



WALWORTH COUNTY

Housing Initiative

Walworth County Housing Initiative

Over the course of the past four years, housing has become an increasing priority for the Walworth County Economic Development Alliance (WCEDA) to address. During the Housing Initiative, WCEDA has worked with Walworth County and the Southeastern Wisconsin Regional Planning Commission (SEWRPC) to educate elected officials and the public about the benefits of workforce housing to the County's economy. WCEDA has also made critical connections between municipalities, developers, and the finance community to identify opportunities to move housing projects forward.

What is Workforce Housing and Why is it Important?

Workforce housing is essentially what is being called the "missing middle," and encompasses housing for entry level workers as well as professional workers such as physicians and everything in between. This includes people working in accommodation and food services, health care, retail, and manufacturing, the County's largest employment sectors.

Workforce housing can take many forms, including modest single-family homes, two-family homes, townhomes, and multifamily buildings. This variety is important because the County needs to house workers with families that have children who need room to play as well as individuals who place a premium on convenience and affordability.

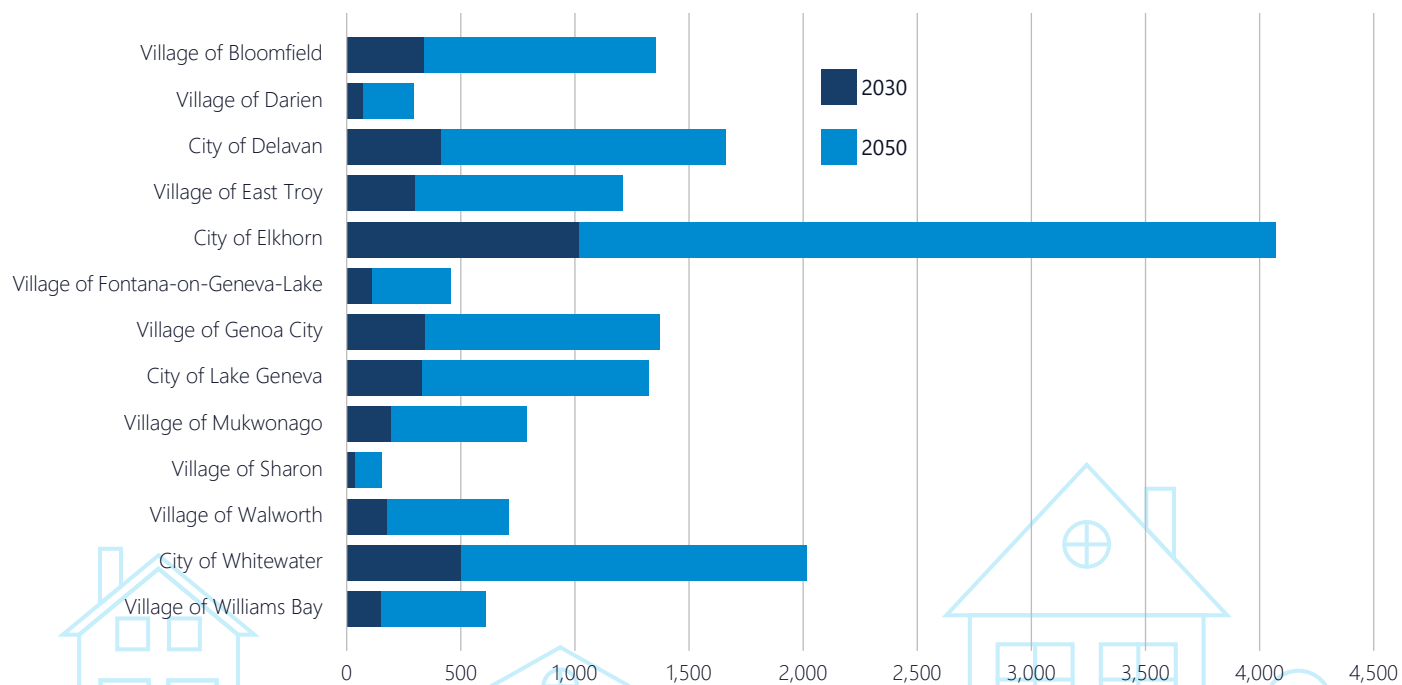


How Much Housing Do We Need?

