



OPENING DOORS FOR OUR FUTURE.

Housing Advisory Committee (HAC) Meeting #4 | 01.25.2023

WELCOME + INTRODUCTIONS

TABLE INTRODUCTIONS

WELCOME + INTRODUCTIONS

Please stand behind your seat and stretch, and be ready to share:

- **Your name**
- **Affiliation**
- **Holiday highlight**

Remain standing as facilitators walk you through a quick activity to test your memory. The last HAC member standing at each table wins!



HAC #4 MEETING

LEARNING OBJECTIVES:

1. Delve into affordability of the existing housing stock
2. Understand the spatial distribution and prices of recent housing developments

PURPOSE:

Engage the HAC in a discussion about the future of housing, including where you expect to see growth in the County.

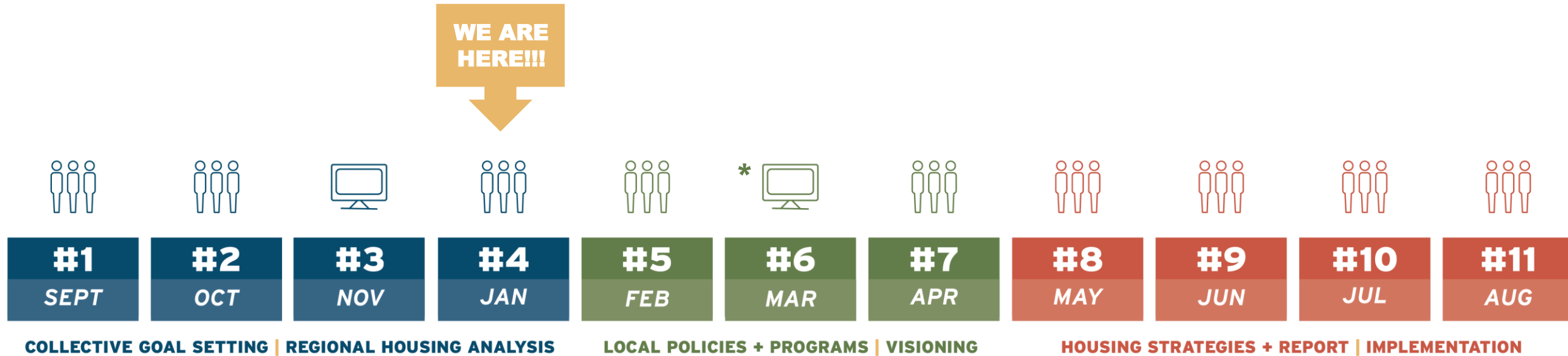
AGENDA

WELCOME + INTRODUCTIONS

- **MEETING WELCOME & INTRODUCTIONS** *(10 Minutes)*
- **STRATEGY SPOTLIGHT** *(25 Minutes)*
 - MCFARLAND & VERIDIAN HOMES**
- **HOUSING IN DANE COUNTY – PART 1** *(20 Minutes)*
 - BREAK** *(5 Minutes)*
- **HOUSING IN DANE COUNTY – PART 2** *(15 Minutes)*
 - **BREAKOUT DISCUSSION** *(25 Minutes)*
- **FULL GROUP DISCUSSION** *(15 Minutes)*
- **Q+A DISCUSSION & NEXT STEPS** *(5 Minutes)*



WHERE WE ARE IN RHS PROCESS



- **Thinking like a region + furthering partnerships**
- **Wrapping up the Regional Housing Analysis phase**
- **Participating in the Program Inventory and Assessment (PIRA)**
- **Raising awareness of the Community Housing Survey**
- **Building towards visioning + strategies**

COMMUNITY SURVEY REMINDERS

Marketing Toolkit

DANE COUNTY COMMUNITY HOUSING SURVEY
TAKING THE NEXT STEP.


MARKETING TOOLKIT (January - February 2023)
Please help Dane County and its community partners spread the word about the Community Survey with your networks and community. Thank you for your help!

Digital Outreach Opportunities
E-NEWSLETTER/EMAIL BLAST: Send an informative E-newsletter or email blast to your various community networks with the email body language provided in the **Word Document** to help spread the word about the **Community Survey**, while also directing people to the project website: www.danecountyplanning.com/rhs. Do not forget to include the **Email Blast Graphics** within the email and to attach the **Flyers** so others can pass them along. Feel free to customize the text.
SOCIAL MEDIA: Using your own social media platforms (i.e., Facebook, Instagram, Twitter) post the **Social Media Graphics** and **Word Document** language. Check out this **Folder** and feel free to utilize any photography taken from either the project team or Dane County for a social post.

Print Outreach Opportunities
WINDOW/BULLETIN FLYERS + POSTCARDS: Print out any of the **Flyers** to post to boards or locate in the windows of key locations (i.e., community centers, parks, transit shelters) throughout the county. Print out the **Postcards** to leave in popular destinations.
SURVEY: Print and distribute the print-friendly version of the **Community Survey (PDF)** for people who prefer a physical copy. The completed survey can be mailed, scanned, or dropped off at various locations throughout the county. Instructions are included within the document.

Custom Outreach Opportunities
MISC REQUESTED MATERIALS: Need specific dimensions or file type for your local marketing efforts? No worries! Send your request to arose@alltogetherstudio.com and we will work with your team to create the custom materials for your use ASAP.

Other Outreach Opportunities
OTHER MATERIALS: Don't forget to spread the word about the Dane County Regional Housing Strategy **Community Call-in Number (608) 301-5465**. This opportunity allows people to leave a voicemail to share feedback or ask questions.



Raise Awareness of the Dane County Community Housing Survey

(January 12th – February 9th)

- **One-Stop Shop PDF with All Resources Hyperlinked**
- **Digital Outreach Opportunities**
 - Email Blasts/E-Newsletter Copy/Graphics
 - Social Media Copy/Graphics (Instagram/Facebook)
- **Print Outreach Opportunities**
 - Flyer PDFs
 - Survey PDFs (directions to mail/scan/drop-off)
- **Other Outreach Opportunities**
 - Call-in Number (leave a voicemail)
 - Anything else you need to help spread the word? Contact us via email or after the meeting



HAC #3 MEETING SUMMARY & RESULTS

HAC MEETING #3 TAKEAWAYS

WHAT WE HEARD DURING THE THIRD VIRTUAL MEETING

- Many emotions—including sadness, anger, shock, and hope—were shared amongst the HAC members after the self-reflection time.
- While many HAC members were aware of the history of discrimination in housing either through training, or experience, some members weren't aware of the policies, programs, and practices that have disproportionately harmed people of color and their lasting impacts today.
- HAC members started to outline next steps for the County, including but not limited to: supporting existing resources/programs, evaluating current practices and policies, and increasing countywide community education.

STRATEGY SPOTLIGHT: McFarland

The background of the slide is a light cream color with a repeating pattern of small, stylized icons in light green and blue. These icons include various natural elements such as leaves, fish, birds, and bicycles.

McFarland VILLAGE OF

Naturally Connected

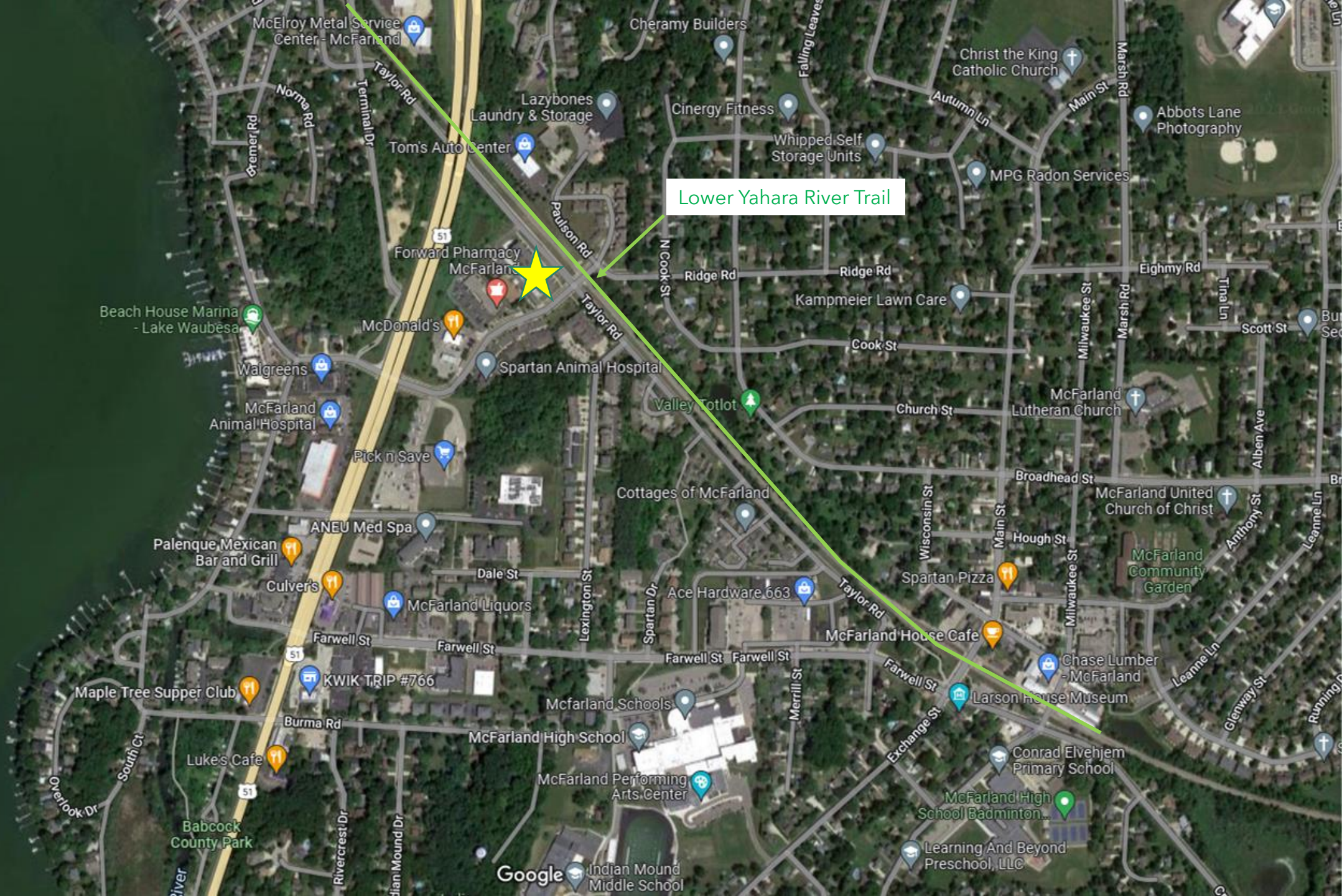
Recent Housing Projects & Initiatives

TAYLOR POINTE

- MSP REAL ESTATE
- 51 TOTAL UNITS
- LIHTC PROJECT
- OPENED IN
SPRING 2022



Lower Yahara River Trail



McFarland's Role

- Issue: Property owner was willing to sell the property but would not accept a long funding contingency timeline
- Solution: Village acquired property from owner and entered into an OTP with MSP to allow sufficient time to obtain **Low-Income Housing Tax Credit (LIHTC) award funding**

YEAR 2000



YEAR 2017



CAN YOU SPOT THE LIHTC (income restricted) PROJECT

Townhouse A

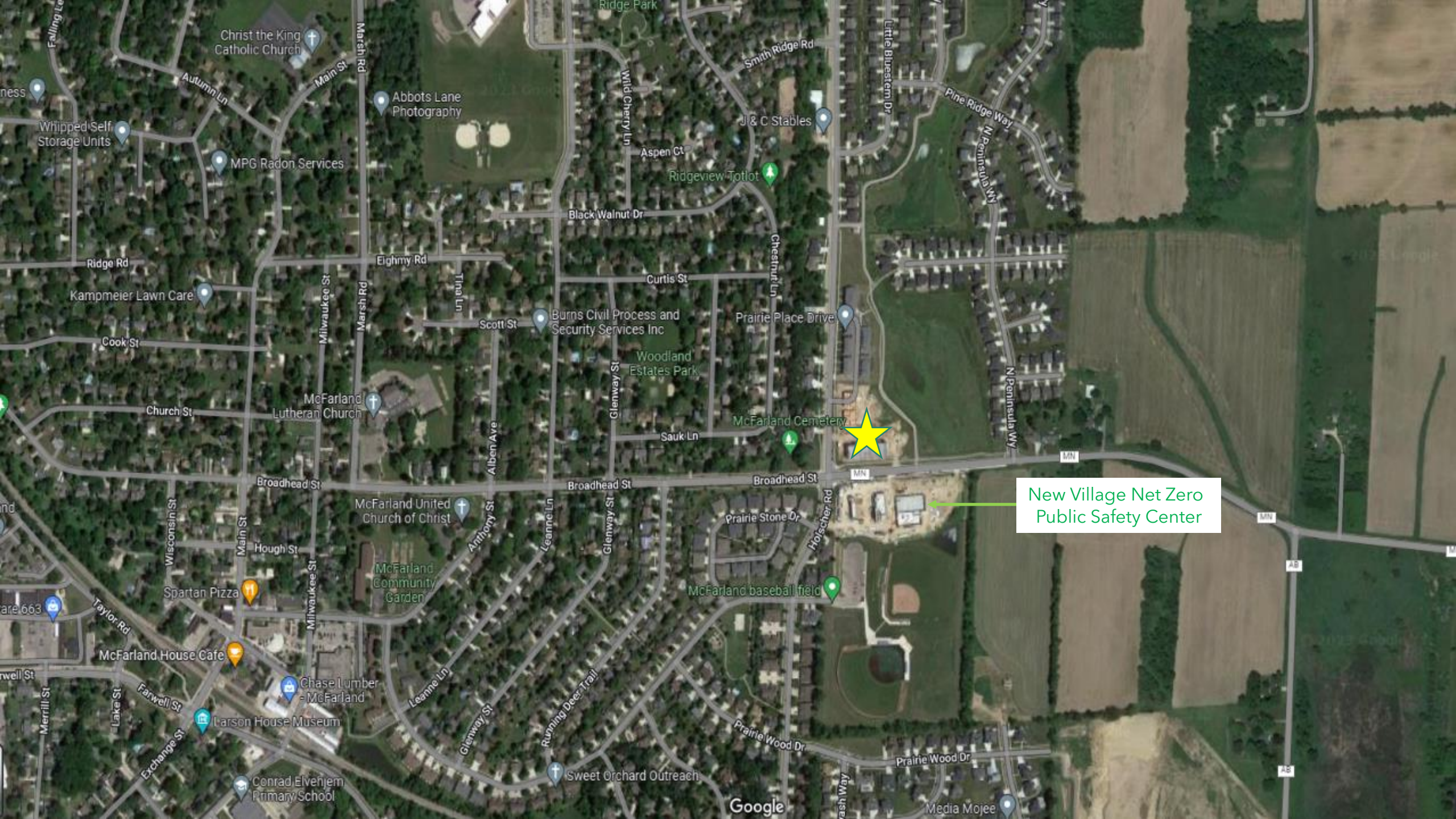
Townhouse B



PRAIRIE CREEK

- NORTHPOINTE DEVELOPMENT
- 49 TOTAL UNITS
- LIHTC PROJECT
- OPENED IN FALL 2022





New Village Net Zero
Public Safety Center

McFarland's Role

- Issue: Sharp increase in construction costs prior to project start jeopardized project viability
- Solution: Village granted a waiver of park impact fees, as provided under Village Ordinance and Wis. Stat. 66.0617(7), for only those units under 80% County Median Income



2023 Initiatives

- Establishment of a local housing fund
- Completion of a Housing Needs Assessment
- Zoning Code Amendment to Allow Accessory Dwelling Units
- Update of our East Side Neighborhood Plan to include policies to broaden housing choices



Village of McFarland
Housing Needs Assessment

STRATEGY SPOTLIGHT: Veridian Homes



Housing Advisory Committee Meeting

1/25/23



VERIDIAN
HOMES

Dream. Build. Live.

MADISON | MILWAUKEE

\$1.2T in Infrastructure Funds Will Be Spent over the Next 5–10 Years

The bipartisan infrastructure bill passed in November contains **\$550B** in new spending (and roughly **\$700B** in previously-allocated spending).

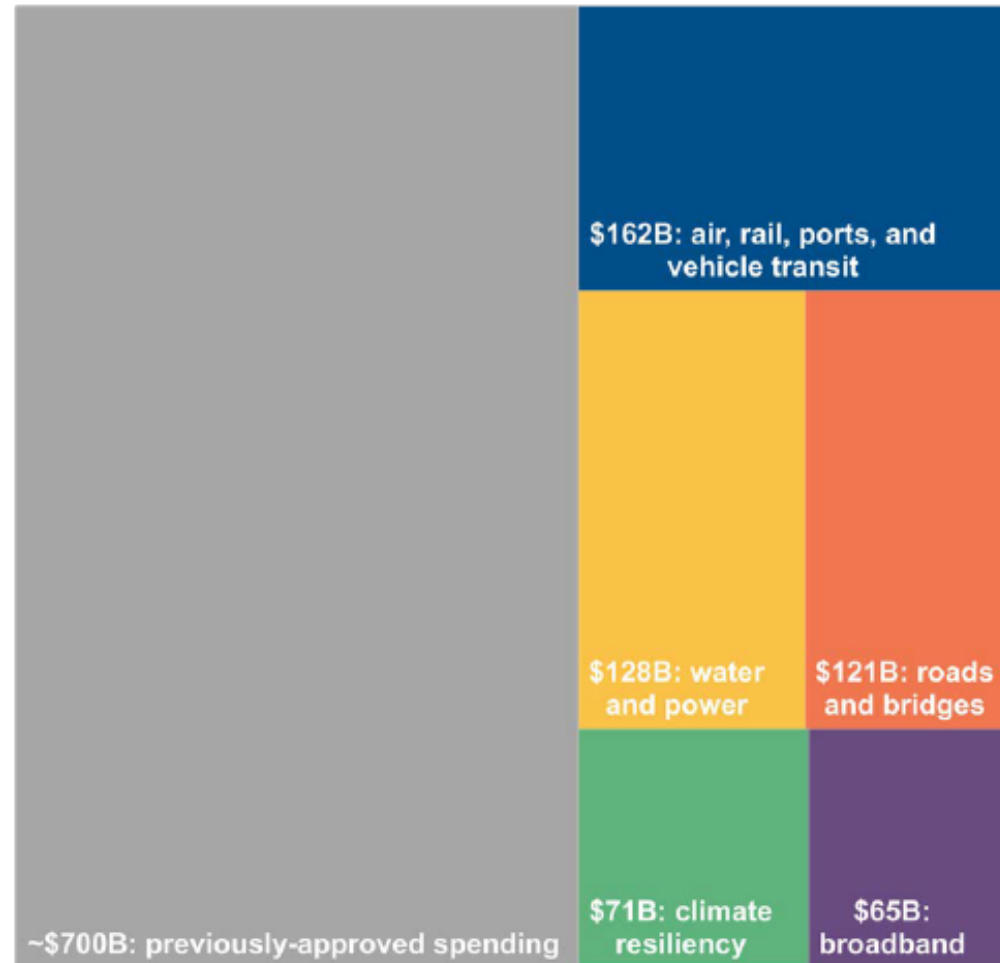
Transportation funding includes:

- **\$121B** for roads and bridges
- **\$66B** for rail
- **\$39B** for public transit
- **\$25B** for airports
- **\$17B** for ports
- **\$7.5B** for electric chargers

Major housing-related beneficiaries:

- 1) Supply chains: funding for **ports**, **competitive grants for roads and freight**
- 2) Big cities: funding for **transit**, **airports**, **bridges**
- 3) Disaster-prone neighborhoods: funding for **flood and wildfire resilience**

Infrastructure Investment and Jobs Act Breakdown



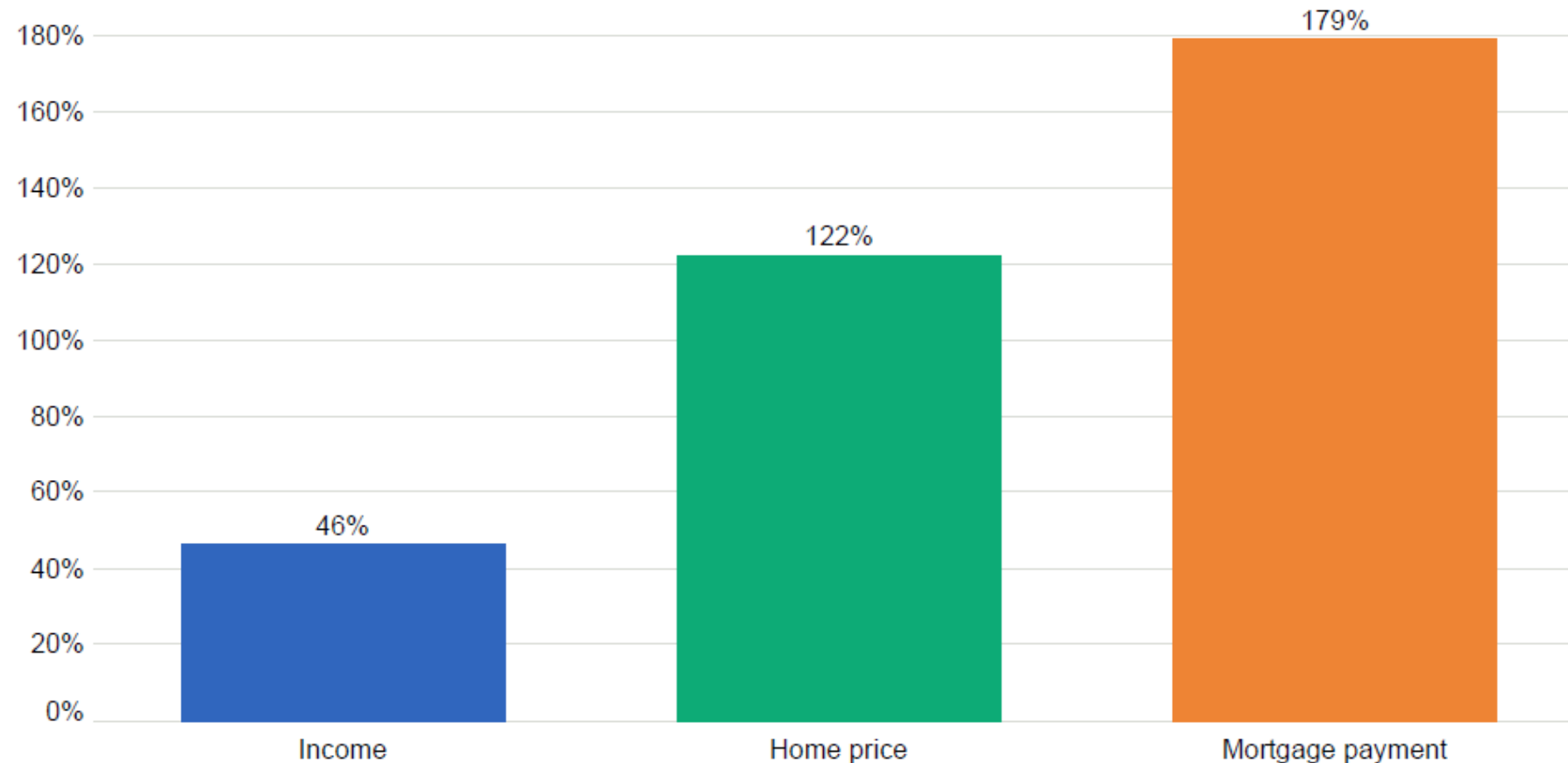
Source: White House (Pub: Oct-22)

Income, Price, and Mortgage Payment Growth from 2011 Lows

Mortgage payments have increased 179% since the 2011 lows, while median incomes only gained 46%. The disparity between home price and income growth has contributed to worsening affordability since 2011.

Income, Home Price, and Mortgage Payment Growth

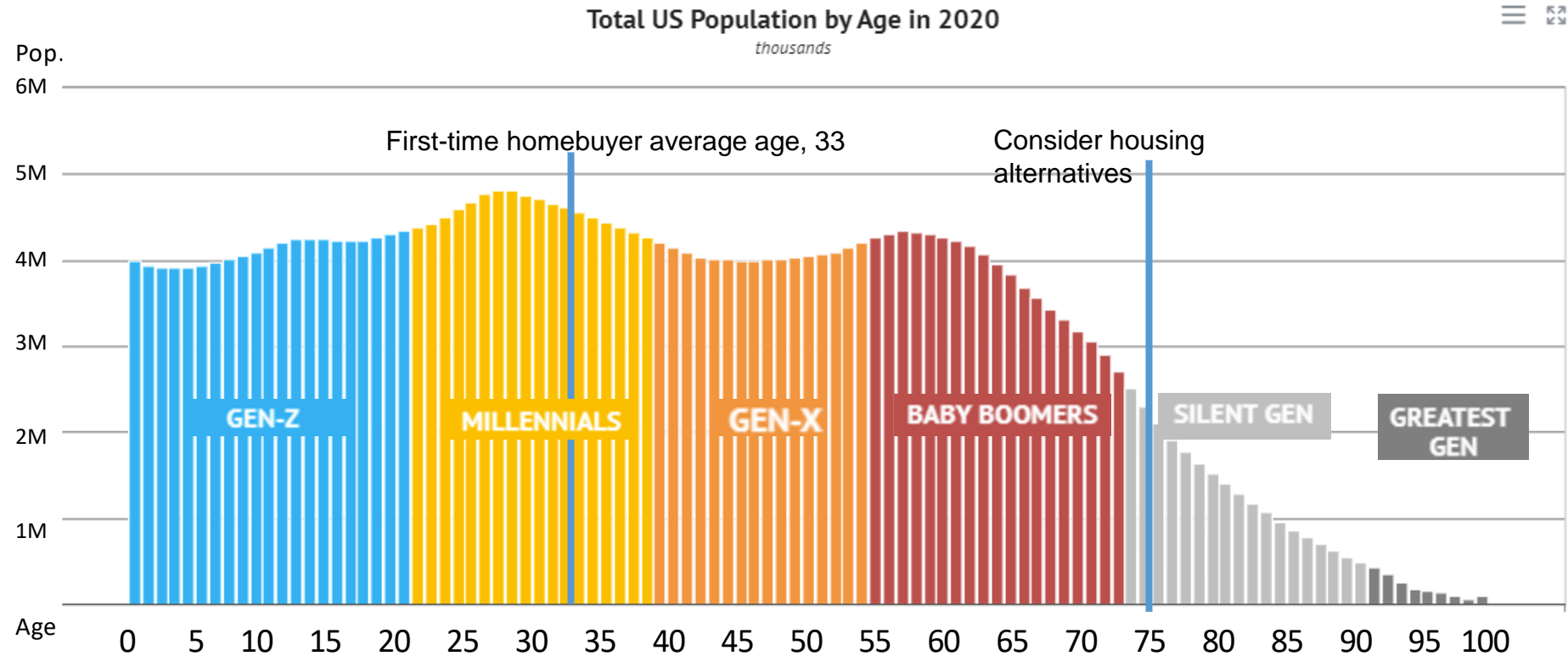
From 2011 lows — Income — Home price — Mortgage payment



Our definition of median housing payment assumes the purchase of a home at 80% of the market's median-priced resale home, 5% down payment, and a 30-year, fixed-rate mortgage. Payment is PITI and includes mortgage insurance. We divide the median housing payment by the median income to calculate the ratio.

Source: John Burns Real Estate Consulting, LLC (Data: Sep-22, Pub: Oct-22)

.... demographics by age cohort (think future demand)

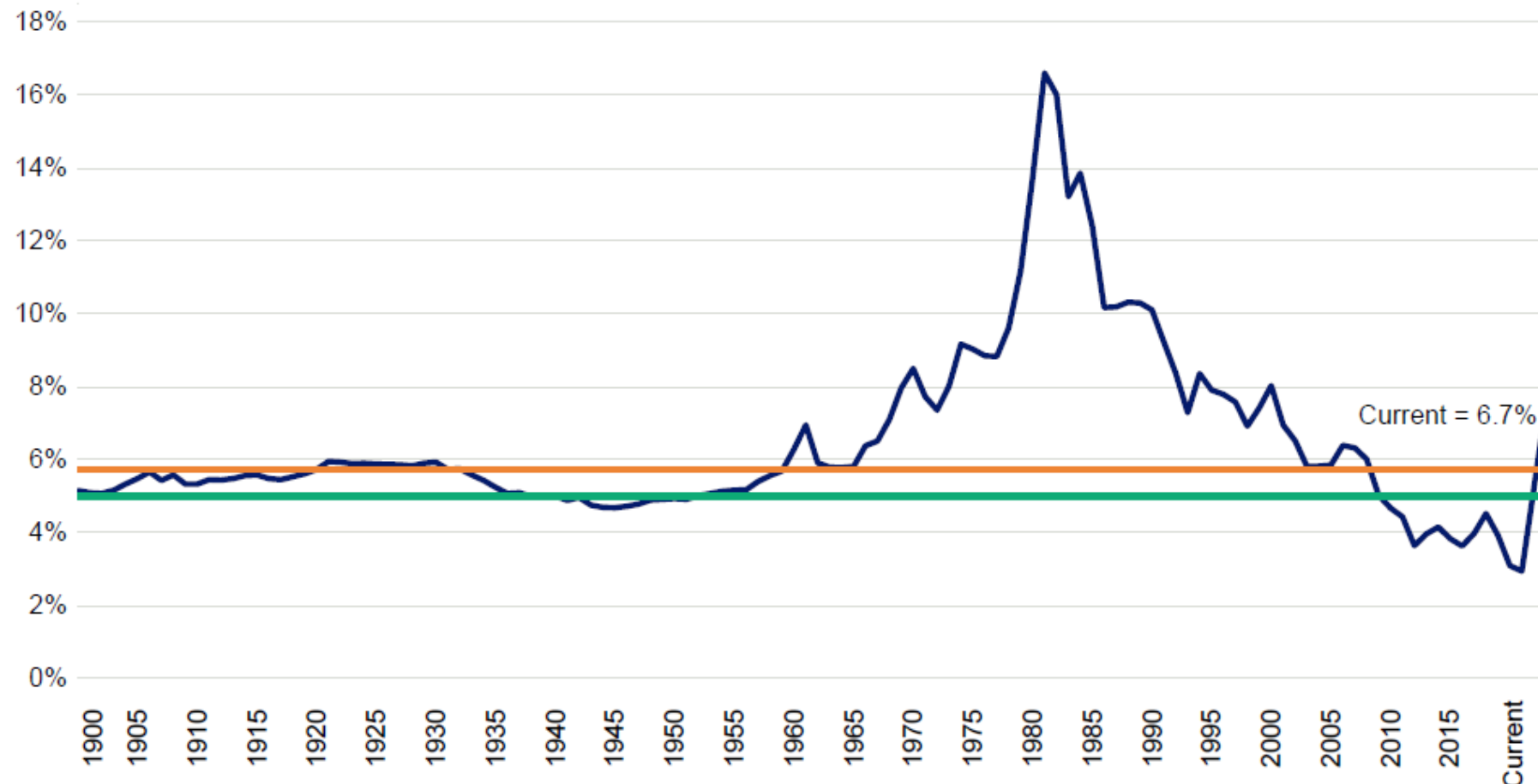


Historical Mortgage Rates

Mortgage rates are rising after hitting an all time low in 2021. We highlight 5.0% in the graph below because it is the benchmark rate for our Burns Under/Overpriced Market Index™.

30-Year Mortgage Rate

Historical median* = 5.75% 30-yr. fixed rate = 6.7%
Benchmark rate for Burns Intrinsic Home Value Index™ = 5.00%



Sources: Winans International; Global Financial; Freddie Mac; JBREC (Data: Sep-22, Pub: Oct-22)

*Historical median: 1900 through current

WISCONSIN OUTLOOK



Home sales fall for 8 straight months

30-year mortgage rate rises to 6.94%, highest level since April 2002

ASSOCIATED PRESS

Sales of previously occupied U.S. homes fell in September for the eighth month in a row, matching the pre-COVID-19 sales pace from 10 years ago, as house hunters grappled with sharply higher mortgage rates, rising home prices and a still tight supply of properties on the market.

The National Association of Realtors said Thursday that existing home sales fell 1.5% last month from August to a seasonally adjusted annual rate of 4.71 million. That's slightly higher than what economists were expecting, according to FactSet.

Sales fell 23.8% from September last year, and are now at the slowest annual pace since September 2012, excluding the steep slowdown in sales that occurred in May 2020 near the start of the pandemic.

The national median home price rose 8.4% in September from a year earlier to \$384,800.

The housing market has been slowing this year because of rising mortgage rates. The average rate on a 30-year home loan rose to 6.94% this week, the highest rate since April 2002, according to mortgage buyer Freddie Mac. A year earlier, the rate averaged 3.09%. Higher mortgage rates reduce homebuyers' purchasing power, resulting in fewer people being able to afford to buy a home.

Stocks on Wall Street lost ground again Thursday, though major indexes were on pace for a weekly gain.

Don't fight the Fed: Jerome Powell now adamant Fed will keep raising rates until inflation comes down.



May 12th, 2022  MARKETPLACE

“The process of getting inflation down to 2% will also include some pain, but ultimately the most painful thing would be if we were to fail to deal with it and inflation were to get entrenched in the economy at high levels.”

May 17th, 2022 THE WALL STREET JOURNAL.

“Restoring price stability is a nonnegotiable need. It is something we have to do. There could be some pain involved. We need to see inflation coming down in a convincing way. Until we do, we'll keep going.”

Source: [Marketplace interview](#) (May 12th, 2022); [Wall Street Journal interview](#) (May 17th, 2022).

Wisconsin Among the States With An Expanding Labor Force



Wisconsin needs at least 140K more housing units to keep up with demand

4 hours ago by [Site Staff](#)

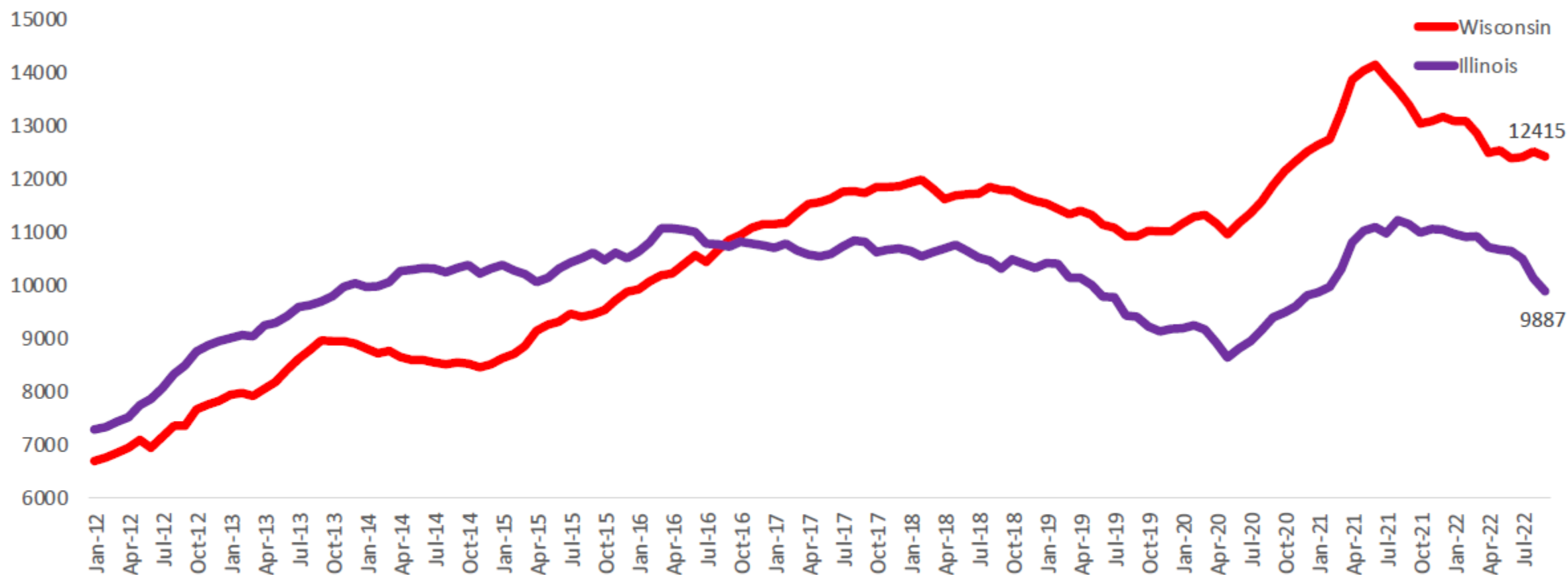
According to a new report from Forward Analytics, the research arm of the Wisconsin Counties Association, in order to meet current estimates for state housing needs by 2030, Wisconsin needs to build at least 140,000 new housing units, [reported](#) WisBusiness. However, that number could be more than 200,000 if the state's working-age population grows.

In an earlier report, Forward Analytics projected the state's working-age population will fall by 130,000 by 2030 if demographic trends persist. Nevertheless, the Badger State would still require 140,000 more housing units by that time just to keep pace with housing demand.

If the state can find a way to address its projected decline in residents aged 25 to 64 through increased migration, the housing need could grow by up to 72,000 additional units, the report finds.

Wisconsin Building More Single Unit Homes than Illinois Since 2017

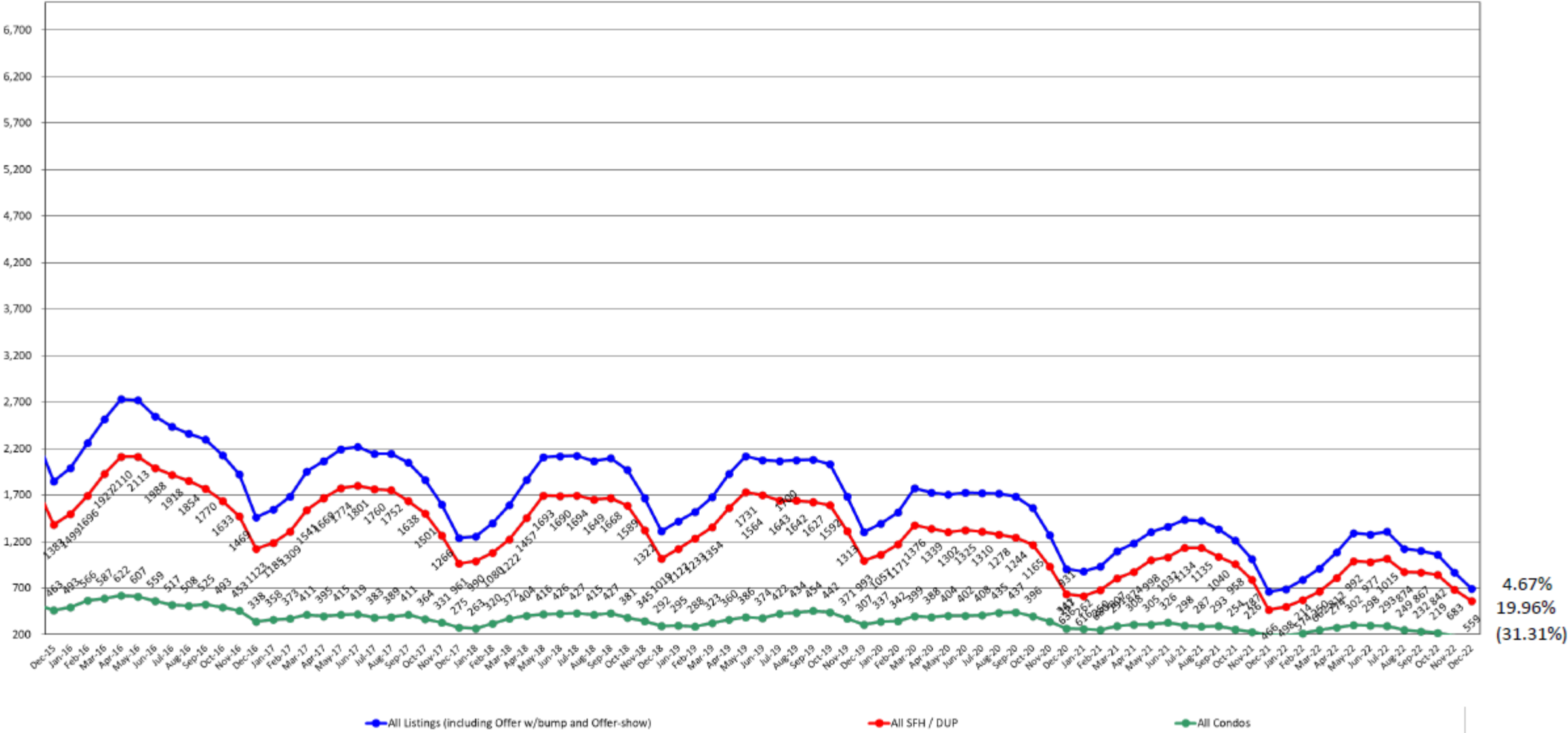
Building Permits, Single Unit Homes, 12-Month Total



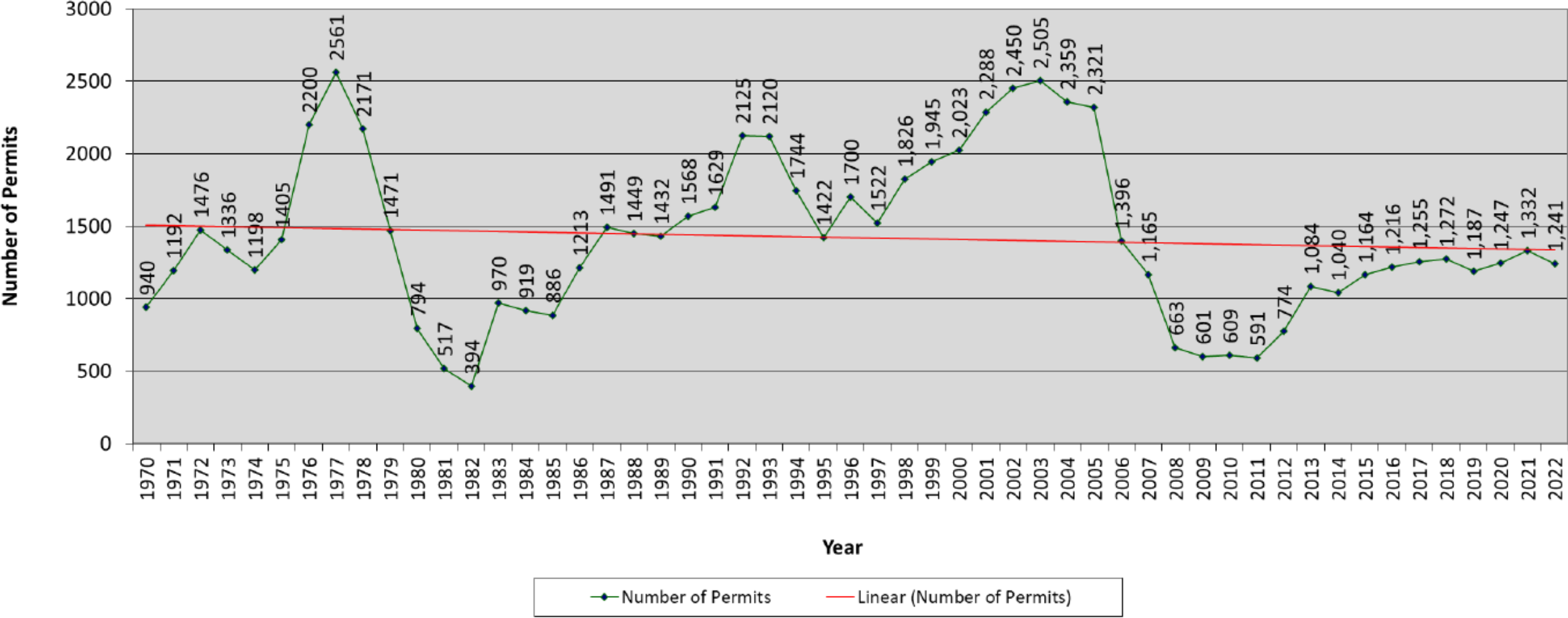
DANE COUNTY OUTLOOK



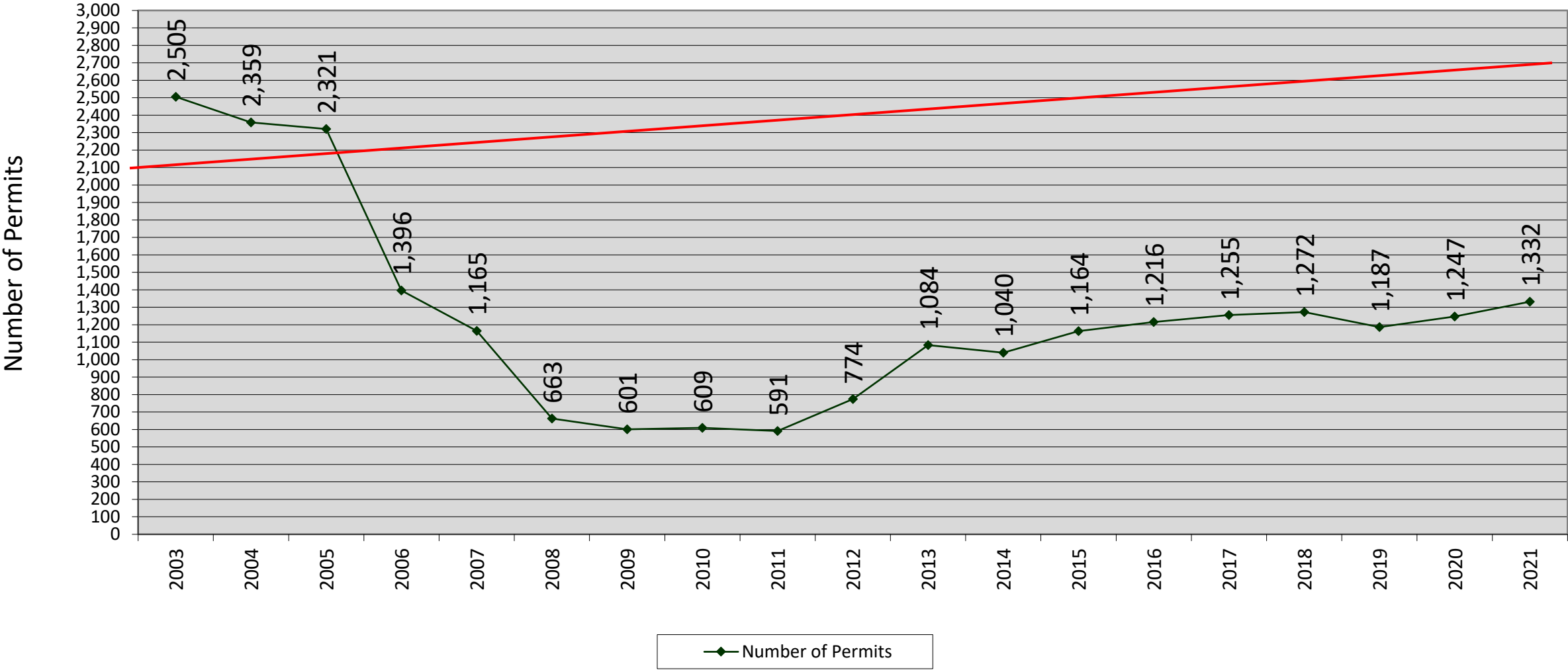
DANE COUNTY SFH, DUPLEX & CONDO MLS LISTINGS



Dane County Single Family Permits



DANE COUNTY SINGLE FAMILY PERMITS



2006-2021 Approximately 20,654 Homes Short

Keys to making housing more attainable

1. Loosen density restrictions

Project Costs

Land	\$ 900,000
Development Costs	\$ 1,768,000
Permit / Impact Fees	\$ 208,000
Total Cost	\$ 2,876,000
Cost per House	\$ 110,615
# of Homes	26

Low Density



Project Costs

Land	\$ 900,000
Development Costs	\$ 1,862,000
Permit / Impact Fees	\$ 304,000
Total Cost	\$ 3,066,000
Cost per House	\$ 80,684
# of Homes	38

Med. Density

Keys to making housing more attainable

1. Loosen density restrictions
2. Require diversity in lot sizes for new developments

Different levels of new home ownership





Twin Homes



Single Family Carriage Lane (Alley)

Meadow



Terrace



First time





First time move up

Manor

Second time move up (Luxury)



Estate



Super Estate

Empty Nester (downsize)

Haven Twin





Municipalities where
Veridian is currently building
economically diverse
neighborhoods

