Notice and Agenda

Hartford City Plan Commission
Common Council Chambers
Lower Level City Hall - 109 North Main Street

Date: October 12, 2020 Time: 5:30 p.m.

1. Call to Order
2. Minutes of August 10, 2020
3. Appearances
4. Discussion and Consideration of a Rezoning Request for 114 High Street
5. Discussion and Consideration of a Rezoning Request for a Portion of the Bridlewood Subdivision
6. Planner's Report: Wisconsin Realtors Association Special Report, "Falling Behind"
7. Adjournment

"Persons with disabilities requiring special accommodations for attendance at the meeting should contact City Clerk at least one (1) business day prior to the meeting."

"Members of the Common Council may attend the above meeting. Pursuant to State ex. rel. Badke v. Greendale Village Board, 173 Wis.2d 553, 494 N W 2d 408 (1993) such attendance may be considered a meeting of the Common Council. This notice is given so that members of the Common Council may attend the meeting without violating the open meeting law."

PLAN COMMISSION
City of Hartford
August 10, 2020

PRESENT: Vice-Chairperson Dennis Regan, Members Scott Henke, Tom Stapleton, and Alderperson Liaison Joe Kohler

ABSENT AND EXCUSED: Chairperson Timothy C. Michalak, Members Kuepper and Anderek

ALSO PRESENT: City Planner Justin Drew

Call to Order – Vice-Chairperson Regan called the meeting to order at 5:30 p.m.

Minutes – Vice-Chairperson Regan requested review of the minutes of June 8, 2020. Motion by Henke, second by Stapleton to approve minutes of June 8. Motion carried.

Appearances – Vice-Chairperson Regan requested appearances. The following people appeared:
Carrie Josten, 4160 N. Main Street: Noted objections to the concept plan on agenda for mixed-use development north of Pheasant Run: smaller lots on less land than originally described; no green space; potential issues so close to an active airport; does not make sense for the area/does not blend in with the area. Also reminded members that previous concerns need to be addressed going forward, and noted the possibility that the proposed development could actually be encroaching on her property.
Bill Ohm, 4214 N. Main Street: Echoed Ms. Josten's concerns; understood that this is a transition subdivision from Pheasant Run and the number of lots do not work as such; researched Plan Commission members' and others' lot sizes and found 15,000 square foot lots on average – the average lot in this subdivision is smaller than the smallest lot owned by the leadership; the Smart Growth Plan indicates that Rs-3 is a more appropriate zoning for this area; area is already distressed due to the water issues. Mr. Ohm referenced the DNR website for information on area wetlands and asked about the type of duplexes that would be built, including style, size and condo/not condo, and expressed concern about the driveway connections noting a speed limit change would be needed, and lack of amenities in the subdivision.
Dennis Hegy, Second District Alderperson, 115 Martin Drive: Noted that the original attachment to the City was based on single family zoning. Mr. Hegy came to the meeting to learn more about the development; he lives in the City on a ¼ acre lot and does not have a concern about the density. He reminded members that recent developments in the City have been duplex and multi-family but not single family.
Tom Rego, 6899 Pheasant Run Road: Who is footing bill for: infrastructure, sidewalk, sewer, water, electrical, and maintaining same?

Discussion and Consideration of a Proposed Wall Sign in the Business Improvement District, Creations 101, 302 N. Main Street

Executive Summary Review:

Lemberg Electric has submitted an application for wall signage for Creations 101, located at 302 North Main Street. The sign is intended for the front (N. Main Street) side of the building. The current sign (Hometown Appliance) was approved in 2001. The unit to the north had signage approved for Allstate Insurance in 2014. The sign is composed of painted acrylic letters and logo. Lettering is below a stylized square/circle gift logo. Two colors are used, a bright green to the left ("Creations" and the square) and a mid-range blue to the right ("101" and the circle). The sign measures 43 square feet, below the maximum square footage allowed, and is correctly placed within the signable area. The sign is not illuminated. There is minor concern regarding the choice of colors. The green is very bright, not usually considered an acceptable choice in this Historic District. On the other hand, it presents well against the brown of the façade. The blue, while an acceptable color in itself, fades into the façade a bit. The lettering, logo and colors are already established for the business and the issue is not problematic enough to recommend a change. Planning Staff recommended approval.

Plan Commission Discussion, Rezoning, Creations 101 Wall Sign

Mr. Drew reviewed the Executive Summary, noting also that the building is from the 1950s and therefore the colors are not the issue they might be with an older building. Vice-Chairperson Regan agreed and requested discussion. There was no further discussion. Motion by Henke, second by Kohler to approve sign. Motion carried.

Discussion and Consideration of a Concept Plan for a Mixed Use Residential Development Located on North Main Street North of the Pheasant Run Town Subdivision

Executive Summary Review:

In 2018 the Council approved the attachment of approximately 84.87 acres of land owned by Timothy and Joy Neuville to the City. It was assigned a temporary zoning of Rs-4 Single-Family Residential. The Developer has submitted a conceptual plan for a mixed single-family and two-family residential development consisting of 161 units (87 single family lots and 74 two family units). The land is surrounded by the Pheasant Run Subdivision to the south, agricultural and residential Town properties to the north and west, and wetland to the east. The proposal shows two entrances from North Main Street with the two-family units located at the southeast and north/northeast portions of the property. The adopted Smart Growth Plan identifies this area for medium density residential development at a density of 1.1-2.9 units per acre. The proposal adheres to the Smart Growth Plan (2.9 units per acre proposed). Staff believes that the proposed number of units, mix of units and subdivision layout would work well on the property and would be a welcome addition to the City. The single-family lots proposed have a minimum size of 8,125 square feet and would meet the minimum area requirements of the Rs-4 District with a Planned Unit Development. The width of the lots is not included in the proposal. The Rs-4 District requires a minimum of 80 feet. If the lots are narrower than 80 feet, the Developer may need to petition for Rs-5 zoning for the single-family lots as part of their request to have permanent zoning assigned to the development. The two family units would require a rezoning to Rd-2 Two-Family District. The Development proposes two public streets intersecting with North Main Street. Based on the distance from other streets and driveways, the proposed street locations appear acceptable. The duplex units on Outlot 4 are proposed to be accessed by two private driveways similar to the Conservancy Development on South Wilson Avenue and the Fox Haven and Willow Glen condominiums on East Loos Street. As per all of the City's residential

developments, sidewalk would be required on both sides of all streets. Staff also recommends requiring sidewalk on the east side of North Main Street from the southern street in the development to Yellowstone Drive in the Borlen Farms development. The sidewalk should be able to be placed within the existing North Main Street Right-of-Way (ROW). The property slopes down to the west, north and east from a high point on the south central portion of the property Substantial grading of the property is likely necessary and a more thorough review of a detailed grading and stormwater management plan would take place as part of a preliminary plat review. Outlots 1, 5 and 6 and the western portion of Outlot 3 are expected to be stormwater management areas. Electric Power is available from the Borlen Farms Subdivision. This development isn't contiguous to Hartford Electric's service territory and in order to serve the development, Hartford Electric would need to reach a service area agreement with WE Energies. The Utility Director is assuming a 12" water main will be extended to serve the development, and that there should be adequate pressure and flow in this area. Water main would be extended to the development within the North Main Street ROW from Borlen Farms and would be done at the Developer's expense. Sanitary main would be extended to the development within the North Main Street ROW from Borlen Farms and would be done at the Developer's expense. A sanitary lift station and / or grinder pumps may be needed, and Staff will continue to work with the Developer as they fine tune the sanitary sewer plan. Planning Staff recommended approval.

Plan Commission Discussion, Mixed Use Development Concept Plan North of Pheasant Run Subdivision

Mr. Drew reviewed the Executive Summary, providing some information regarding items that had been brought up in the Appearance portion of the meeting. Mr. Drew explained gross density and that the density was more like 1.9 units/acre. The smallest lot is similar to lots in Borlen Farms and Partridge Hollow. The duplex lots will probably need a condominium arrangement. The developer will be required to pay infrastructure costs, and maintenance responsibility rests with the developer or homeowners association. A speed limit reduction will probably be required for the area when the access streets are installed. Vice-Chairperson Regan requested discussion. Member Henke noted his opposition to PUDs – the terraces are too small, causing snow overruns and citizen calls to alderpersons. Member Henke requested more information on the sidewalks, they will not extend past properties? Mr. Drew explained that the sidewalk would end at the first block on the southern end of the development. Member Henke asked about the responsibility for Town residents such as Mr. Rego, noting that it was not fair to require him to maintain the sidewalk (shoveling etc.). Mr. Drew agreed and said that would be part of the negotiations going forward. Member Henke stated that duplexes without a PUD could not be done. Member Henke also noted that the County should be enforcing against Borlen Farm if drainage is flowing onto this property - drainage needs to stay on a property. Mr. Drew explained that in development, any changes have to be for the better, therefore drainage does not necessarily need to stay on a property. Member Henke stated that conceptually he was ok with the development but was opposed to a PUD or any attempts to rezone. Member Kohler compared the houses to brownstones and objected to the development on several points – condensing instead of expanding housing units as a city moves farther out does not work with the surrounding areas; PUDs do not work especially in regard to snow removal; change from single family only to mixed single family and duplex; jumping from City to Town along Main at the Josten property; lack of busing for schoolchildren. Member Kohler also noted the changing times and stated his belief that homes will tend to be larger as more people work from home. Member Stapleton voiced his agreement with members Henke and Kohler. Vice-Chairperson Regan stated that while the City had guidelines for development, this concept plan is not a good fit for the area. Member Regan asked about amenities, why is there not a park. Mr. Drew noted that the park in

Borlen Farms is close and maintenance of another park is not currently within the Park Department's Park Plan or purview. Member Henke explained that he is not opposed to the density of this concept plan but the zoning needs to be true Rs-4. Member Regan agreed that the zoning needs to remain Rs-4 and the wetland question for the SW corner needs to be verified. At this point Mr. Drew reminded members of recent mixed zoning subdivisions on the edges of the City: Gateway Estates, Red Oak, and Mount Vernon. Motion by Henke to keep zoning at standard Rs-4 and the conceptual plat goes along with that. Motion carried.

Discussion and Consideration of a Rezoning Request for Two Lots (24 and 25) on Stonecrop Drive, Windsong Crossing Subdivision

Executive Summary Review:

Hillcrest Stonecrop has requested the rezoning of land described as lots one and two of the attached proposed Certified Survey Map (CSM), subject to the recording of said CSM. The two lots are currently lots 24 and 25 of Windsong Crossing subdivision, plus a small portion of lot 23. The proposed certified survey map adjusts the south boundaries of current lots 24 and 25 to create lots 1 and 2, which results in current lot 23 losing some land along its north lot line when it becomes lot 3 of the new CSM. Hillcrest Stonecrop has requested the rezoning of these two proposed lots to single family: Rd-2 Two Family Residential to Rs-4 Single Family Residential. Hillcrest Stonecrop owns the three lots and several duplex lots across Stonecrop Drive, and is in the process of building out and creating a condominium development for the duplexes. The company has customers interested in single-family construction on the proposed lots 1 and 2. Proposed lot 3 will remain Rd-2 zoning. The properties are surrounded by two-family zoning to the north, single family to the north and west, and duplex zoning to the south and east. The properties meet size requirements for Rs-4 zoning. City Staff believes that a deadline of December 31, 2020 for recording of the certified survey map is reasonable and recommends same as a condition of approval. Planning Staff recommended approval of the rezoning request for Lots 24, 25 and a portion of lot 23 in Windsong Crossing subdivision subject to the recording of a CSM prior to December 31, 2020.

Plan Commission Discussion, Rezoning Request for Lots 24 and 25 of Windsong Crossing Subdivision:

Mr. Drew reviewed the Executive Summary. Vice-Chairperson Regan requested discussion. There was no discussion. Motion by Henke, second by Stapleton to recommend approval of the rezoning request. Motion carried.

Discussion and Consideration of a Site Plan for Hartford Union High School Driveway and Parking Changes, 805 Cedar Street

Executive Summary Review:

HUHS has submitted a plan to add two new driveways to the large parking lot to the north of the school. The existing driveway on the east side of the large parking lot would remain but would not generally be used and would be maintained with gates. The existing tie-in from the large parking lot to the driveway on the west would similarly not be used and would be maintained through the use of a gate. In the B-1, B-2, B-5, M-1, M-2, M-3, M-4, and I-1 Districts, the minimum distance between driveways shall be 30 feet; the minimum distance between driveway and lot line shall be 15 feet; the maximum driveway width shall be 40 feet beginning at the right-of-way line. The maximum number of driveways per lot shall be one (1), however, if the lot width exceeds 100 feet, two (2) driveways may be permitted. The Plan Commission may approve additional driveways after review of the site plan if it is determined that additional driveways will improve traffic circulation and will not cause detriment to adjacent properties.

- The new driveways would meet the minimum distance between driveways.

- The new driveways would meet the maximum width allowance.
- The school and their engineers believe that traffic flow would be improved by separating the large parking lot from the lot that goes around the south and west of the school.
- The parking lot and driveway on the south and west side of the school would be entrance only from Cedar Street and exit only onto West Monroe Avenue.
- Staff's only concern is the proximity of the two driveways on the northwest side of the site and the potential for many vehicles exiting onto West Monroe Avenue from both driveways. However, given that the northwest side of the large parking lot is identified primarily as staff parking (and staff generally leave later than the students), Staff believes that the proposed configuration can work.
- If this area becomes a traffic ingress/egress issue, Staff will work with HUHS to identify and implement solutions.

Planning Staff recommended approval of the Hartford Union High School driveway and parking site plan.

Plan Commission Discussion, Site Plan for HUHS Driveway and Parking.

Member Henke reminded members and Mr. Drew that he is on the HUHS school board and would have to abstain. Mr. Drew noted that he would consult with the City Attorney to make sure the vote (3 members) was sufficient. Mr. Drew reviewed the executive Summary. Vice-Chairperson Regan asked if the driveway being lined up directly across from Summit Street was a good idea. Mr. Drew stated that it was and Member Kohler noted the stop signs at each location. Member Kohler asked how the proposed gates would be raised and lowered. Mr. Drew explained that gates would be down all the time except for things like maintenance and shoveling or if for some reason traffic needed to be routed out that way. Member Henke asked if two exits are necessary. Mr. Drew affirmed, noting traffic volume. Member Henke asked if the Plan Commission could require a review if the second driveway (west) on Monroe proves to be hazardous. Mr. Drew affirmed. Some discussion ensued regarding the back parking area (from Monroe to Cedar along the back of the school. Motion by Kohler, second by Stapleton to approve parking site plan for Hartford Union High School. Motion passed, with Member Henke abstaining.

Motion by Kohler, second by Stapleton to adjourn. Meeting adjourned at 6:19 p.m.

Respectfully submitted,
Justin Drew, City Planner

Compiled by Char Smelter, Planning Secretary

Executive Summary

Ordinance No._____

Title: Review of a Rezoning Request for 114 High Street

Background: Brenda Fabisch has requested rezoning for 114 High Street (tax key number 36-2001-022-010), from Rd-2 Two Family Residential District to Rs-5 Single Family Residential District.

The property is located at the northeast corner of High Street and Center Street. The property is located in an area with a mix of residential uses, with some institutional zoning.

The property is undergoing extensive renovations and the owner intends to use the property as a single family residence. Because of the diverse mix of residential uses in the area, changing from a duplex to a single family will have virtually no impact. The property is currently surrounded by single family residences on the east, north and west sides. Duplexes are scattered among the nearby parcels, and two apartment buildings zoned multi-family (Harthaven) and institutional (Washington Heights) are located to the east and southeast. South of the property, across High Street, is the water tower and the St. Kilian campus, both zoned Institutional. The property meets the Rs-5 requirements for area, width and setbacks.

Recommendation: The Planning Staff recommends approval of the rezoning request from Rd-2 Two Family Residential District to Rs-5 Single Family Residential District at 114 High Street.

Prepared By: _____ 10/2/20
Justin Drew, City Planner — Date

Reviewed By: _____ 10/02/20
Lori Hetzel, City Clerk — Date

Approved by: _____ 10/02/20
Steve Volkert, City Administrator — Date

ROUTING:	PLAN COMMISSION	10/12/2020
	COMMON COUNCIL	10/27/2020

Ordinance No.

AN ORDINANCE AMENDING THE ZONING MAP,
A PART OF ORDINANCE 278

The Common Council of the City of Hartford, Washington and Dodge Counties, Wisconsin, do ordain as follows:

SECTION 1: That the property known as 114 High Street, tax key number 36-2001-022-010, be and the same is hereby rezoned to Rs-5 Single Family Residential District.

SECTION 2: This Ordinance shall be in full force and take effect from and after its passage and publication as required by law.

Signed:

_____
Timothy C. Michalak, Mayor

Introduced: October 27, 2020
Adopted:

Attest: _____
Lori Hetzel, City Clerk

Daily News:
October 9, 2020
October 16, 2020
20 notices sent

NOTICE OF PUBLIC HEARING
COMMON COUNCIL

PLEASE TAKE NOTICE that a PUBLIC HEARING will be held at 7:00 p.m. or thereafter on October 27, 2020 in the Common Council Chambers at the lower level of City Hall, 109 N. Main Street, by the City of Hartford Common Council to consider the following:

Brenda Fabisch has requested the rezoning of the following property:

114 High Street, tax key number 36-2001-022-010, from Rd-2 Two-Family Residential District to Rs-5 Single Family Residential District.

The purpose of the public hearing is to hear those persons who wish to express their opinions for or against the requested zoning change.

A copy of the proposed ordinance can be viewed at the Planning and Zoning Department **by appointment**, 109 N. Main Street, Monday- Friday between the hours of 7:30 a.m. and 4:30 p.m.

Dated this 9th day of October, 2020.

