

# Affordable Housing 101:

**What You Need To Know About Affordable Housing Opportunities and Challenges**



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**Let's Define Terms**

# **1. Affordable Housing**

**an "affordable dwelling" is one that a household can obtain for 30 percent or less of its income**

**Department of Housing and Urban Development (HUD)**

**In Milwaukee County this is \$1265.15 per month**



# **Affordable Housing**

**“A flawed metric” based on  
entire metro area median income**

**Does not accommodate for different  
affordability or median incomes  
within the communities in the metro area.  
What’s affordable for one might not be  
affordable for others.**

## 2. Area Median Income (AMI)

**The median family income in the metropolitan or nonmetropolitan area (2019)**

**Milwaukee County**  
**\$50,606**

**Milwaukee-Waukesha-West Allis  
Metropolitan Statistical Area**  
**\$65,845**

# **An Affordable Dwelling in Milwaukee County 2019**

**\$1,265.15 per month**

# Affordable Rental Dwelling in Milwaukee County (2019)

**\$789.25 per month**

# **Affordable Dwelling in Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (2019)**

**\$1,646.13 per month**

# 3. Low Income Household

**A household that makes less than 80 percent of the median income in the local area (Area Median Income, or AMI) 2021**

| 1 Person | 2 People | 3 People | 4 People | 5 People | 6 People | 7 People | 8 People |
|----------|----------|----------|----------|----------|----------|----------|----------|
| \$46,950 | \$53,650 | \$60,350 | \$67,050 | \$72,450 | \$77,800 | \$83,150 | \$88,550 |

**(low-income)** income does not exceed **80** percent of the median family income for the area

**(very low-income)** income does not exceed **50** percent of the median family income for the area

**(extremely low-income)** income does not exceed **30** percent of the median family income for the area



## **4. Rent Burdened**

**Households spending more than 30 percent of household income on rent**

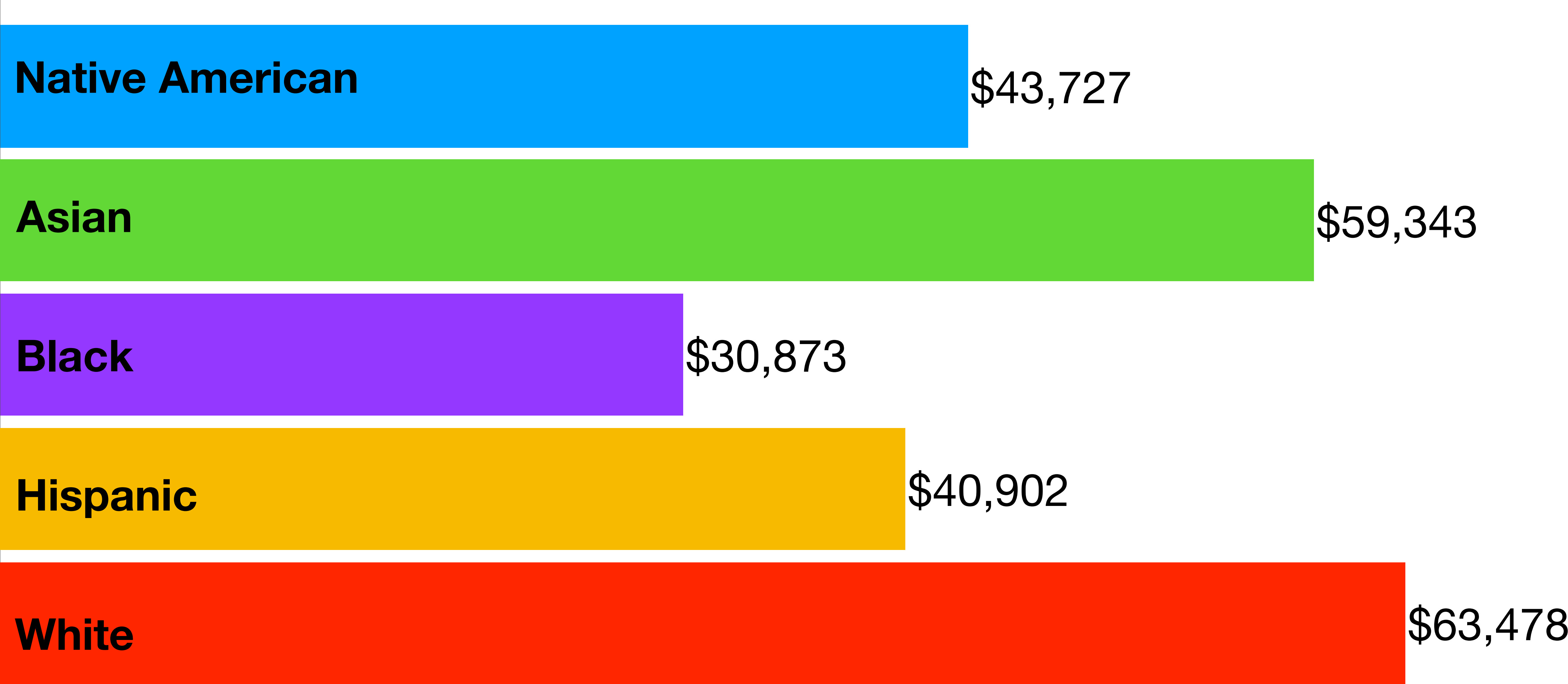
# **5. NIMBY**

## **“Not In My Back Yard”**

**describes the phenomenon in which residents of a neighborhood designate a new development (e.g. shelter, affordable housing, group home) or change in occupancy of an existing development as inappropriate or unwanted for their local area.**

# Median Household Income By Race in Milwaukee County

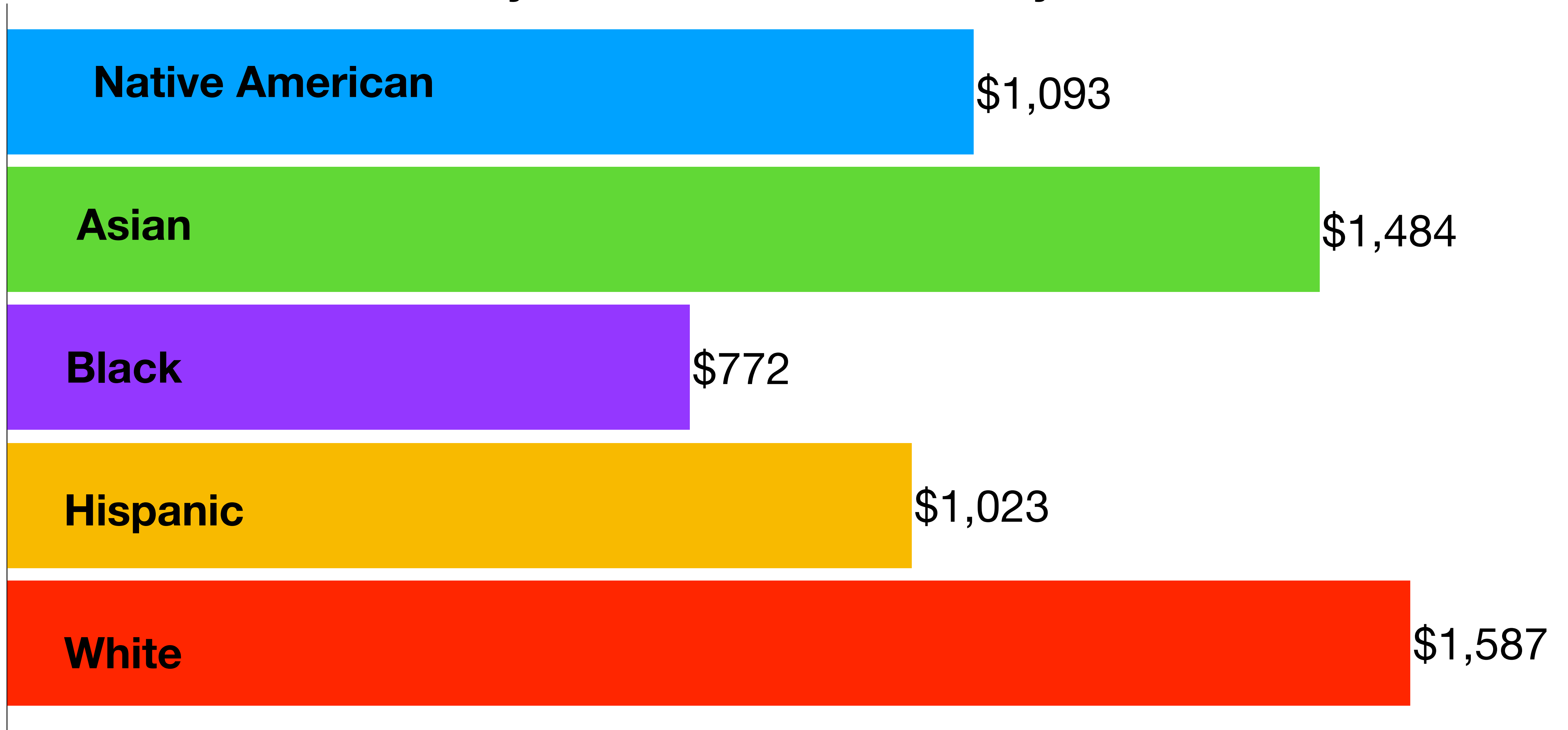
# Median Household Income By Race in Milwaukee County



