

2021 TWIN CITIES METROPOLITAN REGION HOUSING REPORT CARD

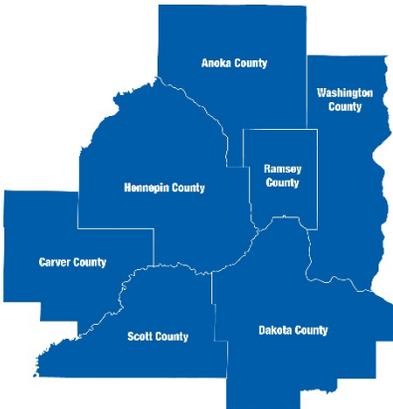


March 2023

The Council’s mission is to foster efficient and economic growth for a prosperous metropolitan region

Metropolitan Council Members

Charles Zelle	Chair	Diego Morales	District 9
Judy Johnson	District 1	Peter Lindstrom	District 10
Reva Chamblis	District 2	Susan Vento	District 11
Dr. Tyronne Carter	District 3	Dr. Gail Cederberg	District 12
Deb Barber	District 4	Chai Lee	District 13
Anjuli Cameron	District 5	W. Toni Carter	District 14
John Pacheco Jr.	District 6	Tenzin Dolkar	District 15
Robert Lilligren	District 7	Wendy Wulff	District 16
Yassin Osman	District 8		



The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

On request, this publication will be made available in alternative formats to people with disabilities. Call Metropolitan Council information at 651-602-1140 or TTY 651-291-0904

Contents

About This Report Card3
2021 Twin Cities Metropolitan Region Housing Report Card4

About This Report Card

Under Minn. Stat. § 473.254, the Metropolitan Council (Council) is responsible for preparing a “comprehensive report card on affordable and life-cycle housing in each municipality in the metropolitan area.” The Council fulfills this responsibility by conducting an annual survey of local governments regarding new affordable housing, named the Housing Policy and Production Survey.

This report card contains information on:

- Affordable housing production, including tenure, affordability by Area Median Income (AMI)¹, building type, and any restrictions
- How the region’s cities and townships are responding to affordable housing need with adoption and use of local policies and programs

¹ Levels of area median income (AMI) are defined annually and change from year to year as calculated by the U.S. Department of Housing and Urban Development (HUD). Find more information on AMI in the metro area here: [2021 Ownership and Rent Affordability Limits - Metropolitan Council \(metro council.org\)](#)

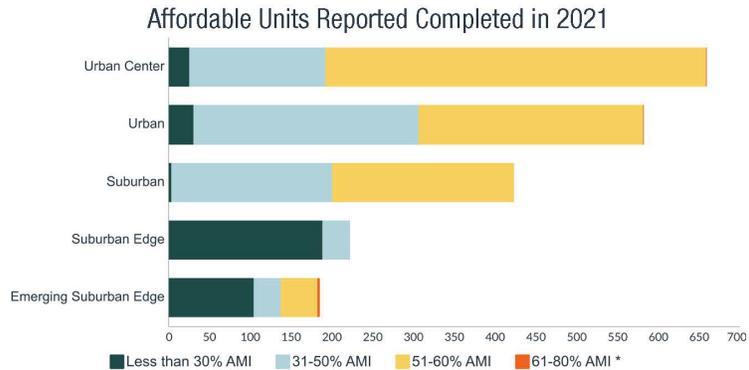
2021 Twin Cities Metropolitan Region Housing Report Card

A Regional Look at Affordable Housing

The 2022 Housing Policy and Production Survey asked all potential Livable Communities Act (LCA) participants in the Twin Cities region about their affordable housing efforts in 2021.

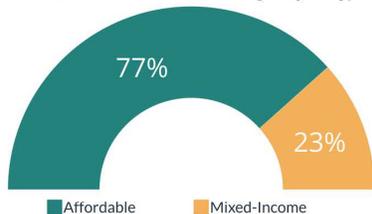
In 2022, 63 of 100 communities participated in the annual survey. The survey asked about affordable units created through new construction or preservation, and at what level of Area Median Income (AMI) rent and income restriction, as well as policies and programs to create more affordable housing options.

