

THE MCKNIGHT FOUNDATION

MN Housing Measures 2012-2016

November 10, 2017

Prepared by

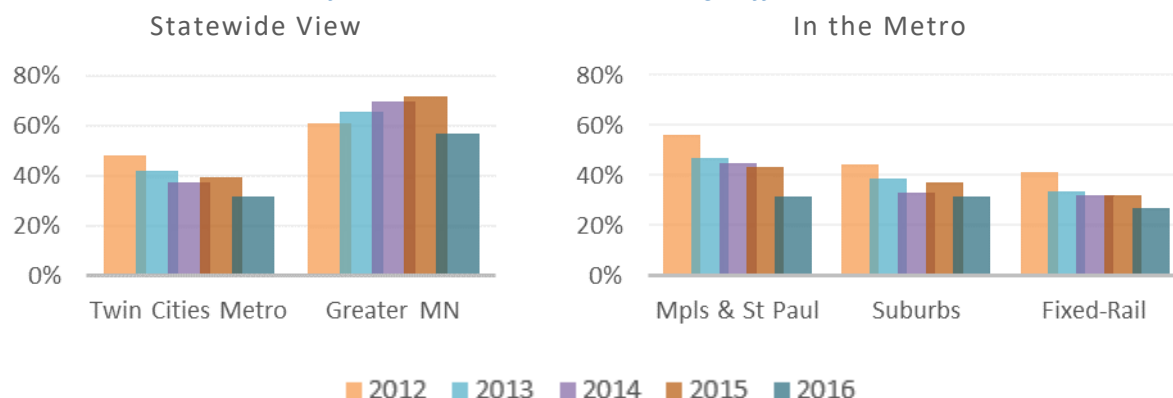
Housing**Link** 

2012 - 2016

MINNESOTA HOUSING MEASURES

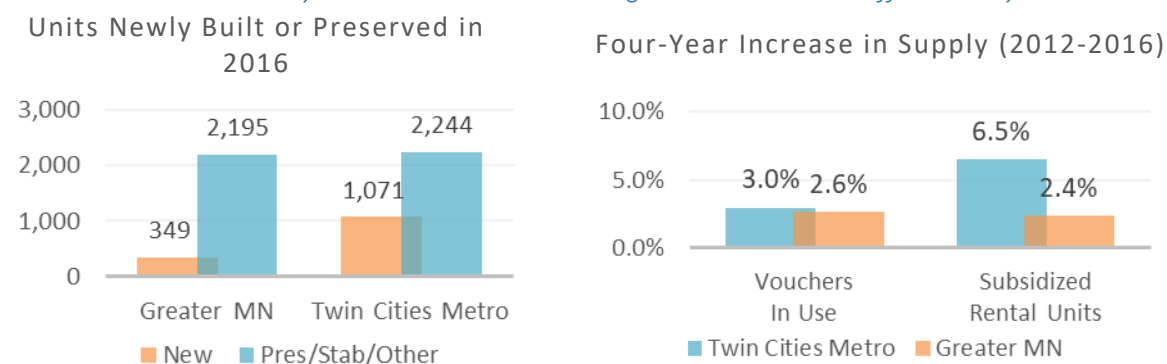
Naturally Occurring Affordable Housing (NOAH)

Percent of Private Market Rental Listings Affordable to 60% AMI

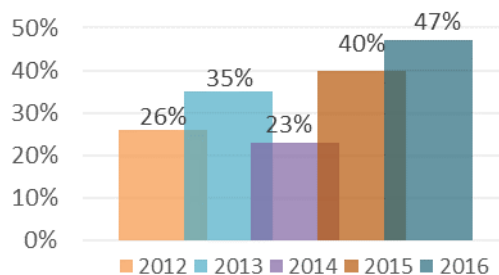


Subsidized Housing

Publicly-Financed Rental Housing with Permanent Affordability

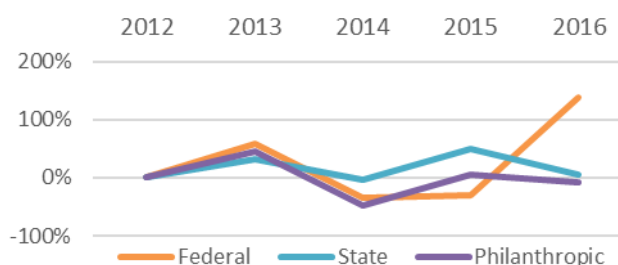


Gap Financing



(government and philanthropic investment as percent of total development cost)

Funding for Affordable Housing



Year-Over-Year Change in Housing Spend (cost-adjusted)

Contents

Map: Regional Perspective 2016	1
Map: Metro Perspective 2016	2
NOAH (Naturally-Occurring Affordable Housing) in Rental	3
Private market affordability down in the Twin Cities Metro	3
NOAH low in transit corridors, though drop not as steep as overall market	3
NOAH supply in Greater MN a story of many markets.....	4
Subsidized Housing Trends	5
Unit gains vary by market; preservation far outpaces new construction	5
Seven County Metro overview	5
Greater MN overview	7
A difficult environment for Twin Cities Metro voucher holders.....	8
Growth of subsidized housing stock in proximity to transit	8
Greater MN metros see sharp rise in voucher use	9
Trends in Funding for Affordable Housing.....	10
Gap financing, as percent of total development cost, lower than during Great Recession.	10
Yearly trends in funding for affordable housing difficult to interpret	10
Acknowledgements.....	12
Works Cited.....	12
Appendices.....	13
Appendix A: Percent of Private Market Listings that Are Affordable	13
Appendix B: Unit-Based Subsidized Affordable Rental Stock	14
Appendix C: Unit-Based Subsidized Affordable Unit Production.....	15
Appendix C: Housing Choice Vouchers in Use	16
Appendix D: Gap Financing	17
Appendix E: Funding for Affordable Housing.....	17

