

Milwaukee Housing Trust Fund Coalition

Status of Affordable Housing in Milwaukee

Housing Insecurity Rises Dramatically since 2000

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Housing Insecurity in Milwaukee County

Executive Summary

By nearly any measure, the availability of affordable housing in Milwaukee has eroded since 2000, as evidenced by a series of studies that have been released recently.

The UWM study, **Milwaukee's Housing Crisis: Housing Affordability and Mortgage Lending Practices** shows that the housing burden faced by the city's low income residents has significantly deteriorated. And, just as discouraging is the fact that the loss of affordable housing here is worse than all major Midwest cities other than Detroit.

The National Low Income Housing Coalition annual report – **Out of Reach 2006** shows that no one living in Milwaukee and earning minimum wage can afford to rent a two bedroom home.

How individuals with disabilities are struggling under the burden of housing affordability is documented in the national study, **Priced Out in 2006; the Housing Crisis for People with Disabilities**. Data in this report shows that an SSI recipient in Milwaukee County will pay nearly 89% of their total income on housing related costs. And, there are 33,900 households receiving SSI benefits in Milwaukee County.

The **Milwaukee County Clerk of Courts** data shows that Sheriff Sale of Foreclosures has risen significantly since 2004. And, according to the **Milwaukee Journal Sentinel**, that number had reached an estimated 2,800 foreclosure sales by the end of 2007.

The City of Milwaukee Housing Authority staff report that the waiting list for entry into family public housing is usually twenty-four months long.

When comparing **Demographic Maps compiled by the Nonprofit Center of Milwaukee** it becomes evident that the neighborhoods where large portions of the population spend more than 30% of income on housing are principally the same neighborhoods where the predominant population is non-white.

These are also the same neighborhoods with the largest concentration of high cost purchase & refinance loans.

Housing Insecurity has Increased Dramatically in Milwaukee since 2000

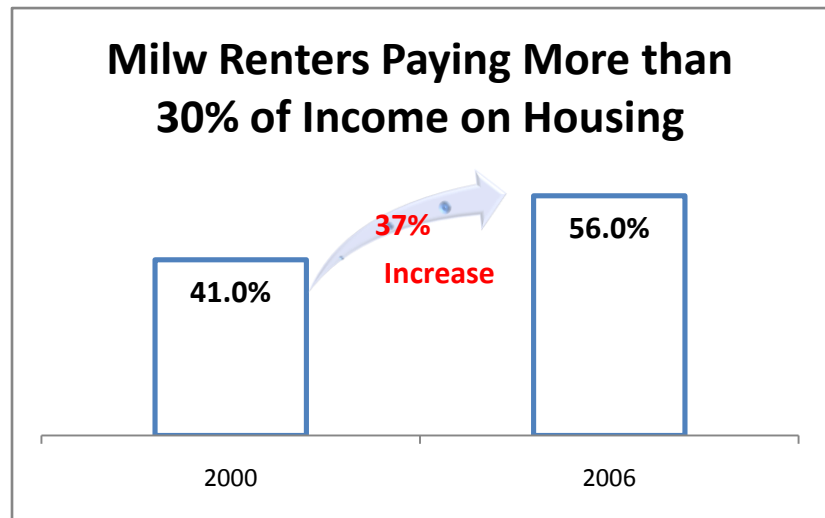
- Of Major Midwest cities, only Detroit has witnessed a more severe decline in housing affordability than Milwaukee.
- Since 2000, we have seen a 48% Increase in the number of renters spending greater than 50% of income on housing
- The number of renters who receive Public Assistance and who live in housing that is affordable plummeted from 38% in 2000 to only 20% in 2006 – a 47% decrease.
- There are 33,906 Milwaukee County households receiving SSI with an average monthly income of \$648/month
- Milwaukee County SSI recipients can only afford rent of \$181/month. Fair Market Rent for a zero bedroom apartment is \$510/month
- The City of Milwaukee manages 9,575 Public Housing units and Section 8 Vouchers units
- The number of households on the waiting list for Public Housing or Section 8 Vouchers is 4,250
- The average amount of time the Housing Authority waiting lists remain closed is 24 months
- Sheriff sale foreclosures have increased by 326% between 2004 and 2007
- In 2004, there were 658 foreclosure sales. By 2007 that number had grown to an estimated 2800.
- Neighborhoods where large portions of the population spend more than 30% of income on housing are principally the same neighborhoods where the predominant population is non-white.

Milwaukee Renters Paying More for Housing

Milwaukee renters spent dramatically more on housing in 2006 than in 2000, according to a new study by the UWM Employment & Training Institute entitled **Milwaukee's Housing Crisis: Housing Affordability and Mortgage Lending Practices** written by John Pawasarat .

The following charts are composed from data published in the UWM Housing Crisis study.

