

HOUSING FORWARD

Housing Strategy Committee April 22, 2021



248,951 (2015) 318,951 (2040 projection)

Madison will add 70,000 new residents between now and 2040.

TOTAL HOUSING UNITS

NE -

110,000 (2015) 150,000 (2040 projection)

Madison will need to build 40,000 housing units by 2040 to meet the needs of our growing population.



RENTAL VACANCY RATE



Rental vacancy rate is very low, limiting available inventory and increasing rental rates

Source: American Community Survey 2014-2018 5-Year Estimates; MG&E

MADISON ADDED OVER 17,000 HOUSEHOLDS BETWEEN 2008 AND 2018

	2000-2008		2008-2018	
	CAGR	<u>Total Growth</u>	<u>CAGR</u>	<u>Total Growth</u>
Population	1%	7%	1.5%	15%
Households	1%	7.5%	1.8%	19.5%
Renter Households	-0.5%	-3%	3.5%	38%
Owner Households	2%	18%	0.5%	3.5%
HHs <\$30,000	-2.5%	-19.5%	2.5%	28.5%
HHs \$30-50,000	-2.5%	-18.5%	-2%	-17.5%
HHs \$50-75,000	0.5%	2.5%	0.5%	4%
HHs \$75-100,000	3.5%	29.5%	2%	20.5%
HHs >\$100,000	8%	86.5%	5.5%	72%

Madison is growing quickly, but most growth attributable to renter households with very high or very low incomes



 Table 1. The Self-Sufficiency Standard for Select Family Types*

 Dane County, WI 2019

IT IS EXPENSIVE TO LIVE IN DANE COUNTY.

Rising rents, stagnant wages, historically low vacancy rate, and severe decline of federally subsidized housing have led to a critical shortage of affordable housing units and homelessness.

	1 ADULT	1 ADULT 1 PRESCHOOLER		
MONTHLY COSTS				
Housing	\$931	\$1,093		
Child Care	\$0	\$1,213		
Food	\$261	\$395		
Transportation	\$280	\$288		
Health Care	\$177	\$448		
Miscellaneous	\$165	\$344		
Taxes	\$324	\$873		
Earned Income Tax Credit (-)	\$0	\$0		
Child Care Tax Credit (-)	\$0	(\$50)		
Child Tax Credit (-)	\$0	(\$167)		
SELF-SUFFICIENCY WAGE				
Hourly**	\$12.15	\$25.21		
Monthly	\$2,138	\$4,438		
Annual	\$25,653	\$53,252		
Emergency Savings Fund	\$47	\$147		

HOUSING FORWARD-MEETING HOUSING NEEDS FOR ALL IN A GROWING CITY

Increase Housing Choice

Create Affordable Housing throughout the City Combat Displacement and Segregation

Ensure Seniors and Others Can Stay in Their Homes

Work to End Homelessness

INCREASE HOUSING CHOICE

•Implement adopted plans through the zoning code

•Adjust the zoning code to enable the construction of more housing

•Make it easier to build new types of housing (like townhouses and backyard cottages)

Current action steps:

Creation of RMX Zoning District and relaxation of co-op housing regulation

Proactive rezoning to support recently adopted plans (Oscar Mayer)

Zoning amendments in order to increase allowable densities and decrease conditional use thresholds in certain multi-family residential, mixed-use and commercial districts <u>Legistar File</u> <u>63902</u>

CREATE AFFORDABLE HOUSING THROUGHOUT THE CITY

•Focus City support on affordable housing developments with transit access and that deliver long-term affordability

•Buy land and make it available for affordable housing

•Updated regulations to encourage construction of affordable housing

Current action steps:

Request for Proposals seeking to financially support housing supply and preservation are published with a preference <u>map</u> and encourage long term affordability

Land Banking Policy in review by Committees; Legistar 63575

Coordinate AHF, TIF, Land Banking, and TOD along BRT utilizing an FTA grant

Partnership with non-profits, UW Madison, and Change Lab to review regulations



The rental housing market in the City of Madison impacts different racial and ethnic groups in distinct ways with regards to community choice. Because income generated per household is central to housing affordability, this reflects not only increasing rents, but increasing diaparities in income. Data is displayed to represent in which Census Tracts the median household, by race/ethnicity for the City as a whole, could afford to rent the median priced unit of rental housing.

Source: 2014-2018 ACS 5-Year Estimates

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COMBAT DISPLACEMENT AND SEGREGATION

•Expand housing options by supporting a greater variety of housing types within neighborhoods, like condos, townhomes, co-ops and land trusts.

- •Increase homeownership opportunities for people of color
- •Prioritize preservation of existing affordable housing

Current action steps:

Request for Proposals published in 2020 to support non-profit & co-op development and programs to support homeownership. \$3.11 million awarded to various nonprofits & co-ops. Legistar 63936

✓ Partnership with Urban League to use TIF and NMTC to fund homeownership

PERCENTAGE OF NON-WHITE HOMEOWNERS IN MADISON 2016-2018



<u>Methodology</u>: This figure is based on data provided by the American Community Survey 5-Year Estimates reporting demographic characteristics for occupied housing units. The numbers for nonwhite owner-occupied households was retrieved from table S2502. The homeownership rates were calculated by dividing the number of owner-occupied households in that demographic by all owneroccupied households in the City of Madison. The "Other Non-White Households" category does not include black homeowners.

ENSURE SENIORS AND OTHERS CAN STAY IN THEIR HOMES

•Strengthen programs and services to tenants that prevent evictions, including legal representations for tenants

- •Expand loan programs for seniors and homeowners at risk of displacement to stay in their homes
- •Enhance programs that make existing housing more accessible and energy efficient

Current action steps:

- City's Rehabilitation Loan Program and Property Tax Assistance for Older Adults currently under review
- Eviction prevention and tenant services programs to go through Request for Proposals process Summer of 2021

WORK TO END HOMELESSNESS

 Increase investments in strategies that expand low-barrier housing options with support services for very low-income households

- •Partner with the County and service providers to develop full-service purpose-built shelter facilities that help move people into stable housing
- •Strengthen our non-profit partners through capacity building and education

Current action steps:

Provide financial support to development of low-income units with targeted populations and support services, prioritized in Affordable Housing Fund Seeking WHEDA Tax Credits Request for Proposals

City's site selection to purchase site for purpose built men's homeless shelter; Legistar 63920

Support the redevelopment of the Salvation Army women and family shelter on E. Washington