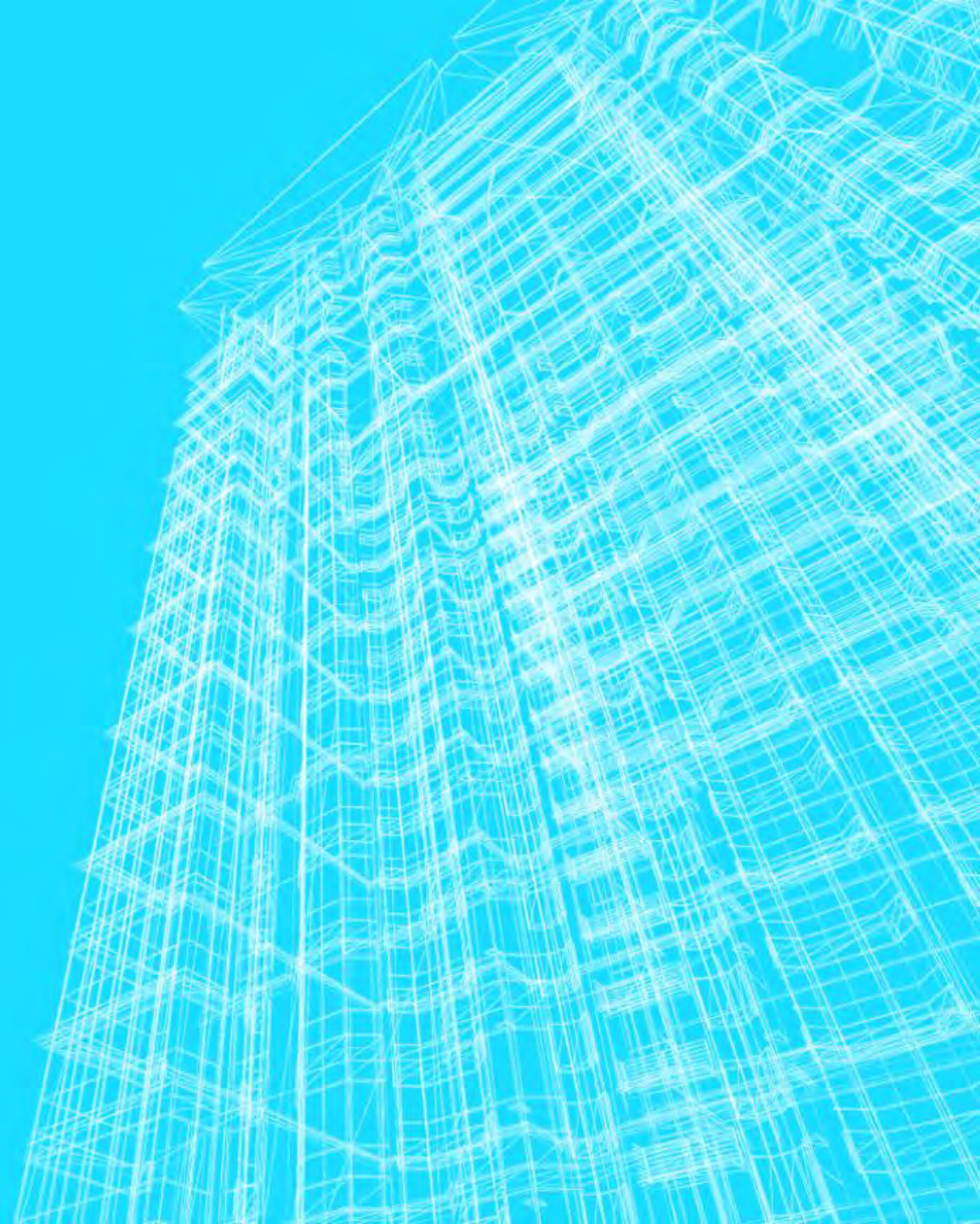
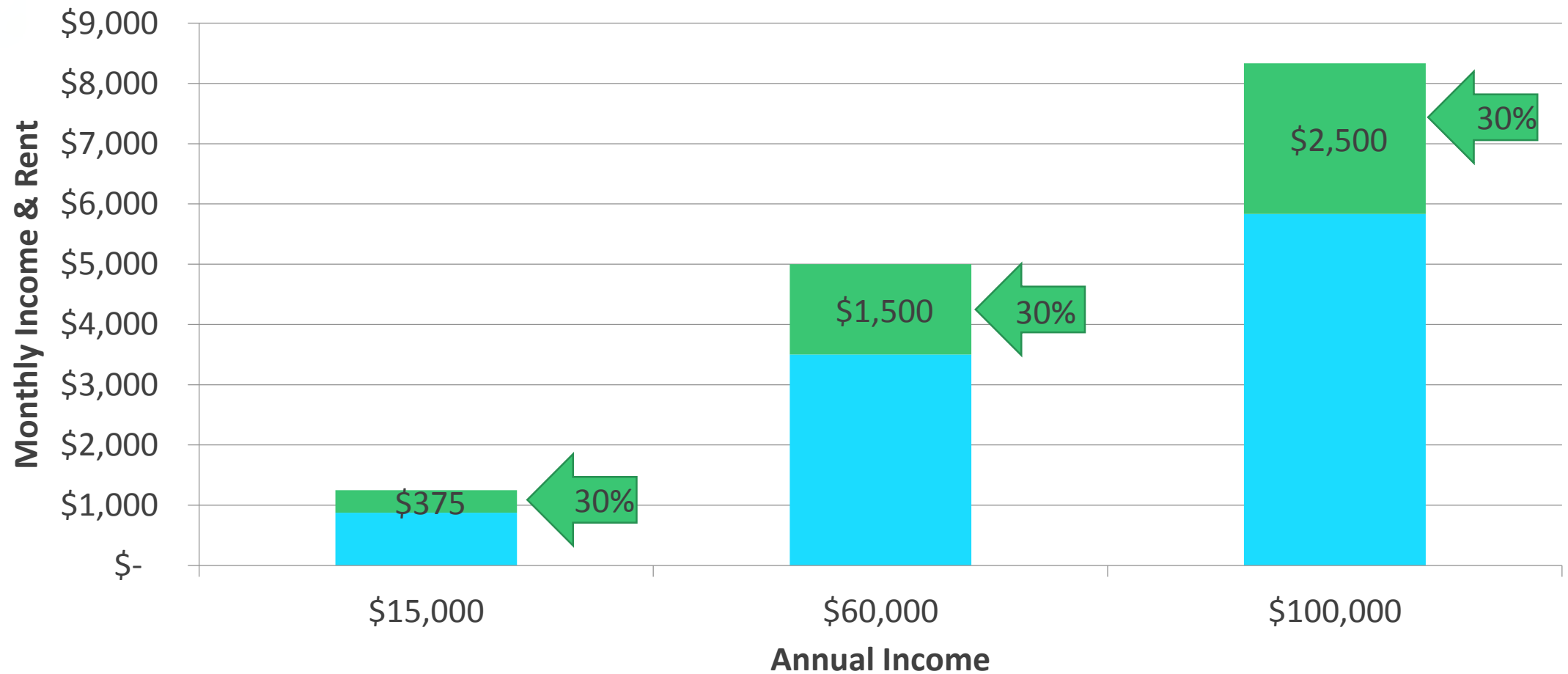


