

Legislative Council Symposia Series

The State of Workforce Housing in Wisconsin:



**Department of Planning
and Landscape Architecture**
UNIVERSITY OF WISCONSIN-MADISON

Kurt Paulsen (University of Wisconsin–Madison)
October 2020

The opinions expressed herein do not necessarily constitute the opinions of any City, County, or State Agency, the University of Wisconsin-Madison, the Wisconsin Housing and Economic Development Authority (WHEDA), or the Wisconsin Realtors Association (WRA).

Today's Symposium

- What is “workforce housing”?
- Brief ways to characterize the workforce in an area workforce?
- Trends in housing demand (demographics, income, jobs)
- Trends in housing production
- Trends in housing prices and affordability
- Racial disparities in housing
- Additional issues (labor shortage; legislation and other initiatives)



SPECIAL REPORT
**FALLING
BEHIND**

Addressing Wisconsin's workforce housing shortage to strengthen families, communities and our economy.

ALL ACROSS WISCONSIN
communities and employers are recognizing the critical need to address Wisconsin's housing shortage.

Falling Behind (2019)

- Funded by WRA to document the workforce housing shortage in Wisconsin, to explain main causes and main consequences and to outline policy solutions.
- Data updated for today to most recent available (but most pre-Covid)
- *All statements in the report and this presentation are mine alone and do not necessarily reflect the views of the Wisconsin Realtors Association, or any state, county, or city agency or the University of Wisconsin.*

Definitions of “Workforce housing”

- Somewhat new and flexible term
- No clear consensus, no perfect term
- Other terms: “attainable housing” “lifecycle housing”
- For some, term tries to avoid (false) stigma of “affordable” or “subsidized” housing
- Obviously, people outside of the “workforce” (children, seniors, persons unable to work because of disability) need safe, healthy, and affordable homes
- As the housing industry and state/local governments have used the term, 3 interrelated concepts (next slides)

Definitions of “Workforce housing”

- 1. General workforce development/economic development concept
 - Without stable, decent quality, affordable homes near jobs, harder to recruit/retain a workforce
 - Who is your workforce? Can they afford to live in communities near where they work in a housing product that meets their needs?
 - If you work in a community, you should be able to live in that community
 - Workforce housing is the supply of housing in a community (variety of types, sizes, locations, prices) that meets the need of the workforce in that community
 - “Housing is where jobs go to sleep at night”
- How? Examine the wages earned in the workforce in an area; apply the standard affordability calculations to show how much workers can afford (ownership and rental); examine the distribution of rents and house prices in an area to see where there are gaps; make plans to fill the gap (new supply, rehab, assistance)

Definitions of “Workforce housing”

- 2. More narrow or technical definition to focus on the segment of the housing market where households:
 - Earn too much money to qualify for most federal/state housing programs (e.g. above 60 percent of Area Median Income or AMI), but
 - Earn too little to afford the homes available in the market in an area
- Problem with this definition is mistakenly implies that people earning below 60 percent of AMI are somehow not in the workforce

Definitions of “Workforce housing”

- 3. Segment of the property and lending markets
 - Generally, for rental properties, older properties with fewer amenities (sometimes called “NOAH” – naturally occurring affordable housing)
 - Freddie Mac Multifamily: rental properties serving households with 80 percent of AMI or below
 - Ownership market: first-time homebuyers; older/smaller homes or “entry-level” product or “starter homes”
- More recently: focus on a housing product type rather than the price/income of the property. For example, smaller homes on smaller lots, accessory units, townhomes, small multifamily rentals, duplex/triplex, “missing middle”

How other states define “Workforce housing”

- How defined in other states and/or different programs is not consistent
- Example: New Hampshire requires every community to provide “reasonable and realistic opportunities” (meaning “economically viable”) for the development of “workforce housing”:
 - For sale: up to 100 % of AMI (for a 4-person family)
 - For rent: up to 60% of AMI (for a 3-person family)
- Example: Utah instead calls it “moderate income housing” – required analysis in municipal plans; definition is 80 percent of AMI or below
- Example: Washington housing element, workforce housing analysis for 80-120 % of AMI
- Example: high-cost areas of states allow bump-up of limits for ownership (Long Island Workforce Housing Act up to 130% of AMI; Florida up to 150% AMI; Miami-Dade up to 140% AMI)

Definitions of “Workforce housing”

- For reference, Federal “mortgage revenue bonds” (26 USC § 143) are limited to households earning up to 115% of AMI (or up to 140% AMI in “high housing cost areas”).
- AB544/SB484 utilizes this definition
- USDA RDA single-family loan guarantee income limit for “moderate income” is 115% of AMI for metro counties or statewide average for non-metro counties. (In most areas of Wisconsin, FY2020 4-person limit is \$90,300)

“Workforce housing” Concepts

- When workers are unable to find decent, safe, healthy and affordable homes in/near communities where they work:
 - Acquire next-available unit. In tight-markets, this puts pressure on prices/rents for the lower end of the market
 - Commute longer distances (“drive ‘til you qualify”)
 - Acquire a lower quality unit or smaller unit than meets family’s needs
 - Pay more than 30 percent of income on housing

Next 9 slides: quick ways to characterize the workforce in an area and how that translates into housing affordability issues

<i>Kenosha County FY 2019 Income Limits</i>				
	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$57,120	\$65,280	\$73,440	\$81,600
Low Income Limits (80% of AMI)	\$45,760	\$52,240	\$58,800	\$65,280
Multifamily tax subsidy limits (60% of AMI)	\$34,320	\$39,180	\$44,100	\$48,960
Very Low Income Limits (50% of AMI)	\$28,600	\$32,650	\$36,750	\$40,800
40% of AMI Income Limits	\$22,880	\$26,120	\$29,400	\$32,640
Extremely Low Income Limits (30% of AMI)	\$17,150	\$19,600	\$22,050	\$25,750

<i>WHEDA-estimated Kenosha County Rent Limits, FY 2019</i>				
	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,144	\$1,225	\$1,470	\$1,698
Multifamily tax subsidy (60% of AMI)	\$858	\$918	\$1,102	\$1,273
Very Low Income (50% of AMI)	\$715	\$765	\$918	\$1,061
40% of AMI Income Limits	\$572	\$612	\$735	\$849
Extremely Low Income (30% of AMI)	\$429	\$459	\$551	\$636

<i>Eau Claire MSA FY 2019 Income Limits</i>				
	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$51,310	\$58,640	\$65,970	\$73,300
Low Income Limits (80% of AMI)	\$41,100	\$46,950	\$52,800	\$58,650
Multifamily tax subsidy limits (60% of AMI)	\$30,840	\$35,220	\$39,600	\$43,980
Very Low Income Limits (50% of AMI)	\$25,700	\$29,350	\$33,000	\$36,650
40% of AMI Income Limits	\$20,560	\$23,480	\$26,400	\$29,320
Extremely Low Income Limits (30% of AMI)	\$15,420	\$17,610	\$19,800	\$21,990

<i>WHEDA-estimated Eau Claire Area Rent Limits, FY 2019</i>				
	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,027	\$1,100	\$1,320	\$1,525
Multifamily tax subsidy (60% of AMI)	\$771	\$825	\$990	\$1,143
Very Low Income (50% of AMI)	\$642	\$688	\$825	\$953
40% of AMI Income Limits	\$514	\$550	\$660	\$762
Extremely Low Income (30% of AMI)	\$385	\$412	\$495	\$571

Dane County FY 2019 Income Limits

	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$70,280	\$80,320	\$90,360	\$100,400
Low Income Limits (80% of AMI)	\$52,850	\$60,400	\$67,950	\$75,500
Multifamily tax subsidy limits (60% of AMI)	\$42,180	\$48,240	\$54,240	\$60,240
Very Low Income Limits (50% of AMI)	\$35,150	\$40,200	\$45,200	\$50,200
40% of AMI Income Limits	\$28,120	\$32,160	\$36,160	\$40,160
Extremely Low Income Limits (30% of AMI)	\$21,100	\$24,100	\$27,100	\$30,100

WHEDA-method estimated Dane County Rent Limits, FY 2019

	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,321	\$1,416	\$1,699	\$1,962
Multifamily tax subsidy (60% of AMI)	\$1,054	\$1,130	\$1,356	\$1,566
Very Low Income (50% of AMI)	\$878	\$941	\$1,130	\$1,305
40% of AMI Income Limits	\$703	\$753	\$904	\$1,044
Extremely Low Income (30% of AMI)	\$527	\$565	\$678	\$783

Milwaukee/Waukesha/West Allis MSA FY 2019 Income Limits

	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$57,610	\$65,840	\$74,070	\$82,300
Low Income Limits (80% of AMI)	\$46,160	\$52,720	\$59,280	\$65,840
Multifamily tax subsidy limits (60% of AMI)	\$34,620	\$39,540	\$44,460	\$49,380
Very Low Income Limits (50% of AMI)	\$28,850	\$32,950	\$37,050	\$41,150
40% of AMI Income Limits	\$23,080	\$26,360	\$29,640	\$32,920
Extremely Low Income Limits (30% of AMI)	\$17,310	\$19,770	\$22,230	\$24,690

WHEDA-estimated Milwaukee/Waukesha/West Allis rent limits, FY 2019

	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,154	\$1,236	\$1,482	\$1,712
Multifamily tax subsidy (60% of AMI)	\$865	\$927	\$1,111	\$1,284
Very Low Income (50% of AMI)	\$721	\$772	\$926	\$1,070
40% of AMI Income Limits	\$577	\$618	\$741	\$856
Extremely Low Income (30% of AMI)	\$432	\$463	\$555	\$642

Table 1. Distribution of annual wages, by general occupation category, Eau Claire Metropolitan Region (2018)