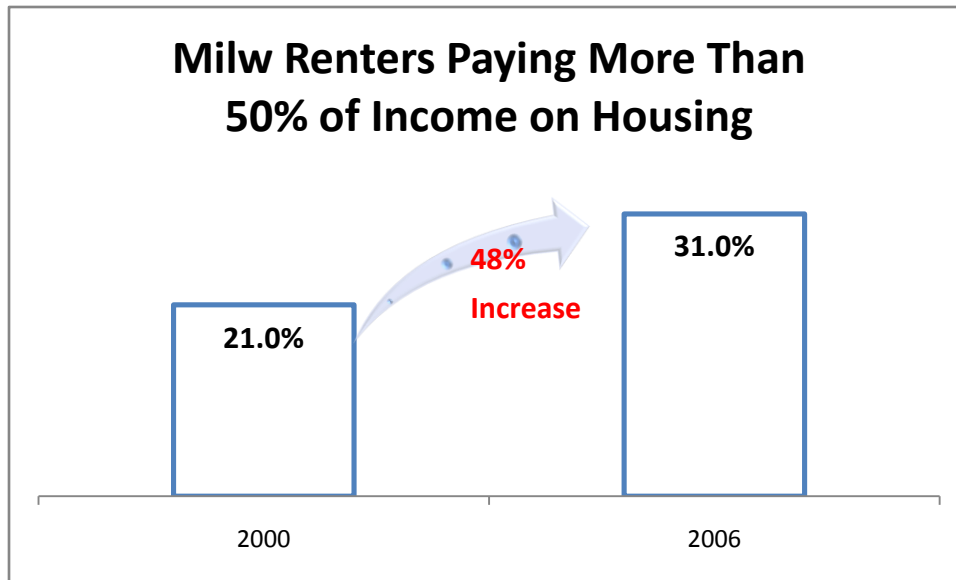
The number of renters spending more on housing than recommended by the federal government¹ has risen by 37% between 2000 and 2006. In 2000, 41% of renters lived in unaffordable housing. BY 2006 that number had risen to 56%.



"I am a senior working with a salary range just above poverty level. I have recently been told the owner of the property where I live will be selling and I have to move. The rent they are asking to live in a safe area is not affordable on the salary I make. ." Bobbie L.

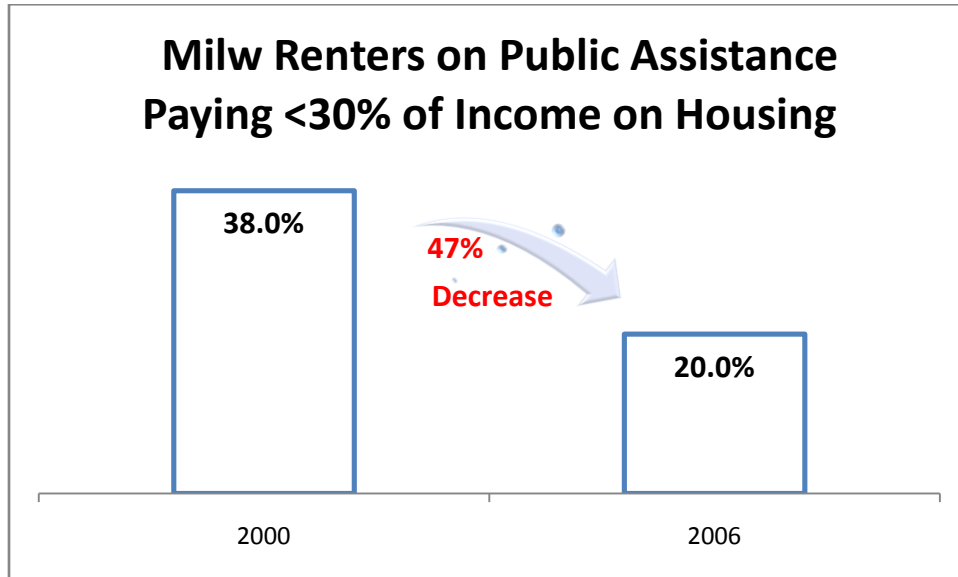
¹ The US Department of Housing & Urban Development standard for affordable housing is that no more than 30% of household income should be spent on housing related costs.

Even more telling is the number of Milwaukee renters who are spending more than fifty percent (50%) of their income on housing. Since 2000, the number of Milwaukee renters spending greater than 50% of income on housing has increased by 48%, rising from 21% of renters in 2000 to 31% of all renters paying more than 50% of income on housing in 2006.



“When shopping for an apartment the cheapest one I could find cost 70% of my take home pay. Before long I missed a week of work and found myself getting evicted because I simply couldn't afford the pay rent. This was the cheapest I could find and there are many people worse off than me.” Tom S.

