CENTERGY

# Regional Housing Study 2025

Prepared by North Central Wisconsin Regional Planning Commission

## Acknowledgements

### Centergy Board of Directors

Gautam Malik, Chair, Gamber-Johnson LLC
Joe Schuchardt, Vice Chair, J.H. Findorff
Nick Faber, Treasurer, Simplicity Credit Union
Denise Sonnemann, Secretary, Marshfield Area Chamber of Commerce & Industry
James Matheson, Aspirus
Melinda Osterberg, Wisconsin Economic Development Corporation
Michael Smith, Church Mutual Insurance Company
Manny Vasquez, Pfefferle Companies
Brad Gast, Northcentral Technical College
Maureen Carlson, Greenfire Management Services
John Jacobson, Ruder Ware

### Centergy Housing Study Committee

Angel Laidlaw, Centergy, Inc.
Melinda Osterberg, Wisconsin Economic Development Corporation
Jason Grueneberg, Wood County
Kyle Kearns, City of Wisconsin Rapids
Randy Fifrick, City of Wausau
Patrick Gatterman, University of Wisconsin – Stevens Point
Jared Grande, Village of Rib Mountain
Jami Gebert, Village of Weston
Renae Krings, Greater Wausau Prosperity Partnership
Sam Wessel, North Central Wisconsin Regional Planning Commission
Timothy Reed, Portage County
Gaylene Rhoden, Village of Rib Mountain
Josh Miller, Cedar Corporation
Steve Barg, City of Marshfield
Sara Guild, Lincoln County Economic Development Corporation
Kimm Weber, MCDEVCO, Inc.
Chris Klesmith, City of Stevens Point
Steve Cherek, Village of Marathon City
Adam DeKleyn, Village of Plover
Joe Schuchardt, J.H. Findorff
Kayla Rombalski, University of Wisconsin Extension

### For more information contact:

NCWRPC

**North Central Wisconsin Regional Planning Commission**
210 McClellan St. Suite 210
Wausau, WI 54403
715-849-5510
www.ncwrpc.org

## Table of Contents



## List of Tables and Figures

(Page intentionally left blank)

# 1. Executive Summary

The Centergy Regional Economic Development Organization (REDO) consists of five counties in Central Wisconsin: Adams, Lincoln, Marathon, Portage, and Wood. Centergy serves a total population of 331,812 in 2023 and is home to the Wausau-Weston Metropolitan Statistical Area and the Wisconsin Rapids-Marshfield and Stevens Point Micropolitan Statistical Areas, all of which form a combined statistical area. This reflects the region's development pattern as a cluster of smaller and midsize urban areas scattered across a rural landscape that, when added together, results in a population that rivals larger metropolitan areas. The remainder of the region's landscape features a variety of agricultural and recreational opportunities, with a high overall quality of life.

Due to these characteristics, communities throughout the region share similar strong economic and cultural opportunities along with abundant developable land. But due to the dispersed nature of its municipalities, it is a challenge to collaborate across a large area when attracting new housing development needed to support the region's workforce. Similarly, the region's relative affordability and abundant open space make it a desirable place to live, but it often does not support the high-density, high-income housing that attracts developers to larger cities.

As a result, home and rent prices have risen dramatically over the past decade, making it difficult for the region's workforce to find housing. Employers have reported that some job candidates who initially accept a job offer later turn it down because housing is difficult to find. This challenge coincides with the current wave of retirements and job vacancies. Therefore, addressing the region's housing needs is an economic development and recruitment strategy to enhance the region's economic competitiveness.

In response to these issues, Centergy, Inc. partnered with the North Central Wisconsin Regional Planning Commission (NCWRPC) to conduct this Regional Housing Study that focuses on housing needs for the region's workforce by analyzing existing conditions and providing recommendations the lead to the recommendation of a regional housing fund. The goal of this study and its subsequent housing fund is to address the gap between development costs and rent or purchase prices that the region's incomes can afford to increase the supply of housing.

Based on the State of Wisconsin's population projections, **there is an estimated housing demand that could be up to 11,406 units regionwide by 2040, 8,336 of which are needed by 2030.** Included in this study is an analysis of gaps in the housing market, a list of programs and policies that support housing development, and general recommendations for development locations. **This study's focus is to expand the supply of new housing units renting between $900 and $1,499 per month or between $200,000 and $299,999 to purchase. It also identifies the opportunity for Centergy to create a regional housing fund** to close the financial gap between high construction costs and the workforce's ability to afford local housing. Overall, this study is a toolkit for local decision makers looking to improve housing affordability, availability, and quality in the Region while highlighting strategies for local and regional collaboration.

(Page intentionally left blank)

# 2. Demographics

This section of the housing study provides insight regarding past, present, and future trends in the Centergy Region to identify specific housing needs. Included is data regarding population, age distribution, households, employment, income levels, and commuting patterns. Note that most of this data is from the U.S. Census Bureau, which conducts a Census every 10 years for every household. Census also distributes the American Community Survey (ACS) to some households every year to provide data estimates for the years that fall in between the 10-year Census. These sources are used because they have the most detailed, comprehensive data needed to conduct a housing study. Those using this Housing Study should be aware that the data is self-reported and released 2 years after it is collected, so it is often slightly behind current conditions. But when reviewed as a whole, this data is useful for identifying long-term, widespread patterns and trends.

### Population

Table 1 on the following page displays estimated population growth from 2000 to 2023. The Region's population grew by 4.7 percent since 2000, which is slower than statewide growth (9.9 percent) and national growth (19 percent) during the same time. Most of this growth occurred in Marathon and Portage Counties, though this growth was slower between 2010 and 2023 than it was between 2000 and 2010. Additionally, Adams County grew the fastest between 2000 and 2010 but has lost population since 2010. Finally, Lincoln and Wood Counties lost population slightly between 2000 and 2023. Though this would appear to indicate a decrease in demand for housing in the Region, employers routinely report a lack of quality housing their workforce can afford.

An increase in the number of households along with a decline in household size also supports the need for more housing as there are more households relative to the population. All five counites saw an increase in the number of households between 2000 and 2023 regardless of how they gained or lost population, while the average household size declined during this time. This reflects statewide and national trends as depicted in Tables 2 and 3. Seasonal homes and vacation rentals, discussed later in this housing study, have also increased in popularity in the Region, increasing demand for homes that could otherwise be occupied by year-round residents. Finally, retirees seeking a lower cost of living and outdoor recreation often choose Central Wisconsin, and they may prefer a small, low-maintenance home that results in them competing against working households looking for a starter home.

### Table 1: Population

| County | 2000 | 2010 | 2023 | 2000-2023 Net Change | 2000-2023 % Change | 2010-2023 Net Change | 2010-2023 % Change |
|---|---|---|---|---|---|---|---|
| Adams | 18,643 | 21,044 | 20,928 | 2,285 | 12.3% | -116 | -0.6% |
| Lincoln | 29,641 | 29,075 | 28,403 | -1,238 | -4.2% | -672 | -2.3% |
| Marathon | 125,834 | 132,644 | 138,067 | 12,233 | 9.7% | 5,423 | 4.1% |
| Portage | 67,182 | 69,437 | 70,375 | 3,193 | 4.8% | 938 | 1.4% |
| Wood | 75,555 | 74,601 | 74,039 | -1,516 | -2.0% | -562 | -0.8% |
| **Region** | **316,855** | **326,801** | **331,812** | **14,957** | **4.7%** | **5,011** | **1.5%** |
| State | 5,363,675 | 5,637,947 | 5,892,023 | 528,348 | 9.9% | 254,076 | 4.5% |
| Nation | 281,421,906 | 303,965,272 | 334,914,896 | 53,492,990 | 19.0% | 30,949,624 | 10.2% |

Source: U.S. Census 2000; ACS 5-year Estimates 2010 & 2023

### Table 2: Number of Households

| County | 2000 | 2010 | 2023 | 2000-2023 Net Change | 2000-2023 % Change | 2010-2023 Net Change | 2010-2023 % Change |
|---|---|---|---|---|---|---|---|
| Adams | 7,924 | 9,341 | 9,351 | 1,427 | 18.0% | 10 | 0.1% |
| Lincoln | 11,744 | 13,113 | 12,578 | 834 | 7.1% | -535 | -4.1% |
| Marathon | 47,737 | 52,708 | 56,873 | 9,136 | 19.1% | 4,165 | 7.9% |
| Portage | 25,112 | 27,573 | 29,636 | 4,524 | 18.0% | 2,063 | 7.5% |
| Wood | 30,131 | 31,979 | 31,942 | 1,811 | 6.0% | -37 | -0.1% |
| **Region** | **122,648** | **134,714** | **140,380** | **17,732** | **14.5%** | **5,666** | **4.2%** |
| State | 2,084,544 | 2,274,611 | 2,446,028 | 361,484 | 17.3% | 171,417 | 7.5% |
| Nation | 105,539,122 | 114,235,996 | 131,332,360 | 25,793,238 | 24.4% | 17,096,364 | 15.0% |

Source: U.S. Census 2000; ACS 5-year Estimates 2010 & 2023

### Table 3: Average Household Size

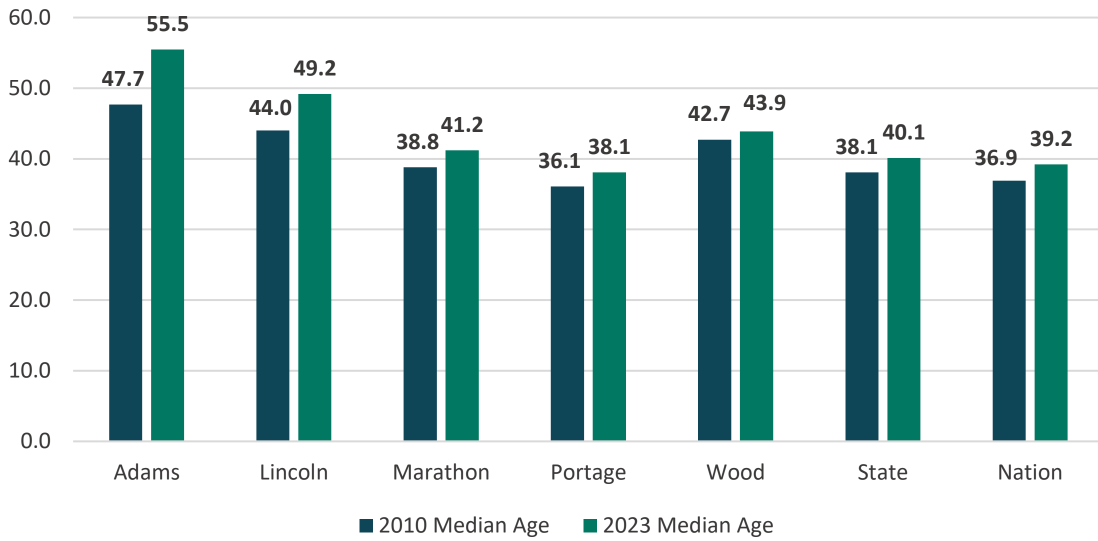
| County | 2000 | 2010 | 2023 | 2000-2023 Change |
|---|---|---|---|---|
| Adams | 2.32 | 2.10 | 2.16 | -0.16 |
| Lincoln | 2.45 | 2.18 | 2.21 | -0.24 |
| Marathon | 2.60 | 2.49 | 2.40 | -0.20 |
| Portage | 2.53 | 2.31 | 2.28 | -0.25 |
| Wood | 2.47 | 2.31 | 2.29 | -0.18 |
| State | 2.50 | 2.41 | 2.35 | -0.15 |
| Nation | 2.59 | 2.59 | 2.49 | -0.10 |

Source: U.S. Census 2000; ACS 5-year Estimates 2010 & 2023

## Median Age

Figure 1 shows how the Region has a median age that is higher than statewide and national medians except for Portage County, which is skewed by having a strong college student population. The median age for all Counties, the statewide median, and the nationwide median have all increased since 2010. This indicates new low-maintenance construction will be in demand for both workers and retirees, and an aging population will drive demand for workers in various medical fields. Retirements in all industries will also require the expansion of a skilled workforce by adding quality housing to make Central Wisconsin even more desirable.

**Figure 1: Median Age**



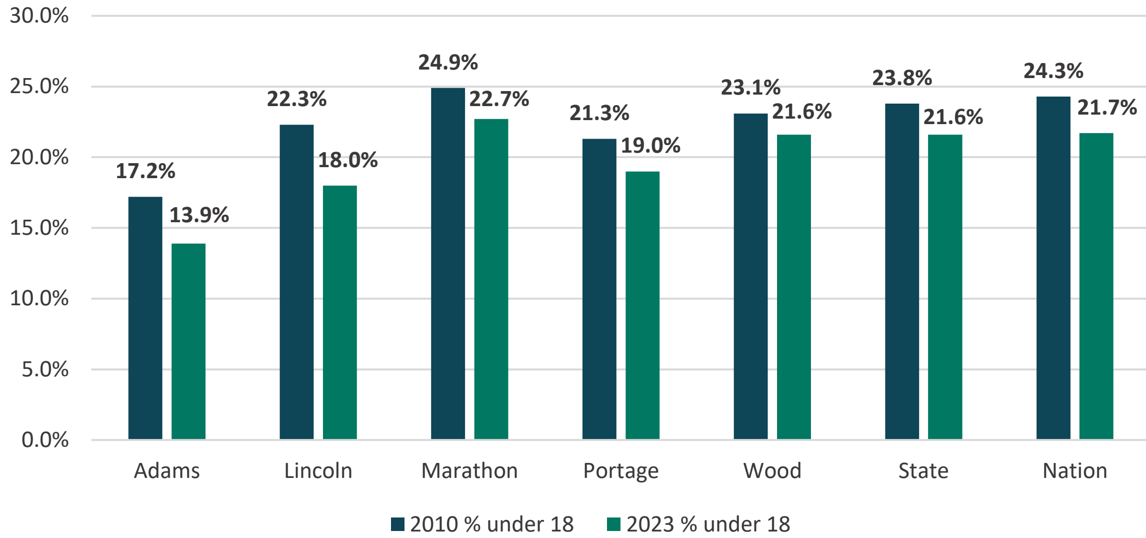

Source: ACS 5-year Estimates 2010 & 2023

## Age Distribution

Figures 2 and 3 illustrate how the percentage of the Region's residents under age 18 is shrinking while the percent over 65 is increasing across all Counties, following statewide and national trends. Although the large baby boomer cohort will be entirely over age 65 by 2030, this generation is expected to embrace technological and healthcare advancements to remain in their homes longer than previous generations, meaning that a large number of homes are not expected to become available to working households anytime soon. Seniors living on fixed income may struggle to find more manageable housing to move into as they experience physical or financial limitations, raising concerns over deferred maintenance and ADA accessibility in existing housing units. There are also concerns regarding how schools, healthcare systems, and the tax base will be impacted by this demographic shift.

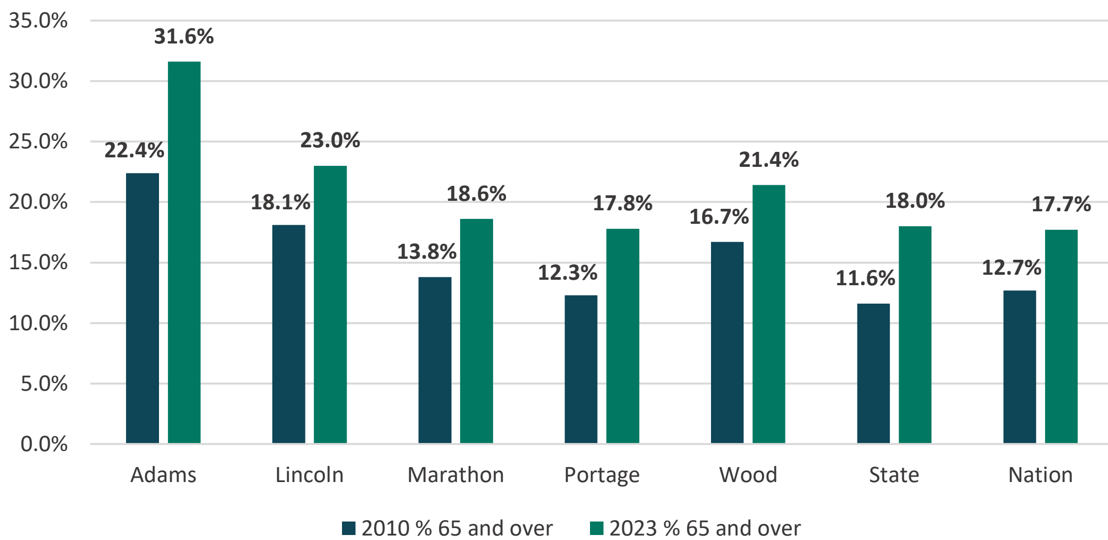
The Centergy Region and its communities can involve seniors to help creatively address these issues as they have years of experience, creativity, the willingness to volunteer and/or continue working, and the ability to invest locally. There is also an opportunity to assist with navigating programs and strategies that preserve existing housing, which is typically more affordable than new construction.

