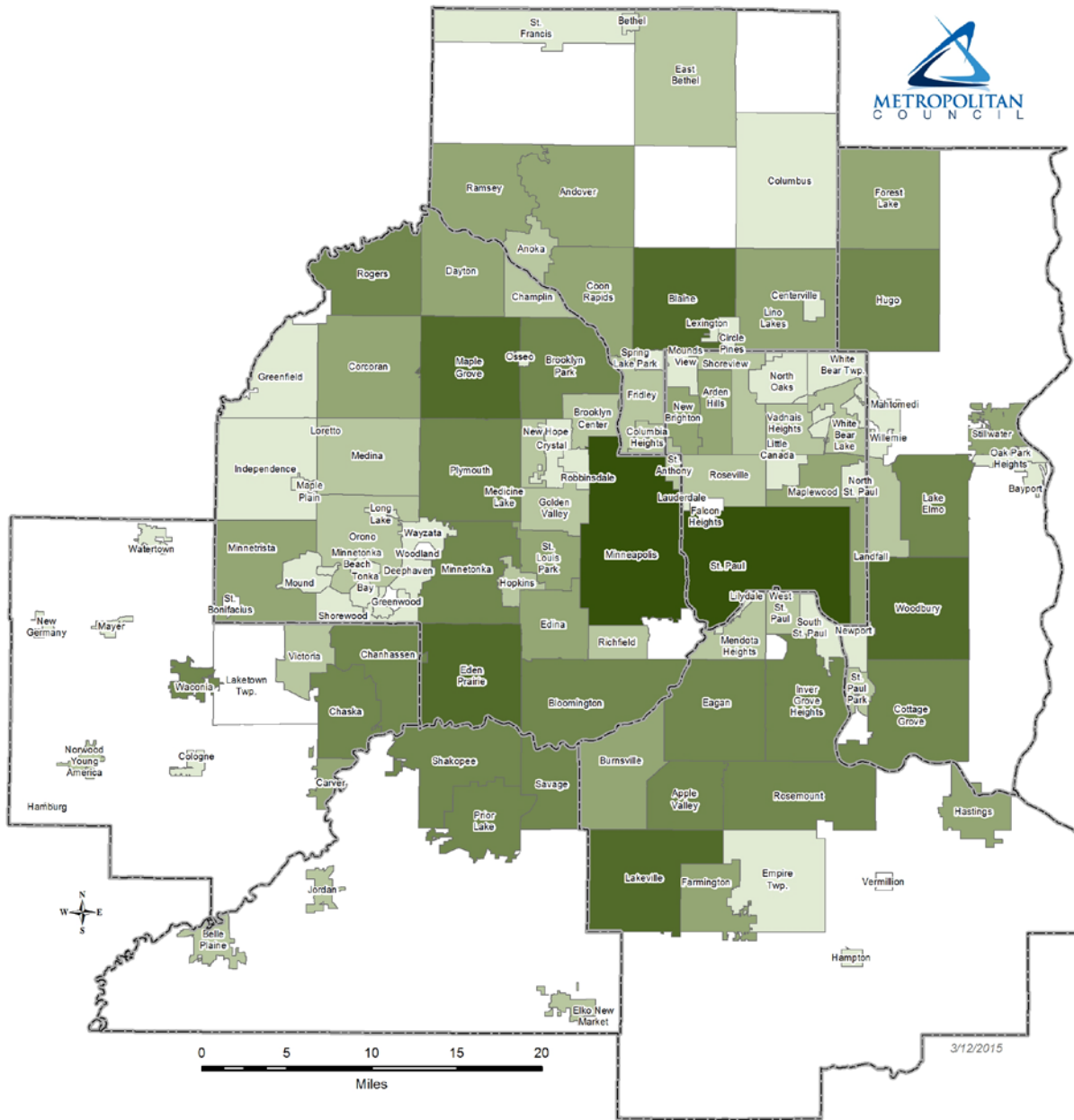
Note: Communities without sewer service are not shown.

[Grey Line] County Boundaries
 [Black Line] City & Township Boundaries

Source: Metropolitan Council staff calculations from U.S. Census Bureau, 2011 Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics.

Each community's ratio reflects jobs and working residents located within five miles of the community's geographic center. "Low-wage jobs" are those paying a monthly wage of \$3,333 or less; "workers in low-wage jobs" are those whose primary job is low-wage.

Exhibit 4: Total Allocation (Number of Units Affordable At or Below 80% of Area Median Income)



- 6,650 households (Saint Paul) and 9,700 households (Minneapolis)
- 1,000 to 4,000 households
- 500 to 999 households
- 250 to 499 households
- 100 to 249 households
- 2 to 99 households
- No forecasted growth
- County Boundaries
- City & Township Boundaries

Note: Communities without sewer service are not shown.

Source: Draft forecasts developed by Metropolitan Council staff. During spring and summer 2015, Council staff will work with communities to develop the local forecasts to be used in system statements.

Exhibit 5: Calculations of Total Allocations for 2021–2030 for All Communities

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Anoka County											
Andover	7,650	9,000	1,350	452	61.9%	0.50	+4%	-11%	+16	-48	416
Anoka	7,900	8,550	650	217	95.0%	0.72	-22%	-7%	-48	-14	153
Bethel	190	210	20	7	99.0%	0.21	-25%	-16%	-2	-1	4
Blaine**	24,000	27,900	3,900	1,305	79.4%	0.90	-10%	-3%	-132	-43	1,119
Centerville	1,400	1,510	110	37	72.6%	0.49	-5%	-11%	-2	-4	31
Circle Pines	2,150	2,230	80	27	88.3%	0.86	-17%	-4%	-5	-1	21
Columbia Heights	8,400	8,750	350	117	97.9%	1.53	-24%	+8%	-28	+10	98
Columbus	240	360	120	40	54.4%	0.70	+9%	-7%	+4	-3	41
Coon Rapids	26,300	28,100	1,800	602	93.2%	0.65	-21%	-8%	-125	-47	426
East Bethel	4,730	5,650	920	308	78.7%	0.24	-9%	-15%	-29	-47	230
Fridley	11,700	12,300	600	201	95.3%	1.10	-22%	+0%	-45	+1	155
Hilltop	480	520	40	13	98.3%	1.31	-25%	+4%	-3	+1	11
Lexington	890	960	70	23	98.3%	0.98	-25%	-2%	-6	+0	17
Lino Lakes	4,670	6,200	1,530	512	56.5%	0.54	+8%	-10%	+40	-51	496
Ramsey	9,100	10,700	1,600	535	78.6%	0.65	-9%	-8%	-51	-42	438
St. Francis	1,410	1,820	410	137	93.3%	0.41	-21%	-12%	-29	-17	90
Spring Lake Park**	2,930	3,090	160	54	95.9%	1.21	-23%	+2%	-12	+1	43

