



WEDC Update

Dane County Regional Housing Network

April 10, 2025

Wisconsin Economic Development Corporation



Business and Community Development

- Diverse Business Development
- Downtown Development
- Office of Rural Prosperity
- Business Attraction



Entrepreneurship and Innovation



Productivity and Sustainability



Global Trade & Investment

Supporting Community Development

Technical Assistance

➤ Diverse Business Development

➤ Main Street/Connect Communities

- Webinars, Workshops, Grant contests

➤ Office of Rural Prosperity

- Broadband Toolkit, State and Federal Grant Writing TA

Financial Assistance

➤ Fab Lab Grant

➤ Capacity Building Grant

- Coop Grant

➤ CDI- Vibrant Spaces Grant

➤ Small Business Development Grant

Supporting Housing & Real Estate Development

Financial Assistance

- Site Assessment & Brownfield Clean Up Grants
- Community Development Investment Grant
- Idle Sites Redevelopment Grant
- Historic Preservation Tax Credits



Community Development Programs



- **Community Development Investment Grant (\$250,000):** Grants for downtown efforts and investment by local and private partners.
 - To businesses or municipalities
 - One grant allowed per fiscal year (community resolution needed)
 - 25% Grant and 75% Match
 - 50% Grant and 50% Match for rural, opportunity zone, childcare or housing
 - Project cannot be 100% Housing
 - Location must be downtown or traditional business district
 - Grant can be used for infrastructure, demolition, building rehab and new construction

Community Development Investment (CDI) Grant



Albrecht Apartments, Mayville



Edgerton
Community
Outreach,
Edgerton



Riverside Lofts, Jefferson



Hoff
Apartments,
Mount Horeb

Community Development Programs

- **Site Assessment Grant (up to \$150,000):** Grants to assist with conducting initial environmental assessment and demolition activities on an eligible abandoned, idle or underutilized industrial or commercial site
 - To municipalities (limit of \$150,000/year)
 - 80% Grant and 20% Match
 - No viable causer requirement
 - No end-user required
 - Eligible Activities:
 - Phase I & II Site Assessments, Site Investigation
 - Demolition and associated asbestos abatement
 - Tank and hazardous waste container removals

WEDC – Site Assessment Grants



Middleton Center, Middleton



River Row, Beaver Dam

Community Development Programs

- **Brownfield Grant (\$250,000):** Grants for developing commercial and industrial sites that have been adversely affected by environmental contamination
 - To businesses or municipalities
 - 25% Grant and 75% Match
 - 50% Grant and 50% Match for rural, opportunity zone, childcare or housing
 - No Viable Causer
 - End-user must be identified (can be 100% housing)
 - Funds may be used for environmental work and/or demolition
 - Matching funds may environmental, demolition, acquisition, infrastructure, and building rehabilitation costs.

WEDC – Brownfields Grants



The Fitzgerald, Madison



Elven Sted, Stoughton



The Post Apartments, Madison

Community Development Programs



- **Idle Sites Redevelopment Program (\$250,000):** grants to redevelop large industrial, commercial or institutional sites that have been idle, abandoned or underutilized for at least 2 years
 - To municipalities, counties and tribal entities only
 - 25% Grant, 75% Match
 - Minimum size:
 - 4 acres for industrial/institutional
 - 4 acres commercial, 2 acres if located in opportunity zone
 - 4 acres institutional, less if located in a commercial corridor
 - Grant for environmental, infrastructure, demolition, building rehab
 - Must have a firm redevelopment plan, but not an end-user
 - Viable causer not a concern

Idle Sites Grant



The Huxley, Madison



Riverfront Development, Stoughton



Randolph School, Randolph

Community Development Programs



- **Historic Tax Credit for Income Producing Buildings:** owners of eligible buildings may receive a state income tax credit for 20% of the qualified rehabilitated expenditures.
 - Maximum of \$3.5 million
 - The State Historic Preservation Officer (SHPO) must review eligibility of the property and the proposed preservation or rehabilitation plan.
 - No physical work can occur prior to the recommendation of approval by SHPO.
 - Acquisition costs are not eligible.
 - Often paired with 20% Federal Historic Tax Credit

WEDC/WHS – Historic Tax Credits



Dowling
Apts,
Madison



Eenhoorn
Longfellow Lofts,
Madison

(Former school)



Hufflepuff
LLC,
Madison

(Jenifer St)



BD One,
Sun Prairie

(Former
City Hall)

Solar For All

Supports deployment of solar systems for low- and moderate-income households across Wisconsin with a \$64.2 million grant from US EPA

Eligible Projects Include:

- rooftop residential;
- multifamily; and
- community solar projects.

WEDC is actively finalizing program design, and collaborating with the EPA to establish key details, including eligibility criteria, application procedures, and program offerings. Project funding is anticipated to begin in 2025.