## Figure 2: Percent of Population Under Age 18




Source: ACS 5-year Estimates 2010 & 2023

## Figure 3: Percent of Population Aged 65 and Older




Source: ACS 5-year Estimates 2010 & 2023

## Economic Characteristics

### Income

Table 4 contains two measures of income: per capita income and median household income. Per capita income provides a measure of relative earning power on a per person level while median household income provides an indication of the economic ability of the typical family or household unit. Although per capita and median household incomes are lower and have risen more slowly since 2010 than state and national incomes, the cost of living in the Centergy Region remains relatively affordable. However, the U.S. Department of Labor's inflation calculator shows that **inflation increased by 76.9 percent between 2000 and 2023**, which is higher than the percent increase in median household income, indicating that wages are not keeping up with the cost of living in Wisconsin, which is partially due to increased housing costs.

**Table 4: Income Characteristics**

| County | Median Household Income | | | 2000-2023 % Change | 2010-2023 % Change | Per Capita Income 2023 |
|---|---|---|---|---|---|---|
| | 2000 | 2010 | 2023 | | | |
| Adams | $33,408 | $39,885 | $59,153 | 77.1% | 48.3% | $35,145 |
| Lincoln | $39,120 | $46,625 | $67,726 | 73.1% | 45.3% | $38,296 |
| Marathon | $45,165 | $53,471 | $76,185 | 68.7% | 42.5% | $39,970 |
| Portage | $43,487 | $51,456 | $73,284 | 68.5% | 42.4% | $39,476 |
| Wood | $41,595 | $43,319 | $66,417 | 59.7% | 53.3% | $37,954 |
| State | $43,791 | $49,001 | $75,670 | 72.8% | 54.4% | $42,019 |
| Nation | $41,994 | $50,046 | $78,538 | 87.0% | 56.9% | $43,289 |

Source: U.S. Census 2000; ACS 5-year Estimates 2010 & 2023

### Total Employed

Table 5 includes the number of each County's residents with jobs, regardless of whether the job is within the County's boundaries or not. Employment trends generally follow population trends, with Adams, Marathon, and Portage Counties gaining workers since 2000 and Lincoln and Wood Counties losing workers.

**Table 5: Total Employed**

| County | 2000 | 2010 | 2023 | 2000-2023 % Change | 2010-2023 % Change |
|---|---|---|---|---|---|
| Adams | 7,859 | 8,354 | 8,393 | 6.8% | 0.5% |
| Lincoln | 14,530 | 14,707 | 13,673 | -5.9% | -7.0% |
| Marathon | 66,550 | 69,980 | 72,092 | 8.3% | 3.0% |
| Portage | 35,677 | 36,395 | 37,693 | 5.7% | 3.6% |
| Wood | 37,345 | 36,924 | 35,388 | -5.2% | -4.2% |
| **Region** | **161,961** | **166,360** | **167,239** | **3.3%** | **0.5%** |
| State | 2,734,925 | 2,805,102 | 3,018,918 | 10.4% | 7.6% |
| Nation | 129,721,512 | 139,033,928 | 159,808,535 | 23.2% | 14.9% |

Source: U.S. Census 2000; ACS 5-year Estimates 2010 & 2023

## Summary

In summary, the Region's and state's population, households, income, and employment trends have not grown in line with national trends. But because of the Region's amenities and affordability, this trend could change in the future. Steep cost of living increases driven by natural disasters, insurance rates, and other economic issues have not been as pronounced in Wisconsin as they have in other states and countries, which could make Central Wisconsin more appealing to those who previously hadn't considered moving there. Analyzing the Region's housing market will inform strategies that can be used to rehabilitate and develop housing to meet existing and potential County residents' needs.

Sunset in Adams County

New homes on narrow lots may appeal to both first-time homebuyers as well as seniors.

# 3. Housing Inventory and Trends

Housing inventory, condition, and age play a role in what is available and affordable for buyers and renters of all income levels and preferences. In general, the Region has a mix of older and newer housing, most of which consists of single-family homes. The housing characteristics in this section reflect the challenges the Region faces to provide a variety of housing types and prices to fit people's needs and budgets. In summary, relatively few housing units have been constructed since the housing market bubble in the 2000s, leading to fewer options and a greater share of homes needing costly repairs.

## Existing Housing Stock

### Total Housing Units

Table 6 displays estimated housing unit totals from the U.S. Census data, with the amount of growth or decline generally following population trends. Because Census bases housing unit estimates off population, Adams and Lincoln Counties show a reduction in the number of housing units since 2010. While some structures are lost due to demolition or destruction, it is unlikely that any of the Region's Counties have lost housing units. Note that, Regionally, the number of households increased by 4.2 percent since 2010, but the number of housing units only increased by 3.6 percent, suggesting that there are fewer housing units per household in 2023 compared to 2010.

**Table 6: Total Housing Units**

| County | 2000 | 2010 | 2023 | 2000-2023 Net Change | 2010-2023 Net Change | 2000-2023 % Change | 2010-2023 % Change |
|---|---|---|---|---|---|---|---|
| Adams | 14,123 | 17,067 | 16,873 | 2,750 | -194 | 19.5% | -1.1% |
| Lincoln | 14,681 | 16,488 | 16,233 | 1,552 | -255 | 10.6% | -1.5% |
| Marathon | 50,360 | 57,017 | 60,296 | 9,936 | 3,279 | 19.7% | 5.8% |
| Portage | 26,589 | 29,601 | 31,496 | 4,907 | 1,895 | 18.5% | 6.4% |
| Wood | 31,691 | 33,838 | 34,662 | 2,971 | 824 | 9.4% | 2.4% |
| **Region** | **137,444** | **154,011** | **159,560** | **22,116** | **5,549** | **16.1%** | **3.6%** |
| State | 2,321,144 | 2,593,073 | 2,750,750 | 429,606 | 157,677 | 18.5% | 6.1% |
| Nation | 115,904,641 | 130,038,080 | 142,332,876 | 26,428,235 | 12,294,796 | 22.8% | 9.5% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

### Age of Housing Units

Table 7 also indicates that there are fewer housing options in 2023 compared to the past as it shows that relatively few units have been built since 2010 compared to decades prior to 2010. The percentage of housing units built since 2000 has been consistently lower than the national average. Though older housing is often more affordable to purchase, it often has higher maintenance and utility costs than new construction. For example, a working family may qualify for a home based on their income, but an old roof, cracked foundation, leaky windows, and failing systems (HVAC, plumbing, and electrical) may be too expensive to repair after closing on a home. This drives demand for new construction and housing repair programs.

**Table 7: Year Built**

| County | 2020 & later | 2010 - 2019 | 2000 - 2009 | 1990 - 1999 | 1980 - 1989 | 1970 - 1979 | 1960 - 1969 | 1950 - 1959 | 1940 - 1949 | 1939 & earlier |
|---|---|---|---|---|---|---|---|---|---|---|
| Adams | 0.8% | 4.6% | 17.6% | 16.0% | 16.1% | 22.2% | 9.0% | 5.1% | 2.1% | 6.5% |
| Lincoln | 0.9% | 5.7% | 12.7% | 15.1% | 10.1% | 12.0% | 8.6% | 9.1% | 6.7% | 19.2% |
| Marathon | 1.1% | 6.5% | 15.2% | 12.9% | 9.7% | 14.9% | 8.1% | 9.9% | 4.9% | 16.9% |
| Portage | 1.2% | 6.5% | 12.5% | 16.6% | 11.6% | 17.6% | 8.7% | 5.8% | 2.9% | 16.7% |
| Wood | 0.7% | 5.4% | 9.1% | 11.0% | 9.7% | 18.8% | 10.2% | 11.0% | 6.7% | 17.2% |
| **Region** | **1.0%** | **6.0%** | **13.3%** | **13.8%** | **10.8%** | **16.8%** | **8.8%** | **8.7%** | **4.8%** | **16.1%** |
| State | 0.8% | 6.7% | 12.3% | 12.9% | 9.5% | 14.3% | 9.6% | 10.4% | 5.4% | 18.1% |
| Nation | 1.2% | 8.9% | 13.6% | 12.8% | 13.0% | 14.4% | 10.0% | 9.7% | 4.5% | 11.9% |

Source: ACS 5-Year Estimates 2023

## Type of Structure

Table 8 indicates that the Region has a much higher percentage of single-family homes compared to the State and Nation. While homeownership is a tool that builds household wealth, newcomers or new graduates are much more likely to rent initially while saving and looking for a house to buy. The smaller variety of housing options makes recruiting workers more difficult as availability for rentals is limited.

**Table 8: Units Per Structure**

| County | 1-unit, detached | 1-unit, attached | 2 units | 3 or 4 units | 5 to 9 units | 10 to 19 units | 20+ units | Mobile home | Boat, RV, van, etc. |
|---|---|---|---|---|---|---|---|---|---|
| Adams | 73.7% | 1.2% | 0.7% | 0.8% | 2.5% | 0.9% | 0.6% | 19.3% | 0.2% |
| Lincoln | 80.8% | 1.2% | 3.0% | 1.6% | 3.1% | 2.8% | 1.3% | 6.3% | 0.0% |
| Marathon | 75.4% | 2.6% | 4.2% | 1.7% | 5.1% | 3.6% | 4.8% | 2.6% | 0.0% |
| Portage | 68.7% | 3.4% | 5.1% | 4.4% | 6.2% | 4.5% | 3.6% | 4.1% | 0.0% |
| Wood | 74.3% | 3.0% | 5.3% | 1.5% | 3.3% | 3.2% | 5.4% | 4.1% | 0.0% |
| **Region** | **74.2%** | **2.6%** | **4.1%** | **2.1%** | **4.4%** | **3.3%** | **3.9%** | **5.4%** | **0.0%** |
| State | 66.5% | 4.3% | 6.1% | 3.5% | 4.8% | 3.6% | 8.1% | 3.1% | 0.0% |
| Nation | 61.4% | 6.1% | 3.4% | 4.3% | 4.6% | 4.3% | 10.1% | 5.7% | 0.1% |

Source: ACS 5-Year Estimates 2023

## Median Value

Table 9 displays the median value of owner-occupied homes, which are useful for determining how affordable they are. An in-depth affordability analysis is calculated later in this Housing Study. All municipalities saw an increase in housing values since 2000, with all housing doubling in value or more. Though prices are lower and have not increased as much compared to the state and nation, they have exceeded the percentage increase in wages.

**Table 9: Median Value of Owner-Occupied Homes**

| County | 2000 | 2010 | 2023 | 2000-2023 Net Change | 2000-2023 % Change | 2010-2023 Net Change | 2010-2023 % Change | WRA Sale Price |
|---|---|---|---|---|---|---|---|---|
| Adams | $83,600 | $130,700 | $184,500 | $100,900 | 120.7% | $53,800 | 41.2% | $230,000 |
| Lincoln | $86,500 | $131,300 | $177,700 | $91,200 | 105.4% | $46,400 | 35.3% | $216,000 |
| Marathon | $95,800 | $139,500 | $205,500 | $109,700 | 114.5% | $66,000 | 47.3% | $255,000 |
| Portage | $98,300 | $143,100 | $230,400 | $132,100 | 134.4% | $87,300 | 61.0% | $281,000 |
| Wood | $81,400 | $116,500 | $174,500 | $93,100 | 114.4% | $58,000 | 49.8% | $199,900 |
| State | $112,200 | $169,000 | $247,400 | $135,200 | 120.5% | $78,400 | 46.4% | $309,900 |
| Nation | $119,600 | $188,400 | $303,400 | $183,800 | 153.7% | $115,000 | 61.0% | $416,700 |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

Since these values are self-reported and Census data is a couple of years behind, it is important to consider data from the Wisconsin Realtors Association (WRA). **WRA reports countywide median sale prices ranging from $199,900 (Wood County) to $281,000 (Portage County) as of August 2024.** While these sale prices remain well below statewide and national averages, they indicate that the price of homes that are for sale is well above what the median value is of all homes, regardless of whether they are for sale or not.

### Median Monthly Ownership Costs

Another way to measure home prices is reflected in the monthly ownership costs depicted in Table 10. Ownership costs for all owner-occupied homes haven't risen as quickly as statewide and national trends. Low interest rates in the 2010s and early 2020s allowed many households to refinance and reduce their monthly costs, but mortgage rates have increased considerably since 2022. This results in many households remaining in their homes to keep a lower interest rate rather than moving to another house that they would prefer, limiting the supply of available housing. Since housing prices have not dropped as mortgage rates have increased, monthly payments continue to rise while buyers' budgets are more limited.

**Table 10: Median Monthly Ownership Costs**

| County | 2000 Mortgage | 2010 Mortgage | 2023 Mortgage | % Change 2000-2023 | 2000 No Mortgage | 2010 No Mortgage | 2023 No Mortgage | % Change 2000-2023 |
|---|---|---|---|---|---|---|---|---|
| Adams | $762 | $1,181 | $1,356 | 78.0% | $262 | $423 | $538 | 105.3% |
| Lincoln | $843 | $1,176 | $1,328 | 57.5% | $292 | $435 | $511 | 75.0% |
| Marathon | $916 | $1,281 | $1,444 | 57.6% | $295 | $458 | $574 | 94.6% |
| Portage | $917 | $1,244 | $1,495 | 63.0% | $289 | $446 | $592 | 104.8% |
| Wood | $800 | $1,102 | $1,253 | 56.6% | $272 | $423 | $516 | 89.7% |
| State | $1,024 | $1,433 | $1,652 | 61.3% | $333 | $500 | $647 | 94.3% |
| Nation | $1,088 | $1,524 | $1,902 | 74.8% | $295 | $431 | $612 | 107.5% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

### Median Rent

Household budgets also determine what renters can afford, and median rent is summarized in Table 11. Costs for renters did not increase as drastically as for homeowners (Table 10), though inflation in the 2020s has increased costs for maintenance, insurance, and utilities for them, which may ultimately result in higher rents in the near future. Rent is more affordable in the Region than statewide or nationally, but rental properties are frequently reported to be in poor condition across the Region. Survey responses in Countywide housing studies suggest that rents often increase despite no substantial updates or repairs being made. As structures age past their useful life, new construction is needed to maintain availability and prevent hazardous living conditions.

**Table 11: Median Rent**

| County | 2000 | 2010 | 2023 | 2000-2023 Net Change | 2000-2023 % Change | 2010-2023 Net Change | 2010-2023 % Change |
|---|---|---|---|---|---|---|---|
| Adams | $443 | $589 | $789 | $346 | 78.1% | $200 | 34.0% |
| Lincoln | $433 | $548 | $768 | $335 | 77.4% | $220 | 40.1% |
| Marathon | $484 | $639 | $950 | $466 | 96.3% | $311 | 48.7% |
| Portage | $477 | $617 | $903 | $426 | 89.3% | $286 | 46.4% |
| Wood | $442 | $559 | $766 | $324 | 73.3% | $207 | 37.0% |
| State | $540 | $713 | $1,045 | $505 | 93.5% | $332 | 46.6% |
| Nation | $602 | $841 | $1,348 | $746 | 123.9% | $507 | 60.3% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

### Housing Occupancy

Table 12 summarizes the percentage of the Region's housing units that are owner occupied. Owner occupancy rates are high, reflecting the significant opportunity Central Wisconsin residents have in building long-term household wealth, though the rate of homeownership has decreased slightly in Marathon, Portage, and Wood Counties since 2000. This could be due to a nationwide increase in homes converted into rentals following the late 2000s housing market crash.

**Table 12: Percent of Housing Units that are Owner Occupied**

| County | 2000 | 2010 | 2023 | 2000-2023 Change | 2010-2023 Change |
|---|---|---|---|---|---|
| Adams | 85.3% | 82.2% | 86.4% | 1.1% | 4.2% |
| Lincoln | 78.3% | 74.7% | 78.4% | 0.1% | 3.7% |
| Marathon | 75.7% | 75.5% | 73.4% | -2.3% | -2.1% |
| Portage | 70.9% | 70.1% | 69.3% | -1.6% | -0.8% |
| Wood | 74.3% | 76.4% | 73.4% | -0.9% | -3.0% |
| **Region** | **75.2%** | **75.0%** | **73.8%** | **-1.4%** | **-1.1%** |
| State | 68.4% | 68.7% | 67.9% | -0.5% | -0.8% |
| Nation | 66.2% | 66.6% | 65.0% | -1.2% | -1.6% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

### Vacant Housing

Table 13 shows high vacancy rates across the region, but they include the significant number of seasonal and recreational housing units that the Region is known for, particularly in Adams and Lincoln Counties. The change in vacancy rates has varied between Counties since 2000 with no drastic changes over time.

