

Village of Cottage Grove Ad Hoc Housing Task Force FINDINGS & RECOMMENDATIONS

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Village of Cottage Grove Ad Hoc Housing Task Force

FINDINGS & RECOMMENDATIONS

Introduction

With this report, the Village of Cottage Grove joins a number of Dane County communities, Dane County as a whole, and communities around the state and nation that have recognized and studied a variety of pressing housing related issues. What are some of the key issues driving this level of scrutiny?

1. Limited supply
 - Dane County has underproduced housing in recent decades relative to employment and household growth.
 - Cottage Grove had the lowest percentage of its total housing units built since 2015 among all the comparable Dane County communities reviewed.
 - More affordable units have a lower profit margin and are riskier to build, therefore fewer such units are built further limiting the supply of affordable units.
 - When supply is limited, prices go up.
2. Housing is more expensive for everyone
 - Adjusted for inflation, housing costs continue to grow much faster than incomes; so regardless of income level nobody can afford as much housing as a household at their income level could afford in generations past.
 - Rising housing costs, limited supply of 'starter' homes, stagnating incomes, greater student loan debt burdens, a tendency to marry (and combine incomes) later are among the reasons it is harder for young adults to break into the home ownership market than in generations past, and wealth building opportunities of home ownership are delayed or lost.
 - Households at the income level of the general workforce or below are hit harder since fewer units in their price range are being built; currently in Dane County a household earning the median income cannot afford a median priced home.
3. A legacy of institutionalized racially discriminatory real estate practices
 - Through the mid-20th Century minority neighborhoods were 'redlined,' or identified as a high risk for mortgage lending, meaning capital for home purchase and maintenance was not available for whole portions of cities and population segments who lived there.

- At the same time new suburban, predominantly white neighborhoods were identified as low risk for loans and capital flowed into those areas.
 - Minorities who could afford to choose their neighborhood were often limited by racially discriminatory neighborhood covenants that explicitly prohibited them from purchasing homes in many areas.
 - Early zoning laws were often specifically manipulated to discourage building by lower income residents
 - Patterns of segregation often remain across a region long after the discriminatory laws causing those patterns had been made illegal
 - Generations of minorities were unable to partake in the wealth building opportunities provided by home ownership that were widely available to others
4. Household compositions are evolving
- Cottage Grove has traditionally prioritized larger single-family homes on larger lots, a housing type ideally suited to married couples with children
 - In 1960 44% of U.S. households were comprised of married couples with children, a figure that has steadily declined to 19% in 2020
 - Over the same span, the percentage of single parent and single person households has more than doubled
 - Per analysis by *Missing Middle Housing* author Daniel Parolek, the percentage of households with children is expected to fall from 27% in 2018 to 19% in 2040 while single person households are projected to increase from 27% to 39%
 - A broader range of housing options would appeal to a higher percentage of household types
5. Housing and climate change
- When people cannot obtain or afford housing near their workplace they tend to move further away and drive more, producing more greenhouse gas emissions
 - Larger detached units are less efficient to heat and cool than smaller attached units, and therefore produce more greenhouse gas emissions per person
 - Larger homes on larger lots typically have more impervious surface per person (more roof area, driveway or parking area, and street area) and therefore generate more stormwater runoff per person, with the potential to be exacerbated by more intense storms
 - Housing located within walking/biking distance of employment and amenities presents alternatives to driving everywhere
 - Single-family neighborhoods typically do not generate the density needed to make transit a feasible option

While the Village of Cottage Grove's Housing Task Force met for a limited duration, the Task Force acted within the context of the development and growth of the Village, Dane

County, and beyond; within the historical context of urban and suburban housing development in America; and within the context of real estate laws and regulations which have evolved over time to reflect ever-changing values and priorities. This study endeavors to understand the Village's place in that context to determine recommendations the Village may follow to address future housing issues and needs.

Comprehensive Planning and Housing

Since 1999 the State of Wisconsin has, by statute (66.1001)(1)(a), defined the required contents of county and municipal comprehensive plans. Housing is one of the required elements. Per statute the housing element is defined as follows:

(b) Housing element. A compilation of objectives, policies, goals, maps, and programs of the local governmental unit to provide an adequate housing supply that meets existing and forecasted housing demand in the local governmental unit. The element shall assess the age, structural, value, and occupancy characteristics of the local governmental unit's housing stock. The element shall also identify specific properties and programs that promote the development of housing for residents of the local governmental unit and provide a range of housing choices that meet the needs of persons of all income levels and of all age groups and persons with special needs, policies and programs that promote the availability of land for the development or redevelopment of low-income and moderate-income housing, and policies and programs to maintain or rehabilitate the local governmental unit's existing housing stock.

Since the comprehensive planning statute was implemented Cottage Grove's comprehensive plans have included a housing element. This study is intended to delve deeper into housing issues in a manner that can be incorporated into the housing element of future plans.

Timeline

- *January 1, 2019*- Dane County/DCHI Planner Olivia Parry presented to Village Board regarding housing needs in Dane County
- *June 17, 2019*- UW Professor Kurt Paulson presented to Village Board regarding updated Dane County housing study
- *June through August 2019*– Village Board ranked “expanding housing options/affordable housing/residential growth” as their 2nd highest priority
- *March 2, 2020*– creation of a Housing Task Force proposed to Village Board in response to priorities – unanimous vote to direct staff to keep working on task force
- *August 3, 2020*– after delays due to COVID, Housing Task Force concept brought back to Village Board – unanimous approval of objectives and mission statement

- *September through November 2020* – task force members approved
- *December 23, 2020* – first meeting of Housing Task Force
- *January 26, 2021* – Presentation by Olivia Parry, Senior Planner at Dane County & Dane County Housing Initiative: Intro to Regional Housing Issues
- *February 23, 2021* – Presentation by Kurt Paulsen, Assoc. Professor in Dept. of Urban Planning and Landscape Architecture at UW-Madison: 2019 Housing Needs Assessment
- *March 23, 2021* – Presentation by Steve Steinhoff, Agency Director and Director of Community and Regional Development Planning at Capital Area Regional Plan Commission: Regional Growth Trends
- *May 25, 2021* – Presentation by Erin Ruth, Director of Planning and Development at Village of Cottage Grove: History of Suburbanization
- *June 22, 2021* – Presentation by Kristi Shepherd and Lauren Martin of United Way of Dane County: Impact on Income
- *July 27, 2021* – Video of Presentation by Paige Glotzer, Assistant Professor at UW-Madison: Racial Discrimination in Housing
- *August 24, 2021* – Presentation by Megan Schuetz, Real Estate Development Program Manager, Movin’ Out Inc.: Affordable Housing Development Process
- *October 24, 2021* – Video by Dan Parolek: What is Missing Middle Housing?
- *April 21 and 23, 2022* – Open Houses

Mission statement

- the mission of the Village of Cottage Grove Housing Task Force is to ensure that the Village’s vision of a safe, friendly, and attractive community is widely attainable regardless of income, race, ability, age, and household composition.

Objectives

- 1) Understand housing inventory and demographics both in the Village of Cottage Grove and in the Dane County region currently and as trends over time
- 2) Identify areas of housing need both within the Village of Cottage Grove and in the Dane County region. Use available population and household projections to anticipate needs over time.
- 3) Consider locations proposed for various types of housing and review the Housing chapter within the current Village of Cottage Grove Comprehensive Plan.

- 4) Identify opportunities to encourage housing development that addresses the needs of the Village of Cottage Grove which may include recommendations to amend plans, ordinances, or procedures to better address identified needs.

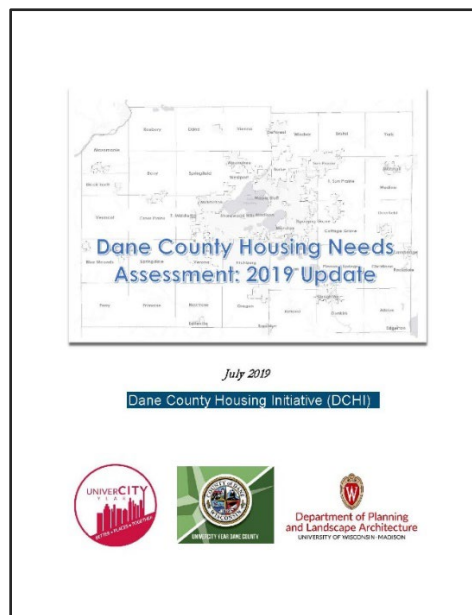
Housing in Dane County

Recent Dane County Actions

- (2014) Capital Area Regional Plan Commission (CARPC) produces ‘Fair Housing Equity Assessment’ which identifies barriers to opportunities in the region
- (2015) Dane County Housing Initiative (DCHI) releases ‘Housing Needs Assessment for Dane County’ and begins hosting housing summits
- (2015) Dane County initiates ‘Affordable Housing Development Fund’ which provides funds for development of affordable units throughout Dane County
- (2019) DCHI releases update to ‘Housing Needs Assessment for Dane County’
- (2022) Launch of Dane County Regional Housing Strategy, guided by technical committee consisting of representatives from 18 municipalities (including the Village of Cottage Grove), 21 regional partners, 5 state partners, 5 private for profit partners, 13 private non-profit partners, and 3 youth representatives intended to build on local efforts, identify opportunities for collaboration, and create a vision for housing in Dane County for the next 10 to 20 years

2019 Dane County Housing Needs Assessment

The Dane County Housing Initiative (DCHI) is, according to its website, a “public private partnership of residents, elected officials, financial institutions, housing developers, school districts, private sector employers, local government staff, non-profit housing agencies and interested stakeholders.” DCHI is housed within the Dane County Department of Planning and Zoning.



DCHI commissioned a study to analyze changes in housing supply and demand in Dane County. Entitled the *Dane County Housing Needs Assessment*, the initial version of the report was published in 2015 and was authored by Kurt Paulsen, PhD, AICP, an associate professor in the University of Wisconsin-Madison's Department of Planning and Landscape Architecture.

The report was updated and republished in July 2019. The 2019 version of the document can be found on the DCHI website at the following link:

<https://danehousing.countyofdane.com/documents/assessmentReport/2019/Dane-County-Housing-Needs-Assessment-2019.pdf>

All are encouraged to read the full report, but for the sake of convenience key points are included below.

Key Findings

- Household income, number of households, and population in Dane County each grew 1.3% per year from 2010 to 2017
- Jobs in Dane County grew 1.7% per year from 2010 to 2017
- Rents in Dane County grew 2.3% per year from 2010 to 2017
- Dane County under produced more than 11,000 units relative to household growth
- One measure of housing gap: difference between number of renting households with incomes below 30 percent of area median income (AMI) and the number of units that would be affordable to those households – by this measurement Dane County's gap is 10,812 units
- Second measure of housing gap: measure of the number of lower income households who currently pay more than half of their income in rent – by this measure Dane County's gap is 13,050 rental units and 3,490 ownership units (the rental figure is a 26.9% increase since 2010)
- African American and Hispanic households experience disproportionately higher rates of housing stress and burden compared to white households at the same income level

Trends and Issues

- Changes in Dane County mirror changes across the United States
- Past decade saw dramatic swings in housing prices, construction levels, and household demand across the United States
- Housing bubble collapsed and Great Recession resulted in millions of foreclosures and job losses

- Housing construction dropped to lowest levels in decades – there remains a significant housing shortage in Dane County and nationwide
- In Dane County median rents have grown faster than incomes (1.6% to 1.3%)
- Growth is unbalanced – rate of growth of jobs exceeded rate of growth in households and household income which in turn far exceeded rate of growth in housing
- We are adding jobs faster than population meaning many people who work in Dane County cannot live in Dane County
- We are adding population faster than housing units – vacancy rates have declined and rents are increasing
- When population and jobs grow faster than housing families can struggle to find a decent place to live near where they work or must pay more for housing
- Construction costs have also been rising – 14.7% between 2010 and 2017 in the Madison region
- Shortage of new housing plus increased construction costs plus strong housing demand has exacerbated an already expensive and unaffordable housing market in Dane County
- Wisconsin’s 20 largest counties underproduced 20,000 housing units between 2006 and 2017 with over half in Dane County
- Number of low-income renter households paying more than 50% of income on rent decreased 1.4%, but due to population growth the number increased by 2,765 families
- Dane County’s rate of extreme cost burden of 67.2% is above Wisconsin average (65.3%) and national average (63.1%).

Housing Gap

- The study presents different approaches to considering affordable housing needs
 - First, examine the distribution of the population and jobs under the concept of ‘fair share’ or ‘regional balance’
 - Second, examine changing rental demand and changes to rental housing stock
 - Third, estimate the housing gap for each municipality using two different methods, and examine changes over time
- Table 9 – Village of Cottage Grove has 1.03% of the county’s households, 0.60% of the county’s extremely low-income households (below 30% AMI), and 1.47% of county’s greater than 100% AMI households (2015 data)

- Table 10 – Village of Cottage Grove has 2,271 housing units and 1,801 jobs in the community, a jobs/housing ratio of 0.793
- Table 11 – Village of Cottage Grove: rental households earning less than 30% AMI increased 10% from 2010 to 2015; rental households earning between 30% and 50% AMI increased 42% from 2010 to 2015; rental households earning between 50% and 80% AMI increased 61.1% from 2010 to 2015
- Table 12 – Village of Cottage Grove: total rental housing units increased 9.3% from 2010 to 2015; numbers of units affordable to households at 30% AMI were 10 in 2010 and less than 10 in 2015; rental units affordable to households at 50% AMI increased 369%
- Table 13 – Village of Cottage Grove: number of rental households with incomes below 30% AMI = 110; number of rental units whose rent is affordable to households at 30% AMI = 0; affordable rental housing gap for households with incomes below 30% AMI = 110
- Table 14 – Village of Cottage Grove – owner households: number of extremely cost burdened households (paying more than 50% of income on housing) with incomes below 30% AMI = 15, with incomes between 30% and 50% AMI = 70, with incomes between 50% and 80% AMI = less than 10
- Table 14 – Village of Cottage Grove – renter households: number of extremely cost burdened households (paying more than 50% of income on housing) with incomes below 30% AMI = 110, with incomes between 30% and 50% AMI = 25, with incomes between 50% and 80% AMI = less than 10
- In Dane County there were 13,050 extremely cost burdened renter households and 3,490 extremely cost burdened owner households with incomes below 30% AMI
- In Dane County there were 2,575 extremely cost burdened renter households and 2,350 extremely cost burdened renter households with incomes between 30% and 50% AMI
- In Dane County there were 1,890 extremely cost burdened renter households and 650 extremely cost burdened renter households with incomes between 50% and 80% AMI
- Table 16 – Village of Cottage Grove – renter households: number of extremely cost burdened renter households with income less than 30% AMI increased 46.7% between 2010 and 2015; number of extremely cost burdened renter households with income between 30% and 50% decreased 50%

Racial and ethnic disparities

- Table 17 shows the distribution of income by race/ethnicity in Dane County from 2011 to 2015; *White*: percent less than 30% AMI – 11.3%, between 30% and 50% - 11.1%, between 50% and 80% - 17.9%, between 80% and 100% -

11.7%, and more than 100% of AMI – 47.9%; *African American*: percent less than 30% AMI – 38.3%, between 30% and 50% - 22.8%, between 50% and 80% - 14.7%, between 80% and 100% - 7.8%, and more than 100% AMI – 16.4%; *Asian*: percent less than 30% AMI – 26.5%, between 30% and 50% - 13.2%, between 50% and 80% - 13.0%, between 80% and 100% - 9.0%, and more than 100% - 38.3%; *Hispanic*: percent less than 30% AMI – 23.8%, between 30% and 50% - 29.6%, between 50% and 80% - 21.1%, between 80% and 100% - 8.2%, and more than 100% - 17.3%

- Disparities in income, combined with historic patterns of discrimination, red lining, and exclusionary zoning lead to spatial patterns of segregation and disparities in homeownership rates
- Table 18 shows homeownership rates by race/ethnicity and income level in Dane County from 2011 to 2015; percent of homeownership among households earning less than 30% AMI: White – 24.6%, African American – 1.9%, Asian – 7.3%, and Hispanic – 8.5%; percent of homeownership among households earning between 30% and 50% AMI: White – 37.0%, African American – 4.4%, Asian – 7.9%, and Hispanic – 12.3%; percent of homeownership among households earning between 50% and 80% AMI: White – 49.8%, African American – 14.7%, Asian – 29.2%, and Hispanic – 23.6%; percent of homeownership among households earning between 80% and 100% AMI: White – 65.6%, African American – 23.8%, Asian – 53.4%, and Hispanic – 58.5%; percent of homeownership among households earning more than 100% AMI: White – 82.7%, African American – 59.8%, Asian – 65.3%, and Hispanic – 73.2%

Housing Dane County's workers

- Table 20 shows information about the 25 lowest paid occupations in Dane County with at least 1,000 employees using 2018 data
- The 25 lowest paid occupations employ a total of 82,120 workers, comprising 20% of the county workforce
- The five occupations with the most employees are: retail salespersons, food prep workers, cashiers, janitors and cleaners, and waiters and waitresses – others on the list include receptionists, teacher assistants, social and human service assistants, preschool teachers, and hairdressers
- The 10th percentile of income for the 25 lowest paid occupations is \$19,258; the 25th percentile is \$21,953; and the 50th percentile is \$26,628
- The 10th percentile of income for all occupations is \$21,510; the 25th percentile is \$29,420, the 50th percentile is \$42,770
- Table 21 shows affordable home budgets for 1 or 2 workers for the 25 lowest paid occupations

- The maximum housing budget that is considered affordable for a household with 1 worker in the 25 lowest paid occupations: for the 10th percentile - \$481.46, for the 25th percentile - \$548.83, for the 50th percentile - \$665.70
- The maximum housing budget that is considered affordable for a household with 2 workers in the 25 lowest paid occupations: for the 10th percentile - \$962.92, for the 25th percentile - \$1,097.66, for the 50th percentile - \$1,331.40

Housing Supply and Missing Middle

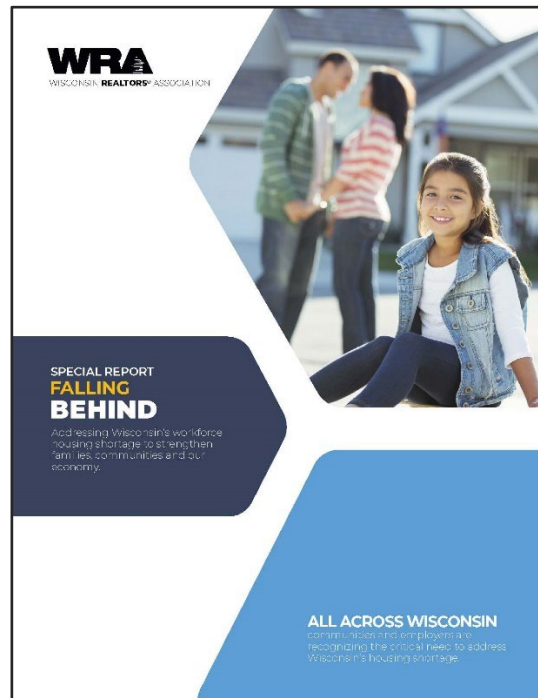
- Missing middle refers to types of housing (duplexes, courtyard apartments, triplexes, live/work units, accessory dwelling units, townhomes, small multifamily, cottage clusters/pocket neighborhoods, etc.) that used to be built in American cities but have largely disappeared with post-war zoning codes
- Table 22 shows the percentage of each community's housing stock this is in various types of buildings
- Village of Cottage Grove: single family detached – 65.9%; single family attached to 4 units – 19.6%; 5 to 9 units – 1.4%; 10+ units – 13.1%
- Dane County: single family detached – 53.4%; single family attached to 4 units – 16.7%; 5 to 9 units – 6.6%; 10+ units – 23.3%

Conclusions

- Dane County is fastest growing county in Wisconsin
- Income is growing overall, but rents and housing costs are growing faster than incomes
- Housing supply produced does not meet household growth
- Overall housing shortage contributes to increased housing scarcity, decreasing affordability, increasing rents, and increasing cost burdens
- Consequences of rising costs and decreasing affordability hits lower income working families the hardest

Housing in the State of Wisconsin

In addition to the Dane County study addressed above, Professor Paulsen was commissioned by the Wisconsin Realtors Association (WRA) to prepare a similar study analyzing workforce housing issues throughout the State of Wisconsin. Published in 2019, this study is entitled *Falling Behind: Addressing Wisconsin's Workforce Housing Shortage to Strengthen Families, Communities, and Our Economy*.



The document can be found at the following link:

[https://www.wra.org/Legislative/Special Reports/WRA 2019 Workforce Housing Report Falling Behind/](https://www.wra.org/Legislative/Special_Reports/WRA_2019_Workforce_Housing_Report_Falling_Behind/)

A detailed overview is provided below, however all are encouraged to read the full report.

- Executive Summary
 - Wisconsin is not building enough housing to keep up with demand
 - Existing housing stock is aging, and construction prices and housing costs are rising faster than inflation and incomes
 - Wisconsin has seen declining homeownership, particularly among younger families, first-time homebuyers, and African American and Hispanic families
 - Housing costs and rents are rising faster than incomes

- Compared to neighboring states, Wisconsin has the highest rate of extreme rental cost burden for lower income families and the second highest rate of extreme cost burden for lower income homeowners

- Causes of the Workforce Housing Shortage
 - Cause 1: Wisconsin has not built enough homes to keep up with population and income growth
 - Cause 2: Construction costs are rising faster than inflation and incomes
 - Cause 3: Outdated land use regulations drive up the cost of housing

- Results of Workforce Housing Shortage
 - Result 1: Housing costs are rising
 - Result 2: Declining homeownership
 - Result 3: Declining housing affordability

- Goals for reform
 - Goal 1: Build more housing
 - Goal 2: Increase housing choices with a more diverse housing stock
 - Goal 3: Rebuild and strengthen homeownership
 - Goal 4: Reinvest in older housing stock and neighborhoods
 - Goal 5: Make housing a priority

- Cause 1: Wisconsin has not built enough homes to keep up with population and income growth
 - From 1994 to 2004 building permits for new housing units averaged nearly 36,000 units per year, including about 24,500 single family permits and 8,000 multifamily units, and land divisions averaged over 14,000 new lots per year
 - From 2012 to the most recent data available annual lots created averaged 3,375 lots per year and building permits averaged about 16,000 units per year
 - From 2006 to 2017 Dane County grew by 36,334 households while adding 25,128 housing units – an underproduction of 11,206 units

- Cause 2: Construction costs are rising faster than inflation and incomes
 - Construction costs have been rising faster than inflation and income in recent years

- From 2010 to 2017 construction costs have increased by 14.7 percent in Madison
 - When construction costs go up, new housing becomes more expensive, but so too does existing housing due to increases in repair, remodeling, and replacement costs
 - Rise in construction costs is due to both an increase in material costs and to a severe labor shortage in the building and construction trades
 - Rising construction costs mean that all forms of housing are more expensive and less available
- Cause 3: Outdated land use regulations drive up the cost of housing
 - There is a growing bipartisan consensus that restrictive municipal land use regulations constrain housing supply and drive up the cost of housing
 - Research has demonstrated that restrictive zoning policies such as large minimum lot sizes, excessive parking requirements, prohibitions on multifamily development, accessory dwelling units, townhouses, or duplexes collectively reduce housing supply and variety and therefore drive up housing costs
 - Large minimum lot sizes, prohibitions on non-single-family housing, excessive parking requirements, requirements for high-end building materials, and long approval processes do not protect public health and safety but serve mostly to raise the cost of housing
 - Restrictive zoning regulations drive up housing costs in three ways: 1) they lower the supply of housing units in an area; 2) for units that are built, underlying land is more expensive; 3) when land is more expensive and larger lots are required, developers are forced to build more expensive and larger homes to recover the land costs
- Result 1: Housing costs are rising
 - Makes it harder for first-time homebuyers to enter the market and for seniors to downsize
 - Stifles the housing market as families are constrained from moving for job opportunities or are unable to adjust their housing consumption to meet their current lifestyle
 - From 2000 to 2017 median household in Wisconsin has grown 35 percent while median house price has increased 59 percent
 - In Wisconsin and all neighboring states, rents grew faster than incomes, 21.7% to 17.3%

- Result 2: Homeownership in Wisconsin is declining, especially among younger households and African-American and Hispanic families
 - With housing prices and rents rising faster than incomes and inflation and a shortage of new supply, the ability to attract new workers to Wisconsin and for existing workers to move into homeownership is constrained
 - Younger adults and families trying to re-enter homeownership face multiple barriers: need to save longer for down payments due to higher prices, higher rents make it harder to save, stagnant incomes, decreased credit availability, and higher levels of student loan debt
 - Families respond to increasing housing prices and a housing shortage near where they work in one of three ways: 1) renting, 2) purchasing a less expensive home further away from work, and 3) stretching to purchase a home with more debt

- Result 3: Declining housing affordability
 - Dane County is one of four Wisconsin counties (with Door, Sawyer, and Vilas) where the median income household cannot afford the median priced house
 - In 31 other counties the median household income can barely afford the median priced home
 - There are 14 counties where the median income renting household cannot afford the median rent, and 37 more (including Dane County) where the median income renting household can barely afford the median rent
 - The percentage of households (both owners and renters) that are extremely cost-burdened (spend more than 50% of income on housing) increases as income decreases

- Goal 1: Build more housing
 - Wisconsin needs to reduce regulatory barriers to ensure an adequate housing supply
 - Wisconsin law requires cities, villages, towns, and counties that have zoning or subdivision ordinances to have plans to “provide an adequate housing supply that meets existing and forecasted housing demand in the local governmental unit.”
 - Local government elected officials and community leaders need to take leadership to ensure their city, village, or town is providing adequate opportunities for housing supply – this involves reforming and updating zoning and subdivision codes, removing regulatory barriers, providing

financing, and helping to educate their community to overcome NIMBY opposition to new housing

- Regulations that raise the cost of housing and limit housing choices for the workforce can limit the ability of businesses to hire workers, can force workers to drive longer distances to their jobs, or can force residents to pay too much for housing
- Cities and states across the country are also recognizing that restrictive zoning can be exclusionary and foster excessive segregation
- Cities and states are increasingly realizing that separating land uses so that people have to drive everywhere and imposing large minimum lot sizes is expensive to service, causes excessive traffic, and creates unhealthy communities
- Goal 2: Increase housing choices with a more diverse housing stock
 - Demographics and housing demand are shifting
 - Average household size is declining
 - Baby boomers are aging
 - Younger households are more diverse
 - Families are increasingly looking for multigenerational options and flexible housing arrangements
 - Communities should provide a greater range of housing in every neighborhood that offers options for people at different life stages to stay in the same area
 - A wider variety of housing styles, types, and sizes in each neighborhood will help meet changing market demands, reduce workforce housing gap, and promote housing affordability
 - Strategies for Goal 2:
 - Expedited permitting and development approval processes for housing at the state and local levels
 - Require all cities and villages to allow “missing middle” housing types in at least one residential zoning district as a permitted use by right
 - Require municipalities to allow accessory dwelling units (ADUs) as a permitted use by right in all residential zoning districts
 - Better enforcement of existing requirements
 - Establish maximum lot sizes in sewer service areas
 - Use tax incentives to reduce costs for workforce housing

- Require municipalities to allow multifamily housing construction in at least one zoning district as a permitted use by right
 - Encourage and/or incentivize municipalities to plan for a better balance between jobs and housing
 - Analyze statewide workforce housing data
 - Financing for workforce housing in rural areas and small communities
 - Provide additional incentives to local government to approve workforce housing
 - Workforce housing tax increment financing districts

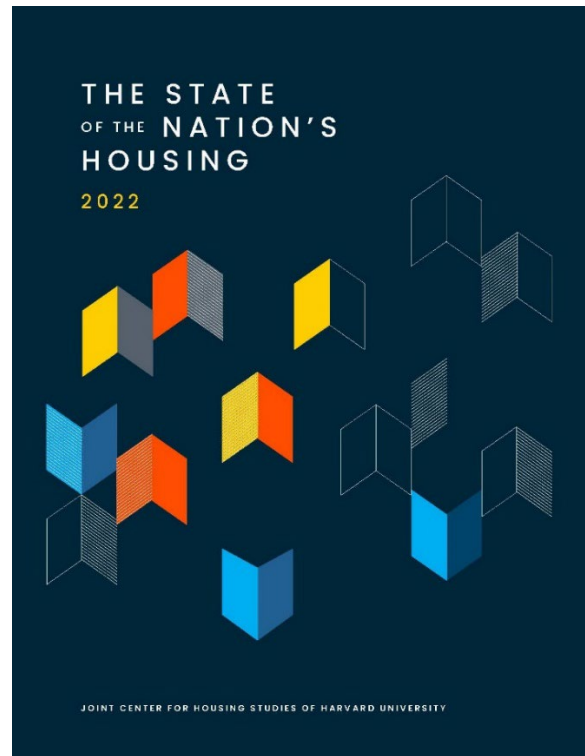
- Goal 3: Rebuild and strengthen homeownership
 - Expanding homebuying opportunities to groups currently underserved in the market (younger families, first-time homebuyers, and African American and Hispanic households) is crucial to the long-term economic health of Wisconsin
 - The African American homeownership rate in Wisconsin is 24.5%, while the national African American homeownership rate is 41.7%
 - The Hispanic homeownership rate in Wisconsin is 40.2%, while the national Hispanic homeownership rate is 47.2%
 - The homeownership rate for 25 to 34-year old households in Wisconsin is 43.6% while the average for neighboring states is 48.8%
 - Improving homeownership among these three underserved populations could result in 48,000 new homeowners in Wisconsin
 - Strategies for Goal 3:
 - Encourage cities, villages, and counties to make funding available for Down Payment Assistance Programs
 - Create a first-time homebuyer savings account program

- Goal 4: Reinvest in older housing stock and older neighborhoods
 - Older neighborhoods and housing provide great value and desirable places
 - Homes need reinvestment and rehabilitation to maintain value
 - Many older homes are occupied by seniors who may experience cash flow difficulties preventing them from making needed repairs and upgrades
 - Many older homes are not energy-sufficient

- For first time homebuyers looking at housing in older neighborhoods, financing the necessary repairs and improvements along with house purchase may put purchase out of reach
- Strategies for Goal 4:
 - Expand WHEDA's Transform Milwaukee Advantage program
 - Create a state tax credit or other financial incentives for the rehabilitation of older housing in older neighborhoods
 - Expand training and apprentice programs for displaced or underemployed workers
- Goal 5: Make housing a priority
 - Meeting Wisconsin's workforce housing challenge will require leadership and effort at all levels
 - Public statements from the governor and legislative leaders already indicate that making housing a priority is a bipartisan idea
 - Strategies for Goal 5:
 - Target state incentives to build and preserve workforce housing in Opportunity Zones
 - Expand state housing tax credit for rural areas
 - Financial incentives for innovative models
 - Coordinate housing programs
 - Technical and financial assistance for local governments
 - Create a revolving loan fund for nonprofit and affordable housing developers
 - Maintain and expand rental assistance programs

Housing in the United States

Every year the Joint Center for Housing Studies of Harvard University publishes *The State of the Nation's Housing*. The annual study looks at recent nationwide housing trends, and tracks changes over time. The 2022 study was released in June.



All are encouraged to read the study, but key points are excerpted below. The 2022 edition can be found at the following link:

<https://www.jchs.harvard.edu/state-nations-housing-2022>

- Housing Costs
 - 67 of the top 100 housing markets experienced record-high appreciation rates at some point over the past year
 - Median sales price for existing homes in 2021 was 5.3 times the median household income, up from 4.6 in 2020 and surpassing the previous record of 4.9 in 2005
 - Fewer existing homes were available for sale in January 2022 than at any point since the late 1990s; down 17.5% from January 2021 which was already a record low

- Combination of rising prices and higher interest rates have slowed homebuying activity so far in 2022
 - 28% of single-family homes purchased in the first quarter of 2022 were purchased by investors, up from 19% in 2021 and 16% from 2017 to 2019
 - Material shortages and disrupted supply chains have increased the cost of building supplies, up 20% from February 2021 to February 2022 compared to a 13% increase the year before
- Household Growth
 - The number of households increased by over 3 million between 2020 and 2022, driven by millennials reaching their prime years for household formation
 - Population growth hit a record low in 2021 due to natural population change and declining immigration
 - The racial composition of households has become increasingly diverse, with people of color adding 11 million new households between 2011 and 2021
 - The number of householders over 65 is projected to increase by 1.1 million per year through 2028
- Interest rates and Affordability
 - Record low interest rates in 2021 made mortgages attainable for more first-time homebuyers; however, rates have increased 2% in 2022 to 5.27%, the highest rate in 10 years
 - Due to that interest rate increase the monthly payment for the median priced home rose from \$2,100 per month to \$2,800 (a 35% increase) from April 2021 to April 2022
 - In April 2021 a household needed to earn \$79,570 annually to afford the median priced home, in April 2022 the necessary income had increased to \$107,500
- Record High Rents
 - Rents grew nearly 12% in 2021 and continued to increase at that rate through early 2022
 - Rents increased in all the 150 largest markets in the United States, and increased by double digit percentages in 116 markets
 - The vacancy rate for rental properties was 5.6% nationwide in late 2021, the lowest rate since 1984

- Vacancies increased substantially in many markets in the early pandemic, but have dropped below pre-pandemic levels

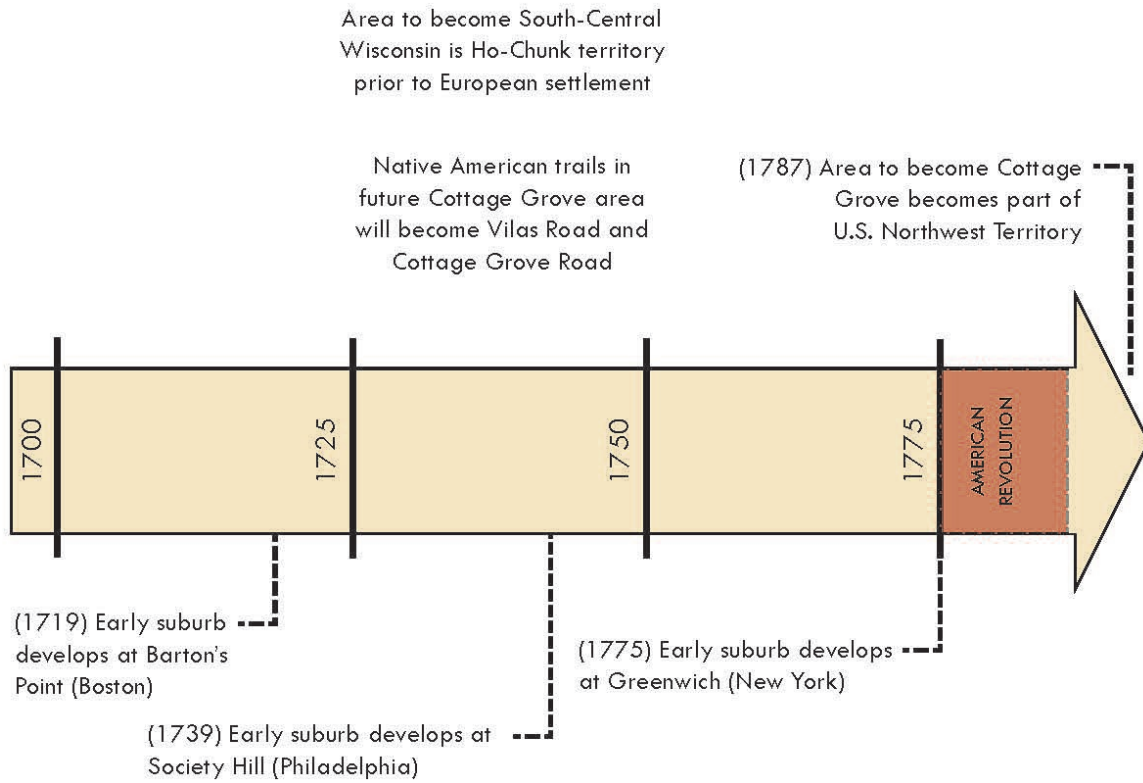
- Cost Burden, Evictions, and Climate Change
 - After moratoriums during the pandemic ended evictions have largely returned to pre-pandemic levels
 - Only 1 in 4 households that are income eligible for assistance programs actually receives assistance
 - Various natural disasters damaged 14.5 million residential properties in 2021, costing nearly \$57 billion

Development Timelines

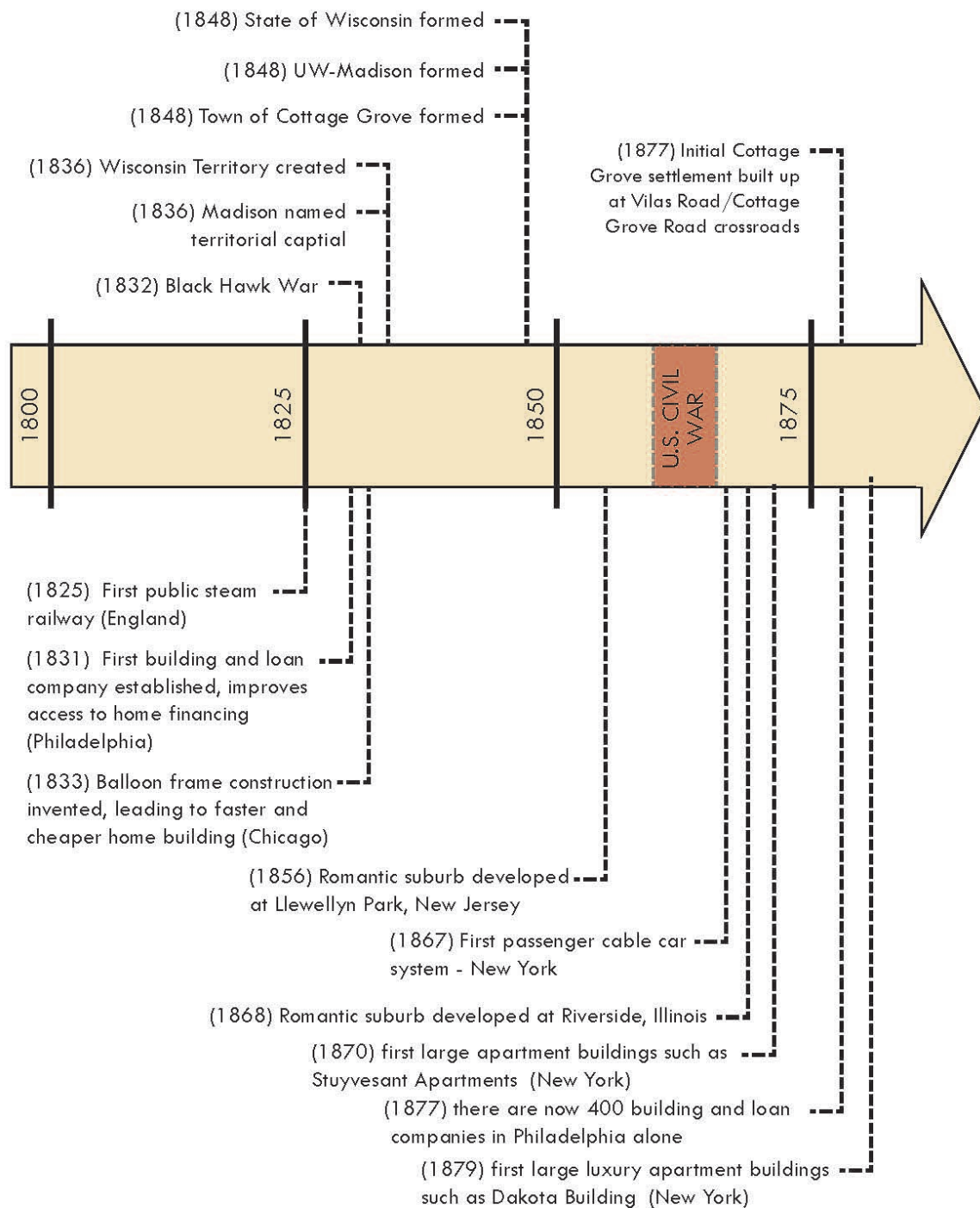
The Housing Task Force reviewed a series of timelines showing the development of the Village in context with trends in development, housing, planning, and urbanism around the country and beyond.