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)**
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Carver County											
Carver	1,890	3,200	1,310	438	48.5%	0.41	+14%	-12%	+61	-54	441
Chanhassen**	9,550	11,400	1,850	619	32.8%	1.22	+26%	+3%	+161	+16	788
Chaska	10,050	11,850	1,800	602	70.1%	0.70	-3%	-7%	-17	-42	538
Cologne	820	1,180	360	120	84.5%	0.74	-14%	-6%	-17	-7	95
Hamburg	210	230	20	7	99.5%	0.55	-26%	-10%	-2	-1	4
Laketown Township	140	70	0	0	33.4%	0.82	+26%	-5%	+0	+0	0
Mayer	710	870	160	54	91.5%	0.21	-19%	-16%	-10	-9	35
New Germany	200	250	50	17	97.1%	0.50	-24%	-11%	-4	-2	11
Norwood Young America	1,900	2,580	680	227	93.8%	0.65	-21%	-8%	-48	-18	159
Victoria	3,240	3,970	730	244	24.4%	0.58	+33%	-9%	+79	-22	298
Waconia	4,970	6,650	1,680	562	63.9%	1.04	+2%	-1%	+11	-4	563
Watertown	1,840	2,180	340	114	93.1%	0.45	-21%	-12%	-24	-13	76

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Dakota County											
Apple Valley	22,500	25,300	2,800	937	68.4%	0.61	-2%	-9%	-15	-81	833
Burnsville	25,900	26,900	1,000	335	77.3%	1.05	-8%	-1%	-28	-2	302
Eagan	28,200	30,150	1,950	652	62.8%	1.53	+3%	+8%	+18	+54	717
Empire Township	240	520	280	94	53.5%	0.99	+10%	-2%	+9	-2	100
Farmington	7,350	8,700	1,350	452	74.3%	0.53	-6%	-10%	-28	-46	374
Hampton	260	270	10	3	95.5%	0.35	-23%	-13%	-1	+0	2
Hastings**	9,600	10,900	1,300	435	85.5%	1.03	-15%	-1%	-64	-4	363
Inver Grove Heights	14,150	16,250	2,100	702	71.8%	0.80	-4%	-5%	-29	-36	631
Lakeville	22,100	26,100	4,000	1,338	51.4%	0.80	+12%	-5%	+155	-69	1,410
Lilydale	530	570	40	13	47.7%	1.98	+15%	+17%	+2	+2	17
Mendota	110	120	10	3	81.0%	1.71	-11%	+12%	+0	+0	3
Mendota Heights	4,820	5,150	330	110	29.2%	1.60	+29%	+10%	+32	+10	150
Rosemount	9,000	11,400	2,400	803	59.8%	1.05	+5%	-1%	+41	-4	832
South St. Paul	9,000	9,350	350	117	95.7%	0.81	-23%	-5%	-27	-6	83
Vermillion	160	160	0	0	90.1%	0.57	-18%	-9%	+0	+0	0
West St. Paul	9,600	10,000	400	134	92.4%	1.76	-20%	+12%	-27	+17	123

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Hennepin County											
Bloomington	38,450	39,800	1,350	452	75.6%	2.12	-7%	+19%	-32	+86	501
Brooklyn Center	11,800	12,700	900	301	94.3%	0.80	-22%	-5%	-65	-15	219
Brooklyn Park	30,700	33,650	2,950	987	84.5%	0.87	-14%	-4%	-138	-38	803
Champlin	8,800	9,350	550	184	77.5%	0.86	-9%	-4%	-16	-7	159
Corcoran	2,700	3,670	970	324	52.7%	0.63	+11%	-8%	+35	-27	329
Crystal	9,500	9,700	200	67	96.0%	1.13	-23%	+1%	-15	+1	52
Dayton	2,500	3,670	1,170	391	66.5%	1.04	-0%	-1%	+0	-3	384
Deephaven	1,370	1,380	10	3	10.9%	0.98	+43%	-2%	+1	+0	4
Eden Prairie	28,800	32,050	3,250	1,087	42.8%	2.32	+18%	+23%	+199	+247	1,518
Edina	21,500	22,200	700	234	34.6%	2.49	+25%	+26%	+58	+60	348
Excelsior	1,170	1,180	10	3	60.9%	1.49	+4%	+8%	+0	+0	3
Golden Valley	9,400	9,800	400	134	57.9%	1.46	+7%	+7%	+9	+9	150
Greenfield	220	280	60	20	42.9%	0.71	+18%	-7%	+4	-1	23
Greenwood	300	300	0	0	13.7%	1.41	+41%	+6%	+0	+0	0
Hopkins	9,250	9,550	300	100	80.9%	2.88	-11%	+33%	-11	+33	121
Independence	340	440	100	33	24.5%	1.21	+33%	+2%	+11	+1	45
Long Lake	810	900	90	30	69.3%	1.23	-2%	+3%	-1	+1	30
Loretto	290	300	10	3	73.7%	1.22	-6%	+3%	+0	+0	3
Maple Grove	26,100	29,150	3,050	1,020	56.6%	1.06	+8%	-0%	+78	-4	1,083

