

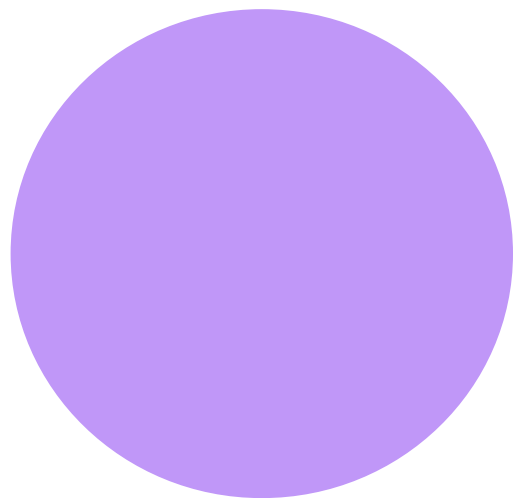


# The Rock County Housing Crisis

Rock County Board of Supervisors

March 28, 2024

Rock County Housing Authority

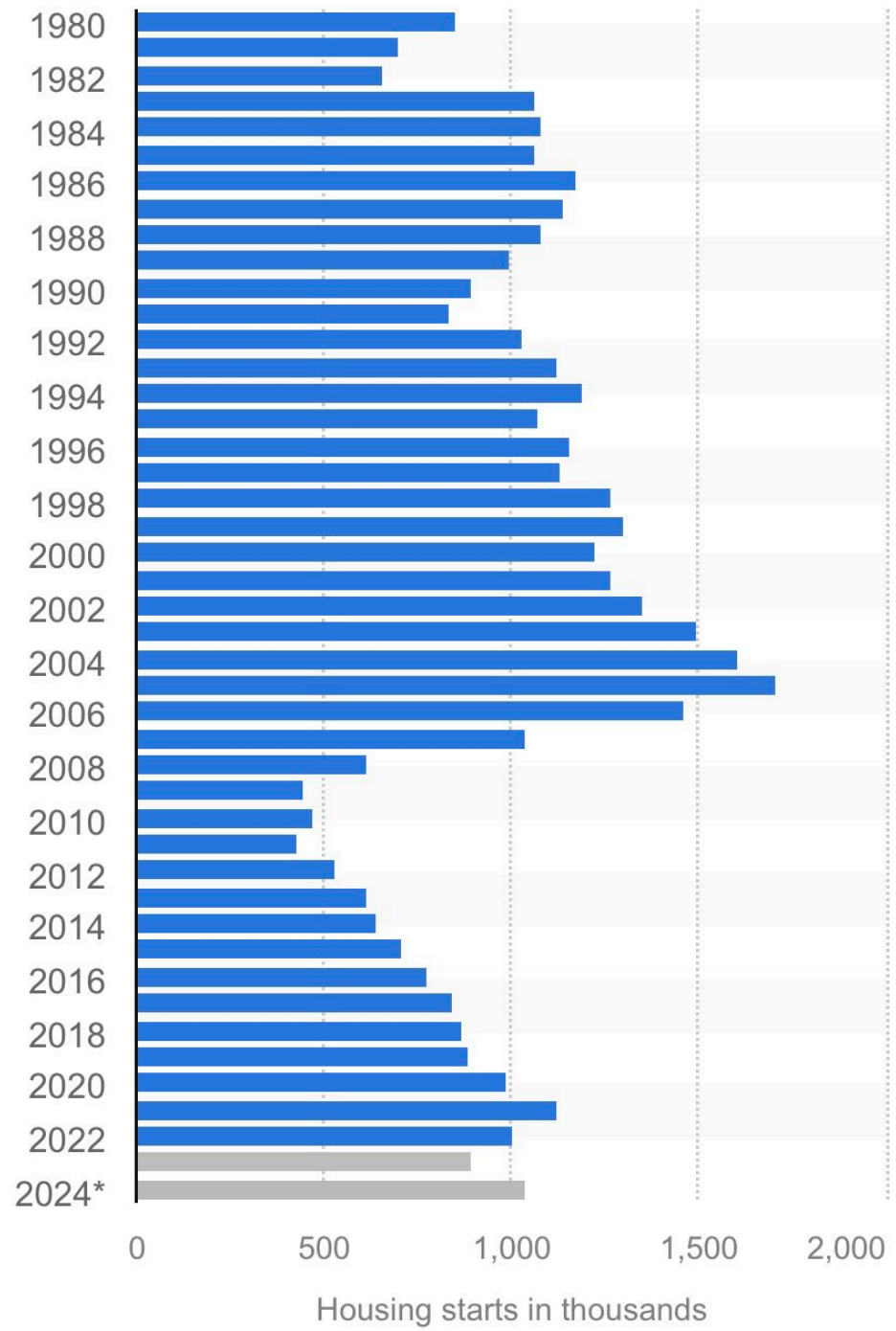


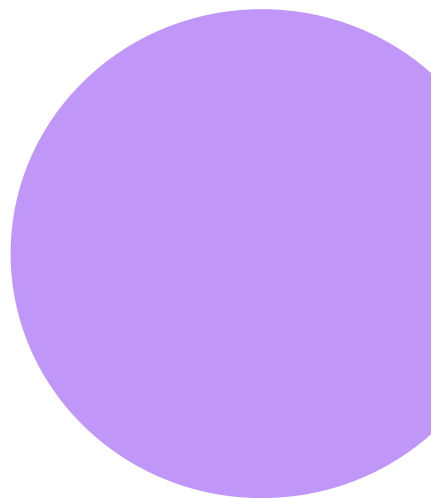
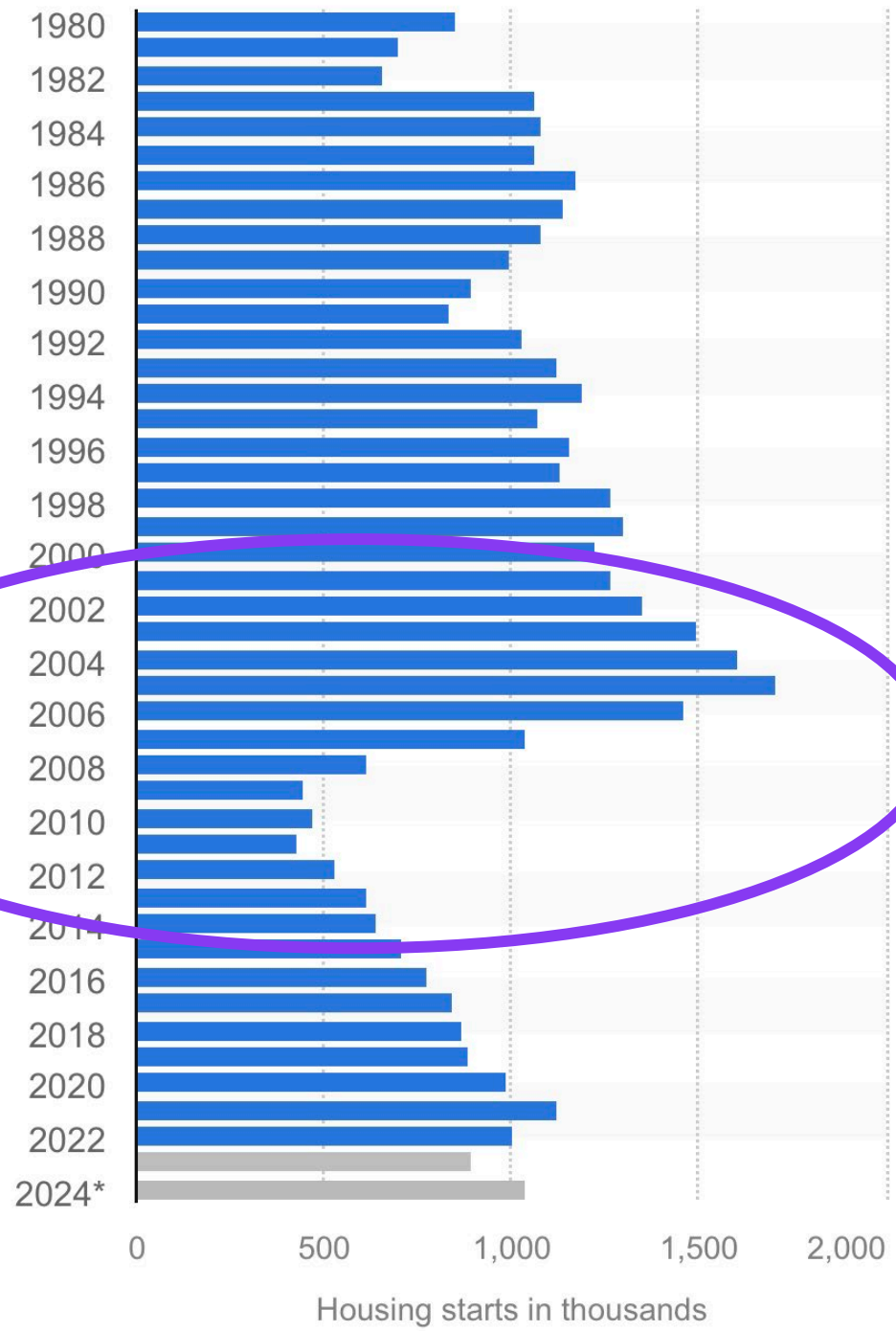
**CRISIS?  
WHAT CRISIS?**



