May 2008

The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Fillmore County is conservatively estimated at 850 low-income households.1 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.2

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying Over 30% in Rent</td>
<td>Percent of Households Paying Over 30% in Rent</td>
</tr>
<tr>
<td>Less than $19,999</td>
<td>310</td>
<td>49%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>12</td>
<td>4%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>3</td>
<td>2%</td>
</tr>
</tbody>
</table>

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.3 It illustrates that the burden of housing costs weighs more heavily on lower-income families.

About 81% of Fillmore County residents own their home and 19% are renters.4

What is affordable housing?

Housing is considered affordable if it consumes 30% or less of a household’s gross income.

Generally, when households spend more than 30% of their income to meet housing costs, they do not have enough income to meet other basic needs or weather financial setbacks.
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 Fillmore County was $41,710 in 2006.

In Fillmore County, a median-priced home is $110,250, and the fair market rent for a two bedroom apartment is $584 per month. Since 2000, home prices have increased by 32.8% and fair market rent has increased by 28.1%.

Approximately 13% of homeowners and 25% of renters in Fillmore County spend over 30% of their household income on housing.

In Fillmore County, a family of four with two full-time wage earners needs to earn a combined annual salary of $47,184 to afford the basic cost of living.

36% of jobs in Fillmore County and counties nearby pay less than the regional wage required to afford basic needs.

The average annual unemployment rate in Fillmore County was 4.4% in 2007.

Sources: