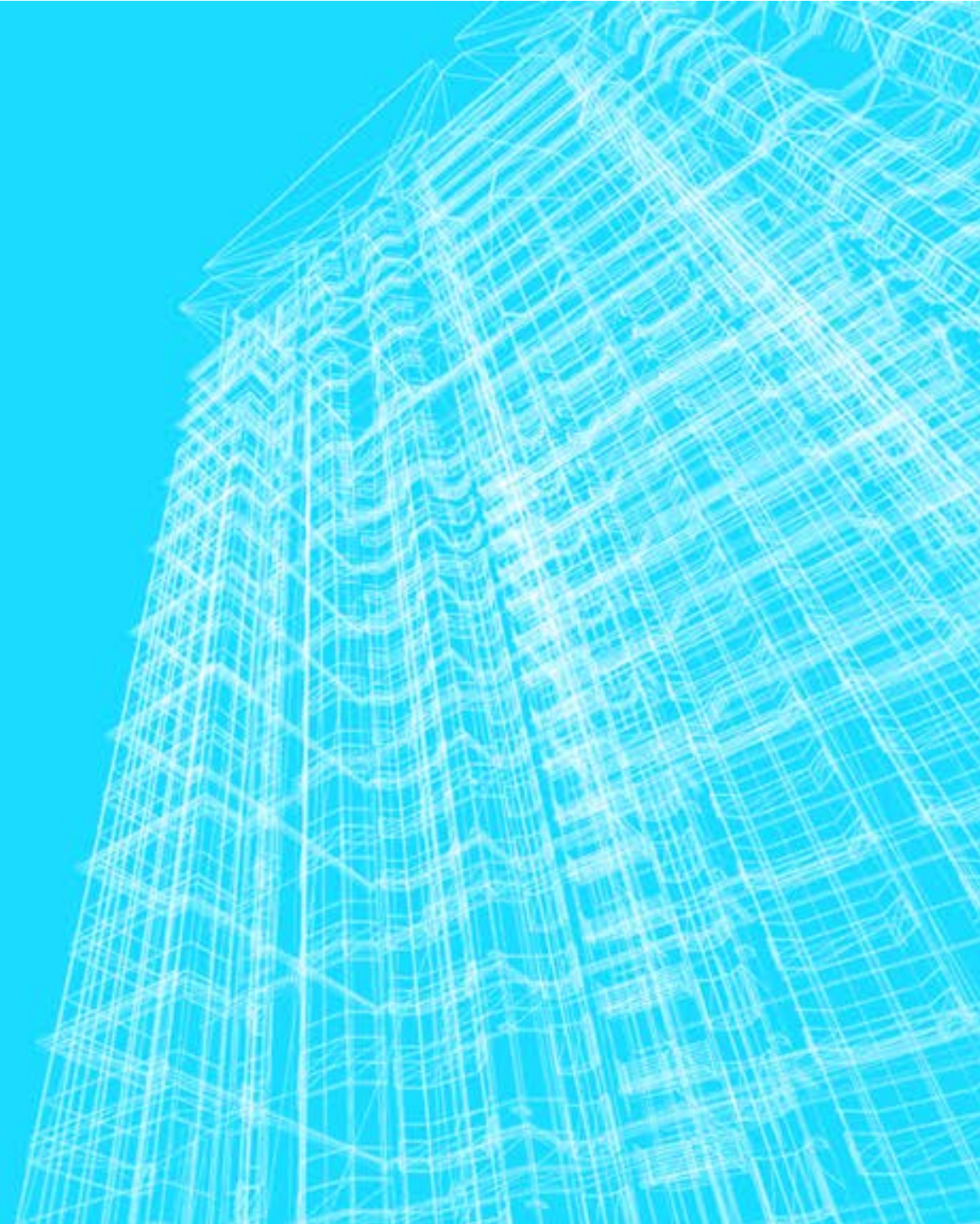
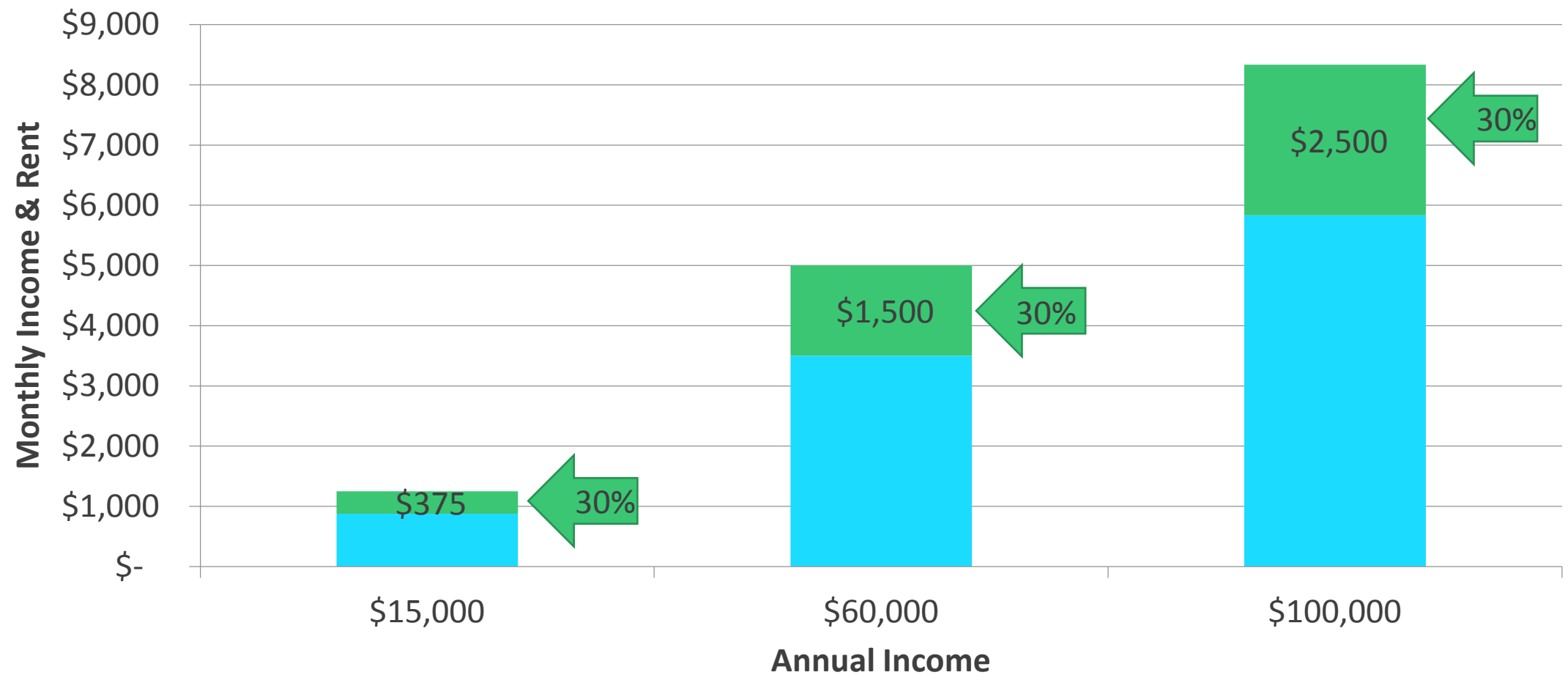


CITY OF MADISON BIENNIAL HOUSING REPORT

Prepared for the City of Madison Housing Strategy Committee
Author: Matt Wachter – Housing Initiatives Specialist



AFFORDABLE HOUSING = RENT < 30% OF INCOME

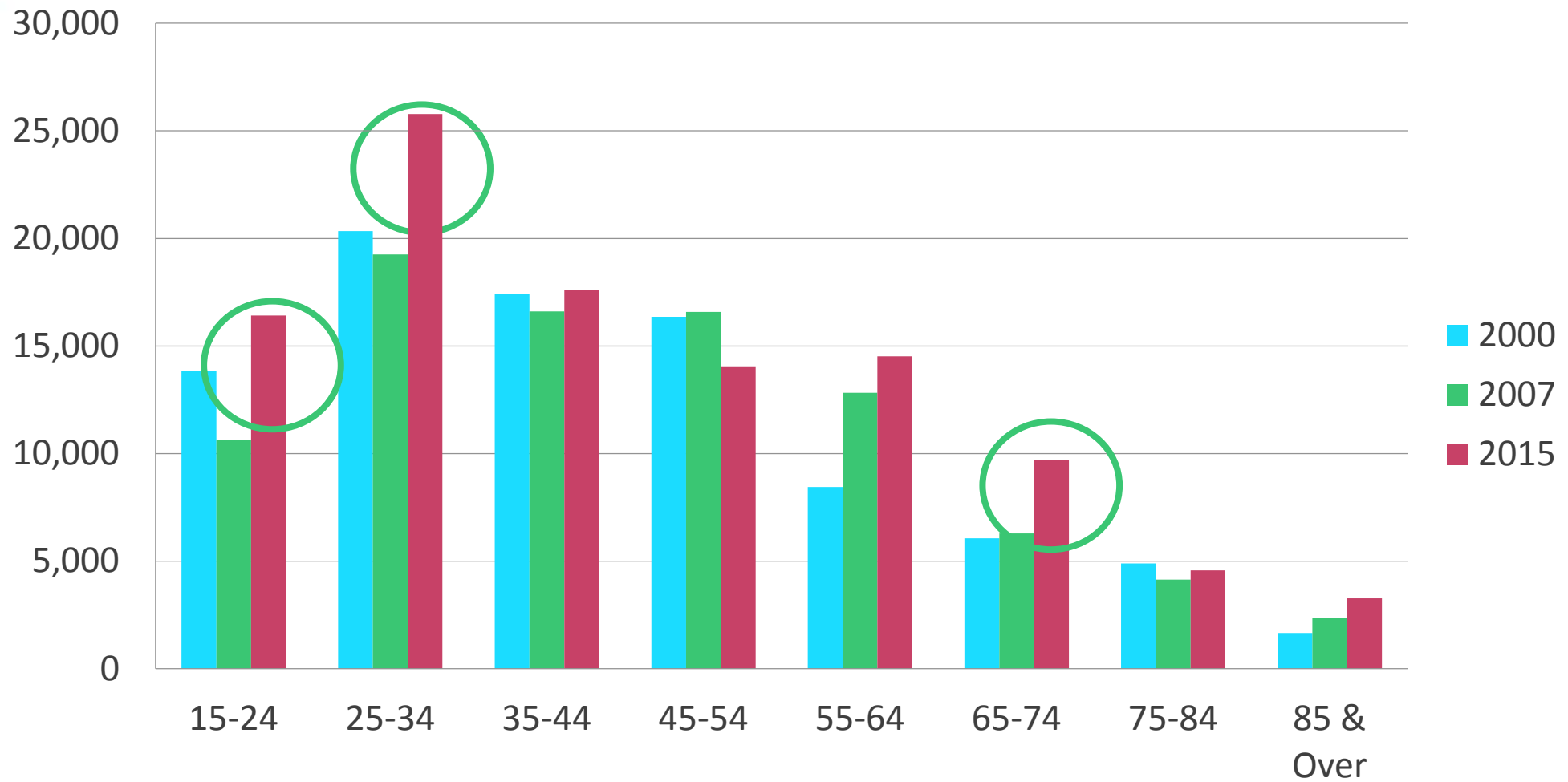


DEMAND COMES FROM GROWTH

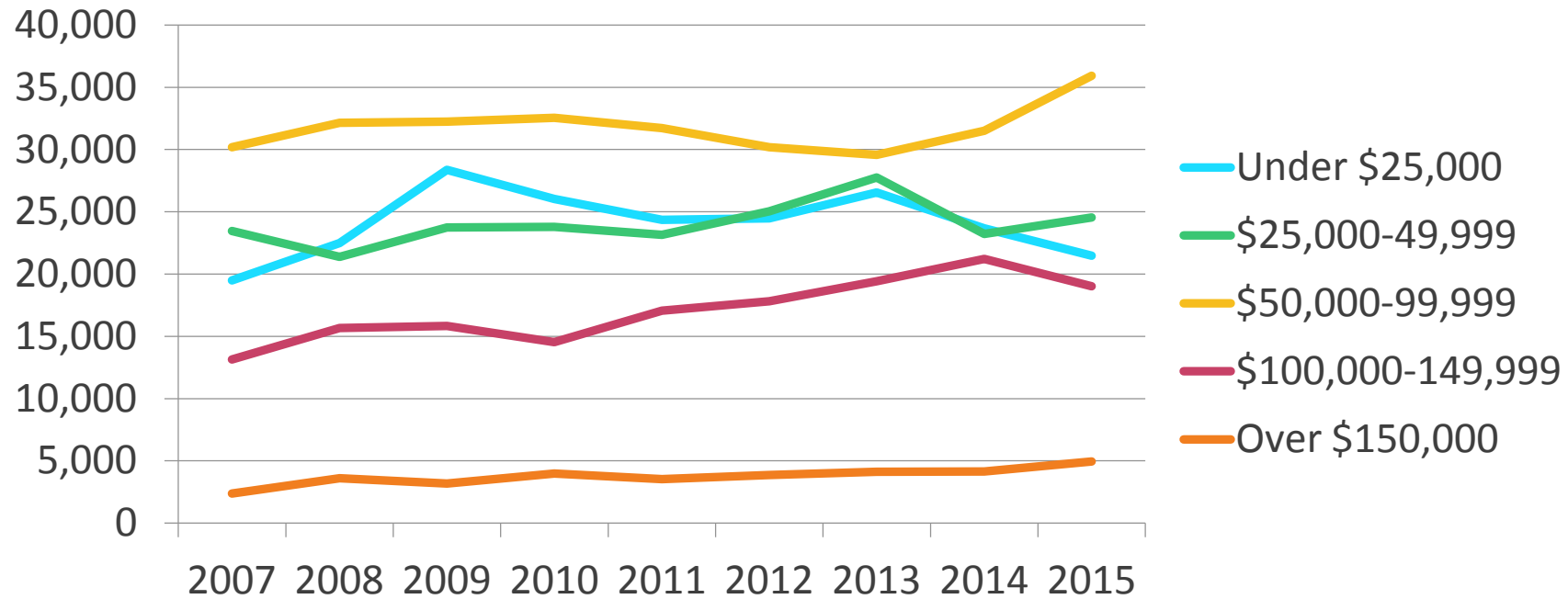
	2000 Census to 2007 ACS		2007 ACS to 2015 ACS	
	Annual Growth Rate	Total Growth	Annual Growth Rate	Total Growth
Population	1%	7%	1.5%	12%
Households	0.0%	0%	2%	20%
Renter Households	-2%	-14%	4.5%	43%
Owner Households	2%	15%	0%	0%

Madison added over 17,000 households between 2007 and 2015

OF HOUSEHOLDS BY AGE



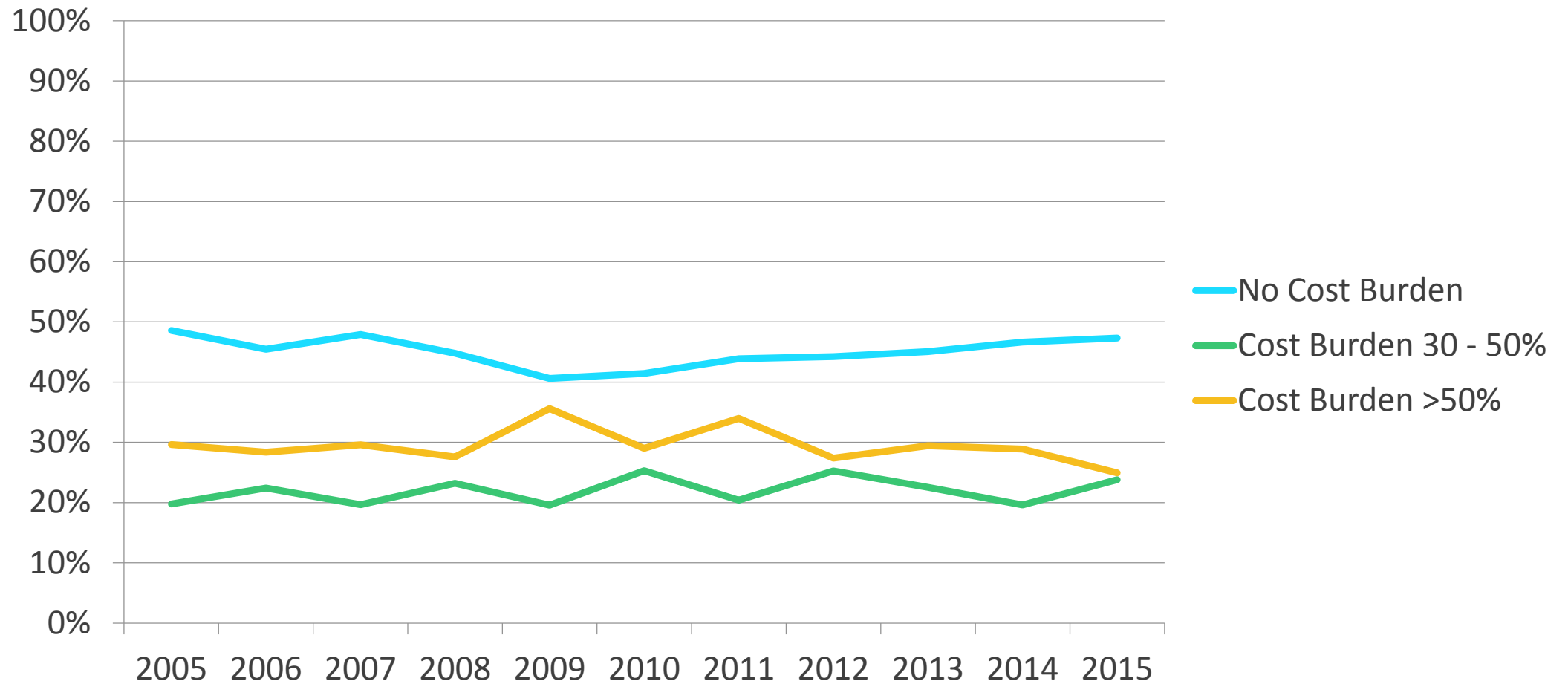
OF HOUSEHOLDS BY INCOME



Household Growth Rate 2007-2015

	Net New Households	Average Annual Growth Rate	Total Growth
Total Households	~17,300	2%	19%
Under \$25,000	~2,000	1%	10%
\$25,000-49,999	~1,100	0.5%	5%
\$50,000-99,999	~5,700	2%	19%
\$100,000-149,999	~4,300	5%	46%
Over \$150,000	~4,100	6%	68%