**Table 13: Percent of Housing Units that are Vacant**

| County | 2000 | 2010 | 2023 | 2000-2023 Change | 2010-2023 Change |
|---|---|---|---|---|---|
| Adams | 44.1% | 45.3% | 44.6% | 0.5% | -0.7% |
| Lincoln | 20.1% | 20.5% | 22.5% | 2.4% | 2.0% |
| Marathon | 5.3% | 7.6% | 5.7% | 0.4% | -1.9% |
| Portage | 5.8% | 6.9% | 5.9% | 0.1% | -1.0% |
| Wood | 4.9% | 5.5% | 7.8% | 2.9% | 2.3% |
| **Region** | **10.9%** | **12.6%** | **12.0%** | **1.2%** | **-0.5%** |
| State | 10.2% | 13.3% | 11.1% | 0.9% | -2.3% |
| Nation | 9.0% | 12.0% | 10.4% | 1.4% | -1.6% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

### Seasonal Housing

To better understand vacancy rates in the Region for housing not used for seasonal or recreational purposes, Tables 14 and 15 calculate the percentage of vacant housing that is occupied seasonally or for recreational purposes, and the percentage of overall housing that is vacant, but not used seasonally or recreationally. Over 80 percent of Adams and Lincoln County's vacant housing is used for seasonal or recreational purposes, compared to only 57.7 percent statewide and 29.6 percent nationally. Despite high vacancy rates in the Region, the high rate of seasonal and recreational units is not likely to be available for a typical working family who resides in their community year-round. Often, seasonal and recreational housing is located far from employment centers, schools, hospitals, and other facilities, while frequently being very expensive due to being located on a lake or a large, rural property. This results in housing and transportation costs that are higher than what is ideal for a household that is working, attending school, and/or investing in a community.

**Table 14: Percent of Vacant Units that are for Seasonal, Recreational, or Occasional Use**

| County | 2000 | 2010 | 2023 | 2000-2023 Change | 2010-2023 Change |
|---|---|---|---|---|---|
| Adams | 90.6% | 86.4% | 86.1% | -4.5% | -0.3% |
| Lincoln | 65.8% | 75.1% | 84.7% | 18.9% | 9.6% |
| Marathon | 20.8% | 26.4% | 23.0% | 2.1% | -3.4% |
| Portage | 36.0% | 32.3% | 32.5% | -3.4% | 0.2% |
| Wood | 15.7% | 16.6% | 23.1% | 7.4% | 6.5% |
| **Region** | **59.8%** | **58.6%** | **60.4%** | **0.6%** | **1.8%** |
| State | 60.1% | 50.9% | 57.7% | -2.5% | 6.8% |
| Nation | 34.3% | 29.6% | 32.7% | -1.6% | 3.1% |

Source: U.S. Census 2000; ACS 5-Year Estimates 2010 & 2023

Table 15 estimates a more realistic vacancy rate for housing oriented towards year-round residents by excluding seasonal and recreational housing. A healthy housing market typically has a vacancy rate between 5 and 10 percent to maintain a balance of supply demand. Low supply inflates prices while high supply reduces home values. Ideal vacancy rates also enable households to move in and out of housing units at a reasonable pace.

**Table 15: Vacancy Rates**

| County | 2010 | 2023 | 2010-2023 Change |
|---|---|---|---|
| Adams (Renter) | 7.3% | 3.3% | -4.0% |
| Adams (Owner) | 2.7% | 1.5% | -1.2% |
| Lincoln (Renter) | 7.2% | 1.5% | -5.7% |
| Lincoln (Owner) | 2.7% | 0.6% | -2.1% |
| Marathon (Renter) | 6.8% | 4.0% | -2.8% |
| Marathon (Owner) | 2.2% | 0.4% | -1.8% |
| Portage (Renter) | 3.0% | 4.1% | 1.1% |
| Portage (Owner) | 1.0% | 0.5% | -0.5% |
| Wood (Renter) | 5.3% | 7.0% | 1.7% |
| Wood (Owner) | 1.3% | 0.3% | -1.0% |
| State (Renter) | 6.3% | 4.7% | -1.6% |
| State (Owner) | 1.8% | 0.6% | -1.2% |
| Nation (Renter) | 7.8% | 5.5% | -2.3% |
| Nation (Owner) | 2.4% | 0.8% | -1.6% |

Source: ACS 5-Year Estimates 2010 & 2023

Vacancy rates are lower than 5 percent in all counties for both renter- and owner-occupied housing, except for Wood County, which has a renter occupied rate of 7 percent in 2023. Aside from renter occupied rates in Portage and Wood Counties, vacancy rates decreased across the board between 2010 and 2023. And even with higher renter occupied vacancy rates in Portage and Wood Counties, high homeownership rates could indicate that high-quality rental options are limited. This is particularly true for areas near large seasonal employment centers like Sand Valley Golf Resort and the northern edge of the City of Wisconsin Dells, as summer housing for employees is often the hardest to find.

### Existing Housing Summary

The Centergy Region's housing stock is predominately single family, owner-occupied homes with relatively few units being built since 2010, indicating demand for repairs to older homes and a lack of housing options. Housing values, monthly costs, and rent prices are much lower than they are statewide and nationally and the state, but incomes are also lower. Seasonal housing is relatively common across the Region, though it is often not affordable, available, or suited for to a typical working family that lives in the region year-round. Should tourism and short-term rentals increase in popularity, more of the Region's year-round housing stock could be converted into housing for vacationers, further limiting supply and increasing prices for full-time County residents.

Overall, there is an opportunity to expand housing choices to provide more options for a variety of income levels, lifestyles, and household sizes. Locations with existing density, jobs, institutions, and services such as Cities and Villages are more suitable for small lot single family homes as well as multifamily development, whereas areas with well and septic have limited development capabilities beyond single family homes on large lots. Based on the limited housing inventory and concerns over increased housing prices, adding housing units in both rural and incorporated settings will help the Region address housing demand and better attract and retain needed workers and students. Because this Housing Study focuses on workforce housing as an economic development tool, the next section analyses which rent and purchase prices are highest in demand.

(Page intentionally left blank)

# 4. Housing Affordability

While the Centergy Region has a reputation for being affordable relative to other places in the state and country, housing affordability remains a concern for the Region's employers looking to attract workers. When reviewing Section 3 of this study, it appears that the housing values, monthly housing expenses, and median household incomes have risen at a similar rate since 2000. In the late 2010s, housing prices rebounded steadily from the 2000s housing crash. But prices rapidly increased since 2020 for the following reasons:

- **Remote workers and relocating workers** migrated from large cities to smaller cities and rural areas, reducing the supply of housing where it was formerly more abundant and affordable.
- **Many Baby Boomers (1946-1964) decided to retire earlier than expected**, and many of them also left larger cities for small towns and rural areas. This demographic also is buying smaller houses in direct competition with first time homebuyers, while **zoning and financing characteristics have limited the number of new starter homes** over the past several decades.
- **Millennials (1981-1996) became the largest generation and are in their peak homebuying years**, while baby boomers are living longer and remaining in their homes longer than older generations. This results in more households in need of housing relative to the supply. Additionally, **older members of Gen Z (1997-2012) are entering their homebuying years and younger members are looking to rent,** placing additional strain on housing supply. Some news sources report that one in four first-time homebuyer loans is being approved for Gen Z homeowners, with higher rates of homeownership than when Millennials and Gen X were the same age.
- **Many homeowners and homebuyers refinanced or purchased homes with interest rates under 4 percent** in the 2010s and early 2020s, and rates rose sharply to around 7 percent within a few years, which is keeping people in their current homes longer and limiting availability.
- **New construction is more expensive and has not kept up with demand** due to supply chain and labor difficulties, along with an increase in retirements from the construction industry. As new construction struggles to keep up, the median age of housing units in the country continues to increase, indicating a larger share of housing units that are outdated, not up to code, and/or in need of large, expensive repairs.
- **Housing and rental prices did not fall as interest rates rose**, meaning monthly rents or mortgage payments are considerably higher than they were five years ago.

Overall, the most dramatic price increases have occurred only in the last few years, which were compounded by interest rates rising dramatically beginning in 2022. This means that issues workers face in obtaining housing may not be fully captured in the data from the U.S. Census and other sources, which is reflected in the much higher sale prices reported by the Wisconsin Realtors Association as of 2024 compared to the 2023 Census data. **A worker looking for housing today is likely to pay considerably more than they would have just three or four years ago.** Additionally, the WRA reported in 2019 in Special Report: Falling Behind that Wisconsin must construct 200,000 units between 2019 and 2030 to meet not only existing demand, but additional demand to meet jobs vacated by retirees.

## Workforce Housing

In a healthy housing market, a variety of housing exists for all ages, abilities, and incomes. New housing construction frees up available housing supply, benefiting all segments of the housing market. But due to high housing demand and a limited pool of developers and contractors, the Region must identify housing prices and styles that are the highest priority. This helps developers propose projects that are the most feasible while ensuring that the time, resources, and capital invested by local employers, municipalities, counties, and/or other Regional partners benefits the greatest number of households. Therefore, this housing study will focus on workforce housing development.

According to WRA, workforce housing is "housing that is affordable for renting families earning up to 60 percent of the area's median income and for owning families earning up to 120 percent of the area's median income." Taking 60 percent of the lowest median income county (Adams) along with 120% of the highest median income county (Marathon) results in **most of the Region's workforce households earning between $35,000 and $100,000.** Table 16 on the following page indicates **that these households would be able to afford $900 and $2,499 per month in rent or between $100,000 and $299,999 to purchase** given the terms described on said page. Therefore, housing within these rent and purchase ranges is the focus of this housing study.

This does not imply that housing for low-income households, senior households, high earners, or other segments of the population should be disregarded. But generally, high-income housing construction costs are more easily supported by the rents and/or purchase prices that high-income households can afford, and low-income housing units require considerable time, effort, and subsidies to bring online. In summary, focusing on workforce housing maximizes existing resources and benefits the entire housing market due to its construction speed, financial feasibility, and attainability for most households. It also adds new, high-quality housing units to a constrained housing market, improving availability and costs for all incomes as existing housing supply is freed up for lower incomes.

## Cost Burden Analysis

Housing costs are one of the top expenses in most household budgets. Generally, a household should not have to spend more than 30 percent of its income on housing; This is the accepted definition of housing affordability by the U.S. Department of Housing and Urban Development (HUD). Households that spend more than 30 percent are cost burdened, and households spending over 50 percent of income on housing are severely cost burdened. For renters, being cost burdened makes it difficult to save for a down payment on a future house. For homeowners, being cost burdened makes it difficult to save for maintenance and repairs. Groceries, utilities, transportation, childcare, and other household costs have also increased dramatically in recent years, further straining household budgets. While personal finance conditions that affect what a household can afford vary, comparing existing housing costs to incomes using this 30 percent standard can be used to determine affordability.

Table 16 provides a summary of cost burden in the Centergy Region. Note that the cost burdened household columns only include those spending between 30 and 50 percent of their income on housing, with severely cost burdened households paying over 50 percent. The Combined columns include all households spending more than 30 percent, which is the total of the cost burdened and severely cost burdened categories. Tables 17 and 18 break down cost burden by income levels. These tables illustrate two themes: low-income households are more likely to be renters, and low-income households are more likely to be cost burdened than homeowners. This data supports the findings reflected in the "combined" columns of Table 16 that renters are more likely to be cost burdened than homeowners, reflecting the need for quality rental housing that local incomes can afford.

### Table 16: Summary of Cost Burdened Households

| County | Cost Burdened Renter Households | Severely Cost Burdened Renter Households | Cost Burdened Owner Households | Severely Cost Burdened Owner Households | Renter Households Combined | Owner Households Combined |
|---|---|---|---|---|---|---|
| Adams | 18.9% | 18.7% | 14.3% | 10.8% | 37.5% | 25.1% |
| Lincoln | 32.1% | 20.1% | 10.2% | 5.3% | 52.3% | 15.6% |
| Marathon | 24.8% | 18.0% | 8.4% | 5.7% | 42.8% | 14.1% |
| Portage | 22.8% | 16.4% | 8.8% | 5.3% | 39.2% | 14.1% |
| Wood | 21.7% | 17.6% | 9.3% | 6.2% | 39.3% | 15.4% |
| State | 22.3% | 20.7% | 11.6% | 7.8% | 43.0% | 19.4% |
| Nation | 25.3% | 26.4% | 12.9% | 9.3% | 51.7% | 22.2% |

Source: ACS 5-Year Estimates 2023

### Table 17: Percent of Renter Households Spending over 30 Percent of Income on Housing

| County | Less than $10,000 | $10,000-$19,999 | $20,000-$34,999 | $35,000-$49,999 | $50,000-$74,999 | $75,000-$99,999 | $100,000 or more |
|---|---|---|---|---|---|---|---|
| Adams | 100.0% | 89.0% | 61.5% | 20.0% | 5.6% | 0.0% | 0.0% |
| Lincoln | 100.0% | 87.4% | 62.9% | 33.8% | 15.7% | 0.0% | 0.0% |
| Marathon | 95.7% | 84.0% | 83.0% | 45.8% | 12.0% | 2.4% | 0.0% |
| Portage | 100.0% | 86.8% | 75.2% | 25.1% | 7.1% | 2.5% | 1.9% |
| Wood | 99.5% | 77.4% | 65.3% | 36.8% | 7.1% | 0.8% | 1.7% |
| State | 97.7% | 86.6% | 81.7% | 48.8% | 17.6% | 4.5% | 1.5% |
| Nation | 98.0% | 86.0% | 85.2% | 68.6% | 46.6% | 24.8% | 8.1% |

Source: ACS 5-Year Estimates 2023

### Table 18: Percent of Owner Households Spending over 30 Percent of Income on Housing

| County | Less than $10,000 | $10,000-$19,999 | $20,000-$34,999 | $35,000-$49,999 | $50,000-$74,999 | $75,000-$99,999 | $100,000 or more |
|---|---|---|---|---|---|---|---|
| Adams | 97.2% | 75.5% | 42.1% | 28.5% | 20.1% | 10.0% | 5.1% |
| Lincoln | 93.1% | 58.6% | 46.7% | 24.6% | 13.1% | 5.6% | 4.8% |
| Marathon | 98.5% | 85.6% | 44.2% | 27.5% | 12.4% | 6.9% | 2.6% |
| Portage | 100.0% | 87.6% | 49.5% | 24.0% | 15.1% | 6.4% | 3.7% |
| Wood | 98.6% | 75.4% | 39.8% | 26.4% | 9.3% | 3.6% | 2.8% |
| State | 98.4% | 85.0% | 55.9% | 36.1% | 23.3% | 10.1% | 5.9% |
| Nation | 97.0% | 74.3% | 53.3% | 40.1% | 28.1% | 17.5% | 13.3% |

Source: ACS 5-Year Estimates 2023

## Housing Affordability Analysis

The following section breaks down the affordability of owner- and renter-occupied housing units across various income levels to identify where there are gaps between what people can afford and what housing is available. Income, home value, and rent prices are taken from the 2023 American Community Survey to calculate which incomes can afford what housing prices based on contract rent or mortgage costs being 30 percent or less of a household's gross income. The calculations do not include utilities or maintenance costs, but they assume a 30-year mortgage with a 7 percent interest rate and a 10 percent down payment. For owner-occupied units, taxes, and private mortgage insurance (PMI) are included along with the monthly principal and interest payment.

Although 30 percent of income spent on housing is the standard for affordability, many will pay a different percentage of their income at different life stages. Some families with small children only have one income during the early childhood years, while those near retirement age may be close to paying off a 30-year mortgage with a much lower payment than a new one in 2024 would have. Recent college graduates may also have an income that is considerably higher compared to the previous year in school. Others may choose to spend less than 30 percent to save or invest elsewhere, and some are willing to initially spend more than 30 percent for a dream home they know they will live in for a while, with this percentage falling as the household's wages increase over time or if the home is someday refinanced. Table 19 aligns income, rent, and housing value categories available from the U.S. Census as best as possible using the loan terms mentioned above.

