

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 three¹ 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.

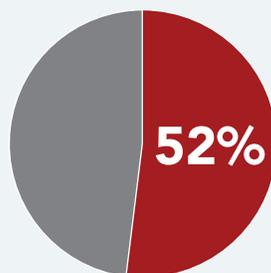
Additionally, the region contains the highest percentage of severe renter cost burden in the state, or renters who are paying more than half of their income on housing. Stevens and Clay counties — which have the highest percentage of renters in the region — rank first and second in the state for the 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.

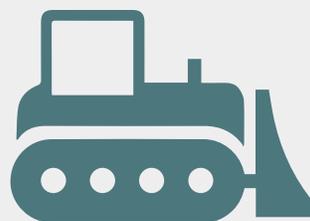
This optimism carries through in Osberg's advice for other communities that are worried about population loss: Remember, "people want to move to your area for what you are today." Sometimes it's just a matter of connecting people to the moment of serenity that transforms a visitor into a lifelong resident.

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.

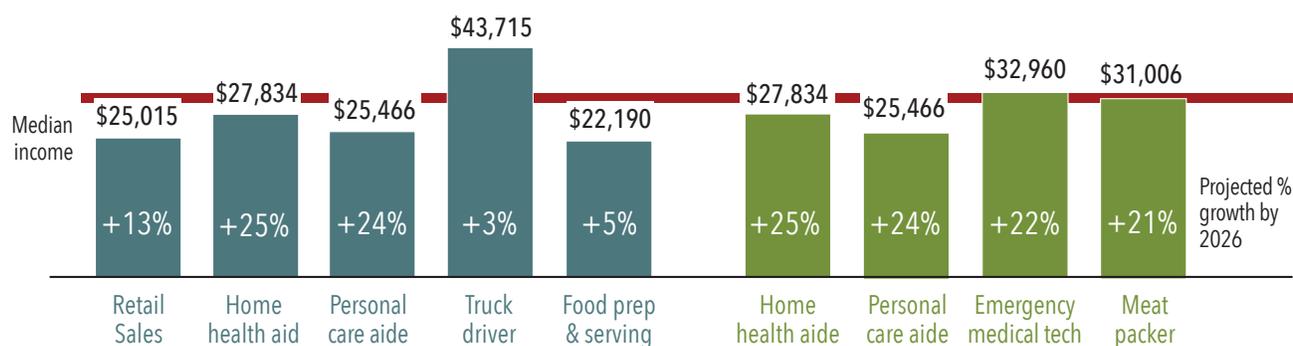
Housing Affordability by Occupation

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



TOP IN-DEMAND JOBS, 2017

FAST GROWING JOBS BY 2026