

State of the State's HOUSING 2017

March 2017

Minnesota Housing Partnership

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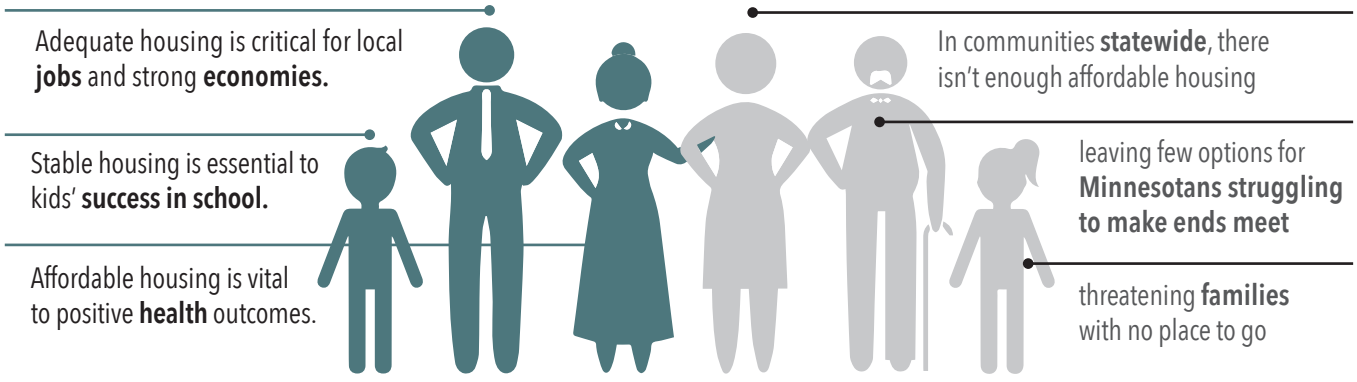
Authors:

Gabriela Norton is the Research and Communications Associate for the Minnesota Housing Partnership (MHP). **Atticus Jaramillo** is a PhD candidate at the University of North Carolina-Chapel Hill and a former Research Associate for MHP.

Contributors:

Carolyn Szczepanski, MHP Research and Communications Director, designed and edited the report, including graphics and tables. Erin Olson, Research Strategist at RealTime Talent, provided fact checking and data analysis support.

Why does the state of Minnesota's housing matter?



Where we live impacts every aspect of our lives.

Where we call home affects the groceries we buy, where we send our kids to school and how we thrive in our community. At every stage of life, where we live is the foundation for our health, education, safety, and economic wellbeing.

That's why housing affordability must be a priority at all levels of government and to all Minnesotans. To make our communities strong, we must ensure that all Minnesota families are able to find, afford and maintain safe, healthy housing.

In 2017, that is not the case in any area of the state. In fact, from racial disparities to cost burden, many trends are going in the wrong direction.

Minnesota is recognized as a national leader for its commitment to helping families with affordable ownership and rental homes. But while significant progress has been made in areas like homelessness, housing is still becoming too costly for a growing numbers of Minnesotans — especially low- to moderate-income families and households of color.

Building on our County Profiles, released each year since 2009, MHP created the *State of the State's Housing* to continue to benchmark progress at the state, region and county levels in critical areas, including cost burdened households paying at least 30 percent of their income on housing; a comparison of what common jobs pay relative to what renting and owning actually costs; changes in rent and home values; construction of multi- and single-family homes; and trends in homelessness.

Data for the *State of the State's Housing* is gathered from a variety of sources including the American Community Survey (ACS) from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development (HUD), the Bureau of Labor Statistics, Minnesota Department of Employment and Economic Development, and the Minnesota Department of Revenue.

Key Findings

MORE THAN 1 IN 4 MINNESOTA HOUSEHOLDS – nearly 550,000 families – pay more than they can afford for housing,* spending more than 30 percent of their income on housing.

MORE THAN HALF OF THE STATE'S SENIOR RENTERS and a quarter of senior homeowners are cost burdened.

MEDIAN RENT HAS RISEN 9 PERCENT SINCE 2000, while the median renter income has fallen 11 percent.

THE HOMEOWNERSHIP GAP between White households and households of color has risen to 37 percent, far above the national average of 25 percent. Large racial disparities also persist in other key areas, with people of color more likely to experience homelessness and pay more than they can afford on rent.

WORKERS IN FOUR OF THE SIX MOST IN-DEMAND JOBS can't afford the rent for a two-bedroom apartment, or the mortgage on a median-priced home.

FOR EVERY 100 EXTREMELY LOW-INCOME FAMILIES, there are only 36 units of available affordable housing.

HOMELESSNESS DECLINED 9 PERCENT from 2012 to 2015 but more than 9,300 Minnesotans – including nearly 3,500 children – were homeless on a given night in 2015.

* In this report, ***paying more than they can afford*** references households that spend more than 30 percent of their income on housing, likely requiring sacrifices in other critical areas like food, medicine and transportation.

2017 State Housing Profile

Minnesota

2,115,337 Households

Access to safe, affordable homes builds a strong foundation for families and communities. But too many Minnesotans lack good housing options.



Mirroring the national trend, rent continues to rise while renter income declines – putting a modest two-bedroom apartment out of reach for the median-income renter.

RENTER HOUSEHOLDS

590,136 | 28% of all households

Median rent, 2000: $779
Median rent, 2015: $848

↑ rent up +9%

Median renter income, 2000: $36,545
Median renter income, 2015: $32,602

↓ income down -11%

Fair market rent for 2-bedroom apartment **$924**

Median-income renter can afford **$815**

Income for families who own their homes is also on the decline while home values are rising – and homeownership among young families is falling, as well.

OWNER HOUSEHOLDS

1,525,201 | 72% of all households

Median home value, 2000: $168,472
Median home value, 2015: $186,200

↑ home value +11%

Median owner income, 2000: $76,168
Median owner income, 2015: $75,507

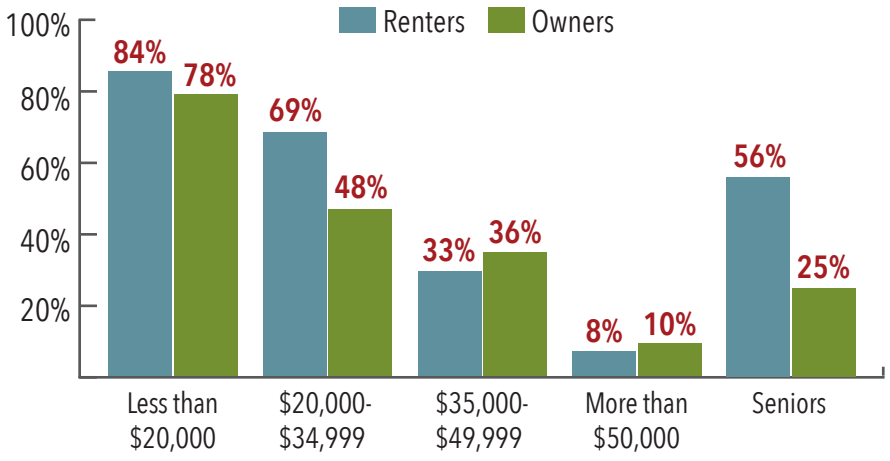
↓ income down -1%

Change in homeownership rate for young householders (35 years old or less), 2000-2015 **-16%**

Statewide, 546,000 households – more than 1 in 4 Minnesota households – pay more than 30 percent of their income on housing costs, putting them at risk of being unable to afford basic needs like food and medicine. This includes nearly 60 percent of seniors who rent, and 84% of renters and 78% of owners who earn less than $20,000 per year.

COST BURDEN

Percentage of households paying more than 30% of their income on housing



TOTAL NUMBER of cost burdened households **546,213**

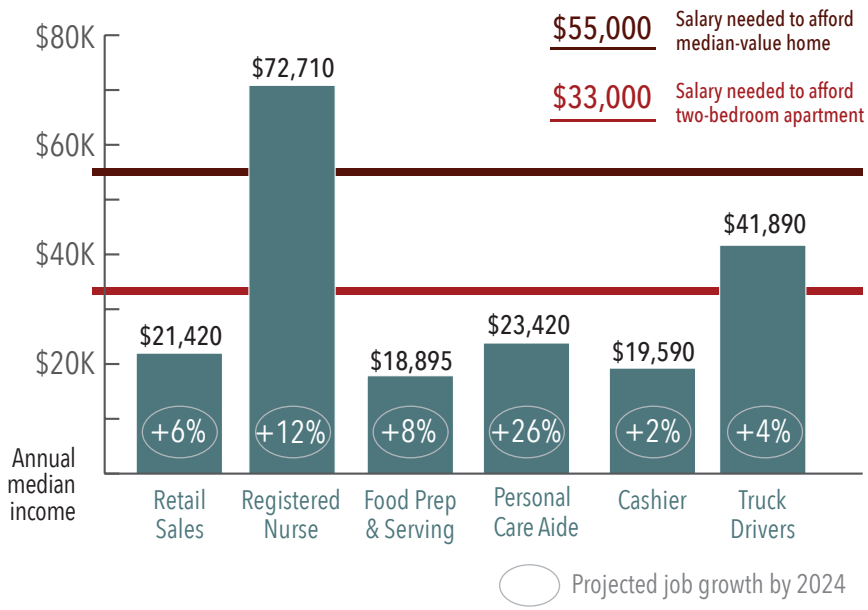
Total # cost burdened RENTER households **272,161**

Total # cost burdened OWNER households **274,052**

Total # cost burdened SENIOR households **151,932**

WAGES: Housing remains a challenge even for Minnesotans who are fully employed. The median earnings for most of the top in-demand and high-growth jobs throughout Minnesota do not cover housing costs at an affordable level. Those working at the median wage – and especially those earning the minimum wage – cannot afford a two-bedroom apartment or the mortgage for a median-value home.

Wages and housing affordability for top in-demand jobs in Minnesota



State median household income **$61,492**

Hours / week minimum wage employee must work to afford a one- bedroom apartment **53**

HOMELESSNESS: Across the state, homelessness has declined since 2012, but too many families, seniors and children are still suffering the devastating consequences of having no place to call home.

of homeless on given night in 2015
9,312

% change in homelessness 2012-2015
-9%



Number of homeless CHILDREN **3,509** homeless SENIORS **843**

HOUSING STOCK: While a significant portion of the rental and owner-occupied housing is aging (built before 1960), new construction is not keeping up with demand. Of particular concern is the gap between the number of available units for extremely low-income households – and the number of people who need them.

POPULATION growth by 2035: **596,464**

New JOB OPENINGS by 2024: **866,970**



% single family homes built before 1960 **33%**

Single-family units permitted in 2015 **10,900**



% rental units built before 1960 **29%**

Multi-family units permitted in 2015 **8,547**

Number of extremely low-income (ELI)* households **168,845**

Available units affordable to ELI households **62,850**

* household of 4 earning less than $23,150 (30% state median income)

SENIORS: The number of seniors will rise dramatically over the next two decades, growing by more than 90% across the state – and making senior housing a critical need.

Total senior households by 2035 **1,627,020**

Growth in number of individual seniors by 2035 **93%**

Seniors % of overall population in 2035: **27%**

SOURCES – **Renter households:** *Rent and income adjusted for inflation.* U.S. Census Bureau, American Community Survey 2015, 5 year estimates | **Owner households:** *Home value and income adjusted for inflation.* U.S. Census Bureau, American Community Survey 2015, 5 year estimates | **Cost burden**: U.S. Census Bureau, American Community Survey 2015, 5 year estimates | **Wages:** Minnesota Department of Employment and Economic Development (MN DEED), Occupations in Demand, June 2016; Employment Outlook, MN DEED | **Housing Stock:** U.S. Census Bureau, American Community Survey 2015, 5 year estimates, U.S. Census Bureau, Building Permits Survey, 2015 | **Seniors:** Minnesota County Population Projections by Age and Gender, Minnesota State Demographic Center, March 2014 | **Homelessness:** Wilder Research Center, 2016

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improving home & community

State of Minnesota's Housing

Despite being recognized as a national leader in affordable housing development and preservation, Minnesota still faces many challenges in providing quality homes for all. In Greater Minnesota, major housing issues include wage stagnation, renter cost burden, and a need for more senior and workforce housing. In the Twin Cities, large percentages of renters and seniors pay more than they can afford for housing — and racial disparities in homeownership are among the highest in the nation. Statewide, renter cost burden and homelessness remain highest among and disproportionately impact people of color.

OVERALL COST BURDEN

One of the key metrics to assess housing affordability is housing cost burden. A household is considered cost burdened when it spends more than 30 percent of its annual income on housing. At 27 percent of all households, the rate of housing cost burden in Minnesota is relatively low compared to the national average of 33 percent. Still, Minnesota has yet to fully recover from a significant increase from 2000 to 2007, when housing cost burden increased by 47 percent, impacting 1 in 3 households by 2007. In 2012, cost burden began to fall across state. Today, 1 in 4 — or approximately 546,000 — households in Minnesota experience housing cost burden.



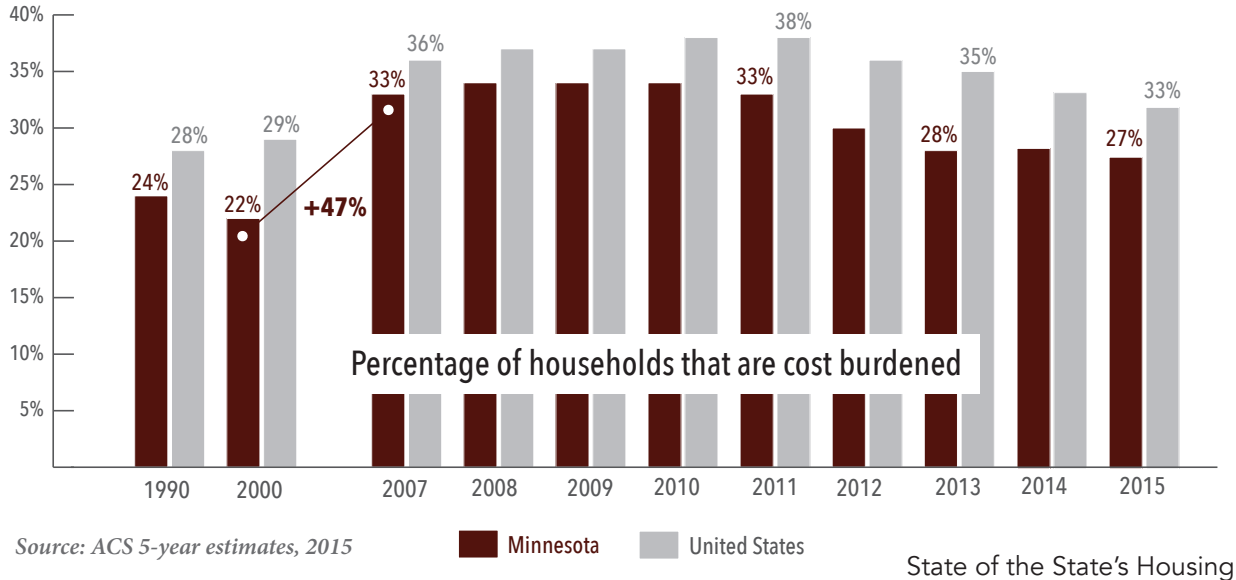
COST BURDEN

A household is cost burdened when it spends **more than 30% of its income on housing.** Families spending more than 30% often have inadequate resources to pay for other necessities like food and medicine.

RENTERS

Minnesota has one of the largest renter populations in the Upper Midwest[1] with approximately 590,000 renter households. Of these households, almost half experience housing cost burden and nearly a quarter experience severe housing cost burden — meaning they pay more than 50 percent of their income on rent. Renter housing cost burden is highest among households of color at 53 percent, compared to only 43 percent of White renter households. Compared to other states in the Upper Midwest, renter housing cost burden is 15 percent higher. While many housing trends vary by region, renter housing cost burden is an issue in almost every county in Minnesota.

1 We use "Upper Midwest" to refer to Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin.



Source: ACS 5-year estimates, 2015

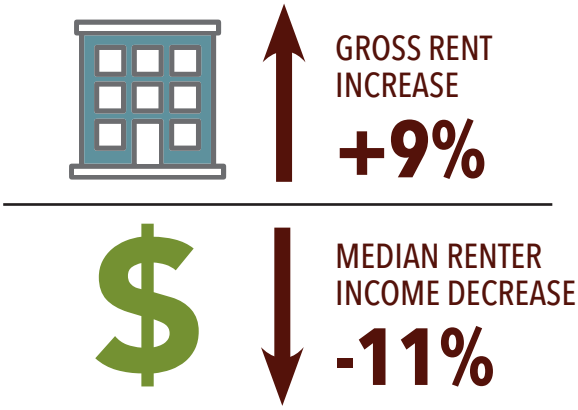
WAGES VS RENT[2]

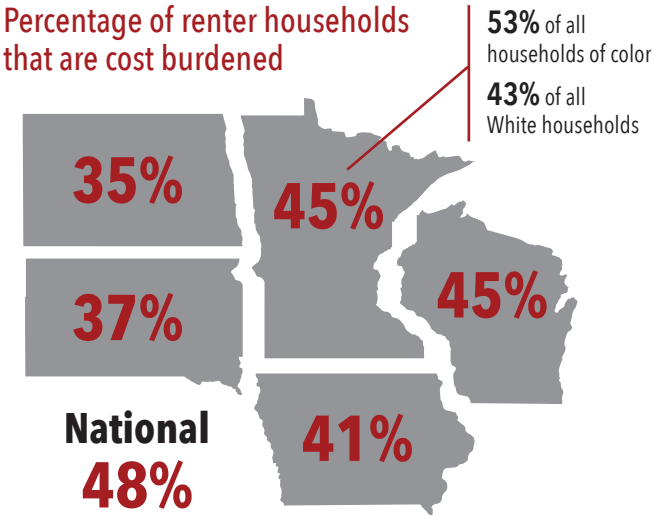
In part, many renters experience housing cost burden because, for more than a decade, their wages have decreased relative to housing costs. Between 2000 and 2015, the median renter wage in Minnesota decreased by 11 percent, yet the median gross rent for the state increased by 9 percent. These trends are largely in line with national trends, which show an 11 percent decrease in the median renter income and a 12 percent increase in the median gross rent. The only Upper Midwest state that saw a similar divergence was Wisconsin, where median renter income has dropped by 19 percent since 2000 and housing costs have increased by 4 percent.