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



* The (5) 61-80% AMI units are all ownership units, which are considered affordable at 80% AMI and below (these were the total ownership units reported completed in 2021)

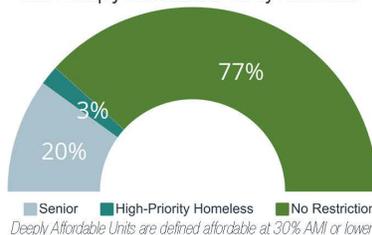
New Affordable Units in 2021 by Project Type



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

Of all new construction units reported, 23% were created in mixed income projects, all of which were in urban and urban center cities.

2021 Deeply Affordable Units by Restriction



Deeply Affordable Units are defined affordable at 30% AMI or lower

Out of the 350 deeply affordable units reported (new construction or preservation) in 2021, 20% were restricted for seniors and 3% for the high-priority homeless population.

How Can We Help?

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

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

Active Affordable Housing Policies Reported for 2021

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

2021 Housing Highlights from Around the Region

...used TIF funding in conjunction with the local **Inclusionary Housing Ordinance** to secure affordability in three new projects...comprising of approximately 910 total units. We are securing not only the **statutorily required 20% affordable to HHs at/below 50% AMI** for the max term of 26 years but also **5% affordable at/below 80% AMI in perpetuity...**

-Eden Prairie

The city has utilized **Planned Unit Development (PUD)** ordinances to allow for a mixture of housing types that did not make up large percentages of housing inventory stock before.

-Jordan

...amended its **First Time Homeownership Loan** guidelines to include a **zero-percent interest loan for first generation homebuyers**... Woodbury has issued three first generation homebuyer loans to date.

-Woodbury

...the city has been working with two different student groups associated with **the Humphrey School and the Center for Urban and Regional Affairs' Resilient Communities Project** to develop an impactful and sustainable **single-family housing rehabilitation program**.

-Maplewood

"**Minneapolis Homes: Financing** was launched in 2021. In the first two years of the program **190 affordable ownership housing units were approved**. Half of the units are affordable to buyers below 80% AMI and half of the units are affordable below 60% AMI. Two-thirds of the units will remain perpetually affordable through shared equity housing models."

-Minneapolis

Affordable Housing by Community Designation: Urban Center

In 2022 8 cities participated in the Housing Policy and Production Survey in the Urban Center community designation ([map of community designations](#)):



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

Cities that adopted a new housing related policy in 2021:



Robbinsdale
Tenants' Rights Policy

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Richfield	18
South St. Paul	11
St. Louis Park	12
St. Paul	33
West St. Paul	18

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

Highlights from upcoming plans and projects:

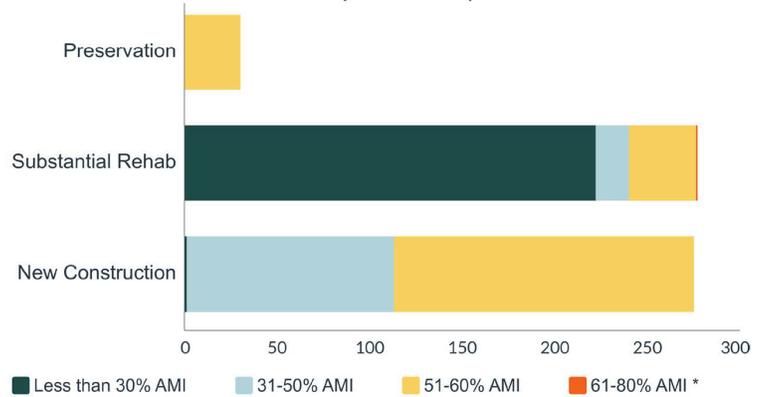
"We are working with two additional all-affordable housing projects that would provide additional housing affordable at 30% and 50% AMI. Both would serve young adults with disabilities."
- Richfield

"The City will continue to invest in its AHTF program and plans to increase its program budget along with other multi-family housing programs like the NOAH Preservation Fund for 2023."
- Minneapolis

"The city acquired four single family homes to redevelop in partnership with Greater Minnesota Housing Corporation (GMHC) to create...eight homeownership opportunities."
- St. Louis Park

