



WASHINGTON
EST **COUNTY** 1836
WISCONSIN

**Creative
Solutions:
Next Generation
Housing
September 21, 2023**



Welcome



- Deb Sielski, Washington County
- Jen Keller, Village of Jackson
- Hannah Keckeisen, Washington County
- Jackie Mich, Vandewalle and Associates

"I believe Next Generation Housing will help many achieve homeownership while still living within their means. We just want a small, new home with a small yard to call our own. We'd finally have our own space. Everyone deserves a chance to feel proud of owning their own home. I hope someday we'll be able to feel that sense of accomplishment! Thank you for creating this initiative as it could help pave the way for a new housing revolution that's been sorely needed in Wisconsin."

- Washington County Resident

Welcome

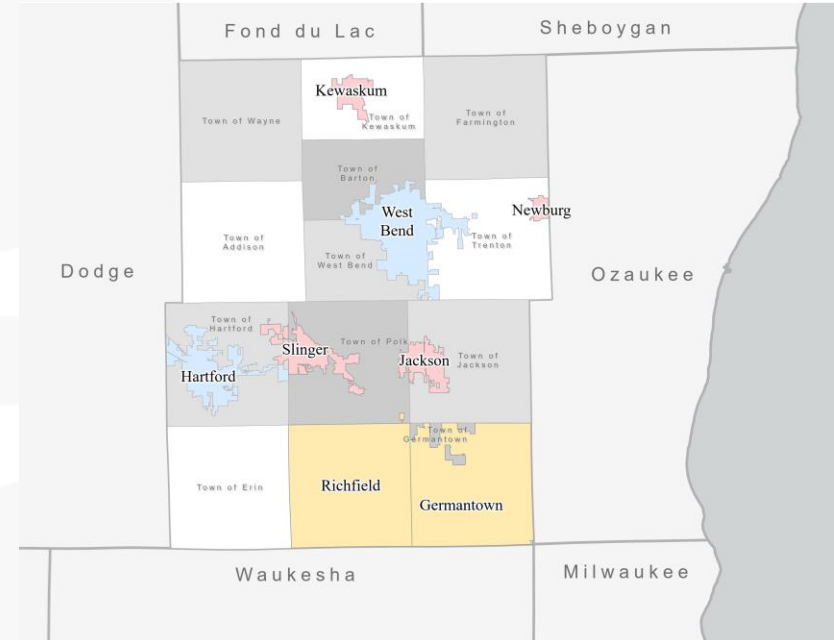


"We couldn't find a home in our price range in Slinger, where we wanted to live."

- Teacher and police officer (dual income) working in the Village of Slinger

"I would love to move to Hartford, but I can't afford the cost of homes compared to Watertown"

- Hartford employee



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NGH Idea (It isn't Just About Housing)



- **Retaining & Sustaining a Workforce**
 - Baby boomers are retiring in droves
- **Building Community Bonds**
 - Live, work and prosper in the same community
- **Providing Same Opportunities for Next Generation**
 - Being able to afford a home in the County
 - Housing costs are rising faster than incomes
- **Next Generation Housing Initiative Kick off Oct. 2021**
 - Part of the County Executive Out Great Community Campaign

"The lack of attainable housing for our current and future workforce is one of the most pressing workforce challenges facing Washington County"

- County Executive Schoemann

Tracy Cross Study - 2022



A CURRENT DISCONNECT IN WASHINGTON COUNTY'S FOR SALE SECTOR

- The demand for new construction housing in Washington County is largely concentrated at price points below \$350,000, which corresponds with mainstream / workforce market.
- However, the majority of new construction offerings in the market are concentrated at prices above \$350,000.
- There is a disconnect between the housing demand and new residential construction for sale

Price Range	For Sale Housing Demand (Based Upon Current Incomes)		Qualitative Distribution of New Construction Residential Closings ⁽¹⁾	
	Number	Percent	Number	Percent
Under \$200,000	38	9.0	---	---
200,000 - 249,999	80	19.0	8	3.5
250,000 - 299,999	71	16.9	26	11.5
300,000 - 349,999	46	11.0	31	13.7
350,000 - 399,999	39	9.3	51	22.5
400,000 - 449,999	30	7.1	50	22.0
450,000 - 499,999	25	6.0	29	12.8
500,000 - 549,999	19	4.5	10	4.4
550,000 - 599,999	16	3.8	6	2.6
600,000 & Above	56	13.3	16	7.0
Total	420	100.0	227	100.0
Median	----- \$323,181 -----		----- \$397,332 -----	

⁽¹⁾ Last 18 months of closings among new townhome/duplex/condominium and single family units (annualized).

Source: Tracy Cross & Associates, Inc. and Southeast Wisconsin Multiple Listing Service

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NGH Vision & Goals



Next Generation Housing Vision

Navigating housing opportunities, providing attainable housing options and building a diverse housing population.

Goals

- Providing 1000 new owner-occupied dwelling units in Next Generation Housing developments with 75% being sold for under \$320,000 and 100% under \$420,000, including home and lot/site, by 2032
- Overcoming barriers to home ownership for our next generation
- Satisfying the basic need of obtaining quality homes within 30% of household income

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NGH Budget

- Next Generation Housing Budget - \$10 million - made possible by ARPA funding



	Task	Amount
DPI Program	NGH Down Payment Incentive Program	\$2,500,000
NGH Pilots	Three Pilots (Village of Jackson and two others)	\$6,750,000 - Funds available based on max. \$20,000/owner-occupied dwelling unit capped at \$2.4 million for any one pilot -1st come/1st served
Start-up Funds	Start-up Funds for local governments	\$750,000 - Funds available as requested by local governments - 1st come/1st served*

\$
Total 10,000,000.00

* Developers and builders can request NGH Start-up funds as part of a NGH Infill Development Project provided adequate funding is available and NGH Fund lien(s) are satisfied with funds returned to the NGH Fund within three years of the date of approved NGH funding.