## **CRISIS**

**The housing crisis in Rock County didn't start with the pandemic. It's been building for almost twenty years.**



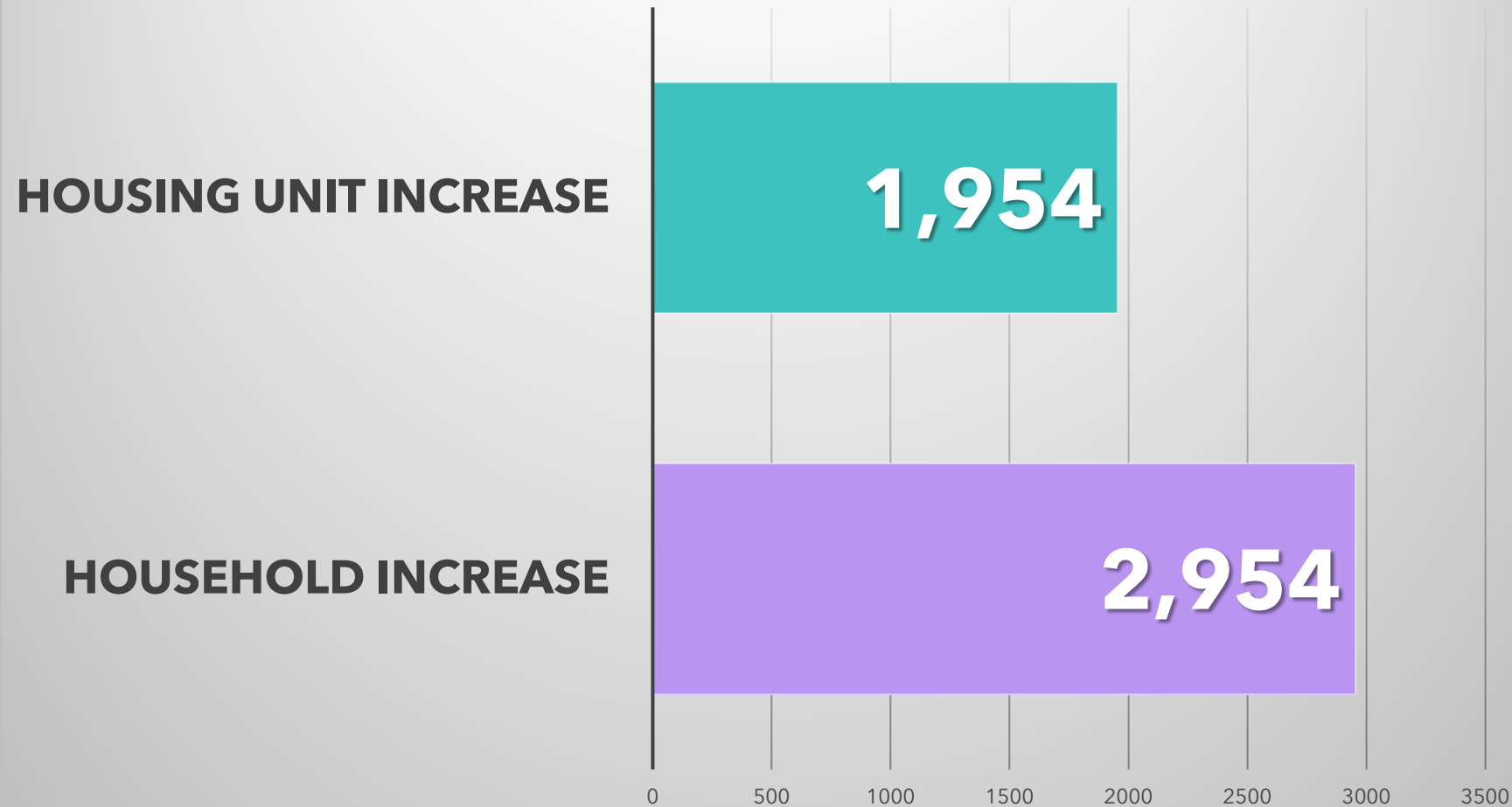




## **CRISIS**

**Between 2006 and 2019, the number of households in Rock County increased by 2,954. In that same period, Rock County added only 1,954 new housing units. That's a deficit of 1,000 units!**

## 2006 - 2019 Change in Housing Units and Number of Households





**Slight progress has been made since 2019, but the increase in the number of housing units has only exceeded the growth in the number of households by about 100.**





**Two Major  
Factors Contribute  
to the Housing Crisis**

**1. AVAILABILITY**

**2. AFFORDABILITY**



## AVAILABILITY

**Part of the housing crisis equation is that supply hasn't been keeping up with demand. This has predictably resulted in higher costs and decreased housing options for both buyers and renters.**



## **AFFORDABILITY**

**The Department of Housing and Urban Development (HUD) uses a scale that looks at the percentage of household income devoted to housing to assess affordability.**



## **COST-BURDENED**

**A household is considered to be "cost-burdened" if it has to spend more than 30% of its total gross income on housing.**



