Housing Affordability in Beltrami County

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

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying 30% or More in Rent</td>
<td>Percent of Households Paying 30% or More in Rent</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>1,180</td>
<td>72.4%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>226</td>
<td>32.5%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>49</td>
<td>15.9%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>4</td>
<td>0.5%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,525</td>
<td>37.4%</td>
</tr>
</tbody>
</table>

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

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

In 2005-2007, about 73.8% of Beltrami County residents owned their home and 26.2% were renters. Of these, approximately 25.1% of homeowners and 37.4% of renters in Beltrami County spent 30% or more of their household income on housing.³
Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.

### Housing Affordability by Occupation, Beltrami County

- **Elementary School Teacher**: Needed to own median home: $60,000; Needed to rent 2BR apartment: $40,000
- **Registered Nurse**: Needed to own median home: $60,000; Needed to rent 2BR apartment: $40,000
- **Police Officer**: Needed to own median home: $50,000; Needed to rent 2BR apartment: $30,000
- **Food Preparation**: Needed to own median home: $40,000; Needed to rent 2BR apartment: $20,000
- **Retail Salesperson**: Needed to own median home: $30,000; Needed to rent 2BR apartment: $10,000

### Housing Costs

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

### Income

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

### Jobs

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

### Foreclosures in Minnesota

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

### Homelessness in Minnesota

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

### Extreme Cost Burden

- Approximately 16.2% of renter households pay at least half of their income on housing in Beltrami County.
- For homeowner households in Beltrami County, 8.7% pay at least half of their income on housing.

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**SOURCES:**
1. American Community Survey, 2005-7. 2 Ibid. 3 Ibid.