Lori Hetzel
City Clerk

Gregory Erickson
538 Center Street
Hartford, WI 53027

Jeffery McGregor
32 High Street
Hartford, WI 53027

Debra Wheaton
42 High Street
Hartford, WI 53027

City of Hartford
109 N. Main Street
Hartford, WI 53027

Roberta Jackson
2285 STH 83
Hartford, WI 53027

Jeffrey Peters
530 Center Street
Hartford, WI 53027

Katie Gabris
518 Center Street
Hartford, WI 53027

Scott Willms
525 Center Street
Hartford, WI 53027

Kari Nehls
543 Center Street
Hartford, WI 53027

Washington Heights Investors in
Community Housing
109 N. Main Street
Hartford, WI 53027

Brenda Fabisch
696 Hillside Road
Colgate, WI 53017

Cody Heck
427 N. Johnson Street
Hartford, WI 53027

Joel Roemer
N5355 CTH U
Hartford, WI 53027

Keith Fritz
533 Center Street
Hartford, WI 53027

HCDA
109 N. Main Street
Hartford, WI 53027

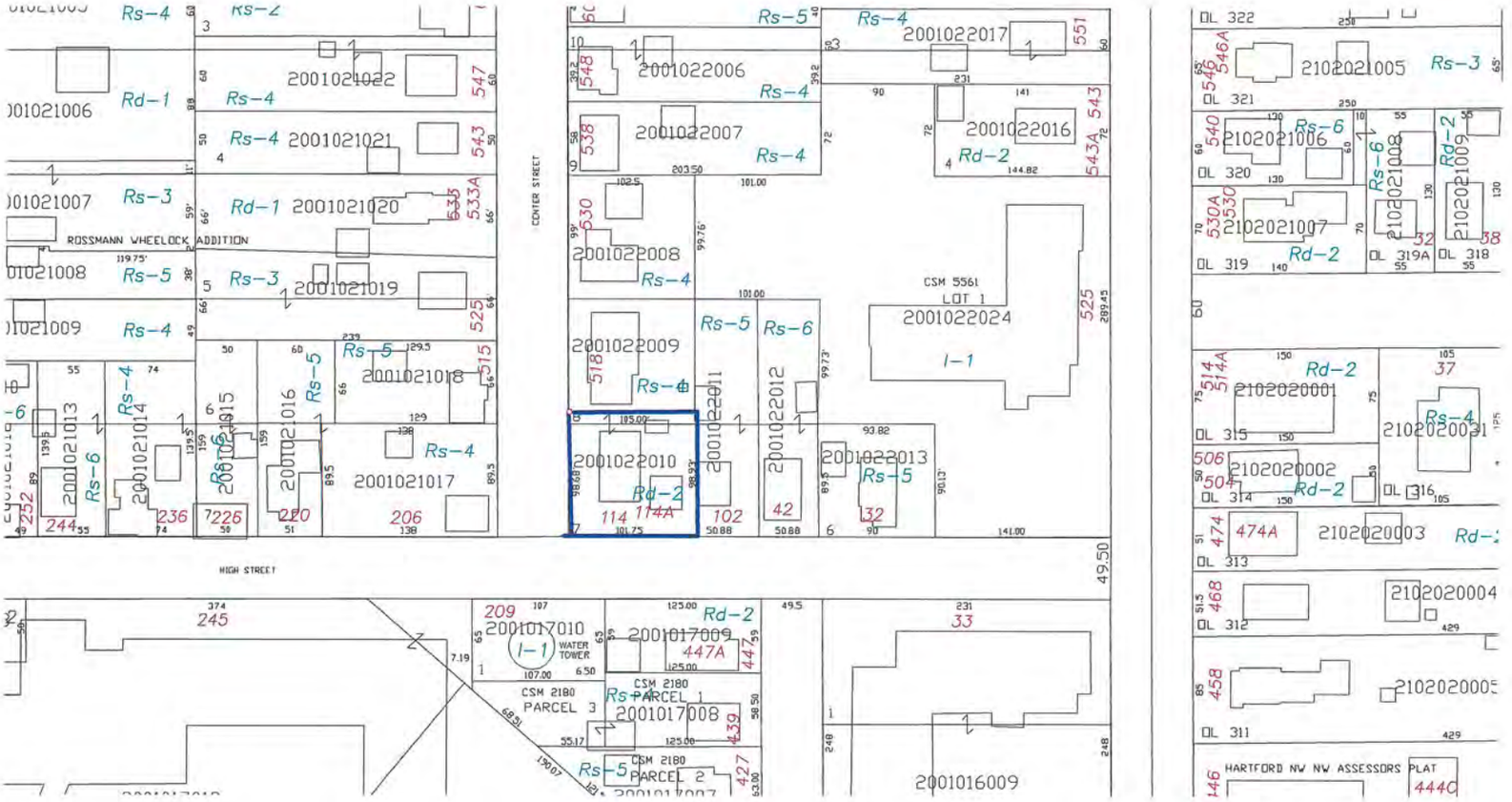
Allen Vogel
206 High Street
Hartford, WI 53027

Robert Peters
439 N. Johnson Street
Hartford, WI 53027

Jacob Schopp
102 High Street
Hartford, WI 53027

St. Killians Congregation
428 Forest Street
Hartford, WI 53027

Gerald OCallaghan
3730 S. Teri Lane
Hartford, WI 53027



ROSSMANN WHEELOCK ADDITION
CENTER STREET
HIGH STREET
CSM 5561
LOT 1
2001022024
I-1
2001022010
2001022006
2001022007
2001022008
2001022009
2001022016
2001022017
2001022013
2001022012
2001022011
2001021022
2001021021
2001021020
2001021019
2001021018
2001021017
2001021013
2001021014
2001021015
2001021016
2001017010
WATER TOWER
2001017009
2001017008
CSM 2180
PARCEL 1
PARCEL 2
PARCEL 3
2001016009
2102021005
2102021006
2102021007
2102021008
2102021009
2102020001
2102020002
2102020003
2102020004
HARTFORD NW NW ASSESSORS PLAT

CITY OF HARTFORD
REQUEST FOR ZONING CHANGE
(PLEASE PRINT OR TYPE)

For official use only

Account #100.604.444100.44410 (#76)
Review Fee: $300.00

Date Paid:_____ Received:_____

Address of Subject Property: 114 High Street, Hartford WI 53027
Tax Key Number: 2001022010

Legal Description or Metes & Bounds Description: PT of NE Rossman - Wheelock Addition W½ 1/2 of Lot 7 blk 1 + PT Lot 8 Doc 1463383

Existing Zoning: Duplex Rd-2 Proposed Zoning: Single family RS-5

Existing Use: Resident

Proposed Use: Resident

Applicant Name: Brenda Fabisch

Address: 696 Hillside Rd

City: Colgate State: WI Zip: 53017

Daytime Phone: (414)587-4053 Fax:_____ Other:_____

*****

Owner Name: Brenda Fabisch

Address: 696 Hillside Road

City: Colgate State: WI Zip: 53017

Daytime Phone: (414)587-4053 Fax:_____ Other:_____

*****

Attorney Name:_____

Address:_____

City:_____ State:_____ Zip:_____

Daytime Phone:_____ Fax:_____ Other:_____

REQUEST FOR ZONING CHANGE:
The Common Council may, by ordinance, amend zoning district boundaries after prior review by the Plan Commission and after holding a public hearing. The public hearing may only be held after notice of the public hearing appears in the official City newspaper for at least two consecutive weeks and at least seven days prior to the public hearing. In addition, all owners of property within 200 feet of the subject property will be notified by mail at least ten days prior to the public hearing. Once approved by the

Common Council, zoning will revert back to the previous zoning if district regulations are not met within eighteen (18) months (following proper notification).

Supporting Information:
The following supporting information must be submitted with this application:
1. Plot Plan drawn to scale of one (1) inch equals 100 feet showing the area proposed to be rezoned, its location, its dimensions, the location and classification of adjacent zoning districts, and the location and existing use of all properties within 200 feet of the area to be rezoned.
2. A reduced copy of the plot plan (subject property only). Drawing sheets should be at least 8.5 x 11 and no larger than 11 x 17.
3. A Letter of Request addressed to the City Clerk from the owner(s) of the subject property.
4. Additional information required by the City Staff or any information that the applicant would like to submit to support the application.

Signature of Applicant: Brenda Lakisel Date: 7/29/2020

Signature of Owner (if different): _____ Date: _____
(Power of Attorney or written authorization required if owner is unable to sign.)

114 High St.

91

SURVEYING ASSOCIATES, INC.
MEMBER WISCONSIN SOCIETY OF LAND SURVEYORS AND AMERICAN CONGRESS ON SURVEYING AND MAPPING

2554 N. 100TH STREET P.O. BOX 26596
WAUWATOSA, WISCONSIN 53226
(414) 257-2212 FAX : (414) 257-2443
SAI@WI.RR.COM
FREDERICK W. SHIBILSKI R L S

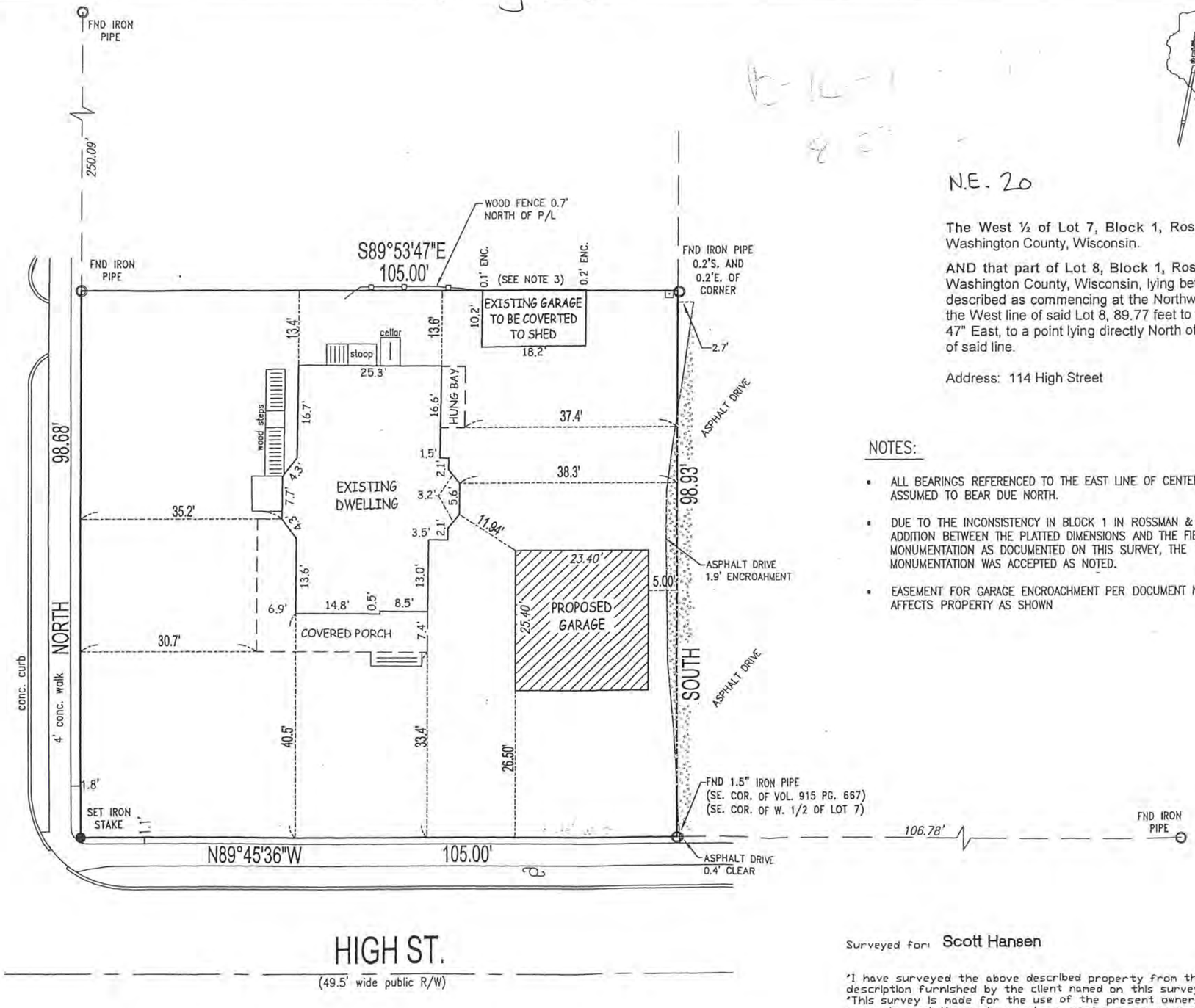
N.E. 20

PLAT OF SURVEY

The West ½ of Lot 7, Block 1, Rossman & Wheelocks Addition to the Village, now City, Hartford, Washington County, Wisconsin.

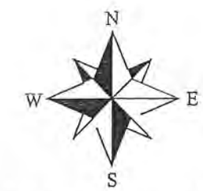
AND that part of Lot 8, Block 1, Rossman & Wheelock's Addition to the Village, now City, Hartford, Washington County, Wisconsin, lying between the North line of the West ½ of Lot 7 of said Block 1, and a line described as commencing at the Northwest corner of the Southwest ¼ of said Lot 8; running thence South on the West line of said Lot 8, 89.77 feet to the point of beginning of the line to be described; thence South 89° 53' 47" East, to a point lying directly North of the East line of the West ½ of Lot 7 of Block 1, being the ending point of said line.

Address: 114 High Street



NOTES:

- ALL BEARINGS REFERENCED TO THE EAST LINE OF CENTER, WHICH IS ASSUMED TO BEAR DUE NORTH.
- DUE TO THE INCONSISTENCY IN BLOCK 1 IN ROSSMAN & WHEELOCKS ADDITION BETWEEN THE PLATTED DIMENSIONS AND THE FIELD MONUMENTATION AS DOCUMENTED ON THIS SURVEY, THE MONUMENTATION WAS ACCEPTED AS NOTED.
- EASEMENT FOR GARAGE ENCROACHMENT PER DOCUMENT NO. 855345 AFFECTS PROPERTY AS SHOWN



SCALE : 1" = 20'

Area of Property = 10,375 Sq. Ft.

LEGEND

- ● - SET IRON STAKE
- O - FOUND IRON PIPE
- P/L - PROPERTY LINE
- ENC - ENCROACHMENT
- ⊡ - UTILITY BOX
- - UTILITY POLE
- - WOOD FENCE

Surveyed for: **Scott Hansen**

'I have surveyed the above described property from the legal description furnished by the client named on this survey.'
'This survey is made for the use of the present owners of the property, and those who purchase, mortgage, or guarantee the title thereto within one year from date hereof.'

NOTE : THIS IS NOT AN ORIGINAL SURVEY UNLESS THIS SEAL IS RED.

WISCONSIN REGISTERED LAND SURVEYOR	JULY 20, 2016	MFS	JTY	34828
	DATE	FIELD WORK BY	DRAWN BY	JOB NUMBER

Jul 20, 2016 - 10:00am - \\Bickstation\SAI Production_SAI Jobs Current\34828 - Hansen - 114 High St., Hartford\dwg\34828.dwg

Executive Summary

Ordinance No._____

Title: Review of a Rezoning Request for a Portion of the Bridlewood Subdivision

Background: Neumann Developments on behalf of Waterstone Bank has requested the rezoning of an undeveloped portion of Bridlewood Subdivision, for the purpose of building Rd-2 duplex units in the remaining Rs-1 multifamily areas.

The property was originally part of the Prairie Crossing development, owned by the developer, Bill Patch. Renamed Black Hills and Black Hills II and eventually called Bridlewood, the subdivision was intended as a planned unit development consisting of duplex and multifamily condominiums and a clubhouse. Four 8-unit buildings, a clubhouse, and several duplexes were eventually built before the developer declared bankruptcy. What is not built and occupied is now owned by Waterstone Bank.

Waterstone Bank and Neumann Developments are requesting the rezoning of the vacant multifamily portions of the development to two-family zoning. Waterstone Bank has owned the land for several years and has discussed best-use scenarios with the City during that time. The proposed development represents the end result of the research and collaboration and requires the rezoning of a portion of the land.

The proposed area for the rezone is the undeveloped middle and north portions of the subdivision, and is essentially three lots. The area proposed to be rezoned was originally approved for 96 units. Within the subdivision to the west is the area zoned duplex, while to the east is the area zoned multifamily containing the four 8 units and the clubhouse. The Developer is proposing 22 duplexes (44 units), with 16 duplexes in 'court' configurations and 6 units along Bridlewood Drive. This would be 52 units fewer than originally proposed.

The area proposed to be rezoned would still meet the requirements of the land use plan which calls for high density (8.0-11 units per acre) and medium density (5.8-8.0 units per acre) development. All of the "lots" meet the minimum area and width of the Rd-2 Two-Family district.

The Bridlewood development is surrounded by single family residences to the west and north, single family and duplex residences to the south and east, and Town of Hartford land to the east. The change in zoning will not materially impact the surrounding area and is an appropriate fit.

Recommendation: The Planning Staff recommends approval of the rezoning request from Rs-1 Multifamily Residential District to Rd-2 Two Family Residential District.

Prepared By: _____ 10/6/20
Justin Drew, City Planner — Date

Reviewed By: _____ 10/06/20
Lori Hetzel, City Clerk — Date

Approved by: _____ 10/7/20
Steve Volkert, City Administrator — Date

ROUTING:	PLAN COMMISSION	10/12/2020
	COMMON COUNCIL	10/27/2020

Ordinance No.

AN ORDINANCE AMENDING THE ZONING MAP, A PART OF ORDINANCE 278

The Common Council of the City of Hartford, Washington and Dodge Counties, Wisconsin, do ordain as follows:

SECTION 1: That the property in Bridlewood Subdivision described in Section 2 of this ordinance be and the same is hereby rezoned to Rd-2 Two Family Residential District.