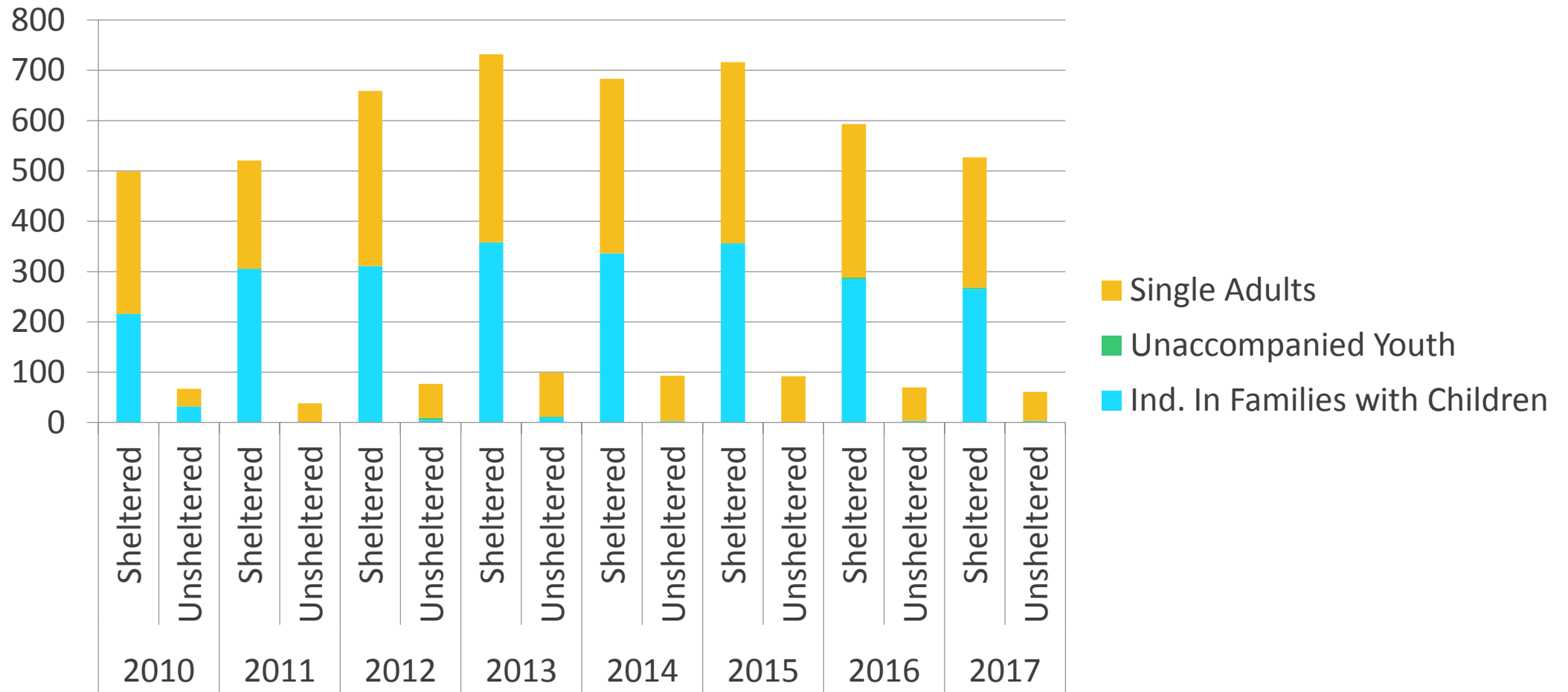
MOST RENTERS ARE COST BURDENED



HOMELESSNESS



HOMELESS PIT COUNT PEAKED IN 2013





STRATEGY – HOMELESS HOUSING

Target the Hardest to Serve/Chronically Homeless

Increase Rapid ReHousing

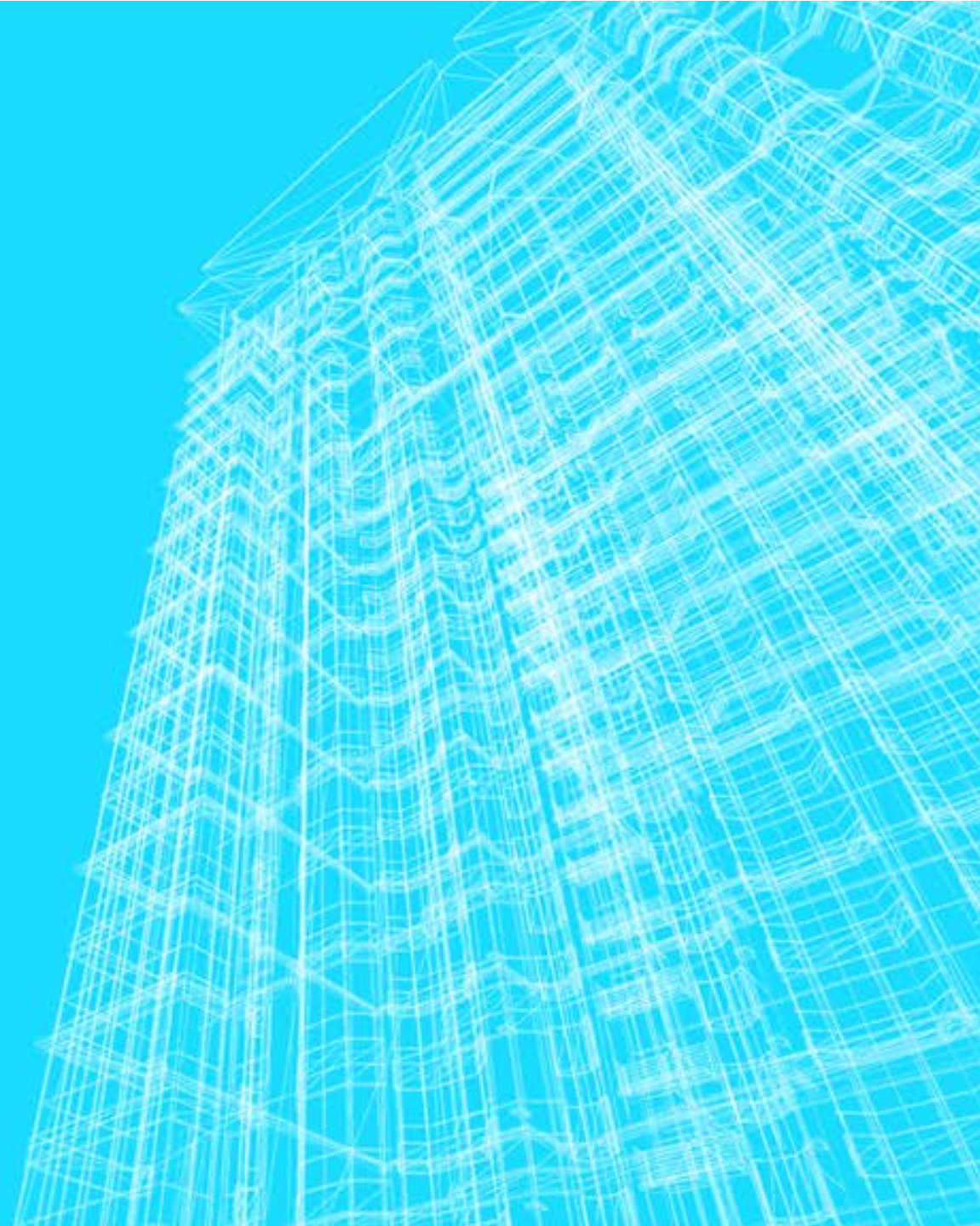
Plan for Shelter Replacement

SOLUTION PERMANENT SUPPORTIVE HOUSING

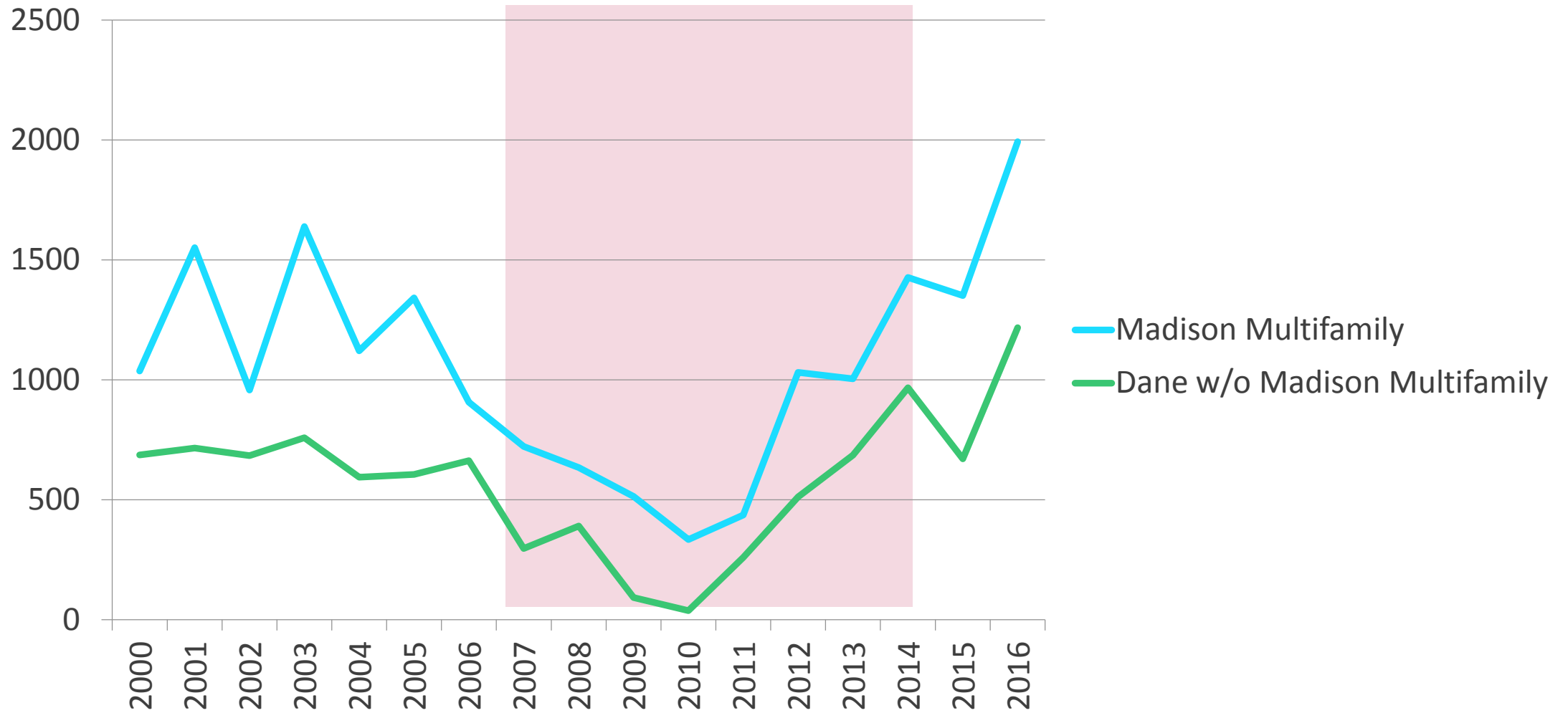
- 60 studio apartments
- LEED Platinum and PassiveHouse certified
- Targets most vulnerable chronically homeless
- 24/7 staffing
- Onsite social services staff



