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# WORKFORCE HOUSING IN THE STATES

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# NATIONAL CONFERENCE OF STATE LEGISLATURES

- Bipartisan membership organization
  - All 50 states and the territories
    - 7,383 state legislators
    - All state legislative staff (30,000+)
- Mission:
  - To improve the quality and effectiveness of state legislatures
  - To promote policy innovation and communication among state legislatures
  - To ensure states a strong, cohesive voice in the federal system

# AGENDA

1. Definitions
2. National and Wisconsin Data
3. State Trends and Examples
4. Question & Answer Session

## WORKFORCE HOUSING: WHAT IS IT?

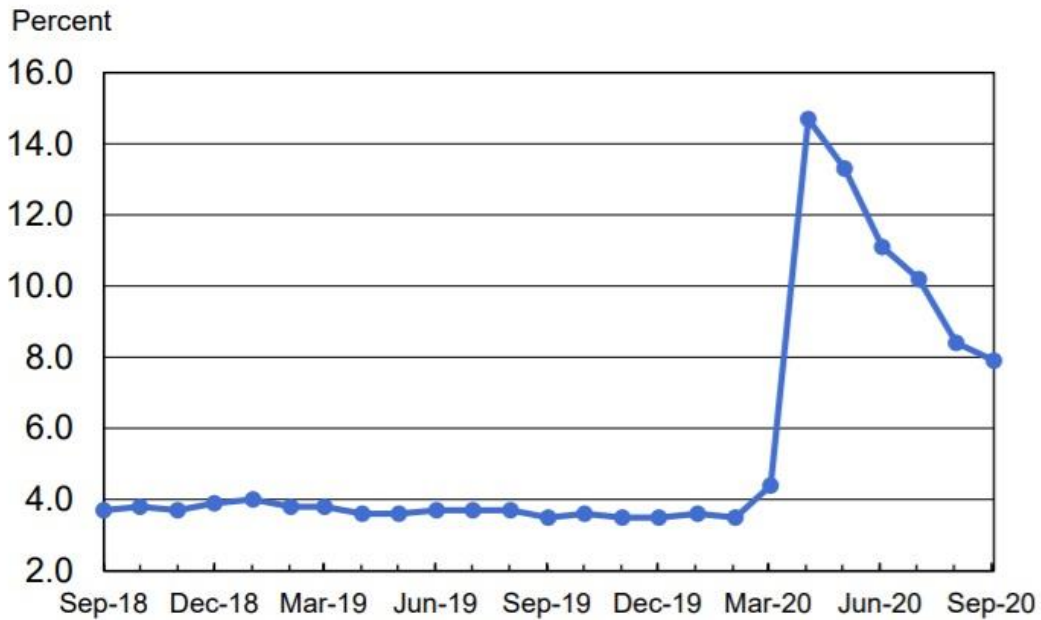
- Workforce Housing (sometimes also called "middle-income housing") refers to programs targeted at households that may earn too much to qualify for traditional affordable housing subsidies. Usually these households earn between 60 and 120 percent of area median income (AMI). These programs are often tied to industries or occupations.
- The legislation NCSL tracks on this topic includes legislation relating to the development of workforce housing, including rental housing for teachers and other school employees, municipal employees, volunteer fire or ambulance workers.

## DEFINITIONS

- **Low-Income/Affordable Housing:** Housing deemed affordable to those with a median household income or below as rated by the by the national government or a local government by a recognized housing affordability index.
- **Housing Burdened:** The U.S. Department of Housing and Urban Development (HUD) defines cost-burdened families as those who pay more than 30% of their income for housing. Severe rent burden is defined as paying more than 50% of income on rent.

