

HOUSING & ECONOMIC DEVELOPMENT WORK GROUP SPRING 2004 EDUCATION/REVIEW SESSIONS RECAP

From January 26, 2004 to May 26, 2004, the Dane County Comprehensive Planning Steering Committee's Housing & Economic Development Work Group participated in seven educational review sessions in order to gather data to evaluate draft housing and economic development goals and objectives for the Dane County Comprehensive Plan. These seven sessions featured eleven topics and sixteen presenters. A recap of these presentations and panels is attached. *The following bullets highlight some information gathered through this process:*

Housing

- From 1989 to 1999, median home value increased 91% while household income increased 44% - Housing prices and rental prices have increased and are projected to increase in the next decade. (1/26/04 HED meeting)
- Challenges in creating affordable housing include: the amount of subsidy needed to keep housing affordable, problem of regulatory barriers, threat of long-term supply, public perceptions of "affordability," and funding for affordable housing. (1/26/04 HED meeting)
- Shift in where people live in the county: 49% in Madison, 37% in "suburbs," and 14% rural and the trend are that the outlying service areas will outpace the central urban service area in growth. (1/26/04 HED meeting)
- Condos seem to be closing the gap for entry-level homebuyers (a disproportionate number of home ownership units under \$150,000 are condominiums). (1/26/04 HED meeting)
- Land use for residential development is expected to increase by 34% from 2000 to 2030. (2/25/04 HED meeting)
- Planning challenges include accommodating new residents, smaller households, rising land and housing costs, and addressing the needs of a greatly increasing elderly population. (2/25/04 HED meeting)
- 18% of households are under 80% of county median income (CMI), and an additional 16% of households are under 80% of CMI and report housing problems. (1/26/04 HED meeting)
- A range of affordable and accessible rental housing is needed in the county to service the elderly, family, disabled, and homeless populations in Dane County. (3/31/04 HED meeting)
- Dane County is more economically and racially diverse but not more integrated. (3/31/04 HED meeting)
- Barriers to housing development include (1) cost of land and building (land acquisition costs have quadrupled in the past 10 years, demand far exceeds supply, and the cost of building materials is experiencing rapid inflation) and (2) approval process and length (municipal resistance to change, changing county policies – e.g. unknown future water quality planning- and changing DNR policy and guidelines.) (4/29/04 HED meeting)

Economic Development

- Predicted worker shortage in Dane County. (1/26/04 HED meeting)
- Demographic trends include lower Wisconsin birth rates, a shift in population growth from natural increase to migration, an increasing minority population, and an aging workforce. (1/26/04 HED meeting)
- Public sector jobs are declining in Dane County, from 1 in 3 in 1970 to 1 in 4 today. Private sector leads job growth; the fastest growing sectors are services (38% of Dane County companies) and FIRE – finance, insurance, and real estate (13% of Dane County companies). (1/26/04 HED meeting)
- Small businesses create 75% of new jobs and 70% of economic growth. (1/26/04 HED meeting)
- Since 1995, employment in the high-tech sector increased nearly 73% or more than 10% per year (adding 11,000 new jobs). (1/26/04 HED meeting)
- Medium sized metropolitan areas that are regional trade centers, such as Dane County, seem to be favored in the new economy. (1/26/04 HED meeting)
- 'Challenges to living wage jobs:' changes in work organization, contingent/temp work, outsourcing, shift to more service sector work. (3/10/04 HED meeting)
- Dane County strengths include large and stable employers (e.g. state government and the university); social, cultural, and natural amenities; proximity to Chicago, Minneapolis and Milwaukee; and excellent public educational systems. (3/10/04 HED meeting)
- Obstacles for attracting and retaining workers include lack of affordable housing, transportation, wages, opportunity for mobility, and diversity. (3/10/04 HED meeting)
- Obstacles for attracting and retaining employers include availability of labor, capital, and transportation. (3/10/04 HED meeting)
- Financial capital has frequently been cited as an obstacle to entrepreneurship. (3/10/04 HED meeting)
- 2003 construction activity reflects a trend that is likely to continue – the economic growth of cities and villages outside Madison. (5/10/04 HED meeting)

ISSUES & OPPORTUNITIES IDENTIFIED IN SPRING 2004 PRESENTATIONS & PANELS

The following includes excerpts and summaries of data reviewed throughout the education/review sessions of the Spring of 2004 for the Housing & Economic Development Work Group. Note that recurrent issues were not listed every time they were mentioned; (e.g. the aging labor force). This listing may form part of the housing and economic development issues and opportunities identified in the Dane County Comprehensive Plan. Additional data sources for countywide housing and economic issues and opportunities will likely include the “Dane County Comprehensive Plan: Background Chapter” distributed at the kick-off meeting in June of 2003.

January 26, 2004

Presentations:

Workforce Housing – Bill Preboski, DCRPC

- Housing prices in Dane County have increased and are projected to increase in the next decade.
- Due to a rise in real estate and land prices, rental prices have increased and are projected to increase in the next decade.
- Homeownership rates in Dane County are lower than the state or national average, but have increased for the first time in 30 years.
- As the price for shelter rises, the salary required to afford housing in Dane County has increased.
- Condos seem to be closing the gap for entry-level homebuyers (a disproportionate number of home ownership units under \$150,000 are condominiums)
- Challenges in affordable housing: the amount of subsidy needed to keep housing affordable, problem of regulatory barriers, threat of long-term supply, public perceptions of “affordability,” and funding for affordable housing.

