Housing Policy Plan

IMAGINE 2050
housing policy plan

METROPOLITAN
COUNCIL

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Introduction

The Housing Policy Plan is part of Imagine 2050, the regional development guide, and sets regional policies to ensure the prosperous and economic growth of the seven-county region.

The Met Council is developing this 2050 Housing Policy Plan to provide leadership, guidance, and priorities on regional housing needs and challenges. The Housing Policy Plan will connect with, and complement, Imagine 2050's regional vision, values, and goals and define how these values and goals apply to the Met Council's housing policies, partnerships, and programs.

Housing Policy Plan

Why a Housing Policy Plan

The Met Council has developed this Housing Policy Plan to provide leadership and guidance on regional housing needs and challenges. This plan provides the integrated policy framework that unifies our existing roles in housing, including fulfillment of the following statutory guideline, as well as identifying opportunities to expand our role in supporting safe, affordable, and dignified housing in the region.

"(c) A land use plan must also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing."[1]

Housing plans in this region have always responded to the political will and housing needs of the time. At the inception of regional planning in Minnesota in the 1960s, plan writers found that a lack of housing for households with moderate and low incomes challenged the stability and economic competitiveness of the region. At the time, housing reports and policy plans written by the Met Council, in coordination with stakeholders, focused on issues of economic competitiveness, homelessness, lifecycle housing, and employer demands for housing.

Over the decades, the will to address housing needs in the region has waxed and waned. In 2014, for the first time in nearly 25 years, the Met Council adopted a new regional housing policy plan as part of Thrive 2040. The 2040 Housing Policy Plan recognized the need for a coordinated strategy for housing issues and policy in the region. Since the adoption of the 2040 Housing Policy Plan, production of housing in the region has increased, as has broad political support for housing opportunities for residents at all income levels. However, even with increased support to address housing issues, residents continue to face challenges in finding safe, affordable, and dignified housing.

This 2050 Housing Policy Plan is built on the fundamental principle that residents should be a part of the process of defining both current regional housing issues and the solutions needed to build a better future for all residents. Like the 2040 plan, this housing plan focuses on the development and preservation of housing. However, this plan goes beyond the topic of housing supply by focusing on housing that meets the needs of residents. This includes housing affordability, stability, services, and connection to cultural and neighborhood amenities.

Housing Policy Plan vision

THE RIGHT TO HOUSING IS A FOUNDATION FOR HEALTH, SOCIAL, AND ECONOMIC WELL-BEING BY GUIDING THE REGION TO CREATE SAFE, DIGNIFIED, AND AFFORDABLE HOMES THAT GIVE ALL RESIDENTS A CHOICE OF WHERE TO LIVE.

Housing Policy Plan elements: vision, values, objectives, policies and actions

Housing Policy Plan values: A year of engagement

The Housing Policy Plan contains objectives, policies, and actions that carry the Met Council's regional values and cross-cutting goals through the areas of regional housing policy and planning. These objectives, related policies, and actions are separated into three sections representing the regional housing values identified by residents across the region:[2]

- **Proximity and Choice**
- **Dignity and Decency**
- **Connection and Well-being**

To learn from the history of the region and plan for a future for all residents, especially those who have been historically excluded from decision making, we began by engaging community members from across the region. We focused on communities who had not been well represented in the history of planning. Our goal was to understand, honor, and listen to residents' values and desires for our collective future. Residents of the region, especially our American Indian and Black residents and residents of color, guided the focus of this plan. The Met Council acknowledges that the decisions of the past have not benefited these residents, often because policies were written by and designed to benefit white people.

The 2050 Housing Policy Plan aims to promote racial equity in how the region grows, to reflect the needs and priorities of our entire region, and to begin to address the historical inequities of past decisions and policies. To align the objectives and strategies of our housing work with this aim, the guiding topics of this plan are rooted in the following themes that were generated through a year of engagement.

Regional housing themes from community exchange sessions

Figure 1.1: Three themes with subtopics that emerged from community exchange sessions in 2023

Housing	Community atmosphere	Local amenities/ built environment
Affordability	Cultural and community connections	Access to natural resources
Instability and homelessness	Racism	Community gathering spaces
Autonomy and choice	Diversity	Access to support services
Ownership	Community safety	Diverse transit options
Displacement and gentrification	Dignity	Climate change/adaption
		Localized amenities

These values drive the following three sections of the 2050 Housing Policy Plan, which contain relevant objectives, policies, and action statements for each regional housing value. The final implementation section of the plan includes the planning guidance and tools that will guide both local government comprehensive planning and Met Council actions.

Housing Policy Plan objectives and policies

The Housing Policy Plan is organized around the regional housing values identified during resident engagement. Each section has objectives and an associated policy describing the Met Council's commitment to realize these values.

Proximity and Choice

1. Fair housing and geographic choice: People of any ability, age, financial status, race, and family size can live in the community they choose.

Develop programming, provide resources and funding, and support local, regional, and state initiatives that increase the ability of households to choose where to live in the region regardless of ability, age, financial status, race, or family size.

2. Options to own and rent: All housing options, including rental and ownership, are accessible to all households.

Support and incentivize development, preservation, and maintenance of affordable housing units of all types and tenure (rental, shared equity, and ownership) that reflect what residents can afford.

Dignity and Decency

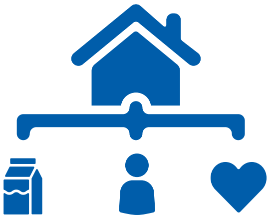
3. Stability: Stable, affordable, and dignified places to live are available to everyone, especially those experiencing housing insecurity and homelessness.

Develop programming and support local, regional, and state policy that makes it less likely for residents in the region to experience housing instability and homelessness, with focused support for people who are experiencing homelessness and housing insecurity.

4. Quality: Affordable housing is built and maintained to a high standard, ensuring safety and accessibility for all residents.

Support and incentivize development, preservation, and maintenance of affordable units of all types that provide residents a safe, dignified, and healthy place to live.

Connection and Well-being



5. Cultural connection and well-being: Everyone has access to homes, not just housing.

Enhance residents’ ability to keep their housing, amenities, health, social networks,

6. Equity: Repair historic and ongoing injustice in housing practices and outcomes.

Limit te effects of historical injustices through reparative and community-centered action, and limit future disparities by shifting current policies to protect communities whose disparities are largest.

7. Environmental justice: Housing in our region is resilient to climate change impacts and furthers environmental justice.

Support the development, retrofitting, and maintenance of homes to create a climate-resilient future and improve health for residents in the region.

The housing policy plan objectives meet the overall vision of the region identified by the Imagine 2050 regional goals. While all objectives relate to multiple regional goals, the following figure shows the objectives that most clearly align with each regional goal.

Housing Policy Plan objectives alignment with regional goals

Figure 1.2:. Plan objectives align with the greater vision of the region though connection with the Imagine 2050 regional goals

	Our region is equitable and inclusive	Our communities are healthy and safe	Our region is dynamic and resilient	We lead on addressing climate change	We protect and restore natural systems
Fair housing and geographic choice	✓		✓		
Options to own and rent	✓		✓		
Stability		✓			
Quality		✓			
Cultural connection and well-being	✓	✓			
Equity	✓				
Environmental justice				✓	✓

Housing Policy Plan actions

This Housing Policy Plan identifies various strategic actions to support each policy identified in the plan. These actions are organized into three commitment categories: provide, plan, and partner. These commitments concisely describe the Met Council's internal and regional obligations to our community partners, cities, and townships, and most importantly, the residents of the region.

Provide	Plan	Partner
Actions that describe how the Met Council will direct actions and support regional housing goals through programs, assistance, and funding, including grant priorities and criteria, voucher programs, and technical assistance.	Actions that describe how the Met Council adopts plans under the regional development guide through its housing authority to review municipal comprehensive plan updates and plan for other integral processes that will encompass the physical, social, or economic needs of the region.	Actions that describe how the Met Council will collaborate with residents, local governments, organizations, and regional experts to improve housing choice and accessibility and reduce housing inequities. These actions also describe how the Met Council will seek national and state opportunities to engage on housing issues that further the vision and values of the region.


IMAGINE
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SECTION 1: PROXIMITY AND CHOICE

A more diverse region

By 2050, the region is projected to grow to 3,813,400 residents, a gain of 650,300 residents from 2020. This means a gain of 311,059 low-income households, and these new households will require 3,900 affordable[3] housing units a year on average between 2020 and 2050.[4]

The region has seen profound demographic changes over the past decade and this trend is expected to continue. The region's population will be 45% Black, American Indian, and people of color by 2050,[5] an increase from 31% in 2022.[6] This change is largely driven by growth in existing communities of color in the region, such as East African and Hispanic or Latine communities.

While most of the growth in households of color will be from racial and ethnic groups currently in the region, immigrant and refugee residents make up a large part of the region's current economic and social systems. In 2022, foreign-born residents made up 12% of the total population in the region, but 15% of the employed labor force of the region, and 17% of all business owners. These numbers are expected to increase as foreign-born residents of the region increase.[7] The immigrant population is and will continue to be a fundamental asset to the economic vitality of the region, but immigrants and refugees continue to face disparities in housing access.

The ongoing growth of racial and ethnic diversity in our region will be most notable among youth in the region. Households with youth under 18 years old are more diverse in terms of race and ethnicity than the region as a whole. Thirty-five percent (35%) of households with youth are households of color, compared to 23% overall in the region.[8] A greater share of households of color currently rent, 53%, compared to 24% of white households.[9] Considering the current rental housing stock, this can mean smaller living spaces for large families. Even with the region growing more diverse, the economic and housing access disparities for youth in households of color continue to persist.[10]

[I need] more space for our family in the apartment! Rarely are there more than two bedrooms available.[11]

In terms of size of home needs, you have different generations living at home at one time… I'd like the size of my house to be five bedrooms. You have a guest room, each kid a room, grandparents could have one, parents can have one.[12]

With changing demographics, household types, and community needs, our region has changing needs for housing size, types, and amenities. Additionally, the inability to access homeownership hinders generational wealth opportunities for current and future generations. Resident engagement has highlighted the need for larger affordable housing units for multigenerational families and more opportunities to access wealth generation.

Increasing diversity is not solely limited to urban areas. Diversity is increasing in all areas of the seven-county region, emphasizing the need to supply inclusive and diverse housing opportunities in all neighborhoods across all city and township types.

In addition to becoming more racially diverse in the coming decades, our region will be home to increasing numbers of older residents as more households transition into retirement. This creates a larger need for age-restricted housing, across income levels, that can support people at varying degrees of independence. Many older households may be living in housing that does not meet their full accessibility needs. In 2023, 40% of voucher holders in the region were over the age of 62, but very few age-restricted units accept vouchers, or available units may be too expensive for a voucher holder to rent.[13] An increasing number of these older households will also represent different family structures than before, such as single-person households or multigenerational households. These households will also need access to units or services that help them maintain independence in their communities.

Big companies are buying houses and flipping them. People are used to owning [their] own home and values of community. Companies buy them and flip them, and it becomes a super expensive place. This impacts the [number and ability of young people] to access home ownership based on not being able to do it and having to keep renting for years [14]

Family sizes and dynamics are changing

Figure 1.3: Household types and incomes

Source: U.S. Census Bureau, American Community Survey (ACS). Twin Cities Region (7 county). 2021. Five-Year Public Use Microdata Sample (PUMS).

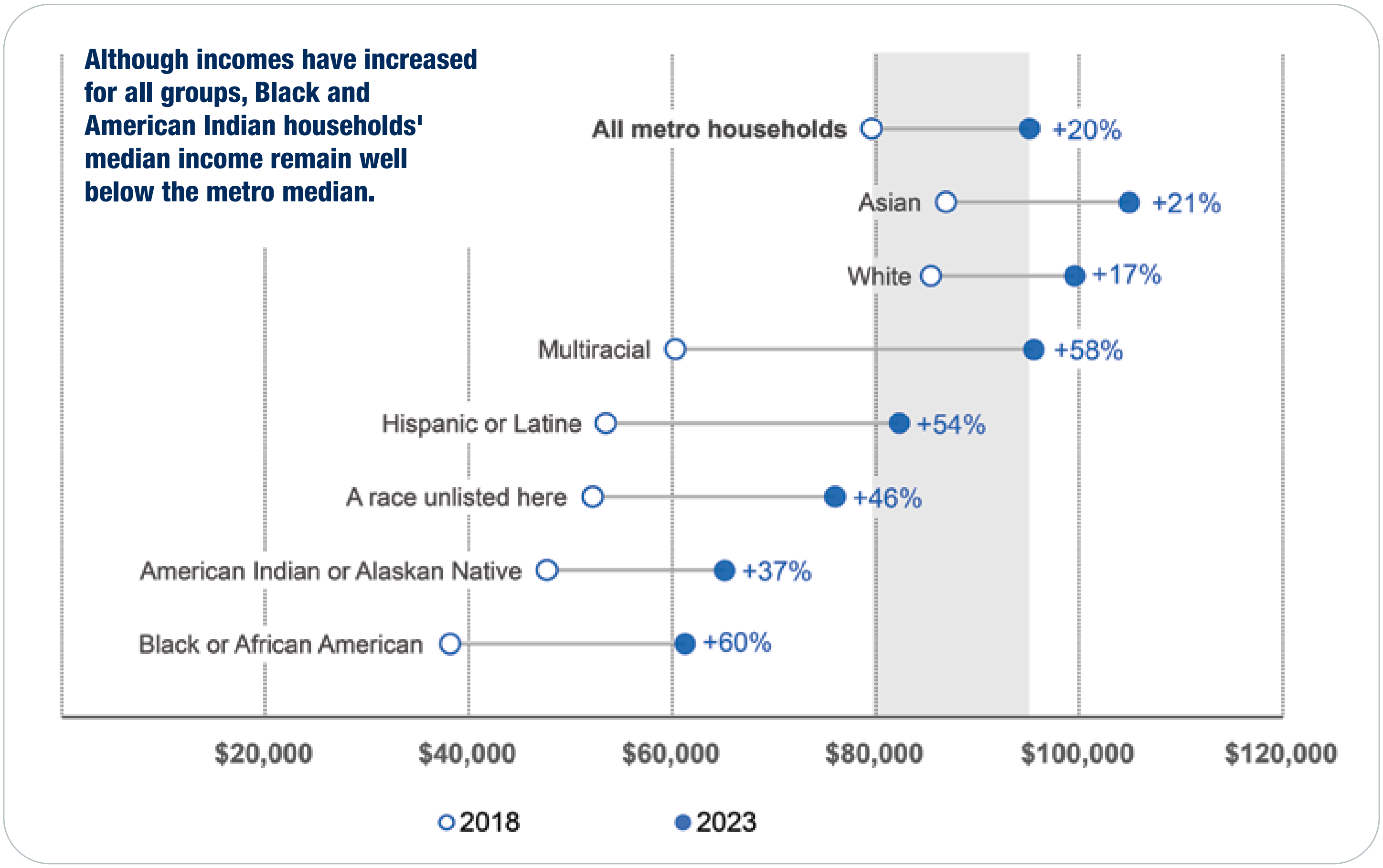
Different family structures, a large increase in the number of older residents, diverse living arrangements, and multigenerational living also mean that household sizes and structures often do not correspond to the standards used for public funding. Many low-income households have different income-earning scenarios and number of dependents than the affordability standards use. Only a small share of households in the region fit the U.S. Department of Housing and Urban Development (HUD) family model that assumes a four-person household with two income-earning adults and two dependents, which is used to determine household income limits for subsidized affordable housing.[15] More single-income households are present in the region—making up 34% of all households—while only 9% of households contain two income-earning adults and two dependents.[16] The mismatch of the region's actual household types with the definition of family that is used by funding programs creates increased cost burdens for households who do not fit the standard family assumptions. The results is affordability standards can increase the cost burden for households who have fewer income earners or live in a household with more than two dependents.

A sustained and increased wealth gap

The nation's racial income and wealth gap increased during the COVID-19 pandemic, and the seven-county region was not an exception to the racial disparities that deepened nationally. In 2022, per capita income of Black people in the region ranked second worse among the 25 largest metro areas.[17]

Despite recent gains, median income for Black, American Indian, and other households of color lag behind other groups

Figure 1.4: Change in median household income by race and ethnicity between 2018 and 2023



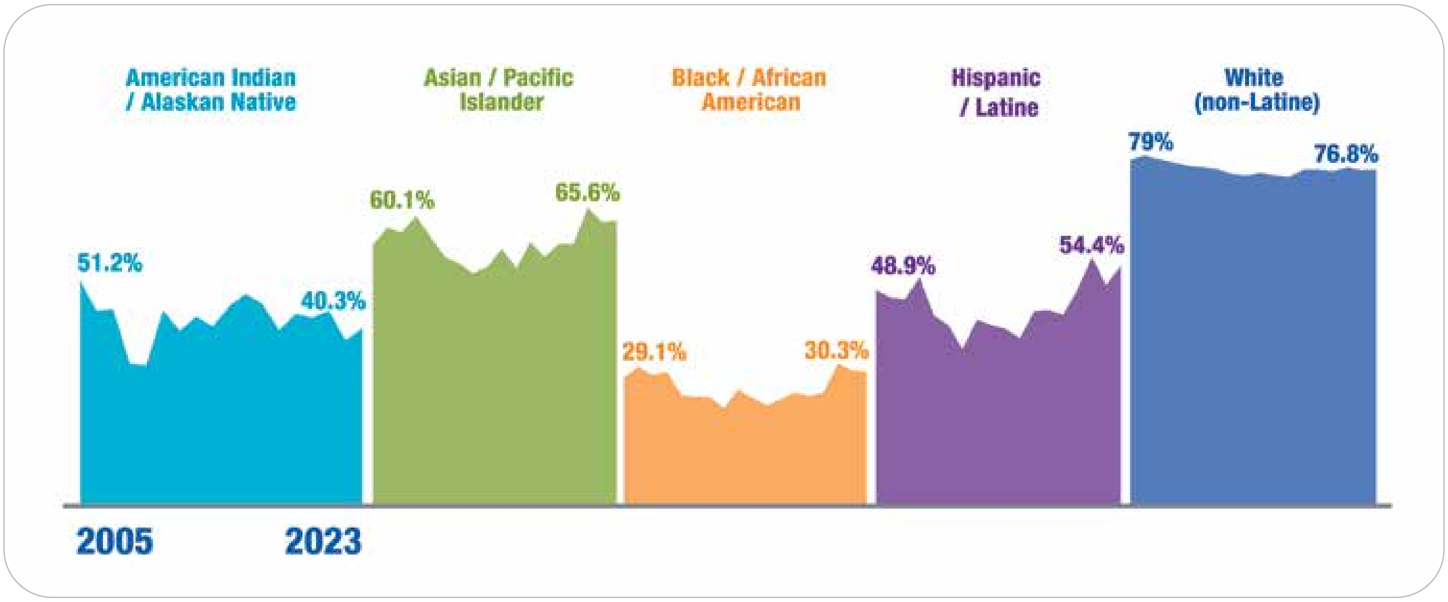
Source: U.S. Census Bureau, American Community Survey, 5-year estimates, 2018 and 2023. Data for 2018 are adjusted for inflation and summarize the 15-county MSA. This is the most disaggregation possible of race and ethnicity from this data source for this data point.

Between 2018 and 2023, the median household income in the region grew over $15,000[18] but disparities in wealth remain. Even with growing incomes and increased net wealth for households of all racial groups in the region, the net wealth gaps between Black, American Indian, and other households of color compared to white households increased.[19] These increases in net wealth gaps indicate that while income has increased across racial and income groups, economic benefits are not being evenly distributed across households of different races and ethnicities. Higher income and white households are getting wealthier, and more people of color and low-income households continue to be left behind. The COVID-19 pandemic and other economic events have exacerbated these impacts, leaving these households at risk of housing instability.

In addition to income disparities by race, the seven-county region has some of the largest racial wealth gaps in the United States. Building wealth is a crucial factor in promoting generational economic mobility and providing families with housing security. Greater household wealth means more access to resources to pay for higher education, start a business, purchase a home, and cover emergency expenses. In 2021, the median net worth, excluding home equity, of a white household was $104,400 compared to $8,320 for a Black household.[20]

Homeownership rates are much higher and less volatile for white households

Figure 1.5: Homeownership rates by major race and ethnicity groups, 2005 - 2023

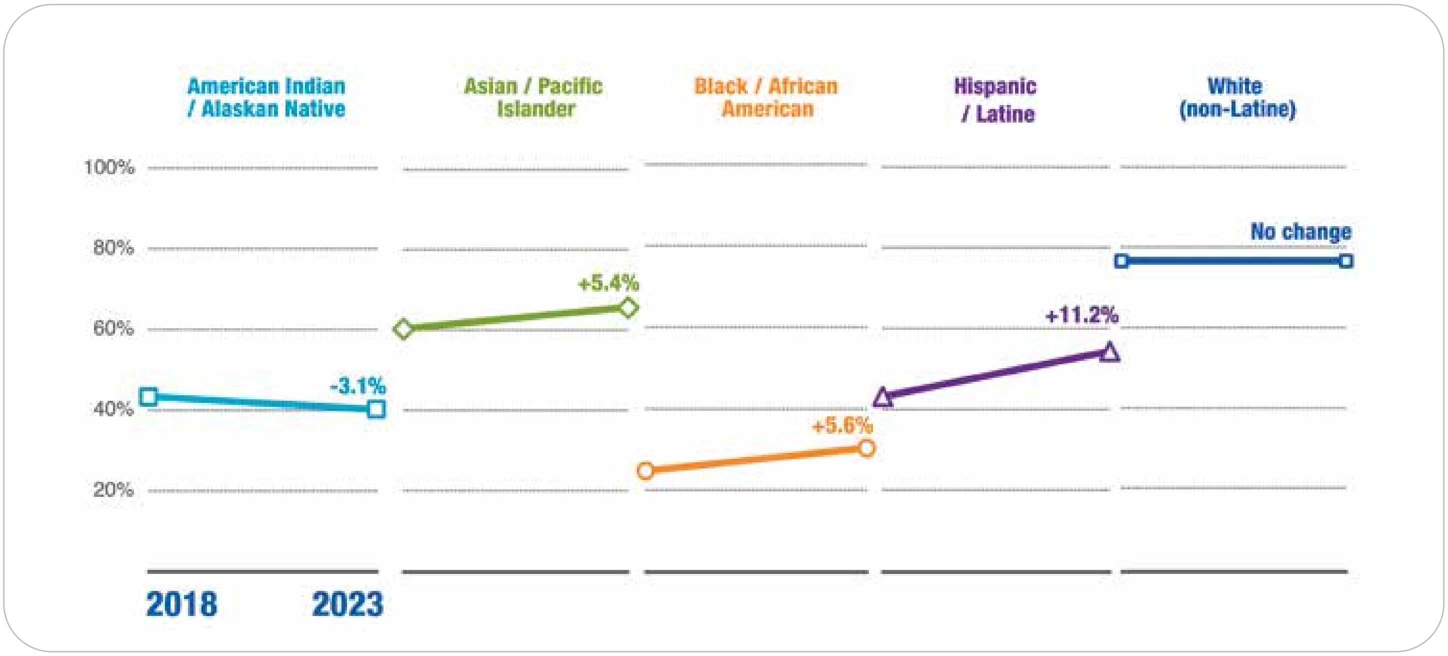


Source: U.S. Census Bureau, American Community Survey, One-Year Estimates (Summary Files), 2005 – 2023. Data summarize tenure of occupied housing units in the 15-county MSA. Householders who identified as Hispanic or Latine are not included in other race groups. This is the most disaggregation possible of race and ethnicity from this data source for this data point.