The first step in the housing discussion is identifying current demand and what the future may hold. One of the essential metrics in determining housing demand is the vacancy rate, or how much and what types of housing are available in the County. Data from the U.S. Census Bureau shows that available housing may be in short supply in several Walworth County communities. The standards for a healthy housing market used by the U.S. Department of Housing and Urban Development (HUD) are a homeowner vacancy rate between 1% and 2% and a rental unit vacancy rate between 4% and 6%. Darien, Delavan, East Troy, and Whitewater are short on housing for homeowners; Fontana-on-Geneva Lake, Sharon, and Williams Bay are short on housing for renters; and Elkhorn and Mukwonago are short on both.

Household projections prepared by SEWRPC for the Walworth County comprehensive plan update show that demand for housing in the County will grow over the next several decades. The County is expected to add 16,500 households by the year 2050, creating a long-term demand for about 17,000 additional housing units (includes a 3% vacancy rate). *Looking at the near-term, there could be a demand for over 5,600 additional housing units in the County by 2030, about 2,200 of which should be affordable to lower-income households.* When compared to the number of housing units added in the County over the last 10 years (about 2,700 units), it shows we have a lot of work to do!

Additional Housing Unit Demand



Source: U.S. Census Bureau (2010 and 2020 decennial) and SEWRPC

What Kind of Housing Do We Need?

One of the keys to understanding the housing needs of Walworth County is to understand the characteristics of the County's households.

Household incomes in the County show that residents will benefit from a variety of housing types. The median annual household income is about \$77,400. About 6,900 households have annual incomes between \$61,890 and \$38,680 (considered low-income households) and about 9,200 households have annual incomes below \$38,680 (considered very low-income households). These households could benefit from more affordable housing options. In addition, Walworth County, and the Southeastern Wisconsin Region, are becoming more diverse. In 1980, about 3% of the County's population were people of color, which has grown to about 17% in 2020. Regionwide, people of color have significantly lower incomes than the white population.

Housing cost burden data provided by the Census further demonstrates the need for affordable housing. Based on the affordability definition of a household spending no more than 30% of its income on housing, a significant number of households in the County are paying too much for housing. According to the Census, over 10,800 households are cost burdened, including almost 6,000 homeowners and almost 4,900 renters. That's 42% of the County's renters!

Household size and age composition also play an important role in housing demand. The County has many single- and two-person households that may benefit from more affordable options with less upkeep. The percentage of people aged 65 and over in Walworth County—people who may also benefit from more affordable and manageable housing options—is expected to increase from 19.5% of the population to 22.5% of the population by 2050. While the demand for multifamily housing and modest size homes may increase over the coming decades based on these statistics, the housing needs of growing families in the County must also be met.

Given County and regional trends, providing affordable housing options will become increasingly important for Walworth County to continue to grow its population and economy.



Annual Household Income

Community	Low-Income Households	Percent of Total Households	Very Low-Income Households	Percent of Total Households	Median Household Income (\$)
Village of Bloomfield	272	16.2	291	17.3	92,438
Village of Darien	102	20.4	139	27.9	65,893
City of Delavan	597	16.1	1,073	29.0	71,121
Village of East Troy	178	8.6	621	29.9	77,698
City of Elkhorn	674	16.1	924	22.1	73,052
Village of Fontana-on-Geneva-Lake	89	12.6	118	16.6	104,583
Village of Genoa City	188	17.7	165	15.5	88,958
City of Lake Geneva	780	19.0	913	22.3	73,199
Village of Mukwonago	0	0.0	0	0.0	191,902
Village of Sharon	126	21.8	148	25.6	63,250
Village of Walworth	177	18.2	291	29.9	64,125
City of Whitewater	759	19.0	1,686	42.2	45,673
Village of Williams Bay	210	17.6	310	26.0	70,568
Walworth County*	6,867	16.2	9,210	21.7	77,359

Note: Low-income households (50% to 80% of County median income) can afford to pay about \$875 to \$1,375 a month for housing and very low-income households (less than 50% of County median income) can afford to pay about \$875 or less a month. Whitewater has a large student population, which impacts the large number of very low-income households.