"In 2022...we allocated ARPA funding to support the creation of over 400 new affordable housing units, 110 of which will be affordable at 30% AMI."
- St. Paul

Affordable Units Reported Completed in 2021



* The (1) 61-80% AMI unit is an ownership unit, which are considered affordable at 80% AMI and below (these were the total ownership units reported completed in 2021 for this community designation)



From new construction units with affordable units that reported a total development cost completed in 2021

Project Tools Used to Create Affordable Housing in 2021

PROJECT TOOL TYPE	# OF PROJECTS USED IN 2021
Created a Tax Increment Finance (TIF) District	2
Density approved at original developer request	1
Density bonus or density transfer granted	1
Increased Building Height Flexibility	1
Parking variances granted	1
Other - Rezoning	1
Rehab & conversion of units from non-restricted to rent/income restricted status	2

Barriers to Building Affordable Housing

- "Rising construction costs and land values make new development very expensive"
- "our [HRA] program is too small to be able to provide our own project-based vouchers to a project."
- "Creating units affordable at 30% AMI continues to be a challenge due to the funding gap created in developing 30% affordable units."
- "The increasing complexity of funds and capital stacking is incredibly onerous and adds so much time and cost to projects."
- "There isn't sufficient tax credit or tax exempt bond funds available to meet the need."

Affordable Housing by Community Designation: Urban

In 2022 12 Urban community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



- Bloomington
- Brooklyn Center
- Crystal
- Edina
- Fridley
- Golden Valley
- Lauderdale
- Maplewood
- New Brighton
- New Hope
- Newport
- Roseville

Cities that adopted a new housing related policy in 2021:

-  Roseville
Equity in Development and Hiring Policy
-  Edina
Housing Improvement Area

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Brooklyn Center	17
Crystal	102
Edina	35
Fridley	93
Newport	41
Roseville	18

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

Highlights from 2021 efforts to meet housing goals:

"Bloomington updated the Opportunity Housing Ordinance (OHO)...The update tweaked incentives and added several new incentives to further encourage units affordable at 30% [AMI]"

- Bloomington

"...partnered with CURA...to collect qualitative and quantitative data to provide a comprehensive picture of current housing conditions, affordability, resident experiences, preferences, and housing needs"

- Brooklyn Center

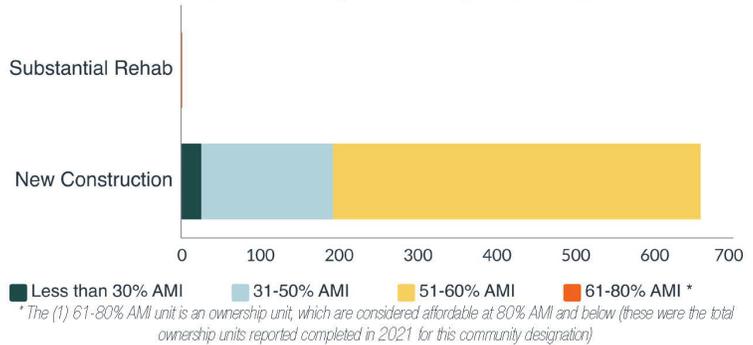
"Added 1st generation DPA program, Senior Deferred Loan Program, Manufactured Home Loan Program, and an Emergency Deferred Loan Program."

- Roseville

*"- Awarded \$2MM to Metro HRA to expand FAHP to four families
- Awarded \$3.3MM to Homes Within Reach to expand Land Trust Program."*

- Edina

Affordable Units Reported Completed in 2021





Average Cost per New Unit

\$253,000

From new construction units with affordable units that reported a total development cost completed in 2021

Project Tools Used to Create Affordable Housing in 2021

PROJECT TOOL TYPE	# OF PROJECTS USED IN 2021
Created a Tax Increment Finance (TIF) District	4
Density approved at original developer request	4
Land clean-up and/or Site Assembly	3
Parking variances granted	3
Inclusionary Housing requirement applied	2
Private Street Allowances	2
Setback reductions	2
Special or Conditional use permits granted	2
Other- Rezoning	2
Density bonus or density transfer granted	1
Public Land Dedication or Write-Down	1
Tax Abatement, Reduction, or Credit	1
Rehab & conversion of units from non-restricted to rent/income restricted status	1