Occupation Code	Occupation Title	Employees	% of total employment	10 th percentile annual wage	25 th percentile annual wage	50 th percentile annual wage	90 th percentile annual wage
430000	Office and Administrative Support Occupations	12,660	15.26%	\$21,960	\$26,910	\$33,040	\$51,230
410000	Sales and Related Occupations	8,470	10.21%	\$17,450	\$20,130	\$25,320	\$64,320
350000	Food Preparation and Serving Related Occupations	7,750	9.34%	\$16,690	\$18,060	\$20,430	\$31,250
510000	Production Occupations	7,400	8.92%	\$24,460	\$29,120	\$36,630	\$56,150
290000	Healthcare Practitioners and Technical Occupations	6,480	7.81%	\$30,410	\$44,860	\$60,800	\$147,690
530000	Transportation and Material Moving Occupations	6,410	7.73%	\$18,110	\$22,540	\$30,900	\$48,410
250000	Education, Training, and Library Occupations	4,670	5.63%	\$22,640	\$30,440	\$46,800	\$78,120
130000	Business and Financial Operations Occupations	3,550	4.28%	\$32,590	\$41,610	\$52,240	\$92,230
490000	Installation, Maintenance, and Repair Occupations	3,250	3.92%	\$26,970	\$34,180	\$44,150	\$72,460
390000	Personal Care and Service Occupations	3,220	3.88%	\$18,810	\$21,070	\$23,500	\$37,180
470000	Construction and Extraction Occupations	3,100	3.74%	\$31,700	\$40,640	\$53,560	\$78,630
110000	Management Occupations	3,030	3.65%	\$45,070	\$61,910	\$88,330	\$160,300
310000	Healthcare Support Occupations	2,860	3.45%	\$22,180	\$25,860	\$30,680	\$46,450
370000	Building and Grounds Cleaning and Maintenance Occupations	2,400	2.89%	\$17,430	\$20,000	\$24,810	\$43,440
170000	Architecture and Engineering Occupations	1,770	2.13%	\$34,230	\$45,080	\$60,830	\$99,000
330000	Protective Service Occupations	1,640	1.98%	\$18,940	\$28,290	\$38,930	\$65,820
150000	Computer and Mathematical Occupations	1,430	1.72%	\$35,890	\$44,380	\$59,050	\$95,950
210000	Community and Social Service Occupations	1,230	1.48%	\$22,800	\$30,600	\$41,470	\$61,390
270000	Arts, Design, Entertainment, Sports, and Media Occupations	820	0.99%	\$19,010	\$24,760	\$34,090	\$62,700
190000	Life, Physical, and Social Science Occupations	400	0.48%	\$34,460	\$43,970	\$58,960	\$129,720
230000	Legal Occupations	290	0.35%	\$30,970	\$38,120	\$52,590	\$105,800
450000	Farming, Fishing, and Forestry Occupations	120	0.14%	\$18,250	\$23,610	\$32,940	\$43,670
	All Occupations	82,940		\$19,260	\$24,650	\$35,450	\$75,500

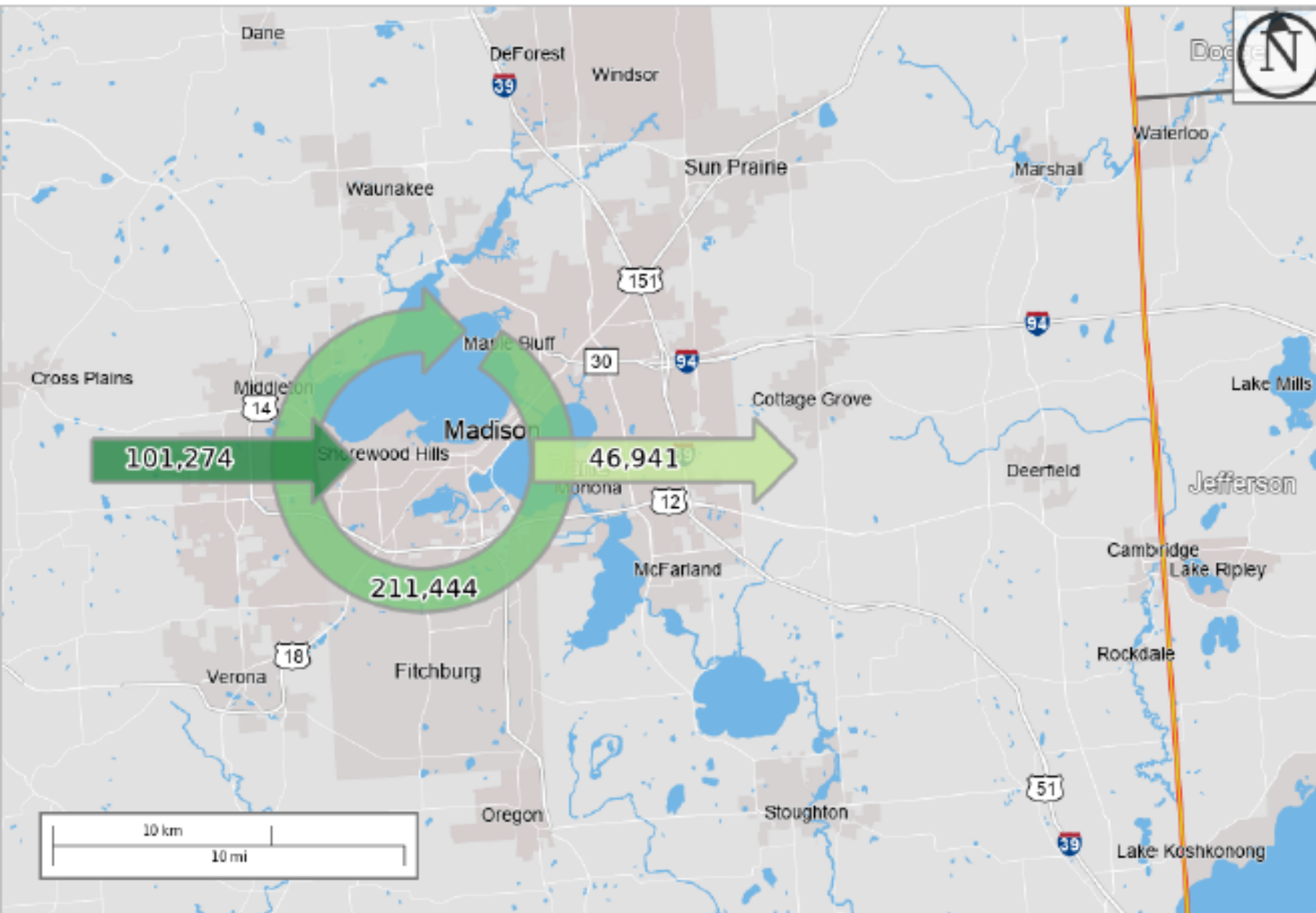
Notes: Data source is US Dept. of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) database for 2018. Detailed occupational data are only available at the Metropolitan Statistical Area (MSA) geography: Eau Claire MSA contains Eau Claire and Chippewa counties. Occupational codes follow the Standard Occupational Classification system (SOC). The 50th percentile is also called the median.

Top 6 Occupations comprise 59.3 percent of job market

Occupation Code	Occupation Title	Employees	10 th percentile annual wage	25 th percentile annual wage	50 th percentile annual wage
412031	Retail Salespersons	3,260	\$16,650	\$18,160	\$21,190
353021	Combined Food Preparation and Serving Workers, Including Fast Food	2,710	\$16,300	\$17,280	\$18,870
434051	Customer Service Representatives	2,430	\$22,110	\$25,900	\$30,660
439061	Office Clerks, General	2,050	\$20,540	\$26,690	\$33,390
399021	Personal Care Aides	1,840	\$20,390	\$21,520	\$23,260
412011	Cashiers	1,680	\$17,410	\$19,790	\$22,290
537062	Laborers and Freight, Stock, and Material Movers, Hand	1,320	\$19,800	\$23,910	\$29,520
533032	Heavy and Tractor-Trailer Truck Drivers	1,320	\$33,050	\$35,370	\$39,170
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,310	\$18,420	\$21,780	\$26,210
433031	Bookkeeping, Accounting, and Auditing Clerks	1,190	\$26,310	\$32,020	\$37,280
311014	Nursing Assistants	1,170	\$21,500	\$23,590	\$26,840
353031	Waiters and Waitresses	1,140	\$16,880	\$18,180	\$20,180
434171	Receptionists and Information Clerks	1,130	\$21,990	\$26,470	\$29,770
499071	Maintenance and Repair Workers, General	950	\$27,710	\$33,310	\$40,830
352014	Cooks, Restaurant	940	\$18,110	\$20,790	\$24,170
353011	Bartenders	860	\$16,600	\$17,900	\$20,380
512098	Assemblers and fabricators, all other, including team assemblers	860	\$20,600	\$25,460	\$29,850
435081	Stock Clerks and Order Fillers	790	\$17,540	\$20,170	\$24,130
259041	Teacher Assistants	760	\$17,890	\$22,570	\$28,980
533033	Light Truck or Delivery Services Drivers	650	\$18,560	\$21,150	\$24,360
351012	First-Line Supervisors of Food Preparation and Serving Workers	600	\$18,480	\$21,360	\$24,870
436014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	590	\$25,180	\$28,570	\$33,250
411011	First-Line Supervisors of Retail Sales Workers	590	\$25,440	\$28,420	\$35,950
319092	Medical Assistants	590	\$28,760	\$32,860	\$36,490
372012	Maids and Housekeeping Cleaners	520	\$16,730	\$18,020	\$20,210
	<i>All 25 lowest-wage high-employment occupations</i>	<i>31,250</i>	<i>\$20,918</i>	<i>\$24,050</i>	<i>\$28,084</i>

