

**COUNTY OF RACINE  
FINANCE & HUMAN RESOURCES COMMITTEE**

Supervisor Don Trottier, Chairman  
Supervisor Robert Miller, Vice Chairman  
Supervisor Jody Spencer, Secretary  
Supervisor Renee Kelly  
Supervisor Brett Nielsen

Supervisor John Wisch  
Supervisor Jason Eckman  
Madhura Patil, Youth in Governance Representative  
Juliana Aburto, Youth in Governance Representative

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NOTICE OF MEETING OF THE  
FINANCE AND HUMAN RESOURCES COMMITTEE

DATE: **WEDNESDAY JULY 17, 2024**

TIME: **5:00 p.m.**

PLACE: **IVES GROVE OFFICE COMPLEX  
AUDITORIUM  
14200 WASHINGTON AVENUE  
STURTEVANT, WISCONSIN 53177**

1. Convene Meeting
2. Chairman Comments – Youth in Governance/Comments
3. Public Comments
4. Approval of Minutes from the June 19 2024, committee meeting – Action of the Committee only.
5. Human Services Department – Hope Otto – Authorize the reclassification of 1 FTE Safety and Security Supervisor (E060) to 1 FTE Deputy Superintendent (E065); Reclassification of 1 FTE Youth Programming Supervisor (E060) to 1 FTE Youth Program Manager (E065); Reclassification of 1 FTE Youth Program Coordinator (N125) to 1 FTE Lead Youth Program Coordinator (N126); Reclassification of 6 FTE Safety and Security Coordinators from pay grade (N123) to (N125); Creation of 3 FTE Safety and Security Workers (N120); Reclassification of 2 FTE Youth Mental Health Counselors from pay grade N125 to BE20 and BE30; Creation of 1 FTE Facilities Custodian (N095); Change in the start date of 2 Youth Program Coordinators from 11/01/24 to 10/05/24 and use of sufficient funds in the 2024 Human Services Budget – 2024 – Resolution – Action Requested: 1st Reading at the July 23, 2024, County Board Meeting.
6. Transfers
  - a. Human Services Department – Hope Otto – Authorize the creation of 1 FTE Lead Y&F Case Manager (N126) effective 10/5/24 and transfer \$24,190 within the Human Services Department 2024 Budget – 2024 – Resolution – Action Requested: 1st Reading at the July 23, 2024, County Board Meeting.
  - b. Finance Department – Gwen Zimmer – Authorize a project to update to the Racine County housing analysis and transfer of \$7,500 within the County Executive 2024 Budget – 2024 – Resolution – Action Requested: 1st Reading at the July 23, 2024, County Board Meeting.

- c. Finance Department – Gwen Zimmer – Authorize the reclassification of 2 FTE N060 Accounting Technician to 2 FTE N076 Accounting Associate and 1 FTE E030 Finance Specialist to 1 FTE E040 Staff Accountant effective 8/24/2024 and the transfer of \$1,872 within the Human Services Department 2024 Budget – 2024 – Resolution – Action Requested: 1st Reading at the July 23, 2024, County Board Meeting.

7. Communication & Report Referrals from County Board Meeting:

- a. Bankruptcy items:

<b>Type of Action:</b>	<b>Person/Persons</b>
Chapter 13 Notice of Case	Antonio Oliden; Melissa Verbeten; Michael Verbeten; Peter Murillo III; Renisha Murillo; Adam Howen; Kelly Howen; Yeni Huerta; Elizabeth Tower; Damon Levingston; Felicia Jamerson; Elaine Bullis;
Chapter 13 Order of Discharge	Melissa Vogt; Cynthia Jones; Gracie Schultz; Justin Harris; Christine Harris; Lucia Benitez;
Chapter 13 Order Dismissing Case	Mark Fiorita; Shantel Price; Samantha Rothunde;
Chapter 13 Notice and Motion to Dismiss-Confirmed Plan	Dionte King; Cedric Story; Melissa Ahles; James McPhee; Jessica Howell;
Chapter 13 Order Confirming Plan	Merrilee Czajkowski; Susan Oertel; Robert Wilke; Rocco Del Frate; Charles Ebben; Jennifer Ebben; Damasio Martinez; Robert Prince Sr; Paul Lukaszewski;
Chapter 13 Granting the Trustee’s Motion to Modify the Confirmed Chapter 13 Plan and to Limit Notice	James Pollnow;
Chapter 13 Order Granting Debtor’s Motion for Continuation of Stay	Ramona Rauch;
Chapter 13 Order Modifying Confirmed Plan	Charles McDuffie; Ashley Martinez; Kristy Delaney; Brandon Delaney; Kyle Kinzer; Jessica Kinzer;
Chapter 7 Notice of Case	Ricky Sederberg; Jazmine Payne; Brandon Flagg; Jordan VanSant; Evelyn VanSant; Logun Koehn;

Chapter 7 Order of Discharge	Nicholas Wilson; Breianna Pitt; Karen Elderbrook; Daniel Elderbrook; Gary Poetz II; Katrina Poetz; Joseph Lackey III; Serena Lackey; Cheryl Spencer; Mary Rose;
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8. Staff Report – No Action Items.

- Finance & Human Resources Committee – Next meeting will be on August 7, 2024.

9. Adjournment

FINANCE & HUMAN RESOURCES COMMITTEE ACTION ONLY

**Requestor/Originator** Finance & Human Resources Committee

**Committee/Individual Sponsoring:** Finance & Human Resources Committee

**Date of Committee Meeting:** 7/17/2024

**Signature of Committee Chairperson  
/Designee:** \_\_\_\_\_

**Description:** Minutes from the June 19, 2024 FHR Meeting

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\_\_\_\_\_

**Action:** **County Board Supervisors**  
 Approve  
 Deny

**Youth In Governance**  
 Approve  
 Deny

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING  
Wednesday, June 19, 2024

IVES GROVE OFFICE COMPLEX  
AUDITORIUM  
14200 WASHINGTON AVENUE  
STURTEVANT, WISCONSIN 53177

**Meeting attended by:** Chairman Trottier, Supervisors Miller, Spencer, Nielsen, Eckman and Wisch.

**Other County Supervisors:** Supervisors Maier, Roanhouse, Kramer and Veranth.

**Other attendees:** Youth in Governance Representatives Patil and Aburto, County Executive Jonathan Delagrave, Finance Director Gwen Zimmer, Human Resources Director Sarah Street, Principal Assistant Corporation Counsel John Serketich, County Treasurer Jeffrey Latus, Clerk of Court Amy Vanderhoef, PFM Director Kristin Hanson, Associate and Managing Director Matthew Schnackenberg, Legal Coordinator Bethany Tangerstrom, Assistant Corporation Counsel Sarah Kidd, Assistant Corporation Counsel Erika Motsch and Office of Diversity Melvin Hargrove.

**Excused:** Supervisor Kelly.

**Agenda Item #1 – Convene Meeting**

Meeting Called to Order at 5:01 p.m. by Chairman Trottier.

**Agenda Item #2 – Youth in Governance/Comments**

Youth in Governance statement was read by Youth Representative Patil.

**Agenda Item #3 – Public Comments**

There were no public comments.

**Agenda Item #4 – Approval of Minutes from the June 5, 2024, committee meeting**

**Action:** Approve the minutes from the June 5, 2024, committee meeting.

**Motion Passed:** Moved: Supervisor Miller. Seconded by Supervisor Spencer. Vote: All Ayes No Nays.  
Advisory Vote: No Advisory Vote.

**Agenda Item #5 – Finance Department – Gwen Zimmer – Discussion of financing for Racine County Capital Projects: (i) 911 Radio Infrastructure; (ii) Patrol Station; (iii) Mental Health Building; (iv) Ice Center; and (v) Revitalization of Reefpoint Marina (Materials will be provided at the meeting) – Information only.**

*This item was presented by Finance Director Gwen Zimmer and County Executive Jonathan Delagrave*

**Agenda Item #6 – County Treasurer – Jeffrey Latus –Donation of (15) In Rem Properties to the City of Racine Community Development Authority with partial compensation for the Lincoln-King Redevelopment Project –2024 – Resolution – Action Requested: 1<sup>st</sup> Reading at the June 25, 2024, County Board Meeting.**

*The Committee requested the County Treasurer obtain more information from the City of Racine Community Development Authority. No vote was taken.*

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING  
Wednesday, June 19, 2024

**Agenda Item #7– Transfers:**

- a. **Clerk of Court – Amy Vanderhoef – Authorize Creation of 1 FTE E040 Register in Probate effective 7/13/2024 and the transfer of \$31,519 within the Clerk of Courts 2024 Budget – 2024 – Resolution – Action Requested: 1<sup>st</sup> Reading at the June 25, 2024, County Board Meeting.**

**Action :** Authorize Creation of 1 FTE E040 Register in Probate effective 7/13/2024 and the transfer of \$31,519 within the Clerk of Courts 2024 Budget – 2024 – Resolution – Action Requested: 1<sup>st</sup> Reading at the June 25, 2024, County Board Meeting.

**Motion Passed:** Moved: Supervisor Miller. Seconded by Supervisor Wisch. Vote: All Ayes No Nays. Advisory Vote: All Ayes, No Nays.

- b. **Human Resources – Sarah Street – Authorizing a comprehensive salary Study and transfer of \$200,000 within the Contingent Fund 2024 Budget – 2024 – Resolution – Action Requested: 1st Reading at the June 25, 2024, County Board Meeting.**

**Action :** Authorizing a comprehensive salary Study and transfer of \$200,000 within the Contingent Fund 2024 Budget – 2024 – Resolution – Action Requested: 1st Reading at the June 25, 2024, County Board Meeting.

**Motion Passed:** Moved: Supervisor Wisch. Seconded by Supervisor Miller. Vote: All Ayes No Nays. Advisory Vote: All Ayes, No Nays.

**Agenda Item#8 – Corporation Counsel – Michael Lanzdorf –Discussion of Sheriff grievance process – Information only.**

*This item was presented by Principal Corporation Counsel John Serketich*

**Agenda Item#9 – Closed Session – IT IS ANTICIPATED THAT THE FINANCE AND HUMAN RESOURCES COMMITTEE WILL MEET IN A CLOSED SESSION PURSUANT TO SECTION 19.85(1)(g) OF THE WISCONSIN STATE STATUTES TO DISCUSS WITH LEGAL COUNSEL CLAIMS AGAINST RACINE COUNTY: 1) MEND CORRECTIONAL CARE, PLLC BANKRUPTCY. THE COMMITTEE RESERVES THE RIGHT TO RECONVENE IN REGULAR SESSION TO TAKE POSSIBLE ACTION ON ITEMS DISCUSSED IN CLOSED SESSION.**

**Action:** To convene into closed session at 6:52 p.m. pursuant to Section 19.85(1)(g) of the Wisconsin State Statutes to discuss with legal counsel the status of the following: 1) MEnD Correctional Care, PLLC Bankruptcy.

**Motion Passed:** Moved: Supervisor Miller Seconded: Supervisor Eckman Vote: Roll-call vote was taken of the members present: All Ayes No Nays.

**Agenda Item #9a – Regular Session.**

**Action:** To reconvene into regular session at 7:06 p.m.

**Motion Passed:** Moved: Supervisor Miller. Seconded by Supervisor Eckman. Vote: All Ayes, No Nays.

**FINANCE AND HUMAN RESOURCES COMMITTEE MEETING**  
**Wednesday, June 19, 2024**

**Action:** Authorize the settlement of the claim as recommended by Corporation Counsel with MEnD Correctional Care, PLLC Bankruptcy for 50,000.

**Motion passed.** Moved: Supervisor Miller. Seconded: Supervisor Wisch. Vote: All Ayes, No Nays.

**Agenda Item #10 -Communication & Report Referrals from County Board Meeting:**

**Action:** Receive and file item a-b.

**Motion Passed:** Moved by Supervisor Miller. Seconded by Supervisor Eckman Vote: All Ayes No Nays. Advisory Vote: Y/G were dismissed during item #9

**Agenda Item #11 – Staff Report – No Action Item**

- Joint FHR/Executive Committees on June 25<sup>th</sup>, 2024, at 5pm.
- Finance & Human Resources Committee – Next meeting will be on July 17, 2024.

**Agenda Item #12 – Adjournment.**

**Action:** Adjourn the meeting at 7:08 p.m.

**Motion Passed:** Moved by Supervisor Miller. Seconded by Supervisor Wisch. Vote: All Ayes, No Nays.

REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2024</u>	<input checked="" type="checkbox"/>	Resolution Request Ordinance Request Report Request
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Requestor/Originator: Human Services Department - Hope Otto

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) Hope Otto  
 If a person is not in attendance the item may be held over.

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: Yes

Does this request propose the expenditure, receipt or transfer of any funds? no  
 If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 7/17/2024 Date of County Board Meeting to be Introduced: 7/23/2024

1st Reading:  1st & 2nd Reading:  \*

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**SUGGESTED TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Authorize the reclassification of 1 FTE Safety and Security Supervisor (E060) to 1 FTE Deputy Superintendent (E065); Reclassification of 1 FTE Youth Programming Supervisor (E060) to 1 FTE Youth Program Manager (E065); Reclassification of 1 FTE Youth Program Coordinator (N125) to 1 FTE Lead Youth Program Coordinator (N126); Reclassification of 6 FTE Safety and Security Coordinators from pay grade (N123) to (N125); Creation of 3 FTE Safety and Security Workers (N120); Reclassification of 2 FTE Youth Mental Health Counselors from pay grade N125 to BE20 and BE30; Creation of 1 FTE Facilities Custodian (N095); Change in the start date of 2 Youth Program Coordinators from 11/01/24 to 10/05/24 and use of sufficient funds in the 2024 Human Services Budget.

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

**THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.**



FTE	POSITION	GRADE	WAGES	FRINGES	CONTRACT	TOTAL
<b>Positions will be effective October 5, 2024</b>						
<b>HUMAN SERVICES</b>						
3.00	Create Safety & Security Worker	N120	39,488	18,133		57,621
(6.00)	Safety & Security Coordinator	N123	(85,272)	(37,451)		(122,723)
6.00	Safety & Security Coordinator	N125	89,661	38,279		127,940
(1.00)	Safety & Security Supervisor position #11319	E060	(16,116)	(6,601)		(22,717)
1.00	Deputy Superintendent position #11319	E065	17,622	6,885		24,507
-2.000	Mental Health Counselor position #11308 & #11329	N125	(29,805)	(12,744)		(42,549)
2.000	Mental Health Counselor position #11308 & #11329	BE20	31,811	13,122		44,933
-1.000	Youth Programming Supervisor position #11318	E060	(15,874)	(6,555)		(22,429)
1.000	Youth Program Manager position #11318	E065	17,622	6,885		24,507
-1.000	Youth Program Coordinator position #11332	N125	(13,005)	(6,014)		(19,019)
1.000	Lead Youth Program Coordinator position #11332	N126	13,968	6,196		20,164
1.000	Create Facilities Custodian	N095	11,678	5,764		17,442
-2.000	Youth Program Coordinator position #11333 & #11334	N125	(18,168)	(31,924)		(50,092)
2.000	Youth Program Coordinator position #11333 & #11334	N125	27,250	33,636		60,886
<b>4.000</b>	<b>Total for HUMAN SERVICES</b>		<b>70,860</b>	<b>27,611</b>	<b>-</b>	<b>98,471</b>

\* Note: Positions will be funded by sufficient ARPA funds within the 2024 budget.

\*This cost is prorated for pay periods October 5 - December 31, 2024. The budgeted salary for these positions is \$357,831

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June 26<sup>th</sup>, 2024

TO: Donald Trottier,  
Chairman, Finance Committee

FROM: Hope Otto  
Human Services Director

RE: Youth Development and Care Center Staffing Requests

As the Youth Development and Care Center is nearing completion, we are finalizing our organizational and wage structure to maximize staff retention and facility success, all while ensuring fiscal responsibility. The first half of the year, we have focused on existing staff training and professional development. We are proposing that in the final quarter we make the following staffing adjustments with updated information on bed rental rates, Racine Unified School District commitments, and finalized facility flow and corresponding staffing assumptions.

- Reclass 1 FTE Safety and Security Supervisor (E060) to 1 FTE Deputy Superintendent (E065)
- Reclass 1 FTE Youth Programming Supervisor (E060) to 1 FTE Youth Program Manager (E065)
- Reclass 1 FTE Youth Program Coordinator (N125) to 1 FTE Lead Youth Program Coordinator (N126)
- Reclass 6 FTE Safety and Security Coordinators from pay grade (N123) to (N125)
- Creation of 3 FTE Safety and Security Workers (N120)
- Reclass 2 FTE Youth Mental Health Counselors from pay grade N125 to BE20 and BE30. As authorized with Behavioral Health clinicians that have schedule flexibility due to changes in licensure, we are also requesting to have the capability to downgrade and upgrade both of these positions between BE20 and BE30 as needed without county board approval.
- Creation of 1 FTE Facilities Custodian (N095)
- Change in the start date of 2 Youth Program Coordinators from 11/01/24 to 10/05/24.

In order to continue with the high quality care and leadership that our youth deserve, we need to realign position responsibilities, pay grades and appropriate youth to staff ratios for the safety and security of youth in our new YDCC.

Sincerely,

Hope Otto, Director  
Racine County Human Services Department

REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2024</u>	<input checked="" type="checkbox"/>	Resolution Request Ordinance Request Report Request
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Requestor/Originator: Human Services Department - Hope Otto

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) Hope Otto  
 If a person is not in attendance the item may be held over.