RENTAL

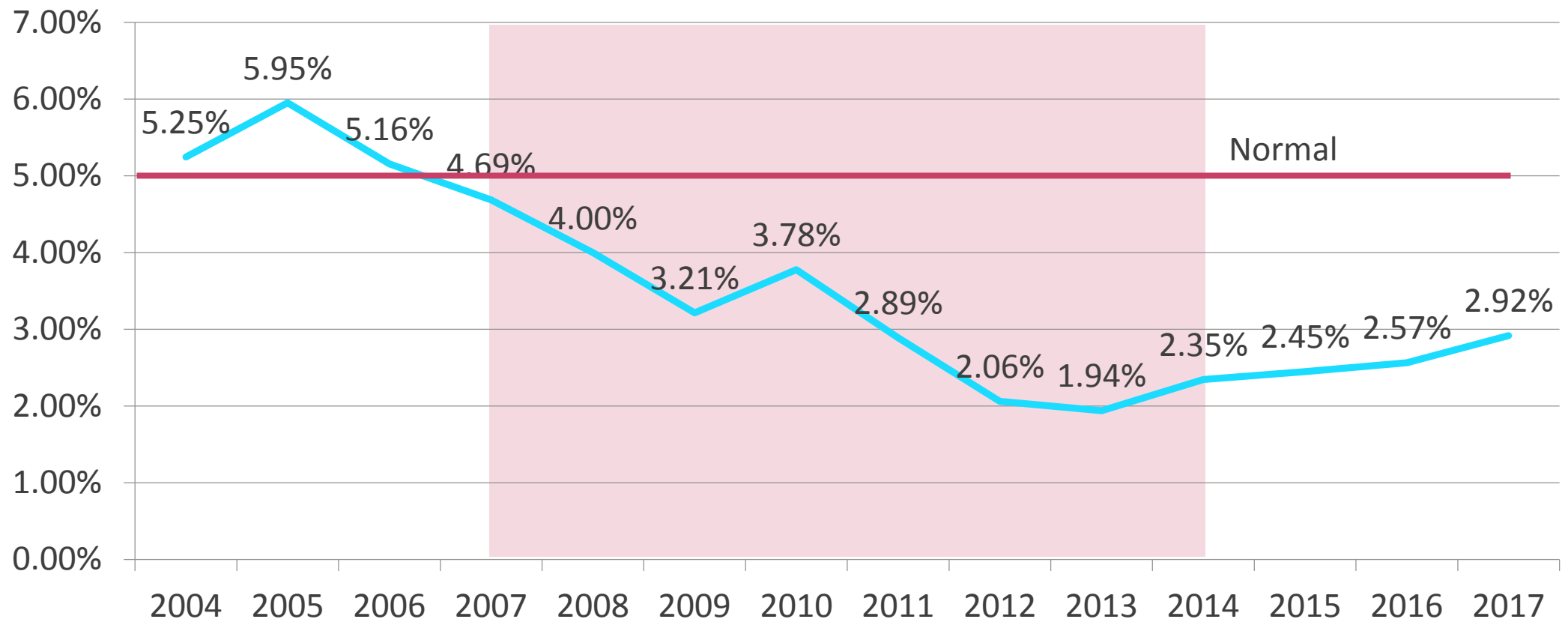


NEW SUPPLY

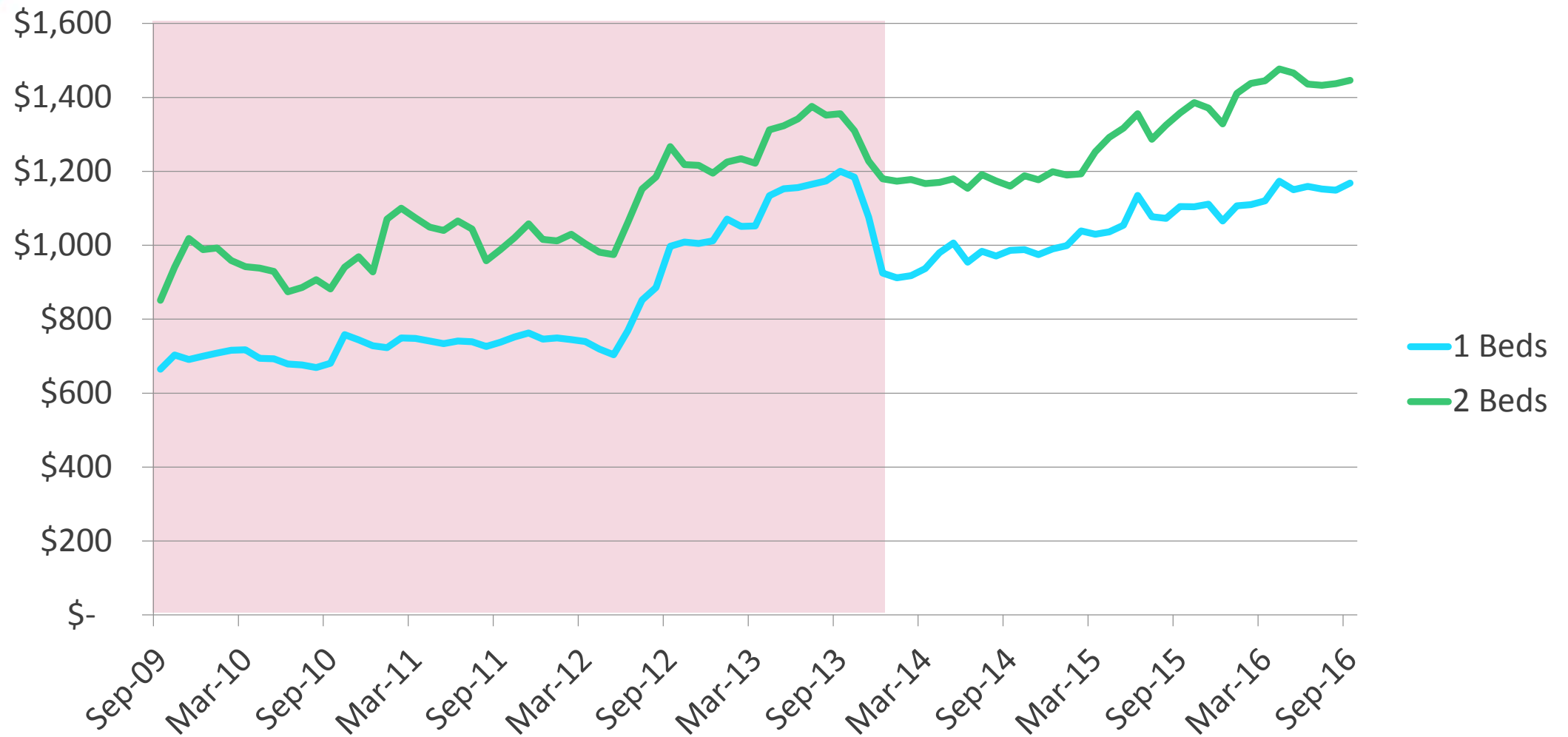


RENTAL VACANCY

1st Quarter Vacancy



AVERAGE LISTED RENT





CHALLENGES

- **SHRINKING OR FLAT FEDERAL ASSISTANCE**
- **RISING CONSTRUCTION COSTS**
- **PHYSICAL CAPACITY TO ADD SUPPLY**



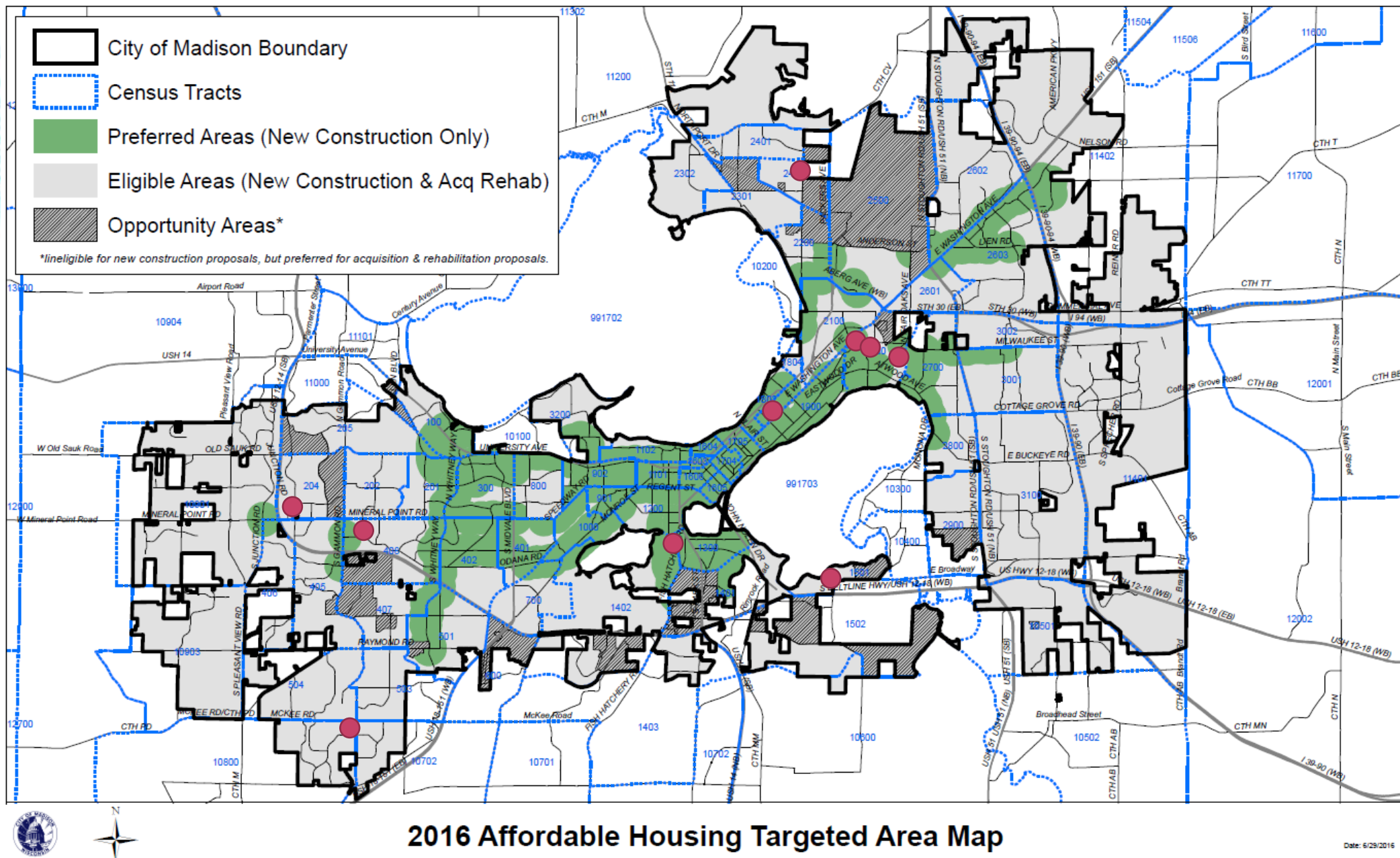
STRATEGY – LOW INCOME RENTAL

Funding

- City Affordable Housing Fund
- Federal Tax Credits

Recruit Developers

- Align Funding
- Geographically Target



Year	Developer	Total Development Cost	CDD Award/ Recommendation	Total Units	Total Affordable Units
2016	Gorman & Company	\$12m	\$950,000	59	56
2016	MSP Real Estate	\$14m	\$850,000	57	48
			\$1,800,000	116	104
2015	Stone House	\$11m	\$1,000,000	65	55
2015	JTKlein & DCHA	\$13m	\$1,250,000	67	58
2015	Mirus Partners & Movin Out	\$10m	\$530,000	48	40
			\$2,780,000	180	153
2014	Oakbrook Corporation	\$13m	\$1,000,000	80	68
2014	Gorman & Company	\$17m	\$1,000,000	90	76
2014	Sather & Lutheran Social Services	\$10m	\$1,000,000	72	61
			\$3,000,000	242	205
Total		\$100,000,000	\$7,580,000	538	462



