The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Renville County is conservatively estimated at 693 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.\(^2\)

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 Renville County residents own their home and 19% are renters.\(^4\)

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.

**WHAT IS AFFORDABLE HOUSING?**

Housing is considered affordable if it consumes 30% or less of a household’s gross income.
Lower-income households face extreme affordability challenges.

The chart below compares the median earnings of different workers to the income required for affordable housing.\(^5\) The median household income for Renville County was $44,057 in 2006.\(^6\)

![Housing Affordability by Occupation, Renville County](image)

In Renville County, a median-priced home is $82,500, and the fair market rent for a two bedroom apartment is $583 per month. Since 2000, home prices have increased by 54.0\% and fair market rent has increased by 28.1\%.\(^7\)

Approximately 12\% of homeowners and 23\% of renters in Renville County spend over 30\% of their household income on housing.\(^8\)

In Renville County, a family of four with two full-time wage earners needs to earn a combined annual salary of $43,812 to afford the basic cost of living.\(^9\)

38\% of jobs in Renville County and counties nearby pay less than the regional wage required to afford basic needs.\(^10\)

The average annual unemployment rate in Renville County was 4.3\% in 2007.\(^11\)

Foreclosures in Minnesota

- In Renville County in 2007, there were about 62 foreclosures.\(^12\)
- 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.\(^13\)
- 39\% of Minnesota's homeless population cite the inability to afford housing as a primary reason for leaving previous housing.\(^14\)
- 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.\(^15\)
- On a single day in 2006, 67 people were sheltered in the Southwest Region, including 25 children.\(^16\)

Extreme Cost Burden

- Approximately 10\% of renter households pay over 50\% of their income on housing in Renville County.\(^17\)
- For homeowner households in Renville, 4\% pay over 50\% of their income on housing.\(^18\)

Sources:

4. Ibid.
6. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. Ibid.
12. Ibid.
13. Ibid.
14. Ibid.
15. Ibid.
16. Ibid.
18. Ibid.