PROPOSED AMENDMENT TO THE 2040 HOUSING POLICY PLAN
(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:
- **Needs are growing:** Between ~~now~~2010 and 2040, the region will add ~~391,000~~367,000 households; roughly 40% will earn less than 80% of area median income ($63,900 for a family of four).

- **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, pages 6-7:
More people. Over the next 30 years, our region is projected to grow by ~~824,000~~783,000 residents, a gain of ~~29%~~27% from 2010. More births than deaths and longer life expectancies will account for ~~over two-thirds~~ three-quarters of this population growth. People moving here from other parts of the nation and world—attracted by our region's economic opportunities—will account for the remaining ~~one-third~~ one-quarter of this growth. (For more information, see the Metropolitan Council's MetroStats: _Steady growth and big changes ahead: The Regional Forecast to 2040_.)

More housing needed. The region will gain ~~391,000~~ 367,000 new households by 2040. Housing these new households will require ~~over~~ nearly 13,000 new housing

Figure 1: Twin Cities Population (in millions)
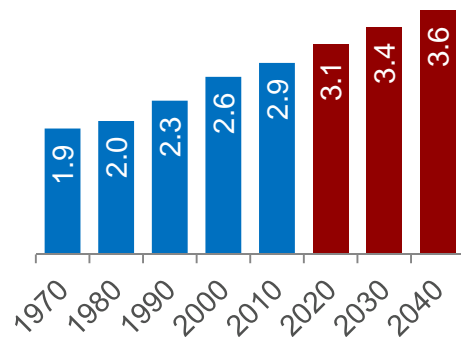
Source: U.S. Census Bureau; Metropolitan Council Regional Forecasts

units a year on average between today and 2040. While this level of housing production is less than the annual average of the last 40 years, it is more than the region produced in the eight years following the housing boom years of the early 2000s.
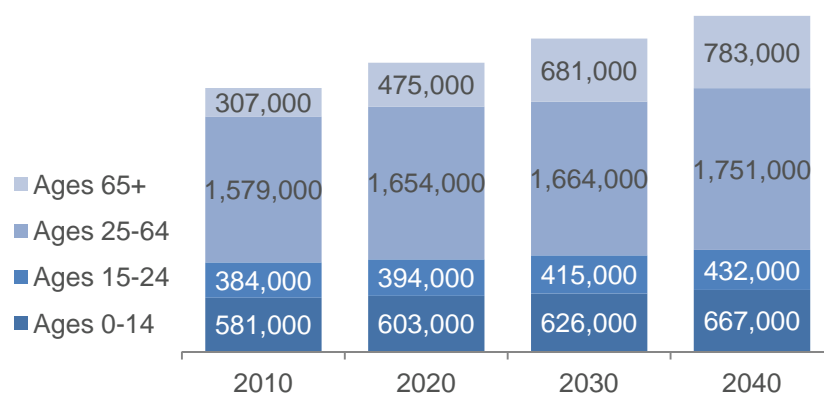
Figure 2: New Housing Units Permitted

~~Over~~ Nearly 13,000 new units on average per year necessary to house household growth to 2040
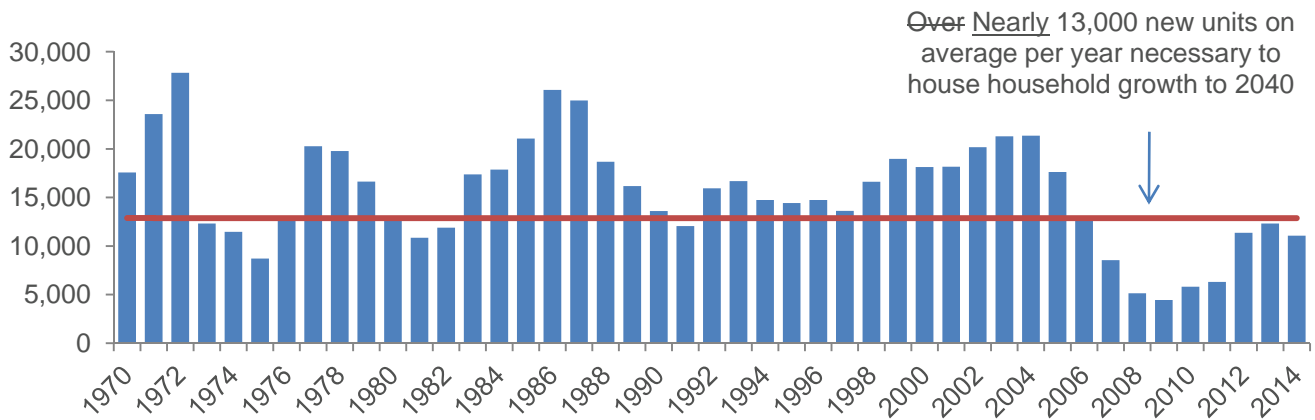
Source: Metropolitan Council Residential Construction Survey

Demographic shifts in age. Our region is aging rapidly. More than one in five residents will be age 65 and older in 2040, compared to one in nine in 2010. Furthermore, ~~three-quarters~~ four-fifths of household growth between 2010 and 2040 will be among older households (those headed by individuals age 65 and older). ~~Conversely, only one in five net new households will include children, and one in three~~ Nearly half of net new households will be individuals living alone. These demographic changes will shape the location and type of real estate needed over the next three decades.

Older households and single-person households ~~without children (whether young or old)~~ are more likely to prefer attached housing in walkable, amenity-rich neighborhoods. While many senior households want to age in place, the massive increase in the senior population will magnify the impact of those seniors who choose to move. Senior households are likely to want smaller, low-maintenance housing products, and easy access to services and amenities. Most senior households live on fixed incomes and have a greater interest in or need for rental housing; this preference for renting increases as seniors age.

Figure 3: Forecasted Twin Cities Population by Age

Source: U.S. Census Bureau; Metropolitan Council Regional Forecasts, 2015 update

Over the 20 years from 1990 to 2010, 91% of net household growth was among households in the peak home-buying years of age 35 to 65. In contrast, from 2010 to 2040, ~~74%~~ 80% of net household growth will be among households in the home-downsizing years of age 65 and above. Today, most baby boomers are still in the peak home-buying years. However, by the end of the next decade, the number of baby boomers likely to downsize their homes will be greater than the number of younger buyers looking to move into larger housing. Demand will likely remain high for attached and small-lot housing in walkable and amenity-rich neighborhoods.[i]

Figure 5: Forecasted Twin Cities Households by Age and Size

Legend:
- Age 65+: 2+ person household
- Age 65+: 1 person household
- Under 65: 3+ person household
- Under 65: 2 person household
- Under 65: 1 person household

	2010	2020	2030	2040
Age 65+: 2+ person household	100,000	162,000	229,000	249,000
Age 65+: 1 person household	90,000	134,000	193,000	236,000
Under 65: 3+ person household	418,000	426,000	439,000	462,000
Under 65: 2 person household	280,000	292,000	278,000	289,000
Under 65: 1 person household	229,000	244,000	238,000	249,000

Source: U.S. Census Bureau; Metropolitan Council Regional Forecasts, 2015 update
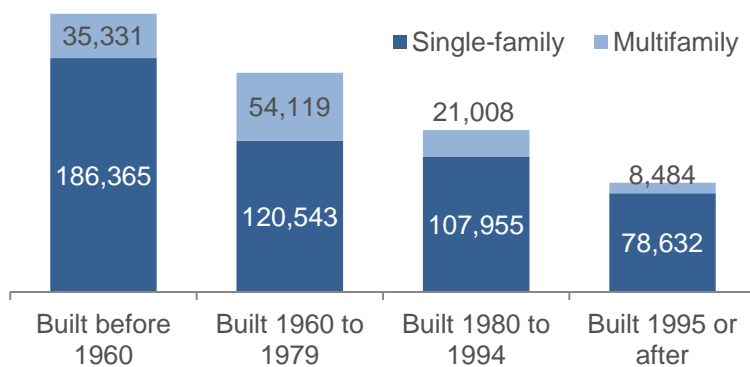
Introduction, page 8:

Demographic shifts in race and ethnicity. By 2040, ~~40%~~ 41% of the Twin Cities population will be people of color, compared to 24% in 2010.

Introduction, page 9:

Many of these aging units have become more affordable but may not be viable.[ii]

Figure 4: Units with Serious Maintenance Problems

Legend: Single-family, Multifamily

	Built before 1960	Built 1960 to 1979	Built 1980 to 1994	Built 1995 or after
Multifamily	35,331	54,119	21,008	8,484
Single-family	186,365	120,543	107,955	78,632

Source: U.S. Census Bureau, American Housing Survey ~~2007~~ 2013 Metropolitan Public Use File[5]

Over ~~437,000~~ 490,000 single-family units and ~~over 90,000~~ nearly 119,000 multifamily units have a serious maintenance problem, such as water leaks or holes in the floors. Of particular concern are ~~nearly 180,000~~ roughly 186,000 single-family units and ~~nearly 30,000~~ roughly 35,000 multifamily units built before 1960; many of these units have aged into affordability but are at risk of functional obsolescence. While multifamily units are less likely to have a serious maintenance problem than single-family units, they are important to maintain given the expected preferences of future households.
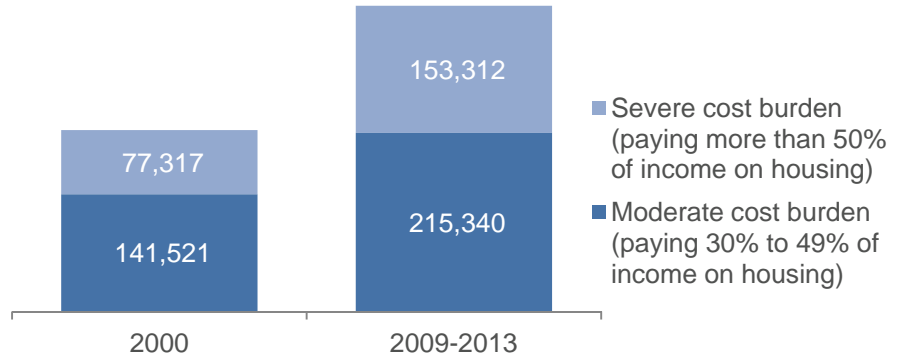
Additionally, there are ~~nearly 53,000~~ over 87,000 newer units (those built in 1995 or afterward) with a serious maintenance problem. Preventing these units from further deterioration will help preserve the housing as it becomes more affordable with age.

Introduction, page 9-10:

As a result, rates of housing cost burden have increased across the region,[iii] particularly between 2000 and the ~~2008-2012~~ 2009-2013 period:

- The number of households experiencing severe housing cost burden doubled between 2000 and ~~2008-2012~~ 2009-2013.

- The number of households experiencing any housing cost burden grew by ~~75%~~ 68% over the same time period.

Figure 5: Rising Housing Cost Burden

■ Severe cost burden (paying more than 50% of income on housing)

■ Moderate cost burden (paying 30% to 49% of income on housing)

2000: 77,317 / 141,521

2009-2013: 153,312 / 215,340

Source: U.S. Census Bureau, Decennial Census and American Community Survey

- By the most recent data period, ~~more than~~ nearly one-third of households in our region were paying at least 30% of their income for housing, and almost one in seven was paying at least 50% of their income for housing. This includes ~~119,000~~ 126,000 metro households earning 50% of area median income or less who are severely cost-burdened.[iv]

- Households of color experience severe housing cost burden at ~~nearly~~ twice the rate, and Black households at nearly 2.5 times the rate, of white, non-Latino households.[v]
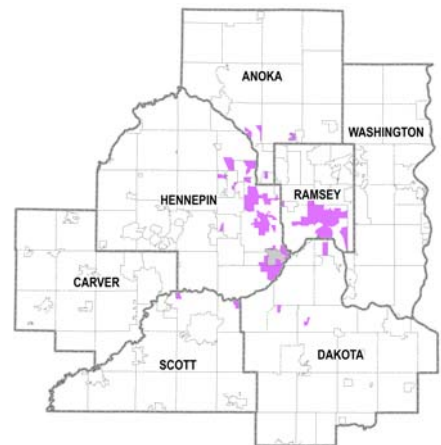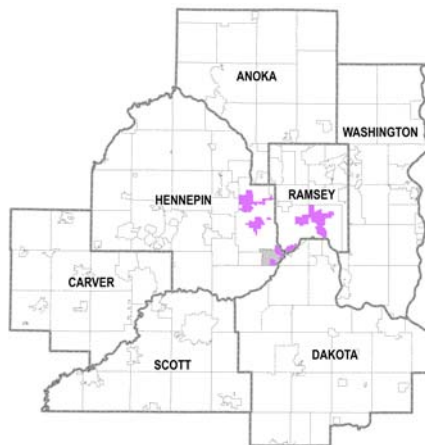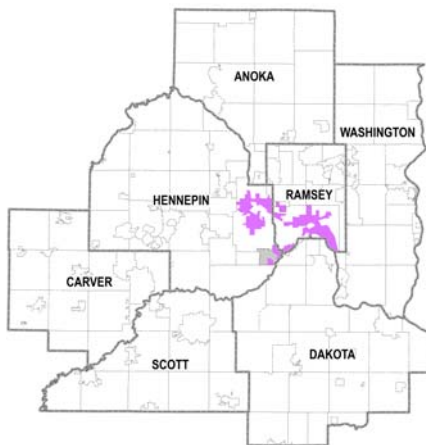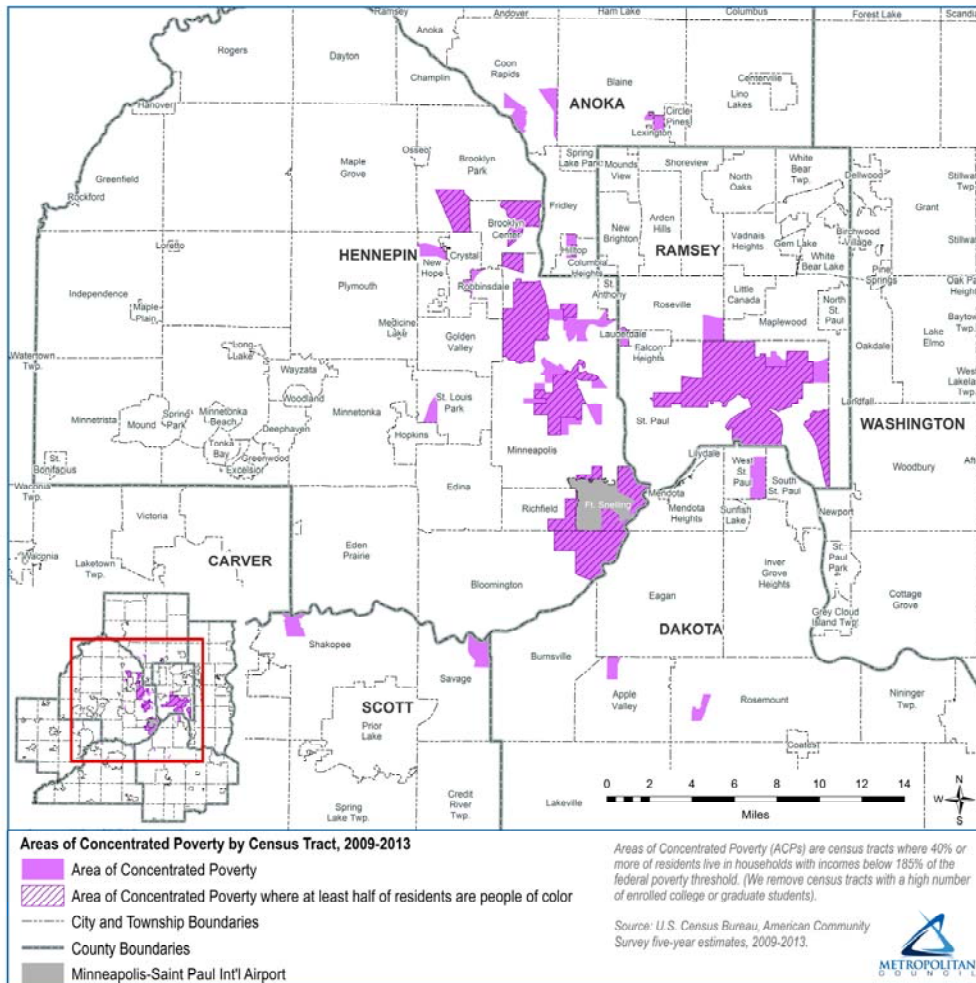
Introduction, page 11:

Figure 6: Areas of Concentrated Poverty in 1990, 2000, and ~~2007-2011~~ 2009-2013

In **1990**, 81~~86~~ census tracts were considered Areas of Concentrated Poverty.