**SEVERELY  
COST-BURDENED**

**HUD categorizes households that must expend over 50% of their income on housing as severely cost-burdened.**



## AFFORDABILITY

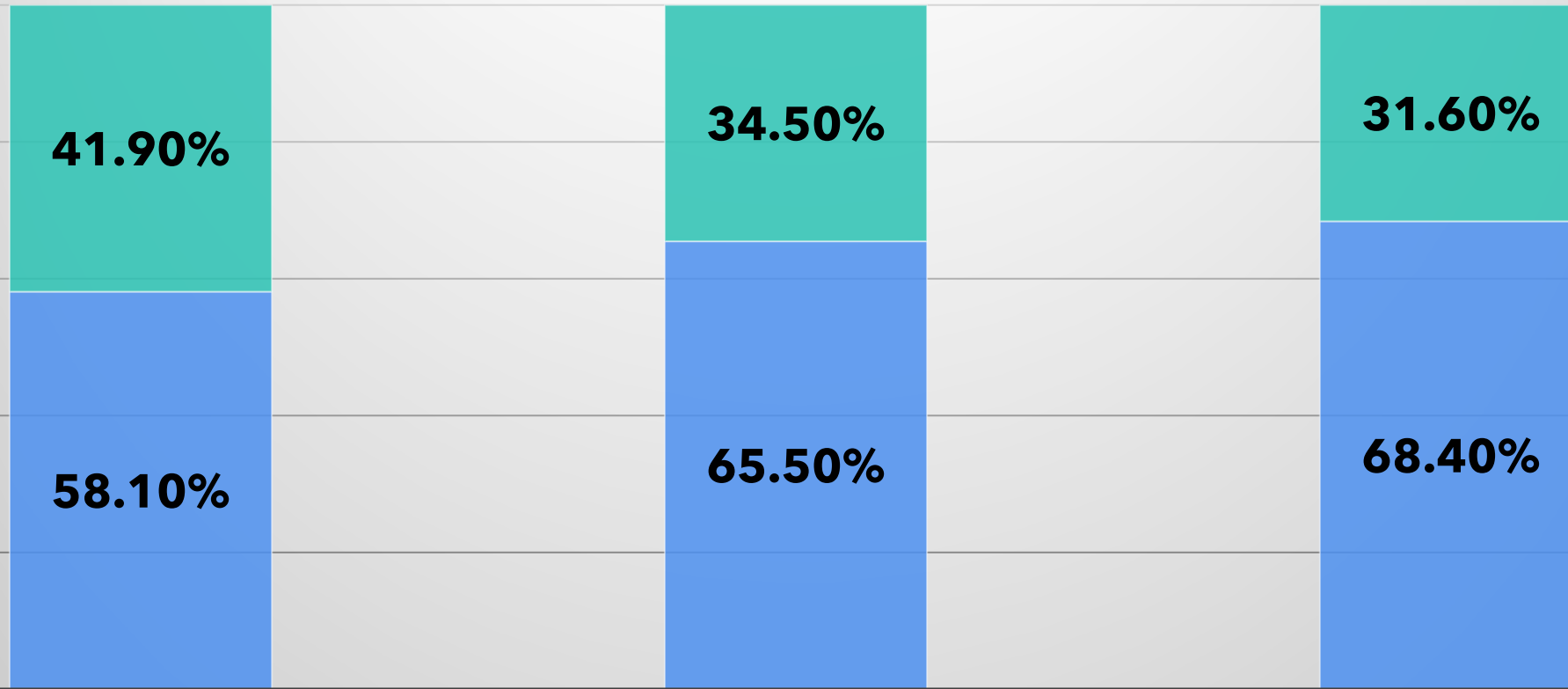
**The 30% rule applies to both renters and those seeking to buy homes. About 22% of Wisconsin homeowners are cost-burdened and 43% of renter households in the state are cost-burdened.**



## OWNER-OCCUPIED/ RENTAL

**The U.S. Census Bureau reported that in 2022 there were approximately 71,287 housing units in Rock County. Almost 22,000 (21,548) of these were rental units.**

# Owner-Occupied/Rental Units



**BELOIT**

**JANESVILLE**

**ROCK COUNTY**


**Owner-Occupied**   **Rental**





# **CRISIS**

**Rock County's housing crisis isn't just a rental crisis. The crisis actually impacts all income levels and affects every area of the County.**



# **THE HOUSING CRISIS IMPACTS:**

**HOME OWNERSHIP**

**THE RENTAL MARKET**

**WORKFORCE RECRUITMENT**

**SOCIAL SERVICE COSTS**



## HOME OWNERSHIP

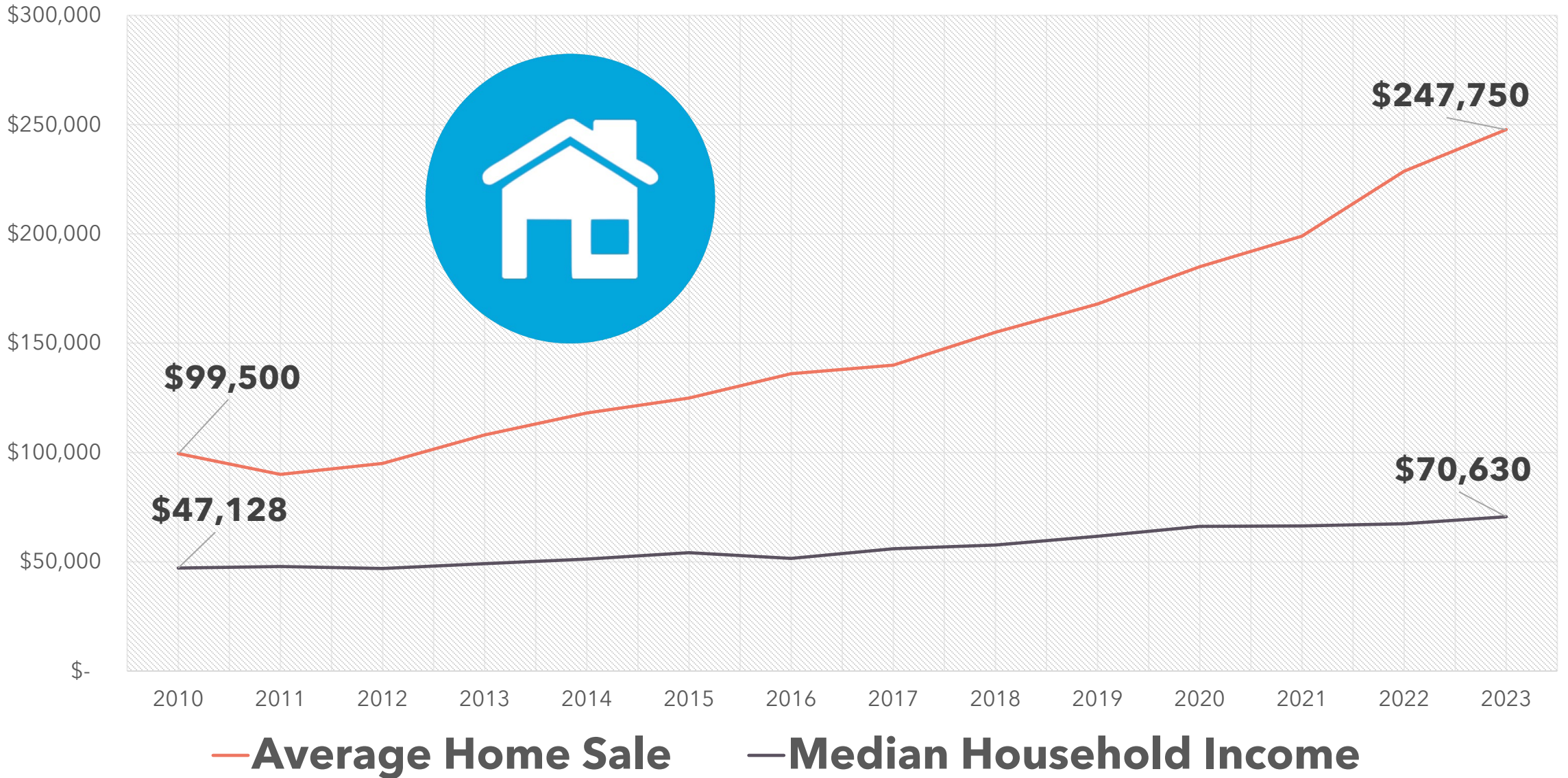
**In 2010, the median sale price of a home in Rock County was around \$100,000. By 2020, the median sale was close to \$185,000. In 2022, that number peaked close to \$250,000. It has since dropped back a bit, in large part due to higher interest rates.**



