

Recommendations of the Governor's Task Force on Housing



PROSPERITY'S
FRONT DOOR
HOW HOMES BUILD STRONG COMMUNITIES

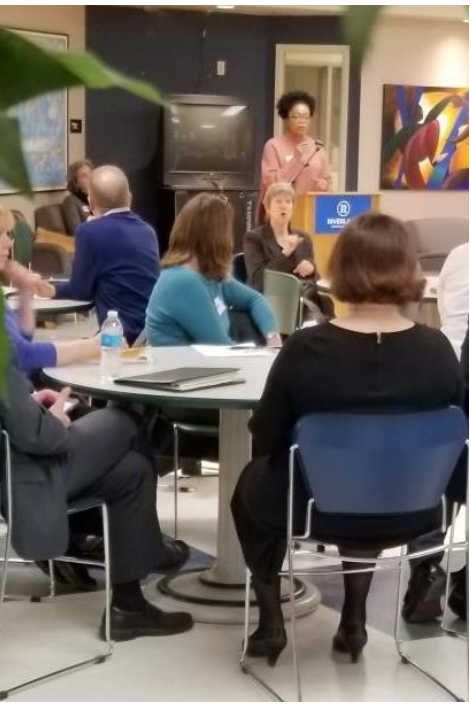


Minnesota's Housing Task Force convened in early 2018 to address the “persistent crisis” of housing affordability and accessibility

- **Bipartisan, public-private task force** of 28 members from around the state, representing a broad mix of perspectives and sectors
- Task Force **met 30+ times** over 6 months, including hosting forums around Minnesota to gain perspective and solicit ideas
- **Call for Ideas** went out across the state, and generated 70+ submissions
- Final report, released in August, contained **six comprehensive goals** with 30 strategic recommendations



Task Force hosted 8 forums around the state to understand regional differences and engage Minnesotans in identifying needs and solutions



Our Vision

Every Minnesotan has a place to live in a thriving community and livability remains a hallmark and competitive advantage for our state. Through collaboration, creativity, and effective investments, we will build Minnesota's future together and share in its prosperity.



