

# Housing the Eau Claire Region's Workforce

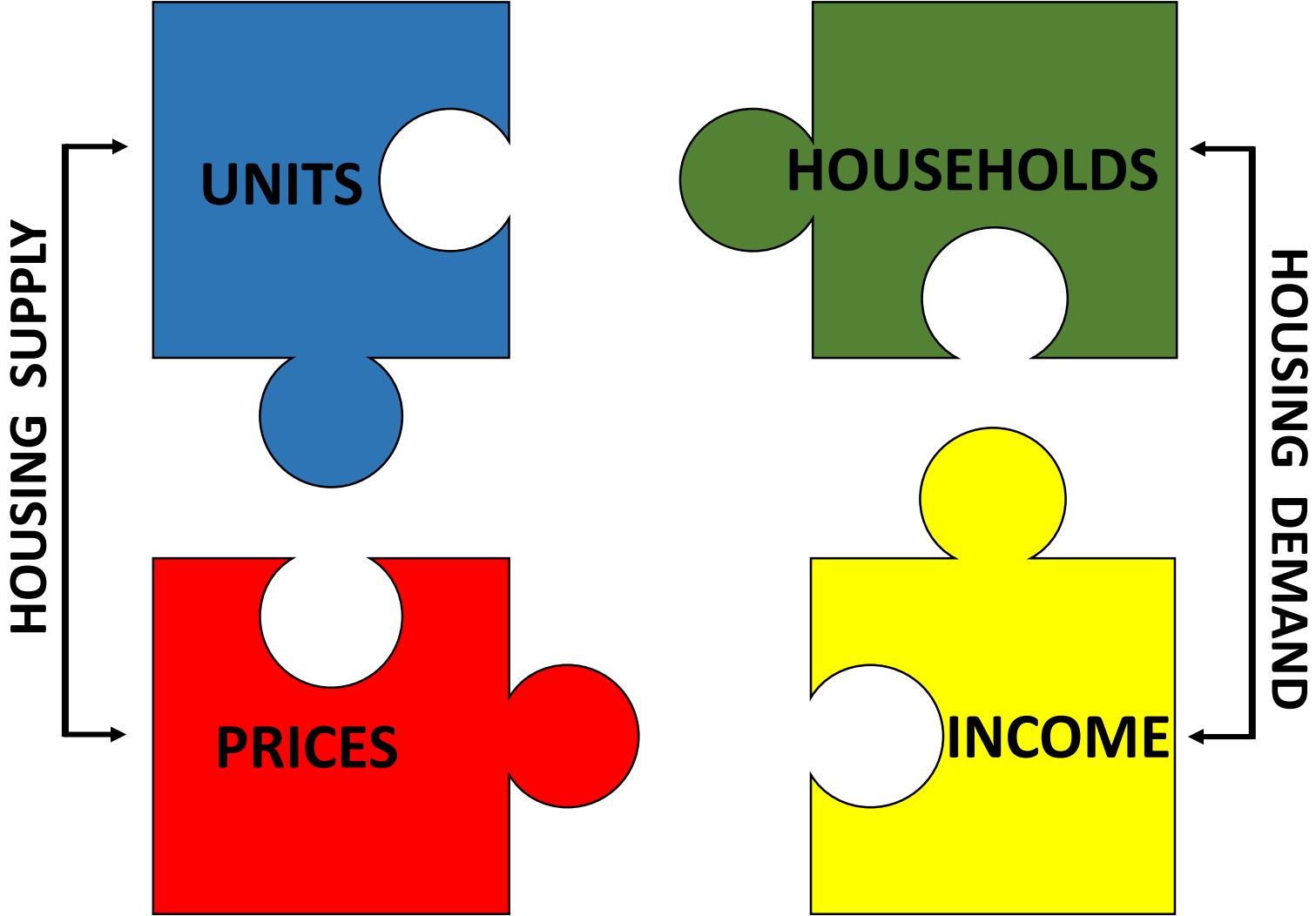
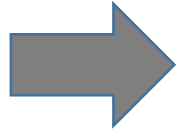