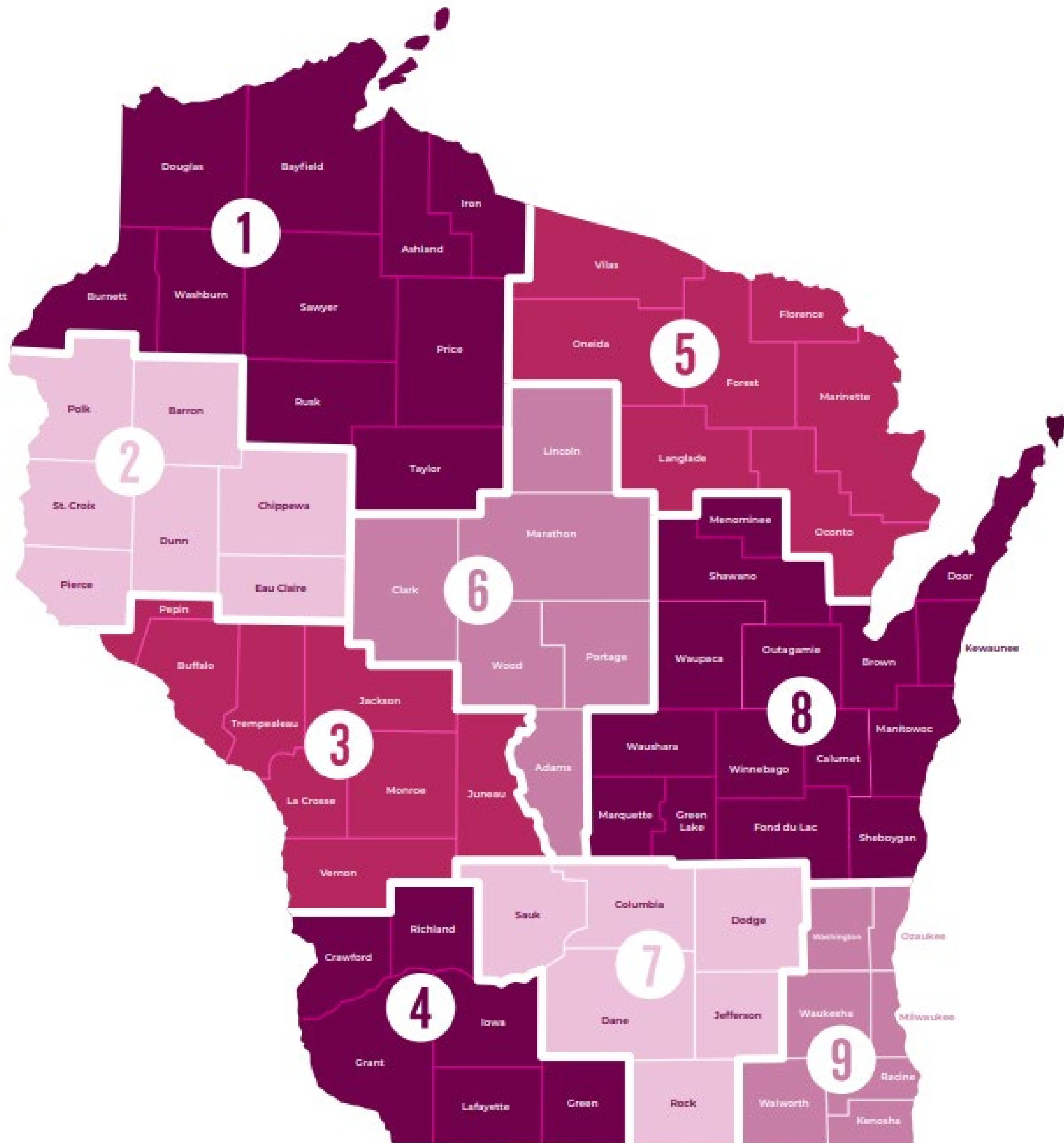


Regional Economic Development Directors

➤ **Jason Scott**
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To see what makes Wisconsin a great state to live, work and play, visit **lookforwardwisconsin.com**

To see how WEDC can assist businesses and communities grow and site selectors in meeting their clients' needs, visit **wedc.org**

For general information on programs and available resources, visit **wedc.org/programs**

Find your Regional Economic Development Director at **wedc.org/contact-us/staff-directory#regional-economic-development-directors**

Websites: **lookforwardwisconsin.com** and **wedc.org**
Newsletters: **wedc.org/newsletter-sign-up**





WHAT DOES ZONING HAVE TO DO WITH THE HOUSING CRISIS? 101



Regional Housing Network Meeting, April 10, 2025

Overview

Housing Crisis in Dane County

What is Zoning?

How Does Current Zoning Contribute to the Housing Crisis?

History of Zoning & Housing Development

Examples of Zoning Updates to Address the Housing Crisis



Overview of Housing Crisis

Housing Crisis (Shortage & Affordability)

Between 2010 and 2020 Dane County:

Permitted **34,000** new housing units

Added **42,000** new households



= **8,000 less units available in the market**



Vacancy rates 3% below national average

Decades of underproduction has created a county-wide housing shortage, low inventory combined with high demand:



Increased housing prices:

\$450,000 (homes built 2010 & after)

\$355,000 (built 2009 and before)

Nov. 2021-Nov.2022, RHS, Redfin, SB Friedman



DANE COUNTY CHANGE BY AGE COHORT

EVERY AGE COHORT IS GROWING IN DANE COUNTY

Change in
DANE COUNTY
and **WISCONSIN**
population by age cohort
from 2010 - 2020:

23.1% vs .5%				52.7% vs 35.5%	
≤ 14	15 - 24	25 - 34	35 - 54	55 - 74	75+
+3.6%	+15.1%	+8.0%	+1.5%	+30.8%	+21.9%
-4.7%	-1.7%	+2.2%	-9.6%	+26.1%	+9.4%

*Dane County's
population is
increasing across
all age cohorts,
especially ages
55 and older.*



