

CITY OF WAUWATOSA, WI

Comprehensive Housing Study and Needs Analysis

March 3, 2016



VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION

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1. Introduction

The City of Wauwatosa (the “City”) holds a unique place within the Milwaukee Metropolitan Area. It is a first-ring suburb of Milwaukee and is located near the geographic center of the metropolitan area. The City, located at the intersection of Interstate 94 and Interstate 41, is easily accessible from throughout the region. Wauwatosa offers urban amenities, including an attractive walkable downtown, within a suburban context, an extensive green space network, and a unique mix of housing ranging from modest bungalows and apartments to high-end single-family homes. Wauwatosa is a significant regional employment center, including such major institutions as the Milwaukee Regional Medical Center, Milwaukee County Research Park, Medical College of Wisconsin, and Innovation Campus of the University of Wisconsin-Milwaukee. The City is also a regional retail destination, offering Mayfair Mall, one of the state’s largest shopping centers, and Mayfair Collection. (The location of Wauwatosa within the Milwaukee Metropolitan Area is presented in **Figure 1** on the following page.)

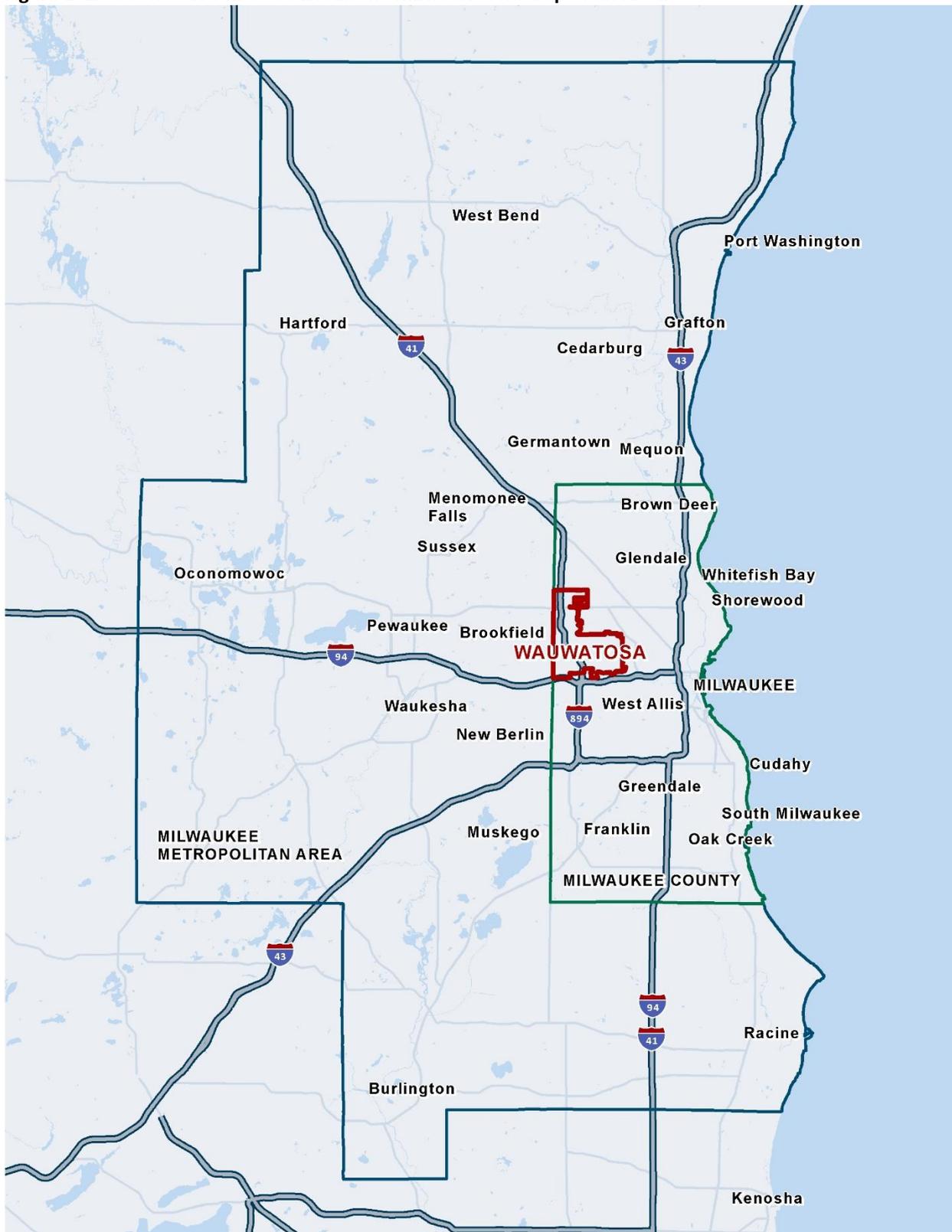
As a vibrant community and major employment center, Wauwatosa has maintained its status as a desirable place to live within the region. While population has declined from peak levels in 1970, housing occupancy has remained fairly stable, with much of the population loss due to decreasing household size. In recent years, the population has stabilized and the City has experienced significant growth in new multifamily development. Approximately 325 residential rental units have been developed since 2012, with another 600 units currently under construction or approved for construction, and 1,450 units proposed or planned in future developments.

Despite recent population growth, Wauwatosa’s population is aging, and the City seeks to ensure that it is proactively planning for the housing needs of current and potential residents. The City has engaged *SB Friedman Development Advisors (“SB Friedman”)* to conduct a comprehensive housing study and needs analysis to provide policymakers, stakeholders and residents with an understanding of:

- The extent to which current housing stock meets the needs of current residents and employees who work in the City but live elsewhere;
- Whether projected population and economic changes over the next 5 to 15 years will impact the type, tenure and affordability of housing required;
- Whether recent and proposed multifamily rental development appears to be sustainable;
- The ability of baby boomers and seniors to age in place in Wauwatosa;
- The availability of housing options for residents with disabilities; and
- Potential policies and programs that could be utilized to ensure the City is meeting future housing needs.

This report documents current and projected demographics, employment by sector and housing units by type, key housing issues facing Wauwatosa, and recommendations to aid in the development of future housing policy and strategy.

Figure 1. Location of Wauwatosa within the Milwaukee Metropolitan Area.



Source: SB Friedman

2. Wauwatosa Today

The City of Wauwatosa is both a desirable residential community and a major employment center in the Milwaukee metropolitan area (“Metro Milwaukee”). Nearly 46,700 people reside in a relatively diverse housing stock, ranging from modest bungalows and apartments to high-end single-family homes. The City’s population surges during the work day, as nearly 55,000 people are employed by businesses and organizations within the City. In this section, we explore:

- Current demographics, including the average age, income and education level of City residents;
- Characteristics of the existing housing supply;
- Affordability of the existing housing stock relative to the demographics of the City;
- Employment in the City, including an overview of major employment centers and the commuting patterns of employees; and
- Wauwatosa’s demographics, housing supply and affordability in comparison to comparable communities in the region.

This information has been collected from secondary data sources, such as the U.S. Census Bureau and Esri, as well as through local stakeholder interviews, a public community meeting, and a survey of area residents and employees. Specific data sources are cited throughout the report, with more detailed data provided in **Appendix A**. A summary of survey responses is presented in **Appendix B** and a list of interviewed stakeholders is presented in **Appendix C**.

Demographic Profile of Current Residents

As of the 2013 American Community Survey (ACS), the U.S. Census Bureau reported 46,661 people resided within the City of Wauwatosa in a total of 20,170 households. The 2013 ACS data also revealed that, compared to peer communities in the Milwaukee region:

- Wauwatosa is an affluent community, with a median household income of \$68,888;
- The population is well-educated, with 54.0% of residents possessing at least a bachelor’s degree, including 20.8% of residents with graduate or higher-level degrees;
- 90.7% of the population identifies themselves as white, with 4.4% of the population identifying as black or African American and 2.3% as Asian;
- The median age is 39.8, which is higher than Milwaukee County and the State of Wisconsin; and
- Approximately 9.9% of the non-institutionalized population of Wauwatosa lives with a disability.

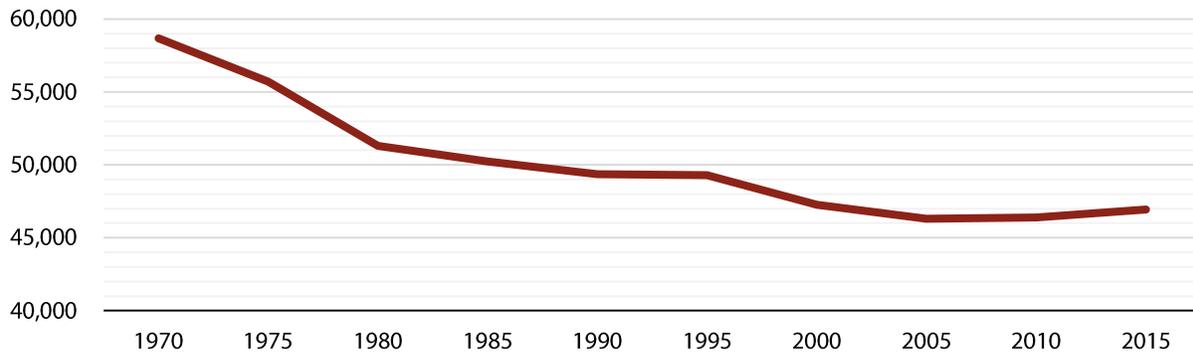
Additional demographic information is presented in **Appendix A**.

POPULATION TRENDS

As shown in **Figure 2** on the following page, population in the City has steadily declined from its peak in 1970 through 2010. However, research and interviews suggest that the decline in population is attributable to declining household size and limited land available for new residential development, as the City is landlocked by neighboring communities.

Recent estimates indicate that the trend of population loss may be reversing, due in part to a wave of redevelopment that is currently occurring in the City. In 2013, as part of the American Community Survey, the U.S. Census Bureau reported a slight increase in population to 46,661. Esri projected similar growth with a population estimate of 46,561 in 2015.

Figure 2. Population and Household Trends (1970-2015)



Source: U.S. Census Bureau, Esri

CURRENT HOUSEHOLDS BY AGE AND INCOME

The 2015 Esri estimates have been analyzed at the household level to understand the current breakdown by age and income of existing Wauwatosa residents. Households have been segmented by age into the following cohorts, which are based largely on the relationship each age group typically has with the housing market:

- Young Renters and First-Time Homebuyers: householders under age 35;
- Middle-Age Trade-Up Homebuyers: householders age 35 through 54;
- Empty Nester and Young Senior Homeowners: householders age 55 through 74; and
- Older Seniors with Special Needs: householders age 75 and older.

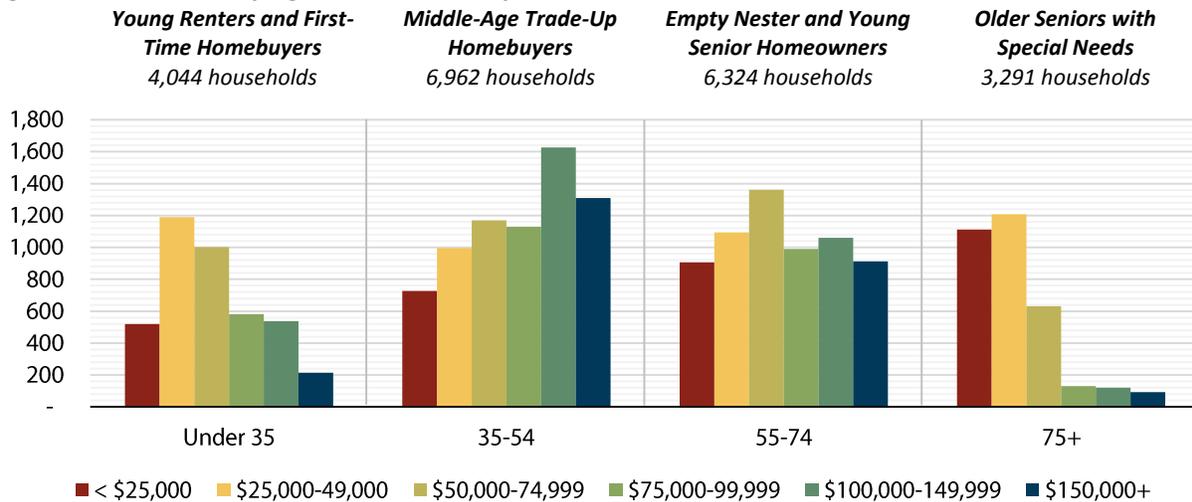
Figure 3 on the following page presents the total number of estimated households by age cohort and income in 2015. The analysis revealed the following:

- Approximately one-third of the households in Wauwatosa comprise Middle-Age Trade-Up Homebuyers (33.8%), and another one-third comprise Empty Nester and Young Senior Homeowners (30.7%). The remaining one-third is divided between Younger Renters and First-Time Homebuyers (19.6%) and Older Seniors with Special Needs (16.0%).
- Approximately 4,044 householders in Wauwatosa are Young Renters and First-Time Homebuyers, under the age of 35. Approximately 29.4% of these householders earn \$25,000 to \$49,000 annually, while 24.8% earn between \$50,000 and \$74,000 per year. Nearly one-third of householders under 35 earn more than \$75,000 per year (32.9%).
- Householders in Wauwatosa age 35 to 54 are typically more affluent than other age cohorts. Householders within this demographic typically comprise Middle-Age Trade-Up Homebuyers. Approximately 58.4% earn more than \$75,000 annually, including 23.4% that earn between

\$100,000 and \$150,000 per year. Roughly 18.8% of householders in this age range earn more than \$150,000 per year.

- Wauwatosa has an aging population, as roughly 47% of householders are age 55 and higher. A high proportion of Older Seniors with Special Needs (age 75+) are lower income, earning less than \$25,000 annually: approximately one third (33.8%) earn annual incomes less than \$25,000. In addition, of all householders earning less than \$25,000, approximately 34% are seniors.

Figure 3. Households by Age and Income, City of Wauwatosa



Source: Esri Business Analyst, 2015 estimates; SB Friedman

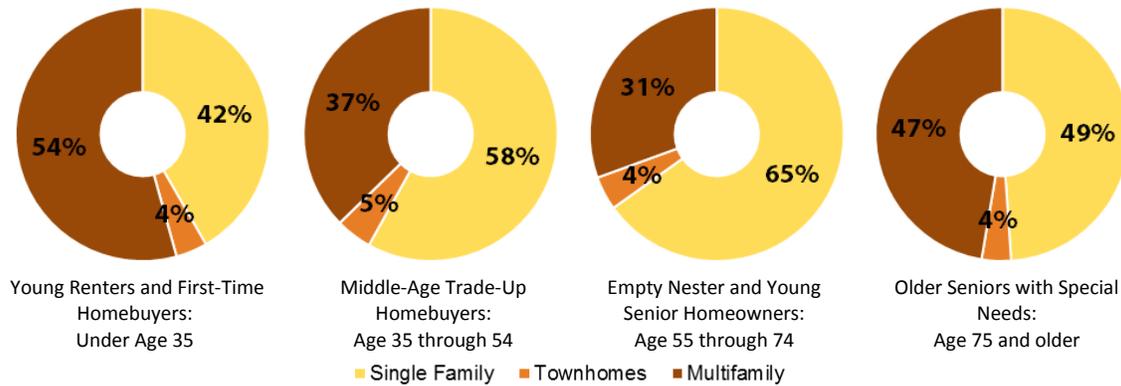
HOUSING PREFERENCES BY AGE

Recent housing preferences for City residents, derived from a customized cross-tabulation of 2013 Five-Year American Community Survey data, were analyzed for the same age cohorts defined above. While housing preferences are driven to some extent by the availability of different types of housing in a particular location, the preference data provides insight into the types of housing that are likely to be preferred by Wauwatosa residents of different age cohorts in the future. The analysis, presented in **Figure 4**, indicates the following:

- Householders under age 35 have a higher preference for multifamily homes (54%) compared to other age cohorts.
- Householders ages 35 to 75 have a strong preference for single-family homes, with 58% of Middle-Age Trade-Up Householders (ages 35 to 54) and 65% of Empty Nester and Young Senior Homeowners (ages 55 to 74) living in single-family homes.
- Householders ages 75 and higher have a slight preference for attached housing units (47% multifamily and 4% townhomes) over single-family homes.

Research and interviews indicate that these recent housing preferences in the City may be a function of the housing supply that is currently available. Based on interviews and preferences in other markets in the region, it appears that the preferences of certain groups, particularly Older Seniors, would likely shift away from single-family homes if other appropriate housing options were available.

Figure 4. Housing Preferences by Householder Age (2013) [1]



[1] Housing preferences for householders within the 2010 Public Use Microdata Area that includes the City of Wauwatosa
 Source: U.S. Census Bureau, 2013 Five-Year American Community Survey

Characteristics of Existing Housing Supply

SB Friedman reviewed characteristics of the existing housing supply. This section presents:

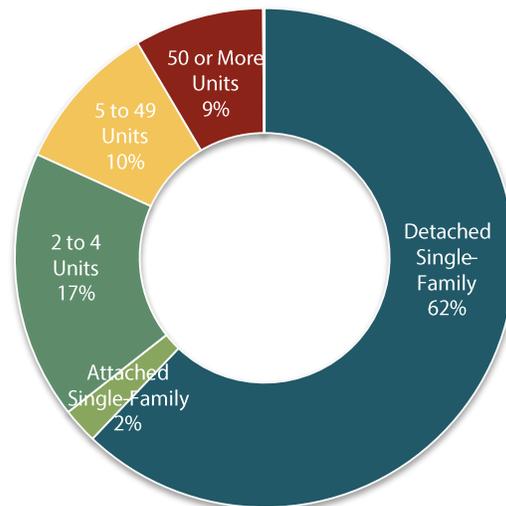
- An overview of the existing housing supply in Wauwatosa by type, tenure, age and value;
- Trends in the local real estate market; and
- Recent and proposed residential development in the City.

OVERVIEW OF EXISTING HOUSING SUPPLY

According to the 2013 Five-Year American Community Survey, Wauwatosa includes approximately 20,171 housing units, a breakdown of which is presented in **Table 1** and **Figure 5**. Key characteristics of the housing supply include the following:

- Housing is concentrated in single-family detached homes (62.1%).
- Approximately 65% of housing is owner-occupied, with 35% renter-occupied.
- Compared to regional communities, Wauwatosa has a lower proportion of owner-occupied housing (65%) than Menomonee Falls (75%), New Berlin (78%) and Brookfield (88%), as presented in **Figure A-8** in **Appendix A**. Milwaukee, Shorewood and West Allis have lower proportions of owner-occupied units (44%, 51% and 55%, respectively).
- Owner-occupied housing is almost entirely within single-family units (91%) while renter-occupied housing is primarily found in small multifamily buildings (2 to 49 units) (68%).

Figure 5. Housing Stock by Total Number of Units



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey and SB Friedman

- Approximately 11% of renters occupy single-family homes and 22% occupy units within large structures (50+ units).

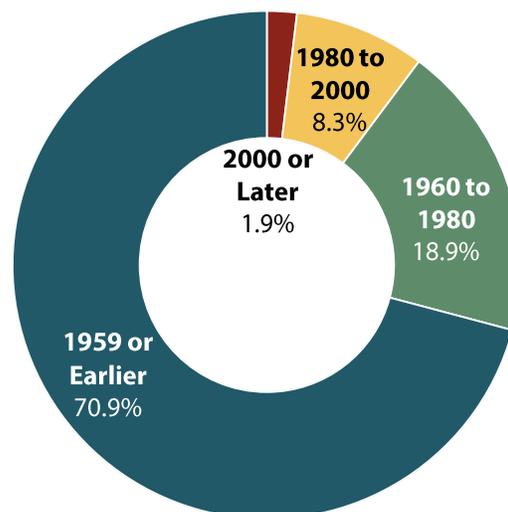
Table 1: Housing Stock by Type and Tenure

Property Type	Owner-Occupied Units		Renter-Occupied Units		Total	
	Number	Percent	Number	Percent	Number	Percent
Detached Single-Family	11,946	90.8%	580	8.3%	12,526	62.1%
Attached Single-Family	284	2.2%	176	2.5%	460	2.3%
2 to 4 Units	688	5.2%	2,824	40.2%	3,512	17.4%
5 to 49 Units	44	0.3%	1,918	27.3%	1,962	9.7%
50 or More Units	172	1.3%	1,522	21.7%	1,694	8.4%
Other	16	0.1%	0	0.0%	16	0.1%
Total	13,150	100.0%	7,020	100.0%	20,171	100.0%
Percent of Total	65.2%		34.8%		100.0%	

Source: U.S. Census Bureau, 2013 5-Year American Community Survey, *SB Friedman*

Age of Housing Stock. The existing housing stock in Wauwatosa is aging, as is typical for an inner-ring suburb. As presented in **Table 2** and **Figure 6**, approximately 7 in 10 housing units were built before 1960, while fewer than 1 in 50 has been built since 2000. In total, less than 400 units (1.9%) were built since 2000. Limited new development has been driven in part by the overall lack of vacant land, expense related to infill development, and the recent recession.

Figure 6. Housing Stock by Year Built



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Table 2: Housing Stock by Year Built

Year Built	Housing Units	Percent
Built 2000 or Later	399	1.9%
Built 1980 to 2000	1,770	8.3%
Built 1960 to 1980	4,018	18.9%
Built 1959 or Earlier	15,033	70.8%
Total	21,220	100.0%

Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

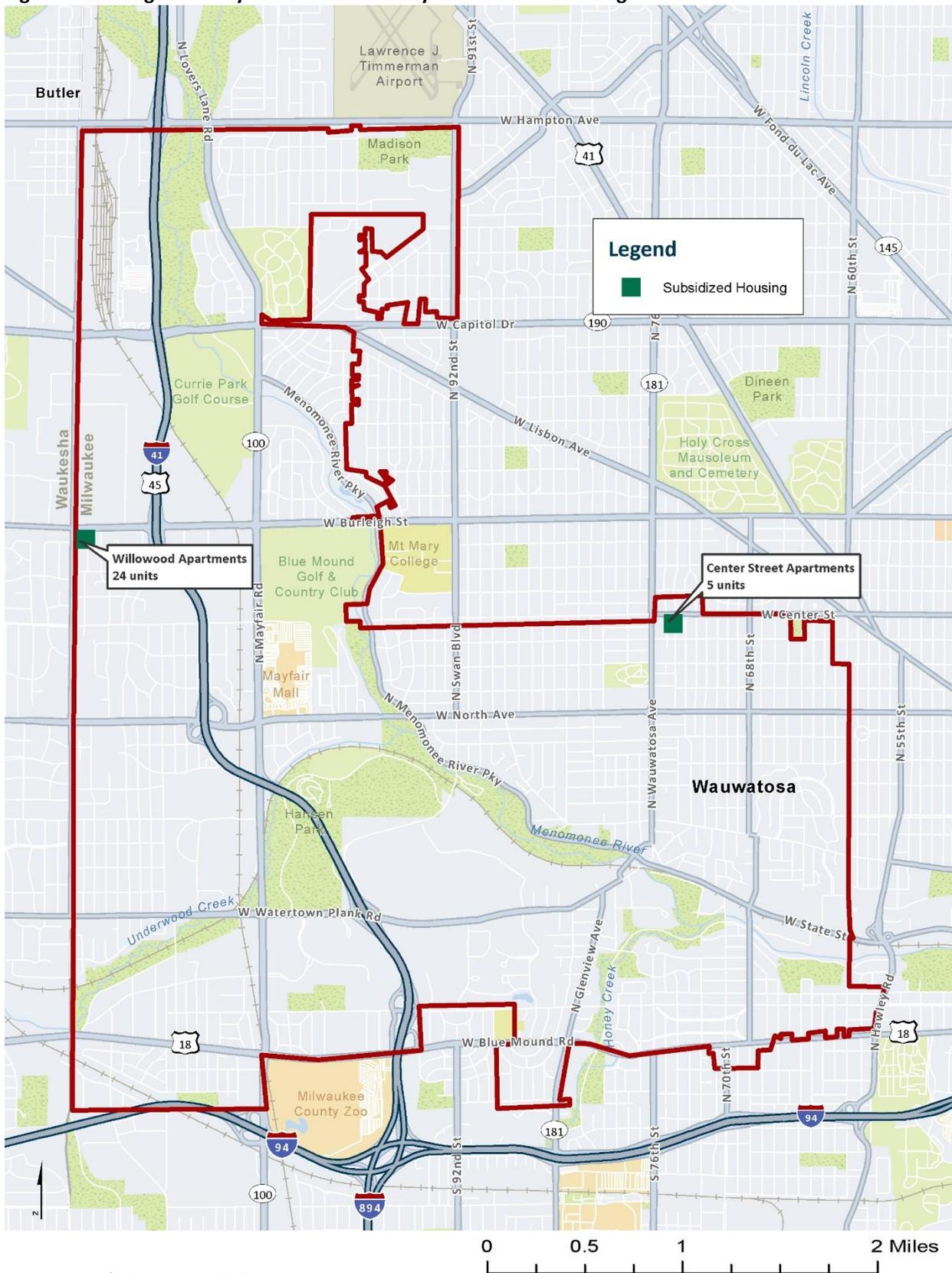
Subsidized Housing. Subsidized housing development that receives federal project-based funds and offers housing for residents with restricted incomes is limited within Wauwatosa, particularly for families and people with disabilities. In total, inventory data from the City of Wauwatosa indicated there are only 29 subsidized units in the City (excluding age-restricted senior units), including 24 units for families located within Willowood Apartments and 5 units for people with disabilities in Center Street Apartments. The existing inventory of subsidized family and disabled housing is presented in **Figure 7** on **Page 9**.

