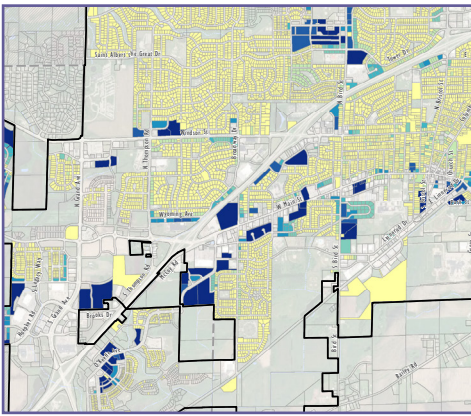
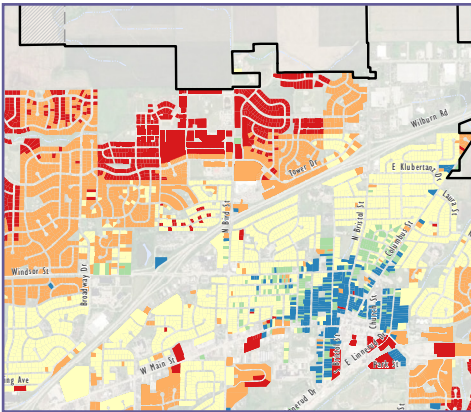


# Volume 1: Community Indicators Report



**P.7-11** - Residential Properties  
by Number of Dwelling  
Units



**P.7-14** - Residential Properties  
by Year Built

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# Housing



## GLOSSARY OF HOUSING TYPES AND TERMS

**Accessory Dwelling Unit:** Housing unit located on the same lot as a single-family home, commonly over the garage or in its own structure.

**Attached Unit:** Structure that has one or more walls extending from ground to roof separating it from adjoining structures (e.g. duplex, townhome, twin home).

**Condominium:** A form of ownership where each household owns an individual unit and has shared ownership of common features (land, roofs, etc.) and pays a fee for the upkeep of those shared components.

**Cottage Court:** A series of detached, single-family homes arranged around a shared court that is typically perpendicular to the street. The shared court takes the place of a private rear yard.

**Courtyard Multiplex:** A medium- to large-sized structure consisting of multiple side-by-side and/or stacked dwelling units accessed from a courtyard, typically with only one to three accessed from each building entry.

**Duplex:** A two-unit structure on one parcel.

**Fourplex:** A four-unit structure on one parcel, typically two on the ground floor and two above with a shared entry.

**Live-Work Multiplex:** A mixed-use format with housing units above commercial space. The housing units can be paired with commercial spaces (true live-work arrangements for business owners to live above their shop, or the units can be independent from the commercial space).

**Manufactured Home:** A prefabricated home that is mostly assembled in a factory and then transported to the site where it will be used.

**Multiplex:** Housing with multiple housing units on multiple floors, typically with one or several shared entries.

**Pocket Neighborhood:** See 'Cottage Court'.

**Single-Family Home:** A stand-alone detached home.

**Townhomes:** A collection of three or more attached single-family homes placed side by side, each with its own entry.

**Twin Home:** Two attached units on separate parcels, connected at the shared property line. Unlike a condominium this form lacks shared components and fees. Considered "1-Unit, Attached" in US Census.

**Unit Tenure:** The financial arrangement by which someone is allowed to occupy a housing unit - either owner-occupied (fee simple or condominium) or renter-occupied.

**Unit Type:** The form of a housing unit.

**Workforce Housing:** Housing intended to be affordable to people who work in the community, typically focused on households with modest incomes such as teachers, police officers, bank tellers, nurses, restaurant workers, etc. Affordability for these households is typically achieved with some sort of financial subsidy for the housing, and the units are reserved for income-qualified households.

**Zero Lot Line Homes:** Two or more attached units on separate parcels, each connected at shared property lines. Unlike a condominium this form lacks shared components and fees.



ACCESSORY DWELLING UNIT



COTTAGE COURT /  
POCKET NEIGHBORHOOD



COURTYARD MULTIPLEX



DUPLEX / TWIN HOME



FOURPLEX



LIVE-WORK MULTIPLEX



MANUFACTURED HOME



MULTIPLEX



SINGLE-FAMILY



TOWNHOMES

### DID YOU KNOW?

Community Land Trusts are nonprofit, community-based organizations primarily used to ensure long-term housing affordability by acquiring land and maintaining ownership of it permanently. With prospective homeowners, it enters into a long-term, renewable lease instead of a traditional sale. When the homeowner sells, the family earns a portion of the increased property value. The remainder is kept by the trust, preserving affordability. Within our region, the Madison Area Community Land Trust owns and operates a 31-acre site which is operated under this model. There are currently no community land trusts in Sun Prairie.

Source: <http://www.lincolnst.edu/publications/articles/community-land-trusts>

## KEY FINDINGS

The following numbers illustrate those conditions in Sun Prairie most relevant to the formation of housing goals and policies for the next 10 years.

It is important to understand that much of the available data describing the City's housing stock comes from the American Community Survey (part of the Census Bureau), is based on sample surveys of residents conducted over a 5-year period (typically 2013-2017), and it often has significant margins of error. Therefore, ACS data will be presented as a range throughout this plan. ACS data can provide a general sense of conditions but cannot usually be relied upon as accurate.

**41%** - The percentage of new units constructed 2014-2018 that are single-family detached, only slightly lower than the 28-year average (see New Construction). Recent construction trends are consistent with long-term trends.

**54-59%** - The percentage of all units that are owner-occupied, based on ACS surveys (see Occupancy). This is comparable to 1990.

**8-11%** - The percentage of all units that are attached units (e.g. townhomes, twinhomes) and owner occupied, based on ACS surveys (see Unit Type). Building form and the financial arrangements for occupancy are two different things.



**4%** – The vacancy rate of rental units in other parts of the Madison Metro area, based on Madison Gas & Electric data, up from 2.5% in 2013 (see Vacancy Rates). This data is more reliable than ACS estimates for Sun Prairie and it suggests that the wider market is returning to a healthier 5% vacancy rate. It may also foretell a slowing of construction interest by multi-family housing developers.

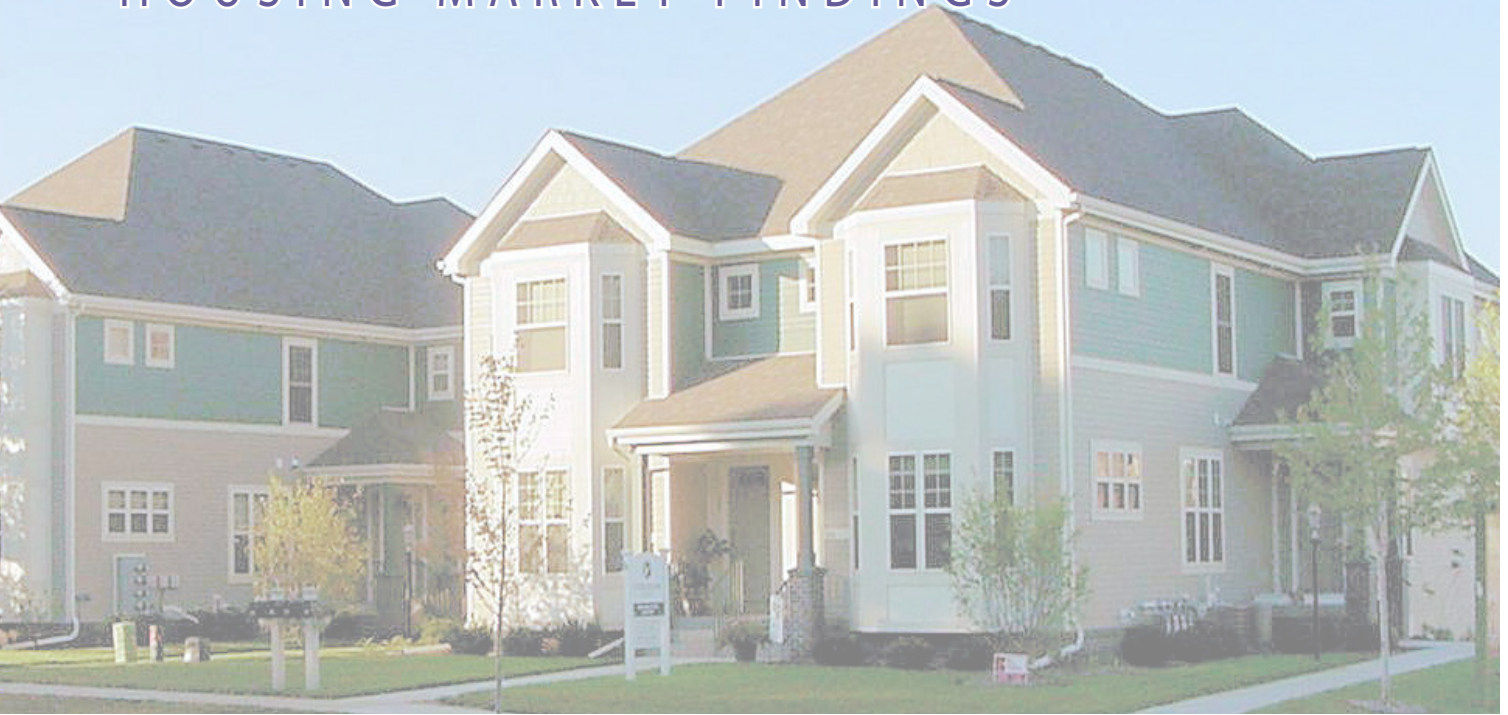
**\$240,000** – the median sale price of a Sun Prairie home in 2016. Prices have been rising throughout the county over the past 5 years (see Value, Cost and Real Estate Market). Sun Prairie appears to be maintaining its status as relatively more affordable when compared to regional peers, but that is of little consolation to households earning less than the \$64,000-\$71,000 median income who are getting priced out of the market.

**23-30%, 39-50%** - the percentages of owner households and renter households, respectively, that pay more than 30% of their annual income on housing; both ranges are comparable to regional peers (see Income and Affordability). Housing affordability is a prominent topic in Dane County right now.

**4,000** – estimated number of additional households in the City by 2030. If the City were to maintain approximately 55% owner-occupancy, this growth will translate to about 220 owner-occupied units per year and 190 renter-occupied units per year. Note that the City can regulate building type and form, but not ownership.



# HOUSING MARKET FINDINGS



*Cannery Square*

*This chapter describes the City's housing stock in various ways to help understand current conditions and trends and to identify opportunities for improvement. This chapter also describes various county, state and federal policies and programs that promote housing choice and assistance for residents in different age groups, income levels, and with special needs.*

*Volume 2 of this plan contains goals, policies and actions that are intended to guide the housing development and maintenance in Sun Prairie.*

## New Construction

According to data from the United States Census, the number of residential units in Sun Prairie increased from 5,718 in 1990 to between 13,114 and 13,886 in 2013-2017 (an increase of between 129% and 143%). Figure 7-1 shows the trend in residential building permit activity since 1990. Over this period, construction of new residential units peaked at 703 in 2003 and hit a low of 47 in 2010. Figure 7-1 also illustrates the onset of the national housing market collapse in 2006.

Figure 7-2 shows residential permit activity for Sun Prairie as compared to its regional peers. From 2006 to 2009 Sun Prairie created more residential units annually than each of its regional peers. Between 2010 and 2016 only Fitchburg added more units than Sun Prairie. Due to a surge in construction of multifamily units, in 2017 Sun Prairie once again added

more units than its regional peers (Figure 7-2).

If looking at only single-family housing construction in Sun Prairie and its peers, between 2006-2012, Middleton and Verona outpaced Sun Prairie. Sun Prairie has outpaced all peer communities since 2012.

The most recent five-year average, between 2014-2018, shows an average of 149 single-family units, 9 duplex units and 203 multi-family units constructed per year (see Table 7-1). These averages are below pre-recession levels (2000-2009) for single-family and duplex units; multi-family unit construction is nearly unchanged.