Barriers to Building Affordable Housing

- "Moving forward, the biggest challenges will be maintaining political will and support for implementation of the Comprehensive Plan..."
- "The City is built out so land costs are high and opportunity is mostly redevelopment. This makes it difficult to build at a large scale."
- "The complexity of the issues relative to staff capacity."
- "Identifying and receiving funding to build housing at those deeper affordability levels."
- "Land owners interest in selling their land at a reasonable price"

Affordable Housing by Community Designation: Suburban

In 2022 18 Suburban community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



- Apple Valley
- Arden Hills
- Brooklyn Park
- Coon Rapids
- Eagan
- Eden Prairie
- Little Canada
- Mahtomedi
- Mendota
- Minnnetonka
- Minnnetonka Beach
- Mounds View
- Oakdale
- Savage
- Shoreview
- Vadnais Heights
- Wayzata
- White Bear Lake

Cities that adopted a new housing related policy in 2021:



Eagan
Fair Housing Policy



Eden Prairie
Mixed-Income (inclusionary) Housing Policy

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Apple Valley	33
Brooklyn Park	279
Coon Rapids	124
Eagan	25
Eden Prairie	21
Mahtomedi	30
Mendota	1
Minnnetonka	70
Mounds View	4
Oakdale	177
Savage	9
White Bear Lake	2

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

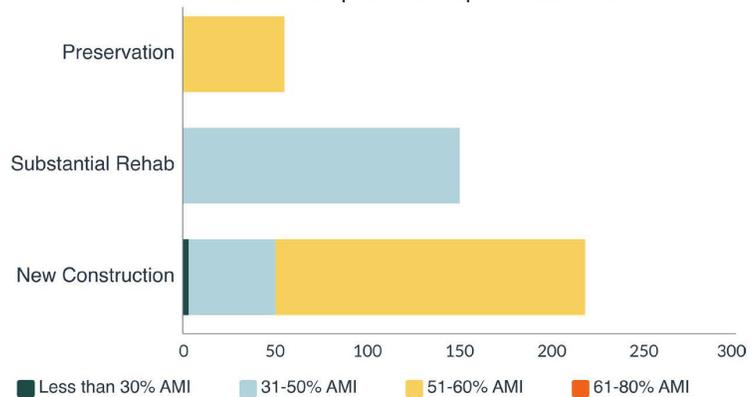
Highlights from upcoming plans and projects:

"The City of Shoreview adopted a formal inclusionary housing policy in 2022"
-Shoreview

"The City of Eagan is currently exploring a rental licensing program and expects to have it in place in 2023."
-Eagan

"In partnership with the Dakota County CDA...a 172 unit senior apartment and town home development with 20 percent, 36 units, affordable at 50 percent of median income."
-Apple Valley

Affordable Units Reported Completed in 2021



From new construction units with affordable units that reported a total development cost completed in 2021

Project Tools Used to Create Affordable Housing in 2021

PROJECT TOOL TYPE	# OF PROJECTS USED IN 2021
Created a Tax Increment Finance (TIF) District	1
Density approved at original developer request	2
Parking variances granted	2
Setback reductions	1
Tax Abatement, Reduction, or Credit	1
Energy & Resource Conservation Improvements (Rehab & Preservation)	1

Barriers to Building Affordable Housing

- "...community opposition in the permitting stages frequently leads to increased costs and delays in many affordable housing projects."
- "...timing as some developments do not follow the twice a year timing for grant funding."
- "Rising land costs, construction costs and financing costs are making affordable projects more difficult."
- "The lack of transit makes deeply affordable housing difficult to support in our community as we are traditionally car dependent."
- "Funding to meet deeply subsidized affordable housing goals"

Affordable Housing by Community Designation: Suburban Edge

In 2022 8 Suburban Edge community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Blaine
Chaska
Inver Grove Heights
Lakeville
Maple Grove
Plymouth
Shakopee
Woodbury

Cities that adopted a new housing related policy in 2021:



Blaine
Accessory Dwelling Unit (ADU) policy

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Blaine	2
Chaska	556
Cottage Grove	126
Inver Grove Heights	18
Lakeville	18
Maple Grove	3
Plymouth	6
Shakopee	19
Woodbury	230