Senior Housing. Based on data from the City of Wauwatosa and NIC Map, a provider of senior housing data, there are approximately 1,632 age-restricted senior housing units in the City of Wauwatosa, 67 of which have been developed since 2012 as part of Oak Park Place. The existing senior housing supply includes:

- 547 independent living units,
- 262 assisted living / memory care units,
- 499 nursing units,
- 242 subsidized senior-only units, and
- 82 subsidized senior and disabled units.

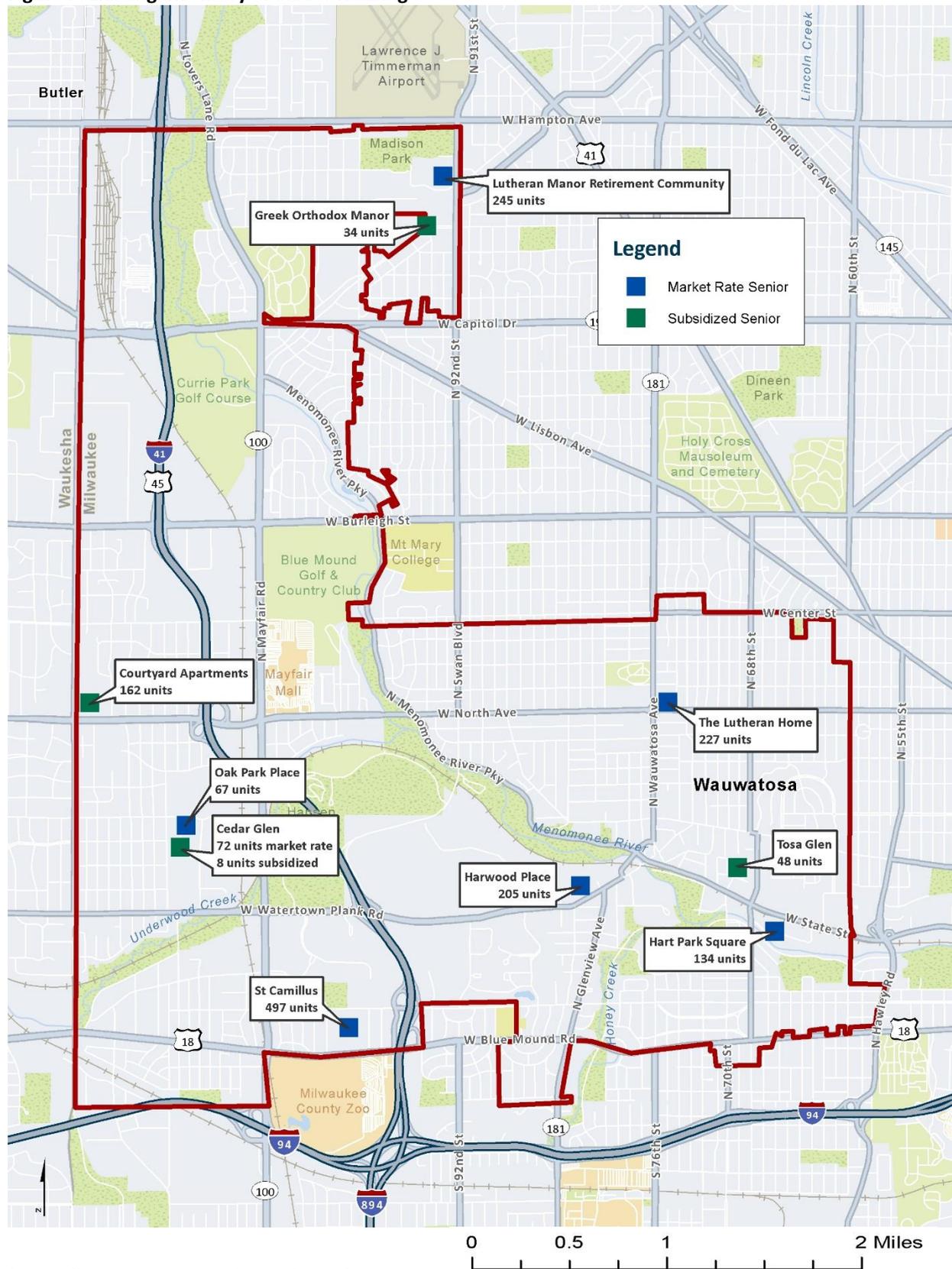
The existing inventory of senior housing is presented in **Figure 8** on **Page 10**.

Figure 7: Existing Inventory of Subsidized Family and Disabled Housing



Source: City of Wauwatosa, SB Friedman

Figure 8: Existing Inventory of Senior Housing



Source: City of Wauwatosa, NIC Map, SB Friedman

TRENDS IN THE LOCAL REAL ESTATE MARKET

Research and interviews with local real estate professionals have indicated that the housing market in Wauwatosa continues to be strong. According to the U.S. Census Bureau, home values and median rents have not yet fully rebounded from pre-recession levels; however, recent sale activity is outpacing that of the pre-recession market, and vacancy rates have declined since 2007. Interviews with local real estate professionals indicate that there are often multiple offers on single-family homes in the City, resulting in bidding wars. These trends indicate that there may be upward pressure on home values in the near future.

Home Values. The median home value in Wauwatosa in 2013 was approximately \$226,000, as presented in **Figure 9**. The median home value, when adjusted for inflation, has increased roughly 21% from \$187,000 in 2000. However, the median value has declined slightly from the peak of roughly \$250,000 in 2007 before the recession.

Rents. The median rent was approximately \$900 in 2013, as presented in **Figure 10**. Rents in Wauwatosa, when adjusted for inflation, have fallen approximately 8% from \$984 in 2007. The 2013 estimate does not account for any impact the higher rents associated with recent new construction multifamily development (since 2013) may have on the median.

Figure 9. Median Home Value ^[1]

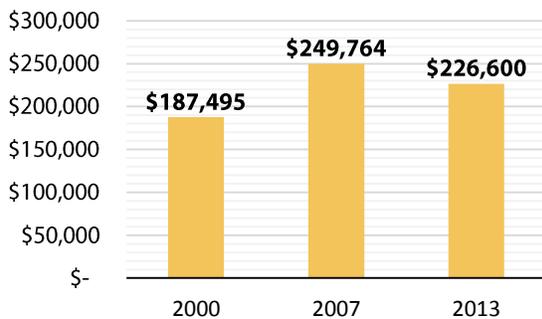
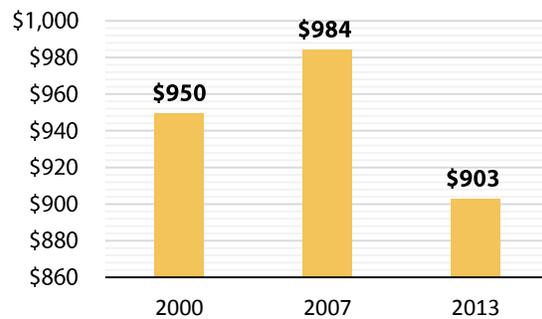


Figure 10. Median Rents ^[1]

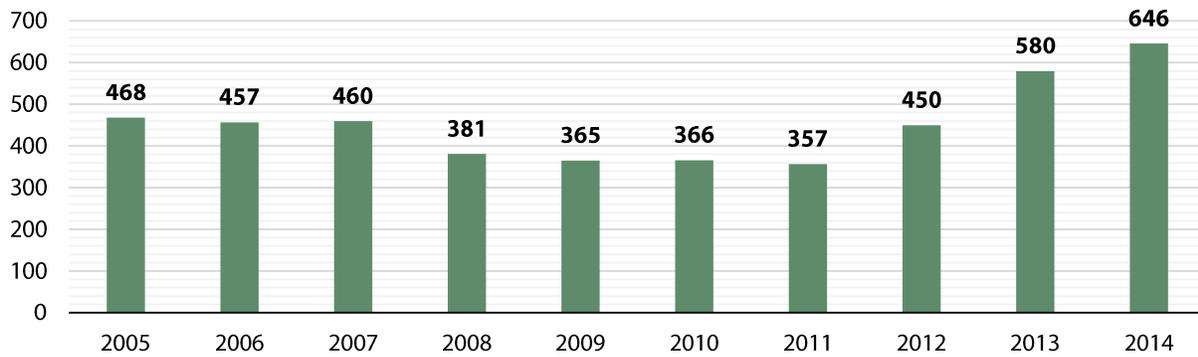


[1] Adjusted to 2013 dollars using Consumer Price Index Research Series Using Current Methods (CPI-U-RS)
 Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, 2007 Three-Year American Community Survey, 2000 Census, Consumer Price Index Research Series Using Current Methods (CPI-U-RS), *SB Friedman*

Home Sales. The number of home sales per year in Wauwatosa now exceeds pre-recession levels, as presented in **Figure 11**. Prior to the recession, there were approximately 460 housing sales per year. Sales declined during the recession to roughly 360 sales per year, and have now recovered to a higher level of activity than prior to the crash. In 2014, there were approximately 645 housing sales.

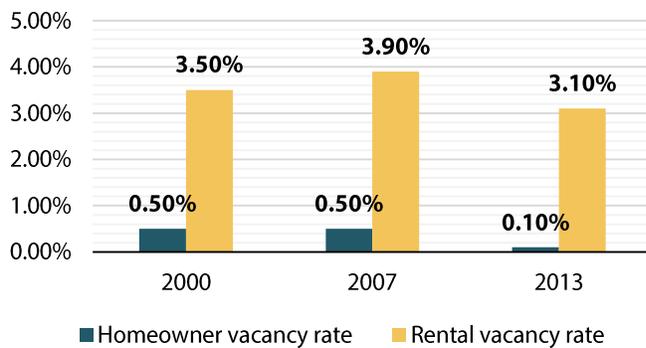
Vacancy Rates. Vacancy is low for both owner-occupied and rental housing units, as presented in **Figure 12**. Between 2000 and 2013, vacancy has declined from 0.5% to 0.1% for owner-occupied units and from 3.5% to 3.1% for rental units. Compared to peer communities in the region, Wauwatosa has the lowest vacancy rate for owner-occupied units and the second-lowest vacancy rate for rental units, as presented in **Figures A-11 and A-12 in Appendix A**. The average vacancy rate in 2013 for owner-occupied units for peer communities was approximately 1.0% while the average vacancy for renter-occupied units was approximately 3.6%. These rates compare favorably to statewide vacancy of 1.9% for owner-occupied units and 5.5% for renter-occupied units in 2013.

Figure 11. Housing Sales per Year (2005-2014)



Source: City of Wauwatosa

Figure 12. Housing Vacancy Rates (2000-2013)

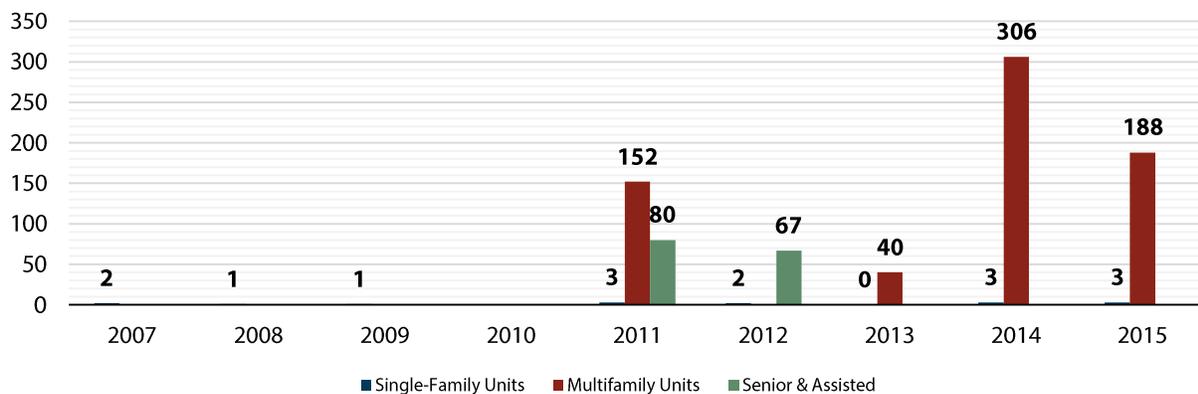


Source: U.S. Census Bureau, *SB Friedman*

RECENT AND PROPOSED RESIDENTIAL DEVELOPMENT

Recent residential development in the City has consisted primarily of multifamily units, as presented in **Figure 13**. Since 2007, 686 multifamily units have received building permits, including approximately 150 units of senior housing, while only 15 new single-family units have been built.

Figure 13. Housing Units Approved by Product Type



Source: City of Wauwatosa Housing Permits, *SB Friedman*

An analysis of data provided by the City for recently developed, planned and under-construction multifamily developments revealed the following:

- All developments that are recently completed, planned or under construction offer units for rent, rather than for purchase.
- Of the 686 multifamily units permitted since 2011, approximately 325 units have been constructed (as of December 2015).
- Recently completed multifamily developments include: The Pasadena (8 net new units for a total of 32 units), 1600 Tosa (102 units), and The Enclave and The Annex at the Enclave (192 units combined).
- Over 600 multifamily units are under construction or approved for construction, including: The 2100 (100 units), Echelon (188 units), The Reef (169 units) and State Street Station (150 units).
- Approximately 1,450 units are currently planned or proposed, including: The Reserve at Mayfair (236 units), 1600 Tosa (205 units), and the District Phase 1 and Phase 2 (1,000 units).

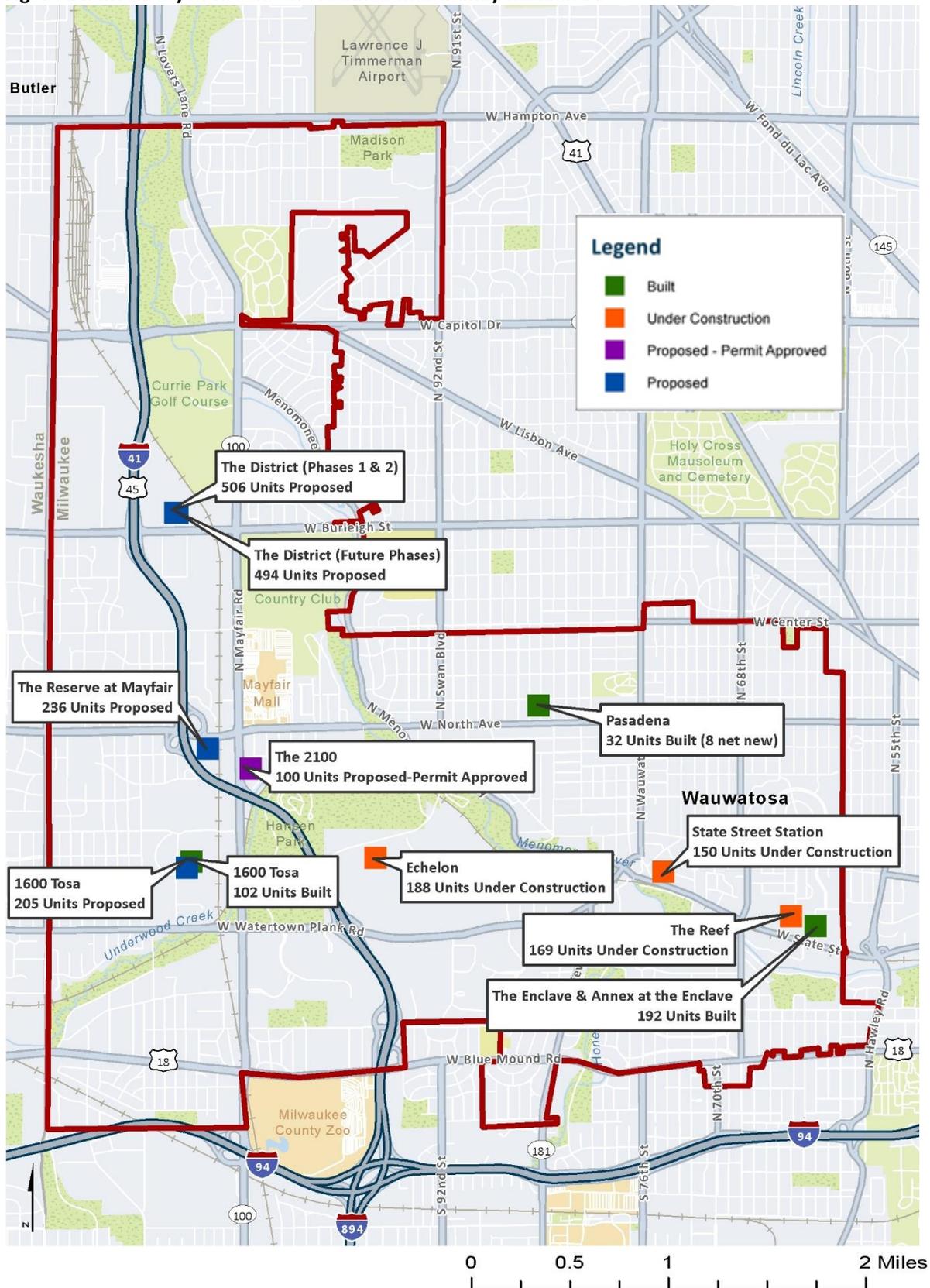
These new and proposed developments, presented in **Figure 14**, are at a scale and price point previously unavailable in the Wauwatosa multifamily market, which has historically consisted of predominantly lower density and garden apartment-type developments with few on-site amenities. The new and proposed multifamily developments are typically more urban in form, located in walkable environments and include a high level of on-site amenities. These characteristics are increasingly attractive to Millennials and empty nesters alike. The recent growth in multifamily development in Wauwatosa reflects a national trend in which many first-ring suburbs are attracting new residents seeking more urban lifestyles in suburban locations, often resulting in higher density and population stabilization or growth in inner-ring suburbs.

Further research and interviews with local multifamily developers active in Wauwatosa revealed the following:

- Newer apartments are anticipated to attract primarily young professionals, as the empty nester rental market has yet to be realized in Wauwatosa.
- Many newly constructed and proposed multifamily developments comprise a mixture of studio, 1-bedroom and 2-bedroom units. Some developments also offer 3-bedroom units.
- Many recently constructed and proposed multifamily developments provide shared amenities for tenants that are common among modern apartment buildings, including a clubroom, fitness area, outdoor pool, and community gathering spaces.
- Newer multifamily developments typically command higher rents than the citywide median rent of \$900, averaging \$1.75 per square foot, or roughly \$1,000 to \$2,000 per month.
- New construction developments in Wauwatosa are projected by developers to absorb between 12 and 18 units per month.

Table A-2 in Appendix A provides a summary of selected newer multifamily developments in Wauwatosa.

Figure 14. Inventory of Recent and Planned Multifamily Residential



Source: City of Wauwatosa, SB Friedman

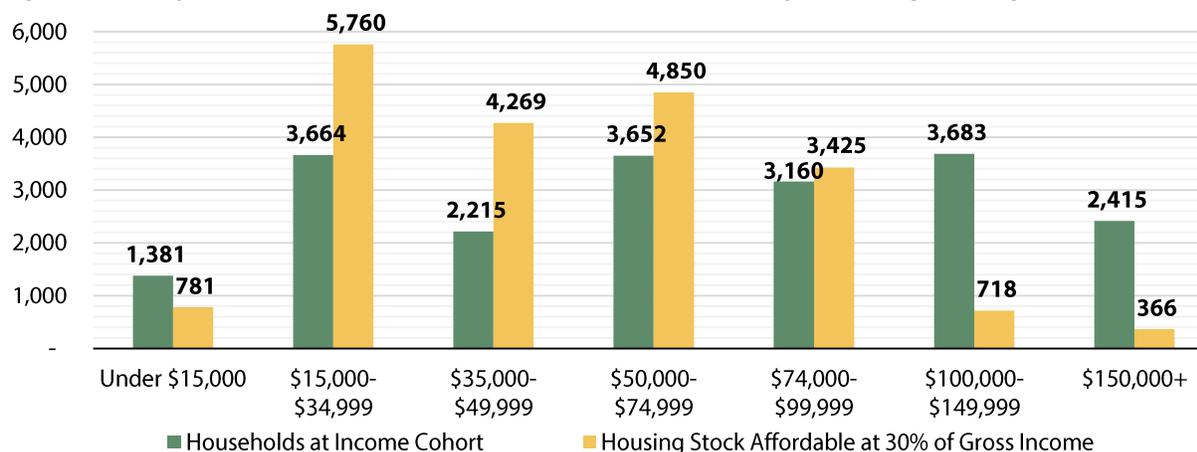
Affordability of Existing Housing Stock

Stakeholder interviews and information gathered through a public meeting and an online survey revealed a concern amongst some community members over the affordability of the existing housing stock. Those who identified themselves as renters in the online survey voiced the most concern, as these respondents largely cited affordability as one of their key factors in determining housing location. Other respondents were worried that new multifamily development would increase rents and create additional affordability problems.

An analysis of current housing prices and the incomes of resident households was conducted to determine if a mismatch between the affordability of the existing housing stock and current residents' incomes is occurring. **Figure 15** presents the results of the analysis, showing households by income and the number of housing units affordable at that income level, assuming that 30% of the householder's gross income is spent on housing. While this is a typical metric for housing affordability, as incomes increase households tend to spend a lower percentage of income on housing. The analysis indicates:

- Existing housing stock is generally affordable to current residents earning above \$15,000 annually;
- Higher-income households appear to be occupying housing affordable at lower incomes, which is typical, especially for the households at the highest end of the spectrum; for example, while there are 2,415 households earning \$150,000 or more annually, only 366 housing units require 30% of that income level – therefore, these households are occupying more modestly priced homes that are affordable to households earning less annually;
- Affordability appears to be a concern for low-income households earning less than \$15,000 annually, as approximately 600 households in this income bracket are spending more than 30% of their income on housing, indicating unmet need for affordable housing for current Wauwatosa residents with very low incomes; and
- While the current housing stock may be affordable to many existing Wauwatosa residents, the analysis does not indicate whether sufficient housing options are available at a range of price points affordable to the large workforce that currently works in Wauwatosa but resides elsewhere. Some of those workers may prefer to live in Wauwatosa, but are unable to obtain available housing at the appropriate price point.

Figure 15. Comparison of Household Income Cohorts to Affordability of Existing Housing Stock



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Employment in the City

As discussed previously, Wauwatosa is not only a desirable residential community, but a major employment center in the Milwaukee region. In this section, we explore:

- Employment trends by sector;
- Major employment centers; and
- Housing patterns associated with workers in Wauwatosa.

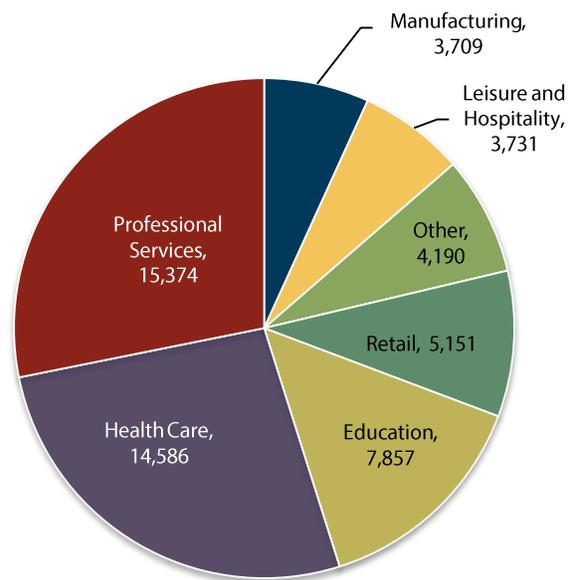
CURRENT EMPLOYMENT OVERVIEW

Wauwatosa is a major employment center in the Milwaukee region. Based on Longitudinal Employer-Housing Dynamics Data provided by the U.S. Census Bureau, approximately 54,598 total people are employed in Wauwatosa, as of 2013. As presented in **Figure 16**, the two largest employment sectors, which account for over half of the City’s economy, are:

- Professional Services, which includes information services, finance activities, and professional and business services (28.2%); and
- Health Care (26.7%).