In **2000**, 61~~74~~ census tracts were considered Areas of Concentrated Poverty.

In ~~2007-2011~~ **2009-2013**, 112~~106~~ census tracts were considered Areas of Concentrated Poverty.

Areas of Concentrated Poverty by Census Tract, 2009-2013

- Area of Concentrated Poverty
- Area of Concentrated Poverty where at least half of residents are people of color
- City and Township Boundaries
- County Boundaries
- Minneapolis-Saint Paul Int'l Airport

Areas of Concentrated Poverty (ACPs) are census tracts where 40% or more of residents live in households with incomes below 185% of the federal poverty threshold. (We remove census tracts with a high number of enrolled college or graduate students).

Source: U.S. Census Bureau, American Community Survey five-year estimates, 2009-2013.

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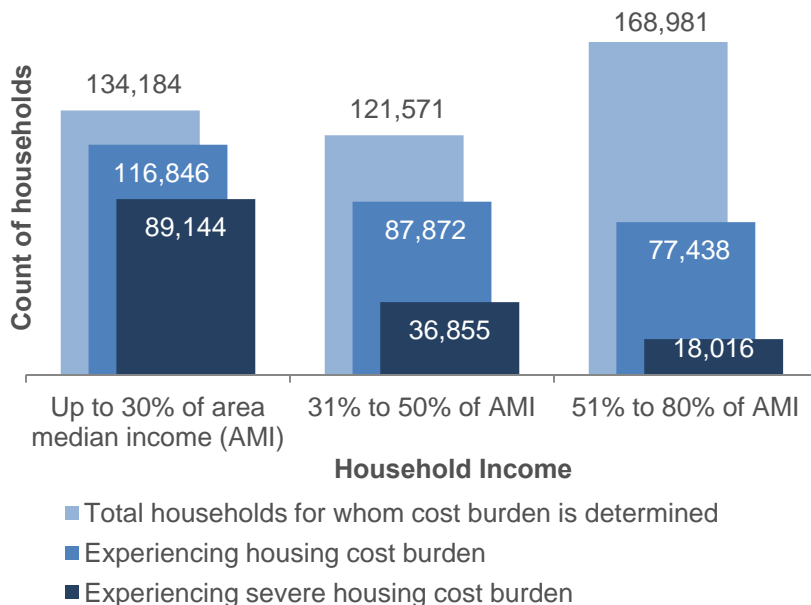
Introduction, page 13-14:

In addition to the publicly subsidized affordable housing stock, there are also many units of unsubsidized affordable housing—housing whose rents or sale prices make them affordable to low- and moderate-income households. Using an affordability threshold of 80% of area median income, the region has 518,000 493,000 affordable owner-occupied units and 318,000 338,000 affordable rental units, including both subsidized and unsubsidized.[vi] (There are also approximately 14,000 manufactured homes that are likely to be affordable.) However, many of these housing units are occupied by households earning

Table 1: 2014 2015 Area Median Income (AMI) by household size
Minneapolis-St. Paul-Bloomington metropolitan statistical area

Household Size:	Extremely Low Income (at or below 30% AMI)	Very Low Income (at or below 50% AMI)	Low Income (at or below 80% AMI)
One-person	$17,400 $18,200	$29,050 $30,350	$44,750 $46,100
Two-person	$19,900 $20,800	$33,200 $34,650	$51,150 $52,650
Three-person	$22,400 $23,400	$37,350 $39,000	$57,550 $59,250
Four-person	$24,850 $26,000	$41,450 $43,300	$63,900 $65,800
Five-person	$27,910 $28,410	$44,800 $46,800	$69,050 $71,100
Six-person	$31,970 $32,570	$48,100 $50,520	$74,150 $76,350
Seven-person	$36,030 $36,730	$51,400 $53,700	$79,250 $81,600
Eight-person	$40,090 $40,890	$54,750 $57,200	$84,350 $86,900

Source: U.S. Department of Housing and Urban Development, FY 2014 2015 Income Limits

Figure 7: Housing Cost Burden by Income Level

- Total households for whom cost burden is determined
- Experiencing housing cost burden
- Experiencing severe housing cost burden

Source: U.S. Census Bureau, 2007-2011 Comprehensive Affordablity Strategy Data, 2009-2013 American Community Survey Public Use Microdata Sample.

more than 80% of area median income, increasing the gap in the supply of units affordable and available to lower-income households.

Even with the existing supply of affordable housing, more than 265,000 282,000 low- and moderate-income households in the region are paying more than 30% of their household income on housing costs, and nearly 140,000 144,000 of those are paying more than half their income on housing.

Furthermore, construction of new affordable housing has been dropping significantly. In 2006, the Metropolitan Council projected that the region should add 51,000 new units of affordable housing between 2011 and 2020 to accommodate the forecasted growth in low- and moderate-income households. (Note that this ignores the need for affordable housing that existed in 2010, that is, the 60,000 144,000 households paying more than half of their income on housing—much less the additional 190,000

138,000 who are paying between 30% and 50% of their income on housing. These are the low- and moderate-income households that currently experience housing cost burden.) Over the first three years of the decade the region added 2,993 new affordable units, meeting just over 5% of the decade-long need. At this pace, it will take the region more than four decades to meet only one decade's need for affordable housing.

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~~.[vii] 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.
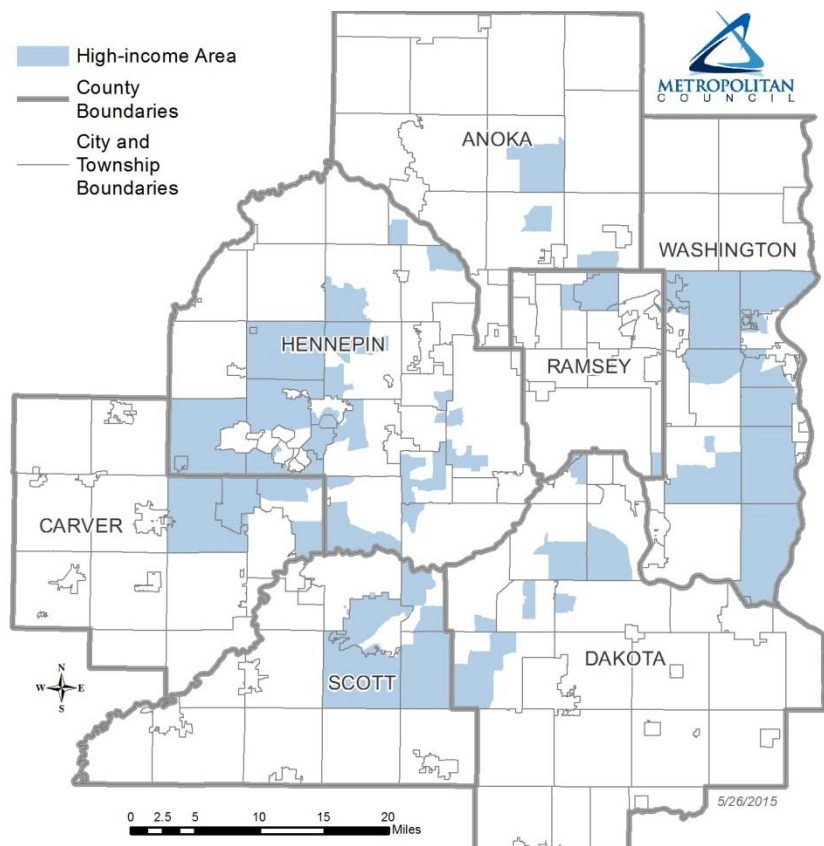
Part II: Outcomes (Equity), page 45:

- 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.

Figure 8: High-income census tracts

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~~June 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. The Supreme Court is expected to issue a decision in June 2015. At this time, federal guidance is in flux.~~

In summer 2015, two important pieces of federal guidance relating to the Fair Housing Act were released.

In June 2015, the Supreme Court ruled in Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc. that disparate impact claims are valid under the Fair Housing Act. The court ruling established that proven discriminatory intent is not necessary to determine that a disparate impact has occurred in violation of the Fair Housing Act. However, the Court's decision does allow policies with disparate impact if they are necessary to achieve a valid interest.

In July 2015, HUD issued a final rule on Affirmatively Furthering Fair Housing. The rule reads:

> Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, AFFH means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.[viii]

This rule clarifies that all entities receiving HUD funding—such as the Council through the activities of the Metro HRA—are accountable to affirmatively further fair housing. Other Council programs and policies, including the review of comprehensive plans, Livable Communities Act activities, and Housing Performance Scores, are not funded through HUD programs ~~and are not directly accountable to the new rule~~. Nonetheless, the Council will continue to advance and advocate for fair housing through the Council roles articulated throughout this Plan.

Both the HUD rule on Affirmatively Furthering Fair Housing and the Supreme Court ruling on disparate impact and housing discrimination contain interpretations of the Fair Housing Act that support a "both/and" approach toward the challenges of providing housing choices to all regardless of race, ethnicity, and income. HUD's release of the rule noted, "By encouraging a balanced approach that includes targeted investments in revitalizing areas, as well as increased housing choice in areas of opportunity, the rule will enable program participants to promote access to community assets such as quality education, employment, and transportation."[ix] This Plan advocates for both increasing opportunities for low-income households to find housing in higher-income and opportunity-rich neighborhoods AND improving outcomes and opportunities for households living in all areas of concentrated poverty.

Established in 2002, the region's Fair Housing Implementation Council (FHIC) provides a venue for local entitlement communities[x] 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 classes[1] 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 18: Jurisdictions participating in or considering participation in the 2014 Regional Analysis of Impediments to Fair Housing Choice
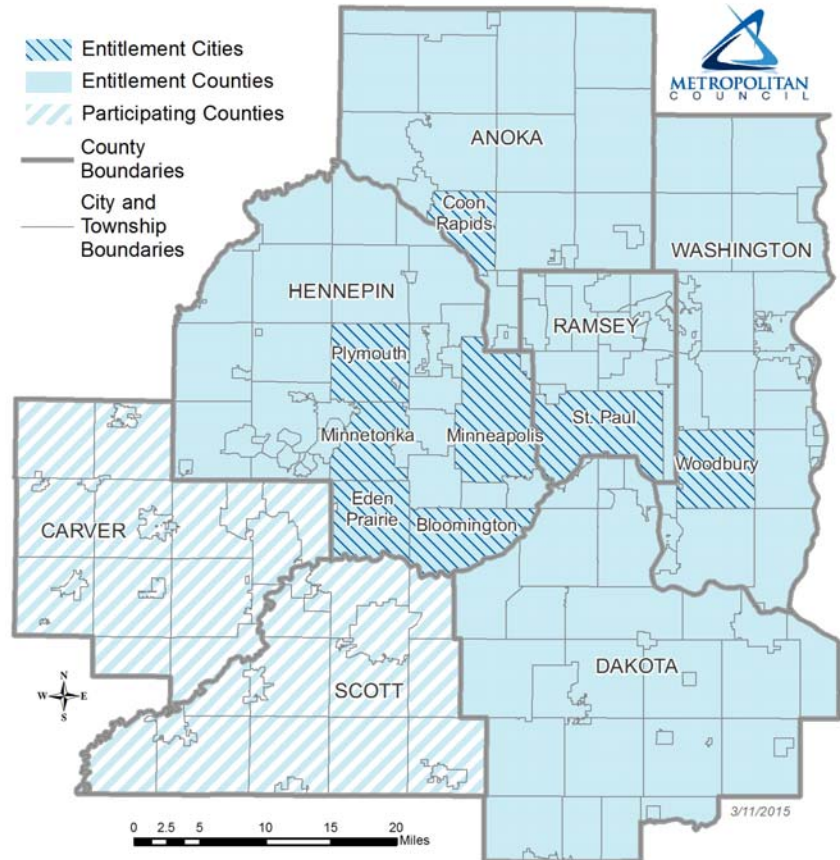
The FHIC has produced an AIs in 2001, and 2009, and is preparing the 2014 AI2015. As prepared, the The 2015 AI is expected to covers the jurisdictions receiving direct funding from HUD—that is, the cities of Bloomington, Coon Rapids, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Saint Paul and Woodbury, 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

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[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.

~~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.~~

The State of Minnesota's AI—led by DEED in coordination with Minnesota Housing and the DHS—also addresses the seven-county metro area. These organizations jointly certify that they will affirmatively further fair housing when using HUD resources and that such responsibility will be extended to downstream recipients of the funding, such as local program administrators or developers.