Over the last decade the City has experienced a large volume of home construction. Permit data (Table 7-1) shows that multi-family construction generally outpaced single-family construction in Sun

Figure 7-1: Sun Prairie Building Permit Activity: 1990 - 2018

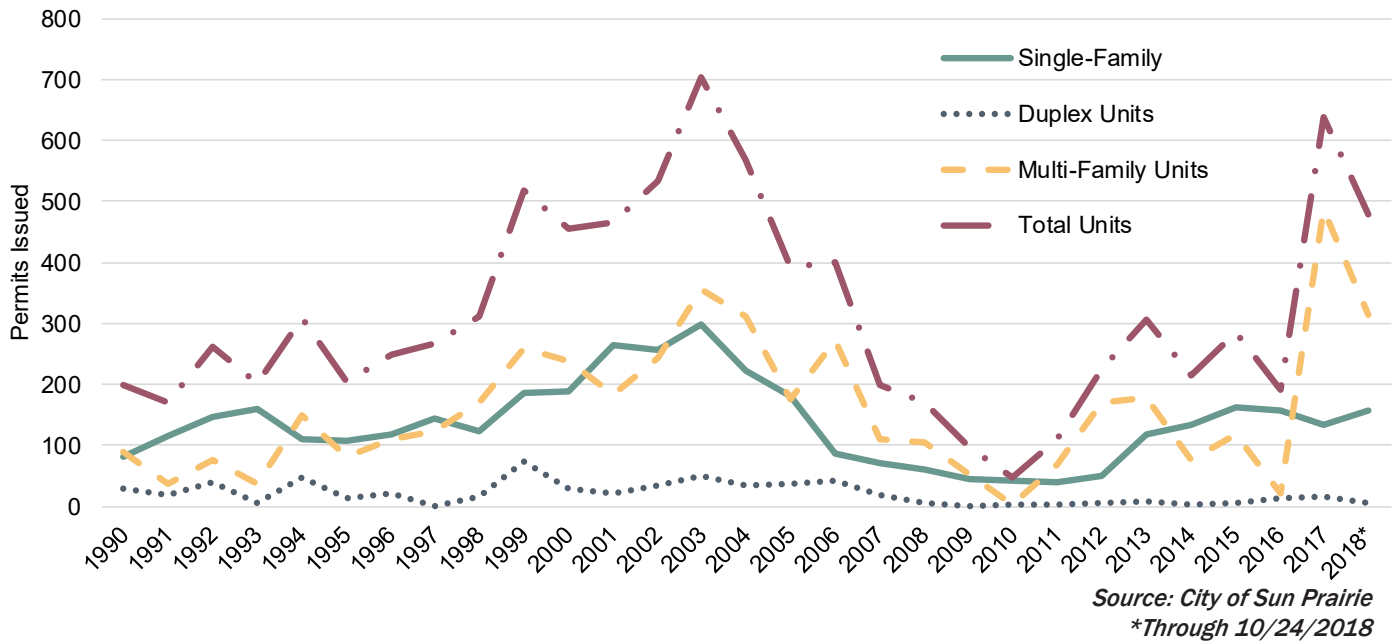
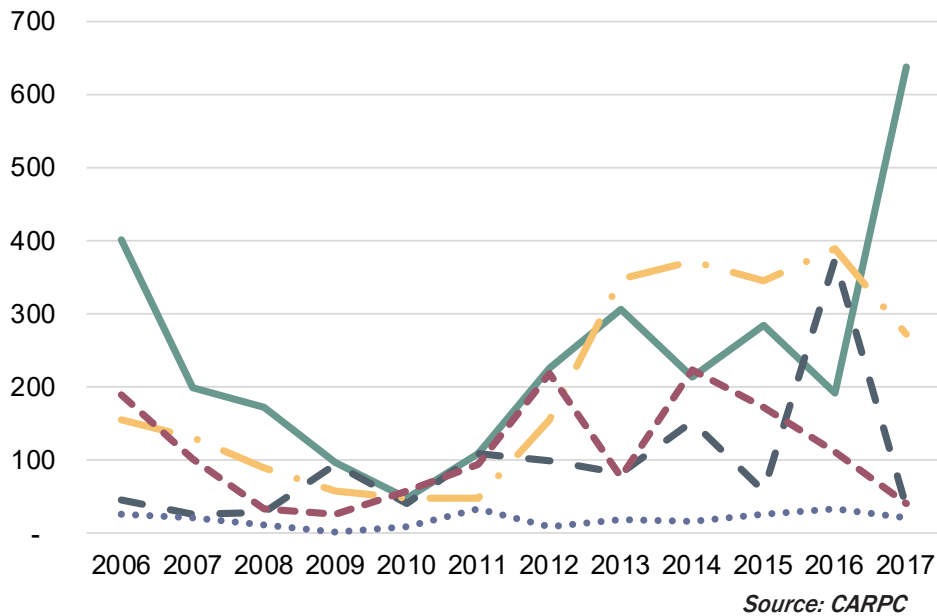


Figure 7-2: Regional Building Permit Activity: 2006 - 2017



**NOTE**

The term “multi-family” refers to structures with three or more units, regardless of whether they are owner- or renter-occupied.

Table 7-1: Sun Prairie Dwelling Units Added: 1990-2018 (Permit Activity)

Year	Single Family Units	Duplex Units	Multi Family Units	Total Units	% Single Family
1990	82	30	88	200	41%
1991	115	18	36	169	68%
1992	147	40	75	262	56%
1993	159	6	37	202	79%
1994	111	48	150	309	36%
1995	108	14	82	204	53%
1996	118	20	110	248	48%
1997	144	0	122	266	54%
1998	124	16	171	311	40%
1999	185	74	260	519	36%
2000	188	30	238	456	41%
2001	264	20	182	466	57%
2002	256	34	244	534	48%
2003	297	50	356	703	42%
2004	222	34	312	568	39%
2005	181	36	175	392	46%
2006	86	42	272	400	22%
2007	71	18	109	198	36%
2008	60	6	105	171	35%
2009	45	0	52	97	46%
2010	41	2	4	47	87%
2011	40	2	68	110	36%
2012	51	6	169	226	23%
2013	119	8	179	306	39%
2014	134	4	76	214	63%
2015	161	6	118	285	56%
2016	156	14	21	191	82%
2017	134	16	487	637	21%
2018*	158	6	314	478	33%
Total 1990-2018	3957	600	4612	9169	43%
Annual Average	136	21	159	316	43%
5-Year Ave (14-18)	148.6	9.2	203.2	361	41%

\* through October 24

**Averages**

1990-1999	129	27	113	269	48%
2000-2009	167	27	205	399	42%
2010-2018	110	7	160	277	40%

Source: City of Sun Prairie

Prairie between 2006 and 2017 (58% of residential construction), with the exception of 2010, 2014 and 2016. This trend has occurred throughout the region, and some cities have seen higher percentages, including Madison (78% of residential construction), and Fitchburg (82%). Between 2006 and 2017, Sun Prairie built the second highest quantity of single-family (1,098) homes as compared to regional peers, second only to the City of Madison (3,039) (Table 7-2).

In general, Sun Prairie and its regional peer communities all saw low housing production numbers between 2007 and 2011, preceding and extending beyond the Great Recession. The volatility of the market over the past 15 years is consistent with nation-wide trends and is a result of factors beyond the City’s control such as general economic conditions, borrowing costs, and materials costs.

### Occupancy Type

Table 7-3 compares the percentage of owner-occupied units in the City to the percentage of renter-occupied units. According to 1990 Census data, 56% of households in the community were owner-occupied and 44% were renter-occupied. The percentage of owner-occupied households increased by 8% between 1990 and 2000 and again by between 4% and 7% from 2000 to 2006-2010. Similar to 1990, 2013-2017 ACS Estimates show between 54% and 59% of households in the City are owner-occupied households and between 41% and 46% are renter-occupied households. Figure 7-3 shows that this breakdown is most similar to the City of Middleton’s occupancy tenure. Both Middleton and Sun Prairie fall in the middle of all peer communities in terms of percentage of owner occupied housing.

Table 7-2: Regional Housing Permit Activity: 2006-2017

	Single-Family		Duplex		Multi-family	
	#	%	#	%	#	%
Sun Prairie	1,098	38.1%	124	4.3%	1,660	57.6%
Madison	3,039	20.4%	208	1.4%	11,668	78.2%
Middleton	644	56.3%	4	0.3%	495	43.3%
Fitchburg	382	15.9%	54	2.2%	1,973	81.9%
Verona	739	54.9%	16	1.2%	590	43.9%
Stoughton	145	63.9%	28	12.3%	54	23.8%

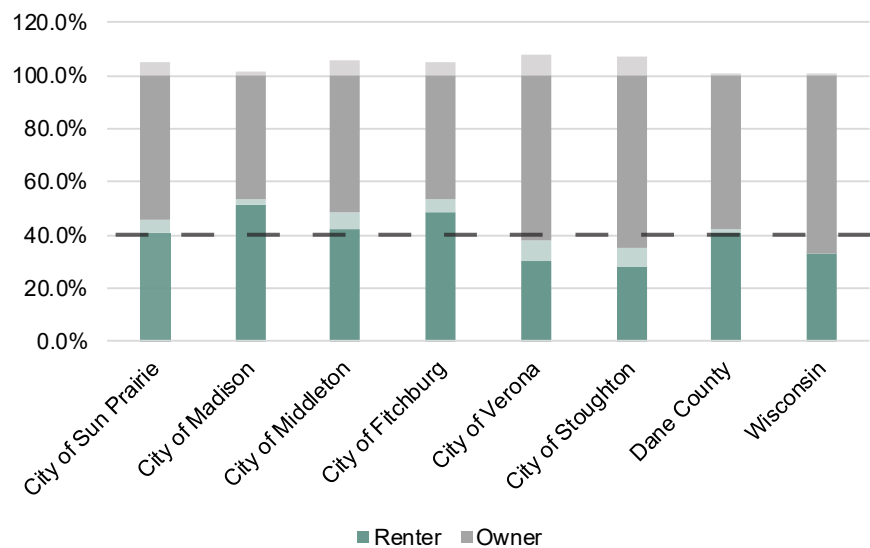
Source: CARPC

Table 7-3: Sun Prairie Housing Unit Occupancy

	Owner Occupied	%	Renter Occupied	%
1990	3,157	56.3%	2,448	43.7%
2000	4,792	60.8%	3,089	39.2%
2006-2010	6,736-7,298	63.5-64.8%	3,657-4,191	35.2-36.5%
2013-2017	6,902-7,654	53.9-59.1%	5,239-5,977	40.9-46.1%
% Change				
1990-2017	118.6-142.4%	-4.3-5.0%	114.0-144%	-6.4-5.5%

Source: US Census (1990, 2000, 2010), ACS Estimates, (2012-2016,2017)

Figure 7-3: Regional Occupancy



Source: 2013-2017 ACS Estimates

### DID YOU KNOW?

The “Sharing Economy” is a peer-to-peer marketplace where owners rent out something they are not using, such as a car, house or bicycle. An example of this is someone who owns a single-family home and rents it out on a short term basis on Airbnb.

## Unit Type

Table 7-4 shows the distribution of housing units in Sun Prairie by type and tenure (own/rent). Of note are the 2% to 4% of households renting detached single-family homes and the 8% to 11% of households owning attached units such as townhomes and twin homes. These numbers reveal the disconnect between housing form and housing tenure.

Figure 7-4 shows how Sun Prairie compares to regional peer communities in terms of unit type. Compared to regional peer communities Sun Prairie has a high number of single-family attached units such as townhomes (13-17%); this does

### DID YOU KNOW?

The Sun Prairie Area School District (SPASD) Housing Growth and Enrollment Projection Study predicts there will be 8,553 new housing units (or approximately 630 new units per year) constructed within the district between January 2017 and 2030. The Sun Prairie portion of this growth (about 55%) is projected to occur primarily on the west side within the neighborhoods of Smith's Crossing, West Prairie Village, West Main Street, Ironwood Estates, and the Reserve around the Thompson Road school site. The other 45% of this growth is projected to occur in the City of Madison. The District includes all or parts of ten municipalities, and the City of Sun Prairie contains nearly 3/4 of the SPASD's population.

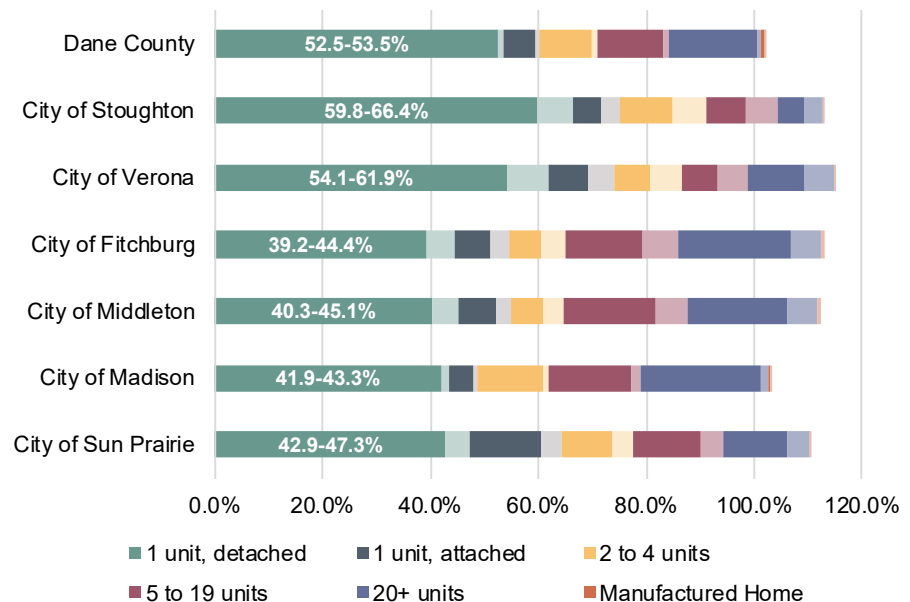
*Source: Sun Prairie Area School District Community Growth & Projections Report (2017 Addendum)*