CITY OF MADISON BIENNIAL HOUSING REPORT

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



AFFORDABLE HOUSING = RENT < 30% OF INCOME

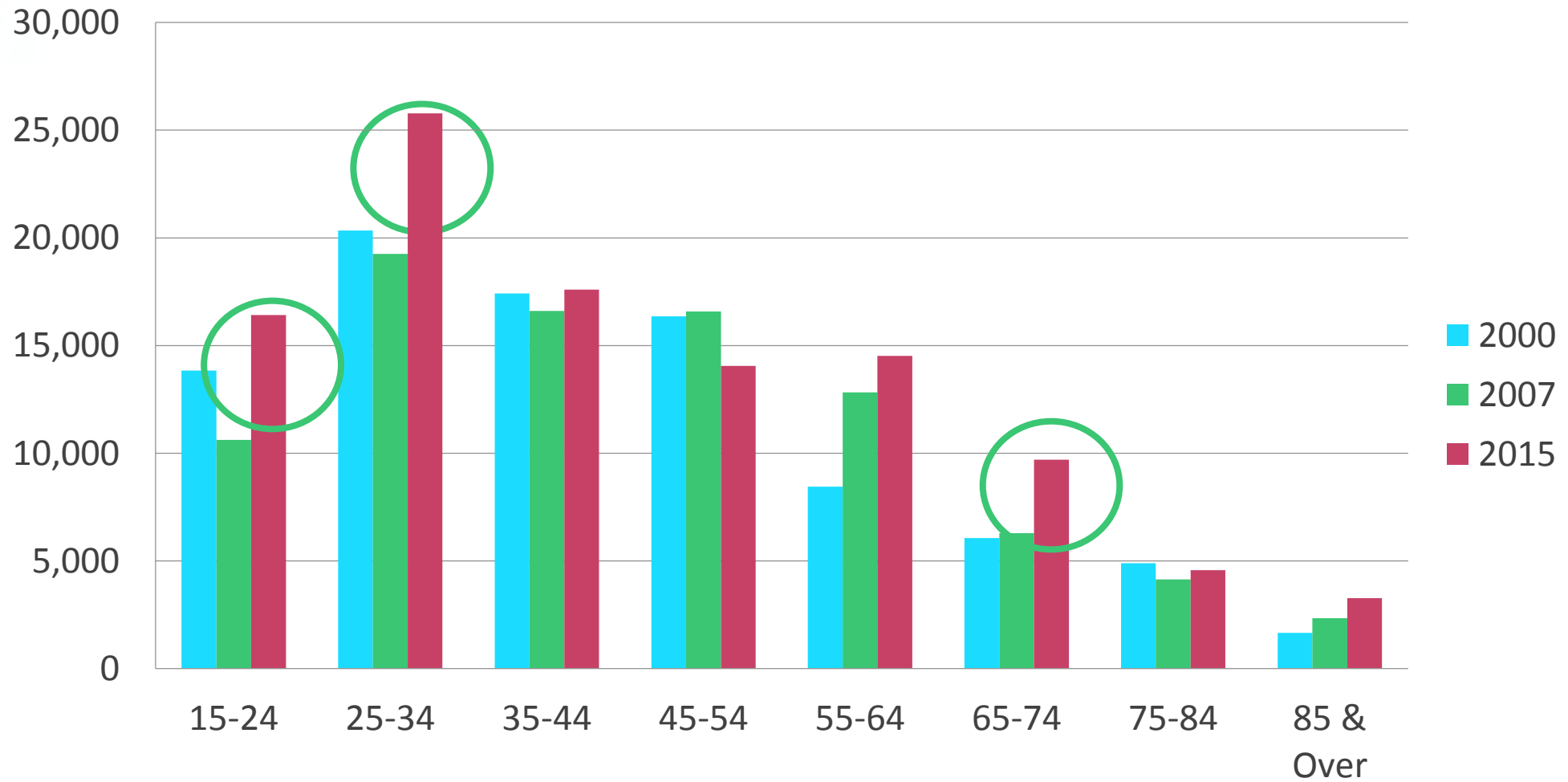


DEMAND COMES FROM GROWTH

| | 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% |

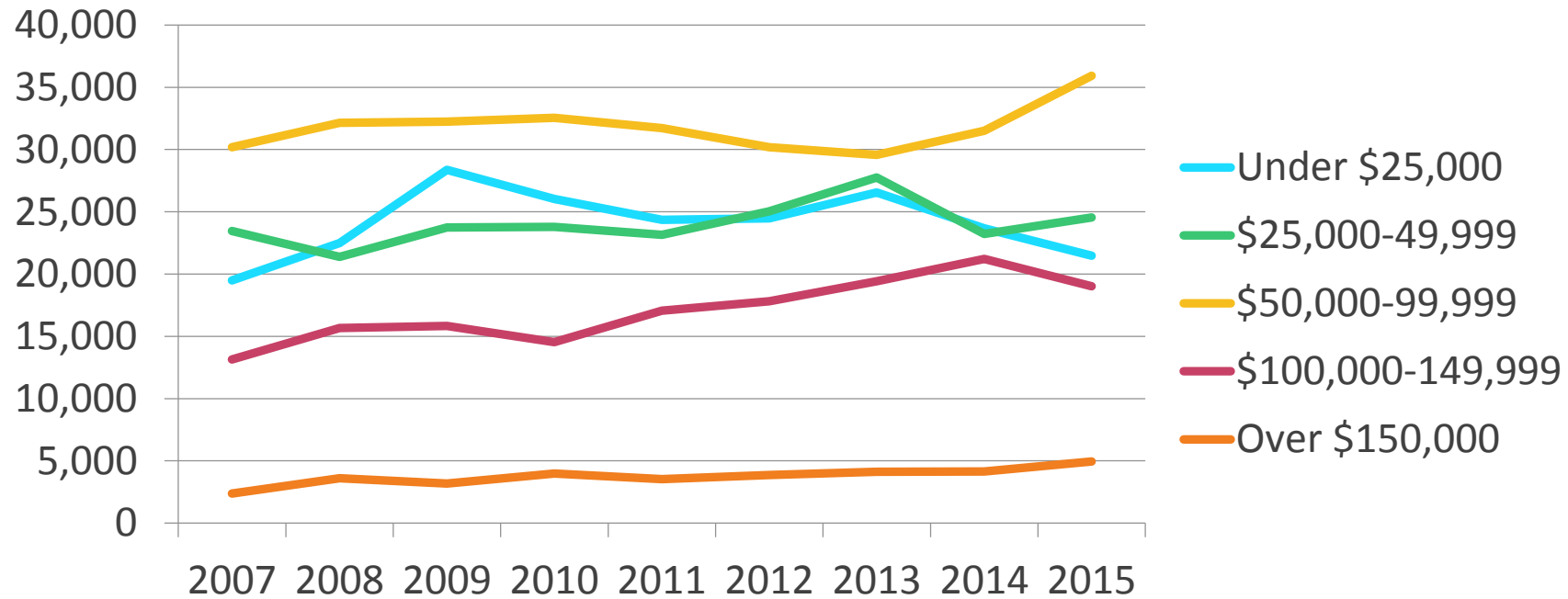
Madison added over 17,000 households between 2007 and 2015