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: Yes

Does this request propose the expenditure, receipt or transfer of any funds? no  
 If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 7/17/2024 Date of County Board Meeting to be Introduced: 7/23/2024

1st Reading:  1st & 2nd Reading:  \*

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**SUGGESTED TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Authorize the creation of 1 FTE Lead Y&F Case Manager (N126) effective 10/5/24 and transfer \$24,190 within the Human Services Department 2024 budget

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

**THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.**

ACCOUNT NAME	ACCOUNT NUMBER	CURRENT BUDGET	CURRENT BALANCE	TRANSFER	BUDGET AFTER TRANSFER	BALANCE AFTER TRANSFER
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**HUMAN SERVICES BUDGET**

CONTRACTED SERVICES	4206700.404500	2,358,234	2,358,234	(24,190)	2,334,044	2,334,044
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<b>TOTAL SOURCES</b>				<b>(24,190)</b>		
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**HUMAN SERVICES BUDGET**

WAGES	4206990.401000	3,219,192	3,219,192	17,354	3,236,546	3,236,546
WORKER'S COMP	4206990.402210	32,187	32,187	174	32,361	32,361
SOCIAL SECURITY	4206990.402220	246,268	246,268	1,328	247,596	247,596
RETIREMENT	4206990.402230	218,901	218,901	1,180	220,081	220,081
DISABILITY INSURANCE	4206990.402240	32,187	32,187	174	32,361	32,361
GROUP INSURANCE	4206990.402260	741,000	741,000	3,563	744,563	744,563
LIFE INSURANCE	4206990.402270	7,451	7,451	40	7,491	7,491
LEGAL FEES AND 65.90(6) FUND	4206990.436000	69,856	69,856	377	70,233	70,233

<b>TOTAL USES</b>				<b>24,190</b>		
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**FINANCE COMMITTEE RECOMMENDATION**

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.  
REASONS

FOR	AGAINST

FTE	POSITION	GRADE	WAGES	FRINGES	CONTRACT	TOTAL
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Positions will be effective October 5, 2024

**HUMAN SERVICES**

<b>1.00</b>	Create Lead Y&F Case Manager	<b>N126</b>	<b>17,354</b>	<b>6,836</b>		<b>24,190</b>
<b>1.000</b>		<b>Total for HUMAN SERVICES</b>	<b>17,354</b>	<b>6,836</b>	<b>-</b>	<b>24,190</b>

\*This cost is prorated for pay periods October 5 - December 31, 2024. The budgeted salary for this position is \$69,414

June 21, 2024

TO: Chairman, Finance Committee

FROM: Hope Otto  
Human Services Director

RE: Youth & Family Staffing Stability

This resolution is requesting the creation of one (1) full-time employee within the Youth & Family Division. This position will serve as a lead worker supporting all Child Protective Services Units and will focus on:

- Creating workforce stability.
- Enhancing onboarding and training.
- Supporting the continued development of Families First initiatives to keep and sustain family stability.

A stable workforce is essential for successful work in child welfare. The recruitment and retention of knowledgeable, engaged, and committed staff in child welfare has been a challenge that goes back decades. In the CPS Initial Assessment Unit alone, of the eleven (11) full-time positions, there is a combined average length of employment of about two (2) years. The creation of this new position will provide additional mentoring and coaching and offers professional development that will help improve retention and help staff feel well-prepared.

As the Youth & Family Division continues to shift child welfare services upstream to focus on family strengths, foster care prevention, and community well-being, there is a necessity to develop a workforce that can meet the growing demands. A well-resourced, well-trained, and highly skilled workforce is foundational to the Youth & Family Division's ability to achieve the best outcomes for children and families. High turnover and unprepared workers is far too often associated with more children placed and spending longer time in foster care and incidents of maltreatment.

The funding for this position comes from a reinvestment of savings in out-of-home placement costs. The Youth & Family Division has worked tirelessly to keep families intact and to support families in their own homes. Continuing to increase this high level of work must be coupled with effective stability, coaching, and development.

Sincerely,

Hope Otto, Director  
Racine County Human Services Department

REQUEST FOR COUNTY BOARD ACTION

YEAR	<u>2024</u>	<input checked="" type="checkbox"/>	Resolution Request
		<input type="checkbox"/>	Ordinance Request
		<input type="checkbox"/>	Report Request

Requestor/Originator: County Executive

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) Fiannce Director- Gwen Zimmer  
If a person is not in attendance the item may be held over.

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: N/A

Does this request propose the expenditure, receipt or transfer of any funds? Yes

If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date Considered by Committee: 7/17/2024 Date of County Board Meeting to be Introduced: 7/23/2024

1st Reading:  1st & 2nd Reading:  \*

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**SUGGESTED TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Authorize a project to update to the Racine County housing analysis and transfer of \$7,500 within the County Executive 2024 Budget.

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

**THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.**



ACCOUNT NAME	ACCOUNT NUMBER	CURRENT BUDGET	CURRENT BALANCE	TRANSFER	BUDGET AFTER TRANSFER	BALANCE AFTER TRANSFER
<b>COUNTY EXECUTIVE - NON LAPSING</b>	<b>2022 BUDGET PAGE 3-7</b>					
Non-Lapsing Consultants	11220000.409125	27,150	27,150	(7,500)	19,650	19,650
	<b>TOTAL SOURCES</b>			<b>(7,500)</b>		
<b>COUNTY EXECUTIVE - ECONOMIC DEVELOPMENT</b>						
Contracted Services	11270000.404500	215,900	215,900	7,500	223,400	223,400
	<b>TOTAL USES</b>			<b>7,500</b>		
				<b>0</b>		

FINANCE COMMITTEE RECOMMENDATION

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.

REASONS

FOR	AGAINST
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**Gwen Zimmer**

Finance Director  
730 Wisconsin Ave  
Racine, WI 53403  
262-636-3455  
gwen.zimmer@racinecounty.com

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To: Don Trottier, Chairman, Finance and Human Resources Committee  
From: Gwen Zimmer, Finance Director  
Subject: RCEDC Housing Analysis  
Date: July 17, 2024

County Executive Jonathan Delagrave instructed me on June 26, 2024 to add an agenda item authorizing an update to the 2020 Racine County Housing Analysis with RCEDC. Racine County's contribution of \$7,500 would be matched by Wisconsin Realtors Association and RCEDC Board of Directors to fully fund the \$15,000 project.

I am including correspondence with Jenny Trick, the proposed project agreement, and the current 2020 Racine County Housing Analysis for your review.

Thank you for your consideration.

Sincerely,

Gwen Zimmer  
Finance Director

## Zimmer, Gwen

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**From:** Delagrave, Jonathan  
**Sent:** Wednesday, June 26, 2024 1:39 PM  
**To:** Jenny Trick  
**Cc:** Zicarelli, Jenna; Zimmer, Gwen  
**Subject:** Re: Updated Racine County housing analysis

Yes , I will be putting this on finance agenda

Thanks,

JD

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**From:** Jenny Trick <jtrick@rcedc.org>  
**Sent:** Wednesday, June 26, 2024 12:55:06 PM  
**To:** Delagrave, Jonathan <Jonathan.Delagrave@racinecounty.com>  
**Cc:** Zicarelli, Jenna <Jenna.Zicarelli@racinecounty.com>; Zimmer, Gwen <Gwen.Zimmer@racinecounty.com>  
**Subject:** Updated Racine County housing analysis

### **This Message Is From an External Sender**

This message came from outside your organization.

Jonathan,  
I am following up to my texts to be sure you and your team are aware of the reduced costs of this analysis.

As you and I discussed, there is a need to update the 2020 Racine County housing analysis and Tracy Cross & Associates have submitted a proposal of \$15,000 for the study.

In working with the Wisconsin Realtors Association, they will seek a \$5,000 grant from the National Realtors Association and I will be asking the RCEDC Board of Directors to provide \$2,500 toward this study. This reduces Racine County's cost to \$7,500.

I recall that you said you would seek funding from the Finance Committee mid-July - just wanted to give you an update on the reduced amount needed.

The proposal from Tracy Cross is attached.

Thank you,  
Jenny Trick

June 19, 2024

Ms. Jenny Trick  
Executive Director  
Racine County Economic Development Corporation (RCEDC)  
2320 Renaissance Boulevard  
Sturtevant, WI 53177

**Re: Service Agreement No. 8833-F**

Dear Ms. Trick:

This letter will acknowledge the services to be rendered by Tracy Cross & Associates, Inc. (hereinafter referred to as “Cross”) on behalf of the RCEDC (hereinafter referred to as “Client”). To wit:

**I. Services**

Cross will provide selected research and consulting services to determine the highest-and-best market-driven residential development opportunities throughout Racine County, Wisconsin. Representing and update and expansion of previous analyses, Cross will offer strategic planning guidelines for the introduction (and sustainability) of new construction housing alternatives throughout the county. In meeting this goal, the objectives of our analysis are:

- To determine the depth of the market for residential development in Racine County over the next 5-10 years. This evaluation will be based upon economic, demographic, socio-economic and residential construction trends throughout Racine County itself, along with adjoining areas of influence including Kenosha County to the south, Walworth County to the west, Waukesha County to the north/northwest, and south Milwaukee County to the north.
- To forward conclusions regarding the marketability of various forms of housing throughout the county to meet the needs/demands of area residents (current and future); fill voids that exist in the marketplace (i.e., address the current housing shortage); and capitalize on future growth initiatives. Investigative uses will include, but not be limited to, single family, duplex, villa, townhome, and condominium for sale offerings, as well as various rental housing forms – focusing upon all age group and income categories, i.e., ranging from younger profiles through active adults aged 55+. These conclusions will be based upon the depth of market in each residential sector and/or consumer segment, and the alignment of residential developments, both existing and planned.
- To offer specific design, product and pricing/rental rate recommendations for those housing forms that are viewed to have measurable market support now and into the future including market rate alternatives as well as work force options. These recommendations will address total unit count potentials, product criteria, plan types and sizes, unit mix, parking requirements, etc., along with benchmark pricing/rental rate guidelines viewed as necessary to attain acceptable levels of sales or absorption.
- To offer a geographic positioning strategy for the introduction of new housing products throughout the county focusing on those areas viewed most suitable for the recommended housing forms over the next 5-10 years. This analysis will address any of Client’s pre-determined investigative properties or development areas, while also providing input regarding specific locations Client should consider for development.

- To offer action items necessary for implementing the recommendations such as builder identification, cost-effective development strategies, priority ranking of opportunities, possible incentive requirements, etc.

## II. Process, Timing and Deliverables

Services, which will encompass field work, data collection, and analysis, will be divided into phases:

### **Phase One Project Start/Data Collection/Analysis:**

- Conduct a teleconference/videoconference with Client and other stakeholders to confirm assignment parameters and discuss other pertinent items related to scope.
- Conduct a thorough “on the ground” market investigation of Racine County (and adjoining areas) to identify factors likely to affect housing demand near- to mid-term. As a part of this evaluation, Cross will examine properties or areas identified by Client as possible development candidates.
- Collect secondary employment and residential construction data and condense regional analyses into an operating perspective of the local market area.
- Conduct a comprehensive demographic analysis of the local market (and adjoining areas as applicable) focusing on area households in terms of age, composition, incomes, etc.
- Based upon our experience throughout southeast Wisconsin, determine who are/will be the target consumer groups for residential development within the county. Measure the depth of these market segments based upon their income, lifestyle, current choice of housing, and propensity to move.
- Conduct an audit of selected new construction residential developments in the defined market area (and surrounding areas) which may serve as a source of competitive influence including apartments, single family, townhomes, duplexes, condominiums, etc. This audit will address model offerings, unit size, bedroom/bath ratios, price/rent/value positioning, sales trends, occupancy/absorption, and other pertinent factors.
- Conduct a thorough analysis of the existing home market, i.e. resale sector, to evaluate its potential influence on future new construction development.
- Examine projects in the planning pipeline/under construction which may pose some degree of future competitive influence.
- With the assistance of the RCEDC, conduct interviews/surveys with major employers, local business leaders, real estate professionals, stakeholders, etc. to ascertain perspective on housing needs and current market conditions.
- Develop a demand forecast for residential development in Racine County, segmenting this demand by product type, price/rent range and location.
- Conduct *case study* analyses (as applicable) of “like” development initiatives in other markets throughout the Midwest to evaluate product, performance levels, etc.

**Phase Two Written Report, Review and Presentation:**

- Within seven (7) to eight (8) weeks of contract execution and receipt of contract deposit as outlined in Section III, Cross will prepare and submit a written *draft* document fully addressing market conditions, demand potentials, competitive assessments, etc., along detailed conclusions and recommendations. ***This analysis will provide all the tools necessary for the Client to make an “informed” business decision regarding the most appropriate direction for developing and marketing both for sale and rental housing within the county over the next 5-10 years – to fully inform future planning decisions.***
- Following the completion of the draft report, Cross will conduct a videoconference with Client and other selected stakeholders to review findings and answer any questions regarding market potential, recommendations, etc.
- Upon completion of the teleconference/review session, Cross will incorporate comments/modifications (as appropriate) and submit a final report.
- Following the submission of the final report, Cross will conduct a presentation of the housing study to all stakeholders – to be coordinated by Client.

**III. Fee Schedule**

Client agrees to pay Cross as compensation for services rendered the following:

<i>At Contract Signing</i>	<i>\$7,500</i>
<i>Upon Completion of Phase Two Report</i>	<u><i>\$7,500</i></u>
<b><i>Total:</i></b>	<b><i>\$15,000</i></b>

Reimbursable expenses, including but not limited to mileage/tolls and the cost of secondary data available only through purchase, will be billed separately as they occur at cost.

*Timing and fee schedule noted are valid for 60 days from date of proposal.*

**IV. Authority to Act/Payment of Fees and Expenses**

The undersigned hereby acknowledges that he/she has authority to accept and enter into an agreement with Cross on behalf of the Client, and further promises and agrees to pay all invoices for fees, costs and expenses when due, including but not limited to all collection costs, attorney's fees and other related costs incurred in enforcing any of Cross' rights hereunder. ***All payments are due within fifteen (15) days of receipt of invoice.***

**V. Entire Agreement/Choice of Forum**

This letter constitutes the entire agreement between the parties without regard to any statements or representations made prior or subsequent to its execution. No changes, modifications or revisions can or will affect or alter the agreement unless the changes, modifications or revisions are in writing and acknowledged by both parties. The agreement shall be governed by the laws of the State of Illinois, and any legal proceedings relating to the agreement shall take place in the Circuit Court of Cook County, Municipal or Law Division, Rolling Meadows, Illinois.

**VI. Approval and Acceptance**

If this agreement is acceptable to you, please sign and return one executed contract **together with the \$7,500 contract deposit** as outlined in Paragraph III above.

The undersigned hereby agrees with the provisions set forth above and authorizes Tracy Cross & Associates, Inc. to proceed.

**TRACY CROSS & ASSOCIATES, INC.**

**CLIENT: RCEDC**

By: \_\_\_\_\_

  
Erik A. Doersching  
Its: President & CEO

By: \_\_\_\_\_

Jenny Trick

Date: June 19, 2024

Date: \_\_\_\_\_



# WELCOME

Racine County Housing Presentation &  
Heads of Government Meeting



# AGENDA

1

## **WELCOMING REMARKS & BACKGROUND**

Jonathan Delagrave, Racine County Executive

2

## **RACINE COUNTY HOUSING PRESENTATION**

Erik Doersching, Tracy Cross & Associates

3

## **HOUSING SHORTFALL IN WISCONSIN**

Kurt Paulsen, Author of the Special Report "Falling Behind"

4

## **THANK YOU AND NEXT STEPS**

Jonathan Delagrave, Racine County Executive



Racine County Economic Development Corp.



6b-10

# BACKGROUND: What Brought Us Here?

## 2017 – 2019 RCEDC Projects

- 58 Projects
- 1,000 + New Jobs
- \$700M Investment





# BACKGROUND: What Brought Us Here?

2017 – 2019

Additional  
Racine County  
Development

\$870M  
Investment



# BACKGROUND: Talent Needed

- Create & launch [www.GreaterRacineCounty.com](http://www.GreaterRacineCounty.com)
- Create & launch job board
  - *70 Racine County companies on board*
- Create & launch digital, talent recruitment campaign



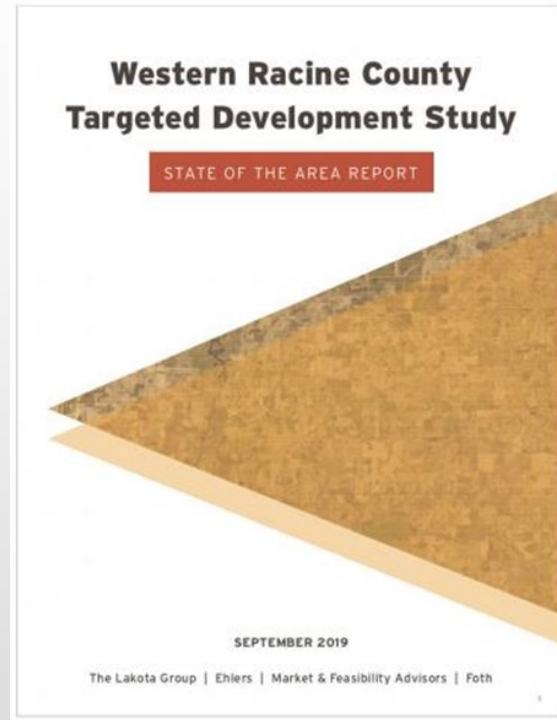
- Housing
- Healthcare
- Primary, Secondary & Higher Education
- Faith-Based Organizations
- Entertainment & Networking

Greater Racine County (GRC), a partnership with Racine County, the Racine County Economic Development Corporation (RCEDC) and Real Racine. This effort is made possible through community partnerships with our municipalities, educational institutions, businesses, civic institutions and the Racine Community Foundation.





# BACKGROUND: Land Planning



To support talent recruitment and population growth, long-range planning was completed

- ✓ Focus on land sites conducive for residential development



# Introduction: Guest Speakers

- Erik Doersching

- *Executive Vice President and Managing Partner, Tracy Cross & Associates*
- *Racine County Housing Presentation*



# Introduction: Guest Speakers

## ■ Kurt Paulsen

- *Associate Professor, UW Madison, Department of Planning and Landscape Architecture*
- *Special thanks to the Wisconsin Realtors Association for funding this report*
- *Report: Falling Behind*





# Erik Doersching

Executive Vice President and Managing Partner  
Tracy Cross & Associates, Inc.







