

# State of the State's Housing 2019

Biennial report of the  
Minnesota Housing Partnership



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## Why does the state of Minnesota’s housing matter?

Adequate housing is critical for local **jobs** and strong **economies**.

Stable housing is essential to kids’ **success in school**.

Affordable housing is vital to positive **health** outcomes.

In communities **statewide**, there isn’t enough affordable housing leaving few options for **Minnesotans struggling to make ends meet** threatening **families** with no place to go

# Our current trajectory is unsustainable.

Minnesota is stronger when everyone has a path to prosperity — regardless of income, race, or age. When all Minnesotans have access to a safe, affordable home to live near their work, spend time with their family and friends, stay healthy, and build wealth, our communities and businesses will grow and thrive.

**That vision is within our reach. But only if we address our state’s growing lack of affordable housing.**

*State of the State’s Housing 2019* shows that we have failed to address significant and increasing gaps between housing costs and incomes. Our lack of affordable homes impacts everyone, everywhere across our state. However, for people of color and Indigenous people, Minnesotans at the lowest incomes, and seniors, the impacts are particularly severe.

With a growing population and expanding economy, it’s time to take action to ensure all Minnesotans can prosper.

In its second edition, MHP’s *State of the State’s Housing* continues to benchmark progress at the state, region, and county levels in critical areas. This report looks at cost-burdened households paying more than they can afford for housing\*; a comparison of what common jobs pay relative to what renting and owning actually costs; changes in rent and home values; trends in senior housing; and the homeownership gap.

\*In this report, *paying more than they can afford* references households that spend more than 30 percent of their income on housing, likely requiring sacrifices in other critical areas like food, medicine and transportation.

## Key Findings

**More than 1 in 4 — or 572,133 — households in Minnesota pay more than they can afford for housing,** making it likely that they cut back on necessities like food, education and medicine simply to pay their rent or mortgage. That number grew by nearly 26,000 households from 2015 to 2017.

**Racial disparities persist.** Forty percent of households of color experience cost burden compared to 23 percent of white households.

**The gap between housing costs and incomes is growing.** From 2000 to 2017, median rent has risen 13 percent, while median renter income has fallen 5 percent.

**Minnesota’s top in-demand jobs don’t pay enough to afford housing.** Only one of the seven top in-demand jobs in Minnesota pays enough to afford a median-value home. Only two of these jobs pay enough to afford a two-bedroom apartment.

**High housing costs continue to threaten the health of Minnesota seniors.** Fifty-seven percent of all senior renters and more than a quarter of all senior homeowners pay more than they can afford for housing.

Data for the *State of the State’s Housing* is gathered from a variety of sources including the American Community Survey (ACS) from the U.S. Census, the U.S. Department of Housing and Urban Development, the Bureau of Labor Statistics, Minnesota Department of Employment and Economic Development, and the Minnesota Department of Revenue.

# Minnesota



## STATE HOUSING PROFILE | 2,153,202 HOUSEHOLDS

### RENTER HOUSEHOLDS

611,161 | 28% of households



### OWNER HOUSEHOLDS

1,542,041 | 72% of households

### Many Minnesotans cannot afford a home.

Rent and home values continue to rise while incomes decline or remain stagnant, putting a modest apartment or homeownership out of reach.

**\$906** Median rent 2017  
**\$804** Median rent 2000  
**+13%** RENT ↑

**+15%** VALUE ↑  
 2017 median home value **\$199,700**  
 2000 median home value **\$173,808**

**\$37,702** Median renter income 2000  
**\$35,964** Median renter income 2017  
**-5%** INCOME ↓

**+3%** INCOME ↑  
 2000 median owner income **\$78,580**  
 2017 median owner income **\$80,592**

**179,415** Extremely low-income (ELI) households  
**68,104** Available units affordable to ELI

% white households that are homeowners **76%**  
 % people of color households that are homeowners **41%**

**17,846** EVICTIONS IN 2017  
 18,280 Evictions in 2015

**FORECLOSURES IN 2017 4,231**  
 Foreclosures in 2015 7,212

### Many Minnesotans are experiencing cost burden.

When housing costs require more than 30 percent of a household's income each month, families are more likely to have insufficient resources to pay for basic needs, like food and medicine. Yet more than 572,000 Minnesota households are cost burdened.

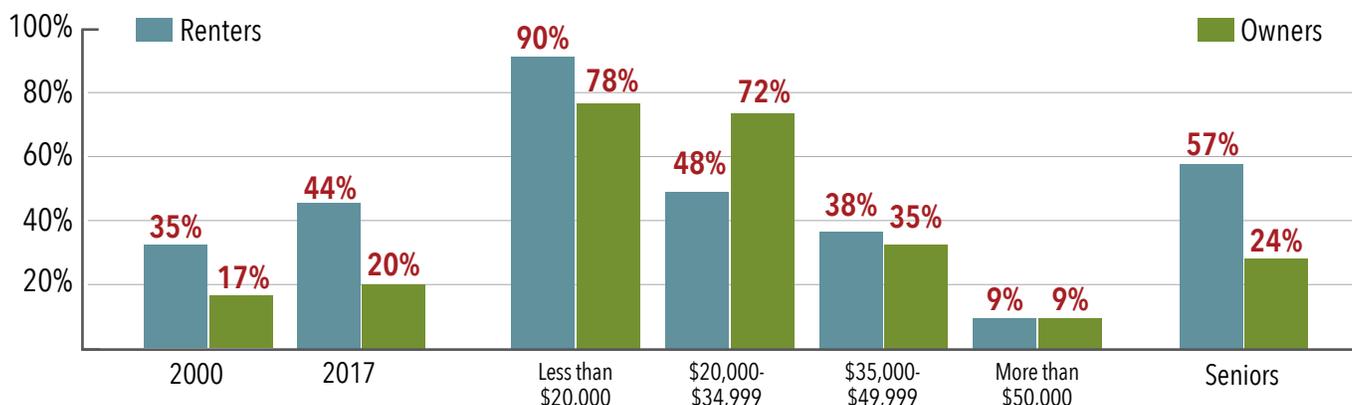
RENTER households  
**271,229**

TOTAL cost-burdened households  
**572,133**

OWNER households  
**300,904**

**61,585** Cost burdened SENIOR renter households  
**133,752** SEVERELY cost burdened renter households

Cost burdened SENIOR owner households **96,134**  
 SEVERELY cost burdened owner households **108,109**

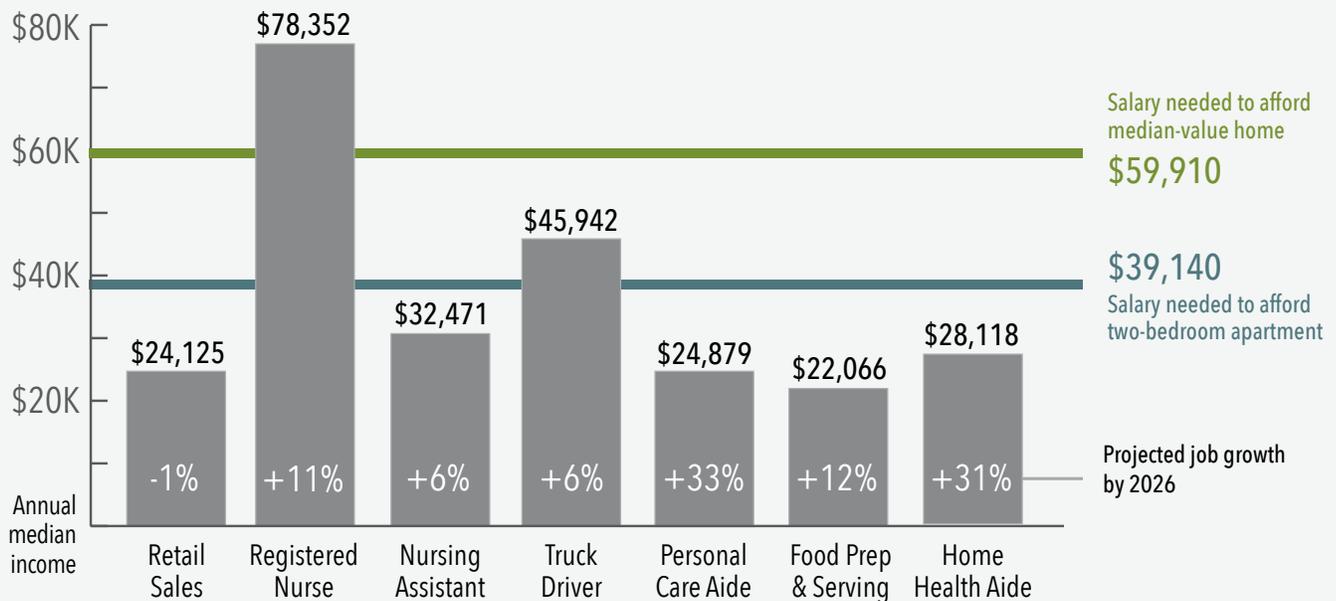


## In-demand jobs don't cover housing costs.

The median earnings for most of the top in-demand and high-growth jobs throughout Minnesota do not cover housing costs for a two-bedroom apartment or the mortgage for a median-value home.

### WAGES & HOUSING AFFORDABILITY IN MINNESOTA

NEW JOB GROWTH  
BY 2026: **181,647**



Hours per week minimum wage employee must work to afford a one-bedroom apartment **61**



% of employees who live in county of workplace **64%**

Average commute time **23 mins**

## Our housing stock won't meet the needs of a growing Minnesota.

Housing production is not keeping up with demand, undermining the economic development and prosperity of many communities, and worsening housing disparities for seniors and households of color.

**587,252** Total population growth by 2035

**50%** Growth in # of people of color (POCI)

**25%** POCI % of overall population in 2035



Total senior population by 2035 **1,329,876**

Growth in # of seniors by 2035 **64%**

Senior % of overall population in 2035 **22%**



**29%** % rental units built before 1960

**8,303** Multi-family units permitted in 2017

**8,547** Multi-family units permitted in 2015



% single family homes built before 1960 **32%**

Single-family units permitted in 2017 **13,508**

Single-family units permitted in 2015 **10,900**



**SOURCES** – Renter households: Rent and income adjusted for inflation. U.S. Census Bureau, American Community Survey 2017, 5 year estimates | Owner households: Home value and income adjusted for inflation. U.S. Census Bureau, American Community Survey 2017, 5 year estimates | Cost burden: U.S. Census Bureau, American Community Survey 2017, 5 year estimates | Evictions: Minnesota State Court Administrator, Monthly Unlawful Detainers by County | Foreclosures: Minnesota Homeownership Center, County Sheriff's Data 2017 | ELI Units and Renters: MHP Analysis of HUD's CHAS Portal Data using the NLIHC methodology | Wages: Minnesota Department of Employment and Economic Development (MN DEED), Occupations in Demand, July 2017; Employment Outlook, MN DEED | Housing Stock: U.S. Census Bureau, American Community Survey 2017, 5 year estimates, U.S. Census Bureau, Building Permits Survey, 2018 | Seniors / Population growth: Minnesota County Population Projections by Age and Gender, Minnesota State Demographic Center, March 2017 | Cost of Living: Minnesota DEED, Labor Market Information, 2017

# State of Minnesota's Housing

Minnesota faces many challenges in providing quality homes for all residents. In Greater Minnesota, major housing issues include wage stagnation, renter cost burden, and a need for more senior and workforce housing. In the Twin Cities, large percentages of renters and seniors pay more than they can afford for housing — and racial disparities in homeownership are among the highest in the nation. With the average family size of three, the current cost of living is \$57,624<sup>1</sup>. Statewide, housing accounts for 20 percent of total monthly costs — but with rising housing costs a growing number of families are paying more, sacrificing other necessities like food and health care to make ends meet.

Because of the lack of affordable housing options across Minnesota, families are forced to make impossible decisions on

a daily basis. Cost burden, a key metric in assessing housing affordability, occurs when a household spends more than 30 percent of its annual income on housing. At 27 percent of all households, the rate of housing cost burden

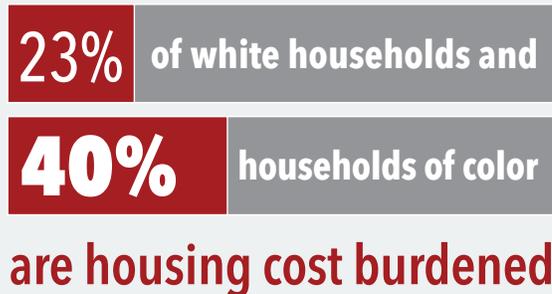
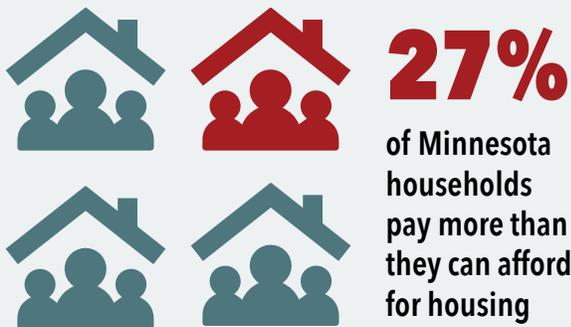
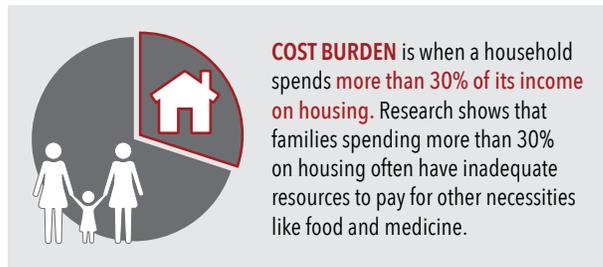
in Minnesota is slightly lower compared to the national average of 32 percent. More than 1 in 4 — or 572,133 — households in Minnesota are cost burdened. And cost burden disparately impacts households of color: 40 percent experience cost burden compared to 23 percent of white households.

## Renters

Minnesota has one of the largest renter populations in the Upper Midwest<sup>2</sup> with 611,160 renter households, which has grown proportionally by 27 percent since 2000. Of these households, 44 percent experience

housing cost burden and 22 percent experience severe housing cost burden — meaning they pay more than 50 percent of their income on rent. Of all the states in the Upper Midwest, Minnesota contains the highest percentage of

cost-burdened renters, outpacing Wisconsin, Iowa and the Dakotas. While many housing trends vary by region, renter cost burden is an issue in every Minnesota county.



<sup>1</sup> Estimate for 1 full time, 1 part time worker and 1 child

<sup>2</sup> Upper Midwest refers to Minnesota, Iowa, Wisconsin, North Dakota and South Dakota

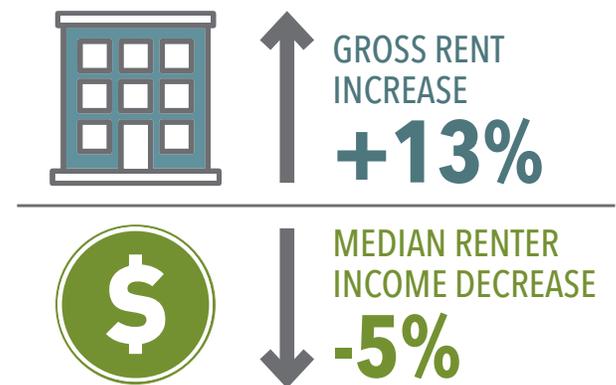
The number of extremely low-income renters, or renter households that earn under 30% of area median income (AMI), has continued to rise statewide. More than 179,400 renter households in the state that fall into this category; yet, there are only 68,104 affordable and available units at this income level across the state. With projected population increase and an already tight housing market, affordable units — especially for those at the lowest incomes — will be critical to develop and preserve.

In part, many renters experience housing cost burden because their wages have decreased relative to housing costs. Between 2000 and 2017, the median renter income in Minnesota decreased by 5 percent, yet the median gross rent for the state increased by 13 percent. These trends are largely in line with national trends, which show a 6 percent decrease in the median renter income and a 15 percent increase in the median gross rent. Minnesota’s median gross rent is the highest in the Upper Midwest at \$906, greatly surpassing neighboring states by as much as \$200 per month.

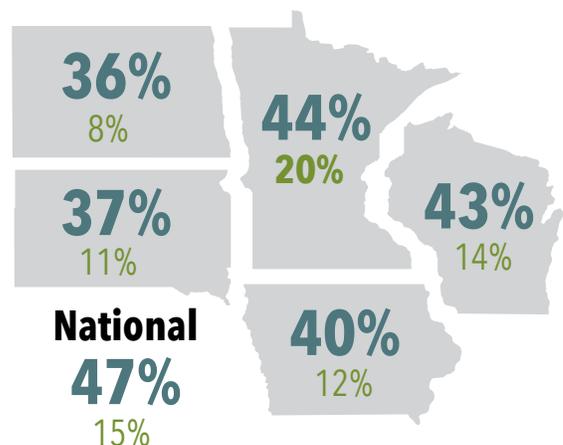
## Owner Households

In 2017, there were 1.54 million owner households in Minnesota, and nearly 1 in 5 of these households experienced housing cost burden. This is significantly higher than the national average of 15%, as well as is the highest rate of owner cost burden in the Upper Midwest by far. Additionally, Minnesota has the second highest rate of severe owner cost burden in the Upper Midwest with 7 percent of owner households paying more than 50 percent of their income on housing.

## Gap in affordable rental housing for lowest-income households

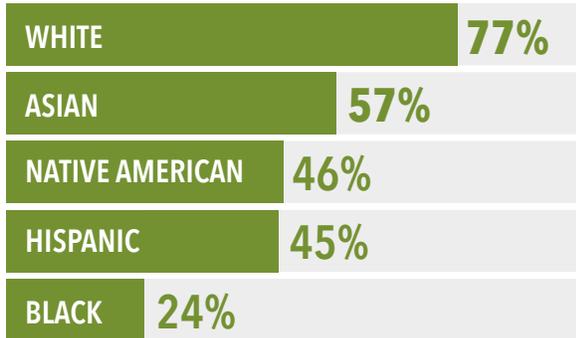


## Percentage of renter households and owner households that are cost burdened



<sup>3</sup> Wages and rent adjusted for inflation

## Homeownership by race



Racial disparities in homeownership rates — widely referred to as the homeownership gap — remain a major issue in Minnesota. While 77 percent of all white households own their home, 57 percent of Asian, 46 percent of Native American, 45 percent of Hispanic, and just 24 percent of black households own their homes. Nationally, the homeownership gap is 25 percent; in Minnesota it is far wider at 36 percent. The Upper Midwest states see the worst racial disparities in homeownership in the country, with Wisconsin, Minnesota, North Dakota and South Dakota ranking as the severest gaps in the nation. Furthermore, people of color are projected to grow by 50% by 2035 in Minnesota.

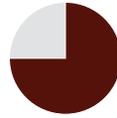
## Seniors

Senior housing need is a critically growing issue in Minnesota. By 2035, more than 1 in 5 Minnesotans will be 65 or older, representing a 64 percent increase in the current senior population. Across the state, 57% of all senior renters and a quarter of all senior homeowners experience housing cost burden. With the senior population on the rise and already high rates of senior cost burden, the state will need to target affordable housing options specifically for seniors in the coming years.



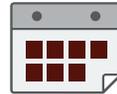
**89,518**

subsidized units across Minnesota



Of Section 8 households,

**75% are extremely low-income**



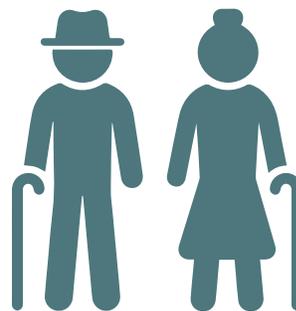
**22 months**

state average wait list for subsidized housing

## Housing Development and Affordable Housing

Across the state, 29% of renter occupied and 32% of owner occupied units were built prior to 1960; regionally, housing stock varies in age and quality. In 2017, 8,303 multifamily units were permitted for construction, along with 13,508 single family homes.

In 2017, there were 89,518 subsidized units across the state, providing housing to 173,900 total people. Project-based Section 8 accounted for 35% of subsidized units in the state, of which 69% of households were female-head and 75% were extremely low income. Project-based Section 8 housing widely consists of smaller units, with 67% of housing in the form of studio or one bedroom. Across HUD's subsidized programs, 52% of occupants are white, 41% head of households are over the age of 62 years, and the average waitlist time is 22 months.