**Table 19: Estimated Maximum Monthly Rent and Purchase Prices Based on Income**

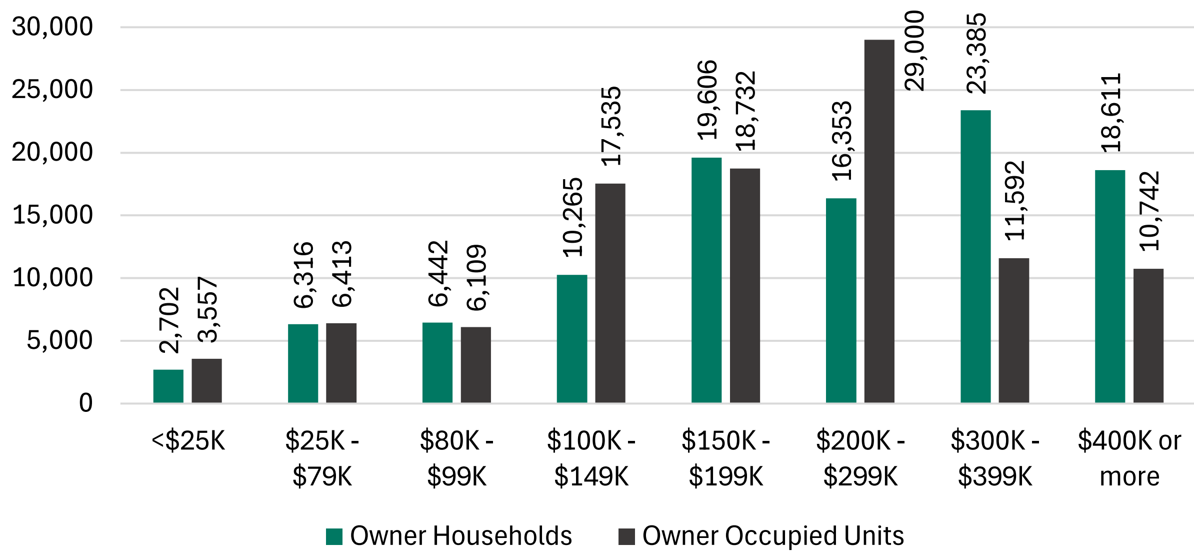
| Income | <$10,000 | $10,000 - $24,999 | $25,000 - $34,999 | $35,000 - $49,999 | $50,000 - $74,999 | $75,000 - $99,999 | $100,000 - $149,999 | Over $150,000 |
|---|---|---|---|---|---|---|---|---|
| Monthly Rent | < $250 | $250 - $599 | $600 - $899 | $900 - $1,249 | $1,250 - $1,499 | $1,500 - $2,499 | $2,500 - $3,499 | $3,500 and over |
| Purchase Price | <$25,000 | $25,000 - $79,999 | $80,000-$99,999 | $100,000 - $149,999 | $150,000 - $199,999 | $200,000 - $299,999 | $300,000 - $399,999 | $400,000 or more |

Source: UW Credit Union Mortgage Qualifier & Google Mortgage Calculator

### Owner Occupied Housing

Figure 4 compares all owner-occupied households' incomes with the housing unit prices they can afford. When there are more households than units, this can indicate a shortage where demand for housing at that price exists. For owner occupied units, there is a gap of 333 units between $80,000 and $99,999, a gap of 874 units between $150,000 and $199,999, a gap of 11,793 units between $300,000 and $399,999, and a gap of 7,869 units above $400,000. While there appears to be an abundance of owner-occupied housing in the $100,000 to $149,999 range and the $200,000 to $299,999 range, those in the income brackets with housing gaps must compete for units in these price ranges, limiting availability for these workforce housing price ranges. It could also indicate that those with higher incomes may be at or near retirement age, so they are not buying a more expensive house, because their monthly income could drop considerably once retired.

**Figure 4: Owner-Occupied Households and Housing Units**

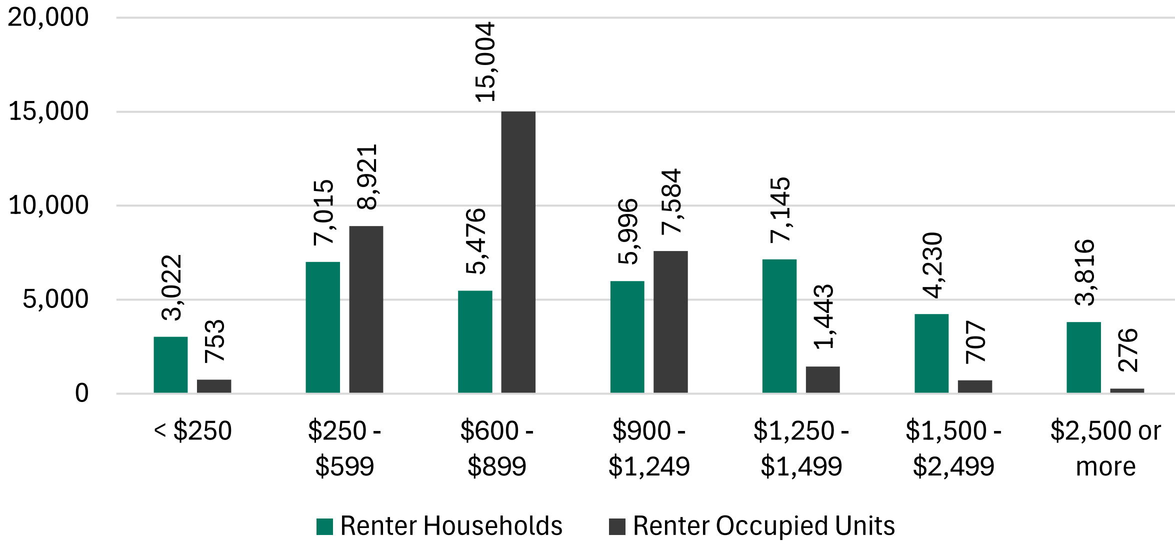



Source: ACS 5-Year Estimates 2022

## Renter Occupied Housing

Figure 5 compares all owner-occupied households' incomes with the housing unit prices they can afford. There appears to be a gap of 2,269 rental units priced under $250 per month, and a gap of 12,765 units that cost $1,250 or more per month. This pattern is like owner occupied housing, where housing units that many people could afford are not available when higher incomes choose units with much lower rents due to a lack of availability. Rental housing for the lowest incomes is also very difficult to construct without considerable subsidies because of elevated construction costs and interest rates.

**Figure 5: Renter Occupied Households and Housing Units**

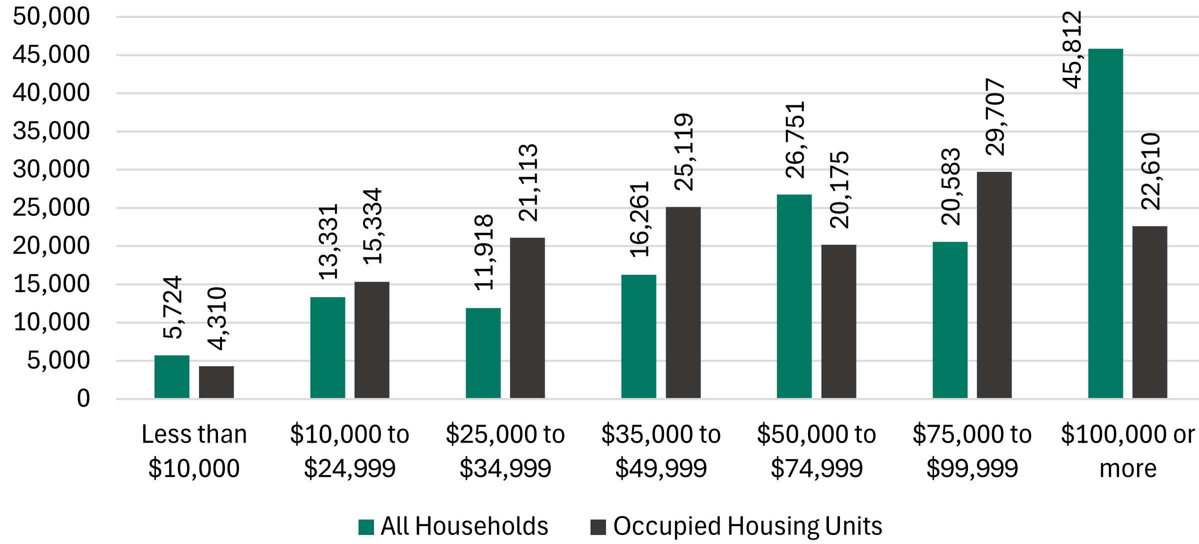



Source: ACS 5-Year Estimates 2022

## All Housing Units

Figure 6 displays all housing unit costs compared to all household incomes regardless of whether they own or rent their homes. There is no data that indicates which renters desire to own a home, or which owners may want to downsize into a rental, so this measurement shows availability of all housing units relative to income. According to the data, there is a gap of 1,414 units available to households making under $10,000 per year, a gap of 6,576 housing units for households making $50,000 to $75,000 per year, and a gap of 23,202 units for households making over $100,000 per year. The shortage of units in the $50,000 to $75,000 income range makes it particularly difficult to attract and retain workforce households to fill vacant jobs as retirements continue. Note that the U.S. Census only provides this data for occupied housing units, so it does not include the estimated 19,180 vacant housing units, most of which are seasonal (second) homes.

**Figure 6: All Housing Units and Household Income**




Source: ACS 5-Year Estimates 2022

## Workforce Housing Priorities

As discussed earlier, the housing market is interconnected, so adding units at all prices frees up inventory and moderates housing costs. For example, new construction, though costly, enables middle-to-higher income households to upgrade, freeing up a more affordable supply of existing homes for lower and middle incomes. Figures 4 through 6 indicate that many households with the highest incomes have relatively few housing choices costing over $300,000 to purchase or over $2,500 to rent. **This results in high income households out-competing workforce households for housing that the workforce could otherwise afford.** The Centergy Region Housing Toolkit included in this housing study describes a variety of approaches that county and local level government can use to increase housing supply and reduce construction costs, though housing affordable for household incomes over $100,000 is not recommended to receive subsidies or other incentives. Rather, regulatory changes can enable more of this housing to be built more quickly, while reserving Centergy's financial resources for workforce housing ($35,000 to $100,000 household income).

Figures 4 through 6 demonstrated which prices lack housing units regionally, with the most pronounced shortage being found for rental units priced between $1,250 and $1,499 per month and owner-occupied units between $150,000 and $199,999, both of which are affordable to households in the $50,000 to $74,999 income range. Note that there is also a gap of owner-occupied units that cost between $80,000 and $99,999. In general, for-purchase housing under $200,000 per unit is not feasible to construct without considerable subsidies. Though the $200,000 to $299,999 price range is out of reach of workforce households earning less than $75,000, it is much more feasible to construct and alleviates demand for both middle- and high-income households, freeing up the existing supply of housing in the sub-$200,000 price range. Additionally, many of these households could buy a $200,000 to $299,999 home in five to ten years should they remain in the Region to advance their careers as higher incomes are more likely to purchase than rent. **Therefore, the highest regional priority is to construct workforce housing units with rent prices of $900 to $1,499 and purchase prices of $200,000 to $299,999** to benefit the most workforce households.

Table 20 provides a detailed breakdown of which housing prices have the most pronounced shortages by County. Note that every Centergy Region County needs rental units priced between $1,250 and $2,499 and three of the five Counties need owner-occupied housing priced between $150,000 and $199,999. Since higher incomes are more likely to buy than rent, housing that rents between $1,250 and $1,499 should be a higher priority than units between $1,500 and $2,499. But larger families not ready to purchase a home are expected to drive some demand for 3-bedroom units which often rent in the $1,500-$2,499 range. **Higher interest rates, grocery prices, childcare costs, and the need for larger down payments to purchase a home make 3-bedroom rentals the only option for some larger workforce families.**

**Table 20: Workforce Housing Priorities**

| Household Income by County | | Renter Households | Rental Units | Difference | Owner Households | Owner Units | Difference |
|---|---|---|---|---|---|---|---|
| Adams | $35,000 to $49,999 | 227 | 77 | **-150** | 1,118 | 1,149 | 31 |
| | $50,000 to $74,999 | 241 | 5 | **-236** | 1,382 | 1,196 | **-186** |
| | $75,000 to $99,999 | 119 | 0 | **-119** | 1,144 | 1,929 | 785 |
| | **Total: Adams Co.** | 587 | 82 | **-505** | 3,644 | 4,274 | 630 |
| Lincoln | $35,000 to $49,999 | 393 | 407 | 14 | 917 | 1,988 | 1,071 |
| | $50,000 to $74,999 | 240 | 8 | **-232** | 1,996 | 1,567 | **-429** |
| | $75,000 to $99,999 | 259 | 0 | **-259** | 1,797 | 2,391 | 594 |
| | **Total: Lincoln Co.** | 892 | 415 | **-477** | 4,710 | 5,946 | 1,236 |
| Marathon | $35,000 to $49,999 | 2,539 | 3,770 | 1,231 | 3,603 | 6,850 | 3,247 |
| | $50,000 to $74,999 | 3,005 | 812 | **-2,193** | 7,744 | 8,101 | 357 |
| | $75,000 to $99,999 | 2,017 | 409 | **-1,608** | 6,510 | 12,271 | 5,761 |
| | **Total: Marathon Co.** | 7,561 | 4,991 | **-2,570** | 17,857 | 27,222 | 9,365 |
| Portage | $35,000 to $49,999 | 1,662 | 2,069 | 407 | 2,161 | 2,484 | 323 |
| | $50,000 to $74,999 | 1,780 | 382 | **-1,398** | 3,568 | 3,592 | 24 |
| | $75,000 to $99,999 | 1,043 | 242 | **-801** | 3,222 | 6,650 | 3,428 |
| | **Total: Portage Co.** | 4,485 | 2,693 | **-1,792** | 8,951 | 12,726 | 3,775 |
| Wood | $35,000 to $49,999 | 1,175 | 1,261 | 86 | 2,466 | 5,064 | 2,598 |
| | $50,000 to $74,999 | 1,879 | 236 | **-1,643** | 4,916 | 4,276 | **-640** |
| | $75,000 to $99,999 | 792 | 56 | **-736** | 3,680 | 5,759 | 2,079 |
| | **Total: Wood Co.** | 3,846 | 1,553 | **-2293** | 11,062 | 15,099 | 4,037 |
| Centergy Region | $35,000 to $49,999 | 5,996 | 7,584 | 1,588 | 10,265 | 17,535 | 7,270 |
| | $50,000 to $74,999 | 7,145 | 1,443 | **-5,702** | 19,606 | 18,732 | **-874** |
| | $75,000 to $99,999 | 4,230 | 707 | **-3,523** | 16,353 | 29,000 | 12,647 |
| | **Total: Region** | 17,371 | 9,734 | **-7,637** | 46,224 | 65,267 | 19,043 |

Source: ACS 5-Year Estimates 2023

Table 20 suggests that there are more owner-occupied housing units available to workforce families than rental units, and employers often report potential new hires turning down employment offers after not being able to find a rental unit even if they intend to purchase long-term. Therefore, both renter- and owner-occupied housing units are still needed to alleviate demand in these price ranges.

### Units per Worker

Another way to measure workforce housing availability is to determine how many units in each income range are available for each household with a householder between the ages 25 and 64. Table 21 summarizes this data, and income ranges that have one or fewer units per workforce household are in bold. Note that workforce households must compete with retirees, college students, and other groups outside this age range for these housing units. In general, the lower the number, the fewer housing choices each income range has. Most Counties have relatively few choices for rental units, which are important for attracting new workers or retaining young workers from the Region as they establish their careers. Again, across the region, we see the most limited choices for owner-occupied housing for households between $50,000 and $75,000. These owner-occupied units are also essential for retaining workers long-term as renters who choose to stay in a community often purchase a home as they build savings and advance their careers.

**Table 21: Housing Units per Workforce Household by County and Income**

| Household Income | Rental Units per Workforce Household | | | | |
|---|---|---|---|---|---|
| | Adams | Lincoln | Marathon | Portage | Wood |
| $35,000 to $49,999 | **0.1** | **0.5** | 1.1 | 1.1 | **0.6** |
| $50,000 to $74,999 | **0.0** | **0.0** | **0.1** | **0.1** | **0.1** |
| $75,000 to $99,999 | **0.0** | **0.0** | **0.1** | **0.1** | **0.0** |
| **Household Income** | **Owner Occupied Units per Workforce Household** | | | | |
| | **Adams** | **Lincoln** | **Marathon** | **Portage** | **Wood** |
| $35,000 to $49,999 | 2.1 | 2.5 | 2.0 | 1.3 | 2.6 |
| $50,000 to $74,999 | 1.5 | 1.1 | 1.2 | 1.2 | **1.0** |
| $75,000 to $99,999 | 3.0 | 1.7 | 2.0 | 2.4 | 1.8 |

Source: ACS 5-Year Estimates 2023

## Summary

There are endless ways to measure housing affordability and each household's financial situation is unique. Using the widely recognized standard of spending no more than 30 percent of a household's income on housing each month provides a consistent method to analysis the Centergy Region's housing market across all incomes by County. Special attention is given to workforce households, who are generally defined as those with householders between ages 25 and 64 that make between $25,000 and $100,000. This segment of the population represents most of the Region's population, which plays an essential role in filling jobs as the Region experiences a strong wave of baby boomer retirements. Housing affordable to this segment of the population is also attainable for many households that do not fit this demographic while avoiding the need for considerable subsidies that low-income housing requires. Focusing on workforce housing ensures that time and financial resources from local employers and local government are used most resourcefully to provide the most in-demand housing as efficiently as possible.