Table 7-4: Sun Prairie Housing Unit Characteristics

Housing Unit Characteristics, 2013-2017		
Total Housing Units	12,536-13,236	
<b>Owner-occupied housing units:</b>	<b>6,902-7,654</b>	<b>55.1-57.8%</b>
1, detached	5,277-5,939	42.1-44.9%
1, attached	1,026-1,426	8.2-10.8%
2	3-53	0.0-0.4%
3 or 4	119-235	0.9-1.8%
5 to 9	0-18	0.0-0.1%
10 to 19	74-172	0.6-1.3%
20 to 49	3-79	0.0-0.6%
50 or more	0-18	0.0-0.1%
Other	0-32	0.0-0.2%
<b>Renter-occupied housing units:</b>	<b>5,239-5,977</b>	<b>41.8-45.1%</b>
1, detached	260-518	2.1-3.9%
1, attached	566-870	4.5-6.6%
2	222-470	1.8-3.6%
3 or 4	596-1,032	4.8-7.8%
5 to 9	558-946	4.5-7.1%
10 to 19	777-1,181	6.2-8.9%
20 to 49	705-1,185	5.6-9.0%
50 or more	513-817	4.1-6.2%
Other	0-18	0.0-0.1%

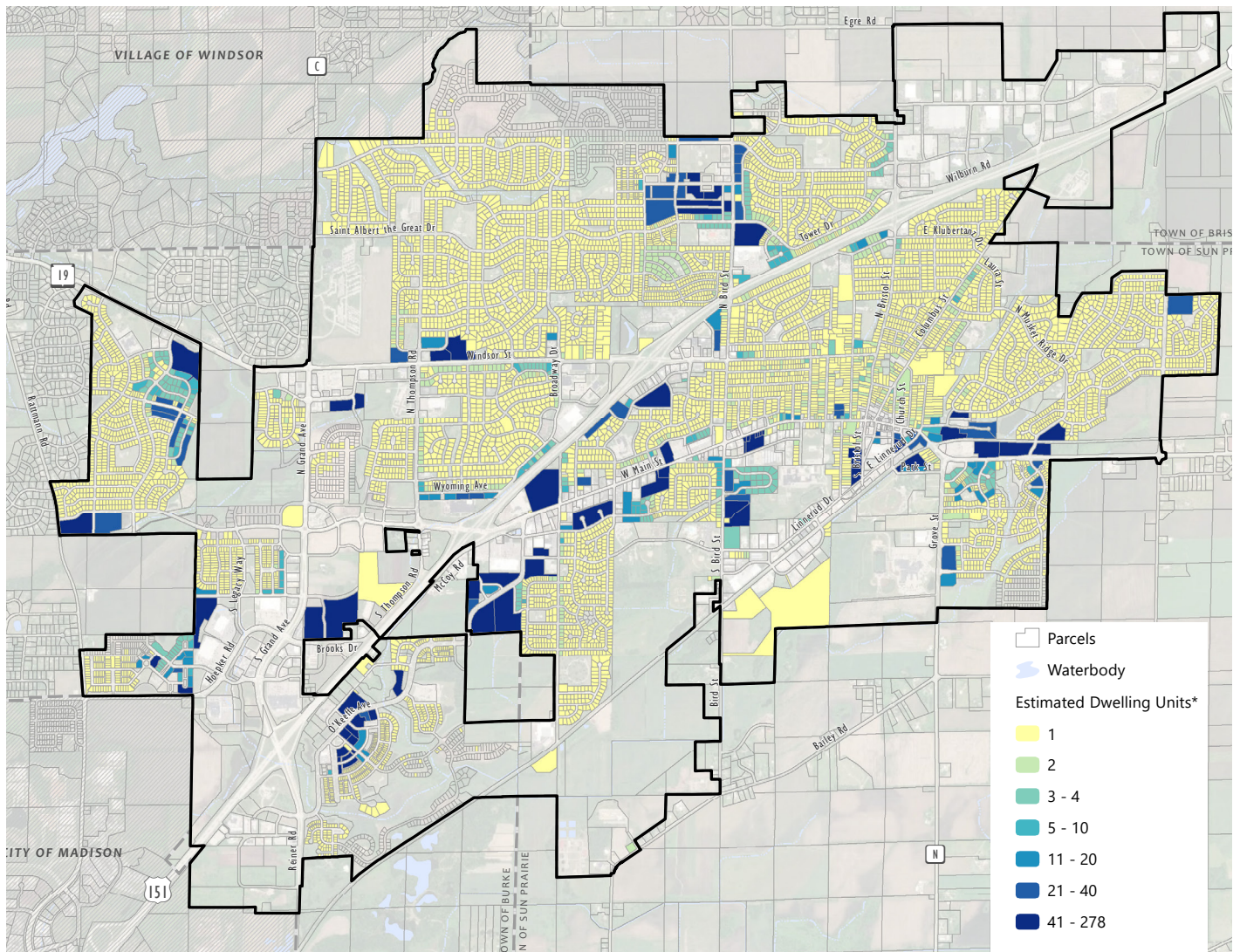
*Source: 2013-2017 ACS Estimates*

Figure 7-4: Regional Housing Unit Characteristics



*Source: 2013-2017 ACS Estimates*

Figure 7-5: Residential Properties by Number of Dwelling Units (See Map 7-1 in Appendix D)



not mean that Sun Prairie has a high percentage of multi-family housing overall. Sun Prairie falls at the lower end of peer communities with respect to the number of units in 20+ unit complexes at 12-16%. The percentage of Sun Prairie's housing stock that is single-family detached units (43-47%) is similar to the Cities of Madison, Fitchburg and Middleton (all between 39% and 45%).

Figure 7-5 shows the distribution of residential properties within Sun Prairie.



Historic Sun Prairie Home

## Vacancy Rates

Vacancy rates are an important measure of the balance between housing demand and supply in a community.

A typical healthy vacancy rate for homeowners is around 1-2%. This low number takes into account the fact that owners tend to continue living in homes that are on the market, and vacancy between owners is typically brief. Home vacancy that shows up in the vacancy statistic is typically due to circumstances such as job relocation or foreclosure.

A typical healthy vacancy rate for renters is around 5%. This number is typically higher than the home-

owner vacancy rate because rental units are more likely to sit vacant between renters. A rental vacancy rate around 5% is an appropriate balance between supply and demand, with enough available units to offer renters choices and the ability to move in somewhere right away. If the rental vacancy rate falls, it is harder for renters to find units, and easier for landlords to raise rents.

Table 7-5 shows the rental and ownership vacancy rates as estimated by the American Community Survey based on surveys completed 2013-2017. These estimates suggest that the vacancy rate for owner-occupied units is relatively low and the vacancy rate for rentals is healthy, however the margin of error allows for the possibility that the actual rental vacancy rate might actually be high or low.

Table 7-5: Sun Prairie Vacancy Rates

	2013-2017
Homeowner Vacancy Rate	0.0% - 0.2%
Rental Vacancy Rate	3.2% - 8.4%

Source: 2013-2017 ACS Estimates



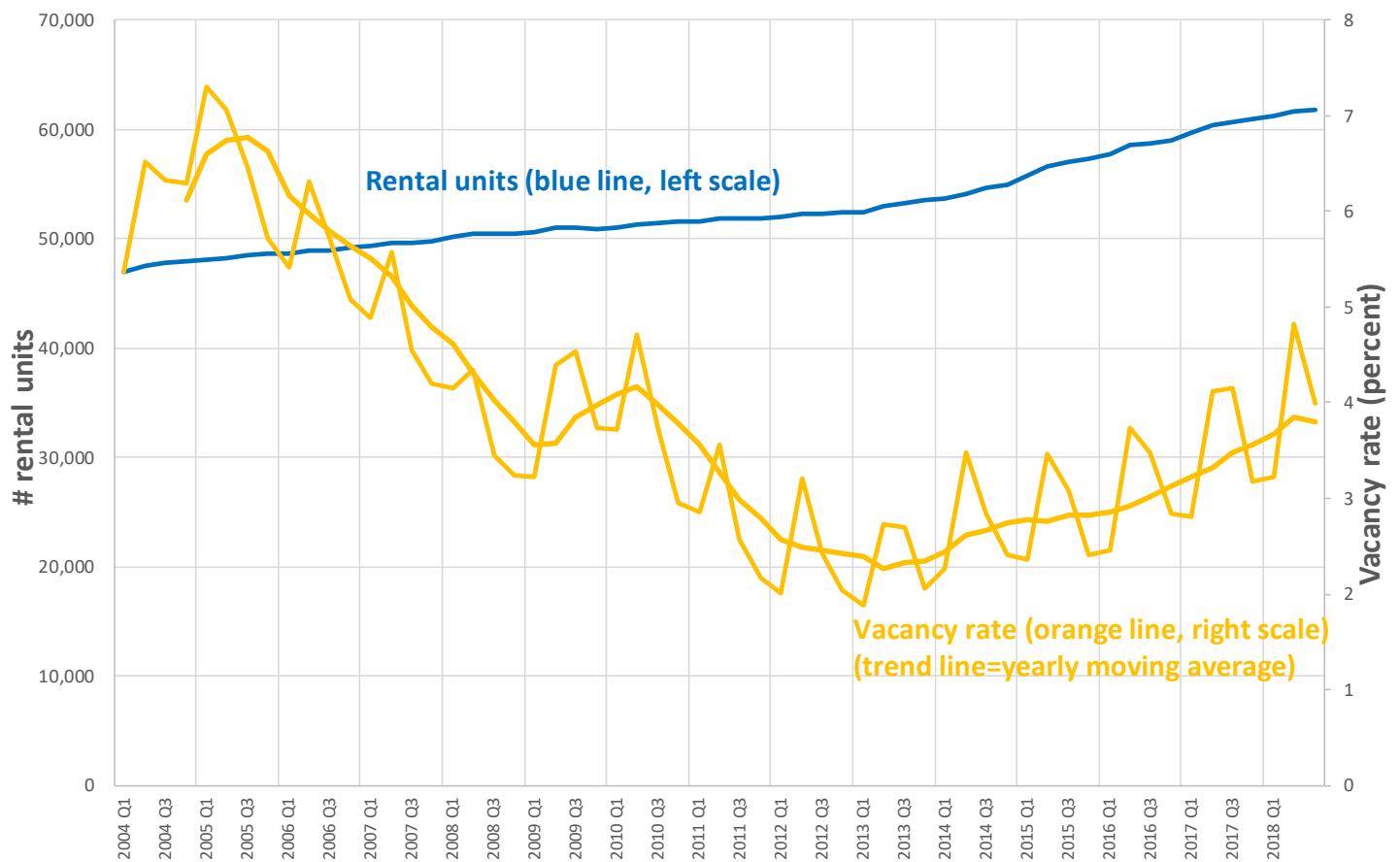
Smith's Crossing Condos

Another source of vacancy data in the region is available from Madison Gas & Electric. Figure 7-6 shows increases in the total number of multi-family rental units and the vacancy rate for multi-family rental units for a portion of the Madison Gas & Electric service area (Madison, Middleton,

Fitchburg and Monona). This area represents a large portion of the Metro Madison housing market of which Sun Prairie is part - it is useful to our understanding of market trends. Within this area, the number of rental units increased by nearly 15,000 between 2004 and 2018. Between 2005 and 2013 the

vacancy rate dropped from 6.0% to 2.5%. Since 2013, the vacancy rate has increased to nearly 4.0% in 2018. This upward trend of vacancy indicates a return toward a healthier market. It also likely predicts a slowing of developer interest in new rental unit construction.

Figure 7-6: Changes in Multifamily Rental Supply and Vacancy Rates for Select Madison Gas and Electric Service Areas



Data as of 3rd quarter 2018. Data source: MG&E Multifamily vacancy, by quarter. Source: <https://www.mge.com/customer-service/multifamily/vacancy-rates/>.

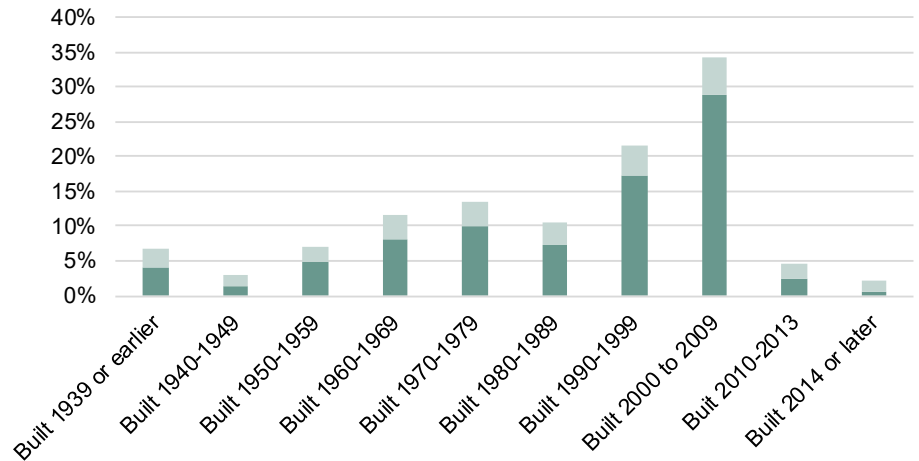
Note. Reprinted from "Dane County Housing Needs Assessment 2018 Update," by K. Paulsen.