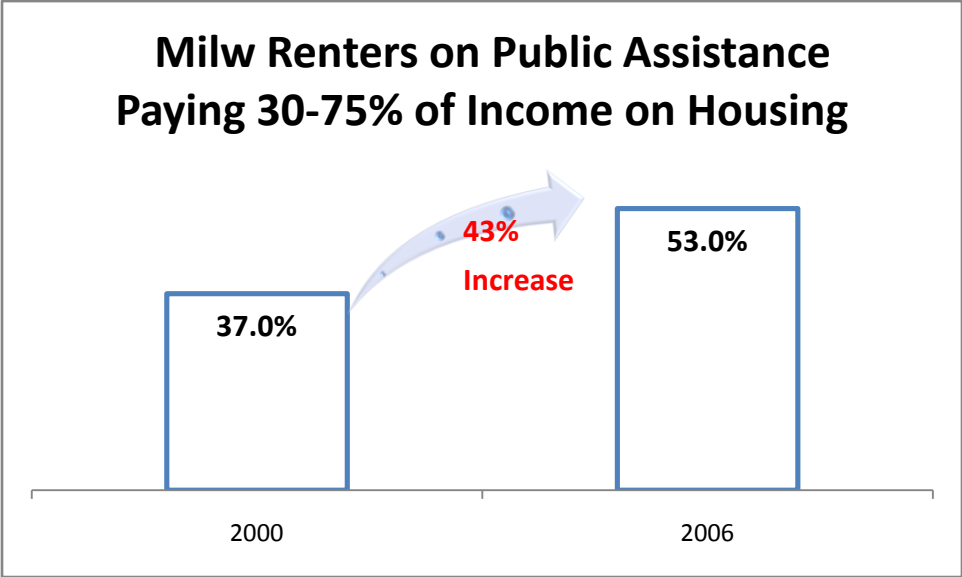
Unfortunately, the renters who are hardest hit are those who are receiving Public Assistance. The number of Milwaukee renters receiving public assistance and who are paying less than the federally recommended amount of income on housing has declined dramatically. Since the year 2000, the number of renters paying 30% or less of income for housing has decreased by 47%, slipping from 38% in 2000 to only 20% in 2006.



“When you are on W-2 it is hard to get good housing. I have good credit and receive W-2 and I can't get affordable housing because it's not in my price range ... I have to think about my bills.”

Deandra P.

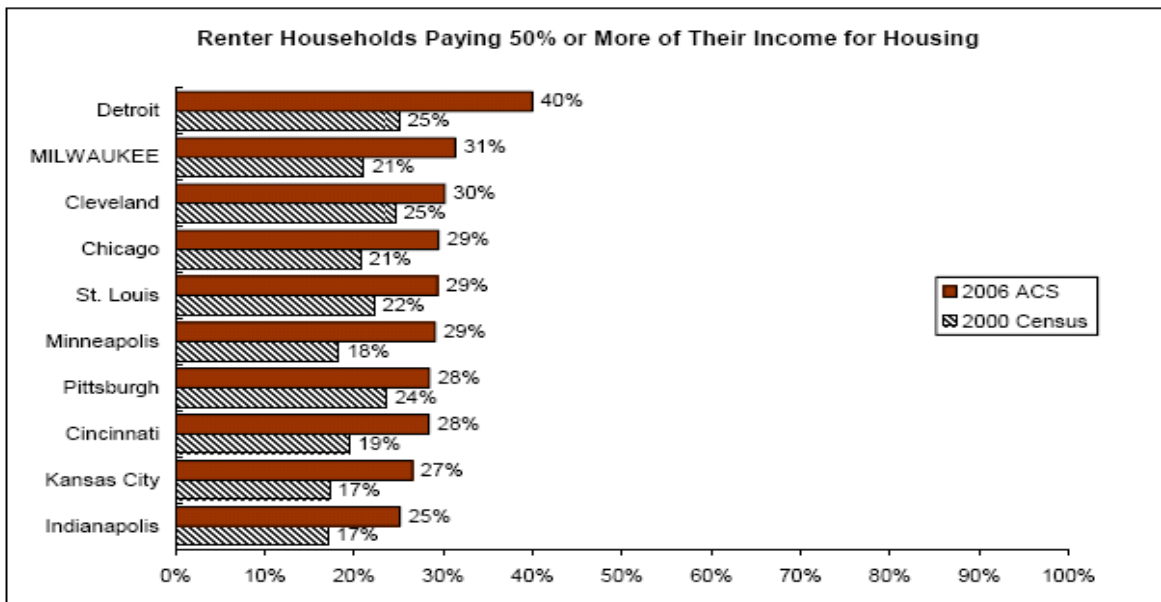
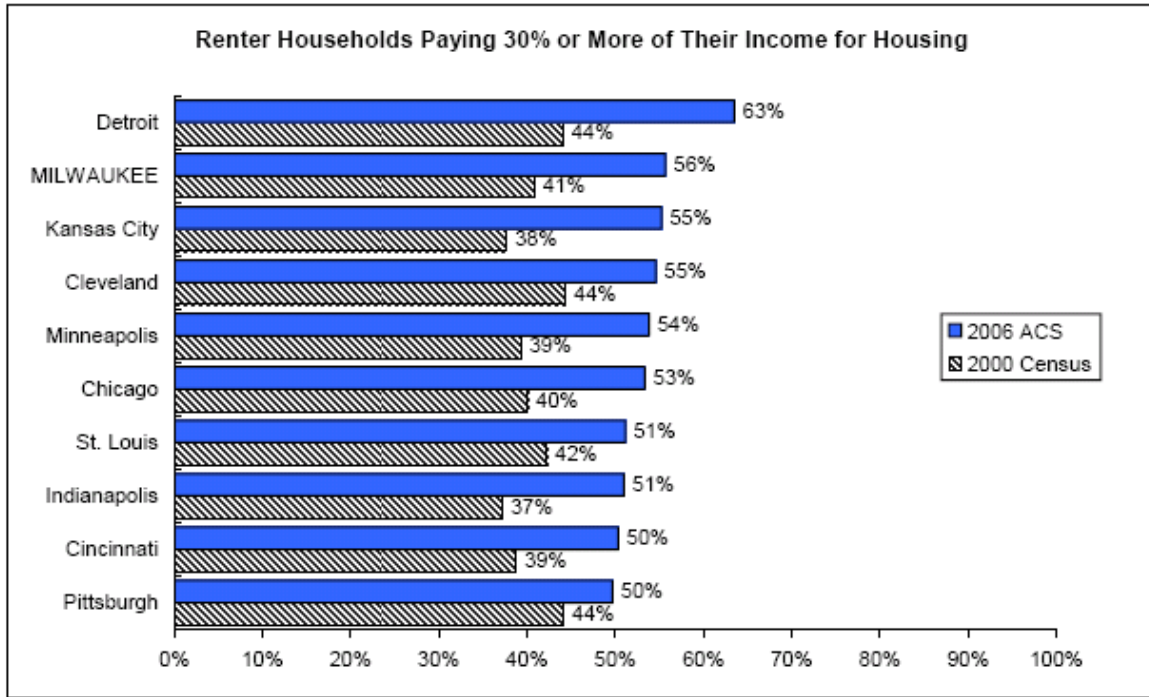
A substantial number of Milwaukee Renters receiving public assistance are paying considerably more of their income on housing in 2006 than in years past. Since 2000, the number of renters receiving public assistance and paying 30% to 75% of income on housing has increased by 43%.