Homeownership is one of the primary modes of wealth building in the United States. Due to past and current public and private policies, racial disparities in housing equity account for a substantial share of the wealth divide. Currently, white households are 2.5 times more likely to own a home than Black households and 1.9 times more likely to own a home than American Indian households.[21] Despite growth in homeownership rates for Black and Latine households in recent years, major disparities in access to homeownership persist.

Homeownership rates have increased for some race/ethnicity groups in recent years

Figure 1.6: Change in homeownership rates by major race and ethnicity groups between 2018 and 2023



Source: U.S. Census Bureau, American Community Survey (ACS), One-Year Estimates, 2018 – 2023. Data summarize tenure of occupied housing units in the 15-county MSA. Householders who identified as Hispanic or Latine are not included in other race groups. This is the most disaggregation possible of race and ethnicity from this data source for this data point.

Even among households that own their homes, a substantial racial wealth gap exists, with households of color accumulating a lower return on investment. In 2021, the median net worth including home equity was $146,000 for white households, compared to only $16,200 for Black households.[22]

Racial inequities and discrimination in past policies have also played a role in the current racial gaps in homeownership and opportunities for generational wealth. For example, the Servicemen's Readjustment Act of 1944, also known as the GI Bill, was intended to offer benefits to veterans after WWII. These benefits included low-interest mortgages, education benefits, unemployment benefits, and medical services. Despite this huge opportunity for homeownership support for veterans, Black individuals and their families faced discrimination when many banks refused to lend to these households and were often prohibited from moving into homes in the suburbs if they could get a loan. As a result, Black veterans did not have the same opportunity to build generational wealth through this policy that allowed many white veterans and their families new homeownership opportunities in the suburbs.[23]

Racial and ethnic disparities in intergenerational wealth transfers are also a component of the racial wealth gap. In 2022, white families were almost five times more likely than Hispanic or Latine households and almost four times more likely than Black households to receive an inheritance, and these racial and ethnic disparities have existed for decades.[24] Home buyers who are beneficiaries of generational wealth are more likely to receive financial assistance from family members who have previously owned a home. As a result, they are more likely to make a down payment earlier in their lives as well as make more sizable down payments, which leads to lower interest rates and lending costs overall. This means households who have access to generational wealth, such as many white households in the region, accrue equity in their homes at an increased rate compared to households who do not have access to these benefits.

This divide in homeownership is not a natural occurrence or preference, nor is it due to the individual failings of people of color. This disparate access to ownership of homes is due to racist policies and practices with deep roots in discrimination and segregation that have continuing impacts.[25] While it is easy to look back and point to racist policies in the past, the impacts of past and current policies and practices, and other racial inequities in access to homeownership, still exist today.

Black and Latine households are more likely to have their mortgage application denied relative to white applicants, even when accounting for other factors and characteristics of the borrower.[26] Cultural differences in lending as well as immigration status can create barriers in accessing a traditional mortgage. If borrowers do obtain nontraditional mortgages, they may still face discrimination from sellers who choose to accept only traditional mortgages or cash offers. Despite fair housing laws prohibiting discrimination, evidence shows that discriminatory practices remain, including real estate agents steering Black households to or from certain neighborhoods.[27]

Housing discrimination impacts the quality of neighborhoods recommended to minority households, and constrained neighborhood choices lead these households to neighborhoods with lower quality schools, higher rates of assault, and higher rates of pollution exposure.[28] Homeowners of color tend to own homes in historically underinvested communities, and homes in neighborhoods of mainly Black households are valued less than neighborhoods with mainly white households.[29] These issues across our systems continue to create challenges in dismantling inequities in housing and wealth building for residents.

Homeownership is not the only path to wealth generation: Fair wages, economic opportunity, and social support systems are also needed to narrow the wealth gap. However, with homeownership as the primary driver of wealth generation, there is a substantial need to target ownership opportunities for households facing the biggest barriers to wealth accumulation. Unfortunately, there is a shortage of affordable ownership opportunities in the region and fewer households can afford the increasing average sales price of a home in the region, which was $451,148 in 2024.[30] This means there is demand in the region for more affordable homeownership opportunities including ownership options such as manufactured homes, cooperative housing, and shared ownership. There is also demand for programs that remove barriers to homeownership for low-income residents.

A growing need for affordable housing everywhere

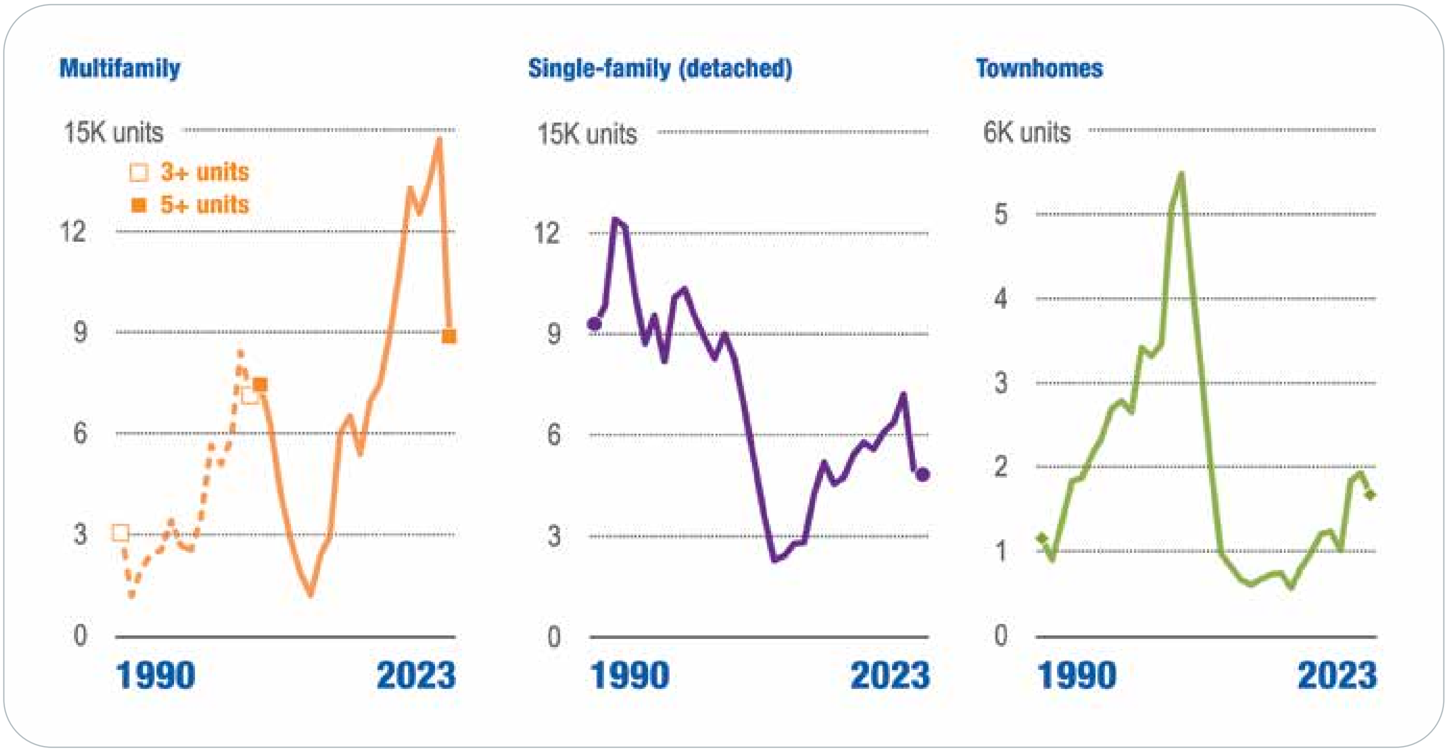
In the past 10 years, many influences have shaped the affordable housing landscape in the seven-county region. Some of these influences include:

- The growing competitiveness of affordable housing funds and programs
- Increasing development of multifamily and affordable housing options in the suburbs of the region
- The COVID-19 pandemic
- Increasing inflation rates
- An increased focus on racial inequities in housing following Mr. George Floyd's murder in 2020
- Record production of housing units

Throughout all these changing factors, the shortage of affordable housing units available for low-income households has remained persistent.

After the 2008 housing crisis, multifamily construction increased

Figure 1.7: Number of new construction permitted regionwide by housing type, 1990 - 2023

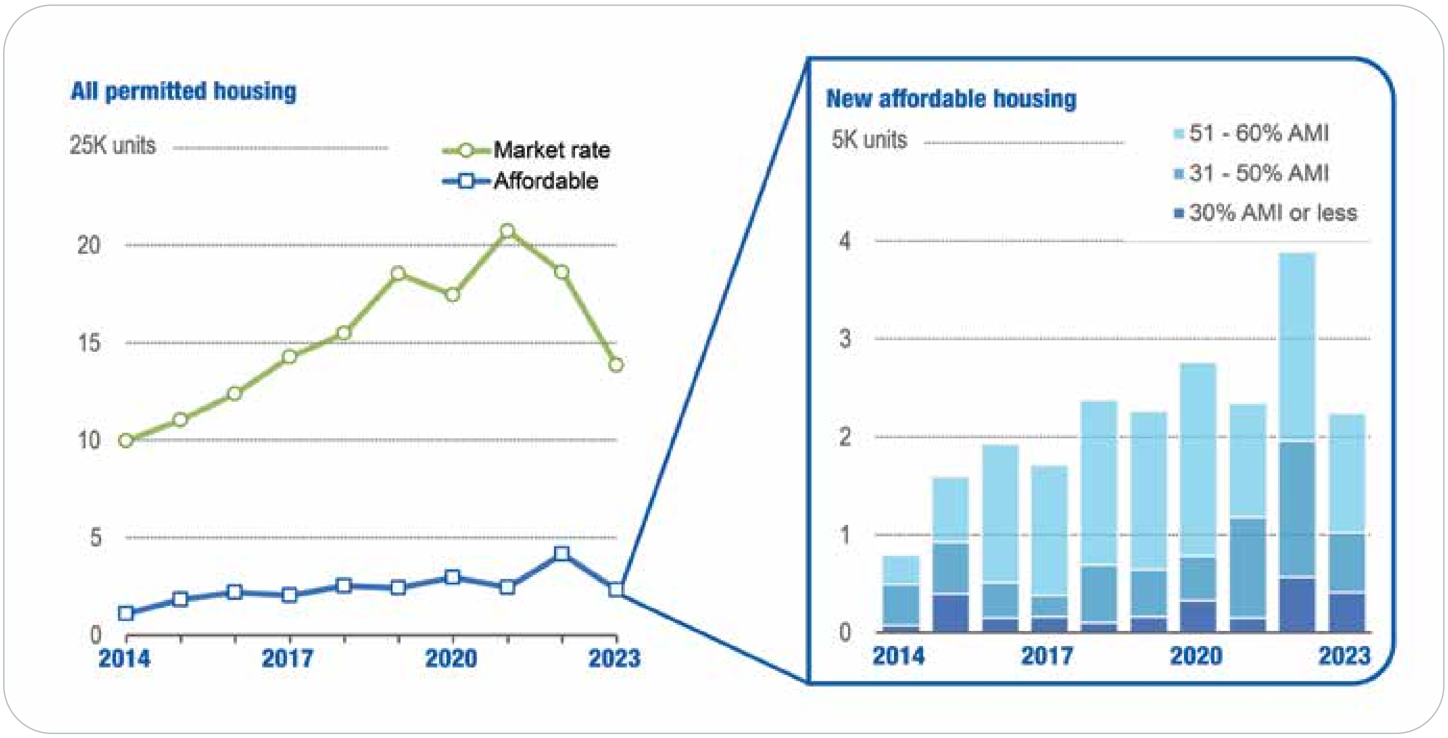


Source: Metropolitan Council's Building Permit Survey, 1990 to 2023. Duplex, Triplex and Quads and Accessory Dwelling Units (ADUs) are also tracked housing types in our annual survey but were not included here because of comparably small totals.

The seven-county region has had a less volatile housing market than other U.S. metropolitan areas and has seen record production numbers in recent years relative to the previous decade (2011-2020). However, the need for affordable housing still far outstrips the availability. From 2014 to 2022, housing production in the seven-county region has steadily increased. Between 2018 and 2022, more than 105,000 units of housing were added to the seven-county region, primarily multifamily and rental units.[31] While production remains high in 2023, the effects of inflation rates, labor shortages, and other factors resulted in a decrease to production, although production is still relatively high in comparison to other metro areas.

Affordable housing is only a small share of new housing construction across the region

Figure 1.8: New construction permitted regionwide by affordability, 2014 – 2023



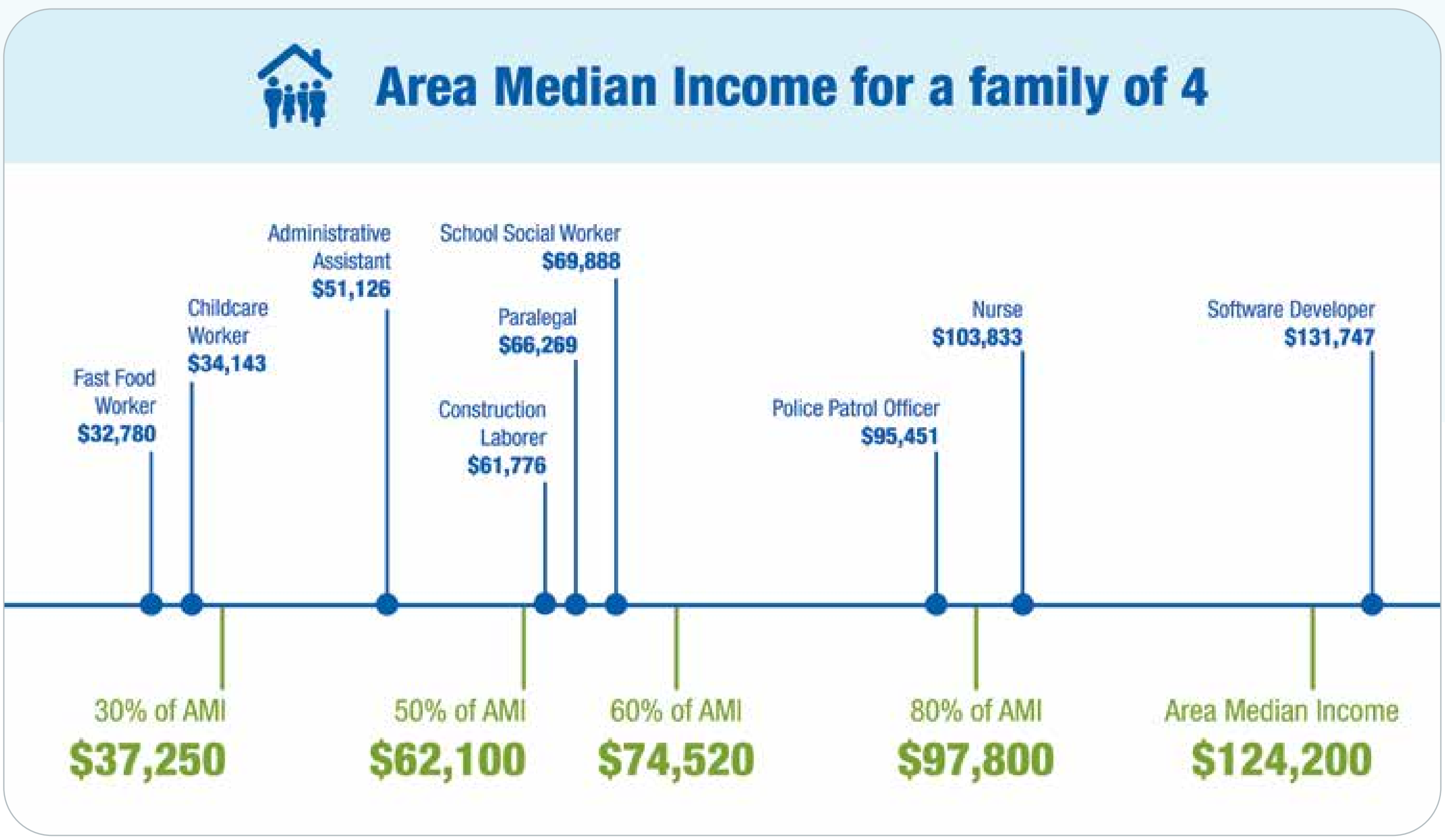
Source: Metropolitan Council's Building Permit Survey and Houasing Policy and Production Survey, 2014-2023. "Affordable" refers to rental units that are affordable to households earning below 60% area median income (AMI) and/or owner-occupied units that are below 80% AMI. Area median income is calculated annually by the U.S. Department of Housing and Urban Development (HUD) for the 15-county MSA .The area median income for the Twin Cities metro in 2024 was $124,200.

While production of housing units at all income levels increased, affordable housing units[32] remained steady at about 8-14% of all housing unit production since 2014. Deeply affordable housing units, those that are affordable to households earning 30% of the area median income or less[33] and the highest need in the region, were only 1% of overall production since 2014. This low production of affordable and deeply affordable housing units has deepened the shortage of affordable housing units needed in the region. Since the addition of units to the market is mostly from new construction, affordable housing development rates are largely dependent on market costs for building materials and the availability of deep subsidies from state and federal sources. The shortage of affordable housing supply has been exacerbated by material costs and labor

Affordability and Area Median Income (AMI)

Each year the federal government calculates the Area Median Income (AMI) for the region using Census data. The AMI is the midpoint of the region's income distribution, meaning that half the households in a region earn more than the median and half earn less than the median. In 2024 the region's AMI for a family of four was $124,000.

Often affordable housing is defined as housing that is affordable to low- and moderate-income families. Different levels of AMI are used to describe various types of households and their income levels. These levels, or bands of affordability, are often used to determine if certain housing is affordable to certain households, or if a household is eligible for certain housing assistance. This plan considers rental housing affordable to those at or below 60% AMI, and ownership opportunities affordable to those at or below 80% AMI.



shortages due to the COVID-19 pandemic as well as rising inflation rates. This shortage is represented in the decrease in housing unit construction, especially of multifamily units, in 2023.

Rental and home prices have been rising at a higher rate than wage growth.[34] Housing costs have remained untenable for renters and buyers, with over 27% of all households in the region experiencing housing cost-burden, meaning they spend over 30% of their gross income on their housing costs. Black and American Indian households have a disproportionate number of cost-burdened households. In 2022, over 49% of the region's Black and over 53% of the region's American Indian households experiencing housing cost-burden due to ongoing inequities in access to economic resources and affordable housing. Both renter and ownership households experience cost burden, but renters face larger financial burdens for housing costs. As many as 47.5% of renters are housing cost-burdened, while only 18.4% of homeowners are housing cost-burdened.[35]

Even those with the adult working 40+ hours a week, when childcare is factored in and entry level job wages for youth, even 50% AMI is simply not affordable if they are spending 60% of income on housing.[36]

Staff engaged with residents, social service professionals, and affordable housing providers in the region, who all expressed that affordable housing is not affordable to all residents in the region due to the high costs of housing and other basic needs.[37]

Engagement data highlighted that even for units that are required to be affordable due to housing subsidies, rental costs are still out of reach for many residents. With other rising household expenses

With wages, most people aren't able to pay because their salaries aren't high enough, so they're working 2-3 jobs.[38]

such as food, childcare, health care, and other basic needs, combined with the fact that many jobs do not pay a living wage, many lower-income households cannot afford to spend 30% of their limited income on housing. This can be true even when residents work multiple jobs. Combined with the affordable housing supply shortage, the lowest-income households continue to be heavily housing cost-burdened, are burdened by other household expenses and costs of living, have the slowest or no wage growth, and face the largest barriers to finding housing units that are affordable.