Twin Cities

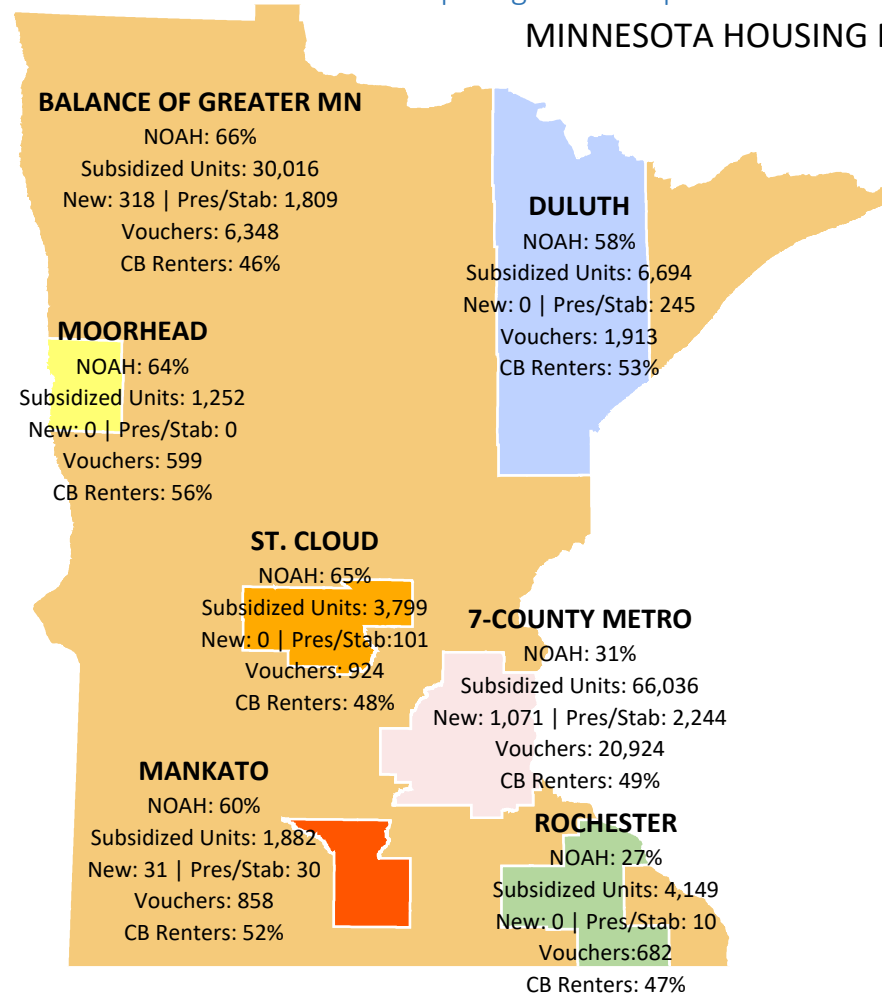
NOAH Listings: 31%
 Subsidized units: 66,036
 New units in 2016: 1,071
 Pres./Stab. units in 2016: 2,244
 Vouchers in use: 20,924
 Cost-burdened renters 49%
 Severely cost-burdened renters: 25%

Greater MN

NOAH listings: 57%
 Subsidized units: 47,792
 New units in 2015: 349
 Pres./Stab. units in 2016: 2,195
 Vouchers in use: 11,324
 Cost-burdened renters 48%

Map: Regional Perspective 2016

MINNESOTA HOUSING MEASURES



KEY: NOAH listings: Percentage “Naturally-Occurring Affordable Housing” listings, or listings affordable to 60 percent area median income (AMI) in 2016. **Subsidized Units:** Total rental units as of 2016 with a permanent subsidy or in-force rent restriction at or below 80% AMI. **New Units:** Newly constructed subsidized units in the year 2016. **Pres. /Stab. Units:** Units with financing in the year 2016 not specifically indicated as “new.” **Vouchers:** Housing Choice Vouchers (Section 8 vouchers) in use in 2016. **Note:** Greater MN metros are defined by their US Census CBSA (core-based statistical area), an agglomeration of counties economically tied to an urban center. *(Continued)*

Twin Cities

NOAH Listings: 31%
 Subsidized units: 66,036
 New units: 1,071 | Pres./Stab. units: 2,244
 Vouchers in use: 20,924
 Cost-burdened renters 49%

Fixed-Rail Transit (Light rail and bus rapid transit)

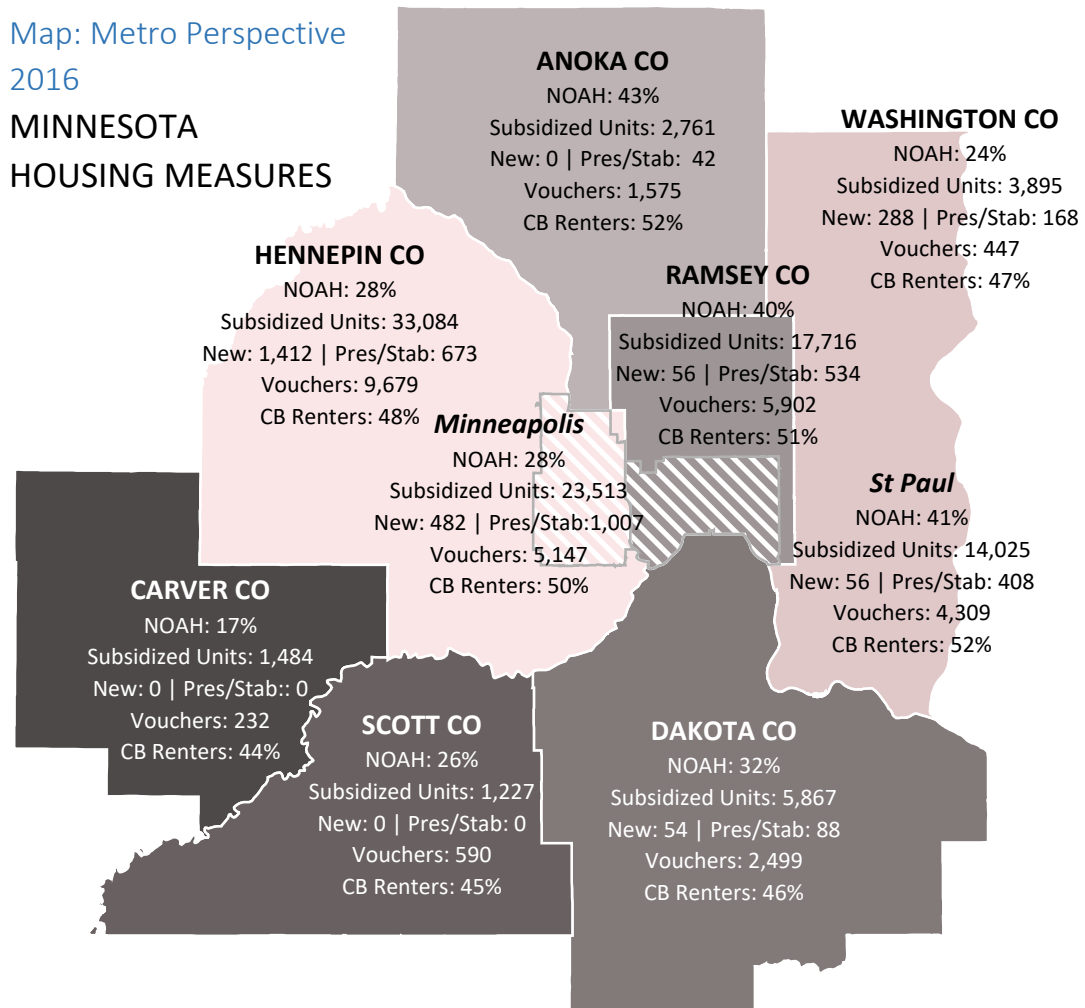
NOAH Listings: 27%
 Subsidized units: 13,967
 New units: 350 | Pres./Stab. units: 155
 Vouchers in use: 2,298
 Cost-burdened renters: 53%

High-Frequency Bus Corridors

NOAH Listings: 31%
 Subsidized units: 29,127
 New units: 585 | Pres./Stab. units: 594
 Vouchers in use: 6,789
 Cost-burdened renters: 48%

Map: Metro Perspective
 2016

MINNESOTA HOUSING MEASURES



(Continued from previous page) **Cost-Burdened (CB) Renters:** Percentage of renters paying greater than 30 percent of their income in gross housing costs (2011-2015 ACS).

Fixed-Rail Transit: A network consisting of half-mile radii from light rail and bus rapid transit stations. **High-Frequency Bus Corridors:** A network of bus routes promising service every 15 minutes (or better). **Note:** Hennepin County and Ramsey County statistics include Minneapolis and St Paul.

