May 2008

The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Rock County is conservatively estimated at 439 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.

<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>195</td>
<td>52%</td>
<td>141</td>
<td>34%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>10</td>
<td>6%</td>
<td>60</td>
<td>14%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>2</td>
<td>2%</td>
<td>44</td>
<td>9%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0%</td>
<td>32</td>
<td>4%</td>
</tr>
</tbody>
</table>

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About 78% of Rock County residents own their home and 22% 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.\(^5\) The median household income for Rock County was $42,542 in 2006.\(^6\)

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

In Rock County, a median-priced home is $80,000, and the fair market rent for a two bedroom apartment is $555 per month. Since 2000, home prices have increased by 15.9\% and fair market rent has increased by 45.7\%.\(^7\)

Approximately 13\% of homeowners and 27\% of renters in Rock County spend over 30\% of their household income on housing.\(^8\)

In Rock County, a family of four with two full-time wage earners needs to earn a combined annual salary of $39,240 to afford the basic cost of living.\(^9\)

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

The average annual unemployment rate in Rock County was 2.8\% in 2007.\(^11\)

Foreclosures in Minnesota

- In Rock County in 2007, there were about 5 foreclosures, a 66\% increase from 2005.\(^12\)
- 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 precarious 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 14\% of renter households pay over 50\% of their income on housing in Rock County.\(^17\)
- For homeowner households in Rock, 4\% pay over 50\% of their income on housing.\(^18\)