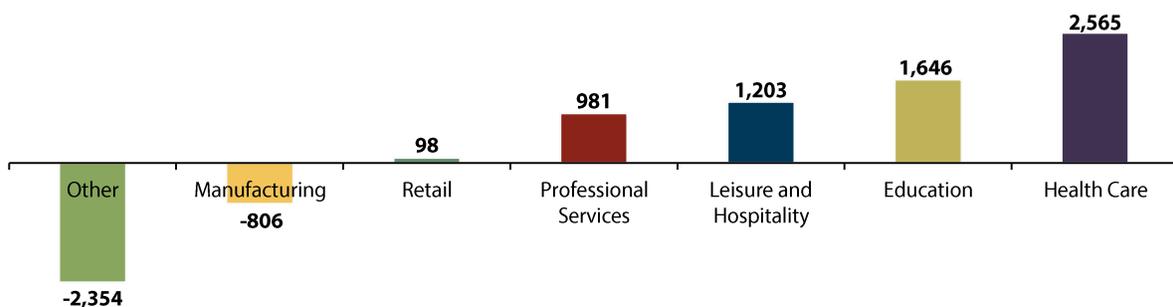
As presented in **Figure 17**, both sectors demonstrated strong job growth from 2002 to 2013 (981 jobs and 2,565 jobs, respectively). Overall, total employment increased by 6.5% from 2002 to 2013 from 51,265 to 54,598.

Figure 16: Employment by Sector, 2013



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics Data

Figure 17. Relative Change in Employment by Sector (2002-2013)



Source: U.S. Census Bureau; Longitudinal Employer-Household Dynamics Data; Moody’s; SB Friedman

MAJOR EMPLOYMENT CENTERS

Much of the employment base in the Professional Services and Health Care sectors is centered around Wisconsin's largest academic health cluster and life science campus. This major driving force in Wauwatosa's economy is anchored by:

- **Milwaukee Regional Medical Center (MRMC).** MRMC is a consortium of health care organizations, focused on medical research and development, education, and patient care, that form the largest medical center in the Milwaukee region. Members of the consortium include: Froedtert Hospital, Children's Hospital and Health System, Medical College of Wisconsin, BloodCenter of Wisconsin's Blood Research Institute, Curative Care Network, and Milwaukee County Behavioral Health Division. Approximately 16,000 people are employed at, and an additional 30,000 people visit, the campus each day. The approximately 225-acre center includes nearly 125 acres of development potential, and is currently undergoing a master planning process.
- **Milwaukee County Research Park (MCRP).** MCRP is a 175-acre research park with a focus on technology-based businesses. MCRP comprises some of the region's most innovative companies, including GE Healthcare and entrepreneurial startups in biomedical, software and related industries. Approximately 4,700 people are employed within MCRP in over 2.2 million square feet of space. MCRP is approaching full build-out, with a new 155,000-square-foot office building under construction, and capacity to add approximately 200,000 square feet of additional office space in the future, according to MCRP leadership.
- **University of Wisconsin-Milwaukee (UWM) Innovation Campus.** The UWM Innovation Campus is a 52-acre research park affiliated with the University of Wisconsin-Milwaukee. The campus is currently home to the Innovation Accelerator, a business accelerator facility, and the regional headquarters for ABB Inc., a global engineering firm. Approximately 800,000 square feet of development potential remain within the campus grounds.

A master planning process is currently underway for MRMC, MCRP, UWM Innovation Campus and the northwest quadrant of the Watertown Plank Road and Interstate 41 interchange. The master plan is anticipated to identify potential opportunities for infill development consisting of additional employment-generating and residential uses.

Wauwatosa also has a strong advanced manufacturing base due to employers like Harley-Davidson and Briggs & Stratton, both of which have major research and development/engineering facilities in the City. Furthermore, numerous small- and mid-sized businesses in the City are similarly involved in research and development, engineering, and advanced manufacturing.

Given that the City of Wauwatosa is a regional destination for shopping and dining, this sector provides numerous jobs for individuals working in retail, leisure and hospitality. Major shopping nodes include:

- Mayfair Mall, the state's largest shopping center, with over 180 stores and restaurants;
- North Mayfair Corridor, including Mayfair Collection, the newest addition to Wauwatosa's regional retail attractions;
- "The Village" downtown business district; and
- Commercial districts along North Avenue.

WHERE EMPLOYEES LIVE

As previously discussed, approximately 54,600 people were employed in Wauwatosa in 2013. To understand the housing choice patterns associated with these workers, *SB Friedman* analyzed city-to-city commuting patterns using data from Longitudinal Employer-Housing Dynamics Data provided by the U.S. Census Bureau. The results of the analysis, presented in **Table 3** and **Figure 18**, indicate:

- Approximately 7.5% of Wauwatosa workers also live in the City (4,087).
- The number of residents living and working in Wauwatosa has declined from 8.7% in 2002 to 7.5% in 2013.
- Milwaukee is the largest source of Wauwatosa’s workers; however, its share (29.2%) has declined from 33.0% since 2002.
- The nearby communities of West Allis, Brookfield, New Berlin and Menomonee Falls have remained fairly constant as a source of workers since 2002, collectively providing 13.0% to 13.3% of Wauwatosa workers.
- Residents of all other communities amounted to 46.9% of Wauwatosa workers in 2013, an increase from 42.8% in 2002.
- No single community identified as “Others” had a share of employees higher than 2.2% in 2013, indicating that Wauwatosa workers are commuting from around the region, as shown in **Figure 18**.

Interviews with stakeholders suggested that the low percentage of Wauwatosa workers who also live in the city may be driven, in part, by the availability and price of housing.

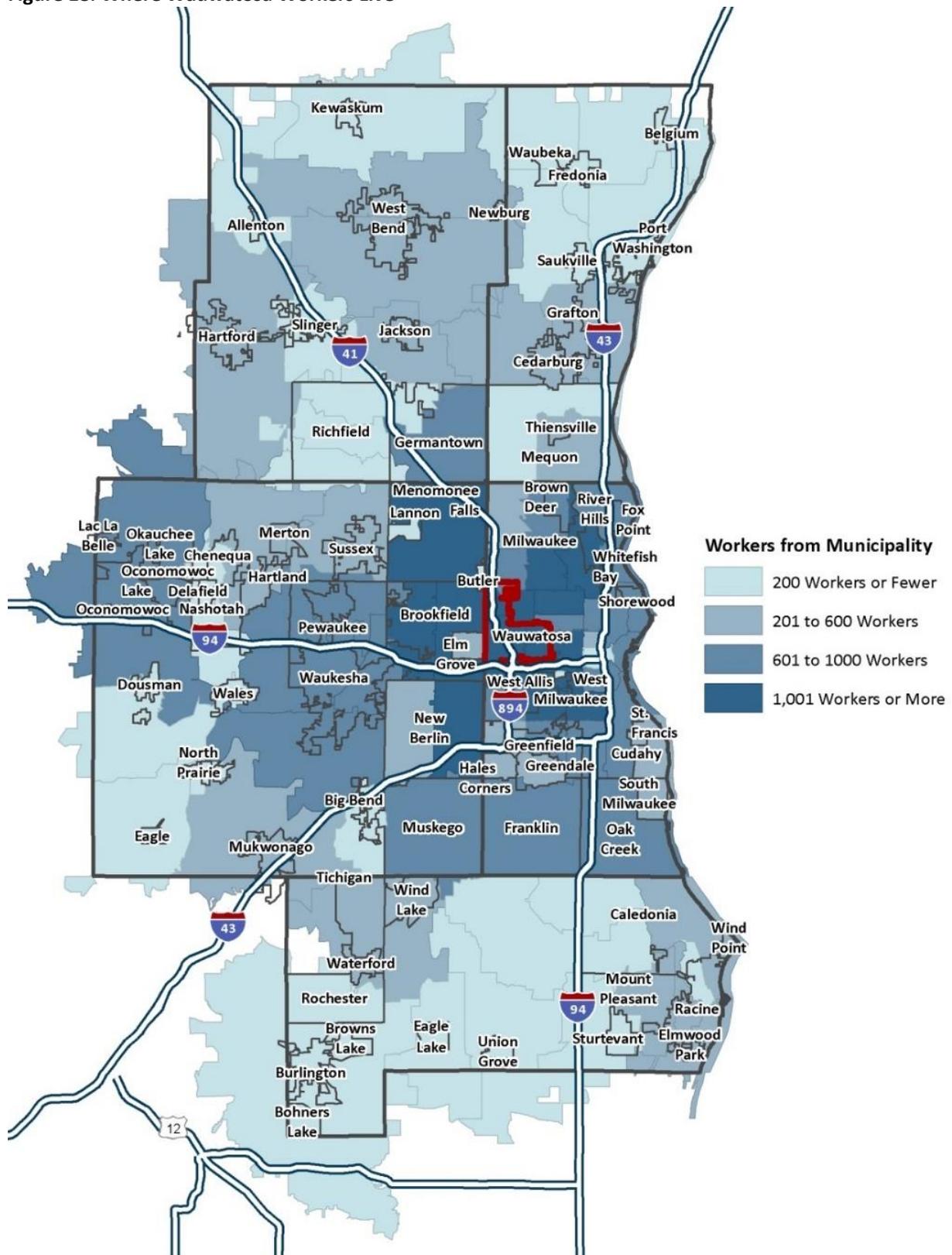
A complete table outlining where Wauwatosa workers live and the number of workers is provided in **Table A-4** in **Appendix A**.

Table 3. Where Wauwatosa Workers Live and Number of Workers

Community	2002		2013		Difference
	Total	Percent	Total	Percent	
Milwaukee	16,906	33.0%	15,951	29.2%	-955
Wauwatosa	4,441	8.7%	4,087	7.5%	-354
West Allis	2,645	5.2%	2,442	4.5%	-203
Brookfield	1,663	3.2%	1,905	3.5%	242
Waukesha	1,325	2.6%	1,678	3.1%	353
New Berlin	1,350	2.6%	1,596	2.9%	246
Menomonee Falls	991	1.9%	1,327	2.4%	336
Others	21,944	42.8%	25,612	46.9%	3,668
Total	51,265		54,598		3,333

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics Data

Figure 18. Where Wauwatosa Workers Live



Source: U.S. Census, Longitudinal Employer-Household Dynamics Data, SB Friedman

Wauwatosa in Relation to its Neighbors

To further understand why Wauwatosa is capturing such a small percentage of the total people employed in the City, *SB Friedman* has compared the demographics and housing supply of Wauwatosa to that of communities where the highest share of Wauwatosa workers live. Understanding the demographics and housing characteristics of these communities helps characterize and set goals for Wauwatosa in relation to peer regional communities, as residents and officials indicate some of them as aspirational. Communities analyzed include: Milwaukee, West Allis, Brookfield, New Berlin and Menomonee Falls. Shorewood has also been included in the analysis, as stakeholder interviews indicated that Wauwatosa often competes with Shorewood for new residents.

The results of the analysis revealed the following:

- Relative to its suburban peers, Wauwatosa's population is larger, younger, slightly more diverse, and about as educated as the populations in Brookfield, Menomonee Falls and New Berlin, though with slightly lower incomes and living in smaller households.
- Home values are moderate relative to comparable communities. Brookfield, Menomonee Falls and New Berlin generally have higher home values; while West Allis and Milwaukee tend to have lower values.
- The median monthly rent in Wauwatosa (\$900) falls near the middle of median rents in surrounding communities. Menomonee Falls and New Berlin have comparable rents at the median, while the median rent in Brookfield is significantly higher (approximately \$1,275) and the median rent in West Allis is significantly lower (approximately \$775).
- Wauwatosa, Brookfield, Menomonee Falls and New Berlin all experience very little mismatch between the affordability of the existing housing stock and current residents' incomes. For each community, this mismatch is occurring at the very low income level (less than \$15,000). Each community is experiencing a mismatch of between 540 and 600 units, with the exception of New Berlin, which is experiencing a mismatch of only 380 units.
- Wauwatosa has the lowest vacancy rate for owner-occupied units and the second-lowest vacancy rate for rental units, indicating a high level of demand for housing units in the City. Low vacancy may indicate that Wauwatosa could attract more employees to live in the City if additional housing units were available.

A detailed comparison of the demographics and housing supply in Wauwatosa to comparable communities is provided in **Appendix A** in **Figures A-1** through **A-16**.

3. Wauwatosa in the Future

Further increases in population and continued employment growth is anticipated to occur over the next 15 years in Wauwatosa. To understand how this growth will impact the housing market, projections of population and employment growth have been developed. This section presents:

- Projected population growth over the next 15 years in the City, as well as a comparison of Wauwatosa growth over the next 5 years to that of the Milwaukee region; and
- Projected employment growth by sector over the next 15 years, including an overview of growth potential at major institutions in the City.

Population Growth

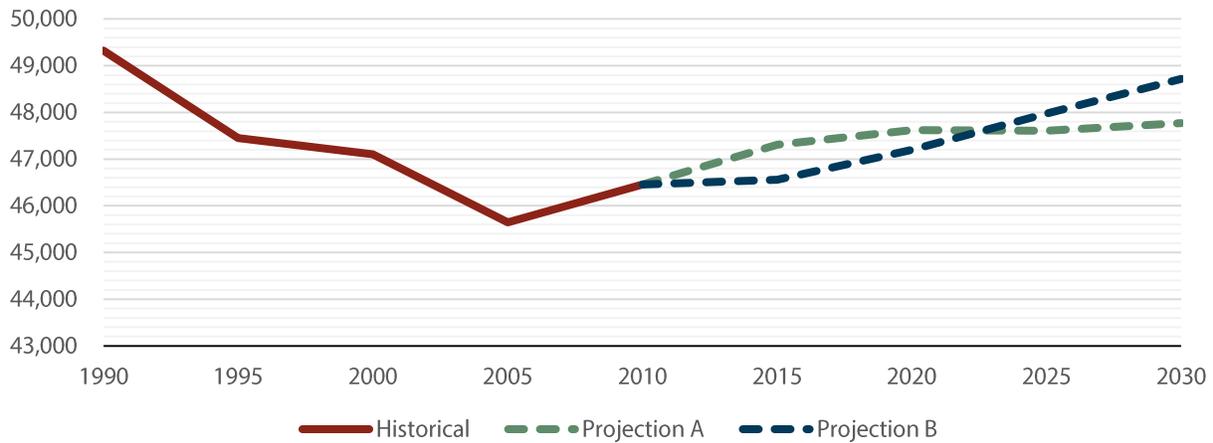
It is anticipated that the recent reversal of historic population decline will continue, with growth in population projected through 2030. Population projections have been estimated for 2020, 2025 and 2030 utilizing a cohort component model, which incorporates recent trends in birth, death and migration rates by age cohort. These projections have been compared to population forecasts prepared by the Wisconsin Department of Administration (DOA) to develop an estimated range of population growth that is anticipated to occur, as presented in **Figure 19** on the following page.

According to the projections, the City is estimated to add approximately 1,100 to 2,100 new residents from 2013 through 2030, resulting in average growth between 65 and 120 people per year. Total population in 2030 is anticipated to reach between 47,770 and 48,719. The population is forecasted to grow at a compound annual growth rate (CAGR) of 0.14% to 0.25% from 2013 to 2030 compared to a CAGR of -0.10% from 2000 to 2013.

These population and household projections are more conservative than those produced for the City's 2008 Comprehensive Plan, which were developed largely based on Population to Jobs ratios in Wauwatosa compared to Milwaukee. The Comprehensive Plan projections indicate that a population of 58,676 to 79,338 could be achieved by 2030 if Wauwatosa achieved a Population to Jobs ratio more similar to Milwaukee in the future (by attracting a higher number of residents relative to the number of jobs in the City). *SB Friedman's* projections are more conservative, as they are based on recent trends in births, deaths and migration. In order to achieve the projections outlined in the Comprehensive Plan, the City would likely need to facilitate significant land use change and/or an increase in residential density in order to accommodate the higher levels of population growth.

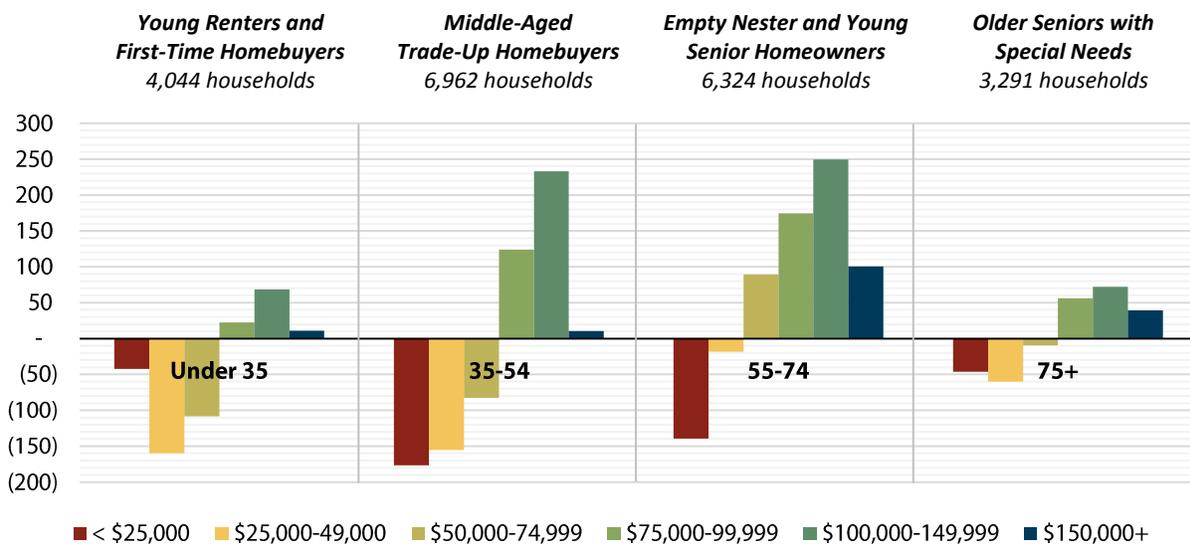
Neither the cohort component model nor estimates prepared by the DOA incorporate income into long-term projections; however, Esri publishes five-year household projections by age and income that offer insight into anticipated age and income trends over the next five years. The Esri projections, as presented in **Figure 20**, reveal a shift towards older, more affluent households. This shift mirrors Esri projections for Milwaukee County and the Milwaukee Metropolitan Statistical Area (provided in **Appendix A**), both of which indicate net growth in households ages 55 and higher, and a shift towards more affluent households earning at least \$75,000 annually across all age cohorts. Interviews with local real estate professionals indicate that at least a portion of the shift towards more affluent households is likely due to the real estate market in Wauwatosa, where the demand for housing has led to upward pressure on housing costs.

Figure 19. Projected Wauwatosa Population Growth



Source: Wisconsin Department of Administration, U.S. Census Bureau, Esri, *SB Friedman*

Figure 20. Growth in Wauwatosa Households by Age and Income (2015-2020)



Source: Esri Business Analyst, 2015 projections, adjusted for inflation; *SB Friedman*

The population and household projections presented above indicate that there is likely to be moderate growth in Wauwatosa through 2030, which, when coupled with expected declines in household size, is likely to result in the need for additional housing units. *SB Friedman’s* projections are somewhat conservative as they do not account for the following factors, which could increase projected population growth:

- Recent Development.** Residents of the recent multifamily developments in Wauwatosa are not incorporated in the projections. This is due to the timing of the development projects, as the most recent data available from the U.S. Census Bureau at the time this analysis was conducted was 2013 data, predating construction of the new multifamily units. This recent development appears to have increased the City’s population: the DOA estimated the 2015 City population to be 46,947,

an increase of 286 residents from the 2013 figure used as the baseline for *SB Friedman*, DOA and Esri projections.

- **Increased Capture of Wauwatosa Employees.** Based on interviews with stakeholders, there is significant opportunity to capture Wauwatosa employees who do not currently live within the City. If new housing units are developed that are attractive to Wauwatosa employees that currently live elsewhere, a greater share of those employees may choose to live in the City, enhancing population growth above the levels indicated in the projections.
- **Increased Capture of Regional Growth.** While Esri five-year projections indicate Wauwatosa is anticipated to experience a higher growth rate than Milwaukee County and the Milwaukee Metropolitan Statistical Area (1.2%, compared to 0.5% and 1.1%, respectively), the City could potentially capture an even greater share of residents, if preferences shift toward the more urban lifestyle Wauwatosa offers compared to its suburban peers.
- **Redevelopment Site Capacity.** Interviews with local stakeholders and real estate professionals indicate that population growth in the future will largely be a function of redevelopment site capacity within the City. If additional land becomes available for conversion to residential use or if density is increased on existing residential sites, population growth could exceed projections.

Employment Growth

Growth in employment in Wauwatosa is projected to greatly outpace population growth over the next 15 years. This is based on Milwaukee County employment projections developed by Moody's Analytics and adjusted by *SB Friedman* using historic Longitudinal Employer-Household Dynamics data from the U.S. Census Bureau to reflect the Wauwatosa economy. As presented in **Figure 21**, over 9,300 net new jobs are projected through 2030. The highest growth is projected in the following sectors:

- **Professional Services.** A roughly 25% increase in employment is projected in this sector between 2013 and 2030, which equates to nearly 4,000 jobs.
- **Health Care.** This sector is projected to add approximately 3,700 jobs from 2013 to 2030.

While not as pronounced as the growth in the Professional Services and Health Care sectors, the Retail sector is also anticipated to add approximately 370 jobs. This projection is based on existing trends in the marketplace and does not reflect any large-scale retail development that could occur in the City in the future. (Additional detail on the employment projections is provided in **Table A-9** in **Appendix A**).

GROWTH OF COMMUNITY INSTITUTIONS

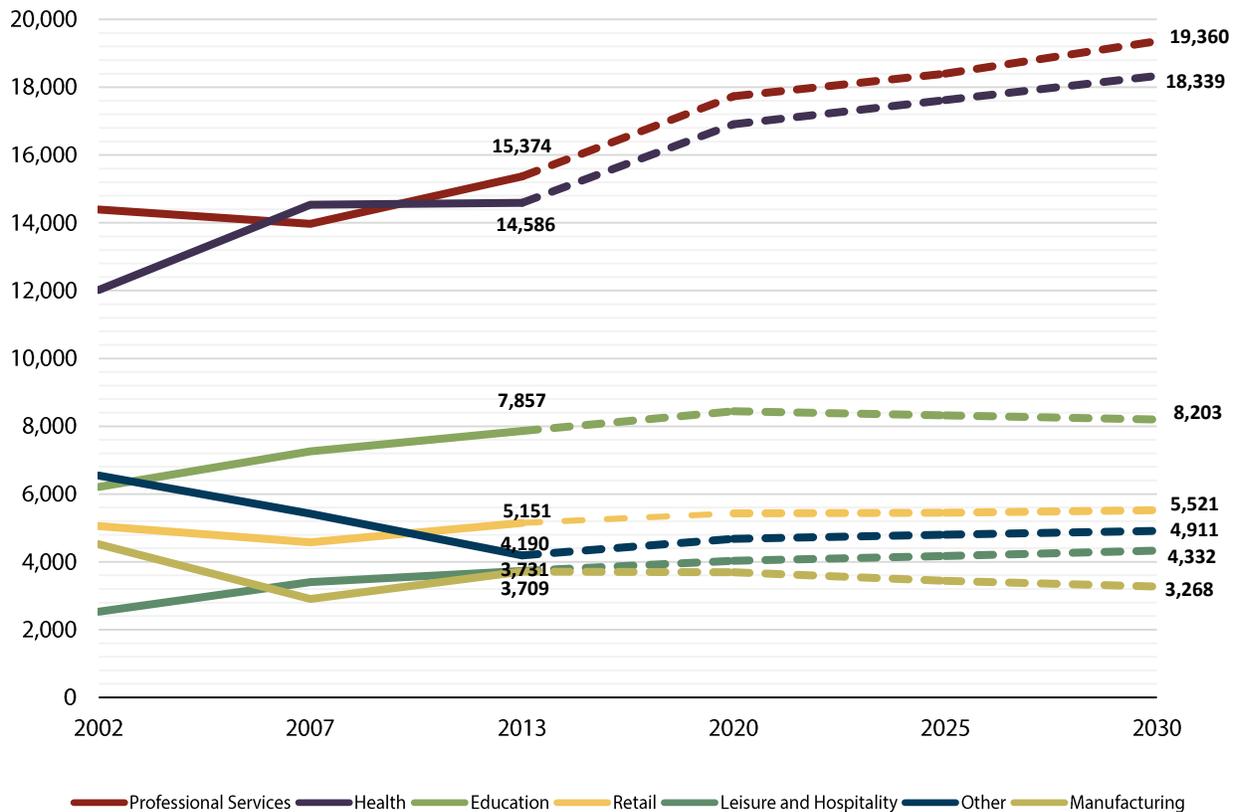
Much of the projected employment growth is anticipated to occur at the major institutions already located in Wauwatosa. Outlined below is the current capacity for growth at MRMC, MCRP and the UWM Innovation Campus. As discussed earlier, a master planning process including these institutions and adjacent areas is currently underway and is anticipated to identify potential growth and development opportunities beyond those described here.