Source: US Census Bureau, SB Friedman

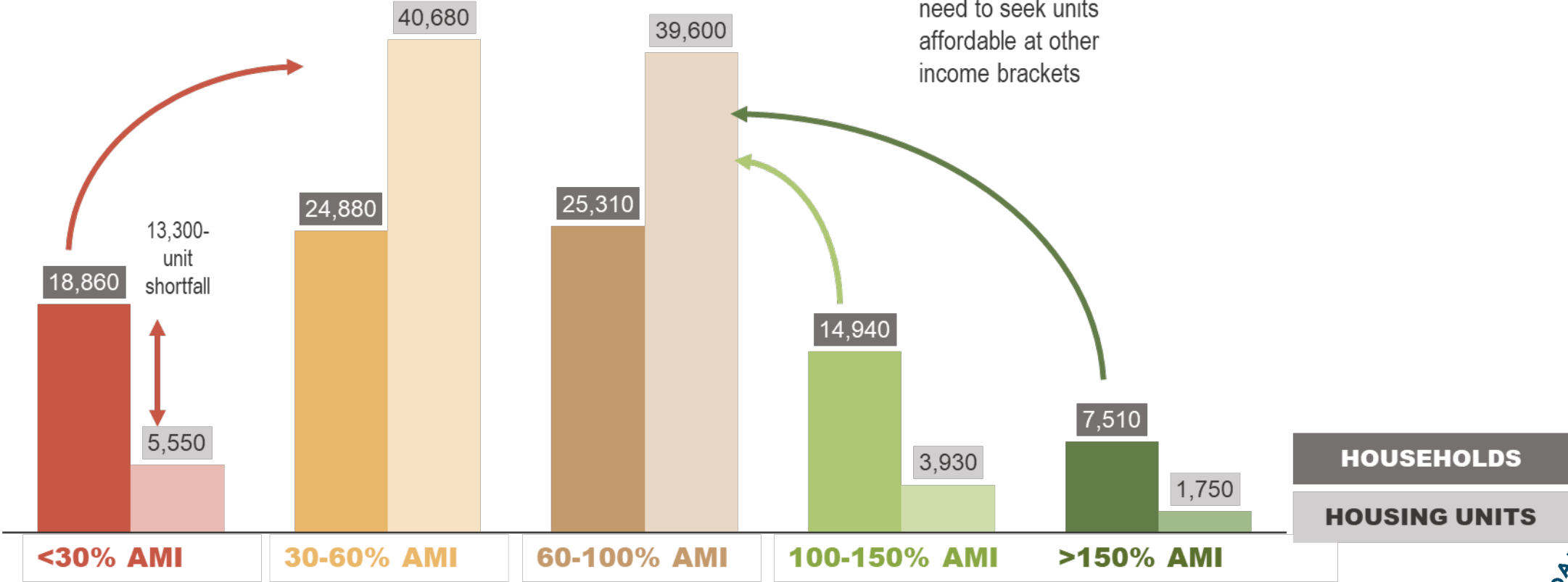


HOUSING AFFORDABILITY

RENTER HOUSING SUPPLY GAP

THE 'BIG SQUEEZE'

Lower- and higher-income households need to seek units affordable at other income brackets



Source: HUD, ACS 5-Year Estimates (2016-2020), SB Friedman

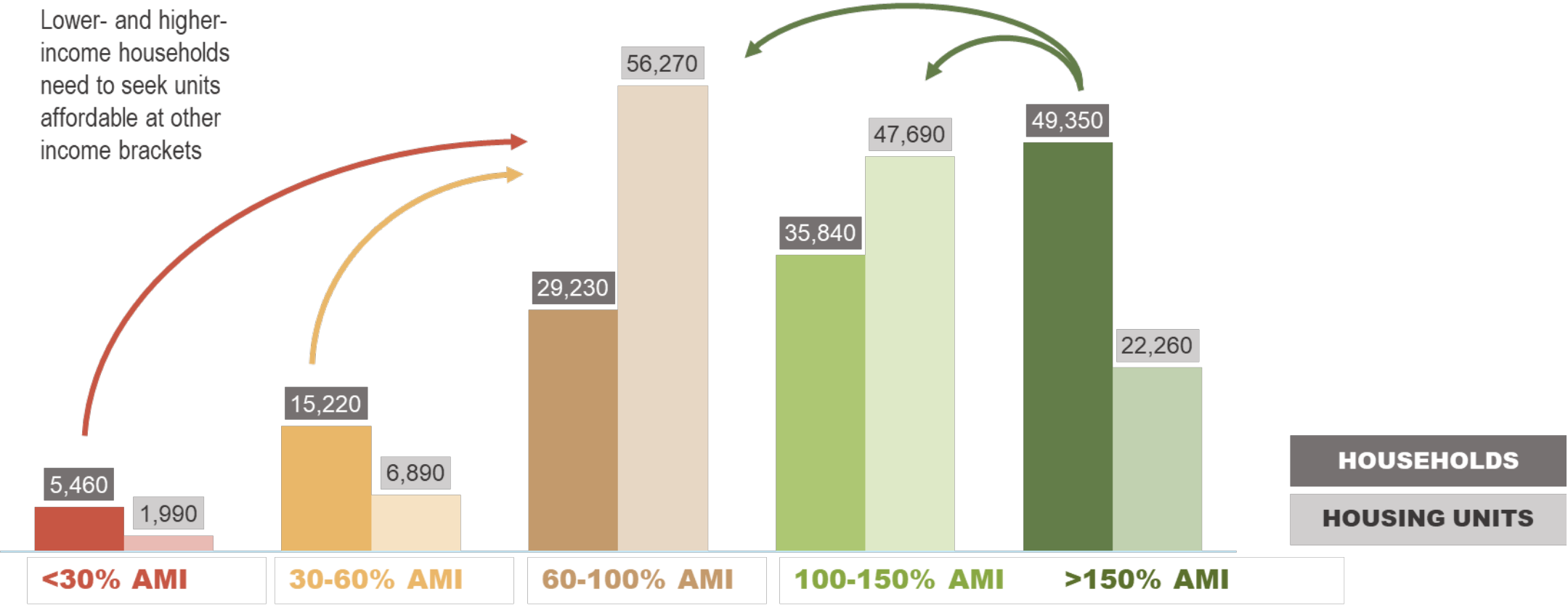


HOUSING AFFORDABILITY

OWNER HOUSING SUPPLY GAP

THE 'BIG SQUEEZE'

Lower- and higher-income households need to seek units affordable at other income brackets



