

# Affordable Housing 101:

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



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Nurturing Diversity Partners

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# Code: 4213 1236

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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**

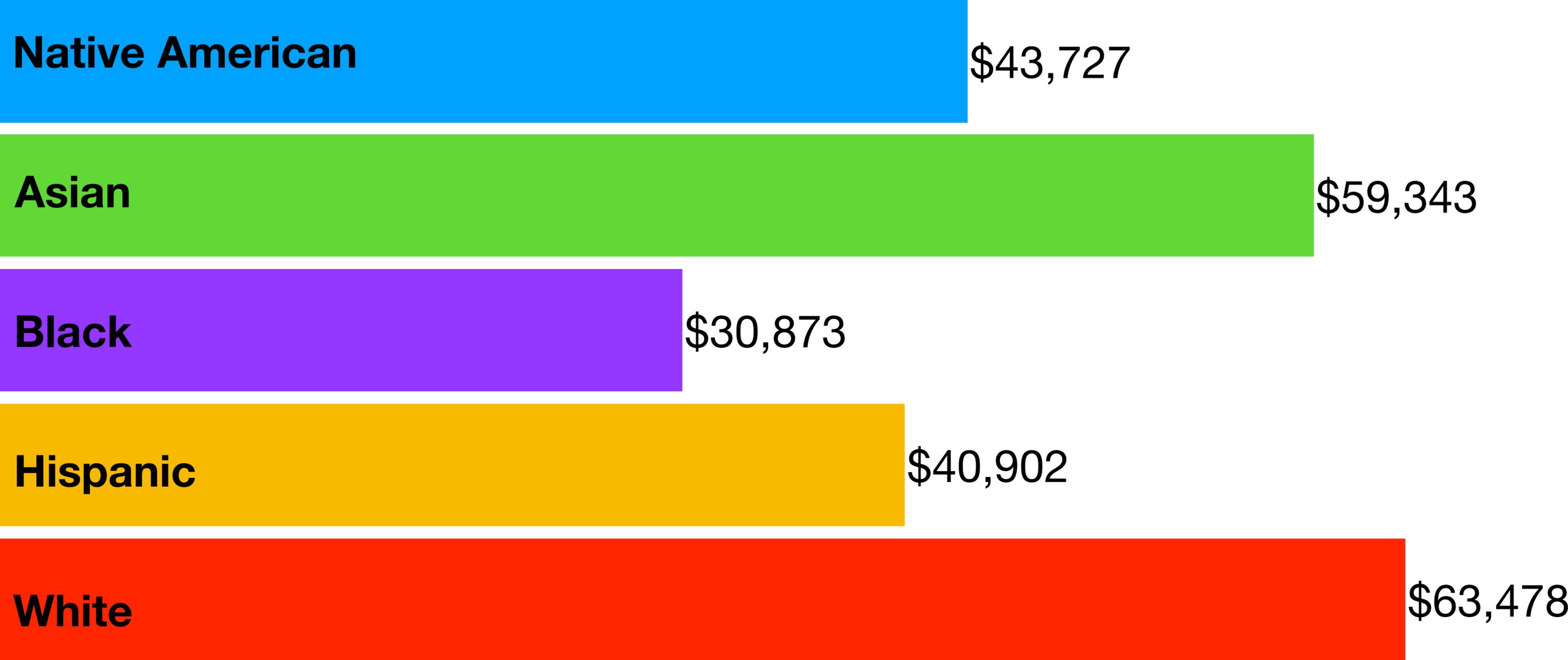
# **5. NIMBY**

## **“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

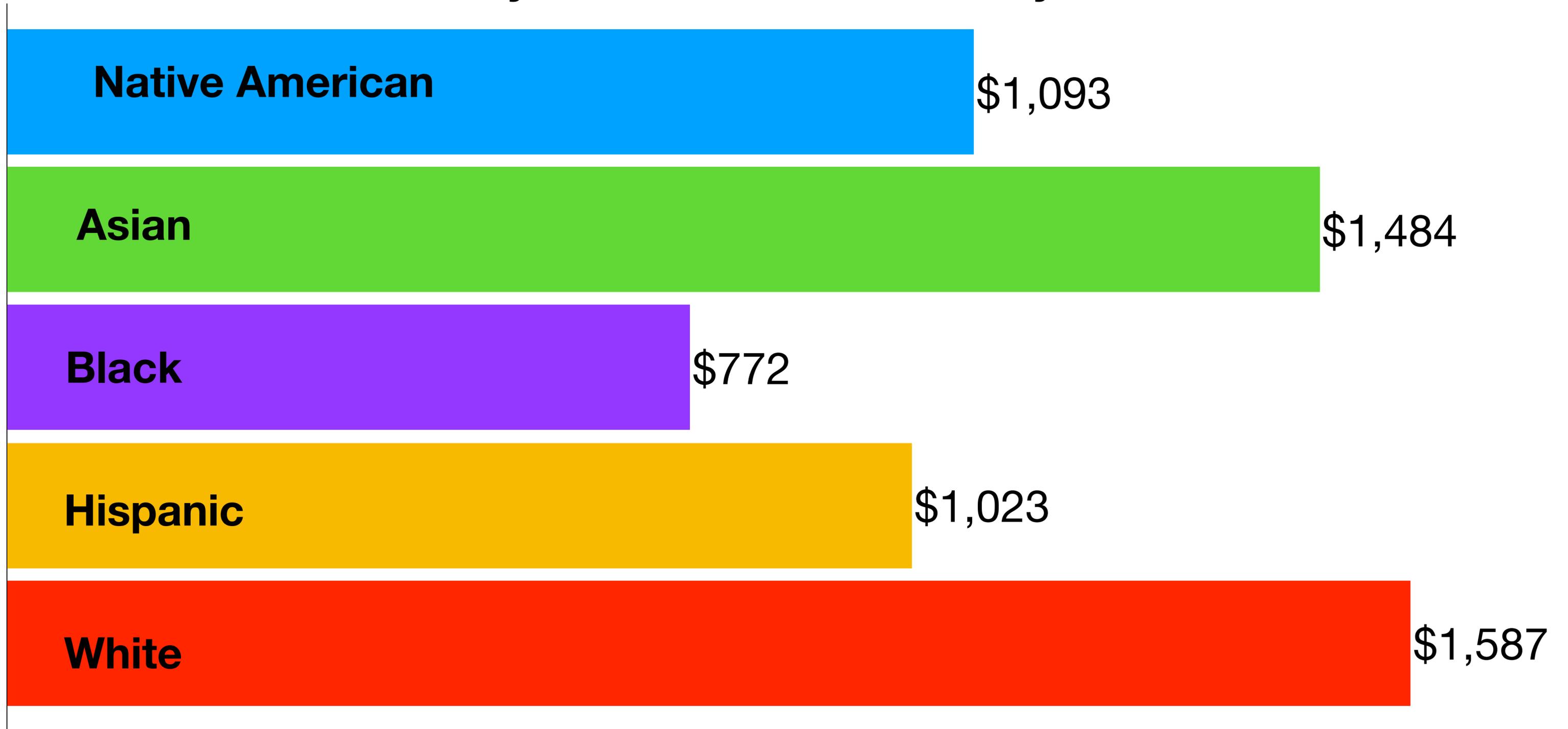
# Median Household Income By Race in Milwaukee County