Smith's Crossing and Smith's McCoy Sun Prairie



Village at Autumn Lake

East Madison



Heritage Hills

Waunakee



Crescent Crossing

Fitchburg



Rosewood Fields

McFarland



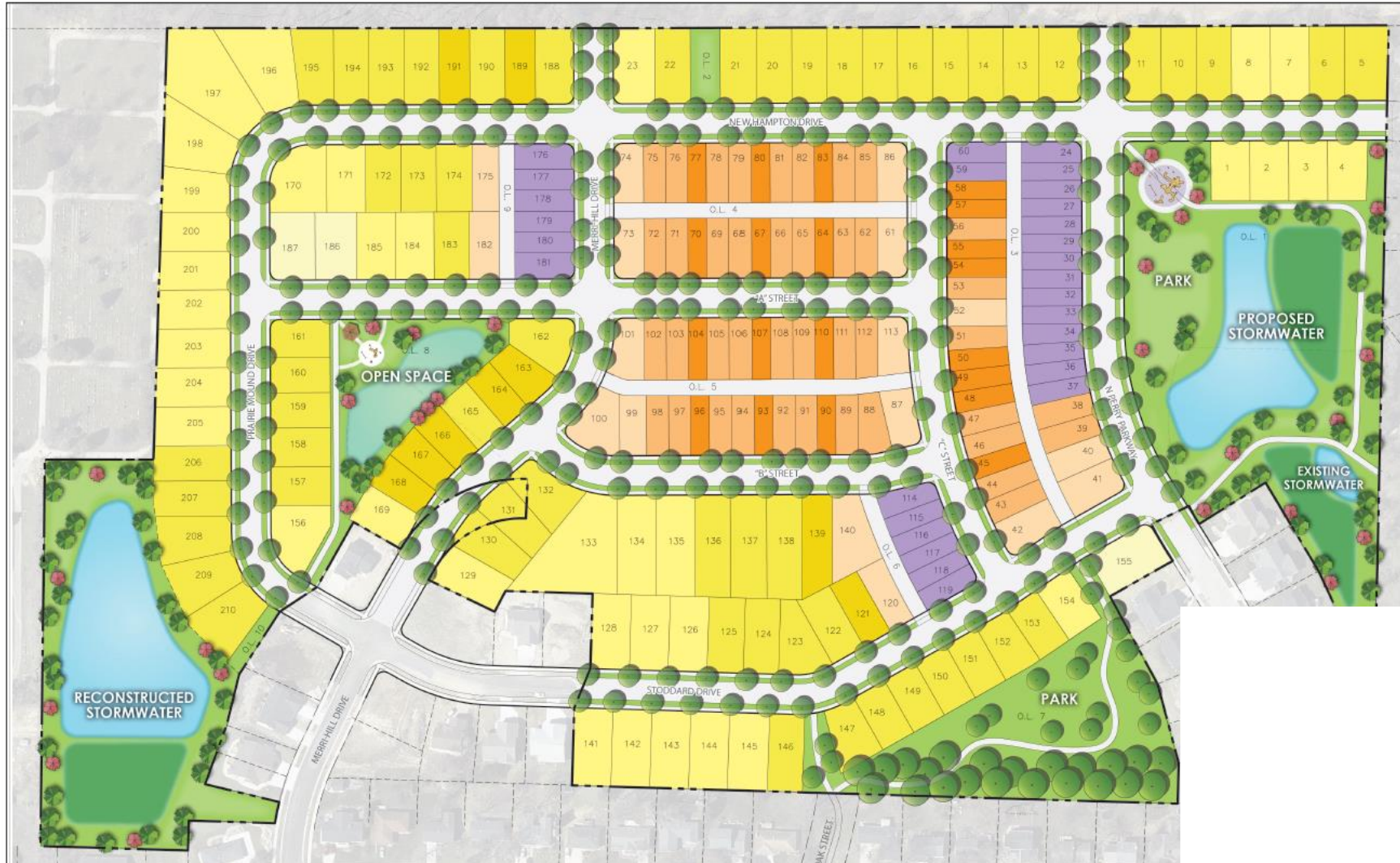
Ardent Glen

Verona



Greenview Preserve

Oregon



Keys to making housing more attainable

1. Loosen density restrictions
2. Require diversity in lot sizes for new developments
3. Flexible impact/park fee credit process
4. Identify potential increases to development cost from new committees
5. Separate restrictions for high density vs low density development areas
6. Identify realistic growth corridors
7. Financial assistance programs for first time home buyers
8. Update housing studies (*include median income and housing affordability info*)

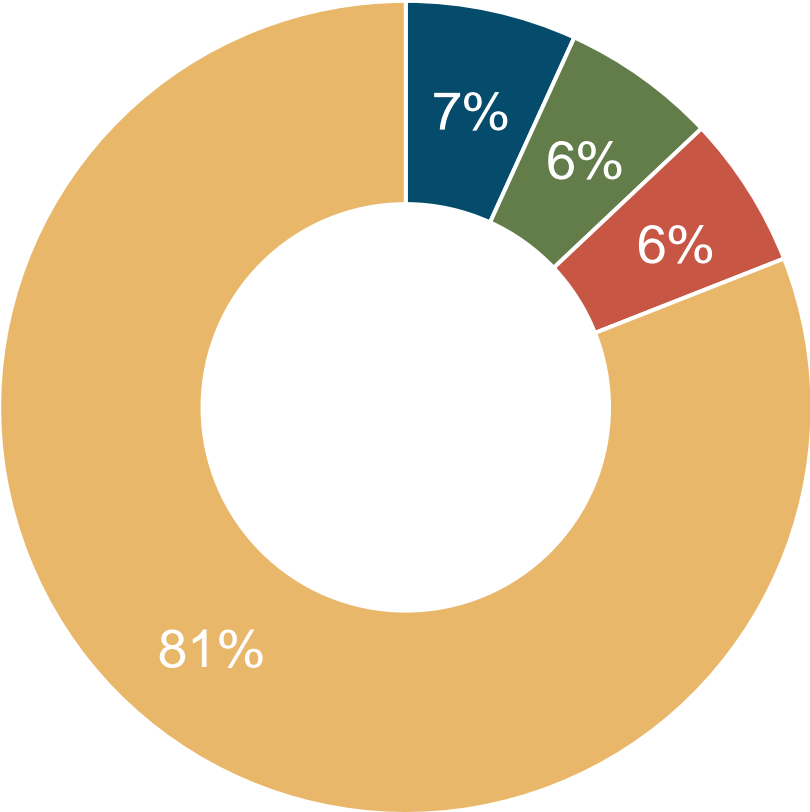
HOUSING IN DANE COUNTY: PART 1

BASELINE INFORMATION

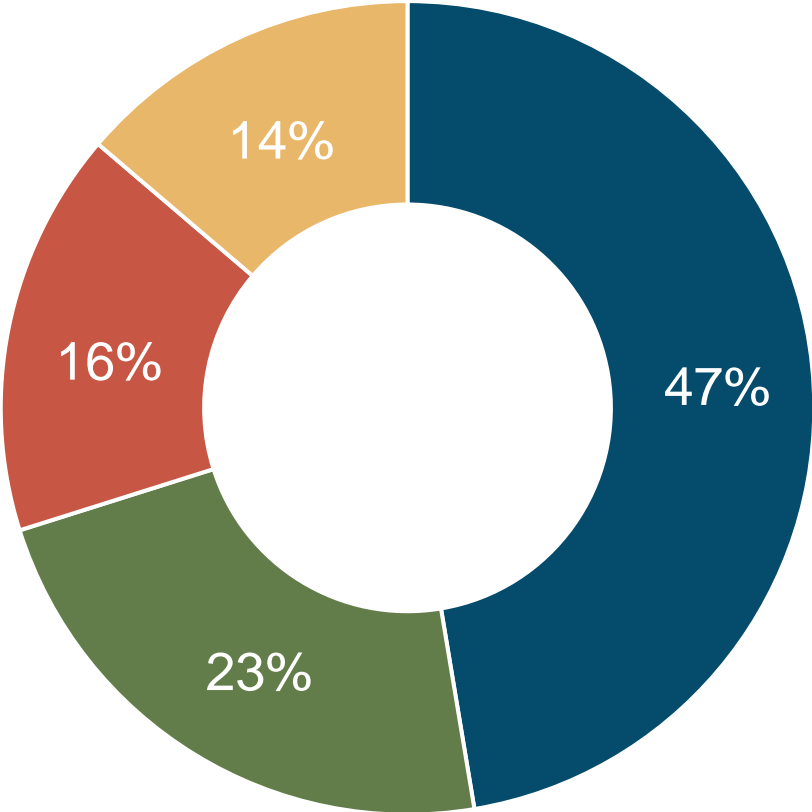
COUNTY COMPOSITION OF LAND

TOWNS MAKE UP OVER 80% OF THE LAND AREA IN THE COUNTY, HOME TO 15% OF THE 2021 POPULATION

DANE COUNTY LAND AREA
BY JURISDICTION TYPE

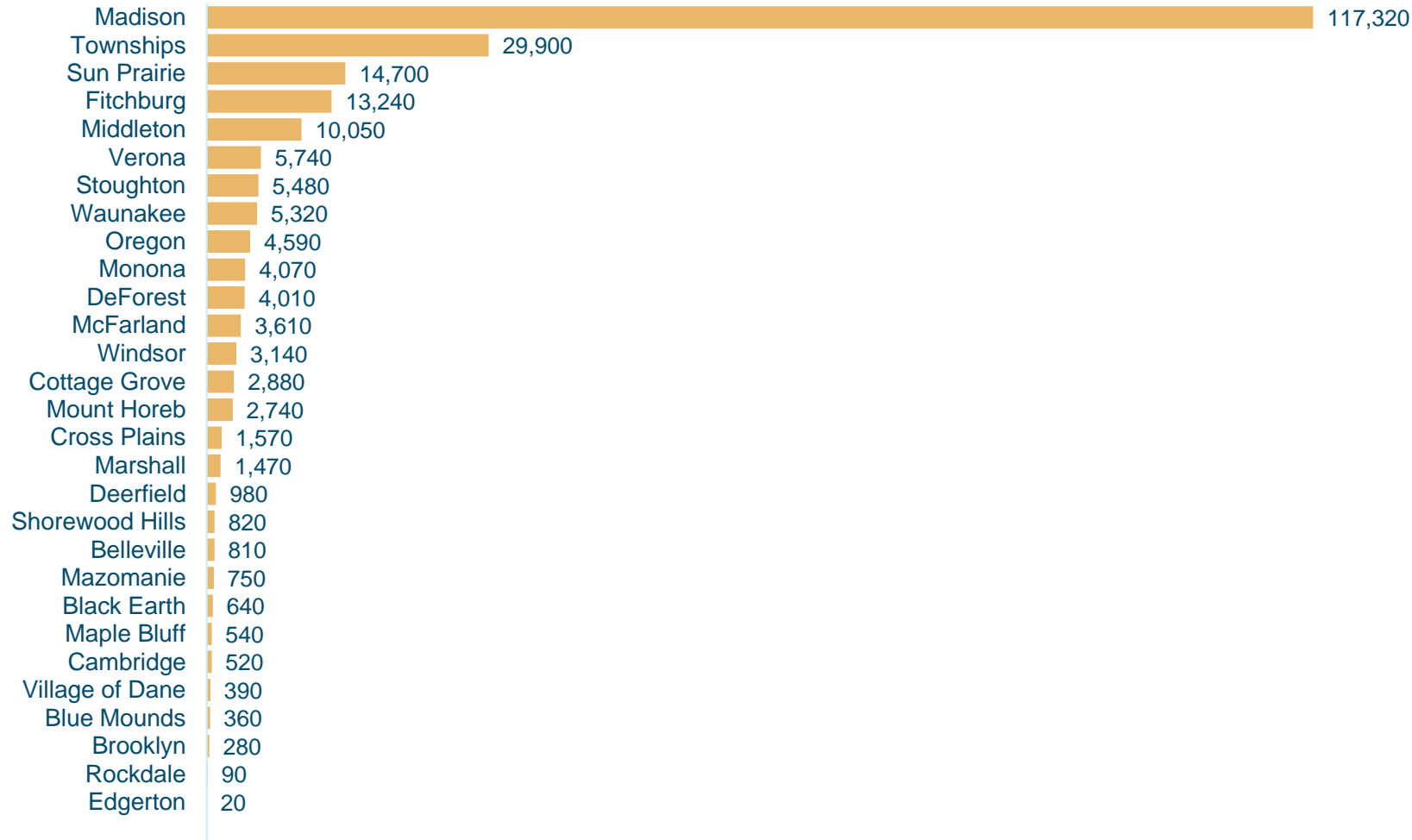


DANE COUNTY POPULATION
BY JURISDICTION TYPE



HOUSING UNITS BY MUNICIPALITY

APPROXIMATELY 50% OF UNITS IN THE COUNTY ARE LOCATED OUTSIDE OF MADISON

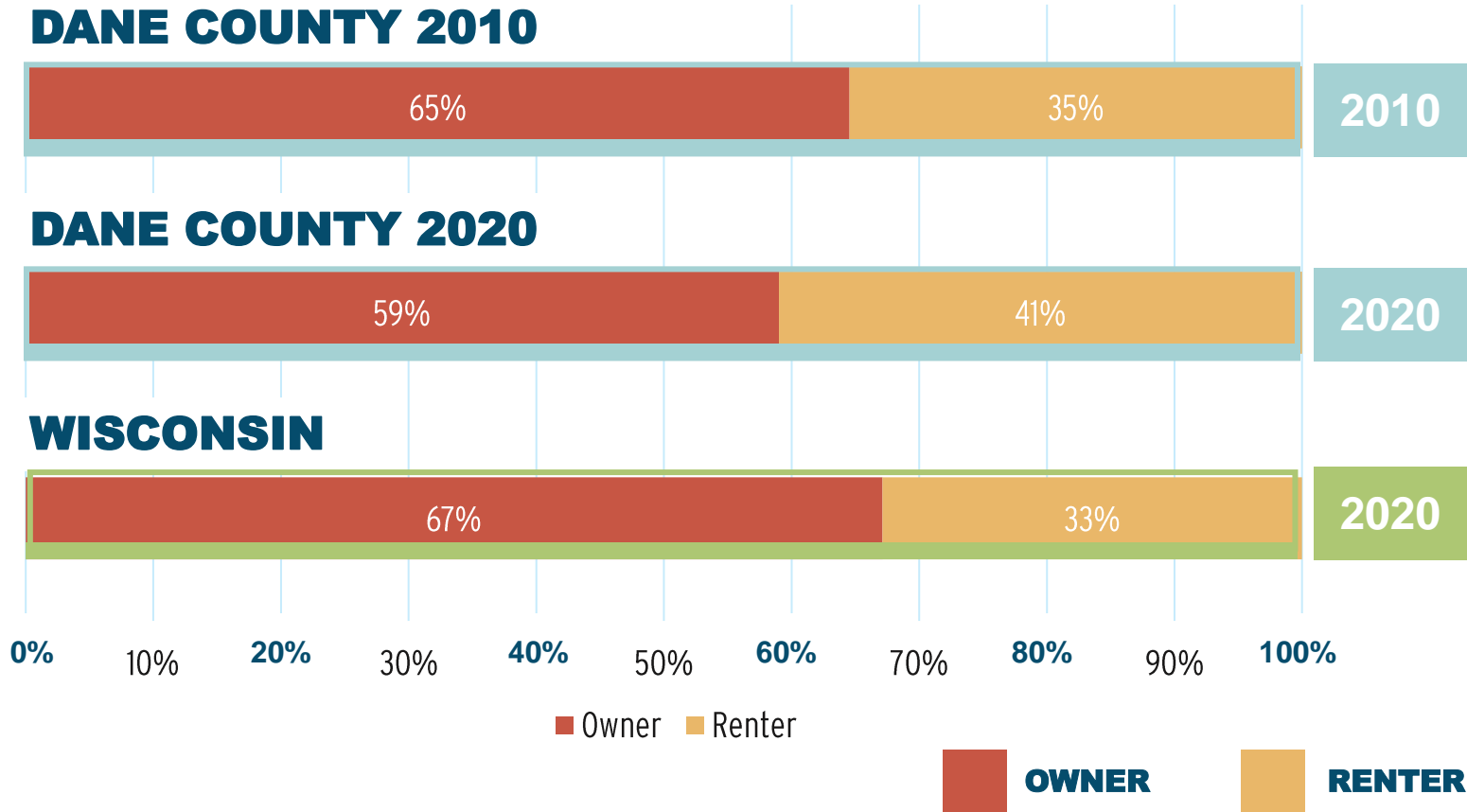


Source: ACS 5-Year Estimates (2017-2021), SB Friedman



HOMEOWNERSHIP RATES

DANE COUNTY HOMEOWNERSHIP DECLINED FROM 65% IN 2010 TO 59% IN 2020



Renters’ share of occupied households increased by 6% in **DANE COUNTY** from 2010 to 2020.

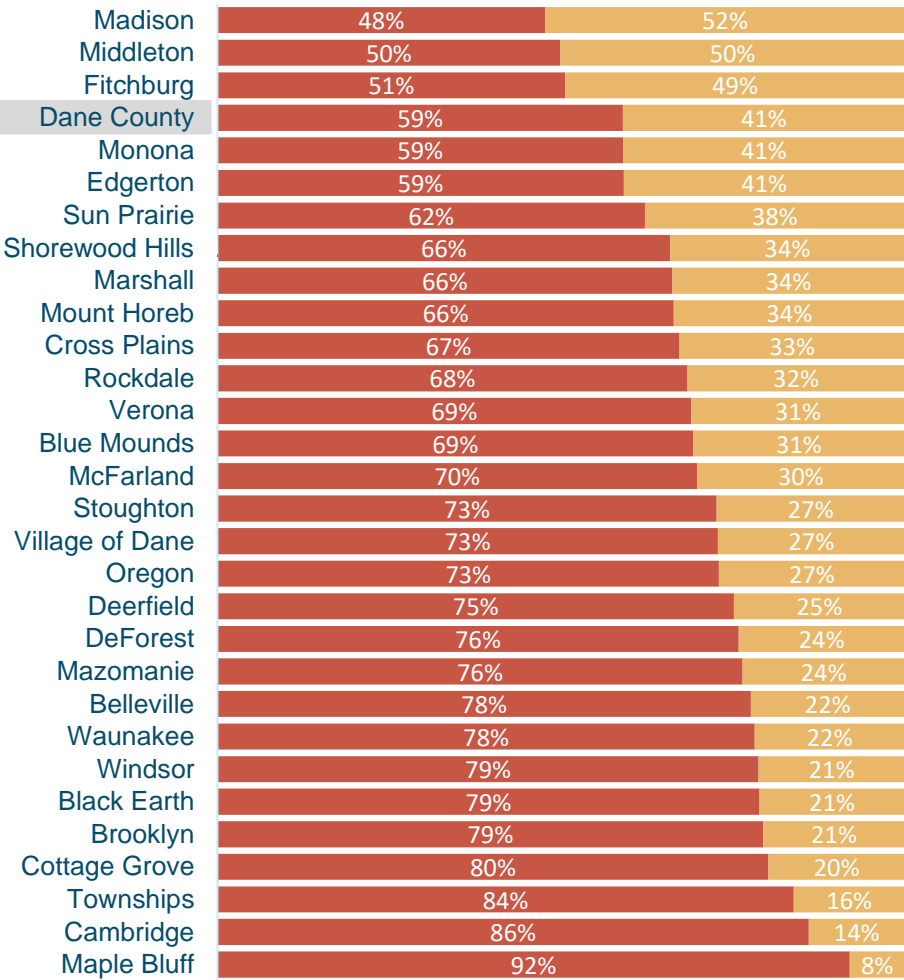
DANE COUNTY has 8% more renters as a share of occupied households than **WISCONSIN**.



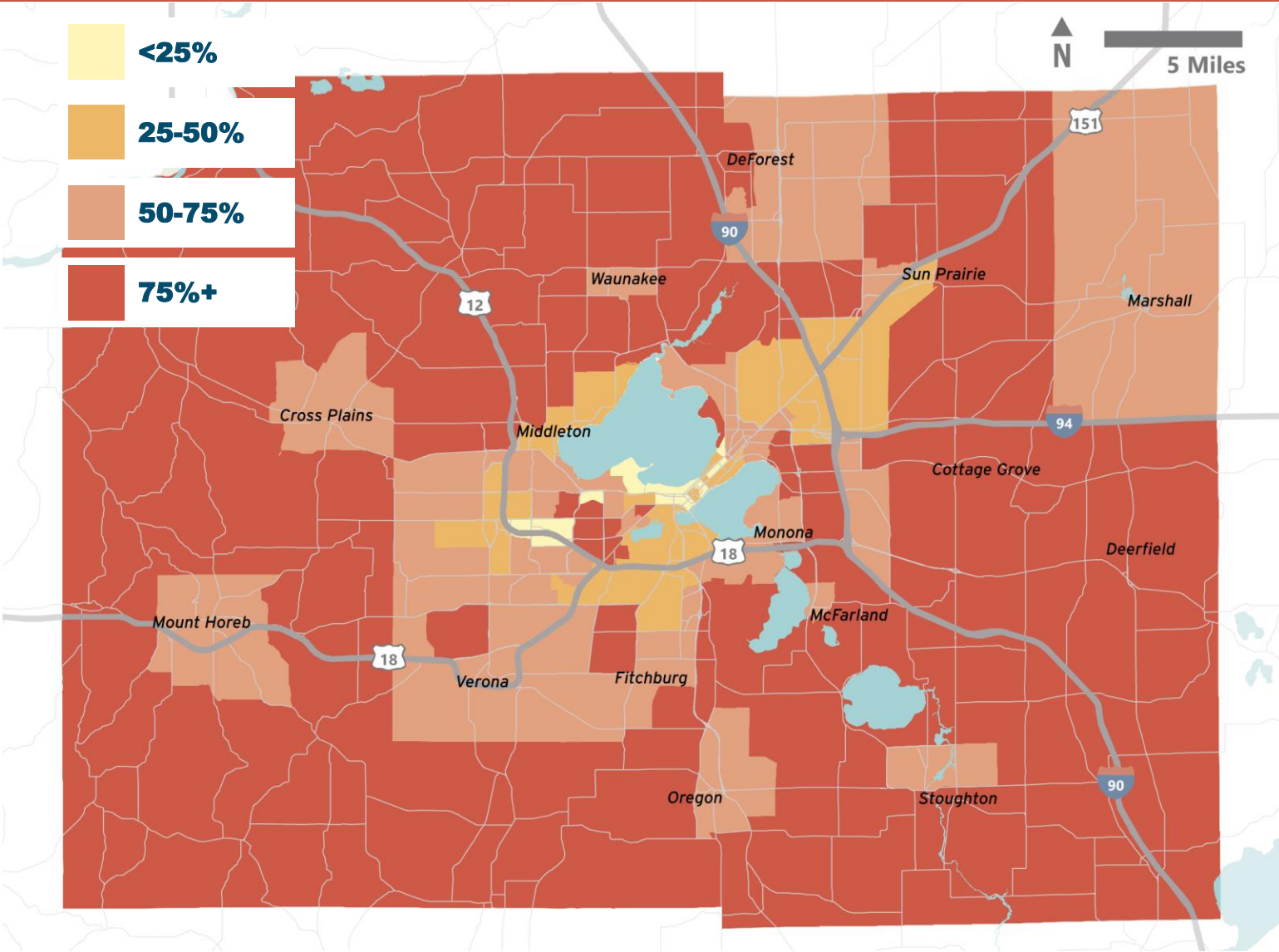
HOMEOWNERSHIP RATES

MOST COMMUNITIES IN THE COUNTY HAVE HOMEOWNERSHIP RATES WELL OVER 60%

HOUSEHOLDS BY TENURE



■ Owners
■ Renters



Source: ACS 5-Year Estimates 2016-2020, SB Friedman
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HOUSING TYPES

MAJORITY OF HOUSING UNITS IN DANE COUNTY ARE SINGLE FAMILY

UNITS BY TYPE IN DANE COUNTY



121,000

single-family
detached units



14,700

single-family
attached units
(townhome)



34,200

units in small
multifamily
buildings
(2-9 units)



54,800

units in
large multifamily
buildings
(10+ units)