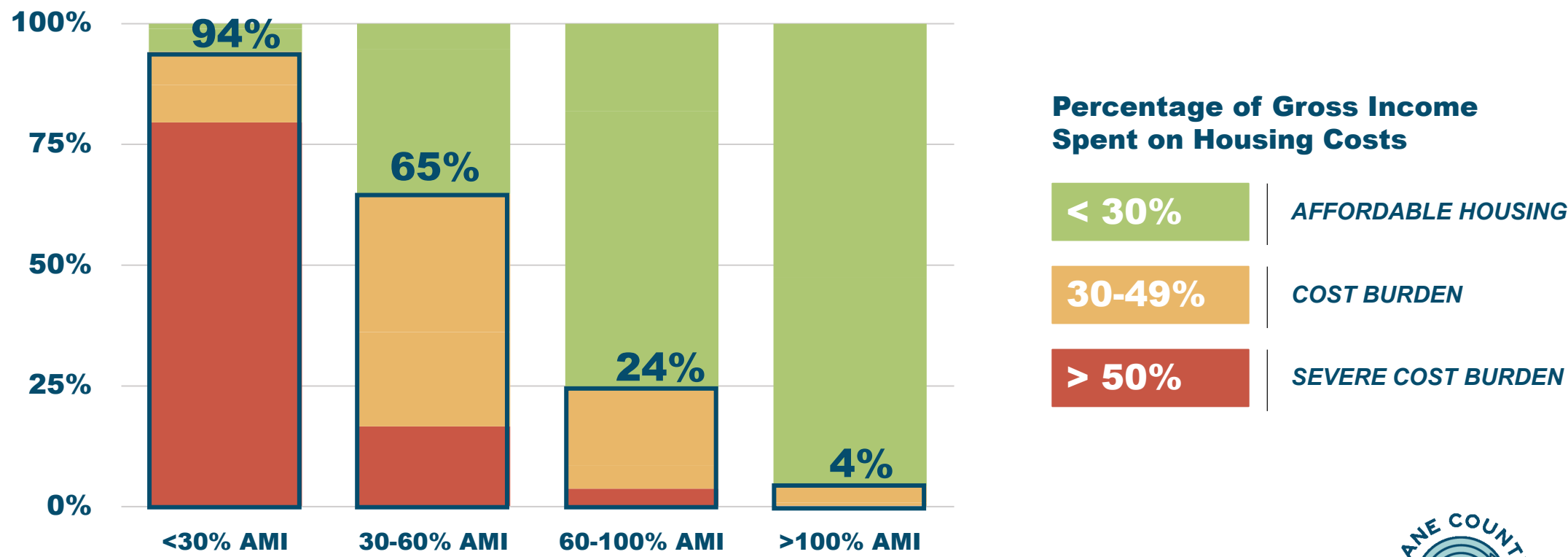
Source: HUD, ACS 5-Year Estimates (2016-2020), SB Friedman



