

# Homes for All in Mille Lacs County



2013

A slow economic recovery and fallout from the foreclosure crisis have made housing difficult for many to afford. Though homes are less expensive in some areas, many owners cannot sell due to excessive debt. Renters often lack the savings or credit needed to buy. Regardless, renting is the best choice for many. High rental demand and rising rents make renters a focus for the 2013 County Profiles.

## RENTAL OPTIONS LIMITED

Despite more renters after waves of foreclosures, the supply of places to rent is limited, and often in poor condition. 2007-2011 saw the lowest level of apartment construction statewide in any 5-year period in at least 50 years.<sup>2</sup> In Mille Lacs County, **for every 100 extremely low-income renters there are now 54 units** that are affordable and available.<sup>3</sup>

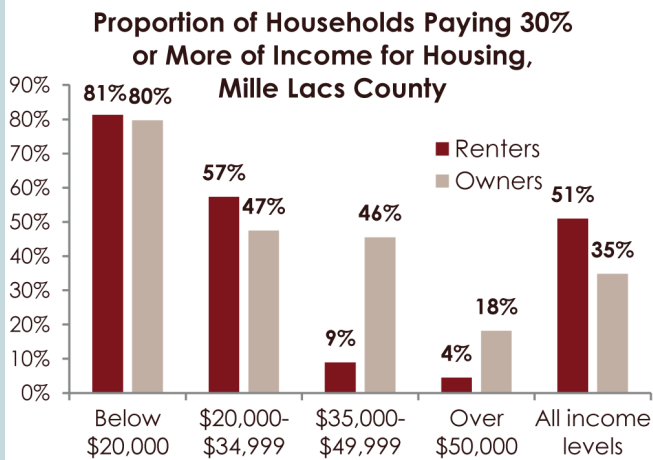
Thriving places need safe housing that people can afford. Yet some people, especially renters, are being left behind in Mille Lacs County. Renters make up 24% of the county's households.<sup>1</sup>

## INCOMES DO NOT COVER COSTS

In most Minnesota counties, **renter incomes have fallen**. According to the most recent data available, in Mille Lacs County, real renter incomes have fallen by 16% while rents have risen by 17% since 2000.<sup>5</sup>

A safe, modest 2-bedroom apartment costs \$716 per month in Mille Lacs County.<sup>6</sup> A family could affordably spend \$548 per month on rent at the median renter household income of \$21,908.<sup>7</sup> By definition, half of the county's renters earn less than this median, and would need less expensive housing. A minimum wage earner would have to work **76 hours per week**<sup>8</sup> to afford the \$716 rent for a 2-bedroom apartment.

The cost of housing now consumes more than half of income for 1 in 7 Minnesota households. In 2000, only 1 in 13 households experienced this level of cost burden.<sup>9</sup>



Number of Households Impacted<sup>4</sup>

Household Income	Renters	Owners
Below \$20,000	772	707
\$20,00—\$34,999	305	698
\$35,000—\$49,999	31	619
Over \$50,000	17	798

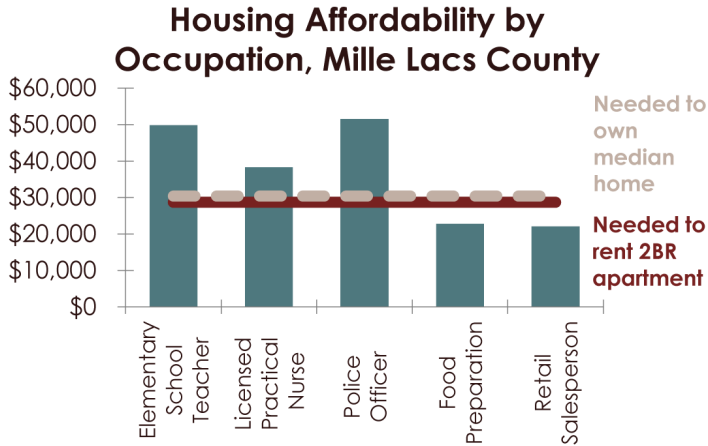
## Minnesota Housing Partnership

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# When parents cannot afford safe housing, kids do not reach their full potential.

Not all workers can afford housing readily. The median earnings for some essential jobs are simply too low in comparison to the actual costs of housing, the chart below shows.<sup>10</sup>



## EMPLOYMENT OPTIONS

- There are 5.4 job seekers for each vacant job in Mille Lacs County and counties nearby.
- For vacant positions, the median wage is \$12.20 for full time and \$8.86 for part time jobs.
- The area unemployment rate was 7.5% in May, 2013. This does not include any workers who have quit looking for work.<sup>11</sup>

**In Mille Lacs County, 12% of owner and 24% of renter households pay half or more of their income for housing. These families must choose between housing, food, medicine, and other basic needs.**<sup>12</sup>

## HOMEOWNERSHIP & FORECLOSURE

- The median sales price for non-foreclosed homes is about \$115,812 in Mille Lacs County, which is a real decrease of about 38% since 2006.<sup>13</sup>
- From 2005-2012 in Mille Lacs County, there were 1,447 foreclosures.<sup>14</sup>
- 16% of Minnesota mortgage holders currently owe more on their home than it is worth.<sup>15</sup>
- Almost 4% of primary mortgages in Minnesota were delinquent by 60+ days in early 2013, down from 8% in 2009. The average was 1.7% from 1979 to 2004.<sup>16</sup>

**SOURCES:** 1 US Census 2010. 2 Building Permits Survey, US Census Bureau. 3 National Low Income Housing Coalition (NLIHC) analysis of CHAS data, 2006-10. 4 American Community Survey (ACS) 2007-11. 5 US Census 2000 & ACS 2007-11. 6 HUD Fair Market Rent (FMR), 2013. 7 ACS 2007-11. 8 Out of Reach 2013, NLIHC. 9 US Census 2000 & ACS 2011. 10 OES Wage Data by economic development region, MN DEED, Q4 2012; HUD FMR, 2013; MN Dept of Revenue Sales Ratio Study, Jan-Sept/2012. 11 MN DEED Job Vacancy Survey & Local Area Unemployment Statistics, Q4 2012. 12 ACS 2007-11. 13 MN Department of Revenue Sales Ratio Study, 2006 & Jan-Sept/2012. 14 HousingLink. 15 CoreLogic Negative Equity Report, Q4 2012. 16 National Delinquency Survey, Mortgage Bankers' Association, Q1 2013. 17 Wilder Research Center, 2007 & 2013. 18,19 Ibid. 20 Small Area Income & Poverty Estimates, 2001 & 2011. 21 Wilder Research Center, 2013.

Homelessness and poverty are a reality for too many Minnesotans, adults and children alike. 10,214 Minnesotans were found to be homeless on a given night in 2012. Homelessness increased by 32% statewide from 2006 to 2012.<sup>17</sup>

## Children in the Region

About half of the people experiencing homelessness in Minnesota are 21 or under.<sup>18</sup> Children are especially vulnerable to the impacts of unstable, unaffordable housing and homelessness. Normal growth and development can be stunted, and school performance suffers as a result.

Locally, on a single day in 2012, 605 people were known to be homeless in the Central Region. 171 were children with their parents, and 83 were youth through age 21 living on their own.<sup>19</sup>

In 2011, 19% of the children in Mille Lacs County were living in poverty, up from 11% in 2001.<sup>20</sup>

## Veterans in need

Statewide, 580 homeless veterans were identified on a single night in 2012. Veterans are far more likely than non-veterans to experience homelessness.

In October 2012, 14% of homeless adults identified in the Central Region had served in the military.<sup>21</sup>