STRATEGY – MARKET RATE RENTAL

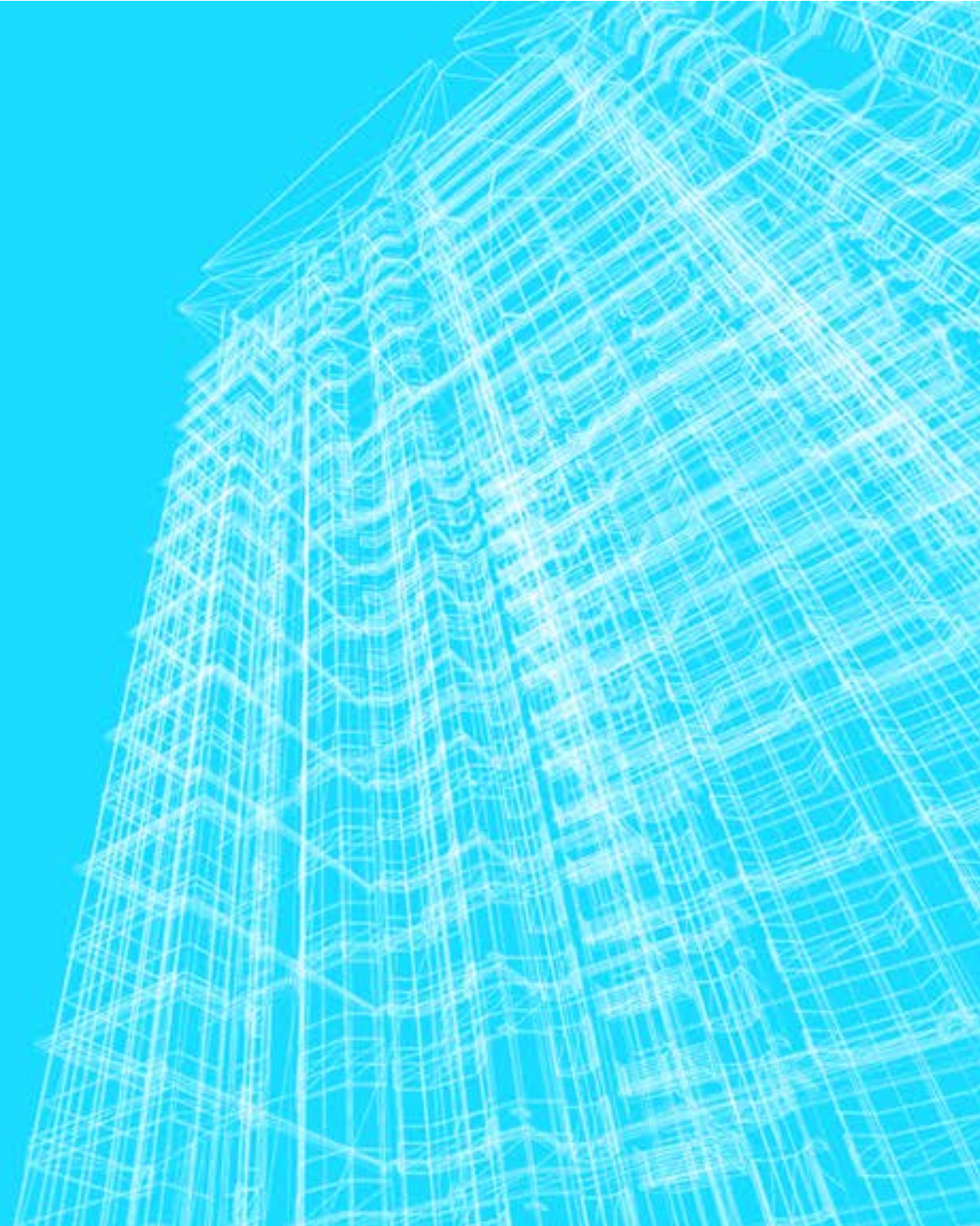
Better Information and Communication

- Quarterly Housing Data Report
- Increase representation by rental housing providers on city committees

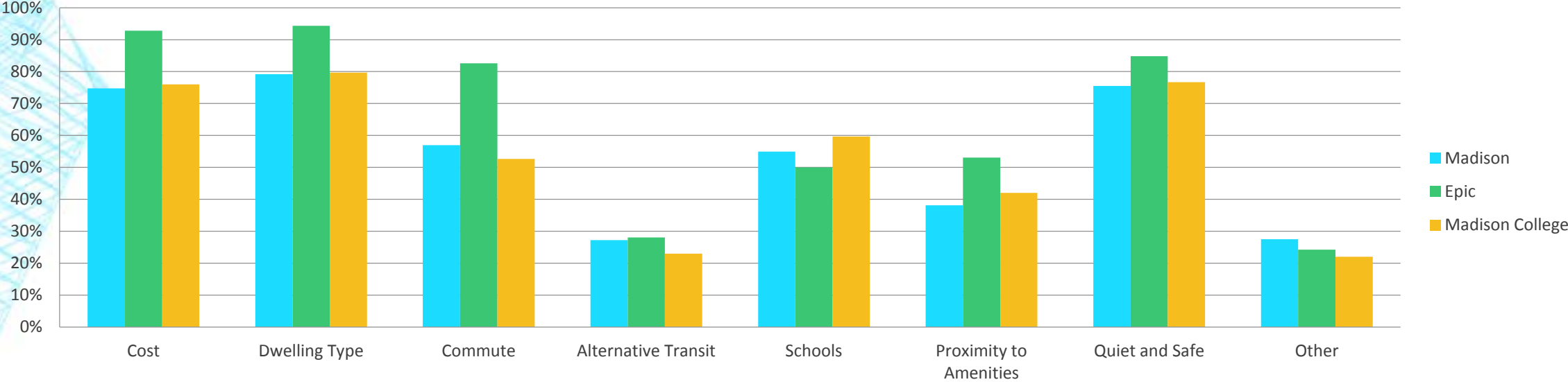
Create a Development District Initiative

- Identify areas in the Comprehensive Plan
- Prioritize neighborhood planning and the creation of zoning overlay and urban design districts
- Create a TIF Strategy
- Direct Affordable Housing Funds
- Create a Land Banking Fund

