

State & Legislative District Housing Profile

2016 | District 45A

March, 2016

The Real Cost of Housing in Minnesota

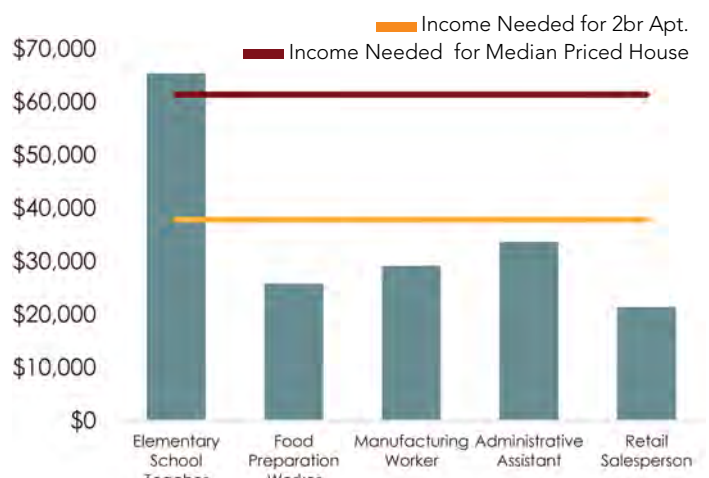
The growing cost of housing in Minnesota hurts low to moderate income families and the communities they call home. From 2000 to 2014, the statewide median income declined among homeowners and renters, but housing costs increased, *creating a housing cost burden for 1 in 3 Minnesota households*.¹ Stable, affordable housing is the foundation for building strong families and communities making the gap between incomes and housing costs a real threat to the long-term viability of Minnesota.

Housing Cost Burden Forces Tough Choices

Households that spend 30% or more of their income on housing are forced to make many tough choices with their remaining dollars. In Minnesota, the growing cost of housing makes it difficult for many workers to afford decent, stable housing:

- ▶ 3 in 5 households earning less than \$50,000 are cost burdened (2014), spending 30% or more of their income on housing.²
- ▶ Families must earn \$17.20/hr & work 40hr/week to afford a 2br apartment (2015).³
- ▶ Minimum wage earners must work 68 hours per week to afford a 1br apartment at 30% of their income (2015).⁴

Housing Affordability in Economic Development Region 11
2014 Dollars, MN Dept. Revenue; HUD; OES Wage Data⁵



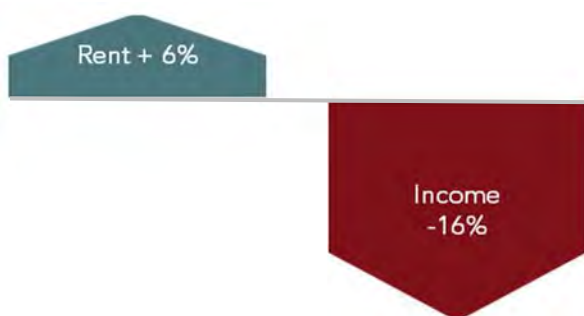
*Occupations represent top five employment sectors by region

The Rental Market

Finding affordable housing is difficult for many renters in Minnesota because vacancy rates have been extremely low for several years, and rents have been increasing.

Change in Rent & Renter Income, MN, 2000-2014

2014 Dollars, ACS 2010-2014 & 2000 Census, U.S. Census Bureau



Renters in District 45A, 2014

2014 Dollars, ACS 2010-2014, Census Bureau

Median Household Income (Annual)	\$34,174
Median Monthly Rent Paid	\$917
Percent of Renters Spending 30% or more on Housing	53%
Income Less than \$50,000/yr	48%
Total Renter Occupied Households	7,014