- **Milwaukee Regional Medical Center (MRMC).** Interviews with MRMC leaders indicate that site capacity exists for the current campus building footprint to nearly double in physical size. This

growth in employment is anticipated to be incremental as demand necessitates new space. MPMC has indicated to local officials that there are currently several hundred job openings on campus.

- Milwaukee County Research Park (MCRP).** A new 155,000-square-foot office building is currently under construction at MCRP, and the same developer has the capacity to build another 53,500 square feet of office space on additional land it owns in the park. Interviews with MCRP leaders indicate that another undeveloped parcel within the park could accommodate a building of similar size to the one under construction.
- University of Wisconsin-Milwaukee (UWM) Innovation Campus.** UWM has permission by the City to develop another 800,000 square feet of space at the Innovation Campus. It is anticipated that 150,000 square feet of that space will be built as an academic research center, with the balance being developed for private office space whose tenants align with the mission of the campus.

Figure 21. Wauwatosa Employment Projections by Sector (2013-2030)



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics data; Moody’s Analytics projections for Milwaukee County; *SB Friedman*

4. Future Housing Need

Continued residential and employment growth will inevitably impact the need for new housing in Wauwatosa over the next 15 years. In order to ensure that future residential development meets the needs of this projected growth, demand for specific housing types and future housing preferences have been evaluated. This section presents:

- Future housing demand, including the number and type of units required to achieve a balanced housing profile in 2020, 2025 and 2030, given the current housing stock, current population demographics and projected population growth;
- Opportunities for capturing additional residential market potential; and
- Unmet housing needs in the City, such as workforce housing and housing for people with disabilities.

Future Housing Demand

In the future, population growth coupled with demographic shifts in key age cohorts will affect housing choice and may provide demand for alternate housing types. Key age cohorts, as defined by the Pew Research Center, and their anticipated effect on the housing market are outlined below:

- The Millennials (born 1981-1997) are not yet in peak home-buying age and, at least over the next five years, a significant percent of this generation will likely continue to rent;
- Generation X (born 1965-1980), which is currently in the “family years” (the peak single-family home-buying age), is a smaller generation in terms of size than the preceding Baby Boomer generation, and therefore will likely lead to less single-family home demand; and
- Baby Boomers (born 1946-1964) may choose to age in place in predominantly single-family homes over the near term, but will nevertheless generate demand for multifamily senior housing product in the long term.

SB Friedman prepared a housing demand model to estimate the number of new units by housing type required to achieve a balanced housing profile, given these demographic shifts, over each analysis period. A balanced housing profile means there are the appropriate number of units of different types (single-family, townhomes, multifamily units) to accommodate the anticipated growth in and preferences of each population cohort. The analysis is based on existing demographic trends and takes into account projected household growth by age and income, recent local housing preferences by age and income, and local trends in vacancy, housing tenure and household size. The cohort component population projections are employed in the analysis, which are based on recent trends in birth, death and migration rates. It is assumed that all age and income cohorts in the analysis will pay no more than 30% of their gross annual income for housing-related expenses.

As presented in **Table 4**, a total of 2,227 housing units would need to be developed over the next 15 years to accommodate projected growth in population by 2030, including:

- 1,084 new units from 2013 through 2020,
- 759 new units from 2021 through 2025, and

- 384 new units from 2026 through 2030.

These units are projected to be predominantly (74%) multifamily units, consisting of both rental and condominium units.

Table 4. Projected Demand for New Housing Units Based on Historic Growth Trends

	2013-2020	2021-2025	2026-2030	TOTAL	Percent of Total
Projected Growth in Population	639	674	745	2,058	N/A
Required Units for Housing Balance	1,084	759	384	2,227	100.0%
Single-Family Units	100	190	87	377	16.9%
Townhome Units	101	70	36	206	9.3%
Multifamily Units [1]	883	499	261	1,644	73.8%

[1] Includes both rental and condominium units

Source: *SB Friedman*

Given that the base data in the projections is derived from the U.S. Census Bureau's 2013 American Community Survey, a portion of this demand may have been satisfied by the six new single-family homes and 494 new multifamily units (including new senior units) that have been developed since 2013, provided that those new housing units were occupied by existing Wauwatosa residents or new residents who follow typical migration patterns. Similarly, a portion of this demand could also be satisfied by the over 600 units that are currently under construction or approved, as well as the 1,450 currently planned or proposed. However, as explained below and in the Population Growth section on pages 21-23, the projected demand indicated in **Table 4** should be considered a conservative figure.

POTENTIAL FOR ADDITIONAL HOUSING UNITS

The analysis above assumes that the patterns of migration, births and deaths continue in a similar pattern. Actual demand for new housing units will depend on local and regional growth dynamics and the ability of the City to bend historic trends. In fact, recent data provided by the City indicates that a majority of new multifamily units are occupied by residents that did not previously live in Wauwatosa; therefore, population growth may not be following historic trends. The attractiveness of these units to new residents may represent latent demand for additional new housing units that was unmet due to larger economic and development forces. Furthermore, interviews with local developers and real estate professionals revealed a high level of confidence in the ability of the Wauwatosa housing market to absorb additional housing units. This is due, in large part, to the competitive advantage Wauwatosa holds over many other communities, given its location and strong employment base. Though difficult to quantify, opportunities for capturing residential market potential beyond the units outlined above include:

- **Increased Capture of Regional Growth.** Milwaukee County and the larger Milwaukee region are projected to add approximately 2,000 and 8,000 households respectively over the next five years (see **Figures A-18** and **A-19** in **Appendix A**). Capturing an increased percentage of households from throughout the region who may not have considered Wauwatosa in the past could result in demand for additional housing units.
- **Increased Attraction of Current and Future Wauwatosa Workers.** Interviews with stakeholders indicated that the low percentage of Wauwatosa workers who also live in the city may be driven, in part, by the availability and price of housing. Furthermore, the City's 2008 Comprehensive Plan

indicated that achieving a Population to Jobs ratio closer to that of Milwaukee could result in demand for additional housing units.

FUTURE HOUSING DEMAND CONCLUSIONS

Depending on the number of recently developed and under construction/approved housing units that will be occupied by existing Wauwatosa residents or new residents who would have already moved to the City even without that development, versus a newly captured regional population that moved to Wauwatosa specifically for the new housing product, *SB Friedman* projects demand for up to 883 new multifamily units, 101 townhomes, and 100 single-family units over the next five years alone (by 2020). This level of development amounts to absorption of roughly 10-11 multifamily units per month, which is lower than the roughly 15-unit-per-month absorption per development project anticipated by multifamily developers active in the City. Local real estate professionals also indicate that the depth of the market for townhomes and single-family homes greatly outweighs the supply, which indicates that additional units could likely be absorbed if product were available.

Capitalizing on the opportunities outlined above could result in demand for additional housing units beyond the 2,227 units anticipated based on existing demographic trends. However, it is important to note that any substantial increase in the number of available housing units would likely require significant land use changes or an increase in residential density.

Other Unmet Housing Needs

In addition to the demand for housing outlined above, interviews with real estate professionals and local stakeholders, as well as input obtained during a public meeting and through an online survey, indicate that several additional housing gaps appear to exist within Wauwatosa. These gaps include the following:

- **For-Sale Attached Housing.** Interviews and community input revealed unmet demand for for-sale attached housing, such as condominiums or townhomes. This housing type is largely desired by those looking to downsize from detached single-family homes, but who are not in a position or have no desire to enter independent or assisted senior housing. This housing type may also be attractive to Millennials who are not yet ready for single-family home ownership, but may be ready to enter the ownership market in coming years. Local real estate professionals have revealed that homebuyers looking to acquire for-sale attached housing frequently are required to do so outside of the City, where this housing type is more prevalent. *SB Friedman's* analysis found a need for multifamily housing in the coming years, which could be satisfied through a combination of rental and ownership units. Financing for condominium units continues to be challenging in most markets following the recession, but is anticipated to become available in the future as demand for these units increases.
- **Starter Homes.** Real estate professionals indicated strong demand from first-time homebuyers and young families for relatively affordable single-family homes in Wauwatosa. Given the limited availability of this product, many would-be Wauwatosa buyers have been forced to purchase homes outside of the City.
- **Subsidized and Workforce Housing.** There is a very limited supply of modern subsidized units for lower-income families or non-seniors in Wauwatosa. Interviews revealed a need for additional

units affordable to working families with lower incomes. *SB Friedman's* analysis also indicates there is near-term unmet demand for approximately 600 housing units affordable to current residents with low incomes (under \$15,000 per year). Though difficult to quantify, there is likely demand for additional workforce housing for lower-income workers who live in other communities and commute to Wauwatosa's major employment centers.

- **Housing for People with Special Needs.** A significant shortage of accessible and affordable housing appears to exist for people with special needs, based on interviews with key stakeholders. While a complete inventory of ADA-accessible housing options is not available, very few units of supportive housing for residents with disabilities currently exist in the City, and no programs are currently in place to aid residents in converting older homes or units into accessible units.

5. Conclusions and Recommendations

Conclusions

Wauwatosa has long been viewed as a desirable residential community. As a stable and attractive inner-ring suburb of Milwaukee, the City offers urban amenities, including an attractive downtown within a suburban context, an extensive green space network, and a unique mix of housing ranging from modest bungalows and apartments to high-end single-family homes. Residents also value the City's walkability, accessibility from all parts of the region, educational opportunities, and range of employment options.

After decades of population decline, due in large part to a downward trend in household size and limited new residential development, the City is beginning to experience population growth, as well as a shift towards older, more affluent residents. It is likely that this shift is occurring due to overall regional population dynamics, as well as the increasing strength of the local housing market, which is experiencing very low vacancy rates, thus creating upward pressure on home values. Continued high demand for Wauwatosa housing units is likely to increase home values and rents in the future, potentially challenging affordability for existing and new residents.

In recent years, it has become apparent that the City needs to take a more comprehensive look at several issues impacting the housing market and residents' housing options:

- Sustainability of rapid development of new multifamily product in the City, which is viewed by some as overly focused on young professionals at the high end of the market;
- Need for additional housing types, particularly for baby boomers and seniors who are no longer interested in owning a detached single-family home, but who are not yet in need of traditional senior housing;
- Demand for workforce and income-restricted housing for those who work in the community in relatively lower-paying jobs or who are current residents, but are burdened by housing costs;
- Difficulty of aging in place for seniors on fixed incomes who wish to occupy their current residences but may be unable to maintain single-family homes;
- Limited housing options for residents with special needs; and
- Challenges related to infill redevelopment and relatively limited land for new residential development.

To evaluate many of the challenges outlined above, *SB Friedman* developed a housing demand model to estimate the number of new units by housing type required over the next 5 to 15 years to achieve a balanced housing profile. A balanced housing profile is one in which various housing types (single-family, townhomes, multifamily units) are available to accommodate the growth in and preferences of different population cohorts. Moderate population growth of approximately 2,100 new residents, combined with key demographic shifts, typical replacement of existing housing stock, and normalization of vacancy rates, is anticipated to generate demand for an additional 2,227 housing units by 2030, including:

- 1,084 new units from 2013 through 2020,
- 759 new units from 2021 through 2025, and
- 384 new units from 2026 through 2030.

The shift towards older, more affluent households in Wauwatosa is expected to increase the demand for multifamily housing units and townhomes, which have historically been preferred by older seniors. In addition, higher incomes among young professionals are anticipated to increase the demand for higher-quality rental multifamily units. Based on the historic preferences of these cohorts, as well as the anticipated shift in demographics, a majority of new housing units (74%, or 1,644 units) demanded over the next 15 years are anticipated to be multifamily units, consisting of both rental and condominium units.

SB Friedman's housing analysis is based on existing demographic trends and therefore may be somewhat conservative; the population projections do not account for any population increase related to recent development projects, any increased attraction of Wauwatosa employees who currently live elsewhere, or additional residential capacity that could be generated with new redevelopment sites in Wauwatosa. Interviews with local real estate professionals and developers indicate that Wauwatosa is expected to remain a highly desirable location for young professionals, families and aging seniors. Input from residents and stakeholders show a desire by long-term residents to continue to live in Wauwatosa, though in housing types that are currently unavailable or only available to a limited extent. To the extent that the City can facilitate development of new housing product, it appears likely that Wauwatosa could increase its capture of anticipated regional growth and workers in Wauwatosa who live elsewhere, resulting in higher population growth and increased demand for:

- **Market-Rate Rental Multifamily Units** for both young professionals who are not ready to buy a home and empty nesters who may be downsizing and no longer wish to own a detached single-family home. Interviews with developers suggest that baby boomer demand for rental apartments has yet to be fully demonstrated in Wauwatosa, but that this demographic is anticipated to provide increasing demand for rental product in the future.
- **For-Sale Attached Housing**, such as condominiums or townhomes, that would provide options for baby boomers and seniors who are looking to downsize or first-time homebuyers who cannot yet or do not wish to own a detached single-family home. As financing becomes more available for condominiums, a portion of the multifamily demand is anticipated to be filled by condominium developments. Several developers active in Wauwatosa have indicated that multifamily projects currently envisioned as rental developments could be designed in a way such that they could be converted to condominiums in the future.
- **Starter Homes** for first-time homebuyers and young families. Existing, relatively affordable single-family homes could become available to new residents if the aging population is presented with alternative housing choices.
- **Higher-End Single-Family Homes** could be attractive to the upper-income segment of the Wauwatosa population that may be “underpaying” for housing, based on the comparison of incomes to available housing stock, or to new residents. The private development market typically responds to demand for such units, and may provide targeted infill single-family homes within established neighborhoods, and/or homes in larger residential redevelopments.

SB Friedman's analysis, combined with interviews with real estate professionals and local stakeholders, as well as input obtained during a public meeting and an online survey, indicate that there is also a need for the following:

- **Subsidized and Workforce Housing** for residents with lower-paying service or administrative jobs or low fixed incomes. There are very few modern subsidized units for lower-income families or non-seniors in the City, and interviews indicate there is a need for additional units affordable to working families with lower incomes. *SB Friedman's* analysis indicates there is near-term unmet demand for approximately 600 housing units affordable to current residents with low incomes (under \$15,000 per year). Provision of additional affordable housing units for moderate- and lower-income residents would ensure that existing residents are not housing burdened, and would allow lower-skilled employees at MRMC, local retailers and other employers to live in Wauwatosa. Housing affordable to moderate- and lower-income residents is unlikely to be provided by market-rate developers without financial assistance, especially when demand exists for higher-valued housing types. Specialized affordable housing developers are typically well-versed in layering multiple types of federal and local assistance to develop income-restricted housing; these types of projects often require local assistance in the form of land write-downs or tax increment financing (TIF) assistance to make the projects financially feasible.
- **Housing for Residents with Special Needs**, who face a significant shortage of accessible and affordable housing. While a complete inventory of ADA-accessible housing options is not available, very few units of supportive housing for residents with disabilities currently exist in the City. Adapting older units to meet accessibility requirements can be cost prohibitive, especially for individuals with disabilities who may have limited fixed incomes. There appear to be limited City or County programs in place to aid residents in converting older homes or units into accessible units.
- **Rehabilitation of Aging Housing Stock.** Overall Wauwatosa has a high-quality existing housing stock, but it is aging and some properties are in need of maintenance. Over 70% of housing units were built prior to 1960 while less than 2% were built since 2000. Rehabilitation of older units can be cost prohibitive for some homeowners. There appears to be limited programs in place to aid residents desiring to rehabilitate existing aging homes.

Recommendations

Based on the analysis and conclusions outlined in this report, *SB Friedman* recommends that the City proactively plan for and accommodate a variety of housing types likely to be needed over the next 15 years, including additional multifamily rental, condominiums, townhomes, scattered single-family units, age-restricted senior housing, workforce housing, and rental units affordable to low-income residents. While many of these housing types are likely to be provided by the market as developers respond to changing demographics and regional demand, several will require administrative, programmatic and/or financial assistance from the City to be viable. The resulting diversity in housing stock will reflect the economic diversity of Wauwatosa's current residents and employees, ensuring that there are quality housing options available to all residents and allowing for the continued growth and vitality of the community. Implementation of the following strategies and policies would leverage Wauwatosa's unique place within the region and address current and anticipated housing issues. (A matrix providing more detail regarding potential administrative, programmatic and/or financial assistance programs is provided in **Appendix D.**)

1. **Modify Existing and Develop New City Policies.** Existing City programs and policies could be altered to encourage development of alternate unit types at a range of price points. These

changes could help combat affordability issues, unmet housing needs, and a perception that the City is focused primarily on attracting young professionals, as well as provide additional units for an aging population. Potential policy changes could include:

- **Attract For-Sale Attached Housing Developers.** The City could be proactive in attracting developers of for-sale attached housing by incentivizing such development, providing gap financing, or assembling development-ready land. The City could also encourage the conversion of existing multifamily properties to condominiums over the longer term. While there appears to be demand for new multifamily rental units over the near term, conversion to condominiums, as appropriate, can help ensure the housing stock remains balanced into the future. Either approach could potentially increase availability of single-family homes, by providing alternative housing options for existing homeowners.
 - **Establish Inclusionary Housing Requirement.** Requiring that residential developers who receive financial assistance from the City provide a certain number or percentage of income-restricted units in residential developments ensures that housing units are being developed for moderate- and low-income households. Integrating affordable units with market-rate units can often be a viable strategy for providing incremental affordable housing units. In cases where the City is already participating financially in a development for gap financing or public improvements, it could also aid in financing the incremental costs to the developer of including affordable units for low-income residents.
 - **Encourage Developments with Mix of Units.** The City could work with residential developers who receive financial assistance to encourage them to incorporate a mix of unit types in their development programs, potentially including townhomes, condominiums, and/or a focus on senior units. The City could work with multifamily housing developers to ensure developments are of high quality and units could be potentially converted to condominiums when the real estate market changes.
 - **Allow Alternate Rental Units.** Modifying existing building and zoning codes can allow for alternative housing types, such as carriage houses and “in-law” suites, in areas currently zoned for single-family residences. Such units are often attractive to students, other lower-income young renters, and relatives of homeowners who may be unable to live independently, but for whom senior housing developments may not be a viable option. This type of unit also provides supplemental income to homeowners that can be used to maintain and improve the single-family housing stock.
- 2. Maximize Use of Available Resources to Address Housing Needs.** The City has historically participated in residential development through provision of TIF assistance for certain multifamily developments. Going forward, the City could undertake one or more of several approaches to similarly assist rehabilitation of existing single-family homes and encourage development and/or rehabilitation of income-restricted housing for seniors, moderate- and lower-income families, and people with special needs. Such initiatives could be undertaken utilizing existing City and federal resources, and include the following:
- **Identify and/or Assemble Sites for Development.** The City can act as partner in developing affordable units for lower-income residents by providing or helping to assemble development-ready sites. Regional housing experts indicated that affordable housing

developers have expressed interest in projects in Wauwatosa and would likely respond to a City-issued Request for Proposal if sites were available for development. The City could leverage existing City-owned land or work with the County or other entities to provide currently underutilized or vacant land for affordable housing development.

- **Build on Existing Entitlement Community Status.** Wauwatosa is an entitlement community that is part of the Milwaukee County HOME Consortium. As part of the Consortium, the City can leverage training and assistance resources through the County and HUD to help increase the supply of affordable housing for its lower-income population. HOME funds can be used to aid in new construction projects for a variety of populations, and can be coupled with Community Development Block Grant (CDBG) allocations, which can support acquisition, demolition and site preparation, to develop affordable single-family homes to replace dilapidated or foreclosed properties. Both HOME and CDBG funds can be used by the City to leverage other financing sources to improve the existing housing stock and create new units affordable to residents on fixed incomes.
 - **Establish a Revolving Loan Fund for Housing Rehabilitation.** Several residents expressed concerns that the existing housing stock appears to be aging and in need of maintenance. A revolving loan fund, which would provide low-interest loans to existing homeowners on low or fixed incomes, could be developed to aid in the rehabilitation of the existing housing supply. This program could finance: rehabilitation projects that allow seniors to comfortably age in place, conversion of units for people with special needs, flooding and stormwater-related repairs, and home repairs that address building code violations. Such revolving loan funds have been successfully created in other Wisconsin communities using CDBG funds, and can be structured with entirely revolving funds with partial or complete forgiveness (e.g., if a homeowner remains in the home for 15 years following repairs).
 - **Continue to Utilize the Affordable Housing Amendment to the Tax Increment Financing Statute.** Once TIF-supported project costs have been paid off, this provision of the TIF statute allows communities to extend the life of a TIF district by one year, provided that the increment collected is used to increase or improve affordable housing in the community. Under the statute, 75% of increment in the final year must be used for affordable housing, with the remaining 25% used to improve the overall housing stock. The City has recently utilized the Affordable Housing Amendment provision. Continued use of this provision in the TIF creation and amendment process would allow the City to enhance the diversity of housing options without needing to generate additional revenue or identify new funding sources.
- 3. Explore Non-Traditional Options for Encouraging Workforce Housing.** Partnerships with major local employers and institutions could be developed, with the goal of establishing an employer-assisted housing program or workforce housing vouchers/security deposit grants that would encourage employees to reside in the community in which they work. The employer-assisted housing (EAH) model has been used successfully throughout the country to encourage revitalization of particular neighborhoods or communities, and benefits employers by decreasing employee commute times and increasing employees' commitments to their jobs. EAH programs are structured in a variety of ways, providing down payment assistance, first or last month's rent, security deposits, or other incentives for employees that live in a particular location. Programs are often structured as forgivable loans that convert to grants if employees remain with the employer for a certain amount of time (5-10 years), and can be restricted to lower- and moderate-

income employees or open to all. Based on initial conversations, it appears certain local institutions may be willing to consider creation of an EAH program in Wauwatosa.

- 4. Consider Future Residential Growth Areas.** To the extent that the City desires to facilitate and maximize population growth, non-residential sites could be identified that can accommodate new residential development at various points in the future. Future land use should be carefully considered when the City next updates its comprehensive plan to balance residential and non-residential land uses. To the extent potential new residential sites are identified, the City could work with existing land owners to ensure that the areas are planned and redeveloped in a manner that maximizes the long-term benefit to the City. Due to Wauwatosa’s landlocked location and the relatively limited amount of land available for residential redevelopment, the City could foster increased density as a means to diversify the tax base and to facilitate population growth. While any increase in density should be undertaken with an eye towards maintaining community character, densifying targeted areas may be especially important in maintaining and growing the City’s population, given the continued trend toward smaller households.
- 5. Continue to Monitor and Track Status of Housing in Wauwatosa.** While the analysis presented in this report covers recent trends and projections, it is necessarily a snapshot of the housing market in Wauwatosa at a particular time. The City should continue to monitor the housing situation, including tracking future occupancy levels and absorption of units in new multifamily apartment projects. An updated housing analysis could also be undertaken at regular intervals, such as every five years, to understand any fundamental changes in demographics, employment, housing stock and housing need. During implementation of key recommendations, the City may want to actively track achievements related to overall housing goals and particular programmatic goals (e.g., number of units developed by type – condominiums, workforce housing units, or units for persons with disabilities; working with developers to understand whether new tenants are moving in from outside of Wauwatosa).

Appendix A: Methodology and Background Data

Demographic Profile of Current Residents and Comparison to Peer Communities

METHODOLOGY

SB Friedman reviewed U.S. Census Bureau, American Community Survey (ACS) and Esri data sources to review the current demographics of Wauwatosa. Summary-level demographics were benchmarked against community peers including Brookfield, Menomonee Falls, New Berlin, Shorewood, West Allis and Milwaukee.

OVERVIEW OF DEMOGRAPHIC PROFILE

SB Friedman reviewed current demographics of Wauwatosa and benchmarked the following demographics against peer communities:

- Educational Attainment;
- Racial Composition;
- Population with Disability
- Income; and
- Age.

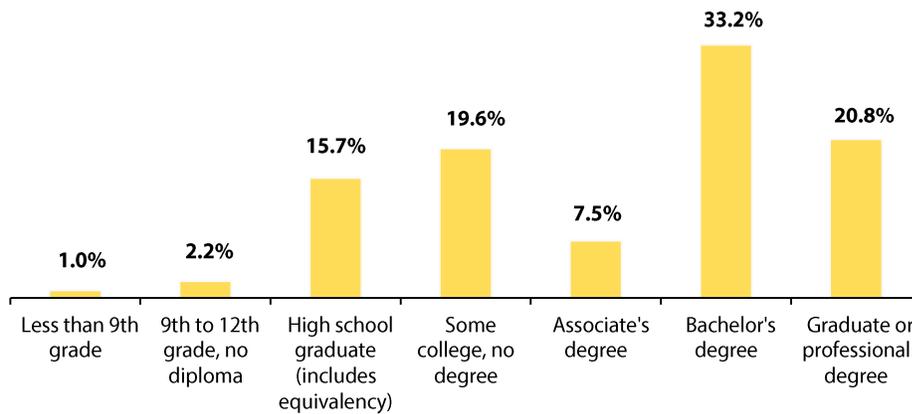
This section is intended to provide additional background to complement data provided within the report.

