

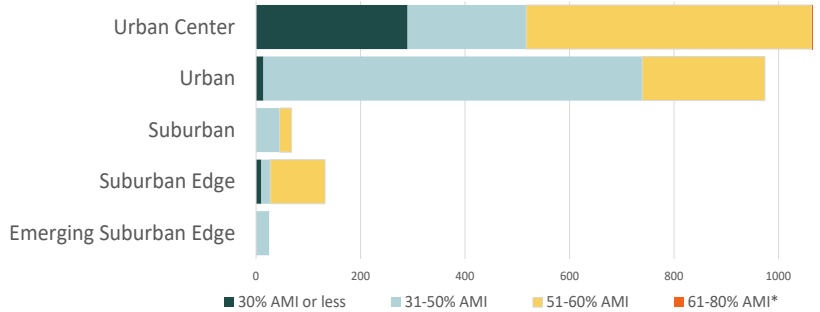
## A Regional Look at Affordable Housing

The 2023 Housing Policy and Production Survey asked all potential Livable Communities Act (LCA) participants in the Twin Cities region about their affordable housing efforts in 2022.

In 2023, 55 of 100 communities participated in the annual survey. The survey asked about affordable units created through new construction or preservation, and at what level of Area Median Income (AMI) rent and income restriction, as well as policies and programs to create more affordable housing options.

For a more in-depth look at the tools that were used to create affordable housing, take a look at the community designation pages.

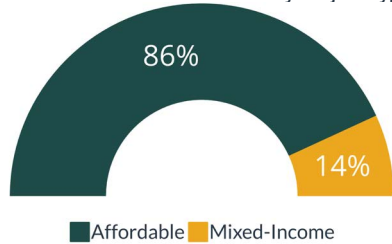
### New Construction Affordable Units Reported Completed in 2022



\* The (1) 61-80% AMI units are all ownership units, which are considered affordable at 80% AMI and below

2022 was a record year for affordable units constructed with over 2,200 reported through the survey, and 14% of those being deeply affordable housing (30% AMI or less). The total number of affordable units reported in 2022 is about 60% more than the number reported completed in 2021.

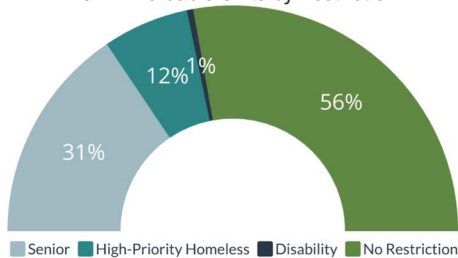
### New Affordable Units in 2022 by Project Type



Affordable projects were projects that did not include any market rate units

Of all new construction units reported, 14% were created in mixed income projects, which is a decline from 2021 in which over 20% of new construction units were in mixed-income projects.

### 2022 Affordable Units by Restriction



Out of the 2,653 affordable units reported (new construction or preservation) for 2022, 31% were restricted for seniors, 12% for the high-priority homeless population and 1% for disability.

### Affordable Housing Policies Reported for 2022

POLICY TYPE	COMMUNITY DESIGNATION					
	Urban Center	Urban	Suburban	Suburban Edge	Emerging Suburban Edge	Rural Centers
Active code enforcement program	9	14	21	7	11	4
Rental licensing program	8	14	16	6	7	3
Strong Partnership with County HRA/CDA/EDA	3	8	14	5	12	3
Accessory Dwelling Unit (ADU) policy	5	6	12	4	7	3
Tenants' Rights policies	5	6	3	1	2	
Displacement Prevention Policy	4	6	3	1		
Mixed-income (inclusionary) housing policy	3	4	5	1		
Equity in Development and Hiring Policy	3	4	1			

### 2022 Housing Highlights from Around the Region

"The city has been strategic in targeting [the HRA's first time home buyer down payment assistance program] marketing to local lenders, realtors and community organizations that work with underserved populations to achieve homeownership... about half of the home buyers that have utilized the city's loan program have been 1st generation home buyers and the majority of those buyers have been people of color...nearly 80% of buyers have a housing cost burden below 30% of their monthly gross income"

**-Woodbury**

"...created three new housing programs...launched in Spring 2022: Home Improvement Loan Program, Senior Deferred Home Loan Program, Code Cash Program (to assist with code violations, small grants)."

**-Burnsville**

In 2022, the city purchased two single-family homes to provide future affordable homeownership opportunities. The city will select a contractor to rehabilitate or construct new housing on the sites. The city also supported affordable housing initiatives through its affordable housing trust fund. Housing initiatives included: Rental Assistance, Homelessness Pilot Program, and support for affordable units in new multifamily housing developments."

