

Waunakee Housing Task Force

Panel Discussion Notes

Meeting: March 14, 2019

1. Are there co-ops in Madison?

Anne- Yes, Ridgeway in Madison. An owner occupied co-op in Madison and Madison Community Co-op that is downtown in the student area.

2. Different communities have different obstacles. Is the fact that Waunakee an affluent community affect the type of money we can receive? What type of hurdles do you see us having?

Kurt – no restriction, and an affluent job center would/might have a higher score [for LIHTC]. Because there isn't transit in Waunakee, you would lose points on that. A difficulty is that the land cost would be higher, which could be addressed with TIF. The greatest challenge might be the zoning – are these types of smaller more flexible units developable by right?

Tom – the most difficult is zoning, neighborhood acceptance and getting it through the entitlement process. If Waunakee identified three or four sites that it owned and were already zoned, there would be a traffic jam of builders.

3. What kind of cost does the village carry?

Tom – It might not be any more [costly]. If I (developer) buy the site and then come pursue TIF.

4. Question about historic tax credit

Tom – this is one of the most common questions. [Answer not recorded]

5. What is the consumer sentiment?

Tom – traffic is a concern, older adult housing is an easier sell than family housing. Building management can be an issue (real estate doesn't go bad on its own, management makes it that way). We hear a lot about NIMBY, but in my experience it is natural for people to be cautious.

6. How does this affect the property values in the immediate area?

Kurt - The academic answer is that it will not impact the value. And whenever I tell them that they are not convinced.

Greg – Ownership vs. rental. We [co-housing development] haven't had any pushback, but the difference may be that this development is exclusively owners (who stick around) vs. renters. That's a difference in strategy.

Kurt – On the plan commission we've had a lot of projects approved and a lot not approved. Management is crucial. The older affordable housing is largely owned by out of state owners who are not screening their tenants. The newer (i.e. the Klein development) that have professional management do not have problems. Management is critical.

Anne- I mentioned mobile home park conversions to co-ops. Mobile home parks have terrible reputations and they are under-invested by owners. One of the things built into the conversion contract is money for the board to be able to invest in management. I really like the idea of the city buying a property and then using that as leverage.

Tom – You could do 60 single family homes, 20 units in each of 3 buildings , etc. The only IRS requirement is that it rent for a family/house in 60% of median county income for fifteen years. In year 16 you could sell it.

7. Adam Hengels quote on inclusionary zoning* after exclusionary zoning.

Greg-If you're going to do inclusionary zoning, you need to bring an expert from the outside (not Madison) where it has been successful. California, Burlington VT, Boulder CO have successful inclusionary zoning, look at what best practices are. Spend some money to bring in an expert [if you are going to do this].

Kurt – If you want an incentive, use TIF. Market urbanism. They [TIF and market based urbanism] are using a market based incentive. Requiring people to buy 15,000 square ft. to build a house is what is driving costs up. Communities need to look at if they are driving up costs through exclusionary zoning

Note: Address to Google: 215 Femrite Drive, Monona WI. Tom discussed this development as an instance in which the builder got permission to divide larger single family home sites, thereby reducing the cost to eventual owners.

Tom – I am sounding like a broken record by saying the city should buy the land, but you are getting around exclusionary zoning if you buy the land and control the development.

Kurt – TIF has been successful. All the LIHTC projects have been 100% pre-rented. When a developer comes to you and asks for TIF, you don't give it away. Affordability is a public benefit.

Tom – You could require 3,000 square feet for a child care center, that they can only charge \$1 for rent and then require the operator [of the childcare center] to lower their charges.

* Read more about inclusionary zoning:

<https://www.citylab.com/equity/2018/07/citylab-university-inclusionary-zoning/565181/>

https://www.mayorsinnovation.org/images/uploads/pdf/8_-_upzoning.pdf

General articles about creating affordable housing:

Mayors Innovation Project:

<https://www.mayorsinnovation.org/policy/housing/>