Households Experiencing Housing Cost Burden

Community	Owner-Occupied Households		Renter-Occupied Households		Total Households	
	Number	Percent	Number	Percent	Number	Percent
Village of Bloomfield	290	20.1	54	24.5	344	20.7
Village of Darien	76	21.8	14	18.2	90	21.1
City of Delavan	377	16.4	482	38.0	859	24.1
Village of East Troy	407	31.4	288	38.7	695	34.1
City of Elkhorn	466	20.0	729	40.1	1,195	28.8
Village of Fontana-on-Geneva-Lake	143	23.3	29	40.8	172	25.1
Village of Genoa City	270	27.0	22	40.7	292	27.7
City of Lake Geneva	387	18.7	829	42.9	1,216	30.4
Village of Mukwonago	0	0.0	0	0.0	0	0.0
Village of Sharon	60	18.2	82	36.0	142	25.4
Village of Walworth	91	18.4	226	50.4	317	33.6
City of Whitewater	247	19.5	1,528	57.6	1,775	45.3
Village of Williams Bay	256	28.9	44	16.7	300	26.1
Walworth County*	5,950	20.0	4,889	42.0	10,839	26.2

Monthly Gross Rent for Renter-Occupied Housing Units

Community	Less than \$700		\$700 to \$999		\$1,000 to \$1,499		\$1,500 or more	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Village of Bloomfield	--	0.0	53	24.1	128	58.2	39	17.7
Village of Darien	31	40.3	19	24.7	19	24.7	8	10.4
City of Delavan	319	23.2	283	20.6	618	45.0	154	11.2
Village of East Troy	111	14.8	70	9.4	264	35.3	303	40.5
City of Elkhorn	116	6.4	796	43.8	575	31.6	331	18.2
Village of Fontana-on-Geneva-Lake	--	--	28	39.4	14	19.7	29	40.8
Village of Genoa City	8	15	--	--	46	85	--	--
City of Lake Geneva	308	15.9	246	12.7	740	38.1	647	33.3
Village of Mukwonago	--	--	--	--	--	--	--	--
Village of Sharon	26	11.1	92	39.3	89	38.0	27	11.5
Village of Walworth	58	12.9	199	44.4	132	29.5	59	13.2
City of Whitewater	637	23.6	722	26.7	827	30.6	514	19.0
Village of Williams Bay	108	41.1	80	30.4	22	8.4	53	20.2
Walworth County*	1,927	16.2	3,058	25.7	4,213	35.5	2,683	22.6

* County totals include towns.

Source (All Tables): U.S. Census Bureau American Community Survey: 2019-2023 and SEWRPC