HOUSING AFFORDABILITY

COST BURDEN IN DANE COUNTY

SHARE OF COST-BURDENED HOUSEHOLDS BY AMI IN DANE COUNTY

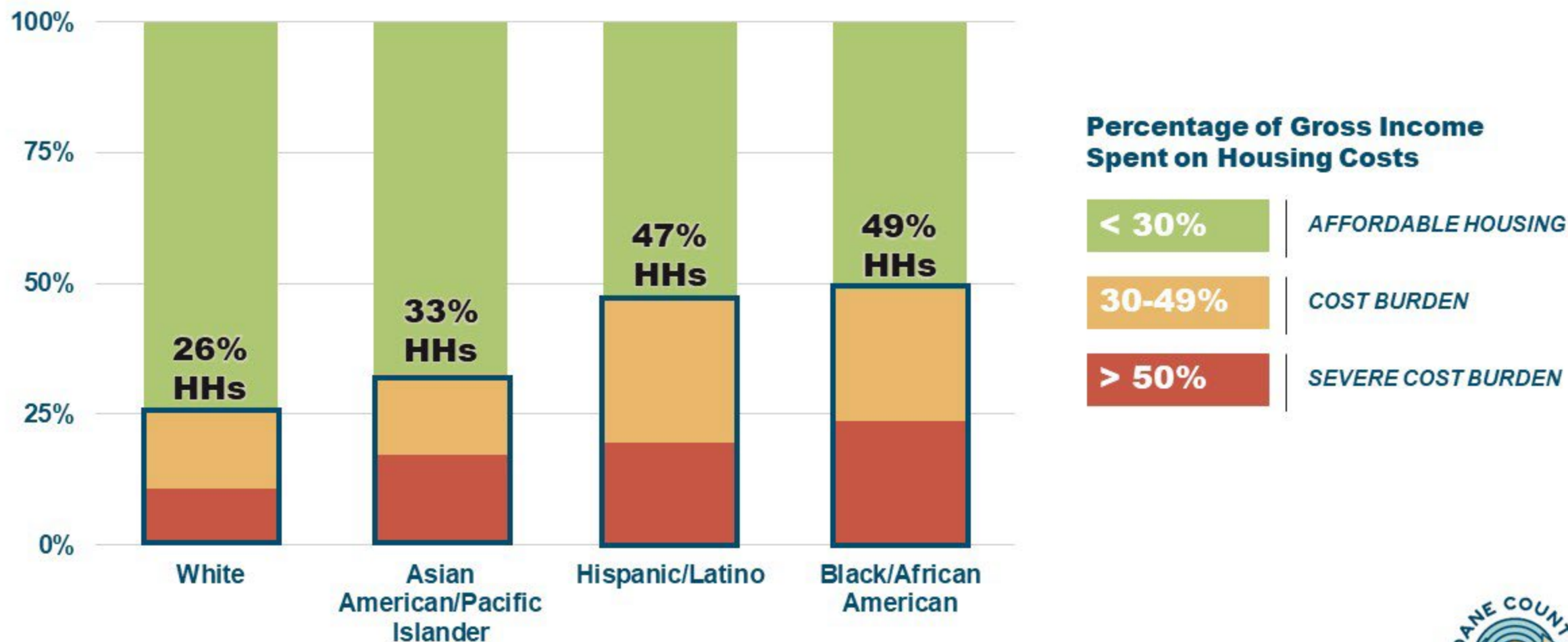


Source: HUD, ACS 5-Year Estimates (2016-2020), SB Friedman



COST BURDEN BY RACE/ETHNICITY

PEOPLE OF COLOR ARE MORE LIKELY TO EXPERIENCE COST BURDEN

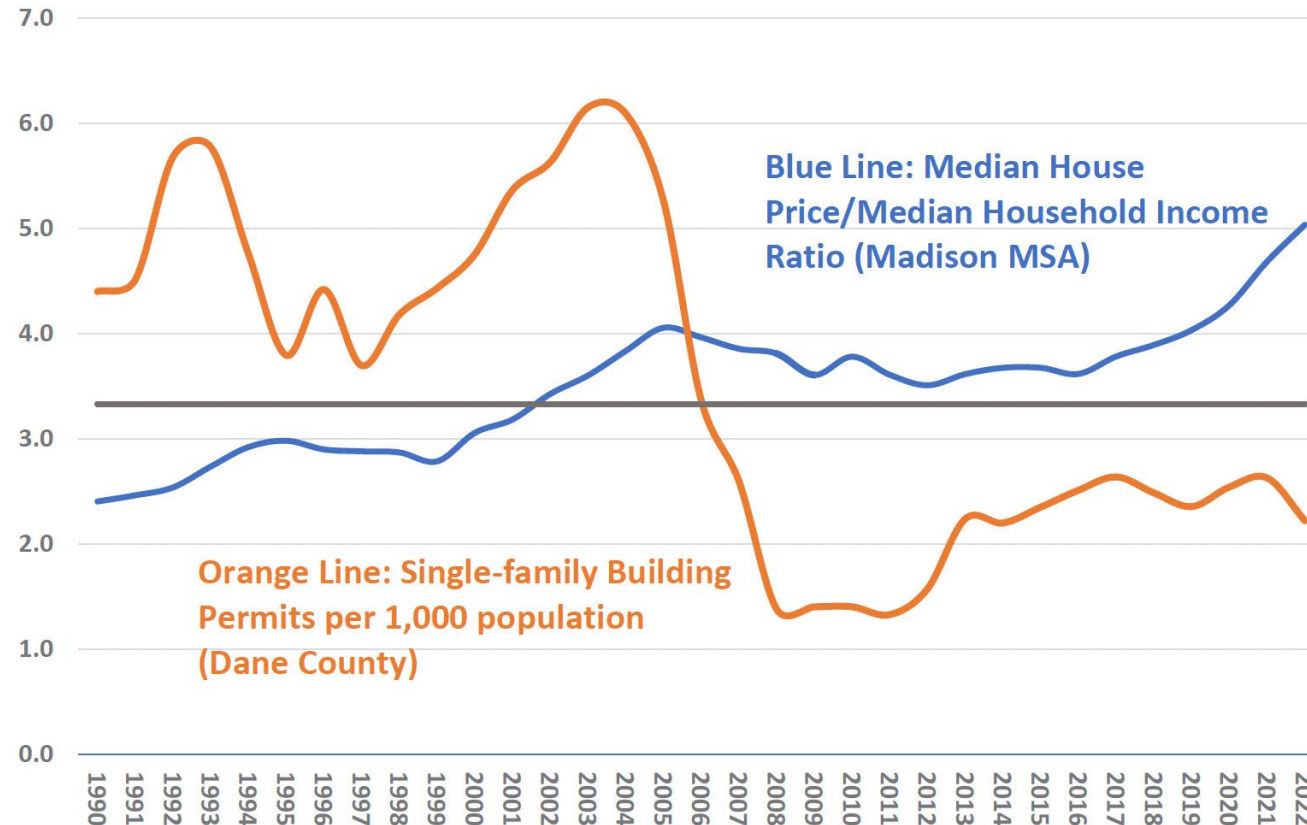


Source: PUMs ACS 5-Year (2016-2020), SB Friedman



HOUSING SUPPLY & AFFORDABILITY 1990-2022

WHEN SUPPLY DECREASES, HOUSING BECOMES LESS AFFORDABLE



» **The median home price in Dane County increased from \$226K to \$369K 2010-2022.**

Sources: Media price/income ratio (Joint Center for Housing Studies, Harvard University); Building permit data (US Census); Population (Wisconsin Department of Administration)



Overview of Housing Crisis



Housing Crisis New Production Targets

Annual Housing Production Goals to Address Forecasted 2040 Household Growth

7,000	<i>New housing units</i>
3,300	<i>New owner units</i>
3,700	<i>New renter units</i>
1,765	<i>New affordable renter units</i>
300	<i>New affordable senior units</i>

**250 Affordable
Single Family
Units a Year**



What is Zoning?

Zoning is a legal tool used by municipalities to regulate land use and private development intended to protect the health, safety, and wellbeing of a community.

A zoning ordinance consists of two elements; **the zoning map and the text of the zoning code.**

Zoning codes categorize land into “districts” or “zones” to designate specific land uses and types of development allowed.

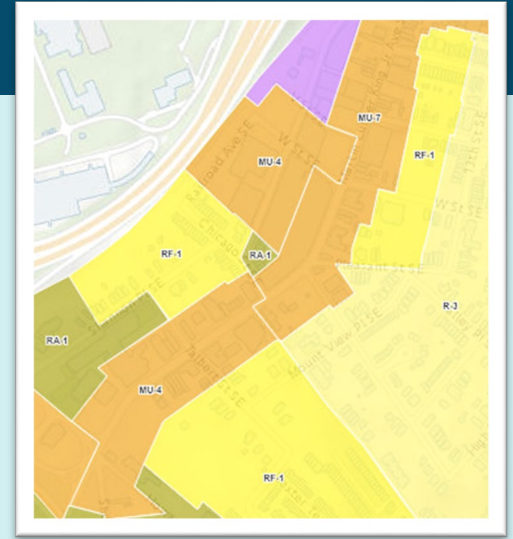
The **zoning map** divides the community into districts.

Districts or “Zones” establish standards determining, for example:

- Building use** (residential, commercial, industrial or mixed-use, etc.)