Since 2000, housing costs have outpaced real wages in Minnesota



For Renters

Household Income **-1%**

Median Rent Costs **+13%**



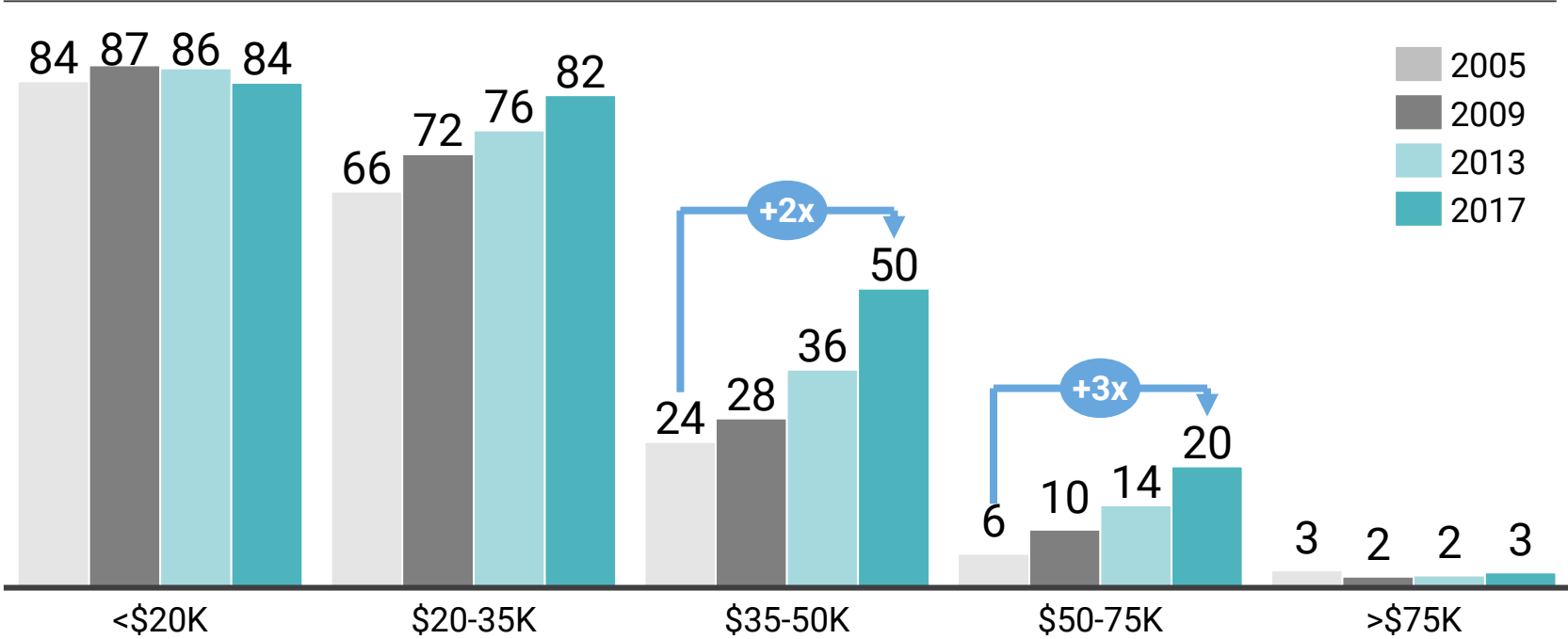
For Homeowners

Household Income **+2%**

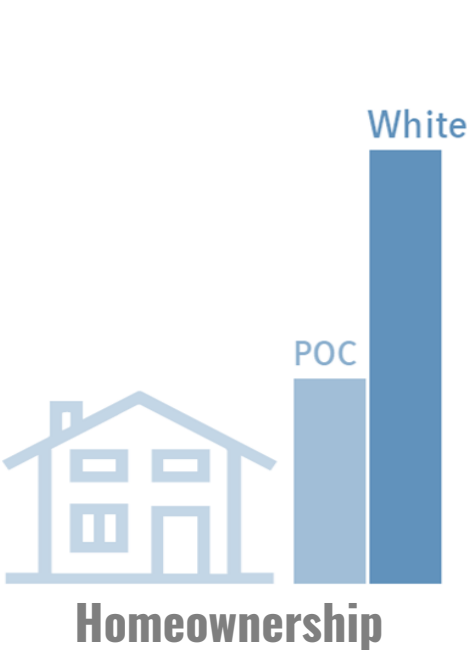
Median Rent Costs **+33%**

Moderate income households are caught in these trends in growing numbers

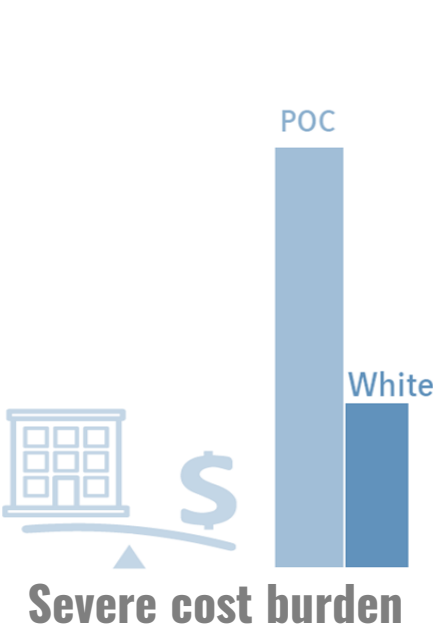
Largest cost burden increases have been for households with incomes between \$35-75k
% of tenant households that are cost burden over time by income bracket



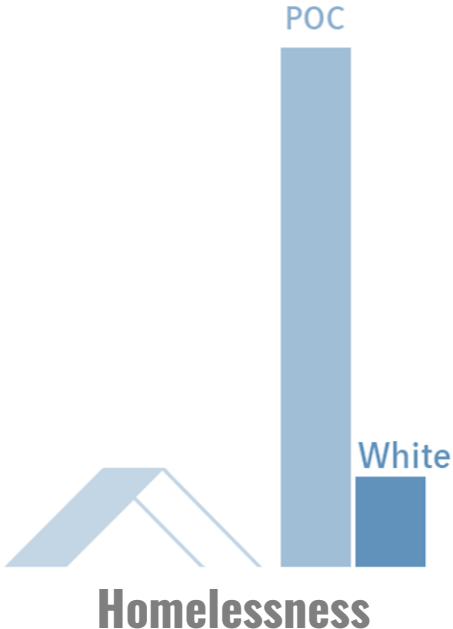
System strains exacerbate racial disparities in housing, caused by discrimination and past and present structural racism



People of color households are **half as likely** to own a home as white households



People of color households are **2.5X as likely** to be severely cost burdened as white households