**In 2035, 1 in 5 Minnesotans will be 65 or older**

**This represents a 64% increase in the senior population**

## Housing Affordability by Occupation

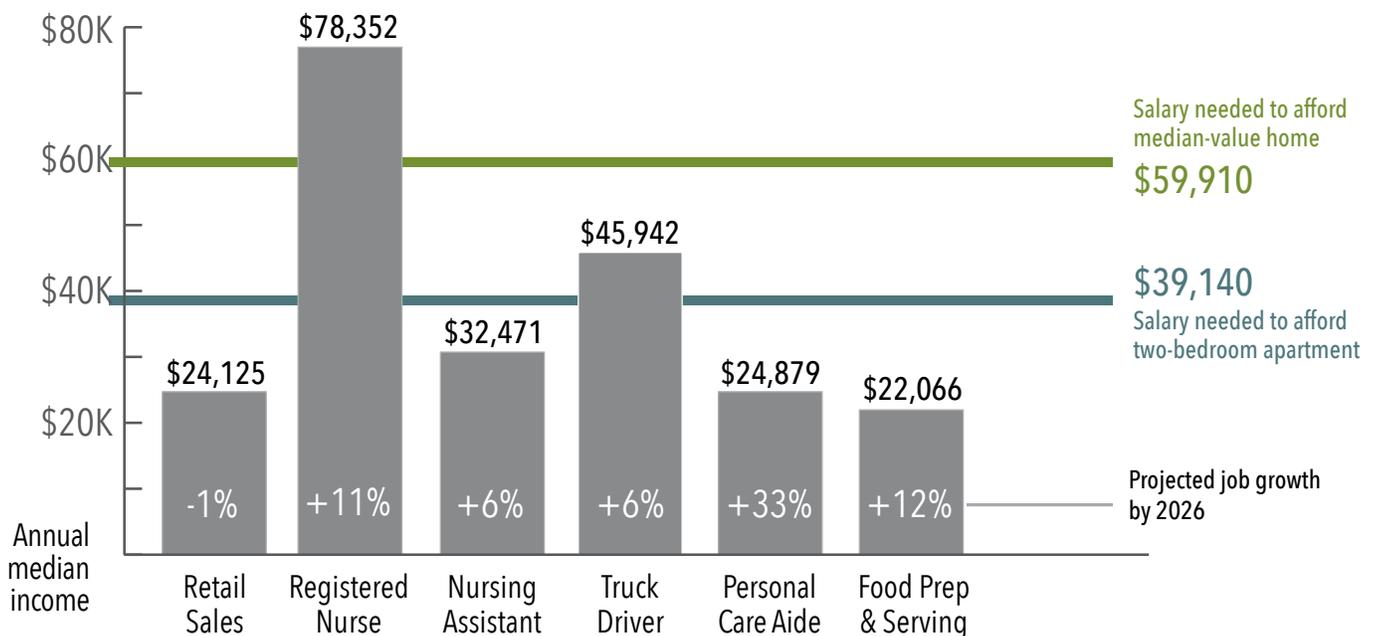
The current top five in-demand occupations for the state are retail salespersons, registered nurses, nursing assistants, heavy truck drivers, and personal care aides. By 2026, demand for these occupations is expected to grow by an average rate of 6 percent and create 3.3 million new job openings. However, many of these industries only pay a fraction of what is needed to afford prevailing rents and the cost of a median-value home.

Of the current top occupations, median annual income ranges from \$24,125 (retail salespersons) to \$78,352 (registered nurses). At these income levels, workers can afford to spend \$603 to \$1959 on housing per month. Of these occupations, only registered nurses and heavy truck drivers are able to afford the two-bedroom fair market rent<sup>3</sup> for the state (\$979) and the median gross rent (\$906). For the other three occupations, the gap needed to afford a fair market apartment ranges from

\$167 to \$376 — or in other words, those top occupations would need to earn \$2,006 to \$4,511 more annually to afford a two bedroom at fair market price. Furthermore, an annual income of \$59,910 is needed to afford a median-value home in the state, meaning that of the top occupations, only registered nurses are able to afford homeownership.

The term “workforce housing” refers to housing that is affordable to workers and in reasonable proximity to the workplace. In both Greater Minnesota and the Twin Cities region, the growth of relatively low-wage jobs is driving the need for workforce housing. The occupations that are projected to see the most openings over the next ten years are all relatively low-wage; a significant amount of occupations in growing demand are in the healthcare sector, to support our aging population. Many of these critical positions, including personal care aides, home health aides, and nursing assistants, do not earn enough for quality housing to be affordable.

Wages and housing affordability for top in-demand jobs in Minnesota



<sup>4</sup> Fair Market Rent is the federal government standard for a “fairly” priced apartment. It is calculated as the 40th percentile of gross rents for typical, non-substandard rental units in a local housing market.

# Twin Cities Region

With nearly 1.2 million households, the Twin Cities region comprises the majority of the state's total household population. In the Twin Cities, large percentages of renters and seniors pay more than they can afford for housing — and racial disparities in homeownership are among the highest in the nation. At \$64,000 for a family of three<sup>1</sup>, the cost of living is the highest of any region in the state with 21 percent of income going to housing costs

## Top 5 Facts



Only 39 percent of people of color and Indigenous households are homeowners, compared to 75 percent of white households. The 36 percent gap is the widest in the state compared to the 25 largest metro areas in the nation.



The Twin Cities region has the highest overall gross rent in the state, with all seven counties ranking in the top 10 and Washington County leading the state at \$1,246 in 2017.



While there are 109,300 extremely low-income renter households in the region, there are just 36,905 units that are affordable and available to those households – a deficit of 72,395 units.



Of the 1,336 units of affordable housing constructed in the Twin Cities in 2017, only 164 units were affordable to households earning 30 percent or less of area median income.



Four of the top five in-demand jobs do not earn a median salary that is adequate to afford the rent for a modest two-bedroom apartment in any county in the Twin Cities region.

<sup>1</sup> Estimate for one full time, one part time worker and one child

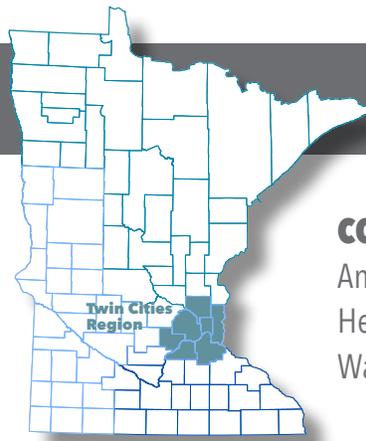
# TWIN CITIES REGION

## Rental Housing

With nearly one-third of all households living in rental units, the Twin Cities region has the highest percentage of renter households of any region in the state, growing from 29 percent of all households in 2000 to 32 percent in 2017.

More than 60 percent of the state's rental households reside in the Twin Cities. Hennepin and Ramsey Counties contain the largest percentage of renter households, at 38 percent and 41 percent, respectively. Outside of Hennepin and Ramsey, the proportion of renter households declines, ranging from 17 percent in Scott County to 26 percent in Dakota County.

The Twin Cities region has the highest overall gross rent in the state, with all seven counties ranking in the top 10 and Washington County leading the state at \$1,246 in 2017. Renter income has fallen in four of the seven counties in the region since 2000. Meanwhile rent has increased in every county — by as little as 4 percent in Dakota County to 26 percent in Washington County.



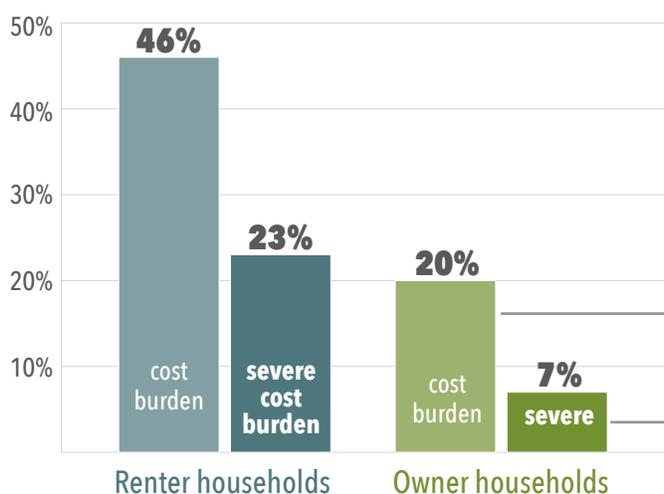
### COUNTIES:

Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

Ramsey County contains the highest percentage of cost-burdened and severely cost-burdened renters in the region, with 48 percent of renters spending more than 30 percent of their income on housing, and a quarter of renters spending more than half of their income on housing. Overall, from 2000 to 2017, the percent of cost burdened renters in the region increased from 36 percent to 46 percent.

The Twin Cities region contains 60 percent of the state's population of extremely low-income renters (ELI), or renter households that earn less than 30 percent of area median income (AMI). While there are 109,300 ELI renter households in the region, there are only 36,905 units that are affordable and occupied by ELI renter households.

### Cost-burdened renter and owner households



### Gap in affordable rental units for ELI households



available and affordable units

extremely low-income households

**72,395**

households can't find affordable housing

**Cost burden:** Paying more than 30% of household income on housing

**Severe cost burden:** Paying more than 50% of household income on housing

## CITY SPOTLIGHT: Bloomington

The city of Bloomington is the third most populous city in the Twin Cities region, after Minneapolis and Saint Paul. The city currently is home to just over 36,220 households, 32 percent of whom are renters. Bloomington's median rent is \$1,075, and 41 percent of renter households experience cost burden. Additionally, both owner and renter income has declined since 2000, falling by 7 percent for both tenures.

## Homeownership

The Twin Cities region includes more than 797,430 homeowner households, accounting for just over half of the state's owner household population. While Hennepin and Ramsey counties have the lowest rates of homeownership in the state, with 62 percent and 59 percent of households in owner-occupied units, they account for nearly 30 percent of Minnesota's total owner household population. In contrast, suburban counties see much higher percentages of homeowners ranging from 74 percent (Dakota County) to 83 percent (Scott County). The region has the second highest rate of homeowner cost burden in the state, with 20 percent of owner households paying more than 30 percent of their income on housing.

With owner income declining in the majority of the region's counties since 2000, Scott County is an outlier, ranking first in the state for increases in both renter and owner income, increasing by 74 and 70 percent since 2000, respectively.

The Twin Cities region has the most significant homeownership gap in the state, which is particularly striking due to the larger population of people of color and Indigenous (POCI) households in the region. While the region accounts for 76 percent of POCI households in the state, only 39 percent POCI households are homeowners, compared to 75 percent of white households — a 36 percent gap. This gap isn't just the highest in the state; it's the largest of the 25 largest metro areas in the country.

The discrepancy between POCI and white homeownership widens even further in Hennepin and Ramsey Counties. In these counties, the homeownership rate for POCI households falls from 39 percent to 33 percent. For black homeownership the rate decreases even further to 22 percent and 19 percent in Hennepin and Ramsey counties.

People of color are projected to grow in population by 47 percent and account for 35 percent of the total population in the seven-county metro area by 2035.



The region has the **second highest rate of homeowner cost burden** in the state, with 20 percent paying more than 30 percent of their income on housing.

### Homeownership disparity in the Twin Cities



## Twin Cities Spotlight: Closing the homeownership gap

It's widely known that Minnesota ranks almost dead last in the nation for racial disparities in homeownership, commonly called the homeownership gap. While 77 percent of all white households own their home, 57 percent of Asian, 46 percent of Native American, 45 percent of Hispanic and just 24 percent of black households own their homes. Nationally, the homeownership gap is 25 percent. In Minnesota, it is far wider at 36 percent.

Since 1976, PRG has worked to close that gap.

Serving the seven-county metro region, PRG provided homeownership coaching and education, or refinance and foreclosure prevention services to over 775 families and individuals in 2018. Seventy-seven percent of those clients were households of color. And, since 2010, PRG produced 100 new or renovated homes with 72 percent sold to homeowners of color.

Portia Jackson, PRG Program Manager for Homeownership Advising Services, says closing the homeownership gap matters because people should have access to opportunities to build wealth and community, regardless of race. Owning an affordable home is one way to do that.

"People of color are so far behind because of previous injustices," Jackson says. "It's time for us, especially black people, to start building wealth for future generations. The way that 99 percent of us do that is through real estate."

Myria, a PRG client, is about to close on a condo in the western suburbs. She wants to ensure she can build wealth for herself and her daughter. "In the black community, you don't see a lot of people owning their own homes," Myria says. "I'm fortunate. My grandmother owned a home, my mother



owned a home, so I'm the next generation. I want people to know that it's possible, regardless of your age or race."

To address homeownership disparities, PRG prioritizes relationship building, cultural competency, and communicating with people in their preferred language, intentionally hiring advisors that speak Spanish, Somali, and English. PRG Homeownership Advisor Luis Mendoza says that in many cases, simply making information available and accessible can help address the gap and promote intergenerational wealth building.

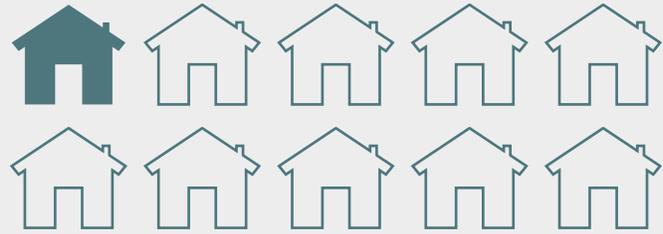
"When it comes to the Latino community, there's a lot of lack of communication and information," Mendoza says. "It's important to fix that because it should be equal for everyone. We should have the same rights. Affordable housing is the most important thing. But building intergenerational wealth is also important."

Jackson was a PRG client herself before joining the staff. "Housing has always been a big part of my life — even as a kid," Portia says. "Experiencing homelessness and living in a shelter, I learned how important it is to have a foundation. Without that, how can you do anything else?"

*Photo: Portia Jackson*



By 2035, the population of **people of color** will grow by 47 percent and the population of **seniors** will rise by 71 percent.



Of the **1,336 units** of affordable housing constructed in the Twin Cities in 2017, **only 164 units** were affordable to households earning 30% of AMI.

## Senior Housing

The Twin Cities region has the largest number of seniors (age 65 and older), accounting for more than half of all senior renters in the state, and 47 percent of all senior homeowners in the state. The region also has the highest rates of both senior owner and renter cost burden. Approximately 61 percent, or 34,830 senior renters, were cost burdened in 2017, with an additional 26 percent or 49,000 senior owners experiencing cost burden. Washington and Dakota counties have the highest rates of senior renter cost burden in the region, affecting 69 percent and 65 percent of senior renters. Hennepin County also hosts the most striking proportion of senior owners who are paying more than they can afford for housing, affecting 29 percent of that population.

The number of seniors is expected to rise dramatically over the next 20 years. By 2035, the number of seniors is anticipated to grow by 71 percent, gaining an additional 272,200

individuals in this age bracket. These trends stand to exacerbate current senior housing issues unless the region adds more affordable senior housing.

## Housing Development and Subsidized Housing

In the Twin Cities region, 27 percent of renter-occupied and 30 percent of owner-occupied units were built prior to 1960. In 2017, 6,170 multifamily units and 6,371 single-family homes were permitted for construction, which accounted for 74 percent of multifamily and 47 percent of single-family new construction in the state.

Additionally, there were an estimated 50,880 subsidized units in the region in 2017, which provided housing to approximately 112,171 total people. In 2017, 1,336 units were produced in the region that were affordable to 60 percent of AMI; 164 of those units were affordable to 30 percent of AMI.

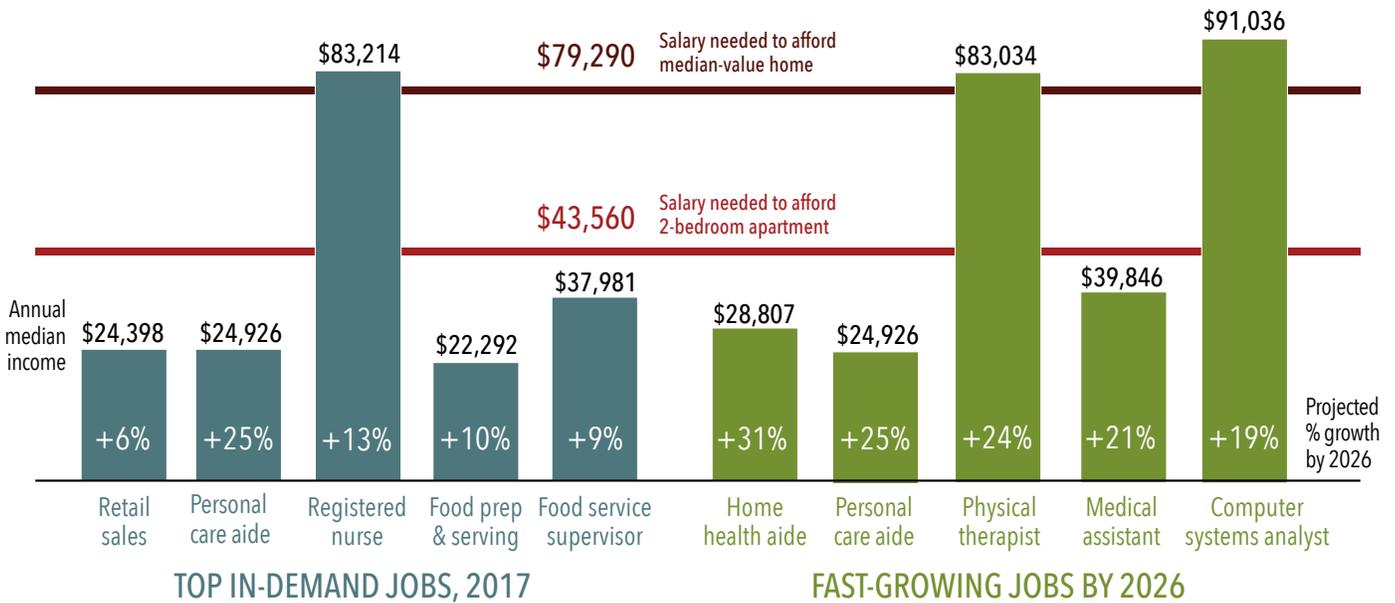
## Housing Affordability by Occupation

In the Twin Cities region, median rent is out of reach for the majority of median-income renter households. While median gross rent ranges from \$934 in Ramsey County to \$1,246 in Washington County, the median-income renter can only afford a range of \$872 in Ramsey County to \$1,246 in Washington County.

In the region, the top five in-demand occupations include retail salespersons, personal care aides, registered nurses, food preparation and serving workers, and supervisors of food preparation. By 2026, these occupations are expected to grow by 463,580 positions. The median annual incomes for these top occupations range

from \$22,292 (food preparation and serving worker) to \$83,214 (registered nurse), leaving employees between \$557 and \$2,080 to put toward housing without spending more than 30 percent of their income. Yet, an annual salary of \$37,360 (Ramsey) to \$49,840 (Washington) is needed to afford median rent in these counties. Effectively, four of the top five in-demand jobs do not earn a salary that can afford the rent for a modest two-bedroom apartment in any county in the Twin Cities region. In the region, an annual salary of \$61,500 to \$86,160 is needed to own a median value home; meaning, only registered nurses can afford homeownership — and even they are priced out of a median-value home in Carver County. The region will see the largest growth of new jobs by 2026, and is expected to grow overall by a rate of 6.8%.

## WAGES AND HOUSING AFFORDABILITY IN WASHINGTON COUNTY



# Central Region

The Central region is home to 282,160 households, 78 percent of which are homeowners and 22 percent renters. This region has the largest percentage of homeowners in the state, as well as the highest rate of owner cost burden in the state. The Central region has also seen some of the sharpest declines in median owner income, and significant increases in housing costs in recent years. At \$57,700, the East Central portion of the region has the second highest cost of living in the state, just behind the Twin Cities, with housing accounting for approximately 20 percent of a household's budget. By 2035, the region is expected to gain an additional 41,715 individuals, making Central the second fastest growing region in the state after the Twin Cities. As the Central region grows, it will be critical to expand affordable housing opportunities for renters, homeowners, and seniors to reduce housing cost burden and support a strong economy.

## Top 5 Facts



At 78 percent, the region contains the highest percentage of homeowners. However, while 79 percent of white households are homeowners, only 46 percent of people of color and Indigenous households own their home.



The region contains six of the 10 counties with the highest rates of owner cost burden; Pine County ranks as the worst in the state, with 28 percent of all homeowners experiencing cost burden.



In 2017, seniors accounted for nearly a quarter of all households in the region. By 2035, the number of residents aged 65 and older is expected to increase by 77 percent, the highest rate of growth of any region in the state.



In 2017, the region added an additional 399 multifamily units and 3,125 single family units, constituting the second highest amount of single family units after the Twin Cities region.



The region has the highest rate of severe owner housing cost burden; In eight of the 14 counties in the region, 9 percent of homeowners are paying more than half of their total household income on housing.

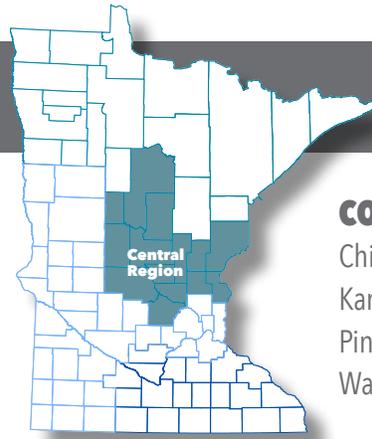
# CENTRAL REGION

## Rental Housing

There are more than 63,230 renter households in the Central region, accounting for 22 percent of total households. Although the region is made up of 14 counties, 30 percent of all renter households live in Stearns. Stearns County, home to the major population hub of St. Cloud, has the largest renter population (18,360 households) and the highest percentage of renter households (31 percent) in the region.