Source: U.S. Census Bureau American Community Survey 2015-2019

**What 30% of Median Household  
Income is by Race in Milwaukee County**

## 30 Percent of Median Household Monthly Income By Race in Milwaukee County



Source: U.S. Census Bureau American Community Survey 2015-2019

# Median Household Gross Rent in Metro Milwaukee

| City            | Rent  |
|-----------------|-------|
| West Milwaukee  | \$738 |
| St. Francis     | \$751 |
| Cudahy          | \$815 |
| South Milwaukee | \$838 |
| West Allis      | \$845 |
| Milwaukee       | \$858 |
| Greendale       | \$955 |
| Greenfield      | \$971 |
| Brown Deer      | \$973 |

| City          | Rent    |
|---------------|---------|
| Shorewood     | \$1,004 |
| Oak Creek     | \$1,063 |
| Franklin      | \$1,066 |
| Glendale      | \$1,075 |
| Wauwatosa     | \$1,116 |
| Hales Corners | \$1,138 |
| Whitefish Bay | \$1,243 |
| Fox Point     | \$1,252 |
| Bayside       | \$1,331 |
| River Hills   | \$1,333 |

Source: U.S. Census Bureau American Community Survey 2015-2019



# **Where You Can Afford to Live Based on 30% of Median Household Income by Race in Milwaukee County**

# Affordable Communities By Race

## Based on 30% of Median Income For That Group

| Blacks \$772   | Hispanics \$1,023 | Native Americans \$1,093 | Asians \$1,484  | Whites \$1,587  |
|----------------|-------------------|--------------------------|-----------------|-----------------|
| West Milwaukee | West Milwaukee    | West Milwaukee           | West Milwaukee  | West Milwaukee  |
| St. Francis    | St. Francis       | St. Francis              | St. Francis     | St. Francis     |
|                | Cudahy            | Cudahy                   | Cudahy          | Cudahy          |
|                | South Milwaukee   | South Milwaukee          | South Milwaukee | South Milwaukee |
|                | West Allis        | West Allis               | West Allis      | West Allis      |
|                | Milwaukee         | Milwaukee                | Milwaukee       | Milwaukee       |
|                | Greendale         | Greendale                | Greendale       | Greendale       |
|                | Greenfield        | Greenfield               | Greenfield      | Greenfield      |
|                | Brown Deer        | Brown Deer               | Brown Deer      | Brown Deer      |
|                | Shorewood         | Shorewood                | Shorewood       | Shorewood       |
|                |                   | Oak Creek                | Oak Creek       | Oak Creek       |
|                |                   | Franklin                 | Franklin        | Franklin        |
|                |                   | Glendale                 | Glendale        | Glendale        |
|                |                   |                          | Wauwatosa       | Wauwatosa       |
|                |                   |                          | Hales Corners   | Hales Corners   |
|                |                   |                          | Whitefish Bay   | Whitefish Bay   |
|                |                   |                          | Fox Point       | Fox Point       |
|                |                   |                          | Bayside         | Bayside         |
|                |                   |                          | River Hills     | River Hills     |

Source: U.S. Census Bureau American Community Survey 2015-2019

# Renters Spending 30% or More of Household Income on Rent

| City           | Percentage |
|----------------|------------|
| River Hills    | 0%         |
| Hales Corners  | 31.3%      |
| Oak Creek      | 36.4%      |
| Shorewood      | 36.8%      |
| Greenfield     | 37.6%      |
| Fox Point      | 38.1%      |
| West Milwaukee | 39.1%      |
| Cudahy         | 41.7%      |
| Wauwatosa      | 43.3%      |

| City            | Percentage |
|-----------------|------------|
| Whitefish Bay   | 44.3%      |
| West Allis      | 44.6%      |
| Bayside         | 45.2%      |
| Glendale        | 48.5%      |
| South Milwaukee | 48.6%      |
| Greendale       | 48.8%      |
| Franklin        | 49.5%      |
| St. Francis     | 51.6%      |
| Milwaukee       | 52.9%      |
| Brown Deer      | 57.4%      |

Source: U.S. Census Bureau American Community Survey 2015-2019

# Median Household Income

| City            | Income   |
|-----------------|----------|
| West Milwaukee  | \$41,591 |
| Milwaukee       | \$41,838 |
| St. Francis     | \$44,426 |
| West Allis      | \$52,325 |
| South Milwaukee | \$52,678 |
| Cudahy          | \$56,795 |
| Greenfield      | \$60,788 |
| Brown Deer      | \$63,884 |
| Greendale       | \$71,786 |

| City          | Income    |
|---------------|-----------|
| Shorewood     | \$74,745  |
| Oak Creek     | \$74,840  |
| Hales Corners | \$77,041  |
| Glendale      | \$77,584  |
| Wauwatosa     | \$82,392  |
| Franklin      | \$82,569  |
| Bayside       | \$101,231 |
| Fox Point     | \$117,903 |
| Whitefish Bay | \$124,397 |
| River Hills   | \$161,719 |

