



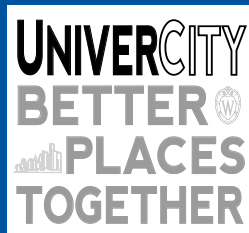
**WISCONSIN**  
UNIVERSITY OF WISCONSIN-MADISON

# CITY OF MONONA STRATEGIC HOUSING PLAN UPDATE



## URBAN AND REGIONAL PLANNING WORKSHOP

### FALL 2016



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# ACKNOWLEDGMENTS

Many thanks to the following contributors:

**Mayor:** Bob Miller

**City Council:** Doug Wood, Chad Speight, Mary O'Connor, Andrew Kitslaar, Brian Homquist, and Jame Busse

**Plan Commission:** James Busse, Brian Holmquist, Susan Fox, Griffin Dorschel, Dale Ganser, Chris Homburg, Dennis Kugle, and Robert Stein

**Community Development Authority:** Tom Stolper, Andrew Homburg, Scott Kelly, John Surdyk, Mary O'Connor, Doug Wood, and David Lombardo

**City Staff:** Sonja Reichertz, City Planner and Economic Development Director, April Little, City Administrator

Guidance on the content and direction of this report was given by Kurt Paulsen, Associate Professor, University of Wisconsin-Madison, Department of Urban and Regional Planning.

We are grateful for the support of UniverCity Year staff: Jason Vargo and Kelly Rupp.

Many thanks to the city committees, staff, and residents who provided information for this report. The input was thoughtfully incorporated into the plan and can help guide residential development in Monona throughout the coming years.

## ABOUT THIS REPORT

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This report was produced in collaboration with the Urban and Regional Planning Department in the College of Letters and Science and the UniverCity Year at UW-Madison.

The City of Monona adopted a Strategic Housing Plan in 2007 with the goals of providing a diverse range of housing options for its residents, encouraging homeownership particularly for first-time homebuyers, and promoting maintenance and improvement of its existing housing stock. Housing market conditions across the United States experienced unprecedented changes due to the housing, financial, and foreclosure in the past decade. Leaders within Monona, including the Plan Commission and the Community Development Authority, wanted to re-examine the strategic housing plan in light of housing market changes and to evaluate progress towards the plans' goals.

This particular project was undertaken by graduate students in the Department of Urban and Regional Planning at UW-Madison as part of their Planning Workshop course. For over 50 years, the Department has been training graduate students for professional careers in planning and the public sector and conducting applied Workshops with actual communities. Students are able to work with real-world problems as they develop professional skills, while communities are able to draw on the resources of the department and University to address critical issues in

their communities. This project was undertaken as part of the “UniverCity” Year Program.

The City of Monona is the first ever community partner with the University of Wisconsin-Madison’s UniverCity program, a year-long partnership between the University and a community. The City of Monona has identified a number of priorities and projects where city leaders and staff can work collaboratively with UW students and faculty. These areas include Parks, Transportation, Housing and Development, and Connected Monona.



Photo from mymonona.com



# EXECUTIVE SUMMARY

Monona, Wisconsin is located near Downtown Madison along the edge of scenic Lake Monona, where nearly 8,000 residents enjoy quiet neighborhoods, stunning views, and spacious parks. Being situated in rapidly-growing Dane County, Monona has an appealing small-town environment just minutes away from exciting urban destinations as well as peaceful rural surroundings. It's no secret that one of Monona's greatest assets is its location, and its landlocked status presents many opportunities for creative future growth solutions.

Compared to the region as a whole, Monona's population is significantly older, with relatively high rates of people living alone in single-family homes. Many of these homes are showing their age, and Monona's population has slowly declined over the past few decades. Low vacancy rates in Monona and the rest of Dane County, as well as strong demand for varied housing configurations will continue to drive development and population growth. In response to these challenges, this 2016 City of Monona Strategic Housing Plan comprehensively identifies current issues and potential solutions for all residents, regardless of age or how long they have lived in Monona.

This Plan explains several relevant issues and provides recommendations accordingly:

## **Housing Affordability**

Seniors living on fixed income, public servants, and working-class residents may struggle to afford housing in the community they are a part of. Providing a greater variety of housing options will encourage them to live, work, and play in Monona.

## **Desire to Rent**

Nationwide, more families and singles of all ages prefer to rent. Certain short-term rentals have not received attention until recently and many communities have no regulatory structure in place for them. Appropriately integrating rental properties in underutilized areas will assist potential residents in relocating to the region within their schedule and budget.

## **Aging Population**

In response to Monona's relatively high median age, the housing stock must accommodate senior citizens as the population continues to mature. Aging-in-place initiatives, mobility improvements, and pedestrian infrastructure upgrades will assist residents of all ages and ability levels.

## **Aging Housing Stock**

Older homes often need upgrades to remain livable and code compliance is crucial for the well-being of Monona's residents. Various initiatives assist and encourage homeowners and landlords to maintain and improve existing structures.

## **Home Financing**

For many, the dream of owning a home is overwhelming and can seem out-of-reach. Educating potential buyers about financial assistance from federal, state, and local sources can promote a steady supply of informed homebuyers.

## **Maximizing the Use of Limited Land**

Unlike most other cities in Dane County, Monona is unable to expand on nearby vacant land. Innovative zoning and infill options combined with coordination with developers will provide new housing without wasting valuable space.

This Plan will guide future development by drawing from the best available data sources and promoting public involvement. The following text outlines recommendations for each issue and is not designed to limit Monona to one rigid list of options. Future projects should implement features that have been successful in past developments. The concepts provided in this Plan should continuously adapt to new data and findings in the future. Implementing housing policies that takes advantage of the changing demographics and housing preferences in the area will ensure that Monona remains an attractive choice for buyers and renters in the Capital Region.

# INTRODUCTION



Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

The City of Monona is a vibrant city which combines the character and sense of community of a small town with the high-quality amenities and quality of life associated with the greater Madison urban area. Located along the shores of beautiful Lake Monona, the City of Monona offers miles of waterfront, parks and recreation opportunities, quality schools, and thriving business and employment opportunities. Monona is adjacent to the City of Madison, offering world-class employment, education, and cultural opportunities.

Monona was mostly built in the 1950s and 1960s, reflecting the tremendous growth and change of the post-war period. These homes and neighborhoods offered many their first opportunity for homeownership, and the neighborhoods welcomed people from all walks of life. These quality homes and neighborhoods have been remarkably stable for over 60 years, providing stable housing for many to work, play, and raise a family.

The leaders and citizens of Monona recognize that now is the time to think about how Monona's housing and neighborhoods can serve the next generation of residents

and neighbors. The housing market throughout Dane County has changed significantly in the past 20 years, and especially in light of the housing and foreclosure crises in 2008/2009. As Monona's leaders look forward to meeting the needs of future residents while preserving their high quality of life and sense of place, this strategic housing plan can provide a framework for action.

The 2007 Strategic Housing Plan identified a number of housing issues that will continue to shape the ability of the city to meet the housing needs of future residents. These include smaller household sizes, smaller and older homes in Monona, older residents, conversion of single-family homes to renting, and a need for continued maintenance of the existing housing stock. The recently completed city Comprehensive Plan also identifies the fact that Monona is land-locked so that new development would come through redevelopment.

The Strategic Housing Plan Report Update is divided into four main sections. The first part of the report examines the existing landscape in Monona by looking at the major changes in housing since the 2007 Housing Report and by

examining the current housing conditions within the city. The second part of the report reviews housing rehabilitation strategies and funding sources for the existing housing stock in Monona. The third section elaborates on possible new development opportunities to diversify the housing stock through mixed-use redevelopment and small lot subdivisions. Lastly, this report analyzes the emerging housing issue of short-term rentals and what it could mean for Monona. This update to the 2007 Housing Plan captures the numerous challenges in the housing market and aims to provide relevant solutions for the future of Monona.

The Housing Stories sidebars lend a human face to the trends and help illustrate the recommendations of the report. The stories represent the highlights of a series of interviews with Monona residents. Names have been changed so interviewees remain anonymous.



Photo credit: [www.madisonrealst8.com](http://www.madisonrealst8.com)

#### Housing Stories: Schools, Parks, and Proximity

“This is the best community we have ever lived in,” Monica raved. “It’s really a conundrum when all the schools are good. We have never lived in a town with such amazing choices. It is nice to have so many younger families moving to the area. It’s really a kid friendly town.”

Ellen shared that “Monona has a unique small community feel but in the middle of Madison, so it has all the conveniences to get to everything quickly. You also get your own parks, swimming pool, police, fire, all the great things. I can walk to the pool, the library, and 6 or 7 parks and don’t have to get in the car. This has become even more appealing after having a child. We didn’t want to spend time commuting. I got a job with [a local company] in Monona after we moved here. Convenience drew us in and it kept us.”

#### Housing Stories: Reinvesting in “Notoriously Small Homes”

Laura noted that in Monona, “we have notoriously small homes. They also don’t have the best layout. A lot of them need updating. Especially the homes by the water, which are just cabins with not a lot of space to host people and small bathrooms.” She added, “I have seen people knocking down houses or putting on additions. It is good to see neighbors investing in their houses.”

“Because Monona is landlocked you cannot just build a new house like you would in the suburbs,” Ellen shared, “a lot of people tear down. Most of the houses are small ranch or cape cod from the 1950s. They are not very roomy. People who want to move here won’t get the house they get in a suburb but people are willing to take smaller house for the convenience of the location.” She added, “there is so much remodeling going on – it’s amazing! I see contractor vans all over the place. This is probably the turnover in the older population.” Laura shared, “it makes me happy to see existing residents maintain their homes. People remodel or knock down houses. It’s great for the City that people want to stay and improve their property.”



# CHANGES SINCE THE 2007 CITY OF MONONA STRATEGIC HOUSING PLAN



Treysta on the Water/Photo credit: Mid-States Concrete Industries

Following the 2007 Strategic Housing Plan, Monona hired a code enforcement officer in order to hold homeowners and landlords accountable for negative neighborhood impacts. This hire was the most tangible way in which the 2007 plan was implemented. The Renew Monona program was implemented to assist residents with limited financial resources to bring their properties back into code compliance.

One key element of the 2007 plan was the recommendation to diversify housing options. Some recent developments have made progress toward this goal. Treysta on the Water is an upscale development that is designed to appeal to younger buyers. The development of a small-lot subdivision on Femrite Drive, and inclusion of similar projects in the 2016-2036 Comprehensive Plan, further serve to meet this goal. These new developments were possible of zoning variances and the creation of redevelopment and tax-increment financing districts.

In response to the growing demand for senior housing in Monona, several developments have been constructed since the 2007 City of Monona Strategic Housing Plan.

Frostwoods I and Frostwoods II require residents to be at least 55 years old, with some income restrictions. These complexes offer convenient condominium-style living with activities for seniors who are still fully independent. Heritage Senior Living, another recent development, provides housing units for fully-independent seniors as well as units for those who need different levels of assistance or memory care. Fairway Glen and Lake Edge, while not exclusively for seniors, are newer handicap-accessible developments.



The Homes on Femrite  
Photo credit: Movoto.com

# CURRENT HOUSING MARKET CONDITIONS

The purpose of this section is to provide additional information on changing housing market conditions in Monona since 2007 and to supplement the analysis of the 2016 Comprehensive Plan (see Chapter 2 on Housing).

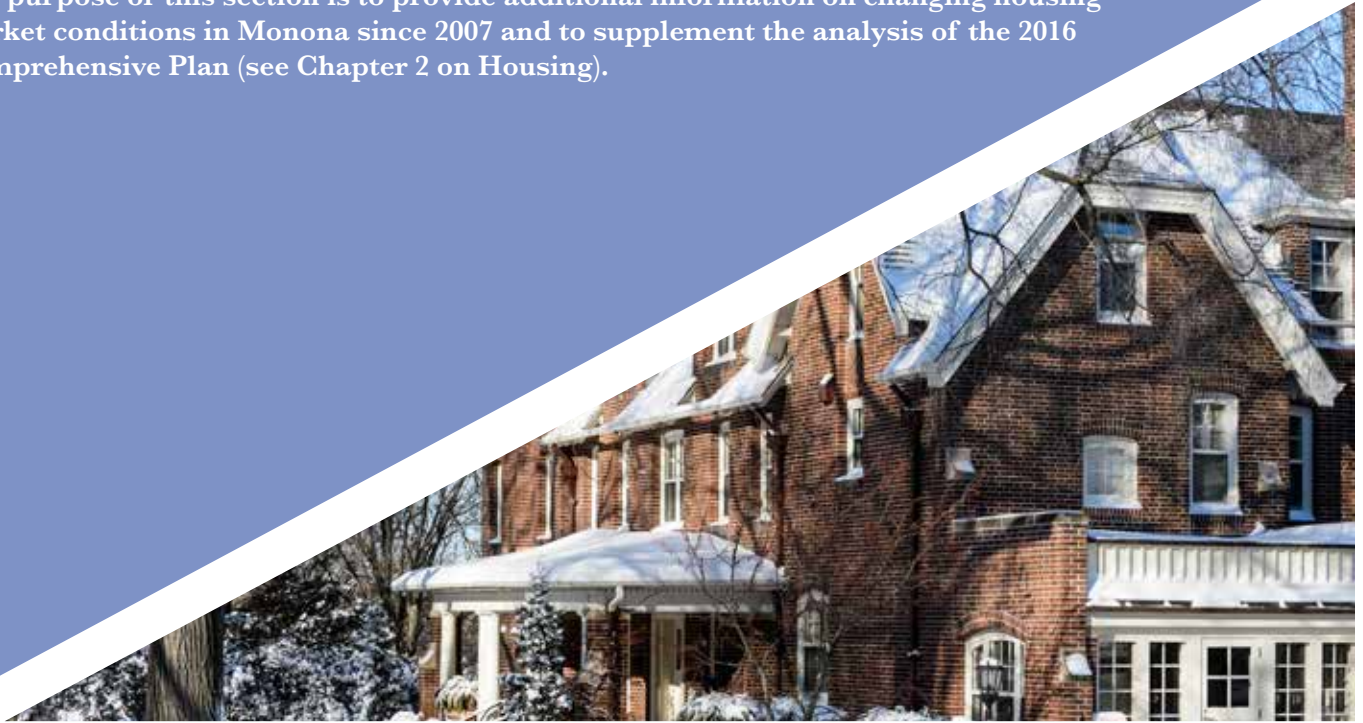


Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

## Population

The comprehensive plan (Monona Comprehensive Plan, Table 1.1) shows a decreasing population from 1970 to 2010. While the general population has been decreasing in Monona, there has been an increase in the number of people over the age of 55.

Currently, the largest age demographic in Monona is comprised of residents age 55 and over. This demographic is 35% of the city's population and is projected to grow to 38% in 2016.<sup>1</sup> Providing a range of housing opportunities for senior citizens, including assistance for aging in place, will be a significant component of future housing activities.

## Housing

Monona has a total housing stock of 4,081 housing units, with 2,193 units being owner-occupied, and 1,705 units being renter-occupied.<sup>2</sup> 3,076 (78.9%) of housing units were built in 1979 or earlier.<sup>3</sup>

<sup>1</sup> Esri Business Analyst, [bao.arcgis.com/esriBAO/](http://bao.arcgis.com/esriBAO/)

<sup>2</sup> This data is reported for the period 2009-2013 in HUD's Comprehensive Housing Affordability (CHAS) data tool, at [www.huduser.gov/portal/datasets/cp/CHAS/data\\_querytool\\_chas.html](http://www.huduser.gov/portal/datasets/cp/CHAS/data_querytool_chas.html)

<sup>3</sup> "CHAS Data Query Tool." HUD User.

### Housing Stories Hot Market These Days

Monica, who bought her home in 2013 said, "this is an amazing place to live. We feel lucky we got our house when we did. We would never be able buy our house now."

Kate, who bought her first house in June of 2016 shared, "my main impression [of the Dane County housing market] was the craziness of it. We had three times when other people had just gotten in offers before us [...] We encountered one place where someone had made an offer two days before the open house, without even looking at the house, and got it."

Ellen described someone walking down her street knocking on doors asking if the homeowners were interested in selling their home.

Laura shared, "I talk to friends who want to move here but homes get snatched up so quickly."

In order to identify trends in housing market conditions for the City of Monona, we compare Monona to other similarly situated municipalities in the same housing market, the Madison urban area of Dane County. Our data is on the 15 largest municipalities in Dane County, where Monona is the 8th largest city, about in the middle. By comparing housing market conditions in Monona to similar municipalities, the city can understand its position in the regional housing market.

The 2007 Strategic Housing Plan identified balancing housing opportunities between renting and owning as an area of concern. Table 1 shows the percent of each municipality's housing stock which is renter-occupied from 1980 to the present. This table shows that the percentage of the urban area housing stock which is rental housing has remained relatively constant for 30 years. Monona's share of housing that is rental has consistently been below the urban-area average, although it shows an increase and convergence to the urban average only in the 2010-2014 time period.<sup>4</sup> Every community (except Waunakee) saw its

<sup>4</sup> It is important to note that the data source used here is the most recent 5-year American Community Survey data from the Census. This 5-year period would cover some of the time period of the housing and financial crises and recession. When the Census reports 5-year estimates for small cities such as Monona, the data is averaged over time. The period 2006-2010, for example would include both housing market

percentage of housing as rental increase from 2006-2010 to 2010-2014, mirroring trends nationwide.

The 2007 Strategic Housing Plan also discussed the increase in the number of its single-family housing stock which had converted to rental housing. Table 2 updates these numbers to the present time in comparison with other Dane County cities. Nearly all communities saw some significant increase in the percentage of single-family housing as rentals from 2006-10 to 2010-2014, mirroring national trends. As the foreclosure and financial crises hit, there was an increased demand for rental housing. Monona did see one of the largest percentage increases in the share of single-family housing as rental during this period. From 2006-2010 to 2010-2014, we estimate that 100 single-family houses became rental housing (from 112 in 2006-2010 to 212 in 2010-2014).

There are a number of reasons nationwide to explain the growth in single-family rentals as seen in the Madison area market. During the housing/financial crises of 2007-2009 (still impacting the housing market), foreclosures sent 3-4

years with strong price appreciation and the housing/foreclosure crisis in 2007-2009.

### Housing Stories Monona Renter to Monona Owner

Monica and her husband moved to Monona from the west side of Madison in 2012. As a young family thinking about having kids in the coming years, they were drawn to Monona for its quality schools, its parks, and proximity to the beltline and downtown Madison. They rented in Monona for the first year, all while keeping an eye on the housing market, and then bought a home.

Laura and her husband rented on Atwood Avenue in Madison before buying their first home in Monona. Near the end of the interview she said, *"we should have less apartments. The people we hear wanting to move here are small families."*

Table 1. Percent of Housing Stock which is renter-occupied by year, 15 largest communities in Dane County

Municipality	1980	1990	2000	2006-2010	2010-2014
Madison	51.1%	53.1%	52.2%	47.8%	51.3%
Sun Prairie	38.9%	43.7%	39.1%	35.9%	41.3%
Fitchburg	55.0%	61.0%	54.7%	46.8%	49.7%
Middleton	54.2%	51.4%	48.5%	39.1%	45.4%
Stoughton	34.7%	34.7%	35.2%	33.8%	34.1%
Verona	34.4%	32.4%	27.4%	26.4%	34.9%
Waunakee	36.6%	36.0%	33.0%	22.0%	22.0%
<b>Monona</b>	<b>36.7%</b>	<b>36.3%</b>	<b>39.8%</b>	<b>30.7%</b>	<b>46.6%</b>
Oregon	32.5%	34.3%	28.1%	23.5%	31.8%
DeForest	26.5%	29.8%	27.4%	24.6%	28.0%
McFarland	26.2%	27.5%	27.0%	25.2%	26.1%
Madison (Town)	83.8%	81.6%	75.0%	55.6%	73.6%
Mt. Horeb	28.3%	37.7%	36.6%	34.4%	37.9%
Windsor	26.8%	22.5%	19.5%	20.6%	23.9%
College Grove	22.8%	33.8%	31.4%	24.4%	23.1%
<b>Largest 15 areas combined</b>	<b>49.7%</b>	<b>50.4%</b>	<b>48.9%</b>	<b>42.6%</b>	<b>46.4%</b>

Source: US Census Bureau, 1980, 1990, and 2000 Census; 2006-2010 and 2010-2014 are 5-year ACS data.



million households into the rental market. Tightened credit standards for mortgages made it difficult for younger families and first-time homebuyers to be able to purchase homes. Developers of multifamily housing to meet increased rental demand also found it difficult to get financing for their projects, which can take years from land acquisition to final occupancy. The Joint Center for Housing Studies at Harvard University estimated that most of the increase in rental housing supply from 2006 to 2012 came from conversions of single-family homes to rental housing.<sup>5</sup>

The rental housing market in multifamily units in Dane County has had historically low vacancy rates since 2008. This shortage of units has led to increasing rents and has led many families to seek single-family rentals, particularly given the shortage of larger rental units (more than 2 bedrooms) in multifamily properties.<sup>6</sup>

A quick comparison of existing housing units for rent in Monona indicates that the rent-per-square foot in single-family homes is often comparable (or even less) than the rent-per-square-foot in multi-family apartments.

Whether the increase in single-family rentals in Monona reflects these temporary changes to the housing market due to the recession or whether this increase represents a long-term trend is impossible to know at this time. Nationally, homeownership rates are at a historic low. However, there is potential that the homeownership market will bounce back to pre-recession levels. In a recent national housing survey by Fannie Mae, 92% of renters aged 18-39 stated that they planned to eventually buy homes; however, 62% of them believed that being approved for a mortgage would be difficult given their current circumstances. Strategies to increase homeownership rates in Monona are discussed below.

<sup>5</sup> "The State of the Nation's Housing 2014," Joint Center for Housing Studies, Harvard University. See p. 25. Also note that average household size (number of people) for single-family rentals is higher than for multifamily rentals.

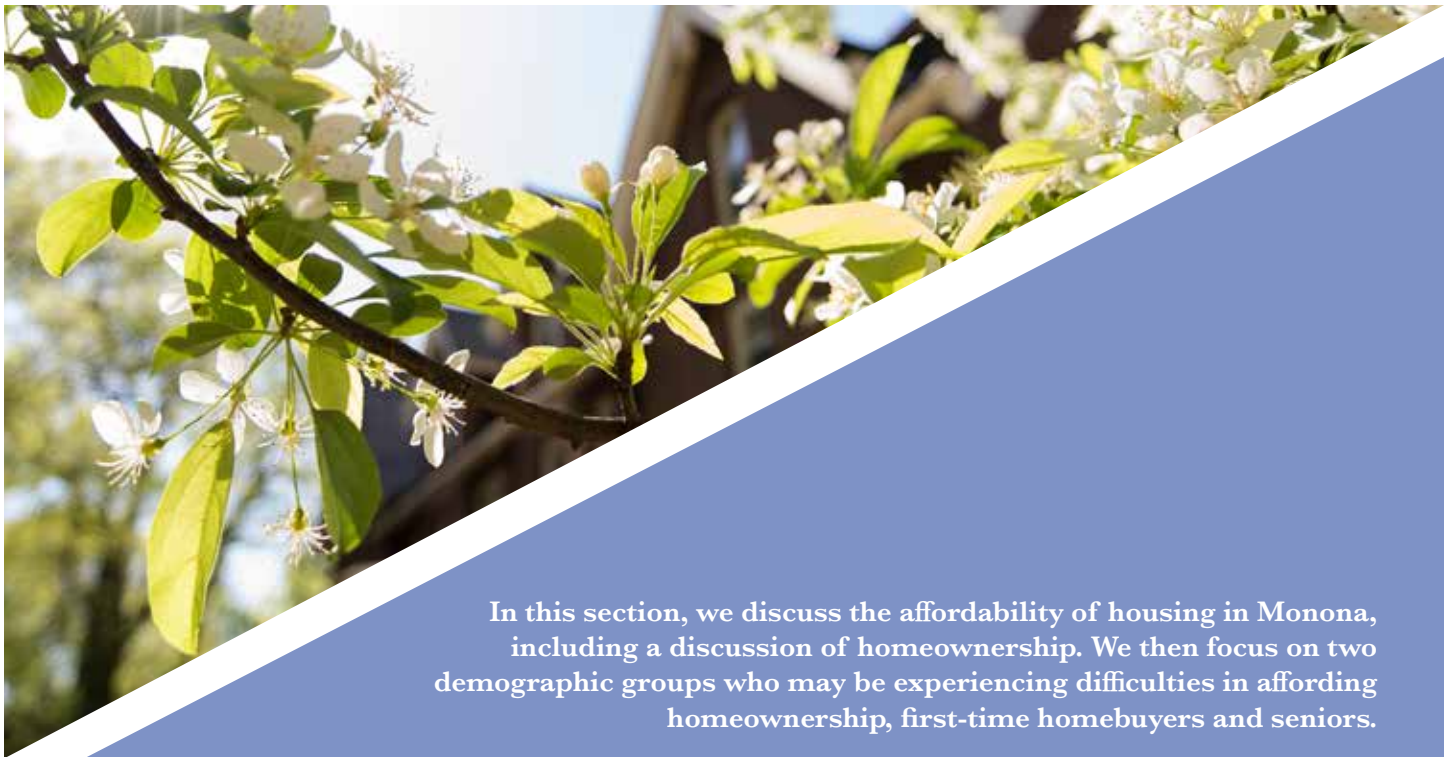
<sup>6</sup> See "Update on Dane County Housing Market Conditions," Dane Co. Dept. of Planning, Dane County Housing Initiative: <https://communityoutreach.countyofdane.com/documents/housing-summit/2016-update-on-dane-county-housing-market-conditions.pdf>

**Table 2. Percent of Single-Family, Detached Housing Stock renter-occupied by year, 15 largest Dane Co. communities**

<b>Municipality</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006-2010</b>	<b>2010-2014</b>
Madison	8.4%	8.4%	8.4%	7.9%	11.2%
Sun Prairie	8.4%	5.3%	3.2%	5.2%	8.0%
Fitchburg	8.5%	7.1%	6.2%	7.7%	6.9%
Middleton	9.7%	3.7%	3.8%	3.9%	5.9%
Stoughton	10.1%	10.0%	6.1%	4.1%	7.8%
Verona	6.8%	5.0%	0.8%	3.5%	10.2%
Waunakee	3.8%	3.6%	2.3%	0.9%	3.0%
<b>Monona</b>	<b>6.6%</b>	<b>5.1%</b>	<b>5.9%</b>	<b>4.9%</b>	<b>10.2%</b>
Oregon	7.7%	6.1%	3.7%	3.0%	6.2%
DeForest	9.8%	6.0%	4.2%	3.0%	2.7%
McFarland	6.5%	5.5%	1.5%	6.7%	3.3%
Madison (Town)	19.3%	19.3%	8.1%	14.4%	17.8%
Mt. Horeb	7.5%	6.1%	5.7%	3.8%	7.2%
Windsor	10.3%	9.3%	8.2%	4.2%	4.6%
Cottage Grove	7.0%	5.5%	3.8%	1.8%	1.0%
<b>Largest 15 areas combined</b>	<b>8.4%</b>	<b>7.6%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>9.1%</b>

Source: US Census Bureau, 1980, 1990, and 2000 Census. 2006-2010 and 2010-2014 are 5-year ACS data.

# AFFORDABLE HOUSING ANALYSIS



In this section, we discuss the affordability of housing in Monona, including a discussion of homeownership. We then focus on two demographic groups who may be experiencing difficulties in affording homeownership, first-time homebuyers and seniors.

Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

Table 3. Cost-Burdened Renter Households by Income Level, 15 largest communities in Dane County

<b>Municipality</b>	<b>Number of cost-burdened renter households</b>		<b>Percent of renter households who are cost-burdened</b>	
	<b>Less than 50% AMI</b>	<b>50 to 80% AMI</b>	<b>Less than 50% AMI</b>	<b>50-80% AMI</b>
Madison	22,360	3,495	85.1%	33.4%
Sun Prairie	1,255	385	78.4%	35.0%
Fitchburg	1,820	320	80.7%	24.7%
Middleton	1,275	140	84.7%	14.7%
Stoughton	780	65	76.1%	17.1%
Verona	355	70	82.6%	21.9%
Waunakee	300	125	83.3%	34.2%
<b>Monona</b>	<b>585</b>	<b>100</b>	<b>75.5%</b>	<b>27.4%</b>
Oregon	250	55	79.4%	20.4%
DeForest	170	135	79.1%	42.9%
McFarland	200	135	83.3%	45.0%
Madison (Town)	1,090	65	78.1%	12.5%
Mt. Horeb	275	45	94.8%	12.2%
Windsor	175	10	66.0%	5.6%
Cottage Grove	195	10	90.7%	10.5%
<b>Largest 15 areas combined</b>	<b>31,085</b>	<b>5,155</b>	<b>83.7%</b>	<b>29.8%</b>

Source: US Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data for 2009–2013. AMI refers to HUD's Area Median Income, which for Monona is Dane County. Households making less than 80 percent of the Area Median Income adjusted for family size (AMI) are considered "low income" and households making less than 50 percent of AMI adjusted for family size are considered "very low income." Households are considered to be "cost-burdened" if they spend more than 30 percent of their money income on rent plus utilities.

Tables 3 and 4 describe households who currently reside in Monona, by income level and housing cost-burdens. Households spending more than 30% of their income on housing are considered to be cost-burdened. The tables report data on households relative to the Dane County Area Median Income (AMI).



Table 4. Cost-Burdened Owner Households by Income Level, 15 largest communities in Dane County

<i>Municipality</i>	<i>Number of cost-burdened owner households</i>		<i>Percent of owner households who are cost-burdened</i>	
	<i>Less than 50% AMI</i>	<i>50 to 80% AMI</i>	<i>Less than 50% AMI</i>	<i>50-80% AMI</i>
Madison	4,705	3,915	80.5%	57.5%
Sun Prairie	345	615	57.5%	64.7%
Fitchburg	320	240	77.1%	53.3%
Middleton	310	205	71.3%	50.0%
Stoughton	350	195	87.5%	39.0%
Verona	150	99	63.8%	50.8%
Waunakee	145	200	80.6%	56.3%
<b>Monona</b>	<b>280</b>	<b>140</b>	<b>82.4%</b>	<b>38.4%</b>
Oregon	245	195	79.0%	60.0%
DeForest	100	370	83.3%	63.8%
McFarland	115	130	69.7%	40.6%
Madison (Town)	160	15	56.1%	17.6%
Mt. Horeb	205	70	67.2%	36.8%
Windsor	105	195	77.8%	84.8%
Cottage Grove	95	155	73.1%	63.3%
<b>Largest 15 areas combined</b>	<b>7,630</b>	<b>6,739</b>	<b>77.1%</b>	<b>56.1%</b>

Source: US Dept. Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data for 2009–2013. AMI refers to HUD's Area Median Income, which for Monona is Dane County. Households making less than 80 percent of the Area Median Income adjusted for family size (AMI) are considered "low income" and households making less than 50 percent of AMI adjusted for family size are considered "very low income." Ownership households are considered to be "cost-burdened" if they spend more than 30 percent of their money income on their mortgage payment (principal and interest) plus homeowners' insurance and property taxes.

Monona currently has 685 lower-income renter households who are cost-burdened. Other than the town of Windsor, Monona has the lowest percentage of very-low-income renters (below 50% AMI) who are cost burdened. For a three-person family, 50% of AMI would be \$37,800 and an affordable apartment would need to cost \$945 (including utilities). According to the Dane County Housing Needs Assessment, 47% of all rental units in Monona are affordable to households making 50% of AMI, the highest percentage of any of the cities in Dane County. Although Monona compares favorably to other cities in Dane County, there is still a significant need for affordable rental housing to serve the wide range of Monona's workforce.

In terms of affordable homeownership, table 4 shows the number of cost burdened owners by income level currently residing in Monona and the other municipalities in the area. Currently, 320 lower-income households (below 80% AMI) in Monona are cost-burdened homeowners. Monona has the third-highest percentage of cost-burdened owners (behind DeForest and Stoughton).

These numbers indicate the potential demand for some of the homeownership programs described below.

The Housing Needs Assessment for Dane County shows the starting wage values for different occupations in the area and the maximum amount of house a person could afford without becoming cost-burdened (Table 1.4).<sup>7</sup> This table will help determine if people will be able to afford the median home price in Monona based on their occupation. Currently, the median home price is \$223,600.

The starting wage for a construction worker is \$21,850 annually. The maximum house value the person would be able to afford without being cost-burdened is \$82,459, which is \$141,141 less than the median home value in Monona. Even the median wage of a construction worker (\$42,560 annually), would not be enough to afford a house in Monona at the median home value.