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-allocated allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Maple Plain	850	940	90	30	82.6%	0.87	-13%	-4%	-4	-1	25
Medicine Lake	170	170	0	0	35.6%	1.91	+24%	+15%	+0	+0	0
Medina	2,200	2,680	480	161	23.7%	1.23	+33%	+3%	+53	+4	216
Minneapolis	184,350	194,050	9,700	3,245	77.2%	1.80	-8%	+13%	-272	+429	3,368
Minnetonka	24,600	26,400	1,800	602	46.4%	2.12	+15%	+19%	+93	+115	802
Minnetonka Beach	210	220	10	3	9.8%	0.77	+44%	-6%	+1	+0	4
Minnetrista	1,180	2,000	820	274	19.5%	0.44	+36%	-12%	+100	-32	339
Mound	4,220	4,470	250	84	75.4%	0.41	-7%	-12%	-6	-10	67
New Hope	9,000	9,400	400	134	92.0%	1.30	-20%	+4%	-27	+5	111
Orono	3,050	3,400	350	117	22.9%	1.05	+34%	-1%	+39	-1	153
Osseo	1,270	1,390	120	40	95.7%	1.02	-23%	-1%	-9	+0	31
Plymouth	30,600	32,850	2,250	753	47.2%	1.70	+15%	+11%	+112	+86	942
Richfield	16,200	16,850	650	217	92.5%	1.68	-20%	+11%	-44	+24	195
Robbinsdale	6,300	6,550	250	84	95.4%	1.12	-22%	+1%	-19	+1	65
Rogers	4,690	6,150	1,460	488	53.5%	1.21	+10%	+2%	+49	+12	544
St. Anthony**	4,280	4,530	250	84	71.1%	2.50	-4%	+26%	-3	+22	102
St. Bonifacius	880	880	0	0	78.8%	0.64	-10%	-8%	+0	+0	0
St. Louis Park	23,700	24,600	900	301	71.4%	1.91	-4%	+15%	-12	+46	332
Shorewood	2,820	2,920	100	33	21.2%	0.94	+35%	-3%	+12	-1	44
Spring Park	1,000	1,060	60	20	66.9%	0.55	-0%	-10%	+0	-2	18
Tonka Bay	630	660	30	10	22.1%	0.86	+34%	-4%	+3	+0	13
Wayzata	2,070	2,190	120	40	46.1%	1.72	+16%	+12%	+6	+5	50
Woodland	180	180	0	0	4.7%	1.36	+48%	+5%	+0	+0	0

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

** Cities that are split between two counties are shown in the county with the largest share of households.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Ramsey County											
Arden Hills	3,530	4,340	810	271	46.1%	1.52	+16%	+8%	+43	+22	333
Falcon Heights	2,170	2,160	0	0	67.7%	1.83	-1%	+14%	+0	+0	0
Gem Lake	210	240	30	10	54.9%	1.26	+9%	+3%	+1	+0	11
Lauderdale	1,160	1,170	10	3	92.6%	2.44	-20%	+25%	-1	+1	3
Little Canada	4,640	4,770	130	43	81.7%	1.19	-12%	+2%	-5	+1	39
Maplewood	16,700	18,250	1,550	518	85.2%	0.87	-15%	-4%	-75	-20	419
Mounds View	5,100	5,150	50	17	94.0%	1.42	-21%	+6%	-4	+1	14
New Brighton	9,800	10,500	700	234	78.4%	1.59	-9%	+9%	-22	+22	232
North Oaks	720	800	80	27	3.6%	1.19	+49%	+2%	+13	+1	41
North St. Paul	5,100	5,350	250	84	95.2%	0.82	-22%	-5%	-19	-4	60
Roseville	15,100	15,500	400	134	74.6%	1.88	-6%	+15%	-8	+20	145
Saint Paul	125,100	131,750	6,650	2,224	84.2%	1.38	-14%	+6%	-306	+123	2,021
Shoreview	10,800	11,100	300	100	63.0%	1.29	+3%	+4%	+3	+4	106
Vadnais Heights	5,700	6,050	350	117	70.8%	1.40	-3%	+6%	-4	+7	119
White Bear Township	4,570	4,750	180	60	58.7%	1.31	+6%	+4%	+4	+3	66
White Bear Lake**	10,550	11,250	700	234	84.0%	1.23	-14%	+3%	-32	+6	206

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Scott County											
Belle Plaine	2,950	3,750	800	268	94.9%	1.05	-22%	-1%	-59	-1	206
Elko New Market	1,910	2,800	890	298	54.7%	0.43	+9%	-12%	+27	-35	287
Jordan	2,360	3,020	660	221	81.3%	0.58	-12%	-9%	-25	-20	174
Prior Lake	10,000	12,400	2,400	803	52.4%	1.01	+11%	-1%	+87	-10	871
Savage	11,600	13,300	1,700	569	54.8%	0.75	+9%	-6%	+51	-34	580
Shakopee	15,300	18,250	2,950	987	70.7%	1.04	-3%	-1%	-33	-7	938
Belle Plaine	2,950	3,750	800	268	94.9%	1.05	-22%	-1%	-59	-1	206

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 5: Calculations of Total Allocations for 2021-2030 for All Communities (continued)