## Unit Age

Unit age is useful primarily as an indicator of housing conditions and update needs across a community. While individual homes may be well updated and maintained, older homes will, on average, have poorer conditions and require more investment. Only 18-29% of Sun Prairie's housing stock was built prior to 1970 (see Figure 7-7). Between 49% and 63% of the City's housing stock has been built since 1990 - indicating a relatively new overall housing stock (see Figure 7-8).

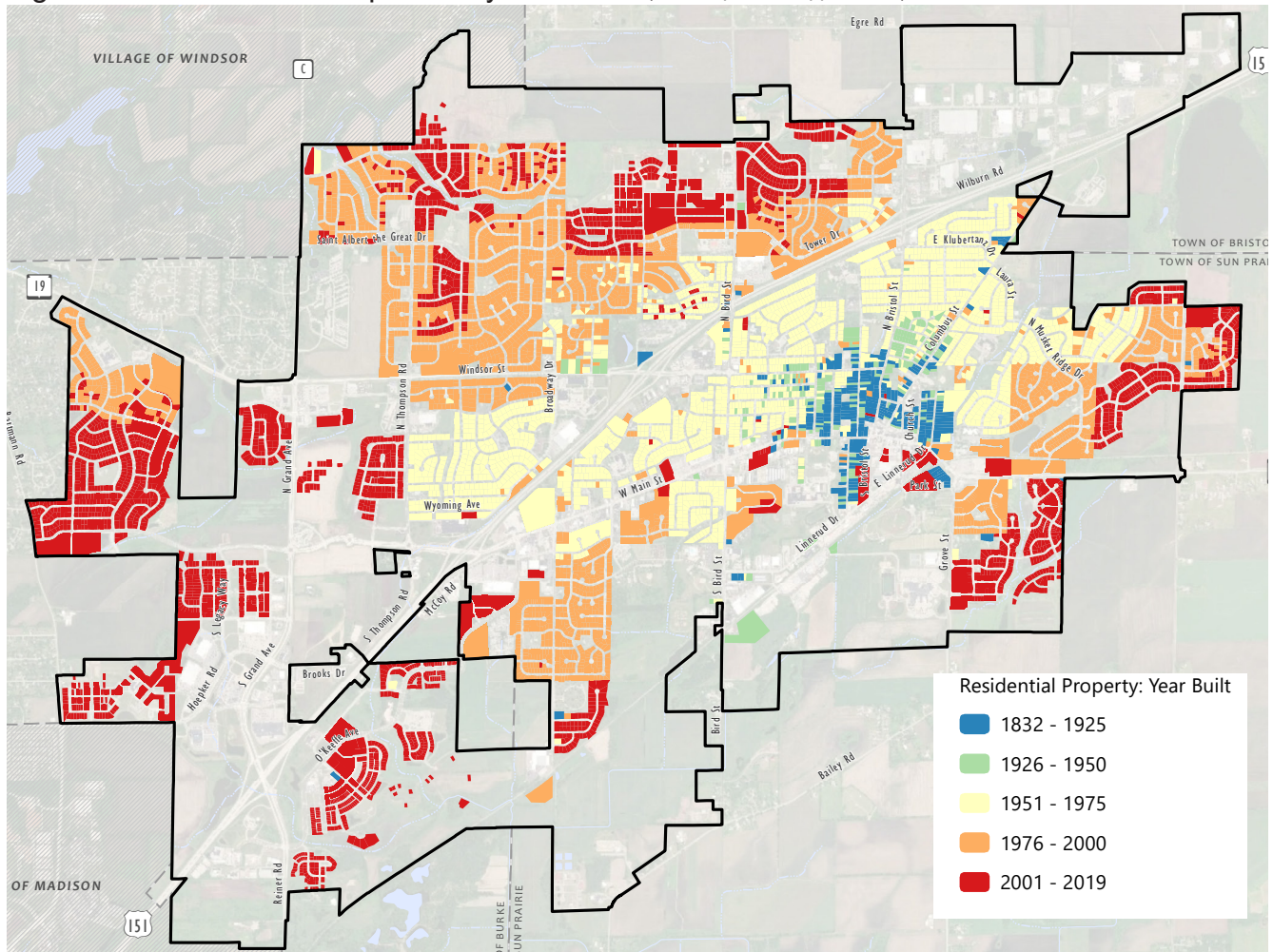
A description of some of the programs available to help residents repair or rehabilitate their homes is provided at the end of this chapter.

Figure 7-7: Sun Prairie Year Structure Built



Source: 2013-2017 ACS Estimates

Figure 7-8: Residential Properties by Year Built (See Map 7-2 in Appendix D)



## Value

Value is another means of assessing the condition of a community's housing stock. Since the 2000 Census, median home value increased from \$143,400 to between \$209,890 and \$223,710 (46-56%) according to 2013-2017 ACS Estimates. Approximately one-third of Sun Prairie's housing stock was valued between \$150,000-\$199,999. When compared to selected regional peer communities, the only community with lower median values than Sun Prairie was the City of Stoughton (\$180,330-\$202,070) (see Figure 7-9).

## Cost to Buy

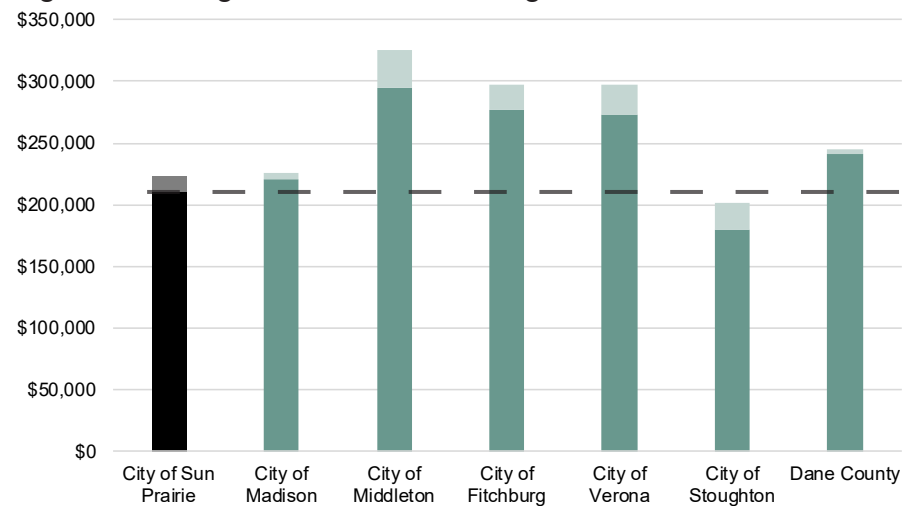
Homebuyers currently shopping in Sun Prairie will be surprised by the data showing a median home value of \$209,890-\$223,710, because there are very few homes on the market at that cost. A November 2018 search of Zillow, the real estate website, showed just one home available under that cost, a foreclosure property. Data released by the South Central Wisconsin Multiple Listing Service (MLS) show that the median sale price in the City increased from \$210,000 in 2014 to \$240,000 in 2016, and data for the entire region show that this is a continuing trend, with prices rising further in 2017 and 2018.

## Real Estate Market

At the onset of the Great Recession the City saw just 308 homes sold in 2008. The housing market has since recovered - in 2016 the number of single family homes sold in Sun Prairie (609) hit the highest it has been since 2004 (570) (Figure 7-10).

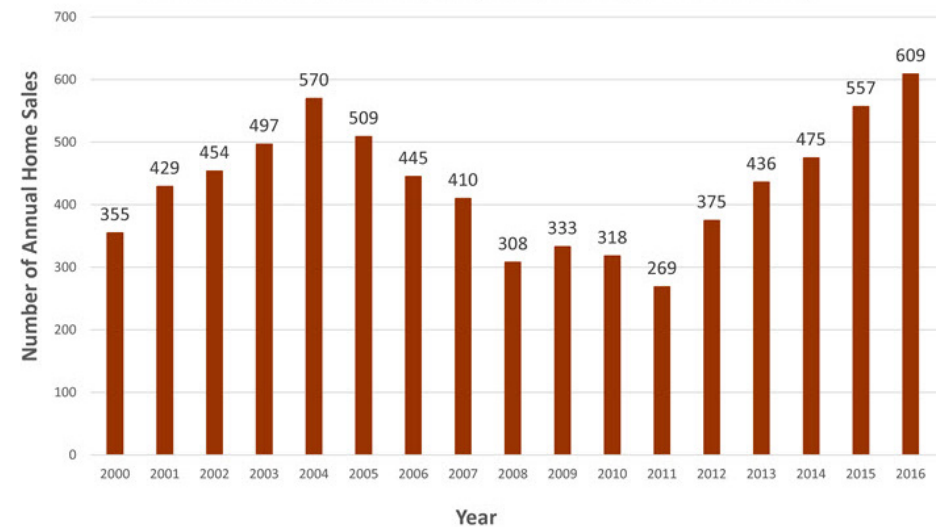
Over the last several years the housing market has been hot,

Figure 7-9: Regional Median Housing Values



Source: 2013-2017 ACS Estimates

Figure 7-10: Sun Prairie Single Family Home Sales 2000-2016



Source: <http://www.madcitydreamhomes.com/sun-prairie-home-report.php>



Historic Aerial of Sun Prairie

with homes selling within days of being posted for sale and buyers paying over selling price to outbid competitors. At the time the data in Table 7-6 was pulled (11/8/2017), homes under \$300,000 had 1.1 or fewer months of inventory. According to the Harvard Joint Center for Housing Studies, a six month supply is considered desirable.

As of 11/8/17, 34% of all Sun Prairie single family home listings had an accepted offer. Through October 2017, the average days on the market for a single family home in Sun Prairie was 35 days - this is tied with 2016 for the lowest on record.

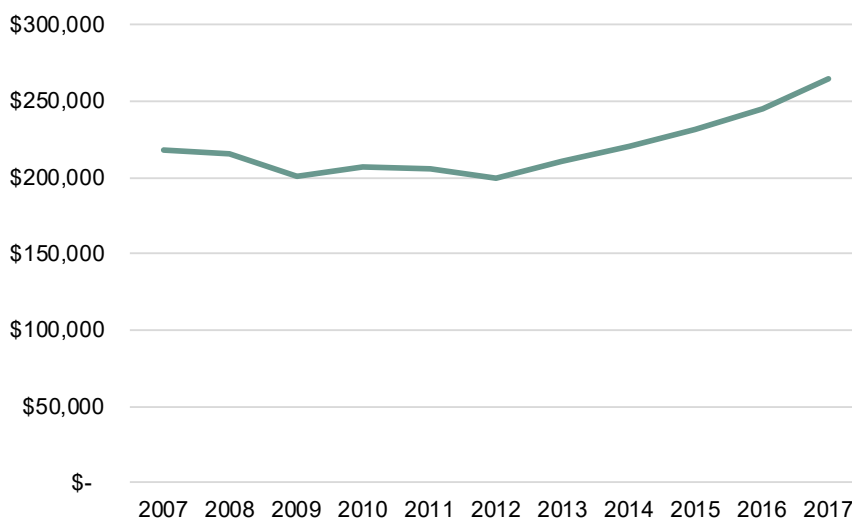
Data on median sale price for single-family homes within Dane County shows that the median price was \$264,500 in 2017, an increase of 32% from 2009 (Figure 7-11).

Table 7-6: Sun Prairie Single Family Home Inventory (11/8/2017)

Price Range	# of Active Listings	Adjusted Months of Inventory
\$0 - \$99,999	0	0
\$100,000 - \$149,999	3	1.2
\$150,000 - \$199,999	5	0.4
\$200,000 - \$249,999	19	1.1
\$250,000 - \$299,000	20	0.7
\$300,000 - \$349,000	28	2.1
\$350,000 - \$399,999	20	3.5
\$400,000 - \$499,999	10	3.7
\$500,000 - \$599,999	0	0
\$600,000 - \$699,999	2	-
\$700,000 - \$799,999	2	-
\$800,000 - \$899,999	1	-
\$900,000 - \$999,999	1	-
\$1,000,000 +	0	-

Source: <http://www.madcitydreamhomes.com/sun-prairie-home-report.php>

Figure 7-11: Dane County Single-Family Median Sale Price



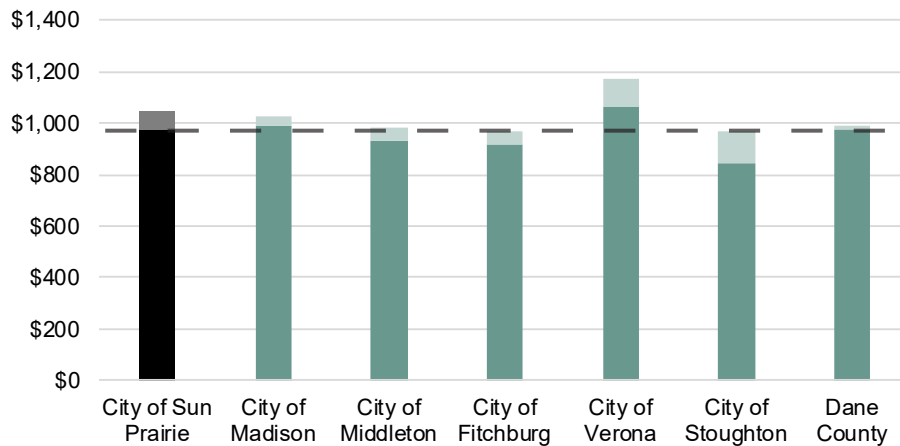
Source: [https://www.wra.org/Resources/Property/Wisconsin\\_Housing\\_Statistics/](https://www.wra.org/Resources/Property/Wisconsin_Housing_Statistics/)

### DID YOU KNOW?

According to the Bureau of Labor Statistics' 2018 Survey of Consumer Expenditures, 67% of renters prefer or strongly prefer to own homes assuming they had the financial resources to do so. Also, 61% of renters think buying a home in their ZIP code today is a somewhat or very good investment. Only 12% believe it is a somewhat or very bad investment. The Sun Prairie Community Survey confirms these findings. When asked "if you were to move in the next five years, would you prefer to buy or rent?", 61% of current renters said they would be interested in buying a home.

