

Affordable Housing in Rice County

The tremendous growth of an unprecedented foreign-born population, the implications, and potential solutions

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December 11, 2008
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Political Science 350

Abstract

Along with many other areas in the United States, Rice County has experienced unprecedented growth since 1990s. More strikingly, Rice County experienced a 300.7 percent increase in the number of foreign-born residents from 1990 to 2000 (United States Census 1990 and 2000). This phenomenon, coupled with the area's lack of familiarity with migrant populations, has created significant shortages of affordable housing options and programs that promote homeownership among minority and immigrant populations. This report will evidence such shortages through the use of comparable statistics, and will consider them in light of the changing nature of spatial assimilation theory and migrant residential patterns. Upon this, possible solutions to the current situation will be provided.

Upon corresponding with Janet Lewis Muth from the Growing Up Healthy organization, I learned that a “top priority for the initiative is to meet with newly elected officials to present information to them that will help them think about all of the issues GUH works on.” GUH reported that many of the residents in Rice County have cited the lack of affordable housing options in the area as a source of concern. In response to both of these findings, this project will examine various housing problems in the county, particularly the issues faced by the recent influx of immigrants. This report will further inform the GUH organization on the housing problems present in the county, and illustrate the importance of Rice County location in relation to the existing problems in housing recent immigrants.

The project itself will take the form of a thorough examination of affordable housing issues in the county. This will essentially provide GUH with a broader knowledge of the issues associated with affordable housing and the growth of the county, as well as useful tables and data to easily reference upon meeting with officials and relevant organizations. Ultimately, my project will provide statistical data and general arguments outlining the affordable housing needs of Rice County, provide comparison to state, local, and nation trends, and finally cite two affordable housing initiatives that could potentially benefit the residents of Rice County.

The majority of the research for this report takes place in three forms: statistical data emphasizing population growth trends, analysis of the implications of Rice County being a non-metropolitan county, and examining the barriers confronting foreign-born residents. Once I have delved into these areas, I will provide information on suitable initiatives that could positively increase the affordable housing stock in Rice County, and also increase the foreign-born population’s ability to access such residence.

Purpose

This report is meant to provide information and statistical evidence for the Growing Up Healthy organization in order to substantiate the housing needs of Rice County, paying particular attention to the immigrant population. Ultimately, this paper serves to outline important data and posits general arguments that GUH can utilize as a basis for conveying the affordable housing needs of Rice County to policy makers and elected officials.

Introduction

Rice County's population has rapidly grown since the 1990s. From 1990 to 2000, the population increased by over 6,000 people, over 2,000 of whom were foreign born (United States Census 1990 and 2000). This unprecedented growth in the county, primarily stemming from increased rates of immigration, led to further development and the creation of new housing options in order to accommodate the influx of people. Despite strategic efforts, certain aspects of Rice County and its rapid population growth have made it difficult for the foreign-born community to achieve affordable housing.

Implications of Rice County being a non-metro area county

Historically, Rice County has been relatively homogenous in terms of the national origin of its residents and has not fielded the same variety of immigrants as metropolitan areas; this experience was very common in non-metropolitan counties before the 1990s. In the past, immigrants typically chose to settle in city-centers as they were able to access the wealth of resources and housing options available to migrants. As these metro areas garnered larger immigrant populations, policy-makers and organizations were able to focus on relatively small geographic areas and still reach a majority of the immigrant population. However, beginning in the 1990s, immigrants have increasingly chosen to directly settle in non-metro areas or on the

fringe of metro areas. This is evident in the fact that between 1990 and 2000, the percentage of foreign-born residents in the United States increased 76 percent in non-metro areas, while metro areas only experienced a 58 percent increase.

Resultantly, these non-metropolitan counties and cities that are generally unaccustomed to foreign-born residents have struggled to attain funding to effectively support the housing needs of these new migrants. This much-needed aid includes such initiatives as translation services, down-payment assistance, and counseling to provide information on the “homebuying process” or renting process (Barriers to minority homeownership 2002). However, even if these programs become prevalent, they still necessitate a sufficient presence of affordable housing options.