OF HOUSEHOLDS BY AGE



2000
2007
2015

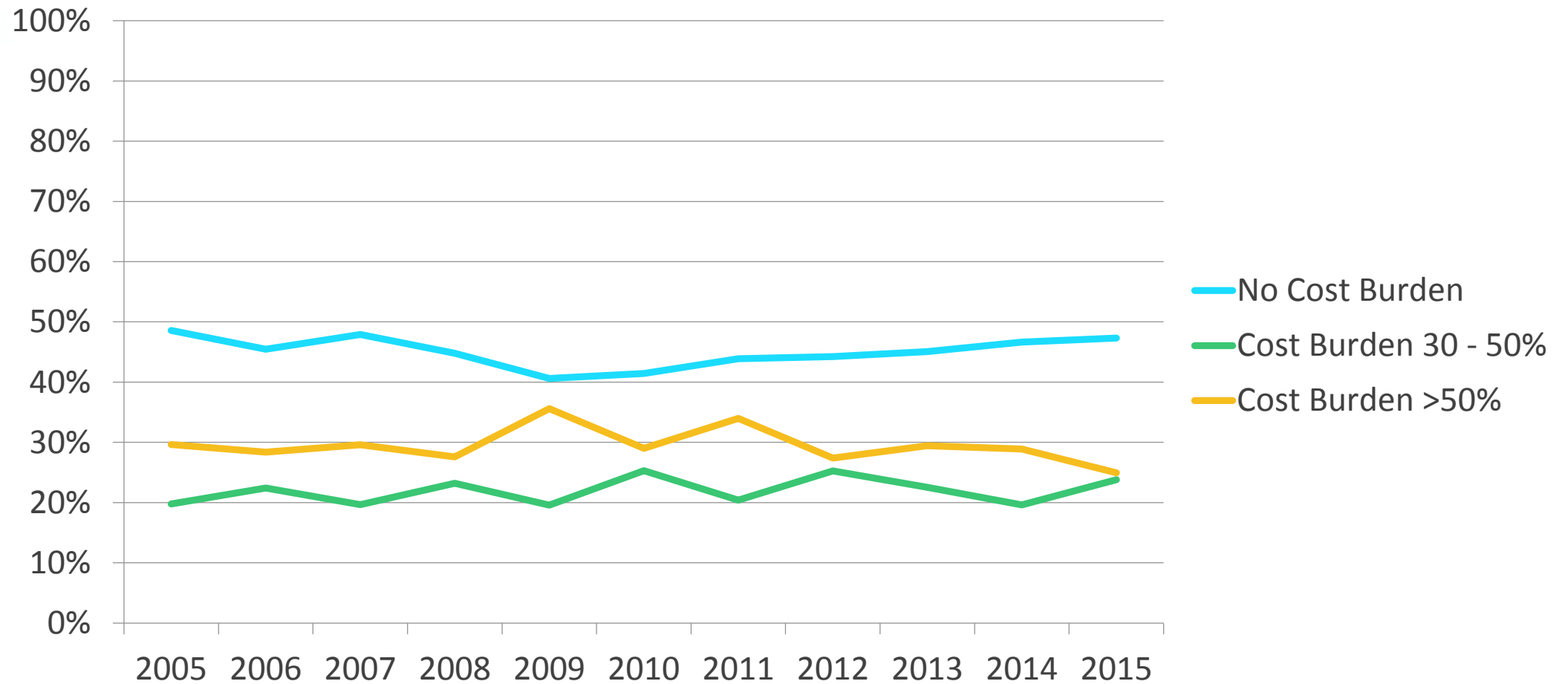
OF HOUSEHOLDS BY INCOME



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% |

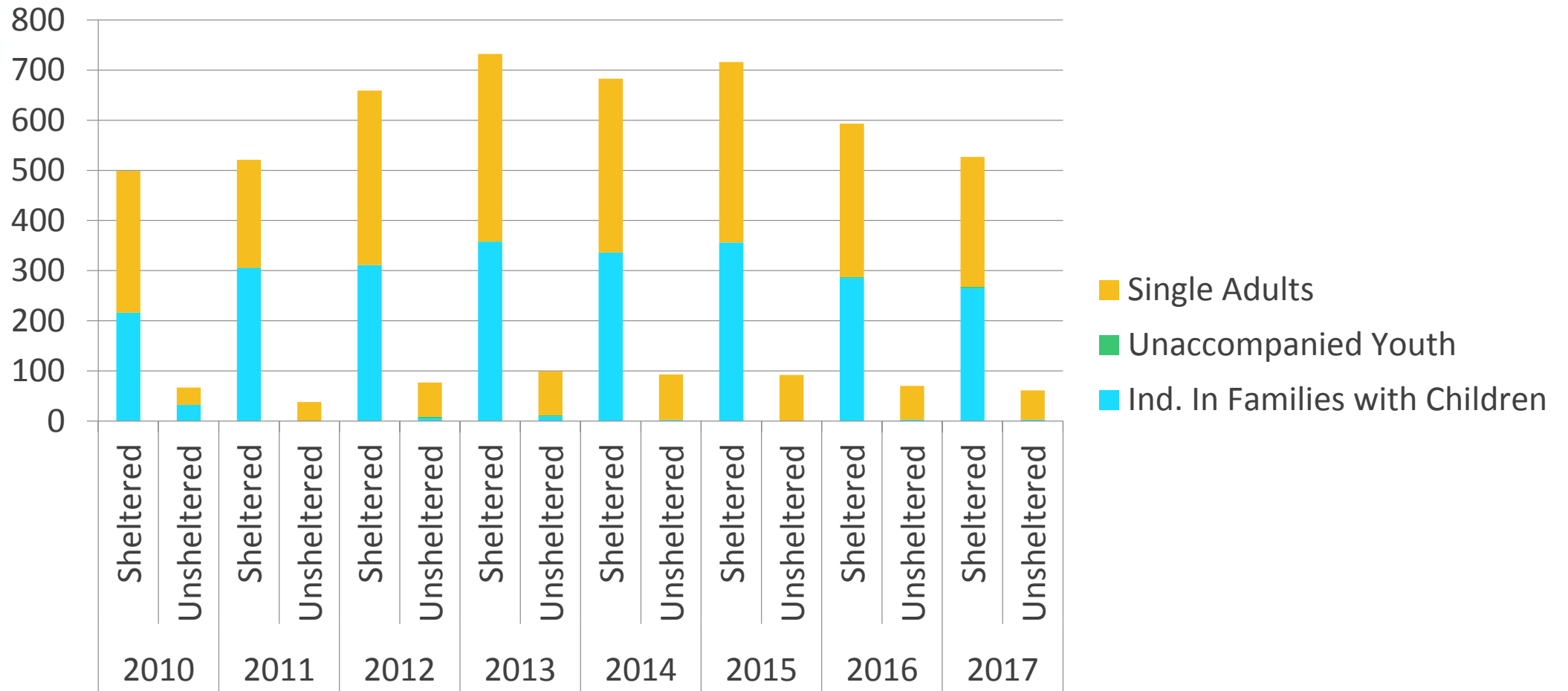
MOST RENTERS ARE COST BURDENED



HOMELESSNESS



HOMELESS PIT COUNT PEAKED IN 2013





STRATEGY – HOMELESS HOUSING

Target the Hardest to Serve/Chronically Homeless