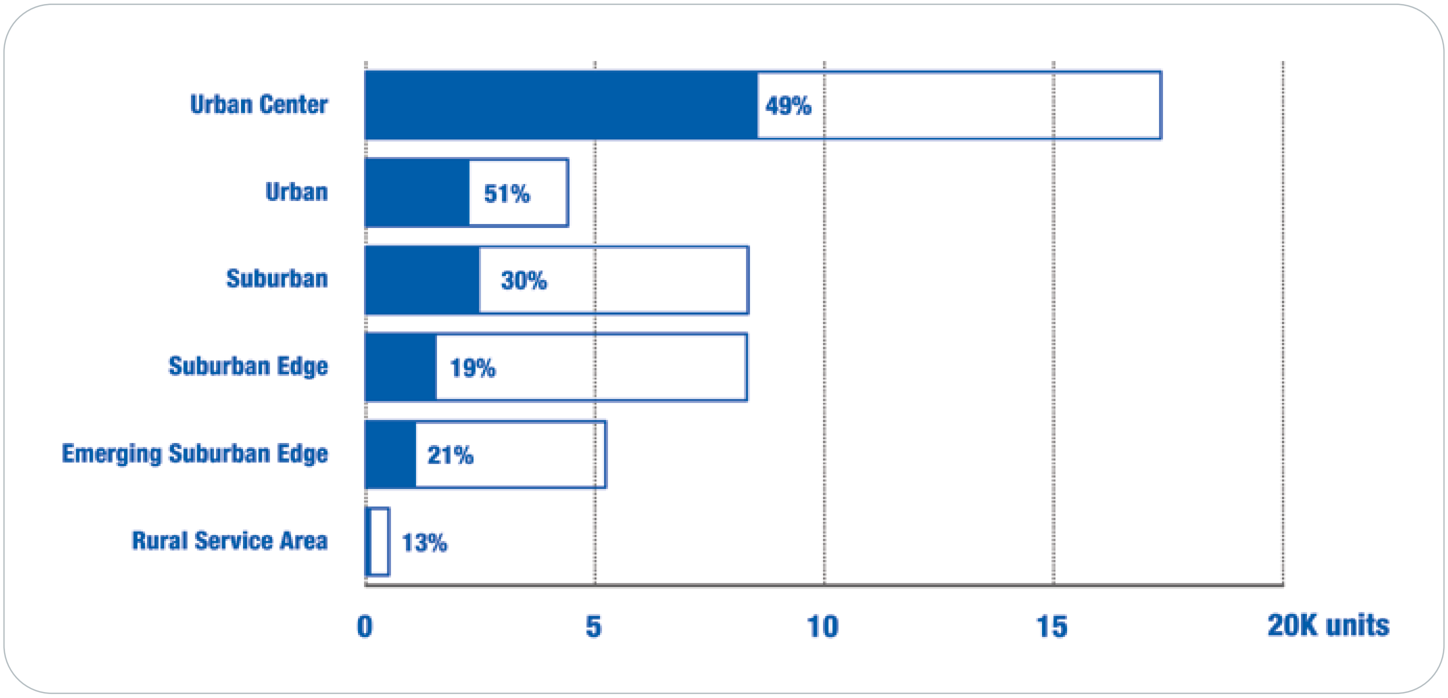
I grew up in section 8 housing. We were lucky to be a part of that type of housing to find affordable housing for my parent's income. … Honestly, it is becoming increasingly harder to be in welfare programs, and to be in section 8, and everything in that boat … A lot of families are not qualifying even though they really need it. … I think we need to be more flexible, rather than just looking at the numbers, especially if you have more kids, especially if you are in school.[39]

While the lack of affordable housing affects most demographics, young people, in particular, are feeling the financial strain of these challenges. Met Council engagement with youth residents in 2023[40] found that many young people could not afford to move into their own rental unit, much less buy a house, a need felt most acutely by those historically excluded from wealth-building opportunities. To provide opportunities for the next generation, it is important to ensure youth have diverse affordable options to live where they choose.

In terms of affordable homeownership options, manufactured housing and shared ownership housing represent lower-barrier opportunities for ownership and wealth accumulation through housing. Manufactured housing can be an attractive option for renters and low-income households because manufactured homes are significantly cheaper than a detached single-family home. Renters and low-income households also pay a higher portion of their income on housing costs than those who own their home. This is even the case when compared to homeowners who rent or share their land such as manufactured homes, cooperatives, or land trust homes. Shared ownership models, including community land trusts and cooperatives, can be an affordable alternative to renting with the added benefit of potential wealth accumulation. However, these housing choices are limited in supply and can be perceived as financially or physically less desirable due to stigma and lack of familiarity.

Affordable housing production did not meet last decade's regional need

Figure 1.9: New affordable units between 2011 and 2020, as a percentage of affordable units needed in 2011-2020 decade



Source: Metropolitan Council's Building Permit Survey and Housing Policy and Production Survey, 2011-2020. The percentage indicates the number of affordable housing units permitted in the 2011-2020 decade that are affordable at 60% of the area median income (AMI) or less of the total new affordable units needed in each community designation for the 2011-2020 decade. Note: The need for affordable housing units is only calculated for 2011-2020 sewer-serviced cities. The need for affordable units has been adjusted to reflect the actual growth, rather than forecasted growth, for each community designation in the 2011-2020 decade. The area median income is for the Twin Cities metro.

Cities and townships throughout the region each have an expectation to accommodate future growth of their communities. Met Council provides data that predicts the household growth for communities from 2031-2040, specifically focusing on new households that will need housing that is affordable. This information is used to calculate Allocation of Future Affordable Housing Need value for each city and township. The calculation considers existing affordable housing, as well as economic activity, transit access, and planned land use for communities.

Low-income households have a wide range of needs and preferences for the types and locations of housing. Recognizing this, and the need for housing available at different income levels, a community's Future Need is divided into three bands of affordability.

The Future Need for housing units affordable to households with incomes:

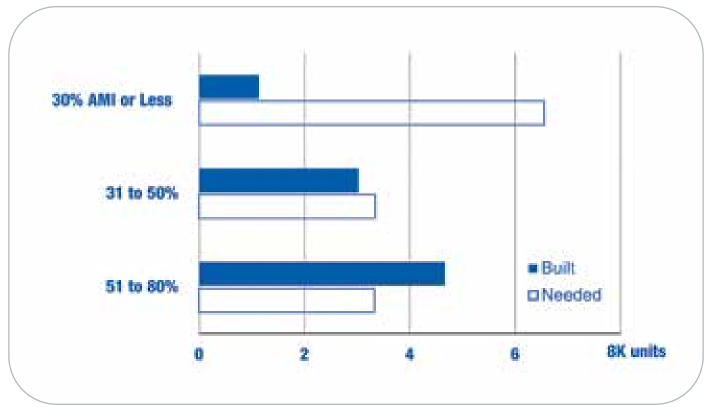
At or below 30% of AMI
Between 31% and 50% of AMI
Between 51% and 60% AMI

More information on the Allocation of Future Affordable Housing Need can be found in Section 4

As shown in Figure 1-9 above, the region fell significantly short of producing the number of affordable units needed in the 2011-2020 decade. Currently, even with record-high, deeply affordable housing production in recent years, the region is behind in meeting the need for the 2021-2030 decade.

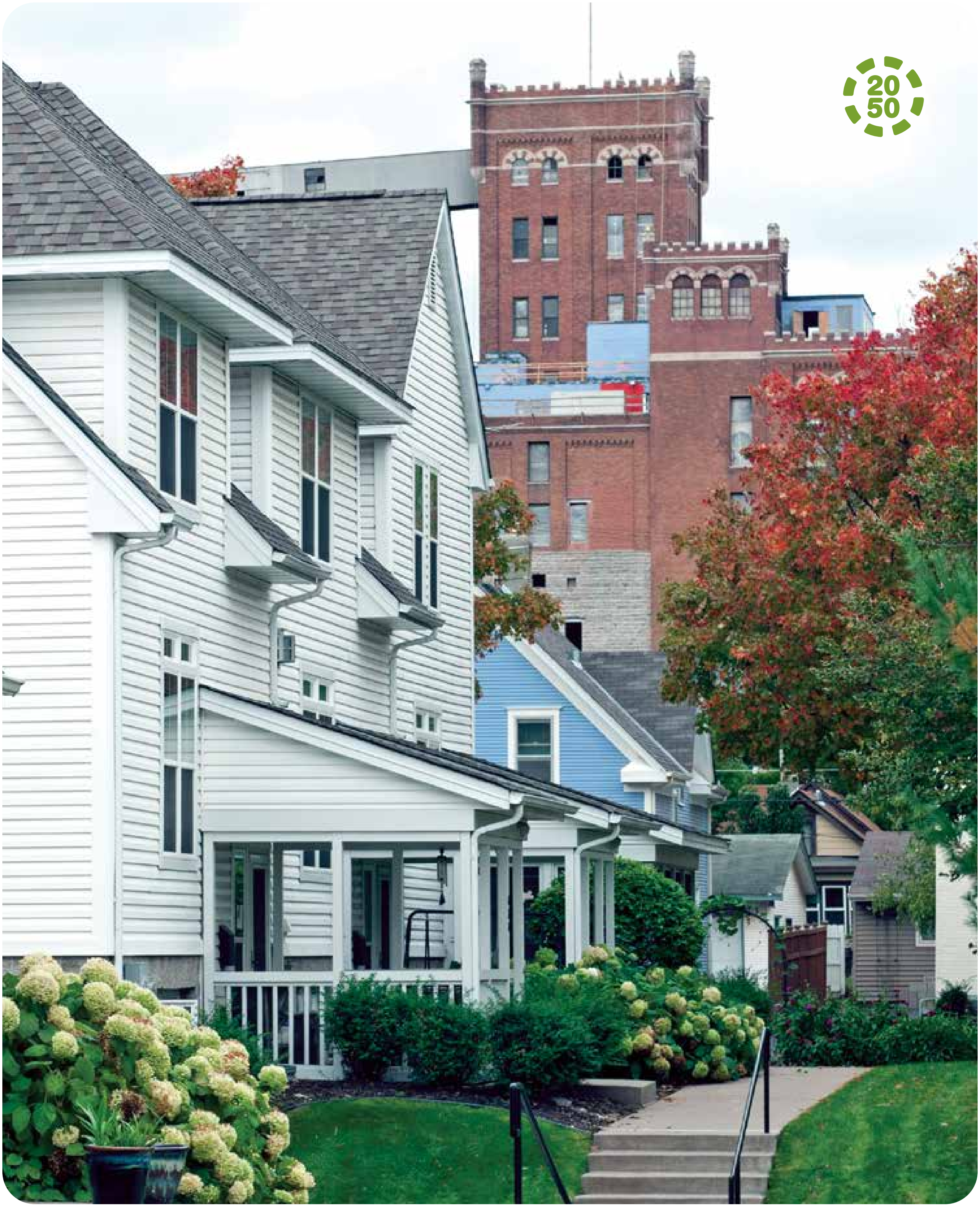
Deeply affordable housing production lags regional future need

Figure 1.10: New affordable housing units produced between 2021 and 2023 compared with allocation of affordable housing need



Source: Metropolitan Council's Building Permit Survey, 2021-2023.

After the first three years of the current decade (2021-2023), only six cities are on track to meet their 2021 to 2030 allocation of Future Affordable Housing Need at 30% AMI or less units.[41] The reliance on government subsidies for deeply affordable units and the impact of high building costs are barriers to the production of deeply affordable units across the region. These issues elevate the need to dedicate, prioritize, and layer funding sources for deeply affordable housing to increase production and preservation of these units.



Objective 1: Fair housing and geographic choice

People of any ability, age, financial status, race, and family size can live in the community they choose.

Policy: Develop programming, provide resources and funding, and support local, regional, and state initiatives that increase the ability of households to choose where to live in the region regardless of ability, age, financial status, race, or family size.

Actions

Provide:

- Prioritize the development, preservation, and rehabilitation of deeply affordable housing in Livable Communities Act programs.
    - Align Livable Communities Act affordability limits with Metropolitan Housing and Redevelopment Authority (Metro HRA) voucher affordability standards by prioritizing Livable Communities projects where voucher holders can afford to reside.
    - Require affordable housing projects awarded Livable Communities grants to accept Section 8 Housing Choice Voucher holders and offer some rents that do not exceed payment standards.
- Encourage the development of affordable housing in all areas of the region by exploring options to provide funding for the development of local housing programs that will increase affordable housing opportunities. Priority will be given to cities and townships that do not have a demonstrated history of developing affordable housing.
- Provide technical assistance and convene workshops for local governments to:
    - Develop and share initiatives, policies, and programs that increase regional housing choice.
    - Help communicate the connections between affordable housing income limits and resident housing, economic, and social experience.
    - Support “missing middle” housing (small and medium multifamily and attached single-family homes) as a strategy to improve affordability and expand housing choices for cities and townships across the region.
- Assist voucher holders to access housing of their choice through housing search assistance, opportunities for adopting higher payment standards, and incorporating voucher-holder perspectives in place-based assistance.

- Track all new housing constructed in the region to assess its affordability and report trends in affordable housing construction in the region.

Plan:

- Calculate a Future Affordable Housing Need for sewer-serviced cities and townships based on their forecasted household growth for the 2031-2040 decade. Require cities and townships to address how they will meet their local allocation of Future Affordable Housing Need by guiding sufficient eligible land at high enough densities for affordable housing development.
- Ensure that the Future Affordable Housing Need calculation elevates the need for deeply affordable housing in the region.
- In the review of 2050 local comprehensive plans, consider adjusting the local allocation of Future Affordable Housing Need when economic centers are created or lost, to more responsively allocate where affordable housing is needed relative to low-wage jobs.[42]
- Develop a system for attributing credit for cities and townships who have successfully adopted an affordable housing development policy, as defined by Met Council, towards meeting their requirement for eligible land guided for affordable housing.
- Maintain the Livable Communities Act requirement for grantees to adopt a fair housing policy and provide best practices in fair housing policy adoption to support local government efforts.
    - Explore the inclusion of fair housing guidance specific to Tribal citizens for communities and development partners in the region, as part of housing policy resources for cities and townships seeking to meet fair housing policy requirements for Livable Communities Act grants.

Partner:

- Continue to partner with Minnesota Housing to share data and technical assistance, and align funding, for affordable housing development.
- Increase collaboration with local, county, and state housing agencies and authorities to prioritize and fund the development of all affordable housing types, including multifamily, detached housing, townhomes, duplexes, triplexes, manufactured housing, and accessory dwelling units.
- Explore opportunities to partner at the federal, state, and local level to advance the evolution of affordability standards to be more reflective of resident experience.
- Identify and address the specific challenges and barriers to the development of affordable housing in different city and township contexts, especially those in Suburban Edge and Rural Center community designations.

Objective 2: Options to own and rent

All housing options, including rental and ownership, are accessible to all households.

Policy: Support and incentivize development, preservation, and maintenance of affordable housing units of all types and tenure (rental, shared equity, and ownership) that reflect what residents can afford.

Actions

Provide:

- Provide technical assistance and share strategies with counties and local governments to coordinate use of new sources of housing funding and to develop affordable housing opportunities through local program development.
- Livable Communities Act grant programs:
    - Support more homeownership development opportunities by increasing funding for the Affordable Homeownership program.
    - Provide grants to prioritize affordable housing options via brownfield and infill site redevelopment.
- Explore, in partnership with Environmental Services and community stakeholders, financial support or other resources to reduce the Publicly Assisted Housing/Conservation Sewer Availability Charge (SAC) for deeply affordable housing projects.
- Partner with Environmental Services to update the Publicly Assisted Housing/Conservation SAC reduction policy to better reflect publicly subsidized affordable housing developments.
- Maintain and improve an accessible data infrastructure to advance knowledge and awareness of the region's housing stock and demographic characteristics.
- Explore the Met Council's ability to use Met Council-owned land to support affordable housing development, especially in identified Transit-Oriented Development areas.
- Provide data and best practices to encourage all levels of government to identify opportunities for publicly owned land to be made available for affordable housing where appropriate.
- Explore opportunities for Metro HRA to expand capacity for programs that increase the ability for voucher holders to build wealth and access the housing of their choice as their economic situation changes.

- Proactively engage American Indian and Black voucher holders in wealth-building strategies and any potential homeownership programs.

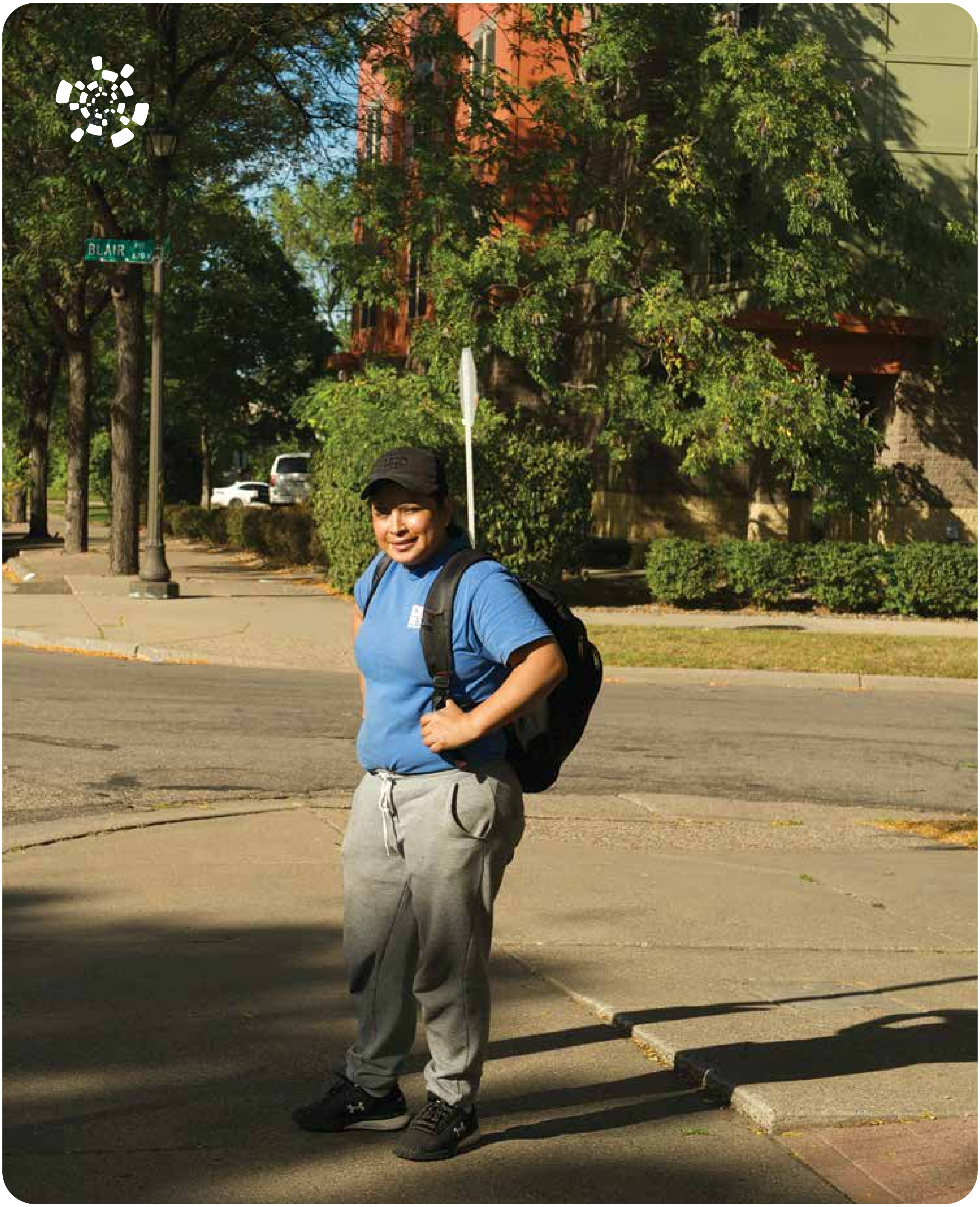
- Explore the potential for a Met Council role in monitoring changes in ownership of rental housing properties in the region.
- In partnership with Environmental Services, seek opportunities to defray the costs for manufactured home communities to connect to the wastewater system.

Plan:

- Provide data reflecting the need of local governments to plan for the development of low-income affordable ownership opportunities based on cities' and townships' existing deficit of affordable ownership options.
- Require that local comprehensive plans specify the development and preservation tools they will seek to use or continue to use throughout the decade to meet their local need for low-income affordable ownership options.
- Require that local governments identify tools they will seek to use or continue to use to create a variety of housing types and tenures across all income levels in their comprehensive plan update.
    - Housing types can include cooperative, shared ownership, mixed-tenure, or ownership opportunities, including preservation of manufactured housing and development of townhomes, small multifamily, and accessory dwelling units.
    - Rental housing opportunities to meet the community needs can include larger units for larger family sizes, single-room-occupancy options, or other types of rental units not adequately provided by the housing market.

Partner:

- Increase collaboration with local and county housing organizations to prioritize and fund programs that increase, through development or preservation, all affordable housing tenures (rental, cooperative, limited and/or full homeownership).
- Support the convening of a regional conversation to reduce barriers across state, regional, county, and city affordable housing funding programs.
- Participate in local, regional, and state conversations and initiatives supporting the rehabilitation and preservation of all types of affordable housing.
- Partner with American Indian organizations to develop technical assistance on homeownership assistance on pathways and programs to homeownership and communicate these to regional partners in order to increase understanding of the pathways to American Indian homeownership programs.


BLAIR

2050

SECTION 2: DIGNITY AND DECENCY

Aging housing infrastructure

The deficit of affordable housing needed in the region requires the preservation of existing housing stock. Preservation of housing, especially affordable housing, can mean both physical upgrades and maintenance of housing, as well as the preservation of affordability commitments or lower-cost housing options. Affordable housing includes directly subsidized affordable housing units and unsubsidized affordably priced housing units, not directly supported by local, state, or federal funding and often referred to as Naturally Occurring Affordable Housing (NOAH). Preservation of affordability often means securing or extending long-term commitments to participate in an affordability program (for example, Low Income Housing Tax Credits).