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

Highlights from upcoming plans and projects:

"Develop rental housing licensing program that requires life/safety building code inspection of rental homes to improve/maintain quality of that housing stock for residents"

-Inver Grove Heights

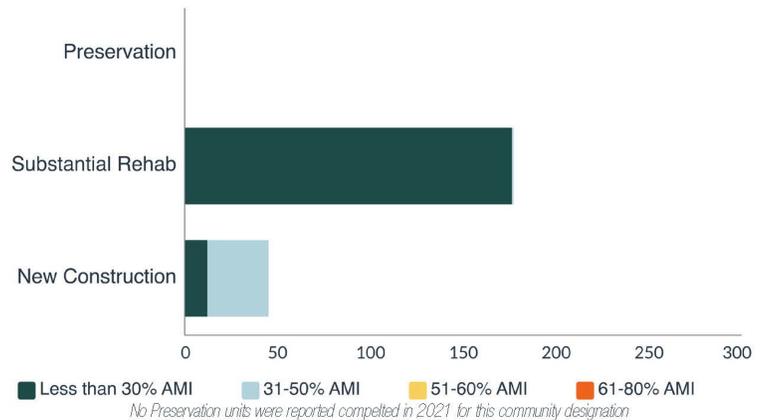
"We are working with Scott County on the development of a minimum of 8 affordable land trust homes... [and] We are working with Scott County on annexation and expansion / provision of sewer and water services to Bonnevista Terrace, a large manufactured home community."

-Shakopee

"The City will monitor the availability of housing choice vouchers in the community and identify potential pilot programs to leverage this tool."

-Woodbury

Affordable Units Reported Completed in 2021



From new construction units with affordable units that reported a total development cost in 2021



From substantial rehab units with affordable units that reported a total development cost in 2021

Project Tools Used to Create Affordable Housing in 2021

PROJECT TOOL TYPE	# OF PROJECTS USED IN 2021
Density approved at original developer request	1
Land clean-up and/or Site Assembly	1
Reduction in Lot Sizes/Widths	1
Equity Take-Out to Prevent Owner Opt-Out (Rehab & Preservation)	1
Rehab & Conversion of units from non-restricted to rent/income restricted status	1

Barriers to Building Affordable Housing

- "The instability of manufactured home ownership is also a barrier to preserving that affordable housing source."
- "The high inflationary environment that has increased housing prices, land prices, labor costs, lumber cost, and other construction costs, has made it more difficult to build new affordable housing."
- "older projects with affordability restrictions and NOAH properties....it continues to be difficult to respond to properties that potentially will come up on the market for sale in a timely manner to continue to preserve ongoing rental affordability..."

Affordable Housing: Emerging Suburban Edge

In 2022 11 Emerging Suburban Edge cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Carver
Chanhassen
Hastings
Hugo
Lake Elmo
Lino Lakes
Medina
Prior Lake
Rosemount
St. Paul Park
Waconia

Cities that adopted a new housing related policy in 2021:



Lake Elmo
Active Code Enforcement Program

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Carver	43
Chanhassen	129
Farmington	14
Forest Lake	79
Hastings	6
Hugo	36
Lake Elmo	4
Prior Lake	7
Rosemount	10
St. Paul Park	30
Victoria	6
Waconia	132

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

Highlights from 2021 efforts to meet housing goals:

"... the City approved a plat for six twinhomes on an infill development site. The developer on the project was Habitat for Humanity."

- St. Paul Park

"...the City Council adopted a fee waiver program that can be used for development that can demonstrate housing affordability."

- Carver

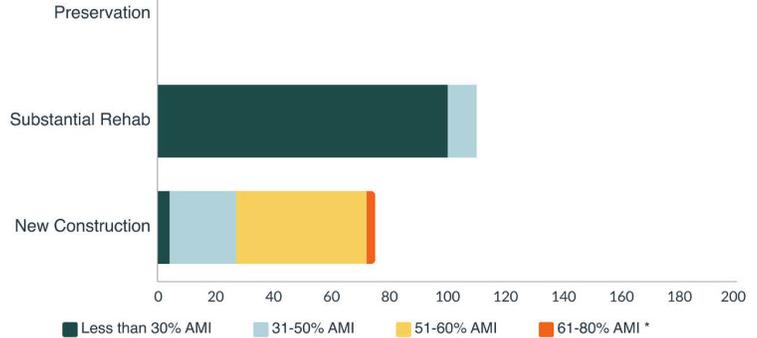
"The City adopted a Fair Housing Policy and approved the use of our trunk fee waiver program for affordable housing."