NOAH (Naturally-Occurring Affordable Housing) in Rental

We define affordability to mean housing that costs no more than 30 percent of the household income of a family making 60 percent of the area median. To understand private market affordability in the rental market, HousingLink analyzed 372,907 rental listings between the years of 2012-2016.¹

Private market affordability down in the Twin Cities Metro

The Twin Cities Metro area is in an extended period of low-vacancy, with the private market vacancy rate in the Twin Cities having remained below three percent since Q1 2011 (Marquette Advisors, 2017). This has resulted in upward pressure on rent pricing, with the predictable market response of increased development of new high-rent and/or luxury rental units. Between the loss of “naturally-occurring affordable housing” (NOAH) rental units to rising rents and the difficulty in financing new affordable units, the percent of private market listings in the seven county metro that are affordable to households making 60 percent of area median income are reaching new lows by the year. Overall, the percent of affordable listings has declined from 48 percent to 31 percent in the span of just four years with an alarming eight-percentage point drop in just the past year. (Figure 1).

Percent of Affordable Listings in the Twin Cities by Year

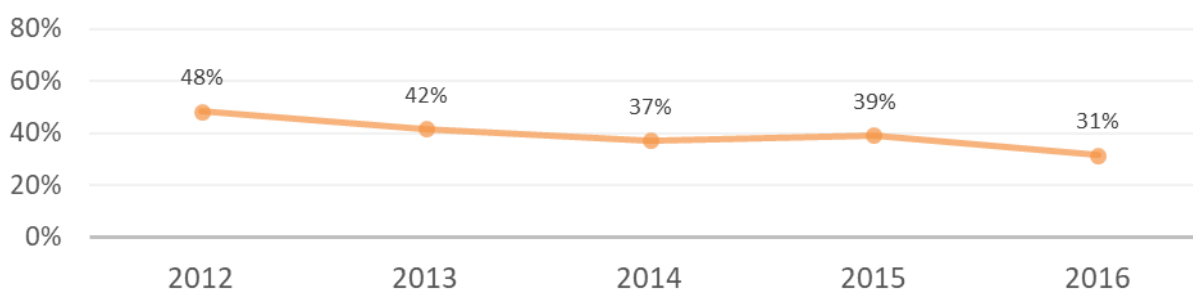


Figure 1

Loss of NOAH has additionally led to large numbers of low- to moderate-income households paying unsustainable rents. As of 2015, 49 percent of renters in the Twin Cities were cost-burdened or paying 30 percent or more of their household income in housing costs. Over 24 percent of renters were *severely* cost burdened, or paying more than 50 percent of their household income in housing costs.²

NOAH low in transit corridors, though drop not as steep as overall market

Affordability of private market rents is lower in transit corridors, with a mere 27% of listings within a half-mile of fixed-rail transit stops qualifying as affordable in 2016. However, loss of affordability seems to have slowed relative to the rest of the metro, with a drop of 13% points in affordable listings from 2012-2016, where the Twin Cities as a whole has seen a 17% decline. (Figure 2).

¹ Listings came from HousingLink’s Twin Cities Rental Revue report series. We analyzed affordability with respect to different family sizes (e.g. by virtue of different affordability levels for different bedroom sizes) and calculated gross rent as a sum of actual rent plus an estimate of utility costs based on local public Housing Authority utility payment standards.

² Analysis of US Census ACS 2011-2015 five-year data on renter housing costs.

Percent of Affordable Listings in the Twin Cities by Year

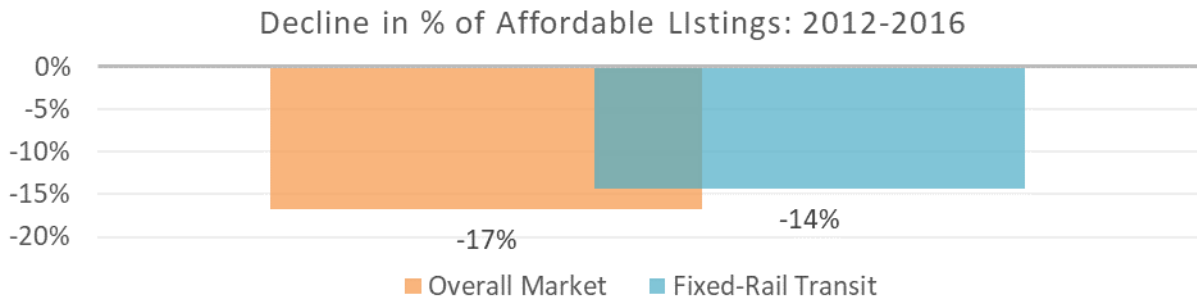


Figure 2

NOAH supply in Greater MN a story of many markets

The situation in Greater MN, though seen as relatively stable in last year's report, is looking grim with double-digit drops in affordability from 2015 to 2016, across-the-board. Of particular note is the Rochester CBSA, where the percent of listings qualifying as "affordable" fell 27% in just the past year (Figure 3).

Drop in % of NOAH listings, 2015-2016

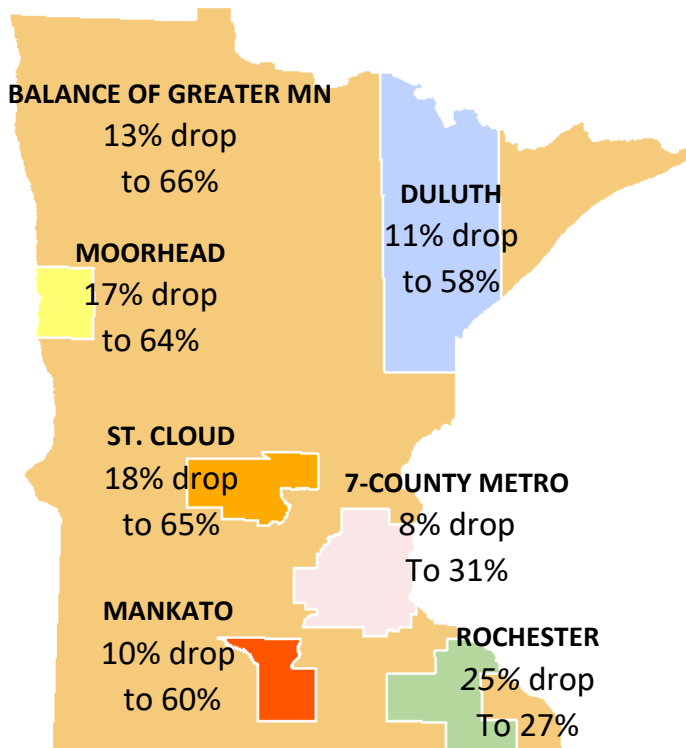


Figure 3

It is true that, with the exception of Rochester this year, there is a much higher percent of affordable units in Greater MN as compared to the Twin Cities Metro. However, it is worth noting that the percentage of all listings that are affordable does not speak to overall *availability* of affordable rents. That is to say, having a higher *percentage* of affordable listings does not mean there are a large, raw *number* of affordable places to live. Many households are still burdened by rents that are taxing their

incomes to the limit. Nearly as many renters are cost-burdened (paying more than 30 percent of their household income in housing costs) in Greater MN as in the Twin Cities Metro (47.6 percent as compared to 48.5 percent). Rates are also similar with regard to severe cost burden (paying more than 50 percent of household income in housing costs); (23.5 percent in Greater MN as compared to 24.4 percent in the Twin Cities Metro).³

Subsidized Housing Trends

To understand overall subsidized, or “permanently-affordable” housing stock, we look at both “place-based” units of subsidized housing from HousingLink’s *Streams* database of publicly funded rental housing⁴, as well as Section 8 Housing Choice Vouchers⁵. Between the two, there were over 146,076 subsidized rental homes in the state of Minnesota as of the end of 2016. This represents a 4.3 percent increase from 2012.