A starting salary for an elementary school teacher is \$33,840 annually. The maximum home value this position

<sup>7</sup> Dane County Housing Needs Assessment, Dane County and Municipalities (2015). The assumption made in these scenarios is that younger and first time homebuyers have the down payment necessary and can qualify for home mortgages.

could afford on this income is \$133,998. Similar to a construction worker, the median wage for an elementary school teacher (\$51,620 annually) would still not be enough to afford a home in Monona at the median price. The starting salary for a Police and Sheriff Patrol Officer is \$41,800 annually. The maximum home value this salary could afford, without being cost-burdened, is \$168,214. If a police officer eventually earned the median wage of \$55,260, they would just barely be able to afford a home at the median price.

## Senior Housing Issues

According to the 2015 Dane County Housing Needs Assessment, there are 240 senior renting households currently living in Monona who earn below 50% of median income and are cost-burdened. 145 of these households pay more than 50% of their income in rent, which is considered “extremely cost-burdened.” These seniors might have difficulty paying for other household expenses such as food, medicines, or transportation. This report also shows that Monona has 165 senior homeowners earning below 80% AMI that were cost-burdened. Like all communities in Dane County, Monona’s growing senior population represents a growing demand for quality, affordable housing – both ownership and rental opportunities.

Since 2007, two market-rate housing complexes have been constructed which contain ADA-accessible housing units: Fairway Glen and Lake Edge. Recent housing developments designed specifically for seniors include Frostwoods I, Frostwoods II, and Heritage Senior Living. Frostwoods I and II offer amenities such as fitness and business centers within the complex, and residents must be at least 55 years old. This provides housing for those who aren’t fully considered senior citizens yet who want a more convenient lifestyle and less property to maintain. Heritage Senior Living provides housing for seniors in all stages of life. Independent living units allow seniors with no immediate disabilities live in a senior-friendly, convenient location. Various degrees of care are offered in the forms of assisted living units, enhanced assisted living units, and memory care units, with each housing type providing trained staff and on-site services.

Across the county, there has been increasing awareness of the special needs of senior homeowners who live alone.

These are people who have likely lived in their home for decades, the mortgage is already paid off and the children have grown and moved out. Surveys show that the majority of these households would prefer to “age in place” and remain in their homes. These households usually have limited housing costs (because the mortgage is paid off) but also may face difficulties financing improvements or repairs to their properties.



Frost Woods II

Photo credit: senioradvisor.com

### Housing Stories Young People, Bikes, Buses & Sidewalks

Kate and Carl decided not to move to Monona because of the lack of public transportation. Kate works in Mount Horeb and Carl works on the near west side of Madison. They only own one car. They decided to move to Madison, just east of Stoughton Road, for better bus access. They saw online house listings in Monona that they liked, but automatically ruled them out because of the lack of transportation options.

Monica, a new Monona resident, echoed this frustration, saying, “we have the little bus, but it would be great if we could have more buses. Most people work downtown or near downtown. My husband works on the far west side. Biking in the winter is not super feasible, even for the diehards. I have never understood why the Madison Metro buses use Monona Drive but have no public pick up.” She shared that her sister and brother-in-law both work in downtown Madison. They were looking for a house and decided not to buy in Monona because of the lack of public transit. She was also concerned about the lack of sidewalks.

“I didn’t understand how much time I spend commuting until I wasn’t doing it anymore [...] It’s a pretty appealing place for families, so much stuff for kids,” Ellen remarked, “I’ve never lived somewhere where I can walk. I feel liberated.”

Table 5 shows the distribution of these 1-person senior homeowners across the urban Madison housing market. In Monona, there are 275 senior homeowners living alone. The data show that Monona has the highest percentage of its homeowners in this category, as 12.8 percent of all homeowners are seniors living alone. These households represent a key focal area for housing maintenance and rehabilitation programs such as Renew Monona.

Table 5. Distribution of 1-person Senior Homeowners

<i>Municipality</i>	<b>1-person households, Senior Homeowners</b>		
	<i>Number</i>	<i>% of all homeowners</i>	<i>% of all Senior households</i>
Madison	4,496	9.0%	28.4%
Sun Prairie	337	4.8%	17.5%
Fitchburg	291	5.6%	20.2%
Middleton	489	10.5%	29.7%
Stoughton	310	8.9%	25.1%
Verona	317	10.1%	34.3%
Waunakee	150	4.3%	18.1%
<b>Monona</b>	<b>275</b>	<b>12.8%</b>	<b>24.4%</b>
Oregon	252	9.8%	43.0%
DeForest	186	7.4%	31.6%
McFarland	206	8.5%	28.7%
Madison (Town)	67	8.2%	21.4%
Mt. Horeb	227	12.3%	45.3%
Windsor	87	4.5%	16.5%
Cottage Grove	82	4.7%	23.0%
<b>Largest 15 areas combined</b>	<b>7,772</b>	<b>8.3%</b>	<b>27.2%</b>

Source: US Census, 2010–2014 5-year American Community Survey data. Senior households are those whose household-head is 65 years old or better.

## Younger, First-Time Homebuyers

A combination of demographic and financial factors has reduced the home owning opportunities for the “millennial” generation. This generation would likely have a high demand to live in the type of sustainable, urban community Monona provides, with its proximity to employment and natural and cultural amenities. However, demographic trends, such as marrying later in life, are compounded by the higher level of student loan debt and the reduced availability of mortgage credit.

As Monona continues to look forward to proving a range of housing options to meet the needs of all of its residents, providing housing for younger workers takes on increasing importance. Some recent developments in Monona, such as Treysta on the Water, are designed to cater to millennial renters and provide amenities that they may find desirable. Monona’s location in the Madison metropolitan area, its proximity to downtown Madison, and its high quality parks and natural features all make Monona appealing to younger workers.

As above, younger workers who want to buy a home face difficulty in accessing mortgage credit. This becomes especially constraining when these first-time homebuyers want to buy an older home (such as those in Monona) which might require substantial investment to rehabilitate the house and bring it up to more modern standards.

## Summary

Monona has a diverse housing stock and stable neighborhoods and population levels. Because it is landlocked, providing housing for future residents will come from targeted redevelopment (including small-lot subdivisions) and rehabilitation of the existing, older housing stock. With the targeted investments and strategies described below, Monona can continue to be a desirable city with housing opportunities for all. The strategies described below begin to address the issues of single-family rental conversions, a continued need for affordable rental and homeownership opportunities, with particular attention to seniors and first-time homebuyers.



# HOUSING REHABILITATION STRATEGIES AND FUNDING SOURCES



Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

As identified in the 2007 Strategic Housing Plan and the analysis above, there is a significant demand within Monona for information and funding to enable existing homeowners to make repairs and/or re-investments in existing older homes. This rehabilitation could include improving energy efficiency with new windows, roof repair, accessibility enhancements for aging-in-place, code compliance repairs, repair or replacement of major systems such as HVAC, flooring, electrical, or other remodeling efforts to modernize the housing unit. While many households are able to access private-market sources of capital and financing to make investments to rehabilitate their houses, seniors, lower-income households, and younger workers may not be able to access or afford existing private market sources of funding. In these cases, Monona can strengthen rehabilitation and neighborhood stability efforts by providing information on existing county, state, and federal programs and by using its own funds strategically to meet special needs and leverage other funding sources.

The purpose of this section is to highlight and provide program details on existing and potential programs

available to Monona homeowners. First, resources for existing homeowners are discussed, followed by resources for those looking to purchase homes in Monona, including first-time homebuyers.

## Existing Homeowner Programs

In addition to private market lending from banks, mortgage companies, and credit unions, homeowners within Monona can access a number of state and local programs to receive reduced-cost loans for major or minor home repairs, energy efficiency improvements, winterization, rehabilitation, or remodeling. Nearly all programs designed for existing homeowners deliver assistance in the form of a no-interest or low-interest loan, attached to the property as a second-mortgage or in a second-lien position. Because home improvement or rehabilitation investments likely increase the value of the home, the structure of programs as a loan means that the lender would be paid back at the time of the sale or refinancing. When a no-interest home improvement loan is paid back to the agency or city, these funds can be lent out again to another homeowner.



There are four main existing programs available to Monona homeowners which provide lower-cost loans for home improvement and repair. Two of these programs are administered by Project Home, which serves Monona and many other communities in Dane and Green counties. One program is administered by WHEDA, the Wisconsin Housing and Economic Development Authority. There is also the Renew Monona loan program, funded and administered by Monona's Community Development Authority.



For weatherization and energy efficiency improvements to housing units, Project Home has programs funded by the US Departments of Energy and Health and Human Services and the Wisconsin Department of Administration. For some weatherization programs, their services are available as a grant, but they also have no-interest loans for weatherization and energy efficiency within their home repair program. The weatherization program is available to homeowners in Monona who meet the income limits (60% of the state median income). For example, for a three-person family in Monona, households would qualify if their income was below \$42,282 per year. For 1-person households (such as seniors living alone), the income qualification is below \$26,174.

Project Home also has a no-interest Major Home Repair Program, funded by Dane County's allocation from the Community Development Block Grant (CDBG) program. This program allows for no-interest loans for repairs between \$5,000 and \$23,000. The requirements for participation are that the house must be assessed for less than \$233,000, household income requirements (80% of AMI), and existing total loan-to-value (LTV) cannot exceed 95%. Major home repair can include roofing, siding, HVAC, plumbing, electrical, safety concerns, and accessibility modifications. They also have a Minor Home Repair Program, which is a grant program for repairs costing less than \$5,000. The eligibility requirements are the same, but there is currently a waiting list for this program.

For existing homeowners, WHEDA, the Wisconsin Housing and Economic Development Authority offers

the Home Improvement Advantage Program through participating lenders. This program is available to homeowners whether or not the first mortgage on the property is financed by WHEDA. Homeowners can borrow up to \$15,000 for additions, remodeling projects, home repairs, handicap accessibility, energy updates, and Energy Star appliances. These are low-interest loans for up to 15 years. Borrowers must meet income limits (approximately 115% of AMI), have a credit score of at least 620, and the total loan-to-value cannot exceed 110%. There are not currently any participating lenders in Dane County.

### **Renew Monona Loan Program**

The fourth source of funding for homeowner rehabilitation is the Renew Monona Loan program, funded by Monona's Community Development Authority. This program, which resulted from the 2007 Strategic Housing Plan, provides eligible homeowners with no-interest loans to make improvements to their homes in three ways:

1. Upgrades to home systems (electrical, plumbing, mechanical)
2. Heating and cooling efficiency (e.g. window replacement and insulation improvements)
3. Size expansions (the addition of a living space or garage)



Electrical and plumbing upgrades or additions to older homes are eligible for the Renew Monona Loan Fund  
Photo credit: bandjelectriccontractor.com

Many potential homebuyers have expressed concern that the cost of bringing a Monona home to modern standards is often a barrier to purchase. The Renew Monona Loan Program seeks to address this issue. Funds are made available as a no-interest second mortgage loan for a period of up to 10 years. To be eligible for participation, homes must be owner-occupied and valued at or below 120% of the median assessed value of residential property in the city. As of 2010, that would include all homes assessed

at \$244,200 or less. There are not currently any age or income restrictions for participation.

Funds may only be used for improvements to the primary housing structure, which may include attached garages. Auxiliary garages are eligible, but attached are given priority for approval. Maximum loan coverage is \$10,000, or 50% of the total project cost.

Renew Monona has seen four rounds of applications since 2010-2011, granting loans to 20 homeowners, from a pool of 34 applicants. Thirteen projects have been completed. The program has provided approximately \$100,000 of funds, the homeowners themselves contributing \$275,000. The demand for this program is clear, given many more applications than available funds. The program description and application is accessed easily from the City of Monona website, under “Applications and Permits”.

Interviews with current residents have solidified the assumption that demand is high for improvement loans. One homeowner, applied, but missed the funding cutoff for that year’s round of loan approvals. She said that fortunately, they were able to fund their project independently. When asked if her family would be interested in applying again in the future, Laura responded: “We cannot invest more in our current home but if we were to buy another house in Monona, we would definitely apply. We also have recommended it to friends.” It is clear that the interest exists to possibly expand the Renew Monona program.

## **Programs for Homebuyers, Including First-Time Homebuyers**

There are two types of generally available mortgage products which may partially address some of the constraints to homeownership addressed above. These are not programs of the city or state and homebuyers would learn of them through their real-estate agents or mortgage lenders. But they are worth discussing because the home purchase lending market has changed significantly in the past few years. First, low-down payment mortgages may enable more households to be able to afford homes in Monona. FHA and Fannie Mae both offer a number of low down payment options, allowing borrowers to put down only 3 percent of the purchase price, and may allow down payment assistance programs or grants to be the source of the

down payment. Second, new products from Fannie Mae lenders allow homeowners to finance energy efficiency or major renovation projects into their first-mortgage (purchase or refinance). For households looking to purchase an older home and renovate it at the same time, these HomeStyle Energy and HomeStyle Renovation products might offer a market source of financing.

There are two types of special mortgage programs which also may assist potential homeowners, those offered by WHEDA and down payment assistance programs. WHEDA, the Wisconsin Housing and Economic Development Authority, offers a series of 30-year loan products (through its partner lenders) called WHEDA Advantage, with lower interest rates that households might otherwise be able to acquire. WHEDA Advantage loans are available for purchase mortgages (not for refinancing) if the borrower meets the income and house price limits and attends homebuyer education counseling. For Dane County, the 1-2 person household income limit is currently \$96,485 and the 3+ person household income limit is \$113,265. The house price limit is \$255,573. WHEDA Advantage loans are available for all home purchasers who meet the income and house price limits.

Within the WHEDA Advantage program, there is a lower mortgage rate available to first time homebuyers (those who have not owned a home in 3 or more years). In the First-Time Homebuyer Advantage program, the income limits are lower, at \$83,900 and \$96,485. There is also a program for honorably discharged military veterans with even lower rates.

Even if a household may qualify for any of the WHEDA, FHA, or FNMA programs described above, saving for a down payment may be prohibitive for younger families with lower incomes and/or high levels of student loan debts. For this reason, DPAP (down-payment assistance programs) can be a powerful tool in expanding homeownership opportunities, especially for younger families. DPAP programs can be in the form of grants (no obligation to repay if certain conditions are met), or can be in the form of no-interest deferred loan. Many DPAP programs are structured as hybrids between loans and grants, with a portion of the loan being forgiven for each year the owner lives in the house.

The Federal Home Loan Bank of Chicago is the FHLB regional bank which covers Wisconsin.



They offer a Down

Payment Plus Program through their member banks.<sup>8</sup>

This program offers up to \$6,000 in down payment assistance for households making below 80% AMI. The assistance is offered as a grant, with no payback required if the homeowner remains in the home for 5 years. The Down Payment Plus grant can be combined with a WHEDA Advantage loan or with a Fannie Mae loan if the lender participates in both programs.

WHEDA also offers a Down Payment Assistance loan for homebuyers with a WHEDA Advantage loan. This is a second mortgage, with a low-interest rate for 10 years.

Within Dane County,<sup>9</sup> the Cities of Madison and Middleton have down payment assistance programs which could serve as models for a down payment assistance program in Monona. Movin' Out offers its Momentum down payment assistance for first-time homebuyers. This product is a no-interest, deferred loan of up to \$8,500 for down payment and closing costs. Borrowers must be below 80% AMI and the maximum house purchase price is \$220,000. Moving' Out has special down payment programs designed for households with a member with a permanent disability. The Realtors Association of South-Central Wisconsin also has a HomeStart down payment loan program. This loan is a low-interest and deferred interest second mortgage, and is available to households up to 80% AMI. The borrower does not have to be a first-time homebuyer.

Successful down payment assistance programs involve requirements for homebuyer education courses with certified housing counselors and provide some mechanism for the loan or grant to be repaid. Many require a housing-quality inspection, including certification of completed repairs. In the case of grants or forgivable loans, there are recapture provisions to prevent a household from “flip-ping” the house and to encourage neighborhood stability,

<sup>8</sup> This program used to be administered by the Wisconsin Partnership for Housing Development but is now administered by the FHLB-Chicago itself.

<sup>9</sup> More information on all of these programs can be found at the website of the Homebuyers Roundtable of Dane County, [www.homebuyersroundtable.org](http://www.homebuyersroundtable.org). A matrix of all the programs, including income limits and loan requirements can be found at: [www.homebuyersroundtable.org/wp-content/uploads/2016/05/Down-Payment-Assist-Matrix-5-6-2016.pdf](http://www.homebuyersroundtable.org/wp-content/uploads/2016/05/Down-Payment-Assist-Matrix-5-6-2016.pdf)

with a pre-determined schedule for declining recapture. For those structured as loans, the lender takes a second mortgage position and so would be repaid when the property is sold or the first mortgage is refinanced.

## Housing Rehabilitation Recommendations

In this section, we provide recommendations and strategies related to the issues described above, such as single-family rental conversions, a continued need for affordable rental and homeownership opportunities, and the housing needs of seniors and first-time homebuyers.

Promoting strategies and financing options to encourage homeownership (particularly for younger families) along with providing information and financing for existing homeowners to re-invest in their homes will be a significant component of efforts to promote and preserve neighborhood stability.

Promoting strategies and financing options to encourage homeownership (particularly for younger families) along with providing information and financing for existing homeowners to re-invest in their homes will be a significant component of efforts to promote and preserve neighborhood stability.

As indicated in the 2007 Strategic Housing Plan, continued code enforcement can be utilized to reduce any negative impacts of rentals of single-family homes. After the 2007 plan, the city did hire a code inspector. Continued monitoring of housing conditions through visual surveys and complaint responses can continue to maintain stable neighborhoods.

Due to changes in Wisconsin's landlord-tenant law (2015 Wisconsin Act 176), the City cannot require a licensing or registration requirement for owners of rental properties. However, it could still require that owners of rental properties (both single-family and multi-family) register only the name and contact information of an authorized contact.<sup>10</sup> If Monona chose to pass such an ordinance, owners of single-family rental properties would be required to

<sup>10</sup> Such an ordinance is permissible under Wis. Stat. 66.0104(2)(c)4, which states, in part, that “A city, village, town, or county may require that a rental unit be registered if the registration consists only of providing the name of the owner and an authorized contact person and an address and telephone number at which the contact person may be contacted.” Moreover, 66.0104(2)(g)2 suggests that landlord registration requirements need to apply uniformly to “all residential rental property owners, including owners of owner-occupied rental property.”



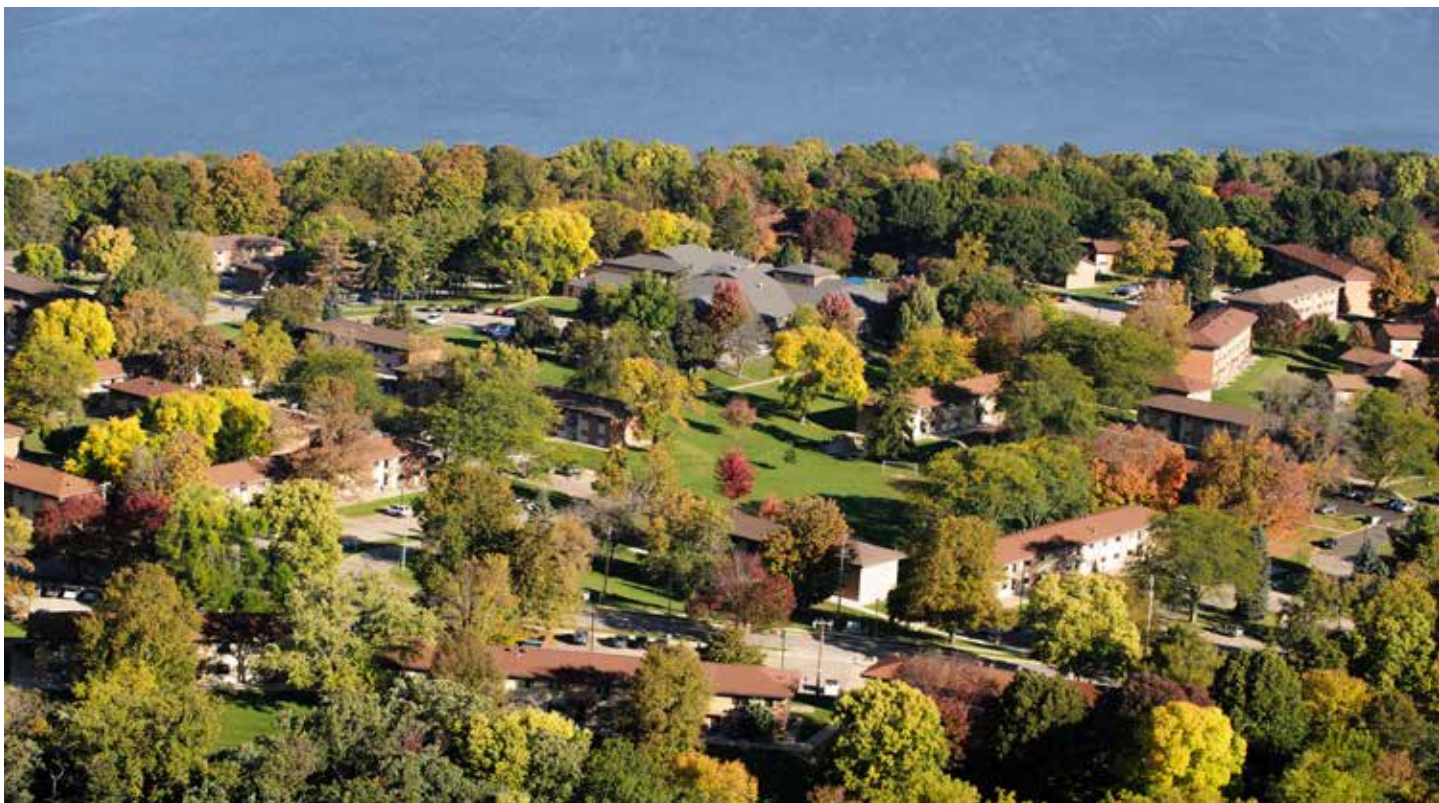


Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

provide contact information, thereby allowing the city to have information on which single-family properties were rentals.

### **Recommendations for Housing Rehabilitation Programs**

The city could seek to provide informational resources to homeowners, lenders, realtors, etc. on available programs in order to leverage outside resources. Because City funds will be limited, directing residents to existing state and federal resources can maximize the city's investments.

The city could also continue to study the program requirements and procedures of outside programs to ensure that its own Renew Monona program can leverage these outside programs and does not merely duplicate their coverage. For example, on the Renew Monona loan application form, there could be questions asking the homeowner if they were aware of programs from other agencies and whether or not they had sought assistance from those agencies first.

### **Recommendations for Renew Monona**

Under the current scoring rubric, items such as aesthetics, energy efficiency, longevity of improvements, and financial stability of applicants. The purpose of the ranking sheet is to allocate loans when there are more applicants than available funds. Each of these items is scored qualitatively from 1-10. The scoring system introduces potential ambiguities, and it is not clear that all areas should be ranked equally. The city could consider updating the scoring sheet and provide more specificity to homeowners of how their projects are likely to be ranked.

The current scoring sheet identifies possible points for "identified preference area," based on recommendations in the 2007 plan. We have investigated this issue and recommend that there not be place-based preferences for the loan program, for two reasons. First, the main qualifications for city loan programs are usually income or house price based. Second, we found no evidence that there are particular areas (concentrated areas with either substantial code compliance complaints or decreased property values) where it would be more advantageous than others

to concentrate loans. Rather, the scoring criteria should focus on the particular improvements and the homeowner needs.

Many projects that could potentially be of value to homeowners and improve property values are likely to be larger than the current \$10,000 loan cap. The city could consider increasing the limit to \$20,000. Alternatively, the city could develop a tier system much like the “major repair/minor repair” distinction from Project Home. The city could make a larger number of small loans available (for example, up to \$5,000) and then have a smaller number of larger loans (up to \$20,000) available. The scoring criteria and required documentation for larger loans should be more strict and thorough.

The city could also create a special allocation of Renew Monona loans for purposes of “code compliance,” much like a recent program with the City of Milwaukee.<sup>11</sup> When a code enforcement officer issues a notice of noncompliance, the homeowner can be given information about the Renew Monona loan program (and other housing rehabilitation programs). If the homeowner lacks adequate income to make the necessary repairs, the City could expedite their Renew Monona application to bring the property into compliance.

If the city wanted to switch from a property-based eligibility requirement (the assessed value of the house as currently) to a household-income based requirement, the program guidelines of the various programs described above (such as percentage of area median income) could be utilized. This would help harmonize Renew Monona with other similar programs. For example, the city could use the 80% AMI eligibility requirement as with the Project Home programs, or could use the WHEDA eligibility criteria.

The possibility to expand the Renew Monona program as well as fund other housing priorities is enhanced by a unique opportunity for Monona, the likely closing of TID 2 in 2018 and the availability of the new “affordable housing amendment”<sup>12</sup> procedure for expiring TIDs.

## **Recommendations for TIF “Affordable housing” Extension**

TIF is the primary economic development and infrastructure tool available to Wisconsin municipalities. TIF can and is used by municipalities across the state to pay for affordable housing development projects in addition to commercial and infrastructure projects. When the project costs of a TID have been paid off, the TID normally terminates. However, in 2009 an additional section of the law was added, §66.1105(6)(g) which allows a city to keep a TID open for one additional year and allocate the additional tax increment generated to “improve its housing stock.” The law also specifies that, “the city shall use at least 75 percent of the increments received to benefit affordable housing in the city. The remaining portion of the increments shall be used by the city to improve the city’s housing stock.” The law does not require that the increments generated be spent only in the area of the TID, but rather can be spent anywhere in the city to improve the housing stock. The law specifies the meaning of affordable housing in this section of the statute §66.1105(2)(ab) as “housing that costs a household no more than 30 percent of the household’s gross monthly income.” Unlike many federal programs, affordable housing in this section of the statute is not specifically targeted to income levels as a percent of AMI.

Only a limited number of cities across the state have taken advantage of this affordable housing amendment process, including Monona with the closing of TID 3 in 2010. The increments generated by the 2010 amendment provided funding for the Renew Monona loan program.

The City of Monona has 6 TIDs (see Appendix 1 for map). TIDs 1 and 3 have paid off all project costs and have been closed, adding values to the tax roll. Utilization of TIF is an important economic development tool for Monona because it is land locked and TIF can generate additional tax-base growth through redevelopment. The city and Community Development Authority (CDA) have used TIDs to successfully develop several new housing projects, such as the 229-unit senior housing project Heritage Monona, 56-unit Fairway Glen, and the contemporary mixed use 123-unit complex Treysta on the Water. Additionally, the 2010 repaving of Monona’s main artery, Monona Drive, was completed with the assistance of TIF.

<sup>11</sup> Program information available at: <http://city.milwaukee.gov/DNS/CLP#.WEebxOYrLcs>

<sup>12</sup> The term “affordable housing amendment” is found in the Wisconsin Dept. of Revenue “TIF Manual”, in section 1.5



TID #2 was created in 1991 with the purpose of renovating underutilized properties along Broadway that were in need of upgrades. As of now, TID 2 has been used for stormwater management improvements, a decorative gateway feature at the entrance of the city, and to redevelop a landfill into Ahuska Park. The redevelopment of a vacant PepsiCo factory into the Pier 37 retail area in 2010 is now home to 19 businesses, including a Copps grocery store and Staples, which serve as anchors for the complex.

The closing of TID 2 in 2018 provides opportunities to generate substantial revenues for continued housing stability and affordability programs. If the city undertakes the affordable housing amendment for TID 2, this would produce about \$1.6 million in funding for housing. Based on the 75/25 ratio described by Wisconsin State Law, this would provide Monona up to \$1.2 million for affordable housing initiatives, and \$400,000 for general improvements to the city's housing stock.

The City of Monona has indicated a potential interest in exercising the affordable housing amendment in 2018 to provide resources to improve the housing stock in the city and promote affordable housing. Consistent with those goals, we recommend the following potential activities could be funded with the additional tax increment:

1. Expand the Renew Monona Loan Program

Ensure more, and possibly larger, loans (up to \$20,000).

2. Create a Monona Down Payment Assistance Program for First-Time Homebuyers

Because administration of a down payment assistance program requires specialized training, the city should contract or partner with existing Dane County nonprofit housing agencies to administer the program. This program could leverage and use existing state and FHLB DPAP programs as a guide for program requirements.

3. Start a "Housing Development Fund"

This could provide "gap financing" for developers undertaking either construction or acquisition/rehab of affordable housing funded with federal programs such as LIHTC or HOME. Most affordable housing projects constructed with the Low-Income Housing Tax Credit (LIHTC) require some small amount of "gap financing" from local or non-profit sponsors to make up the difference between the value of the tax credits, the rents received and the total project costs. When a municipality uses TIF to provide gap financing for a LIHTC project, it is leveraging up to \$10 of private-market and federal investment for every \$1 it invests. (The cities of Middleton and Madison have been successful in using TIF monies as gap financing for LIHTC projects.) The LIHTC tax-credit application process is very competitive and municipal financial assistance can help increase a project's chance of getting funding. As well, Dane County has established an Affordable Housing Development fund, with a portion of the monies set aside for projects outside the City of Madison. The county program can combine with municipal TIF dollars to provide a local source of matching funds.



Figure 1. A closer view of Monona's TID 2, centered around the major road, Broadway Avenue.



### Housing Stories

#### Entry-Level Spaces Start a Cycle of Reinvestment

Laura and her husband, Peter, bought their home in 2008 in Monona. The federal government offered an \$8,000 rebate for first time home buyers at the time.

They invested that money in starting a small business in Monona. They found a storefront to rent for \$300 a month. The space needed a lot of work, but they cleaned it up and now have a thriving business.

A couple of years ago they reinvested the money they made in their small business into updating their home. They applied for a Renew Monona Program loan. They did not receive the loan but decided to invest anyway. Laura and Peter said they are now starting to consider buying a larger home in Monona as their family grows.

The City of Monona designated the area where their small business is located as a redevelopment zone because of blight. She was worried that if the City were to redevelop the site, she and other local business owners would not be able to afford the space and would get replaced by franchises that do not reinvest in the community in the same way as a local business would.

She suggested that the City of Monona could start a business incubator space for locally owned start-ups. “It’s the same way with housing,” she noted, “you need entry level housing so that people can get a start and then want to stay in the community when they buy a bigger place.”

City of Monona TID Value Increment

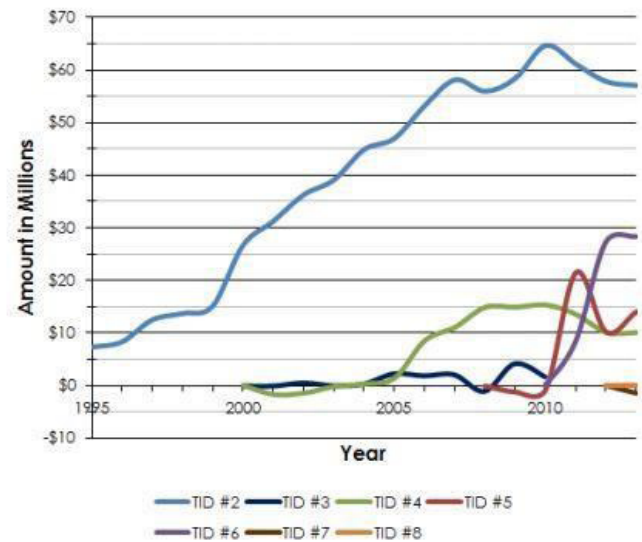


Figure 2. City of Monona TID values, taken from Wisconsin DOR TIF Value Limitation Report.

TID #2 Summary

Created	9/16/1991
Maximum Life	9/16/2018
Base Value	\$17,936,700
New Value Since Creation	\$57,044,400
Percent Increase in Value Since Creation	320%
Tax Increment Revenue Generated in 2012	\$1,433,861
Total Tax Increment Revenue Generated^	\$14,398,268
Total TID \$ Spent on Capital Costs^*	\$10,230,657
Total TID \$ Expended^**	\$19,734,271
Outstanding Long Term Debt Less TID Fund Balance~	\$3,850,000
Projected Additional Tax Increment Revenue***	\$8.3 million

\* TID #2 financial reports break out costs by Capital Expenditures, Administration, and various financing categories—further detail, such as infrastructure costs, is not readily available for this TID.

\*\* Does not include escrow payments or principal payments on long-term debt.

\*\*\* 2013 through maximum life of TID.

^ Through end of 2012.

~ Does not include interest.

Table 6. Summary of TID #2 increased value and lifespan.

# EXPANDING HOUSING CHOICES: MIXED-USE AND SMALL-LOT SUBDIVISIONS



Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

Because Monona is a landlocked community, expansion of housing opportunities would likely come from redevelopment projects, including residential-focused small-lot subdivisions. In this section, we discuss some of the planning, policy, and financial issues involved which can complement the housing rehabilitation and homeowner strategies outlined above.

