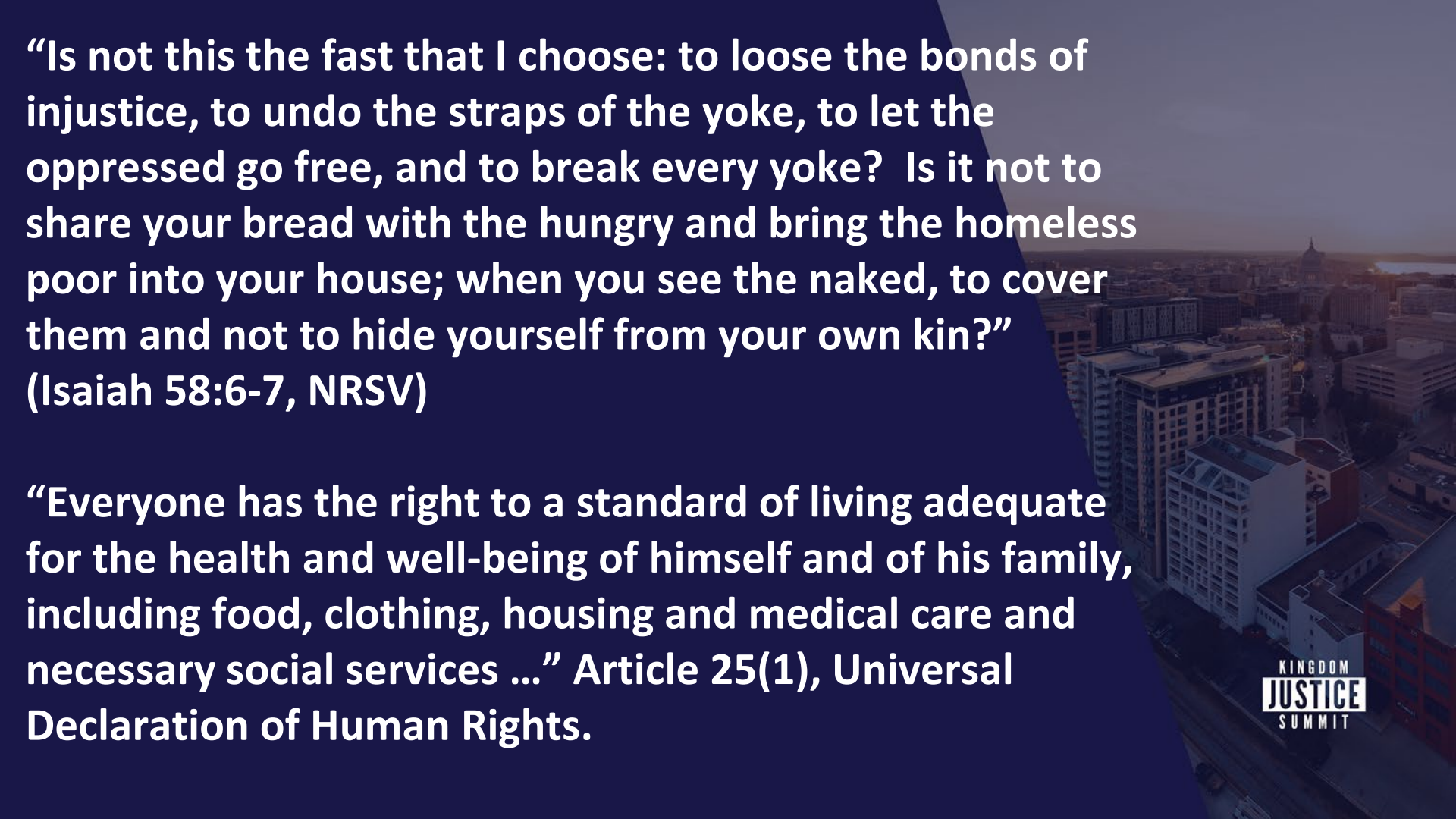


Reimagining housing for all



**“Is not this the fast that I choose: to loose the bonds of injustice, to undo the straps of the yoke, to let the oppressed go free, and to break every yoke? Is it not to share your bread with the hungry and bring the homeless poor into your house; when you see the naked, to cover them and not to hide yourself from your own kin?”
(Isaiah 58:6-7, NRSV)**

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services ...” Article 25(1), Universal Declaration of Human Rights.

