



HAC MEETING #5 WORKBOOK

TAKING THE NEXT STEP.

WEDNESDAY, FEBRUARY 22ND | ALLIANT ENERGY CENTER

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Please review the workbook before the HAC Meeting #5. All workbooks will include advance materials and summaries of the prior HAC meeting.

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OVERVIEW/SUMMARY

The RHS Housing Advisory Committee met Wednesday, January 25th, at the Lussier Family Heritage Center, to learn more about Dane County housing affordability and new-construction market trends. [CLICK HERE](#) to see the HAC #4 PowerPoint for more detailed information.

HAC members collaboratively envisioned future housing growth by distributing overall housing units, as well as legally restricted affordable housing units, among five subareas within the county: Madison, Inner-ring Suburbs, Outer-ring Suburbs, Rural Villages, and Towns. Highlights from both Strategy Spotlight presentations can be found on the next page.



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STRATEGY SPOTLIGHTS

VILLAGE OF MCFARLAND

Andrew Bremer | Community + Economic Development Director

Andrew Bremer from the Village of McFarland shared recent affordable and workforce housing developments, and McFarland’s 2023 initiatives, which include: establishing a local housing fund, completing a housing needs assessment, amending the zoning code to allow Accessory Dwelling Units (ADUs), and updating the East Side Neighborhood Plan to include policies that broaden housing choices.

VERIDIAN HOMES

Chris Ehlers | Chief Operating Officer

Chris Ehlers from Veridian Homes walked HAC members through new-construction market trends and recommendations for jurisdictions to encourage attainable for-sale housing developments at a range of income levels. His recommendations included some of the following: allowing for increased unit density and different lot sizes for new developments, increasing flexibility for park and impact fee credits, and improving access to financial assistance for first-time homebuyers.

SCHEDULE + MEETING #4 STATS



HAC #4 member attendees: **51**
HAC #4 general public attendees: **4**
New HAC members: **12**

HAC members that shared the Community Housing Survey with their networks: **+50%**

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BREAKOUT EXERCISES + DISCUSSION TAKEAWAYS

Breakout #1: Myth vs. Fact Activity

HAC members received a pre-populated game board with room for participants to guess if the prompts included below were MYTH or FACT. The project team provided supporting data during the presentation, revealing answers in real-time.

MYTH VS. FACT PROMPT RESULTS	
Over half of the County population lives in Madison. (47% of the population lives in Madison [2017-2021])	MYTH
Homeownership in Dane County is on the rise. (It declined from 65% in 2010 to 59% in 2020)	MYTH
Dane County has a lower housing vacancy rate than Wisconsin overall. (4% in Dane County versus 11% in Wisconsin [2020])	FACT
The Dane County median home price is more than \$100,000 higher than the Wisconsin median. (\$392,000 in Dane County versus \$263,000 in Wisconsin [2022])	FACT
A household earning \$125,000 per year could afford the median cost of typical new construction for-sale housing. (A household would need to earn an estimated \$153,000 per year [2022 calculation])	MYTH
Suburban communities outpaced Madison in rental unit growth in the past 11 years. (Madison added 9,300 rental units. Other cities and villages added 6,700 [2010-2021])	MYTH
A household earning \$75,000 annually could live affordably in a 2-bedroom new construction rental unit. (Income of at least \$83,000 would be needed [2022 calculation])	FACT
There are more higher-cost rental units than affordable rental units in the County. (49,000 higher cost units, 43,000 affordable units)	FACT
*Average HAC member score: 6 / 8	

Great job! We see you've been listening!