Educational Attainment. Approximately 96.8% of the population of Wauwatosa has graduated from high school, as presented in **Figure A-1**. In addition, according to Census data, of the 25 and over population in Wauwatosa, 54% possess at least a bachelor's degree and approximately 21% hold a graduate or professional degree. Based on the percentage of the population with a bachelor's degree or higher, Wauwatosa is more educated than many of its suburban peers, as shown in **Figure A-2**. There are several higher-education colleges located within the City including:

- Wisconsin Lutheran College,
- Bryant & Stratton College, and
- The Medical College of Wisconsin (the state's only private medical college).

There are also numerous universities located within a 15-minute drive of Wauwatosa including Mount Mary University, the University of Wisconsin-Milwaukee, Marquette University, and Milwaukee Area Technical College.

Figure A-1. Educational Attainment, Wauwatosa



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

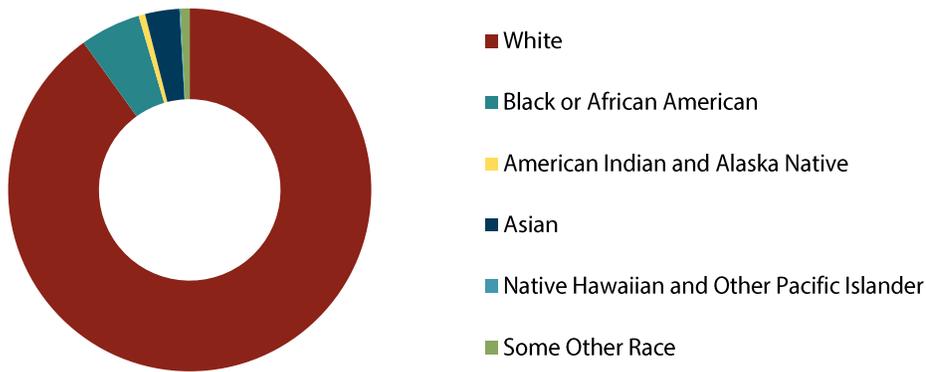
Figure A-2. Comparison of Percent Population over 25 Years of Age with Bachelor's Degree or Higher



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

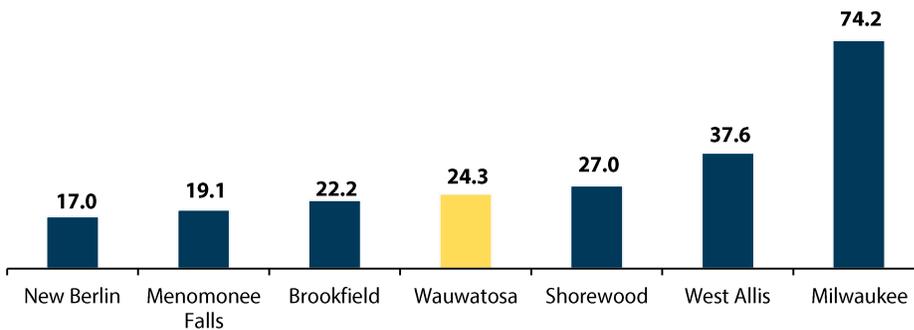
Racial Composition. While persons who identify as white represented 90.1% of the population in 2013, the City is home to a plurality of other races, including people who identify as black or African American (5.4%), Asian (0.6%), and other races (1.5%), as presented in **Figure A-3**. One way to measure the extent of diversity within an area is using the diversity index from Esri, a national supplier of demographic and business data. The diversity index measures the likelihood that two persons, chosen at random from the same area, belong to different racial or ethnic groups. The diversity index is based on Census 2010 data, and ranges from 0 (no diversity) to 100 (complete diversity). If an area's entire population belongs to one racial/ethnic group, then the area has zero diversity. The overall Wauwatosa diversity index was 24.3 in 2010. Compared to its suburban peers, Wauwatosa is slightly more diverse than New Berlin, Menomonee Falls and Brookfield but less diverse than Shorewood and West Allis, as shown in **Figure A-4**. Wauwatosa is significantly less diverse than the City of Milwaukee, which has a diversity index of 74.2.

Figure A-3. Racial Composition, City of Wauwatosa



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

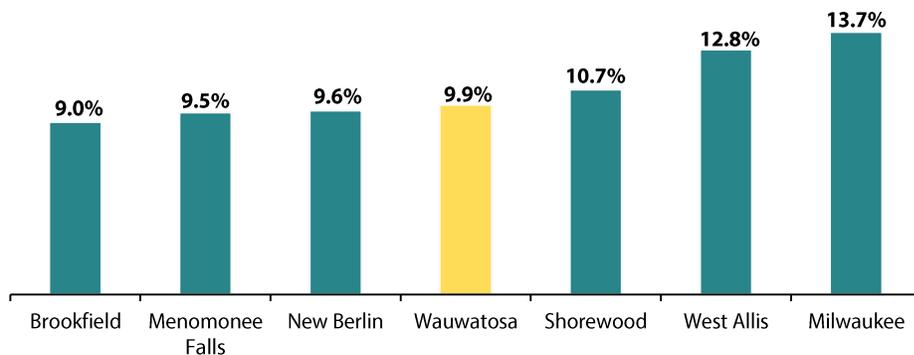
Figure A-4. Comparison of 2010 Diversity Index



Source: Esri Business Analyst, *SB Friedman*

Population with Disability. Caring for the population with disabilities is a key concern for Wauwatosa residents. Approximately 9.9% of the non-institutionalized population of Wauwatosa lives with a disability. As presented in **Figure A-5**, this is comparable to peer regional communities, with the exception of Shorewood, West Allis and Milwaukee, which have slightly higher proportions.

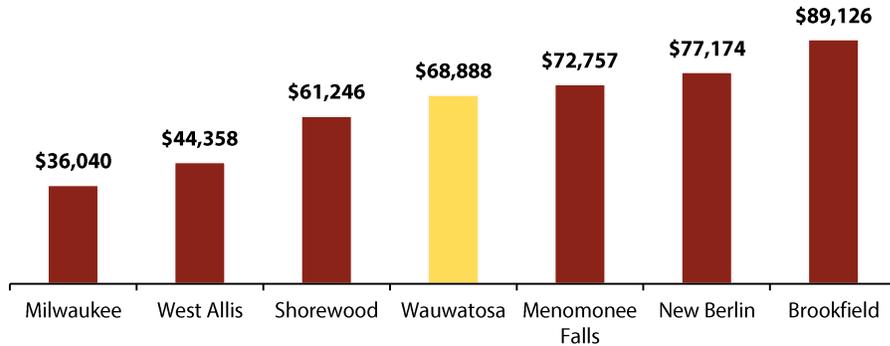
Figure A-5. Comparison of Percent Non-Institutionalized Population with Disability



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Income. The median income of Wauwatosa is \$68,888. Compared to its suburban peers, the population of Wauwatosa is more affluent than Milwaukee, West Allis and Shorewood, but less affluent than Menomonee Falls, New Berlin and Brookfield. This is presented in **Figure A-6**.

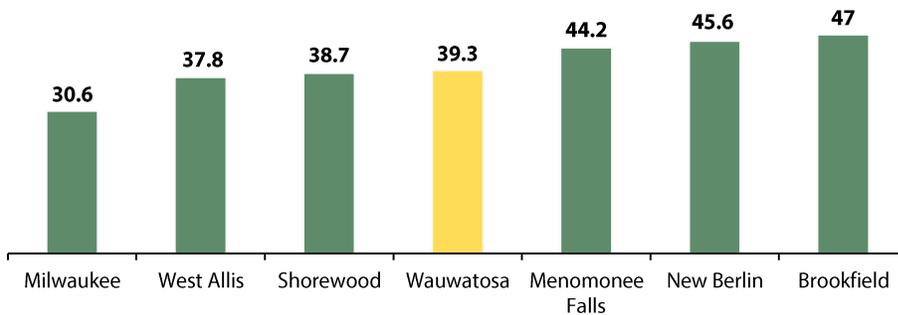
Figure A-6. Comparison of Median Income



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Age. The median age of the Wauwatosa population is 39.3 years old. Approximately 22.5% of people are under the age of 18, while 15.4% are over the age of 65. Compared to its suburban peers, the population of Wauwatosa is older than Milwaukee, West Allis and Shorewood, but younger than Menomonee Falls, New Berlin and Brookfield, as presented in **Figure A-7**.

Figure A-7. Comparison of Median Age of Householders



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Characteristics of Existing Housing Supply

METHODOLOGY

Working with available proprietary databases, Census data, and data from the Southeastern Wisconsin Regional Planning Commission (SEWRPC) and the Wisconsin Housing and Economic Development Authority (WHEDA), *SB Friedman* prepared an inventory of the existing supply of housing in Wauwatosa by type, tenure, age and value, as presented in the report. The following data sources were utilized for the housing categories listed below:

- **Overall Existing Housing Stock.** Data on overall existing housing stock was provided by U.S. Census data, American Community Survey and Esri.
- **Subsidized Housing.** SEWRPC, WHEDA and U.S. Department of Housing and Urban Development (HUD) provided an inventory of subsidized housing properties, including type of development, target tenancies (family, senior, special needs), number of units, unit mix, age of buildings, services and amenities, vacancy and waitlists, and affordability levels.
- **Senior Housing.** NIC MAP Data Service provided an inventory of market-rate senior housing, including independent living, assisted living, memory care and nursing care, for both the city and region. The City of Wauwatosa provided additional information on senior housing in the community.
- **Multifamily Housing.** CoStar provided data on rental properties, including overall inventory, age, vacancy, rents and amenities. The City of Wauwatosa also provided data on proposed or under-construction rental developments.

In addition, City residential building permits were reviewed to determine recent and under-construction housing development by type and tenure.

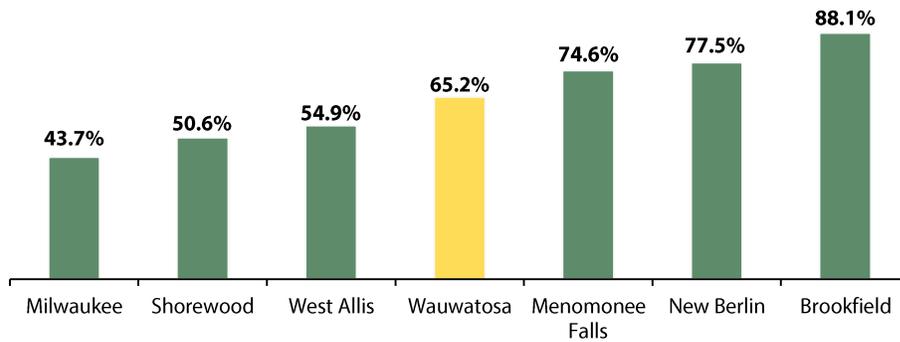
OVERVIEW OF EXISTING HOUSING SUPPLY

According to the 2013 Five-Year American Community Survey, Wauwatosa includes approximately 20,171 housing units. Compared to regional communities, Wauwatosa has a lower proportion of owner-occupied housing (65%) than Menomonee Falls (75%), New Berlin (78%) and Brookfield (88%), as presented in **Figure A-8**, and a higher proportion of owner-occupied units than Milwaukee, Shorewood and West Allis, which have 44%, 51% and 55%, respectively.

In Wauwatosa, the average household size of owner-occupied housing units is 2.58 compared to 1.71 persons per household in renter-occupied units. In addition, owner-occupied households are concentrated among age groups from 35 to 75 years old. Renting is most common among young households under age 35. Approximately 36.4% of householders age 35 or under rent, compared to 14.3% who own.

A couple demographic profile of occupied housing units is presented in **Table A-1**.

Figure A-8. Comparison of Percent Owner-Occupied Housing



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Table A-1. Demographics of Occupied Housing Units, Wauwatosa (2013)

	Occupied Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units
Count of Households	20,170	13,150	7,020
Share of Households	100%	65.2%	34.8%
Average Household Size		2.58	1.71
Race			
White	91.2%	96.3%	81.7%
Black or African American	4.9%	1.9%	10.5%
American Indian and Alaska Native	0.1%	0.1%	0.0%
Asian	2.2%	0.8%	4.9%
Native Hawaiian and Other Pacific Islander	0.0%	0.0%	0.0%
Some other race	0.3%	0.1%	0.8%
Two or more races	1.2%	0.8%	2.1%
Age of Householder			
Under 35 years	22.0%	14.3%	36.4%
35 to 64 years	52.9%	62.6%	34.5%
65 years and over	25.2%	23.0%	29.2%
Education Attainment of Householder			
Less than high school graduate	2.1%	1.3%	3.6%
High school graduate (includes equivalency)	14.0%	11.4%	18.8%
Some college or associate's degree	27.6%	26.1%	30.4%
Bachelor's degree or higher	56.3%	61.2%	47.1%
Income			
Less than \$15,000	6.8%	2.2%	15.5%
\$15,000 to 34,999	18.1%	11.5%	30.6%
\$35,000 to 49,999	11.0%	8.3%	16.0%
\$50,000 to 74,999	18.1%	17.3%	19.7%
\$75,000 or More	45.9%	60.7%	18.2%

Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

TRENDS IN THE LOCAL REAL ESTATE MARKET

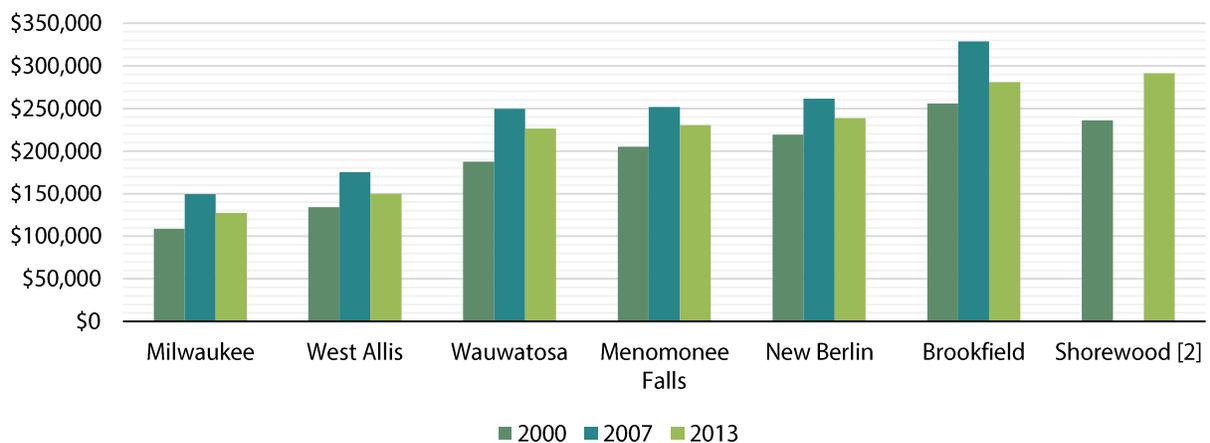
According to the U.S. Census Bureau, home values and median rents have not yet fully rebounded from pre-recession levels; however, recent sale activity in Wauwatosa is outpacing that of the pre-recession market, and vacancy rates have declined since 2007.

Home Values. The median home value in Wauwatosa in 2013 was approximately \$226,000, as presented in **Figure A-9**. In 2013, median home values in Wauwatosa were higher than those in Milwaukee and West Allis, but lower than those in Menomonee Falls, New Berlin, Brookfield and Shorewood.

Rents. The median rent was approximately \$900 in 2013. Rents in Wauwatosa, when adjusted for inflation, have fallen approximately 8% from \$984 in 2007. The 2013 estimate does not account for any impact the higher rents associated with recent new construction multifamily development may have on the median. Compared to regional peers, rental units in Wauwatosa command the third-highest rent, with only New Berlin and Brookfield achieving higher rents, as presented in **Figure A-10**.

Vacancy Rates. Compared to peer communities, vacancy is relatively low for both owner-occupied and renter-occupied housing units, as presented in **Figures A-11 and A-12**. Wauwatosa has the lowest vacancy rate (0.1%) for owner-occupied units and the second-lowest vacancy rate (3.1%) for rental units. Vacancy rates for peer communities range from 0.1% to 1.8% for owner-occupied units. Typical vacancy for renter-occupied units is 3% to 6%.

Figure A-9. Comparison of Median Home Value [1]

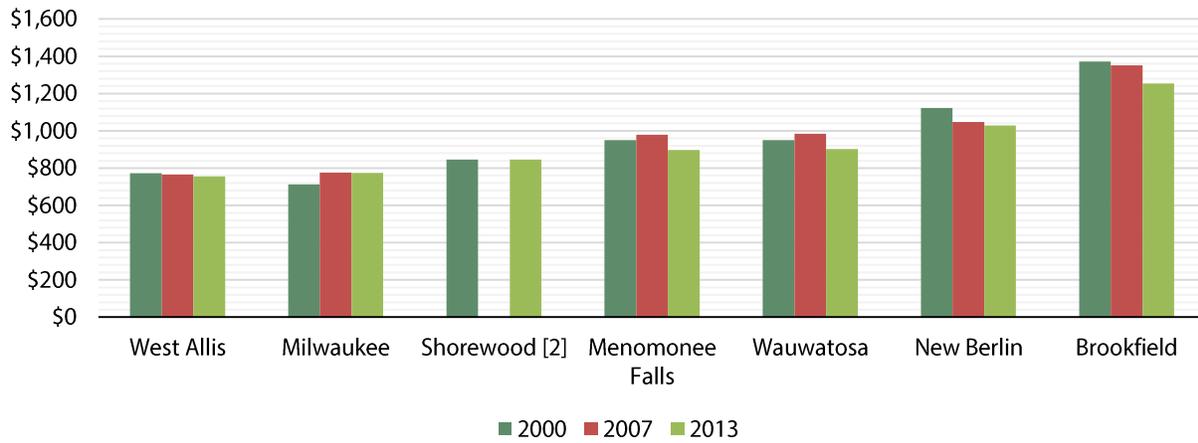


[1] Adjusted to 2013 dollars using Consumer Price Index Research Series Using Current Methods (CPI-U-RS)

[2] 2007 data for Shorewood is unavailable

Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, 2007 Three-Year American Community Survey, 2000 Census, 2014 Consumer Price Index Research Series Using Current Methods (CPI-U-RS), *SB Friedman*

Figure A-10. Comparison of Median Gross Rents [1]



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, 2007 Three-Year American Community Survey, 2000 Census, 2014 Consumer Price Index Research Series Using Current Methods (CPI-U-RS), *SB Friedman*

[1] Adjusted to 2013 dollars using Consumer Price Index Research Series Using Current Methods (CPI-U-RS)

[2] 2007 data for Shorewood is unavailable

Figure A-11. Comparison of Vacancy Rates for Owner-Occupied Units

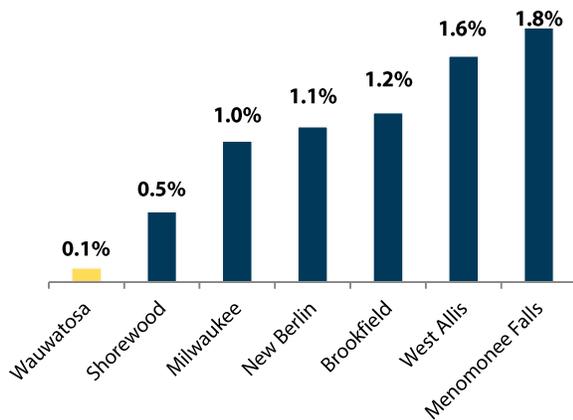
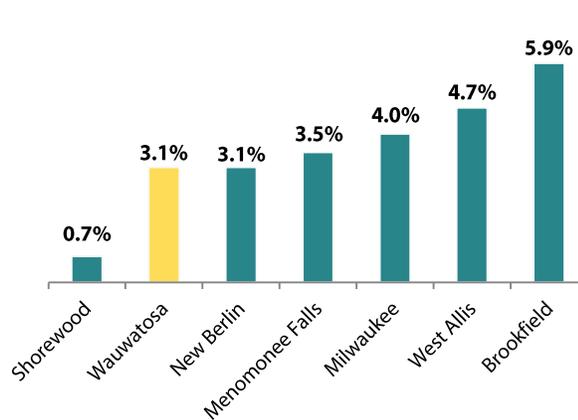


Figure A-12. Comparison of Vacancy Rates for Renter-Occupied Units



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Rental Market Analysis

An analysis of the rental market was conducted to gather information on a selection of existing rental properties that held over four units. Interviews were conducted with local real estate professionals, and additional data collected from individual property websites. **Table A-2** summarizes building status, number of units, unit mix, current rents and amenities.

Table A-2. Summary of Selected Newer Multifamily Developments in Wauwatosa

	The Enclave & Annex at the Enclave	1600 Tosa	Echelon	The Reef	The Reserve at Mayfair	The District
Status	Built	Built	Under Construction	Under Construction	Proposed	Proposed
Number of Units	192	102	188	169	236	506 units - Phases 1 & 2; 494 units - Future Phases
Unit Mix	1-bed (118) 2-bed (58) 3-bed (16)	1-bed (46) 2-bed (56)	Studio (36) 1-bed (70) 2-bed (82)	Studio 1-bed 2-bed 3-bed	1-bed (152) 2-bed (84)	Studio 1-bed 2-bed
Rent	\$1,000 - \$2,300 (\$1.53 - \$1.90 per sf)	\$975 - \$1,400 (\$1.13 - \$1.42 per sf)	\$1,195 - \$2,100	\$940 - \$2,200	\$1.75 per sf	\$1,275 on average
Amenities	Green roof deck and garden, a clubroom, a community gathering area, fitness facility, and a heated outdoor pool.	Resident lounge, fitness center, and outdoor terrace courtyard. Free Wi-Fi access in community areas.	Clubroom, billiard room, strength, cardio and stretch rooms, outdoor pool, and public meeting rooms.	Fitness center, clubroom, and outdoor pool.	Outdoor pool and indoor shared amenities.	Not available.

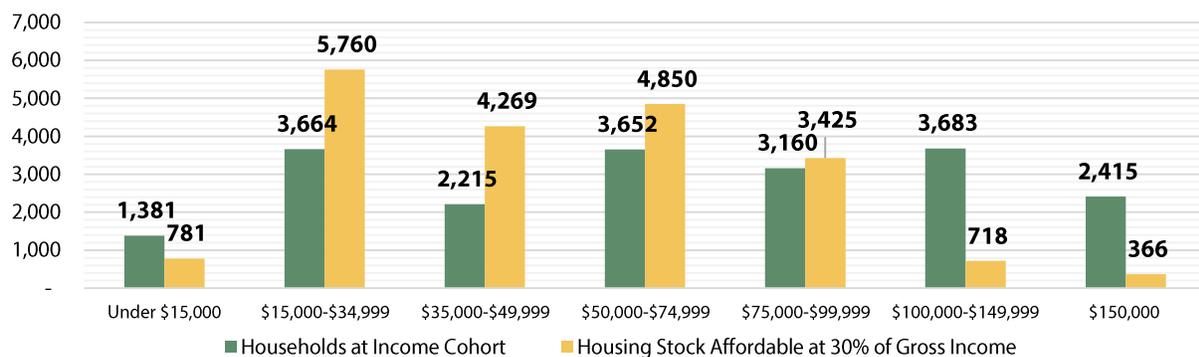
Source: Individual property websites, City of Wauwatosa, *SB Friedman*

Affordability

An analysis of current housing prices and the incomes of resident households was conducted to determine if a mismatch between the affordability of the existing housing stock and current residents' incomes was occurring. This analysis was conducted for Wauwatosa, as well as for Brookfield, Menomonee Falls and New Berlin, to understand how the City stands, relative to peer communities. **Figures A-13 through A-16** present the results of the analysis, showing households by income and the number of housing units affordable at that income level, assuming that 30% of the householder's gross income is spent on housing. The results of the analysis indicate that:

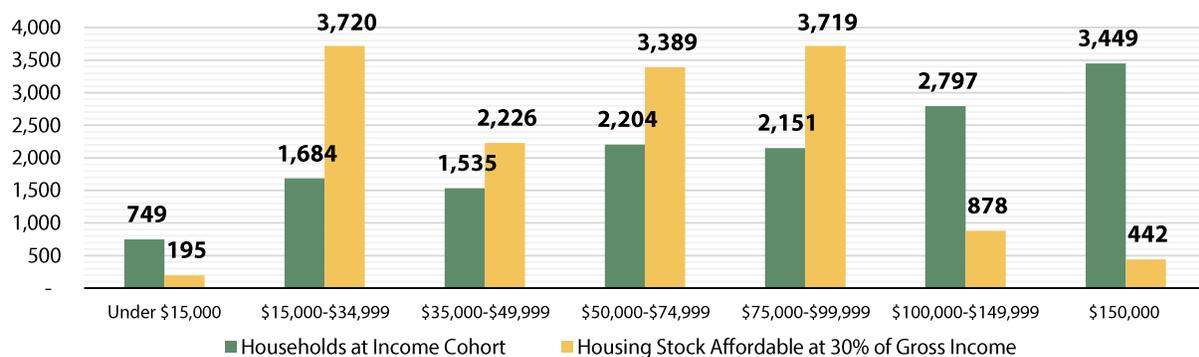
- Existing housing stock is generally affordable to current residents earning above \$15,000 annually in Wauwatosa and in peer communities;
- Higher-income households appear to be occupying housing affordable at lower incomes in all communities; and
- Affordability appears to be a concern for low-income households earning less than \$15,000 annually in all communities, indicating unmet need for affordable housing for current residents with very low incomes.

