

## MEMORANDUM

To: Common Council  
From: John Weidl, City Manager  
Date: 9/26/2023  
Re: Housing Summit Summary & Recommendations for Whitewater

Dear Council Members,

**Executive Summary** – The recent Walworth County Housing Summit, combined with the presented SEWRPC study, feedback from developers, and an analysis of Whitewater's existing Affordable Housing Fund Policy, has provided us with a comprehensive understanding of Whitewater's housing landscape. This report aims to combine insights from these sources, emphasizing the immediate and future housing needs of our community. Whitewater's unique housing profile, influenced by our student demographics and growing workforce, necessitates a strategic approach. The findings from the Summit, coupled with our ongoing initiatives, highlight the importance of addressing housing affordability, availability, and diversity.

### Key Findings

- **Housing Affordability:** Whitewater houses a significant 43% of very low-income households, impacted largely by our student population. This figure surpasses the county average, emphasizing the need for affordable housing solutions.
- **Housing Types & Business Needs:** The Summit underscored potential mismatches between available housing and the requirements of our expanding workforce.
- **Housing Assistance Needs:** With the county housing approximately 9,000 very low-income households, there's an evident demand for housing assistance programs.
- **Summit Recommendations:** Municipalities are encouraged to diversify their housing offerings, with Whitewater specifically urged to focus on single-family residences.

### Developer Feedback from the Panel Discussion

- **Government Stability:** The common theme developers are looking for is consistent and effective local government because that is paramount for the multi-year process of housing development.
- **Decision-making Process:** Developers pre-review meetings, conduct site consultations, and incorporate stakeholder interactions in their decision-making of where to invest.
- **Market Pressures:** Rising construction costs and fluctuating interest rates are influencing housing investment strategies and developers are looking for proactive and creative local governments.
- **Municipal Assistance:** Developers expect support and partnership from municipalities, especially in terms of flexible zoning and financial involvement for infrastructure.

### Whitewater-Specific Insights:

- **Student Housing Dynamics:** Our substantial student population requires a dual approach, catering to both student and non-student housing needs.

- **Workforce Alignment:** Aligning housing solutions with Whitewater's dominant job sectors presents an opportunity.
- **Zoning & Regulation:** Revisiting our zoning codes, like we did with the R-2 Small Lot Zoning, can promote the development of diverse housing types, with an emphasis on single-family homes.
- **Financial Initiatives:** Tools like Tax Incremental Financing can be pivotal in achieving our housing goals.

**Understanding the City's Existing Affordable Housing Fund Policy in the context of the Housing Summit** – The Affordable Housing Fund Policy is a proactive step by the City of Whitewater to address housing challenges.

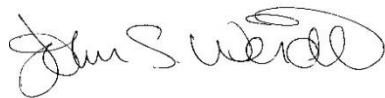
- **Purpose & Allocation:** The policy aims to assist home buyers and developers by addressing the housing stock shortage. It sets forth terms for allocating approximately \$1.9M to support affordable housing.
- **Developer Incentives:** The policy provides financial incentives for developers to construct new single-family owner-occupied residential housing units.
- **Financial Assistance for Homebuyers:** Funds are set aside for down payment assistance to income-qualified homebuyers.
- **Affordability Definition:** The policy defines affordability as housing costing no more than 30% of the household's gross income.
- **Promotion of Owner-Occupied Residences:** The policy emphasizes owner-occupied residential units and discourages their conversion into rental units.
- **City's Proactive Role:** The city can utilize funds to purchase lots, buy land, and develop subdivisions that align with the Affordable Housing guidelines.

#### **Current Staff Initiatives**

- **Existing Development Plan:** An ongoing plan, currently under review by the CDA and set for future PARC and Common Council, aims to introduce 38 single-family units, potentially adding approximately \$11 million to our tax base.
- **Land Acquisition & Development:** We are evaluating the potential acquisition of 67 acres for single-family properties. This initiative aligns with an existing tax increment financing district, ensuring financial efficiency.
- **Outreach at Events:** Active participation in events like the Housing Summit has enabled us to connect with a plethora of housing developers in the county. This proactive approach is expected to foster collaborations and attract investments in Whitewater's housing sector.

**Conclusion** – Whitewater's housing landscape presents both challenges and opportunities. The insights from the Housing Summit, combined with our proactive initiatives and the analysis of the Affordable Housing Fund Policy, underline the importance of moving decisively in addressing these challenges. Your collaboration and support will be instrumental as we work towards creating a vibrant and inclusive Whitewater community.

Regards,



John S. Weidl, City Manager