Redevelopment and economic development efforts in many cities focus mainly on revitalization of business corridors and employment options. However, many cities are also finding that incorporating some housing in commercial and business redevelopment (mixed use) can enhance the project financially and provide a potential customer base for new retail uses. Likewise, cities are finding that targeted small-scale neighborhood redevelopment mixed-use projects in or near residential areas can leverage investments.

For purposes of this section, we examine strategies and policies to incorporate housing units into redevelopment of business districts (mixed use), as well as strategies to develop neighborhood mixed-use districts. In the first case,

districts are mostly for business and employment-based land uses but incorporate some housing, while in the second case districts are mostly residential but incorporate neighborhood small businesses. Small-lot subdivisions are a redevelopment opportunity for residential areas that only incorporate housing.

## Mixed-Use Redevelopment

Mixed-use redevelopment can incorporate either the mixing of land use activities (retail, offices, residential) in the same building (such as ground level retail, second level offices, upper level apartments) or mixing of land use activities within the same redevelopment parcel or area, but in separate buildings. National surveys do indicate an increasing demand for housing in mixed-use areas, where people can walk to a variety of businesses. Likewise, incorporating housing into redevelopment districts can increase the financial viability of development projects. There have been many successful mixed-use redevelopment projects in cities throughout Dane County in the past 10 years.

Cities in Wisconsin tend to manage mixed-use redevelopment processes one of two ways. First, they create specific concept plans in their comprehensive plans, and provide zoning through the Planned Development District concept. This approach focuses on identifying the types of uses desired, the density and design of those uses, but leaves flexibility for developers to design projects that meet these goals. The second approach is that cities acquire properties for redevelopment through their Community Development Authority (CDA) and serve as the master developer's themselves through an RFP process. The advantage of acquiring the properties themselves (land banking) is that cities can be patient and ensure that the final projects meet their objectives. The main disadvantage for cities is that by purchasing the properties up front they are undertaking financial risks if the project falls through. The other advantage of a city using land banking is that they can have sites development ready for interested developers. Our interviews with developers noted that their redevelopment efforts were frustrated by an inability to assemble land.

In both cases, cities are active participants in redevelopment through TIF financing and developers' agreements. Many of the potential redevelopment areas have been identified in TID project plans.

The City currently has 2 designated redevelopment areas, number 7 (covering North Monona Drive, adopted in 2011) and number 9 (riverfront, adopted in 2014). The adopted plan for Redevelopment Area 7 calls for approximately 70 apartment units. The proposed land uses for both the north and south subareas of redevelopment area 9 call for potential housing units, but without a specific number. The 2007 Strategic Housing Plan also called for the potential of housing units in mixed-use development in these corridors.



The Constellation at mixed-use redevelopment on East Washington Avenue in Madison  
Photo credit: M.P. King, Wisconsin State Journal

### Recommended Strategies for Incorporating Housing in Mixed-Use Redevelopment Projects

1. Reduce parking requirements for apartment units constructed in walkable mixed-use redevelopment
2. Promote a mix of affordable and market-rate apartments in redevelopment projects.

Funding sources such as LIHTC, HOME and other housing development resources from the Dane County Housing Authority can help make a project financially viable while still increasing the supply of affordable housing. Income mixing in redevelopment projects is practiced in many communities in Dane County, with affordable units comprising between 10 to 50 percent of the units.

3. Incentivize developers to incorporate universal design and other accessibility options designed for seniors

#### Housing Stories First Time Home Buyer Displaced by Redevelopment

Durell is a single dad with two kids. He bought a mobile home in Hickory Lanes along Broadway. He planned to invest in this home and then, one day, use the equity from its sale as a down payment for a larger home in Monona. He worked full time while studying at the UW-Madison. The owner of the mobile home sold the land for redevelopment in 2005, giving homeowners three months' notice to try to move their homes. The City of Monona organized a single meeting for the evicted residents, offering little other support. This displacement and the financial troubles that resulted meant Durell had to drop out of college and his kids had to start at a new school mid-way through the semester.



Mixed-use redevelopment in Vancouver, British Columbia, Canada. Photo credit: form.ca

## Small Lot Subdivisions

For landlocked communities limited to infill and redevelopment, the “small lot subdivision”, otherwise known as “cottage housing”, is an increasingly useful development tool. Small lot subdivisions are a grouping of owner occupied homes, with a similar or identical design, on traditionally smaller lots. Despite being restricted to a smaller area, the homes are detached, which provides a more traditional residential look and feel. They are different than condominiums because each unit is a fee-simple, owner-occupied home. These compact developments are recommended as a smart growth infill technique for underdeveloped parcels in Monona. The City’s Comprehensive Plan highlights small lot subdivisions as a strategy to improve both the city’s housing mix and single-family housing stock. However, opportunities for implementing small lot subdivisions are limited and require careful implementation.

## Benefits of Small Lot Subdivisions

### Environmentally Sustainable

Small lot subdivisions give homeowners the ability to apply “green” practices in a collective fashion, that otherwise may be too expensive for a traditional single family home. These practices include: solar roof materials, semi-permeable paving materials, and energy and water efficient systems.<sup>13</sup>

### Community-Oriented

The close proximity of homes and shared outdoor spaces promote a community oriented way of life. Small lot homes are ideal for young families as well as “empty nesters”, creating a multigenerational inclusive space.

### Economically Attractive

Infill projects like small lot subdivisions are more cost effective for developers because the sites often have a majority the required infrastructure, compared to a similar project in an undeveloped area.<sup>14</sup>

<sup>13</sup> Los Angeles Department of City Planning,. (2014). Small Lot Design Guidelines. Los Angeles, CA: Urban Design Studio.

<sup>14</sup> United States Environmental Protection Agency,. (2014). Smart Growth and Economic Success: Investing in Infill Development. Washington, D.C.: U.S. EPA.



Additionally, because these fee-simple homes are built on smaller lots, homeowners save money on the land cost for their property compared to buying a traditional single family home on a larger lot.<sup>15</sup>

### Feasible Sites for Small Lot Subdivisions

In Monona's context, these subdivisions are considered a Planned Community Development (PCD) (Monona Zoning Code Article F, Sec. 13-1-100). According to the Code, "a proposed site shall be under the single or unified ownership of the applicant". Depending on the size of the subdivision, acquiring adjacent lots may be necessary given the large amount of substandard parcels in Monona. This process can either be city or developer driven. Once a particular site is determined, the city or developer can begin the process of acquiring the necessary parcels. It is not recommended to displace current homeowners and residents for the sake of development. However, as adjacent properties become available on the market, Monona or the developer can purchase them for future use. Land acquisition and assembly requires strategic planning, especially if multiple lots are involved.

A map of feasible sites is presented in Figure 3. These sites were selected based on their assembly feasibility and proximity to services including, but not limited to: parks, community facilities such as the library and pool, shops and restaurants, and other commercial amenities. It is important to note that this map was designed based on a land suitability analysis for properties that met the small lot subdivision site criteria below. It is not intended as a plan for City land acquisition.

### Map Criteria

#### Requirements

- Must be either within a quarter mile of Monona Drive or Broadway OR front facing onto a Recreational/Green Space land use parcel (with a road between front of lot and park) such that there are at least five potential adjacent parcels

- Must be not be currently zoned Public Facility, Conservancy, or Cemetery (therefore, must be currently zoned Commercial/Industrial, Community Design District, Multiple Family, Neighborhood Small Business, Retail Business, Two Family, or Single Family)

#### Preferred

- Falls within an existing Tax Increment District
- Falls within an existing Redevelopment Area
- Current land use is Vacant Land
- Current zoning is Community Design District
- On a corner lot (at the intersection of two streets)



Small-Lot Subdivision  
Photo credit: burbankca.gov

### Small Lot Subdivision Guidelines

In order for these infill projects to be successful in Monona, small lot subdivisions must conform to the neighborhood character. With proper site selections and design requirements, there is opportunity to build them in a traditional residential neighborhood as well as commercial districts.

15 United States Department of Housing and Urban Development, Los Angeles, California: Small Lot Ordinance. Washington, DC: HUD USER. Retrieved 22 November 2016, from [www.huduser.gov/portal/casestudies/study\\_102011\\_1.html](http://www.huduser.gov/portal/casestudies/study_102011_1.html)



## Case Study: Los Angeles Small Lot Ordinance

Created in 2005, amended in 2014

### How does it work?

- Allows the development of small lot subdivisions in multifamily and commercial zoned districts.
- Allows mixed use development on the ground floor of small lot subdivisions in commercial corridors.
- Regulates setbacks and lot area.
- All small lot subdivisions filed after February 1, 2014 must comply with or meet the intent of the 2014 Small Lot Guidelines. In cases where site characteristics, existing improvements, or special circumstances make substantial adherence with the Small Lot Design Guidelines impractical, substantial compliance may not be possible; in which case, small lot subdivisions must meet the intent of the Small Lot Design Guidelines.

### Basic development guidelines for small lot subdivisions in Monona are as follows:

#### 1. Site Selection Guidelines

- Must supplement and enhance the overall quality of the neighborhood.
- In residential areas, ideal sites overlook parks or other open green space.
- Small lot subdivisions should be located within a quarter mile of commercial services including: shops, restaurants, and places of employment. Developments outside this desired proximity, should be adjacent to a park or other public facility such as the library or community center.

#### 2. Size and Density Guidelines

- Between 6 and 12 Dwelling Units Per Acre (Du/Ac) is recommended.
- One dwelling unit per lot.

- All structures on a lot should not occupy more than 80% of the lot area, unless the tract or parcel map provides common open space equivalent to 20% of the lot area for each lot not meeting this provision.
- Front, rear, and side setbacks to properties adjacent to the subdivision should be consistent with pre-existing requirements in traditional Single Family and Two Family Zoning Districts
- Small lot subdivisions must adhere to Monona's General Site Performance Standards (Zoning Code Article D) to ensure compatibility with the existing neighborhood and natural character.
- Buildings should have a height of at least a quarter the width of the street.



Small-Lot Subdivision in Los Angeles  
Photo credit: boomcalifornia.com



### 3. General Design Guidelines

- Homes must be detached and configured in a way that the primary entrance and main windows face public streets instead of driveways.
- Parking should be provided on site, either on individual or shared lots. Communal parking areas must be accessible via the community driveway, street, or alley, and have clear pathways connecting to residential units. One parking space per home is required.
- Provide space for entry, front landing, and transitional landscaping between the public sidewalk or right-of-way and private entryway.
- Maximize green space while minimizing the total amount of driveway.
- Avoid excessive differences in height between the proposed development and adjacent buildings.
- Height, massing, siting, and orientation must relate to the surrounding built form, respecting the overall neighborhood character and existing topography.
- All aspects of design must be in keeping with Monona's Planned Community Development standards (Sec. 13-1-103) and Site Performance Standards (Sec. 13-1-61).

#### Small Lot Subdivision Development Process in Monona

The homes on the 200 block of Femrite are an example of this type of development in Monona. On a site of a previously foreclosed home and former yarn shop, there are now six single-family homes. In order to build this subdivision, Mr. Dale Ganser and Mr. Robin Ganser followed the procedural process in keeping with City Ordinances.

According to Section 13-1-100 regarding PCDs in the Monona Code of Ordinances, "The intent of this Article is to encourage and promote improved environmental design in the development of land by allowing greater freedom and flexibility than is possible under the precise and rigid requirements of conventional zoning districts, through the use of objective standards establishing goals

and criteria for judgment rather than the application of fixed formula". The Code then lays out the application process and development procedures for creating a PCD, which are summarized in Appendix 2.

There is an important caveat: under Monona's Municipal Ordinances, PCDs are only allowed in Community Design Districts (CDDs). Therefore, many feasible sites will need to be rezoned in order to accommodate small lot subdivisions. According to Monona's Zoning Map, CDDs are clustered around the commercial areas of East and West Broadway. These areas have potential for mixed-use and commercial PCDs, however they are not very attractive for small lot subdivisions. Small lot subdivisions are owner occupied homes and are successful because of their walkability and urban form. In the Femrite case, the area was rezoned from a Neighborhood Small Business District to a CDD. The process for rezoning is explained in Appendix 3. Therefore, all small lot subdivision developments in Monona are also subject to a preliminary and final plat review process. This process is outlined in Appendix 4.



Photo by Jeff Miller/UW-Madison,  
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Our review of successful small-lot subdivisions elsewhere suggests the following important ideas to note:

### 1. Timing is Critical

Given the long process, prospective developers must allocate sufficient time for approval. Conversely, if things move along more quickly, it is important for developers to have the necessary materials and plans available for each step in the approval process.

### 2. Present Inclusive Plans

In order to ensure a smoother and timely process, developers must have all the required information applicable to each plan. This will prevent excessive meetings and revisions. If a developer has questions, it is important to reach out to City Staff prior to the first Plan Commission meeting.

Understand What is Expected. Developers must know what to include in the general development plan and the precise implementation plan. They must also understand the timeline of approval and that once approved construction must start within 2 years.

### 3. Be Willing to Adapt

It is very likely that Plan Commission and/or Council will require modifications to the original proposal. These requirements and alterations are suggested to encourage approval and are not an inherent no to the development. Understand that any changes to the development that were not included in the plans as approved will require a repeat of the entire process.

## **Policies to Regulate and Promote Small Lot Subdivisions in Monona**

Growing community concern over the City's aging housing stock and the need to redevelop to stay attractive to new families, supports the potential for small lot subdivision success in Monona. In keeping with the goals and objectives in City's Comprehensive Plan, Monona must encourage a balanced development of a variety of housing types. The following policy changes may be

implemented to encourage small lot subdivisions for infill development:<sup>16</sup>

### 1. Create a Small Lot Subdivision Ordinance

This Ordinance may include any or all of the following elements:

- A requirement that all small lot subdivisions adhere to guidelines that regulate the character, configuration, and size of small lot subdivisions in keeping with the General Use Performance Standards and General Site Performance Standards in the Monona Code.
- A zoning code amendment or rewrite that permits small lot subdivisions in residential, multifamily, two-family, retail, and commercial zoning districts, while still subject to the PCD process and subsequent requirements.

Points of Consideration:

- The ordinance must be in keeping with the City's Comprehensive Plan and long range planning goals.
- The ordinance shall be adaptive and inclusive.
- Los Angeles created a Small Lot Ordinance to avoid a request for a General Plan amendment and a zone change (rezone) to permit the development. If Monona does not want to continue rezoning project by project, the Ordinance could simplify the development process.
- A zoning amendment or rewrite requires a great amount of staff time and resources and could face resistance from the community.
- A zoning amendment or rewrite allows more room for infill projects in areas other than CDDs.

### 2. Establish Small Lot Subdivision Guidelines

Subject to Plan Commission approval, the City could expand and formalize the recommendations from this report in a separate document for potential developers. In

<sup>16</sup> These are policy ideas and not policy recommendations. By providing an array of options, this document affords the Plan Commission the ability to choose which policies to move forward with and which policies do not work in a Monona context.

order to utilize the flexibility afforded by the PCD process, guidelines help set a standard for development, but do not serve as the ultimate basis for approving or denying a project. Small lot design guidelines should be used in conjunction with any other adopted design guidelines for PCDs and CDDs, as applicable, and shall not supersede any adopted Plan Commission procedures for development.

#### Points of Consideration:

- Developments may require special exceptions from the Plan Commission
  - Projects that do not comply with the guidelines are subject to delays, redesign, and further community appeals.
  - Regardless if a development is in compliance with every guideline, the applicant is subject to the review process for PCDs, platting, and potential rezoning.
3. Make no Changes and Continue to Require all PCD Procedures and Rezoning Requirements

This option does not make any changes to the Zoning Code. The City could use the guidelines in this plan to help direct interested developers. Instead of searching the Zoning Code in its entirety, the City could provide a polished application checklist and targeted site map for small lot subdivisions to potential applicants.

#### Points of Consideration:

- This option limits the potential for small lot subdivisions to CDDs, unless a rezoning application is submitted and approved.
- The rezoning requirement might deter potential developers.
- Allows developers to choose any site in hopes that it will be rezoned.
- Plan Commission and Common Council have a greater burden if development procedures are not streamlined.

- The potential for redevelopment and new urbanist design remains limited.

#### Potential Positive Outcomes

- Puts the city on track to reach its goals of providing more owner occupied homes
- Increased density, which helps improve the city's "walkability"
- Between 2006 and 2014, the City issued 2,015 permits for small lot subdivisions.

