

**HOUSING & ECONOMIC DEVELOPMENT WORK GROUP  
SPRING 2004 WORK GROUP RECOMMENDATIONS & DISCUSSIONS**

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 one recommendation regarding objectives, one small group discussion on housing issues and implications, one large group discussion on economic development issues and implications, one large group discussion on housing issues and implications, large group question and answer sessions, and one consensus agreement on goals and objectives. A "recap" of these recommendations and discussions is attached.

*The following bullets highlight specific work group recommendations for the 12/3/04 draft housing or economic development goals or objectives arising from this process:*

- Revisit agricultural economic objectives adopted in previous county plans and policies. (2/11/04 HED meeting)
- Agricultural development and preservation, intergovernmental cooperation and transportation involve planning challenges and trends that might be addressed with or by the other two work groups or the Comprehensive Planning Steering Committee. (2/25/04 HED meeting)
- Address needs of increasing elderly population with specific goals and objectives. (2/25/04 HED meeting)
- Economic development objective: additional resources directed at BUILD program. (2/25/04 HED meeting)
- The issue of competition might be added to economic development goal A. (3/10/04 HED meeting)
- We should add another goal to build and attract talent. (3/10/04 HED meeting)
- Economic Development Goal A should specify what kind of business we want to attract – we want to be finicky. (3/10/04 HED meeting)
- Suggestion to create an Economic Development Goal E: "Identify, maintain and reinforce the non-economic quality of life factors, such as arts, culture, environmental and other amenities that set Dane County apart." (3/10/04 HED meeting)
- All the economic development goals should add "without adversely affecting the quality of life." (3/10/04 HED meeting)
- Add vacant and underutilized properties to economic development goal D in order to address the new infill development resolution. (3/10/04 HED meeting)
- "There's nothing in the objectives that speaks to the issues of the service sector." vs. "There's an issue if we single out just the service sector without singling out other industries as well." (3/10/04 HED meeting)
- Wages and benefits of low-wage workers should be addressed in the objectives more broadly than just the service industry. (3/10/04 HED meeting)
- Consensus agreement that Suggested arts and culture objectives arising from Dane County Cultural Affairs Commission recommendations will need additional discussion. (5/10/04 HED meeting)

*Some points raised in discussions that are not addressed in draft housing and economic development goals and objectives:*

- What do we do about the jobs we want to see stability in (those jobs that are important but low-paying like child care). (3/10/04 HED meeting)
- Address the regional nature of the economy and housing market. (3/10/04 HED meeting)
- Improve homeownership rates for minorities. (3/31/04 HED meeting)
- Involve employers in affordable unit availability, rental and ownership. (3/31/04 HED meeting)
- Address municipal code barriers to affordable, accessible housing (rental and owner). (3/31/04 HED meeting)
- Address property tax burden on people living on a fixed income. (3/31/04 HED meeting)

## SPRING 2004 WORK GROUP RECOMMENDATIONS & DISCUSSIONS

**February 11, 2004:**

**Panel on 'Housing & Economic Development in Dane County Communities'**

**Work Group Recommendation (in the absence of quorum):** Support ANCR's suggestions and integration of those suggestions into economic development goals and objectives when final goals and objectives recommendations are determined; also revisit agricultural economic objectives adopted in previous county plans and policies.

**February 25, 2004:**

**'Dane County Growth Trends: 1970 to 2030'**

**Small Group Discussions of the Implications of Future Trends Reports:**

Group 1:

- 1) What are the most important planning challenges and other trends for our work group to consider?
  - Encourage and plan for increased density.
  - Determine where residential growth should best be located.
  - Locate housing close to employment and transportation.
  - Planning for increased elderly population, particularly by 2020.
  - The increased service jobs relative to population growth, leading to much higher commuting.
  - Increased land cost pricing people out of the market, particularly persons in service jobs.
- 2) Based on the presentation, do you see any new goals or objectives for HED, or are modifications to any current HED goals and objectives needed? If yes, what do you suggest?
  - Address needs of increasing elderly population with specific goals and objectives.
  - Address workforce development and training issues.
- 3) In what other ways does this information on planning challenges and trends affect our work group's goals and objectives for housing & economic development?
  - It helped to prioritize the goals based on trends, such as the need to address housing challenges for an increasing elderly population.
- 4) Are there planning challenges or trends that might be addressed with or by the other two comprehensive planning work groups or the Steering Committee (intergovernmental cooperation, land use issues)? If yes, please explain.
  - Yes, agricultural development and preservation, intergovernmental cooperation, and transportation.