Under the new Affirmatively Furthering Fair Housing rule, a new Assessment of Fair Housing will replace the Analysis of Impediments process. While HUD has not yet released all of the details of or the expected timelines for the Assessment of Fair Housing, the approach clearly builds on the work that the Council conducted to develop *Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities.*

Council role

- Elect to adopt a Council-wide Fair Housing Policy.
- Require Livable Communities Act grant recipients to have fair housing policies and provide best practices to support local government efforts.
- Require housing projects funded through the Council Livable Communities Act grants to have affirmative fair housing marketing plans.
- Recognize local efforts to further fair housing by including Fair Housing elements in the Housing Performance Scores (see more in Part III).
- Participate in the Fair Housing Implementation Council and provide both data tools and technical assistance to support the 2015 Regional Analysis of Impediments and future Assessments of Fair Housing.
- Support local fair housing planning and decision-making with data tools, best practices, and technical assistance.
- Encourage local comprehensive plans to align with the Regional Analysis of Impediments to Fair Housing and the statewide Analysis of Impediments to Fair Housing.
- Collaborate with the authors of the statewide AI to ensure consistency with the housing priorities of the Twin Cities region.
- Complete an Assessment of Fair Housing within the timelines prescribed by HUD and use the Metro HRA's Public Housing Agency Plan to affirmatively further fair housing within Metro HRA's operations.

Part II: Outcomes (Livability), page 54:

Communities throughout the region recognize the significance of housing quality, choice, and affordability. The region is expecting ~~391,000~~ 367,000 new households by 2040.

Part II: Outcomes (Livability), page 54:

Together, Minneapolis and Saint Paul have ~~more than~~ nearly 4 in 10 of the region's multifamily units.

Part II: Principles (Accountability), pages 71-73:

Measure and strategy being measured	2000	2008	2009	2010	2011	2012	2013	
3. Balance of low-income households and affordable housing: Create and maintain housing choices across the region								
3a. Percent of communities lacking sufficient affordable housing options[2] **for their households with income at or below 30% of AMI**	N/A	N/A	~~73%~~ 84%	~~71%~~ 81%	~~72%~~ 78%	~~69%~~ 73%	~~69%~~ 80%	
3b. Percent of communities lacking sufficient affordable housing options[2] **for their households with income at or below 50% of AMI**	N/A	N/A	~~55%~~ 59%	~~35%~~ 49%	~~43%~~ 40%	~~28%~~ 34%	~~32%~~ 46%	
3c. Percent of communities lacking sufficient affordable housing options[2] **for their households with income at or below 80% of AMI**	N/A	N/A	~~27%~~ 28%	~~14%~~ 15%	~~16%~~ 20%	~~10%~~ 12%	~~11%~~ 16%	
4. Balance of low-income households and affordable housing in transit station areas[3]**: Ensure a mix of housing affordability along the region's transit routes and corridors**								
4a. Transit station areas lacking sufficient affordable housing[2] **for their households with income at or below 30% of AMI**	N/A	N/A	~~93%~~ 84%	~~89%~~ 86%	~~86%~~ 84%	~~85%~~ 67%	~~84%~~ 63%	

Measure and strategy being measured	2000	2008	2009	2010	2011	2012	2013	
4b. Transit station areas lacking sufficient affordable housing[2] for their households with income at or below 50% of AMI	N/A	N/A	~~27%~~ 22%	~~22%~~ 21%	~~26%~~ 21%	~~21%~~ 22%	~~22%~~ 23%	
4c. Transit station areas lacking sufficient affordable housing[2] for their households with income at or below 80% of AMI	N/A	N/A	~~0%~~ 1%	~~0%~~ 1%	~~0%~~ 1%	~~0%~~ 0%	~~0%~~ 0%	
6. New affordable housing units in higher-income areas: Encourage new affordable and mixed-income housing in higher-income areas of the region								
Number of new affordable units in higher-income areas	N/A	N/A	N/A	N/A	~~79~~ 93	~~88~~ 94	~~N/A~~ 6	
7. Share of region's population living in Areas of Concentrated Poverty: Increase wealth, increase income diversity, and expand housing options for people with lower incomes to reduce the share of the population living in Areas of Concentrated Poverty								
7a. Share of population living in Areas of Concentrated Poverty	6.6%	N/A	N/A	~~11.5%~~ 10.9%	~~12.0%~~ 11.3%	~~13.1%~~ 12.4%	~~N/A~~ 12.8%	
7b. Share of population living in Areas of Concentrated Poverty where at least half of the residents are people of color	5.7%	N/A	N/A	~~9.3%~~ 9.2%	~~9.2%~~ 9.1%	~~9.8%~~ 9.6%	~~N/A~~ 9.7%	

8.Share of Section 8 Housing Choice Voucher holders living in Areas of Concentrated Poverty: Promote greater Section 8 mobility for voucher holders and greater participation in Section 8 among property owners across the region

8a. Share of Section 8 Housing Choice Voucher holders living in Areas of Concentrated Poverty	21.0%	N/A	N/A	N/A	N/A	~~37.7%~~ 35.3%	~~N/A~~ 37.5%	
8b. Share of Section 8 Housing Choice Voucher holders living in Areas of Concentrated Poverty where at least half of the residents are people of color	17.9%	N/A	N/A	N/A	N/A	~~30.1%~~ 29.2%	~~N/A~~ 30.0%	

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 need new affordable housing. [xi] (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, far less than the available resources.

As currently deployed, existing state and federal funding sources are inadequate to subsidize the regionwide need for additional housing for low- and moderate households. While local governments can and do support affordable housing development through financial contributions, fee waivers, and policies such as density bonuses, the Council does not expect local governments to underwrite the unmet need for additional affordable housing.

Local governments are responsible for guiding adequate land at minimum densities necessary to allow affordable housing development to meet their share of the region's Need. The availability of land that can support affordable housing gives developers a variety of geographic choices to consider for a affordable housing development; developers building affordable housing across the region give low- and moderate-income households viable options as to where they live.

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:
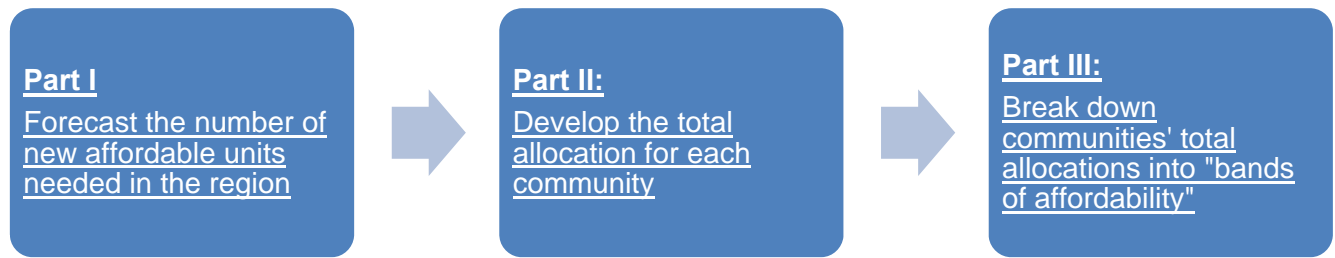
- Part I forecasts the proportion of 2021-2030 net growth in households that will need affordable housing, resulting in a regional Need of 37,900 additional affordable housing units:
  - 18,900 housing units for households earning at or below 30% of AMI
  - 9,450 housing units for households earning from 31% to 50% of AMI

- o 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

Part I	Part II:	Part III:
Forecast the number of new affordable units needed in the region	Develop the total allocation for each community	Break down communities' total allocations into "bands of affordability"

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 as 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	Relatively more low-wage jobs than low-wage workers living in the community	Relatively more low-wage workers living in the community than low-wage jobs
Existing affordable housing	Lesser share of existing affordable housing than the	Greater share of existing affordable housing than the

region overall average sewered community	region overall average sewered community

So that local jurisdictions can plan toward a stable number in developing their local comprehensive plan updates, the Council does not presently plan to revise the Need numbers for 2021-2030. However, the Council adjusts the Allocation of Affordable Housing Need for individual communities when the Council revises household forecasts as a result of either comprehensive plan updates or amendments. If unforeseen shifts in the landscapes of population growth and/or affordable housing need occur, the Council will consider an update to the Allocation of Need for 2021-2030.

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 its 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 82-83:

Emerging from this *Housing Policy Plan* will be 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.
- 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.

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 detailed in a separate policy 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.
- Review the methodology for the calculation of the Housing Performance Scores every two years, starting in 2016.

- 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.
- 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 system~~s~~ and policy plans (including this *Housing Policy Plan*) and the ~~anticipated~~ September 2015 distribution of System~~s~~ 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 system~~s~~ 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; ~~A~~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 ~~Need~~ (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 did not provide specific guidance to local communities in the last planning round 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
- Existing housing assessment
- Identification of needs and priorities

→

Projected affordable housing needs
- Allocation of affordable housing need
- Promoting the availability of land

→

Implementation program
- Public programs, fiscal devices, and specific actions to meet existing and projected needs
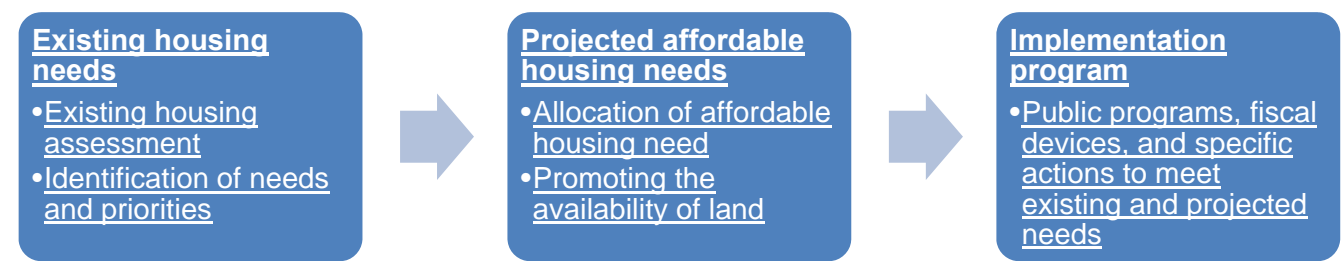
Existing housing needs

Under the Metropolitan Land Planning Act, local comprehensive plans must include a housing element that addresses existing housing needs in the community—in other words, the need for increased affordability for the people who already live (and already vote) 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. 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 7: Home prices by household income (2013)

Household Income Threshold	Household Income for a family of four (2013)	Affordable Home Price[xii]
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. The Council recognizes that flexibility is an important component of housing elements and that the minimum densities provided below are significantly lower than that average of 49 units per acre. The Council strongly encourages communities to consider densities higher than these minimums. The Council will provide technical assistance to local governments to demonstrate what different densities can look like in different kinds of communities. With the right design, higher density development can fit well in almost any community.

Communities should guide an adequate supply of land at appropriate *minimum* 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.
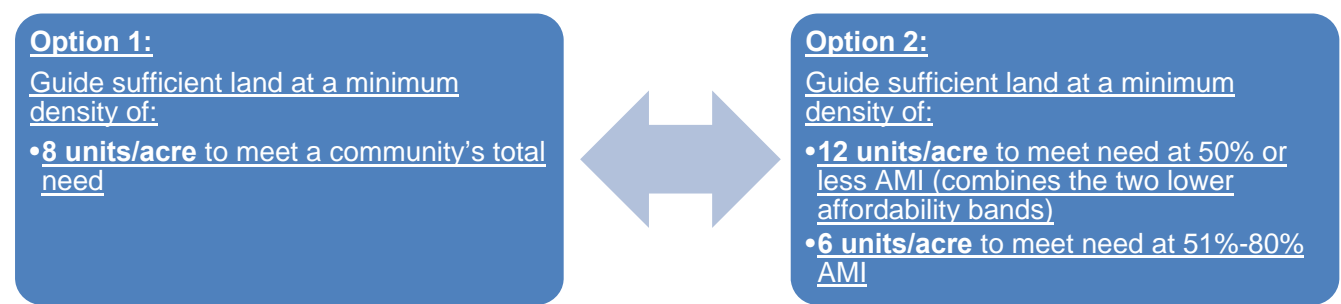
These options allow communities flexibility in how they guide land use to meet statutory requirements within the range of community characteristics. Only enough land sufficient to address the Need must be guided—for example, a Need of 100 units could be addressed by 12.5 acres guided at 8 units/acre, or 2.5 acres guided at 40 units/acre.

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.

Communities that do not guide an adequate supply of land at appropriate densities to meet their Allocation of Affordable Housing Need—that is, communities that are not fulfilling their statutory role to plan for their share of housing affordable to low and moderate income households—will be considered inconsistent with Council policy and therefore will not be eligible to participate in, and receive funding from, the Livable Communities Act programs. The Council fully acknowledges that land guided at higher densities may develop at higher price points. (Communities that are not meeting their Goal for affordable and lifecycle housing remain eligible to receive funding from the Livable Communities Act programs and will continue to receive priority in selection for funding from the Local Housing Incentives Account.).

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

Option 1:
Guide sufficient land at a minimum density of:
- **8 units/acre** to meet a community's total need

Option 2:
Guide sufficient land at a minimum density of:
- **12 units/acre** to meet need at 50% or less AMI (combines the two lower affordability bands)
- **6 units/acre** to meet need at 51%-80% AMI

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~~ implementation programs must ~~not only~~ identify a community's "~~public~~ programs, fiscal devices and other specific

actions to be undertaken in stated sequence" (Minn. Stat. 473.859, subd. 4) available to meet housing needs as stated in statute, and but also clearly and directly link which tools will be used, and in what circumstances, to explicitly address the needs previously identified. The housing element should further state when these tools will be made available.

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 implementation programs do not have to commit every available tool to meet housing needs, but must identify and consider all reasonable resources.

The Council will provide local planners a list of reasonable recognized tools and resources to support affordable housing development through the Local Planning Handbook. While the Council may not require a community to adopt a particular tool, a community must describe which tools it will implement and describe the sequence for their implementation. In the Council's review of the community's plan, the Council may provide comments regarding the community's plan but will not judge the tools proposed by the community. The Council will neither recommend specific tools nor comment on a community's explanation of why they will or will not use specific tools. By providing a list of tools that many communities successfully use, the Council hopes that local comprehensive plans will be clear, transparent policy documents that provide road maps to address housing needs for planners, local leaders, developers, and citizens alike. In addition to meeting the statutory requirements of the Metropolitan Land Planning Act, these comprehensive plans will signal to developers where communities are likely to support affordable housing and thereby make affordable housing development a less risky proposition.