The Central region contains approximately 17,725 renter households that earn less than 30 percent of area median income. However, the region contains just 13,947 units that are affordable to households at that income and just 7,057 units that are affordable and available. In total, 42 percent of renter households in the Central region pay more than 30 percent of their income on housing, with cost burden affecting from 28 percent of renter households in Todd County to 51 percent in Benton County.

From 2000 to 2017, five Central counties (Benton, Chisago, Kanabec, Morrison and Pine) saw declines in renter median income, while other counties saw very modest increases — with the exceptions of Todd and Wadena counties, which saw 23 percent and 24 percent growth, respectively. Meanwhile,



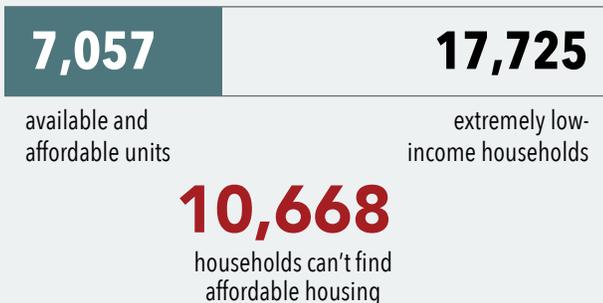
**COUNTIES:** Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, Wright

from 2000 to 2017 median gross rent rose from 1 percent (Benton County) to 33 percent (Wadena County).

## Owner-Occupied Homes

The Central region is home to more than 218,925 homeowner households, accounting for 78 percent of the region's population. Compared to all other regions in the state, the Central region has the highest rate of owner cost burden with 21 percent of all owner households paying more than 30 percent of their income on housing. The region contains six of the 10 counties with the highest percentages of owner cost burden; Pine County ranks as the worst in the state, with 28 percent of all homeowners experiencing cost burden. Other counties with high rates include Kanabec, Mille Lacs, Isanti, Benton, and Todd Counties, where 23 to 26 percent of homeowners are cost-burdened.

### Gap in affordable rental units for ELI households



**21%** of owner households in the Central region are cost burdened, the highest rate of any region in the state.

## CITY SPOTLIGHT: St. Cloud

The Central region contains the St. Cloud MSA, which spans Benton and Stearns counties. The city itself contains 25,847 households, with renter households accounting for nearly half of all households. Renter households have grown by 27 percent since 2000 in St. Cloud, and currently 45 percent experience cost burden, paying more than 30 percent of their income on rent. The median gross rent in the city was \$731 in 2017, rising by 10 percent since 2000. Between 2000 and 2017, renter income dropped by 6 percent and homeowner income dropped by 9 percent in the city.

The region also has the highest rate of severe owner housing cost burden; In eight of the 14 counties in the region, 9 percent of homeowners are paying more than half of their total household income on housing. In total, there are 16,920 owner households paying more than half of their income on housing.

In part, owner housing cost burden is high due to stagnant or declining owner income. Since 2000, median home values have seen the highest gains in Todd County (rising 41 percent) and the lowest in Sherburne County (rising by 3 percent). In contrast, median owner income fell as much as 10 percent in Pine County, and only rose as much as 8 percent in Cass County. In total,

median owner income fell in 36 percent of counties in the region. In Pine and Kanabec counties, where rates of owner cost burden are highest, the median owner income has dropped 8 and 9 percent, while home values have increased 22 and 15 percent, respectively.

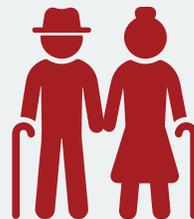
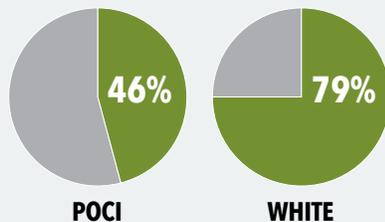
The growing gap between owner median income and median home value is particularly problematic for households of color. In 2017, only 46 percent of people of color and Indigenous (POCI) households owned their home compared to 79 percent of white households in the region.

## Senior Housing

There are 67,750 senior households in the region, accounting for nearly one-quarter of the total household population. In 2017, more than half of all senior renter households and a quarter of all senior owner households experienced housing cost burden. At these levels, the Central region is tied with the Twin Cities for the highest rate of senior owner cost burden in the state.

Over the next 20 years, the number of residents aged 65 and older is expected to increase by 77 percent, the highest rate of growth in the state. The region is expected to increase by 88,060 seniors, growing to a total of 202,435 individuals over the age of 65. With the senior population rapidly expanding, it will be critical that the region address extremely high rates of housing cost burden among senior households.

Less than half of POCI<sup>2</sup> households own their homes compared to 79% of white households.



By 2035, the number of seniors will **increase 77 percent in the region**, the highest rate of growth in the state.

<sup>2</sup> People of color and Indigenous

## Central Spotlight: A place to age — and stay independent

When Shirley owned a home in Baxter with Harlen, her husband of 61 years, it was more than a place for the couple to share a life together. To most of the neighborhood, it was Gramma’s Daycare.

“Women used to plan their pregnancies around my openings so they could bring their children there,” she said. Shirley provided daycare out of her home for 17 years. When Harlen — known as ‘Grandpa’ to the daycare kids — got sick, maintaining a home became too difficult. It was time to downsize.

“But it’s hard to find places for people who are handicapped,” Shirley said. “We had to give up a beautiful apartment across from Central Lakes college because Harlen couldn’t get up the stairs.”

Like Shirley and Harlen, many older Minnesotans are struggling to find a home that meets their needs. In the Central Region, where Baxter is located, the number of residents aged 65 or over is expected to increase by 77 percent over the next 20 years — the highest growth rate in the state.

Affordability is a major issue for seniors in the Central Region. Half of all senior rental households and a quarter of all senior owner households paid more than 30 percent of their income for housing in 2017. The region is tied with the Twin Cities for the highest rate of senior owner cost burden in the state.

Seniors who pay too much for housing often must sacrifice essentials like medications or transportation. And a 2015 Wilder report indicated that seniors are one of the fastest growing segments of people experiencing homelessness.



Home modifications and repairs, in-home care, and development of accessible and affordable townhomes and apartments are important strategies to ensure older residents stay healthy and stably housed.

Shirley found an affordable, accessible home at the Grand Oaks Court Townhomes in Baxter. Managed by Central Minnesota Housing Partnership, two-bedrooms rent at \$680 per month and three-bedrooms at \$775. The property accepts Section 8 vouchers and provides four units designated for people experiencing long-term homelessness.

Harlen passed away several years ago. For almost five years now, Shirley has lived at Grand Oaks Court. She’s got good neighbors and a patio to show off her green thumb. Most importantly, the accessible layout and affordable rents help Shirley stay independent.

“It gives me money left over so I can go in my car and take care of myself,” Shirley explained. “I don’t have to have anybody driving me to the doctor or taking me to the library or the grocery store. It makes me very independent, which I like. I’ve always been that way.”

*Photo: Harlen and Shirley*

## Housing Development and Subsidized Housing

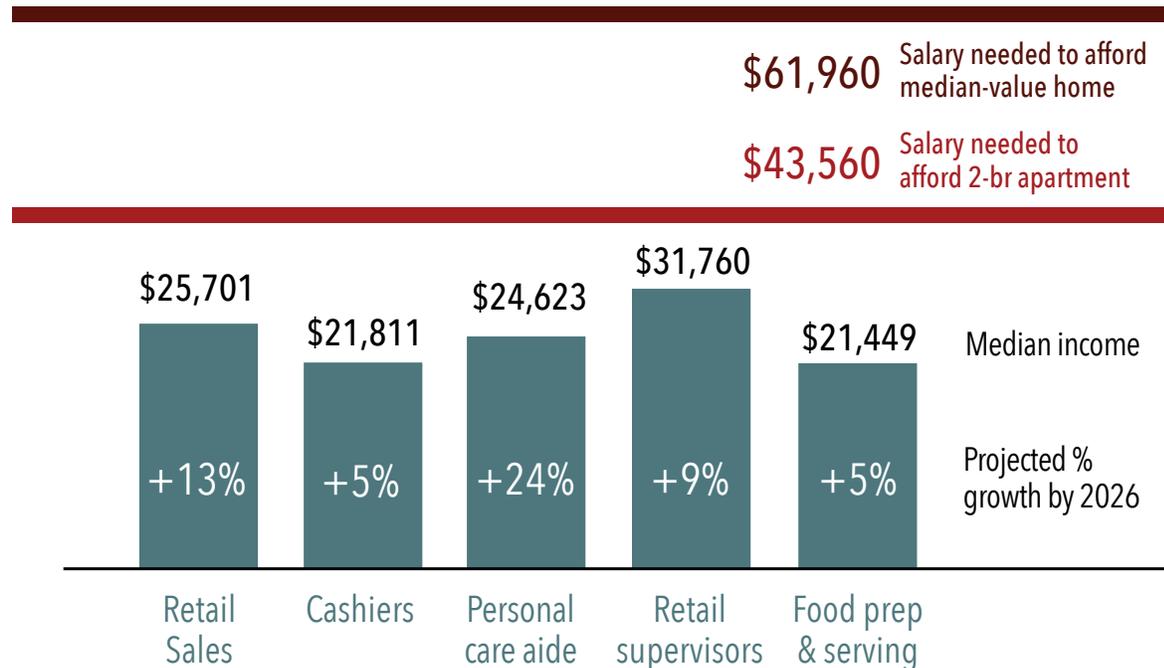
In 2017, the region added an additional 357 multifamily units and 3,125 single-family units, constituting the second highest amount of single family units after the Twin Cities region.

Also in 2017, there were approximately 7,200 subsidized units in the region, the third highest amount after the Twin Cities and Southern regions.

## Housing Affordability by Occupation

While median gross rent ranges from \$630 (Todd County) to \$963 (Sherburne County), the median renter income for the region ranges from \$24,363 (Pine County) to \$41,350 (Sherburne County). At these income levels, renter households can only afford to spend between \$609 and \$1,034 per month on housing. The top five in-demand jobs in the Central region currently include retail salespersons, personal care aides, first line supervisors of retail workers, cashiers, and food preparation and serving workers. These occupations contain salaries that range from \$20,595 (cashiers) to \$36,669 (first line supervisors of retail), meaning that these occupations can afford to spend from \$515 to \$917 monthly on rent.

## WAGES AND HOUSING AFFORDABILITY IN CHISAGO COUNTY



### TOP IN-DEMAND JOBS, 2017

# Southern Region

The Southern region is the second most populous region in the state with 289,850 households in 20 counties. As the regional economic hub, the Rochester metropolitan area is home to nearly 30 percent of the region's households. By 2035, the population is projected to increase by one percent, gaining approximately 9,250 individuals. A notable housing trend in the Southern region is the lack of affordable housing in rural counties<sup>1</sup>, which we define as any county outside of the Rochester, Mankato or La Crosse metropolitan areas. From 2000 to 2017, four rural counties saw some of the sharpest declines in median renter income, yet housing costs continued to rise. The convergence of low renter incomes and growing housing costs forces nearly half of all renter households to pay more than they can afford for their home. In the Southern region, the annual cost of living ranges from \$45,500 to \$49,330, and housing accounts for 20 percent of a household's annual spending<sup>2</sup>.

## Top 5 Facts



The Southern region accounts for half of the 10 Minnesota counties with the greatest declines in renter incomes from 2000 to 2017. All but one are outside of the Rochester metro area.



The Southern region also includes three of the 10 counties with the highest rates of severe cost burden – renter households paying more than half of their income on housing.



The Southern region has the second largest population of people of color and Indigenous households (25,933). Yet, less than half of POCI households of color own their homes in the region.



The region contains half of the 10 counties statewide that saw the smallest or no increase in median home value from 2000 to 2017, with Freeborn County containing the largest value decline in the state.



In 2017, the region permitted 910 new multifamily units for construction. However, despite the need in rural areas, 75 percent of that housing was located in the Rochester metro area.

1 Blue Earth, Dodge, Fillmore, Houston, Nicollet, Olmsted, and Wabasha counties

2 Estimate for one full time, one part time worker and one child

# SOUTHERN REGION



**COUNTIES:** Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan, Winona

## Rental Housing

With 74,410 renter households, the Southern region has the second largest population of renter households in the state. For renters in rural counties, wage depreciation has made it increasingly difficult to afford the rising cost of housing.

From 2000 to 2017, median renter income decreased in 75 percent of the counties in the Southern region, with declines ranging from 4 to 34 percent. Waseca County saw the steepest decline in median renter income in the state, dropping 34 percent over that time span. Rice, Steele, Fillmore and Brown counties also saw declines that ranked among the top 10 in the state. In total, the Southern region accounts for half of the 10 Minnesota counties with the greatest declines in renter incomes, all but one outside of the Rochester metro area.

While renter household income dropped across the region, housing costs climbed from 4 percent (Brown County) to 30 percent (Mower County), with median gross rents

rising to a range of \$585 (Faribault County) to \$884 (Olmsted County).

The growing gap between renter incomes and housing costs has resulted in more than 1 in 4 renter households experiencing cost burden — spending more than 30 percent of their income on housing. The Southern region also includes three of the 10 counties with the highest rates of severe cost burden — renter households paying more than half of their income on housing. In Winona, Blue Earth, and Rice counties, nearly half of all renter households are cost burdened and more than a quarter are severely cost burdened.



The Southern region includes three of the 10 counties with the **highest rates of severe cost burden**. In Winona, Blue Earth, and Rice counties, nearly half of renter households are cost burdened and more than 25% are severely cost burdened.

County	State rank	Increase in rent	Decrease in income
Waseca	4	+7%	-34%
Mower	5	+30%	-9%
Fillmore	7	+22%	-16%
Rice	12	+8%	-26%
Le Sueur	14	+27%	-5%
Steele	15	+13%	-18%
Goodhue	20	+15%	-13%

The Southern region contains seven of the 20 counties statewide that saw the **widest gap between rising rent and declining renter income** from 2000 to 2017.

## Homeownership

In the Southern region, there are more than 215,430 owner households, which account for 74 percent of total households. Three of the four counties within the Rochester MSA have homeownership rates of 80 percent or more – significantly above the state ownership rate of 72 percent.

In the region, median value homes currently range from \$86,500 in Faribault County to \$188,400 in Rice County. In many counties, the value of homes has increased only minimally, suggesting that rehabilitation may be needed in the region to maintain housing quality. In total, the region contains half of the top 10 counties that saw little or no increase in value from 2000 to 2017, with Freeborn County containing the largest value decline in the state.

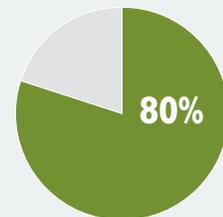
The region has the second lowest rate of owner cost burden with 18 percent of homeowners paying more than 30 percent and just 6 percent paying more than 50 percent of their income on housing.

The Southern region has the second largest population of households of color, with 25,933 households. Yet, less than half of households of color own their homes in the region. In 2017, the homeownership gap, or gap in ownership rates of white households

## CITY SPOTLIGHT: Rochester

The Southern region contains the Rochester metropolitan statistical area (MSA), which spans Dodge, Fillmore, Olmsted and Wabasha counties. The city of Rochester is the third most populous in the state, after Minneapolis and Saint Paul, and includes more than 45,000 households, growing by 32 percent from 2000 to 2017. Compared to other major cities, the rate of homeownership is significantly higher in Rochester, at 69 percent. Rochester has the lowest rate of owner cost burden in the state, of the MSAs, at 15 percent, perhaps related to an overall high median income of owners in the city (\$84,918). However, Rochester also has the second highest median gross rent of all MSAs, after the Twin Cities, rising 12 percent from 2000 to 2017.

Three of the four counties within the Rochester MSA have homeownership rates of 80 percent or more – significantly higher than the state ownership rate of 72 percent.



versus people of color and Indigenous (POCI) households, was 32 percent in the region. While 77 percent of white households owned their home, homeownership for POCI households of color was only 45 percent.

The Southern region includes half of the top 10 counties that saw **little or no increase in median home value** from 2000 to 2017



While 77% of white households own their home, 45% of people of color and Indigenous (POCI) households are homeowners.

## Southern Spotlight: Red Wing tackles housing needs with Affordable Housing Trust Fund

For more than five years, Sarah kept a mailbox as she moved from place to place. Her apartments were adequate, but she wanted a home of her own, to plant her mailbox in the ground and fulfill her son's dream of a yard and dog.

For two years, Sarah and her son, Nick, searched for a home they could afford in Red Wing so she could halve her daily 90-minute commute. Thanks to a \$9,000 homebuyer assistance loan from Red Wing's Affordable Housing Trust Fund (AHTF), and Sarah's persistence, Sarah closed on a home in April 2018. "This old charming place just felt like home, especially the open porch with the columns," she said. "It's just like where I grew up."

Sarah is the first to benefit from Red Wing's AHTF, established in 2015 with the leadership of Red Wing Housing and Redevelopment Authority (HRA) Director Randal Hemmerlin. Sarah's \$9,000 loan leveraged \$109,000 from Red Wing's Merchants Bank.

Like many communities across Minnesota's Southern Region, Red Wing is growing. And for working families — like Sarah and her son — there's a widening gap between what's available and what's affordable. "We would not have been able to get a home of our own without that program," she says.

Local housing research in 2009 and 2014 made it evident to local leaders and employers that they had to address Red Wing's inadequate supply of affordable homes. Single-family

construction had dropped from 80-90 units before 2000 to 18 units in 2014. And from 2011 to 2014, the median sale price for a single-family home rose from \$119,600 to \$133,450.

"Because Red Wing has a strong manufacturing base, 6,600 people commute in every day for work," explains Hemmerlin. "But young professionals tire of the commute, look for a job elsewhere, and we lose talent. Red Wing Shoe, Bic, Excel Energy, Mayo Clinic, Capital Safety — these are some strong companies that hire smart people. But because housing is so tight, it's hard for employees to find affordable homes."



Hemmerlin worked with local leaders and the City Council to establish Red Wing's AHTF in 2014. Funded through the HRA levy, the AHTF has accumulated to more than \$300,000 today — with only a \$15 per year impact on the 7,500 housing units taxed. The AHTF is aimed at creating housing for working people at a range of incomes.

Already, five families have received homebuyer assistance loans from the AHTF.

"Across the state, the rising cost of living just doesn't match up with wages," Sarah says. "People just don't have that 20 percent to put down, especially with the way home prices are. To put 20 percent down, you'd need \$50,000 or more. People don't have that, and they'll never get it if they continually have to pay the high cost of rent."

## Senior Housing

By 2035, the senior population in the Southern region is projected to increase by 59 percent, gaining an additional 72,193 senior individuals for a total of 195,958 residents over the age of 65. At this level, the Southern region will have the third largest senior population in the state.

While all counties will see an increase in their senior populations, two of the four counties (Dodge and Olmsted) in the Rochester metro area are expected to see their senior population increase by 82 to 93%. With the senior population on the rise, the Southern region will have to address widespread senior housing cost burden, especially among seniors who rent.

In 2017, 52 percent of all senior renters were cost burdened in the region, with four counties (Blue Earth, Martin, Mower and Nicollet) seeing rates as high as 59 percent. While lower than the state average of 24 percent, 20 percent of senior homeowners are experiencing cost burden in the region. Several counties, including Faribault and Martin, have rates as low as 14 percent and 15 percent respectively.



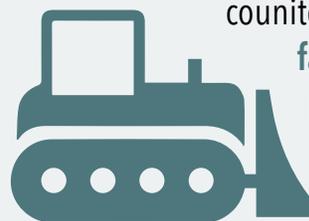
In the Southern region, more than half of **senior renter households** pay more than they can afford for housing.

## Housing Development and Subsidized Housing

In the Southern region, 34 percent of the rental housing stock was built prior to 1960. In Watonwan, Mower, and Wabasha, more than half of the rental housing stock was built prior to 1960, the highest of any counties in the state. In 2017, the region permitted 910 new multifamily units for construction, the second highest amount after the Twin Cities region. However, despite the need in rural areas, 75 percent of all multi-family housing was located in the Rochester metro area.

Owner occupied homes in the Southern region are also aging. In 2017, 38 percent of owners lived in a home built prior to 1960. That same year, the region permitted 1,843 new single family homes for construction, the third highest regional number in the state.

In 2017, there were 11,003 subsidized units in the Southern region, the second highest amount after the Twin Cities region. These units accounted for 12% of the total subsidized units in the state.



Despite the need in rural counties, **75% of multi-family housing permits** in 2017 were in the Rochester metro.

