

Wisconsin Housing & Economic Development Authority

Assist with seasonal and affordable housing shortage in Bayfield County.

The Citizens of Northwest Wisconsin Request

Support for programs and solutions to address the workforce housing shortage in our rural resort communities.

Background

Northwestern Wisconsin has a shortage of housing options for seasonal employees in our resort communities. A lack of affordable workforce housing options has created an insurmountable barrier for our regional business owners, as they are not able to attract and retain the employees they need. This limits business growth as well as the range and quality of services provided to our visitors and guests.

In 2016, the total visitor spending in Bayfield County alone was \$46.5 million. These visitors supported one in five of all jobs in the county, generating \$11.6 million of personal income. Unfortunately, as the population in rural communities ages, hospitality businesses are challenged to fill open positions with local residents.

Specific examples of this conundrum come from the City of Bayfield where one of the popular restaurants had to shut down on Wednesdays in the middle of summer because they could not find the kitchen staff needed to stay open 7 days a week; and two of the city's largest property management companies dropped clients for the 2019 season because they cannot find people willing/able to clean rooms. Business owners are able to attract workers from outside the area, but the employees are not able to locate affordable housing nearby.



Photos: City of Bayfield

Agency Issues

There are many inns, resorts, cottages and condos in the northwoods, but understandably, the owners would prefer to generate \$200+ per night as guest rentals vs \$800 to \$1,200 a month that a hospitality employee might be able to afford. This is also true of local homeowners now in the era of AirBnB and VRBO. They can rent out their homes as short term rentals, often with less regulation than traditional lodging, and generate more income than they would as monthly rentals.

Adding to our dilemma is the inherent difficulty of small communities to attract developers to add to the affordable housing stock because projects are often too small to qualify for competitive tax incentives offered through WHEDA and other agencies.

Therefore, we request agency leadership to develop workforce housing programs or solutions that can address the housing needs of small rural resort communities and the seasonal workers they depend on.



Photo: City of Bayfield