Sun Prairie

Housing for All

Sun Prairie Housing Study & Recommendations

A briefing book presenting an in-depth assessment on Sun Prairie supply and recommendations that include policies, strategies, and programs to improve housing conditions

THE LAKOTA GROUP.

SBFRIEDMAN

DRAFT – April 7, 2022

Table of Contents

Executive Summary

Contributors

A Housing Advisory Committee provided essential input and direction for the study.

Community Development Authority

- James Benzine
- Paul Esser
- Bob Jokisch
- Jimmy Kauffman
- Dwayne Maddox
- Jerry Ruffin
- Angela Thomas

Advisory Group

- April Brazier-Raza
- Gail Brooks
- Dan Callies
- Lori Candelmo
- Francy Castiblanco
- George Chavez
- Nick Conrad
- Peggy Draeger
- Analiese Eicher
- Steve Hanrahan
- Deb Klein
- Ann Maastricht
- Barry Mahlum
- Joy Matthews
- Olivia Parry
- Kurt Paulson
- Teran Peterson
- Katie Peterson
- Jamie Racine
- Karla Thennes
- Janelle Vreugdenhil
- Paul Winans

Sun Prairie Housing for All plan is built on the efforts and dedication of community leaders and residents.
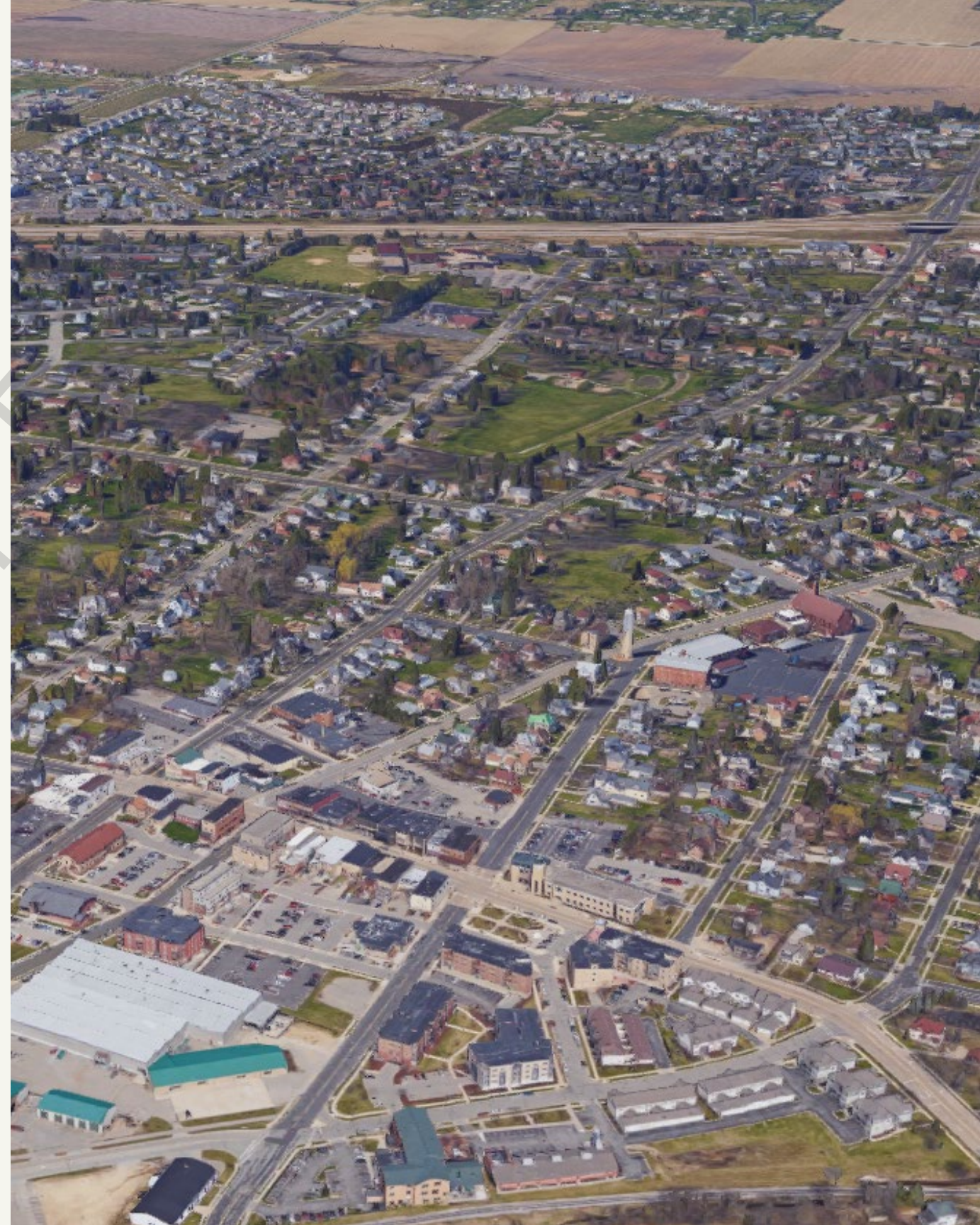
Executive Summary

Project Overview

The City of Sun Prairie (the "City") engaged the Lakota Group, a Chicago-based urban planning and design firm, alongside SB Friedman, a housing and economic development consulting firm (together, the "Team"), to conduct a housing study and identify strategies to address local housing needs. The purpose of the assessment is to:

1. Conduct an existing conditions assessment;
2. Identify key housing-related issues and unmet needs; and
3. Identify potential programs, policies, and strategies to address identified housing challenges and opportunities.

The Project has been advised by the City's Community Development Authority ("CDA") and a broader Housing Advisory Group. The Project began in May 2021 and was completed in early 2022.

This housing study, "Housing for All," provides City staff, elected officials and the Sun Prairie community a more comprehensive understanding of the local housing market, housing challenges, and current and future needs. The Housing for All initiative balances community engagement, quantitative analysis and fieldwork to delve into the unique housing conditions, challenges and opportunities in Sun Prairie.

The Sun Prairie Housing Study and Recommendations report provides an overview of existing housing conditions in Sun Prairie and tools to address a variety of housing issues. The findings and recommendations of this report are intended to work in conjunction and be incorporated with existing plans such as the City's 2019 to 2039 Comprehensive Plan and the 2019 Dane County Housing Needs Assessment. The data and recommendations from this study allow the City to continue making data-driven decisions to improve the overall quality of life in Sun Prairie.
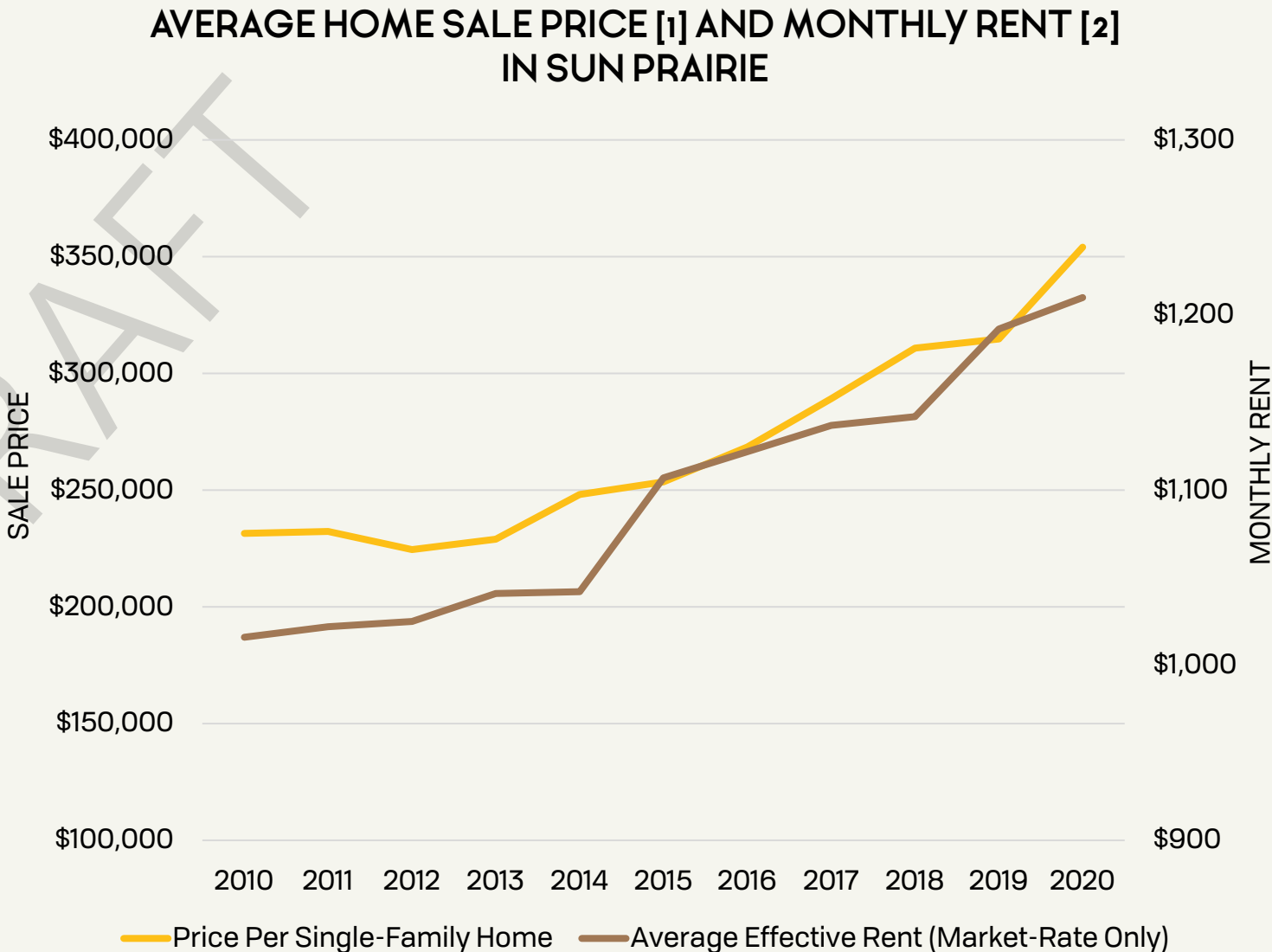
Executive Summary

Housing in Sun Prairie today and the growing affordability challenge

There are a variety of housing options - from single-family (single-family houses, townhomes and duplexes) to multifamily (apartments and condos) homes - in Sun Prairie, contributing to distinctive neighborhoods. Housing styles in different neighborhoods tend to reflect the period of development; as seen through pockets of 1950s ranch houses, newer two-story single-family homes, or modern apartment buildings.

The housing market in Sun Prairie has been very active over the last decade with numerous multifamily and single-family developments.

The price of housing for both rental and for-sale product in Sun Prairie has regularly increased, as shown in the chart to the right. Despite the regular influx of new units, market pressure has continued to increase as demand for housing exceeds available supply.

AVERAGE HOME SALE PRICE [1] AND MONTHLY RENT [2] IN SUN PRAIRIE

Price Per Single-Family Home — Average Effective Rent (Market-Rate Only)

[1] Home sale price for single-family detached homes only.
[2] Rent for market-rate rental units only.

Sources: Costar (data from July 2021), Sun Prairie, SB Friedman

5

Executive Summary

Rising housing costs are anticipated to exacerbate existing housing affordability challenges

There are two common measures of housing affordability: housing shortfall and housing cost burden. Housing shortfalls are present where there are not enough housing units affordable[1] to households at particular income levels. Cost burdened households are those households, regardless of income, which spend 30% or more of their income on housing.

In Sun Prairie today, approximately 60% of households are owner-occupied. There is an affordable housing shortfall for the lowest income households, a gap of approximately 175 owner-occupied housing units and 660 renter-occupied units. There are an even greater number of cost-burdened households. Approximately 1,900 owner households and 2,000 renter households are cost burdened.

There are projected to be 18,300 households in Sun Prairie by 2040, an increase of 4,000 households from 2020. Based on Capital Area Regional Planning Commission (CARPC) forecasts and informed by SB Friedman's analysis, the projected household change assumes growth across all age and income cohorts. The projected household change is comparable to the change anticipated for Dane County overall.

Without the City taking action to increase the number of affordable units, based on the forecasted household change, the affordable housing shortfall could grow to 300 owner-occupied units and 950 renter occupied units. The number of cost-burdened households is also anticipated to rise, as the share of cost-burdened households is assumed to remain constant at 23% of owners and 37% of renters without changes to housing related laws, policies, and practices.

Shortfall for households earning <$25,000

	OWNERS	RENTERS
2019	± 175	± 660
2040	± 300	± 950

Cost-burdened households

	OWNERS	RENTERS
2019	± 1,900	± 2,000
2040	± 2,500	± 2,800

Executive Summary

Recommendations to address housing priorities

Through a combination of analysis and community outreach, a set of housing priorities were identified, including:

1. Identification of longer-term organizational strategies to regularly provide direction on housing issues within the City;
2. Increasing the overall housing stock within the City, to address today's shortfall and keep pace with the new household growth across the region;
3. Increasing the number of affordable units available to lower-income households experiencing housing cost burden; and
4. Improving the overall quality, accessibility and attainability of housing for residents. This priority focuses on strategies which seek to improve the condition of existing properties, make properties accessible to people with disabilities, and increase access to attainable housing for underrepresented community members (i.e., Black, Latinx, new immigrant, etc.).

After consideration of a full set of potential of strategies, the Team identified a subset of housing strategies that best address each of the needs raised by community residents. Each of the following strategies were reviewed and confirmed by the CDA:

Organizational Strategies	Strategies to Increase Housing Stock	Strategies to Increase Affordable Stock	Strategies to Improve the Quality, Accessibility, and Attainability of Housing
▪ Communication and Education ▪ Dedicated Housing Committee ▪ Dedicated Housing Staff ▪ Annual Tracking/Reporting	▪ Zoning for By Right Development ▪ Accessory Dwelling Units ▪ Development Community Outreach ▪ Entitlement Incentives	▪ Community Land Trust ▪ Dedicated Sources to Support Affordable Housing ▪ Employer Assisted Housing ▪ Zoning Overlay District	▪ Down Payment Assistance Program ▪ Local Housing Coalition ▪ Non-Traditional Lending Products for Households ▪ Rehab Loan Fund / Grant Program

The following report details analysis, engagement and strategy recommendations.

Project Overview

Project Overview

A comprehensive understanding of the local housing market, housing challenges, current and future needs, and strategies to address the needs

The City of Sun Prairie (the "City") engaged the Lakota Group, a Chicago-based urban planning and design firm, alongside SB Friedman, a housing and economic development consulting firm, to conduct a housing study and identify strategies to address local housing needs. The purpose of the assessment is to:

1. Conduct an existing conditions assessment;
2. Identify key housing-related issues and unmet needs; and
3. Identify potential programs, policies and strategies to address identified housing challenges and opportunities.

The Project has been advised by the Community Development Authority ("CDA") and a broader Housing Advisory Group. The Project began in May 2021 and completed in early 2022.

This housing study, "Housing for All," provides City staff, elected officials, and the Sun Prairie community a more comprehensive understanding of the local housing market, housing challenges, and current and future needs. The Housing for All initiative balances community engagement, quantitative analysis and fieldwork to delve into the unique housing conditions, challenges and opportunities in Sun Prairie.

Housing for All utilizes a variety of data sources, and uses the most recent data available, 2019-2021 depending on the data source.

The Sun Prairie Housing Study and Recommendations report provides an overview of existing housing conditions in Sun Prairie and tools to address a variety of housing issues. The findings and recommendations of this report are intended to work in conjunction and be incorporated with existing plans such as the City's 2019 to 2039 Comprehensive Plan and the 2019 Dane County Housing Needs Assessment. The data and recommendations from this study allow the City to continue making data-driven decisions to improve the overall quality of life in Sun Prairie.

Community Engagement

Housing for All, informed by all

In addition to the oversight from the Housing Advisory Group, the Housing for All initiative prioritized community engagement at every step in the process. Hearing from residents, businesses, local nonprofits and City staff is essential to understanding local housing challenges. Housing for All included multiple public meetings, a community survey, focus groups, stakeholder interviews, and informal discussions with community residents. The Team connected with Neighborhood Navigators, a grassroots program which connects residents to community resources, in addition to attending a vaccination clinic. Engagement touch points were dispersed throughout the year to ensure each major analytical milestone included an opportunity to hear from the public.

EXISTING CONDITIONS ASSESSMENT	IDENTIFICATION OF KEY ISSUES	STRATEGY DEVELOPMENT	FINALIZE PLAN

APR '21 — MAY — JUNE — JULY — AUG — SEPT — OCT — NOV — DEC — JAN '22 — FEB — MAR — APR

- HOUSING ADVISORY GROUP (APR '21)
- HOUSING ADVISORY GROUP (JUNE)
- HOUSING ADVISORY GROUP (OCT)
- HOUSING ADVISORY GROUP (DEC)
- HOUSING ADVISORY GROUP (APR)

- RESIDENT FOCUS GROUPS
- TARGETED RESIDENT INTERVIEWS
- STAKEHOLDER INTERVIEWS
- CONNECT WITH NEIGHBORHOOD NAVIGATORS
- EMPLOYER FOCUS GROUP
- VACCINATION CLINIC INTERVIEWS
- COMMUNITY SURVEY
- COMMUNITY MEETING #1
- COMMUNITY MEETING #2

DRAFT

Affordability is a challenge throughout the region

Rapid growth across the region has increased attention on housing affordability issues

Housing affordability is a challenge throughout Dane County and the nation. Dane County has struggled to meet the demand for housing as the region continues to attract new households from across the state and country. The lack of available housing has led to an increase in housing prices for both rental and for-sale properties.

Dane County produced a 2019 Housing Needs Assessment, an update to the 2015 report on housing needs released by the Dane County Housing Initiative. The study was an important step in better documenting affordable housing challenges across the County.

Several communities have followed suit in in recent years, delving into local housing conditions, challenges, and opportunities. As a fast-growing community with a rapidly changing housing market, the City of Sun Prairie elected to do the same.

Cti THE CAP TIMES
Madison, Wisconsin

EDITOR'S PICK

Local execs: Dane County growth highlights housing, transportation needs
Abigail Becker | The Capital Times   Aug 16, 2021

Affordable for whom? Madison's housing crisis continues to leave low income renters behind
Nicholas Garton   Nov 25, 2020 Updated Nov 25, 2020   12 min to read

EDITOR'S PICK

Dane County Board OKs more than $4.3 million for affordable housing
Abigail Becker | The Capital Times   Mar 5, 2021

Our house: Could co-ops help solve Madison's housing crisis?
Abigail Becker | The Capital Times   Apr 7, 2021   11 min to read

Watch now: Habitat for Humanity continues its growth in Sun Prairie
Barry Adams | Wisconsin State Journal   Aug 23, 2021   0

Acknowledging Historic Housing Inequities

Dane County continues to report racial and ethnic disparities for housing

The 2019 Dane County Housing Needs Assessment documented racial and ethnic disparities in housing opportunity and burden, not unlike housing outcomes seen in communities across the Country. According to the study, legacies of "discrimination, red-lining, and exclusionary zoning led to patterns of spatial segregation and disparities in homeownership rates." These exclusionary practices continue today, impacting both individuals and the community for generations. Combined with ongoing disparities in income between different racial and ethnic groups, there is a continued need to increase access to capital and wealth building opportunities for marginalized residents. Within Sun Prairie, there are also significant immigrant populations with limited English proficiency who struggle to access housing, and often are not aware of fair housing protections.

Equitable access to safe and affordable housing choices, including homeownership, and to well-designed and serviced neighborhoods, is vital. Homeownership allows for households to build wealth over time and increases the likelihood children will purchase a home earlier in life, lengthening the period of time where they can accumulate wealth (Habitat for Humanity). While over 64% of Sun Prairie White households are currently homeowners, less than 44% of Hispanic households, and only 17% of Black households are homeowners. A recent March 2022 article by the Wisconsin Policy Forum titled "Racial Disparities in Homeownership Extend Beyond Milwaukee" highlighted how racial disparities in homeownership have only worsened over the past 10 years.

While these are issues that have been institutionalized nationally over many decades, communities have a role in understanding, evaluating and addressing how they impact current and future residents. Recognizing longstanding barriers to affordable and accessible housing, the City is actively seeking to assist in addressing challenges through initiatives such as the citywide Equity Audit, Active Transportation Plan, Sustainability Committee, and more to improve the overall quality of life for all community members.

The Sun Prairie Housing for All initiative sought to identify and address these longstanding racial inequities through a deliberate approach to analysis and engagement. In addition to community-wide outreach, additional engagement was conducted with historically underrepresented stakeholder groups to better understand challenges on the ground – which extend far beyond barriers to homeownership. This study is one effort of many concerted efforts that will be required to address longstanding housing inequalities. Housing affordability is inherently tied to historic inequalities, which requires the City to not only address current housing supply challenges but also the longstanding inequities which compound housing affordability.

The results of this analysis and engagement, along with recommended strategies to address priorities raised, are addressed throughout this Study.

Housing Intersection with Other Dynamics

Variables beyond housing cost impact housing affordability

Housing and transportation typically account for a substantial share of household expenditures. According to the US Bureau of Labor Statistics, on average from 2019-2020, households in the United States spent 33.8% of expenditures on housing, 16.5% on transportation, and 12.5% on food. Other common expenditures include health care, entertainment, personal insurance and pensions, education, and childcare.

While one solution to reducing cost burden for households would be to reduce the cost of housing, there are other factors at play as well. For many young households, the combination of childcare and student loan debt can substantially impact the feasibility of homeownership – or affordability of higher-rent alternatives. According to a National Association of Realtors study in 2021, over 60% of people born between 1981 and 1996 report that student loan debt impacted their ability to purchase a home.

Beyond housing cost alone, housing affordability must be viewed within the context of rising income inequality nationally. Housing insecurity is highest for households at lower income levels. Especially in Dane County, where housing demand and prices continue to rise, it is important to consider the impact of wages on housing affordability. National labor shortages led to wage increases in 2021, however inflation grew at a faster rate. According to the US Department of Labor, inflation increased by 7% in 2021 while wages only increased by 5% - effectively averaging at a 2% pay cut for workers. Ongoing national economic dynamics will continue to influence the local housing market and must be assessed over time.

While this study predominately contemplates the supply of affordable housing, it is important to recognize the linkages housing affordability has with additional variables including location, transportation, public health, and more. Advancing housing affordability requires a multipronged policy approach which takes these different considerations into account. Advancement of affordable housing strategies must occur with a broad lens that encompasses these considerations to maximize the benefit to households over time.

KEY HOUSEHOLD COSTS

Housing

Transportation

Food

Childcare

Healthcare

Existing Conditions Assessment

1. **Sun Prairie Households**
2. **Sun Prairie Housing Stock**
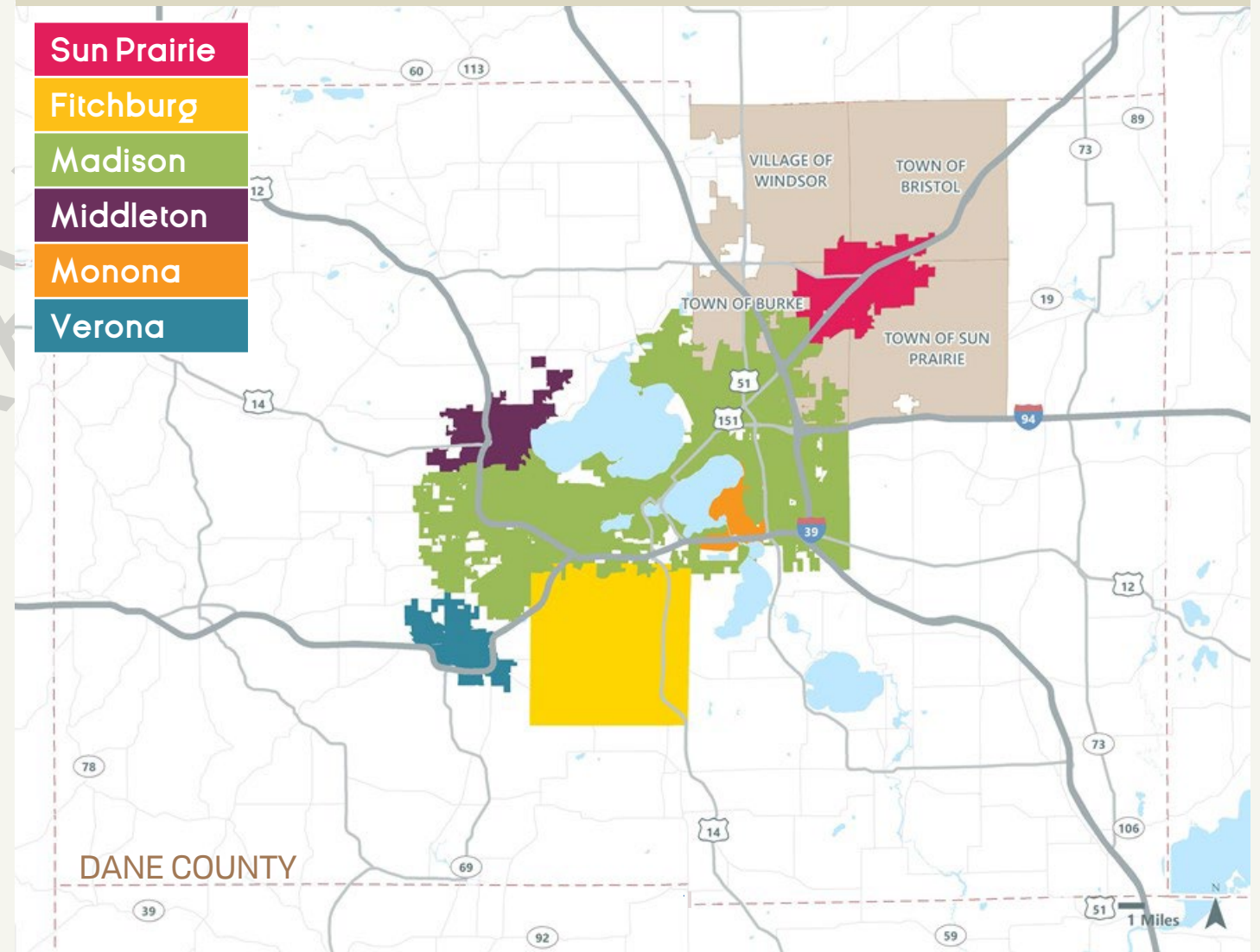
Sun Prairie Households

Regional context

Sun Prairie is a suburban community in northeast Dane County

The City of Sun Prairie is located northeast of Madison in Dane County. In the Madison metro area, Sun Prairie has become known for its historic downtown, quaint residential communities and a strong school system.

Many of the housing challenges Sun Prairie faces are comparable to those experienced by other municipalities in Dane County. A series of peer communities – Fitchburg, Madison, Middletown, Monona and Verona – were used to benchmark existing conditions as part of the Existing Conditions Assessment.

SUN PRAIRIE CONTEXT

- Sun Prairie
- Fitchburg
- Madison
- Middleton
- Monona
- Verona

DANE COUNTY

Sources: Esri, U.S. Census Bureau, SB Friedman

Sun Prairie continues to grow rapidly

Sun Prairie has 1.7x as many people as it did in 2000

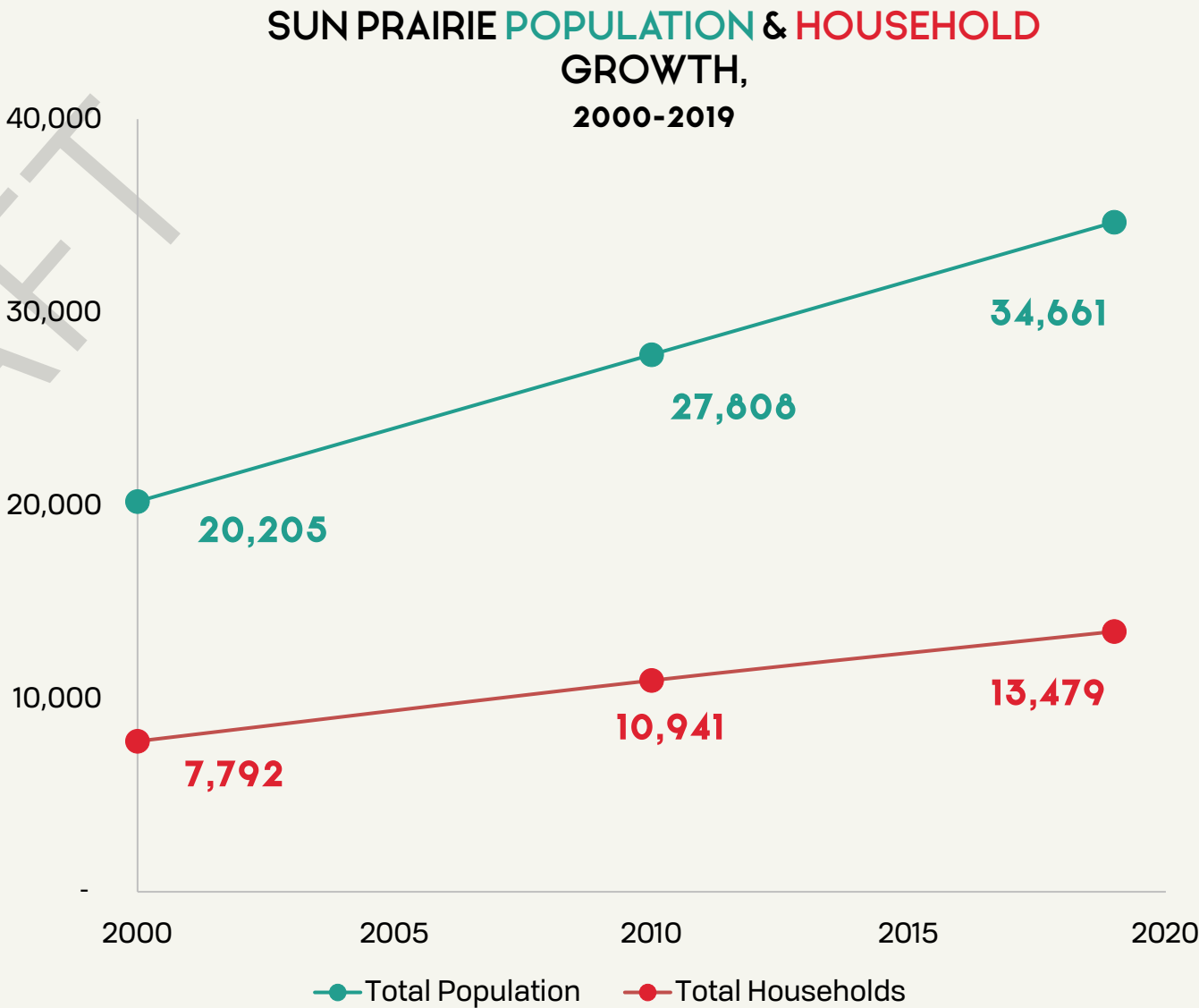In 2020, the City of Sun Prairie was home to approximately 35,000 residents and 13,500 households.

The City has grown rapidly over the last two decades, adding on average approximately 300 households annually from 2000-2019. Today, the City has more than 1.7x as many people as it did in 2000.

From 2010-2020, the City growth rate slowed relative to the prior decade. However, the growth rate continued to exceed the rate of population change in both the County and State.

3.5%
Household growth rate, 2000-2010

± 300
Avg. annual household increase, 2000-2019

2.4%
Household growth rate, 2010-2019

SUN PRAIRIE POPULATION & HOUSEHOLD GROWTH, 2000-2019

- Total Population
- Total Households

Population: 20,205 (2000), 27,808 (2010), 34,661 (2019)
Households: 7,792 (2000), 10,941 (2010), 13,479 (2019)

Sun Prairie and peer community demographics

Sun Prairie shares similarities with its neighboring communities

Sun Prairie is the second most populace municipality in Dane County and has added more households in the past ten years than all peer communities except Madison and Fitchburg. Sun Prairie has a relatively high homeownership rate and median household income in comparison to the peer communities. Only Verona exceeds the homeownership rate and median household income in Sun Prairie.

	Fitchburg	Madison	Middleton	Monona	Verona	Sun Prairie
Total Households	12,449	110,294	8,899	3,896	5,122	13,479
Household Change (2010-2019)	+3,057	+12,078	+1,143	+24	+1,203	+2,538

OWNERSHIP RATE

MEDIAN AGE

MEDIAN HOUSEHOLD INCOME
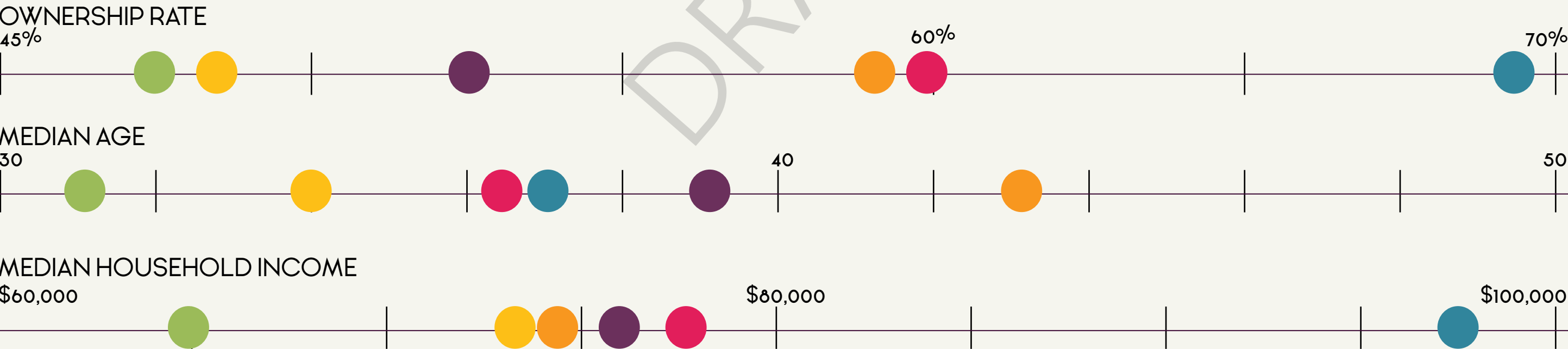
Why do residents choose Sun Prairie?

Population growth driven by quality of life, schools, and proximity to jobs

Sun Prairie residents attribute much of the rapid growth in households to the high quality of life available in Sun Prairie. Throughout resident conversations[1], focus groups[2] and survey feedback, recurring top reasons for choosing to live in Sun Prairie included the calm and quiet neighborhoods, high quality schools, proximity to Madison, and access to stores and restaurants.

BENEFITS OF LIVING IN SUN PRAIRIE

1. Calm and quiet neighborhoods

2. High quality schools with supportive staff/administration

3. Proximity to Madison

4. Access to stores and restaurants

[1] Resident discussions conducted in conjunction with Neighborhood Navigators, a grassroots program to connect residents to community resources
[2] A list of the focus groups and interviews can be found in Appendix A.

# Growth occurring in older and wealthier households

Despite a decade of tremendous growth, Sun Prairie lost households in some segments

The City of Sun Prairie added more than 2,630 households from 2010 to 2019. Household growth is occurring predominately in older and wealthier households. Households earning more than $100k had the most growth since 2010. Over the same period, the City experienced a decline in households under the age of 25.

+2,630

household increase, 2010-2019

45+

age bracket with the largest household increase, 2010-2019

>$100,000

income bracket with the largest household increase, 2010-2019
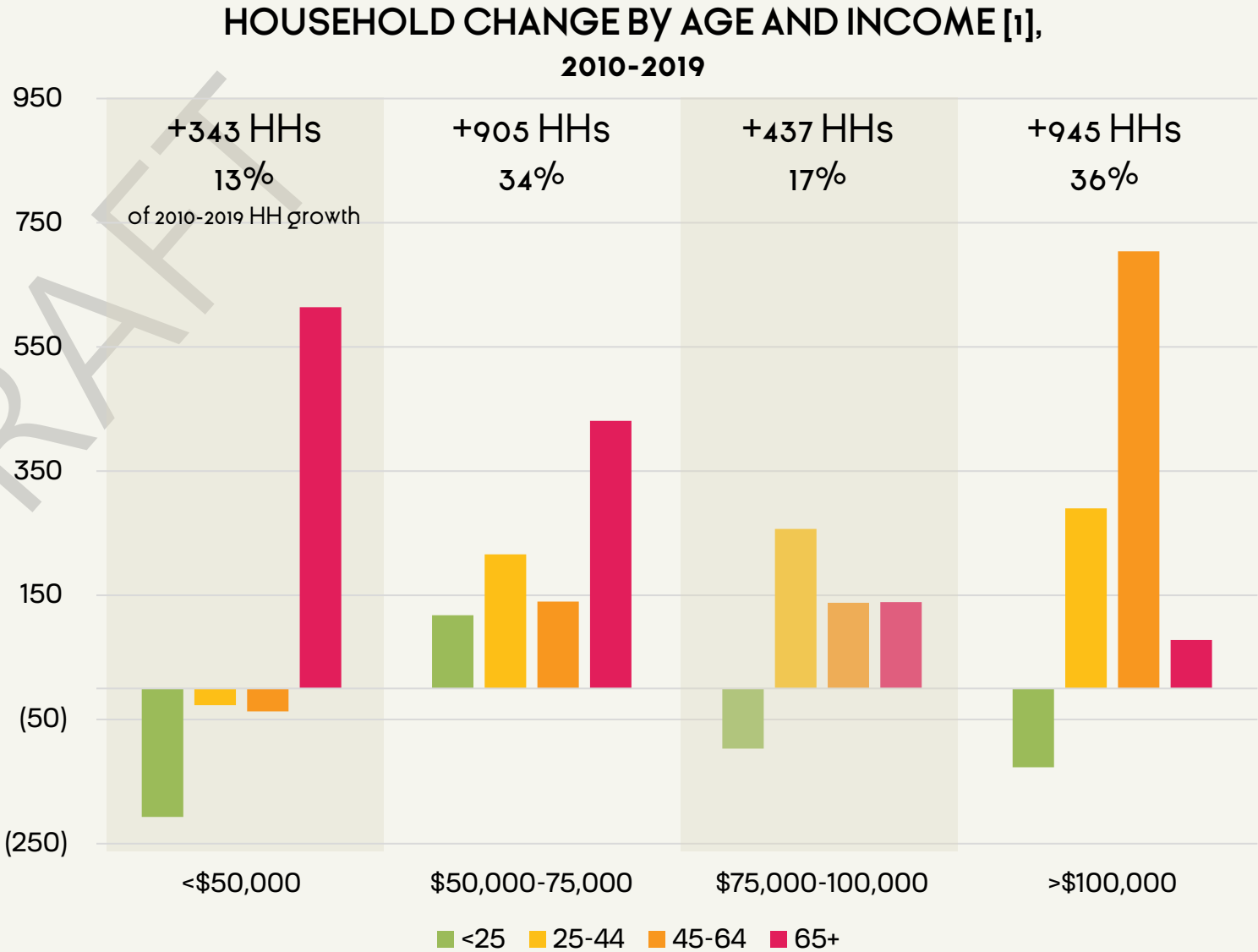
[1] Income in 2010 has been inflation adjusted to 2019 dollars.
Sources: U.S. Census Bureau, SB Friedman

HOUSEHOLD CHANGE BY AGE AND INCOME [1], 2010-2019

+343 HHs
13%
of 2010-2019 HH growth

+905 HHs
34%

+437 HHs
17%

+945 HHs
36%

Legend: ■ <25 ■ 25-44 ■ 45-64 ■ 65+

X-axis: <$50,000 | $50,000-75,000 | $75,000-100,000 | >$100,000

Y-axis: (250), (50), 150, 350, 550, 750, 950

Midwesterners are driving growth in Dane County

More than 90% of the migration change in Dane County is from elsewhere within Wisconsin

Like the City of Sun Prairie, Dane County is also growing. Nearly 3,000 net people move to Dane County each year (ie., total people who move to Dane County minus the people who leave the County). Much of the net increase is due to migration from within Wisconsin. Interestingly, nearly half of the net increase in Dane County population is attributed to people from Waukesha County, WI, a county in the Greater Milwaukee area.
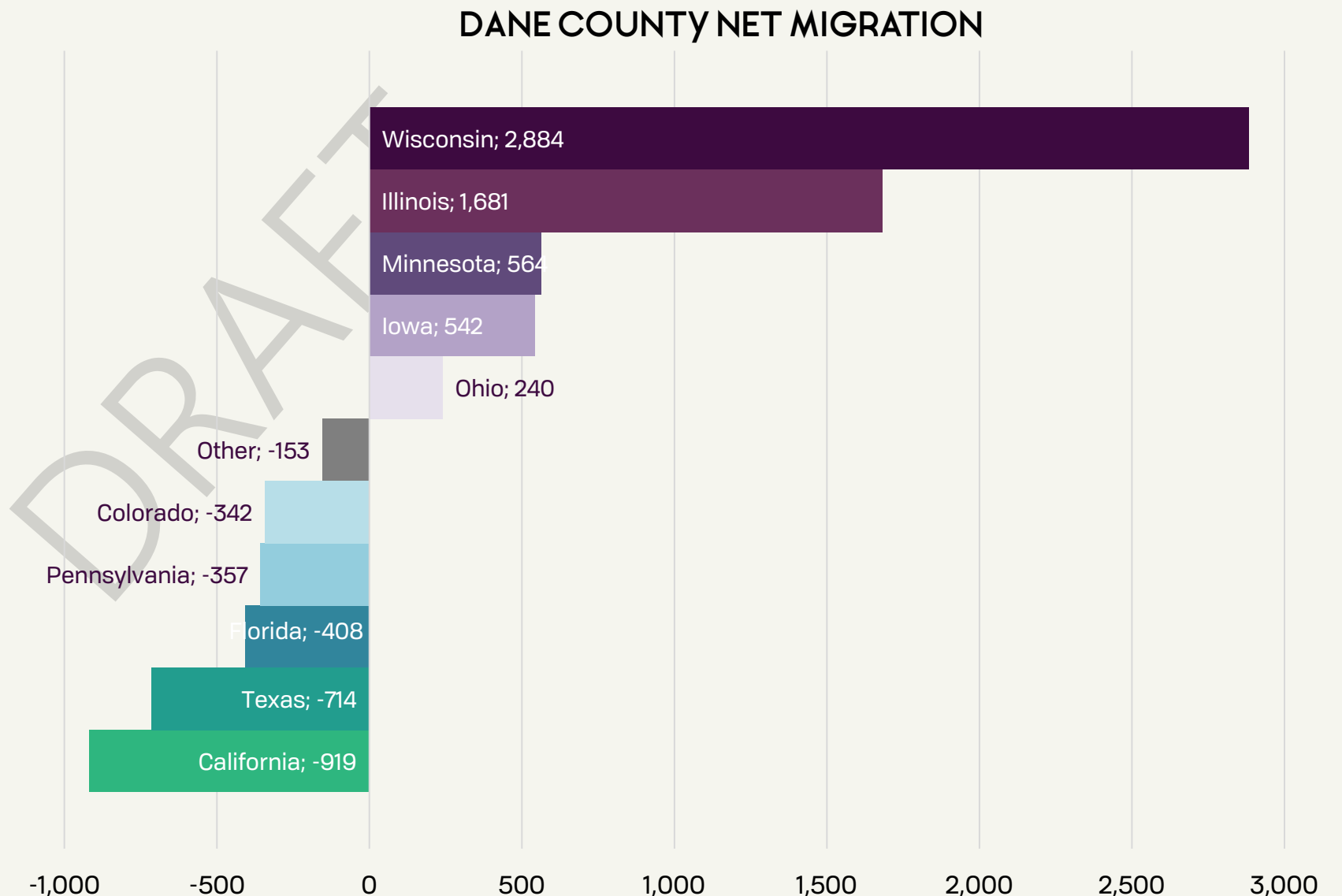
Approximately 30% of movers to the County from outside the state are under the age of 25 and likely students at the University of Wisconsin, Madison. Regardless, the influx of new households increases pressure on the housing market.

