

Affordable Housing: What are the costs?

With housing costs rising and incomes for low- and moderate-income households stagnating, more families are at risk of becoming homeless. Housing and housing-related expenses such as rent or mortgage payments, property taxes, insurance, utilities, and maintenance take the largest portion of most family incomes. The HUD benchmark for affordable housing, the key portion of housing expenses – **rent or house payments – should cost no more than 30 percent** of gross household income. When paying more than 30 percent of their income for housing, a family may not have enough money for food, transportation, health care, child- or elder care, taxes, clothing, and other critical needs.

How does Couleecap's four-county service area fare? From 2000 – 2007:

Rent for a two-bedroom apartment	Crawford	La Crosse	Monroe	Vernon	Wisconsin
2007 Fair Market Rent (FMR)	\$519	\$570	\$559	\$519	\$666
Percent increase from 2000 Base* Rent to 2007 FMR	26%	18%	17%	24%	17%
Annual income needed to afford FMR and utilities without paying more than 30% of income	\$20,760	\$22,800	\$22,360	\$20,760	\$26,633
Housing wage (Amount a full-time worker must earn per hour to afford a 2-bedroom apartment at FMR)	\$9.98	\$10.96	\$10.75	\$9.98	\$12.80

*HUD uses Decennial Census conducted every 10 years to set base rents, then updates them with the American Housing Survey, Consumer Price Index, and local telephone surveys.

How much have housing costs increased? From 1990 to 2000:

	Year	Crawford	La Crosse	Monroe	Vernon
Average rent cost	1990	\$217	\$290	\$251	\$196
	2000	\$394	\$470	\$455	\$367
% Increase		(55% increase)	(62% increase)	(55% increase)	(53% increase)
Average home cost	1990	\$42,900	\$58,400	\$48,600	\$43,600
	2000	\$75,100	\$96,900	\$77,500	\$73,400
% Increase		(57% increase)	(60% increase)	(63% increase)	(59% increase)

According to the 2000 U.S. Census of Population and Housing, more than 207,200 Wisconsin renters (1 in 3) paid 30% or more of their income for rent. Of these, 93,100 (1 in 7) Wisconsin renters paid 50% or more of their income for rent.

For Wisconsin homeowners, there was a slightly better situation. Nearly 200,000 Wisconsin homeowners (1 in 8) paid 30% or more of their income for housing. Of these, 57,479 homeowners (1 in 24) paid 50% or more of their income for housing.

The average wage for entry level, unskilled workers in Couleecap's service area is \$6.50 per hour. At this rate, a single parent would have to work 62 hours per week to be able to afford a two-bedroom apartment and not spend more than 30% of the family's income on rent.

Local housing concerns

The 2004 Coulee Region Needs Assessment Report of Couleecap, lists housing as the second highest problem area for low-income households. Significant concerns include high home costs/inability to save enough for a down payment, and high cost of heating. The Needs Assessment was conducted again in February 2007, with preliminary results listing housing as a high concern, with specific issues listed including the cost of rent, house payments, finding safe affordable housing, not able to afford to buy a house, and high heating costs.

While housing affordability is a problem across the state, different communities have different specific needs, such as:

- Good quality affordable housing – Housing costs are affordable, but homes are often in poor repair and costly to maintain.
- Access to affordable home mortgage loans.
- Affordable rental housing for families.
- Affordable rental housing for moderate-income older adults.
- Ways to match people who need housing with the housing available.
- Emergency housing and domestic abuse shelters.

Couleecap solutions

Couleecap operates housing programs in its four-county service area. In 2006, 652 families received the following housing services: 45 households were assisted in purchasing their first home; 9 households received housing rehabilitation services; 20 households with disabilities were provided with permanent housing; 21 mentally ill and homeless households received housing assistance; 71 homeless households (39 adults and 32 children) were served in transitional housing; and 486 homes were provided with weatherization, making them warmer and lowering utility costs. Visit Couleecap's website to link to client success stories.

How can you help?

- Get involved in local groups addressing housing problems.
- If no local group is addressing housing issues, help start one.
- Make your housing concerns known to local officials.
- Participate in public hearings and government meetings when housing is on the agenda.
- Consider making a donation to support housing programs at Couleecap.

Couleecap, Inc. is a private non-profit 501(c)3 charitable organization created in 1966. Our four-county service area includes Crawford, La Crosse, Monroe, and Vernon counties in Wisconsin. For more than 40 years, we have been helping low-income people build on their strengths and become more self-sufficient. We operate over 40 programs in the areas of housing, family and youth services, and emergency services. For more information regarding Couleecap, Inc. and its programs go to www.couleecap.org, or visit our State association at www.wiscap.org.

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References: National Low Income Housing Coalition, Out of Reach, Wisconsin www.nlihc.org
UW Extension, Family Living Programs www.uwex.edu/ces/flp/demographics/housing.cfm
U.S. Census Bureau www.census.gov

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