*38 HAC member participants

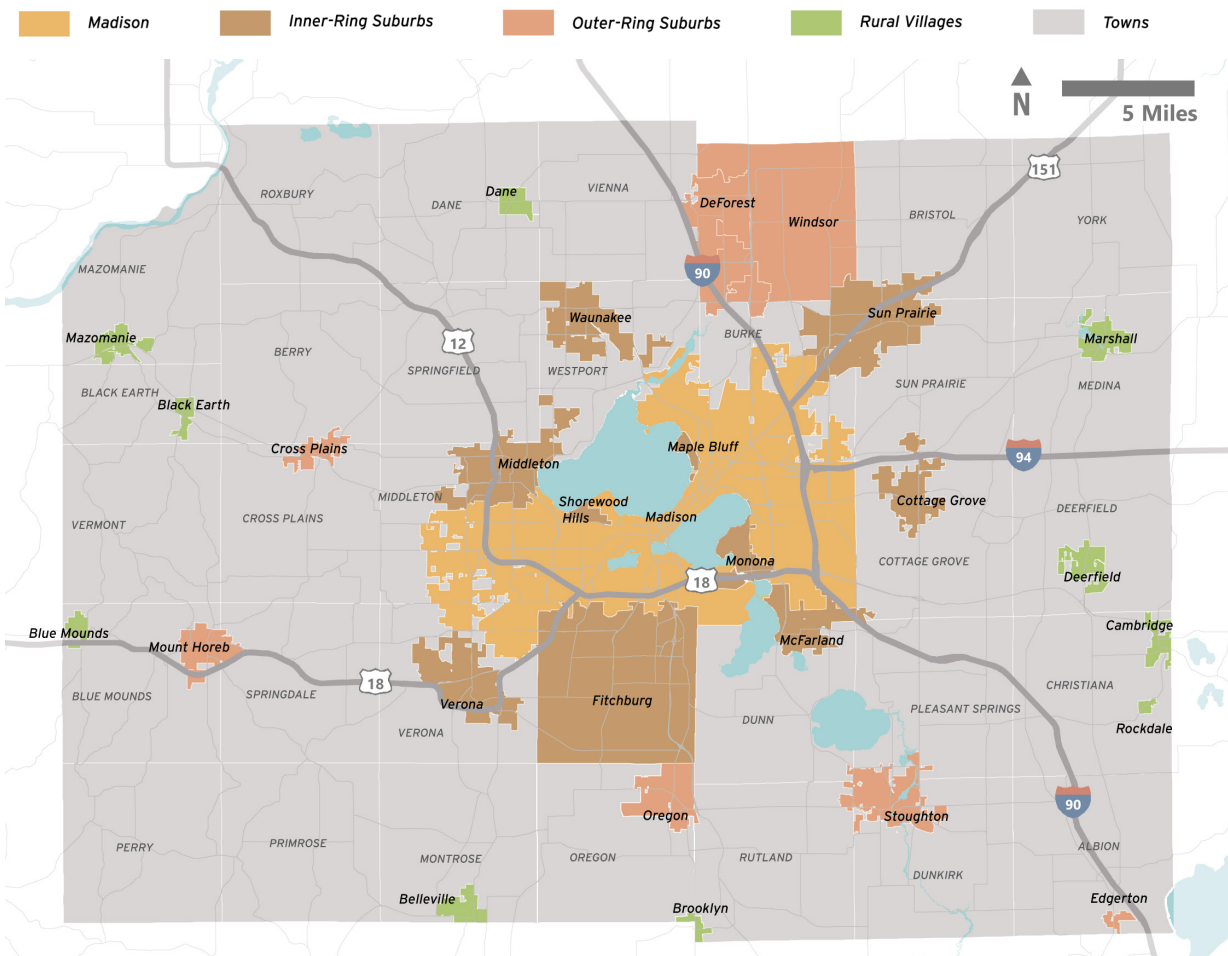
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Breakout #2: Future Housing Growth Distribution Activity

HAC members were asked to review the map below and note the highlighted Dane County subareas. HAC members marked down their preferred distribution of future housing growth identifying placing new housing units within each subarea by percentage. Next, HAC members did the same for their preferred distribution of new “legally restricted” affordable housing units. In breakout groups, HAC members discussed their initial approaches toward distributing new units, and then submitted their percentage totals (out of 100%) into the collective group report-back through Menti. The final growth distribution totals the HAC members envisioned are included on the following page.



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Breakout #2: Future Housing Growth Distribution Activity (continued...)

% of ALL New Housing	HAC Future Distribution	Recent Distribution of New Units (2010-2021)
Madison	42%	47%
Inner-Ring Suburbs	30%	36%
Outer-Ring Suburbs	15%	8%
Rural Villages	7%	2%
Townships	7%	7%
TOTALS (49 votes):	≈100%*	≈100%*

% of New LEGALLY RESTRICTED Housing	HAC Future Distribution	Recent Distribution of New Units (2010-2021)
Madison	45%	58%
Inner-Ring Suburbs	30%	37%
Outer-Ring Suburbs	15%	5%
Rural Villages	7%	0%
Townships	4%	0%
TOTALS (49 votes):	≈100%*	≈100%*

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Breakout #2: Future Housing Growth Distribution Activity (continued...)

What we heard:

Commitment to being part of the solution:

- "Shared responsibility of the entire county."
- "Equal distribution of affordable housing allows for choice for people to live where they want."
- "Even (proportional) distribution across all areas, with emphasis on equity."