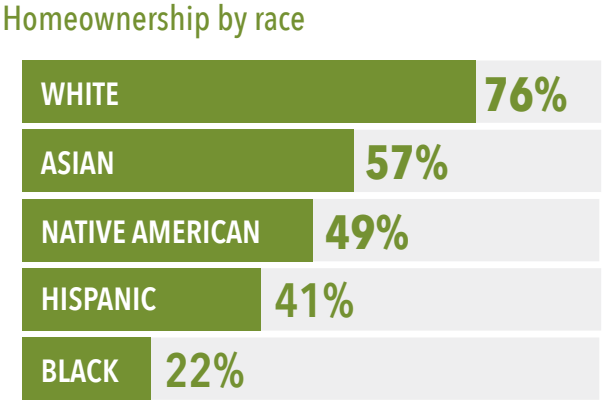
OWNERS

In 2015, there were 1.5 million owner households in Minnesota and nearly 1 in 5 of these households experienced housing cost burden. While housing costs are higher in Minnesota, this rate of owner cost burden is 20 percent higher than the average rate of housing cost burden in all other states in the Upper Midwest. Minnesota also had the second highest rate of severe owner cost burden in the Upper Midwest with nearly 10 percent of all owner households paying more than 50 percent of their income on housing.

Racial disparities in homeownership rates — widely referred to as the homeownership gap — remain a major issue in Minnesota. While 76 percent of all White households own their home, only 57 percent of Asian, 49 percent of Native American, 41 percent of Hispanic and 22 percent of Black households own their homes. In total, only 2 in 5 households of color own their home in Minnesota. Nationally, the homeownership gap is 25 percent; in Minnesota it is far wider at 37 percent.







Source for above graphics: ACS 5-year estimates, 2015

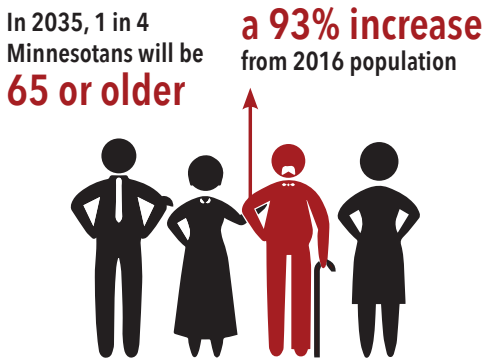
2 Wages and rent adjusted for inflation

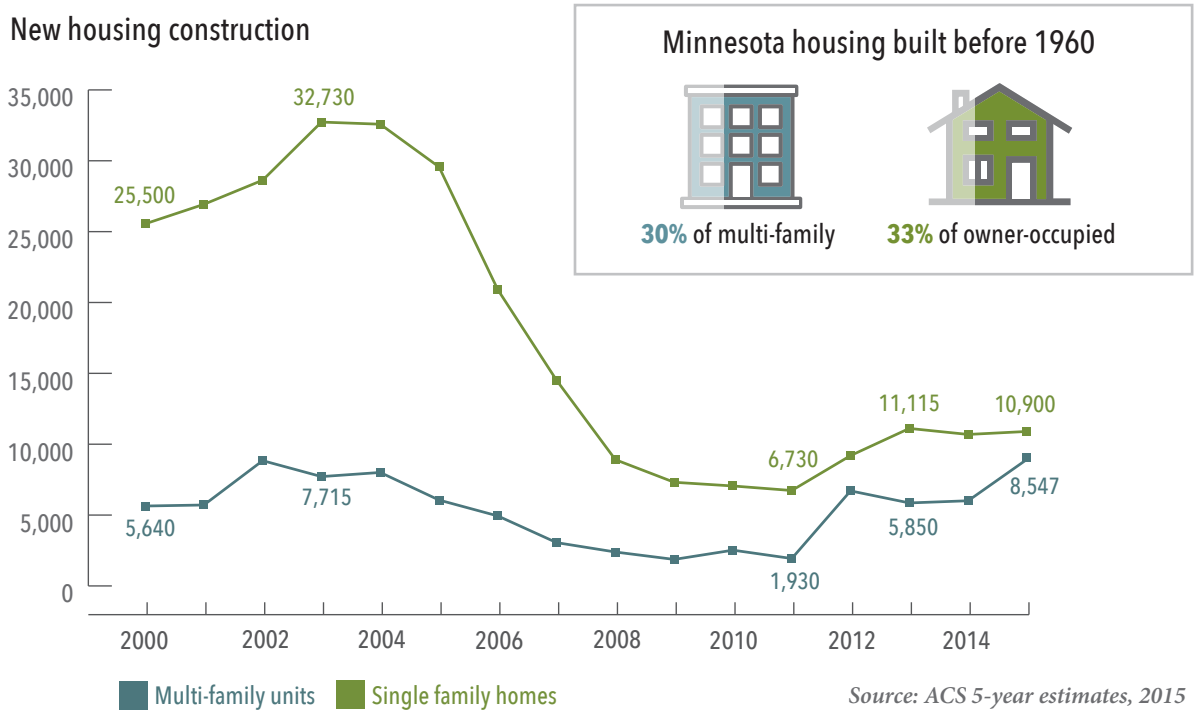
HOUSING DEVELOPMENT

Projected population increases coupled with the tight and competitive housing market indicate the need for new housing development. Housing built before 1960 comprises one-third of owner-occupied homes and 30 percent of rental units across the state, with nearly 500,000 aging owner-occupied homes and nearly 175,000 aging rental units. After dipping to historic lows during the Great Recession, multi-family development has continued to rise across the state. From 2011 to 2015, multi-family development more than tripled, rising to 8,547 new multi-family units developed in 2015. In contrast, single family development only increased by 54 percent – well under the 340 percent increase in multi-family development.

SENIOR HOUSING

Senior housing need is also a growing issue in Minnesota. By 2035, nearly 1 in 4 Minnesotans will be 65 or older, representing a 93 percent increase in the current senior population. Across the state, more than half of all senior renters and one-quarter of all senior homeowners experience housing cost burden. While this is a critical issue across the state, senior renter cost burden is most pronounced in the Twin Cities region, where it impacts more than 3 in 5 senior renters. This issue is likely to grow only more urgent as the region's senior population is expected to grow by 123 percent over the next 20 years — the largest projected increase for any region in the state. With the senior population on the rise and already high rates of senior cost burden, the state will need to ramp up affordable housing options for seniors in the coming years.





Source: ACS 5-year estimates, 2015

WORKFORCE HOUSING NEED

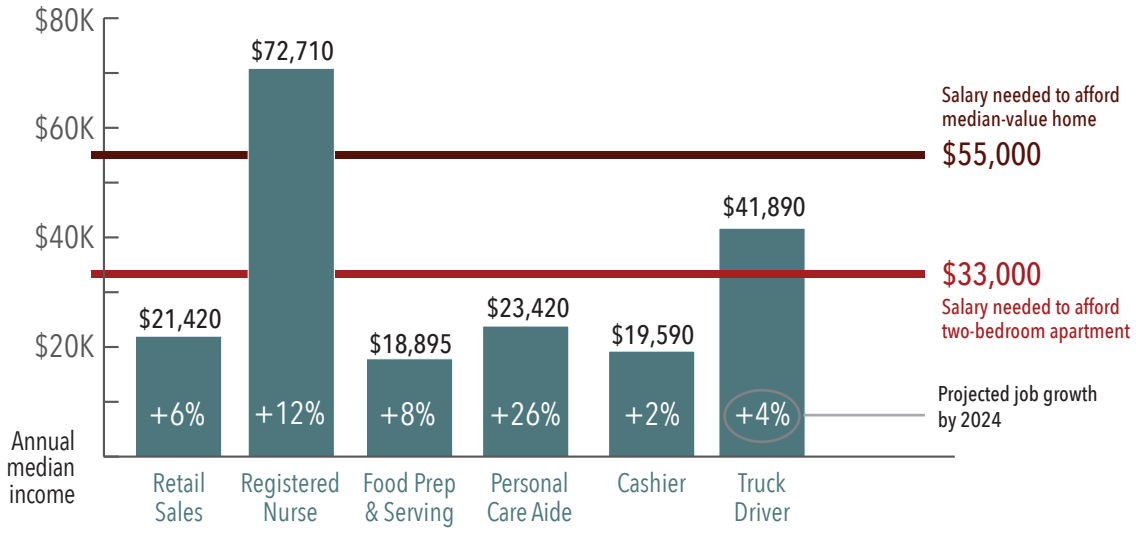
The term "workforce housing" refers to housing that is affordable to workers and in reasonable proximity to the workplace. In both Greater Minnesota and the Twin Cities region, the growth of relatively low-wage jobs is driving the need for workforce housing. The current top six in-demand occupations for the state include retail salespersons, registered nurses, food preparation and serving workers, personal care aides, cashiers, and truck drivers. By 2024, demand for these occupations is expected to grow by an average rate of 9 percent and create nearly 118,000 new job openings, accounting for 15 percent of all projected job openings among in-demand occupations.

However, many of these industries only pay a fraction of what is needed to afford prevailing rents and the cost of a median-value home. For the majority of the top six in-demand occupations the median pay ranges from $19,000 to $23,500 annually. At this income level, workers can afford to spend $475 to $588 on housing per month — well below the average two-bedroom Fair Market Rent[3] for the state ($924) and the median gross rent ($848). Registered nurses and truck drivers are the only top six in-demand occupations with a median income adequate to afford these rent amounts. However, truck drivers still fall well short of the $55,000 annual income needed to afford the median-value home. In addition, lack of new construction in Greater Minnesota has created a shortage of housing even for those in relatively high-wage jobs.

HOMELESSNESS

Although these trends all indicate the need for continued investments in affordable housing, a statewide decrease in homelessness points to the positive impact that affordable housing can bring to communities. In line with the 10 percent decrease in homelessness nationwide from 2012 to 2014, the number of people experiencing homelessness in Minnesota decreased by 9 percent from 2012 to 2015. Still, homelessness remains highest among children and people of color. In 2015, children under the age of 17 accounted for 38 percent of all people experiencing homelessness and people of color accounted for 60 percent of the homeless population over the age of 18.

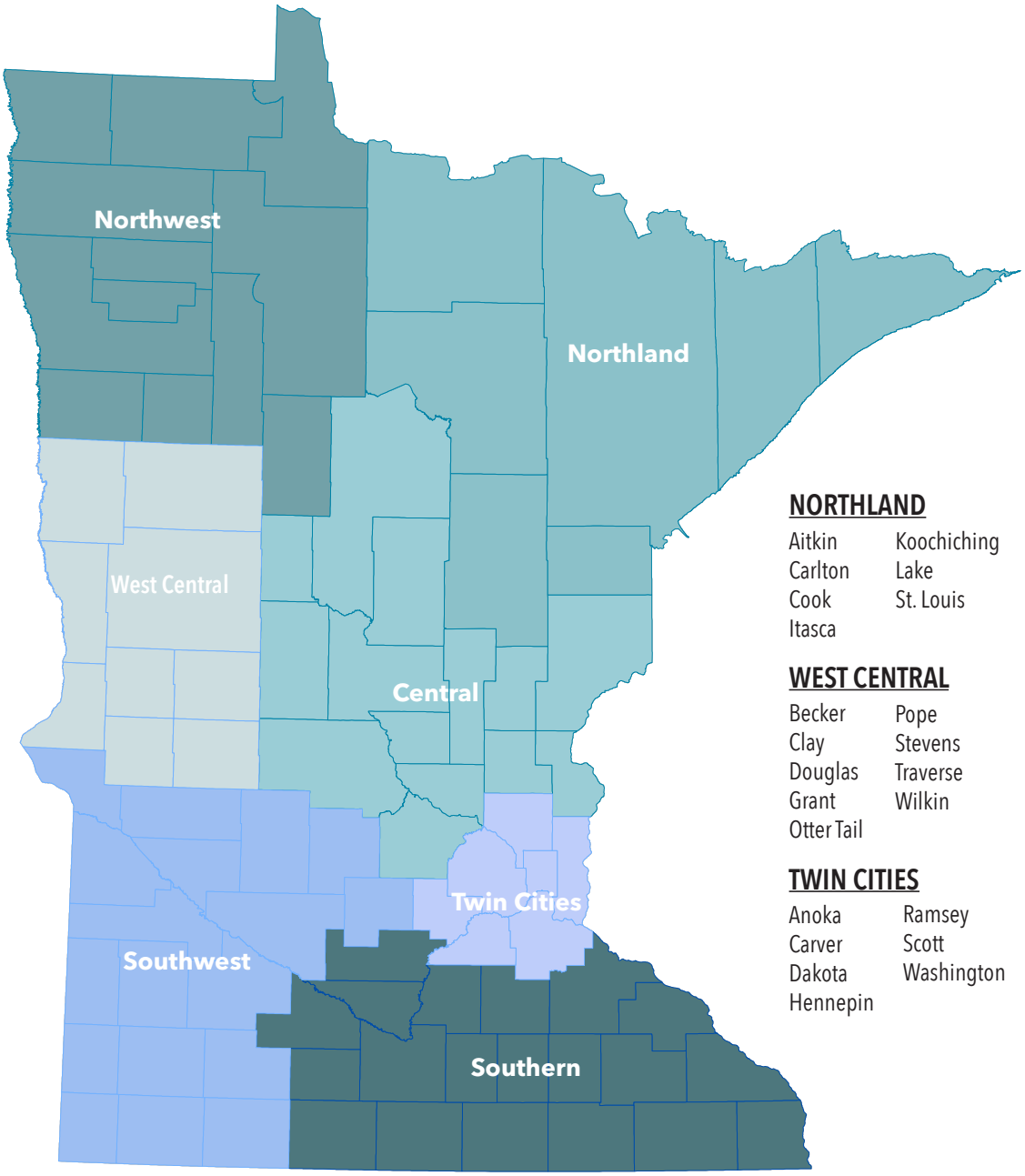
Wages and housing affordability for top in-demand jobs in Minnesota



3 Fair Market Rent is the federal government standard for a "fairly" priced apartment. It is calculated as the 40th percentile of gross rents for typical, non-substandard rental units in a local housing market.

Regions

Regions based on the delineations used by the Minnesota Housing Finance Agency



NORTHLAND

Aitkin
Carlton
Cook
Itasca
Koochiching
Lake
St. Louis

WEST CENTRAL

Becker
Clay
Douglas
Grant
Otter Tail
Pope
Stevens
Traverse
Wilkin

TWIN CITIES

Anoka
Carver
Dakota
Hennepin
Ramsey
Scott
Washington

NORTHWEST

Beltrami
Clearwater
Hubbard
Kittson
Lake of the Woods
Mahnomen
Marshall
Norman
Pennington
Polk
Red Lake
Roseau

CENTRAL

Benton
Cass
Chisago
Crow Wing
Isanti
Kanabec
Mille Lacs
Morrison
Pine
Sherburne
Stearns
Todd
Wadena
Wright

SOUTHWEST

Big Stone
Chippewa
Cottonwood
Jackson
Kandiyohi
Lac qui Parle
Lincoln
Lyon
McLeod
Meeker
Murray
Nobles
Pipestone
Redwood
Renville
Rock
Swift
Yellow Medicine

SOUTHERN

Blue Earth
Brown
Dodge
Faribault
Fillmore
Freeborn
Goodhue
Houston
Le Sueur
Martin
Mower
Nicollet
Olmsted
Rice
Sibley
Steele
Wabasha
Waseca
Watonwan
Winona

Twin Cities Region

COUNTIES: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

The Twin Cities region is the most populous and diverse region in the state with more than 2.9 million residents and 75 percent of the Minnesota's non-white population. Over the next 20 years, suburban counties are expected to grow from 13 to 20 percent in total population, while urban counties — Hennepin and Ramsey — are only projected to grow by 10 and 9 percent. Much of this growth will be driven by people of color, who are projected to make up 40 percent of the total Twin Cities region population by 2040.

Although the region saw a modest 8 percent decrease in homelessness from 2012 to 2015, significant racial disparities persist in housing, a high percent of senior renters and homeowners pay more than they can afford for housing, and extremely low-income families face dramatic challenges in finding affordable housing. Of all the regions in the state, the Twin Cities metro area has the highest rate of cost burdened renters and, given that the fastest growing jobs pay only a fraction of what is needed to afford housing, this burden will affect a growing number of households in coming years if supply does not shift to meet the demand for more affordable housing options.

RENTAL HOUSING

With more than 1.1 million households, the Twin Cities region comprises more than 30 percent of the state's total household population and 60 percent of the state's total renter household population. The counties with the highest proportions of renter households are Hennepin and Ramsey, where renters account for 2 in 5 households. In suburban communities, the proportion of renter households is slightly lower with only 16 to 25 percent of the total population living in rental units.

Minneapolis and St. Paul

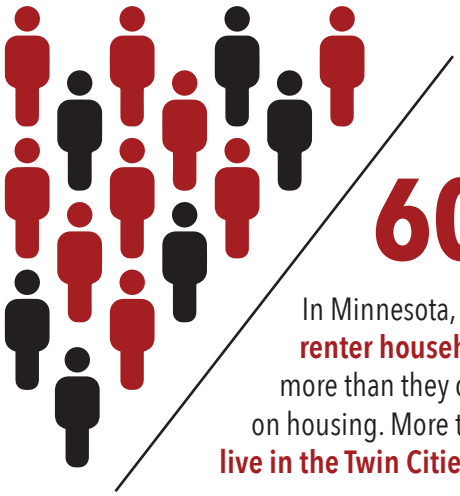
Within the boundaries of the City of Minneapolis, the majority of households – 52 percent – are renters. This is also true in the City of St. Paul, where 51 percent of households are renters.

Median gross rent is highest within the city boundaries for Minneapolis, at $869, with St. Paul close behind at $838. Of the 87,460 renter households in Minneapolis, 42 percent are cost burdened – paying more than 30 percent of their income on housing. For renters with incomes less than $20,000 per year, cost burden rises to 84 percent. For St. Paul, 50 percent of all renters are cost burdened, and 83 percent of renters with incomes less than $20,000 are cost burdened.

Between 2000 and 2015, renter income dropped in Minneapolis by 11 percent, falling further in St. Paul where it dropped by 16 percent. In contrast, homeowner incomes increased in both cities, growing by 10 percent in Minneapolis and 3 percent in St. Paul.

The Twin Cities region has the second highest rate of renter cost burden in the state with 46 percent all renter households experiencing housing cost burden. Anoka and Ramsey counties have some of the highest rates of housing cost burden with roughly half of all renters experiencing housing cost burden and one-quarter of all renters experiencing severe housing cost burden. While

these are not significantly higher than elsewhere in the state, it is important to note that, in total, the region accounts for 3 in 5 of the 272,000 cost burdened renter households in Minnesota.