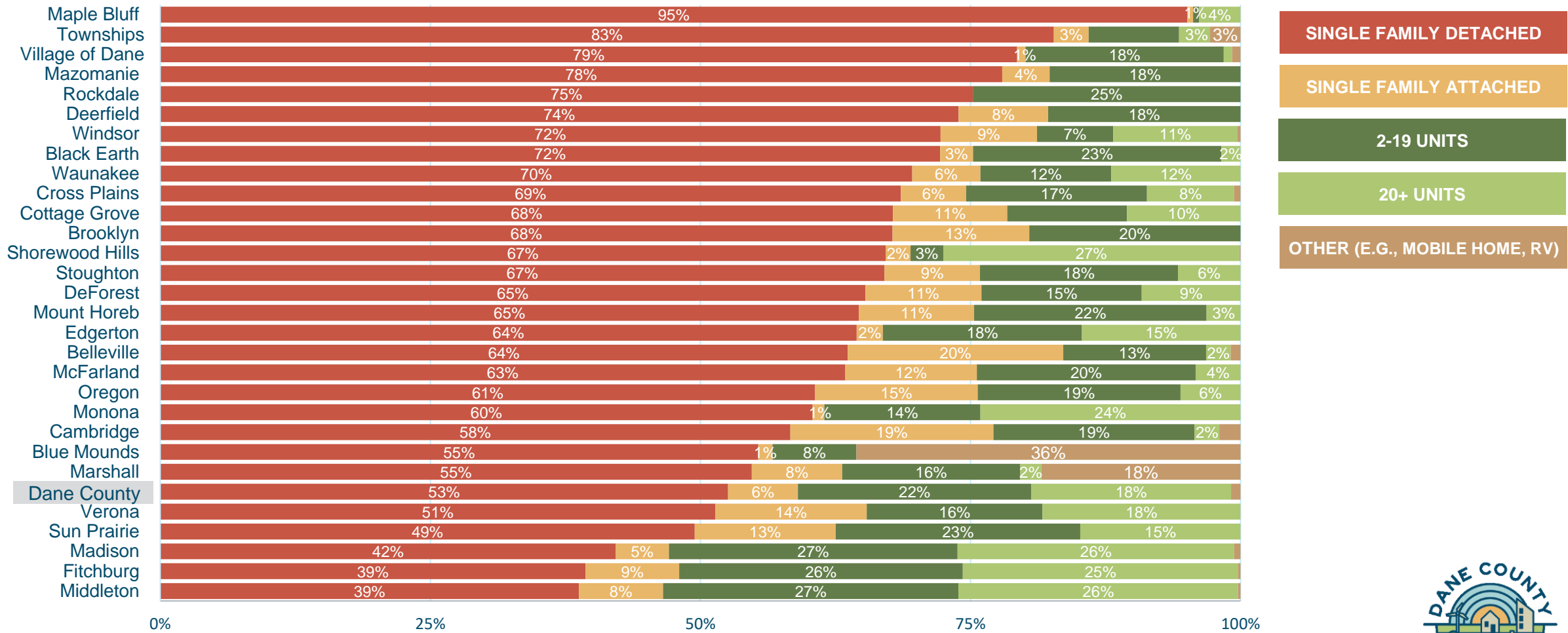
1,800

other units
(mobile home/RV)

HOUSING DIVERSITY

MOST JURISDICTIONS ARE COMPOSED OF OVER 60% SINGLE FAMILY DETACHED HOMES

HOUSING UNIT DISTRIBUTION



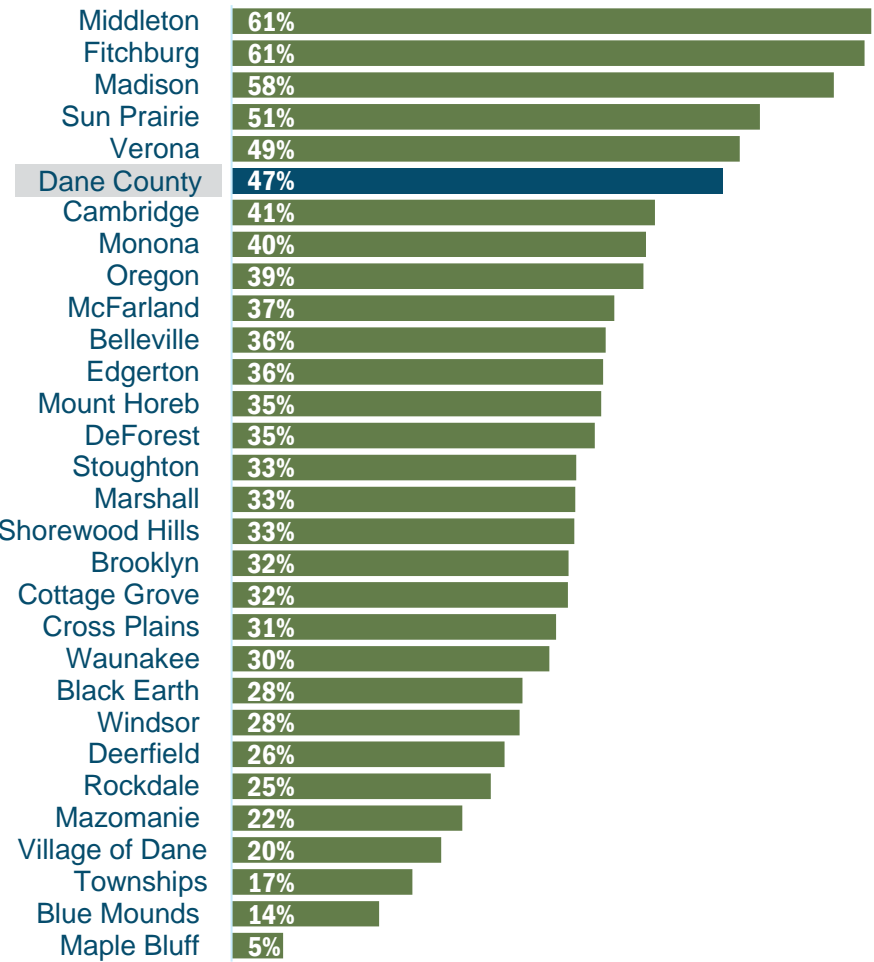
Source: ACS 5-Year Estimates (2016-2020), SB Friedman



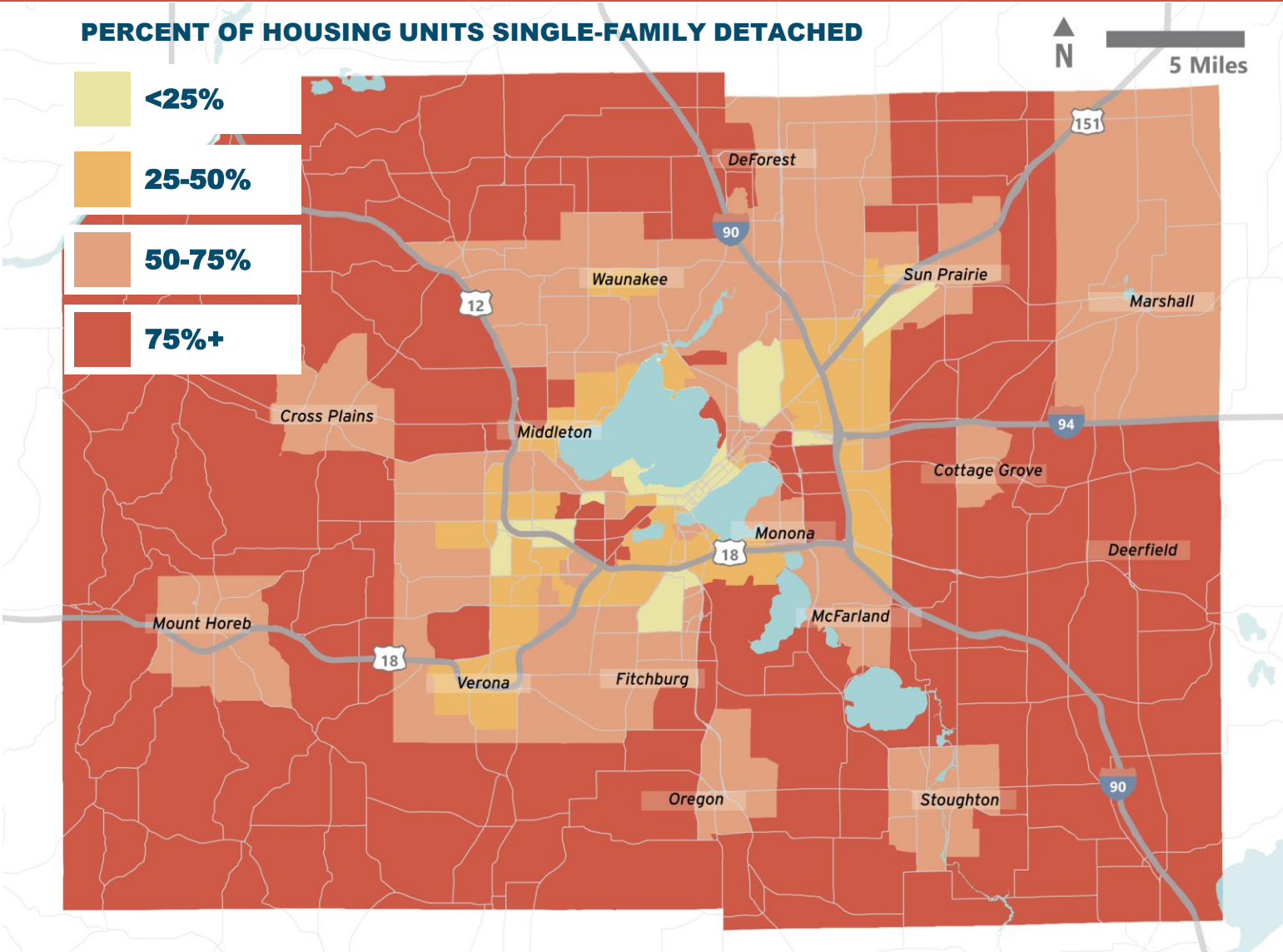
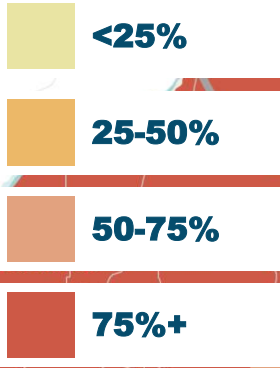
HOUSING DIVERSITY

NEARLY 50% OF HOUSING UNITS IN DANE COUNTY ARE SOME FORM OF ATTACHED HOUSING

SHARE OF BUILT* HOUSING UNITS THAT ARE NOT SINGLE-FAMILY DETACHED



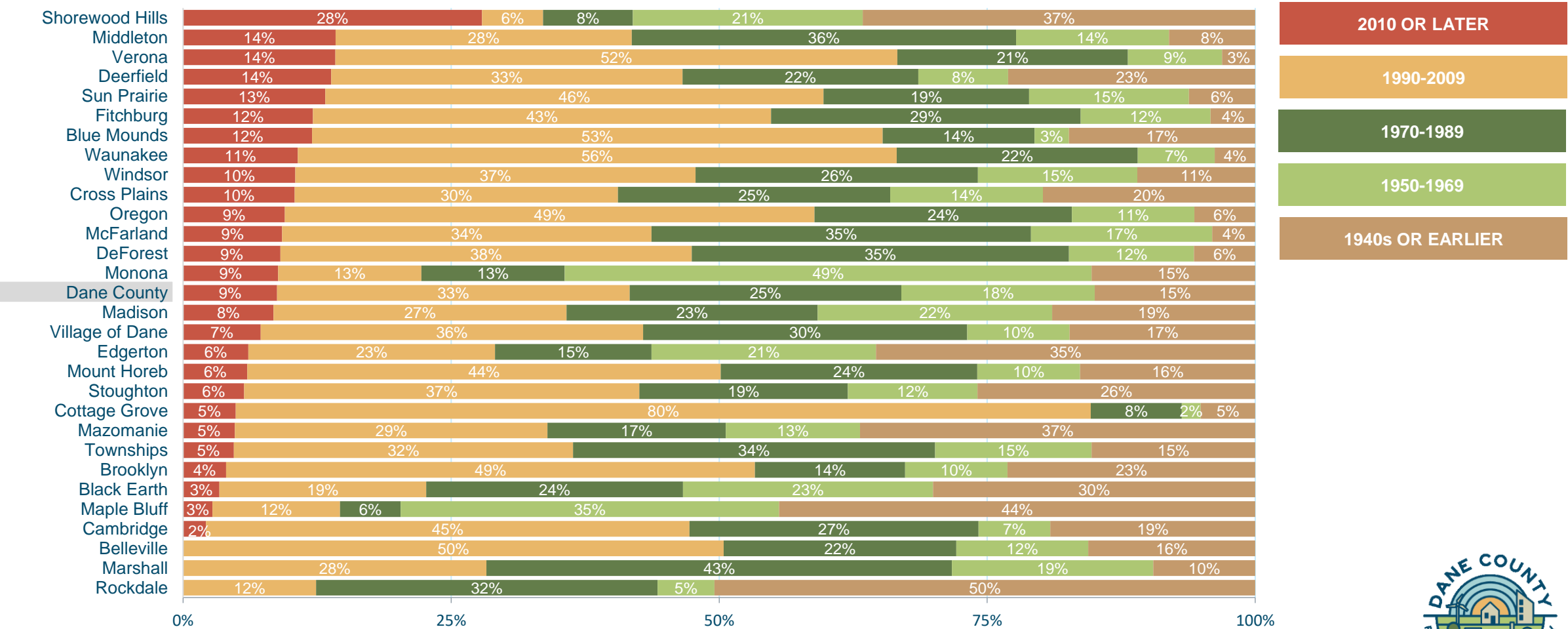
PERCENT OF HOUSING UNITS SINGLE-FAMILY DETACHED



HOUSING PRODUCTION OVER TIME

MUNICIPALITIES ACROSS THE COUNTY ARE EXPERIENCING UNEVEN GROWTH

HOUSING UNITS BY YEAR BUILT

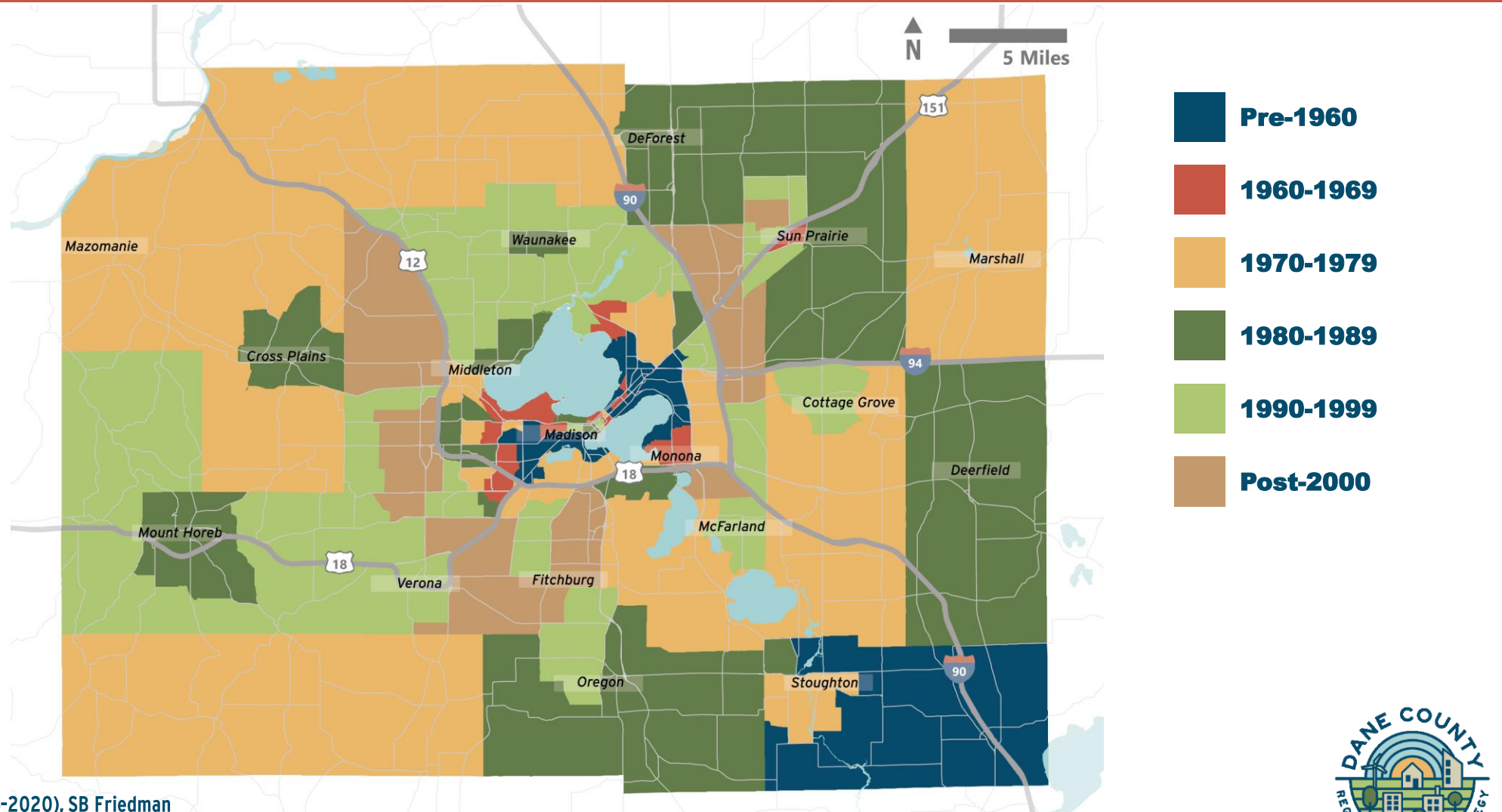


Source: ACS 5-Year Estimates (2016-2020), SB Friedman



MEDIAN YEAR STRUCTURE BUILT

MADISON-ADJACENT SUBURBS HAVE NEIGHBORHOODS WITH HIGH CONCENTRATIONS OF NEW HOUSING



Source: ACS 5-Year Estimates (2016-2020), SB Friedman

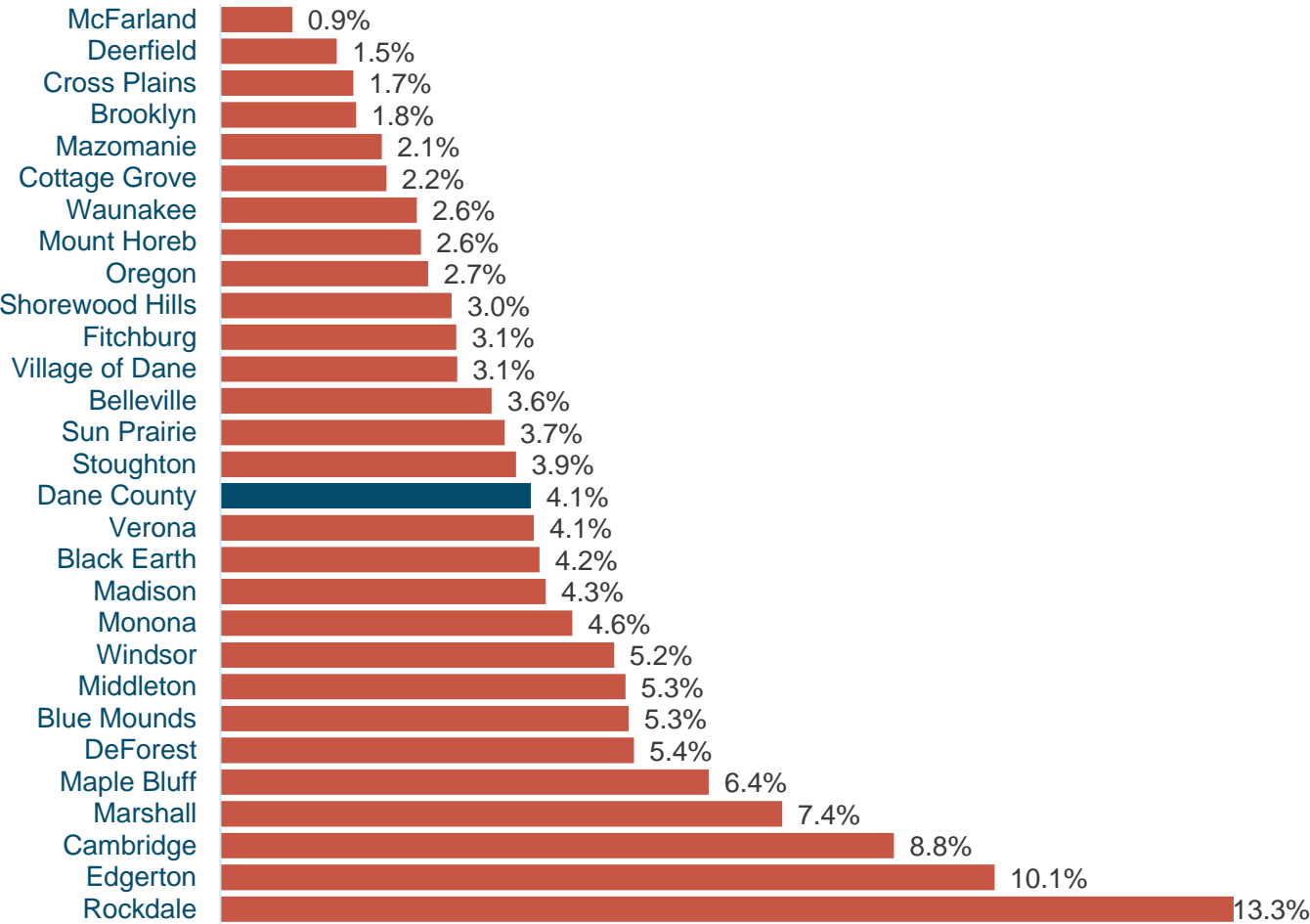
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HOUSING UNIT VACANCY

ALMOST HALF OF DANE COUNTY COMMUNITIES REPORT VACANCY BELOW 4%

HOUSING UNIT VACANCY RATE (2016-2020)



10%

NATIONAL
VACANCY RATE

11%

WISCONSIN
VACANCY RATE

Source: ACS 5-Year Estimates (2016-2020), US Decennial Census (2020), SB Friedman



FOR-SALE MARKET TRENDS

FOR SALE TYPOLOGIES

FOR SALE UNITS IN DANE COUNTY ARE PREDOMINATELY SINGLE-FAMILY DETACHED

FOR SALE UNITS BY TYPE IN DANE COUNTY



84%

single-family
detached units



8%

single-family
attached units
(townhome)



4%

condo units in
small multifamily
buildings
(2-9 units)



4%

condo units in
large multifamily
buildings
(10+ units)



1%

other units
(mobile home/RV)

Percentages do not total to 100 due to rounding
Source: ACS 5-Year Estimates (2016-2020), SB Friedman

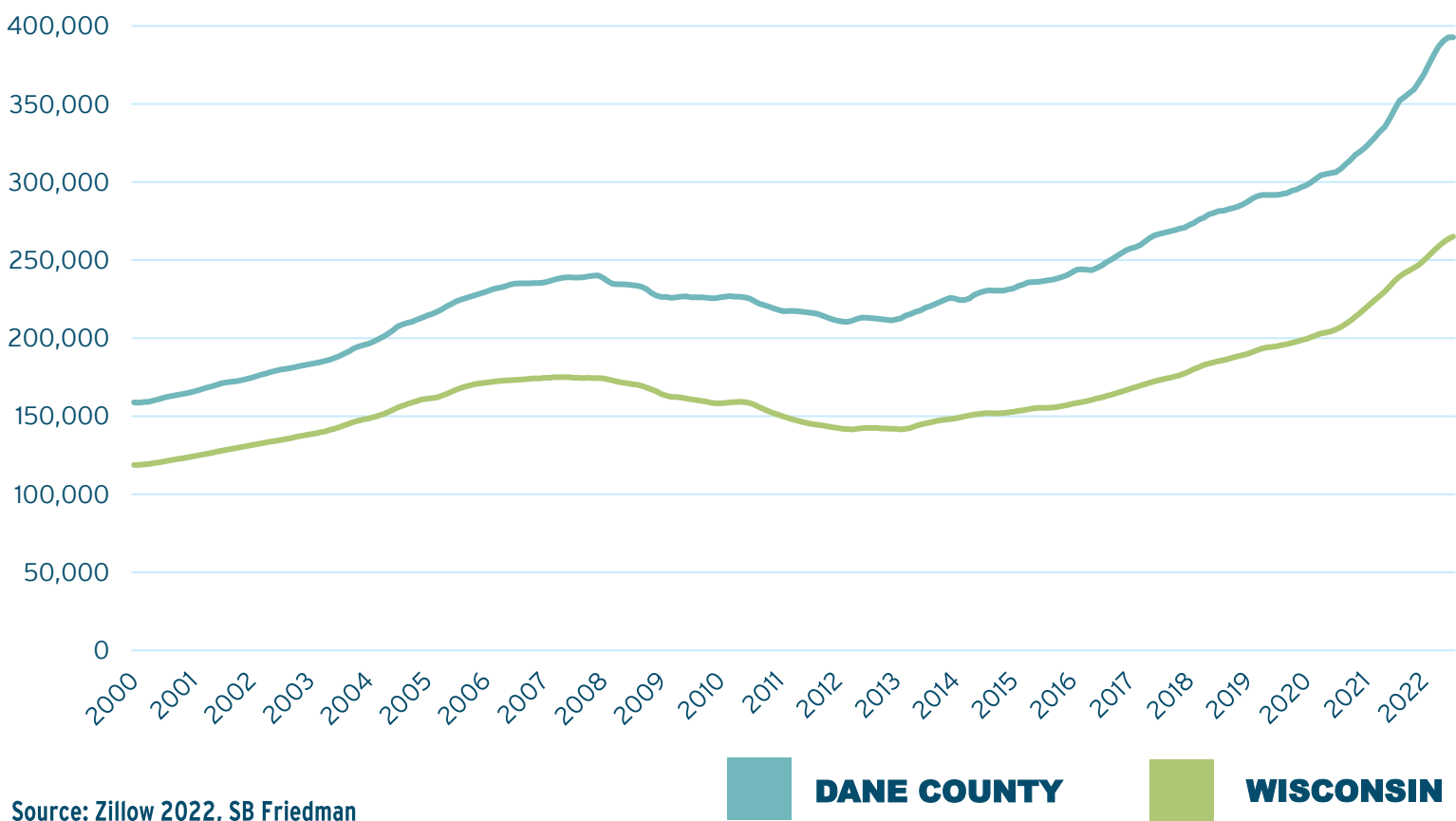
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HOME SALES PRICE GROWTH