## HOME OWNERSHIP

**During the same period, the median household income increased at a much slower rate from \$47,128 to \$70,630. The combined result is a growing gap in affordability.**

# Rock County Home Ownership Affordability Gap





## HOME OWNERSHIP

**In 2024, the traditional middle-class aspiration of owning one's own home is increasingly becoming an unattainable dream for families in Rock County.**



## HOME OWNERSHIP

**In 2000, 71.1% of the housing stock in Rock County was owner-occupied. That percentage is now around 68%.**



## CONNECTIONS

**The lack of affordable homes to buy places even more pressure on the rental market as those who in the past might have purchased homes, rent instead.**





**AFFORDABILITY**

**What about the  
rental  
market?**



## Owner-Occupied & Rental Units Basics

**71,287 Housing Units (2022)**

**49,829 Owner-Occupied Units**

**21,458 Rental Units**



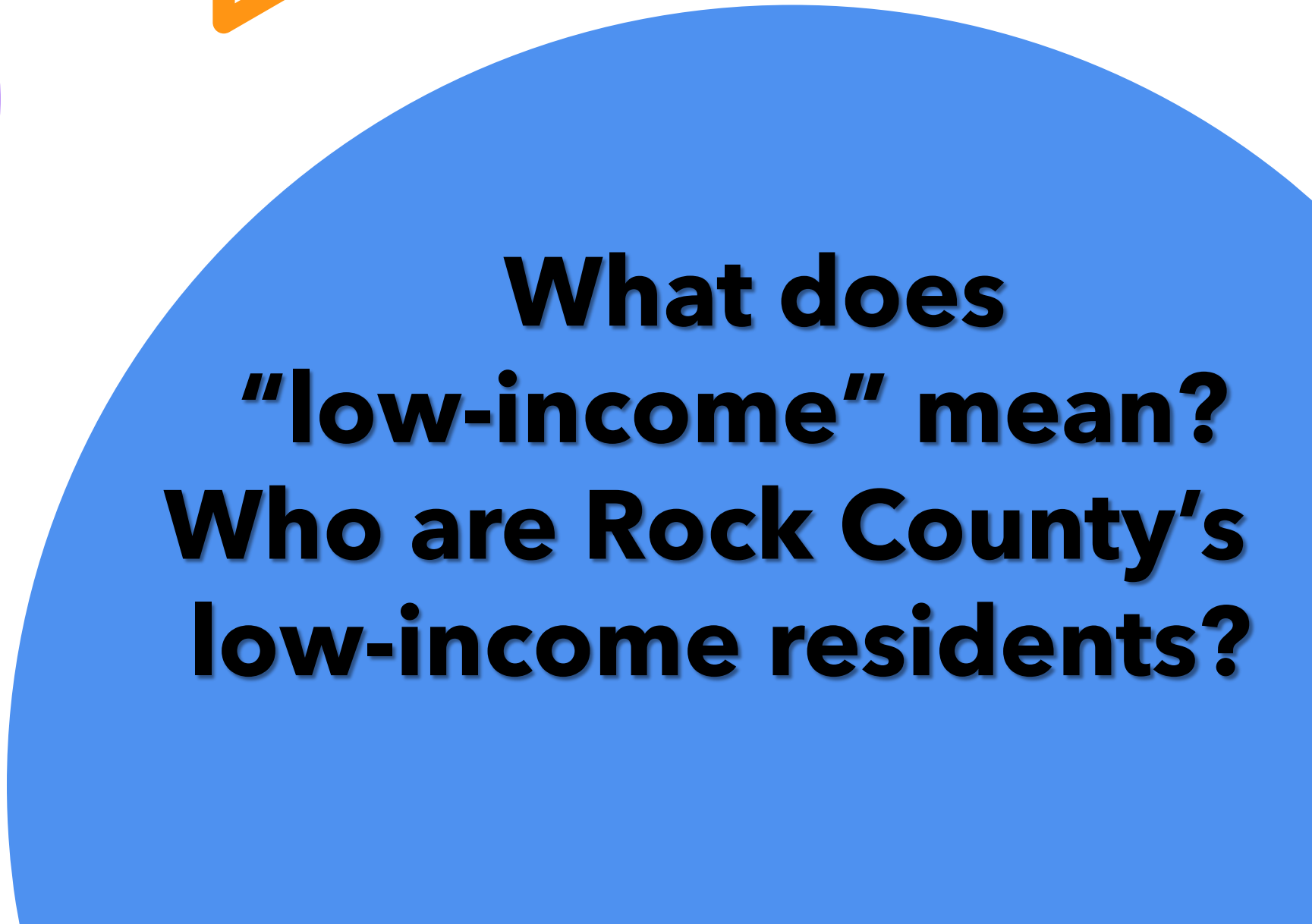
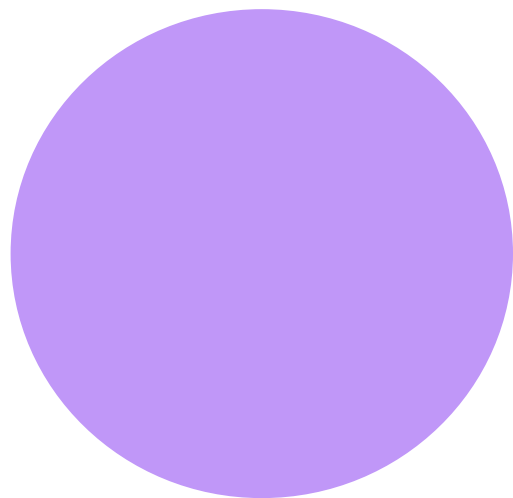
## **COST-BURDENED**

**Recent statistics show that 42% of Rock County renter households (over 9,000 households) are cost-burdened and spend more than 30% of their income on housing. 21% of Rock County renter households (that's over 4,500 households) are severely cost-burdened (over 50% of income for housing).**



**Who is most severely impacted by the housing crises?**

**Low-Income Households**



**What does  
“low-income” mean?  
Who are Rock County’s  
low-income residents?**



## LOW INCOME

**Because housing costs and household incomes vary considerably by region, HUD calculates what it calls adjusted median incomes by region of the country.**