Ad Hoc Workgroup Events



- Ad Hoc Workgroup
 - December 2021
- Social Capital Focus Group
 - February 2022
- Builders Forum
 - August 2022
 - October 2022
- Real Estate Forum
 - September 26, 2023

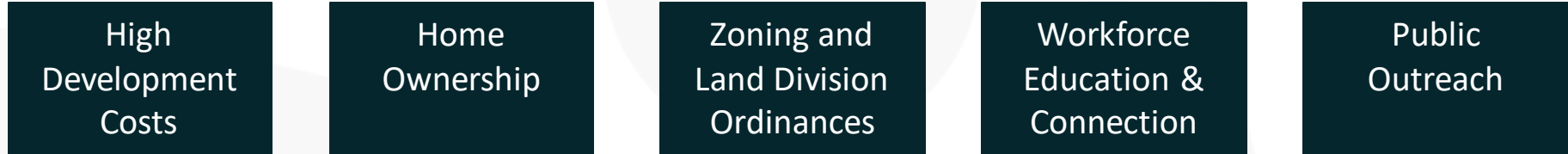


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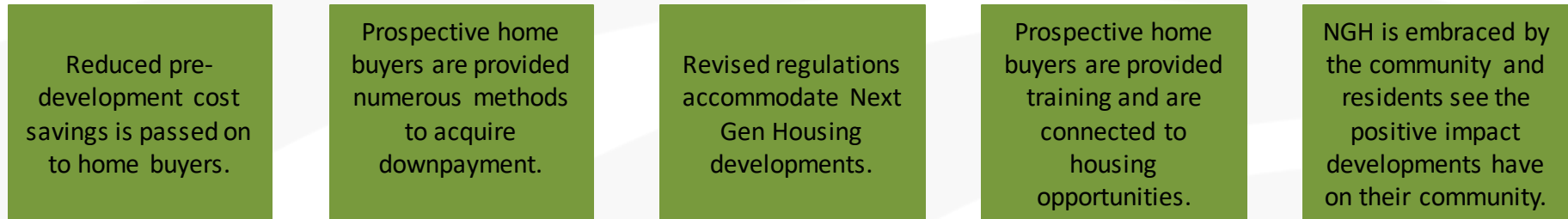
Identifying Barriers and Opportunities



Barriers



Opportunities



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Next Generation Housing Committee



Working together to:

- Identify and implement solutions that change housing barriers into opportunities
- Satisfying the basic need of obtaining quality homes within 30% of household income
- Creating community-driven neighborhoods
- 1,000 new owner-occupied housing units in the next 10 years (75% under \$320,000 and 100% under \$420,000)
- Quality smaller homes on smaller lots
- Creating a model that can be replicated in the region/state



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Top Characteristics of a NGH Home/Development:	
1	Owner occupied (Single Family, Condo, Townhome)
2	Municipality/Zoning allows for modular or manufactured homes
3	75% homes under \$300,000 and 25% homes under \$400,000

Please answer Yes or No to the following questions for each one of your municipality's Inventory Sites.



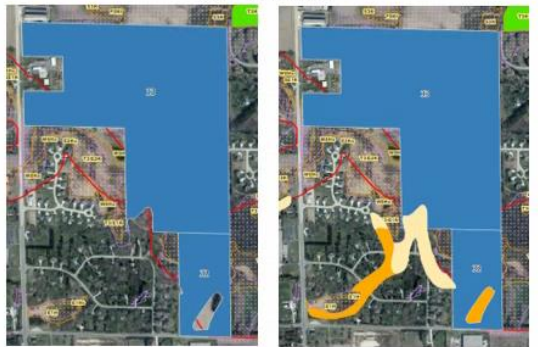
Inventory Workgroup and Analysis

NGH Inventory Ranking Criteria - Village of Germantown					
Ranking Criteria Questions	Label 21	Label 22	Label 23	Label 24	Label 25
		GTNV_224965	GTNV_183988, GTNV_183994	GTNV_184990, GTNV_184989, GTNV_184988, GTNV_184991, GTNV_184992, GTNV_184983, GTNV_184993	GTNV_233986, GTNV_233972, GTNV_233973, GTNV_233974, GTNV_233976, GTNV_233977, GTNV_233979
1	Are rental properties proposed for this site? If yes, what percentage of the site will be rentals?				
2	Please rank all your inventory sites. Your top site will receive a score of 5 in the criteria ranking.				
3	Has the concept plan been reviewed internally by staff? (1 point)				
4	Has the concept plan gone through municipal approval? (2 points)				
5	Is there intention for the Inventory site to be within a zoning district that has a lot size of 8,000 sq ft or smaller? (2 points)				
6	Is this housing development consistent with your Comprehensive Plan? (1 point)				
7	Is the site within the Sewer Service Area? Within the Village of Germantown, is it within the Planned Sewer Service Area? (3 points)				
8	Are Utilities located to the site? (5 points)				
9	Is gravity sewer available to frontage? (1 point)				
10	Is City/Village willing to arrange for installment of utilities? (3 points)				
11	Is the site owned by the Public, a Housing Developer Under Contract, or a Non-Developer? (2 points)				

Before Erase Tool:



After Erase Tool:



Notes	
Sub-Ranking Criteria Questions	
1	Has an ALTA survey been completed on the site? (1 point)
2	Have soil tests been completed on the site and soils are suitable for development? (1 point)
3	Wetland delineation or floodplain analysis completed on the site within the last 5 years? (1 point)
4	Have there been discussions on Sewer and Water Connection with Public Works or equivalent? (1 point)
5	Has a stormwater management plan for the site been drafted? (1 point)

County Responsibility	
Percent developable area of the NGH Site. (4 points)	Utilizing: SSURGO (hydric or non hydric), Wetlands DNR Layer, Floodplain, Slope over 20%, and Primary Environmental Corridors or Isolated Natural Resource Areas
Environmental Factors Scored:	
100%-76% Developable	4
75%-51% Developable	3
50%-26% Developable	2
25%-1% Developable	1
0% Developable	Site is not eligible

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Inventory Workgroup and Analysis