±3,000
Net people move to Dane County annually

Waukesha County, WI
Where greatest share of new residents move from

DANE COUNTY NET MIGRATION

Location	Net Migration
Wisconsin	2,884
Illinois	1,681
Minnesota	564
Iowa	542
Ohio	240
Other	-153
Colorado	-342
Pennsylvania	-357
Florida	-408
Texas	-714
California	-919

Most workers commute into Sun Prairie

There is limited overlap between people who live and work in Sun Prairie

For many years, Sun Prairie has served as a bedroom community, with residents primarily working elsewhere. Today, Sun Prairie also offers 12,650 jobs, concentrated in retail, educational services and manufacturing. These jobs continue to be primarily held by workers who live in other communities. About 79% of employees in Sun Prairie commute into the City from elsewhere in the region to work, with less than 3,000 people living and working in Sun Prairie. Similarly, nearly 86% of the Sun Prairie resident workforce, or approximately 15,800 people, commute elsewhere for work.
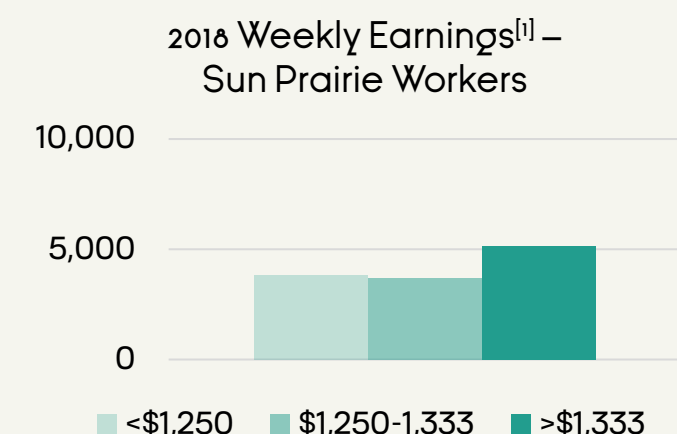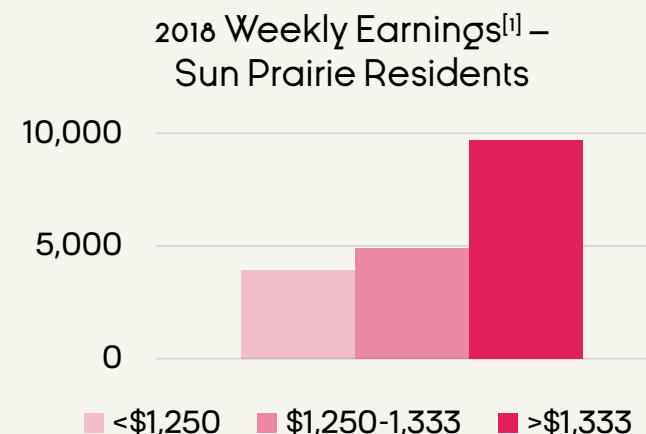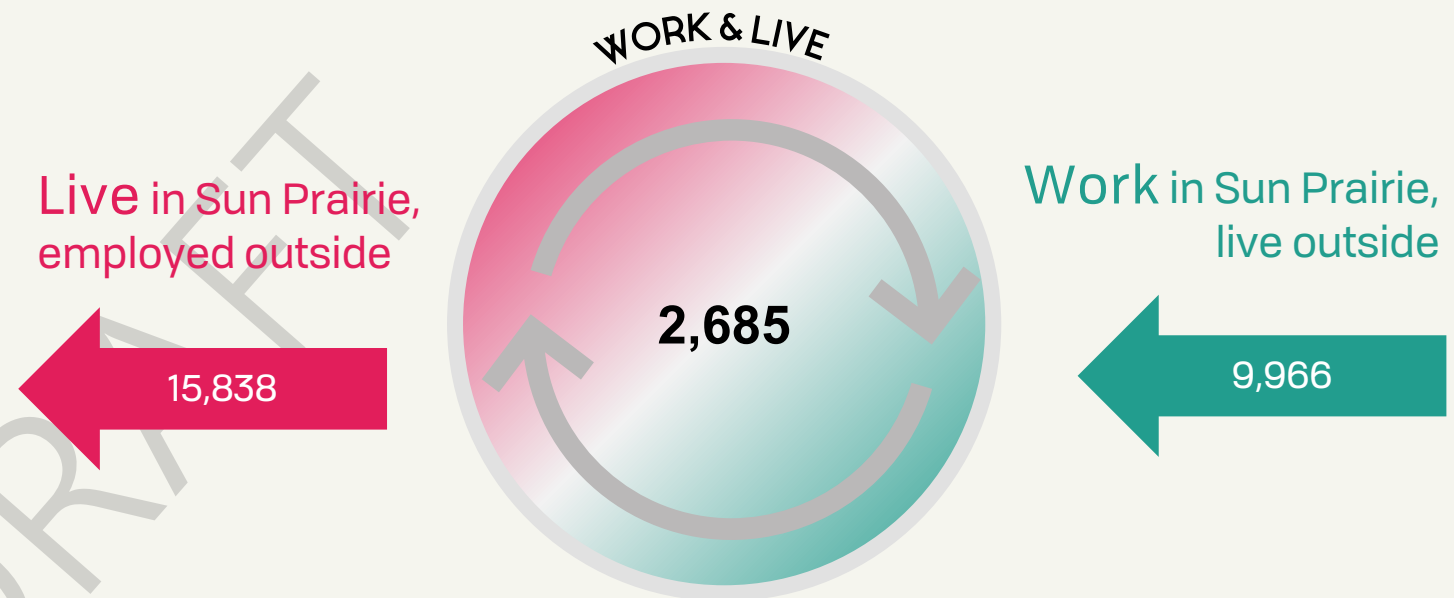
The limited overlap between local workers and the resident workforce is partially attributable to housing affordability. Workers within the City tend to earn less than residents and often seek housing in more affordable communities.

WORK & LIVE

2,685

Live in Sun Prairie, employed outside

15,838

Work in Sun Prairie, live outside

9,966

3,100 / 1.8%
Job increase / growth rate, 2002-2018

6,000 / 2.5%
Population increase / growth rate, 2002-2018

2018 Weekly Earnings[1] – Sun Prairie Residents

10,000

5,000

0

■ <$1,250 ■ $1,250-1,333 ■ >$1,333

2018 Weekly Earnings[1] – Sun Prairie Workers

10,000

5,000

0

■ <$1,250 ■ $1,250-1,333 ■ >$1,333

[1] Data represent earnings before taxes and other deductions and include any overtime pay, commissions, or tips usually received.
Sources: Longitudinal Employment-Household Dynamics, EMSI, SB Friedman

Sun Prairie median household income

The median household income in Sun Prairie is $77,100, slightly higher than Dane County

The median household income for a 3-person household is $77,100 in Sun Prairie and $73,900 in Dane County. Approximately 36% of households in Sun Prairie earn more than $100,000 annually, while 30% earn less than $50,000.
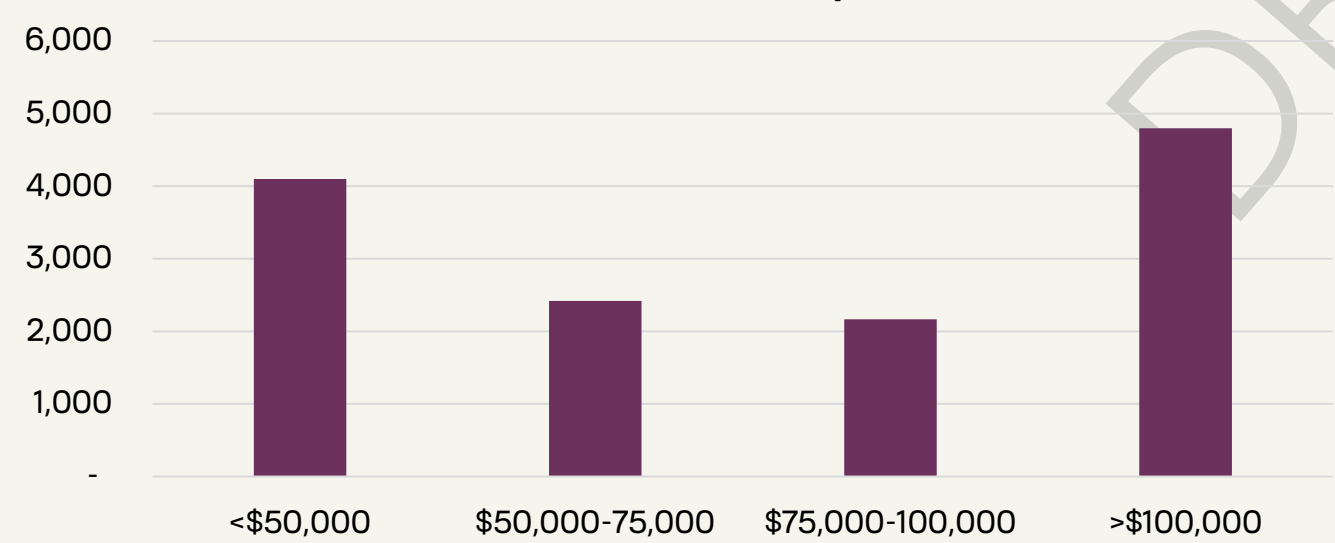
Based on average earnings for occupations in Sun Prairie, below are example households at various income levels:
- 100% median income: One architect
- 80% median income: Two retail employees
- 60% median income: One craft artist

$77,100
Median household income in Sun Prairie
$73,900 in Dane County
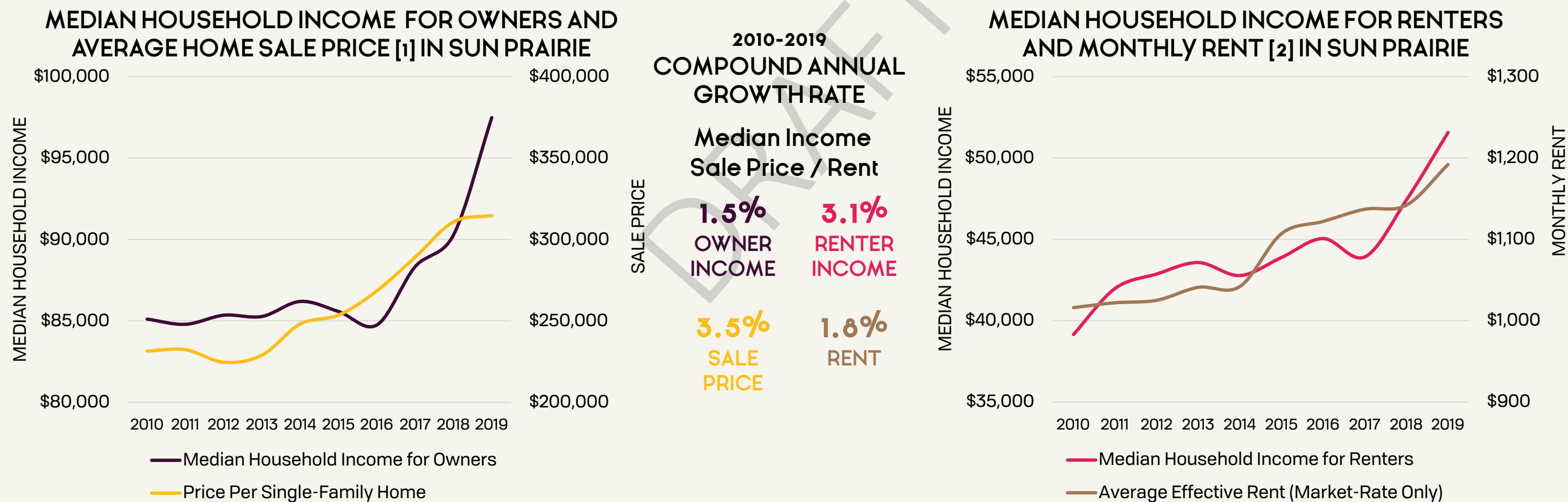
SUN PRAIRIE HOUSEHOLDS BY INCOME, 2019

MEDIAN INCOME [1]	INCOME	EXAMPLE HOUSEHOLD
100%	$77,100	Architect
80%	$61,700	Two retail employees
60%	$46,300	Craft artist

[1] Median household income in Sun Prairie per 2015-2019 5-Year ACS Estimates
Sources: U.S. Census Bureau, SB Friedman

Historic Income, Rent, and Sale Price Growth

Home sale prices have increased the fastest in the last ten years

From 2010-2019, the growth in home sale price for single-family attached homes outpaced the median household income growth for owner households in Sun Prairie. During the same period, the median household income for renters increased more than the average monthly rent in Sun Prairie, possibly reflecting the development of new multifamily rental developments geared towards higher-income households. For owners in particular, sale price growth outpacing income indicates an increasing affordability challenge. There are also additional living expenses that may challenge affordability, such as transportation, health care, childcare, etc.

MEDIAN HOUSEHOLD INCOME FOR OWNERS AND AVERAGE HOME SALE PRICE [1] IN SUN PRAIRIE

— Median Household Income for Owners
— Price Per Single-Family Home

2010-2019 COMPOUND ANNUAL GROWTH RATE

Median Income Sale Price / Rent

1.5% OWNER INCOME	3.1% RENTER INCOME
3.5% SALE PRICE	1.8% RENT

MEDIAN HOUSEHOLD INCOME FOR RENTERS AND MONTHLY RENT [2] IN SUN PRAIRIE

— Median Household Income for Renters
— Average Effective Rent (Market-Rate Only)

[1] Home sale price for single-family detached homes only.
[2] Rent for market-rate rental units only.

Sources: Costar (data from July 2021), Sun Prairie, SB Friedman

24

Sun Prairie Housing Stock

Housing in Sun Prairie

Sun Prairie housing takes a variety of shapes across the City

There are a variety of housing options from single-family to multifamily homes in Sun Prairie, helping to create distinct neighborhoods. Housing styles in different neighborhoods reflect the period of development, such as 1950s ranch houses and new two-story single-family homes. Older apartments tend to be entirely residential walk-up buildings, while many newer apartments are slightly higher density and may include ground floor commercial space.

SINGLE FAMILY DETACHED

SINGLE FAMILY ATTACHED
(townhomes, duplexes)

MULTIFAMILY
(apartments, condos)

Sources: Costar, Google, SB Friedman

City housing subareas

## 9 subareas with comparable socioeconomic and housing characteristics

Nine subareas were identified using Census block groups to evaluate existing housing conditions across the City. The subareas are based on shared demographic characteristics such as household income as well as housing characteristics such as building age.

SCAN TO LEARN MORE ABOUT EACH SUBAREA!

SUBAREA	SUMMARY
Near West (1)	This segment north of Highway 151 continues to include underutilized land available for housing. The subarea includes a mix of newer rental housing units and larger for-sale units built in the 1970s.
South (2)	Often pinned as "East Sun Prairie," many of the homes were built in the 1990s and 2000s and have relatively lower sale prices than newer larger homes on the west side of Sun Prairie.
East Central (3)	This subarea has the highest median household income and home value. The housing is predominately owner-occupied.
Northeast (4)	The few homes that exist in this subarea are almost entirely single-family detached homes built in the 1950s and 1960s that are relatively affordable.
Central (5)	The housing units are nearly a 50/50 split between rental and for-sale units and are relatively older units.
Southwest (6)	Housing here was nearly all built in the late 1990s or post-2000. This subarea has the lowest share of single-family homes.
Northwest (7)	This subarea is predominately composed of single family detached homes. There are a limited number of single family attached units near Highway 151.
Far West (8)	New housing, predominately single-family homes, has been developing in this area post-2000.
West Central (9)	Housing in this subarea was built nearly 50 years ago and has a relatively higher rate of rental units.

SUN PRAIRIE HOUSING SUBAREAS

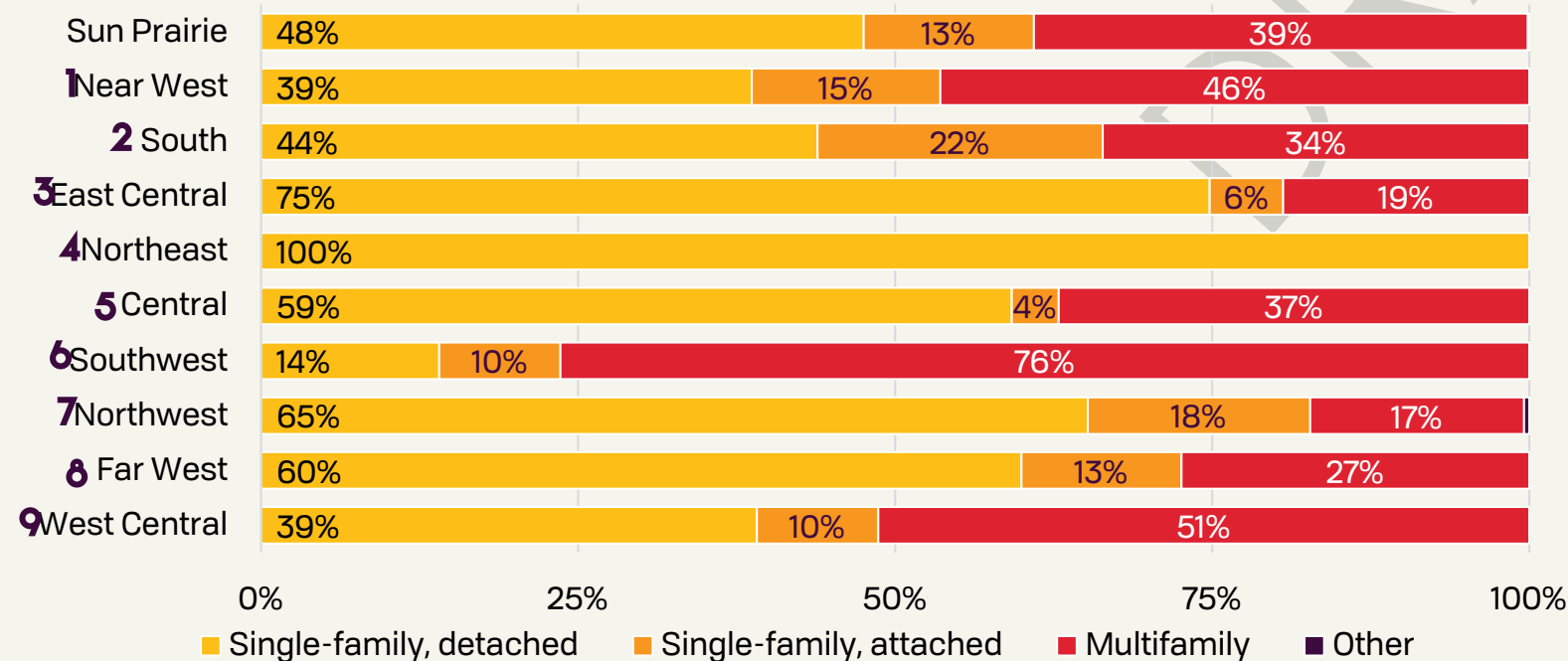Sources: Esri, U.S. Census Bureau, SB Friedman

27
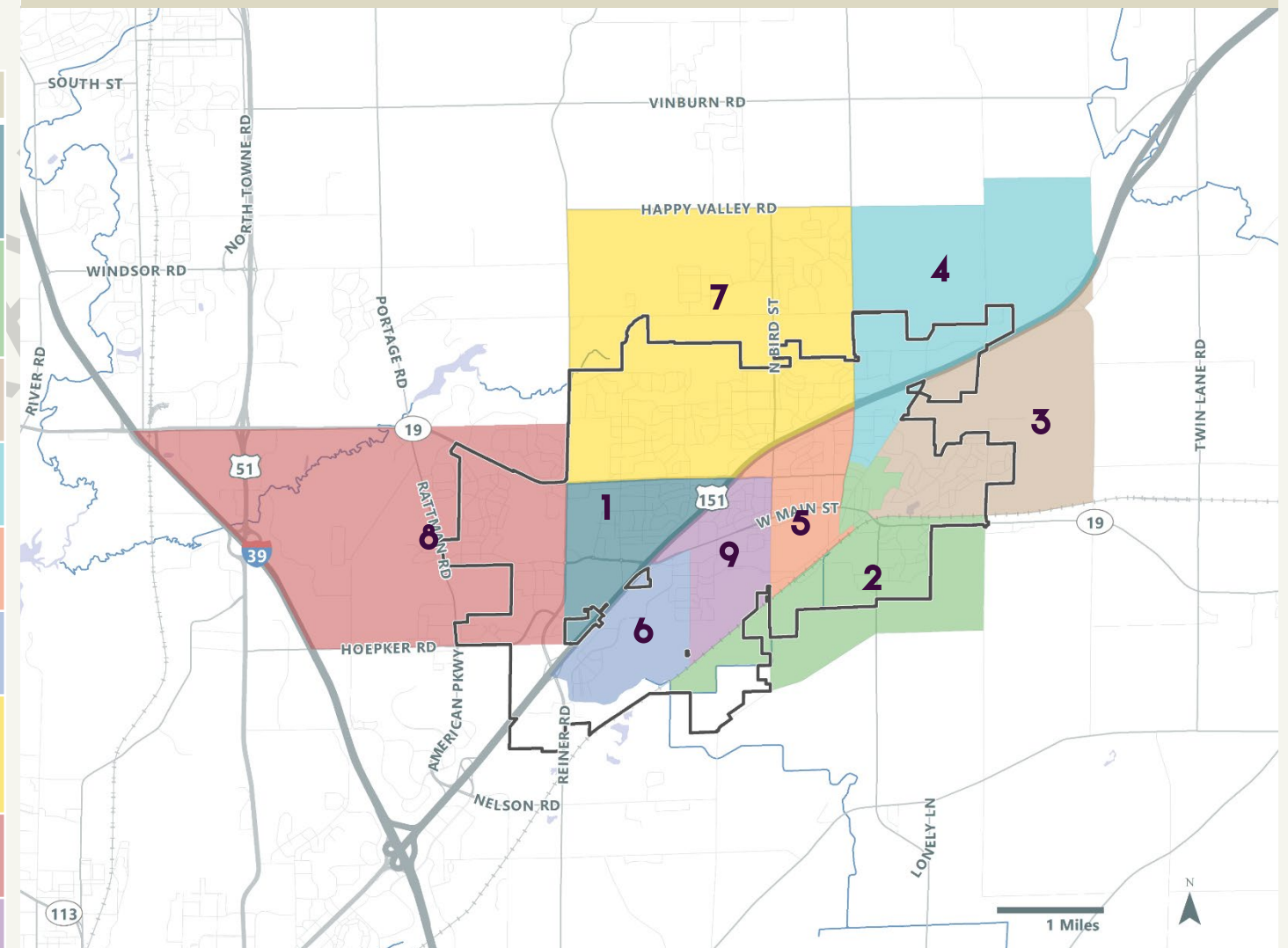
City housing composition

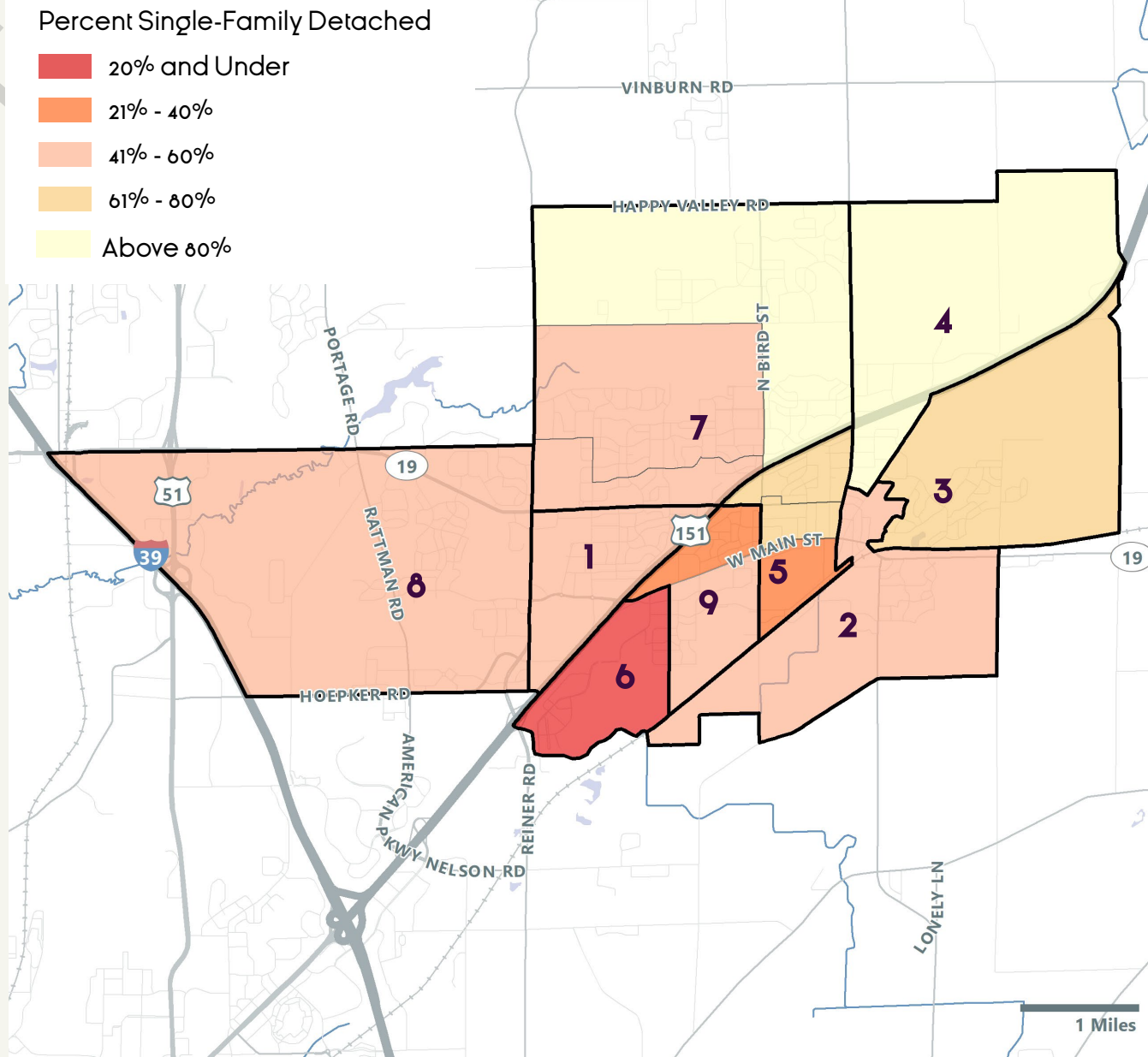## Housing diversity in Sun Prairie greater than the County overall

Approximately 48% of all housing units in Sun Prairie are single-family detached homes, which are concentrated in the northeastern part of the City. Approximately 13% of all units are townhomes and duplexes (referred to as single-family attached). The remaining 39% of units are apartments and condos (referred to as multifamily). Subareas to the south and west sides of the City have a higher share of multifamily housing than eastern subareas.

Dane County overall has slightly higher share of single-family detached units (52%) than Sun Prairie. The slightly lower share of single family detached units are offset by a much higher share of single family attached units in Sun Prairie (13%) versus the County (6%).

HOUSING TYPOLOGY BY SUB AREA, 2019

Sub Area	Single-family, detached	Single-family, attached	Multifamily
Sun Prairie	48%	13%	39%
1 Near West	39%	15%	46%
2 South	44%	22%	34%
3 East Central	75%	6%	19%
4 Northeast	100%		
5 Central	59%	4%	37%
6 Southwest	14%	10%	76%
7 Northwest	65%	18%	17%
8 Far West	60%	13%	27%
9 West Central	39%	10%	51%

■ Single-family, detached   ■ Single-family, attached   ■ Multifamily   ■ Other

Sources: Esri, U.S. Census Bureau, SB Friedman

SHARE OF SINGLE-FAMILY DETACHED HOUSING, 2019

Percent Single-Family Detached
- 20% and Under
- 21% – 40%
- 41% – 60%
- 61% – 80%
- Above 80%

1 Miles

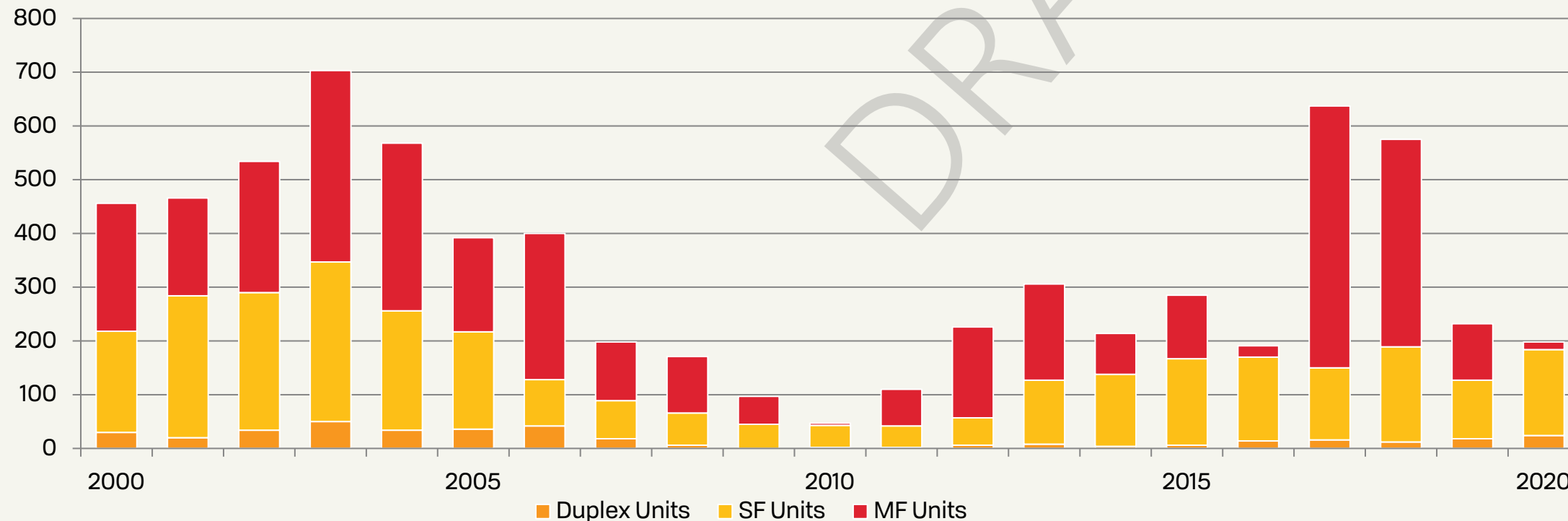# Housing development in Sun Prairie

Development activity in recent years remains below pre-Recession averages

Sun Prairie permitted an average of 334 new construction housing units annually over the last 20 years. Before the Great Recession (from 2000-2006) the City permitted more than 500 units annually. More recently, from 2015-2020, the development pace has been somewhat slower, with approximately 350 units permitted annually. Permit data indicates a shift toward multifamily development in recent years.

Avg. annual units permitted, 2000-2020

141 single family **+** **18** duplex **+** **175** multifamily **=** **334** total

NEW CONSTRUCTION HOUSING UNITS PERMITTED IN SUN PRAIRIE

Annual Avg. Units Permitted Comparison

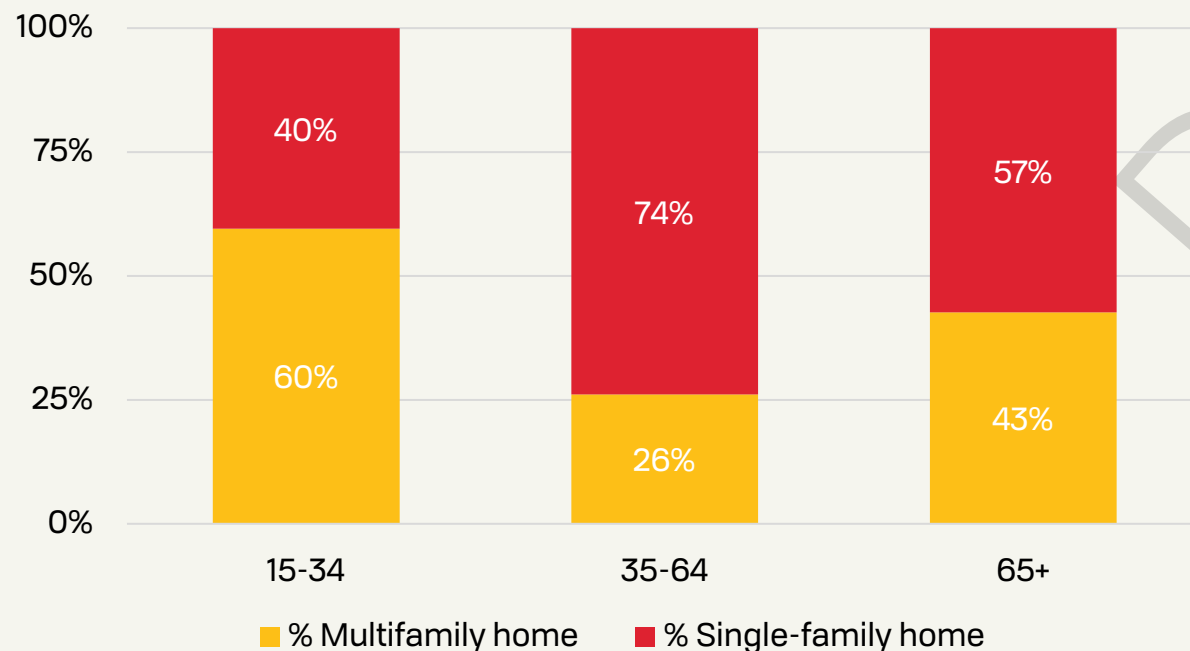|	2000-2006	2015-2020	
SINGLE FAMILY	254	150	
MULTI-FAMILY	213	189	
DUPLEX	35	15	

Legend: ■ Duplex Units ■ SF Units ■ MF Units

Impact of housing production on households

Increases in specific housing typologies will attract different household demographics
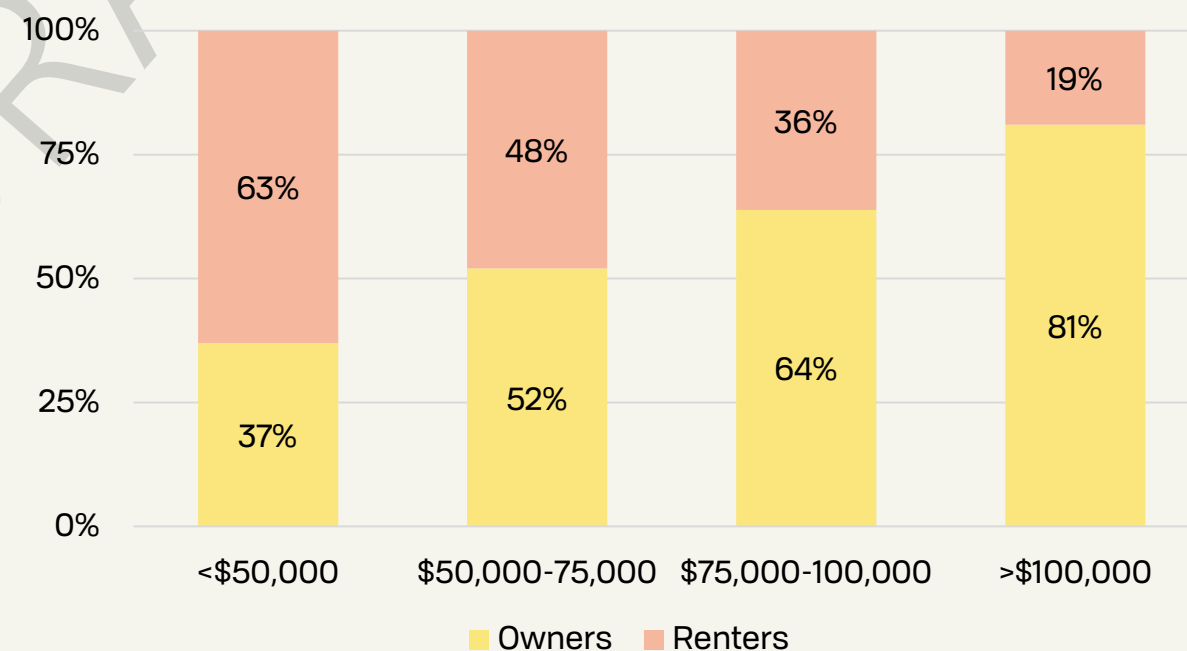
Housing unit availability has an impact on who is likely to live within Sun Prairie. Multifamily units are typically home to a higher share of younger households (under the age of 35) and seniors (65+). Younger households often live in multifamily housing, seeking flexibility and affordability, while aging seniors seek multifamily housing to reduce housing costs and maintenance needs. Attached housing types, such as duplexes, townhomes, and condominiums, tend to be more affordable ownership options than comparable detached homes.

There is often a shift toward single family homes for households toward the middle of their life, often correlated with greater wealth and children. Owner-occupied units are typically more affordable for middle- and upper-income households. Existing homeownership data indicates the likelihood a household is renting decreases as income increases. Increases in for-sale housing units will likely attract upper-income households who can afford the required down payment and monthly owner costs.

TYPE OF HOME BY AGE OF HOUSEHOLDER, 2019

Chart: stacked bar chart showing percentages.
- 15-34: % Multifamily home 60%, % Single-family home 40%
- 35-64: % Multifamily home 26%, % Single-family home 74%
- 65+: % Multifamily home 43%, % Single-family home 57%

Legend: % Multifamily home, % Single-family home

HOUSEHOLD INCOME BY TENURE, 2019

Chart: stacked bar chart showing percentages.
- <$50,000: Owners 37%, Renters 63%
- $50,000-75,000: Owners 52%, Renters 48%
- $75,000-100,000: Owners 64%, Renters 36%
- >$100,000: Owners 81%, Renters 19%

Legend: Owners, Renters

Sources: U.S. Census Bureau, SB Friedman

For-sale Housing Typologies

For-sale homes have become progressively larger and more expensive

In addition to the age of the home, there are many factors affecting current sale price, including the housing condition, features, size, neighborhood, and more.

1017 Vandenburg St
3 BR, 1 BA | 1,108 sf
Price: $187,154

1786 Colony Cir
3 BR, 2 BA | 1,732 sf
Price: $300,000

1471 Wild Iris St
3 BR, 4 BA | 2,124 sf
Price: $359,100

3255 Prospect Dr
5 BR, 3 BA | 2,588 sf
Price: $549,900

YEAR BUILT

1960 · 1994 · 2013 · 2016

| 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020 |

1974 · 2004 · 2021

395 Summit Ave
3 BR, 2 BA | 1,887 sf
Price: $288,750

1573 Wild Iris St
4 BR, 2.5 BA | 2,536 sf
Price: $395,000

2349 Blue Heron Blvd
5 BR, 3.5 BA | 5,430 sf
Price: $624,900

Sources: Redfin, Zillow, SB Friedman

Home values are higher in areas with newer housing

The median home value of $239,200 is affordable to households earning more than $63,200[1]

As the size of homes and demand for living in Sun Prairie have increased over time, so too have home prices. As shown in the map and in the chart below, median home value varies by subarea. However, subareas with newer neighborhoods tend to have higher median home values. As a result of larger homes and increasing construction costs in recent years, newer homes tend to be more expensive. The only three subareas with a median home value over $250,000 also report a median year built of 1990 or later.

MEDIAN HOME VALUE, 2019

Median Year Built Post-1990

Subarea	Value
Sun Prairie	$239,200
1 Near West	$247,800
2 South	$199,700
3 East Central	$276,900
4 Northeast	$214,300
5 Central	$180,433
6 Southwest	$230,600
7 Northwest	$267,867
8 Far West	$276,700
9 West Central	$189,400

$0 $50,000 $100,000 $150,000 $200,000 $250,000 $300,000
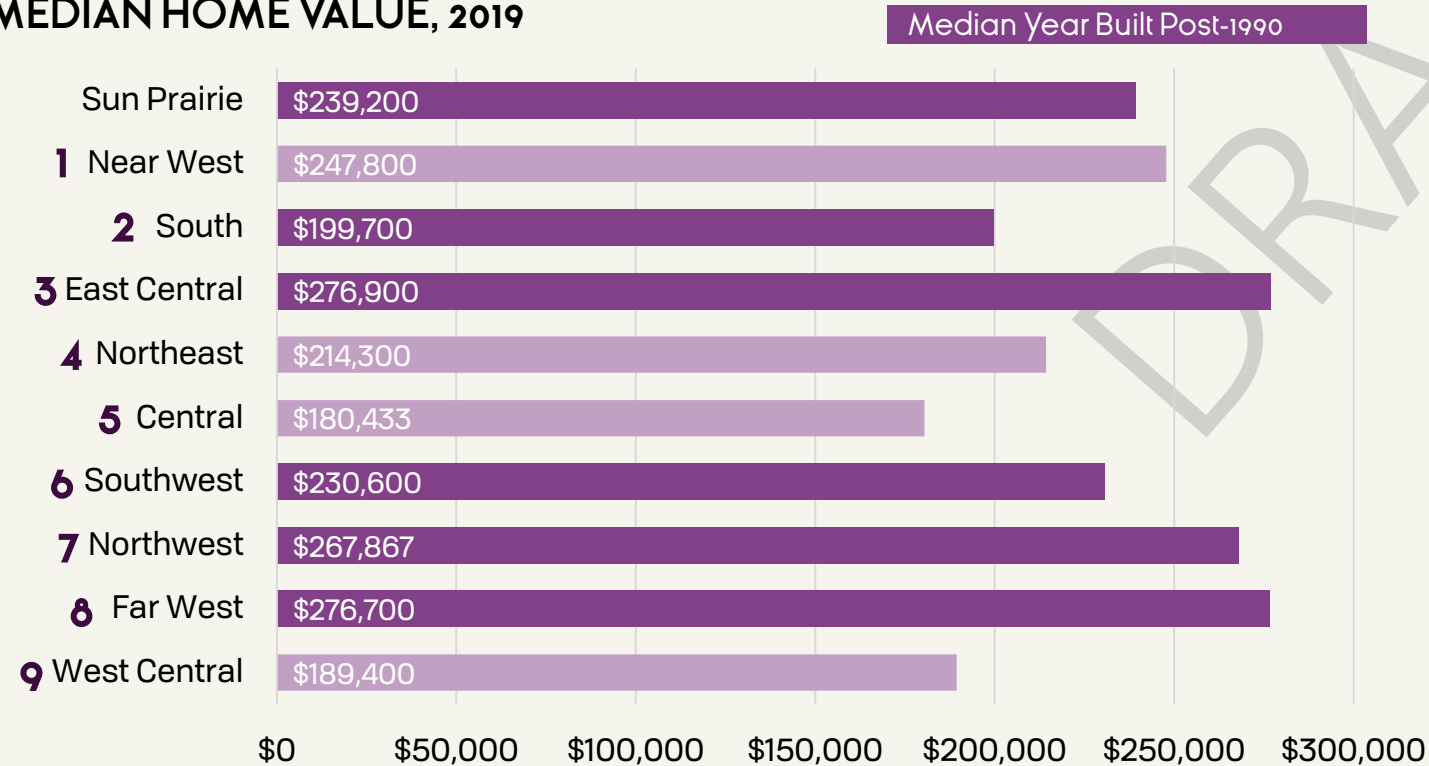
MEDIAN HOME VALUE BY SUBAREA, 2019
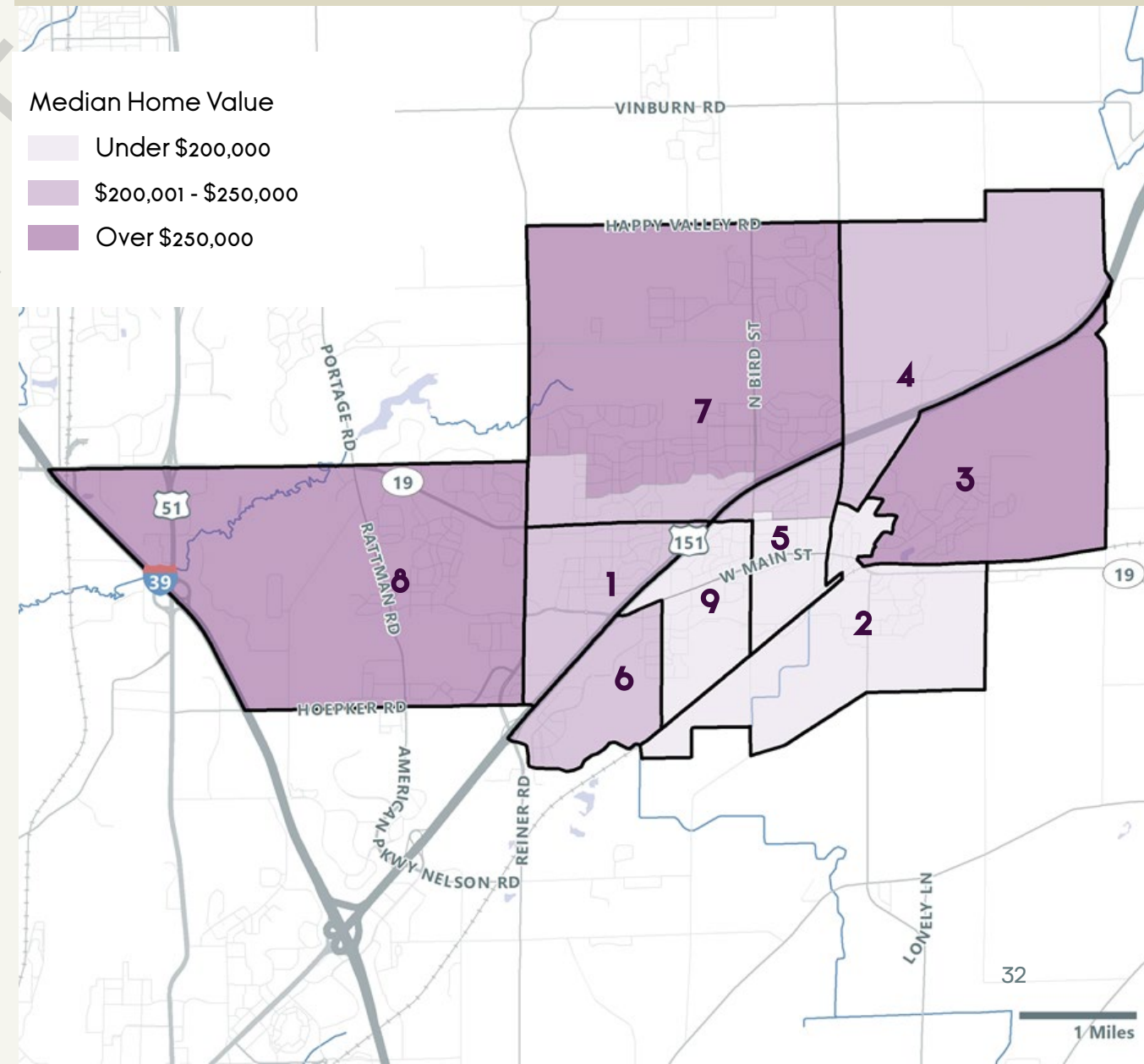
Median Home Value
- Under $200,000
- $200,001 - $250,000
- Over $250,000

[1] The value of owner-occupied housing similarly assumes 30% of a household's monthly income is the maximum available for mortgage payments and other related housing costs. Mortgage payments are calculated assuming they account for 65% of monthly owner costs, a 30-year mortgage with a 4% interest rate after a 10% down payment.
Sources: Esri, U.S. Census Bureau, SB Friedman

For-sale market activity

The price per square foot for single-family homes increased by 4.1% annually since 2010

The number of units sold annually has generally increased since 2010, peaking in 2016 with more than 550 single-family detached homes sold. Around 500 homes have sold each year more recently. Irrespective of home age, the average sale price for homes has increased over the past decade. The older housing stock built before 2010 had an average sale price of $230,000 in 2010, which increased to nearly $295,000 by 2019. Homes built since 2010 have a roughly 20% price premium over housing built before 2010. In 2019, the average price for homes built in the past 10 years was $360,000.