Figure A-13. Comparison of Household Income Cohorts to Affordability of Existing Housing Stock - Wauwatosa



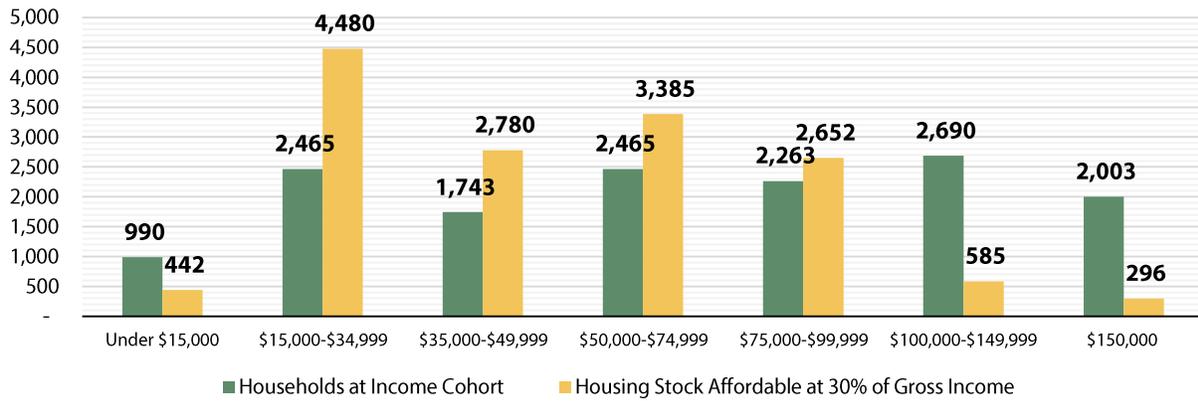
Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Figure A-14. Comparison of Household Income Cohorts to Affordability of Existing Housing Stock - Brookfield



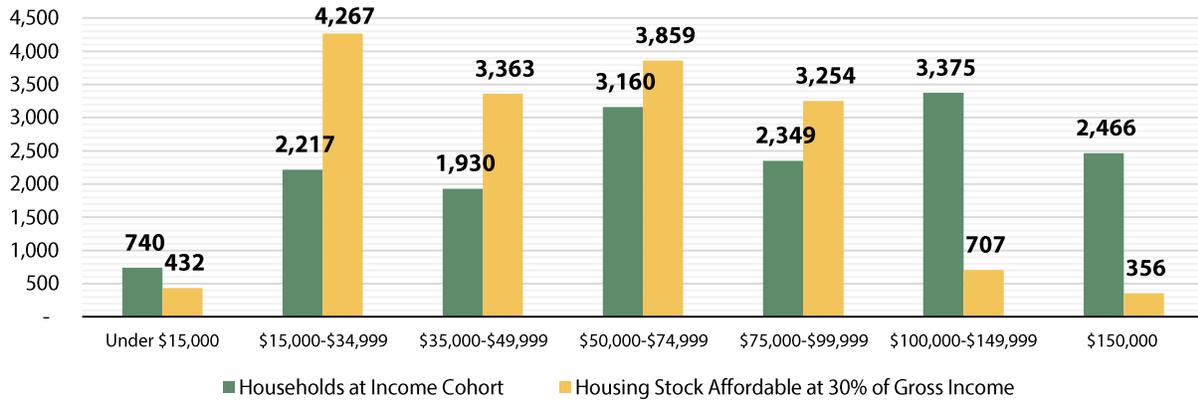
Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Figure A-15. Comparison of Household Income Cohorts to Affordability of Existing Housing Stock – Menomonee Falls



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Figure A-16. Comparison of Household Income Cohorts to Affordability of Existing Housing Stock – New Berlin



Source: U.S. Census Bureau, 2013 Five-Year American Community Survey, *SB Friedman*

Employment in the City

METHODOLOGY

SB Friedman reviewed employment data for significant local employers, and analyzed the historic and current economic base of the City by industry sector using Moody's Analytics data. *SB Friedman* also analyzed current commuting patterns using Longitudinal Employer-Household Dynamics (LEHD) data from the U.S. Census Bureau to determine where Wauwatosa residents work and where employees at Wauwatosa businesses live.

CURRENT EMPLOYMENT OVERVIEW

Wauwatosa is a major employment center in Milwaukee County. Based on LEHD data provided by the U.S. Census Bureau, approximately 54,598 total people are employed in Wauwatosa as of 2013. Employment by sector is provided in **Table A-3**.

Table A-3. Employment by Sector, Wauwatosa

	2002	2007	2013
Professional Services	14,393	13,970	15,374
Health	12,021	14,535	14,586
Education	6,211	7,261	7,857
Retail	5,053	4,580	5,151
Leisure and Hospitality	2,528	3,398	3,731
Other [1]	6,544	5,418	4,190
Manufacturing	4,515	2,902	3,709
Total	51,265	52,064	54,598

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics Data; Moody's; *SB Friedman*

[1] Other employment sectors comprise Construction; Wholesale Trade; Transportation and Warehousing; Repair and Maintenance; Personal and Laundry Services; Religious, Grant making, Civic, & Professional Organizations; Mining; and Other Industries (Agriculture, Utilities, Public Administration).

WHERE EMPLOYEES LIVE

To understand the housing choice patterns associated with these workers, city-to-city commuting patterns have been analyzed using LEHD data provided by the U.S. Census Bureau. **Table A-4** presents all available LEHD data regarding Wauwatosa employee commuting patterns in 2002 and 2013.

Table A-4. Where Wauwatosa Workers Live and Number of Workers

Community	2002		2013		Difference
	Total	Percent	Total	Percent	
Milwaukee	16,906	33.0%	15,951	29.2%	-955
Wauwatosa	4,441	8.7%	4,087	7.5%	-354
West Allis	2,645	5.2%	2,442	4.5%	-203
Brookfield	1,663	3.2%	1,905	3.5%	242
Waukesha	1,325	2.6%	1,678	3.1%	353
New Berlin	1,350	2.6%	1,596	2.9%	246
Menomonee Falls	991	1.9%	1,327	2.4%	336
Greenfield	1,198	2.2%	1,211	2.4%	13
Franklin	990	1.8%	833	1.6%	-157
Muskego	788	1.4%	497	1.0%	-291
Others	22,636	41.5%	19,403	37.8%	-3,233
Total	51,265		54,598		3,333

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics Data; *SB Friedman*

Population Growth

SB Friedman developed a cohort component model to project population in 2020, 2025 and 2030. The cohort component model incorporates data from the 2010 Census, as well as birth, death and migration data, also available through the U.S. Census. Birth and death rates were analyzed from 2006 through 2013. Migration data was analyzed from 2006 through 2010. The resulting projections were then compared to the Wisconsin Department of Administration (DOA) estimates to provide a range of projections, presented in **Table A-5** below.

Table A-5. Historic and Projected Population

	1990	1995	2000	2005	2010	2015	2020	2025	2030
Historical Population	49,328	47,451	47,102	45,642	46,454				
Wisconsin DOA Population Projections						47,310	47,620	47,610	47,770
Cohort Component Model Projections						46,561	47,200	47,974	48,719

Source: U.S. Census Bureau, Wisconsin Department of Administration; *SB Friedman*

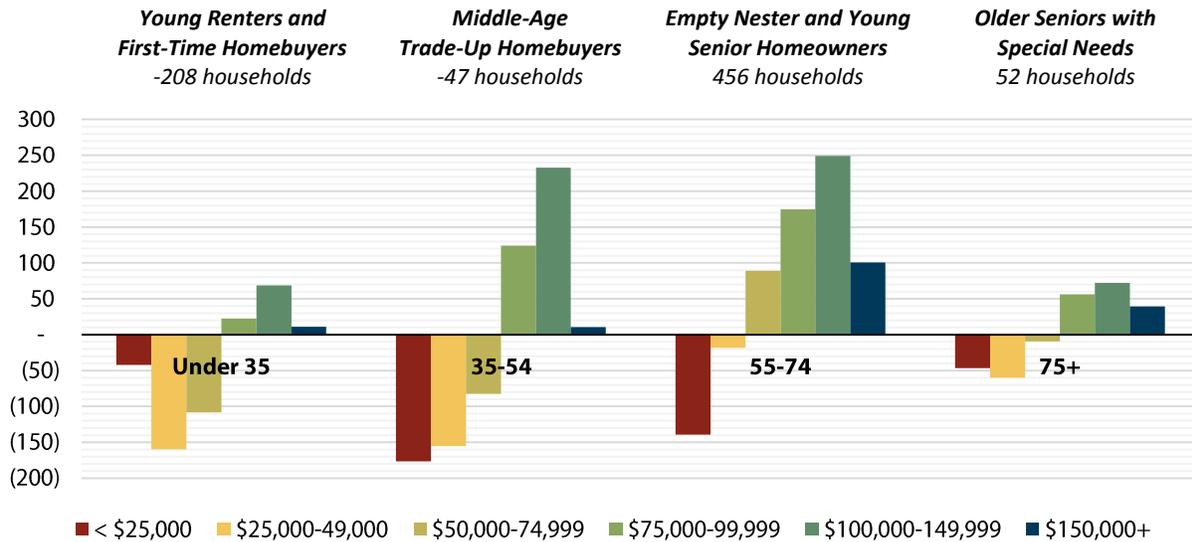
Household Projections

Esri publishes household projections by age and income that offer insight into anticipated age and income trends over the next five years. Esri five-year projections have been analyzed at the household level to understand the breakdown of household growth by age and income from 2015 to 2020. Households have been segmented by age into the following cohorts, which are based largely on the relationship each age group typically has with the housing market:

- Young Renters and First-Time Homebuyers: householders under age 35;
- Middle-Age Trade-Up Homebuyers: householders age 35 through 54;
- Empty Nester and Young Senior Homeowners: householders age 55 through 74; and
- Older Seniors with Special Needs: householders age 75 and older.

Wauwatosa projections were compared to projections for Milwaukee County and the Milwaukee Metropolitan Statistical Area to understand Wauwatosa’s capture of county and regional growth. Projections for Wauwatosa, Milwaukee County and the Milwaukee Metropolitan Statistical Area are presented in **Figures A-17 through A-19** and **Tables A-6 through A-9**.

Figure A-17. Growth in Wauwatosa Households by Age and Income (2015-2020)



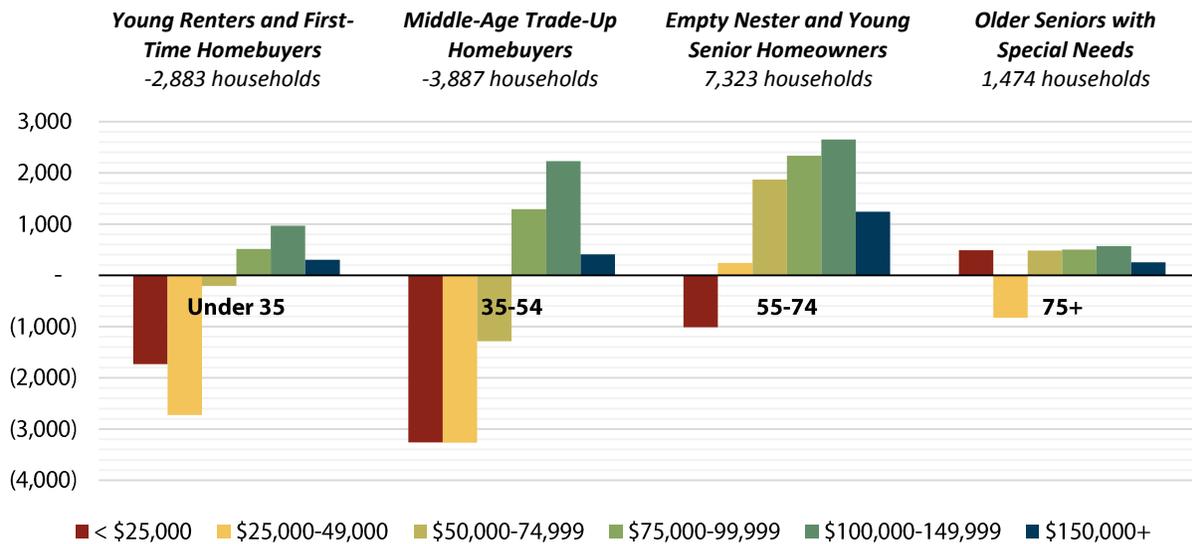
Source: Esri Business Analyst, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-URS); *SB Friedman*

Table A-6. Growth in Wauwatosa Households by Age and Income (2015-2020)

	Young Renters and First-Time Homebuyers: Age 35 & Under	Middle-Age Trade-Up Homebuyers: Age 35-54	Empty Nester and Young Senior Homeowners: Age 55-74	Older Seniors with Special Needs: Age 75+
< \$25,000	-42	-177	-139	-46
\$25,000-49,000	-160	-155	-18	-60
\$50,000-74,999	-108	-83	89	-9
\$75,000-99,999	23	124	175	56
\$100,000-149,999	69	233	249	72
\$150,000+	11	11	100	39
Total	-208	-47	456	52

Source: Esri Business Analyst, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-URS); *SB Friedman*

Figure A-18. Growth in Milwaukee County Households by Age and Income (2015-2020)



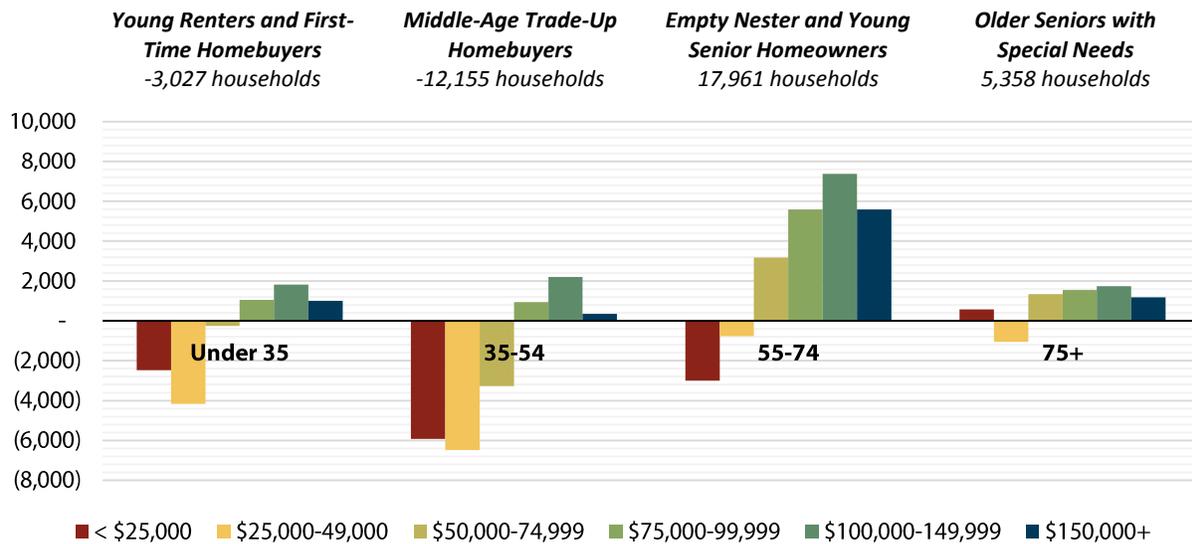
Source: Esri, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-U-RS); SB Friedman

Table A-7. Growth in Milwaukee County Households by Age and Income (2015-2020)

	Young Renters and First-Time Homebuyers: Age 35 & Under	Middle-Age Trade-Up Homebuyers: Age 35-54	Empty Nester and Young Senior Homeowners: Age 55-74	Older Seniors with Special Needs: Age 75+
< \$25,000	-1,733	-3,260	-1,016	487
\$25,000-49,000	-2,728	-3,269	243	-824
\$50,000-74,999	-209	-1,289	1,869	486
\$75,000-99,999	512	1,291	2,335	501
\$100,000-149,999	971	2,230	2,648	568
\$150,000+	304	410	1,244	257
Total	-2,883	-3,887	7,323	1,474

Source: Esri Business Analyst, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-U-RS); SB Friedman

Figure A-19. Growth in Milwaukee Metro. Statistical Area Households by Age and Income (2015-2020)



Source: Esri Business Analyst, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-U-RS); SB Friedman

Table A-8. Growth in Milwaukee Metropolitan Statistical Area Households by Age and Income (2015-2020)

	Young Renters and First-Time Homebuyers: Age 35 & Under	Middle-Age Trade-Up Homebuyers: Age 35-54	Empty Nester and Young Senior Homeowners: Age 55-74	Older Seniors with Special Needs: Age 75+
< \$25,000	-2,479	-5,917	-3,006	582
\$25,000-49,000	-4,169	-6,483	-766	-1,048
\$50,000-74,999	-254	-3,265	3,182	1,340
\$75,000-99,999	1,051	944	5,588	1,552
\$100,000-149,999	1,824	2,209	7,382	1,748
\$150,000+	1,001	357	5,582	1,185
Total	-3,027	-12,155	17,961	5,358

Source: Esri, Adjusted for inflation using Consumer Price Index Research Series Using Current Methods (CPI-U-RS); SB Friedman

Employment Projections

SB Friedman analyzed the current and future economic base of the City by industry sector using Moody's Analytics data. Moody's projections incorporate national economic drivers, local demographics and specific regional variables to provide insight into expected changes in employment by sector, and overall. Moody's projects employment at the county level, providing 30-year projections for individual NAICS employment sectors. To estimate Wauwatosa's share of employment, historical capture ratios were estimated using Longitudinal Employer-Household Dynamics Data. These capture ratios by sector were applied to Moody's Analytics data to estimate Wauwatosa's capture ratio of future jobs and to better reflect the Wauwatosa economy.

Growth in employment in Wauwatosa is projected to greatly outpace population growth. As presented earlier in the report, over 9,300 net new jobs are projected through 2030. A detailed breakdown of employment projections by sector for 2020, 2025 and 2030 are provided in **Table A-9**.

Table A-9. Employment Projections by Sector

	2013	2020	2025	2030
Professional Services	15,374	17,736	18,402	19,360
Health	14,586	16,910	17,622	18,339
Education	7,857	8,440	8,322	8,203
Retail	5,151	5,429	5,449	5,521
Leisure and Hospitality	3,731	4,032	4,172	4,332
Other	4,190	4,682	4,800	4,911
Manufacturing	3,709	3,690	3,444	3,268
Total	54,598	60,921	62,211	63,933

Source: U.S. Census Bureau, historic Longitudinal Employer-Household Dynamics data; Moody's Analytics projections for Milwaukee County; *SB Friedman*

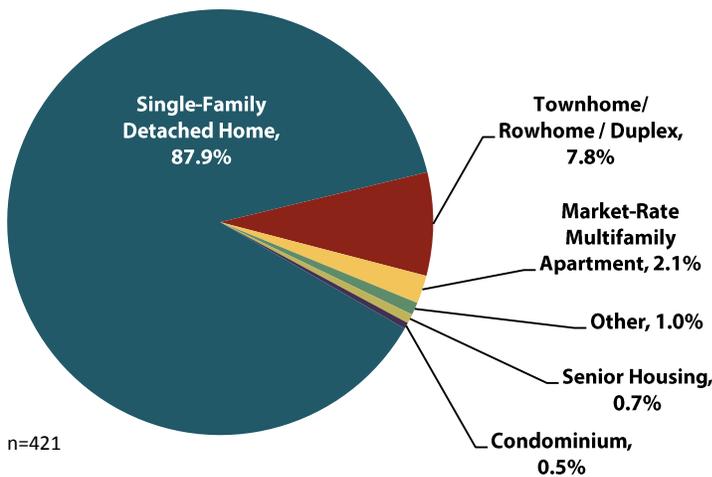
Appendix B: Community Survey Results

To gather public input on the housing preferences and the state of Wauwatosa’s housing, a survey was created in hardcopy and online formats. There were 27 paper surveys were distributed and collected at a public meeting held November 17th, 2015. The online survey was available for 16 days from December 1st to 16th, 2015. There were 394 online responses for a total of 421 survey responses. The tables below summarize quantitative questions asked in the online and hardcopy survey.

The survey results should not be considered a random or representative sample of City residents and results are not statistically significant; therefore, responses likely do not reflect the Wauwatosa community on the whole.

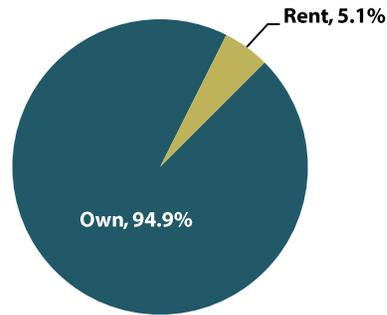
QUESTION 1. WHAT TYPE OF HOUSING DO YOU CURRENTLY LIVE IN?

Responses	Total	Total % of Responses
Single-Family Detached Home	370	87.9%
Townhome/ Rowhome / Duplex	33	7.8%
Market-Rate Multifamily Apartment	9	2.1%
Other	4	1.0%
Senior Housing	3	0.7%
Condominium	2	0.5%
Total Responses	421	100.0%



QUESTION 2. DO YOU OWN OR RENT YOUR RESIDENCE?

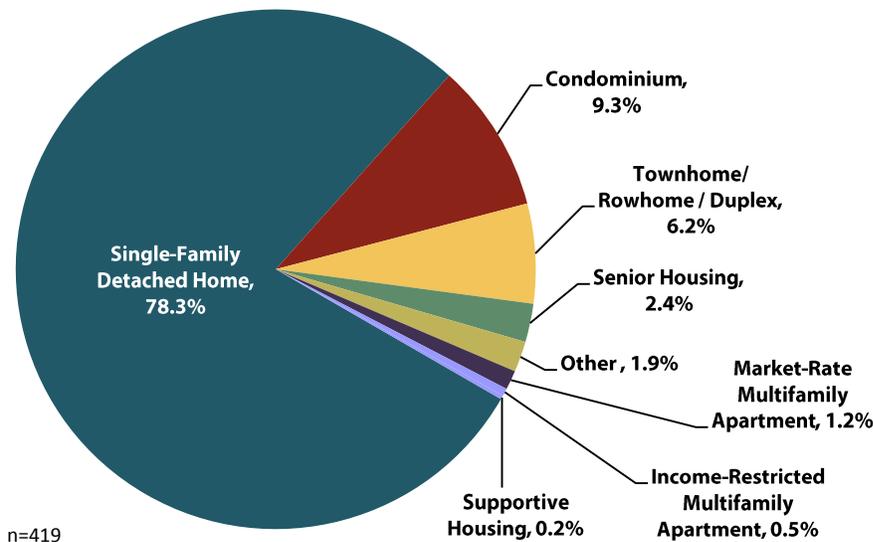
Responses	Total	Total % of Responses
Own	373	94.9%
Rent	20	5.1%
Total Responses	393	100.0%



n=393

QUESTION 3. WHAT TYPE OF HOUSING WOULD YOU PREFER TO LIVE IN?

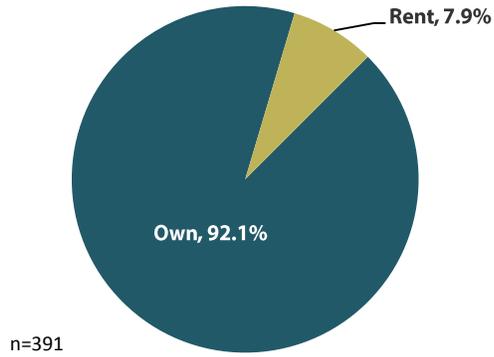
Responses	Total	Total % of Responses
Single-Family Detached Home	328	78.3%
Condominium	39	9.3%
Townhome/ Rowhome / Duplex	26	6.2%
Senior Housing	10	2.4%
Other	8	1.9%
Market-Rate Multifamily Apartment	5	1.2%
Income-Restricted Multifamily Apartment	2	0.5%
Supportive Housing	1	0.2%
Student Housing	0	0.0%
Total Responses	419	100%



n=419

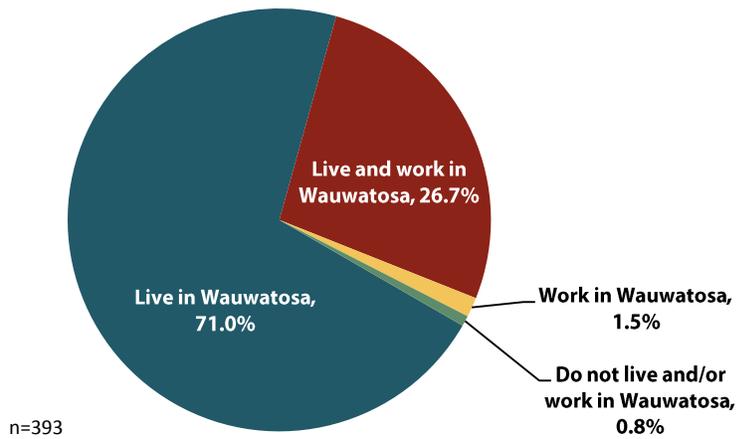
QUESTION 4. IN THE FUTURE, WOULD YOU PREFER TO OWN OR RENT YOUR RESIDENCE?