MEDIAN HOME PRICE IN DANE COUNTY INCREASED BY \$95,000 FROM JANUARY 2020 TO JULY 2022

DANE COUNTY MEDIAN HOME PRICES COMPARED TO WISCONSIN (2000-2022)



Increase in Median Home Price: 2012-2022

+\$181,000	DANE COUNTY
+\$123,000	WISCONSIN

Increase in Median Home Price: 2020-2022

+\$95,000	DANE COUNTY
+\$65,000	WISCONSIN



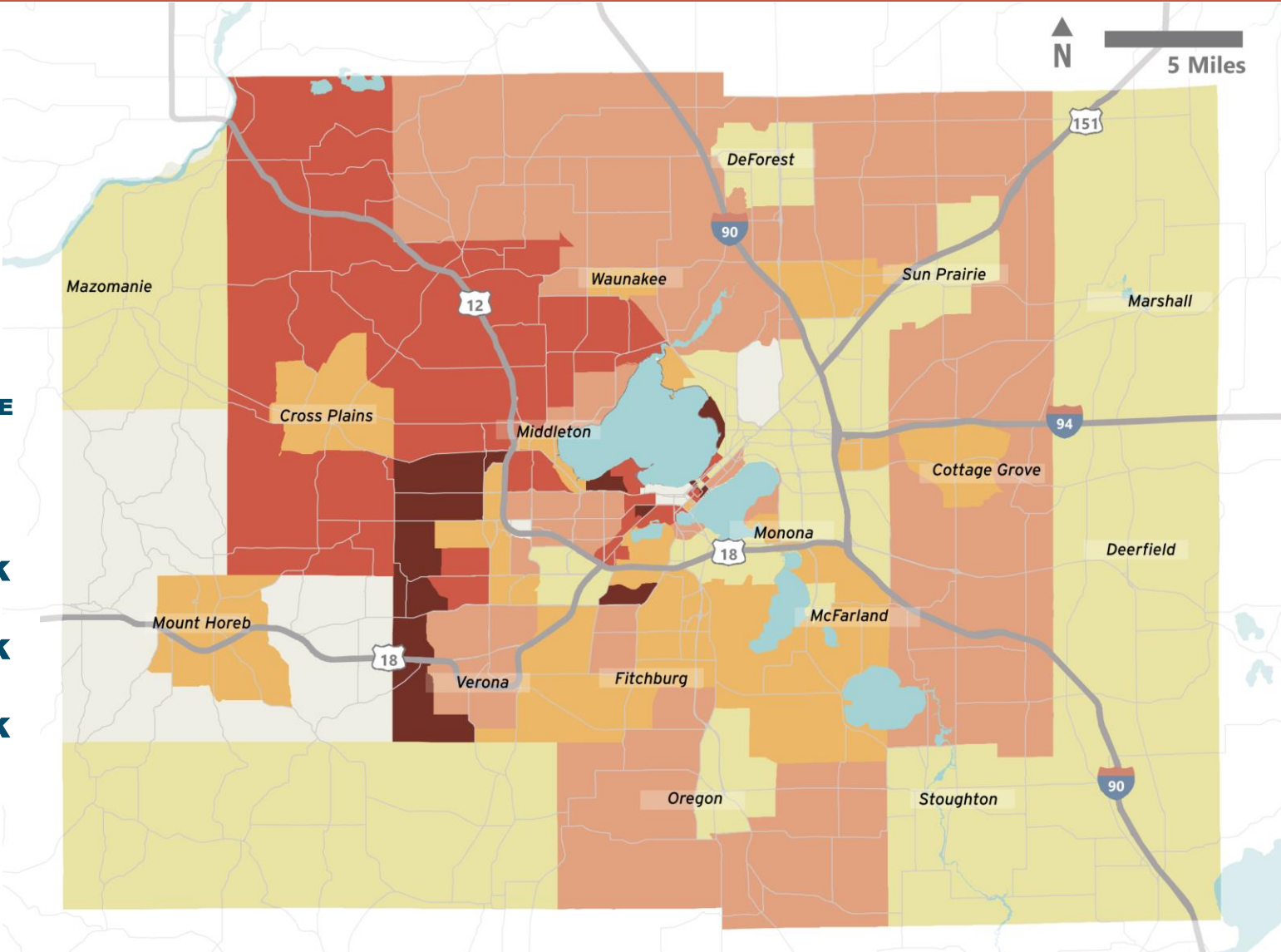
MEDIAN HOME VALUES 2016-2020

TRACTS IN MADISON AND WESTERN SUBURBS REPORT THE HIGHEST MEDIAN HOME VALUES

MEDIAN HOME VALUE BY JURISDICTION

Shorewood Hills	\$692,600
Maple Bluff	\$599,500
Middleton	\$361,000
Waunakee	\$358,100
Fitchburg	\$323,400
Verona	\$316,100
Windsor	\$307,700
Cottage Grove	\$294,300
Monona	\$288,700
Oregon	\$286,000
Mount Horeb	\$277,700
Dane County	\$277,000
Cross Plains	\$271,100
Madison	\$262,400
McFarland	\$260,800
Village of Dane	\$251,600
Sun Prairie	\$249,400
DeForest	\$243,400
Blue Mounds	\$233,800
Deerfield	\$223,800
Stoughton	\$223,000
Cambridge	\$214,500
Mazomanie	\$197,600
Belleville	\$192,800
Marshall	\$190,300
Black Earth	\$188,600
Rockdale	\$184,000
Brooklyn	\$172,100
Edgerton	\$163,300

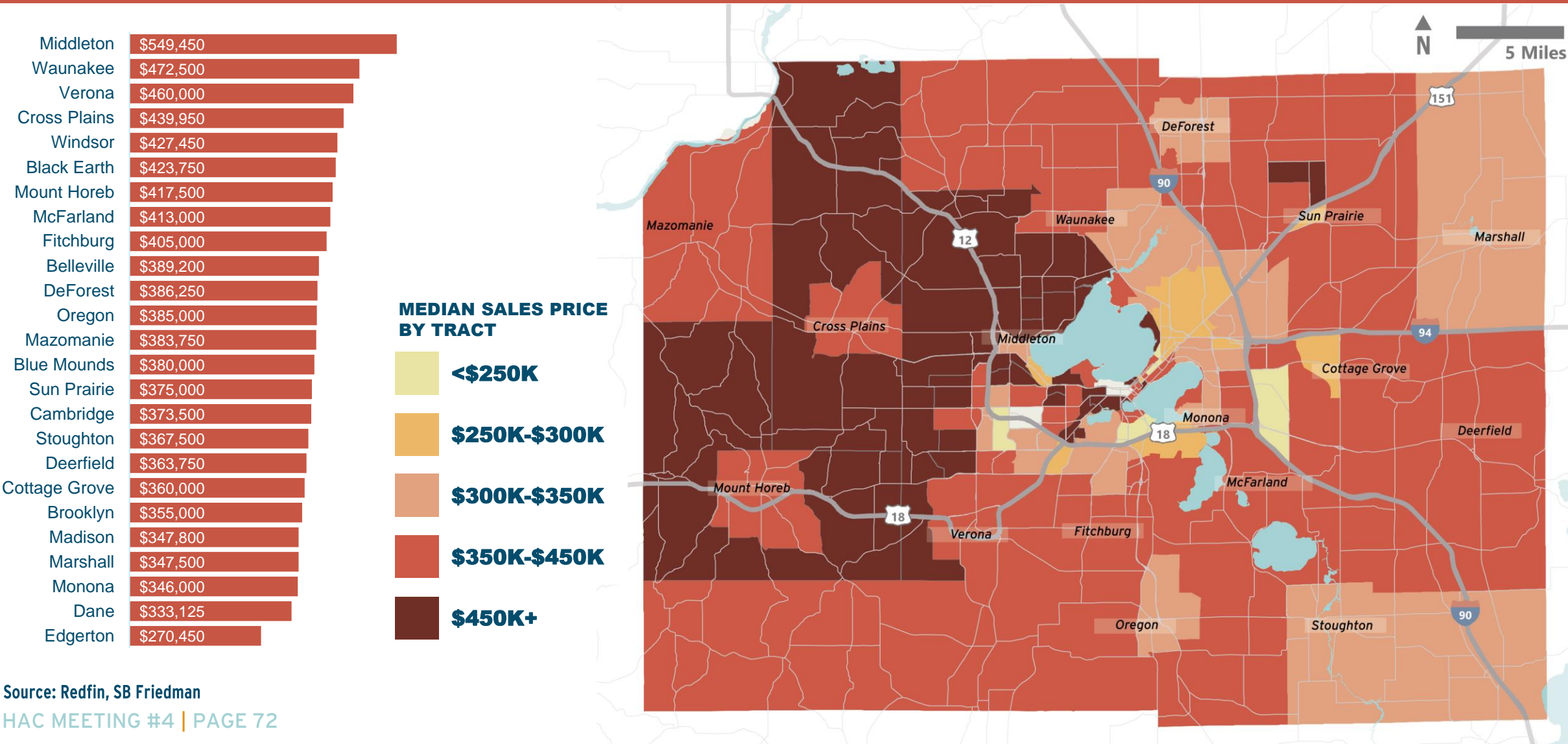
MEDIAN HOME VALUE BY TRACT



Source: ACS 5-Year Estimates (2016-2020), SB Friedman

MEDIAN SALES PRICE FOR 2021/22 SALES

THE MEDIAN PRICE FOR RECENT SALES FAR EXCEEDS HISTORIC REPORTED VALUES BY MUNICIPALITY



FOR SALE NEW CONSTRUCTION



SINGLE FAMILY DETACHED



SINGLE FAMILY DETACHED



SINGLE FAMILY ATTACHED

Source: Redfin, SB Friedman

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PRICE PREMIUM FOR NEWER FOR-SALE HOMES

NEWER FOR-SALE HOMES TEND TO BE SUBSTANTIALLY MORE EXPENSIVE (27% MORE) THAN OLDER HOMES

The median sales price by home age:

\$355,000

**homes built
2009 and earlier**

\$450,000

**homes built 2010
and later**

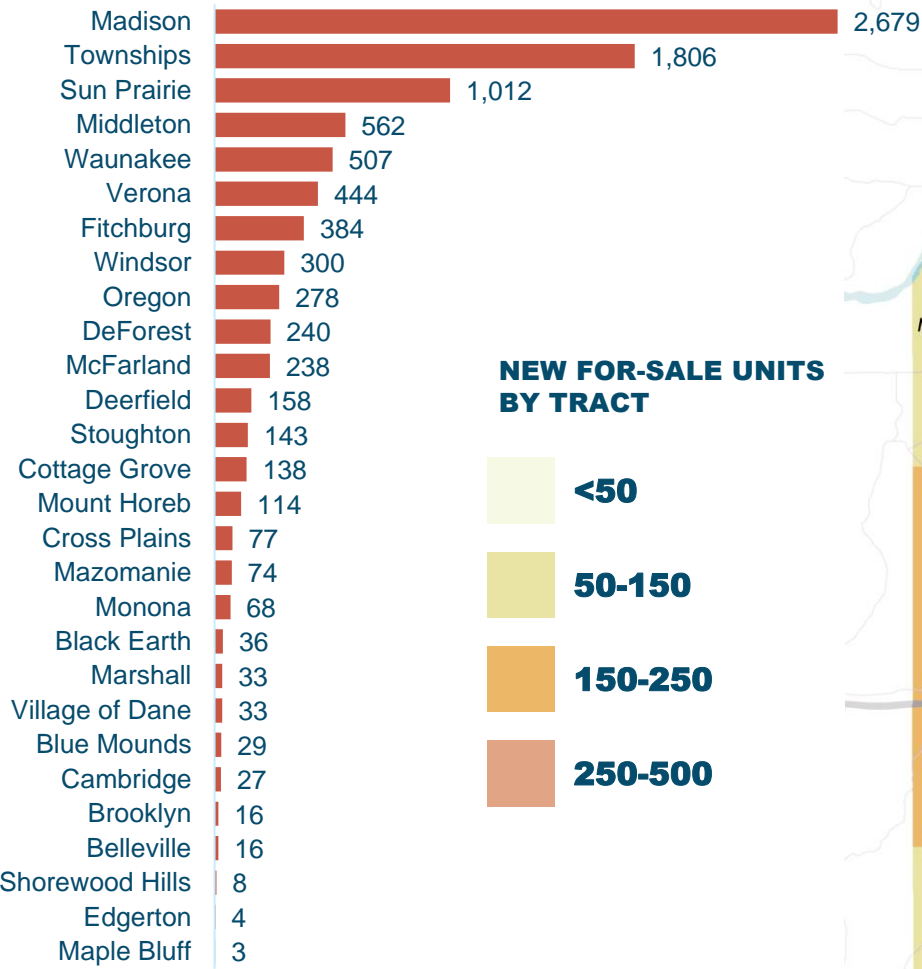
* Includes homes that sold from November 2021 to November 2022

Source: Redfin, SB Friedman

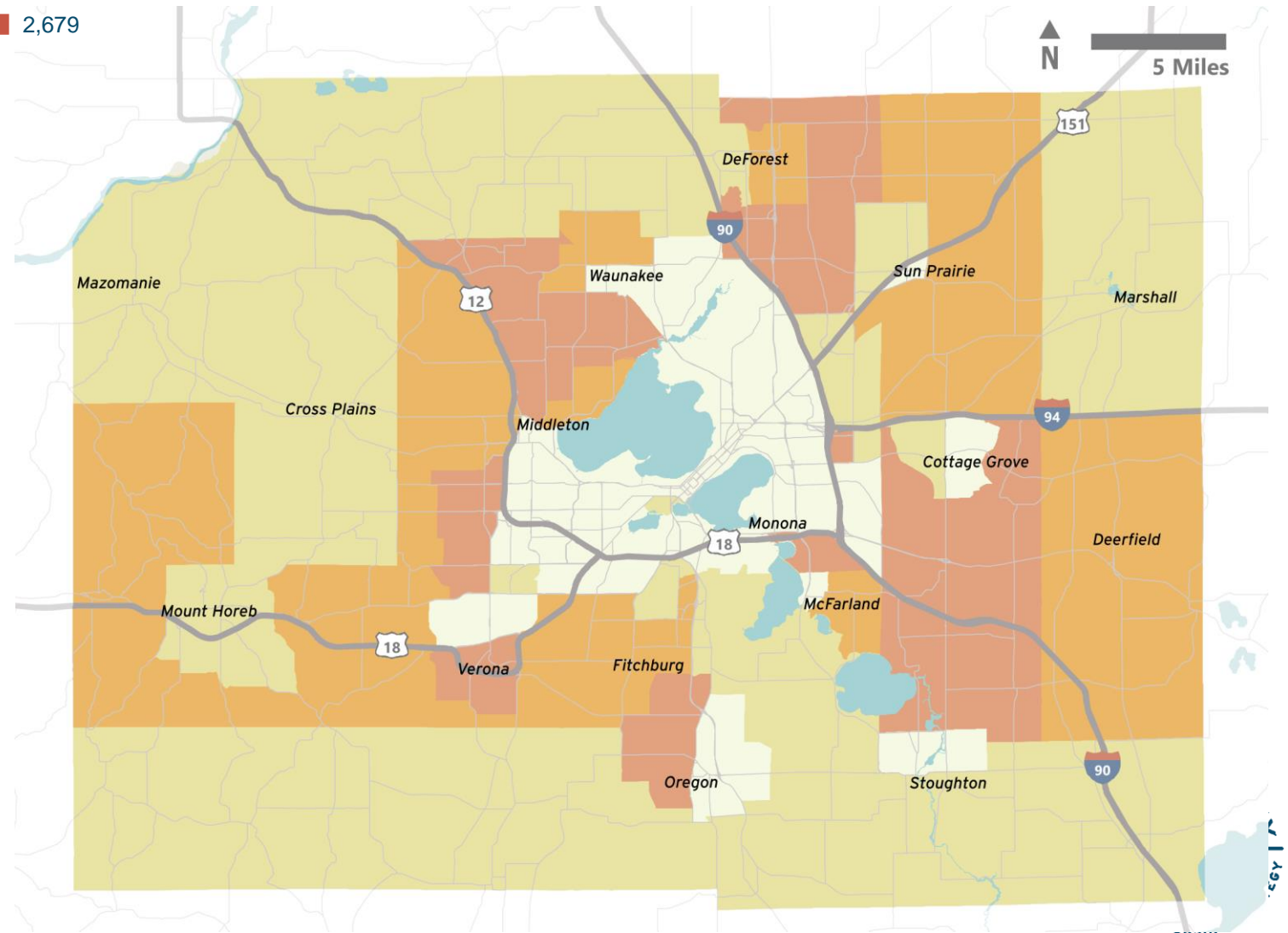
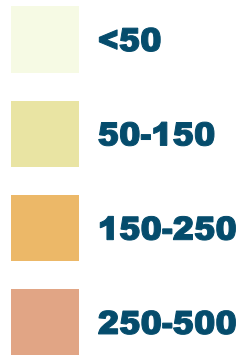
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DISTRIBUTION OF FOR-SALE UNITS BUILT SINCE 2010



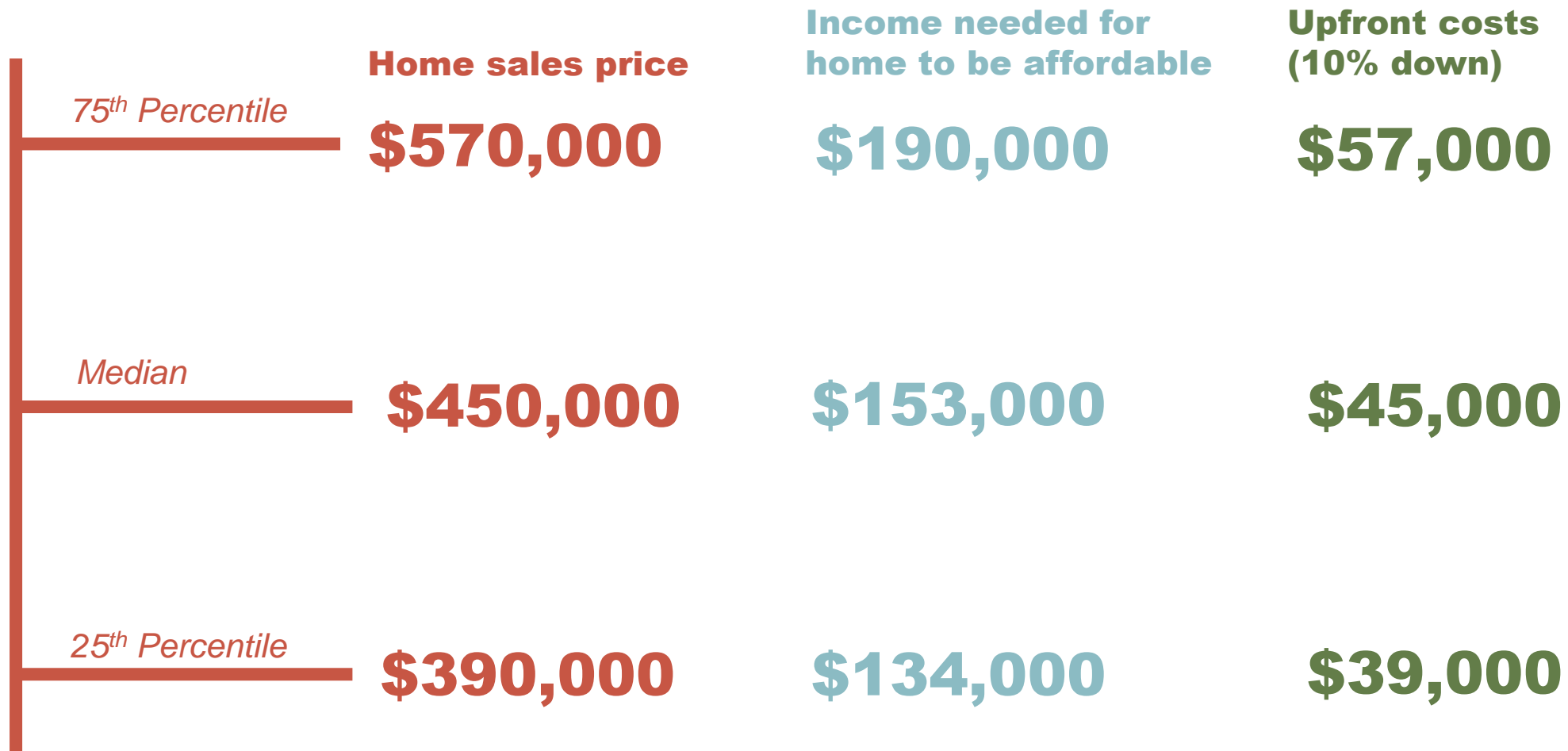
NEW FOR-SALE UNITS BY TRACT



Source: ACS 5-year Estimates (2017-2021), SB Friedman

HOUSING COSTS FOR NEWER FOR-SALE HOMES

HOUSEHOLDS NEED TO EARN OVER \$130,000 AND HAVE ALMOST \$40,000 SAVED TO BE ABLE TO AFFORD MOST NEWER HOMES



Includes homes built from 2010 to 2022 that sold from November 2021 to November 2022

Source: Redfin, SB Friedman



HOUSING COSTS FOR NEWER FOR-SALE HOMES

VERY FEW NEW CONSTRUCTION UNITS ARE AFFORDABLE TO A 100% AMI HOUSEHOLD

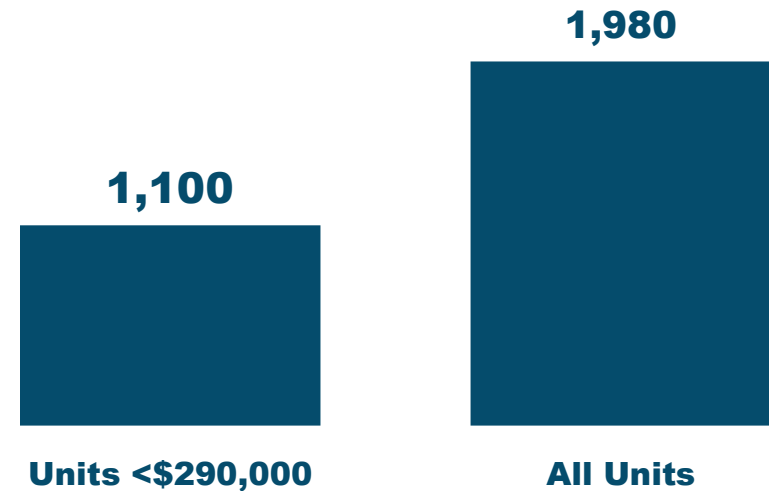
\$290,000

**Maximum home value affordable to a household earning \$104,000
(3-person household at 100% AMI in 2022)**

6%

The share of newer homes sold in the past year affordable to a 100% AMI household

