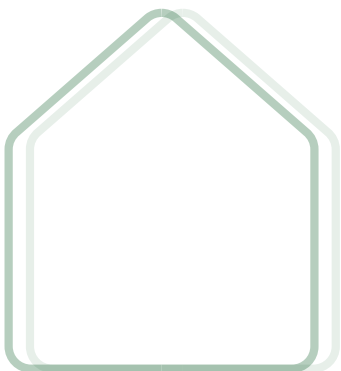


# Guidelines for affordable and workforce housing in Dane County

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*Urban & Regional Planning 611:  
Urban Design Theory and Practice*



# Small Towns and Villages

## Executive Summary

This report focuses on preparing a comprehensive and context appropriate set of guidelines to advance the development of affordable/workforce housing in small towns and villages located in Dane County. The paper reflects the lessons learned from the previous two projects and the compilation of research we have conducted throughout the semester. Recommendations are feasible and applicable, but are also innovative to inspire small towns and villages to develop a plan for affordable/workforce housing in their communities.

## Introduction

### Project Definition

Going beyond the boundaries of the city of Madison, Dane County has 18 villages and 31 rural towns. Most of these municipalities have a population less than 10,000 and have limited amounts of affordable/workforce housing. Living in a small village or town comes with many challenges, especially for those on a fixed income. Often, small towns and villages are located miles from the nearest city center. Lack of transit options is often a top concern for those living in affordable housing. Transit is vital for job access, getting to medical appointments and shopping to buy necessities. Small towns and villages usually have only a small clinic and lack adequate medical facilities to serve the community, especially those with medical needs or older residents. Employment centers are also hard to find in small towns and villages. This makes it especially difficult for those without transportation, who have to travel beyond their community to find employment. For workforce/affordable housing to exist and serve the need of the community there must be a local investment. Often, small villages and cities lack necessary funding and public policies. Low tax bases and shrinking funding from state and federal governments compound the challenges. Finally, affordable/workforce housing suffers from community bias and negative stigmas. Local residents often view affordable/workforce housing developments with a negative connotation.

## Goals

The goals of this report are to establish best practices for affordable/workforce housing in small towns and villages. The recommendations in this report will outline and provide techniques on overcoming the challenges that have been identified.



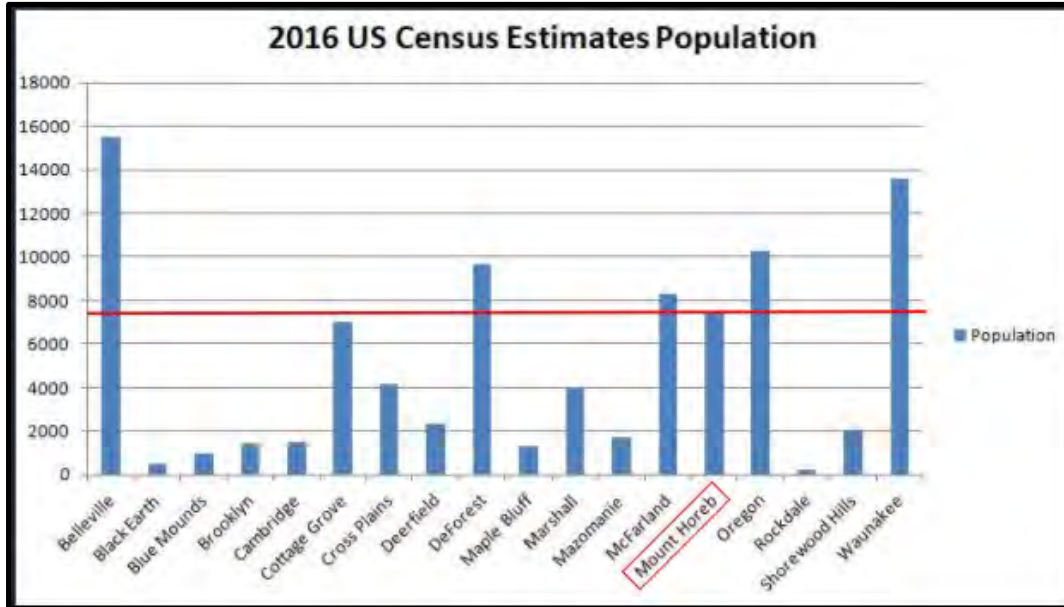
**FIGURE 1:** Goals outlined to achieve best practices

1. Finding policy options for funding opportunities for small towns and villages. First, identify existing policy barriers that limit affordable/workforce housing in small towns and villages. Once existing policy barriers have been identified, alternatives can then be explored. Second, identify regulations and investment opportunities that can be applied to small towns and villages. Finally, identify funding and policy opportunities.
2. Identify suitable locations. This includes identifying best practices for site selection. Overall, the goal is to identify best practices (e.g., site selection criteria) used in similar locations for affordable/workforce housing.
3. Identify our target population from within the total population living in small towns and villages.
4. Programming. First, identify best practices for small towns and villages. Second, identify programming opportunities that are currently lacking or missing in the community. Once opportunities have been identified, applicable guidelines can be created for implementation.
5. Design. Establish achievable design elements for small towns and villages in relation to sustainability, affordability, and design criteria.

All these goals relate to the overall vision: establishing best practices for affordable/workforce housing in small towns and villages throughout Dane County.

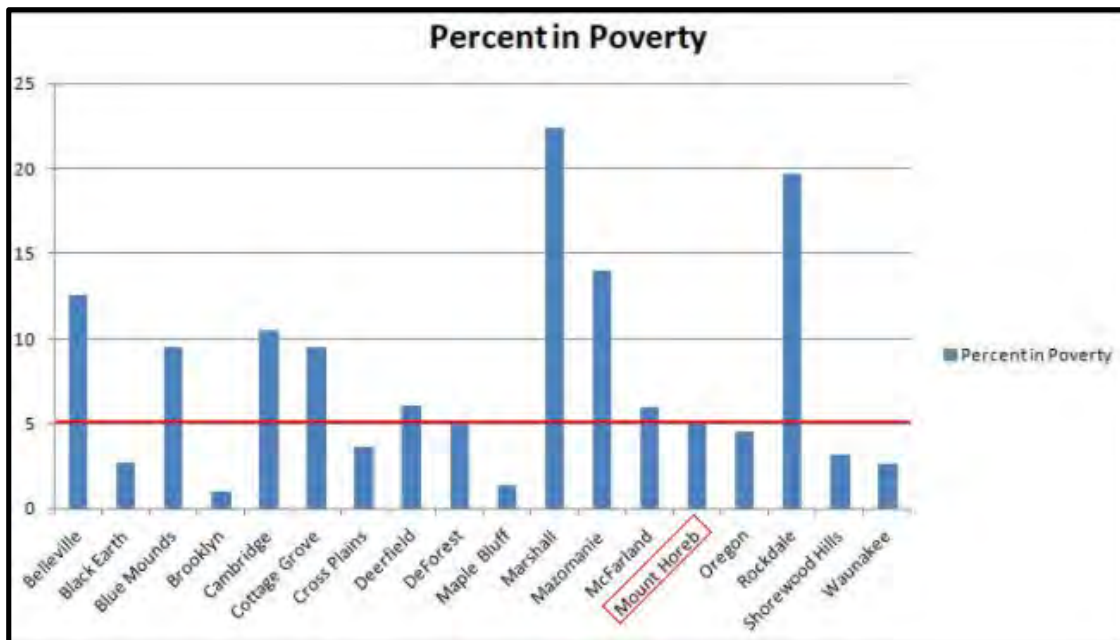
## Background

To illustrate how the best practices are best applied, this report will conduct a case study of a small town in Dane County; Mount Horeb. Mount Horeb will serve as a baseline to



**FIGURE 2:** US Census Estimation of Population for Rural Towns and Villages in Dane County

demonstrate how affordable/workforce housing can be effectively implemented in small towns and villages. According to US Census data from a sampling of small towns and villages, the population in Mount Horeb is just over 7,000 as seen in Figure 2. Mount Horeb is a median city, when it comes to population, which is why it was chosen. Bigger cities and villages will be able to apply the same guidelines as smaller towns and villages. Small towns and villages also experience poverty, which is often overlooked. Looking at the same US Census data, we can see in Figure 3 that Mount Horeb has about 5% of its population living in poverty. The village currently has three affordable housing apartment complexes with 99 total units for rent with 74 of them Project-Based Section 8 subsidized apartments, which the rent is based on the renter's income. The other 25 units don't have rental assistance but still considered affordable for low-income housing but still isn't enough to eliminate poverty in the town.



**FIGURE 3:** US Census Poverty Estimates for Small Towns and Villages in Dane County

## Policy and Funding

With Villages and Small Towns, there is often a missed opportunity for funding and policy implementation. Small towns and villages also have low local funding sources, making it difficult for these communities to invest in affordable housing. This section identifies funding opportunities and policy implementation assistance available to small towns and villages.

### *Dane County Housing Authority- Rural Development Housing Program*

The Dane County Authority owns a 16-unit elderly/disabled building in Cross Plains, WI. The development was built in the 1980's under the Rural Development program. Rent assistance is provided to the residents with funds from the Department of Housing and Urban Development. The requirements include: residents must be over 62 years old and they need to pay 30% of their income. This program could be replicated in small towns and villages across Dane County.

### *Housing Choice Voucher Program*

The housing choice voucher program is provided by the federal government to assist very low-income families, the elderly, and the disabled to afford housing in the private market anywhere in Dane County. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The program allows participants to choose the housing that meets their requirements. If small villages and towns offered affordable/workforce housing developments, residents with these vouchers would be able to use them to find a home. The vouchers are administered by the Dane County Housing Authority and they receive the federal funds from the Department of Housing and Urban Development. A housing subsidy is paid to the landlord

directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home or rent.

#### *Conventional Public Housing Program*

Dane County Housing Authority owns 86 units of Public Housing throughout Dane County outside the city limits of Madison. Public Housing throughout Dane County is available in all housing types, not just affordable housing developments.

HUD pays the difference between rent charged on the private market and the residents' portion, which is based on income. The owners may be public or private and all housing types are eligible for the program. Another type of Section 8 program provides a rent subsidy certificate to a qualified applicant who then finds a landlord who is willing to participate.

#### *Rural and Economic Development Loans*

Rural and Economic Development "Section 502" loans are available to rehabilitate homes that fail to meet minimum standards for "decent, safe and sanitary" housing, and to make homes accessible to persons with disabilities.

#### *Home Improvement Loan Program*

The Wisconsin Housing and Economic Development Authority (WHEDA) administers the Home Improvement Loan Program (HILP) and the Home Energy Loan Program (HELP). These programs are designed to help homeowners with low incomes to repair and improve their homes.

#### *Rural Rent Assistance Program*

In rural areas, the Rural and Economic Development office administers a rent assistance program similar to the Section 8 program. The rural program uses the same income guidelines to establish who qualifies. The rent charged to the tenant is limited to 30% of the tenant's income, matching with the income threshold throughout Dane County.

#### *Private/Public Partnerships*

##### *Foundation for Rural Housing*

Since 1970, the Foundation for Rural Housing, Inc. has assisted thousands of very low income households to obtain and maintain affordable homes. They administer the State of Wisconsin Critical Assistance funds to prevent homelessness. This can provide limited funds for security deposits, rent, utility payments, mortgage or property taxes. As a statewide agency, they are flexible to fill gaps and often do innovative projects to demonstrate new designs and policies.

##### *Wisconsin Council for Affordable and Rural Housing*

WI-CARH is dedicated to the preservation, promotion and education of the rural housing industry in Wisconsin. WI-CARH is a non-profit corporation and a state chapter of the National Council for Affordable and Rural Housing (CARH) based in Washington, D.C (WICARH, 2017). Their activities include; supporting agencies like Rural Development, USDA, WHEDA, lenders and other affordable housing funding agencies.

##### *US Department of Agriculture Rural Development*

The Rural Development mission area of the U.S. Department of Agriculture (USDA) is focused on helping rural Wisconsin communities build and sustain economic opportunities that enhance their quality of life. A total five-year USDA Rural Development investment in Wisconsin is nearly \$3.5 Billion to support single family home ownership, apartment housing, farm labor housing, business development, economic growth, co-op development, telecommunications, infrastructure, energy initiatives, and community facility needs using an array of financial and

technical assistance (Programs, 2016). USDA Rural Development's Rural Housing Programs are dedicated to assisting rural families and individuals in obtaining and maintaining safe and affordable housing.

## Target Populations

For our mixed-use housing project, we decided to offer accommodations for two target demographics: seniors over the age of 60, and those working in the trades/service industry. We chose these two populations based on the household profiles developed in class (many of which focused on the elderly as well as blue collar workers), as well as a desire to create intergenerational living opportunities. While we have selected Mount Horeb as our site, we can still look to successful models of Intergenerational Living in larger settings. Take the Housing Opportunities and Maintenance for the Elderly (H.O.M.E.), who focus on tackling isolation by providing intergenerational field trips and activities. According to Erin York Cornwell and Linda J. Waite, whose study appeared in a 2009 volume of *Journal of Health and Social Behavior*, social isolation is linked to poor physical and mental health. Additionally, social disconnectedness and isolation are unfortunately often common and challenging aspects of the aging process (Pettigrew, 2000).

Karen E. Pettigrew of the University of Washington stated that as seniors age they experience a decrease in human interaction. She suggests that community-based human services, including health care, transportation, and recreation can alleviate this feeling of isolation. Derek Shendell and Alexandra

Nowakowski of the University of Medicine and Dentistry New Jersey demonstrate that seniors that have access to safe walking communities, and who get regular exercise, are able to “reduce the frequency and consequences of falls by increasing strength, preserving bone density, and improving balance.”



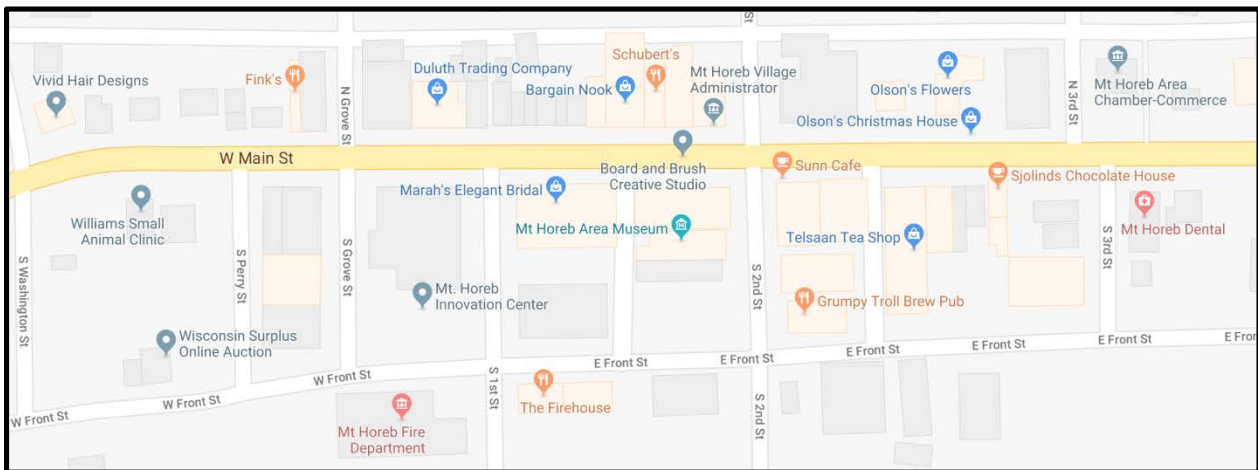
As for those working in the trades, we evaluated the data compiled by the Dane County Housing Needs Assessment. According to the report, waiters and waitresses, retail salespersons, childcare workers, landscaping workers, and home health aides all have starting wages that begin at below twenty thousand dollars. With these wages, the affordable monthly housing rent is between \$401-\$444. Additionally, the percentage of those living with children in Mount Horeb is 43%.

We believe that intergenerational living communities would offer a rich living environment in which learning as well as distributed forms of labor could take place.<sup>1</sup> For instance, rides to the grocery store or clinic for the elderly could be exchanged for childcare.

## Location

Site selection is important in affordable/workforce housing planning and design. Small towns and villages are limited in the services they have and can provide. The low population makes sites near downtown areas more attractive to potential customers. Site location is a critical factor for businesses that might open in or near these housing projects. The Village of Mount Horeb is not an exception; most of the shops and services are concentrated in the downtown.

**FIGURE 4:** *Chicago Tribune* highlighting the positive aspects of intergenerational learning. (Healy, 2015)



**FIGURE 5:** Downtown Mount Horeb

<sup>1</sup> See, for example: <https://www.aarp.org/home-garden/housing/info-03-2011/intergenerational-cohousing-for-all-ages.html>

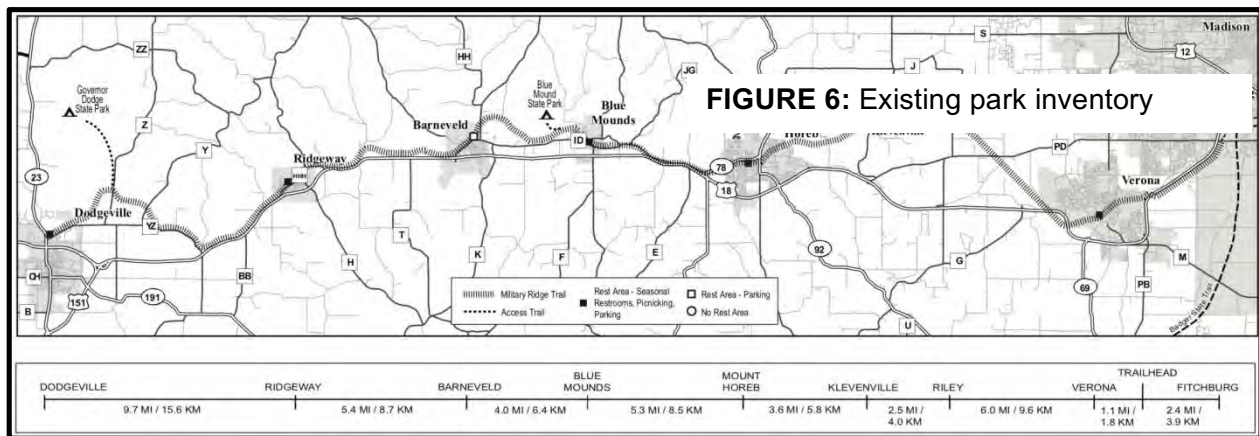


## Inventory

Mount Horeb provides multifaceted services to the residents; it can be considered a fully functional community. A public library is on the east side of the village with the link to the Dane County Library Service (DCLS). UW Health Clinic is 1 mile away from the downtown on 8th street. Restaurants and bars are mostly in the downtown and on Springdale Street which is on the east of the downtown.



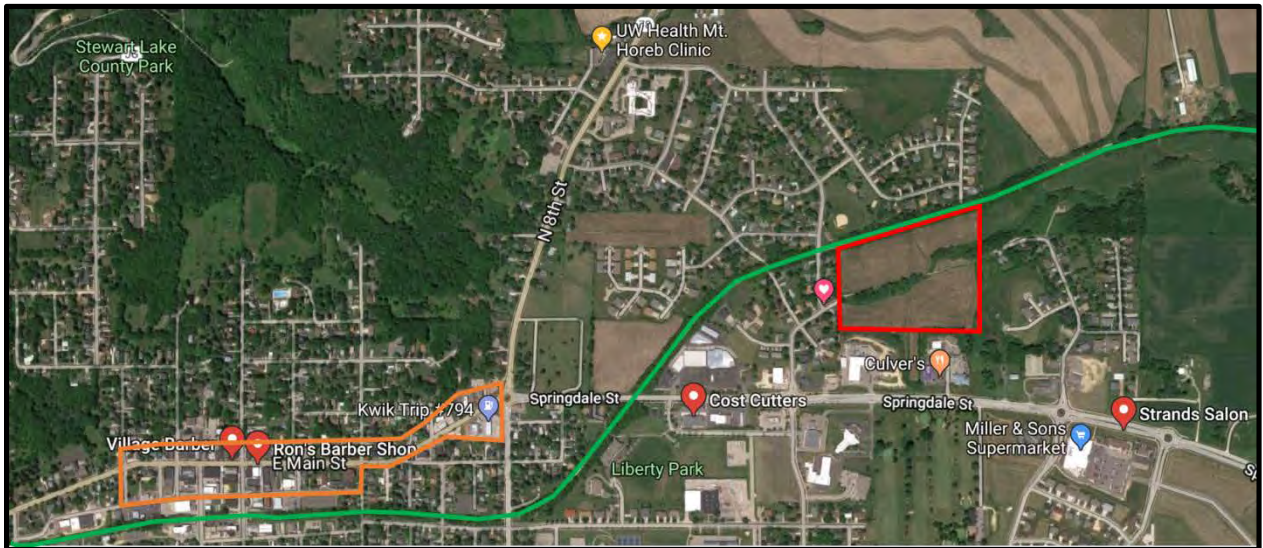
The Military Ridge State Trail is a trail connecting Dodgeville, Mount Horeb to Fitchburg. According to the information provided by Wisconsin DNR, the 40-mile trail is open to pedestrians and bicycles. Since a large part of the trail was a former railroad route, the grade is between 2 to 5 percent slope, which is friendly to bikers and hikers. The trail goes through Mount Horeb by the downtown, so it's a great asset for the village to attract visitors as well as to promote bike usage within the village. The village has 18 parks, 6 of which are bigger community parks and the other 12 are smaller neighborhood parks. The 6 community parks have several facilities. The liberty park which is the closest to the downtown has soccer fields, a shelter, water fountains...etc. The Waltz Park has a playground, sand beach volleyball court, basketball court, baseball field...etc. The village's recreation department holds leagues in these parks throughout the year for different sports.



**FIGURE 7: Military Ridge State Trail Map**

## Site Selection

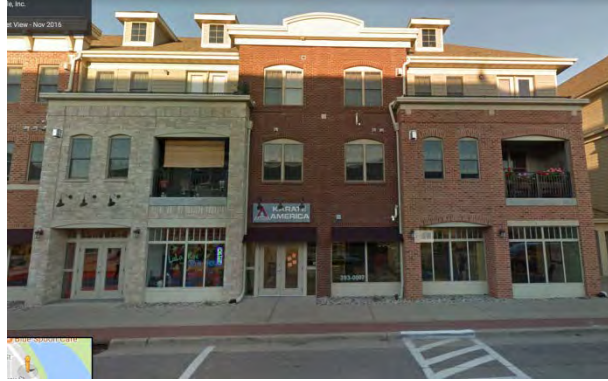
Low- and moderate- income families don't differ from any other family that resides in small towns and villages. They also wish their housing is located near economic amenities and social opportunities (Urban Land Institute 2007). For our program, we hope to provide the group an economically viable option, but also with good services. After browsing through several sites on real estate websites and some village-owned sites, we chose a site at 1421 Perimeter Road. The site and the surroundings are shown in figure 8. The site is the land bordered by the red line; the downtown is circled by orange; the green line is the Military Ridge State Trail. The site is close to Miller & Son Supermarket, some franchise restaurants, a barber and a salon, Waltz Park, as well as UW Health clinic and the public library.



**FIGURE 8:** The Chosen Site and the Surroundings

## Programming

The structure we propose is not just for housing, but as an enhancement to the community. The development will be mixed-use, which includes space for commercial and business uses. With the inclusion of commercial uses, the residents of the building and people who live in nearby neighborhoods could both benefit from the additional services. This could decrease or eliminate the use of personal vehicles, reduce air pollution, and create a healthier neighborhood. Aside from the commercial spaces, the development would include spaces for social and events. Mobility is another important phase of our program which not emphasizes parking, but also integrates other modes of transportation. The main goal for the housing development is to provide spaces for people to live happily and safely.



**FIGURE 9:** Mixed-Use Development in the Village of Prairie Du Sac

## Commercial Space

Although the site is chosen because of the proximity to different amenities and shops, creating more options for people to choose is always better. A smaller range of economic services can be introduced to comply with the smaller populations and attract potential new customers. Another benefit of including commercial uses is that it can attract developers to bid for the construction and increase the income for the management by collecting higher rents.

## Common Space

Many multi-family housing developments don't include common space for dwellers to socialize or to hold social events. Incorporating common space is an important design element to include in affordable/workforce housing, since this space can provide tenants the opportunity to meet and create a sense of community. Affordable housing projects in rural areas need to include programming for senior and workforce populations. Utilizing the hybrid living setting creates spaces and opportunities for social events. Common space can be fully utilized for events like neighborhood meetings, musical performances, lectures or panels, and community movie nights.

## Home Size

The housing development should provide different home sizes for the different needs of residents. As we have learned, the current affordable housing stock in villages and towns like Mount Horeb is typically either a studio or one-bedroom unit. These communities often lack

affordable housing that is suitable for families. Thus, it is necessary to include 2-bedroom and 3-bedroom units into the program to meet the needs of families. The demand for these sizes will need more in-depth research based on the needs of the community.

### Mobility

The design should create easy and accessible parking spaces for the tenants. Aside from personal vehicles; bicycles, pedestrian, and transit are all being considered and integrated into the development. For the bicycle, bike racks will be installed. The design will also provide easy and safe access points for bikers and pedestrians to access the Military Ridge Trail.



**FIGURE 10:** Madison Metro Plus Van

Since fixed-line transit service doesn't currently exist in Mt. Horeb, the development can either provide their own transit, as needed, or coordinate with the Madison Metro Plus service. Madison Metro Plus is a paratransit service that is provided to the senior and disabled groups within Dane County. The rider needs to schedule one day before the trip. One-way service is \$3.25 and can be purchased in a package of 6. The service doesn't consider delay before 20 minutes of scheduled departure. Either way, the design of the development would include a place for mobility services to pick and drop off passengers. Waiting room or a lobby with sofa and chairs would provide a comfortable and safe place for passengers to sit and wait.

### Orchestrate Sustainability

Affordable housing units are often required to remain affordable for a long time period, which requires integration of sustainability into the entire project. Sustainable development means high-quality design and construction, but not necessarily high-cost development. Sustainable housing focuses more on the residents than on the building, promoting healthy, environmentally friendly, and natural lifestyles.

## Design

Our goal is to develop a hybrid workforce and senior multi-family, sustainable, mixed-use housing project. The design elements are intended to make this type of housing a welcoming and comfortable place to live. Since the demand for Mount Horeb or similar small towns and villages of affordable housing are generally lower, our development would be constructed incrementally, with multiple phases. We plan to build around 30 to 40 units every phase, with the hope of meeting the community's needs in each phase. The general design for the housing development is a three-story complex including different home sizes. It would be a universal design and ADA compliant housing project. Universal design in housing means everyone could enjoy the housing without having trouble going anywhere within or using any of the facilities. The common way to do this is by eliminating thresholds, widening doors and hallways so that people with a wheelchair can pass easily, install all-floor elevators, proper lighting, etc. This would ensure the demand and the flexibility of each unit within the complex are met.



**FIGURE 11:** Universal Design Example

### Ground Floor

The ground floor would put emphasis on safety and accessibility. As we mentioned in the programming section, we would include different modes of transportation into our program. For a personal vehicle, we design easy access parking which would be located behind the building. The parking would include normal parking spaces and accessible parking spaces. It would be well-lit to improve security. Easy and secure access points for pedestrians and bicycles would be installed. The first floor will also include commercial units and common spaces. The commercial units will be integrated with other shops on Springdale Street with access from the street to reduce the impact on the nearby residents. If available, some senior units would be placed on the first floor.

### Second Floor

This floor would emphasize family-size units. There would be only one elevator for 30 to 40 units, but three stairways for them to use as well. We would encourage our tenants to use stairways more since it's healthier and environmentally friendly. For families, they often buy more groceries than singles, also small kids are unable to easily climb too many stairs. By placing family units on the second floor, we can lower the obstacles they need to deal with.

## Third Floor

This floor will be predominantly studios and one-bedroom units.

## Other Design Elements

Several design elements that are included in our design, are listed as follows:

1. Functional and space-efficient design to promote a community feel;
2. Sustainable landscaping around the building;
3. Well-lit for safety;
4. Handicap access to all floors;
5. Green roof with an outdoor patio which could be rooftop garden and grilling area for the residents;
6. Green building practices which would meet the certification standards of Leadership in Energy and Environmental Design (LEED).

## **Public Involvement**

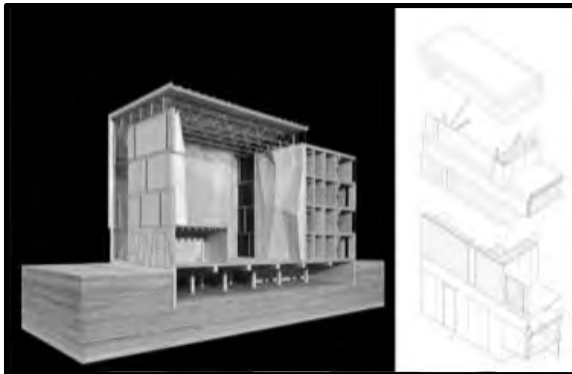
Using a framework that has been adopted in education, we will adopt a “funds of knowledge” approach to engaging the community (Velez-Ibanez, C.G., & Greenberg, J, 1989; Moll, et al., 1992). According to Moll, et al., funds of knowledge refer to “historically and culturally developed bodies of knowledge and skills essential for household or individual functioning and well-being” (p. 133, 1992). In this model, we plan on meeting with members of the community of Mount Horeb in areas that removes the urban/rural (Madison/Mount Horeb) power dynamic. For instance, we believe that community meetings should be held within the community at places that are easily accessible to its members. We could engage with the citizens of Mount Horeb through informational meetings in (but not limited to): the Mount Horeb Library, The Lion’s Club, and the Rotary Club. We have chosen to have meetings at the local Rotary and Lions Clubs, because according to Ginwright and Cammarota (2007) community organizations offer an avenue to collectively respond to the issues that arise in the community. In these meetings, we would communicate how our mixed use project would be locally organized, in terms of RFPs, management, as well as businesses solicited for the mixed use building’s commercial zone. Additionally, we would communicate the methods of project funding that we have identified as potential funding streams. We believe that this is of utmost importance, as we do not want to give the misconception that the town of Mount Horeb will be responsible for funding the project.