Inflow/Outflow Counts of Primary Jobs for Selection Area in 2017

All Workers

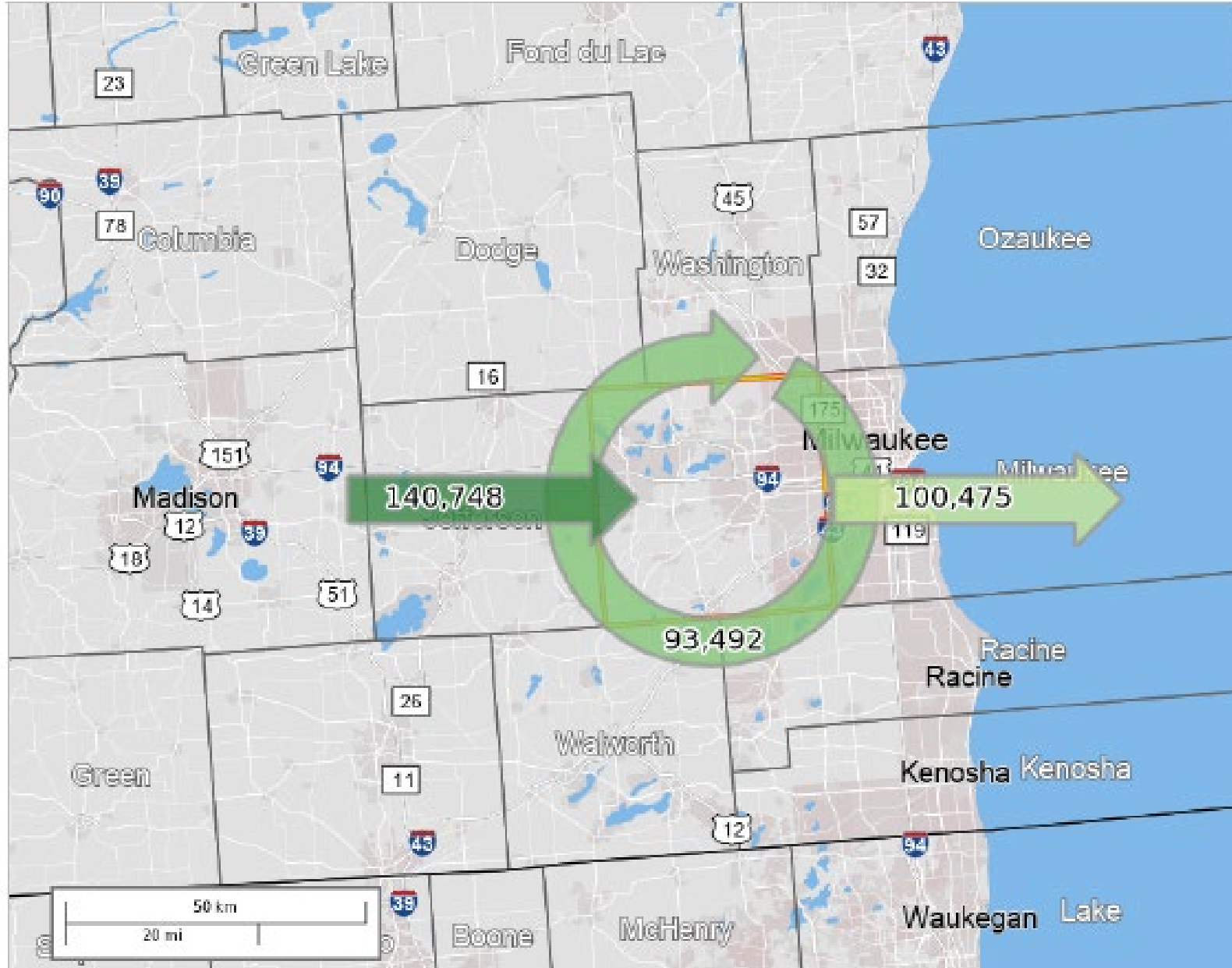


101,274 workers live outside of Dane County and commute into Dane County to work.

46,941 workers live in Dane County and commute outside Dane County to work.

Inflow/Outflow Counts of Primary Jobs for Selection Area in 2017

All Workers

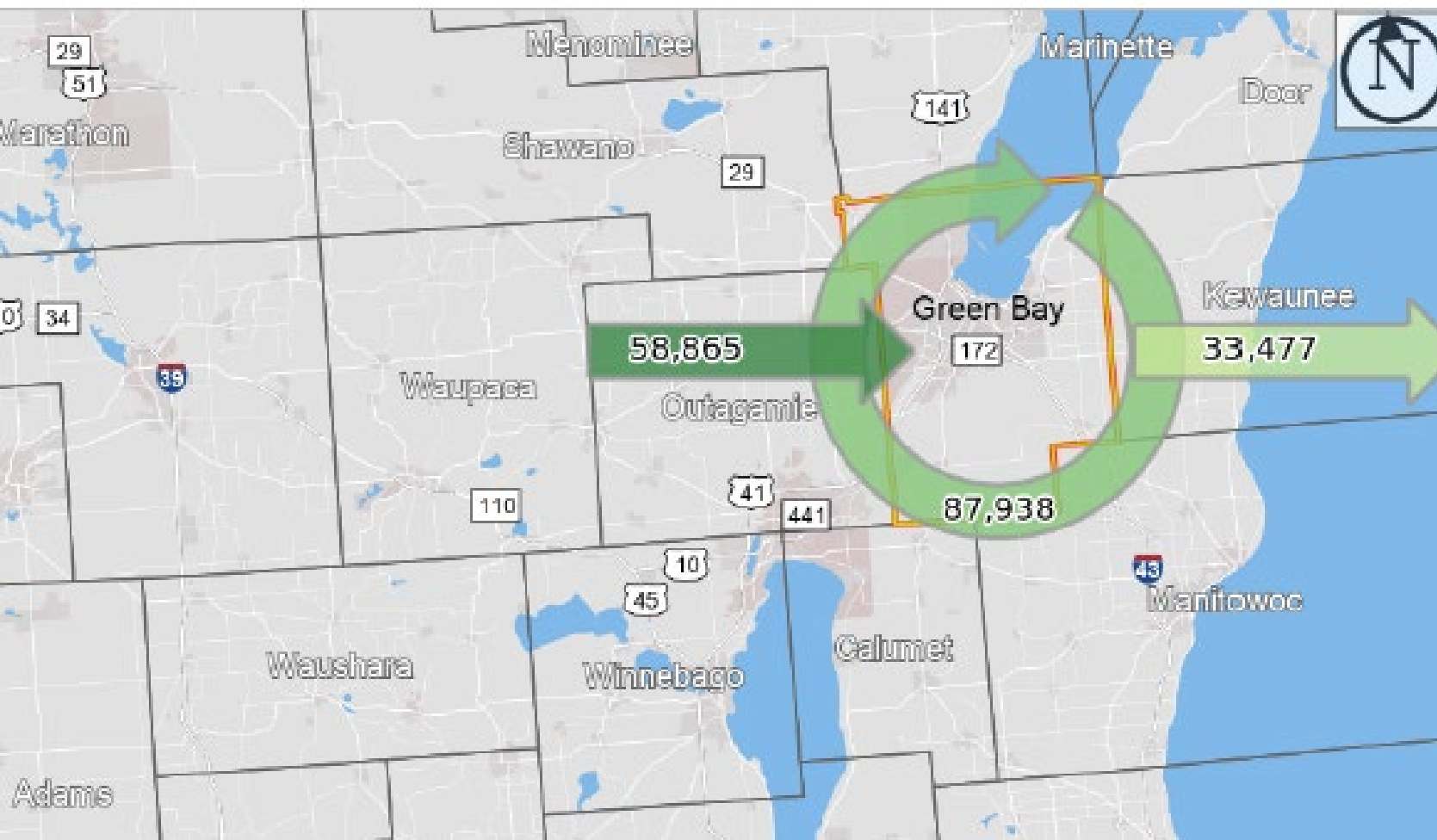


140,748 workers live outside of Waukesha County and commute into Waukesha County to work.

100,475 workers live in Waukesha County and commute outside Waukesha County to work.