“I have been looking for housing for 6 months. I am on fixed income of \$576 a month. I’m not homeless but I’m on the brink of being homeless. I have applied for public housing but have heard nothing from them yet. “

Arthur M.

This trend showing more Milwaukee households spending increasing amounts of dollars for housing is mirrored nationally. Unfortunately, of the major Midwest cities compared in the UWM Housing Crisis study, only Detroit has a worse record than Milwaukee, as evidenced in the next two charts.



Fair Market Rent (1)

- 178,961 – Renter Households in Milwaukee County
- \$13.47 – Estimated Mean Hourly Wage for Milwaukee Renters
- \$701 – Rent Affordable at Mean Hourly Wage
- \$6.50 – Hourly Minimum Wage
- Zero – Number of Milwaukee Renters earning minimum wage who can afford to rent a 2 bedroom home.

(1) All FMR data derived from the National Low Income Housing Coalition, 2006 [Out of Reach](#) study.

Supplemental Security Income (SSI)

- 33,906 - Total Number of Supplemental Security Income Recipients in Milwaukee County
- \$648.78 – Average monthly SSI Payment in Milwaukee County
- \$181.00 Per Month – Maximum monthly rent affordable for a household receiving only SSI income in Milwaukee County
- 88.5% - Amount of monthly income an SSI recipient pays for housing expenses in Milwaukee County

Fair Market Rent – According to the U.S. Department of Housing & Urban Development, the following chart shows what an affordable rent should be for the Milwaukee Metro Area.

2007 Fair Market Rent (FMR)

Zero-Bedroom	\$510
One-Bedroom	\$608
Two-Bedroom	\$726
Three-Bedroom	\$915
Four-Bedroom	\$942

Annual Income Needed to Afford FMR

Zero-Bedroom	\$20,400
One-Bedroom	\$24,320
Two-Bedroom	\$29,040
Three-Bedroom	\$36,600
Four-Bedroom	\$37,680

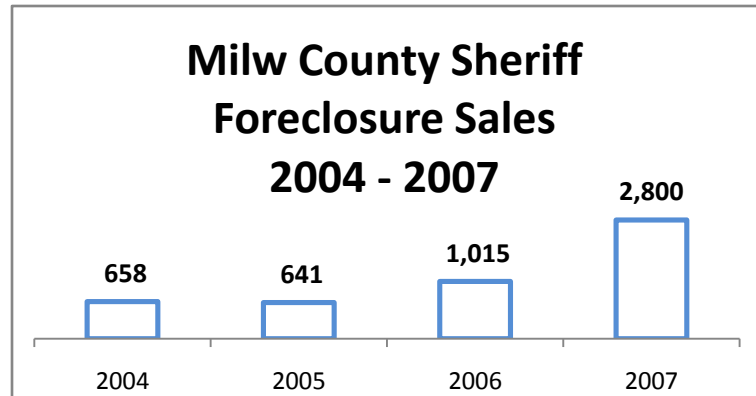
Supplemental Security Income - While housing insecurity is increasing for all Milwaukee renters, those who are significantly at risk are the households who have Supplemental Security Income (SSI) as their primary income source. According to data from the U.S. Social Security Administration, Office of Policy Data, there are 33,906 households in Milwaukee County receiving SSI benefits. The average SSI payment per recipient in Milwaukee County is \$647.78 per month or 17.4% of the Area Median Income. According to the National Low Income Housing Coalition, a person receiving only SSI benefits in Milwaukee County would need to pay not more than \$181.00 per month in rent in order to meet the HUD guidelines for housing affordability.