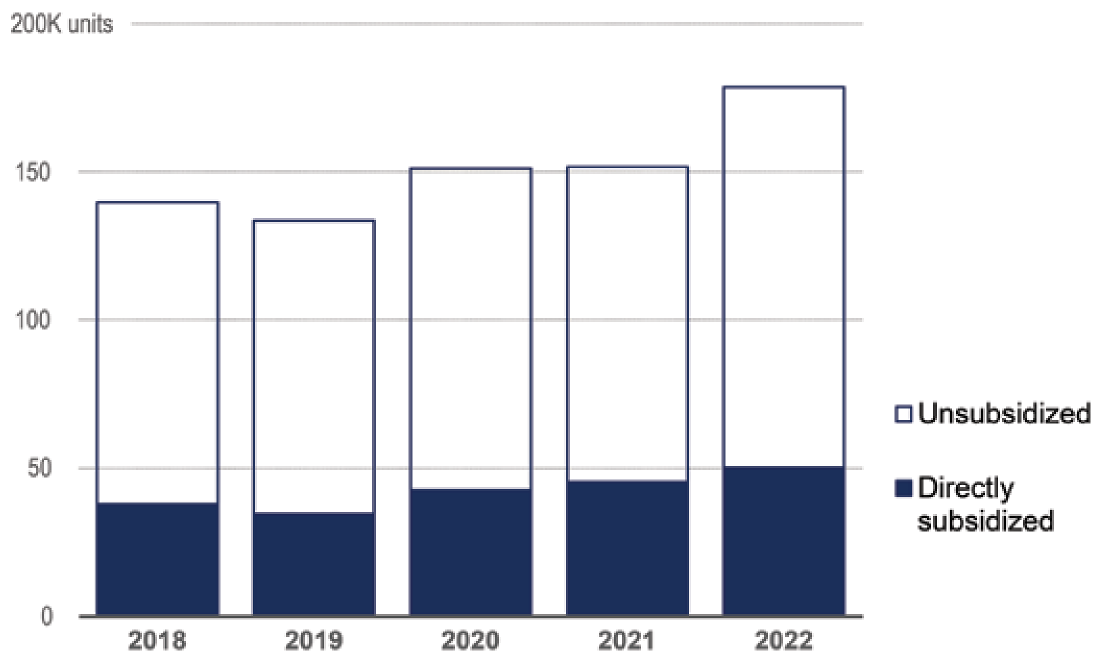
What is unsubsidized affordable housing?

Housing that receives funding from federal, state, or local government programs that reduce the cost of housing for low- and moderate-income residents is considered subsidized housing. Housing may be subsidized in many ways, including tenant rent vouchers, downpayment assistance for homebuyers, reducing interest on a mortgage, financial support to reduce operating costs, and providing tax-credits to encourage investment in low- and moderate-income housing.

Housing that does not receive government program funding is considered unsubsidized housing. Specifically, unsubsidized affordable housing often has rents lower than market rates and affordable to low- to moderate-income households. This unsubsidized affordable housing is often referred to as NOAH (Naturally Occurring Affordable Housing) and is the most common form of affordable housing in the region. Over 70% of housing units that are affordable to households earning less than 60% AMI are unsubsidized, NOAH units.

Most existing housing affordable at/below 60% of area median income is unsubsidized

Figure 2.1: Housing units affordable at/below 60% area median income (AMI) by subsidy status, 2018-2022



Source: Metropolitan Council analysis of existing housing units, using for the 7-county region CoStar commercial property data (only multifamily properties with five or more units are included) and HousingLink STREAMS data, 2018 - 2022. Directly subsidized refers to publicly funded rental housing and rental units with direct subsidy from federal, state, or local level sources that require long-term rent restriction.

The role of unsubsidized affordable units within the rental housing market is important to consider in parallel to the development of new affordable housing units considering the small share of new development that is affordable. Only 11% of newly constructed units in the seven-county region are affordable to low-income renter households.[43] Additionally, the majority of all affordable housing units, 70%, are older housing units that are privately-owned and unsubsidized, making unsubsidized affordable housing the largest supply of housing for low-income renters.[44] Considering the large need for affordable housing, preservation of unsubsidized affordable units can help meet ongoing needs for affordable housing in the region, especially as federal, regional, and local housing subsidies and grants to build new affordable units are becoming increasingly competitive.

Affordable housing is not always maintained to a safe standard or required to remain affordable over time. In our engagements with residents in the region, some residents referred to their unsubsidized affordable housing units as feeling unsafe or becoming increasingly more expensive.[45]

Overall, the regional housing stock is in good condition compared to many of our peer regions, yet housing with delayed necessary maintenance and repairs and decades-long disinvestment still exists. Policies and programs are needed at the regional and local level to support and prioritize preservation, improvement, and modernization of our aging housing infrastructure.

As I lived in an apartment for nearly nine years after I first came to the U.S., this place was unsafe in terms of the living condition and unsafe in terms of violence. I only lived there because it was more affordable for my family.[46]

As of 2022, half of all housing units were built before 1980.[47] Many of these properties are facing substantial maintenance needs for major systems such as roofing, windows, mechanical, and plumbing in addition to routine maintenance and upkeep which can be prohibitively expensive. Many property owners of rental housing lack the full amount of financial capital to keep these properties affordable without falling into disrepair. These unsafe units either remain on the rental market as is or are sold to investors who update the properties and put them back on the market at high rents. When these unsubsidized affordable units are lost, through sale, renovation, and/or conversion to market rate or luxury apartments, tenants can be displaced.

Preserving these units from potential loss is imperative to mitigating displacement in the region. Any loss of affordable units in the market offsets the already lagging production of new affordable housing, increasing the challenges of locating stable, affordable housing for any displaced tenants. In recent years, local governments and housing agencies have grappled with addressing deferred maintenance and safety of buildings, putting greater focus on improving tenant rights, rewriting crime-free ordinances, and seeking desperately needed funds from the state legislature.

Despite a coordinated and strong effort at the regional and state level to prevent the loss of more affordable housing, the region is at risk of losing affordable units as their commitments expire. Throughout the region, many long-time subsidized affordable housing properties are reaching the expiration of their required affordability term. Due to the high cost of deferred and routine maintenance, maintaining affordability beyond the initial commitment period is often challenging, and some affordable housing property owners decide to sell to the open market or to let a subsidy contract expire rather than face the costs of maintaining affordability. This can lead to displacement of residents and intensify the need for affordable units by decreasing the number of affordable units available on the market.

Preservation and maintenance of existing housing stock can combat the growing deficit of new affordable units for cities and townships, while providing housing choices closer to jobs and community amenities. This provides opportunities for residents to remain in the neighborhoods in which they already reside and feel connected to, as well as opportunities to move into housing that is appropriate to their needs and preferences.

An older population

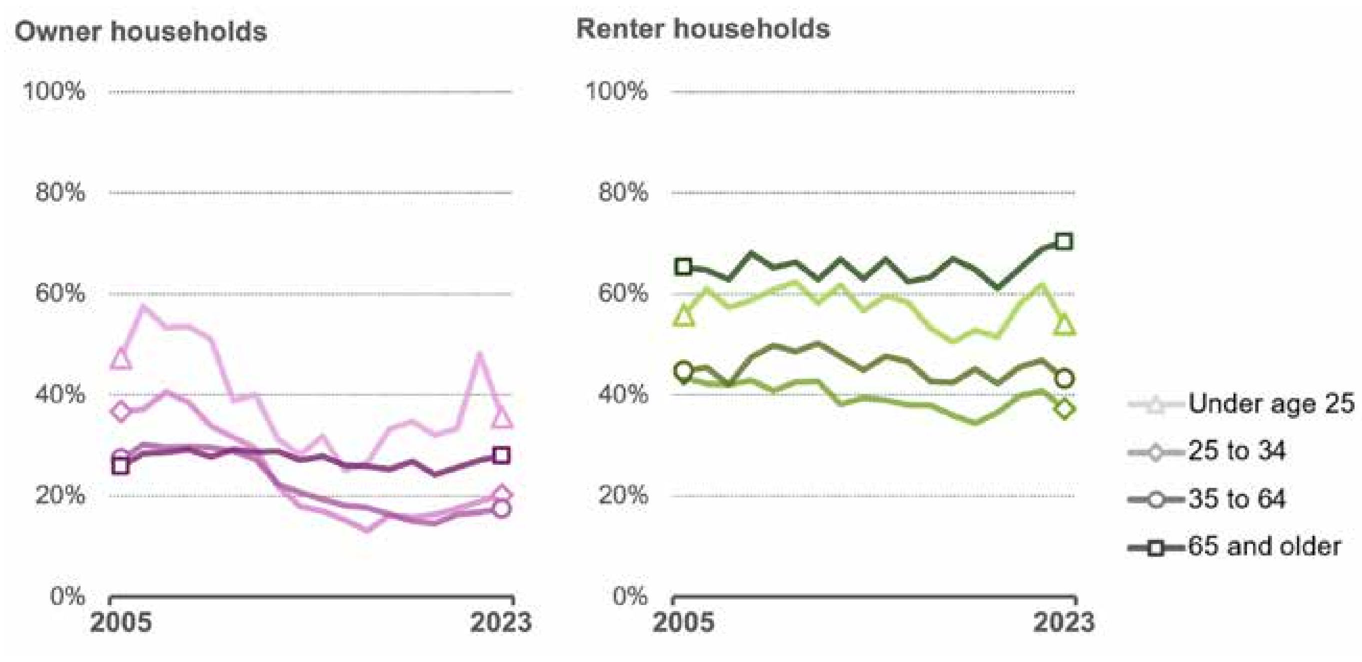
The considerations and needs of the older population are not new, but with demographic trends, a clearer picture is emerging of the increasing housing needs of this population, particularly regarding housing cost-burden, affordability, physical accessibility, and access to services.

The region is aging rapidly. Met Council local forecasts indicate more than 22% of the population will be over the age of 65 in 2050, compared to 14% in 2020. Many older households, 49%, will be individuals living alone, with many needing some level of support services as they age. Additionally, the region has an increasing older population of color. By 2050, 28% of people 65 and older will be Black, American Indian, or a person of color, compared to 11% in 2022.[48] Older individuals and households of color experience compounded challenges with access to and cost of housing. Many Black, American Indian, and households of color experience a lower rate of homeownership and lower wealth accumulation than white households. These demographic shifts and the sheer size of the older population will create increasing challenges for housing affordability, disability accommodation, and independent living.

The population is, on average, living longer, which can correlate with higher healthcare costs and the need for accessibility accommodations for longer periods of time than in previous years. In 2022, 68% of residents over the age of 75 were not receiving institutionalized care but experienced challenges with vision, hearing, mobility, personal care, or daily tasks.[49] The number of households that will require some kind of institutionalized or specialized assistance will increase as the region's older population continues to increase through 2050. The increasing costs for supportive services and care, compounded by the shortage of laborers in the healthcare market, has made accessing safe age-restricted housing competitive and expensive.

Older and younger households are more likely to experience housing cost-burden

Figure 2.2: Share of metro households experiencing housing cost-burden by tenure and age of householder



Source: U.S. Census Bureau, American Community Survey, one-year summary files, 2005 to 2023. Data summarize the 15-county Minneapolis-Saint Paul-Bloomington, MN-WI metropolitan statistical area (MSA) defined by the U.S. Office of Management and Budget (OMB). Cost burden refers to households that are spending at least 30% of their monthly income on housing.

Nearly one-third (32%) of households over age 65 in the region are housing cost-burdened.[50] With housing becoming increasingly cost prohibitive and limited in supply, many households with older people are choosing to stay in their current houses longer. This may result in deferred home maintenance as households with older residents are forced to balance the safety of their living environment with undertaking a large cost for home repairs or accessibility upgrades. A household's choice to age in place, by living in their housing longer, also constrains homebuying opportunities for other households looking to buy a home in the market. In addition, an increasing proportion of the older population does not own their home. Housing cost-burden for older households is particularly severe among those who rent, with nearly 60% of renter households over age 65 paying more than 30% of their income on housing.[51] For these households, especially with a fixed income, any increase in household costs may lead to housing instability or loss.

Between 2030 and 2040, the region will have an additional 11,000 older adults that will need some kind of institutionalized living arrangement (skilled nursing, memory care, hospice, etc.).[52] Collaboration with other government agencies, advocacy groups, and financers to coordinate on the need for substantial subsidy for these units will be ever more necessary to meet the need of our aging community.

Accessible housing

Historically, the need for accessible housing was often considered through the context of the needs of an aging population, including for increased mobility assistance and support. However, accessible housing must consider people of all ages and all ability levels to provide necessary accommodations to carry out daily care tasks, work, and live a stable, healthy, independent life. Minnesota has a unique approach with its coordinated state Olmstead Plan, which aims to ensure that disabled Minnesotans live full lives of inclusion and integration in their chosen communities.[53] Allowing all disabled residents in our region to choose where to live necessitates the development of truly accessible housing, and modifications to our existing building stock to make it possible for residents to have a choice.

> *Why does it cost more to make things more accessible for everyone. Putting in an accessible ramp can be $13,000. In certain counties there are grant programs, but there is too long a waitlist.*[54]

Within the region, there are approximately 380,394 residents living with disability, accounting for nearly 10.4% of the regional population. Additionally, more than 40% of the region's residents aged 75 or older that are not receiving institutionalized care have trouble with vision, hearing, mobility, personal care, or daily tasks.[55]

These residents may require housing that is accessible or provides specialized services. Currently there are units in the region that meet accessibility requirements but not enough to meet the need in the region. New housing developments are required to provide a minimum number of units to meet state accessibility requirements, but these units are not always prioritized for occupation by a resident living with a disability.

State guidelines set minimum accessibility requirements for accessible housing units. However, the requirements are often not enough to meet the needs of residents. There have been increasing efforts to expand or go beyond the state minimum requirements through policy and program updates. For example, as of 2023, housing built using Minnesota state Housing Infrastructure Bonds must meet detailed accessibility requirements, which include both physical and sensory accessibility features.

Accessibility modifications are necessary features for many households with disabilities. These modifications can be expensive and burdensome to retrofit a housing unit after development, particularly when being left to individual households to complete and constructing new units to meet required standards often increases construction costs. Utilizing design strategies that incorporate accessibility more universally and without significant structural changes when constructing new units can mitigate any potential cost increases. Continued commitment to expanding upon these efforts to go beyond the minimum state requirements for both accessibility features and the number of dedicated accessible units must be a priority in the development of all new housing

The current accessibility needs of the region's residents, compounded with increasing needs as the region's population ages, mean we must expand the supply of housing options accessible to people with disabilities. These options must go beyond the current requirements and encourage the use of Universal Design. Universal design goes beyond state minimum accessibility standards and holistically incorporates livable, comfortable, resilient standards in design. It results in spaces that are welcoming to people of all abilities and ages, including people with mental illness, physical, intellectual, developmental, hearing, and visual disabilities.

All residents should be able to not only access housing, but housing with proximity and access to their unique needs. This includes access to health care, education, employment, transportation, parks and nature. Universal design is not only imperative to residential design, but also to public and recreational areas, prioritizing accessibility to all residents regardless of ability. Promoting housing development with universal access features ensures that people with disabilities have greater opportunities for housing choice and removes barriers often caused by the built environment

I need somewhere where there is 24-hour support available, but I also want to be as independent as possible.[56]

Obtaining housing that meets residents' needs that is also affordable is a crucial issue for people with disabilities, as 43.4% of people with disability experience housing cost-burden.[57] Households with disabilities may have no or low incomes or are limited by a fixed income due to the need to qualify for programming and support services to meet needs and accommodations. The challenges to secure and maintain safe affordable housing when living with a disability are evident with a high proportion of adults experiencing homelessness in the region that have a disability. Most recently, an estimated 49% of the region's homeless population reported having a physical health condition in the last year.[58]

Fast track housing vouchers for 24-hour care and have two-bedroom apartments so that the caregiver can be there.[59]

Project-based vouchers and other subsidized housing programs may prioritize units targeted to assist low-income households with disabilities, but the need for accessible units stretches far beyond the current supply of these programs. The location of accessible units is important, with many residents needing to live in areas with access to transit. However, in many transit-accessible neighborhoods, lower-density (1-4 unit) neighborhood development styles and land use guidance do not easily accommodate accessibility features, whereas single-family home styles that are more accessible tend to be located in areas with less transit access. Residents with disabilities – regardless of income, age, and household size – should be able to live in a home that is a safe and healthy environment and provides access to the services and accommodations for their needs, in communities throughout our region.

Housing stability as a foundation

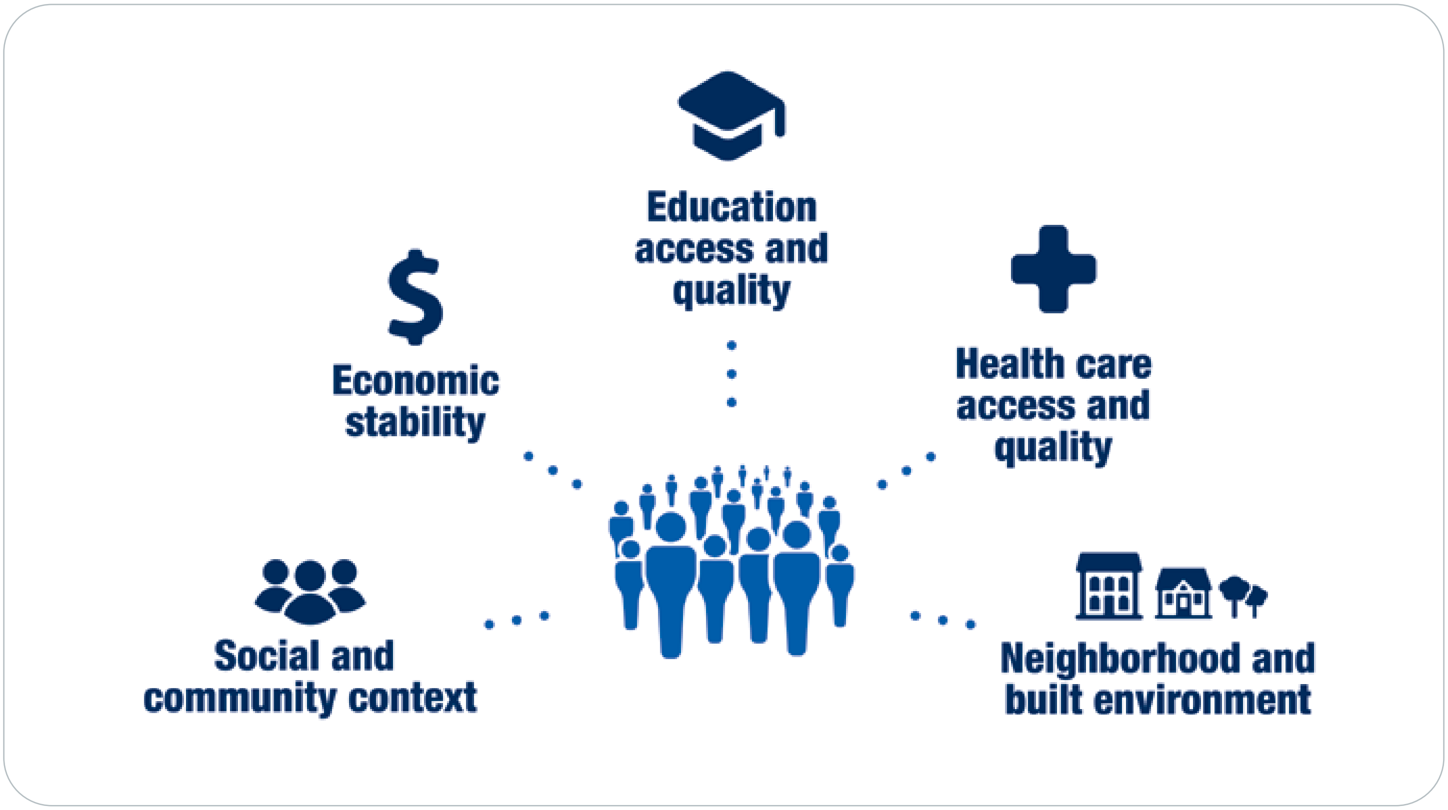
As existing and new challenges around access to safe, affordable, and dignified housing in the region are approached and addressed, it is important to acknowledge the ways that stable housing supports resident health and well-being. The built and natural environments where people live, work, and play impact the health of the region's residents.

Housing is an important component to residents' neighborhoods and living environments and is considered a social determinant of health, a nonmedical factor influencing physical and mental health.[60] There are multiple connections between housing and health including the impacts of housing affordability, housing stability, physical housing conditions, and the surrounding neighborhood environment.[61] The connections between housing stability and health show that stable housing is a foundation for improving household health outcomes, reducing homelessness, and providing a platform to build stability in other areas of residents' lives.