## INCOME LEVELS

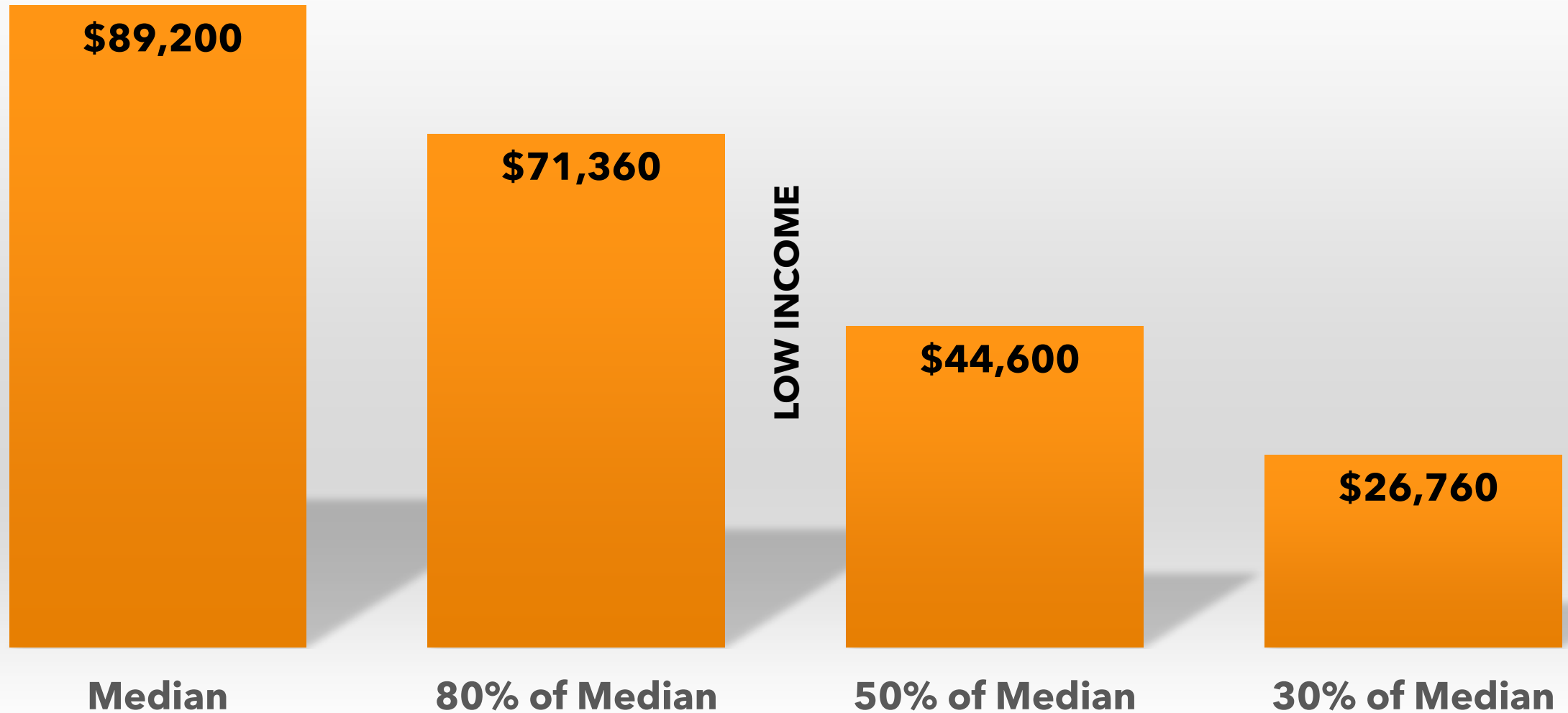
**Three separate household income categories are tracked:**