This section of the housing study provided three methods of visualizing where housing demand is:

- Overall gaps in the Regional housing market for all incomes
- County-level gaps for housing units for workforce household incomes ($25,000 to $100,000).
- Ratio of available housing units for workforce households between ages 25 and 64 by income.

In summary, there does appear to be a large gap between the number of workforce housing units and the number of workforce households. However, constrained supply for middle-to-higher income households results in more competition for lower- and middle-income housing units, increasing costs for all incomes and limiting availability. Construction costs are a barrier to creating new housing of all types. As a result, **this housing study recommends encouraging a variety of strategies that enable all styles of housing units to be built and maintained, with a special focus on workforce housing with rent prices between $900 and $1,499 and purchase prices of $200,000 to $299,999.** Tables 20 and 21 should be used to determine how the mix of these units should be allocated by County, with a general recommendation to locate new housing in areas already served by public water, sewer, and transportation facilities near jobs, schools, and other community facilities.

In addition to supporting new construction, Centergy's Counties and municipalities should continue to promote regulatory changes and financial products that promote the maintenance, renovation, and redevelopment of existing housing stock to ensure high quality housing at more affordable prices than new construction. These strategies are found in the Centergy Region Housing Toolkit section of this housing study. Additional strategies in the Housing Toolkit also increase the speed, feasibility, and affordability of new construction, which can be combined with a Regional Housing Fund to close the gap between construction costs and rent or purchase prices.

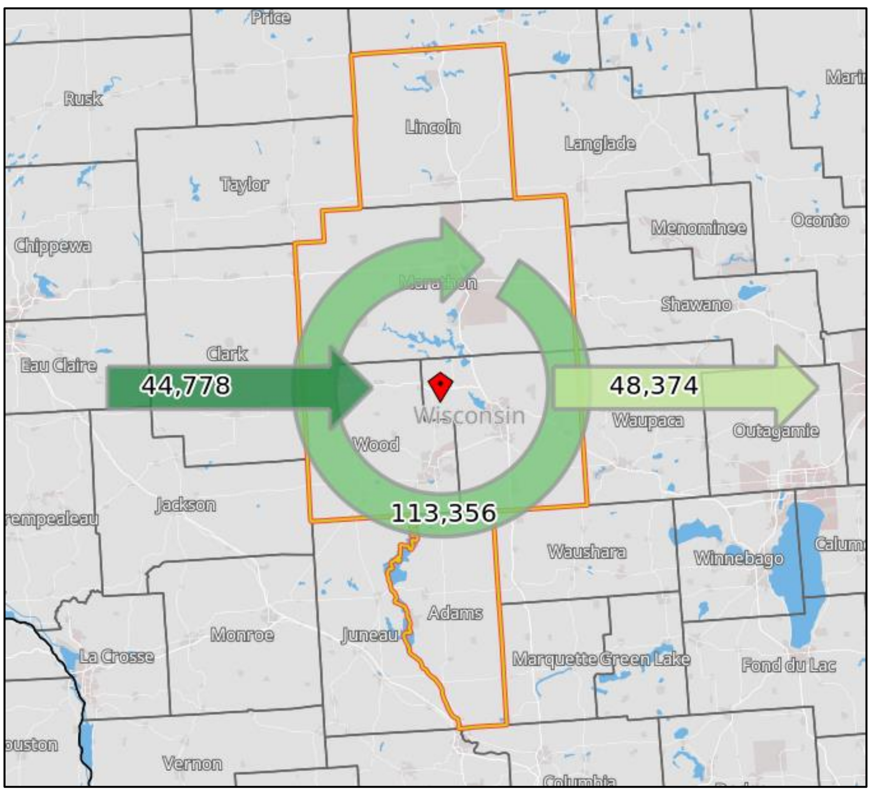
# 5. Housing Demand

Housing demand in the Centergy Region is driven by existing and future residents as well as potential inbound moves from other locations. The last section of this Housing Study examined gaps in the housing market for existing residents, while this section examines commute patterns, potential inbound moves, and projected changes in the total number of households through 2040.

## Commuter Demand Analysis

According to the U.S. Census-on-the-Map tool, 44,778 workers commute into the Centergy Region each day, and 48,374 residents leave the Centergy Region for work every day. An estimated total of 113,356 workers both live and work in the region. See Figure 7.

**Figure 7: Commute Patterns in the Centergy Region**



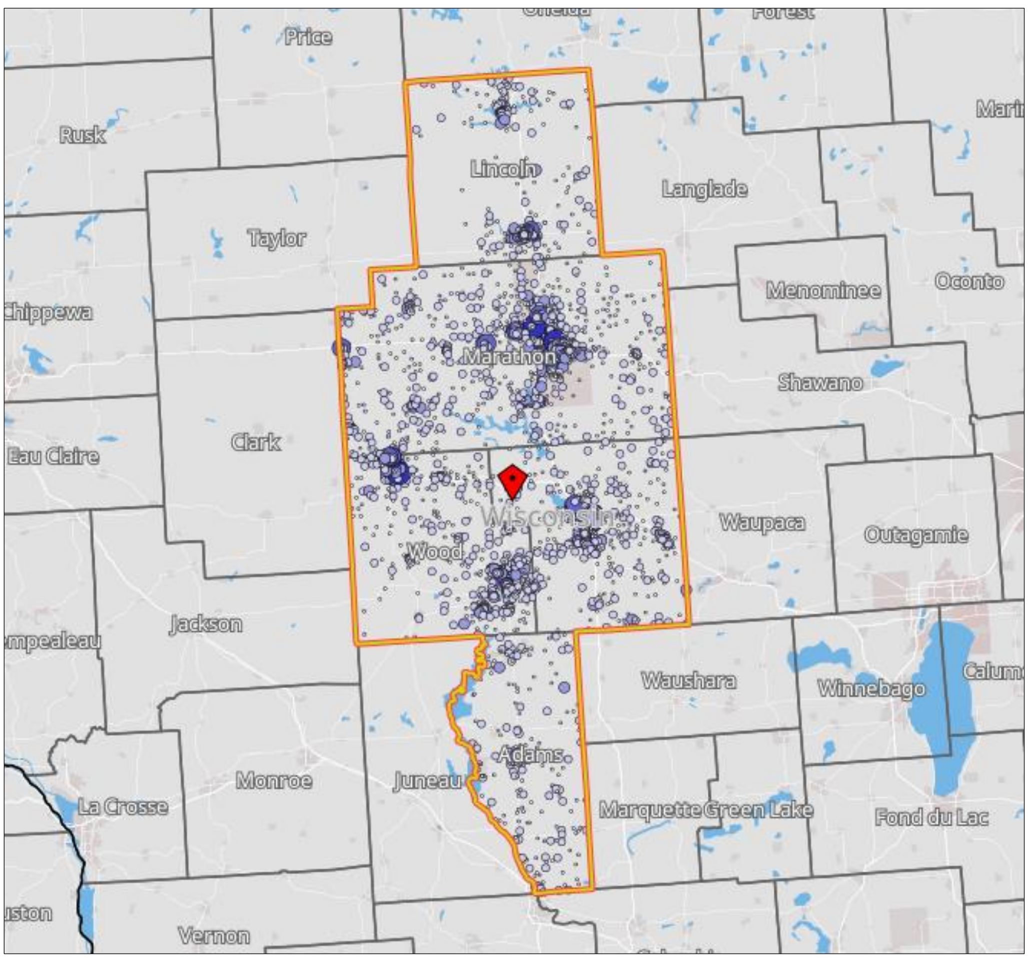

Source: U.S. Census-on-the-Map 2022

Though many households are probably commuting to nearby metropolitan areas outside of the Region, such as Madison, La Crosse, Eau Claire, and Fox Cities, a large share of the Region's workforce may desire to move closer to work. According to the U.S. Census Bureau, Average commute times are 29.1 minutes in Adams County, 22.1 minutes in Lincoln County, 19.3 minutes in Marathon County, 19.5 minutes in Portage County, and 19.5 minutes in Wood County. There are also many workers commuting between the Region's counties, indicating a potential for adding housing units closer to employment centers. This would free up housing, enable more people to live closer to work, and reduce commute times.

Providing housing options closer to work not only increases the odds these workers will remain with their employer long-term, but it will also allow them to spend less of their income on transportation and potentially increase spending within the Region. Additionally, expanding housing choices ensures more potential hires can live and work in the Region, resulting in a more robust workforce and year-round population. This improves the tax base, boosts school enrollment, and provides economic benefits.

Figure 8 shows a heat map of job locations, with larger bubbles in darker colors representing higher concentrations of jobs. Most jobs are in urban areas, where it is most feasible to build new housing due to proximity to existing infrastructure. But it is important to not exclusively consider larger communities like the greater Marshfield, Stevens Point, Wausau, and Wisconsin Rapids areas, since smaller communities like Abbotsford, Adams-Friendship, Amherst, Marathon City, Merrill, Nekoosa, Rome, Spencer, and Tomahawk also have higher concentrations of jobs, amenities, and infrastructure relative to their surroundings.

**Figure 8: Heat Map of Job Locations in the Centergy Region**




Source: U.S. Census-on-the-Map 2021

Though it is difficult to capture the number of inbound commuters who would like to move to the Centergy Region using data, these numbers provide an example of the opportunity that the Region has to build housing to increase its tax base, strengthen its workforce, revitalize aging communities, and increase the number of residents who will spend their money in the Region while improving affordability.

## Projected Housing Demand

The Wisconsin Department of Administration (WDOA) launched the state's official population and household projections in 2013 through the year 2040. Table 22 shows WDOA's projected number of households from 2020 through 2040.

**Table 22: Projected Total Households 2020-2040**

| County | 2020 | 2025 | 2030 | 2035 | 2040 | Total | % Change |
|---|---|---|---|---|---|---|---|
| Adams | 9,887 | 10,599 | 11,090 | 11,244 | 11,219 | 1,868 | 20.0% |
| Lincoln | 12,922 | 13,557 | 14,046 | 14,126 | 13,693 | 1,115 | 8.9% |
| Marathon | 57,394 | 59,611 | 61,524 | 62,958 | 63,730 | 6,857 | 12.1% |
| Portage | 29,817 | 30,555 | 31,139 | 31,517 | 31,637 | 2,001 | 6.8% |
| Wood | 32,486 | 32,861 | 33,043 | 33,175 | 32,561 | 619 | 1.9% |
| **Region** | **142,506** | **147,183** | **150,842** | **153,020** | **152,840** | **12,460** | **8.9%** |
| State | 2,491,982 | 2,600,538 | 2,697,884 | 2,764,498 | 2,790,322 | 344,294 | 14.1% |

Source: Wisconsin DOA 2013

Having been released in 2013, the DOA projections are somewhat out of date, because many economic changes have occurred since then. In general, the Region did not grow as fast in the 2010s as initially projected. But most of the Centergy Region saw an unexpected population bump between 2020 and 2024 according to both the U.S. Census and Wisconsin DOA. Table 23, below, takes the difference between the estimated number of households in 2023 and the number that was originally projected in 2020 and applies them to all future projections to estimate housing demand. Even though the estimated number of future households was reduced for all five counties, there is still a strong regional demand for housing units both immediately and by 2030, followed by continued but waning demand through 2040.

**Table 23: Projected Number of New Housing Units Needed through 2040**

| County | 2023 Estimated | Compared to 2020 Projection | Immediate Need (2025) | 2030 | 2035 | 2040 | Total |
|---|---|---|---|---|---|---|---|
| Adams | 9,351 | -536 | 712 | 491 | 154 | As needed | 1,357 |
| Lincoln | 12,578 | -344 | 635 | 489 | 80 | As needed | 1,204 |
| Marathon | 56,873 | -521 | 2,217 | 1,913 | 1,434 | 772 | 6,336 |
| Portage | 29,636 | -181 | 738 | 584 | 378 | 120 | 1,820 |
| Wood | 31,942 | -544 | 375 | 182 | 132 | As needed | 689 |
| **Region** | **140,380** | **-2,126** | **4,677** | **3,659** | **2,178** | **892** | **11,406** |

Source: ACS 5-Year Estimates, 2022; WDOA; & NCWRPC

Although the data in Table 23 is broken down to the county level, the pronounced need for housing means that new units, regardless of the county they are in, help address demand. This is because fewer people need to commute long distances if more housing is available, as reflected in the large share of workers who both live and work within the Region.

Note that Wisconsin DOA released population projections in 2025 based on the 2020 Census. These projections show all five counties losing population between 2020 and 2030. However, they did not account for the observed population growth between 2020 and 2024, and they did not provide updated household projections. The state's projections also did not factor the potential for more inbound moves to Wisconsin as other states in the U.S. struggle with cost-of-living and major natural disasters. It is solely based on age groups of existing Wisconsin residents. In summary, this housing study uses the most recent household projections (2013) available and adjusts them downward to project housing demand that is below the overly optimistic 2013 projections and possibly pessimistic 2025 projections.

### Additional Housing Needs

There are several groups of people in need of specific types of housing, especially for those with disabilities. New construction must be compliant with the Americans with Disabilities Act (ADA), so encouraging new construction of any kind automatically helps those who need ADA-accessibility. There is also a need to support retrofits that can be made to existing structures to make them more accessible, such as ramps or zero-entry showers. Centergy should encourage its counties and municipalities to monitor programs and opportunities to enhance the existing housing stock's accessibility as the region's population ages.

There are also facilities like nursing homes or rehabilitation facilities which are needed, but difficult to project in a housing study. Centergy's counties and municipalities should support these types of housing as needs vary across the region and over time. Additionally, military housing, on-campus college student housing, and prisons are considered types of housing that may exist or be needed but are excluded from this housing study due to the complexity of estimating demand for them.

Finally, short-term rentals, such as Airbnb and VRBO, have surged in popularity over the last few years, especially as remote work allows people to work while traveling. Wisconsin State Statute allows local government to regulate certain aspects of these properties but does not allow local government to prohibit them. These properties are especially common in areas with extensive lakefront property. These rentals are much more expensive than traditional rental housing since they usually play the same role a hotel or cabin would, rather than a traditional long-term rental property. But because renters have appreciated the flexibility and variety in short-term rentals, longer-term rental properties across the country have been offering shorter lease terms in recent years, though they are still relatively uncommon and expensive. In communities with strong tourism-based economies, there is concern that short-term rentals make it harder for seasonal or year-round residents to find a place to live. Centergy's counties and municipalities should monitor state law changes to these properties and the impact they have on the local housing market.

### Household Net Worth

In addition to income, net worth plays a role in housing affordability as those with higher net worth have more housing options. In general, households with higher incomes not only devote a smaller portion of their income to housing, but they also tend to have a higher net worth. If mid- to high-end housing supply is constrained, households with high income and/or high net worth may compete against those with more moderate incomes for the same housing, putting moderate income households at a disadvantage for not only obtaining housing, but also continuing to build equity through homeownership.

According to the U.S. Census 2019 Wealth and Asset Ownership tables, the median household net worth in Wisconsin is $110,500, slightly behind the U.S. median of $118,200. However, this varies across the state as 14 percent of Wisconsin households have zero or negative net worth. 18.5 percent have between $1 and $24,999; 16.2 percent have between $25,000 and $99,999; 25.1 percent have between $100,000 and $499,999; and 26.2 percent have over $500.000. In general, roughly a quarter (25.7 percent) of Wisconsin households have either zero, negative, or less than $5,000 in net worth altogether, impacting what a household can afford to spend on housing.

## Housing Demand Summary

Although the Centergy Region appears to have housing that is affordable and available for workforce households, this is offset by household incomes that are lower than in larger cities, a high share of retired residents, extensive seasonal housing, and a shortage of higher end housing. The result is that households of various incomes compete over similar housing units, driving up prices for low- and middle-income households. It also makes the region less desirable for developers who work in larger cities, as lower prices make margins smaller as construction costs remain high. Therefore, a variety of strategies and programs are needed to expedite more housing being constructed in the Region.

Although local populations have experienced minimal or moderate growth, the number of households is increasing at a faster rate than the overall population because household size is decreasing. For example, a family with two parents and three children would be a single household of five people. But within a decade, this family could be broken up into 3-4 households of 1-2 people each as children graduate high school and enter college or the workforce. This can result in demand in communities that do not have strong population growth.

