

# Housing Affordability in Beltrami County

May 2009

Housing is considered affordable if it consumes less than 30% of a household's gross income. At higher levels, families must choose between housing and other basic needs and will struggle to weather financial setbacks. For 2009, housing costs continue to consume a large portion of families' income, with substantial unemployment threatening Minnesotans.

**Minnesota Housing Partnership**  
Homes for all.



## Renters

## Home Owners

Household Income	Number of Households Paying 30% or More in Rent	Percent of Households Paying 30% or More in Rent	Number of Households Paying 30% or More in Ownership Costs	Percent of Households Paying 30% or More in Ownership Costs
Less than \$20,000	1,180	72.4%	1,267	65.7%
\$20,000 – \$34,999	226	32.5%	662	35.5%
\$35,000 – \$49,999	49	15.9%	512	24.7%
\$50,000 and over	4	0.5%	437	7.8%
<b>All Income Levels</b>	<b>1,525</b>	<b>37.4%</b>	<b>2,878</b>	<b>25.1%</b>

The table above shows the number and percent of households in different income brackets that pay 30% or more of household income for rental or ownership costs. It illustrates that the **burden of housing costs weighs more heavily on lower-income families.**<sup>1</sup>

Even before the current economic downturn, housing needs were severe. In 2007, 1 in 8 households spent at least half of their income on housing, up from 1 in 15 in 2000. **Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.**<sup>2</sup>

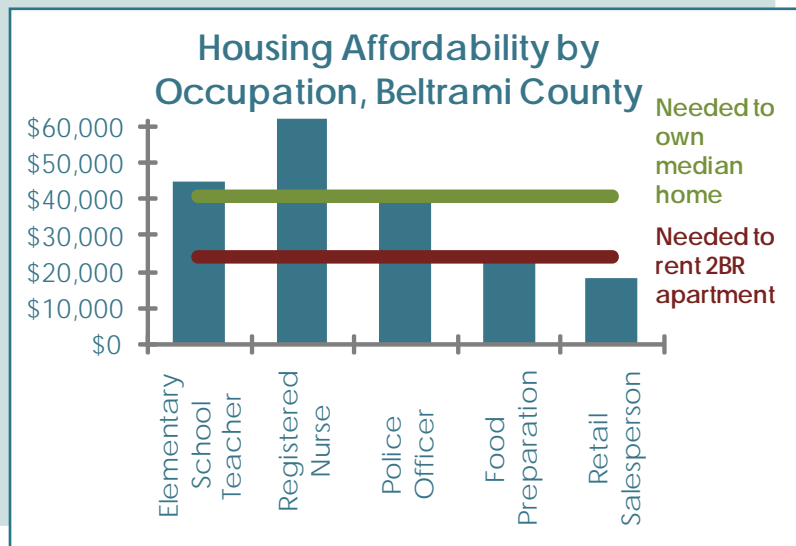
In 2005-2007, about 73.8% of Beltrami County residents owned their home and 26.2% were renters. Of these, approximately 25.1% of homeowners and 37.4% of renters in Beltrami County spent 30% or more of their household income on housing.<sup>3</sup>



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# Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.<sup>4</sup>



**HOUSING COSTS.** In Beltrami County, a median-priced home cost \$128,500 in 2008, and the fair market rent for a two-bedroom apartment was \$605 per month in 2009. Since 2001, home prices have increased by 61.9%, and the fair market rent has increased by 31.2%.<sup>5</sup>

**INCOME.** In Beltrami County, a family of four with two full-time wage earners needs to earn a combined annual salary of \$47,868 to afford the basic cost of living.<sup>6</sup> The median household income for Beltrami County was \$41,039 in 2007.<sup>7</sup>

**JOBS.** 42% of jobs in Beltrami County and counties nearby pay less than the regional wage required to afford basic needs.<sup>8</sup> The average unemployment rate in Beltrami County was 10.5% in March, 2009, up from 6.5% in March 2006.<sup>9</sup>

**SOURCES:** 1 American Community Survey, 2005-7. 2 Ibid. 3 Ibid. 4 OES Wage Data by economic development region, MN DEED, 4th quarter, 2008; HUD Fair Market Rents, 2009; MN Department of Revenue Sales Ratio Study, 2007-8. 5 MN Dept of Revenue Sales Ratio Study 2000-1 & 2007-8; HUD Fair Market Rents, 2001 & 2009. Not adjusted for inflation. 6 The Cost of Living in Minnesota Family Wage & Budget Calculator, JOBS NOW Coalition, 2009. 7 Small Area Income & Poverty Estimates, 2007. 8 The Cost of Living in Minnesota, JOBS NOW Coalition, 2007. 9 Local Area Unemployment Statistics, MN DEED, March 2009. 10 Minnesota Foreclosure Supplement, 2008, HousingLink, 2009. 11 2008 Foreclosure Counseling Program Report, Minnesota Home Ownership Center, April 2009. 12 Wilder Research Center, 2007. 13 Ibid. 14 Ibid. 15 American Community Survey, 2005-7. 16 Ibid.

## Foreclosures in Minnesota

- In Beltrami County in 2008, there were about 72 foreclosures, a 7.7% decrease from 2007.<sup>10</sup>
- Left unaddressed, abandoned foreclosed properties destabilize neighborhoods, erode the local tax base and drive up the costs of municipal services.
- Of homeowners seeking foreclosure counseling in 2008, three-quarters were considered to be low- and moderate-income. Half experienced a reduction of income before seeking counseling. 60% had prime mortgages.<sup>11</sup>

## Homelessness in Minnesota

- On a single day in 2006, 198 people were sheltered in the Northwest Region, including 81 children.<sup>12</sup>
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.<sup>13</sup>
- 39% of Minnesota's homeless population cite the inability to afford housing as a primary reason for leaving previous housing.<sup>14</sup>

## Extreme Cost Burden

- Approximately 16.2% of renter households pay at least half of their income on housing in Beltrami County.<sup>15</sup>
- For homeowner households in Beltrami County, 8.7% pay at least half of their income on housing.<sup>16</sup>