**-Minnetonka**

"Between 2021 and 2022, the City approved 190 homeownership units through Minneapolis Homes Financing, which provides gap assistance to developers to build and/or rehabilitate affordable ownership housing units. The units financed were of a variety of housing types. 75% of the homebuyers were BIPOC and over 50% of developers in the program are BIPOC led."

**-Minneapolis**

### How Can We Help?

Highlights from what cities said they would like Met Council support in:

- More funding for deeply affordable housing
- Guidelines for engagement and meeting equity criteria
- Community education on the benefits of affordable housing
- Data and resource support

## Affordable Housing by Community Designation: Urban Center

In 2023 8 cities participated in the Housing Policy and Production Survey in the Urban Center community designation ([map of community designations](#)):



Columbia Heights  
Hopkins  
Minneapolis  
Richfield  
South St. Paul  
St. Louis Park  
St. Paul  
West St. Paul

Cities that adopted a new housing related policy in 2022:

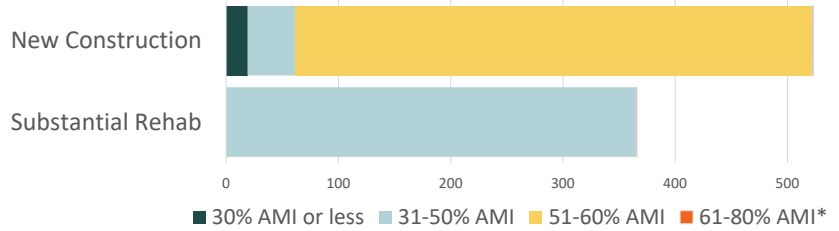


St. Louis Park  
Equity in Development and Hiring Policy



St. Paul  
Equity in Development and Hiring Policy

### Affordable Units Reported Completed in 2022



\* The (2) 61-80% AMI units are ownership units which are considered affordable at 80% AMI and below (these were the total ownership units reported completed in 2022 for this [community designation](#))



From new construction units with affordable units that reported a total development cost completed in 2022

### Project Tools Used to Create Affordable Housing in 2022

PROJECT TOOL TYPE	# OF TIMES USED IN 2022
Setback reductions	4
Created a Tax Increment Finance (TIF) District	3
Inclusionary Housing requirement applied	3
Density approved at original developer request	2
Land clean-up and/or Site Assembly	2
Parking variances granted	1
Density bonus or density transfer granted	1
Public Land Dedication or Write-Down	1
Other	1

Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Minneapolis	832
Richfield	10
South St. Paul	216
St. Louis Park	15
St. Paul	31
West St. Paul	270

*Only includes households reported by the city or county. Some cities did not report any households served, and the county reported households served for some cities that did not complete the survey*

#### Highlights from upcoming plans and projects:

*"The second phase of this development [The Yards] is poised to be completed in 2024 and will create an additional 110 units of new, lifecycle housing."*

-South St. Paul

*"The City recently announced an expansion of the Stable Homes Stable Schools (SHSS) program...the SHSS Housing Stability Fund, which provides emergency assistance to families that are at risk of eviction or losing their home, will be offered to all 43 elementary schools in the Minneapolis Public School district."*

-Minneapolis

*"planning for how to best utilize the housing funds approved by the Legislature in 2023 (e.g., .25% metro sales tax for housing) to meet our housing goals."*

-Richfield

#### Barriers to Building Affordable Housing

- "The real estate development environment challenges continue with rising construction costs, interest rates and continued supply chain and labor shortages."
- "Financial constraints continue to make it challenging to create units affordable at 30% AMI"
- "...projects have had difficulty accessing federal LIHTC, so it's been difficult to meet our goals for 30% AMI housing...given the extreme competition for those funds."
- "We need to use our limited resources to help stabilize projects that are facing operating gaps due to safety concerns in addition to the impact of the inflation."