Residential Development Opportunities  
-- A Strategic Planning Analysis --  
Racine County, Wisconsin

Presented by  
Tracy Cross & Associates, Inc.  
January 30 , 2020

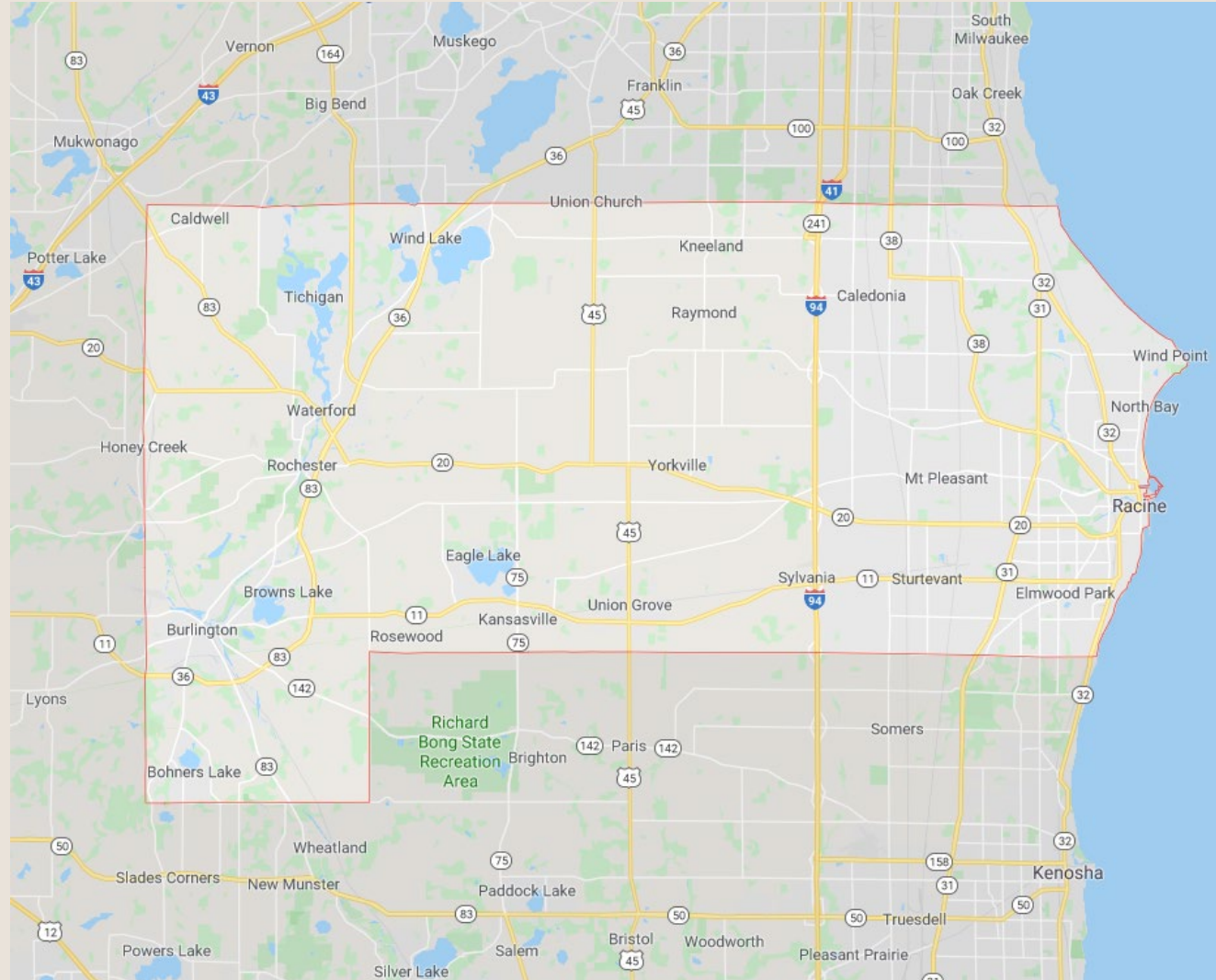


## Assignment Goals and Objectives

- ❑ Forward an understanding of relevant economic, demographic and construction trends as they may impact future residential development potentials throughout Racine County.
- ❑ Provide an assessment of the competitive marketplace in order to characterize the state of the housing market today and going forward.
- ❑ Provide detailed planning guidelines, product development criteria and price/rent recommendations in order for Racine County to plan for a full spectrum of new construction housing options for current/future households; maintain a competitive position in the market; and allow participating builders/developers to achieve acceptable rates of absorption.



# Racine County



Source: Google Maps



## Racine County's Market Share Position in Southeast Wisconsin

County	Current Population		County	Annual Residential Construction Activity (2015 - 2019)	
	Number	Percent		Number of Units	Percent
Milwaukee	949,929	48.8	Milwaukee	1,526	35.0
Waukesha	403,406	20.8	Waukesha	1,321	30.3
<b>Racine</b>	<b>197,210</b>	<b>10.2</b>	Washington	487	11.2
Kenosha	169,019	8.7	Kenosha	420	9.6
Washington	135,913	7.0	Ozaukee	312	7.1
Ozaukee	88,165	4.5	<b>Racine</b>	<b>298</b>	<b>6.8</b>

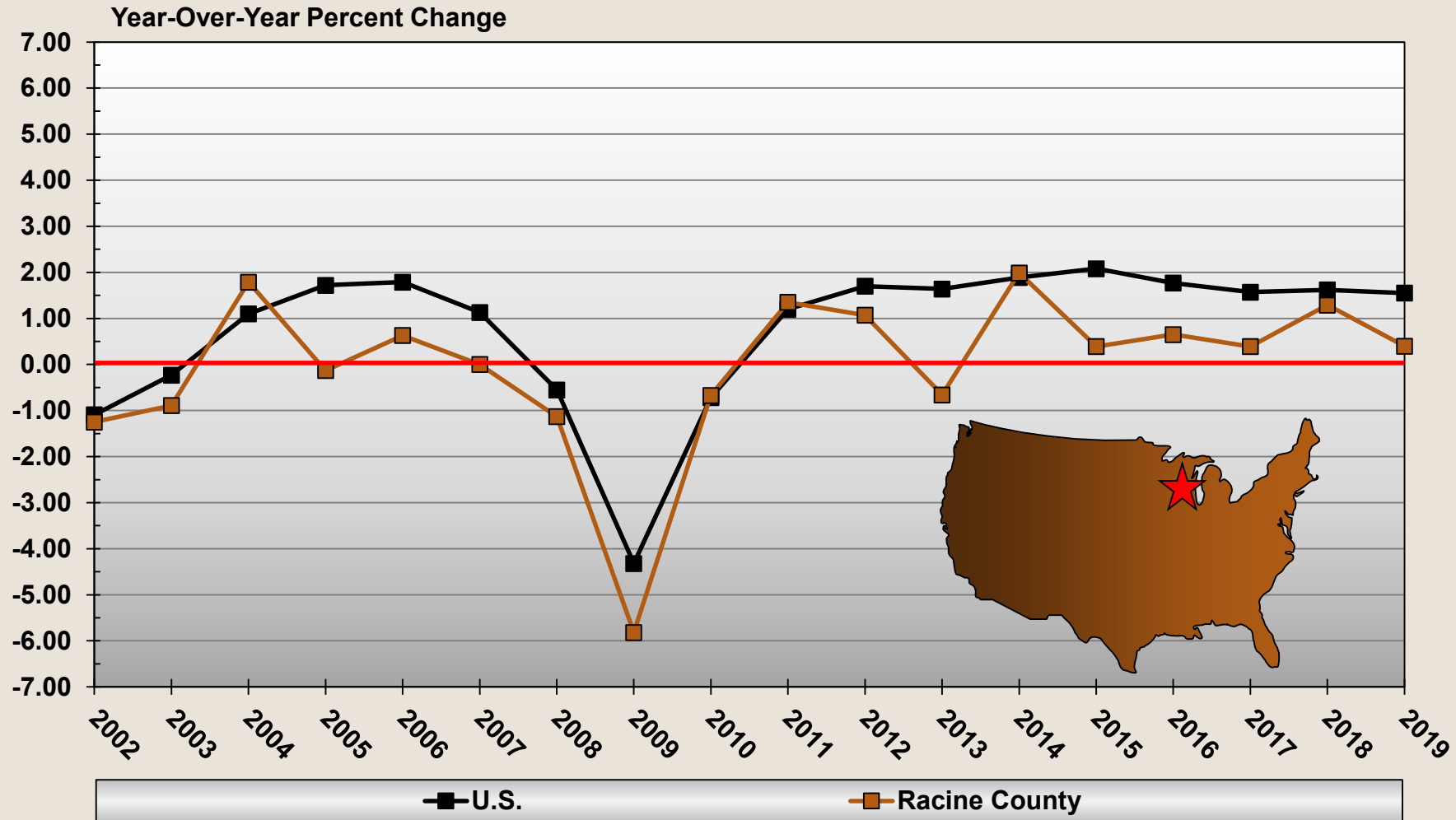
Source: U.S. Dept. of Commerce, Bureau of the Census: C-40 Construction Reports and Environics Analytics



# Background to the Market



# Year-Over-Year Percent Change In Nonfarm Employment – A Comparison -- U.S. and Racine County --

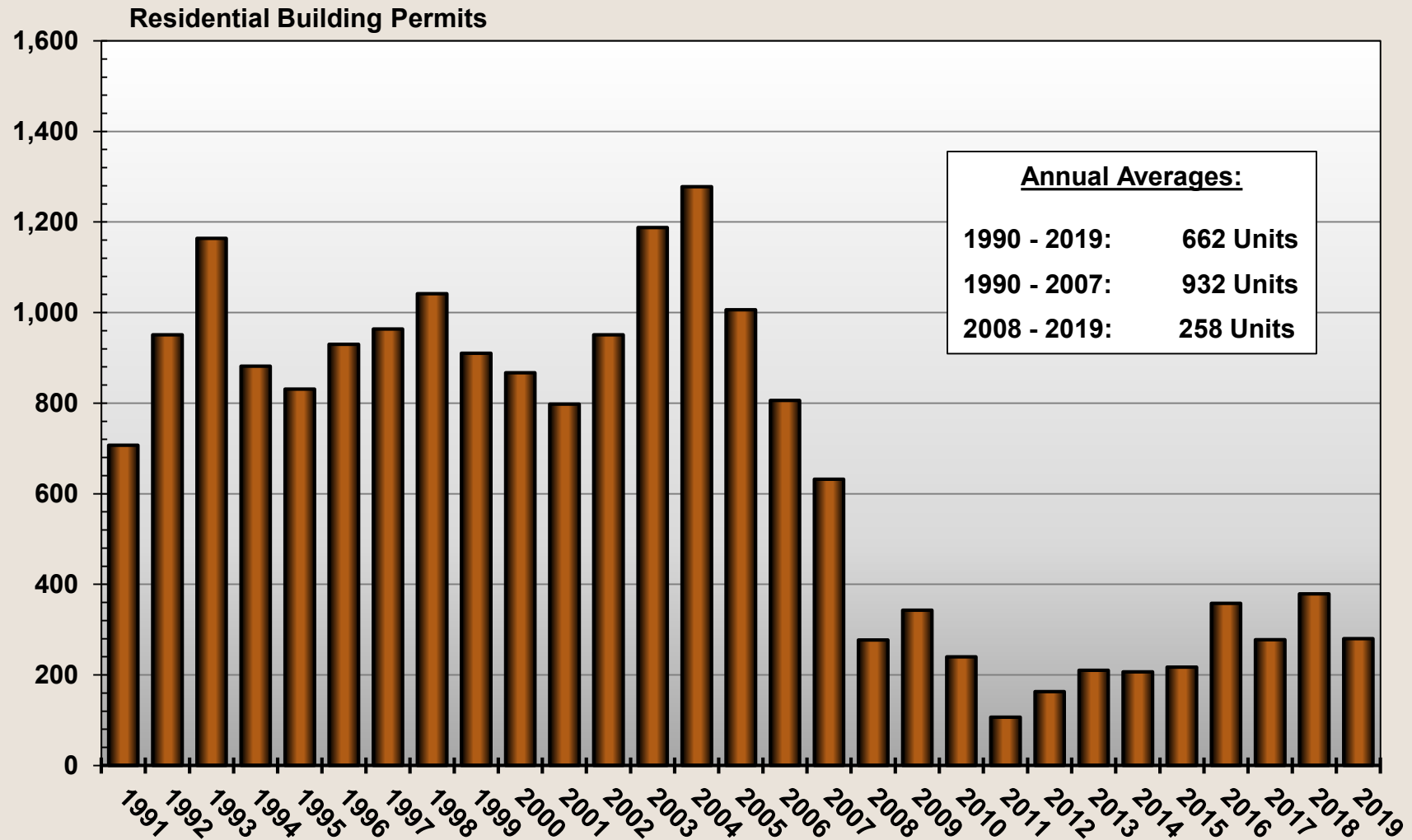


Source: U.S. Department of Labor, Bureau of Labor Statistics



# Building Permit Trends

-- Racine County, Wisconsin --



Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*



# Employment/Permit Ratios

-- Racine County, Wisconsin --  
2011 – 2019

<u>Year</u>	<u>Annual Non-Farm Employment Growth</u>	<u>Residential Building Permits</u>	<u>Employment Permit Ratio</u>
2011	1,000	107	9.3 to 1.0
2012	800	163	4.9 to 1.0
2013	-500	210	---
2014	1,500	207	7.2 to 1.0
2015	300	217	1.4 to 1.0
2016	500	358	1.4 to 1.0
2017	300	278	1.1 to 1.0
2018	1,000	379	2.6 to 1.0
2019	400	280	1.4 to 1.0
<i>Average:</i>	<i>589</i>	<i>244</i>	<i>2.4 to 1.0</i>

Source: U.S. Department of Labor, Bureau of Labor Statistics and U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*





# The Residential Marketplace



## Current Market Conditions – A Snapshot

- ❑ Racine County has limited proprietary for sale housing communities, i.e. production single family or townhome/condominium/duplex developments offering a fixed set of floorplans.
- ❑ The new construction for sale housing market consists mostly of scattered lot and/or semi-custom/custom home development, primarily in the mid- to higher-pricing categories, mainly take-over communities.
- ❑ Lot supplies are low.
- ❑ The lack of properly positioned for sale housing product is putting extreme pressure on the existing home market.
- ❑ There is significant pent-up demand in the rental apartment sector. Very little product introduced in the last 20+ years.



## Supply Constraints

- ❑ Total Single Family Communities w/Developed Lots 33
  - Total Developed Lots 1,623
  - Total Home/Lot Packages Sold/Closed 1,184
  - Total Lots Sold/Vacant 164
  - Total Unsold Vacant Lots 275
  
- ❑ In the attached for sale sector, less than 10 developments are actively selling new townhome/condominium/duplex product, most of which are smaller in scale and/or represent development on residual acreage.
  
- ❑ The planning pipeline, too, is showing limited proposal activity relative to future for sale housing development, especially anything of scale.



## Single Family Transaction Activity -- Racine County --

	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Racine County</u></b>			
<b>Total Closings</b>	<b>2,363</b>	<b>2,271</b>	<b>2,305</b>
<b>Year-Over-Year Change</b>	<b>---</b>	<b>-3.9%</b>	<b>+1.5%</b>
<b>Median Sales Price</b>	<b>\$171,165</b>	<b>\$182,767</b>	<b>\$194,555</b>
<b>Year-Over-Year Change</b>	<b>---</b>	<b>+6.8%</b>	<b>+6.5%</b>
<b>Average Days on Market</b>	<b>61</b>	<b>40</b>	<b>37</b>

**Source: Southeast Wisconsin Multiple Listing Service**



## Condominium/Duplex/Townhome Transaction Activity -- Racine County --

	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Racine County</u>			
<b>Total Closings</b>	<b>327</b>	<b>355</b>	<b>343</b>
<b>Year-Over-Year Change</b>	<b>---</b>	<b>+8.6%</b>	<b>-3.4%</b>
<b>Median Sales Price</b>	<b>\$129,206</b>	<b>\$148,208</b>	<b>\$166,880</b>
<b>Year-Over-Year Change</b>	<b>---</b>	<b>+14.7%</b>	<b>+12.6%</b>
<b>Average Days on Market</b>	<b>69</b>	<b>47</b>	<b>38</b>

Source: Southeast Wisconsin Multiple Listing Service



## Single Family Inventory (In Month's Supply) -- Racine County --

Price Range	Total Closings 2019	Current Listings As of 1/15/20	Months of Inventory
Under \$100,000	251	66	3.16
100,000-149,999	509	140	3.30
150,000-199,999	444	106	2.86
200,000-249,999	284	69	2.92
250,000-299,999	290	74	3.06
300,000-349,999	226	67	3.56
350,000-399,999	120	45	4.50
400,000-449,999	50	28	6.72
450,000-499,999	54	27	6.00
500,000 & Above	77	61	9.51
<b>Total</b>	<b>2,305</b>	<b>683</b>	<b>3.56</b>

Source: Southeast Wisconsin Multiple Listing Service



## Condominium/Duplex/Townhome Inventory (In Month's Supply) -- Racine County --

Price Range	Total Closings 2019	Current Listings As of 1/15/20	Months of Inventory
Under \$100,000	22	5	2.73
100,000-149,999	114	20	2.11
150,000-199,999	107	25	2.80
200,000-249,999	38	11	3.47
250,000-299,999	46	15	3.91
300,000-349,999	14	9	7.71
350,000-399,999	1	2	24.00
400,000 & Above	1	1	12.00
<b>Total</b>	<b>343</b>	<b>88</b>	<b>1.67</b>

Source: Southeast Wisconsin Multiple Listing Service



# The Rental Apartment Sector





# Tight Conditions in the Existing Apartment Market -- Racine County --

Development	Municipality	Year Built/ Year Renovated	Total Units	Number Vacant	Percent Vacant (Absorption Rate in Units)	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
Bear Arbor	Burlington	1992	98	0	0.0	934	\$983	\$1.05
West Ridge	Burlington	1996	160	1	0.6	1,075	1,035	0.96
Green Bay Meadows	Mount Pleasant	1982/2003	204	0	0.0	982	874	0.89
Adam's Trail	Racine	2000	36	0	0.0	1,003	949	0.95
Belle Harbor Lofts	Racine	2002	39	2	5.1	920	958	1.04
Biscayne Apartments	Racine	1966/2000	80	0	0.0	962	985	1.02
The Concord	Racine	1974	240	4	1.7	870	848	0.97
The Maples	Racine	1964/2015	240	7	2.9	658	725	1.10
Mitchell Wagon Factory Lofts	Racine	2004 <sup>(1)</sup>	20	1	5.0	1,823	1,310	0.72
Orchard Springs	Racine	1979	103	0	0.0	843	767	0.91
Windport	Racine	1966	234	2	0.9	809	764	0.94
<b>Total/Weighted Average</b>	---	---	<b>1,454</b>	<b>17</b>	<b>1.2</b>	<b>888</b>	<b>\$861</b>	<b>\$0.97</b>

<sup>(1)</sup> Community is a residential adaptive reuse building converted to loft apartments in 2004.