MEDIAN UNIT SQ FT FOR:



Includes homes built from 2010 to 2022 that sold from November 2021 to November 2022

Source: HUD, Redfin, SB Friedman

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RENTAL MARKET TRENDS

RENTAL TYPOLOGIES

85% OF RENTAL UNITS IN DANE COUNTY ARE IN MULTIFAMILY BUILDINGS

RENTAL UNITS BY TYPE IN DANE COUNTY



10%

single-family
detached units



5%

single-family
attached units
(townhome)



32%

units in small
multifamily
buildings
(2-9 units)



53%

units in
large multifamily
buildings
(10+ units)



0%

other units
(mobile home/RV)

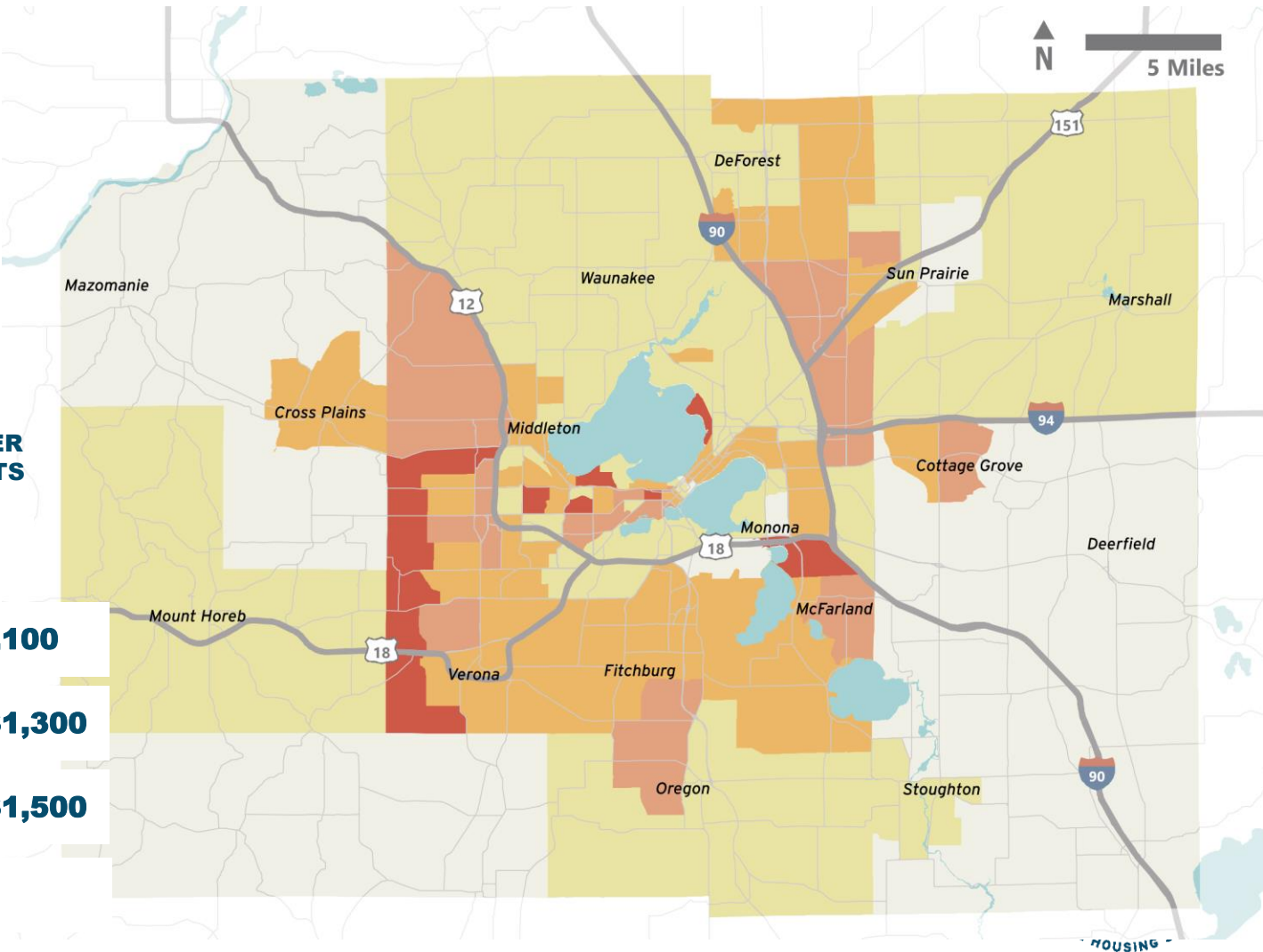
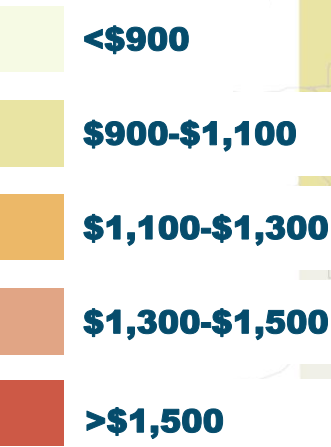
DANE COUNTY RENTS

MADISON AND ADJACENT COMMUNITIES REPORT HIGHER MEDIAN RENTS

MEDIAN CONTRACT RENT: 2016-2020 ESTIMATES

Shorewood Hills	\$1,730
Verona	\$1,170
Cottage Grove	\$1,170
Windsor	\$1,040
Madison	\$1,040
Sun Prairie	\$1,020
Cross Plains	\$1,000
Dane County	\$1,000
Brooklyn	\$990
Middleton	\$980
McFarland	\$980
Fitchburg	\$980
Waunakee	\$960
Monona	\$890
Maple Bluff	\$880
Oregon	\$860
Mount Horeb	\$860
DeForest	\$850
Stoughton	\$840
Village of Dane	\$820
Rockdale	\$770
Blue Mounds	\$770
Belleville	\$740
Deerfield	\$730
Cambridge	\$730
Mazomanie	\$710
Marshall	\$700
Edgerton	\$700
Black Earth	\$680

MEDIAN RENTER HOUSING COSTS BY TRACT

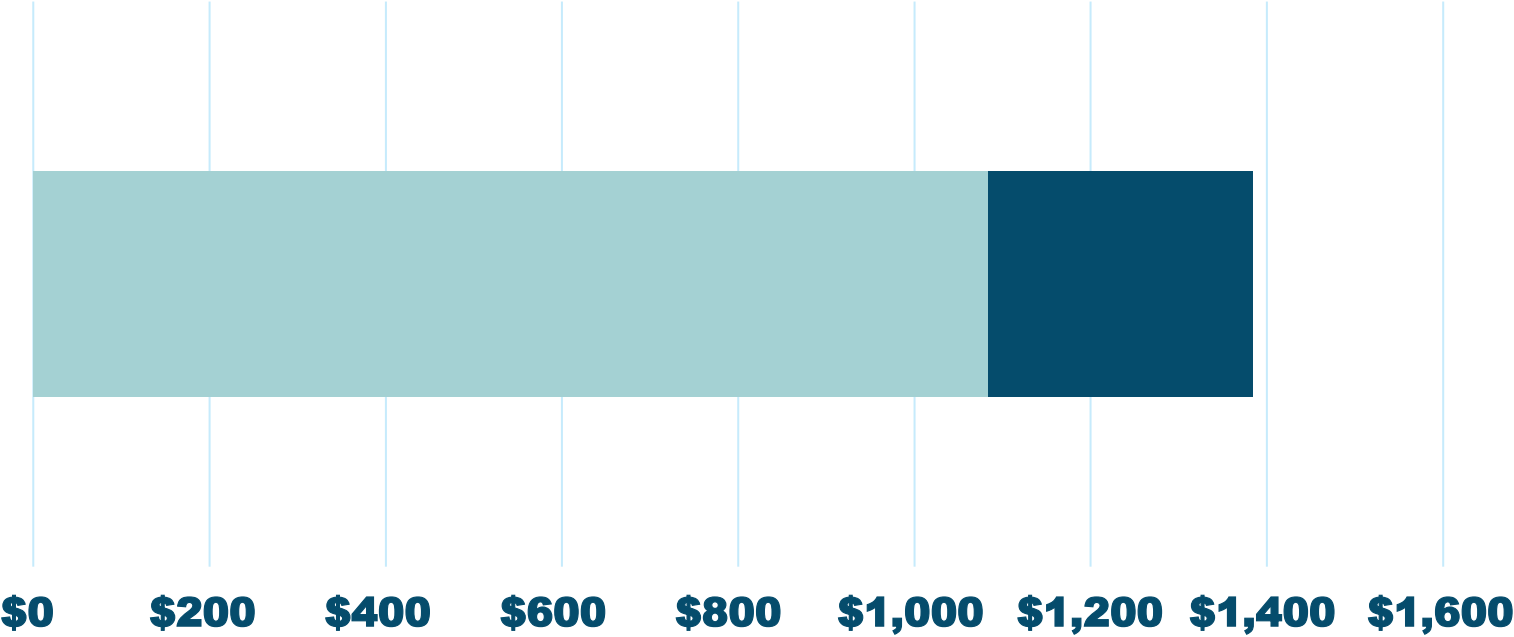


Source: US Census Bureau, SB Friedman

RENT GROWTH 2010-2022

AVERAGE RENT IN DANE COUNTY HAS INCREASED BY 28% SINCE 2010

The average renter in **DANE COUNTY** is paying **\$300 more** per month in 2022 than in 2010.



NEW CONSTRUCTION RENTAL BUILDINGS



AUTHENTIX
200 E COTTAGE GROVE RD
COTTAGE GROVE, WI



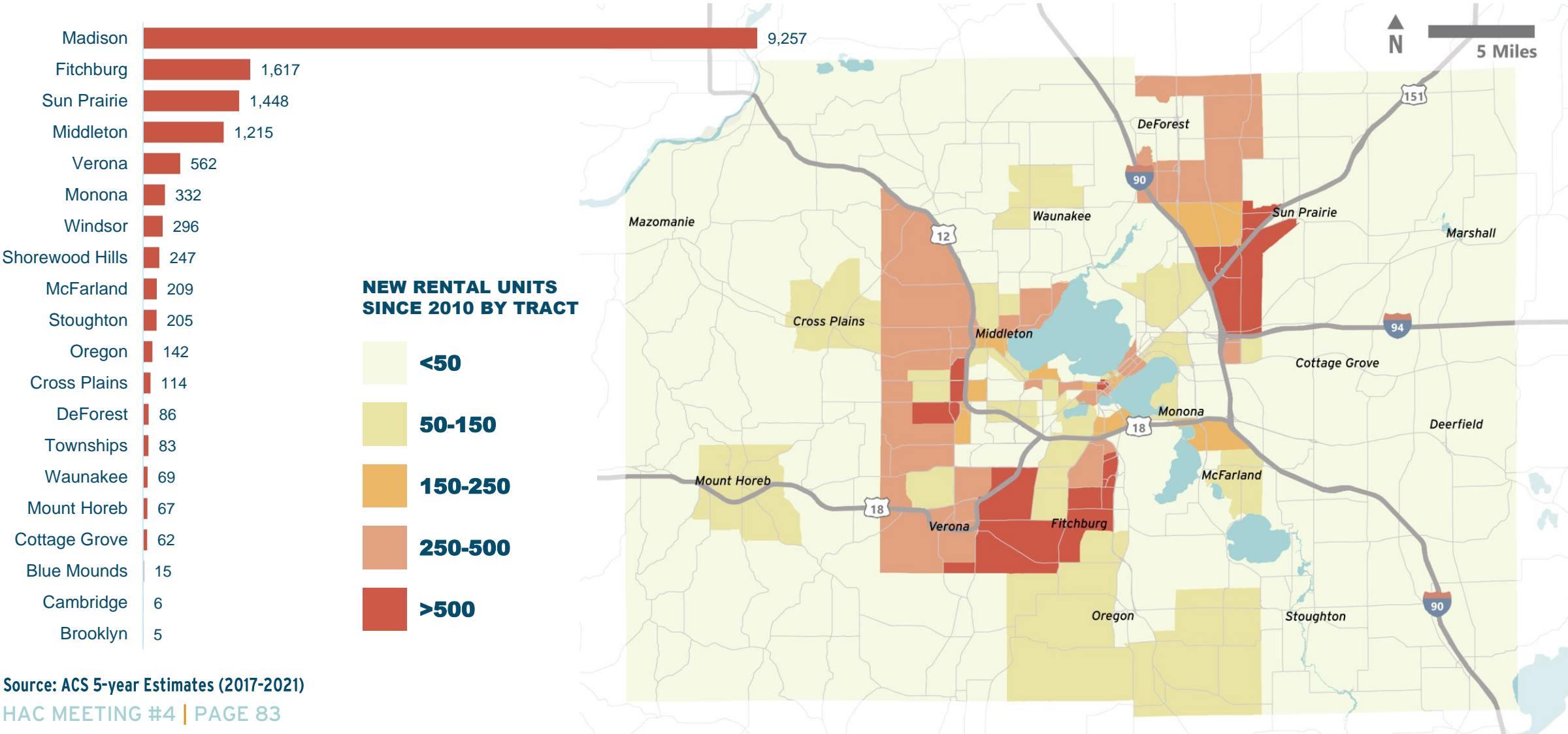
700 EAST
729 E JOHNSON ST
MADISON, WI



ARDEN
1050 E WASHINGTON AVE
MADISON, WI

DISTRIBUTION OF RENTAL DEVELOPMENTS

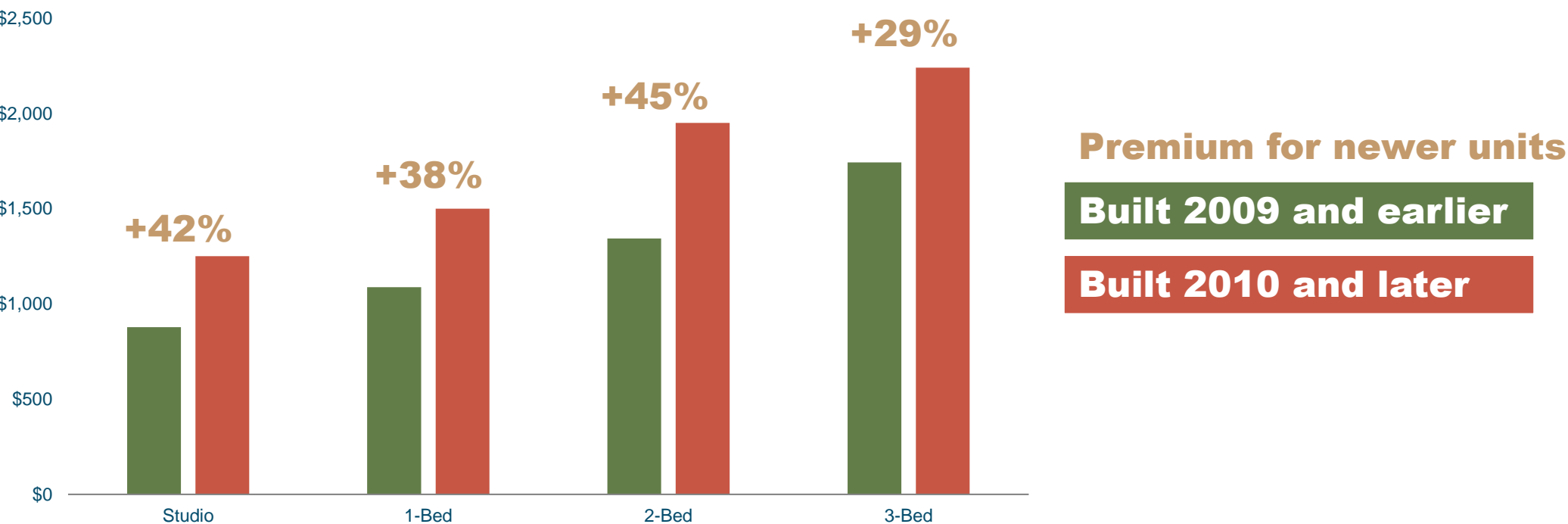
UNITS BUILT SINCE 2010



RENTS FOR MARKET-RATE UNITS

THE PREMIUM FOR NEW UNITS IS ON AVERAGE 30-45% ABOVE OLDER UNITS

Weighted average rents in Dane County by building age:

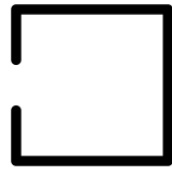


Includes market-rate units in multifamily rental properties with available rent data
Source: Costar, SB Friedman

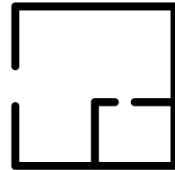


HOUSING COSTS FOR NEWER* RENTAL UNITS

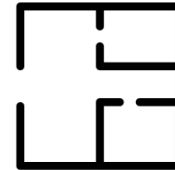
HOUSEHOLDS NEED TO EARN OVER \$80,000 TO AFFORD A TYPICAL, NEWER TWO-BEDROOM UNIT



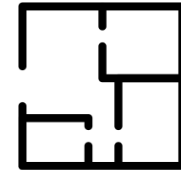
STUDIO



1-BEDROOM



2-BEDROOM



3-BEDROOM

**AVERAGE RENT
FOR NEW
CONSTRUCTION**

\$1,250

\$1,500

\$1,950

\$2,240

**MIN. INCOME FOR
UNIT TO BE
AFFORDABLE**

\$52K

\$64K

\$83K

\$101K

*Includes market-rate units built since 2010

Source: Costar, SB Friedman



HOUSING COSTS FOR NEWER* RENTAL UNITS

JUST A SMALL SHARE OF LOWER-INCOME HOUSEHOLDS CAN AFFORD NEWER-CONSTRUCTION RENTALS

Share of newer rental units affordable to households by household size:

60% AMI Household	One-Bedroom	Two-Bedroom
One-Person (\$48,500)	4%	
Two-Person (\$55,500)	21%	1%
Three-Person (\$62,000)		4%

*Includes market-rate units built since 2010
Source: Costar, SB Friedman



MEETING BREAK

HAC MEETING #4



HOUSING IN DANE COUNTY: PART 2

AFFORDABLE HOUSING

TYPES OF HOUSING

AFFORDABLE HOUSING CAN EITHER BE LEGALLY RESTRICTED OR NATURALLY OCCURRING

AFFORDABLE HOUSING

Legally Restricted Affordable Housing (LRAH)

- Housing that is contractually bound to serve lower-income households
 - Most often under 60% AMI
- Units are typically funded, owned, and operated by mission-driven organizations including local governments, nonprofits, and more.
- Commonly requires low-income housing tax credits (LIHTC), project-based vouchers, or other federal funding sources

Naturally Occurring Affordable Housing (NOAH)

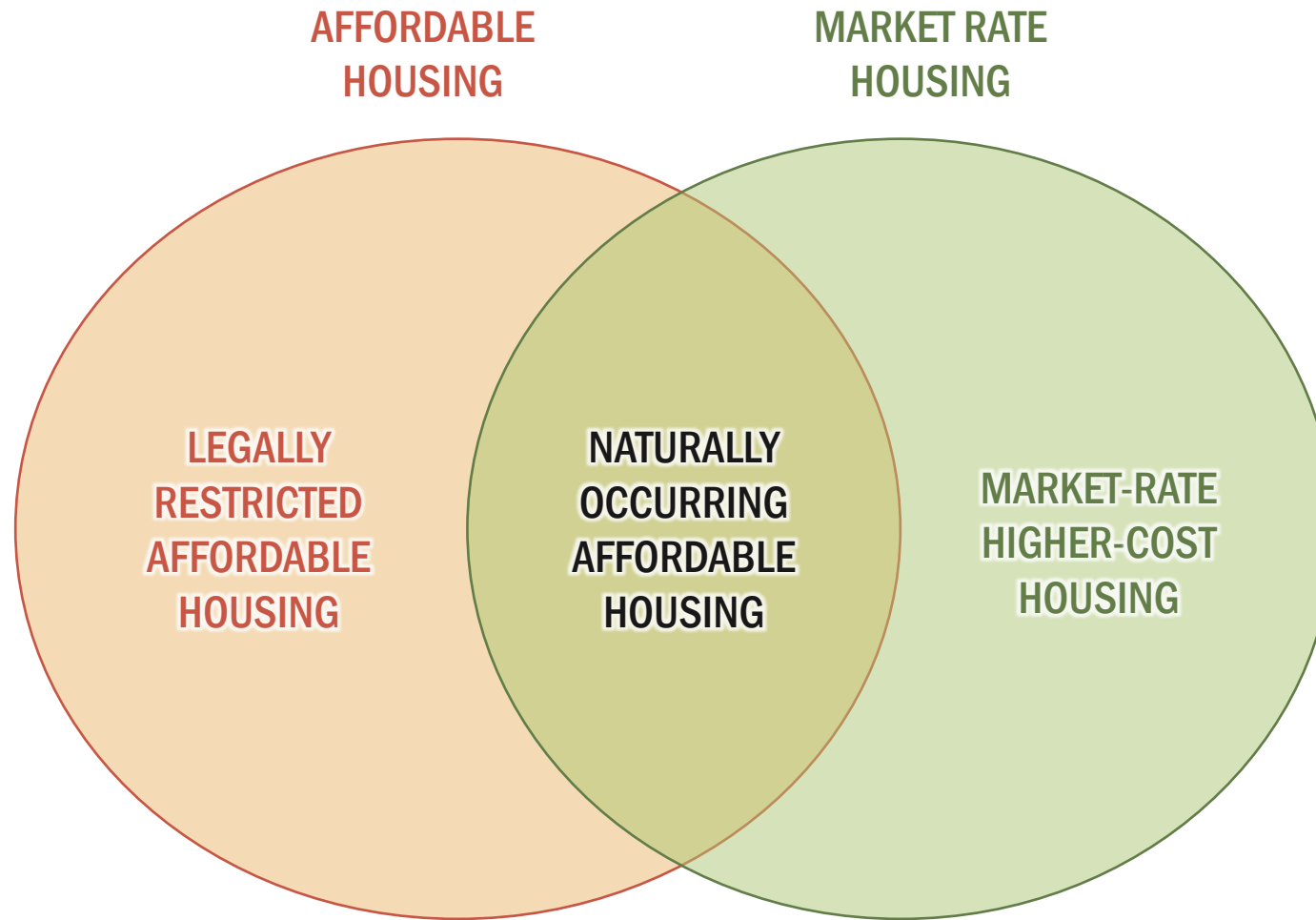
- Privately owned units that offer affordable rents for households at 60% AMI or prices for households at or below 100% AMI
- Affordable is defined as less than 30% of the occupant's household income
- Lower-cost due to age, building quality, location, condition, and/or historically inequitable housing policies like redlining
- Units vulnerable to affordability loss

Higher-Cost, Market-Rate Housing

- Privately owned units charging rent only affordable to households earning over 60% AMI or mortgage payments affordable to households earning over 100% AMI



