

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 \$47,600¹, 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.

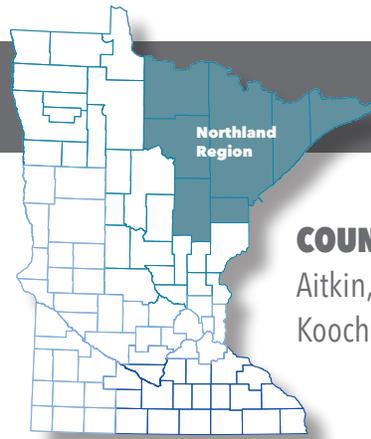


Two counties in the Northland region rank in the top 10 for increase in median home value from 2000 to 2017, with a 59 percent increase in Cook County and 54 percent increase in Lake County.



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

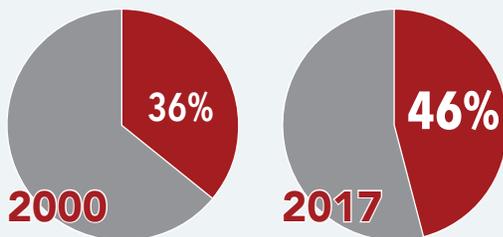
The Northland region contains 35,490 renter households, accounting for 25 percent of total households. More than 40 percent of the region's renters reside in the City of Duluth.

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.

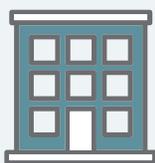


51% of renter households in Koochiching County pay more than they can afford for rent

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.

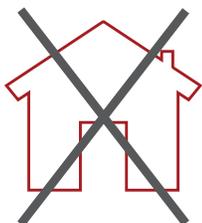


**MEDIAN RENT
+22%**



**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



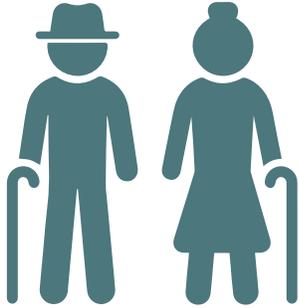
because so many of the county's rental homes need repair.

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.

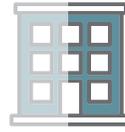
"There's significant buy-in for this project because of the concern about housing issues in our community," says Ward Merrill, Executive Director of Backus Community Center. "We need to keep that feeling that everybody's in this together. We hope this project will spur other development throughout the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