60%

In Minnesota, **272,000 renter households** pay more than they can afford on housing. More than **60% live in the Twin Cities region.**

TWIN CITIES REGION

34,000	102,100
# of units affordable and available to extremely low-income households	# of extremely low-income households

For extremely low-income households[1], which have the highest levels of housing cost burden, the shortage of affordable housing is severe. In 2015, the region had 102,100 extremely low-income households, but only 34,000 rental units that were available and affordable to these households. This shortage speaks to the difficulties that low-income renters face in the Twin Cities' consistently tight and increasingly expensive renter market. With more than 27,000 new moderate- and high-income households entering the rental market since 2010, low-income households must now compete with moderate-income renters for sparsely available units.

The Twin Cities housing squeeze is particularly problematic for households of color who continue to trail White households in a number of economic measures. Across the region, households led by people of color earn 28 percent less than White households; in Hennepin and Ramsey, the percentage widens to 41 and 42 percent, respectively. As the Twin Cities renter market continues to add more high-income renters, households of color will disproportionately struggle to find affordable and adequate housing.

OWNER-OCCUPIED HOMES

The Twin Cities region includes more than 784,000 homeowner households, accounting for nearly 70 percent of the region's entire household population and more than 50 percent of Minnesota's total owner household population. While Hennepin and Ramsey counties have the lowest rates of homeownership in the state with roughly 60 percent of households in owner-occupied units, they account for nearly 30 percent of the Minnesota's total owner household population. In contrast, suburban counties see at least 75 percent of their households in owner-occupied units.

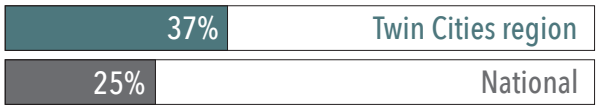
The region has the second highest rate of homeowner cost burden in the state with 20 percent of owner households paying more than 30 percent of their income on housing. Unlike rates of homeownership, which vary by county, owner housing cost burden consistently affects 1 in 5 homeowner households across the region.

1 Extremely low-income households earn less than 30% of the area median income; approximately $26,000 per year for a household of four in the Twin Cities

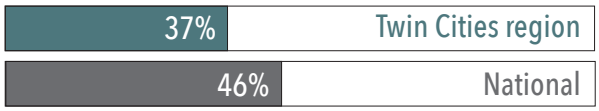
On average, the homeownership rate for households of color in the Twin Cities region is 37 percent lower than that of White households. In 2015, the rate of ownership for households of color was 37 percent, compared to 75 percent for White households. African-American households had the lowest rate of homeownership at 25 percent.

During the recession, the homeownership gap in the region ballooned from 31 percent in 2008 to nearly 40 percent by 2011. While the Twin Cities' homeownership gap has narrowed in recent years, it remains above historic levels and well above the average homeownership gap for the nation.

Homeownership gap



% of households of color who own their home



SENIOR HOUSING NEED

By 2035, the number of seniors in the Twin Cities region will more than double, rising to more than 862,000 individuals. The projected growth rate is the highest for the state at 123 percent — 30 percent higher than the average growth rate for the state (93 percent). These trends both stand to exacerbate current senior housing issues unless the region adds more affordable senior housing.

Of the 52,500 senior renter households in the Twin Cities region, 61 percent experience housing cost burden – 13 percent higher than the rate for all senior renters in Minnesota.

Compared to all other regions in the state, the Twin Cities also has the highest rate of senior renter cost burden. Of the 52,500 senior renter households, 61 percent experience housing cost burden — 13 percent higher than the rate of housing cost burden for all senior renters in Minnesota. While the region contains the smallest proportion of renter households that are seniors (14 percent), it has the largest number of senior renter households at roughly 52,500.

Senior homeowners in the Twin Cities have high rates of cost burden, as well, with the region ranking second only to the Central region. Of the 170,500 senior homeowner households, more than 46,000 (27 percent) experience housing cost burden. These rates are highest in Hennepin and Scott counties, which see 29 percent of senior owners experiencing housing cost burden.

HOUSING AFFORDABILITY BY OCCUPATION

In the Twin Cities region, the majority of median-income renter households can't afford median gross rent. While median gross rent ranges from $865 in Ramsey County to $1,144 in Washington County, the median income renter can only afford ranges from $792 in Ramsey County to $1,088 in Washington County. At these levels, median-income renters in only half of the region's counties can afford a modest two-bedroom apartment.

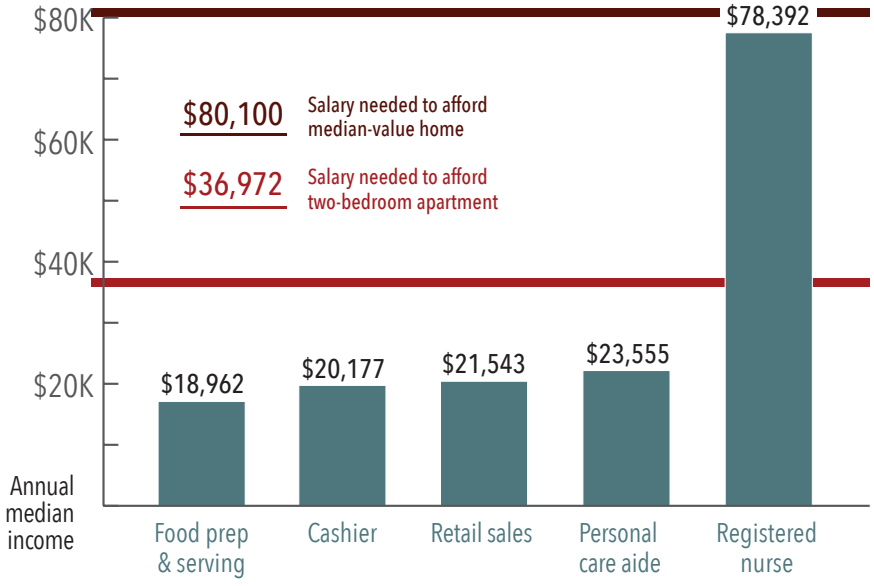
The top five in-demand occupations for the region include retail sales persons, registered nurses, personal care aides, food preparation and serving workers, and cashiers. By 2024, these occupations are expected grow by an average rate of 16 percent. The median annual incomes for these top occupations range from $18,962 (food preparation and serving worker) to $78,392 (registered nurse), leaving employees between $474 to $1,960 to put toward housing without spending more than 30 percent of their income. That means four of the top five in-demand jobs ***do not*** earn a salary that can afford the rent for a two-bedroom apartment in ***any*** county in the Twin Cities region. Only registered nurses can afford homeownership — and even they are priced out of a median-value home in Carver County.

HOMELESSNESS

The Twin Cities region saw homelessness drop by 8 percent between 2012 and 2015, mirroring the 9 percent decrease across state. In Hennepin County, which accounts for 60 percent of all homeless persons in the region, homelessness dropped by 15 percent, giving the county its smallest homeless population since 2006. In contrast, Ramsey County experienced a 14 percent increase in homelessness and Anoka, Carver, and Scott counties experienced increases in homelessness, as well.

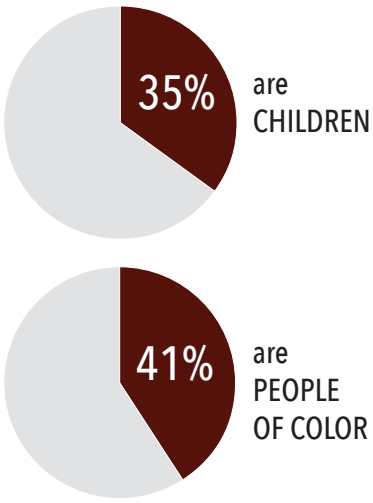
The groups that are most likely to experience homelessness are children and households of color. In 2015, of the 6,200 homeless individuals in the region, 2,300 (35 percent) were children and 2,580 (41 percent) were people of color.

Wages & housing affordability for top in-demand jobs in CARVER COUNTY



Unlike other counties in the region, the salary needed to afford a median-value home in Carver County exceeds even the pay of a registered nurse.

Homelessness in the region



Central Region

COUNTIES: Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, Wright

The Central region is located just north of the Twin Cities metropolitan area, and includes 14 counties and the St. Cloud Metropolitan Statistical Area. The region is home to 278,000 households of which 78 percent are homeowners and 22 percent are renters. By 2035, the region is expected to grow by 14 percent to nearly 905,000 people, making Central the fastest growing region in the state, outpacing even the Twin Cities region.

While rates of housing cost burden are relatively low among renter households, the Central region has some of the highest rates of owner cost burden, sharpest declines in median owner and renter income, and has seen housing cost increase significantly in recent years. As the Central region grows, it will be critical to expand affordable housing opportunities for renters, homeowners, and seniors to reduce housing cost burden and support a strong economy.

Rental Housing

There are nearly 61,000 renter households in the Central region, accounting for 22 percent of the total household population. Although the region is made up of 14 counties, nearly 2 in 5 renter households live in either Stearns or Wright County. Stearns County, home to the major population hub of the St. Cloud metropolitan area, has the largest renter population (16,000 households), and the second highest percentage of renter households (29 percent). But the number of renters is growing: From 2000 to 2015, the Central region saw a 14 percent rise in renting households, with five of the 10 counties statewide that saw the biggest gains in renters — including more than 30 percent increases in Cass, Pine, Isanti, and Mille Lacs counties.

St. Cloud metro area

The St. Cloud metropolitan area – which includes Benton and Stearns counties – has different housing needs than the rest of the Central region due to wage stagnation and high concentrations of renter households.

The MSA is home to 30 percent of region's entire household population. In both counties, renter households make up 34 percent of the total household population, compared to a rate of 19 percent in all other counties. Of the 21,000 renter households in the metro, 45 percent pay more than 30 percent of their income on housing and 23 percent pay more than 50 percent of their income towards housing.

In the St. Cloud MSA, wage stagnation is more severe among both renter and homeowner households. Between 2000 and 2015, in the St. Cloud MSA, renter income dropped by 19 percent and homeowner income dropped by 3 percent on average.

On average, 44 percent of renter households in the Central region pay more than 30 percent of their income on housing – above the statewide average of 41 percent. Although cost burden does not vary significantly across the region, the highest rates occur in counties that fall within either the St. Cloud or the Twin Cities metro areas. In Wright and Sherburne counties, approximately 48 percent of all renter households experience housing cost burden.

From 2000 to 2015, four Central counties (Benton, Kanabec, Chisago, Pine) saw dramatic declines in renter median income, while other counties saw very modest increases. Meanwhile, median gross rent rose 18 percent — the second largest average rent increase of all the regions in the state. Within the St. Cloud metro area, the median renter income dropped by 19 percent while the median gross rent increased by 11 percent. The county hit hardest in the region — and the entire state — was Benton County, where the median renter income has fallen 33 percent. Not surprisingly, Benton County also ranks eighth in the state for the highest percentage of renters (27%) experiencing severe cost burden. Regionwide, more than 1 in 5 renters pay more than 50 percent of their income on housing.

CENTRAL REGION

6,599	17,055
# of units affordable & available to extremely low-income households	# of extremely low-income households in Central region

Extremely low-income (ELI) renters who earn 30 percent or less of area median income also struggle to find affordable housing units as the rent increases across the region. There are currently more than 17,055 ELI households in the Central region, yet there are only 6,599 total affordable and available units in the region. In fact, the Central region has the second largest deficit in ELI units. Sherburne County has the highest gap in the state at just 24 available and affordable units per 100 ELI households, and Kanabec (30 units per 100 households), Stearns (31) and Crow Wing (31) counties are also among the top 10 counties in the state with the biggest gaps. While the region permitted 740 multi-family units for construction in 2015, only a handful of these units will provide rents that are affordable to ELI renters.

The Central region has the highest rate of owner cost burden with 20 percent of all owner households paying more than 30 percent of their income on housing.

Owner-Occupied Homes

The Central region is home to more than 217,000 homeowner households, accounting for 78 percent of the region's population. As with renter households, nearly 2 in 5 homeowner households live in either Wright County or Stearns County. Unlike renter households, however, owner cost burden is a significant issue for many homeowners in the region.

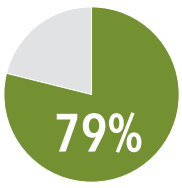
Compared to all other regions in the state, the Central region has the highest rate of owner cost burden with 20 percent of all owner households paying more than 30 percent of their income on housing. Counties with the highest rates of owner cost burden are Isanti and Chisago counties. In these counties, 24 to 25 percent of all owners are cost burdened – the highest rate of housing cost burden of all counties in the state. In total, 8 of the 10 counties with the highest rates of owner cost burden in the state are located in the Central region.

Rank	County	Region	% of owners that are cost burdened
1	Isanti	Central	25%
2	Chisago	Central	24%
3	Pine	Central	23%
4	Kanabec	Central	23%
6	Benton	Central	21%
7	Mille Lacs	Central	21%
9	Sherburne	Central	21%
10	Crow Wing	Central	21%

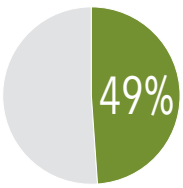
The region also has the highest rate of severe housing cost burden: In five of the 14 counties in the region, 10 percent of homeowners are currently paying more than half of their total household income on housing.

In part, owner housing cost burden is high due to stagnant or declining owner income over the past 15 years. Since 2000, median home values across the Central region have increased 17 percent, with the highest gains in Todd County (rising 36 percent) and the lowest in Sherburne County (dropping 1 percent). In contrast, median owner income across the Central region fell 1 percent, with the steepest drop in Pine County (12 percent). In Isanti and Kanabec counties, where rates of owner cost burden are highest, the median owner income has dropped 10 percent while home values have increased 3 and 11 percent, respectively.

The growing gap between the owner median income and median home value is particularly problematic for households of color. In 2015, only 49 percent of households of color owned their home compared to 79 percent of White households. While the homeownership rate among households of color in the Central region is higher than the state average (40 percent), from 2010 to 2015 the homeownership rate for households of color dropped 14 percent.



of **White** households own their homes



of households of **color** own their homes

The Central region has the highest level of seniors paying more than 30 percent of their income on housing, with more than half of senior renters and one-third of senior owners experiencing cost burden.

In addition to homeownership disparities and high rates of housing cost burden, the region's owner housing stock is aging. Nearly half of all owner-occupied homes were built prior to 1980 and nearly 25 percent of all homes were built prior to 1960. In 2015, the region added an additional 2,304 single family units, 23 percent of which were located in Wright County.

Senior Housing Needs

There are 64,500 senior households in the region, accounting for one-quarter of the total household population. In 2015, more than half of all senior renter households and nearly 30 percent of all senior owner households experienced housing cost burden. At these levels, the Central region has the highest rate of senior owner cost burden and the third highest rate of senior renter cost burden in the state.

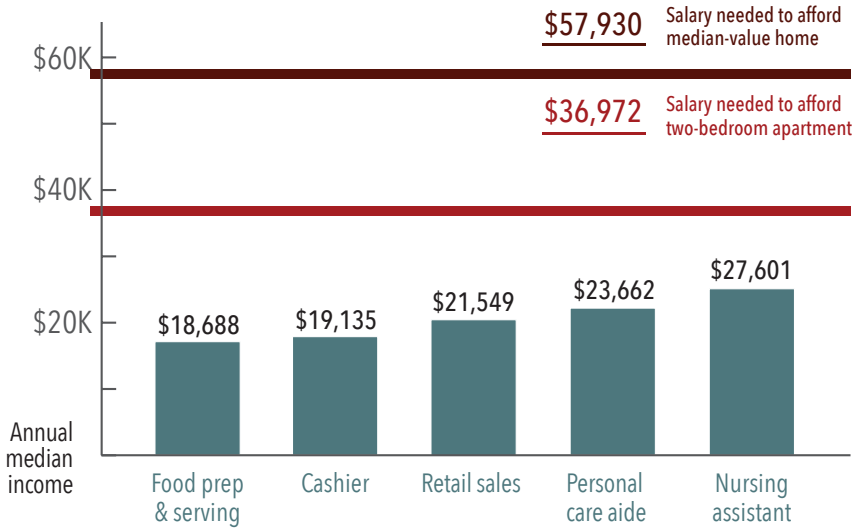
Over the next 20 years, the number of residents aged 65 and older is expected to nearly double in the Central region, rising to 231,900 by 2035 — the second highest rate of senior population growth of any region in the state. With the senior population rapidly expanding, the region will need to address high rates of housing cost burden among senior households.

Housing Affordability by Occupation

While median gross rent ranges from $567 (Todd County) to $925 (Sherburne County), the median renter income for the region ranges from $20,807 (Wadena County) to $37,296 (Sherburne County). At these income levels, renter households can only afford to spend between $520 and $932 per month on housing. In 13 of the 14 counties in the Central region a median-income renter *cannot* afford a modest two-bedroom apartment. In coming years, many renters may find it increasingly difficult to afford rental housing costs because many of the top in-demand jobs do not pay nearly enough.

The top five in-demand jobs in the Central region include food preparation and serving workers, retail salespersons, nursing assistants, cashiers and personal care aides. While these industries are expected to grow by 17 percent on average by 2024, the median pay ranges from $18,688 and $27,601. At that salary, workers can afford to pay between $467 and $690 per month on housing. At these income levels, workers fall short of the average two-bedroom fair market rent*, which ranges from $658 to $1,027. Even nursing assistants, the highest paying in-demand occupation, can afford rent in only six counties — fewer than half — in the Central region. The median-value home is even further out of reach, requiring an annual income ranging from $34,920 in Wadena County to $57,930 in Wright County.

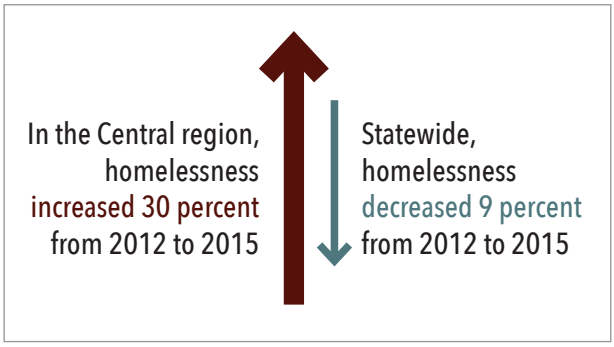
Wages & housing affordability for top in-demand jobs in WRIGHT COUNTY



Like many other counties in the region, housing costs in Wright County far exceed what in-demand jobs pay.

Homelessness

In contrast to the statewide decline of 9 percent, homelessness increased in the Central region by 30 percent from 2012 to 2015. By 2015, 787 people were experiencing homelessness. This represents the largest homeless population of any Greater Minnesota region. Of those experiencing homelessness, 35 percent were children and 8 percent were seniors aged 55 years or older.



* Fair Market Rent is the federal government standard for a "fairly" priced apartment. It is calculated as the 40th percentile of gross rents for typical, non-substandard rental units in a local housing market.