SECTION 2: BEING A PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17 AND THE NORTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 17, ALL IN TOWN 10 NORTH, RANGE 18 EAST, IN THE CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.
BEING A PART OF LOTS 1 AND 2 OF BRIDLEWOOD, A SUBDIVISION WHICH IS A REDIVISION OF ALL OF PRAIRIE CROSSING III, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17 AND THE NORTHEAST 1/4 AND SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 17 ALL IN TOWN 10 NORTH, RANGE 18 EAST, CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.
COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17; THENCE SOUTH 89°50'40" WEST ALONG THE NORTH LINE OF SAID SECTION 200.00 FEET TO THE POINT OF LANDS HEREIN AFTER DESCRIBED:
THENCE SOUTH 00°07'21" EAST, 395.12 FEET TO A POINT; THENCE SOUTH 89°52'39" WEST, 200.38 FEET TO A POINT BEING THE EASTERLY RIGHT OF WAY OF BRIDLEWOOD DRIVE; THENCE SOUTH 00º09'20" EAST, 180.09 FEET TO A POINT ON A CURVE; THENCE SOUTHEASTERLY 130.65 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE NORTHEAST, WHOSE RADIUS 280.00 FEET, AND WHOSE CHORD BEARS SOUTH 13º31'24" EAST, 129.47 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY 329.07 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE NORTHWEST, WHOSE RADIUS IS 280.00 FEET, AND WHOSE CHORD BEARS SOUTH 06º46'37" WEST, 310.45 FEET TO A POINT OF TANGENCY; THENCE SOUTH 40°26'42" WEST, 69.37 FEET TO A POINT ON A CURVE ALSO BEING THE NORTHERLY RIGHT OF WAY LINE OF NORTH WACKER DRIVE; THENCE THE FOLLOWING COURSES ALONG SAID RIGHT OF WAY, NORTHWESTERLY 422.21 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE SOUTHWEST, WHOSE RADIUS IS 840.00 FEET, AND WHOSE CHORD BEARS NORTH 61°54'29" WEST, 417.78 FEET TO A POINT ON THE EASTERLY EXTERIOR OF BRIDLEWOOD CONDOMINIUM ADDENDUM 1; THENCE THE FOLLOWING COURSES ALONG SAID EXTERIOR, NORTH 10°50'02" EAST, 283.85 FEET TO A POINT; THENCE NORTH 26°18'34" WEST, 190.86 FEET TO A POINT; THENCE NORTH 00°09'20" WEST, 414.22 FEET TO A POINT ON THE EXTERIOR OF BRIDLEWOOD SUBDIVISION; THENCE NORTH 89°50'40" EAST ALONG SAID EXTERIOR, 651.33 FEET TO THE POINT OF BEGINNING.
EXCEPTING THEREFROM THE DEDICATED ROADS "BRIDLEWOOD DRIVE" AND "SADDLE DRIVE."
CONTAINING 9.50 ACRES MORE OR LESS.

SECTION 3: This Ordinance shall be in full force and take effect from and after its passage and publication as required by law.

Signed:

_____
Timothy C. Michalak, Mayor

Introduced: October 27, 2020
Adopted:

Attest: _____
Lori Hetzel, City Clerk

Daily News:
October 9, 2020
October 16, 2020
75 Notices Sent

NOTICE OF PUBLIC HEARING
COMMON COUNCIL

PLEASE TAKE NOTICE that a PUBLIC HEARING will be held at 7:00 p.m. or thereafter on October 27, 2020 in the Common Council Chambers at the lower level of City Hall, 109 N. Main Street, by the City of Hartford Common Council to consider the following:

Neumann Development has requested the rezoning of the below-described property in Bridlewood Subdivision from Rm-1 Multi-Family Residential District to Rd-2 Two-Family Residential District:

BEING A PART OF LOTS 1 AND 2 OF BRIDLEWOOD, A SUBDIVISION WHICH IS A REDIVISION OF ALL OF PRAIRIE CROSSING III, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17 AND THE NORTHEAST 1/4 AND SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 17 ALL IN TOWN 10 NORTH, RANGE 18 EAST, CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17; THENCE SOUTH 89°50'40" WEST ALONG THE NORTH LINE OF SAID SECTION 200.00 FEET TO THE POINT OF LANDS HEREIN AFTER DESCRIBED:THENCE SOUTH 00°07'21" EAST, 395.12 FEET TO A POINT; THENCE SOUTH 89°52'39" WEST, 200.38 FEET TO A POINT BEING THE EASTERLY RIGHT OF WAY OF BRIDLEWOOD DRIVE; THENCE SOUTH 00°09'20" EAST, 180.09 FEET TO A POINT ON A CURVE; THENCE SOUTHEASTERLY 130.65 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE NORTHEAST, WHOSE RADIUS 280.00 FEET, AND WHOSE CHORD BEARS SOUTH 13°31'24" EAST, 129.47 FEET TO A POINT OF REVERSE CURVE; THENCE SOUTHWESTERLY 329.07 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE NORTHWEST, WHOSE RADIUS IS 280.00 FEET, AND WHOSE CHORD BEARS SOUTH 06°46'37" WEST, 310.45 FEET TO A POINT OF TANGENCY; THENCE SOUTH 40°26'42" WEST, 69.37 FEET TO A POINT ON A CURVE ALSO BEING THE NORTHERLY RIGHT OF WAY LINE OF NORTH WACKER DRIVE; THENCE THE FOLLOWING COURSES ALONG SAID RIGHT OF WAY, NORTHWESTERLY 422.21 FEET ALONG THE ARC OF SAID CURVE, WHOSE CENTER LIES TO THE SOUTHWEST, WHOSE RADIUS IS 840.00 FEET, AND WHOSE CHORD BEARS NORTH 61°54'29" WEST, 417.78 FEET TO A POINT ON THE EASTERLY EXTERIOR OF BRIDLEWOOD

CONDOMINIUM ADDENDUM 1; THENCE THE FOLLOWING COURSES ALONG SAID EXTERIOR, NORTH 10°50'02" EAST, 283.85 FEET TO A POINT; THENCE NORTH 26°18'34" WEST, 190.86 FEET TO A POINT; THENCE NORTH 00°09'20" WEST, 414.22 FEET TO A POINT ON THE EXTERIOR OF BRIDLEWOOD SUBDIVISION; THENCE NORTH 89°50'40" EAST ALONG SAID EXTERIOR, 651.33 FEET TO THE POINT OF BEGINNING.EXCEPTING THEREFROM THE DEDICATED ROADS "BRIDLEWOOD DRIVE" AND "SADDLE DRIVE." CONTAINING 9.50 ACRES MORE OR LESS.

The purpose of the public hearing is to hear those persons who wish to express their opinions for or against the requested zoning change.

A copy of the proposed ordinance can be viewed at the Planning and Zoning Department **by appointment**, 109 N. Main Street, Monday- Friday between the hours of 7:30 a.m. and 4:30 p.m.

Dated this 9th day of October, 2020.

Lori Hetzel
City Clerk

WATERSTONE BANK SSB
11200 WEST PLANK CT
WAUWATOSA, WI, 53226-0000

WOODBURY HOMES LLC
PO BOX 270626
HARTFORD, WI, 53027-

DANIEL JOHNSON
758 BRIDLEWOOD DR 3202
HARTFORD, WI, 53027-0000

NOAH YODER
772 BRIDLEWOOD DR
HARTFORD, WI, 53027-

CARRIE MURPHY
752 BRIDLEWOOD DR 2103 E
HARTFORD, WI, 53027-

DONALD MILLER
835 BRIDLEWOOD DR
HARTFORD, WI, 53027-0000

STEPHEN SAMS
775 WRIGHT CT
HARTFORD, WI, 53027-

JOYCE FLEMING
770 BRIDLEWOOD DR 6104
HARTFORD, WI, 53027-

JANICE PROVOST
758 BRIDLEWOOD DR 3103
HARTFORD, WI, 53027-

WILLARD NEARY
111 E WISCONSIN AVE STE 1800
MILWAUKEE, WI, 53202-

BERNICE JAEKE
760 STONECROP DR
HARTFORD, WI, 53027-0000

SKYWAY PARK LLC
PO BOX 99
MENOMONEE FALLS, WI, 53052-0099

HILLCREST STONECROP LLC
124 S SWIFT ST
GLENBEULAH, WI, 53023-

LANGENECKER HOMESTEAD LLC
4079 N MAIN ST
HARTFORD, WI, 53027-

KENNETH ADAMS
843 BRIDLEWOOD DR
HARTFORD, WI, 53027-

DAVID GOECKS
880 BRIDLEWOOD DR
HARTFORD, WI, 53027-

MICHAEL STRAY
770 BRIDLEWOOD DR 6202
HARTFORD, WI, 53027-0000

COLTON LAUFER
752 BRIDLEWOOD DR 2202
HARTFORD, WI, 53027-

KENNETH WERNER
851 BRIDLEWOOD DR
HARTFORD, WI, 53027-0000

LORRAINE KURTZ
863 BRIDLEWOOD DR
HARTFORD, WI, 53027-

ERIC HANSON
770 BRIDLEWOOD DR 6101
HARTFORD, WI, 53027-0000

WOLFPACK THREE INVESTMENTS LLC
PO BOX 200
JACKSON, WI, 53037-

FAIRHAVEN TRUST
1605 AERI LN
MCCLEAN, VA, 22101-0000

MICHAEL HELD
5862 FRANKLIN DR
HARTFORD, WI, 53027-

ROSE TRAUB
859 BRIDLEWOOD DR
HARTFORD, WI, 53027-

KIM DISCH
772 BRIDLEWOOD DR 5202
HARTFORD, WI, 53027-

DANA SOLVESON
836 BRIDLEWOOD DR
HARTFORD, WI, 53027-

ANTHONY DICKINSON
873 BRIDLEWOOD DR
HARTFORD, WI, 53027-

SARAH IHDE
752 BRIDLEWOOD DR 2101
HARTFORD, WI, 53027-0000

WILLIAM HUGIN
758 BRIDLEWOOD DR 3204
HARTFORD, WI, 53027-

MICHAEL ROTH
431 W THORNAPPLE LN
GRAFTON, WI, 53024-0000

DANIEL LERNER
770 BRIDLEWOOD DR 6204
HARTFORD, WI, 53027-

VINCENT JOHNSON
1783 SADDLE DR
HARTFORD, WI, 53027-

ALFRED ROETHKE
772 BRIDLEWOOD DR 5103
HARTFORD, WI, 53027-0000

JACOB MOSLEY
791 WRIGHT CT
HARTFORD, WI, 53027-

BARBARA WEGNER
758 BRIDLEWOOD DR 3104
HARTFORD, WI, 53027-

CHERYL GENEROTZKE
878 BRIDLEWOOD DR
HARTFORD, WI, 53027-

HEIDE CHAPMAN
772 BRIDLEWOOD DR 5104
HARTFORD, WI, 53027-

JANE JOHANNING RUNGE
752 BRIDLEWOOD DR 2104
HARTFORD, WI, 53027-

DONALD HASBY
764 STONECROP DR
HARTFORD, WI, 53027-0000

DRITON ISMAJLI
752 BRIDLEWOOD DR 2203
HARTFORD, WI, 53027-0000

JOSEPH MALLUM
771 WRIGHT CT
HARTFORD, WI, 53027-

PAMELA FOYE
770 BRIDLEWOOD DR 6103E
HARTFORD, WI, 53027-

RICHARD POTH
831 BRIDLEWOOD DR
HARTFORD, WI, 53027-0000

JAMES CORE
849 BRIDLEWOOD DR
HARTFORD, WI, 53027-

EDWARD GRANT
997 SPRUCE ST
HARTFORD, WI, 53027-

JESSICA HELMS
783 WRIGHT CT
HARTFORD, WI, 53027-

DIANE BECKER
920 STONECROP DR
HARTFORD, WI, 53027-

SUSAN WOLMAN IRREVOCABLE TRUST
865 BRIDLEWOOD DR
HARTFORD, WI, 53027-

RASHAAD WASHINGTON
1829 SADDLE DR
HARTFORD, WI, 53027-

TOMAS MATA
1780 SADDLE DR
HARTFORD, WI, 53027-

CHERYL PAWELSKI
758 BRIDLEWOOD DR 3203
HARTFORD, WI, 53027-0000

COLLEEN CRAIG
772 BRIDLEWOOD DR 5102
HARTFORD, WI, 53027-0000

LUKE VOGDS
752 BRIDLEWOOD DR 2102
HARTFORD, WI, 53027-

LISA WENTWORTH
772 BRIDLEWOOD DR 5203
HARTFORD, WI, 53027-0000

STEVEN WEBER
770 BRIDLEWOOD DR 6203
HARTFORD, WI, 53027-

TODD SHAW
761 STONECROP DR
HARTFORD, WI, 53027-0000

JONG XIONG
839 SKYPARK DR
HARTFORD, WI, 53027-

ADAM MAJERUS
772 BRIDLEWOOD DR C
HARTFORD, WI, 53027-

PATRICK NDON
1807 SADDLE DR
HARTFORD, WI, 53027-

RICHARD CACCHIONE
916 STONECROP DR
HARTFORD, WI, 53027-

ALICIA MULTHAUF
758 BRIDLEWOOD DR 3101
HARTFORD, WI, 53027-

SUSAN DABEL
1748 CONESTOGA CT
HARTFORD, WI, 53027-

CARLA GRANROSE
861 BRIDLEWOOD DR
HARTFORD, WI, 53027-

ANTHONY PIETSCH
841 BRIDLEWOOD DR
HARTFORD, WI, 53027-

DEBORAH SEEFELDT
770 BRIDLEWOOD DR 6201
HARTFORD, WI, 53027-0000

CURTIS POLAKOWSKI
752 BRIDLEWOOD DR 2201
HARTFORD, WI, 53027-

HEATHER SCHWARZ
772 BRIDLEWOOD DR 5204
HARTFORD, WI, 53027-0000

JAMIE PATIN
758 BRIDLEWOOD DR 3102
HARTFORD, WI, 53027-

PETER HYDE SMITH
779 WRIGHT CT
HARTFORD, WI, 53027-

JOHN MUTZ
834 BRIDLEWOOD DR
HARTFORD, WI, 53027-

LARRY SCHMIDT
763 STONECROP DR
HARTFORD, WI, 53027-0000

STACEY SNYDER
752 BRIDLEWOOD DR 2204
HARTFORD, WI, 53027-0000

RAQUEL MCCOLLOUGH
758 BRIDLEWOOD DR 3201
HARTFORD, WI, 53027-

BRANDON BECKER
W655 LEE RD
RUBICON, WI, 53078-

REZONING EXHIBIT "A"

BEING A PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17 AND THE NORTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 17, ALL IN TOWN 10 NORTH, RANGE 18 EAST, IN THE CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.

THIS EXHIBIT WAS PREPARED BY GRADY L. GOSSER, P.L.S. (S-2972)

DATE: 09/01/20

REZONING EXHIBIT "B"

BEING A PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17 AND THE NORTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 17, ALL IN TOWN 10 NORTH, RANGE 18 EAST, IN THE CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.

LEGAL DESCRIPTION OF LANDS TO BE REZONED

BEING A PART OF LOTS 1 AND 2 OF BRIDLEWOOD, A SUBDIVISION WHICH IS A REDIVISION OF ALL OF PRAIRIE CROSSING III, BEING A SUBDIVISION OF PART OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 17 AND THE NORTHEAST ¼ AND SOUTHEAST ¼ OF THE NORTHWEST 1/4 OF SECTION 17 ALL IN TOWN 10 NORTH, RANGE 18 EAST, CITY OF HARTFORD, WASHINGTON COUNTY, WISCONSIN.

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EXCEPTING THEREFROM THE DEDICATED ROADS "BRIDLEWOOD DRIVE" AND "SADDLE DRIVE."

CONTAINING 9.50 ACRES MORE OR LESS.

REV: 09/15/20

THIS EXHIBIT WAS PREPARED BY GRADY L. GOSSER, P.L.S. (S-2972)

DATE: ~~09/01/20~~

Re-Developed By:

NEUMANN DEVELOPMENTS, INC.

N27 W24025 Paul Court
Pewaukee, WI 53072

Conceptual Site Plan
"Bridlewood Condominium"

Bridlewood Drive, City of Hartford, Wisconsin

LandTech SURVEYING

TRIO CIVIL ENGINEERING

Site Data Table

Proposed Residential Community

- TOTAL AREA 9.5 acres

- PROPOSED DEVELOPMENT

22 Condominium buildings
44 UNITS
Density = 44/9.5 = 4.63 un/ac

- PROPOSED SETBACKS
  - Front = 25'
  - Side = 20' between buildings
  - Rear = 25'

- PRIVATE DRIVEWAY LENGTH 490 lf (11.14 lf/unit)

- DEVELOPMENT CHARACTERISTICS
  - Utilizes existing sewer and water utilities without any relocation.
  - Utility laterals for buildings 1, 2, 7 & 8 can backfeed from court and will not require open cutting road.
  - Minor electric line relocation (where shown in blue)

N

0 30 60 120

Scale: 1" = 60' (22"X34")
Scale: 1" = 120' (11"X17")

DATE: 09/01/2020

CITY OF HARTFORD
REQUEST FOR ZONING CHANGE
(PLEASE PRINT OR TYPE)

For official use only

Account #100.604.444100.44410 (#76)
Review Fee: $300.00

Date Paid:_____ Received:_____

Address of Subject Property: 771 Bridlewood Dr.
Tax Key Number: 36-1702007030

Legal Description or Metes & Bounds Description: Pt. of NW Bridlewood Condo Addndm 2 Unit 7201 Doc. 1288693 (see Exhibit B)

Existing Zoning: Rm-1 Multi-Family Proposed Zoning: Rd-2 Two-Family

Existing Use: (Vacant) multi-family condominiums (2-6 units per building)

Proposed Use: Two-family ranch condominiums

Applicant Name: Ryan Fritsch-Neumann Developments, Inc.