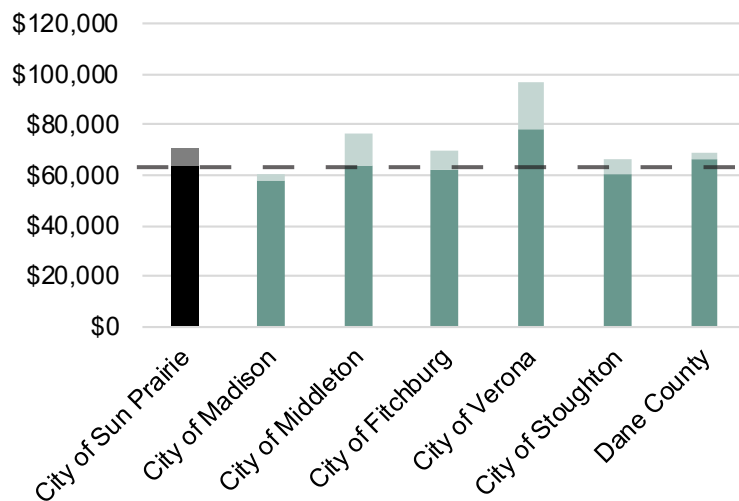
Source: [http://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_State\\_of\\_the\\_Nations\\_Housing\\_2018.pdf](http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf)

Figure 7-12: Regional Median Rent



Source: 2013-2017 ACS Estimates

Figure 7-13: Regional Median Income



Source: 2013-2017 ACS Estimates

Table 7-7: Monthly “Affordability” Housing Budget (rent + utilities)

	Persons in Family			
	1	2	3	4
Low Income Limits (80% of AMI)	\$ 1,259	\$ 1,439	\$ 1,619	\$ 1,798
Multifamily Tax Subsidy Limits (60% of AMI)	\$ 963	\$ 1,101	\$ 1,239	\$ 1,376
Very Low Income Limits (50% of AMI)	\$ 803	\$ 918	\$ 1,033	\$ 1,146
Extremely Low Income Limits (30% of AMI)	\$ 481	\$ 550	\$ 619	\$ 688

Note. Reprinted from “Dane County Housing Needs Assessment 2018 Update,” by K. Paulsen.

Table 7-8: Dane County FY 2018 Income Limits

	Persons in Family			
	1	2	3	4
Low Income Limits (80% of AMI)	\$ 50,350	\$ 57,550	\$ 64,750	\$ 71,900
Multifamily Tax Subsidy Limits (60% of AMI)	\$ 38,520	\$ 44,040	\$ 49,560	\$ 55,020
Very Low Income Limits (50% of AMI)	\$ 32,100	\$ 36,700	\$ 41,300	\$ 45,850
Extremely Low Income Limits (30% of AMI)	\$ 19,250	\$ 22,000	\$ 24,750	\$ 27,500

Note. Reprinted from “Dane County Housing Needs Assessment 2018 Update,” by K. Paulsen.

## Cost to Rent

Based on ACS estimates, between 39% and 50% of rents in Sun Prairie are between \$500 and \$999. The median rent in Sun Prairie was \$972-\$1,050. Figure 7-12 shows that the only regional peer community with a higher median rent than Sun Prairie is the City of Verona at \$1,059-\$1,171.

## Income & Affordability

The generally accepted definition of affordability (from the U.S. Department of Housing and Urban Development, or HUD) is when a household pays no more than 30% of its annual income on housing costs (including utilities, rent, mortgage, tax and insurance). Households that pay more than 30% of their income on housing are considered to have an affordability problem.

## Income

According to 2013-2017 ACS Estimates, the median household income for owner-occupied units was \$81,411-\$95,255 and for renter-occupied units was \$39,356-\$48,480, resulting in a difference of approximately \$42,000-\$47,000. The combined median income within the City is between \$64,067 and \$70,957, which is most similar to the City of Fitchburg median income (see Figure 7-13).

A common measure used to determine affordability and program eligibility thresholds is the Area Median Income. This is calculated by HUD and is the midpoint of a region’s income distribution. Table 7-6 shows 2018 income limits for Dane County. Table 7-7 shows what is considered an “affordable” housing budget for the households in Table 7-8.

### Monthly Owner Costs

Figure 7-14 shows that within Sun Prairie, 23-30% of owner households pay more than 30% of their income on housing costs; this appears to be higher than all regional peer communities.

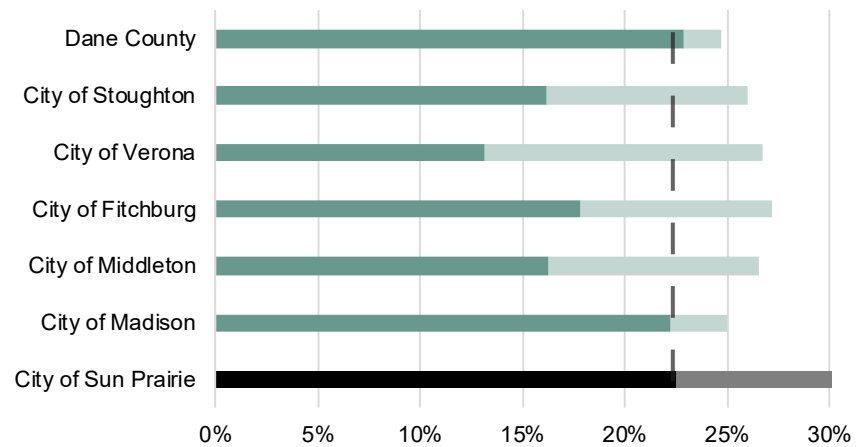
When comparing change in home value to the change in household income since 2000, home values have risen 46-56% while household incomes have only risen 25-38%.

### Monthly Renter Costs

Figure 7-15 shows that within Sun Prairie, between 39% and 50% of renter households pay more than 30% of their income on housing costs. This is most similar to the percentage of renters paying more than 30% of their income on housing in the City of Fitchburg (38-50%).

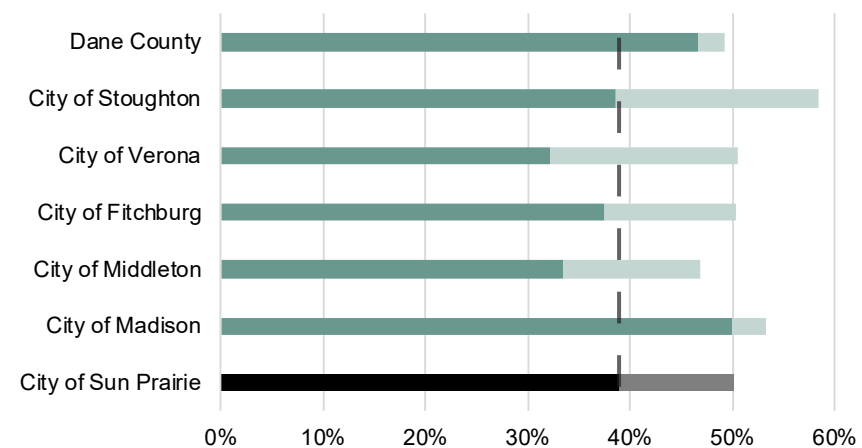
The *Dane County Housing Needs Assessment 2018 Update* calculated the gap between the number of extremely low income renters within communities and the number of existing rental units that are considered affordable to these renters. The City of Sun Prairie currently has 1,000 households considered extremely low income

Figure 7-14: Regional Monthly Owner Housing Costs >30% (units with a mortgage)



Source: 2013-2017 ACS Estimates

Figure 7-15: Regional Renter Costs >30%



Source: 2013-2017 ACS Estimates

Table 7-9: Affordable Rental Housing Supply Gap for Under 30% AMI Renter Households, 2015

Cities	Renter Households with Incomes Below 30% AMI	Rental Units Whose Rent is Affordable to Households at 30% AMI	Affordable Rental Housing Gap for Households With Incomes Below 30% AMI
City of Sun Prairie	1,000	245	755
City of Madison	12,365	4,320	8,045
City of Middleton	625	205	420
City of Fitchburg	1,305	250	1,055
City of Verona	210	30	180
City of Stoughton	590	250	340
City of Monona	490	220	270
<b>Total</b>	<b>16,585</b>	<b>5,520</b>	<b>11,065</b>

Note. Reprinted from "Dane County Housing Needs Assessment 2018 Update," by K. Paulsen.

and 245 rental units considered affordable for this group, leaving a gap of 755 units. Sun Prairie has the third largest gap in affordable rental units for those considered extremely low income, behind Fitchburg (1,055 units) and Madison (8,045 units) (See Table 7-9).

## Households

The City can expect to grow by roughly 4,000 households in the next decade (see Table 7-10). After accounting for a healthy vacancy level (1% in owner units and 5% in rental units), and assuming demand for about 55% owner-occupancy, this equates to market demand for about 2,200 new owner units (220/year) and 1,900 new rental units (190/year).

## Age

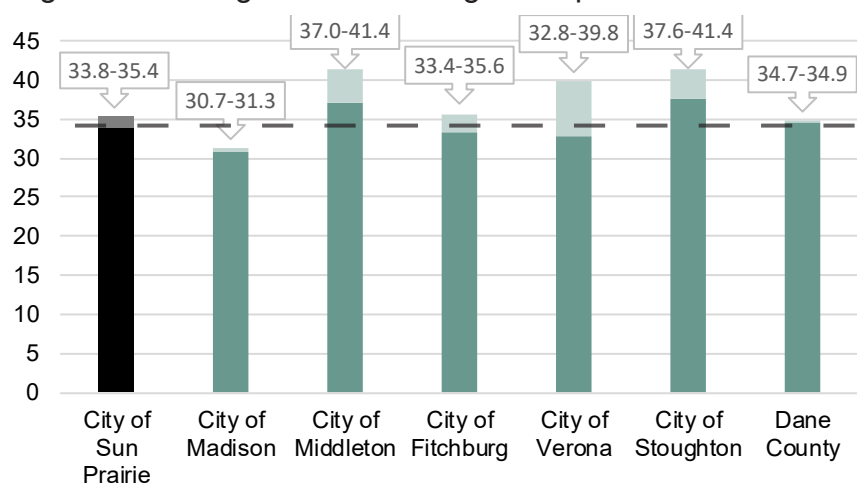
According to 2013-2017 ACS Estimates, the median age in the City of Sun Prairie is between 33.8 and 35.4, which is in the middle of its regional peer communities and nearly identical to Fitchburg (33.4-35.6) and Dane County (34.7-34.9). (Figure 7-16). Between 33% and 37% of the population is under age 20 and between 7% and 9% is age 75 and older (Figure 7-17).

Table 7-10: Sun Prairie Households

	City of Sun Prairie	
	Households	Persons per
1970	2,663	3.71
1980	4,360	2.95
1990	5,605	2.72
2000	7,881	2.56
2010	11,636	2.51
2020	14,203	2.44
2025	15,621	2.42
2030	16,992	2.39
2035	18,196	2.37
2040	19,256	2.36
% Change		
1980-2010	166.9%	-31.8%
2010-2040	65.5%	-6.8%

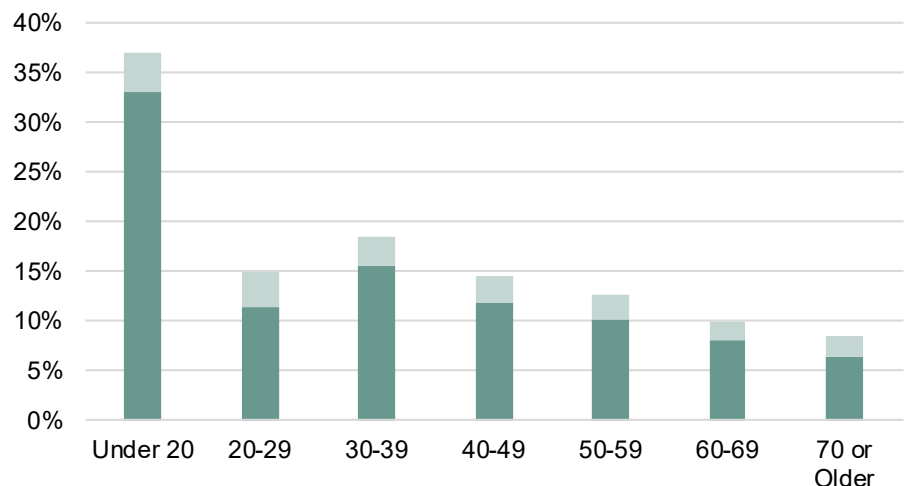
Source: US Census, WI DOA Projections

Figure 7-16: Regional Median Age Comparison



Source: 2013-2017 ACS Estimates

Figure 7-17: Sun Prairie Population by Age



Source: 2013-2017 ACS Estimates

## Type

The types of households within Sun Prairie are 36-37% non-family households with no kids, 23-24% married-couple families with kids and 24% married-couple families with no kids (see Figure 7-18). Between 10% and 11% of households in Sun Prairie are single parents with kids.