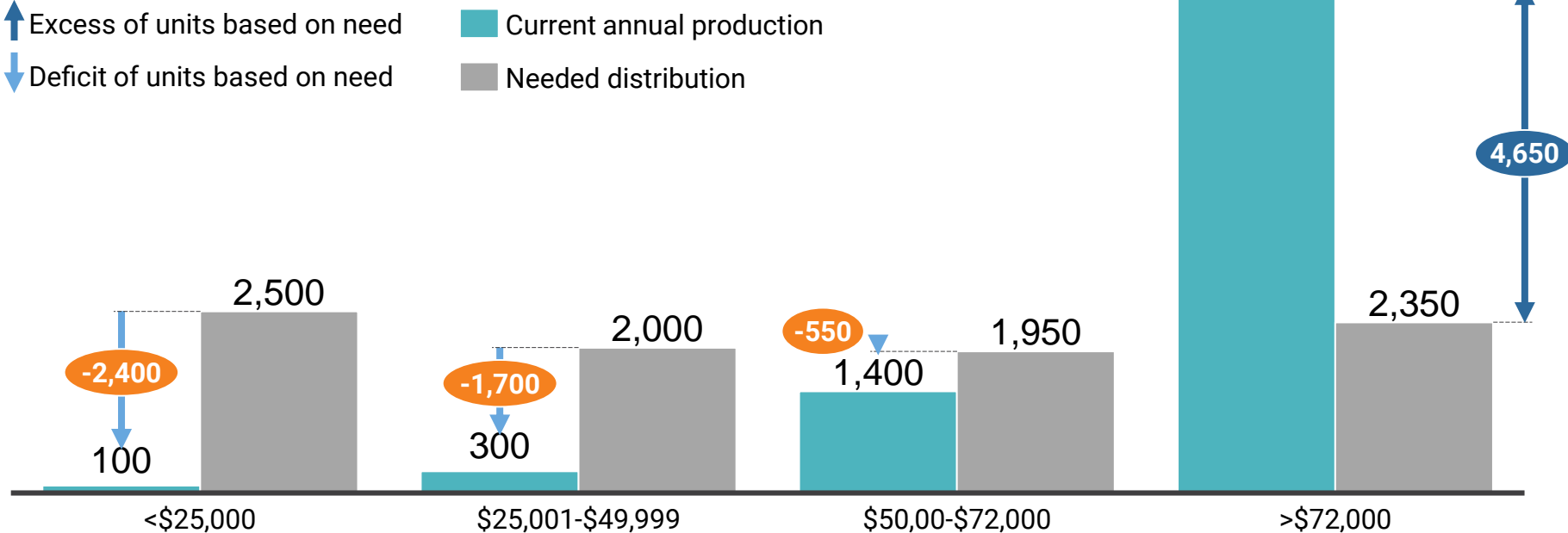


People of color households are **6.2X as likely** to be homeless as white households

We have large production gaps for low- and moderate-income rental homes

Rental markets construction is particularly uneven

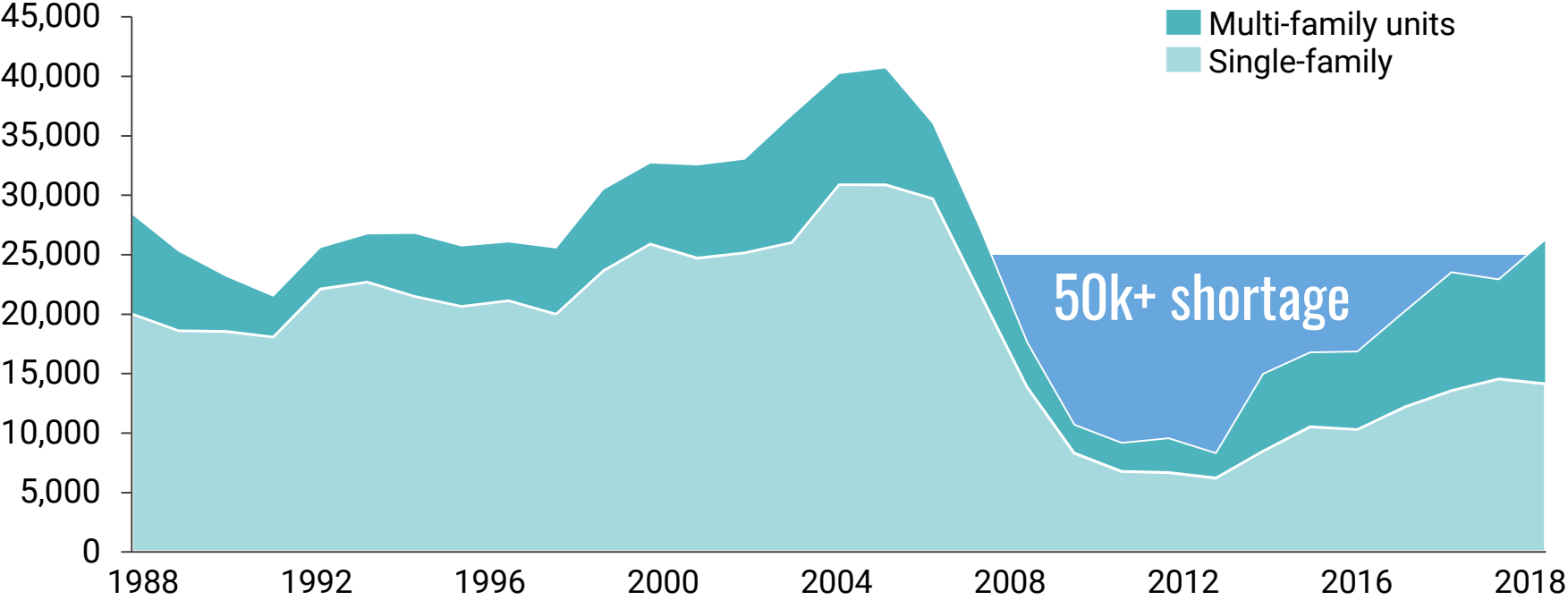
Rental production vs. needed distribution by household income