Address: N27W24025 Paul Ct. Ste 100

City: Pewaukee State: WI Zip: 53072

Daytime Phone: 262-542-9200 Fax: ——— Other: rfritschneumann developments.com

*****

Owner Name: Water Stone Bank

Address: 11200 W Plank Ct

City: Wauwatosa State: WI Zip: 53226

Daytime Phone: 414-761-1000 Fax: ——— Other: _____

*****

Attorney Name: N/A

Address: _____

City: _____ State: _____ Zip: _____

Daytime Phone: _____ Fax: _____ Other: _____

REQUEST FOR ZONING CHANGE:

The Common Council may, by ordinance, amend zoning district boundaries after prior review by the Plan Commission and after holding a public hearing. The public hearing may only be held after notice of the public hearing appears in the official City newspaper for at least two consecutive weeks and at least seven days prior to the public hearing. In addition, all owners of property within 200 feet of the subject property will be notified by mail at least ten days prior to the public hearing. Once approved by the

Common Council, zoning will revert back to the previous zoning if district regulations are not met within eighteen (18) months (following proper notification).

Supporting Information:
The following supporting information must be submitted with this application:

1. Plot Plan drawn to scale of one (1) inch equals 100 feet showing the area proposed to be rezoned, its location, its dimensions, the location and classification of adjacent zoning districts, and the location and existing use of all properties within 200 feet of the area to be rezoned.
2. A reduced copy of the plot plan (subject property only). Drawing sheets should be at least 8.5 x 11 and no larger than 11 x 17.
3. A Letter of Request addressed to the City Clerk from the owner(s) of the subject property.
4. Additional information required by the City Staff or any information that the applicant would like to submit to support the application.

Signature of Applicant: _____ Date: 8/27/2020

Signature of Owner (if different): _____ Date: 9/8/20

(Power of Attorney or written authorization required if owner is unable to sign.)

JACK KAHL
VP WATERSTONE BANK

WRA
WISCONSIN **REALTORS®** ASSOCIATION

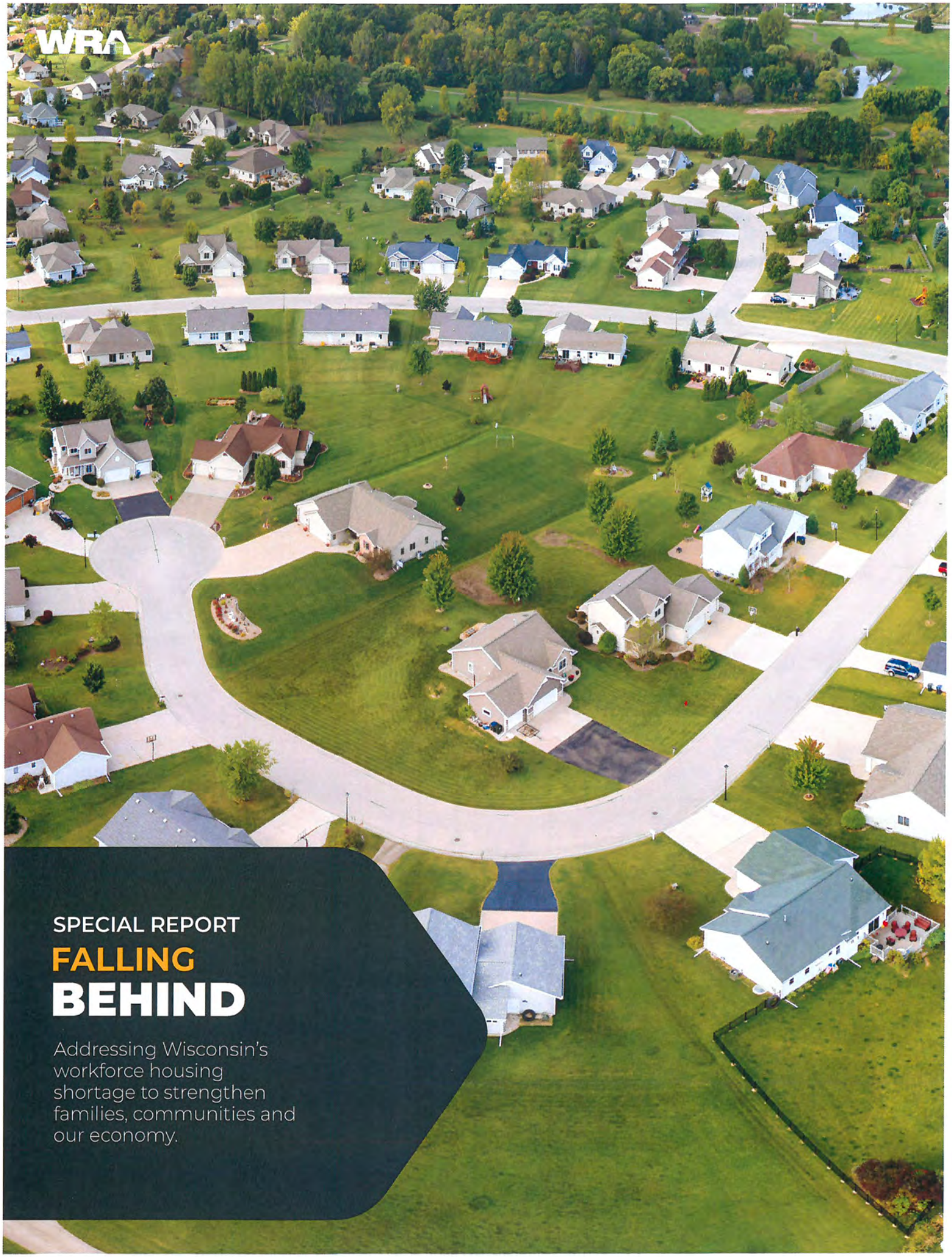
SPECIAL REPORT

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.



WRA

SPECIAL REPORT

FALLING BEHIND

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

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Addressing Wisconsin's workforce housing gap by strengthening homeownership, affordability and reinvesting in homes.

ABOUT THE WISCONSIN REALTORS® ASSOCIATION

The WRA is one of the largest trade associations in the state, headquartered in Madison, Wis. The WRA represents and provides services to more than 16,500 members statewide, made up of practicing real estate sales agents, brokers, appraisers, inspectors, bankers and other professionals who touch real estate. The WRA is under the direction of a statewide board of directors, comprised of members from the top real estate firms around the state.

ABOUT THE AUTHOR

Kurt Paulsen, Ph.D., AICP, is a professor of urban and regional planning at the University of Wisconsin–Madison, where he teaches on and researches housing policy, land use planning and public finance. Professor Paulsen was born and raised in Wisconsin, and is a lifelong Badgers, Packers and Brewers fan. He lives in Middleton where he chairs the city's Workforce Housing Committee. His research has appeared in national academic journals; and he has conducted housing research and analysis for Dane County, Waukesha County, and the Wisconsin Housing and Economic Development Authority.

ACKNOWLEDGEMENTS AND DISCLAIMERS

All statements in this document are the opinion of Professor Paulsen himself and do not necessarily reflect the views of the University of Wisconsin, or any city, county or state agency.

Wisconsin **REALTORS®** Association

4801 Forest Run Road | Madison, WI | 53704 | ph: [608] 241.2047 | web: www.wra.org

ABOUT THIS STUDY
EXECUTIVE SUMMARY

WHAT IS WORKFORCE HOUSING?

Workforce housing is the supply of housing in a community (a variety of housing types, sizes, locations and prices) that meets the needs of the workforce in that community. Specifically, in this report, workforce housing is housing that is "affordable" for renting families earning up to 60 percent of the area's median income and for owning families earning up to 120 percent of the area's median income.

Wisconsin has a workforce housing shortage. While the Wisconsin economy has returned to growth since the end of the Great Recession, our housing stock is falling behind. We are not building enough housing to keep up with demand for our growing workforce. Our existing housing stock is aging, and construction prices and housing costs are rising faster than inflation and incomes. This state has seen declining homeownership, particularly among younger families, first-time homebuyers, and African American and Hispanic families. Housing costs and rents are rising faster than incomes, too. Compared to our neighboring states, we have the highest rate of extreme rental cost burden for lower-income families and the second highest rate of extreme cost burden for lower-income homeowners.

The purpose of this report is to document the significant workforce housing shortage in Wisconsin, and to explain the main causes (lack of supply, rising construction costs and outdated regulations) and main results (rising prices, decreasing homeownership and decreased affordability).

This report also outlines a roadmap to reform to meet our workforce housing challenges. Reforms and policies are focused on five key goals: building more housing, increasing housing choice through a diverse housing stock, rebuilding and strengthening homeownership, reinvesting in older housing and older neighborhoods, and making housing a priority. These reforms and policies can help Wisconsin address our workforce housing shortage; modernize our housing system; and ensure a more prosperous, equitable and sustainable future for all our residents.

CAUSES OF THE **WORKFORCE HOUSING SHORTAGE**

Cause 1: Wisconsin has not built enough homes to keep up with population and income growth. Housing units authorized by building permits and new housing lots are way down from pre-crisis levels, and we are creating about 75 percent fewer lots and 55 percent fewer new housing units than pre-recession averages. Our fastest-growing counties — such as Dane, Brown and Waukesha — have collectively under-produced 15,000 housing units in the past decade.

FIGURE **1**

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

Cause 2: Construction costs are rising faster than inflation and incomes. In the past seven years, construction costs have risen substantially faster than inflation, and construction companies report severe labor shortages in Wisconsin.

Cause 3: Outdated land use regulations drive up the cost of housing. Large minimum lot sizes, prohibitions on non-single-family housing, excessive parking requirements, requirements for high-end building materials, and long approval processes do not protect public health and safety. They serve mostly to raise the cost of housing.

RESULTS OF **WORKFORCE HOUSING SHORTAGE**

Result 1: Housing costs are rising. The report demonstrates how housing costs are rising across Wisconsin. Housing prices for ownership now exceed pre-crisis (2007) levels. Rents are growing faster than incomes.

Result 2: Declining homeownership, especially among younger households and African American and Hispanic families. While homeownership rates across the United States declined from 2007-2017, Wisconsin was hit particularly hard. Compared to our neighboring states, Wisconsin has lower homeownership rates for 25-34 and 35-44 year-old households than all of our neighbors except Illinois. We have lower homeownership rates for African Americans than all of our neighbors except Minnesota, and have lower Hispanic homeownership rates than all of our neighbors.

Result 3: Declining housing affordability. Overall affordability of housing for our workforce, both owners and renters, has declined in the past decade in Wisconsin. This report presents new measures of workforce housing affordability for renters and owners for each of Wisconsin's counties. Entry-level housing affordability has declined from 2010 to 2017 in 57 of Wisconsin's 72 counties. There are 14 counties across the state where the typical renter household cannot afford the middle-priced rental unit, and another 37 counties where this typical renter household can just barely afford the middle-priced rental home. Over 158,000 renting households in Wisconsin pay more than half of their income for housing, and over 94,000 owning households pay more than half of their income for housing.

Roadmap to Reform:

Addressing Wisconsin's Workforce Housing Challenge. In this report, we present a number of strategies and policies based on our analysis of housing and zoning reform efforts in states such as Utah, New Hampshire, Oregon, New Jersey, Massachusetts and others. We present strategies organized under five goals.

Goal 1: Build more housing.
Strategies and policies under these goals include:

- Expedited permitting and development approval processes for housing at the state and local levels.
- Requiring all cities and villages to allow "missing middle" housing types in at least one residential zoning district.
- Requiring municipalities to allow accessory dwelling units (ADUs).
- Better enforcement of existing requirements.
- Establishing maximum/minimum lot sizes in sewer service areas.

Goal 2: Increase housing choices with a more diverse housing stock.
Strategies and policies include:

- Using tax incentives to reduce costs for workforce housing.
- Requiring municipalities to allow multifamily housing construction in at least one zoning district.
- Encouraging and/or incentivizing municipalities to plan for a better balance between jobs and housing.
- Analyzing statewide workforce housing data.
- Financing for workforce housing in rural areas and small communities.
- Providing additional incentives to local governments to approve workforce housing.
- Workforce housing tax increment financing districts (TID).

Goal 3: Rebuild and strengthen homeownership.
Strategies and policies include:

- Encouraging cities, villages and counties to make funding available for Down Payment Assistance Programs (DPAP).
- Creating a first-time homebuyer savings account program.

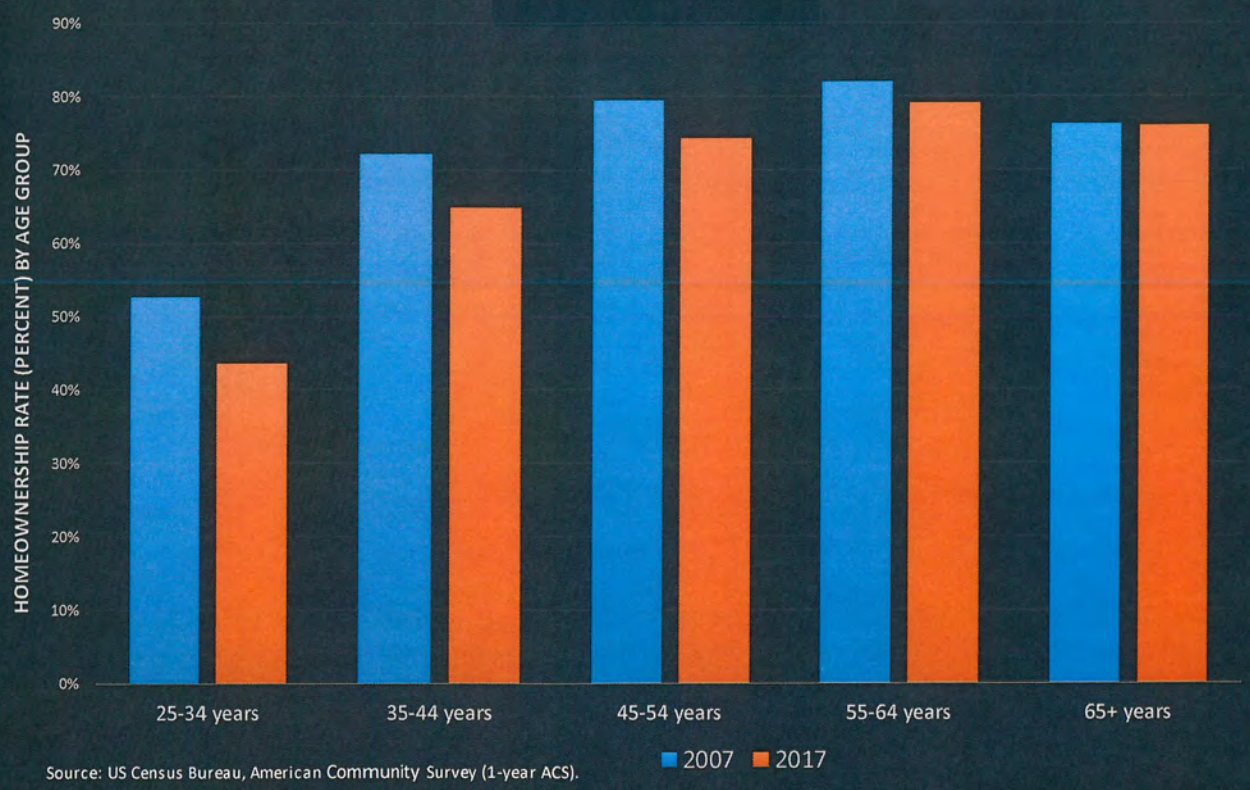
Goal 4: Reinvest in older housing stock and neighborhoods. Strategies and policies include:

- Expanding WHEDA's Transform Milwaukee Advantage program.
- Creating a state tax credit or other financial incentives for the rehabilitation of older housing in older neighborhoods.
- Expanding training and apprentice programs for displaced or underemployed workers.

Goal 5: Make housing a priority!
Policies and strategies include:

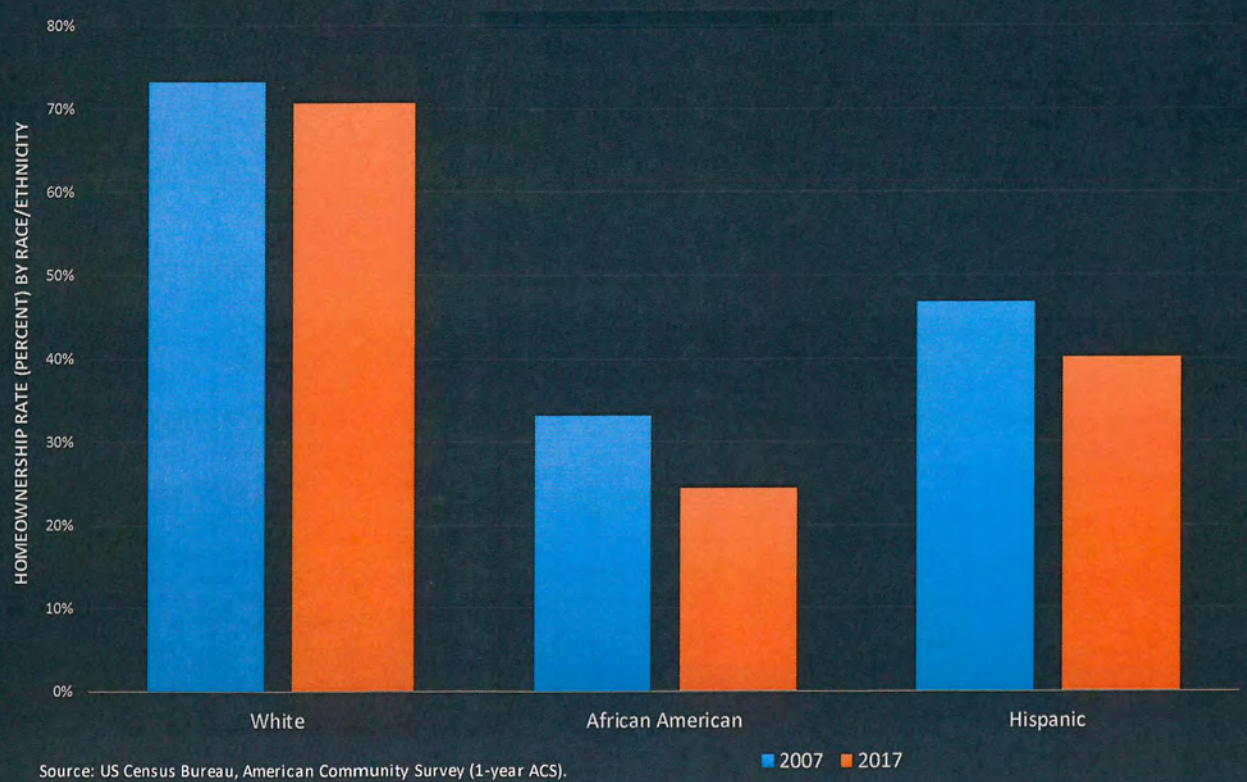
- Coordinating housing programs across state agencies, expanding financial incentives for development of new and rehabilitation of older housing in areas such as Opportunity Zones and rural areas.
- Providing technical and financial assistance to local governments.
- Providing financing incentives for innovative models, as well as providing pre-development funds for nonprofit and affordable housing providers.