According to the National study, Priced Out in 2006, SSI recipients in Milwaukee County spend 88.5% of their income on housing related expenses.

Milwaukee County Foreclosures

- Sheriff sale foreclosures have increased by 326% between 2004 and 2007 (estimated)
- In 2004, there were 658 foreclosure sales. By 2007 that number had grown to an estimated 2,800 according to a January 21, 2008 Journal Sentinel Article on Foreclosures.

Foreclosures in Milwaukee County -According to the Milwaukee County Clerk of Courts and a Milwaukee Journal Sentinel report, there has been a substantial increase in the number of foreclosure sheriff sales in Milwaukee County.



Public Housing & Waiting Lists

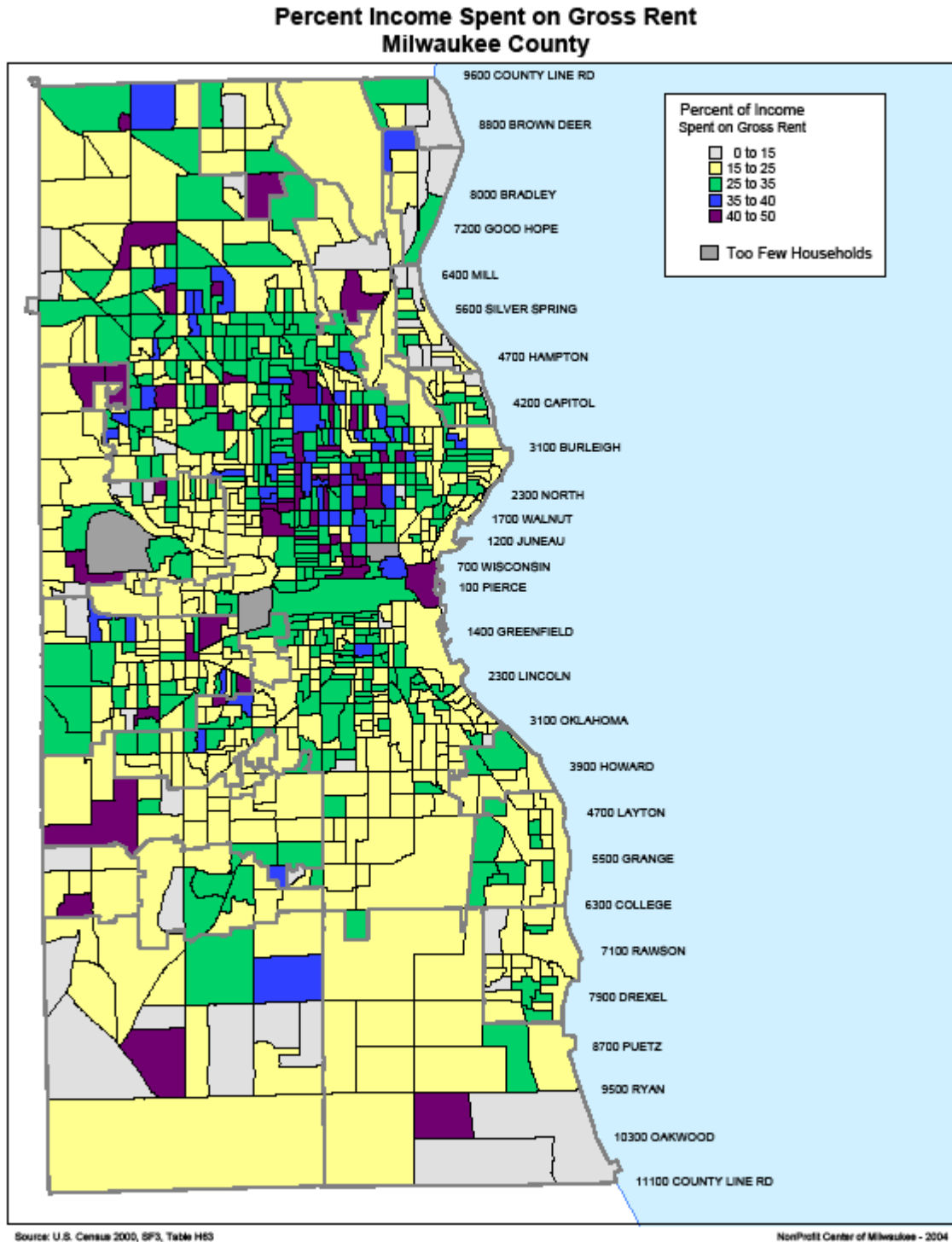
- 9,575 – Public Housing units and Section 8 Vouchers managed by the Milwaukee Housing Authority
- 4,250 – number of households on the waiting list for Public Housing or Section 8 Vouchers
- 24 Months – average amount of time the waiting lists remain closed

Public Housing & Waiting Lists - The largest provider of affordable housing in the City of Milwaukee is the Housing Authority (HACM). As evidenced in the below charts, the Housing Authority manages nine thousand five hundred and seventy-five affordable housing units with over four thousand households on the waiting list. HACM officials report that the waiting list usually remains closed for approximately two years. For example, the Public Housing waiting list was opened for the months of August 2006 through January 31, 2007. Prior to this period, the last time the waiting list for public housing was open was in September 2004.