## Costs

As mentioned in the Location portion of the report, we chose 1421 Perimeter Road. It is currently zoned for residential, but we believe that through our community engagement efforts that it could be zoned for mixed use development. The lot is currently farmland, but it is connected to the city's water and electric infrastructure. Currently the lot is listed at \$1,000,000 for 28.8 acres, which roughly translates into \$34,700 per acre. Based upon our design, we would need roughly three acres. Placing our cost for land at \$104,100. Keeping in mind that we would like to first solicit RFPs from Wisconsin firms first, we have looked at a few projects that Wisconsin based architectural and design firms have completed to roughly determine the project cost. Of the projects that we evaluated, the most striking was Johnsen Schmaling's Belay MKE project. This project was a multi-use facility, that combined forty-six rental units with a climbing gym. Johnsen Schmaling incorporated an anti-urban aesthetic with the client's needs. The Belay MKE project boasted just over 88,000 square feet. Total construction cost came to roughly \$9,000,000 (Keegan, 2017). Based upon the Mount Horeb project's design and construction combined with the land needed for the project, we believe that our project's costs will be similar to the costs of the Belay MKE project.



**FIGURE 12:** Mount Horeb Public Library



**FIGURE 14:** Facade of Belay MKE



**FIGURE 13:** Model of Belay MKE

## Conclusion

For many living in villages and small towns, under the size of ten thousand residents, affordable workforce housing is in limited supply. This problem is compounded for those households living at or below the poverty line. For those working in the trades, and seniors living on a fixed income, affordable housing solutions are necessary. For many seniors, aging in place is a priority as well. We believed that because of the need for affordable housing for both populations, an intergenerational living community would be the best fit.<sup>2</sup> Intergenerational Living has had much success in Chicago and in other places, and we believe that it could be emulated in Mount Horeb. We also believe that a sense of community can be promoted through universal design.

We settled upon our site in the Mount Horeb community. Located at 1421 Perimeter Road, the site offers residents nearby access to amenities, such as a grocery store, clinic, and park. In order to fund this project, we identified a variety of funding streams, from federal housing vouchers to local funding sources. Using a combination of funding streams, we believe that we will be able to fund this project, which will likely cost, roughly, nine million dollars.

Because of Mount Horeb's rich cultural and community background, we believe that adopting a community engagement approach to project design and development would have the greatest effect. Using a "funds of knowledge" approach, we would dialogue with members of the community about our project, on their terms. For instance, we would hold information and educational meetings at the local Lion's and Rotary Clubs, as well as the local library.

Universal Design and ADA compliance will be employed in the project. Not only will this aesthetic add to the architectural character of Mount Horeb, it will be functional for residents with limited mobility. We believe that through a combination of education and functional design we can create an Intergenerational Learning Community that will be an asset to the broader Mount Horeb community.

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<sup>2</sup> See, for example, AARP's 2012 report: <https://www.aarp.org/content/dam/aarp/livable-communities/learn/civic/americas-best-intergenerational-communities-aarp.pdf>



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# Small Cities

## Executive Summary

Small cities in Dane County each feature unique challenges and demand for affordable and workforce housing options. The need for affordable units has increased drastically since the Dane County Housing Needs Assessment was published in 2015, showing consistent and rapidly increasing levels of low-income households. Proper planning is required to best serve those populations with the most drastic need – whether that be family housing, senior housing, single workforce housing, homeowner mortgage alleviation, or more realistically a combination of all of the above.

There are several relevant funding mechanisms to encourage and assist developers in the creation of low-income units, but the most important tool is municipal support and incentive. Communication of increasing need is key to demonstrating to municipalities the scope and scale of the drastic problems of the rapidly increasing population of Dane County. While the small cities of Dane County do vary by demographic and housing needs, several trends occur across all six of the cities in this study.

Most notably, the rapid growth of low-income populations is causing stress within the rental housing markets, showing a drastic increase in rents across the region. However, many areas also show high levels of cost-burden for low-income homeowners, suggesting a lack of available entry-level homeownership opportunities for households having otherwise qualified credit and savings for down payment.

The market share of low-income populations is being matched by growth in the highest income levels, which leads developers to increase supply

of luxury and market rate units, furthering the disparity and need in each locale. This trend carries nationally, with the largest share of new rental units being constructed for the highest-earning income-tier.

Steps must be taken to address the need for low-income units in Dane County, for the health of each municipality, and the region as a whole.



**FIGURE 2**  
Additions to the Rental Stock Are Increasingly at the Higher End



Monthly Housing Cost  
 ■ Under \$250 ■ \$250-449 ■ \$450-649 ■ \$650-849 ■ \$850-1,039 ■ \$1,040-1,259 ■ \$1,260 and Over  
 Notes: Recently built units in 2001 (2016) were constructed in 1999-2001 (2014-2016). Monthly housing costs include rent and utilities and are in constant 2016 dollars, adjusted for inflation using the CPI-U for All Items Less Shelter. Data exclude vacant units and units for which no cash rent is paid.  
 Source: JCHS tabulations of US Census Bureau, 2001 and 2016 American Community Survey 1-Year Estimates.

Source: Harvard Center for Housing Studies

# Challenges and Opportunities

Solving the lack of affordable housing in Dane County will not be a one-solution-fits-all scenario. Each community has vastly different needs and challenges specific to housing development. Housing strategies will need to be targeted to each of the communities individually based off of their unique needs. While each city needs to be reviewed individually to determine what will work best for them, there are recurrent challenges that are broadly affecting every city in Dane County. These challenges have been identified through trends in demographics and the housing market, and can be seen listed below. This list is not exhaustive, but generally covers the greatest challenges to affordable housing in Dane County.

## *Rapidly Growing Low-Income Population*

Most small cities in Dane County are experiencing a rapid growth of very low-income households, defined as households earning 30% AMI or less, and cannot afford any unsubsidized rental units in those cities without becoming severely-cost burdened. Meanwhile, households at the highest income levels are also growing rapidly, creating higher demand for luxury apartments. These factors, along with low vacancy rates are contributing to the unattainable rent prices for lower income residents.

## *Cost Burdened Home Owners*

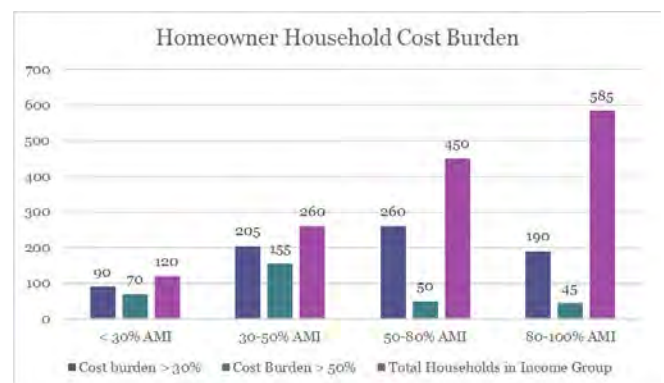
Most discussion of affordable housing is focused on renters, but several of Dane County's small cities showed low income homeowners are cost burdened as well, including many households with at least one of HUD's four housing problems – housing lacks complete kitchen facilities, housing lacks complete plumbing facilities, household is overcrowded, or household is cost burdened.

## *Overall Rental Market is Tight*

Very low-income households are growing at a rapid pace in Dane County's small cities, increasing the need for affordable housing. At the same time, high-income households are also growing quickly, creating high demand for luxury market rate units, which developers are more likely to focus on. This takes away resources and attention from families who are not currently able to afford any market rate housing in the area.

## *Communication of Needs*

While conducting our research, we found cases where decision makers had inaccurate, incomplete, or out-of-date information on affordable housing in their cities. This problem is mostly due to the lag from when Census and ACS data were last collected. For example, Middleton adopted a Workforce Housing Strategy in 2015 based on the “present affordable housing ‘gap’ or ‘need’ of between 295 and 795 units in the city of Middleton”<sup>1</sup>. However, the 795 number was collected by ACS from 2006 to 2010, five years prior to Middleton adopting this strategy. A more accurate number based on 2014 data is 1,195 rental units that are cost-burdened for households under 50% AMI. The number is even greater if including higher income levels or homeowners. It is extremely important that policy makers throughout Dane County have access to accurate and updated information when making decisions about affordable housing, otherwise we will continue to fall behind the real need in the county.



<sup>1</sup> City of Middleton Workforce Housing Strategy, Adopted by City Council September 15, 2015

# Goals, Preconditions, Interventions

## Goals

Based on the challenges outlined in this report, we recommend the county focus on four high level goals with assistance to small cities:

1. Increase stock of affordable options for households <50% AMI
2. Decrease housing cost burden for current homeowners
3. Provide targeted services that match the needs of the residents of affordable housing units
4. Track and regularly communicate updated data to decision makers

## Preconditions

In order to realize these goals, several conditions must first be met:

- Developers must be willing and able to build new affordable units
- Data on affordable stock and needs must be easily accessed, tracked, and updated regularly
- Policy makers and citizens must recognize the need for affordable housing and overcome the stigma often associated with it
- Zoning must allow for the quantity and type of buildings needed to provide appropriate affordable units
- Needs of various target populations should be fully assessed and understood
- Resources must be made available to provide needed services, like funding, certified professionals, and community partnerships

## Interventions

### Policies:

- Create incentives for developers to build affordable housing units
- Streamline the process for developers to make it easier to create affordable housing
- Create a database or other means of tracking affordable housing need and stock
- Educate elected officials and residents on the need for affordable housing and show how it can benefit their community
- Review current zoning and update as needed now and ongoing to accommodate affordable housing needs

### Best Practices:

- Design new units in the style of the existing community to make the development more agreeable and higher quality
- Create an affordable housing fund through developer impact fees in lieu of an inclusionary zoning policy
- Provide services to help homeowners like down payment and home repair loans or grants
- Establish permanently affordable units for ownership
- Work closely with residents and other stakeholders to determine appropriate services for given population
- Implement scoring system so municipalities can easily track progress toward achieving housing goals<sup>1</sup>
- Create a county-wide framework, guideline, or policy plan to assist small communities in development goals and ideas<sup>2</sup>

<sup>1</sup> For more information on Housing Performance SCORES, please visit the Metropolitan Council's website explaining the program - <https://metro council.org/Housing/Planning/Housing-Performance-Scores.aspx>

<sup>2</sup> Housing Policy Plan, Metropolitan Council of the Twin Cities - <https://metro council.org/Housing/Planning/Housing-Policy-Plan.aspx>

# Funding Opportunities

Affordable housing requires forethought into the best way to maximize each dollar spent on investment, incentive, and development, as the return on investment will never match that of a market-rate project.

Some ways to maximize potential for affordable and workforce developments are:

## *WHEDA*

- Specifically, WHEDA adds extra scoring to developments with community contributions
- The opportunity for multiple levels of jurisdictional support cannot be overstated
- Example:
  - Hypothetical Proposed Development in Middleton
  - County Financial Support
  - Municipal Support
    - Continued Investment
  - Would result in a large scoring increase

## *Affordable Housing Funds*

- Madison spends \$18.62 per capita on affordable housing funds in general obligation debt
- Dane County spends \$5.73 per capita on affordable housing fund as budget line item
- Smaller cities should be able to budget money proportionately to their population
- Even small local investments can alleviate gap funding in affordable development

## *Grant/Fee Waivers*

- Cities may waive certain impact fees to ease development
  - Example: Park Impact Fees, Remediation Grants, Etc.

## *HRA/CDA Tax Levy*

- Can be increased to create funding specifically for affordable & workforce housing

## *Affordable Housing program grants*

- Administered regionally by Federal Home Loan Bank of Chicago
- Provides up to \$850,000 for developers to fill financing gaps
- Forgivable loans for homeownership down payment assistance

## *Tax increment Financing*

- More beneficial and feasible for Mixed-use / Commercial & Retail Developments

## *New Market Tax Credits*

- Utilize for mixed-use development with strong commercial components

## *Community Development Block Grants*

- Encourage homeownership/home renovation within specific geographic areas
- Forgivable & Zero-interest homeownership loans

## *Land Banking*

- Forgivable loans & No-payment leases to ensure permanent affordability on county-owned land (Messner as precedent)

# Assessing Need, Tracking Success

The following pages provide an example of city-specific data for one municipality of the region - Fitchburg. This is provided to demonstrate ways to assess unique needs across different demographic markers, as well as information on how to track and quantify success of housing related programs in each municipality. These metric data can easily be used to:

- Set specific targets for unit creation
- Set demographic priorities
- Track Data

For data on additional cities, please reference the appendix. A brief overview of the metric data provided, with the reasons for inclusion, is listed below:

## *Vacancy Rate:*

5% is considered a desirable vacancy rate to promote a healthy housing market. ACS data for vacancy is often outdated with a large margin of error. Partner with local utility providers (for example, MG&E) to get continuously updated and more accurate vacancy rate data.

## *Housing Units vs. Households:*

In lieu of being able to partner with utility providers, tracking the trend in raw number of housing units is acceptable. Graphed with trends in number of households (both available via ACS), the margin of error is considerably less than vacancy statistics. This data can demonstrate market trends and be a predictor of market stress, increasing rents, and general unaffordability.

## *Average Rent vs. Affordability*

Using a rental price aggregator, this data tool provides up to date month to month rent averages for each municipality. Drastic rent increases are indicative of market stresses, closely correlated with a tightening market in vacancy rate and housing units as compared to number of households. ACS data on tightening markets is ineffective due to reporting time – and this (coupled with utility provider information) can predict market trends without strong demographic data.

## *Household Growth:*

HUD CHAS data for each municipality demonstrates the growth of each population share by income for municipalities over time. These trends should be assessed and extrapolated to anticipate need over time, as well as to set goals for production.

## *Percent of Population by Age:*

Tracking the age demographic information provides the ability to determine the share of singles, family, and/or senior housing need for each municipality.

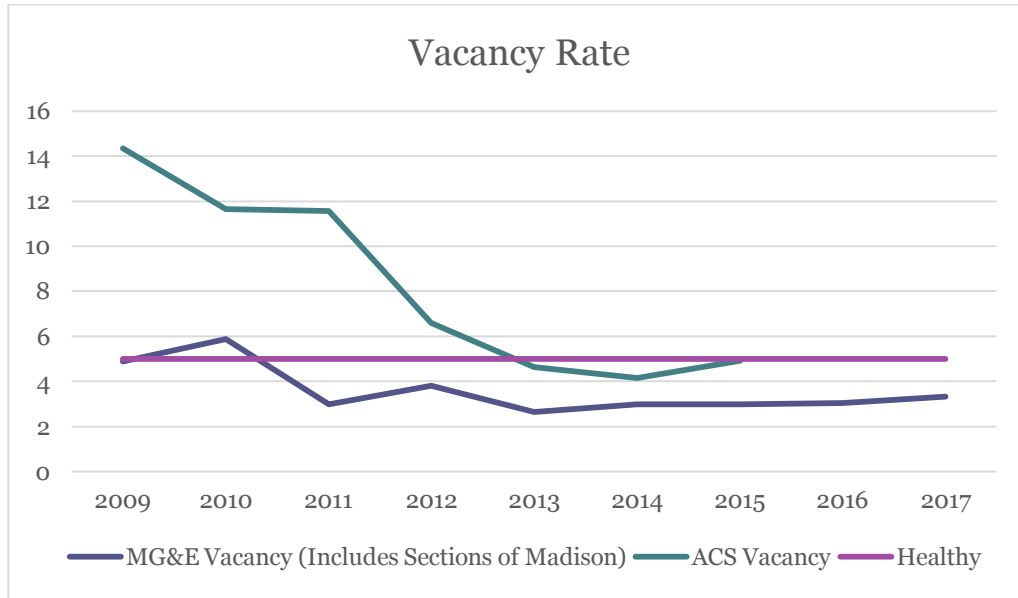
## *Rental Housing Cost Burden:*

The share of renters burdened in each income group is a good determinant of what level of housing assistance is most needed in each municipality. Contrast with the Homeowner Cost Burden in both share and raw number to determine share of population and level of need for rental vs. homeowner relief programs and at what income levels.

## *Homeowner Housing Cost Burden*

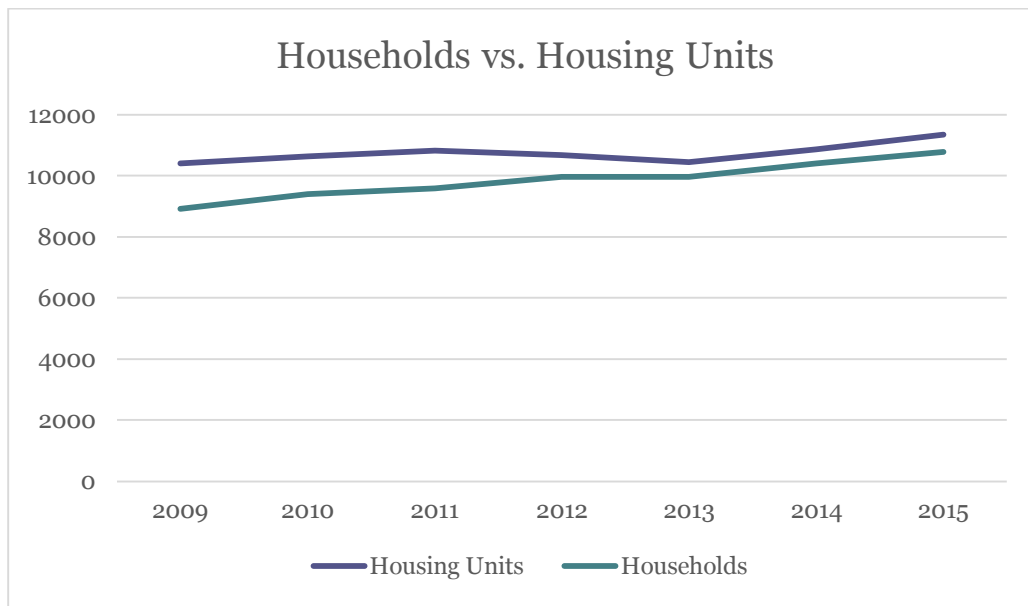
The share of homeowners burdened in each income group is a good determinant of what level of mortgage alleviation required at each income level. Compared with Rental Cost Burden, both in raw number and share of the population, this allows the program setting for specific populations.

## Fitchburg Example - Recommended Data Tracking Points



Source: MG&E Vacancy Data, 2014 ACS 5-Year Estimates

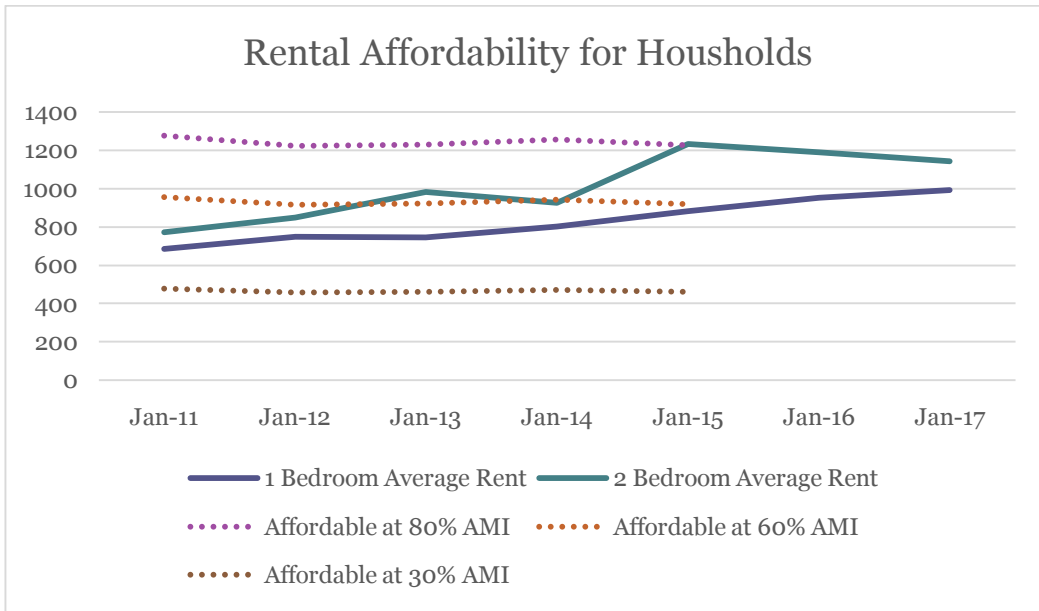
A demonstration of the inaccuracy of ACS vacancy rate data, Fitchburg is an excellent example of the potential for partnership with utility providers to report vacancy rate of units on a monthly basis.



Source: ACS 5-Year Estimates

With a relatively stable number of households, yet a consistent increase in overall population, the housing market in Fitchburg began to tighten significantly in 2012, reaching a critical point in 2013. This is reflected in the vacancy rate data provided by MG&E., and demonstrates a less than ideal number of household production, as unit production did not keep pace with household growth.

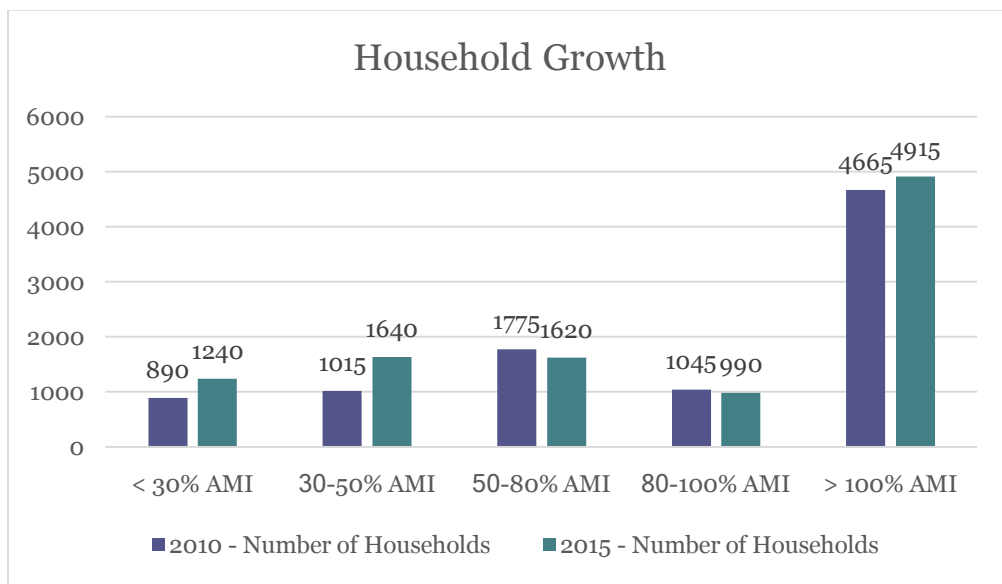




Source: ACS 5-Year Estimates & Rentjungle.com (rental listing aggregator)

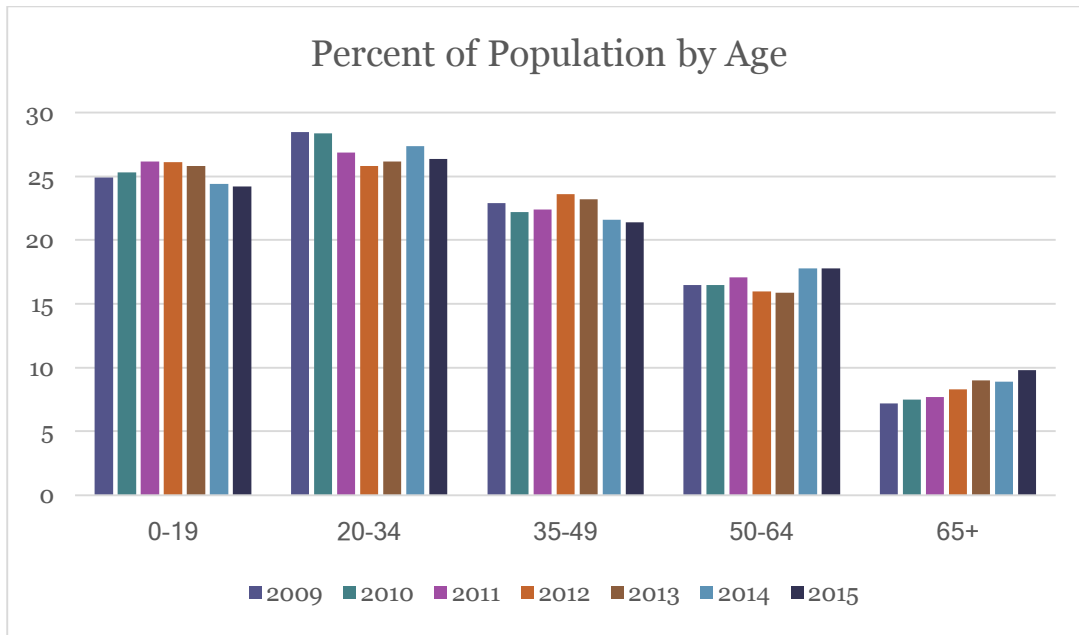
Using both a rental aggregator and municipal-specific household income data it is possible to contrast with the prior graphs to further illustrate the market response to a tightening market. As a larger share of the population growth has been low-income households, the median household income in Fitchburg has generally decreased year-to-year while rents have increased.

- January 2014: Average 2-bedroom unit becomes unaffordable to a household at 80% AMI
- June 2012: Average 2-bedroom unit becomes unaffordable to a household at 60% AMI
- June 2014: Average 1-bedroom unit becomes unaffordable to a household at 60% AMI
- All average units unaffordable to households at 30% AMI throughout period sampled



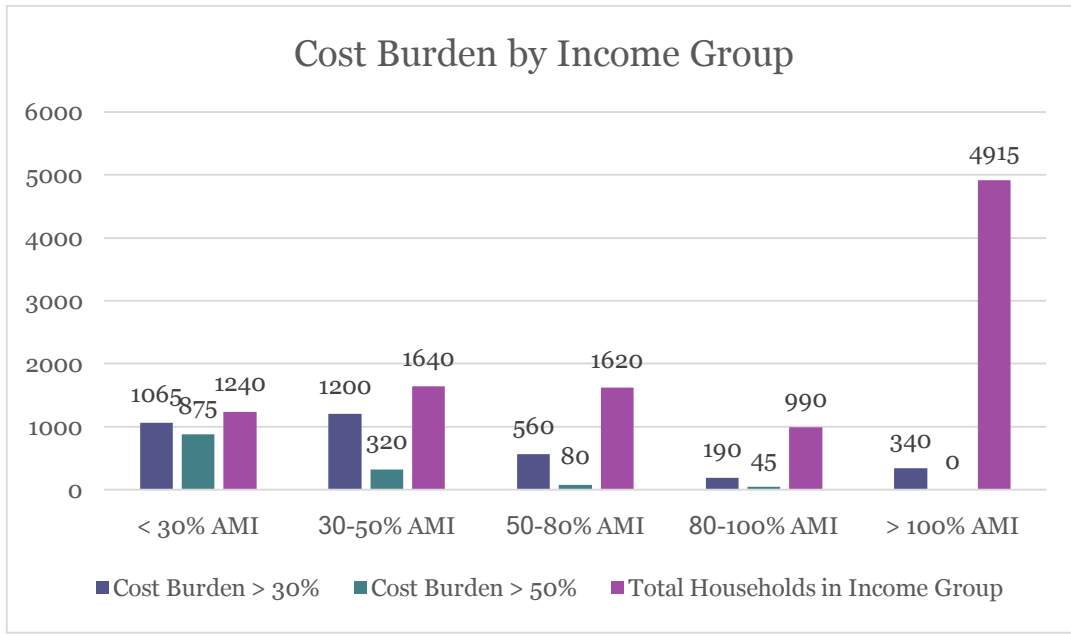
Source: 2014 HUD CHAS Dataset

Year-to-year trends in population growth can be tracked to assess trends and need for each municipality.



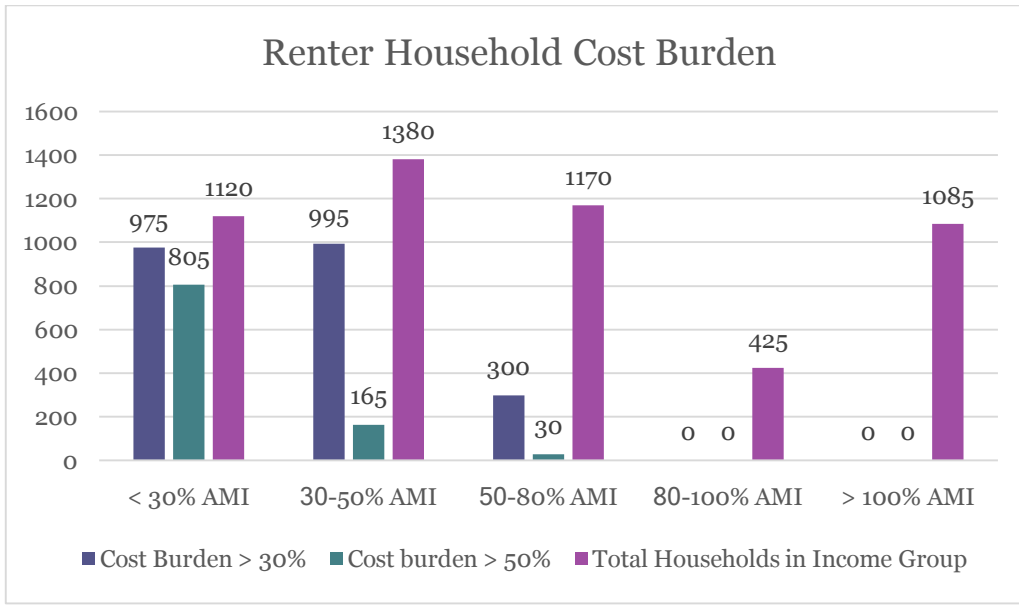
Source: ACS 5-Year Estimates

Fitchburg has a relatively high share of population aged 0-19, indicating a large need for affordable housing for families (large-units) compared to other municipalities in the region. Considering the relative stability of this age group year to year, it is also worth noting that the aging population trend nationally is relevant here as it is in other areas. While a small share of the population compared to other cities, the 50-64 and 65+ demographic are the only two groups which show consistent sustained growth, indicating a long-term consistent need.