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 and data updates:
Page 65: Table 7 8

Page 91: Table 8 9

Part IV: Opportunities for Collaboration, page 101:

Over one-third of households with a householder age 65 or older—~~73,000~~ <u>more than 74,000</u> households—pay more than 30% of their income on housing. Cost burden for seniors is particularly severe among those who rent; nearly two-thirds of renter households with a householder who is age 65 or older pay more than 30% of their income on housing.[xiii]

Figure ~~19~~ <u>22</u>: Forecasted growth in households headed by seniors
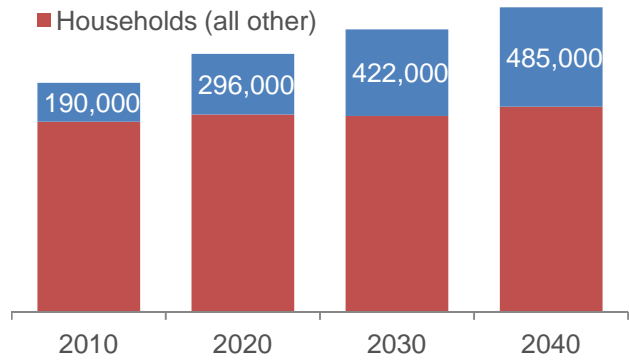
Source: U.S. Census Bureau; Metropolitan Council Regional Forecasts <u>(2015 update)</u>

Part IV: Opportunities for Collaboration, page 102:

Providing high-quality, accessible housing options for people with disabilities is a challenge for housing development and especially affordable housing development. As our population grows and ages, the availability of quality, accessible housing options for people with disabilities will be increasingly important. In the seven-county region there are ~~approximately 250,000~~ nearly 260,000 residents with a disability, accounting for ~~nearly~~ 9% of the regional population.[xiv] ~~Nearly half (48%)~~ More than four-tenths (44%) of the region's non-institutionalized residents aged 75 or older experience difficulty with vision, hearing, mobility, personal care, or independent living, and ~~14%~~11% have moderate to severe memory impairment.[xv] Given the significant recent and forecasted growth in these older age cohorts, there is likely to be additional growth in the number of people with disabilities due to aging and longer life expectancies.

Part IV: Opportunities for Collaboration, page 103:

Figure ~~20~~ 23 Growth in older age cohorts
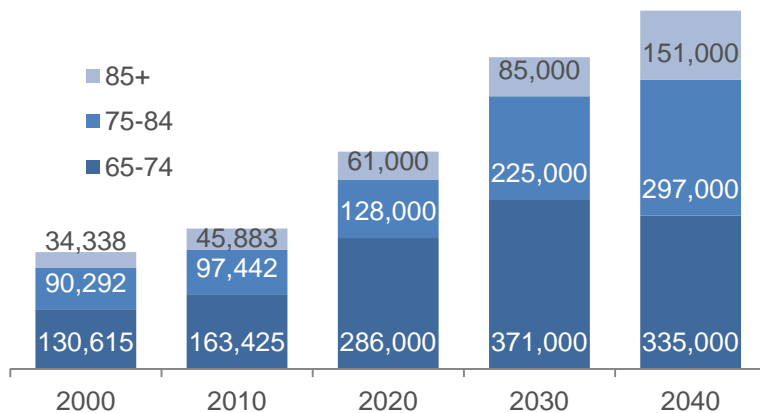
Source: U.S. Census Bureau; Metropolitan Council Regional Forecasts

Part IV: Opportunities for Collaboration, page 104:

Housing affordability is a particularly important issue for people with disabilities. More than half of households with disabilities in the region experience housing cost burden, compared to less than one-third of households without disabilities.[xvi] Because of the typically low income of households with one or more members with disabilities, publicly funded housing often connects housing investments and people with disabilities. For example, in the region's project-based Section 8 properties, 20% of units are occupied by households with a non-elderly person with a disability.[xvii] Similarly, 20% of people in the region's households with a Section 8 Housing Choice Voucher ~~include a person with~~ have a disability. In public housing, the rate is even higher—with ~~34% of households in~~ one-third of public housing ~~have a person with~~ residents having a disability.[xviii] The disproportionate residency of ~~households with a person with a disability~~ people with disabilities in publicly-subsidized housing results from several factors, including:

- The high rate of poverty for persons with a disability;
- A lack of accessible or highly affordable units provided by the private market;
- Possible discrimination faced by households in the private market.~~; and~~

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.
- Align, to the extent possible, the priorities for the Livable Communities Act funding with the policies in this plan.
- ~~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
Cathy Bennett	Urban Land Institute Minnesota / Regional Council of Mayors
Emily Carr	City of Brooklyn Park
Theresa Cunningham	City of Minneapolis
Barbara Dacy	Washington County HRA
Darielle Dannen	Metropolitan Consortium of Community Developers
Kevin Dockry	Hennepin County
Owen Duckworth	Alliance for Metropolitan Sustainability
Mayor Debbie Goettel	City of Richfield
Chip Halbach	Minnesota Housing Partnership
Jill Hutmacher	City of Arden Hills
Margaret Kaplan	Minnesota Housing
Jake Reilly	City of Saint Paul
Elizabeth Ryan	Family Housing Fund
Nelima Sitati Munene	Organizing Apprenticeship Project
Jamie Thelen	Sand Companies
Tim Thompson	Housing Preservation Project
Charlie Vander Aarde	Metro Cities

Members of the Allocation of Affordable Housing Need Workgroup	Organization
Karl Batalden	City of Woodbury
Kim Berggren	City of Brooklyn Park
Jack Cann / Tim Thompson	Housing Preservation Project
Jessica Deegan	Minnesota Housing
Owen Duckworth	Alliance for Metropolitan Stability
Steve Juetten	City of Plymouth
Haila Maze	City of Minneapolis
Patricia Nauman / Charlie Vander Aarde	Metro Cities
Michele Schnitker	City of St. Louis Park
Angie Skildum	Family Housing Fund
Mark Ulfers	Dakota County CDA

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

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 39.5% 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 sewered communities.

- *Existing Affordable Housing Stock*: The methodology increases the Need allocation for communities with a lower share of existing affordable housing than the average sewered 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 sewered 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

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[1] Source: U.S. Census Bureau, 2009-2013 American Community Survey Public Use Microdata Sample.

[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 and the tenure distribution in the 2013 American Community Survey.

[3] Source: U.S. Census Bureau, 2008-2012 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, the tenure distribution in the 2013 American Community Survey, and the affordability distribution of rental units in the 2013 American Community Survey Public Use Microdata Sample.

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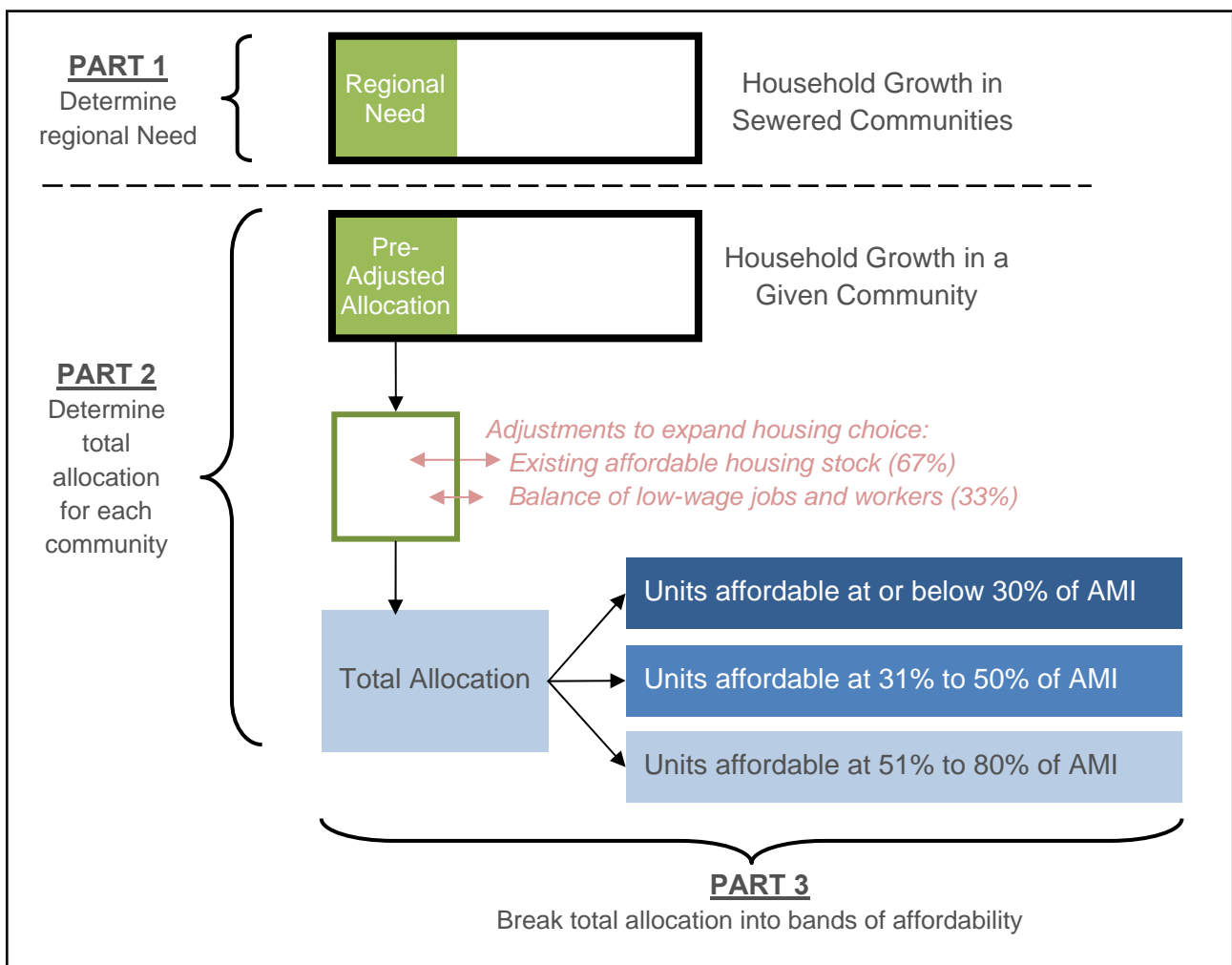
The following explains the detailed calculations behind the Need allocation. Exhibit 4 provides a map of the allocated Need for sewered communities; tables showing calculations are available in Exhibits 5 and 6.

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	*Income at or below 30% of AMI (20,400)*	**18,900 households**	**18,900 units**	Total Allocation = 37,900 units
	Income at 31% to 50% of AMI (16,550)	**9,450 households**	**9,450 units**	
	Income at 51% to 80% of AMI (19,450)	**9,050 households**	**9,550 units**	
	Income above 80% of AMI (62,600)			

- *Step 1: Determine forecasted household growth.*
  The Council's March 2015 regional forecast 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.

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[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
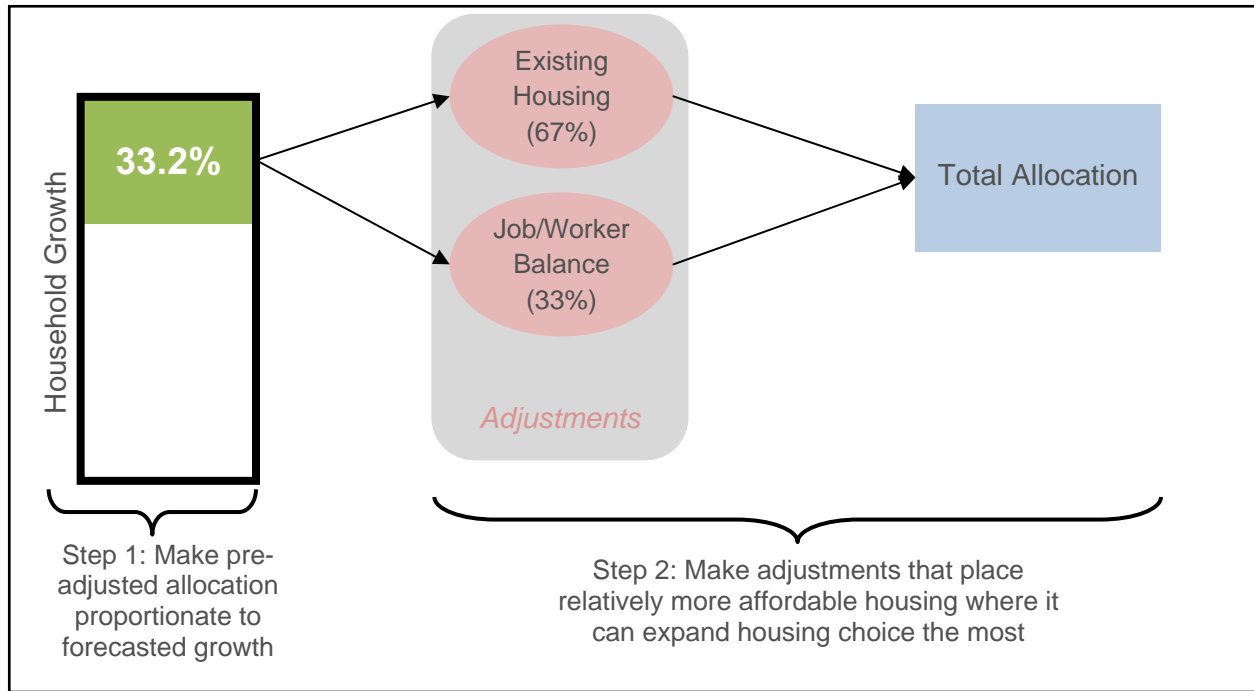
- *Step 1: Calculate pre-adjusted allocation proportionate to forecasted household net growth.* A community's initial, "pre-adjusted" allocation is proportionate to its forecasted household growth: the more households it is expected to add, the higher its allocation will be. Specifically, the pre-adjusted allocation is 33.2% 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-serviced areas (114,305).

  For example, Chanhassen and Maplewood both have forecasted net growth of 1,900 households and thus a preliminary allocation of 630 housing units (33.2% of 1,900), as Table B-1 shows.

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[8] Source: 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. In some communities where the sewer network expands to cover existing households, these numbers produce higher net household growth than the total growth forecast. In these cases, we used the total growth forecast to avoid conflating changes in household growth with changes in the sewer network.

