Housing Affordability in Lincoln 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 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>88</td>
<td>39.3%</td>
<td>162</td>
<td>43.5%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>5</td>
<td>3.9%</td>
<td>45</td>
<td>12.5%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>4</td>
<td>6.9%</td>
<td>12</td>
<td>4.2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>7</td>
<td>2.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>97</td>
<td>22.0%</td>
<td>226</td>
<td>16.5%</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. 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.

In 2000, about 80.0% of Lincoln County residents owned their home and 20.0% were renters. Of these, approximately 16.5% of homeowners and 22.0% of renters in Lincoln County spent 30% or more of their household income on housing.
Lower-income households face extreme affordability challenges.

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

[Chart showing Housing Affordability by Occupation, Lincoln County]

HOUSING COSTS. In Lincoln County, a median-priced home cost $43,675 in 2008, and the fair market rent for a two-bedroom apartment was $577 per month in 2009. Since 2001, home prices have increased by 9.5% and the fair market rent has increased by 38.7%.5

INCOME. In Lincoln County, a family of four with two full-time wage earners needs to earn a combined annual salary of $43,008 to afford the basic cost of living.6 The median household income for Lincoln County was $38,112 in 2007.7

JOBS. 30% of jobs in Lincoln County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Lincoln County was 8.0% in March, 2009, up from 5.1% in March 2006.9

Foreclosures in Minnesota

- In Lincoln County in 2008, there were about 10 foreclosures, a 150.0% 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, 67 people were sheltered in the Southwest Region, including 25 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 4.0% of renter households pay at least half of their income on housing in Lincoln County.15
- For homeowner households in Lincoln County, 6.0% pay at least half of their income on housing.16