SINGLE-FAMILY, DETACHED HOME SALES & AVG PRICE IN SUN PRAIRIE

Legend:
- Built Before 2010
- Built 2010-Onward
- Number of Units Sold
- Avg. Sale Price
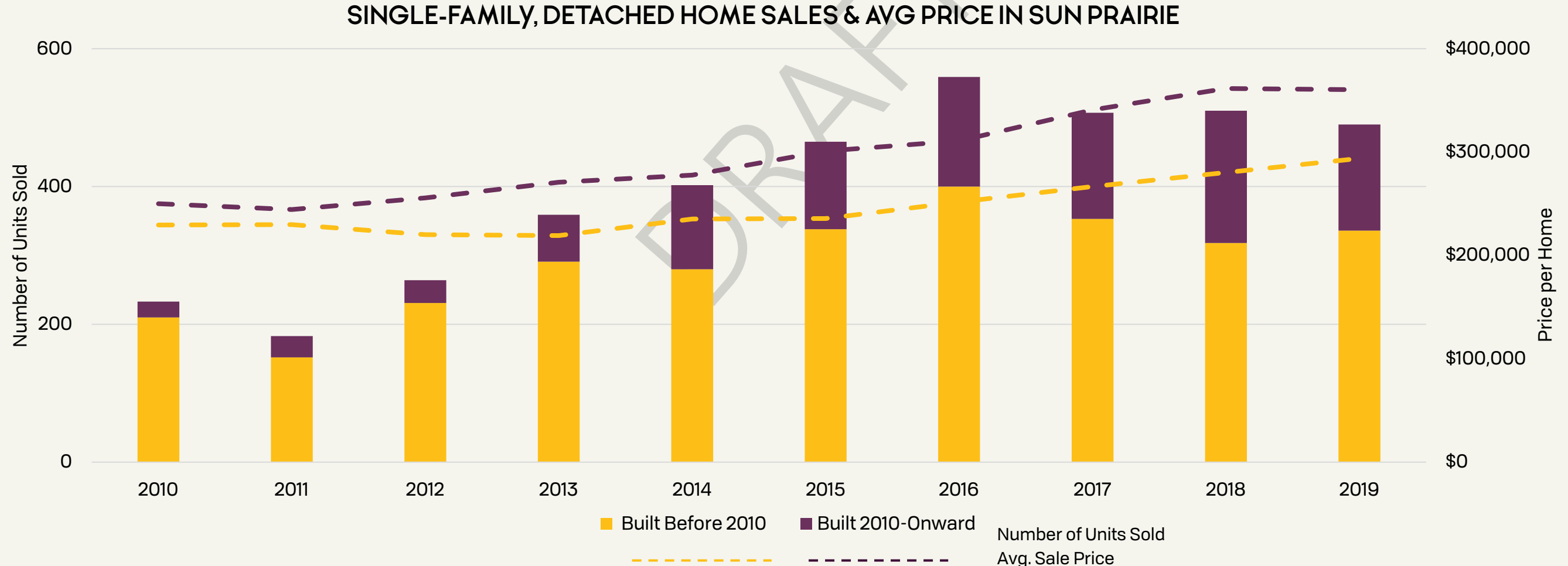
Tight housing market in Sun Prairie

Homes in Sun Prairie sell fast and often above the listing price since 2020

As shown by sales data over the past few years, the single-family home and condo market in Sun Prairie continues to tighten. Single-family homes are typically selling at or above their listing price. In 2020, the average days on market for the more than 620 single-family homes (98% of the overall homes listed) was 32 days; this had fallen to 19 in 2021. For condos sales in 2020, selling price also remained at or above the listing price for nearly all sales. In 2020, approximately 175 condos sold in Sun Prairie (approximately 95% of those listed), and the average days on market was 42 days. As with single-family homes, days on market declined for condos in 2021, falling to 23 days. The quick turnover has resulted in for-sale housing occupancy of 98% and higher over the past 5-years.

SINGLE-FAMILY SALES PERFORMANCE
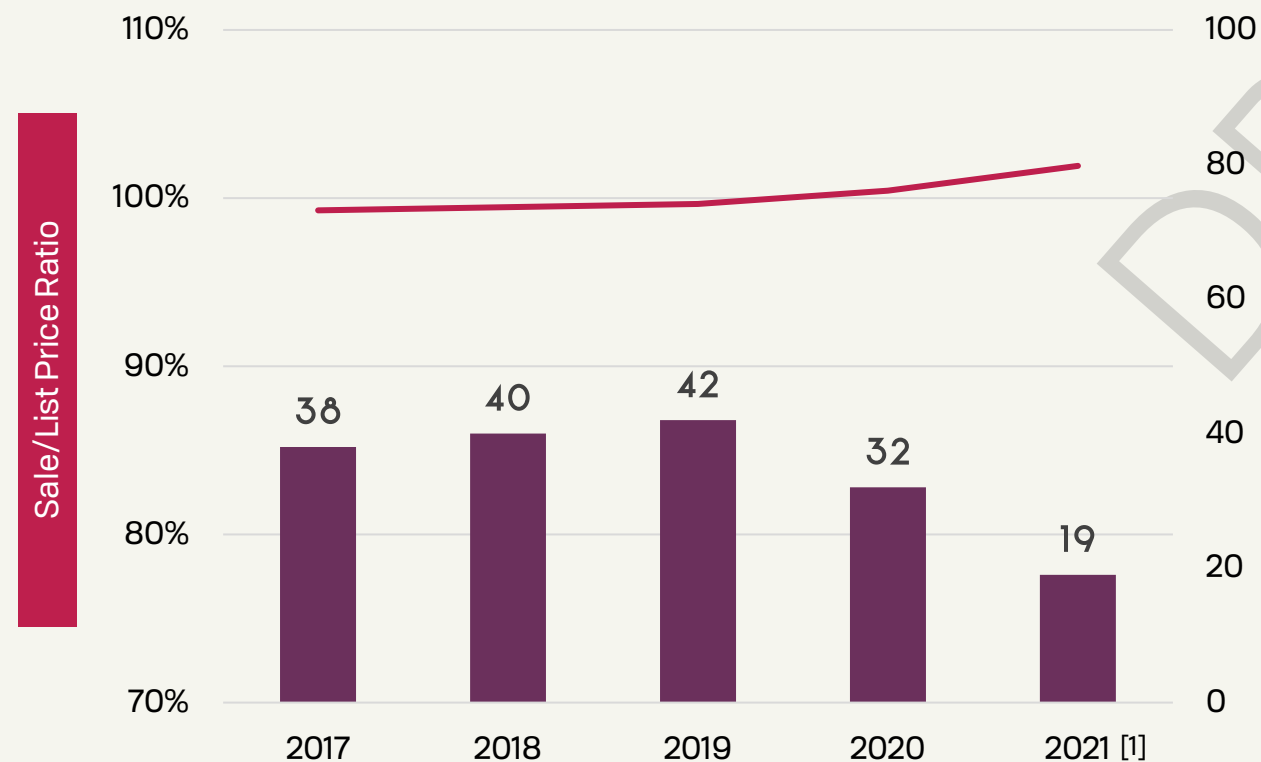
CONDO SALES PERFORMANCE
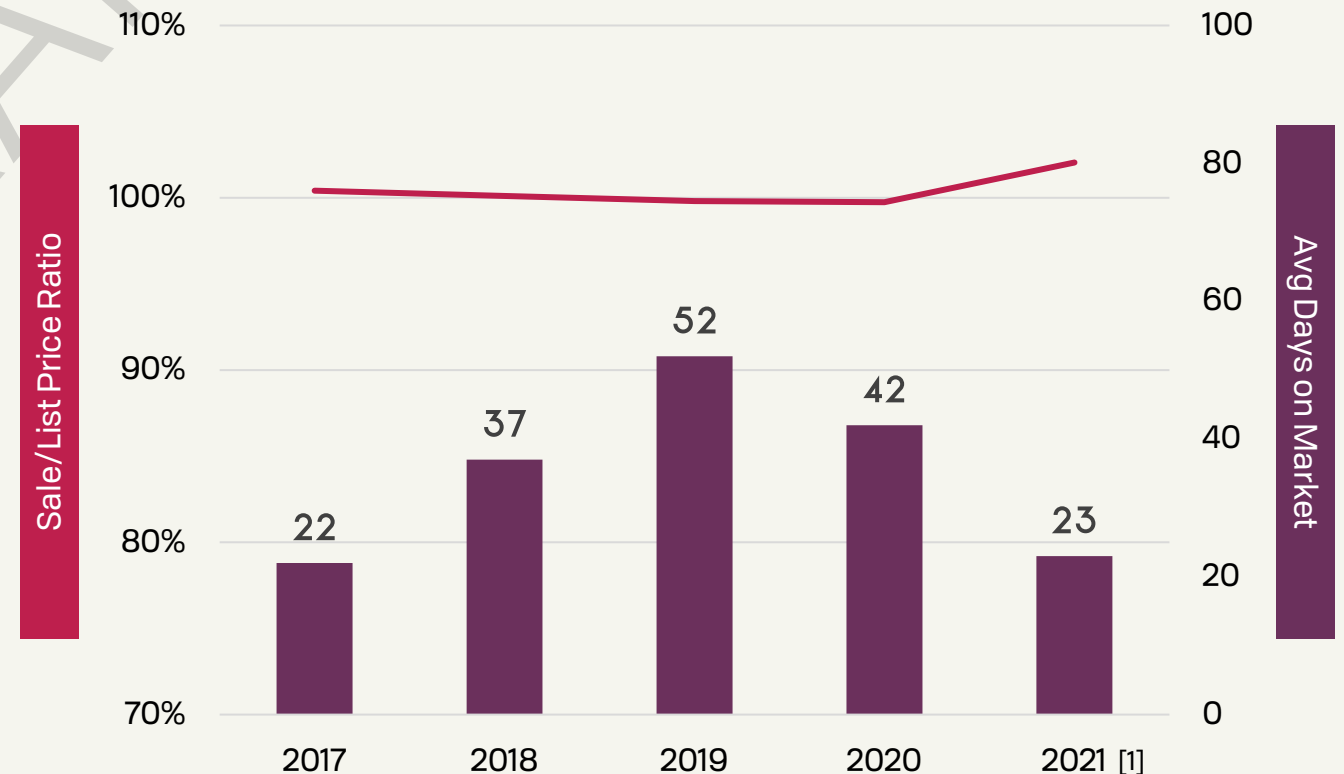
[1] 2021 is year to date data through June 3, 2021.
Sources: Multiple Listing Services, Sun Prairie, SB Friedman

Declining affordability of single-family homes

Approximately 50% of single-family home sales are affordable to households earning Dane County's median household income

Over the last decade, the affordability of single-family homes (detached and attached) declined. From 2010-2013, more than 85% of single-family home sales were affordable to a household earning the median income in Dane County. By 2019, only 52% of sales were affordable to a household earning the median income.

SHARE OF SINGLE-FAMILY HOME SALES AFFORDABLE TO HOUSEHOLDS EARNING > $73,900

Year	Share
2010	88%
2011	85%
2012	87%
2013	87%
2014	81%
2015	76%
2016	69%
2017	62%
2018	56%
2019	52%
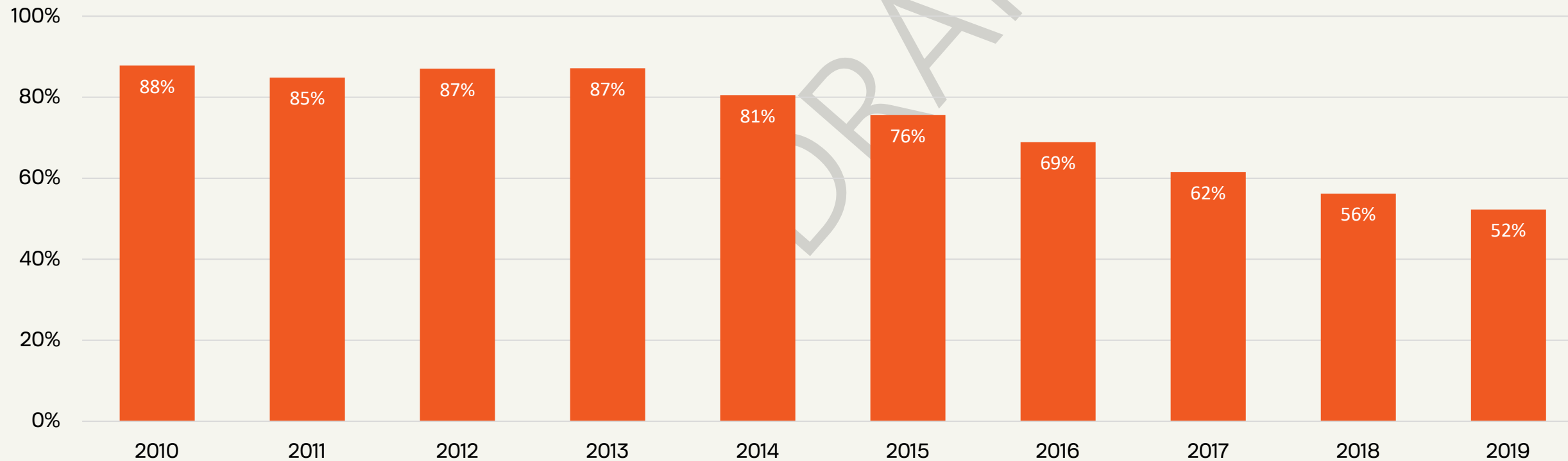
$73,900
Median household income in Dane County

$279,500
House price affordable to household earning Dane County's median household income

Sources: Sun Prairie, SB Friedman

Multifamily rental development in Sun Prairie

There are more than 80 multifamily rental developments in Sun Prairie

The City of Sun Prairie is home to over 4,000 multifamily rental units across 80 developments. Most multifamily developments are low-rise and garden style apartments with three stories or less. On average, developments are approximately 50 units, but range from 4 to 240 units.

The vast majority of units are 1- or 2-bedroom units. Only 5% of the total rental inventory provides 3 or more bedrooms.
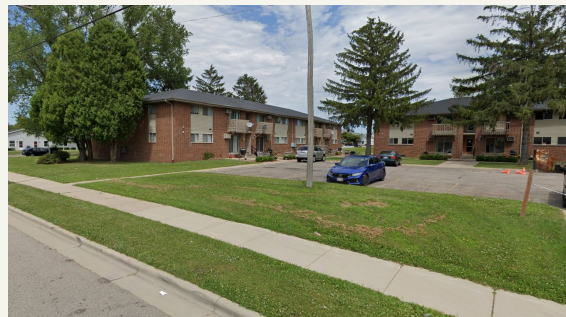
(A) Bird Apartments

48 units
100% 2 BRs
Year built: 1972
Asking Rent: $821

(B) Canterbury Court

136 units
26% 1BR, 74% 2BR
Year built: 1970
Asking Rent: $712–813

Sources: Costar (data from July 2021), Esri, SB Friedman

MULTIFAMILY RENTAL BUILDINGS

Number of Units
- 50 or Less
- 51 – 100
- 101 – 200
- 201 or More

1 Miles

CURRENT UNIT MIX

Studios, 12%   1-Bed, 38%   2-Bed, 45%   3+ Bed, 5%
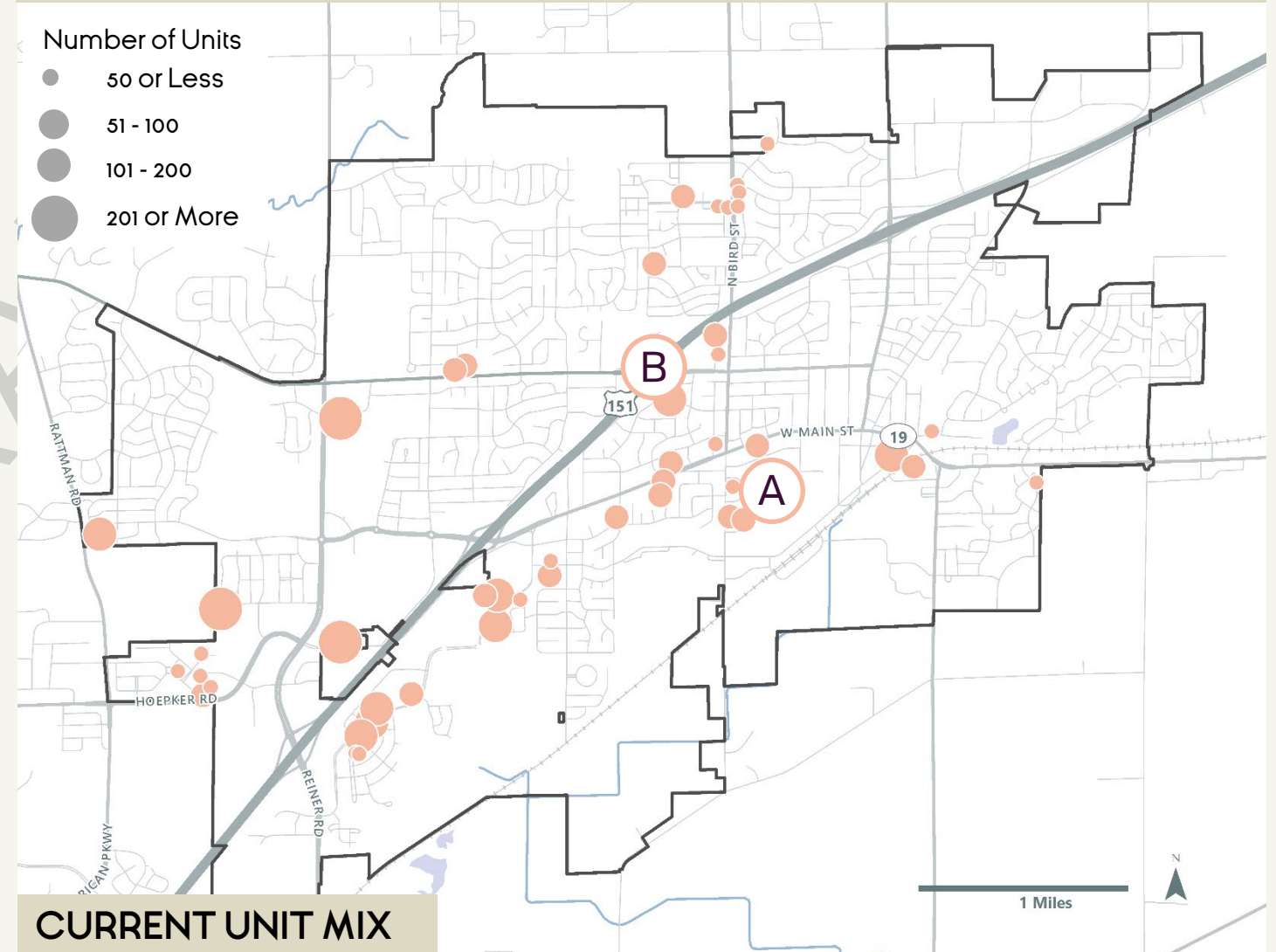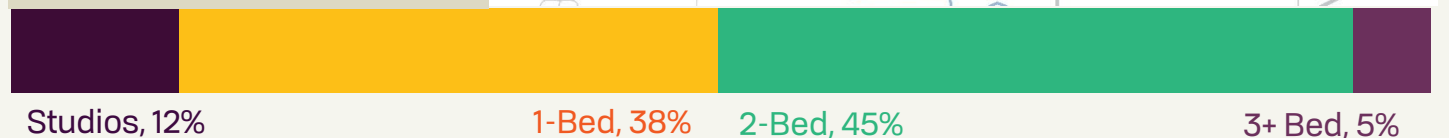
New multifamily rental development in Sun Prairie

New multifamily development primarily along Main Street and US Highway 151

The City added approximately 1,400 multifamily units since 2010, generally located along Main Street and near US Highway 151. The majority of new apartment buildings are near retail centers or near the walkable downtown and typically include resident amenities, such as fitness centers, pools or outdoor meeting spaces.

(A) Springs at Sun Prairie

228 units
12% studios, 34% 1BR, 38% 2BR, 15% 3BR
Year built: 2018
Asking Rent: $1,145-2,030
Amenities: Clubhouse, fitness center, pool

(B) Catalyst on Main

148 units
1% studios, 91% 1BR, 5% 2BR, 3% 3BR
Year built: 2019
Asking Rent: $1,080-2,038
Amenities: Fitness center, pool, grill, pet play area
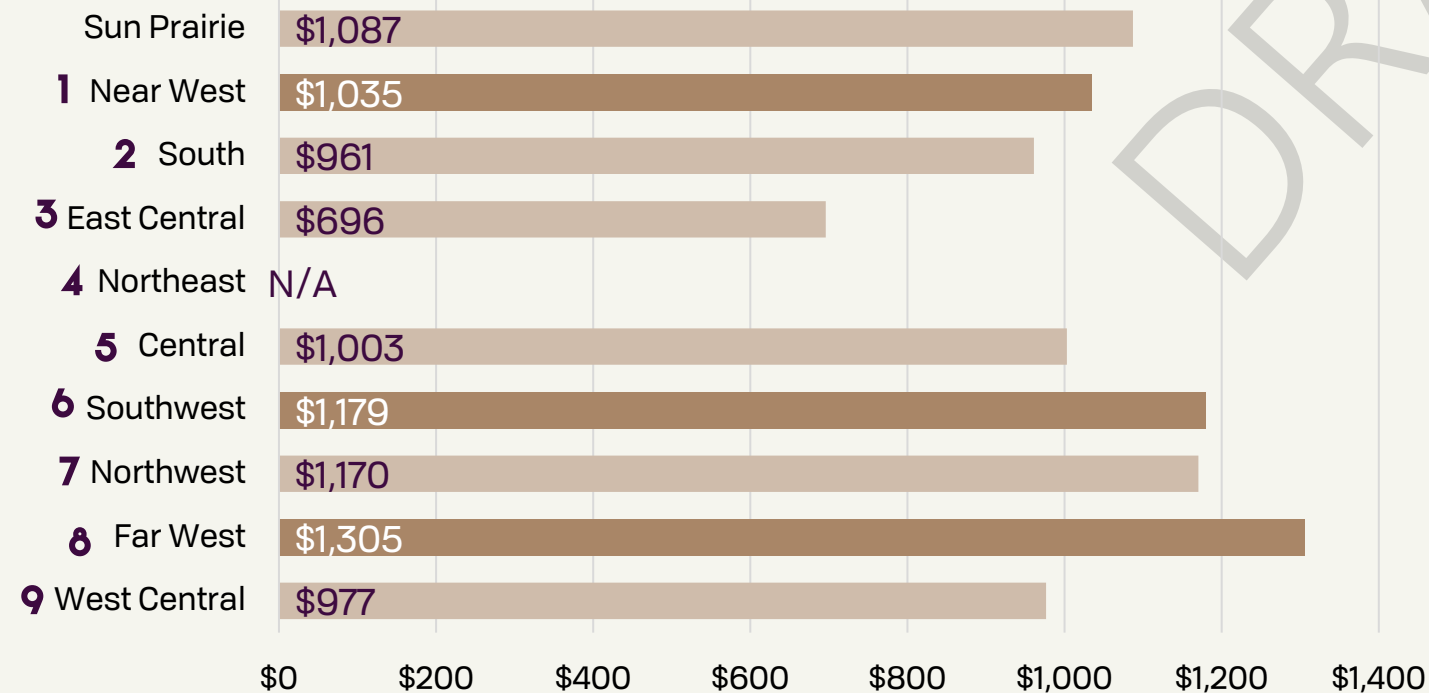
MULTIFAMILY RENTAL BUILDINGS

Number of Units
- 50 or Less
- 51 - 100
- 101 - 200
- 201 or More

Year Built
- Pre-2010
- 2010-onward

1 Miles

Sources: Costar (data from July 2021), Esri, SB Friedman

37
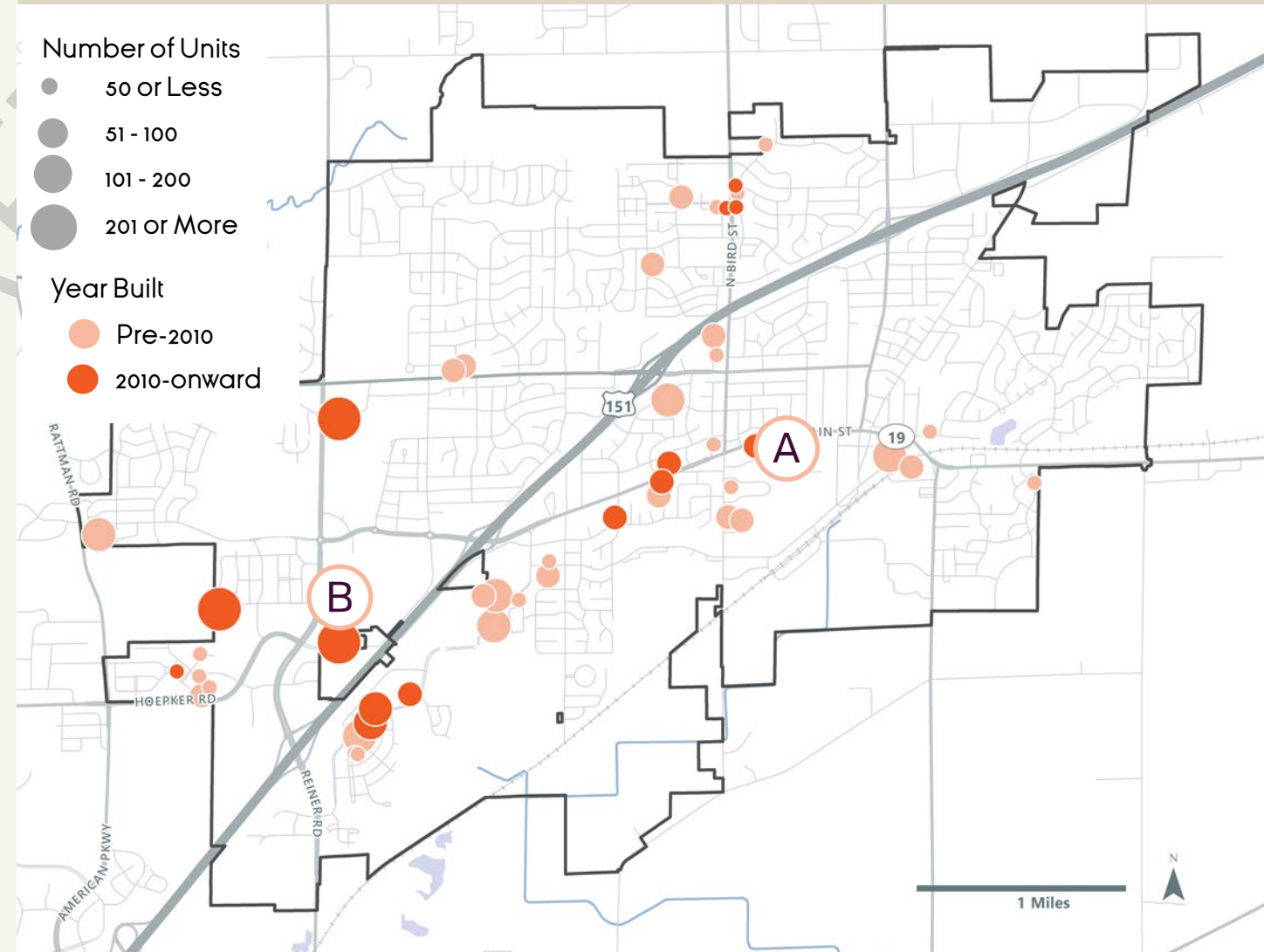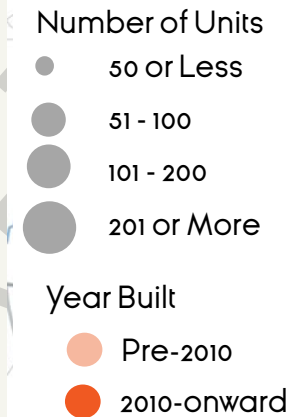
Rents are higher in areas with new housing

The median gross rent of $1,090 is affordable to households earning more than $43,500

The median gross rent [1] for all rental units in Sun Prairie is approximately $1,090. The median gross rent of $1,090 is affordable to households earning more than $43,500, defined as less than 30% of a household's income. Median rents across the subareas range from less than $700 to more than $1,300, as shown in the chart below. Subareas with newer apartments, specifically with a median year built for rental product after 2000, generally have higher median gross rents. This is typical as newer product demands higher rents. The lowest median rents are generally in areas of the City with older product, such as the central core and eastern edge.

MEDIAN GROSS RENT, 2019

■ Post-2000 median year built

Subarea	Rent
Sun Prairie	$1,087
1 Near West	$1,035
2 South	$961
3 East Central	$696
4 Northeast	N/A
5 Central	$1,003
6 Southwest	$1,179
7 Northwest	$1,170
8 Far West	$1,305
9 West Central	$977

$0 $200 $400 $600 $800 $1,000 $1,200 $1,400

MEDIAN GROSS RENT BY SUBAREA

Median Gross Rent
- Under $1,000
- $1,001 - $1,200
- Above $1,200
- No Data

Units Built Post-2010
- 50 or Less
- 51 - 100
- 101 - 200
- 201 or More

38

[1] Gross rent is the total costs associated with renting a unit, including utilities and other costs. The data is from the 2015-2019 American Community Survey 5-Year Estimates.
Sources: Costar (data from July 2021), Esri, U.S. Census Bureau, SB Friedman
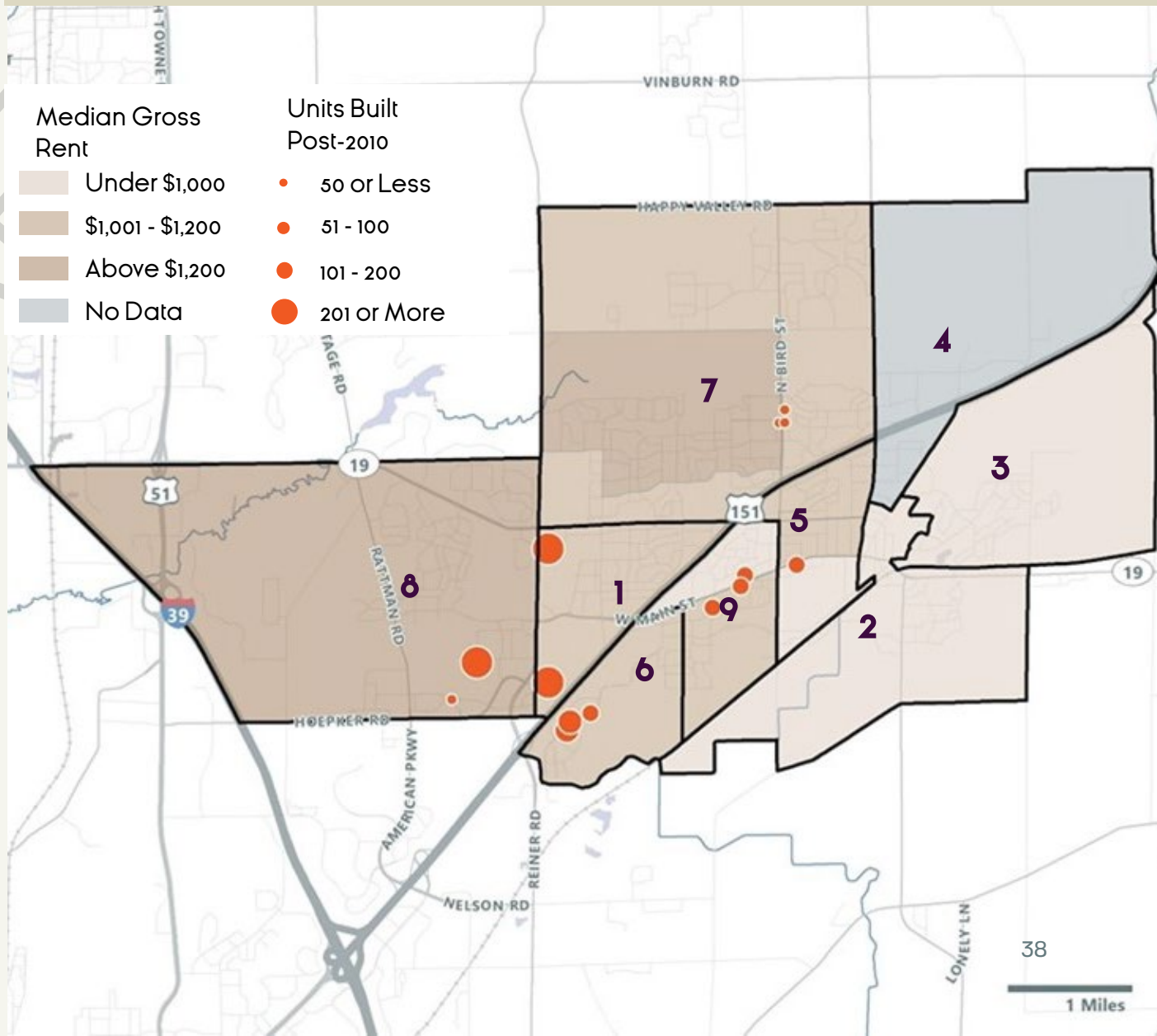
Rental performance remains strong

Rents continued to rise and vacancy remained low throughout the 10-year growth period

Rents for market-rate properties without rent-restrictions steadily rose over the past decade. Rents increased by a compound annual growth rate (CAGR) of 1.9% since 2010. While multifamily rents have increased, the vacancy rate overall remains relatively low despite delivery of a substantial number of units. Peaks in vacancy in 2014, 2016, and 2018 were due to new market-rate multifamily deliveries in the City. Vacancy rates quickly fell below 5% after new developments were leased. This is a strong level of absorption, given the number of new units added over the period. A vacancy rate below 5% indicates a strong rental market that likely could support more multifamily development.

Vacancy at 4 lower-cost apartment buildings is reported to be higher than the Citywide average, ranging from 5-10%. Based on conversations with residents and the City, the higher vacancy is partially attributable to longstanding maintenance and property management challenges.

5.1%
SUN PRAIRIE VACANCY

# 5-10%
LOWER-COST RENTAL PROPERTY VACANCY [1]

[1] Lower-cost rental zones include Park Circle (including The Element), Schiller Street (Crosstown of Sun Prairie, Sundale Townhomes), S. Bird Street (Bird Apartments, Rolling Prairie, and Sunny Hill Apartments), and Vandenburg Heights.
[2] Average effective rent of multifamily market-rate units, according to Costar, is the average rent paid over the term by a tenant adjusted downward for concessions paid for by the landlord (such as free rent, moving expenses, or other allowances), and upward for costs that are the responsibility of the tenant (such as operating expense pass throughs).
[3] 2021 year to date (data from July 2021).
Sources: Costar (data from July 2021), Esri, Sun Prairie, SB Friedman
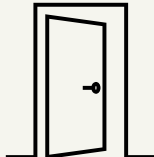
HISTORIC VACANCY AND MARKET-RATE RENT TRENDS

RENT [2]

VACANCY

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 YTD [3]

39
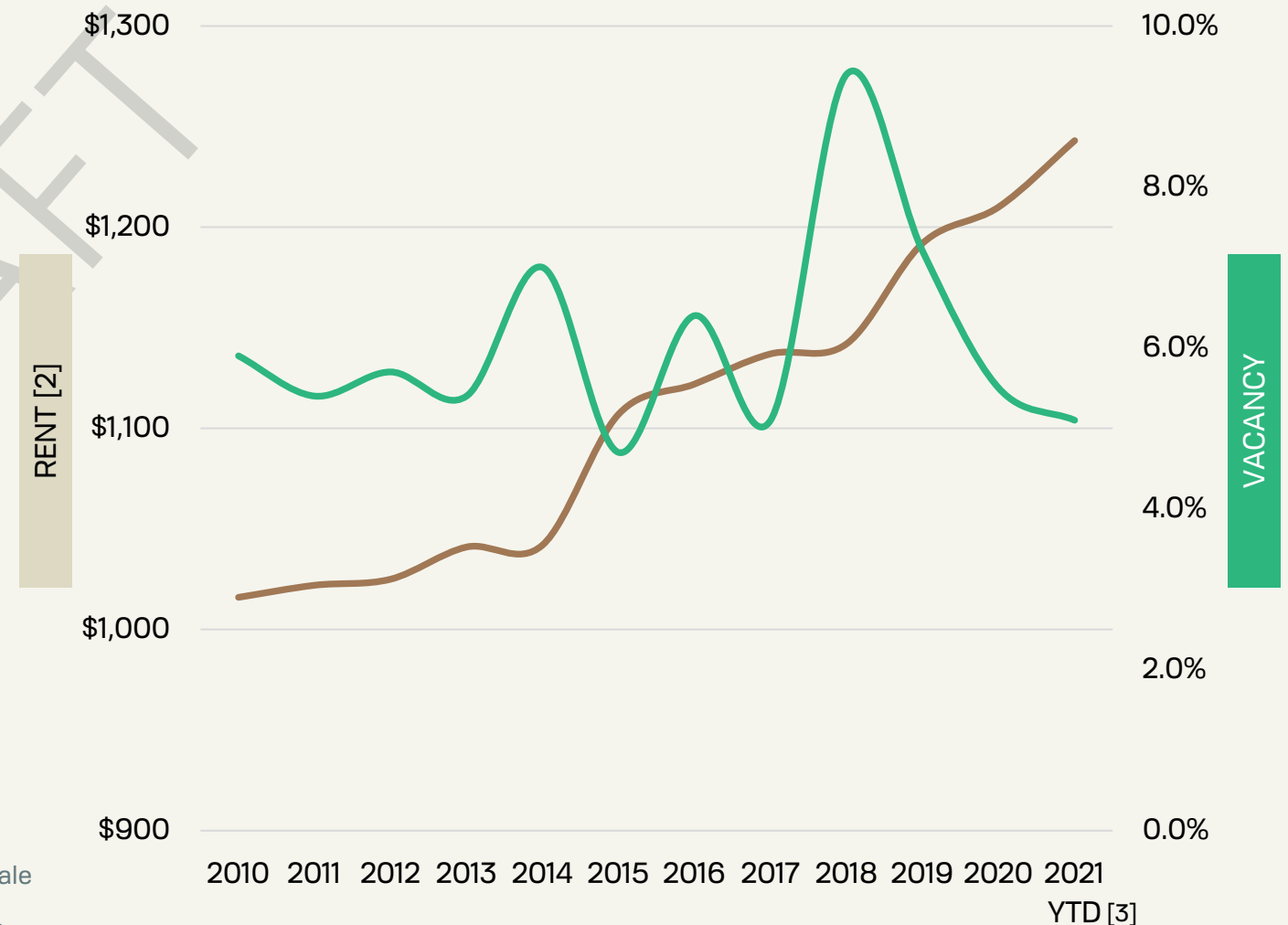
Multifamily rental development premiums

Apartments built since 2010 report an average rent $200 higher than older units

There is a 15% rent premium for these newer units compared to units built pre-2010. The average monthly rent for units in buildings built post-2010 is approximately $1,330, while older inventory averages $1,160 per month.

MARKET-RATE MULTIFAMLY IN SUN PRAIRIE

	UNITS	AVERAGE RENT
Built Pre-2010	±1,820	$1,160
Built Since 2010	±1,360	$1,330

15%

Rent premium on average for new (build since-2010) market-rate multifamily units in comparison to overall market-rate rent of older (pre-2010) multifamily units

DRAFT

Senior housing in Sun Prairie

There are approximately 1,000 senior rental units, 25% of the commercial rental inventory

There are approximately 1,000 senior units in 14 senior apartment developments in Sun Prairie. Senior housing property age restrictions vary, but many are targeted to residents over the age of 65. Approximately 200 of the senior housing units are rent-restricted, which are required to be affordable for lower-income households.

Of the market-rate units, the majority of units are assisted living and nursing units. Independent living units are attractive to younger seniors who would like to downsize and do not need the services associated with assisted living or nursing care housing. In comparison, more than 30% of senior market-rate housing units in Dane County are independent living.

There are approximately 1,800 residents in Sun Prairie over the age of 75. More than 44% of the existing senior population is living in non-age restricted rental housing or owner-occupied housing. The limited availability of senior housing is a common challenge for communities, as it often results in seniors unable to find housing to downsize to – ultimately delaying the availability of existing homes for younger families.

±1,000
Senior units in Sun Prairie

±1,800
Seniors (age 75+) living in Sun Prairie

±14
Senior apartment complexes in Sun Prairie

±200
Senior income restricted units in Sun Prairie

SENIOR HOUSING

Type of Senior Housing
- 🟢 Market Rate
- 🟣 Legally Restricted
- 🔵 Retirement Community

Number of Units
- 🟢 <50
- 🟣 50-100
- 🔵 100-200

Status
- ⚫ Existing
- 🟠 Under Construction

1 Miles

Sources: Costar (data from July 2021), Department of Housing and Urban Development, Esri, NICMAP, SB Friedman
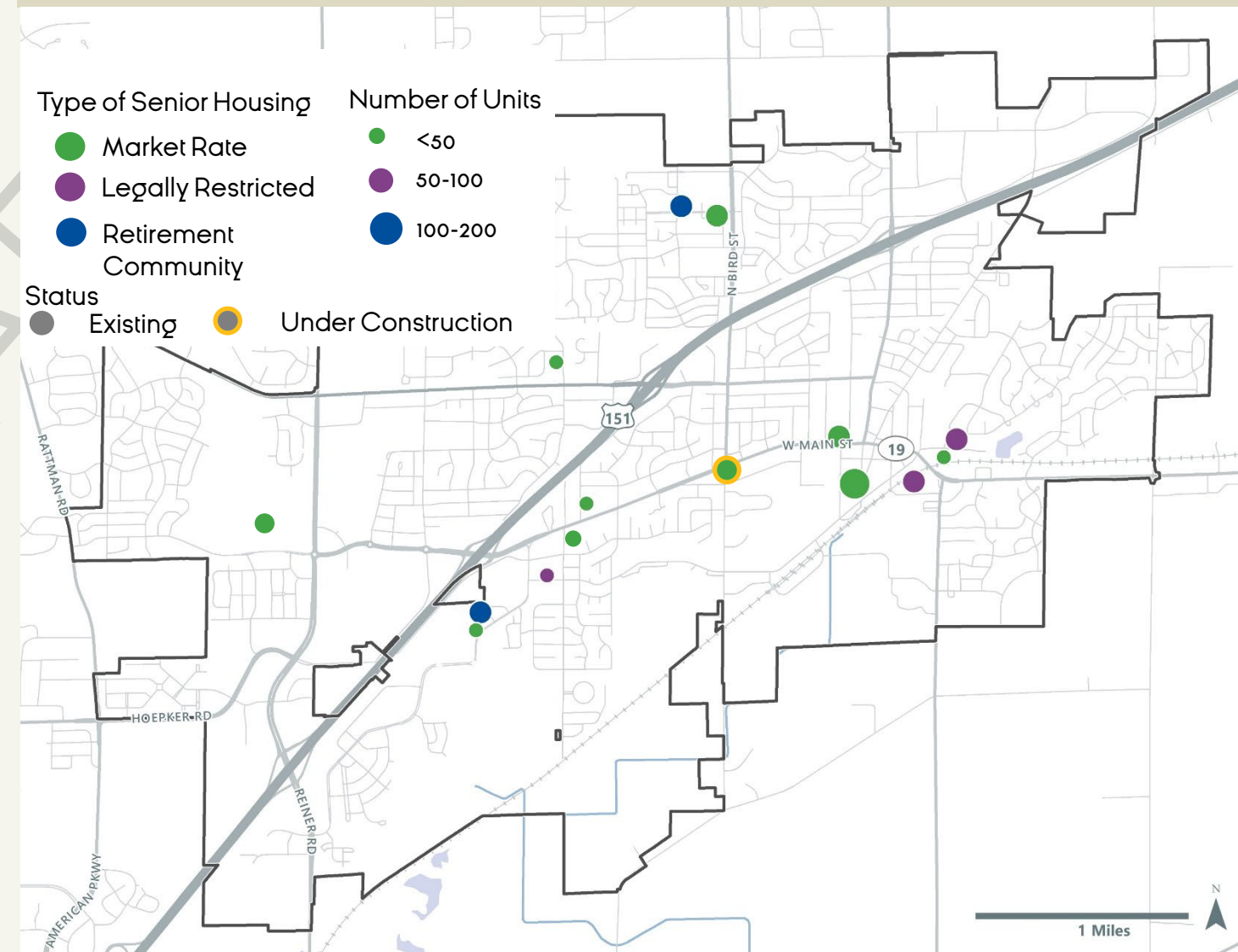
Affordable Housing

The affordable rental inventory is a combination of rent-restricted and lower-cost housing

There are two types of affordable housing units: legally restricted affordable housing (LRAH), and market-rate naturally occurring affordable housing (NOAH). LRAH units are publicly subsidized or owned units reserved for low-income households, typically households earning less than 60% of regional area median income (AMI). Therefore, the analysis on affordable units uses the U.S. Department of Housing and Urban Development (HUD) defined regional income thresholds for the Madison metro area.