Presentation at A Home For Everyone

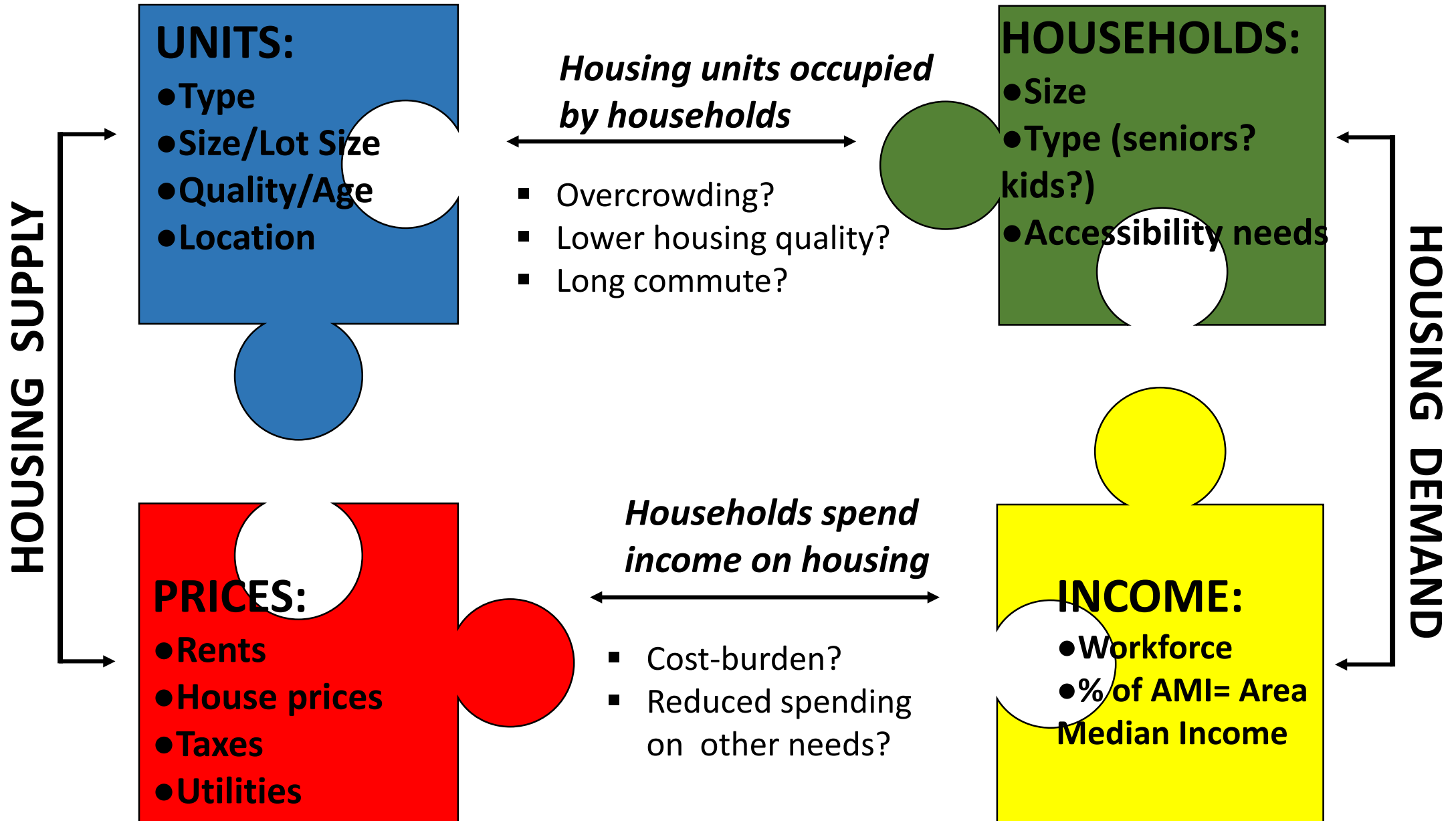
Kurt Paulsen, July 2019



# Unlocking the Workforce Housing Affordability Puzzle



# Housing Affordability: Supply and Demand



# What is “workforce housing”?

- Housing that is priced to meet the needs of the workforce in an area.
- Diagnostic Question: Can people who work in my community afford to live in my community?
- Translate income earned in workforce to affordable housing expenditures.
- Technically: housing affordable (no more than 30 percent of income on housing) for:
  - Rental housing up to 60 percent of Area Median Income (AMI)
  - Ownership housing up to 120 percent of Area Median Income (AMI)