**Low-Income**

**Very Low-Income**

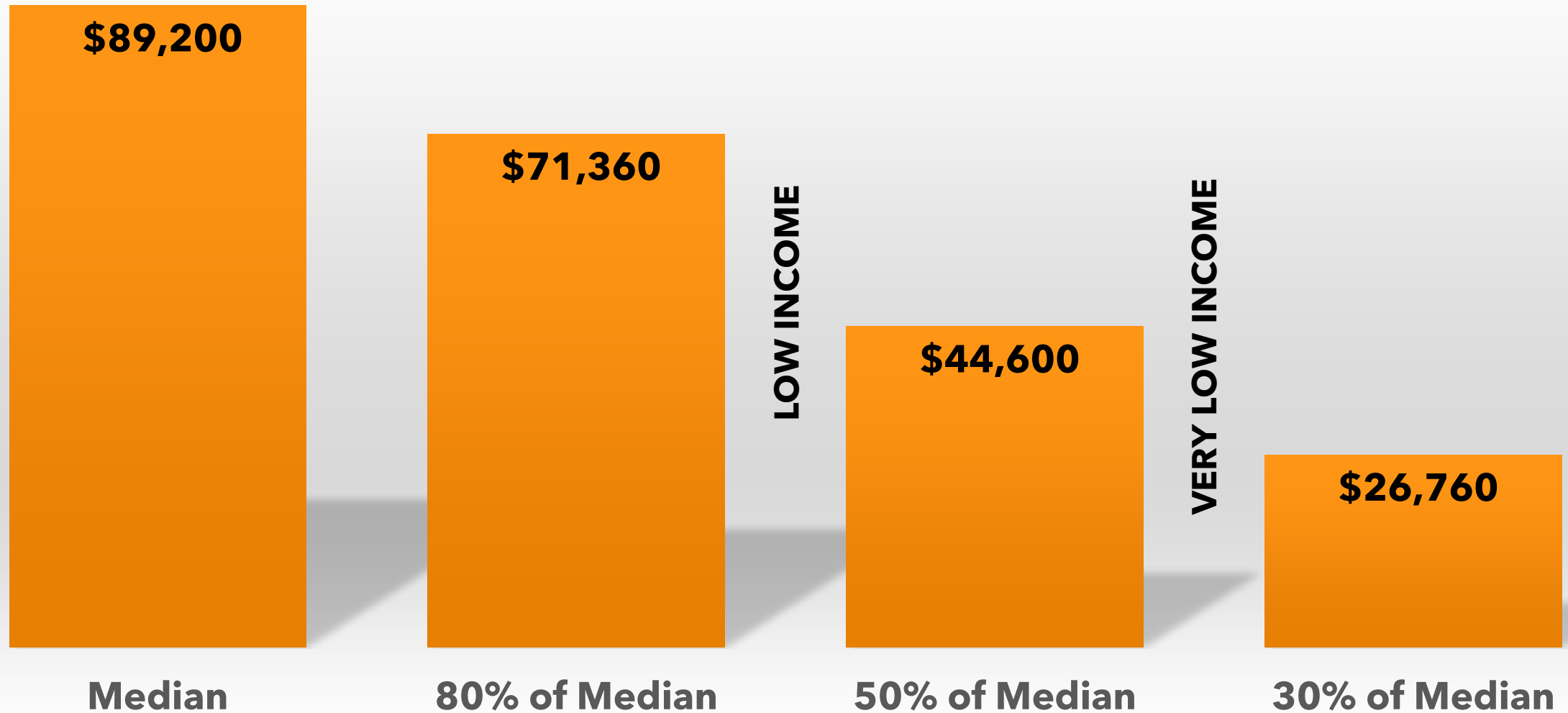
**Extremely Low-Income**

## Area Median Income - Household of Four (4)

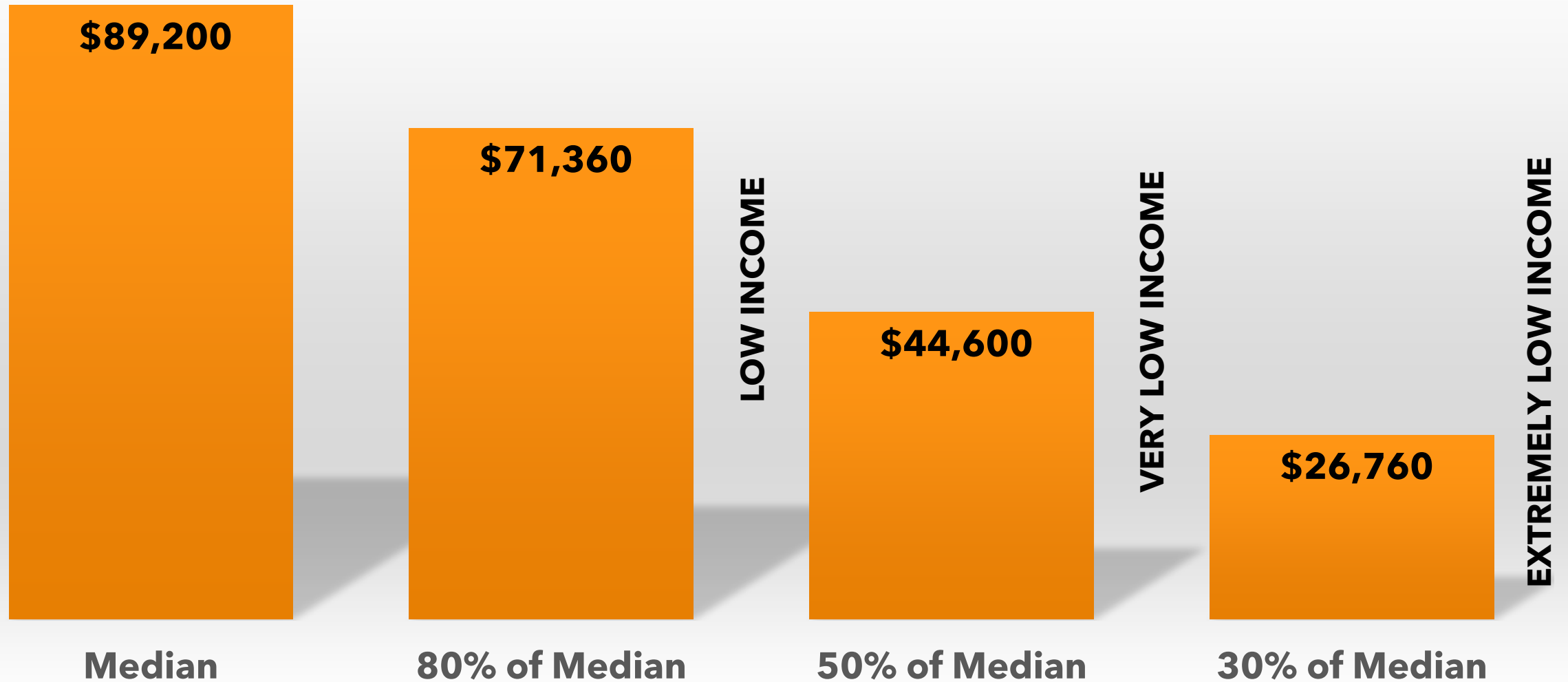




# Area Median Income - Household of Four (4)



# Area Median Income - Household of Four (4)





**What's the impact?**



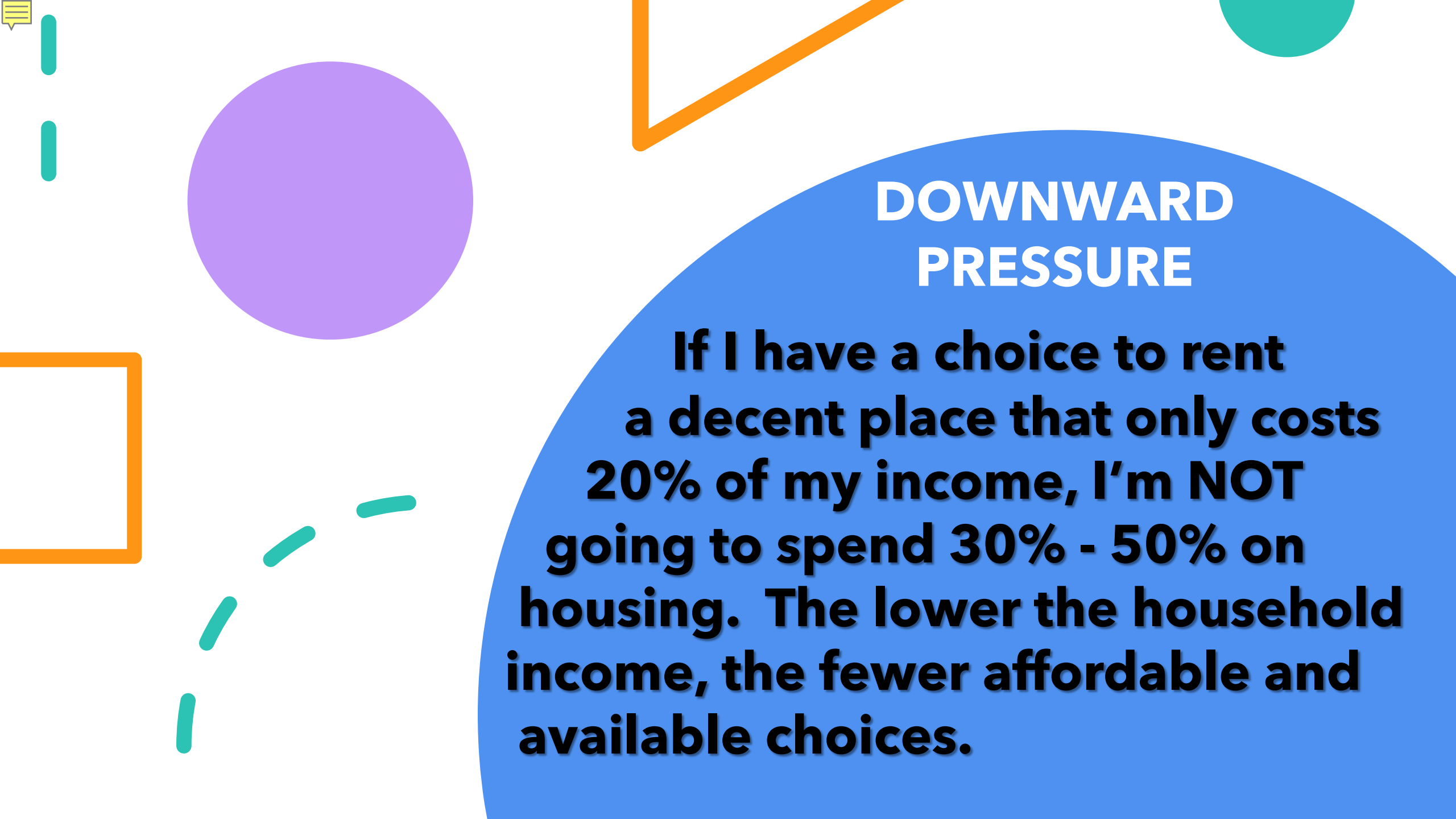
## HOUSING GAP

**A March 2023 gap report documents 4,485 “Extremely Low Income” households in Rock County. For every 100 such households, only 54 affordable (less than 30% of gross household income) housing units existed.**