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**

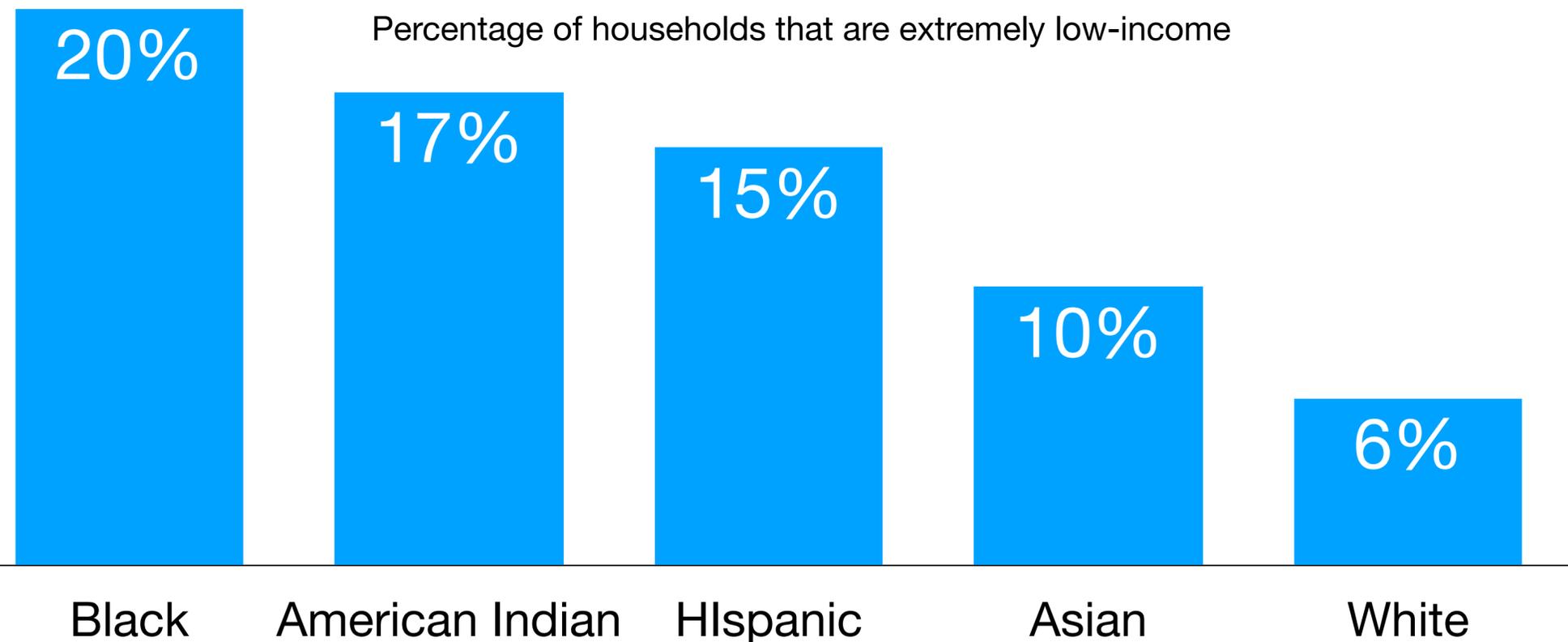
# THE GAP

## A Shortage of Affordable Homes

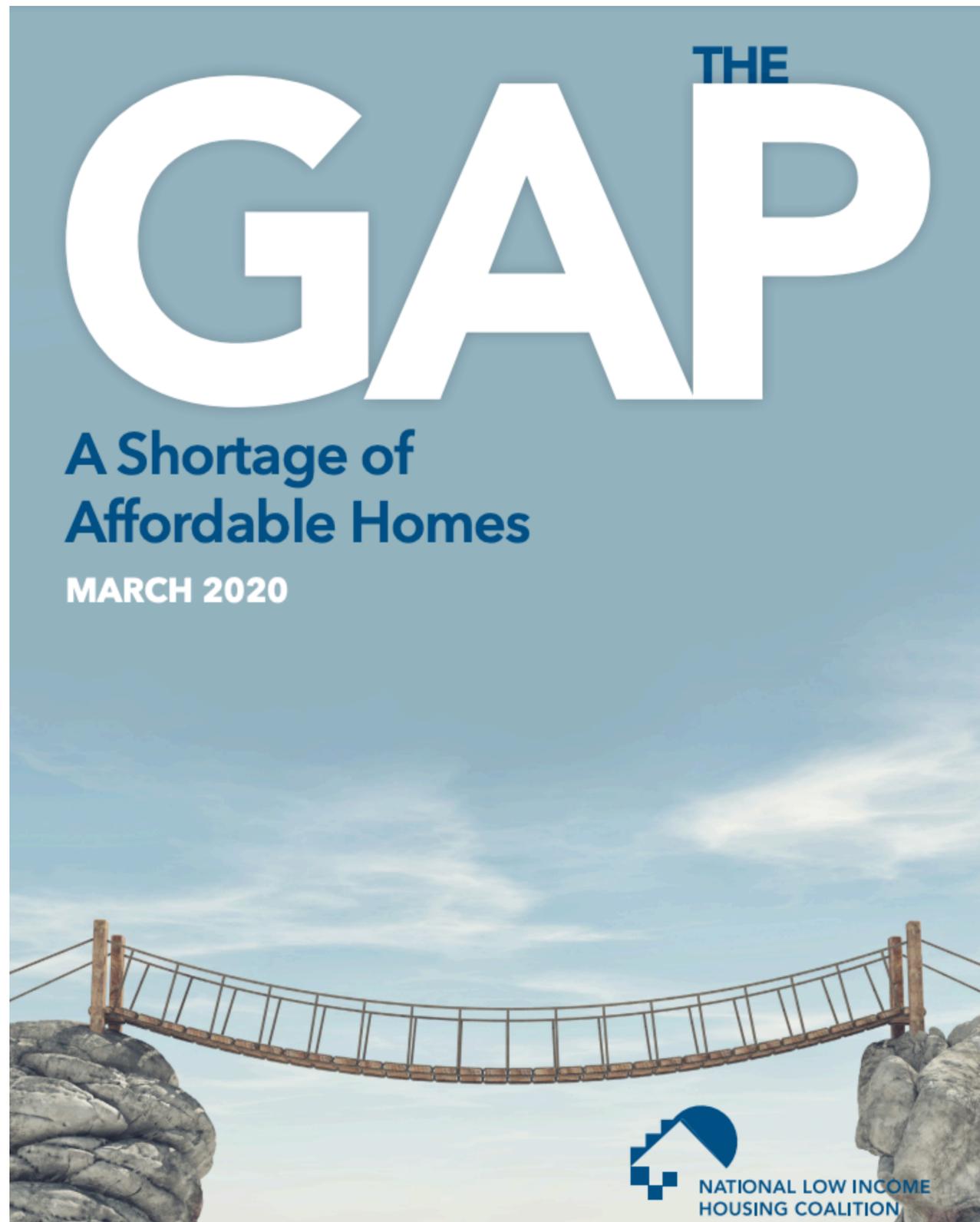
MARCH 2020

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

Year	New Single-Family Homes*	Housing Units Eliminated**	Multi-Family Dwelling Units Constructed	Net New Housing Units
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 (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

Source: Novogradac & Company LLP, January 2020

LIHTC Rent Limits for 2019 (Based on 2019 MTSP/MLI 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**

Let's Get Interactive

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