Other factors to consider:

- "A holistic view of housing is important."
- "I think we should develop along transportation and every subarea should have Legally Restricted Affordable Housing (LRAH)."
- "The existing infrastructure and amenities are important."
- "Assess to childcare, food, transportation, water, school, healthcare are all factors."
- "Concern about reinforcing segregation where we decide to build Legally Restricted Affordable Housing (LRAH)."
- "It is challenging to determine distribution - depends on transportation, jobs, space in schools, etc."
- "Hoping for better regional transportation."

Madison:

- "Madison has over 50% because of the amenities."
- "Madison has the capacity and could take more overall housing and Legally Restricted Affordable Housing (LRAH)."
- "Madison is the only place with public transit. It would be helpful to see a map with transit infrastructure."
- "This is difficult to answer. Many agree that housing density is attainable in the City of Madison. Transportation costs can also make affordable housing less meaningful."

Inner-ring + Outer-ring Suburbs:

- "The Inner-ring Suburb is a sweet spot - easier to connect for services and room for growth."

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- "Madison is doing well - levels out the nearby areas."
- "Future housing growth in both the Inner- and Outer-ring Suburbs may lead to solve some of the problems."

Rural Villages:

- "There is a lack of Legally Restricted Affordable Housing (LRAH) in the county's rural areas. Low wage jobs exist everywhere so we need it."
- "Townships and Rural Villages are limited (don't have services or transportation to support new development) and may have some of the best farmlands in Dane County. There also is a desire to maintain the rural character."
- "Land cost is cheap in rural areas, but the materials are expensive to transport."
- "Rural land acquisition is lower in price; question is, how to service it."
- "The existing infrastructure and amenities is important to consider when thinking about the county's future growth."

Towns:

- "I think we should develop along transportation and every subarea should have Legally Restricted Affordable Housing (LRAH)."
- "Townships and Rural Villages are limited (don't have services or transportation to support new development) and may have some of the best farmlands in Dane County. There also is a desire to maintain the rural character."
- "Transportation improvements could help to have more Legally Restricted Affordable Housing (LRAH) in rural and country."
- "The towns need affordable housing to help people age-in-place."
- "Farmland preservation is a priority."

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HAC FEEDBACK + PROJECT TEAM RESPONSES

COMMENT: *Will there be time during future HAC meetings to ask Strategy Spotlight presenter's questions?*

RESPONSE: *Great question! Each 2-hour HAC meeting is structured differently depending on the meeting goals, presentation content, Strategy Spotlight speakers, and engagement exercises. Coalition-building is a main component of the HAC meetings so please feel free to introduce yourself, and ask questions to Strategy Spotlight speakers during breaks or at the end of the meeting. Don't be shy! Ask for their contact information so you can ask questions even after the HAC meeting.*

COMMENT: *If HAC members have questions about the data and data sources presented in HAC meetings who can they contact?*

RESPONSE: *We would be happy to answer any questions you have about the data and sources. Please send any questions to Olivia Parry at parry@countyofdane.com and she can assist.*



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HAC RESOURCES

We heard from many of you that you are interested in both sharing and learning about new housing-related tools and resources. Please share resources with us and they will be included in the future resource recommendations for all HAC participants.

HAC PARTICIPANTS

RHS Project Website - <https://danecountyplanning.com/RHS>

**All HAC meeting materials and resources can be found on the project website.*

HAC Meeting #4 Video - [CLICK HERE](#) to View on YouTube (74 minutes)

QUESTIONS OR CONCERNS?

We would love to connect and understand how we might better accommodate your participation throughout the remaining 7 HAC meetings. Send us an email at mschulz@altogetherstudio.com and let us know how we can help.

RECOMMENDED RESOURCES

Dane County Housing Initiative (DCHI) homepage: <https://danehousing.countyofdane.com/>

DCHI Webinars & Documentary "Minding the Gap: The Housing Crisis in Dane County":
<https://danehousing.countyofdane.com/Housing-Film-and-Video>

Dane County Planning & Development Dept.'s Resources on Racial & Gender Equity & Inclusion:
<https://www.danecountyplanning.com/Racial-and-Gender-Equity>

"Segregated by Design", a film exploring redlining and the history of segregation:
<https://www.segregatedbydesign.com/>

City of Madison: Civil Rights + Resources on Housing Discrimination:
<https://www.cityofmadison.com/civil-rights/know-your-rights/housing-discrimination>