## Jobs & Housing Units

Workforce commuting data is discussed in Chapter 8, however it is worth noting here that 85% of the employed residents in Sun Prairie are commuting outside of the City for work. Table 7-11 shows the distribution of jobs and housing units within Sun Prairie and its regional peers. Madison, Middleton and Verona all pull in a larger workforce as compared to the number of housing units each has. Sun Prairie, Fitchburg and Stoughton all have more housing units than jobs.

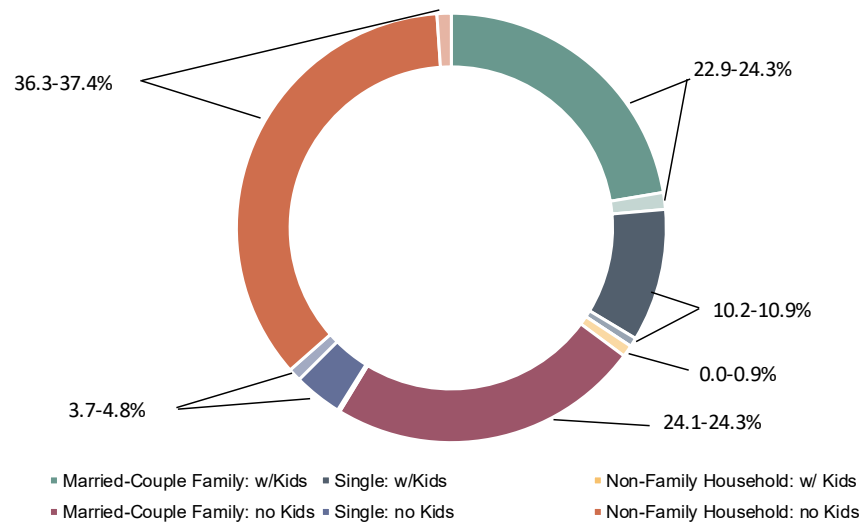
## Taxes

Taxes can play an important role in a household's decision about where to live. When comparing Sun Prairie to the top locations where its workers live, Sun Prairie falls near the middle of the pack in respect to its tax rate. The nearby Villages of DeForest, Waunakee and Windsor all have relatively lower tax rates as compared to Sun Prairie (see Table 7-12).

## Building & Development Fees

Communities charge fees when approving new development to pay for costs resulting from the new land use and the process of approving the use. These fees, including zoning, plan reviews, building inspection, and impact fees for various municipal systems, are calculated in various ways (per unit,

Figure 7-18: Sun Prairie Household Makeup



Source: 2013-2017 ACS Estimates

Table 7-11: Regional Distribution of Jobs and Housing Units, 2015/2016

	Housing Units (2016)	Job Count (2015)	Jobs/Housing Ratio
City of Sun Prairie	13,221	10,128	0.77
City of Madison	110,540	193,959	1.75
City of Middleton	8,853	17,802	2.01
City of Fitchburg	11,469	10,825	0.94
City of Verona	4,854	13,334	2.75
City of Stoughton	5,297	5,128	0.97
<b>Total</b>	<b>154,234</b>	<b>251,176</b>	<b>1.63</b>

Note. Reprinted from "Dane County Housing Needs Assessment 2018 Update," by K. Paulsen.

Table 7-12: Regional Tax Comparison

Community	County	2017 Effective Tax Rate	Taxes on \$206,200 home	Difference vs. Sun Prairie	2017 Population
City of Beaver Dam	Dodge	0.02468	\$5,089	\$559	16,845
City of Waterloo	Jefferson	0.0229	\$4,722	\$192	3,377
City of Fitchburg	Dane	0.02268	\$4,677	\$146	27,936
City of Madison	Dane	0.02254	\$4,648	\$118	250,073
Village of Marshall	Dane	0.02212	\$4,561	\$31	3,848
City of Sun Prairie	Dane	0.02197	\$4,530	-	32,933
City of Stoughton	Dane	0.02194	\$4,524	(\$6)	12,834
City of Columbus	Columbia	0.02169	\$4,472	(\$58)	5,096
City of Verona	Dane	0.02046	\$4,219	(\$311)	12,303
Village of DeForest	Dane	0.01975	\$4,072	(\$458)	9,920
Village of Waunakee	Dane	0.01969	\$4,060	(\$470)	13,535
City of Middleton	Dane	0.0187	\$3,856	(\$674)	20,151
Village of Windsor	Dane	0.01755	\$3,619	(\$911)	7,430

Source: Wisconsin Department of Revenue (including 2017 population Estimates)  
\*The median home value in Sun Prairie based on 2012-2016 ACS Estimates

per parcel, per square foot, per project). To show how these fees affect the cost of a unit, and to enable comparisons with other communities, we invented a sample development project comprised of 30 single family homes, 16 duplex units (8 structures) and 60 multifamily units (one structure). Assumptions used to calculate fees include:

- » Size of residential units (single family home: three bedrooms, 2,500 SF; duplex unit: three bedrooms, 1,500 SF; and apartments: two bedrooms, 1,200 SF).
- » Total disturbed area and impervious area for single-family homes and duplex-

es is 3,500 SF per unit.

- » Total disturbed area and impervious area for the apartment building is 55,000 SF and 45,000 SF, respectively.
- » A Comprehensive Development Plan is required because the land division is for a parcel that is over 35 acres.

Under this development example, Sun Prairie has the lowest fees as compared to its regional peers (Table 7-13).

When new housing is developed, most communities in Wisconsin require some combination of land and fees to ensure adequate parkland and amenities for use by resi-

dents. Dedication of land is often required when a land division occurs, with an option of fees in lieu of land if the land is not a need at that location. In addition, many communities also assess a one-time impact fee at the time when new units are constructed, to help fund the improvement of park spaces. As compared to regional peers, in this development scenario, the City of Sun Prairie has the lowest Estimated park fees (Table 7-14).

Table 7-13: Sun Prairie Fees for Sample Development

Fee Category	Per Single-Family Dwelling Unit	Per Duplex Dwelling Unit	Per Multifamily Dwelling Unit
Park Fees	\$ 1,700	\$ 1,700	\$ 1,700
Building & Construction	\$ 1,860	\$ 1,419	\$ 949
Preliminary & Final Plat	\$ 60	\$ 35	\$ 11
Erosion Control and Stormwater Management	\$ 58	\$ 32	\$ 18
<b>TOTAL</b>	<b>\$ 3,678</b>	<b>\$ 3,186</b>	<b>\$ 2,678</b>
<b>DEVELOPMENT TOTAL</b> (30 single-family, 16 duplex units, 60 multi-family)	<b>\$ 110,348</b>	<b>\$ 50,969</b>	<b>\$ 160,625</b>

Source: City of Sun Prairie

Table 7-14: Regional Fee Comparison for Sample Development Project

	City of Sun Prairie	City of Fitchburg	City of Madison	City of Middleton	City of Verona	Village of DeForest	Village of Waunakee
Total Fee per Single Family Dwelling Unit	\$3,678	\$8,687	\$6,971	\$6,598	\$8,321	\$6,540	\$5,438
Total Fee per Duplex Dwelling Unit	\$3,186	\$7,579	\$6,331	\$5,860	\$7,362	\$6,259	\$4,826
Total Fee per Multifamily Dwelling Unit	\$2,678	\$5,359	\$4,179	\$3,829	\$4,090	\$4,679	\$3,675
<b>DEVELOPMENT TOTAL</b> (30 single family, 16 duplex units, 60 multifamily)	<b>\$321,942</b>	<b>\$703,414</b>	<b>\$560,771</b>	<b>\$521,445</b>	<b>\$612,830</b>	<b>\$577,070</b>	<b>\$460,883</b>
Development Total Without Parks Fees	\$141,742	\$209,054	\$122,212	\$181,555	\$320,730	\$117,268	\$145,840

Source: Cities of Sun Prairie, Madison, Middleton, Fitchburg and Verona and Villages of DeForest and Waunakee

## NATIONAL TRENDS AFFECTING THE HOUSING MARKET

- » **Those under age 35 are not forming households at rates as high as previous generations.** This is likely due to higher rates of college and graduate school; lower rates of marriage and childbearing; and high housing costs.
- » **Baby boomers are aging and prefer to “age in place”.** Baby boomers will continue to impact both homeowner and rental markets in the future. They will also drive growth in spending on home repairs and renovations as they own much of the existing housing stock. They will also require better access to transportation and support services as they age.
- » **Demand shift from renting to owning.** Growth in renter households slowed from 850,000 annually on average in 2005-2015, to just 220,000 in 2015-2017, while the number of owner households rose 710,000 annually on average in the past two years. Although this is true, homeownership rates for young adults and black households are at near 30-year lows.
- » **Supply of single-family homes is tight.** Inventories are at the lowest they have been since the National Association of Realtors began tracking in 1982. In 2017, the supply of for-sale homes averaged only 3.9 months. Lower-cost homes are especially scarce. One factor contributing to tight supply is the slow growth of single-family construction.
- » **Multi-family construction is leveling off.** Demand for multi-family surged after the Great Recession. In 2009 there were 109,000 units of multi-family constructed, in 2015 there were 397,000 units constructed. In 2017 multi-family construction decreased by 10%. The slowdown is likely due to less demand for rentals and increasing vacancy rates for higher-end units. There is still a shortage of lower-cost rental units.
- » **Affordability remains a widespread issue.** The cost burdened share of renters doubled from 24% in the 1960s to 48% in 2016. Adjusting for inflation, the median rent rose 61% between 1960 and 2016 while the median renter income only grew by 5%. The median home value increased 112% and the median owner income rose 50% during the same time period.
- » **Increase in federal assistance has not kept up with need.** Between 1987 and 2015 the number of very low-income renters grew by 6 million while the number assisted rose only 950,000. The two main assistance programs for renters are housing choice vouchers and low-income housing tax credits (LIHTC). Programs supporting first-time homeowners are also limited. The largest barrier for first-time buyers is downpayment and other up-front costs when purchasing a home.

Source: [http://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_State\\_of\\_the\\_Nations\\_Housing\\_2018.pdf](http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf)



Smith's Crossing

# HOUSING PROGRAMS



*Smith's Crossing*

## Federal Housing Programs, Agencies and Regulations

Descriptions of all federal programs and regulations are from the National Low Income Housing Coalition and Dane County. The federal government has played a role in subsidizing housing construction, homeownership and rental assistance for lower-income residents since the 1930. Today, there are still a number of programs and agencies available for the benefit of low-income residents.

## Community Development Block Grant

The Community Development Block Grant (CDBG) program is a federal program aimed at creating viable communities by providing funds to improve housing, the living environment and economic opportunities principally for persons with low and moderate-incomes. At least seventy percent of the CDBG funds received by a jurisdiction

must be spent to benefit people with low and moderate-incomes. The remaining thirty percent can be used to aid in the prevention or elimination of slums and blight or to meet an urgent need such as hurricane, earthquake or flood relief.

The CDBG program was established under Title I of the Housing and Community Development Act of 1974. The CDBG program is administered by the Department of Housing and Urban Development's (HUD) Office of Community Planning and Development. Seventy percent of each annual appropriation is automatically distributed to cities with more than 50,000 in population and counties with more than 200,000. These are called entitlement jurisdictions. The remaining thirty percent goes to states for distribution to their smaller municipalities and rural counties. Dane County administers the CDBG program for participating municipalities in the county other than the

City of Madison, which is an entitlement city. Since 1999 over \$18 million in CDBG funds have been invested in Dane County Consortium communities.

Sun Prairie is part of the Dane County Consortium and receives CDBG funds. The current funding recommendations for 2019 CDBG funds include the Sun Prairie Youth Center Boys and Girls Club. Other programs that are being considered for funding will also benefit Sun Prairie such as Movin' Out, Project home, Sunshine Place, Habitat for Humanity, and others.

## HOME Investment Partnerships Program

The HOME program is designed to expand the supply of decent, affordable housing for lower income people. States and localities use the funds for a variety of rental and homeownership activities, such as constructing new units, rehabilitating existing units, offering down payment assistance and providing

## DID YOU KNOW?

Dane County annually receives approximately \$1 million in CDBG and \$400,000 in HOME funds. In 2018, the Boys and Girls Club of Dane County will receive a CDBG award of \$450,000 towards the development of the Sun Prairie Youth Center.