Southern Region

COUNTIES: Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan, Winona

The Southern region is the second most populous region in the state with 285,600 households scattered across 20 counties. As the regional economic hub, the Rochester metropolitan area is home to nearly 30 percent of the region's total household population. Over the next 20 years, the population is projected to increase 9 percent to 820,100 people, making it the third fastest growing region in Minnesota.

A notable housing trend in the Southern region is the lack of affordable housing in rural counties, which we define as any county outside of the Rochester, Mankato or La Crosse metropolitan areas (Blue Earth, Dodge, Fillmore, Houston, Nicollet, Olmsted, and Wabasha counties). From 2000 to 2015, these counties saw some of the sharpest declines in median renter income, yet housing costs continued to rise. The convergence of low renter incomes and growing housing costs forces nearly half of all renter households to pay more than they can afford for their home.

Compared to the rest of the state, the Southern region has the second highest percentage of owner-occupied homes built prior to 1960 and the highest percentage of renter homes built prior to 1960.

RENTAL HOUSING

With 71,460 renter households, the Southern region has the second largest renter household population in the state. Unlike many regions where the majority of renters live in the metro area, rural counties account for 75 percent of all renter households in the Southern region, and, compared to the Rochester MSA, often see greater proportions of their population living in rental housing.

For renters in rural counties, wage depreciation has made it increasingly difficult to afford the growing cost of housing. From 2000 to 2015 the median renter income decreased in every county except one (Brown County) with declines ranging from 3 to 28 percent. Overall, the Southern region experienced the sharpest decrease in median renter income of any region in the state. Rural counties in southeast Minnesota were hit hardest and saw median renter income drop by as much as 28 percent in some counties. In total, the Southern region accounts for 6 of the 10 Minnesota counties with the greatest declines in renter incomes — all but one of these counties are outside of the Rochester metro area.

While renter household wages dropped across the region, housing costs climbed from 1 percent (Rice County) to 33 percent (Mower County),

Rochester metro area

The Rochester metropolitan area – which includes Dodge, Fillmore, Olmsted, and Wabasha counties – has different housing needs than the rest of the Southern region. The Rochester MSA has the highest rates of homeownership compared to all other MSAs in the state, with 76 percent of households owning their home, compared to a 71 percent rate for all other MSAs in the state. The Rochester MSA has the second highest median gross rent ($789) in the state, after the Minneapolis / Saint Paul metro area. Of the 20,010 renter households in the Rochester metro area, 43 percent pay 30 percent or more of their income on housing and 20 percent pay more than 50 percent of their income on housing.

The Southern region experienced the sharpest decrease in median renter income of any region in the state. Rural areas in southeast Minnesota were hit hardest and saw median renter incomes drop by as much as 28 percent in some counties.

with median gross rents rising to a range of $538 (Faribault County) to $827 (Olmsted County).

The growing gap between renter incomes and housing costs has resulted in more than 2 in 5 renter households experiencing cost burden — spending more than 30 percent of their income on housing. In total, the Southern region accounts for the three of the 10 counties with the highest rates of renter housing cost burden. The Southern region also includes three of the 10 counties with the highest rates of severe cost burden — renters paying more than half of their income on housing. In Winona, Blue Earth, and Mower counties, half of all renter households are cost burdened and more than 25 percent are severely cost burdened.

In the Southern region, 40 percent of the rental housing stock was built prior to 1960 — the highest percentage in the state. In many rural counties, these rates are even higher with half or more of all rental units built prior to 1960. Despite the need in rural areas, 59 percent of all multi-family housing built in 2015 was located in the Rochester metro area.

Owner-Occupied Homes

In the Southern region, there are more than 214,100 owner households, accounting for 75 percent of the total household population. Three of the four counties within the Rochester MSA have homeownership rates of 79 percent or more – slightly above the state ownership rate of 77 percent.

In contrast, nearly 2 in 5 rural counties in the Southern region have homeownership rates under the regional average of 76 percent.

From 2000 to 2015, homeowners in the Southern region, on average, saw a modest increase in income. With a current range of $54,660 in Faribault County to $82,428 in Olmsted County, the Southern region has the second highest owner median income after the Twin Cities region. With relatively high incomes, many homeowners can afford the median-value home, ranging from $85,600 in Faribault County to $185,200 in Rice County. As such, the region has the second lowest rate of owner cost burden with only 15 percent of homeowners paying more than 30 percent and only 5 percent paying more than 50 percent of their income on housing.

The homeownership gap, or gap in ownership rates of White households versus households of color, is 32 percent in the Southern region. While 78 percent of White households own their home, homeownership for households of color is only 45 percent — and just 19 percent for African-American households.

In addition, housing stock in the Southern region is aging. In 2015, 40 percent of owners lived in a home built prior to 1960 — the third highest proportion of any region in the state. In 2015, the region permitted 1,417 new single family homes for construction.

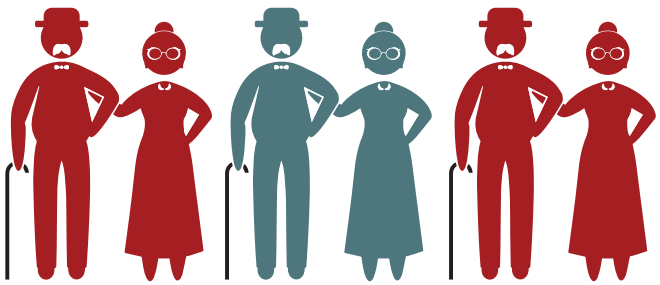


Housing stock in the Southern region is aging, with 44% of single and multi-family homes built before 1960. In Faribault and Watonwan counties it's more than 60%.

Senior Housing Needs

By 2035, the senior population in the Southern region is projected to increase by 72 percent, rising to 218,700 individuals. At this level, the Southern region will have the third largest senior population in the state. While all counties will see a significant increase in the senior population, two of the four counties (Dodge and Olmsted) in the Rochester metro area are expected to see their senior population double. With the senior population on the rise, the Southern region will have to address widespread senior housing cost burden, especially among seniors who rent.

The Southern region has the second highest rate of senior renter cost burden with 52 percent of all senior renters paying more than they can afford on housing. Martin County has the highest rate of senior renter cost burden in the state with 67 percent of senior renter households experiencing housing cost burden. Trailing close behind, in Steele County 66 percent of senior renters experience housing cost burden, the second highest of any county in the state.



In Martin and Steele counties more than 2/3 of senior renters pay more than they can afford on housing – the highest percentage of any counties in the state. Regionwide, more than half pay more than 30% of their income on rent.

Compared to renters, senior homeowner cost burden is quite low, with 22 percent of all senior homeowners experiencing cost burden. The only two counties with relatively high rates of senior owner cost burden are Rice and Le Sueur, where 30 percent of all senior owners experience housing cost burden — well above the regional average (22 percent) and the state average (25 percent).

Housing Affordability by Occupation

In the Southern region, median-income renter households can only afford monthly rent ranging from $592 in Winona County to $872 in Dodge County. At these levels, median-income renters can afford the rent for a modest two-bedroom apartment in fewer than half of the counties in the Southern region.

While the Southern region has one of the lowest average job growth rates at only 2.8 percent, the region will see more than 113,000 new job openings by 2024. The vast majority of these projected job openings are for relatively low-wage jobs including carpenters, truck drivers, personal care aides, retail sales persons, and food preparation. Within these occupations, median wage earners make roughly $30,000 per year, leaving them only $737 per month to pay for housing.

Currently, the top five in-demand jobs in the region include registered nurses, heavy and tractor truck drivers, personal care aides, nursing assistants, and food preparation and serving workers. The median annual incomes for these top occupations range from $18,978 (food preparation and serving workers) to $58,354 (registered nurses), leaving a range of $474 to $1,459 for these positions to spend

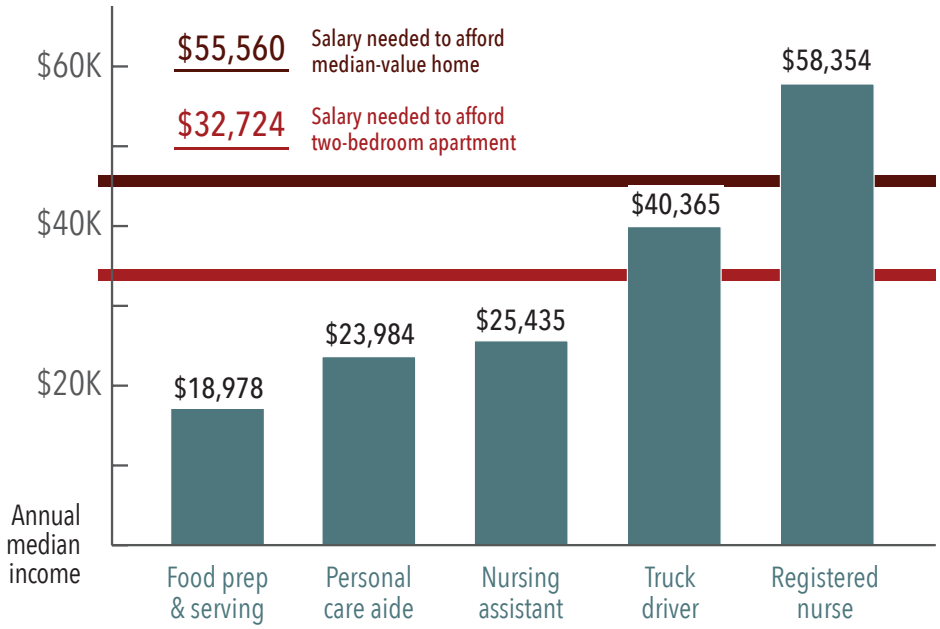
on housing. The majority of employees filling these positions are unable to meet the amount needed to rent a two-bedroom apartment ($658 to $909) and are even further from reaching the income needed to afford a median-value home in the region, which ranges from $25,680 in Faribault County to $55,560 in Rice County.

Homelessness

Mirroring the 9 percent decline in homelessness across the state, the Southern region saw the number of people experiencing homelessness drop by 8 percent from 2012 to 2015.

In 2015, 571 people in the region were experiencing homelessness — one of the lowest rates in the state with only 8 in every 10,000 people experiencing homelessness. While the overall rate of homelessness is quite low for the state, the homeless population and homelessness rate remain above 2003 levels, and 48 percent of those experiencing homelessness are children.

Wages and housing affordability for top in-demand jobs in RICE COUNTY



The salary needed to afford a median-value home or rent for a two-bedroom apartment is far higher in Rice County than the vast majority of counties in the region.

Southwest Region

COUNTIES: Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, Yellow Medicine

Although the Southwest region spans 18 counties, it is among the least populous regions in Minnesota with fewer than 114,000 households. Nearly 30 percent of the total household population is in Kandiyohi or McLeod counties, both of which are located just outside of the Twin Cities Metropolitan area. By 2035, the population is projected to grow by 7 percent, rising to 310,990 total people — lower than the 10 percent projected growth for the state.

Compared to other regions, the Southwest has higher rates of total housing cost burden (28 percent) than the state average (26 percent). However, the region also has some of the lowest rates of senior housing cost burden with 48 percent of senior renters and 21 percent of senior homeowners paying more than 30 percent of their income on housing.

Despite these positive trends, the region has aging housing stock and major income disparities between White households and households of color. With the top in-demand jobs only paying a small fraction of what is needed to afford housing costs, households living in these counties may struggle to afford their housing.

RENTER HOUSEHOLDS

The Southwest region has the third smallest renter population in the state, with only 28,000 renter households. These renter households account for 24 percent of the entire household population, less than the state average of 28 percent. Lyon County, which is anchored by the city of Marshall, has the highest *percentage* of renter households in the region at 32 percent. However, Kandiyohi and McLeod counties have the largest *number* of renter households and accounts for 28 percent of the region's total renter households.

While the experiences of renters vary significantly among counties in the Southwest region, regionally 39 percent of renters are cost burdened, meaning they pay more than 30 percent of their income on housing. While nearly half of all renter households in Kandiyohi County experience housing cost burden, the region also has four of Minnesota's *least* renter cost burdened counties: Murray, Redwood, Renville, and Swift counties. In these counties, only 27 to 32 percent of all renter households experience housing cost burden.

In Big Stone County, significant rent increases are closely associated with high rates of severe cost burden. In this county, median rent increased by 60 percent from 2000 to 2015 to $508 per month, making it the highest gross median rent increase of any Minnesota county. Not surprisingly, severe housing cost burden impacts more than 25 percent of renter households in Big Stone. In all other counties, median rent increased by 15 percent, on average, and severe housing cost burden affects 20 percent of renter households.

BIG STONE COUNTY

Median rent, 2000: $318
Median rent, 2015: $508
↑ rent up **60%**

Median renter income, 2000: $21,614
Median renter income, 2015: $16,083
↓ income down -26%

The Southwest region also has the oldest rental housing in the state. Thirty percent of rental units in the region were built before 1960, indicating the potential need for new development to replace deteriorating homes. Despite this need, only 50 multi-family units were permitted for development in 2015, accounting for less than 1 percent of all multi-family development in the state.

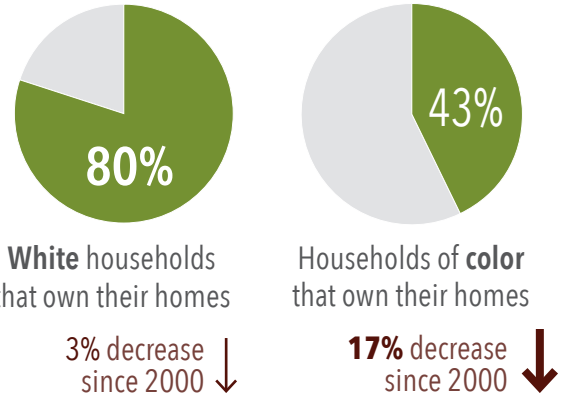
OWNER-OCCUPIED HOMES

There are approximately 86,000 owner households in the Southwest region, accounting for 76 percent of the region's total household population. The areas with the highest rates of homeownership tend to be rural counties, which see homeownership rates of more than 80 percent in some counties. In contrast, counties just outside of the Twin Cities region tend to have lower rates of homeownership. Lyon County, which is anchored by the City of Marshall, has the lowest ownership rate in the region, with 68 percent of all households owning their home.

As with rental housing, regional rates of owner housing cost burden do not reflect the high degree of housing cost burden in certain counties. At a regional level, only 14 percent of all owner households experience housing cost burden, making the Southwest the least owner cost burdened region in the state. But in McLeod and



Housing stock in the Southwest region is aging, with 30% of multi-family and 34% of single-family homes built before 1960. In Lac qui Parle and Yellow Medicine counties **more than 60% of housing stock was built before 1960**.



Meeker county, for example, housing cost burden affects 19 percent of owner households, similar to the statewide average (18 percent).

Compared to other regions, the Southwest region has the highest proportion of aging owner-occupied homes, with 34 percent in the region built prior to 1960. Aging owner-occupied housing is particularly severe in Lac Qui Parle County, where 65 percent of all owner homes were built prior to 1960. Despite the clear need for single family development in the Southwest region, only 311 new single family homes were permitted in 2015, accounting for just 3 percent of all single family homes permitted statewide.

Another issue in the region is racial disparity in homeownership. While 80 percent of White households own their home, only 43 percent of households of color own their home. While the region has a slightly lower homeownership gap than the state, the homeownership rate for households of color declined by 17 percent from 2010 to 2015, while the homeownership rate for White households fell by less than 3 percent.

SENIOR HOUSING NEED

The Southwest region has one of the smallest senior populations in the state with only 32,500 households and 57,300 total people over the age of 65. Unlike elsewhere in Minnesota, the region is expected to see only a 51 percent increase in the senior population, the second lowest projected growth rate in the state. Although regionally well below the projected 93 percent senior population growth statewide, Lyon and McLeod counties – which are major population centers for the region – are expected to see the senior population increase more than 70 percent.

Compared to the rest of the state, the Southwest has lower rates of housing cost burden among senior renter and owner households, with most counties in the bottom quarter of cost burden. Big Stone County ranks fifth in the state for the lowest percentage of senior homeowners who are cost burdened, and the lowest for senior renter cost burden, at rates of 33 and 16 percent.

In 2015, 48 percent of all senior renters experienced housing cost burden. Among senior renters, Jackson and Pipestone counties have the highest rates of senior housing cost burden (57 percent) in the region, while Redwood and McLeod counties have 55 percent of all senior renters experiencing cost burden.

Among senior homeowners, 21 percent experienced housing cost burden, which is below the rate of senior cost burden for the state (25 percent). The counties with the highest rates of

Compared to the rest of the state, the Southwest region has lower rates of housing cost burden among senior renters and homeowners, with most counties in the bottom quarter of cost burden.

senior homeowner cost burden are Meeker and Kandiyohi. In these counties, more than one-quarter of senior homeowners pay more than they can afford on housing.

HOUSING AFFORDABILITY BY OCCUPATION

While median gross rent ranges from $508 in Big Stone County to $710 in McLeod County, median income renters can only afford between $402 in Big Stone County to $885 in Murray County. Even with the relatively low cost of rent, median-income renters in five of the 18 counties in the region cannot afford a modest two-bedroom apartment.

In 2015, the top five in-demand jobs in the region included nursing assistants, heavy truck drivers, cashiers, personal care aides, and food preparation workers. The median income of these occupations ranges from $18,813 (cashier) to $36,656 (truck driver), leaving a range of $470 to $916 for these positions to spend on housing each month without exceeding 30 percent of their income.

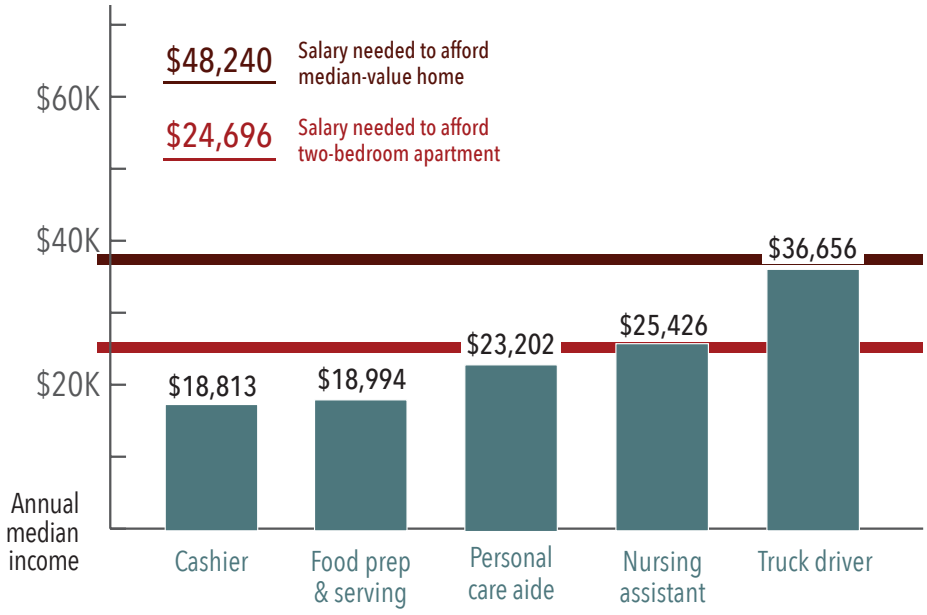
With the exception of truck drivers, the cost of rent surpasses median earnings for all top jobs. Not surprisingly, the salary needed for homeownership also consistently exceeds the incomes of four of the five top in-demand occupations. Of the 18

counties in the region, in only one (Lac qui Parle) is a median-value home accessible to two of the top in-demand occupations (truck drivers and nursing assistants).