Increase Rapid ReHousing

Plan for Shelter Replacement

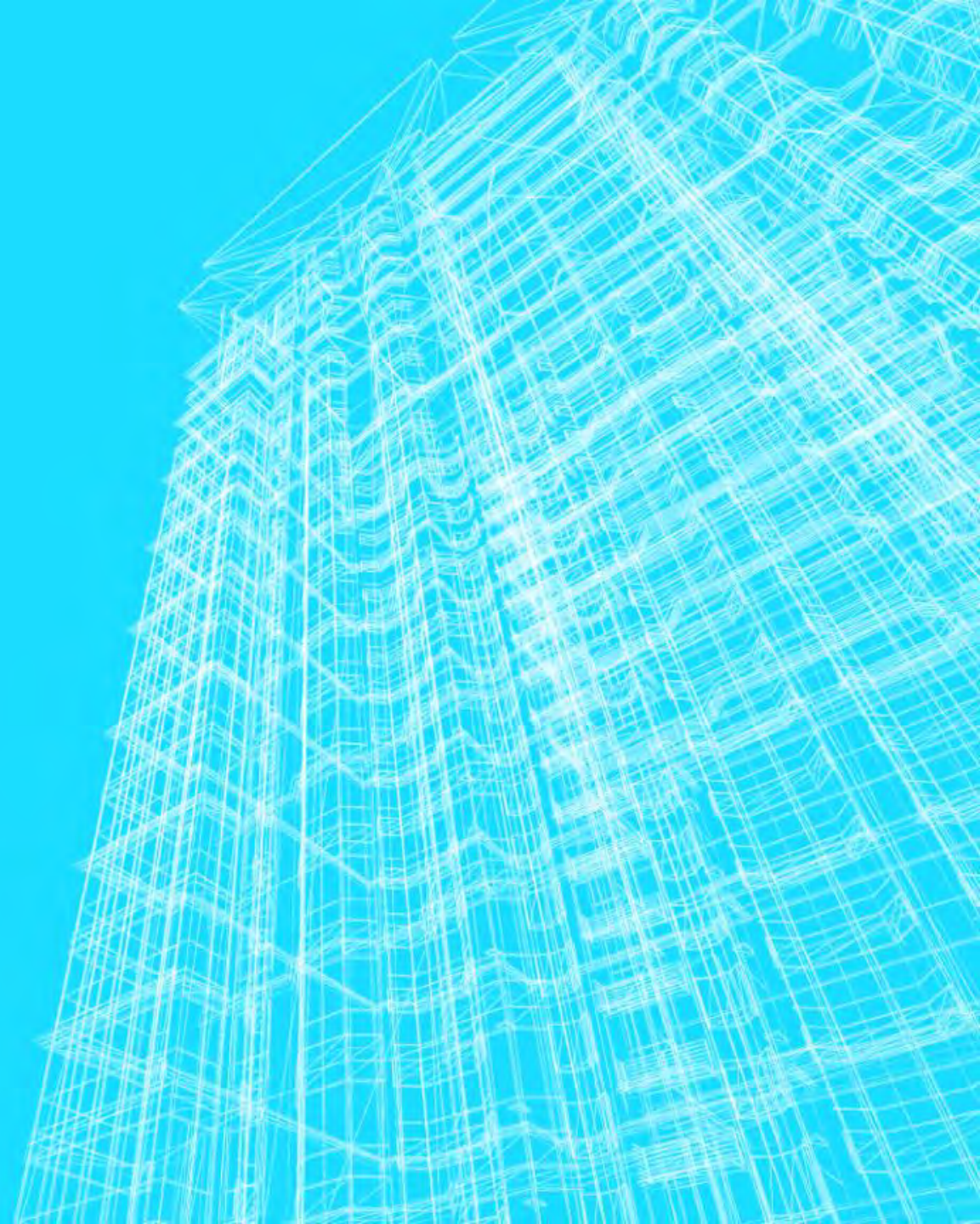
SOLUTION

PERMANENT SUPPORTIVE HOUSING

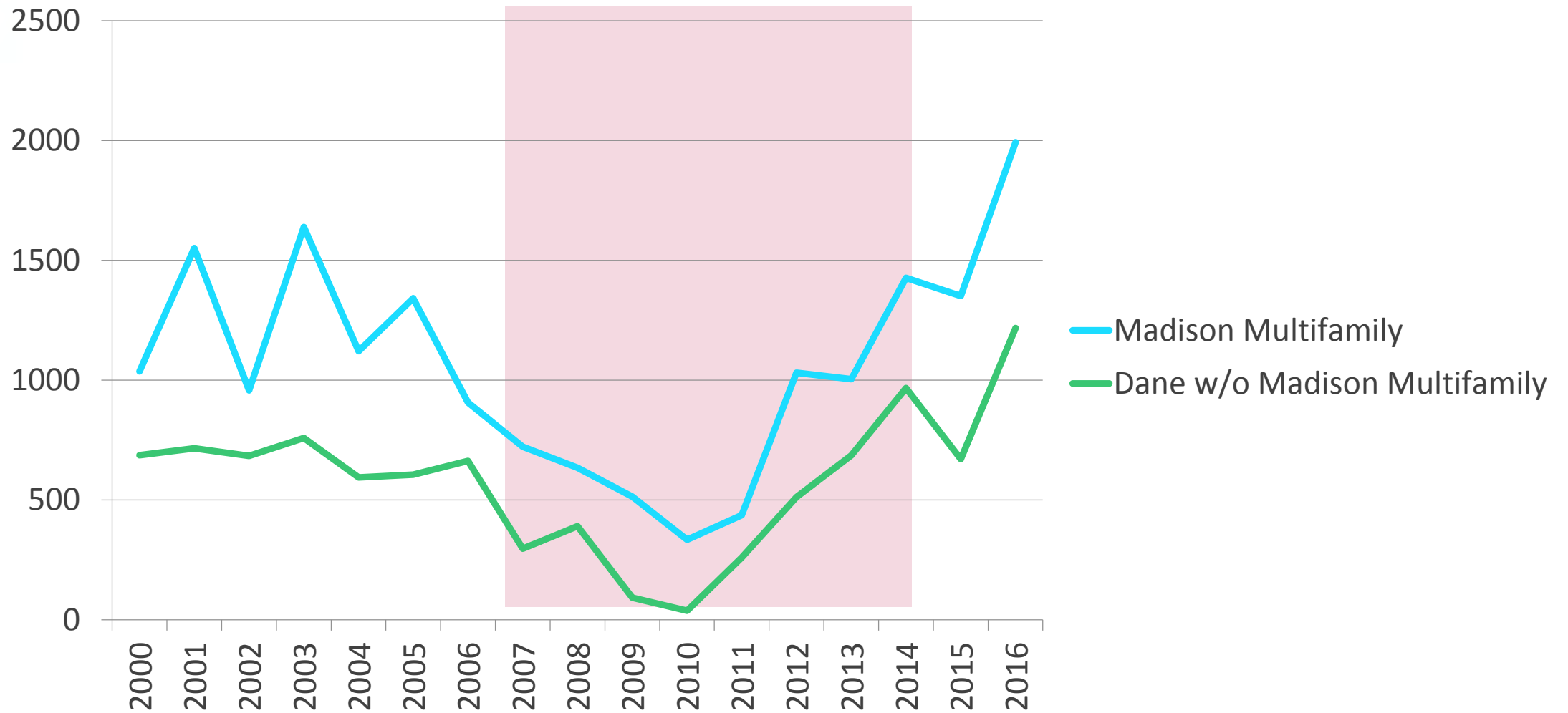
- 60 studio apartments
- LEED Platinum and PassiveHouse certified
- Targets most vulnerable chronically homeless
- 24/7 staffing
- Onsite social services staff