Source: 2014 HUD CHAS Dataset

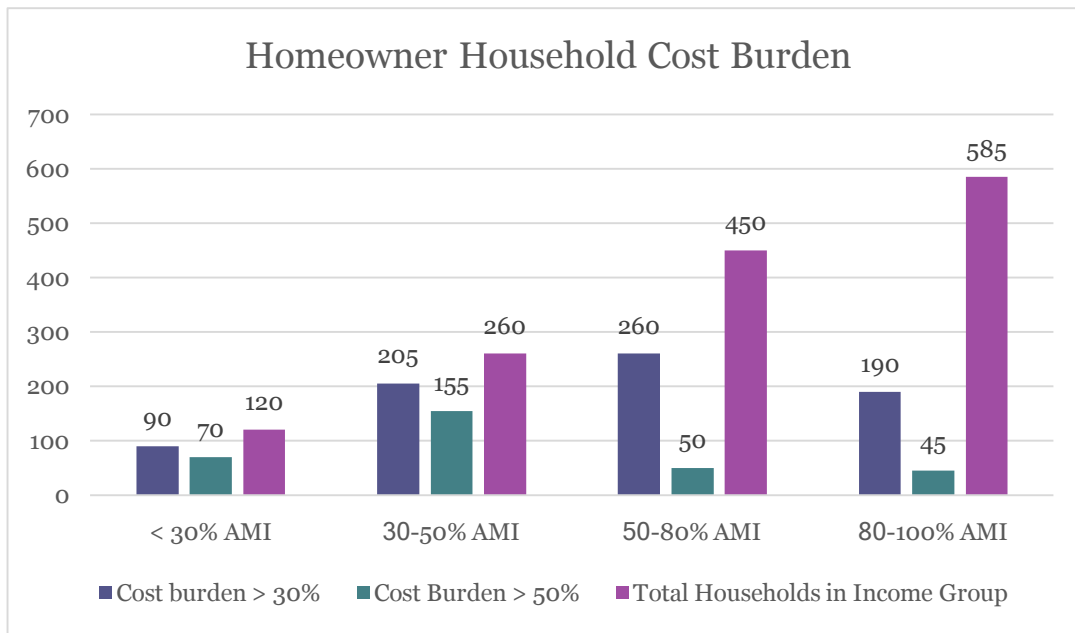
As expected per population growth and relatively little increase in the raw number of housing units, levels of cost burden are significantly higher among lower-income population groups. Further breakdown of renters vs. homeowner cost burden below.



Source: 2014 HUD CHAS Dataset

Utilizing this data, it can be determined that:

- 87% of renters <30% AMI are cost-burdened, 74% are severely cost-burdened
- 72% of renters 30-50% AMI are cost-burdened, only 12% are severely cost-burdened



Source: 2014 HUD CHAS Dataset

Comparing this data to Renter Household Cost Burden can assist in determining program need (homeowner vs. renter). For instance, homeowners are overall more-cost burdened than renters (53% vs 44%), especially as higher income levels are reached – although still smaller in raw number.

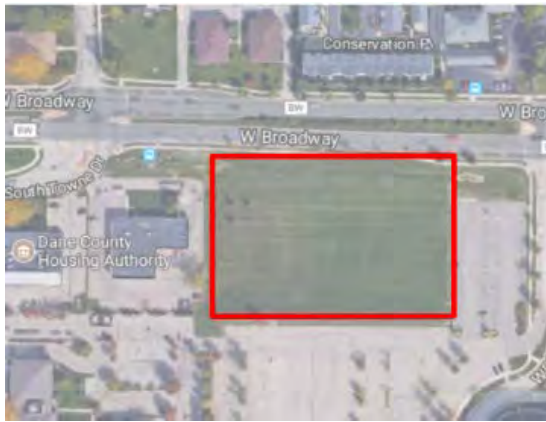
# Site Design Opportunities

## Monona

Monona showed the highest percentage of residents over the age of 65 compared to Dance County's other small cities, so we focused our site design on senior living.

### Site Location

The proposed site is located at the corner of West Broadway and WPS Drive. It is currently zoned as a community design district and is along a bus route and near other housing developments.

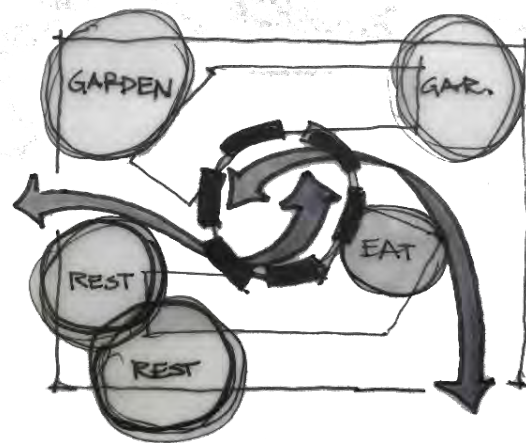


### Programming and Amenities

- Accessible units:
  - large bathrooms, great lighting, assistive handrails, elevators, zero-threshold doorways
- Assisted living staff
- On-site restaurant, grocery
- Safe crosswalks
- Group fitness activities
- Cooking classes
- Game nights



Light Yellow: Single Family  
Yellow: Two Family  
Pink: Comm. Design Dist.  
Green: Conservancy

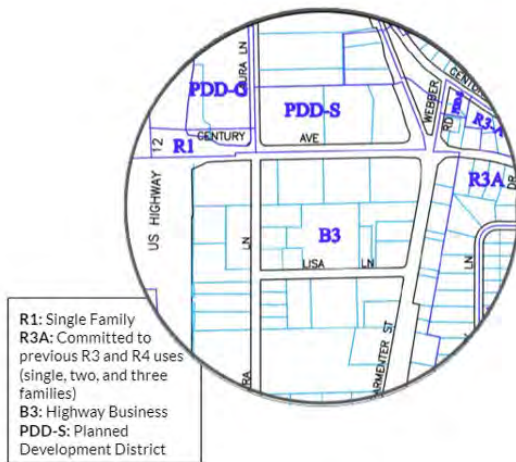


# Middleton

Middleton is convenient to Madison, with a bus route running through the main corridor, so we chose it as a potential option for multi-size workforce housing, with commercial space on the ground floor.

## Site Location

At the time of writing, the corner of Century Ave and Laura Ln is currently softball fields, but is available for purchase and development. We chose this site for its proximity to amenities like stores and schools. After choosing this site, we learned there was already a project proposed for market rate mixed-use multi-family housing. However, we think there is potential to include affordable units to create a mixed-income community on this site.



## Programming and Amenities

- Welcome center
- On-site car share program
- Wellness center
- Living library, co-working space
- Outdoor patio with communal grills and fire pit

## Current Development Proposal

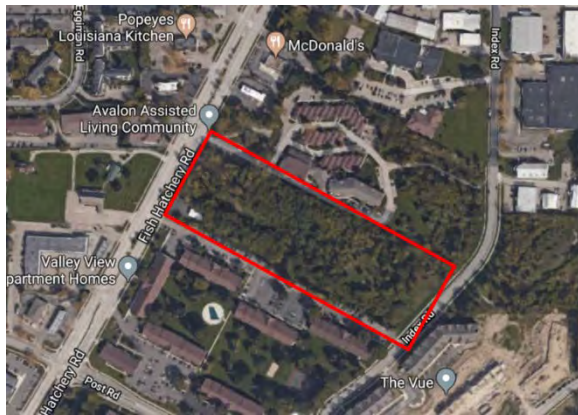
- 11,000 sq ft of retail
- 15,000 sq ft of commercial space
- 363 apartment units (1-3 bedrooms), 31 DU/A
- Rezoned from business district to planned development district

# Fitchburg

Fitchburg is also located close to Madison, with public transit readily available. It is the largest of the small cities and has a high (though not the highest) proportion of households with children, so we focused on family affordable housing.

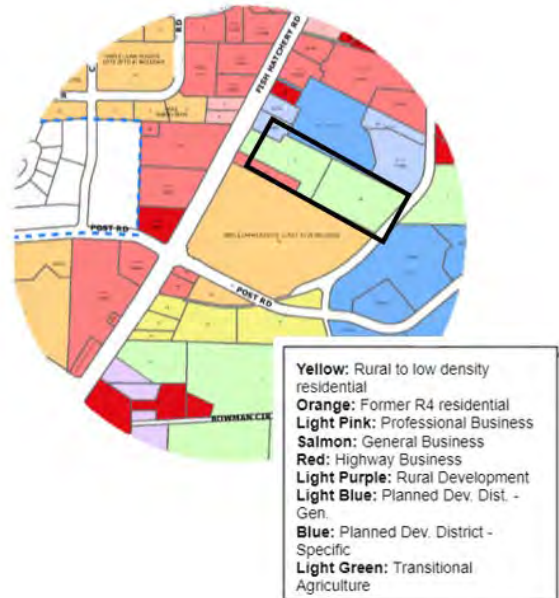
## Site Location

The Fitchburg site is located on Fish Hatchery Rd near Post Road. This 3-acre lot is currently zoned as "transitional agriculture", but the Fitchburg land use plan specifies it for residential and mixed use in the future.



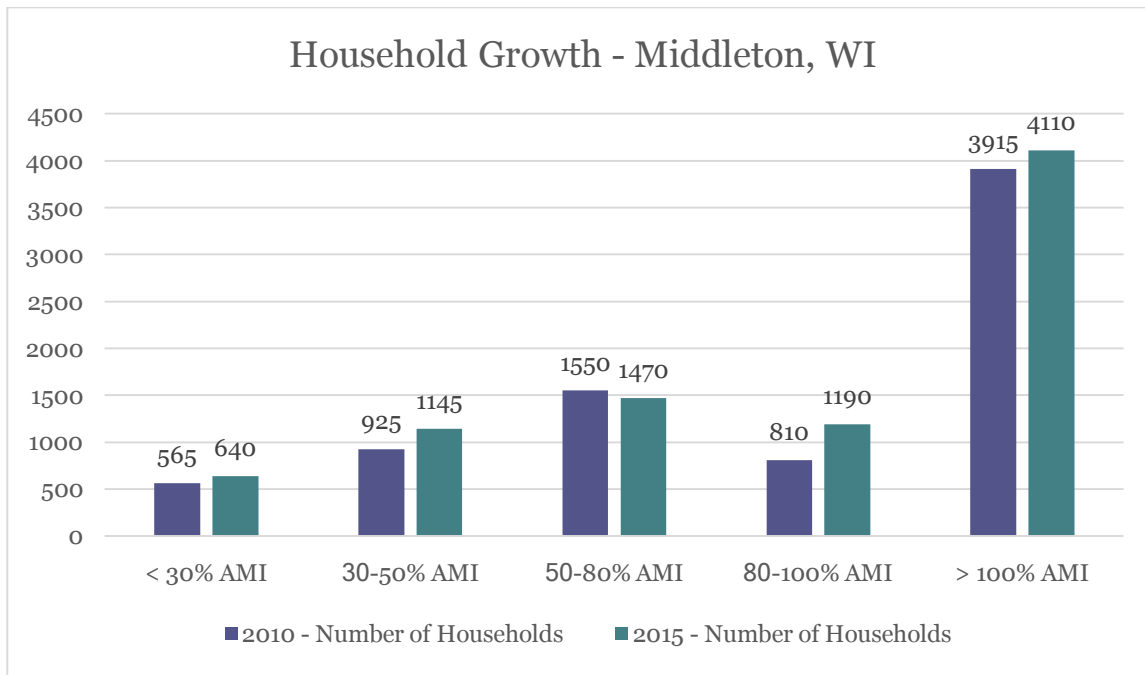
## Programming and Amenities

- Attached townhomes with street level entrances
- Daycare and activities for children
- Play spaces and homework areas
- Adult skills classes
- Community gardens
- Communal kitchens
- Shared supplies like vacuums and mops



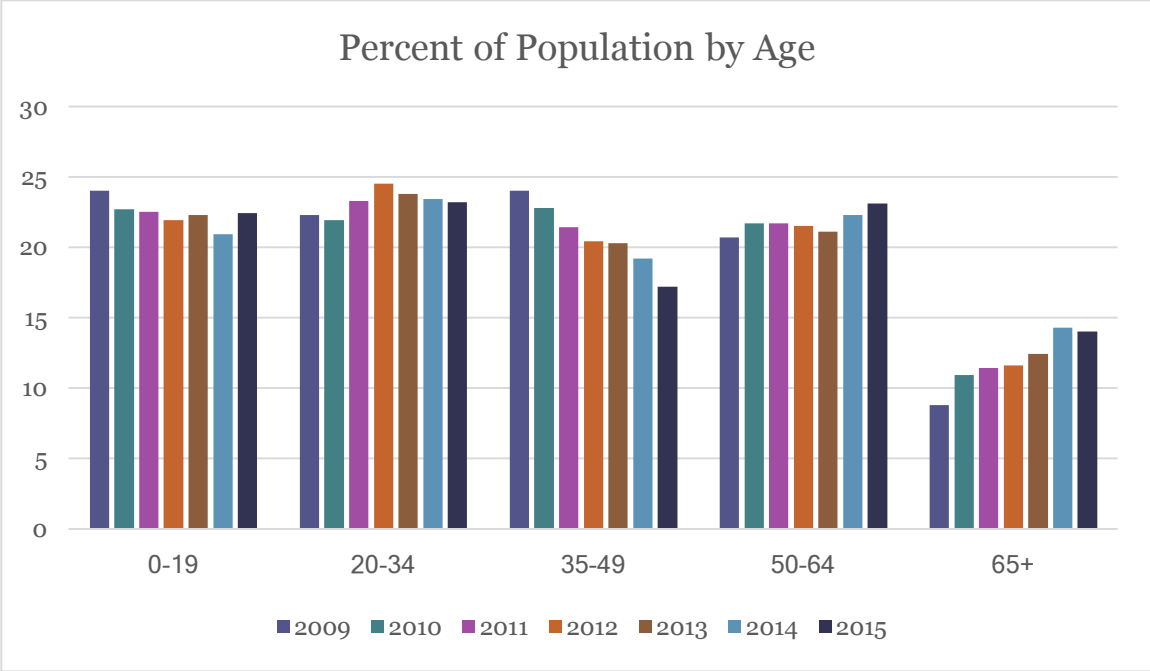
# Appendix: Data for Other Jurisdictions

## Middleton

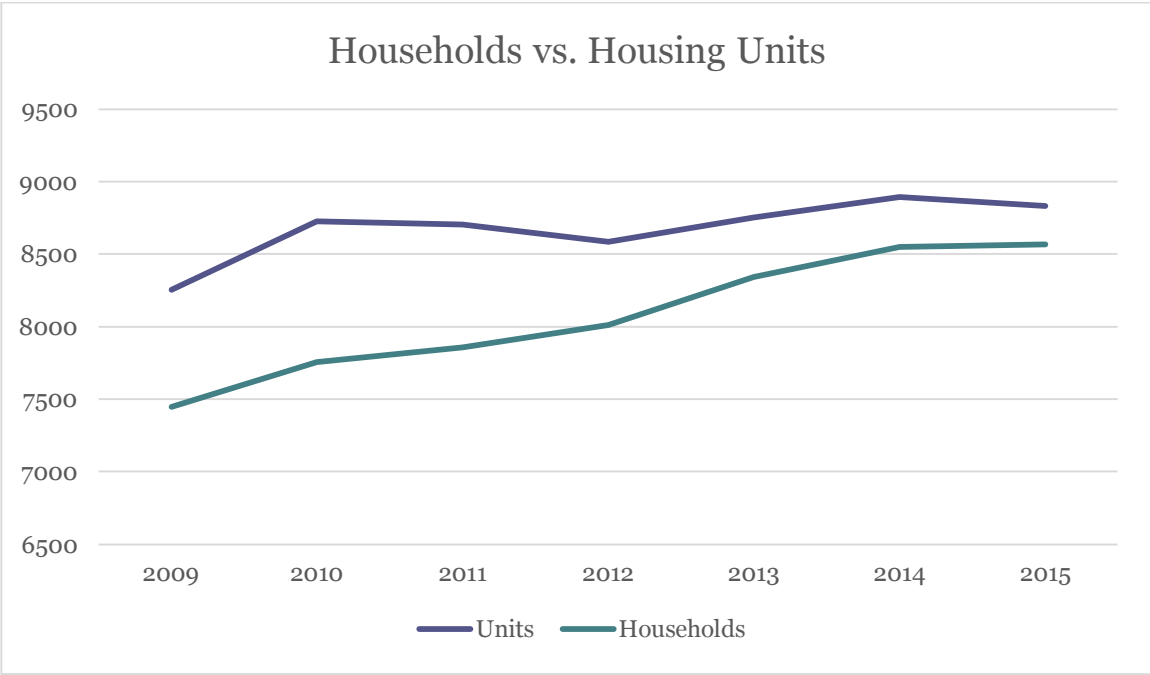


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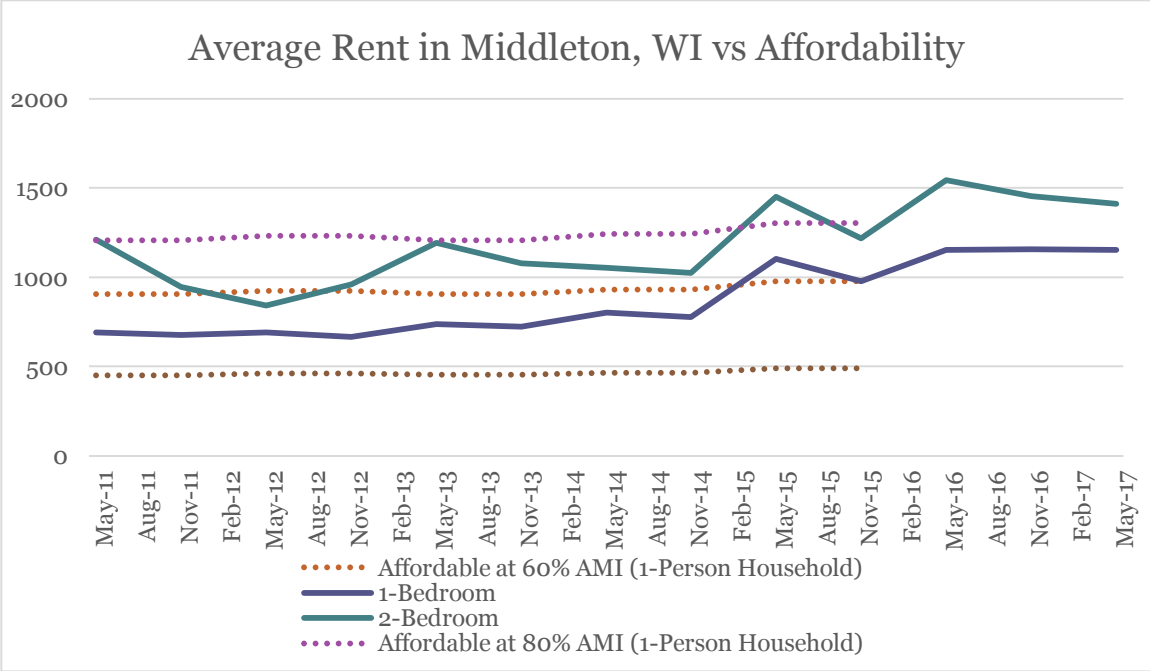




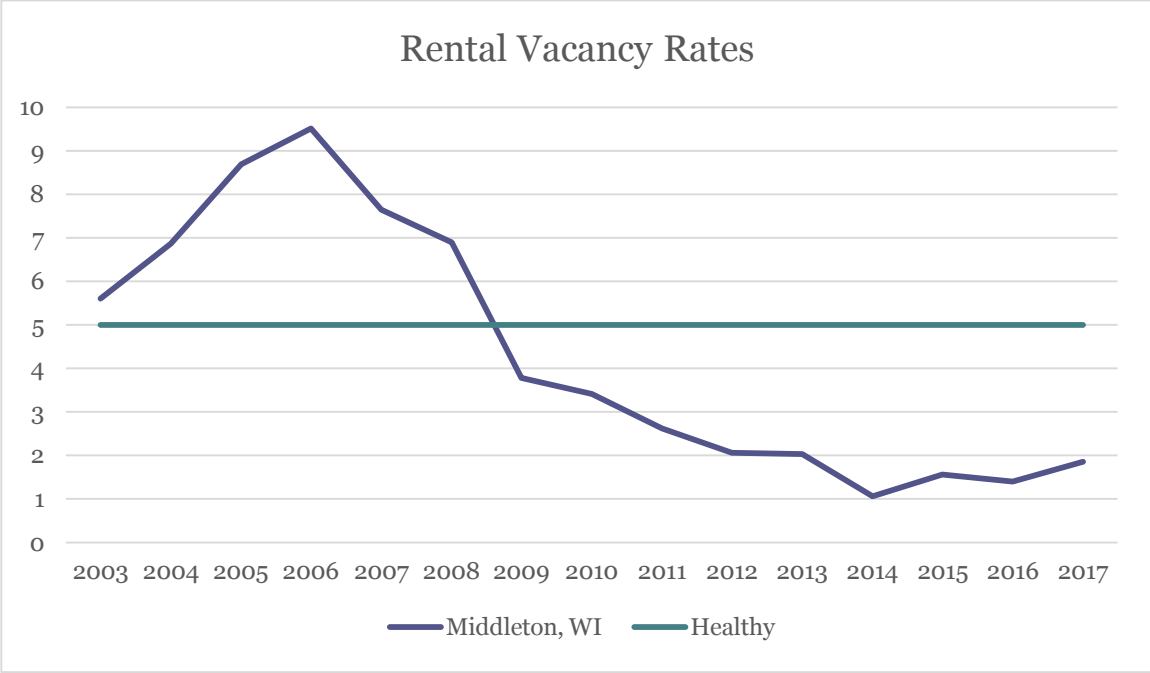
Source: ACS 5-Year Estimates



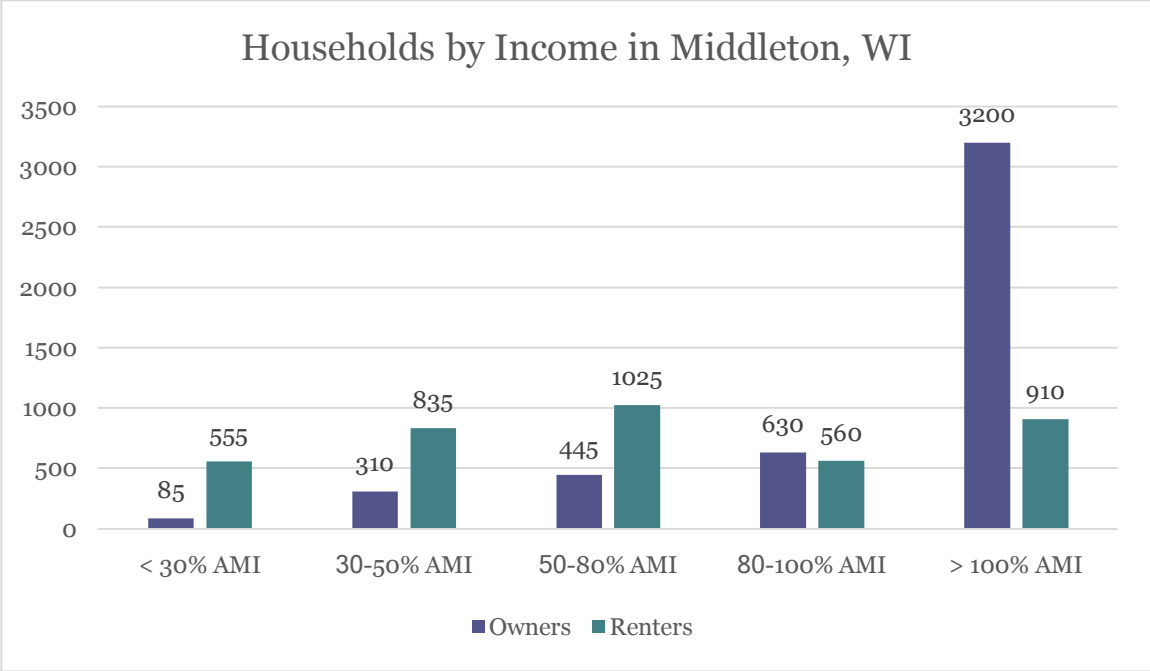
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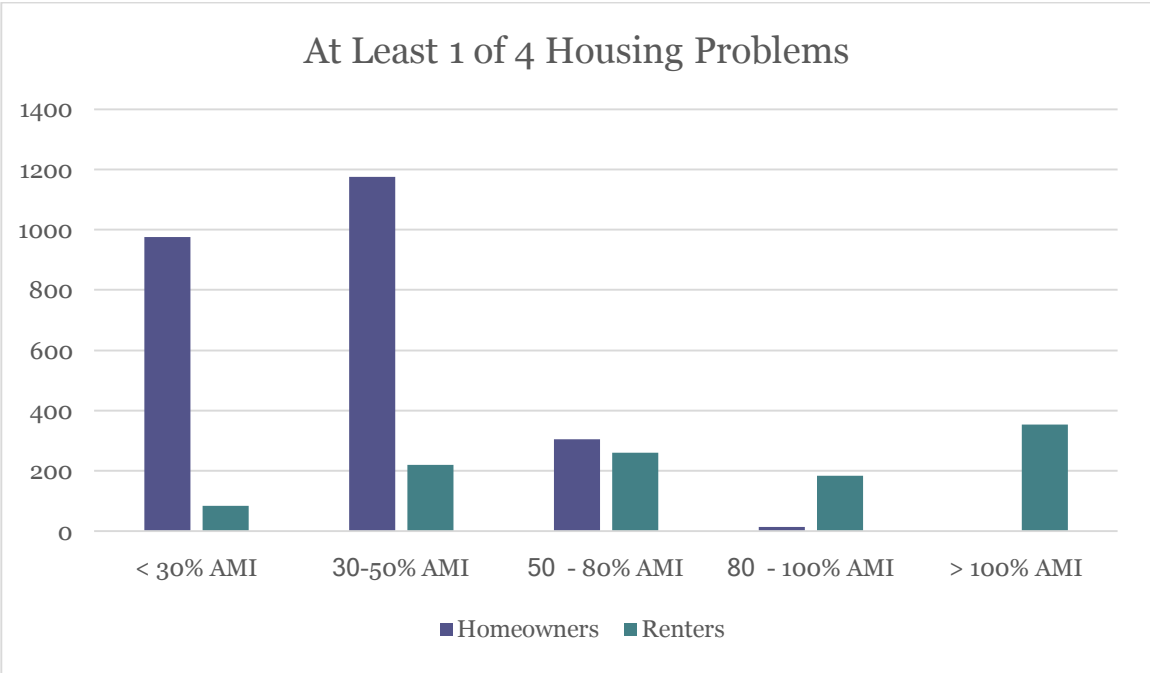
Source: ACS 5-Year Estimates & Rentjungle.com



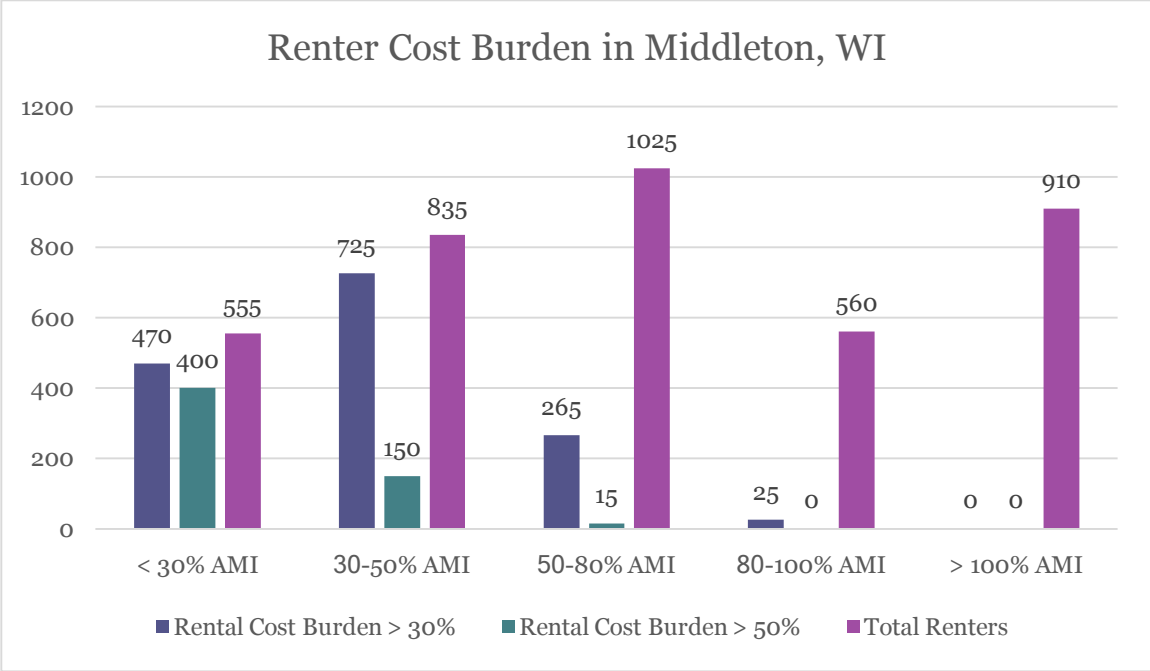
Source: MG&E Vacancy Rate Dataset



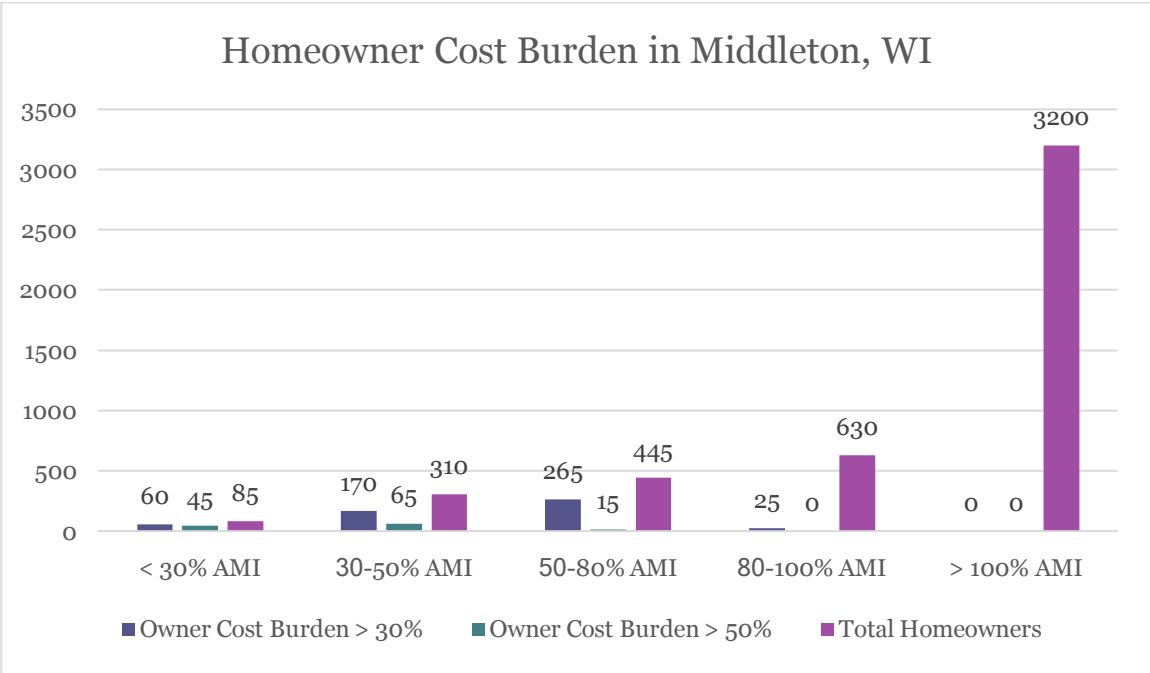
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Source: 2014 HUD CHAS Dataset