FIGURE 3 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).

FIGURE 4 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).

INTRODUCTION

WHAT IS **WORKFORCE HOUSING?**

Workforce housing is the supply of housing in a community (a variety of housing types, sizes, locations and prices) that meets the needs of the workforce in that community. Specifically, in this report, workforce housing is housing that is "affordable" for renting families earning up to 60 percent of the area's median income and for owning families earning up to 120 percent of the area's median income.

All across this great state — cities, suburbs, small towns and rural areas — communities and employers are recognizing the critical need to address Wisconsin's workforce housing shortage, to expand housing opportunities for all, and to update our housing system to reflect 21st century needs.

Our business leaders recognize that workers need quality, affordable homes close to where they work or easily accessible to a reliable transportation system. Communities increasingly recognize that workforce housing is economic development because a home is where a job goes to sleep at night.

The Wisconsin economy has slowly returned to growth since the end of the Great Recession. From 2010-2017, Wisconsin experienced a 7.6 percent increase in real (adjusted for inflation) median household income, an 8.2 percent increase in the number of jobs, and a 1.2 percent increase in population.

Our economy is growing, but our housing stock is falling behind.

We are not building enough new housing units to keep up with demand, and we are not building enough housing for our growing workforce. Our existing housing stock is aging faster than most neighboring states.

Construction costs are rising faster than inflation, and regulations often drive up the cost of housing.

The result of this workforce housing shortage has been declining homeownership, particularly among younger-adults, first-time homebuyers and African American and Hispanic families. The result of this workforce housing shortage also has been rising housing costs, with rents rising faster than incomes. And the results of this workforce housing shortage have been particularly hard on workers at the lower end of the wage scale.

On most of the housing indicators presented in this report, we are falling behind neighboring states.

The shortage of workforce housing makes it harder for businesses to recruit or retain workers and harms our economic competitiveness. If workers are unable to find decent, affordable homes near where they work, they either have to live further away and travel long distances or pay a higher portion of their income for housing. Some workers might leave the state altogether, or never come here.

WISCONSIN ECONOMIC GROWTH

The Wisconsin economy has slowly returned to growth since the end of the Great Recession, but our housing stock is falling behind.

The purpose of this report is to document the significant workforce housing shortage in Wisconsin, and to explain the main causes (lack of supply, rising construction costs and outdated regulations) and main results (rising prices, decreasing homeownership and decreased affordability).

This report also outlines a roadmap to reform to meet our workforce housing challenges. Reforms and policies are focused on five key goals: building more housing, increasing housing choice through a diverse housing stock, rebuilding and strengthening homeownership, reinvesting in older housing and older neighborhoods, and making housing a priority. These reforms and policies can help Wisconsin address our workforce housing shortage; modernize our housing system; and ensure a more prosperous, equitable and sustainable future for all our residents.

1. WISCONSIN HAS NOT BUILT ENOUGH HOMES *TO KEEP UP WITH POPULATION AND INCOME GROWTH*

From 1994 through 2004 (before the housing bubble and subsequent crash), building permits for new housing units in Wisconsin averaged nearly 36,000 units per year, including about 24,500 single-family permits and nearly 8,000 multifamily units. During this time period, land divisions ("subdivisions") to create building lots averaged over 14,000 new lots per year.

Like all states in the U.S., construction activity significantly declined in Wisconsin during the Great Recession and has not recovered to pre-crisis levels. From 2012 through the most recent data, annual lots created have averaged 3,375 lots per year, and building permits have averaged about 16,000 per year. Housing production is falling behind: we are creating approximately 75 percent fewer lots and 55 percent fewer new homes than pre-recession averages.

FIGURE **1**

HOUSING CONSTRUCTION AND SUBDIVISION ACTIVITY IN WISCONSIN HAVE NOT RECOVERED FROM THE GREAT RECESSION AND REMAIN HISTORICALLY LOW

Figure 1 shows the dramatic decline of housing production in Wisconsin. Single-family building permits only climbed back over 10,000 per year in 2016 and remain well below historical levels. Likewise, multifamily building permits dropped off significantly duriang the recession, even as demand for apartments surged. The number of units authorized by multifamily permits are still thousands of units below permit levels in the 90s and early 2000s.

FIGURE **1**

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

1. WISCONSIN HAS NOT BUILT ENOUGH HOMES *TO KEEP UP WITH POPULATION AND INCOME GROWTH*

[CONTINUED]

The population of Wisconsin has increased faster than housing construction. When adjusted for population, building permits per capita and development lots per capita are less than half what they were in the 90s and early 2000s.

If the same rate of construction from 1994 through 2004 were applied to our most recent decade, Wisconsin would have created over 200,000 more new homes and more than 115,000 new building lots.

If housing is not produced to meet demand, housing prices go up and families have difficulty finding housing they can afford in communities where they want to live. Families trying to save for a down payment fall further behind.

To create a lot or parcel where a home can be built, developers must first get subdivision approval from a local government, and then have that subdivision certified by the Wisconsin Department of Administration (DOA). Figure 1 (on page 11) shows the number of building lots approved in Wisconsin each year based on DOA data. In the past two years, 2017 and 2018, fewer than 10,000 buildable house lots were approved in Wisconsin, even though Wisconsin usually adds 10,000-20,000 net new households each year.

Future homes require buildable lots. The current supply pipeline of buildable lots is low, which only exacerbates the existing housing shortage. If we don't create more lots today, we will fall further behind in the future.

Although a shortage of new housing construction affects all areas of the state, the magnitude of the problem varies across different regions. In a balanced regional housing market, the rate of growth of housing units (supply) should be about the same as the rate of growth of households (demand).

However, if an area adds more households than housing units, vacancy rates decline, prices rise, and families have difficulty accessing housing. If developers and builders are unable to secure building sites and permission to meet the increased housing demand in an area (supply constraint), housing is being "under-produced," resulting in a "housing gap."

THE THREE FASTEST-GROWING COUNTIES — DANE, BROWN AND WAUKESHA — ACCOUNTED FOR OVER HALF OF THE HOUSEHOLD GROWTH IN WISCONSIN, AND COLLECTIVELY UNDER-PRODUCED 15,000 HOUSING UNITS FROM FROM 2006-2017

TABLE **1**

Table 1 shows the growth in the number of households compared to the growth in net new housing units for Wisconsin's 20 largest counties from 2006-2017. Table 1 shows that the largest 20 counties in Wisconsin under-produced nearly 20,000 units of housing from 2006-2017. The three-fastest growing counties — Dane, Brown and Waukesha — accounted for over half of the household growth in Wisconsin, and collectively under-produced 15,000 housing units, more than three-quarters of the state total. Dane county alone was responsible for the most new households and most new housing units, while also contributing more than half of the statewide supply gap.

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
20 Largest Wisconsin Counties	***109,646***	***104,710***	***1.0471***	***19,838***

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.

2. CONSTRUCTION COSTS *ARE RISING FASTER THAN INFLATION AND INCOMES WISCONSIN*

Compounding the housing supply gap, construction costs have been rising faster than inflation and income in recent years. From 2010-2017, construction costs have increased by 14.7 percent in Madison, 14.9 percent in Milwaukee, and 16.2 percent in Green Bay. When construction costs go up, new housing becomes more expensive, but so too does existing housing due to increases in repair, remodeling and replacement costs.

The rise in construction costs is due to an increase in material prices, but also due to a severe labor shortage in the building and construction trades. According to the Association of General Contractors survey, 73 percent of Wisconsin construction firms reported labor shortages.

Rising construction costs mean that all forms of housing are becoming more expensive and less available. This creates barriers to homeownership and to rental affordability.

RISING CONSTRUCTION COSTS

Rising construction costs mean that all forms of housing are becoming more expensive and less available. This creates barriers to homeownership and to rental affordability.

3. OUTDATED LAND USE REGULATIONS *DRIVE UP THE COST OF HOUSING*

There is a growing bipartisan consensus that restrictive municipal land use regulations constrain housing supply and drive up the cost of housing. This bi-partisan consensus is seen in policy proposals to reduce regulations from HUD Sec. Ben Carson (Republican) and Sen. Cory Booker (Democrat). Major research publications from the National Association of Home Builders (NAHB) and the Obama Whitehouse call attention to the effects of zoning restrictions on housing prices. Proposals to reduce restrictive zoning regulations so that developers can supply a greater variety of housing at all price points have been presented by the American Enterprise Institute and the Metropolitan Milwaukee Fair Housing Council.

Academic research by economists like Harvard's Ed Glaeser demonstrates that restrictive zoning policies, such as large minimum lot sizes, excessive parking requirements, prohibitions on multifamily development, accessory dwelling units, townhouses or duplexes collectively reduce housing supply and variety and therefore drive up housing costs.

The NAHB regularly surveys developers of housing and estimates that regulations can drive up the cost of single-family homes by at least 24 percent and multifamily housing by 30 percent.

Of course, regulations to protect public health and safety — such as fire safety, building codes, stormwater management and protecting environmentally sensitive lands — are necessary and proper roles for local governments. But large minimum lot sizes, prohibitions on non-single-family housing, excessive parking requirements, requirements for high-end building materials, and long approval processes do not protect public health and safety. They serve mostly to raise the cost of housing.

Restrictive zoning regulations drive up the cost of housing in at least three ways. First, they lower the overall supply of housing units in an area. When supply is restricted but demand is increasing, more families chase fewer units, and prices go up. Second, for housing that is built, the underlying land is more expensive. For example, in the latest national survey of developers by the NAHB, the average price per square foot for a finished residential lot is \$8.22 ft². This would mean that a minimum lot size of 15,000 ft², about 1/3 of an acre, would cost \$123,300 while an 8,000 ft² minimum lot size would cost only \$65,760. In this example, public health and safety are not affected by smaller lot sizes, but the cost of the land for residential development is reduced nearly \$58,000. Third, when land is more expensive and larger lots are required, developers are forced to build more expensive and larger homes to recover their land costs. Large homes on large lots are not affordable to most of the workforce in a community.

LARGE MINIMUM LOT SIZES, PROHIBITIONS ON NON-SINGLE-FAMILY HOUSING, EXCESSIVE PARKING REQUIREMENTS, REQUIREMENTS FOR HIGH-END BUILDING MATERIALS, AND LONG APPROVAL PROCESSES DO NOT PROTECT PUBLIC HEALTH AND SAFETY. THEY SERVE MOSTLY TO RAISE THE COST OF HOUSING.

Across the country, there is a growing "YIMBY" (Yes In My Backyard) movement that is calling attention to the outdated zoning and land use regulations in municipalities as a counter to the prevalence of "NIMBY" (Not in My Backyard) residents.

What is the result of the workforce housing shortage?

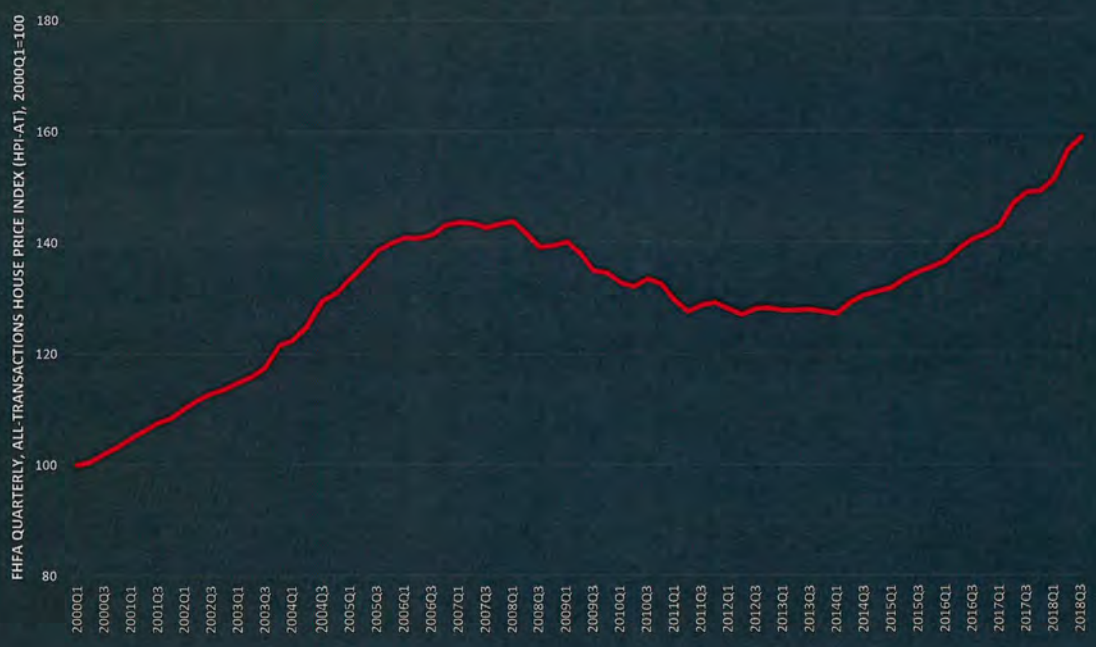
RESULT 1
HOUSING COSTS ARE RISING

With housing demand growing but housing supply lacking, the cost of housing is rising. While price growth might be good for current homeowners, it can make it harder for first-time homebuyers to enter the market and for seniors to downsize. This can stifle the housing market as families are constrained from moving for job opportunities or are unable to adjust their housing consumption to meet their current lifestyle stage.

Homeownership costs are rising. Figure 2 shows the Federal Housing Finance Agency's (FHFA) House Price Index (HPI-AT) for Wisconsin. This House Price Index is the broadest measure of housing costs because it includes all mortgage transactions — purchase and refinance — and measures the price change for a "constant quality" house. Because newer homes are almost always priced higher than existing homes, the average sales price of new homes can overstate the costs for the average family.

We re-scaled the House Price Index so that the first quarter of the year 2000 equals 100 so the value of the index represents the percent change in housing costs since 2000. The most recent data for Wisconsin, third quarter 2018, shows a value of 158.9, which means that house prices in Wisconsin have increased 58.9 percent since 2000. House prices in Wisconsin now exceed pre-crisis (2007) levels.

FIGURE **2** **Wisconsin House Prices Now Exceed Pre-crisis (2007Q1) Levels**



Source: Federal Housing Finance Agency

AND RENTS HAVE GROWN **FASTER THAN INCOMES**

According to data from the U.S. Census, from 2000 to 2017, the median household income in Wisconsin grew 35 percent, not adjusted for inflation, while the median house price grew 59 percent, not adjusted for inflation. When housing costs are growing faster than incomes, fewer families can afford a home.

Rental costs are rising. Table 2 shows changes in median rents and median household income for Wisconsin and our neighboring Midwestern states from 2007 to 2017.

In Wisconsin and all neighboring states, rents grew faster than incomes, which makes workforce housing harder to find and decreases housing affordability.

In Wisconsin, for example, rents grew 21.7 percent while incomes only grew 17.3 percent, not adjusted for inflation.

In terms of rental prices, however, Wisconsin had the slowest rate of rent growth compared to our neighboring states and slower than the nation as a whole. While rents in Wisconsin have increased 21.7 percent since 2007, rents have increased over 28 percent nationwide and over 30 percent in neighboring states Minnesota and Iowa. The difference between the percent change in rents and percent change in income is the smallest in Wisconsin, at 4.4 percent, compared to our neighbors and the U.S. as a whole.

FROM 2000-2014, WISCONSIN PERMITTED MORE MULTIFAMILY UNITS ON A PER-CAPITA BASIS THAN DID ALL OF OUR NEIGHBORS, AND HAD SLOWER RENT GROWTH THAN OUR NEIGHBORING STATES. EXPANDING RENTAL HOUSING SUPPLY CAN IMPROVE RENTAL AFFORDABILITY.

TABLE **2**

Rents rose faster than household incomes in Midwestern states

State	*Increase median rent, 2007-2017*	*Increase median income, 2007-2017*
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%
U.S. AVERAGE	***28.3%***	***18.9%***

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

The data from other states actually confirms the link between housing supply, rents and housing affordability. During the time period from 2000-2014, Wisconsin permitted more multifamily units on a per-capita basis than did all of our neighbors. Higher rates of production were associated with a slower increase in rents. Even though Wisconsin did not produce enough total units to meet overall demand, this data demonstrates that expanding rental housing supply can improve rental affordability.