Inflow/Outflow Counts of Primary Jobs for Selection Area in 2017

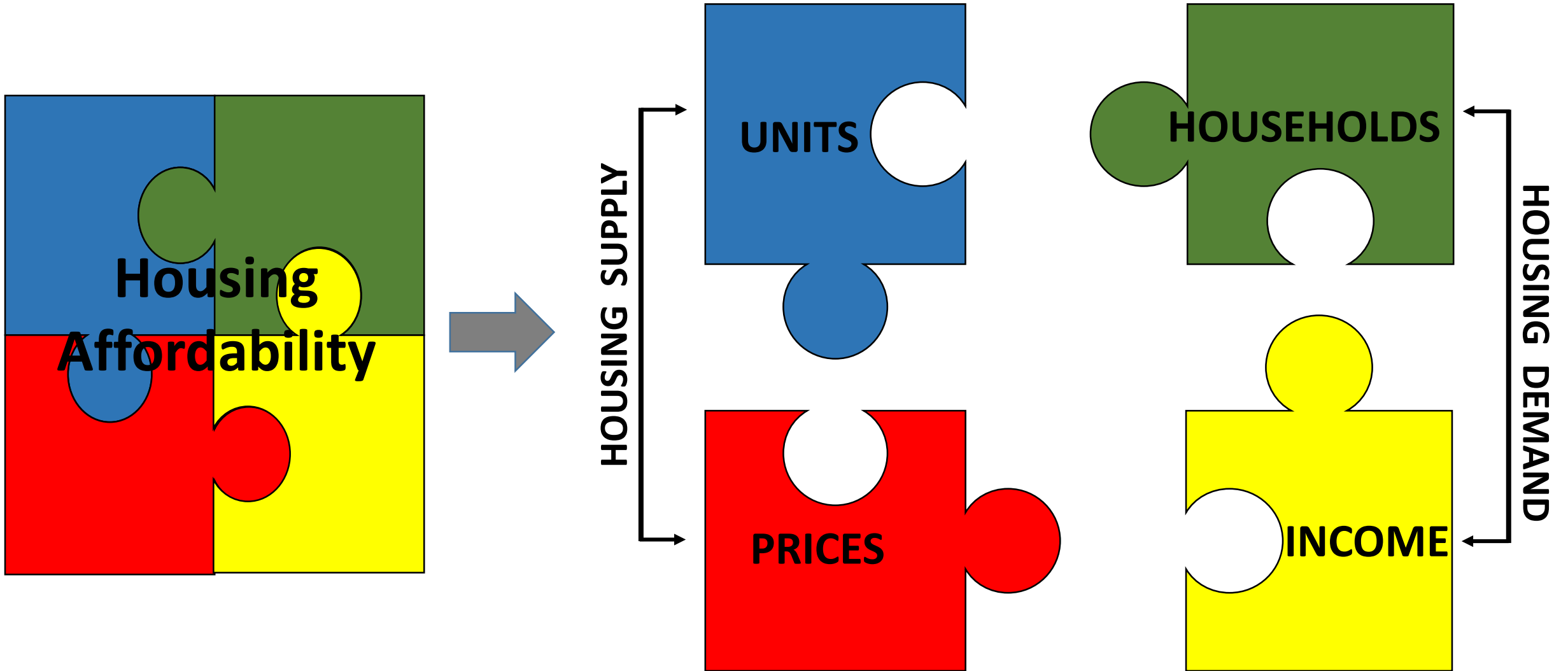
All Workers



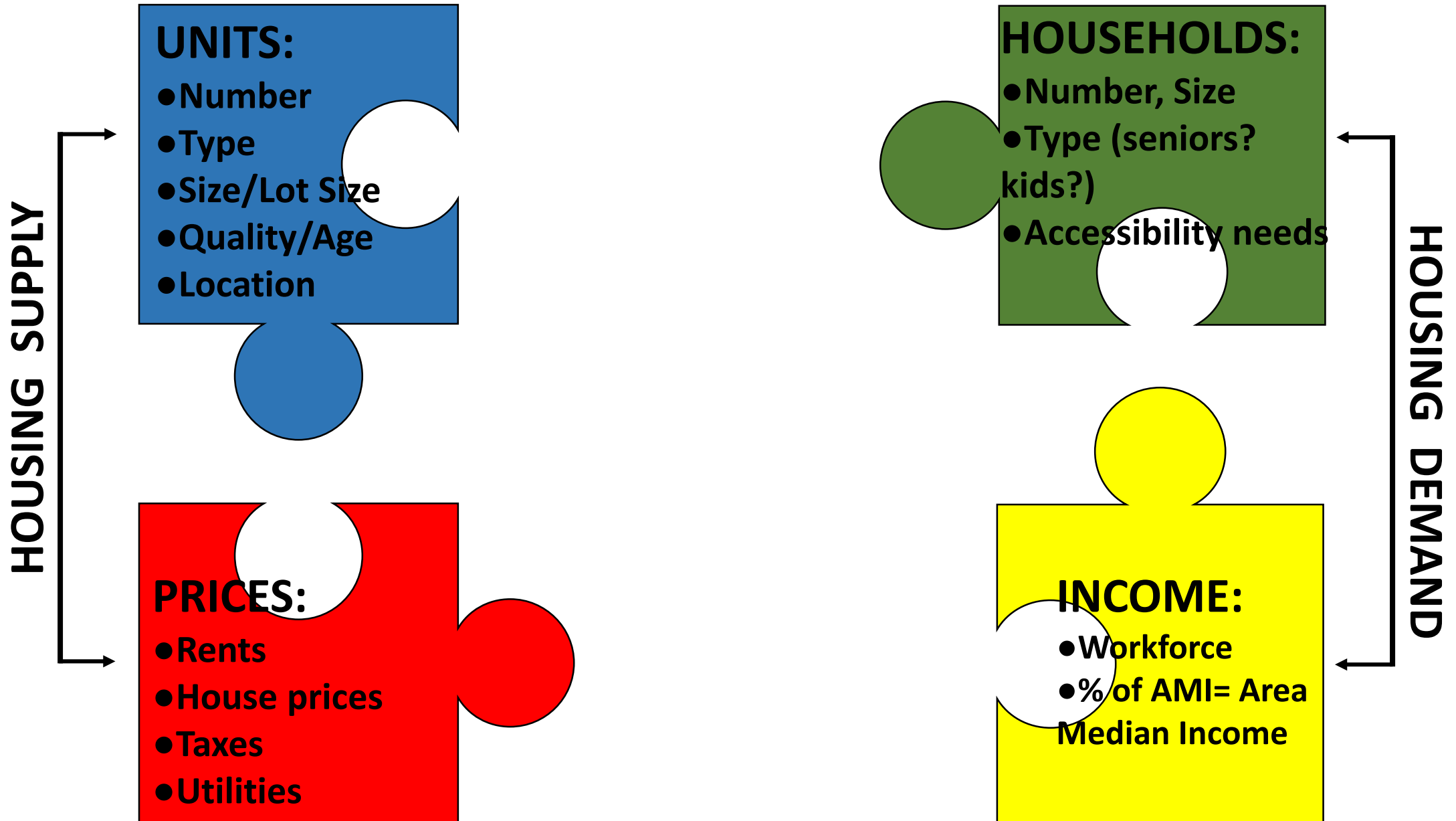
58,865 workers live outside of Brown County and commute into Brown County to work.

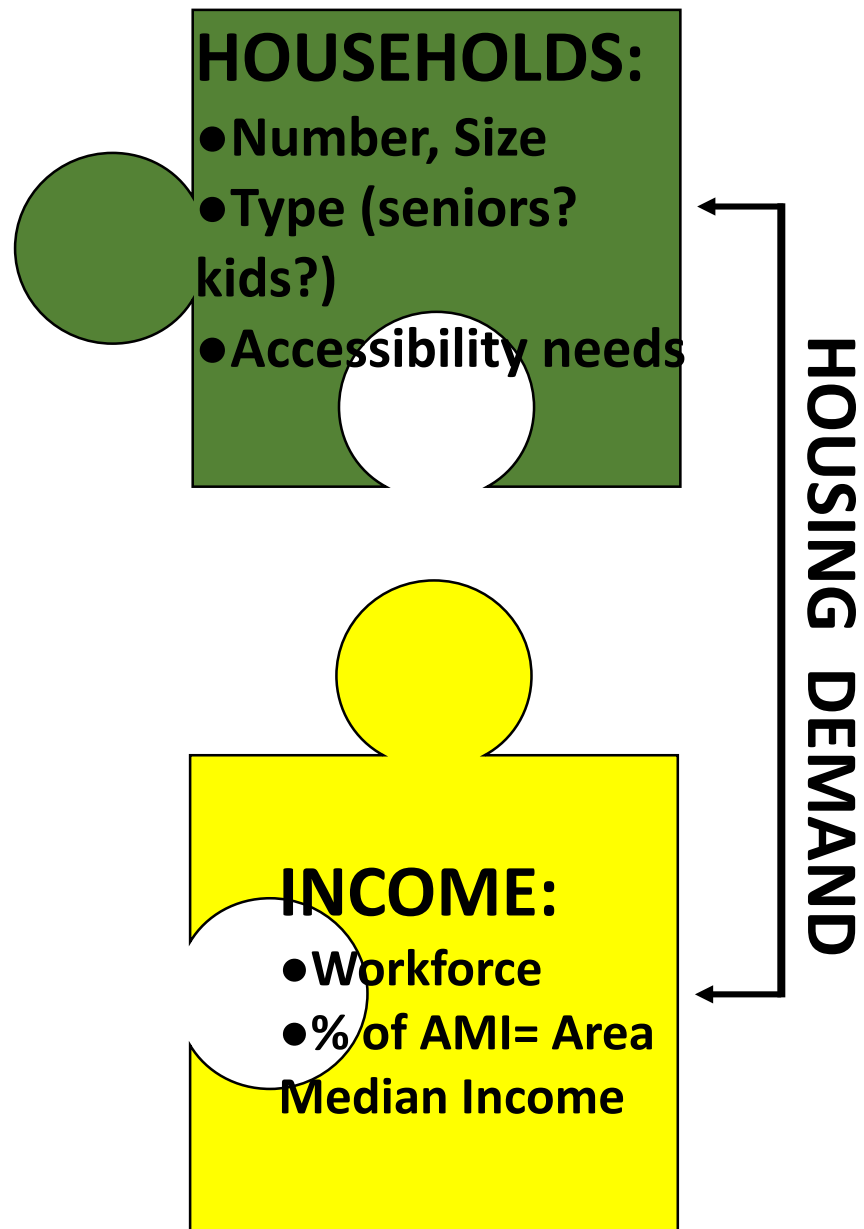
33,477 workers live in Brown County and commute outside Brown County to work.

Workforce Housing



Housing Affordability: Supply and Demand





Housing Demand: demographics and income

Wisconsin: Demographic and Housing Changes (2010-2019)

	2010	2019	Change	% Change	Ann.% Change
Population	5,691,047	5,822,434	131,387	2.3%	0.25%
Households	2,279,532	2,386,623	107,091	4.7%	0.51%
Housing units	2,625,477	2,725,153	99,676	3.8%	0.41%
Jobs	2,633,572	2,887,018	253,446	9.6%	1.03%
<i>Inflation-adjusted to 2019\$:</i>					
Median household income (in 2019\$)	\$57,451	\$64,168	\$6,717	11.7%	1.24%
Median owner household income (in 2019\$)	\$72,808	\$80,206	\$7,398	10.2%	1.08%
Median renter household income (in 2019\$)	\$31,746	\$39,184	\$7,438	23.4%	2.37%
Median value of owner-occupied homes (in 2019\$)	\$198,537	\$197,200	-\$1,337	-0.7%	-0.08%
Median gross rent (in 2019\$)	\$838	\$867	\$29	3.5%	0.38%

Sources: US Census; Bureau of Labor Statistics (QCEW). Inflation adjustment: CPI-U from BLS.

Housing Demand: demographics and income

Change in Wisconsin Households, by Size, 2010-2019

Household size	2010	2019	Change (2010-2019)	Avg. Ann. Growth Rate
1-person households	669,106	727,668	58,562	0.94%
2-person households	814,206	898,376	84,170	1.10%
3-person households	335,238	311,906	-23,332	-0.80%
4-5 person households	394,495	384,670	-9,825	-0.28%
6-or-more person households	66,487	64,003	-2,484	-0.42%
Total households	2,279,532	2,386,623	107,091	0.51%

Source: US Census Bureau, 1-year American Community Survey

- Overall, slow rate of household growth = 0.51 percent per year
- Growth only in 1-person and 2-person households
- Average household size has declined
- Housing demand for 1- and 2-person households; smaller units?