## Affordable Housing by Community Designation: Urban

In 2023 12 Urban community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



- Bloomington
- Brooklyn Center
- Crystal
- Edina
- Falcon Heights
- Fridley
- Golden Valley
- Maplewood
- New Brighton
- Newport
- North St. Paul
- Roseville

Cities that adopted a new housing related policy in 2022:

-  **Falcon Heights**  
Equity in Development and Hiring Policy
-  **Fridley**  
Accessory Dwelling Unit (ADU) Policy
-  **Golden Valley**  
Accessory Dwelling Unit (ADU) Policy
-  **Roseville**  
Displacement Prevention Policy

Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Fridley	147
Crystal	87
Bloomington	35
Newport	33
Roseville	14
Maplewood	4
North St. Paul	2
Falcon Heights	1
New Brighton	1

*Only includes households reported by the city or county, some cities/counties did not report any*

### Highlights from upcoming plans and projects:

*"In the last year, Maplewood approved nearly 500 units of housing which are expected to start construction in the next 1-2 years."*

-Maplewood

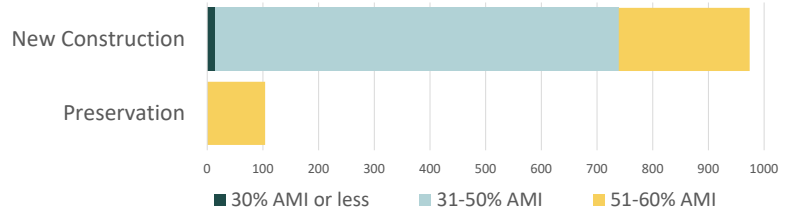
*"Awarded additional funding to Homes Within Reach for the Housing Preservation program (Housing Preservation program is when a modest priced home is bought, rehabbed, and sold through the land trust model)."*

-Edina

*"In 2023, the City updated single family residential standards. This lowered minimum lot size, simplified regulations, and reduced barriers to two family home creations. This is to encourage more variety of housing types including wider opportunities for splitting lots and encouraging two family home development."*

-Bloomington

### Affordable Units Reported Completed in 2022



*From new construction units with affordable units that reported a total development cost completed in 2022*

### Project Tools Used to Create Affordable Housing in 2022

PROJECT TOOL TYPE	# OF TIMES USED IN 2022
Created a Tax Increment Finance (TIF) District	9
Density approved at original developer request	8
Setback reductions	8
Land clean-up and/or Site Assembly	7
Parking variances granted	5
Other: Rezoning	5
Density bonus or density transfer granted	3
Public Land Dedication or Write-Down	3
Allowed alternative construction methods	2
Inclusionary Housing requirement applied	2
Special or Conditional use permits granted	2
Increased Building Height Flexibility	1
Private Street Allowances	1
Reduction in Lot Sizes/Widths	1
Reduction in street width, right-of-way or surfacing widths	1

### Barriers to Building Affordable Housing

- "Developers buying existing NOAH properties and unwilling to work with EDA to maintain income affordability."
- "Organized NIMBY-ism's [Not-In-My-Backyard] pressure on elected officials"
- "The lack of programs to offset costs for creating units for the lowest income residents and the process to apply for funding has made it difficult to address the Met Council affordable housing allocation."
- "Identifying and receiving funding to build housing at those deeper affordability levels."
- "Increased construction costs and rising interest rates continue to be an obstacle"

## Affordable Housing by Community Designation: Suburban

In 2023 16 Suburban community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Brooklyn Park  
Burnsville  
Champlin  
Circle Pines  
Coon Rapids  
Eagan  
Eden Prairie  
Little Canada  
Mahtomedi  
Minnetonka  
Oakdale

Oakdale  
Savage  
Shoreview  
Vadnais Heights  
Wayzata  
White Bear Lake

Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Eagan	519
Savage	370
Apple Valley	328
Burnsville	319
Brooklyn Park	300
Oakdale	186
Mendota Heights	152
Coon Rapids	147
Stillwater	117
Eden Prairie	38
Mahtomedi	30
Shoreview	15
Little Canada	7
Bayport	6
Oak Park Heights	5
Mounds View	4
Willernie	3
Arden Hills	2
Minnetonka	2
Vadnais Heights	2
White Bear Lake	1
White Bear Township	1

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### Highlights from upcoming plans and projects:

"The City budgets \$35,000 each year to assist with the Code Cash program. Since 2021, the EDA has contributed \$100,000 each year to the home rehab and senior loan programs.

-Burnsville

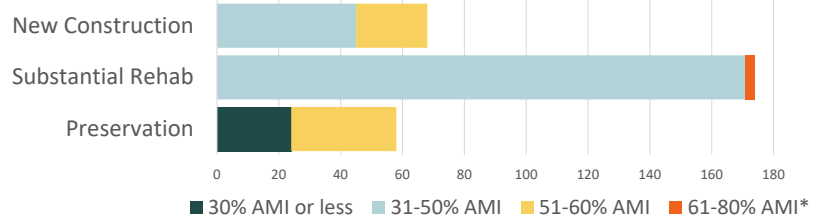
"[focused on] preserving our most-affordable housing, our manufactured home parks...The City has used \$1M TIF funds in order to assist in the development of our most recent affordable 60-unit apartment building."