## HOUSING GAP

**However, the situation is actually even worse than that. For every 100 Extremely Low-Income households, only 23 units were both affordable (less than 30% of gross household income) and available (not already occupied).**



## DOWNWARD PRESSURE

**If I have a choice to rent a decent place that only costs 20% of my income, I'm NOT going to spend 30% - 50% on housing. The lower the household income, the fewer affordable and available choices.**



## WHO ARE THESE PEOPLE?

**Thirty percent of the Extremely Low-Income households include at least one senior citizen (age 65+). Eighteen percent of the households include at least one person with a disability.**

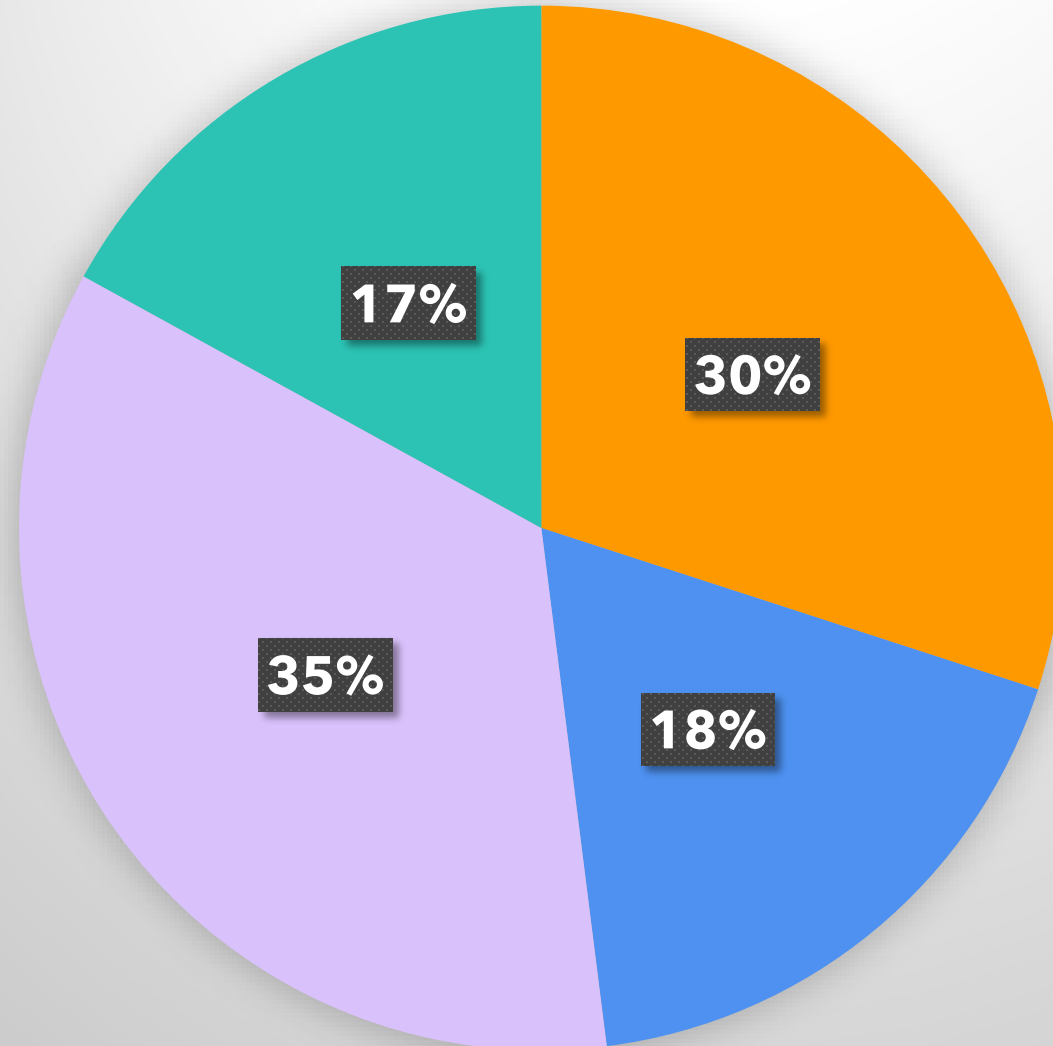


## WHO ARE THESE PEOPLE?

**Thirty-five percent of the Extremely Low-Income households include someone who is actively in the workforce (the working poor).**



## Extremely Low Income



- Seniors
- Disabled
- Working
- Other



## RENTAL SUMMARY

**A Rock County household with a gross income of \$71,000 (80% of median income) can probably find a rental unit they can afford. (98 units for every 100 households).**



## RENTAL SUMMARY

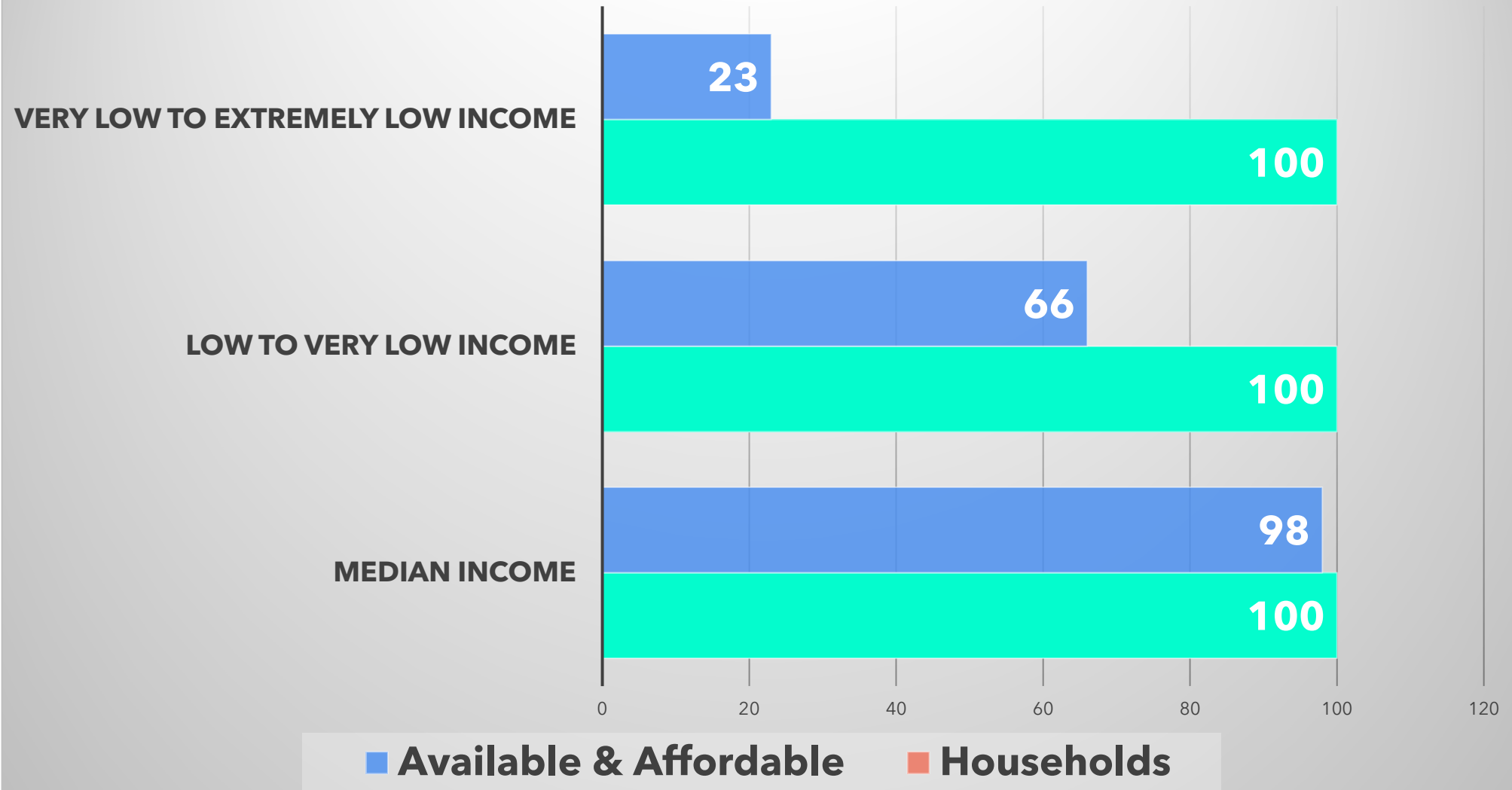
**A Rock County household with a gross income of \$45,000 (50% of median income) will have a much harder time finding a rental unit. (66 units for every 100 households).**