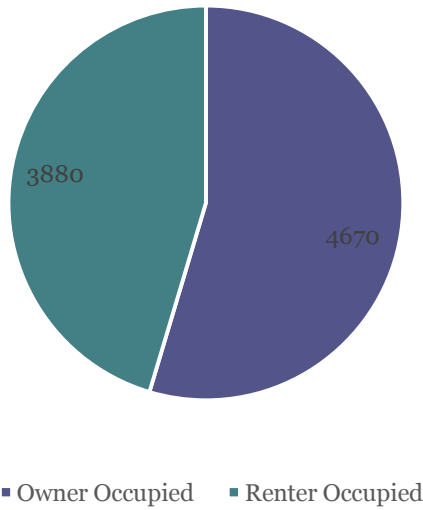


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Source: 2014 HUD CHAS Dataset

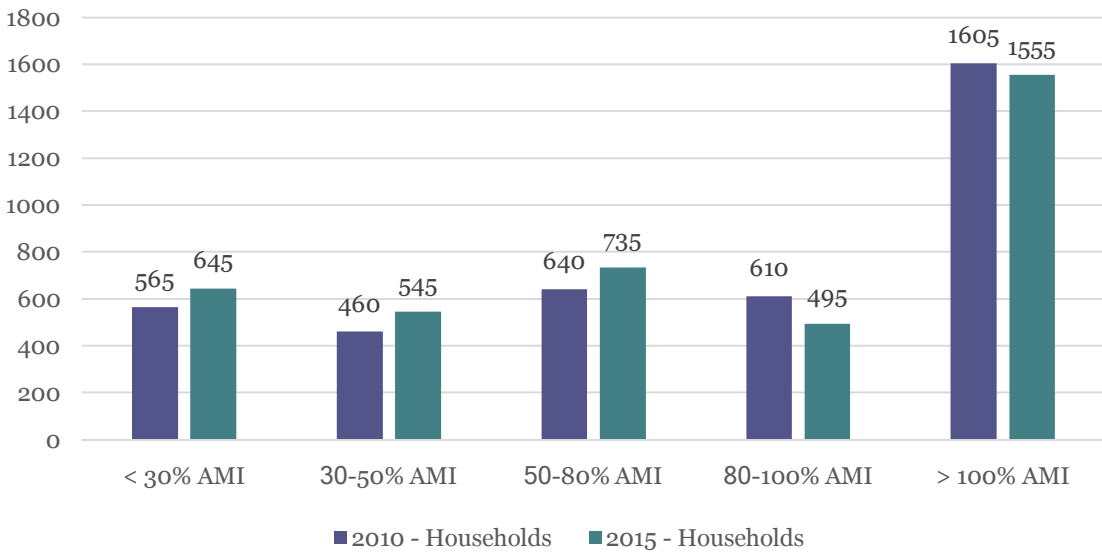
## Housing Stock of Middleton, WI



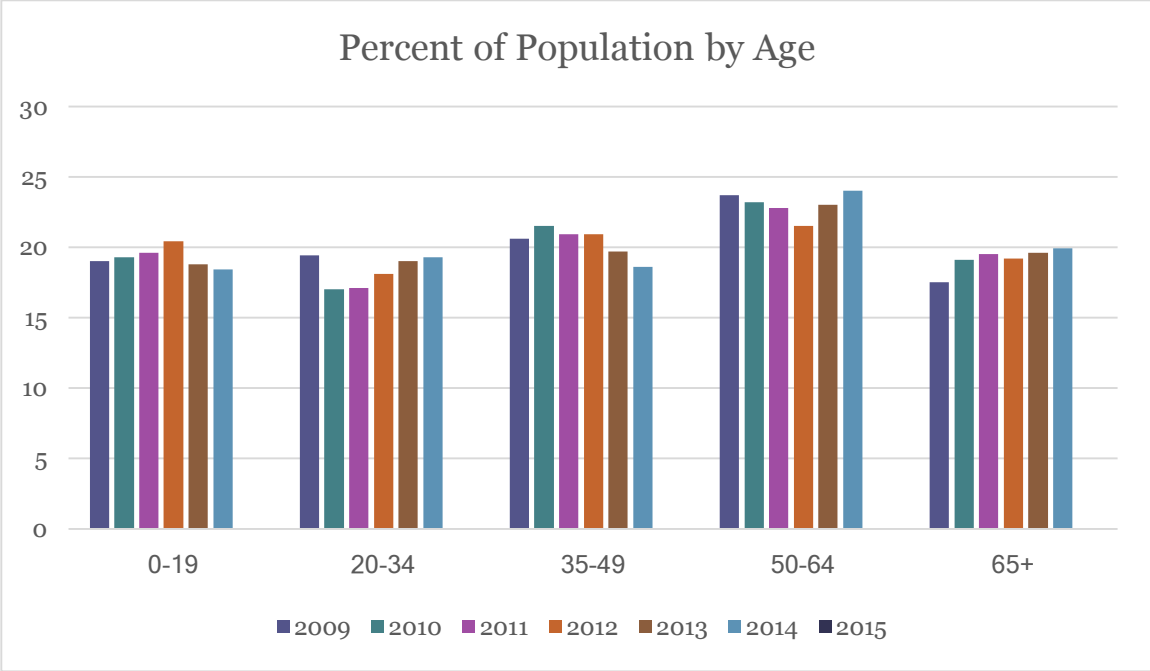
Source: 2014 HUD CHAS Dataset

## Monona

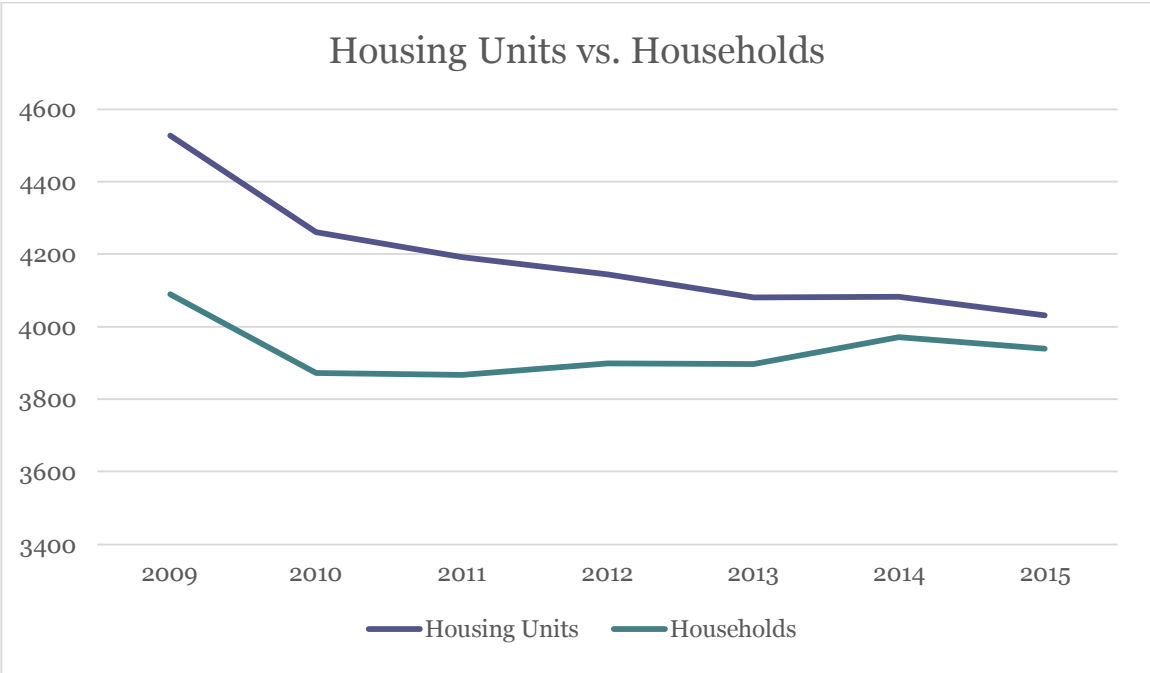
### Household Growth



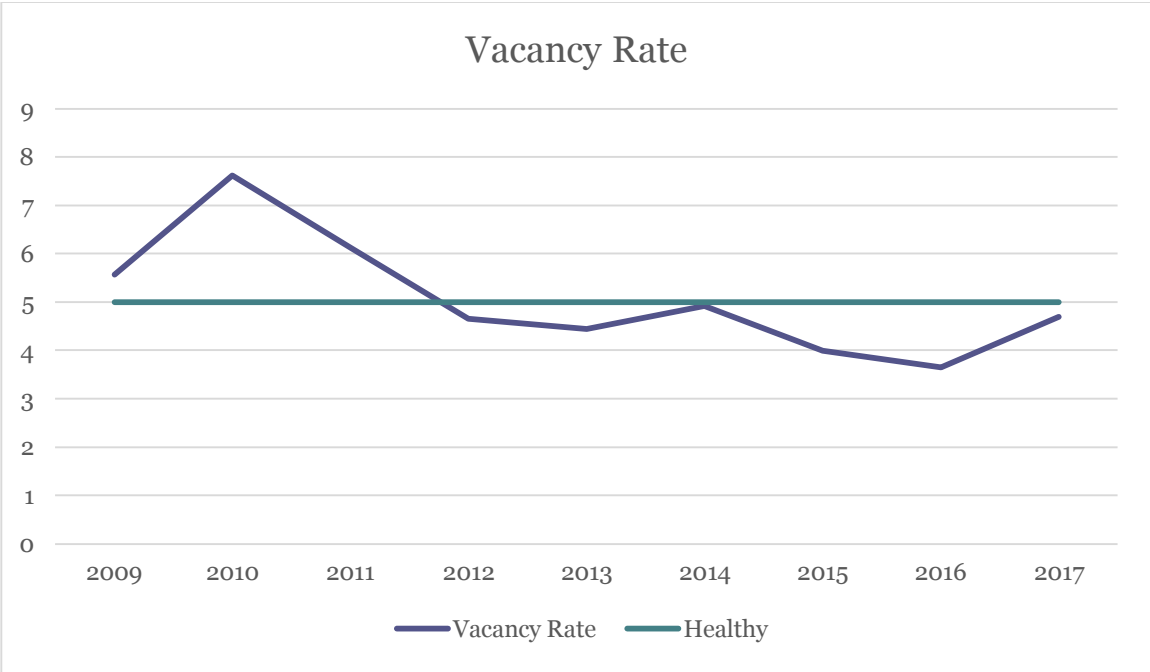
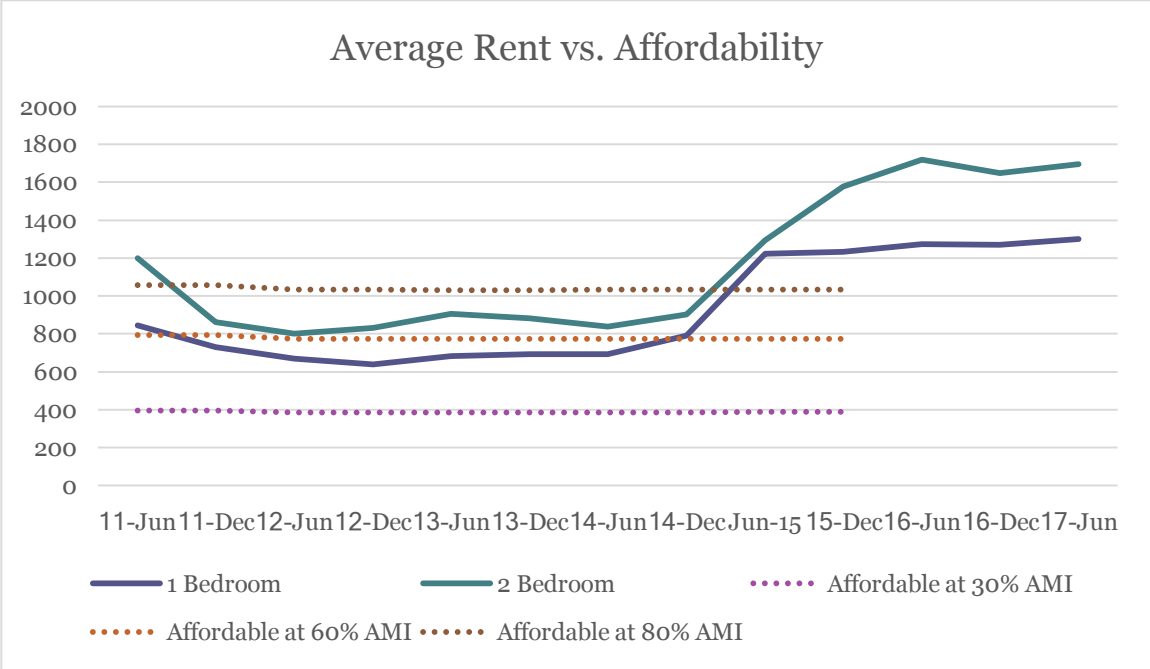
Source: ACS 5-Year Estimates



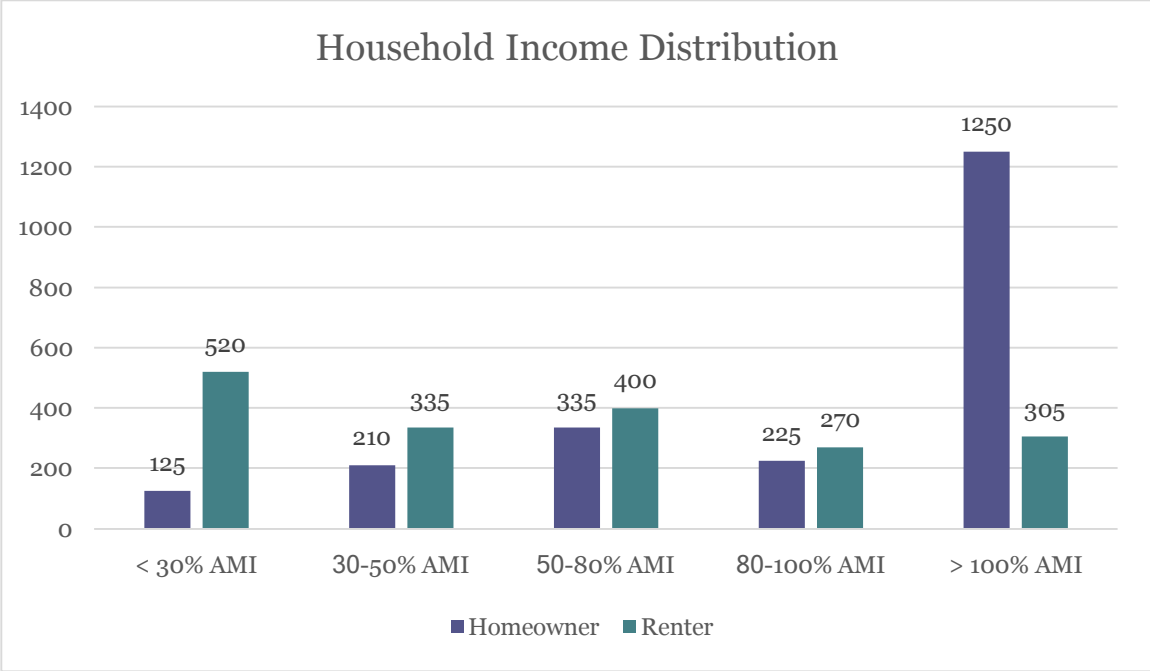
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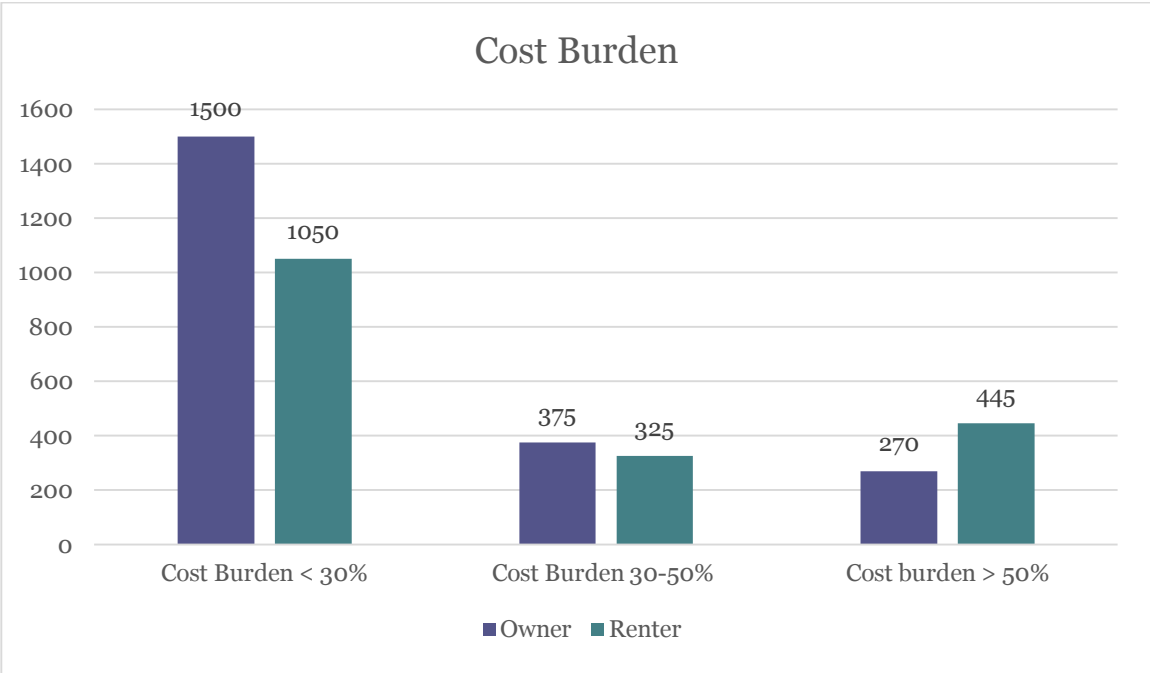
Source: ACS 5-Year Estimates



Source: MG&E Vacancy Rate Dataset

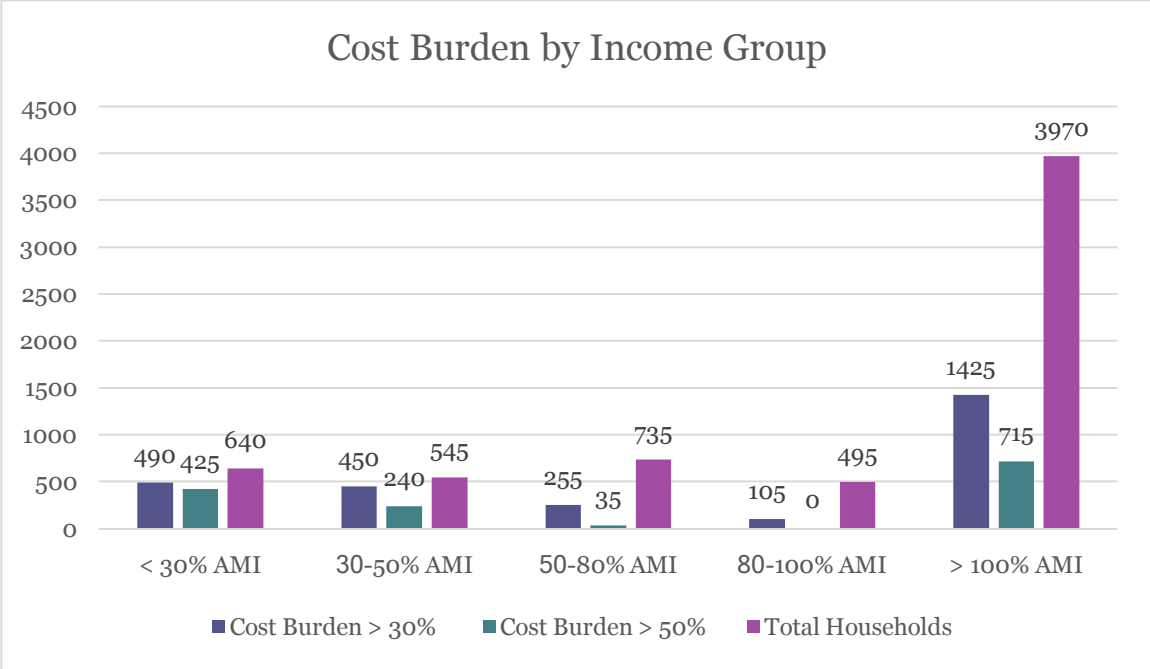


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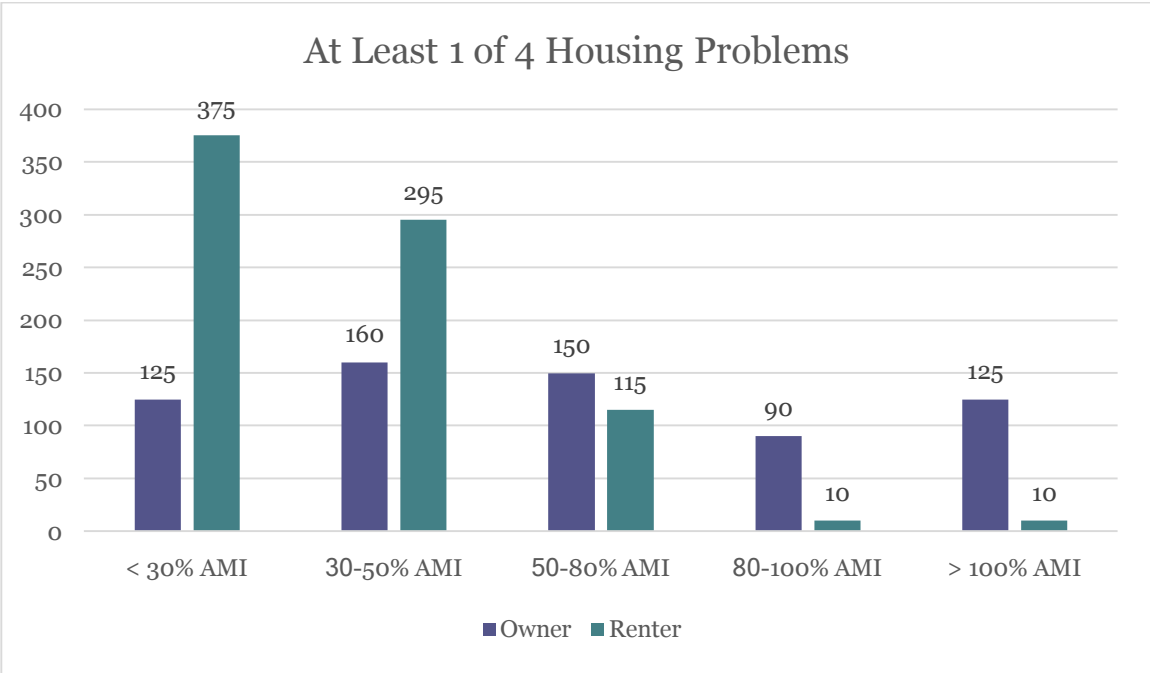


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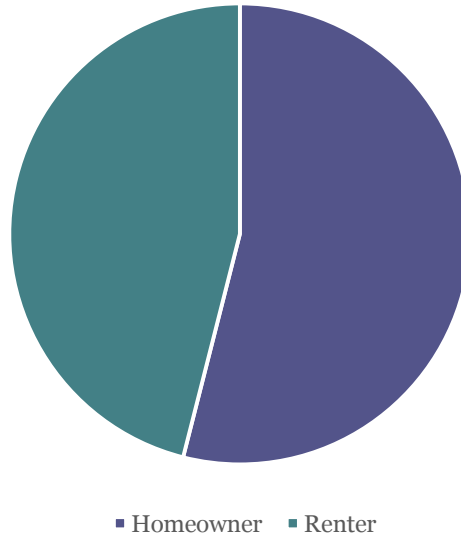


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Source: 2014 HUD CHAS Dataset