Responses	Total	Total % of Responses
Own	360	92.1%
Rent	31	7.9%
Total Responses	391	100.0%



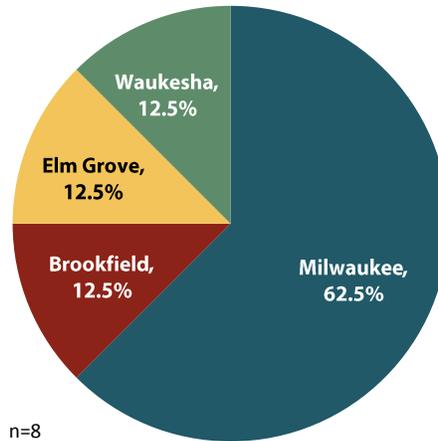
QUESTION 5. DO YOU CURRENTLY LIVE AND/OR WORK IN WAUWATOSA?

Responses	Total	Total % of Responses
Live in Wauwatosa	279	71.0%
Live and work in Wauwatosa	105	26.7%
Work in Wauwatosa	6	1.5%
Do not live and/or work in Wauwatosa	3	0.8%
Total Responses	393	100%



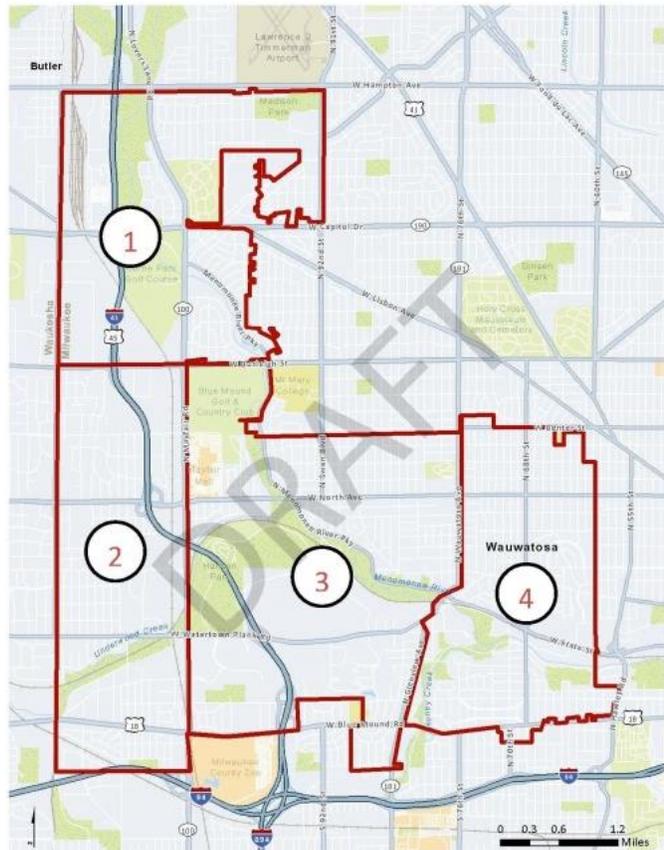
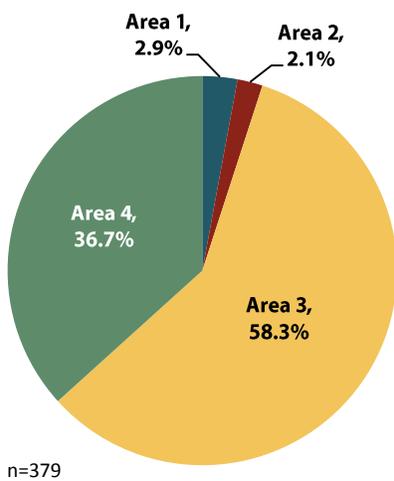
QUESTION 6. IF YOU DON'T LIVE IN WAUWATOSA, WHERE DO YOU CURRENTLY LIVE?

Responses	Total	Total % of Responses
Milwaukee	5	62.5%
Brookfield	1	12.5%
Elm Grove	1	12.5%
Waukesha	1	12.5%
Total Responses	8	100%



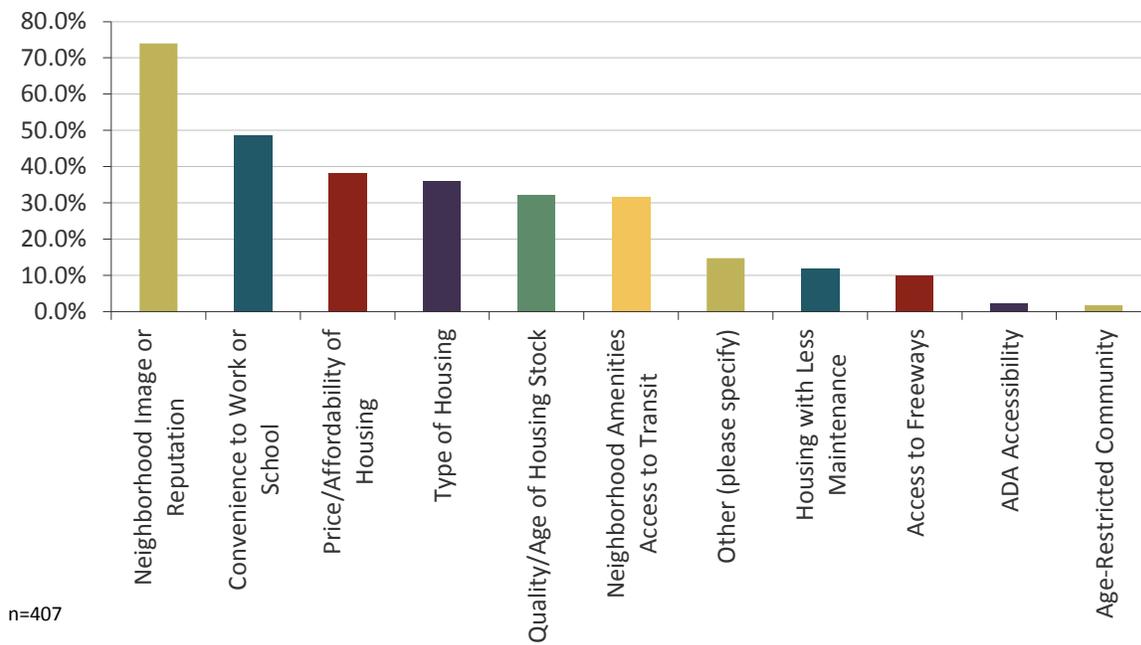
QUESTION 7. IF YOU LIVE IN WAUWATOSA, IN WHICH AREA OF WAUWATOSA DO YOU CURRENTLY LIVE?

Responses	Total	Total % of Responses
Area 1	11	2.9%
Area 2	8	2.1%
Area 3	221	58.3%
Area 4	139	36.7%
Total Responses	379	100%



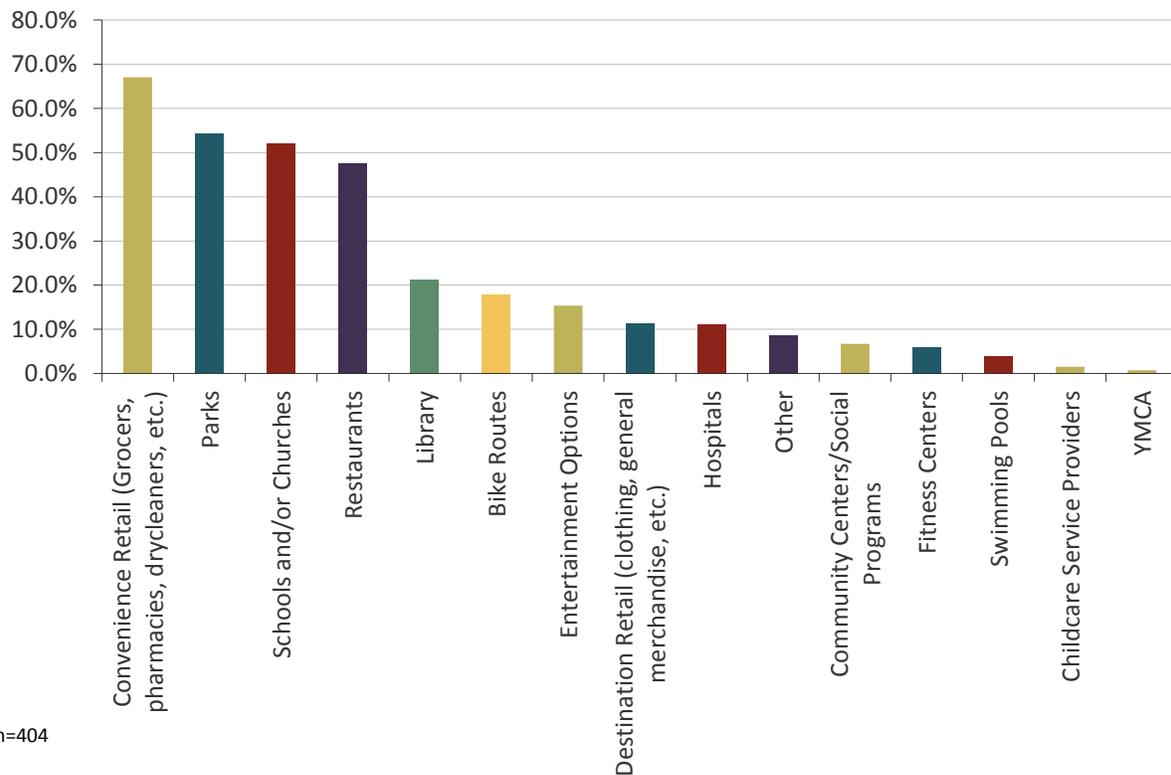
QUESTION 8. WHAT MATTERS TO YOU WHEN MAKING A HOUSING DECISION? PLEASE CHECK YOUR TOP THREE CONCERNS.

Responses	Total	Total % of Respondents
Neighborhood Image or Reputation	301	74.0%
Convenience to Work or School	198	48.6%
Price/Affordability of Housing	156	38.3%
Type of Housing	147	36.1%
Quality/Age of Housing Stock	131	32.2%
Neighborhood Amenities Access to Transit	129	31.7%
Other (please specify)	60	14.7%
Housing with Less Maintenance	48	11.8%
Access to Freeways	41	10.1%
ADA Accessibility	9	2.2%
Age-Restricted Community	7	1.7%
Total Responses	1,227	
Number of Respondents	407	



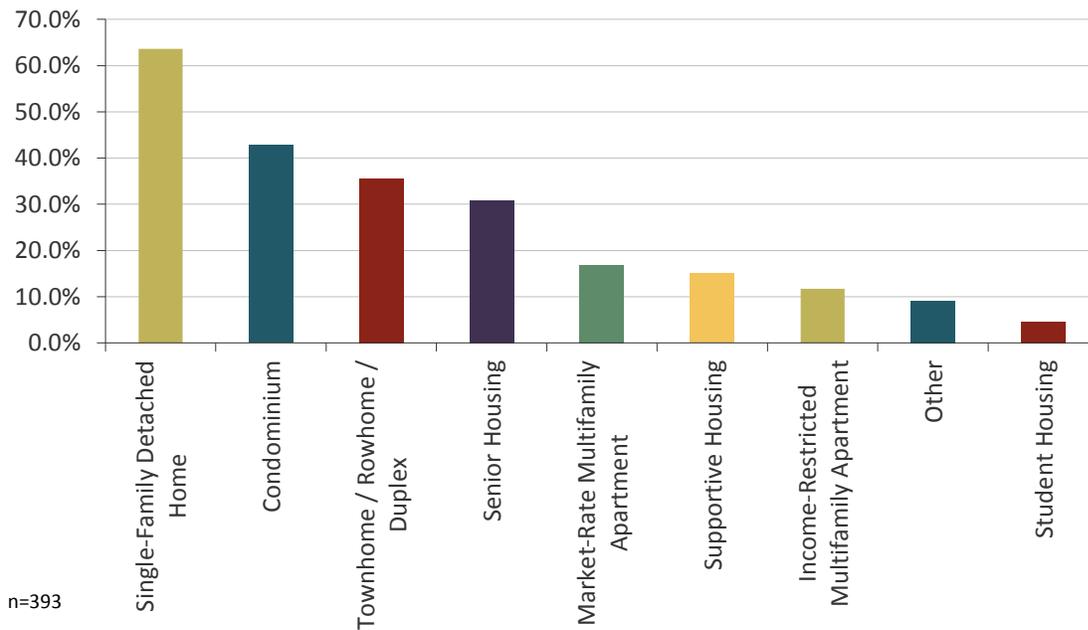
QUESTION 9. WHAT NEIGHBORHOOD AMENITIES WOULD BE IMPORTANT TO YOU WHEN MAKING A HOUSING DECISION? PLEASE CHECK YOUR TOP THREE AMENITIES.

Responses	Total	Total % of Respondents
Convenience Retail (Grocers, pharmacies, drycleaners, etc.)	271	67.1%
Parks	219	54.2%
Schools and/or Churches	210	52.0%
Restaurants	192	47.5%
Library	86	21.3%
Bike Routes	72	17.8%
Entertainment Options	62	15.3%
Destination Retail (clothing, general merchandise, etc.)	46	11.4%
Hospitals	45	11.1%
Other	35	8.7%
Community Centers/Social Programs	27	6.7%
Fitness Centers	24	5.9%
Swimming Pools	16	4.0%
Childcare Service Providers	6	1.5%
YMCA	3	0.7%
Total Responses	1,314	
Number of Respondents	404	



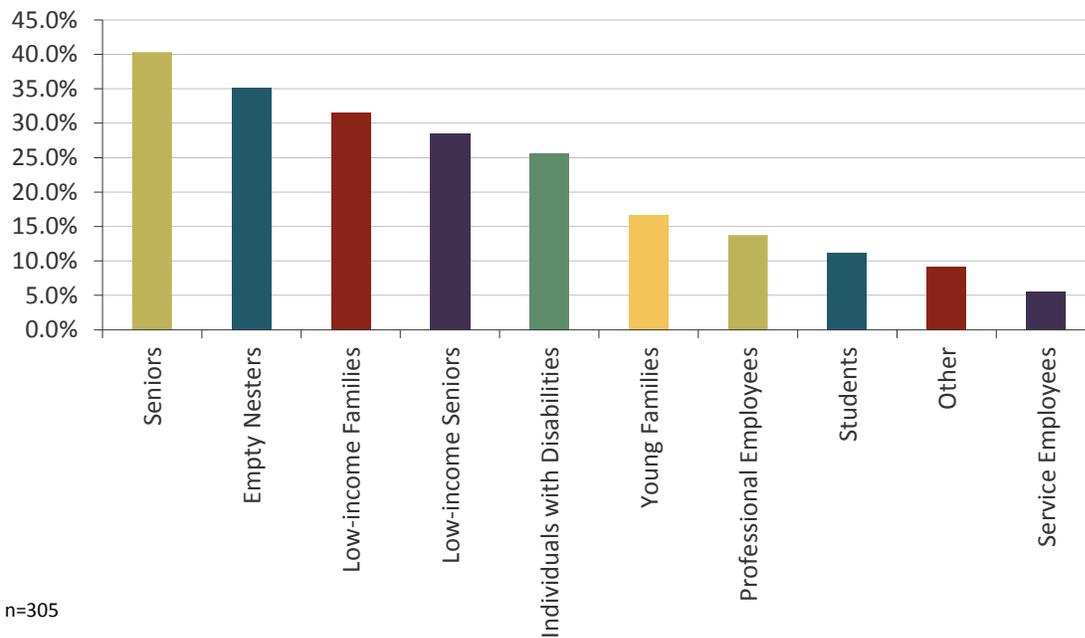
QUESTION 10. WHAT HOUSING TYPES WOULD YOU LIKE TO SEE DEVELOPED WITHIN WAUWATOSA? CHECK ALL THAT APPLY.

Responses	Total	Total % of Respondents
Single-Family Detached Home	250	63.6%
Condominium	168	42.7%
Townhome / Rowhome / Duplex	140	35.6%
Senior Housing	121	30.8%
Market-Rate Multifamily Apartment	66	16.8%
Supportive Housing	59	15.0%
Income-Restricted Multifamily Apartment	46	11.7%
Other	36	9.2%
Student Housing	18	4.6%
Total Responses	904	
Number of Respondents	393	



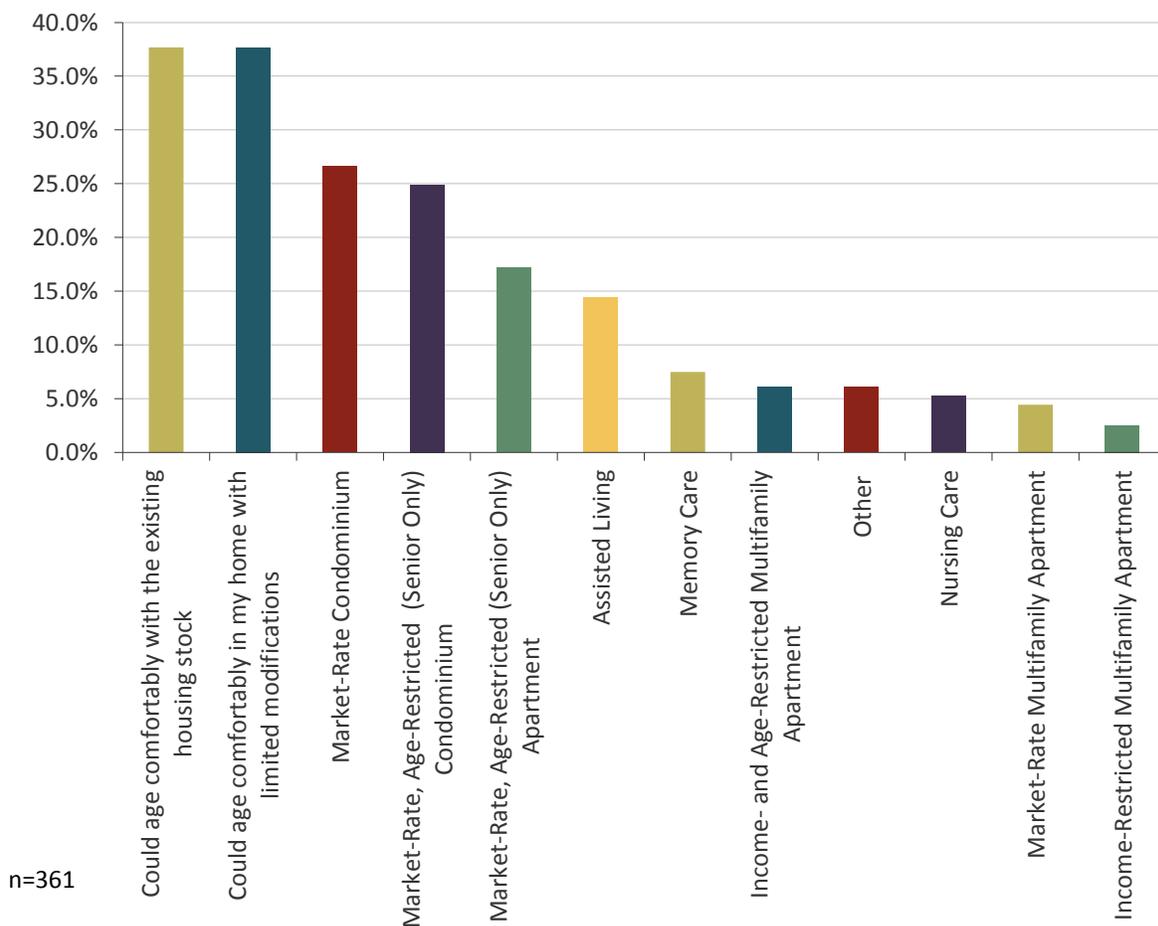
QUESTION 11. ARE THERE SPECIFIC POPULATIONS WITHIN WAUWATOSA THAT YOU FEEL ARE UNDERSERVED BY THE EXISTING HOUSING STOCK? PLEASE CHECK ALL THAT APPLY.

Responses	Total	Total % of Respondents
Seniors	123	40.3%
Empty Nesters	107	35.1%
Low-income Families	96	31.5%
Low-income Seniors	87	28.5%
Individuals with Disabilities	78	25.6%
Young Families	51	16.7%
Professional Employees	42	13.8%
Students	34	11.1%
Other	28	9.2%
Service Employees	17	5.6%
Total Responses	663	
Number of Respondents	305	



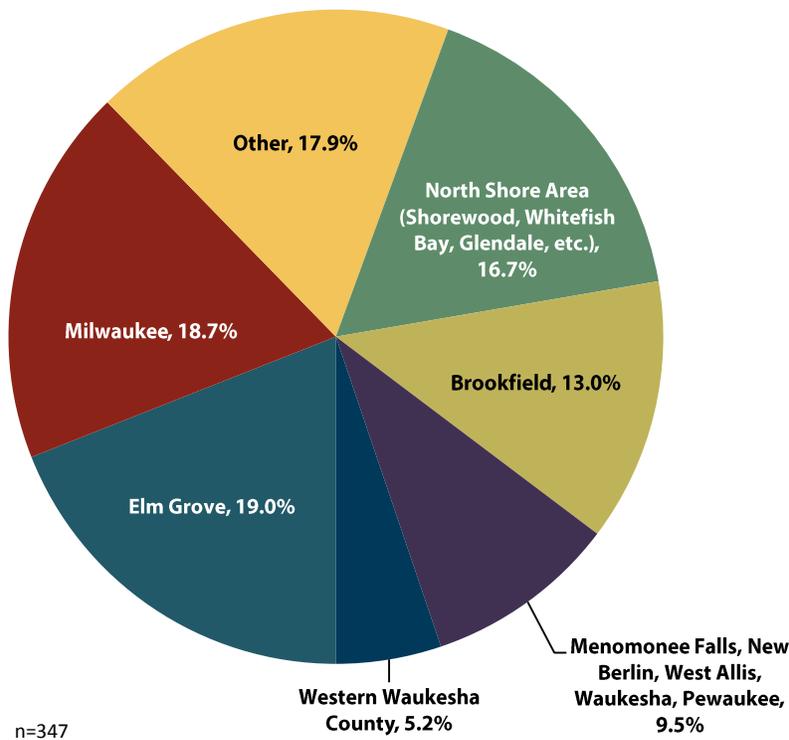
QUESTION 12. DO YOU FEEL LIKE THERE ARE HOUSING OPTIONS THAT WOULD ALLOW YOU TO AGE COMFORTABLY IN WAUWATOSA? IF NOT, WHAT IS MISSING? CHECK ALL THAT APPLY.

Responses	Total	Total % of Respondents
Could age comfortably with the existing housing stock	136	37.7%
Could age comfortably in my home with limited modifications	136	37.7%
Market-Rate Condominium	96	26.6%
Market-Rate, Age-Restricted (Senior Only) Condominium	90	24.9%
Market-Rate, Age-Restricted (Senior Only) Apartment	62	17.2%
Assisted Living	52	14.4%
Memory Care	27	7.5%
Income- and Age-Restricted Multifamily Apartment	22	6.1%
Other	22	6.1%
Nursing Care	19	5.3%
Market-Rate Multifamily Apartment	16	4.4%
Income-Restricted Multifamily Apartment	9	2.5%
Total Responses	687	
Number of Respondents	361	



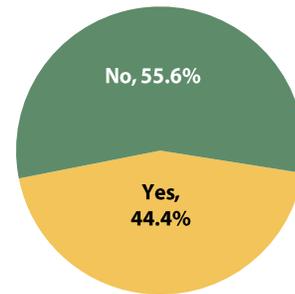
QUESTION 13. IF YOU WERE GOING TO LEAVE WAUWATOSA AND STAY WITHIN THE METROPOLITAN AREA, WHAT OTHER COMMUNITIES WOULD YOU CONSIDER?