*Source: Dane County*

tenant-based rental assistance. In general, all HOME money must benefit low-income people, rents must be affordable and units must remain affordable for a period of time.

Authorized by Congress in 1990, the HOME program is administered by the Office of Affordable Housing programs in HUD's Office of Community Planning and Development. HOME is a federal block grant to "Participating Jurisdictions," (states and certain localities) that use the funds to provide affordable low-income housing.

All states are participating jurisdictions, but not all localities are. A formula based on six factors reflecting measures of poverty and the condition and supply of the rental housing stock determines which local jurisdictions are participating jurisdictions. Jurisdictions that do not meet the formula's threshold can get together with neighboring jurisdictions to form a "consortium" in order to get HOME funding.

Each year, the formula distributes sixty percent of the HOME dollars to local governments and "consortia"; the remaining forty percent is allocated to states. The actual dollars may vary from year to year.

Dane County is considered an entitlement jurisdiction under the HUD HOME program. Dane County is required to set aside a mini-

mum of 15% of its HOME funds for CHDOs. A Community Housing Development Organization (CHDO) is a certified, non-profit, community based service consortium that has, or intends to retain staff for the purpose of developing affordable housing in the community it serves. Dane County has been allocated HOME funding since 2002 and annual receives approximately \$400,000 in HOME funds. The Dane County Office of Economic & Workforce Development annually solicits project applications for both the HOME and CDBG programs. Sine Sun Prairie is part of the Dane County Urban County Consortium it benefits from this funding and takes part in decisions about how to prioritize funding needs within the County.

### Fair Housing Act

The Federal Fair Housing Act, passed in 1968 and amended in 1974 and 1988, protects individuals and families from discrimination on the basis of race, national origin, color, religion, sex, familial status (children in the home) and disability in all housing transactions, public and private. The Office of Fair Housing and Equal Opportunity is responsible for the administration of fair housing programs and for processing fair housing complaints. HUD's fair housing programs include the Fair Housing Initiatives program and the Fair Housing Assistance Program. The

Civil Rights Division of the United States Department of Justice is responsible for litigating on behalf of the federal government in cases of fair housing violations.

Private fair housing centers process at least 70% of the nation's more than 28,000 annual fair housing complaints. These organizations fight housing discrimination by providing education and outreach programs for both housing consumers and housing providers, investigating allegations of rental, sales, homeowners insurance and lending discrimination, and conducting studies to determine the nature and extent of housing discrimination in the regions they serve.

The intent of the Fair Housing Act is the promotion of integration and the elimination of discrimination. Residential segregation contributes to economic disadvantage by reducing home appreciation, access to public benefits and employment opportunities and perpetuating racially separate and unequal schools. However, this policy is often associated with controversy at the local level, where housing mix and variety are not always well received.

### Community Reinvestment Act

Passed in 1977, the Community Reinvestment Act (CRA) mandates the continual and affirmative responsibility of banks to meet the credit needs of low and moderate-income neighborhoods. Three agencies are responsible for ensuring that banks and thrift savings institutions comply with CRA regulations: the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

Congress implemented CRA at a time when many banks and other financial institutions would routinely “redline” communities they found to be undesirable, refusing to invest in them or extend credit to their residents. CRA legislation imposed an obligation on banks and thrifts to meet the credit needs of the local communities in which they are chartered. For the last forty years, CRA has been the primary tool that community groups have used to increase the flow of private capital and expand access to banking services in low and moderate income communities and communities of color. A recent report by the Federal Reserve Bank of Philadelphia concluded that home purchase lending in low and moderate-income tracts would have declined by about 20% had the CRA not existed.

### Federal Housing Administration

The Federal Housing Administration (FHA) is a mortgage insurance program that provides single and multi-family housing for low and moderate-income families. The program was established in 1934 under the National Housing Act to expand homeownership, broaden the availability of mortgages, protect lending institutions and stimulate home construction. It is the largest insurer of mortgages in the world, having insured over 47 million home mortgages since its inception. In 1965, the FHA was consolidated into HUD’s Office of Housing. FHA is now the largest part of HUD. The FHA Commissioner reports directly to the HUD Secretary.

The FHA was designed to provide liquidity and stability to the housing finance system. Congress created the program to stabilize the Unit-

ed States housing and mortgage lending markets. The single-family program expands homeownership opportunities for first-time homebuyers and other borrowers by enabling them to obtain a mortgage for which they would otherwise not qualify in the conventional mortgage market. In the multi-family and cooperative housing program, FHA insures lenders against losses in case of mortgage default, enabling private industry to construct and rehabilitate housing for moderate-income and displaced families.

### Housing Choice Vouchers

Housing vouchers are one of the major federal programs intended to bridge the gap between the cost of housing and the incomes of low wage earners and people on limited fixed incomes. The Housing Choice Voucher program provides flexibility and options by issuing vouchers to eligible households to help them pay the rent on privately-owned units of the households’ choosing. Approximately 2.1 million vouchers have been autho-

rized by Congress. This program is administered locally outside the City of Madison by the Dane County Housing Authority.

Federal tenant-based rental assistance was established as part of a major restructuring of federal housing assistance for low-income families in 1974. Today, about two million households have HUD rental assistance vouchers, also called Section 8 tenant-based assistance and formally referred to as Housing Choice Vouchers. Since 1998, 75% of all new voucher holders must have extremely low incomes, at or below 30% of the area median income (AMI). The remaining 25% of new vouchers can be distributed to tenants with incomes up to 80% of AMI.

Table 7-17 presents information about the distribution of vouchers among Dane County communities based on DCHA data from April 2017. The number of vouchers issued each year varies depending on the supply of funding and the demand for this service. The last



*Liberty Square*

Table 7-15: Dane County Housing Choice Voucher Distribution

Municipality	2017 Voucher Count	2007 Voucher Count	Change from 2007	% of Total Vouchers	% of Dane Co. Population*	Ratio of Vouchers to Population
Belleville	10	2	8	0.4%	0.5%	81.4%
Black Earth	4	9	-5	0.1%	0.3%	55.9%
Brooklyn	3	2	1	0.1%	0.3%	41.1%
Cambridge	1	4	-3	0.0%	0.3%	12.9%
Cottage Grove	21	23	-2	0.8%	1.3%	61.6%
Cross Plains	5	5	0	0.2%	0.7%	24.6%
Deerfield	10	9	1	0.4%	0.5%	79.0%
DeForest	31	35	-4	1.1%	1.9%	59.3%
Fitchburg	306	165	141	11.3%	5.3%	211.2%
Madison**	1710	1,335	375	63.0%	47.6%	132.3%
Marshall	17	8	9	0.6%	0.7%	86.1%
McFarland	17	23	-6	0.6%	1.6%	39.0%
Middleton	90	86	4	3.3%	3.9%	85.9%
Monona	35	31	4	1.3%	1.5%	87.7%
Mount Horeb	9	11	-2	0.3%	1.4%	24.3%
Oregon	29	18	11	1.1%	1.9%	56.2%
Sauk City	1	0	1	0.0%	outside Dane Co.	N/A
Stoughton	68	67	1	2.5%	2.4%	103.4%
Sun Prairie	297	194	103	10.9%	6.4%	170.9%
Verona	19	19	0	0.7%	2.3%	30.0%
Waunakee	25	33	-8	0.9%	2.6%	35.7%
Windsor	7	13	-6	0.3%	1.5%	17.5%
<b>Total</b>	<b>2,715</b>					

Source: Dane County Housing Authority - April 2017

\* WIDOA Estimates for January 1, 2018

\*\* The City of Madison Housing Authority has its own vouchers to distribute; Dane County Housing Authority's housing vouchers are not used in Madison

column in the table provides a ratio of vouchers to population. If the percentage of vouchers in a given municipality is higher than that municipality's overall population percentage, ratio is greater than 100%, and if lower, the ratio is less than 100%.

The data from Table 7-15 shows that the City of Fitchburg had the highest distribution ratio of vouch-

ers in Dane County at 189% followed by the City of Madison with a ratio of 111%. When looking at raw numbers of vouchers, the City of Madison contains significantly more than any other municipality in the county with an average of 1,710 per month, followed by Fitchburg with 306, and then by Sun Prairie with 297. This concentration in larger population centers is likely due to availability of rental

units, availability of support services, and access to transportation options not available in smaller communities.

Since 2007, the number of vouchers within Sun Prairie has increased by 103 vouchers, from 194 to 297 (a 53% increase). During this time period, the City of Madison had the highest increase in vouchers with an increase of 375 vouchers (28%) and the City of Fitchburg had an increase of 141 vouchers (85%). The reader should keep in mind that this data represents a snapshot in time (2017) and not a trend.

### DID YOU KNOW?

Between 76% and 90% of households in Sun Prairie moved into their homes between 2000 and 2017.

Source: 2013-2017 ACS Estimates

## Low Income Housing Tax Credit (Section 42)

The Federal Low Income Housing Tax Credit program (LIHTC) is a major resource for the creation and rehabilitation of housing affordable for lower income households. The LIHTC program is administered by the Treasury Department's Internal Revenue Services. Although housing tax credits are federal, each state has an independent agency (generally called a housing finance agency, or HFA) that decides how to allocate their share of federal housing tax credits. In Wisconsin, the Wisconsin Housing and Economic Development Authority (WHEDA) performs this function. When a project is completed, investors can deduct from their taxes about 4% or 9% of their investment in the project each year for ten years. LIHTC developments must continue to meet the established affordability requirements for 30 years, either 20% of units affordable at 50% of the Area Median Income or 40% of the units at 60% of AMI. WHEDA monitors the condition of each project awarded with credits to ensure they stay in good repair, have acceptable management practices and maintain affordability. There are two types of tax credits available within the LIHTC program:

### Federal 9% Tax Credit - Competitive

The 9% tax credit is available for new construction and rehabilitation projects that do not have other federal funds. Nine percent (9%) tax credits are received through a competitive application process with WHEDA. Per WHEDA guidelines, projects require a local funding match in order to score well.

### Federal 4% Tax Credit - Non-competitive

The federal 4% tax credit is available for acquisition, new construction and rehabilitation projects, and is often used for rehabilitation. These funds can be used with other federal funds. Four percent (4%) tax credits are received through a non-competitive application process with WHEDA. Four percent (4%) tax credit projects are often more difficult to use because they require a mixture of funding sources, of which local funding is important.

## State Housing Programs & Regulated Facilities

### Wisconsin Housing & Economic Development Authority (WHEDA)

Originated in 1972, the Wisconsin Housing and Economic Development Authority (WHEDA) has developed into an organization that offers creative means by which Wisconsin residents and communities can attain affordable housing and economic development opportunities. WHEDA also administers a Wisconsin Low Income Housing Tax Credit (LIHTC) program (this is separate from the federal program). The State's program includes a 4% tax credit is available for acquisition, new construction and rehabilitation projects. These state credits can be used to match the 4% federal funds. The state 4% tax credits are received through a non-competitive application process with WHEDA. The credits are awarded only if they are necessary for the financial feasibility of the property. A preference is given to developments located in municipalities with fewer than 150,000 people.

WHEDA also offers a number of programs to assist potential homeowners, renters, and landlords. Assistance is offered based on qualifying income. Some of the programs currently available through WHEDA include mortgage programs (for first-time, repeat buyers, veterans) as well programs for existing homeowners (disaster relief, home improvement loans and refinance options).

More detailed information about all programs offered through WHEDA can be obtained by going to their website or contacting their Madison or Milwaukee offices.

### Historic Homes Tax Credit Program

The Wisconsin Historical Society administers this program which offers a 25% Wisconsin income tax credit for homeowners who rehabilitate historic residences. To qualify for the program a homeowner must spend at least \$10,000 on eligible improvements within in a two year period. The residence must also be listed in the National or State Register of Historic Places, contribute to a National or State Registered Historic District or be determined to be eligible by the State Historic Preservation Office.

### Assisted Living

Assisted living facilities are for people that require varying degrees of care, but don't need access to around the clock nursing services. Following is a brief description of the four types of assisted living facilities that exist in Wisconsin, although one or more of these may not exist in all communities.

Adult Family Homes

Adult family homes are designed for persons who seek small care settings of up to four persons. These homes are licensed under rules set forth by the Wisconsin Department of Health Services (DHS). Counties certify one and two-bed adult family homes.

An adult family home is defined as a place where four or fewer adults who are not related to the operator, reside and receive care, treatment or services that are above the level of room and board, and that may include up to seven hours per week of nursing care per resident. As long as properly zoned, these facilities can locate without formal City approval.

**ADULT FAMILY HOMES IN SUN PRAIRIE**

*Country Living  
1265 Crossing Ridge Trail*

*Sturdy Oaks  
926 Campfire Drive*

Community Based Residential Facility

A community based residential facility (CBRF) is a place where five or more individuals live and receive care, treatment or services that are above the level of room and board, but includes no more than three hours of nursing care per week per resident. These facilities, also licensed through DHS, offer private or semi-private bedrooms with shared living and dining areas. Depending on the size of a facility and the nature of the resident population, local zoning restrictions may or may not apply when siting such facilities.