Madison Roots: Building Generational Black Wealth + Ownership: <https://www.madisonroots.com>

Own It: Owing Black Wealth: <https://ownitbbw.com/>

Urban Triage: Return to Our Past to Heal for Our Future: <https://urbantriage.org/>

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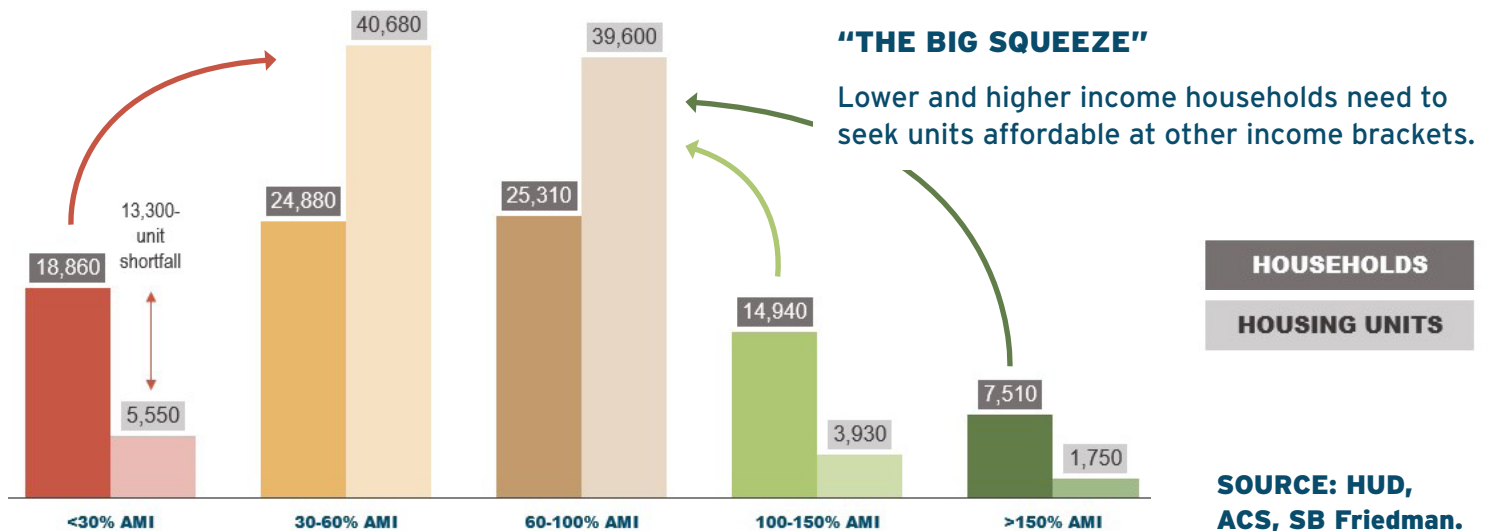


DANE COUNTY RENTER HOUSING SUPPLY GAP

Renter households by income level, and the rental units affordable to them:

SB Friedman used a combination of American Community Survey (ACS) 5-Year Estimates data on households and U.S. Department of Housing and Urban Development (HUD) data on area median income (AMI) limits to estimate: (1) the number of renter households at various income levels, and (2) the number of housing units affordable at each of the same income levels.

The comparison of renter households and affordable housing units at each income level is used to identify whether there is either a gap or a surplus of units at each AMI level. This comparison is shown in the following chart.



Key Findings:

HOUSEHOLDS EARNING LESS THAN 30% AMI (Extremely Low-income (ELI) Households)

- There are approximately 13,300 more renter households earning less than 30% AMI than housing units affordable to them.
- Approximately 7,800 of the ELI households are student households, 11,000 non-student households

HOUSEHOLDS EARNING 30-60% AMI (Very Low-income Households)

- The number of rental housing units exceeds renter households between 30-60% AMI. However, many ELI households live in these units as well, due to their unmet need. Renters earning above 60% AMI are also likely to live in units affordable at this level.

HOUSEHOLDS EARNING MORE THAN 60% AMI

- The number of rental housing units affordable to households earning 60-100% of AMI exceeds the number of such households by about 14,300. However, there are approximately 16,700 renter households who earn more than 100% AMI who rent units affordable at lower income levels. This puts additional pressure on the market and creates competition in the rental market.