Federal housing policy

Federal Budget Spending/Tax Expenditures for Owner-occupied Housing Exceeds Spending to Assist Low-income Renters

(All figures in billions of dollars, FY22)

Federal housing programs for low-income rental (FY22)

Tenant-based rental assistance (vouchers)	27.3
Project-based rental assistance (S8, 202/811)	15.3
HOME	1.5
Homeless assistance	3.2
Public Housing	8.3
USDA programs	1.6
Low-income housing tax credit	11.3
<i>Low-income rental, total</i>	68.5

Federal housing tax expenditures for owner-occupied (FY22)

Mortgage interest deduction	30.3
State/local property tax deduction	7.0
Exclusion of capital gains on house sale	42.0
<i>Owner-occupied tax expenditures, total</i>	79.3

Sources: US Treasury, NLIHC.



Housing needs and trends in Dane County

Resources

- Dane County Housing Initiative: <https://danehousing.countyofdane.com/>
- City of Madison housing reports: <https://www.cityofmadison.com/dpced/community-development/reports>
- Dane County housing needs assessment (2019):
<https://danehousing.countyofdane.com/documents/assessmentReport/2019/Dane-County-Housing-Needs-Assessment-2019.pdf>
- Dane County Community Plan to End Homelessness:
https://www.danecountyhomeless.org/_files/ugd/73dee7_453baa4a2fc4463e87ead88fc0bf74b.pdf
- Dane County Homeless Services Consortium: <https://www.danecountyhomeless.org/>
- National Low-Income Housing Coalition's Advocates Guide: <https://nlihc.org/explore-issues/publications-research/advocates-guide>

Housing Demand: demographics and income/jobs

Dane County: Demographic and Housing Changes (2010-2021)

	2010	2021	Change	% Change	Ann.% Change
Population	489,309	563,951	74,642	15.3%	1.3%
Households	203,073	243,924	40,851	20.1%	1.7%
Housing units	216,230	253,901	37,671	17.4%	1.5%
Jobs	295,075	336,300	41,225	14.0%	1.2%
<i>Inflation-adjusted to 2021\$:</i>					
Median household income (in 2021\$)	\$72,916	\$77,221	\$4,305	5.9%	0.5%
Median owner household income (in 2021\$)	\$100,597	\$110,190	\$9,593	9.5%	0.8%
Median renter household income (in 2021\$)	\$39,812	\$46,919	\$7,107	17.9%	1.5%
Median value of owner-occupied homes (in 2021\$)	\$287,382	\$341,100	\$53,718	18.7%	1.6%
Median gross rent (in 2021\$)	\$1,045	\$1,197	\$152	14.5%	1.2%

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

Key messages:

- continued strong demand for housing, job growth
- previous analysis: Jobs annualized growth rate 1.7%/year, expect resume
- households growing faster than population; decreasing household size
- rent growth (adj. inflation) down from previous period
- renter income growth exceeds owners; displaced demand for ownership

Rent

- According to the Zumper National Rent Report (February 2023) for Madison area:
 - Median 1-bedroom rent is \$1,340 per month (Y/Y% change is +24%).
 - Median 2-bedroom rent is \$1,600 per month (Y/Y% change is +9.6%).