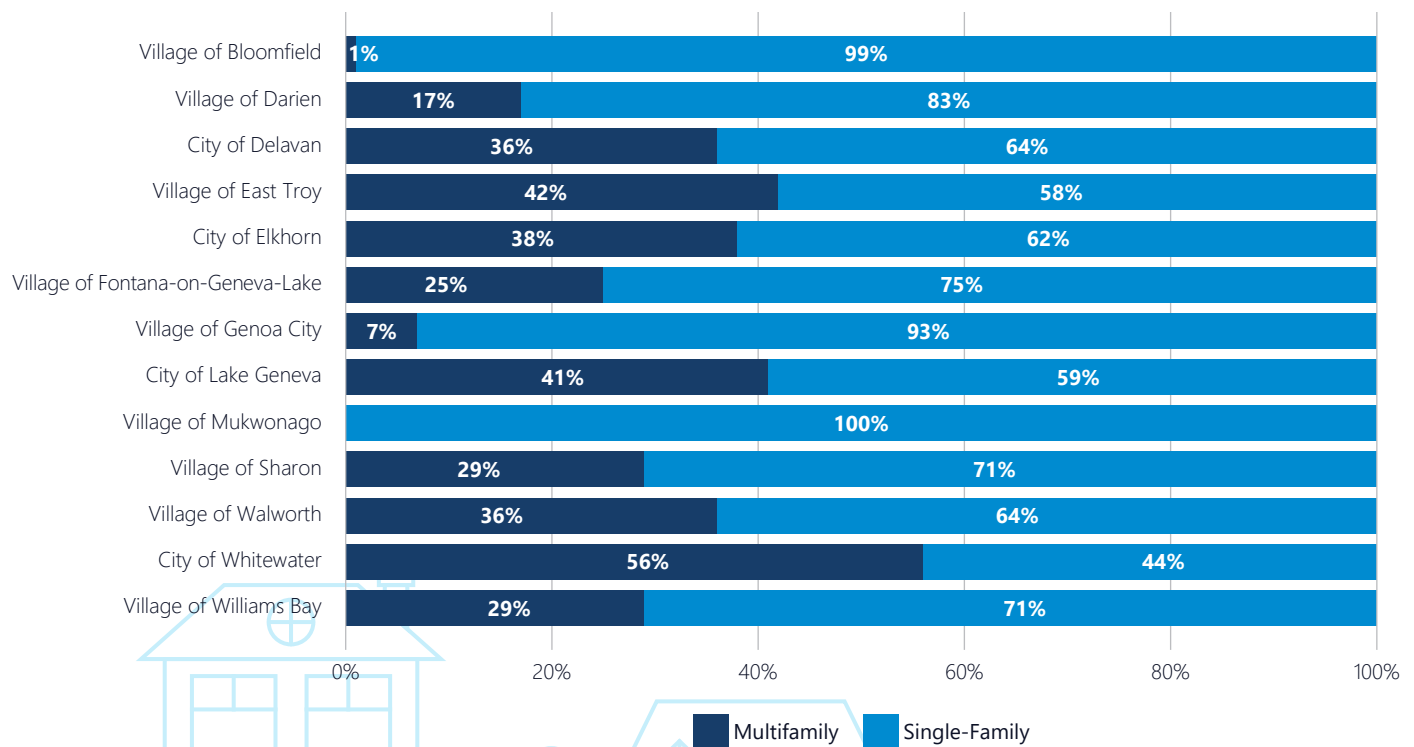
What Kind of Housing Do We Have?

The next step in the housing discussion is to understand the characteristics of the County's existing housing stock. Structure type and lot size can have important influences on meeting the housing needs of County residents. We found that the County's residents have a wide range of incomes, ages, and household sizes, which results in the need for a wide variety of housing types. Multifamily housing tends to be more affordable to a wider range of households than single-family housing, and many newer multifamily housing units have basic accessibility features for people with mobility-related disabilities. Currently about 23% of the County's 53,508 housing units are multifamily (or two-family); however, multifamily units increase when looking at only the communities that have public sewer service (towns without public sewer service cannot typically support the densities needed to develop multifamily housing).

Single-family homes on modest size lots may also provide a more affordable housing option with less upkeep, which could benefit the County's workforce and aging population. The typical lot size in new subdivisions developed over the last 10 years in the County's sewered communities is over 14,000 square feet, which may present a barrier to developing new single-family housing that County residents can afford.

According to the Wisconsin Realtor's Association, the median sales price of a home in Walworth County was \$370,000 in 2024. A household would need to have an income of at least \$104,000 a year to afford the home.