SOURCE: Minnesota Housing analysis (data from HUD, Minnesota State Demographer's Office, Met Council)

Minnesota is still working to overcome the housing shortage drive by the recession

Housing permits in Minnesota
Annual, single and multi-family private units



The Task Force released a report which centered on six goals to serve as the road map for securing a prosperous future for Minnesota



COMMIT TO HOMES AS A PRIORITY

Create a broader and stronger public commitment to the urgent need for more homes that are more affordable to more Minnesotans

PRESERVE THE HOMES WE HAVE

Keep the homes we already have, especially those that are most affordable

BUILD MORE HOMES

Build 300,000 new homes by 2030, across all types, prices, and locations to stabilize prices and meet demand.

INCREASE HOME STABILITY

Assist twice as many people at risk of losing their homes because of rent increases, evictions, and heavy cost burdens.

LINK HOMES AND SERVICES

Build stronger links between where we live and the services we may need to live stable lives.

SUPPORT & STRENGTHEN HOME-OWNERSHIP

Create pathways to sustainable homeownership, with a focus on removing barriers for households of color.



COMMIT TO HOMES AS A PRIORITY

Create a broader and stronger public commitment to the urgent need for more homes that are more affordable to more Minnesotans.

STATUS

**STRONG
START**



Increase in public attention and awareness



Gov. Walz proposed the largest-ever state investments in housing



Legislature committed to only modest statewide budget increases in 2019

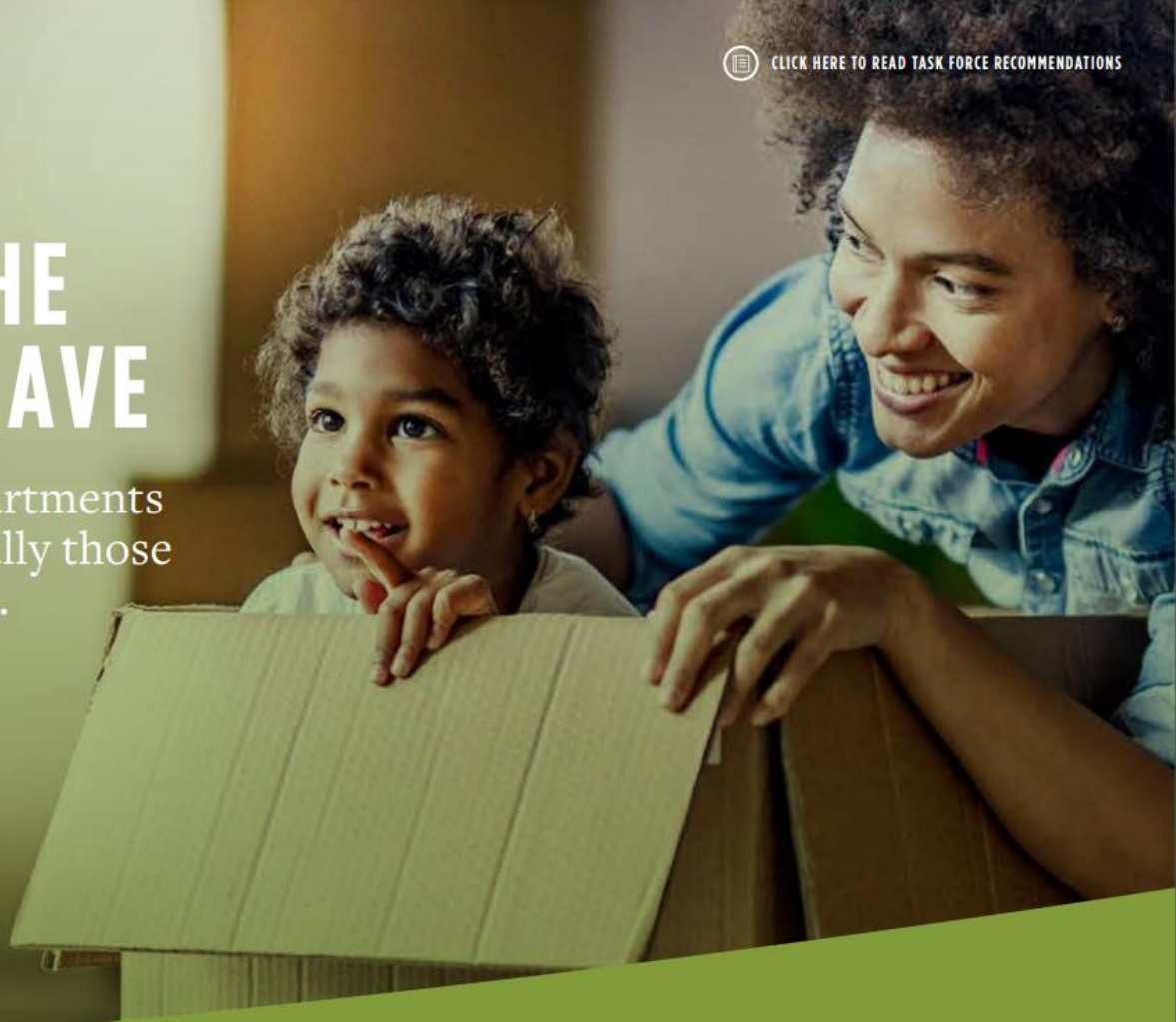


PRESERVE THE HOMES WE HAVE

Keep the homes and apartments we already have, especially those that are most affordable.

STATUS

LOSING GROUND



Fewer homes affordable at median income levels



Home prices and rents outpace wage increases



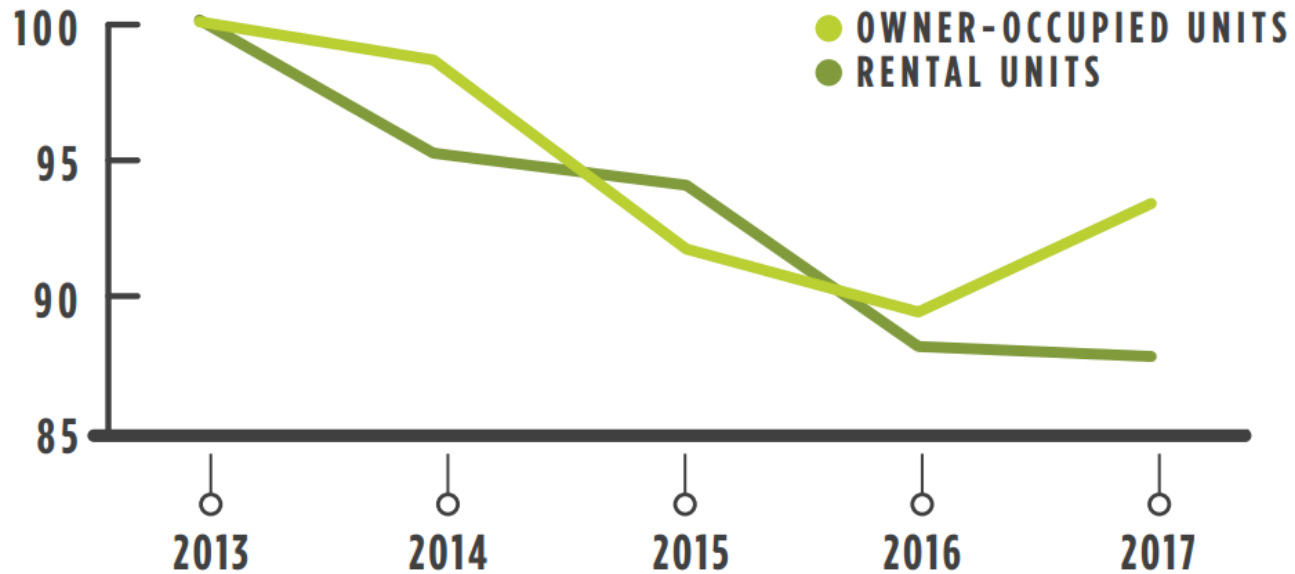
Maintained affordability provisions for subsidized housing stock



GOAL TWO : PRESERVE THE HOMES WE HAVE

Fewer affordably priced homes available to rent or buy

Homes with rents <\$1,000 or values <\$250,000, indexed



50K ↓ AFFORDABLY PRICED RENTAL HOMES LOST SINCE 2013

NOTES: All data adjusted for inflation in 2019 dollars. Affordability thresholds of \$1,000/month in rent and \$250,000 home values were determined by the total monthly costs affordable to middle-income families in Minnesota. Because increases in rents and prices that remained below this "middle-income" threshold are not calculated as lost affordable stock, these numbers understate the challenges facing families making less than median household income.