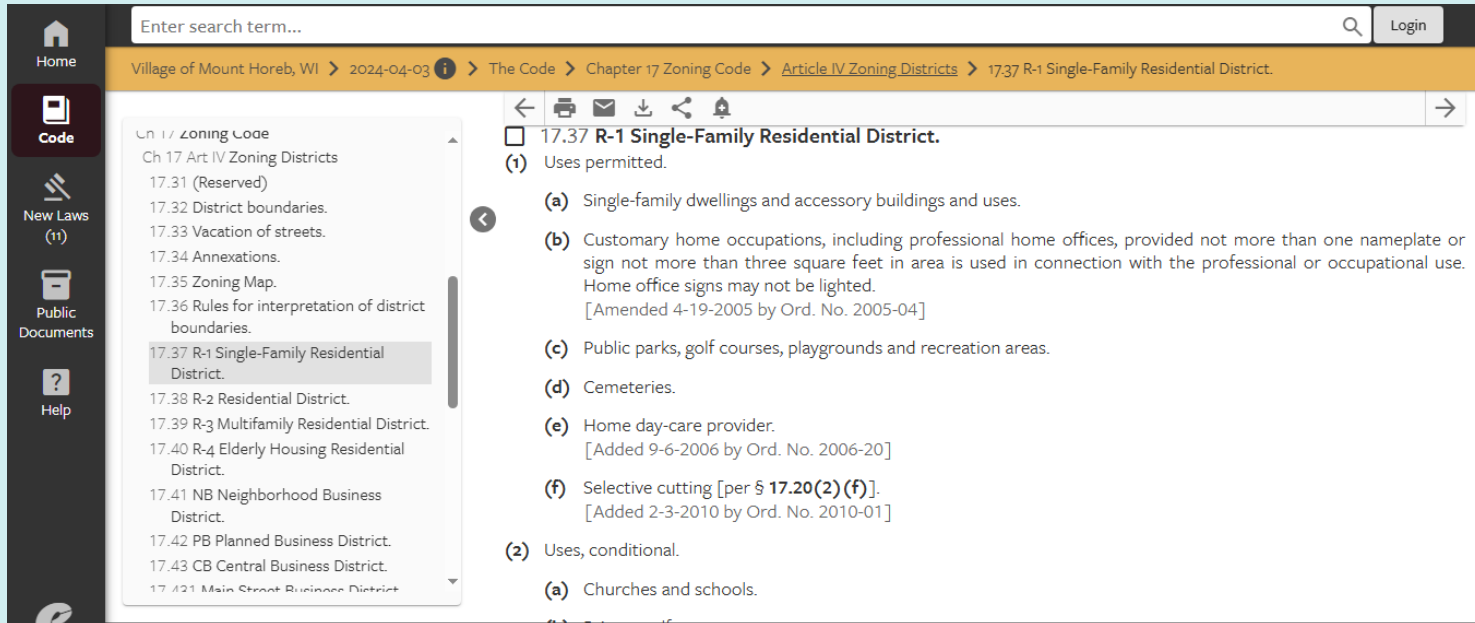
- Type of structures** allowed (single-family homes, scale of multifamily developments)

- Lot size** and setback requirements



What is Zoning?

The text of the zoning ordinance regulates land use, density and dimensions of development currently allowed in each district. (Ex. Village of Mount Horeb)



The screenshot displays the Village of Mount Horeb, WI zoning ordinance website. The breadcrumb trail indicates the path: Village of Mount Horeb, WI > 2024-04-03 > The Code > Chapter 17 Zoning Code > Article IV Zoning Districts > 17.37 R-1 Single-Family Residential District. The left sidebar lists various zoning districts, with '17.37 R-1 Single-Family Residential District' selected. The main content area details the permitted and conditional uses for this district.

17.37 R-1 Single-Family Residential District.

- (1) Uses permitted.
 - (a) Single-family dwellings and accessory buildings and uses.
 - (b) Customary home occupations, including professional home offices, provided not more than one nameplate or sign not more than three square feet in area is used in connection with the professional or occupational use. Home office signs may not be lighted. [Amended 4-19-2005 by Ord. No. 2005-04]
 - (c) Public parks, golf courses, playgrounds and recreation areas.
 - (d) Cemeteries.
 - (e) Home day-care provider. [Added 9-6-2006 by Ord. No. 2006-20]
 - (f) Selective cutting [per § 17.20(2)(f)]. [Added 2-3-2010 by Ord. No. 2010-01]
- (2) Uses, conditional.
 - (a) Churches and schools.



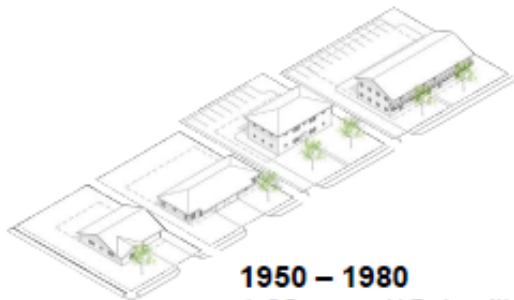
History of Housing Development

Wisconsin Timeline

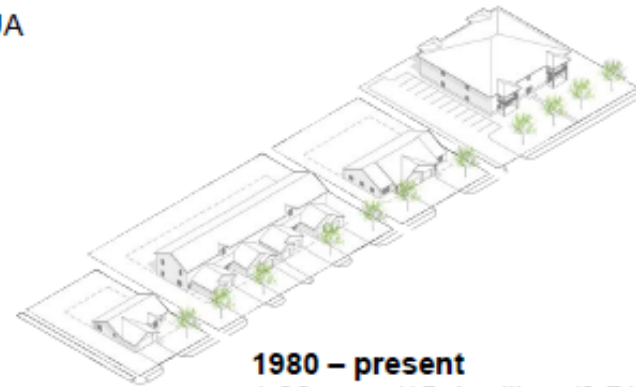
1900 – present



Pre-1950
0.75 acres/22 dwellings/29 DUA



1950 – 1980
1.22 acres/15 dwellings/12 DUA



1980 – present
1.86 acres/15 dwellings/8 DUA

Enabling Better Places: A User's Guide to Wisconsin Neighborhood Affordability



How Does Zoning Contribute to the Housing Crisis?

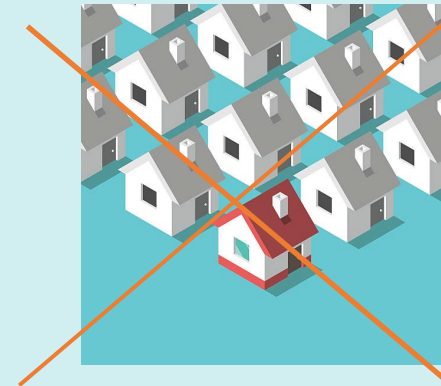
Many Dane County zoning ordinances are out of date, and have not kept pace with the changes in **population growth**, **demographic changes**, and **commercial and building industry trends**.