Local Government Responsibility										County Responsibility						TOTAL SCORE FOR EACH SITE	
Priority Site		Conceptual Review			Plans and Codes			Local Government Responsibility		Developable Area				Sub Ranking			
Identify top municipal priority site with a score of 5.	Has the concept plan been reviewed internally by staff?		Has the concept plan gone through municipal approval?		Is there intention for the Inventory site to be within a zoning district that has a lot size of 8,000 sq ft or smaller?		Is this housing development consistent with your Comprehensive Plan?		Site is within the Sanitary Sewer Service Area.		Percent developable area of the NGH Site.				Initial Ranking		Sub Ranking Score
Score	Answer	Score	Answer	Score	Answer	Score	Answer	Score	Answer	Score	Developable Acres	Original Acres	Answer	Score	Score		
5	Yes	1	Yes	2	Yes	2	Yes	1	Yes	3	42	86.5	49%	2	22	3	25
0	No	0	No	0	Yes	2	Yes	1	Yes	3	20.1	20.1	100%	4	16	1	17
0	No	0	No	0	Yes	2	Yes	1	Yes	3	34	34	100%	4	14	1	15
0	No	0	No	0	Yes	2	Yes	1	Yes	3	56.5	78.8	72%	3	13	1	14
0	No	0	No	0	Yes	2	Yes	1	Yes	3	30.8	32.7	94%	4	19	1	20
5	Yes	1	Yes	2	Yes	2	Yes	1	Yes	3	55	72.4	76%	3	21	3	24
0	Yes	1	No	0	Yes	2	Yes	1	Yes	3	148.3	169	88%	4	14	1	15
0	Yes	1	No	0	Yes	2	Yes	1	Yes	3	50.5	81.6	62%	3	16	1	17
0	No	0	No	0	Yes	2	Yes	1	Yes	3	120.4	155.8	77%	4	16	0	16
0	Yes	1	No	0	Yes	2	Yes	1	Yes	3	20	22.9	87%	4	19	1	20
0	No	0	No	0	No	0	No	0	Yes	3	12.4	15.7	79%	4	13	1	14
0	Yes	1	No	0	No	0	No	0	Yes	3	6	7.1	85%	4	14	1	15
0	No	0	No	0	Yes	2	Yes	1	Yes	3	40.9	46.6	88%	4	16	1	17
0	Yes	1	No	0	No	0	Yes	1	Yes	3	20.5	25.7	80%	4	17	2	19
0	Yes	1	No	0	Yes	2	Yes	1	Yes	3	30.9	77.6	40%	2	20	1	21
0	No	0	No	0	Yes	2	Yes	1	Yes	3	46.4	79.5	58%	3	12	0	12
0	No	0	No	0	Yes	2	Yes	1	Yes	3	34.7	57	61%	3	17	1	18
0	No	0	No	0	No	0	No	0	Yes	3	6.3	9.9	64%	3	14	1	15
0	Yes	1	No	0	Yes	2	Yes	1	Yes	3	20	21.7	92%	4	17	1	18
0	No	0	No	0	Yes	2	No	0	Yes	3	29.5	29.5	100%	4	17	0	17

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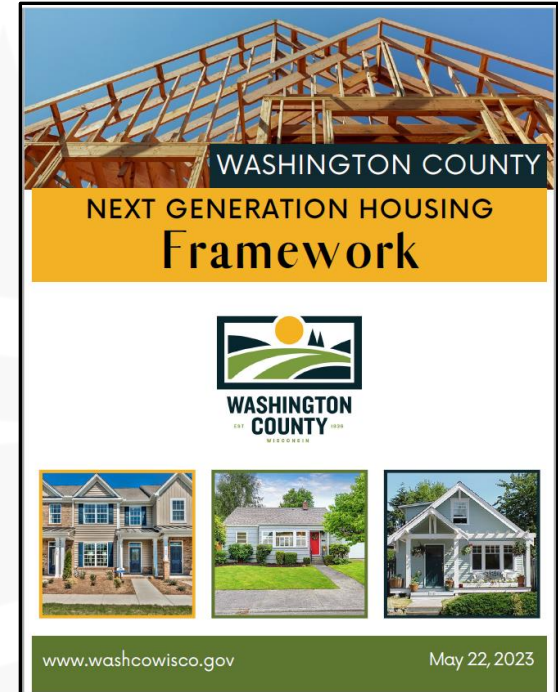
Inventory Workgroup and Analysis



NGH Inventory Sites with Sub-Ranking Criteria						
Rank	Score with Sub-Ranking	Label	Tax ID	Parcels within Site	Municipality	Development Type
1	31	46	V5_0679, V5_067500X	2	Village of Slinger	Single/Multi Family
2	26	21	GTVN_224965	1	Village of Germantown	Multi Family
3	24	1a	291_11193620003, 291_11193620001	2	City of West Bend	Single Family
4	23	15	36_0903001001, 36_0903001002, 36_0903001003, 36_0903001004	4	City of Hartford	Single Family
5	23	36	V4_0347, V4_0348, V4_0349, V4_0350, V4_0353, V4_0352	6	Village of Kewaskum	Multi Family
6	21	9	T11_017200A	1	City of West Bend	Single/Two Family
7	21	47	V4_0191020161, V4_0191020013, V4_0191020034	3	Village of Kewaskum	Two/Multi Family
8	20	20	T6_037800Z	1	City of Hartford	Single Family
9	20	4	291_11192410014	1	City of West Bend	Single Family
10	20	39	V6_0265	1	Village of Newburg	Single Family
11	20	40	V6_027900R, V6_028100T, V6_027900T, V6_028100Q, V6_07900S001	5	Village of Newburg	Single Family
12	19	8	T11_017400J, T11_0174	2	City of West Bend	Single Family
13	18	11	T2_019700A, T2_0202, T2_022700T	3	City of West Bend	Single Family
14	18	13	T2_0025	1	City of West Bend	Single Family
15	18	28	V3_019700U, V3_019700T	2	Village of Jackson	Multi Family

Framework Overview

- NGH Framework approved by the NGHC on January 24, 2023, updated as needed
 - County NGH Investment
 - Home Builder Parameters
 - Minimum Quality Standards
 - Deed Restriction to Prevent Flip for Profit
- Available on Washington County's website



Pilot Projects

- Funding allocated for three pilot developments
- \$20,000 per owner-occupied unit (up to \$2.4 million)
- Eligible uses of funds:
 - Engineering services, planning services, surveying, environmental due diligence, land acquisition, infrastructure development (roads, sewer, water, sidewalks, grading, etc.), direct developer incentives, stormwater management, street trees, signs, lighting, municipal fees and permits