Group 2 (In addition to discussion points listed by the first group, the second group added):

- 1) What are the most important planning challenges and other trends for our work group to consider?
  - People moving out due to increased land costs.
  - The need to keep a pulse on the market to understand the choices consumers make; location is key to choice in the market.
  - The historical perspective on zoning; how it shifted from separating uses to now trying to integrate uses.
  - The importance of designing attractive places to ensure that increased density is high quality.
  - The importance of maintaining our quality of life.
  - New development paying for itself financially.
- 2) Based on the presentation, do you see any new goals or objectives for HED, or are modifications to any current HED goals and objectives needed? If yes, what do you suggest?
  - Evaluate the choices of people moving out of the county. It is a two-sided coin, with problems associated with spreading out and increased traffic, but benefits of growth not consuming land in Dane County.
  - Consider design factors and address how to best use the land; what densities and where should development go?
  - Emphasize diversity of housing to meet shifting demographic needs.
  - Support for-profit/non-profit partnerships.

3) In what other ways does this information on planning challenges and trends affect our work group's goals and objectives for housing & economic development?

- Focus on how decisions are made.
- Economic development objective: additional resources directed at BUILD program
- Spend time on what should densities look like?

## **March 10, 2004**

### **Presentations on 'Workforce Development' & 'Attracting Labor/Attracting Employers: Dane County Strengths & Weaknesses'**

#### ***Work Group Discussion:***

The work group identified the following as important economic issues facing the county:

- How to grow and whether to grow.
- How to expand the number of higher wage jobs.
- How to increase workforce training.
- How do we encourage entrepreneurship.
- What do we do about the jobs we want to see stability in (those jobs that are now low paying but important, like child care).
- Service sector jobs are not career track jobs – how do we provide money and benefits that are family sustaining.
- (How do we address the) regional nature of the economy and housing (market).
- The university is an asset that we should utilize.
- How do we attract professionals because we are in competition with other cities for them.
- How do we increase spin-off businesses from the University?
- How do we address important demographic issues affecting the workforce and economy, such as the aging of the population and the increase in the Hispanic population.
- How do we address the issue of structural changes in the larger economy.

The second question asked work group members to review existing draft economic development goals and reflect on whether the goals are still relevant, should be adopted as drafted, or changed. Work group member comments included the following:

- The issue of competition might be added to goal A.
- We should add another goal to build and attract talent.
- Goal A should specify what kind of business we want to attract – we want to be finicky.
- The cultural atmosphere of Madison and its intangibles, the “non-economic” factors should be woven into our goals for economic development and into our plan (issues like green space)
- “Quality of life” issues should be addressed by a new goal.
- Tight labor, venture capital and transportation are in the objectives, but...
- A goal E. should be created to blend non-economic and economic factors into quality of life statement.
- Quality of life is our “differential advantage.”
- Suggestion for Goal E: ‘Identify, maintain and reinforce the non-economic quality of life factors, such as arts, culture, environmental and other amenities, that set Dane County apart’
- All the goals should add “without adversely affecting the quality of life.”
- Maintaining the quality of life is an implicit and underlying principle of all the goals already.
- Add vacant and underutilized properties to goal D in order to address the new resolution.

The third question asked work group members to review existing draft economic development objectives and reflect on whether the objectives are still relevant, should be adopted as drafted, or changed. Work group members made general comments about economic development objectives:

- There's nothing in the objectives that speaks to the issues of the service sector. We need to think about the expansion of this sector and where this fits in our objectives (such as home care and the hospitality industry).
- Wages and benefits of low-wage workers should be addressed in objectives more broadly than just the service industry.
- There's an issue if we single out the service sector without singling out other industries as well.
- 25% of jobs are in the retail sector.
- In the service industry, there's a difference between professionals and non-professionals. We should define the service sector based on typical standards like the NAICS (now replaced by the SIC classification for occupations).
- We don't want to move people up and out of all jobs like the caregiving jobs.

