



**THERE ARE OVER 250,000
FAMILIES THROUGHOUT
WISCONSIN THAT MAKE
\$15/HOUR OR LESS**

**BUT LESS THAN
160,000 HOMES
AVAILABLE TO THEM**

- When housing is available for everyone, families are more stable, and Wisconsin is stronger
- More than 80% of WHEDAs rental resources go to families with incomes higher than \$15/hour.
- By allocating 90% of resources towards the 90,000 working families without available housing (“90 for 90”) we can provide a quality affordable home for every Wisconsinite!



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1

If a person earning \$15/hour works the full-time equivalent of 2,080 hours per year, their average family income is \$31,200 per year. American Community Survey (ACS) 2019 Census Table B25118 shows that 401,848 households earn less than \$24,999 per year, 152,696 are homeowners, resulting in 250,000 families that are renting and making less than \$25,000 per year, the equivalent of \$12 per hour. The number making \$15/hour or less is much higher, but census data is not available to that level of detail.

2

A person that spends more than 30% of household income of housing is considered *housing burdened* because spending more than that on housing restricts the income necessary for transportation for employment, food, clothing, and other necessities. A person earning \$25,000 per year can only afford housing that is available at \$625/per month for all housing expenses. The standard estimate for utility costs for a 3 bedroom rental home is \$202 per month. Consequently, families can only afford housing units that are available at \$625 gross rent or \$423 net rent. ACS 2019 Census Table B25063 shows that there are only 157,529 rental homes with gross rent of \$650/month or less.

3

Several studies have shown the incredible impact stable housing has on families. See [Housing And Health: An Overview Of The Literature \(Health Affairs 2018\)](#). Studies have shown that stable housing can reduce Medicaid expenditures by 12% and emergency department use by 18%, totaling a savings of approximately \$29,000 per year. Other studies have shown that unstable housing has led to cognitive damage, cardiovascular damage and the spread of infection. See also [Association Between Structural Housing Repairs for Low-Income Homeowners and Neighborhood Crime \(JAMA 2021\)](#) citing that basic repairs to housing can reduce crime by 25.4%, including homicide by 21.9%. See also [Housing and Employment Insecurity Among the Working Poor \(Oxford University Press, 2016\)](#) citing a 22% higher unemployment rate for workers experiencing a forced move.

4

Although recent aggregate data is not available, the [WHEDA 2021 Award List \(WHEDA 2021\)](#) shows that 80% or more of WHEDA Housing Tax Credits are prioritized for families above 30% AMI. Previous aggregate data shows that units with gross rents below \$650 to be far less than 20%.

5

This problem has been caused largely by Category 10 of the WHEDA Housing Tax Credit application which requires applicants to restrict the resources requested, sometimes by as much as 50% less than the federally allowed tax credits. Higher rent units can absorb this loss of resources by borrowing money paid back through higher rents. Lower rent units do not have this luxury. Consequently, many tenants are paying more than 30% of their income on housing or utilizing very housing vouchers that are no longer available. This problem can be fixed by adding language to the Qualified Allocation plan for WHEDA Housing Tax Credits that projects with 80% or more of units with rents at 30-40% AMI receive full points for Scoring Category 10.