 OAKS
OF JACKSON

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Oaks of Jackson

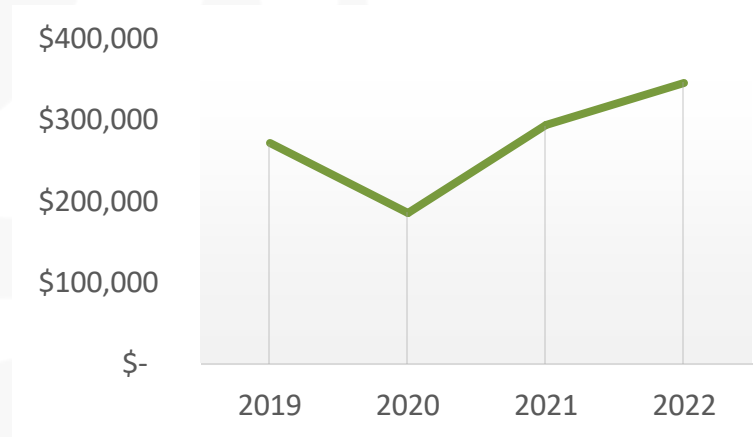


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Median Sale Prices in Jackson

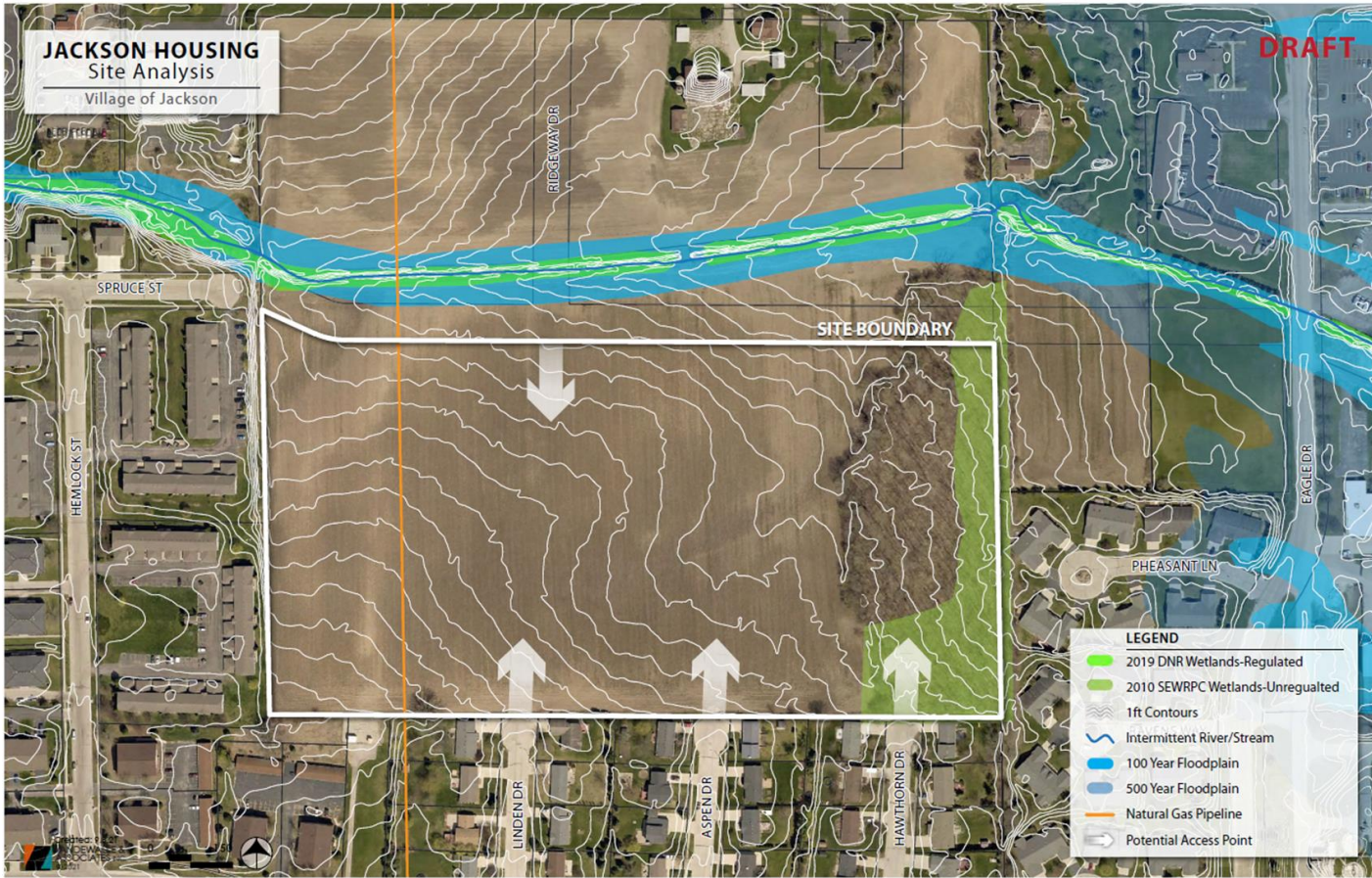


- October 2019: \$270,200
- October 2020: \$185,450
- October 2021: \$292,545
- **September 2022: \$345,000**
- New homes are becoming out of reach for households earning median income.



