

Affordable Housing in the City of Milwaukee

How Affordable is Milwaukee's Rental Market?

For major Federal Housing programs like the low income tax credit program, affordable rental housing is generally defined as those units that are affordable to households earning 60% of County median income or less. What's considered "affordable" at the 60% range is based on both family size and the number of bedrooms in the units. For example, the income and rent threshold for a larger family and bigger unit is higher than the one for a single person and occupying a smaller unit.

In Milwaukee:

- 86% of all the rental units in the City are affordable to families with incomes of 60% of Milwaukee County median income or less.
- 46% of all the rental units in the City are affordable to families with incomes of 40% of Milwaukee County median income or less.

What type of income and rents does this translate into?

At the 60% affordability level, 60% of median for a single person would be \$28,200, for a family of three, 60% of median would be \$36,300. Based on paying 30% of your income for rent and depending on your family size – this would translate into a rent of between \$730 and \$905.

At the 40% affordability level, 40% of median income for a single person would be \$18,800, for a family of three, 40% of median would be \$24,200. Based on paying 30% of your income for rent and depending on your family size – this would translate into a rent of between \$487 and \$605.

Subsidized rental units

- There are over 21,000 subsidized rental units in the City of Milwaukee – approximately 16% of Milwaukee total rental-unit stock.

Measure of affordability too high

It has been said the above measures of affordability are too high, because they use County Median Income, and most of the area's lowest income families reside in the City of Milwaukee – and therefore median income for the City of Milwaukee is lower.

Using 2000 census data, estimated City of Milwaukee median income is \$42,372.

- At 60% of City median income, 73% of the City's housing units are still considered affordable.

The Downtown Rental Housing Market

- 63% of all the rental units in the downtown area are affordable to families with incomes of 60% of Milwaukee County median income or less.
- 48% of all the rental units in the downtown area are affordable to families with incomes of 60% of City of Milwaukee median income or less.
- There are over 2,700 subsidized housing units within one mile of the Park East.
- 25% of all rental units developed in the downtown in the past 5 years are tax credit units – set aside as affordable for the next 15 years.

EXHIBIT

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How Affordable is Milwaukee's Homeownership Market?

In general, affordable homeownership housing is generally defined as those units that are affordable to households earning 80% of Milwaukee County median income or less. 80% of Milwaukee County median income for a family of four is \$53,760. 50% of Milwaukee County median income for a family of four is \$33,600.

In Milwaukee:

- 89% of all single family and condominium units are affordable to families with incomes of 80% of County median income or less (this translates into a home value of \$145,000 or less).
- 42% of all single family and condominium units are affordable to families with incomes of 50% of County median income or less (this translates into a home value of \$90,000 or less).

Measure of affordability too high

Again, it has been said the above measures of affordability are too high, because it uses County Median income, and most of the area's lowest income families reside in the City of Milwaukee – and therefore median income for the City of Milwaukee is lower.

Using 2000 census data, estimated City of Milwaukee median income is \$42,372.

- At 80% of City median income, 62% of the City's single family and condominium housing units are still considered affordable.

The Downtown Single Family and Condominium Housing Market

- 62% of all single family and condominium units in the downtown area are affordable to families with incomes of 80% of County median income or less
- 42% of all single family and condominium units in the downtown area are affordable to families with incomes of 80% of City of Milwaukee median income or less