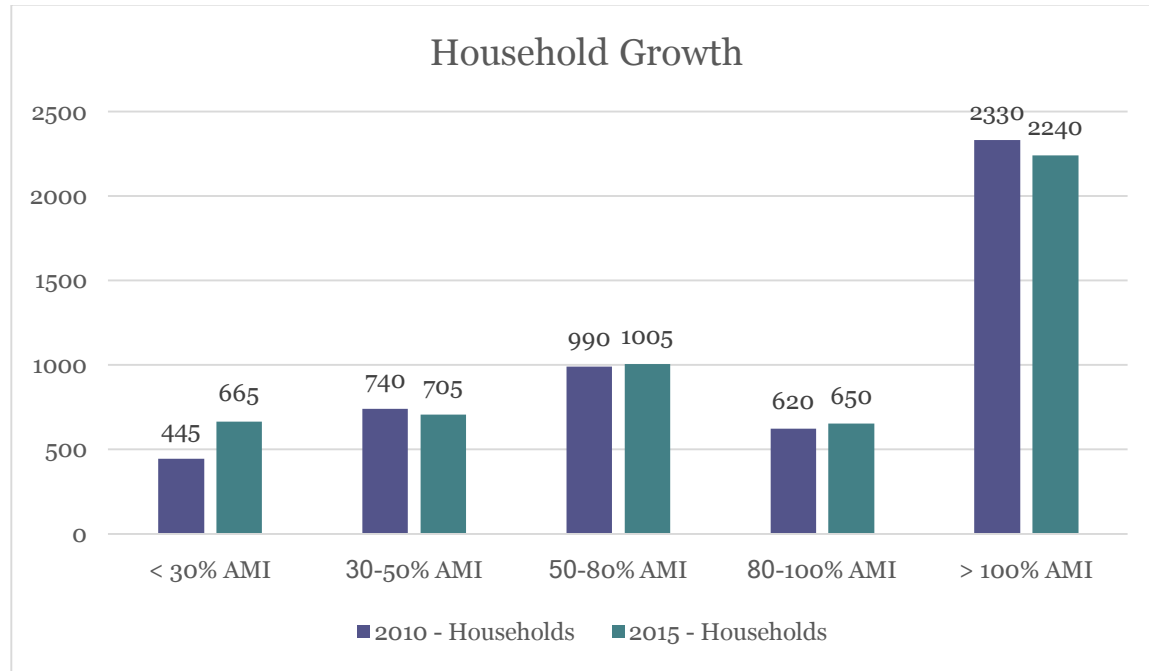
## Housing Stock of Monona, WI



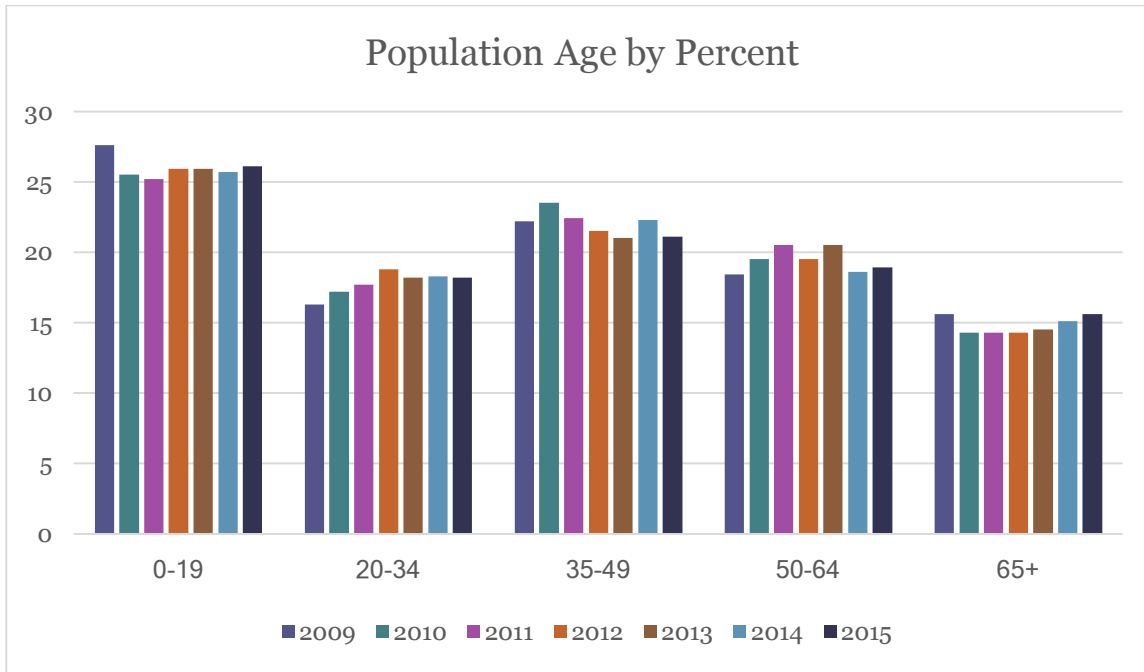
Source: 2014 HUD CHAS Dataset

## Stoughton

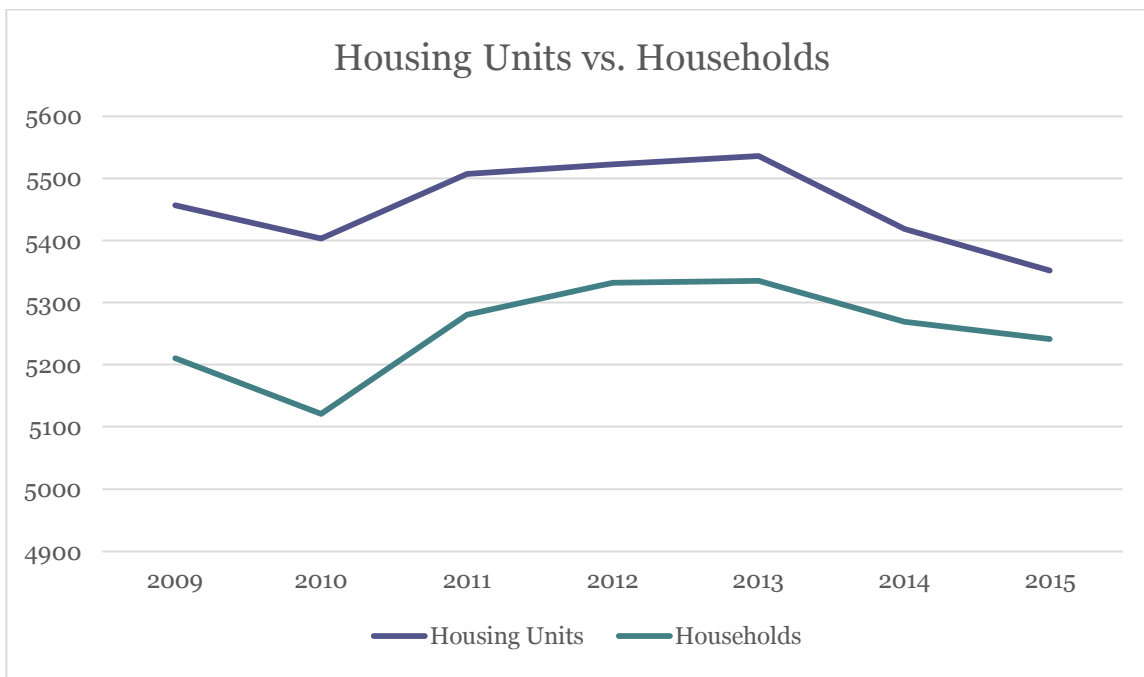
### Household Growth



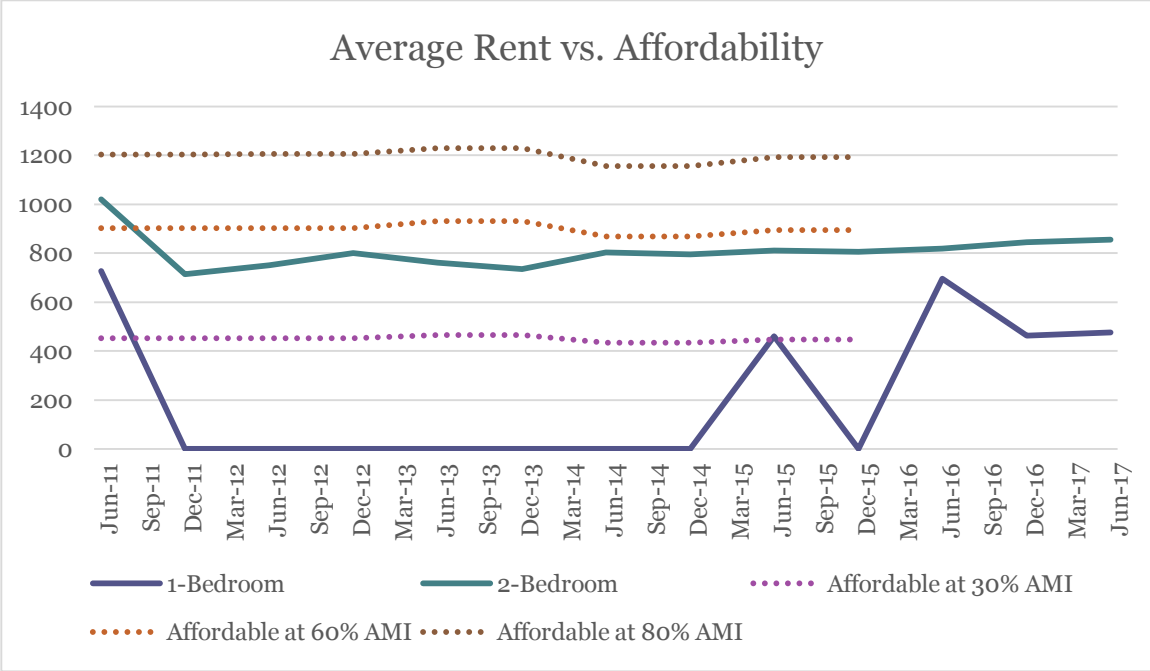
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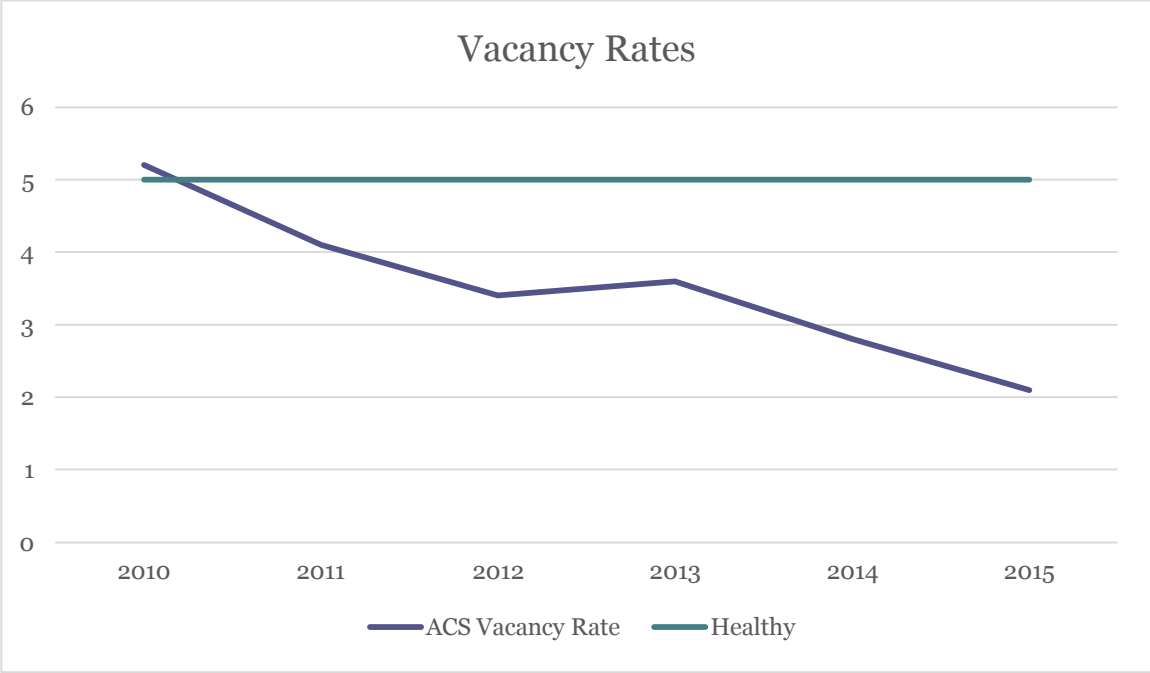
Source: ACS 5-Year Estimates



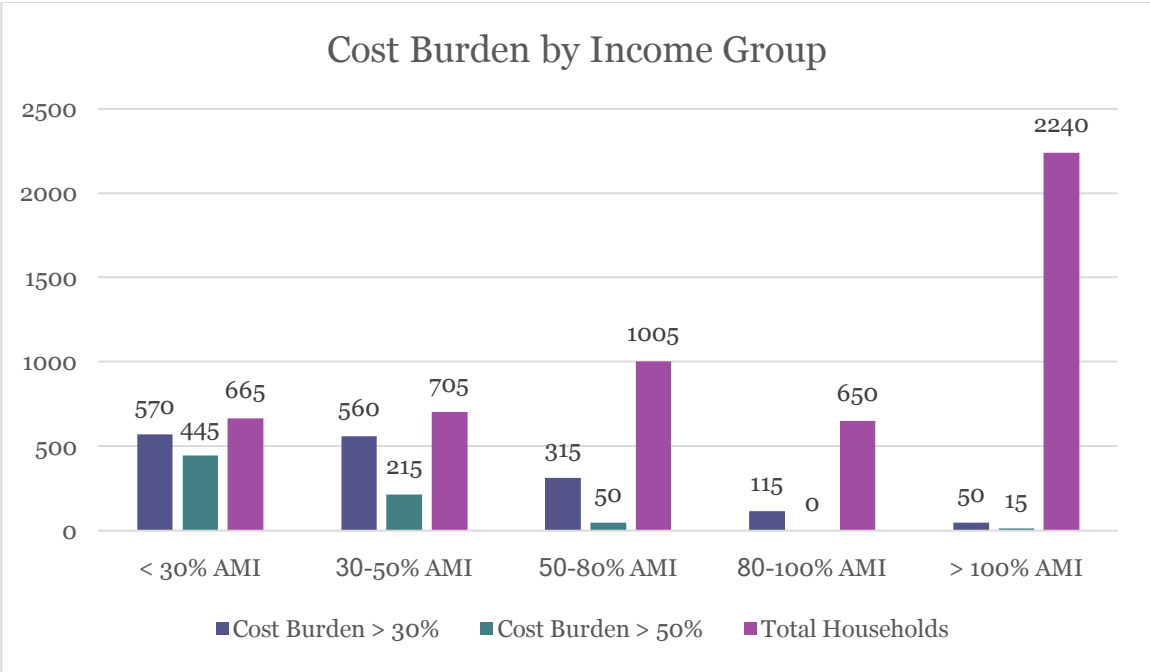
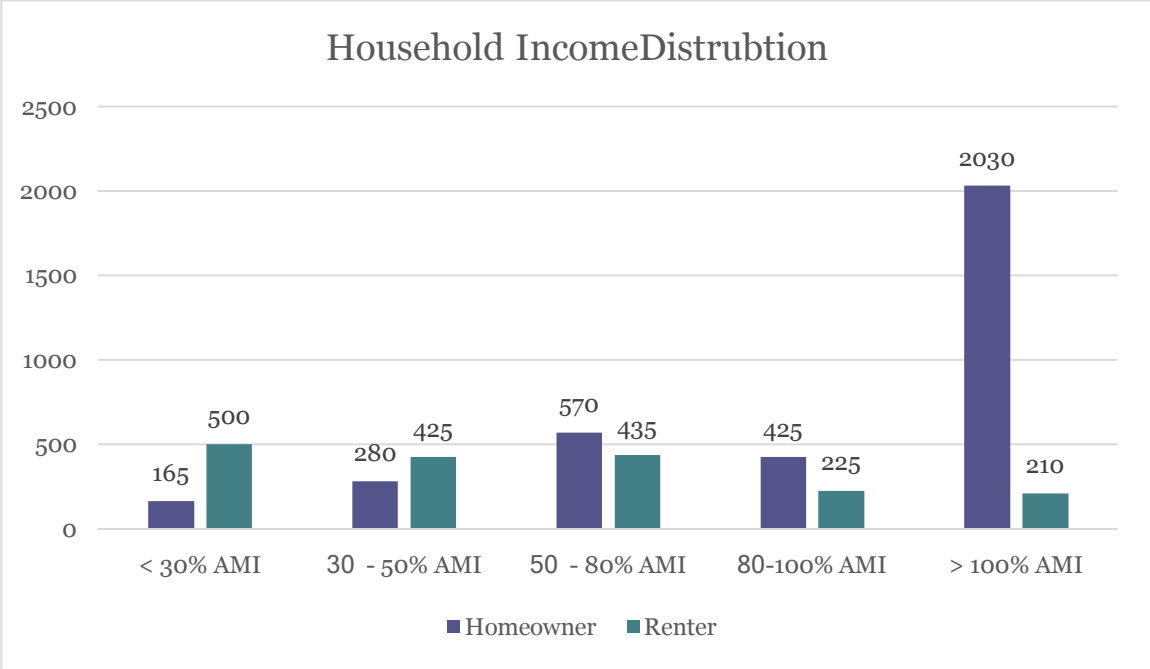
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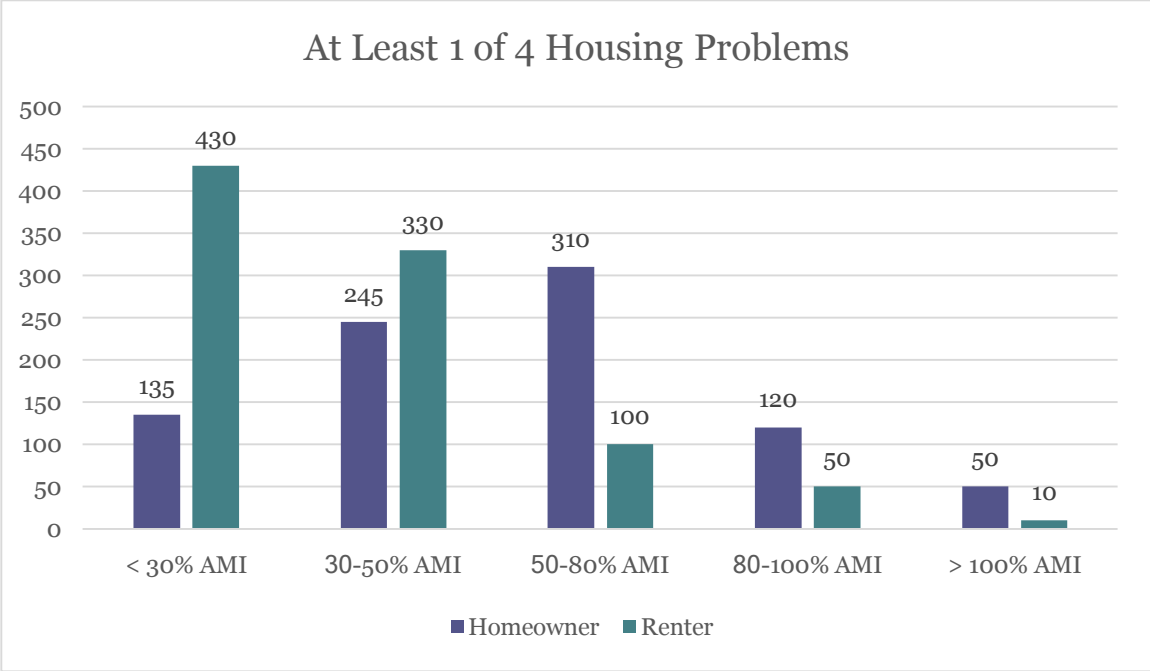
Source: ACS 5-Year Estimates & Rentjungle.com



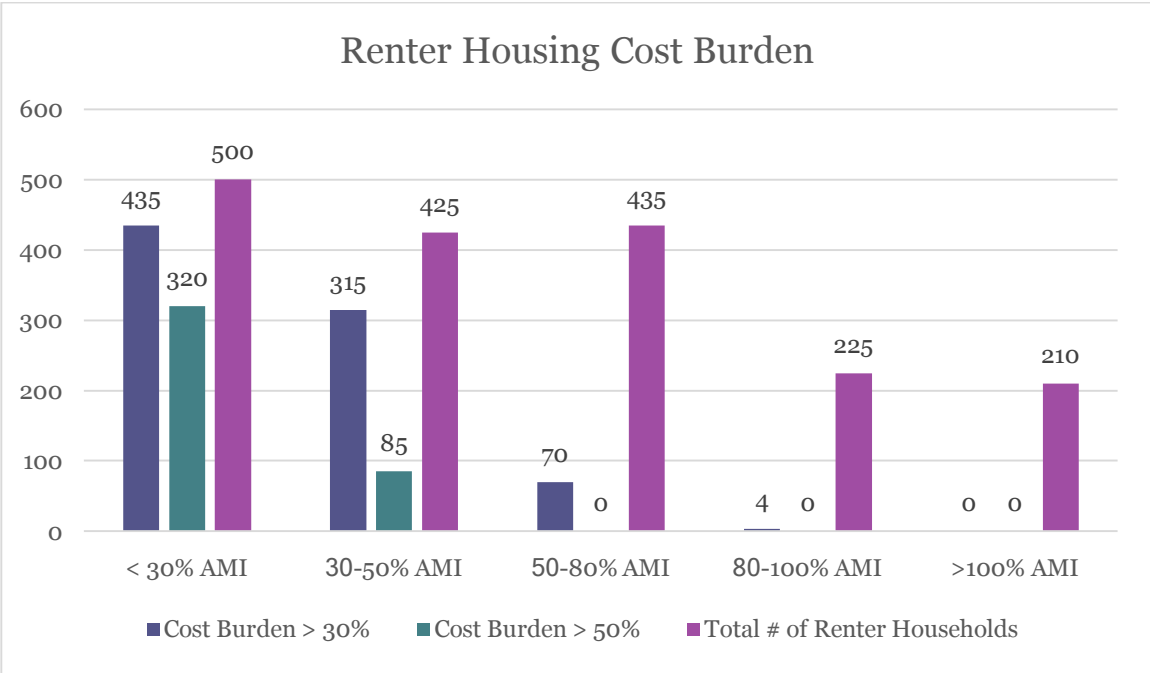
Source: ACS 5-Year Estimates



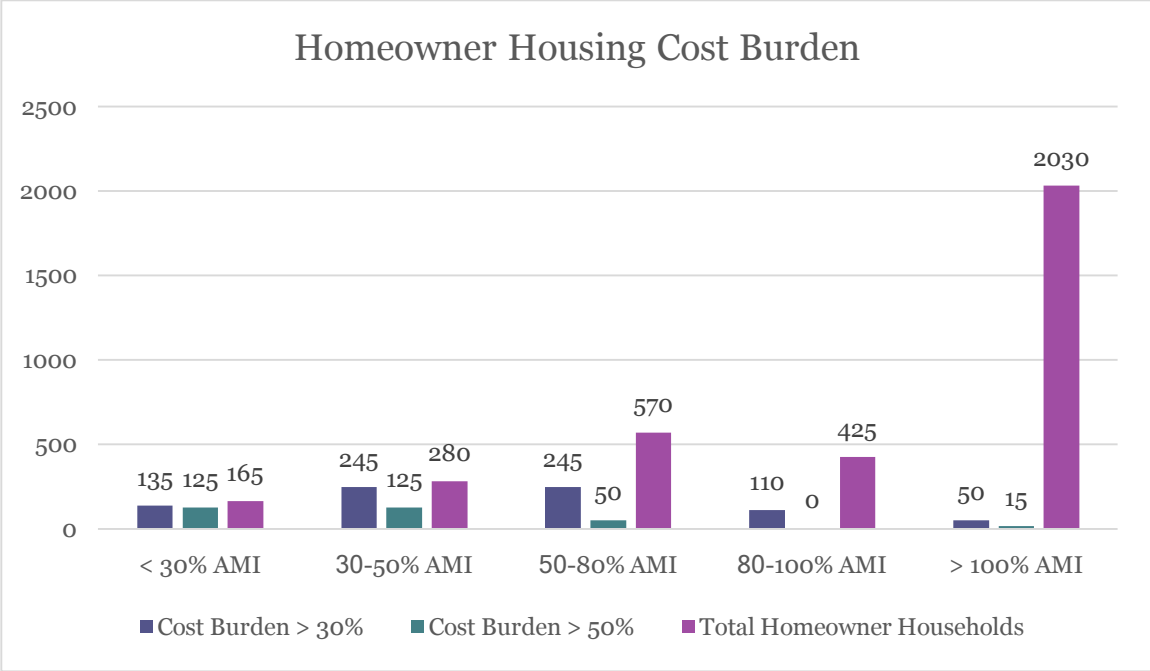
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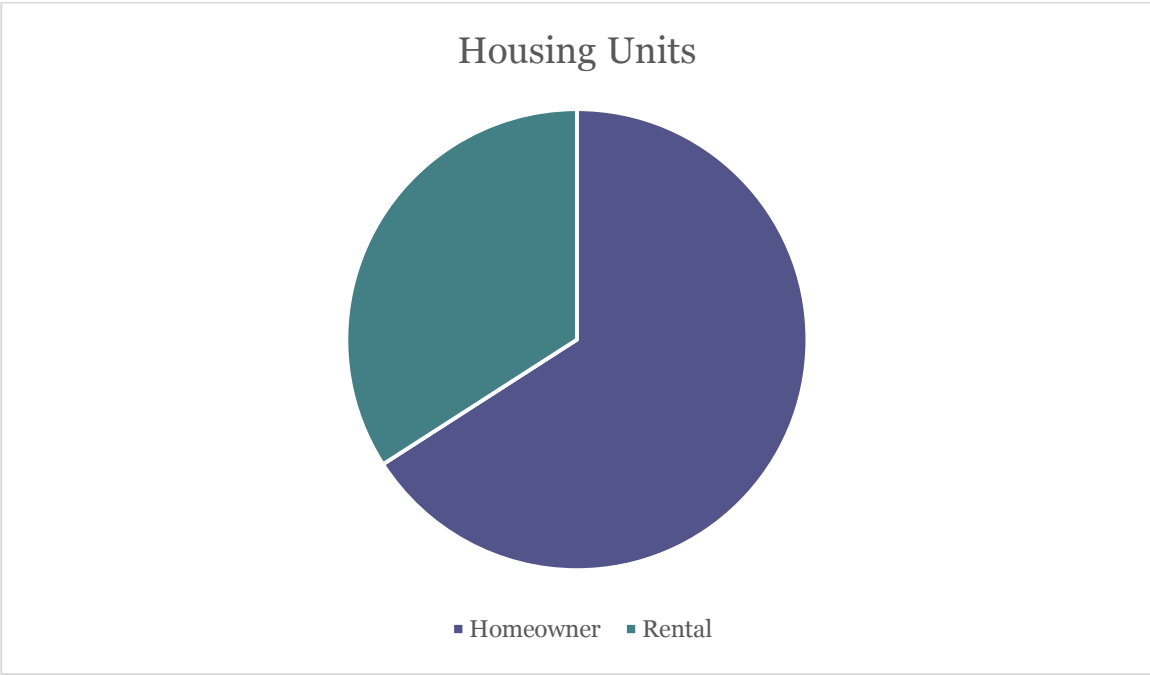
Source: 2014 HUD CHAS Dataset



Source: HUD CHAS 2014 Data

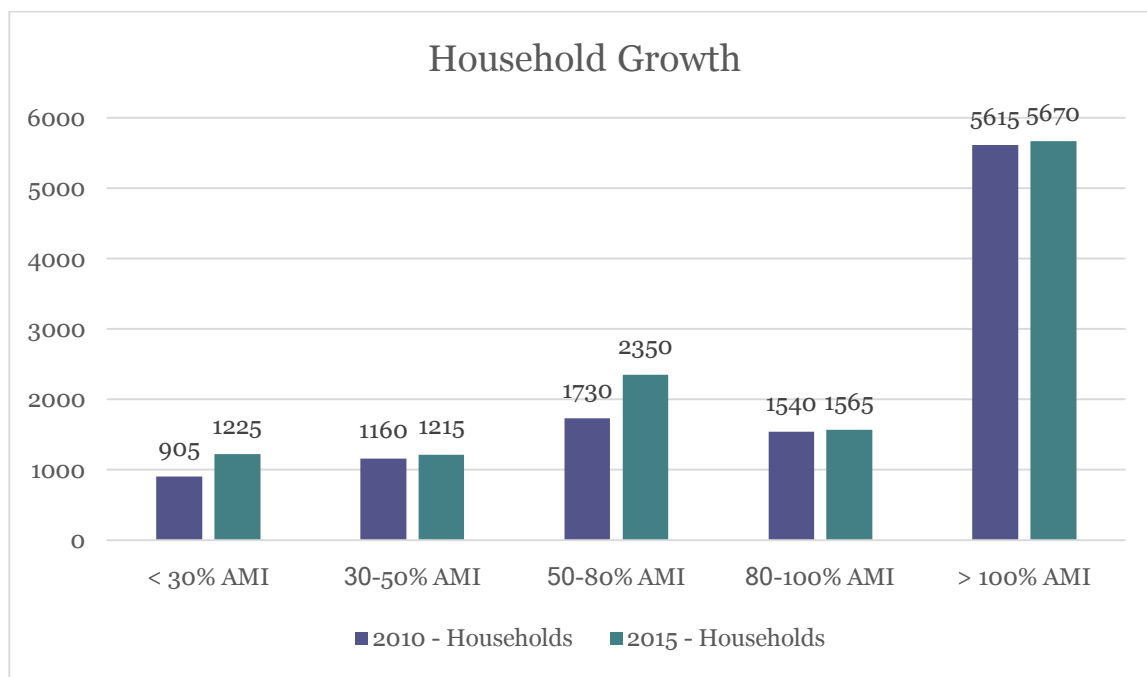


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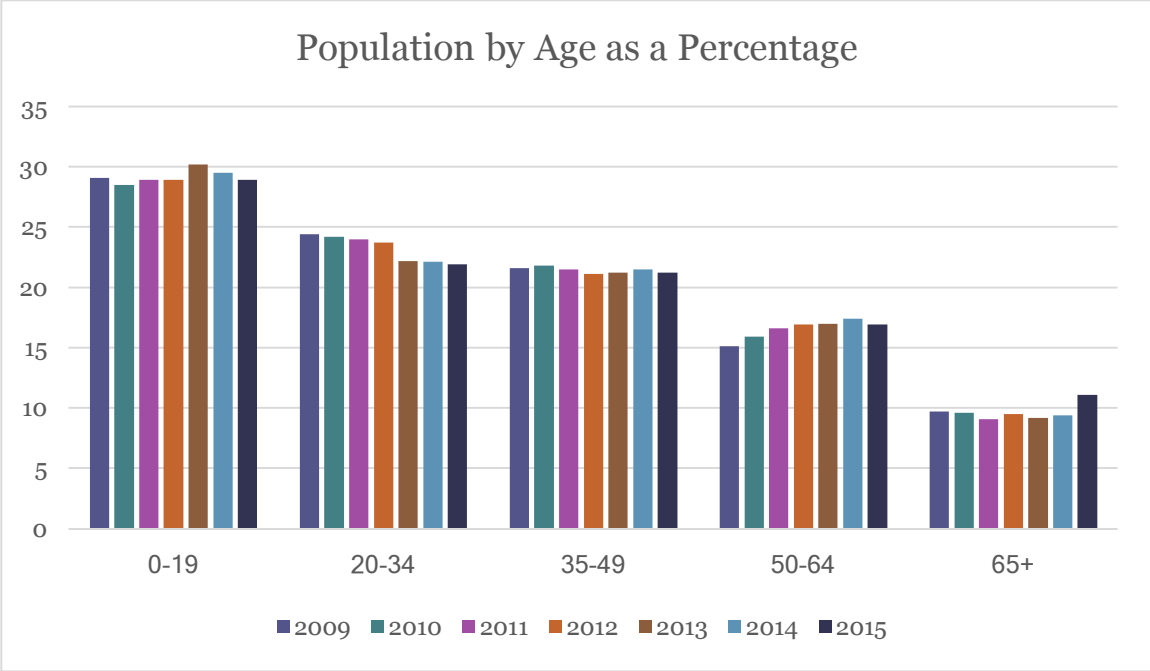
Source: 2014 HUD CHAS Dataset