The timelines, which begin in the early 1700's and continue to the present day, can be found on the following pages.

Timeline, 1700 - 1800: History of Cottage Grove & Development Trends

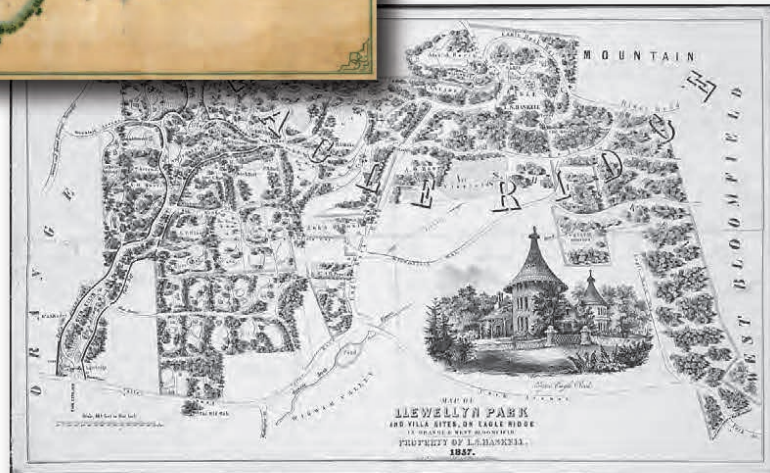


Timeline, 1800 - 1880: History of Cottage Grove & Development Trends



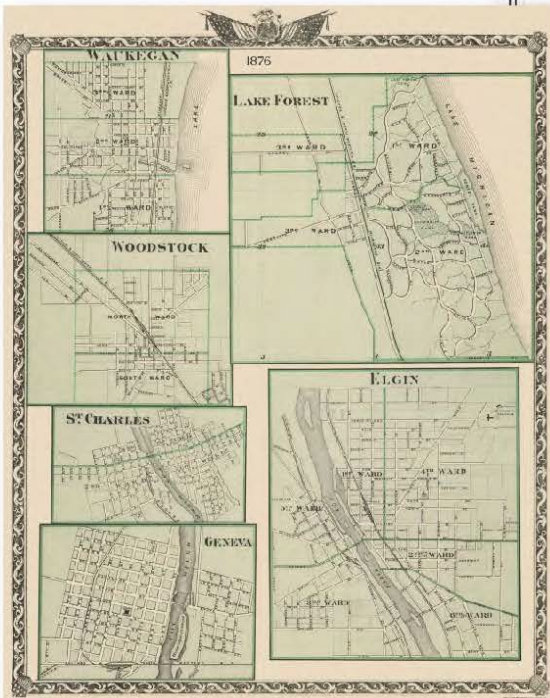
Suburban Typology: Romantic Suburbs

- Type of mid-19th century development – the first suburbs to be planned as complete and separate entities
- Semi-rural, but within rail commuting distance of central city
- Characterized by curvilinear streets, use of varying topography, and natural spaces
- Prominent examples include Llewellyn Park, NJ (1858) and Riverside, IL (1868)
- Inspired by work of landscape designer Andrew Jackson Downing & writer Catherine Beecher



Suburban Typology: Railroad Suburbs

- Unprecedented rail growth 1865 to 1900
- Railroad companies became real estate developers
- Suburbs spaced several miles apart due to distance needed to start and stop trains
- Size limited by walking distance from the depot
- Rail commuting was very expensive, limited to the very wealthy
- Railroad suburbs also occupied by working class near the rail lines and servants near lines or on estates



1898

CHICAGO NORTH SHORE AND MILWAUKEE R.R. CO.

Waukegan-Shore Line-Service
 Fast trains leave Chicago for Waukegan and following intermediate stations every 30 minutes:

Braeside, Ill.	Kenilworth, Ill.
Fort Sheridan, Ill.	Lake Bluff, Ill.
Glencoe, Ill.	Lake Forest, Ill.
Great Lakes, Ill.	North Chicago, Ill.
Highland Park, Ill.	Ravinia, Ill.
Highwood, Ill.	Waukegan, Ill.
Hubbards Woods, Ill.	Wilmette, Ill.
Indian Hill, Ill.	Winnetka, Ill.

Libertyville and Mundelein Service
 Ten limited trains daily to Libertyville, Ill., and Mundelein, Ill., making all stops at Skokie Valley stations.

BAGGAGE
 Baggage may be checked through from point of origin to all points served by the North Shore Line.

THROUGH TICKETS
 Through tickets to all points on the North Shore Line may be sold by all interline ticket agents.

CARLOAD FREIGHT CONNECTIONS
 The North Shore Line is in a position not only to handle, but also to expedite, carload business originating at points south or east of Chicago, destined to points north of Milwaukee, in Wisconsin, Minnesota, North and South Dakota, and all Northwestern States on the following railroads and their connections:

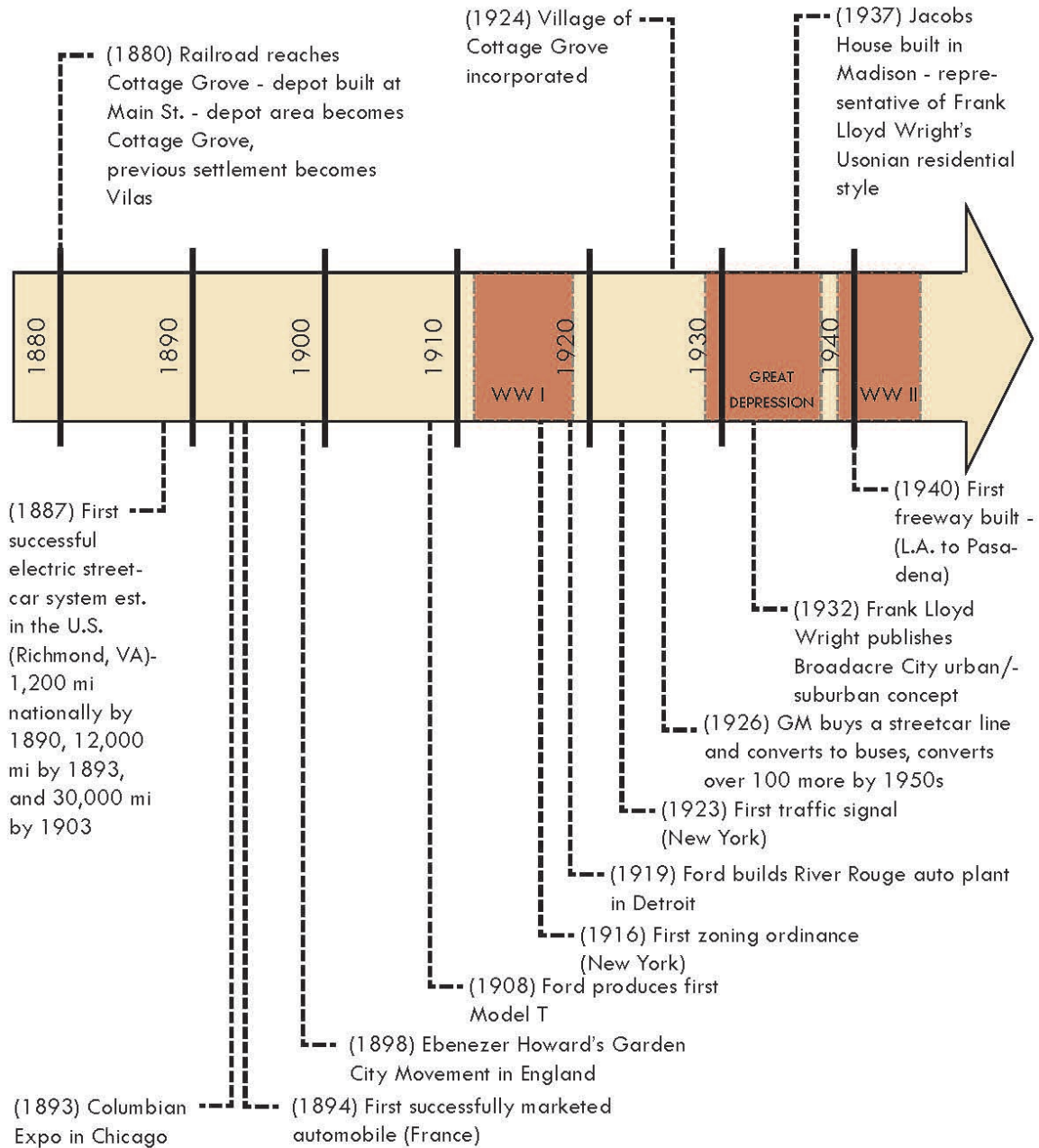
This carload traffic can be routed care of

1. E. J. & E. Ry., Rondout, C. N. S. & M. R.R., Racine, Wis., care C. M. St. P. & P. R.R.
2. E. J. & E. Ry. to Rondout, Ill., care C. N. S. & M. R.R. to Mundelein, Ill., care M. St. P. & S. S. M. Ry.
3. E. J. & E. Ry. to Rondout, Ill., care C. N. S. & M. R.R. to Great Lakes, Ill., care C. & N. W. Ry.

On Southbound movements use the reverse routing

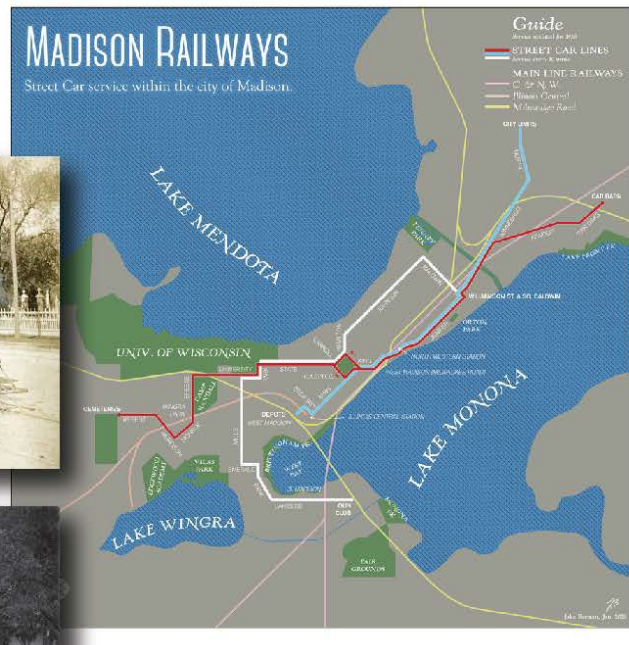
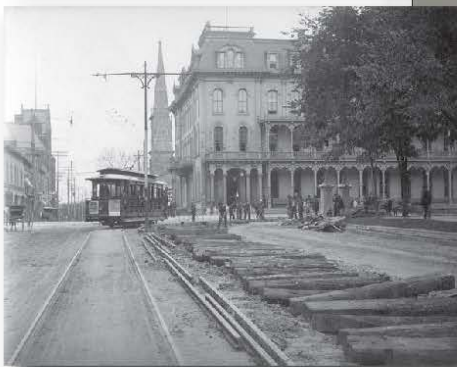
CHICAGO NORTH SHORE AND MILWAUKEE R.R. CO.

Timeline, 1880 - 1950: History of Cottage Grove & Development Trends

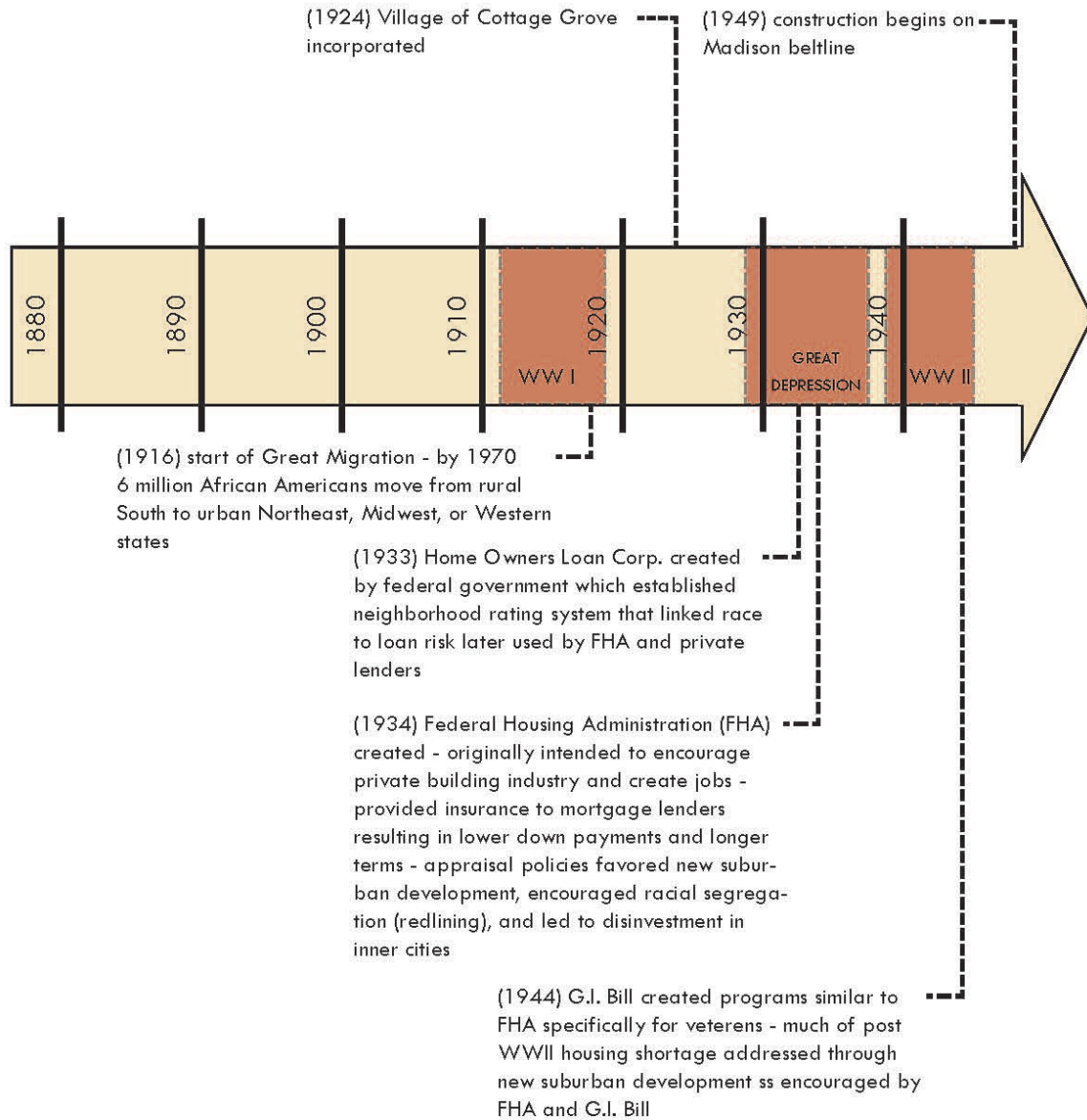


Suburban Typology: Streetcar Suburbs

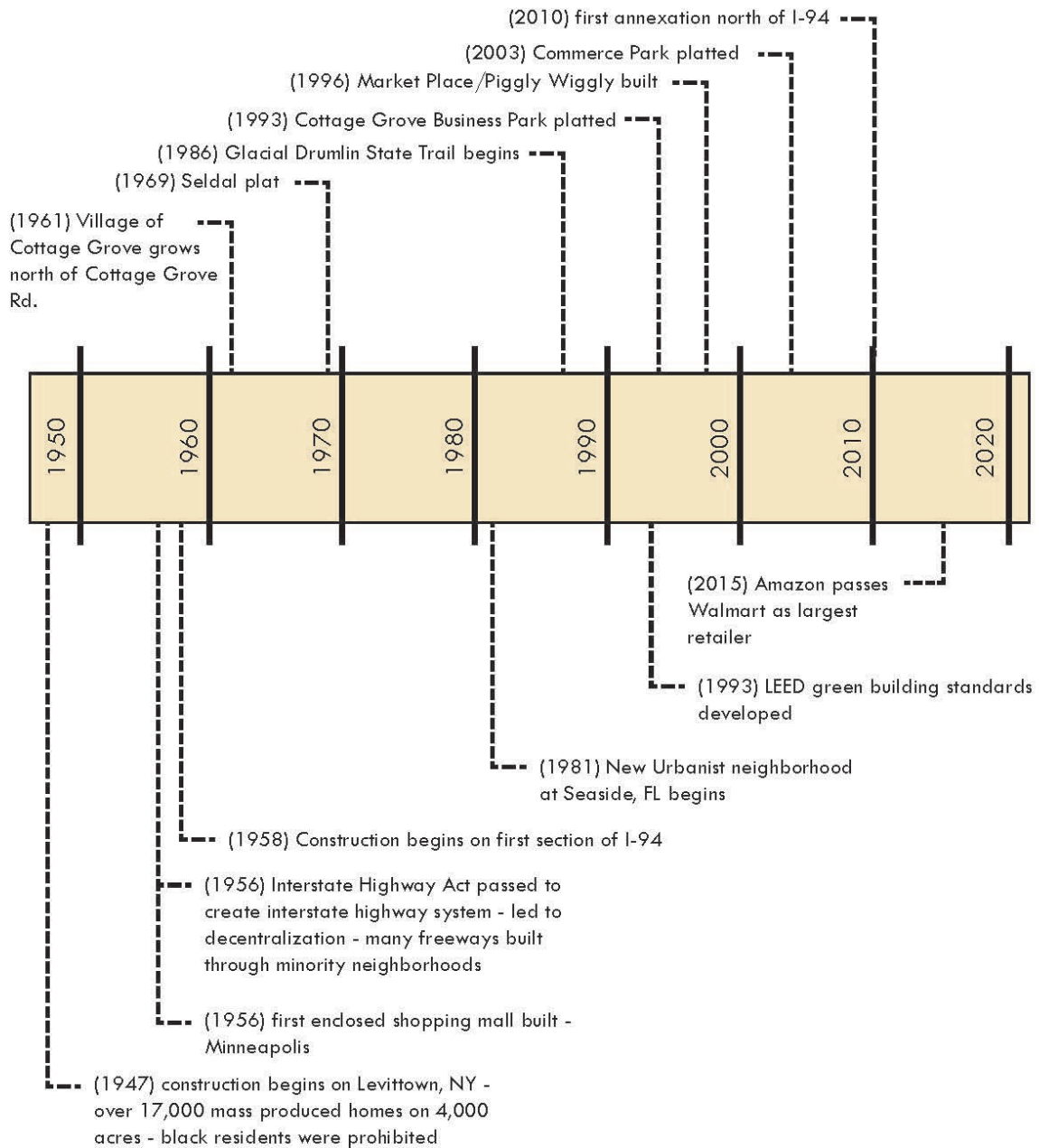
- Streetcars expanded rapidly after 1890 through the 1920's
- Streetcar companies also become real estate developers
- Stops could occur much more frequently than railroads
- Clustered within walking distance of station with a mix of uses closest to the station
- Small rectilinear lots were common
- Sidewalks and street trees used to enhance pedestrian experience
- Alleys were a common feature



