Housing Affordability in Isanti 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.

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 85.7% of Isanti County residents owned their home and 14.3% were renters. Of these, approximately 39.0% of homeowners and 47.6% of renters in Isanti County spent 30% or more of their household income on housing.3

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters Number of Households Paying 30% or More in Rent</th>
<th>Renters Percent of Households Paying 30% or More in Rent</th>
<th>Home Owners Number of Households Paying 30% or More in Ownership Costs</th>
<th>Home Owners Percent of Households Paying 30% or More in Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>559</td>
<td>75.8%</td>
<td>746</td>
<td>78.4%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>288</td>
<td>68.4%</td>
<td>841</td>
<td>60.5%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>129</td>
<td>57.1%</td>
<td>1,348</td>
<td>61.7%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>19</td>
<td>3.7%</td>
<td>1,940</td>
<td>24.4%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>995</td>
<td>47.6%</td>
<td>4,875</td>
<td>39.0%</td>
</tr>
</tbody>
</table>
Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.\(^4\)

**HOUSING COSTS.** In Isanti County, a median-priced home cost $171,500 in 2008, and the fair market rent for a two-bedroom apartment was $873 per month in 2009. Since 2001, home prices have increased by 29.9\% and the fair market rent has increased by 17.7\%.\(^5\)

**INCOME.** In Isanti County, a family of four with two full-time wage earners needs to earn a combined annual salary of $59,544 to afford the basic cost of living.\(^6\) The median household income for Isanti County was $56,430 in 2007.\(^7\)

**JOBS.** 50\% of jobs in Isanti County and counties nearby pay less than the regional wage required to afford basic needs.\(^8\) The average unemployment rate in Isanti County was 13.0\% in March, 2009, up from 6.2\% in March 2006.\(^9\)

**Foreclosures in Minnesota**

- In Isanti County in 2008, there were about 472 foreclosures, a 46.6\% increase from 2007.\(^10\)
- 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.\(^11\)

**Homelessness in Minnesota**

- On a single day in 2006, 354 people were sheltered in the Central Region, including 101 children.\(^12\)
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38\% are children and youth.\(^13\)
- 39\% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.\(^14\)

**Extreme Cost Burden**

- Approximately 17.7\% of renter households pay at least half of their income on housing in Isanti County.\(^15\)
- For homeowner households in Isanti County, 12.4\% pay at least half of their income on housing.\(^16\)