Source: U.S. Census Bureau American Community Survey 2015-2019

# Federal Poverty Thresholds

2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

| Persons in family/household | Poverty guideline |   |
|-----------------------------|-------------------|---|
| 1                           | \$12,880          | The equivalent of making \$6.19 per hour working full-time            |
| 2                           | \$17,420          |   |
| 3                           | \$21,960          |   |
| 4                           | \$26,500          | The equivalent of two adults making \$6.37 per hour working full-time |
| 5                           | \$31,040          |   |
| 6                           | \$35,580          |   |
| 7                           | \$40,120          |   |
| 8                           | \$44,660          |   |

Source: U.S. Department of Health and Human Services (HHS)

# **Federal Poverty Threshold**

**“A flawed metric” that does not take into account standard of living by location**

**New York City vs. San Francisco vs.  
Milwaukee vs West Allis etc.**

# Households Below Federal Poverty Level (2018)

| City          | Percentage |
|---------------|------------|
| River Hills   | 1.9%       |
| Whitefish Bay | 4%         |
| Hales Corners | 4.3%       |
| Greendale     | 4.9%       |
| Fox Point     | 5.4%       |
| Franklin      | 5.9%       |
| Oak Creek     | 6.7%       |
| Bayside       | 6.9%       |
| Wauwatosa     | 8.2%       |

| City            | Percentage |
|-----------------|------------|
| Glendale        | 8.5%       |
| Greenfield      | 9.3%       |
| Brown Deer      | 11.7%      |
| Shorewood       | 12.4%      |
| St. Francis     | 12.6%      |
| West Allis      | 13.1%      |
| Cudahy          | 13.7%      |
| South Milwaukee | 15.5%      |
| West Milwaukee  | 22.2%      |
| Milwaukee       | 23.5%      |

Source: United for ALICE (Asset Limited, Income Constrained, Employed)



# A.L.I.C.E. Workers

**Asset Limited, Income Constrained, Employed**

a new way of defining and understanding the struggles of households that earn above the Federal Poverty Level, but not enough to afford a bare-bones household budget. These households struggle to manage even their most basic needs - housing, food, transportation, child care, health care, and necessary technology.

When funds run short, cash-strapped households are forced to make impossible choices, such as deciding between quality child care or paying the rent, filling a prescription or fixing the car.

# **A.L.I.C.E. Households in Milwaukee County**

**384,281 Households in MKE County**

**169,084 ALICE and Poverty Households in MKE County  
44% of households (2018)**

**66% of Black and 48% of Hispanic Households in  
Wisconsin  
Were ALICE and Poverty Households (2018)**

# The Milwaukee County Household Survival Budget

the bare minimum cost to live and work in the modern economy

The Federal Minimum Wage has been stuck at \$7.25 since 2009

|                | Single Adult | One Adult, One Child | One Adult, One In Child Care | Two Adults | Two Adults Two Children | Two Adults, Two In Child Care | Single Senior | Two Seniors |
|----------------|--------------|----------------------|------------------------------|------------|-------------------------|-------------------------------|---------------|-------------|
| Housing        | \$611        | \$742                | \$742                        | \$742      | \$911                   | \$911                         | \$611         | \$742       |
| Child Care     | \$0          | \$315                | \$987                        | \$0        | \$630                   | \$1,827                       | \$0           | \$0         |
| Food           | \$252        | \$435                | \$364                        | \$524      | \$875                   | \$764                         | \$215         | \$446       |
| Transportation | \$326        | \$484                | \$484                        | \$498      | \$795                   | \$795                         | \$280         | \$406       |
| Health Care    | \$214        | \$457                | \$457                        | \$457      | \$699                   | \$699                         | \$521         | \$1,043     |
| Technology     | \$55         | \$55                 | \$55                         | \$75       | \$75                    | \$75                          | \$55          | \$75        |
| Miscellaneous  | \$174        | \$287                | \$369                        | \$274      | \$458                   | \$605                         | \$198         | \$317       |
| Taxes          | \$277        | \$386                | \$599                        | \$445      | \$598                   | \$983                         | \$293         | \$456       |
| Monthly Total  | \$1,909      | \$3,161              | \$4,057                      | \$3,015    | \$5,041                 | \$6,659                       | \$2,173       | \$3,485     |
| Annual Total   | \$22,908     | \$37,932             | \$48,684                     | \$36,180   | \$60,492                | \$79,908                      | \$26,076      | \$41,820    |
| Hourly Wage    | \$11.45      | \$18.97              | \$24.34                      | \$18.09    | \$30.25                 | \$39.95                       | \$13.04       | \$20.91     |