## Sun Prairie

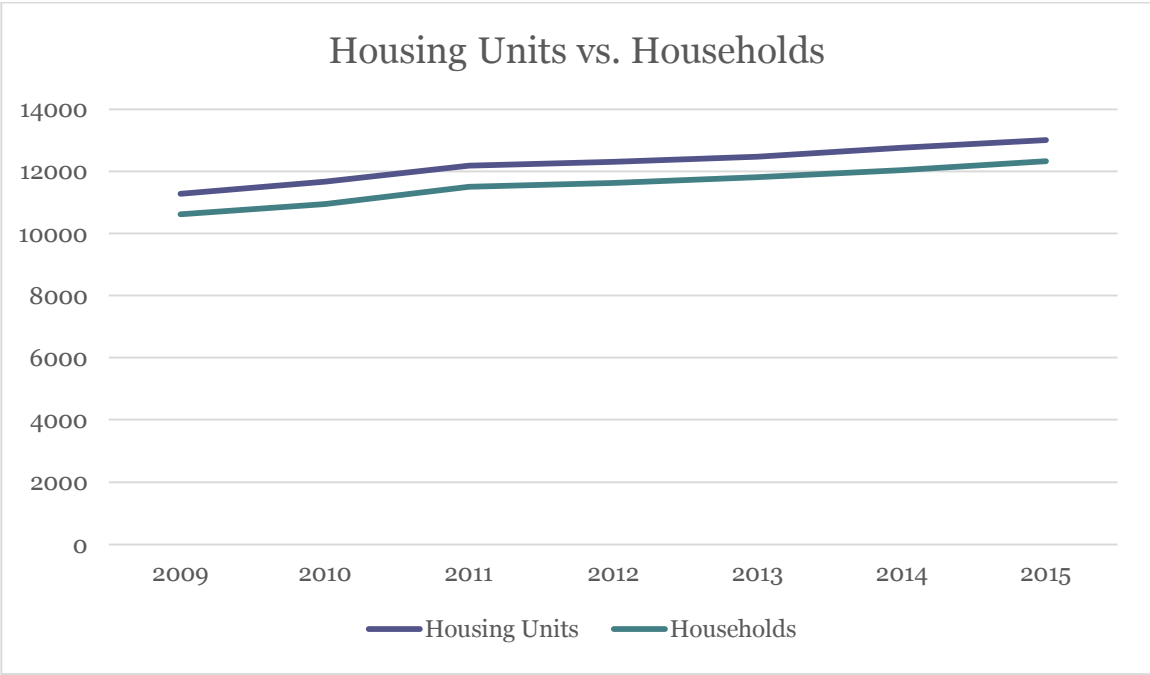


Source: 2014 HUD CHAS Dataset

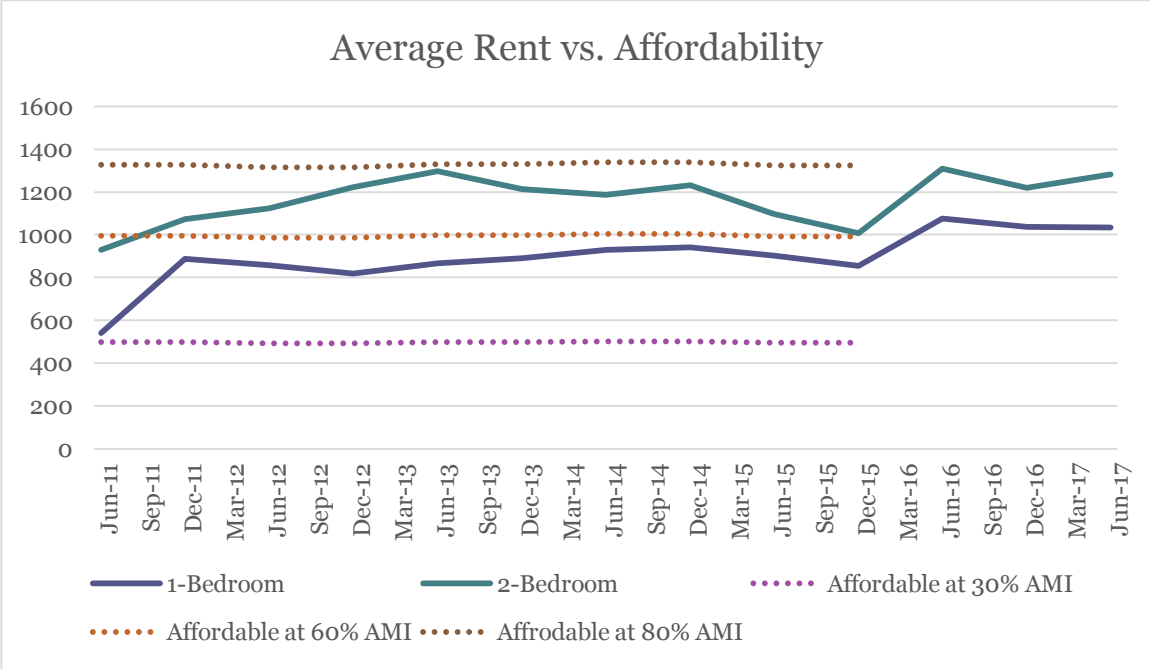




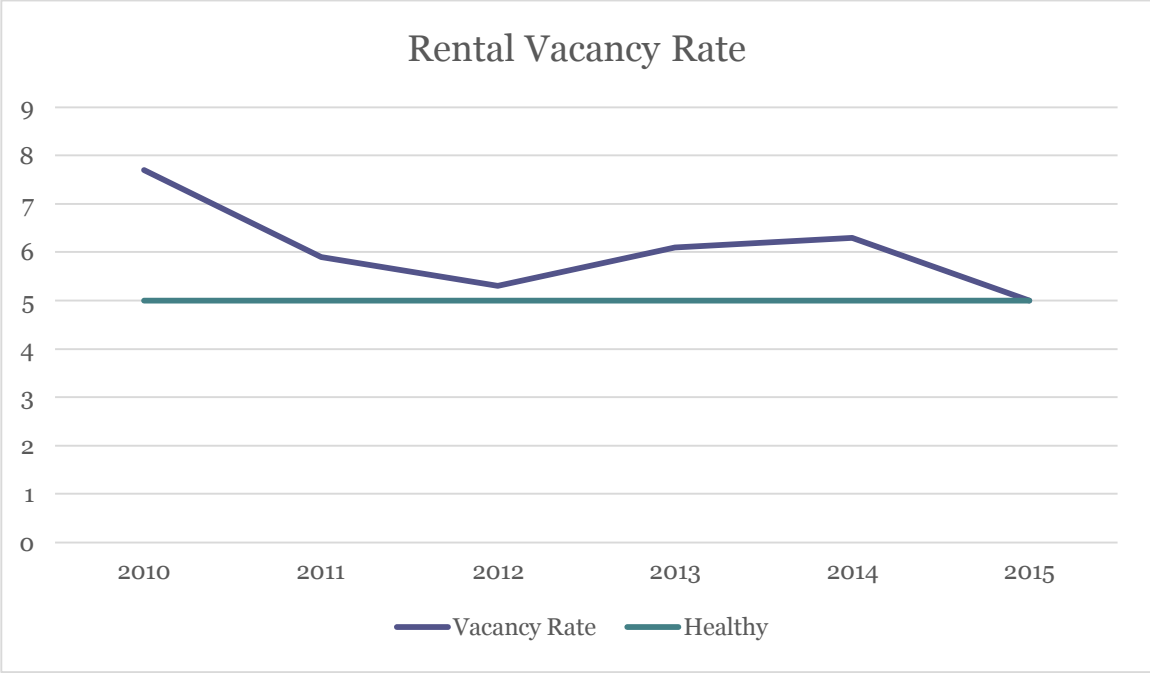
Source: ACS 5-Year Estimates



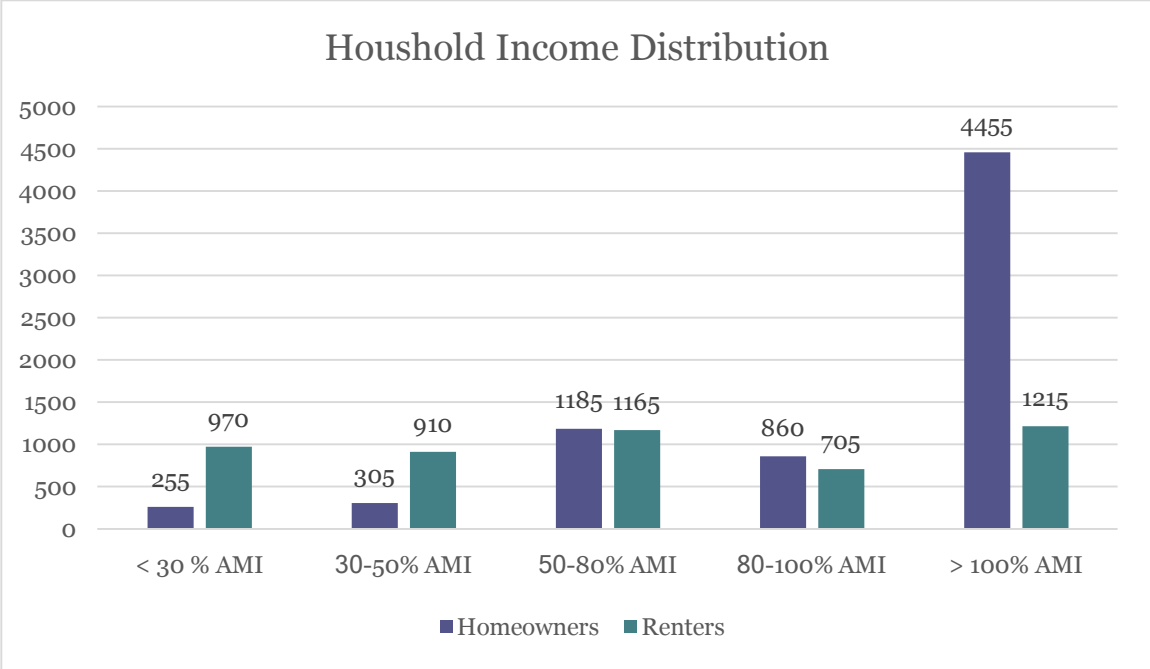
Source: ACS 5-Year Estimates



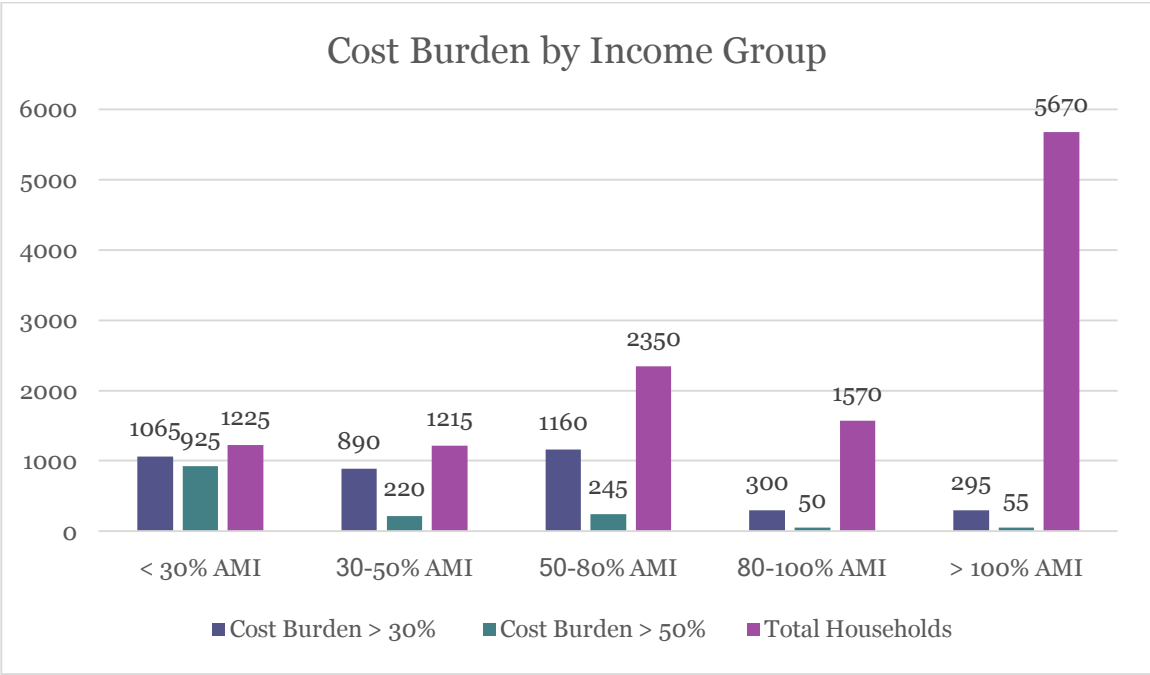
Source: ACS 5-Year Estimates & Rentjungle.com



Source: ACS 5-Year Estimates

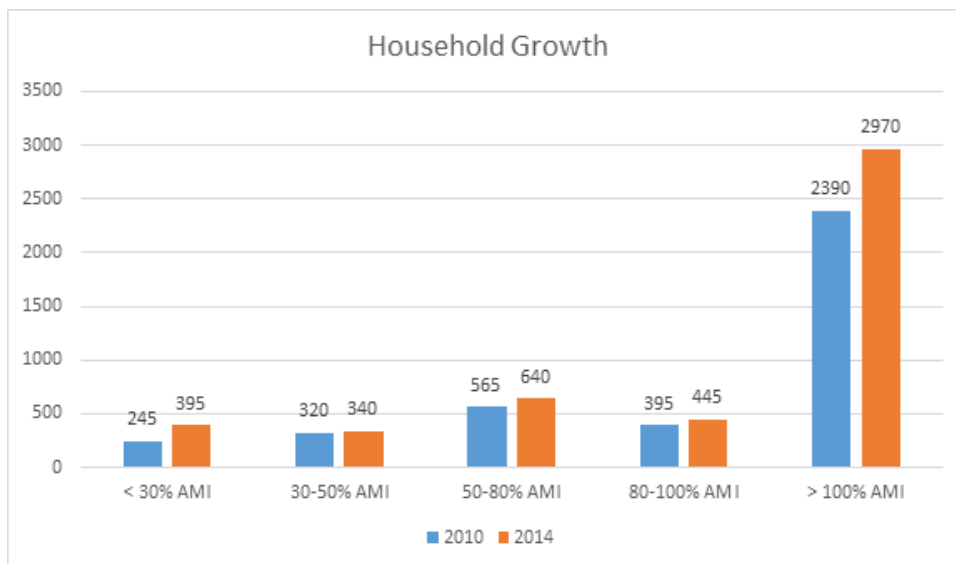


Source: 2014 HUD CHAS Dataset

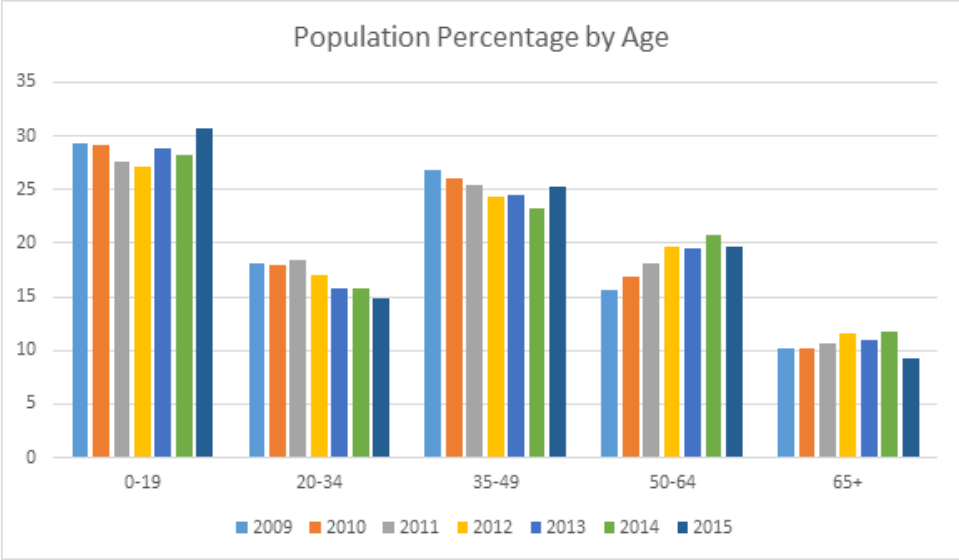


Source: 2014 HUD CHAS Dataset

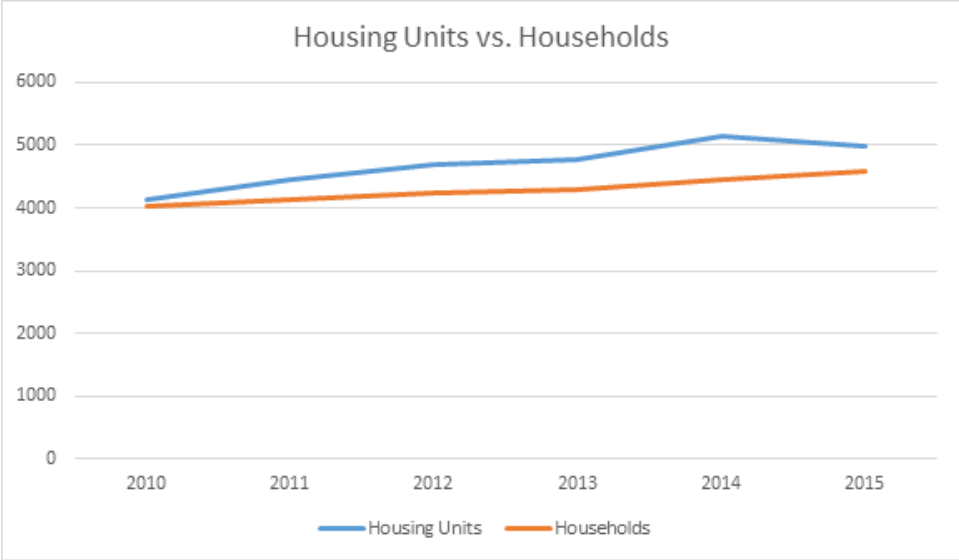
## Verona



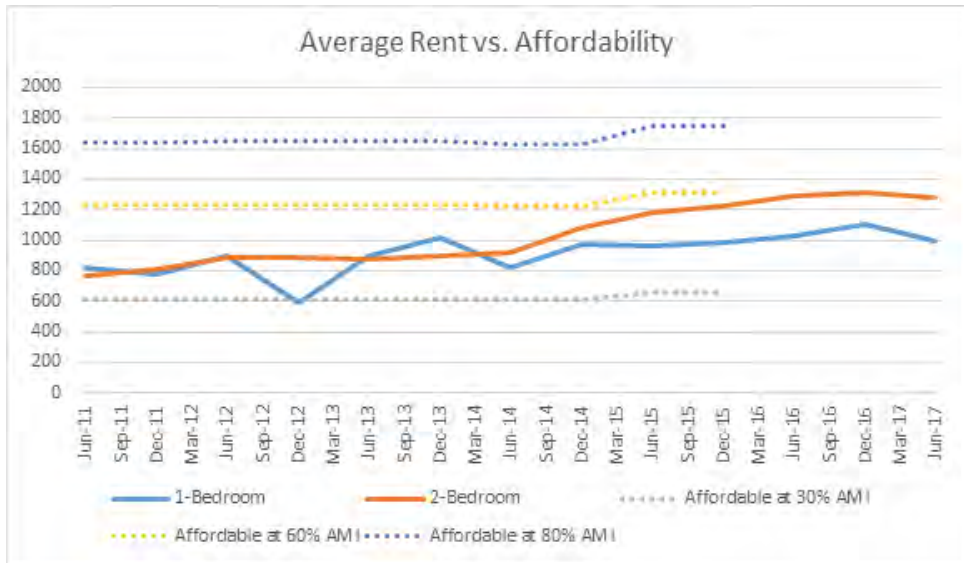
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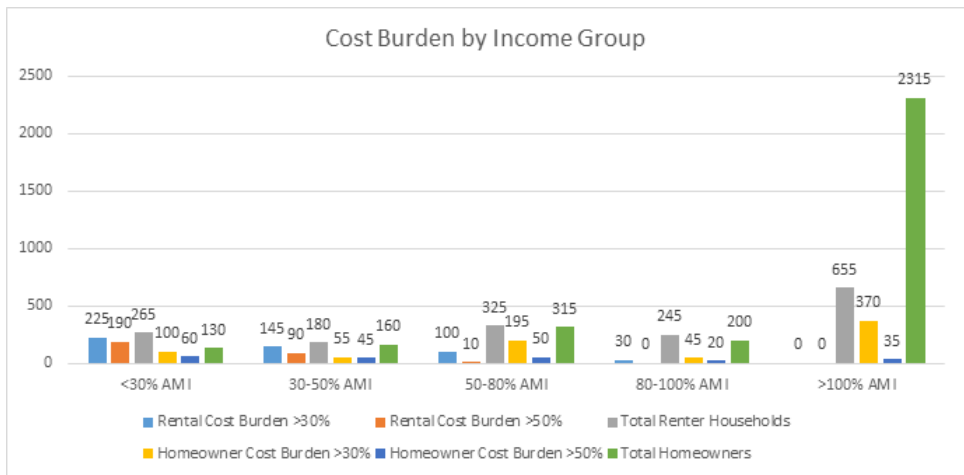
Source: ACS 5-Year Estimates



Source: ACS 5-Year Estimates



Source: ACS 5-Year Estimates & Rentjungle.com



Source: 2014 HUD CHAS Dataset

**Table 1: Demographics of Small Cities in Dane County**

	2016 Population Est. *	Percent Age 65+ *	Households w/Children*	Single Person Households *	Number of Households <50% AMI **	Percent of Households <50% AMI **
Fitchburg	28,875	9.70%	28.5%	41.1%	2,880	9.97%
Middleton	19,109	14.00%	25.2%	40.5%	1,758	9.20%
Monona	8,179	19.50%	19.3%	51.3%	1,190	14.55%
Stoughton	13,134	15.60%	29.9%	35.9%	1,370	10.43%
Sun Prairie	32,820	11.00%	33.5%	35.2%	2,440	7.43%
Verona	12,969	9.40%	36.5%	36.8%	735	5.67%

Source: \*ACS 2016 5-Year Estimates  
 \*\*ACS 2014 5-Year Estimates

# Central City / Madison

## GENERAL OVERVIEW

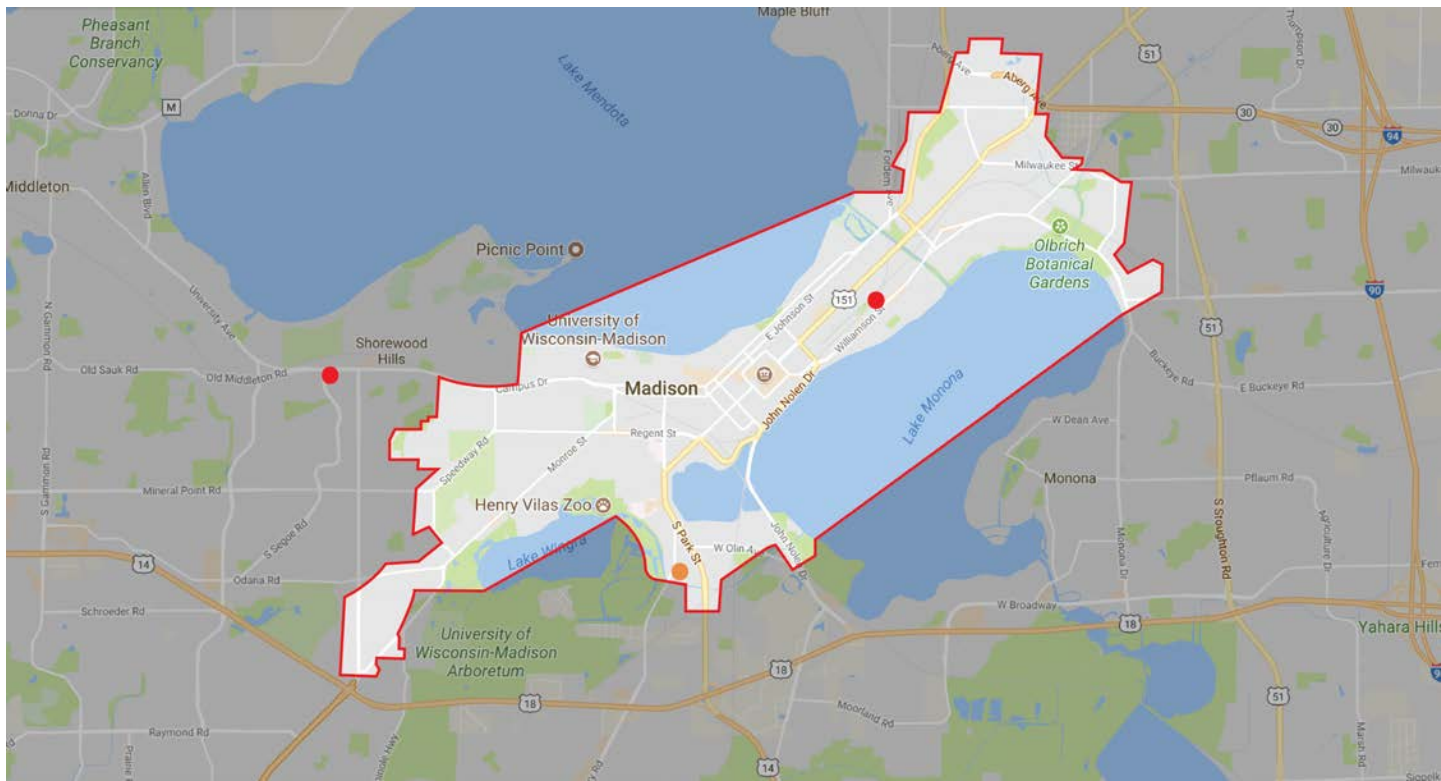
In this report we are examining the **pre-World War II neighborhoods** of Madison. This largely encompasses what is now considered to be the downtown area and **central core** neighborhoods of Madison.

Public open spaces, hospitals, and schools are just a few of the community resources available for the people living in these locations. The downtown is dense and full of life, and it is rapidly becoming one of the most desirable places to live.

Despite increased opportunity, there are still a staggering number of people in Madison who are **without basic necessities** such as housing, food, proper education and healthcare, or transportation. By examining the many contexts within this section of Madison, we hope to illuminate some of the housing challenges that exist, but also some of the potential solutions.

## MAP OF MADISON 1943

The map below is a representation of Madison proper around 1943. These pre-WWII neighborhoods and the region below roughly encapsulates the scale at which we will be looking.



Highlighted region: map of Madison circa 1943; Red dots: the two case studies. Orange dot: the prime location.

The two **red dots** denote the case studies of existing affordable housing developments in or near the central city of Madison: the **Park Central Apartments** on the Isthmus and the **Overlook at Hilldale**. The **orange dot** represents our **prime location** for future development.

## TARGET POPULATIONS

The proposed affordable housing development was planned with a specific target population in mind. The proposed development especially looks to serve: working class and lower-class **individuals & families**, **single parent households**, and/or **disabled persons**.

These populations largely require the same types of **services**, such as:

- Health care facilities and programs
- Open public spaces
- Ready access to food
- Support groups (religious, community, alcoholics anonymous, etc.)

### Median Household Income



### Median Net Worth



Fig. 1: Median household income and net worth for ZIP code 53713

As **Figure 1** illustrates, the **median household income** in this area is substantially lower than the national median household income. Correspondingly, median net worth is even lower, proportionally, than the national median net worth.

### Diversity Index: 76.0 US: 62.1

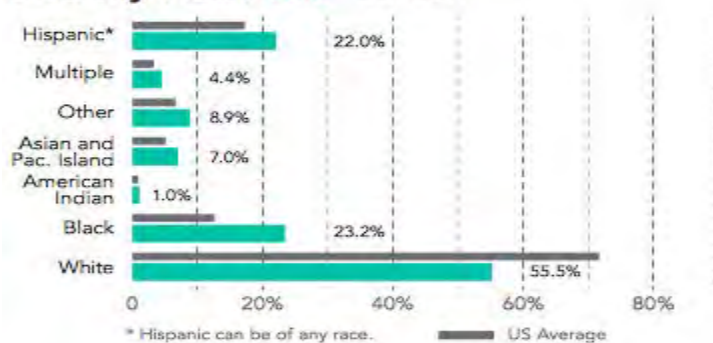


Fig. 2: Diversity index for ZIP code 53713



**Typical Housing:**  
Multiunit Rentals

**Average Rent:**  
\$920

US Average: \$990

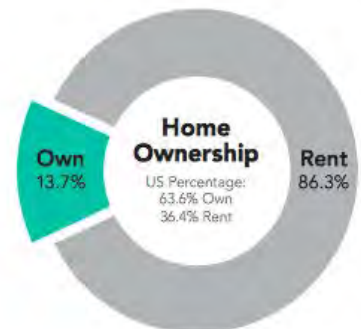


Fig. 3: Home ownership and renting percentages for ZIP code 53713

As **figure 2** displays, this is a **very diverse** area of the city. Data shown in figure 1 and figure 2 both illuminate the significant need for affordable housing in this community.

Figure 3 above shows the percentage of households that own a home and rent. It is apparent by the data presented that the vast majority of people in this neighborhood rent and typically reside in multi-unit structures. While this is the case, there is not an adequate supply of affordable housing options. Based on the average cost of rent in the neighborhood (\$920) and the median household income, it is valid to presume many households are spending more than 30% of their income on housing. This further exemplifies the need for affordable housing in this community.



## PROGRAMMING

Programming is an integral part of any affordable workforce housing development. Diverse services, facilities, and complementary land uses help increase the quality of life for residents. This proposed development offers great programming, activities and/or accommodating land uses both on-site and within very close proximity.

Two of the main components of on-site programming for this development includes a **mixed-income community** and a **mixed-use development**. This type of development has several advantages, such as:

- Alleviation of concentrated poverty
- Increased tolerance for diversity for residents of all incomes
- Improvement to the overall housing quality of the community
- Improvement to neighborhood conditions for lower-income residents

In terms of **mixed-use**, the ground floor will house commercial space and other uses, such as a possible clinic, business center, social services, and/or childcare. This could improve the quality of life for residents by making services conveniently located. As a mixed-use development, it also has potential to serve as the center or headquarters of the neighborhood, which in turn promotes other economic growth in the vicinity.

**Green spaces and a fitness area** will also be located on-site. The development will house a community garden on-site, which is able to provide fresh healthy food for the neighborhood. Not to mention, they also foster community and build networks and are very aesthetically pleasing. Other green spaces and fitness areas on-site include:

- Courtyard and lawn
- Playground for children (ADA certified)
- Patio area with grills, fire pit, and seating
- Indoor fitness centers and community rooms allowing maximum natural sunlight

Affordable housing developments and **transportation accessibility** go hand in hand. Expressed further in the report in more detail, transportation alone can be the sole reason a person cannot afford to live in their current dwelling. This development site is located where there is high access to public transportation such as metrobus, future BRT, and a very prominent bike path.

The development will also be fully **handicap accessible**. It is presumed that many of the development's tenants will be physically disabled, which is why the development will include accommodations such as:

- Handicap accessible entrances throughout complex
- Ramps at all entrances, large elevators, and wide hallways
- Courtyard or playground that meets Americans with Disability Act standards

Besides on-site facilities, there are also other community resources within close proximity of the development, such as:

- Multiple open spaces and parks
- Grocery stores
- Healthcare and social services
- Childcare and schools

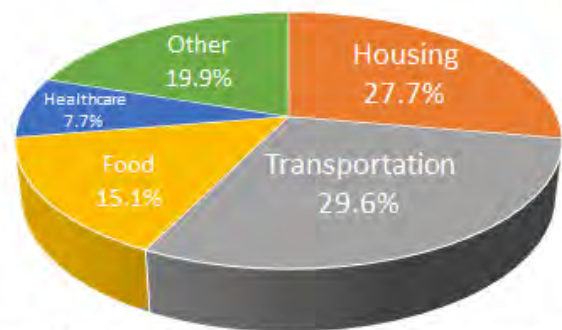
This development, in conjunction with facilities and services available within close proximity, is aimed at promoting a "**complete neighborhood**": a neighborhood that has walkable and/or bikeable access to all services needed.

## TRANSPORTATION: THE HIDDEN COST OF HOUSING

The location of a development is analyzed during the planning process, however rarely is any consideration given to how **residents will move** to and from parts of the city to their home in the development. Usually the developer leaves it up to the residents and the city to figure out how to get about the city and their jobs. However, **transportation accessibility** needs to be included when designing affordable housing since there is not just one employment area, but various employment areas throughout the Madison metro area that require different transportation networks. Today most Madison Metro buses head from the periphery to the isthmus. Someone living on the southside of Madison may have limited job opportunities on the northeast side of the city around East Town Mall or in Middleton due to the time it takes to traverse the city on the various bus routes.