## Recent Rental Apartment Activity -- Racine County --

- ❑ Only one new apartment community of scale has been introduced in all of Racine County in the last 15+ years. This development, The Granary in Union Grove, consists of 73 total units, 24 of which have been absorbed in its first five months of leasing. Lease rate range from roughly \$1,000 to \$1,500 monthly for apartments containing between 829 and 1,309 square feet of living space.
- ❑ Just 3 additional developments are under construction, but not yet leasing.
  - Tivoli Green in Mount Pleasant by Wangard (278 Units)
  - The Cornerstone in Waterford by PRE/3 Real Estate (120 Units)
  - Residences at Dunham Grove in Union Grove by PRE/3 Real Estate (120 Units)
- ❑ Another 2,300+ units are at various stages of the planning pipeline county-wide, although it is unclear how many will actually move forward.



## Apartment Absorption is Strong Both North and South of Racine County

Development/Location/Status	Year Built	Total Units	Total Occupied (As of 12/31/19)	Average Absorption Rate (In Units Per Month)
Breeze Terrace/Pleasant Prairie (Actively Leasing)	2019	213	133	26.6
The Mariner/St. Francis (Actively Leasing)	2019	221	138	25.1
The Seasons at Orchard Hills/Oak Creek (Actively Leasing)	2019	225	21	21.0
Fountain Ridge/Pleasant Prairie (Actively Leasing)	2017	262	242	11.1
Skyline Towers/Pleasant Prairie (Stabilized)	2017	60	60	12.7
Drexel Ridge/Oak Creek (Stabilized)	2017	285	280	18.5
Market Square-Phase I/Kenosha (Stabilized)	2016	280	271	14.3
Forge & Flare/Oak Creek (Stabilized)	2016	62	60	10.7
Springs at Kenosha/Kenosha (Stabilized)	2016	280	273	21.1
<b>Average:</b>	---	---	---	<b>17.9</b>

Source: Tracy Cross & Associates, Inc.



## Residential Demand Potentials

- Residential demand in Racine County will average 890 units annually over the next five years, or 4,450 units total, distributed as follows:

	<u>Annual</u>	<u>Total</u>
<input type="checkbox"/> <b>For Sale Housing:</b>	<b>565</b>	<b>2,825</b>
Single Family Detached	400	2,000
Condo/Duplex/Townhome	165	825
<input type="checkbox"/> <b>Rental Apartments:</b>	<b>325</b>	<b>1,625</b>

- In undersupplied markets like Racine County where pent-up demand exists, potentials could **double** during a given year (or years) with the introduction of properly positioned product, especially among rental apartments.
- The demand forecast assumes 5,000\* new Foxconn jobs will be created over the next five years. As such, additional upside potentials exist should Foxconn exceed the 5,000-worker mark by 2025.

*\* Sensitivity analysis assumed various employment counts; 5,000 was indiscriminately determined to be a reasonable number.*

- In reality, it is **highly likely** that demand will exceed supply near term county-wide.



## Upside Potentials - It is not just Foxconn

- ❑ Supplier companies serving Foxconn will enter Racine County.
- ❑ New medical centers under construction and/or planned near the Foxconn facility.
- ❑ Expansion possibilities among existing companies.
- ❑ Spillover potentials from both the north and south.



# Population and Households

-- Racine County --

2000 – 2025

Area	2000	2010	2020 (Estimate)	2025 (Projected)	Average Annual Change		
					2000 - 2010	2010 - 2020	2020 - 2025
<b>Population</b>							
Racine County	188,831	195,408	197,210	199,399	+658	+180	+438
<b>Households</b>							
Racine County	70,821	75,651	77,805	79,732	+483	+215	+385

Source: U.S. Census Bureau, Environics Analytics; *2020 Demographic Snapshot* and Tracy Cross & Associates, Inc.



Household Tenure  
-- Racine County --  
2020

<b>Current Household Tenure</b>	
<b><i>Total Households</i></b>	<b>77,805</b>
Owner Occupied Percent	54,570 70.1
Renter Occupied Percent	23,235 29.9

Source: Environics Analytics and Tracy Cross & Associates, Inc.



# A Current Disconnect in the For Sale Sector -- Racine County --

<u>Price Range</u>	<u>For Sale Housing Demand (Based Upon Current Incomes)</u>		<u>Qualitative Distribution of New/Newer Residential Closings<sup>(1)</sup></u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$150,000	26	4.6	2	0.9
150,000 - 199,999	56	9.9	3	1.3
200,000 - 249,999	107	19.0	10	4.4
250,000 - 299,999	135	23.9	42	18.6
300,000 - 349,999	92	16.3	72	31.9
350,000 - 399,999	59	10.4	53	23.5
400,000 - 449,999	42	7.4	20	8.8
450,000 - 499,999	19	3.4	9	4.0
500,000 & Above	29	5.1	15	6.6
<b>Total</b>	<b>565</b>	<b>100.0</b>	<b>226</b>	<b>100.0</b>
<b>Median</b>	<b>----- \$284,518 -----</b>		<b>----- \$338,870 -----</b>	

<sup>(1)</sup> Reflects 2019 closings among single family and attached for sale units built in 2009 or later.





# Household Incomes By Primary Home Buying Age Groups -- Racine County --

<u>Household Income Range</u>	<u>Ages 35-44</u>		<u>Ages 45-54</u>		<u>Ages 55-64</u>	
	<u>Number of Households</u>	<u>Percent of Selected Households</u>	<u>Number of Households</u>	<u>Percent of Selected Households</u>	<u>Number of Households</u>	<u>Percent of Selected Households</u>
\$50,000-\$74,999	1,927	23.8	2,169	19.5	2,722	21.6
\$75,000-\$99,999	1,847	22.8	2,178	19.6	2,612	20.7
\$100,000-\$124,999	1,606	19.8	1,919	17.2	2,014	15.9
\$125,000-\$149,999	1,119	13.8	1,577	14.1	1,755	13.9
\$150,000-\$199,999	1,072	13.2	1,568	14.0	1,647	13.0
\$200,000 & Above	535	6.6	1,739	15.6	1,885	14.9

Source: Environics Analytics: Demographic Snapshot Report; 2020



## Income Support For Rental Apartments -- Racine County --

- ❑ A full 70 percent of all households in Racine County earn \$40,000 or more annually  
(54,464 out of 77,805 total households)
- ❑ Among the 12,656 households aged 35 and younger, 7,856 earn \$40,000 or more per year, or 62.1 percent. This is the primary age classification for rental housing.
- ❑ Another 22,190 households (in the 55-74 age category) earn \$40,000 or more annually, equal to a 75.0 percent share of all households within this age bracket. This particular market segment, too, represents a significant profile for rental housing going forward.



# Household Composition

-- Racine County --  
2020

<u>Attribute</u>	<u>Number</u>	<u>Percent</u>
<i><b>Total Households</b></i>	<i><b>77,805</b></i>	<i><b>100.0</b></i>
<b>1-Person Household</b>	<b>21,486</b>	<b>27.6</b>
<b>2-Person Household</b>	<b>26,607</b>	<b>34.2</b>
<b>3-Person Household</b>	<b>12,513</b>	<b>16.1</b>
<b>4-Person Household</b>	<b>10,061</b>	<b>12.9</b>
<b>5-Person Household</b>	<b>4,530</b>	<b>5.8</b>
<b>6-Person Household</b>	<b>1,778</b>	<b>2.3</b>
<b>7 or More Person Household</b>	<b>830</b>	<b>1.1</b>

Source: Environics Analytics and Tracy Cross & Associates, Inc.



# How Do We Meet Demand?



## Three Primary Planning Objectives

- ❑ Work toward establishing a true hierarchy of product throughout the county starting with a variety of rental apartment alternatives and ending with semi-custom/custom for sale homes. In doing so, focus on rental apartment alternatives at multiple locations and the mainstream of the for sale market, i.e. the production sector. *This hierarchy needs to be embraced by each community within Racine County.*
- ❑ Municipalities and/or county agencies to work closely with developers/builders so that projects are strategically positioned relative to location, product and rents/prices. The future of new construction housing in Racine County must be orchestrated.
- ❑ Establish desirable communities (of scale) through creative land planning, multiple product lines, tasteful architecture, amenities and adequate landscaping/hardscaping – all while being extremely cognizant of rent/price positioning. In other words, do not sacrifice quality, but rather look at ways of providing quality at more moderate price points to the end consumer, i.e. color schemes instead of certain materials, more modest lot sizes, higher densities, incentives, etc.





# Primary Product Recommendations – A Mainstream Hierarchy

## -- Racine County --

<u>Product Type</u>	<u>Suggested Lot Width</u>	<u>Garage Orientation</u>	<u>Unfinished Basement</u>	<u>Plan Size (Sq. Ft.)</u>		<u>Base Rent/Sales Price<sup>(1)</sup></u>		<u>Annual Absorption Potential</u>
				<u>Range</u>	<u>Average</u>	<u>Range</u>	<u>Average</u>	
Garden Apartments	NA	Attached (1-Car Garage)	NA	550 - 1,300	925	\$1,150 - 1,750	\$1,450	180
Higher-Density Apartments	NA	Structured (1 Enclosed)	NA	550 - 1,300	925	\$1,150 - 1,750	\$1,450	180
Conventional TH/Flats	NA	2-Car (Front)	INCL (Some)	1,250 - 1,650	1,450	\$213,990 - 257,990	\$235,990	24
Duplex/Triplex/Fourplex	NA	2-Car (Front)	INCL	1,450 - 1,850	1,650	\$245,990 - 273,990	\$259,990	24
Age-Targeted SF	50'-60'	2-Car (Front)	INCL	1,500 - 2,000	1,750	\$269,990 - 309,990	\$289,990	24
Conventional SF 1	70'-75'	2-Car (Front)	INCL	1,700 - 2,700	2,200	\$295,990 - 365,990	\$330,990	24
Conventional SF 2	80'-85'	2/3-Car (Front/Side)	INCL	2,000 - 3,400	2,700	\$331,990 - 429,990	\$380,990	18
Semi-Custom/Custom SF	90'+	2/3-Car (Front/Side)	INCL	3,000 - 4,400 +	3,700 +	\$433,990 - 545,990 +	\$489,990 +	10

<sup>(1)</sup> Base rents/sales prices are presented in *current* dollars. Apartment base rents include one enclosed garage space per unit, but do not include premiums or landlord provided services. Base prices for all for sale products, which represent home/lot package prices, do not include options, upgrades or premiums. Actual closing prices will likely be 8.0 percent higher than base. Please note that any type of flat-over-flat for sale product would not include basements. All other for sale idioms include unfinished basements.



# The Homes



Not These!!!







# Elevation Examples: Suggested Single Family Product Lines -- Racine County --



Age-Targeted Single Family



Conventional Single Family 1



Conventional Single Family 2



Semi-Custom/Custom Single Family



# Elevation Examples: Suggested Multifamily Product Lines -- Racine County --



Rental Apartments



Conventional Townhomes/Flats

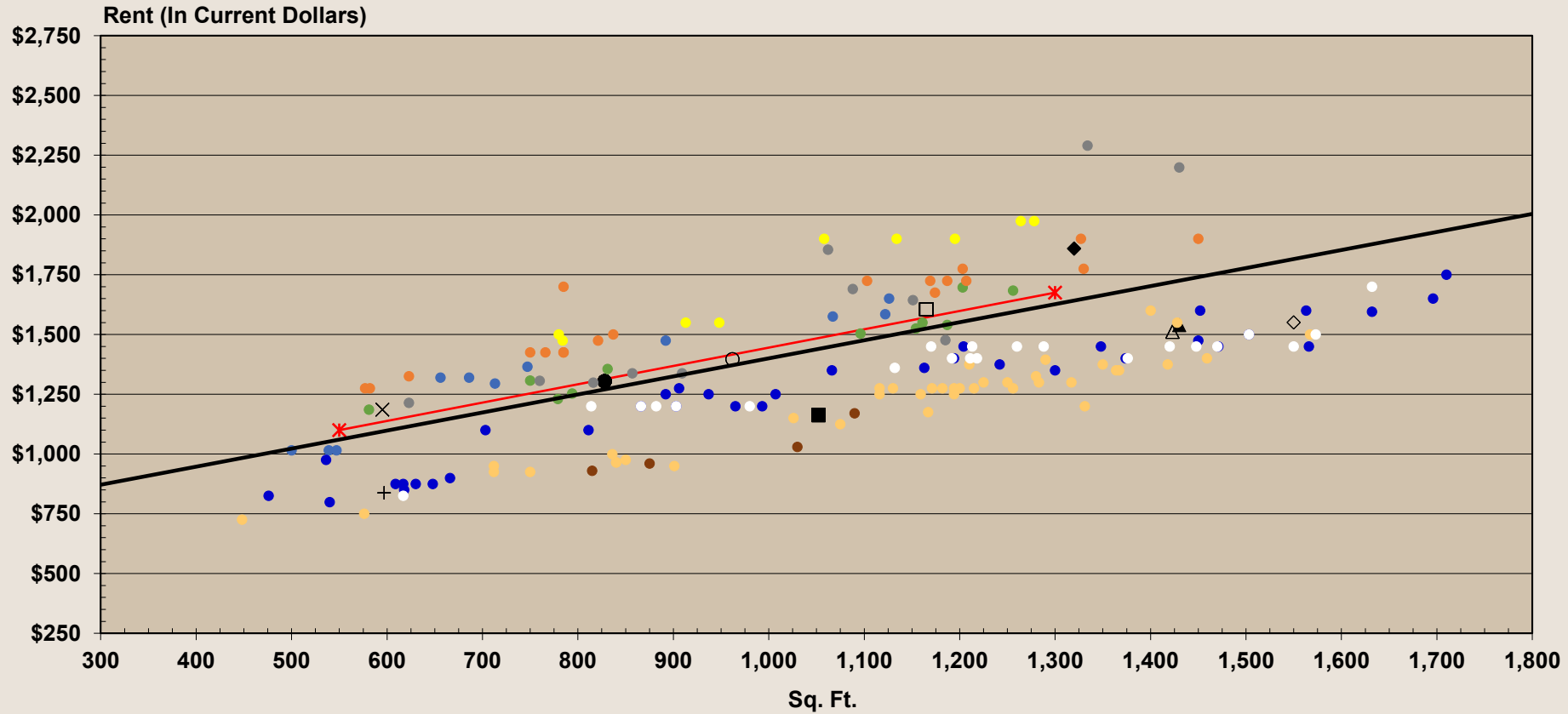


Duplex/Triplex/Fourplex





# Rent/Value Analysis New Apartment Communities Nearby Kenosha County



### Program (Vacancy/Absorption)

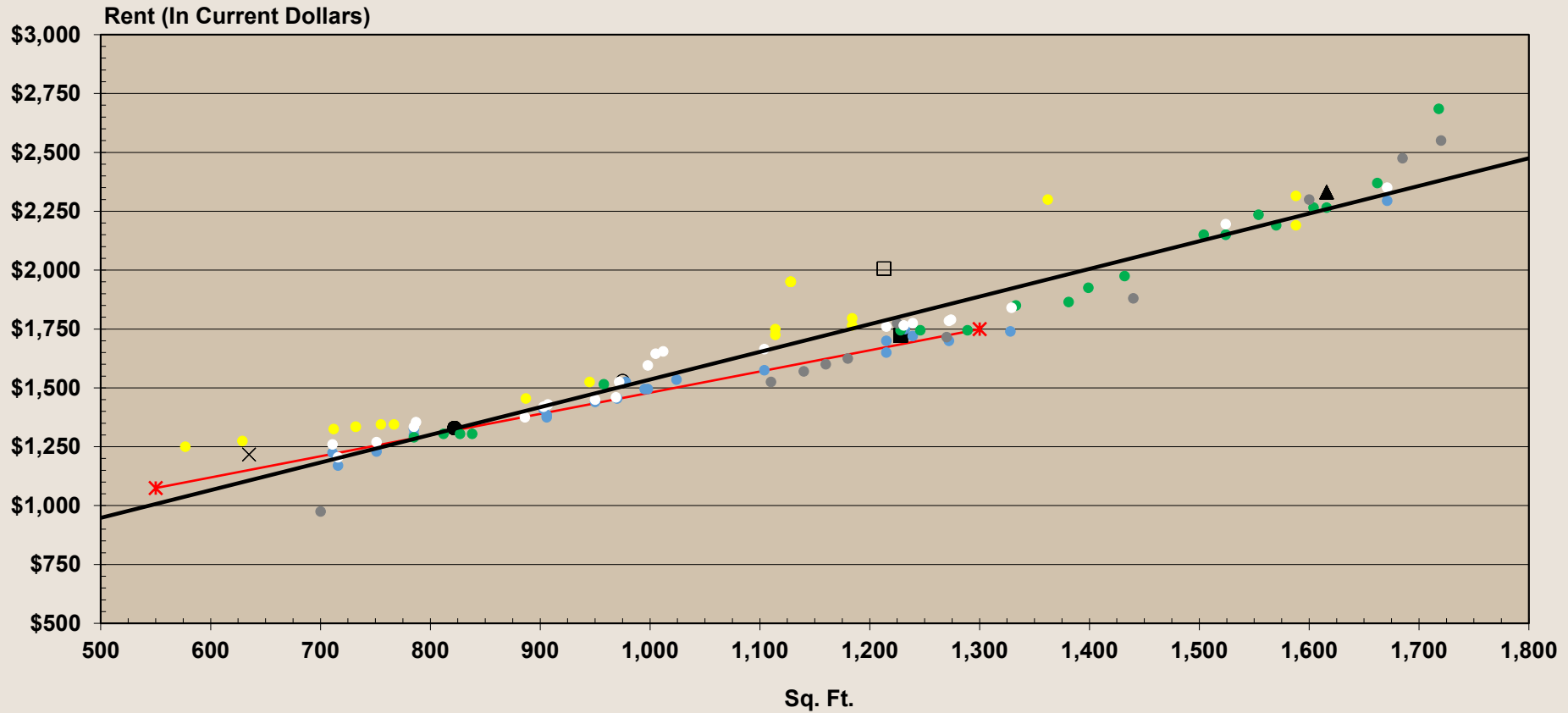
+ Studio Garden Flat	× Convertible Flats	● One Bedroom Flat
○ One Bedroom+Den Flat	■ One Bedroom Two-Story	□ Two Bedroom Flat
▲ Two Bedroom+Den Flat	△ Two Bedroom Two-Story	◆ Three Bedroom Flat
◇ Three Bedroom Two-Story	● Lofts2 (2.4)	● Market Square-Phase I (3.2)
● Market Square-Phase II (NA)	● Sagewood (0.0)	● Springs at Kenosha (2.5)
● Cobblestone Creek (0.0)	● Fountain Ridge (11.1/Mo.)	● Skyline Towers (0.0)
● Breeze Terrace (42.7/Mo.)	—* Racine County Prototype Apartments	— Market Line