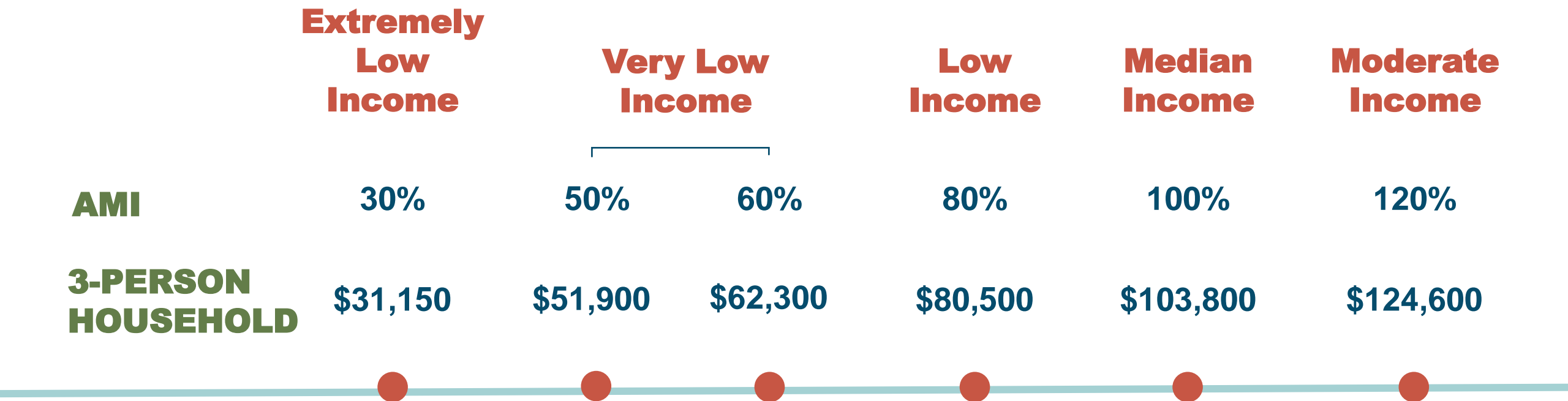
TYPES OF HOUSING



HOW AMI DRIVES HOUSING POLICY

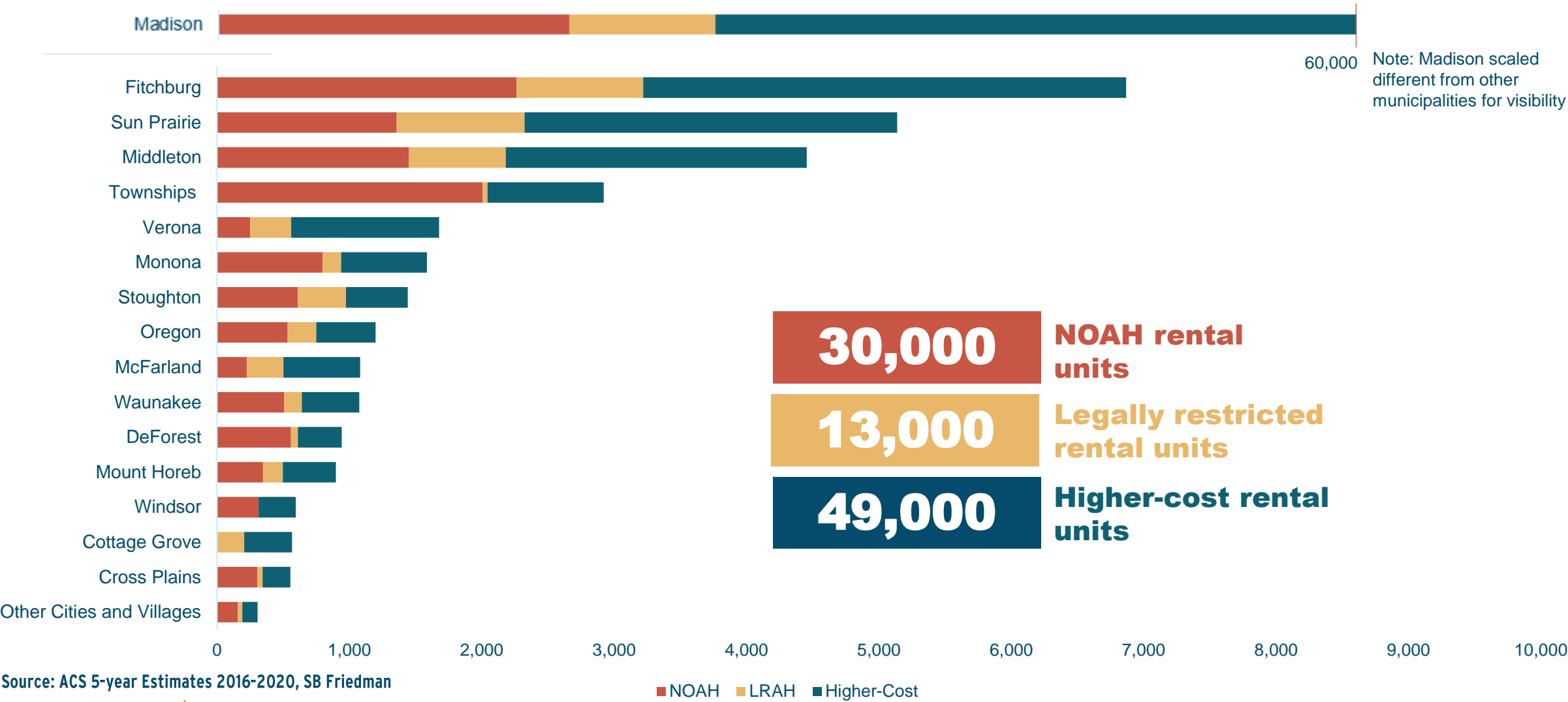
LRAH UNITS ARE RESTRICTED TO DIFFERENT AMI BRACKETS

2022 HUD INCOME LIMITS BY AREA MEDIAN INCOME (AMI)



AFFORDABILITY BREAKDOWN OF RENTAL UNITS

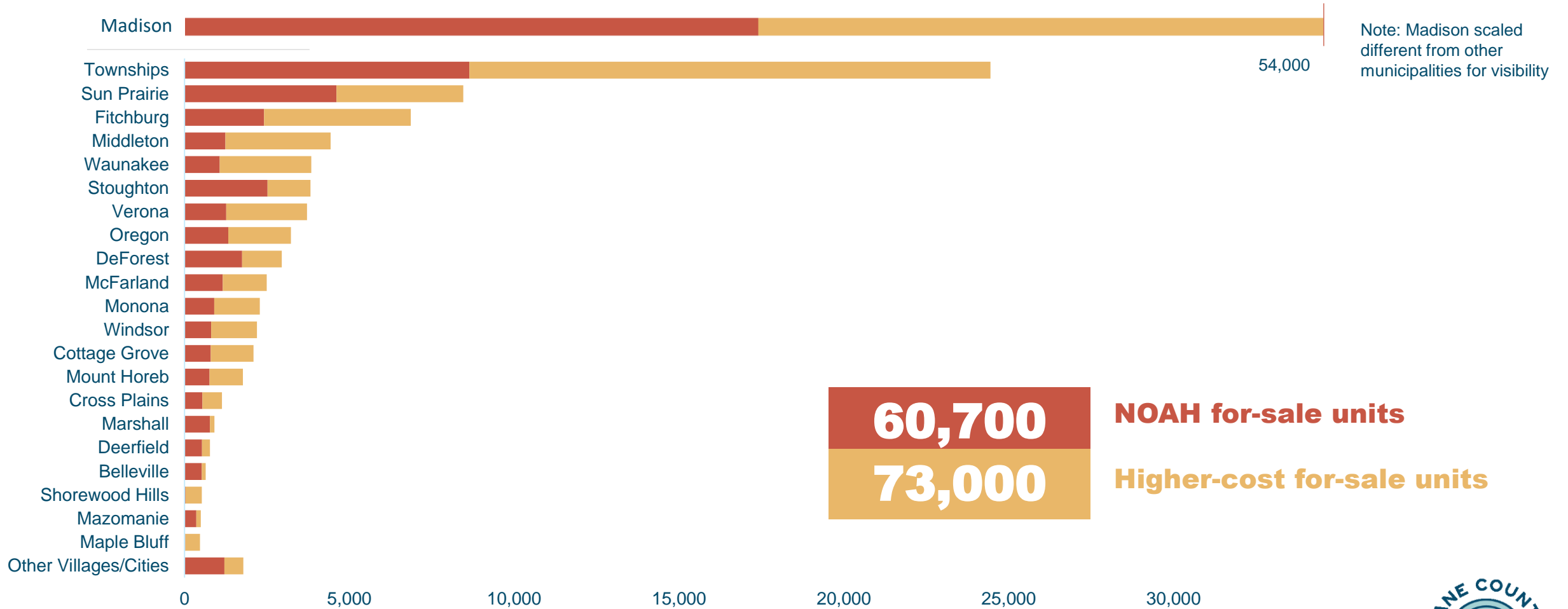
47% OF RENTAL UNITS IN THE COUNTY ARE AFFORDABLE TO A HOUSEHOLD EARNING 60% AMI (\$39k-\$55k)



Source: ACS 5-year Estimates 2016-2020, SB Friedman

AFFORDABILITY BREAKDOWN OF FOR-SALE UNITS

45% OF ALL FOR-SALE UNITS ARE AFFORDABLE TO A 3-PERSON HOUSEHOLD EARNING 100% AMI (\$104,000*)



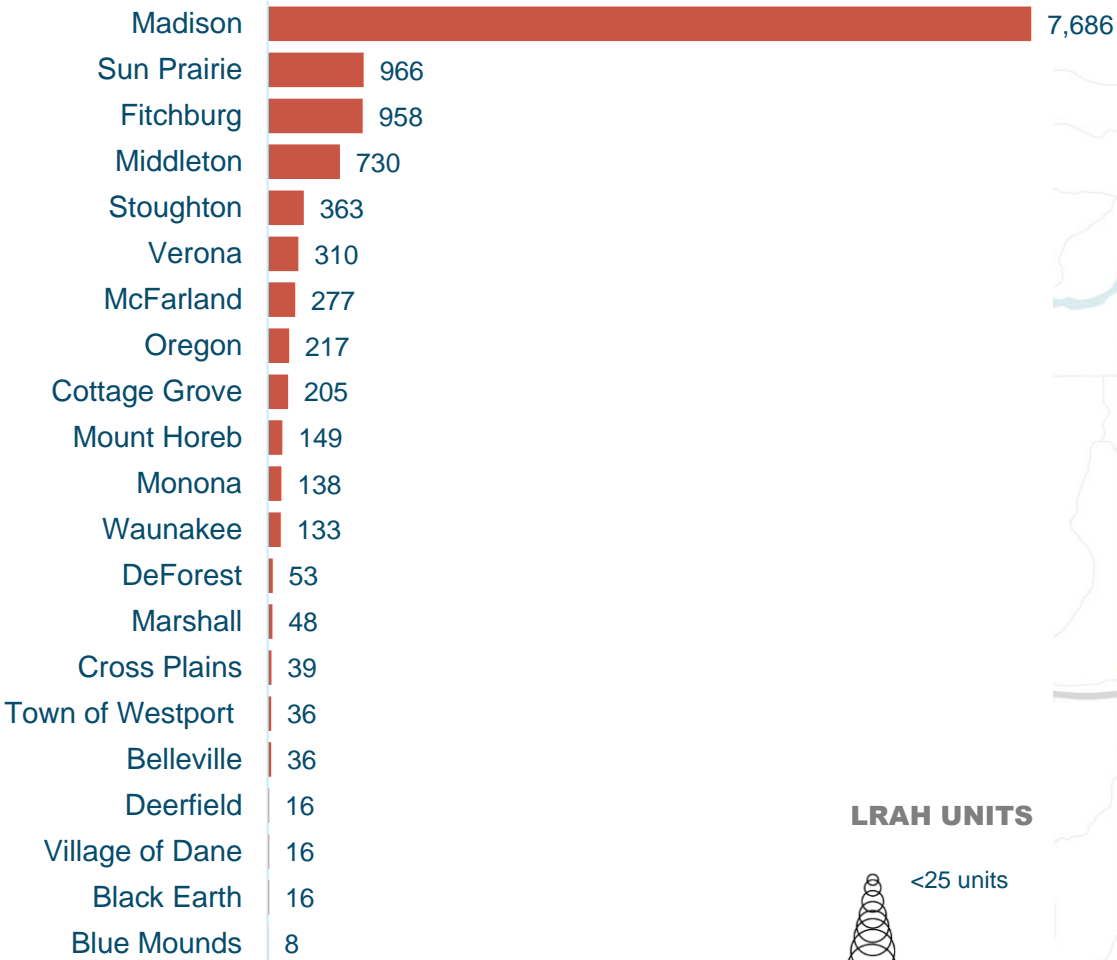
*Note: Analysis assumed a household income of \$83,000, the average 3-person AMI during the analysis period (2016-2020)

Source: ACS 5-year Estimates 2016-2020, SB Friedman



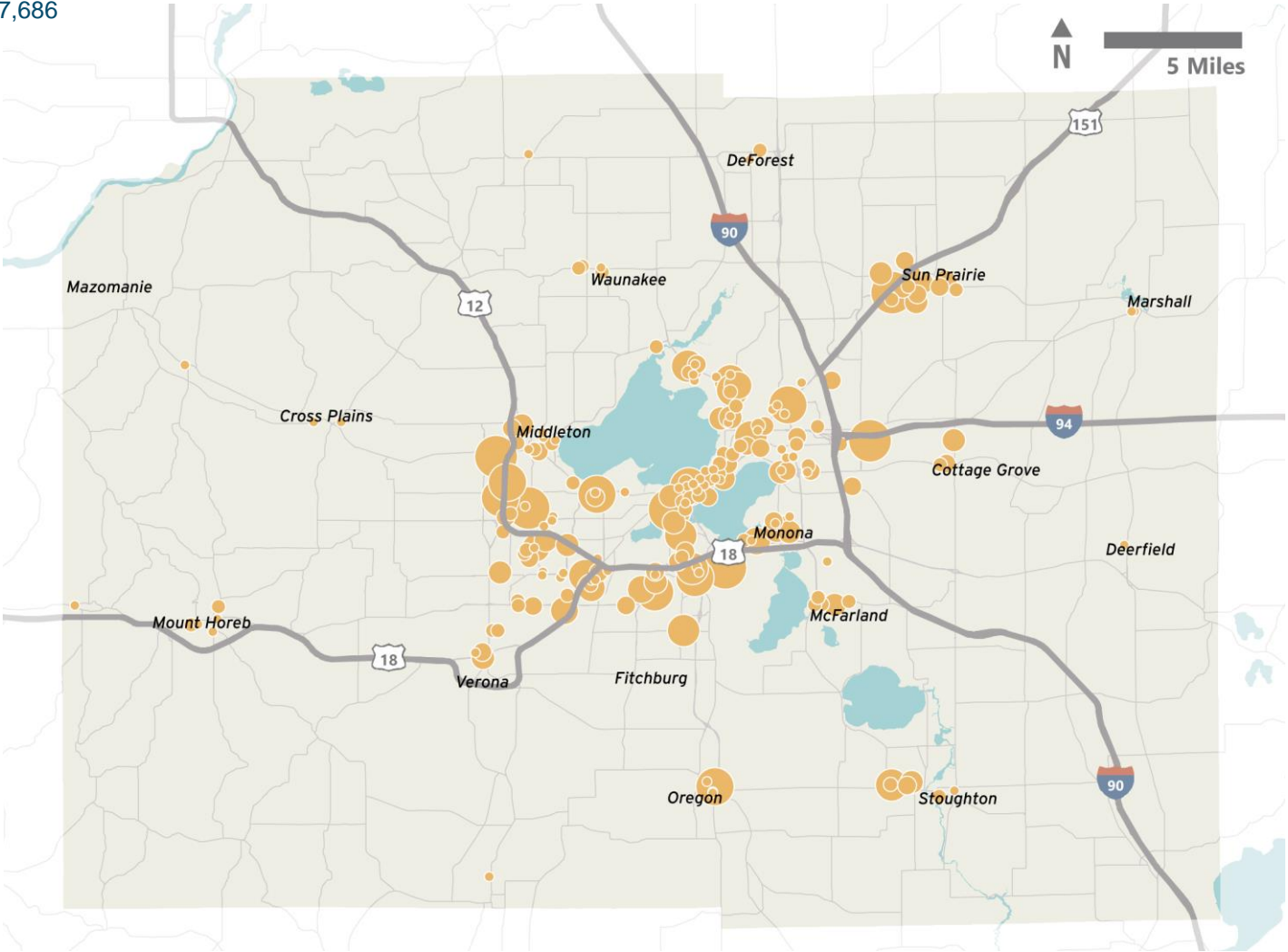
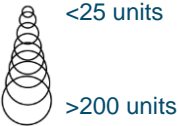
LEGALLY RESTRICTED AFFORDABLE HOUSING

APPROXIMATELY 20% OF THE COUNTY RENTAL UNITS HAVE AFFORDABLE RENT RESTRICTIONS



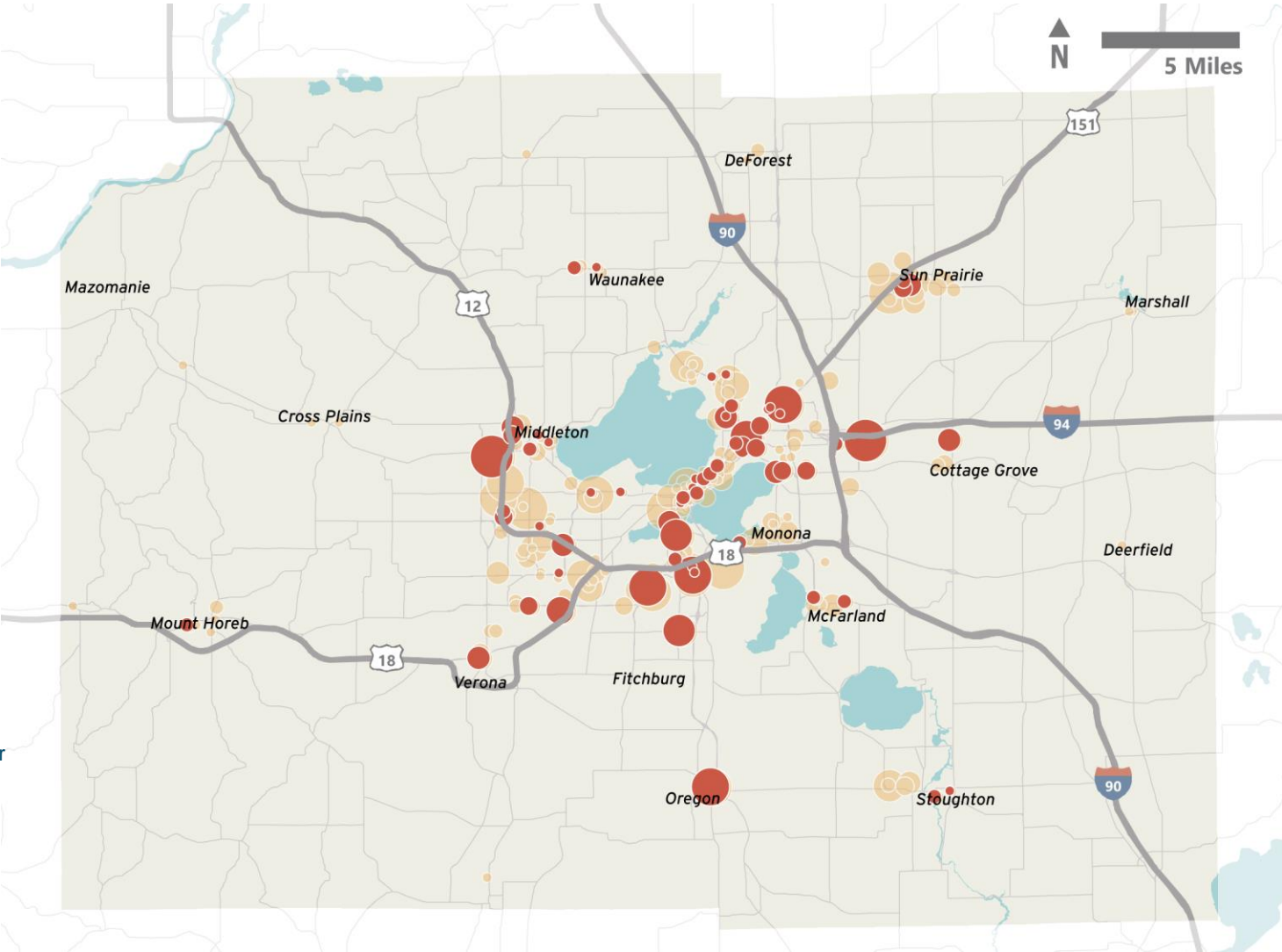
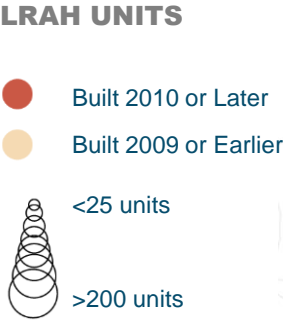
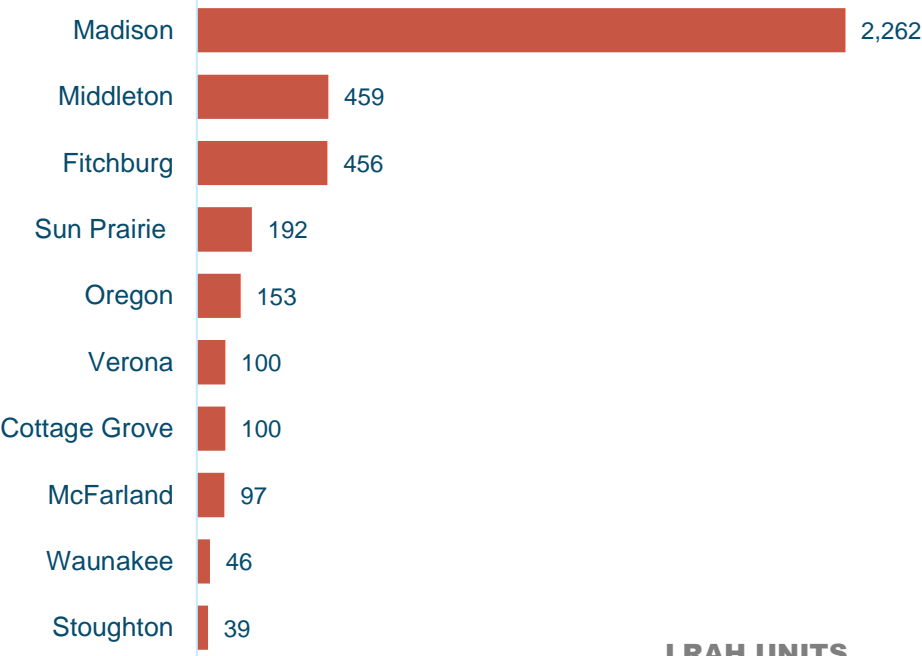
Source: Dane County, HUD, WHEDA, SB Friedman
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LRAH UNITS