Housing that accommodates disabilities is expected to increase in demand as the population ages, and net worth can influence a household’s purchasing power regardless of their monthly income. An aging housing stock means that many housing units are past their useful life and may no longer be worth investing in renovating, meaning that some demand will come from the need to replace them. Finally, remote work, demand for tourist homes, and an increase in natural hazards impacting other U.S. states could further fuel demand in safe, attractive, low cost of living locations like the Centergy Region in the future. Overall, there is an estimated need of up to 11,406 housing units by 2040, 8,336 of which are needed by 2030.

(Page intentionally left blank)

# 6. Existing Plans, Policies, and Conditions

Plans and ordinances influence the feasibility of constructing different housing styles, their associated costs, and where housing can be located. This section includes a summary of existing conditions followed by a detailed description of the policies and strategies that are available to the Region and its counties and municipalities.

## Existing Plans

### Comprehensive Plans

Wisconsin State Statutes 66.1001 lists the comprehensive plan requirements for Counties and municipalities. All comprehensive plans must be updated every ten years, and they contain nine elements, one of which is housing. Additionally, the land use and utilities elements can help developers identify which locations in a municipality are planned for housing. The economic development element identifies potential redevelopment sites as well as available redevelopment programs. In summary, comprehensive plans are useful to identify what a community's housing priorities are and where housing can be located. Note that some housing programs require a comprehensive plan's housing element to be updated every five years. See the Housing Programs section of this study for more information.

### Housing Studies

As of 2025, NCWRPC has conducted or is in the process of conducting housing studies for the Wausau Metropolitan Area (2022), Juneau County (2018; updated 2023), Adams County (2025), Wood County (2025), and Oneida County (2025). Additional housing studies and surveys have been conducted for various municipalities in the Region, but many were completed before housing prices shifted dramatically in the past five years. It is important to note, however, that findings from five or more years ago still indicate a lack of desirable housing in the Centergy Region, such as in the 2020 Tomahawk Area Housing Survey conducted by the University of Wisconsin – Extension. Refer to these housing studies for community-specific findings and housing needs. Overall findings that are similar between studies include:

- Not enough housing is available for lower- and middle-income households
- Affordable housing is in very poor condition
- Low mortgage rates in the 2010s and early 2020s have locked people into their homes, with higher interest rates in recent years discouraging people from upgrading or downsizing
- Seniors and first-time homebuyers must compete for starter homes, and most construction in the past several decades has been larger homes
- There is a large gap between construction costs and what households can afford
- High housing costs and inflation make it difficult to save for a down payment, repairs, and other aspects of homeownership
- Employers find it difficult to recruit new employees from outside the area because of limited housing availability, even though the wages, cost of living, and quality of life in Central Wisconsin are more attractive than other parts of the state and country
- As trades workers retire, it is difficult to find reliable and affordable contractors for repairs

- When seniors struggle to find a lower maintenance housing units to downsize into, deferred maintenance reduces the quality of the home they live in which a younger family could afford to update and maintain
- Rent prices often increase in response to increasing maintenance and utility costs, but the quality of the units does not necessarily improve
- Subsidized housing has minimum requirements for safety and health, so they are often a step up from the cheapest privately offered housing units, but deferred maintenance is still an issue, and there are long wait lists
- The most affordable privately offered housing units are usually in the worst shape, but they are often the only available unit that some households can afford
- Development fees and land costs are low, but places with higher income potential like Madison, Milwaukee, and the Twin Cities put Central Wisconsin at a disadvantage when recruiting developers, despite higher costs and more regulations
- There is strong interest in financial programs that help maintain existing housing stock

These findings have generated interest in utilizing strategies that attract developers, remove unnecessary regulations, and address the financial gap that prevents new housing from being constructed.

### North Central Wisconsin Regional Comprehensive Plan (Update in process as of 2025)

The 2025 Regional Comprehensive Plan (RCP), currently being written by NCWRPC, identifies several issues affecting community livability related to housing: affordability, availability, housing conditions, seasonal housing, and housing for seniors, low-income households, and people with disabilities. The draft plan's objectives are to ensure a wide mix of housing is available to residents of all income levels, stabilize and upgrade existing housing stock, and provide support for an aging population to successfully age at home.

### Welcoming Wisconsin Home: A Statewide Action Plan for Homelessness 2021-2023

The Wisconsin Interagency Council on Homelessness launched this ambitious series of programs and strategies to reduce homelessness in Wisconsin. The report recommends addressing wealth gaps, investing in affordable housing, programs, and services, improving housing access through counseling, repair assistance, and other strategies, stabilizing existing housing by growing jobs and other opportunities, using data to make decisions, using resources such as housing vouchers, and expanding partnerships between government programs and nonprofit agencies and working with surrounding states.

### Wisconsin State Consolidated Housing Plan

The Consolidated Housing Plan is required by the Department of Housing and Urban Development (HUD) in the application process required of the State in accessing formula program fund of Small Cities Community Development Block Grants (CDBG), HOME Investment Partnerships, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS (HOPWA). The Consolidated Plan provides the framework for a planning process used by States and localities to identify housing, homeless, community, and economic development needs and resources, and to tailor a strategic plan for meeting those needs.

### Wisconsin Realtors Association’s Workforce Housing Report (2019)

The association released a study in 2019 finding a lack of workforce housing throughout the State of Wisconsin. The claim is backed by the falling number of building permits being issued for new home construction, the rising cost of new home construction, a decline in home ownership and a continued decline in overall affordability. If Wisconsin constructed housing units at the same rate as 1994 through 2004, there would have been 200,000 more housing units and 115,000 new building lots statewide than there were in 2019 when the report was published. The report is on WRA’s website and it is being updated as of 2025.

### Plans Summary

Overall, planning documents that apply to Centergy’s counties and municipalities guide which policies, programs, and zoning ordinances will be adopted, ultimately affecting what type of housing can or cannot be built, and how it will be built. This affects housing prices and availability for all home buyers. Existing plans and ordinances influence the feasibility of constructing different housing styles, their associated costs, and where housing can be located. This section includes a summary of existing conditions followed by a detailed description of the policies and strategies that are available to the Region and its counties and municipalities.

## Existing Policies

### Existing Ordinances

Typically, municipalities administer their own zoning and subdivision ordinances, which affects what type of housing can be built. Municipalities without their own zoning and subdivision ordinances rely on their respective County to administer these ordinances. Regulations like airport height limits, number of parking spaces, stormwater ponds, and minimum open space requirements can limit the number of units that can be built on a site. This study recommends local review of zoning and subdivision ordinances to determine if excess regulations can be adjusted or removed to reduce construction costs.

There are other factors that influence development patterns besides zoning. Public water and sewer systems typically allow for smaller lot sizes than individual well and septic systems, which require more space. Developers also must balance their lender’s requirements with the preferences that a buyer or renter has, influencing the type and size of housing that is constructed. In general, this housing study focuses on small (around a quarter acre or less) single family homes and multifamily housing units in incorporated areas served by public utilities.

### Building Code Considerations

Although zoning may permit higher densities and a greater variety of units in a structure, building code requirements can add costs depending on a structure’s configuration. For example, a single-family home can be converted into a two-family home. But once a structure is converted to three or more units, components such as fire separation, separate utility meters, fire sprinklers, larger water meters, higher water pressures, or other requirements may apply depending on the structure. Elevators are typically required for taller structures, further driving up the cost of housing. Therefore, municipalities should be aware of these developer costs that influence purchase or rent prices.

## Infrastructure Costs

A subdivision ordinance typically specifies dimensions for right-of-way, road width, sidewalks, lot frontage, and other standards. Adjusting these standards can allow for narrower lots, narrower travel lanes, and sidewalks and/or parking lanes required on only one side of the street instead of both. These result in lower infrastructure costs, more taxable real estate per acre, and a reduction in the amount of infrastructure a municipality must maintain long-term. Narrow streets may also result in lower traffic speeds, improving safety in residential areas. Finally, allowing developers to wait until all housing units on a site to be completed before requiring the installation of sidewalks, streetlights, boulevard trees, and other furnishings reduces costs by minimizing potential damage from construction equipment.

## Permitting Processes

Reducing the fees and time associated with approvals to construct new housing improves affordability and the ability for developers to construct new housing more quickly. Requiring public hearings for certain approvals can delay projects and amplify opposing voices, reducing the likelihood that needed housing units will be constructed.

## Land Available for Development

Open, undeveloped land is abundant in the Centergy Region, but land already served by existing infrastructure and utilities is most feasible for new development. This reduces the up-front investment for new infrastructure along with the long-term maintenance costs that result from added infrastructure. Annexations, Boundary Agreements, and Sewer Service Area amendments may provide additional developable acreage over time. Additionally, utilizing publicly owned land saves developers time and money as there is no additional landowner to work with while navigating approvals with a municipality or County. Counties, employers, school districts, and municipalities all own extensive land in the Region, and much of it could be used for housing. For example, underutilized business park space can provide housing near jobs, or consolidation of a county department or school district facilities can present a redevelopment opportunity.

Site constraints may be encountered, such as steep slopes, high water tables, shallow bedrock, unsuitable soils, and infrastructure costs, and some acreage may have to be reserved for roads, stormwater ponds, and other public facilities. Each community's comprehensive plan includes a more detailed description of locations, constraints, and opportunities for new construction, along with strategies to preserve and enhance existing neighborhoods.

## Financial Conditions

According to Freddie Mac, the average interest rate on a 30-year mortgage was 2.68 percent in December 2020. By Summer 2024, this rate had held steady at just over 7 percent for several months. While mortgages in the 2010s and early 2020s were low by historical standards, higher rates reduce what a homeowner can afford. Developers seeking financing for projects will also experience higher costs, which are reflected in higher sales or rent prices when housing units are complete. Even if housing prices decline, monthly payments may remain unaffordable for many. Inflation has also impacted transportation, utility, and grocery costs which make up a considerable portion of a household's budget. When combined, inflation and interest rates stretch household budgets and impact low and moderate-income households the most, exacerbating the already scarce supply of homes these households can afford.

## State Law Changes

Across the Region, financial, regulatory, and physical characteristics of each individual community influence the style and cost of housing. State policies and programs continue to evolve in response to high housing costs, so the Region and its communities should continue to monitor them as they emerge. Recent changes to state law include the 2017 "Homeowners' Bill of Rights." Key components of these two pieces of legislation (Assembly Bill 479 and Senate Bill 38) include:

- **Nonconforming lots are grandfathered.** Previously, lots smaller than the minimum required by zoning and/or subdivision ordinances were not buildable. These lots are now developable, increasing land available for housing.
- **Conditional Use Permits.** Previously, Conditional Use Permits (CUPs) were reviewed on a case-by-case basis with conditions imposed individually for each proposed use in response to concerns generated by the proposed use. Now, zoning ordinances must list the conditions a CUP must meet, clarifying which uses are likely to be approved as a CUP. For example, if a conditional use permit is required to have fencing or screening and the developer includes this requirement in their plans, a municipality is required to approve the CUP. This reduces lengthy approvals and project costs.
- **Ordinance Changes and Permit Applications.** If a new ordinance is enacted after a permit application is submitted, but before a structure is built, the structure is still permitted to be built under the rules that existed at the time of the application, saving developers time and money.
- **Other laws** under the bill of rights included more rights to challenge tax assessments and clarifications regarding area and use variances to help homeowners with unique properties.
- **Housing affordability and impact fee reports** are now required to be posted annually for all municipalities with over 10,000 residents.

Several organizations participate in advocating for legislative changes related to housing affordability. The Wisconsin Realtors Association (WRA) and Wisconsin Builders Association (WBA) websites contain an up-to-date list of state legislative priorities and advocacy aimed at reducing costs for homeowners. The American Planning Association – Wisconsin Chapter also advocates for state-level housing reform primarily through the expansion of tools and programs municipalities may use. Many of these proposed changes include expanding the ability of TIF to finance new housing construction and other financial tools municipalities can use without burdening taxpayers unnecessarily. Centergy, Inc. and its partners should subscribe to updates from these organizations to ensure they are following the latest state law changes and remain informed of emerging strategies municipalities may be enabled to use to attract development.

## Policies Summary

Overall, it is recommended that counties and municipalities consider amending zoning ordinances to remove zoning barriers listed in this section of the study. Those working in the Centergy Region should also monitor emerging state policies and programs to take advantage of future opportunities that may not exist at the time this plan was written. The following section is the Centergy Region Housing Toolkit, which lists known programs and strategies that can be used to address existing housing barriers.

(Page intentionally left blank)

# 7. Centergy Region Housing Toolkit

The overall focus of this housing study is identifying the gap between construction costs and what local incomes can afford, and support for a regional housing fund to address this gap. This regional approach is being targeted especially for the region's workforce, as low-income housing is especially difficult and expensive to construct without deep subsidies, and high-end housing only benefits a small portion of the population who is most likely to be able to find suitable housing. The goal of this housing study is to attract and retain the region's workforce by providing an adequate supply of housing attainable for those incomes.

Construction costs can be reduced by modifying construction regulations, utilizing a variety of financing approaches, reducing time and costs associated with permitting, and more. The purpose of this section is to assist developers, investors, local governments, and elected officials in identifying which approaches can be used alongside a regional housing fund to ensure housing funds are spent as wisely as possible. Programs and strategies can be creatively used with each other to ensure a housing project's success. **Developer Agreements between developers, municipalities, and/or Centergy, Inc. must be executed to ensure a strategy's cost savings are reflected in final rent and purchase prices.** Other programs and strategies may exist beyond what is listed in this section, and NCWRPC monitors emerging programs as they are announced.

## Housing Programs

### Wisconsin Department of Administration (WDOA)

**Programs:** Community Development Block Grant-Housing Revolving Loan Fund (RLF) Program, Community Development Block Grant-Small Cities Housing Program, Emergency Housing and Homeless (EHH) Programs, HOME Homebuyer and Rehabilitation Programs, the Neighborhood Stabilization Program, and housing-related consumer protection services.

**Eligible uses:** Projects must benefit low-to-moderate income (LMI) households, such as subsidized loans and rent vouchers, grants for housing rehabilitation, homebuyer assistance, public facilities, preventing or addressing homelessness, preservation of existing low-income housing units, blight prevention for foreclosed properties in distressed neighborhoods, and protections against unfair and deceptive business practices regarding landlords, tenants, home improvements, and lending.

### Wisconsin Housing and Economic Development Authority (WHEDA)

**Advantage Home Improvement Loan Program (HILP)** and the **More Like Home Repair & Renew (R&R) Loan** are for homeowners looking to replace structural components like roofing and windows.

**The 2023 Wisconsin Bipartisan Housing Legislation Package** has three loan programs for developers:

- Infrastructure Access Loan covers the costs of installing, replacing, upgrading, or improving public infrastructure related to workforce housing or senior housing.
- Restore Main Street Loan covers the costs of improving or restoring workforce housing units.
- Vacancy-to-Vitality Loan covers the costs of converting vacant commercial buildings to workforce housing or senior housing.

**Housing Tax Credits (HTC)** (formerly LIHTC) incentivize new housing and rehabilitation of existing structures for affordable housing by reducing federal taxes for developers who designate low-income units (60 percent or less of the median income). The tax credit is paid over 15 years to investors in the housing project.

The **Housing Grant Program** awards up to $50,000 to nonprofit organizations/cooperatives, community development/redevelopment/housing authorities, local government, and tribal authorities to assist in the development and improvement of housing facilities throughout our state that house people in crisis.

### Wisconsin Economic Development Corporation (WEDC)

**Site Assessment Grants** fund environmental assessment and demolition activities on eligible abandoned, idle or underutilized commercial or industrial sites with suspected soil or groundwater contamination.

**Brownfields Grants** fund the redevelopment of former commercial and industrial sites that have been adversely impacted by environmental contamination so they can become suitable building sites.

**Idle Sites Redevelopment Grants** support the redevelopment of large former commercial, industrial, and institutional sites that have been idle, vacant or underutilized for a period of five years. Grant funds can be used for building rehabilitation or demolition, environmental remediation, or infrastructure improvement.

**Community Development Investment Grants** provide financial support for shovel ready projects in downtown areas that benefit the community, especially mixed-use development.

### U.S. Department of Housing and Urban Development (HUD)

**Section 8 Vouchers and Public Housing** are administered by HUD to help low-income households.

### U.S. Department of Agriculture – Rural Development (USDA-RD)

**Programs:** Section 502 Homeownership Direct Loan Program, Section 502 Mutual Self-Help Housing Loans, Section 504 Very-Low-Income Housing Repair Program, Section 515 Multi-Family Housing Loan Program, Section 521 Rural Rental Assistance Program, Section 523/524 Rural Housing Site Loans, Section 533 Rural Housing Preservation Grants, and Single-Family Home Loan Guarantees.