**Transportation costs** can be a very large part of a low-income family's budget. After all, owning an automobile to get around the city and county can cost thousands of dollars a year and while a low-income family could own an older car, to lower their transportation costs, older vehicles tend to require more maintenance at unpredictable times. As a result, transportation tends to take a large portion of the low-income family's budget. For example, as cited by the Madison Area Transportation Board presentation on April 15, 2013: for a family making \$20,000 to \$30,000 annually, **transportation could be the family's largest expense**.

**Typical Household Budget**  
Working Families incomes \$20,000-\$50,000



Source: Madison Area Transportation Planning Board, 2013

### Example: Madison Housing Costs

Housing Costs as % of \$61,000 income



Housing Costs & Transportation Costs as % of \$61,000 income



Source: Center for Neighborhood Technology, Housing & Transportation Index

Even among a middle-income family, transportation cost is a hidden cost of housing. For example, for a family making the county median income of \$64,773, the cost of transportation can make living in a certain neighborhood go from under 30% of household income to an unaffordable 45% of household income.

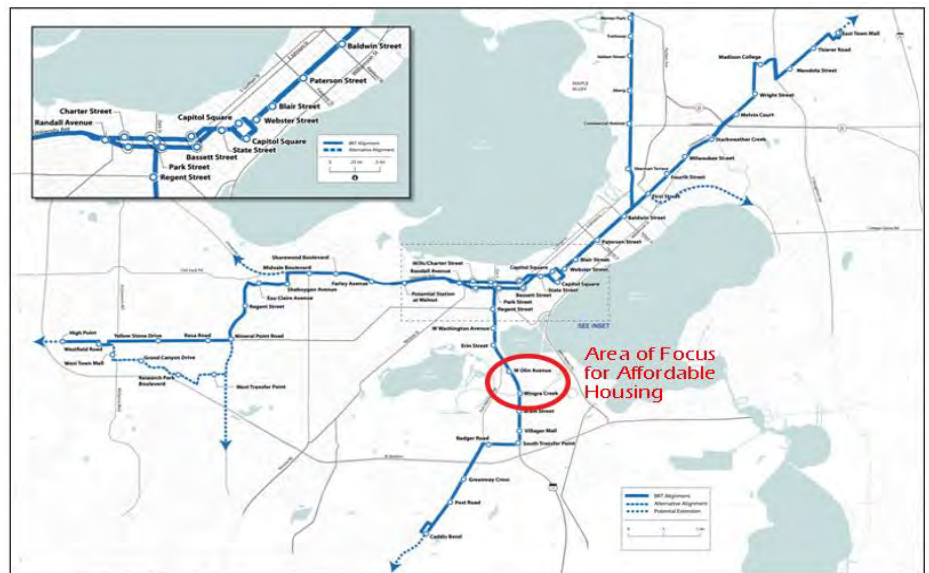
## TRANSIT ORIENTED AFFORDABLE HOUSING DEVELOPMENT

While Madison does have a robust metro bus system, the upcoming **Bus Rapid Transit (BRT)** system is designed to further reduce travel times across the inner city of Madison, with average **travel time decreases of 25-33%**. As a result, the implementation of the BRT will allow new development of new affordable housing in areas which were previously inconvenient or took a significant amount of time to travel from. As a result, the 16Sixteen development took into consideration the new BRT system. This development is on the Park Street corridor which extends from the UW campus, past the hospitals and Greenbush neighborhoods, down to Bram's Addition and Burr Oaks neighborhood. By choosing a location along the proposed BRT route, a resident of 16Sixteen will be able to get anywhere in the city in under **45 minutes** with bus service every 10 to 15 minutes..

### Sample Travel Times from 16 Sixteen on Madison's BRT System Summary

- Capitol: 14 min (18 min today)
- UW Campus: 14 min (18 min today)
- East Towne Mall: 45 min (55 min today)
- North Transfer Point: 37 min (55 min today)

Specifically, the group has chosen a **potential transit oriented affordable housing development** at the corner of Park Street and Wingra Drive. This location will not only be a future BRT stop, but is **2 miles** from the Capitol, **1.5 miles** from the UW Campus, and **¾ of a mile** to Madison College Campus and the South Transfer Center. Additionally, this location is also along the Wingra Creek bike path that makes both biking riding and walking a viable option for the residents, especially those who are disabled and in electric wheelchairs.



For those who do have an **automobile**, this location is also very beneficial since the Beltline/US12/US14 is less than a mile south. As a result, someone with an automobile has easy access to nearly anywhere in the county.

## PRIME LOCATION



*The intersection of Park Street and Wingra Drive. Site outlined in orange.*

A highly desirable site for development in the central core of Madison is on the corner of **Park Street and Wingra Drive**. If development were to proceed on the site, there are a number of major advantages of this location:

- Excellent public transit access, and located next to a future BRT stop.
- On one of the major arterials of the city, connecting several neighborhoods with the downtown.
- Opportunities for first-floor commercial uses. Community resources and amenities nearby, including: churches, libraries, hospitals, schools, and grocery stores.

This site's excellent location in South Madison has a number of developers currently interested in the site.

## FUNDING SOURCES

There are **various programs and grants** that are available for building this development. This includes tax increment financing, LIHTEC funds, affordable housing grants, and the section 8 voucher program. As part of this study, we reached out to the UW Business School Real Estate Department who came up with a proposed funding plan for the project.

Based upon the assumption of a 103-unit, mixed-use facility, with 87 affordable units at 30-60% ami, we expect the project to **cost approximately \$22.36 million**.

According to the research performed by Real Estate 720 class last spring, this spot could have a possible **WHEDA score of 227 out of 284**. Last year the minimum score awarded was 120 pts. As a result, the site is very likely to be eligible for LIHTEC funds.

	Category	Factors	Points Possible	
1	Lower Income Areas	Located in QCT with plan addressing affordable housing in subject area	0	5
2	Energy Efficiency/Sustainability	Sustainable design, Walk Score > 70, > 0.5 mile to bus stop, Non-smoking	32	32
3	Mixed Income Incentive	15% market rate units	12	12
4	Serves Large Families	Requires separate entrance 3 bedroom family units	0	5
5	Serves Lowest Income Residents	Percentage of 50% units, 40% units, 30% units	60	60
6	Integrated Supportive Housing	Targeted housing with services (up to 20%), Veterans	20	20
7	Rehab/Neighborhood Stabilization	Acquisition rehab in targeted/blighted neighborhoods	0	25
8	Universal Design	Accessible design standards	18	18
9	Financial Participation	Financial participation or cost reduction	25	25
10	Eventual Resident Ownership	Development is intended for eventual resident ownership	0	3
11	Development Team	Developer is experienced, with high occupancy, a non-profit	12	12
12	Readiness to Proceed	Permissive zoning is in place	12	12
13	Credit Usage	More points for taking fewer TCs/unit.	21	30
14	Opportunity Zones	Based on census tract, median income, unemployment, linkages	15	25
Total Points			227	284

Source: Jocelyn Friedman, RE 720, Fall 2017

Overall, the \$22.6 million could potentially be funded through the **following funding sources**:

- Residential Cinnaire Loan: \$5.6 million
- Commercial Loan: \$1.13 million
- Tax Credit Proceeds: \$10.97 million
- 50% TIFF: \$1.73
- Dane County AHP: \$0.88 million
- FLHBC AHP: \$0.85 million
- HOME funds: \$0.7 million
- Madison AHF: \$0.5 million

Source: Jocelyn Friedman, RE 720, 2017

An additional funding source is **Section 8 voucher**. While this type of funding is not necessarily a source of capital funds for building the development, it is a source of funding for residents for both the affordable and market rate units once the development is built. Further, by making the acceptance of section 8 vouchers part of the project's charter, residents of Dane County can be assured that this development will be available to anyone being awarded the vouchers.

STONE HOUSE DEVELOPMENT

Many of the case studies in the central core of Madison come from a singular development company known as **Stone House Development**. This developer is very active in the area, with a great many properties in Madison alone. Stone House is, according to their webpage, “...committed to providing quality management for high-quality apartment and condominium communities.”

Each of Stone House’s properties are governed by the same incremental structure for rent payments. The amount each household pays is directly determined by their financial status and the total income of each household. There is a specific income threshold according to how many members there are in a household. The **rent breakdown** is as follows:

Household Size	Max Income 50% unit	Max Income 60% unit
1 Person	\$29,850	\$35,820
2 People	\$34,100	\$40,920
3 People	\$38,350	\$46,020
4 People	\$42,600	\$51,120
5 People	\$46,050	NA
6 People	\$49,450	NA

*Maximum income thresholds determined by household size.*

In addition to providing easily obtainable affordable housing, Stone House also incorporates a great deal of forethought in their design process. Most of the developments in their portfolio are **Green Built**, meaning they are constructed using methods that largely involve:

- Use of locally sourced materials that greatly lowers emissions that would otherwise have been used for the long-distance transport of these materials.
- Potential implementation of recycled materials that eliminates waste.
- Use of low-impact construction methods that do no major harm to the lands surrounding the site.
- An energy-efficient envelope that minimizes energy use within the structure.

Stone House Development properties are **highly rated**, both with residents and community groups. They continually put forth a high degree of quality in each of their developments, and their dedication to creating affordable housing in Madison is certainly to be commended.

## PARK CENTRAL APARTMENTS



*Exterior view from Wilson and Ingersoll.*



*Interior view of a dwelling unit.*



*Interior view of a common area.*



*Exterior view from Wilson.*

Located at the intersection of East Wilson Street and South Ingersoll Street, the **Park View Apartments** are located centrally on the Isthmus just three blocks (about 1,500 ft) from the shore of Lake Monona. This **100% affordable** multifamily housing development contains 76 units in a number of multifamily configurations of studio, 1BR, 2BR, or 3BR.

Completed July 2008, this development utilized the **Green Built** approach similar to the rest of Stone House's developments. Being located in a more historic neighborhood, the structure is more classically designed to fit the neighborhood aesthetic. It has a touch of modern flair along the exterior to enhance its presence, but largely keeps it subtle.

The development is situated superbly on the Isthmus, and is within easy **walking distance** of community events, restaurants, grocery stores, shopping boutiques, and the lakefront. The site also overlooks the location of the Central Park of Madison, which in of itself serves as a major amenity due to its green space and tenacity to host large-scale community events.

## OVERLOOK AT HILLDALE



*Exterior view from a dwelling unit.*



*Interior view of a dwelling unit.*



*Interior view of a common area.*



*Another view of the common area.*

The **Overlook at Hilldale** is another **100% affordable**, 96 unit, multi-family affordable housing development by Stone House Development. Centrally located in one of the most vibrant neighborhoods of Madison, this complex serves to provide the best possible living conditions for its tenants.

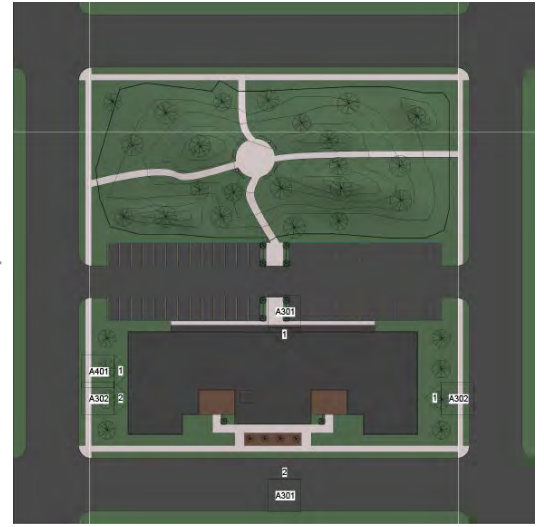
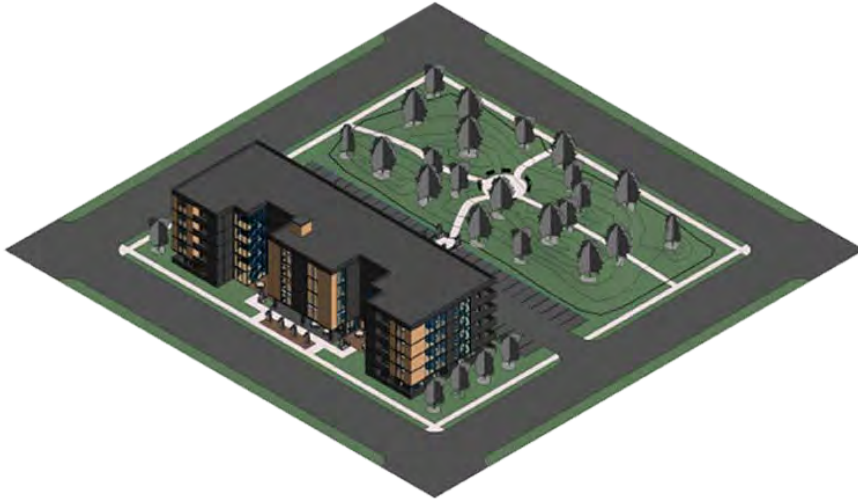
Completed in August 2011, the Overlook was a new construction developed in area with many amenities, utilities, and zoning types, most noteworthy being the prestigious Hilldale Shopping Center. Once again certified **Green Built** in line with Stone House Development's portfolio, the Overlook also earned the **Energy Star Rating for energy efficiency**.

- High-efficiency heating and cooling equipment.
- Energy efficient lighting systems with automated lighting controls.
- ENERGY STAR® appliances, windows, and patio doors.
- Solar tubes with daylighting controls.
- Enhanced ventilation systems to improve indoor air quality
- Building extensively air sealed to save energy by reducing leakage in building

The Overlook prevails as through an excellent location and a goal of **providing high-end affordable** housing to those who need it.

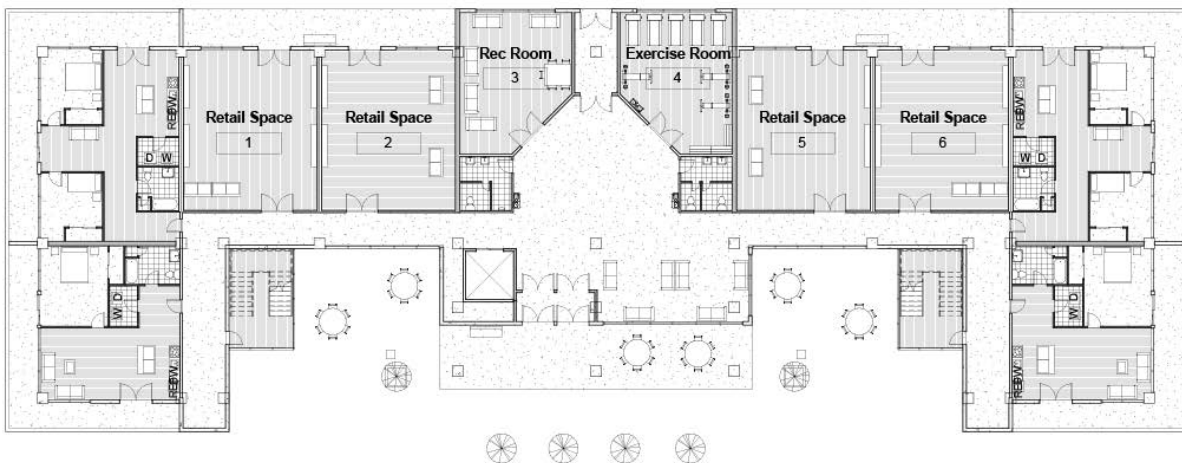


## POTENTIAL FUTURE DESIGN SCHEME



*An isometric and plan view of the site, with a public green space and parking in the rear and a walkway in front.*

The site at Park and Wingra is not likely to be the final residential development in Madison's core. There will be more apartment complexes going up across the city in the near future, and so a general design was created to serve as an idea of **what can be expected** from the developments.

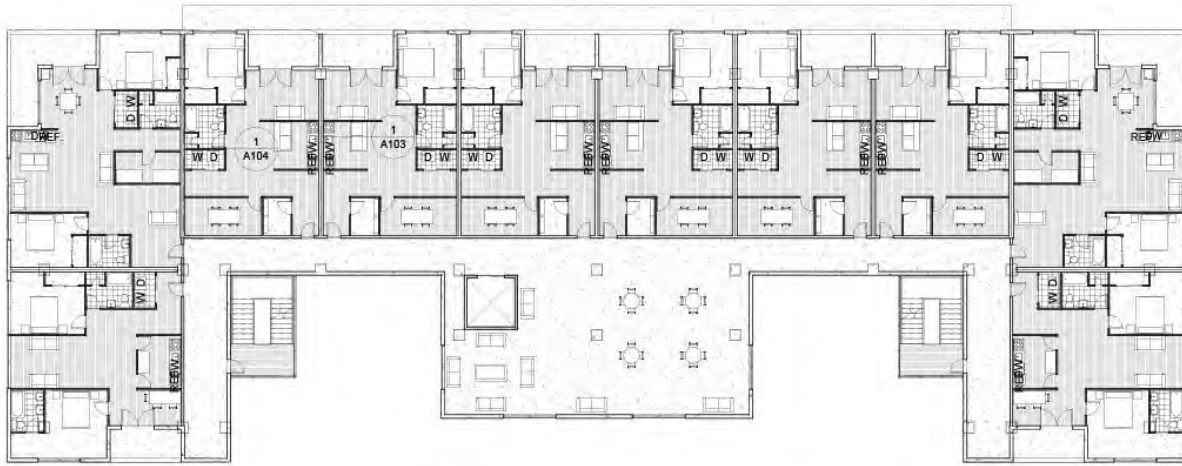


① Level 1  
1/16" = 1'-0"

*Level 1 would contain a mixture of retail spaces with community spaces, with some additional dwelling units.*

A medium-density apartment complex will be the most likely candidate for future development. Likely **implementations** include:

- Parking (above or below ground depending upon site size).
- On site green space for added amenity benefit.
- A multi-use zoning style with retail or community spaces on the first floor and living spaces on the remaining levels.
- A high-class aesthetic that will enliven the neighborhood while creating a place an affordable housing complex that defies the everyday conceptions that 'affordable' means 'rundown' or 'destitute.'



① Level 2  
1/16" = 1'-0"

*The main dwelling units would be located on the upper floors from level 2 upwards.*

A number of additional implementations can serve to **advance the efficiency** of the building while meeting user needs:

- Green roofs for energy efficiency while limiting runoff.
- Solar panels to reduce power taken from the grid.
- Below ground parking to maximize the use of space in the city core.
- Accessibility to those who may have disabilities.
- A pleasant landscape to serve as a community space while also limiting storm water runoff.
- Net zero, while highly unlikely for a structure such as this, is still a goal that all future designs should have in mind.



① Exterior 1  
1/2" = 1'-0"



② Exterior 2  
1/2" = 1'-0"

*A pair of renderings along public areas that would be used by people visiting the site for shopping or recreation.*

All of these precedents should **be implemented in the initial phases of construction** before the building is erected. It is easier, after all, to build it right the first time instead of making it once and retrofitting it later.

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# Suburbs

## Executive Summary

Dane County has a high demand for housing. Despite rapid construction of housing units, the rental vacancy rate in the City of Madison continues to be very low (Paulsen, 2015). Reports and findings from various agencies and organizations in Dane County highlight the constrained housing market in the City of Madison and Dane County, and call for additional measures to increase the availability of residences for low-income residents.

Within this report, we provide recommendations that are specific to suburban areas in the City of Madison, specifically 'post-World War II' era neighborhoods and corridors. Suburbs are less dense, more automobile dependent, and generally consist of single-family residential uses with low-density commercial uses along arterial roads. For the purposes of our recommendations, we

relied on the City of Madison's definition of suburban residential, discussed in more detail below.

The rental housing options we recommend are meant to be affordable for low-income households. Generally, housing is considered "affordable" if households spend no more than 30 percent of their income on housing costs (Paulsen, , 2015). Housing costs for renters ("gross rent") is calculated by adding the cost of rent and utilities paid. Affordable housing is measured at levels of income relative to the area median income (AMI) which is calculated by the U.S. Department of Housing and Urban Development (HUD). The AMI is adjusted for location and for household size. There are three income categories used by HUD: "households who make less than 30 percent of AMI are classified as "extremely low income," households who make below 50 percent of AMI are classified as "very

*"Access to adequate, stable, accessible and affordable housing for all families is essential for strong communities, economic development, and quality of life."*

low income,” and households who make below 80 percent of AMI are classified as “low income” (Paulsen, 2015).

We propose two rental housing options with on-site programming located in amenity rich neighborhoods that are thoughtfully designed for the existing built environment. One, our “small site”, is a scattered site development that maintains low density neighborhood character, whereas the “large site” is more densely designed and is near supportive services offered by the Salvation Army. We also provide suggestions to reduce costs through design and programming that enhance the long-term sustainability of these projects. We recognize the need for an increased supply of adequate, affordable and desirable housing options. Our proposed recommendations address that need.

## Madison Demographics

### *Suburban Target Population*

In considering where housing is located, it is important to carefully consider and plan for future residents. Housing that is targeted

is better able to serve specific needs of different populations. In building ‘one size fits all’ housing, we miss opportunities to provide specialized programming, design and unit configuration, site layout, and amenities. Low-income renters are not a monolithic population, but include a diverse set of family units and individuals, professionals and non-working people, a range of ages, races and ethnicities, varying levels of abilities.

Prior to making recommendations for on-site programming and desired site and neighborhood amenities, it is useful to dive into the demographics of Dane County and the City of Madison. As Paulsen puts it, “the growing diversity of household types—including seniors and single-person households requires a diverse housing supply in terms of unit sizes and locations” (Paulsen, 2015). Discussion of the demographics of the neighborhoods surrounding our identified sites follows in a later section.

The City of Madison has “less than 48 percent of the county’s population, yet houses 73 percent of the county’s

*“[...] many households and families have difficulty finding or affording housing which fits their needs. First-time homebuyers. Young families just entering the workforce. Senior citizens on fixed incomes. Lower-income households struggling to find stable, affordable housing with good access to transportation and schools. Each of these family’s experience housing challenges in Dane County”*

extremely low-income renter households” (Paulsen, 2015). According to Paulsen’s assessment there is a “present need of anywhere between 7,000 and 27,000 affordable housing units” depending on the different scenarios of growth laid out in the 2015 Dane County Housing Needs Assessment. In addition to the present demand, “Dane County’s need for affordable housing units could be [...] between 648 and 1209 affordable units each year” (Paulsen, 2015). In Dane County there is a “gap of over 11,000 affordable rental units compared to the number of households with income at 30 percent of AMI, or below and a gap of 5,800 units affordable to households with income at 50 percent of AMI-or-below” (Paulsen, 2015, p. 42).

In addition to the economic characteristics of Dane County’s population in need of affordable housing, consideration also must

be given to this population’s racial and ethnic composition. The *Race to Equity Dane County* report (Wisconsin Council on Children and Families, 2013) is an excellent resource with first-hand data collection, analysis and interpretation. In it, the authors present quality of life indicators that are deeply racialized, including opportunities for affordable housing. The report points out that: “In 2011, for example, the unemployment rate for blacks in Dane County was calculated at 25.2 percent, compared to a national black jobless rate of 17.7 percent. The black poverty rate in the county was estimated at 54 percent, almost twice the national black estimate of 28.1 percent. And the 2011 poverty rate for Dane County’s black children was reported by the ACS to be nearly twice the national black child poverty rate of 39 percent” (WCCF, 2013, p. 12). Access to stable jobs that are well-compensated is directly correlated with access to housing. The report offers other

powerful data points and indicators of racialized inequality within Dane County and the City of Madison. These statistics are poignantly summarized: “The one inescapable and pivotal finding that arises from all the numbers we have collected is the extraordinary degree to which poverty and “disadvantage” in Dane County have become correlated with color- or, to put it in even more stark terms, the extent to which economic deprivation has become profoundly racialized” (WCCF, 2013, p. 14).

The racialization of ‘disadvantage’ is particularly relevant when discussing the siting of affordable housing for low-income renters. The report found that “about half of the area’s low-income black households live in approximately 15 small, compact residential concentrations scattered within the city and around its perimeter. These largely rental developments are each home to anywhere from 100 to 400 families of color, and they are typically surrounded by larger, predominately white homeownership neighborhoods. (WCCF “Race to Equity Dane County” 2013, p. 18). The sites our

team has chosen to locate proposed affordable low-income rental development(s) are located within one of the six (6) areas identified with the “highest concentration of African American persons” (WCCF, 2013, p. 76). A discussion of the demographics of the neighborhood will follow.

## Traditional Funding Sources

Financing affordable housing is one of the greatest challenges associated with these projects; generally, developers, local governments, and other supporters must gather funds from a variety of sources, ranging from local to federal to the private sector. The grants available to develop affordable housing also vary each year in quantity. Cities typically assign dedicated staff members to find and apply for grants as they become available.

The reason that affordable housing is so costly is “the gap”. The gap refers to the discrepancy between rent revenues accrued from market rate units as opposed

to affordable units. To be a viable development project, housing must balance costs (these include construction labor, design, materials, expansion of utilities such as waterlines, and so on) with anticipated revenue. Anticipated revenue includes minor payments such as parking or laundry, but the bulk comes from rent. Although the difference in rent between an affordable and market-rate unit per month may only be a couple hundred dollars, when this is compounded by multiple units over multiple months and years, the difference can be staggering. Because developers rely on loans to cover their costs until rent revenue comes in consistently, they must demonstrate that the initial investment will be valuable over time.

Dozens of potential funding sources exist, but each provide only a fraction of the total financing needed to create a sustainable, affordable housing development. Some of the most consistent funding sources are listed in *Table 1* of the Appendix to this report. They are organized by federal, state, county, city, or private sources. Some of these programs and agencies, such as the

Dane County Housing Authority (DCHA) and the Dane County Department of Human Services (DCHS), provide support to individuals directly. Others, like the Affordable Housing Fund, may vet applications from developers who are pursuing projects and the most compelling will receive awards. Funding sources may prioritize funding for owner-occupied housing, as opposed to rental housing; other sources are flexible, and can be used for either purpose. Note that the table provided here only lists some of the organizations and entities dedicated to this cause. It could be a useful endeavor for Dane County to complete an inventory of all potential funding sources and put this information online, so that non-profits, developers, and individuals are able to quickly assess what financing options are available to them.

A useful tool for those who wish to learn more about the basic costs and revenues associated with affordable housing is the Urban Institute's "Affordable Housing: Does



it pencil out” webpage.<sup>1</sup> This site provides an excellent explanation of what the gap is, and how it can increase or decrease. The website also has a feature which allows one to adjust different price variables for a hypothetical development and see what the deficit outcome would be. It is important to emphasize that in addition to finding multiple funding sources for affordable housing development projects, communities should seek to reduce costs through space-efficient, high quality design and careful site selection.

## Site Selection

### *Suburban Madison*

The primary focus of this report is suburbs with primarily post WWII housing. Data taken from the City of Madison Open Source data site (2016) was used to identify these neighborhoods and the corridors that connect them. Such priority corridors include East Washington Avenue,

South Park Street and University Avenue to the west.

Affordable housing development projects may be eligible for Low Income Housing Tax Credit (LIHTC) funding (WEDHA, 2017). Project location scoring looks at:

- Proximate amenities
- Walkability
- Location of other housing developments
- Retrofitting potential
- Public Transit

Data from the Urban Land Institute suggests that households paying more than 45% of their income for housing and transportation cannot afford the place in which they live.

Additional time demands of taking public transportation must also be considered. While bus lines increase connectivity, infrequent departures and long travel times impede the overall effectiveness of public transit. The proposed Bus Rapid Transit system could substantially decrease travel times between Madison's suburbs

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<sup>1</sup> <http://apps.urban.org/features/cost-of-affordable-housing/>

and the downtown area. The addition of the BRT could also decrease household transportation costs in adjacent suburban areas.

Amenities within walking or biking distance can assist in reducing transportation cost, and the need for onsite parking. LIHTC scoring utilizes walkscore.com to evaluate transportation options; both sites selected received the following scores (out of 100):

- Walk score of 80: most errands can be accomplished on foot
- Transit score of 51: there are many public transit options nearby
- Bike score of 99: very flat with excellent bike lanes

Suitable sites within areas identified as suburban are targeted by their walkability. Appendix 2 shows a map of suitable areas based on quarter and half mile buffers from key amenities such as:

- Bus rapid transit stops
- Schools
- Parks
- Libraries

- Employment opportunities
- Grocery Stores

Areas targeted in Madison's comprehensive plan were also considered.

Suburban neighborhoods adjacent to

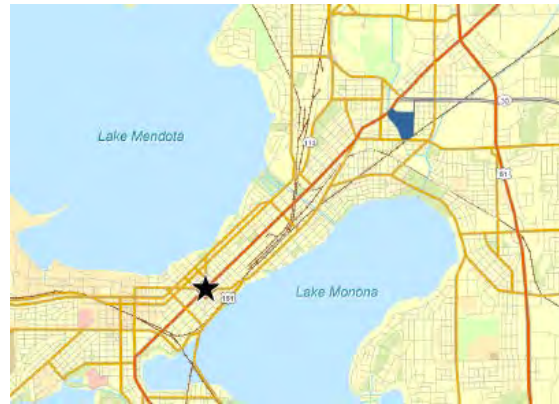


Figure 1: Worthington Park Neighborhood Boundary. Source: City of Madison Neighborhood Indicators, 2016 Edition, Worthington Park Neighborhood Association

corridors currently experiencing revitalization were highlighted as areas to

target to maintain affordability. As areas begin to gentrify neighborhoods become less affordable pushing workforce populations further out to peripheral areas.



Figure 2: Schenk-Atwood-Starkweather-Yahara Neighborhood Boundary. Source: City of Madison Neighborhood Indicators, 2016 Edition, Schenk-Atwood-Starkweather-Yahara Neighborhood Association

### ***Selected Sites***

Utilizing these criteria, two sites were identified (Figures 1 & 2). These sites are in the adjacent neighborhoods of Worthington Heights and Schenk-Atwood-Starkweather-Yahara (SASY). By evaluating local demographic data (found later in this document), the primary populations targeted in these neighborhoods are larger families and the elderly population wishing to “age in place”, typical of suburban Madison. The site selection process and the ensuing building recommendations aim to provide examples of best practice for increasing affordable housing options in suburban neighborhoods.

