Research question: Assuming 4 different scenarios for addressing the problem of lack of affordable housing in Dane County has been identified, what would the impact of these developments be on the regional economy?

This capstone will overview the housing market conditions in Dane County and the city of Madison, in Wisconsin, and lay grounds for an economic impact study of future affordable housing development for low-income households. It is based on an extensive overview and compilation of many reports studying the housing landscape in Dane County, draws from their findings and hopes to take them even further through conducting an economic impact study of the suggested developments, namely the Housing Needs Assessment of Dane County and Municipalities prepared in January 2015 by Kurt Paulsen. The 4 scenarios shown have been identified in the aforementioned report and will be imported into IMPLAN to study their impact and feasibility in the housing market in Dane County.

The forecast is meant to help future planners and policymakers in their housing agendas. As there is no absolute certainty of how much housing units public agencies concerned with housing need to supply, the report identified 4 different scenarios forecasting the affordable housing needs. One critique of this approach is that the answer to a shortage of affordable housing units isn't in increasing the supply of units but rather revisiting the overall approach that state and local governments have to the housing market in addition to fighting the roots of poverty and lack of opportunities to low-income people in advancing their socio-economic status. A controversy that these scenarios show is the aggregation of the housing needs among all municipalities, which might not reflect the reality of the challenges faced in each community. For example, scenarios 1 and 2 (below) show that the city of Madison is doing well in answering the needs of low-income people, whereas scenarios 3 and 4 show that Madison alone represents 50% of the county's overall affordable housing needs. For the purpose of this project, these shortcomings won't be emphasized, as the economic impact study aims to support the report's approach or its critique, depending on the results to be gathered.

The four scenarios address the current need for affordable housing without factoring in the future needs that will emerge. The scenarios also don't suggest to build all units but take into consideration the rehabilitation of existing units.

### Scenario 1

**Achieving Regional Balance / Fair Share**
- **# of units:** 7,740
- **Households at 50% AMI**

### Scenario 2

**Achieving Balanced Housing Supply**
- **# of units:** 10,839
- **Housing Type 1-4 units & MF**

### Scenario 3

**Gap between aff. units & low-income families**
- **# of units:** 5,890
- **Households at 50% AMI**

### Scenario 4

**Cost-burdened very low-income families**
- **# of units:** 22,356
- **Households at 50% AMI**

The growth chart shows the high rates at which Dane County grew, exceeding the regional rates, thus demanding more affordable housing.