Source: UNITED FOR ALICE

# The Milwaukee County Household Survival Budget Challenges and Deficits

| Household                     | Poverty guideline | Basic Survival Budget Amount | Deficit  |
|-------------------------------|-------------------|------------------------------|----------|
| Single Adult                  | \$12,880          | \$22,908                     | \$10,028 |
| One Adult, One Child          | \$17,420          | \$37,932                     | \$20,512 |
| Two Adults                    | \$17,420          | \$36,180                     | \$18,760 |
| One Adult, One In Child Care  | \$17,420          | \$48,684                     | \$31,264 |
| Two Adults Two Children       | \$26,500          | \$60,492                     | \$33,992 |
| Two Adults, Two In Child Care | \$26,500          | \$79,908                     | \$53,408 |

# **National Challenges to Affordable Housing**



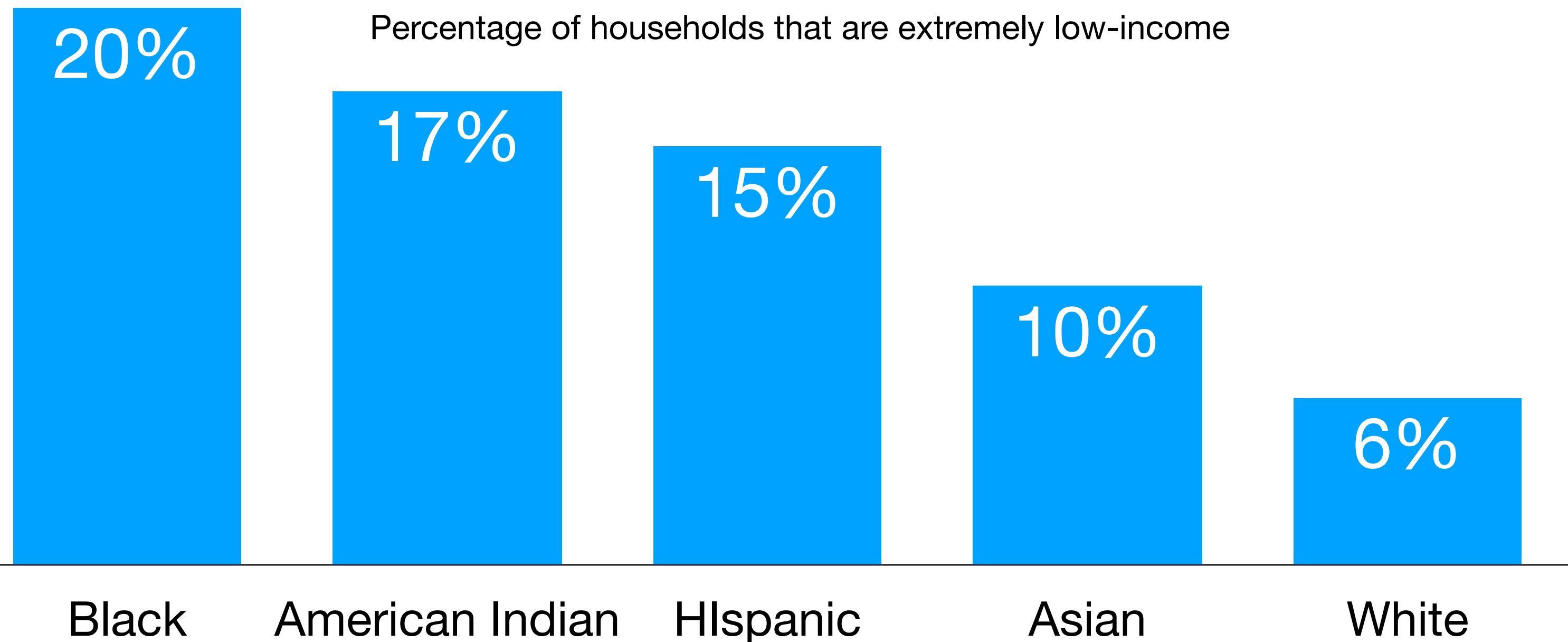
# THE GAP

## A Shortage of Affordable Homes

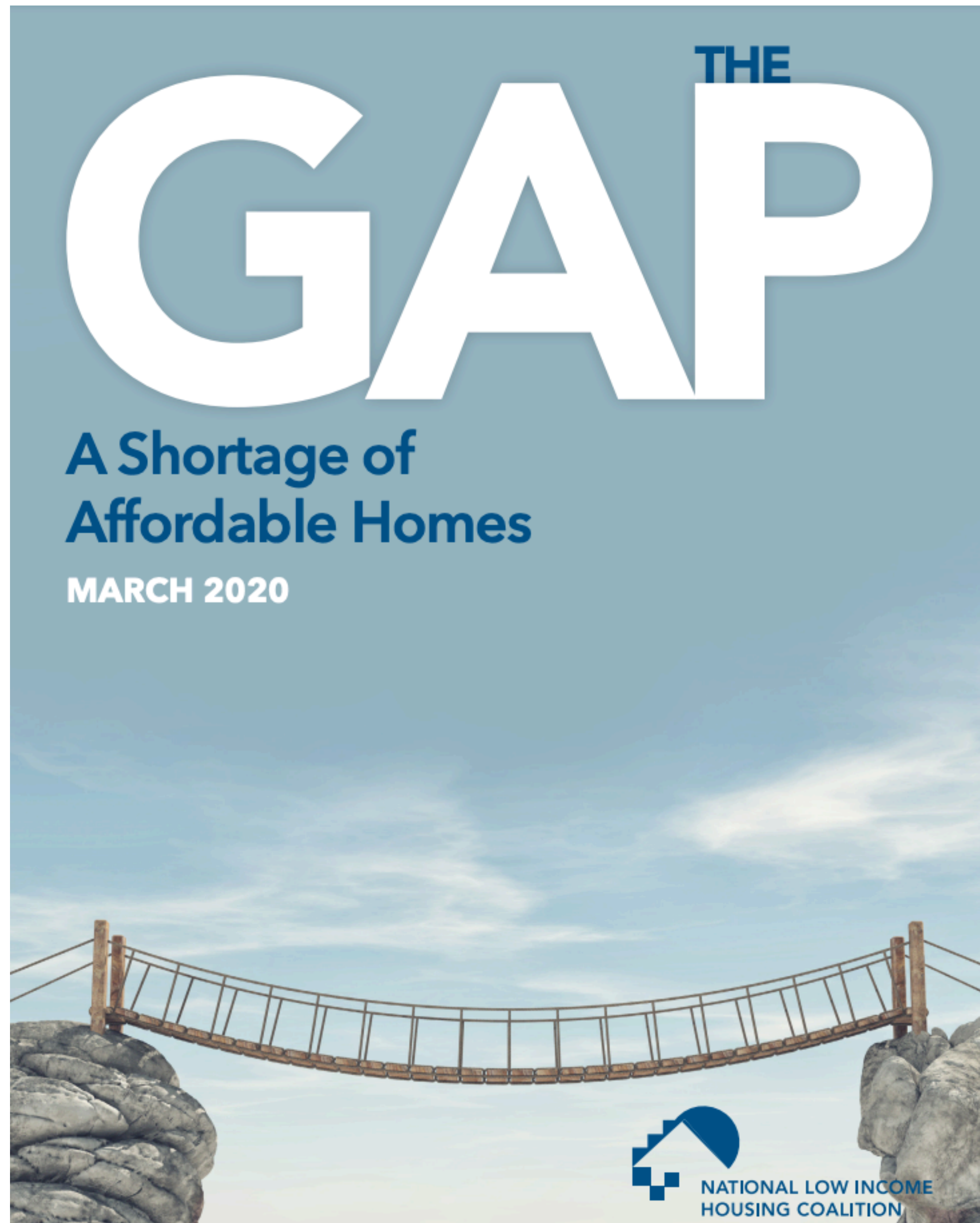
MARCH 2020

Extremely low-income renters in the U.S. face **a shortage of 7 million affordable and available rental homes**. Only 36 affordable and available homes exist for every 100 extremely low-income renter households

Seventy-one percent (7.7 million) of the nation's 10.9 million extremely low-income renter households are severely housing cost-burdened, **spending more than half of their incomes on rent and utilities**.



Source: National Low Income Housing Coalition,  
[https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2020.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf)



