May 2008

The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Chippewa County is conservatively estimated at 687 low-income households. Meanwhile, the number of households in the state spending more than half of their income on housing increased from 1 in 15 in 2000 to 1 in 8 in 2006. Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.

The table above shows the number and percent of households in different income brackets that pay over 30% of household income for rental or ownership costs. It illustrates that the burden of housing costs weighs more heavily on lower-income families.

About 77% of Chippewa County residents own their home and 23% are renters.
Lower-income households face extreme affordability challenges.

The chart below compares the median earnings of different workers to the income required for affordable housing. The median household income for Chippewa County was $39,154 in 2006.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Cost to Rent 2BR Apt.</th>
<th>Cost to Own Median Price Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary school</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Police Officer</td>
<td>$10,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td>$20,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$30,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Food Preparation</td>
<td>$40,000</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

In Chippewa County, a median-priced home is $84,330, and the fair market rent for a two bedroom apartment is $555 per month. Since 2000, home prices have increased by 53.3% and fair market rent has increased by 29.4%.

Approximately 12% of homeowners and 33% of renters in Chippewa County spend over 30% of their household income on housing.

In Chippewa County, a family of four with two full-time wage earners needs to earn a combined annual salary of $38,064 to afford the basic cost of living.

30% of jobs in Chippewa County and counties nearby pay less than the regional wage required to afford basic needs.

The average annual unemployment rate in Chippewa County was 3.4% in 2007.

Foreclosures in Minnesota

- There were about 20,573 foreclosures statewide in 2007, a 218% increase from 2005.
- Left unaddressed, abandoned foreclosed properties destabilize neighborhoods, erode the local tax base and drive up the costs of municipal services.

Homelessness in Minnesota

- In 2006, 28% of all adults experiencing homelessness in Minnesota reported income from work, with 12% working full time.
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. Thirty-eight percent (38%) of these are children and youth.
- On a single day in 2006, 67 people were sheltered in the Southwest Region, including 25 children.

Extreme Cost Burden

- Approximately 15% of renter households pay over 50% of their income on housing in Chippewa County.
- For homeowner households in Chippewa, 4% pay over 50% of their income on housing.

Sources:

4. Ibid.
7. Ibid.
11. Foreclosures in Greater Minnesota: A Report based on County Sheriff’s Sales Data, Greater Minnesota Housing Fund and HousingLink, 2007.
13. Ibid.
14. Ibid.
15. Ibid.
17. Ibid.