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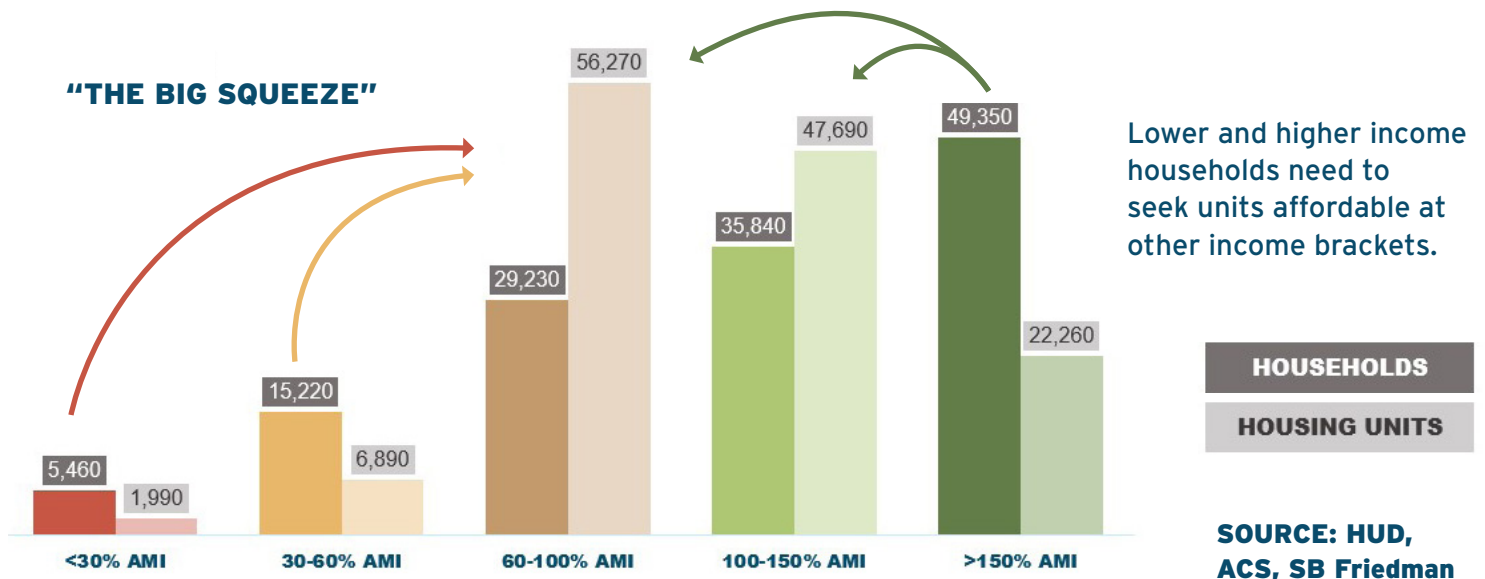


DANE COUNTY OWNER HOUSING SUPPLY GAP

Owner households by income level, and the owner units affordable to them:

Using a similar methodology to the renter gap analysis, SB Friedman analyzed the number of owner-occupied housing units and number of households at various income levels. The number of housing units at each income level is based on Census reported home values and the corresponding estimated monthly housing costs, including typical mortgage payment, property taxes, home insurance and private mortgage insurance.

This analysis does not account for the particular situation of any specific homeowner, who may have purchased a home in earlier years at a lower or higher price, may/not have a mortgage, or may have circumstances that differ from the assumptions. The goal of this calculation is to illustrate whether owner households can afford typical ownership costs at the time of analysis. The following chart illustrates the gap or surplus of affordable ownership units at various income levels.



Key Findings:

HOUSEHOLDS EARNING LESS THAN 60% AMI (Extremely Low-income and Very Low-Income)

- There are over 20,000 owner households earning less than 60% AMI, while fewer than 9,000 housing units are affordable at this level.

HOUSEHOLDS EARNING 60-100% AMI (Low- to Moderate-Income)

- The number of units affordable at this income level appears to show a surplus compared to the number of owners households. However, housing costs have risen faster than incomes since the 2016-2020 ACS period that this data is based on, reducing affordability. In addition, households earning over 100% AMI purchase units in this range, increasing competition.

HOUSEHOLDS EARNING MORE THAN 100% AMI

- There are 85,000 owner households who earn more than 100% AMI, and 70,000 units affordable at that range of income. Households therefore purchase units that are affordable at lower incomes, increasing pressure at lower price points.

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*Housing Unit Production
Estimates incorporate
approximately 14,000 existing
units assumed to be demolished
and replaced, based on a CARPC
unit loss assumption.