Recent growth in the county

As previously mentioned, Rice County has grown rapidly since the 1990s. Two specific facets of the growth have lead to problems associated with the availability and accessibility of affordable housing:

1) The extent of the total population growth in Rice County

	Population in 1980	Population in 1990 (% change from 1980)	Population in 2000 (% change from 1990)	Population in 2008 (% change from 2000)
Rice County	46,089	49,183 (6.7%)	56,665 (15.2%)	63,034 (11.2%)
Minnesota	—	4,375,099	4,919,479 (12.4%)	5,263,610 (7.0%)

(Rice County housing study 2005, RC-3; Minnesota State Demographic Center 2007; United States Census 1990 and 2000)

As evidenced by the data in the table above, Rice County has grown rapidly and has experienced a significantly higher rate of population increase than that of Minnesota. This points to the sheer extent of the total population increase in the county and provides insight into the unavailability of housing options—particularly affordable ones.

2) The rapid increase of foreign-born residents

	Foreign-born residents in 1990	Foreign-born residents in 2000 (% change from 1990)
Rice County	673	2,697 (300.7%)
Minnesota	113,039	260,463 (130.4%)

(United States Census 1990 and 2000)

	Percent increase of foreign-born residents between 1990 and 2000
Metropolitan areas in the U.S.	58%
Non-metropolitan areas in the U.S.	76%
Rice County	300.7%

(United States Census 1990 and 2000; Housing Assistance Council 2007, 2)

The data present in the first of these tables illuminates that Rice County has experienced a tremendous influx of foreign-born residents in a relatively short period of time. The drastic rate of increase (300.7%) is primarily due to the fact that the county had such a small amount of foreign-born residents in 1990 (673) and experienced a significant amount of growth in the decade. The fact that the foreign-born population in Rice County was a mere 673 in 1990 illuminates that the county undoubtedly was unaccustomed to such high numbers of migrants, and also that the county did not likely have significant resources in place to aid foreign-born residents before 1990. Thus, such a rapid and drastic increase in the foreign-born population allows us to see why affordable housing options and resources have been unable to satisfy demands.

The statistical information in the second table juxtaposes the expansion of Rice County's foreign-born population with the growth rates of the metropolitan and non-metropolitan areas across the United States. Firstly, the data illustrates that the increase in Rice County's foreign-born residents is distinctly large, even despite the fact that non-metro counties (such as Rice County) have experienced a higher rate of growth than metro areas. Thus, this dispels the notion

that Rice County's vastly growing foreign-born population has been a common experience that has taken place in many non-metropolitan areas.

Rice County's response

Rice County has taken significant steps in order to ease the housing troubles brought about by rapid expansion, particularly the recent influx of foreign-born residents. As many of the recent migrants—particularly the Hispanic population—have taken up residence in some of the county's mobile-home parks, Faribault developed a "Down-payment Assistance Program" (Rice County Housing Study 2005, MP-10). This has aided foreign-born residents who have lacked the initial capital needed in order to purchase a mobile home.

Another initiative that has had a positive impact is the Housing Choice Voucher (Section 8) program issued by the Department of Housing and Urban Development. This program assists households wherein over 30% of the household income is spent on housing expenses (Rice County Housing Study 2005, F-30). Essentially, the program covers all housing expenses that exceed 30% of all household income. As of 2005, there are 329 units being assisted by these vouchers (MP-5). Though the Housing Choice Voucher program has been extremely beneficial to these households, the waiting list in 2005 exceeded 600 households and the Rice County Housing and Redevelopment Authority stopped taking applications as a result (MP-6).

Lastly, the Adult Learning Center in Faribault has provided English language classes targeted towards foreign-born residents. Despite the usefulness, the supply of classes has not been able to satisfy the demand, as there has been a significant waiting list (Rice County housing report 2005, MP-10).

Current housing challenges

Though Rice County has actively attempted to address housing problems brought about by the rapid population growth and an influx of migrants, the area has continued to struggle keeping up with affordable housing demands and providing adequate resources to aid foreign-born residents. As of May 2008, the number of households in Rice County with unmet affordable housing needs was “conservatively estimated at 3,001”, or approximately 13.6 percent of all of the county’s households (Affordable Housing: Rice County 2008; Rice County Housing Study 2005, RC-13). Furthermore, Rice County residents are also struggling to retain their current homes as foreclosures have increased at an average annual rate of 73.65% since 2005 (Foreclosure Maps 2008). Though these problems extend beyond the foreign-born population, recent migrants face a more challenging housing situation than native-born residents.