- Population growth
- Demographic changes
 - Smaller Households
 - Increase in senior population
- Commercial and building industry trends
 - Increase in cost of land, labor, and building supplies
 - Larger SF homes



How Does Zoning Contribute to the Housing Crisis?

- Zoning codes restrict the location and limit building heights of housing
- Zoning codes restrict the type of housing that can be built, the size, and number of homes
- Older zoning codes restrict many in-demand housing units such as:
 - Multi-family
 - Townhomes
 - Condominiums
 - Small format housing 600-1,000 sf



How Does Zoning Contribute to the Housing Crisis?

ZONING CODE DISTRICT EXAMPLE

Single family districts **often restrict** townhomes, condominiums or small multi-family units. This type of “missing middle” housing can be more accessible for **first-time homebuyers**.

Lot size can restrict the **amount of units** being developed, and prevent smaller, lower cost homes from the market.

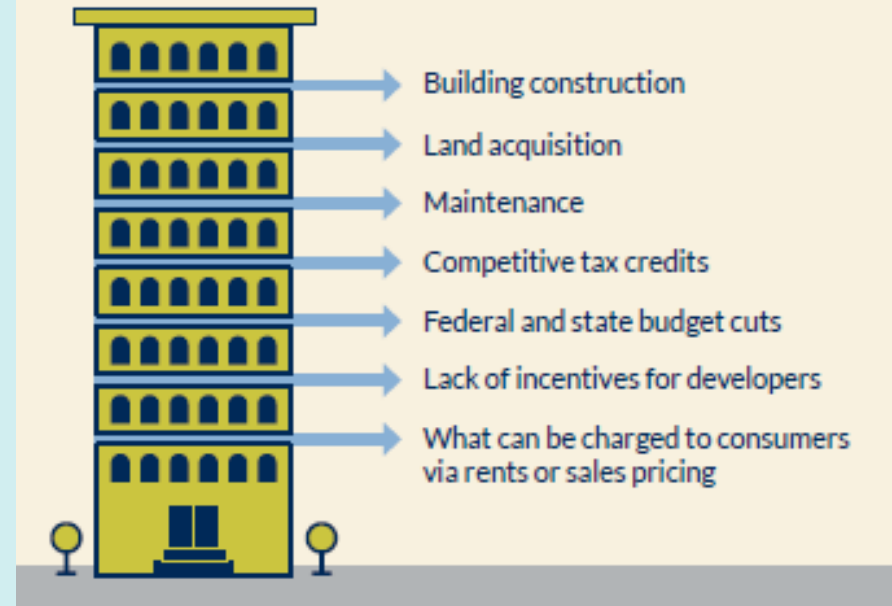


How Does Zoning Contribute to the Housing Crisis?

Zoning can increase development costs, raising housing prices for both renters and owners.

- Zoning approval processes can be costly for developers.
- Zoning can also impose additional requirements that add to costs including parking requirements and height limitations.

Affordable housing funding gaps impact affordable housing development



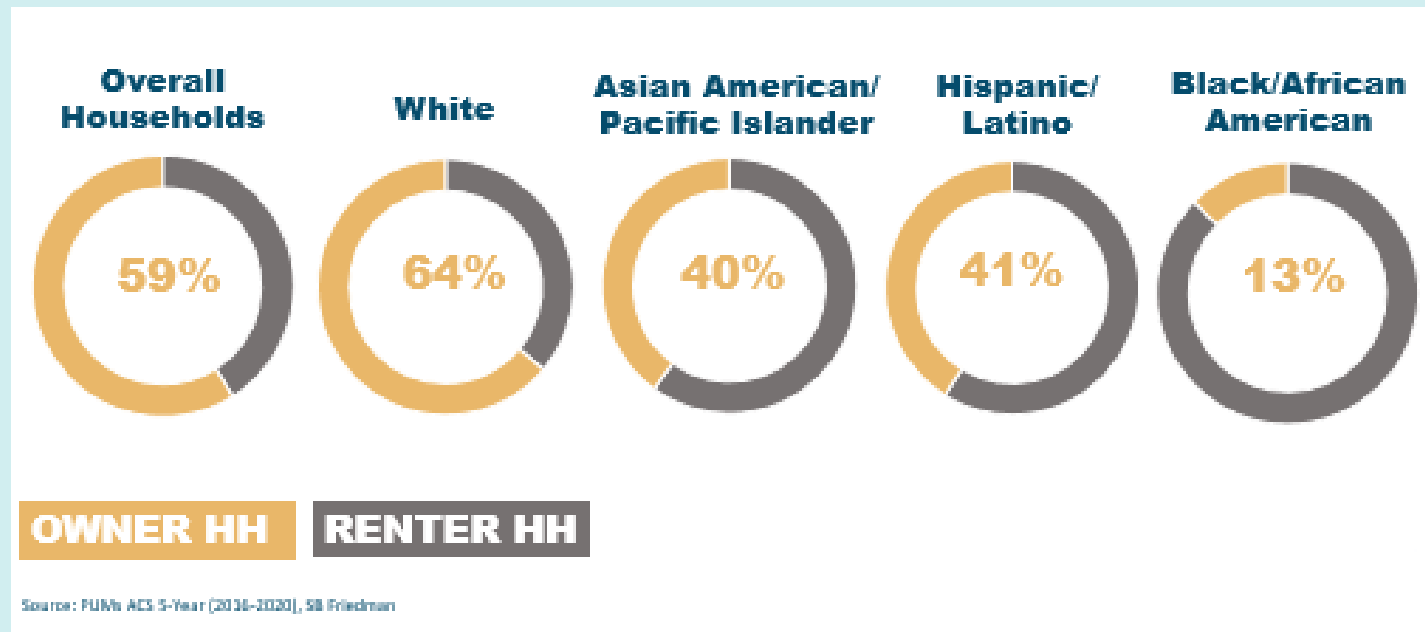
*Eliminating Zoning Barriers to Affordable Housing,
HUD*



How Does Zoning Contribute to the Housing Crisis?

