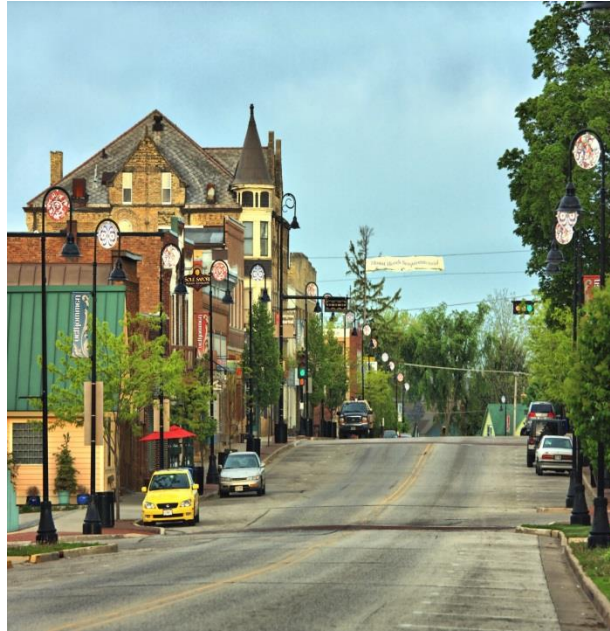


Mount Horeb Housing Report 2017 Summary & Next Steps



Wisconsin Partnership for Housing Development
Village of Mount Horeb
Mount Horeb Area Economic Development Corporation
2018 Dane County Housing Summit - October 25, 2018

Introduction

In 2017, the Village of Mount Horeb and the Mount Horeb Area Economic Development Corporation asked The Wisconsin Partnership for Housing Development (WPHD) to update an earlier 2013 assessment of the market for housing in the Village of Mount Horeb.

WPHD used publicly available data and information to look at the housing and employment characteristics in the Village.

In addition, an employee survey was completed to get information from individuals working in the community about their housing choices and concerns.

Snapshot of what we learned

Snapshot - Population

The total estimated population of Mount Horeb in 2015 was 7,349 individuals. Census estimates for 2016 suggest an increase of about 2% to 7,462.

Approximately 10.2% of the population of Mount Horeb is over the age of 65. There is an anticipated that there will be about 225 individuals over 65 living in Mount Horeb by 2020.

Snapshot – Housing Overall

- Data from the American Community Survey for 2015 indicate that the 59% of the 3,052 housing units in the community are single family detached homes (this compares to 53% in Dane County overall)
- 62.9% of the housing units are owner occupied.
- Only 3.1% of housing units are located in buildings with more than 20 units, as compared to 15.3% countywide.

Snapshot - Gross Rent and Cost Burdened Households

- Because many low- and moderate-income households rent their homes instead of own, the cost of rent is generally a reliable indicator of housing affordability in a community.
 - In Mount Horeb, the median gross rent (including utilities) is \$859 per month. The data shows a significant lack of rental housing options below \$500 per month.
- One common metric used to measure housing affordability in a community is the percentage of cost-burdened households. A household is considered cost-burdened if they pay more than 30 percent of their monthly income in gross housing expenses (including rent/mortgage payments and utilities).
 - While Mount Horeb compares favorably with Dane County as a whole, the data shows that **a third** of the Village residents pay more than 30 percent of their income for housing costs.

Snapshot - Multi-family Housing

- The vacancy rate in Mount Horeb has declined to a rate of 0%, meaning at any given time there are very few or no units available for rent.
- A healthy vacancy rate is around 5%.

Employee Survey - Home Ownership

- Of the 108 that own their own homes, 20 (19%) are not satisfied with the options available to them.
 - They stated that there were few options available when they looked for their home. that they were not able to afford to “move up” or to “downsize”. there were few options available under \$200,000 and a limited number of condos available.
- Of the 77 that own their homes, 51 are happy where they are and don’t have plans to move.
 - However, 14 of the 77 stated that they had looked but housing costs were too expensive in Mount Horeb and about the same number stated that they had looked and that nothing was appealing to them.

Employee Survey - Renters

- Of the 21 that rent, 18 would like to buy a house.
 - Of these, 90% said it was too expensive to be affordable to them
 - And half said that they had looked and not found anything “appealing”
- Of the 39 people who rent outside of the Mount Horeb, 26 say that they have considered moving there.
 - 14 of the 39 say that rents are too high,
 - 16 say it is too expensive to purchase a home,
 - 20 households state that what they can afford is not appealing.

Summary – What we learned

- Mount Horeb can expect that an overall aging of the Village population, with an increasing percentage of the population over 65.
 - Appropriate housing options must be developed for this growing population, including the group that is over 75. The care needs of this population will result in a need for employees to support and care for the population. This group will also need affordable housing options in order to live in the community where they work.
- The need for additional rental options has become even more acute and with growth in jobs in the Village, the needs will grow even more.
 - With rental vacancy rates close to zero, employees can't find any rental housing in the community, and also state that they need to leave the community to find options that they think are appealing.
 - Rental housing needs to be developed at a variety of price points and include amenities that are attractive to those coming to the community to work.

Summary – What we learned

- New ownership options could attract those who currently live and rent outside of Mount Horeb to the community.
 - They are looking for starter homes, and a range of ownership options, including duplexes and condos.
- Affordability of housing continues to be a major issue in the community.
 - Employees perceive that the community is not affordable because they can't afford housing they find appealing.
 - There is a need for units that are affordable to those making less than the housing wage.
 - There is a community need/request for additional restaurants, large chain stores and other services. However, these sectors tend to create jobs at the lower end of the income spectrum.
 - Without affordable housing options, they will not be able to live in Mount Horeb.
 - Development of affordable housing will require some subsidy and necessitate that the community reach out to developers as well as seek subsidies to ensure affordability.

Action Items:

- There is a clear market demand for a wide variety of additional multifamily housing in the Village of Mount Horeb.
- By broadening the housing options available, additional multifamily housing would help the Village attract and retain a wider range of households as both younger and older residents may be attracted to the amenities multifamily housing can offer.
- The increased supply of housing would also lower the overall cost of housing in the Village.
- Multifamily housing near the downtown area may help provide more customers for local businesses, and improve the economic base of the Village. For these reasons, Mount Horeb would benefit from providing additional multifamily options across all income levels within the Village.

Challenges:

- As with many communities, Mount Horeb struggles with how to act on this information..... the obvious need for a variety of housing options including multi-family, senior, single family, and affordable.
- As with many communities, it is a challenge to attract developers to the community. Located just outside Madison, the land prices are similar or perceived higher, the rents tend to be lower, yet the cost of construction does not vary from the Greater Madison Area where rent expectations are higher.
- As with many communities there is not a pool of money available to develop housing internally.

Next Steps:

- The Mount Horeb Area Economic Development Corporation and the Village of Mount Horeb together acknowledge this need.
- Together we are asking a lot of questions, reaching out to many professionals, watching and learning from other communities.
- We have reached out to Olivia Parry at the Dane County Planning & Development to learn what types of focus groups or entities that other communities have formed to tackle this issue.
- We are in the preliminary stages of identifying local business leaders, business owners, and developers who may have an interest in being a part of a focus group or entity in early 2019.

Thank you.

- A special thank you to Kathy Kamp with Wisconsin Partnership for Housing Development who prepared the 2013 Mount Horeb Housing Study and the 2018 Mount Horeb updated study.
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- Website: www.mhaedc.com
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Mount Horeb, Wisconsin