Unit gains vary by market; preservation far outpaces new construction

Seven County Metro overview

Overall, the Seven County Metro experienced 1.6 percent annual growth in subsidized rental unit stock from 2012 to 2016, ending the period with 66,036 total units. Though this constitutes an actual net gain of 4,029 units over the four-year period, there were actually 4,414 units of new construction, with the difference presumably representing formerly subsidized units that have fallen out of the affordable housing stock. Some of the growth was driven by city of St. Paul, and suburban Ramsey County, both of which outpaced the metro as a whole, with 3 percent and 2.5 percent annual growth, respectively (Figure 4).

³ Analysis of US Census ACS 2011-2015 five-year data on renter housing costs.

⁴ *Streams* is comprised of both project-based rent assistance and units with capital financing subsidies such as low-income housing tax credit, and may be accessed at <http://www.housinglink.org/streams/>.

⁵ Data on Housing Choice Vouchers in use are retrieved from HUD’s A Picture of Subsidized Households data portal, accessed at <https://www.huduser.gov/portal/datasets/assthsg.html>

Annual Percent Subsidized Unit Growth in the Seven County Twin Cities Metro, 2012-2016

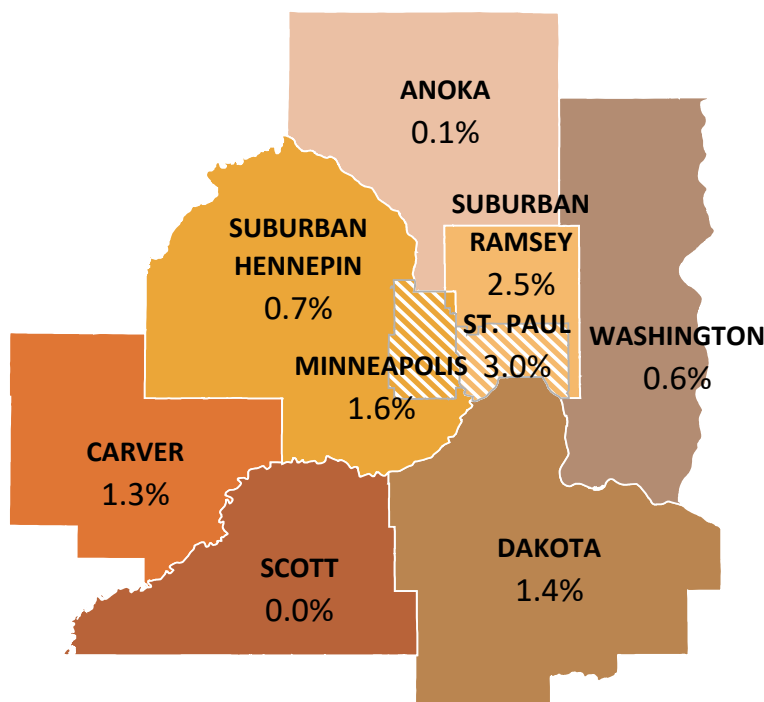


Figure 4

In addition to an increase in subsidized affordable rental stock, 16,935 existing affordable units in the Seven County Twin Cities Metro received financing intended to preserve or stabilize that affordability in the years of 2012 through 2016. Preservation/stabilization activity far outpaced new construction throughout the five years, with the most dramatic gap in 2014, when there were over five times as many preserved/stabilized units as new (Figure 5).

Subsidized Housing Production, Twin Cities Metro, 2012-2016

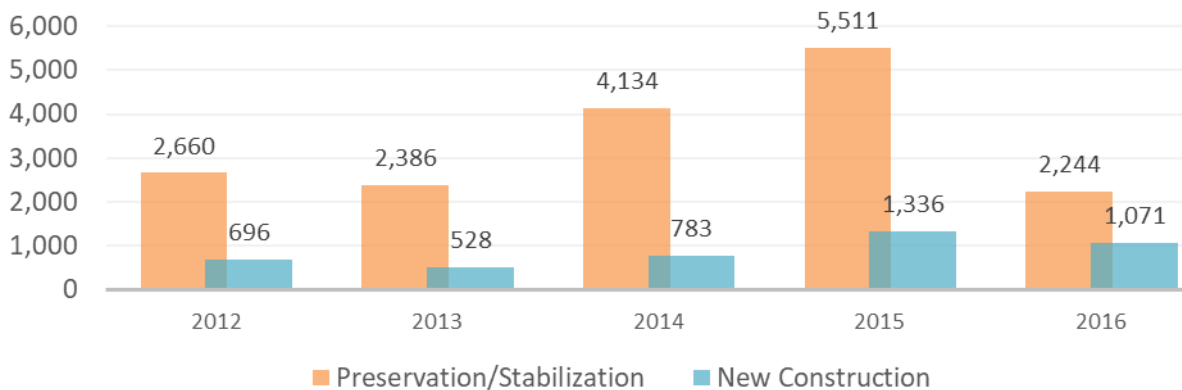


Figure 5

New construction skewed towards the urban core, with 66 percent of all units built from 2012 to 2016 residing in Minneapolis or St. Paul. Preservation and stabilization had only slightly more balance, with the central cities containing 63 percent of units receiving preservation/stabilization financing. This contrasts with population distribution trends revealed by the 2010 US Census, showing a greater

number of households now living in poverty in metro suburbs than in Minneapolis and St Paul combined (Prather, 2015).

Greater MN overview

There were 47,792 place-based subsidized rental *units* of affordable housing in Greater MN in 2016, following annual growth rate of 0.6 percent from 2012. Though this represents an actual net gain of only 1,112 units over the four-year period, there were 1,590 units of new construction during that time with the difference, again, representing formerly subsidized units that have fallen out of the affordable stock over that same period. As is the case in nearly all measures, the degree of change varied by metro, with annual growth for St. Cloud and Rochester (1.5 percent and 1.0 percent respectively) exceeding that of Greater MN as a whole (0.6 percent) (Figure 6).