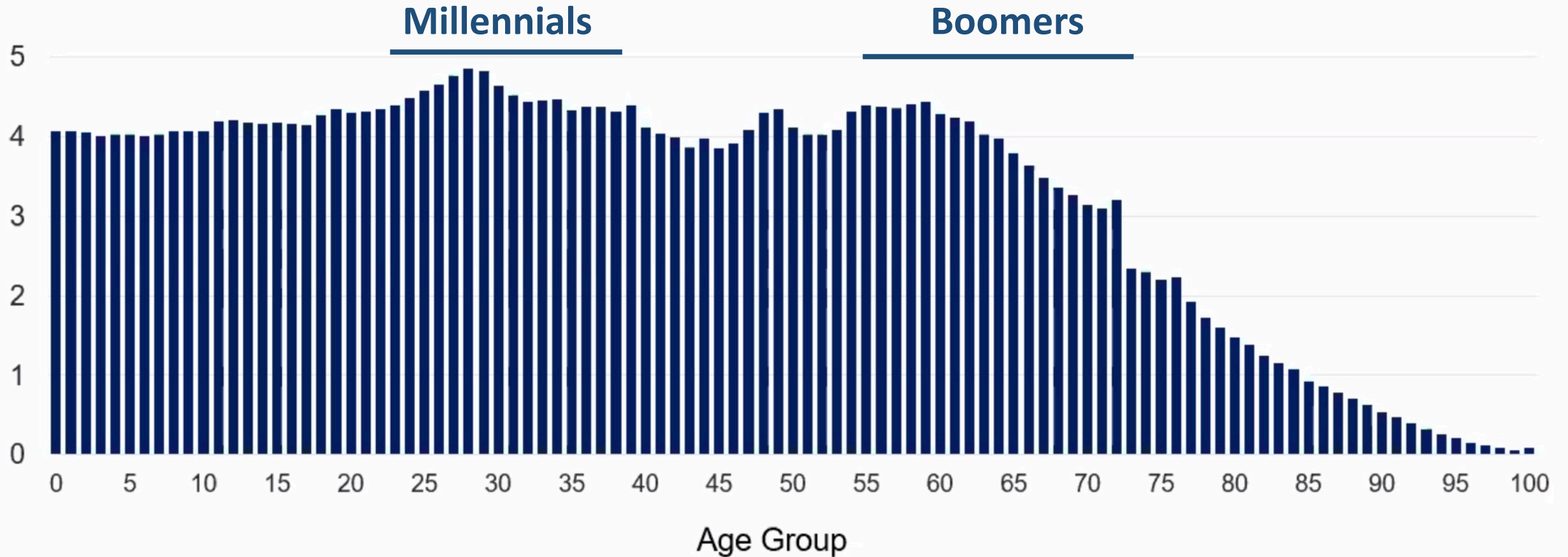
Change in Wisconsin Population, by Age, 2010-2019

Age	2010	2019	Change (2010-2019)	Avg. Ann. Growth Rate
Under 5 years	355,052	327,258	-27,794	-0.90%
5-17 years	981,156	936,154	-45,002	-0.52%
18-24 years	554,544	543,737	-10,807	-0.22%
25-34 years	717,027	737,315	20,288	0.31%
35-44 years	724,623	714,436	-10,187	-0.16%
45-54 years	873,392	719,293	-154,099	-2.13%
55-64 years	705,743	824,345	118,602	1.74%
65-74 years	401,693	597,951	196,258	4.52%
75 years or better	377,817	421,945	44,128	1.23%
Total	5,691,047	5,822,434	131,387	0.25%

Source: US Census Bureau, 1-year American Community Survey

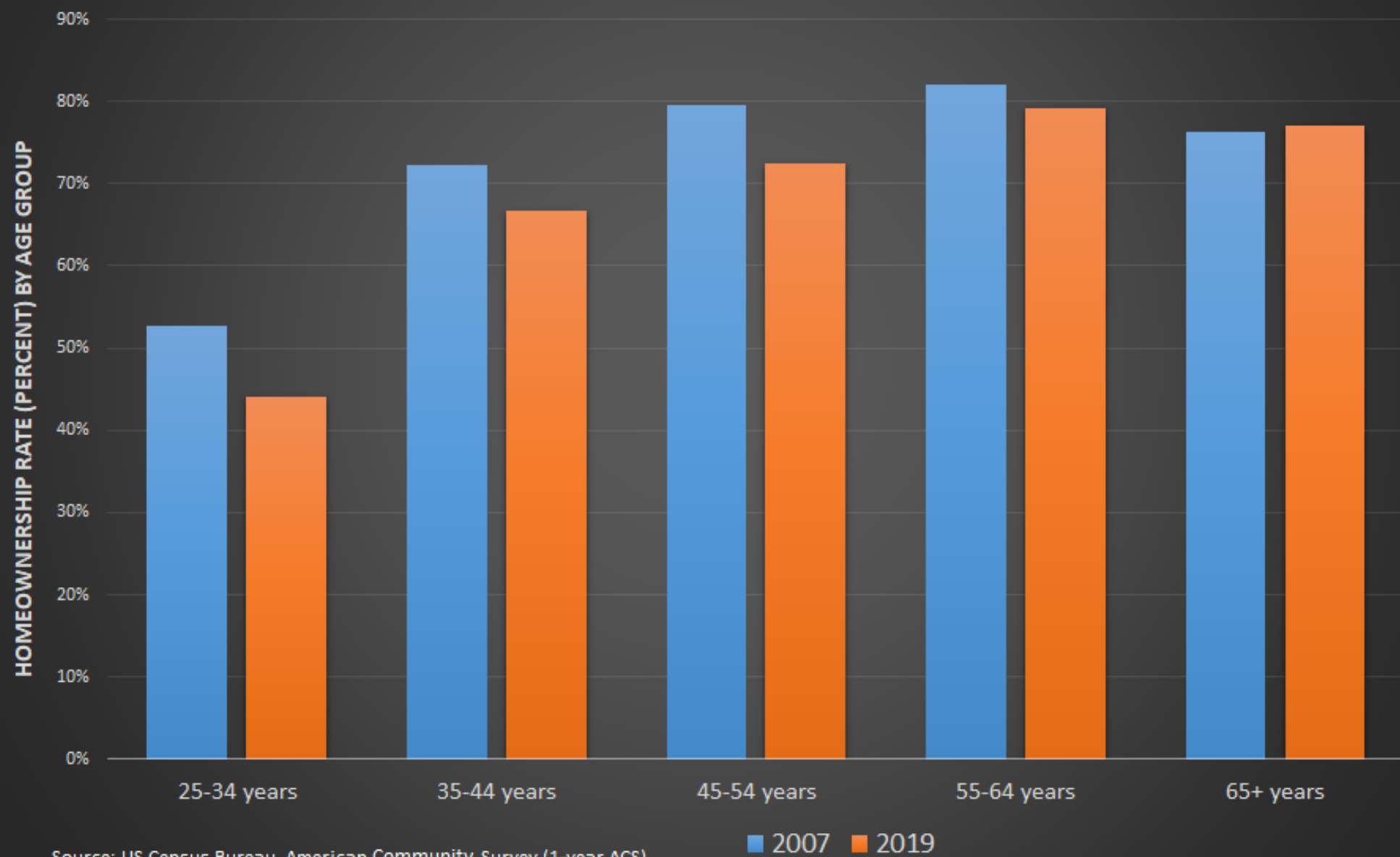
Over the Last Decade, the Millennial and Baby-Boomer Generations Have Pushed Up the Population in The 20s and 60s

US Population in 2019 (Millions)



Source: JCHS tabulations of US Census Bureau, 2017 National Population Projections.

Homeownership Rates Declined in Wisconsin from 2007-2019 Across All Age Groups (except Seniors), with Largest Drop for Youngest Families



HOUSING SUPPLY

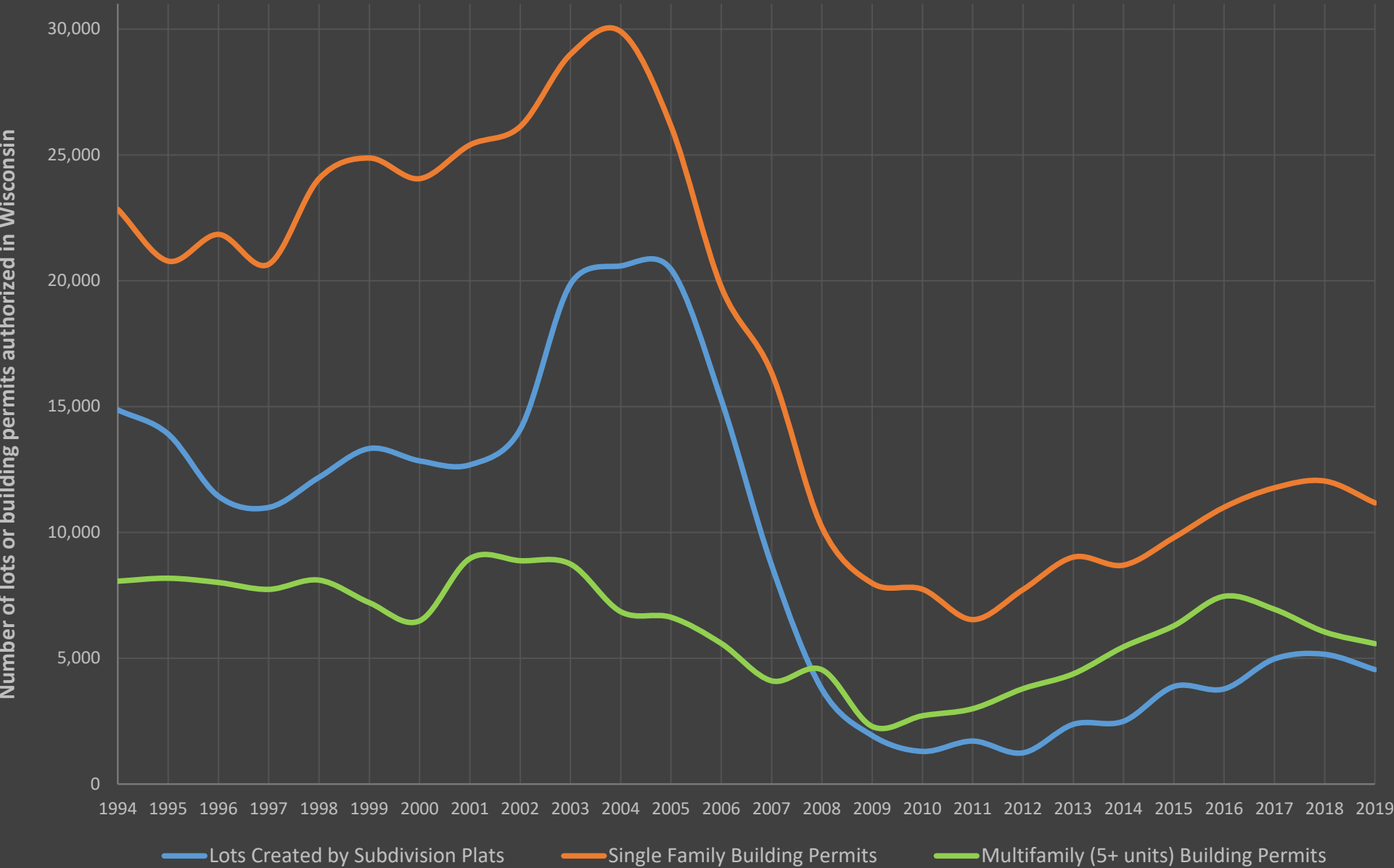
UNITS:

- Number
- Type
- Size/Lot Size
- Quality/Age
- Location

PRICES:

- Rents
- House prices
- Taxes
- Utilities

Housing Construction and Subdivision Activity in Wisconsin have not Recovered from Great Recession, Remain at Historically Low Levels



1994-2004 per year:
14,225 lots
35,908 building permits

= 6.78 building permits
per 1,000 residents

2012-2019 per year:
3,552 lots
16,640 building permits

= 2.88 building permits
per 1,000 residents

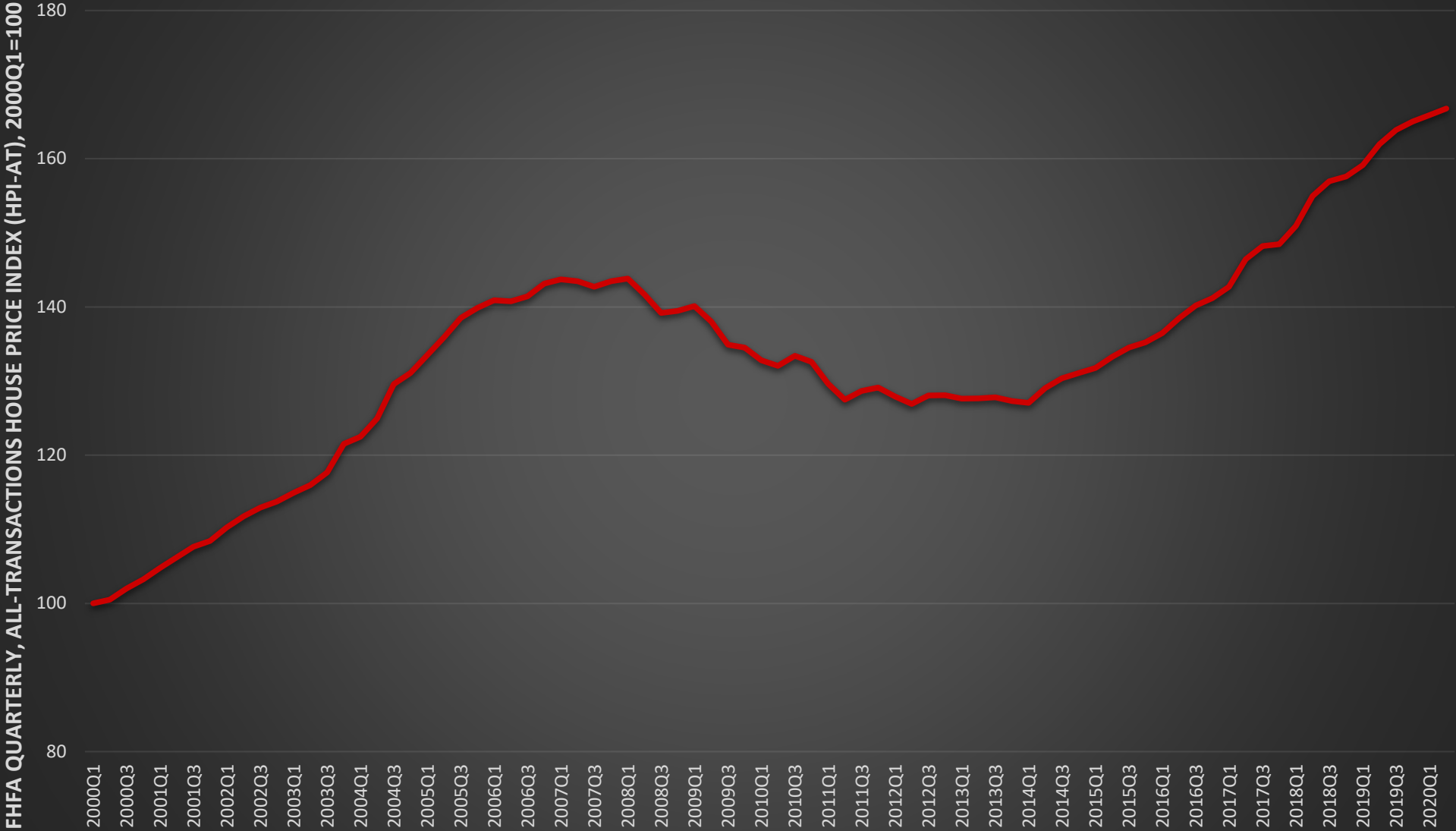
Source: Subdivision Lots from Wis. Dept. Admin.; Building Permits Database, U.S. Census Bureau.

Wisconsin's 20 Largest Counties Underproduced Over 20,000 Housing Units from 2006-2019

	Growth in households (2006-2019)	Growth in housing units (2006-2019)	Housing "Underproduction" (2006-2019)	Previous Report Gap (2006-2017)
Milwaukee County	7,426	11,999		
Dane County	43,063	31,997	11,066	11,206
Waukesha County	14,321	13,294	1,027	2,213
Brown County	12,323	9,770	2,553	1,661
Racine County	3,751	2,994	757	
Outagamie County	6,668	7,499		
Winnebago County	4,364	5,581		
Kenosha County	4,378	4,212	166	
Rock County	2,954	1,954	1,000	1,036
Marathon County	2,864	3,957		
Washington County	5,290	5,021	269	
La Crosse County	3,873	4,629		
Sheboygan County	2,116	1,814	302	332
Eau Claire County	2,122	3,757		
Walworth County	4,936	3,268	1,668	537
Fond du Lac County	3,882	3,251	631	798
St. Croix County	3,515	4,255		
Ozaukee County	3,152	2,590	562	827
Dodge County	2,187	1,692	495	
Jefferson County	2,718	2,586	132	1,228
20 Largest Wisconsin Counties	135,903	126,120	20,628	19,838

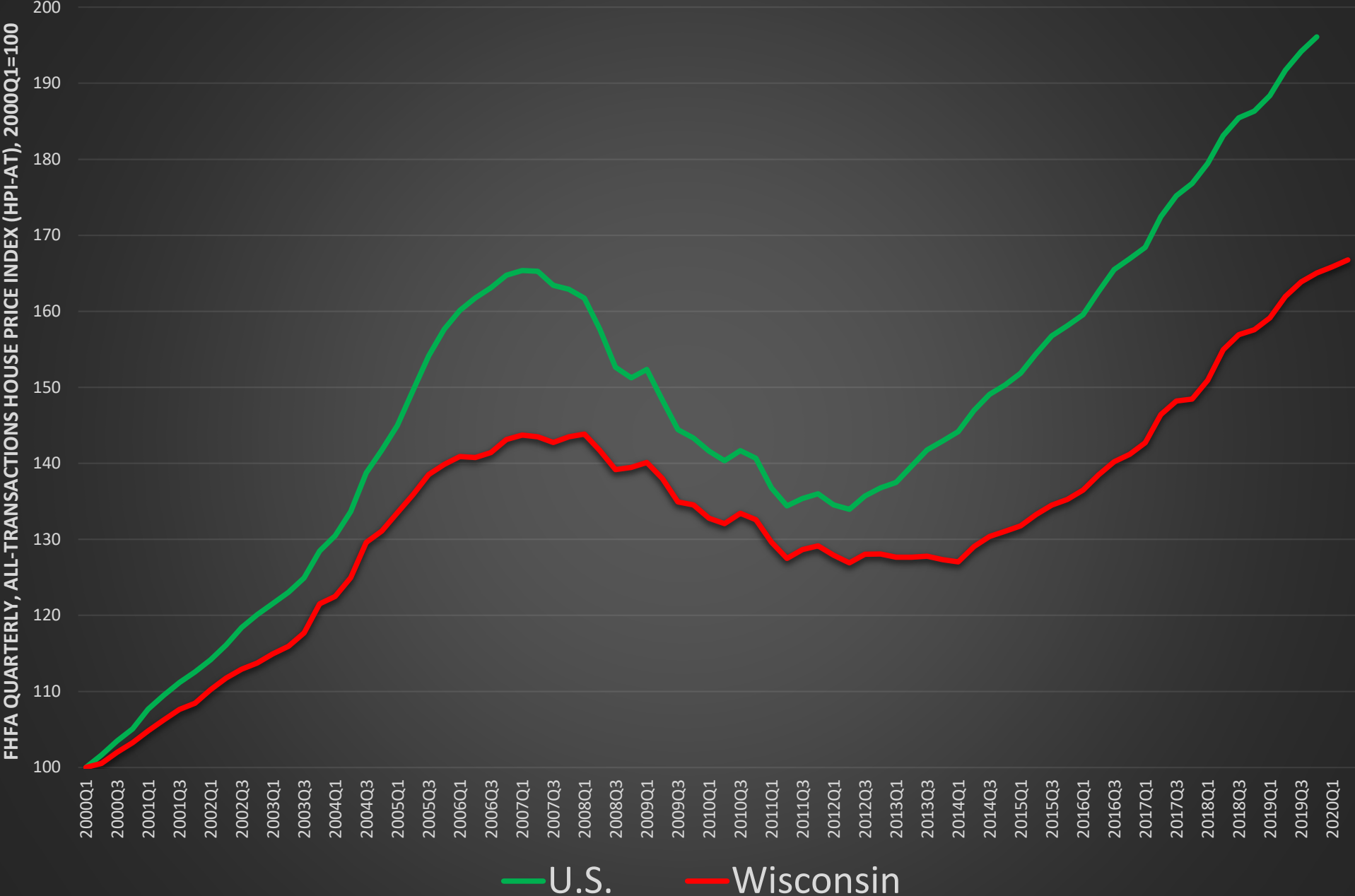
Source: Author's calculations based on 2006 and 2019 1-year American Community Survey data, U.S. Census Bureau. Households are 1- or more persons who occupy a housing unit. Housing units include vacant structures for sale or rent.