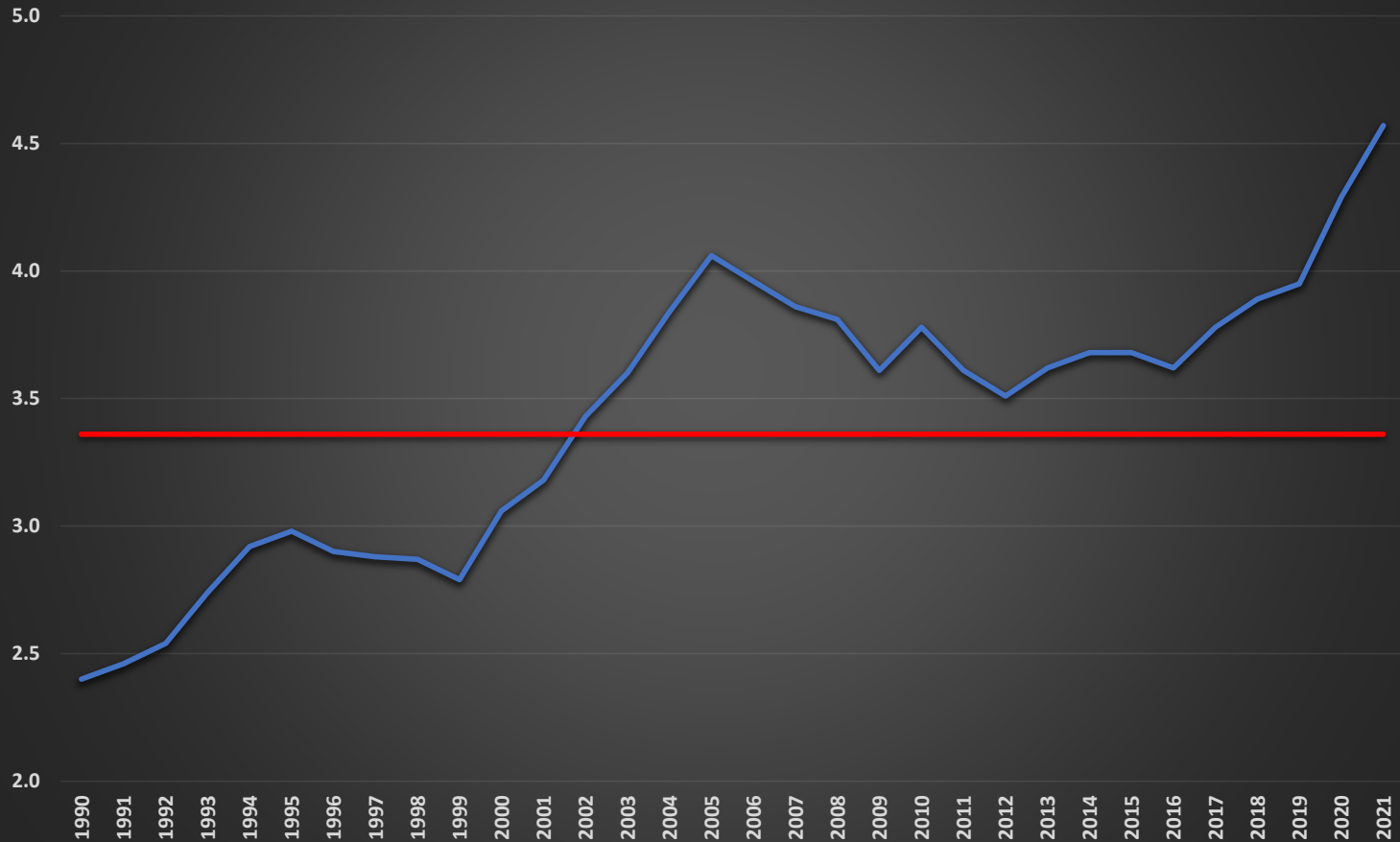
- According to Apartment List National Rent Report (February 2023) for Madison area:
 - Median 1-bedroom rent is \$1,403 per month.
 - Median 2-bedroom rent is \$1,662 per month.
 - Year over year change for all rents are +14.8%.