Share of Single-Family and Multifamily Housing by Municipality



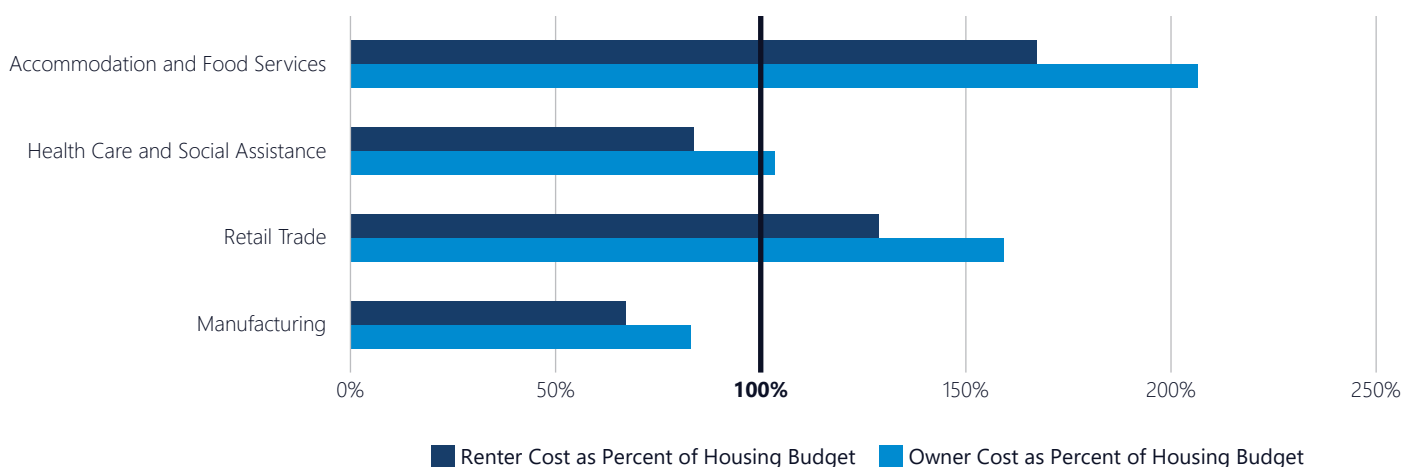
Source: U.S. Bureau of the Census 2019-2023 American Community Survey and SEWRPC

What are the Housing Needs of the County's Businesses?

Commission staff analyzed the relationship between jobs and housing as a part of SEWRPC Planning Report No. 54, *A Regional Housing Plan for Southeastern Wisconsin: 2035*. This analysis was based on the land use plan maps included in the comprehensive plans adopted by communities with sanitary sewer service, including Bloomfield, Darien, Delavan, East Troy, Elkhorn, Fontana-on-Geneva-Lake, Genoa City, Lake Geneva, Mukwonago, Sharon, Walworth, Whitewater, and Williams Bay. The analysis was limited to communities with sanitary sewer service because it was intended to determine if communities with significant existing and/or planned jobs had also planned for workforce housing.

A lower-cost job/housing imbalance is projected in communities with a higher percentage of lower-wage jobs (such as retail or accommodation and food service jobs) than lower-wage housing (such as apartments). A moderate-cost job/housing imbalance is projected in communities with a higher percentage of moderate-wage jobs (such as manufacturing or health care and social assistance jobs) than moderate-cost housing (such as small single-family homes on small lots). *The analysis shows that Bloomfield, Darien, East Troy, Elkhorn, Fontana, Genoa City, Walworth, and Williams Bay may be short of lower-cost housing.* Communities with potential imbalances can consider conducting a more detailed analysis as a part of their comprehensive plan updates (required at least once every 10 years) to encourage housing types that may attract the workers needed to continue to grow local businesses and economies.

Housing Budgets for Popular Jobs in Walworth County



Source: U.S. Bureau of the Census 2017-2021 American Community Survey, Wisconsin Department of Workforce Development, and SEWRPC

Is there a Need for Housing Assistance?

While more apartments and modest-size, single-family homes will increase housing options for residents on a budget, there are still some households in the County that may need assistance. Household income data shows there could be over 9,000 very low-income households in the County with incomes of less than \$38,680 a year. Many of these households may struggle to afford any kind of market-rate housing and could benefit from some assistance. While there are a variety of subsidized housing units in the County, the demand is much greater than the supply.

What Can Communities Do?

A community's housing stock is heavily influenced by its plans, zoning, and other land use regulations. The location and density of residential development is established through a community's comprehensive plan and implemented through zoning and land division ordinances. These regulations substantially determine the location, size, and type of housing in a community, which in turn, has a substantial influence on the housing cost, accessibility, and walkability.

