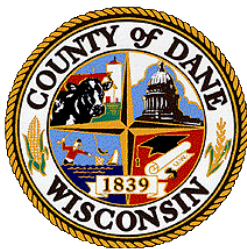


Housing Trends in Dane County and Sun Prairie

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Housing, Trends, Impacts



Workforce/affordable housing

- Housing Supply Gap in Dane County
- Projections for the Housing Gap

Housing Trends in Sun Prairie

- Housing Gap
- Impacts to the Community

What is Workforce/Affordable Housing?

Housing that costs no more than 30% of monthly income?

***Homeowner* housing cost calculation includes:**

Mortgage + real estate taxes + insurance + utilities

***Renter* housing cost includes:** Rent and utilities

Cost burdened HH that spend more than **30% of their income**

Extremely cost burdened HH spend more than **50% of their income**

Dane County Housing Supply Gap



Definition 1 - Number of households with incomes 30% or below AMI, and the number of units whose rent would be affordable to those households

Definition 2 – Number of lower-income households currently paying more than 50% of their income on housing

How much do I make?

Dane County 2019 Income Limits **AREA MEDIAN INCOME (AMI) \$100,400**

| | # Persons in Family | | | |
|---|---------------------|-----------------|----------|----------|
| | 1 | 2 | 3 | 4 |
| Low Income Limits (80% of AMI) | \$52,850 | \$60,400 | \$67,950 | \$75,500 |
| Multifamily tax subsidy limits (60% of AMI) | \$42,180 | \$48,240 | \$54,240 | \$60,240 |
| Very Low Income Limits (50% of AMI) | \$35,150 | \$40,200 | \$45,200 | \$50,200 |
| Extremely low income limits (30% of AMI) | \$21,100 | \$24,100 | \$27,100 | \$30,100 |

Source: HUD, Office of Policy Development and Research, Income Limits Briefing Materials,
<http://www.huduser.org/portal/datasets/il.html>

How much is rent?

WHEDA-Estimated Dane County Rent Limits, **FY 2019**

| | Efficiency | 1-BR | 2-BR | 3-BR |
|--------------------------------------|--------------|---------------|--------|--------|
| Low Income (80% of AMI) | \$1,406 | \$1,507 | \$1808 | \$2089 |
| Multifamily tax subsidy (60% of AMI) | \$1054 | \$1130 | \$1356 | \$1566 |
| Very Low Income (50% of AMI) | \$878 | \$941 | \$1130 | \$1305 |
| Extremely Low Income (30% of AMI) | \$527 | \$565 | \$678 | \$783 |

Note: WHEDA estimates these rent limits (rent+utilities) for their funded projects.

Dane County Housing Supply Gap



Definition 1 - number of households with incomes 30% or below AMI, and the number of units whose rent would be affordable to those households

10,812 units

Dane County Housing Supply Gap

Definition 2 – Number of lower-income households currently paying more than 50% of their income on housing

13,050 rental units

in 2010, 10,285 – 26.9% increase

3,490 ownership units

Closing the Housing Supply Gap



2019 City County Funding Programs

\$11,825,000 in financing =

- 578 Workforce-Affordable Units

To close the current Housing Gap – 13,050 rental units

22.57 years!

Closing the Housing Supply Gap

2019 City County Funding Programs

Financing to build affordable single family homes?

- **\$00.00**

How long will it take close the current single family Housing Gap (3490)?

SF cost of building new $\$170.00 \times 2,000 \text{ sf} = \$340,000$

County Population Projections



| | Dane County Household Projections | | | |
|----------|-----------------------------------|-------------|-----------------|--|
| | 2020 | 2040 | # New HH | |
| Total HH | 228,371 | 268,335 | 39,964 | |
| | | | | |

WI DOA Projection Estimates, 2019.

Sun Prairie Housing Supply Gap

Table 15. Change in extremely cost burdened **owner** households

| Income less than 30% AMI | | |
|---------------------------------|------|--------|
| 2010 | 2015 | Change |
| 160 | 150 | -6.3% |

| Income between 30%-50% AMI | | |
|-----------------------------------|------|--------|
| 2010 | 2015 | Change |
| 90 | 120 | 33% |

Table 16. Change in extremely cost burdened **renter** households

| Income less than 30% AMI | | |
|---------------------------------|------|--------|
| 2010 | 2015 | Change |
| 425 | 705 | 65.9% |

| Income between 30%-50% AMI | | |
|-----------------------------------|------|--------|
| 2010 | 2015 | Change |
| 125 | 120 | -4.0% |

Dane County Housing Needs Assessment, 2018 update. Prof. Kurt Paulsen, UW Madison. Extremely cost-burdened residents pay 50% or more of monthly income on housing.

Trends, Impacts Housing Shortage



Under producing housing by 11,000 units (2006-2017)

No longer able to supply housing (SF or MF) at moderate or affordable prices

Costs of housing rising faster than wages

Income to Housing ratio:

1965 \$6,900 median income 1:3
\$20,400 median home price

2019 \$63,703 median income 1:5
\$328,400 median home price

Importance to Sun Prairie

- Attract and retain employers in SP
- Public safety professionals, school teachers live outside the community
- Workers who work in Sun Prairie can't afford to live in SP
- Lack of available workforce, longer commute time, higher turnover
- Higher cost of doing business for Sun Prairie employers
- Retail establishments reducing hours of operation, closing in some cases
- Families doubling up
- Increase number of students on free and reduced lunch program, homeless students