**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 Pine County is conservatively estimated at 2,089 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 2000 U.S. Census, the median household income for Pine County was $37,379.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of</td>
<td>Percent of</td>
</tr>
<tr>
<td></td>
<td>Households Paying</td>
<td>Households Paying</td>
</tr>
<tr>
<td></td>
<td>Over 30% in Rent</td>
<td>Over 30% in Rent</td>
</tr>
<tr>
<td>Less than $19,999</td>
<td>379</td>
<td>51%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>66</td>
<td>17%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>4</td>
<td>3%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: U.S. Census, 2000

**Pine County Housing Costs**

84% of Pine County residents own their home and 16% are renters.²

**Rental**

- A household would need to earn $23,240 to afford the fair market rent for a two-bedroom apartment ($581/mo).³
- A minimum wage worker would need to work 73 hours per week to afford Pine County’s fair market rent.⁵
- Approximately 31% of renters in Pine County pay over 30% of their household income on housing, and 12% of renters pay over 50%.⁶

**Homeownership**

- Between 1990 and 2000 home prices in Pine County rose 71% while incomes rose 31%.⁴
- A household would need to earn $40,215 to afford the median priced home ($126,900) in Pine County.⁶
- Approximately 17% of homeowners in Pine County spend over 30% of their household income on housing, and 6% spend over 50%.⁸
Homelessness in the Central Region

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, 327 people were sheltered in the Central Region, and an additional 39 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.\(^{14}\)

- 29\% of surveyed adults experiencing homelessness in the Central Region are employed.\(^{15}\)
- Of the adults experiencing homelessness in the Central Region who report being employed, 52\% are employed full time.\(^{16}\)

Other Important Pine County Housing Facts

- 11\% of all Pine County residents and 15\% of children under 18 live in poverty.\(^{17}\)
- Pine County’s population increased by 7\% between 2000 and 2005.\(^{18}\)
- The average annual unemployment rate in Pine County was 6\% in 2005.\(^{19}\)
- A family of four with two full-time wage earners needs to earn a combined annual salary of $51,420 to afford the basic cost of living in Pine County. 50\% of jobs in Pine County and counties nearby pay less than the regional wage required to afford basic needs.\(^{20}\)

Sources:

5. Median home price from 2004 data on assessment/sales ratio studies of residential properties, Minnesota Department of Revenue, Property Tax Division; income needed to afford a median priced home based on 5\% down payment, 21\% of gross income for principle/interest and 5.73\% 360 month mortgage tem.

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.