Sewered Communities	Growth Summary: Sewered Households ¹			(D) Pre-adjusted allocation (C×33.5%)	Measures for Adjustments		Adjustment Factors ²		Numerical Adjustments		(K) Final Allocation (D + I + J)*
	(A) 2020	(B) 2030	(C) Net growth (B – A)		(E) Housing stock ³ (Avg = 66.4%)	(F) Job/worker balance ⁴ (Avg = 1.08)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Washington County											
Bayport	1,070	1,190	120	40	66.6%	1.22	-0%	+3%	+0	+1	41
Birchwood Village	360	360	0	0	19.9%	1.07	+36%	-0%	+0	+0	0
Cottage Grove	13,700	16,050	2,350	786	63.6%	0.40	+2%	-12%	+17	-98	698
Forest Lake	6,550	7,800	1,250	418	61.0%	1.06	+4%	-0%	+18	-1	431
Hugo	6,800	9,700	2,900	970	48.1%	0.39	+14%	-13%	+138	-123	975
Lake Elmo	3,880	5,650	1,770	592	28.7%	0.85	+29%	-4%	+173	-25	733
Landfall	300	300	0	0	100.0%	0.65	-26%	-8%	+0	+0	0
Mahtomedi	2,950	3,030	80	27	33.1%	0.98	+26%	-2%	+7	+0	34
Newport	1,630	1,890	260	87	87.5%	0.68	-16%	-7%	-14	-6	66
Oakdale	11,900	12,600	700	234	71.9%	0.89	-4%	-3%	-10	-8	214
Oak Park Heights	2,240	2,470	230	77	61.1%	1.27	+4%	+3%	+3	+3	82
St. Paul Park	2,250	2,680	430	144	95.2%	0.72	-22%	-7%	-32	-9	102
Stillwater	8,300	9,050	750	251	56.0%	1.43	+8%	+6%	+20	+16	284
Willernie	230	230	0	0	90.4%	0.89	-19%	-3%	+0	+0	0
Woodbury	25,150	28,850	3,700	1,238	37.2%	0.81	+23%	-5%	+281	-61	1,443

* Column K includes an adjustment to make all communities' allocations sum to 37,900 units (the regional Need), so it is not the exact sum of Columns D, I, and J.

¹ Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Council Research staff, and supplemented by Council Research estimates of growth in municipal-serviced areas. For more information, see footnote 8 of Appendix B.

² These numbers are rescaled Z-scores based on the measures in Column E and Column F. Communities will have their allocations adjusted upward (positive values in Columns G or H) if they have lower-than-average values in Column E (indicating less affordable housing) or higher-than-average values in Column F (indicating that they import workers in low-wage jobs). Communities will have their allocations adjusted downward (negative values in Columns G or H) if they have higher-than-average values in Column E (indicating more affordable housing) or lower-than-average values in Column F (indicating that they export workers in low-wage jobs).

³ Housing stock affordability: The percentage of a community's total housing units that is affordable to low-income households (those with income at or below 80% of Area Median Income), including unsubsidized and publicly subsidized units. In the average sewered community, 66.4% of housing units are affordable to low-income households.

⁴ Job/Worker Balance: The ratio of low-wage jobs located within five miles of the community's geographic center divided by the number of residents within this distance whose primary job is a low-wage job. In the average sewered community, the ratio is 1.08.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Anoka County										
Andover	416	2.6%	11.6%	85.8%	58.5%	40.5%	1.0%	243	169	4
Anoka	153	6.3%	56.1%	37.7%	50.9%	0.0%	49.1%	78	0	75
Bethel	4	10.0%	63.2%	26.8%	50.0%	0.0%	50.0%	2	0	2
Blaine**	1,119	13.0%	25.2%	61.8%	47.0%	26.5%	26.5%	525	297	297
Centerville	31	1.0%	20.0%	79.0%	60.0%	33.3%	6.7%	19	10	2
Circle Pines	21	0.7%	44.3%	55.0%	59.1%	9.1%	31.8%	12	2	7
Columbia Heights	98	8.2%	59.0%	32.8%	47.7%	0.0%	52.3%	47	0	51
Columbus	41	0.0%	3.9%	96.1%	56.8%	43.2%	0.0%	23	18	0
Coon Rapids	426	6.9%	40.1%	53.0%	52.6%	12.1%	35.3%	223	52	151
East Bethel	230	9.3%	19.2%	71.5%	51.1%	32.6%	16.3%	118	75	37
Fridley	155	8.1%	47.5%	44.4%	50.6%	5.6%	43.8%	78	9	68
Hilltop	11	78.6%	21.4%	0.0%	0.0%	21.4%	78.6%	0	2	9
Lexington	17	16.2%	43.8%	40.0%	41.2%	11.8%	47.1%	7	2	8
Lino Lakes	496	4.2%	16.4%	79.5%	56.7%	35.5%	7.8%	281	176	39
Ramsey	438	2.9%	16.2%	80.9%	58.0%	35.7%	6.3%	254	156	28
St. Francis	90	17.0%	34.6%	48.3%	42.4%	17.4%	40.2%	38	16	36
Spring Lake Park**	43	9.4%	30.1%	60.5%	50.0%	22.7%	27.3%	21	10	12

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Shows the share of all housing units *affordable to households with income at or below 80% of AMI* in each band of affordability. Percentages may not sum to 100% due to rounding. In the average sewered community, 10% of all affordable units are affordable at or below 30% of AMI; 28% are affordable at 31% to 50% of AMI; and 62% are affordable at 51% to 80% of AMI.

² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Carver County										
Carver	441	0.9%	36.3%	62.8%	58.7%	15.9%	25.4%	259	70	112
Chanhassen**	788	4.3%	31.3%	64.4%	55.7%	20.7%	23.6%	439	163	186
Chaska	538	17.8%	27.3%	54.9%	42.1%	24.3%	33.6%	226	131	181
Cologne	95	8.7%	25.4%	65.9%	51.6%	26.3%	22.1%	49	25	21
Hamburg	4	13.1%	72.9%	14.0%	40.0%	0.0%	60.0%	2	0	2
Laketown Township	0	12.4%	8.9%	78.7%	0.0%	0.0%	0.0%	0	0	0
Mayer	35	4.0%	18.7%	77.3%	58.8%	32.4%	8.8%	21	11	3
New Germany	11	10.3%	66.1%	23.6%	41.7%	0.0%	58.3%	5	0	6
Norwood Young America	159	9.7%	59.0%	31.3%	46.2%	0.0%	53.8%	74	0	85
Victoria	298	12.8%	20.7%	66.4%	47.5%	30.8%	21.7%	141	92	65
Waconia	563	7.8%	31.1%	61.0%	52.0%	20.8%	27.2%	293	117	153
Watertown	76	12.5%	38.0%	49.5%	47.4%	13.2%	39.5%	36	10	30

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² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Dakota County										
Apple Valley	833	11.0%	26.7%	62.3%	49.0%	25.2%	25.9%	407	210	216
Burnsville	302	12.3%	24.9%	62.8%	47.8%	26.9%	25.2%	145	81	76
Eagan	717	8.9%	30.3%	60.8%	51.0%	21.6%	27.3%	366	155	196
Empire Township	100	0.9%	15.7%	83.4%	60.8%	36.1%	3.1%	61	36	3
Farmington	374	2.8%	31.6%	65.6%	57.4%	20.4%	22.3%	215	76	83
Hampton	2	0.0%	28.0%	72.0%	50.0%	50.0%	0.0%	1	1	0
Hastings**	363	10.6%	37.3%	52.1%	48.9%	14.8%	36.3%	177	54	132
Inver Grove Heights	631	12.2%	28.5%	59.2%	47.6%	23.4%	29.1%	300	148	183
Lakeville	1,410	11.4%	17.8%	70.8%	49.1%	33.9%	17.0%	692	478	240
Lilydale	17	0.7%	40.4%	58.9%	58.8%	11.8%	29.4%	10	2	5
Mendota	3	8.8%	44.1%	47.1%	66.7%	0.0%	33.3%	2	0	1
Mendota Heights	150	7.4%	16.7%	75.9%	53.4%	35.1%	11.5%	80	53	17
Rosemount	832	8.4%	23.9%	67.7%	51.8%	27.8%	20.3%	431	232	169
South St. Paul	83	6.4%	46.7%	46.9%	52.9%	5.9%	41.2%	44	5	34
Vermillion	0	0.0%	16.4%	83.6%	0.0%	0.0%	0.0%	0	0	0
West St. Paul	123	8.5%	34.4%	57.1%	51.6%	17.7%	30.6%	63	22	38

** Cities that are split between two counties are shown in the county with the largest share of households.

¹ Shows the share of all housing units *affordable to households with income at or below 80% of AMI* in each band of affordability. Percentages may not sum to 100% due to rounding. In the average sewered community, 10% of all affordable units are affordable at or below 30% of AMI; 28% are affordable at 31% to 50% of AMI; and 62% are affordable at 51% to 80% of AMI.

² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Hennepin County										
Bloomington	501	7.3%	22.8%	70.0%	52.9%	29.2%	17.9%	265	146	90
Brooklyn Center	219	5.9%	73.2%	20.9%	43.7%	0.0%	56.3%	96	0	123
Brooklyn Park	803	7.8%	37.9%	54.3%	51.6%	14.3%	34.1%	414	115	274
Champlin	159	2.2%	18.6%	79.2%	58.3%	33.3%	8.3%	93	53	13
Corcoran	329	19.6%	7.9%	72.5%	40.9%	43.7%	15.4%	135	143	51
Crystal	52	3.7%	49.8%	46.5%	54.7%	3.8%	41.5%	28	2	22
Dayton	384	24.9%	20.5%	54.6%	34.9%	31.0%	34.1%	134	119	131
Deephaven	4	0.6%	2.6%	96.8%	50.0%	50.0%	0.0%	2	2	0
Eden Prairie	1,518	3.1%	26.2%	70.7%	57.1%	25.8%	17.1%	866	392	260
Edina	348	20.9%	28.3%	50.8%	38.9%	23.4%	37.7%	135	82	131
Excelsior	3	15.7%	42.0%	42.3%	50.0%	0.0%	50.0%	1	0	2
Golden Valley	150	12.4%	21.9%	65.7%	47.7%	29.8%	22.5%	71	45	34
Greenfield	23	4.1%	38.2%	57.8%	56.5%	13.0%	30.4%	13	3	7
Greenwood	0	8.9%	2.2%	88.9%	0.0%	0.0%	0.0%	0	0	0
Hopkins	121	15.0%	24.6%	60.4%	45.5%	26.4%	28.1%	55	32	34
Independence	45	7.1%	22.5%	70.5%	54.5%	29.5%	15.9%	25	13	7
Long Lake	30	8.3%	23.4%	68.3%	51.6%	29.0%	19.4%	15	9	6
Loretto	3	6.8%	38.5%	54.6%	66.7%	0.0%	33.3%	2	0	1
Maple Grove	1,083	1.7%	25.4%	72.9%	58.7%	26.6%	14.7%	636	288	159
Maple Plain	25	4.8%	34.4%	60.7%	56.0%	20.0%	24.0%	14	5	6
Medicine Lake	0	4.8%	37.1%	58.1%	0.0%	0.0%	0.0%	0	0	0
Medina	216	14.1%	8.4%	77.5%	46.9%	43.1%	10.0%	102	93	21
Minneapolis	3,368	14.1%	36.6%	49.3%	45.3%	15.5%	39.1%	1,527	523	1,318

¹ Shows the share of all housing units *affordable to households with income at or below 80% of AMI* in each band of affordability. Percentages may not sum to 100% due to rounding. In the average sewered community, 10% of all affordable units are affordable at or below 30% of AMI; 28% are affordable at 31% to 50% of AMI; and 62% are affordable at 51% to 80% of AMI.

² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Minnetonka	802	13.6%	14.1%	72.3%	46.9%	37.6%	15.5%	377	301	124
Minnetonka Beach	4	30.4%	4.3%	65.2%	25.0%	50.0%	25.0%	1	2	1
Minnetrista	339	4.3%	30.3%	65.5%	55.9%	21.6%	22.5%	190	73	76
Mound	67	8.2%	43.1%	48.6%	50.7%	10.1%	39.1%	34	7	26
New Hope	111	7.7%	25.4%	66.8%	52.3%	27.0%	20.7%	58	30	23
Orono	153	17.9%	18.3%	63.8%	42.8%	32.9%	24.3%	66	50	37
Osseo	31	5.6%	57.2%	37.2%	51.5%	0.0%	48.5%	16	0	15
Plymouth	942	6.1%	21.1%	72.8%	54.3%	30.9%	14.8%	512	291	139
Richfield	195	6.2%	28.1%	65.7%	53.6%	24.2%	22.2%	105	47	43
Robbinsdale	65	7.3%	54.2%	38.5%	50.7%	0.0%	49.3%	33	0	32
Rogers	544	2.6%	20.7%	76.7%	57.9%	31.3%	10.8%	315	170	59
St. Anthony**	102	14.8%	18.5%	66.7%	46.0%	33.0%	21.0%	47	34	21
St. Bonifacius	0	5.1%	34.9%	59.9%	0.0%	0.0%	0.0%	0	0	0
St. Louis Park	332	8.4%	22.5%	69.0%	52.0%	29.2%	18.8%	172	97	63
Shorewood	44	14.5%	15.0%	70.5%	46.5%	37.2%	16.3%	21	16	7
Spring Park	18	1.5%	38.4%	60.1%	57.9%	15.8%	26.3%	10	3	5
Tonka Bay	13	10.9%	10.2%	78.9%	46.2%	46.2%	7.7%	6	6	1
Wayzata	50	14.5%	17.8%	67.7%	45.1%	33.3%	21.6%	22	17	11
Woodland	0	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0	0	0

** Cities that are split between two counties are shown in the county with the largest share of households.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Ramsey County										
Arden Hills	333	26.0%	26.7%	47.4%	33.7%	25.1%	41.2%	112	83	138
Falcon Heights	0	2.0%	40.6%	57.4%	0.0%	0.0%	0.0%	0	0	0
Gem Lake	11	0.0%	26.7%	73.3%	63.6%	27.3%	9.1%	7	3	1
Lauderdale	3	1.5%	54.5%	44.0%	66.7%	0.0%	33.3%	2	0	1
Little Canada	39	24.8%	22.8%	52.4%	35.9%	28.2%	35.9%	14	11	14
Maplewood	419	10.0%	36.8%	53.1%	49.4%	15.4%	35.2%	207	64	148
Mounds View	14	14.4%	36.0%	49.6%	46.2%	15.4%	38.5%	7	2	5
New Brighton	232	8.4%	40.3%	51.3%	50.6%	12.3%	37.0%	117	29	86
North Oaks	41	19.1%	0.0%	80.9%	42.5%	52.5%	5.0%	17	22	2
North St. Paul	60	6.8%	50.1%	43.1%	52.5%	3.3%	44.3%	31	2	27
Roseville	145	11.0%	22.4%	66.6%	49.3%	29.2%	21.5%	72	42	31
Saint Paul	2,021	15.5%	47.7%	36.8%	43.4%	5.0%	51.6%	877	102	1,042
Shoreview	106	11.0%	23.9%	65.1%	49.1%	28.3%	22.6%	52	30	24
Vadnais Heights	119	16.3%	23.4%	60.3%	44.1%	28.0%	28.0%	53	33	33
White Bear Township	66	4.5%	15.8%	79.7%	56.1%	36.4%	7.6%	37	24	5
White Bear Lake**	206	4.4%	19.7%	76.0%	56.2%	32.5%	11.3%	116	67	23

** Cities that are split between two counties are shown in the county with the largest share of households.

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² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Scott County										
Belle Plaine	206	7.5%	32.5%	60.1%	52.4%	19.4%	28.2%	108	40	58
Elko New Market	287	0.9%	12.3%	86.8%	60.4%	39.6%	0.0%	173	114	0
Jordan	174	22.0%	31.2%	46.9%	38.1%	20.5%	41.5%	66	36	72
Prior Lake	871	8.5%	23.0%	68.5%	51.7%	28.8%	19.4%	451	251	169
Savage	580	2.3%	12.8%	84.9%	58.8%	39.3%	1.9%	341	228	11
Shakopee	938	4.1%	38.5%	57.4%	55.5%	13.8%	30.8%	521	129	288

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Exhibit 6: Allocations by Affordability Band for 2021-2030 for All Communities (continued)

Sewered Community	(A) Overall Allocation	Shares of existing affordable housing in each band ¹			Shares of allocation in each band ²			Allocation by bands		
		(B) At or below 30% of AMI (Avg = 10.3%)	(C) 31% to 50% of AMI (Avg = 28.1%)	(D) 51% to 80% of AMI (Avg = 61.5%)	(E) At or below 30% of AMI (Region = 49.9%)	(F) 31% to 50% of AMI (Region = 24.9%)	(G) 51% to 80% of AMI (Region = 25.2%)	(H) At or below 30% of AMI (A x E)	(I) 31% to 50% of AMI (A x F)	(J) 51% to 80% of AMI (A x G)
Washington County										
Bayport	41	3.1%	20.9%	76.0%	59.0%	30.8%	10.3%	24	13	4
Birchwood Village	0	0.0%	2.7%	97.3%	0.0%	0.0%	0.0%	0	0	0
Cottage Grove	698	2.3%	11.7%	86.1%	58.9%	40.3%	0.7%	412	281	5
Forest Lake	431	12.2%	24.9%	62.8%	47.9%	26.7%	25.3%	207	115	109
Hugo	975	8.1%	10.8%	81.1%	52.9%	41.0%	6.1%	516	400	59
Lake Elmo	733	54.6%	14.3%	31.1%	5.5%	36.4%	58.1%	41	267	425
Landfall	0	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
Mahtomedi	34	7.6%	11.2%	81.2%	54.5%	39.4%	6.1%	19	13	2
Newport	66	9.6%	49.7%	40.7%	49.3%	3.0%	47.8%	32	2	32
Oakdale	214	8.8%	26.1%	65.1%	51.2%	25.8%	23.0%	110	55	49
Oak Park Heights	82	13.5%	35.1%	51.5%	45.8%	16.9%	37.3%	37	14	31
St. Paul Park	102	6.7%	18.8%	74.6%	54.5%	32.7%	12.9%	56	33	13
Stillwater	284	11.5%	12.6%	75.9%	48.9%	39.3%	11.8%	139	112	33
Willernie	0	6.9%	26.7%	66.4%	0.0%	0.0%	0.0%	0	0	0
Woodbury	1,443	2.7%	15.8%	81.5%	58.3%	36.2%	5.6%	840	522	81

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² Shows the share of the total allocation assigned to each band, as developed by Part 3 of the allocation process. The 0-30% band is 49.9% of the regional Need, the 31-50% band is 24.9% of the regional Need, and the the 51-80% band is 25.2% of the regional Need.