## **March 31, 2004**

### **Panel on 'Housing Patterns & Housing Options in Dane County' to address Special Needs Populations**

#### ***Work Group Discussion of Housing Issues & Implications***

The work group discussion identified the following issues for consideration, or potential modifications to HED goals and objectives:

- Acknowledging and serving the rising aging population.
- The increasing homeless population. (It was noted that 12% of homeless, and 22% of homeless families are employed, and 14% receive social security.)
- Issue of apartment management – how to improve quality, improving mobile home park management, which often experiences problems. The financial status of the developer/owner also impacts quality of management (financial difficulties translate into pressures to reduce maintenance, etc.).
- Increase supply and availability of accessible housing, rental and ownership.
- Improve homeownership rates for minorities.
- Involve employers in affordable unit availability, rental and ownership.
- Attach more low-income strings to public funds. Need mixed-income developments (Uplands).
- Promote education of renters.
- Reverse mortgages (as per Aging Task Force report).
- Address municipal code barriers to affordable, accessible housing, rental and ownership.
- Promote intergenerational housing.
- Address property tax burden on people living on a fixed income (WHEDA) reverse mortgage to pay property taxes).

## **April 29, 2004**

### **Presentations on 'Housing Development and Land Use in Dane County'**

#### ***Large Group Questions & Answers***

Q. Would the market allow for smaller lot sizes for housing developments?

A. Yes, but local jurisdictions have zoning restrictions on minimum lot size.

Q. Why are you building traditional neighborhood developments?

A. We're driven by economic reality. There's been a change in the market over time and today's consumers are more accepting of this type of development.

Q. What types of housing sells? (Do houses in traditional neighborhoods sell?)

A. Big houses on big lots are hardest to sell.

A2. In terms of selling, for-profits have the land volume and size to amortize. So sale time doesn't have a detrimental financial impact on for-profits.

A3. What sells is cost-driven. Few people know what a traditional neighborhood development is by name, but they are driven to look at its housing options because of a desire for more affordable and safer neighborhoods.

Q. Does density mean poor people?

A. Based on anecdotal experiences, I've noticed that every time I'm before a Plan Council the fear is that a smaller lot size will devalue nearby properties. Some people fear that more compactly built traditional neighborhoods may negatively affect adjoining communities.

A2. There are density fears that are rational: traffic impacts, pressure on schools, stress on public services such as water and sewage. But there are density fears that are based on assumptions that aren't necessarily true. People associate higher density with less quality. People also associate higher density with height, though it might just mean smaller lot sizes.

Comment: Denser doesn't always mean higher traffic. I live on Williamson Street and the denser the neighborhood is built, the more people you have walking, biking or riding the bus to work.

Comment: Starwood in Texas indicates that people don't want multi-family developments. Education is key. You can build excellent homes on smaller lot sizes. We need to get the affordability component back into development.

Comment: Density is a much easier issue than multi-family housing in many communities. People are more likely to tolerate ownership affordability.

Q. How do you work with the politics of development?

A. Our business is in infill redevelopment and our clients know that. If we come up with a proposal that's rejected, we run numbers to see how the project can be changed and push for our proposals. Ideally we look for redevelopment that takes twelve months from start to finish.

Q. How do you get buy-in?

A. We're generally invited to a community. In terms of political support, you get a quick understanding of who is in favor of a redevelopment project.

A2. One of the things that we did to build support in the community for a development project was to share information with the community on the site constraints and site plan options. The more you're willing to work with the community, the less resistance you typically get. Listening is important; and it's important to start listening at the beginning.

A3. The level of support for traditional neighborhood developments is very different in different places. In Sun Prairie, we held a number of community meetings and we found that people just wanted the facts.

A4. We never go into a city or village where we can't at least get municipal staff support for a project because we've found that's critical. Staff support makes it easier to get elected officials on board with a project. You're going to also have to do charettes and other public participation efforts to get support from the community in general.

Q. Are you finding that there is a "small is beautiful trend?"

A. Smaller units are purchased because of their lower price-point.

A2. Yes, people purchase based on price; they prefer more house than more land.

Q. Is it harder to sell market rate units when there are affordable units?

A. It's hard to tell because there are so many factors. We didn't build basements in the Uplands, and we discovered that people didn't like that as well as a few other design features. And we've also had people who've said that they weren't going to buy housing in the Uplands because it's a more diverse community. I believe that we will continue to see some sales resistance.