**CBRFS  
SUN PRAIRIE**

*Brookdale Sun Prairie  
650 Broadway Drive*

*Faith Gardens  
35 Tower Drive*

*Faith Living Center  
131 Clamar Drive*

*Hyland Crossings  
1249 School Street*

*New Perspective Sun Prairie  
222 S Bristol Street*

*Oak Ridge Living Sun Prairie  
605 Wood Violet Lane*

*Prairie Gardens  
900 Okeefe Avenue*

Adult Day Care

An adult day care facility assists individuals with certain aspects of daily living. Assistance is usually provided for part of a day and takes place in a group setting. Services may include such things as personal supervision, meals, transportation, and activities designed to meet physical and social needs.

**ADULT DAY CARE FACILITIES IN SUN PRAIRIE**

*Colonial Club  
301 Blankenheim Lane*

Residential Care Complexes

Independent apartment living options are classified as a Residential Care Apartment Complex (RCAC) and must adhere to state administrative rules.

**RCACS IN  
SUN PRAIRIE**

*Hyland Park  
881 Liberty Boulevard*

*New Perspective Sun Prairie  
222 S Bristol Street*

*Sun Prairie Health Care Center  
228 W Main Street*

*Tallgrass Senior Living  
605 Chase Boulevard*

An RCAC is a place where five or more adults reside. Apartments must each have a lockable entrance and exit; a kitchen, including a stove (or microwave oven); and individual bathroom, sleeping and living areas. This living option also provides, to persons who reside in the place, not more than 28 hours per week of the following services:

- » Supportive Services: Activities related to general housekeeping, transportation to access community services and recreational activities.
- » Personal Assistance: Services related to activities of daily living, e.g., dressing, eating, bathing and grooming. The most common meal plan utilized by tenants is that consisting of two meals per day.
- » Nursing Services: Health monitoring, medication administration and medication management.
- » Health monitoring means the assessment of physical, functional and cognitive status to detect changes that may indicate health problems and to facilitate

- appropriate intervention.
- » Health monitoring and medication management are the most common services required by senior tenants primarily due to improper medication administration and poor/questionable nutrition practices.
- » Emergency Assistance: An RCAC shall ensure that tenant health and safety are protected in the event of an emergency and shall be able to provide emergency assistance 24-hours a day.

RCACs provide services either directly or under contract, and the services must be part of the tenant's service agreement. RCACs are not for those persons who are incompetent or for those with Alzheimer related dementia or other infirmities of aging that require more in-depth monitoring by health care professionals.

RCACs may be a physically distinct part of a structure that is a nursing home or CBRF.

*Source: Wisconsin DHFS Bureau of Assisted Living*

### Nursing Homes

A nursing home is a facility that provides a higher degree of care when compared to an assisted living facility. Nursing homes in Wisconsin, like assisted living facilities, are licensed through the Department of Health Services, but are subject to different licensing criteria and fall into two categories: skilled nursing facility or intermediate care facility. Although most nursing homes primarily serve older adults, some facilities provide services to younger individuals with special needs.

**NURSING HOMES IN  
SUN PRAIRIE**

*Crossroads Care Center  
41 Rickel Road*

*Sun Prairie Health Care Center  
228 W Main Street*

### County Housing Programs Conventional Public Housing

Public housing was established to provide decent, safe, and sanitary rental housing for eligible families, the elderly, and persons with disabilities. The types of housing units vary, but are usually owned and managed by a local housing authority. The Dane County Housing Authority (DCHA) owns just 102 total units of public housing outside the City of Madison, funded through HUD's Low Rent Public Housing program. Table 7-16 shows the location of units by community, other than Madison. A more specific breakdown of the

following types of public housing located in the City is provided in Table 7-17.

DCHA currently contracts with Wisconsin Management, Inc. for the administration and management of its units. This includes managing the waiting list, admission and selection of new tenants, maintenance, and rent collections.

Table 7-16: Dane County Public Housing

Community	HUD Units
Cross Plains	16 Elderly
Mazomanie	10 Elderly and 10 Family
Monona	8 Scattered Sites
Stoughton	14 Elderly and 16 Family
Sun Prairie	28 Scattered Sites

*Source: DCHA*

Table 7-17: Sun Prairie Public Housing

No. of Units	No. of Bedrooms per Unit
6	2 bedroom units (duplexes)
18	3 bedroom units (duplexes)
2	4 bedroom units (duplexes)
2	5 bedroom units (duplexes)
<b>28</b>	<b>Total Units</b>

*Source: DCHA*



*Liberty Square*

## “Home-Buy the American Dream” Program

The “Home-Buy the American Dream” program is designed to assist first-time homebuyers at or below eighty percent of county median income who wish to achieve homeownership in Dane County, within or outside the City of Madison. The program offers a deferred repayment loan for down payments of up to \$5,000 in Sun Prairie.

## “Momentum” Downpayment Assistance Program

The “Momentum” program helps people with low-to-moderate incomes purchase their first home. It offers 0% interest, deferred-payment loans that qualified buyers can use to assist with downpay-

ment and closing costs. No payments are required until the borrower sells the property, at which time the entire loan is due.

## Other Housing Options for the Aging

Independent living communities generally consist of homes, condominiums, apartments, and/or mobile and motor homes where residents maintain an independent lifestyle. Some independent living communities also include subsidized housing that offers rental assistance from the federal government. A number of independent living facilities exist within Sun Prairie.

## INDEPENDENT LIVING FACILITIES IN SUN PRAIRIE

*Angell Park Senior Housing  
370 Park Street*

*Colonial View Apartments  
601 Thomas Drive*

*Kindred Hearts  
605 Chase Boulevard*

*Liberty Square  
Senior Apartments  
1301 School Street*

*New Perspective Senior Living  
222 S Bristol Street*

*Olympic Village  
942 Hunters Trail*

*Regency Place  
850 Prairie Run*

*Sunny Hill  
708 Frances Court*

*Tallgrass Senior Living  
605 Chase Boulevard*



*Angell Park*

## Local Housing Programs

There are a number of local organizations that can assist in improving housing options for city residents.

## Wisconsin Partnership for Housing Development

This Madison-based private non-profit corporation was founded in 1985 to expand affordable housing opportunities through innovation in housing development, consulting, finance and advocacy. The organization collaborated with two other non-profit agencies to create The Uplands neighborhood in Sun Prairie.

### The Uplands

The Uplands, a 39.5-acre site located south of E. Main Street within a mile of Sun Prairie's central business district, is a neighborhood that was created in 2003. The project includes 142 new homes, including forty financed through the federal Low Income Housing Tax Credit program.

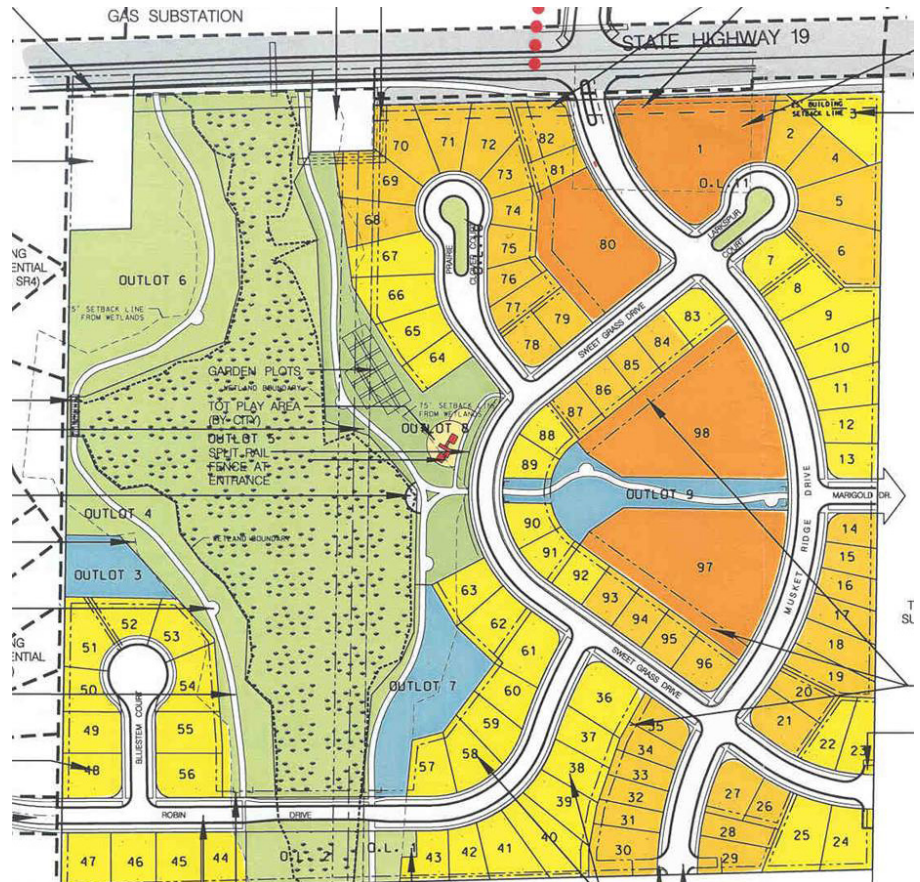
This 21 million dollar project was a collaboration of three non-profit corporations, including the Wisconsin Partnership for Housing Development, Movin' Out, Inc., and the Community Action Coalition for South Central Wisconsin, Inc. It was planned in accordance with Smart Growth principles and offers a range of housing choices including opportunities for homeownership, condominium living, or rental. The Uplands is designed to foster neighborhood diversity with a variety of home sizes and with rents and sale prices affordable to a range of incomes.

The average listings in the Uplands range between \$180,000 and \$260,000.

Source: *The Wisconsin Partnership for Housing Development*

### Habitat for Humanity

Habitat for Humanity of Dane County uses volunteer labor and donations to build and renovate affordable housing. Currently, Habitat owns 58 acres of land on Sun Prairie's east side and is planning to develop more than 100 homes on that land. Habitat homes require a \$500 down payment,



*The Uplands*

proof of employment, and 325-375 hours of sweat equity from buyers. Buyers must also be at or below 60% AMI. Habitat homes are often more affordable, but require years on a waiting list.<sup>4</sup>

### Project Home

This Madison-based, non-profit organization funded in part by Dane County CDBG, provides affordable home repairs, weatherization and accessibility modifications for low to moderate-income homeowners and affordable housing options for renters in Dane and Green Counties. The organization is an entity separate from the HUD HOME program. Sun Prairie residents meeting the income guidelines are eligible to apply to Project Home



for funding. Project Home's programs include:

- » Major Home Repair – Offers 0% interest, deferred-payment loan program for major repairs Such as roofing, siding, HVAC, plumbing, electrical, etc.
- » Minor Home Repair – Grant program for home repairs such as ramps, decks and landings; replacing window or doors; installing grab bars and railings for safety, etc.
- » Weatherization – offered at no cost to occupants. Weatherization work may include air sealing and insulating attics, insulating exterior walls, reducing air leakage, replacing inefficient furnaces, etc.

- » Affordable Housing – offers a 5-year forgivable loan for repairs. This is a match program, so a homeowner must be qualified and actively served through either the repair or weatherization program.

### Tenant Resource Center

The Tenant Resource Center (TRC) is a Madison-based non-profit dedicated to promoting positive relations between tenants and landlords. TRC is available to residents of Sun Prairie and its programs include housing counseling, community outreach and education, housing law seminars, eviction clinics, housing mediation services, homeless services and administering a security deposit loan program.



### Sun Prairie Community Development Authority

The City of Sun Prairie created its own Community Development Authority (CDA) in 2000 as a result of the City’s Master Plan recommendation for downtown redevelopment. CDAs are created in part to eliminate or prevent blighted areas, provide employment opportunities, provide affordable housing, and increase the City’s tax base.

The CDA’s primary roles in previous years have been to facilitate borrowing for infrastructure and acquisition costs related to redevelopment projects in the Tax Increment Finance Districts, as well as reviewing and providing direction on specific redevelopment proposals in these areas. The CDA

has also sold and refinanced debt relating to Tax Increment Finance Districts by means of the Issuance and Sale of Community Development Lease Revenue Refunding Bonds.

### Tax Increment Financing

Tax increment financing (TIF) is used by the City as a public funding mechanism to subsidize redevelopment, infrastructure and other community-improvement projects. TIF can be used in two primary ways to increase the stock of workforce housing in the community:

#### Affordable Housing Incentives in Active TIF Districts

TIF districts that include residential property should have incentives to support affordable housing as an eligible project, such as infrastructure improvements, land purchase and housing tax credit matching funds.

#### Affordable Housing One-Year Extension

A TIF district can be held open for one additional year beyond its planned or maximum duration to generate funds that will be used for affordable housing. 100% of the increment collected in that extra year can be used for housing anywhere in the City, with the stipulation that 75% must be used for affordable housing. More information can be found in section 66.1105(6)(g) of the State statutes.