SOURCE: US Census data, ACS 2013-2017 microdata analysis by Minnesota Housing.





GOAL THREE



[CLICK HERE TO READ TASK FORCE RECOMMENDATIONS](#)

BUILD MORE HOMES

Build 300,000 new homes by 2030,
across all types, prices, and locations.

STATUS

SLOW PROGRESS



Beginning to address home
shortage, particularly in
Twin Cities Metro



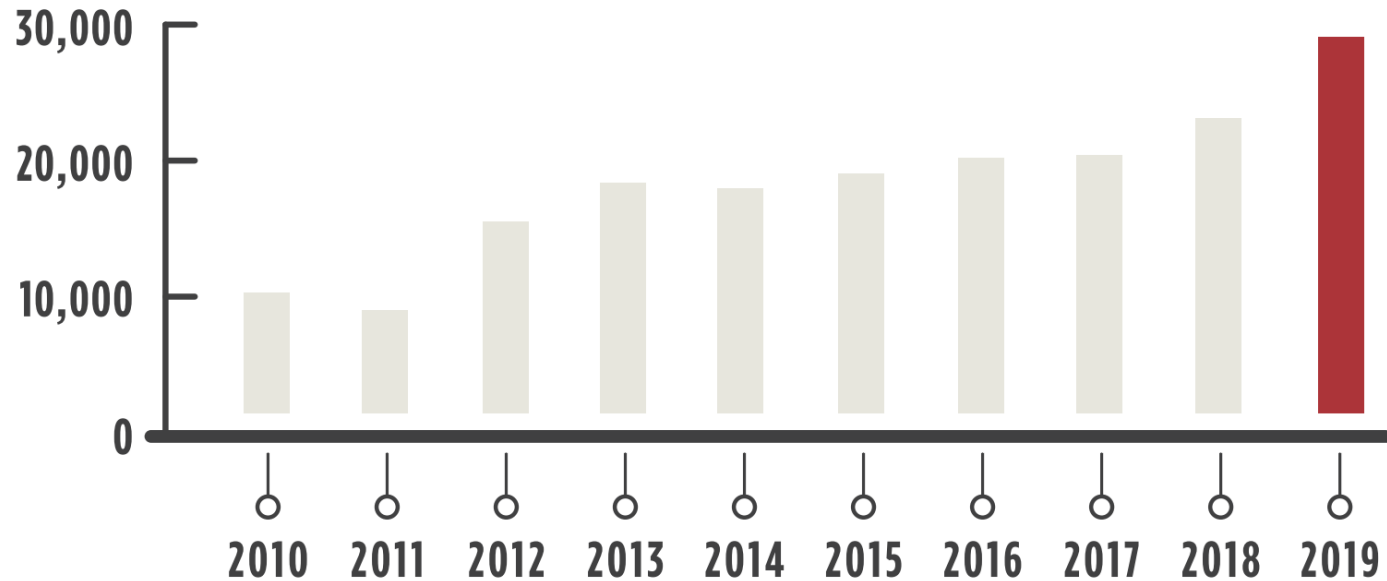
Most newly built homes are
unaffordable for low- and
moderate-income families



GOAL THREE: BUILD MORE HOMES

Number of permits issued on the rise

Residential units permitted in Minnesota, 2019 estimated



HOUSING
SHORTAGE
REDUCED BY



10%

NOTES: Through 2018, state-level annual permitting data was used. For 2019, our estimate reflects the data reported by lower-level jurisdictions combined with historical assumptions of production share.

SOURCE: HUD data on annual residential housing permits.





INCREASE HOME STABILITY

Assist twice as many families at risk of losing their homes because of rent increases, evictions, and heavy cost burdens.