**Wisconsin House Prices Now Exceed Pre-Crisis (2007Q1) Levels,
have increased 13.9% in past 3 years; 25.1% in past 5 years**



Source: Federal Housing Finance Agency

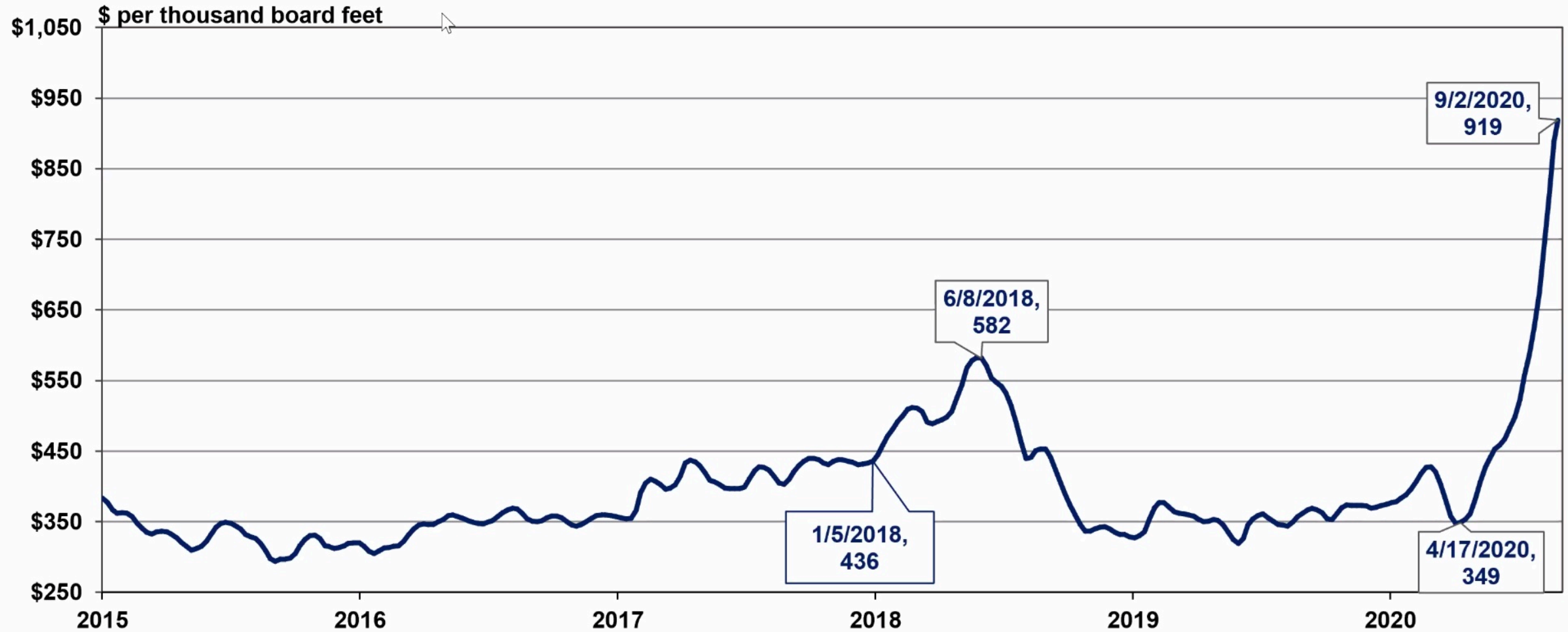
Post-2000 house price growth in Wisconsin has lagged U.S.



Source: Federal Housing Finance Agency

Building Materials – Lumber Prices

Current September price \$957 and up 174% since mid-April



Source: NAHB Analysis; Random Lengths Composite Index

Average Price to Income Ratio, Wisconsin MSAs (1990-2018)

Ratio of median sales price to median income

4.50

4.00

3.50

3.00

2.50

2.00

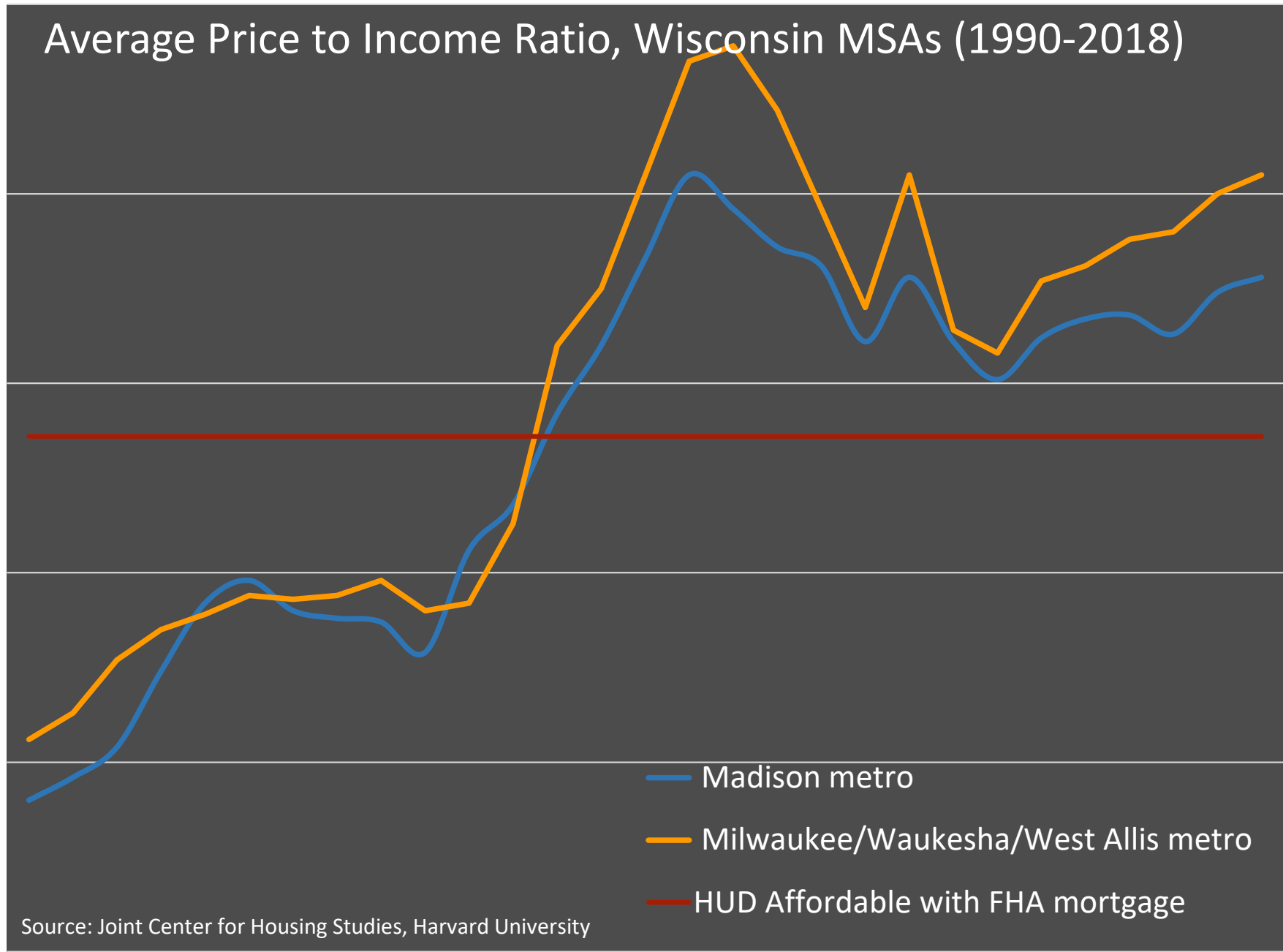
1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

— Madison metro

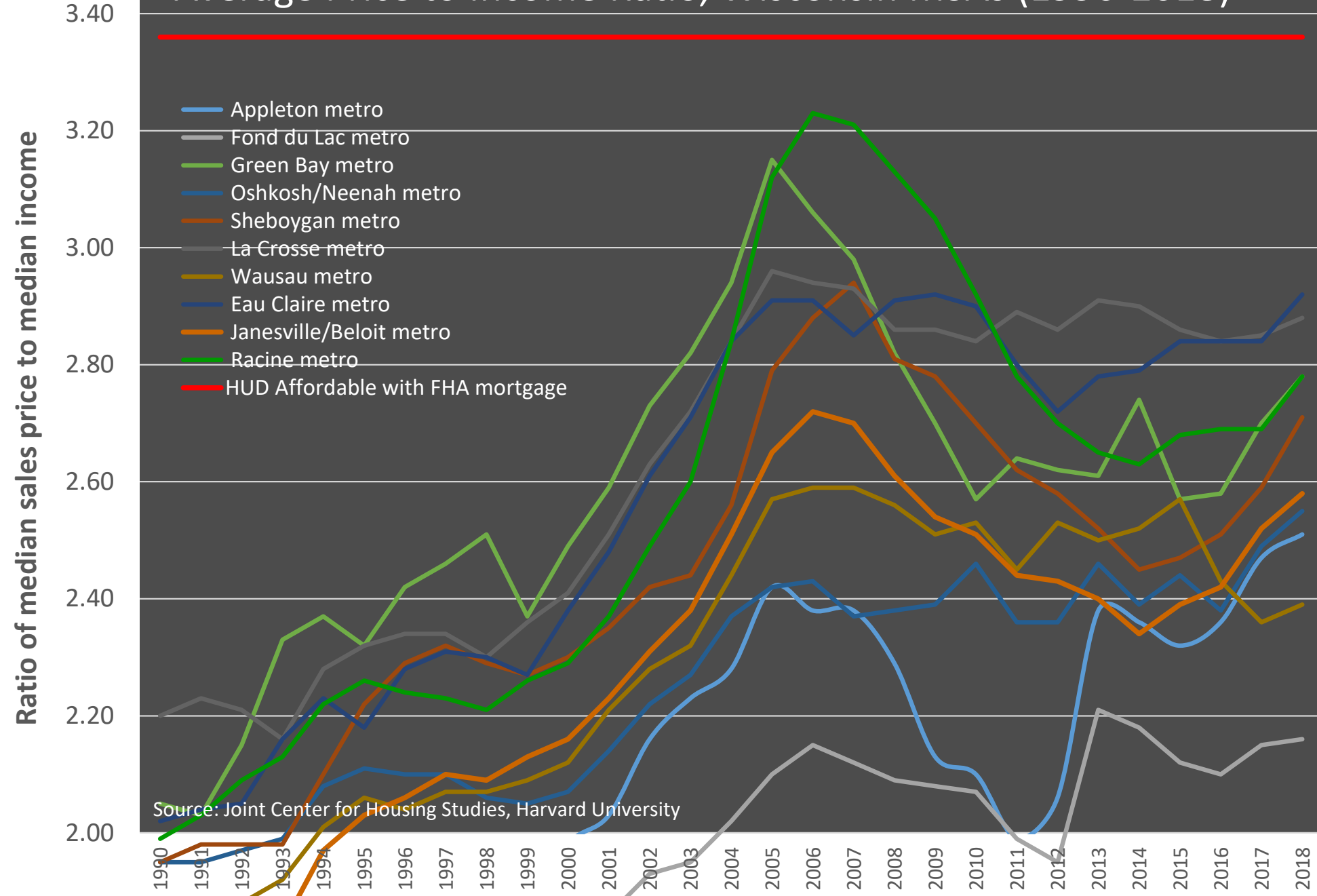
— Milwaukee/Waukesha/West Allis metro

— HUD Affordable with FHA mortgage

Source: Joint Center for Housing Studies, Harvard University



Average Price to Income Ratio, Wisconsin MSAs (1990-2018)