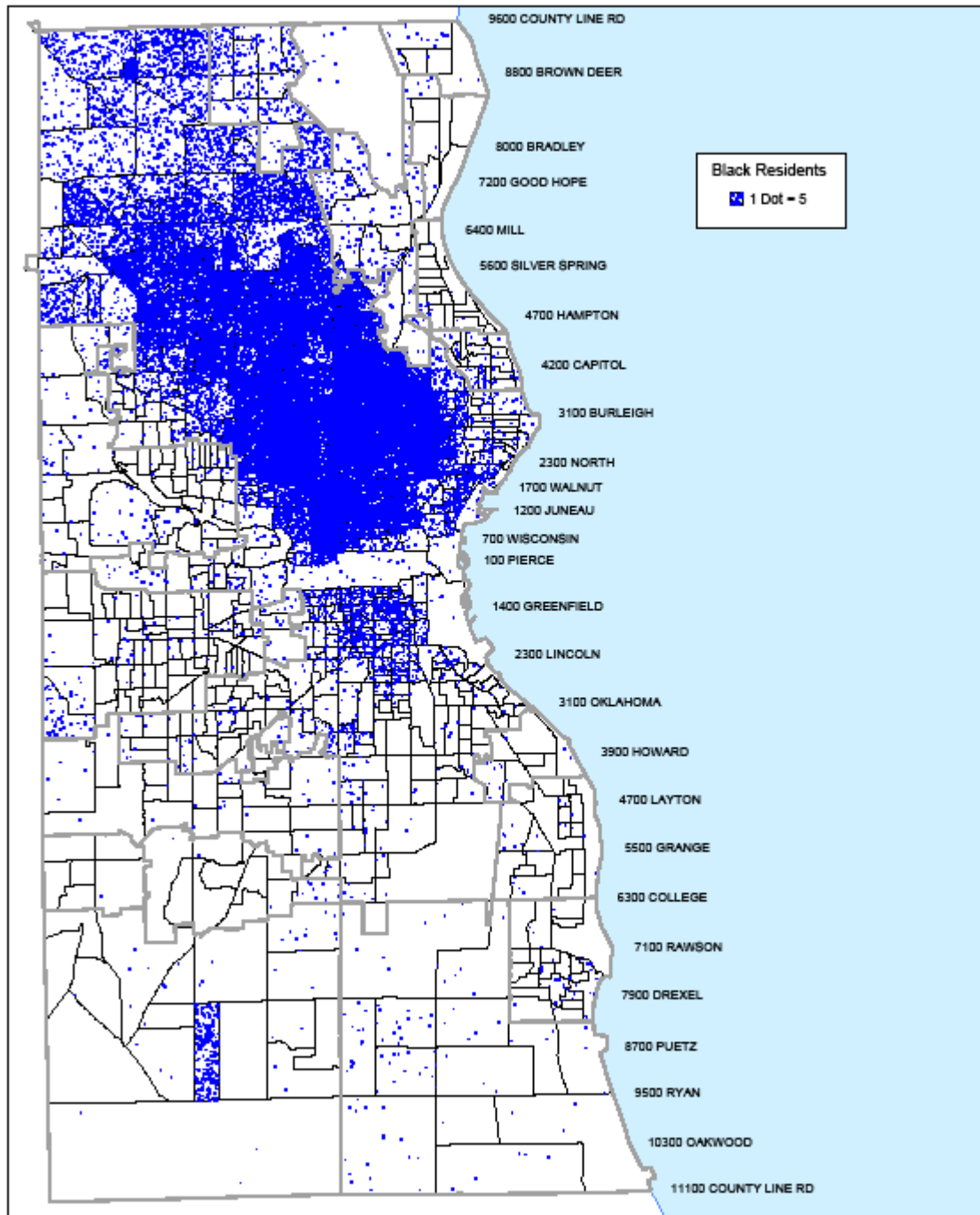
Housing Authority	Total Units	Waiting List	Waiting List Status
City of Milwaukee - 2007			
City Section 8 Vouchers	5,575	500	Closed May 2006
City Public Housing - Family Units	2,000	1,950	Closed as of January 31, 2007
Units for Elderly or People with Disabilities	2,000	1,800	Always Open
Total Sec 8 and Public Housing	9,575	4,250	

Lack of Affordable Housing Affects Primarily Minority Communities - As

shown in the following maps prepared by the Nonprofit Center of Milwaukee, the neighborhoods where large portions of the population are paying more than 30% of income on housing are principally the same areas where the population is predominantly non-white.