#### Potential Negative Outcomes

- Numerous complaints over the loss of neighborhood character
- Increased traffic
- Residents were surprised that they lived in a zoning district that permitted this kind of development because the area primarily had single family homes.<sup>17</sup>

### Small Lot Subdivision Recommendations

In order for small lot subdivisions to be attractive to developers as well as current and future Monona residents, the City must make infill housing both a profitable business and positive outcome for the community.<sup>18</sup>

On the supply side, small lot subdivision development must be a profitable business. Infill projects tend to have higher development costs, fewer economies of scale, marketing challenges, and local opposition. To counteract these obstacles, Monona should:

<sup>17</sup> Walton, A. (2016). The L.A. artist is taking a stand against small-lot development, one bunch of balloons at a time. *Los Angeles Times*. Retrieved from [www.latimes.com/local/california/la-me-0323-small-houses-balloons-20160325-story.html](http://www.latimes.com/local/california/la-me-0323-small-houses-balloons-20160325-story.html)

<sup>18</sup> The Housing Partnership. (2003). Filling in the Spaces: Ten Essentials for Successful Urban Infill Housing. The Housing Partnership. Retrieved from <http://mrsc.org/getmedia/259C6236-42AD-45F2-8AA6-3465AE1B1D2F/FillingSpaces.aspx>



- Provide developers with feasible site criteria.
- Assist in the land assembly process.
- Retrofit and rebuild roads and utilities so the costs are not borne by development.
- Encourage community-oriented site planning.
- Update the zoning code to provide greater flexibility in site selection.

On the demand side, city staff and elected officials must build public understanding and support for these infill projects. Interested and engaged civic leaders can show the community that Monona wants to encourage new and innovative housing options. From a community development perspective, the public must be interested in these

projects to ensure that there is a demand and limited opposition. Therefore, the City should:

- Engage elected and civic leaders, as well as passive citizens.
- Advocate for the housing needs of future generations and take ownership of their part in the development process.
- Provide property owners with property value trends and redevelopment potential for their property and neighboring sites.
- As Monona works to build in rather than out to reach the goals in the Comprehensive Plan, small lot subdivision infill projects are strategic development options worth pursuing.



Small-Lot Subdivision Photo credit: richardschulman.com

# EMERGING HOUSING ISSUE: SHORT-TERM RENTALS



Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

While Monona plans for the future, there are some new issues on the horizon to take into account. The marketing of single family homes as short-term rentals (STRs) for vacationers and travelers is one such issue. This practice has become more popular in recent years due to the success of websites such as VRBO (Vacation Rental By Owner) and Airbnb. Cities across the country have wrestled with how to respond to short-term rentals, whether in tourist areas, cities, or suburbs. Cities recognize that allowing homeowners to earn extra money, and attracting tourists and visitors can be positive in terms of economic activity. On the other hand, cities are also concerned about the health and safety impacts, the effects on city tax revenues from hotels, concerns about absentee landlords, property maintenance, and interference with residential character of neighborhoods.

There are three main issues for municipalities in regulating STRs: (1) the zoning regulations on single-family houses<sup>19</sup> relating to “use” and whether STRs detracts from the residential character of the neighborhood;

<sup>19</sup> This discussion does not address when renters in multifamily units sublet their units on Airbnb. The ability of renters to rent out rooms on Airbnb is presumably covered by the landlord-tenant lease agreement under the invited guests policy, and does not necessarily raise the same issues of neighborhood character. However, these units do raise the same issues in terms of health codes and licenses.

(2) whether to require licensing and inspections for health reasons, including when/if food is served; (3) and whether/how to collect room taxes. Cities across Wisconsin have experimented with different approaches to each of these issues. However, many communities have not adopted specific ordinances or policies because the number of STRs has been quite small.

In terms of zoning, there remains a question as to whether renting out one’s house (or a room in one’s house) constitutes a separate “use” of the property other than the primary use of serving as a long-term residence for a single family unit. Many communities, including Monona, define family in single-family districts to limit the number of unrelated persons who can live together. Monona’s ordinance limits single-family housing to no more than 2 unrelated persons. But the definitions also include the phrase “living and cooking together as a single house-keeping unit and evidencing a stable family relationship.” While short-term renters would not be considered family members, it is unclear whether they should be considered “guests” in the normal sense of that word. If a property is primarily designed for short term rentals, the use would be

classified and regulated as either a tourist rooming house or a hotel. Most municipalities have not adopted formal definitions of short-term rentals, which presents problems for zoning enforcement. If the language of a zoning ordinance is unclear, silent, or ambiguous, the ordinance must be interpreted to allow the owner the maximum freedom to use her/his property.

Monona's current municipal code does provide definitions of hotels/motels as,

*A building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, bed and breakfast establishments, lodging houses, **rooming houses**, summer camps, apartment hotels, resort lodges and cabins and **any other building or group of buildings in which accommodations are available to the public, except accommodations rented for a continuous period of more than one (1) month** and accommodations furnished by any hospital, sanitariums or nursing homes or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings. (emphasis added)*

Likewise, a bed and breakfast establishment is:

*Any place of temporary lodging that provides four (4) or fewer rooms for rent, which is open for rental more than ten (10) nights in a twelve (12) month period, **is the owner's personal residence and is occupied by the owner at the time of rental, and in which the only meal served is breakfast.** (emphasis added)*

However, these definitions are in the chapter on taxation, not in the zoning code. Because short-term rentals are "accommodations for a consideration" and "available to the public" it would seem straightforward that they meet the definition of a "hotel" or "bed and breakfast establishment" for purposes of paying the Monona room tax. As the ordinances state,

*Pursuant to Sec. 66.75, Wis. Stats., a tax is hereby imposed on the privilege and service of furnishing, at retail, of rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Such tax shall be at the rate of eight percent (8%) of the gross*

*receipts from such retail furnishing of rooms or lodgings. Such tax shall not be subject to the selective sales tax imposed by Sec. 77.52(2)(a)1, Wis. States. Effective January 1, 1998, thirty percent (30%) or a maximum of Thirty-Five Thousand Dollars (\$35,000.00) of such tax shall be appropriated to the Monona Community Development Authority for purposes of promoting economic developments.*

The current interpretation of Monona zoning code, as previously reviewed by the Plan Commission, is that short-term rental of single-family homes (less than 30 days based on the definition of "transient") is not consistent with the characteristics of the single-family zoning district, and is therefore prohibited. Monona City Attorney Bill Cole referenced a case where Cedarburg, WI relied on a similar interpretation. Cedarburg lost when citations against short-term rentals were challenged. The court concluded that if the ordinance is ambiguous (which the courts said it was), then the ordinances shall be construed in favor of the free use of private property.<sup>20</sup>

## Short Term Rental Recommendations

There are three approaches Monona could take: prohibit STRs, permit with regulations, or make no specific ordinance provisions.

### 1. Prohibit STRs

If Monona wishes to prohibit short-term rentals, it could consider adding specific language in its zoning and other ordinances making specific references to short-term rentals. For example, within the single-family district regulations, it could add language indicating that offering accommodation for consideration to the general public for a period of less than one month is not a permitted use.

### 2. Permit with Regulations

Alternatively, Monona could add language to the zoning ordinance for single-family districts indicating that offering accommodation for consideration to the general public for a period of one month or less (or other time frames such as 7 days) is a permitted use subject to a number of conditions. These conditions

20 Heff Realty and Investments, LLP and Sandra Desjardin vs. City of Cedarburg Board of Appeals. [www.wicourts.gov/ca/opinion/DisplayDocument.pdf?content=pdf&seqNo=134011](http://www.wicourts.gov/ca/opinion/DisplayDocument.pdf?content=pdf&seqNo=134011)



could include requiring the property owner to apply for such a use as a temporary rental with the plan commission, much as one would a conditional use permit; requiring that the property owner pay the room tax; and/or requiring the property owner potentially be required to receive a license and/or health inspection from the county health department.

If Monona chooses to permit STRs with regulations, we recommend that additional regulations for parking, noise, and other nuisances be examined and strengthened. As well, the city could require that the property be the owner's principal residence (as would be consistent with the single-family definition), as a way to prevent investors or absentee landlords converting single-family properties into continuous short-term rentals. Other suggestions would include limits on the total number of nights per year

that rentals can be made available to the public. Alternatively, a tiered system could be adopted where homeowners are only required to register and pay the room tax if they exceed a small number of nights per year. For example, a homeowner who only rents a house on Airbnb less than 10 (or 30?) nights a year could be exempt from the regulations. This would allow many homeowners some flexibility with STRs while providing for regulation of properties that might negatively impact the character of the neighborhood.

### 3. Take a Hands Off Approach

As above, many cities in Wisconsin have not passed ordinances specifically related to STRs because they are of such limited extent and no complaints have been filed.



Photo by Jeff Miller/UW-Madison, © Board of Regents of the University of Wisconsin System.

# CONCLUSION

The City of Monona faces a new set of challenges in housing since the last iteration of the Strategic Housing Plan. Attracting first-time homebuyers has become a difficult challenge nationwide since the 2008 recession, with young families putting off their first home purchase until later in life due in no small part to financial barriers. Short-term renting is a new phenomenon in housing taking place and spreading across the country from New York City, to Portland, to the City of Madison and perhaps soon to the City of Monona.

Additionally, Monona confronts some of the same challenges as it did before the 2008 housing crash. The City is still landlocked by Madison and Lake Monona, which presents a finite and limited amount of open spaces for development. The City's housing stock also continues to age. As Monona's senior population increases, issues of "aging in place" have become all the more omnipresent in the city's housing affairs. Housing projects are, and will likely continue to be expensive, both for the city, for developers and for homeowners and prospective homebuyers.

Luckily, Monona has already taken steps to address these challenges. Through the Renew Monona program, the city has already demonstrated a strong commitment to both assisting first-time homebuyers, and assisting current homeowners in maintaining their housing quality. Monona's collection of tax increment districts also provide great financial potential for the near future.

Although strategies, programs, and organizations that can assist in these efforts may seem sparse, there are a vast collection of potential strategies and partners that are already geared toward addressing these issues. From providing assistance to a family buying their first home from a homeowner needing assistance to keeping their house up to code, resources exist at the state, national and local level to assist these needs. A useful variety of tools also exist to assist developers in building affordable housing in a financially low-to-moderate risk fashion. In Monona, there are a wide variety of land use decisions that can assist in housing decisions.

Moving forward, it would benefit Monona to engage in a multi-faceted marketing campaign. This would allow for potential residents to become more aware of the numerous amenities offered by the community and it would provide current residents with more information about the existing resources for home purchase and rehabilitation. Creating a website and brochures for those in the real-estate industry would be useful for disseminating this information.

*"Moving forward, it would benefit Monona to engage in a multi-faceted marketing campaign. This would allow for potential residents to become more aware of the numerous amenities offered by the community and it would provide current residents with more information about the existing resources for home purchase and rehabilitation."*

*-URPL 912 students*



# APPENDIX

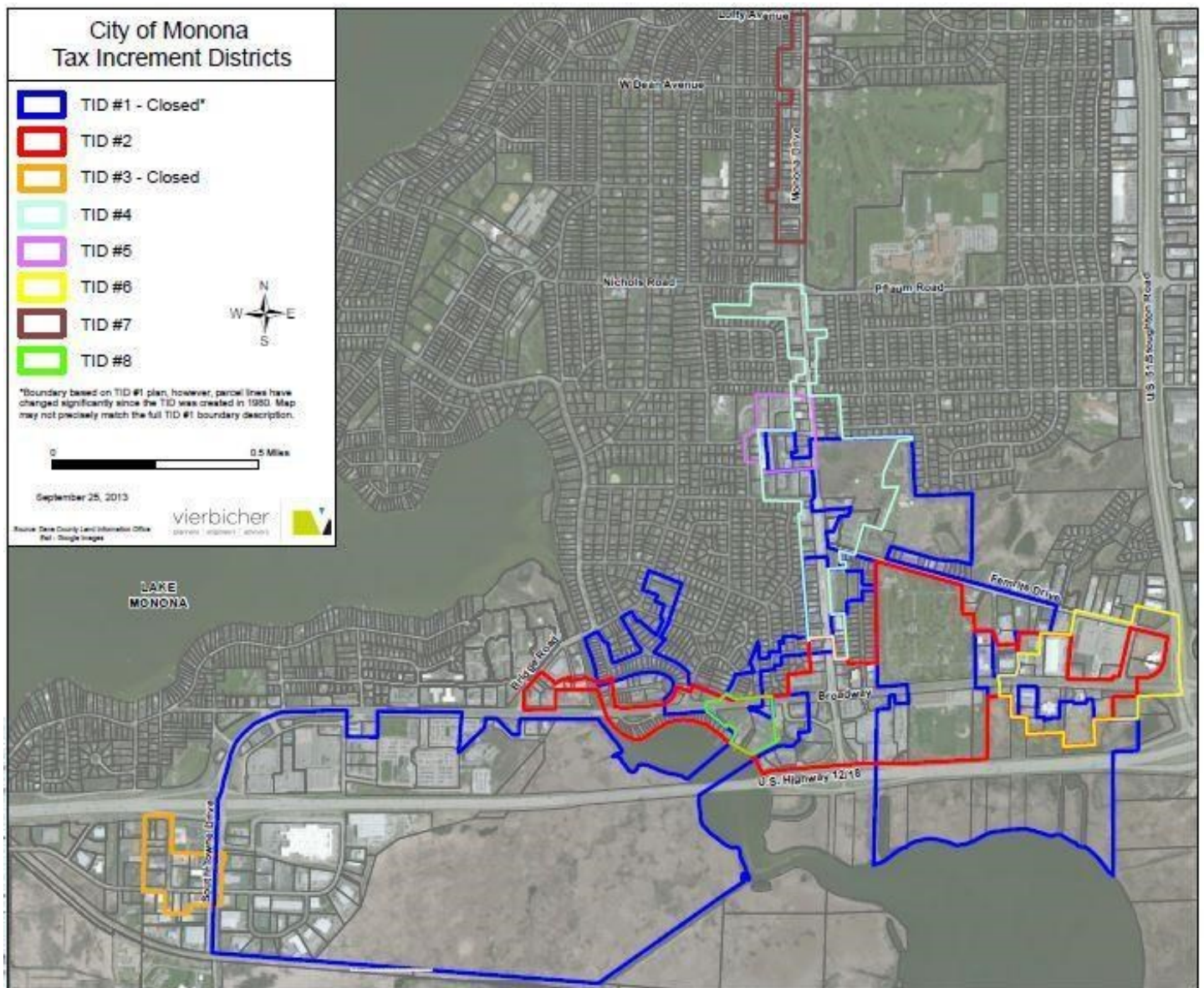




## APPENDIX

# Appendices

## Appendix 1: Map of Monona TIDs, active and inactive



## Appendix 2: Procedural Outline - Planned Community Development Applications

### City of Monona Code of Ordinances

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which might reasonably have been anticipated under the zoning in effect at the time the planned development was proposed.

- (h) **Implementation Schedule.** The proponents of a planned community development district shall submit a reasonable schedule for the implementation of the development to the satisfaction of the Council. The schedule shall include suitable provisions to assure that each phase could be brought to completion in a manner, which would not result in adverse effect upon the community as a result of termination at that point.
- (i) **Enforceability.** Such requirements as are made a part of an approved precise development plan shall be, along with the plan itself, construed to be enforced as a part of this Chapter.

#### **Sec. 13-1-104 Procedures.**

- (a) **Generally.** The procedure for a planned community development shall be as required for any other zoning permit application under this Code.
- (b) **Pre-Application Conference.** Prior to the submittal of a formal application for approval of a planned community development, the applicant shall meet with the Commission for an informal discussion of the proposed development in order to provide the basis for proper submittal and processing.
- (c) **Application.**
  - (1) The submittal for approval of a planned community development shall be in the form of a general development plan and a precise implementation plan. The application may be for a preliminary approval of a general development plan, followed by the submittal, in whole or part, of final detail plans for approval as a “precise implementation plan”, or for a combined general development plan.
  - (2) The application for a general development plan, a general development plan with a precise implementation plan, or a precise implementation plan shall be submitted in triplicate to the City Clerk who shall transmit it directly to the Commission for processing.
- (d) **General Development Plan.**
  - (1) The application for approval of a general development plan is intended to provide sufficient definition of the proposed development to make possible a determination as to its basic acceptability in terms of its character; its use pattern; its intensity of use; its economic, environmental, and service impact; and such other factors as would be pertinent to such basic decision prior to the preparation of detailed engineering, architectural and landscape architectural plans.
  - (2) The Plan Commission shall hold a public hearing for the purpose of collecting public input on the general development plan. The Commission shall provide a Class I notice in the official newspaper and shall also give at least ten (10) days’ written notice of the proposed plan and the time and place of the hearing at which any proposed change will be considered, to the owner of any lot or parcel of land immediately adjacent, contiguous, or separated only by a public right-of-way.
- (e) **Referral.** Within sixty (60) days after completion of the filing of the petition for approval of a general development plan, the Commission shall forward the petition to the Common Council with a recommendation that the plan be approved as submitted, approved with modification, or disapproved. Such report shall include findings of fact specifying the reasons for the Commission’s recommendation.
- (f) **Common Council Action.** Within thirty (30) days following receipt of the report of the Commission, the Council shall approve the recommendation, approve the recommendation with modifications, disapprove the recommendation or refer the matter back to the Commission for further consideration. In the case of approval or approval with modification, the Council shall approve the general development plan and may impose such conditions as it deems necessary to ensure that the development shall establish the basic right of use for the area in conformity with the plan as approved, but shall be conditioned upon approval by a precise implementation plan, and shall not make permissible any of the uses as proposed until a precise implementation plan is submitted and approved for all or a portion of the general development plan.



