

District 5A & Minnesota HOUSING PROFILE



Homes for All
Believe Connect Create

30% of Income & Housing

The high cost of housing hurts the families who cannot afford it and threatens Minnesota's long-term viability. Families that must spend 30% or more of their income just on housing are forced to make many tough choices with their remaining dollars: food vs. medicine, clothes vs. savings, etc. **This housing cost bind is a reality for 1 in 3 Minnesota households today, and 3 in 5 with an annual income below \$50,000.¹**

Housing Affordability by Occupation, Minnesota, 2012



Sources: OES Wage Data by economic development region, MN DEED, Q4 2012; HUD FMR, 2013; MN Dept of Revenue Sales Ratio Study, Jan-Sept 2012.

For communities to be strong and stable, housing must be affordable. Workers often face serious challenges finding a home that fits their budget, as the chart above shows. Often, where homes are affordable, working people must travel long distances to reach their place of employment. When this happens, transportation costs can offset savings on housing.

Created February 2014 by
Minnesota Housing Partnership



www.mhponline.org/homes-for-all

The Rental Market

Finding affordable housing is hard for many renters in Minnesota. Vacancy rates have been extremely low for several years, and rents have been rising.

Renter Households in District 5A 2008-2012²

Median renter household annual income	\$23,877
Median monthly rent paid	\$654
Percent spending 30% or more of income on rent	
All renters	46%
Renters earning below \$50,000 per year	58%

In Greater Minnesota, the rental stock is aging, and often poorly suited for seniors and low-income families. Attracting investment in building or rehabbing apartments is challenging, despite the need, especially without public dollars. Rents have risen faster in Greater Minnesota than in the Twin Cities area since 2005.³

Since 2000, the median rent in Minnesota rose 8%, while the median renter's income fell by 14%.⁴

Percent Change in Median Rent and Renter Income, 2000-2012, Minnesota (2012 dollars)



From 2000 to 2012, inflation-adjusted rents rose from \$755 to \$813, but annual incomes for renter households fell from \$36,000 to \$31,300.

Homeownership & Foreclosures in District 5A

- 71%** Percentage of households that own a home.⁵
- \$152,700** Median home value.⁶
- \$52,491** Median household income for owners.⁷
- 27%** Percentage of owner households paying 30% of income or more for housing.⁸
- 12,437** Foreclosures since 2005 in the North Central, Arrowhead and Headwaters economic regions.⁹

Throughout Minnesota, there have been more than 160,000 foreclosures since 2005.¹⁰ Foreclosure rates have slowed, yet 10% of Minnesota mortgage holders owe more on their home than it is worth.¹¹ Many seniors and low-income neighbors struggle to afford needed home repairs.

Affordable, stable housing is linked to greater success for kids in school and improved health outcomes. It is the foundation for building strong families, neighborhoods and cities.

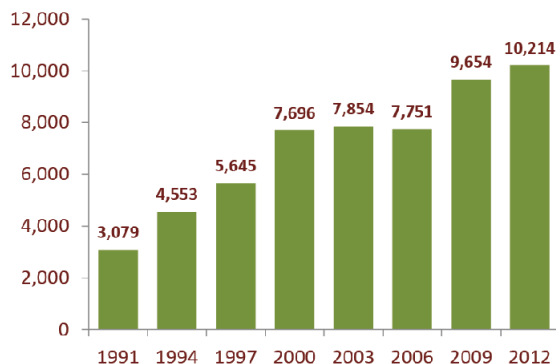
Homelessness in the Region and Across Minnesota

Minnesota's progress in combatting long-term and veteran homelessness has been notable, even while more is needed. But families and seniors are experiencing rising homelessness.

- 14,000** Minnesota's total estimated homeless population, with **over half** 21 or under.¹²
- 32%** Growth in Minnesota's homeless population from 2006 to 2012.¹³

2,342 homeless people were counted in the Northland, Central, and Northwest regions combined on a single night in 2012, including 1,051 children and youth aged 21 or under.¹⁴

Homeless Minnesotans Identified on a Single Night



Source: Wilder Research, Homelessness Study, 1991-2012.

Helping Minnesotans Experiencing Homelessness

Minnesota has been a national leader in fighting homelessness. Due to targeted public investment, the number of homeless veterans declined 13% from 2009 to 2012.¹⁵ Supportive housing, combining housing and services, **returns \$1.44 to taxpayers for every public dollar** invested.¹⁶ A night in the emergency room or jail costs taxpayers far more than supportive housing. ***State investments help build and preserve housing, the foundation for stable families, strong communities, and a competitive state.***

SOURCES: 1 American Community Survey (ACS) 2012. 2 ACS 2008-12. 3 Out of Reach, National Low Income Housing Coalition. 4 US Census 2000 & ACS 2012. 5-8 ACS 2008-12. 9-10 HousingLink & MN DEED economic development regions. 11 CoreLogic Negative Equity Report, Q3 2013. 12-14 Wilder Research Center Homelessness Surveys, 2006 & 2012. 15 Homeless veterans in Minnesota 2012, Wilder Research Center. 16 Return on investment in supportive housing in Minnesota, Wilder Research Center, 2010.



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The *Homes for All* alliance advances shared policy initiatives that lead to housing stability for all Minnesotans.