Table B-1. Calculation of Pre-Adjusted Allocation

	(A) Forecasted Sewer-Serviced Households, 2020	(B) Forecasted Sewer-Serviced Households, 2030	(C) Forecasted Net Growth in Sewer-Serviced Households (B – A)	(D) "Equal Share" Factor	(E) Pre-Adjusted Allocation (C × D)
Chanhassen	9,170	11,070	+1,900	33.2%	630
Maplewood	16,540	18,440	+1,900	33.2%	630

- *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:
    o *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.
    o *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 0.20 to 2.82) and the existing affordable housing shares (which range from 3% 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 sewered 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:

- $Z_{Housing} = (Community's\ Affordable\ Housing\ Share - 0.66) \div 0.25$
- $Z_{Job/Worker\ Balance} = (Community's\ Job/Worker\ Balance\ Ratio - 1.09) \div 0.52$

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

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[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 Chanhassen and Maplewood. For example, 34% of Chanhassen'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 +1.28 for Chanhassen's housing measure. (The actual Z-score is -1.28, 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*.) Maplewood's affordable housing share of 83%, though, is higher than the average of 66%; it receives a Z-score of -0.68.

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: Chanhassen's rescaled housing score is +0.38, while Maplewood's is -0.20.

Applying weights (Column E) to the rescaled Z-scores (Column D) yields the final adjustment factors (Column F): +26% for Chanhassen and -14% for Maplewood.

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 existing affordable housing than job/worker balance (the Z-scores are farther from 0), and the weighting further increases the influence that housing has on the allocation.

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[10] To do this, we divide the Z-scores for affordable housing and job/worker balance by 3.34, 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 ÷ 3.34)	(E) Weight	(F) Adjustment Factor (D × E converted to %)
Housing	Chanhassen	34%	66%	+1.28	+0.38	67%	+26%
	Maplewood	83%	66%	-0.68	-0.20	67%	-14%
Jobs	Chanhassen	1.27	1.09	+0.35	+0.11	33%	+3%
	Maplewood	0.84	1.09	-0.48	-0.14	33%	-5%

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 Chanhassen and Maplewood.

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 × 99.2%)
Chanhassen	630	+26%	+3%	+161	+22	813	806
Maplewood	630	-14%	-5%	-86	-30	514	510

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

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[11] Under our methodology, the adjusted allocations for all communities add up to 38,211. 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
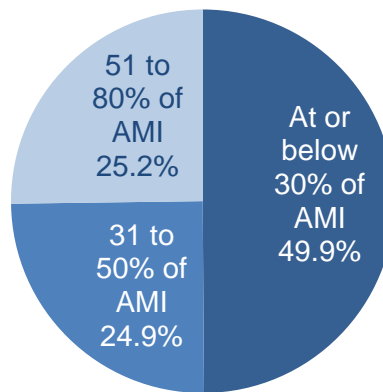
Applying these regional shares to each community's adjusted allocation does not reflect the diversity within communities' existing housing stock. For example, one community might have a higher-than-average share of housing in the 51-80% band and lower-than-average shares of housing in the other two bands. 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 sewered 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
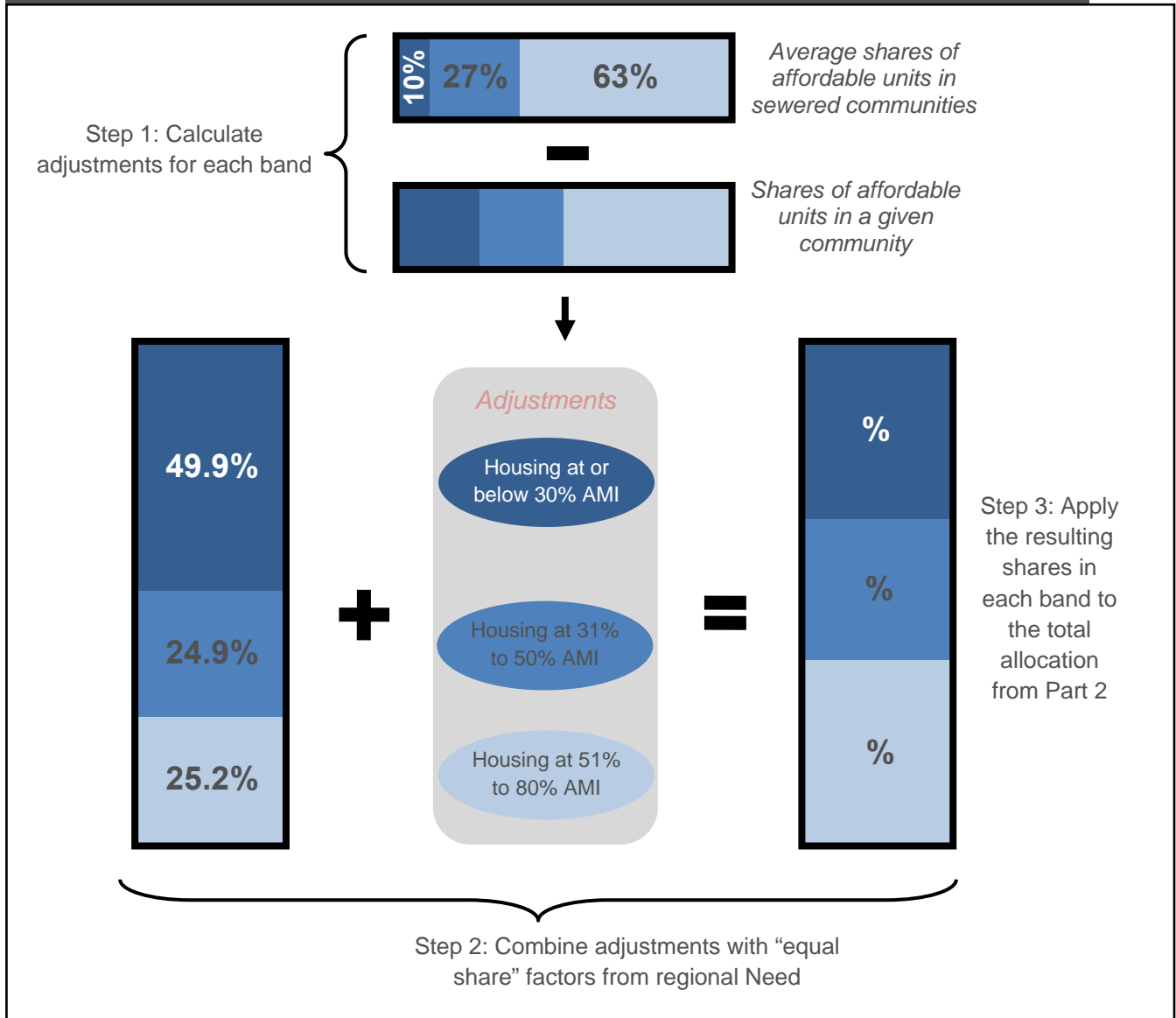
- *Step 1: Calculate differences in affordability for each band from the average for all communities.* In this step, we examine the shares of each community's *affordable* housing in each band and compare them to the average for all sewered communities. The difference between them provides an adjustment that will help determine the share of each community's total allocation to place in each band.

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

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

Table B-4. Calculation of Adjustments to Band Shares

Band		(A) Share of existing *affordable* housing in band	(B) Share of existing *affordable* housing in band for average community	(C) Difference of community from average (B − A)[12]
Chanhassen	At or below 30% AMI	2.2%	9.8%	+7.7%
	31% to 50% of AMI	27.0%	27.4%	+0.4%
	51% to 80% of AMI	70.8%	62.8%	-8.0%
Maplewood	At or below 30% AMI	10.1%	9.8%	-0.2%
	31% to 50% of AMI	33.0%	27.4%	-5.6%
	51% to 80% of AMI	57.0%	62.8%	+5.8%

- *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 Chanhassen, where the share of existing affordable units in this band is lower than average, the adjustment is +7.7%, which yields an adjusted share of 57.5%. In Maplewood, where the share of existing affordable units in this band is about average, the adjustment is very small, which yields an adjusted share of 49.6% (close to the average share). The final shares, in Column D, reflect benchmarking to attain the regional Need in each band.

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

Table B-5. Calcuation of Shares for Band Breakdown

	Band	(A) "Equal share" for each band	(B) Adjustment from Step 1	(C) Adjusted share of allocation to place in band (A + B)	(D) Share of allocation to place in band (benchmarked)[13]
Chan-hassen	At or below 30% AMI	49.9%	+7.7%	57.5%	57.6%
	31% to 50% of AMI	24.9%	+0.4%	25.3%	24.5%
	51% to 80% of AMI	25.2%	-8.0%	17.2%	18.0%
Maple-wood	At or below 30% AMI	49.9%	-0.3%	49.6%	49.1%
	31% to 50% of AMI	24.9%	-5.6%	19.3%	18.6%
	51% to 80% of AMI	25.2%	+5.8%	31.0%	32.3%

- *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, Chanhassen's total allocation is higher than Maplewood's, largely because Chanhassen has a lower share of existing affordable housing than Maplewood does. But because a higher share of Chanhassen's existing *affordable* units lie in the 51-80% band than in Maplewood, Chanhassen's allocation in the 51-80% band is reduced, and Maplewood's allocation in the 51-80% band is increased, such that Chanhassen's allocation in this band is actually lower than Maplewood's.

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[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

	Band	(A) Total allocation from Part 2	(B) Share of regional Need in each band	(C) Band breakdown shares from Step 2	(D) Allocation in each band (A × C)
Chanhassen	At or below 30% AMI	806	49.9%	57.6%	464
	31% to 50% of AMI	806	24.9%	24.5%	197
	51% to 80% of AMI	806	25.2%	18.0%	145
Maplewood	At or below 30% AMI	510	49.9%	49.1%	250
	31% to 50% of AMI	510	24.9%	18.6%	95
	51% to 80% of AMI	510	25.2%	32.3%	165

Legend:
- 6,700 households (Saint Paul) and 10,200 households (Minneapolis)
- 2,000 to 4,090 households
- 1,000 to 1,999 households
- 500 to 999 households
- 250 to 499 households
- 10 to 249 households
- No forecasted growth

County Boundaries
City & Township Boundaries

Note: Communities without sewer service are not shown.
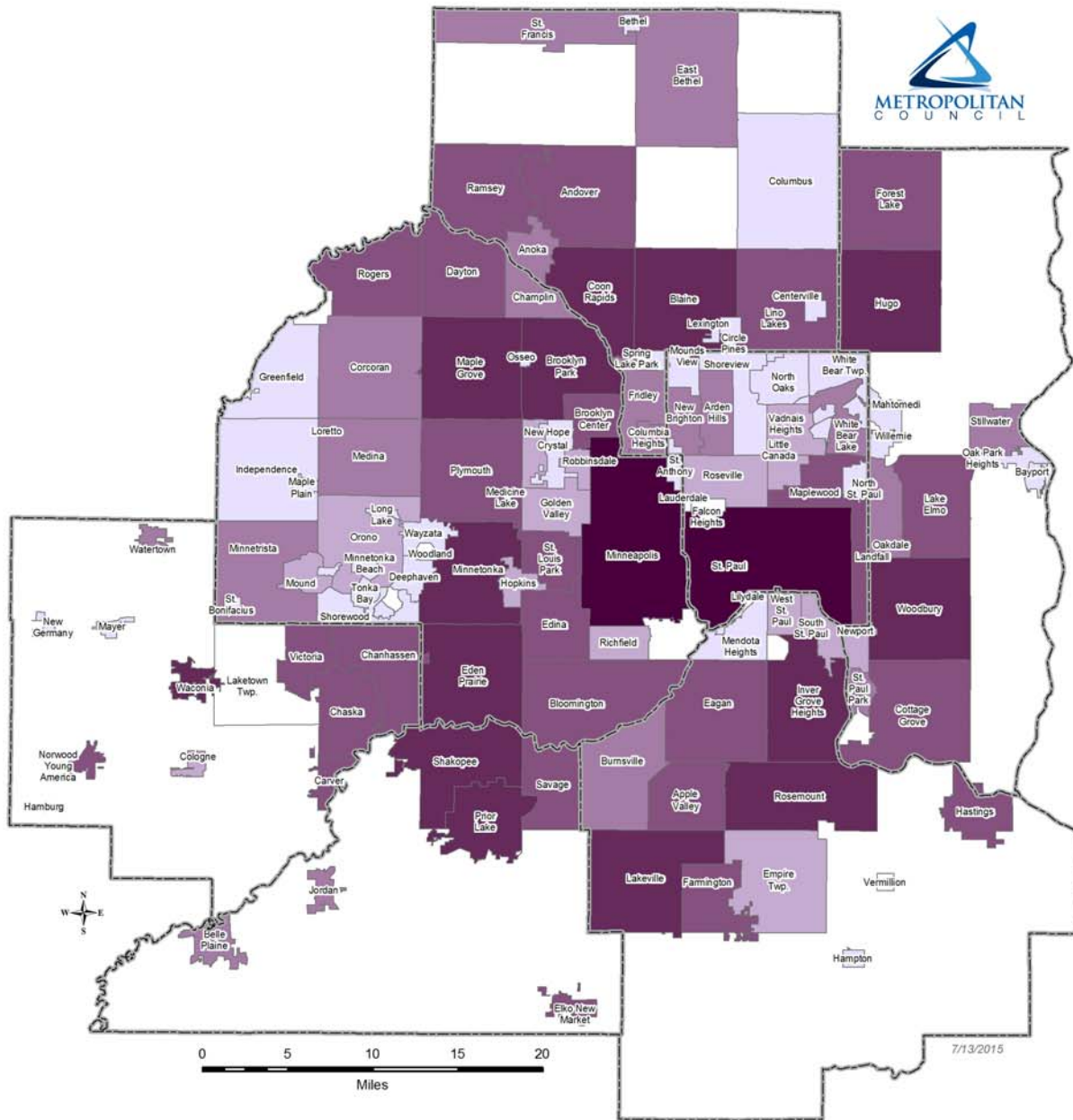
Source: Forecasts of growth in sewer-serviced households or total household growth (whichever is less) developed by Metropolitan Council staff.