Responses	Total	Total % of Responses
Elm Grove	66	19.0%
Milwaukee	65	18.7%
Other	62	17.9%
North Shore Area (Shorewood, Whitefish Bay, Glendale, etc.)	58	16.7%
Brookfield	45	13.0%
Menomonee Falls, New Berlin, West Allis, Waukesha, Pewaukee	33	9.5%
Western Waukesha County	18	5.2%
Total Responses	347	100%



QUESTION 14. IF YOU DO NOT LIVE IN WAUWATOSA, HAVE YOU EVER LIVED IN WAUWATOSA?

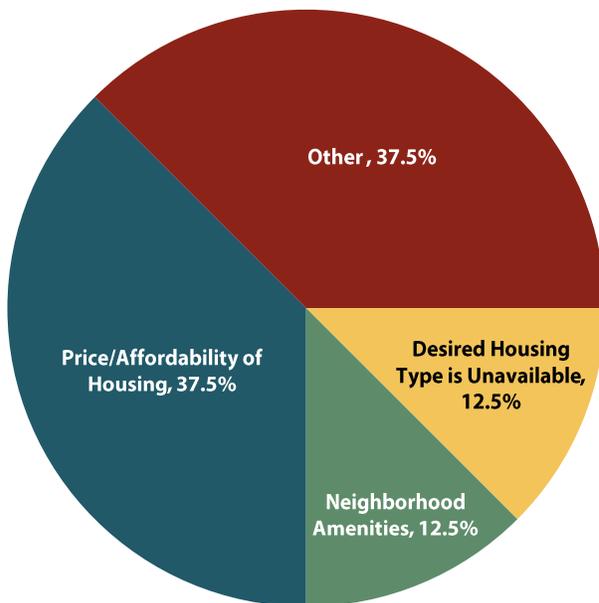
Responses	Total	Total % of Responses
Yes	4	44.4%
No	5	55.6%
Total Responses	9	100%



n=9

QUESTION 15. IF YOU DO NOT LIVE IN WAUWATOSA, WHAT IS THE PRIMARY REASON YOU CHOSE TO LIVE OUTSIDE OF WAUWATOSA?

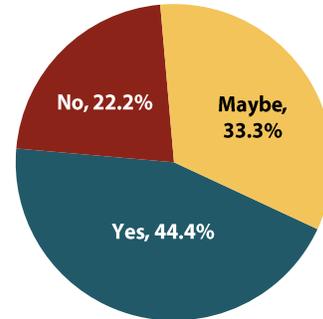
Responses	Total	Total % of Responses
Price/Affordability of Housing	3	37.5%
Other	3	37.5%
Desired Housing Type is Unavailable	1	12.5%
Neighborhood Amenities	1	12.5%
Total Responses	8	100%



n=8

QUESTION 16. IF YOU DO NOT LIVE IN WAUWATOSA, IF THE RIGHT HOUSING WERE AVAILABLE, WOULD YOU CONSIDER LIVING IN WAUWATOSA?

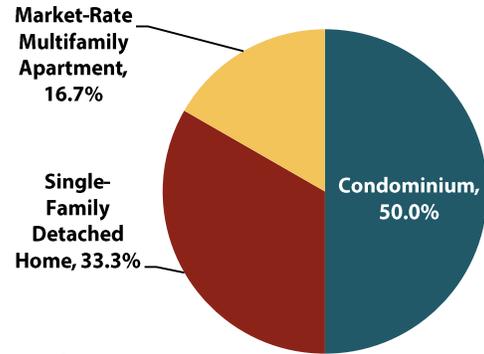
Responses	Total	Total % of Responses
Yes	4	44.4%
No	2	22.2%
Maybe	3	33.3%
Total Responses	9	100%



n=9

QUESTION 17. IF YOU DO NOT LIVE IN WAUWATOSA, WHAT TYPE OF RESIDENCE WOULD YOU PREFER TO LIVE IN WAUWATOSA?

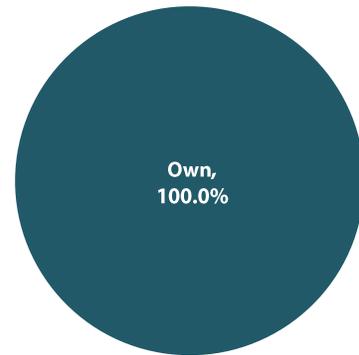
Responses	Total	Total % of Responses
Condominium	3	50.0%
Single-Family Detached Home	2	33.3%
Market-Rate Multifamily Apartment	1	16.7%
Total Responses	6	100%



n=6

QUESTION 18. IF YOU DO NOT LIVE IN WAUWATOSA, WOULD YOU PREFER TO OWN OR RENT A RESIDENCE IN WAUWATOSA?

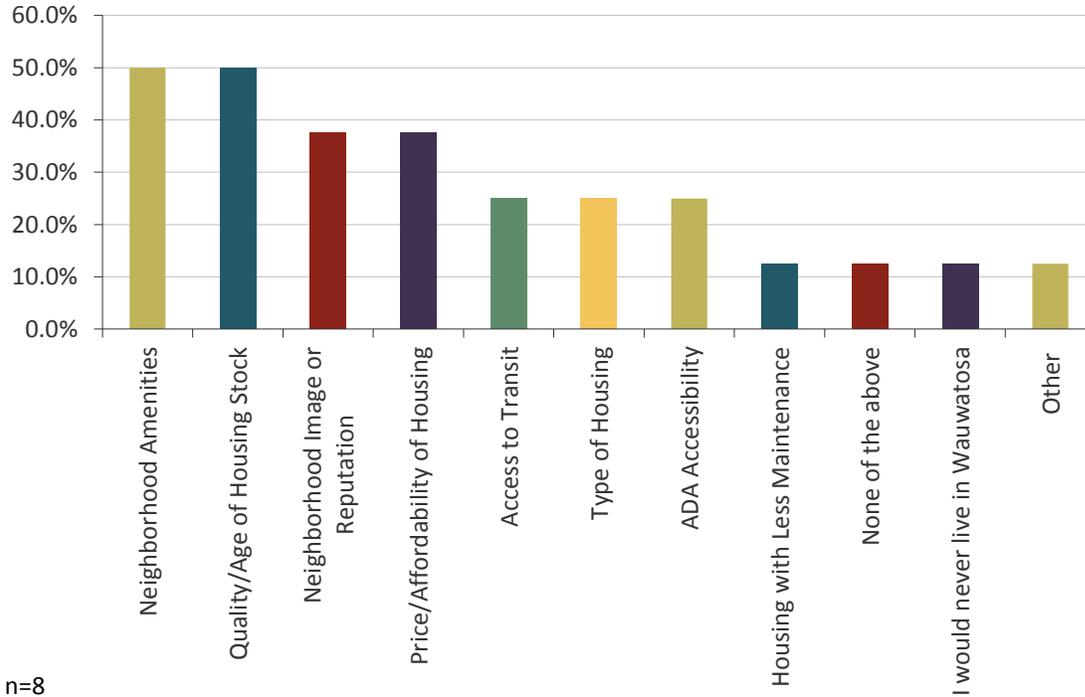
Responses	Total	Total % of Responses
Own	6	100.0%
Rent	0	0.0%
Total Responses	6	100%



n=6

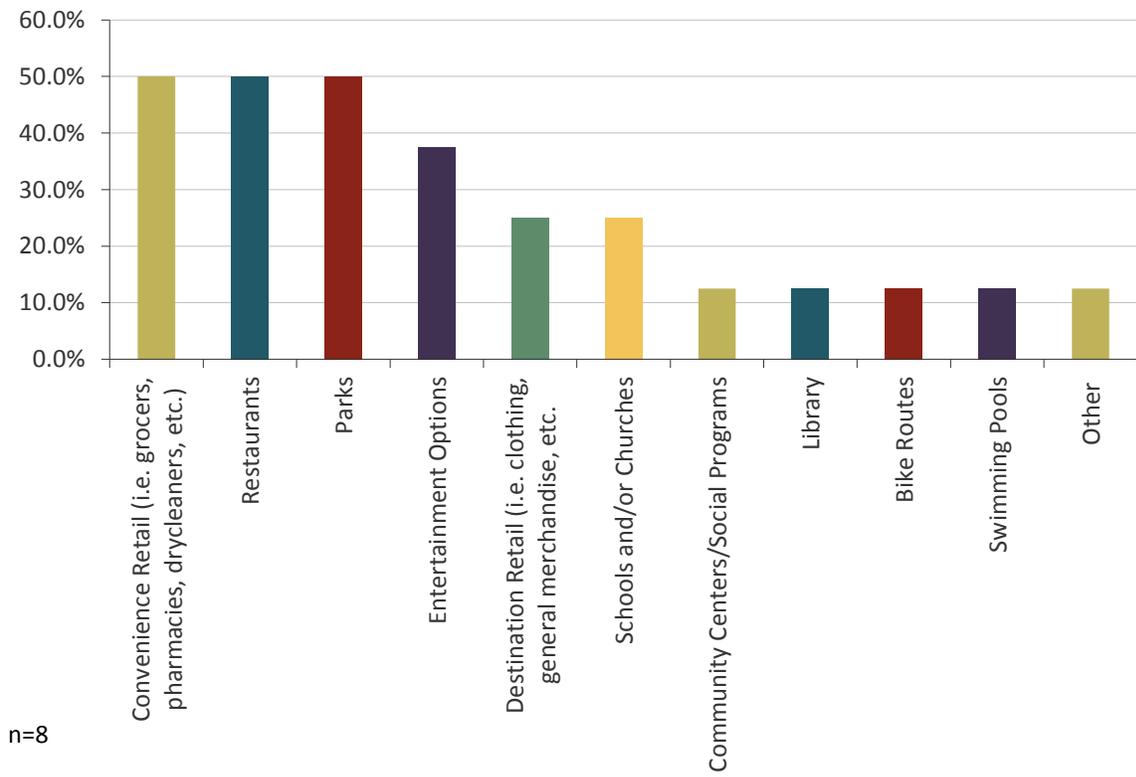
QUESTION 19. IF YOU DO NOT LIVE IN WAUWATOSA AND WERE TO CONSIDER LIVING IN WAUWATOSA WHAT ISSUES WOULD MOST INFLUENCE YOUR DECISION? PLEASE CHECK YOUR TOP 3 CONCERNS.

Responses	Total	Total % of Respondents
Neighborhood Amenities	4	50.0%
Quality/Age of Housing Stock	4	50.0%
Neighborhood Image or Reputation	3	37.5%
Price/Affordability of Housing	3	37.5%
Access to Transit	2	25.0%
Type of Housing	2	25.0%
ADA Accessibility	2	25.0%
Housing with Less Maintenance	1	12.5%
None of the above	1	12.5%
I would never live in Wauwatosa	1	12.5%
Other	1	12.5%
Convenience to Work or School	0	0.0%
Access to Freeways	0	0.0%
Age-Restricted Community	0	0.0%
Total Responses	24	100%
Number of Respondents	8	



QUESTION 20. IF YOU DO NOT LIVE IN WAUWATOSA, WHAT NEIGHBORHOOD AMENITIES ARE IMPORTANT TO YOU WHEN MAKING A HOUSING DECISION? CHECK YOUR TOP THREE AMENITY PREFERENCES.

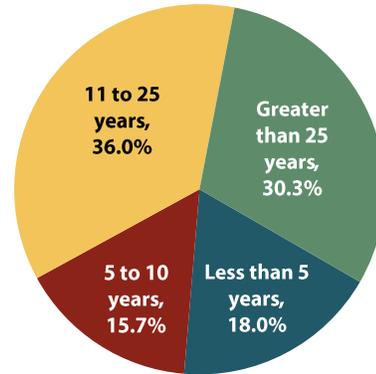
Responses	Total	Total % of Respondents
Convenience Retail (i.e. grocers, pharmacies, drycleaners, etc.)	4	50.0%
Restaurants	4	50.0%
Parks	4	50.0%
Entertainment Options	3	37.5%
Destination Retail (i.e. clothing, general merchandise, etc.)	2	25.0%
Schools and/or Churches	2	25.0%
Community Centers/Social Programs	1	12.5%
Library	1	12.5%
Bike Routes	1	12.5%
Swimming Pools	1	12.5%
Other	1	12.5%
Childcare Service Providers	0	0.0%
Hospitals	0	0.0%
Fitness Centers	0	0.0%
YMCA	0	0.0%
Total Responses	24	100%
Number of Respondents	8	



SURVEY DEMOGRAPHICS (ONLINE RESPONDENTS ONLY)

Question 1. How long have you lived in the Wauwatosa Area?

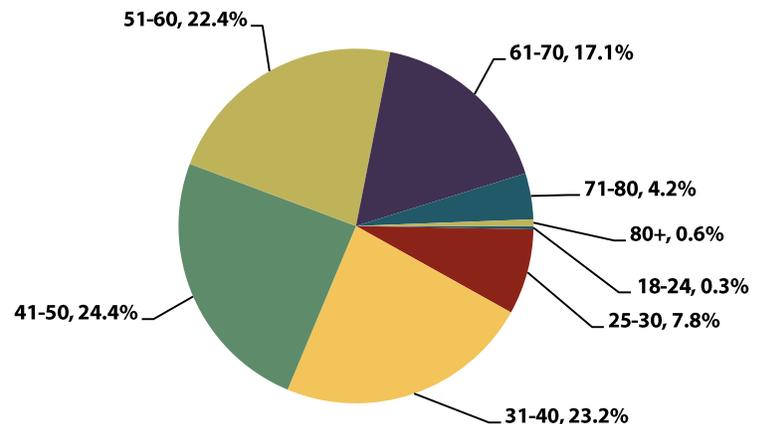
Responses	Total	Total % of Responses
Less than 5 years	64	18.0%
5 to 10 years	56	15.7%
11 to 25 years	128	36.0%
Greater than 25 years	108	30.3%
Total Responses	356	100%



n=356

Question 2. What is your age?

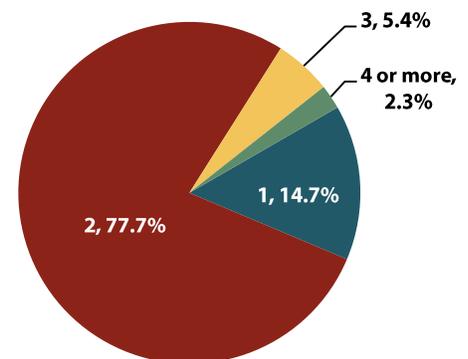
Responses	Total	Total % of Responses
18-24	1	0.3%
25-30	28	7.8%
31-40	83	23.2%
41-50	87	24.4%
51-60	80	22.4%
61-70	61	17.1%
71-80	15	4.2%
80+	2	0.6%
Total Responses	357	100%



n=357

Question 3. How many adults are in your household?

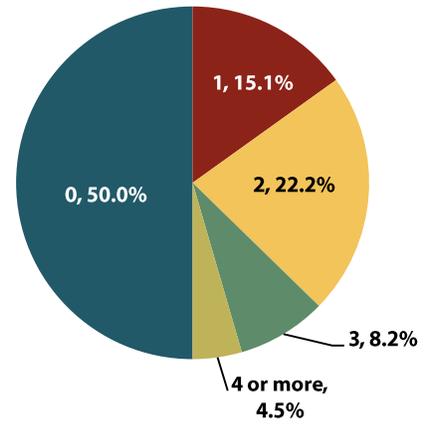
Responses	Total	Total % of Responses
1 (myself)	52	14.7%
2	275	77.7%
3	19	5.4%
4 or more	8	2.3%
Total	354	100%



n=354

Question 4. How many children are in your household?

Responses	Total	Total % of Responses
0	176	50.0%
1	53	15.1%
2	78	22.2%
3	29	8.2%
4 or more	16	4.5%
Total	352	100%



Appendix C: List of Interviewees

City Officials & Staff

Mayor
City Administration
Development Department
Planning & Zoning
Health Department
Citizens with Disabilities Committee
Senior Commission

Real Estate Professionals

Atlantic Realty Partners
Fiduciary Real Estate Development Incorporated
Mandel Group
Shorewest Realty

Community Stakeholders & Local Agencies

Medical College of Wisconsin
Metropolitan Milwaukee Fair Housing Council
Milwaukee County Research Park
Milwaukee Regional Medical Center
Southeastern Wisconsin Regional Planning Commission
U.S. Department of Housing and Urban Development
University of Wisconsin-Milwaukee Real Estate Foundation
Wisconsin Lutheran College

Appendix D: Potential Administrative, Programmatic and/or Financial Assistance Programs

The following section outlines a number of administrative, programmatic and/or financial assistance programs that could be implemented by the City of Wauwatosa to respond to the housing needs described in this report. **Table D-1** outlines key goals and recommendations from the study, policies and programs that could be implemented to achieve those goals, and potential funding sources that could be used during implementation. Potential funding sources are described in further detail in **Table D-2**.

Table D-1. Potential Administrative, Programmatic and Financial Assistance Programs

Goal	Policy/Program Recommendation	Description and/or Example	Potential Funding Sources
Promote diversity in multifamily housing choices including: <ul style="list-style-type: none"> • Townhomes • Condominiums • Senior units • Alternative rental units 	Tie economic development incentive programs to housing diversity	Economic development incentive programs, such as tax increment financing, could be structured in a way to promote greater housing diversity by encouraging developers who receive City financial assistance to incorporate a mix of unit types in their development programs.	<ul style="list-style-type: none"> • Tax Increment Financing [1]
	Modify City building and zoning codes to allow alternative rental units	Building and zoning codes that specify minimum standards for development could be modified to allow for alternative housing types in areas currently zoned for single-family residences, such as carriage houses and “in-law” suites.	<ul style="list-style-type: none"> • N/A
	Encourage apartment to condominium conversion in the future	Future conversion of apartment units to condominiums can be encouraged by ensuring that new apartment development is structured in a way that would permit conversion and that units are designed in a manner that would be attractive to potential condominium buyers.	<ul style="list-style-type: none"> • Tax Increment Financing • Funding may not be required
	Identify and/or assemble sites for development	City-, county- or other institutionally-owned land can be leveraged through a land write-down to provide currently underutilized or vacant land for multi-family development. The City could also proactively assemble development sites.	<ul style="list-style-type: none"> • Land write-down • Tax Increment Financing
Maintain quality housing stock	Implement Revolving Loan Fund (RLF) for Housing Rehabilitation	A RLF could provide low-interest loans to existing homeowners on low or fixed incomes to rehabilitate existing properties through flooding and stormwater-related repairs and home repairs that address building code violations. RLFs have been created in other Wisconsin communities using CDBG funds and frequently require applicants to match the grant or loan amounts dollar for dollar. Loans are typically charged a low interest rate with a portion of the loan forgiven if payments are received in full and on time.	<ul style="list-style-type: none"> • HUD Community Development Block Grant (CDBG) [2] • General City funds • Philanthropic or private sources
Consider affordable housing	Identify and/or assemble sites for development	City-, county- or other institutionally-owned land can be leveraged to provide currently underutilized or vacant land for multi-family development. The City could also proactively assemble development sites	<ul style="list-style-type: none"> • Land write-down • Tax Increment Financing
	Implement inclusionary housing standard for developers receiving financial assistance	The City could implement inclusionary housing standards that require developers who receive financial assistance from the City to provide a certain number or percentage of income-restricted units. City financial assistance could also aid in financing the incremental costs to the developer of including these income-restricted units.	<ul style="list-style-type: none"> • Tax Increment Financing

Table D-1 (Continued). Potential Administrative, Programmatic and Financial Assistance Programs

Goal	Policy/Program Recommendation	Description and/or Example	Potential Funding Sources
Consider affordable housing (Continued)	Develop Replacement Housing Program (RHP)	<p>A RHP program could encourage replacement of deteriorating existing single-family housing stock with new, owner-occupied, affordable single-family units. An example of a successful RHP program is in La Crosse, WI.</p> <p>La Crosse Replacement Housing Program: To qualify for purchase of the home, purchaser must have an income below 80% of Median Family Income and be able to secure mortgage money. The program relies on partnerships between the following entities for funding and support:</p> <ul style="list-style-type: none"> • City of La Crosse CDBG Program (HUD): Funding for acquisition and site clearance • City of La Crosse HOME Program (HUD): Funding for site development • Western Wisconsin Technical College: Wood Technologies course for construction labor and match funds value • Various City of La Crosse Departments: Building demolition and sidewalk replacement, site work, sidewalk and yard maintenance, site survey work; utility disconnection and reconnection; and trees for match funds value • Community Action Program (HUD): Housing counseling and down payment assistance • WHEDA: Low interest mortgage financing 	<ul style="list-style-type: none"> • HUD HOME Funding [3] • HUD Community Development Block Grant (CDBG)
	Utilize the Affordable Housing Amendment to the Tax Increment Financing Statute	The TIF statute allows communities to extend the life of a TIF district by one year once all TIF-supported project costs have been paid off. Under the statute, 75% of increment in the final year must be used for affordable housing, with the remaining 25% used to improve the overall housing stock in the community.	<ul style="list-style-type: none"> • Tax Increment Financing
Consider Senior and Special Needs Housing	Revolving Loan Fund for Senior and Special Needs Housing	A RLF could provide low-interest loans to existing homeowners on low or fixed incomes. This program could finance: rehabilitation projects that allow seniors to comfortably age in place and the conversion of units for people with special needs.	<ul style="list-style-type: none"> • HUD Community Development Block Grant (CDBG) • General City funds • Philanthropic or private sources
	Develop Relationship with Movin' Out, Inc.	Movin' Out is a regional non-profit that provides a range of housing solutions to adults with disabilities and to families that include children with disabilities. Movin' Out partners with residential developers to develop housing that includes some units marketed to people with disabilities and has extensive experience in securing federal housing subsidies for projects.	<ul style="list-style-type: none"> • N/A- Requires City staff time to coordinate

Table D-1 (Continued). Potential Administrative, Programmatic and Financial Assistance Programs

Goal	Policy/Program Recommendation	Description and/or Example	Potential Funding Sources
Consider Workforce Housing	Partner with major local employers and institutions to establish employer-assisted housing (EAH) program	<p>EAH programs are created by employers to aid employees in obtaining housing. EAH programs are structured in a variety of ways, providing down payment assistance, first or last month’s rent, security deposits, or other incentives for employees that live in a particular location. Programs are often structured as forgivable loans that convert to grants if employees remain with the employer for a certain amount of time (5-10 years), and can be restricted to lower- and moderate-income employees or open to all. Aurora Health Care & Select Milwaukee is a successful EAH example.</p> <p>Select Milwaukee Employer Assisted Homeownership: Select Milwaukee administers EAH programs on in partnership with local companies. Select Milwaukee works with companies to customize a cost effective EAH program. In addition to available down payment and closing cost or energy efficient incentives offered by Select Milwaukee, many EAH plans include employer-sponsored financial assistance with the employee’s up-front costs of buying a home.</p> <p>One recent program provided eligible employees with a five-year, zero-interest, forgivable loan of up to \$3,000 per employee. The loan is completely forgiven if the employee remains at the company during the five-year term of the loan, continuously occupies the home, and does not sell ownership interest in the property.</p> <p>Companies that have worked with Select Milwaukee include: BMO Harris Bank, United Way, Northwest Mutual, and the Boys & Girls Clubs of Great Milwaukee.</p>	<ul style="list-style-type: none"> • Local businesses, institutions, philanthropies • General City funds

[1] Tax Increment Financing (TIF) is a program that allocates future increases in property taxes from a designated area, or TIF district, to pay for improvements within that area. The City of Wauwatosa currently utilizes TIF to support projects throughout the City.

[2] The goal of the federal Community Development Block Grant (CDBG) program is to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities for low- and moderate-income persons. The City of Wauwatosa is an entitlement community that receives an annual allocation from the federal government of approximately \$900,000 in CDBG funds. The City can use CDBG funds for a variety of programs serving low- and moderate-income residents, including acquisition, disposition, homeownership assistance, single-family housing rehabilitation, emergency housing repairs, down payment assistance, and installation of public facilities and infrastructure in low- and moderate-income neighborhoods.

[3] Wauwatosa is an entitlement community that is part of the Milwaukee County HOME Consortium. As part of the Consortium, the City can leverage training and assistance resources through the County and HUD to help increase the supply of affordable housing for its lower-income population. HOME funds can be used to fund a variety of housing-related activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

Appendix E: Limitations of Our Engagement

Our report is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and interviews during which we obtained certain information. The sources of information and basis of the estimates and assumptions are stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report or to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include without limitation economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study did not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits and licenses. No effort was made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Further, we neither evaluated management's effectiveness, nor are we responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report is intended solely for your information and should not be relied upon by any other person, firm or corporation or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan or other agreement or any document intended for use in obtaining funds from individual investors.

We will be compensated by any other third-party wishing to cite our findings or use our report at our standard hourly rates for the time required to conduct appropriate reviews, studies and such other work necessary to update the report. No said third-party can make such use of our report without our prior consent.

We acknowledge that our report may become a public document within the meaning of the freedom of information acts of the various governmental entities. Nothing in these terms and conditions is intended to block the appropriate dissemination of the document for public information purposes.