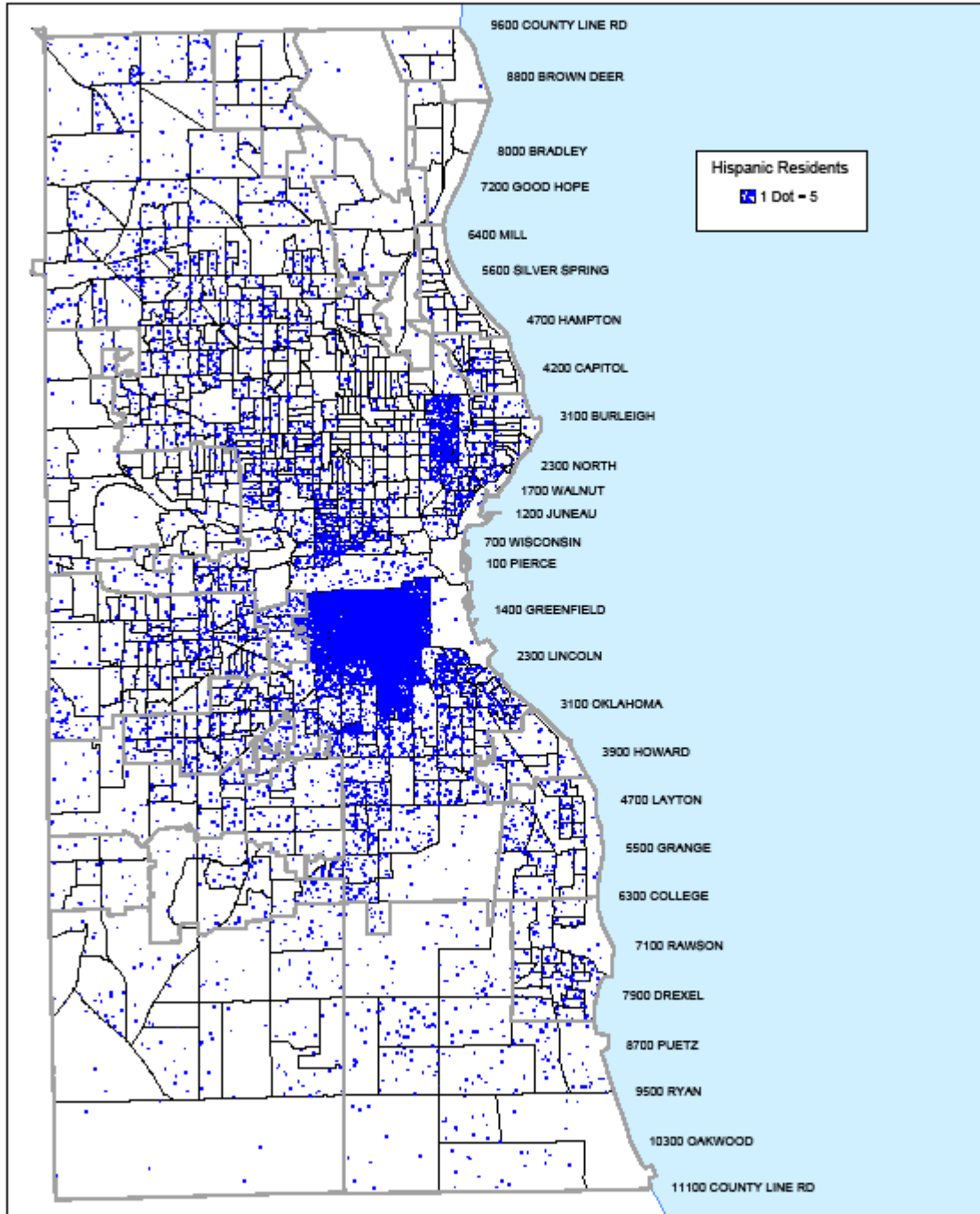
Number of Black Residents Milwaukee County