STATUS

STRONG START



Rate of eviction filings has been decreasing



More local governments exploring and enacting tenant protections



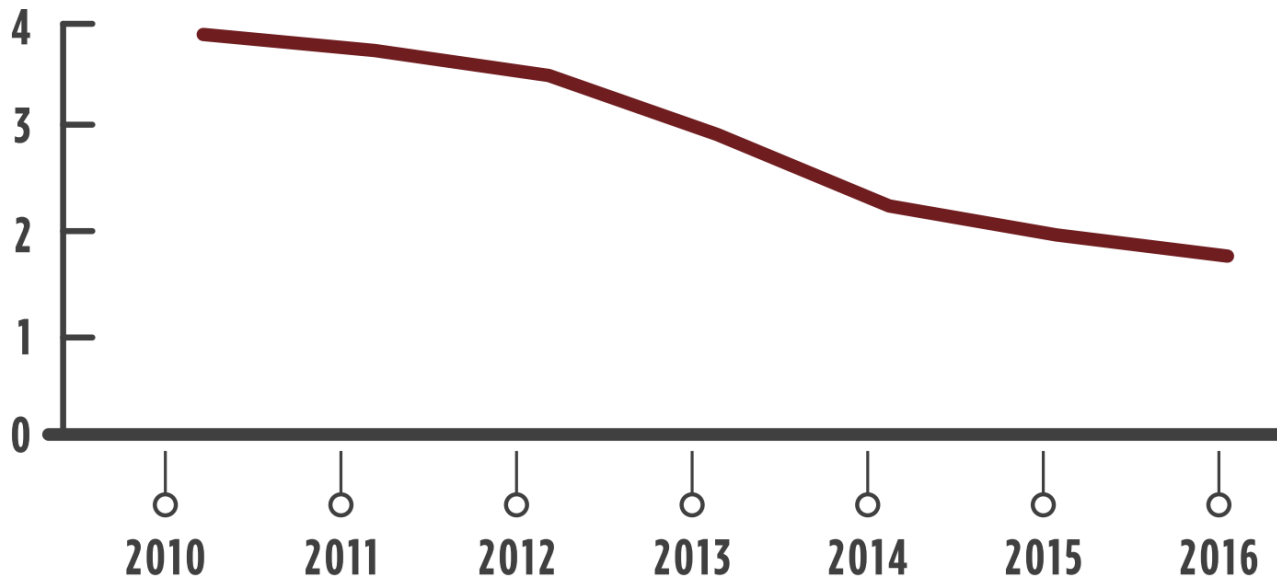
Rental assistance remains well below needed levels



GOAL FOUR : INCREASE HOME STABILITY

Annual Eviction Filing Rates

Number of eviction filings reported per 100 renter homes



40% ↓ **DECREASE IN RATE OF EVICTION FILINGS**

NOTES: While this data reflects the best available statistical look at evictions, this provides an incomplete picture of evictions and displacement. Local reviews of the Minnesota data suggests that these numbers undercount both eviction filings and judgments. Moreover, there is no way to determine how many tenants face the threat of eviction and voluntarily move before a legal filing is made. Displacement and a loss of housing stability also occur when leases are not renewed or rent increases on an expiring lease beyond the ability of a household to pay. When marking our progress, all of these factors should be considered.

SOURCE: *The Eviction Lab at Princeton University.*





LINK HOMES AND SERVICES

Build stronger links between where we live and the services we may need to live stable lives.