Appendix C: Methodology for calculating Housing Performance Scores

This *Housing Policy Plan* describes multiple strategies that advance the Metropolitan Council's overall housing policy priority:

Create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes.

A range of housing options across the region benefits individuals, families, and local governments. Viable housing choices allow households to find housing affordable to them in the communities where they want to live. Like a diversified investment portfolio, a diversity of housing types can increase local government resiliency through changing economic climates.

The Council currently uses Housing Performance Scores to give priority for funding to communities that are maintaining or expanding their supply of affordable housing and using fiscal, planning, and regulatory tools to promote affordable housing. The Council uses the Score in the Livable Communities Demonstration Account and the Tax Base Revitalization Account to reward communities that have a clear and demonstrable commitment to provide affordable housing options. Local housing performance scores also constituted 7% of the total points available in the 2014 round of the Regional Solicitation for transportation funding.

At the same time, the Council assists affordable housing development in cities struggling with housing performance. The Council gives preference to cities having lower Housing Performance Scores in funding decisions for the Local Housing Incentives Account, which has funded more than one-third of the affordable units funded through the Livable Communities Act programs.

The following criteria and their relative weight will be used to determine a score of 0 to 100 points and will be used for ranking, among comparable proposals, in the evaluation and prioritization of applications for funding. Joint applications for discretionary funding will be weighted pursuant to the applicable combination of city scores.

Recent New Construction and Substantial Rehabilitation/Preservation Projects (0-50 points)

Overall, 50 points are available for new affordable housing construction or investments in the substantial rehabilitation or preservation of affordable or mixed income housing. The specific point split between these two activities will depend on a community's Community Designation or forecasted household growth.

<u>Community Designation / Household Growth</u>	<u>Maximum Points for New Construction</u>	<u>Maximum Points for Substantial Rehabilitation / Preservation</u>
<u>Communities with no Allocation of Affordable Housing Need</u>	<u>0</u>	<u>50</u>
<u>Communities in the Diversified Rural / Rural Residential / Agricultural community designations with an Allocation of Affordable Housing Need greater than 0</u>	<u>10</u>	<u>40</u>
<u>If households forecast to be added in the decade (2010-2020) are 10% or less of 2020 households</u>	<u>15</u>	<u>35</u>
<u>If households forecast to be added in the decade (2010-2020) are 10-15% of 2020 households</u>	<u>25</u>	<u>25</u>
<u>If households forecast to be added in the decade (2010-2020) are 15-20% of 2020 households</u>	<u>30</u>	<u>20</u>
<u>If households forecast to be added in the decade (2010-2020) are 20% or more of 2020 households</u>	<u>35</u>	<u>15</u>

Faster-growing communities will have a larger relative share of the possible 50 points attributable to their efforts in new construction while older communities with more aging housing would have a greater relative share of the possible 50 points attributable to efforts in substantial rehabilitation and preservation.

New Construction of Affordable or Mixed-Income Housing

The following points will be awarded based on activities over the previous 10 years and for up to 10 affordable and/or mixed-income new construction housing projects:

<u>New units affordable to households at or below 30% of Area Median Income (AMI)</u>	<u>1.5 points each</u>
<u>New units affordable to households earning between 31% and 50% of AMI</u>	<u>0.5 point each</u>
<u>New units affordable to households earning between 51% and 80% of AMI</u>	<u>0.25 point each</u>
<u>New owner-occupied units affordable to households earning between 81% and 115% of AMI</u>	<u>0.15 point each</u>
<u>New units produced in the previous year that represent at least 10% of the negotiated Livable Communities Act goal for new affordable housing</u>	<u>10 points</u>
<u>New units produced in the decade that are on track for meeting the decade's negotiated Livable Communities Act goal for new affordable housing (e.g., 40% of the goal produced after Year 4 of the decade)</u>	<u>10 points</u>
<u>Each project with at least 2% local contribution to Total Development Cost (TDC)</u>	<u>3 points each</u>

Each local official control that is adjusted, waived, or utilized to help make an affordable development possible 0.15 point each

At least 5% of new housing units permitted in the previous calendar year are affordable to households earning 80% of AMI) (must permit at least 10 new units to be eligible for points) 5 points

Note: Cities and townships that accrue more than the maximum points in this category will receive only the maximum points.

Substantial Rehabilitation or Preservation of Affordable or Mixed-Income Housing

Preservation of existing affordable housing is often the most cost-effective approach to addressing affordable housing challenges. As the region's affordable housing stock ages, addressing the physical needs of the existing stock becomes more and more critical to avoid the unnecessary loss of affordability. For these purposes, the threshold for substantial rehabilitation is defined as:

1. The cost of repairs, replacements and improvements exceeds the greater of 10% of the estimated property replacement cost after completion of all repairs, replacements and improvements, or \$5000 per unit in repairs, replacements and improvements, OR
2. Two or more major building components are being substantially repaired or replaced.

Preservation efforts are rehabilitation efforts that physically improve the asset and:

1. prevent the owner from opting out of a federal or state project-based rental assistance program (i.e., owner conversion to market rate) OR
2. have as a condition of low-cost public financing that the owner consents to continue participation in a federal or state project-based rental assistance program for the term of the mortgage or applicable legal instrument.