Dane County Trends: Economic, Growth & Labor – Phyllis Wilhelm, MG&E

- Change from the old economy to a new, knowledge-based economy that thrives on change yet wants certainty about quality of life and environmental preservation.
- Economic development strategies include workforce development, infrastructure development, business development, tourism development and organizational development.
- Predicted worker shortage in Dane County will continue (from 1990 to 2002, jobs grew 37% while the labor force grew 30%).
- Demographic trends include lower Wisconsin birth rates, a shift in population growth from natural increase to migration, an increasing minority population, and an aging workforce.
- Need to attract the “creative class.”
- Need to ensure reliable power, good transportation systems, affordable housing and other infrastructure for quality of life and a healthy economy.
- Shift in where people live in the county: 49% in Madison, 37% in “suburbs,” and 14% rural. It is expected that growth in the cities and villages in outlying urban service areas will outpace growth in the central urban service area.
- From 1989 to 1999, median home value increased 91% while household income increased 44%.
- Net commuters into Dane County in 2000 totaled almost 24,000.
- Types of Companies in Dane County:
 - Services 38%
 - Retail Trade 24%
 - FIRE 13%
 - Construction 11%
 - Manufacturing 5%
 - Wholesale Trade 5%
 - Trans./Utilities 3%
 - Other 1%

- Public sector jobs are declining in Dane County, from 1 in 3 in 1970 to 1 in 4 today. Private sector leads job growth, the fastest growing sectors are services followed by FIRE (finance, insurance & real estate).
- Small businesses create 75% of new jobs & 70% of economic growth.
- In 2003, there were 55 business parks in Dane County.
- From 1970 to 2000, population has grown annually at a rate of 1.29% and is expected to grow annually at a rate of 1.03% from 2000-2030.
- Since 1995, employment in the high-tech sector increased nearly 73% or more than 10% per year (adding 11,000 new jobs).

February 11, 2004

Panel:

Housing & Economic Development in Dane County Communities – Robert Pulvermacher, Town of Vienna; Joe Remmert, Town of Springdale; Amy Tweeten, Village of Deforest; Kim Wilde, Village of Waunakee

- Towns are in need of tax base as a result of farm use assessment, some towns focus on residential development to create a larger tax base while others focus on economic development.
- Many rural towns seek to preserve the viability of agriculture and agricultural land.
- The character of towns varies in Dane County. Some towns are more rural in character while other towns have significant residential development.
- Some communities in Dane County expressly focus on encouraging local ownership of businesses.
- In terms of economic development, some communities in Dane County are shifting from manufacturing to office parks.
- Some communities find it difficult to identify a unique identity to build upon for economic development.
- Some communities find that art and tourism are interrelated to economic development.

February 25, 2004

Presentation:

Dane County Growth Trends: 1970 to 2030 – Bill Preboski, DCRPC

- Housing forecasts from 2000 to 2030 indicate that there will be a need for +75,000 more housing units plus an additional 10,000-15,000 units to replace converted or demolished units.
- 18% of households are under 80% of county median income (CMI), and an additional 16% of households are under 80% of CMI and report housing problems.
- It is forecasted that the distribution of Dane County households will be 68% owners and 32% renters.
- The trend of shrinking household sizes is expected to decline slightly yet continues from 2000 to 2030.
- Land used for residential development will increase by 34% (8.8 square miles per decade) from 2000 to 2030.
- Development forecasts project increased residential densities but decreased commercial densities from 2000 to 2030.
- Planning challenges:
 - Accommodate new residents, smaller households, rising land and housing costs.
 - Accommodate the great increase in the elderly population.
 - Accommodate the gap between jobs and workers.
 - Meet infrastructure needs.

March 10, 2004

Presentations:

Workforce Development – Laura Dresser, Center on Wisconsin Strategy

- ‘Getting to living wage jobs’ requires entry-level employment that prepares workers for and connects them to future opportunities, reliable and understood methods of access to decent paying sectors and routine career advancement opportunities.
- Challenges to living wage jobs: changes in work organization, contingent/temp work, outsourcing, shift to more service sector work.
- “High road partnerships” bring management and labor together to build industry-wide solutions to common problems (example: Jobs with a Future).

Dane County Strengths & Weakness in Attracting Labor/Attracting Employers – Professor Gary Green, University of Wisconsin – Extension

- Dane County strengths:
 - Large and stable employers.

- Social, cultural, and natural amenities.
- Proximity to Chicago, Minneapolis and Milwaukee.
- Excellent public educational systems.
- Obstacles for attracting and retaining workers:
 - Affordable housing.
 - Transportation.
 - Wages.
 - Opportunity for mobility.
 - Lack of diversity.
- Obstacles for attracting and retaining employers include availability of labor, capital, and transportation.
- Dane County benefits from a relatively stable economy, but has had a difficult time recruiting employers requiring a professional/technical workforce.
- Dane County has had some success with start-ups, but financial capital has frequently been cited as an obstacle to entrepreneurship.
- A significant percentage of workers in Dane County are drawn from adjacent counties. Transportation is critical.