HOMELESSNESS

The Southwest region has the smallest homeless population in the state. In line with the 9 percent decrease statewide from 2012 to 2015, the number of people experiencing homelessness in the Southwest region decreased by 10 percent. On a given night in 2015, 179 were known to be homeless in the region, and nearly half (49 percent) were children 18 years old or younger.

Wages and housing affordability for top in-demand jobs in KANDIYOHI COUNTY



While the salary needed to own a median-value home is less than $35,000 in many counties in the region, the cost of homeownership is highest in Kandiyohi County.

West Central Region

COUNTIES: Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin

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 91,000 total households, 76 percent of which are homeowners and 24 percent of which are renters. By 2035, the region is expected to grow by only 6 percent to 246,200 people – well below the 10 percent projected growth rate for the entire state. Overall, population growth in the West Central region will only account for 2 percent of the total population growth in Minnesota.

One of the most pressing housing issues in the West Central region is severe renter cost burden. In three of the region's nine counties, more than 27 percent of renter households experience severe housing cost burden, or are paying more than half of their total income on housing.

RENTAL HOUSING

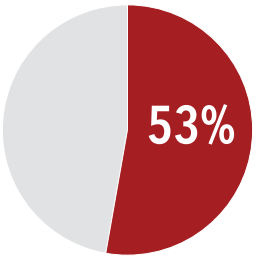
The West Central region is home to 22,000 total renter households, the second smallest renter population in the state. Of these households, more than half live in either Clay County or Otter Tail County, both of which are located either in or just outside of the Fargo-Moorhead MSA.

Compared to all other counties in the state, Clay County and Stevens County have the highest rates of renter housing cost burden, with 53 percent of renter households paying more than 30 percent of their income on housing. Rates of severe housing cost burden are also high in Clay, Stevens and Douglas counties, where more than 27 percent of the total renter population is paying more than half of its income on housing.

Fargo metro area

The Fargo metropolitan area spans Clay County of Minnesota and Cass County of North Dakota. Despite renter income growing by 8 percent from 2000 to 2015 – the 9th largest increase in the state – Clay County has the largest percentage of cost-burdened renters in the state. The Minnesota area of the Fargo MSA also has the highest percentage of cost-burdened renters compared to all other MSAs in the state, with 53 percent of renters paying more than 30 percent of their income on housing, and 27 percent of all renters paying more than half of their income on housing.

In some counties, the West Central region runs counter to state trends. Statewide, median gross rent increased by 9 percent, but in the West Central region it rose 17 percent. So in Clay county – which has one of the highest rates of renter cost burden in the state – the median renter income *increased* by 8 percent but the cost of rent rose by 25 percent. So, while renters have made gains in incomes, rental housing costs are still too expensive for many.



of renters households in Clay and Stevens County pay more than 30 percent of their income on rent – among the highest rates of cost burden in the state.

Extremely low-income (ELI) households, defined as any household earning 30 percent or less of area median income, may face particular challenges in finding affordable housing. In the West Central region, this includes 6,660 households. In Clay County alone, there are 2,090 extremely low-income renters but only 695 total units are available and affordable to that income bracket.

CLAY COUNTY

695	2,090
# of units affordable and available to extremely low-income households	# of extremely low-income households

Despite the clear need for more housing, especially for ELI households, only 493 units of multi-family housing were permitted for construction in 2015. While 62 percent of these units permitted for construction were located in Clay County (a county that includes the Fargo MSA), only four multi-family units were permitted for construction in Stevens County, where ELI housing need and renter cost burden are significant.

OWNER-OCCUPIED HOMES

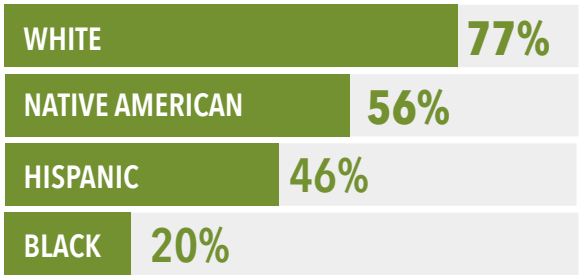
There are more than 69,000 homeowner households in the West Central region, accounting for 76 percent of all households. Following the same distribution as renter households, half of all owner-occupied households are located in Clay and Otter Tail counties, where more than two-thirds of households are homeowners. In recent years, significant gains in owner incomes have largely kept pace with increasing housing costs, which has kept rates of owner cost burden low throughout the region.

While the median home value has risen significantly over the past 15 years, the West Central region was one of the few where owner median income increased. In contrast to the region's overall decline in the median renter income, the region saw the state's greatest increase in owner income, growing from between 2 percent in Wilkin County to 18 percent in Traverse County from 2000 and 2015. Although the median home value increased by 36 percent, the increase in the owner median income has played a role in keeping levels of owner cost burden low across the region. And, even with the significant growth in home values, homeownership is still affordable; a median-value home in the West Central region is only $139,700, well below the state median of $186,200.

With 16 percent of all owner households experiencing housing cost burden, the West Central falls below the state average of 18 percent. In contrast to rates of renter cost burden, cost burden among owner households is particularly low in Stevens County, affecting only 10 percent of that population. The region also has one of the lowest rates of severe owner cost burden, which affects just 5 percent of all owner households.

Despite low rates of cost burden and relatively low home values, homeownership is still out of reach for many households of color. Currently, only 46 percent of all households of color own their home compared to 77 percent of all White households. The homeownership gap is particularly severe among African-American households. Across the region, just 20 percent of all African-American households are homeowners, compared to 56 percent of Native American and 46 percent of Hispanic households.

Homeownership by race



In the West Central region, 46% of households of color own their homes compared to 77% of White households.

Similar to trends across the state, housing stock in the region is aging. Nearly 60 percent of all owner-occupied homes in the region were built before 1980, and only 20 percent of all owner-occupied homes were built after 2000. In 2015, just 7 percent of the state's total single-family housing development occurred in the region, the majority of which in Clay, Becker and Douglas counties.

SENIOR HOUSING NEEDS

The West Central region contains the highest percentage of senior renters in the state, with more than 1 in 4 renter households over the age of 65, and the second highest population of senior homeowners. In the region, more than half of all senior renters (52 percent) are cost burdened. Currently, there are 20,100 senior homeowners in the region, 24 percent of whom are cost burdened. In particular, Traverse County has the fourth largest population of senior homeowners in the state with 36 percent of all homeowners in this county over the age of 65. Traverse County also has the lowest number of cost burdened senior homeowners in the state — just 14 percent pay more than 30 percent of their income on housing.



The West Central region has the highest percentage of senior renters, with more than 1 in 4 renter households over the age of 65.

Seniors are projected to grow by 47 percent in the region, with an additional 22,174 individuals joining this age bracket by 2035. With an already robust senior population, the region will need to plan for housing to accommodate this rapidly growing cohort.

HOUSING AFFORDABILITY BY OCCUPATION

In the West Central region, a median-income renter household can only afford rent ranging from $512 per month in Wilkin County to $750 per month in Pope County — which is barely or not enough to afford the rent for a modest two-bedroom apartment in most counties (which ranges from $658 to $771 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.

In the West Central region overall job growth by 2024 is projected at 4 percent, creating more than 74,670 job openings. The top five in-demand jobs in the region include food preparation and serving workers, cashiers, tractor-trailer truck drivers, personal care aides, and nursing assistants — and housing costs greatly surpass median earnings for

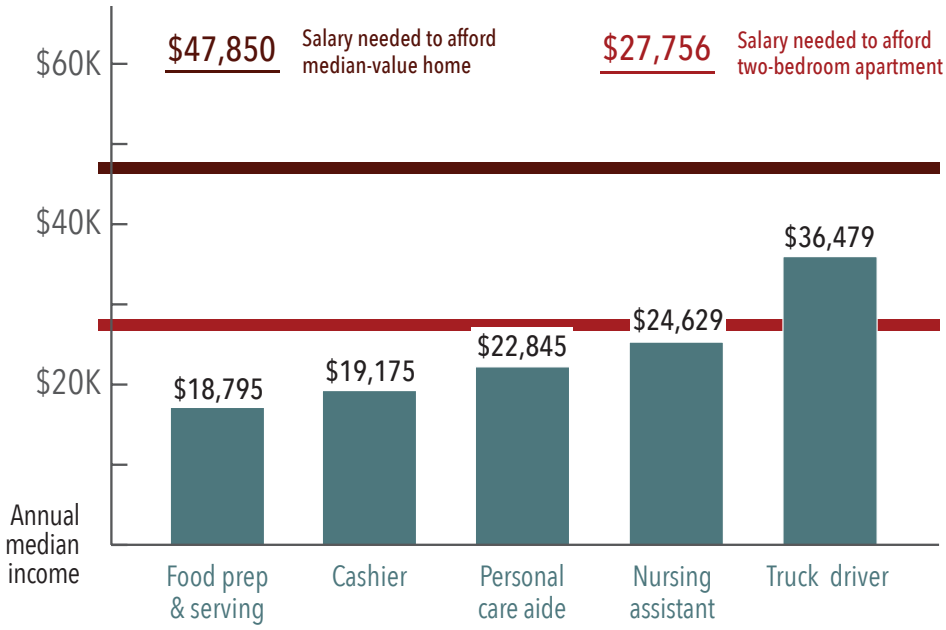
all of these in-demand jobs except tractor-trailer truck drivers. The annual median income earned by the top jobs ranges from $18,795 to $36,479.

An employee in the region would need to earn from $23,868 annually in Becker County to $27,756 annually in Clay County to afford rent for a two-bedroom apartment. To afford a median-value home, a worker would need to earn as much as $56,520 annually in Douglas County, more than $20,000 more than the in-demand job with the highest pay. Coupled with predicted growth in four out of five of these occupations — particularly personal care aides, a position that is anticipated to grow by 45 percent by 2024 — many of the region's residents will struggle to find affordable housing.

HOMELESSNESS

While homelessness has steadily declined throughout the West Central region, the rate of homelessness is still slightly higher than it was prior to the Great Recession. From 2012 to 2015, the rate of homelessness decreased by 14 percent, compared to a 9 percent decline statewide. Still, in 2015, 269 people were known to be homeless in the West Central region on a given night, including 99 children and 20 seniors aged 55 and older.

Wages and housing affordability for top in-demand jobs in CLAY COUNTY



In contrast to other counties in the region, only one of the top in-demand jobs earns a salary that can afford rent for a two-bedroom apartment in Clay County.

Northwest Region

COUNTIES: Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, Roseau

The Northwest region includes 12 counties and contains the metropolitan area of Grand Forks and the Red Lake, White Earth and Leech Lake reservations. The region includes 68,000 households, making it the least populated region in the state by more than 20,000 households. Over the next 20 years, the population is expected to grow by 7 percent to 188,500 total people.

The Northwest region has the second highest percentage of people of color in the state, and the homeownership gap is a significant concern. In 2015, White households had a homeownership rate that was 25 percent higher than households of color.

In addition, the growing gap between the renter median income and housing costs is creating significant cost burden for a growing segment of the renting population, with 42 percent of all renter households in the region paying more than 30 percent of their income on housing. With many of the top in-demand jobs only paying a fraction of what is needed to afford prevailing rents, housing cost burden among renters may rise in coming years.

Grand Forks, MN

The Grand Forks metropolitan area – which spans Polk County of Minnesota and Grand Forks County of North Dakota – has a different housing climate than other major metropolitan areas in the state. The Minnesotan part of the Grand Forks MSA has the highest percentage in the region of homes built before 1960, at 44 percent.

Though rent increased by 15 percent over the past 15 years, the Grand Forks MSA maintains the lowest median gross rent compared to all other MSAs in the state, at $626 per month. Despite relatively low rates of owner cost burden (Polk county is the 11th *least* cost burdened in the state), renter cost burden is a significant issue. Polk County, home to the Grand Forks metro area, ranks 73 out of the 87 counties for renter cost burden (at 47 percent of all renters), and 72 for senior renter cost burden (at 60 percent).

RENTAL HOUSING

The Northwest region contains 16,600 renter households, constituting the smallest renter population of any region in the state. More than half of these renter households reside in either Beltrami County, (which includes the city of Bemidji) or Polk County (which spans the Minnesota side of the Grand Forks Metropolitan Statistical Area). Renter households make up roughly 30 percent of the total household population in these counties; in all other counties of the region, renter households on average, account for only 20 percent of total households.

Compared to 46 percent statewide, 42 percent of renters are cost burdened in the region, meaning they pay more than 30 percent of their income on housing. Beltrami and Polk counties, the renter population hubs, have the highest rates of housing cost burden with nearly half (47%) of all renter households affected. While severe housing cost burden only affects 20 percent of all renter households across the region, Mahnomen County has the second highest rate in the state, with 30 percent of all renter households paying more than half of their income on housing.

Between 2000 and 2015, change in renter median income was varied across the region. While Marshall County saw the biggest gains in renter income of any county in the state, growing 23 percent from 2000 to 2015, the majority of counties saw median renter income decline. While the median gross rent remains the lowest of any region in the state, the Northwest region has seen some of the greatest gains in gross median rent since 2000, including more than 25 percent increases in Mahnomen, Red Lake and Pennington counties and 36 percent increase in Lake of the Woods County. Not surprisingly, the Northwest region has 4 of the top 15 counties that have the biggest gap between change in rent and change in income, with a 40 percent gap in Mahnomen County.

Rank among MN counties	COUNTY	rent change	income change	GAP
7	Mahnomen	**25%**	**-15%**	**40%**
10	Red Lake	**25%**	**-8%**	**33%**
11	Pennington	**26%**	**-7%**	**32%**
14	Lake of the Woods	**36%**	**+4%**	**32%**

Many renters live in aging units. By 2015, 25 percent of rental units were built prior to 1960. In five counties — Kittson, Lake of the Woods, Norman, Pennington, and Red Lake — one-third of all rental units were built prior to 1960. Hubbard is the only county in the region where less than 20 percent of rental units were built before 1960. Still, in the Northwest region, only 190 new multi-family units were permitted for construction in 2015. Of these units, nearly half were built in Beltrami County and the remaining units were constructed in Pennington and Roseau County. Nine of the 12 counties saw no development of multi-family units at all.

OWNER-OCCUPIED HOMES

There are more than 51,000 homeowner households in the region, accounting for 75 percent of all households. Following regional population distribution, 40 percent of all homeowner households live in either Polk or Beltrami counties. However, due to the high percentage of renter households in these counties, the homeownership rate is roughly 70 percent. In contrast, predominantly rural counties have the highest homeownership rates with 80 percent or more of all households owning their home.

While nearly 20 percent of all homeowners statewide experience housing cost burden, only 14 percent of all owner households in the Northwest experience housing cost burden. Of the 12 counties in the Northwest region, all but one (Hubbard) have a rate of owner cost burden below 20 percent.

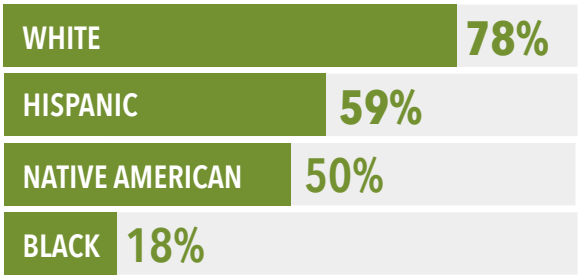
While nearly 20 percent of all homeowners statewide experience housing cost burden, only 14 percent of owner households in the Northwest experience housing cost burden.

Despite the high rate of homeownership and low rates of cost burden across the region, the growing gap between owner median income and the cost of homeownership may make it difficult for prospective homeowners. Since 2000, the median home value across the region has increased from 14 percent in Mahnomen County to 46 percent in Beltrami County, rising by $28,000 on average. Of the counties in the region, Beltrami and Red Lake have experienced the highest increases in median home value, rising by 46 percent in both counties. In contrast, Mahnomen and Roseau counties have

experienced the smallest increase in home value, rising 14 and 18 percent, respectively. Meanwhile, the median owner income grew by just 8 percent across the region, and in Hubbard and Lake of the Woods counties income decreased.

With housing costs on the rise, many households of color do not earn enough to afford homeownership. In 2015, 53 percent of households of color owned their homes, compared to 78 percent of White households. Despite the gap, households of color in the Northwest region have the highest homeownership rate of anywhere else in the state — though this percentage has fallen 10 percent since 2000. In 2015, 59 percent of Hispanic households, and 50 percent of Native American households were homeowners. However, only 18 percent of African-American households owned their home.

Homeownership by race



The Northwest region has the highest homeownership rates for households of color.

Aging housing stock is an issue in the Northwest region, with 36 percent of owner-occupied homes built before 1960. In 2015, 267 new single-family homes were permitted for construction — 37 percent of which were located in Beltrami County. In total, the number of new single family homes added accounted for only 3 percent of the state's developed owner-occupied housing stock in 2015.

SENIOR HOUSING NEEDS

Currently, the Northwest region is home to 3,650 senior renter households and nearly 15,000 senior owner households. Of these senior households, nearly half of all renters and 25 percent of owners pay more than 30 percent of their income on housing. Within the region, Polk and Lake of the Woods counties have the highest rates of senior cost burden with 60 percent of all renter households experiencing cost burden.

By 2035, the senior population in the Northwest region is expected to grow by 56 percent to nearly 52,900 total individuals. Across the region, the counties that will see the largest gains in seniors include Beltrami (70 percent growth), Lake of the Woods (64 percent growth), Pennington (64 percent growth), and Roseau (99 percent growth).

HOUSING AFFORDABILITY BY OCCUPATION

Recent projections show that many workers in the Northwest region may not be able to afford the growing cost of housing. In 2015, monthly income for the median renter household ranged from $1,788 in Mahnomen County to $2,564 in Marshall County. With that income, households can spend just $536 to $769 per month on housing without exceeding 30 percent of their income. However, rent for a modest two-bedroom apartment ranges from $658 to $833 — meaning the median-income renter can afford a two-bedroom apartment in only five of the region's 12 counties.