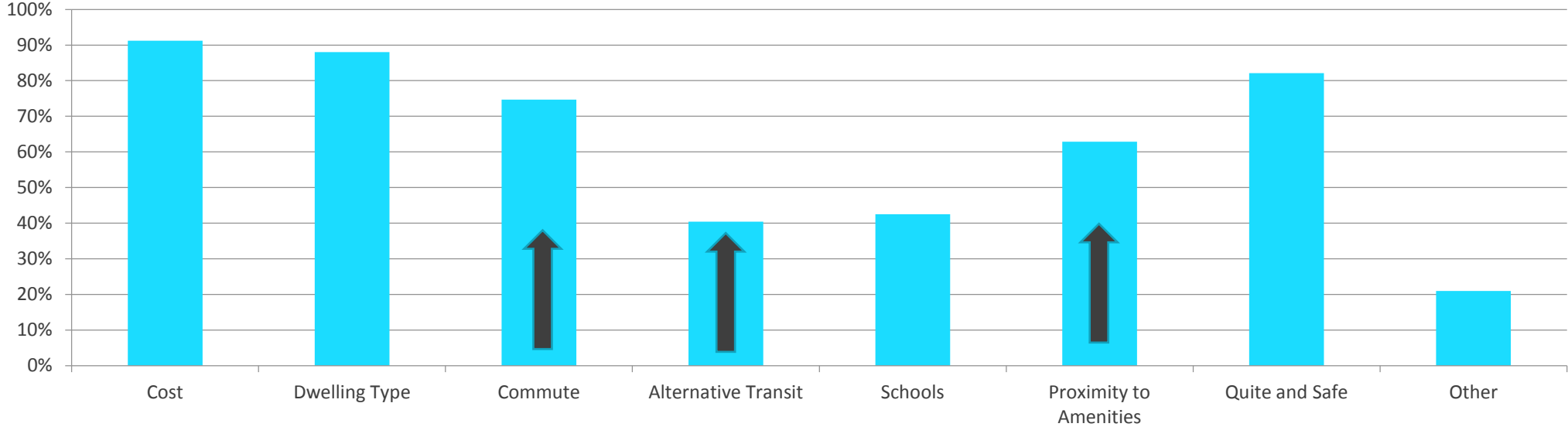
OWNERSHIP



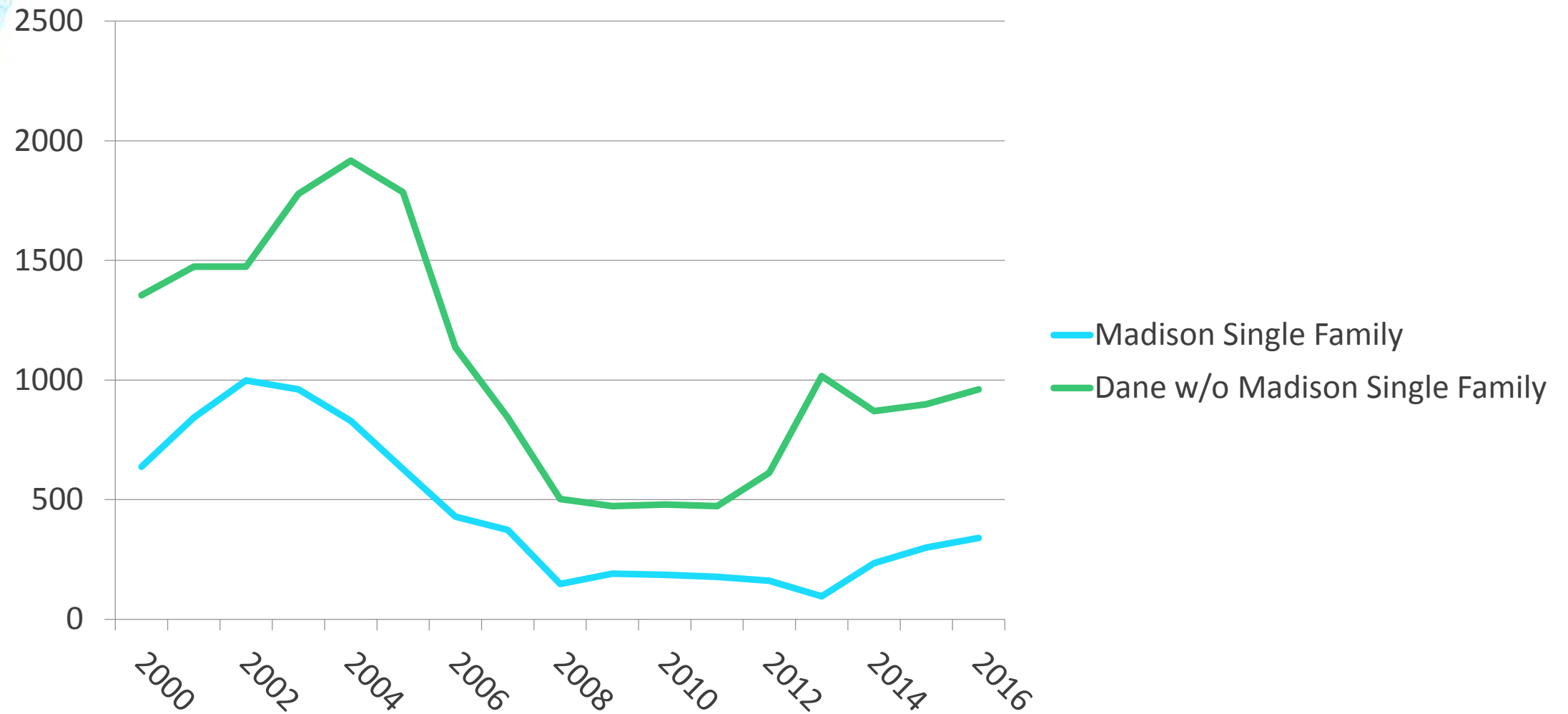
Why do you live where you live? (Current Owners)



If moving, what is important? (Likely Buyers)

