**Affordable Housing in Hennepin County**

**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.

**The Supply of Affordable Housing Lags Demand**

The current and projected unmet affordable housing need through the year 2010 in Hennepin County is conservatively estimated at 98,477 low-income households.¹

**Lower Income Households Face Extreme Affordability Challenges**

The table below 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 households with lower incomes spend more of their income on housing costs than those with higher incomes. According to the American Community Survey, the median household income for Hennepin County was $55,996 in 2005.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th></th>
<th>Home Owners</th>
<th></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>
<td>Number of Households Paying Over 30% for Ownership Costs</td>
<td>Percent of Households Paying Over 30% for Ownership Costs</td>
</tr>
<tr>
<td>Less than $19,999</td>
<td>39,104</td>
<td>83%</td>
<td>17,332</td>
<td>81%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>23,659</td>
<td>64%</td>
<td>19,258</td>
<td>60%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>6,439</td>
<td>25%</td>
<td>19,883</td>
<td>51%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>2,127</td>
<td>6%</td>
<td>35,484</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2005

**Hennepin County Housing Costs**

68% of Hennepin County residents own their home and 32% are renters.²

**Rental**

- A household would need to earn $34,320 to afford the fair market rent for a two-bedroom apartment ($858/mo).³
- A minimum wage worker would need to work 107 hours per week to afford Hennepin County’s fair market rent.³
- Approximately 48% of renters in Hennepin County pay over 30% of their household income on housing, and 24% of renters pay over 50%.⁶

**Homeownership**

- Between 1990 and 2000 home prices in Hennepin County rose 26% while incomes rose 8%.⁴
- A household would need to earn $69,718 to afford the median priced home ($220,000) in Hennepin County.⁵
- Approximately 29% of homeowners in Hennepin County spend over 30% of their household income on housing, and 10% spend over 50%.⁸
Homelessness in Hennepin County

A one-day survey of people experiencing homelessness in Minnesota estimates that 8,800 Minnesotans are homeless and over 11,000 are precariously housed in temporary or unstable housing.9 Thirty-nine percent (39%) of these are children and youth.10

- On August 26, 2004, 2,963 people were sheltered in Hennepin County, and an additional 555 were turned away because the shelters were full.11

The gap between the cost of housing and what people can afford is a major cause of homelessness.

- One-third of Minnesota’s homeless population cite the inability to afford housing cost as the primary reason for leaving previous housing.12
- Forty percent (40%) report being on the waiting list for Section 8, or other subsidized housing, while 16% are unable to get on the list because it is closed. The median wait time on a subsidized housing list exceeds 10 months.13

In 2003, 30% of all adults experiencing homelessness in Minnesota reported income from work, with 13% working full time.14

- 30% of surveyed adults experiencing homelessness in Hennepin County are employed.15
- Of the adults experiencing homelessness in Hennepin County who report being employed, 41% are employed full time.16

Other Important Hennepin County Housing Facts

- 10% of all Hennepin County residents and 14% of children under 18 live in poverty.17
- Hennepin County’s population increased by 3% between 2000 and 2005.18
- The average annual unemployment rate in Hennepin County was 4% in 2005.19
- A family of four with two full-time wage earners needs to earn a combined annual salary of $55,368 to afford the basic cost of living in Hennepin County. 38% of jobs in Hennepin County and counties nearby pay less than the regional wage required to afford basic needs.20

Sources:


For more information about this fact sheet or the Minnesota Housing Partnership, call (651) 649-1710 or email info@mhponline.org, or visit our website at www.mhponline.org.