Wisconsin's Largest Counties Saw Significant House Price Increases During Pandemic

County	Population (2021)	Median Sales Price (2019)	Median Sales Price (2022)	Price Increase (2019-2022)	Percent Increase (2019-2022)
MILWAUKEE	947,241	\$170,000	\$222,500	\$52,500	30.9%
DANE	551,989	\$297,500	\$385,000	\$87,500	29.4%
WAUKESHA	410,666	\$308,500	\$402,587	\$94,087	30.5%
BROWN	267,612	\$195,000	\$270,000	\$75,000	38.5%
RACINE	197,249	\$180,900	\$229,900	\$49,000	27.1%
OUTAGAMIE	189,938	\$184,950	\$261,000	\$76,050	41.1%
KENOSHA	171,455	\$193,000	\$250,000	\$57,000	29.5%
WINNEBAGO	170,400	\$155,000	\$220,000	\$65,000	41.9%
ROCK	161,899	\$168,000	\$228,250	\$60,250	35.9%
WASHINGTON	140,052	\$252,000	\$335,000	\$83,000	32.9%
MARATHON	138,934	\$166,000	\$215,100	\$49,100	29.6%
LA CROSSE	120,331	\$195,000	\$265,000	\$70,000	35.9%
SHEBOYGAN	118,495	\$158,700	\$220,000	\$61,300	38.6%
EAU CLAIRE	105,349	\$189,900	\$277,500	\$87,600	46.1%
FOND DU LAC	104,944	\$142,500	\$194,450	\$51,950	36.5%
WALWORTH	104,759	\$225,300	\$316,250	\$90,950	40.4%

Source: Wisconsin Realtors Housing Statistics (accessed 1.29.23); population estimates from Wis. Dept. Admin.

Madison Metro Area (MSA) Median House Price to Median Income Ratio (1990-2021)



Source: State of the Nation's Housing, 2022. Harvard Joint Center for Housing

Mortgage Interest Rates Rising

FRED  — 30-Year Fixed Rate Mortgage Average in the United States



Shaded areas indicate U.S. recessions.

Source: Freddie Mac

fred.stlouisfed.org

Rising Interest Rates and Home Prices Reduce Homeownership Affordability

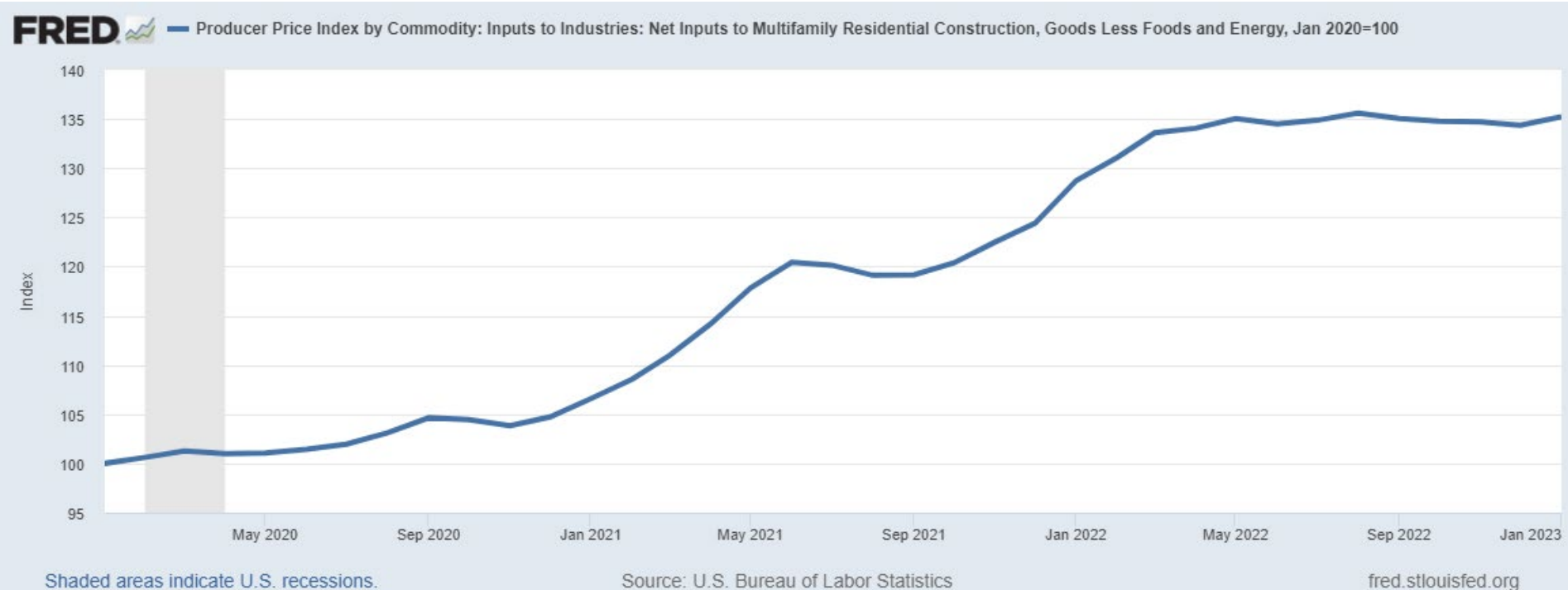
	<i>February 2022</i>	<i>February 2023</i>	<i>Change (2022-2023)</i>	<i>Percent Change</i>
Interest Rate (30-year Fixed, Percent)	3.89	6.50	2.61	67.1%
Median Home Price (Wisconsin)	\$230,450	\$250,000	\$19,550	8.5%
Cash at Closing (downpayment + closing costs)	\$14,980	\$16,250	\$1,270	8.5%
Monthly Mortgage Payment	\$1,066	\$1,552	\$486	45.6%
Total Monthly Owner Costs (excl. utilities)	\$1,627	\$2,151	\$524	32.2%
Annual Income Needed	\$63,000	\$83,250	\$20,250	32.1%