STATUS

**SLOW
PROGRESS**



**New ability to use
Medicaid resources for
critical housing needs**

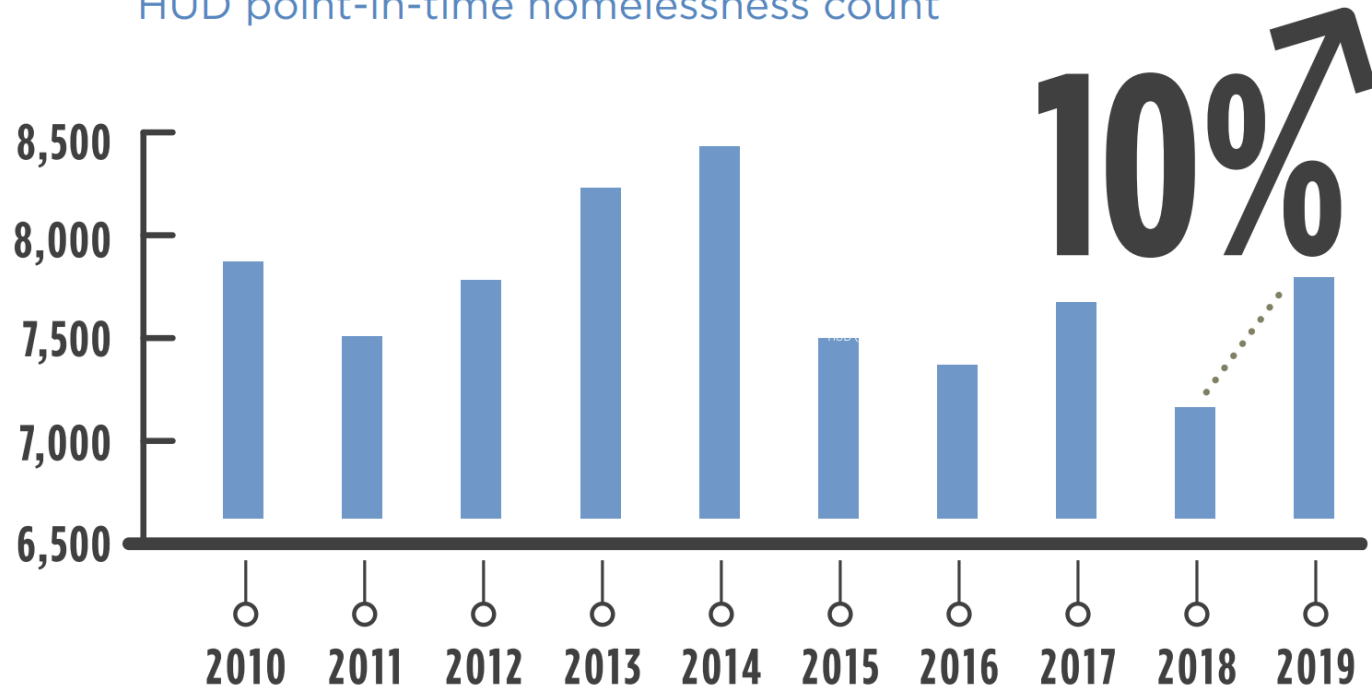


**Overall unsheltered
population increased**



Rising number of people experiencing homelessness

HUD point-in-time homelessness count



NOTES: HUD data, as the name suggests, reflect the count of sheltered and unsheltered people experiencing homelessness on a single night in January. Any data based on a single point will have weaknesses, and other counts provide a slightly different set of numbers. Nonetheless, because of the historical consistency of this data, it provides a valuable look at the trends we see in Minnesota.

SOURCE: HUD annual point-in-time count for Minnesota.





GOAL SIX



[CLICK HERE TO READ TASK FORCE RECOMMENDATIONS](#)

SUPPORT AND STRENGTHEN HOMEOWNERSHIP

Create stronger pathways to sustainable homeownership, with a focus on removing barriers for households of color.

STATUS

**LOSING
GROUND**



No progress closing disparities in homeownership rates

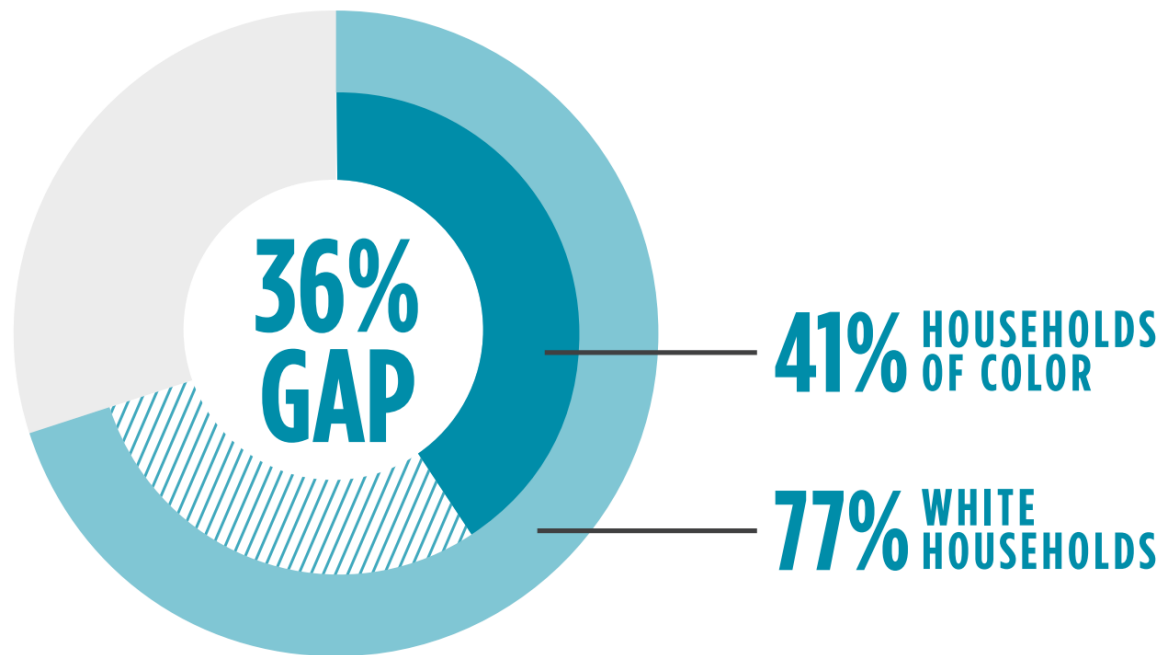


Increased rate of foreclosures



Large disparities in rates of homeownership

% of households owning a home, 2018



NOTES: "White households" reflects households who identified as "White (non-Hispanic)" in the ACS data. "Households of color" reflect an aggregate of all other racial and ethnic groups identified, including multi-racial households. Homeownership rates vary within this and further breakdowns of the data can be seen [here](#).

SOURCE: US Census data, analyzed by Minnesota Compass.