The number of LRAH units does not include households using Housing Choice Vouchers ("HCV") (previously referred to as Section 8 vouchers), which provide rent subsidies for eligible households who use the vouchers to reduce the costs of living in market-rate units. As reported in the City's 2019 to 2039 Comprehensive plan, there were nearly 300 HCV in use in Sun Prairie in 2017. HCV are one important component in ensuring housing is affordable to lower-income households. However, households using HCV often face discrimination and landlords do not always understand how to use HCV.

NOAH units are market rate privately owned rental units that offer affordable rents for households at or below 60% of regional AMI, or for-sale units with prices affordable to households at or below 100% AMI. Units are considered "affordable" if a household spends 30% or less of their annual income on housing. Market-rate units can be either NOAH or Higher Cost Housing.

AFFORDABLE = LRAH + NOAH

Legally Restricted Affordable Housing (LRAH)	Naturally Occurring Affordable Housing (NOAH)	Higher Cost Housing
• Housing that is contractually bound to serve lower-income households (Typically under 60% AMI) • Units are typically funded, owned and operated by mission-driven organizations including local governments, nonprofits and more.	• Privately owned units that offer affordable rents for households at 60% AMI or prices for households at or below 100% AMI • Affordable is defined as less than 30% of the occupant's household income • NOAH Rent [1]/ Home Value [2]: $810-1,160 / $140,200-262,700	• Privately owned units requiring rents that are supportable for households earning over 60% AMI or sale prices supportable for households earning over 100% AMI.

[1] Renter eligible income is a range from 1-4 person households to account for different bedroom counts within units. Rent maximums were based on 2019 HUD 60% AMI rent limits by bedroom for the MSA.
[2] Owner-occupied income is a range from 2-3 person households. The value of owner-occupied housing similarly assumes 30% of a household's monthly income is the maximum available for mortgage payments and other related housing costs. Mortgage payments are calculated assuming they account for 65% of monthly owner costs, a 30-year mortgage with a 4% interest rate after a 10% down payment.
Sources: City of Sun Prairie, HUD, SB Friedman

Affordable rental housing

About half of the rental stock in Sun Prairie is affordable to households earning 60% AMI

Nearly 50% of the rental stock in Sun Prairie is affordable to households earning up to 60% of the regional AMI ($42,180-60,240) for 1-4 person households. Most of these are NOAH units (71%), rather than LRAH (29%). A map of the share of units affordable to 60% AMI households in each subarea is shown to the right. Subareas with newer multifamily developments tend to have a lower share of affordable units.

RENTAL INVENTORY BY SUBAREA
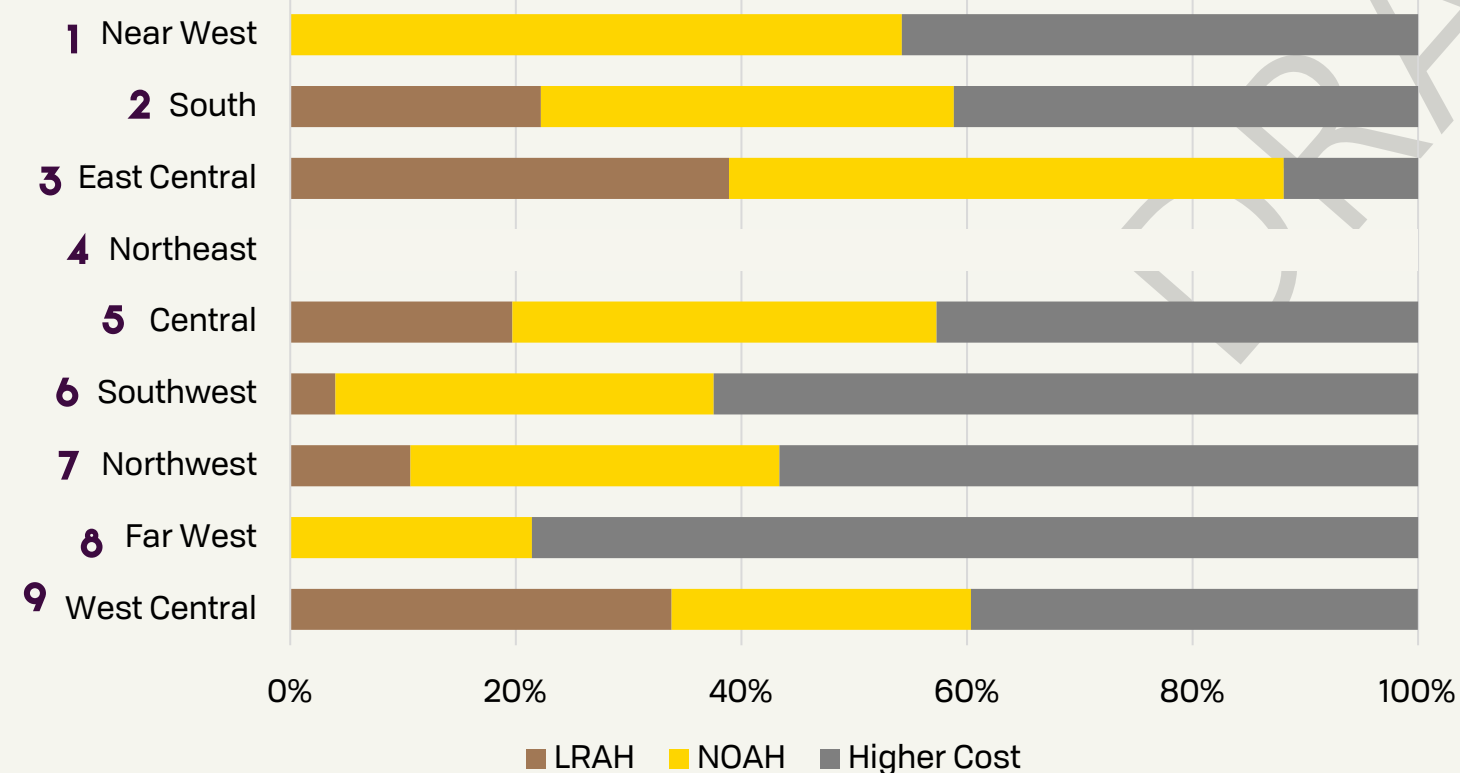
PERCENT OF RENTAL UNITS AFFORDABLE TO A 60% AMI HH

LRAH NOAH Higher Cost

43
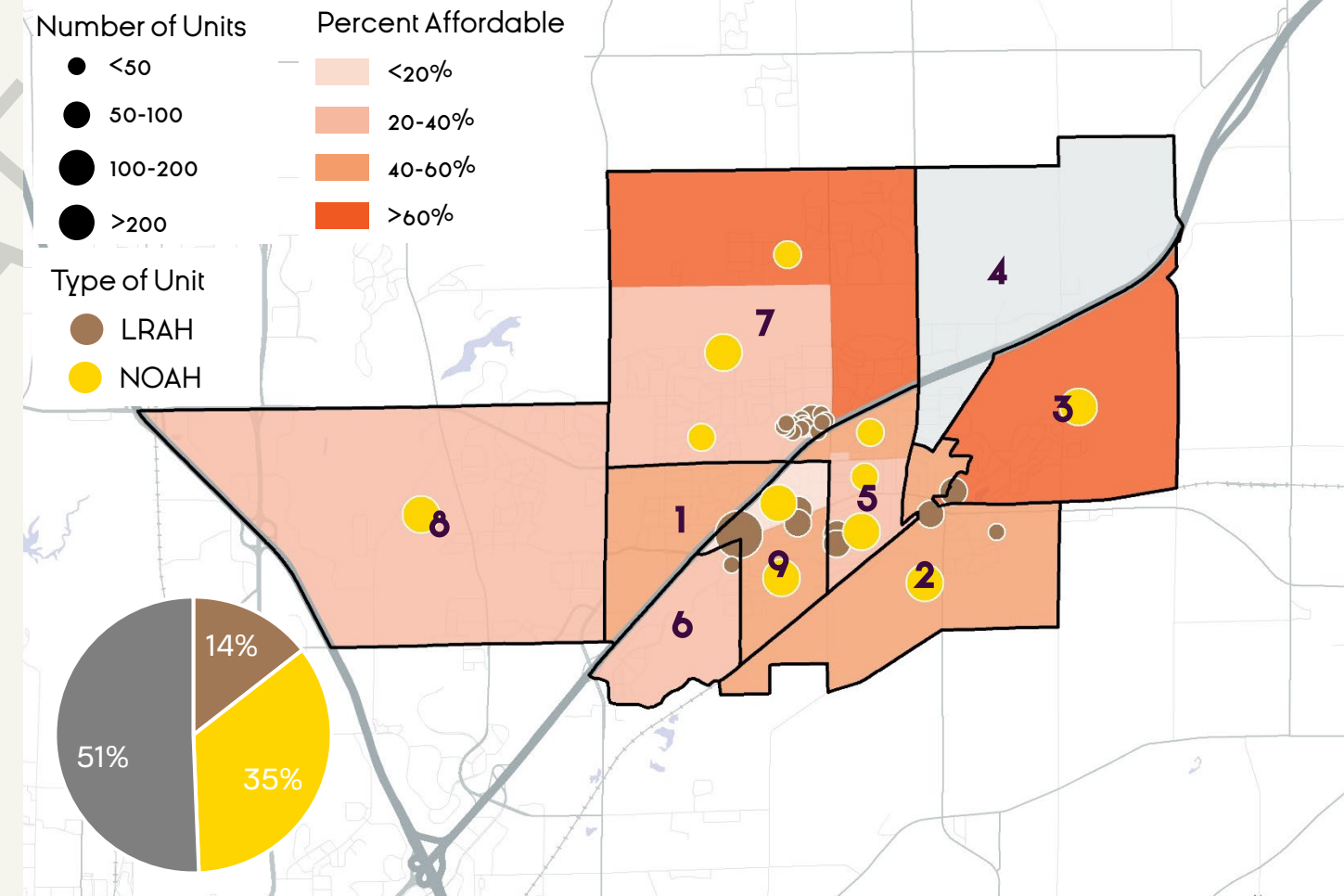
Legally restricted affordable housing

There are approximately 800 legally restricted affordable housing units in Sun Prairie

There are approximately 800 legally restricted affordable housing units in Sun Prairie. As shown in the map to the right, most units are located in central and eastern Sun Prairie. Most LRAH units are in multi-unit buildings or complexes.

There are three LRAH developments that are restricted to seniors, offering approximately 200 units for low-income seniors.

± 800
Total Existing LRAH units

± 200
LRAH units restricted to seniors

89%
of units located in buildings/complexes with more than 2 units

LEGALLY RESTRICTED AFFORDABLE HOUSING

Number of Units
- 50 or Less
- 51 - 100
- 101 - 200
- 201 or More

Status
- Existing
- Under Construction

Vandenburg Heights

Schiller Street

Park Circle

A

S. Bird Street

1 Miles

a. Eleven41 on Main
64 total units, 54 affordable
Affordable composition:
37% 1BR, 37% 2 BRs, 26% 3 BRs
Year built: 2020
Asking Rent: N/A
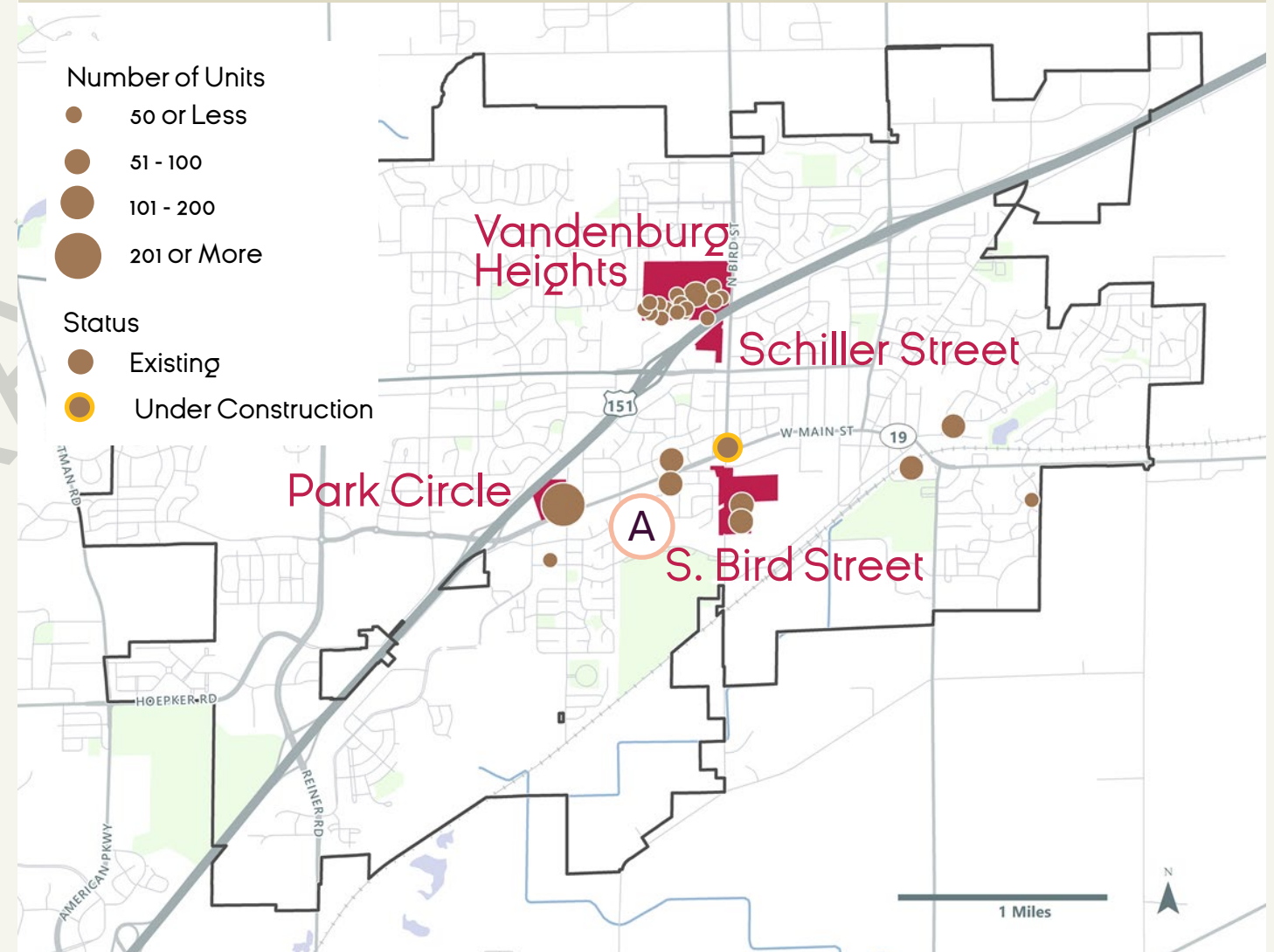
Housing Issues & Unmet Need

1. **Housing Affordability**
2. **Projected Housing Need**
3. **Community Engagement & Identifying Housing Priorities**

Housing Affordability

Housing Affordability Metrics

Quantifying the housing affordability challenge

"Affordable housing" is often thought of as rent-restricted units subsidized by the government and provided for the lowest-income households. However, housing affordability extends far beyond the limited number of legally-restricted affordable housing units. Housing can be affordable – or unaffordable – regardless of a household's income. Housing affordability is typically evaluated through two key metrics: (1) a housing stock shortfall and (2) cost burdened households.

Housing stock shortfalls are identified by comparing the number of households at various income levels to the number of housing units affordable to them. Affordable units are any units that cost less than 30% of monthly household income, regardless of whether the housing stock is rent-restricted. Housing affordability is based on monthly rental costs for rentals and monthly mortgage costs for owner households.

Cost-burdened households are those which spend more than 30% of their income on housing related costs. The number of cost-burdened households typically exceeds the housing unit shortfall in a market because, in many cases, households do not live in the housing stock that perfectly aligns with what would be affordable to them.
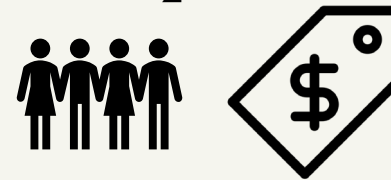
Housing Shortfall

A greater number of households at the lowest income level than units affordable to those households

HOUSEHOLDS COMPARED TO HOUSING STOCK, BY INCOME

Cost-Burdened

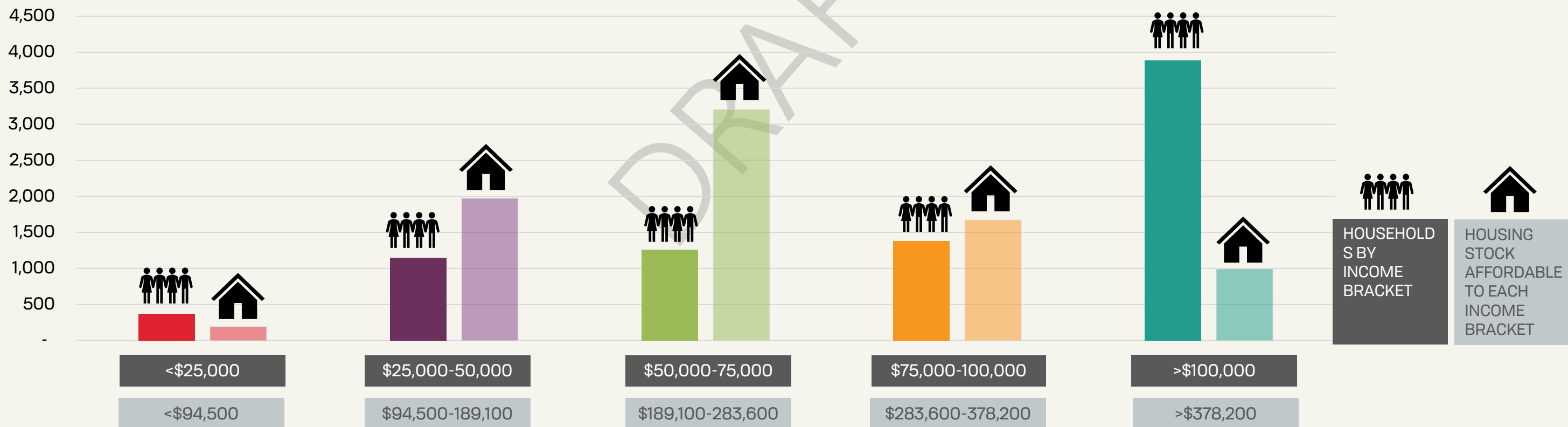Households that spend more than 30% of their income on housing costs

HOUSEHOLDS COMPARED TO HOUSING COSTS

47

Defining the housing shortfall

Ideally, sufficient housing would be available and affordable to the households at each income level

In order to evaluate the presence of affordable housing shortfalls, the number of households at different income brackets is compared to the number of occupied housing units that would be affordable to households in that income bracket. This analysis is conducted by tenure to identify gaps for owner-occupants and renters. There are two scenarios that can occur when considering the relationship between a household's income and the cost of housing that the household is living in. First, a household occupies a unit that is unaffordable to them, meaning it costs more than 30% of their income. Second, a household occupies a unit affordable to them, costing 30% or less of their household income. Especially at higher income brackets, households often spend less than 30% of their income on housing and occupy units that are affordable to households in lower income tiers. Ideally, the number of households at each income level would have affordable housing available to them at that income level. However, that is not always the case. The following slides discuss gaps between households and available units by tenure and income in Sun Prairie.

OWNER OCCUPIED HOUSEHOLDS COMPARED TO HOUSING STOCK, BY INCOME

<$25,000	$25,000-50,000	$50,000-75,000	$75,000-100,000	>$100,000	HOUSEHOLDS BY INCOME BRACKET
<$94,500	$94,500-189,100	$189,100-283,600	$283,600-378,200	>$378,200	HOUSING STOCK AFFORDABLE TO EACH INCOME BRACKET

[1] The value of owner-occupied housing similarly assumes 30% of a household's monthly income is the maximum available for mortgage payments and other related housing costs. Mortgage payments are calculated assuming they account for 65% of monthly owner costs, a 30-year mortgage with a 4% interest rate after a 10% down payment.
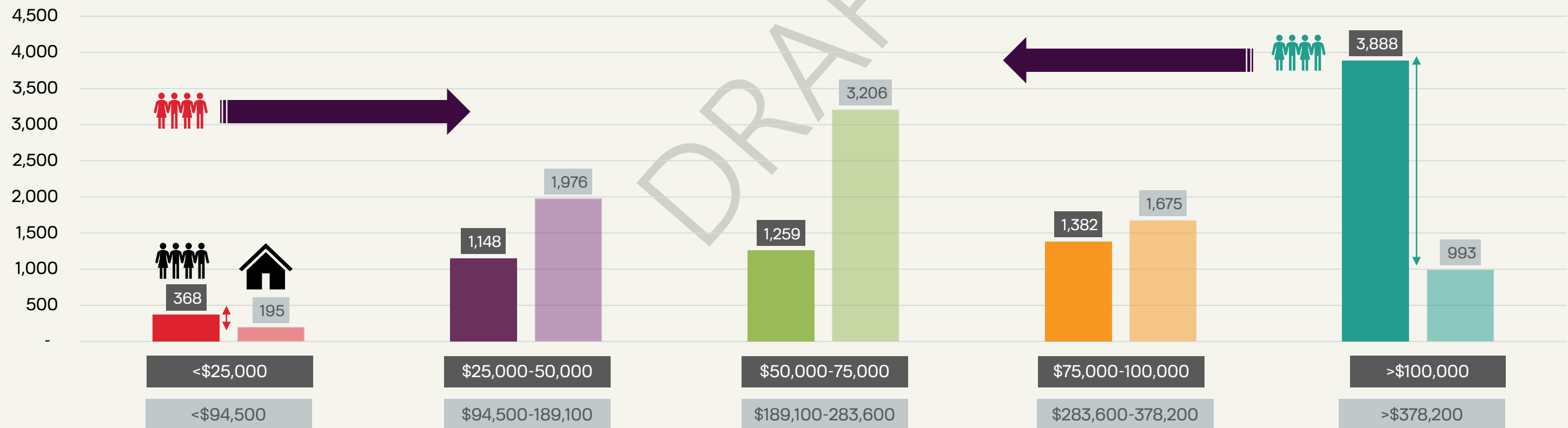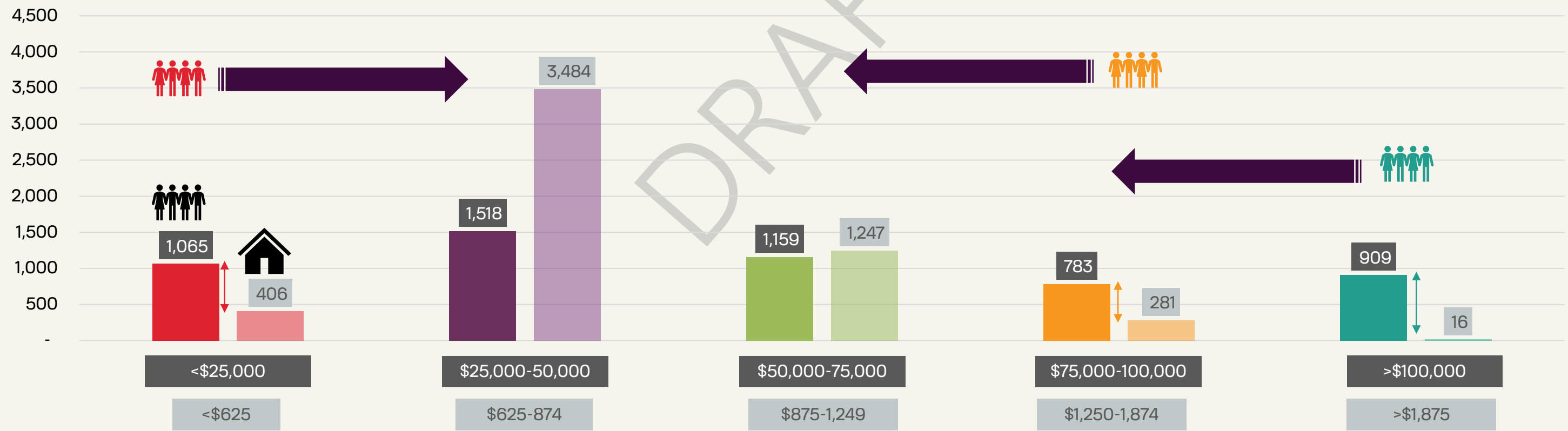Source: US Census Bureau, SB Friedman

48

Housing shortfall: owner-occupied housing

± 175-unit shortfall of for-sale housing units affordable to households earning less than $25,000

Sun Prairie has a shortage of approximately 175 for-sale housing units affordable to households earning less than $25,000. This means that households are occupying units that cost more than 30% of their household income on mortgage payments and other related housing costs. There may also be a shortage of units at the highest income bracket (those earning over $100,000 annually). However, all units affordable to the lower-income brackets are also affordable to the highest income bracket and households tend to spend less on housing at higher incomes. However, as higher income households own units affordable to lower income tiers, the competition increases for units at price points affordable to more moderate-income households.

ESTIMATED OWNER-OCCUPIED HOUSING AFFORDABILITY [1], 2019

Income bracket	Households	Housing stock	Income range
<$25,000	368	195	<$94,500
$25,000-50,000	1,148	1,976	$94,500-189,100
$50,000-75,000	1,259	3,206	$189,100-283,600
$75,000-100,000	1,382	1,675	$283,600-378,200
>$100,000	3,888	993	>$378,200

HOUSEHOLDS BY INCOME BRACKET

HOUSING STOCK AFFORDABLE TO EACH INCOME BRACKET

[1] The value of owner-occupied housing similarly assumes 30% of a household's monthly income is the maximum available for mortgage payments and other related housing costs. Mortgage payments are calculated assuming they account for 65% of monthly owner costs, a 30-year mortgage with a 4% interest rate after a 10% down payment.
Source: US Census Bureau, SB Friedman

49

Housing shortfall: renter-occupied housing

± 660-unit shortfall of rental units affordable to households earning less than $25,000

Sun Prairie needs approximately 660 more rental units affordable to households earning less than $25,000. This means that households are occupying units with rents that cost more than 30% of the household income. In Sun Prairie, there appears to be a significant surplus of units affordable to households earning $25,000-50,000. There is also a shortfall of rental units at the highest income brackets for households earning more than $75,000, causing higher income households to rent units affordable to lower income levels. Households with higher incomes may not spend 30% of their income on housing. Nationally, there has been an increase in "renters by choice" in recent years. Upper-income households who opt to rent often occupy lower-cost rental housing that would otherwise be available for middle- or lower-income households.

ESTIMATED RENTER-OCCUPIED HOUSING AFFORDABILITY, 2019

	<$25,000	$25,000-50,000	$50,000-75,000	$75,000-100,000	>$100,000
Households by income bracket	1,065	1,518	1,159	783	909
Housing stock affordable	406	3,484	1,247	281	16
Rent range	<$625	$625-874	$875-1,249	$1,250-1,874	>$1,875

HOUSEHOLDS BY INCOME BRACKET

HOUSING STOCK AFFORDABLE TO EACH INCOME BRACKET

Source: US Census Bureau, SB Friedman

50

Historic housing cost burden in Sun Prairie

Nearly 4,000 households in Sun Prairie are currently housing cost-burdened

There is a growing affordability problem in Sun Prairie. Approximately 23% of owners and 37% of renter households in Sun Prairie are cost-burdened, meaning they spend more than 30% of their income on housing monthly. Housing cost burden is typically higher for renter-households than owner-households.
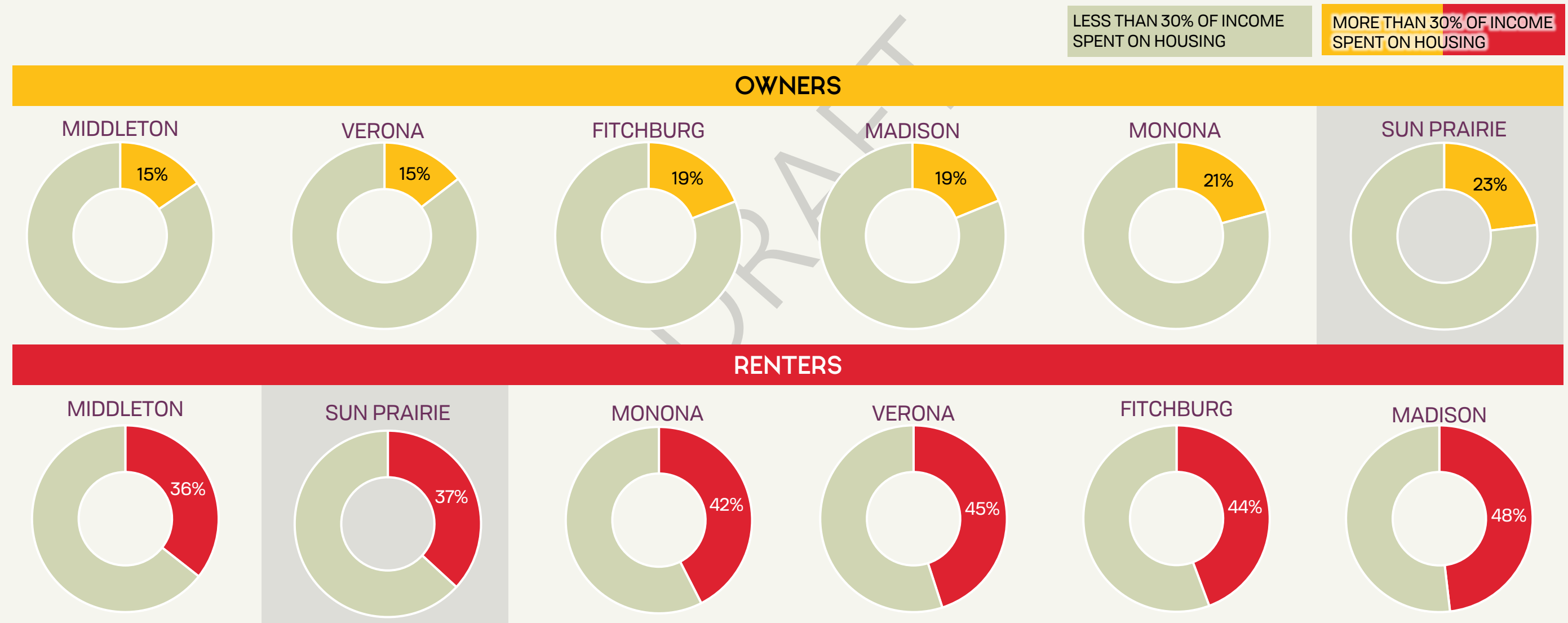
The number of cost-burdened households has increased by more than 2,200 households since 2000. While the rate of housing cost burden appears to have peaked in 2010 during the recovery from the Great Recession, continued household growth within the City has resulted in an increased number of cost-burdened households since 2010.

OWNERS

±1,000 cost-burdened households since 2000
122% increase in cost-burdened owners
71% increase in non-cost burdened owners

RENTERS

±1,100 cost-burdened households since 2000
128% increase in cost-burdened renters
58% increase in non-cost-burdened renters

OWNERS

Year	Total	Cost-burdened %	Cost-burdened count
2000	4,400	19%	836
2010	7,000	31%	2,145
2019	8,000	23%	1,857

RENTERS

Year	Total	Cost-burdened %	Cost-burdened count
2000	3,100	29%	880
2010	3,900	40%	1,563
2019	5,400	37%	2,002

LESS THAN 30% OF INCOME SPENT ON HOUSING

MORE THAN 30% OF INCOME SPENT ON HOUSING

Sources: US Census Bureau, SB Friedman

Housing cost burden among peer communities

A relatively high share of cost-burdened owner households in Sun Prairie

Sun Prairie has a relatively high share of cost-burdened owner households and relatively low share of cost-burdened renter households compared to peer communities.

LESS THAN 30% OF INCOME SPENT ON HOUSING   MORE THAN 30% OF INCOME SPENT ON HOUSING

OWNERS

MIDDLETON	VERONA	FITCHBURG	MADISON	MONONA	SUN PRAIRIE
15%	15%	19%	19%	21%	23%

RENTERS

MIDDLETON	SUN PRAIRIE	MONONA	VERONA	FITCHBURG	MADISON
36%	37%	42%	45%	44%	48%

Sources: US Census Bureau, SB Friedman

52

Cost burden among unprotected renter households

Approximately 46% of renter households without rent protection or rental support are cost-burdened

Overall, approximately 37% of renters are cost-burdened. However, renters living in LRAH units or with Housing Choice Vouchers [1] are not housing cost-burdened since they are given rent support to ensure their housing is affordable. Excluding the approximately 1,100 LRAH renters, 46% of rental households without such rent protections are cost-burdened. Nearly half of rental households without legal rent protection are paying more than 30% of their income on housing.

% OF ALL RENTERS WHO ARE COST-BURDENED

37%
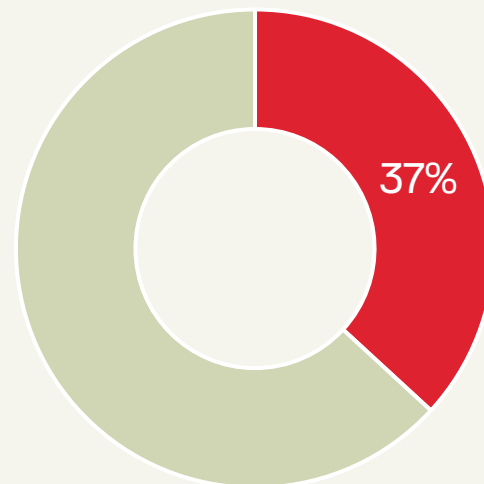
Remove

797 households in LRAH units

297 households with Housing Choice vouchers

% OF RENTERS WITHOUT RENT PROTECTIONS WHO ARE COST- BURDENED

46%
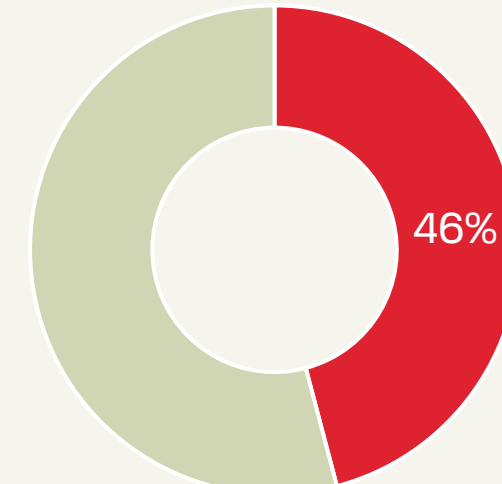
LESS THAN 30% OF INCOME SPENT ON HOUSING

MORE THAN 30% OF INCOME SPENT ON HOUSING

[1] Housing Choice Voucher program previously referred to as Section 8.
Sources: Dane County Housing Authority, Esri, US Department of Housing & Urban Development, Sun Prairie, US Census Bureau, Wisconsin Housing & Economic Development Authority, SB Friedman

53

Housing Affordability in Sun Prairie

Both a housing unit shortfall for low-income households and cost burden metrics indicate a need for additional affordable housing

There is a housing affordability problem in Sun Prairie today. There is an affordable housing shortfall for the lowest income households, approximately 175 units for owner-occupied housing and 660 units for renter-occupied housing.

Another measure of the housing affordability challenge is housing cost burden. There are approximately 1,900 owner households and an additional 2,000 renter households paying more than 30% of their income on housing.

Without policy and program intervention, the affordability challenge will likely grow in the future.

	OWNERS	RENTERS	TOTAL
Shortfall for households earning <$25,000	± 175	± 660	± 835
Cost-burdened households	± 1,900 / 23%	± 2,000 / 37%	± 3,900 / 29%
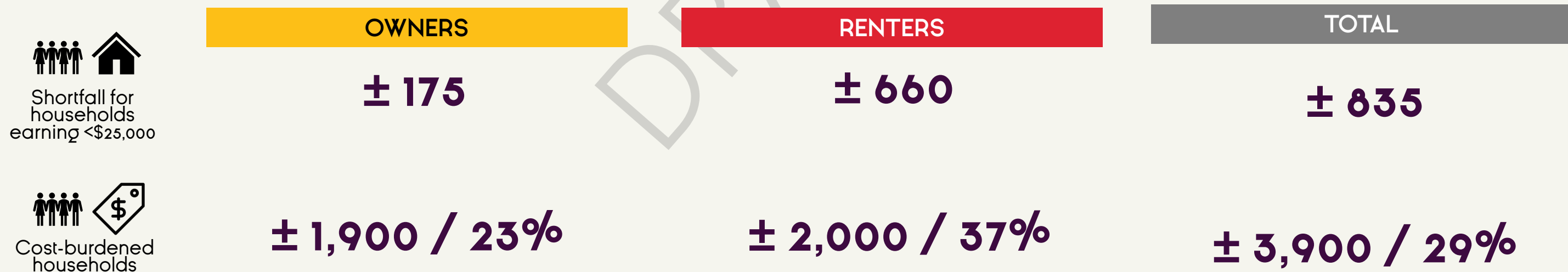
Projected Housing Need

Residential demand projection – key inputs

Future housing need is projected based on a variety of local data sources

SB Friedman projected the demand for housing in Sun Prairie from 2020-2040. The housing need forecast is rooted in historic local trends and projections for the City of Sun Prairie and Dane County. Key inputs include household change by age and income, homeownership and rental rates locally and proportion of cost-burdened households by tenure and income.

Household Change by Age and Income

Projections based on forecasts from Capital Area Regional Planning Commission (CARPC)[1] and Esri Business Analyst [2]

Housing Tenure (Owner or Renter)

Homeownership rates based on historic trends in Sun Prairie and Dane County using American Community Survey (ACS) 2015-2019 5-Year Estimates

Cost-Burdened Households by Tenure and Income

Cost-burdened households estimated for Sun Prairie using ACS 2015-2019 5-Year Estimates

[1] Assumed consistent growth rate from 2020 to 2050 CARPC projections to estimate 2040 households.
[2] Esri 2020 Estimates and 2025 Projections for Sun Prairie and Dane County

Projected household growth in Sun Prairie

Sun Prairie is projected to add 4,000 households from 2020-2040

There are projected to be 18,300 households in Sun Prairie by 2040, an increase of 4,000 households from 2020. From 2010-2020, Sun Prairie added approximately 337 households annually, on average. Over the next 20 years, it is projected that Sun Prairie will grow at a slower pace, adding approximately 200 households annually. Actual growth will vary year to year.

The forecasted household change uses Census 2020 and Esri Business Analyst data to define the 2020 baseline household count for Sun Prairie. The 2040 household projection is based on CARPC regional growth projections. SB Friedman applied historic housing occupancy rates to convert forecasted households to forecasted housing units.

+4,000
Projected household growth,
2020-2040

SUN PRAIRIE HOUSEHOLD GROWTH, 2010-2040

- 10,941 — 2010
- 14,313 — 2020
- 16,395 — 2030
- 18,316 — 2040

COMPOUND ANNUAL GROWTH RATES (CAGR) / AVERAGE ANNUAL HOUSEHOLD CHANGE

2.72% / 337
2010-2020

1.24% / 200
2020-2040

Sources: Capital Area Regional Planning Commission, Esri Business Analyst, SB Friedman, U.S. Census Bureau
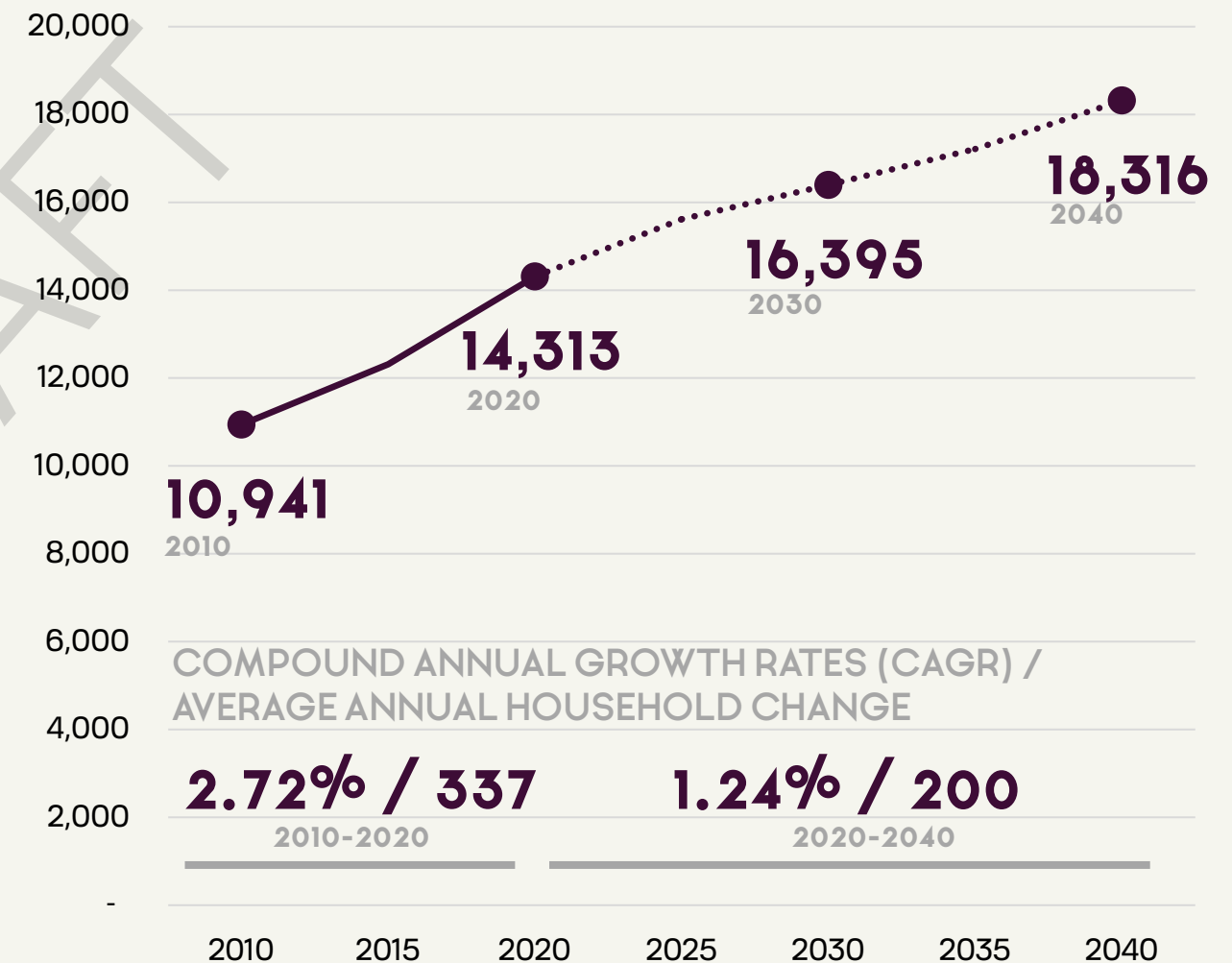
Historic household distribution by age and income

Sun Prairie is projected to add 4,000 households from 2020-2040

DANE COUNTY & SUN PRAIRIE HOUSEHOLDS BY AGE AND INCOME, 2020
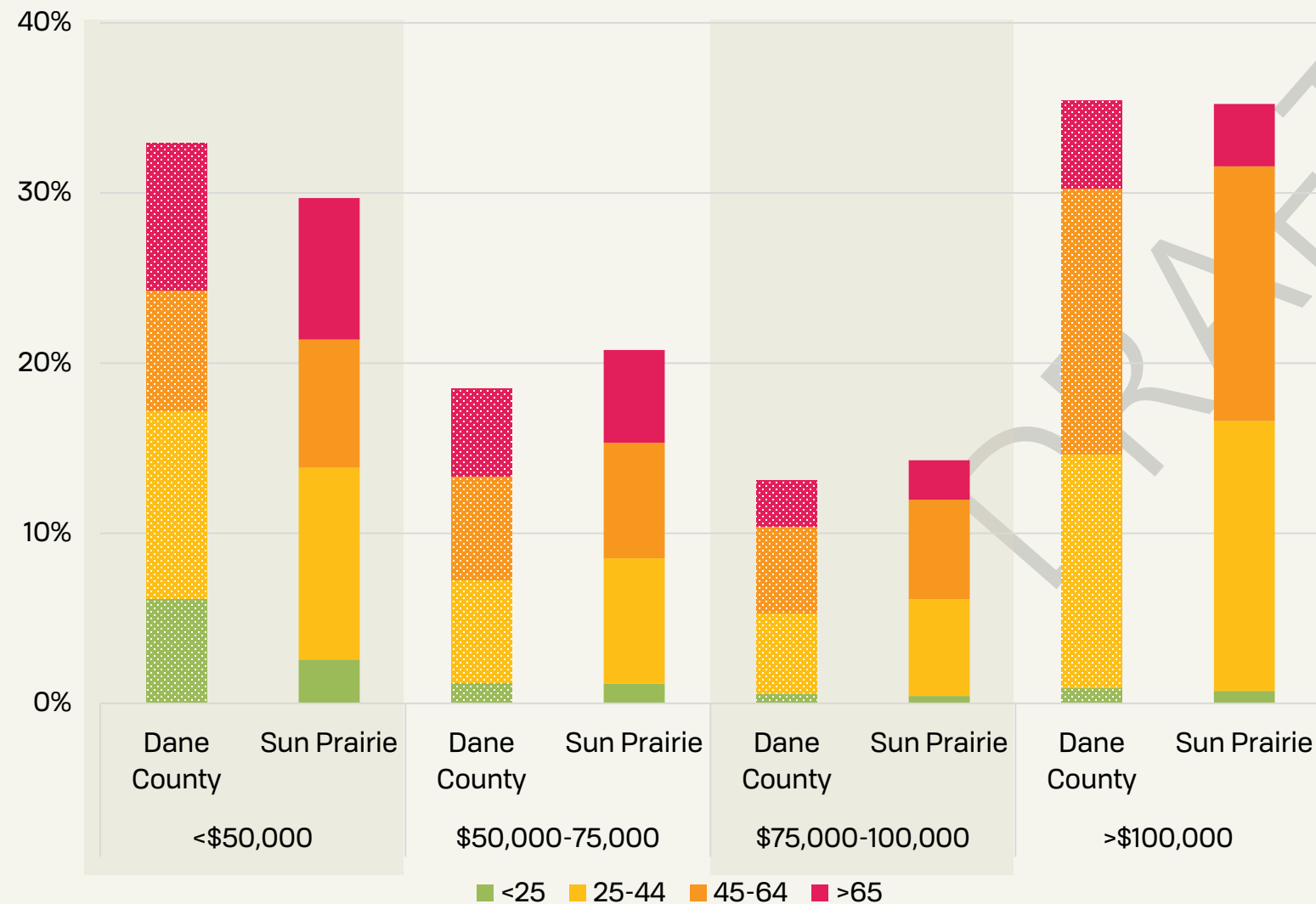
Dane County currently has a more even distribution of households by age and income than Sun Prairie. Approximately 33% of households in Dane County earn less than $50,000. In comparison, approximately 30% of households fall within the same income band in Sun Prairie. Households under the age of 25 account for nearly 9% of households in the County, but less than 5% in the City.