Notes: Estimate assumes a 3.5% downpayment, 30-year fixed rate mortgage with zero points, 3% closing costs, UFMIP financed, 85 bps mortgage insurance, \$1500 homeowners insurance, property tax rate 14.46 mils, 31% max mortgage DTI.

Single-family Construction Costs up 36.2 percent (Jan. 2020 to Jan. 2023)



Multifamily Construction Costs Up 35.2 percent (Jan. 2020-Jan. 2023)



Dane County FY 2022 Income Limits

	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$83,090	\$94,960	\$106,830	\$118,700
Low Income Limits (80% of AMI)*	\$62,600	\$71,550	\$80,500	\$89,400
Multifamily tax subsidy limits (60% of AMI)	\$48,480	\$55,380	\$62,280	\$69,180
Very Low Income Limits (50% of AMI)	\$40,400	\$46,150	\$51,900	\$57,650
40% of AMI Income Limits	\$32,320	\$36,920	\$41,520	\$46,120
Extremely Low Income Limits (30% of AMI)	\$24,240	\$27,690	\$31,140	\$34,590

Source: HUD, Office of Policy Development and Research, Income Limits Briefing Materials, <http://www.huduser.org/portal/datasets/il.html> and WHEDA.

Additional data are released for family sizes larger than 4, but are not reported here for space considerations.

WHEDA-estimated Dane County Rent Limits, FY 2022

	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,565	\$1,676	\$2,012	\$2,325
Multifamily tax subsidy (60% of AMI)	\$1,212	\$1,298	\$1,557	\$1,799
Very Low Income (50% of AMI)	\$1,010	\$1,081	\$1,297	\$1,499
40% of AMI Income Limits	\$808	\$865	\$1,038	\$1,199
Extremely Low Income (30% of AMI)	\$606	\$649	\$778	\$899

Note: WHEDA estimates these rent limits (rent+utilities) for their funded projects. Efficiency rent limits correspond to the "affordable" housing budget for 1-person households and 2-bedroom rent limits correspond to the "affordable" housing budget for 3-person households.