There are actions the County's cities and villages can undertake to encourage the development of housing that may be more affordable to a wide range of household incomes and promote healthy lifestyles. *The SEWRPC regional housing plan recommends that city and village comprehensive plans allow for the development of modest-size, single-family homes (less than 1,200 sq. ft.) on modest-size lots (10,000 sq. ft. or less) and multifamily housing in at least some areas of the community.* The regional job/housing balance analysis shows that several of the cities and villages in the County could benefit from more compact single-family or multifamily housing.

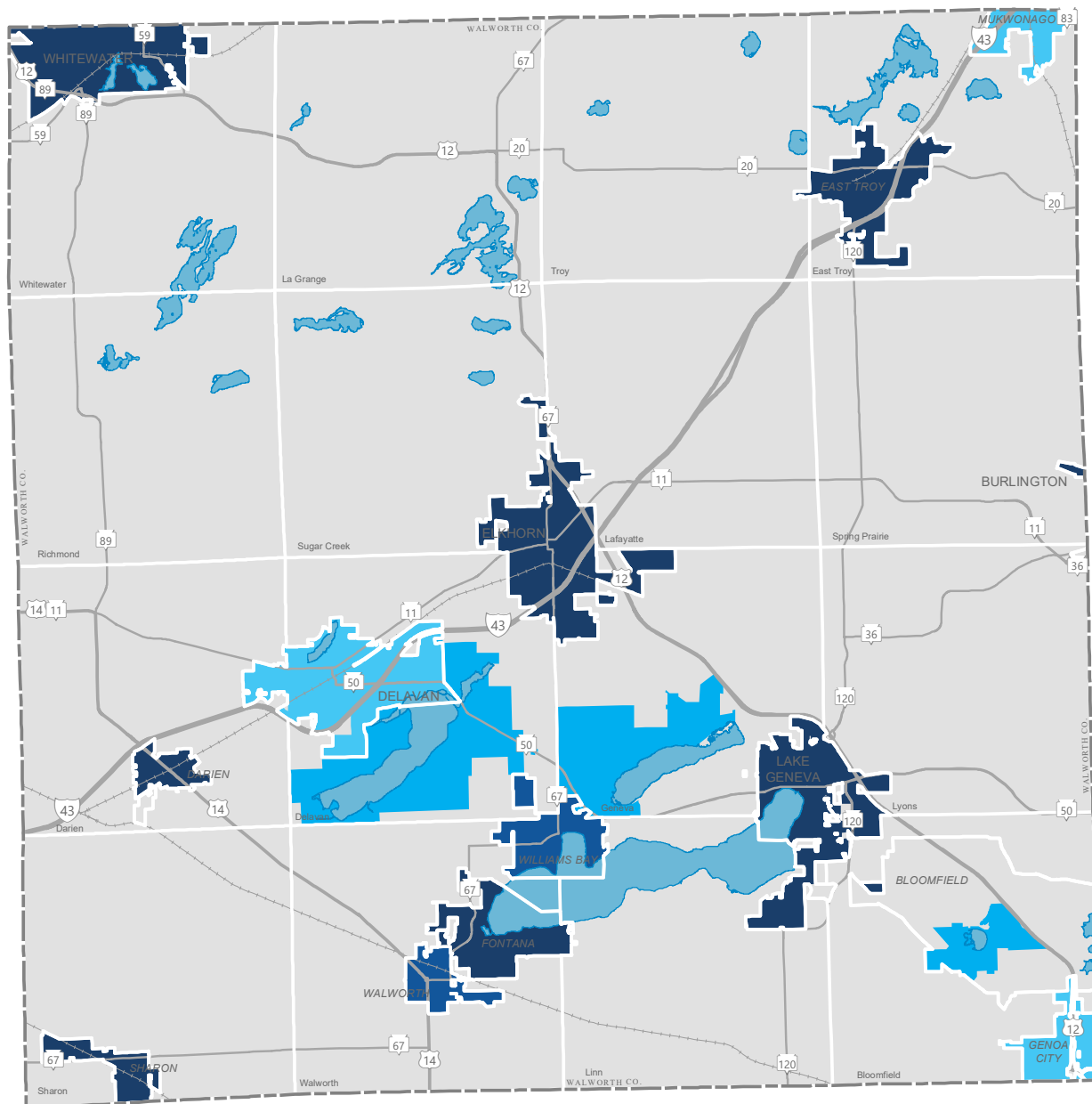
The regional housing plan also recommends that city and village zoning ordinances allow for the development of higher-density housing to promote affordability, accessibility, and walkability. Several cities and villages in the County could update their zoning ordinances to encourage higher densities and a variety of new structure types.

