Affordable Housing in St. Louis 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 St. Louis County is conservatively estimated at 14,971 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 St. Louis County was $39,858 in 2005.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters Number of Households Paying Over 30% in Rent</th>
<th>Renters Percent of Households Paying Over 30% in Rent</th>
<th>Home Owners Number of Households Paying Over 30% for Ownership Costs</th>
<th>Home Owners Percent of Households Paying Over 30% for Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $19,999</td>
<td>8,476</td>
<td>78%</td>
<td>5,521</td>
<td>60%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>2,244</td>
<td>47%</td>
<td>3,420</td>
<td>29%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>282</td>
<td>12%</td>
<td>2,421</td>
<td>22%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0%</td>
<td>2,073</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2005

St. Louis County Housing Costs

75% of St. Louis County residents own their home and 25% are renters.²

Rental

- A household would need to earn $22,200 to afford the fair market rent for a two-bedroom apartment ($555/mo).³
- A minimum wage worker would need to work 69 hours per week to afford St. Louis County’s fair market rent.⁵
- Approximately 52% of renters in St. Louis County pay over 30% of their household income on housing, and 28% of renters pay over 50%.⁶

Homeownership

- Between 1990 and 2000 home prices in St. Louis County rose 39% while incomes rose 12%.⁴
- A household would need to earn $36,919 to afford the median priced home ($116,500) in St. Louis County.⁶
- Approximately 21% of homeowners in St. Louis County spend over 30% of their household income on housing, and 7% spend over 50%.⁸
Homelessness in St. Louis 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, 370 people were sheltered in St. Louis County, and an additional 270 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

- 20% of surveyed adults experiencing homelessness in St. Louis County are employed.15

- Of the adults experiencing homelessness in St. Louis County who report being employed, 34% are employed full time.16

Other Important St. Louis County Housing Facts

- 12% of all St. Louis County residents and 13% of children under 18 live in poverty.17

- St. Louis County’s population declined by 1% between 2000 and 2005.18

- The average annual unemployment rate in St. Louis County was 5% in 2005.19

- A family of four with two full-time wage earners needs to earn a combined annual salary of $42,828 to afford the basic cost of living in St. Louis County. 36% of jobs in St. Louis 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.