Timeline, 1880 - 1950: History of Cottage Grove & Development Trends

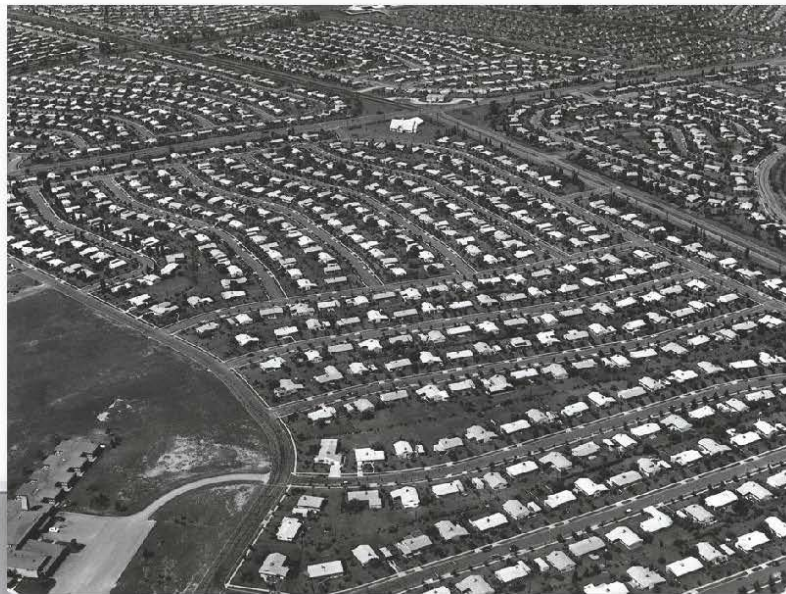


Timeline, 1950 - Current: History of Cottage Grove & Development Trends



Suburban Typology: Autocentric Suburbs

- Brief housing boom from 1922 to 1929 and again after World War II
- Did not need to be within walking distance of a particular point - less emphasis on the pedestrian experience
- Larger lots and lower density common
- Shopping and employment shifts to suburbs - suburb to suburb commuting becomes common - less reliance on the central city
- Garages and driveways replace alleys
- Aspects predicted in Frank Lloyd Wright's 'Broadacre City' concept from 1932



Suburban Typology: New Urban Suburbs

- Beginning in 1980s – similar concepts include Smart Growth, Traditional Neighborhood Development, and Transit Oriented Development
- Return to aspects of streetcar suburbs including small lots, multi-modal transportation, focus on pedestrian experience, and vernacular architecture
- Strives to provide settings for more social interaction (porches, parks, plazas, small commercial spaces integrated into neighborhood, etc.)
- Alleys, underground parking, etc. intended to accommodate cars while limiting impact
- Typically includes a mix of housing types



Racial Discrimination in Housing

In preparation for its July 2021 meeting the Housing Task Force was asked to watch a recorded presentation entitled “Racial Discrimination in Housing” by Dr. Paige Glotzer, an Assistant Professor and John M. and Jeanne W. Rowe Chair in the History of American Politics, institutions, and Political Economy at UW-Madison. Glotzer delivered the presentation at the Dane County Housing Initiative’s Fall Summit on December 16, 2020.

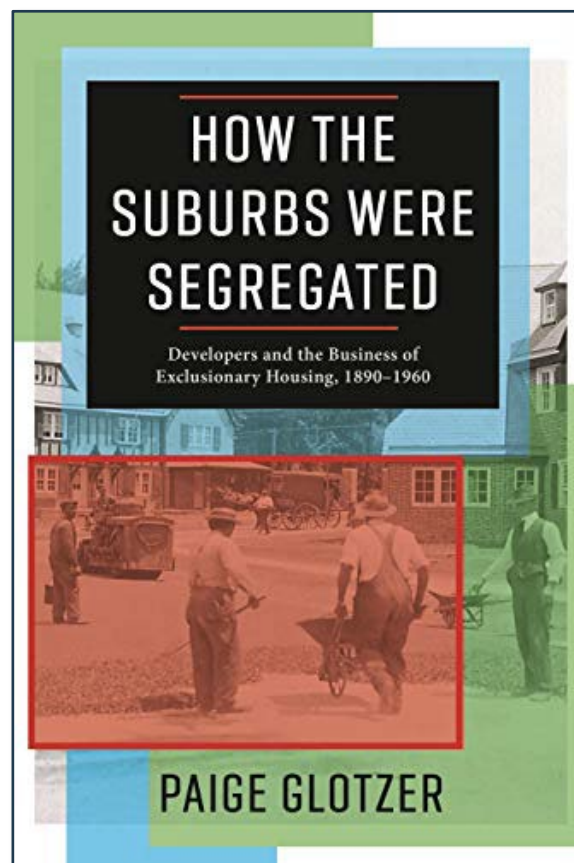
All are encouraged to watch the recorded presentation at the following link:

<https://www.youtube.com/watch?v=Oc9XlJxXbu4>

Slides that accompanied the presentation can be found at the following link:

<https://danehousing.countyofdane.com/documents/housing-summit/2020/Paige-Glotzer-Slides--DCHI-12-15-20.pdf>

More comprehensive treatment of the topic can be found in Dr. Glotzer’s book, *How the Suburbs Were Segregated: Developers and the Business of Exclusionary Housing, 1890 – 1960*.



- The following is an outline of the key points from the presentation:
- Restrictive covenants
 - Legally binding documents created by private developers establishing rules for subdivisions
 - Became a standard component of suburban residential development
 - Typically excluded land uses considered nuisances
 - Treated minorities as “nuisances” and prohibited land/home sales to non-white people
 - In many cases covenants were simply copied with new place names substituted and therefore standardized language spread rapidly
 - U.S. Supreme Court decision in 1948 (Shelley v. Kraemer) declared that courts cannot enforce racially restrictive covenants
- Zoning
 - Baltimore segregation ordinance enacted in 1910 making it unlawful for a minority to live in a white neighborhood, or vice versa
 - Many copycat laws were enacted in other cities soon afterward
 - Such laws were declared unconstitutional in 1917
 - Some communities then began to manipulate other land use characteristics within their zoning to less explicitly accomplish similar results (for example zoning traditionally black neighborhoods as ‘industrial’ or enforcing large minimum lot sizes or deep setbacks that ensured the cost of land necessary to meet the requirements would exclude people with insufficient wealth)
- Realtors
 - National Association of Realtors founded in 1908
 - Must be a member to call oneself a ‘realtor’
 - Original code of ethics for realtors called for maintenance of segregation as an ethical duty for the profession
- Exclusion files
 - Background checks by developers to exclude potential buyers based on race, religion, or other factors

- Redlining
 - Federal housing policy in the 1930s created the FHA (Federal Housing Administration)
 - FHA provided mortgage insurance to make it easier to borrow to purchase a home by reducing risk for lenders
 - FHA policy rated neighborhoods by perceived lending risk and ratings were color coded on maps with the neighborhoods perceived to be most risky shaded red
 - Minority neighborhoods were inevitably colored red while new suburbs tended to be green (lowest lending risk)
 - While FHA policy only applied to mortgages insured by the FHA, private lenders tended to adopt the policy and use the maps for non-FHA loans also
 - Obstacles to reinvestment in redlined areas undercut capacity for generational wealth building compared to suburbs

- Reverse redlining
 - Disinvestment due to redlining practices left most redlined areas occupied by poorer residents, who then became targets for predatory lending practices disproportionately affecting those areas when the housing bubble collapsed

United Way of Dane County

Representatives from United Way of Dane County delivered a presentation to the Housing Task Force in June of 2021. They noted that minority families in Dane County have disproportional struggles related to income and housing. United Way offers a number of programs including an affordable housing fund, the HIRE initiative to support job training and placement in jobs with family-supporting wages, Housing First which provides assistance to families struggling with homelessness, and eviction assistance.



**United Way
of Dane County**

Learn more about the efforts of the United Way of Dane County here:

<https://www.unitedwaydanecounty.org/>

Missing Middle Housing

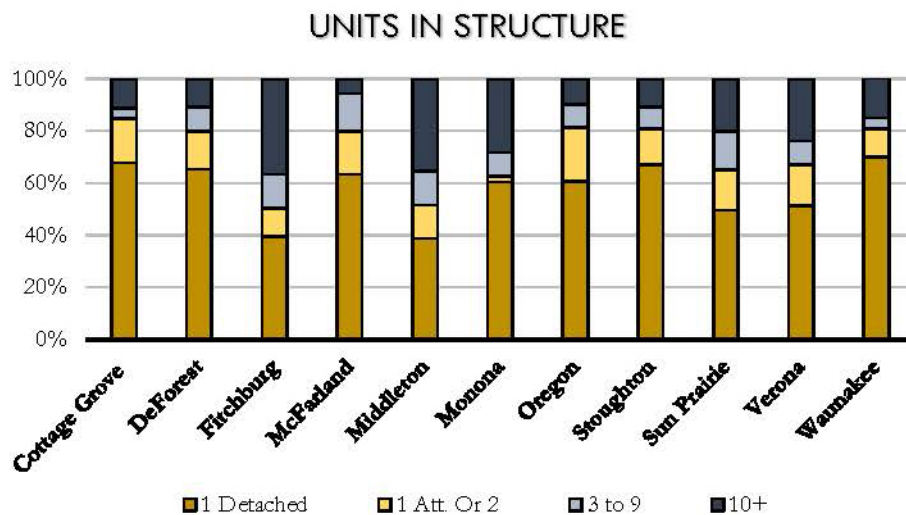
At the October 2021 meeting the Housing Task Force watched a video entitled, “What is Missing Middle Housing?” The video is largely an interview with Daniel Parolek, an architect/urban designer and founder of Opticos Design.

Parolek describes shifting household and cultural demographics and identifies a mismatch between available housing stock nation-wide and the housing options that many people need or want. He coined the term ‘missing middle housing’ to describe a variety of housing types between single-family and large multi-family buildings such as duplexes, fourplexes, townhouses, and cottage courts. He notes these missing building types were formerly common, but now are far less likely to be built.



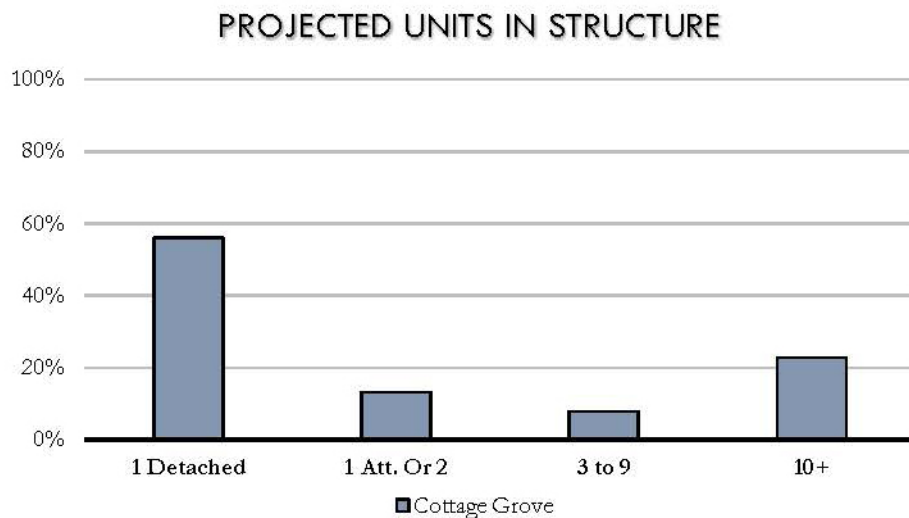
Parolek advocates removing the various barriers that prevent the construction of missing middle housing.

Data from the U.S. Census Bureau’s 2020 American Community Survey shows this nation-wide trend is present in the Village of Cottage Grove.



Per that most recent Census data, the Village of Cottage Grove had the second highest percentage of units in single-family detached structures (67.8%) after Waunakee (69.9%). Only four communities had a lower percentage of units in 10+ unit buildings (11.2%). Cottage Grove had the lowest percentage of units in 3 to 9-unit buildings (4.0%).

However, it should be noted that construction has continued in the Village since that data was collected. The chart below updates the Census data by adding building permit data from 2020, 2021, and to this writing in 2022, as well as estimated units in developments and subdivisions that are approved or are expected to be approved in the next 3 to 4 years.



The resulting percentages are generally consistent with many of the comparable communities in the 2020 Census data. It should be noted that many of the comparable communities also continue to add multi-family housing and their percentages will likely change over time as well.

While the percentage of units in 3 to 9-unit buildings is projected to rise, it would still be among the lowest of the comparables in the 2020 data. The Village should consider focusing more on those smaller multi-family, missing middle structures in the future.

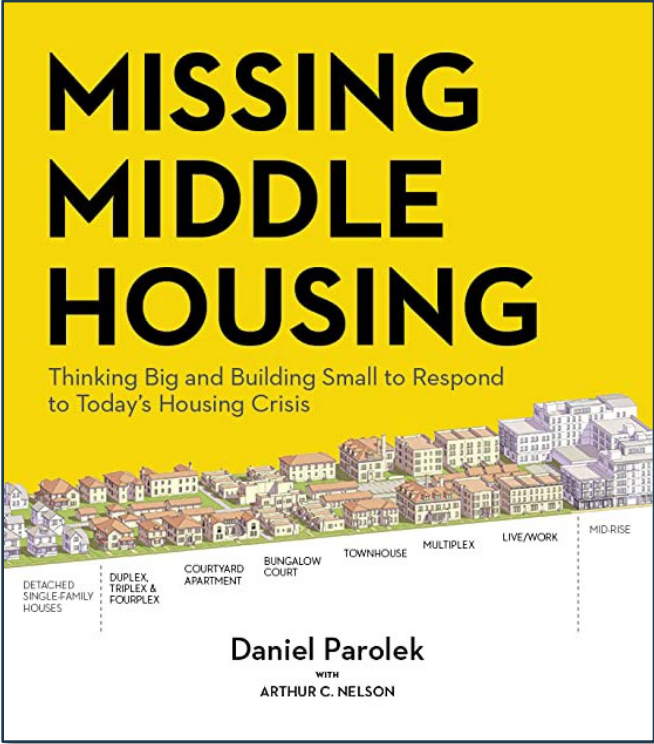
All are encouraged to watch the video at the following link:

<https://www.youtube.com/watch?v=pMnC4Lc78po>

Daniel Parolek and Opticos Design host a website dedicated to missing middle housing that includes research and resources:

<https://www.missingmiddlehousing.com>

More comprehensive treatment of the topic can be found in Daniel Parolek's book, *Missing Middle Housing*.



Housing and Neighborhood Design

When developing a neighborhood, developers must pay to construct the streets, utilities, and other infrastructure and these costs are passed on the homebuyer through the cost of the lot. Design aspects such as street width, curb radii at intersections, alleys, size and width of lots, depth of setbacks, and parking requirements are regulated through the zoning and/or subdivision ordinance.

Excessive or outdated regulations can inadvertently add to the cost of housing by increasing infrastructure costs and may create additional maintenance burdens for the municipality when that infrastructure is turned over to the public.

Such factors also contribute to the quality of the neighborhood, and more expensive infrastructure does not necessarily lead to a more appealing neighborhood. For example, wider streets with larger intersection curb radii are more expensive to build but will likely encourage higher driving speeds that negatively impact the pedestrian experience that many residents value highly.

In 2021, the Greater Madison Metropolitan Planning Organization (MPO) compared the regulations in Dane County communities and prepared a report (the ‘Pedestrian/Bicycle, Policies, and Street Standards’ report) to share the data collected. Several of the categories below reference the MPO report.

Street Widths

- Sale of developable lots must cover the cost of infrastructure such as streets and stormwater management; higher costs lead to higher lot prices/more expensive housing
- Narrower streets are less expensive to build and to maintain, and produce less runoff requiring less stormwater management infrastructure
- Narrower streets naturally limit vehicle speed and decrease pedestrian crossing distance, enhancing safety and improving pedestrian experience
- Value per acre adjacent to street indicates higher likelihood of development taxes paying for adjacent street maintenance
- In its ‘Pedestrian/Bicycle, Policies, and Street Standards’ report (referenced below as the ‘MPO report’), the Greater Madison MPO provided a comparison of street width regulations in Dane County
 - Per the report, the Village of Cottage Grove had among the widest typical street widths (28 to 36 feet), only the Village of Oregon used a width wider than 36 feet

Curb Radii

- Measurement of radius of the curb at intersections

- Larger radii create larger intersections with more paved area; these produce more runoff and encourage faster vehicle speeds through the intersection
- Larger radii curbs create longer crosswalks and increase time that pedestrians spend in the street crossing traffic, decreasing safety
- In the MPO report, the Greater Madison MPO provided a comparison of curb radii requirements in Dane County
 - Per the report, the Village of Cottage Grove had the largest typical curb radius at 25 to 30 feet; most communities used a 20-foot radius and some, such as the Village of Oregon, used a 15-foot radius

Alleys

- Homes with rear garages facing a residential alley do not require individual driveways; fewer driveways means fewer pedestrian/vehicle conflict points and a more pleasant pedestrian experience
- With no driveways needed, the same house could be placed on a narrower/smaller lot, reducing land price component of the home
- More of the tax base from a residence comes from the building and not the land; a block with narrower lots and more residences will create more overall tax value than the same block with wider lots and fewer homes
- Many examples exist of ‘green alleys’ with permeable pavement or pavers which infiltrate stormwater as opposed to creating additional runoff

Parking Standards

- Traditionally zoning ordinances regulate a minimum number of parking spaces required for residential and commercial developments
- Per the Village Subdivision Ordinance, 3 spaces (which may include the driveway) are required for a single-family or duplex home; in townhomes or apartments 2.5 spaces are required for each 3+ bedroom unit, 2 spaces for each 2 or 1-bedroom unit, and 1.5 spaces for each studio
- Parking, especially indoor/underground parking, is very expensive to build and can add considerably to the cost of housing while also reducing density on the lot
- Many communities are reducing or eliminating parking requirements, and some are instituting a maximum parking restriction

Sidewalks

- Sidewalk width is an important component to pedestrian comfort
- Wider sidewalks more easily allow users to walk side by side and can more comfortably accommodate wheelchairs
- Per the MPO report the Village of Cottage Grove had the narrowest minimum sidewalk width (4 feet); most communities had a minimum width of 5 feet

- Per the report, the Village of Cottage Grove is joined by most communities in requiring sidewalks on both sides of new streets

Pedestrian Accessibility

- The MPO report examined pedestrian crosswalk accessibility throughout Dane County
- A number of problematic intersections were identified in the Village; these should be improved during adjacent street repair or maintenance projects

Setbacks

- Minimum setbacks require the buildings on a lot to be a minimum distance away from the parcel boundaries
- Larger setbacks increase the amount of open space left on the lot around the building, therefore requiring more land – the cost of which is borne by the homebuyer
- Shorter front setbacks can improve the pedestrian experience by encouraging interaction between the home and the public right of way
- Shorter side setbacks can allow for narrower lots reducing the length of street needed for each home

Workforce Housing in Cottage Grove

The Glen Grove Apartments, located on the west side of N. Main Street/Highway N, north of School Road, is a 100-unit apartment building that was developed with Low Income Housing Tax Credits (LIHTC). The project was under construction at the time of this writing.