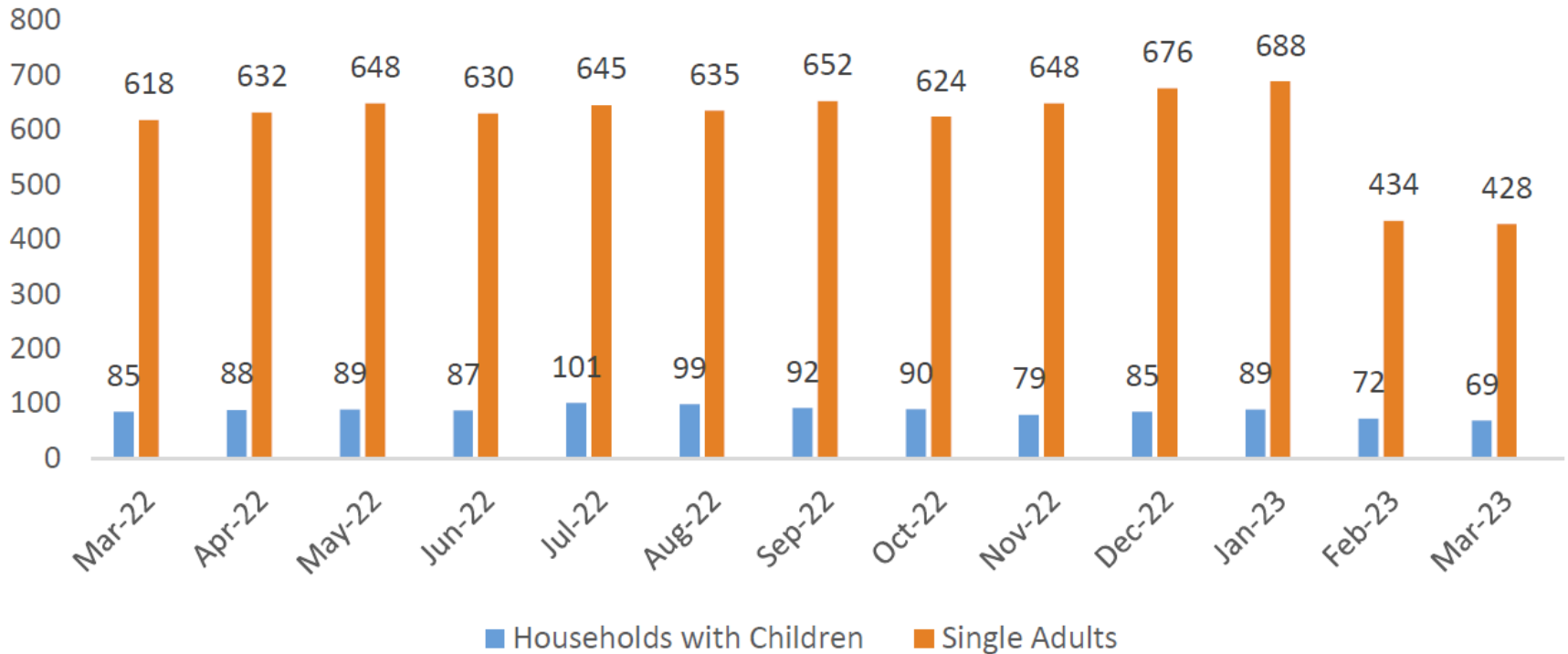
Lack of affordable housing in Dane County

- For renting households with incomes less than 30 percent Area Median Income (AMI), most recent data (through 2019):
 - 17,010 households pay more than 30 percent of income on rent (“cost-burdened”) and of that, 13,035 pay more than 50 percent of income on rent (“extremely cost-burdened”).
- For renting households with incomes between 30 and 50 percent AMI,
 - 12,410 households pay more than 30 percent of income on rent (“cost-burdened”) and of that, 1,475 pay more than 50 percent of income on rent (“extremely cost-burdened”).
- Summary: 14,510 very-low-income families (less than 50 percent AMI) pay MORE THAN 50 PERCENT OF THEIR INCOME TO RENT

Coordinated Entry - Housing Priority List

*On Average, households with children have 3 people in them.

**February 2023 shows significant decrease in numbers due to new CE policy on data clean up. Now, households removed are from lists if haven't accessed se



Students experiencing homeless (Dane County Public Schools)

- 1,865 students
- Definition of homeless for schools is lacking a fixed, regular, and adequate nighttime residence
- Latest data available through DPI is 2018-19 school year
- MMSD (1,244), Sun Prairie (127), Verona (121), Middleton Cross Plains (115).

Next steps categories

	Direct Service	Public Policy
Personal		
Church		