Annual Percent Unit Growth by Greater MN Submarket, 2012-2016

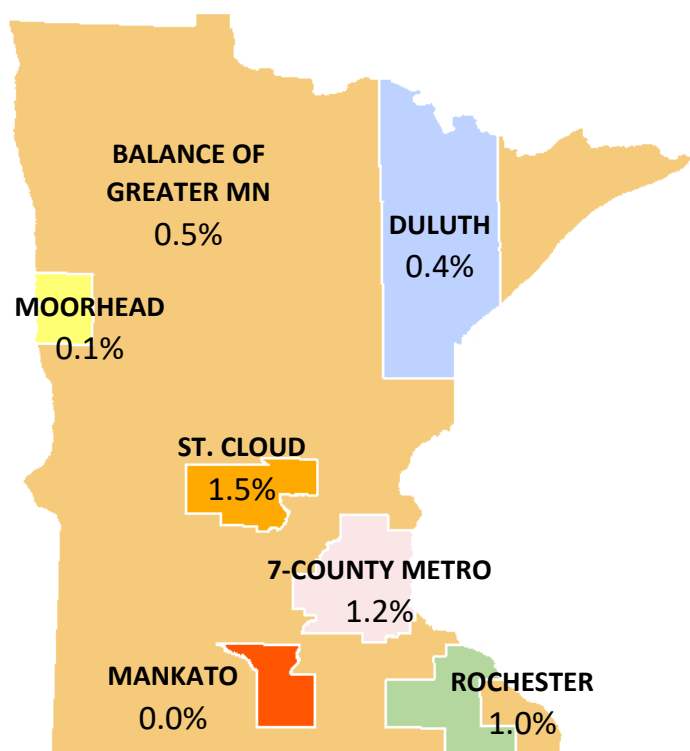


Figure 6

In addition to gains in overall subsidized affordable housing stock, affordable housing developers have been active in preservation/stabilization of existing affordable units in Greater MN. The 11,796 units preserved from 2012 to 2016 represents a total over seven times as great as the number of newly constructed affordable units over the same period. (Figure 7).

Subsidized Housing Production in Greater MN, 2012-2016

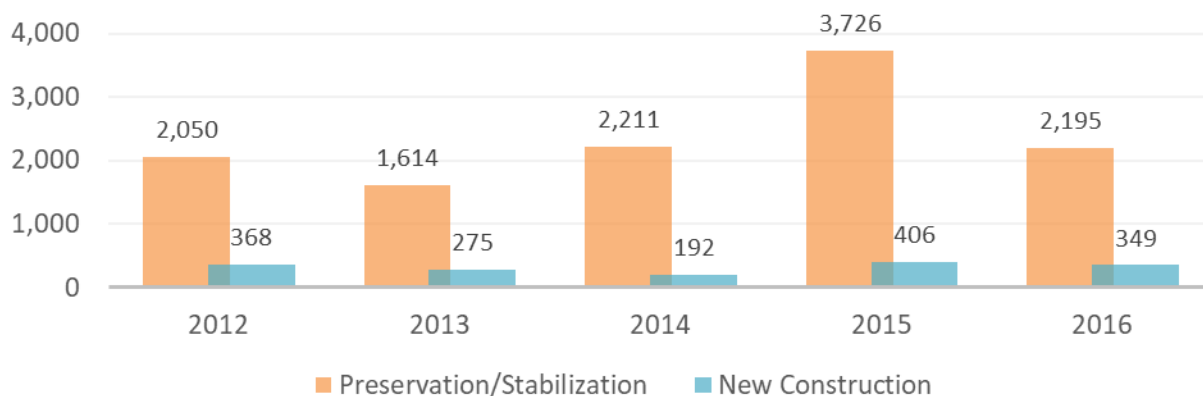


Figure 7

A difficult environment for Twin Cities Metro voucher holders

The total number of Housing Choice Vouchers in use in the Metro has grown slightly, with a 3 percent increase from 2012 to 2016. This growth has taken place during a time where it is difficult to find landlords willing to accept a voucher. A primary goal of the Housing Choice Voucher program has always been to increase housing choice and result in de-concentration of poverty. However, in the midst of a tight rental market, many public housing authorities are finding their clients unable to place vouchers at all, and there is concern among many in the affordable housing community that the relationship between geography and ability to place a voucher represents restricted housing choice.

One potentially troubling trend that demonstrates this restriction of choice is the further concentration of voucher holders in racially/ethnically concentrated areas of poverty (R/ECAPs).⁶ In spite of little net three-year change in overall voucher use in the core cities vs suburbs, the percent of all vouchers in use in racially/ethnically concentrated areas of poverty actually grew from 15.8 percent to 17.7 percent from 2012 to 2016. It is unclear how much of this phenomenon results from inability to place vouchers in higher-income, less segregated areas, and how much is as the result of conscious choice by voucher holders. It is worth noting though, that at least to date, the US Department of Housing and Urban Development has considered historical patterns of segregation to be a primary barrier to fair housing choice (HUD, 2015).

Growth of subsidized housing stock in proximity to transit

In an encouraging trend, total supply of subsidized rental housing units with proximity to regular transit service has been growing at a rate of over three times that of the Twin Cities as a whole. Specifically, subsidized housing supply within a half-mile of fixed-rail transit stations (e.g. light rail, bus rapid transit)

⁶ HUD requires local housing authorities to evaluate their efforts to affirmatively further fair housing by measuring housing opportunities relative to racially/ethnically concentrated areas of poverty (R/ECAPs), which are defined as follows: 1) Racial Test: R/ECAPs must have a non-white population of 50 percent or more. 2) Poverty Test: HUD defines neighborhoods of extreme poverty as census tracts with 40 percent or more of individuals living at or below the poverty line. Because overall poverty levels are substantially lower in many parts of the country, HUD supplements this with an alternate criterion, an option of which MN utilizes. Thus, in Minnesota, a neighborhood can be an R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

has grown at a 5.4 percent annual rate, and supply within a quarter mile of high frequency bus corridors has risen at a 5.5 percent annual rate. In comparison, the annual growth of subsidized housing in the Twin Cities as a whole is just 1.6 percent annually. This strong showing points to possible successes by funders in response to current and anticipated market forces placing upward pressure on rents near fixed rail transit. Voucher use has also increased within a half mile of fixed rail transit at a rate (3.2 percent) exceeding that of the Twin Cities as a whole (0.7 percent), while voucher use within a quarter-mile of high-frequency transit corridors has held steady (1.2 percent). This is especially encouraging as it indicates a continued willingness by landlords in dense, transit-rich areas to accept tenant vouchers in their units (Figure 8).

Subsidized Housing Annual Growth in Proximity to Transit Areas, 2012-2016

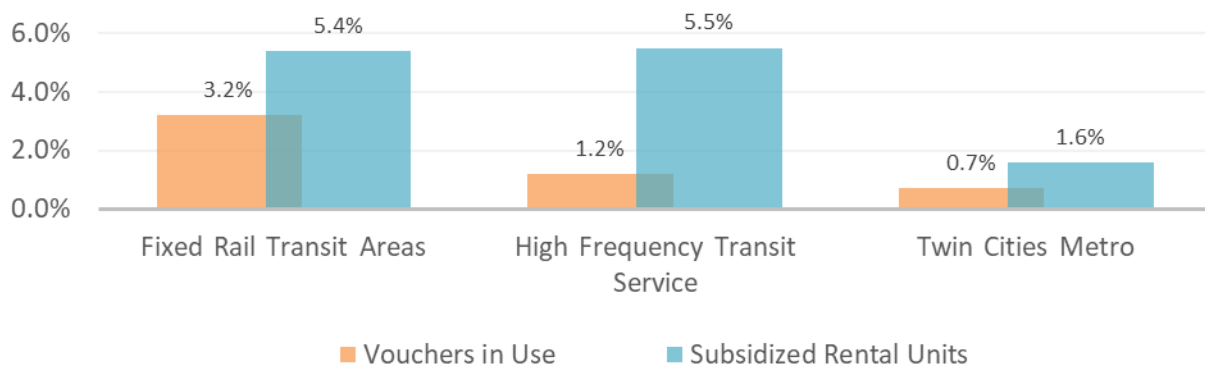


Figure 8

Greater MN metros see sharp rise in voucher use

Voucher use has grown by a modest amount (3.0%) in over the past four years in Greater MN, as a whole. However, while the more rural areas have seen a 5% decrease, each of the Greater MN metros has seen double-digit growth, with Rochester topping out at 20.9% (Figure 9). This indicates likely migration from the “Balance of Greater MN” to these regional centers, and also a possible influx of renters unable to place their vouchers in the Twin Cities.