Black households account for 12% of all households in the United States and **19%** of all renters, **but they account for 26% of all renter households with extremely low incomes.** Likewise, Hispanic households account for 12% of all households, **19%** of all renter households, **and 21% of all renter households with extremely low incomes.**

**No state has an adequate supply of affordable and available homes for extremely low-income renters.**

**This supply leaves an absolute **shortage of 3.6 million** affordable rental homes.**



## Appeal for affordable housing pushes limits of mayoral power

A planned Northwest Side apartment building prompts debate over neighborhood opposition and aldermanic power over zoning.

By David Roeder | @RoederDavid | Sep 13, 2021, 5:30am CDT

Chicago, IL

## Affordable housing proposal in Cape Elizabeth evolves amid scrutiny

Meanwhile, opposition to Dunham Court has receded after critics accused leaders of a NIMBY response.

Portland, OR

## Council on verge of rolling back affordable housing measure

Proposed moratorium would cater to fears of homeowners living near campus.

BY BILL SMITH POSTED 5 MINS AGO

Evanston, IL

PALM COAST

WEDNESDAY, SEP. 8, 2021 4 days ago

## Affordable housing ballot initiative halted

Palm Coast , FL

# **Local Challenges to Affordable Housing**

#### MILWAUKEE COUNTY

## Milwaukee group calls for millions in dollars and policy changes to add more affordable housing and reduce racial homeowner gap

**Talis Shelbourne** Milwaukee Journal Sentinel

Published 4:58 p.m. CT Sep. 7, 2021 | Updated 1:33 p.m. CT Sep. 8, 2021

#### NEWS

## Milwaukee faces an affordable housing crisis and a racial gap in ownership. These influential groups are working to change that.