Although housing instability and homelessness may look different in different areas, these issues exist in all areas of the seven-county region. Experiencing homelessness can mean a resident is living in shelters, sleeping on someone else's couch, doubling up, in transitional housing, living in a hotel or motel, or sleeping outside. Despite a 7.5% decrease from 2018 in the number of individuals experiencing homelessness in the seven-county region, in 2023, there were 6,254 individuals counted experiencing homelessness (in shelter, outside, on transit, or temporarily doubled up) on a single night in the seven-county region.[62]

In our region, 72% of adults experiencing homelessness reported having a chronic physical health condition in the last 12 months, significant mental illness in the last two years, or substance use disorder in the past two years.[63] In general, individuals experiencing homelessness have higher rates of disease such as depression, hypertension, cardiovascular disease, or Hepatitis C. They may face a combination of multiple health issues or disabling conditions, as well as having increased exposure to communicable diseases, violence, and malnutrition.[64] Additionally, when residents do not have stable housing, it can be harder to manage existing health conditions or recover from an illness. Those experiencing homelessness also have increased mortality

Figure 2.3: Social Determinants of Health

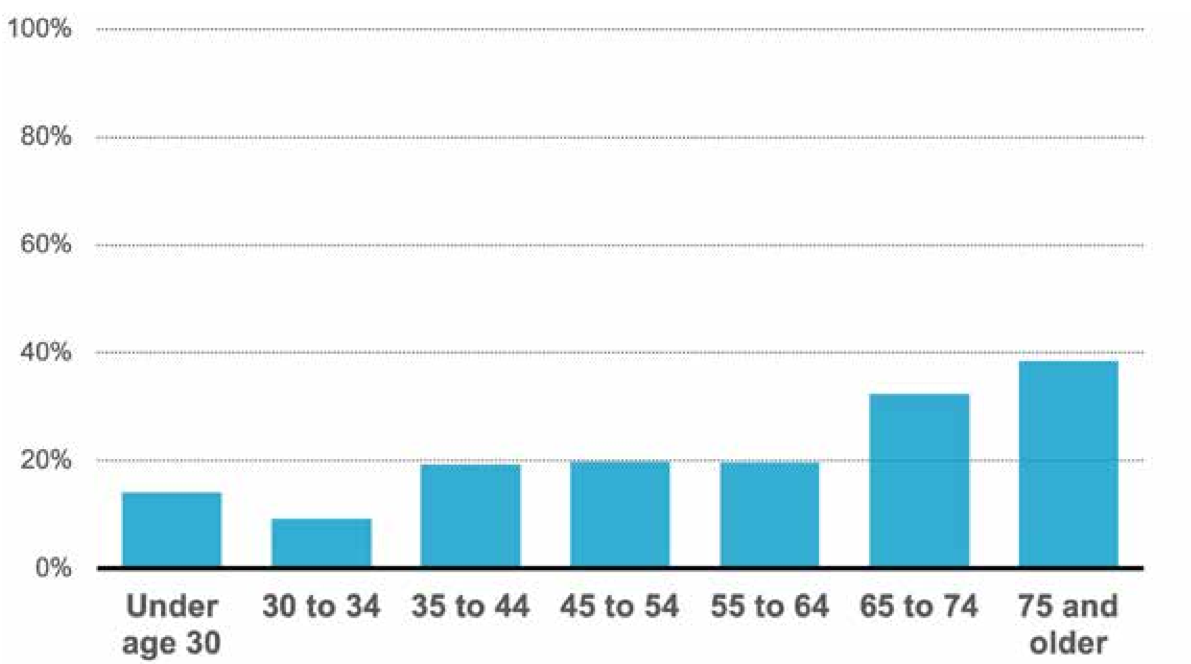


rates. The rate of death is three times higher for all people experiencing homelessness in Minnesota and five times higher for American Indian people experiencing homelessness as compared to the general Minnesota population.[65]

Although anyone can be at risk of housing instability, low-income households and households of color face more challenges to maintain housing stability. Black, African American, African and American Indian individuals make up a larger portion of the population experiencing homelessness in the region compared to their overall population size within the region.[66] The challenges of housing stability also disproportionately affect youth in the region. People aged 24 and younger make up over 40% of the population experiencing homelessness in the seven-county region.[67]

Young people are overrepresented in the population of people experiencing homelessness

Figure 2.4: Share of metro households experiencing housing cost-burden by age of householder



Source: AMERICAN HOUSING SURVEY (OLIVIA/SARAH R.)

Proportionally, older adults (aged 55 and over) currently experience homelessness at much lower rates than younger people (aged 24 and less) in the seven-county region. However, forecasts show significant growth for the older adult population (aged 65 and over) in the next decade. This is expected to lead to significant increases in the cost of shelter, health care, and other long-term care needs for this population.[68] Similar to local, regional, and national efforts to address homelessness today, how we plan for the future needs of the older adult population will have lasting impacts on the well-being of residents. These impacts may include the rates of avoidable disease, premature disability, and mortality.

Of all residents experiencing homelessness in the seven-county region, almost 18% are not in a formal shelter.[69] Although emergency shelter plays an important role in our housing system, it can be inaccessible, may not be culturally responsive, is not present in all areas of the region, and may not be safe for all residents. Due to these limitations and other challenges faced by those experiencing homelessness, informal settlements have been used as shelter across the seven-county region. A harm reduction approach is needed in government and community responses to informal settlements and the challenges faced by those living in informal settlements.

Housing instability can look different for different households, can be impacted by different factors, and can last for different durations of time. Housing instability can include shorter-term instability such as moving frequently, formal and informal evictions, falling behind on rent, or doubling up. These situations can affect household well-being by increasing stress, anxiety, and depression. These challenges can lead to disruptions in employment, education, medical care, and access to other social services.

There are many reasons residents may move more frequently. However, lower-income households are more likely to move frequently and may be forced to rent substandard housing. Very low-income individuals are the residents most at risk of housing instability, and they rely heavily on informal housing arrangements, which can mean being subject to moves that were not planned. In 2022, 87% of households in the region were living in the same housing unit as the previous year, but only 78% of very low-income households were living in the same unit as the previous year.[70]

In 2022, following the end of the Minnesota eviction moratorium that had been in place during the COVID-19 pandemic, the number of evictions for the year in the region were the highest they had been since 2013, and eviction rates continued to rise, surpassing the 2013 rate in 2023.[71] Because the most common reason for eviction filing in the state post-pandemic was nonpayment of rent, these rates rising above pre-pandemic levels suggest that residents are facing more financial challenges than they did in the years leading up to the pandemic.[72]

Beyond the immediate instability caused by an eviction action, evictions can be a significant barrier to accessing housing again in the future. Even if a resident was not evicted, the eviction action can stay on a resident's record, visible to property owners on a tenant screening assessment when applying for future housing opportunities.

Despite evidence-based housing models and interventions to reduce homelessness, increase housing stability, and reduce hospitalization – such as permanent supportive housing and, more specifically, the Housing First approach – more resources are needed.[73] Programs and supportive services have not been funded at the scale required to address current needs.

Supportive housing – affordable housing paired with home and community-based services for those who have chronic mental or physical health conditions – can include access to health care, mental health supports, substance use supports, or other services that help people get into and stay in their housing.[74] Supportive housing is an important intervention and a housing sector that faces challenges that could worsen the landscape of homelessness if not addressed. These challenges include:

- Increased cost of services
- Increased insurance costs
- Increased complexity or severity of health conditions requiring specialized services
- System challenges with the referral process for units
- Lack of affordable units
- Cost of repairing aging infrastructure
- Lack of funding for operations and property management
- Displacement from current supportive housing

Those not able to access supportive housing risk facing homelessness and relying on systems and institutions not equipped to address their needs.

Estimates are that there is a shortage of 15,375 supportive housing units in the state of Minnesota, and the subpopulation with the largest need for supportive housing is the aging population (3,982 units), followed by those in mental health institutional settings (1,788), and those experiencing chronic homelessness (1,300).[75] Without providing adequate integrated housing and health support through these units, residents are faced with cycling through alternative institutions and systems that can diminish the health, stability, and well-being of residents while putting a significant financial strain on public resources.

Having a stable place to live is an important component of an interconnected system with other supports necessary for people to thrive in their communities. Important interventions to reduce housing instability and prevent displacement include low-barrier direct assistance for housing (emergency assistance and long-term subsidies), eviction prevention programs, foreclosure assistance, partnerships that allow for low-barrier access to support services, increased tenant protections, rent stabilization policies, supports for those with disabilities, supports for residents facing domestic violence, youth- and family-focused supports, programs that ensure safe living environments like rental licensing programs and code enforcement, climate disaster relief, and emergency shelter options. Despite the increased cross-sector collaboration and community-wide investment needed to address housing instability, more interventions and investment are needed to allow all residents in the region opportunities for stability and the improved health benefits that come from safe and stable housing.


IMAGINE 2050

Objective 3: Stability

Stable, affordable, and dignified places to live are available to everyone, especially those experiencing housing insecurity and homelessness.

Policy: Develop programming and support local, regional, and state policy that makes it less likely for residents in the region to experience housing instability and homelessness, with focused support for people who are experiencing homelessness and housing insecurity.

Actions

Provide:

- Livable Communities Act programs prioritize funding housing projects that serve residents who are or have experienced homelessness and/or incorporate supportive services.
- Improve outreach and work to simplify access and reduce barriers to Met Council rental assistance programs.
    - As part of developing outreach efforts, partner with American Indian community organizations to target new voucher holders, including through programs like Bring It Home.
- Increase the capacity to connect with individuals using transit as shelter (via Housing Action Team and program partners) to find appropriate housing options and supports.
- Offer technical assistance for local communities to develop and refine programs that provide housing stability, including partnerships with education systems and social services providers.
- When using Met Council-owned land for development, seek opportunities to prioritize housing options accessible to residents experiencing housing instability and/or voucher holders.
- Develop best practices and technical assistance to support local tenant protection policies, specifically around rent stabilization and eviction.
- Support continued participation in project-based subsidy programs by engaging property owners and emphasizing the community benefits of participation.
- Prioritize developments that incorporate supportive services for allocating project-based vouchers.
- Prioritize American Indian-led organizations for funding and partnerships when serving American Indian People.

Plan:

- Local comprehensive plans should include any available data about homelessness and need for shelter in the community and define how the city will address housing instability.
- Continue to apply the creation of newly constructed High Priority Homeless units towards a local government's allocation of Future Affordable Housing Need.

Partner:

- Collaborate with counties, Community Action Partnerships, Continuums of Care, schools, and other partners on funding sources and priorities for ending homelessness in the region.
  - The Met Council will identify opportunities for American Indian organizations to apply for funding through its partnerships with organizations such as Continuums of Care and the Fair Housing Implementation Council (FHIC).
- Continue collaboration with state agencies via Minnesota Interagency Council on Homelessness.
- Engage with people with lived experience of homelessness to guide Met Council policies, programs, and plans and compensate participants who serve in a consulting role.
- Convene partners throughout the region to set goals and address the need for shelter as a regional issue.
- Increase the capacity of partnerships with community organizations, housing authorities, and schools to develop place-based supportive services and programming (such as Homework Starts with Home) to assist voucher holders with achieving stability in a place of their choice.

Objective 4: Quality

Affordable housing is built and maintained to a high standard, ensuring safety and accessibility for all residents.

Policy: Support and incentivize development, preservation, and maintenance of affordable units of all types that provide residents a safe, dignified, and healthy place to live.

Actions

Provide:

- Increase prioritization for affordable housing preservation and improvement in Livable Communities Act funding criteria.
- Offer technical assistance to local governments and counties on housing preservation and maintenance programs, policies, and practices.
- Develop opportunities to remove disincentives for voucher holders to report life, health, and safety issues to Metro HRA.
- Provide a clear preference in scoring Livable Communities Act housing development projects that exceed the Minnesota Housing state-required minimums that units be designed and constructed to meet accessibility requirements.
- Prioritize the development of accessible units incorporating universal design in Met Council grant programs.
- Support the development of affordable age-restricted housing options at various care and service levels, with priority for households that have historically had less access to wealth-building opportunities.
- Inform state building code updates to encourage construction of more affordable, maintainable, high-quality, safe, and climate-resilient homes.
- Promote the use of housing code enforcement or rental licensing as tools to maintain unsubsidized affordable housing.
- Partner with Metropolitan Council Environmental Services to develop a process to prioritize low-income and historically overburdened households in the allocation of the Private Inflow and Infiltration (I/I) Grant Program.
- Track unsubsidized affordable housing in the region and share data with local staff to monitor changes over time and identify areas and/or properties for preservation.

- Research and provide local governments with technical assistance to identify local policy barriers to accessible development.
- Explore opportunities to find new sources of funding to be used to prevent buildings from going into disrepair or becoming unsafe.

Plan:

- Consider applying the affordable preservation and substantial rehab of affordable housing units either set to expire or in a state of disrepair towards a local government's allocation of Future Affordable Housing Need.
- Require the local need for accessible housing units to be considered in local comprehensive plans.
- Require the local need for affordable age-restricted housing options at all service levels be considered in local comprehensive plans.
- Require that local governments identify local-level preservation tools they will seek to use or continue to use in local comprehensive plans.
- Require local comprehensive plans to identify the use of tools such as tax abatement, fee waivers, or other locally available financing tools they will seek to use or continue to use to encourage the maintenance and preservation of unsubsidized affordable housing.

Partner:

- Participate in local, regional, and state conversations and initiatives implementing and/or supporting tenant protections prioritizing accessible, safe, and healthy housing.
- Partner with organizations around the region to provide best practices on program design or partnerships for local preservation of unsubsidized affordable housing to ensure incentives are well-designed for improving or maintaining housing quality and affordability.
- Partner with community organizations to develop resources, and access to legal support when needed, to ensure people have continued access to quality living environments.
- Work with partners in advocacy and public funding, such as HousingLink and Minnesota Housing, to monitor potential properties nearing their federal subsidy expiration, and explore providing assistance for preservation strategies.
- Partner with nonprofit providers to promote tenant and landlord rights and responsibilities and support renter initiatives.
- Cultivate relationships with landlords participating in housing choice voucher programs to support positive tenant-landlord relationships.


IMAGINE 2050

SECTION 3: CONNECTION AND WELL-BEING

Homes, not just housing

A safe and stable home is more than just a building. Social and cultural support and robust neighborhood environments with access to amenities are also important for people to lead flourishing lives. Per Minnesota Statute 473.145, the Metropolitan Council has a role, through the regional development guide, to recognize and encompass social needs in addition to the physical and economic needs of the region.[76] It is important to address regional housing-related issues that go beyond the physical components of housing to support and encompass social needs that can be influenced by neighborhoods, physical environments, and residents' social and historical connections within communities.

I'd like to live near amenities, restaurants, convenience stores...[77]

Access to amenities is a part of having a home where residents can lead healthy and robust lives. This includes access to schools, jobs, green space, grocery stores, cultural sites and spaces, health care, and social services, which all support the health and well-being of residents. In engagement, residents of the region talked about the importance of walkable and pedestrian-friendly neighborhoods, access to community places to gather and exercise, access to reliable transportation, and access to amenities that influence health, community connectedness, and access to economic opportunities.

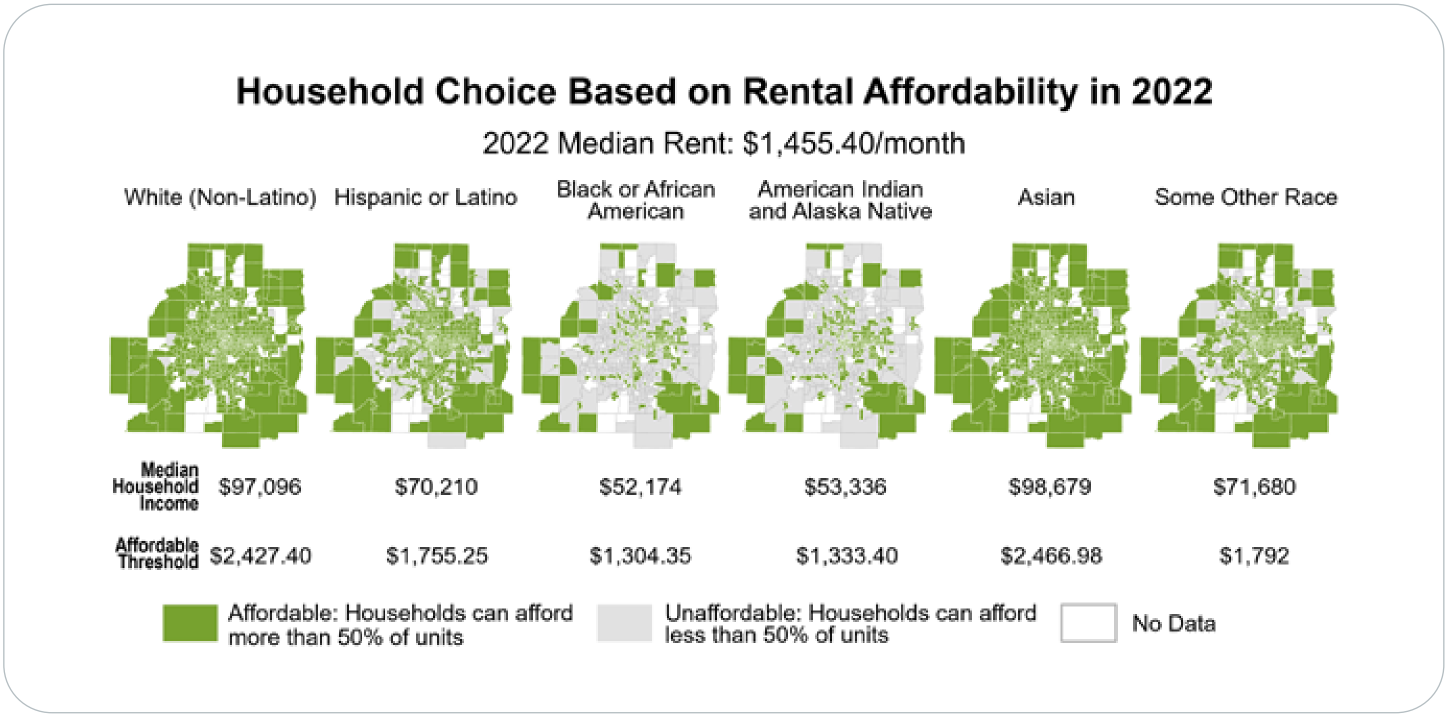
Cookie-cutter houses and houses on large lots are not an efficient use of undeveloped land. Encouraging more dense development, keeping housing in one area, and making areas more walkable [are desired goals.[78]

However, not all residents have the same regional mobility, access to all geographic areas, or choice in where to live due to regional disparities. For example, Black, African American, and American Indian households have less economic-based housing choice than white households, significantly limiting their options to live in areas where they can have the same access to neighborhood amenities and other connections afforded to households of other races and ethnicities.

Accessible health care, right near the building. As elders, we need more accessible health care. [79]

Housing choice is more limited for some racial and ethnic groups based on rental affordability

Figure 3.1: Maps of the ability of different racial and ethnic groups to live in a census tract based on the regional median income of that racial group in 2022 and the median rent of the census tract in 2022.



Source: American Community Survey (ACS). 2022 ACS 5-Year Estimates. Note: Census tracts with no data are due to the lack of a large enough sample size of rental units to generate a reliable median rent number. Affordable threshold calculated as 30% of gross monthly household income.

As a result of development, community policies, or investments in the region, low-income and communities of color are more likely to face displacement, an involuntary removal, loss of home, or loss of sense of belonging as the result of an economic, social, or physical change. Therefore, identifying those who are most affected by these issues and at risk of displacement is imperative in preserving social and cultural connectedness in communities.

> *Everyone should have space for cultural practices and community centers.*[80]

A sense of community, social and cultural connectedness, and having agency and independence in housing allows residents to have safe and stable homes. Strengthening and preserving community connectedness also goes beyond physical infrastructure. Having access to strong social support systems allows opportunities for residents to maintain independence in the community, prevents social isolation, and builds inclusive communities. This also includes access to digital connectedness.

A community center in each neighborhood.[81]

For residents at risk of losing their homes due to the high cost of housing, displacement can also cause a loss of social connections to neighbors, community organizations, places of worship, and local businesses, leading to additional loss of support and opportunities based on built personal networks.[82] As a result, coordinated displacement prevention and mitigation programs are needed. As an example, emergency rental assistance during the COVID-19 pandemic was shown to be an important intervention to support short-term housing stability and financial well-being.[83]

All residents deserve to have agency in their lives and living situations as well as the support needed to help obtain and maintain their housing. For renters, health and housing stability is supported by local tenant rights and protections paired with relationships between property owners, managers, and tenants that are conducive to building dignified living spaces for residents of the region.