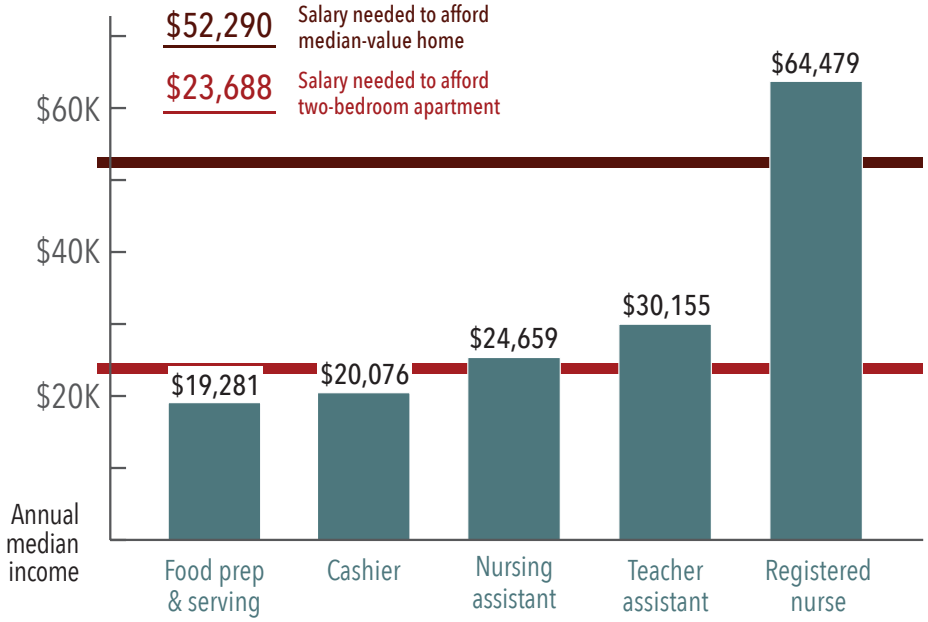
In the Northwest region, the top five jobs include food preparation and serving workers, cashiers, registered nurses, nursing assistants, and teaching assistants. For four of these jobs, median annual income ranges from $19,281 to $30,155, leaving these workers just $482 to $754 per month to spend on housing. Of these occupations, only registered nurses are able to afford a modest two-bedroom apartment in all counties ($658 to $833). To own a median-value home, households must earn at least $21,780 (in Kittson County) to as much as $52,290 (in Hubbard County). In 7 of the 12 counties in the region, four of the top five jobs cannot afford to own a median-value home. Given the projected growth in four of these jobs, the cost to rent or own a home will continue to be out of reach for a growing portion of the region's workforce.

HOMELESSNESS

While homelessness has decreased significantly in the Northwest region, 2015 rates of homelessness are still higher than those prior to the Great Recession. Between 2009 and 2012, the number of people experiencing homelessness in the region increased by 70 percent. Since 2012, homelessness has decreased by 37 percent, a much more significant decrease than the 9 percent decline across the state.

Of the 420 people known to be experiencing homelessness in the region on a given night in 2015, more than one in three were children. Two other significant segments of the homeless populations are young adults (age 18-24) and seniors (age 55 and older), together representing 30 percent of the total homeless population.

Wages and housing affordability for top in-demand jobs in HUBBARD COUNTY



While the rent for a two-bedroom apartment is lower than some counties in the region, Hubbard County has the highest salary needed to afford a median-value home.

Northland Region

COUNTIES: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

The Northland region is located in the northeast portion of the state bordering Canada, and is comprised of seven counties, 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 138,670 total households, 74 percent of which are homeowners. Over the next 20 years, the region is expected to grow at a minimal rate — the lowest growth rate in any region in the state — and increase by only a few hundred in population.

The region also has the third highest percentage of extremely low-income (ELI) renter households, who earn less than 30 percent of the area median income. The need for ELI units is particularly severe in St. Louis County, which suffers from a shortage of more than 4,500 units that are available and affordable to ELI households. These trends indicate the critical need for increased production, preservation and access to affordable housing.

RENTAL HOUSING

The Northland region is home to nearly 36,000 renter households, accounting for 26 percent of the total population – the second highest percentage of renters in the state after the Twin Cities metro area (31 percent). More than 40 percent of the region's renters are within the boundaries of the City of Duluth, which also is home to 52 percent of Hispanic households and 69 percent of all African-American households in the region. Only 19 percent of Native American renters are in the city, as is 35 percent of the total White renter population of the region.

Of the renters living in the Northland region, nearly 1 in 2 experience cost burden, spending more than 30 percent of their income on housing. Furthermore, an estimated 8,800 households, or 25 percent of renters in the region, are paying more than half of their income on housing — the largest percentage of severely cost burdened renters in the state. With 52 percent experiencing housing cost burden and 27 percent experiencing severe housing cost burden, St. Louis County has the highest rate of renter cost burden in the region — and the third and seventh highest rates in the state. In Duluth, the regional renter population hub, nearly

Duluth metro area

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. Though it has the second lowest median gross rent at $686, the Minnesota area of the Duluth MSA has the second highest percentage of cost burdened renters compared to all other MSAs in the state.

Between 2000 and 2015, renter income dropped between 4 and 5 percent, while median rents increased from 20 to 27 percent – particularly problematic for St. Louis County, which contains the highest percentage of renters in the region (29 percent of all households). These metro counties experienced a much larger increase in gross rent compared to rural counties in the region, who only experienced a 4 to 17 percent rise in rent.

An estimated 8,800 households, or 25 percent of renters in the region, pay more than half of their income on housing – the largest percentage of severely cost burdened renters in the state.

47 percent of all renter households and 75 percent of renter households with annual incomes under $20,000 experience housing cost burden.

The high rates of housing cost burden across the region highlight the growing cost of rent relative to renter wages. Between 2000 and 2015, median *rent* in the Northland region increased by a range of 4 percent in Cook County to 27 percent in Carlton County. Meanwhile, renter median *income* fell in all counties, dropping as much as 22 percent in Cook County. More than half of all renter households in the region earn less than $25,000 annually, leaving these families just $625 per month to spend on housing without exceeding 30 percent of their annual income — which isn't enough to afford a modest two-bedroom apartment in any Northland county.

For extremely low-income households, which earn 30 percent or less of the area median income, the challenges are even steeper. While other counties in the region have a moderate to adequate supply of extremely low-income rental units, St. Louis County has only 2,710 available and affordable units for 7,395 families that need them.

ST. LOUIS COUNTY

2,710	7,395
# of units affordable and available to extremely low-income households	# of extremely low-income households

With significant need among ELI households and 42 percent of all rental units built prior to 1960, the region is in need of new development. In 2015, the region saw 456 new multi-family units permitted — but all of that development occurred in just two counties: St. Louis and Itasca counties.

OWNER-OCCUPIED HOMES

Northland has one of the lowest homeownership rates in Minnesota with 74 percent of the 138,670 total households living in a home that they own. The only region with a lower homeownership rate is the Twin Cities (69 percent). In the Duluth metropolitan area, the region's population hub, the homeownership rate is even lower at only 60 percent.

Since 2000, the median homeowner income in the region fell by as much as 12 percent in Lake County and only increased as much as 7 percent in Cook County. Meanwhile, median home values rose by double digits, ranging from a 16 percent increase in Koochiching County to a 64 percent increase in Cook County. While the decline in owner household income is not nearly as drastic as for renter households, median home values rose at three times the rate of median rent. In part, the growing gap between owner income and median home value has fueled high rates of owner housing cost burden throughout the region.

Compared to all other regions, Northland has the third highest rate of owner cost burden in the state. Of the 102,000 owner households in the region, nearly 1 in 4 pay more than 30 percent of their income on housing.

The growing cost of housing in Northland also makes it difficult for households of color to purchase a home. In 2015, only 16 percent of the region's African-American households, 43 percent of Native American households, and 52 percent of Hispanic households owned their home. In contrast, more than 75 percent of all White households owned their home. Since 2000, the homeownership rate for households of color has dropped by nearly 14 percent.

In addition to owner cost burden and wage deprecation, much of the region's housing stock is aging. By 2015, more than 87 percent of all owner occupied homes were built prior to 1980 and 45 percent were built before 1960. The homeowner housing stock is even older in St. Louis County and Lake County, where 76 and 71 percent of all homes were built prior to 1960. But in 2015, only 391 new single family homes were permitted for construction in the region.

SENIOR HOUSING NEEDS

By 2035, the senior population in the Northland region is expected to grow by 54 percent — well below the projected growth rate of seniors for the state (93 percent) — to 105,530 individuals.

While below the state averages for senior cost burden, nearly half of renters and 22 percent of homeowners over the age of 65 in the Northland region pay more than 30 percent of their income on housing. The counties with the highest rates of senior cost burden include Aitkin County (28 percent of senior homeowners) and St. Louis County (53 percent of senior renters).

HOUSING AFFORDABILITY BY OCCUPATION

In the Northland region, median gross rent ranges from $559 in Koochiching County to $691 in Carlton County. Yet median-income renters are only able to afford a range of $466 (in Koochiching County) to $649 (in Lake County). The median-income renter cannot afford a modest two-bedroom apartment in any county in the Northland region and, in some counties (like St. Louis County), falls short by nearly $200 per month.

> The median-income renter cannot afford a modest two-bedroom apartment in any county in the Northland region.

ST. LOUIS COUNTY

Fair market rent* for 2-bedroom apartment	**$755**	Median-income renter can afford	**$577**

The top five in-demand occupations for the region include registered nurses, personal care aides, nursing assistants, food preparation and serving workers, and retail salespersons. In total, the employers for these top five jobs are anticipated to add 6,170 job openings by 2024, with significant growth among registered nurses (14 percent), personal care aides (26 percent), and nursing assistants (13 percent).

However, the median wage for these jobs ranges from $18,769 to $59,219, leaving these positions a range of $469 to $1,480 to spend on rent at an affordable rate to their annual income. At that income only registered nurses can afford a modest two-bedroom apartment in all counties

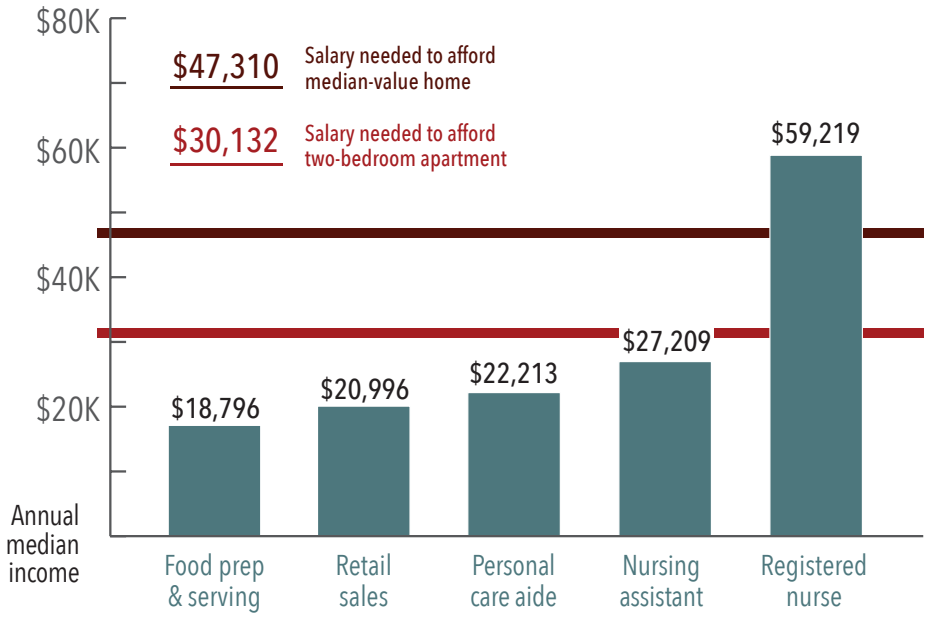
* Fair Market Rent is the federal government standard for a "fairly" priced apartment. It is calculated as the 40th percentile of gross rents for typical, non-substandard rental units in a local housing market.

and nursing assistants can afford rent in five of the region's seven counties. Food service workers, retail sales employees and personal care aides fall short in every county. Additionally, in all counties in the region, homeownership is out of reach for all positions except registered nurses. An annual salary of $30,420 in Koochiching County to $72,720 in Cook County is needed to affordably own a median-value home, while the median earnings for four of the top five jobs top out at just $27,209.

HOMELESSNESS

The Northland region follows the statewide trend in declining homelessness, decreasing 24 percent since 2012. More than 75 percent of the total regional homeless population on a given night was in St. Louis County, home to the City of Duluth. In the region, 811 people were known to be homeless on a given night, including 286 children, and 64 seniors aged 55 and older.

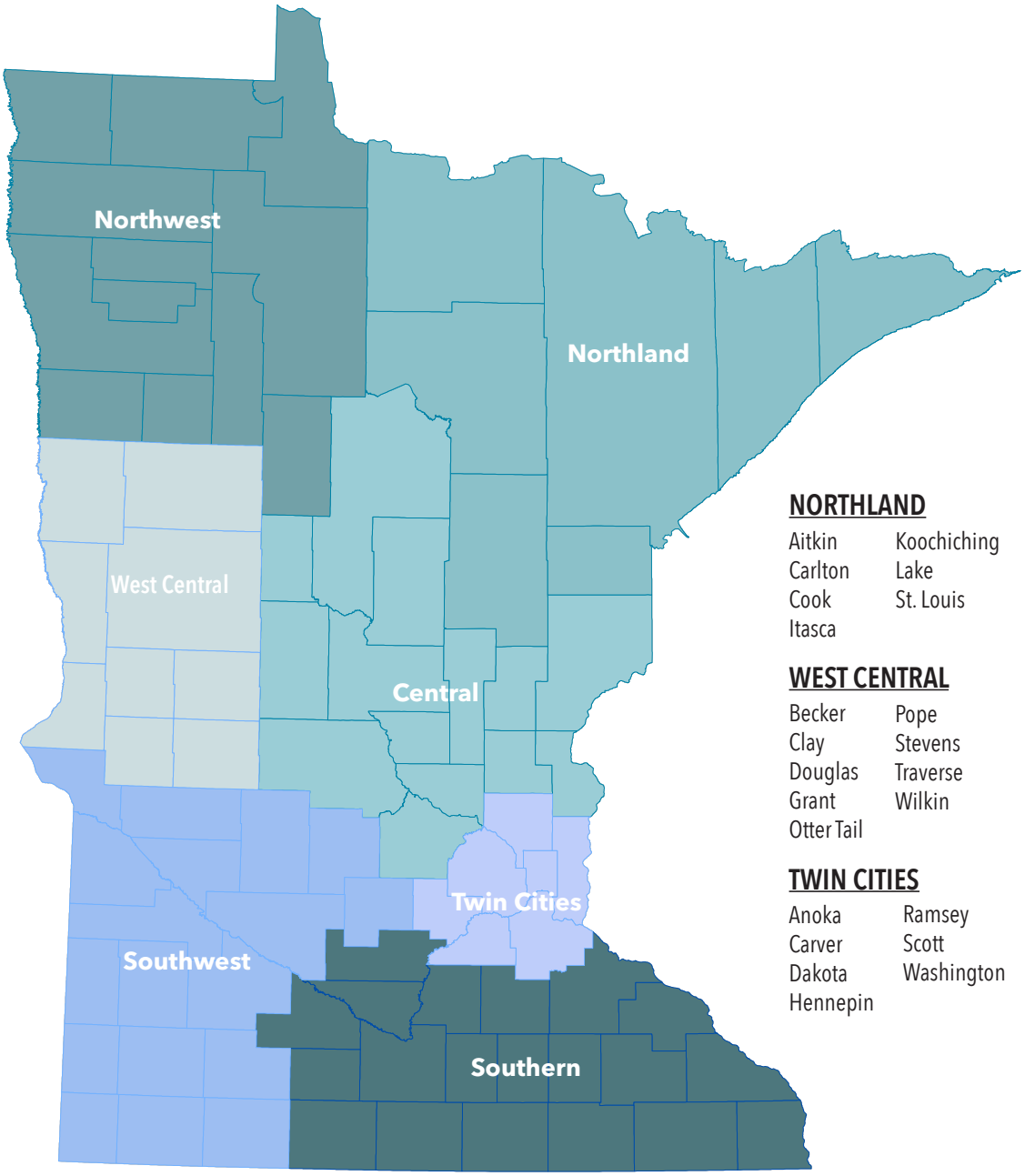
Wages and housing affordability for top in-demand jobs in LAKE COUNTY



Lake County has the highest salary needed to afford a two-bedroom apartment and the second highest income needed to afford a median-value home in the region.