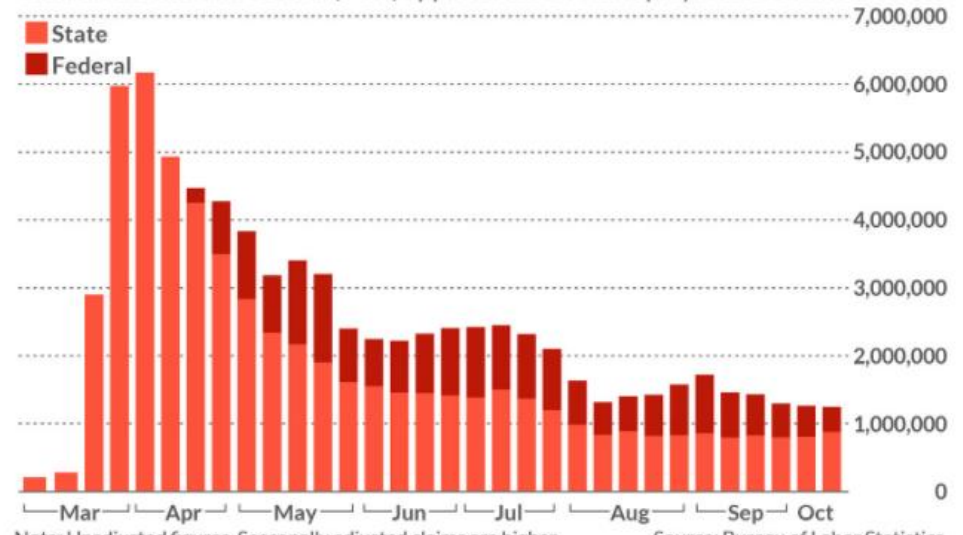
# US EMPLOYMENT PICTURE

**Chart 1. Unemployment rate, seasonally adjusted, September 2018 – September 2020**

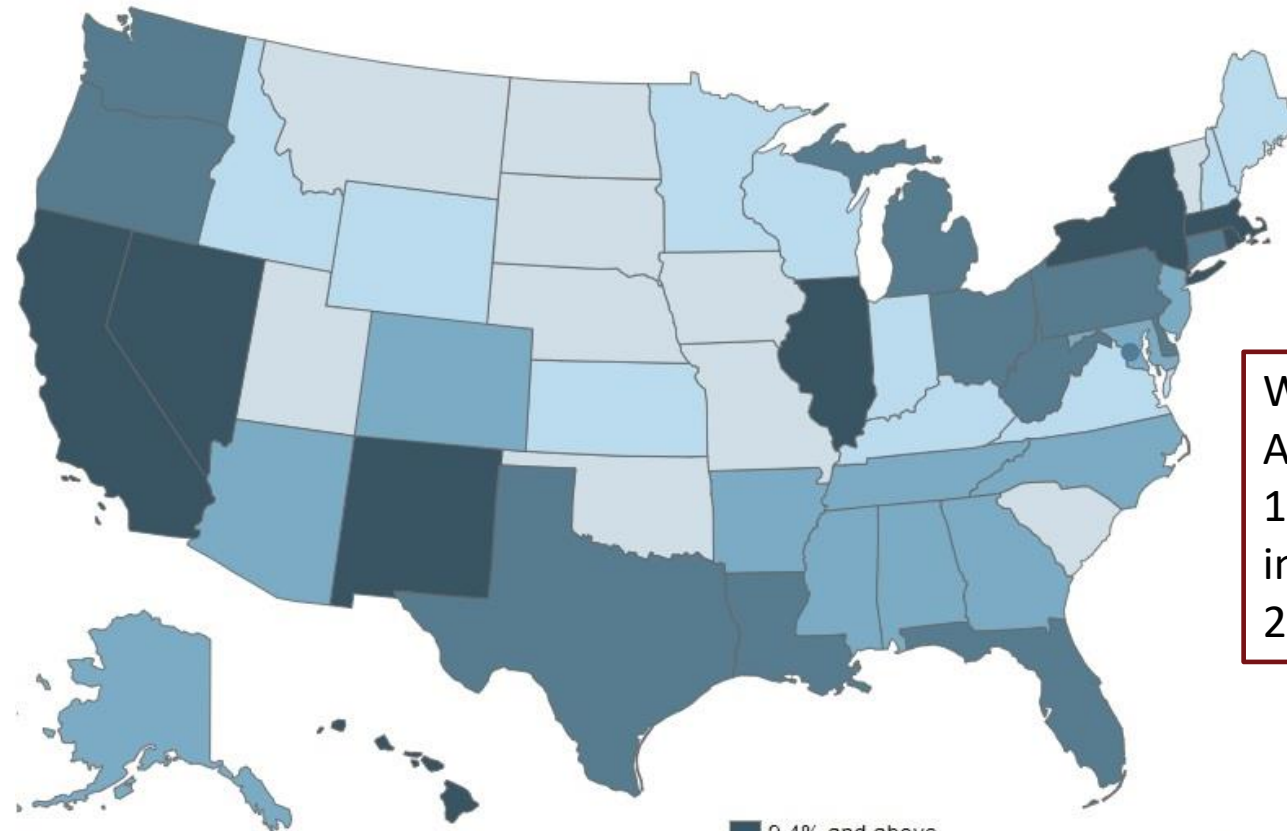


## U.S. jobless claims since the coronavirus pandemic

Combined state and federal (PUA) applications for unemployment benefits



State unemployment rates, September 2020, seasonally adjusted



Wisconsin: 5.4%  
April Peak: ~14.1%  
12-month change: 2% increase over October 2019 (2.0%)

- 9.4% and above
- 7.6% to 9.3%
- 6.3% to 7.5%
- 5.4% to 6.2%
- 5.3% and below

Hover over an area to see data.  
Hover over legend items to see states in a category.  
Source: U.S. Bureau of Labor Statistics.