March 31, 2004

Panel:

Housing Needs of the Elderly, Disabled, and Homeless in Dane County – Judy Wilcox, Bureau of Housing

- Many people want to “age in place.”
- There is a growing elderly population in Dane County and a need for housing to meet their needs for accessibility and affordability, particularly the low-income elderly. These needs also apply to people in the county with disabilities.
- The Dane County Task Force on Aging Recommends:
 - Engage in a variety of education measures on housing.
 - Modifications of municipal codes.
 - Changes in housing development to increase accessibility in housing as well as access between housing and social services.
- The number of Dane County Housing Authority units does not come close to meeting the need for housing for the low-income in Dane County.
- A recent report found that in 2003, there were 3,452 individuals who stayed at least one night in a Dane County shelter program (and the majority of those who stayed a shelter night were people in families, including 1,233 children).
- A range of affordable and accessible rental housing is needed in the county to service the elderly, disabled, and homeless populations in Dane County.

Fair Housing in Dane County – Erika Sanders, Fair Housing Center of Greater Madison

- Dane County is more economically and racially diverse but not more integrated.
- Though the greatest population and job increases in Dane County are occurring outside of Madison, minorities are concentrated in the City of Madison.
- The single largest contributor to segregation is housing discrimination.
- Housing discrimination occurs today, though it is often in more subtle forms: different application fees, misrepresentations of availability, etc.
- Fair housing enforcement works, but funding levels are far from adequate.
- Access to housing could be improved through more mixed-income housing developments.
- Recommends fair housing through education and outreach to housing providers and consumers.

April 29, 2004

Presentations:

Yahara Riverview Apartments – Marianne Morton, Common Wealth Development, Inc.

- Residential infill redevelopment presents opportunities as well as many site constraints, particularly for affordable housing developers, including remediation issues and high land costs.
- Financing packages to make housing affordable are complex.

Housing Development & Land Use in Dane County – Don Esposito, Veridian Homes

- Housing development form of Traditional Neighborhood Development (TND) embraces the following principles: walkability, mixed-use development, environmental stewardship, and conservation design.

- TND's include features such as compact development, more green space, architectural diversity, traffic calming measures – e.g. narrower streets, and a range of housing options.
- Barriers to Housing Development:
 - Cost of building: land acquisition costs have quadrupled in the past 10 years, demand far exceeds supply, and the cost of building materials experiencing rapid inflation.
 - Approval process and length: municipal resistance to change, changing county policy and guideline with RPC dissolution, and changing DNR policy and guidelines.

The Uplands – Bill Perkins, The Wisconsin Housing Partnership

- The Uplands is a 'demonstration Smart Growth and affordable housing project' by a non-profit housing developer that provides 'neighborhood choices' – it's visitable and adaptable and offers a variety of housing types and costs.
- "There will be many greenfield subdivisions – the issue is what kind, and whether we can influence how and where they are developed."
- Housing developments can build strong community connections through neighborhood design, community gardens, community newsletters, and community associations.

Alexander Company Residential Redevelopment – Natalie Boch, The Alexander Company

- The city plays a crucial role in facilitating residential redevelopment, particularly by offering incentives such as tax incremental financing.
- Alexander Company redevelopment examples show that the type of housing redevelopment varies based on municipal desires, market demands, site constraints, construction costs and financial packaging.
- The level of support for TND's is different in different places.

May 10, 2004

Presentations:

Economic Development Forms & Land Use: Commercial Development - Brian Munson

- Conventional commercial development (such as business parks, big box retailers, and traditional malls) consumes more land than mixed-use residential/retail developments and recent mixed-use retail commercial development trends.
- Higher density land uses, such as mixed-use developments: (1) relieve pressure on undeveloped land, (2) allow for greater use of infrastructure, and (3) accent walkability and community interaction.
- Trends in commercial development considers aesthetics and site conditions as well as regional level impacts.

Where Economic Development is Occurring in Dane County - Jim Mohrbacher

- In 2003, \$522 million was spent on commercial and industrial construction; government & institutional construction accounted for 36% and office construction accounted for 30% of that amount. 2003 is typical of other years.
- Educational construction projects accounted for approximately half of the government/institutional projects in 2003.
- Retail/Commercial accounted for 24% of overall capital invested in 2003.
- Construction for warehouse/distribution ebbs and flows.
- Manufacturing had a dismal year for new construction in the county in 2003. "This reflects the Dane County's economy."
- The majority of new construction for commercial and industrial development occurred in Madison (57%), but the combined total construction of the cities of Middleton, Fitchburg, Sun Prairie and Verona equaled 32% of the whole. Historically, Madison has had a higher percentage of new commercial and industrial construction. 2003 reflects a trend that is likely to continue – the economic growth of cities and villages outside Madison.
- 62.3% of land in Madison is already developed.
- Residential development is the leader - once it crosses a certain threshold retail development follows it.