# The “housing gap”: translate household income to affordable housing budget

## ***Eau Claire MSA FY 2019 Income Limits***

	Persons in Family			
	1	2	3	4
100 percent of AMI (Median Income)	\$51,310	\$58,640	\$65,970	\$73,300
Low Income Limits (80% of AMI)	\$41,100	\$46,950	\$52,800	\$58,650
Multifamily tax subsidy limits (60% of AMI)	\$30,840	\$35,220	\$39,600	\$43,980
Very Low Income Limits (50% of AMI)	\$25,700	\$29,350	\$33,000	\$36,650
40% of AMI Income Limits	\$20,560	\$23,480	\$26,400	\$29,320
Extremely Low Income Limits (30% of AMI)	\$15,420	\$17,610	\$19,800	\$21,990

## ***WHEDA-estimated Eau Claire Area Rent Limits, FY 2019***

	Efficiency	1-BR	2-BR	3-BR
Low Income (80% of AMI)	\$1,027	\$1,100	\$1,320	\$1,525
Multifamily tax subsidy (60% of AMI)	\$771	\$825	\$990	\$1,143
Very Low Income (50% of AMI)	\$642	\$688	\$825	\$953
40% of AMI Income Limits	\$514	\$550	\$660	\$762
Extremely Low Income (30% of AMI)	\$385	\$412	\$495	\$571

Note: WHEDA estimates these rent limits (rent+utilities) for their funded projects. Efficiency rent limits correspond to the "affordable" housing budget for 1-person households and 2-bedroom rent limits correspond to the "affordable" housing budget for 3-person households.

# The “housing gap”: translate household income to affordable housing budget

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## ***HUD-method\* affordable ownership price levels, Eau Claire Metro FY 2019***

	Persons in Family				
	1	2	3	4	5
120% of AMI	\$206,882	\$236,436	\$265,991	\$295,546	\$319,189
Median income limits (100% of AMI)	\$172,402	\$197,030	\$221,659	\$246,288	\$265,991
Low Income Limits (80% of AMI)	\$138,096	\$157,752	\$177,408	\$197,064	\$212,829
Multifamily tax subsidy limits (60% of AMI)	\$103,622	\$118,339	\$133,056	\$147,773	\$159,595
Very Low Income Limits (50% of AMI)	\$86,352	\$98,616	\$110,880	\$123,144	\$132,996
40% of AMI Income Limits	\$69,082	\$78,893	\$88,704	\$98,515	\$106,396
Extremely Low Income Limits (30% of AMI)	\$51,811	\$59,170	\$66,528	\$73,886	\$79,797

- The affordable workforce housing “gap” for a **family** is the gap between the home they can afford based on their wages (income) and the price of available housing in the market.

- The affordable workforce housing “gap” for a **community** is the gap between the wages paid to the workforce in the community and the price and supply of housing available in the community.