RESULT 2

DECLINING HOMEOWNERSHIP IN WISCONSIN, ESPECIALLY AMONG YOUNGER HOUSEHOLDS AND AFRICAN AMERICAN AND HISPANIC FAMILIES

With housing prices now exceeding pre-crisis (2007) levels, housing prices and rents rising faster than incomes and inflation, and a shortage of new supply, the ability to attract new workers to Wisconsin or for existing workers to move into homeownership is constrained. Even though incomes and jobs in this state have recovered from the Great Recession, homeownership has not.

Younger adults entering prime homebuying years or families trying to re-enter homeownership face multiple barriers. Because home prices are more expensive, they need to save for a larger down payment, but higher rents make it harder to save for this down payment. Stagnant incomes, decreased credit availability, and higher levels of student loan debt also make it hard for many to transition into homeownership.

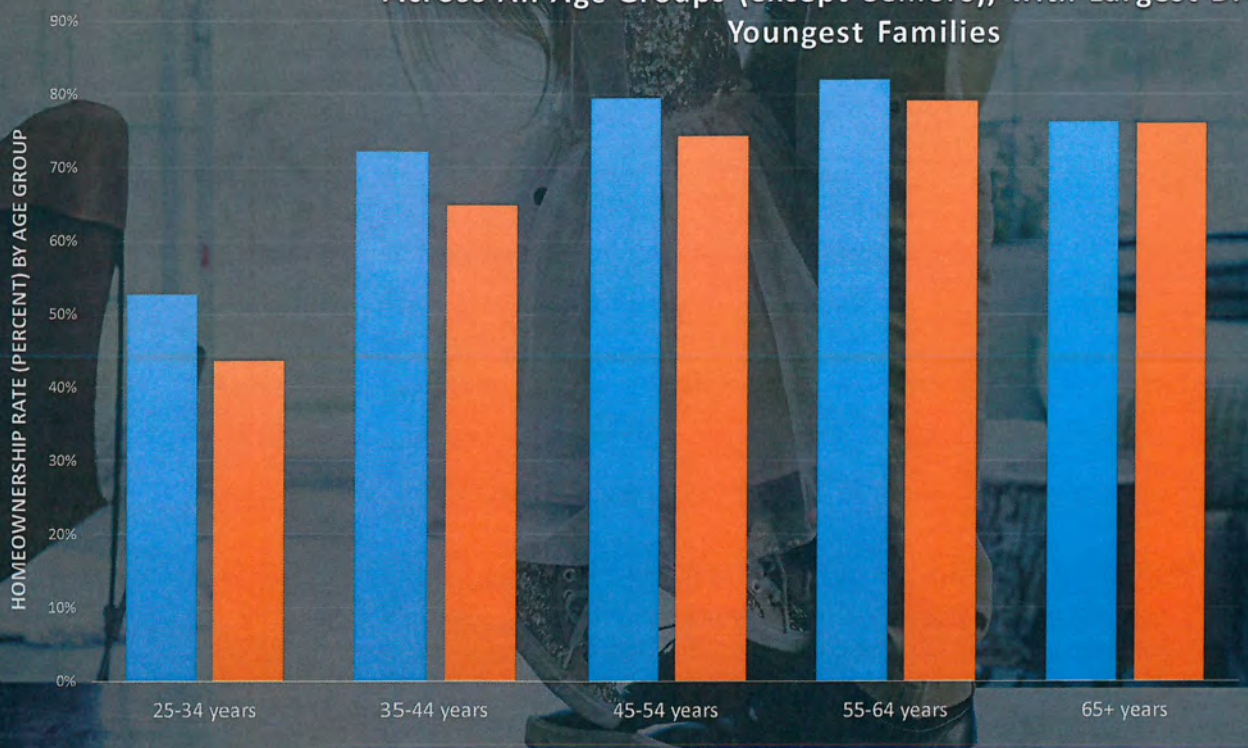
While homeownership rates across the United States declined following the Great Recession, Wisconsin has been hit particularly hard. Rebuilding homeownership is vital for economic development. Workers need to be able to find stable and affordable homes for purchase near where they work. Many businesses across the state are experimenting with down-payment assistance and homebuyer counseling programs in order to recruit and retain their workers.

If we are to rebuild and strengthen homeownership in Wisconsin, many of these new homeowners will come from demographic categories of workers not currently in the homeownership market: younger adults, first-time homebuyers, and African American and Hispanic families. Figure 3 shows changes in homeownership rates in Wisconsin across all age groups from 2007-2017, and Figure 4 highlights changes in homeownership rates for racial and ethnic groups. Homeownership rates declined for all age groups except seniors, with the largest declines seen in younger adults.

Among our neighboring states, Wisconsin has a lower homeownership rate for the two youngest age categories — 25-34 year-old households and 35-44 year-old households — than Indiana, Iowa, Michigan and Minnesota. Only Illinois has lower homeownership rates for these age groups. Among our Midwestern neighbors, only Minnesota has a lower rate of homeownership for African American families than Wisconsin. Wisconsin's homeownership rate for Hispanic families is now the lowest of all our Midwestern neighbors.

FIGURE **3**

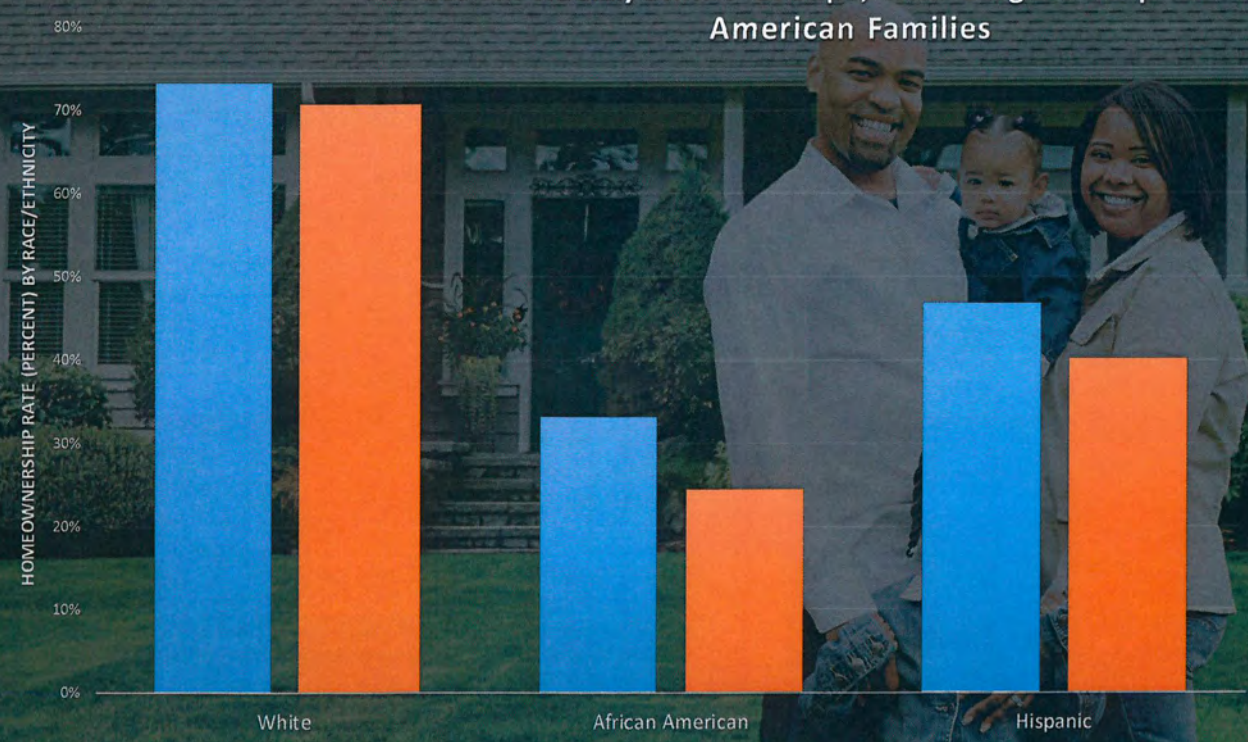
Homeownership Rates Declined in Wisconsin from 2007-2017 Across All Age Groups (except Seniors), with Largest Drop for Youngest Families



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

FIGURE **4**

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).

HOMEOWNERS BORROWING MORE IN WISCONSIN

Families respond to increasing housing prices and a housing shortage near where they want to work in one of three ways: renting, purchasing a less expensive home further away from work, or stretching to purchase a home with more mortgage debt. We see all three happening in Wisconsin.

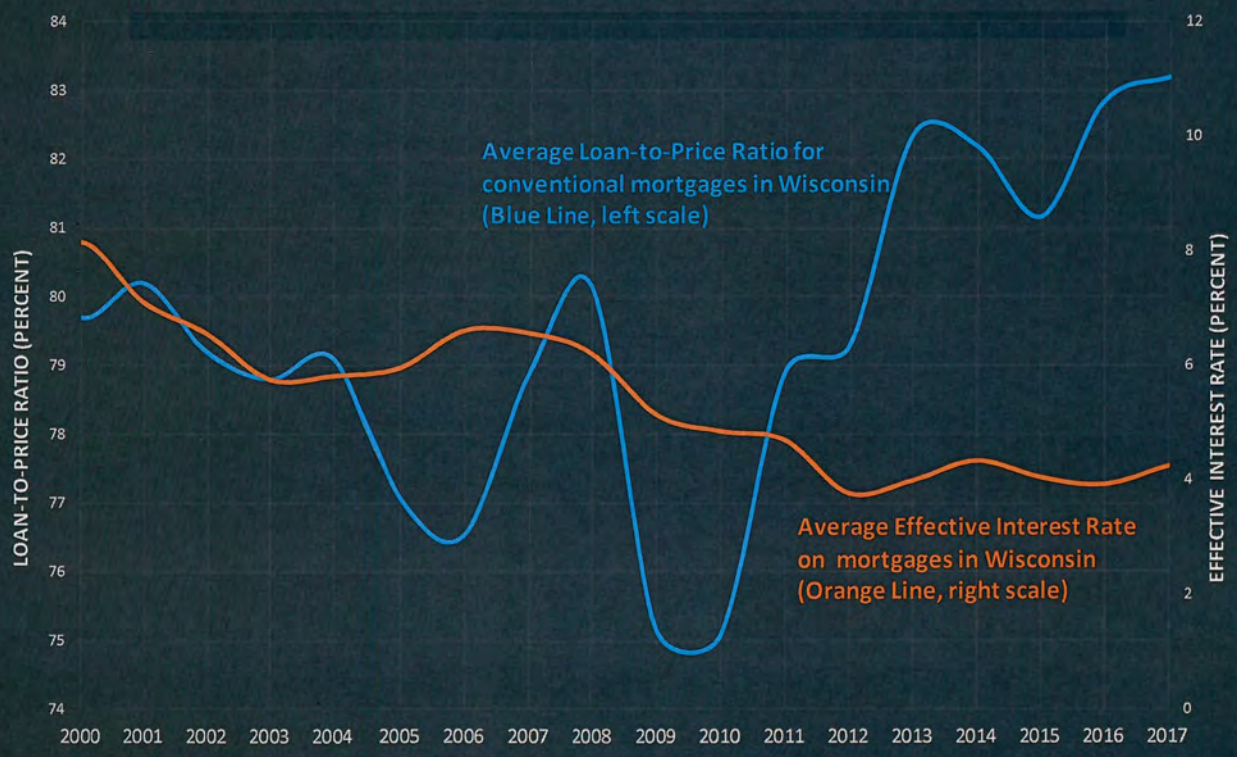
Despite historically low interest rates, homeowners who have been able to qualify for mortgages have been increasingly taking out larger loans compared to their home's value.

FIGURE **5**

WISCONSIN HOMEOWNERS ARE BORROWING A LARGER PERCENTAGE OF THEIR HOME'S VALUE WHILE INTEREST RATES ARE AT HISTORIC LOWS

Figure 5 shows changes in the loan-to-price ratio (also called loan-to-value ratio or LTV) for mortgages in Wisconsin since the year 2000. The loan-to-price ratio equals one minus the down-payment percentage. For example, an 80 percent loan-to-price ratio is the same as a 20 percent down payment. When average loan-to-price ratios exceed 80 percent, this indicates a higher percentage of homeowners utilizing lower down payment loan products. Since 2013, the average loan-to-price ratio for mortgages in Wisconsin has exceeded 80 percent and is over 83 percent in the most recent data (2017).

FIGURE **5**



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.

RESULT 3
DECLINING HOUSING AFFORDABILITY

HOW IS AFFORDABILITY MEASURED?

"Affordability" measures whether a typical household, usually the median income household, can afford the housing in an area. Because this report focuses on workforce housing, we focus on affordability for entry-level homeownership, using a low-down-payment product, and affordability for rental homes.

We create two new indices for Wisconsin counties focusing on housing affordability at the county level. While many workers might live and work in different counties, these indices measure whether the typical household in a county can afford the housing in that county. Our data shows that housing affordability concerns encompass urban and rural areas across the state.

INDEX 1
ENTRY-LEVEL HOUSING AFFORDABILITY

Figure 6 shows the "entry-level" housing affordability index for Wisconsin counties. For this workforce housing ownership index, we focus on households utilizing a low-down-payment (3.5 percent down-payment) FHA-insured mortgage. For many first-time homebuyers without the savings for a down payment, FHA-type products are often the only way to become homeowners.

We first calculate what an FHA-insured low-down-payment mortgage would be for the median-priced house in the county. This calculation tells us the monthly mortgage payment that a homeowner would need to pay to purchase the median-priced home. We then calculate how much annual income a family would need to afford this FHA mortgage, assuming that for a mortgage to be affordable the principal and interest should be no more than 25 percent of a family's income. This 25 percent of income for principal and interest standard is used by the National Association of REALTORS® in its housing affordability research, leaving room in housing expenses to account for property taxes, homeowners insurance and utilities.

The index is then the ratio of the median household income to the income that would be needed to afford the median-priced home with a low down payment mortgage product. Another way to think about this is what percentage of the income needed for the median-priced home does the typical family have? A score of 150, for example, means that the median income household has 50 percent more income than would be necessary to afford the median-priced home with an FHA mortgage. 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.

Figure 6 shows that in four Wisconsin counties — Dane, Door, Sawyer and Vilas — the median income household cannot afford the median-priced home, even with a low down-payment FHA mortgage product. There are 31 counties where the index score is above 100 but below 120, meaning that the median income household has enough income to purchase the median-priced home, but just barely. These areas include the southeast — Milwaukee, Racine and Kenosha metropolitan areas — as well as the northwest rural areas.

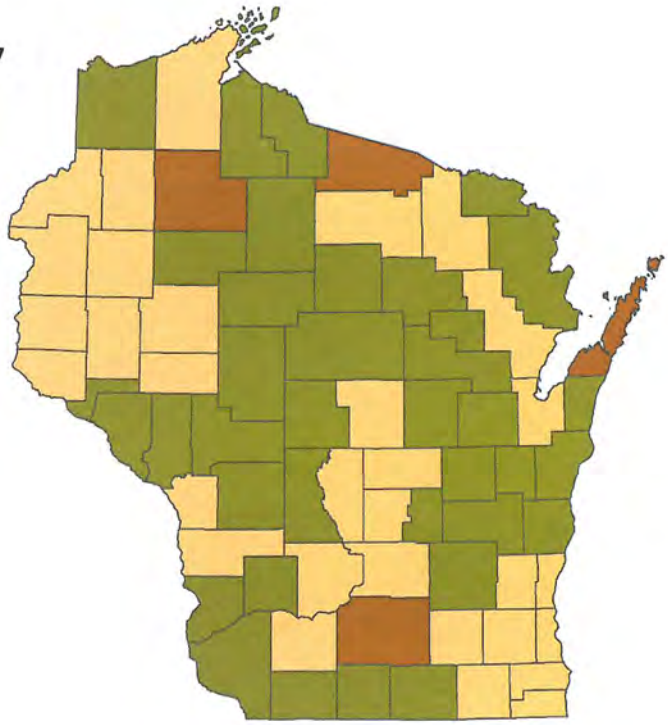
We can also calculate how this entry-level affordability index has changed over time. From the time period of 2010 through 2017, this index of affordability has declined in 57 out of 72 Wisconsin counties. In eight of those declining affordability counties — Vilas in the north; Marathon, Wood and Portage in the central; La Crosse in the west; and Richland, Grant and Iowa in the southwest — the declines were greater than 10 percentage points.

FIGURE **6**

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.