Repairing historic and ongoing harm

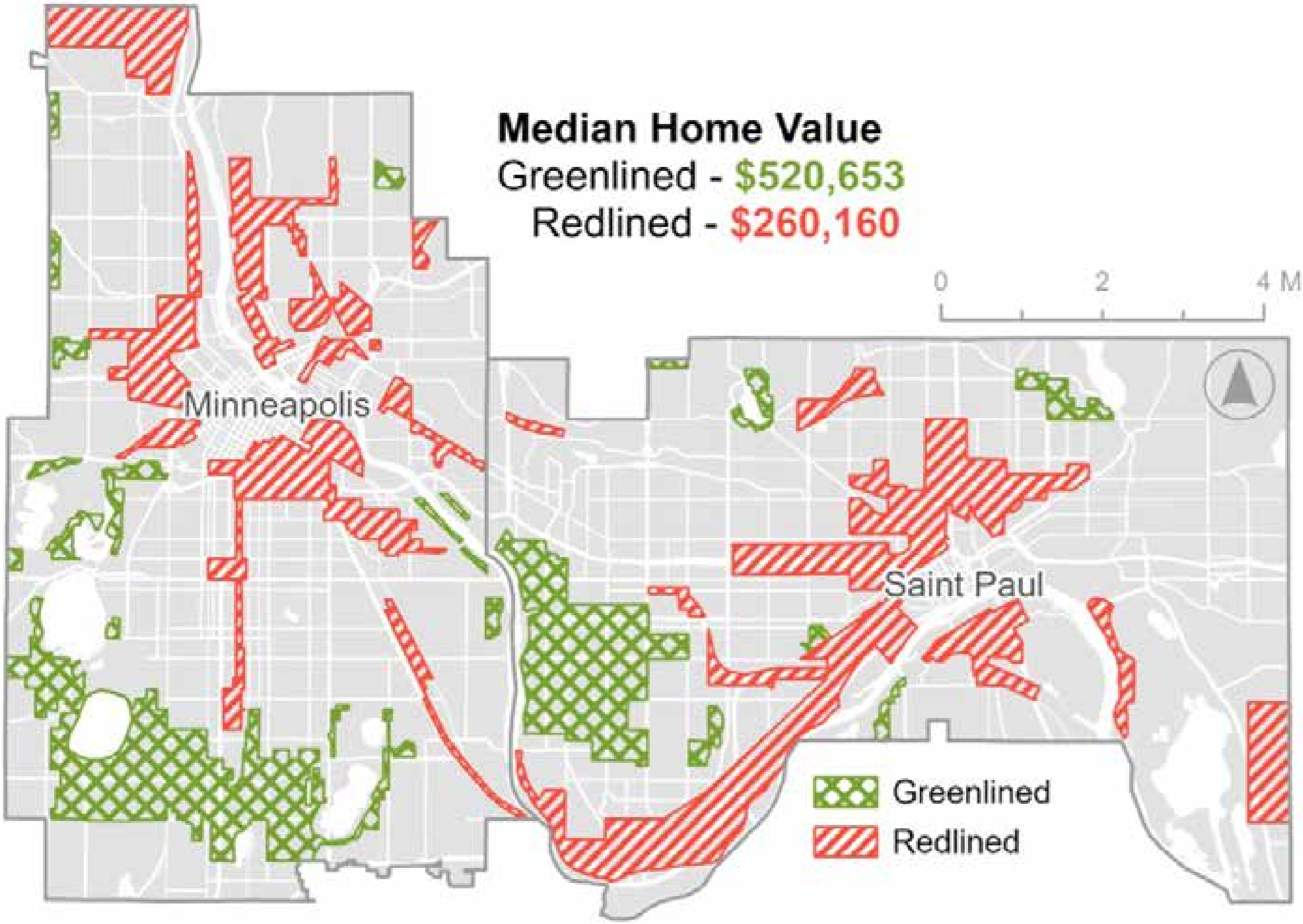
Minnesota and the seven-county region have a long and ongoing history of discrimination and displacement of Black, American Indian, and other communities of color. American Indian communities have been forcibly removed from this region's land through genocide, broken treaties, and other exclusionary policies. Violent removal by the U.S. government displaced American Indian Tribes across the nation, state, and region. This resulted in harmful impacts and erasure still present today.

A large cause of displacement has been the use of housing policies and practices by local governments, residents, and institutions as formal and informal methods to keep communities white and/or homogeneous and create economic opportunities for white residents while perpetuating exclusion of communities of color. Throughout the 20th century, racial or ethnic restrictions on housing deeds, redlining, discriminatory lending practices, and destruction of communities due to highway construction were among the practices, policies, and urban planning decisions that prevented Black, Indigenous, and people of color from purchasing homes, building generational wealth, and living in areas of investment.

Historically, communities throughout the region were redlined, which prevented access to homeownership finance and generational wealth-building opportunities for nonwhite residents. This furthered neighborhood segregation. Many inequitable economic, social, environmental, geographic, and health impacts of redlining are still evident today.

Median home values differ in redlined and greenlined areas of Minneapolis and Saint Paul

Figure 3.2 Map of the median home value in redlined areas and greenlined areas of Minneapolis and Saint Paul in 2023



Source: Redlined and greenlined areas map: University of Richmond Digital Scholarship Lab, Mapping Inequity project. Greenlined" areas refer to the areas given the "best" (Grade A) rating by the Homeowner Loan Corporation (HOLC), and "redlined" areas refer to the areas given the "hazardous" (Grade D) rating by HOLC. The parcel data comes from the Metro Regional Parcel dataset which is updated quarterly from the seven-county parcel data. In Saint Paul, the 2023 median home value for greenlined areas (Grade A) is $468,202.59, and the median home value for redlined areas (Grade D) is $257,743.82. In Minneapolis, the median home value for greenlined areas (Grade A) is $573,101.50, and the median home value for redlined areas (Grade D) is $262,576.35 for 2023.

Today, formerly redlined areas often still have lower home values,[84] lower rates of tree cover,[85] reduced access to green space,[86] and higher amounts of air pollution.[87] People of color continue to suffer from the compounded effects of exclusion that are visible through interrelated health and wealth disparities. For example, exclusionary policies and disinvestment,[88] like redlining, have led to the individuals living in those areas having higher rates of asthma, disparities in life expectancy,[89] and increased exposure to extreme heat – having an especially harmful impact on communities of color.[90]

Due to the racial wealth gap in the region, Black, American Indian, and people of color face greater barriers in moving into in-demand neighborhoods with high quality schools, increased access to amenities, higher property values, and spaces that promote healthy living. Although redlining maps focus on areas of Minneapolis and Saint Paul, similar disparities can be seen in suburban areas due to the history of racial covenants across the region.[91] Racial covenants were clauses placed in property deeds to prevent people from buying, occupying, and renting property.[92] This method of discrimination contributed to the generational wealth gap and benefited white households.

The construction of highways in the region, notably I-94 and I-35, disproportionately and intentionally destroyed cultural connections, communities, and homes. The destruction of these communities was a mass displacement event, forcing households to relocate, severing well-established connections in the community, and reducing access to homeownership opportunities.

Racial covenants are no longer enforceable. Redlining is now prohibited. And highways have been constructed. However, the legacy of these racist policies has lasted decades, perpetuating exclusion and discrimination for generations of residents. As a result of these housing and planning policies, Minnesota residents of color continue to face pressures of displacement in the form of gentrification. The cumulative impacts for the region's Black and American Indian households will need to be intentionally addressed to reduce inequities present today.

More extreme weather events & climate

Due to climate change, extreme weather events such as record-setting droughts, floods, and heat waves have increased over the last decade. As the frequency and intensity of these events increase, existing and new housing construction must be resilient to future climate impacts.

As the Met Council moves to support climate adaptive housing across the region, it is important to note that not all households start from the same place. Historically, environmental and climate effects have had a disproportionate impact on low-income households and households of color. Today, 67% of households of color live in Environmental Justice areas of concern, compared to 32% of white households in the seven-county region.[93] The overrepresentation of households of color in Environmental Justice areas of concerns is due to intentional exclusion from areas with fewer negative environmental impacts, the concentration of affordable housing in areas exposed to higher levels of negative environmental and climate impacts, and the historical concentration of sources of pollution and contaminated sites in areas where households of color live.

Health factors relating to physical environments impacted by climate change, Environmental Justice areas, and other environmental harms include air quality, water quality, residential proximity to traffic, and overcrowding in housing. In Minnesota, rates of emergency department visits for asthma are two times higher among kids living in counties with higher poverty levels than the state average, and the likelihood of lead poisoning for kids is over two times higher among kids that live in neighborhoods with higher childhood poverty than neighborhoods with the state average poverty level.[94] American Indian and Alaska Native, Asian/Pacific Islander, Black, and Hispanic children have higher percentages of children living in poverty than white children in every county located in the seven-county region.[96] The rates of white children living in poverty in each of the seven counties in the metro region are between 2% and 5%, compared to the range of 17% to 41% poverty rates for Black children in these counties.

Part of making sure that our aging infrastructure is resilient through 2050 is ensuring that the region does not pass the costs of climate change to the residents most at risk of health impacts. Health impacts can come from both the external environment and the interior or built environment. Building material choices including the chemical composition of flooring, paint, countertops, insulation, and water pipes,[97] maintenance issues, other elements of physical building safety, and housing quality issues can create negative exposures and health inequities in household living environments. These can impact already-overburdened communities that face barriers to maintaining their health.

Climate change also makes homes more vulnerable to localized flooding due to increased precipitation amounts and warming winters. Housing units built in these flood areas are at a greater risk of damage from flooding and result in higher insurance rates for property owners. Insurance premiums are increasing on average 26% annually, while decreasing coverage offered or requiring larger premiums to cover risks such as flooding. Renters are not exempt from these increases, as currently insurance costs represent 22% of monthly rent for an extremely low-income household.[98] This steep cost escalation of insurance puts a financial strain on existing affordable housing and creates a larger barrier for the financing and development of new affordable housing.

Additionally, these homes often experience lower tree canopy coverage, making them more susceptible to the urban heat island effect and higher

Affordable housing and access to nature

Affordable housing units across the Twin Cities region tend to be located in cities or townships with lower average access to nature and associated health benefits as measured by NatureScore[95], while market rate housing tends to be located in areas with a NatureScore indicating "abundant natural elements and nature exposure opportunities." Affordable housing, particularly housing affordable at or below 60% AMI, tends to be located in areas with lower NatureScore values, indicating increased effort required to access nature.

temperatures. Rising average daily temperatures and increasing overnight low temperatures pose both health dangers to residents and physical threats to buildings. Extreme temperatures also increase the need for air conditioning, which can be a financial burden to power or install in older more affordable buildings.

The aging housing infrastructure in the region also presents another challenge. As of 2022, 17% of the housing units in the region were built before 1950 and 50% before 1980. Older housing units likely lack upgrades to insulation and more energy-efficient systems due to the year they were built, so energy costs will continue to rise for residents living in these units.[99] This creates an additional cost burden for residents, especially renters who often bear the cost of these energy inefficiencies despite having less control over the property in which they live.

These older buildings can also contain harmful chemicals and toxins within the materials used for building, such as asbestos and lead paint. Toxic building products can cause harmful chemical exposures to people throughout their lifetime. Households of color, low-income households, and children face the greatest risk to exposure to toxic chemicals and pollution, and this exposure can lead to adverse health impacts.[100] It is important when maintaining existing housing or building new housing that healthy materials are used to protect resident health.

Land guided for affordable housing

Allocation of Future Affordable Housing Need (Future Need) must be considered when guiding future land uses in the comprehensive plan. This is measured in comprehensive plans by indicating enough land available for development or redevelopment that is guided at high enough densities to support the creation of affordable housing.

☑ **Option 1**

Minimum density of **10 units/acre** to meet the city or township's total future need

☑ **Option 2**

Minimum density of **12 units/acre** to meet the future need for 30% AMI or less and a minimum density **of 8 units per acre** to meet the need at 31-60% AMI (the two higher bands of affordability)


TEDDY GRAHAM

Objective 5: Cultural connection and well-being

Everyone has access to homes, not just housing.

Policy: Enhance residents' ability to keep their housing, amenities, health, social networks, and sense of belonging within their neighborhoods.

Actions

Provide:

- Lead the development of a tool to evaluate displacement risk factors and explore the implementation of this tool in Met Council grant programs.
- When allocating Met Council funds, prioritize place-based investments that implement displacement mitigation strategies in displacement risk areas, as identified by the Met Council.
- Livable Communities Act prioritizes community connection in scoring criteria.
    - Prioritize projects that preserve and/or add to the cultural landscape of the neighborhood the project is located in.
    - Prioritize culturally responsive approaches, such as interest-free and Individual Taxpayer Identification mortgage products, larger units for multigenerational housing, and community-designed housing projects.
- Provide guidance and best practices, within Met Council and with external partners, on anti-displacement mitigation strategies for investment projects in collaboration with the Blue Line Anti-Displacement Working Group, other similar groups, and other anti-displacement work across Met Council divisions.
- Provide technical assistance to support development of community-level programs working to promote equitable access to stable housing such as downpayment assistance, affordable housing trust funds, and rent stabilization.
- Provide technical assistance and tools to be considered to support ways that the community can make efforts to enhance the social and economic capital of residents in newly constructed affordable and mixed-income housing, such as mental health services, job training programs, and educational support.

Plan:

- Include the requirement of a community-based displacement risk assessment, developed by Met Council staff in collaboration with all Met Council divisions and community partners, for Met Council-owned investments.

Partner:

- Continue collaboration with the Blue Line Anti-Displacement Work Group, as well as with anti-displacement efforts of external community partners to ensure alignment in best practices across all Met Council's planning and operations.
- Engage with housing stakeholders such as neighborhood groups, nonprofits, and research organizations to align Met Council displacement risk assessment with other equity scorecards and anti-displacement tracking efforts around the region.
- Collaborate with partners to seek opportunities within transit-oriented-development areas to support the development of affordable housing.
- Convene regional and local housing stakeholders including practitioners, funders, and advocates, to promote greater communication, and to refine policies and processes to respond to the housing needs of historically overburdened households throughout the region.

Objective 6: Equity

Repair historic and ongoing injustice in housing practices and outcomes.

Policy: Limit the effects of historical injustices through reparative and community-centered action, and limit future disparities by shifting current policies to protect communities whose disparities are largest.

Actions

Provide:

- Continue to advance Metro HRA efforts to reduce barriers to access during the tenant screening process.
- Livable Communities Act grants will support projects that work to repair historical injustices and intentionally incorporate an equity component.
    - LCA supports equitable development policy with cities through the policy development program.

    - The Affordable Homeownership program continues to prioritize projects that increase ownership opportunities for historically excluded households, especially Black and American Indian households.
    - Priority for equity considerations in scoring are consistent across all LCA programs.
- Maintain a dataset for regionwide use with equity considerations for place-based decision making.
- Invest in and support projects and activities to advance fair housing in the region, such as the Fair Housing Implementation Council, fair housing training and resources, and other similar projects.
- Provide tenant protection policy workshops in partnership with a housing advocacy organization for local and county staff.
- Conduct a study on the risk of inaction of providing affordable housing opportunities on economic and social disparities of residents in the region.
- Support research and communication tools to address discriminatory lending practices, real estate steering, and other current and historical discriminatory practices limiting equitable housing choices.
- When engaging with residents, intentionally uplift historically underrepresented populations in decision making and cocreating Met Council policy and processes.

Plan:

- Modify the Future Affordable Housing Need calculation to amplify the need for housing for historically excluded communities by more accurately considering economic ability of all households in allocation adjustments.
- Explore whether to require the adoption of a local tenant protections policy to be eligible to receive Livable Communities Act grants to support housing development.

Partner:

- Explore partnerships to research and develop alternative credit pathways, such as rent payment history, to support homeownership opportunities.
- In all the Met Council's housing work, develop respectful and meaningful partnerships with Tribal governments and organizations, housing advocacy groups, homeless coalitions, particularly those that have majority Black, American Indian, people of color and low-income representation.
- Participate in the Fair Housing Implementation Council and provide both data tools and technical assistance.
- Convene local governments, housing organizations, and historically over-burdened communities to align communication and best practices to continue addressing racial and ethnic disparities in housing access.

- Participate in regional efforts to reduce barriers in state, regional, county, and city funding programs that limit the entry of new affordable housing developers, especially those with Black, American Indian, and people of color leadership.
- Explore partnerships to research and develop best practices for reparative housing action.

Objective 7: Environmental justice

Housing in our region is resilient to climate change impacts and furthers environmental justice.

Policy: Support the development, retrofitting, and maintenance of homes to create a climate-resilient future and improve health for residents in the region.

Actions

Provide:

- Livable Communities programs support the equitable development of, and policies to support, housing that adapts to and mitigates climate change in regional development.
    - Give funding consideration in Livable Communities Act grants to projects that use cost-effective energy-saving and decarbonization elements, promoted by Green Communities criteria, the Minnesota Sustainable Building Guidelines, or other green and sustainable building practices.
    - Prioritize energy efficiency, water efficiency, climate resilience, and decarbonization in preservation projects.
    - Share and promote green development and design resources with developers, cities, and townships through Livable Communities program resources (for example, solar-ready, green roofs, landscaping, and model ordinance resources).
    - Livable Communities programs will prioritize projects that reduce energy costs for households that are both energy cost-burdened and housing cost-burdened.
- Provide climate mitigation and adaptation technical resources to local governments (for example, resources for extreme heat, shade, and energy) for multifamily housing projects to increase resilience and maximize the impact of limited resources.
- When allocating climate-action and/or energy-efficiency funds, prioritize directing funding to affordable housing and/or low-income households.

- Continue implementing energy-efficiency and water-efficiency efforts for Met Council-owned housing units, including the purchase of energy-efficient and water-efficient equipment and supplies.
- Provide data for place-based decision-making to prioritize affordable housing construction in areas that are less at risk for climate-change impacts.
- Identify key brownfield and infill sites for redevelopment and assist local governments to apply for brownfield cleanup grants.

Plan:

- Ensure the inclusion of utility costs in Met Council rent and ownership affordability limits.
- Encourage local governments, in their comprehensive plans, to identify opportunities to direct energy-efficiency, weatherization, and decarbonization resources to low-income households and multifamily rental properties.

Partner:

- Explore opportunities to access and align with federal and state funding that supports climate-resilient housing production and preservation.
- Integrate the Met Council's Climate Action Work Plan commitments and strategies into housing policies and programming.
- Explore opportunities to partner with organizations to further implement environmental justice efforts in housing policy and programming.

2050

SECTION 4: ROLES, RESPONSIBILITIES, AND IMPLEMENTATION

This section describes the key areas where this 2050 Housing Policy Plan refines and builds upon existing Met Council policies and roles. It provides an overview of the available implementation tools for achieving the policies and actions in the first three sections of the plan, including how we will:

- Review comprehensive plans for meeting statutory housing requirements and for consistency with regional housing policy on the following areas:
  - Housing Needs (Future and Current)
  - Land Guided for Affordable Housing
  - Housing Implementation Plan
- Support housing development across the region
- Expand our role in providing technical assistance for housing
- Convene and partner to elevate dialogue around key regional housing issues
  Specific local comprehensive plan requirements, along with tools, resources, and fact sheets for housing, are contained in the Met Council's Local Planning Handbook and will be updated following adoption of Imagine 2050.

Housing requirements for local comprehensive plans

Cities, townships, and counties in the seven-county region prepare local comprehensive plans every 10 years, as required by the Metropolitan Land Planning Act. These plans must include a housing element and a Housing Implementation Plan. Local governments will begin this decade's round of local comprehensive plan updates following Met Council adoption of Imagine 2050 and the system and policy plans, including this Housing Policy Plan. 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;

- Acknowledges the city or township's share of the region's need for low- and moderate-income housing (the Future 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, official controls, and specific actions the city or township will use to address their existing and projected needs (Minn. Stat. §473.859, subds. 2 and 4)

The Met Council reviews updated local comprehensive plans based on the requirements of the Metropolitan Land Planning Act and the regional development guide (Imagine 2050 and the associated system and policy plans). Cities and townships without forecasted sewer-serviced growth are still required to include a housing element in their plan and a Housing Implementation Plan but are exempt from the requirements that depend on forecasted sewer-serviced growth such as Future Need and Land Guided for Affordable Housing. The following subsections are a high-level overview of the housing requirements for local comprehensive plans. More information will be supplied to cities and townships in the forthcoming Local Planning Handbook.

Future and current affordable housing need

Future Affordable Housing Need

Under the Metropolitan Land Planning Act, local comprehensive plans must include:

"...a housing implementation program, including official controls to implement the housing element of the land use plan, which will provide sufficient existing and new housing to meet the local unit's share of the metropolitan area need for low- and moderate-income housing." (Minn. Stat. § 473.859, subd. 4)

To determine the need for affordable housing for each city and township with sewer-serviced forecasted growth, the Met Council calculates a "Future Affordable Housing Need" ("Future Need") for each applicable jurisdiction (previously named the "Allocation of Affordable Housing Need," or "Need"). The Future Affordable Housing Need serves as an objective prediction of the number of added low-income households through the decade from 2031-2040, for which the region will need to plan affordable housing. In that decade, the Met Council forecasts that our region will add 39,700 low-income households that will need affordable housing. The Future Need calculation measures future affordability demand and does not incorporate existing unmet demand for affordable housing.

Figure 4.1: Overview of the allocation process for 2031-2040 Future Affordable Housing Need

The 2031-2040 Future Need calculation will focus on low-income households who will need housing affordable at 60% AMI or less, including specific bands of affordability at 30% AMI or less and 31-50% AMI.[101] This is intended to ensure that cities and townships are prioritizing the creation of deeply affordable housing. The lower overall Future Need numbers, compared to the prior decade, will enable cities and townships to take a more focused approach to meeting their Future Affordable Housing Need (See more about how the Future Affordable Housing Need is calculated in Appendix C). To continue to highlight the need for different affordable housing types such as townhomes, ownership options, and larger units, this Met Council plan will also require comprehensive plans to address housing opportunities that fall within the 60-115% AMI range.

Local governments with forecasted sewer-serviced growth are responsible for guiding adequate land at the minimum densities necessary to allow affordable housing development to meet their allocation of the region's Future Need, as detailed in the Land Guided for Affordable Housing section, below. The availability of land that can support affordable housing gives developers a variety of geographic choices to consider for affordable housing development. Building affordable housing across the region gives low-income households more viable options as to where they can afford to live.

Current Affordable Housing Need

Ensuring the region is planning for enough additional housing units to meet Future Need only meets a portion of the total affordable housing need in the region. It is also necessary for cities and townships to address the current gaps in demand for affordable housing.