JACKSON HOUSING
Site Analysis
Village of Jackson

DRAFT



LEGEND	
	2019 DNR Wetlands-Regulated
	2010 SEWRPC Wetlands-Unregulated
	1ft Contours
	Intermittent River/Stream
	100 Year Floodplain
	500 Year Floodplain
	Natural Gas Pipeline
	Potential Access Point

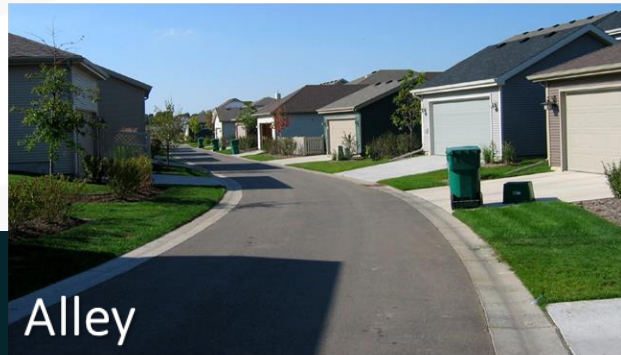


VILLAGE OF
JACKSON

**Site
Analysis**

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Single Family - Various Formats



Duplexes



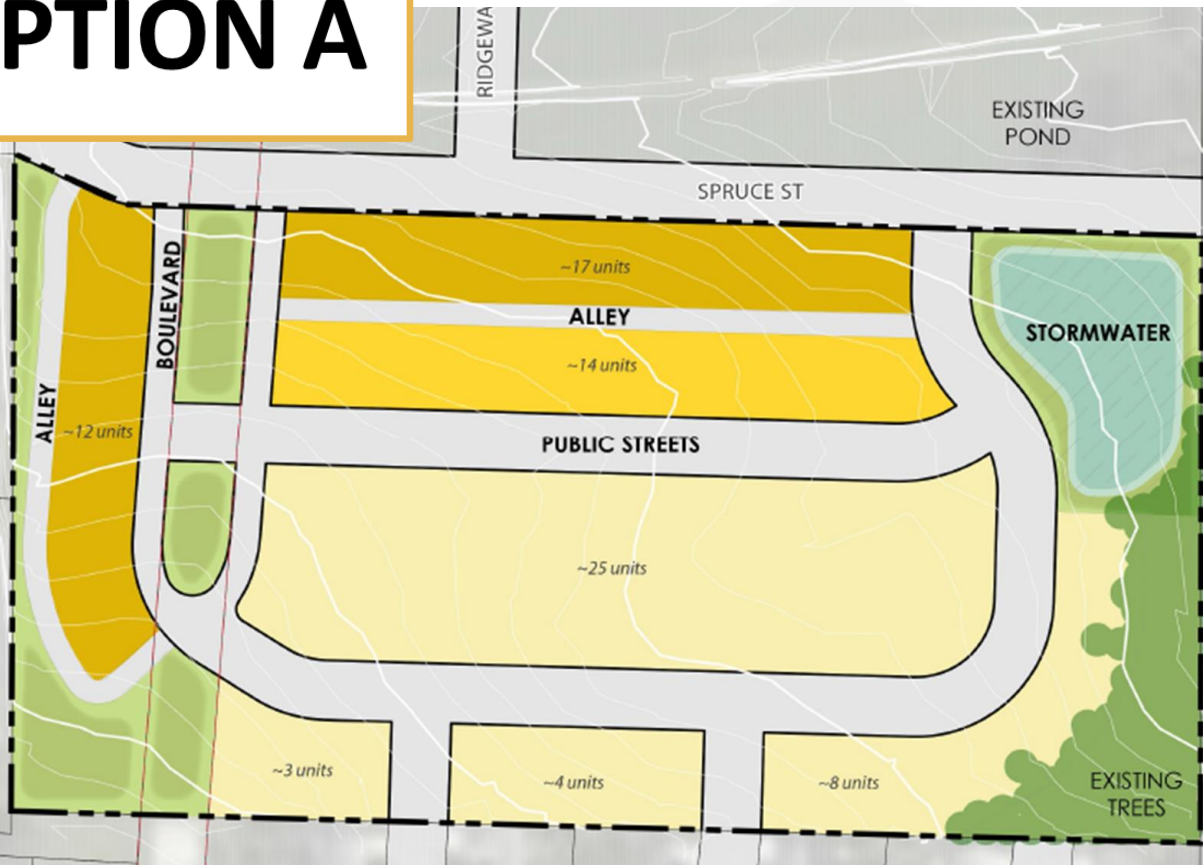
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Townhomes