To project the age and income distribution of households in the future, SB Friedman assumed Sun Prairie would reach a distribution of households by age and income in 2040 comparable to that of Dane County in 2020.

Legend: ■ <25 ■ 25-44 ■ 45-64 ■ >65

Sources: Esri Business Analyst, SB Friedman

Projected household change by age and income

Sun Prairie's household growth is projected across all ages and income levels

SUN PRAIRIE HOUSEHOLD CHANGE BY AGE AND INCOME, 2020-2040

+1,400 +500 +400 +1,700

Legend: ■ <25 ■ 25-44 ■ 45-64 ■ >65
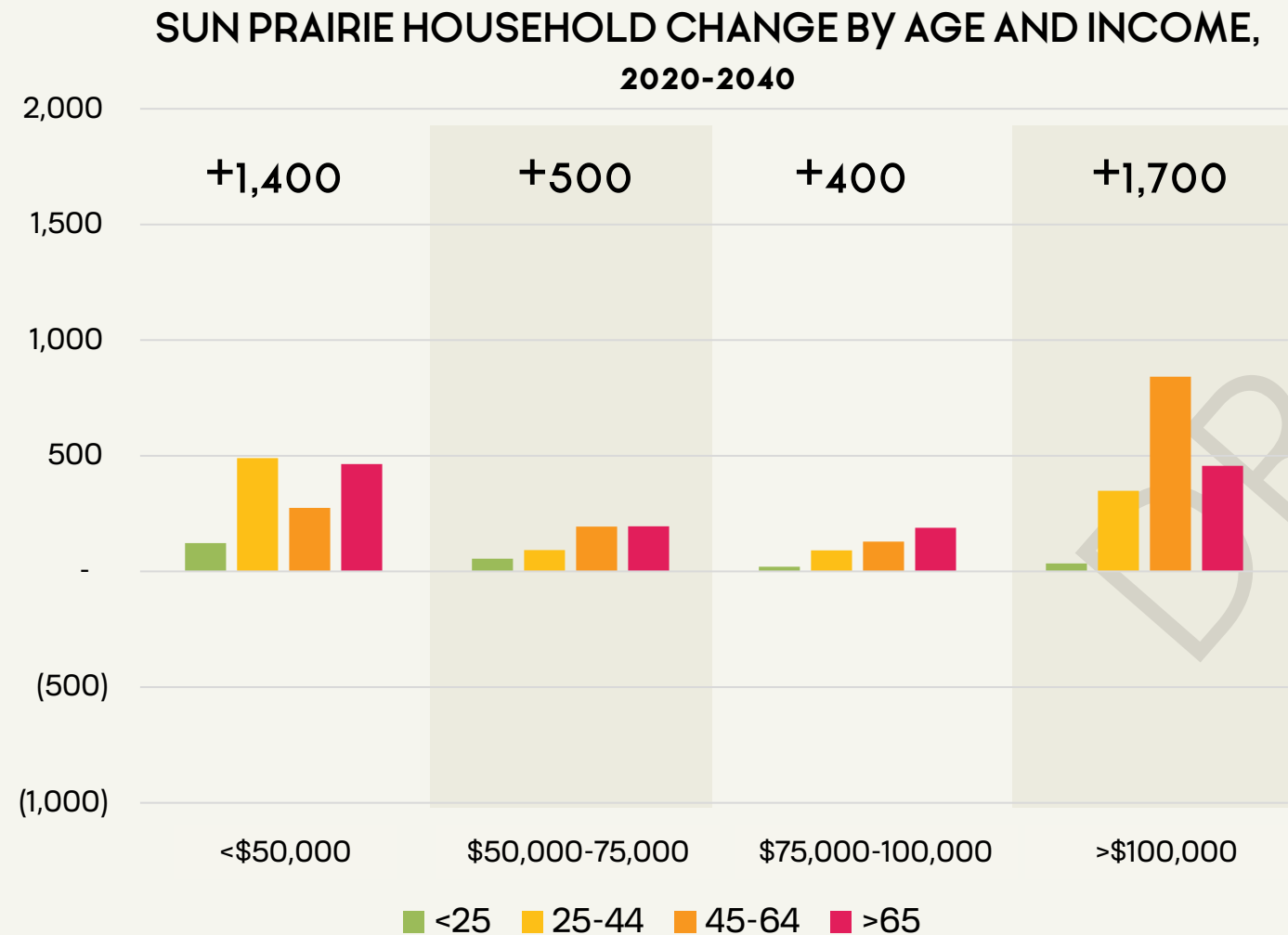
Using Dane County age and income distribution data, the projected 4,000 household increase in Sun Prairie was distributed among age and income cohorts to better understand how housing need and affordability could change in the future. The majority of the household growth is anticipated in households earning less than $50,000 per year or more than $100,000 (in 2020 $).

Across nearly all income bands, the fastest growing age cohort are households over the age of 65. The forecast also assumes an increase in young professionals (ages 25-44) earning less than $50,000 per year and family year adults/empty nesters (ages 45-64) earning more than $100,000 per year.

The growth in all age and income demographics necessitates a long-term housing strategy that provides housing units attractive and affordable to each cohort.

Sources: Capital Area Regional Planning Commission, Esri Business Analyst, U.S. Census Bureau, SB Friedman

Projected housing unit growth in Sun Prairie

Sun Prairie will need to build approximately 210 units annually to meet the demand for housing over the next 20 years

+4,400

Projected housing unit growth, 2020-2040

+2,100

Projected rental unit growth, 2020-2040

+2,300

Projected for-sale unit growth, 2020-2040

SB Friedman assumed a 5% and 7% vacancy in 2040, for owner and renter units respectively, in the Sun Prairie housing market which would provide more flexibility than currently exists in the market. Therefore, the City will need to build approximately 4,400 units to accommodate the household growth, or 210 units annually to over the next 20 years. This will likely require infill development, changes to land use regulations over time, and annexations in order to identify enough land to develop the necessary housing.

The forecasted households were assigned a housing preference based on historic housing choice data. Key historic data included:

- Housing tenure by age
- Housing tenure by income
- Type of housing (i.e. single-family detached, single-family attached, multifamily) by age
- Cost burden by tenure by age and income

The SB Friedman housing model also assumed a modest increase in the local production of legally-restricted affordable housing, to reflect an increasing number of lower-income households over time who would require units with rent subsidy.

Housing Affordability in Sun Prairie in 2040

Household growth at all income levels leads to increased affordable unit shortfall

While the proportion of households who are housing cost burdened is projected to remain constant through 2040, the number of cost-burdened households is expected to increase by 1,400 as Sun Prairie grows.

There is also a projected increase in the affordable housing unit shortfall, rising to 1,250 units by 2040. Despite an assumed diversification of housing, a more even growth of households across ages and incomes leads to an increase in the affordable housing unit shortfall. There is a projected increase in the affordable housing unit shortfall of approximately 415 units over the 20-year period.

This projection assumes the City takes proactive steps to support development of new LRAH units, resulting in approximately 92 new units every five years (double what occurred historically). Without City action, the shortfall would be greater in 2040.

	OWNERS	RENTERS	TOTAL
2040 Shortfall for households earning <$25,000	± 300	± 950	± 1,250
2040 Cost-burdened households	± 2,500 / 23%	± 2,800 / 37%	± 5,300 / 29%
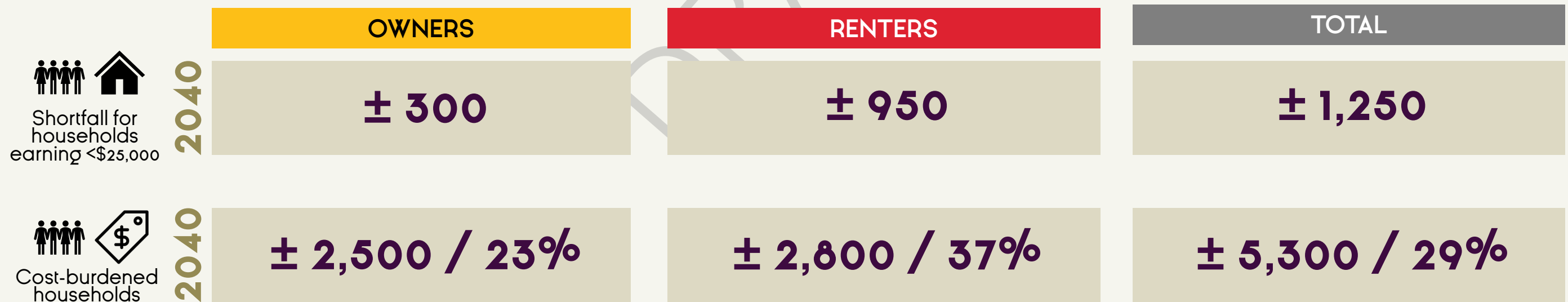
Community Engagement & Identifying Housing Priorities

Identifying housing priorities

Multiple engagement touchpoints were used to identify and refine housing priorities

While the quantitative analysis of housing needs is important, it is critical to root that data in the local context through community input. The community shared their lived experiences through a variety of engagement mechanisms and helped paint a picture of Sun Prairie housing conditions today and their desires for the future. This community feedback validated the conclusions of the analysis and provided additional detail and qualitative input not available through quantitative data sources. Both the quantitative and qualitative data are essential in identifying priority housing needs and creating a strategy to address those housing needs.

Initial engagement was aimed at understanding existing conditions. In an effort to hear from as many voices within the community as possible, the Team distributed a community survey to learn more about both existing conditions and unmet and future housing needs. Housing needs were further explored in the first community meeting. A second community meeting provided ideas on what Sun Prairie can do to address the identified housing challenges. Throughout the entire process, the CDA and Housing Advisory Committee advised the Team and leveraged their networks to increase broader community participation.

EXISTING CONDITIONS	HOUSING ISSUES & STRATEGIES

Stakeholder Interviews, Group Discussions, and Informal Conversations

Survey

Community Meetings

CDA & HOUSING ADVISORY MEETINGS

Focus Groups

Engagement has occurred virtually and in-person

This study had an equity lens throughout, from the data analysis to the engagement. The Team held virtual interviews and small group discussions with many different stakeholder groups to learn about housing needs and priorities. These discussions occurred virtually in small interviews and focus groups, as well as in person through informal conversations alongside the Neighborhood Navigators and at a vaccination event.

A list of all stakeholder groups engaged can be found below.

FOCUS GROUPS

- Representatives from Hmong community
- Representatives from Centro Hispano of Dane County
- Rolling Prairie residents *(in-person with Neighborhood Navigators)*
- Vandenburg Heights residents *(in-person with Neighborhood Navigators)*
- The Elements residents *(in-person with Neighborhood Navigators)*
- Sun Prairie community *(in-person at vaccination event)*
- Latino Academy / Latinx community
- African American Parent Network

KEY TAKEAWAYS

- Rental properties not properly maintained
- Low resident retention
- Limited neighborhood comradery
- Larger apartments needed
- Limited ownership/management retention and presence impacts quality of units
- Landscaping needed
- Need for affordable single-family homes

Stakeholder interviews and informal conversations

Discussions provide an overview and historic picture of Sun Prairie

The Team held virtual interviews and small group discussions with private developers, affordable housing developers, housing professionals, and City staff to better understand housing conditions in Sun Prairie in the Spring and Summer of 2021. These discussions provided a comprehensive overview and historic context for local and regional issues. Stakeholders affirmed that affordability is a regional problem and many of Sun Prairie's concerns are shared by surrounding communities. Some stakeholders also expressed concern over perceived challenges, including "unprecedented" multifamily growth and a community divide between the "old" and "new" Sun Prairie.

The stakeholders also shared information about recent and upcoming changes in Sun Prairie that impact the housing market. For example, participants mentioned the recent Sun Prairie school redistricting. Another future change discussed was the proposed Bus Rapid Transit (BRT) project connecting Sun Prairie to Madison.

Community members and residents shared similar comments on Sun Prairie and its recent trends during informal discussions while the Team was in Sun Prairie. Key themes across all discussions are included below.

OVERARCHING THEMES

1. Many of Sun Prairie's concerns are shared by nearby communities
2. Employers report difficulty finding workers
3. Need for workforce and affordable housing
4. Community skepticism around multifamily development
5. East (old)/west (new) divide in Sun Prairie

RECENT CHANGES AND TRENDS

1. Redistricting of schools
2. Possible BRT connecting Sun Prairie to Madison
3. Housing market is very tight; single-family homes selling above their listing price
4. Development occurring on the City periphery
5. Madison high-tech industry cluster is expanding

Businesses & major employers meeting takeaways

Housing is an important issue, but employers are also dealing with other pressing challenges

The Team virtually joined a businesses and major employers meeting in the Summer of 2021. More than 20 participants were present from various industries in Sun Prairie including manufacturing, education, distribution, and financial services.

The Team used an online platform to ask participants questions and solicit feedback on key housing related questions. In response to a question about employee travel patterns, approximately 56% of participants answered that most employees live outside Sun Prairie.

While housing is an important issue, employers stressed the need to also deal with other pressing challenges such as finding labor/talent, transportation to/from work, and childcare.

TOP BUSINESS SECTORS

- Manufacturing
- Education
- Distribution
- Professional services

KEY CHALLENGES

- Labor/talent
- Transportation to/from work
- Childcare

STRATEGIES TO EXPLORE TO ADDRESS HOUSING ISSUES

- Education program
- Develop affordable housing
- Grant program
- Down payment assistance program

Targeted resident outreach

Residents of neighborhoods with high concentrations of legally restricted or lower cost housing spoke of housing maintenance, management and community needs

The team conducted additional outreach in four geographies with high concentrations of affordable housing identified by the City – Vandenburg Heights, Schiller Street, S. Bird Street, and Park Circle – as shown on the map to the right. Residents in these areas mentioned the need for property maintenance and landscaping, larger apartments, better management, neighborhood comradery and resident retention.

| Property Maintenance | Resident Retention & Neighborhood Comradery | Larger Apartments | Ownership/ Management Retention & Presence | Landscaping |

NEIGHBORHOODS WITH HIGH CONCENTRATIONS OF AFFORDABLE HOUSING

Sources: Esri, Sun Prairie, SB Friedman
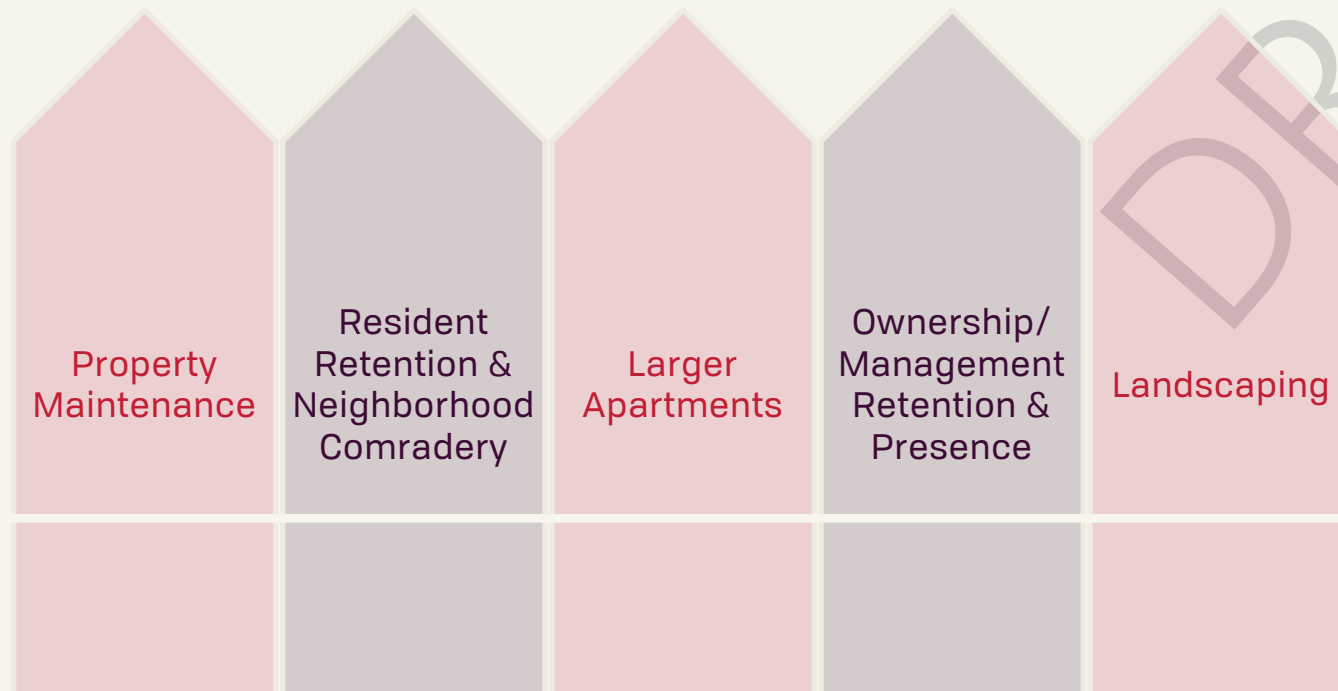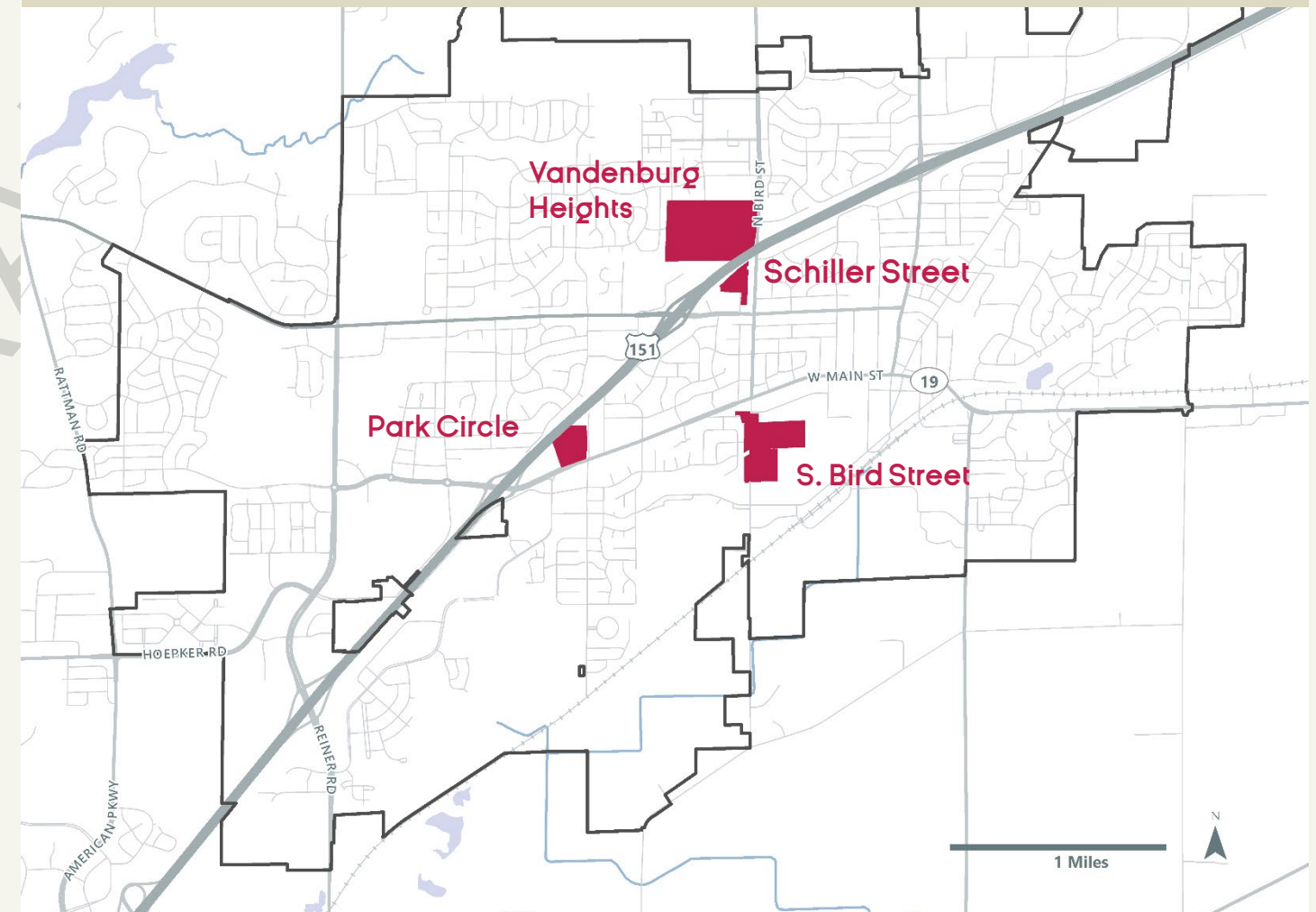
Community survey

Housing for All received nearly 800 community survey responses

With the intent to consider as many voices in the Sun Prairie community as possible, the Team distributed a community survey to obtain thoughts on current and future housing needs in Sun Prairie. The survey was advertised in a variety of ways:

- Posted on project website, social media platforms of the Lakota Group and the City of Sun Prairie
- Targeted and boosted advertising on Facebook
- Distributed flyers with QR codes in key locations, such as Sunshine Place Supper, Sun Prairie Public Library, downtown businesses, popular coffee shops, and more
- Conducted in-person outreach
- Distributed paper copies

The survey was available in both English and Spanish from August to October 2021, and more than 780 responses were recorded. Information on survey respondents and some key takeaways are presented on the following pages.

WHAT SHOULD I DO?

We want to hear from you! Take the online survey to share your thoughts on current and future housing in Sun Prairie. The City is growing and it is important to plan for housing that accomodates this growth.

WHAT DOES THAT DO?

Completing the survey allows your ideas, goals, and experiences regarding housing to be heard and taken into consideration for future planning!

WHERE DO MY RESULTS GO?

Results from the housing survey are received and analyzed by the planning team and City leadership, and relayed back to the community.

HOW ARE MY RESULTS USED?

Survey results will lead to strategies to provide housing for all in Sun Prairie

Survey respondent demographics

Survey respondents compared to the City of Sun Prairie overall

The survey respondents compared to Sun Prairie residents overall are more likely to be a homeowner, more likely to earn more than $75,000 annually, and less likely to be over 65 years old.

SURVEY RESPONDENTS   SUN PRAIRIE

73%   **60%**
Homeowners

2.3%   **5.3%**
Identify as Hispanic [1]
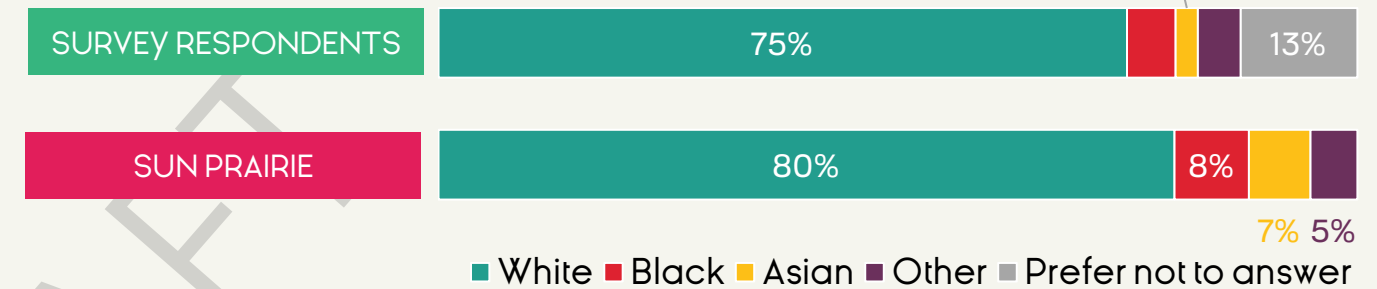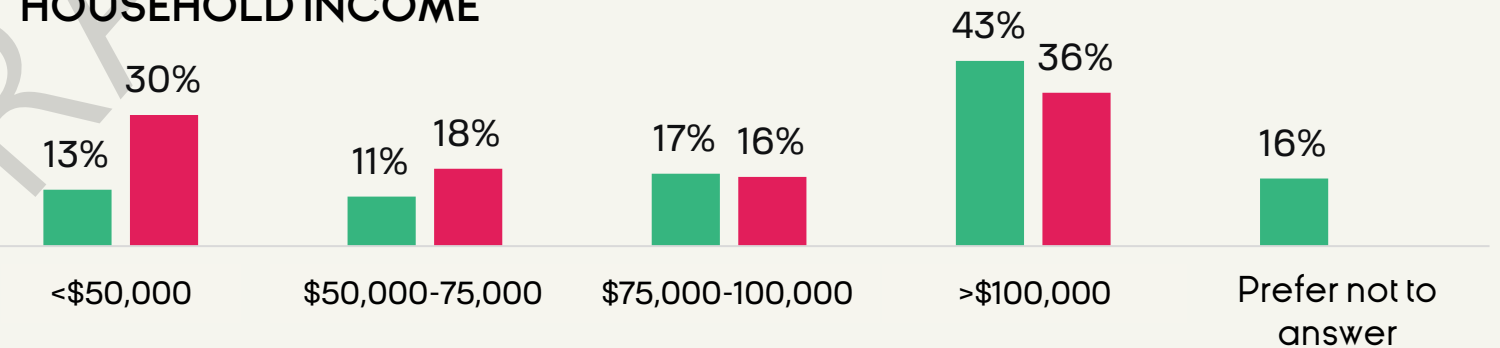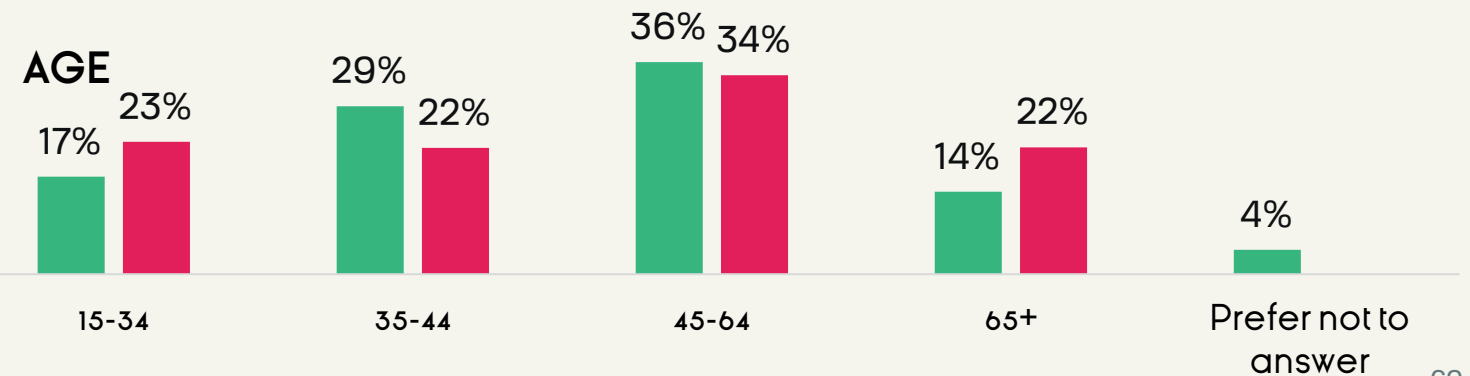
[1] 9% of respondents preferred not to answer.
Sources: SB Friedman, U.S. Census Bureau

RACE

SURVEY RESPONDENTS	75%	5% 2% 5% 13%
SUN PRAIRIE	80%	8% 7% 5%

■ White ■ Black ■ Asian ■ Other ■ Prefer not to answer

HOUSEHOLD INCOME

	<$50,000	$50,000-75,000	$75,000-100,000	>$100,000	Prefer not to answer
Survey Respondents	13%	11%	17%	43%	16%
Sun Prairie	30%	18%	16%	36%	

AGE

	15-34	35-44	45-64	65+	Prefer not to answer
Survey Respondents	17%	29%	36%	14%	4%
Sun Prairie	23%	22%	34%	22%	

Current barriers to preferred housing

More than 50% of respondents noted that they are not living in their preferred housing

BARRIERS TO LIVING IN PREFERRED HOUSING TYPE

Pie chart values:
- 19%
- 58%
- 11%
- 12%
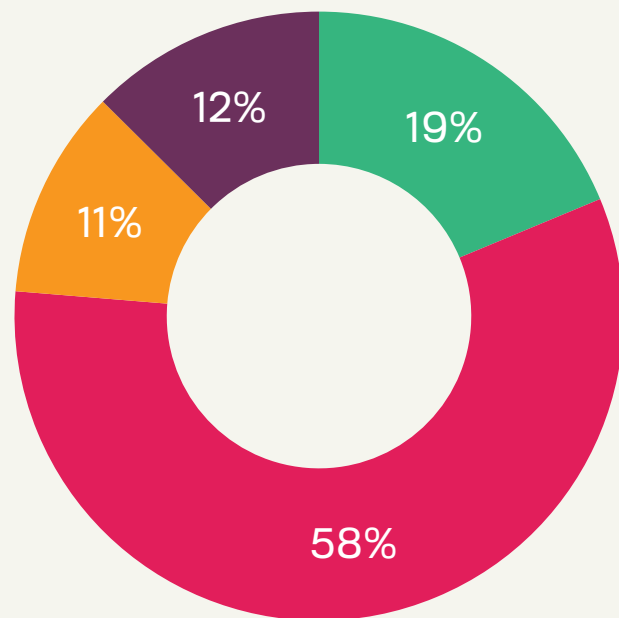
Legend:
- Not Available
- Too Expensive
- Financing Options Inadequate
- Other

The survey asked respondents whether they have any barriers to living in their preferred type of housing. More than 50% of respondents noted they are not living in their preferred housing. Of those not living in their preferred housing, nearly 60% noted that their preferred housing is too expensive. Nearly 20% selected that it was not available. Another option respondents selected was that financing options were inadequate. Lastly, nearly 12% of respondents not living in preferred housing selected the "other" category for barriers. The most common written in answer was high property taxes. There was minimum variance in the responses when analyzing the answers by the householder's race.

On a different question, approximately 21% of respondents reported they are currently paying more than they are comfortable paying on their rent/mortgage.

QUOTES FROM SURVEY:

"Some of us have been renting for a while and would like to buy a house or a duplex but this upward mobility is a continued struggle. We can't find what [any] affordable homes."

"There are a lot of new complexes being built but it is not really affordable to the average person in Sun Prairie"

"La vivienda ideal no está disponible" // The ideal housing is not available.

Deberia tenerse en cuenta que cada dia hay mas edificios nuevas con altas rentas y no edificos que venda condominios con dos o tres habitaciones para familias jovenes. Ademas lo existe leyes contra el abuso de los renteros y mala condicion de los apartamento. // It should be noted that every day there are more new buildings with high rents and not buildings that sell condominiums with two or three bedrooms for young families. Also, there are laws against the abuse of tenants and poor condition of the apartments.

Future housing preferences

Approximately 1 in 4 respondents plan to move out of the area in the next five years

PLANS FOR THE NEXT FIVE YEARS

- 2%
- 2%
- 9%
- 46%
- 4%
- 11%
- 26%
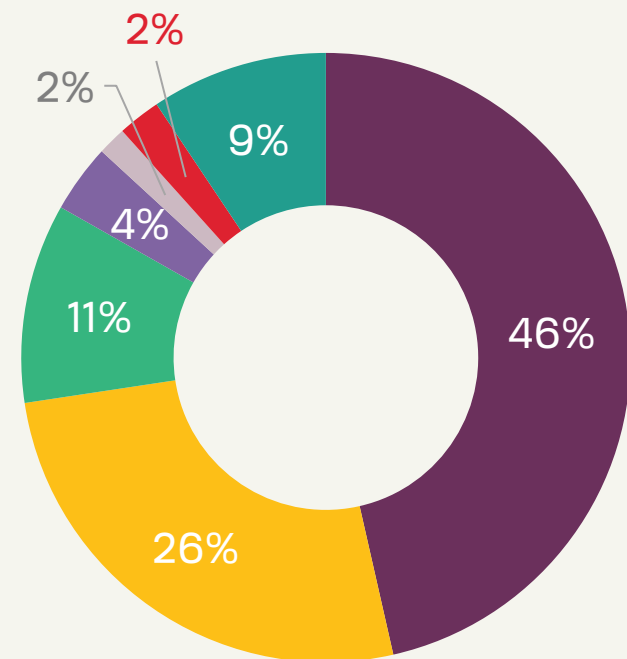
Legend:
- ■ Stay in current housing
- ■ Move out of the area
- ■ Purchase a larger home in Sun Prairie
- ■ Purchase a smaller home in Sun Prairie
- ■ Look for a rental in Sun Prairie
- ■ Move to income-restricted or senior housing
- ■ Not sure

While nearly half of respondents plan to stay in their current housing for the next five years, about one in four respondents plan to move out of the area in the next five years. Most of the respondents who expressed a desire to move out of Sun Prairie mentioned a preference to leave Dane County entirely. A smaller share of respondents of color and those that that did not select their race plan on staying in their current housing, in comparison to white respondents.

Top reasons mentioned for moving out of the area include high property taxes, cost of single-family homes, live closer to family, and an increase in crime.

QUOTES FROM SURVEY:

"Sun Prairie can benefit from more housing of all typologies. The main issue is cost."

"Maybe we need to think of creative ways to add to our affordable housing stock. Accessory units, in-law suites?"

"Más oportunidad de housing o sección 8 para personas de 65 años o mas" // We need more housing opportunities or Section 8 for people 65 years and older.

"Debería haber mas proyectos de vivienda para familias jovenes que sus ingresos soy por hora. Podria ser a las fueras de las casa caras para que no esten mas felices las familias privilegiadas o de altos recursos economico. los apratamento de bajo recurso toman demasiado tiempo para aprobar una aplicacion de renta especialmente si es un edifico nuevo." // There should be more housing projects for young families whose income is per hour. It could be outside the expensive houses so that the families are not happier privileged or high economic resources. Low-resource [income] apartments take too long to approve a rental application especially if it is a new building.

Housing type preference

Respondents generally preferred lower density housing

MOST PREFERRED BY PROPERTY TYPE

SINGLE-FAMILY DETACHED

72%

62%

SINGLE-FAMILY ATTACHED

32%

30%

MULTIFAMILY

27%

24%

The survey asked about housing type preference to understand the community's preference for types and styles of housing. Lower density single-family homes were the most preferred property type. Single-family detached homes received the highest share of respondents who voted four or five out of five stars as shown on the far left. Furthermore, lower density attached and multifamily housing options were favored over higher density alternatives.

% respondents who scored housing type 4+ ♡ out of 5

Community informed key housing challenges

Virtual community meeting in August helped inform key housing challenges

The Team hosted a virtual community meeting in August 2021 in order to share key findings from initial analyses and obtain feedback on key housing challenges. The Team created three highly visual boards to facilitate discussions in breakout rooms that participants could visit virtually. The boards presented key data and included ways for participants to engage and provide input. The board topics included (1) who lives in Sun Prairie, (2) housing preference, and (3) quality of life. While the turnout was lower than expected, there was a robust and productive conversation with attendees.

Key takeaways from conversations in the breakout rooms are below:
- Who is Sun Prairie?: There is a gap in senior and middle-income housing and a lack of programs to support homeownership (i.e., rent-to-own or down payment assistance programs).
- Housing Preference: Participants preferred single-family homes and noted the need for affordable housing and senior housing (both accessible ranch homes and income-restricted units).
- Quality of Life: Affordability, access to jobs, safety, proximity to amenities, and neighborhood character are important when making a housing decision. Priorities for housing include ensuring a diverse housing stock and addressing long-term property maintenance.
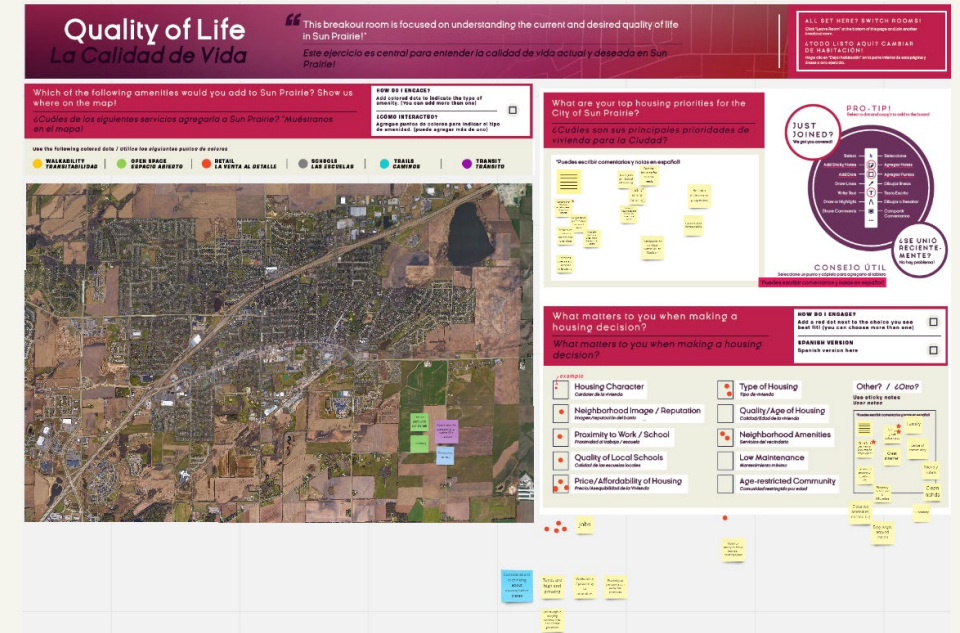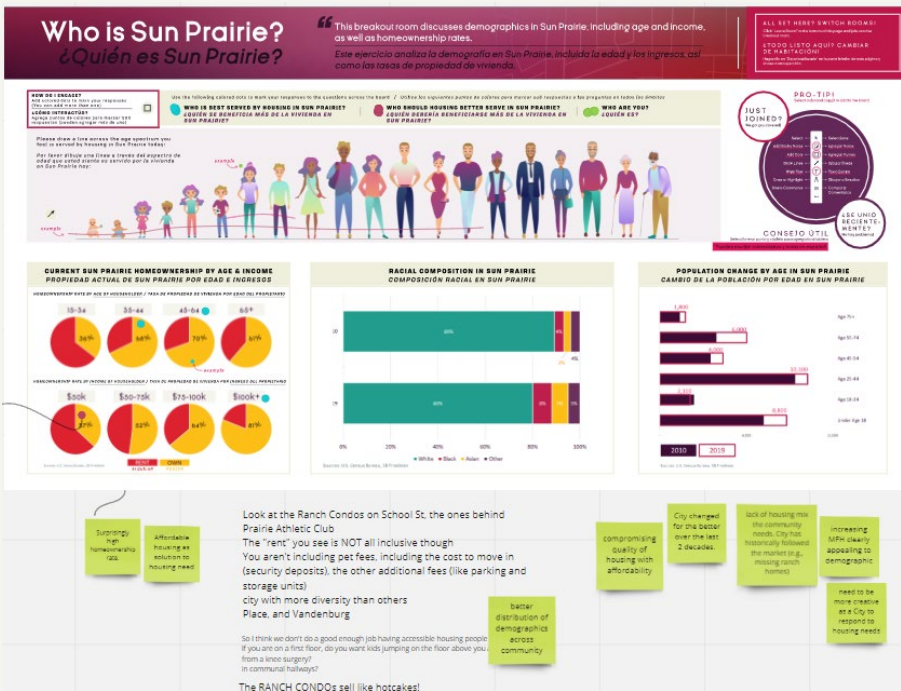
Community provided input on Sun Prairie actions

Virtual community meeting in February provided more ideas on what the City should do to address housing needs

The Team hosted a second virtual community meeting in February 2022 to provide an update on our work, share key housing challenges that were identified through data analysis and community engagement, and discuss what Sun Prairie can do to address the key housing issues.

The community provided many ideas for all different types of strategies including programs, incentives, regulatory, funding, and capacity building strategies.

Some ideas included:
- Down payment assistance programs
- Rental assistance programs
- Accessory dwelling units
- Programs to educate residents on tenant rights, savings, and home ownership
- Incentives for mobile home parks and ranch homes
- Incentives and regulatory allowance for mixed income housing and mix of housing types within neighborhoods
- Revitalization of a local housing coalition for housing coordination
- Coordination with other communities in the area

WHAT CAN SUN PRAIRIE DO?