The two sites selected are:

- 2902 Hauk Street
  - Schenk- Atwood-Starkweather-Yahara neighborhood
  - Current rental housing; proposed for infill retrofit
- 3030 Darbo Drive
  - Worthington Heights neighborhood
  - Large parking lot; proposed for redevelopment

The proximity of the two sites adds to the project feasibility enhancing the availability of services for multiple sites.

Understanding the low-density profile of suburban neighborhoods, a site based approach was utilized to minimize impact and maintain neighborhood characteristics. Within the built up suburban areas, integrating infill with low perceived density to form a network of scattered sites is recommended. For larger sites on the end of blocks, mid-rise, mixed use apartment buildings provide an appropriate way to

increase density while transitioning into lower density neighborhoods.

Combining mid-rise, mixed use developments and the redevelopment of smaller scattered sites allows for a network of services to be provided between sites. This variety of available housing options would address changing demographic characteristics and housing preferences and needs.

### *Neighborhood Demographics*

The City of Madison collects and reports neighborhood specific data, known as Madison Neighborhood Indicators, which we discuss below to understand the potential needs of the existing neighborhood residents.

The Worthington Park neighborhood is significantly smaller (48 acres) in land area than the Schenk-Atwood-Starkweather-Yahara (SASY) neighborhood (570 acres). There are a total of 3,117 housing units in the SASY neighborhood (Census 2010) whereas there are only 288 total housing units in Worthington Park (Census 2010).

The Madison Neighborhood Indicators for the SASY neighborhood show that there has been a very slight increase of housing units from 3,003 in 2000 to 3,117 in 2010 (Madison Neighborhood Indicators, 2016 Edition, Schenk-Atwood-Starkweather-Yahara Neighborhood Association). There has been a decrease in the number of owner-occupied units in the SASY neighborhood, from 52.9 percent in 2000 to 51.4 percent in 2010. The neighborhood has a youth population (age 0-17) of 15.6 percent and a senior population (age 65 and over) of 6.2 percent. The neighborhood is mostly white, with 88 percent of the neighborhood population in 2010 identifying as white, compared to the city average of 75.7 percent for the same year.

About a fifth of the households in the SASY neighborhood have children (19.5 percent in 2000 and 17.7 percent in 2010). And only a small proportion of the neighborhood population are female headed families with children (5.7 percent in 2000 and 4.3 percent in 2010). Residents of the SASY neighborhood identifying as “Black or African American”, “Asian” and “Hispanic or

Latino” represent about 7 percent each, with 3 percent of the neighborhood population self-identifying as “Other Races or Multiracial” (Census 2010).

From the 2000 Census to the 2010 Census there has been a decrease in the white population of Worthington Park (from 40.2 percent in 2000 to 30.7 percent in 2010) and a parallel increase in “Black or African American” population (31.4 percent in 2000 to 47.0 percent in 2010). There was a slight decrease in the neighborhood population identifying as Asian (from 15.7 percent in 2000 to 9.2 percent in 2010) while there was little change in populations identifying as ‘Other Races or Multiracial’ and ‘Hispanic or Latino’ during that same period of ten (10) years. The percentage increase and decrease of the black and white populations in Worthington Park (respectively) could have any number of contributing factors, one of which could be increasing rental and home prices in surrounding neighborhoods.

There are almost half as many owner-occupied housing units in Worthington Park as there are in SASY. According to the

2000 Census, 21.1 percent of the population in Worthington Park owned the home in which they lived, and 22.8 percent of the housing units were owner-occupied in Worthington Park a decade later (Madison Neighborhood Indicators, 2016 Edition, Worthington Park Neighborhood Association). There is a significant youth population in Worthington Park with 38.6 percent of the population between the ages of 0 and 17 (Census 2010). The senior (Age 65 and Over) population amounts to a small proportion of the overall Worthington Park neighborhood (3.8 percent in 2000 and 2.5 percent in 2010). There is a much higher proportion of families with children in the Worthington Park neighborhood than in SASY with 36.1 percent of households reporting children and 19.1 percent of female headed families with children (Madison Neighborhood Indicators, 2016 Edition, Worthington Park Neighborhood Association).

The neighborhood indicators for our two sites begin to show what populations could be served by our proposed affordable rental housing development. For the SASY

neighborhood there appears to be a higher need for housing directed to serving the elderly population. Whereas in the Worthington Park neighborhood considerations in unit size and programming should accommodate families with children under the age of 17.

## Cost Reduction through Design

In the words of California mayor Jerry Brown, “We’ve got to bring down the cost structure of housing, not just find ways to subsidize it” (Dillon, 2017).

Interventions to improve the affordability of housing include funding from local governments, providing density-bonuses and other incentives to developers, or by providing vouchers to the individuals who actually need housing. Typically, as a cost saving measure, developers have opted for poorer quality materials and amenities when building affordable housing. However, this limits the long-term sustainability of the units, restricts their ability to blend into

established market rate communities, and reduces morale and quality of life for residents. A successful affordable housing unit should not only appeal to low income residents, but to anyone.

The design and planning techniques to be discussed within this report are:

- Modular construction
- Reduced parking requirements
- Increased density
- Shared high energy usage spaces
- Focus on community buy-in
- Mixed use
- And existing home rehabilitation programs

### *Modular Construction*

Modular construction builds components of a building off-site, in order to leverage the efficiency of factory production, and then transports these units to the site and assembles them, much like Lego blocks. According to UC Berkeley’s Turner Center for Housing Innovation, this may result in a

50% reduction in production time and a 20% cost reduction from traditional construction (Turner Center, 2017). Off-site construction has been a strategy implemented by developers overseas for decades, and the units seldom are different in resilience or in outward appearance. Unlike traditional construction, off-site modular construction can be conducted concurrently with foundation and site preparation. There may also be benefits to the workers themselves, as work is consistent, not limited by weather conditions, and always performed in the same location as opposed to driving to different sites. It is also safer to work in an assembly line setting than in a physically demanding construction zone, which opens employment opportunities to individuals typically excluded from construction jobs, such as women.

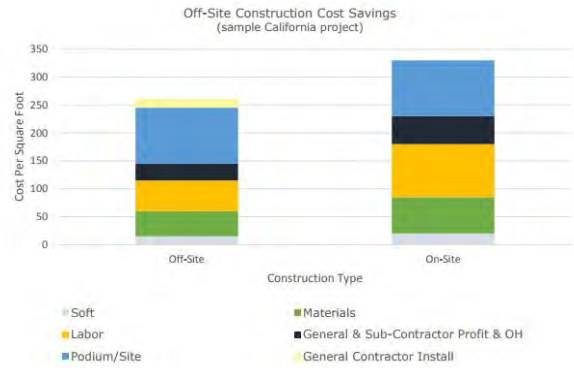


Figure 3: Estimation of off-site construction cost savings, Turner Center, 2017

### Reduced Parking Requirements

The cost of creating parking is an often overlooked but substantial addition to any construction project. It is estimated that one parking space per unit increases costs by 12.5% on average; they can cost anywhere from \$15,000-\$75,000 to build, depending on whether they are covered, above ground, or below ground. Furthermore, these costs are not stagnant, but yearly maintenance costs of parking spaces range from \$20-100 per space. Analysis of 23 recently completed Seattle-area multifamily housing developments reveals that parking subsidies increase monthly rents approximately 15% or \$246 per month for each occupied unit, but that approximately 20% of occupants own no motor vehicles.

Considering that low income families are less likely to own a vehicle and the average car spends 95% of its lifetime parked, there may be more efficient ways to provide transportation (Victoria Transport Policy Institute, 2016).

**Table 4** Typical Parking Facility Financial Costs ("Parking Evaluation," VTPI)

Type of Facility	Land Costs		Construction Costs Per Space	O & M Costs Annual Per Space	Annual Cost		Monthly Cost Per Space
	Per Acre	Per Space			Annual Per Space	Monthly Per Space	
Suburban, On-Street	\$50,000	\$200	\$2,000	\$200	\$408	\$34	
Suburban, Surface, Free Land	\$0	\$0	\$2,000	\$200	\$389	\$32	
Suburban, Surface	\$50,000	\$455	\$2,000	\$200	\$432	\$36	
Suburban, 2-Level Structure	\$50,000	\$227	\$10,000	\$300	\$1,265	\$105	
Urban, On-Street	\$250,000	\$1,000	\$3,000	\$200	\$578	\$48	
Urban, Surface	\$250,000	\$2,083	\$3,000	\$300	\$780	\$65	
Urban, 3-Level Structure	\$250,000	\$694	\$12,000	\$400	\$1,598	\$133	
Urban, Underground	\$250,000	\$0	\$20,000	\$400	\$2,288	\$191	
CBD, Surface	\$2,000,000	\$15,385	\$3,000	\$300	\$2,035	\$170	
CBD, 4-Level Structure	\$2,000,000	\$3,846	\$15,000	\$400	\$2,179	\$182	
CBD, Underground	\$2,000,000	\$0	\$25,000	\$500	\$2,645	\$220	

*This table illustrates the costs of providing a parking space under various conditions. (CBD = Central Business District; Assumes 7% annual interest rate, amortized over 20 years)*

Figure 4: Table of costs associated with parking creation, Victoria Transport Policy Institute, 2016

First, city governments should re-examine standards for minimum parking requirements to determine if they are still accurate and appropriate. The mantra "better safe than sorry" may not apply when it comes to wasteful construction expenditures. It may be inaccurate to set the same parking standard for student housing, senior housing, or low-income housing as compared to that for families or young professionals.

To increase affordability on the resident's end, parking may be unbundled from the cost of rent as an optional expense. If an individual wishes to pay for parking, they may do so, but are not obligated. Leftover spaces may be advertised to non-residents, perhaps offices or businesses in the vicinity.

Lastly, apartments can engage in programs that promote public transit or ride sharing. They may provide rental bicycles that residents can use, or even a car sharing program. Some affordable housing developments subsidize the cost of bus passes for residents. Ideally, affordable housing would be sited near centers of employment as well as community hubs such as grocery stores and schools, decreasing demand for robust transit options. However, if this is not possible, transportation is such an essential element of affordability that it must be integrated into the housing project.

### *Increased Density*

Generally, greater density of units in a development equates to a lower cost per



unit. Three or four story “walk up” buildings are, on average, \$34,000 less expensive than semi-detached units (University of Minnesota, 2015). However, there are concerns associated with high density development. High density must be balanced with community character and avoid concentration of poverty. In a suburban setting, for example, townhouses may be more appropriate than a high-rise development (and perhaps these developments would be prohibited due to local zoning restrictions). In some cases, smaller apartment units may be built above townhouses, so that the street level character is maintained but density can still be accommodated. Denser development saves money that can be used to make the units more attractive, which can increase community buy-in.



*Figure 5: Lot sharing increases density without altering neighborhood character*

### *Shared High Energy Usage Spaces*

Utility costs are another understated expense for low income households. If they are subsidized, this cost is passed to building owners or the city itself. Kitchens and bathrooms contribute the most to water and electrical costs. For certain populations, communal spaces could serve their needs. Similar to a dormitory, kitchens and bathrooms may be shared to increase efficiency and decrease costs of water, electricity, plumbing, and appliances.

A less extreme tactic may simply be to install high efficiency lightbulbs, low-flow toilets, and other environmentally friendly products. Some of the higher upfront costs may be mitigated by the long-term cost

savings or grants that exist specifically for “green” development. For example, the Madison Water Utility provides a rebate program for the installation of low-flow toilets directly paid to homeowners.

### *Focus on Community Buy-In*

Although it may not be intuitive, involving the community in defining needs and designing new housing may actually serve as a cost reducing measure. In suburban settings, community buy-in may be one of the greatest challenges in approving an affordable housing project. Area homeowners may be reluctant to accept low income individuals or families into their neighborhoods, and their protests and complaints can slow the approval process to a crawl. If these established residents are not involved early on, when the development is proposed, they may demand costly add-ons or reductions in density that require both time and money to redesign and propose again.

### *Mixed Use*

Mixed use development, or developments that combine commercial and residential uses, have been heralded as a solution to the affordable housing quandary. The argument follows that if the bottom floor of a building houses shops and restaurants, the rent that these business owners pay can offset the gap created by affordable rents above them. Furthermore, it may be more palatable to have high density units in an established commercial zone than it is in a low density, single family detached suburb. Providing amenities directly beneath affordable housing may also reduce travel for residents and complement a lower parking requirement.

However, mixed use can be a mixed bag. These developments are typically costlier than solely residential projects, particularly for restaurants that have high water and energy needs as well as unique design requirements. Local zoning ordinances may prohibit residential uses within commercial zones and would need to be amended.

Many of the existing subsidies for affordable housing are designed only for residences; fewer exist that can also be granted for commercial development.

Lastly, the commercial development that is introduced must fit the needs and desires of the community. There may be very little demand for a yoga studio in a low-income neighborhood. Likewise, there may be pushback in allowing a bar to be built in a suburban neighborhood (in addition to, again, prohibitions due to zoning). For a mixed-use development to be successful, it must be sited on established popular corridors where foot or vehicle traffic is high and visibility is maximized. This may be a more useful tactic for urban settings than suburban.

### *Rehabilitation for Existing Homes*

Some individuals would rather continue living in their homes than move into a new, denser affordable housing complex. In particular, seniors that have sentimental value attached to their houses may prefer to “age in place”. Instead of displacing these

people, cities can provide loans and grants to retrofit homes to be ADA accessible and more energy efficient. In Wisconsin, the cost of heating in the cold, winter months can be the difference between affordable and not affordable for a family or individual. Older homes may lack appropriate insulation for health and safety.

In Dane County, a few programs exist that seek to meet this need. One of these is Project Home, an organization that weatherizes, repairs, and modifies existing homes. As of now, 20,153 homes have been weatherized through their efforts. They are funded in part by the Wisconsin Department of Administration Division of Housing and the Dane County Community Development Block Grant.

In addition to supporting organizations like Project Home, our recommendations for ensuring senior housing security include: coordinating supportive services such as health care with housing, stricter ADA enforcement for new development, independent advisory services to help

seniors determine what modifications their homes require, utility assistance, and a deferred property tax option for low income senior tax payments.

## Site Specifics

### *The Small Site: 2902 Hawk Street*

The 2902 Hawk Street site provides an example of a potential infill/ rehabilitation site. The proposed reuse of the site addresses the following aspects of LIHTC building scoring:

- Building Rehabilitation & Neighborhood Stabilization
- Eventual Tenant Ownership
- Serves lowest income residence
- Universal Design
- Sustainable design
- Energy efficiency
- Non-smoking
- Supportive housing

Understanding the desirable features of homes in this area, in combination with features that score well for tax credit

funding provides key steps in creating desirable housing.

Currently the property on the site is a 583 square-foot single family rental property. This parcel neighbors a single-family home and a row home on the other side. Information from The City of Madison Assessor's office shows that surrounding parcels contain small units in the range of 500-600 sq ft with low lot coverage between 10-30% (City of Madison Assessor, 2017). Two story homes are also present within the SASY neighborhood.

### *Existing Neighborhood Character*

The Schenk-Atwood-Starkweather-Yahara neighborhood currently contains a mix of housing types and home uses. The neighborhood is currently zoned as Traditional Residential-C4, which allows for



Figure 6: Small site context overview

multiple units and home uses. Currently the neighborhood is primarily single-family homes, with some multi-unit row homes. Live-work uses are currently present within this neighborhood such as a home auto-repair shop several blocks from the selected sites. With current live work uses present in the neighborhood, the integration of a live-work dwelling allowing for live in support staff, fits well with current neighborhood uses.

Creating units that are desirable to those residing in the neighborhood assists in decreasing the stigma attached to affordable and work force housing. Market studies reveal substantial demand for smaller, more compact living spaces in neighborhoods with low perceived density and high walkability (National Association of Realtors, 2015). Selecting sites with high walkability supports affordability through design by reducing automobile dependence and neighborhood parking pressures.

*Increasing Density*

The **cottage court** model allows for increased density without increasing the

perceived density of the site from the street. Even long narrow lots allow for infill of multiple smaller buildings around a shared court yard. The layout of the units utilizes the full length of the lot; providing 4 single story units towards the front of the lot with 2 story units towards the back of the lot.

A central court yard helps to decrease the perceived density of the project, which may appear as 2-4 units from the street.



Figure 7 Image: Cottage Court infill design, Opticos.com

The City of Madison Assessor's office:

Units	Lot size (sq ft)	Unit Size (sq ft)	Lot Coverage
3	5980	1656 (3units)	27.7%
1	6380	583	9.1%
6	6500	5(400sqft) 1(600sqft)	40%

Neighborhood infill development can allow elderly populations to age in place. Furthermore, smaller, attractive housing developments can reduce the stigma that often comes with low income or workforce housing.

### *How will it be designed to fit user needs?*

This project is designed to fit user needs. The site is situated within walkable distance of amenities, such as: transit, groceries, schools, libraries, and open space. The proximity of these amenities helps to reduce living costs, such as transit.

Housing preference studies suggest that smaller infill development could be a key in meeting the needs of Dane County's changing demographics. Single person households, including those who wish to age in place, along with single parent families are a growing component of the affordable/workforce housing market. Creating smaller units with shared open space allow for elderly populations to remain in their community in an affordable and manageable space.

The cottage court design allows for a live-work unit on site, creating a space for a full-time staff member to service the community. When creating a network of scattered sites, examples such as Kings Beach Housing Now, show how amenities can be shared between sites of walkable distance, reducing the cost of services per site. This is the power of the network of the two sites chosen; the larger site creates space for larger scale programming, such as childcare or a clinic, while the smaller site may provide more intensive care for older populations.

### *Ensuring sites for future use*

Utilizing scattered sites for affordable housing allows for the rehabilitation of existing structures, maintaining their active life. This can reduce the upfront costs associated with land redevelopment that goes with the acquisition of land. The use of scattered sites also addresses the concentration of poverty, integrating affordable housing in to the current landscape. The use of scattered sites creates alternate desirable housing options, while addressing the diversity of needs and

desires within the population (National Association of Realtors, 2015; Ireland, Community Housing Network, 2016).



Figure 8: Alameda County provides an example of how cottage courts can increase housing density

### *The Large Site: 3030 Darbo Drive*

The other parcel selected as part of our recommended scattered site is located at 3030 Darbo Drive. The parcel is owned by The Salvation Army (City of Madison Assessors Office). The Salvation Army of Dane County currently operates The Salvation Army Corps Community Center which offers a variety of programs and

services. The portion of the Salvation Army parcel we are seeking to use for development of low-income affordable housing lies to the west of the community center and its corresponding parking lot on an adjacent paved area resembling a triangle. The lot is situated directly on Darbo Drive and abuts the Starkweather Creek Path, a pedestrian and bicycle path with green buffer space. The property is classified as commercial and has a lot size of 149,279 square feet. The lot is currently vacant from buildings and marked parking spaces.



Figure 9: The proposed building would share a site with the Salvation Army

We propose a three-to-four story building to be located on this site. Additional design recommendations are listed below;

- A step-back between the first and second floors to accentuate the human-scale of the first floor

- First floor commercial and community gathering spaces which could host anything from meetings between a caseworker and their client to group workshops
- Mix of rental units on the second and third floor (range of studio-to-three bedroom)
- Range of income limits to accommodate range in AMI from 30 percent – to – 80 percent
- Green communal space on the roof on top of the first floor with raised garden beds
- Ample windows to create transparent frontage in the first-floor commercial space
- The side of the building will have a public courtyard and park space with trees and benches

These design recommendations take the characteristics of the neighborhood into consideration. Our recommendations thoughtfully consider the pedestrian and aim to be ‘human scaled’.

## Programming

### *Benefits of Pairing Housing & Support Services*

Studies have shown that when housing is combined with appropriate supportive services, residents experience better outcomes, including improved health, higher educational achievement, greater self-sufficiency, and a better quality of life overall (Cohen, 2011). While most housing agencies are not equipped to offer additional services, connecting with other local organizations that specialize in certain services can allow for **coordinated partnerships** that are tailored to meet the needs of their clients. The co-location of these services increases the likelihood that residents will utilize the services available by reducing barriers like transportation. For service providers, co-location offers a built-in clientele.

When the co-location of support services is not possible, having an on-site service coordinator that works to connect residents with the specific services that will meet their



needs can be an effective alternative. Requiring property managers to provide a well-trained service coordinator on their staff for residents to work with could be a more sustainable solution to providing services, as the staff position would likely be funded through operating costs, rather than grants or government funding that risks being cut.

### *Creating Partnerships*

Collaboration between housing and other services can produce a **collective impact**, where outcomes are improved because of the symbiotic relationship between services. This collective impact requires a common agenda, shared measurement techniques, mutually reinforcing activities, continuous coordination, and commitment from the organizations (Gallagher, 2015). Leadership roles need to be clearly identified by the lead organization(s) in order to carry out the goals of the partnerships.

### *Community Priorities*

Several needs assessments have been conducted in Madison and Dane County to identify areas where community support is needed:

1. *Education:* With a high school graduation rate of 86%, Dane county is among the lowest in the state of Wisconsin, and data shows that these rates are even lower for students of color (Healthy Dane Collaborative, 2016). This data suggests a possible need to increase efforts to support educational services, especially early childhood education initiatives that prepare students for future learning.
2. *Health:* Of the four non-financial barriers to health care, accessibility (e.g. location, transportation), and accommodation (e.g. hours of operation, appointment systems, language and health literacy, navigation assistance) were both listed (Healthy Dane Collaborative, 2016).

3. *Food Access:* While much of the City of Madison has overall good food access, many neighborhoods do not, and the availability of healthy foods is also a concern.

Public Health Madison has identified both the Worthington Park and Schenk-Atwood-Starkweather-Yahara neighborhoods as food swaps due to their proximity to many fast food and convenient stores, and the City of Madison has designated them as areas of focus to improve food access (Food Access Improvement Map, 2015).

### *Site Programming*

### *Recommendations*

The sites we have selected are located close to numerous amenities and services. Most notable is the Salvation Army Community Center, which offers many services to the Madison community. These include: a summer day camp; a computer lab; an afterschool program for children in grades K-5; a sports complex/fitness center with locker and shower facilities; youth programs like Beginner Band,



Figure 10 The City of Madison Food Access Map, 2015

Adventure Corps, and a character building group for girls; ministry programs; the Family Stabilization Program; a food pantry and soup kitchen; a rapid-rehousing program; and case management services (Salvation Army of Dane County).

Amenities and services that are lacking in the Worthington Park and Schenk-Atwood-Starkweather-Yahara neighborhoods include health care and access to fresh and healthy foods. Below are possible services and amenities that would help fill this gap and that could be located in the first-floor commercial space of the larger site.

#### Most Desired:

- Small grocery store
- Urgent care/health clinic

#### Other Options:

- Expanded Salvation Army programming space
- Child care/Head Start

## Conclusion

In short, the housing needs in the City of Madison's suburbs must vary in size, scale, and design to suit different populations and their needs. Just as low-income individuals are not a homogenous community, their housing should also not be. Successful affordable housing should not just be adequate, but should be desirable. Scattered site development may be most appropriate to match suburban community, low density character, whereas higher density mixed use development may be suited to housing on major arterial roads.

To fund these projects, Dane County will need to rely upon multiple financing sources, including private grants as well as federal, state, county and city-level funds. A focus on efficient design, utilizing high density, reduced parking requirements, and other techniques may reduce the cost as well.

For projects in suburban areas to be sustainable over the long term, integrative supportive services and programming could be implemented through partnerships with community organizations. Senior populations as well as families could benefit from health services that are available during off-hours to accommodate work schedules, and early education initiatives can lead to positive outcomes that extend far into the future.

The need for affordable housing in Dane County is great, yet those needs vary, geographically. Affordable housing needs in downtown Madison are different from those needs in Madison's post World War II suburbs and in surrounding cities, villages, and rural towns. Through deliberate and thoughtful site selection, participatory processes that increase community buy in, and cost reduction through design, Dane County's communities can ensure that their low-income citizens have affordable and adequate housing.

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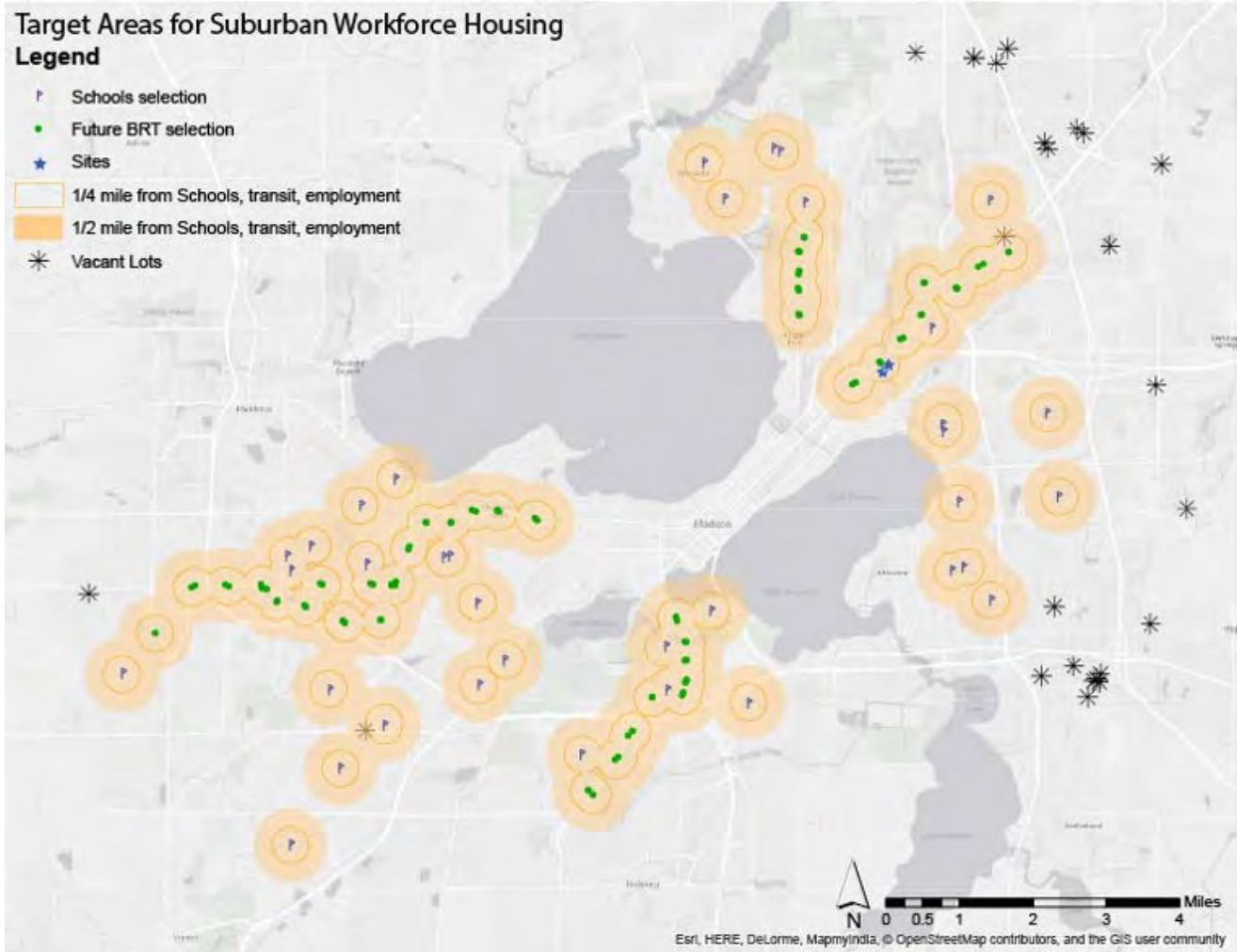
# Appendix I

Figure I. Table of existing funding mechanisms for affordable housing

Name of Program	Source	Summary	Renters/Homeowners	Amount to Dane County
HOME Homebuyer and Rehabilitation Program	Federal	Homebuyer assistance, owner-occupied rehabilitation	Homeowners	\$400,000 annually
HOME Rental Housing Development Program	Federal	Acquisition, rehabilitation, and new construction of affordable housing	Renters	" "
CDBG*	Federal	Rehab of housing units, homebuyer assistance, post disaster repairs, general repairs	Both (affordable specifically)	\$1m annually
Supportive Housing Program (SHP)	Federal	As part of the Continuum of Care (CoC) Program, develops and provides housing and supportive services for people moving out of homelessness	Both	\$3, 156, 593 in 2016
WHEDA	State	Allocates federal LIHTCs and NMTCs, provides loans for home improvement and refinancing	Both	\$37m single-family home loans, \$2.8m LIHTC awards
HCRI	State	Assistance with new home purchase and foreclosure avoidance	Homeowners	\$375,721 biennially
DCHA	County	Administers federal Housing Choice Vouchers (Section 8), rental assistance	Renters	\$6m in rental subsidies, 1,160 annual vouchers
DCHS	County	Provides services for homeless and housing insecure individuals	Services	\$1.8m
Affordable Housing Fund	City (Madison)	Goal of developing 750 units of permanent affordable housing for 30-50% AMI with associated services	Both	Over \$20 million over 5 years
Tax Incremental Financing (TIF)	City	Public financing method used generally for public infrastructure or community development	Both	Anticipated \$4,025,000 in 2018 (inconsistent year to year)
Affordable Housing Program	Private (Federal Home Loan Bank)	Federal Home Loan Bank partners with developers, community organizations, government entities, public housing authorities, to apply for annual grants to subsidize acquisition, new construction, and/or rehabilitation	Both	3 projects totaling \$1.5 million (\$750k each) in Madison in 2017

# Appendix II

Figure II: Target Areas for Suburban Workforce Housing







## About UniverCity Year

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UniverCity Year is a three-year partnership between UW-Madison and one community in Wisconsin. The community partner identifies sustainability and livability projects that would benefit from UW-Madison expertise. Faculty from across the university incorporate these projects into their courses with graduate students and upper-level undergraduate students. UniverCity Year staff provide administrative support to faculty, students and the partner community to ensure the collaboration's success. The result is on-the-ground impact and momentum for a community working toward a more sustainable and livable future.

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