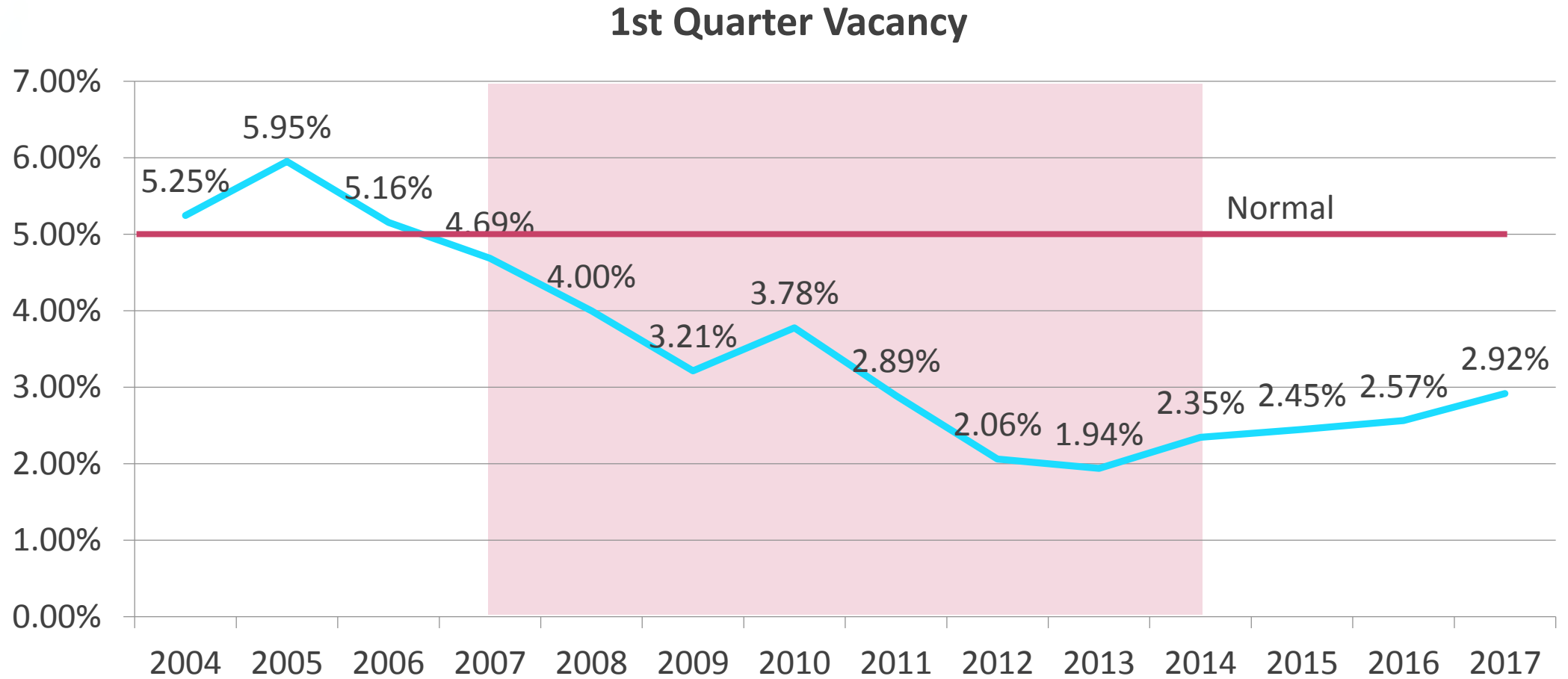
RENTAL



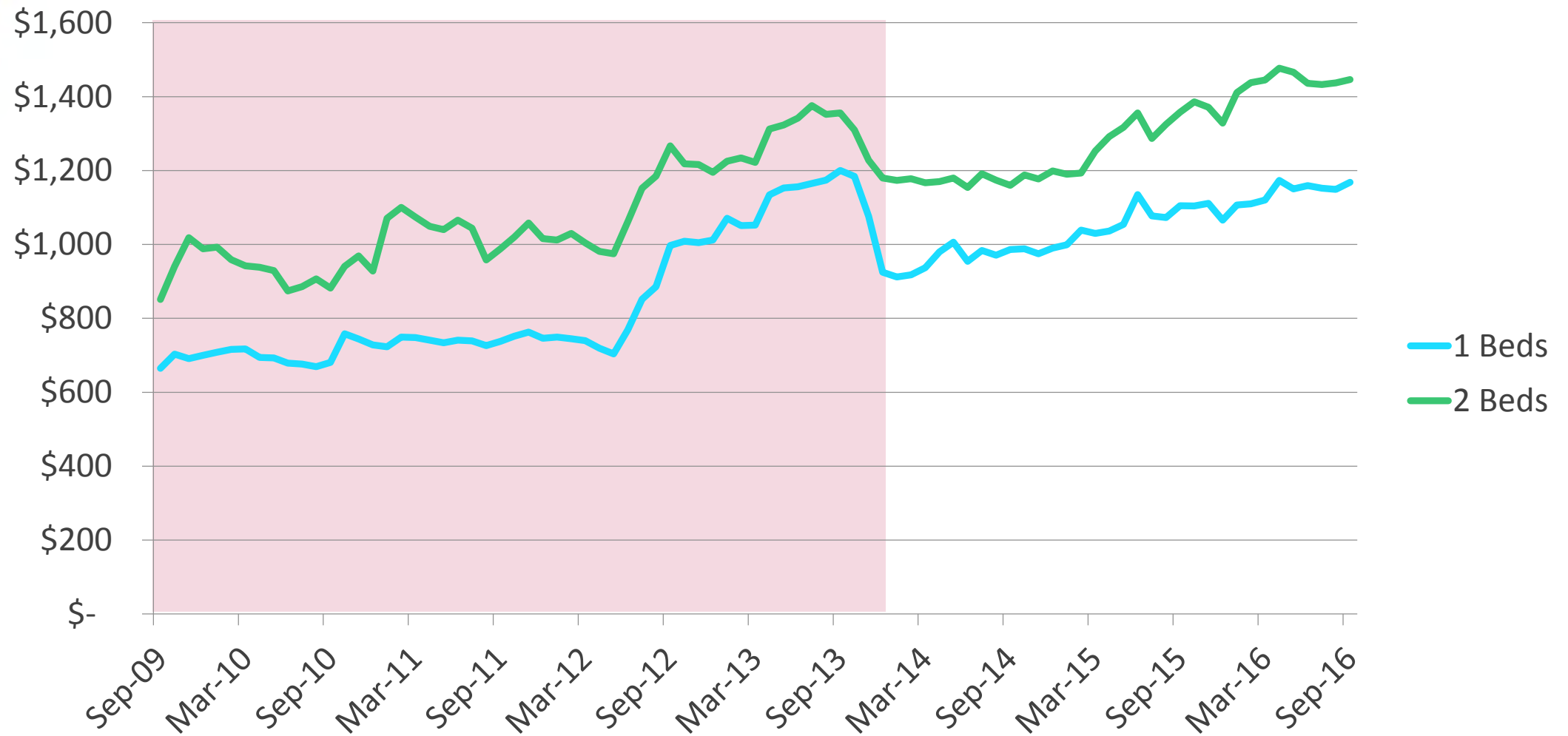
NEW SUPPLY



RENTAL VACANCY



AVERAGE LISTED RENT



A decorative graphic in the top-left corner consisting of a complex, overlapping grid of thin blue lines that form a triangular shape pointing towards the center of the slide.