## Housing Affordability by Occupation

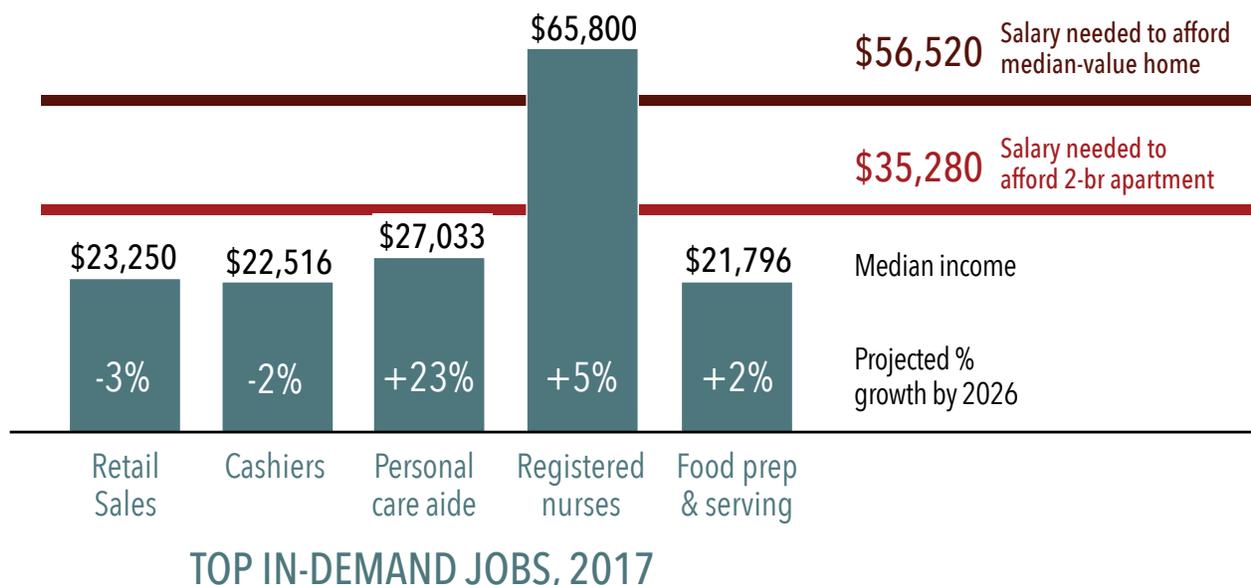
In the Southern region, median-income renter households can only afford monthly rent ranging from \$586 in Waseca County to \$904 in Dodge County. At these levels, median-income renters can afford the rent for a modest two-bedroom apartment in just half of the counties in the Southern region.

In 2017, the top five in-demand jobs in the region included registered nurses, personal care aides, food preparation and serving workers, retail salespersons, and cashiers. The median annual incomes for these top occupations range from \$21,796 (food preparation and serving workers) to \$76,708 (registered nurses), leaving a range of \$545 to \$1,918 for these positions to spend on housing. The majority of employees filling

these positions are unable to meet the amount needed to rent a two-bedroom apartment (\$697 to \$829) and are even further from reaching the income needed to afford a median-value home in the region, which ranges from \$25,950 in Faribault County to \$57,420 in Goodhue County.

The vast majority of these projected job openings are for relatively low-wage jobs including retail salespersons, cashiers, food preparation, and home health aides. Four of the five jobs with the largest projected number of openings have median salaries of just \$21,932 to \$26,093.

## WAGES AND HOUSING AFFORDABILITY IN RICE COUNTY



# Southwest Region

Although the Southwest region spans 18 counties, it is among the least populous regions in Minnesota with fewer than 114,000 households. Nearly 28 percent of the total household population is in Kandiyohi or McLeod counties, both of which are located just outside of the Twin Cities metropolitan area. By 2035, the population is projected to decline by 6 percent, falling by 15,302 people, marking the largest population decline and rate of decline in the state. However, the Southwest region has the lowest rates of both renter and owner cost burden. It also has the lowest rates of senior housing cost burden with 48 percent of senior renters and 20 percent of senior homeowners paying more than 30 percent of their income on housing. The annual cost of living<sup>1</sup> in the Southwest region ranges from \$43,900 (Upper Minnesota Valley) to \$46,640 (Southwest Central), with housing accounting for 19 percent of expenses.

## Top 5 Facts



The Southwest region has the lowest rate of renter cost burden in the state, with 37 percent of renters spending more than 30 percent of their income on housing – significantly below the state rate of 44 percent.



Homes have a relatively low median value in the region, with five counties (Big Stone, Cottonwood, Lac qui Parle, Lincoln, and Pipestone) in the top 10 percent of counties with the lowest ranking values in the state.



The Southwest region has the lowest rate of senior owner cost burden (20 percent) and the second lowest rate of senior renter cost burden (49 percent) in the state.



The region has the highest proportion of aging owner-occupied homes with nearly half built prior to 1960. Yet, in 2017, only 412 new single-family permits were issued for construction, just 3 percent of permits statewide.



With the exception of heavy truck drivers, the cost of rent for a modest two-bedroom apartment is out of reach for four of the five most in-demand jobs in the region.

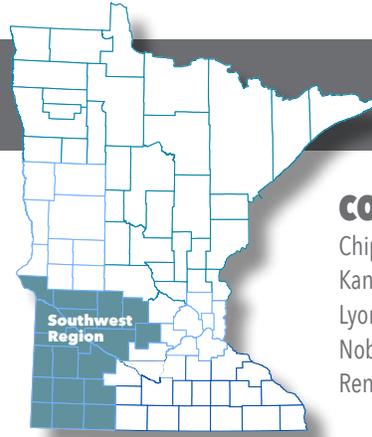
# SOUTHWEST REGION

## Rental Housing

The Southwest region has the third smallest renter population in the state, with only 27,840 renter households. These renter households account for 25 percent of the entire household population, less than the state average of 28 percent. Lyon County, which is anchored by the city of Marshall, has the highest percentage of renter households in the region at 32 percent. In total, Kandiyohi, McLeod and Lyon counties have the largest number of renter households, accounting for nearly 40 percent of the region's total renter households.

The Southwest region has the lowest rate of renter cost burden in the state, with 37 percent of renters spending more than 30 percent of their income on housing — significantly below the state rate of 44 percent. The region also has four of Minnesota's top 10 least renter cost burdened counties: Chippewa, Lac qui Parle, Big Stone and Rock counties. In these counties, only 29 to 31 percent of all renter households experience housing cost burden.

The trends related to change in gross rent since 2000 have varied significantly across the region; Lyon County is the one county



**COUNTIES:** Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, Yellow Medicine

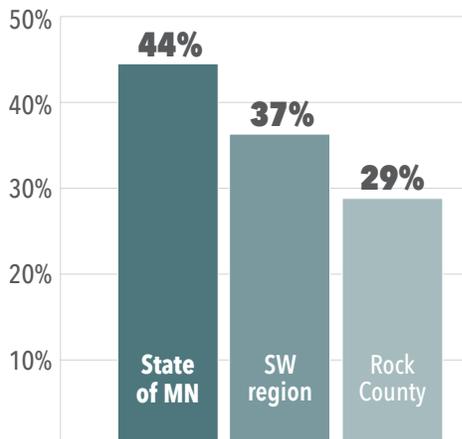
statewide that saw a decline in rent in the state, falling by 2 percent over this time period. Meanwhile, Big Stone, Cottonwood, and Lincoln counties have seen tremendous increases in rent. Big Stone and Cottonwood alone have seen the steepest uptick in rent in the state, rising by 52 percent and 41 percent respectively. Despite these major increases in rent, Big Stone County remains one of the most affordable counties for a rental unit in the state, with an overall median gross rent of \$498 in 2017, and is able to maintain very low rates of renter cost burden.

In the Southwest region, there are approximately 7,775 renter households that are extremely low income, or earning less than 30 percent of area median income.

## Homeownership

There are approximately 85,560 owner households in the Southwest region, accounting for 75 percent of the region's total household population. At a regional level, 18 percent of all owner households experience housing cost burden, making the Southwest the least owner cost burdened region in the state. Big Stone, Lincoln, and McLeod Counties have seen significant increases in owner income since 2000, ranging from 19

Cost-burdened renter households



The Southwest region has the lowest rate of renter cost burden in the state

## CITY SPOTLIGHT: Willmar

Willmar is the largest city in the Southwest region, with an estimated 7,470 households. While the total number of households has grown minimally, the share of renter households has increased by 13 percent from 2000 to 2017. Both renter and owner incomes have declined in the city since 2000, falling by three and five percent, respectively. Yet, rent has increased by 14 percent in the city over that same time period — and the percentage of renters that pay more than they can afford has increased from 36 percent to 45 percent.

percent to 27 percent, marking three of the top 10 largest increases in the state. However, current median owner income in the Southwest region remains relatively low compared to other regions.

Overall, homes have a relatively low median value in the region, with five counties (Big Stone, Cottonwood, Lac qui Parle, Lincoln, and Pipestone) in the top 10 percent of counties with the lowest ranking values in the state. Additionally, McLeod, Lac qui Parle, and Chippewa Counties have seen little or no increase in the median value of home since 2000, which may be indicative of needed rehabilitation of aging owner occupied homes.

In the region, 78 percent of white households are homeowners while only 46 percent of people of color and indigenous households own their homes. However, at 65 percent, the rate of homeownership for Indigenous households is significantly higher than the state average of 46 percent.

## Housing Development and Subsidized Housing

Compared to other regions, the Southwest region has the highest proportion of aging owner-occupied homes with nearly half — or 48 percent — in the region built prior to 1960. Aging owner-occupied housing is particularly severe in Pipestone, Lac qui Parle, Big Stone, Yellow Medicine, Jackson and Chippewa Counties, which all rank in the top ten for the largest share of owner-occupied housing built before 1960 in the state, and where 58 to 61 percent of all owner homes were built prior to 1960. In 2017, 412 new single family homes were permitted for construction, accounting for just 3 percent of single family home permits statewide.

In the region, 34 percent of rental units were built before 1960. Despite this need, only 171 multi-family units were permitted for development in 2017, accounting for just 2 percent of all multi-family development in the state. The Southwest region contained just 4,671 subsidized units in 2017, the third lowest amount regionally in the state.



The Southwest region has the highest proportion of aging owner-occupied homes with nearly half (48 percent) built prior to 1960.



The Southwest region has the **highest rate of Indigenous homeownership**, significantly higher than the state average of 46 percent.

## Southwest Spotlight: When home is hope at Solace Apartments

For people with chemical dependency and mental health issues, accessing a stable home can be incredibly difficult. A lack of available, affordable homes with connected services — such as case management and mental health support — can lead to a cycle of incarceration, profoundly impacting individuals and their community.

But in the Southwest region, a new multi-family supportive housing project, Solace Apartments, is breaking that cycle for individuals and families.

Solace Apartments got its start five years ago with Judge Allison Krehbiel, who serves the 5th Judicial District Court in Nicollet County. She saw that a lack of housing with appropriate services was a barrier to previously incarcerated individuals successfully re-entering their community. She reached out to Rick Goodemann, former CEO of Southwest Minnesota Housing Partnership (SWMHP), to find a solution.

From this call-to-action, a motivated coalition coalesced with stakeholders from the Nicollet County legal offices, the public health department, the school district, a mental health services provider, the City of St. Peter, and the Nicollet County Board of Commissioners. With such a broad and diverse set of organizations at the table, it became clear that providing a pathway to mental health and chemical dependency recovery was more than just an individual issue — it affected the whole community. Home-related stress impacted learning in the classroom; hospitals saw costly emergency room visits; police were called to manage personal crises; and the justice system felt the strain of people cycling back in rather than transitioning out.

Solace Apartments is a key step forward in a long-term solution to address these challenges.



Southwest Minnesota Housing Partnership founding director Rick Goodemann cuts a ribbon at the grand opening of Solace Apartments.

“Since it’s opening in November 2018, things have gone very well,” said Jenn Lamb, the Supportive Housing Specialist at the SWMHP. Solace’s mix of one, two, and three-bedroom affordable units are nearly fully occupied, with the larger units creating important opportunities for parents to reunify with their kids.

Residents are taking ownership of their homes and utilizing available services including a resident services navigator who assists with housing applications, a 24-hour front desk that follows up on safety and security reports, individual and family therapy, chemical dependency treatment, and mental health-related daily skills building.

An artist-in-residence program is also in the works. Art can not only be therapeutic, a new way for residents to “tell their story, build their voice, and build power,” Lamb said.

With the Solace Apartments now open, SWMHP is already planning to implement a development modeled after Solace to address the local needs of Blue Earth County and the City of Mankato. Solace Apartments provides a place to recover — and an opportunity to realize a future full of hope.

## Senior Housing

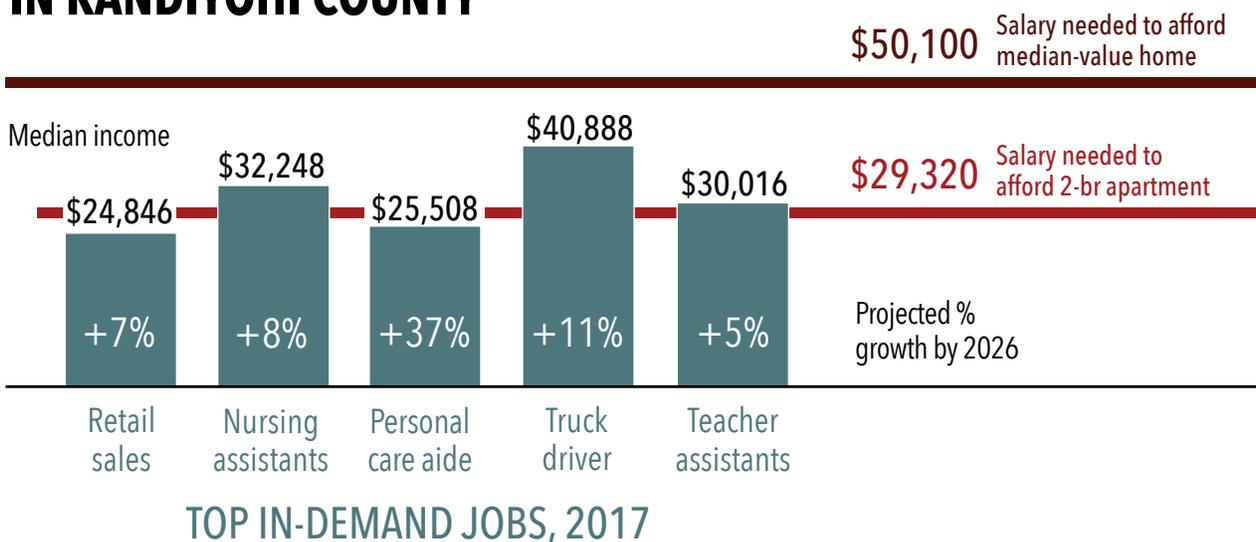
The Southwest region currently contains 32,790 households and 53,911 individuals over the age of 65. The region is expected to see the lowest percent of senior population growth in the state, increasing by 32 percent and gaining an additional 17,342 seniors by 2035. This is half of that of the state, which will see an increase of 64 percent.

The Southwest has the lowest rate of senior owner cost burden (20 percent) and the second lowest rate of senior renter cost burden (49 percent) in the state. Chippewa, Lac qui Parle, and Swift Counties rank in the top 10 counties in the state with the lowest rates of senior renter cost burden, affecting just 24 percent to 34 percent of seniors. Additionally, Lac qui Parle, Jackson, and Redwood rank in the top 10 counties with the lowest rates of senior owner cost burden, affecting just 13 percent to 15 percent of senior homeowners.

## Housing Affordability by Occupation

The top five in-demand jobs in the region currently are heavy and tractor-trailer truck drivers, teacher assistants, personal care aides, nursing assistants and retail salespersons. The annual median income of these occupations ranges from \$23,425 (retail salespersons) to \$41,244 (heavy truck driver), leaving a range of \$586 to \$1031 for these positions to spend on housing each month without exceeding 30 percent of their income. With the exception of heavy truck drivers, the cost of rent surpasses median earnings for all top jobs. Not surprisingly, the salary needed for homeownership also consistently exceeds the incomes of four of the five top in-demand occupations. Of the 18 counties in the region, in only one (Lac qui Parle) is a median-value home accessible to two of the top in-demand occupations (truck drivers and nursing assistants).

## WAGES AND HOUSING AFFORDABILITY IN KANDIYOHI COUNTY



# West Central Region

The West Central region borders both North and South Dakota and is comprised of nine counties, spanning part of the Fargo Metropolitan Statistical Area (MSA) and White Earth reservation. The region includes more than 92,900 total households, 75 percent of which are homeowners and 25 percent of which are renters. One of the most pressing housing issues in the West Central region is severe renter cost burden, which impacts the highest proportion of renters of any region in the state, at 24 percent. Additionally, the West Central region contains the highest proportion of extremely low-income renters in the state.

By 2035, the region is expected to grow by only 4 percent, adding 9,970 individuals to a total of 236,660 people – well under the 11 percent projected growth rate for the state. The cost of living for a family of three<sup>1</sup> in the region is \$46,548, with housing accounting for 19 percent of that annual cost.

## Top 5 Facts



The region contains the highest percentage of severely cost-burdened renters, with 24 percent of renter households paying more than half of their monthly income on housing.



West Central is home to the highest proportion of extremely low-income renters of any region in the state, with 7,405 – or 34 percent of all renter households – earning 30 percent of area median income or less.



From 2000 to 2017, median renter income rose in six of the nine counties, topping out at \$31,650 in Douglas County. The region remains well below the state average of \$35,965.



Significant gains in owner incomes have largely kept pace with increasing housing costs, which has kept rates of owner cost burden relatively low throughout the region.



The region contains the second highest percentage of senior renters in the state after the Twin Cities, and 56 percent of these senior renters are cost burdened.

# WEST CENTRAL REGION



## COUNTIES:

Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin

## Rental Housing

The West Central region is home to 23,210 renter households, the second smallest renter population in the state (after the Northwest region). Of these households, more than half (54 percent) live in either Clay County or Otter Tail County, both of which are located either in or just outside of the Fargo-Moorhead MSA. Stevens County has the highest rate of renter cost burden in the state, with 52 percent of all renters spending more than 30 percent of their income on housing. Clay and Douglas Counties also rank in the top 10 for counties with the highest percentage of cost burdened renters in the state, affecting 51 percent and 46 percent of renters respectively.

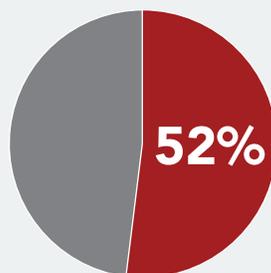
Additionally, the region contains the highest percentage of severe renter cost burden in the state, or renters who are paying more than half of their income on housing. Stevens and Clay counties — which have the highest percentage of renters in the region — rank first and second in the state for the highest rates of severe renter cost burden, affecting 34 percent and 28 percent of renter households, respectively. Since 2000, the percent of cost-burdened renters decreased in only one county in the region — Traverse, where the rate fell from 36 percent to 32 percent — and saw the largest

increases in Grant and Wilkin counties, where rates increased from 24 percent to 38 percent and 25 percent to 42 percent, respectively.

Since 2000, renter income has increased in six out of nine counties, growing as much as 28 percent (Traverse County) and 18 percent (Douglas County). Traverse and Douglas counties rank third and sixth for the largest growth in renter income in the state, respectively. However, median renter income in the region, which ranges from \$20,649 (Stevens County) to \$31,649 (Douglas County) remains well below the state average of \$35,964.

The West Central region contains 7,405 extremely low-income renter households that earn 30 percent of area median income or less. At 34 percent of all renter households, this represents the largest percentage of ELI renters in the state.

Three of the 10 counties with the highest percentage of cost burdened renters are in the West Central Region, including the **highest of any county in the state: Stevens County at 52%.**



**24%** of renter households in the region are severely cost burdened, the highest of any region in the state

## CITY SPOTLIGHT: Fargo-Moorhead

The Fargo MSA includes Clay County in Minnesota and Cass County in North Dakota. The Minnesotan side of the MSA includes the city of Moorhead, which is also the most populous in the West Central region. Moorhead includes 15,725 households, 62 percent of which are owners and 38 percent of which are renters. Rent has risen steeply in the city since 2000, increasing by 28 percent to \$779. While median renter income has increased, the rate of increase has not kept pace with the growth in rent at 12 percent. In 2017, 55 percent of renter households in the city experienced cost burden.

## Homeownership

There are nearly 69,700 homeowner households in the West Central Region, accounting for 75 percent of all households. Following the same distribution as renter households, half of all owner-occupied households are located in Clay and Otter Tail counties. In recent years, significant gains in owner incomes have largely kept pace with increasing housing costs, which has kept rates of owner cost burden relatively low throughout the region.

The West Central region has seen significant changes in owner income in Pope and Stevens County, where income has increased by 18 percent and 25 percent since 2000, respectively. However, 19 percent of the region's homeowners remain cost burdened, mirroring the state average. Though owner cost burden varies across the region, Stevens County ranks as the least owner

cost burdened in the state, affecting just 11 percent of owners, with just 3 percent of owners falling into the severe cost burden category. Currently, only 2,757 or 46 percent of all Indigenous households and households of color own their home compared to 77 percent of all white households in the region.