- Waconia

"Supported TIF funding for Melrose Commons, an affordable project proposed by CommonBond"

- Medina

Affordable Units Reported Completed in 2021



* The (3) 61-80% AMI unit is an ownership unit, which are considered affordable at 80% AMI and below (these were the total ownership units reported completed in 2021 for this community designation)
No Preservation units were reported completed in 2021 for this community designation

Project Tools Used to Create Affordable Housing in 2021

PROJECT TOOL TYPE	# OF PROJECTS USED IN 2021
Allowed alternative construction methods	1
Density approved at original developer request	3
Density bonus or density transfer granted	1
Increased Building Height Flexibility	2
Land clean-up and/or Site Assembly	1
Parking variances granted	1
Reduction in Lot Sizes/Widths	1
Setback reductions	1
Sewer or Water service line size reduction	1
Special or Conditional use permits granted	1
Tax Abatement, Reduction, or Credit	1
Other - Sign Variance	1
Other - Cul-de-Sac Length Reduction	1

Barriers to Building Affordable Housing

- "Construction costs and lack of transit opportunities are the largest impediment to meeting local affordable/life cycle housing goals."
- "While the City has reduced requirements for lots sizes and increased housing densities, developers continue to maximize the housing constructed in these areas."
- "The limited number of developers looking to develop these types of projects."
- "Construction costs, water pressure, water access issues..."
- "...land and development costs can make it difficult for builders to construct housing, especially single-family homes."

Affordable Housing by Community Designation: Rural Centers

In 2022 4 Rural Center community designation cities participated in the Housing Policy and Production Survey ([map of community designations](#)):



Belle Plaine
Jordan
New Germany
St. Francis

Cities that adopted a new housing related policy in 2021:



St. Francis
Accessory Dwelling Unit (ADU) policy

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Belle Plaine	5
Cologne	3
Jordan	5
Mayer	11
Norwood Young America	53
Watertown	38

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

Highlights from upcoming plans to meet housing goals:

“The city has utilized Planned Unit Development (PUD) ordinances to allow for a mixture of housing types that did not make up large percentages of housing inventory stock before. The city recently approved of the Beaumont Bluffs subdivision that will provide for villas and townhomes, the Jordan Apartment mixed use building that will provide for 72 market rate multi-family units, and Bridle Creek 11th and 12th, that will provide for single family detached townhome units.”

- Jordan

“Work session discussion with elected officials regarding need and prospects for development of additional affordable units. Code review to provide for increased density and limitation of single-family only zoning classifications. Pursue preservation of NOAH unit in downtown core as public improvement project proceeds. Support local manufactured housing park operator, including resolution of direct metering/billing of utility usage.”

- Belle Plaine

Barriers to Building Affordable Housing

- “Supply chain and labor shortages. Increasing interest rates and uncertainty about inflation/economy in general.”
- “Limited interest in active subsidy options to developers for affordable housing from the City Council.”
- “Staff shortages and limited capacity, even with a full staff.”
- “Physical challenges with high percentage of landcover being wetlands and the proximity to the river. This makes development more complicated and expensive.”

Affordable Housing by Community Designation: Diversified Rural

In 2022 1 Diversified Rural community designation city participated in the Housing Policy and Production Survey ([map of community designations](#)):



Independence

Households served by affordable housing programs in 2021

CITY	HOUSEHOLDS SERVED IN 2021
Afton	6
Denmark Township	2
Grant	1
Marine on St. Croix	1
New Trier	1
Scandia	4

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



390 Robert Street North
Saint Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org

Follow us on:
twitter.com/metcouncilnews
facebook.com/MetropolitanCouncil
youtube.com/MetropolitanCouncil