Obstacles unique to foreign-born residents

The Rice County Housing study, released in 2005, reports that the minority and migrant populations in the county often have a greater need for housing assistance; This is due to the fact that these residents are typically “low income, younger in age, [and in] need [of] larger units based on family size” (Rice County Housing Study 2005, MP-9). Other barriers cited in the report include the screening processes employed by landlords—being that many recent migrants have “no established credit”, “references”, or “proper documentation”—and the fact that many migrant residents “cannot speak English, which causes communication problems when searching for housing” (MP-7). However, receiving such counsel is difficult for residents of Rice County being that the nearest HUD approved counseling agency (in Chaska) is over a one-hour drive away from the county (HUD approved counseling agencies 2008).

Potential solutions

As stated previously, Rice County has experienced massive growth since 1990. However, other fast-growing counties adjacent to the Twin Cities metro area (such as Chisago, Isanti, Sherburne and Wright counties) have been able to gain entry into programs and access resources that have remained out of Rice County's reach. An example of such a situation is Rice County's absence in the Growth Corridor Initiative of the Greater Minnesota Housing Fund. The GMHF has been able to finance this and other projects by serving as an "intermediary, through which foundations, corporations, and local employers contribute to affordable housing through gap loans, technical assistance, public education, advocacy and special initiatives" (Growth Corridor Initiative 1, 2005). Between 1996 and 2005, the GMHF has been awarded with over 62 million dollars in "capital funds", which has allowed the "development of over 5,500 affordable housing units worth almost \$606 million" (1).

The Growth Corridor Initiative has sought to subdue the "acute challenges" of rapidly growing areas—namely the shortage of affordable and adequate housing (Growth Corridor Initiative 2005, 1). In its first years, the initiative has targeted four rapidly growing counties adjacent to the metro area: Chisago, Isanti, Sherburne, and Wright Counties (6).

One of the projects brought about by the Growth Corridor initiative is the "Heritage Greens" community that is being constructed in Cambridge, located in Isanti County (Case Study: Heritage Greens 2006). The project was able to take place in part because of a 1 million dollar grant by the McKnight Foundation. Over "150 community members" became involved in the "broad-based participatory planning process" (2006). This planning—initiated by the Greater Minnesota Housing Fund and the Growth Corridor Initiative—has led to the blueprint that includes 292 mixed income units. The tedious planning process has cut costs associated

with land renovation and construction as they have utilized the land and built homes on “compact lots”, while still “preserv[ing] open space and [creating] a central park (2006). The neighborhood provides a combination of “affordable rental housing and homeownership” units at “a range of price points”. As of 2005, five affordable units have been built (2006).

Though such a program promises and has already begun to improve the availability of affordable housing in these communities, the Growth Corridor Initiative has not been extended to Rice County. The following two tables provide data that illustrates the growth experienced by the four counties servings as “pilot programs” for the initiative, and also compares their experience to that of Rice County.

	Total population in 1990	Total Population in 2000	Percent change in population
Chisago County	30,521	41,101	34.7%
Isanti County	25,921	31,287	20.7%
Sherburne County	41,945	64,417	53.6%
Wright County	68,710	89,986	31.0%
Rice County	49,183	56,665	15.2%

(United States Census 1990 and 2000)

	Foreign-born population in 1990	Foreign-born population in 2000	Percent change
Chisago County	254	478	88.2%
Isanti County	253	408	61.2%
Sherburne County	339	987	191.2%
Wright County	543	960	76.8%
Rice County	673	2,697	300.7%

(United States Census 1990 and 2000)

From the data present in these tables, two conclusions can be made:

- 1) The total population of Rice County has been expanding at a significant rate, but the growth is smaller than that of these four counties adjacent to the Twin Cities metropolitan area.
- 2) Over the past ten years, Rice County's foreign-born population has expanded much more rapidly than these other areas, despite the fact that Rice County's total population has not. This rapid migration clearly sets Rice County's needs apart from these four counties, as well as Minnesota.

From this information, we must keep in mind that Rice County's total growth has been significant and is comparable with the faster growing counties in Minnesota. However, this is not the sole argument for the attainment of increased funding and entry into such programs as the Growth Corridor Initiative. The most striking characteristic of Rice County—and the characteristic that has created significant problems—is the tremendous increase in foreign-born residents. As stated previously, these residents have a greater need for affordable housing (considering foreign-born residents typically have lower incomes in the area) and would benefit from having the resources in place that allowed them to attain homeownership and access to affordable housing.