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

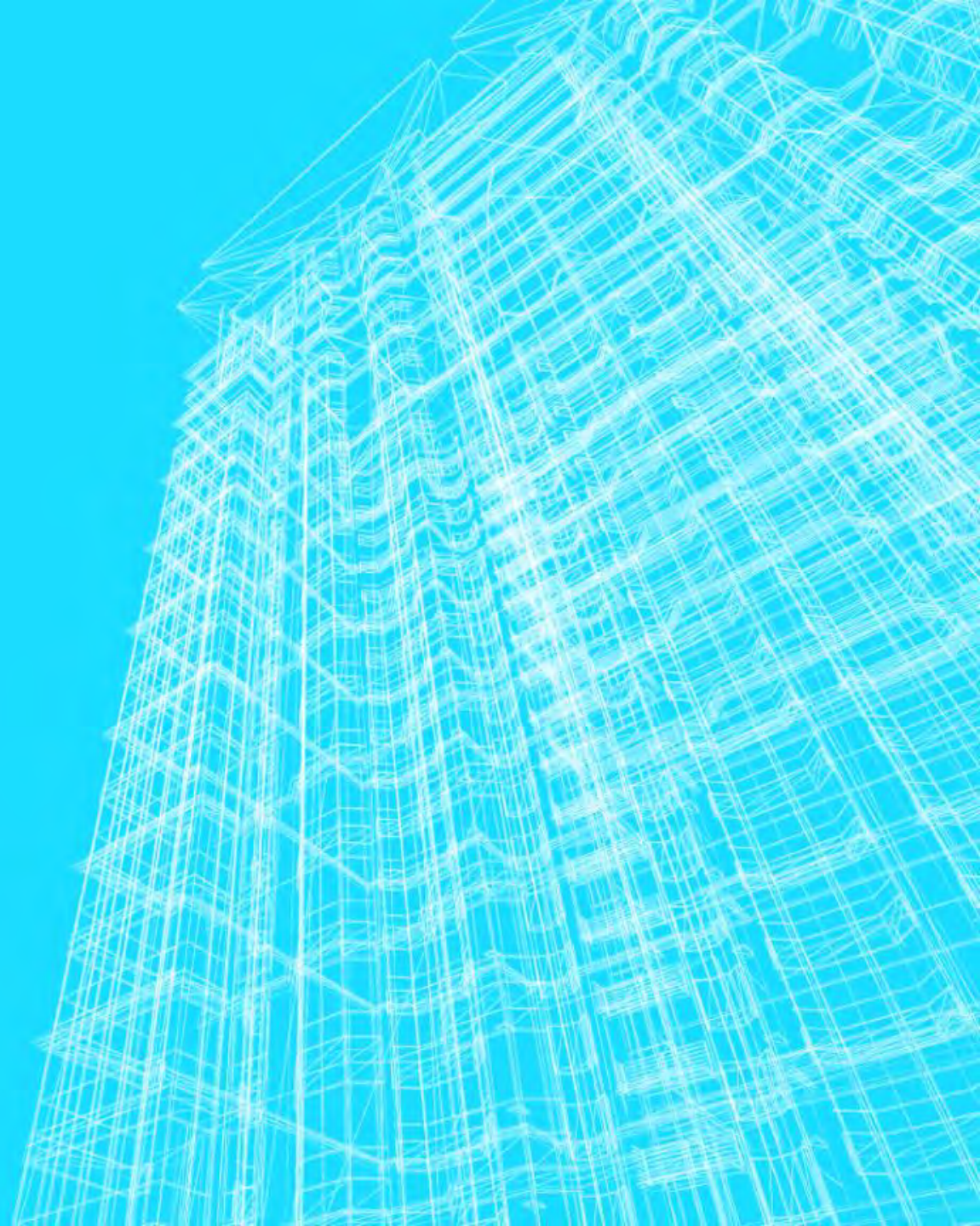
Better Information and Communication

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

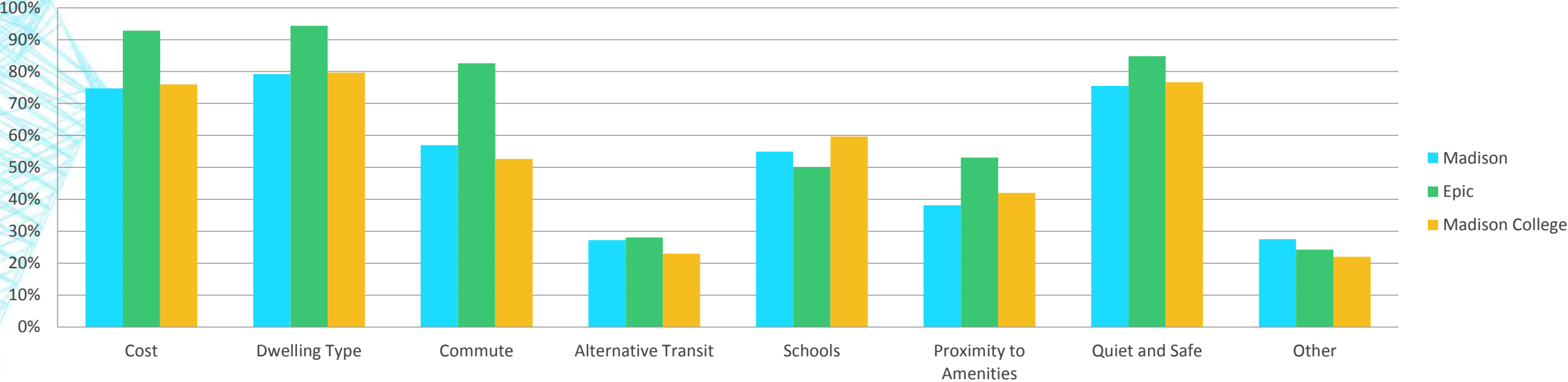
Create a Development District Initiative