**Eligible uses:** These programs help lower income households obtain, rehabilitate, upgrade, and maintain housing. They also support the construction of new single family and multifamily housing as well as the acquisition of land.

### Federal Emergency Management Agency (FEMA)

**Hazard Mitigation Assistance Programs** include the Flood Mitigation Assistance (FMA) and Building Resilient Infrastructure and Communities (BRIC) programs which reduce risks from natural disasters. Examples include moving structures out of a floodplain or technical assistance for hazard mitigation planning.

### Other Programs

**WISCAP** is an association of community action agencies that assist with housing through programs that include downpayment assistance, weatherization funding, home energy assistance, homelessness programs, emergency food and shelter, and assistance with rental housing development. NCCAP, CAP services, and Central Wisconsin CAC serve the Centergy Region. Additionally, **United Way** is a nonprofit that advocates for health, education, and financial stability for all the Region's residents through several local chapters (Marathon County, South Wood and Adams Counties, Portage County, Marshfield Area, and Merrill Area). United Way assists those with housing instability with various programs and resources.

**Historic Tax Credits** are administered by the Wisconsin Economic Development Corporation (WEDC). They allow eligible buildings to receive a state income tax credits for rehabilitation expenditures, even if they are income-producing properties. Properties must work with the Wisconsin Historical Society to meet guidelines.

**Focus on Energy** is a statewide program that provides rebates for upgrades like weatherstripping, efficient water heaters, heat pumps, and other housing-related repairs based on income level.

**The Housing Supply Action Plan 2022** has the goal of reforming zoning and land use practices as well as creating new financial tools to make housing more affordable and rapidly expand its supply. Transportation funding from the American Rescue Plan Act (ARPA), CDBG, HTC, HOME, Bipartisan Infrastructure Law (BIL) and other Department of Transportation (DOT) and Economic Development Authority (EDA) programs will be used strategically to promote new housing development and revitalization in urban, suburban, and rural areas. Additionally, the plan addresses supply chain and labor issues.

## Programs Summary

Though many of the programs listed here have specific deadlines and requirements that won't work for every project, the Region's counties and municipalities should consider these programs when working with developers. Employers and lenders should also promote programs that benefit existing homeowners to help maintain the Region's housing stock. Many of the programs above require or complement various policies and strategies. Below is a summary of policies and strategies that municipalities and counties in the Centergy Region should consider.

## Low-Effort Housing Solutions

**Comprehensive Plan, Permitting Process, and Zoning Ordinance Modifications** remove barriers to new housing units, and many programs (especially loans from WHEDA) require these changes. Examples include:

- Reducing minimum lot sizes
- Reducing minimum housing square footage
- Allowing more units per acre
- Reducing setbacks, parking, and open space requirements
- Eliminating excessive design requirements (e.g. stone facades)
- Allowing Accessory Dwelling Units (ADUs), also known as in-law suites
- Allowing mixed use zoning
- Enabling "missing middle housing" like townhomes, apartments with 3-12 units, and condominiums
- Eliminating Conditional Use Permits (CUPs) that require certain types of housing to have a public hearing
- Allowing duplexes and twin homes in single family zones
- Using Planned Unit Development zoning to enable design flexibility

**Comprehensive Plans** have a housing element that should be updated along with any zoning changes that improve affordability so developers can qualify for certain financial products that require updated planning and zoning provisions. Completing this step also creates a vision on how the community can expect to grow.

**Subdivision Flexibility,** such as allowing a subdivision to be platted with narrowed streets and lots, or only require sidewalk or parking on one side of the street instead of both, reduces costs. It also reduces the area of pavement that needs to be maintained. Similarly, **Development Bonuses** can be awarded to developers who meet a community's specific housing needs. For example, studio apartments could be counted as half a unit when calculating density, allowing for more affordable units without subsidies or zoning amendments. Another example is only requiring one parking space per housing unit for a senior-oriented development as they are less likely to own two cars, resulting in more units and lower prices on a given site.

**Local Housing Organizations** attend public meetings and meet regularly as a committee to advocate for housing and explore potential solutions in each community.

**Developer Outreach** can be led by local staff or with assistance from Centergy, Inc. and/or NCWRPC. It is an opportunity to promote available development sites, housing needs, and potential incentives.

**Education** includes courses for those interested in basic home maintenance and repairs, homeownership, personal finance, becoming a small-scale developer, becoming a landlord, and more. This promotes more housing that is of higher quality and the ability of people to secure long-term housing. Local "open house" events can promote various financial programs that are designed for renters or homeowners.

**Permit Fee Waivers** help lower income households maintain older homes since they can reduce remodeling costs for houses built before a certain year and below a specific value.

**Infill/Redevelopment** maximizes the use of existing infrastructure, which reduces up-front construction costs as well as long-term maintenance costs. Several programs in this study address contamination and allow former blighted sites to be redeveloped, adding to the tax base. Many of these sites are within walking distance of existing services and amenities, and local staff can assemble inventories of these potential sites.

### Medium-Effort Housing Solutions

**Tax Increment Financing (TIF)** captures the projected increase in property taxes a new development will create and uses them to pay for infrastructure costs associated with that development. Although the "new" property taxes do not go into the general fund during the life of the Tax Incremental District (TID), they revitalize areas where new households can live and work, increasing working households, consumer spending, school district enrollment, and other financial benefits. TIFs can also pay for affordable housing programs like downpayment assistance or other grants and loans. When a TID closes, the entire tax value returns to the general fund. Reverse TIF (developer obtains loans, rather than a municipality) and pay-as-you-go TIF (developer pays the municipality as the improvements are installed) are approaches that avoid a municipality taking on more debt to pay for the upfront infrastructure costs.

Wisconsin allows for a variety of TIDs (rehabilitation, blight removal, industrial, mixed-use, and environmental remediation) and state policies may be amended from year to year. Approving them requires transparency with the amount of taxpayer risk involved and meeting Wisconsin's "but-for" requirement, which means that TIF can only be used if a development would not be feasible without it.

**County- or Municipal-Owned Land** is often easiest to work with as a developer negotiates all aspects of a development with the local unit of government, with no third-party property owner. Since it can save time and money, there is potential for lower rent and sale prices compared to a developer buying land elsewhere.

**Design Assistance** can assist households with limited budgets in upgrading their homes to meet code, rather than requiring them to hire their own designer or architect.

**Employer-Sponsored Housing** involves employers building their own housing units for their employees. There is an opportunity for local and county government to incentivize this style of development.

**Land Trusts** allow income-based households to buy a home while the land under it is leased to them. It lowers the purchase price and allows them to build equity and generate a return when they someday sell it.

**Land Banks** are like land trusts where a public or nonprofit entity acquires land for developing housing. But unlike a land trust, land banks sell the land to developers at a discount to lower the cost of housing.

**Renovation and Addition Informational Guides** that depict common and basic code requirements can assist homeowners with navigating the renovation process.

**Nonprofit Programs and Philanthropic Organizations** like Habitat for Humanity can construct homes with volunteer labor, reducing costs for lower-income households. In some Wisconsin cities, a Homeownership Acquisition Fund buys properties below a certain price before landlords and investors can, selling them to lower-income households that would otherwise be outbid.

**Financial Program Evaluation**. This housing study contains a list of programs, and partners at Centergy, Inc., HUD, WHEDA, USDA, NCWRPC, and others can be contacted occasionally for updates to this list.

## High-Effort Housing Solutions

**New Financial Programs** like down payment assistance programs, revolving loan funds or grants can be set up at the county or municipal level, but they require considerable funding and staffing.

**Financial Policies: Bonds** can be issued to help finance a development, with the bonds repaid through taxes or another source of revenue. They help close financial gaps in a development where multiple funding sources fall short of the project's costs, but they typically require property taxes to be raised.

**Rent-to-Own Housing** requires someone to purchase and/or construct housing that is rented, with rent credited towards an eventual down payment. This requires considerable funding and staffing to administer.

**Housing Trust Funds** require considerable funding, but they are instrumental in constructing working class and low-income housing units. As construction costs remain high, they can also be used to reduce the price of middle-income housing units. These funds are used in a variety of ways to reduce housing costs, especially when used to close a gap in a proposed project's capital stack through a one-time grant or, more feasibly, a revolving low-cost loan. Less commonly, it can also be used for vouchers that subsidize rent prices, though, unlike a revolving loan fund, the fund does not replenish itself.

Housing trust funds can be derived from a single source or a mix of federal, state, local, and/or philanthropic funding sources. Funding can also come from the state-enabled one-year extension of a TIF district if the increment is used to fund affordable housing projects following a process outlined in Wisconsin State Statute 66.1105. This TIF extension is specific to the municipality in which the housing project is proposed. **Though housing trust funds require a high level of effort, they are a valuable tool for creating attainable housing and they increase in feasibility if several units of government and/or employers pool resources together to execute this strategy.**

**Home Replacement Programs** demolish the most deteriorated housing units and replace them with new construction that is sold to lower income households. The City of La Crosse, WI uses CDBG funds, HOME funds, and donations to construct new housing in this way, and sale proceeds replenish City funds when a home is complete. Local technical colleges also assist with construction so students can gain experience.

**Housing Advocacy.** Local staff and elected officials could consider partnering with regional organizations (such as Centergy, Inc.) to lobby for state-level policy changes that address housing shortages.

## Examples of Housing Fund Structures in Wisconsin

### Bayfield County

Due to its tourism-based economy and influx of retirees, Bayfield County struggles to maintain affordable housing for its workforce. The County partners with the University of Wisconsin-Extension and actively mails residents with aging housing stock a list CDBG programs for repairs and renovations. The County has also created deed restrictions for tax foreclosed properties that prevent them from becoming tourist rental homes (TRHs).

### Jefferson County

Jefferson County's Live Local Development Fund is designed to promote both low-income and market rate housing throughout the county. It is structured as a low-cost loan program that provides up to $25,000 per unit of new construction. The fund will initially focus on multifamily construction with a planned expansion into single family housing eventually. As of early 2025, $9.5 million is available for this program, which is funded by local banks, health foundations, community foundations, healthcare systems, and the county budget.

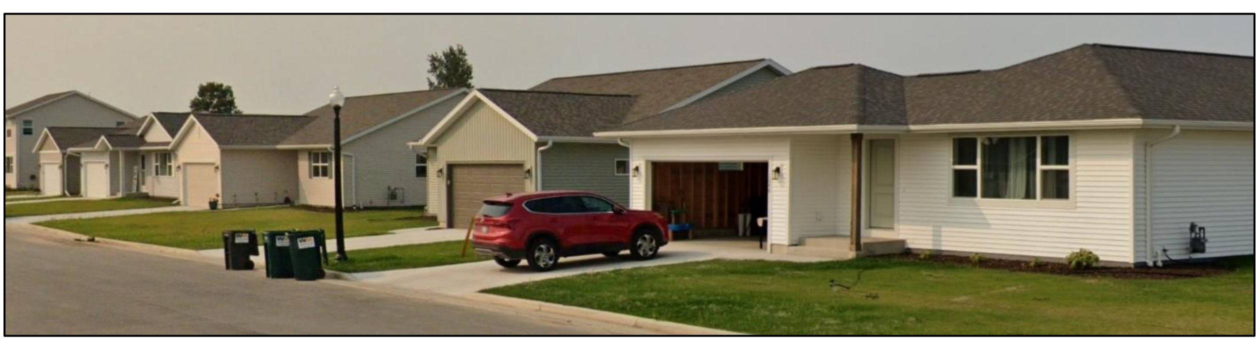
### Sheboygan County

The Sheboygan County Economic Development Corporation (SCEDC) has partnered with local employers to fund the creation of more workforce housing, resulting in several new subdivisions:

- Founders' Pointe
    - 54 homes ranging from 1,300 to 1,500 square feet (first phase)
    - 3 bedrooms, 2 bathrooms, full basement, and two-car garage
    - Purchase price is under $350,000
    - 95 housing units total expected when 2 phases are complete at the end of 2026

- Future subdivision in Plymouth, WI expected to begin by early 2026
    - More single-family homes
    - Potential for a larger parcel to be sold for multifamily development

**Figure 9: Entry-Level Homes in the Founders' Pointe Neighborhood in Sheboygan Falls**



Source: Google Street View

Creation of owner-occupied homes at these prices is possible because of the Forward Fund, which includes $8 million in financial support the project has received from four major employers in the County as well as $2 million from the County's budget and American Rescue Plan Act (ARPA) funding. The fund is used to pay for land and infrastructure and is not a revolving loan. Income and deed restrictions apply to ensure the homes are designated for workforce households long term, and preference is given for first-time homebuyers and new residents moving to the county. Partnerships with banks and the City of Sheboygan Falls also result in new downpayment assistance programs for homebuyers. Overall, SCEDC hopes to build a total of 500 housing units in five years.

### Washington County

In response to the decrease in housing affordability in the past few decades, Washington County has developed the Next Generation Housing Coalition. The Coalition has developed a framework around addressing five housing barriers: high development costs, home ownership costs, zoning and land division regulations, workforce development, and public outreach. High development costs will be addressed through private-public partnerships on priority development sites, which consist of three undeveloped sites in the Village of Jackson, Village of Slinger, and City of Hartford. The goal is to provide 1,000 new owner-occupied housing units by 2032, with 40 percent of them being under $340,000, 80 percent under $360,000, and 100% under $420,000. Total funding available for the three sites is $6.75 million with a maximum of $20,000 per housing unit or $2.4 million per site. The County worked with a consultant to provide site plans for the subdivisions to save developers time and money in the process. Deed restrictions require homebuyers to repay a portion of the profits if they sell within the first five years of ownership to account for the subsidies that contributed to the project.

## Recent Examples of Workforce Housing in the Centergy Region

### Adams County

**Adams County Economic Development (ACED)** used American Rescue Plan Act (ARPA) funds to purchase two lots ($8,000 each) near Burt Morris Park and offered them to a developer for free to spur the construction of two 3-bedroom, 2-bathroom split-level style homes that were priced for middle-income households.

**Figure 10: Entry-Level Home Constructed in the City of Adams on Land Donated by ACED**

The **Town of Rome** has a high rate of seasonal employees due to golf courses and other recreational amenities. **Sand Valley Golf Resort** purchased a hotel and works with local landlords to house a variety of seasonal and year-round staff in an area with very few rental options. Additionally, the **Geneva Apartments in Rome Town Center** feature high-quality fourplex-style apartments that are affordable for workforce households, with 2-bedroom units renting for $1,000 per month as of Summer 2025. They are also within walking distance of a gas station/convenience store, deli, bakery, and other amenities despite being in a rural area. The Town sold the land at a discount to the developer to reduce housing costs on condition the site was developed within two years. They are one of the best examples of the type of workforce housing needed in the Region's smaller communities.

### Lincoln County

**The City of Merrill** used pay-as-you-go TIF to provide infrastructure to serve needed workforce housing consisting of six 12-unit structures near the Airport Industrial Park.

### Marathon County

**The City of Schofield** consolidated its Public Works and City Hall facilities to create the Scholfield Mill Apartments (84 units; 1-3 bedrooms) on a waterfront site within walking distance of jobs and restaurants. The former City Hall site will include 91 multifamily housing units (1-3 bedrooms) along with six twin home units overlooking Lake Wausau. Both projects used TIF as they required the demolition of existing structures to prepare the sites for new buildings. An additional infill site on privately-owned property on Radtke Street was also recently redeveloped into ten townhome units.

**The City of Wausau** has several recent projects using a variety of strategies:

- The West Side Battery redevelopment involves a City-owned site that the City requested proposals for. American Rescue Plan Act (ARPA) funding, a loan from a local philanthropic foundation, a discounted land price, and Housing Tax Credits (HTC) were combined to create this 56-unit, rent-controlled project, which is currently under construction.
- The 700 Grand development will feature 50 units with 1 to 3 bedrooms at the corner of Grand Avenue and Thomas Street. It utilizes City-owned land and Housing Tax Credits to keep units rent controlled as well as a WEDC Brownfield Grant to assist with the site's environmental cleanup.
- The Foundry on Third is a mixed-use development made possible by combining TIF and philanthropic funding on the former Wausau Center Mall site to increase the share of middle to higher-end rental housing in Downtown Wausau to attract workers and expand pedestrian-oriented commercial space. Included are 154 residential units and 17,500 square feet of commercial space.
- The Landmark Apartments involved a renovation of a historic hotel in Downtown Wausau into 94 one- and two-bedroom rent controlled apartments using HTC and ARPA funding along with a loan from the City of Wausau Community Development Authority.
- Kolbe Windows and Doors is building new apartments for their workforce by targeting rents starting at $800 for 1-bedroom units. Altogether, the company has proposed 102 units with 1, 2, and 3-bedroom configurations within walking distance of the employer.
- Over the years, the City has used a variety of strategies including TIF, brownfield remediation, disposition of City-owned land, and CDBG funds to develop new housing, especially on scattered

infill lots and the Riverlife area. CDBG funds have also been used for down payment assistance and rehabilitation of existing housing stock.