# Rent/Value Analysis

## New Apartment Communities

### Nearby Oak Creek/St. Francis Area



**Program (Vacancy/Absorption)**

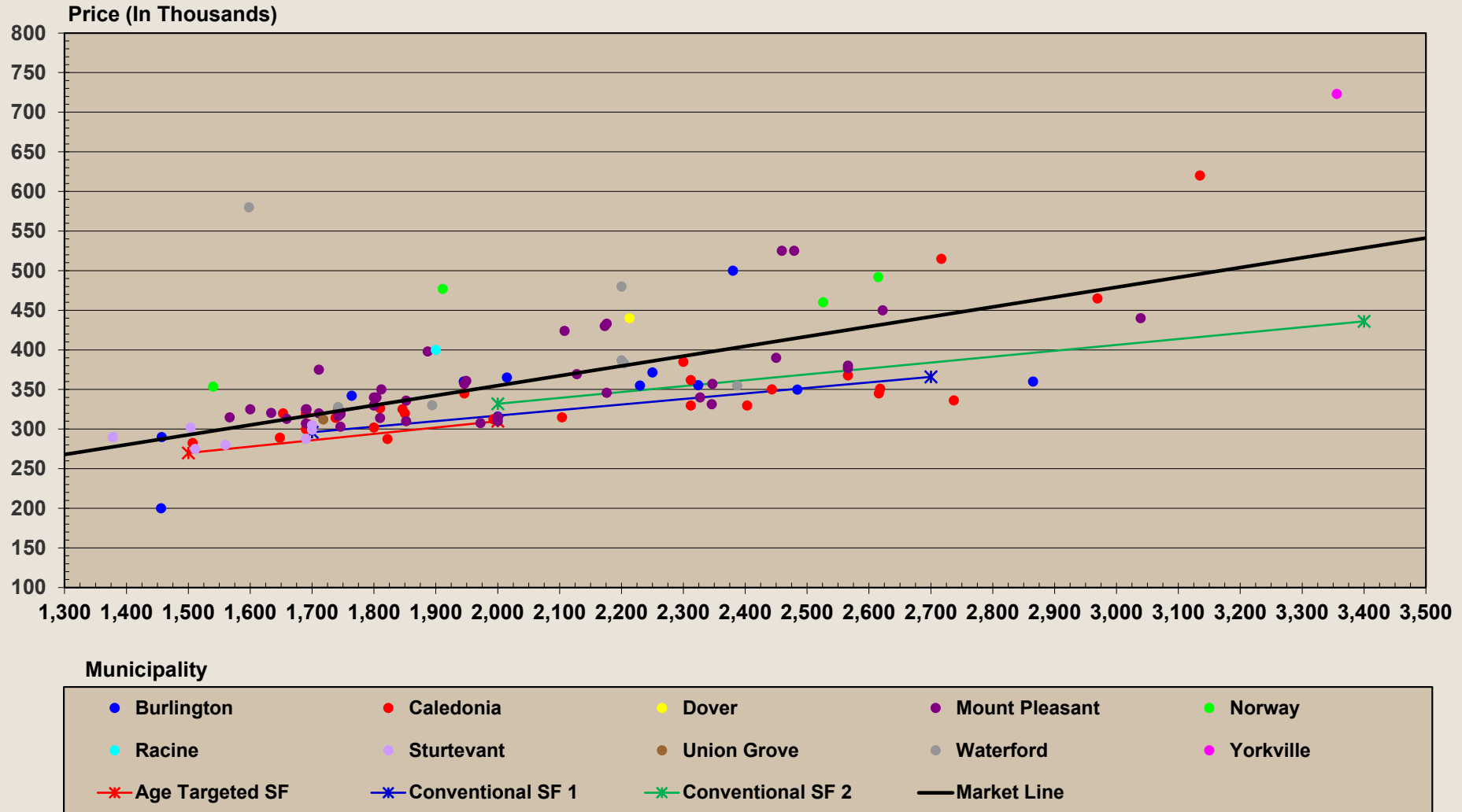
× Convertible Flats	● One Bedroom Flat	○ One Bedroom+Den Flat
■ Two Bedroom Flat	□ Two Bedroom Two-Story	▲ Three Bedroom Flat
● Drexel Ridge (1.8)	● Emerald Row (0.6)	● Forge & Flare (3.2)
● The Mariner (25.1/Mo.)	✱ Racine County Prototype Apartments	● The Seasons at Orchard Hills (21.0/Mo.)
— Market Line		



# Price/Value Analysis

## New Construction Single Family Closings: 2019

### Racine County





## Other Product Considerations (Site Specific) -- Racine County --

- ❑ Neo-Traditional/Alley Product with Rear-Access Garages (Larger-Scale Planned Communities)
  - Rental Apartments
  - Courtyard Townhomes
  - Rowhomes
  - Age-Targeted Patio Homes
  - Small Lot Single Family

***\*\*Same general price points as conventional counterparts, although slightly higher in certain instances***

- ❑ Waterfront Alternatives (Lake Michigan Orientation)
  - Rental Apartments (Higher Density w/Structured Parking)
  - Condominiums
  - Urban Rowhomes
- ❑ In-Town or Infill Locations (Typically smaller in scale)
  - Rental Apartments (Higher Density w/Structured Parking)
  - Condominiums
  - Urban Rowhomes
- ❑ Niche Products
- ❑ Residential Adaptive Reuse



# Elevation Examples: Neo-Traditional/Alley Products -- Racine County --



Rental Apartments



Courtyard Townhomes



Rowhomes



Age-Targeted Patio Homes



Single Family





# Differentiating Product – As But One Example -- A Courtyard Townhome Versus a Rowhome --

## Courtyard Townhome



## Rowhome







# Geographic Positioning



# A General Strategy By Product Sector

## **Rental Apartments**

- High visibility areas
- Easy access
- Close proximity to concentrations of employment, shopping, amenities and I-94
- In-place/nearby utilities
- ❑ Focus on areas within roughly 5-6 miles of I-94, primarily east of the interstate, along major corridors such as Highway 11, Highway 20 and Green Bay Road, among others.
- ❑ Look at “In Town” or “Infill” locations among all representative municipalities (both east and west of I-94).
- ❑ Significant opportunities in downtown Racine and the along the Lake Michigan waterfront.

## **For Sale Alternatives**

- Close to established residential/commercial areas
- Relative proximity to concentrations of employment, shopping, amenities and I-94.
- In-place/nearby utilities
- Schools
- ❑ Larger-scale communities should be concentrated in areas with reputable schools and within a reasonable distance of major transportation corridors, especially I-94 (Racine, Mount Pleasant, Sturtevant, Caledonia, Union Grove, etc.)
- ❑ Other development opportunities exist at numerous locations throughout the county (Burlington, Rochester, Waterford, etc.)



# 70 Percent of all Schools in Racine Make the Grade<sup>(1)</sup>

School	Grades Served	District	Accountability Rating
Brighton Elementary	K-8	Brighton #1	Significantly Exceeds Expectations
Winkler Elementary	K-5	Burlington Area	Significantly Exceeds Expectations
Drought Elementary	K-8	Norway J7	Significantly Exceeds Expectations
Raymond Elementary	K-8	Union Grove UHS	Significantly Exceeds Expectations
Washington Elementary	K-8	Washington-Caldwell	Significantly Exceeds Expectations
Yorkville Elementary	K-8	Yorkville Joint 2	Significantly Exceeds Expectations
Nettie E Karcher School	6-8	Burlington Area	Exceeds Expectations
Janes Elementary	K-5	Racine Unified	Exceeds Expectations
Jefferson Lighthouse Elementary	K-5	Racine Unified	Exceeds Expectations
Wadewitz Elementary	K-5	Racine Unified	Exceeds Expectations
Walden III High	6-12	Racine Unified	Exceeds Expectations
Randall Consolidated School	K-8	Randall J1	Exceeds Expectations
Evergreen Elementary	K-5	Waterford UHS	Exceeds Expectations
Union Grove High	9-12	Union Grove UHS	Exceeds Expectations
Waterford High	9-12	Waterford UHS	Exceeds Expectations
Woodfield Elementary	K-5	Waterford UHS	Exceeds Expectations
Burlington High	9-12	Burlington Area	Meets Expectations
Cooper Elementary	K-5	Burlington Area	Meets Expectations
Dr Edward G Dyer School	K-5	Burlington Area	Meets Expectations
Lyons Center	K-5	Burlington Area	Meets Expectations
Waller Elementary	K-5	Burlington Area	Meets Expectations
North Cape Elementary	K-8	North Cape	Meets Expectations
Fratt Elementary	K-5	Racine Unified	Meets Expectations
Gifford School	K-8	Racine Unified	Meets Expectations
Julian Thomas Elementary	K-5	Racine Unified	Meets Expectations
North Park Elementary	K-5	Racine Unified	Meets Expectations
Park High	9-12	Racine Unified	Meets Expectations
Racine Alternative Learning	K-12	Racine Unified	Meets Expectations
Red Apple Elementary	K-5	Racine Unified	Meets Expectations
RUSD Montessori	K-5	Racine Unified	Meets Expectations
Schulte Elementary	K-5	Racine Unified	Meets Expectations
The REAL School-REALE	6-12	Racine Unified	Meets Expectations
Fox River Middle	6-8	Waterford UHS	Meets Expectations
Trailside Elementary	K-5	Waterford UHS	Meets Expectations
Wheatland Center Elementary	K-8	Wheatland J1	Meets Expectations

<sup>(1)</sup> Failing to meet expectations, or meeting few expectations, are Gilmore, Goodland, Johnson, Jones, Knapp, Mitchell, O Brown, Roosevelt, West Ridge, Giese, Jerstad-Agerholm and Starbuck Elementary/Middle Schools, along with Case and Horlick High Schools.

Source: Wisconsin Department of Public Instruction



# Implementation

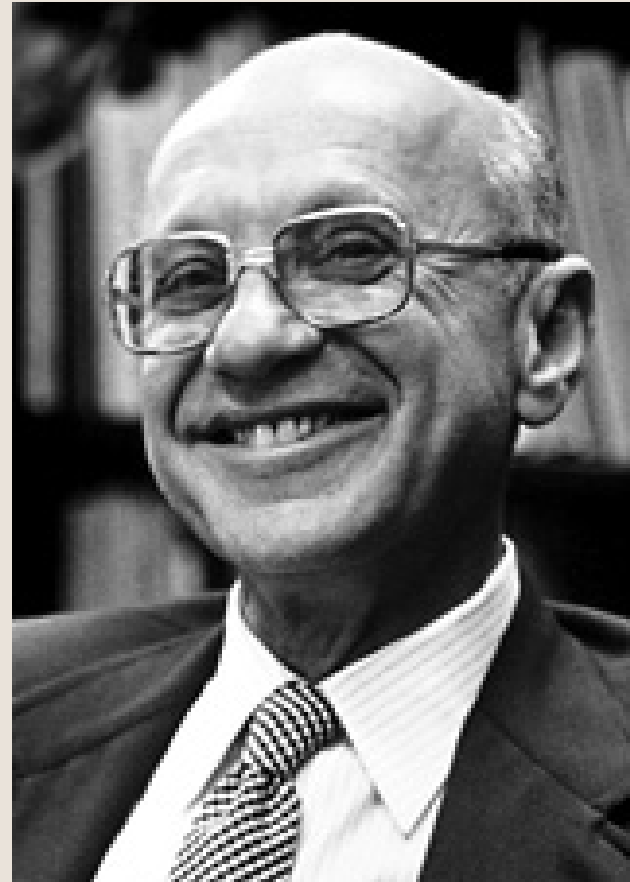


## Must Think Differently!

- Value Engineered, Cost Conscious Floorplans
- Four Corner Construction is Acceptable If Elevated Properly
- Subcontractors Need To Be Educated
- Some Form of Steady State Production
- Scrutinize Development Costs and Impact Fees
- Community Orientation Can Be Extensive, But Not Expensive
- Visit Other Markets To See What Can Be Done!



## Elasticity in Housing





# Discussion



## Kurt Paulsen

Associate Professor, Urban and Regional Planning at  
University of Wisconsin-Madison

Author of the Special Report "Falling Behind"





# *Falling Behind:*

Addressing Wisconsin's Workforce Housing Shortage to Strengthen Families, Communities and Our Economy



**Department of Planning  
and Landscape Architecture**  
UNIVERSITY OF WISCONSIN-MADISON

Kurt Paulsen (University of Wisconsin – Madison), January 2020

Racine County Economic Development Corporation 66-66

*The opinions expressed herein do not necessarily constitute the opinions of the City of Middleton, Dane County, The University of Wisconsin-Madison, the Wisconsin Housing and Economic Development Authority (WHEDA), the Wisconsin Realtors Association (WRA), the League of Wisconsin Municipalities (LWM), their members or staff.*



SPECIAL REPORT  
**FALLING  
BEHIND**

Addressing Wisconsin's workforce housing shortage to strengthen families, communities and our economy.

**ALL ACROSS WISCONSIN**  
communities and employers are recognizing the critical need to address Wisconsin's housing shortage.

# About this report

- Funded by WRA to document the workforce housing shortage in Wisconsin, to explain main causes and main consequences and to outline policy solutions.
- *All statements in the report and this presentation are mine alone and do not necessarily reflect the views of the Wisconsin Realtors Association, or any state, county, or city agency or the University of Wisconsin.*



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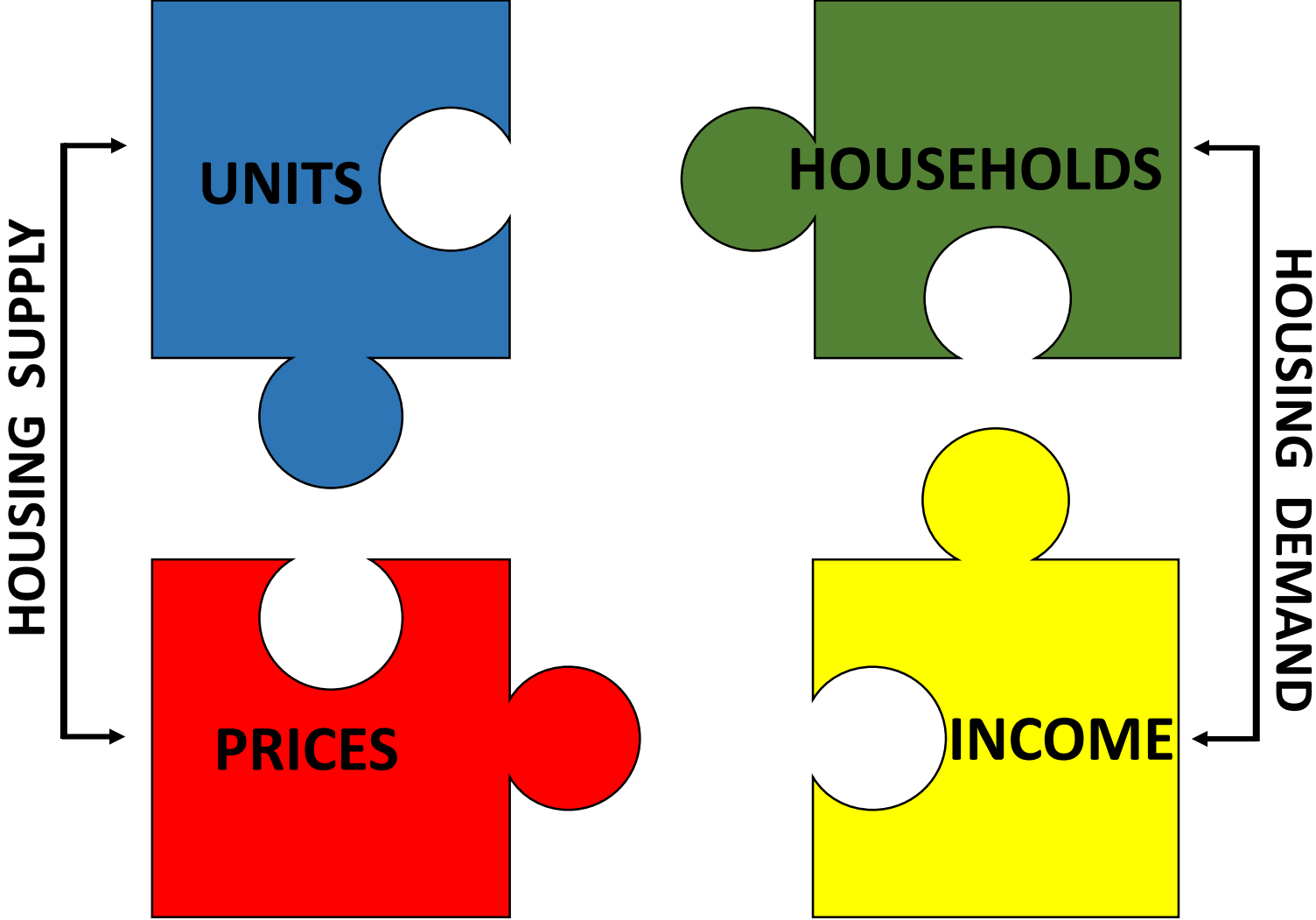
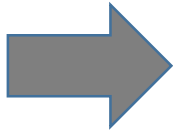
# Main Message

- Compared to our neighboring states (Illinois, Indiana, Iowa, Michigan and Minnesota) on most housing indicators, we are falling behind or at the bottom.
- Workforce housing and housing affordability is an issue across the state.
- A number of innovative housing policy reforms from other states can help Wisconsin address its workforce housing shortage.