HOUSING UNIT DEMAND PROJECTIONS BY JURISDICTION 2020-2050:

SB Friedman applied household growth rates that the Capital Area Regional Planning Commission (CARPC) developed for the 2022 Regional Development Framework to 2020 Decennial Census household data by jurisdiction. This method is consistent with CARPC's household growth assumptions by jurisdiction, but updates CARPC figures to incorporate 2020 data (rather than projected 2020 household counts). CARPC's household projections by jurisdiction incorporate expected annexations.

SB Friedman estimated housing unit production goals for 2050 for homeowner and renter households, across jurisdictions. These estimates incorporate assumptions about national homeownership trends. The new owner and rental unit goals for each jurisdiction are based on the net new households in 2050 by jurisdiction, calculated from SB Friedman's 2050 projections by jurisdiction.

Jurisdiction	2020 Households	2050 Households	2020 Housing Units	2050 Housing Units	New Owner Unit Production Goal, 2020-2050	New Rental Unit Production Goal, 2020-2050	Annual Owner Unit Production Goal	Annual Rental Unit Production Goal
Dane County	238,417	333,707	248,795	348,437	53,809	62,436	1,794	2,081
Madison	123,840	173,375	129,329	181,126	23,452	37,036	782	1,235
Towns	25,745	30,194	27,146	31,849	3,285	2,295	109	76
Sun Prairie	14,376	21,708	14,952	22,571	4,656	4,152	155	138
Fitchburg	13,214	20,218	13,833	21,136	3,548	4,902	118	163
Middleton	10,104	14,449	10,509	15,093	2,167	3,187	72	106
Stoughton	5,459	7,697	5,811	8,122	1,569	1,113	52	37
Verona	5,463	8,304	5,646	8,601	2,015	1,407	67	47
Waunakee	5,348	8,236	5,537	8,507	2,328	1,111	78	37
Oregon	4,345	6,561	4,446	6,800	1,667	1,102	56	37
Monona	4,161	4,660	4,342	4,870	217	414	7	14
DeForest	4,163	6,661	4,294	6,914	1,961	1,095	65	36
McFarland	3,598	5,361	3,711	5,550	1,262	871	42	29
Mount Horeb	3,005	4,417	3,115	4,614	946	818	32	27
Windsor	3,241	4,732	3,345	4,914	1,192	645	40	22
Cottage Grove	2,673	4,170	2,727	4,290	1,253	563	42	19
Cross Plains	1,689	2,483	1,726	2,577	547	460	18	15
Marshall	1,450	1,740	1,509	1,819	154	216	5	7
Deerfield	972	1,380	998	1,429	303	200	10	7
Shorewood Hills	919	1,029	969	1,077	52	76	2	3
Belleville	821	1,158	851	1,201	253	153	8	5
Mazomanie	731	987	760	1,026	183	125	6	4
Black Earth	625	788	651	819	112	83	4	3
Maple Bluff	553	608	591	634	32	21	1	1
Cambridge	630	895	665	931	216	88	7	3
Dane	417	600	425	621	135	95	4	3
Blue Mounds	383	567	400	591	124	97	4	3
Brooklyn	355	540	364	557	149	76	5	3
Rockdale	89	112	93	117	14	15	0	0
Edgerton	48	78	50	81	18	19	1	1

**SOURCE: CARPC, Census,
ACS, SB Friedman**

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HOUSING UNIT PROJECTIONS BY HOUSING TYPE

SB Friedman identified County-level production goals by housing type (single-family detached, single-family attached, and multifamily) based on CARPC's Regional Development Framework.

Housing Type	New Units, 2020-2050 [1]
Single Family Detached	25,800
Single Family Attached	19,800
Multifamily	70,500
Total	116,100

*Housing Unit Production Estimates incorporate approximately 14,000 existing units assumed to be demolished and replaced, based on a CARPC unit loss assumption.

SOURCE: CARPC, Census, ACS, SB Friedman

HOUSEHOLD PROJECTIONS BY INCOME LEVEL

Assuming households grow proportionally, there will be approximately 26,000 additional households earning less than 60% AMI and about 21,000 earning 60-100% AMI in 2050.

Projection Type	Households Earning Less Than 30% AMI	Households Earning Between 30-60% AMI	Households Earning Between 60-100% AMI	Households Earning Over 100% AMI
2020 Census Estimate	26,400	38,500	53,100	120,400
2050 Projection (40% Growth Rate)	37,000	53,900	74,400	168,500
Projected Change, 2020-2050	10,600	15,400	21,300	48,100

SOURCE: Census, ACS, CARPC, SB Friedman