# WISCONSIN COST-OF-LIVING

	1 ADULT				2 ADULTS (1 WORKING)				2 ADULTS (BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Living Wage	\$11.40	\$25.31	\$30.32	\$37.37	\$18.63	\$22.76	\$25.31	\$28.67	\$9.31	\$13.99	\$16.49	\$19.39
Poverty Wage	\$6.00	\$8.13	\$10.25	\$12.38	\$8.13	\$10.25	\$12.38	\$14.50	\$4.06	\$5.13	\$6.19	\$7.25
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

\*Wages are hourly

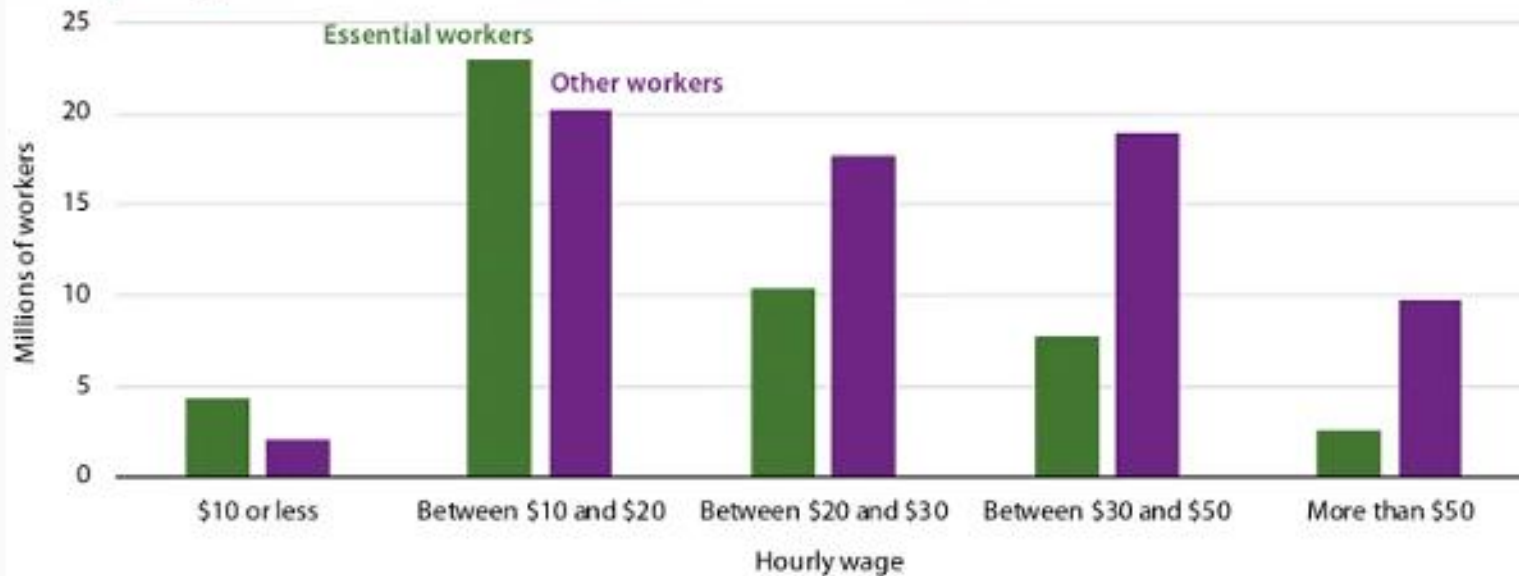
Housing	\$7,060	\$10,276	\$10,276	\$13,648	\$8,170	\$10,276	\$10,276	\$13,648	\$8,170	\$10,276	\$10,276	\$13,648
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# ESSENTIAL WORKERS AND THEIR WAGES