A2. For us, it was a very unique situation because the site had unique amenities, including its location, so the market rate units went quickly.

Q. How can you build affordably?

A. As a non-profit, we had subsidies but even with the subsidies we knew that we had to bump up the density at the Yahara River View Apartments in order to spread the costs and make the numbers work.

A2. I want to mention that there's a widespread misconception that non-profit developer's don't have to make a profit; but we need to make a profit on development A to start development B. We need to show good financials in order to access funding. Plus there's a price for subsidies – the complexities require legal expertise so in addition to typical development costs, non-profits also have to pay a lot in legal fees. For the Uplands, we paid \$400,000 in legal fees.

A3. In terms of building affordable housing, we always do mixed-income. We've found that if you're doing a unique product in a unique location then it's easier to break barriers. It's about finding a market niche.

Q. What about the issue of schools?

A. Many people who live downtown don't have children so it's not a problem.

Q. How much of a role do demographics play in the market?

A. Developers self-select populations based on the product they sell.

A2. There is a growing mismatch with aging baby boomers and household size shrinking.

Q. How do non-profit and for-profit housing developers work together?

A. It's business. It's needed. In the Village of Autumn Lake, a total of nine non-profits entered into partnership to make units more affordable as well as to get access to contractors and better prices that for-profit developers don't have access to.

A2. Inclusionary zoning in the City of Madison will also force non-profit and for-profit partnerships.

Q. What policies or objectives would you recommend?

A. Policies that actively embrace the partnerships between for-profits and non-profits would be helpful.

A2. We all face the same barriers of land availability and land costs. If we can figure out how to bring housing more efficiently into the market, it would be helpful. Expediting processes is key. Having departments review proposals and plans at the same time would help streamline processing. Identifying development sites would also help.

Comment: The Work Force Housing Fund is look at publicly owned land as a way to do bring down the costs of land.

A3. Education is important.

A4. However, the situation in the county is different than the city. The county has limited ability to streamline processes or change city zoning standards.

## **May 10, 2004**

### **Presentations on 'Economic Development and Land Use in Dane County' to address the forms and locations of economic development in Dane County**

#### ***Large Group Questions & Answers***

Q. Why do you say bio-tech does not lend itself to mixed use?

A. Certain components of bio-tech, such as handling of chemicals or need for specialized air handling systems, do not mix with other uses well. Office components can mix well.

Q. Was Vandewalle involved with the Fitchburg Green Tech Village plan?

A. Yes, along with City of Fitchburg, MG&E, and others.

Q. Is Vandewalle the messenger or preaching to the choir?

A. Increasingly the latter, as more people adopt smart growth goals.

Q. Can warehousing also be developed as vertical mixed-use?

A. Structural components of warehousing, such as trucking demands, large space needs for future expansions, and efficient handling systems make that difficult.

Q. What about the trend of big box stores leaving empty buildings?

A. This happens as businesses leave empty stores behind when they move farther out to the edge to build bigger stores. Empty malls are called "greyfields."

Q. Are there trends to emphasize local businesses vs. national chain stores?

A. A lot of communities are looking at that; putting in smaller store formats that lend themselves to locally-owned stores. Newer markets lend themselves to franchises, but store format (that is smaller, more pedestrian-friendly and easier to mix with other uses) is more the issue.

Q. How much of the Madison and Middleton construction on the edge is on newly annexed property?

A. All construction on the municipal edges occurs on incorporated land.

Q. Does residential growth drive commercial growth?

A1. For smaller developments that serve smaller market areas, residential is the leader. Smaller stores will look for 30 to 40% of demand to be met locally before locating in an area. Larger developments that serve a broad region will locate independently of close-by residential.

A2. Virtually all commercial growth and 90% of residential growth occurs in Urban Service Areas (USAs), which are designated by the Regional Planning Commission. A future presentation on the role of USAs in managing and locating growth would be beneficial to the Work Group. And while growth occurs overwhelmingly in cities and villages, there is a county role in coordinating the planning for the location and form of growth on unincorporated lands targeted for future growth.

***Consensus Agreement:***

Suggested arts and culture objectives arising from Dane County Cultural Affairs Commission recommendations will need additional discussion.