The **Village of Edgar** found that TIF-eligible industrial park lots for sale for $1 were not developing since the topography was not suitable for industrial uses. The Village removed this area from the existing TID, but since the infrastructure was already in place, the land was easy to sell, subdivide, and develop for housing.

The **Village of Marathon** recently received a 30-unit multifamily development that was privately developed with no incentives.

**The Village of Weston** is undergoing several new housing developments on vacant sites that do not utilize special strategies or assistance, but provide housing for a variety of middle-to-upper income ranges:

- A proposed 88-unit subdivision of single-family homes on Ross Avenue near Machmueller Park.
- A new 123-unit subdivision of single-family homes, twin homes, and townhomes known as the Hinner Springs development.

### Portage County

The **City of Stevens Point** supported the renovation of a former convent into 85 affordable housing units along with an additional 17 newly constructed townhomes on the site, known as The Grove. The building's former chapel is now home to CREATE Portage County's Idea Center, an incubator for creative entrepreneurs. The project was made possible by being awarded HTC along with the City's creation of a new TID. Currently, a second phase is being proposed for those with intellectual and development disabilities in the form of 6 townhomes, 8 small detached homes, and a 20-unit apartment complex. Phase 2 reserves space for approximately 12 small homes and one apartment building with up to 12 units in another future phase.

The City has also demolished the former Shopko Site along with hiring a consultant to prepare a redevelopment plan that includes mixed use development and a transit hub. The concept plans show between 125 and 195 units in six buildings ranging from three to six stories tall. New roads connect the existing grid where Shopko once stood and encourage walkability. Finally, transit center capacity for 6-8 buses and approximately 10,000 square feet of commercial space are included to enhance the downtown's traditional main street feel.

### Wood County

The **City of Marshfield** has three projects in-progress that required various strategies approved by the City and several local partners:

- To address the shortage of lots for higher end housing, the City of Marshfield reached out to homebuilders to secure commitments for building lots on a subdivision that was platted but never developed. The City paid for the infrastructure and homebuilders agreed to minimum house sizes, minimum assessed value, construction time frames, and buyback terms if the conditions couldn't be met. Funding was secured from the City's Economic Development Board, City Council, City of Marshfield Wastewater Department, Wood County CEED Committee, and Marshfield Utilities. Construction began in 2021, and six homes have been built with an additional five lots sold.

- The Green Acres Addition involved the City creating a mixed use TID to fund infrastructure for a 77-unit subdivision. The developer is responsible for paying connection fees and guaranteeing a minimum assessed value for the housing units, which include single family, two-family, and townhome style units.
- The Weinbrenner Shoe Company Redevelopment involved a major downtown business needing to relocate to expand. The City assisted the company with moving to an industrial park while hiring a consultant to market the old downtown site for redevelopment. The City recently announced a developer who will restore the former site and add 80 units (85% affordable, 15 % market rate) using HTC and historic preservation tax credits.

The **Villas of Vesper** is a privately led development utilizing the former Vesper Elementary School. It has 11 apartments and an additional 7,956 square feet of gymnasium, fitness center, and community room/kitchen space that generates additional revenue. The cost of renovating classrooms into apartments is estimated at $1.1 million, and when combined with the common spaces, the total cost of the project is an estimated $1.6 million. The project received a $200,000 Idle Sites Grant from the Wisconsin Economic Development Corporation (WEDC). The owner contributed considerable sweat equity, and there are plans to parcel off the former athletic fields for single family home sites to offset some of the costs.

## Strategies in other Wisconsin Communities

### City of Fort Atkinson

After a 75-acre development fell through, the City bought the land, hired a consultant to create a neighborhood plan, and advertised the pre-approved subdivision to builders willing to develop the property.

### Single Family Subdivision Incentives

To attract workers and new development, several municipalities offer cash incentives, reduced lot prices, and/or rebates on condition that the property owner builds a house within a certain timeframe. This is often accomplished by using donated land or municipally owned land. Examples in Wisconsin include the City of Berlin, the City of Hillsboro, the City of Pittsville (located in the Centergy Region), the City of Shullsburg, and the City of Waterloo. Additionally, some communities like the City of Pittsville have a revolving loan fund to assist with repairs.

### Green County, WI

Green County recently created a $2.8 million fund from six local partnerships to help meet projected demand for 1,700. It focuses on owner-occupied housing under $400,000, new rental units, rehabilitation of existing structures, land acquisition, commercial upper-story housing units, and accessory dwelling units.

### Washington County, WI

In addition to the developments described previously under “Examples of Housing Fund Structures in Wisconsin,” the Washington County Next Generation Housing Framework includes a variety of other strategies to make housing more attainable. High ownership costs are reduced through a downpayment assistance program and employer-sponsored incentives for workforce households. The Next Generation Housing Coalition will make recommendations to municipalities for planning and zoning changes and developer agreements to facilitate new development. The Coalition will also educate prospective homebuyers and partner with businesses to help people find housing. Finally, the Coalition will engage the public and track its progress to demonstrate its success in making Washington County more affordable.

### Strategies Summary

Overall, municipalities and their stakeholders can bring together all funding sources and communicate them to their residents without having to wait for new strategies or policies to become available. Each community also has a variety of regulatory, financial, and educational strategies that can be utilized to meet each community's specific housing needs, and these tools vary in complexity and feasibility. Monitoring these funding sources and other strategies as new programs and ideas emerge can be useful in adapting to changing conditions over time.

# 8. Recommendations and Conclusion

Overall, this Housing Study identifies the following issues related to housing and workforce development in the Centergy Region:

- **An aging workforce and shrinking household size will require the Region to creatively attract and retain workers to fill jobs.**
- Housing costs have risen dramatically in the past decade because of strong competition and limited available housing units.
- Aging housing appears to be affordable but often needs costly upgrades as inflation and retirements impact the affordability of renovations.
- Workforce housing is typically defined as households who earn between 60 and 120 percent of an area's median income, meaning many **workforce households earn between $35,000 and $100,000 in the Centergy Region**.
- This results in **strong demand for housing that rents between $900 and $1,499 or sells between $200,000 and $299,000**, since workforce households with lower incomes typically rent and those with higher incomes typically purchase. **Adding housing in these price ranges also makes housing affordable for all incomes because of increased supply.**
- **As many as 11,406 housing units are potentially needed by 2040, with about two-thirds of this housing needed by 2030.**
- Even though the Region's population isn't rapidly growing, smaller household sizes mean that more housing units are needed relative to the population, and aging structure will need to be replaced over time.
- **New construction is often too expensive to meet local demand,** requiring local, regional, state, and federal organizations to collaborate with strategies and programs to reduce construction costs.

Based on this study's findings, Regional efforts should focus on increasing the number of housing units listed in Table 24. These housing types benefit the greatest number of workforce households while maximizing the resources needed to support the needed housing.

**Table 24: Centergy's Workforce Housing Priorities**

| Workforce Household Income | Housing Type | Recommendation | Rationale |
|---|---|---|---|
| $75,000 to $99,999 | **$200,000 - $299,999** | **Highest Priority** | Entry-level owner-occupied housing for retaining workers long-term |
| $50,000 to $74,999 | **$1,250 - $1,499** | **Second Highest Priority** | Units in this price range are in highest demand |
| $35,000 to $49,999 | **$900 - $1,249** | **Third Highest Priority** | This price range is critical for attracting and retaining entry-level employees |

Source: NCWRPC

Below is a summary of recommendations based on the current housing gaps in the Centergy Region, the strategies and programs available, and the ability of Centergy to support housing development on a regional scale:

## Recommendation 1: Advocate for New Development in the Centergy Region

Centergy, Inc. should continue conducting the following activities to market the Region for new housing development and rehabilitation of existing structures:

### 1.1 Developer Outreach

In collaboration with its counties and municipalities, Centergy staff should reach out to developers and consider partnering with state and regional organizations to promote the Region's development and redevelopment opportunities. This includes Developer Tours that highlight prime locations in the Region where development is in the highest demand.

### 1.2 Housing Committee Action

The Centergy Housing Committee should continue meeting following the completion of this housing study to ensure the ongoing implementation of the study's recommendations and advocate for continued support for housing at public meetings.

### 1.3 Educational Events

Centergy can assist counties, municipalities, employers, and other organizations in the Region with hosting housing education events that assist renters and owners in finding resources such as first-time homebuyer assistance, financial counseling, loans for repairs, or assistance finding housing. This is especially useful for recruiting workers from outside the Region.

### 1.4 State and Regional Partnerships

Centergy should continue working with NCWRPC, WEDC, WHEDA, and other organizations to identify existing and emerging funding sources and policies that support housing development while communicating up-to-date information with counties and municipalities.

## Recommendation 2: Encourage Counties and Municipalities to Enable and Expedite Housing Development

Centergy, Inc. should encourage its counties and municipalities to remove barriers that prevent new housing from being constructed affordably and efficiently using the following strategies:

### 2.1 Subdivision and Zoning Ordinance Revisions

Counties and municipalities should evaluate zoning and subdivision ordinances and amend them to allow for smaller lots, reduced setbacks, a greater variety of housing styles, and other standards that reduce barriers to constructing affordable housing. Additional amendments to the application, review, and permitting process can also ensure that more units can be built more quickly and affordably by reducing fees and speeding up the development process.

### 2.2 Comprehensive Planning

Counties and municipalities should update and maintain comprehensive plans every ten years to identify opportunities for improving existing housing and increasing new construction. Updating the housing element of these plans at least every five years allows developers to apply for financing through WHEDA and other programs designed to address the statewide housing shortage.

### 2.3 Property Disposition

Unused properties in suitable locations that are owned by the counties, municipalities, school districts, or other tax-exempt entities are recommended to be zoned residential and sold at a discount or for free to spur new development while bringing tax-exempt parcels back onto the tax rolls. This reduces the complexity of working with a developer, municipality, and third-party private property owner while using a developer agreement to protect taxpayers from risk while ensuring a desired housing product is built to a community's expectations.

### 2.4 Tax Incremental Financing (TIF)

Municipalities that meet the Wisconsin Department of Administration's criteria for implementing Tax Incremental Districts (TIDs) should consider creating new or amending existing TIDs with parameters that protect taxpayers from unsuccessful projects while closing the funding gap for new development.

### 2.5 Housing Preservation

Renovating existing structures is often more cost effective at producing more affordable housing than new construction. Municipalities, counties, and Centergy should work together to identify funding sources and strategies to maintain the Region's existing housing stock.

### 2.5 Other Housing Solutions

Once the recommendations in this priority list are executed, counties and municipalities may consider implementing the remaining medium-effort and high-effort housing solutions listed the Centergy Region Housing Toolkit earlier in this study as resources and opportunities allow. Additionally, high-income housing that doesn't receive taxpayer funding should be encouraged as it frees up existing, more affordable housing.

## 3. Consider Creating a Centergy Region Housing Fund

Based on past correspondence between Centergy, Inc. and its developers, even when there is strong demand for housing and developers who are interested in building it, a barrier that is experienced consistently across the Region is the cost of construction compared to rent or sale prices that local incomes can afford. This is referred to as a "gap" in a development's financial stack. Therefore, **Centergy has an opportunity to create a Regional Housing Fund that secures low-cost gap financing for developments that address the Region's workforce housing needs.**

Typically, a housing fund features a revolving loan program with low interest rates, where funds are replenished as loans are repaid. To manage a successful Regional Housing Fund, the awarded financing must give its investors the highest return on investment. This requires conditions to be placed on a project when funds are awarded to ensure a developer's cost savings are ultimately reflected in rent or purchase prices when the development is complete. Centergy's recommended approach to awarding housing loan funds follows this process:

1. Centergy establishes a **Housing Fund Review Committee** to review loan applications. This committee should include at least one real estate development professional.
2. The Review Committee develops a **scoring matrix** to evaluate submitted applications. This matrix involves rating each proposed development based on a series of **evaluation criteria**.
3. The Review Committee establishes a cycle for developers to apply for funding, rather than applications being accepted on an ongoing basis.
4. The Review Committee awards funds in a manner that prioritizes projects that score the highest on the matrix.
5. The Review Committee closes the application cycle when funds are fully allocated and reopens the cycle as loans are repaid and funds are made available.
6. The Review Committee tracks the progress of the initial round of awarded projects along with their positive impact on the local economy and workforce. The Committee shares findings with Centergy's stakeholders and could consider expanding the fund based on feedback from these findings.

Below is a list of recommended **evaluation criteria** for the Review Committee's scoring matrix:

1. The project prioritizes single-family housing (attached or detached) that sells for between $200,000 and $299,999.
2. Alternatively, the project prioritizes multifamily housing units that rent between $900 and $1,499, which is in high demand. The lower the rent, the more likely a project is to need financial assistance, but more households can qualify for lower rents.
3. The Review Committee may allow some flexibility regarding purchase and/or rent prices as inflation or other unforeseen construction cost increases occur.
4. A developer agreement must be completed that specifies projected rent or purchase prices along with a detailed description of the project's capital stack, or list of funding sources. This includes a proforma that demonstrates that the Regional Housing Fund loan's cost savings are necessary to close a financial gap to meet targeted rent or purchase prices.
5. Rent and purchase prices must not increase dramatically in the near future. A developer agreement, restrictive covenant, and/or other legal mechanism may be required to ensure that rent prices are held at a reasonable rate for a specified number of years. Similarly, owner-occupied units should be restricted from being "flipped" within a specified number of years. For example, if an owner-occupied unit is sold within a specified number of years after being built, a portion of the proceeds may be required to be paid back to the Regional Housing Fund. For both renters and buyers, income limits could also be imposed.
6. The project may score more highly if it is proposed on publicly owned sites that have been identified and/or marketed for residential development or redevelopment.
7. The project may score more highly if it is proposed on sites that are already zoned for residential development.
8. The municipality a project is proposed in (or county if it falls under county zoning) should demonstrate commitment to improving housing affordability through recent actions including but not limited to the list of strategies in Recommendation 2 of this Housing Study.

9. A “per-door” financing limit may be implemented so that all communities and developers working with Centergy, Inc. are treated fairly when being awarded financing. For example, the Live Local Development Fund in Jefferson County has a maximum award of $25,000 per door (unit).
10. The Review Committee should balance feasibility with geography by ensuring the projects with the greatest benefit are preferred regardless of where they are located in the Region. These two matrix criteria are recommended to ensure equitable distribution of funds in the Region:
    - **Housing Need**. Tables 20 and 21 in this Housing Study should be used as a guide to ensure that funding is distributed to areas in the Region that struggle to attract development.
    - **Municipal Readiness**. Additional housing demand is expected to continue in municipalities that have experienced growth in the past decade. These higher-demand areas may not have struggled to attract development, but municipalities with robust experience with developers in recent years and strong housing demand can also benefit from using the fund to attract the styles of housing that are needed.
11. Developers should demonstrate an established track record of providing quality housing at reasonable prices. Other factors to consider include the ability to meet timelines and budgets.
12. Developers should demonstrate a history of positive working relationships with counties, municipalities, and other organizations in past development projects.

**Though the fund is not intended for rehabilitating existing housing, a project that redevelops or renovates an existing structure may qualify for financing if it is adding new housing units to the local housing market.** In summary, establishing a Regional Housing Fund with requirements that project investors, taxpayers, and local government organizations while ensuring projects with the greatest benefit to the Region will spur housing development that helps attract and retain the Regions’ workforce.

### 4. Monitor Regional Housing Progress

The Centergy Housing Committee should evaluate and communicate to the public the benefits of this housing study’s implementation by publishing the number of units and estimated workers, families, students, and other evidence of economic impact over time to build momentum and gain consensus with future housing activities. The Committee should continue to work with local, state, and federal partners to communicate changes in policies, strategies, and programs that impact the Centergy Region over time.

### Conclusion

Centergy’s role in housing development is to continue working with its counties and municipalities to accomplish the low-effort housing solutions listed in the Centergy Region Housing Toolkit while potentially creating and managing a Regional Housing Fund. This high-effort solution is more feasible on a regional scale due to the resources needed to make it successful, closing the financial gap that too often puts Central Wisconsin’s lower rent and purchase prices at a disadvantage for attracting new development. The Regional Housing Fund’s policies should ensure that funds are used fairly and responsibly to continue to ensure its long-term success.