## Senior Housing Need

The West Central region contains the second highest percentage of senior renters (age 65 and older) in the state after the Twin Cities, and a striking 56 percent of these senior renters are cost-burdened. In Clay and Douglas County the numbers of senior renter cost burden are even worse, affecting 61 percent and 67 percent of senior renters, and ranking 10th and third for the highest rates in the state.

Currently, there are 20,575 senior owner households in the region, 24 percent of which are cost burdened. Seniors are projected to grow by 45 percent in the region, with an additional 19,770 individuals joining this age bracket by 2035. With an already robust senior population, the region will need to plan for housing to accommodate this growth.

Of all 87 counties, Douglas County has the third highest percentage of **cost-burdened senior renter households at 67 percent.**



## West Central Spotlight: The role of housing in recruiting new residents

Driving through downtown Pelican Rapids one morning, Erik Osberg glimpsed something beautiful. He pulled over and hopped out of his car to take a short video of the waterfall he'd spotted. "Here it is... your #momentofserenity," he Tweeted.

While the act was spontaneous, it wasn't for mere hobby. It's part of Osberg's job as Otter Tail County's first Rural Rebound Initiative Coordinator.

The County created Osberg's role — potentially the first of its kind in the nation — as part of an innovative effort to recruit new residents, building directly on recent demographic trends that show 30- 49-year-olds are increasingly migrating to rural Minnesota counties, a phenomena coined the "Brain Gain" by University of Minnesota researcher Ben Winchester.

As many rural areas struggle with population loss and the stigma that can accompany it, Otter Tail County's approach could help other communities "rewrite the narrative" and be more proactive in attracting new residents.

Working closely with local tourism efforts, Osberg's primary tactics for resident recruitment are to share the positive stories of the community and show that the characteristics that make the county a great

travel destination also make it a great place to live. "Visit, visit, live" Osberg says, describing the how frequent vacationers can eventually turn into long-time residents, especially as people enter different stages in life.

As communities look to attract new residents, appropriate housing options are critical. Surveys have shown a high desirability to

live in rural areas, but many small towns are challenged with a lack of housing options for working class families, who likely comprise a sizable portion of the 30- to 49-year-old age range. Still, there is optimism that local solutions will emerge. For example, Osberg pointed to the community of Battle Lake which, when faced with a childcare shortage, joined together raise funds for a \$5 million facility that opened last Fall.

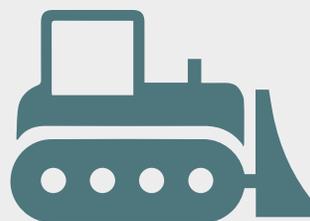
This optimism carries through in Osberg's advice for other communities that are worried about population loss: Remember, "people want to move to your area for what you are today." Sometimes it's just a matter of connecting people to the moment of serenity that transforms a visitor into a lifelong resident.

*Photo: Osberg accepts an award from the Economic Development Association of Minnesota in January 2019*



## Housing Development and Subsidized Housing

In 2017, 301 multifamily housing developments were built in the region, accounting for 4 percent of the developed units in the state. Just 5 percent of the state's total single-family housing development occurred in the region, as well; 637 single family permits were issued in 2017, the majority of which were in Becker, Clay, and Douglas counties.



In 2017, the region added just **637 new single family housing units**, accounting for barely 5 percent of the permits issued statewide.

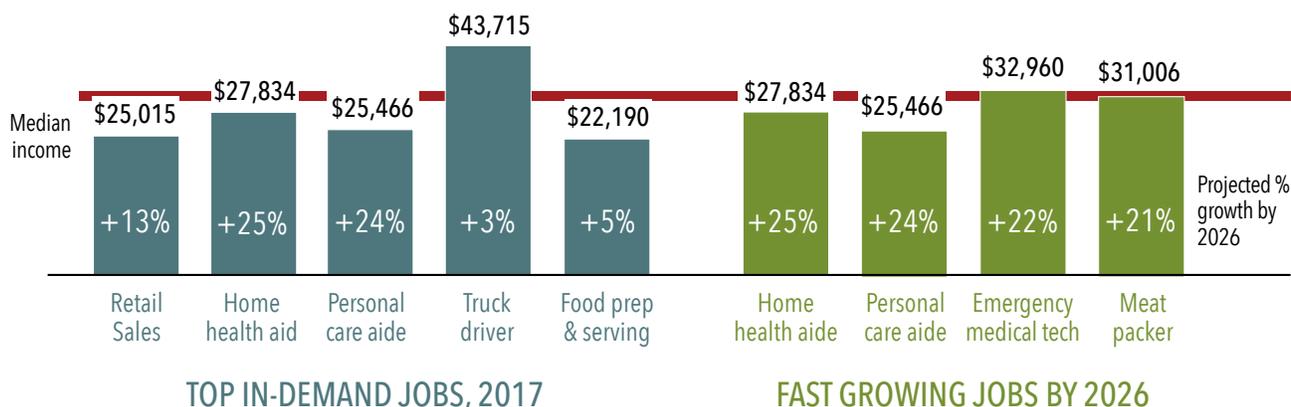
## Housing Affordability by Occupation

In the West Central region, a median-income renter household can only afford rent ranging from \$496 per month in Wilkin County to \$771 per month in Clay County — which is insufficient to afford a modest two-bedroom apartment in most counties (which ranges from \$697 to \$814 per month). In the coming years, many more renters may struggle to afford housing, much less homeownership, because many of the top in-demand jobs pay a fraction of what is needed to afford housing.

The top five in-demand jobs in the region include personal care aides, tractor-trailer truck drivers, retail salespersons, food preparation and serving workers, and home health aides — and housing costs greatly exceed median earnings for all of these in-demand jobs, except tractor-trailer truck drivers. The annual median income earned by the top jobs ranges from \$22,190 (food preparation and serving) to \$43,715 (tractor-trailer truck drivers). But an employee in the region would need to earn from \$27,880 to \$32,560 to afford rent for a two-bedroom apartment at fair market rent. For four out of five of the top jobs, rent is out of reach.

### WAGES AND HOUSING AFFORDABILITY IN DOUGLAS COUNTY

\$59,160 Salary needed to afford median-value home      \$32,560 Salary needed to afford 2-br apartment



# Northwest Region

The Northwest region includes 12 counties and contains the metropolitan area of Grand Forks and the Red Lake, White Earth and Leech Lake reservations. The region includes roughly 67,650 households, making it the least populated region of the state by more than 25,250 households. By 2035, the population is expected to grow by only 2 percent, gaining approximately 4,000 individuals to a total of 175,380. The annual cost of living in the Northwest is estimated to be \$46,800 for a family of three<sup>1</sup>, with housing costs accounting for 20 percent of that annual income.

## Top 5 Facts



The percentage of cost burdened renters, or renters spending more than 30 percent of their income on housing grew from 33 percent of households in 2000 to 41 percent in 2017.



With 56 percent of renter households paying more than 30 percent of their income on housing, Grand Forks has the highest rate of renter cost burden of any metropolitan statistical area in the state.



Only 288 single-family units were permitted for construction in the Northwest region in 2017, the lowest number of any region in the state. For multi-family units, only 238 permits were issued.



Half of people of color and Indigenous (POCI) households in the region own their homes, the highest rate of POCI homeownership in the state and the lowest homeownership gap between white and POCI households (28 percent).



In eight of the 12 counties in the Northwest region, median home value increased by more than 40 percent from 2000 to 2017, rising by as much as 55 percent in Pennington County.

<sup>1</sup> Estimate for one full time, one part time worker and one child

## Northwest Spotlight: Jail Diversion Pilot Project spurs critical development

It's 2013. You live in Bemidji and you're experiencing a mental health crisis. The nearest facility equipped to provide the support you need is 82 miles away. Without access to resources, your crisis — not a crime — leads you to incarceration.

Too many residents of Minnesota's Northwest region have experienced this reality.

In 2015, a medical service provider to Beltrami County Jail, located in Bemidji, estimated that 70 percent of inmates had a mental health diagnosis. With a lack of appropriate services in the area, many people in crisis were ending up in jail.\*

The region's Native communities were feeling the most severe impacts. At the time of the project, Native residents comprised approximately 37 percent of the homeless population in Beltrami County and more than 57 percent of the people in the Beltrami County Jail. But only 20 percent of people in Beltrami County identified as Native.

In 2016, community leaders formed the Jail Diversion Pilot Project in Beltrami County. The project included representatives from social service providers, hospitals, tribes, housing, corrections, and more.

The team identified a critical need for housing with services, explained participant Mary Thompson of Headwaters Regional Development Commission (HRDC). "Often, people experiencing mental health issues don't have anywhere else to go, and they end up in jail or the emergency room," Thompson said. "These places aren't equipped to provide the services people need when they're in crisis."

The project shaped the trajectory of future housing development in the region, including the efforts of HRDC. "Now, we're trying to find creative ways to solve the issues we uncovered during this process," Thompson said. "Conifer Villas in particular is a direct response to that."

Conifer Villas will provide 32 units of supportive housing for individuals experiencing mental health issues. HRDC completed a similar project in 2012 and it filled as soon as it opened. With nearly 100 individuals on the waiting list, the complex had only scratched the surface of the region's deep need for supportive housing. Thompson says HRDC is already planning a third supportive housing complex.

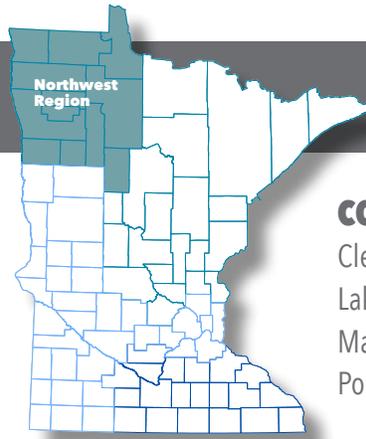
Mary Ringhand, another project participant, sees the region's pressing need for housing with services firsthand as Chief Judge for the Red Lake Tribal Court. "When someone with a mental illness has been in jail for a long time, we reach out to mental health service staff to find out why," Ringhand explained. "They often tell us it's because there isn't housing available for that person."

Ringhand wants to see more culturally-centered housing opportunities and programs to ensure Native community members can heal. An example is Oshki Manidoo in Bemidji. "Many of our tribal nations are in need of healing because of what's gone on, and our people know how to heal each other," Ringhand said.

A lack of access to housing with services can create negative impacts that ripple across generations. Beltrami County Administrator Kay Mack points out that stable housing for a parent can help prevent traumatic stressors for children. "Any efforts we can put into addressing stable housing are efforts and dollars well spent," Mack said.

\*Statistics for this piece from a January 2018 Legislative Report by the MN Dept. of Human Services to the Legislature.

# NORTHWEST REGION



**COUNTIES:** Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, Roseau

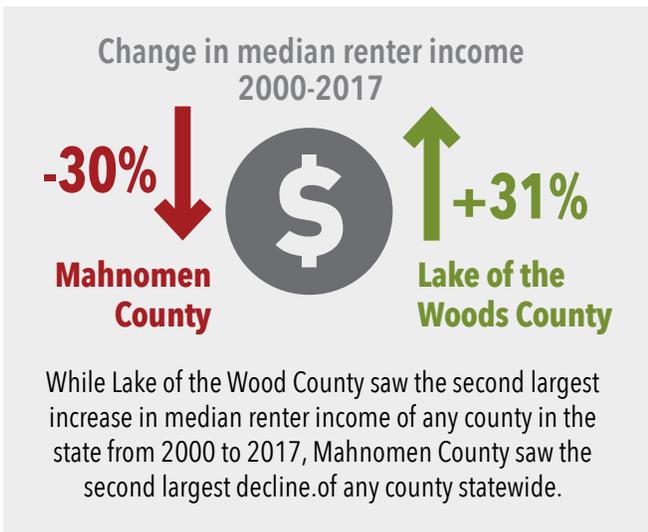
## Rental Housing

The Northwest region contains 16,700 renter households, constituting the smallest renter population of any region in the state. Renters make up a quarter of the total households, with 53 percent residing in Beltrami County (which includes the city of Bemidji) or Polk County (which spans the Minnesota side of the Grand Forks Metropolitan Statistical Area).

Since 2000, change in renter median income varied significantly across the region. While Lake of the Woods County has seen a steep rise in renter income, growing by 31 percent (the second largest gain in the state), the majority of counties saw a decline in income. In particular, Mahnomen County renter income declined by 30 percent over that same time period, ranking second to worst in the state for loss in annual earned income.

Median rent remains modest in most counties in the region; five counties in the region are among the 10 counties with the lowest rent in the state. Red Lake County has the lowest median gross rent of any county at \$495 in 2017.

The percentage of cost-burdened renters, or renters spending more than 30 percent of their income on housing, grew from 33 percent of households in 2000 to 41 percent in 2017. In the region there are approximately 5,330 extremely low-income renter households that earn less than 30 percent of area median income.



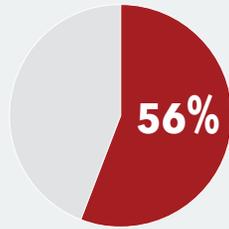
COUNTY	2017 Median Rent
<b>Red Lake County</b>	<b>\$495</b>
Wilkin County	<b>\$496</b>
Big Stone County	<b>\$498</b>
<b>Kittson County</b>	<b>\$554</b>
<b>Norman County</b>	<b>\$555</b>
Lac qui Parle County	<b>\$560</b>
<b>Marshall County</b>	<b>\$565</b>
<b>Mahnomen County</b>	<b>\$567</b>
Grant County	<b>\$580</b>
Faribault County	<b>\$585</b>

Median rent remains modest in many counties in the region, with five among the 10 with the lowest rents

## CITY SPOTLIGHT: Grand Forks

The Northwest region contains the Grand Forks MSA, which spans Polk County, Minnesota and Grand Forks County, North Dakota. The city contains the highest percentage of cost burdened renters of all other MSA core cities in Minnesota, affecting 56 percent of all renter households. Renter median income has declined by 16 percent since 2000 in the city and, at \$19,200, median renter income in East Grand Forks is the lowest of all MSA core cities. Median gross rent in Grand Forks has risen 10 percent since 2000 to \$721 in 2017.

With 56 percent of renter households paying more than 30 percent of their income on housing, Grand Forks has the highest rate of renter cost burden of any MSA in the state.



## Homeownership

There are more than 50,920 homeowner households in the region, accounting for 75 percent of all households. Since 2000, the median home value across the region has increased from 11 percent in Mahnommen County to 55 percent in Pennington and Red Lake counties. In eight of the 12 counties in the region, median home value increased more than 40 percent from 2000 to 2017. The Northwest region includes four (Red Lake, Pennington, Polk, and Beltrami) of the top 10

counties that experienced the highest change in home value.

Overall median owner income saw gains across most of the region, growing by as much as 41 percent and 24 percent in Marshall and Red Lake counties. However, owner income steeply declined in one county — Mahnommen — falling by the highest percentage in the state with a 28 percent decline.

The Northwest region has the highest percentage of people of color and Indigenous (POCI) households who own their home at 50 percent, and has the smallest homeownership gap in the state (28 percent) between white and POCI households

## Senior Housing

in 2017, the Northwest region was home to 3,830 senior renter households and more than 15,260 senior owner households. More than half (52 percent) of renter and 23 percent of owner households paid more than 30 percent of their income on housing. While Red Lake County ranked third and second in the state for the lowest rates of senior renter and owner cost burden, Lake of the Woods topped the state for the highest percent of cost burdened senior owners (33 percent), and fourth for senior renter cost burden (65 percent). With the region expected to gain 14,954 seniors by 2035, a 48 percent increase, there is a critical need to focus on housing access and affordability for the growing senior population.



In eight of 12 counties in the region, median home value **increased more than 40 percent** from 2000 to 2017.



The region has the **highest rate of homeownership** for people of color and Indigenous households

## Housing Development and Subsidized Housing

In the Northwest region, just 288 new single-family homes were permitted for construction in 2017 — the lowest amount of any region in the state. In 2017, only 238 new multi-family units were permitted for construction and, of these units, nearly half were in Beltrami County. Seven of the 12 counties saw no development of multi-family units. The region also contains the fewest units of subsidized housing of any region, with just 3,284 units in 2017.

## Housing Affordability by Occupation

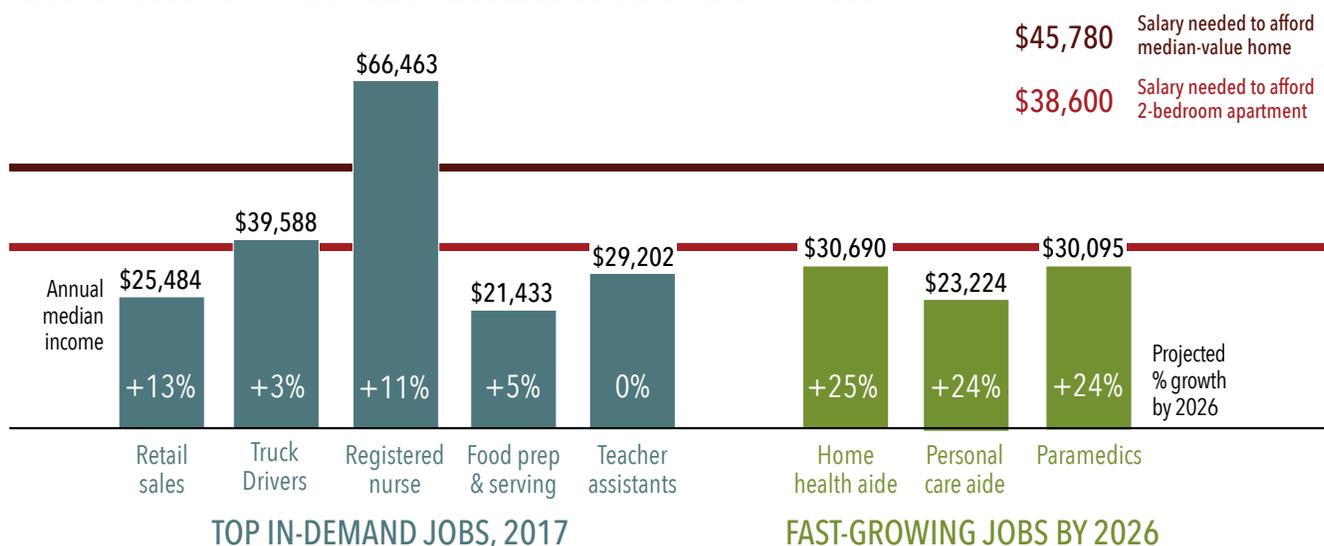
In 2017, monthly income for the median renter household ranged from \$1,788 in Clearwater County to \$2,564 in Marshall County. With that income, households can spend just \$555 to \$761 per month on housing without exceeding 30 percent of their income. However, rent for a modest two-bedroom

apartment ranges from \$697 to \$966 — meaning the median-income renter can afford a two-bedroom apartment in only half of the region’s 12 counties.

In the Northwest region, the top five jobs are registered nurses, heavy and tractor-trailer truck drivers, teacher assistants, retail salespersons, and food preparation and serving workers. For teacher assistants, retail salespersons, and food preparation workers, median annual income ranges from \$21,433 to \$33,872, leaving these workers just \$536 to \$847 per month to spend on housing.

Of these occupations, just registered nurses and tractor-trailer drivers are able to afford a modest two-bedroom apartment in all counties. To own a median-value home, households must earn at least \$21,540 (in Kittson County) to as much as \$54,810 (in Hubbard County). Given the projected growth in four of these jobs, the cost to rent or own a home will continue to be out of reach for a growing portion of the region’s workforce.

## WAGES AND HOUSING AFFORDABILITY IN POLK COUNTY



# Northland Region

The Northland region is located in the northeast area of the state, comprised of seven counties and spanning part of the Duluth Metropolitan Statistical Area (MSA) and three Native American reservations (Bois Forte, Fond du Lac, and Grand Portage). The region includes 139,550 total households, 75 percent of which are homeowners. The annual cost of living is approximately \$47,600<sup>1</sup>, with housing accounting for 20 percent of annual income.

Over the next 20 years, the region is expected to decline in population by approximately 4,000 individuals, one of just two regions in the state expected to experience negative population growth. The region also has the highest percentage of cost burdened renters in the state. From 2000 to 2017, the percent of cost-burdened renters increased from 36 percent to 46 percent of households.

## Top 5 Facts



From 2000 to 2017, the percentage of cost burdened households in the region – families paying more than 30 percent of their income on housing – grew dramatically, from 36 percent to 46 percent.



In 2017, the Northland region had the highest percentage of cost-burdened renters in the state, affecting 46 percent of renter households. More than 1 in 5 renter households pay more than *half* their monthly income on rent.



While rental housing stock is aging – with 41 percent built before 1960 – the Northland region added just 156 new multifamily housing units in 2017, accounting for 2 percent of the permits issued statewide.