- Workforce housing is the supply of housing in a community (variety of types, sizes, locations, prices) that meets the need of the workforce in a community.
- In this report -- housing that is affordable to the workforce:
  - For renters, up to 60 % of area median income (AMI)
  - For owners, up to 120 % of area median income (AMI)

# Unlocking the Housing Affordability Puzzle



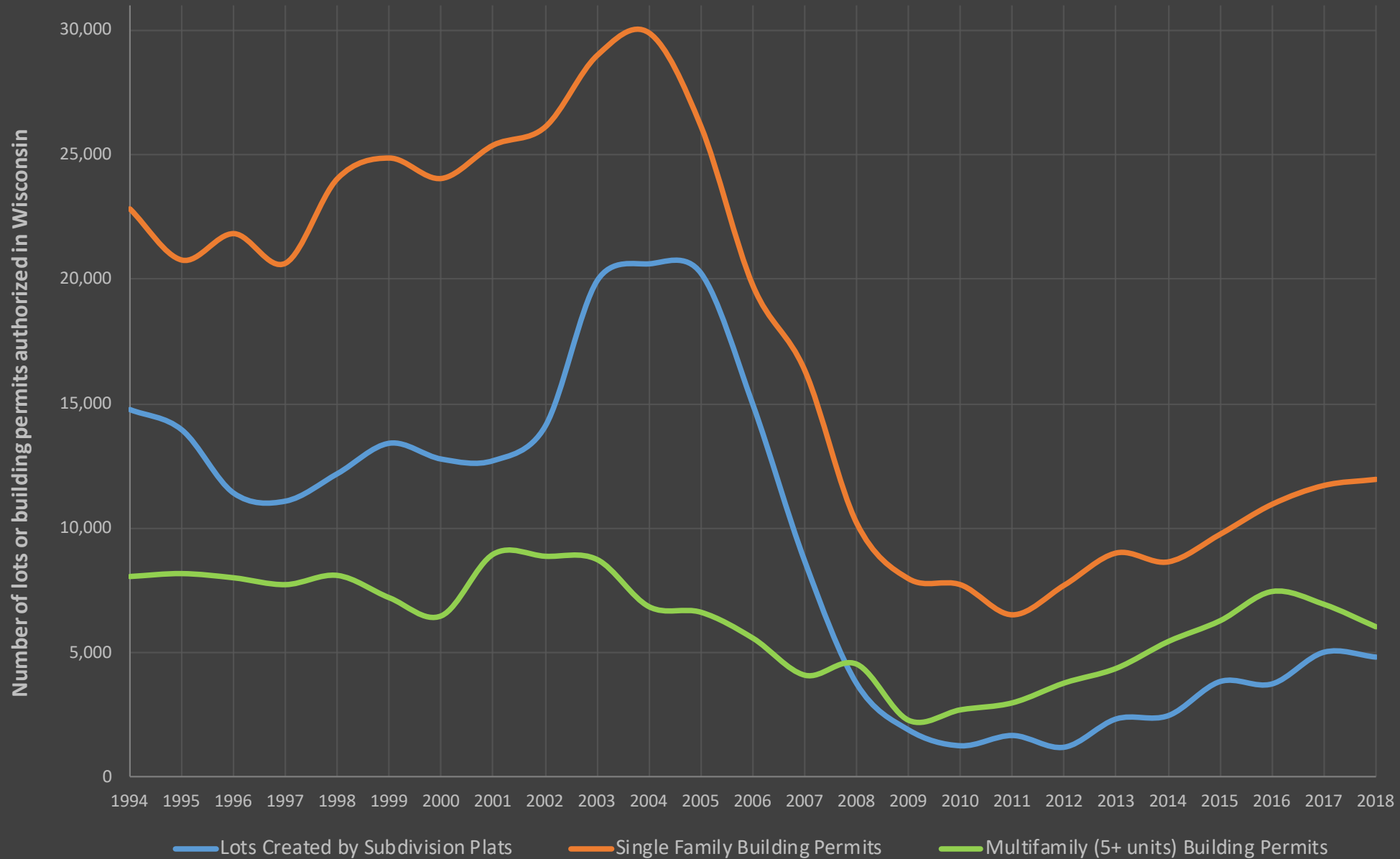
**We will never solve our housing crisis without more supply ...**

**... But supply alone will not solve our housing crisis.**

# Causes of workforce housing shortage

- Cause #1 Wisconsin has not built enough homes to keep up with population and income growth.

# Housing Construction and Subdivision Activity in Wisconsin have not Recovered from Great Recession, Remain at Historically Low Levels



Source: Subdivision Lots from Wis. Dept. Admin.; Building Permits Database, U.S. Census Bureau.



# Wisconsin's 20 Largest Counties Underproduced Nearly 20,000 Housing Units from 2006-2017

	Growth in households (2006-2017)	Growth in housing units (2006-2017)	Ratio of household growth to housing unit growth	Housing "Underproduction"
Milwaukee County	206	10,754	0.0192	
Dane County	36,334	25,128	1.4460	11,206
Waukesha County	13,199	10,986	1.2014	2,213
Brown County	9,806	8,145	1.2039	1,661
Racine County	2,319	2,645	0.8767	
Outagamie County	5,727	6,249	0.9165	
Winnebago County	3,134	4,903	0.6392	
Kenosha County	3,737	3,922	0.9528	
Rock County	2,516	1,480	1.7000	1,036
Marathon County	3,183	3,231	0.9851	
Washington County	4,019	4,289	0.9370	
La Crosse County	3,402	3,859	0.8816	
Sheboygan County	1,772	1,440	1.2306	332
Eau Claire County	2,504	3,156	0.7934	
Walworth County	3,208	2,671	1.2010	537
Fond du Lac County	3,727	2,929	1.2724	798
St. Croix County	3,164	3,246	0.9747	
Ozaukee County	2,909	2,082	1.3972	827
Dodge County	1,311	1,354	0.9682	
Jefferson County	3,469	2,241	1.5480	1,228
<b>20 Largest Wisconsin Counties</b>	<b>109,646</b>	<b>104,710</b>	<b>1.0471</b>	<b>19,838</b>

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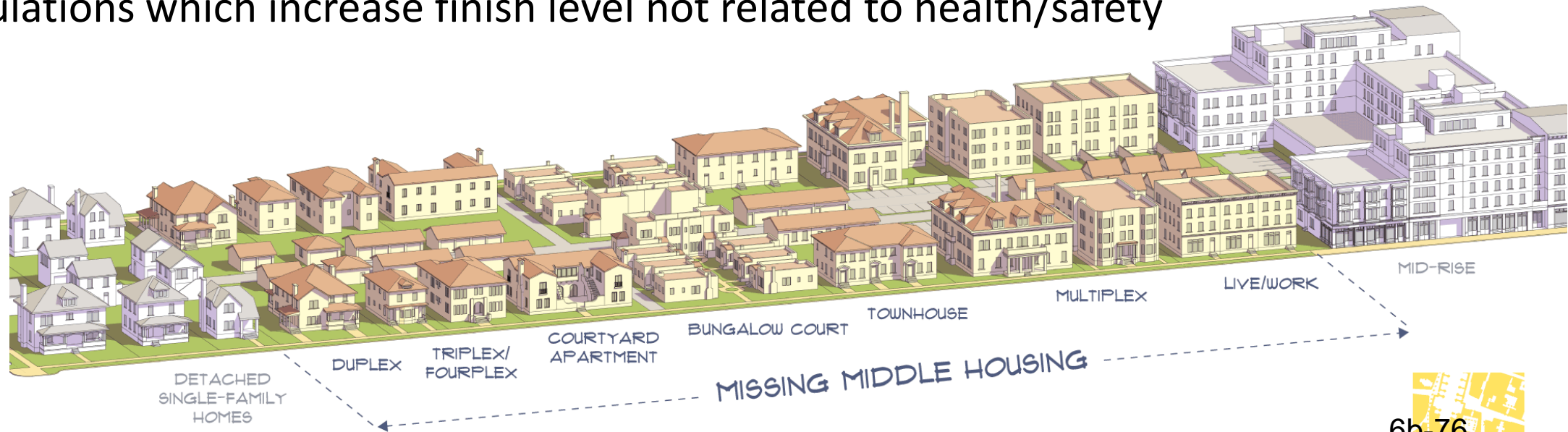
Source: Author's calculations based on 2006 and 2017 1-year American Community Survey data, U.S. Census Bureau. Households are 1- or more persons who occupy a housing unit. Housing units include vacant structures for sale or rent.

# Causes of workforce housing shortage

- Cause #2 Construction costs are rising faster than inflation and incomes.
  - From 2010-2018, construction costs (RS Means index) increased:
    - 15.5 percent in Madison region
    - 16.2 percent in Milwaukee region
    - 16.8 percent in Green Bay region
    - (Jan. 2010 to Jan 2018 CPI-U inflation was 14.4 percent)
- 73 percent of Wisconsin construction firms reported labor shortages (Assoc. of Gen. Contractor survey)

# Causes of workforce housing shortage

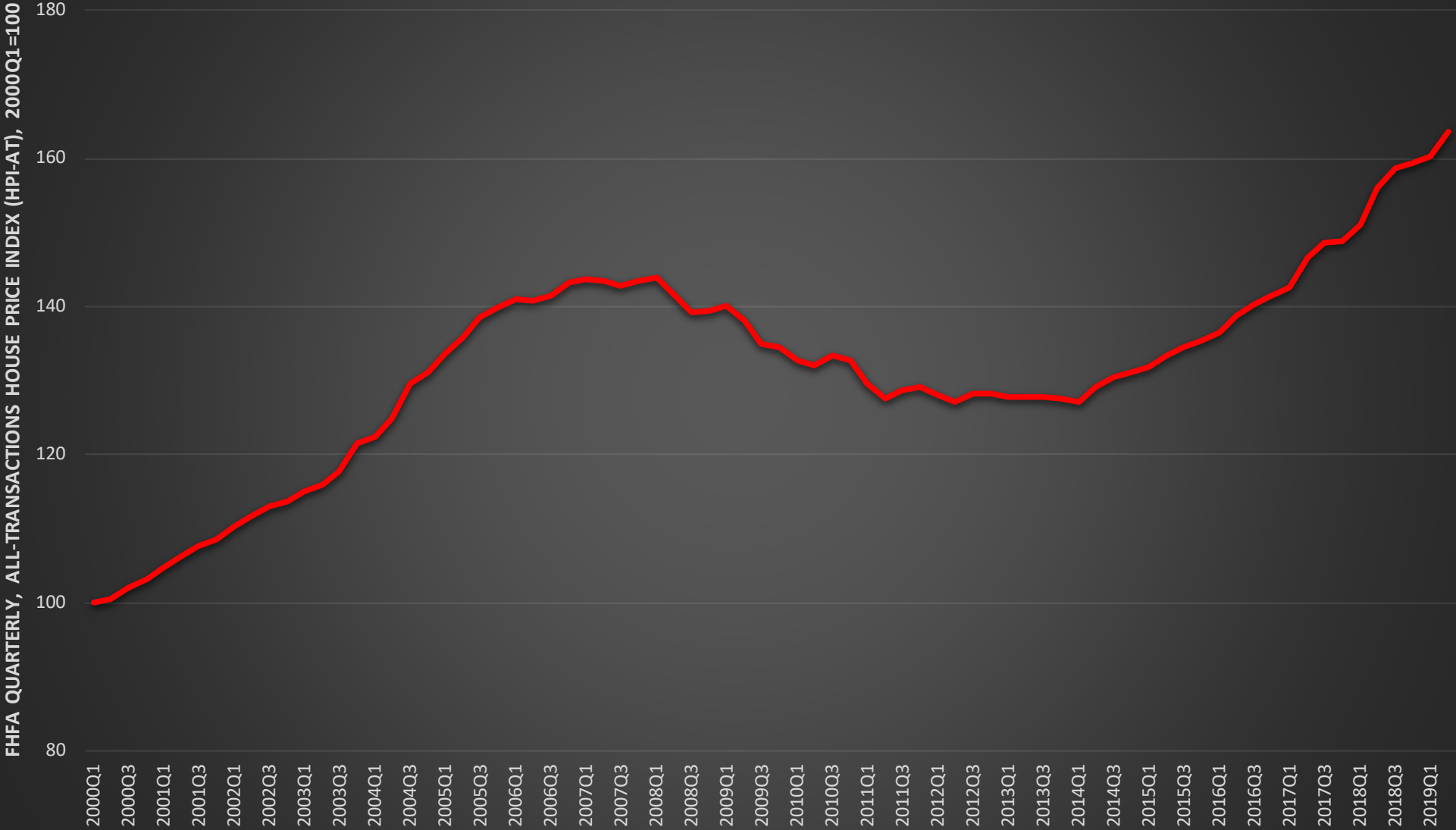
- Cause #3 Outdated land use regulations drive up the cost of housing.
  - Excessive minimum lot sizes; excessive parking requirements
  - Delays, long processes
  - Conditional-use rather than by-right for many housing types.
  - Many zoning ordinances have limited areas or ban completely building “missing-middle” and multifamily homes
  - Regulations which increase finish level not related to health/safety



# Results of workforce housing shortage

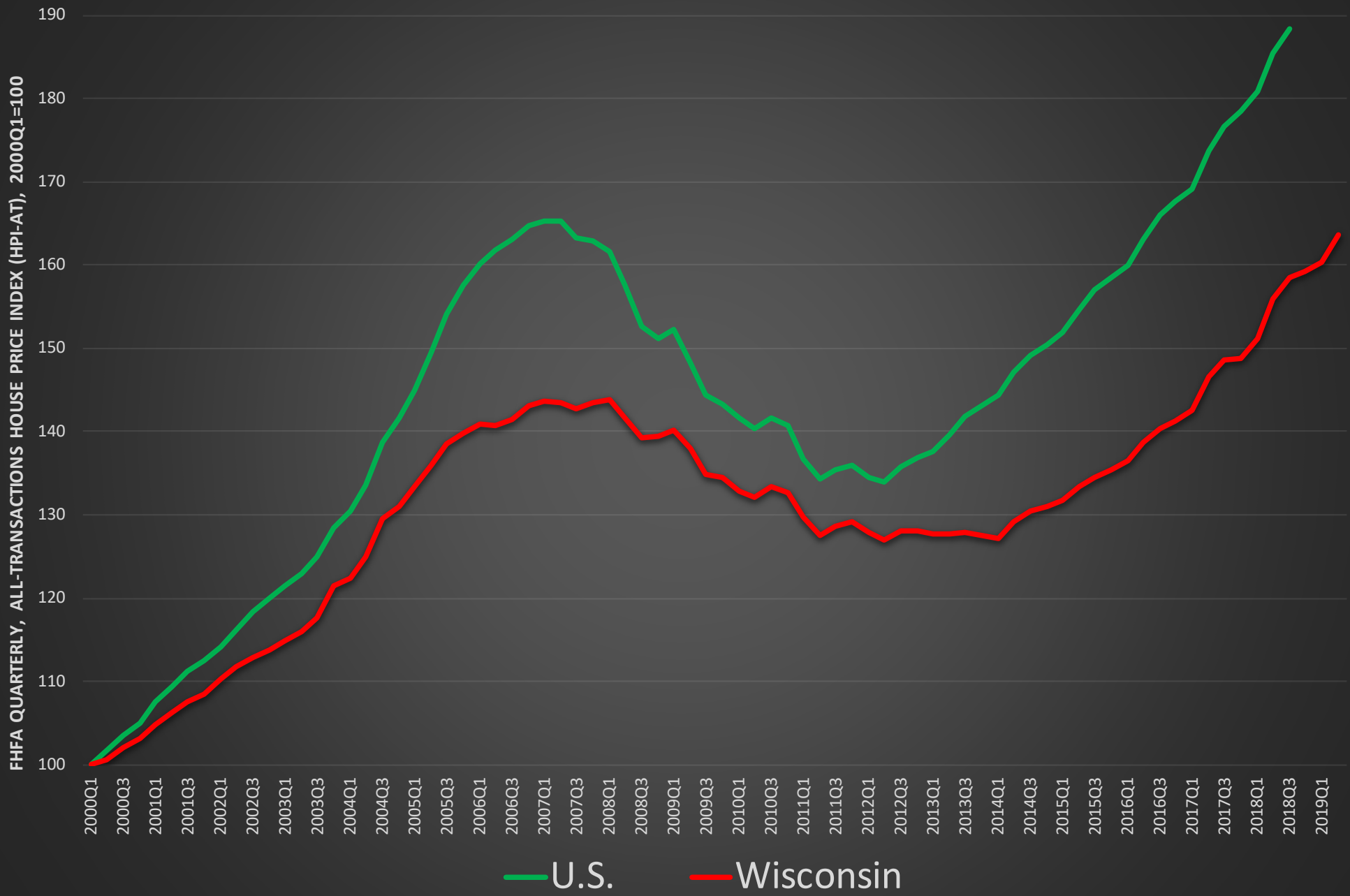
- Result #1 Housing costs are rising (both ownership and rental) and rents have grown faster than incomes.