Rankings and Maps

Regions based on the delineations used by the Minnesota Housing Finance Agency



NORTHLAND

Aitkin
Carlton
Cook
Itasca
Koochiching
Lake
St. Louis

WEST CENTRAL

Becker
Clay
Douglas
Grant
Otter Tail
Pope
Stevens
Traverse
Wilkin

TWIN CITIES

Anoka
Carver
Dakota
Hennepin
Ramsey
Scott
Washington

NORTHWEST

Beltrami
Clearwater
Hubbard
Kittson
Lake of the Woods
Mahnomen
Marshall
Norman
Pennington
Polk
Red Lake
Roseau

CENTRAL

Benton
Cass
Chisago
Crow Wing
Isanti
Kanabec
Mille Lacs
Morrison
Pine
Sherburne
Stearns
Todd
Wadena
Wright

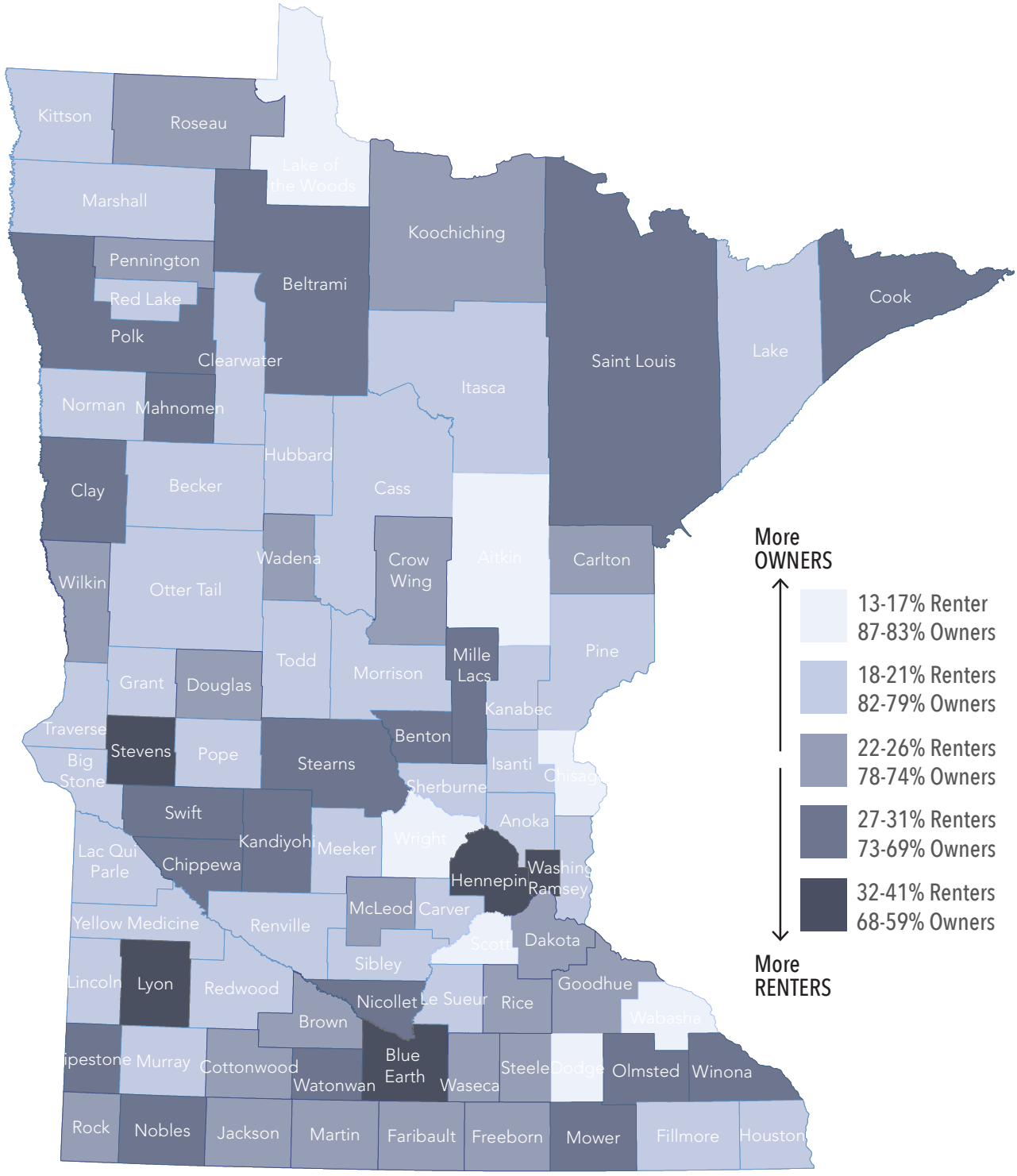
SOUTHWEST

Big Stone
Chippewa
Cottonwood
Jackson
Kandiyohi
Lac qui Parle
Lincoln
Lyon
McLeod
Meeker
Murray
Nobles
Pipestone
Redwood
Renville
Rock
Swift
Yellow Medicine

SOUTHERN

Blue Earth
Brown
Dodge
Faribault
Fillmore
Freeborn
Goodhue
Houston
Le Sueur
Martin
Mower
Nicollet
Olmsted
Rice
Sibley
Steele
Wabasha
Waseca
Watonwan
Winona

RENTAL VS OWNERSHIP:
Percentage of households that are renting / owning in 2015



Increase in Median Gross Rent* by County, 2000 to 2015 (adjusted for inflation to 2015 dollars)

Rank	Region	% change in rent 2000-2015	Median gross rent, 2015
1	Northwest	18%	$582
2	Central	18%	$731
3	West Central	17%	$611
4	Northland	15%	$594
5	Southwest	15%	$649
6	Southern	14%	$658
7	Twin Cities	8%	$982
	STATE	**9%**	**$848**

Rank	County	Region	% change in rent 2000-2015	Median gross rent, 2015
1	Big Stone	Southwest	60%	$508
2	Cottonwood	Southwest	43%	$607
3	Lake of the Woods	Northwest	36%	$634
4	Becker	West Central	34%	$671
5	Mower	Southern	33%	$697
6	Pope	West Central	30%	$652
7	Mille Lacs	Central	30%	$734
8	Cass	Central	30%	$665
9	Martin	Southern	30%	$613
10	Douglas	West Central	29%	$730
11	Hubbard	Northwest	28%	$673
12	Carlton	Northland	27%	$691
13	Pennington	Northwest	26%	$604
14	Clay	West Central	25%	$723
15	Red Lake	Northwest	25%	$484
16	Mahnomen	Northwest	25%	$518
17	Kanabec	Central	24%	$764
18	Marshall	Northwest	24%	$542
19	Wright	Central	24%	$899
20	Fillmore	Southern	24%	$595

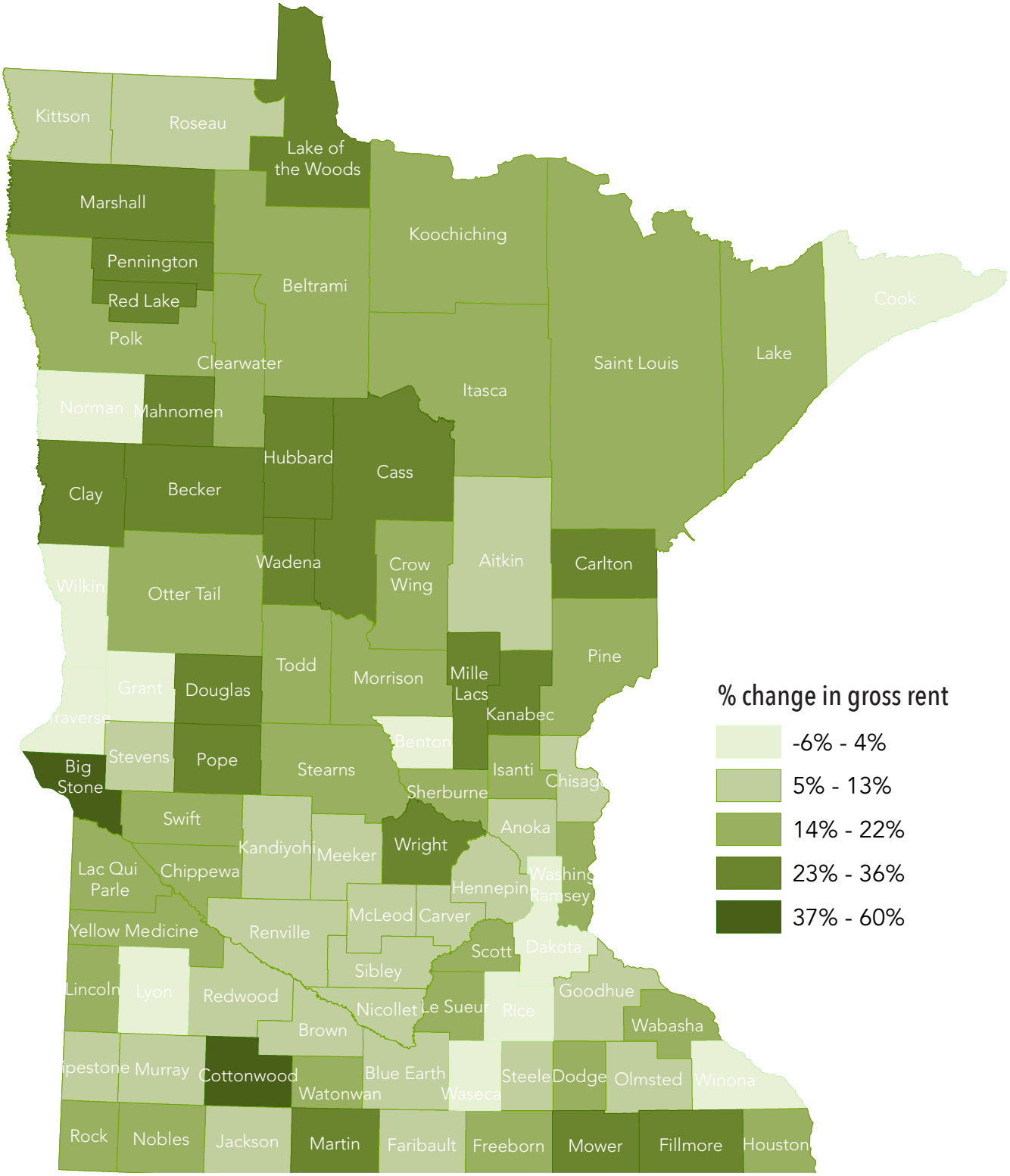
*The U.S. Census Bureau defines "median gross rent" as the contract rent plus the estimated average monthly cost of utilities and fuels.

Rank	County	Region	% change in rent 2000-2015	Median gross rent, 2015
21	Wadena	Central	**23%**	**$569**
22	Otter Tail	West Central	**22%**	**$656**
23	Watonwan	Southern	**22%**	**$566**
24	St. Louis	Northland	**20%**	**$685**
25	Pine	Central	**20%**	**$711**
26	Dodge	Southern	**20%**	**$635**
27	Clearwater	Northwest	**19%**	**$558**
28	Todd	Central	**19%**	**$567**
29	Washington	Twin Cities	**19%**	**$1,144**
30	Freeborn	Southern	**18%**	**$598**
31	Sherburne	Central	**18%**	**$925**
32	Morrison	Central	**18%**	**$655**
33	Lincoln	Southwest	**18%**	**$528**
34	Yellow Medicine	Southwest	**18%**	**$578**
35	Houston	Southern	**18%**	**$634**
36	Nobles	Southwest	**17%**	**$627**
37	Wabasha	Southern	**17%**	**$699**
38	Koochiching	Northland	**17%**	**$559**
39	Beltrami	Northwest	**17%**	**$664**
40	Le Sueur	Southern	**16%**	**$694**
41	Isanti	Central	**16%**	**$843**
42	Swift	Southwest	**16%**	**$579**
43	Crow Wing	Central	**16%**	**$730**
44	Lac qui Parle	Southwest	**16%**	**$554**
45	Itasca	Northland	**15%**	**$642**
46	Polk	Northwest	**15%**	**$626**
47	Chippewa	Southwest	**14%**	**$630**
48	Rock	Southwest	**14%**	**$619**
49	Stearns	Central	**14%**	**$742**
50	Scott	Twin Cities	**14%**	**$1,024**
51	Lake	Northland	**14%**	**$680**
52	Meeker	Southwest	**13%**	**$686**
53	Steele	Southern	**13%**	**$731**
54	Chisago	Central	**13%**	**$785**

Rank	County	Region	% change in rent 2000-2015	Median gross rent, 2015
55	Nicollet	Southern	**13%**	**$757**
56	Faribault	Southern	**13%**	**$538**
57	Aitkin	Northland	**12%**	**$633**
58	Redwood	Southwest	**12%**	**$572**
59	Kandiyohi	Southwest	**11%**	**$666**
60	McLeod	Southwest	**11%**	**$710**
61	Stevens	West Central	**11%**	**$587**
62	Brown	Southern	**10%**	**$606**
63	Renville	Southwest	**10%**	**$578**
64	Jackson	Southwest	**10%**	**$540**
65	Anoka	Twin Cities	**9%**	**$971**
66	Pipestone	Southwest	**9%**	**$546**
67	Blue Earth	Southern	**8%**	**$727**
68	Carver	Twin Cities	**8%**	**$950**
69	Murray	Southwest	**8%**	**$555**
70	Olmsted	Southern	**8%**	**$827**
71	Sibley	Southern	**7%**	**$630**
72	Goodhue	Southern	**7%**	**$705**
73	Roseau	Northwest	**6%**	**$646**
74	Hennepin	Twin Cities	**6%**	**$951**
75	Kittson	Northwest	**6%**	**$504**
76	Cook	Northland	**4%**	**$655**
77	Winona	Southern	**4%**	**$608**
78	Ramsey	Twin Cities	**4%**	**$865**
79	Grant	West Central	**4%**	**$512**
80	Waseca	Southern	**3%**	**$571**
81	Traverse	West Central	**3%**	**$530**
82	Norman	Northwest	**2%**	**$527**
83	Rice	Southern	**1%**	**$722**
84	Lyon	Southwest	**-1%**	**$605**
85	Benton	Central	**-2%**	**$648**
86	Dakota	Twin Cities	**-2%**	**$971**
87	Wilkin	West Central	**-6%**	**$437**

Source: ACS 5-year estimates, 2015

Increase in Median Rent by County, 2000 to 2015 (adjusted for inflation to 2015 dollars)



GROWING GAP BETWEEN RENT AND INCOME:
Counties with the largest gap between change in rent and income, 2000-2015

Rank	Region	% change gross rent 2000-2015	% change median renter income	GAP
1	Southern	14%	**-14%**	**28%**
2	Northland	15%	**-10%**	**25%**
3	Central	18%	**-6%**	**24%**
4	Southwest	15%	**-8%**	**23%**
5	Northwest	18%	**-2%**	**20%**
6	West Central	17%	**0.7%**	**17%**
7	Twin Cities	8%	**-7%**	**16%**
	STATE	**9%**	**-11%**	**20%**

Rank	County	Region	% change gross rent 2000-2015	% change median renter income	GAP
1	Big Stone	Southwest	**60%**	**-26%**	**85%**
2	Cottonwood	Southwest	**43%**	**-11%**	**54%**
3	Mower	Southern	**33%**	**-12%**	**45%**
4	Fillmore	Southern	**24%**	**-20%**	**44%**
5	Steele	Southern	**13%**	**-28%**	**41%**
6	Kanabec	Central	**24%**	**-16%**	**40%**
7	Mahnomen	Northwest	**25%**	**-15%**	**40%**
8	Houston	Southern	**18%**	**-18%**	**36%**
9	Martin	Southern	**30%**	**-4%**	**34%**
10	Red Lake	Northwest	**25%**	**-8%**	**33%**
11	Pennington	Northwest	**26%**	**-7%**	**32%**
12	Pine	Central	**20%**	**-12%**	**32%**
13	Carlton	Northland	**27%**	**-5%**	**32%**
14	Lake of the Woods	Northwest	**36%**	**+4%**	**32%**
15	Koochiching	Northland	**17%**	**-15%**	**32%**
16	Wabasha	Southern	**17%**	**-15%**	**32%**
17	Benton	Central	**-2%**	**-33%**	**31%**
18	Pipestone	Southwest	**9%**	**-22%**	**31%**
19	Cass	Central	**30%**	**0%**	**30%**
20	Goodhue	Southern	**7%**	**-23%**	**30%**

Source: ACS 5-year estimates, 2015

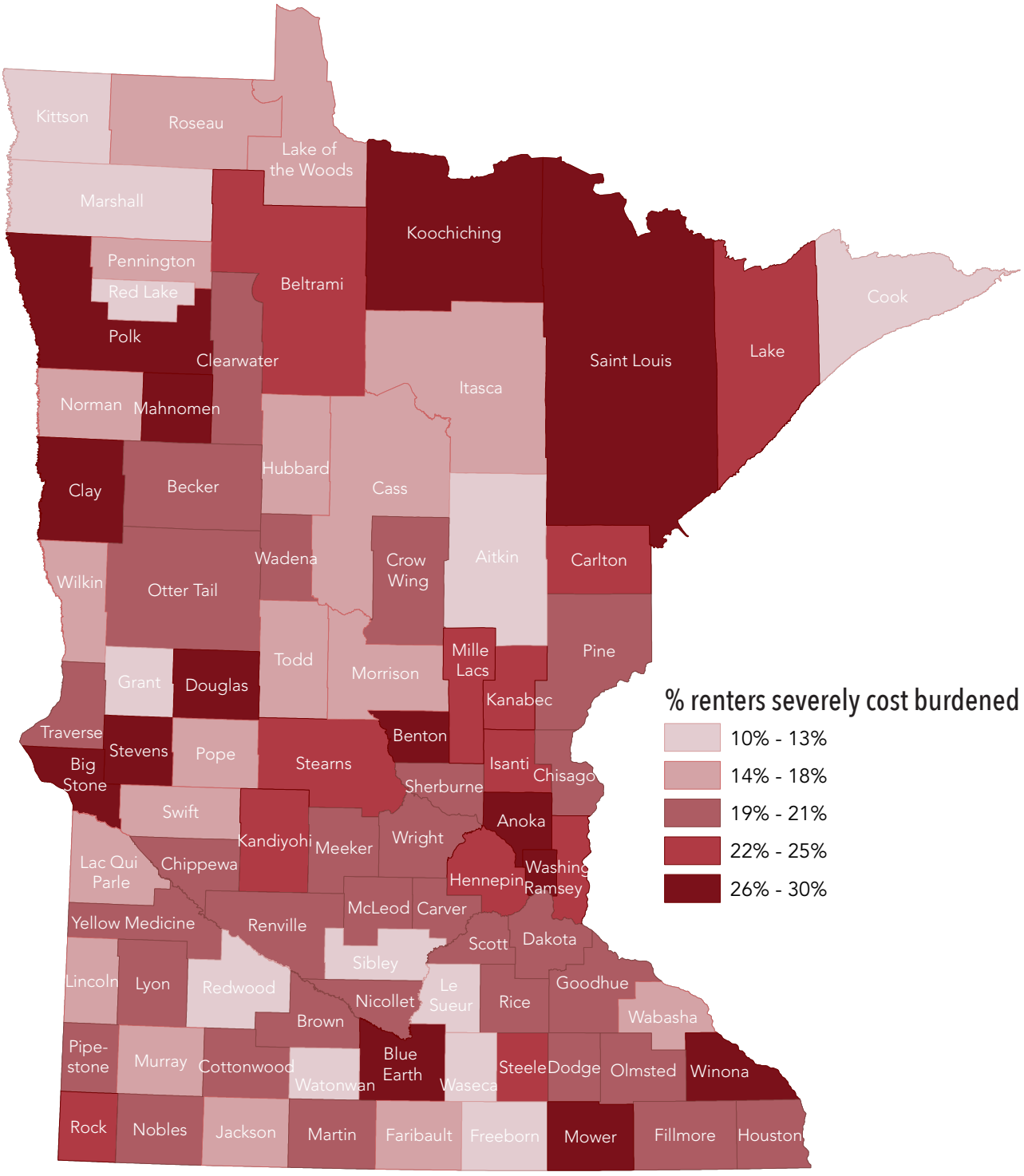
SEVERE RENTER COST BURDEN:
Percentage of renter households paying half or more of income for housing in 2015

Rank	Region	% of renters
1	Northland	25%
2	Twin Cities	24%
3	West Central	24%
4	Southern	22%
5	Central	21%
6	Northwest	20%
7	Southwest	20%
	STATE	**23%**