-Little Canada

"The City of Shoreview adopted a formal Inclusionary Housing Policy that was fully implemented in 2022... including the creation of an affordable housing trust fund policy"

-Shoreview

### Affordable Units Reported Completed in 2022



\* The (3) 61-80% AMI units are ownership units which are considered affordable at 80% AMI and below (these were the total ownership units reported completed in 2022 for this community designation)



From new construction units with affordable units that reported a total development cost completed in 2022

### Project Tools Used to Create Affordable Housing in 2022

PROJECT TOOL TYPE	# OF TIMES USED IN 2022
Density approved at original developer request	4
Other: Energy Efficiency & local programs	4
Energy & Resource Conservation Improvements	4
Setback reductions	3
Parking variances granted	3
Increased Building Height Flexibility	3
Special or Conditional use permits granted	3
Created a Tax Increment Finance (TIF) District	2
Density bonus or density transfer granted	2
Land clean-up and/or Site Assembly	1
Inclusionary Housing requirement applied	1
Public Land Dedication or Write-Down	1
Private Street Allowances	1
Floor Area Ratio (FAR) Waiver or Increase	1
Soil correction variance	1

### Barriers to Building Affordable Housing

- "Staff capacity is limited due to a high number of development projects and other policy initiatives, which can contribute to longer timelines than desired for the creation of housing policies."
- "Rising interest rates, scarcity and cost of land, and to a degree a political shift away from so-called 'one off' developments introducing higher density and more affordable developments into established lower density areas that often requiring waivers, zoning or comp plan changes "
- "The lack of policy direction regarding housing topics creates a challenge for staff when communicating with developer/applicants, and involves staff taking individual concepts to the City Council for consideration, rather than staff being able to provide a clear policy indicating what the City will support and will prioritize."

## Affordable Housing by Community Designation: Suburban Edge

In 2023 5 Suburban Edge community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Shakopee	552
Woodbury	501
Lakeville	464
Chaska	358
Inver Grove Heights	278
Cottage Grove	105
Blaine	50
Plymouth	2

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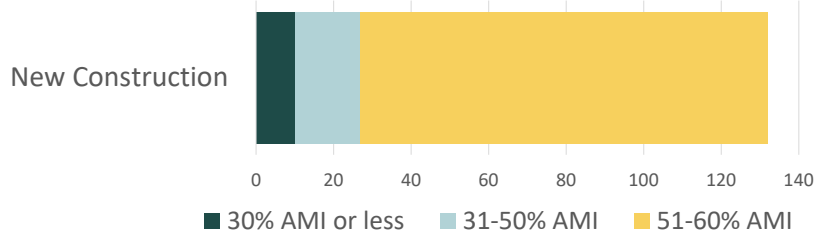
### Highlights from upcoming plans and projects:

*"Plymouth will continue to work on passing a Moderate Income Housing Policy that would require 20% of units to be affordable to 60% AMI or 10% of units to be affordable at 50% AMI."*  
-Plymouth

*"With the newly established Local Affordable Housing Aid beginning in 2024, the city will remain opportunistic to acquire land for land banking. Land has become increasingly expensive, but with the new revenue stream from the state, land banking may become more feasible. Updates to the rental license ordinance to include single family rentals is nearly complete and will possibly adopted by City Council and in effect by 2024."*  
-Woodbury

*"The City is pursuing a downtown redevelopment that will include an affordable multi-family artist loft space."*  
-Chaska

### Affordable Units Reported Completed in 2022



*No preservation or substantial rehab units were reported completed in 2022 for this community designation*



*From new construction units with affordable units that reported a total development cost in 2022*

### Project Tools Used to Create Affordable Housing in 2022

PROJECT TOOL TYPE	# OF TIMES USED IN 2022
Density approved at original developer request	5
Allowed alternative construction methods	5
Setback reductions	3
Private Street Allowances	3
Created a Tax Increment Finance (TIF) District	2
Parking variances granted	2
Density bonus or density transfer granted	2
Reduction in street width, right-of-way or surfacing widths	2
Land clean-up and/or Site Assembly	1
Other: Rezoning	1
Inclusionary Housing requirement applied	1
Public Land Dedication or Write-Down	1
Increased Building Height Flexibility	1
Energy & Resource Conservation Improvements	1
Reduction in Lot Sizes/Widths	1
Floor Area Ratio (FAR) Waiver or Increase	1
Soil correction variance	1

### Barriers to Building Affordable Housing

- "There continues to be significant pressure on older projects with affordability restrictions and NOAH properties. Such properties are in high demand - it continues to be difficult to respond to properties that potentially will come up on the market for sale in a timely manner to continue to preserve ongoing rental affordability in these properties."
- "The pressures of recent housing market increases, development costs, and land cost increases make affordable housing production and preservation extremely difficult across all sectors."
- "The LIHTC program's limited funding makes the application process highly competitive and failure of a project to receive the tax credit award can scrap a project entirely or create a delay that increases construction costs."