The following points will be awarded based on activities over the past 10 years and for up to 10 affordable or mixed-income substantial rehabilitation or preservation projects:

Each rehabilitated/preserved unit serving a household at or below 30% of AMI 1 point each

Each rehabilitated/preserved unit serving a household between 31% and 50% of AMI 0.25 point each

Each rehabilitated/preserved unit in a recent project serving a household between 51% and 80% of AMI 0.1 point each

Each rehabilitated/preserved owner-occupied unit serving a household earning between 81% and 115% of AMI 0.05 point each

Each substantial rehabilitation/preservation project with at least 2% local contribution to the TDC 2 points each

Each local official control that is adjusted, waived, or utilized to enable the rehabilitation or otherwise benefit the property 0.15 point each

Preservation efforts (defined above) 5 points

Note: Cities and townships that accrue more than the maximum points in this category will receive only the maximum points.

This category is intended to capture larger scale rehabilitation and preservation projects (and is typically a single project under common ownership, management, and financing). Single-family rehabilitation loan programs—where each household served represents a unique real estate transaction—should be covered in the Housing Programs and Policies category.

Housing Programs and Policies (0-25 Points)

This category captures information on housing efforts that may be less direct or less costly than direct support for new development or major rehabilitation projects. Local programs and activities, or participation in other government programs, are important to the degree that the programs are used to benefit low- and moderate-income households.

Under this category, the following points will be awarded to activities over the last five years:

Each locally funded and administered housing program

Each housing program operated by a nonprofit organization receiving a local financial contribution to administer the program (examples include single family rehabilitation loan programs, rental assistance programs, housing counseling program/services, etc.) 2 points each

Adopting/administering a rental licensing program

Demonstrable efforts to improve/preserve unsubsidized affordable housing

Conducting a land inventory or maintaining a land bank for affordable housing 3 points each

Adopting/administering an Accessory Dwelling Unit (ADU) ordinance

Adopting and enforcing local Fair Housing policies

Covering all or a portion of administrative expenses incurred in connection with administering/participating in a federal, state, or county program (i.e., the difference between costs incurred and the reimbursement from the federal, state, or county government for administering the program)

Providing financial resources to support a Community Land Trust (CLT) active in the city 1.5 points each

Participation (as a lender or administrator) in the Minnesota Housing Rehabilitation Loan, Emergency Loan, and/or the Community Fix-Up program(s)

A successful application to the Minnesota Housing Single Family Impact Fund for activities other than new construction or rehabilitation (those activities should be counted in the New Construction and Substantial Rehab/Preservation categories)

Each household served under a city, county, or Minnesota Housing program defined above 0.05 point each

Note: Cities and townships that accrue more than the maximum points in this category will receive only the maximum points.

Trying to capture all efforts, tools, and activities to promote housing affordability would be not only challenging but also administratively burdensome. In an attempt to minimize that burden yet recognize local innovations and initiative, the Council will offer communities the option to showcase additional efforts not otherwise captured above that could merit points. When generating the Scores, Council staff will evaluate how narratives fit into the overarching point structure and provide additional points where appropriate.

[Characteristics of the Existing Housing Stock \(0-25 Points\)](#)

This category recognizes the important role the existing local stock plays in providing affordable opportunities. It also recognizes the essential role played by communities that are home to housing for special and vulnerable populations. Points for the existing housing stock category will be awarded as follows:

Share of existing housing stock affordable to households earning 30% of AMI or less:

<u>At least 2%</u>	<u>2 points</u>
<u>At least 5%</u>	<u>6 points</u>
<u>At least 8%</u>	<u>9 points</u>

Share of existing housing stock affordable to households earning 50% of AMI or less:

<u>At least 10%</u>	<u>2 points</u>
<u>At least 20%</u>	<u>5 points</u>
<u>At least 30%</u>	<u>8 points</u>

Share of existing housing stock affordable to households earning 80% of AMI or less:

<u>At least 20%</u>	<u>2 points</u>
<u>At least 40%</u>	<u>4 points</u>
<u>At least 60%</u>	<u>6 points</u>

Each facility serving a vulnerable or special population including:

- Transitional placement of adult offenders or adjudicated delinquents
- Licensed group homes for people with physical disabilities, mental illness, developmental disabilities or chemical dependency 1 point each
- Shelters for people experiencing homelessness, battered women or those otherwise not able to secure private housing (up to 5 points)
- Transitional housing for people experiencing homelessness
- Age- and income-restricted senior housing

Note: Cities and townships that accrue more than the maximum points in this category will receive only the maximum points.

Changes to the lettering of the Appendices:

Appendix ~~B~~D: Chronology of Regional Housing Policy and Implementation (p. 119)

Appendix ~~C~~E: Senior Housing Types and Arrangements (p. 121)

Appendix ~~D~~F: Glossary of Affordable Housing Terms, Programs, and Funding Sources (p. 123)

Appendix ~~E~~G: About the Housing Policy Plan Indicators (p. 136)

ⁱ This forecast looks at new households earning less than 80% of AMI and excludes seniors who own their home free and clear and are not cost-burdened. Including those, the number is ~~73,600~~ 56,400.

ⁱⁱ For a full definition of entitlement communities, see the Glossary in the Appendices. Entitlement communities in our region are Anoka, Dakota, Hennepin, Ramsey, and Washington counties and the cities of Bloomington, Coon Rapids, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Saint Paul, and Woodbury.

ⁱⁱⁱ This forecast looks at new households earning less than 80% of AMI and excludes seniors who own their home free and clear and are not cost-burdened. Including those, the number is ~~73,600~~ 56,400.

^{iv} Affordable home prices are Metropolitan Council staff calculations of the purchase prices at which estimated monthly mortgage payments—including principal, interest, property taxes, and insurance—are no more than 29% of the monthly income for a household of four with the given income. The Council assumed a 3.97% interest rate (the Midwestern average for 2013) and other standard mortgage assumptions: a 3.5% downpayment, a property tax rate of 1.25% of property sales price, mortgage insurance at 1.35% of unpaid principal, and \$100/month for hazard insurance. Household income values are the income limits for 2013 calculated by the U.S. Department of Housing and Urban Development based on the median family income for the 13-county Minneapolis-Saint Paul-Bloomington metropolitan statistical area.