- (g) **Precise Implementation Plan.** A precise plan for implementation of all or part of a proposed planned community development district may be submitted concurrently with a general development plan or within a reasonable period of time as determined by the Council. If a precise implementation plan, which the Council determines to be a reasonable phase of the total plan, has not been submitted within such time, the Council may revoke the approval of the general development plan. The precise implementation plan shall present in greater detail the information given approximately in the general development plan. The precise implementation plan shall include detailed construction and engineering plans and related detailed documents and schedules.
- (h) **Public Hearing.** Whenever the precise implementation plan is submitted, the Commission shall hold a public hearing for the purpose of collecting public input on the precise implementation plan. The Commission shall provide a Class I notice in the official newspaper and shall also give at least ten (10) days written notice of the proposed precise implementation plan and the time and place of the hearing at which the precise implementation plan will be considered, to the owner of any lot or parcel of land immediately adjacent, contiguous, or separated only by a public right-of-way. A precise implementation plan submitted for approval shall be deemed to conform substantially to the general development plan approved provided any modification therein, including any modification in location, design and number of buildings, roadways and utilities, does not:
  - (1) Change the concept or intent of the preliminary plan approved; or
  - (2) Increase the gross residential density or intensity of use by more than ten percent (10%); or
  - (3) Reduce the area set aside for community open space by more than ten percent (10%), or in any case below that required for a minimum; or
  - (4) Increase by more than ten percent (10%) the floor area for non-residential use; or
  - (5) Increase by more than five percent (5%) the total ground area covered by buildings or structures.
- (i) **Referral.** Within thirty (30) days after completion of the filing for approval of the precise implementation plan, the Commission shall forward the petition to the Common Council with a recommendation that the precise implementation be approved as submitted, approved with modifications, or disapproved. Such report shall include findings of fact specifying the reasons for the Commission's recommendations.
- (j) **Common Council Action.** Within thirty (30) days following receipt of the report of the Commission, the Council shall approve the recommendation, approve the recommendation with modifications, disapprove the recommendation or refer the matter back to the Commission for further consideration. In the case of approval, of approval with modification, the Council shall approve the precise implementation plan and may impose such conditions as it deems necessary to ensure that the precise implementation plan conforms with and implements the previously approved general development plan.
- (k) **Recording.** In the event of approval of the precise implementation plan, the building site and operational plans for the development, as approved, as well as all other commitments and contractual agreements with the City offered or required with regard to project value, character and other factors pertinent to an assurance that the proposed development will be carried out basically as presented in the official submittal plans, shall be recorded by the developer within a reasonable period of time as determined by the Council in the County Register of Deeds Office. This shall be accomplished prior to the issuance of any building permit.
- (l) **Changes.** If the precise implementation plan submitted does not conform substantially to the general development plan previously approved, or if the applicant desires to amend substantially a development therein, amendments thereto may be approved only by following the procedure for original approval. No changes in the precise implementation plan approved hereunder shall be considered to waive any of the covenants or agreements limiting the use of land, buildings, structures and improvements within the planned community development unless specifically stated.
- (m) **Extension or Revocation.** If no substantial construction has begun in the planned community development within two (2) years after the approval by the Council of a precise implementation plan, the general development plan shall be subject to revocation upon written notice to the applicant from the City. The City may grant extensions of such period. In the event of revocation hereunder, an appropriate instrument of revocation shall be filed in the County Register of Deeds Office.
- (n) **Additions.** Land contiguous to an existing planned community development may be added to such planned community development provided such land is made a part of the original development plan

in all respects prior to its incorporation into such plan by an amendment of the development plan as provided in Subsection (k).

**Sec. 13-1-105 through Sec. 13-1-119    Reserved for Future Use.**

## Appendix 3: Procedural Outline for a Rezoning Application

### Article H: Zoning Map

#### Sec. 13-1-140 Map of Existing and Planned Uses.

The existing and planned uses within the City shall be shown on a zoning map prepared and adopted by the Common Council under Sec. 62.23(7)(b), Wis. Stats. Within such areas or “districts” the land shall be used only for uses compatible with the general characteristics of the districts as enumerated in Sections 13-1-61 through 13-1-104.

#### Sec. 13-1-141 Determination of Compatibility.

Since Sections 13-1-82 through 13-1-104 do not enumerate uses permitted by right, conditional uses or prohibited uses but indicate the general characteristics of each district, the Zoning Administrator under Sections 13-1-80 through 13-1-81, except for conditional uses, and the Commission in these and in all cases shall determine whether the proposed use is compatible with the district by applying the general performance standards and the performance standards enumerated in each section.

#### Sec. 13-1-142 Amendment of Zoning Map.

Since uses within the zoning “districts” are not specifically enumerated except according to the characteristics of the district, a rezoning amendment will not be required unless the Commission determines that a proposed use is incompatible with the district characteristics. If such is the case, the rezoning procedure of Section 13-1-143 shall apply. However, the Commission shall annually review the zoning map and on its own motion may propose amendments to the Zoning Map to the Common Council pursuant to Section 13-1-143.

#### Sec. 13-1-143 Amendment Procedure.

- (a) **Council May Award.** The Common Council may from time to time on its own motion or on petition, after first submitting the proposal to the Commission, amend, supplement or change the district boundaries or the regulations for the zoning districts, after hearing and report thereon by the Commission.
- (b) **Notice and Action on District Changes.**
  - (1) **Commission.** Any proposal to change the classification of any lot or parcel of land or the boundaries of any zoning district or the district regulations shall be submitted to the Commission for recommendation and report to the Common Council.
  - (2) **Notice and Hearing.** Upon referral of any proposal under Subsection (b)(1) to it, the Commission shall give notice, by publication of a Class II notice, under Ch. 985, Wis. Stats., in the official newspaper of the proposed changes and of hearings thereon, and shall give any person interested an opportunity to be heard. The Commission shall also give at least ten (10) days written notice of the proposed changes and the time and place of the hearing at which any proposed change will be considered, to the owner of any lot or parcel of land immediately adjacent to or extending one hundred (100) feet from the land included in the proposed change, and extending one hundred (100) feet from the street frontage of such opposite land. Such notice shall contain the street names and house, lot or parcel numbers of the land included in the proposed change. Such notice shall also be accompanied by a scale or plat map showing the land included in the proposed change in relation to nearby streets. The Commission shall also give at least ten (10) days prior written notice of any such change in the district plan to the clerk of any municipality whose boundaries are within one thousand (1,000) feet of the land to be affected by the proposed change. Failure to give personal notice to any property owner or to the clerk of any affected municipality shall not invalidate any such change.



- (3) **Report to Common Council.** The Commission shall report the result of any such hearing and its recommendation on any proposed change to the Common Council at the next regular meeting of the Council following such hearing. The Commission shall recommend adoption of the opposed change, or recommend its rejection or report that the Commission took no action thereon. Written notice of the Commission's recommendation shall be given prior to the Council meeting at which the recommendation will be reported to the Council, to each person who appeared before the Commission and to any other person who requests such notice. Failure to give such notice shall not affect Council action on any such recommendation. The Commission may also recommend that any proposed change be amended and if such suggestion is accepted in writing by the petitioners, a hearing on the revised change shall be held at a subsequent meeting of the Commission and notice shall be given as required herein. The Commission shall report any such recommendation to the Council for information purposes only.
- (c) **Action by Council** If the recommendation is to grant the proposed change, the City Clerk upon receipt of the recommendation shall refer the report and recommendations to the City Attorney for drafting the appropriate ordinance. The Common Council may, however, grant a zoning change which the Commission has not recommended, or may deny a zoning change recommended by the Commission. If any such action requires the drafting of an amendment to the Zoning Code, the matter shall be referred to the City Attorney for drafting.
- (d) **Appearances Before Council.** Any person interested in any such petition and the report and recommendation of the Commission may appear before the Common Council and shall be given an opportunity to appear and be heard with respect thereto. Any such person shall be heard under the order of business permitting public appearances as provided in Title 2, Chapter 2 of this Code of Ordinances. The Common Council may amend any zoning changed before it but if the effect of such amendment is to make the change a new proposal, such matter shall be re-referred to the Commission and the notice and hearing provisions of this Section shall apply.
- (e) **Protests.** In case of protest against such change duly signed and acknowledged by the owners of twenty percent (20%) or more either of the areas of land included in such proposed amendment, supplement, or change, or by the owners of twenty percent (20%) or more of the area of the land immediately adjacent extending one hundred (100) feet therefrom, or by the owners of twenty percent (20%) or more of the land directly opposite thereto extending one hundred (100) feet from the street frontage of such opposite land, such amendment, supplement or change shall not become effective except by the favorable vote of three-quarters (3/4) of the members of the Council.

**Note:** This Section was adopted as Charter Ordinance C1-76-92.

#### **Sec. 13-1-144 Zoning Upon Annexation.**

Territory annexed to the City shall be zoned as provided in the annexation ordinance under Sec. 66.021(7)(a), Wis. Stats., until amended.

#### **Sec. 13-1-145 through Sec. 13-1-159 Reserved for Future Use.**

## Appendix 4: Subdivision and Platting Procedures

City of Monona Code of Ordinances

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### Chapter 1

#### Subdivision and Platting

14-1-1	Preliminary Plat
14-1-2	Final Plat
14-1-3	Public Improvements
14-1-4	Lot Divisions
14-1-5	General Park and Public Land Dedication Requirements
14-1-6	Administrative and Other Fees
14-1-7	Penalty

#### **Sec. 14-1-1 Preliminary Plat.**

- (a) Submission and Review.
- (1) A subdivider wishing to subdivide land as defined in Sec. 236.02(8), Wis. Stats., shall present the preliminary plat and three (3) copies [one (1) copy being reduced to eleven (11) inches by seventeen (17) inches], and one (1) topographic map to the Plan Commission.
  - (2) The Plan Commission shall conduct a preliminary review of the proposed plat. A copy of the proposed plat shall also be forwarded to the Public Works Committee for review and recommendation. The topographic map shall be referred to the City Engineer for review and comment.
  - (3) The Public Works Committee shall, within thirty (30) days of receipt of the proposed plat, return the copy of the plat to the Plan Commission along with their recommendations and suggestions regarding the plat.
  - (4) The Plan Commission shall review the preliminary plat together with all recommendations and shall approve, conditionally approve, or reject the preliminary plat and shall recommend their action to the Common Council. The Common Council shall, likewise, approve, conditionally approve or reject the preliminary plat within ninety (90) days of its original submission and shall notify the subdivider in writing of any conditional approval or reasons for rejection.
  - (5) The ninety (90) day time period set forth in Subsection (a)(4) above may be extended by agreement with the subdivider.
- (2) **Failure to Act.** If the Plan Commission or the Common Council fail to act on the preliminary plat within ninety (90) days of its submission, or agreed extension thereof, the preliminary plat shall be considered approved.

#### **Sec. 14-1-2 Final Plat.**

- (a) Within six (6) months after the Common Council has approved the preliminary plat, the developer shall present the final plat to the Plan Commission for approval. Failure to present the final plat within six (6) months of approval of the preliminary plat shall be sufficient grounds for the Plan Commission or the Common Council to refuse to approve the final plat.
- (b) Within sixty (60) days after submission of the final plat, the Plan Commission shall review the final plat and determine whether it meets all conditions of the approved or conditionally approved preliminary plat and shall recommend their action to the Common Council. The Council shall within sixty (60) days of the original submission of the final plat approve or reject the final plat. If rejected, the subdivider shall be notified in writing of the preliminary plat conditions that have not been complied with. The sixty (60) day approval period may be extended by agreement with the developer.

- (c) If the Council fails to act on the final plat within sixty (60) days of its submission or agreed extension thereof, the plat is approved.
- (d) The subdivider shall obtain any necessary approval of State agencies or departments.
  - (1) The subdivider shall obtain all required signatures to all required certificates. The City Clerk and City Treasurer shall be the last two (2) signatures to be affixed to the final plat before submission to the County.
- (e) The subdivider shall present the plat for recording within thirty (30) days of the date of the last approval of the plat and within six (6) months of the first approval, in order to sustain an approved status.
- (f) The subdivider shall file two (2) copies of the recorded final plat with the City Clerk.

### **Sec. 14-1-3 Public Improvements.**

- (a) **Security.** Except as provided in Subsection (b), public improvements in new subdivisions or lot divisions shall be installed and financed as follows:
  - (1) The subdivider shall prepare a design of water, sewer and storm sewer facilities required and shall establish road grade and elevations after the final plat has been recorded. The subdivider shall also prepare cost estimates of water, sewer, storm sewer facilities and cost estimates of grading and graveling of streets. All work performed by the subdivider pursuant to this Subsection shall be per applicable City standards, and/or additional or other standards set forth by the City Engineer, and shall be subject to review and approval by the City Engineer.
  - (2) The subdivider shall deposit in full financial surety with the City Treasurer the costs estimated by the Engineer under Subsection (a)(1) unless the Common Council has determined that the developer may proceed under Subsection (b) hereof.
- (b) **Public Improvements in Tax Incremental Finance Districts.** If the Common Council determines that development of a particular project or parcel in a Tax Incremental Finance District is in the best interest of the City and such development is unlikely to proceed due to the cost associated with public improvements, the Common Council may direct that the public improvements be installed by the City at the City's expense. In that event, the City shall levy special assessments against the benefited properties to offset all or part of the cost of the public improvements. Special assessments levied under this Subsection shall be deemed special assessments for local improvements under Sec. 66.62, Wis. Stats. The provisions of Sec. 66.60, Wis. Stats., relating to notice and waiver of hearing, and of Sec. 66.62, Wis. Stats., relating to lien and appeals of local special assessments shall apply to assessments levied pursuant to this Section.
- (c) **Option of Developer to Install Public Improvements.**
  - (1) In Tax Incremental Finance Districts, the Common Council may allow developers the option of assuming responsibility for installation of public improvements described in Subsection (a) as herein provided.
  - (2) Prior to the recording of a final plat or approval of the development, the developer shall furnish the City with financial surety equal to one hundred ten percent (110%) of the estimated constructed costs and a copy of a private contract for installation of public improvements, both approved by the City Engineer in accordance with guidelines established under Subsection (c)(1). The surety shall guarantee payment of one hundred ten percent (110%) of the final project cost and hold the owner harmless from all claims, including any defects in workmanship or material for a period of one (1) year after the project improvements are completed and transferred to the City. If approved by the Common Council, an irrevocable letter of credit may be substituted in whole or in part for the financial surety.
  - (3) Upon certification by the City Engineer that the construction has been completed and meets all City requirements for public improvements and by the City Clerk that the developer has filed the necessary financial surety and satisfied all outstanding claims for work on the project, the City Engineer shall prepare and recommend to the Common Council a resolution for purchase of the improvements by the City on such terms and conditions as the Council deems in the best interests of the City. Payment in whole or part for the improvements may be made from the



City general fund, general obligation or revenue borrowings, tax incremental funds, special assessments against benefited property or any combination thereof.

- (4) Special assessments levied under this Subsection shall be deemed special assessments for local improvements under Sec. 66.62, Wis. Stats. The provisions of Sections 66.62 and 66.60(18), relating to notice and waiver of hearing, and of Sec. 66.62, Wis. Stats., relating to lien and appeals of local special assessments shall apply to assessments levied pursuant to this Section.
- (5) The City Engineer shall prepare a standard procedure manual implementing the provisions of this Section. After review and approval by the Common Council, the Manual of Procedure for Installation of Improvements in Tax Incremental Financing Districts shall be kept on file in the office of the City Engineer and be open to public inspection; compliance with the Manual shall be deemed a condition of approval of subdivisions or developments within tax incremental financing districts in the City.