Greater MN Change in Housing Choice Vouchers in Use, 2012-2016

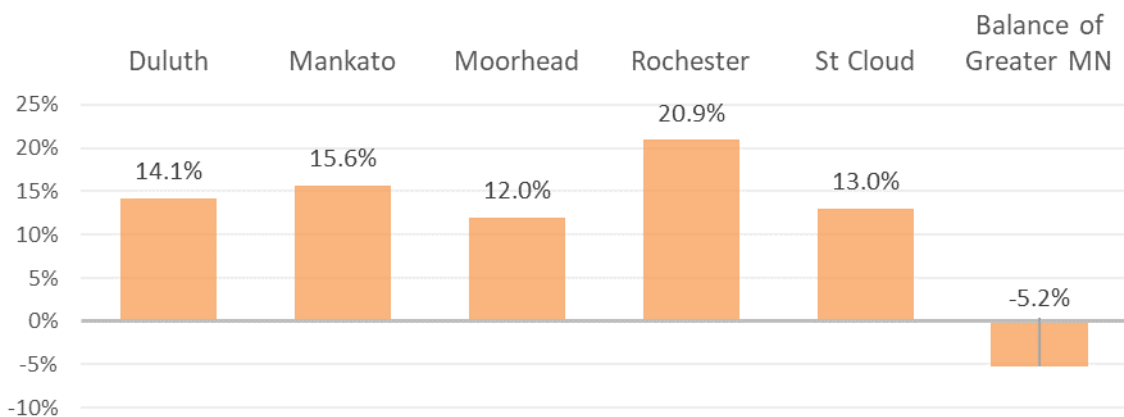


Figure 9

Trends in Funding for Affordable Housing

Gap financing, as percent of total development cost, lower than during Great Recession.

This report defines “Gap Financing” as the portion of total development cost of subsidized rental housing contributed by public, non-profit, and philanthropic sources, and not part of primary financing. Analysis is based on MN Housing’s contribution to our Streams database⁷, and the measure is a reflection of public will (e.g. the community’s willingness to support affordable housing).

Past years’ analyses indicated gap financing, as a percent of total affordable housing development cost, appear to be returning to an elevated level last seen during the Great Recession. Some of this may be the result of escalating prices in development costs for affordable housing, and some may be a reflection of projects funded by the proceeds from the 2014 issuance of \$100 million of Housing Infrastructure Bonds (**Error! Reference source not found.**), which are distributed as grants to a development project. Gap remains a critical component of the financing required to make new affordable housing construction happen.

Gap Financing as a Percent of Total Development Cost by Year

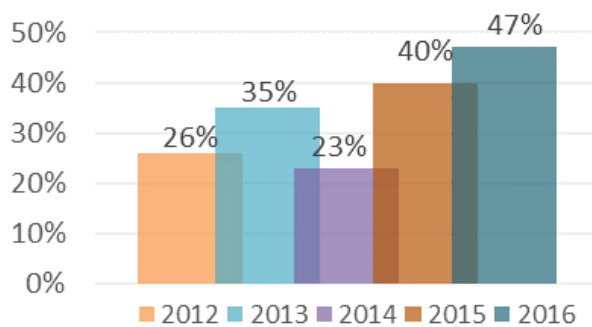


Figure 10

Yearly trends in funding for affordable housing difficult to interpret

We measure trends in funding for affordable housing by way of year-over-year percentage of change in spending on housing. Figures are expressed in terms of a year-over-year percent change due to vast difference in dollars involved from the three sectors, as well as the fact that our philanthropic data is based on a sample.⁸ It is difficult to discern trends for federal and state affordable housing funding, as the cycles for allocation and spending do not necessarily line up, year-over-year. In Figure 11, we can clearly see a large spike in Federal spending in 2016. Our research reveals that the bulk of that extra expense was as a result of contract renewals with local public housing authorities. We also note a

⁷ HousingLink does not receive detail on funding amount by financial instrument from all data contributors to *Streams*, and the data does not exist in its publicly accessible form.

⁸ For HUD, total grants to MN was retrieved from www.usaspending.gov on July 6, 2017. State spending is based on data points for “Market-Driven Assistance” and “Competitive Assistance” from MN Housing’s *Annual Report & Program Assessment* series. Philanthropic funding is based on total annual housing grants of the top five historical funders of affordable housing among foundations in Minnesota representing roughly 30 percent of all philanthropic funding, based on historic trends. 2012-2014 data was retrieved from MN Council on Foundations’ *MN Grantmakers Online*, and 2015-2016 data was requested directly from the foundations themselves.

somewhat smaller spike in state funding in 2015, some of which is likely due to expenditure from the \$100 million Housing Infrastructure bonding bill passed in 2014. Philanthropic spending appears somewhat cyclical, like that of public spending.

Affordable Housing Funding by Source

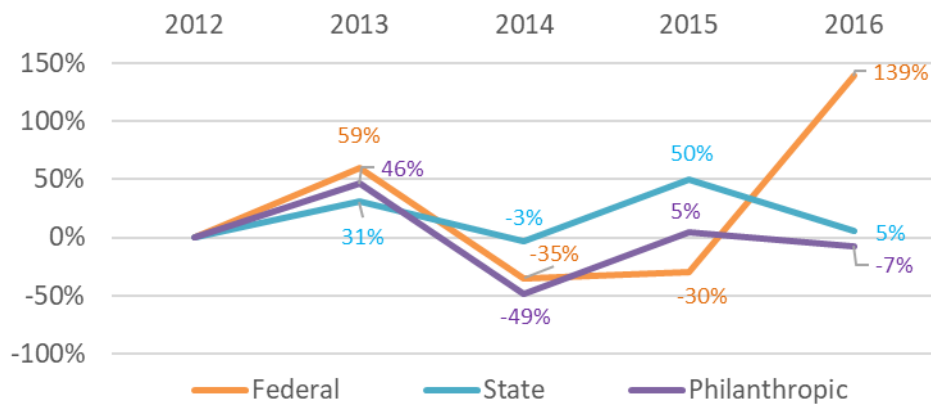


Figure 11

Acknowledgements

The McKnight Foundation supported this research. We thank Eric Muschler, Program Officer at McKnight, who provided ideas and guidance that set us off on the right path. We would like to offer special thanks to John Patterson, Research Director at MN Housing for reviewing an early draft of this work and offering comments that informed our analysis, particularly as it pertained to interpretation of finance data from his agency. We thank housing and development professionals at government agencies and nonprofit organizations throughout the state, who continue to contribute regular data and feedback to enhance our Streams database.