74
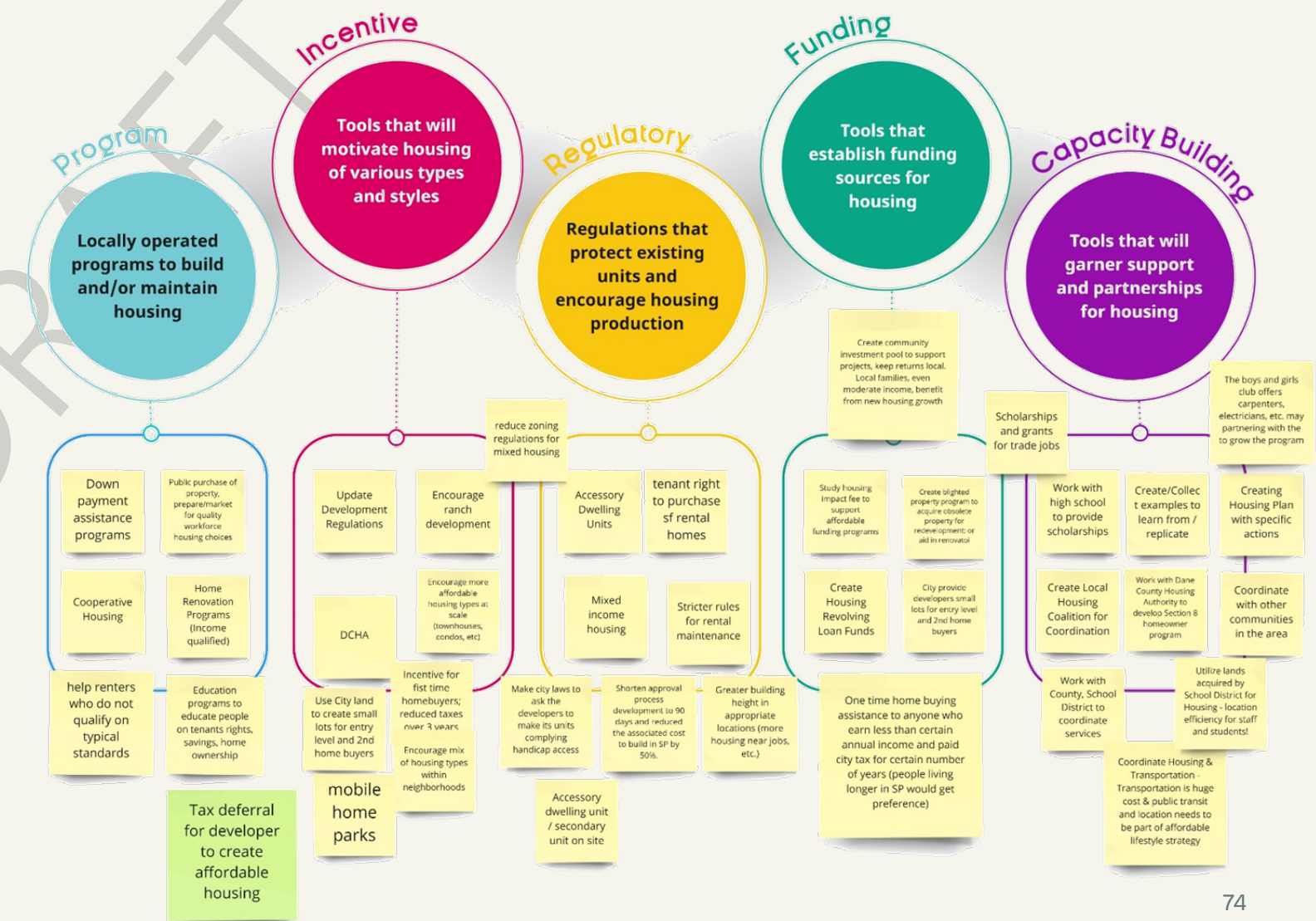
Housing priorities in Sun Prairie

Throughout the many forms of engagement, participants shared similar key housing concerns

The Team heard similar themes from conversations, discussions, interviews, focus groups, community meetings, and the resident survey. The Team grouped the housing needs, as identified through engagement and further refined through data and analysis into three overarching housing priorities.

A multipronged approach will be needed to address core housing issues. The Team identified strategies to address housing priorities, as presented in the following section.

HOUSING NEEDS

- Encourage variety of housing types
- Diversify single-family homes (by price, size, and style)
- Increase overall housing supply
- Increase senior housing options
- Educate community on multifamily development
- Identify options for multigenerational households
- Improve consistency and clarity in approvals process
- Address entitlement barriers slowing new construction
- Build more two- and three-bedroom apartments for families

HOUSING PRIORITY 1

Limited supply of housing

- Target City resources to support diversity of housing
- Develop legally restricted affordable housing
- Maintain affordability over time
- Explore rent subsidy/voucher programs to reduce cost of housing
- Stabilize property taxes and rents
- Leverage state and federal resources for affordable housing development

HOUSING PRIORITY 2

Housing is unaffordable

- Incentivize maintenance of multifamily and affordable properties
- Counteract landlord discrimination & NIMBYism
- Support property owners/managers at affordable properties
- Expand existing community outreach programs
- Participate in regional discussions about the shared responsibility for housing
- Remove barriers to homeownership
- Housing for people with physical limitations

HOUSING PRIORITY 3

Quality, accessibility, and attainability of housing

75

Recommended Strategies

Recommended strategies

Strategies address housing priorities

Policy perspectives and recommendations are targeted to meet Sun Prairie's housing needs. The Team identified strategies to address priority housing needs based on housing expertise, case study research, community ideas and CDA and Housing Advisory Committee feedback.

The toolkit presents a tailored list of strategies that can be used to address the four overarching housing priorities in Sun Prairie. The process identified a targeted set of strategies from a broader list of affordable housing best practices that best fit the needs identified in Sun Prairie.

The strategies presented are allowed under current state regulatory framework. The City may want to work with regional partners and peers from across the state to advance legislative change if it is important to achieving desired housing goals.

Organizational Strategies	Strategies to Increase Housing Stock	Strategies to Increase Affordable Stock	Strategies to Improve the Quality, Accessibility, and Attainability of Housing
▪ Communication and Education ▪ Dedicated Housing Committee ▪ Dedicated Housing Staff ▪ Annual Tracking/Reporting	▪ Zoning for By Right Development ▪ Accessory Dwelling Units ▪ Development Community Outreach ▪ Entitlement Incentives	▪ Community Land Trust ▪ Dedicated Sources to Support Affordable Housing ▪ Employer Assisted Housing ▪ Zoning Overlay District	▪ Down Payment Assistance Program ▪ Local Housing Coalition ▪ Non-Traditional Lending Products for Households ▪ Rehab Loan Fund / Grant Program

Housing Toolkit Structure

Dashboard shows key facts that may aid in prioritizing strategies

A full toolkit identifying a broader range of strategies is provided in the Appendix. Included in this section are a subset of strategies recommended to address the four key housing priorities – add organizational capacity, increase the supply of housing, increase affordability, and improve the quality/accessibility of housing. A dashboard is provided for each tool showing the strategy type, funding required, timeline for implementation, implementation lead, regulatory requirements (if any), and primary target population. The following pages present four recommended strategies for each of the identified housing priorities.

KEY FACTS
TYPE
Program, Incentive, Regulatory, Funding, Capacity Building
FUNDING REQUIRED
$ (minimal), $$ (moderate), $$$ (considerable)
TIMELINE
Immediate (<1 Year), Near-Term (1-5 Years), Long-Term (5+ Years)
IMPLEMENTATION LEAD
City of Sun Prairie, Dane County, Nonprofit Organizations, Employers, Developers
REGULATORY
Zoning Change, Legislative Update, No Change
PRIMARY TARGET
Renters, Owners, Seniors, Lower-Income Households

Overarching organizational strategies

Strategies designed to increase organizational capacity

In order to successfully implement and execute the recommended strategies, it will be critical to increase communication and education around housing issues, dedicate City staff time to implementation, and track and report on progress. These overarching organizational strategies will help advance the more targeted tools that are presented in the following sections. The City may have housing funds already available to begin to make progress on implementation by enhancing staff capacity and increasing communication and education around housing. The following four organizational strategies are recommended:

Communication and education around housing. The City of Sun Prairie and nonprofit organizations can support housing through education and communication. For example, the City can combat common misconceptions about housing, create educational resources to support lower-income households, disseminate information related to housing, and more.

Dedicated housing committee. The City needs an entity to drive implementation and provide direction to City staff regarding housing priorities over time. The purpose of a dedicated housing committee or similar group is to set goals and hold the City accountable during implementation. There are different types of groups that could be created, whether it remains under the purview of the Community Development Authority or if a new commission is created altogether. This group would be responsible for meeting regularly to discuss key housing issues, work on progressing strategies to address housing priorities, and report to and advice Council and City staff on housing issues.

Dedicated housing staff. Dedicated housing professionals are important to advance community housing goals. Significant staff time can be required to craft, implement and operate new programs. A designated staff person within the City can champion housing initiatives and maintain focus on the issue over an extended period. Designated City housing staff can also participate in regional, state and national discussions about housing, attend conferences to learn about best practices, and maintain relationships with housing developers and operators. Dedicated staff could also be impactful for properties within the Priority Geographies which have specific housing needs. The Priority Geographies include a relatively high number of legally restricted affordable properties that could be one point of focus for the designated staff person.

Annual tracking/reporting. Annual tracking/reporting on various housing goals help hold municipalities accountable and allow them to measure progress. As the City implements programs, there should be monitoring and compliance. Metrics the City could consider tracking include new units by housing type, affordability and tenure, ADU creation, number of homeowners assisted, rental units rehabilitated, as well as overarching housing market metrics like average rents, sale prices, vacancy rates and average days on market.

Communication and Education around Housing

KEY FACTS

TYPE
Capacity Building

FUNDING
$

TIMELINE
Immediate

IMPLEMENTATION LEAD
City of Sun Prairie

REGULATORY
✓ No Change

PRIMARY TARGET
Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

The City of Sun Prairie and nonprofit organizations can support housing through education and communication. For example, the City can combat common misconceptions about housing, create educational resources to support lower-income households, disseminate information related to housing, and more. The City can work with existing nonprofits (e.g., Sunshine Place, the Sun Prairie Chamber of Commerce, Neighborhood Navigators) already active in the community to leverage their networks and disseminate educational material and resources. These partnerships can also enhance the flow of information back to the City, ensuring that City staff receive ongoing feedback on programs and communication needs.

KEY DECISION POINTS / NEXT STEPS

- Identify possible channels to communicate to the public, e.g., Affordable Housing Week
- Increase coordination between City staff, departments, and nonprofit partners
- Determine key educational campaigns
- Draft materials

SAMPLE EDUCATIONAL MATERIAL

Affordable Housing week, as an example, can be a hybrid in-person and virtual week-long event that focuses on answering affordability questions and provides ways for the community to find affordable housing options in Sun Prairie. Sample communication text provided below:

"How can we provide housing for all in Sun Prairie? Affordable Housing Week 2024 will focus on illustrating why affordable housing is key to this community's fabric and will provide you with the right resources to find housing that meets your needs within reach. Visit the City's website to learn more about available sessions and help us spread the word. Registration is free for all Sun Prairie residents!"

AFFORDABLE HOUSING WEEK MAY 13-17

ORGANIZATIONAL STRATEGIES

Dedicated Housing Committee

KEY FACTS

TYPE:
Capacity Building

FUNDING:
$

TIMELINE:
Near-Term

IMPLEMENTATION LEAD:
City of Sun Prairie, Nonprofit Organization

REGULATORY:
✓ No Change

PRIMARY TARGET:
Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

The City will need an entity to drive implementation and provide direction to City staff regarding housing priorities over time. The purpose of a housing task force or similar group is to set goals and hold the City accountable. There are different types of groups that could be created, whether it remains under the purview of the Community Development Authority or if a new commission is created altogether. This group would be responsible for meeting regularly to discuss key housing issues, develop a strategic action plan, and report to and advise Council and City staff on housing issues.

KEY DECISION POINTS / NEXT STEPS

- Identify process to advance housing strategies and how a housing task force or similar group will be used
- Determine members of the group
- Identify key housing issues to address

CASE STUDY – MIDDLETON, WI

Middleton, WI has a Housing Task Force that was created by the City as a formal task force. This group sets goals and holds the City accountable toward reaching their goals. The task force was originally established in 2007 to increase the supply of workforce housing in the City. Today, the task force meets approximately once a month to discuss housing related issues, such as finding ways to support affordable housing development, advising on the use federal funds (such as CDBG), and more.

ORGANIZATIONAL STRATEGIES

Dedicated Housing Staff

KEY FACTS

TYPE:

☀ Capacity Building

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

Dedicated housing professionals are important to advance community housing goals. Significant staff time can be required to implement and operate new programs. A designated staff person within the City can champion housing initiatives and maintain focus on the issue over an extended period. Designated City housing staff also can participate in regional and national discussions about housing, attend conferences to learn about best practices, and maintain relationships with housing developers and operators.

This strategy specifically could be impactful for properties within the Priority Geographies which are areas that have been identified for housing initiatives. Further, the Priority Geographies have a relatively high number of legally restricted affordable properties that may be a point of focus for the designated staff person.

KEY DECISION POINTS / NEXT STEPS

- Identify core responsibilities of a housing staff person
- Determine where a housing staff person would fit within the existing City organizational structure
- Identify funding source within City budget for full-time housing staff

CASE STUDY – WEST ALLIS, WI

West Allis, a suburb of Milwaukee, has multiple staff dedicated to housing initiatives. The staff implement housing programs including grants and other assistance programs. By having dedicated housing staff, West Allis has the capacity to execute strategies to support housing.

ORGANIZATIONAL STRATEGIES

Annual Tracking/Reporting

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

Annual tracking/reporting on various housing goals help hold municipalities accountable and allow them to measure progress. As the City implements programs, there should be monitoring and compliance. Metrics the City could consider tracking includes new units by housing type, affordability and tenure, ADU creation, number of homeowners assisted, rental units rehabilitated, as well as overarching housing market metrics like average rents, sale prices, vacancy rates and average days on market.

KEY DECISION POINTS / NEXT STEPS

- Identify metrics and compliance standards the City is interested in measuring
- Determine which staff/department will track housing metrics
- Report on metrics and monitor compliance annually

OTHER CONSIDERATIONS

The Wisconsin legislature in 2018 established a requirement of municipalities with 10,000 or more people to file a housing affordability analysis annually. The City of Sun Prairie, therefore, is required to draft this report annually. The law requires the City to report on development activity and analyze the impact of their residential development regulations on the cost of developing new housing. In addition to tracking development activity, the City should also track the use of public funding for housing, use of any programs, and the development outcomes from developments that use public founding or programs. The report and additional data collected should be distilled and used for educational materials.

Priority 1 | Increase the Supply of Housing

Strategies targeted toward increasing overall housing production to limit future housing price increases

Sun Prairie is a desirable and rapidly growing community. As a result, vacancy rates for both rental and for-sale housing are below typical levels. Low vacancy rates and constrained housing supply have multiple impacts on the market, including increasing prices and declining mobility. Mobility is the ability of residents to move from one home to another. The limited overall supply creates a more competitive housing market which drives up the price for both for-sale and rental housing. In housing markets with constrained supply, households move at a slower rate than is typical because there are fewer options available. Increasing the housing stock should not only focus on increasing the overall supply of housing, but also filling specific housing product gaps. Housing shortfalls identified through this Housing Needs Assessment included affordable housing, lower-cost for-sale single-family homes, and seniors housing.

SB Friedman identified four priority strategies to address the overall lack of supply. Recommended strategies include:

- Zoning for By Right Development
- Accessory Dwelling Units
- Development Community Outreach
- Entitlement Incentives

Zoning for By Right Development

KEY FACTS

TYPE
Regulatory Mechanism

FUNDING
$

TIMELINE
Immediate

IMPLEMENTATION LEAD
City of Sun Prairie

REGULATORY:
Zoning Change

PRIMARY TARGET:
Renters & Owners

OVERVIEW

Zoning can impede development if the codes are outdated and/or overly restrictive. Amending zoning to broaden permitted land uses, design standards, and other regulations can reduce barriers to housing development. When zoning requirements allow for a more expensive set of land uses, more development can occur by right. In the absence of zoning that allows for a greater range of by right building types, developments require special use permits or rezoning that can add time, uncertainty and cost to the development. Special use permits may also invite community opposition to building types otherwise consistent with the city's adopted plans and goals. Each of these can impact feasibility of development and push developers to communities where the development process is more streamlined and certain.

Current zoning practices encourage the separation of land uses, limit development intensity, and lack site design standards. In today's environment, many residents prefer to live in walkable, transit-adjacent areas with nearby commercial amenities. The City should add zoning flexibility to the extent possible within traditional districts. Zoning flexibility could include reducing parking requirements, especially if high frequency transit becomes available.

KEY DECISION POINTS / NEXT STEPS

- Review residential land use regulations within the Municipal Code to identify overly restrictive zoning districts that often require variances or are known to be outdated

- Update Municipal Code to include more expansive land uses, design standards and less restrictive requirements

CASE STUDY – SUMMERVILLE, SC

Summerville, a suburb of Charleston, overhauled its zoning code, and the new zoning ordinance allows for different types of residential uses in different zones with the most flexibility near downtown and transit stations. The Summerville 2019 Unified Development Ordinance (UDO) redefined the use and form of development in these zones, with the intent of simplifying the entitlement process and allowing for flexibility of uses while maintaining Summerville's unique building form.

INCREASE THE SUPPLY OF HOUSING

Accessory Dwelling Units

KEY FACTS

TYPE

⊞ Regulatory Mechanism

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

✏ Zoning Change

PRIMARY TARGET

Renters, Seniors, Lower-Income Households

OVERVIEW

Accessory dwelling units (ADUs) tend to be relatively small dwelling units on existing residential parcels that are either contained within the principal dwelling unit or within a separate structure entirely. ADUs come in many forms (e.g., basement unit within a single-family home, a "granny flat" above a garage, or a coach house). ADUs are frequently naturally-occurring affordable housing. ADUs provide an opportunity to add housing within existing residential neighborhoods without a significant impact. Because ADUs provide an additional housing unit in proximity to an existing housing unit, they can also be a great option for multigenerational housing. Some municipalities only allow ADUs on parcels with existing owner-occupied units.

ADUs are recommended in the Sun Prairie Comprehensive Plan but are not currently permitted by zoning.

KEY DECISION POINTS / NEXT STEPS

- Reach out to the City of Madison and other communities to learn from existing ADU programs
- Identify potential locations that would be well-suited for ADUs
- Identify general form, bulk and design parameters for ADUs
- Draft ordinance
- Conduct public education regarding ADUs
- Develop partnerships with local lenders to identify a source for funding construction/renovation of ADU spaces
- Develop a municipal funding mechanism; ADUs are difficult to finance with conventional sources, but could be supported with municipal sources in exchange for affordability commitments

CASE STUDY – VERONA, WI

The City of Verona recently approved one accessory dwelling unit per lot, no greater than 900 square feet throughout the City. Lots are by right permitted to include ADUs. The primary structure must be an owner-occupied unit. While financing ADU construction and renovation may still be difficult, allowing ADUs in the code without a special permit will enable more ADUs in Verona.

Development Community Outreach

KEY FACTS

TYPE

Capacity Building

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie, Nonprofit

REGULATORY

✓ No Change

PRIMARY TARGET

Renters & Owners

OVERVIEW

City outreach to regional, state and national housing developers and other members of the development community can increase awareness and interest in residential development in Sun Prairie. Engaging with additional developers increases the pool of developers likely to develop housing citywide.

Cities will often target outreach to specific developers who can fill a particular product gap within the market (e.g., Seniors Housing, missing middle housing). Outreach is often a critical component to attracting specialty developers. As the City implements new housing policies, outreach and communication with the development community will be key to educating developers on new policies, programs and incentives.

KEY DECISION POINTS / NEXT STEPS

- Engage in discussions with regional and national developers to attract additional development interest, particularly for product types that are lacking in the market
- Draft annual state of the residential market document for distribution to interested developers
- Write development prospectus to encourage development on specific sites
- Consider identifying a dedicated City staff member to coordinate development community outreach

OTHER CONSIDERATIONS

One common question is how to find and connect with the development community. A dedicated staff person can research active residential developers in the County and larger region through various data sources. The staff person can also help build relationships with other communities in the area, which can help identify active residential developers. Further, involvement in professional organizations like the Urban Land Institute will likely lead to connections to developers.

INCREASE THE SUPPLY OF HOUSING

Entitlement Incentives

KEY FACTS

TYPE

Incentives

FUNDING

$

TIMELINE

Near-Term

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

Zoning Change

PRIMARY TARGET

Renters & Owners

OVERVIEW

Entitlement incentives typically offer an increase in the allowable density or other benefits for a given site in exchange for the provision of affordable housing or other desired housing types. Entitlement incentives can be made applicable to specific zoning districts but are also frequently available through zoning overlays which target specific high-growth zones where a developer would be most interested in providing the desired housing types in exchange for the additional density.

Reduced parking minimums or expedited permitting could be effective entitlement incentives in Sun Prairie. Projects with the preferred criteria, including those going through the PUD process, could be fast tracked with staff level approvals as an incentive to include the preferred criteria. Due to Wisconsin statute which prevents mandates, incentives are a useful mechanism to encourage affordable housing. The City could consider advocacy at the state level to change the current state laws constraining affordable housing. Entitlement incentives are a valuable tool to entice a particular product type, whether it be affordable housing or existing housing shortfalls (e.g., Seniors Housing, missing middle housing).

KEY DECISION POINTS / NEXT STEPS

- Identify priority types of development City wishes to incentivize
- Identify possible entitlement incentives based on historic approvals and research into similar policies elsewhere
- Craft potential incentives and review with legal counsel
- Obtain community and developer feedback on potential incentives
- Draft policies/ordinances for adoption

CASE STUDY – EDINA, MN

Edina's incentive-based Multifamily Affordable Housing Policy, adopted in 2015, incentivizes developers to build affordable units in exchange for density bonuses, parking reductions, tax increment financing (TIF), deferred low-interest loans from the Edina Housing Foundation, and tax abatements. The policy applies citywide.

If a development obtains a rezoning or comprehensive plan amendment and the development includes more than 20 units, developers are required to provide affordable units and the incentive-based policy is not applicable. Mandatory entitlement incentives are not currently allowed under Wisconsin state law; however, the incentives-based voluntary component of the Edina policy would be feasible in Sun Prairie.

INCREASE THE SUPPLY OF HOUSING

Priority 2 | Add Affordable Units

Strategies targeted toward increasing the number of affordable housing units by creating new and preserving existing affordable units

As housing prices continue to rise in Sun Prairie and the region, there is increasing need for additional housing that is affordable to households at a range of incomes, especially households earning less than 60% AMI. The second strategic priority is to increase the overall inventory of affordable units. Increasing the supply of affordable housing requires a two-fold approach to both create new affordable units and preserve existing housing. Affordable housing can be either legally restricted or naturally occurring affordable housing available to lower-income households.

While high property taxes were stated as a barrier to increasing the number of affordable units, Sun Prairie has a limited ability to influence property taxes under state regulations. Strategies therefore focus on alternative avenues to increase the supply of affordable units.

Legally restricted rental units typically require multiple layers of federal and local subsidy which come with long-term restrictions that ensure the units remain affordable to households at certain income categories. For-sale housing is typically kept affordable through deed restrictions that accompany rehabilitation or construction funding from public entities.

SB Friedman recommends four incentive-based strategies to add and preserve affordable units in Sun Prairie:

- Community Land Trust
- Zoning Overlay District
- Employer Assisted Housing
- Dedicated Sources to Support Affordable Housing

Community Land Trust

KEY FACTS

TYPE

Housing Program

FUNDING

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

Nonprofit Organization, City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners, Lower-Income Households

OVERVIEW

A community land trust (CLT) acquires and maintains permanent ownership of land in order to maintain long-term affordability of housing units. Residents can purchase a single-family or multifamily property outright and enter a long-term (±99-year) lease for the land, which is held in a trust. When a homeowner is ready to sell, owners will receive a formula-based moderate return on investment. The home is only eligible to be sold to households earning below a defined income.

The legally constrained sale-price maintains affordability for the subsequent owner. By separating the ownership of land and housing, CLTs provide low- and moderate-income households with an opportunity to build equity through homeownership. CLTs can also include multifamily properties, in which leaseholders are subject to the same resale restrictions.

Otherwise, Sun Prairie could initially begin with an opt-in CLT model that expands over time as funding sources become available to engage in additional projects (e.g., land acquisition, preparation). In the future, affordable units constructed by Habitat for Humanity or other similar developers could also be added to the community land trust.

KEY DECISION POINTS / NEXT STEPS

- Identify organization (i.e., Madison Area Community Land Trust) or new entity to manage the land trust
- Identify funding source for CLT organization and possibly property acquisition
- Identify target location and type of properties
- Determine eligibility criteria & fund requirements

CASE STUDY – MADISON AREA COMMUNITY LAND TRUST

The Madison Area Community Land Trust was established in 1991 with the goal of supporting first time homebuyers in purchasing affordable homes. Today, the group continues to acquire land and sells homes to lower-income households. Homeowners receive formula-based return on invest when selling their home. When a homeowner within the program sells a property, they are eligible for a portion of the increase in the value of the property from general appreciation and the full amount of any qualified capital improvements on the property during their ownership.

ADD AFFORDABLE UNITS

Zoning Overlay District

KEY FACTS

TYPE

Regulatory Mechanism

FUNDING

$

TIMELINE

Near-Term

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

Zoning Change

PRIMARY TARGET

Renters & Owners, Lower-Income Households, Seniors Housing

OVERVIEW

Zoning overlay districts can be used to diversify zoning to achieve specific municipal priorities in defined zones. Zoning overlays can provide incentives (e.g., higher density allowances) in exchange for provision of municipal objectives (e.g., affordability set-asides). Zoning overlays can also provide, by-right, more land use flexibility within specific locations such as those closer to public transportation.

Additional land use flexibility is attractive to developers in mixed-use districts such as the Main Street and Live-Work Overlay Districts. The existing overlay districts provide design guidelines and a shortened review process for projects that comply with the design standards. Land use regulations can also be structured in a way that further simplifies the entitlement process for specific product types that are currently underrepresented in the City including Seniors Housing, affordable housing, and lower-cost for-sale housing. Diversifying housing through overlays is a similar strategy to zoning incentives but more targeted and only applicable to defined geographies. Overlays can be a faster regulatory change than full-scale zoning code amendments.

KEY DECISION POINTS / NEXT STEPS

- Review residential land use regulations within the Municipal Code to identify overly restrictive zoning districts that often require variances or are known to be outdated

- Identify priority geographic corridors for zoning overlay districts

- Update Municipal Code to include more expansive land uses, design standards and less restrictive requirements

CASE STUDY – SUN PRAIRIE, WI

The existing overlay districts, Main Street and Live-Work, were adopted in 2010 to provide design guidelines and a shortened review process for projects that comply with the design standards. The purpose of the Main Street Overlay District is to support redevelopment along the corridor. Projects that comply with the standards are eligible for an expedited staff review, which not only saves time but adds certainty to the review process which would otherwise go through Plan Commission and Council. The Live-Work Overlay District is located west of the downtown area and was established to ensure a smooth transition from downtown to the residential neighborhood. The overlay district has site and design standards, and clearly outlines permitted land uses.

ADD AFFORDABLE UNITS

Employer-Assisted Housing

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Major Employers

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Employer-assisted housing can include employer contributions to development of affordable housing or provision of direct assistance to employees to reduce the cost of housing. Local governments can increase the likelihood of employer involvement in housing by offering financial incentives or facilitating collaboration between companies and nonprofit organizations.

KEY DECISION POINTS / NEXT STEPS

- Educate local employers on employer assisted housing programs & the benefits
- Determine ways the City can incentivize local employers to establish employer assisted housing programs

CASE STUDY – DANE WORKFORCE HOUSING FUND

The Dane Workforce Housing Fund was created in 2020 to support workforce housing. The fund is supported by local employers with the partnership of Madison Development Corp. The Fund has a target of developing 500 affordable units (with at least a 15-year affordability term) over the next three years. The fund has awarded projects in Fitchburg, Middleton, Mount Horeb, and Waunakee since 2020. Initial investors include Monona Bank; UW Health; Oscar Rennebohm Foundation; Madison Gas and Electric Foundation; CUNA Mutual Group Foundation; WPS Health Solutions; Exact Sciences Corp.; First Business Bank; Oak Bank; Summit Credit Union; Park Bank; BMO Harris Bank; Madison Development Corp.; UW Credit Union; and MDC.

CASE STUDY – EPIC

A more traditional employer-assisted housing model is a company supporting housing for their employees. EPIC, headquartered in Verona, partners with local apartment complexes to offer discounts to employees. For employees relocating to the region, EPIC provides temporary housing (AirBnb or low-cost hotel options) and a relocation stipend.

Dedicated Sources to Support Affordable Housing

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Dedicating municipal sources to support affordable housing ensures there is funding set aside to support various housing initiatives long-term. There are many different funding mechanisms that could be made available to support affordable housing, such as TIF, affordable housing bonds, federal sources and housing trust funds. These specific funding mechanisms are further explained as their own tools in the Appendix. For example, Sun Prairie has multiple existing Tax Increment Financing Districts (TIDs). Wisconsin law allows municipalities to extend TIDs by one year, known as the Affordable Housing Extension, to advance housing projects throughout the City.

This strategy is distinct from the funding tools themselves as it stresses the need to identify a long-term funding source for affordable housing. Permanent sources convey municipal interest to nonprofit developers and result in benefits to affordable housing production beyond the direct subsidy of additional units. Dedicated sources could be used to finance ADU construction, incentivize desired housing types, support CLT program and more.

KEY DECISION POINTS / NEXT STEPS

- Create inventory of existing funding sources supporting affordable housing

- Determine target size of annual fund

- Earmark funds from a variety of sources to support affordable housing

CASE STUDY – DANE COUNTY AFFORDABLE HOUSING DEVELOPMENT FUND

The Dane County Affordable Housing Development Fund started in 2015 and is funded through the County Capital Budget. Since 2015 the fund has provided more than $17M to more than 25 projects (mostly rental), supporting the creation of more than 1,300 affordable units in Dane County. In 2021, projects were awarded in the City of Madison, DeForest, Monona, Oregon, and Sun Prairie. The 2021 County Capital Budget includes $7M in the Affordable Housing Development Fund.

Priority 3 | Improve Quality, Accessibility and Attainability of Housing

Strategies targeted at improving the quality of life for all City residents

The third priority is to improve the quality and accessibility of housing. This priority emphasizes the need to improve the quality of housing across the City. While community members universally agree the City of Sun Prairie offers attractive amenities (e.g., schools, parks, shopping), the quality of housing varies across the City. This priority focuses on strategies which seek to improve the condition of existing properties, make properties accessible to people with disabilities, and increase access to attainable housing for underrepresented community members.

SB Friedman recommends the following four strategies to improve the quality and accessibility of existing housing:

- Local Housing Coalition
- Revolving Loan Fund/Grant
- Down Payment Assistance Program
- Non-Traditional Lending Products for Households

Local Housing Coalition

KEY FACTS

TYPE:

⚙ Capacity Building

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Housing coalitions help build awareness and increase development capacity by providing a forum for interested community stakeholders to network and learn from one another. Housing coalitions can include local housing and community development experts, social service providers, business leaders, civic leaders, developers and residents. While City staff and elected officials can also be members of housing coalitions, the entity is often used to champion housing issues outside of government. City representatives on a housing coalition can be helpful by serving as a liaison to ensure continuity between different actors and consistency of efforts, share information and increase awareness around City-led initiatives.

Housing coalitions are flexible entities that typically focus on advocacy, capacity building and education. In many communities, local opposition to affordable housing is a primary barrier to affordable housing. Housing coalitions are a valuable tool to address this challenge by connecting local stakeholders seeking to address housing affordability. Coalitions may prepare community education materials, raise awareness of specific housing needs, attend community meetings to advocate for specific policies, and lead funding campaigns for specific initiatives.

KEY DECISION POINTS / NEXT STEPS

- Identify a local champion to lead the housing coalition (e.g., Sun Prairie Chamber of Commerce)
- Outline key housing needs which could be led by a housing coalition
- Conduct outreach to expand membership of coalition

CASE STUDY – MADISON AFFORDABLE HOUSING ACTION ALLIANCE

The Madison Affordable Housing Action Alliance (AHAA) was formed in 1996 to urge action on affordable housing in Madison, WI. The group meets virtually once a month to discuss initiatives. Through Facebook posts, the group shares articles and encourages people to show up to various meetings and support initiatives.

The Sun Prairie Housing Coalition is a similar initiative. However, Coalition stakeholders indicate the organization requires additional structure and time to meaningfully influence local policy.

Rehab Loan Fund/Grant Program

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners & Renters

OVERVIEW

A rehab loan or grant program can be used to provide funds to rehabilitate homes and/or make accessibility modifications. Funds are often available to homeowners for properties that meet certain criteria such as home age, type of improvement, cost of improvement, etc. Rehab loan programs are also typically available to smaller-scale multifamily properties that tend to be naturally occurring affordable housing.

Rehab loans can either be direct loans to nonprofit organizations or to existing low-income homeowners that might not otherwise make the improvement. Loans can be structured as entirely forgivable or offer below-market interest rates.

A loan fund can be structured as a revolving loan fund that may become self-sustaining over time. As initial borrowers repay their loans, funds are available for a subsequent recipient. Revolving rehab loan funds are frequently funded by Community Development Block Grants.

This strategy could be impactful for properties within the Priority Geographies which are naturally-occurring affordable housing that are in need of repair.

KEY DECISION POINTS / NEXT STEPS

- Identify organization or local unit of government to administer program
- Identify funding source(s)
- Identify target incomes and/or geographies for the program
- Determine eligibility criteria & requirements
- Draft program parameters

CASE STUDY – MADISON, WI

The City of Madison provides loans to rehab homes to eligible property owners with an interest rate that is tied to the household's income. Loan terms range from 0% interest and deferred payment to 4.5% interest with an installment payment.

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

Down Payment Assistance Program

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners

OVERVIEW

Down payment assistance programs typically offer either a grant or second mortgage to reduce homeowner barriers to purchasing a home. Second mortgages can be structured as an installment loan for moderate income households or a deferred loan due at a future date (i.e., upon sale or transfer of the home) for lower-income households. If the program offers a second mortgage, interest rates are generally lower than traditional sources. Down payment assistance programs allow households who may not typically be able to purchase a home due to the upfront costs at closing the opportunity to be homeowners.

KEY DECISION POINTS / NEXT STEPS

- Identify an initial funding source
- Determine targeted populations eligible for down-payment assistance
- Identify program administrator
- Determine financing terms (grants vs. loan, interest rates, repayment options, etc.)
- Outline application requirements

CASE STUDY – DANE COUNTY MOMENTUM HOME BUYER ASSISTANCE PROGRAM

Movin' Out, an organization in Dane County supporting housing, has a home buyer assistance program for households earning at or below 80% AMI of the County. The Momentum Home Buyer Assistance Programs offers 0% interest, preferred payment loans to assist qualified first-time home buyers with down payment and closing costs.

Non-Traditional Lending Products for Households

KEY FACTS

TYPE:

⚙ Capacity Building

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners, Lower-Income Households

OVERVIEW

There are a number of barriers to obtaining loans from traditional lenders. The City can increase access to lending products for households that may not have the typical criteria needed for a favorable traditional loan by increasing awareness of existing subsidy programs and working to expand the resources available. There are existing lending products available through state and county resource providers that are not well publicized. The City can leverage existing platforms (e.g., Neighborhood Navigators) to better communicate housing programs and products available to residents.

The City can also work to increase the availability of lending products to households. A specific need mentioned during community meetings is lending products available to community residents without a social security number. The City can work to connect existing social service providers to lending institutions to engage in discussions around housing product availability.

KEY DECISION POINTS / NEXT STEPS

- Create an inventory of existing lending products available to low-income households

- Develop educational materials to better communicate available housing products

- Establish a working group with representatives from the City, social service providers and lending institutions to discuss alternative solutions to the existing lending product gap

CASE STUDY – WHEDA ADVANTAGE CONVENTIONAL AND FHA

There are federal and state-level organizations that offer loans to households that may struggle to obtain a traditional loan (especially with favorable terms), such as households without a social security number, low-income households, and households with a low credit score. WHEDA has a list of approved lenders that offer first mortgage loans for households that generally would struggle to receive a traditional loan.

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

CDA Strategy Feedback

Housing strategies further informed through discussion with the CDA & Housing Advisory Board

At a CDA and Housing Advisory Board meeting in November 2021, the Team presented recommended strategies. After discussion of each strategy, the CDA and Housing Advisory Board members were asked to rank strategies within each housing priority. Key themes from the conversation that followed each ranking are included below:

Limited Supply of Housing Strategies
- Members expressed a desire to focus on development community outreach to attract developers who can increase the overall inventory of missing product types in the City (e.g., ranch homes).

Housing Affordability Strategies
- Dedicated sources to support affordable housing was the top ranked strategy. Board members emphasized the need to identify funding sources to address the affordable housing shortfall and achieve other housing goals.
- The success of two existing overlay districts in Sun Prairie led to a positive ranking for the low-cost, high-impact regulatory strategy.

Quality, Accessibility, and Attainability Strategies
- Board members prioritized development of a local housing coalition. Multiple members pointed to successful housing coalitions nationally and wanted to replicate those models locally, however participants did raise concerns over the level of volunteer involvement a housing coalition requires over time.

TOP RANKED CDA STRATEGIES BY PRIORITY

Limited supply of housing

Development Community Outreach

Entitlement Incentives

Housing is unaffordable

Dedicated Sources to Support Affordable Housing

Zoning Overlay District

Quality, accessibility and attainability of housing

Local Housing Coalition

Down Payment Assistance Program

From Strategies to Implementation

Strategy discussion, refinement and prioritization must continue

Housing for All was prompted by a need to identify the pressing housing needs in Sun Prairie and identify strategies to address those needs. The Housing for All initiative balances community engagement, quantitative analysis and fieldwork to delve into the unique housing conditions, challenges and opportunities in Sun Prairie. The study led to a substantial amount of community engagement with residents, stakeholders, housing professionals and community leaders. This open dialogue between the City and community should continue to the extent possible moving forward.

This work pointed to a range of housing needs in Sun Prairie. Addressing the identified housing needs will require a multipronged approach and involvement of several entities working closely together.

This document provides an initial roadmap of immediate next steps, but the CDA, Council, or other entity will need to consider available resources (both time and funding) in order to further prioritize which strategies to move forward with in the near term, as well as over time. This prioritization should reflect community priorities, available funds, and timing constraints.

The following pages include a list of near-term recommended next steps the City can take to advance housing priorities and a summary matrix with all strategies referenced within this study.

Immediate Next Steps

Identify near term strategic priorities and identify funding strategies

The following immediate actions are recommended to address housing needs:

- Identify and establish a decision-making body (e.g., Dedicated Housing Committee) to prioritize strategies for near-term implementation
- Identify funding sources for priority strategies
    - Identify near-term budget to start implementation in 2022-2023
    - Work with City Council to identify permanent funding sources for recurring expenses (e.g., Dedicated Housing Staff)
    - Project affordable housing funds which will become available through TIF expirations in 2025-2026
    - Prioritize use of TIF funds for strategies which only require one-time costs (e.g., establishing a Revolving Loan Fund)
    - Assess the appropriateness and fiscal viability of a bond referendum for strategies which require considerable funding (e.g., Dedicated Sources to Support Affordable Housing)
    - Identify third-party funding sources (e.g., WHEDA, Dane County)
- Start implementing City-led lower-cost strategies
    - Implement regulatory strategies such as zoning for by right development and zoning overlay districts
    - Support and engage with local housing coalition
- Provide community members regular updates on implementation to communicate progress
- Identify and track metrics to measure community progress against stated objectives over time

Housing Strategies Matrix

The matrix presents the housing strategies, the housing priority it addresses, funding required, and timeline. This list can be used to help select strategies, if any, to pursue.

Strategy	Funding Required	Timeline
ORGANIZATIONAL STRATEGIES		
Communication and Education around Housing—The City of Sun Prairie and nonprofit organizations can support housing through education and communication. ✱	$	Immediate Next Step
Dedicated Housing Committee—The City will need an entity to drive implementation and provide direction to City staff regarding housing priorities over time. ✱	$	Immediate Next Step
Dedicated Housing Staff—A designated staff person within the City can champion housing initiatives and maintain focus on the issue. ✱	$$	Near-Term
Annual Tracking / Reporting—Annual tracking/reporting on various housing goals help hold municipalities accountable and allow them to measure progress. As the City implements programs, there should be monitoring and compliance. ✱	$$	Near-Term
INCREASE THE SUPPLY OF HOUSING		
Zoning for By Right Development—Zoning can impede development if the codes are outdated and/or overly restrictive. Amending zoning to broaden permitted land uses, design standards, and other regulations can reduce barriers to housing development. ✱	$	Immediate Next Step
Accessory Dwelling Units—Accessory dwelling units (ADUs) tend to be relatively small dwelling units on existing residential parcels that are either contained within the principal dwelling unit or within a separate structure entirely. ✱	$	Immediate Next Step
Development Community Outreach—City outreach to regional, state and national housing developers and other members of the development community can increase awareness and interest in residential development in Sun Prairie. ✱	$	Immediate Next Step
Entitlement Incentives—Entitlement incentives typically offer an increase in the allowable density or other benefits for a given site in exchange for the provision of affordable housing or other desired housing types.	$	Near-Term
Development Process Enhancements—Jurisdictions can streamline their entitlement process to make it easier for housing developers to produce housing. There are a number of ways to create a more efficient system, such as adhering to a predefined entitlements schedule, and more.	$	Near-Term
Public Land Disposition—Publicly owned land can be provided to developers and/or nonprofits at a discount to incentivize the development of housing that meets the City's goals in strategic locations.	$$	Near-Term

✱ R e c o m m e n d e d   s t r a t e g y

Housing Strategies Matrix CONTINUED

The matrix presents the housing strategies, the housing priority it addresses, funding required, and timeline. This list can be used to help select strategies, if any, to pursue.

Strategy	Funding Required	Timeline
ADD AFFORDABLE UNITS		
Community Land Trust (CLT)—A CLT acquires and maintains permanent ownership of land in order to maintain long-term affordability of housing units. ✴	$	Near-Term
Zoning Overlay District—Zoning overlay districts can be used to diversify zoning to achieve specific municipal priorities in defined zones. Zoning overlays can provide incentives (e.g., higher density allowances) in exchange for provision of municipal objectives (e.g., affordability set-asides). ✴	$	Near-Term
Employer-Assisted Housing—Employer-assisted housing can include employer contributions to development of affordable housing or provision of direct assistance to employees to reduce the cost of housing. ✴	$$	Near-Term
Dedicated Sources to Support Affordable Housing—Dedicating municipal sources to support affordable housing ensures there is funding set aside to support various housing initiatives long-term. There are many different funding mechanisms that could be made available to support affordable housing, such as TIF, affordable housing bonds, federal sources and housing trust funds. ✴	$$$	Near-Term
Community Land Bank (CLB)—Typically managed by a public entity. CLBs purchase and convert vacant and abandoned land into productive uses. ✴	$$	Near-Term
Tax Increment Financing—A mechanism that allows incremental property taxes to be captured for 27-years and then reinvested within a defined geography (the tax incremental district). ✴	$$	Near-Term
Impact Investing—Philanthropic foundations and anchor institutions are valuable components of the affordable housing solution. ✴	$$$	Other Strategies
Affordable Housing Bonds—General obligation bonds allow for municipalities to issue government-backed bonds ultimately repaid through local taxes or a specific revenue source. ✴	$$$	Other Strategies
Federal Funding (LIHTC, CDBG, HOME)—The federal government provides substantial funding annually to support affordable housing. ✴	$	Near-Term
Housing Trust Fund (HTF)—HTFs are often necessary to support the construction or operation of housing at very low-income levels, often for residents who earn less than 30% of the area median income. ✴	$$$	Near-Term

✴ Recommended strategy

Housing Strategies Matrix CONTINUED

The matrix presents the housing strategies, the housing priority it addresses, funding required, and timeline. This list can be used to help select strategies, if any, to pursue.

Strategy	Funding Required	Timeline
IMPROVE QUALITY, ACCESSIBILITY, & ATTAINABILITY OF HOUSING		
Local Housing Coalition—Housing coalitions help build awareness and increase development capacity by providing a forum for interested community stakeholders to network and learn from one another. ✱	$	Immediate Next Step
Rehab Loan Fund/Grant Program—A rehab loan or grant program can be used to provide funds to rehabilitate homes and/or make accessibility modifications. Funds are often available to homeowners for properties that meet certain criteria such as home age, type of improvement, cost of improvement, etc. ✱	$$	Near-Term
Down Payment Assistance Program—Down payment assistance programs typically offer either a grant or second mortgage to reduce homeowner barriers to purchasing a home. ✱	$$$	Near-Term
Non-Traditional Lending Products for Households—There are a number of barriers to obtaining loans from traditional lenders. The City can increase access to lending products for households that may not have the typical criteria needed for a favorable traditional loan by increasing awareness of existing subsidy programs and working to expand the resources available. ✱	$	Near-Term
Rent to Own Program—Rent to own programs offer a pathway for households to transition from renting to owning their homes. A typical structure of the program is for households to initially lease a home from the sponsor of the program and sign a Right to Purchase Agreement.	$$$	Near-Term

✱ Recommended strategy

Sun Prairie

Housing for All

THE LAKOTA GROUP.