Exhibit 2: Existing Affordable Housing Shares
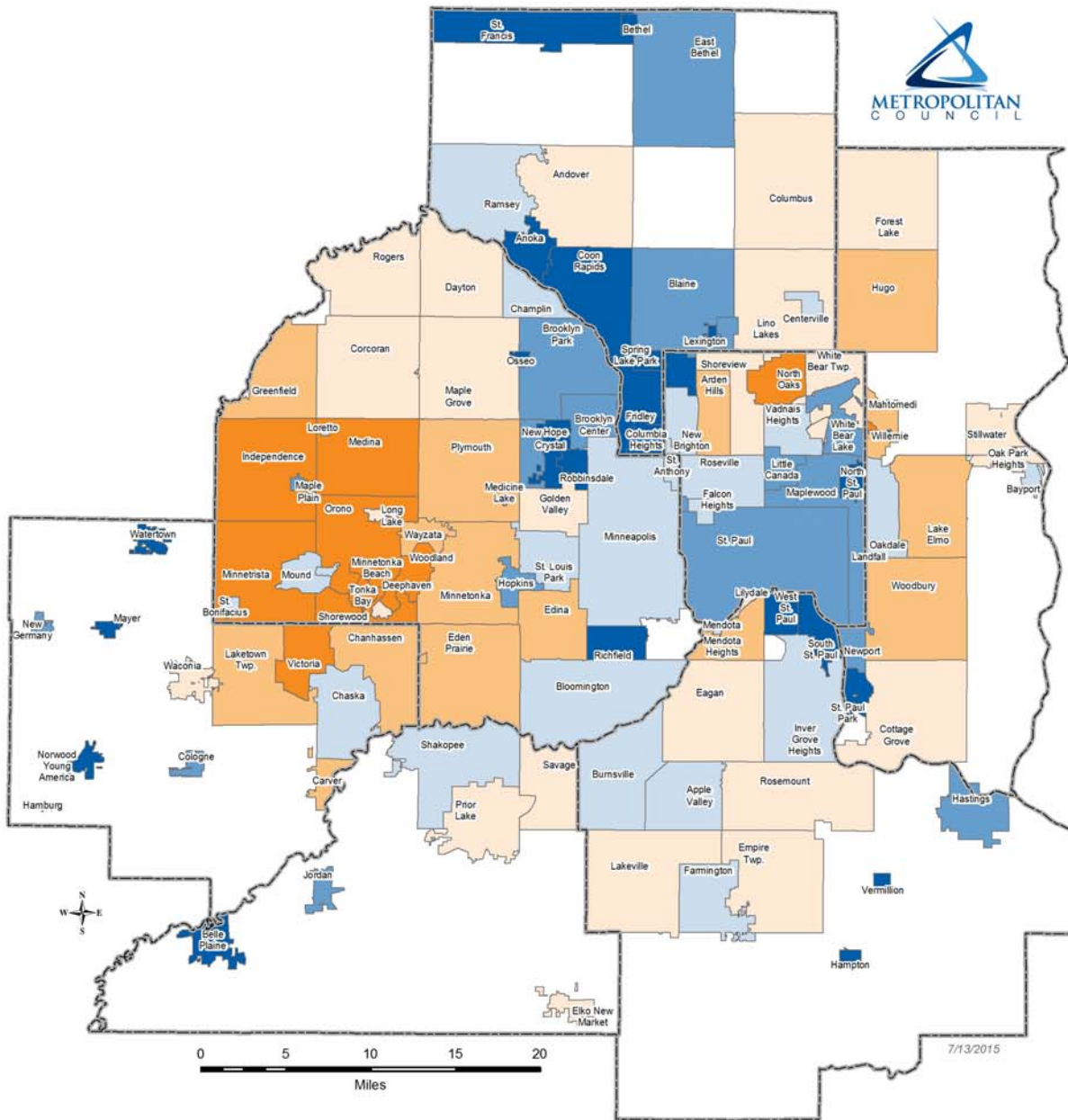
Share of existing housing affordable to households with income at or below 80% of AMI

More affordable housing; adjust allocation downwards

- 90% to 100%
- 80% to 89%
- 65.9% to 79%
- 50% to 65.8%
- 25% to 49%
- 3.2% to 24%

Less affordable housing; adjust allocation upwards
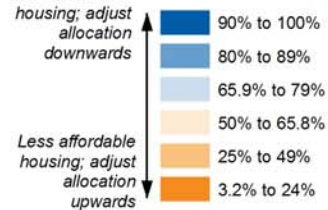
In the average sewered community, about 65.9% of existing housing units are affordable to households whose income is at or below 80% of AMI.

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; 2008-2012 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.
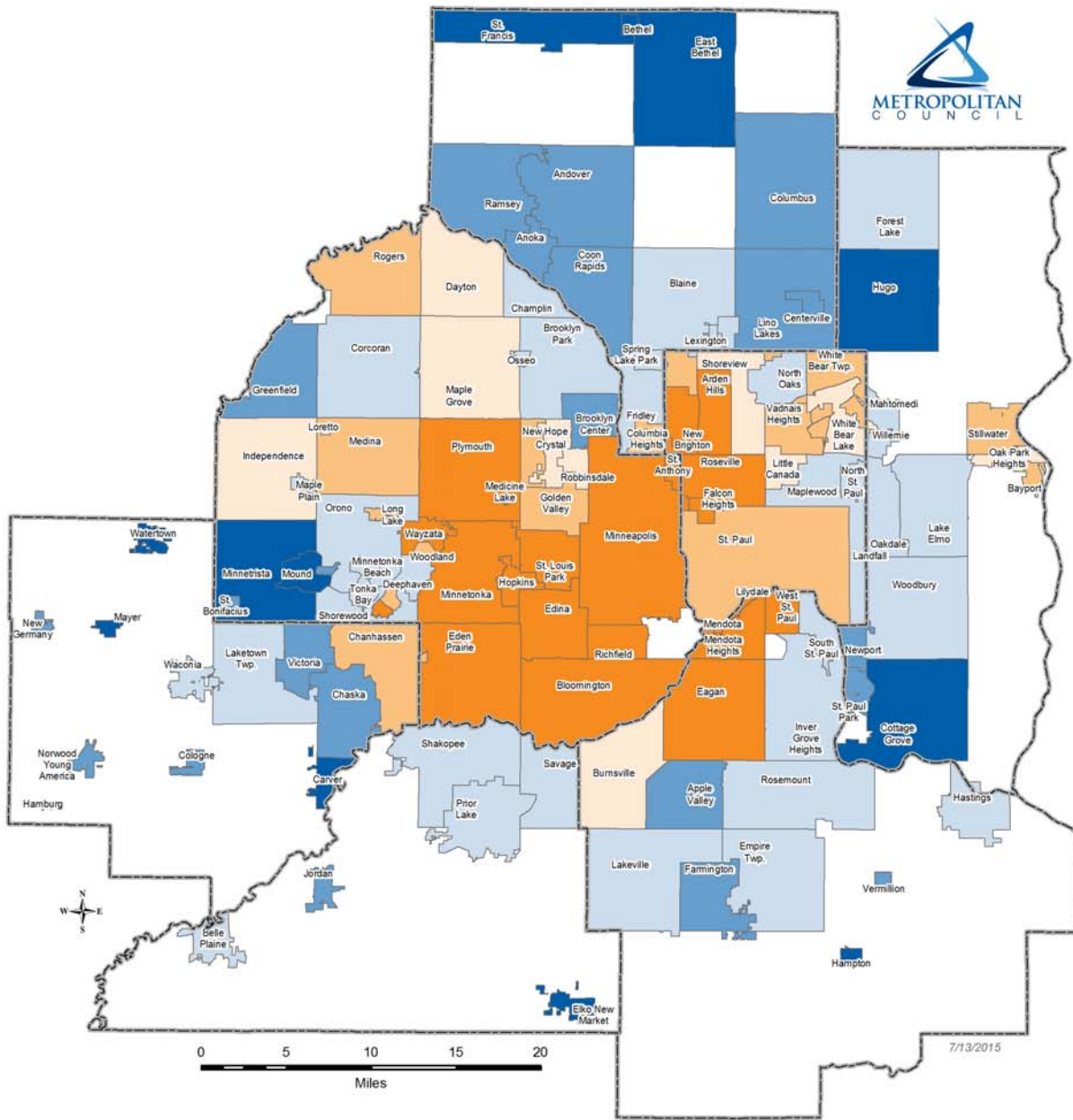
Ratio of low-wage jobs to workers in low-wage jobs

Import low-wage workers; adjust allocation upwards

- 1.50 to 2.82
- 1.25 to 1.49
- 1.09 to 1.24
- 0.75 to 1.08
- 0.50 to 0.74
- 0.20 to 0.49

Export low-wage workers; adjust allocation downwards

The average sewered community has 1.09 times as many low-wage jobs as low-wage working residents.

Note: Communities without sewer service are not shown.

County Boundaries

City & Township Boundaries

Source: Metropolitan Council staff calculations from U.S. Census Bureau, 2012 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)

1,973 units (Saint Paul) and 3,499 units (Minneapolis)
1,000 to 1,414 units
500 to 999 units
250 to 499 units
100 to 249 units
3 to 99 units
No forecasted growth

County Boundaries
City & Township Boundaries
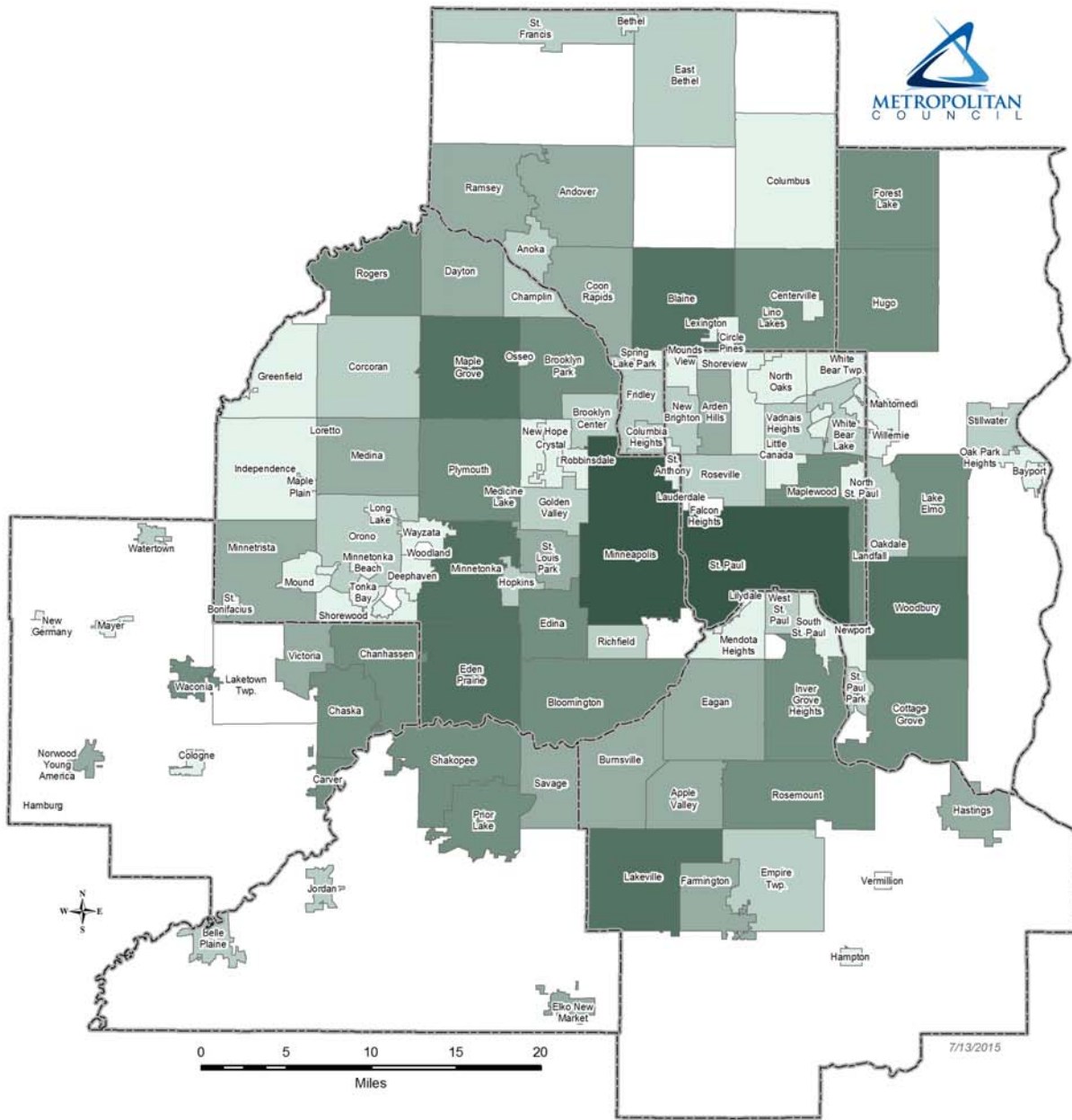
Note: Communities without sewer service are not shown.

Source: Metropolitan Council calculations

7/13/2015

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

Sewered Communities	Growth Summary: Sewered Households[1]			(D) Pre-adjusted allocation (C×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Anoka County											
Andover	7,750	9,350	1,600	531	62.8%	0.52	+2%	-11%	+13	-57	483
Anoka	7,650	8,150	500	166	96.2%	0.74	-24%	-7%	-41	-11	113
Bethel	190	220	30	10	96.9%	0.21	-25%	-17%	-2	-2	6
Blaine**	23,730	27,820	4,090	1,356	80.7%	0.91	-12%	-3%	-162	-46	1,139
Centerville	1,250	1,300	50	17	73.5%	0.51	-6%	-11%	-1	-2	14
Circle Pines	2,100	2,160	60	20	89.6%	0.80	-19%	-5%	-4	-1	15
Columbia Heights	8,400	8,900	500	166	97.7%	1.40	-26%	+6%	-42	+10	133
Columbus	190	270	80	27	54.4%	0.66	+9%	-8%	+2	-2	27
Coon Rapids	24,420	26,420	2,000	663	94.1%	0.68	-23%	-8%	-151	-51	457
East Bethel	427	1,331	904	300	80.2%	0.22	-12%	-16%	-35	-49	214
Fridley	11,700	12,300	600	199	95.5%	0.98	-24%	-2%	-48	-4	146
Hilltop	450	500	50	17	98.8%	1.19	-27%	+2%	-5	+0	12
Lexington	820	880	60	20	98.1%	0.95	-26%	-3%	-5	-1	14
Lino Lakes	5,179	6,779	1,600	531	56.0%	0.55	+8%	-10%	+42	-54	515
Ramsey	9,400	11,300	1,900	630	79.6%	0.61	-11%	-9%	-70	-57	499
St. Francis	1,440	2,010	570	189	93.0%	0.41	-22%	-13%	-41	-24	123
Spring Lake Park**	2,780	3,000	220	73	97.8%	1.05	-26%	-1%	-19	-1	53

* 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×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Carver County											
Carver	2,120	3,630	1,510	501	42.7%	0.43	+19%	-12%	+94	-63	528
Chanhassen**	9,170	11,070	1,900	630	34.1%	1.27	+26%	+3%	+161	+22	806
Chaska	9,470	11,370	1,900	630	68.1%	0.74	-2%	-7%	-12	-42	571
Cologne	800	1,170	370	123	82.4%	0.70	-13%	-7%	-16	-9	97
Hamburg	210	230	20	7	95.9%	0.60	-24%	-9%	-2	-1	4
Laketown Township	140	70	0	0	31.3%	0.76	+28%	-6%	+0	+0	0
Mayer	740	970	230	76	91.0%	0.20	-20%	-17%	-15	-13	48
New Germany	190	270	80	27	85.9%	0.67	-16%	-8%	-4	-2	21
Norwood Young America	1,890	3,020	1,130	375	90.3%	0.67	-20%	-8%	-74	-30	269
Victoria	3,210	4,280	1,070	355	24.8%	0.58	+33%	-10%	+117	-34	434
Waconia	5,400	8,000	2,600	862	63.5%	1.03	+2%	-1%	+17	-9	863
Watertown	1,900	2,500	600	199	90.1%	0.43	-20%	-12%	-39	-25	134

* 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.