**Talis Shelbourne** Milwaukee Journal Sentinel

Published 7:01 a.m. CT Jun. 8, 2021

## Homeownership for Black families in Milwaukee is worse now than 50 years ago. Could a regional approach to affordable housing help?

Twin Cities Habitat builds homes for hundreds of families annually. A regional approach allows buyers to find safe neighborhoods with strong schools.

**James E. Causey**, Milwaukee Journal Sentinel

Published 12:11 PM CDT Aug. 7, 2020 | Updated 10:51 PM CST Jan. 21, 2021

#### MONEY

## Race matters: Gap between Black and white homeownership is vast, new report finds

**Charisse Jones** USA TODAY

Published 11:01 p.m. CT Jun. 28, 2020 | Updated 2:09 p.m. CT Jun. 29, 2020

# **Metro Milwaukee**

**Attempts at Affordable Housing**



# How New Berlin Affordable Housing Has Proven Its Opposers Wrong



Published November 17, 2020 at 12:31 PM CST

**A developer proposed a complex for low-income housing in New Berlin and sparked immediate controversy.**



Jack Chiovatero, New Berlin's former mayor, was criticized by his constituents for supporting Deer Creek.  
Credit...Lauren Justice for The New York Times



“There’s a racial element to a lot of it. In the sense that often times in our public imagination, affordable or low-income housing is associated with Black and brown people.”

NY Times Reporter Reporter John Eligon



**City Center at Deer Creek in New Berlin, Wis. Eighty-six of the 102 apartments are reserved for tenants earning significantly less than the city’s median household income.**

**Credit...Lauren Justice for The New York Times**



**“Residents of New Berlin who were against the project complained that the suburb would turn into the north side of Milwaukee if it was completed or that current residents worked hard to live in New Berlin and saw the affordable housing complex as a free handout.”**

**“Studies have shown that people in affordable housing do not just collect government subsidies, they usually hold at least one job — a point brought up by the mayor who was pushing for the housing project when he called it “workforce housing.” Another reality is not just Black and brown people live in subsidized housing. Many white people live in housing projects and the first low-income housing that was built was actually segregated and only allowed white people.”**



Fears of a crime wave and plummeting property values — voiced by dozens of residents in public meetings — never materialized after Deer Creek was built. Credit... Lauren Justice for The New York Times



# ***Residents Feared Low-Income Housing Would Ruin Their Suburb. It Didn't.***

**The New York Times**

President Trump told suburban voters that affordable housing would hurt property values and increase crime. The story of one Wisconsin community challenges those assumptions.

- NEW BERLIN, Wis. — When John Blaguski first heard about a proposal to build an affordable housing complex near his home in the Milwaukee suburb of New Berlin, Wis., his mind drifted to stereotypes of crime-ridden, shoddily constructed projects.
- “If I wanted to live by low-cost housing people,” he wrote in an email to the mayor at the time, “I would have stayed in Milwaukee County.”
- But now, eight years after a legal battle forced the city to allow the development to proceed, Mr. Blaguski, 62, said he regretted his visceral opposition.
- The 102-unit complex is not the nuisance he had envisioned. When he drives by, he hardly notices it. And fears of a crime wave and plummeting property values — voiced by dozens of residents in public meetings — never materialized.

# THE COST OF LIVING

*Milwaukee County's Rental Housing  
Trends and Challenges*



August 2018



# THE COST OF LIVING

*Milwaukee County's Rental Housing  
Trends and Challenges*

## Key Findings

Milwaukee County has the highest percentage of renter households in the Midwest. More than half (50.6%) of Milwaukee County households rented their homes in 2016;

Milwaukee County's median household income is not high enough to afford the county's median rent. In 2016, a Milwaukee County household earning the median monthly income (\$2,631) would have been \$45 short of paying the county's median monthly rent without spending more than 30% of its income on housing. In fact, roughly half of the county's renter households are accordingly "rent burdened."

There is a significant gap in available rental units to meet the demand from low-income renters. While 42% of renter households in Milwaukee County earned less than \$25,000 per year in 2016, only 9% of rental units charged monthly rents those households could afford.