Under the Metropolitan Land Planning Act, local comprehensive plans must include a housing element that addresses existing/current, not just future, housing needs in the community. This current need must include the needs for increased affordable housing opportunities for the people who already reside in the city or township, as well as current regional housing needs. The Met Council will provide an Existing Housing Assessment that will serve as the starting point for cities and townships to determine their current local and regional housing needs. Housing elements of local comprehensive plans will need to analyze their Existing Housing Assessments through the lens of local knowledge and priorities to identify clear, specific housing needs to be addressed in the Housing Implementation Plan. Local comprehensive plans must, at a minimum, contain an assessment of the following:

Current Local Needs:

- Share of existing affordable housing within the following bands of affordability and tenures:
    - Rental: Less than 30% AMI, 31-50% AMI, 51-60% AMI, 60% AMI or greater
    - Ownership and co-operative: 50% or less AMI, 51-60% AMI, 61-80% AMI, 80-115% AMI, 115% or higher AMI
- Share of rental and ownership housing in overall housing stock
- Split of detached, manufactured homes, 2- to 4-unit multifamily, and larger multifamily housing
- Number of units of publicly subsidized housing
- Number of existing households at incomes at or below 80% AMI that are experiencing housing cost-burden
- Land that is staged to be developed/redeveloped in each planning decade

Current Regional Needs:

- Providing affordable housing opportunities that are accessible to households of varying abilities
- Need for the maintenance and preservation of unsubsidized affordable housing
- Households who are or are at risk of losing housing

To aid in planning for additional demographic-driven affordable housing types, the Met Council will also require local governments to consider the need for the following subcategories:

- The need for affordable ownership opportunities based on “homeownership-ready” households at 80% AMI or below
- The need for affordable housing units that are age-restricted or offer supportive services for older people

Local governments will then be required to incorporate within their comprehensive plans potential tools that they will continue or seek to use throughout the decade to meet these needs. (For more information, see the section below titled Housing Implementation Plan.)

Land Guided for Affordable Housing

Allocating a Future Affordable Housing Need within the three bands of affordability enables local governments to focus on the kinds of affordable housing that are most needed in their community. This Future Need must be considered when guiding future land uses in local comprehensive plans. The Metropolitan Land Planning Act (Minn. Stat. § 473.858, subd. 2(c)) states that housing elements contain “land use planning to promote the availability of land for the development of low- and moderate-income housing.”

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

- Increased density often correlates with reduced costs of developing new housing by reducing per unit cost of land and fixed infrastructure. With limited resources for developing affordable housing, any mechanisms that reduce development costs can help promote affordable housing development.
- Increased density creates more housing units overall. Increasing the number of units on the market 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 all multifamily units (greater than four units per property) built between 2014 and 2019 that were affordable at 60% AMI or less, the average project density was more than 56 units per acre.[102] Flexibility is an important part of housing elements, so the Met Council is proposing much lower minimum densities than this, as described below. However, we strongly encourage local governments to consider densities higher than these minimums in order to more realistically represent the density at which affordable housing is developed. We will provide technical resources to local governments to illustrate what different densities can look like in different kinds of city and township types and contexts.

Local governments who have been allocated a Future Need should guide an adequate supply of land at the following appropriate minimum densities to meet their Future Affordable Housing Need:

- Option 1: Guide sufficient land at a minimum density of 10 units/acre to meet the city or township's total Future Need.
- Option 2: Guide sufficient land at a minimum density of 12 units/acre to meet the Future Need for 30% AMI or less and a minimum density of 8 units per acre to meet the need at 31-60% AMI (the two higher bands of affordability).

These two options allow for flexibility in how a city or township guides land to meet the statutory requirements within the range of community characteristics in the region. Only enough land sufficient to address the Future Need is required to be guided. Additionally, if a city or township chooses Option 2 and has a demonstrated history of creating affordable units[103] at densities lower than eight units per acre, they may guide land at lower minimum densities (as low as 4-8 units/acre) when promoting land availability at the 51-60% band of affordability.

Cities and townships that do not guide an adequate supply of land at appropriate densities to meet their Future Affordable Housing Need will be considered inconsistent with Met Council policy and therefore will not be eligible to participate in or receive funding from the Livable Communities Act grant programs.

Credit for Land Guided for Affordable Housing

Guiding land use is only part of the solution for creating affordable housing development opportunities. To incentivize the adoption of policy that facilitates the creation of new affordable housing units, local governments will have the opportunity to apply a credit towards their overall Future Need number and reduce their Land Guided for Affordable Housing obligation. This credit will apply to a local governments' total Future Need number, which would reduce the number of eligible acres a city or township would need to guide to meet the statutory requirements of their housing element. The Met Council will provide technical resources on what qualifying policies will count for this credit. Examples could include an inclusionary housing policy or collaboration with a community land trust.

A maximum of 15% of the local government's Future Need will be eligible for credit.

Housing Implementation Plan

Local governments have a variety of tools at their discretion to encourage, incentivize, and even directly create affordable housing opportunities; guiding land at higher densities alone is insufficient to meet the existing and future needs of affordable housing.

The Housing Implementation Plan portion of a local comprehensive plan must identify a city or township's "public programs, fiscal devices and other specific actions to be undertaken in stated sequence" (Minn. Stat. § 473.859, subd. 4) to meet existing housing needs. It must clearly and directly link which tools will be used and in what circumstances, to explicitly address the housing needs previously identified. A successful Housing Implementation Plan will identify tools that the local government is already using, tools the local government will consider, and which tools the local government will commit to using to meet current and future local and regional housing needs.

This round of comprehensive plan updates will require that local governments identify three specific housing needs that represent the greatest needs of their community and identify the tools they will commit to using to address these three needs throughout the planning decade. Complete Housing Implementation Plans do not have to commit to using every available tool to meet all their housing needs but must identify specific actions and consider all reasonable resources.

As with Thrive MSP 2040, the Met Council will continue to provide technical assistance to help local governments identify and direct their resources. The Met Council will provide a list of eligible tools that can fulfill these requirements by community designation to best represent the different abilities and conditions of cities and townships in addressing housing issues. The Local Planning Handbook will also be provided as a resource.

We will not require that a city or township adopt any particular tools, with the exception of the requirement to address the top three housing needs identified by the local government. The city or township must describe which tools it will implement and describe the sequence of or conditions for their implementation.

Cities and townships will be asked to complete a Housing Action Plan annually. The Housing Action Plan is a series of narrative questions that ask how a city or township is progressing towards meeting their goals identified in their comprehensive plan. These questions are distributed through the annual Housing Policy and Production Survey administered by Met Council housing staff.[104] The Housing Action Plan contains very open-ended questions that ask cities and townships to report on efforts made at the local level towards meeting their city or township's housing goals. This requirement does not mean that cities and townships must have made specific progress in meeting their housing goals. A city or township's failure to report on progress towards their housing goals through this existing statutory requirement could result in barriers to a city or township's ability to receive funding from Livable Communities Act programs (Minn. Stat. 473.254, Subd. 2).

Local comprehensive plans should be clear, transparent policy documents that provide road maps to address housing needs for planners, local leaders, developers, and residents alike, and allow city and townships to hold themselves accountable for using all available tools and resources to meet local, regional, and long-range housing needs. This Housing Policy Plan and the technical resources that will follow will provide guidance to ensure that cities and townships coordinate their efforts to meet current and future housing needs and address regional and local housing issues.

Met Council supporting housing development

Local Housing Incentives Account, Livable Communities Act

The Livable Communities Act (LCA) program (Minn. Stat. §§ 473.25 – 473.255) is a voluntary, incentives-based program that supports the development goals of both the Met Council and cities in the region. As of 2024, a suite of nine different grant programs provides funding to cities partnering with private developers and consultants to develop projects and policies that align with regional priorities. LCA programs prioritize and align with regional housing policy goals in several ways; creating more housing choice, supporting living wage job creation, and connecting jobs, housing, and regional amenities to create a more equitable region.

To participate in LCA, cities and townships must adopt affordable and lifecycle housing goals and participate in the Local Housing Incentives program. Additionally, cities need to have adopted a Fair Housing Policy to receive grant funds if awarded. The LCA website offers resources and sample policies for cities to create a Fair Housing Policy.

Through the LCA Policy Development grant program, cities and townships can receive funding to develop policies that will further LCA goals and impact physical development. To advance housing policy initiatives, this grant program financially supports increasing density allowances, adopting inclusionary zoning, and setting environmental standards for building projects, among other policies.

Each of the grant programs prioritizes deeply affordable housing, affordable housing serving a special population, and affordable housing that includes on-site resident services. The Affordable Homeownership program specifically addresses racial disparities in homeownership opportunities, while all LCA programs place an emphasis on racial equity in development outcomes.

Expanded technical assistance

The Met Council recognizes that local governments will continue to be the experts on needs at the local level and emerging needs among their residents. We will seek opportunities to support local governments through access to relevant data and technical assistance on regional housing issues and solutions. In this Housing Policy Plan, we commit to expanding the technical assistance we provide to local governments to support the local comprehensive planning process and the effective implementation of housing policies and programs.

Housing is being developed, specifically affordable housing, in new areas of the region where cities and townships have not had as much experience adopting affordable housing policies and programming. The Met Council recognizes local staff capacity constraints and so will offer expanded technical assistance that will lead to stronger housing elements of comprehensive plans and will support housing development in cities and townships with little experience in working with affordable housing developers or adopting affordable housing policies and programming.

In addition to providing technical assistance, the Met Council researches and generates expertise on subjects about which communities are seeking a deeper understanding. We will provide a regional perspective on the strategies, challenges, and opportunities that are facing all communities in the region. Some of the subjects we have identified in this plan for the Met Council to pursue more research on include:

- “Missing Middle” (small and medium multifamily, and attached single-family homes)
- The impacts of housing instability on the region
- Connections between affordable housing income limits and residents’ social and economic experiences
- The risk of inaction of meeting the housing needs of the region
- Alternative credit pathways

The Met Council can also play a significant role in sharing best practices developed by other organizations around the region, state, and nation. Rather than replacing work done by other leaders in these areas, we will seek opportunities to amplify the work being done around the region as well as support the continuation of this work. Topics identified within the plan’s actions include:

- Anti-displacement
- Tenant protections
- Programs that expand regional housing choice
- Uses for new affordable housing funding
- Housing preservation and maintenance
- Climate resilient housing practices
- Fair housing

Met Council staff will continue to serve as a resource for communities seeking research and best practices on housing strategies, tools, and opportunities. In addition to the commitments made in the actions of this plan, research and resources to assist with local program and policy development may include topics such as:

- Manufactured housing
- Homelessness and instability
- Rental quality regulation
- Housing preservation
- Reparative actions
- Decarbonization

Another area we have identified for expanded technical assistance is community engagement. Meaningful community engagement continues to be a challenge for governmental entities, including the Met Council, even as the importance of meaningful community engagement is better understood. Conducting meaningful engagement is an area of practice that will require continuous learning, evaluation, and improvement. [105]

Partnerships

As a regional entity, the Met Council was formed to address issues that transcend local government boundaries and cannot be adequately addressed by any single governmental unit alone. The Met Council will use its regional role to be a convener of regional conversations, both in areas where we have statutory authority and around issues with regional significance. The Met Council also supports and uplifts the work being done by other regional housing leaders, including by being an active participant in that work. These are some of the areas identified in the actions above where the Met Council intends to convene collaborative regional discussions:

- Improving the alignment of different affordable housing funding sources
- Impacts of housing instability on the region
- Coordinating social service and education providers to promote housing stability
- Promoting equitable access to stable housing
- Affordability limits and potential alternatives
- Best practices for anti-displacement mitigation strategies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Appendices

Appendix A

Glossary of Housing Terms

Accessible housing: A dwelling unit that has physical features, such as grab bars or an entrance ramp, that help tenants with mobility impairments gain full use and enjoyment of their apartment.

Accessory dwelling unit: An accessory dwelling unit (ADU) is a smaller, independent residential dwelling unit located on the same lot as a detached single-family home.

Affordable housing: For the purposes of this plan, the Met Council adopts the affordability definitions as set forth by HUD, under which housing is “affordable” for low- and moderate-income households when they pay no more than 30% of gross household income on housing.

Affordable Housing Trust Fund (also known as Local Housing Trust Funds): Local Housing Trust Funds (LHTF) are established by a local government by dedicating local public revenue for housing. They are a consistent, flexible resource for housing within a local jurisdiction.[106]

Area median income (AMI): 100% of the gross median household income for a specific Metropolitan Statistical Area, county or nonmetropolitan area established annually by HUD. The area median income is a critical component of housing-related activity, including eligibility for affordable housing programs. Housing units are often classified into varying levels of affordability based on how affordable it is to households earning incomes at various percentages of the regional AMI — for instance, many define “deeply affordable housing” as affordable to households with making 30% of the AMI.[107]

Blue Line Anti-Displacement Work Group: In response to concerns of displacement around the planned Blue Line Extension, Hennepin County and the Met Council launched a first-of-its-kind community-oriented anti-displacement initiative. To lead the initial phases of this work, Hennepin County contracted with the University of Minnesota's Center for Urban and Regional Affairs (CURA) to convene an Anti-Displacement Work Group that centered community voices and brought together diverse stakeholders to study and recommend anti-displacement strategies to help ensure the value of light rail will benefit current corridor residents, and minimize physical, cultural, and economic displacement.

Cost burden: Housing cost-burden describes households that pay 30% or more of their gross monthly income on housing costs.

Community designations: Community designations group communities with similar characteristics into typologies that help target policies for growth and development. In Imagine 2050, each city and township in the seven-county metropolitan area was assigned a community designation on the basis of existing development patterns, common challenges, and shared opportunities. For descriptions of specific community designations, refer to the Land Use Policy Plan section of Imagine 2050.

Comprehensive plan: Plans prepared and updated by cities, townships and, in some cases, counties, for local land use and infrastructure. Comprehensive plans provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment.

Down payment assistance: A grant or loan given to homebuyers to help pay the down payment and/or closing costs for a new home. Programs are often tailored to specific populations like first-time homebuyers.

Equity: Please reference the definition of equity in the Equity Goal section of the Imagine 2050 regional development guide.

Fair Housing Implementation Council: The Fair Housing Implementation Council (FHIC) is composed of cities, counties, community development agencies and housing and redevelopment authorities who coordinate metro-wide efforts to affirmatively further fair housing and promote fair housing choice regardless of race, color, religion, national origin, sex, disability, family status, creed, sexual or affectional orientation, marital status or receipt of public assistance.[108] HUD recognizes convening groups like the FHIC is a best practice for identifying and implementing fair housing practices.[109]

High-priority homelessness units: Households (individuals, families with children or youth) prioritized for Permanent Supportive Housing (PSH) through the Coordinated Entry (CE) system.[110]

Historically excluded/marginalized/overburdened: Communities that are historically overburdened with health, social, and environmental inequities. Primarily descendants of slavery, communities of color, Indigenous peoples, low-income and disadvantaged communities that potentially experience disproportionate harms, risks, and cumulative social, economic and health impacts.

Housing element (part of the comprehensive plan): Under state statute 473.859, Subd. 2(c), a local comprehensive and land use plan must include a housing element containing standards, plans, and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low- and moderate-income housing.

Housing First Framework: Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. Housing First is based on the understanding that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life.[111]

Inclusionary housing/zoning: Inclusionary zoning ordinances generally require that a minimum percentage of new housing units be set aside for low-income households. Inclusionary zoning can be mandatory or voluntary.

Income limits: Household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the area median income (AMI) for the purpose of establishing an upper limit for eligibility for a specific housing program.

Individual Taxpayer Identification Number (ITIN) Mortgage Product: ITINs are an alternative form of taxpayer ID issued to individuals who are not eligible for a Social Security Number, but who are required to file taxes in the U.S. Some lenders offer mortgage products that accept ITINs in place of SSNs. These products often use alternative credit history calculations and often have higher interest rates.[112]

Naturally occurring affordable housing (NOAH): See Unsubsidized Affordable Housing.

Manufactured housing and manufactured home communities: Manufactured homes (sometimes known as mobile homes) are built to the Manufactured Home Construction and Safety Standards (HUD Code). Manufactured housing units are constructed off-site and on a chassis. Manufactured homes may be placed on privately-owned or community-owned property or on rented lots in communities (sometimes known as parks).

Metropolitan Land Planning Act: The Metropolitan Land Planning Act, passed in 1976 by the Minnesota State Legislature, provides the basis for local comprehensive plans in the seven-county Twin Cities region.

Minnesota Interagency Council on Homelessness: The Minnesota Interagency Council on Homelessness (MICH) is a cabinet-level body led by the Lieutenant Governor and is comprised of the commissioners of 14 state agencies and the chair of the Met Council. It is accountable for leading the state's efforts to move towards housing, health, and racial justice for people experiencing homelessness. [113]

Missing middle: Refers to small and medium multifamily and attached single family homes.

Mixed-income housing: A mixed-income housing development is comprised of housing units with differing levels of affordability, typically with some market-rate housing and some housing that is affordable to low- or moderate-income households below market rate.

Multifamily housing: Multifamily housing refers to residential structures of five or more attached units.

Multigenerational living: A family household that contains at least two adult generations or a grandparent and at least one other generation.

Payment standards: A payment standard is the rent limit used to determine unit affordability and rent portions. Payment standards vary by bedroom size and location.[114]

Preservation: The act of extending affordability commitments and/or improving the physical and/or financial condition of existing affordable housing of any type.

Rent stabilization: Rent stabilization policies regulate how often, and by how much, landlords may increase the rent of given units.[115]

Section 8 Housing Choice Voucher Program: This HUD program provides rental assistance to low-income families in the form of vouchers that eligible households may use for the housing of their choice. The voucher payment subsidizes the difference between the gross rent and the tenant's contribution of 30% of their adjusted income (or 10% of their gross income, whichever is greater).

Sewer Availability Charge (SAC): The Sewer Availability Charge (SAC) is a one-time fee imposed by Metropolitan Council Environmental Services to local cities and townships for each new connection made to the central sewer system or in response to an increase in capacity demand of the Metropolitan Disposal System. Any of the metro cities or townships subject to SAC may pass the SAC fee along to building or property owners but remain liable regardless for the payment.

Shared equity: Shared equity housing models are a specific type of housing strategy that creates shared ownership opportunities. Some models of shared equity housing can include community land trusts, deed-restricted homes, limited-equity housing cooperatives and resident-owned manufactured housing communities.[116]

Single-family housing/detached: A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Social determinants of health: Social determinants of health refer to nonmedical factors influencing physical and mental health. They are the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.[117, 118]

Specialist services: Special assistance for people who need help in areas like behavior management, independent living skills, communication skills, personal health, motor skills, and social skills.[119]

Subsidized affordable housing: Subsidized affordable housing is housing that is made available at below-market rates through the use of government subsidies.

Supportive housing: Affordable housing paired with home- and community-based services for those who have chronic mental or physical health conditions. Services can include access to health care, mental health supports, substance use supports, or other services that help people get into and stay in their housing

Support services: A variety of essential resources that may support well-being, housing stability, health, community inclusion, education, and self-sufficiency.

Tenure: Tenure indicates whether a unit is owner or renter occupied. Examples include rental, cooperative, shared equity, limited and/or full homeownership.

Transit-oriented development (TOD): TOD is walkable, moderate- to high-density development served by frequent transit that can include a mix of housing, retail, and employment choices designed to allow people to live and work with less or no dependence on a personal car.

Universal design: Universal design is design practices intended to produce buildings, products, and environments that are accessible and usable to the greatest extent feasible regardless of age, ability, or status in life. Often used to refer to building accommodations made for older and disabled people, universal design features might include curb cuts or sidewalk ramps, cabinets with pull-out shelves, or placement of countertops at several heights to accommodate different tasks or postures.

Unsubsidized affordable housing: Unsubsidized affordable housing, also known as naturally occurring affordable housing (NOAH), is housing that is not currently publicly subsidized. The rent prices that the housing can demand in the unsubsidized private market given the properties' quality, size, or amenities is low enough such that the tenants of these properties, whose income might otherwise qualify them to be a participant in publicly funded housing programs, can reasonably afford them.

Appendix B

Future Affordable Housing Need by Local Jurisdiction

Table B.1: Future Affordable Housing need by local jurisdiction

Each sewer-serviced city or township in the region for 2031 to 2040 and their total local allocation of Future Affordable Housing Need for 2031-2040 as well as their allocation of Future Affordable Housing Need by affordability band for 2031 to 2040. Note: This is based on 2040 forecasts and can change with any sewer-serviced growth update.