Cities and villages could also review their zoning ordinances to see if any updates can be made to encourage a variety of housing types such as apartments, townhomes, duplexes, and modest-size single-family homes and lots through flexible zoning regulations. Flexible regulations intended to encourage a mix of housing types and a variety of lot sizes and housing values within a neighborhood could include planned unit development, traditional neighborhood development, density bonuses, and accessory dwelling units.

In addition to reviewing and possibly amending comprehensive plans and zoning ordinances, Tax Incremental Financing (TIF) can be used to help develop affordable housing. Wisconsin TIF law allows cities and villages to extend the life of a TIF district for one year to benefit affordable housing anywhere in the community! State law also allows communities to reduce or waive impact fees for affordable housing.



Single-Family Residential Zoning Requirements: 2025

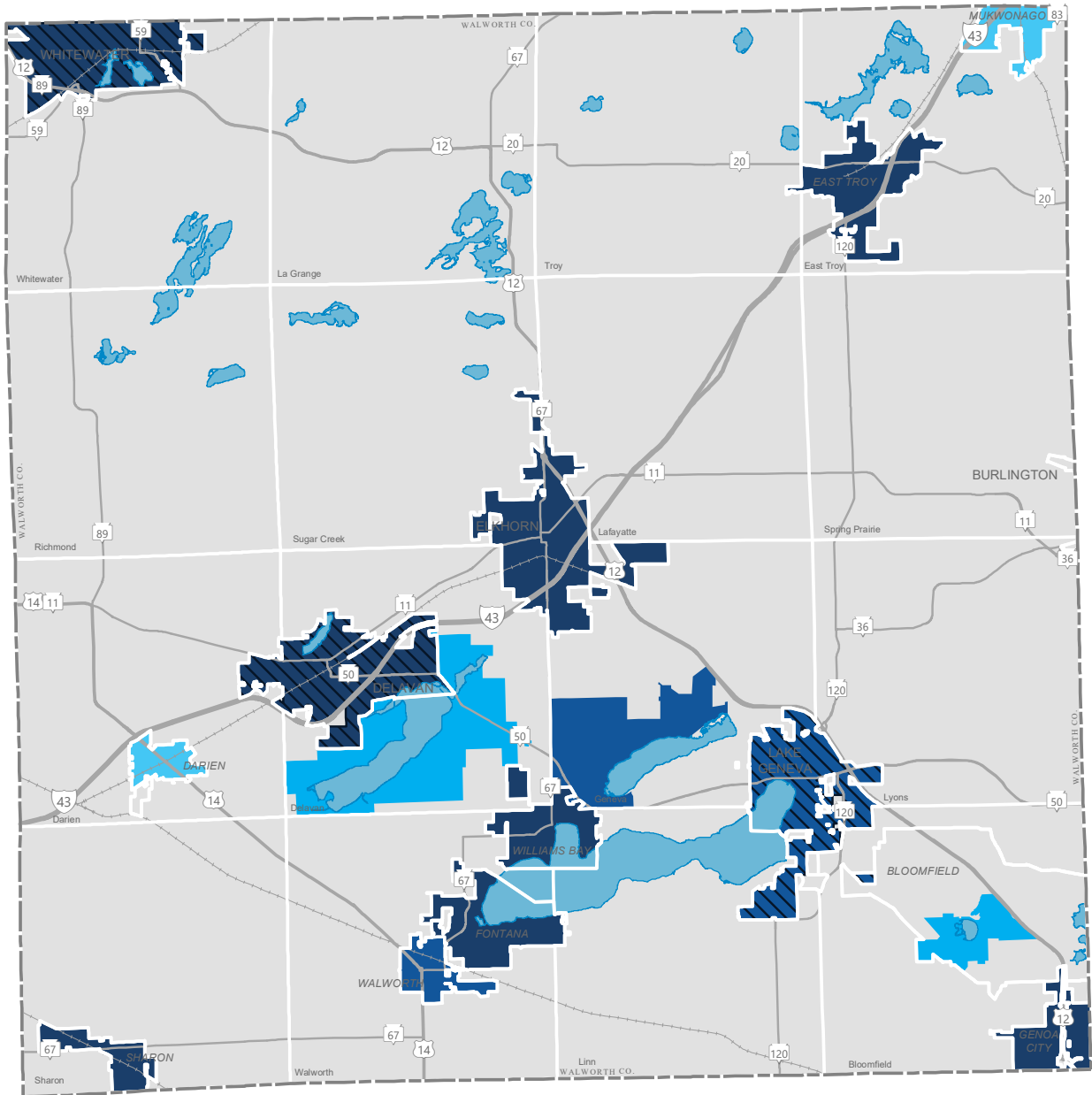


Source: Community Zoning Ordinances and SEWRPC







- SEWERED COMMUNITY WHERE MODEST-SIZE HOMES AND LOTS ARE PERMITTED
- SEWERED COMMUNITY WHERE MODEST-SIZE HOMES ARE NOT PERMITTED
- SEWERED COMMUNITY WHERE MODEST-SIZE LOTS ARE NOT PERMITTED
- SEWERED COMMUNITY WHERE MODEST-SIZE HOMES AND LOTS ARE NOT PERMITTED
- UNSEWERED COMMUNITY OR PORTION OF COMMUNITY

These communities could update their zoning ordinances to allow higher-density, single-family housing

Multifamily Residential Zoning Requirements: 2025



Source: Community Zoning Ordinances and SEWRPC

-  SEWERED COMMUNITY WHERE MODEST-SIZE APARTMENTS AND DENSITY ARE PERMITTED
-  SEWERED COMMUNITY WHERE MODEST-SIZE APARTMENTS ARE NOT PERMITTED
-  SEWERED COMMUNITY WHERE DENSITY IS NOT PERMITTED
-  SEWERED COMMUNITY WHERE MODEST-SIZE APARTMENTS AND DENSITY ARE NOT PERMITTED