- 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

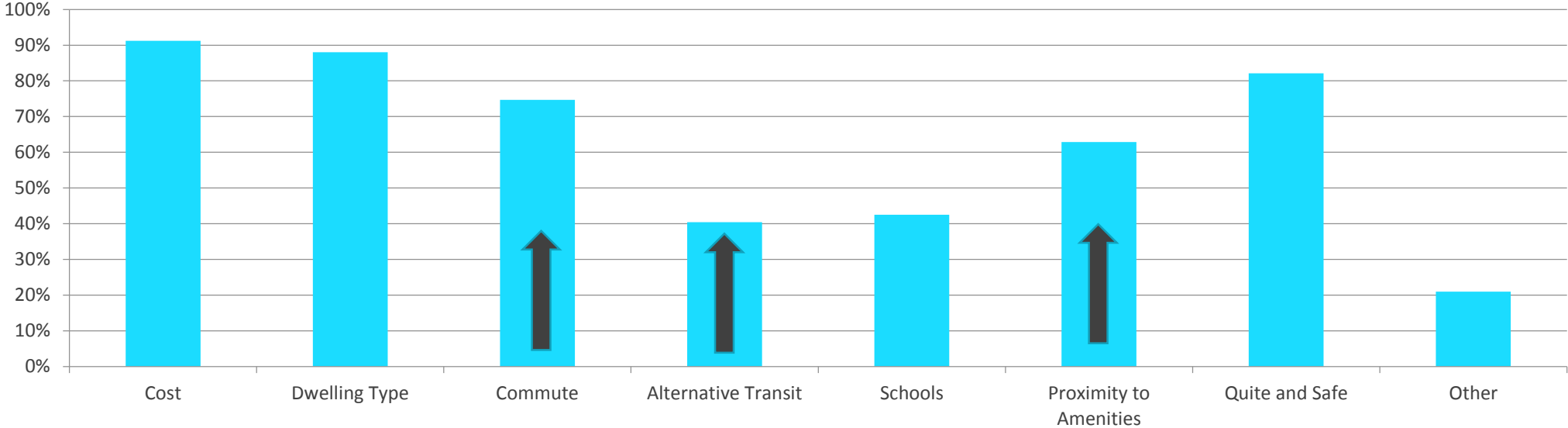
OWNERSHIP



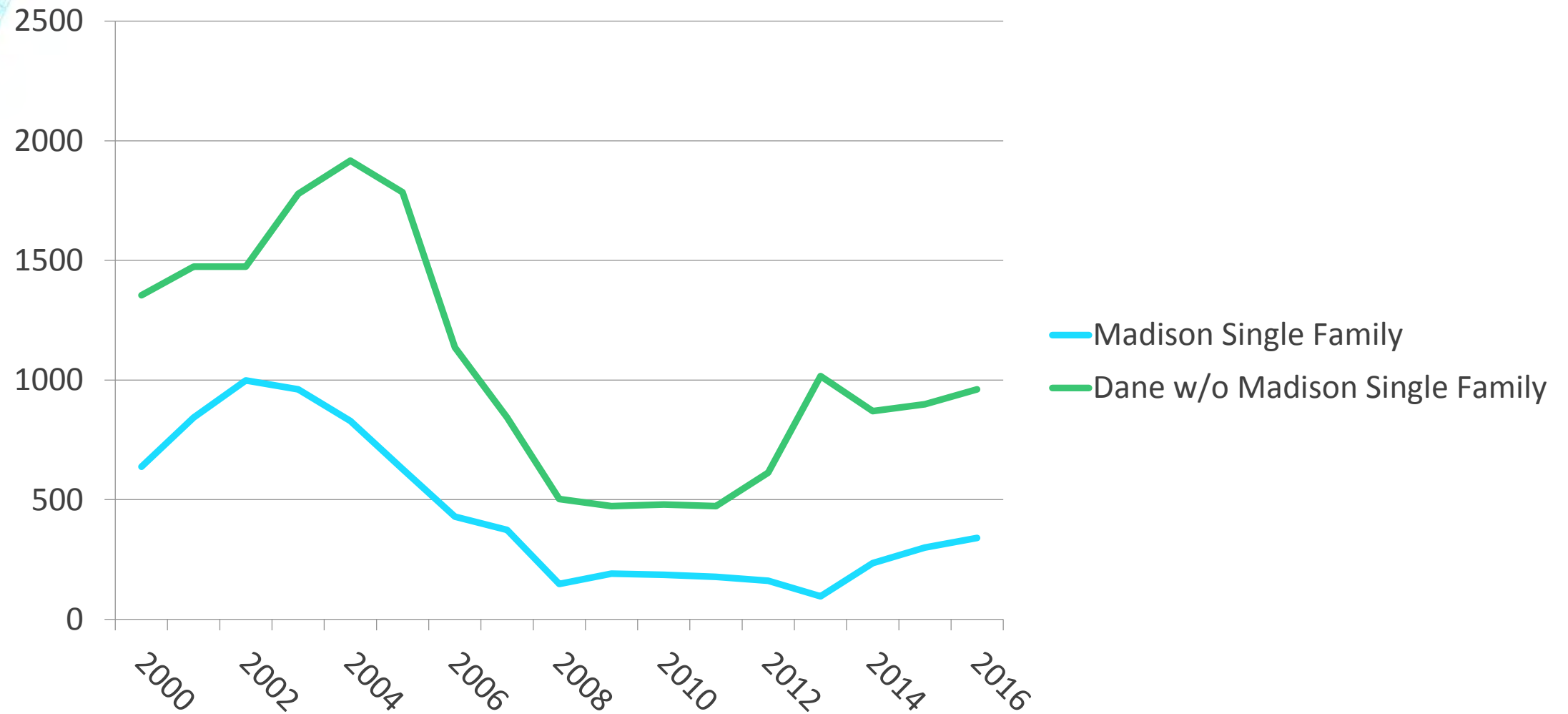
Why do you live where you live? (Current Owners)



If moving, what is important? (Likely Buyers)