The project was developed by Movin' Out, Inc. Movin' Out is a Madison-based, non-profit developer founded in 1992 by a group of parents who wanted to create housing for their young adult children with disabilities. They have developed, built, and operate projects in Madison, Middleton, Monona, Stoughton, and Waunakee in Dane County as well as several projects in the Milwaukee area. It should be noted that while Movin' Out is a non-profit, they do pay property taxes on projects including for Glen Grove.

Movin' Out received LIHTC tax credits for the project through a highly competitive process. The credits originate at the federal level and are distributed in Wisconsin by the Wisconsin Housing and Economic Development Authority (WHEDA). In exchange for the credits, the recipient developer is obligated to calibrate rents to be affordable at a certain percentage of the local median household income. The units must remain affordable for a minimum of thirty years. The developer sells the tax credits to raise up front capital to fund the project's construction.

Left to the free market, affordable housing rarely gets built. Most aspects of a project cost the same whether the project is affordable or market rate. While many costs are the same, rents in a market rate building can be much higher. Therefore, it is simply less risky to build market rate housing, and affordable units require much more equity up front. Affordable housing is often built by non-profits

who specialize in building and managing such projects, and who don't have to return a profit to investors. The government incentives remove some of the risk that makes developing affordable projects less desirable in the marketplace.

While rents are capped relative to certain income levels, applicants will need to demonstrate a regular income, good credit, and a clean background check. Income levels that would qualify for housing in Glen Grove would be the equivalent of that made by a young teacher, a daycare provider, a hairdresser, or a retail clerk to name a few examples. If people filling those or similar jobs in Cottage Grove can not afford to live anywhere in the Village, local employers must draw employees from further away. Those workers are often tempted to switch to a more conveniently located job when the opportunity arises. Therefore, local businesses may be faced with under-staffing and/or they must pay more for the same workers with any service or price impacts borne by the local community.

Village of Cottage Grove & Comparable Community Data

The Housing Task Force reviewed U.S. Census data to better understand the Village's economics, people, and housing stock within the context of comparable communities in Dane County. The Task Force selected the following ten municipalities to be the comparable communities: the Cities of Fitchburg, Middleton, Monona, Stoughton, Sun Prairie, and Verona; and the Villages of DeForest, McFarland, Oregon, and Waunakee.

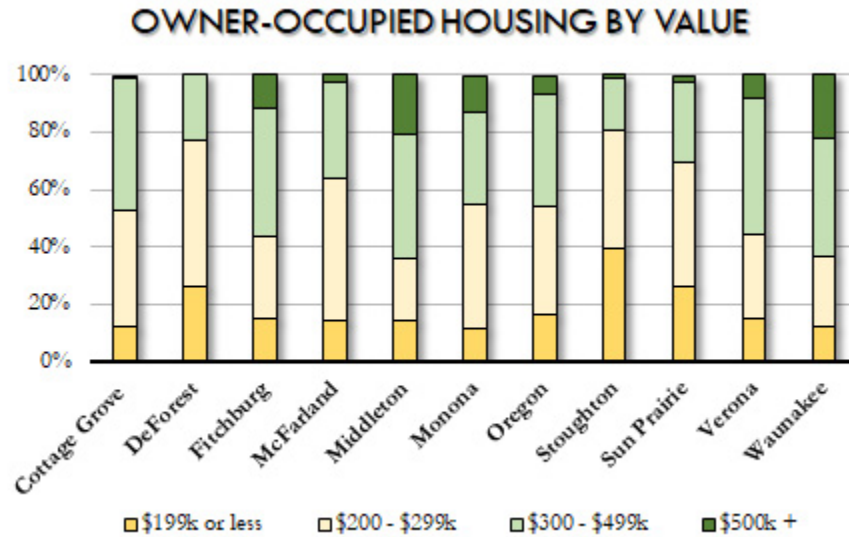
The U.S. Census Bureau is best known for conducting and reporting data from the decennial census, which endeavors to count every person in the United States. However, the Census Bureau creates a wide variety of data products. This study largely relies upon data from one such product, the 2020 American Community Survey, which is the source of all the data below unless otherwise noted.

The Census Bureau conducts the American Community Survey every month of every year. The Bureau sends the survey to 3.5 million addresses and asks about a wide variety of topics such as education, employment, transportation, and housing. Updated data sets are released every year and therefore, the American Community Survey represents the most recent data available from the Census Bureau. However, because the survey is sent to a sample of the population there is a margin of error for all data. The 2020 American Community Survey represents the most recent data available at the time of this writing.

By comparison, the Decennial Census is conducted once every ten years. It is intended to count every individual person in the United States and asks a relatively narrow range of questions. The Decennial Census counts are used for specifically mandated uses such as determining congressional representation and distributing certain types of federal funding. Because the Decennial Census records data from all persons, there is not a margin of error in the data. However, the narrow range of questions results in a narrower range of information available. The data also grows increasingly obsolete as time passes from the most recent Decennial Census. The Bureau conducted the most recent Decennial Census in 2020 and at the time of this writing data is still in the process of being released.

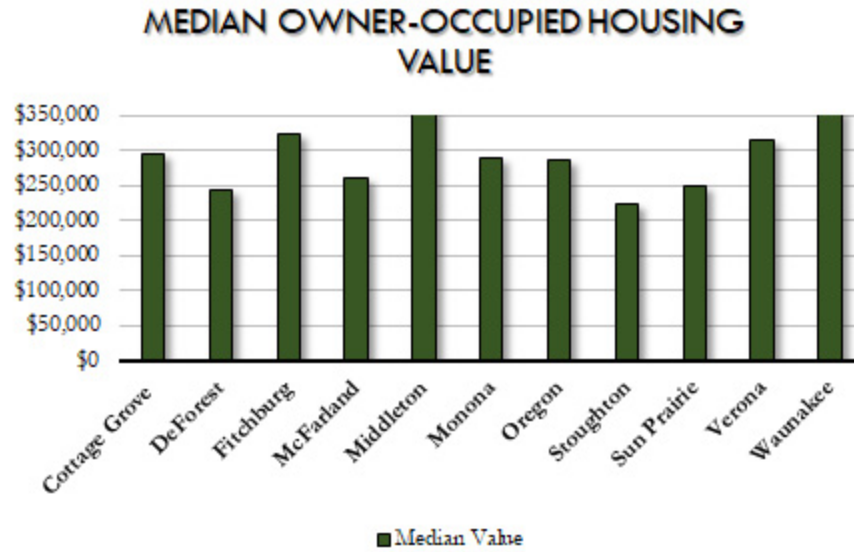
Economic Housing Data

The following section documents housing data from the American Community Survey related to the economic aspects of housing.



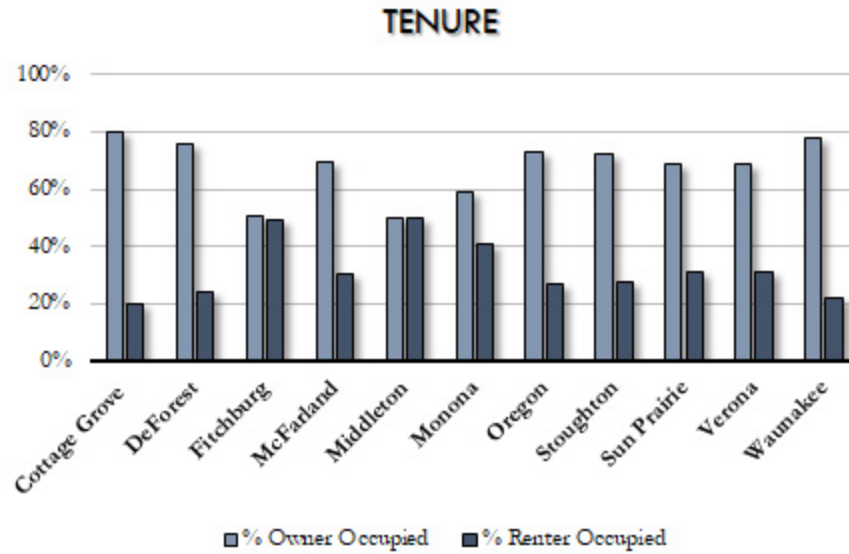
Source: U.S. Census Bureau, American Community Survey, 2020

- The Village of Cottage Grove had the second lowest percentage of owner-occupied housing units valued at \$199,000 or less (11.8%) – only Monona was lower (11.3%); Stoughton had the highest percentage (39.2%)
- The Village of Cottage Grove had the third lowest percentage of owner-occupied units valued at \$500,000 or more after DeForest (0.0%) and Stoughton (1.1%); Middleton had the highest percentage (20.5%)
- The Village of Cottage Grove had the highest percentage of units valued between \$200,000 and \$500,000 (86.8%); only McFarland was also over 80% (83.1%)
- The relatively small percentage of units below \$300,000 likely ties to the recent age of much of the housing stock in the Village of Cottage Grove.



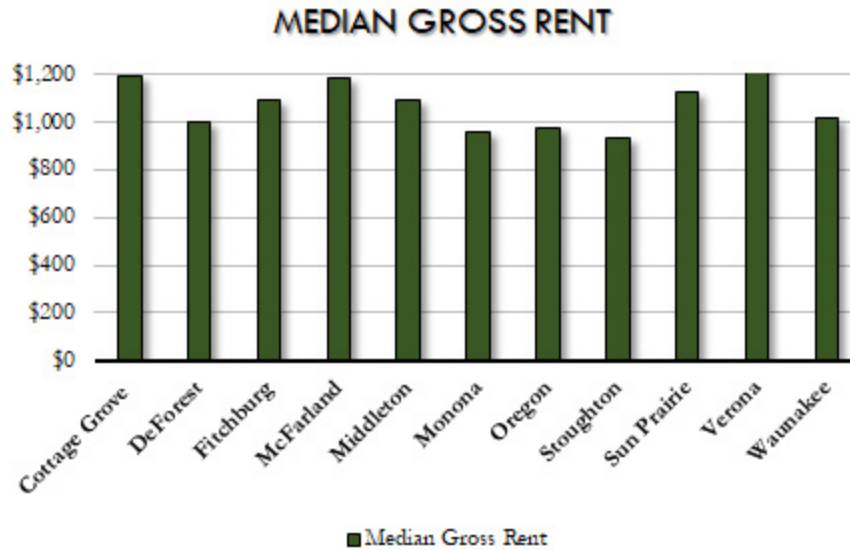
Source: U.S. Census Bureau, American Community Survey, 2020

- The median owner-occupied home value in the Village of Cottage Grove was \$294,300 which ranks 5th among comparables
- Middleton (\$361,000) and Waunakee (\$358,100) had the highest median housing value
- Stoughton has the lowest median home value (\$223,000)



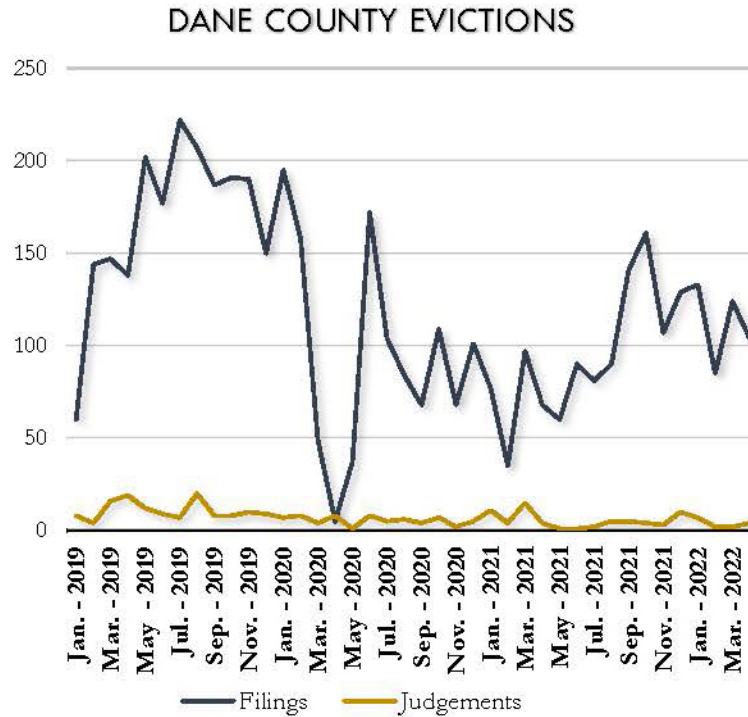
Source: U.S. Census Bureau, American Community Survey, 2020

- The Village of Cottage Grove had the highest percentage of owner-occupied housing (80.2%), ahead of Waunakee (78.2%) and De Forest (75.8%)
- Middleton (49.9%), Fitchburg (50.6%), and Monona (59.0%) had the lowest percentage of owner-occupied housing



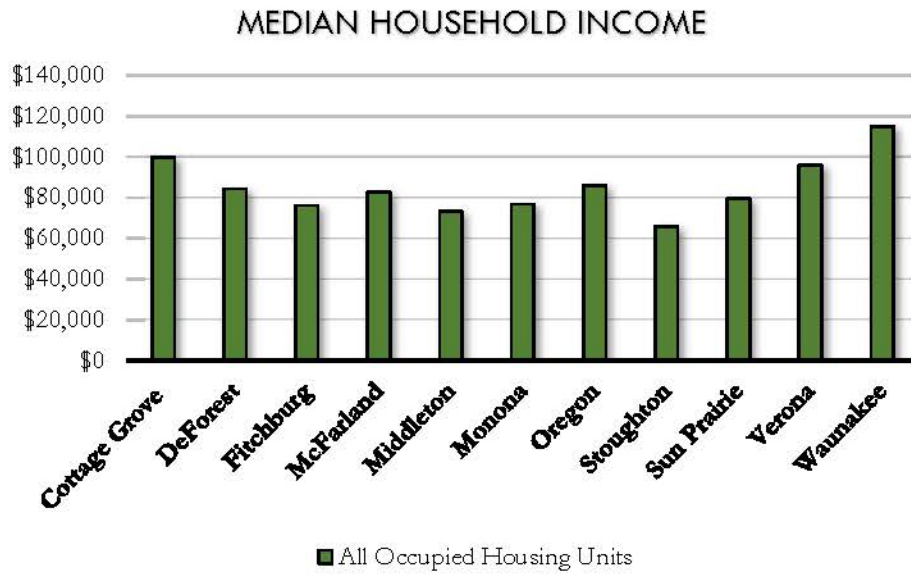
Source: U.S. Census Bureau, American Community Survey, 2020

- The median gross rent in the Village of Cottage Grove was \$1,192 per month, the 2nd highest among the comparables after Verona (\$1,258) and just ahead of McFarland (\$1,185)
- Three communities had a median gross rent below \$1,000 - Stoughton (\$933), Monona (\$961), and Oregon (\$978)
- Relative lack of rental units and higher rents combined with scarcity of lower cost owner-occupied homes would appear to present a barrier to potential residents looking for a starter home, downsizing opportunity, or rental opportunity



Source: Interagency Council on Homelessness, WI Eviction Data Project

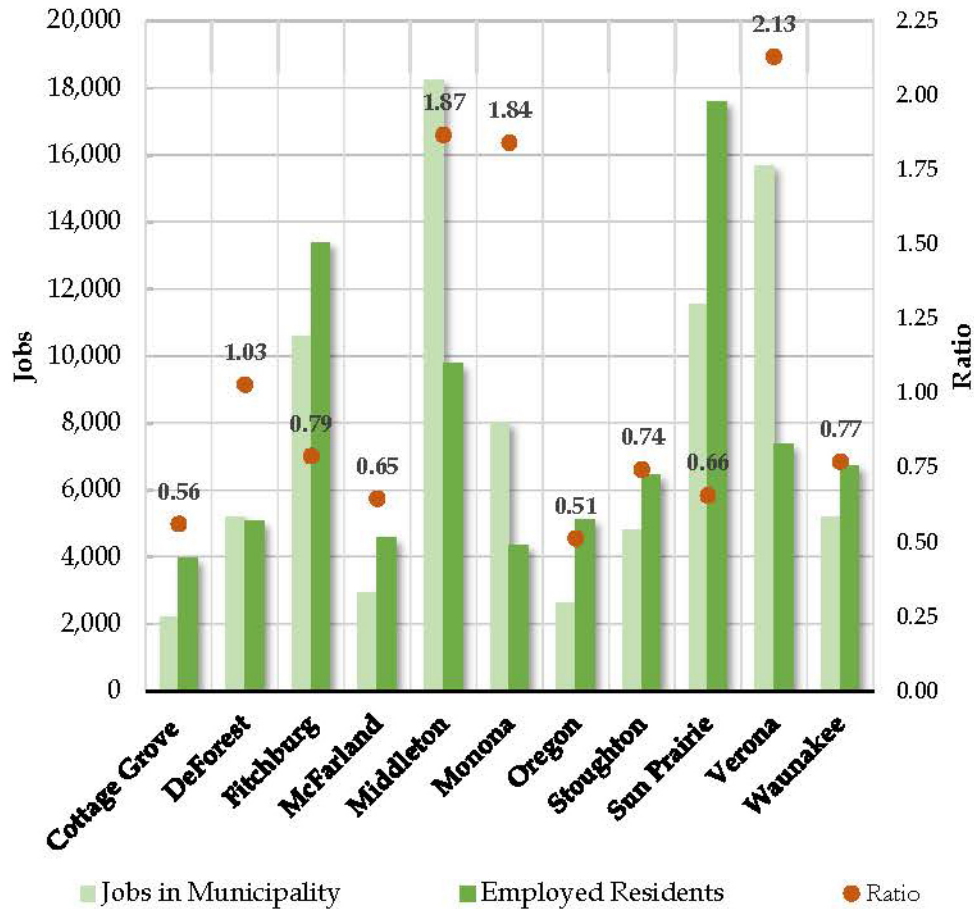
- Data was gathered for the Wisconsin Eviction Data Project by the Interagency Council on Homelessness, which is comprised of representatives of several State of Wisconsin government agencies
- There was a federal moratorium on evictions from September 4, 2020 through August 26, 2021
- Moratorium prohibited evictions for failure to pay rent due to COVID; evictions could still occur for other reasons such as engaging in criminal activity, damaging property, or endangering the health and safety of other residents
- During the moratorium rents continued to be due and evictions could occur upon the expiration of the moratorium if past-due rents were not paid
- The federal government allocated \$25 billion for emergency rental assistance as part of larger COVID legislation