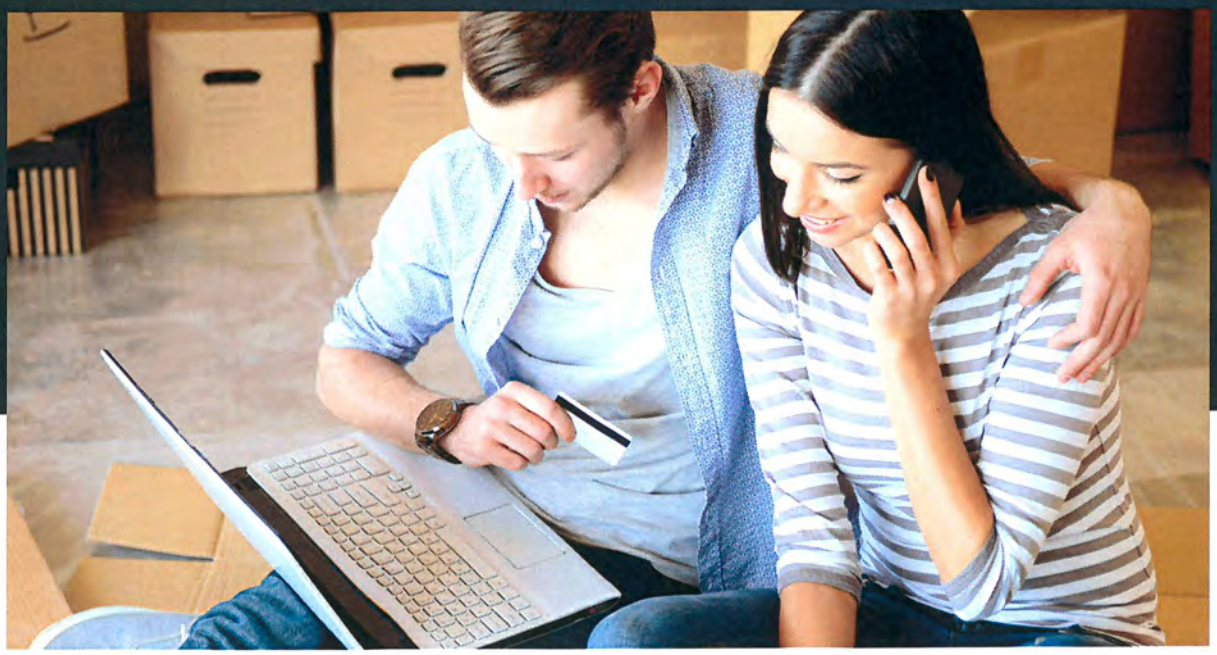


RESULT 3

DECLINING HOUSING AFFORDABILITY [CONTINUED]

INDEX 2
RENTAL AFFORDABILITY (2017)

Our second index for workforce housing affordability focuses on rental housing. Figure 7 shows the "rental affordability index" for each county for the most recent year available, 2017. This index measures whether the median-income renting household can afford the median rental unit in the county by spending no more than 30 percent of income on rent. The index is the ratio of the actual county median-renter-household income to the income that would be needed to afford the median rental unit. Just like the entry-level affordability index above, a score less than 100 means that the median-income renting household cannot afford the median-priced rental unit, and a score above 100 means that the median-income renter household can afford the median-priced unit. Again, a score of 150, for example, means that the typical renting household has 50 percent more income than would be needed to rent the median-priced unit.



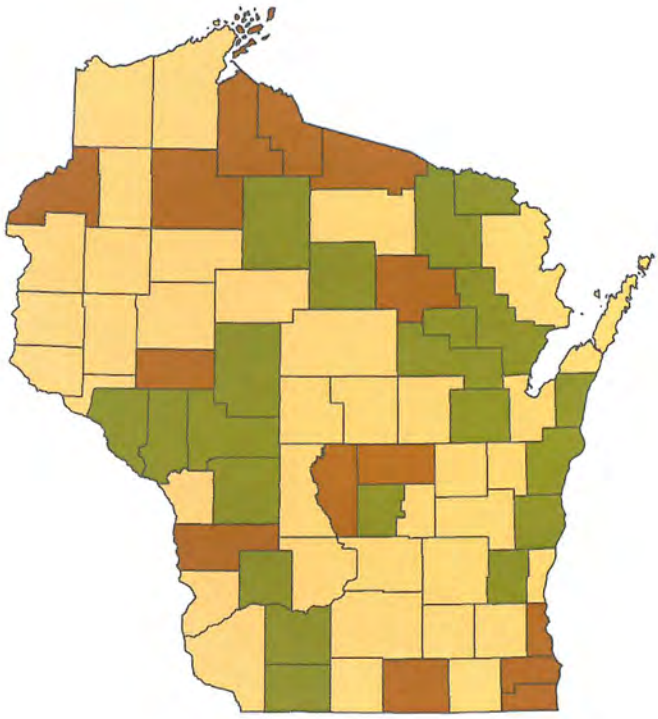
In Figure 7, there are 14 counties where the typical renting household cannot afford the middle-priced rental home: Kenosha, Racine, Milwaukee and Rock in the southeast; Burnett, Sawyer, Ashland, Iron and Vilas counties in the north; Vernon County in the southwest; and Adams and Waushara counties in the central part of the state. Finding adequate and affordable rental homes is thus a problem not only in larger cities and suburbs, but in small towns and rural areas of the state. There are 37 counties where the typical renter household can barely afford the median-priced rent, with scores between 100 and 120.

FIGURE **7**

Wisconsin Renter 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 renter-household in a county cannot afford the median rental unit in the county. A value greater than 100 indicates that the median income renter-household can afford the median rental unit.



RESULT 3
DECLINING HOUSING AFFORDABILITY [CONTINUED]

Workforce housing affordability, of course, is more than whether the median-income families can afford housing opportunities. When there is a shortage of housing at all price points, the workers earning below median income as well as seniors can face significant affordability challenges. So, while the overall affordability indices in Figures 6 and 7 give a picture of the middle of the workforce housing market, it is also important to provide details at a wider range of income levels.

TABLE **3**
MANY LOWER-INCOME HOMEOWNERS **PAY MORE THAN 50 PERCENT OF THEIR INCOME ON HOUSING**

	Percent of homeowners "extremely cost-burdened," by income categoy				
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%
WISCONSIN	**63.5%**	**28.8%**	**10.4%**	**3.2%**	**0.6%**

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

Table 3 shows the percent of homeowners in Wisconsin and neighboring states by income levels who pay more than 50 percent of their income for housing, considered "extremely cost-burdened." Across all income categories, Wisconsin's proportion of homeowners with extreme cost burdens is worse than Indiana, Iowa, Michigan and Minnesota. Only Illinois among our neighbors fares worse. Of course, many of the homeowners with incomes below 50 percent of the median are likely seniors who are no longer in the workforce, but still bear significant housing costs due to an overall shortage of units and a particular shortage of units for downsizing. Households with incomes between 50 percent and 100 percent of median income are in the workforce but face significantly higher rates of cost burdens than similarly situated workers in other states.

Translating Table 3 into actual numbers, we see that in Wisconsin, currently over 94,000 homeowners whose income is below 50 percent of area median income spend more than half of their income on housing.

TABLE **4**

WISCONSIN LEADS THE MIDWEST WITH THE **HIGHEST PERCENTAGE OF LOWER-INCOME RENTERS WITH EXTREME COST BURDENS**

	Percent of renters "extremely cost-burdened," by income categoy				
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%
WISCONSIN	**65.3%**	**20.0%**	**2.9%**	**0.6%**	**0.3%**

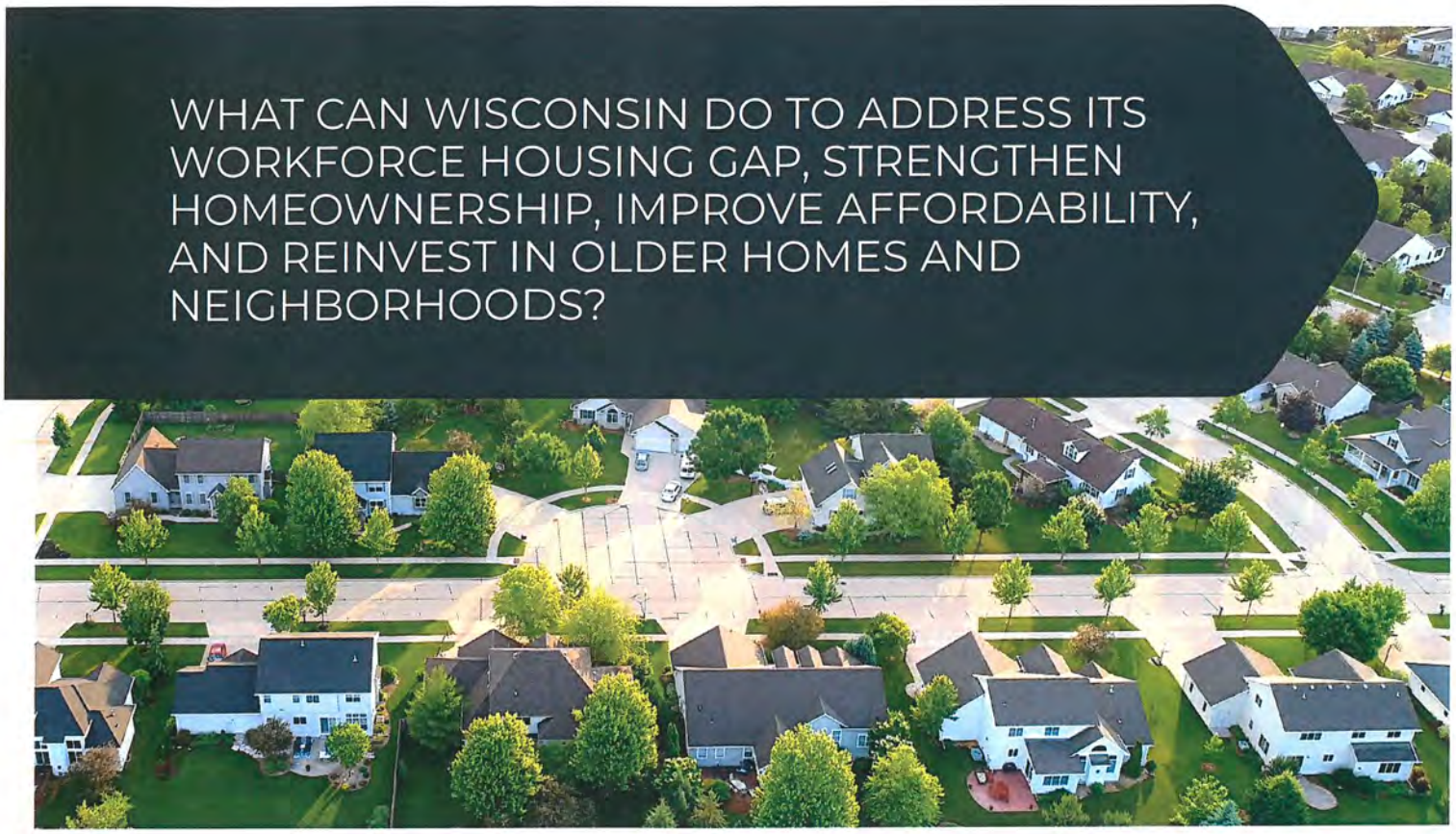
Source: US. Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2011-2015

Table 4 now shows the same information for renting families, comparing the percent of renters by income category who are paying more than 50 percent of their income on rent in Wisconsin to our neighboring states. Wisconsin has the highest percentage of all of our neighbors of lower-income renters who are extremely cost-burdened, paying more than 50 percent of their income on rent.

Converting Table 4 into actual numbers, currently in Wisconsin, over 158,000 renting households with income below 50 percent of the area median income spend more than half of their income on housing.

The consequences of our workforce housing shortage, therefore, can be seen not only in rising prices and decreased homeownership opportunities, but also in decreased affordability for owners and renters. In the next section, we outline a series of reform possibilities to address our housing shortage and improve workforce housing affordability.

WHAT CAN WISCONSIN DO TO ADDRESS ITS WORKFORCE HOUSING GAP, STRENGTHEN HOMEOWNERSHIP, IMPROVE AFFORDABILITY, AND REINVEST IN OLDER HOMES AND NEIGHBORHOODS?



ROADMAP TO REFORM **ADDRESSING WISCONSIN'S WORKFORCE HOUSING CHALLENGE**

Many states across the country are wrestling with these same questions. Many states are proposing or are implementing innovative policy, legal, planning and finance options for dealing with the housing crisis. In this section, we identify key goals and specific recommendations for Wisconsin based on analysis of reform proposals and actions in other states. In the past years, major housing reform efforts have been proposed in California, Connecticut, New Hampshire, Oregon, South Carolina, New Jersey, Utah, Massachusetts and others.

We highlight five key goals for Wisconsin in the coming years:

Goal 1: Build more housing
Goal 2: Increase housing choice 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

ROADMAP TO REFORM: GOAL 1
BUILD MORE HOUSING

Wisconsin needs to reduce regulatory barriers to ensure an adequate housing supply. Local government elected officials and community leaders need to take leadership to ensure their city, village or town is providing adequate opportunities for housing supply and to build more housing where people want to live. This involves reforming and updating zoning and subdivision codes, removing regulatory barriers, providing financing, and helping to educate their community to overcome NIMBY opposition to new housing.

Wisconsin law currently requires cities, villages, towns and counties with zoning or subdivision ordinances to have plans to:

"provide an adequate housing supply that meets existing and forecasted housing demand in the local governmental unit." (Wis. Stat. 66.1001(2)(b))

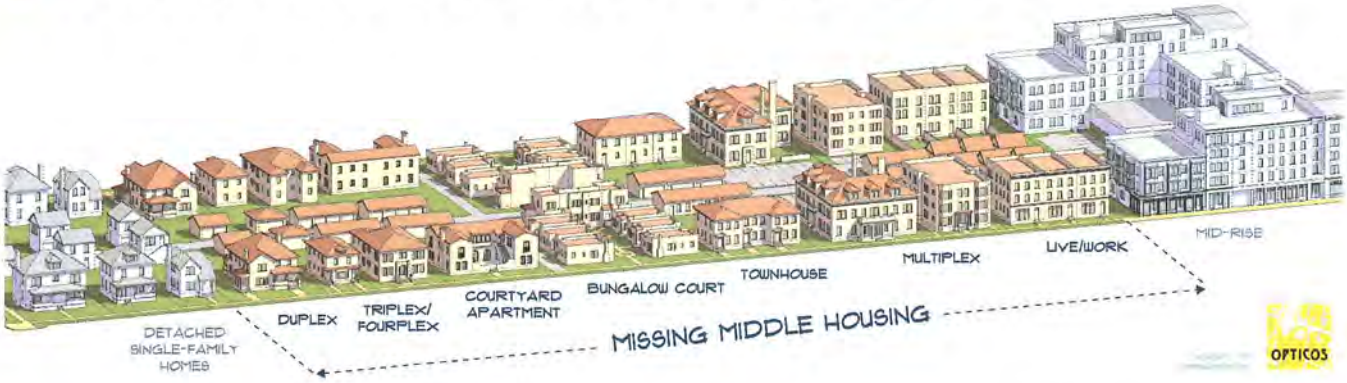
The data presented in this report clearly indicates that we are falling behind in providing an adequate housing supply and in meeting existing and forecasted housing demand.

Cities and states across the country are re-examining their zoning and other land use regulations to reduce unnecessary regulations that limit housing supply, limit housing diversity with different types and sizes of units, and impose unnecessary delays. Regulations that raise the cost of housing and limit housing choices for the workforce can limit the ability of businesses to hire workers, can force workers to drive long distances to their jobs, or can force residents to pay too much for their housing.

Cities and states across the country are also recognizing that restrictive zoning can be exclusionary and foster excessive segregation. Cities and states are increasingly realizing that separating land uses so that people have to drive everywhere and imposing large minimum lot sizes is expensive to service, causes excessive traffic and creates unhealthy communities.

Improving our housing supply and modernizing our regulations and zoning codes will create many economic and social benefits for our communities. Housing construction creates quality jobs and increases a community's tax base. Expanding choices and housing opportunities for families can improve schools and reduce traffic congestion. And building more housing overall will reduce upward pressures on prices and rents.

ROADMAP TO REFORM: GOAL 2
INCREASE HOUSING CHOICES WITH A MORE DIVERSE HOUSING STOCK



Demographics and housing demand are shifting. Average household size is declining. Baby Boomers are aging. Younger households are more diverse and have greater preferences for "walkable urbanism," smaller or more sustainable housing options, and a diversity of experiences. Families are increasingly looking for multigenerational options and flexible housing arrangements.

This goal recognizes the need not only to build more housing but to build a greater variety of housing that people want in places where they want to live. We need to update our housing delivery system to meet 21st century tastes and technologies.

Architects, developers and planners have successfully implemented a wider range of newer housing models across the country that allow developers and builders to respond to housing demand and changing demographics. These have included tiny houses, the "not-so-big" house, small lot houses, cottage clusters, "pocket neighborhoods," courtyard neighborhoods and live-work units. Innovative designs are available for multifamily structures that blend into neighborhoods and look like single-family houses. Cities across the country are trying to re-weave the urban fabric by permitting "missing middle" housing types, such as duplexes, 3- or 4-plexes, small garden apartments, courtyard apartments, townhouses and city-houses. This includes allowing flexibility in design standards, parking requirements, set-backs, frontage requirements and other regulations. Overwhelmingly, these new units add value to existing neighborhoods, re-weave the urban fabric, and are constructed with modern materials and methods.

Communities should provide a greater range of housing in every neighborhood that offers options for people at different life stages to stay in the same area. In fact, Wisconsin state law requires communities to provide both an adequate housing supply to meet forecasted needs and "a range of housing choices that meet the needs of persons of all income levels and of all age groups." (Wis. Stat. 66.1001(2)(b))

A wider variety of housing styles, types and sizes in each neighborhood will help meet changing market demands, reduce the workforce housing gap, and promote housing affordability.

Goal 2 Strategies: Increase housing choices with a more diverse housing stock

Based on our analysis of planning, zoning and regulatory reform efforts in other states, Wisconsin could consider any or all of the following menu of policies and strategies:

- **Expedited permitting and development approval processes for housing at the state and local levels:** New developments often take years to get through the local approval process, which increases the price of new housing units. Expedited approval processes reduce costs, time to develop and uncertainty, which will provide an incentive for developers and builders to create more workforce housing. Some states, for example, require municipalities to make final determinations on development applications that involve housing within 90 or 120 days.
- **Require all cities and villages to allow "missing middle" housing types in at least one residential zoning district as a permitted use by-right:** Missing middle could be defined as "attached townhouses, duplexes, triplexes or quads, and cottage clusters." Encourage communities to plan for "complete neighborhoods" and to allow "missing-middle" housing types in all neighborhoods, based on proposals in Oregon.
- **Require municipalities to allow accessory dwelling units (ADUs), sometimes called "granny flats" as a permitted use by-right in all residential zoning districts:** Consider developing a state-level "model ordinance" to be adopted by municipalities for ADUs, including reducing parking requirements and impact fees for ADUs. Consider a task force of design professionals — architects, landscape architects and interior designers — to develop "off-the-shelf" ADU building plans that meet state building codes and reduce design costs and uncertainty. Consider requiring that applications for ADUs that conform to state-approved building plans are automatically granted building and zoning permits.
- **Better enforcement of existing requirements:** Wisconsin law currently requires cities, villages, towns and counties with zoning or subdivision ordinances to have comprehensive plans that "provide an adequate housing supply that meets existing and forecasted housing demand in the local governmental unit." (Wis. Stat. § 66.1001(2)(b)) However, the evidence in this study demonstrates that local governments are not meeting this requirement. Stronger enforcement standards should be added to the law to ensure this requirement is being met.