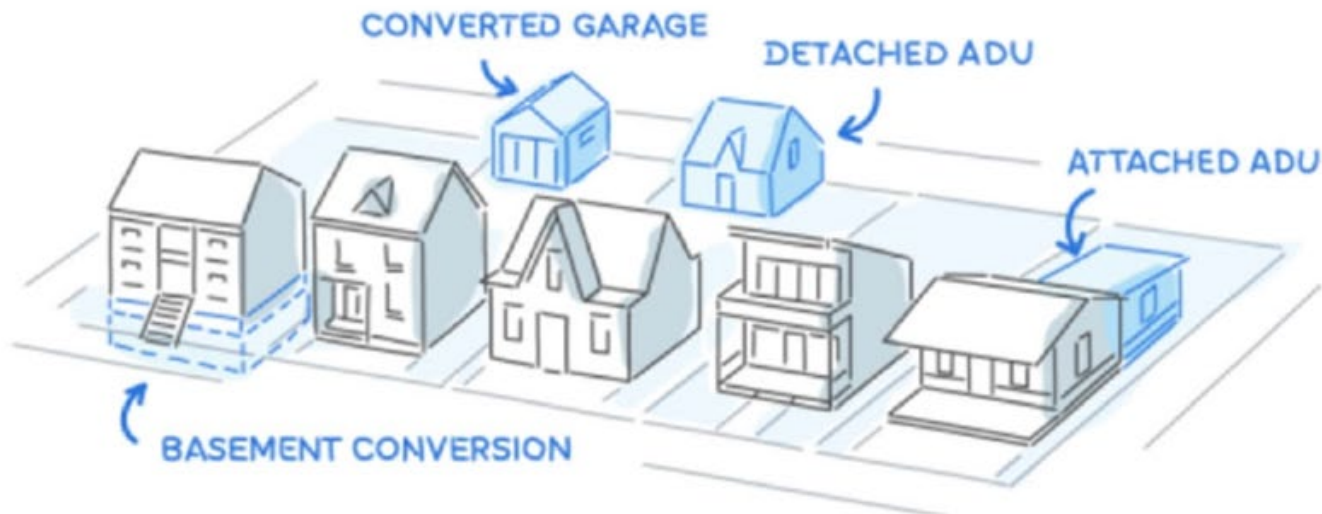
Zoning was historically used to facilitate racial segregation and continues to disproportionately impact communities of color today.

- Zoning was used to identify and isolate communities of color, leading to disinvestment.
- Single-family zoning historically excluded most low-income and minority communities



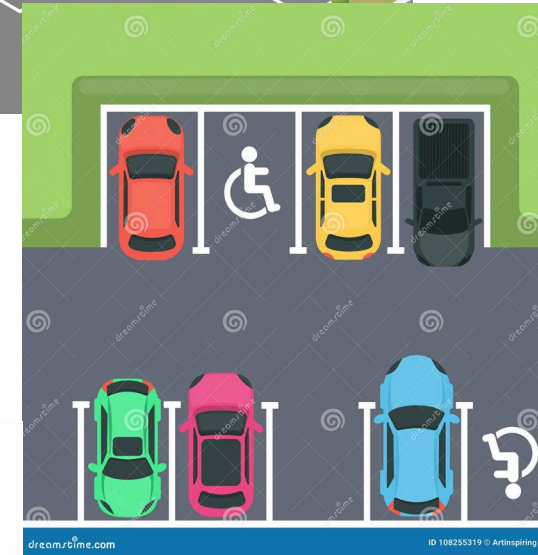
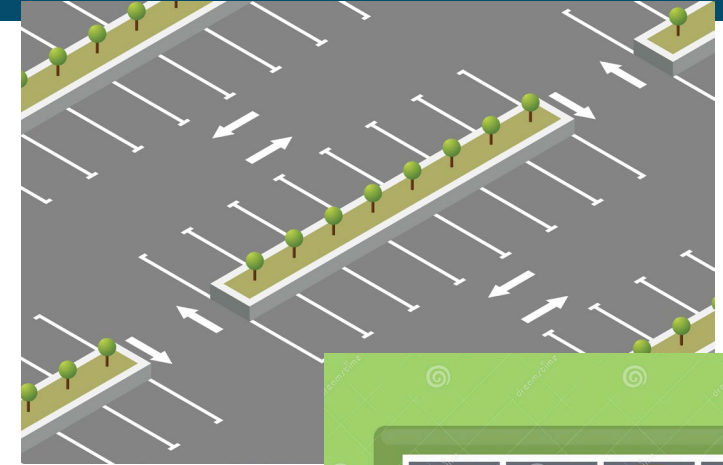
Zoning Update Examples to Help Address the Housing Crisis

- Allow for a **variety of housing types** within your residential zoning code including townhomes, age-restricted senior housing, condominiums, and smaller multi-family units
- **Reduce minimum lot sizes** and setback requirements to allow for smaller and less expensive single-family homes (consider eliminating requirements for a garage and driveway to create starter homes)
- Increase the **number of permitted dwelling units** per acre



Zoning Update Examples to Help Address the Housing Crisis

- Reduce or eliminate **parking requirements** and expand multimodal transportation access
- Single family housing is **allowed by right**. Allow multi-family housing up to a specific number of units by right in designated districts up to 10 units — eliminating the costly pre-development approval processes.



Zoning Update Examples to Help Address the Housing Crisis

Incentives:

Offer a **density bonus** to incentivize more housing units to be built

Update your current residential districts:

Create **higher density residential** or **mixed-use districts** that allow for different types of housing, including commercial

Add a **small lot residential district** to encourage development of more affordable single family 3,000 sf (In 2024, Middleton reduced their minimum residential lot size to 3,000 sf.)



What Does Zoning Have to Do with the Housing Crisis

Thank you!

Questions?

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