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the second highest median household income (\$99,858), just ahead of Verona (\$96,056)
- The highest median household income was in Waunakee (\$114,983)
- The lowest median household income was in Stoughton (\$65,878)

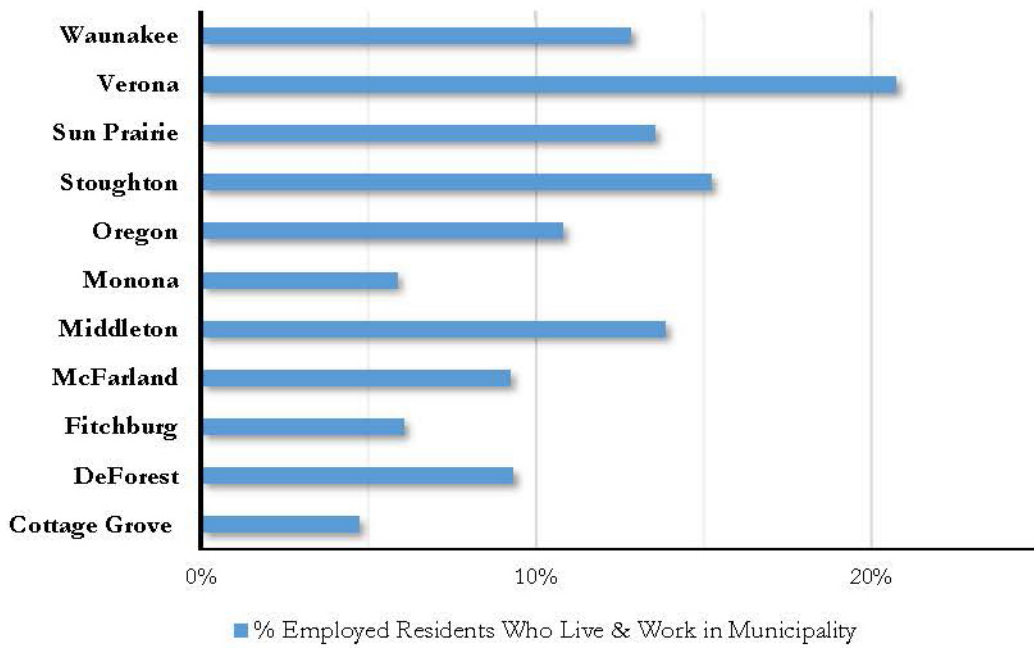
LOCAL JOBS PER EMPLOYED RESIDENT



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (2019); Primary Jobs

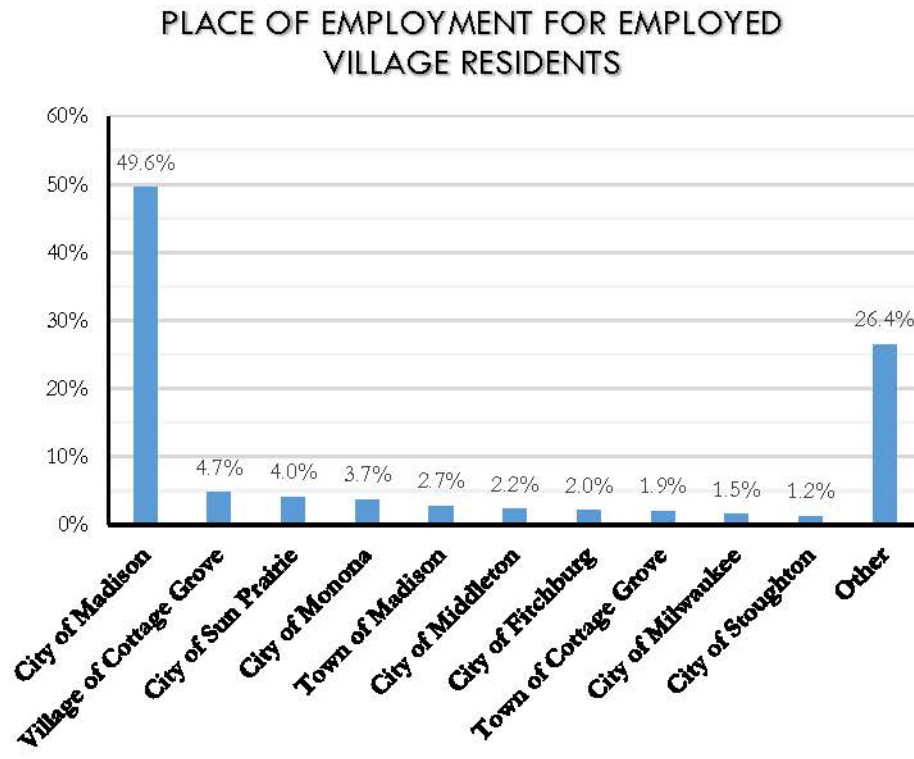
- The graph above shows a ratio of jobs located in a municipality and the number of employed residents who live in that community
- Three communities have a ratio around 2 (indicating the community has twice as many jobs located in the municipality as employed residents who live in that community) including Verona (2.13), Middleton (1.87), and Monona (1.84)
- Cottage Grove had the second lowest ratio (0.56) after Oregon (0.51)

% RESIDENTS WHO BOTH LIVE AND WORK IN MUNICIPALITY



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (2019); Primary Jobs

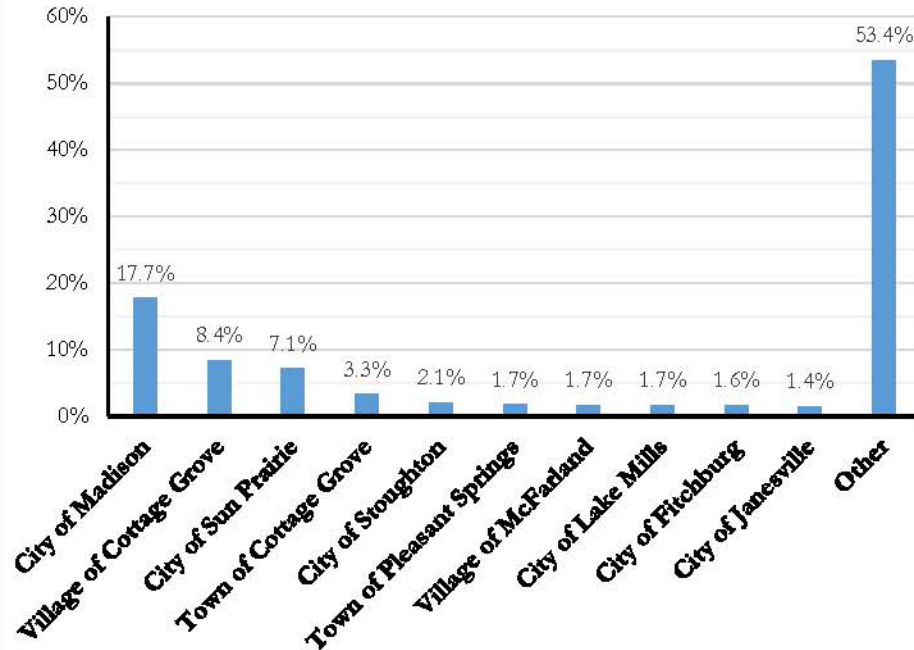
- The graph above shows the percentage of employed residents living a community who also work in that same community
- Cottage Grove had the lowest percentage of employed residents who work in the same municipality (4.7%)
- Verona had the highest percentage of employed residents who work in the same municipality (20.8)



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (2019); Primary Jobs

- The graph above shows the percentage of employed Village of Cottage Grove residents that work in a given municipality
- Nearly half (49.6%) of employed Village residents work in the City of Madison
- No other municipality is the place of employment for more than 5% of employed Village residents
- 4.7% of employed Village residents also work in the Village of Cottage Grove, which is the second highest percentage
- The Cities of Sun Prairie (4.0%) and Monona (3.7%) are the other municipalities where more than 3% of employed Village residents are employed

PLACE OF RESIDENCE FOR WORKERS EMPLOYED IN VILLAGE



Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (2019); Primary Jobs

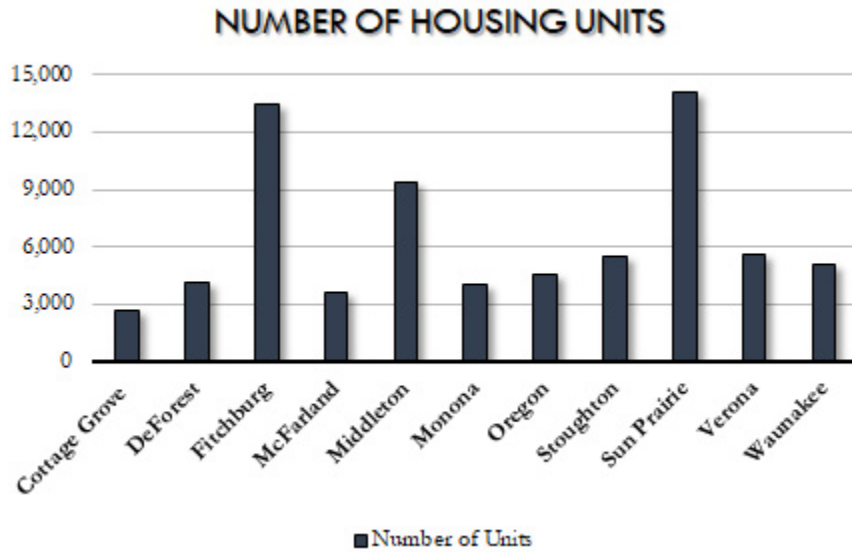
- The graph above shows the place of residence for employees who work in the Village
- 17.7% of the employees who work in the Village of Cottage Grove live in the City of Madison, a higher percentage than any other municipality
- The Village of Cottage Grove was the place of residence for 8.4% of the workers employed in the Village
- Sun Prairie had the third highest percentage (7.1%) with no other municipality having more than 4%

Potential Policy Implications of Economic Data:

- Encourage variety of lot sizes in new developments, including smaller lots that would reduce the cost of new housing
- Encourage ownership opportunities other than single-family homes such as duplexes, townhomes, or condos in multi-family buildings
- Encourage rehab and preservation of existing older homes
- Encourage new opportunities for a variety of rental units including smaller units and units in tax credit programs to encourage affordability
- Consider creative alternatives for new rental housing such as permitting accessory units in some single-family residential areas
- Consider zoning ordinance amendments to streamline approval process for multi-family structures
- Encourage opportunities to educate residents about affordable housing options
- Encourage employers to expand or relocate to the community to provide additional job choices and potential opportunities for higher incomes for residents
- Consider home-owner assistance programs such as low interest down payment loans to help new homeowners lower their housing costs

Physical Housing Data

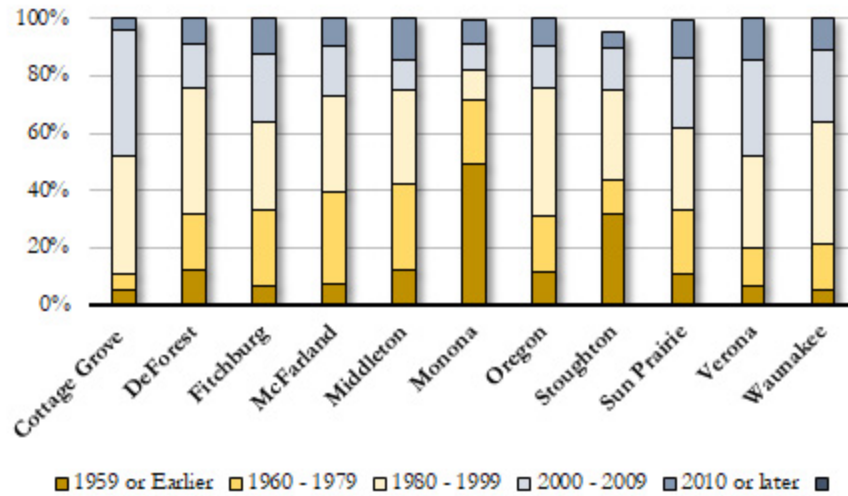
The following section documents housing data from the American Community Survey related to the physical characteristics of housing.



Source: U.S. Census Bureau, American Community Survey, 2020

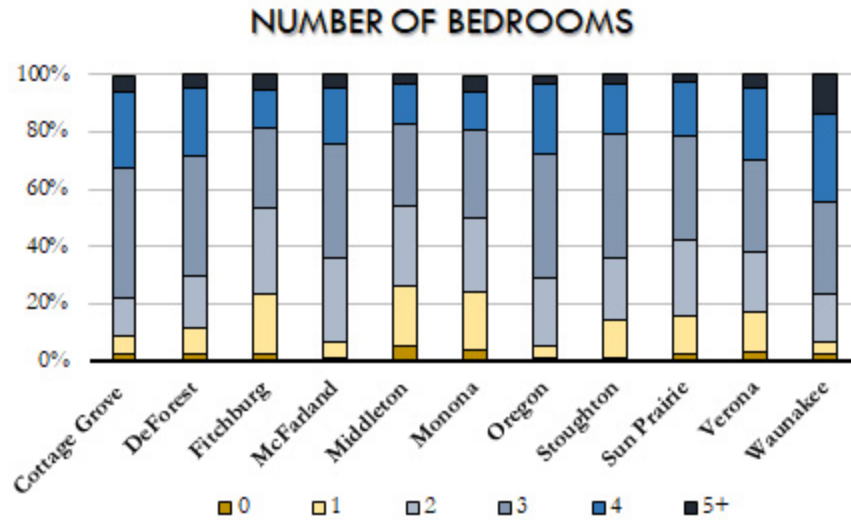
- Cottage Grove had the fewest total housing units (2,667) among the comparable communities, followed by McFarland (3,610)
- Sun Prairie (14,122) and Fitchburg (13,493) had the most housing units among the comparable communities, no other community had more than 10,000

HOUSING BY YEAR BUILT



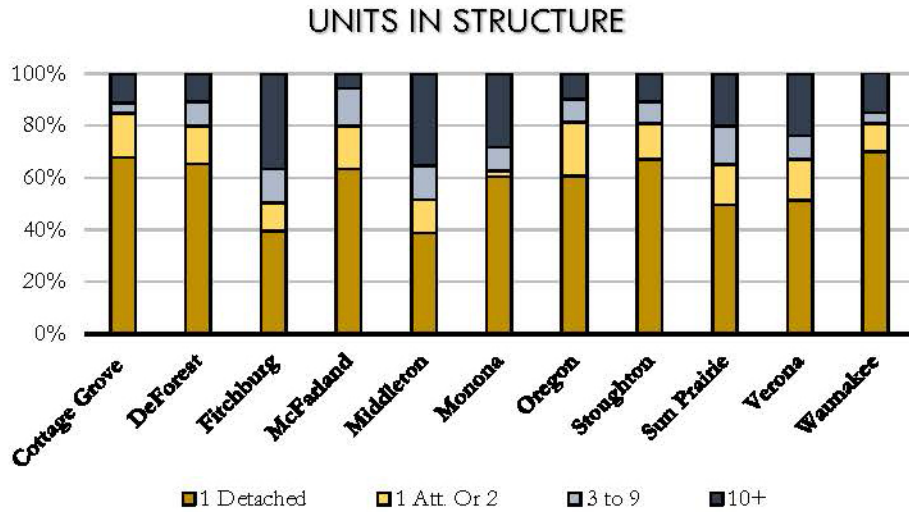
Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the highest percentage of homes built since 1980 (89.6%), next highest is Verona at 80.1%
- Cottage Grove had the lowest percentage built since 2010 (3.9%); Stoughton was next with 5.7%
- Verona and Middleton had the highest percentage of units built since 2010 (14.2%)
- Cottage Grove had the lowest percentage of units built prior to 1980 (10.5%), followed by Verona (20.5%) and Waunakee (21.3%)
- Monona had the highest percentage of units built prior to 1980 (71.6%)



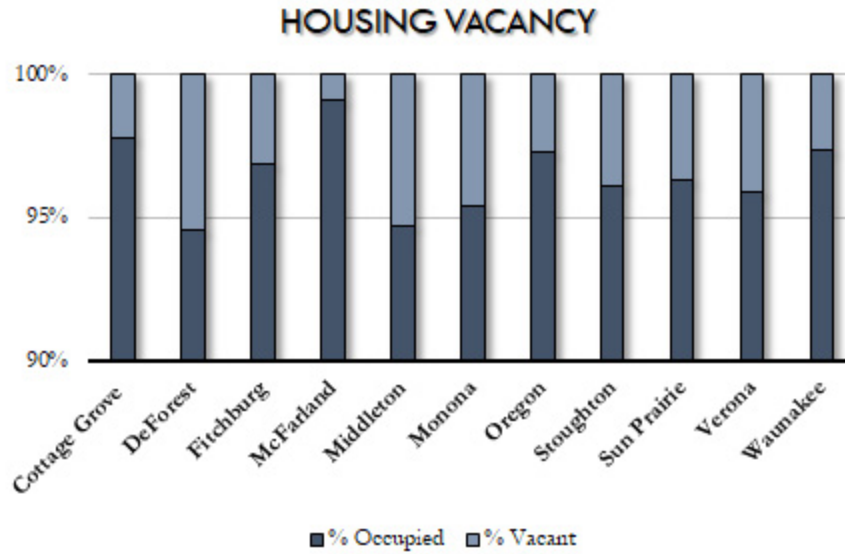
Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove has the lowest percentage of units that are studios, 1-bedroom, or 2-bedroom (21.8%); only Waunakee (23.0%), Oregon (29.2%), and DeForest (29.7%) are also below 30%
- Middleton (42.3%) and Fitchburg (41.3%) had the highest percentage of studio, 1-bedroom, or 2-bedroom units
- Cottage Grove has the highest percentage of 3 and 4-bedroom units (72.0%); no other community is above 70%
- Cottage Grove had the second highest percentage of 5+ bedroom units (6.1%) after Waunakee (13.8%)



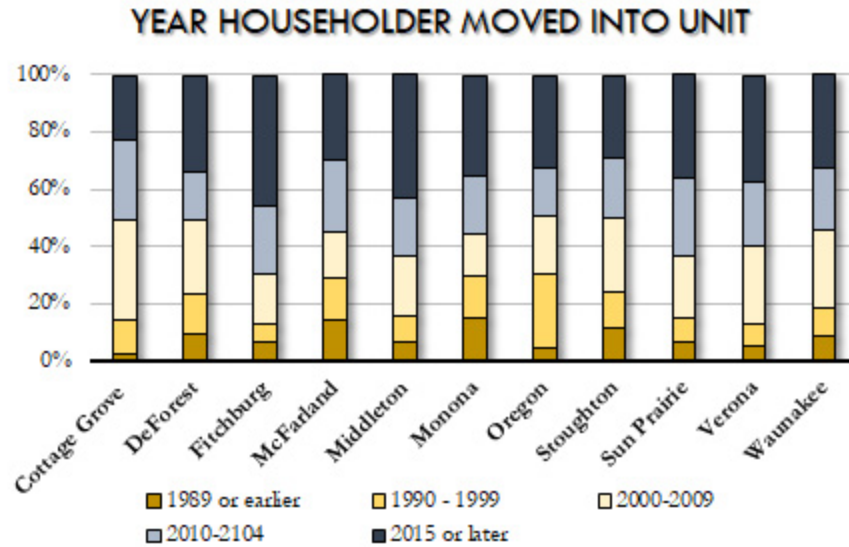
Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove has the second highest percentage of units located in 1-unit detached structures (67.8%), after Waunakee (69.9%)
- Middleton has the lowest percentage of units in 1-unit detached structures (38.7%); Fitchburg and Sun Prairie were the only other communities below 50%
- Cottage Grove had the lowest percentage of units in 3+ unit buildings (15.2%); only Oregon (18.7%), Stoughton (19.2%), and Waunakee (19.5%) are also below 20%
- Fitchburg (49.6%) and Middleton (48.3%) had the highest percentage of units in 3+ unit buildings