FIGURE 2.  
Hourly Wage Distribution for Essential and Other Workers



Source: Current Population Survey (CPS; Bureau of Labor Statistics [BLS] 2020; authors' calculations.  
Note: Data are for April 2020. Sample includes employed persons aged 16 and older who have non-missing wage information in the CPS. Please see the appendix table for a detailed list of essential occupations.

THE HAMILTON  
PROJECT  
BROOKINGS

- Essential workers earn an average of 18.2% less than employees in other industries

- In Wisconsin, essential workers earn an average of 21.1% less than employees in other industries

■ <https://www.business.org/finance/accounting/average-salary-of-essential-workers/>

■ <https://www.brookings.edu/blog/up-front/2020/06/04/examining-options-to-boost-essential-worker-wages-during-the-pandemic/>

# HOUSING PRICES



Nationally, rent prices are down ~ 1.4% over the past year.



In Wisconsin, relatively small rent increases are the trend with the average cost of rent increasing in price by ~1.7% over the past year.

## Milwaukee

Increase in rent by ~0.3% since 2019

## Madison

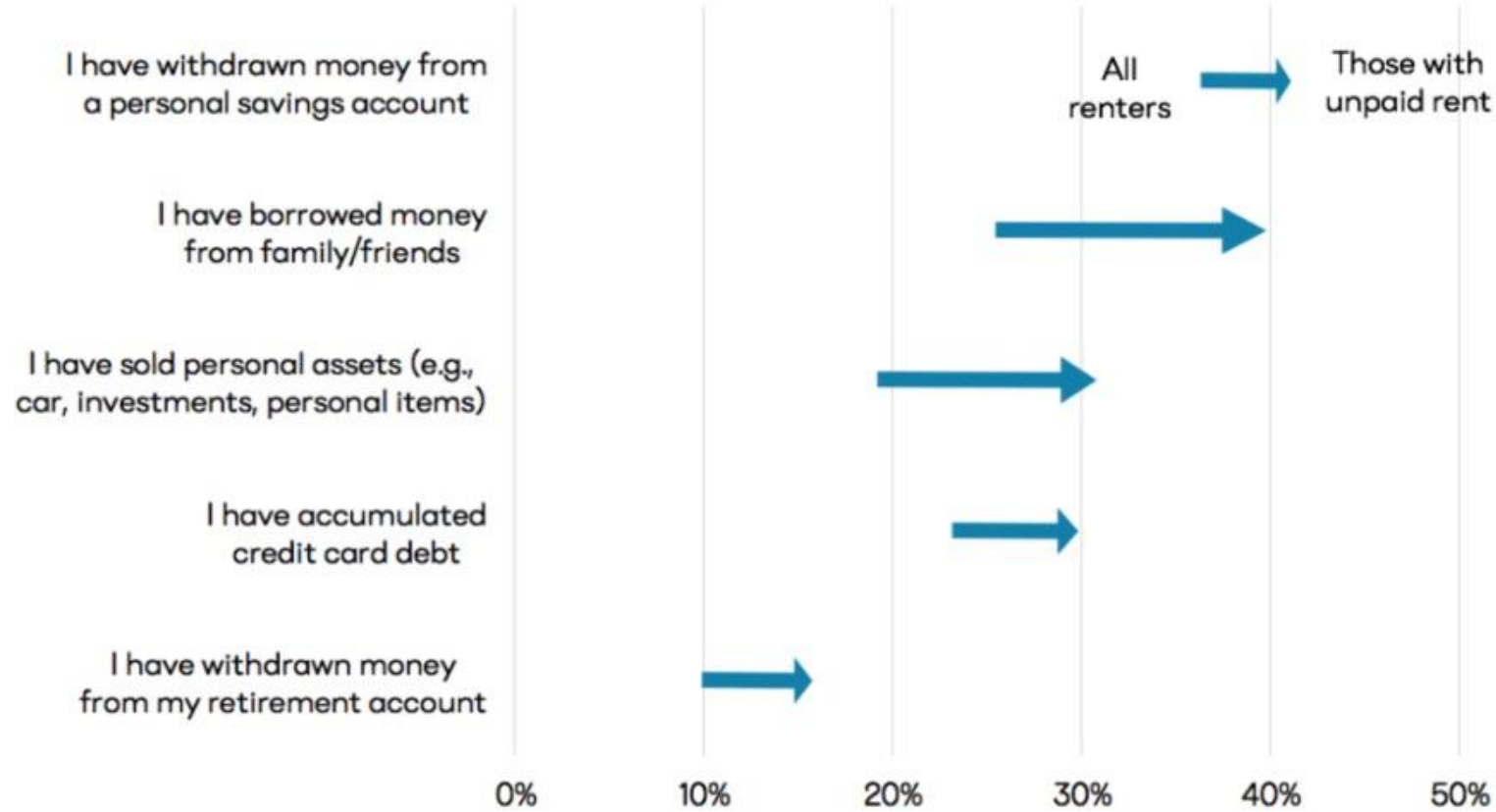
Increase in rent by ~2.0% since 2019

## RENT PAYMENTS & EVICTIONS

- Evictions have been a top concern this year.
- For September of 2020, 68% of renters made an on-time rent payment.