Works Cited

HUD. (2015). Affirmatively Furthering Fair Housing. *24 Code of Federal Regulations*.

Marquette Advisors. (2017). *Apartment Trends Q4 2016*.

Prather, S. (2015, June 21). Poverty Nearly Doubles in Twin Cities Suburbs. *Minneapolis Star-Tribune*.

Appendices

Appendix A: Percent of Private Market Listings that Are Affordable

Region					
	2012	2013	2014	2015	2016
Twin Cities Metro	48.2%	41.7%	37.3%	39.1%	31.5%
Greater MN	60.9%	65.4%	69.5%	71.7%	56.7%

Metro County					
	2012	2013	2014	2015	2016
Anoka	55.3%	45.0%	42.6%	45.3%	43.1%
Carver	49.2%	38.9%	34.3%	21.2%	17.0%
Dakota	47.0%	40.1%	38.1%	38.0%	32.4%
Hennepin	43.8%	38.0%	33.5%	36.6%	28.5%
Ramsey	62.3%	54.4%	50.1%	52.4%	40.2%
Scott	40.4%	36.6%	29.9%	29.7%	25.8%
Washington	34.5%	34.3%	28.2%	24.7%	24.3%

Minneapolis-St. Paul					
	2012	2013	2014	2015	2015
Minneapolis	50.8%	42.3%	40.2%	38.5%	27.7%
St. Paul	65.5%	55.4%	55.8%	54.9%	40.9%

Transit Network					
	2012	2013	2014	2015	2016
Fixed-Rail Transit	41.2%	33.4%	31.8%	31.7%	26.8%
High-Frequency Transit Network	49.6%	41.5%	37.9%	39.6%	31.5%

Greater MN					
	2012	2013	2014	2015	2016
Duluth CBSA	73.6%	61.7%	64.9%	68.3%	57.5%
Mankato CBSA	70.8%	53.7%	80.5%	70.1%	60.1%
Moorhead CBSA	86.2%	97.7%	90.0%	80.4%	63.6%
Rochester CBSA	79.4%	63.5%	92.1%	51.9%	27.0%
St Cloud CBSA	86.8%	92.0%	92.6%	82.6%	65.0%
Balance of Greater MN	55.9%	65.1%	66.7%	79.6%	66.3%

Data and Analysis Notes:

"Affordability" refers to housing that costs no more than 30 percent of the household income of a family making 60 percent of the area median. Figures are based on analysis of private market rent data from HousingLink's [Twin Cities Rental Revue](#) report, and gross rents include known or estimated utility costs by location and building type. *Fixed-Rail Transit* refers to in-service rapid transit corridors (light rail transit, commuter rail, or bus rapid transit), and *High-Frequency Transit Network* refers to Metro Transit routes along which one may expect a bus or rail service in 15 minutes or less. GIS data for both was retrieved from the [Minnesota Geospatial Commons](#). Our *Twin Cities Rental Revue* data is point-based, so we are able to analyze whether individual addresses fall within proximity buffers for transit networks; ½ mile for Fixed Rail Transit) and ¼ mile for the High-Frequency Transit Network.

Appendix B: Unit-Based Subsidized Affordable Rental Stock

Region										
Total Inventory						Growth				
	2012	2013	2014	2015	2016	'12-'13	'13-'14	'14-'15	15-'16	4-Yr Rate
Twin Cities Metro	46,680	45,991	46,682	47,276	47,792	-1.4%	3.1%	2.6%	2.1%	1.6%
Greater MN	62,007	61,170	63,042	64,650	66,036	-1.5%	1.5%	1.3%	1.1%	0.6%

Metro County										
Total Inventory						Growth				
	2012	2013	2014	2015	2016	'12-'13	'13-'14	'14-'15	15-'16	4-Yr Rate
Anoka	2,761	2,572	2,572	2,761	2,761	-6.8%	0.0%	7.3%	0.0%	0.1%
Carver	1,416	1,322	1,416	1,484	1,484	-6.6%	7.1%	4.8%	0.0%	1.3%
Dakota	5,559	5,614	5,724	5,781	5,867	1.0%	2.0%	1.0%	1.5%	1.4%
Hennepin	31,434	30,701	31,805	32,436	33,084	-2.3%	3.6%	2.0%	2.0%	1.3%
Ramsey	16,039	16,502	16,999	17,626	17,990	2.9%	3.0%	3.7%	2.1%	2.9%
Scott	1,227	1,227	1,227	1,227	1,227	0.0%	0.0%	0.0%	0.0%	0.0%
Washington	3,570	3,231	3,298	3,334	3,622	-9.5%	2.1%	1.1%	8.6%	0.6%

Minneapolis-St Paul										
Total Inventory						Growth				
	2012	2013	2014	2015	2016	'12-'13	'13-'14	'14-'15	15-'16	4-Yr Rate
Minneapolis	22,093	21,742	22,561	23,131	23,513	-1.6%	3.8%	2.5%	1.7%	1.6%
St. Paul	12,450	12,940	13,215	13,770	14,025	3.9%	2.1%	4.2%	1.9%	3.0%

Transit Network										
Total Inventory						Growth				
	2012	2013	2014	2015	2016	'12-'13	'13-'14	'14-'15	15-'16	4-Yr Rate
Fixed-Rail Transit	12,272	12,513	12,960	13,617	13,967	2.0%	3.6%	5.1%	11.0%	5.4%
High-Frequency Transit Network	25,724	26,426	27,454	28,628	29,127	2.7%	3.9%	4.3%	11.3%	5.5%

Greater MN										
Total Inventory						Growth				
	2012	2013	2014	2015	2016	'12-'13	'13-'14	'14-'15	15-'16	4-Yr Rate
Duluth CBSA	6,583	6,410	6,585	6,626	6,694	-2.6%	2.7%	0.6%	1.0%	0.4%
Mankato CBSA	1,882	1,835	1,882	1,882	1,882	-2.5%	2.6%	0.0%	0.0%	0.0%
Moorhead CBSA	1,247	1,247	1,247	1,252	1,252	0.0%	0.0%	0.4%	0.0%	0.1%
Rochester CBSA	3,987	3,987	3,987	4,145	4,149	0.0%	0.0%	4.0%	0.1%	1.0%
St Cloud CBSA	3,579	3,555	3,579	3,730	3,799	-0.7%	0.7%	4.2%	1.8%	1.5%
Bal of Greater MN	29,402	28,957	29,402	29,641	30,016	-1.5%	1.5%	0.8%	1.3%	0.5%

Data and Analysis Notes:

Unit-based subsidized affordable rental stock refers to rental housing units with public financing that ensures market rents at 80% area median income and below. Figures are based on analysis of private market rent data from HousingLink's [Streams](#) database. Fixed-Rail Transit refers to in-service rapid transit corridors (light rail transit, commuter rail, or bus rapid transit), and High-Frequency Transit Network refers to Metro Transit routes along which one may expect a bus or rail service in 15 minutes or less. GIS data for both was retrieved from the [Minnesota Geospatial Commons](#). Our Streams data is point-based, so we are able to analyze whether individual addresses fall within proximity buffers for transit networks; ½ mile for Fixed Rail Transit) and ¼ mile for the High-Frequency Transit Network.