-  UNSEWERED COMMUNITY OR PORTION OF COMMUNITY
-  MULTIFAMILY HOUSING REQUIRES A CONDITIONAL USE PERMIT

These communities could update their zoning ordinances to allow higher-density, multifamily housing

What are the Needs of School Districts Serving the County?

There are almost 900 full time teachers working in school districts that serve Walworth County. Their average salary is \$61,107, which is about \$43,000 less than the household income needed to buy a median priced home in the County.



Source Wisconsin Department of Instruction: 2023-2024 school year



Benefits of Workforce Housing

Community action to encourage a variety of new housing types is one pathway to sustaining a robust economy in Walworth County. The benefits include:

- **Housing Choice:** A variety of housing types, such as modest single-family homes, two-family homes, townhomes, and modest-size single-family homes, will help households of all incomes live and thrive in Walworth County.
- **Economic Competitiveness:** Walworth County businesses need workers, and those workers need a place to live. A variety of housing types will help keep Walworth County's economy healthy.
- **Quality of Life:** A compact development pattern will allow residents to walk to places like parks, schools, and businesses. People who cannot drive will be able to remain active in the community.
- **Preserve Resources:** Walworth County has a vibrant agricultural community and abundant natural resources. A compact development pattern will preserve these assets.

Housing that Works for Everyone: Cities and villages can play an active role in Walworth County Housing Initiative by ensuring their land use planning and regulations provide homes for residents of all incomes and ensure a ***thriving economy in Walworth County***.



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