Source: U.S. Census Bureau, American Community Survey, 2020

- Housing unit vacancy rates were low in all of the comparable communities
- Cottage Grove had the second lowest percentage of vacant units (2.2%); only McFarland had a lower percentage (0.9%)
- Only two communities were below 95%: De Forest (94.6%) and Middleton (94.7%)



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the lowest percentage of households moving into their units before 1990 (2.5%)
- Monona had the highest percentage of households moving into their units before 1990 (15.1%)
- Cottage Grove had the third lowest percentage of households moving into their units before 2000 (14.2%) after Fitchburg (13.0%) and Verona (13.1%)
- Oregon had the highest percentage of households moving into their units before 2000 (30.6%); Monona (29.7%), McFarland (28.6%), Stoughton (24.3%), and De Forest (23.2%) were also over 20%
- Cottage Grove had the third lowest percentage of households moving into their unit since 2010 (50.6%) with only Oregon (49.5%) and Stoughton (49.8%) lower

Potential Policy Implications of Physical Housing Data:

- In addition to the relative lack of variety in home values in Cottage Grove, the fact that so much of the housing stock was built over a short time span suggests less variety in the Village's housing; continue to encourage variety in new housing types
- Older units can be an option for affordability, but the relative lack of such units in the Village makes them less of an option here; consider programs that protect the viability of the older units that do exist such as those near Firemen's Park
- Smaller rental units tend to be more affordable; encourage greater balance between larger and smaller units
- Smaller units are also better suited for one or two person households (such as recent graduates, single adults, couples without children, empty nesters, and the elderly); encourage more smaller units to suit the needs of these household types
- A detached single-family home is the least attainable housing type for many households; the relatively high percentage of units of that type of building makes the Village unaffordable for many households
- A detached single-family home also carries the highest maintenance burden (yard care, snow removal, etc.); some household types such as the elderly or disabled are less likely to be able to perform such maintenance and may not find this housing type suitable to their needs
- Single-family detached housing uses land less efficiently increasing reliance on automobiles, and is less efficient to heat and cool with corresponding environmental effects; consider ways to encourage environmentally sensitive design in single-family homes and neighborhoods

Demographic Data

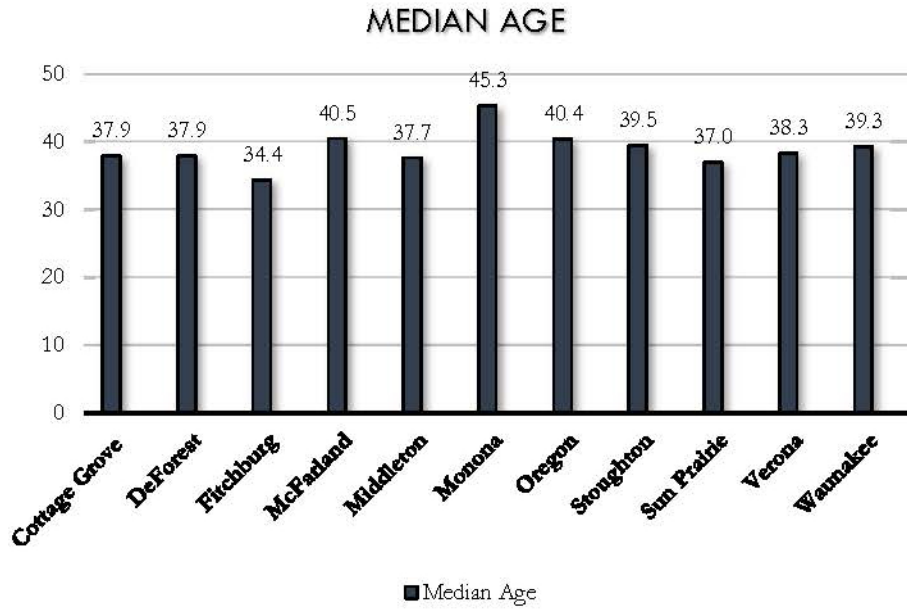
The following section documents data from the American Community Survey related to demographic characteristics.

POPULATION, 1990 - 2020

Municipality	2020	2010	2000	1990	% Change 2010 - 2020	% Change 1990 - 2010
Cottage Grove	7,303	6,192	4,059	1,131	+17.9%	+447.5%
De Forest	10,881	8,936	7,368	4,882	+21.8%	+83.0%
Fitchburg	29,609	25,260	20,501	15,648	+17.2%	+61.4%
McFarland	8,991	7,808	6,416	5,232	+15.2%	+49.2%
Middleton	21,827	17,442	15,770	13,785	+25.1%	+26.5%
Monona	8,624	7,533	8,018	8,637	+14.5%	-12.8%
Oregon	11,179	9,231	7,514	4,519	+21.1%	+104.3%
Stoughton	13,173	12,611	12,354	8,786	+4.5%	+43.5%
Sun Prairie	35,967	29,364	20,369	15,352	+22.5%	+91.3%
Verona	14,030	10,619	7,052	5,374	+32.1%	+97.6%
Waunakee	14,879	12,097	8,995	5,897	+23.0%	+105.1%

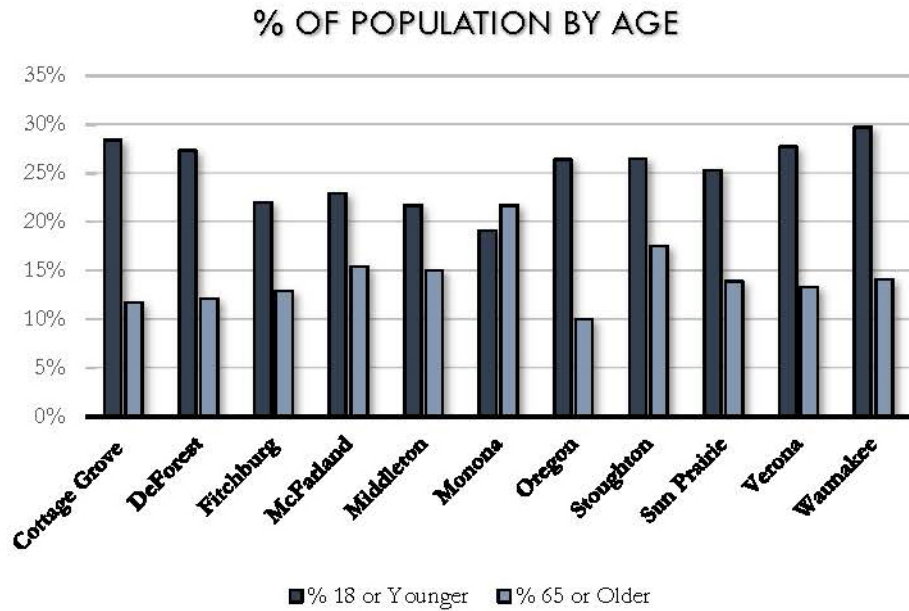
Source: U.S. Census Bureau, Decennial Census, 2020, 2010, 2000, and 1990

- Cottage Grove had the seventh highest population increase between 2010 and 2020 (17.9%)
- Verona had the highest population increase (32.1%) followed by Middleton (25.1%)
- Waunakee (23.0%), Sun Prairie (22.5%), De Forest (21.8%), and Oregon (21.1%) also had higher population increases than Cottage Grove
- Stoughton had the lowest population increase (4.5%); Monona (14.5%), McFarland (15.2%), and Fitchburg (17.2%) also had population increases lower than Cottage Grove
- Cottage Grove had the highest population increase between 1990 and 2010 (447.5%), followed by Waunakee (105.1%) and Oregon (104.3%)
- Monona was the only comparable community to decrease in population between 1990 and 2010, with a loss of 12.8%



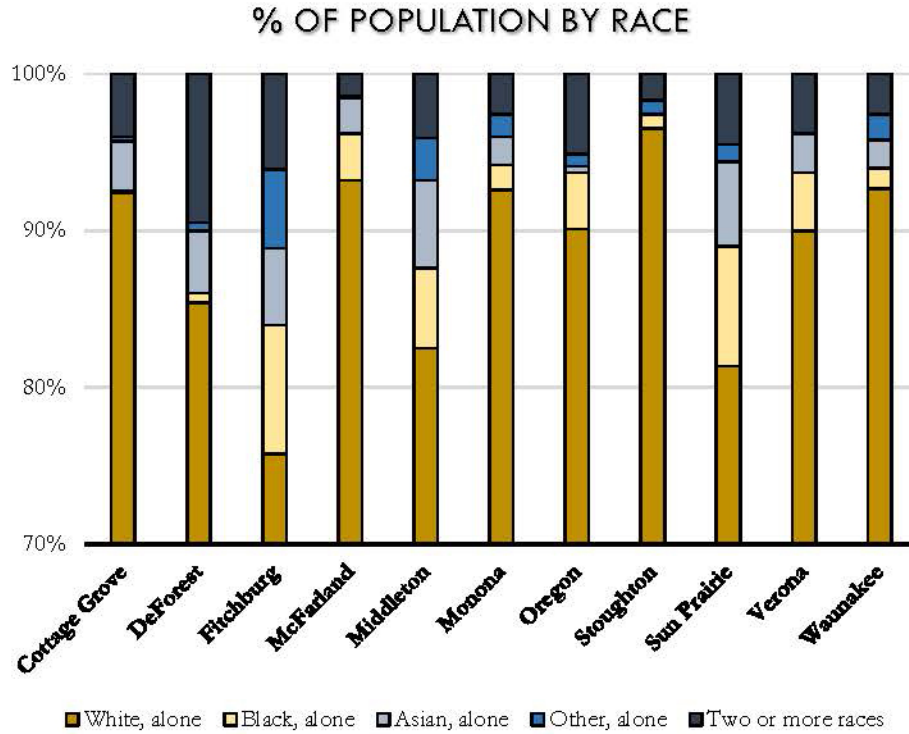
Source: U.S. Census Bureau, American Community Survey, 2020

- The Village of Cottage Grove was among the communities with the youngest median age (37.9)
- Among the comparable communities Fitchburg was the youngest (34.4), while Sun Prairie, Middleton, Cottage Grove, and DeForest had a median age between 37 and 38
- Monona had the highest median age (45.3), which was nearly five years higher than the second highest median age (McFarland at 40.5)



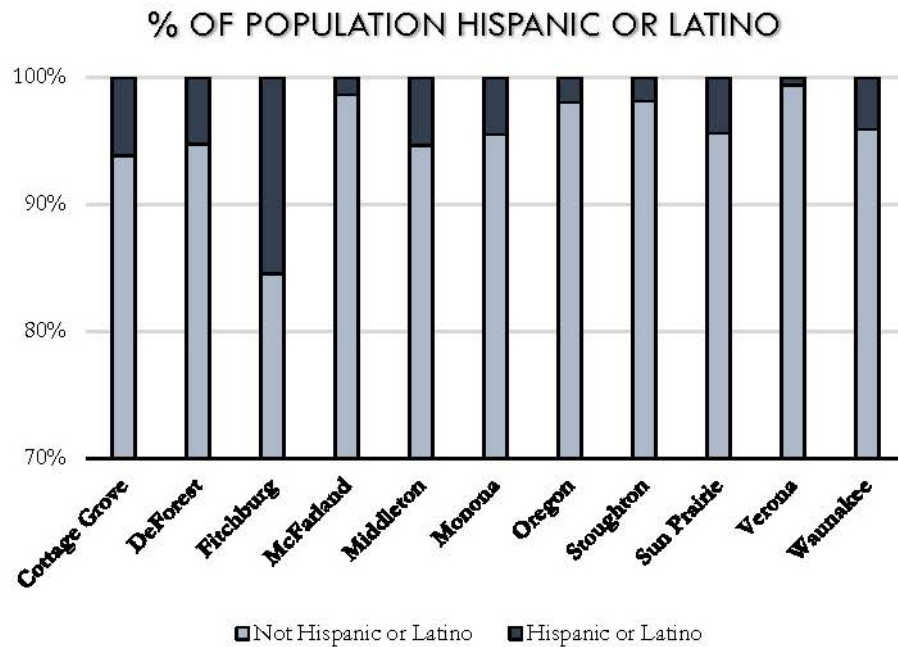
Source: U.S. Census Bureau, American Community Survey, 2020

- 28.4% of Cottage Grove’s population was 18 or younger, the second highest among the comparables after Waunakee (29.7%); Monona had the lowest percentage aged 18 or younger (19.1%)
- Cottage Grove had the second lowest percentage of population aged 65 or older (11.7%) after Oregon (10.0%); Monona had the highest percentage of population aged 65 or over (21.7%)
- This data is likely a product of the predominance of family friendly single-family homes on large lots and relative lack of small (studio and 1-bedroom) units that would appeal to young adults and empty nesters



Source: U.S. Census Bureau, American Community Survey, 2020

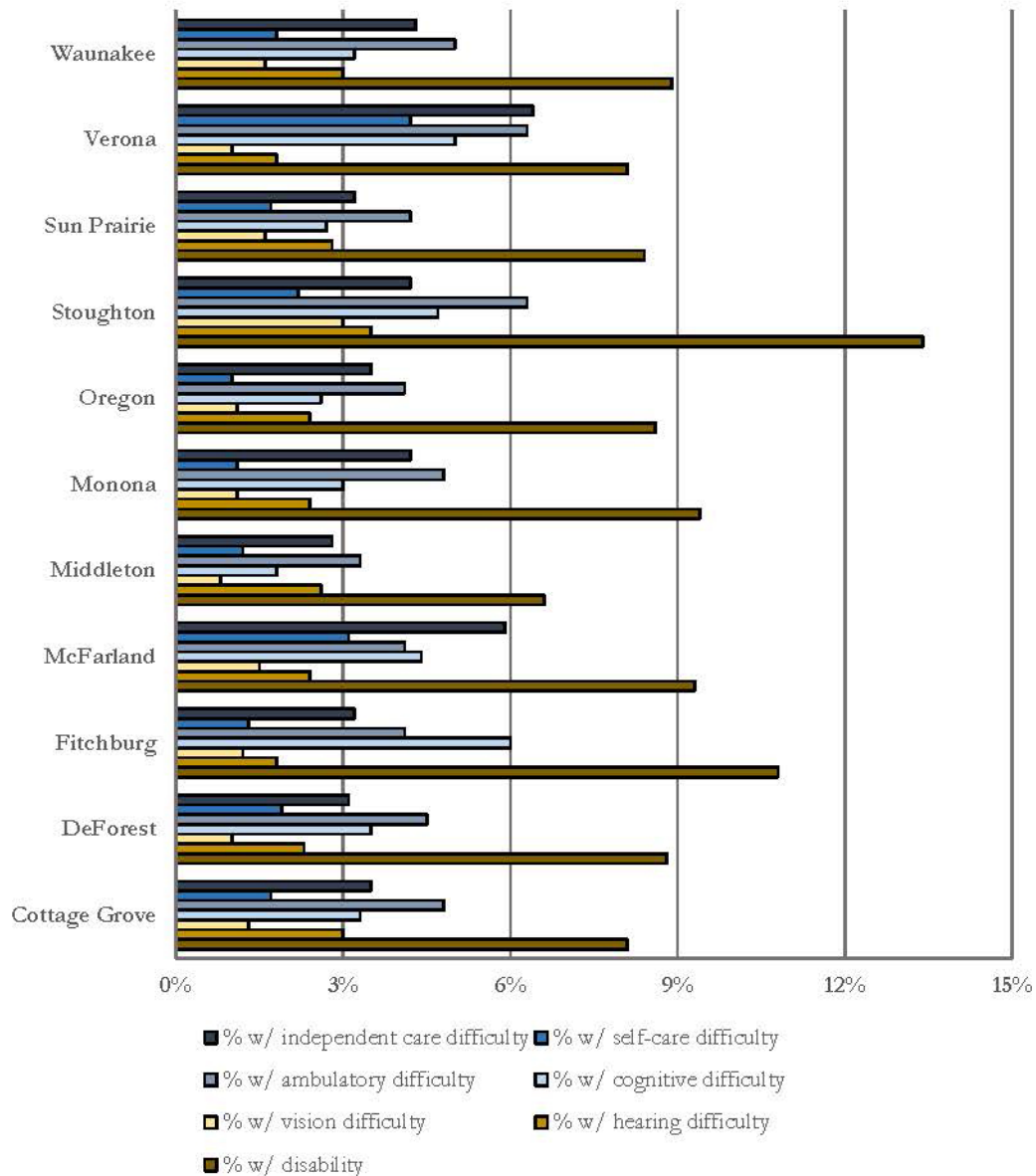
- Among the comparable communities, all had populations that are more than 90% white except for Fitchburg, Sun Prairie, Middleton, and DeForest
- Stoughton had the highest percentage of residents that are white only (96.6%), followed by McFarland (93.2%), Waunakee (92.7%), and Monona (92.5%); Cottage Grove had the fifth highest percentage of residents that were white only (92.4%)
- Cottage Grove had the fifth highest percentage of Asian residents (3.2%); Middleton (5.6%), Sun Prairie (5.4%), Fitchburg (4.9%) and De Forest (4.0%) were higher
- Cottage Grove’s black population was 0.1%, lowest among the comparables; De Forest (0.6%), Stoughton (0.9%), Waunakee (1.3%), and Monona (1.6%) were also less than 2%



Source: U.S. Census Bureau, American Community Survey, 2020

- As categorized by the U.S. Census Bureau, Hispanic or Latino populations can be either white or black, and therefore Hispanic or Latino status is not recorded as a race
- It should also be noted that the U.S. Census Bureau continues to use the Hispanic or Latino designation and not the increasingly common LatinX designation; this report uses Hispanic or Latino for the sake of continuity with the U.S. Census data
- Cottage Grove had the second highest percentage of Hispanic or Latino residents (6.2%) after Fitchburg (15.5%)
- Stoughton (0.9%) and Oregon (2.0%) had the lowest percentage of Hispanic or Latino residents