# Wisconsin House Prices Now Exceed Pre-Crisis (2007Q1) Levels and have increased 18% in past 3 years, 26.7% in past 5 years



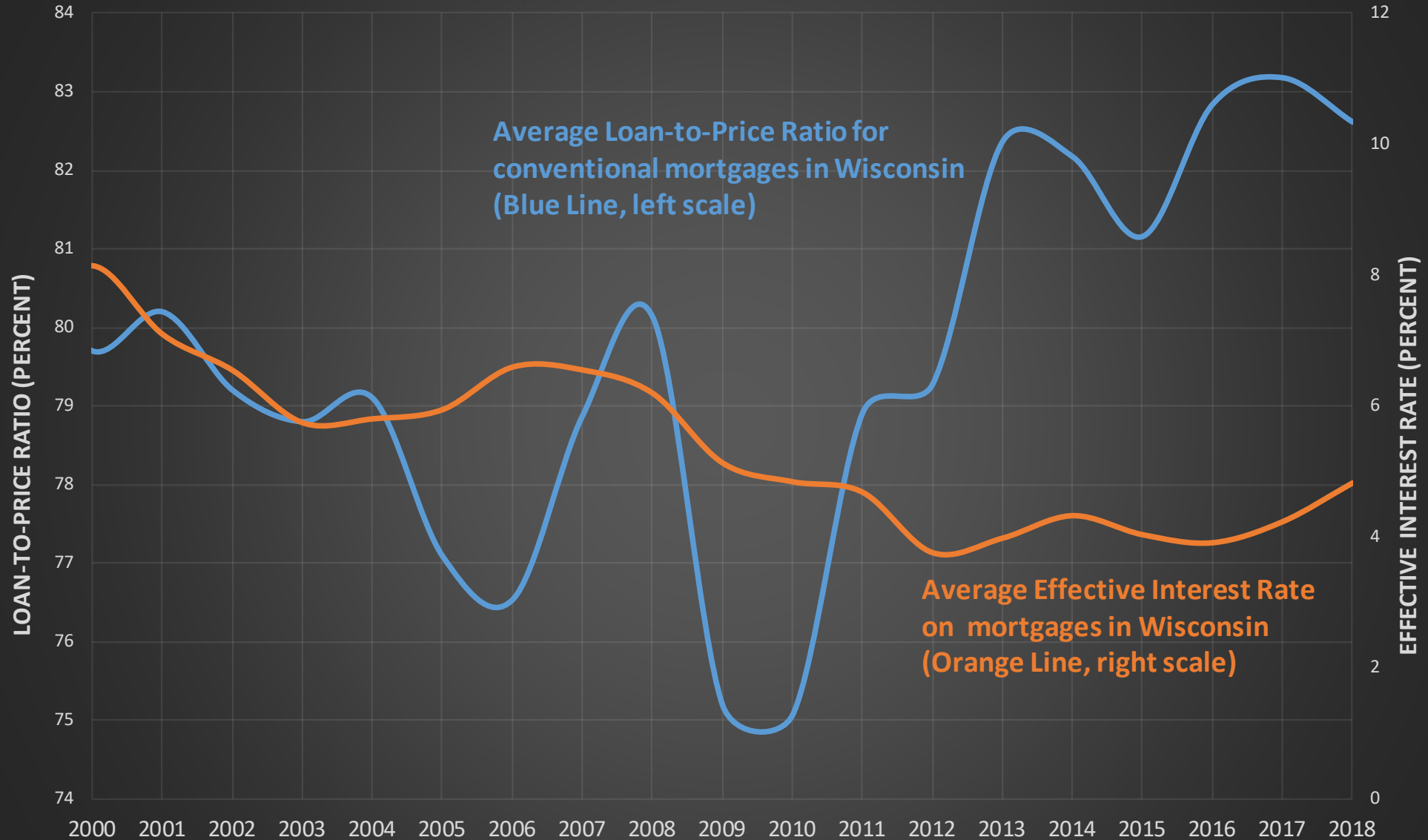
Source: Federal Housing Finance Agency

# Post-2000 house price growth in Wisconsin has lagged U.S.



Source: Federal Housing Finance Agency

# Wisconsin Homeowners are Borrowing a Larger Percentage of their Home's Value; Interest Rates are at Historic Low Levels



Source: Federal Housing Finance Agency, Rates and Terms on conventional, single family, fully amortized, non-farm, mortgages, by state (purchase and refinance, new and existing houses). Effective interest rate amortizes fees and points. Loan-to-price ratio is the ratio of the loan amount to the house value. An 80% loan-to-purchase ratio is equivalent to a 20% downpayment.

## Rents rose faster than household incomes in Midwestern states

<i>State</i>	<i>Increase median rent, 2007-2017</i>	<i>Increase median income, 2007-2017</i>
ILLINOIS	24.4%	16.4%
INDIANA	24.3%	14.2%
IOWA	34.0%	23.8%
MICHIGAN	22.3%	14.5%
MINNESOTA	32.1%	22.6%
WISCONSIN	21.7%	17.3%
<b><i>U.S. AVERAGE</i></b>	<b><i>28.3%</i></b>	<b><i>18.9%</i></b>

Source: US Census, 1-year American Community Survey (ACS) data, not inflation adjusted

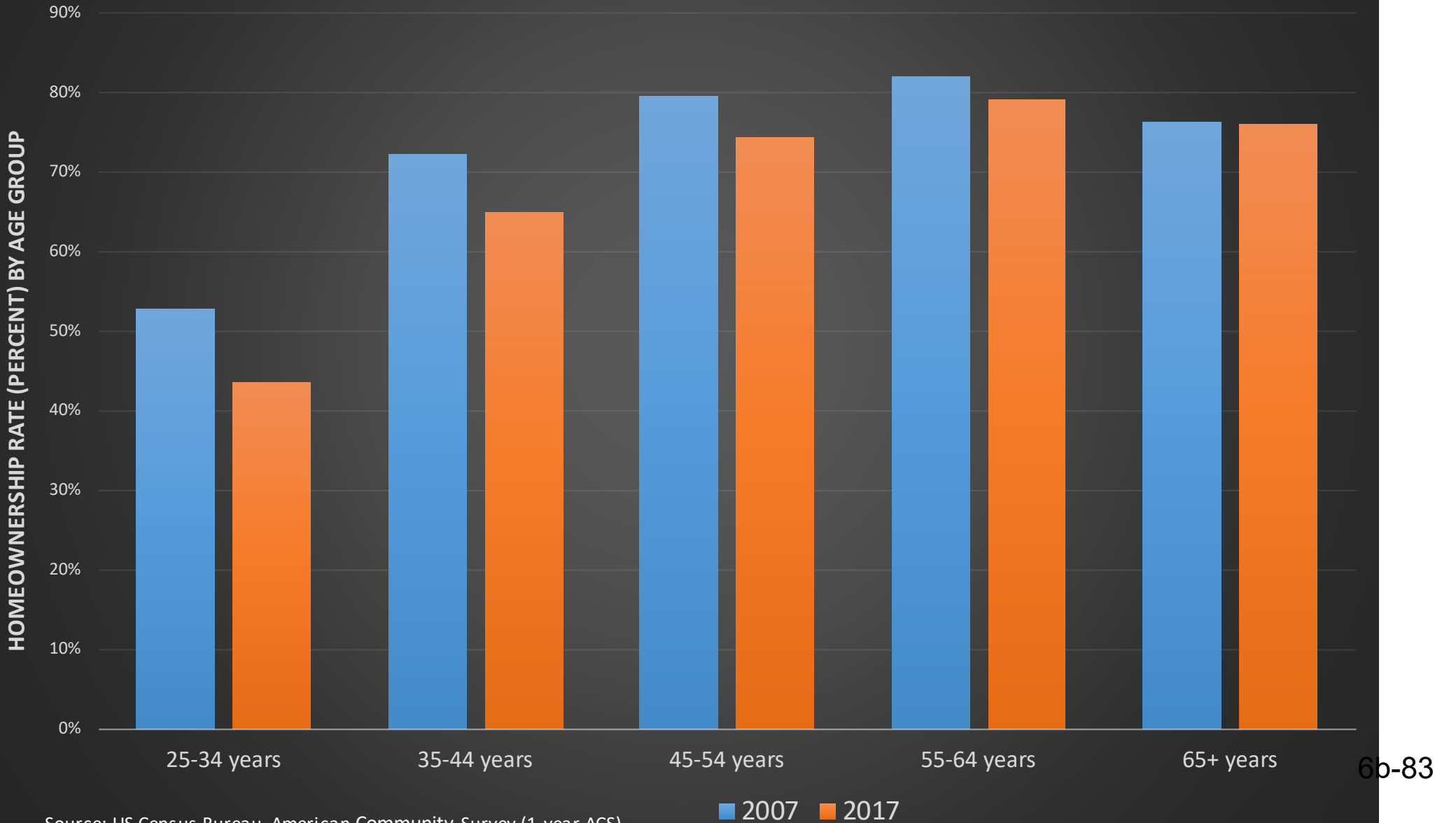
- **On a *per-capita basis*, Wisconsin permitted more multifamily housing than all of our neighboring states from 2000-2014.**
- **From 2007-2017 Wisconsin had slower median rent growth than all of our neighboring states.**
- **Therefore, robust apartment construction moderates rent growth, even though we still didn't build enough**



# Results of workforce housing shortage

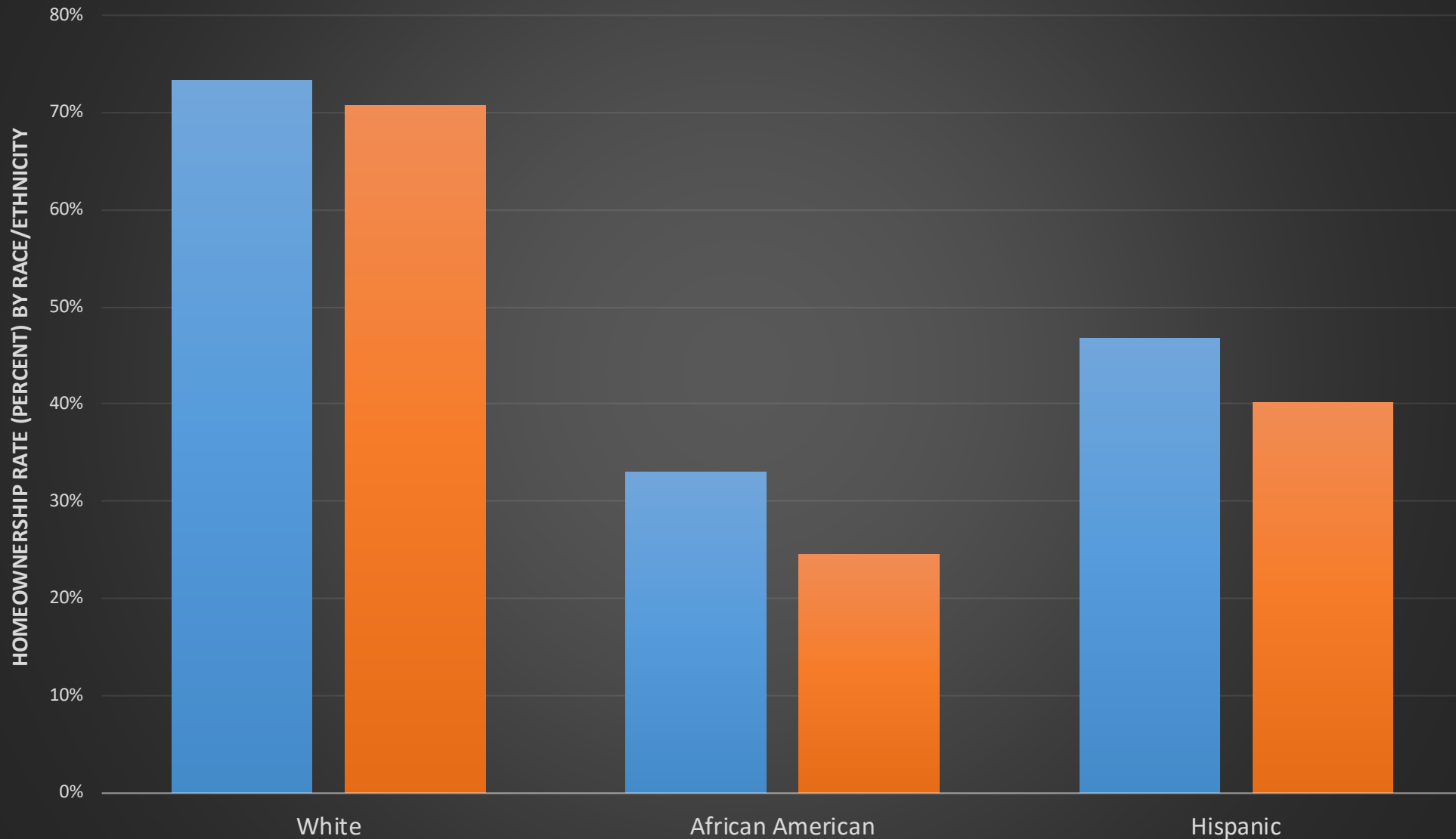
- Result #2 Declining homeownership in Wisconsin, especially among younger households, and African-American and Hispanic families.

# Homeownership Rates Declined in Wisconsin from 2007-2017 Across All Age Groups (except Seniors), with Largest Drop for Youngest Families



Source: US Census Bureau, American Community Survey (1-year ACS).

# Homeownership Rates Declined in Wisconsin from 2007-2017 Across All Racial/Ethnic Groups, with Largest Drop for African American Families



Source: US Census Bureau, American Community Survey (1-year ACS).

■ 2007 ■ 2017

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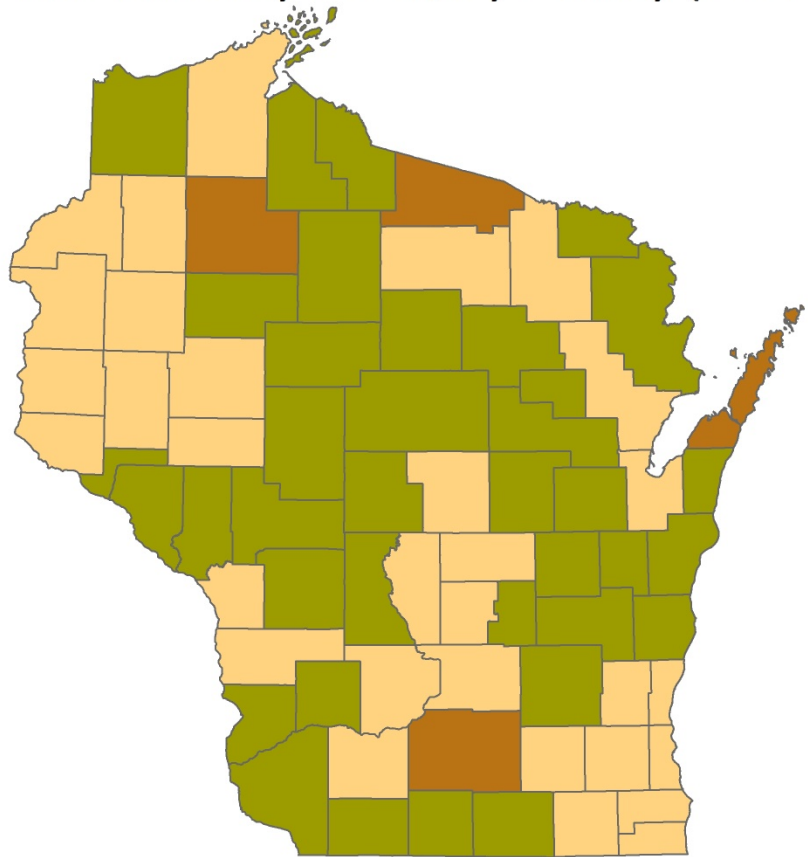
# Racial disparities in homeownership

- Wisconsin has the 6<sup>th</sup> worst black-white homeownership gap in the United States (behind North Dakota, South Dakota, Maine, Montana and Minnesota).
- Wisconsin's Hispanic homeownership rate is lower than all of our neighbors.

# Results of workforce housing shortage

- **Result #3 Declining affordability**

## Wisconsin Entry-Level Housing Affordability Index, by county (2017)



- Not affordable (less than 100)
- Barely affordable (100 - 120)
- Affordable (greater than 120)

Note: A value of less than 100 means that the median income household in a county cannot afford the median priced home in the county. Any value greater than 100 indicates that the median income household can afford the median priced home.

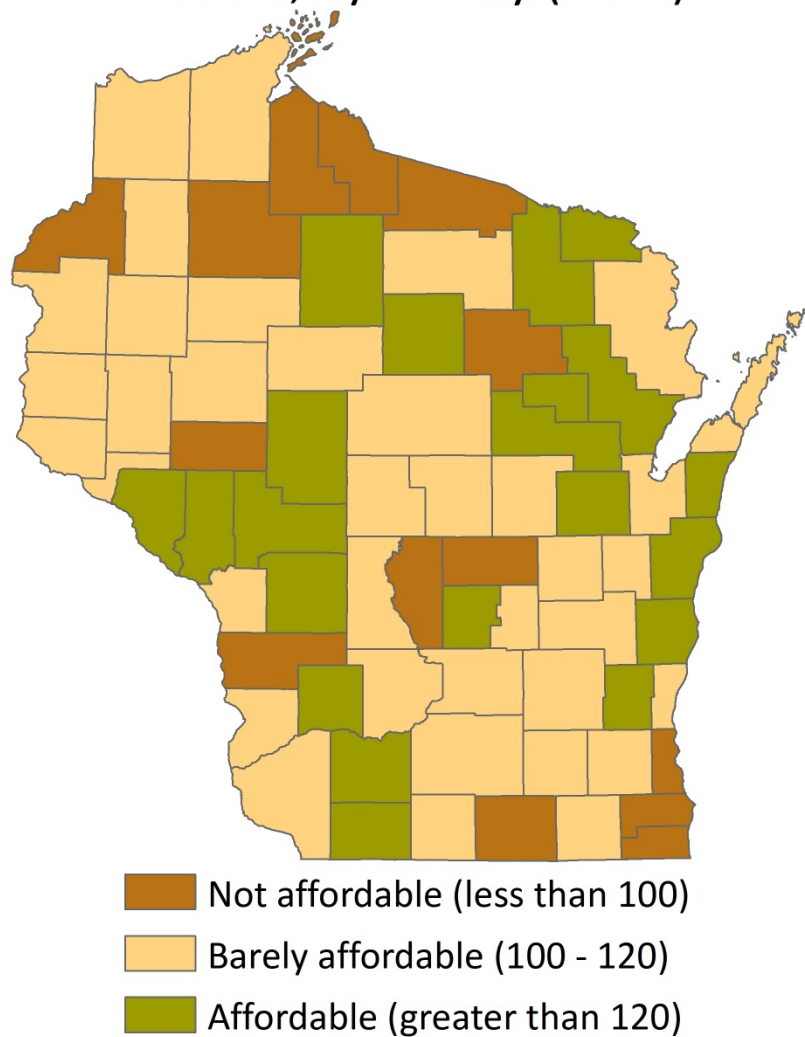
The “Entry-level housing affordability index” (for each county) is constructed like the NAR “Affordability index”:

The ratio of median household income to the income needed to purchase the median home with an FHA (low down-payment) product.

A score less than 100 means the median income family cannot afford the median priced home with an FHA product.

From 2010-2017, this index declined in 57 out of 72 Wisconsin counties. <sup>6b-87</sup>

Wisconsin Renter Affordability Index, by county (2017)



The “County Renter Affordability Index” measures whether the median income renter-household can afford the median-priced rental unit.

It is the ratio of median renter-household income in the county to the income that would be needed for afford the median-priced rental home.

A score less than 100 means the median income household cannot afford the median rent home.