While projects such as the Growth Corridor Initiative would benefit all residents of Rice County by increasing the available affordable housing supply, the previously mentioned barriers to foreign-born and minority homeownership are not addressed through such a program. Rice County has benefited from one program in particular that has shown significant promise and directly seeks to absolve these obstacles faced by recent migrants: the Emerging Markets

Homeownership Initiative. This program has been developed by the Minnesota Homeownership Center, but has worked with and received funding from the Greater Minnesota Housing Fund. Essentially, the goal of the project is to “significantly and dramatically” increase the rates of homeownership among minority populations (with a strong focus on migrant populations) in Southeast Minnesota by the year 2012 (Minnesota Home Ownership Center 2008). The program provides counseling and support to minorities and foreign-born residents through down-payment assistance, offers information on the home-buying process, and ultimately seeks to overcome all of the obstacles that have hindered the homeownership rates of foreign-born residents.

The Emerging Markets Initiative will positively affect the homeownership rates of the foreign-born population in Southeast Minnesota. However, Rice County must actively attempt to attain broad initiatives that drastically increase the supply of affordable housing, while also implementing services that help foreign-born residents overcome obstacles preventing them from achieving homeownership and affordable housing.

Summary

Rice County is adjacent to the metro-area and has experienced significant growth, primarily due to the tremendous influx of foreign-born residents. As a result of this unprecedented migrant settlement in the county, there has been a shortage of resources and a lack of affordable housing opportunities. Though significant steps have been taken to address the situation, the county has lacked the capital, particularly from such sources as the Greater Minnesota Housing Fund, needed to provide more housing options and services required by this recent wave of migrants. Entry into such programs as the “Growth Corridor Initiative” and further involvement with the “Emerging Markets Initiative” would provide Rice County with additional capital and resources that would greatly improve their ability to stabilize the growth

stimulated by recent immigration. By providing adequate and affordable housing while simultaneously seeking to overcome the obstacles associated with minority and immigrant homeownership, Rice County will effectively support the residents of the area and subsequently foster an environment of inclusion and prosperity.

Response to Literature Review

In my literature review, I discussed *spatial assimilation theory* and the changing nature of migrant residential settlement in the United States. Initially, spatial assimilation theory stated that migrants tend to settle directly in city-centers, primarily due to the significant presence of foreign-born social networks, the accessibility of resources (i.e. language classes, housing assistance), and the availability of jobs (Massey and Denton 1985; Singer 2006; Alba, Zhang, and Logan 2002). Eventually, as these migrants acquired significant levels of social capital, such as English proficiency, and economic stability, they were able to take up residence in suburban or non-metro environments. This residential movement was the manifestation of these migrants' integration into American society (1985).

However, beginning in the 1990s, migrants increasingly chose to directly settle in non-metropolitan environments, such as Rice County (Fong and Wilkes 1999). This has created significant problems for non-metro areas, especially those who have been generally unaccustomed to a significant foreign-born presence (Singer 2004). Though these areas have responded to the recent influx, resources and programs assisting these migrant residents have been unable to keep up with the demand (16). These migrants lack socioeconomic resources, but also are unable to access the wealth of immigrant resources, being that "social service providers remain disproportionately located in central-city neighborhoods" (Berube and Kneebone 2006, 12).

My report essentially responded to one primary question that was not covered in my literature review: how has this shift in migrant residential patterns affected Rice County, primarily in regards to the availability of affordable housing stock and the presence of housing assistance?

Initially, I thought that the scholarly debate concerning the changing residential patterns of migrants and the surrounding data could be compiled and used to attain funding and resources for Rice County that are predominantly concentrated in urban centers. However, upon further examination, I realized that these urban centers still possessed a severe lack of affordable housing. For example, the Minnesota Housing Partnership estimates Hennepin County's "unmet affordable housing need" through 2010 to be around 98,477 households (Minnesota Housing Partnership 2008). Furthermore, the more I delved into the available housing programs, the more I realized that programs and the funding from them generally concentrates on either metropolitan areas specifically, or non-metropolitan areas. Thus, I found that there was less of a necessity to convey the non-metropolitan nature of Rice County as being the source of the affordable housing shortage.

Resultantly, I decided the best course of action was to outline the housing problems of Rice County by pointing to certain aspects of recent population growth, most namely the vast extent of the total population growth and the tremendous increase in the rate of foreign-born residents. I then sought to compare this data with the trends of similar counties that also lie along the border of the seven-county Twin Cities metropolitan area.

In the end, I was able to incorporate aspects outlining exactly why non-metropolitan counties, such as Rice County, have struggled to incorporate this recent influx of migrants. However, I soon discovered that research and an argument based on a single area could simply not rely on far-reaching trends, and that the experience of each individual microcosm has its own set of causes and problems.

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