SBFRIEDMAN

Limitations

Our deliverable is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our deliverable and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the deliverable or to reflect events or conditions which occur subsequent to the date of the deliverable. These events or conditions include without limitation economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors.

Our study did not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits and licenses. No effort was made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters. Further, we neither evaluated management's effectiveness, nor are we responsible for future marketing efforts and other management actions upon which actual results will depend.

Our deliverable is intended solely for the City's information and should not be relied upon by any other person, firm or corporation or for any other purposes. Neither the deliverable nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan or other agreement or any document intended for use in obtaining funds from individual investors.

We acknowledge that our deliverable may become a public document within the meaning of the freedom of information acts of the various governmental entities. Nothing in these terms and conditions is intended to block the appropriate dissemination of the document for public information purposes.

Appendix

APPENDIX A. GLOSSARY

Glossary

Accessible Housing: Housing that is Americans with Disabilities Act (ADA) compliant and suitable for people with physical disabilities.

Affordable Housing: Housing and associated costs (i.e., property taxes, utilities, etc.) that total less than 30% of a household's income.

Area Median Income (AMI): The median household income of a defined geography, often determined by the housing authority.

Attainable Housing/Workforce Housing: Housing and associated costs (i.e., property taxes, utilities, etc.) that are affordable to households earning 80-120% area median income.

Legally Restricted Affordable Housing (LRAH): Housing that is contractually bound to serve lower-income households (typically under 60% AMI). Units are typically funded, owned and operated by mission-driven organizations including local governments, nonprofits and more.

Missing Middle Housing: Diverse housing options, such as duplexes, fourplexes, cottage courts, and multiplexes. Missing middle units are typically more affordable and address the mismatch between the available US housing stock and shifting demand.

Naturally Occurring Affordable Housing (NOAH): Privately owned units that offer affordable rents for renters earning 60% AMI or home purchase prices affordable to owners earning 100% AMI. Affordable is defined as less than 30% of the occupant's household income

APPENDIX B. ENGAGEMENT

August 2021 Community Meeting: Board #1

Who is Sun Prairie? / ¿Quién es Sun Prairie?

This breakout room discusses demographics in Sun Prairie, including age and income, as well as homeownership rates.

Este ejercicio analiza la demografía en Sun Prairie, incluida la edad y los ingresos, así como las tasas de propiedad de vivienda.

ALL SET HERE? SWITCH ROOMS!
Click 'Leave Room' at the bottom of this page and join another breakout room.

¿TODO LISTO AQUÍ? CAMBIAR DE HABITACIÓN!
Haga clic en 'Dejar habitación' en la parte inferior de esta página y únase a otro ejercicio.

HOW DO I ENGAGE?
Add colored dots to mark your responses
[You can add more than one]

¿CÓMO INTERACTÚO?
Agrega puntos de colores para marcar suS respuestas (pueden agregar más de uno)

Use the following colored dots to mark your responses to the questions across the board / Utilice los siguientes puntos de colores para marcar suS respuestas a las preguntas en todos los ámbitos

WHO IS BEST SERVED BY HOUSING IN SUN PRAIRIE?
¿QUIÉN SE BENEFICIA MÁS DE LA VIVIENDA EN SUN PRAIRIE?

WHO SHOULD HOUSING BETTER SERVE IN SUN PRAIRIE?
¿QUIÉN DEBERÍA BENEFICIARSE MÁS DE LA VIVIENDA EN SUN PRAIRIE?

WHO ARE YOU?
¿QUIÉN ES?

Please draw a line across the age spectrum you feel is served by housing in Sun Prairie today:

Por favor dibuje una línea a través del espectro de edad que usted siente es servido por la vivienda en Sun Prairie hoy:

PRO-TIP!
Select a dot and copy it to add to the board
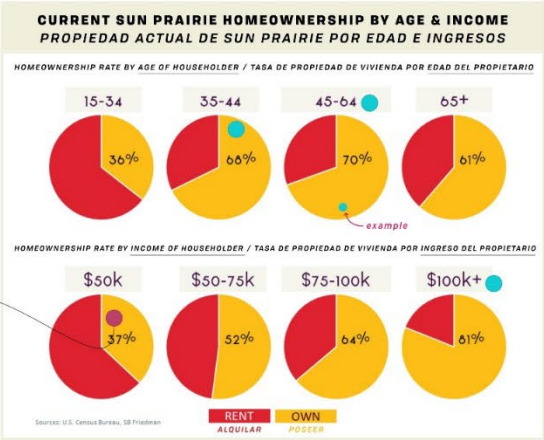
JUST JOINED?
We got you covered!

CONSEJO ÚTIL
Seleccione un punto y cópielo para agregarlo al tablero

¿SE UNIÓ RECIENTE-MENTE?
No hay problema!

Puedes escribir comentarios y notas en español!

CURRENT SUN PRAIRIE HOMEOWNERSHIP BY AGE & INCOME
PROPIEDAD ACTUAL DE SUN PRAIRIE POR EDAD E INGRESOS

HOMEOWNERSHIP RATE BY AGE OF HOUSEHOLDER / TASA DE PROPIEDAD DE VIVIENDA POR EDAD DEL PROPIETARIO

| 15-34 | 35-44 | 45-64 | 65+ |
| 36% | 66% | 70% | 61% |

HOMEOWNERSHIP RATE BY INCOME OF HOUSEHOLDER / TASA DE PROPIEDAD DE VIVIENDA POR INGRESO DEL PROPIETARIO

| $50k | $50-75k | $75-100k | $100k+ |
| 37% | 52% | 64% | 61% |

RENT / ALQUILAR   OWN / POSEER

Sources: U.S. Census Bureau, SB Friedman

RACIAL COMPOSITION IN SUN PRAIRIE
COMPOSICIÓN RACIAL EN SUN PRAIRIE

10 — 89% | 4% | 3% | 4%
19 — 80% | 8% | 7% | 5%

0% 20% 40% 60% 80% 100%

White | Black | Asian | Other

Sources: U.S. Census Bureau, SB Friedman

POPULATION CHANGE BY AGE IN SUN PRAIRIE
CAMBIO DE LA POBLACIÓN POR EDAD EN SUN PRAIRIE

1,800 — Age 75+
6,000 — Age 55-74
4,000 — Age 45-54
10,300 — Age 25-44
2,100 — Age 18-24
8,800 — Under Age 18

6,000   12,000

2010   2019

Sources: U.S. Census Bureau, SB Friedman

Sticky notes:

- Janelle V Social Worker in Dane County
- shortage of low-income housing
- lots of families doubled up in housing. rental vacancy rate super low.
- credit scores + eviction record allows landlords to be pretty choosy.
- Gap in middle income housing - lots of newer housing & some LIH
- Down-payment as limiting factor for homeownership; monthly rent equivalent to homeownership
- Habitat as a homeownership resource
- Used to be a Section 8 rent to own program available
- Surprisingly high homeownership rate.
- Affordable housing as solution to housing need
- Family aged households, middle to upper income households
- gaps in ranch/seniors housing alternatives to downsize
- waiting list at senior living properties

Look at the Ranch Condos on School St, the ones behind Prairie Athletic Club
The "rent" you see is NOT all inclusive though
You aren't including pet fees, including the cost to move in (security deposits), the other additional fees (like parking and storage units)
city with more diversity than others
Place, and Vandenburg

So I think we don't do a good enough job having accessible housing people
If you are on a first floor, do you want kids jumping on the floor above you
from a knee surgery?
in communal hallways?

The RANCH CONDOS sell like hotcakes!
But they don't build any of them anymore

- compromising quality of housing with affordability
- City changed for the better over the last 2 decades.
- lack of housing mix the community needs. City has historically followed the market (e.g., missing ranch homes)
- increasing MFH clearly appealing to demographic
- need to be more creative as a City to respond to housing needs
- better distribution of demographics across community

Yes, absolutely!
If you are a retiree in a $250k house, you literally CANNOT leave it.
You take that $250k - $15k for realtor fees at sale. Another $5k for repairs and/or moving costs. Another $3k for new furniture to fit in the new living space
That leaves you with $227k. You move into a $1700/mo apartment. That buys you 133 months before you are BROKE. At 11 years, your home equity is now gone
And that plays into the whole EQUALITY issue of the home values
Right - paying someone to mow lawn/shovel and pay property tax is less than renting anything
And that leaves people in their starter homes
The new senior housing by Menards is $2300/mo
The Bird St condos has a $335/mo fee

Main level master with a FULL BATH on a main floor is incredibly RARE
I have been trying to spend my money for 3 years!!
Seniors and disabled also tend to not bring more students to the community :)
Schools are a hot button

I would absolutely LOVE to see the employers target more disabled Veterans, and have housing available to those with needs
No more units with stairs! You don't want young children up/down steps

Housing Preference
Preferencia de Vivienda

> This breakout room is focused on understanding your current and future housing preference, including type and character.
>
> Este ejercicio es central para entender su preferencia de vivienda actual y futura, incluyendo el tipo y el carácter.

ALL SET HERE? SWITCH ROOMS!
Click "Leave Room" at the bottom of this page and join another breakout room.

¿TODO LISTO AQUÍ? CAMBIAR DE HABITACIÓN!
Haga clic en "Dejar habitación" en la parte inferior de esta página y únase a otro ejercicio.

What type of housing do you currently live in? What type of housing developments do you think are needed in Sun Prairie?

¿En qué tipo de vivienda vive actualmente? ¿Qué tipo de desarrollos de vivienda cree que son necesarios en Sun Prairie?

HOW DO I ENGAGE?
Add a colored dot to distinguish between your current and preferred housing typology. (You can add more than one)

¿CÓMO INTERACTÚO?
Agregue un punto de color para distinguir entre su tipología de vivienda actual y preferida (puede agregar más de uno)

Use the following colored dots / Utilice los siguientes puntos de color

- **WHAT TYPE OF HOUSING DO YOU CURRENTLY LIVE IN?** / ¿EN QUÉ TIPO DE VIVIENDA VIVE ACTUALMENTE?
- **WHAT TYPES OF HOUSING DOES SUN PRAIRIE NEED?** / ¿QUÉ TIPOS DE VIVIENDA NECESITA SUN PRAIRIE?

Single-Family Homes / Las Casas Unifamiliares

CURRENT / CORRIENTE — PREFERRED / PREFERIDO

- lives in 2-story SF, but wants a ranch style (for ability purposes). Duplexes are either old or expensive
- enjoy space from neighbors
- building SF with attached garages
- Veridian doing these near Madison
- ranch style homes are needed
- seeing more of these type of SF homes
- example

Townhomes, Duplex and Rowhomes / Casas Adosadas y Casas Dúplex

CURRENT / CORRIENTE — PREFERRED / PREFERIDO

- most existing duplex is older
- likes being close to people

Apartments & Condos / Apartamentos y Condominios

CURRENT / CORRIENTE — PREFERRED / PREFERIDO

- hard to make deal work in SP; limit to number of work spaces needed
- newer apts have mixed-use, but no one wants ground floor space
- people who rent want to walk/bike to amenities
- realistic in SP
- high-rises can be limiting for disabilities, pets, etc.
- not many areas where you can walk to restaurants/amenities
- Due to changing age demographic (seems like community is getting younger)
- difficult to find senior living so a bit of a bottleneck

In-Law Suite, Coach House, Carriage House, Granny Flats
vivienda conectada

CURRENT / CORRIENTE — PREFERRED / PREFERIDO

- more popular today
- lots of newer houses are very small lots so not sure where you put this
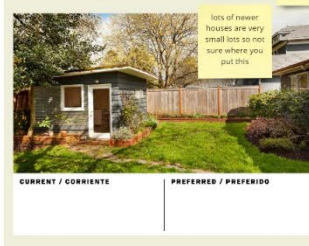
Other? / ¿Otro?
Use sticky notes / Usar notas
*Puedes escribir comentarios y notas en español!

NEED EVERYTHING / AFFORDABLE (missing both ends, compressed at $300-600k)

Did you know? / ¿Lo sabía?

±$239,200
Median home value in Sun Prairie (2019)

±$1,090
Median gross rent in Sun Prairie (2019)

±$63,200
Approx. income required to support the mortgage for a $239k home

±$43,500
Approx. income required to support the rent for a $1,090/month rental

Cost Burdened Owners
Propietarios con carga de costos — 23%

Cost Burdened Renters
Inquilinos con carga de costos — 37%

Not surprising

Did you know? / ¿Lo sabía?

Percentage of Single Family Homes
Porcentaje de viviendas unifamiliares

- 20% and under
- 21% – 40%
- 41% – 60%
- 61% – 80%
- Above 81%

HAPPY VALLEY RD · HOEPKER RD · W MAIN ST · TWIN LANE RD

apts/condos is higher than expected

PRO-TIP!
Select a dot and copy it to add to the board

JUST JOINED? We got you covered!

- Select — Seleccione
- Add Sticky Notes — Agregar Notas
- Add Dots — Agregar Puntos
- Draw Lines — Dibujar líneas
- Write Text — Texto Escrito
- Draw or Highlight — Dibujar o Resaltar
- Share Comments — Compartir Comentarios

CONSEJO ÚTIL
Seleccione un punto y cópielo para agregarlo al tablero

¿SE UNIÓ RECIENTEMENTE? No hay problema!

*Puedes escribir comentarios y notas en español!

Seniors likely want their own area, but in the same building. T

until I can find a ranch style house

But good luck!!

down all these townhouse stairs

I am in a duplex I am in the Town of Bristol, not in the city

I have owned 5 houses, 2 of those were in the City of Sun Prairie

I don't like any of the 4 options (for MF)

Ranch style condos for the win for me!!

The high rises also aren't great for pets

Considering disabilities (service animals, emotional support animals) the high rises aren't good

The 2 bedroom house down the road from me sold for $318k

My budget is up to $350k and I can't buy nor build

Marten Building told me that the lot is 1/4 of the budget. So on a $100k lot, the START is $400k

Veridian could not build me a ranch house - they had 4 tiny lots of which a tiny ranch house might fit in, but you won't be able to get to the backyard hardly

Funny thing - if I quit my job, I could apply for a Habitat Home!!

Can't work and get a house though

They're building 80 more on the east side of town

February 2022 Community Meeting: Interactive Board

WHAT CAN SUN PRAIRIE DO?

Program
Locally operated programs to build and/or maintain housing

- Down payment assistance programs
- Public purchase of property, prepare/market for quality workforce housing choices
- Cooperative Housing
- Home Renovation Programs (Income qualified)
- help renters who do not qualify on typical standards
- Education programs to educate people on tenants rights, savings, home ownership
- Tax deferral for developer to create affordable housing

Incentive
Tools that will motivate housing of various types and styles

- Update Development Regulations
- Encourage ranch development
- Encourage more affordable housing types at scale (townhouses, condos, etc)
- DCHA
- Use City land to create small lots for entry level and 2nd home buyers
- Incentive for fist time homebuyers; reduced taxes over 3 years
- Encourage mix of housing types within neighborhoods
- mobile home parks

Regulatory
Regulations that protect existing units and encourage housing production

- reduce zoning regulations for mixed housing
- Accessory Dwelling Units
- tenant right to purchase sf rental homes
- Mixed income housing
- Stricter rules for rental maintenance
- Make city laws to ask the developers to make its units complying handicap access
- Shorten approval process development to 90 days and reduced the associated cost to build in SP by 50%.
- Greater building height in appropriate locations (more housing near jobs, etc.)
- Accessory dwelling unit / secondary unit on site

Funding
Tools that establish funding sources for housing

- Create community investment pool to support projects, keep returns local. Local families, even moderate income, benefit from new housing growth
- Study housing impact fee to support affordable funding programs
- Create blighted property program to acquire obsolete property for redevelopment; or aid in renovatoi
- Create Housing Revolving Loan Funds
- City provide developers small lots for entry level and 2nd home buyers
- One time home buying assistance to anyone who earn less than certain annual income and paid city tax for certain number of years (people living longer in SP would get preference)

Capacity Building
Tools that will garner support and partnerships for housing

- Scholarships and grants for trade jobs
- The boys and girls club offers carpenters, electricians, etc. may partnering with the to grow the program
- Work with high school to provide scholarships
- Create/Collect examples to learn from / replicate
- Creating Housing Plan with specific actions
- Create Local Housing Coalition for Coordination
- Work with Dane County Housing Authority to develop Section 8 homeowner program
- Coordinate with other communities in the area
- Work with County, School District to coordinate services
- Utilize lands acquired by School District for Housing - location efficiency for staff and students!
- Coordinate Housing & Transportation - Transportation is huge cost & public transit and location needs to be part of affordable lifestyle strategy

APPENDIX C. PRIORITY GEOGRAPHIES

Priority Geographies

Four priority geographies were identified by the City for additional assessment

From the outside, the properties are in good condition.

VANDENBURG HEIGHTS

SCHILLER STREET

PARK CIRCLE

S. BIRD STREET

PRIORITY GEOGRAPHIES

Vandenburg Heights
Schiller Street
Park Circle
S. Bird Street

1 Miles

Sources: Costar, Esri, Sun Prairie, SB Friedman
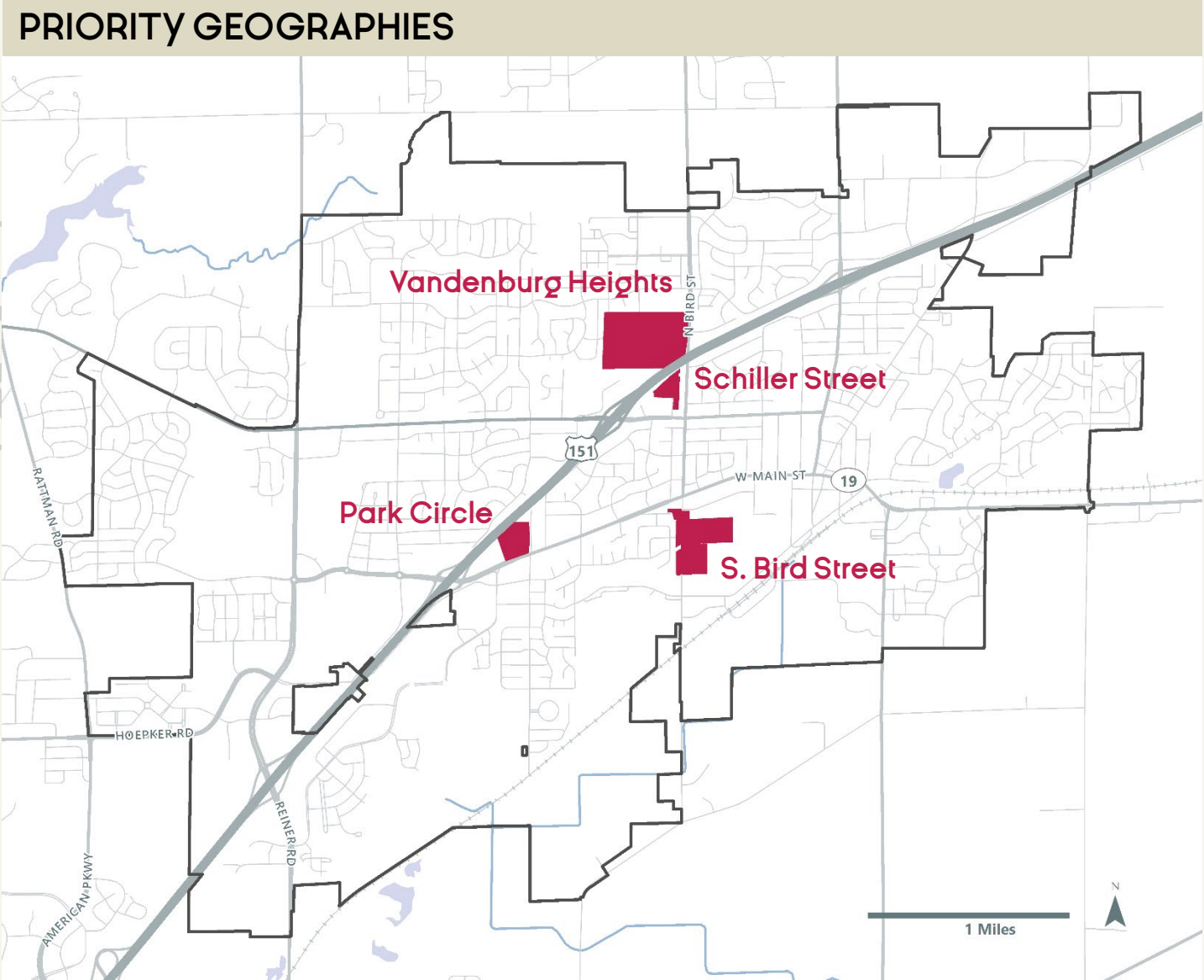
Housing conditions in four key neighborhoods

SB Friedman conducted additional outreach and analysis on each identified neighborhood

PURPOSE

The CDA requested SB Friedman assess existing property conditions with four subareas that anecdotally reported high turnover and poor housing conditions. Additional property assessment was required to identify unique conditions that warranted specific strategies.

Late 2020

INITIAL FINDINGS

After a windshield survey of the identified areas, properties appeared well maintained from the exterior. Discussions with residents confirmed high turnover, challenges with property management, and poor interior housing conditions.

Early Spring 2021

ADDITIONAL OUTREACH

Due to the complex challenges raised for each property, the team conducted additional community outreach and connected with stakeholders to further assess. The Team interviewed the Fire Marshall, property managers, and attended a vaccination event to talk with additional residents.

Summer 2021

Community feedback on Priority Geographies

Previous property manager had a lot on her plate, but she did a great job at trying to build community.
- Resident at Rolling Prairie

There is a need for maintenance, as well as more trash cans.
- Resident at The Element

The property is in disrepair. The stairs are torn up and the roofs are caving in.
- Resident at Rolling Prairie

The apartments are not big enough for everyone in the family. We have to share a room with siblings.
- Resident at Rolling Prairie

It used to be quiet, but there are more families moving in and activity in the hallways.
- Resident at The Element

Stakeholder feedback on Priority Geographies

The Team talked with the Fire Marshall and affordable housing operators about existing conditions and community needs

Key takeaways from conversation with the Fire Marshall, who enters common areas of buildings for fire inspections:

- Local management at many affordable housing complexes are disconnected and not well supported by their owners
- Maintenance varies across the different affordable housing properties
- Perceived lack of community ownership due to poor property management
- Best information comes directly from residents
- Fire department has access to common spaces, but not individual units
- Fire department often learns about conditions and housing issues at inspections and from residents at police safety meetings

Key takeaways from conversations with housing operators at Colonial View Apartments and Vandenburg Heights:

- There is demand for affordable senior units
- There is a long waitlist at Vandenburg Heights
- Greatest demand is for housing units with 4+ units
- Some affordable properties are in good condition, especially those that are new

Strategies for Priority Geographies

Addressing housing needs within Priority Geographies

While many housing issues were similar across the City, there are housing needs specific to the Priority Geographies, listed below. There are a few strategies that would be particularly helpful in these areas. A local housing coalition could help advocate for housing quality within these Priority Geographies. Similarly, dedicated housing staff at the City can support the property owners and residents. To support property maintenance, recommended strategies include formation of a rehabilitation loan fund/grant program and providing assistance to property owners seeking to obtain federal funding for more substantial improvements.

Housing Needs in Priority Geographies

- Property maintenance
- Resident retention & neighborhood comradery
- Larger apartments
- Ownership/management retention & presence
- Landscaping

Strategies

- Local Housing Coalition
- Rehab Loan Fund/Grant Program
- Dedicated Housing Staff
- Federal Funding (LIHTC, CDBG, HOME)

APPENDIX D. ADDITIONAL HOUSING ANALYSIS

Key Demographics of Peer Communities

	Fitchburg	Madison	Middleton	Monona	Verona	Sun Prairie
Median Household Income	$73,324	$65,332	$76,011	$74,474	$96,990	$77,139
Percent People of Color	26.2%	21.5%	13.8%	6.6%	9.8%	19.9%

HOUSEHOLDS BY AGE, 2019

Legend: <25, 25-44, 44-64, >64

HOUSEHOLDS BY INCOME, 2019

Legend: <$50k, $50-75k, $75-100k, >$100k

Source: US Census Bureau, SB Friedman

122
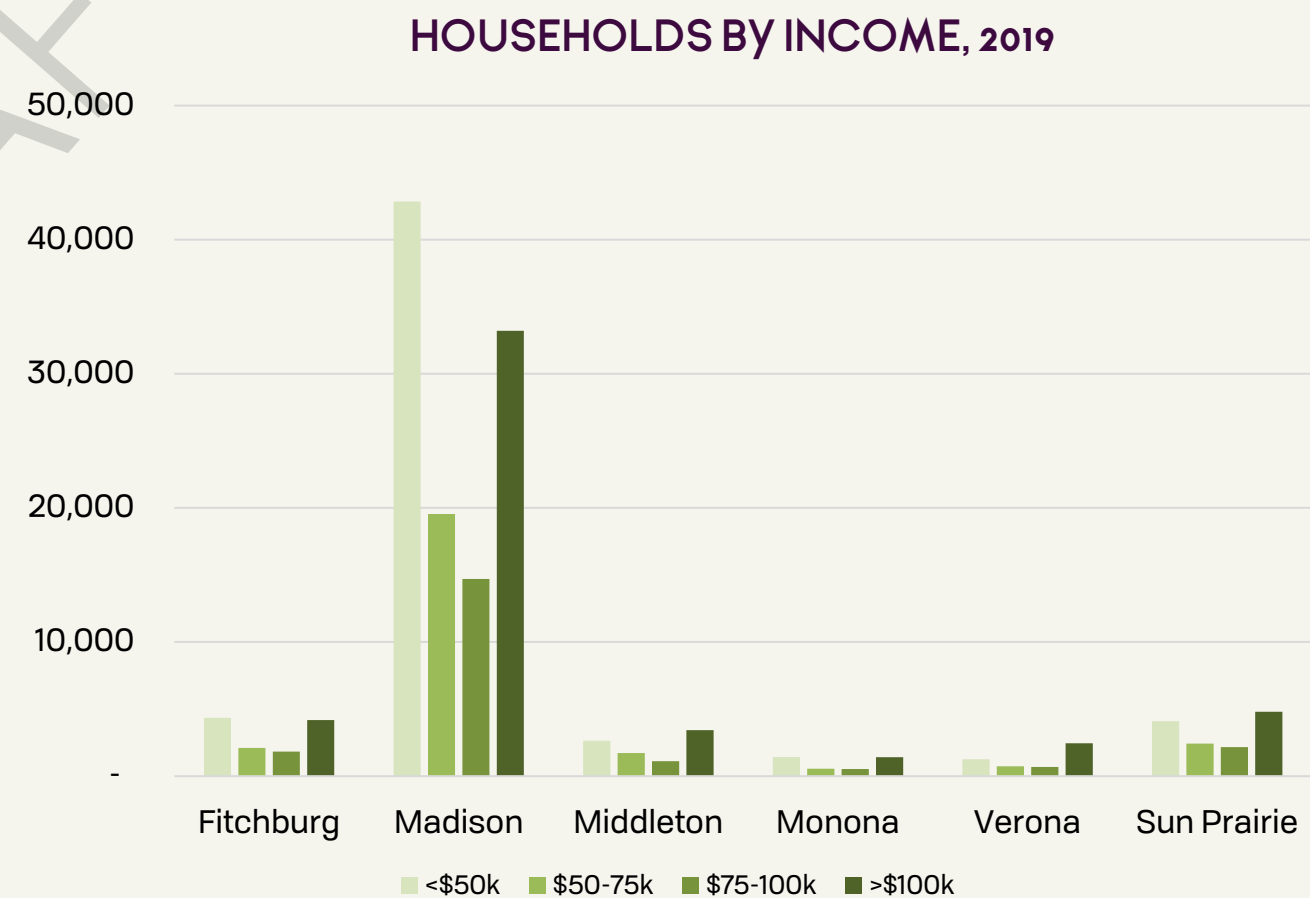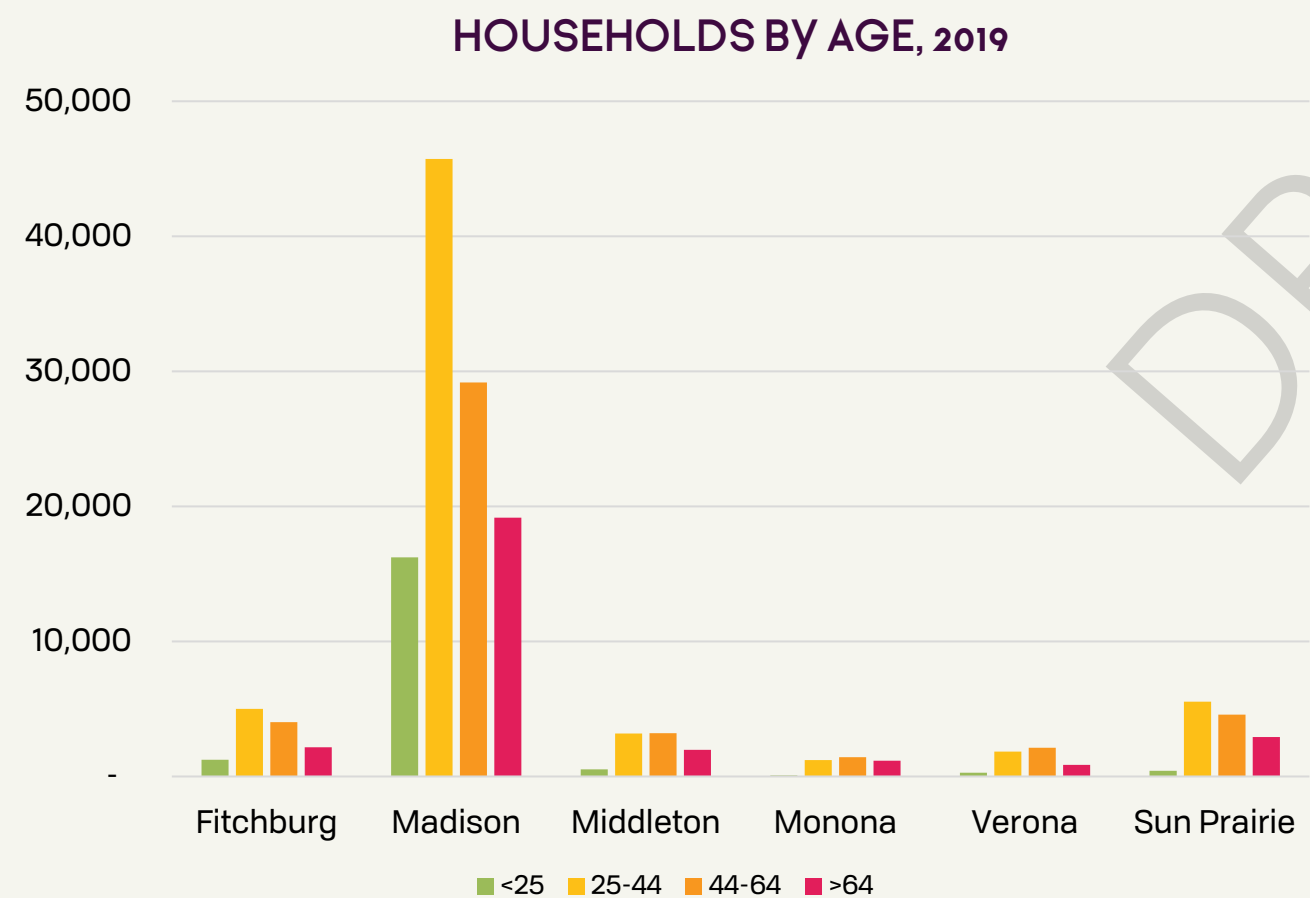
Key Housing Characteristics of Peer Communities

	Fitchburg	Madison	Middleton	Monona	Verona	Sun Prairie
Total Units	13,043	115,207	9,313	4,024	5,299	14,137
Ownership Rate	48%	47%	53%	59%	69%	60%
Percent Single-family (attached & detached)	50%	49%	51%	61%	68%	64%

YEAR BUILT

Legend:
- Pre-1980
- 1980-1989
- 1990-1999
- 2000-2009
- 2010-2013
- 2014-onward

MEDIAN GROSS RENT, 2019

- Fitchburg: $1,054
- Madison: $1,118
- Middleton: $1,081
- Monona: $935
- Verona: $1,168
- Sun Prairie: $1,087

MEDIAN HOME VALUE, 2019

- Fitchburg: $315,900
- Madison: $246,300
- Middleton: $336,900
- Monona: $272,200
- Verona: $310,700
- Sun Prairie: $239,200

Source: US Census Bureau, SB Friedman

123
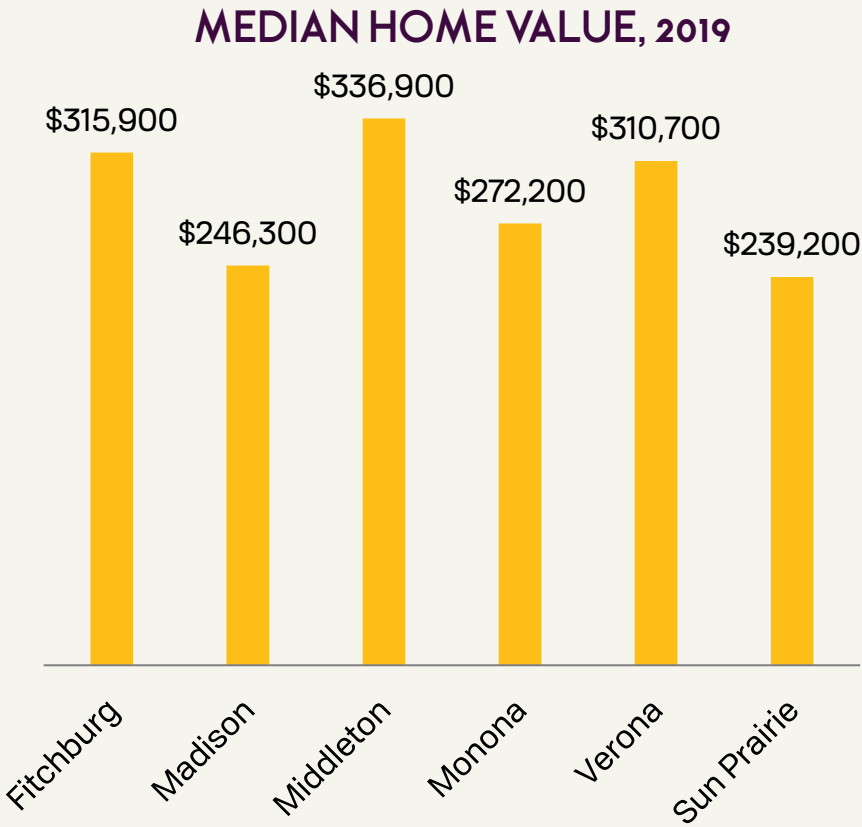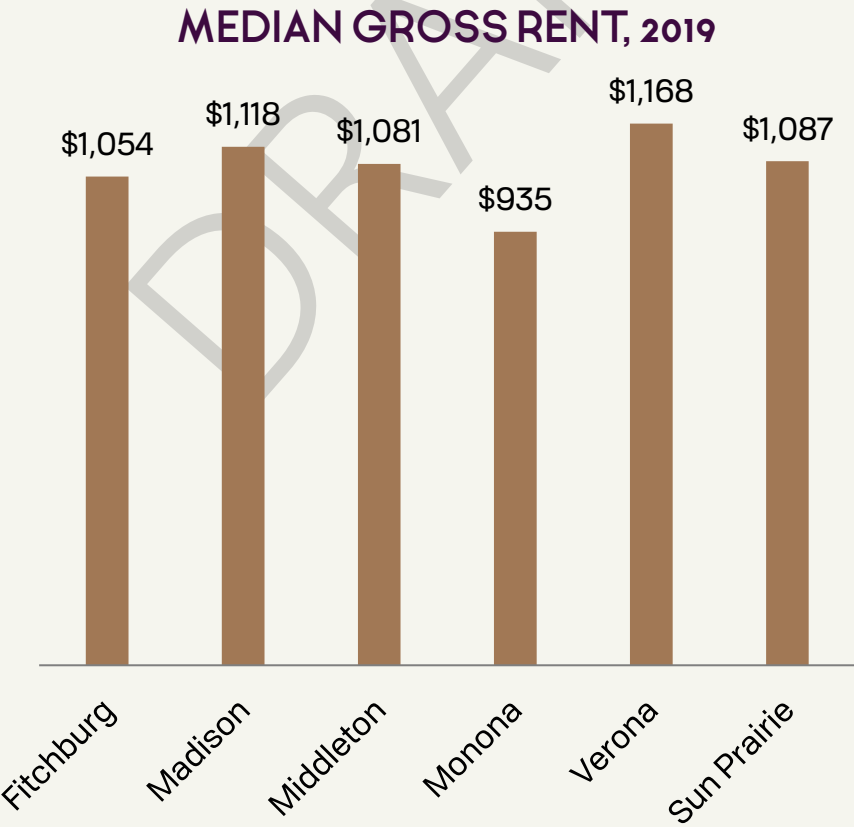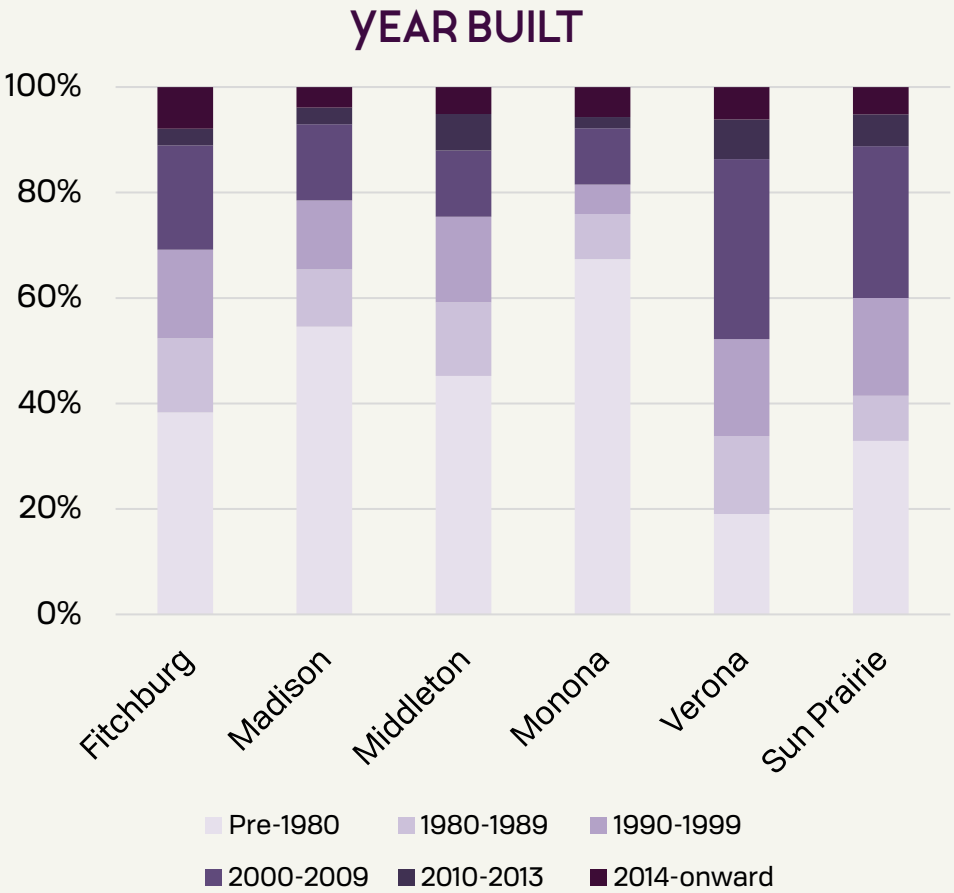
Housing Tenure and Typology by Age

OVERALL TENURE IN SUN PRAIRIE

OWN	RENT
60%	40%

SUN PRAIRE HOUSING BY AGE OF HOUSEHOLDER (2019)

	<35	35-64	65+
% Owner	36%	69%	61%
% Renter	64%	31%	39%
% Single family home [1]	40%	74%	57%
% Multifamily home [2]	60%	26%	43%

% Owner   % Renter   % Single family home [1]   % Multifamily home [2]
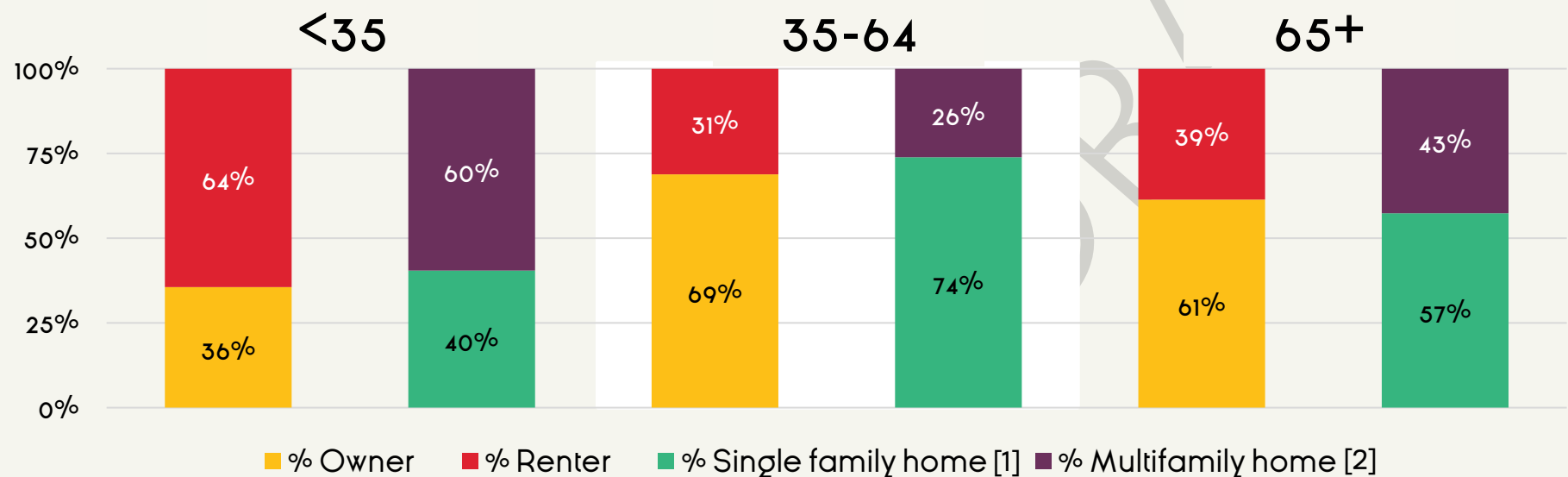
[1] Single family structure that is detached or attached horizontally with separate building systems (i.e., duplex, townhouse)
[2] Multifamily buildings contain 2 or more units with common building systems.
Sources: SB Friedman, U.S. Census Bureau

Housing Tenure by Income

MEDIAN HOUSEHOLD INCOME: $69,500 [1]

OWN	RENT
$87,800	$46,400

SUN PRARIE TENURE BY INCOME OF HOUSEHOLDER (2019)

<$50k $50-75k $75-100k $100k+

OWN
RENT
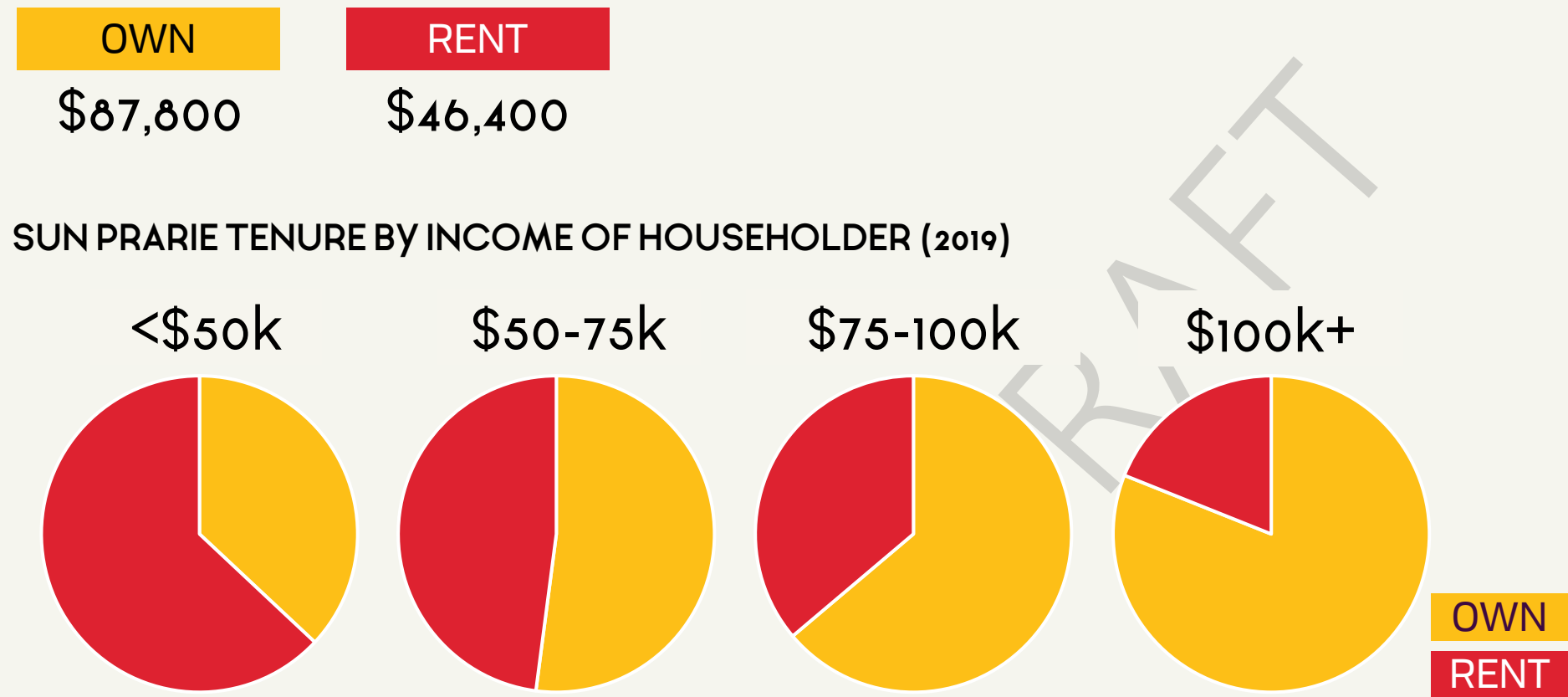
[1] Median household income (100% AMI) for three-person households.
Sources: SB Friedman, U.S. Census Bureau