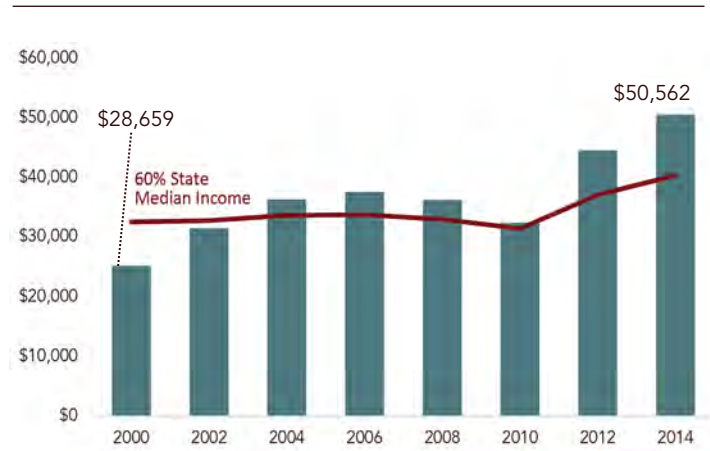


Homeowner Market

Across Minnesota, foreclosures and evictions are slowing to pre-recession levels. But for many homeowners, the income needed to afford a median priced home continues to increase.

Homeowners in District 45A	
2014 Dollars, ACS 2010-2014, U.S. Census Bureau	
59%	Owner Occupied Households
9,980	Total owner occupied households
\$76,845	Median household income
23%	Cost burdened homeowners
\$182,600	Median home value

Income Needed to Own Median Priced Home, MN
Non-Inflation Adjusted Dollars, MN Dept. Revenue



* 60% median income is the threshold to qualify for the Minnesota Housing Finance Agency mortgage program

Homelessness Across Minnesota

On a single night in 2015, over 7,500 Minnesotans were identified as homeless.⁶ Many of these individuals are children, younger adults, veterans, and chronically homeless individuals.

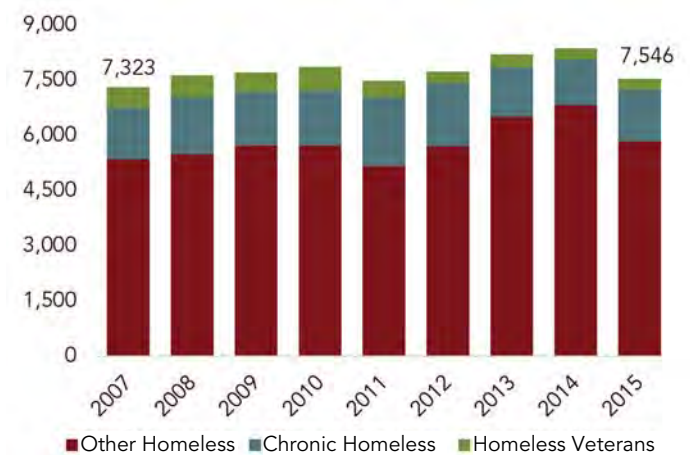
Wilder Foundation Statistics on Homelessness

2012, *Statewide & Region Counts of Homeless People*

- People who are 21 or younger make up 46 percent of Minnesota’s homeless population.
- The number of children in emergency shelters increased 44 percent from 2009 to 2012.
- Adults 55 and older only accounted for 8 percent of the homeless population, but their numbers increased 48 percent from 2009 to 2012.

Homelessness Across Minnesota, 2007-2014

Composition of Minnesota’s Homeless Population, HUD PIT (2007-2015)



* Bars represent sub-groups that compose total homeless population, the number above the bar is the total homeless population

Recent Trends, New Directions

With the number of foreclosures returning to pre-recession levels, affordable housing providers and advocates must refocus their work. The rising real cost of housing compared to incomes is a growing issue in most communities, especially for people at the lowest income levels.

Sources: 1-2: American Community Survey (ACS) 5-Year Counts, 2010-2014, U.S. Census Bureau; 3-4: National Low Income Housing Coalition, *Out of Reach 2015*; 5: Calculations Based on Minnesota Department of Revenue, *Sales Ratio Study* (based on January-September home sales prices). 2014; HUD Fair Market Rent (by county), 2014; OES Wage Data (by economic development Region), Q1 2015; 6: HUD Point in Time Counts, 2015.