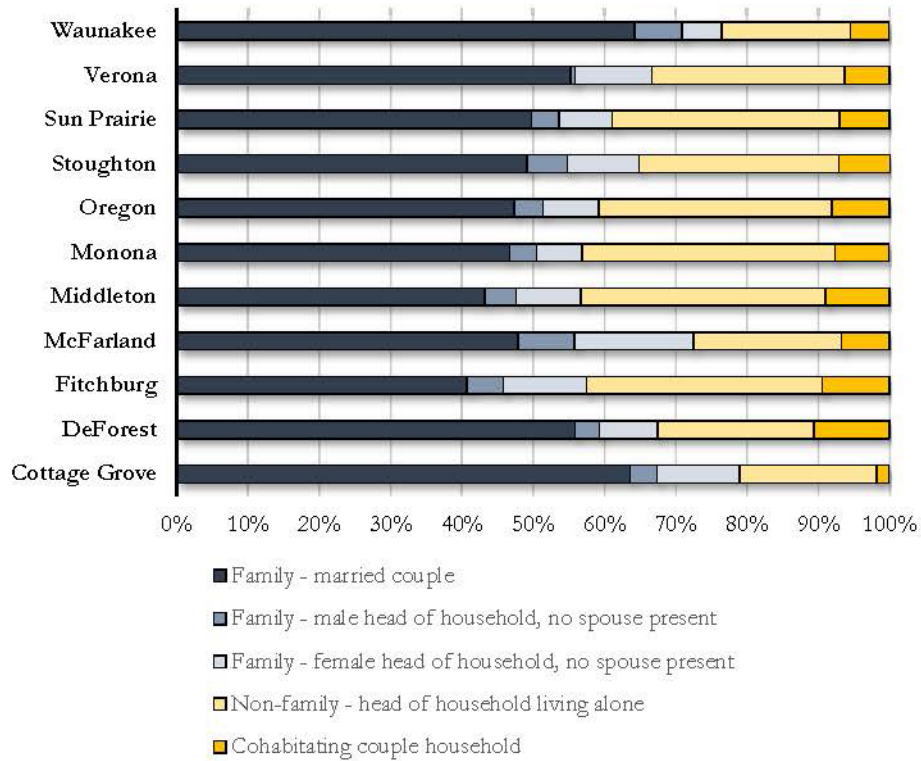
DISABILITY CHARACTERISTICS



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the second lowest percentage of residents with a disability (8.1%) after Middleton (6.6%)
- Independent care, ambulatory, and cognitive difficulties were the most common disabilities among Cottage Grove residents
- Stoughton had the highest percentage of residents with a disability (13.4%)

HOUSEHOLD TYPE

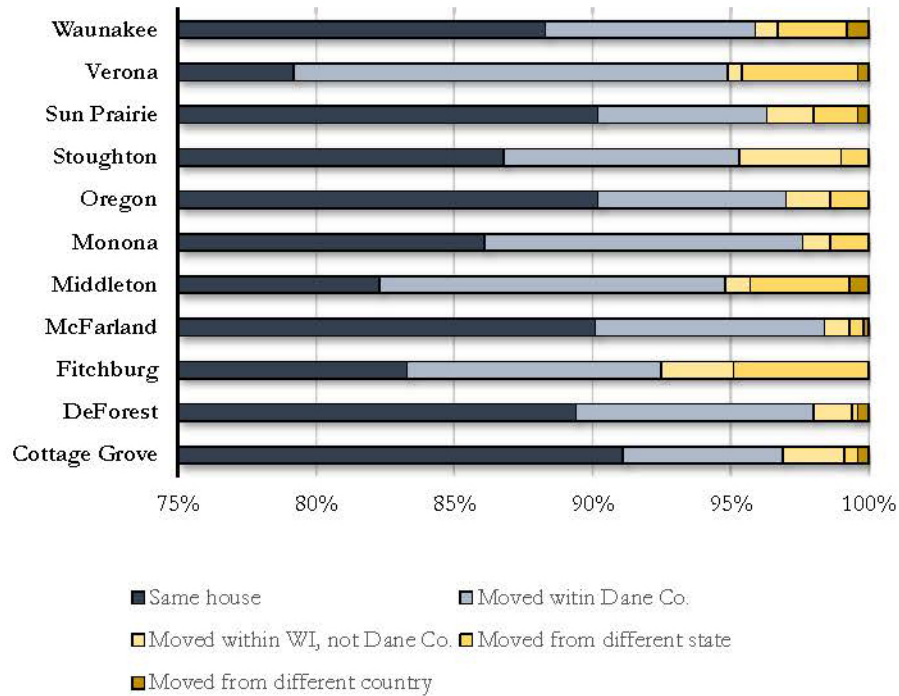


Source: U.S. Census Bureau, American Community Survey, 2020

- Census Bureau recognizes two types of household: family (two or more people related by birth, marriage, or adoption and who reside together) and non-family
- In Cottage Grove 63.6% of households are family households that include a married couple, the second highest among the comparables; the highest is Waunakee (64.2%)
- Cottage Grove had the lowest percentage of non-family households (20.9%); the next lowest percentage is Waunakee (23.4%); McFarland is the only other comparable below 30%
- Cottage Grove had the third highest percentage of households with a female head of household with no spouse present (11.6%) after McFarland (16.7%) and Fitchburg (11.7%)
- Cottage Grove was tied with Monona and Sun Prairie for the second lowest percentage of households with a male householder and no spouse (3.8%); DeForest was the lowest (3.4%)

- Note the U.S. Census Bureau does not differentiate same-sex couples at the municipal level; they are presumed to be included in married or cohabitating couples as appropriate

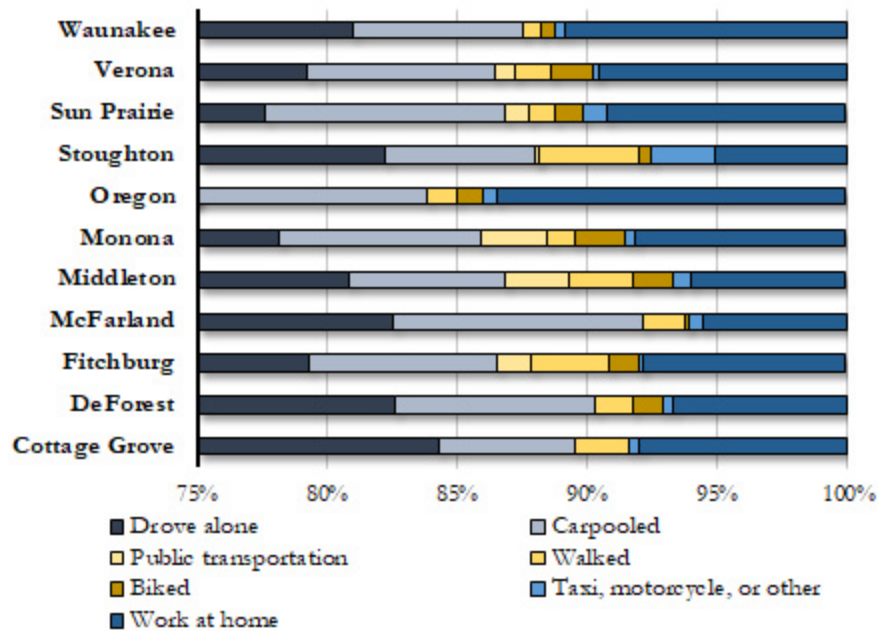
GEOGRAPHIC MOBILITY IN THE PAST YEAR



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the highest percentage of households in their same home as one year ago (91.1%), followed by Sun Prairie (90.2%), Oregon (90.2%), and McFarland (90.1%)
- Verona had the lowest percentage of households in their same home as one year ago (79.2%), followed by Middleton (82.3%)
- Cottage Grove had the third highest percentage of households moving from a different county within the past year (2.2%), after Stoughton (3.7%) and Fitchburg (2.6%)
- Cottage Grove had the lowest percentage of households moving from within the same county within the past year (5.8%); Verona (15.7%), Middleton (12.5%), and Monona (11.5%) had the highest percentage moving from within the county
- Cottage Grove was tied with McFarland for the second lowest percentage of households moving from another state (0.5%), after DeForest (0.2%); Fitchburg (4.9%) and Verona (4.2%) had the highest percentage of households moving from another state

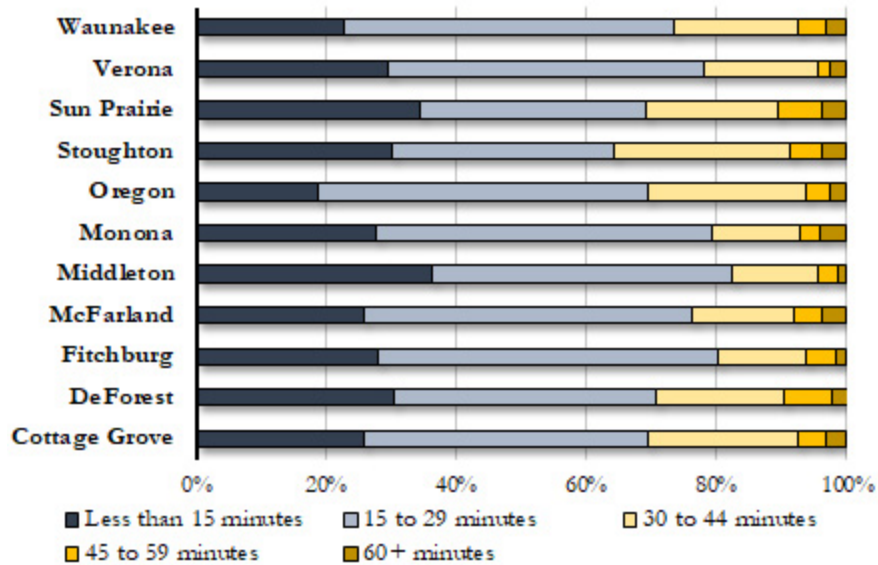
MEANS OF TRANSPORTATION TO WORK



Source: U.S. Census Bureau, American Community Survey, 2020

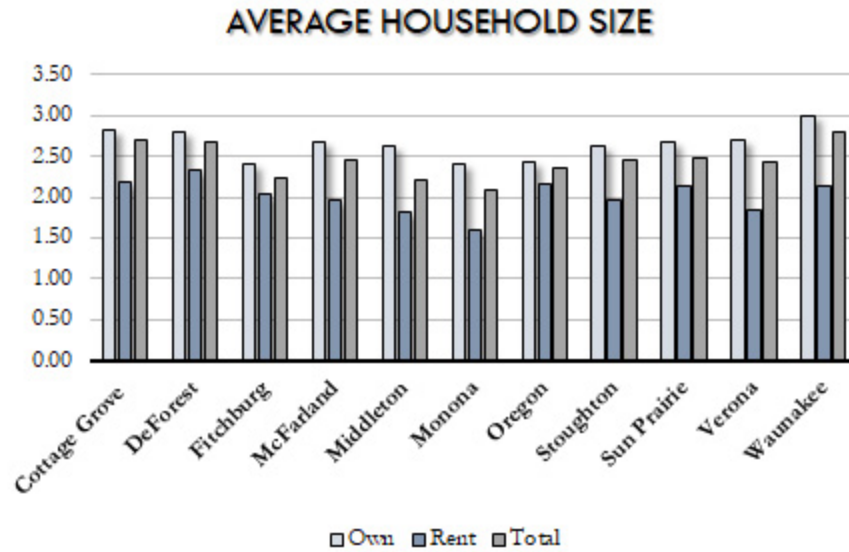
- Cottage Grove had the highest percentage of commuters who drive alone (84.3%); the lowest percentage was in Oregon (73.5%)
- Cottage Grove had the lowest percentage of commuters who carpooled (5.2%); Oregon had the highest percentage (10.3%)
- Cottage Grove was one of five communities (joining De Forest, McFarland, Oregon, and Waunakee) in which 0% of commuters used public transportation
- Only two of the comparable communities had a lower percentage of commuters who walked or biked (2.1) with McFarland (1.8%) and Waunakee (1.2%) lower

TRAVEL TIME TO WORK



Source: U.S. Census Bureau, American Community Survey, 2020

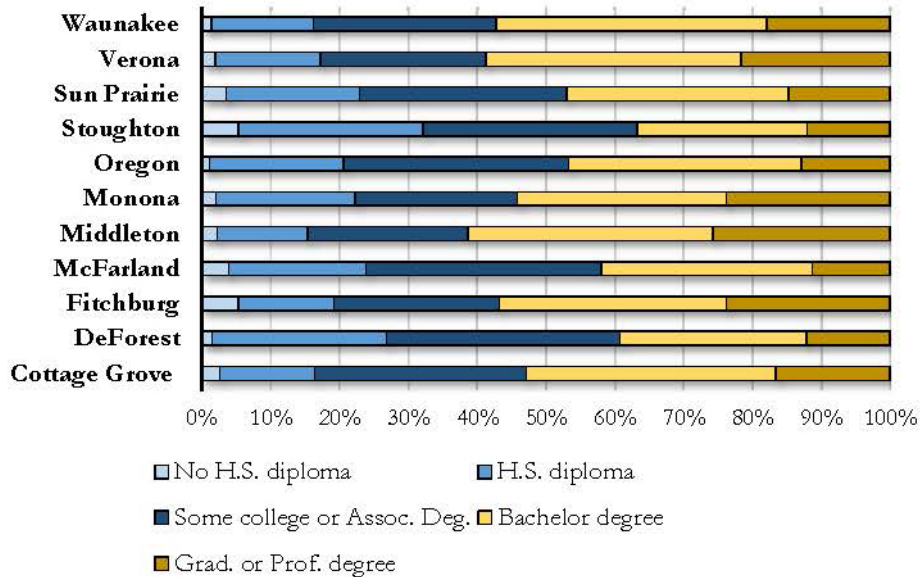
- Cottage Grove had the third highest percentage of commuters who commuted more than 30 minutes to work (30.5%) after Sun Prairie (30.8%) and Stoughton (35.9%)
- Cottage Grove had the fourth lowest percentage of commuters who commuted less than 15 minutes (25.8%) with only Oregon (18.8%), Waunakee (22.8%), and McFarland (25.7%) being lower
- Sun Prairie had the highest percentage of commuters who commute less than 15 minutes (34.4)



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the second highest average household size among all housing units (2.71) after Waunakee (2.81)
- Monona had the lowest average household size (2.09)
- Cottage Grove had the second highest average household size among renter households (2.18) after De Forest (2.34)
- Cottage Grove had the second highest average household size among owner-occupied households (2.83) after Waunakee (3.00)

EDUCATIONAL ATTAINMENT, AGE 25+



Source: U.S. Census Bureau, American Community Survey, 2020

- Cottage Grove had the third lowest percentage of residents aged 25 or older that stopped their education with a high school degree or less (16.4%), after Middleton (15.3%) and Waunakee (16.2%)
- Cottage Grove had the sixth highest percentage of residents aged 25 or older with a bachelor’s degree or higher (52.2%), after Middleton (61.3%), Verona (58.6%), Waunakee (57.2%), and Fitchburg (56.8%)
- Stoughton (63.2%) and De Forest (60.7%) had the highest percentage of residents aged 25 or older without a college degree

Potential Policy Implications of Demographic Data:

- A greater diversity of housing types would attract a greater range of residents
- Units that appeal to young adults without children or empty nesters and seniors would provide additional tax revenue without adding to students to the school district
- The Village collaborates with Colonial Club of Sun Prairie on support services for seniors; continue to explore opportunities to bring such services to the Village
- The Village recently formed a Diversity, Inclusion, and Equity Committee to examine Village practices, procedures, objectives, and goals related to diversity, inclusion, and equity; the Village should work to implement the changes recommended by the committee
- There is a history of explicit racism in real estate development ranging from unfair local zoning practices to federal housing policy and consequences often remain; the Village should review development related ordinances, plans, and policies to uncover and address any such issues
- The Village should continue to implement its ADA accessibility plan to improve accessibility of parks and public buildings
- Continue to seek opportunities to improve accessibility of sidewalks and crosswalks
- Review codes and ordinances to ensure there are no unintended barriers to improving accessibility of dwelling units
- The Village recently partnered with the Miracle League of Dane County (which provides athletic opportunities for children with disabilities) and Movin' Out (which provides housing units for families with a disabled person); the Village should continue to explore similar collaboration opportunities
- Continue to diversify housing types to appeal to a wider range of household compositions and to allow residents to remain in the Village if their household type changes
- Ensure there are adequate daycare facilities, after-school programs, and other amenities that provide support for single parent households
- Continue to expand bike/ped networks within the Village

- Continue to encourage bike/ped connections beyond the Village
- Continue to encourage improvements to fiber internet systems and other communication improvements to facilitate working from home
- Consider regulations related to home occupations to ensure there are no unintended barriers
- Continue to seek additional employment opportunities within the Village suited for a range of ages, abilities, and experience levels

Recommendations from the Housing Task Force

The Housing Task Force was charged with conducting research and making recommendations. Many of the following recommendations involve potential amendments to the Comprehensive Plan, Zoning Ordinance, or Subdivision Ordinance. There is a statutory process for the amendment of each of those documents, and those processes will need to be followed to implement any recommendations related to those documents. Recommendations would need to be considered by the Plan Commission, and in some cases the Public Works Committee, prior to the Village Board taking final action. The amendment of any of those documents requires a public hearing. Other proposed policy changes may be considered by the Community Development Authority prior to consideration by the Village Board.

Recommendations: Comprehensive Plan

1. Consider a more flexible mix of housing unit type percentages in the standard Planned Neighborhood district. The current mix is a minimum of 65% single-family units, up to 15% duplex units, and up to 20% multi-family units. One potential option is a minimum of 65% single-family units and up to 35% missing middle units (in buildings with between 2 and 9 units).
2. Continue to identify future Planned Neighborhoods and Planned Mixed Use areas on the Future Land Use Map.
3. Continue to place buildings with 10+ units on primary corridors and cluster such areas to facilitate potential future transit stops. Encourage such developments to have a mixed-use or commercial component where feasible.

Recommendations: Zoning Ordinance

1. Consider creating a 'mixed-residential' zoning district which defines a maximum building envelope (width, depth, and height) to ensure single-family scaled buildings, but allow flexibility on the number of units (up to four). Recommended for new Planned Neighborhood areas and would not be implemented in existing residential neighborhoods.
2. Continue creating a zoning district for 'cottage courts' that could be used in new Planned Neighborhood areas.
3. Consider allowing accessory dwelling units (aka grandparent apartments) within existing single-family homes (beginning in new neighborhoods).
4. Currently any residential building larger than a duplex requires site plan approval by the Plan Commission and Village Board, which may act as a deterrent to construction of missing middle housing types. Consider allowing residential buildings up to 4 units without site plan approval.
5. Currently in multi-family residential districts (MR-10 and MR-12) buildings up to four units are permitted by right and five to eight units require a conditional use permit (buildings with nine or more units must pursue approval as Planned Unit Developments). Consider allowing buildings up to eight units by right in MR-10 and MR-12 districts. Consider additional units by right for age restricted (55+) units.
6. Perform an analysis of parking requirements among comparable communities and consider reducing requirements for multi-family units and/or consider bonuses for underground parking.
7. Consider creating an 'alley residential' district for new neighborhoods that permits narrower and smaller lots when garages have alley access.

Recommendations: Subdivision Ordinance

1. Consider allowing alleys in residential areas.
2. Consider reducing minimum street widths for minor residential streets.
3. Consider codifying a minimum 5-foot sidewalk width.
4. Consider including a maximum curb radius that is comparable to typical communities in Dane County

Recommendations: Programs and Policies

1. State law allows a Tax Increment District (TID) to be extended for one year with the proceeds to be used to support affordable housing. Consider exploring the potential benefits of extending TID 5 or TID 7 for this purpose.
2. Continue to work with the Dane County Housing Initiative (DCHI) on regional housing issues.
3. Monitor and review relevant housing related census data as new data sets are released.
4. Continue to explore opportunities to improve ADA accessibility in the public realm.