Rank	County	Region	% of renters
1	Winona	Southern	30%
2	Mahnomen	Northwest	30%
3	Blue Earth	Southern	30%
4	Stevens	West Central	29%
5	Clay	West Central	28%
6	Douglas	West Central	27%
7	St. Louis	Northland	27%
8	Benton	Central	27%
9	Mower	Southern	26%
10	Big Stone	Southwest	26%
11	Polk	Northwest	26%
12	Ramsey	Twin Cities	26%

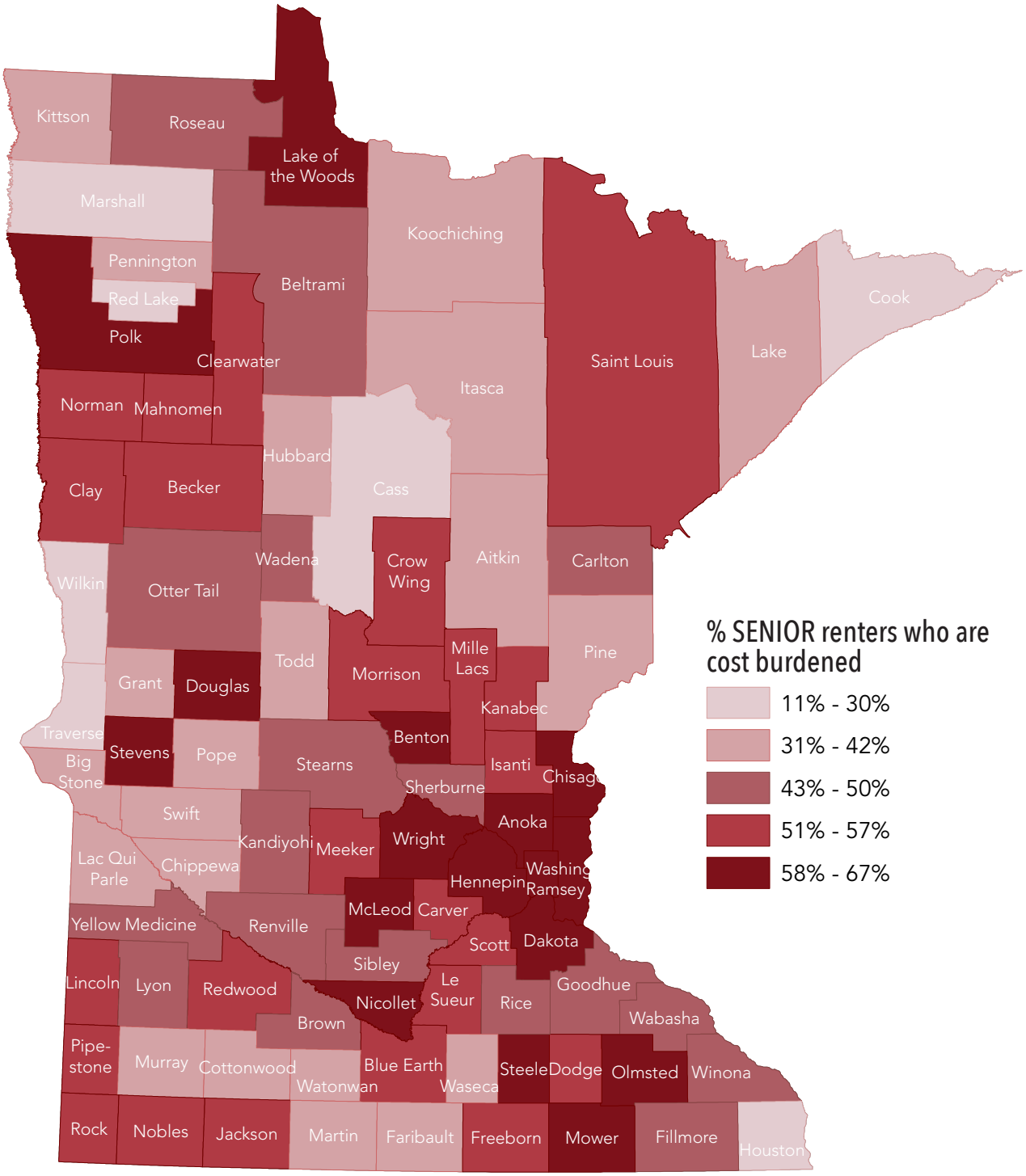
Source: ACS 5-year estimates, 2015

SEVERE RENTER COST BURDEN:
Percentage of renter households paying half or more of income for housing in 2015



SENIOR RENTER COST BURDEN:

Senior renter households paying 30% or more of income for housing in 2015



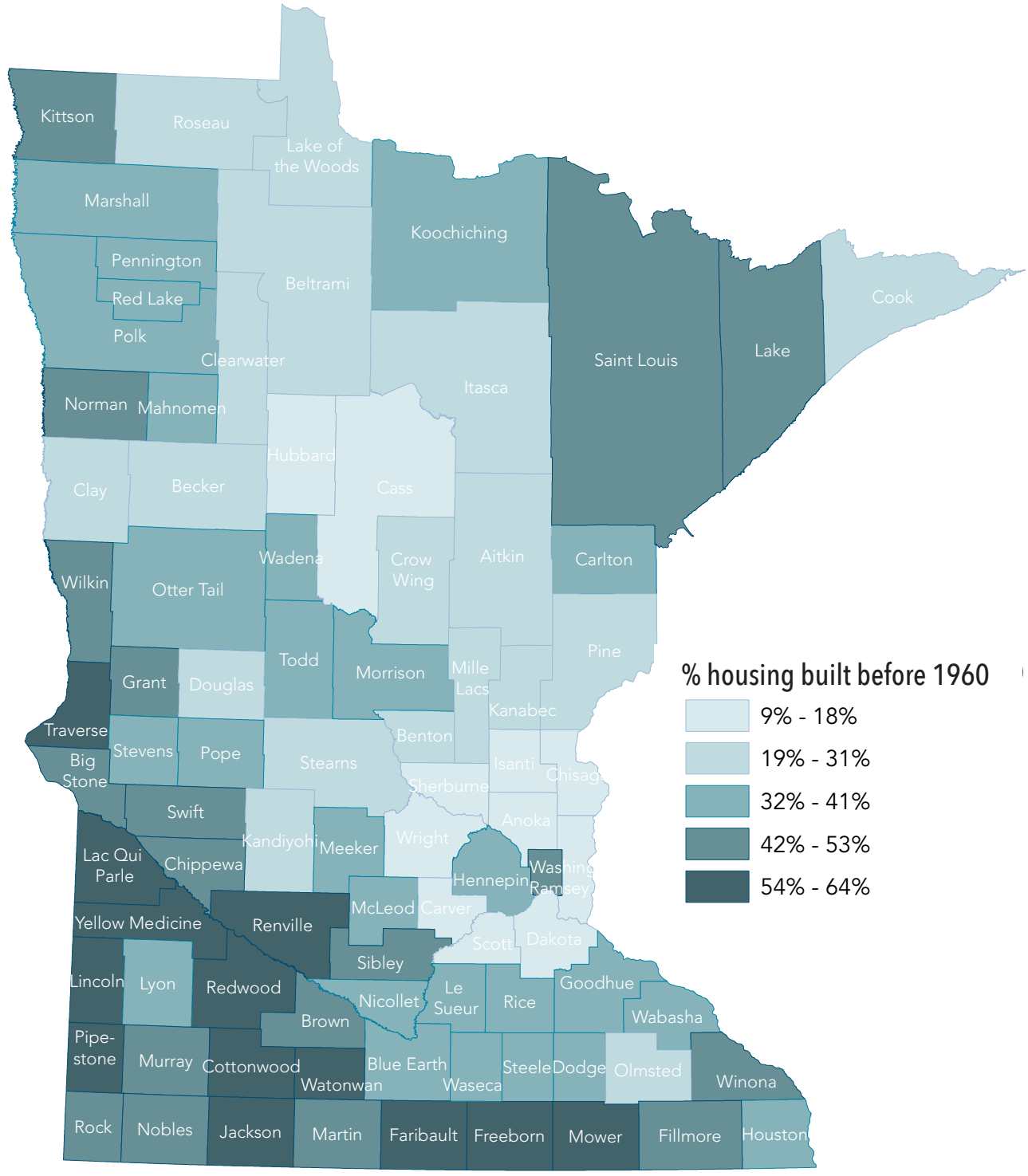
AGING HOUSING STOCK:
Percentage of single and multi-family housing built before 1960, 2015

Rank	Region	% of housing stock built before 1960
1	Southwest	**50%**
2	Southern	**44%**
3	West Central	**39%**
4	Northland	**35%**
5	Northwest	**34%**
6	Central	**24%**
7	Twin Cities	**21%**
	STATE	**32%**

Rank	County	Region	% of housing stock built before 1960
1	Faribault	Southern	**64%**
2	Watonwan	Southern	**62%**
3	Lac qui Parle	Southwest	**61%**
4	Mower	Southern	**59%**
5	Yellow Medicine	Southwest	**59%**
6	Traverse	West Central	**58%**
7	Jackson	Southwest	**57%**
8	Pipestone	Southwest	**56%**
9	Freeborn	Southern	**56%**
10	Cottonwood	Southwest	**55%**

Source: ACS 5-year estimates, 2015

AGING HOUSING STOCK:
Percentage of single and multi-family housing built before 1960



NEW HOUSING CONSTRUCTION:
Units permitted and percentage of units permitted that were multi-family*, 2015

Rank	County	Multi-family units permitted	Total # of units permitted	% units that are multi-family	Region
1	Hennepin	2,757	4,376	63%	Twin Cities
2	Olmsted	1,110	1,622	68%	Southern
3	Ramsey	1,025	1,304	79%	Twin Cities
4	Blue Earth	528	681	78%	Southern
5	Stearns	394	693	57%	Central
6	St. Louis	368	703	52%	Northland
7	Dakota	366	1,306	28%	Twin Cities
8	Clay	308	581	53%	West Central
9	Washington	275	888	31%	Twin Cities
10	Carver	210	729	29%	Twin Cities
11	Douglas	138	298	46%	West Central
12	Crow Wing	118	447	26%	Central
13	Freeborn	112	138	81%	Southern
14	Beltrami	93	193	48%	Northwest
15	Benton	88	165	53%	Central
16	Itasca	88	170	52%	Northland
17	Scott	88	489	18%	Twin Cities

Counties with fewer than 50 multi-family units permitted in 2015

Anoka, Cass, Houston, Isanti, Jackson, Lyon, Mille Lacs, Morrison, Nicollet, Otter Tail, Pine, Rice, Roseau, Sherburne, Sibley, Steele, Stevens, Winona

Counties with 0 multi-family units permitted in 2015

Aitkin, Becker, Big Stone, Brown, Carlton, Chippewa, Chisago, Clearwater, Cook, Cottonwood, Dodge, Faribault, Fillmore, Goodhue, Grant, Hubbard, Kanabec, Kandiyohi, Kittson, Koochiching, Lac qui Parle, Lake, Lake of the Woods, Le Sueur, Lincoln, McLeod, Mahnomen, Marshall, Martin, Meeker, Mower, Murray, Nobles, Norman, Pipestone, Polk, Pope, Red Lake, Redwood, Renville, Rock, Swift, Todd, Traverse, Wabasha, Wadena, Waseca, Watonwan, Wilkin, Wright, Yellow Medicine

* In this report, we define multi-family as any building permitted with three or more units.

LACK OF AFFORDABLE HOUSING: Gap between the available and needed units of housing affordable to extremely low-income renter households*

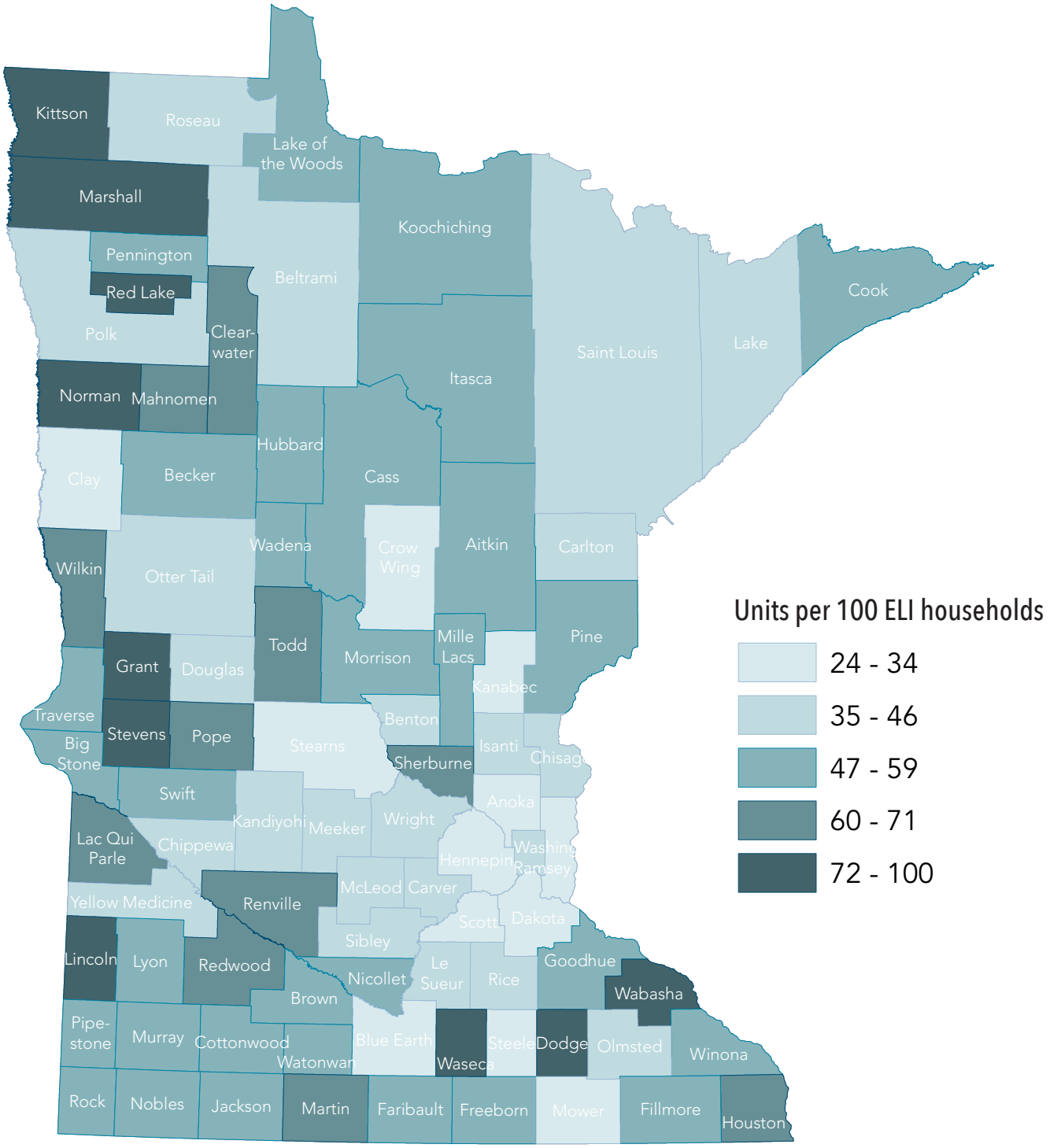
Rank	Region	Available affordable units per 100 extremely low-income renter households
1	Twin Cities	**34**
2	Central	**44**
3	Northland	**45**
4	Southern	**52**
5	Southwest	**55**
6	West Central	**56**
7	Northwest	**62**
	STATE	**36**

Rank	County	Region	Available affordable units per 100 extremely low- income renter households
1	Sherburne	Central	**24**
2	Anoka	Twin Cities	**26**
3	Blue Earth	Southern	**26**
4	Steele	Southern	**29**
5	Mower	Southern	**30**
6	Kanabec	Central	**30**
7	Dakota	Twin Cities	**30**
8	Stearns	Central	**31**
9	Crow Wing	Central	**31**
10	Washington	Twin Cities	**33**

* Defined as earning less than 30 percent of the area median income

Source: MHP analysis of CHAS data, 2009-2013, using National Low Income Housing Coalition methodology

HOUSING FOR EXTREMELY LOW-INCOME HOUSEHOLDS:
Number of available and affordable rental units per 100 extremely low-income households



Conclusion

Adequate, affordable housing is a challenge in **every region of Minnesota**, undermining the education, economy and health of all state residents.

As the *State of the State's Housing* shows, there is a clear and urgent need to prioritize policies and resources that expand the supply of affordable housing in communities across Minnesota. Currently, too many seniors, low-income families, and households of color are spending more than they can afford on housing — and demographic and economic trends forecast this problem will only grow more acute in coming years if current conditions persist.

While the overall housing cost burden is lower in Minnesota than nationwide, the state still has dramatic racial disparities that far exceed U.S. averages. In many counties, households of color can afford to pay far less for housing than their White counterparts, creating significant challenges for renters and making homeownership impossible for the majority of families of color.

To grow the economy, especially in Greater Minnesota, employees need access to adequate housing, but in many parts of the state aging housing stock and a lack of new construction is making it difficult for communities to fill local jobs and grow their economies. And many of the most in-demand jobs and areas of projected job growth do not pay adequate wages for rent, let alone homeownership.

But smart policies and investments have proven that this is not an insurmountable challenge.

While too many Minnesota youth still suffer from a lack of housing, the decline in homelessness over the past decade has been significant. Housing programs and development across the state have shown that supportive and affordable housing is a stabilizing force that not only mitigates homelessness, but reduces public costs for jails and emergency rooms — and leverages federal and private dollars that benefit the entire community.

As this report demonstrates, policymakers at the state and local level must prioritize policies and resources that increase the supply of affordable housing. From the education of our children to the growth of our economy, the state of our state depends on every Minnesotan having a safe and stable place to call home.

Download individual County Profiles and additional information at
www.mhponline.org

Sources

Rental Housing: *Rent and income adjusted for inflation.* U.S. Census Bureau, American Community Survey 2015, 5 year estimates, Building Permits Survey, 2015; MHP analysis of CHAS data, 2009-2013, using National Low Income Housing Coalition methodology

Owner-occupied Housing: *Home value and income adjusted for inflation*. U.S. Census Bureau, American Community Survey 2015, 5 year estimates, Building Permits Survey, 2015, Minnesota Compass: Integrated Public Use Microdata Series from the U.S. Census Bureau, American Community Survey and U.S. Census Bureau, Decennial Census

Senior Housing Needs: Minnesota County Population Projections by Age and Gender, Minnesota State Demographic Center, March 2014

Housing Affordability by Occupation: Minnesota Department of Employment and Economic Development (MN DEED), Occupations in Demand, June 2016; Employment Outlook, MN DEED

Homelessness: Wilder Research Homelessness Study, 2016

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