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OPTION A



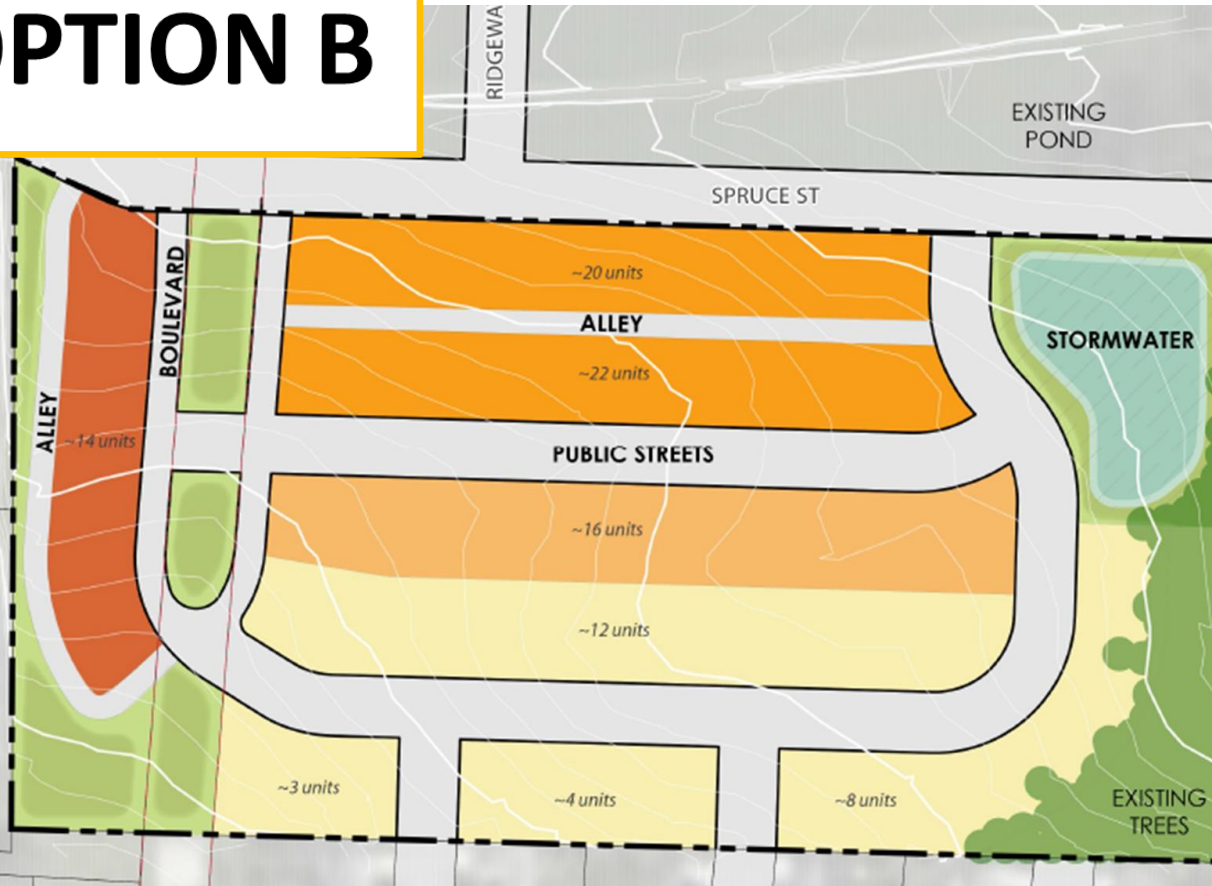
Development Concepts

LEGEND

TYPE	UNITS
SINGLE FAMILY	40
SINGLE FAMILY (ALLEY~50')	14
SINGLE FAMILY (ALLEY~40')	29
TOTAL	83

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OPTION B



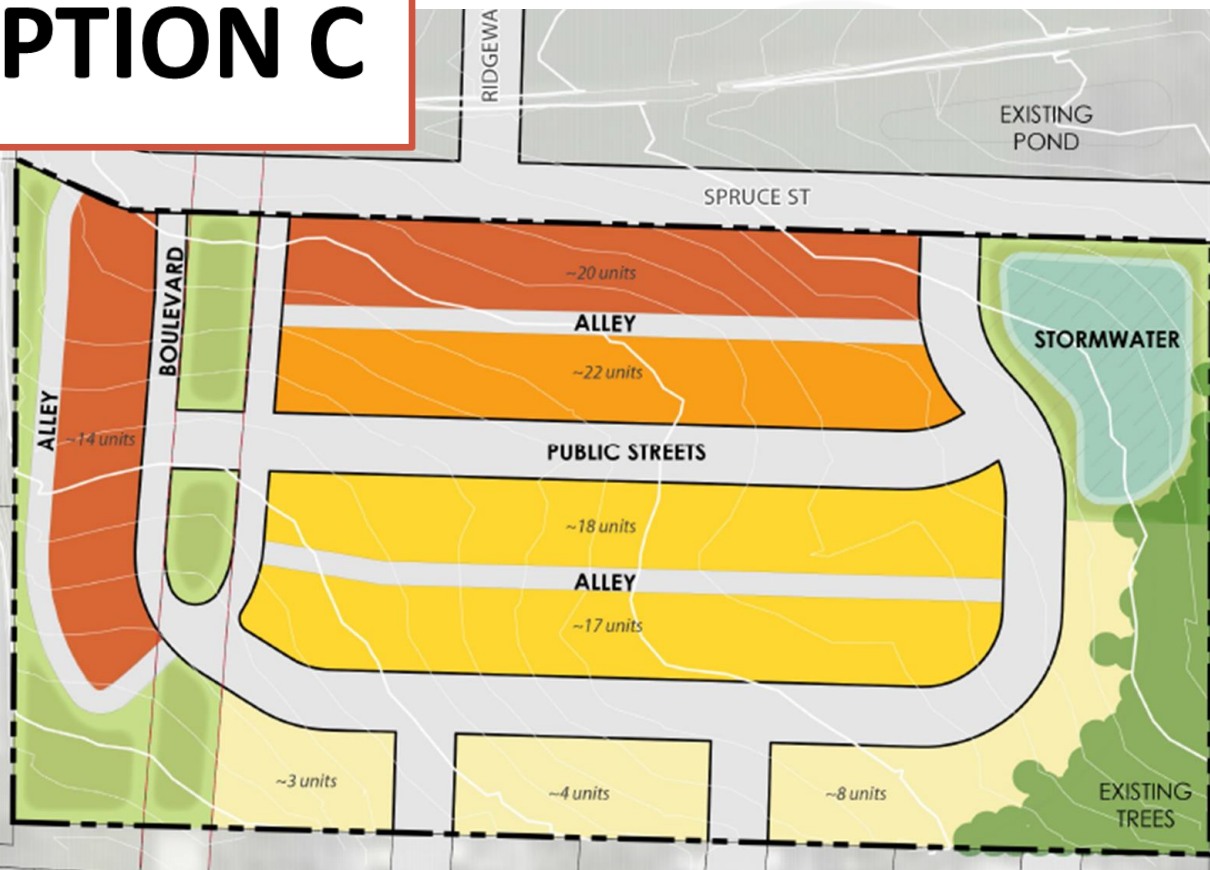
Development Concepts

LEGEND

TYPE	UNITS
SINGLE FAMILY	27
DUPLEX	16
DUPLEX (ALLEY)	42
TOWNHOMES (ALLEY)	14
TOTAL	99

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OPTION C



Development Concepts

LEGEND

TYPE	UNITS
SINGLE FAMILY	15
SINGLE FAMILY (ALLEY)	35
DUPLEX (ALLEY)	22
TOWNHOMES (ALLEY)	34
TOTAL	106

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Participating in NGH Initiative