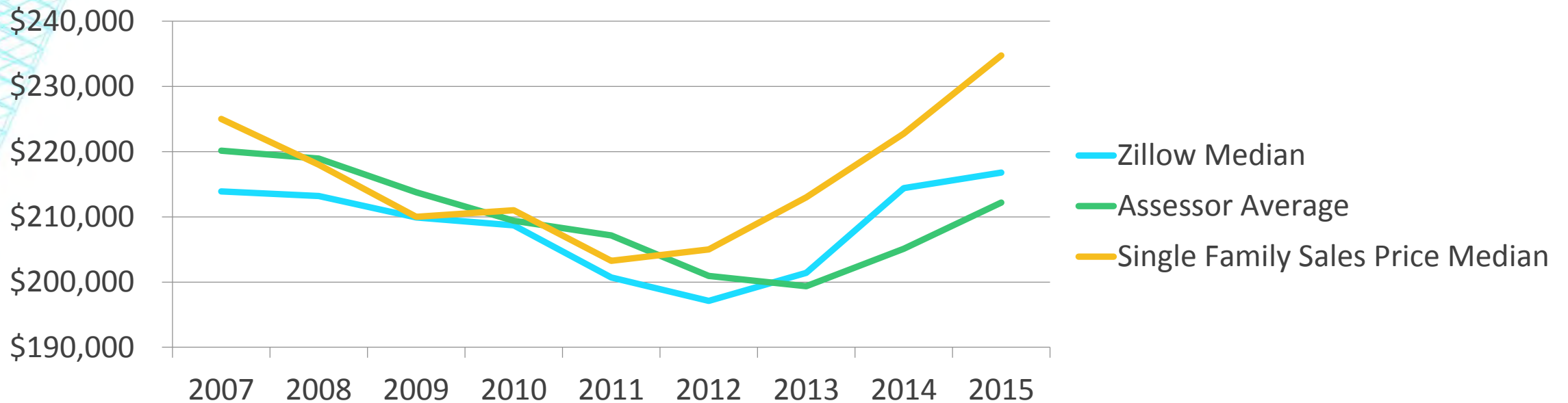


NEW SUPPLY

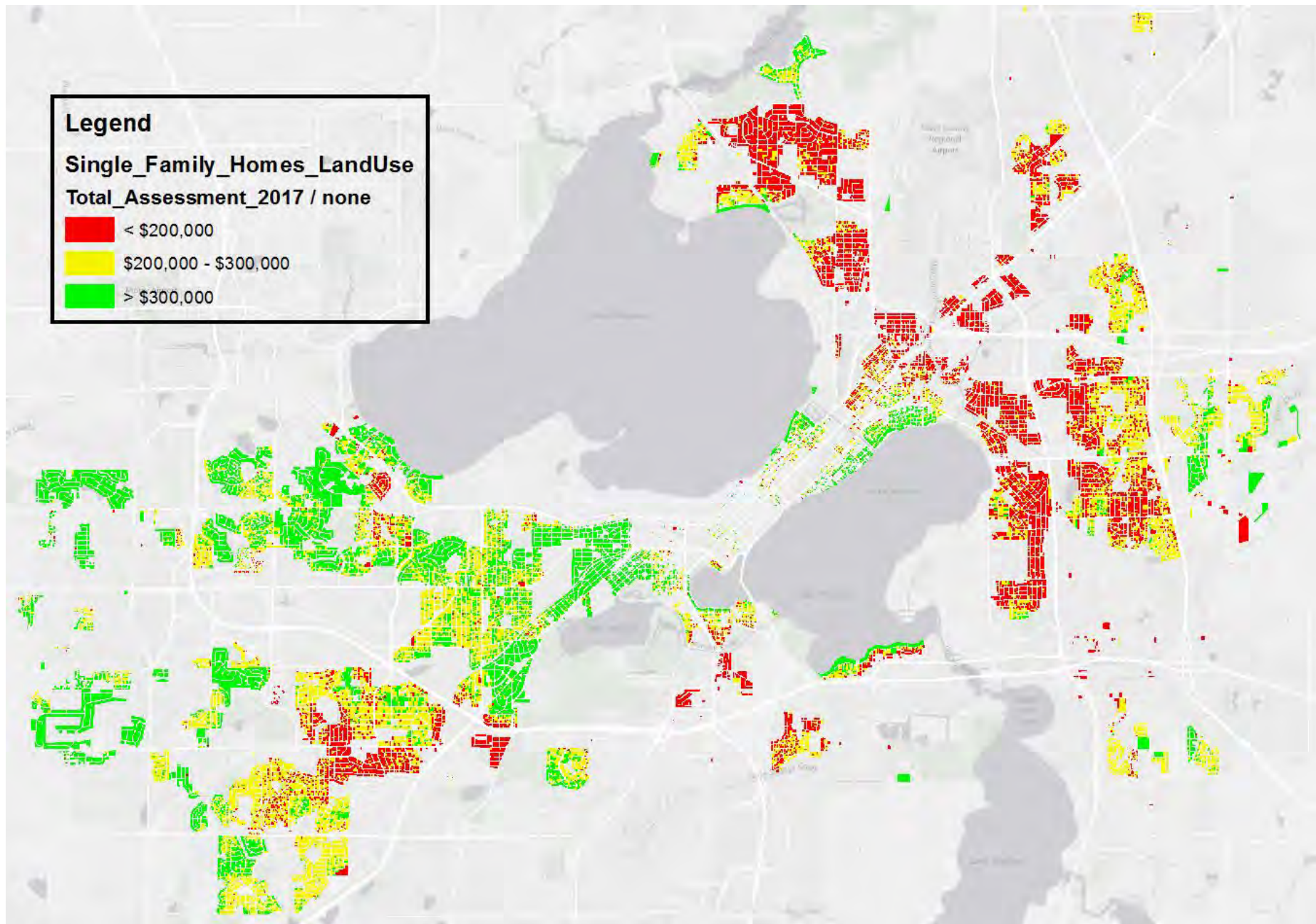


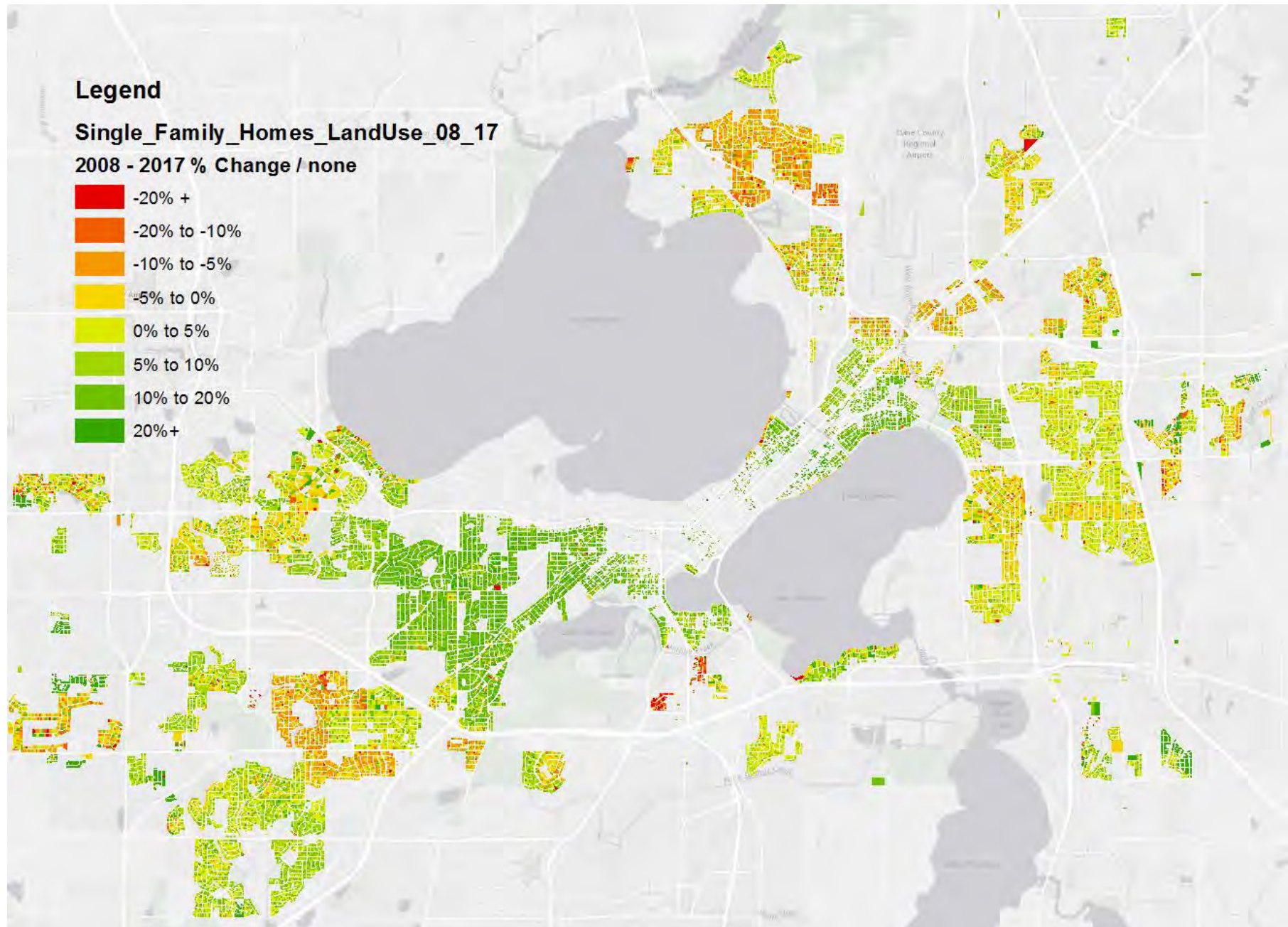
HOUSING COST, PRICE, AND VALUES

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

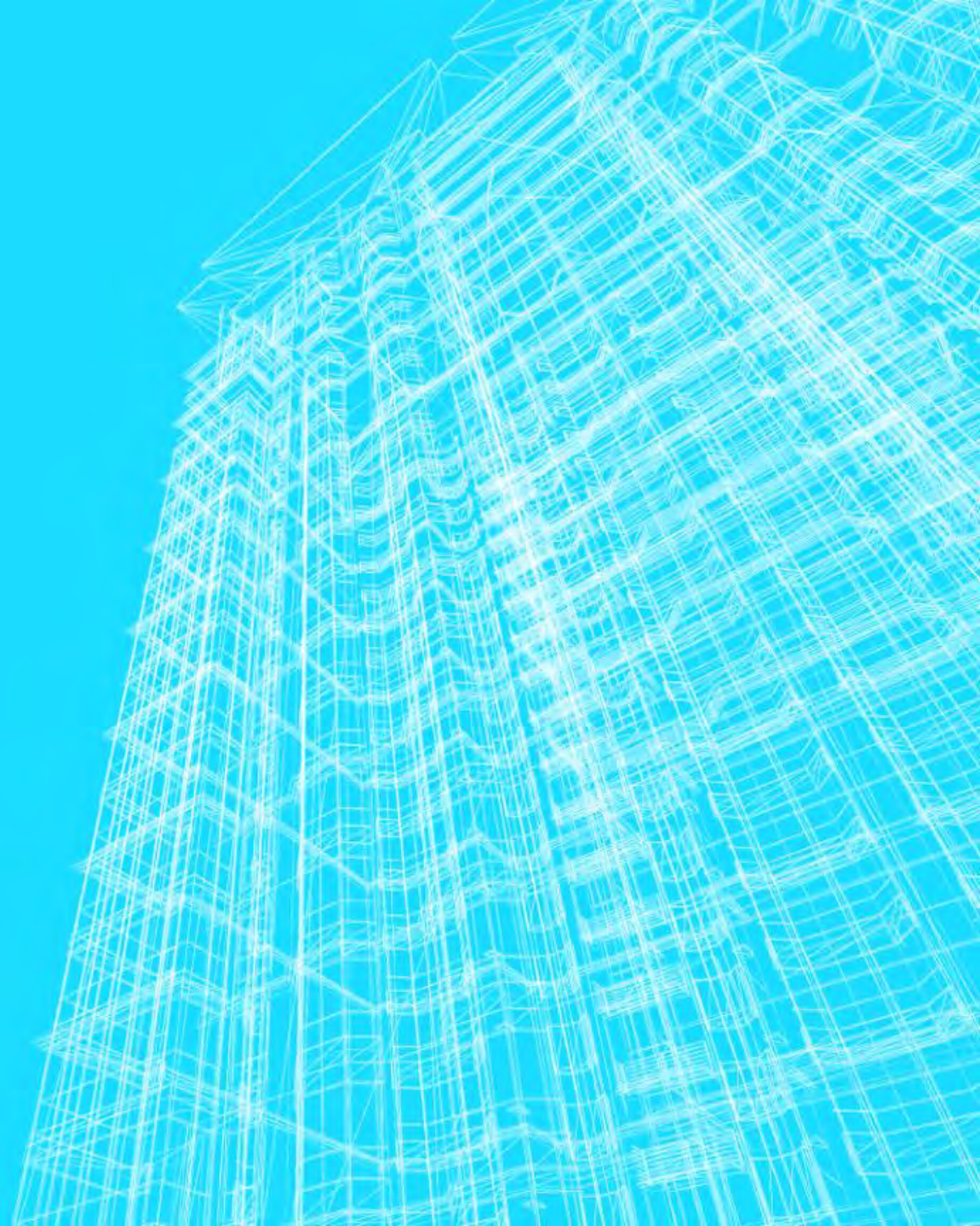
Opportunity Neighborhoods

- 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