Source: U.S. Census 2000, SF3, Table P004

NonProfit Center of Milwaukee - 2004

Number of Hispanic Residents Milwaukee County

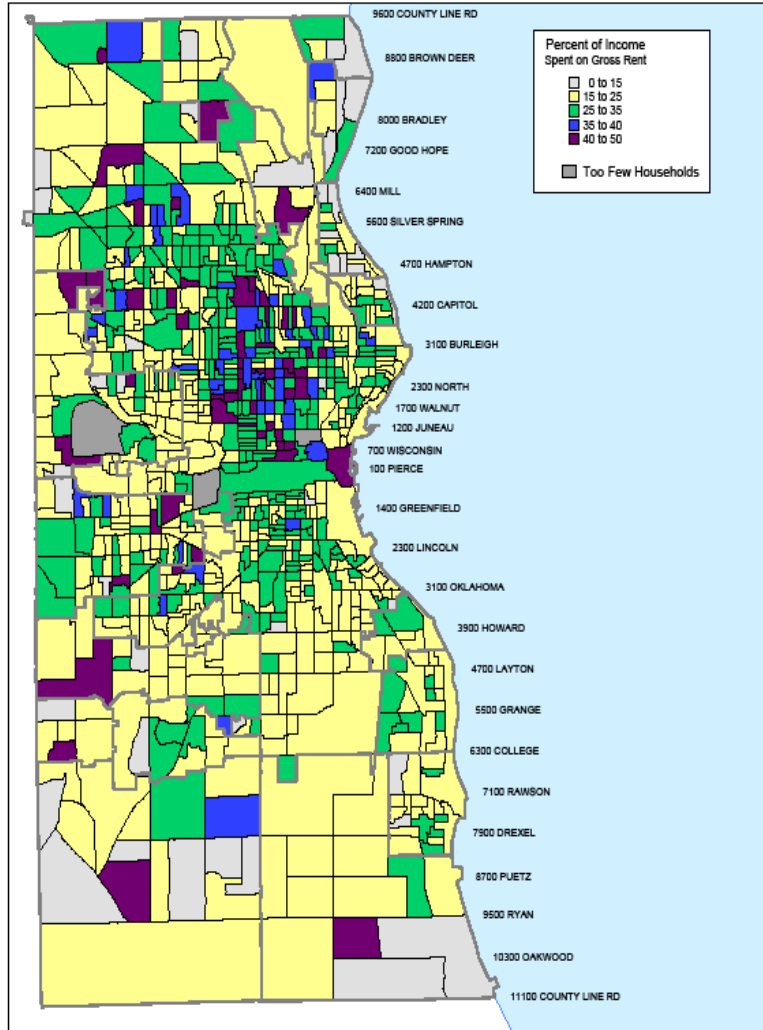


Source: U.S. Census 2000, SF3, Table P004

NonProfit Center of Milwaukee - 2004

Minority Areas Hardest Hit by Housing Insecurity

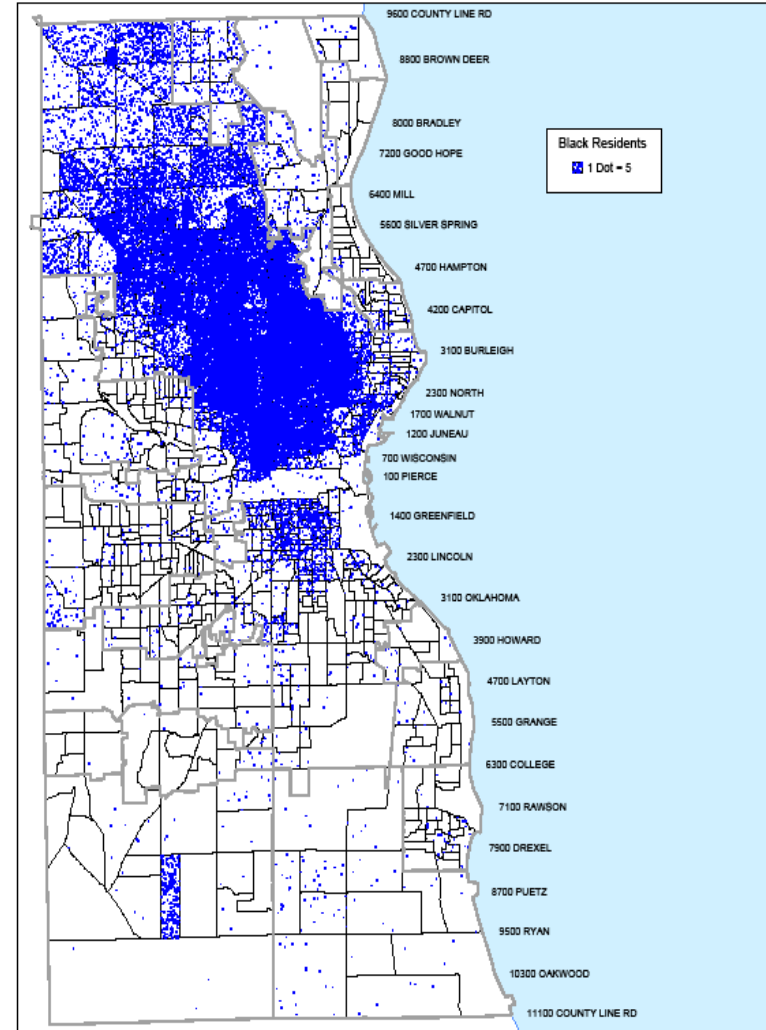
**Percent Income Spent on Gross Rent
Milwaukee County**



Source: U.S. Census 2000, SP3, Table H05

NonProfit Center of Milwaukee - 2004

**Number of Black Residents
Milwaukee County**



Source: U.S. Census 2000, SP3, Table P004

NonProfit Center of Milwaukee - 2004

Minority Communities Are Also Hit Hardest by High Cost

Purchase & Refinance Loans – When comparing the below map from the Non Profit Center, with the previous maps showing predominantly minority neighborhoods, we see that those neighborhoods experiencing the highest concentration of high cost loans are also the communities with the largest percentage of minority residents.