City or Township Name	County	Total local allocation of Future Affordable Housing Need units	Allocation of Future Affordable Housing Need units affordable up to 30% AMI	Allocation of Future Affordable Housing Need units affordable at 31% to 50% AMI	Allocation of Future Affordable Housing Need units affordable at 51% to 60% AMI
Andover	Anoka County	345	182	133	30
Anoka	Anoka County	185	107	60	18
Bethel	Anoka County	5	3	1	1
Blaine	Anoka County	978	392	414	172
Centerville	Anoka County	117	71	37	9
Circle Pines	Anoka County	16	9	7	0
Columbia Heights	Anoka County	110	62	34	14
Columbus	Anoka County	65	24	27	14
Coon Rapids	Anoka County	300	176	118	6
East Bethel	Anoka County	108	37	42	29
Fridley	Anoka County	96	48	27	21
Hilltop	Anoka County	0	0	0	0
Lexington	Anoka County	12	7	5	0
Lino Lakes	Anoka County	428	207	190	31
Ramsey	Anoka County	561	309	211	41
St. Francis	Anoka County	116	36	46	34
Spring Lake Park	Anoka County	21	12	8	1
Carver	Carver County	319	187	132	0
Chanhassen	Carver County	498	264	234	0
Chaska	Carver County	449	177	159	113
Cologne	Carver County	117	63	33	21

City or Township Name	County	Total local allocation of Future Affordable Housing Need units	Allocation of Future Affordable Housing Need units affordable up to 30% AMI	Allocation of Future Affordable Housing Need units affordable at 31% to 50% AMI	Allocation of Future Affordable Housing Need units affordable at 51% to 60% AMI
Hamburg	Carver County	4	2	2	0
Laketown Township	Carver County	0	0	0	0
Mayer	Carver County	59	35	17	7
New Germany	Carver County	12	8	4	0
Norwood Young America	Carver County	86	45	29	12
Victoria	Carver County	551	308	160	83
Waconia	Carver County	291	169	72	50
Watertown	Carver County	185	66	73	46
Apple Valley	Dakota County	510	276	220	14
Burnsville	Dakota County	858	457	401	0
Eagan	Dakota County	974	548	426	0
Empire	Dakota County	72	41	31	0
Farmington	Dakota County	274	158	106	10
Hampton	Dakota County	12	7	2	3
Hastings	Dakota County	238	127	78	33
Inver Grove Heights	Dakota County	256	119	97	40
Lakeville	Dakota County	1,371	569	577	225
Lilydale	Dakota County	75	37	38	0
Mendota	Dakota County	19	6	6	7
Mendota Heights	Dakota County	171	96	75	0
Rosemount	Dakota County	386	213	164	9
South St. Paul	Dakota County	64	36	22	6
Vermillion	Dakota County	4	2	1	1
West St. Paul	Dakota County	198	119	72	7
Bloomington	Hennepin County	635	374	225	36
Brooklyn Center	Hennepin County	52	32	14	6
Brooklyn Park	Hennepin County	632	381	177	74
Champlin	Hennepin County	48	28	20	0

City or Township Name	County	Total local allocation of Future Affordable Housing Need units	Allocation of Future Affordable Housing Need units affordable up to 30% AMI	Allocation of Future Affordable Housing Need units affordable at 31% to 50% AMI	Allocation of Future Affordable Housing Need units affordable at 51% to 60% AMI
Corcoran	Hennepin County	348	45	151	152
Crystal	Hennepin County	119	71	48	0
Dayton	Hennepin County	487	154	171	162
Deephaven	Hennepin County	11	3	6	2
Eden Prairie	Hennepin County	1,176	697	479	0
Edina	Hennepin County	965	555	239	171
Excelsior	Hennepin County	36	22	0	14
Golden Valley	Hennepin County	305	146	97	62
Greenfield	Hennepin County	36	17	19	0
Greenwood	Hennepin County	6	3	3	0
Hopkins	Hennepin County	236	135	60	41
Independence	Hennepin County	58	31	16	11
Long Lake	Hennepin County	14	8	5	1
Loretto	Hennepin County	7	1	4	2
Maple Grove	Hennepin County	1,627	968	575	84
Maple Plain	Hennepin County	59	32	6	21
Medicine Lake	Hennepin County	0	0	0	0
Medina	Hennepin County	183	101	51	31
Minneapolis	Hennepin County	5,469	2,936	1,227	1,306
Minnetonka	Hennepin County	1,346	767	428	151
Minnetonka Beach	Hennepin County	4	1	2	1
Minnetrista	Hennepin County	191	116	21	54
Mound	Hennepin County	0	0	0	0
New Hope	Hennepin County	32	19	10	3
Orono	Hennepin County	231	145	73	13
Osseo	Hennepin County	62	37	17	8
Plymouth	Hennepin County	1,035	599	358	78
Richfield	Hennepin County	294	170	78	46
Robbinsdale	Hennepin County	114	62	52	0

City or Township Name	County	Total local allocation of Future Affordable Housing Need units	Allocation of Future Affordable Housing Need units affordable up to 30% AMI	Allocation of Future Affordable Housing Need units affordable at 31% to 50% AMI	Allocation of Future Affordable Housing Need units affordable at 51% to 60% AMI
Rogers	Hennepin County	545	306	239	0
St. Anthony	Hennepin County	74	41	23	10
St. Bonifacius	Hennepin County	4	3	1	0
St. Louis Park	Hennepin County	664	394	184	86
Shorewood	Hennepin County	41	23	16	2
Spring Park	Hennepin County	15	9	3	3
Tonka Bay	Hennepin County	32	18	11	3
Wayzata	Hennepin County	125	75	40	10
Woodland	Hennepin County	0	0	0	0
Arden Hills	Ramsey County	129	44	53	32
Falcon Heights	Ramsey County	41	25	10	6
Gem Lake	Ramsey County	17	8	9	0
Lauderdale	Ramsey County	15	10	3	2
Little Canada	Ramsey County	87	38	28	21
Maplewood	Ramsey County	174	89	51	34
Mounds View	Ramsey County	90	39	36	15
New Brighton	Ramsey County	72	39	22	11
North Oaks	Ramsey County	0	0	0	0
North St. Paul	Ramsey County	33	21	10	2
Roseville	Ramsey County	159	90	41	28
Saint Paul	Ramsey County	1,548	886	347	315
Shoreview	Ramsey County	232	119	94	19
Vadnais Heights	Ramsey County	231	122	58	51
White Bear Township	Ramsey County	104	65	35	4
White Bear Lake	Ramsey County	398	238	151	9
Belle Plaine	Scott County	278	114	119	45
Credit River	Scott County	61	22	25	14
Elko New Market	Scott County	399	236	163	0
Jordan	Scott County	138	52	55	31

City or Township Name	County	Total local allocation of Future Affordable Housing Need units	Allocation of Future Affordable Housing Need units affordable up to 30% AMI	Allocation of Future Affordable Housing Need units affordable at 31% to 50% AMI	Allocation of Future Affordable Housing Need units affordable at 51% to 60% AMI
Prior Lake	Scott County	663	372	208	83
Savage	Scott County	599	339	248	12
Shakopee	Scott County	1,067	596	471	0
Afton	Washington County	0	0	0	0
Bayport	Washington County	4	2	1	1
Birchwood Village	Washington County	0	0	0	0
Cottage Grove	Washington County	630	349	281	0
Forest Lake	Washington County	600	327	240	33
Hugo	Washington County	418	219	199	0
Lake Elmo	Washington County	391	135	99	157
Landfall	Washington County	0	0	0	0
Mahtomedi	Washington County	16	8	6	2
Newport	Washington County	169	101	61	7
Oakdale	Washington County	268	147	83	38
Oak Park Heights	Washington County	96	54	19	23
St. Paul Park	Washington County	150	75	51	24
Stillwater	Washington County	339	188	83	68
Willernie	Washington County	0	0	0	0
Woodbury	Washington County	1,254	667	587	0

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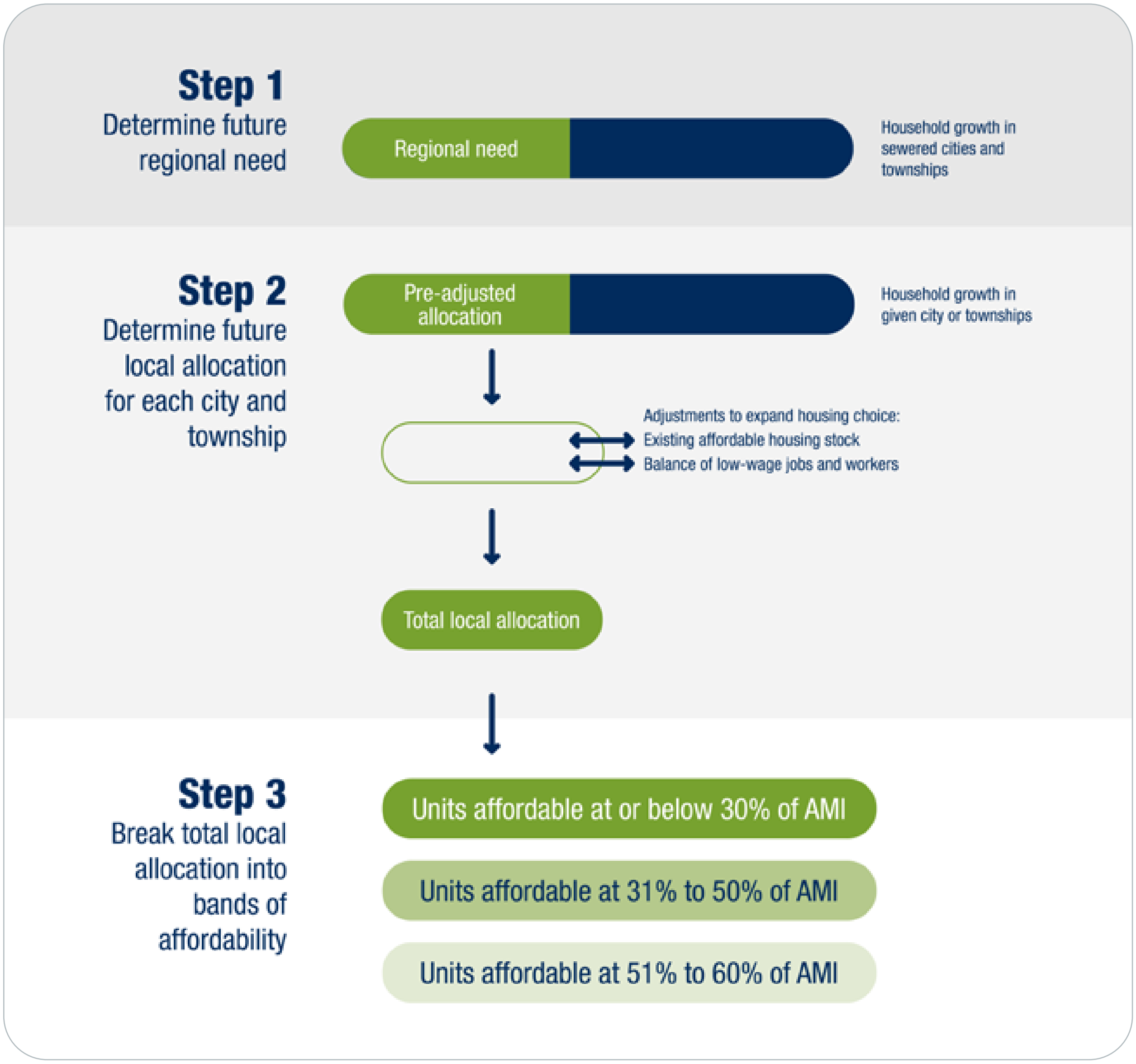
Appendix C

Methodology of Calculating Future Affordable Housing Need

The allocation process has three main steps, as shown in the figure below. The first step requires forecasting the proportion of net 2031-2040 household growth that will require additional affordable housing units, resulting in a total regional Future Affordable Housing Need (Future Need) of 39,700 new affordable housing units. In the second step, we allocate the total regional Future Need to each city and township 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 the third step, we distribute each adjusted local allocation into three bands of affordability.

Methodology for the allocation of Future Affordable Housing Need for the 2031 to 2040 decade

Figure C.1: Methodology for the allocation of Future Affordable Housing Need



The following sections describe each of the three steps behind the Future Need allocation. A figure of the allocated Future Need for sewered cities and townships can be found in Appendix B.

Step 1: Forecast the number of new affordable units needed in the region

The Met Council's proposed regional forecast shows that the region will have 1,349,733 households in 2030 and 1,450,420 in 2040. Of the 100,687 additional households the region is expected to add between 2030 and 2040, around 40% will have incomes at or below 60% AMI. These projections come from historical income distribution patterns, applied to 2030 and 2040 household forecasts.

Not all low-income households will need additional affordable housing units. Some will be low-income households, such as older households, who own their home outright without experiencing cost burden. To determine how many of the low-income households will need additional affordable housing units, we need to filter out those households, resulting in an adjusted regional total of 37.9% (38,154) of added low-income households requiring additional affordable housing units.

If the region only added the 38,154 housing units identified above, the market for affordable housing would continue to become increasingly tight, therefore a healthy vacancy rate relative to the income band is applied to the total regional Future Need. To ensure a 3% to 5% vacancy rate that is required for a healthy housing market, the region needs 39,700 additional affordable housing units: 21,150 at 30% or less AMI, 13,700 at 31% to 50% AMI, and 4,850 at 51% to 60% AMI, yielding a total regional Future Need of 39,700 units.

Step 2: Develop the total allocation for each sewered city and township

The 39,700 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 Met Council policies do not encourage development beyond sewer-serviced areas, we allocated a Future Need only for the 124 cities and townships with sewer service for the 2031-2040 decade.

A city or township's initial "pre-adjusted" allocation is proportionate to its local forecasted household growth: the more households it is expected to add, the higher its allocation will be. Forecasts for each city and township already incorporate the following factors specific to that city or township and how much housing they can support or are expected to add such as:

- Planned land use
- Transit access
- Economic activity and migration

For the 2031-2040 decade, the pre-adjusted allocation is 42.2% of each sewered local government's forecasted household net growth. This percentage comes from dividing the region's Future Need (39,700) by the forecasted household growth across all sewer-serviced areas (94,017). The pre-adjusted allocation is then adjusted upwards or downwards according to the balance of low-wage jobs and workers and the existing affordable housing stock in a community. The pre-adjusted allocation is adjusted as follows:

- Existing affordable housing stock: A local allocation is increased if its existing affordable housing share is less than that of the average city or township with sewer service. A local allocation is decreased if its existing affordable housing share is greater than that of the average local share.

- Balance of low-wage jobs and workers: A local allocation is increased if the city or township brings in workers in low-wage jobs to a greater extent than the average. A local allocation is decreased if it brings in workers in low-wage jobs to a lesser extent than the average. This is measured by the ratio of low-wage jobs to residents working in low-wage jobs.

Step 3: Break down total local 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 highlight the needs for households at different income levels, the Met Council is allocating Future Need into three bands of affordability:

- Need for housing units affordable to households with incomes at or below 30% of AMI (53% of the regional Future Need)
- Need for housing units affordable to households with incomes between 31% and 50% of AMI (35% of the regional Future Need)
- Need for housing units affordable to households with incomes between 51% and 60% AMI (12% of the region Future Need)

Simply appling these regional shares to each local adjusted allocation does not reflect the diversity within the city or township's existing housing stock. For example, a city or township might have a higher-than-average share of housing in the 51-60% AMI band and lower-than-average shares of housing in the other two affordability bands. To expand housing options and choice we would reduce the city or township's allocation in the 51-60% AMI band and increase its allocation in the other two affordability bands.

Overview of the breakdown of the total local allocation of Future Affordable Housing Need into bands of affordability

Figure C.2: Overview of the breakdown of the allocation of Future Affordable Housing Need into affordability bands

In this part we examine the shares of each city and township's affordable housing in each AMI band and compare them to the average shares of all sewered cities and townships. The difference between them provides an adjustment that will help determine the share of each city and township's total allocation to place in each band. The affordability of units used to determine the existing housing stock in a city or township are holistic and include both subsidized and unsubsidized housing units.

When this adjustment is combined with the regional shares of each AMI band, this results in each city or township's share of its allocation for each band. This share is then applied to the total local allocation for the city or township to calculate the number of units needed in each band. This adjustment does not change the overall allocation for cities and townships developed in Step 2; it is simply assigning different shares of each city or township's allocation to different affordability bands. Accordingly, we are not examining differences across communities in the overall levels of affordable housing, but differences in affordability within each city or township's set of affordable units.

Appendix D

Housing Policy Plan Technical Advisory Group (TAG) engagement summary

TAG purpose and representatives

The Technical Advisory Group (TAG) convened future-thinking experts from across the region with a diverse set of expertise in housing issues to advise on the early stages of Imagine 2050 Housing Policy Plan development. At meetings between October 2023 and February 2024, Met Council housing policy staff presented regional housing policy topics and organized discussions for local community and housing organization representatives from across the region. TAG members shared perspectives on what the housing plan should focus on to support local needs and what policies would have local buy-in. The types of organizations represented in the TAG included staff from the following groups:

- Cities across community designations
- Counties
- Private and nonprofit developers
- Public housing agencies
- Housing redevelopment authorities
- Nonprofit advocates
- Statewide housing organizations

The TAG was composed of a wide geographic representation, diverse areas of expertise, and individuals in different stages of their career. TAG members were asked to participate as individuals bringing their whole professional and personal selves, not solely to represent their employers. Before participating in meetings, members were invited to listen to discussions with community members at engagement sessions held throughout the region and look for opportunities to incorporate resident and advocate perspectives in the TAG discussions and their own work.

Topic overviews and discussion recommendations

The TAG discussions focused on three topic areas. These topics are summarized below. Main ideas and feedback shared by TAG members are listed as bullet points. While a wide range of perspectives were shared, the recommendations indicated below were supported by the whole group.

Met Council's role in regional housing policy

The Met Council's authority comes from state statute but can serve as an important tool to support the housing goals and needs of the region. The group agreed that Met Council should consider housing infrastructure as part of an interconnected system people need to thrive in our region (physical and mental health, food, transportation, supportive services, daycare, education, jobs).

Land use connections with housing needs, data, and resources for communities

- Met Council should use its land use policy lever more intentionally to allow for more affordable housing development in the region.
- The group recommended that Met Council differentiate what can be land use and market driven versus a policy goal that is supported by government funding or other intervention.
- The group recommended that Met Council staff explore the use of midpoint densities for tracking local city and township housing consistency in the 2031-2040 decade to make it easier for cities to meet consistency for Land Guided for Affordable Housing.
- Affordable housing development is expensive, so it is helpful to know the minimum density that you can feasibly build 30% area median income housing in different areas of the region.
- Having access to disaggregated data related to housing needs including race, ethnicity, disability status, etc., is important for communities.
- The group recommended that the Met Council focus on its own investments for anti-displacement policy as a first step, following up with best practices and guidance for local level investments.
- As a policy goal, the group recommended that the Met Council enhance wealth-building opportunities for low-income households, with a focus on ending racial disparities; a majority of renter households of color fall into the 40% to 80% AMI range, and this range should be emphasized, with a focus on ownership and shared ownership.

Affordability limits

These are a measure of housing affordability that, historically, uses the HUD Area Median Income (AMI) standards to determine housing costs of households at different income levels to determine what is affordable to them. Imagine 2050 uses 30%, 50%, and 60% AMI affordability limits. The group agreed that everyone in the region should have housing that is stable and affordable (at 30% of income) to them.

Useful affordability measures versus helpful data

- Because there are geographic differences in income, having more localized median incomes would be valuable data but not an ideal regional measure because the HUD/state standard is often used for programs and funding opportunities. The group recommended that Met Council provide localized median incomes, but not to use them for consistency.
- Modifying the standard for affordability by number of income earners per household would be valuable because not all households have two income earners, but it could be complicated and

difficult to communicate publicly.

- In overall messaging on affordability, the group recommended that Met Council be clear about any alternative measures of affordability, why and when they are used, and publicized in a way to avoid confusion.

Issues of household income

- Due to housing costs outpacing wages, spending 30% of one's income on housing is often not a realistic standard, but changing this standard calculation would likely be too confusing. The group recommended exploring an alternative measure of affordability that better reflects the reality of residents (in other words, 25% AMI) but keep HUD affordability limits as the standard.
- Spending 30% of your income on housing has very different impacts on households depending on their income level. It is much harder for lower-income households to spend 30% of their income on housing. If they can find housing that is affordable at their income level, it can be difficult to afford other basic needs when their remaining household incomes are so low.

Allocation of Affordable Housing Need

Allocation of Need is a calculation from the Met Council that defines the number of needed units at different AMI affordability levels allocated to municipalities to develop based on forecasted household growth, job-worker ratios, and the existing housing stock in order to reach regional needs for new affordable housing units.

Considerations for Need calculations

- Met Council needs to put enough pressure on cities to get serious about developing housing at 30% AMI and allow adequate flexibility on how to meet that Need. There is too much focus on 60-80% AMI. The group recommended continuing to prioritize policy and funding that supports deeply affordable housing (30% AMI) and homeownership opportunities.
- The group recommended that there should be distinct Rental and Ownership Need numbers.
  - Homeownership 61-80% AMI, 81-115% AMI
  - Rental 60% AMI and below (addition of 51-60% AMI band)
- There is support for "Aging" and "Supportive Care" Need numbers to represent units specifically for aging and disabled residents in the region.
- There is support for exploring a Need calculation for the preservation of housing units.
- There needs to be more of a focus on racial economic mobility adjustment included in forecasting.
- The deficit in Need from the previous decade for cities and townships is helpful for communities

to know but overwhelming for some local governments if accounting for this becomes an expectation in Need calculations.

- Consider giving cities credit towards allocated Need for local policies or other interventions that create and preserve affordable housing.

Review of Draft Plan

Met Council staff reconvened TAG members to review and comment on the draft Housing Policy Plan and to gather feedback on how the group's recommendations were represented in the policies and actions, drafted after the TAG meetings concluded. The recommendations discussed are summarized below.

- Continued policy and funding priorities on deeply affordable housing (30% AMI) are well represented in actions.
- Wealth-building opportunities for low-income households, with a focus on ending racial disparities was present throughout actions, but encouraged expansion to clearly include voucher holder, manufactured home parks, and landlord engagement.
- Rental and ownership Future Need numbers should be distinct, with ownership data offered but not used for consistency purposes.
- Actions and policies focus on areas that can be supported by government funding and intervention.
- Improved clarity when mentioning any alternate measures of affordability, including specifics on why and when they are used in policies and programs.
- Met Council focus on internal investment for anti-displacement policies and commitment to provide best practices for local entities.
- Consideration of housing infrastructure as a part of an interconnected system that people need to thrive in the region (jobs, education, health, transportation, etc.).

We are grateful to the TAG members who shared their time and expertise with each other and with the Met Council to inform the approach to Imagine 2050 housing policy.

To ensure residents and organizational partners had opportunities to share feedback in advance of and during the drafting of the plan, staff used a variety of general and targeted outreach approaches. This included holding events with seven community organizations and the Metro HRA, presenting to local government staff, and convening a Technical Advisory Group (TAG) made up of local government, business and nonprofit leaders. In addition to these specific events, staff also put together a survey which was available on our website and received 156 submissions. The survey also included an option to ask for a follow-up interview with staff for those who wished to provide a more in-depth response. To read more about HPP engagement, please read the Engagement Report.[120]

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Appendix E

Endnotes

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METROPOLITAN COUNCIL

390 Robert Street North

Saint Paul, MN 55101-1805

651-602-1000

TTY 651-291-0904

public.info@metc.state.mn.us

imagine2050.metrocouncil.org

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