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[1] Source: 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, 65.9% 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 1.09.

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×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Dakota County											
Apple Valley	21,700	23,300	1,600	531	68.9%	0.63	-2%	-9%	-13	-46	468
Burnsville	25,360	26,260	900	298	78.9%	1.10	-10%	+0%	-31	+1	266
Eagan	27,070	28,370	1,300	431	64.6%	1.57	+1%	+9%	+5	+40	472
Empire Township	730	1,070	340	113	53.8%	0.91	+10%	-3%	+11	-4	119
Farmington	7,850	9,450	1,600	531	72.8%	0.52	-6%	-11%	-29	-57	441
Hampton	260	280	20	7	93.7%	0.38	-22%	-13%	-2	-1	4
Hastings**	9,700	11,100	1,400	464	85.5%	0.77	-16%	-6%	-73	-28	360
Inver Grove Heights	13,990	16,000	2,010	666	72.7%	0.83	-6%	-5%	-37	-33	591
Lakeville	22,300	26,300	4,000	1,326	51.4%	0.87	+12%	-4%	+155	-55	1,414
Lilydale	590	590	0	0	50.8%	1.95	+12%	+16%	+0	+0	0
Mendota	90	110	20	7	76.2%	1.71	-8%	+12%	-1	+1	7
Mendota Heights	4,600	4,710	110	36	31.4%	1.67	+28%	+11%	+10	+4	50
Rosemount	8,450	10,740	2,290	759	59.0%	1.00	+6%	-2%	+42	-12	783
South St. Paul	8,900	9,200	300	99	95.9%	0.77	-24%	-6%	-24	-6	68
Vermillion	160	160	0	0	90.7%	0.68	-20%	-8%	+0	+0	0
West St. Paul	9,090	9,490	400	133	92.1%	1.73	-21%	+12%	-28	+16	120

* 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.

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[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, 65.9% 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 1.09.

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×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Hennepin County											
Bloomington	38,100	39,700	1,600	531	75.0%	2.07	-7%	+19%	-39	+99	586
Brooklyn Center	11,300	12,300	1,000	332	89.8%	0.65	-19%	-8%	-64	-28	238
Brooklyn Park	29,330	31,530	2,200	729	82.4%	0.77	-13%	-6%	-97	-44	583
Champlin	8,060	8,760	700	232	76.6%	0.89	-9%	-4%	-20	-9	201
Corcoran	490	1,040	550	182	52.1%	0.91	+11%	-3%	+20	-6	194
Crystal	9,500	9,600	100	33	94.3%	1.11	-23%	+0%	-8	+0	25
Dayton	2,200	3,200	1,000	332	65.9%	1.15	+0%	+1%	+0	+4	333
Deephaven	1,360	1,380	20	7	11.1%	1.03	+44%	-1%	+3	+0	10
Eden Prairie	27,400	30,400	3,000	995	43.7%	2.39	+18%	+25%	+178	+247	1,408
Edina	22,000	23,800	1,800	597	37.5%	2.42	+23%	+25%	+136	+152	878
Excelsior	1,200	1,300	100	33	64.6%	1.58	+1%	+9%	+0	+3	36
Golden Valley	9,300	9,600	300	99	59.0%	1.48	+6%	+7%	+6	+7	111
Greenfield	220	300	80	27	39.7%	0.67	+21%	-8%	+6	-2	31
Greenwood	300	300	0	0	15.2%	1.45	+41%	+7%	+0	+0	0
Hopkins	9,300	9,700	400	133	82.9%	2.82	-14%	+33%	-18	+44	158
Independence	1,400	1,560	160	53	21.5%	1.21	+36%	+2%	+19	+1	72
Long Lake	790	870	80	27	64.6%	1.30	+1%	+4%	+0	+1	28
Loretto	280	290	10	3	75.2%	1.20	-7%	+2%	+0	+0	3
Maple Grove	26,600	29,900	3,300	1,094	55.8%	1.16	+8%	+1%	+89	+15	1,188

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[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, 65.9% 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 1.09.

Sewered Communities	Growth Summary: Sewered Households[1]			(D) Pre-adjusted allocation (C×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Maple Plain	790	890	100	33	82.5%	0.86	-13%	-4%	-4	-1	28
Medicine Lake	170	170	0	0	29.9%	1.90	+29%	+15%	+0	+0	0
Medina	2,300	2,840	540	179	22.5%	1.48	+35%	+7%	+63	+13	253
Minneapolis	183,800	194,000	10,200	3,382	78.1%	1.83	-10%	+14%	-333	+479	3,499
Minnetonka	24,200	26,600	2,400	796	48.2%	2.17	+14%	+21%	+113	+164	1,064
Minnetonka Beach	210	220	10	3	5.1%	0.81	+49%	-5%	+1	+0	4
Minnetrista	1,280	1,970	690	229	18.3%	0.39	+38%	-13%	+88	-30	285
Mound	4,200	4,460	260	86	75.1%	0.46	-7%	-12%	-6	-10	69
New Hope	8,900	9,200	300	99	90.0%	1.36	-19%	+5%	-19	+5	84
Orono	3,200	3,560	360	119	24.4%	1.08	+33%	-0%	+40	+0	158
Osseo	1,300	1,400	100	33	91.6%	1.04	-21%	-1%	-7	+0	26
Plymouth	31,200	33,000	1,800	597	48.3%	1.85	+14%	+15%	+85	+87	763
Richfield	15,600	16,000	400	133	91.3%	1.70	-21%	+12%	-27	+16	121
Robbinsdale	6,300	6,600	300	99	93.2%	1.11	-22%	+0%	-22	+0	76
Rogers	5,000	6,700	1,700	564	51.2%	1.26	+12%	+3%	+67	+19	645
St. Anthony**	4,200	4,300	100	33	75.4%	2.41	-8%	+25%	-3	+8	38
St. Bonifacius	870	880	10	3	74.9%	0.56	-7%	-10%	+0	+0	3
St. Louis Park	23,600	24,600	1,000	332	72.2%	1.94	-5%	+16%	-17	+54	366
Shorewood	2,800	2,910	110	36	20.3%	0.96	+37%	-2%	+13	-1	48
Spring Park	960	1,040	80	27	76.4%	0.61	-8%	-9%	-2	-2	23
Tonka Bay	630	660	30	10	20.2%	0.93	+37%	-3%	+4	+0	14
Wayzata	2,100	2,310	210	70	46.9%	1.68	+15%	+11%	+11	+8	88
Woodland	54	54	0	0	3.2%	1.27	+51%	+3%	+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×33.2%)	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 = 65.9%)	(F) Job/ worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/ worker balance	(I) Housing stock (D × G)	(J) Job/ worker balance (D × H)	
Ramsey County											
Arden Hills	3,200	4,100	900	298	44.3%	1.54	+17%	+9%	+52	+26	373
Falcon Heights	2,200	2,200	0	0	66.9%	1.85	-1%	+15%	+0	+0	0
Gem Lake	90	120	30	10	51.2%	1.25	+12%	+3%	+1	+0	11
Lauderdale	1,200	1,200	0	0	87.7%	2.48	-18%	+27%	+0	+0	0
Little Canada	4,520	4,790	270	90	82.2%	1.20	-13%	+2%	-12	+2	79
Maplewood	16,540	18,440	1,900	630	82.8%	0.84	-14%	-5%	-86	-30	510
Mounds View	5,100	5,200	100	33	91.6%	1.30	-21%	+4%	-7	+1	27
New Brighton	9,500	10,000	500	166	77.3%	1.53	-9%	+8%	-15	+14	164
North Oaks	710	800	90	30	7.5%	1.07	+47%	-0%	+14	+0	44
North St. Paul	5,000	5,200	200	66	91.1%	0.80	-20%	-5%	-13	-4	49
Roseville	15,300	15,700	400	133	75.4%	1.88	-8%	+15%	-10	+20	142
Saint Paul	124,700	131,400	6,700	2,222	85.1%	1.35	-16%	+5%	-345	+112	1,973
Shoreview	11,000	11,200	200	66	61.9%	1.23	+3%	+3%	+2	+2	69
Vadnais Heights	5,700	6,100	400	133	70.9%	1.38	-4%	+6%	-5	+7	134
White Bear Township	4,000	4,180	180	60	58.4%	1.31	+6%	+4%	+4	+3	66
White Bear Lake**	10,500	11,200	700	232	84.6%	1.21	-15%	+2%	-35	+5	200

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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×33.2%)	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 = 65.9%)	(F) Job/worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Scott County											
Belle Plaine	2,900	3,860	960	318	93.3%	1.06	-22%	-1%	-70	-2	244
Elko New Market	2,000	3,030	1,030	342	53.5%	0.37	+10%	-14%	+34	-47	326
Jordan	2,500	3,160	660	219	81.1%	0.72	-12%	-7%	-27	-15	176
Prior Lake	10,500	13,100	2,600	862	52.2%	0.99	+11%	-2%	+95	-16	933
Savage	10,790	12,190	1,400	464	53.2%	0.82	+10%	-5%	+47	-24	483
Shakopee	15,400	18,400	3,000	995	70.3%	1.04	-4%	-1%	-35	-9	943

* 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.

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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×33.2%)	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 = 65.9%)	(F) Job/worker balance[4] (Avg = 1.09)	(G) Housing stock	(H) Job/worker balance	(I) Housing stock (D × G)	(J) Job/worker balance (D × H)	
Washington County											
Bayport	1,100	1,220	120	40	66.4%	1.30	-0%	+4%	+0	+2	42
Birchwood Village	360	360	0	0	20.4%	1.15	+37%	+1%	+0	+0	0
Cottage Grove	13,300	15,200	1,900	630	61.3%	0.42	+4%	-13%	+23	-80	568
Forest Lake	7,040	8,930	1,890	627	59.3%	1.03	+5%	-1%	+33	-7	648
Hugo	4,460	6,950	2,490	826	48.8%	0.46	+14%	-12%	+113	-98	834
Lake Elmo	1,059	2,240	1,181	392	27.7%	1.07	+31%	-0%	+121	-1	508
Landfall	260	260	0	0	100.0%	0.70	-27%	-7%	+0	+0	0
Mahtomedi	2,860	2,910	50	17	31.9%	1.06	+27%	-1%	+5	+0	22
Newport	1,220	1,530	310	103	85.1%	0.69	-15%	-8%	-16	-8	78
Oakdale	11,390	11,890	500	166	71.8%	0.94	-5%	-3%	-8	-5	152
Oak Park Heights	2,200	2,420	220	73	65.6%	1.24	+0%	+3%	+0	+2	74
St. Paul Park	2,300	2,810	510	169	92.9%	0.71	-22%	-7%	-37	-12	119
Stillwater	8,370	8,970	600	199	54.2%	1.38	+9%	+6%	+19	+11	227
Willernie	230	230	0	0	91.3%	0.96	-20%	-2%	+0	+0	0
Woodbury	26,800	29,500	2,700	895	39.7%	0.90	+21%	-4%	+189	-32	1,043

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[1] Source: 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, 65.9% 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 1.09.

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 = 9.8%)	(C) 31% to 50% of AMI (Avg = 27.4%)	(D) 51% to 80% of AMI (Avg = 62.8%)	(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 × E)	(I) 31% to 50% of AMI (A × F)	(J) 51% to 80% of AMI (A × G)
Anoka County										
Andover	483	2.7%	12.6%	84.7%	57.5%	38.9%	3.6%	278	188	17
Anoka	113	6.8%	54.1%	39.1%	51.3%	0.0%	48.7%	58	0	55
Bethel	6	10.2%	62.4%	27.4%	42.9%	0.0%	57.1%	3	0	3
Blaine**	1,139	13.2%	25.1%	61.7%	46.3%	26.2%	27.5%	527	299	313
Centerville	14	1.0%	20.5%	78.5%	61.5%	30.8%	7.7%	9	4	1
Circle Pines	15	0.0%	41.6%	58.4%	60.0%	13.3%	26.7%	9	2	4
Columbia Heights	133	7.4%	61.6%	31.0%	47.0%	0.0%	53.0%	62	0	71
Columbus	27	0.0%	3.9%	96.1%	55.2%	44.8%	0.0%	15	12	0
Coon Rapids	457	6.2%	40.3%	53.5%	52.6%	11.5%	35.9%	240	53	164
East Bethel	214	8.9%	19.3%	71.8%	50.7%	31.9%	17.4%	109	68	37
Fridley	146	7.7%	48.5%	43.8%	50.3%	4.0%	45.6%	73	6	67
Hilltop	12	78.0%	22.0%	0.0%	0.0%	26.7%	73.3%	0	3	9
Lexington	14	16.2%	43.3%	40.5%	42.9%	7.1%	50.0%	6	1	7
Lino Lakes	515	5.1%	13.0%	81.8%	55.1%	38.3%	6.5%	284	197	34
Ramsey	499	1.6%	17.8%	80.6%	58.5%	33.5%	7.9%	292	167	40
St. Francis	123	18.1%	36.3%	45.6%	41.1%	15.3%	43.5%	51	19	53
Spring Lake Park**	53	9.7%	30.8%	59.4%	49.1%	20.8%	30.2%	26	11	16