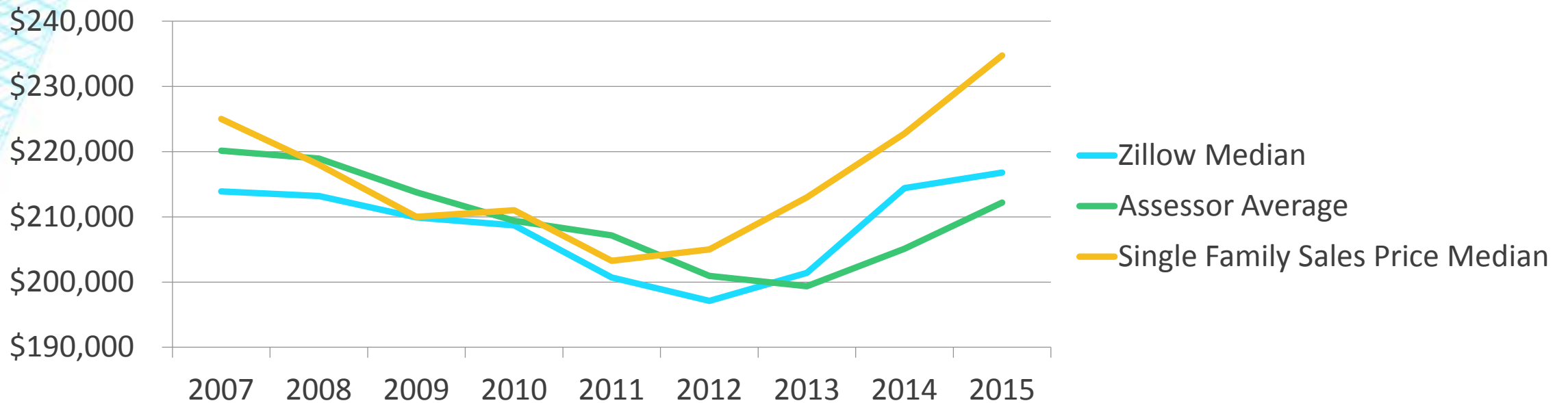


NEW SUPPLY

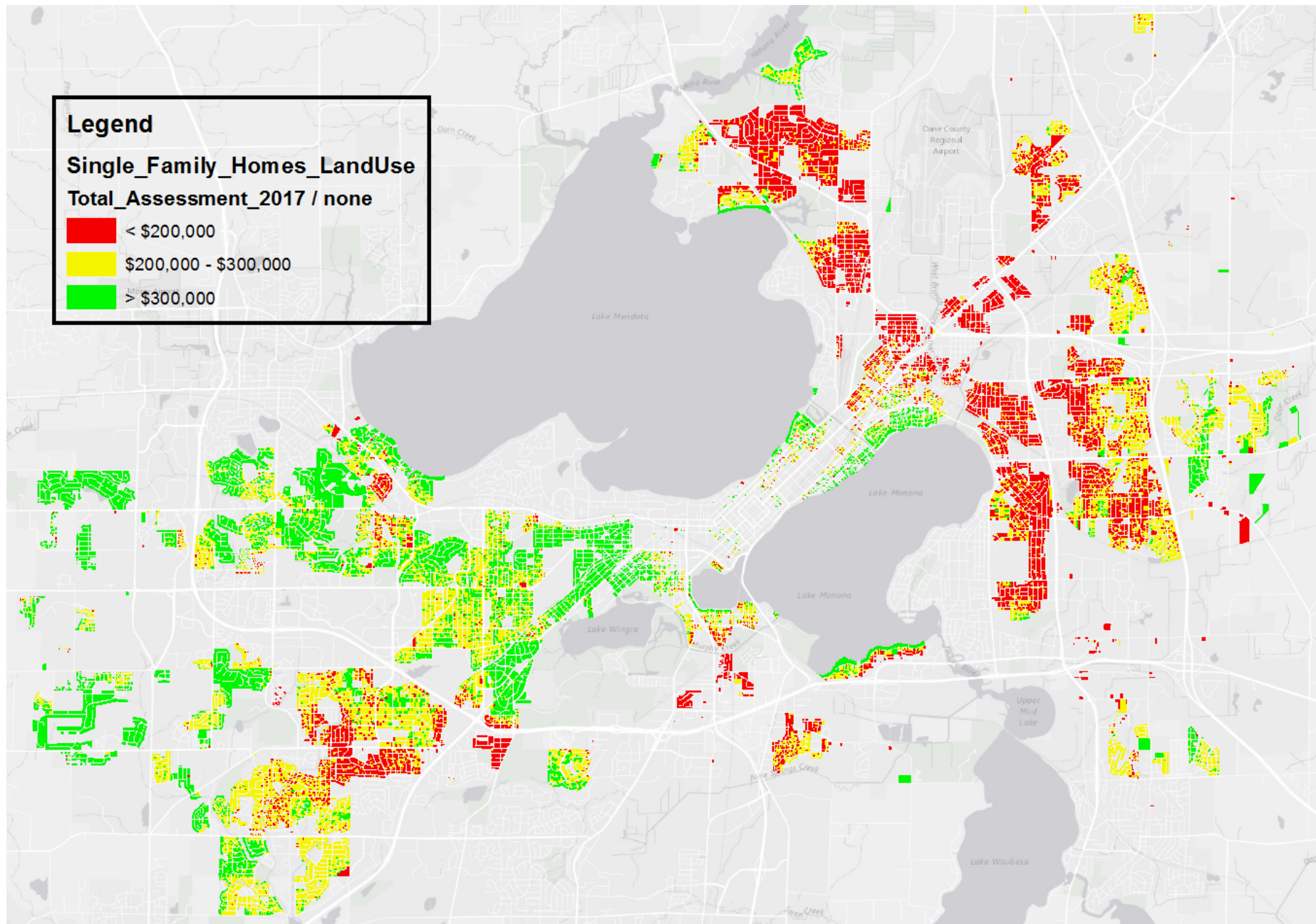


HOUSING COST, PRICE, AND VALUES

Average & Median Values and Prices



	Average Home Value	Interest Rate	Monthly Mortgage Payment	Monthly Property Tax	Total Monthly Payment
2007	\$220,150	6.25%	\$1085	\$365	\$1,450
2012	\$201,000	4.00%	\$770	\$400	\$1,170
2015	\$212,175	4.00%	\$810	\$425	\$1,235





STRATEGY – LOW INCOME OWNERSHIP

Education

- Individual Development Accounts

Consolidate City Programs

- Downpayment – Increase Affordability
- Acquisition/Rehab – Revitalize Neighborhoods
- Rehab – Stabilize Existing Owners



STRATEGY – MARKET RATE OWNERSHIP

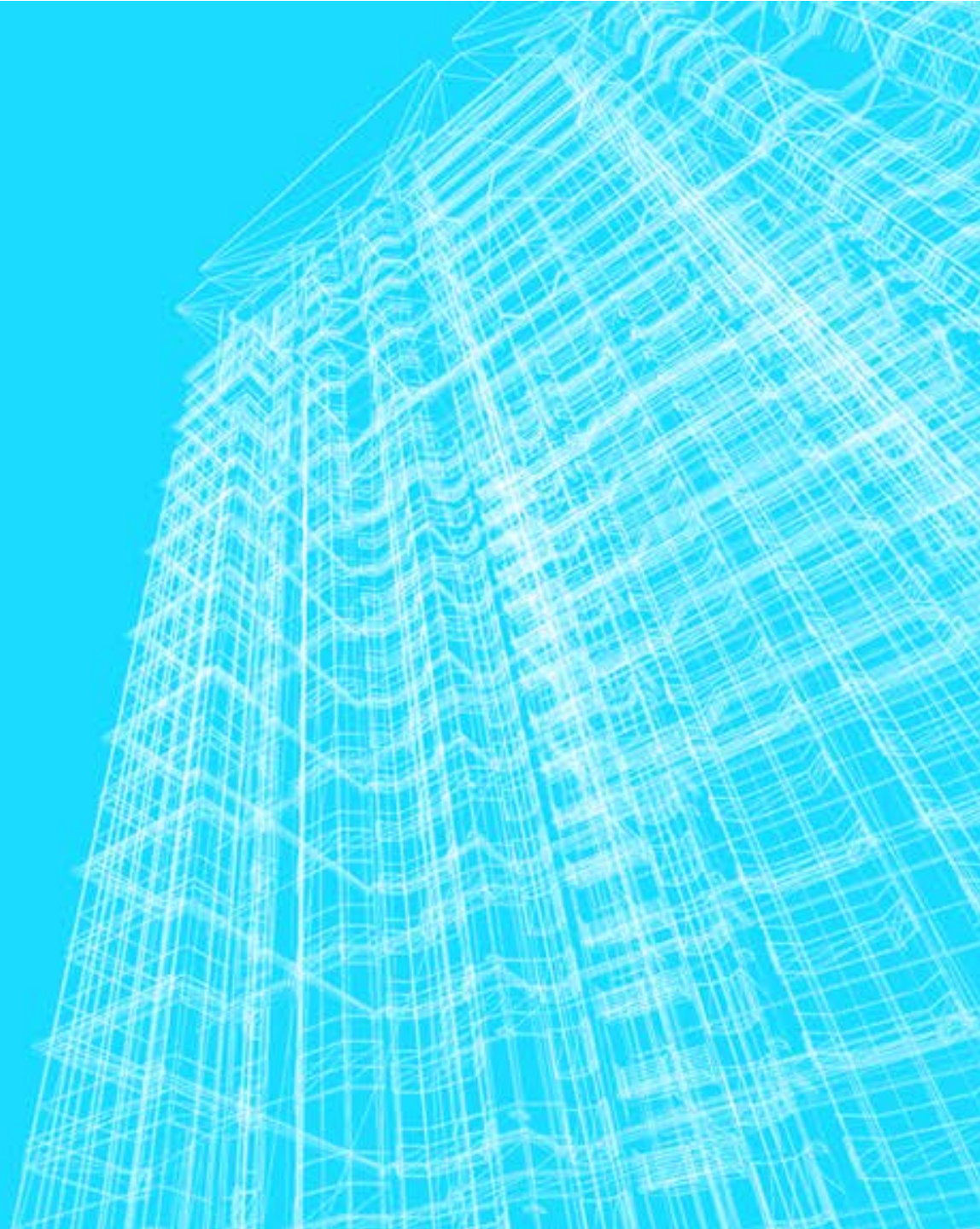
Opportunity Neighborhoods

- Increase Amenities
- Target Homeownership Programs

Amenity Rich Neighborhoods

- Create Middle Density Housing

SENIORS AND STUDENTS





TRENDS – SENIOR HOUSING

- Madison's senior population growth is fueled by households at the middle and top of the income spectrum
- Seniors typically have relatively high per-capita incomes and net worth
- The number of senior households will increase substantially at the end of the decade as Baby Boomers age
- Higher incidence of disability will drive housing decisions as people age
- Changing preferences of the Baby-boomers towards walkable and sometimes smaller housing



STRATEGY – SENIOR HOUSING

Age In Place

- Identify NORCs
- Reverse Mortgage & Renovation Programs

Affordable Housing

- Section 42
- Pilot Project



TRENDS – STUDENT HOUSING

- UW-Madison enrollment is flat
- Average family household income is rising
- Approximately 25% of UW-Madison students are from low-income families
- Preference shift towards location and amenities
- Softening market for older and farther units



STRATEGY – STUDENT HOUSING

Increase Housing Options

- Density
- TIF for Affordability

Surrounding Neighborhoods

- Middle Density Housing
- Small Cap TIF