#### **Sec. 14-1-4 Land Divisions.**

- (a) **Definition.** A "land division" shall be the division of any parcel of land within the City for purposes of sale or building development. It shall not include:
  - (1) Transfers of interest in land by will or pursuant to court order.
  - (2) Leases for a term not to exceed ten (10) years, mortgages or easements.
  - (3) The sale or exchange of parcels of land between owners of adjoining property if additional lots are not thereby created, and the parcels resulting are not reduced below the minimum lot sizes required by this Chapter or other applicable laws or ordinances.
  - (4) Land division creating four (4) or more lots or building sites within a period of five (5) years.
- (b) **Certified Survey Map.** A division creating not more than four (4) lots in a period of five (5) years. Any person desiring to accomplish land division by certified survey map shall file with the Plan Commission a certified survey map as defined in Sec. 236.34, Wis. Stats., and eight (8) acceptable copies thereof together with a written application for approval at least five (5) days prior to the meeting of the Plan Commission at which action is desired.
- (c) **Public Hearing.** The Plan Commission may schedule a public hearing on the proposed land division before taking action. In such case, the City Clerk shall give notice of the proposed land division to property owners within the area in which the land division is proposed as shall be deemed necessary.
- (d) **Review of Division.** The proposed land division shall be reviewed by the Plan Commission and the Public Works Committee for conformity with the provisions of this Code of Ordinances and the official map and Master Plan of the City.
- (e) **Access to Streets Required.** No proposed land division shall be approved unless the resulting lots front on a dedicated street at least sixty (60) feet in width.
- (f) **Action on Application.** The Plan Commission and Council shall, within ninety (90) days of application, approve, approve conditionally, or reject the proposed land division. The applicant shall be notified in writing of any conditions of approval or the reasons for rejection.
- (g) **Compliance With Statutes.** The certified survey map shall comply with Sec. 236.34, Wis. Stats., which is adopted by reference as part of this Chapter.
- (h) **Variances.** When, in the judgment of the Plan Commission or Council, it would be inappropriate to apply literally any of the provisions of this Chapter because extraordinary hardship would result, the Council may grant such variance from the provisions hereof so that substantial justice may be done and the public interests secured.

#### **Sec. 14-1-5 General Park and Public Land Dedication Requirements.**

- (a) **Dedication Requirement.** In order that adequate open spaces and sites for public uses may be properly located and reserved and in order that the cost of providing public areas, such as but not limited to, parks, recreation areas and public schools may be equitably apportioned on the basis of

additional need created by a certified survey or subdivision development, or residential development where a zoning permit is required under Section 13-1-180 to add dwelling units to a previously platted lot or lots, each subdivider or developer shall be required to dedicate land or pay fees in lieu of land for park or other public uses.

- (b) **General Design.** In the design of a subdivision, land division, planned unit development or certified survey, provision shall be made for suitable sites of adequate area for schools, parks, playgrounds, open spaces, drainage-ways and other public purposes. Such sites are to be shown on the Preliminary Plat and Final Plat, and shall comply with the City Master Plan or component of said Plan. Consideration shall be given to the preservation of scenic and historic sites, stands of trees, marshes, lakes, ponds, streams, watercourses, watersheds, ravines and woodlands, prairie and wetlands, and plant and animal communities.
- (c) **Site Reservations Required.**
  - (1) Where the area proposed to be divided contains a park, playground or other public area which is shown upon the master plan of the City, at the Common Council's determination, such area shall either be dedicated to the proper public agency, or it shall be reserved for acquisition thereby within a three (3) year period by purchase or other means. If the land is not acquired during this period, it shall be released to the subdivider.
  - (2) Whenever any river, stream or important surface-drainage course is located in the area being divided, the subdivider of land shall provide an easement along each side of the river, stream or drainage course for the purpose of widening, deepening, relocating, improving or protecting the river, stream or drainage course for drainage or recreational use.
- (d) **Land Dedication.**
  - (1) **Dedication of Sites.** Where feasible and compatible with the comprehensive or master plan of the City, the subdivider shall provide and dedicate to the public adequate land to provide for park, recreation, school and open space needs of the land development within the City of Monona. The location of such land to be dedicated shall be determined by the Common Council. Where the dedication is not compatible with the comprehensive or master plan, or for other reasons is not feasible as recommended by the Plan Commission, and as approved by the Common Council, the subdivider shall, in lieu thereof, pay to the City a fee as established by this Article, or a combination thereof.
  - (2) **Dedication of Parks, Playgrounds, Recreation and Open Spaces.** The developer shall dedicate sufficient land area to provide adequate park, playground, recreation and open space to meet the needs to be created by and to be provided for the land division, subdivision or comprehensive development. The minimum dedication shall be two thousand (2,000) square feet per proposed dwelling unit.
  - (3) **Unknown Number of Dwelling Units.** Where the plat, certified survey, or condominium does not specify the number of dwelling units to be constructed, the land dedication shall be based upon the maximum number of units permitted by the Municipal Zoning Code and this Chapter.
  - (4) **Minimum Size of Park and Playground Dedications.**
    - a. In general, land reserved for recreation purposes shall have an area of at least two (2) acres. Where the amount of land to be dedicated is less than two (2) acres, the Common Council may require that the recreation area be located at a suitable place on the edge of the proposed land division, subdivision or certified survey so that additional land may be added at such time that the adjacent land is subdivided. In no case shall an area of less than one (1) acre be reserved for recreational purposes if it will be impractical or impossible to secure additional lands in order to increase its area.
    - b. Land reserved for recreation purposes shall be of a character and location suitable for use as a playground, playfield or for other recreation purposes, and shall be relatively level and dry. A recreation site shall have a total frontage on one (1) or more streets of at least two hundred (200) feet, and no other dimension of the site shall be less than two hundred (200) feet.
  - (5) **Fees in Lieu of Land.**
    - a. Where, in the sole discretion of the Common Council, there is no land suitable for parks within the proposed land division or the dedication of land would not be compatible with the City's comprehensive development or park plan, the minimum size under Subsection (d)(4) above cannot be met, or City officials determine that a cash contribution would better serve



- the public interest, the Common Council shall require the subdivider to contribute a park and recreation development fee in lieu of land. The fees collected shall be held in nonlapsing fund to be used for purchase, development, improvement and maintenance of parks, playgrounds, open spaces and other recreational sites and facilities. The total fee shall be computed on the basis of the maximum residential use of each parcel permitted in the particular zoning district under the Zoning Code. For each proposed residential development, the fee shall be Seven Hundred Fourteen Dollars (\$714.00) for each residential unit. The fee shall be paid to the City at the time of final plat, certified survey or zoning approval. This fee shall be annually adjusted by the City Administrator by adding to the base fee the Consumer Price Index (CPI) (for the previous twelve (12) month period ending November 30) cost on January 1st of that year for each possible dwelling unit within the plat/land division allowed by the Zoning Code.
- b. The Common Council may, in its sole discretion, permit the subdivider to satisfy the requirements of this Article by combining a land dedication with a fee payment. If a land dedication of twenty-five percent (25%) of the required dedication is made, the subdivider shall also contribute an amount equal to seventy-five percent (75%) of the required per unit fee in lieu of land. If a land dedication of fifty percent (50%) of the required dedication is made, the subdivider shall also contribute an amount equal to fifty percent (50%) of the required per unit fee in lieu of land. If a land dedication of seventy-five percent (75%) of the required dedication is made, the subdivider shall also contribute an amount equal to twenty-five percent (25%) of the required per unit fee in lieu of land.
  - c. The City shall place any fee collected pursuant to the provisions of this Section in a separate account to be used at the discretion of the Common Council in any community park, for developing adequate parks, playgrounds, recreation and open spaces.
- (6) **Extraterritorial Areas.** Where the land division, subdivision or comprehensive development is situated within the extraterritorial jurisdiction of the City and the town operates and maintains a park system, the park land area dedicated to the town or fees paid to the town in lieu of such dedication shall be credited against any dedication required by or fee imposed pursuant to this Section.
  - (7) **Limitations.** A subdivider shall not be required to dedicate more than one-third (1/3) of the total area of the plat to meet the objectives of this Section.
  - (8) **Suitability of Lands.** The Common Council shall have sole authority to determine the suitability and adequacy of park lands proposed for dedication. Drainage ways, wetlands or areas reserved for streets shall not be considered as satisfying land dedication requirements.
  - (9) **Access to Dedicated Land.** All dedicated land shall have frontage on a public street and shall have unrestricted public access.
  - (10) **Utility Extensions.** The subdivider shall install or provide for installation of water and sanitary sewer lines to the property line of all dedicated land, where such services are to be provided to the adjacent properties.
- (e) **Reservation of Additional Land.** When public parks and sites for other public areas as shown on the Master Plan or Master Plan component lie within the proposed area for development and are greater in area than required by Subsection (d), the owner shall reserve for acquisition by the City, through agreement, purchase or condemnation, the remaining greater public area for a period of one (1) year of Final Plat approval unless extended by mutual agreement.
  - (f) **Development of Park Area.**
    - (1) When parklands are dedicated to the City, the subdivider is required to:
      - a. Properly grade and contour for proper drainage;
      - b. Provide surface contour suitable for anticipated use of area as approved by the City Engineer; and
      - c. Cover areas to be seeded with a minimum of four (4) inches of quality topsoil, seed as specified by the City Engineer, fertilized with 16-6-6 at a rate of seven (7) pounds per one thousand (1,000) square feet, and mulched, as specified in the standard "Specifications for Road and Bridge Construction Section 627 and 629". The topsoil furnished for the park site shall consist of the natural loam, sandy loam, silt loam, silty clay loam or clay loam humus-bearing soils adapted to the sustenance of plant life, and such topsoil shall be neither



- excessively acid nor excessively alkaline. Fine grading and seeding must occur within one (1) year following issuance of the first building permit within that land division unless otherwise authorized by the Common Council. The improved area shall not be deemed officially accepted until a uniform grass cover to a two (2) inch height has been established. It shall be the responsibility of the subdivider to maintain the area until the City accepts the dedication.
- (2) It shall be the responsibility of the City to maintain the dedicated areas upon their dedication and acceptance by the City.
  - (3) A neighborhood park area shall be provided by the subdivider with a standard residential water service unless located directly adjacent to a fire hydrant. A community park area shall be provided by the developer with a minimum six (6) inch water service or at least one (1) fire hydrant, and at least one (1) four (4) inch sanitary sewer lateral, all located at the street property line.
  - (4) The Common Council may require certification of compliance by the subdivider with this Article. The cost of such report shall be paid by the subdivider.
  - (5) If the subdivider fails to satisfy the requirements of this Section, the Common Council may contract said completion and bill such costs to the subdivider, following a public hearing and written notice to the subdivider of noncompliance. Failure to pay such costs may result in the immediate withholding of all building permits until such costs are paid.
  - (6) The subdivider shall pay all costs of public improvements in the public streets adjacent to or within all public and/or park lands.

#### **Sec. 14-1-6 Administrative and Other Fees.**

- (a) **General.** The subdivider shall pay the City of Monona all fees as hereinafter required and at the times specified before being entitled to recording of a plat or certified survey map. At the time of submission of a plat or certified survey, the Plan Commission, at its sole discretion, may require the subdivider to make a good faith deposit with the City Clerk to cover, in all or part, the expenses anticipated to be incurred by the City because of the land division. Unused portions of such fund may be refunded to the subdivider.
- (b) **Engineering Fee.** The subdivider shall pay a fee equal to the actual cost to the City for all engineering work incurred by the City in connection with the plat or certified survey map, including inspections required by the City. The subdivider shall pay a fee equal to the actual cost to the City for such engineering work and inspection as the Common Council and/or City Engineer deems necessary to assure that the construction of the required improvements is in compliance with the plans, specifications and ordinances of the City or any other governmental authority. Engineering work shall include the preparation of construction plans, standard specifications and administration of the engineering work.
- (c) **Administrative Fee.** The subdivider shall pay a fee to the City equal to the cost of any legal, administrative or fiscal work which may be undertaken by the City in connection with the plat or certified survey map.
- (d) **Concept Plan.** There shall be no fee for the City's review of a concept or sketch plan of a proposed land division. However, such reviews shall be conducted only as staff time permits.
- (e) **Preliminary Plat.**
  - (1) A subdivider who submits a Preliminary Plat for the Plan Commission and the Common Council shall file said Preliminary Plat with the City Clerk and shall deposit with the City Clerk a fee to cover the costs of reviewing said application. The fee for a Preliminary Plat shall be Two Hundred Dollars (\$200.00) plus Forty Dollars (\$40.00) per lot for every lot within the Preliminary Plat. If the plat is rejected, no part of the fee shall be returned to the petitioner.
  - (2) A reapplication fee of Twenty-five Dollars (\$25.00) shall be paid to the City Clerk at the time of reapplication for approval or amendment of any Preliminary Plat which has previously been reviewed.
- (f) **Final Plat Review Fee.**

- (1) The subdivider shall pay a fee of Two Hundred Dollars (\$200.00) plus Forty Dollars (\$40.00) per lot for every lot within the Final Plat.
- (2) A reapplication fee of Ten Dollars (\$10.00) shall be paid to the City Clerk at the time of a reapplication for approval or amendment of any Final Plat which has previously been reviewed.
- (g) **Certified Survey.**
  - (1) The subdivider shall pay an application fee of One Hundred Twenty-five Dollars (\$125.00) plus Twenty-five Dollars (\$25.00) per lot for each lot in a Certified Survey Map submitted for Plan Commission and Common Council review.
  - (2) Should the subdivider submit an amended or revised Certified Survey, the resubmittal fee shall be Twenty-five Dollars (\$25.00) for each amended or revised Certified Survey.
- (h) **Objecting Agency Review Fees.** The subdivider shall transmit all fees required for state agency review to the City Clerk at the time of application. Said review fees shall be retransmitted to the proper state review agency by the City Clerk. Said fees shall be applicable, where appropriate, to review fees required by the Wisconsin Department of Development, Wisconsin Department of Transportation, Wisconsin Department of Industry, Labor and Human Relations and the Wisconsin Department of Natural Resources.
- (i) **Public Site Fee.** If the subdivision does not contain lands to be dedicated as required in this Chapter, the City Clerk shall require a fee pursuant to Section 14-1-5 for the acquisition and development of public sites to serve the future inhabitants of the proposed subdivision.
- (j) **Assessments.** All outstanding assessments due to the City shall be due prior to the signing of the Final Plat or Certified Survey by the City.
- (k) **Cost Determination.** The subdivider of land divisions within the City shall reimburse the City for its actual cost of design, inspection, testing, construction and associated legal and real estate fees incurred in connection with the preliminary plat, final plat, replat or certified survey. The City's costs shall be determined as follows:
  - (1) The cost of City employees' time engaged in any way with the land division based on the hourly rate paid to the employee multiplied by a factor determined by the City Clerk to represent the City's cost for expenses, benefits, insurance, sick leave, holidays, vacation and similar benefits.
  - (2) The cost of City equipment employed.
  - (3) The cost of mileage reimbursed to City employees which is attributed to the land division.
  - (4) The actual costs of City materials incorporated into the work, including transportation costs plus a restocking and/or handling fee not to exceed ten percent (10%) of the cost of the materials.
  - (5) All consultant fees, including but not limited to legal and engineering, at the invoiced amount plus administrative costs. Unless the amount totals less than Fifty Dollars (\$50.00), the City shall bill the subdivider monthly for expenses incurred by the City. Statements outstanding for more than thirty (30) days shall accrue interest at the rate of one and one-half percent (1-1/2%) per month. Bills outstanding for more than ninety (90) days shall be forwarded to the subdivider's surety agency for payment. Amounts less than Fifty Dollars (\$50.00) shall be held for billing by the City until amounts total more than Fifty Dollars (\$50.00) or until the conclusion of project activities.

#### **Sec. 14-1-7      Penalty.**

Any person who shall violate any provision of this Chapter shall be subject to a penalty as provided in Section 1-1-7 of this Code of Ordinances. Sections 236.30 and 236.31, Wis. Stats., shall also be available remedies for violators of this Chapter.

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## Appendix 5: Wisconsin Blighted Areas Statute

### Wisconsin State Statute 66.1333(2m)

(b) "Blighted area" means any of the following:

1. An area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.
2. An area which by reason of the presence of a substantial number of substandard, slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use.
3. An area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

(bm) "Blighted property" means any property within a city, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provisions for ventilation, light, air or sanitation, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and is detrimental to the public health, safety, morals or welfare, or any property which by reason of faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provisions of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use, or any property which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.



## ABOUT THE UNIVERCITY YEAR

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

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