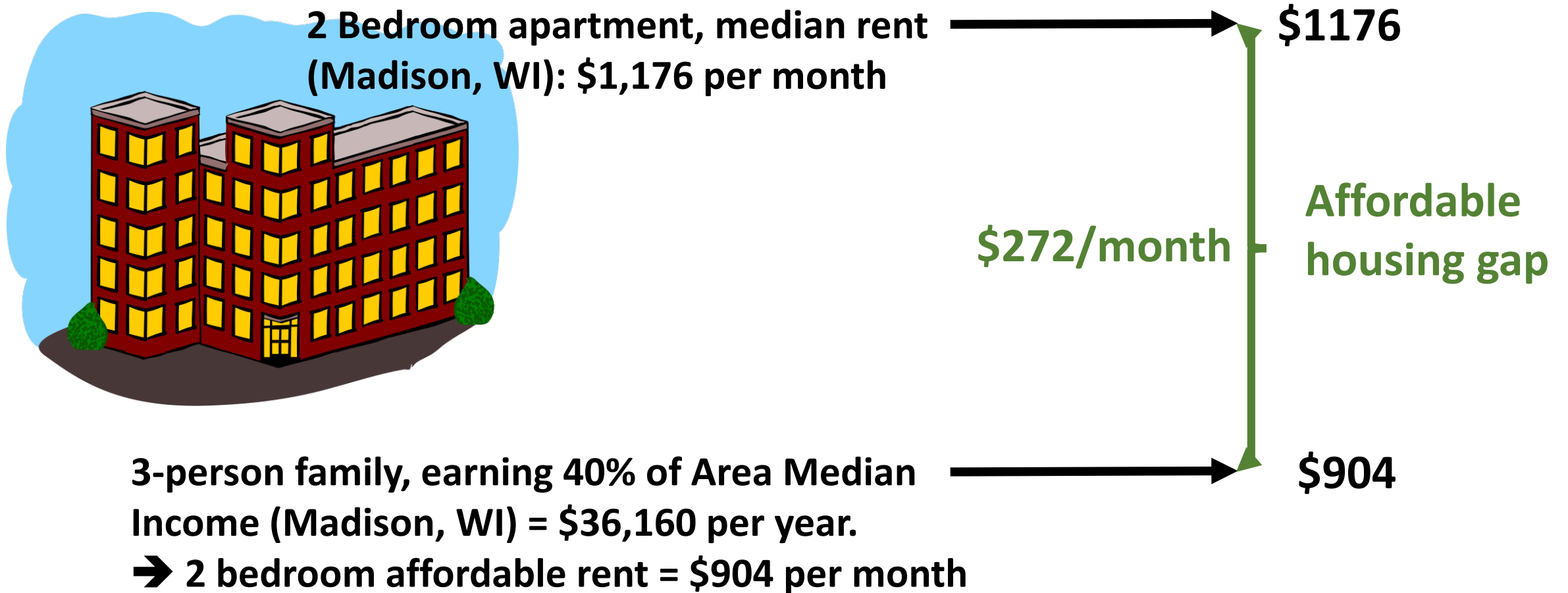


Table 1. Distribution of annual wages, by general occupation category, Eau Claire Metropolitan Region (2018)

Occupation Code	Occupation Title	Employees	% of total employment	10 <sup>th</sup> percentile annual wage	25 <sup>th</sup> percentile annual wage	50 <sup>th</sup> percentile annual wage	90 <sup>th</sup> percentile annual wage
430000	Office and Administrative Support Occupations	12,660	15.26%	\$21,960	\$26,910	\$33,040	\$51,230
410000	Sales and Related Occupations	8,470	10.21%	\$17,450	\$20,130	\$25,320	\$64,320
350000	Food Preparation and Serving Related Occupations	7,750	9.34%	\$16,690	\$18,060	\$20,430	\$31,250
510000	Production Occupations	7,400	8.92%	\$24,460	\$29,120	\$36,630	\$56,150
290000	Healthcare Practitioners and Technical Occupations	6,480	7.81%	\$30,410	\$44,860	\$60,800	\$147,690
530000	Transportation and Material Moving Occupations	6,410	7.73%	\$18,110	\$22,540	\$30,900	\$48,410
250000	Education, Training, and Library Occupations	4,670	5.63%	\$22,640	\$30,440	\$46,800	\$78,120
130000	Business and Financial Operations Occupations	3,550	4.28%	\$32,590	\$41,610	\$52,240	\$92,230
490000	Installation, Maintenance, and Repair Occupations	3,250	3.92%	\$26,970	\$34,180	\$44,150	\$72,460
390000	Personal Care and Service Occupations	3,220	3.88%	\$18,810	\$21,070	\$23,500	\$37,180
470000	Construction and Extraction Occupations	3,100	3.74%	\$31,700	\$40,640	\$53,560	\$78,630
110000	Management Occupations	3,030	3.65%	\$45,070	\$61,910	\$88,330	\$160,300
310000	Healthcare Support Occupations	2,860	3.45%	\$22,180	\$25,860	\$30,680	\$46,450
370000	Building and Grounds Cleaning and Maintenance Occupations	2,400	2.89%	\$17,430	\$20,000	\$24,810	\$43,440
170000	Architecture and Engineering Occupations	1,770	2.13%	\$34,230	\$45,080	\$60,830	\$99,000
330000	Protective Service Occupations	1,640	1.98%	\$18,940	\$28,290	\$38,930	\$65,820
150000	Computer and Mathematical Occupations	1,430	1.72%	\$35,890	\$44,380	\$59,050	\$95,950
210000	Community and Social Service Occupations	1,230	1.48%	\$22,800	\$30,600	\$41,470	\$61,390
270000	Arts, Design, Entertainment, Sports, and Media Occupations	820	0.99%	\$19,010	\$24,760	\$34,090	\$62,700
190000	Life, Physical, and Social Science Occupations	400	0.48%	\$34,460	\$43,970	\$58,960	\$129,720
230000	Legal Occupations	290	0.35%	\$30,970	\$38,120	\$52,590	\$105,800
450000	Farming, Fishing, and Forestry Occupations	120	0.14%	\$18,250	\$23,610	\$32,940	\$43,670
	<b>All Occupations</b>	<b>82,940</b>		<b>\$19,260</b>	<b>\$24,650</b>	<b>\$35,450</b>	<b>\$75,500</b>

Notes: Data source is US Dept. of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) database for 2018. Detailed occupational data are only available at the Metropolitan Statistical Area (MSA) geography: Eau Claire MSA contains Eau Claire and Chippewa counties. Occupational codes follow the Standard Occupational Classification system (SOC). The 50th percentile is also called the median.