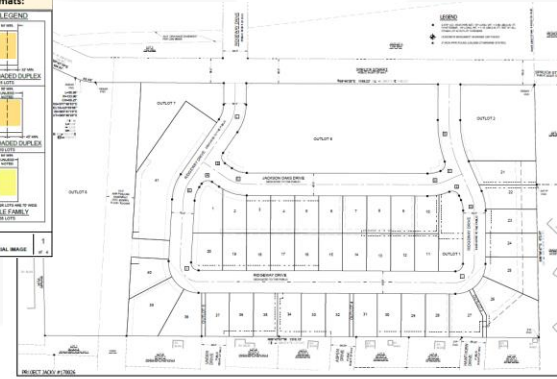
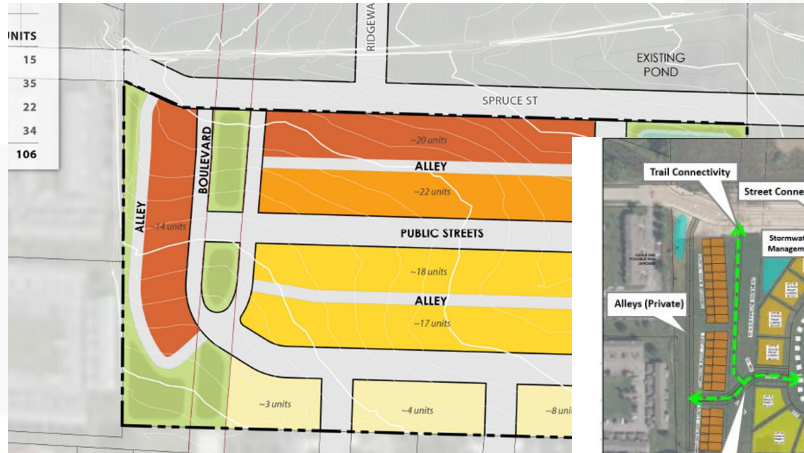


- Village as Developer
- RFP for Engineering
- PUD Zoning



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Concept Plan to Plat

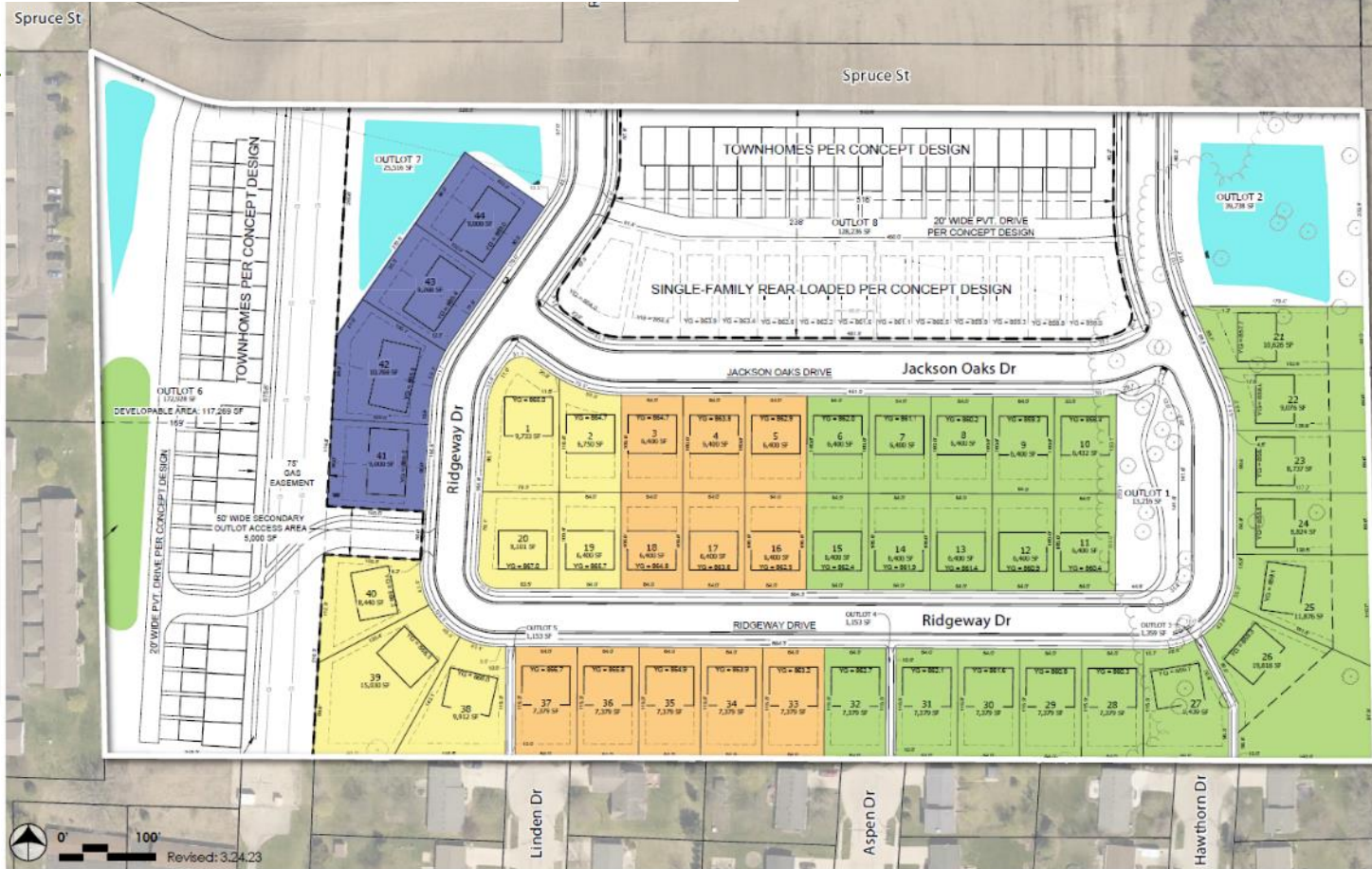


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Developer Recruitment

Groups

- Group A
- Group B
- Group C
- Group D



How Does NGH Work?



- ***NGH Fund Request Review/Approval***
 - *Screening Checklist/Review PMT*
 - *Consideration NGHC/Co. Exec Comm.*
 - *\$20,000/owner occupied unit*
- ***Declaration of Restrictions***
 - *Requiring owner occupancy of NGH units*
 - *Recorded when builder takes ownership of lots*
- ***Lien Obligation***
 - *Recorded promissory note and mortgage when builder takes ownership of lots*
 - *\$20,000 satisfied at closing to home buyers*
 - *Funds paid back into NGH Fund for future developments*



How Does NGH Work?