2018 Price to Income Ratio, Single-Family Homes, Wisconsin Metro Areas

Milwaukee-Waukesha-West Allis, WI	4.05
Madison, WI	3.78
Eau Claire, WI	2.92
La Crosse-Onalaska, WI-MN	2.88
Green Bay, WI	2.78
Racine, WI	2.78
Sheboygan, WI	2.71
Janesville-Beloit, WI	2.58
Oshkosh-Neenah, WI	2.55
Appleton, WI	2.51
Wausau, WI	2.39
Fond du Lac, WI	2.16
Chicago-Naperville-Elgin, IL-IN-WI	3.63
Minneapolis-St. Paul-Bloomington, MN-WI	3.43
Duluth, MN-WI	2.66
United States	4.13

Source: Joint Center for Housing Studies, Harvard University

Rents rose faster than household incomes in Midwestern states

<i>State</i>	<i>Increase median rent, 2007-2019</i>	<i>Increase median income, 2007-2019</i>
ILLINOIS	30.3%	27.8%
INDIANA	31.7%	21.4%
IOWA	42.5%	30.4%
MICHIGAN	30.0%	24.3%
MINNESOTA	42.9%	33.7%
WISCONSIN	28.8%	26.9%
<i>U.S. AVERAGE</i>	<i>39.0%</i>	<i>29.5%</i>

Source: US Census, 1-year American Community Survey (ACS) data, not inflation adjusted

- **On a *per-capita basis*, Wisconsin permitted more multifamily housing than our neighboring states from 2000-2014.**
- **From 2007-2019 Wisconsin had slower median rent growth than our neighboring states.**
- **Therefore, robust apartment construction moderates rent growth, even though we still didn't build enough**

Many Lower-Income Homeowners Pay More than 50 percent of their Income on Housing

Percent of homeowners "extremely cost-burdened," by income category

State	0-30 percent of area income	30-50 percent of area income	50-80 percent of area income	80-100 percent of area income	above median area income
ILLINOIS	63.1%	30.1%	11.6%	4.0%	0.8%
INDIANA	55.4%	20.2%	5.2%	1.6%	0.3%
IOWA	52.3%	17.6%	4.4%	1.3%	0.3%
MICHIGAN	60.4%	24.7%	7.8%	2.1%	0.4%
MINNESOTA	55.5%	22.6%	6.9%	2.1%	0.4%
WISCONSIN	62.5%	27.0%	8.7%	2.6%	0.5%

Source: US. Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2013-2017

For lower-income homeowners, Wisconsin's rate of extreme cost burden is second only to Illinois among Midwest.

Over 88,000 homeowners in Wisconsin with incomes below 50% AMI spend more than 50 percent of their income on housing.

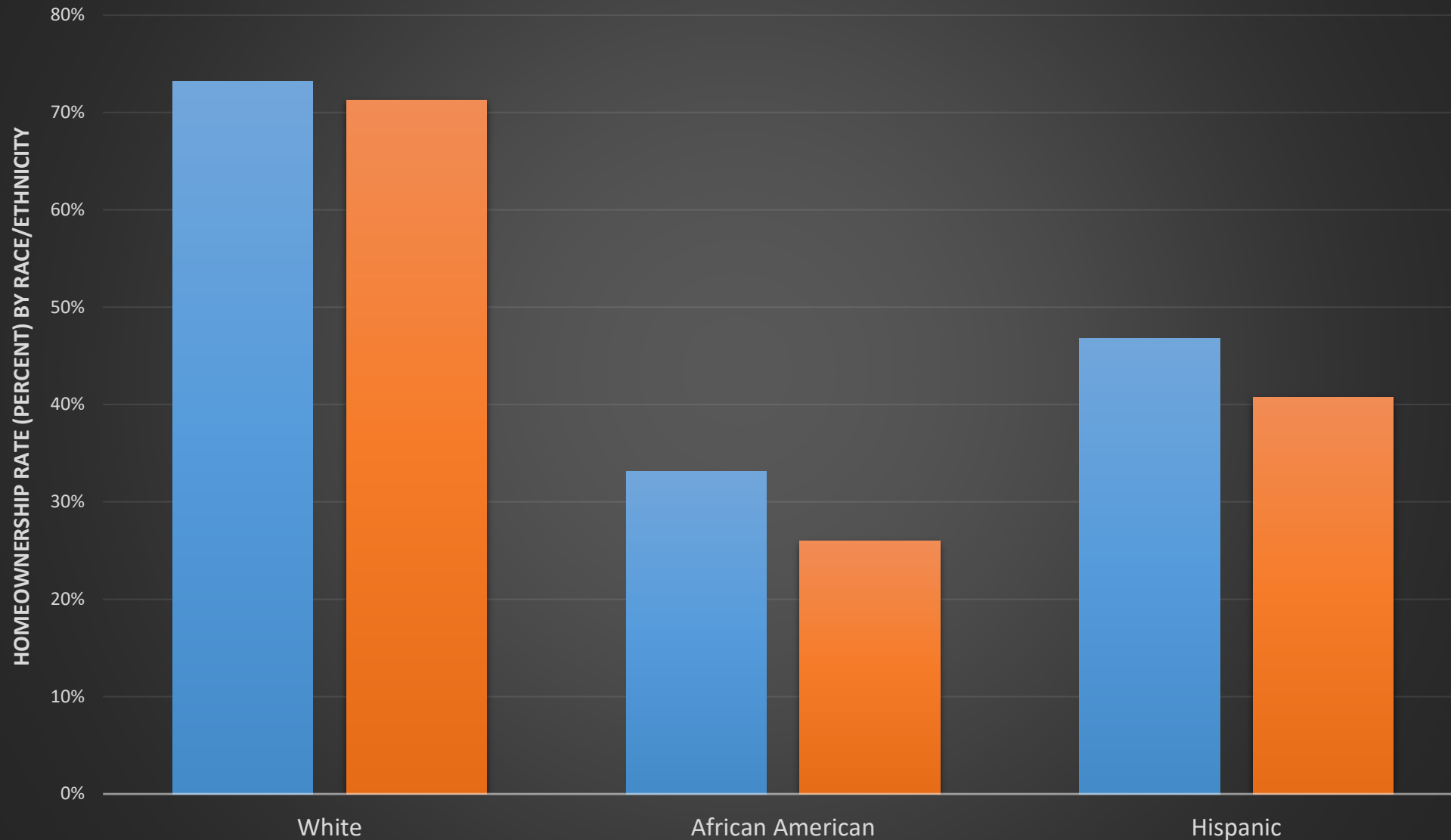
Wisconsin Leads Midwest with Highest Percentage of Lowest-Income Renters with Extreme Cost-Burdens

State	<i>Percent of renters "extremely cost-burdened," by income category</i>				
	0-30 percent of area income	30-50 percent of area income	50-80 percent of area income	80-100 percent of area income	above median area income
ILLINOIS	61.5%	26.0%	4.8%	1.3%	0.3%
INDIANA	61.5%	23.4%	3.1%	0.7%	0.4%
IOWA	61.2%	15.7%	3.2%	0.8%	0.5%
MICHIGAN	63.9%	28.9%	5.5%	1.5%	0.5%
MINNESOTA	59.0%	19.4%	3.9%	1.2%	0.4%
WISCONSIN	64.4%	19.9%	2.8%	0.7%	0.2%

Source: US. Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2013-2017

Over 151,000 renting households in Wisconsin with incomes below 50% AMI spend more than 50 percent of their income on housing.

Homeownership Rates Declined in Wisconsin from 2007-2019 Across All Racial/Ethnic Groups, with Largest Drop for African American Families



Source: US Census Bureau, American Community Survey (1-year ACS).

■ 2007 ■ 2019

Racial disparities in homeownership

- Wisconsin has the 9th worst black-white homeownership gap in the United States (behind North Dakota, Wyoming, Vermont, Montana, Minnesota, South Dakota, Iowa and Utah).
- Wisconsin's Hispanic homeownership rate is lower than all neighboring states

Homeownership rates, by race/ethnicity and income level, Wisconsin 2013-2017

	White	African-American	Asian	Hispanic
Less than 30-percent of AMI	38.8%	9.8%	16.6%	17.6%
Between 30- and 50-percent of AMI	50.1%	18.7%	32.7%	29.9%
Between 50- and 80-percent of AMI	62.4%	28.8%	44.7%	36.8%
Between 80- and 100-percent of AMI	71.2%	40.6%	50.1%	45.9%
More than 100-percent of AMI	86.2%	57.9%	61.4%	64.1%

Notes: Source is US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy data (CHAS), based on 2013-2017 census

Percent with Severe Housing Problems, by race/ethnicity and income level, Wisconsin 2013-2017

	White	African-American	Asian	Hispanic
Less than 30-percent of AMI	64.8%	70.2%	70.5%	70.1%
Between 30- and 50-percent of AMI	26.7%	26.5%	34.8%	31.9%
Between 50- and 80-percent of AMI	8.8%	9.3%	23.7%	13.5%
Between 80- and 100-percent of AMI	3.8%	5.5%	14.2%	6.6%
More than 100-percent of AMI	1.4%	2.9%	9.2%	4.5%

Notes: Source is US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy data (CHAS), based on 2013-2017 census. Severe housing problems is defined by HUD as either lacking complete plumbing or kitchen facilities, being severely overcrowded, or being severely cost-burdened (paying more than 50 percent of income on housing.)

Additional issues

- Significant labor shortages in construction and allied building trades present opportunities for workforce development
- Aging housing stock, significant possibilities for energy-efficient rehab, ventilation, upgrading and rehab/remodel. Difficulty finding affordable credit and skilled labor
- WHEDA Rural Workforce Housing Initiative; first stages of research on African American and Latino homeownership in Wisconsin.
- Numerous “workforce housing” bills introduced in legislature