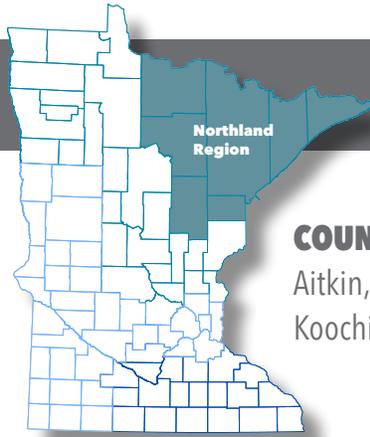


Two counties in the Northland region rank in the top 10 for increase in median home value from 2000 to 2017, with a 59 percent increase in Cook County and 54 percent increase in Lake County.



While the overall population is projected to decline by 4 percent, the senior population is expected to increase dramatically by 51 percent, or 32,670 individuals, by 2035.

# Northland Region



## COUNTIES:

Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

## Rental Housing

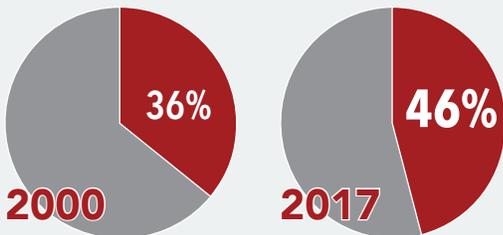
The Northland region contains 35,490 renter households, accounting for 25 percent of total households. More than 40 percent of the region's renters reside in the City of Duluth.

The Northland region contains the highest percentage of cost-burdened renters in the state, affecting 46 percent or 16,373 renter households that are currently spending more than 30 percent of their income on rent. An estimated 7,910 households, or 22 percent, are paying more than half of their income on housing.

While Cook County tops the state with the lowest rate of renter cost burden, affecting 26 percent of renters, Koochiching and St. Louis Counties rank in the 86 and 80, respectively, for those with the highest rates of cost burden (51 percent and 48 percent of renters spend more than 30 percent of their income on housing). With 51 percent of renters experiencing housing cost burden and 26 percent experiencing severe housing cost burden, Koochiching County has the second highest rate of renter cost burden, and the fourth highest rate of severe renter cost burden in the state.

The high rates of housing cost burden across the region highlight the growing cost of rent relative to renter wages. Renter income has fallen in all but two counties (Carlton and Itasca) since 2000, with Koochiching and St. Louis Counties are among the top 10 counties in the state with the steepest declines in income, after adjusting for inflation.

From 2000 to 2017, median rent in the Northland region increased by a range of 4 percent in Lake County to 27 percent in Carlton County. In the region, 36 percent of all renter households earn less than \$20,000 annually, meaning these families have no more than \$500 per month to spend on housing without exceeding 30 percent of their annual income. There isn't a single county in the Northland region where \$500 is enough to afford a modest one-bedroom apartment.



The Northland Region has the highest rate of renter cost burden rising from 36% in 2000 to 46% in 2017.

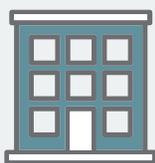


**51%** of renter households in Koochiching County pay more than they can afford for rent

## CITY SPOTLIGHT: Duluth

The Duluth metropolitan area — which spans St. Louis and Carlton counties of Minnesota and Douglas County of Wisconsin — contains different housing needs than the rest of the Northland region.

Within the city of Duluth boundaries, 40 percent of households are renters. In 2017, median gross rent in Duluth \$769, which has increased by 22% since 2000. While owner income has risen minimally since 2000 by 5% to \$63,642, renter income has declined by 2%, falling to a median of \$25,466 in 2017. In total, 19% of owners and 51% of renters are cost burdened in the city.

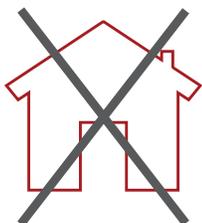


**MEDIAN RENT  
+22%**



**MEDIAN RENTER  
INCOME  
-2%** 2000-2017

The Northland Region is home to 11,150 renter households that earn less than 30 percent of area median income, yet contains just 4,774 that were affordable and available to renters in this income bracket.



For the 36% of renter households earning less than \$20,000 per year, **rent is out of reach in every county in the Northland region.**

## Owner-Occupied Homes

The Northland region contains more than 104,000 owner households, with a homeownership rate of 75 percent, matching the average for the state. However, homeownership rates differ significantly by race. In the region, 76 percent of white households are homeowners, while only 45 percent of households of color own their homes.

Since 2000, the median homeowner income in the region fell by as much as 4 percent in Koochiching County while increasing as much as 7 percent in Carlton County. Three of the seven counties in the region still saw a decline in owner income, with two counties, Cook and Koochiching, ranking in the top ten of counties seeing the largest decrease in owner income. Northland has the third highest rate of owner cost burden in the state, with 1 in 5 owner households paying more than 30 percent of their income on housing.

From 2000 to 2017, median home values rose by double digits in every county, ranging from a 20 percent increase in Koochiching County to a 59 percent increase in Cook County. Two counties in the Northland region rank in the top 10 for increase in median home value. Cook County saw the highest increase in median home value since 2000, increasing by 59 percent, to \$241,400. Lake County also ranks high on the list, coming in fourth with an increase of 54 percent since 2000, to a median home value of \$107,352.

## Northland Spotlight: Koochiching Housing Collaborative

Minnesota's Northland region is home to towering pines, sparkling water, and extremely low temperatures. Home to three international points of entry — an airport, and international bridge, and a railroad — the region is a locus for economic and cultural exchange.

But the vitality of Minnesota's Northland is at risk due to a lack of quality housing options affordable to all income levels. That's why Koochiching County organizations, including local government and public health stakeholders, formed the Koochiching Housing Collaborative — to take real action to meet local housing needs.

"The problem feels big, but at the end of the day, it's one of the most concrete things in the world: homes," says Isaac Meyer, Planning and Development Director at KOOTASCA Community Action.

To arm themselves with data to attract developers and investment, the Collaborative funded a county-wide housing study that confirmed what many community members already knew on a personal level: Koochiching County needs more quality, affordable housing at all income levels.

The local paper mill, which employs close to 600 people, is concerned about the lack of housing options affordable to their employees. International Falls mayor Bob Anderson, who worked at the paper mill for more than 50 years, notes that the available homes on the lake can cost millions. "This is a problem because our community can't have good jobs without housing," he says.

People paid the lowest incomes are experiencing the most severe impacts. As of early 2019, 74 families were on a growing waiting list for a housing choice voucher. But even when families secure a voucher, it's becoming more difficult to find an apartment that meets federal quality standards



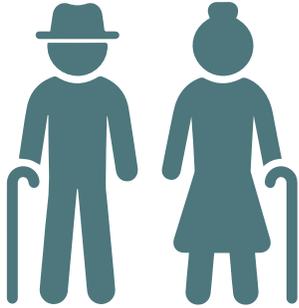
because so many of the county's rental homes need repair.

That has real implications. For people and families experiencing domestic violence, a lack of suitable, affordable housing options can make staying in an unsafe situation seem like the only option. "There are lots of reasons an individual might go back to an abusive situation, but one of them is housing affordability," says Jenell Feller, Director of Friends Against Abuse.

The Collaborative is working to address the need for affordable multifamily rental through the adaptive reuse of a historic school — the Alexander Baker Building — for affordable housing and community services. Adjacent to the Backus Community Center, the homes will provide easy access to cultural, educational, and community activities.

"There's significant buy-in for this project because of the concern about housing issues in our community," says Ward Merrill, Executive Director of Backus Community Center. "We need to keep that feeling that everybody's in this together. We hope this project will spur other development throughout the county. In fact, there are already other, smaller-scale initiatives taking place."

*Photo: Isaac Meyer leads a Koochiching Housing Collaborative meeting.*



While the region's overall population is projected to decline, the **senior population is expected to increase by 51% by 2035.**

The region has the highest & second-highest percentage of aging multi- and single-family homes, respectively.



41% of multi-family



45% of owner-occupied

## Senior Housing Need

While the overall population is projected to decline in the region, the senior population (age 65 and older) is expected to increase by 51 percent, or 32,670 individuals, by 2035. Saint Louis County will see the most growth, at an additional 21,000 seniors by 2035.

While lower than the state averages for senior cost burden, nearly half of senior renter households and 21 percent of senior owner households pay more than 30 percent of their income on housing. The counties with the highest rates of senior cost burden include Aitkin County (27 percent of senior homeowners) and Itasca County (53 percent of senior renters). The growing population of seniors, coupled with the already high rate of cost burden, indicates an increased need for senior housing.

## Housing Development and Subsidized Housing

The region has some of the oldest housing stock in the state. By 2017, 45 percent of all owner occupied homes were built before 1960, with the largest proportions of aging housing stock in St Louis and Lake Counties. Additionally, 41 percent of multifamily units were built before 1960, the highest percentage of any region in the state.

In 2017, the region added just 156 new multifamily housing units, 97 percent of which were located in Saint Louis County, accounting for just 2 percent of the permits issued statewide. In 2017, 832 new single family homes were permitted in the region — significantly up from 391 in 2015.

In the Northland, there is a total of 8,136 subsidized units, or 9 percent of the state total.

## Housing Affordability by Occupation

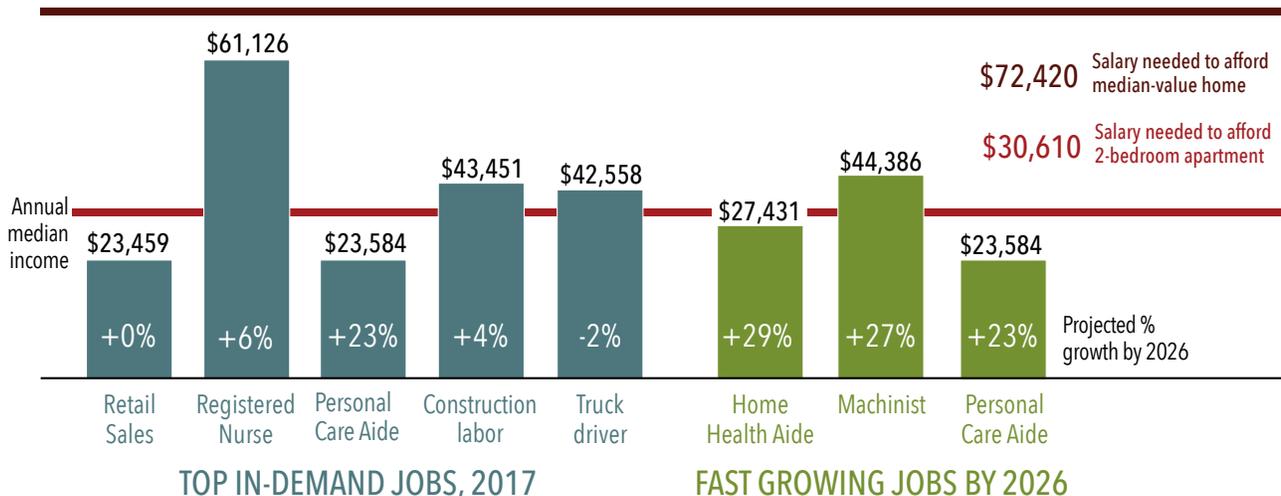
In the Northland region, median gross rent ranges from \$595 in Koochiching County to \$730 in St. Louis County. Yet median-income renters are only able to afford a range of \$476 (in Koochiching County) to \$769 (in Cook County). In some counties, including Koochiching and St. Louis, the median-income renter would need to earn \$100 more per month, to afford median gross rent.

The top five in-demand occupations for the region include retail salespersons, registered nurses, personal care aides, construction laborers, and heavy and tractor-trailer truck drivers. In total, these top five jobs are anticipated to add 4,690 job openings by

2026, with significant growth among personal care aides (23 percent), and registered nurses (6 percent). The median wage for these jobs ranges from \$23,459 to \$61,126, leaving these positions a range of \$586 to \$1,518 to spend on rent without exceeding 30% of their income.

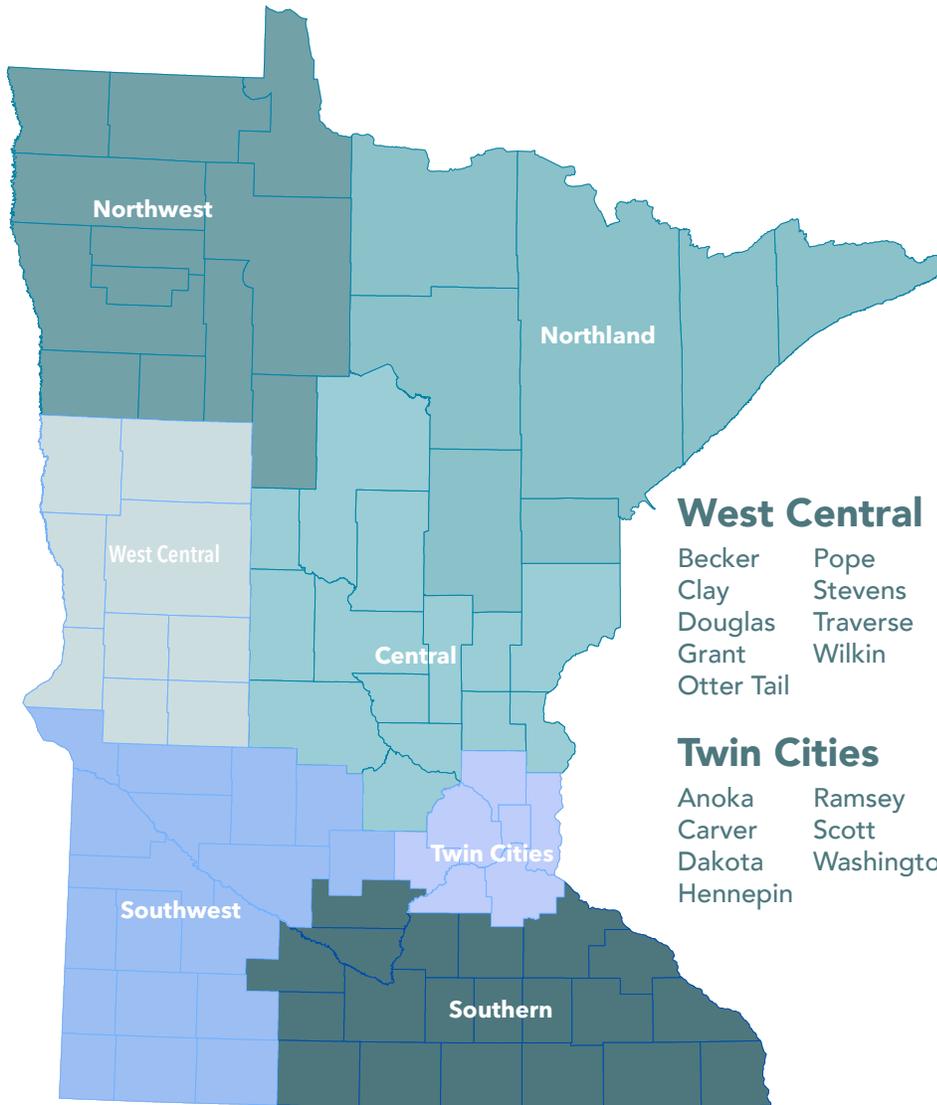
Of these occupations, personal care aides and retail persons cannot afford fair market rent for a modest two-bedroom apartment in any county in the region. Of all the top occupations, only registered nurses are able to afford homeownership in all but one county in the region. To own a median-value home in the region, an income range from \$32,490 (Koochiching County) to \$72,420 (Cook County) is needed.

## WAGES AND HOUSING AFFORDABILITY IN COOK COUNTY



# Rankings and Maps

Regions based on the delineations used by the Minnesota Housing Finance Authority



## Northland

- Aitkin
- Carlton
- Cook
- Itasca
- Koochiching
- Lake
- St. Louis

## West Central

- Becker
- Clay
- Douglas
- Grant
- Otter Tail
- Pope
- Stevens
- Traverse
- Wilkin

## Twin Cities

- Anoka
- Carver
- Dakota
- Hennepin
- Ramsey
- Scott
- Washington

## Northwest

- Beltrami
- Clearwater
- Hubbard
- Kittson
- Lake of the Woods
- Mahnomen
- Marshall
- Norman
- Pennington
- Polk
- Red Lake
- Roseau

## Central

- Benton
- Cass
- Chisago
- Crow Wing
- Isanti
- Kanabec
- Mille Lacs
- Morrison
- Pine
- Sherburne
- Stearns
- Todd
- Wadena
- Wright

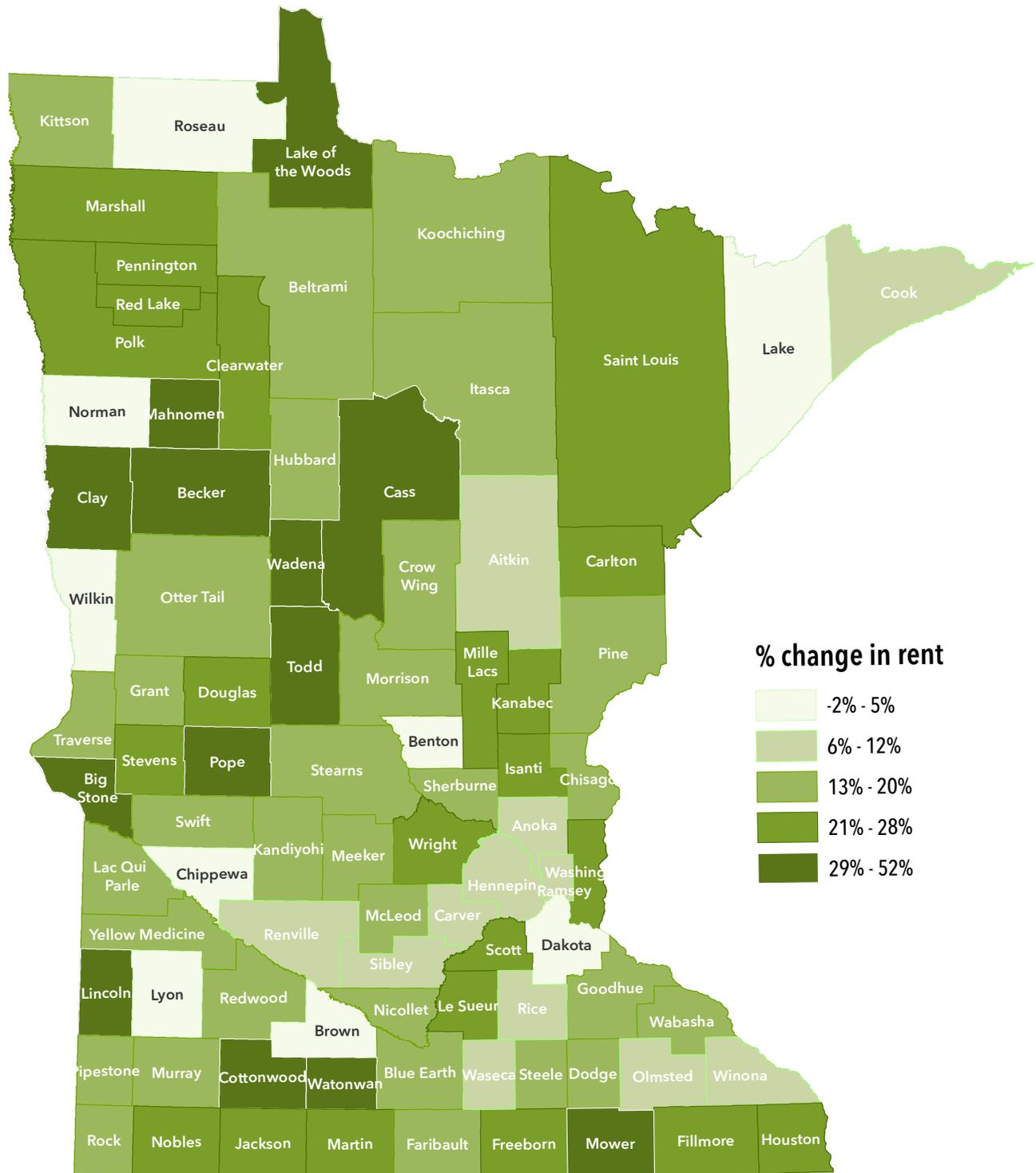
## Southwest

- Big Stone
- Chippewa
- Cottonwood
- Jackson
- Kandiyohi
- Lac qui Parle
- Lincoln
- Lyon
- McLeod
- Meeker
- Murray
- Nobles
- Pipestone
- Redwood
- Renville
- Rock
- Swift
- Yellow Medicine

## Southern

- Blue Earth
- Brown
- Dodge
- Faribault
- Fillmore
- Freeborn
- Goodhue
- Houston
- LeSueur
- Martin
- Mower
- Nicollet
- Olmsted
- Rice
- Sibley
- Steele
- Wabasha
- Waseca
- Watonwan
- Winona