- **Deed Restriction**

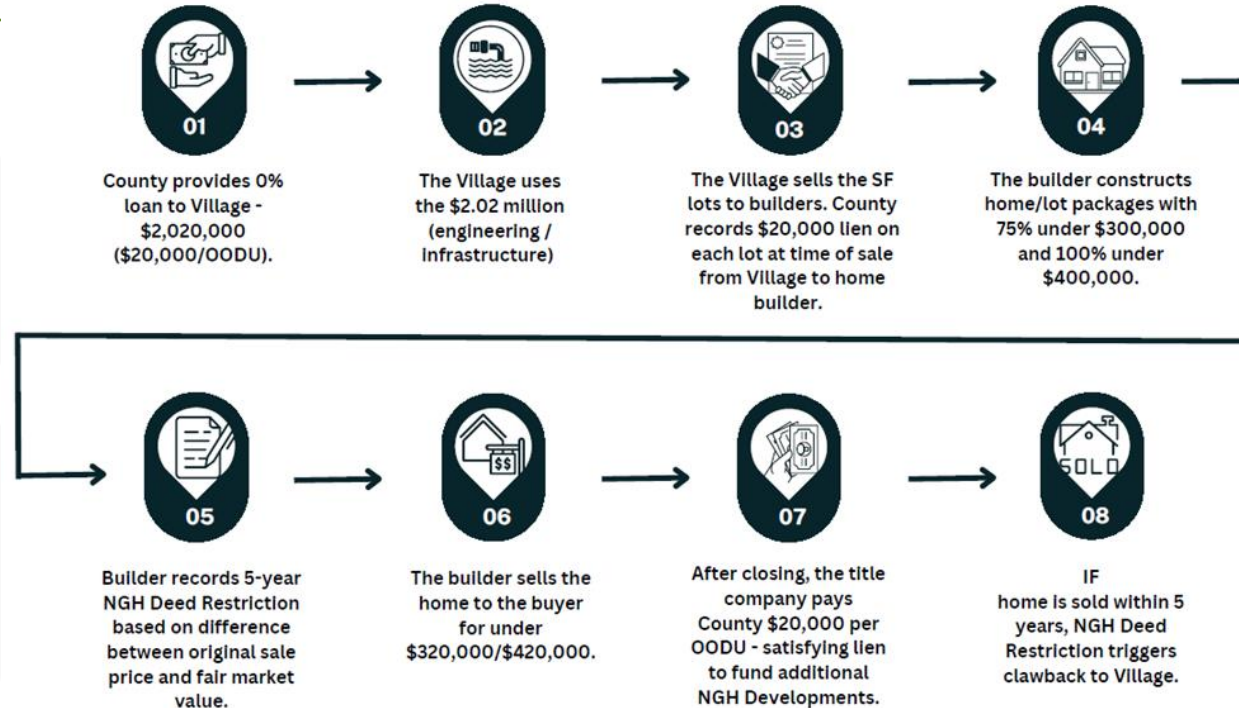
- *Since there are discounts provided to hit NGH price points, homes will be sold for under fair market value (FMV).*
- *To prevent homeowners from flipping homes for profit, if a home is sold within the first 5 years, a percentage of the difference between the NGH sale price and FMV at time of purchase will be paid back.*
- *Owners who stay in their homes for 5 years earn FMV*
- *Recorded when builder takes ownership of lots, terminated after 5 years*

- **Development Agreements**

- *Required for all builders that outline NGH requirements*
- *Recorded when builder takes ownership of lots*



How Does NGH Work?



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Reflection - Successes



Champion for NGH

- *Housing can be a very political issue – Co. Executive Schoemann*

Builders Forums/Ad Hoc Workgroups

- *Utilizing the experts in related fields as direct resources to build program*

NGH Lien Obligation

- *NGH Funds for developments revolve back to the County for future developments*
- *Helps with developer/builder cash flow*

Public Outreach to Combat NIMBYism

- *Quality homes appreciate in value*
- *Oaks of Jackson – higher value than surrounding properties*

Local Government Coalition Meetings

- *Defining Inventory*

NGH Deed Restriction

- *Homeowners Earning fair market value*
- *Preventing flipping new home for profit*

Local Government Adjusting Processes/Regulations

- *Allowing builder to defer park fees & sewer connection fees until sale to homebuyer helps builder with cash flow*
- *Allowing for narrower lots to accommodate greater number of smaller homes*

Pivoting as Private Developers and Builders Align with NGH

- *Allowing developers and builders to directly access NGH Funds as available*

Reflection – Challenges



Engaging the Right Experts from the Beginning

- *Innovative ideas are challenging to develop and takes time - often find you don't have the right experts around the table to actually solve the problem - causing circling of the issue*

Keeping it Simple

- *Controlling the tendency to over complicate with requirements - let the market do what it does best*
 - *Limit quality standards – builders need to meet market demand*
 - *Stand behind no income limits - provides for "missing middle"*
 - *No lottery system for who gets homes - but require MLS*

NGH Deed Restriction

- *Development of the deed restriction to prevent homeowners from flipping new homes for profit while ensuring the deed restriction doesn't prevent lenders from selling mortgages on the secondary market was by far one of the greatest challenges (and learning curves) of NGH*

Local Government Adjusting Processes/Regulations

- *This is a slow process of understanding how regulations impact cost to development and building homes.*
- *We can do more:*
 - *Allow for smaller lots to provide smaller homes*
 - *Consider sidewalks on 1 side of street, not both sides*
 - *Allow for rolled curb instead of standard*
 - *Reducing road width*
 - *Allow for shared driveways*
 - *Reduce code requirements for brick or stone on home exteriors*
- *Vandewalle & Assoc. completed a study for NGH on Strategies for Reducing Housing Costs for new Construction*

Looking Ahead



Engaging Private Developers & Builders

- *Transformational shift to developers & builders embracing NGH*
- *Adjustment of lot sizes, home sizes and price points to meet NGH*
- *Shift from rental (\$1600- \$2300/mo) to owner-occupied*
- *Requesting their subcontractors to hold /reduce price points*
- *Reduced profit margin*

NGH Down Payment Incentive Program

- *Up to \$20,000 down payment – new or existing home < \$420,000*
- *5 years to earn incentive*
 - *\$25 earned per 1 hour volunteered w/participating non-profit organization*
 - *\$.70 earned per \$1.00 donated to participating non-profit organization*



Thank you!



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Questions?



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