# Many Lower-Income Homeowners Pay More than 50 percent of their Income on Housing

*Percent of homeowners "extremely cost-burdened," by income category*

State	0-30 percent of area income	30-50 percent of area income	50-80 percent of area income	80-100 percent of area income	above median area income
ILLINOIS	64.1%	32.6%	13.7%	5.3%	1.0%
INDIANA	56.1%	22.3%	6.3%	1.9%	0.3%
IOWA	51.9%	17.0%	4.5%	1.4%	0.3%
MICHIGAN	62.2%	27.4%	9.6%	3.1%	0.6%
MINNESOTA	56.0%	24.3%	8.1%	2.5%	0.5%
<b>WISCONSIN</b>	<b>63.5%</b>	<b>28.8%</b>	<b>10.4%</b>	<b>3.2%</b>	<b>0.6%</b>

Source: US. Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2011-2015

**Over 94,000 homeowners with incomes below 50% AMI spend more than 50 percent of their income on housing.**



## Wisconsin Leads Midwest with Highest Percentage of Lower-Income Renters with Extreme Cost-Burdens

*Percent of renters "extremely cost-burdened," by income category*

State	0-30 percent of area income	30-50 percent of area income	50-80 percent of area income	80-100 percent of area income	above median area income
ILLINOIS	62.1%	25.2%	4.6%	1.4%	0.3%
INDIANA	63.3%	24.0%	3.1%	0.8%	0.5%
IOWA	60.6%	14.9%	3.0%	0.8%	0.6%
MICHIGAN	65.0%	28.9%	5.6%	1.6%	0.6%
MINNESOTA	58.7%	18.0%	3.9%	1.2%	0.3%
<b>WISCONSIN</b>	<b>65.3%</b>	<b>20.0%</b>	<b>2.9%</b>	<b>0.6%</b>	<b>0.3%</b>

Source: US. Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2011-2015

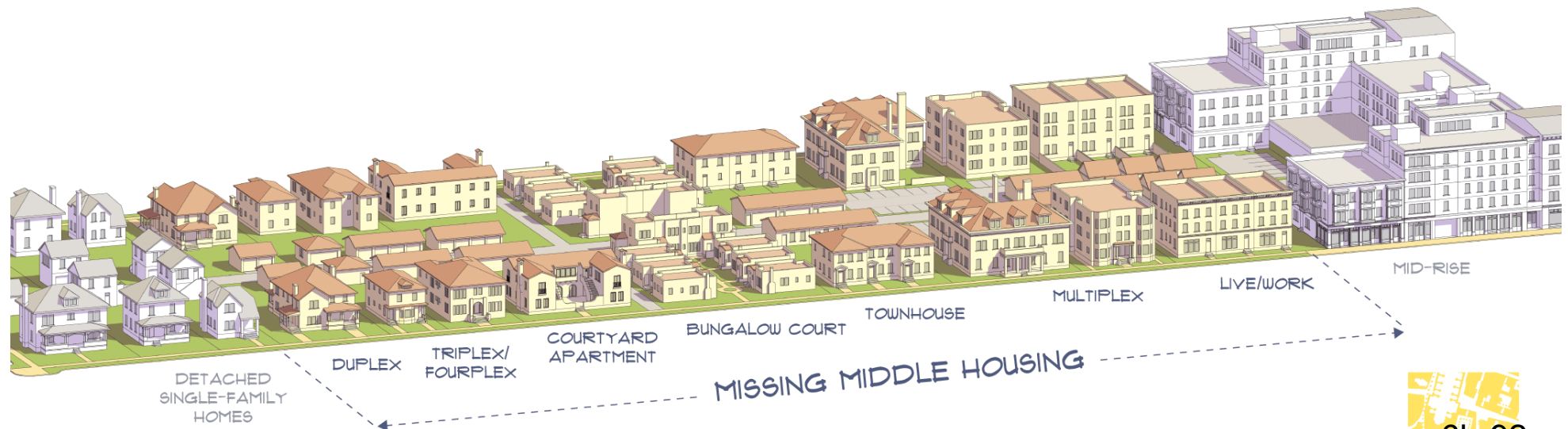
**Over 158,000 renting households with incomes below 50% AMI spend more than 50 percent of their income on housing.**

# What can be done?

- Roadmap to Reform: 5 Goals
- Goal 1: Build more housing
- Goal 2: Increase housing choices with a more diverse housing stock
- Goal 3: Rebuild and strengthen homeownership
- Goal 4: Reinvest in older housing stock and older neighborhoods
- Goal 5: Make housing a priority!

# Strategies for Goals 1 and 2: More housing and more housing options

- Expedited permitting and development approval processes for workforce housing
- Tax incentives to reduce costs for workforce housing
- Require all cities/villages to allow “Missing Middle” housing types and ADUs (Accessory Dwelling Units)



## Strategies for Goals 1 and 2: (continued)

- Require municipalities to allow multifamily housing by-right in at least one zoning district
- Encourage or incentivize workforce housing near jobs and transit
- Establish maximum minimum-lot-sizes in sewer service areas
- Better enforcement of existing planning and reporting requirements. Consider state appeals systems as in other states.
- Workforce housing TID (tax increment districts)
- Targeted funds for rural areas and small towns

# Strategies for Goals 3 and 4: Rebuild homeownership and reinvest in older housing

- First-time homebuyer savings account
- More funding and partnerships for Down Payment Assistance Programs (DPAP)
- Expand WHEDA's "Transform Milwaukee Advantage" Program.
- Promote WHEDA's HomeStyle Renovation Program/ HomeImprovement Advantage Program.
- State tax credit for rehabilitation of older housing in older neighborhoods.
- Training and apprenticeship programs for displaced or under-employed workers.

# Strategies for Goals 5: Making housing a priority

- Target state incentives to build and preserve workforce housing in Opportunity Zones.
- Consider expanding state housing tax credit with additional set-asides for rural areas/small towns and Opportunity Zones.
- Financial and technical assistance for rural areas and small towns. For example, WHEDA's coordination with Barron County.
- Consolidate housing programs; analyze municipal workforce housing data; create technical assistance and funding opportunities. Concerted leadership at administrative and legislative levels.
- Revolving loan fund for non-profit and affordable developers for pre-development financing and land acquisition.
- Maintain and expand current rental assistance programs.

<b><i>Racine County FY 2019 Income Limits</i></b>				
	<b>Persons in Family</b>			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
100 percent of AMI (Median Income)	\$48,580	\$55,520	\$62,460	\$69,400
Low Income Limits (80% of AMI)	\$40,000	\$45,680	\$51,360	\$57,040
Multifamily tax subsidy limits (60% of AMI)	\$30,000	\$34,260	\$38,520	\$42,780
Very Low Income Limits (50% of AMI)	\$25,000	\$28,550	\$32,100	\$35,650
40% of AMI Income Limits	\$20,000	\$22,840	\$25,680	\$28,520
Extremely Low Income Limits (30% of AMI)	\$15,000	\$17,150	\$21,330	\$25,750

<b><i>WHEDA-estimated Racine County Rent Limits, FY 2019</i></b>				
	<b>Efficiency</b>	<b>1-BR</b>	<b>2-BR</b>	<b>3-BR</b>
Low Income (80% of AMI)	\$1,000	\$1,071	\$1,284	\$1,484
Multifamily tax subsidy (60% of AMI)	\$750	\$803	\$963	\$1,113
Very Low Income (50% of AMI)	\$625	\$669	\$802	\$927
40% of AMI Income Limits	\$500	\$535	\$642	\$742
Extremely Low Income (30% of AMI)	\$375	\$401	\$481	\$556

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<b><i>HUD-method* affordable ownership price levels, Racine County FY 2019</i></b>					
	Persons in Family				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
120% of AMI	\$195,875	\$223,857	\$251,839	\$279,821	\$302,206
Median income limits (100% of AMI)	\$163,229	\$186,547	\$209,866	\$233,184	\$251,839
Low Income Limits (80% of AMI)	\$134,400	\$153,485	\$172,570	\$191,654	\$206,987
Multifamily tax subsidy limits (60% of AMI)	\$100,800	\$115,114	\$129,427	\$143,741	\$155,240
Very Low Income Limits (50% of AMI)	\$84,000	\$95,928	\$107,856	\$119,784	\$129,367
40% of AMI Income Limits	\$67,200	\$76,742	\$86,285	\$95,827	\$103,493
Extremely Low Income Limits (30% of AMI)	\$50,400	\$57,624	\$71,669	\$86,520	\$93,442



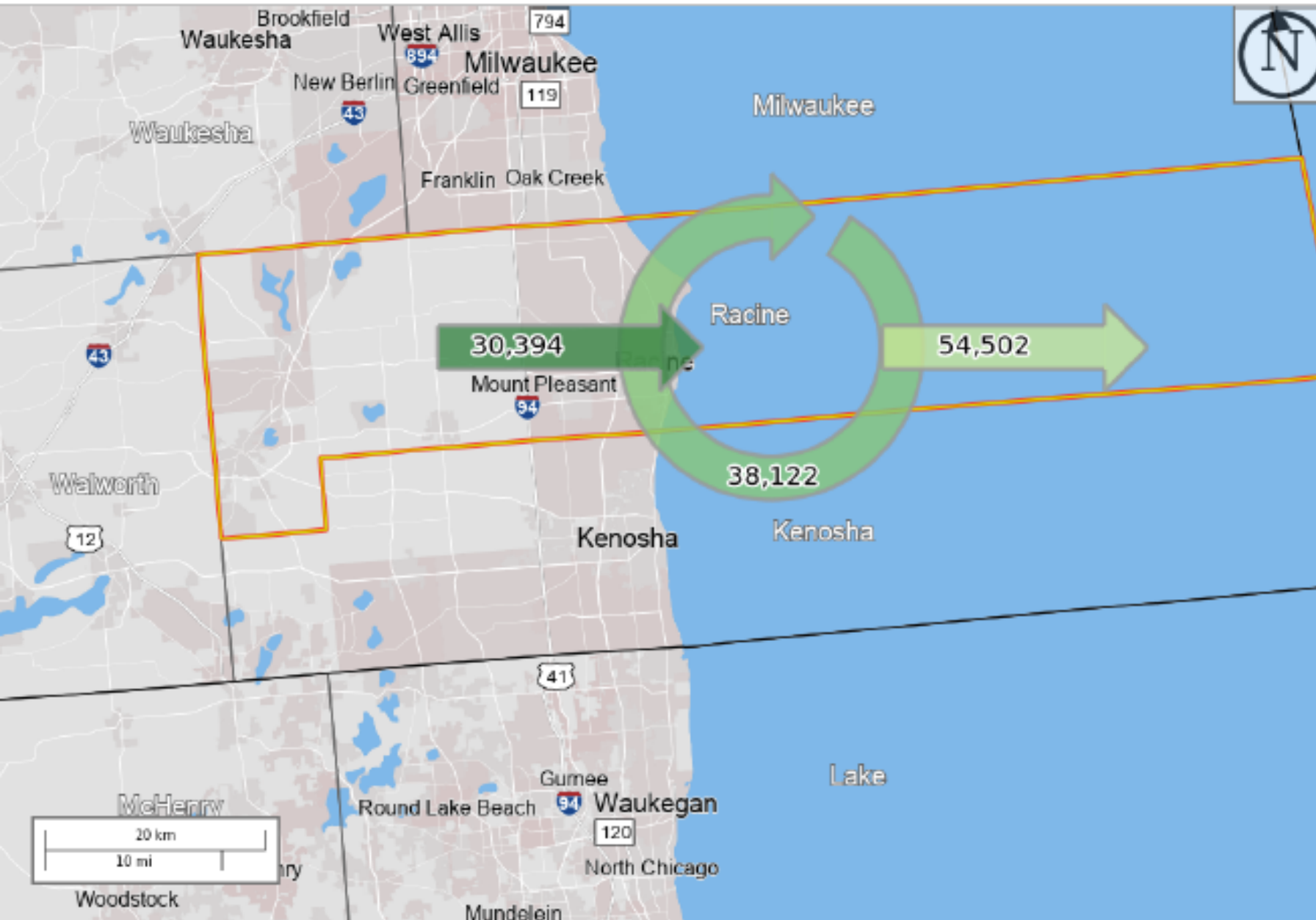
## Racine County Extremely Cost-Burdened Households (2016)

	by number		by percent	
	Owners	Renters	Owners	Renters
0-30 percent of area income	1870	3705	76.8%	73.1%
30-50 percent of area income	1085	1035	29.4%	21.1%
50-80 percent of area income	925	190	13.2%	3.6%
80-100 percent of area income	160	10	3.0%	0.5%
Greater than median income	245	0	0.7%	0.0%

Racine County has over 2,800 very-low-income owner households who pay more than half of their income to housing; and over 4,700 very-low-income renter households who pay more than half of their income to rent.

# Inflow/Outflow Counts of Primary Jobs for Selection Area in 2017

## All Workers



30,394 workers live outside of Racine County and commute into Racine County to work.

54,502 workers live in Racine County and commute outside Racine County to work.

# THANK YOU



REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2024</u>	<input checked="" type="checkbox"/>	Resolution Request Ordinance Request Report Request
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Requestor/Originator: Finance Department - Gwen Zimmer

Person knowledgeable about the request who will appear and present before the Committee and County Board (2nd Reading) Gwen Zimmer  
 If a person is not in attendance the item may be held over.

Does the County Executive know of this request: Yes

If related to a position or position change, Does the Human Resources Director know of this request: Yes

Does this request propose the expenditure, receipt or transfer of any funds? Yes

If the answer is "YES". A fiscal note is required. If Fiscal Note is not created by Finance, send to Finance & Budget Manager before it goes to Committee.

Committee/Individual Sponsoring: Finance and Human Resources Committee

Date Considered by Committee: 7/17/2024 Date of County Board Meeting to be Introduced: 7/23/2024

1st Reading:  1st & 2nd Reading:  \*

\* If applicable, include a paragraph in the memo explaining why 1st and 2nd reading is required.

Signature of Committee Chairperson/Designee: \_\_\_\_\_

**SUGGESTED TITLE OF RESOLUTION/ORDINANCE/REPORT:**

Authorize the reclassification of 2 FTE N060 Accounting Technician to 2 FTE N076 Accounting Associate and 1 FTE E030 Finance Specialist to 1 FTE E040 Staff Accountant effective 8/24/2024 and the transfer of \$1,872 within the Human Services Department 2024 Budget.

The suggested title should contain what the Committee is being asked to take action on (ex: Authorize, Approve) . If the action includes a transfer this must be included in the title.

**SUBJECT MATTER:**

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

If requesting a multi year contract a copy of the contract or draft contract must be attached

Any request which requires the expenditure or transfer of funds must be accompanied by a fiscal note that shows the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

**THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.**

ACCOUNT NAME	ACCOUNT NUMBER	CURRENT BUDGET	CURRENT BALANCE	TRANSFER	BUDGET AFTER TRANSFER	BALANCE AFTER TRANSFER
<b>HUMAN SERVICES</b>						
CONTRACTED SERVICES	4410990.404500	418,980	224,899	(1,872)	417,108	223,027
<b>TOTAL SOURCES</b>				<b>(1,872)</b>		
<b>HUMAN SERVICES</b>						
WAGES	4410990.401000	1,735,998	1,158,152	787	1,736,785	1,158,939
WORKER'S COMP	4410990.402210	17,360	11,605	8	17,368	11,613
SOCIAL SECURITY	4410990.402220	132,804	91,029	60	132,864	91,089
RETIREMENT	4410990.402230	117,846	79,928	54	117,900	79,982
DISABILITY INSURANCE	4410990.402240	17,360	11,335	8	17,368	11,343
LIFE INSURANCE	4410990.402270	4,198	2,630	2	4,200	2,632
LEGAL FEES AND 65.90(6) FUND	4410990.436000	37,357	24,858	17	37,374	24,875
WAGES	4410991.401000	235,369	217,407	787	236,156	218,194
WORKER'S COMP	4410991.402210	2,372	2,192	8	2,380	2,200
SOCIAL SECURITY	4410991.402220	16,804	15,430	60	16,864	15,490
RETIREMENT	4410991.402230	16,369	15,147	54	16,423	15,201
DISABILITY INSURANCE	4410991.402240	2,565	2,385	8	2,573	2,393
LIFE INSURANCE	4410991.402270	664	622	2	666	624
LEGAL FEES AND 65.90(6) FUND	4410991.436000	5,148	4,758	17	5,165	4,775
<b>TOTAL USES</b>				<b>1,872</b>		
				<b>0</b>		

FINANCE COMMITTEE RECOMMENDATION

After reviewing the Resolution/Ordinance and fiscal information supplied, your Finance Committee recommends FOR--AGAINST adoption.

REASONS

FOR	AGAINST

FTE	POSITION	GRADE	WAGES	FRINGES	CONTRACT	TOTAL
<b>Position changes will be effective August 24, 2024</b>						
<b>HUMAN SERVICES</b>						
-2.000	ACCOUNTING TECHNICIAN	N060	(31,540)	(5,946)		(37,486)
2.000	ACCOUNTING ASSOCIATE	N076	33,114	6,242		39,356
<u>0.000</u>	<b>Total for HUMAN SERVICES</b>		<u>1,574</u>	<u>296</u>		<u>1,870</u>
<b>PUBLIC WORKS</b>						
-1.000	FINANCE SPECIALIST	E030	0	0		0
1.000	STAFF ACCOUNTANT	E040	0	0		0
<u>0.000</u>	<b>Total for PUBLIC WORKS</b>		<u>0</u>	<u>0</u>		<u>0</u>

This cost is prorated for pay periods August 24-December 31, 2024. The budgeted increase is 5%.

To: Don Trottier, Chairman, Finance and Human Resources Committee

From: Gwen Zimmer, Finance Director

Subject: Finance position changes

Date: July 17, 2024

The Finance Department is an administrative support to the County managing all financials including preparing the budget, monitoring financial operations, and ensuring proper compliance and internal control. This department is responsible for paying all accounts payable, handling accounts receivable, filing grant reports, processing payroll for all county employees, managing investments of county funds, and preparing audited financial statements. This is a significant amount of responsibility and requires specialized knowledge from our employees leading to the Human Services Department and Public Works & Development Services Department having finance divisions within their org charts which jointly report to the Finance Director.

Over the last year, I have met with the leadership team within these areas to create a comprehensive plan for our Finance-related employees. We often find that we are stealing employees from one division to another because of pay rates or salary grades. This resolution is one step to standardize job titles, salary grades, and pay rates for like positions across the three areas. I am requesting the reclassification of three positions to bump up one grade. This resolution would authorize a 5% increase for two employees who have been with the County for 24 years and 30 years and are at the top of their pay range. Within the authority of the Human Resources policy manual, I will also initiate the changing of five positions from non-exempt to exempt and the title change of fifteen positions. This will allow for better recruitment of candidates and better compliance of FLSA rules governing overtime eligibility. I am including a proposed org chart for your information.

Thank you for your consideration.

Sincerely,

Gwen Zimmer  
Finance Director