Top 6 Occupations comprise 59.3 percent of job market



Occupation Code	Occupation Title	Employees	10 <sup>th</sup> percentile annual wage	25 <sup>th</sup> percentile annual wage	50 <sup>th</sup> percentile annual wage
412031	Retail Salespersons	3,260	\$16,650	\$18,160	\$21,190
353021	Combined Food Preparation and Serving Workers, Including Fast Food	2,710	\$16,300	\$17,280	\$18,870
434051	Customer Service Representatives	2,430	\$22,110	\$25,900	\$30,660
439061	Office Clerks, General	2,050	\$20,540	\$26,690	\$33,390
399021	Personal Care Aides	1,840	\$20,390	\$21,520	\$23,260
412011	Cashiers	1,680	\$17,410	\$19,790	\$22,290
537062	Laborers and Freight, Stock, and Material Movers, Hand	1,320	\$19,800	\$23,910	\$29,520
533032	Heavy and Tractor-Trailer Truck Drivers	1,320	\$33,050	\$35,370	\$39,170
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,310	\$18,420	\$21,780	\$26,210
433031	Bookkeeping, Accounting, and Auditing Clerks	1,190	\$26,310	\$32,020	\$37,280
311014	Nursing Assistants	1,170	\$21,500	\$23,590	\$26,840
353031	Waiters and Waitresses	1,140	\$16,880	\$18,180	\$20,180
434171	Receptionists and Information Clerks	1,130	\$21,990	\$26,470	\$29,770
499071	Maintenance and Repair Workers, General	950	\$27,710	\$33,310	\$40,830
352014	Cooks, Restaurant	940	\$18,110	\$20,790	\$24,170
353011	Bartenders	860	\$16,600	\$17,900	\$20,380
512098	Assemblers and fabricators, all other, including team assemblers	860	\$20,600	\$25,460	\$29,850
435081	Stock Clerks and Order Fillers	790	\$17,540	\$20,170	\$24,130
259041	Teacher Assistants	760	\$17,890	\$22,570	\$28,980
533033	Light Truck or Delivery Services Drivers	650	\$18,560	\$21,150	\$24,360
351012	First-Line Supervisors of Food Preparation and Serving Workers	600	\$18,480	\$21,360	\$24,870
436014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	590	\$25,180	\$28,570	\$33,250
411011	First-Line Supervisors of Retail Sales Workers	590	\$25,440	\$28,420	\$35,950
319092	Medical Assistants	590	\$28,760	\$32,860	\$36,490
372012	Maids and Housekeeping Cleaners	520	\$16,730	\$18,020	\$20,210
	<b><i>All 25 lowest-wage high-employment occupations</i></b>	<b><i>31,250</i></b>	<b><i>\$20,918</i></b>	<b><i>\$24,050</i></b>	<b><i>\$28,084</i></b>

# Workforce Housing Challenge

	Employees	10 <sup>th</sup> percentile annual wage	25 <sup>th</sup> percentile annual wage	50 <sup>th</sup> percentile annual wage
All 25 lowest-wage high-employment occupations	31,250	\$20,918	\$24,050	\$28,084
Monthly "affordable" housing budget (1 worker)		\$523	\$601	\$702
Monthly "affordable" housing budget (2 workers)		\$1,046	\$1,202	\$1,404



Table 4: Extremely Cost-Burdened Households (Owners and Renters), by income category, Eau Claire and Chippewa Counties

Income category	<i>Owners</i>	<i>Renters</i>
	Extremely cost-burdened	Extremely cost-burdened
Less than 30-percent of AMI	1,175	3,745
Between 30- and 50-percent of AMI	975	1,025
Between 50- and 80-percent of AMI	550	125
Between 80- and 100-percent of AMI	135	15
More than 100-percent of AMI	105	0

**Extremely Cost-Burdened Households (Owners and Renters), by income category, Barron County**

Income category	<i>Owners</i>	<i>Renters</i>
	Extremely cost-burdened	Extremely cost-burdened
Less than 30-percent of AMI	545	610
Between 30- and 50-percent of AMI	365	195
Between 50- and 80-percent of AMI	175	10
Between 80- and 100-percent of AMI	50	0
More than 100-percent of AMI	30	0