# Increase in Median Rent\* by County, 2000 to 2017: (adjusted for inflation to 2017 dollars)



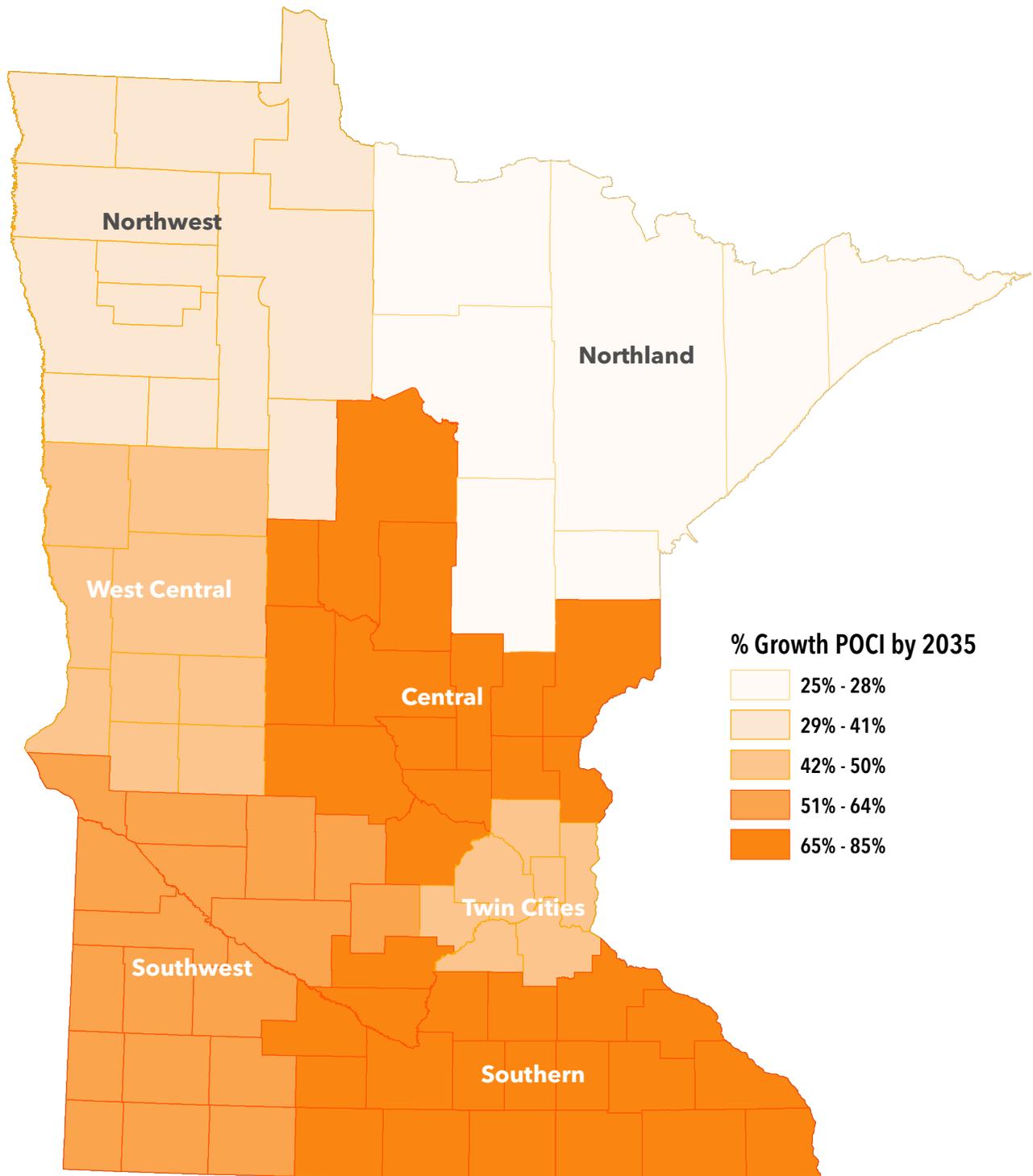
## Increase in Median Gross Rent\* by County, 2000-2017: (\*adjusted for inflation to 2017 dollars)

Rank	County	Region	% change in rent	Median gross rent, 2017
1	Big Stone	Southwest	52%	\$498
2	Cottonwood	Southwest	41%	\$616
3	Becker	West Central	35%	\$700
4	Wadena	Central	33%	\$635
5	Mahnomen	Northwest	32%	\$567
6	Cass	Central	31%	\$692
7	Mower	Southern	30%	\$704
8	Lake of the Woods	Northwest	30%	\$623
9	Clay	West Central	29%	\$771
10	Lincoln	Southwest	29%	\$596
11	Watonwan	Southern	28%	\$616
12	Todd	Central	28%	\$630
13	Pope	West Central	28%	\$659
14	Clearwater	Northwest	27%	\$612
15	Le Sueur	Southern	27%	\$779
16	Carlton	Northland	27%	\$710
17	Mille Lacs	Central	27%	\$735
18	Pennington	Northwest	27%	\$627
19	Douglas	West Central	26%	\$737
20	Stevens	West Central	26%	\$689
21	Washington	Twin Cities	26%	\$1,246
22	Marshall	Northwest	26%	\$565
23	Nobles	Southwest	25%	\$690
24	Kanabec	Central	25%	\$789
25	Jackson	Southwest	24%	\$629
26	St. Louis	Northland	24%	\$730
27	Wright	Central	24%	\$924

Rank	County	Region	% change in rent	Median gross rent, 2017
28	Red Lake	Northwest	24%	\$495
29	Freeborn	Southern	23%	\$642
30	Polk	Northwest	23%	\$689
31	Isanti	Central	22%	\$914
32	Martin	Southern	22%	\$593
33	Fillmore	Southern	22%	\$606
34	Houston	Southern	22%	\$677
35	Scott	Twin Cities	21%	\$1,130
36	Koochiching	Northland	20%	\$595
37	Morrison	Central	20%	\$689
38	Crow Wing	Central	20%	\$781
39	Swift	Southwest	20%	\$615
40	Nicollet	Southern	20%	\$829
41	Hubbard	Northwest	19%	\$648
42	Sherburne	Central	19%	\$963
43	Yellow Medicine	Southwest	19%	\$603
44	Faribault	Southern	19%	\$585
45	Otter Tail	West Central	18%	\$656
46	Blue Earth	Southern	18%	\$815
47	McLeod	Southwest	18%	\$777
48	Chisago	Central	17%	\$844
49	Beltrami	Northwest	17%	\$689
50	Redwood	Southwest	17%	\$617
51	Dodge	Southern	17%	\$639
52	Pine	Central	16%	\$713
53	Stearns	Central	15%	\$774
54	Goodhue	Southern	15%	\$779
55	Kandiyohi	Southwest	15%	\$709
56	Pipestone	Southwest	15%	\$594
57	Traverse	West Central	14%	\$607

<b>Rank</b>	<b>County</b>	<b>Region</b>	<b>% change in rent</b>	<b>Median gross rent, 2017</b>
58	Meeker	Southwest	14%	\$714
59	Grant	West Central	14%	\$580
60	Itasca	Northland	14%	\$655
61	Murray	Southwest	13%	\$601
62	Steele	Southern	13%	\$758
63	Lac qui Parle	Southwest	13%	\$560
64	Rock	Southwest	13%	\$631
65	Wabasha	Southern	13%	\$694
66	Kittson	Northwest	12%	\$554
67	Sibley	Southern	12%	\$679
68	Anoka	Twin Cities	12%	\$1,034
69	Olmsted	Southern	12%	\$884
70	Hennepin	Twin Cities	11%	\$1,031
71	Carver	Twin Cities	11%	\$1,003
72	Renville	Southwest	10%	\$599
73	Aitkin	Northland	10%	\$638
74	Ramsey	Twin Cities	9%	\$934
75	Rice	Southern	8%	\$796
76	Winona	Southern	7%	\$647
77	Waseca	Southern	7%	\$611
78	Cook	Northland	7%	\$690
79	Norman	Northwest	5%	\$555
80	Brown	Southern	4%	\$592
81	Chippewa	Southwest	4%	\$594
82	Lake	Northland	4%	\$644
83	Dakota	Twin Cities	4%	\$1,063
84	Roseau	Northwest	4%	\$650
85	Wilkin	West Central	3%	\$496
86	Benton	Central	1%	\$687
87	Lyon	Southwest	-2%	\$621

# Growth in Population for People of Color and Indigenous People: Increase by region by 2035



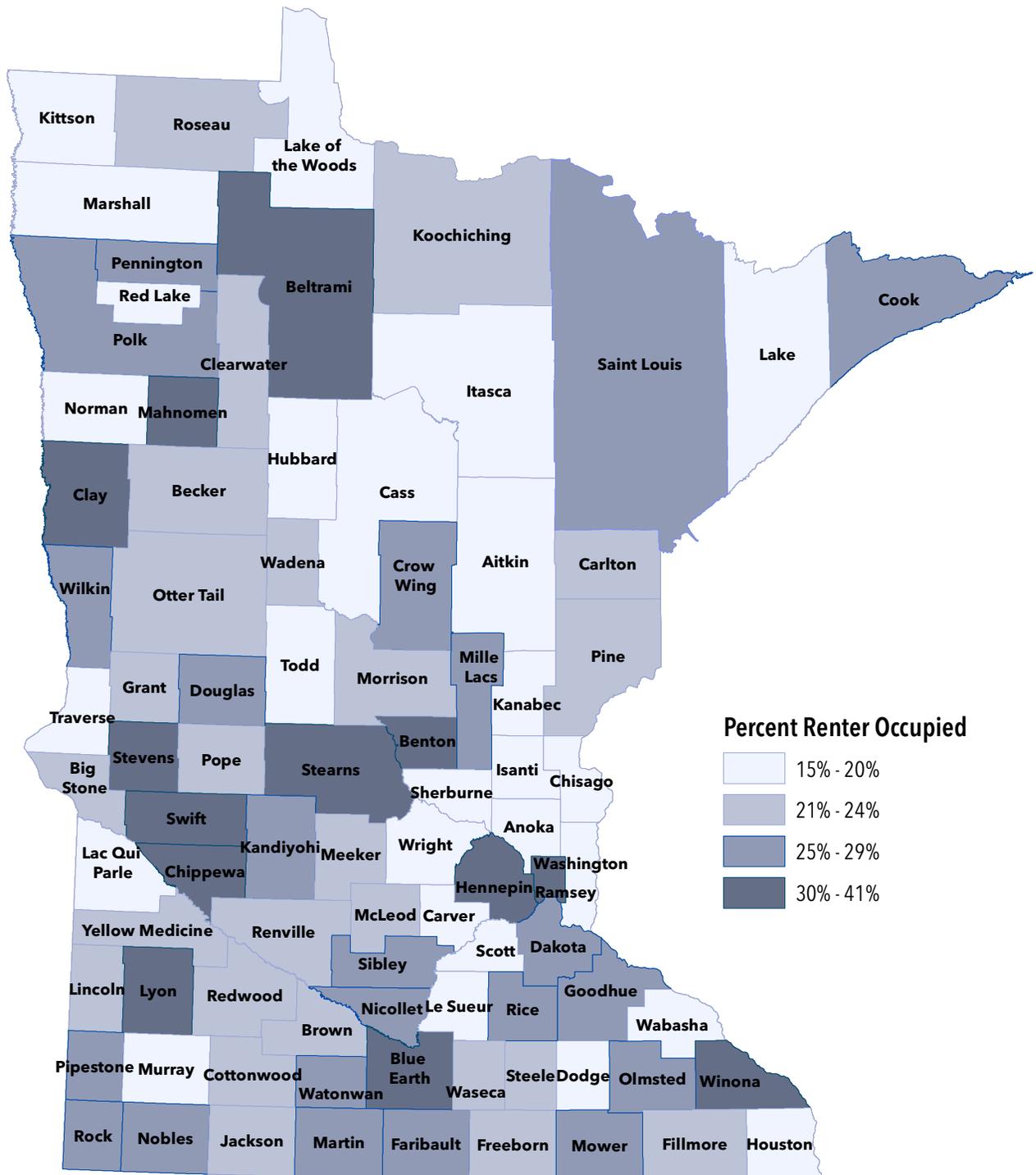
## Homeownership Gap by Region:

Percentage gap between white homeowners and POC homeowners

Ranking	Region	% white homeowners	% POC homeowners	Home Ownership Gap
1	Twin Cities	75%	39%	36%
2	Central	79%	46%	34%
3	Southwest	78%	46%	32%
4	Southern	77%	45%	32%
5	Northland	76%	45%	31%
6	West Central	77%	46%	31%
7	Northwest	78%	50%	28%
	<b>State</b>	<b>76%</b>	<b>41%</b>	<b>36%</b>

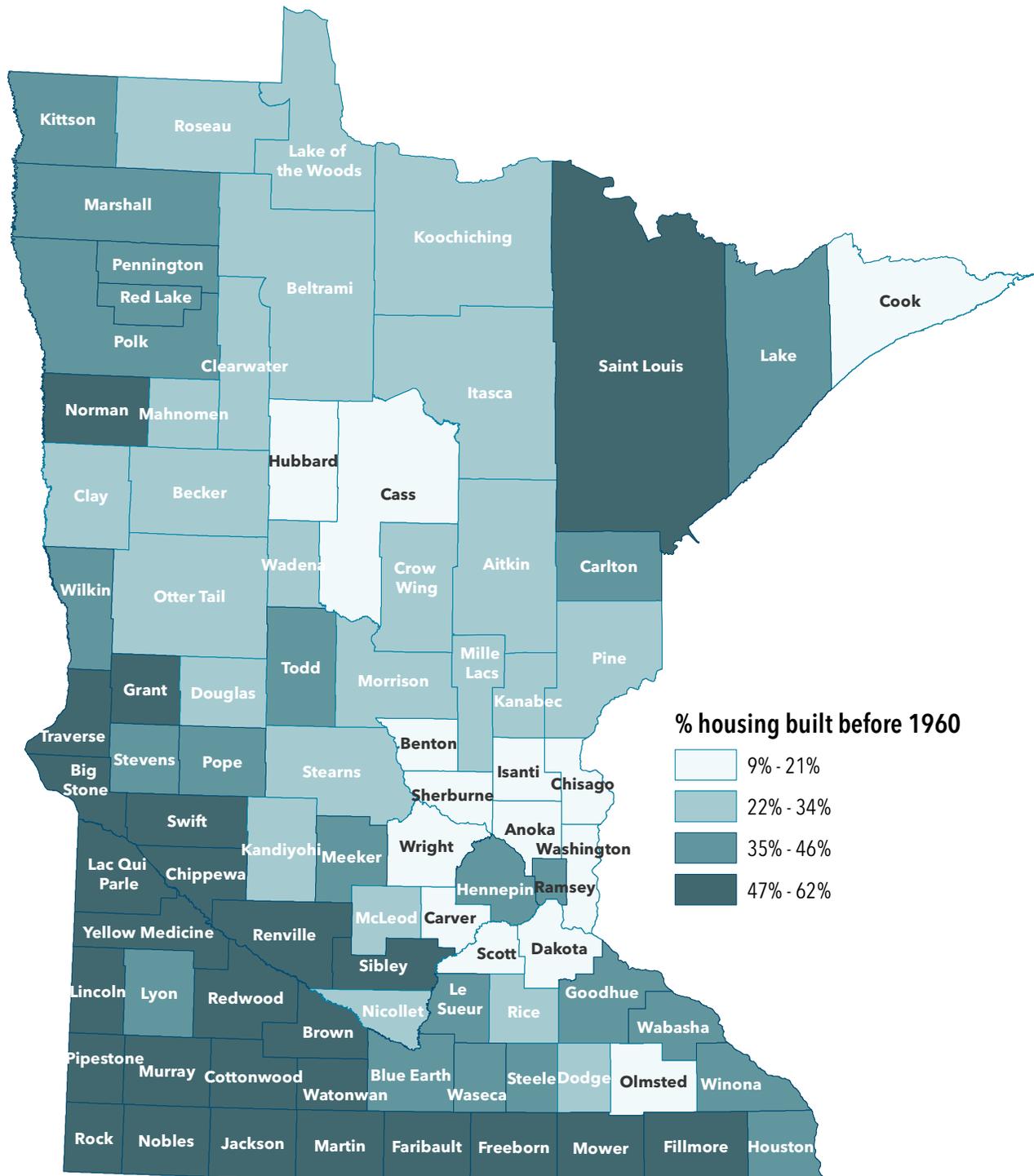
# RENTAL VS OWNER OCCUPIED:

Percentage of households that are renting vs. owning in 2017



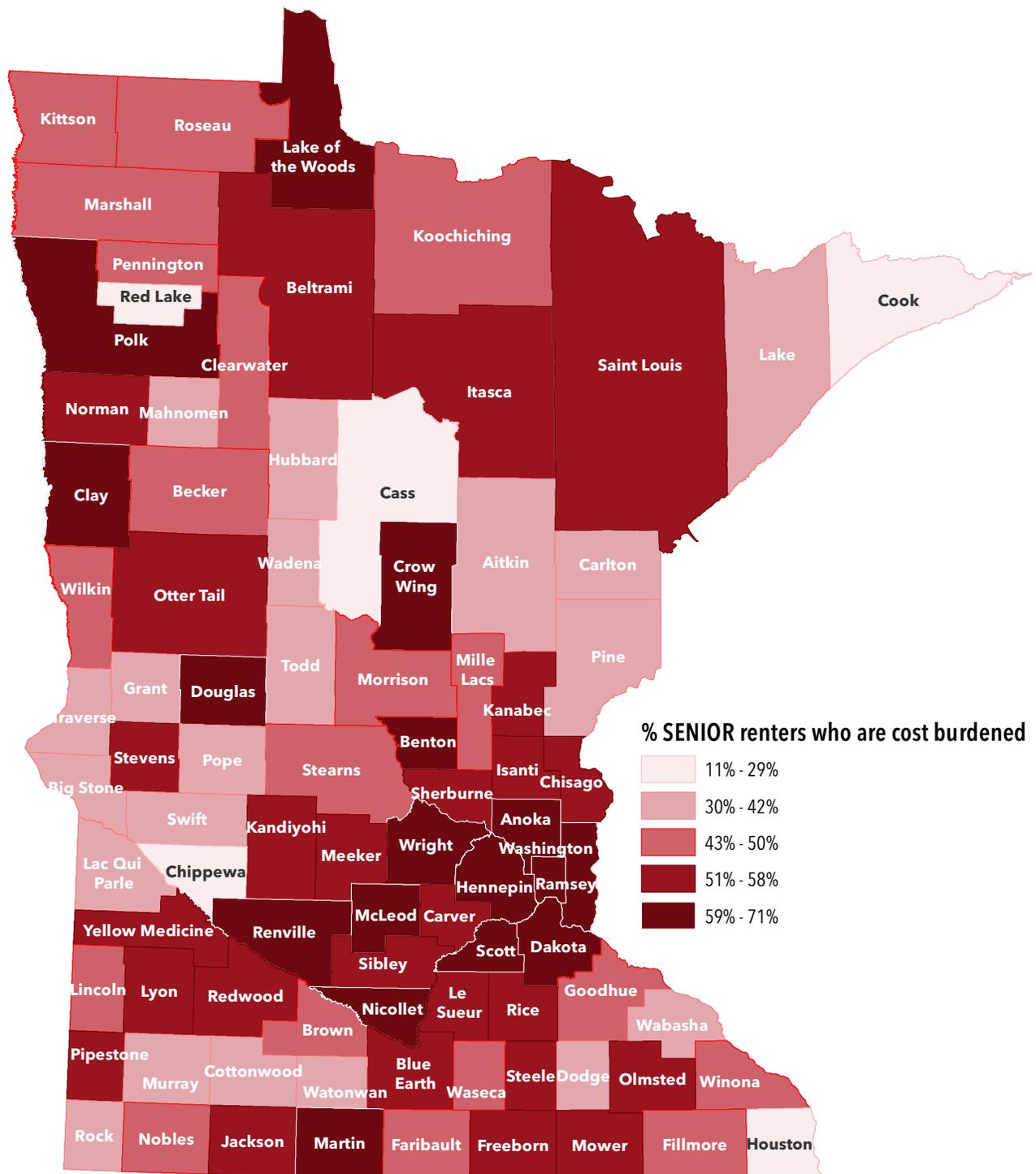
# AGING HOUSING STOCK:

Percentage of single family and multi-family housing built before 1960



# Senior Renter Cost Burden:

Senior renter households paying 30% or more of income for housing in 2017



## Senior Renter Cost Burden:

Senior renter households paying 30% or more of income for housing in 2017

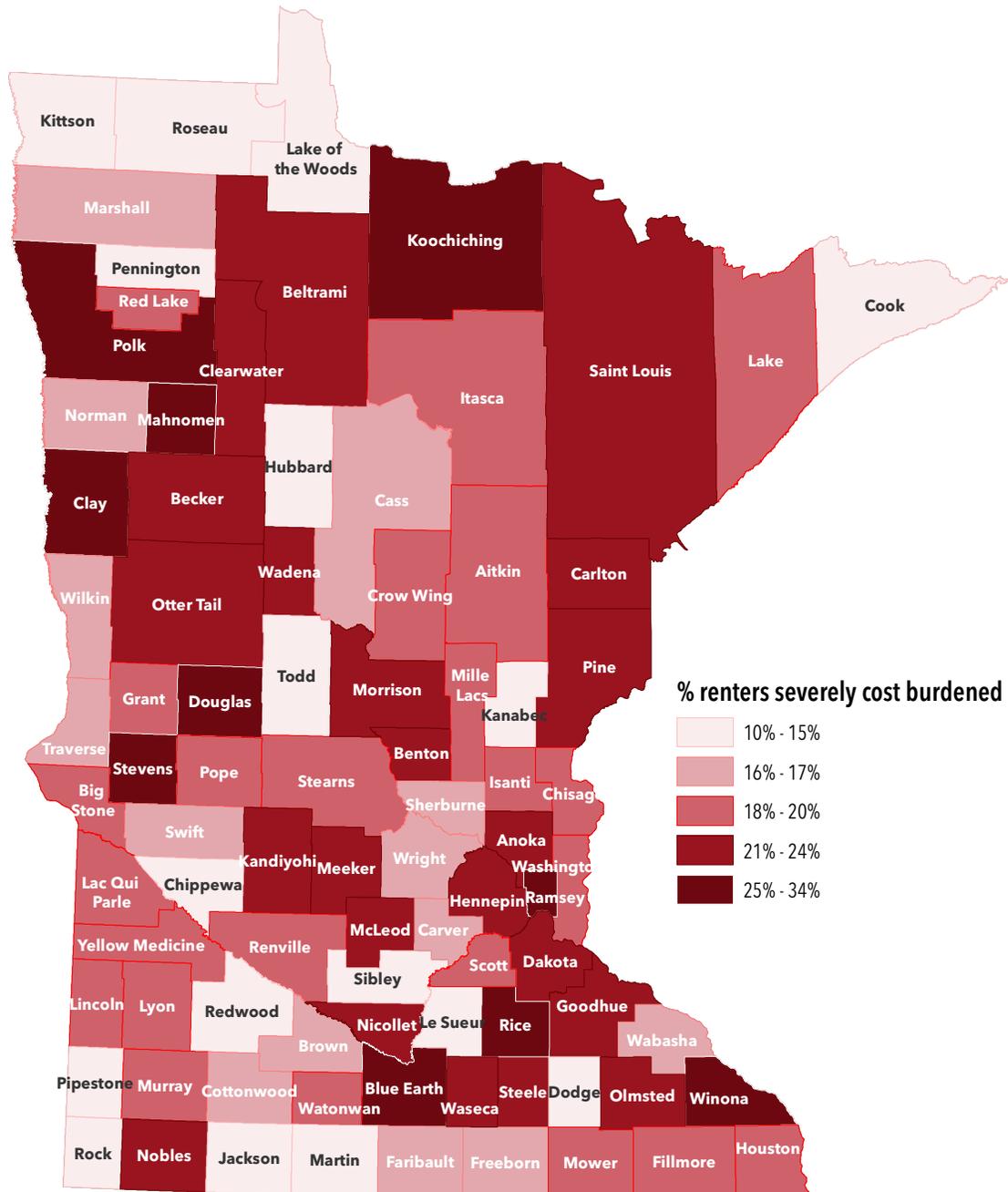
Ranking	County	Region	% Senior Renter Cost Burden
1	Benton	Central	71%
2	Washington	Twin Cities	69%
3	Douglas	West Central	67%
4	Lake of the Woods	Northwest	65%
5	Dakota	Twin Cities	65%
6	Polk	Northwest	65%
7	Ramsey	Twin Cities	62%
8	Anoka	Twin Cities	62%
9	Renville	Southwest	61%
10	Clay	West Central	61%
11	Scott	Twin Cities	61%
12	McLeod	Southwest	61%
13	Wright	Central	60%
14	Hennepin	Twin Cities	59%
15	Nicollet	Southern	59%
16	Martin	Southern	59%
17	Crow Wing	Central	59%
18	Kandiyohi	Southwest	58%
19	Blue Earth	Southern	58%
20	Mower	Southern	58%
21	Sibley	Southern	57%
22	Kanabec	Central	57%
23	Isanti	Central	56%
24	Olmsted	Southern	56%
25	Stevens	West Central	56%
26	Otter Tail	West Central	55%
27	Norman	Northwest	55%
28	Steele	Southern	55%

<b>Ranking</b>	<b>County</b>	<b>Region</b>	<b>% Senior Renter Cost Burden</b>
<b>29</b>	Beltrami	Northwest	<b>55%</b>
<b>30</b>	Chisago	Central	<b>55%</b>
<b>31</b>	Freeborn	Southern	<b>54%</b>
<b>32</b>	Redwood	Southwest	<b>54%</b>
<b>33</b>	Jackson	Southwest	<b>54%</b>
<b>34</b>	Le Sueur	Southern	<b>54%</b>
<b>35</b>	Yellow Medicine	Southwest	<b>53%</b>
<b>36</b>	Itasca	Northland	<b>53%</b>
<b>37</b>	Rice	Southern	<b>53%</b>
<b>38</b>	Lyon	Southwest	<b>53%</b>
<b>39</b>	Sherburne	Central	<b>52%</b>
<b>40</b>	Meeker	Southwest	<b>52%</b>
<b>41</b>	Pipestone	Southwest	<b>52%</b>
<b>42</b>	St. Louis	Northland	<b>52%</b>
<b>43</b>	Carver	Twin Cities	<b>52%</b>
<b>44</b>	Morrison	Central	<b>50%</b>
<b>45</b>	Becker	West Central	<b>50%</b>
<b>46</b>	Mille Lacs	Central	<b>49%</b>
<b>47</b>	Stearns	Central	<b>49%</b>
<b>48</b>	Waseca	Southern	<b>49%</b>
<b>49</b>	Marshall	Northwest	<b>48%</b>
<b>50</b>	Clearwater	Northwest	<b>48%</b>
<b>51</b>	Goodhue	Southern	<b>48%</b>
<b>52</b>	Lincoln	Southwest	<b>48%</b>
<b>53</b>	Brown	Southern	<b>47%</b>
<b>54</b>	Nobles	Southwest	<b>47%</b>
<b>55</b>	Pennington	Northwest	<b>46%</b>
<b>56</b>	Kittson	Northwest	<b>46%</b>
<b>57</b>	Koochiching	Northland	<b>45%</b>
<b>58</b>	Wilkin	West Central	<b>45%</b>
<b>59</b>	Fillmore	Southern	<b>45%</b>

<b>Ranking</b>	<b>County</b>	<b>Region</b>	<b>% Senior Renter Cost Burden</b>
<b>60</b>	Roseau	Northwest	<b>44%</b>
<b>61</b>	Faribault	Southern	<b>44%</b>
<b>62</b>	Winona	Southern	<b>43%</b>
<b>63</b>	Wadena	Central	<b>42%</b>
<b>64</b>	Dodge	Southern	<b>42%</b>
<b>65</b>	Pope	West Central	<b>41%</b>
<b>66</b>	Hubbard	Northwest	<b>41%</b>
<b>67</b>	Traverse	West Central	<b>40%</b>
<b>68</b>	Wabasha	Southern	<b>40%</b>
<b>69</b>	Cottonwood	Southwest	<b>40%</b>
<b>70</b>	Lake	Northland	<b>39%</b>
<b>71</b>	Rock	Southwest	<b>39%</b>
<b>72</b>	Big Stone	Southwest	<b>39%</b>
<b>73</b>	Pine	Central	<b>38%</b>
<b>74</b>	Carlton	Northland	<b>38%</b>
<b>75</b>	Murray	Southwest	<b>38%</b>
<b>76</b>	Aitkin	Northland	<b>38%</b>
<b>77</b>	Grant	West Central	<b>37%</b>
<b>78</b>	Watsonwan	Southern	<b>35%</b>
<b>79</b>	Todd	Central	<b>35%</b>
<b>80</b>	Swift	Southwest	<b>34%</b>
<b>81</b>	Lac qui Parle	Southwest	<b>34%</b>
<b>82</b>	Mahnomen	Northwest	<b>33%</b>
<b>83</b>	Houston	Southern	<b>29%</b>
<b>84</b>	Cass	Central	<b>28%</b>
<b>85</b>	Red Lake	Northwest	<b>27%</b>
<b>86</b>	Chippewa	Southwest	<b>24%</b>
<b>87</b>	Cook	Northland	<b>11%</b>

# Severe Renter Cost Burden:

Percentage of renter households paying **half or more** of income for housing in 2017



## Severe Renter Cost Burden:

Percentage of renter households paying **half or more** of income for housing in 2017

Ranking	County	Region	% Renter Severe Cost Burden
1	Stevens	West Central	34%
2	Clay	West Central	28%
3	Polk	Northwest	27%
4	Koochiching	Northland	26%
5	Winona	Southern	26%
6	Douglas	West Central	26%
7	Blue Earth	Southern	26%
8	Rice	Southern	25%
9	Ramsey	Twin Cities	25%
10	Mahnomen	Northwest	24%
11	Wadena	Central	24%
12	St. Louis	Northland	23%
13	Kandiyohi	Southwest	23%
14	Hennepin	Twin Cities	23%
15	Benton	Central	23%
16	Steele	Southern	23%
17	Anoka	Twin Cities	22%
18	Pine	Central	22%
19	Nobles	Southwest	22%
20	Meeker	Southwest	22%
21	Carlton	Northland	22%
22	Nicollet	Southern	22%
23	Becker	West Central	21%
24	Olmsted	Southern	21%
25	Beltrami	Northwest	21%
26	Morrison	Central	21%
27	Goodhue	Southern	21%
28	Waseca	Southern	20%

<b>29</b>	Scott	Twin Cities	<b>20%</b>
<b>30</b>	McLeod	Southwest	<b>20%</b>
<b>31</b>	Otter Tail	West Central	<b>20%</b>
<b>32</b>	Clearwater	Northwest	<b>20%</b>
<b>33</b>	Dakota	Twin Cities	<b>20%</b>
<b>34</b>	Washington	Twin Cities	<b>20%</b>
<b>35</b>	Big Stone	Southwest	<b>20%</b>
<b>36</b>	Chisago	Central	<b>20%</b>
<b>37</b>	Isanti	Central	<b>20%</b>
<b>38</b>	Itasca	Northland	<b>19%</b>
<b>39</b>	Lyon	Southwest	<b>19%</b>
<b>40</b>	Yellow Medicine	Southwest	<b>19%</b>
<b>41</b>	Aitkin	Northland	<b>19%</b>
<b>42</b>	Crow Wing	Central	<b>19%</b>
<b>43</b>	Mille Lacs	Central	<b>19%</b>
<b>44</b>	Stearns	Central	<b>19%</b>
<b>45</b>	Fillmore	Southern	<b>19%</b>
<b>46</b>	Renville	Southwest	<b>19%</b>
<b>47</b>	Red Lake	Northwest	<b>18%</b>
<b>48</b>	Houston	Southern	<b>18%</b>
<b>49</b>	Lac qui Parle	Southwest	<b>18%</b>
<b>50</b>	Grant	West Central	<b>18%</b>
<b>51</b>	Lincoln	Southwest	<b>18%</b>
<b>52</b>	Mower	Southern	<b>18%</b>
<b>53</b>	Lake	Northland	<b>18%</b>
<b>54</b>	Watonwan	Southern	<b>18%</b>
<b>55</b>	Pope	West Central	<b>18%</b>
<b>56</b>	Murray	Southwest	<b>18%</b>
<b>57</b>	Faribault	Southern	<b>17%</b>
<b>58</b>	Marshall	Northwest	<b>17%</b>
<b>59</b>	Cottonwood	Southwest	<b>17%</b>
<b>60</b>	Freeborn	Southern	<b>17%</b>
<b>61</b>	Sherburne	Central	<b>17%</b>

<b>62</b>	Carver	Twin Cities	<b>17%</b>
<b>63</b>	Wright	Central	<b>16%</b>
<b>64</b>	Swift	Southwest	<b>16%</b>
<b>65</b>	Wabasha	Southern	<b>16%</b>
<b>66</b>	Wilkin	West Central	<b>16%</b>
<b>67</b>	Norman	Northwest	<b>16%</b>
<b>68</b>	Cass	Central	<b>16%</b>
<b>69</b>	Brown	Southern	<b>15%</b>
<b>70</b>	Traverse	West Central	<b>15%</b>
<b>71</b>	Redwood	Southwest	<b>15%</b>
<b>72</b>	Hubbard	Northwest	<b>15%</b>
<b>73</b>	Martin	Southern	<b>15%</b>
<b>74</b>	Dodge	Southern	<b>15%</b>
<b>75</b>	Jackson	Southwest	<b>15%</b>
<b>76</b>	Kittson	Northwest	<b>15%</b>
<b>77</b>	Kanabec	Central	<b>14%</b>
<b>78</b>	Cook	Northland	<b>14%</b>
<b>79</b>	Rock	Southwest	<b>14%</b>
<b>80</b>	Roseau	Northwest	<b>14%</b>
<b>81</b>	Pipestone	Southwest	<b>14%</b>
<b>82</b>	Le Sueur	Southern	<b>14%</b>
<b>83</b>	Pennington	Northwest	<b>14%</b>
<b>84</b>	Chippewa	Southwest	<b>14%</b>
<b>85</b>	Sibley	Southern	<b>13%</b>
<b>86</b>	Lake of the Woods	Northwest	<b>13%</b>
<b>87</b>	Todd	Central	<b>10%</b>

GROWING GAP BETWEEN RENT AND INCOME:  
Counties with the largest gap between change in rent and income, 2000-2017

Ranking	County	Region	% Change Rent	% Change Renter Income	Gap Between Change in Rent and Income
1	Big Stone	Southwest	52%	-14%	66%
2	Mahnomen	Northwest	32%	-30%	62%
3	St. Louis	Northland	24%	-29%	53%
4	Waseca	Southern	7%	-34%	41%
5	Mower	Southern	30%	-9%	39%
6	Jackson	Southwest	24%	-14%	38%
7	Fillmore	Southern	22%	-16%	38%
8	Red Lake	Northwest	24%	-14%	37%
9	Koochiching	Northland	20%	-16%	36%
10	Stevens	West Central	26%	-10%	36%
11	Kanabec	Central	25%	-10%	35%
12	Rice	Southern	8%	-26%	34%
13	Nobles	Southwest	25%	-7%	32%
14	Le Sueur	Southern	27%	-5%	32%
15	Steele	Southern	13%	-18%	31%
16	Clearwater	Northwest	27%	-5%	31%
17	Pine	Central	16%	-14%	31%
18	Cottonwood	Southwest	41%	12%	29%
19	Morrison	Central	20%	-8%	28%
20	Goodhue	Southern	15%	-13%	28%
21	Watonwan	Southern	28%	1%	28%
22	Cass	Central	31%	4%	27%
23	Renville	Southwest	10%	-17%	27%
24	Chisago	Central	17%	-10%	27%
25	Benton	Central	1%	-26%	26%
26	Pipestone	Southwest	15%	-12%	26%
27	Polk	Northwest	23%	-4%	26%
28	Houston	Southern	22%	-4%	26%

Ranking	County	Region	% Change Rent	% Change Renter Income	Gap Between Change in Rent and Income
29	Swift	Southwest	20%	-6%	25%
30	Nicollet	Southern	20%	-5%	24%
31	Blue Earth	Southern	18%	-6%	24%
32	Lincoln	Southwest	29%	5%	24%
33	Beltrami	Northwest	17%	-7%	24%
34	Itasca	Northland	14%	-9%	23%
35	Hubbard	Northwest	19%	-3%	23%
36	Sibley	Southern	12%	-10%	22%
37	Redwood	Southwest	17%	-3%	21%
38	Pope	West Central	28%	7%	20%
39	Olmsted	Southern	12%	-8%	20%
40	Becker	West Central	35%	15%	20%
41	Dodge	Southern	17%	-4%	20%
42	Brown	Southern	4%	-15%	20%
43	Carlton	Northland	27%	7%	20%
44	Sherburne	Central	19%	0%	19%
45	Ramsey	Twin Cities	9%	-10%	19%
46	Winona	Southern	7%	-11%	19%
47	Grant	West Central	14%	-5%	18%
48	Wright	Central	24%	6%	18%
49	Washington	Twin Cities	26%	8%	18%
50	Wilkin	West Central	3%	-15%	18%
51	Pennington	Northwest	27%	9%	17%
52	Freeborn	Southern	23%	6%	17%
53	Faribault	Southern	19%	3%	16%
54	Yellow Medicine	Southwest	19%	3%	16%
55	Crow Wing	Central	20%	5%	16%
56	Meeker	Southwest	14%	-2%	16%
57	Clay	West Central	29%	14%	15%

<b>Ranking</b>	<b>County</b>	<b>Region</b>	<b>% Change Rent</b>	<b>% Change Renter Income</b>	<b>Gap Between Change in Rent and Income</b>
58	Hennepin	Twin Cities	11%	-4%	15%
59	Anoka	Twin Cities	12%	-3%	15%
60	Dakota	Twin Cities	4%	-11%	15%
61	Aitkin	Northland	10%	-5%	14%
62	Lac qui Parle	Southwest	13%	-1%	14%
63	Murray	Southwest	13%	0%	14%
64	Lyon	Southwest	-2%	-15%	13%
65	Stearns	Central	15%	2%	13%
66	Roseau	Northwest	4%	-8%	12%
67	Wabasha	Southern	13%	1%	12%
68	Mille Lacs	Central	27%	15%	12%
69	Cook	Northland	7%	-4%	10%
70	Kandiyohi	Southwest	15%	6%	9%
71	Marshall	Northwest	26%	17%	9%
72	Norman	Northwest	5%	-4%	9%
73	Douglas	West Central	26%	18%	8%
74	Wadena	Central	33%	24%	8%
75	Isanti	Central	22%	16%	7%
76	Todd	Central	28%	23%	6%
77	Rock	Southwest	13%	8%	5%
78	Carver	Twin Cities	11%	6%	5%
79	Otter Tail	West Central	18%	13%	5%
80	Martin	Southern	22%	18%	5%
81	Kittson	Northwest	12%	9%	4%
82	McLeod	Southwest	18%	17%	1%
83	Lake of the Woods	Northwest	30%	31%	-1%
84	Lake	Northland	4%	6%	-1%
85	Chippewa	Southwest	4%	17%	-12%
86	Traverse	West Central	14%	28%	-14%
87	Scott	Twin Cities	21%	74%	-52%

## Conclusion

### Investment in affordable housing is critical to Minnesota's future

The 2019 State of the State's Housing shows that there has been little change since our first State of the State's Housing two years ago. There is a clear and urgent need to expand the supply of affordable housing in communities across Minnesota.

Many Minnesotans cannot afford a home. Rent and home values continue to rise while incomes decline or stay flat, putting a modest apartment or owning a home out of reach.

Statewide, Minnesotans are experiencing cost burden. When housing costs require more than 30 percent of a household's income each month, families have to decide between paying the rent or the mortgage and basics like food and medicine. More than 1 in 4 — or about 572,000 — households in Minnesota are cost burdened.

This cost burden disparately impacts households of color: 40 percent experience cost burden compared to 23 percent of white households.

Minnesota's most in-demand jobs don't pay enough to afford housing costs. A modest two-bedroom apartment or the mortgage for a median-value home is out of reach for three of the top five in-demand jobs.

Our housing stock won't meet the needs of a growing Minnesota. Housing production is not keeping up with demand, undermining the economic development and prosperity of many communities, and worsening housing disparities for seniors and households of color.

As this report demonstrates, policymakers at the state and local level must prioritize policies and resources that increase the supply of affordable housing. From the education of our children to the growth of our economy, the state of our state depends on every Minnesotan having a safe and stable place to call home.

**Download individual County Profiles and additional information at [www.mhponline.org](http://www.mhponline.org).**

## Sources

Rental Housing: Rent and income adjusted for inflation. U.S. Census Bureau, American Community Survey 2017, 5 year estimates, Building Permits Survey, 2017; MHP analysis of CHAS data, 2011-2015, using National Low Income Housing Coalition methodology

Owner-occupied Housing: Home value and income adjusted for inflation. U.S. Census Bureau, American Community Survey 2017, 5 year estimates; Building Permits Survey, 2017; Minnesota Compass: Integrated Public Use Microdata Series from the U.S. Census Bureau, American Community Survey and U.S. Census Bureau, Decennial Census

Population Growth: Minnesota County Population Projections by Age and Gender, Minnesota State Demographic Center, March 2017

Housing Affordability by Occupation: Minnesota Department of Employment and Economic Development (MN DEED), Occupations in Demand, July 2017; Employment Outlook, MN DEED

Evictions: Minnesota State Court Administrator, Monthly Unlawful Detainers by County

Foreclosures: Minnesota Homeownership Center, County Sheriff's Data

Cost of Living: Minnesota DEED, Labor Market Information 2017





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