Housing Cost Burden by Tenure and Income

SUN PRAIRIE COST-BURDENED HOUSEHOLDS BY TENURE AND INCOME (2019)

COST-BURDENED HOUSEHOLDS IN SUN PRAIRIE BY TENURE (2019)

23%
OWNER HOUSEHOLDS

37%
RENTER HOUSEHOLDS
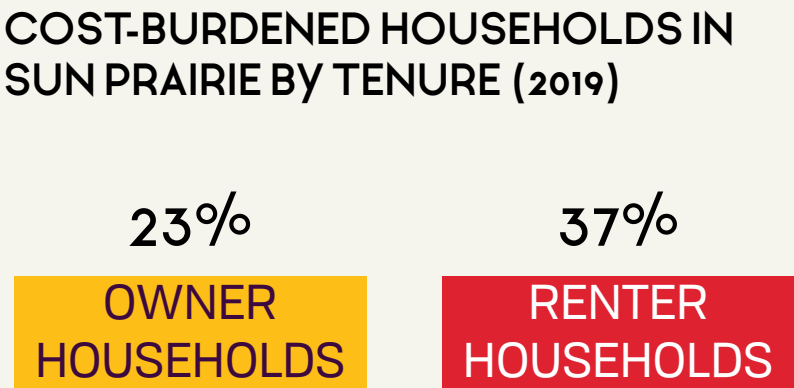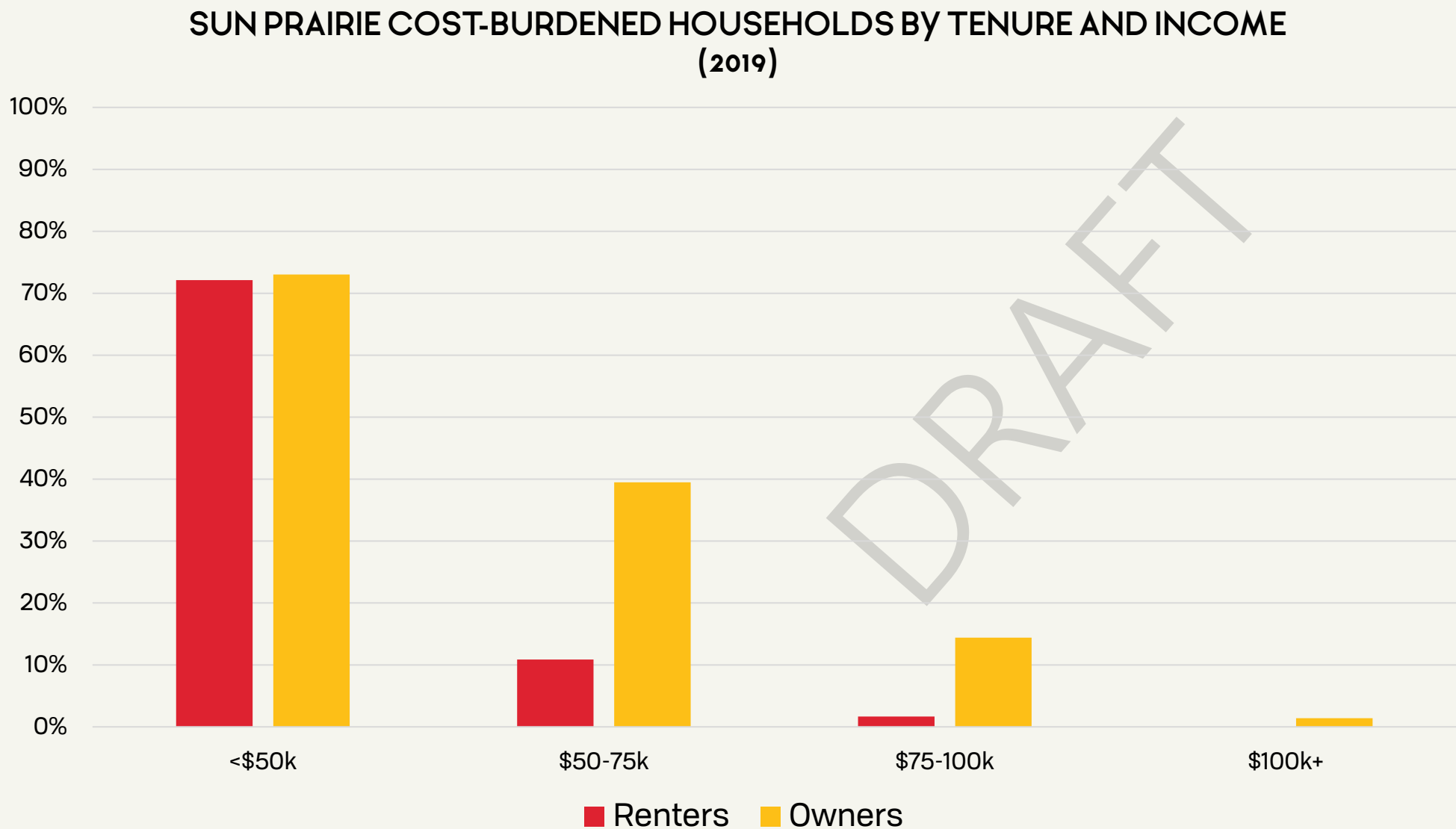
Sun Prairie Racial Makeup

SUN PRARIE TOTAL POPULATION BY RACE

Year	White	Black	Asian	Other
2010	89.2%	3.9%	2.9%	3.9%
2019	80.1%	8.1%	6.7%	5.1%

Legend: ■ White ■ Black ■ Asian ■ Other
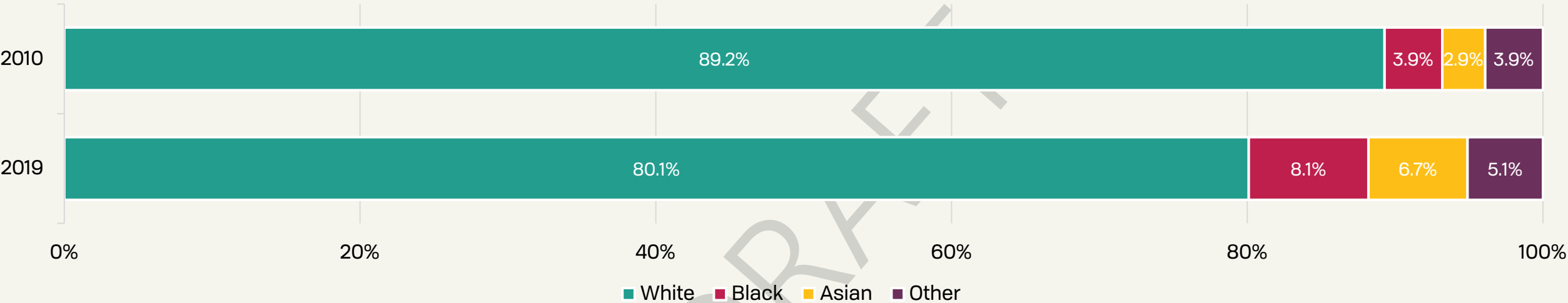
4.0%
Identify as Hispanic, 2010

5.3%
Identify as Hispanic, 2019

Sun Prairie demographics mirror Dane County

PLACE OF BIRTH

8.0%

Born outside the US
8.8% in Dane County

65.6%

Born in WI
61.0% in Dane County

DISABILITIES

8.4%

People with disabilities
8.3% in Dane County

VETERANS

6.1%

Veterans
5.4% in Dane County

EDUCATION

44.7%

Population over 25 years
old with a Bachelor's
degree or higher
51.4% in Dane County

Sun Prairie Population by Age

2010 TOTAL POPULATION BY AGE

Under Age 18, 19.1%	Age 18-24, 8.5%	Age 25-44, 33.8%	Age 45-54, 12.7%	Age 55-74, 14.1%	Age 75+, 5%
CHILDREN AT HOME	YOUNG PROFESSIONALS	WORKING ADULTS		YOUNG SENIORS	SENIORS

Under Age 18, 26.4%	Age 18-24, 6.3%	Ages 25-44, 30.8%	Age 45-54, 13.1%	Age 55-74, 18.1%	Age 75+, 5.3%
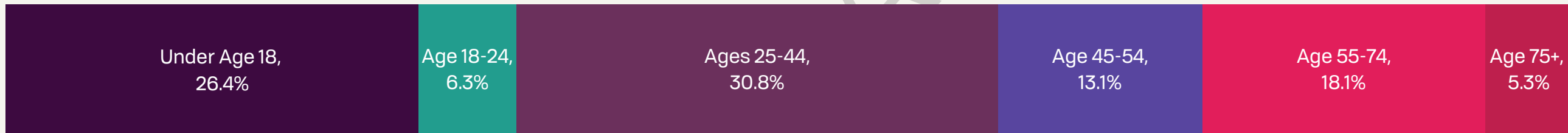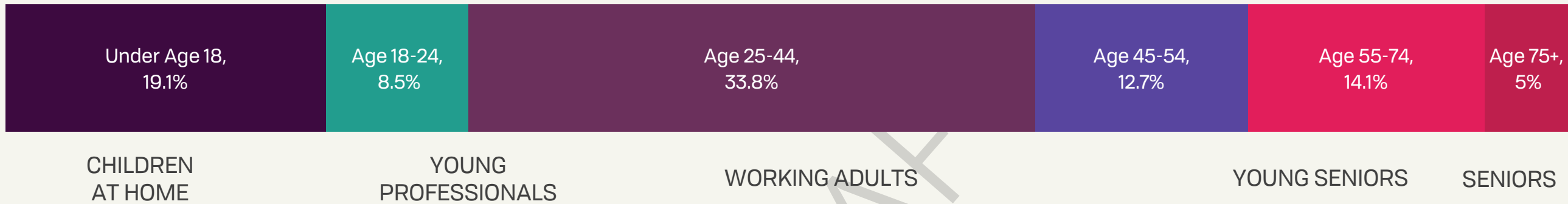
2019 TOTAL POPULATION BY AGE

33.1
Sun Prairie
Median Age, 2010

36.5
Sun Prairie
Median Age, 2019
35.1 in Dane County

2.47
Sun Prairie
avg. household size, 2019
2.40 in Dane County

Sources: U.S. Census Bureau, SB Friedman

APPENDIX E. HOUSING TOOLKIT

Communication and Education around Housing*

KEY FACTS

TYPE

Capacity Building

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

✓ No Change

PRIMARY TARGET

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

The City of Sun Prairie and nonprofit organizations can support housing through education and communication. For example, the City can combat common misconceptions about housing, create educational resources to support lower-income households, disseminate information related to housing, and more. The City can work with existing nonprofits (e.g., Sunshine Place, the Sun Prairie Chamber of Commerce, Neighborhood Navigators) already active in the community to leverage their networks and disseminate educational material and resources. These partnerships can also enhance the flow of information back to the City, ensuring that City staff receive ongoing feedback on programs and communication needs.

KEY DECISION POINTS / NEXT STEPS

- Identify possible channels to communicate to the public, e.g., Affordable Housing Week
- Increase coordination between City staff, departments, and nonprofit partners
- Determine key educational campaigns
- Draft materials

SAMPLE EDUCATIONAL MATERIAL

Affordable Housing week, as an example, can be a hybrid in-person and virtual week-long event that focuses on answering affordability questions and provides ways for the community to find affordable housing options in Sun Prairie. Sample communication text provided below:

"How can we provide housing for all in Sun Prairie? Affordable Housing Week 2024 will focus on illustrating why affordable housing is key to this community's fabric and will provide you with the right resources to find housing that meets your needs within reach. Visit the City's website to learn more about available sessions and help us spread the word. Registration is free for all Sun Prairie residents!"

*Recommended strategy

131

Dedicated Housing Committee*

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

The City will need an entity to drive implementation and provide direction to City staff regarding housing priorities over time. The purpose of a housing task force or similar group is to set goals and hold the City accountable. There are different types of groups that could be created, whether it remains under the purview of the Community Development Authority or if a new commission is created altogether. This group would be responsible for meeting regularly to discuss key housing issues, develop a strategic action plan, and report to and advise Council and City staff on housing issues.

KEY DECISION POINTS / NEXT STEPS

- Identify process to advance housing strategies and how a housing task force or similar group will be used

- Determine members of the group

- Identify key housing issues to address

CASE STUDY – MIDDLETON, WI

Middleton, WI has a Housing Task Force that was created by the City as a formal task force. This group sets goals and holds the City accountable toward reaching their goals. The task force was originally established in 2007 to increase the supply of workforce housing in the City. Today, the task force meets approximately once a month to discuss housing related issues, such as finding ways to support affordable housing development, advising on the use federal funds (such as CDBG), and more.

ORGANIZATIONAL STRATEGIES

*Recommended strategy

Dedicated Housing Staff*

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

Dedicated housing professionals are important to advance community housing goals. Significant staff time can be required to implement and operate new programs. A designated staff person within the City can champion housing initiatives and maintain focus on the issue over an extended period. Designated City housing staff also can participate in regional and national discussions about housing, attend conferences to learn about best practices, and maintain relationships with housing developers and operators.

This strategy specifically could be impactful for properties within the Priority Geographies which are areas that have been identified for housing initiatives. Further, the Priority Geographies have a relatively high number of legally restricted affordable properties that may be a point of focus for the designated staff person.

KEY DECISION POINTS / NEXT STEPS

- Identify core responsibilities of a housing staff person
- Determine where a housing staff person would fit within the existing City organizational structure
- Identify funding source within City budget for full-time housing staff

CASE STUDY – WEST ALLIS, WI

West Allis, a suburb of Milwaukee, has multiple staff dedicated to housing initiatives. The staff implement housing programs including grants and other assistance programs. By having dedicated housing staff, West Allis has the capacity to execute strategies to support housing.

ORGANIZATIONAL STRATEGIES

*Recommended strategy

Annual Tracking/Reporting*

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters, Owners, Seniors, Lower-Income Households

OVERVIEW

Annual tracking/reporting on various housing goals help hold municipalities accountable and allow them to measure progress. As the City implements programs, there should be monitoring and compliance. Metrics the City could consider tracking includes new units by housing type, affordability and tenure, ADU creation, number of homeowners assisted, rental units rehabilitated, as well as overarching housing market metrics like average rents, sale prices, vacancy rates and average days on market.

KEY DECISION POINTS / NEXT STEPS

- Identify metrics and compliance standards the City is interested in measuring

- Determine which staff/department will track housing metrics

- Report on metrics and monitor compliance annually

OTHER CONSIDERATIONS

The Wisconsin legislature in 2018 established a requirement of municipalities with 10,000 or more people to file a housing affordability analysis annually. The City of Sun Prairie, therefore, is required to draft this report annually. The law requires the City to report on development activity and analyze the impact of their residential development regulations on the cost of developing new housing. In addition to tracking development activity, the City should also track the use of public funding for housing, use of any programs, and the development outcomes from developments that use public founding or programs. The report and additional data collected should be distilled and used for educational materials.

ORGANIZATIONAL STRATEGIES

*Recommended strategy

Zoning for By Right Development*

KEY FACTS

TYPE

▦ Regulatory Mechanism

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY:

✏ Zoning Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Zoning can impede development if the codes are outdated and/or overly restrictive. Amending zoning to broaden permitted land uses, design standards, and other regulations can reduce barriers to housing development. When zoning requirements allow for a more expensive set of land uses, more development can occur by right. In the absence of zoning that allows for a greater range of by right building types, developments require special use permits or rezoning that can add time, uncertainty and cost to the development. Special use permits may also invite community opposition to building types otherwise consistent with the city's adopted plans and goals. Each of these can impact feasibility of development and push developers to communities where the development process is more streamlined and certain.

Current zoning practices encourage the separation of land uses, limit development intensity, and lack site design standards. In today's environment, many residents prefer to live in walkable, transit-adjacent areas with nearby commercial amenities. The City should add zoning flexibility to the extent possible within traditional districts. Zoning flexibility could include reducing parking requirements, especially if high frequency transit becomes available.

KEY DECISION POINTS / NEXT STEPS

- Review residential land use regulations within the Municipal Code to identify overly restrictive zoning districts that often require variances or are known to be outdated

- Update Municipal Code to include more expansive land uses, design standards and less restrictive requirements

CASE STUDY – SUMMERVILLE, SC

Summerville, a suburb of Charleston, overhauled its zoning code, and the new zoning ordinance allows for different types of residential uses in different zones with the most flexibility near downtown and transit stations. The Summerville 2019 Unified Development Ordinance (UDO) redefined the use and form of development in these zones, with the intent of simplifying the entitlement process and allowing for flexibility of uses while maintaining Summerville's unique building form.

INCREASE THE SUPPLY OF HOUSING

*Recommended strategy

Accessory Dwelling Units*

KEY FACTS

TYPE

Regulatory Mechanism

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

Zoning Change

PRIMARY TARGET

Renters, Seniors, Lower-Income Households

OVERVIEW

Accessory dwelling units (ADUs) tend to be relatively small dwelling units on existing residential parcels that are either contained within the principal dwelling unit or within a separate structure entirely. ADUs come in many forms (e.g., basement unit within a single-family home, a "granny flat" above a garage, or a coach house). ADUs are frequently naturally-occurring affordable housing. ADUs provide an opportunity to add housing within existing residential neighborhoods without a significant impact. Because ADUs provide an additional housing unit in proximity to an existing housing unit, they can also be a great option for multigenerational housing. Some municipalities only allow ADUs on parcels with existing owner-occupied units.

ADUs are recommended in the Sun Prairie Comprehensive Plan but are not currently permitted by zoning.

KEY DECISION POINTS / NEXT STEPS

- Reach out to the City of Madison and other communities to learn from existing ADU programs

- Identify potential locations that would be well-suited for ADUs

- Identify general form, bulk and design parameters for ADUs

- Draft ordinance

- Conduct public education regarding ADUs

- Develop partnerships with local lenders to identify a source for funding construction/renovation of ADU spaces

- Develop a municipal funding mechanism; ADUs are difficult to finance with conventional sources, but could be supported with municipal sources in exchange for affordability commitments

CASE STUDY – VERONA, WI

The City of Verona recently approved one accessory dwelling unit per lot, no greater than 900 square feet throughout the City. Lots are by right permitted to include ADUs. The primary structure must be an owner-occupied unit. While financing ADU construction and renovation may still be difficult, allowing ADUs in the code without a special permit will enable more ADUs in Verona.

*Recommended strategy

INCREASE THE SUPPLY OF HOUSING

Development Community Outreach*

KEY FACTS

TYPE

⚙ Capacity Building

FUNDING

$

TIMELINE

Immediate

IMPLEMENTATION LEAD

City of Sun Prairie, Nonprofit

REGULATORY

✓ No Change

PRIMARY TARGET

Renters & Owners

OVERVIEW

City outreach to regional, state and national housing developers and other members of the development community can increase awareness and interest in residential development in Sun Prairie. Engaging with additional developers increases the pool of developers likely to develop housing citywide.

Cities will often target outreach to specific developers who can fill a particular product gap within the market (e.g., Seniors Housing, missing middle housing). Outreach is often a critical component to attracting specialty developers. As the City implements new housing policies, outreach and communication with the development community will be key to educating developers on new policies, programs and incentives.

KEY DECISION POINTS / NEXT STEPS

- Engage in discussions with regional and national developers to attract additional development interest, particularly for product types that are lacking in the market
- Draft annual state of the residential market document for distribution to interested developers
- Write development prospectus to encourage development on specific sites
- Consider identifying a dedicated City staff member to coordinate development community outreach

OTHER CONSIDERATIONS

One common question is how to find and connect with the development community. A dedicated staff person can research active residential developers in the County and larger region through various data sources. The staff person can also help build relationships with other communities in the area, which can help identify active residential developers. Further, involvement in professional organizations like the Urban Land Institute will likely lead to connections to developers.

INCREASE THE SUPPLY OF HOUSING

*Recommended strategy

Entitlement Incentives*

KEY FACTS

TYPE

Incentives

FUNDING

$

TIMELINE

Near-Term

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

Zoning Change

PRIMARY TARGET

Renters & Owners

OVERVIEW

Entitlement incentives typically offer an increase in the allowable density or other benefits for a given site in exchange for the provision of affordable housing or other desired housing types. Entitlement incentives can be made applicable to specific zoning districts but are also frequently available through zoning overlays which target specific high-growth zones where a developer would be most interested in providing the desired housing types in exchange for the additional density.

Reduced parking minimums or expedited permitting could be effective entitlement incentives in Sun Prairie. Projects with the preferred criteria, including those going through the PUD process, could be fast tracked with staff level approvals as an incentive to include the preferred criteria. Due to Wisconsin statute which prevents mandates, incentives are a useful mechanism to encourage affordable housing. The City could consider advocacy at the state level to change the current state laws constraining affordable housing. Entitlement incentives are a valuable tool to entice a particular product type, whether it be affordable housing or existing housing shortfalls (e.g., Seniors Housing, missing middle housing).

KEY DECISION POINTS / NEXT STEPS

- Identify priority types of development City wishes to incentivize
- Identify possible entitlement incentives based on historic approvals and research into similar policies elsewhere
- Craft potential incentives and review with legal counsel
- Obtain community and developer feedback on potential incentives
- Draft policies/ordinances for adoption

CASE STUDY – EDINA, MN

Edina's incentive-based Multifamily Affordable Housing Policy, adopted in 2015, incentivizes developers to build affordable units in exchange for density bonuses, parking reductions, tax increment financing (TIF), deferred low-interest loans from the Edina Housing Foundation, and tax abatements. The policy applies citywide.

If a development obtains a rezoning or comprehensive plan amendment and the development includes more than 20 units, developers are required to provide affordable units and the incentive-based policy is not applicable. Mandatory entitlement incentives are not currently allowed under Wisconsin state law; however, the incentives-based voluntary component of the Edina policy would be feasible in Sun Prairie.

INCREASE THE SUPPLY OF HOUSING

Development Process Enhancements

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$

TIMELINE:

Immediate

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners, Lower-Income Households, Seniors Housing

OVERVIEW

Jurisdictions can streamline their entitlement process to make it easier for housing developers to produce housing. There are a number of ways to create a more efficient system, such as adhering to a predefined entitlements schedule, providing status updates to developers throughout the entitlement process, lessening requirements at early stages of development approvals, designating key staff to assist in the housing development entitlement process, and more. These incentives can be made available citywide or within defined geographies through a zoning overlay.

Municipalities will often offer more development process enhancements to developments that meet municipal priorities (e.g., voluntarily affordability commitments). Municipalities can adopt a scoring system that increases the development enhancements available to developers in exchange for higher scoring developments; where developments receive a higher score as community benefits and priorities are increasingly incorporated.

KEY DECISION POINTS / NEXT STEPS

- Review current processes and identify critical bottlenecks and/or barriers
- Prioritize potential improvements to streamlining the entitlement process
- Amend requirements for entitlements as appropriate

INCREASE THE SUPPLY OF HOUSING

Public Land Disposition

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Publicly owned land can be provided to developers and/or nonprofits at a discount to incentivize the development of housing that meets the City's goals in strategic locations. This strategy activates underutilized publicly owned land and supports the creation of housing.

The City of Sun Prairie does not currently own any sizeable properties that could be used for affordable housing. However, in some cases local entities intentionally acquire land to then sell at a discount, or donate outright, to nonprofit developers to develop affordable housing.

KEY DECISION POINTS / NEXT STEPS

- Identify underutilized publicly owned land that would be better served as housing
- Acquire additional land well-suited for affordable housing
- Identify affordability priorities for publicly owned land
- Conduct outreach to potential housing developers
- Design a request for proposal process on a parcel-by-parcel basis

INCREASE THE SUPPLY OF HOUSING

Community Land Trust*

KEY FACTS

TYPE

🚪 Housing Program

FUNDING

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

Nonprofit Organization, City of Sun Prairie

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters & Owners, Lower-Income Households

OVERVIEW

A community land trust (CLT) acquires and maintains permanent ownership of land in order to maintain long-term affordability of housing units. Residents can purchase a single-family or multifamily property outright and enter a long-term (±99-year) lease for the land, which is held in a trust. When a homeowner is ready to sell, owners will receive a formula-based moderate return on investment. The home is only eligible to be sold to households earning below a defined income.

The legally constrained sale-price maintains affordability for the subsequent owner. By separating the ownership of land and housing, CLTs provide low- and moderate-income households with an opportunity to build equity through homeownership. CLTs can also include multifamily properties, in which leaseholders are subject to the same resale restrictions.

Otherwise, Sun Prairie could initially begin with an opt-in CLT model that expands over time as funding sources become available to engage in additional projects (e.g., land acquisition, preparation). In the future, affordable units constructed by Habitat for Humanity or other similar developers could also be added to the community land trust.

KEY DECISION POINTS / NEXT STEPS

- Identify organization (i.e., Madison Area Community Land Trust) or new entity to manage the land trust
- Identify funding source for CLT organization and possibly property acquisition
- Identify target location and type of properties
- Determine eligibility criteria & fund requirements

CASE STUDY – MADISON AREA COMMUNITY LAND TRUST

The Madison Area Community Land Trust was established in 1991 with the goal of supporting first time homebuyers in purchasing affordable homes. Today, the group continues to acquire land and sells homes to lower-income households. Homeowners receive formula-based return on invest when selling their home. When a homeowner within the program sells a property, they are eligible for a portion of the increase in the value of the property from general appreciation and the full amount of any qualified capital improvements on the property during their ownership.

ADD AFFORDABLE UNITS

Zoning Overlay District*

KEY FACTS

TYPE

⊞ Regulatory Mechanism

FUNDING

$

TIMELINE

Near-Term

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

✏ Zoning Change

PRIMARY TARGET

Renters & Owners, Lower-Income Households, Seniors Housing

OVERVIEW

Zoning overlay districts can be used to diversify zoning to achieve specific municipal priorities in defined zones. Zoning overlays can provide incentives (e.g., higher density allowances) in exchange for provision of municipal objectives (e.g., affordability set-asides). Zoning overlays can also provide, by-right, more land use flexibility within specific locations such as those closer to public transportation.

Additional land use flexibility is attractive to developers in mixed-use districts such as the Main Street and Live-Work Overlay Districts. The existing overlay districts provide design guidelines and a shortened review process for projects that comply with the design standards. Land use regulations can also be structured in a way that further simplifies the entitlement process for specific product types that are currently underrepresented in the City including Seniors Housing, affordable housing, and lower-cost for-sale housing. Diversifying housing through overlays is a similar strategy to zoning incentives but more targeted and only applicable to defined geographies. Overlays can be a faster regulatory change than full-scale zoning code amendments.

KEY DECISION POINTS / NEXT STEPS

- Review residential land use regulations within the Municipal Code to identify overly restrictive zoning districts that often require variances or are known to be outdated

- Identify priority geographic corridors for zoning overlay districts

- Update Municipal Code to include more expansive land uses, design standards and less restrictive requirements

CASE STUDY – SUN PRAIRIE, WI

The existing overlay districts, Main Street and Live-Work, were adopted in 2010 to provide design guidelines and a shortened review process for projects that comply with the design standards. The purpose of the Main Street Overlay District is to support redevelopment along the corridor. Projects that comply with the standards are eligible for an expedited staff review, which not only saves time but adds certainty to the review process which would otherwise go through Plan Commission and Council. The Live-Work Overlay District is located west of the downtown area and was established to ensure a smooth transition from downtown to the residential neighborhood. The overlay district has site and design standards, and clearly outlines permitted land uses.

ADD AFFORDABLE UNITS

Employer-Assisted Housing*

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Major Employers

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Employer-assisted housing can include employer contributions to development of affordable housing or provision of direct assistance to employees to reduce the cost of housing. Local governments can increase the likelihood of employer involvement in housing by offering financial incentives or facilitating collaboration between companies and nonprofit organizations.

KEY DECISION POINTS / NEXT STEPS

- Educate local employers on employer assisted housing programs & the benefits
- Determine ways the City can incentivize local employers to establish employer assisted housing programs

CASE STUDY – DANE WORKFORCE HOUSING FUND

The Dane Workforce Housing Fund was created in 2020 to support workforce housing. The fund is supported by local employers with the partnership of Madison Development Corp. The Fund has a target of developing 500 affordable units (with at least a 15-year affordability term) over the next three years. The fund has awarded projects in Fitchburg, Middleton, Mount Horeb, and Waunakee since 2020. Initial investors include Monona Bank; UW Health; Oscar Rennebohm Foundation; Madison Gas and Electric Foundation; CUNA Mutual Group Foundation; WPS Health Solutions; Exact Sciences Corp.; First Business Bank; Oak Bank; Summit Credit Union; Park Bank; BMO Harris Bank; Madison Development Corp.; UW Credit Union; and MDC.

CASE STUDY – EPIC

A more traditional employer-assisted housing model is a company supporting housing for their employees. EPIC, headquartered in Verona, partners with local apartment complexes to offer discounts to employees. For employees relocating to the region, EPIC provides temporary housing (AirBnb or low-cost hotel options) and a relocation stipend.

ADD AFFORDABLE UNITS

*Recommended strategy

Dedicated Sources to Support Affordable Housing*

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Dedicating municipal sources to support affordable housing ensures there is funding set aside to support various housing initiatives long-term. There are many different funding mechanisms that could be made available to support affordable housing, such as TIF, affordable housing bonds, federal sources and housing trust funds. These specific funding mechanisms are further explained as their own tools in the Appendix. For example, Sun Prairie has multiple existing Tax Increment Financing Districts (TIDs). Wisconsin law allows municipalities to extend TIDs by one year, known as the Affordable Housing Extension, to advance housing projects throughout the City.

This strategy is distinct from the funding tools themselves as it stresses the need to identify a long-term funding source for affordable housing. Permanent sources convey municipal interest to nonprofit developers and result in benefits to affordable housing production beyond the direct subsidy of additional units. Dedicated sources could be used to finance ADU construction, incentivize desired housing types, support CLT program and more.

KEY DECISION POINTS / NEXT STEPS

- Create inventory of existing funding sources supporting affordable housing
- Determine target size of annual fund
- Earmark funds from a variety of sources to support affordable housing

CASE STUDY – DANE COUNTY AFFORDABLE HOUSING DEVELOPMENT FUND

The Dane County Affordable Housing Development Fund started in 2015 and is funded through the County Capital Budget. Since 2015 the fund has provided more than $17M to more than 25 projects (mostly rental), supporting the creation of more than 1,300 affordable units in Dane County. In 2021, projects were awarded in the City of Madison, DeForest, Monona, Oregon, and Sun Prairie. The 2021 County Capital Budget includes $7M in the Affordable Housing Development Fund.

ADD AFFORDABLE UNITS

*Recommended strategy

Community Land Bank

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

Nonprofit Organization

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

A community land bank (CLB) is typically managed by a public entity. CLBs purchase and convert vacant and abandoned land into productive uses. The CLBs do not necessarily maintain ownership of the land, instead selling or donating the land to a private entity (e.g., affordable housing developer, CLT) at a low cost.

Community land banks are typically beneficial in zones with a substantial number of properties that have been abandoned. Community land banks are frequently used to clear the title of delinquent taxes and, in some cases, operate as a patient land holder until development opportunities arise. A CLB is not an initial recommended strategy in Sun Prairie because of the relatively limited supply of abandoned or deteriorating property.

KEY DECISION POINTS / NEXT STEPS

- Identify organization to administer program
- Identify funding source
- Identify the location and quantity of vacant properties that would benefit from a CLB
- Determine eligibility criteria & fund requirements

Tax Increment Financing

KEY FACTS

TYPE:

💵 Funding Mechanism

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✏️ Legislative Update

PRIMARY TARGET:

Renters

OVERVIEW

Tax Increment Financing (TIF) is a mechanism that allows incremental property taxes to be captured for 27-years and then reinvested within a defined geography (the tax incremental district or TID). The base property value is frozen upon adoption. Taxes resulting from increases in taxable value within the defined geography over the life of the TID are deposited in the TID fund, rather than the general fund. The TID fund is then used fund public projects, including affordable housing, that would not otherwise be viable but for the TID. TID funds can also be used to acquire land, which could be put into a land trust and be earmarked for affordable housing.

Sun Prairie has multiple existing TIDs already in place. Wisconsin law allows municipalities to extend TIDs by one year, known as the Affordable Housing Extension, to advance affordable housing projects. Sun Prairie can leverage this extension year to support affordable housing initiatives within existing districts approaching expiration. Municipalities typically use the expiration extension funds to fund low-income housing developments and affordable housing studies. Currently, this is what funds Sun Prairie's Affordable Housing Fund, which has approximately $165,000 and is expected to grow from expiring TIDs in 2025-2026.

KEY DECISION POINTS / NEXT STEPS

- Evaluate existing TIDs and what the funds are being used for
- Identify target projects and corridors where a TID could be most beneficial
- Specify desired housing types in the City's TID policy
- Analyze the fiscal impact of implementing a TID on the overall health of the jurisdiction
- Determine TID priorities and adopt redevelopment plans, as appropriate
- Identify priorities for TID Affordable Housing Extension funds already available to the City

ADD AFFORDABLE UNITS

Impact Investing

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$$

TIMELINE:

Long-Term

IMPLEMENTATION LEAD:

Nonprofit Organization

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Philanthropic foundations and anchor institutions are valuable components of the affordable housing solution. Both philanthropic foundations and major institutions are common sources for impact investing. Impact investment funds are those provided to community-based organizations for projects that generate positive social outcomes, including addressing housing challenges for low-income and special needs populations.

KEY DECISION POINTS / NEXT STEPS

- Determine priorities for investment
- Identify regional best practices for impact investing which could be replicated in Sun Prairie
- Conduct outreach and marketing to philanthropic foundations and major institutions

ADD AFFORDABLE UNITS

Affordable Housing Bonds

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$$$

TIMELINE:

Long-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

General obligation bonds allow for municipalities to issue government-backed bonds ultimately repaid through local taxes or a specific revenue source. General obligation bonds for affordable housing are particularly valuable because they are a significant flexible source of funding available to fill project capital stack shortfalls. These general obligation bonds are often only viable when backed by an additional tax approved via referendum. Most municipalities do not have the financial capacity to issue a substantial bond for affordable housing without a new source of funds for repayment. Bonds are typically backed by either a sales tax increase or property tax increase.

An affordable housing bond is assumed to be difficult to implement in Sun Prairie due an existing community perception of extraordinarily high property taxes relative to other municipalities in the region.

KEY DECISION POINTS / NEXT STEPS

- Evaluate revenue source alternatives
- Identify priorities for leveraging the funding source
- Determine political plausibility of approving a referendum to support affordable housing

Federal Funding (LIHTC, CDBG, HOME)

KEY FACTS

TYPE:

Funding Mechanism

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

The federal government provides substantial funding annually to support affordable housing. The major housing programs available include Low-Income Housing Tax Credits (LIHTC), Community Development Block Grants (CDBG), and HOME Funds. Sun Prairie does not receive a direct allocation of any source. WHEDA controls annual LIHTC disbursements across the state. Dane County receives an allocation of CDBG and HOME funds that are distributed across the County.

To maximize benefit from these existing funding sources, Sun Prairie can increase advocacy and at the county and state levels to increase influence by better understanding housing priorities for the funds. Sun Prairie can also proactively work with developers to identify and advance developments that should seek federal funding.

KEY DECISION POINTS / NEXT STEPS

- Evaluate if/how CDBG and HOME funds are currently being allocated and used

- Work with nonprofit to obtain approval by HUD for use of CDBG funds

- Identify priorities for leveraging grants

ADD AFFORDABLE UNITS

Housing Trust Fund

KEY FACTS

TYPE

Funding Mechanism

FUNDING

$$$

TIMELINE

Near-term

IMPLEMENTATION LEAD

City of Sun Prairie

REGULATORY

✓ No Change

PRIMARY TARGET

Renters & Owners

OVERVIEW

Housing trust funds (HTF) are often necessary to support the construction or operation of housing at very low-income levels, often for residents who earn less than 30% of the area median income. HTFs can own and/or manage affordable housing units, provide rental subsidies to non-profit or private housing partners who directly manage properties, and provide construction or rehabilitation funding. HTFs are typically funded through federal sources and discretionary local dollars, including bond levies or fees in lieu of entitlement incentives. HTFs may be established by the municipality or set up as a 501(c)3 associated with a City.

Sun Prairie established a housing trust fund in 2019. State statute allows TIF districts to remain open an additional year and that increment is what has funded the HTF so far, which has approximately $165,000 in it. Two larger districts are expiring in 2025-2026 which is expected to generate substantial funding for the HTF. The HTF could be further expanded with a longer-term dedicated funding source.

KEY DECISION POINTS / NEXT STEPS

- Confirm strategic priorities that should drive HTF fund expenditures
- Identify funding opportunities where HTF could serve as gap funding to advance an affordability initiative
- Evaluate potential long-term funding sources

ADD AFFORDABLE UNITS

Local Housing Coalition*

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

Nonprofit Organization

REGULATORY:

✔ No Change

PRIMARY TARGET:

Renters & Owners

OVERVIEW

Housing coalitions help build awareness and increase development capacity by providing a forum for interested community stakeholders to network and learn from one another. Housing coalitions can include local housing and community development experts, social service providers, business leaders, civic leaders, developers and residents. While City staff and elected officials can also be members of housing coalitions, the entity is often used to champion housing issues outside of government. City representatives on a housing coalition can be helpful by serving as a liaison to ensure continuity between different actors and consistency of efforts, share information and increase awareness around City-led initiatives.

Housing coalitions are flexible entities that typically focus on advocacy, capacity building and education. In many communities, local opposition to affordable housing is a primary barrier to affordable housing. Housing coalitions are a valuable tool to address this challenge by connecting local stakeholders seeking to address housing affordability. Coalitions may prepare community education materials, raise awareness of specific housing needs, attend community meetings to advocate for specific policies, and lead funding campaigns for specific initiatives.

KEY DECISION POINTS / NEXT STEPS

- Identify a local champion to lead the housing coalition (e.g., Sun Prairie Chamber of Commerce)
- Outline key housing needs which could be led by a housing coalition
- Conduct outreach to expand membership of coalition

CASE STUDY – MADISON AFFORDABLE HOUSING ACTION ALLIANCE

The Madison Affordable Housing Action Alliance (AHAA) was formed in 1996 to urge action on affordable housing in Madison, WI. The group meets virtually once a month to discuss initiatives. Through Facebook posts, the group shares articles and encourages people to show up to various meetings and support initiatives.

The Sun Prairie Housing Coalition is a similar initiative. However, Coalition stakeholders indicate the organization requires additional structure and time to meaningfully influence local policy.

*Recommended strategy

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

Rehab Loan Fund/Grant Program*

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners & Renters

OVERVIEW

A rehab loan or grant program can be used to provide funds to rehabilitate homes and/or make accessibility modifications. Funds are often available to homeowners for properties that meet certain criteria such as home age, type of improvement, cost of improvement, etc. Rehab loan programs are also typically available to smaller-scale multifamily properties that tend to be naturally occurring affordable housing.

Rehab loans can either be direct loans to nonprofit organizations or to existing low-income homeowners that might not otherwise make the improvement. Loans can be structured as entirely forgivable or offer below-market interest rates.

A loan fund can be structured as a revolving loan fund that may become self-sustaining over time. As initial borrowers repay their loans, funds are available for a subsequent recipient. Revolving rehab loan funds are frequently funded by Community Development Block Grants.

This strategy could be impactful for properties within the Priority Geographies which are naturally-occurring affordable housing that are in need of repair.

KEY DECISION POINTS / NEXT STEPS

- Identify organization or local unit of government to administer program
- Identify funding source(s)
- Identify target incomes and/or geographies for the program
- Determine eligibility criteria & requirements
- Draft program parameters

CASE STUDY – MADISON, WI

The City of Madison provides loans to rehab homes to eligible property owners with an interest rate that is tied to the household's income. Loan terms range from 0% interest and deferred payment to 4.5% interest with an installment payment.

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

*Recommended strategy

Down Payment Assistance Program*

KEY FACTS

TYPE:

🚪 Housing Program

FUNDING:

$$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners

OVERVIEW

Down payment assistance programs typically offer either a grant or second mortgage to reduce homeowner barriers to purchasing a home. Second mortgages can be structured as an installment loan for moderate income households or a deferred loan due at a future date (i.e., upon sale or transfer of the home) for lower-income households. If the program offers a second mortgage, interest rates are generally lower than traditional sources. Down payment assistance programs allow households who may not typically be able to purchase a home due to the upfront costs at closing the opportunity to be homeowners.

KEY DECISION POINTS / NEXT STEPS

- Identify an initial funding source

- Determine targeted populations eligible for down-payment assistance

- Identify program administrator

- Determine financing terms (grants vs. loan, interest rates, repayment options, etc.)

- Outline application requirements

CASE STUDY – DANE COUNTY MOMENTUM HOME BUYER ASSISTANCE PROGRAM

Movin' Out, an organization in Dane County supporting housing, has a home buyer assistance program for households earning at or below 80% AMI of the County. The Momentum Home Buyer Assistance Programs offers 0% interest, preferred payment loans to assist qualified first-time home buyers with down payment and closing costs.

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

*Recommended strategy

Non-Traditional Lending Products for Households*

KEY FACTS

TYPE:

Capacity Building

FUNDING:

$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners, Lower-Income Households

OVERVIEW

There are a number of barriers to obtaining loans from traditional lenders. The City can increase access to lending products for households that may not have the typical criteria needed for a favorable traditional loan by increasing awareness of existing subsidy programs and working to expand the resources available. There are existing lending products available through state and county resource providers that are not well publicized. The City can leverage existing platforms (e.g., Neighborhood Navigators) to better communicate housing programs and products available to residents.

The City can also work to increase the availability of lending products to households. A specific need mentioned during community meetings is lending products available to community residents without a social security number. The City can work to connect existing social service providers to lending institutions to engage in discussions around housing product availability.

KEY DECISION POINTS / NEXT STEPS

- Create an inventory of existing lending products available to low-income households
- Develop educational materials to better communicate available housing products
- Establish a working group with representatives from the City, social service providers and lending institutions to discuss alternative solutions to the existing lending product gap

CASE STUDY – WHEDA ADVANTAGE CONVENTIONAL AND FHA

There are federal and state-level organizations that offer loans to households that may struggle to obtain a traditional loan (especially with favorable terms), such as households without a social security number, low-income households, and households with a low credit score. WHEDA has a list of approved lenders that offer first mortgage loans for households that generally would struggle to receive a traditional loan.

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING

*Recommended strategy

Rent to Own Program

KEY FACTS

TYPE:

Housing Program

FUNDING:

$$$

TIMELINE:

Near-Term

IMPLEMENTATION LEAD:

City of Sun Prairie, Nonprofit Organization

REGULATORY:

✓ No Change

PRIMARY TARGET:

Owners

OVERVIEW

Rent to own programs offer a pathway for households to transition from renting to owning their homes. A typical structure of the program is for households to initially lease a home from the sponsor of the program and sign a Right to Purchase Agreement. The household becomes eligible to purchase their home after a defined period (e.g., 10-years with no missed rent payments). Rent payments made in the rental period are credited toward the eventual down payment at the purchase point.

Rent to Own programs allow households who typically may not be able to purchase a home due to the upfront costs at closing the opportunity to be homeowners. Rent to own programs typically include a HUD housing counseling component to ensure households are prepared for homeownership.

KEY DECISION POINTS / NEXT STEPS

- Identify an initial funding source
- Identify program administrator or lead organization
- Determine terms (length to rent, financing terms, etc.)
- Identify existing HUD-certified housing counseling providers which could offer services to eventual homebuyers
- Outline application requirements

IMPROVE QUALITY, ACCESSIBILITY, AND ATTAINABILITY OF HOUSING