NEW LEGALLY RESTRICTED AFFORDABLE UNITS

NEW LRAH RENTAL UNITS BUILT 2010-2022 ARE PREDOMINATELY LOCATED WITHIN MADISON



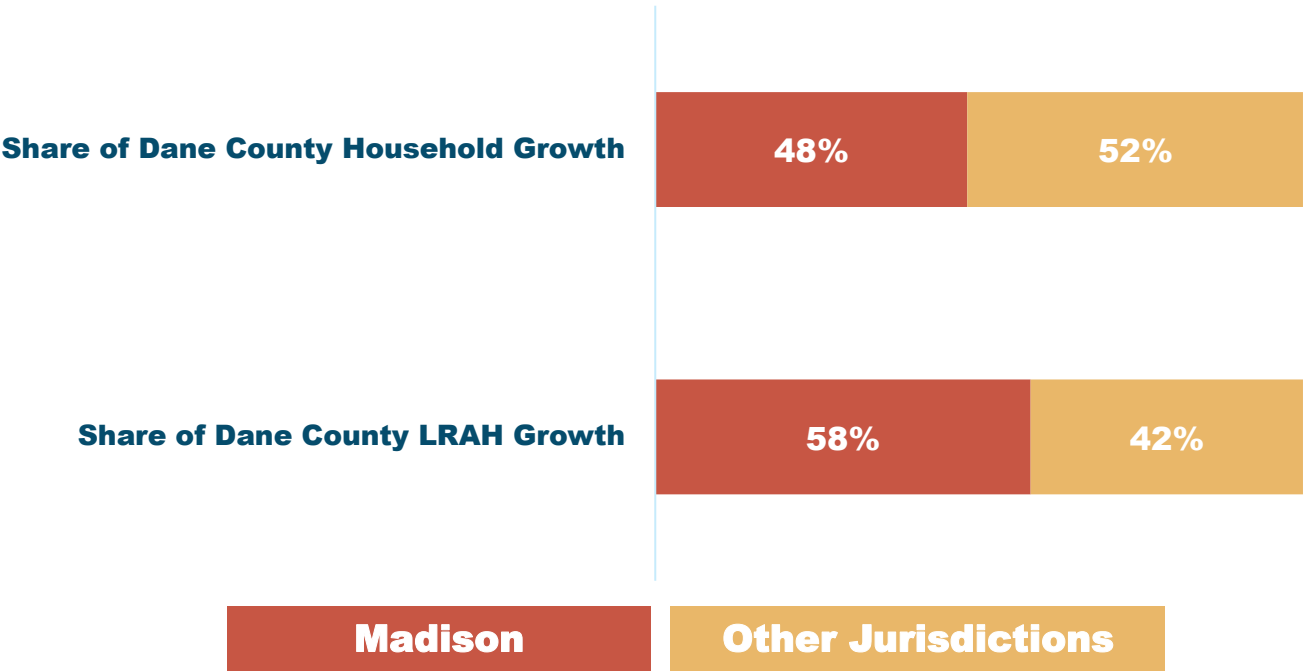
NEW LEGALLY RESTRICTED AFFORDABLE UNITS

MADISON HAS PRODUCED MORE LRAH UNITS RELATIVE TO HOUSEHOLD GROWTH, COMPARED TO OTHER JURISDICTIONS

Madison Snapshot:
2010 Households: **98,200**
Household Growth: **19,100 (19%)**

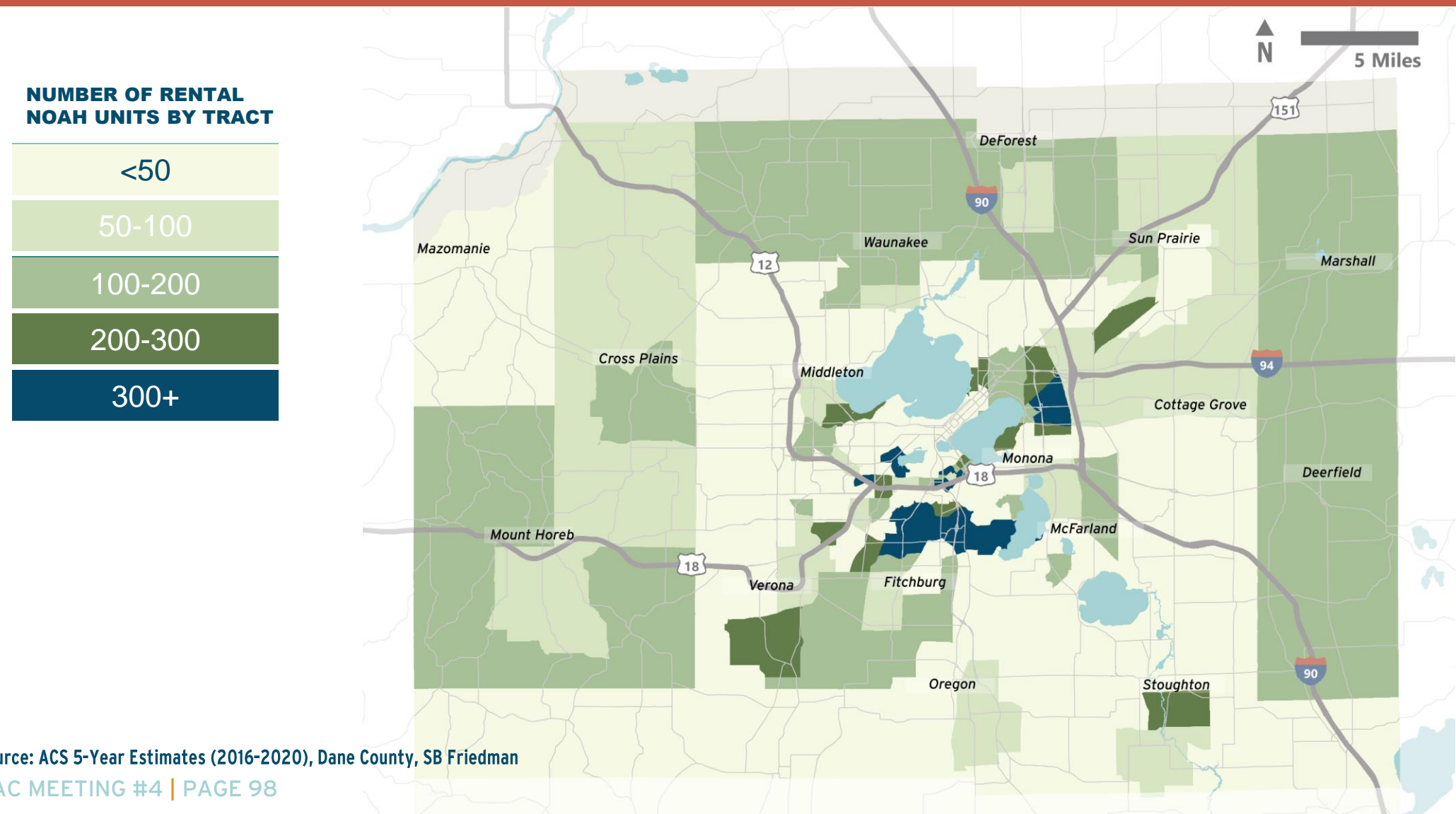
2010 LRAH Units: **5,400**
LRAH Unit Growth: **2,250 (42%)**

DISTRIBUTION OF LRAH AND HOUSEHOLD GROWTH IN MADISON VS OTHER JURISDICTIONS, 2010 TO PRESENT



NOAH RENTAL UNITS

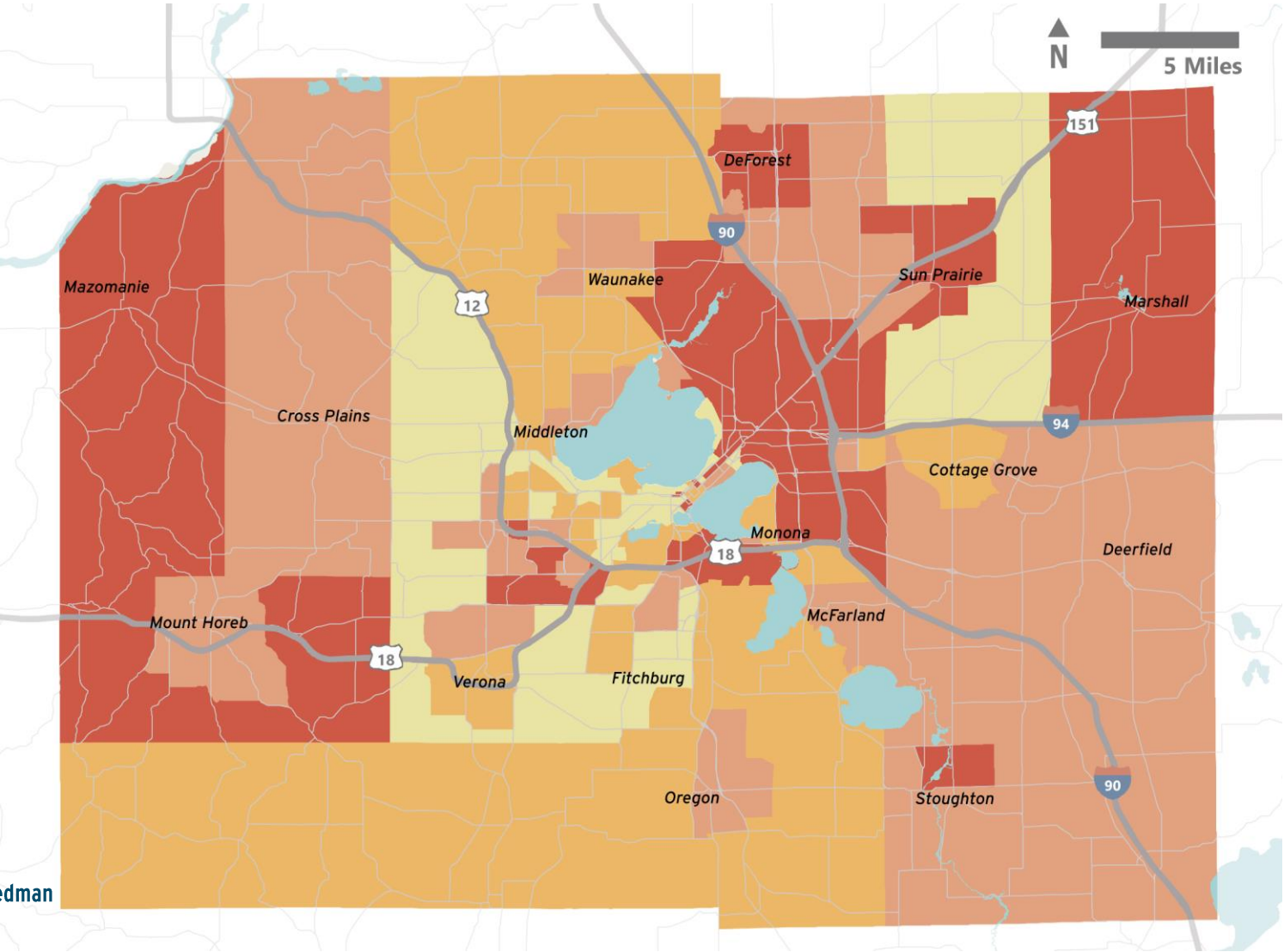
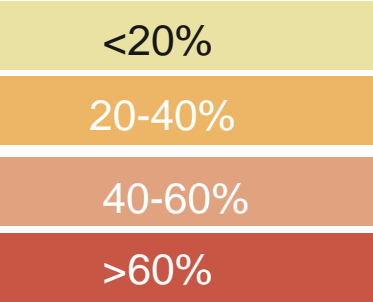
THE GREATEST NUMBER OF NOAH RENTAL UNITS ARE IN MADISON AND UNINCORPORATED DANE COUNTY



NOAH FOR SALE UNITS

THE HIGHEST CONCENTRATIONS OF FOR SALE NOAH UNITS ARE FOUND IN NORTHEAST SUBURBS AND UNINCORPORATED DANE COUNTY

NOAH UNITS AS A % OF THE TOTAL FOR-SALE UNITS



IMPACT OF TRANSPORTATION COSTS

AFFORDABLE TRACTS IN RURAL SEGMENTS OF THE COUNTY REPORT HIGHER ANNUAL TRANSPORTATION COSTS

13%

COUNTY
NEIGHBORHOODS
CLASSIFIED 'LOCATION
EFFICIENT'

\$14k

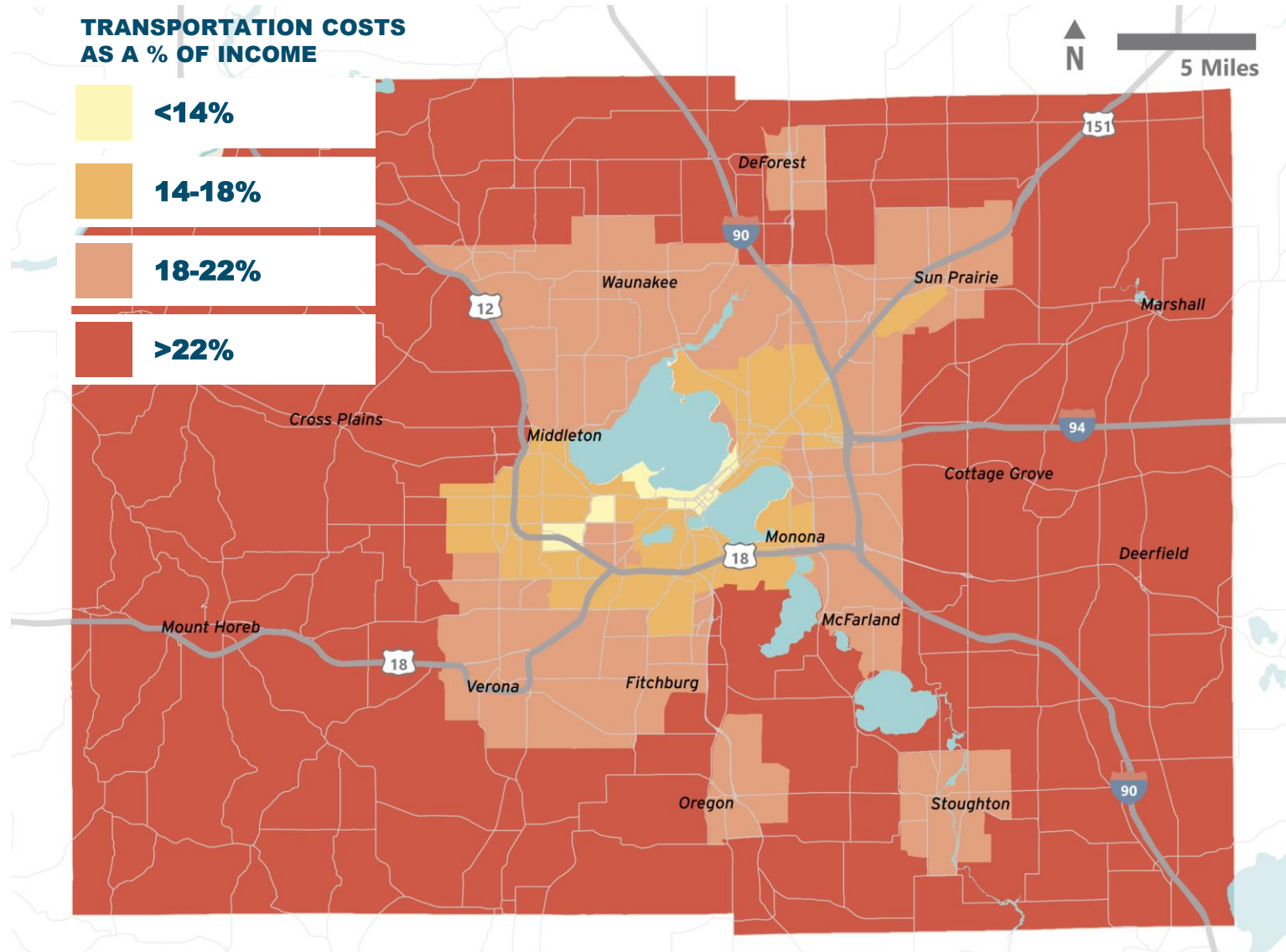
COUNTY AVERAGE ANNUAL
TRANSPORTATION COSTS
PER HOUSEHOLD

10%

AVERAGE TRANSPORTATION
COSTS AS A PERCENTAGE OF
INCOME

Source: CNT H&T Index (2019), SB Friedman

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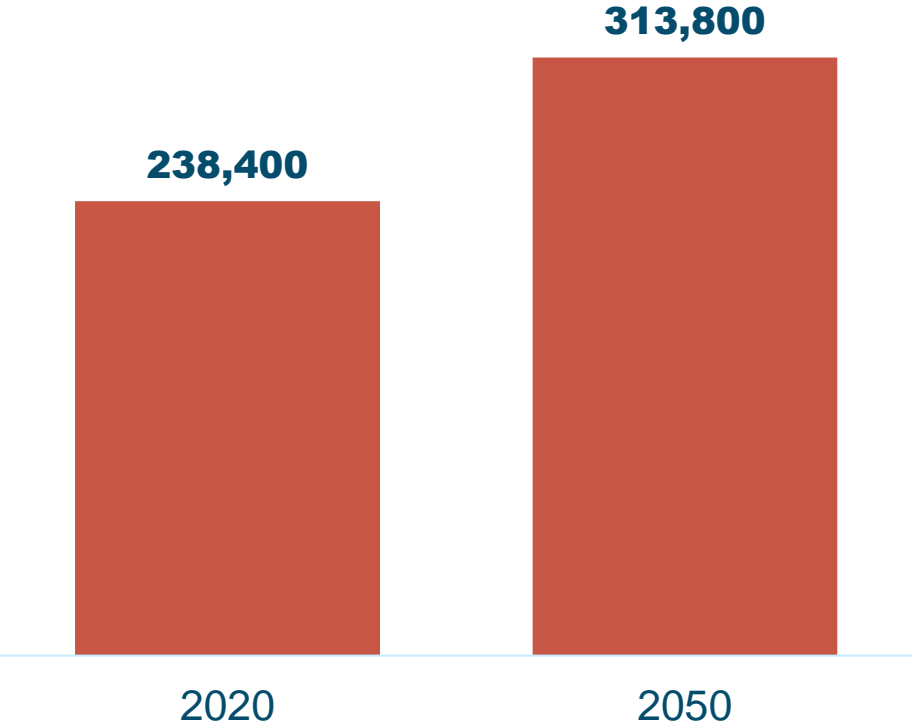


BREAKOUT DISCUSSION

FORECASTED HOUSEHOLD CHANGE

THE NUMBER OF HOUSEHOLDS IN DANE COUNTY IS EXPECTED TO GROW BY 32%, 2020-2050

DANE COUNTY PROJECTED HOUSEHOLD GROWTH, 2020-20250



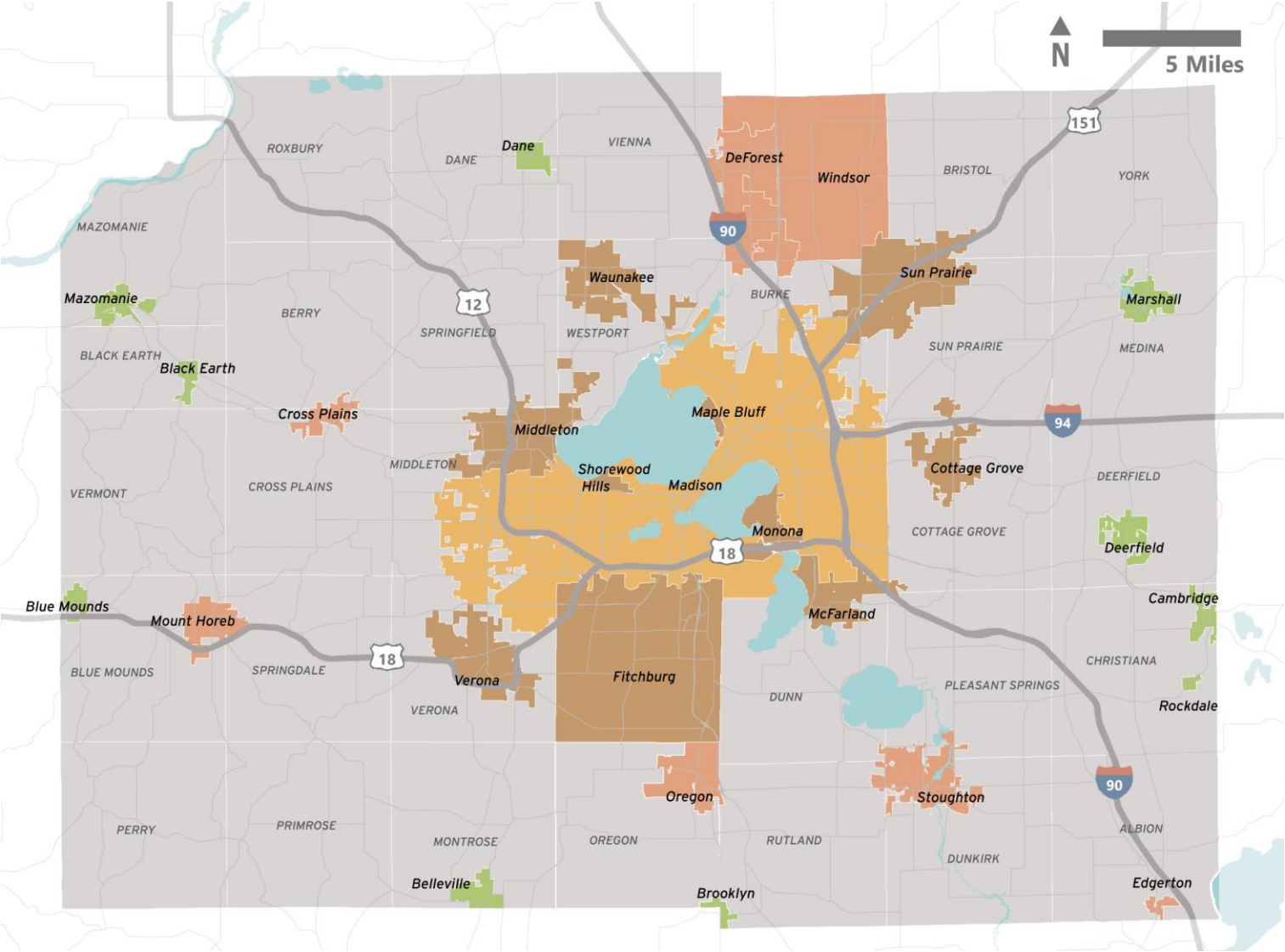
+75,400

New households by 2050



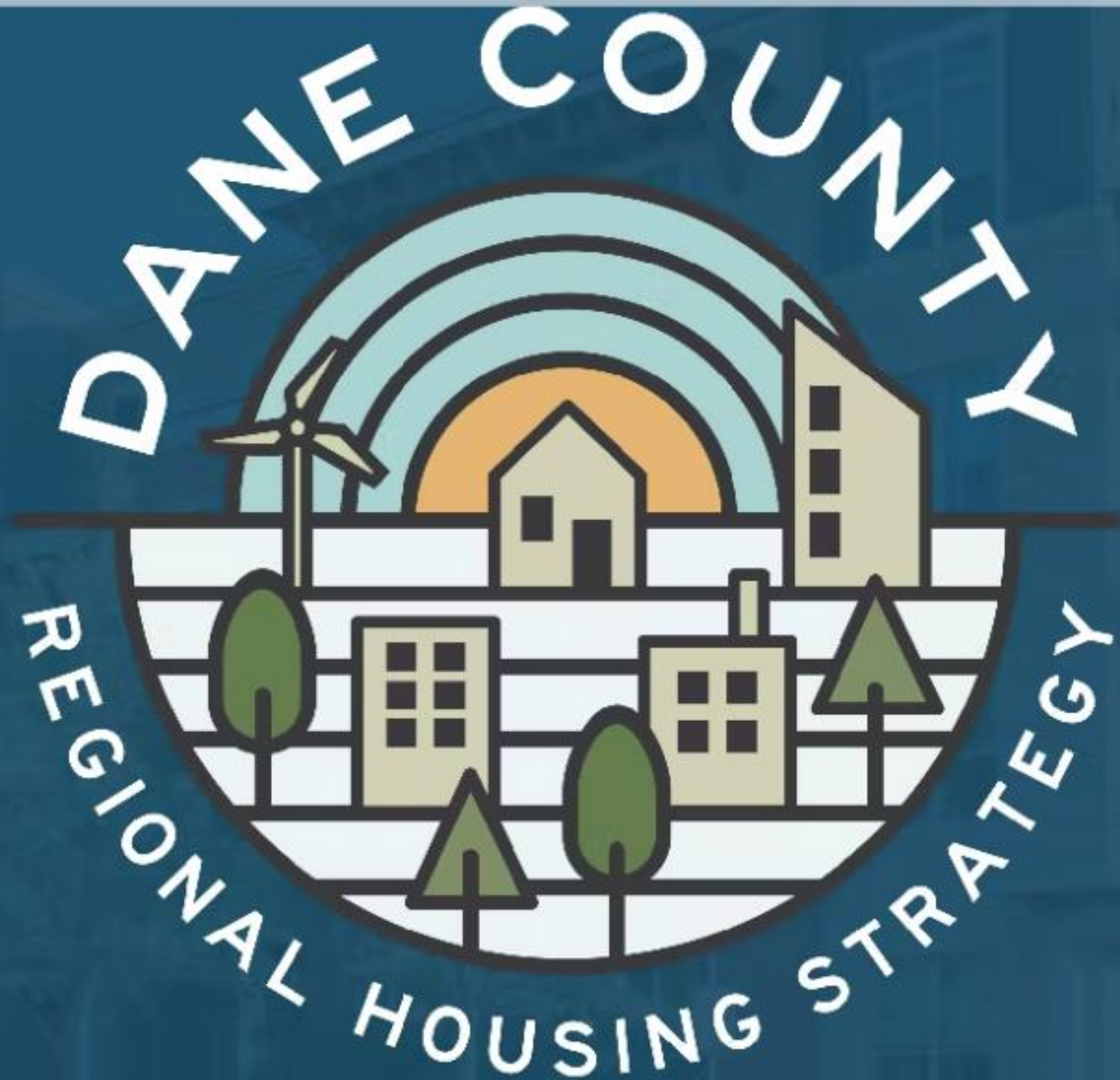
COUNTY SUBAREAS

- Madison
- Inner-Ring Suburbs
- Outer-Ring Suburbs
- Rural Villages
- Townships



REPORT OUT

Go to www.menti.com and use the code 8533 6725



NEXT STEPS

HAC UPCOMING NEEDS

PLEASE HELP US SPREAD THE WORD ABOUT THE HOUSING SURVEY THROUGH FEBRUARY 9TH

- **Attend Monthly Housing Advisory Committee (HAC) Meetings**
- **Review the Meeting Workbook**
- **Raise Awareness of the Community Housing Survey**
(Through February 9th)
- **Participate in the Program Inventory + Assessment Survey (PIRA)**
(Through February 15th)
- **Volunteer for Strategy Spotlight**

Q+A DISCUSSION

Have a question? Any comments? Let's discuss!



REGIONAL HOUSING STRATEGY: HAC MEETING #4

THANK YOU!

HAC Meeting #5 | Alliant Energy Center
February 22, 2023 (6:30 - 8:30 PM)