## RENTAL SUMMARY

**A Rock County household with a gross income under \$27,000 (30% of median income) faces an almost impossible task. (23 units for every 100 households).**

# Housing Gap





## **WORKFORCE HOUSING**

### **DEFINITION:**

**Affordable housing for households earning between 60% - 120% of the median income. For a four- person household, that's about \$ 53,500 - \$107,000**



## **WORKFORCE HOUSING**

**A four-person household with an income at 60% of the median (\$53,500) enters the "cost-burdened" territory if they have to expend over \$1,300 for housing (including all utilities).**



## **WORKFORCE HOUSING**

**A four-person household with an income at 80% of the median (\$71,360) enters the "cost-burdened" territory if they have to expend about \$1,750 for housing (including all utilities).**





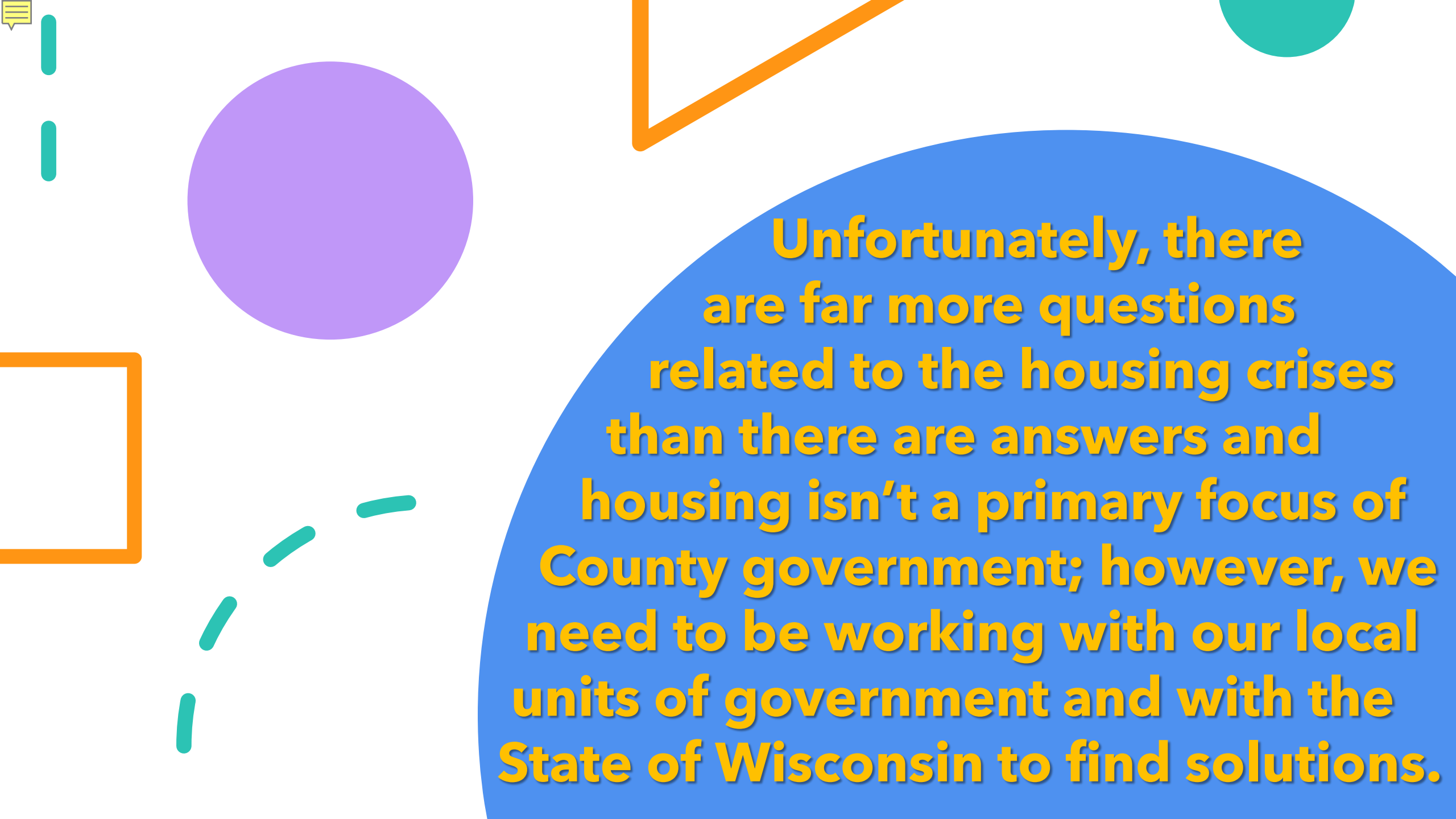
## **WORKFORCE HOUSING**

**We need “workforce housing” to support economic development. Potential business investors need workers and workers need housing.**



## **SOCIAL SERVICE COSTS**

**The lack of affordable and available housing in Rock County impacts both the need for services and the quality of life in Rock County.**



**Unfortunately, there are far more questions related to the housing crises than there are answers and housing isn't a primary focus of County government; however, we need to be working with our local units of government and with the State of Wisconsin to find solutions.**

The image features a white background with several abstract geometric elements. A large blue semi-circle is positioned on the right side, containing the word "QUESTIONS" in a bold, teal, sans-serif font. To the left of the blue shape, there is a purple circle, an orange square outline, and a teal dashed line. In the top left corner, there are two vertical teal dashes. In the top right corner, there is a teal circle and an orange triangle outline. The overall style is modern and minimalist.

**QUESTIONS**