- Majority of missed payments are made up by the end of the month.
- **Negotiating payment plans and/or making other financial sacrifices.**

## Many are making financial sacrifices to keep up with rent payments

Since the start of the COVID-19 pandemic, which of the following are true?



Source: Apartment List Survey Data

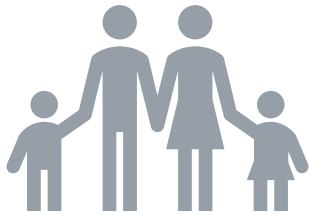
Apartment  List

 NCSL

# WALKTHROUGH EXAMPLE



**Wage:** \$30,720/year or \$14.77/hour



**Family of Four:** Both adults work in essential jobs.



**Housing:** Median 2 BR rent in Milwaukee \$921

**Actual Wage vs. Living Wage:** \$27.04 vs. \$16.49

***One Adult Loses Their Job***

**New Actual Wage vs. Living Wage:** \$14.77 vs. \$16.49

***Poverty Wage: \$12.38***

## **Financial Sacrifices to Pay Rent:**

- Withdrawing money from savings
- Selling personal items
- Credit Cards

## **Housing Burdened?**

# LEGISLATION IN THE STATES

## Workforce housing legislation includes...

- Construction
- State workforce housing tax credits
- Negotiating land exchanges
- Restrictive covenants
- Property tax incentives
- Tax credits for agricultural workforce housing
- Expanding urban growth boundaries
- Revolving loan funds to provide funding for loans to counties, cities, or towns
- Task forces

## TRENDS IN WORKFORCE HOUSING LEGISLATION

Out of 75 bills...