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[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, 9.8% of all affordable units are affordable at or below 30% of AMI; 27.4% are affordable at 31% to 50% of AMI; and 62.8% 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 = 9.8%)	(C) 31% to 50% of AMI (Avg = 27.4%)	(D) 51% to 80% of AMI (Avg = 62.8%)	(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 × E)	(I) 31% to 50% of AMI (A × F)	(J) 51% to 80% of AMI (A × G)
Carver County										
Carver	528	1.0%	27.7%	71.2%	58.6%	23.8%	17.7%	310	125	93
Chanhassen**	806	2.2%	27.0%	70.8%	57.6%	24.5%	18.0%	464	197	145
Chaska	571	15.9%	23.9%	60.2%	43.5%	27.4%	29.1%	249	156	166
Cologne	97	8.3%	23.2%	68.4%	51.5%	27.8%	20.6%	50	27	20
Hamburg	4	15.0%	70.9%	14.1%	40.0%	0.0%	60.0%	2	0	2
Laketown Township	0	6.2%	8.5%	85.3%	0.0%	0.0%	0.0%	0	0	0
Mayer	48	4.1%	21.1%	74.8%	57.4%	29.8%	12.8%	28	14	6
New Germany	21	9.6%	73.3%	17.1%	40.7%	0.0%	59.3%	9	0	12
Norwood Young America	269	11.4%	53.2%	35.4%	46.7%	0.0%	53.3%	126	0	143
Victoria	434	5.9%	16.8%	77.4%	54.2%	34.6%	11.2%	235	150	49
Waconia	863	3.8%	30.3%	65.9%	55.7%	21.2%	23.1%	481	183	199
Watertown	134	12.6%	38.1%	49.2%	46.7%	13.3%	40.0%	62	18	54

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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 = 9.8%)	(C) 31% to 50% of AMI (Avg = 27.4%)	(D) 51% to 80% of AMI (Avg = 62.8%)	(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	468	12.3%	26.1%	61.6%	47.2%	25.2%	27.6%	221	118	129
Burnsville	266	12.0%	25.1%	62.9%	47.5%	26.0%	26.4%	127	69	70
Eagan	472	10.2%	30.2%	59.6%	49.2%	21.2%	29.7%	232	100	140
Empire Township	119	0.0%	14.8%	85.2%	60.7%	36.8%	2.6%	72	44	3
Farmington	441	4.8%	34.1%	61.0%	54.4%	17.5%	28.1%	240	77	124
Hampton	4	2.8%	33.7%	63.5%	50.0%	25.0%	25.0%	2	1	1
Hastings**	360	10.8%	39.8%	49.4%	48.2%	11.8%	39.9%	173	43	144
Inver Grove Heights	591	13.2%	24.8%	62.0%	46.3%	26.6%	27.1%	274	157	160
Lakeville	1,414	14.3%	17.7%	67.9%	45.4%	33.5%	21.1%	642	474	298
Lilydale	0	1.0%	36.7%	62.4%	0.0%	0.0%	0.0%	0	0	0
Mendota	7	14.1%	34.4%	51.6%	42.9%	14.3%	42.9%	3	1	3
Mendota Heights	50	5.0%	16.9%	78.1%	55.1%	34.7%	10.2%	28	17	5
Rosemount	783	8.8%	24.0%	67.2%	50.7%	27.5%	21.8%	397	215	171
South St. Paul	68	9.6%	45.0%	45.4%	49.3%	7.2%	43.5%	33	5	30
Vermillion	0	0.0%	20.4%	79.6%	0.0%	0.0%	0.0%	0	0	0
West St. Paul	120	9.0%	37.1%	53.9%	50.4%	14.0%	35.5%	60	17	43

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

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Hennepin County										
Bloomington	586	6.9%	22.2%	70.9%	52.8%	29.3%	17.9%	310	171	105
Brooklyn Center	238	5.0%	75.3%	19.7%	43.1%	0.0%	56.9%	103	0	135
Brooklyn Park	583	7.6%	38.5%	53.8%	51.4%	13.1%	35.4%	300	76	207
Champlin	201	3.1%	18.6%	78.3%	57.1%	32.8%	10.1%	115	66	20
Corcoran	194	19.6%	7.0%	73.5%	40.3%	44.5%	15.2%	78	87	29
Crystal	25	2.8%	50.3%	46.9%	56.0%	4.0%	40.0%	14	1	10
Dayton	333	25.8%	20.2%	54.0%	33.6%	30.9%	35.4%	112	103	118
Deephaven	10	0.6%	2.5%	96.8%	54.5%	45.5%	0.0%	5	5	0
Eden Prairie	1,408	2.8%	24.1%	73.2%	57.0%	27.4%	15.6%	802	386	220
Edina	878	17.7%	24.7%	57.6%	41.6%	26.6%	31.7%	365	234	279
Excelsior	36	14.8%	46.0%	39.2%	43.2%	5.4%	51.4%	16	2	18
Golden Valley	111	11.9%	21.1%	67.1%	47.7%	30.6%	21.6%	53	34	24
Greenfield	31	0.0%	41.2%	58.8%	61.3%	9.7%	29.0%	19	3	9
Greenwood	0	0.0%	2.0%	98.0%	0.0%	0.0%	0.0%	0	0	0
Hopkins	158	13.9%	25.2%	61.0%	45.6%	25.9%	28.5%	72	41	45
Independence	72	8.4%	12.9%	78.7%	52.1%	38.0%	9.9%	38	27	7
Long Lake	28	6.5%	23.1%	70.4%	53.6%	28.6%	17.9%	15	8	5
Loretto	3	9.6%	36.8%	53.6%	66.7%	0.0%	33.3%	2	0	1
Maple Grove	1,188	1.2%	25.5%	73.3%	58.5%	26.1%	15.4%	694	310	184
Maple Plain	28	6.2%	36.8%	56.9%	53.6%	14.3%	32.1%	15	4	9
Medicine Lake	0	0.0%	26.9%	73.1%	0.0%	0.0%	0.0%	0	0	0
Medina	253	1.0%	8.9%	90.2%	58.3%	41.7%	0.0%	147	106	0
Minneapolis	3,499	14.7%	37.5%	47.8%	44.3%	14.1%	41.5%	1,551	494	1,454

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Minnetonka	1,064	12.3%	12.5%	75.2%	47.7%	38.8%	13.5%	508	412	144
Minnetonka Beach	4	66.7%	8.3%	25.0%	0.0%	40.0%	60.0%	0	2	2
Minnetrista	285	0.9%	27.4%	71.7%	58.8%	23.9%	17.3%	168	68	49
Mound	69	9.5%	41.4%	49.1%	49.3%	11.3%	39.4%	34	8	27
New Hope	84	7.2%	25.7%	67.0%	52.4%	25.0%	22.6%	44	21	19
Orono	158	15.2%	14.7%	70.1%	44.9%	36.5%	18.6%	71	58	29
Osseo	26	6.0%	56.1%	37.9%	50.0%	0.0%	50.0%	13	0	13
Plymouth	763	5.6%	19.2%	75.2%	54.4%	32.2%	13.4%	415	246	102
Richfield	121	5.2%	27.4%	67.4%	54.5%	24.0%	21.5%	66	29	26
Robbinsdale	76	8.8%	51.5%	39.7%	49.4%	1.3%	49.4%	37	1	38
Rogers	645	3.7%	18.6%	77.7%	56.2%	32.9%	11.0%	362	212	71
St. Anthony**	38	12.1%	16.4%	71.5%	48.6%	35.1%	16.2%	19	13	6
St. Bonifacius	3	4.4%	32.5%	63.2%	50.0%	25.0%	25.0%	1	1	1
St. Louis Park	366	7.5%	21.4%	71.1%	52.2%	29.9%	17.9%	191	110	65
Shorewood	48	12.7%	17.0%	70.3%	47.9%	33.3%	18.8%	23	16	9
Spring Park	23	2.1%	33.0%	65.0%	59.1%	18.2%	22.7%	14	4	5
Tonka Bay	14	4.5%	11.9%	83.6%	53.3%	40.0%	6.7%	7	6	1
Wayzata	88	15.1%	20.6%	64.3%	44.3%	30.7%	25.0%	39	27	22
Woodland	0	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0	0	0

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Ramsey County										
Arden Hills	373	24.7%	24.4%	50.8%	34.5%	26.7%	38.8%	129	100	144
Falcon Heights	0	1.1%	32.0%	67.0%	0.0%	0.0%	0.0%	0	0	0
Gem Lake	11	0.0%	22.6%	77.4%	63.6%	27.3%	9.1%	7	3	1
Lauderdale	0	0.1%	42.0%	57.9%	0.0%	0.0%	0.0%	0	0	0
Little Canada	79	26.3%	16.6%	57.0%	33.3%	34.6%	32.1%	26	28	25
Maplewood	510	10.1%	33.0%	57.0%	49.1%	18.6%	32.3%	250	95	165
Mounds View	27	13.8%	32.7%	53.5%	46.2%	19.2%	34.6%	13	5	9
New Brighton	164	8.0%	33.7%	58.3%	51.2%	17.7%	31.1%	84	29	51
North Oaks	44	0.0%	0.0%	100.0%	54.2%	45.8%	0.0%	24	20	0
North St. Paul	49	7.4%	43.7%	48.9%	52.0%	8.0%	40.0%	25	4	20
Roseville	142	10.0%	15.5%	74.6%	50.4%	35.5%	14.2%	72	50	20
Saint Paul	1,973	16.6%	45.5%	38.0%	42.1%	6.5%	51.4%	832	128	1,013
Shoreview	69	9.6%	23.4%	67.0%	50.0%	27.1%	22.9%	34	19	16
Vadnais Heights	134	17.1%	22.3%	60.6%	42.5%	28.4%	29.1%	57	38	39
White Bear Township	66	4.5%	15.4%	80.1%	56.3%	35.9%	7.8%	37	24	5
White Bear Lake**	200	3.7%	16.0%	80.3%	56.3%	35.5%	8.1%	113	71	16

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Scott County										
Belle Plaine	244	7.6%	32.8%	59.6%	51.6%	18.9%	29.5%	126	46	72
Elko New Market	326	0.9%	14.2%	84.9%	59.7%	37.2%	3.1%	195	121	10
Jordan	176	22.6%	30.4%	47.0%	36.5%	21.3%	42.1%	64	38	74
Prior Lake	933	5.2%	23.3%	71.5%	54.5%	28.2%	17.4%	508	263	162
Savage	483	0.2%	12.3%	87.5%	60.3%	39.3%	0.4%	291	190	2
Shakopee	943	3.0%	36.8%	60.2%	56.3%	14.8%	28.9%	530	140	273

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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 = 9.8%)	(C) 31% to 50% of AMI (Avg = 27.4%)	(D) 51% to 80% of AMI (Avg = 62.8%)	(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 × E)	(I) 31% to 50% of AMI (A × F)	(J) 51% to 80% of AMI (A × G)
Washington County										
Bayport	42	3.4%	29.3%	67.3%	55.8%	23.3%	20.9%	23	10	9
Birchwood Village	0	0.0%	2.7%	97.3%	0.0%	0.0%	0.0%	0	0	0
Cottage Grove	568	1.9%	12.5%	85.7%	58.5%	39.0%	2.5%	333	221	14
Forest Lake	648	7.9%	26.2%	65.9%	51.7%	25.2%	23.1%	335	164	149
Hugo	834	7.0%	10.4%	82.7%	53.2%	41.0%	5.7%	444	342	48
Lake Elmo	508	54.4%	15.3%	30.3%	5.3%	35.2%	59.5%	27	179	302
Landfall	0	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
Mahtomedi	22	8.2%	13.9%	77.9%	52.4%	38.1%	9.5%	12	8	2
Newport	78	7.5%	58.3%	34.2%	48.2%	0.0%	51.8%	38	0	40
Oakdale	152	6.4%	26.0%	67.6%	53.3%	25.3%	21.3%	81	39	32
Oak Park Heights	74	14.3%	38.1%	47.6%	44.7%	14.5%	40.8%	33	11	30
St. Paul Park	119	5.6%	22.3%	72.2%	53.8%	29.4%	16.8%	64	35	20
Stillwater	227	8.4%	16.4%	75.2%	51.3%	35.3%	13.4%	117	80	30
Willernie	0	2.3%	29.2%	68.5%	0.0%	0.0%	0.0%	0	0	0
Woodbury	1,043	2.1%	15.2%	82.7%	58.2%	36.3%	5.6%	607	378	58

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[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, 9.8% of all affordable units are affordable at or below 30% of AMI; 27.4% are affordable at 31% to 50% of AMI; and 62.8% 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.

Changes to the lettering of the Appendices:
Appendix ~~B~~C: Chronology of Regional Housing Policy and Implementation (p. 119)

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

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

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

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[i] Arthur C. Nelson, "Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040" (2014). Retrieved from http://metrocouncil.org/METC/files/57/571ff237-6d73-4e26-86bc-3c12978b1b89.pdf.
[ii] Data are from the ~~2007~~2013 American Housing Survey Public Use File (available from ~~http://www.census.gov/programs-surveys/ahs/data/2007/2007-ahs-metropolitan-puf-microdata.html~~ http://www.census.gov/programs-surveys/ahs/data/2013/2013-ahs-metropolitan-puf-microdata.html) and cover the 13-county Minneapolis-St. Paul-Bloomington metropolitan statistical area. Units were classified as having a "serious maintenance problem" if they showed any of the 35 characteristics included in the "Poor Quality Index" developed in Frederick J. Eggers and Fouad Moumen, "American Housing Survey: A Measure of (Poor) Housing Quality" (2013), retrieved from http://www.huduser.org/portal//publications/pdf/AHS_hsg.pdf.
[iii] U.S. Census Bureau, 2000 Census and ~~2008-2012~~2009-2013 American Community Survey.
[iv] U.S. Census Bureau, ~~2008-2012~~2009-2013 American Community Survey Public Use Microdata Sample.
[v] U.S. Census Bureau, ~~2008-2012~~2009-2013 American Community Survey Public Use Microdata Sample.
[vi] This estimate of unsubsidized affordable owner-occupied units was calculated using 2013 and 2014 MetroGIS Regional Parcel Datasets to identify units whose assessed value would produce monthly mortgage payments (including principal, interest, property taxes, and insurance) at or below 29% of the monthly household income of a household earning 80% of the area median income. This estimate of unsubsidized affordable rental units was calculated using the 2008-2012 Comprehensive Housing Affordability Strategy (CHAS) data. The resulting counts were adjusted for consistency with the Council's annual estimates of housing units, tenure distributions from the 2013 American Community Survey, and the affordability distribution of rental units from the 2013 American Community Survey Public Use Microdata Sample.
[vii] 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.
[viii] https://www.hudexchange.info/resources/documents/AFFH-Final-Rule.pdf, *p.* 305.
[ix] http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-084
[x] 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.
[xi] 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.
[xii] 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.

[xiii] U.S. Census Bureau, ~~2008-2012~~2009-2013 American Community Survey.

[xiv] U.S. Census Bureau, ~~2008-2012~~2009-2013 American Community Survey.

[xv] ~~Ibid.~~ U.S. Census Bureau, 2009-2013 American Community Survey Public Use Microdata Sample.

[xvi] U.S. Census Bureau, ~~2008-2012~~2009-2013 American Community Survey Public Use Microdata Sample.

[xvii] U.S. Department of Housing and Urban Development. 2013. Picture of Subsidized Housing data.

[xviii] Ibid.