## Affordable Housing: Emerging Suburban Edge

In 2023 10 Emerging Suburban Edge cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Centerville  
Chanhassen  
Hastings  
Hugo  
Lino Lakes  
Prior Lake  
Rogers  
Rosemount  
Victoria  
Waconia

Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Prior Lake	225
Hastings	200
Rosemount	197
Waconia	172
Farmington	130
Chanhassen	79
Forest Lake	70
Carver	18
Hugo	17
St. Paul Park	16
Lake Elmo	11
Victoria	4

*Only includes households reported by the city or county. Some cities did not report any households served, and the county reported households served for some cities that did not complete the survey.*

### Highlights from upcoming plans and projects:

*"The city is currently working on establishment of home improvement loan program for owner occupied housing meeting home values affordable to 80% or less of AMI. The City Council has identified \$225,000 to fund the program."*

-Lino Lakes

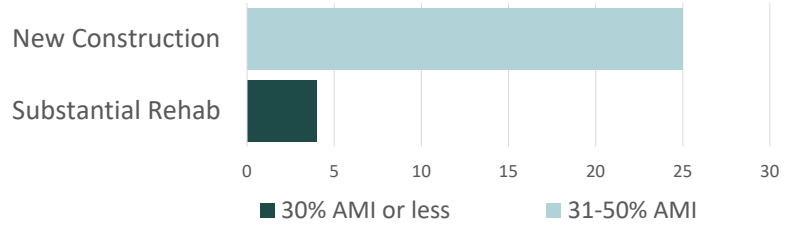
*"The City of Hugo will continue to utilize and apply for Community Development Block Grants (CDBG) funds to support an increase in decent, suitable living environments for low to moderate income residents."*

-Hugo

*"[The City is pursuing] Creation of a Public Subsidy Policy to further outline eligible uses and scenarios for TIF or Tax Abatement for uses such as affordable housing."*

-Rogers

### Affordable Units Reported Completed in 2022



*No preservation or substantial rehab units were reported completed in 2022 for this community designation*

### Project Tools Used to Create Affordable Housing in 2022

PROJECT TOOL TYPE	# OF TIMES USED IN 2022
Created a Tax Increment Finance (TIF) District	1
Land clean-up and/or Site Assembly	1
Density bonus or density transfer granted	1

### Barriers to Building Affordable Housing

- "Current challenge is interest rates are making all developments slightly more difficult to be fully funded or be financially feasible."
- "Construction costs and lack of transit opportunities are the largest impediment to meeting local affordable/life cycle housing goals."
- "...there are barriers to affordable housing development that the City can influence, such as the amount of land guided and zoned for various types and densities of residential uses."

## Affordable Housing by Community Designation: Rural Centers

In 2023 4 Rural Center community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



**Belle Plaine**  
**Jordan**  
**New Germany**  
**St. Francis**

Households served by affordable housing programs in 2022

CITY	HOUSEHOLDS SERVED IN 2022
Jordan	113
Norwood Young America	57
Elko New Market	51
Belle Plaine	45
Watertown	34
Mayer	10
Cologne	3
Hampton	2
Vermillion	1

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Highlights from current efforts to meet housing goals:

*“Serve as connector between existing landowners and perspective developers, including partnering on a housing design for a City owned property. Communicate and share TIF policy with perspective developers and maintain open and honest communication about the process. Move prospective developments through the entitlement process within 60 days to give answers quickly and make working the City easy.”*

- Jordan

*“Working with Scott County and Scott County CDA on creating three dwellings for families in transition. Examined documents from current housing TIF project to ensure a minimum required share of units are leased by those earning 50% of less. Discussed inclusionary housing policy with City Council. \$50,000 in grants to landlords in Downtown redevelopment project area to offset street improvements costs tied to keeping rents stable.”*

- Belle Plaine

### Barriers to Building Affordable Housing

- “Development has been plagued by inflation, worker shortages, supply chain issues, a skewed housing market, floodplain, wetlands, bluffs, and state regulations.”
- “Rising interest rates have slowed construction of new housing.”
- “Staff shortages and limited capacity, even with a full staff.”
- “Physical challenges with high percentage of landcover being wetlands and the proximity to the river. This makes development more complicated and expensive.”