# How Shorewood Is Addressing the Issue

# **Shorewood Community Development Authority (CDA) Meeting Video**

**Teig Whaley Smith**





# Village of Shorewood Housing Affordability Report, 2021

Prepared by the Planning & Development Department  
Reviewed by the Community Development Authority, January 8, 2021  
Accepted by the Village Board, January 25, 2021

Community Development Authority



[The Role of Suburbs in Creating a Diverse and Inclusive Region: Spotlight on Housing](#)

Comprehensive  
2040  
SHOREWOOD  
WISCONSIN  
Plan

FINAL  
VILLAGE OF SHOREWOOD, WISCONSIN  
TRANSPORTATION + PARKING  
ANALYSIS  
January 31, 2020



# Village of Shorewood Housing Affordability Report, 2021

*Table 3: New Housing Units per Year, 2011-2020*

| <b>Year</b>  | <b>New Single-Family Homes*</b> | <b>Housing Units Eliminated**</b> | <b>Multi-Family Dwelling Units Constructed</b> | <b>Net New Housing Units</b> |
|--------------|---------------------------------|-----------------------------------|--|------------------------------|
| 2011         | 3                               | 3                                 | 0  | -3                           |
| 2012         | 2                               | 1                                 | 0  | -1                           |
| 2013         | 1                               | 0                                 | 84   | 85                           |
| 2014         | 3                               | 2                                 | 0  | -2                           |
| 2015         | 1                               | 1                                 | 99   | 99                           |
| 2016         | 5                               | 5                                 | 0  | -5                           |
| 2017         | 3                               | 3                                 | 95   | 92                           |
| 2018         | 1                               | 1                                 | 101  | 100                          |
| 2019         | 4                               | 5                                 | 0  | -1                           |
| 2020         | 3                               | 2                                 | 0  | -2                           |
| <b>Total</b> | <b>26</b>                       | <b>23</b>                         | <b>379</b>                                     | <b>362</b>                   |

\*also includes new homes constructed as a result of a teardown or duplex conversion – date based on permit issuance

\*\*teardowns and duplex conversions





A COMPREHENSIVE HOUSING MARKET  
STUDY AND NEEDS ANALYSIS OF:

**SHOREWOOD,  
WISCONSIN**

# Comprehensive Housing Market Study and Needs Analysis

for Final Presentation

**Rachel Denton, MAI**  
Partner

February 7, 2020

[www.novoco.com](http://www.novoco.com)





**Subsidized Housing:** Shorewood has one subsidized Section 8 property, River Park I and II, which consists of two phases that are contiguous to one another. Together River Park I and River Park II offer 427 units for **seniors** ages 50 and over with a disability or ages 62 and over regardless of disability status. All units are one-bedroom units that are approximately 550 square feet in size.



**River Park  
Apartments**

**Housing for**

Elderly 62+ & Disabled 50+





**Affordable Housing:** There are no formal unsubsidized affordable housing properties in Shorewood. There are however 17 formally restricted affordable units at a mixed-income property, **Lighthorse 4041**. These 17 units target general tenancy households with incomes of 60 percent of the Area Median Income (AMI), or less.







## Luxury apartment living in Shorewood, Wisconsin.

LightHorse 4041 is in a highly walkable and vibrant community, only minutes from Downtown Milwaukee.



4041 N Oakland Ave





**Gap Analysis Overall:** there are 40 affordable and available rental units for every 100 ELI (**extremely low-income**) renter households, 39 affordable and available rental units for every 100 VLI (**very low-income**) and below renter households, and 59 affordable and available units for every 100 LI (**low-income**) and below renter households, indicating a sizeable gap in the affordable and available housing supply in Shorewood.

The following table illustrates the maximum allowable income limits by unit type and maximum allowable gross rents by unit type.

| LIHTC Income Limits for 2019<br>(Based on 2019 MTSP Income Limits) |        |        |
|--|--------|--------|
|  | Charts | 60.00% |
| 1 Person   | ▲▼     | 34,620 |
| 2 Person   | ▲▼     | 39,540 |
| 3 Person   | ▲▼     | 44,460 |
| 4 Person   | ▲▼     | 49,380 |
| 5 Person   | ▲▼     | 53,340 |
| 6 Person   | ▲▼     | 57,300 |
| 7 Person   | ▲▼     | 61,260 |
| 8 Person   | ▲▼     | 65,220 |
| 9 Person   | ▲▼     | 69,120 |
| 10 Person  | ▲▼     | 73,080 |
| 11 Person  | ▲▼     | 77,040 |
| 12 Person  | ▲▼     | 81,000 |

| LIHTC Rent Limits for 2019<br>(Based on 2019 MTSP/VI Income Limits) |        |        |
|---|--------|--------|
| Bedrooms (People)   | Charts | 60.00% |
| Efficiency (1.0)  | ▲▼     | 865    |
| 1 Bedroom (1.5)   | ▲▼     | 927    |
| 2 Bedrooms (3.0)  | ▲▼     | 1,111  |
| 3 Bedrooms (4.5)  | ▲▼     | 1,284  |
| 4 Bedrooms (6.0)  | ▲▼     | 1,432  |
| 5 Bedrooms (7.5)  | ▲▼     | 1,581  |

Source: Novogradac & Company LLP, January 2020

\$34,620 equals \$16.64 per hour  
for a 40 hour work week working full-time



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Please give me feedback on slides 6-7

Please give Shorewood Public Library  
and the Senior Resource Center feedback  
on slides 8-12