Appendix C: Unit-Based Subsidized Affordable Unit Production

Region								
	New Production				Preservation/Stabilization			
	2012	2013	2014	2015	2012	2013	2014	2015
Twin Cities Metro	513	566	1,017	706	950	1,587	2,517	3,133
Greater MN	153	39	60	403	1,313	1,349	1,624	2,957

Metro County								
	New Production				Preservation/Stabilization			
	2012	2013	2014	2015	2012	2013	2014	2015
Anoka	0	0	47	0	186	80	0	174
Carver	0	0	16	68	0	12	113	0
Dakota	26	51	50	0	0	47	60	178
Hennepin	349	362	831	397	226	576	1,567	1,295
Ramsey	36	153	73	241	128	827	630	1,142
Scott	66	0	0	0	0	0	0	95
Washington	36	0	0	0	410	45	147	249

Minneapolis-St. Paul								
	New Production				Preservation/Stabilization			
	2012	2013	2014	2015	2012	2013	2014	2015
Minneapolis	343	314	392	329	177	380	1,253	863
St. Paul	36	93	73	241	64	633	630	902

Transit Network								
	New Production				Preservation/Stabilization			
	2012	2013	2014	2015	2012	2013	2014	2015
Fixed-Rail Transit	180	109	298	570	93	132	226	304
High-Frequency Transit Network	293	257	475	537	253	262	1,701	1,245

Greater MN								
	New Production				Preservation/Stabilization			
	2012	2013	2014	2015	2012	2013	2014	2015
Duluth CBSA	0	0	0	0	516	123	145	207
Mankato CBSA	0	39	0	0	0	0	116	135
Moorhead CBSA	0	0	0	0	0	12	0	0
Rochester CBSA	47	0	0	158	228	509	84	208
St Cloud CBSA	38	0	0	35	0	179	273	389
Balance of Greater MN	68	0	60	210	569	526	1,006	2,018

Data and Analysis Notes:

Unit-based subsidized affordable rental stock refers to rental housing units with public financing that ensures market rents at 80% area median income and below. Figures are based on analysis of private market rent data from HousingLink's [Streams](#) database. Fixed-Rail Transit refers to in-service rapid transit corridors (light rail transit, commuter rail, or bus rapid transit), and High-Frequency Transit Network refers to Metro Transit routes along which one may expect a bus or rail service in 15 minutes or less. GIS data for both was retrieved from the [Minnesota Geospatial Commons](#). Our Streams data is point-based, so we are able to analyze whether individual addresses fall within proximity buffers for transit networks; ½ mile for Fixed Rail Transit) and ¼ mile for the High-Frequency Transit Network.

Appendix C: Housing Choice Vouchers in Use

Region					
	2012	2013	2014	2015	2016
Twin Cities Metro	20,322	19,864	20,221	20,733	20,924
Greater MN	11,034	10,827	11,049	11,451	11,324

Metro County					
	2012	2013	2014	2015	2016
Anoka	1,462	1,422	1,375	1,539	1,575
Carver	158	157	175	195	232
Dakota	2,772	2,673	2,727	2,644	2,499
Hennepin	9,402	9,107	9,304	9,595	9,679
Ramsey	5,645	5,623	5,641	5,741	5,902
Scott	438	442	533	562	590
Washington	445	440	466	457	447

Minneapolis-St. Paul					
	2012	2013	2014	2015	2016
Minneapolis	4,849	4,655	4,861	4,977	5,147
St. Paul	4,225	4,240	4,296	4,273	4,309

Transit Network					
	2012	2013	2014	2015	2016
Fixed-Rail Transit	2,029	2,026	2,098	2,153	2,298
High-Frequency Transit Network	6,482	6,365	6,489	6,637	6,789

Greater MN Region					
	2012	2013	2014	2015	2016
Duluth CBSA	1,676	1,866	1,924	2,055	1,913
Mankato CBSA	742	726	771	835	858
Moorhead CBSA	535	538	571	587	599
Rochester CBSA	564	603	609	592	682
St Cloud CBSA	818	783	818	829	924
Balance of Greater MN	6,699	6,311	6,356	6,553	6,348

Data and Analysis Notes:

Housing Choice Voucher (commonly called "Section 8" voucher) figures represent analysis of a direct download of Housing Choice Voucher data from HUD's yearly data portal from [A Picture of Subsidized Households](#). Fixed-Rail Transit refers to in-service rapid transit corridors (light rail transit, commuter rail, or bus rapid transit), and High-Frequency Transit Network refers to Metro Transit routes along which one may expect a bus or rail service in 15 minutes or less. GIS data for both were retrieved from the [Minnesota Geospatial Commons](#). Housing Choice Voucher data is only available at the Census Tract level; therefore, for analysis, we include all Census Tracts for which a geographic or a population centroid falls within proximity buffers for transit networks; ½ mile for Fixed Rail Transit) and ¼ mile for the High-Frequency Transit Network.

Appendix D: Gap Financing

Gap Financing by Year of Project First Close: by % of Total					
	2012	2013	2014	2015	2016
Financing that is Gap	25.9%	35.2%	23.0%	40.0%	47.0%
Financing that is Not Gap	74.1%	64.8%	77.0%	60.0%	53.0%

Gap Financing by Year of Project First Close: by Total Dollars					
	2012	2013	2014	2015	2016
Financing that is Gap	\$43,384,100	\$25,185,500	\$24,094,489	\$89,839,285	\$64,281,923
Financing that is Not Gap	\$124,249,069	\$46,437,459	\$80,877,809	\$134,881,061	\$72,393,836

Data and Analysis Notes:

Gap refers to the portion of total investment into subsidized rental housing contributed by public, nonprofit, and philanthropic sources, and is reported at the statewide level. The data for gap analysis exclusively comes from MN Housing, as they are, to our knowledge, our only Streams funding source with the funding detail necessary to determine whether program/financial instrument is categorized as gap, or not.

Appendix E: Funding for Affordable Housing

Year-Over-Year Change in Housing Spend					
	2012	2013	2014	2015	2016
Federal	0%	59%	-35%	-30%	139%
State	0%	31%	-3%	50%	5%
Philanthropic	0%	46%	-49%	5%	-7%

Actual Spending in \$\$					
	2012	2013	2014	2015	2016
Federal	\$284,244,326	\$446,013,501	\$284,518,971	\$200,698,446	\$473,743,412
State	\$450,365,839	\$590,337,448	\$570,796,529	\$855,186,400	\$899,484,428
Philanthropic	\$12,067,000	\$17,663,262	\$9,012,500	\$9,474,000	\$8,788,397

Data and Analysis Notes:

Funding for affordable housing is comprised of three primary metrics:

1. *Federal:* This represents total US Department of Housing and Urban Development (HUD) spending in the state of Minnesota, and data is retrieved from www.usaspending.gov.
2. *This refers to spending reported by MN Housing in their Annual Report and Program Assessment, Table 5: Assistance by Region and Funds Source. Note: Assistance is broken out by "Grants, Deferred Loans, and Housing Tax Credits" and "Amortizing Loans." In past versions of MN Housing Measures, we intentionally excluded the latter category, but have elected to include both in aggregate for this and in future reports.*
3. *This refers to total grants of a five-foundation sample of Minnesota philanthropic giving to the area of housing. Data prior to 2015 was retrieved from the MN Council on Foundations' Grantmakers Online tool, and 2015-2016 data was provided directly by foundations.*