**11** related to workforce housing for agricultural workers

**7** related to workforce housing for teachers

**11** related to tax credits for workforce housing

**6** related to zoning for workforce housing

# WORKFORCE HOUSING FOR AGRICULTURAL WORKERS

- Hawaii 2019 HB 1101 (Pending)

SECTION 2. (a) There is **established the agricultural housing task force** within the office of planning for administrative purposes only. The agricultural housing task force shall have the following objectives:

- (1) Study existing county and state laws, rules, and processes for the construction of housing units for residential use by the workforce within agricultural districts across the State;**
- (2) Identify existing barriers in laws, rules, and processes that prohibit the construction of safe and affordable on-farm workforce housing units for farmworkers, including mobile units for temporary and seasonal farmworkers;**
- (3) Make recommendations for changes to existing state and county laws, rules, and processes as necessary; and**
- (4) Propose one master use application process, as well as laws and rules that can be applied consistently throughout the State for the construction of safe and affordable on-farm workforce housing units for farmworkers, including mobile units for temporary and seasonal farmworkers.**



# WORKFORCE HOUSING FOR TEACHERS

- North Carolina 2020 SB 819 (Failed – Adjourned)

"Section 2.1. Notwithstanding G.S. 66-58 and the provisions of Chapter 153A and Chapter 160A of the General Statutes, **the Windsor Township Development Commission shall have additional authority as follows:**

**(1) To acquire and hold title to real and personal property for public purposes, including for the purpose of constructing and maintaining affordable rental housing units for Bertie County Schools teachers and employees, Bertie County employees, Town of Windsor employees, and State employees residing in Bertie County.**

**(2) To borrow money and incur debt under terms the Windsor County Development Commission deems reasonable, whether secured or unsecured, for public purposes, including for the purpose of constructing and maintaining affordable rental housing units for Bertie County Schools teachers and employees, Bertie County employees, Town of Windsor employees, and State employees residing in Bertie County.**

**(3) To enter into leases, management agreements, or similar arrangements with Bertie County for the County to manage, lease, and maintain rental housing units constructed pursuant to this section.**



## TAX CREDITS FOR WORKFORCE HOUSING

- Indiana 2019 HB 1234 (Failed – Adjourned)

**Provides an affordable and workforce housing state tax credit against state tax liability to a taxpayer for each taxable year in the state tax credit period of a qualified project in an aggregate amount that does not exceed the product of a percentage between 40% and 100% and the amount of the taxpayer's aggregate federal tax credit for the qualified project. Provides that an eligible applicant must apply to the Indiana housing and community development authority for an award of affordable and workforce housing state tax credits. Provides that a holder of an affordable and workforce housing state tax credit may transfer, sell, or assign all or part of the holder's right to claim the state tax credit for a taxable year.**

# ZONING FOR WORKFORCE HOUSING

- Oregon 2019 HB 2001 (Enacted)

(2) Except as provided in subsection (4) of this section, **each city with a population of 25,000 or more and each county or city within a metropolitan service district shall allow the development of:**

(a) **All middle housing types in areas zoned for residential use that allow for the development of detached single-family dwellings; and**

3) Except as provided in subsection (4) of this section, **each city not within a metropolitan service district with a population of more than 10,000 and less than 25,000 shall allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings.** Nothing in this subsection prohibits a local government from allowing middle housing types in addition to duplexes.

(4) This section does not apply to:

(a) Cities with a population of 1,000 or fewer;

(d) Lands that are not zoned for residential use, including lands zoned primarily for commercial, industrial, agricultural or public uses; or

(e) Lands that are not incorporated and are zoned under an interim zoning designation that maintains the land's potential for planned urban development.

## OTHER BILLS

- California 2020 SB 1299 (Failed – Adjourned)

Would have required the Department of Housing and Community Development to administer a program to provide incentives in the form of grants allocated as provided to local governments that **rezone idle sites used for a big box retailer or a commercial shopping center to instead allow the development of workforce housing**. Would have required that the amount of grant awarded be equal to seven times the average amount of annual sales and use tax revenue generated by each idle site.

- Michigan 2020 HB 6102 (Pending)

**Provides an exemption for workforce housing from property taxes** levied by local school districts for school operating purposes.

## ADDITIONAL RESOURCES

- National Conference of State Legislatures: [Housing and Homelessness Legislation Database](#)
- National Conference of State Legislatures: [Labor & Employment Resources](#)
- National Low-Income Housing Coalition: [Housing Needs by State - Wisconsin](#)
- National Low-Income Housing Coalition: [The GAP: A Shortage of Affordable Rental Homes](#)
- Eviction Lab: [National and State Eviction Data](#)
- MIT: [Living Wage Calculator](#)

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# QUESTIONS?

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