  Many northeastern states including New Jersey, Connecticut, Massachusetts and New Hampshire, as well as the state of Washington, have created state appeals systems. If a municipality is not providing an adequate housing supply or not meeting its workforce housing needs, developers can appeal to a statewide board of housing and land use experts. Alternatively, Wisconsin could create an expedited appeals process to circuit court and require municipalities to approve workforce housing projects unless the municipality can demonstrate that the denial of a proposed project is necessary to protect community health or safety.
- **Establish maximum minimum lot sizes in sewer service areas:** Require municipalities with residential zoning districts in areas served by public water and sewer, "sewer service areas" under NR 121, to provide extraordinary justification for large single-family minimum lot sizes — for example, larger than 6,000 ft^2 or 8,000 ft^2; or consider prohibiting a municipality from enacting, amending or enforcing a zoning ordinance with a minimum lot size larger than 6,000 ft^2 or 8,000 ft^2 in sewer service areas.

[CONTINUED]

Goal 2 Strategies: Increase housing choices with a more diverse housing stock

- **Use tax incentives to reduce costs for workforce housing:** State and any county sales taxes, for example, can add 5 to 5.5 percent to the cost of the materials. Exempting building materials for workforce housing from state and local sales taxes would lower the construction costs for such housing.
- **Require municipalities to allow multifamily housing construction in at least one zoning district as a permitted use by-right:** This has the effect of prohibiting municipalities from outright bans on multifamily construction.
- **Encourage and/or incentivize municipalities to plan for a better balance between jobs and housing:** Provide incentives for high-employment cities or areas to expand nearby housing opportunities or transit service. Incentives could include financial benefits to the city and/or higher priority for state economic development and infrastructure investments; "pay for success." Encourage municipalities to reduce or eliminate minimum parking requirements in proximity to transit.
- **Analyze statewide workforce housing data:** Cities and villages with a population over 10,000 are required to prepare annual reports on implementation of the housing plans, progress toward meeting forecasted housing demands, and analyses of the cost of land development regulations on the price of housing. See 2017 Wis. Act 243. This data, however, is not required to be analyzed on a statewide basis to evaluate whether Wisconsin's workforce housing issues are being addressed at the local level. The state should prioritize analyzing these reports, providing educational materials to citizens, publishing best practices and innovative plans, and reporting on municipal compliance with reporting requirements.
- **Financing for workforce housing in rural areas and small communities:** The state should consider creating funds targeted toward support for new workforce housing construction and reinvestment in rural areas and small communities. Construction costs in rural areas and small communities are often as expensive as nearby cities, but rents and property prices would not support construction costs. Technical assistance and gap-financing to access USDA rural housing funds would help smaller communities respond to their housing challenges.
- **Provide additional incentives to local government to approve workforce housing:** For example, 2017 Wisconsin Act 243 allows municipalities that permit new housing on less than a quarter-acre lot and that sells for less than 80 percent of other new housing to increase levy limits for police, fire and EMS. The state could consider additional financial incentives to municipalities to produce workforce housing, including rental.
- **Workforce housing tax increment financing districts (TID):** Allow the use of tax-increment financing (TIF) for the construction of the infrastructure — roads, sewer and water — necessary to service new workforce housing developments. TIF uses the increase in property tax revenues generated from the new development to pay for infrastructure and other costs.

ROADMAP TO REFORM: GOAL 3
REBUILD & STRENGTHEN HOMEOWNERSHIP

Rebuilding homeownership by expanding homebuying opportunities to groups currently underserved in the market — younger families, first-time homebuyers, and African American and Hispanic households — is crucial to the long-term economic health of Wisconsin and our communities. Reducing racial disparities in homeownership will reduce racial disparities along other dimensions. In many of our cities and older neighborhoods, plenty of older houses for purchase exist, but there are not enough "purchase-ready" households.

In nearly every county in Wisconsin, a number of nonprofit and for-profit housing counseling organizations, homebuyer assistance programs, banks and financial institutions catering to first-time homebuyers currently exist. We already have the infrastructure of lenders and housing counselors, and state and federal programs to assist first-time homebuyers. But these programs need to be scaled up, promoted, coordinated and funded to achieve a statewide impact.

The African American homeownership rate in Wisconsin is currently at 24.5 percent, while the national African American homeownership rate is at 41.7 percent. If Wisconsin's black homeownership rate increased to the national average, which, of course, is still too low, the state would add at least 22,000 new homeowners.

Likewise, the Hispanic homeownership rate in Wisconsin is currently 40.2 percent, while the national Hispanic homeownership rate is 47.2 percent. If Wisconsin's Hispanic homeownership rate increased to the national average, which, of course, is still too low, the state would add nearly 8,000 new homeowners.

The homeownership rate for 25-34 year-old households in Wisconsin is 43.6 percent, while the average for our neighboring states is 48.8 percent. If Wisconsin's homeownership rates for 25-34 year-old households increased to the average of our neighbor states, we would add 18,000 new homeowners in this state.

Improving homeownership among these three underserved populations could result in about 48,000 new homeowners in Wisconsin. Such a goal is certainly within the financial and administrative capacity of the state.

Years of experience already tell us what works to move families into sustainable homeownership: mandatory housing counseling, including credit repair; plus financial assistance for down payments, either through down payment assistance programs or other savings vehicles; plus neighborhood property stability and neighborhood revitalization.

In short, we need to create more purchase-ready borrowers and purchase-ready homes. This connects to the next goal of reinvesting in our aging housing stock.

ROADMAP TO REFORM: GOAL 4
REINVEST IN OLDER HOUSING STOCK AND OLDER NEIGHBORHOODS

Wisconsin's aging housing stock and older neighborhoods provide great value and great places. But, like any physical infrastructure, homes need reinvestment and rehabilitation to maintain value. Many of our older homes are occupied by seniors, who may experience cash-flow difficulties in updating important house systems. Many older homes are not energy efficient, resulting in higher-than-needed electricity, heating and cooling costs for homeowners. Seniors in particular may live in older housing and may not be able to afford energy efficiency improvements, which can increase costs or leave them more vulnerable to extreme heat or cold events. For first-time homebuyers or buyers looking for housing in older neighborhoods, financing the necessary improvements along with the house purchase may be financially out of reach.

Wisconsin's older single-family housing stock can provide many opportunities for entry-level housing or move-down housing for seniors. However, over 60 percent of our single-family structures were built before 1980 and are often in need of substantial repair, modernization or energy-efficient investments.

Reinvesting in older housing stock and older neighborhoods pays off in the long run. Property values are stabilized, housing is made more efficient and sustainable, and communities are renewed. Although we clearly need to build more housing, as outlined in goal 1, the majority of our workforce and seniors in the next 20 years will live in already-built housing.

OVER 60 PERCENT OF OUR SINGLE-FAMILY STRUCTURES IN WISCONSIN WERE BUILT BEFORE 1980 **AND ARE OFTEN IN NEED OF SUBSTANTIAL REPAIR, MODERNIZATION OR ENERGY-EFFICIENT INVESTMENTS.**

Goal 3 Strategies: Rebuild and strengthen homeownership

- **Encourage cities, villages and counties to make funding available for Down Payment Assistance Programs (DPAP):** Statewide resources for DPAPs through WHEDA and the Federal Home Loan Bank of Chicago (FHLBC) already exist. Communities should design their programs to leverage and maximize these sources. For example, the FHLBC Downpayment Plus program provides matching funds, which could come from local banks, pools of employers, or a community development authority.

- **Create a first-time homebuyer savings account program:** Create incentives to help workers and families save enough money to purchase a home by providing a state tax deduction and a tax-advantaged savings vehicle for accumulation of a down payment for future homeowners. Matching contributions from employers, community organizations or financial institutions could be allowed. Currently, Colorado, Iowa, Minnesota, Mississippi, Montana and Wyoming offer some form of tax-advantaged first-time homebuyer savings accounts. The program could be enhanced by providing employers with financial incentives or tax credits for contributions to an employee's homebuyer savings account.

Goal 4 Strategies: Reinvest in older housing stock and older neighborhoods

- **Expand WHEDA's Transform Milwaukee Advantage program:** Expand WHEDA's Transform Milwaukee Advantage program to the entire city of Milwaukee and possibly expand to reinvestment in targeted areas in other older urban neighborhoods. WHEDA's Transform Milwaukee Advantage program partners with local housing counselors and community development groups to expand homeownership in underserved markets in a limited number of Milwaukee neighborhoods. Products like the Transform Milwaukee Advantage are particularly useful for acquisition and rehabilitation of single-family structures.

- **Create a state tax credit or other financial incentives for the rehabilitation of older housing in older neighborhoods:** Much of the workforce housing stock is located in older neighborhoods. Improvements to older, existing homes such as new windows or insulation add value to the house. Tax credits or low-interest loans could be provided to owners, including seniors, to rehab or improve their homes. Tax credits or other financial incentives could be directed to nonprofit housing agencies to acquire, rehabilitate, and then re-sell older housing at an affordable price.

- **Expand training and apprentice programs for displaced or underemployed workers:** Continue and expand partnerships with community colleges and the Department of Workforce Development (DWD) to expand training and apprenticeship programs for displaced or underemployed workers and at-risk youth to become skilled contractors in skilled trades in construction and rehabilitation of older housing. The shortage of construction workers for new construction also constrains rehabilitation and reinvestment in existing housing. Consider reduced tuition or financial incentives for students who take construction classes at technical college and enter the building trades.

ROADMAP TO REFORM: GOAL 5
MAKE HOUSING A PRIORITY!

Meeting Wisconsin's workforce housing challenge, expanding housing options for seniors and younger workers, and reinvesting in our communities will require leadership and effort at all levels. We need to think big — at a large enough scale to address the scale of our housing challenges.

Public statements from the governor and legislative leaders already indicate that making housing a priority is a bipartisan idea. Housing needs are present in all of our communities — big cities, small towns, suburbs and rural areas. Making housing a priority will mean legislative and administrative changes as well as new and expanded funding and financial incentives at the state level. But much of the implementation of strategies to meet our housing needs will mostly come from local governments and the private sector: developers, builders and lenders.

Making housing a priority will require a sustained partnership across all sectors, including leadership from statewide associations such as the Wisconsin REALTORS® Association, which has funded this report to highlight the critical housing needs in the state.

The proposals in this report are just a starting point for reform and modernization efforts, and we hope that ongoing conversations all across the state will continue to invent creative, innovative and flexible methods of expanding housing choices.

Goal 5 Strategies: Legislative, financial and administrative reforms

A key approach for these strategies is to leverage existing programs and structures for maximal advantage, and to provide opportunities for municipalities and the private sector to innovate and respond to new housing challenges.

Leverage, partnership and flexibility are important approaches to solving the housing crisis.

- **Target state incentives to build and preserve workforce housing in Opportunity Zones:** The state should leverage the Federal Opportunity Zone tax incentives from 2017 tax reform legislation to coordinate housing investments into designated Opportunity Zones in the state. The federal tax incentives will focus investment into new construction and new business creation in Opportunity Zones, but there will still be a need for preservation and reinvestment in existing rental and ownership housing. Preserving and upgrading the existing housing stock in these areas would benefit workforce housing, as workers in these new businesses can live near work.

  Specifically, the state could consider expanding the recently passed Affordable Housing Tax Credit (Act 176) to create a special pool of tax credits for investment preservation and/or rehabilitation of existing rental units in Opportunity Zones. These state credits would leverage federal tax credits and the housing bond program. Likewise, the state could target homebuyer assistance programs or loans to housing developers and/or nonprofits located within Opportunity Zones.

- **Expand state housing tax credit for rural areas:** The state could consider expanding the successful state housing tax credit program with additional funding designed for rural areas and small towns, including financial assistance and technical assistance to help deal with application and financing costs for many small buildings across a larger area. WHEDA's recent coordinated efforts in Barron County are a great example of this strategy.

- **Financial incentives for innovative models:** The state could consider special financing incentives for new or innovative models of housing supply and affordability. This could include, for example, lease-to-purchase programs, community land trusts, cooperative housing, and shared-equity programs. The state could also consider special financing incentives or programs for homeowners who want to develop an ADU on their property. Currently, it is difficult for existing homeowners to finance construction of an ADU on their property because of federal mortgage rules. State financing or credit guarantees could facilitate investment.

- **Coordinate housing programs:** Currently, many state housing programs and regulations are scattered across different state agencies. Executive and legislative action could bring all housing programs together in a centralized, coordinated way.

- **Technical and financial assistance for local governments:** Because local governments play such a critical role in shaping housing opportunities, the state should provide more technical assistance, training and grant funding to help communities plan for and meet their housing needs. This could take many forms, either through a state agency or through partnerships with the University of Wisconsin, UW-Extension or statewide associations.

- **Create a revolving loan fund for nonprofit and affordable housing developers:** Because land costs in many of our cities are so high, nonprofit and affordable housing developers often face difficulties in pre-development financing and land acquisition. The state should consider a revolving loan fund for these developers. California, Florida and the city/county of Denver all have financing programs worth considering.

- **Maintain and expand rental assistance programs:** Even though expanding housing choices and reducing regulatory barriers to supply will bring down housing costs, many working families, seniors and those with disabilities or special needs will continue to face housing affordability challenges in the private housing market. Maintaining and expanding rental assistance programs and fair housing enforcement will continue to be critical to meeting the needs of all our residents.

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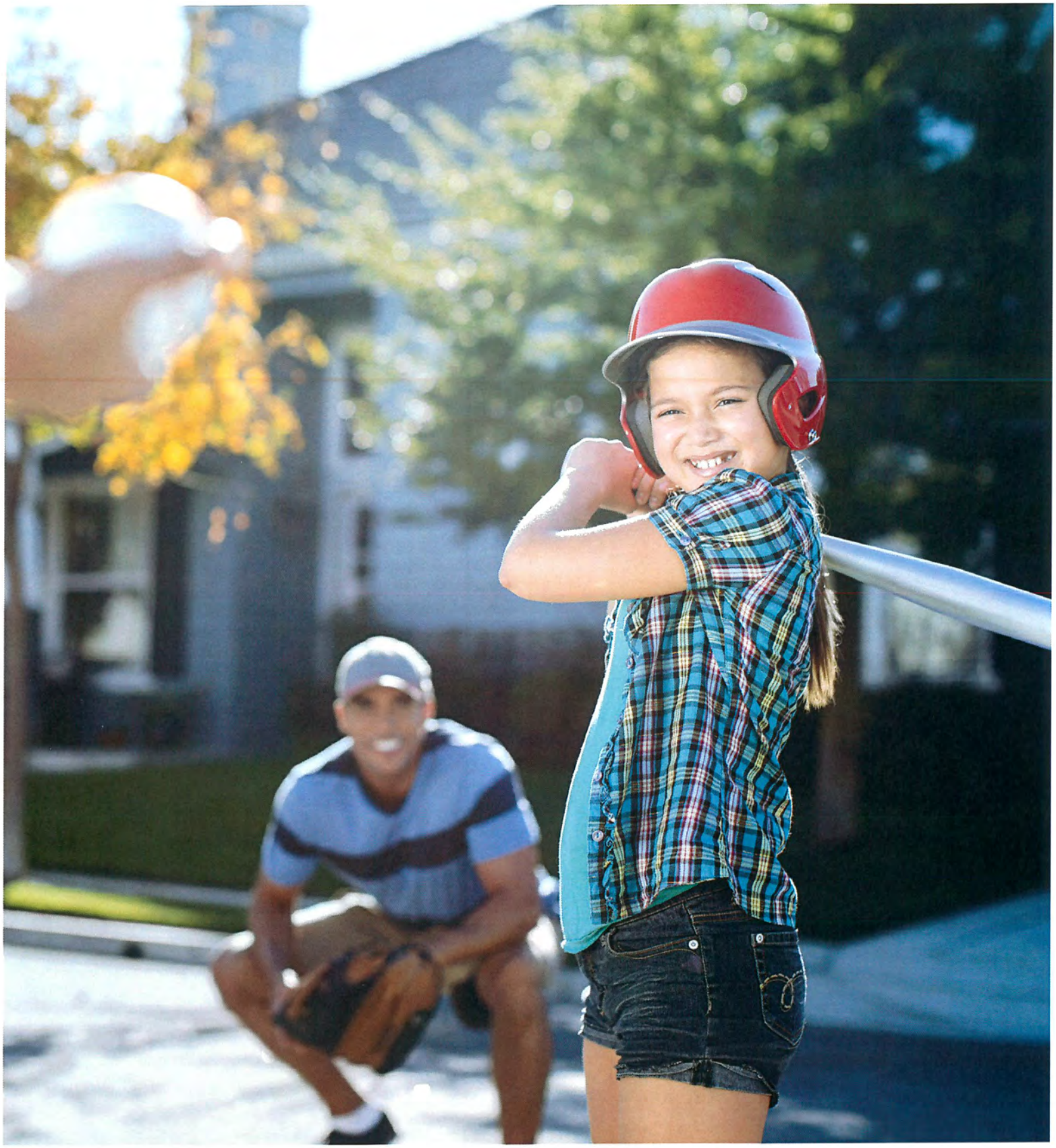

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