Introduction

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Cover Today

• Background and Context
  • How did we get here?
  • What’s the situation now?
• What can communities do?
  • Fort Atkinson’s Approach
  • Lessons Learned
How Did We Get Here?

Population Growth by Decade Since 1970

How Did We Get Here?

Fort Atkinson (2000-2020)

Median Age
- 2000: 37
- 2020: 41

Population Over 65
- 2000: 15%
- 2020: 19%

Population
- 2000: 24%
- 2020: 21%

Source: U.S. Census Bureau, 2000-2010 Census.
How Did We Get Here?

Housing Unit Growth by Decade Since 2000

How Did We Get Here?

City of Fort Atkinson Housing Unit Makeup

How Did We Get Here?

City of Fort Atkinson

People Commuting to City for Work
2010: 72%
2019: 74%

People Who Work and Live in City
2010: 28%
2020: 26%

Overall People Who Commute
2010: 20%
2021: 22%

What’s the Situation Now?

Wisconsin Demographic Shifts

• People have never lived longer than they do today
  • Median age in Wisconsin has risen by 11% over the past 20 years
• Millennials (ages 28-40) have entered the owner-occupied market
  • The largest segment of the population

What’s the Situation Now?

**Wisconsin Economic and Workforce Shifts**

- Baby Boomers (second largest population segment) are:
  - Number of working Wisconsin residents will decline by 130,000, unless migration occurs
- Wisconsin ranks 30\(^{th}\) in cost of living (more affordable)
  - Several other Midwest states are lower
- Low unemployment rates (3.5%), high number of unfilled positions

Source: U.S. Census Bureau, Forward Analytics September 2022
What's the Situation Now?

Wisconsin Housing Shifts

- Average household sizes are declining
  - Means more housing units needed for the same number of people
- State needs at least 140,000 new housing units by 2030 to keep up with current demand
  - Baby Boomers will remain in their homes for the next 10-20 years, further reducing the available workforce housing stock

Source: U.S. Census Bureau, Forward Analytics, January 2023
What’s the Situation Now?

Nation-Wide Trends

- People choosing to live alone and/or wait longer to get married
- People having fewer children
- Increasing student loan debt
- Remote working opportunities have increased
- Growing demand for mobility
What’s the Situation Now?

Nation-Wide Trends

• 2021-2022 record low mortgage rates
• Limited supply from underbuilding since Great Recession
• Increased migration from high-cost cities to areas with a housing shortage
  • Big cities saw historic population losses during the pandemic
  • Great Lakes region may be a haven for climate migrants

Source: FeddyMac Research Notes June 2022, Chicago Business Forum June 2022, Brookings Institute July 2022
What’s the Situation Now?

Nation-Wide Trends

• Historically, an average house in the U.S. costs 5x the yearly household income.

• In 2021, an average house in the U.S. costs 8x the yearly household income.

*Greater than even the housing bubble in 2008 (7 times)

• Q3 2012 = nation-wide median sold home price was $248,800
• Q3 2022 = nation-wide median sold home price was $454,300

Source: U.S. Census Bureau, Federal Reserve Bank of St. Louis, U.S. HUD
What’s the Situation Now?

Other Trends

• Median household incomes have lagged, while housing and construction costs have increased.
• Many local and regional developers folded under the Recession and never came back OR moved to bigger metro areas.
• Pandemic exasperated the situation.
• Highest support for “Missing Middle” housing from Gen Z and Millennials (28-40).
  - Source: Zillow Survey conducted in 2022.
What’s Needed?

- Fill gaps in housing stock with diverse housing types:
  - Small lot single-family
  - Attached single-family
  - Multiple two-family options
  - Small-scale multi-family
  - Senior housing
  - Assisted living
- The public-sector must step up
Fort Atkinson Approach – Proactive Strategies

- Community-wide planning
- Understanding the market
- Removing barriers
- Site selection and acquisition
- Site-specific planning
- Developer recruitment
- Negotiation and funding
Fort Atkinson Approach

Understand Situation and Set Goals
• 2015 Placemaking Project
• 2019 Comprehensive Plan Update
• 2019-2021 Housing and Market Studies (3)
Fort Atkinson Approach

Remove Barriers
- 2020 Zoning Code Rewrite
- 2021 Intergovernmental Agreement
- 2022 Subdivision Ordinance Rewrite
- 2022 Official Map
Fort Atkinson Approach

Site Selection and Acquisition

- Prioritize potential sites
  - First site didn’t work out
- Acquire land
  - Had to borrow for purchase
  - Annexation issues
  - Previous plans for the site didn’t fit City’s goals
Fort Atkinson Approach

Site-Specific Planning

• Understand infrastructure and utility capacity and constraints
• Invested in Neighborhood Plan
Fort Atkinson Approach

Drive Implementation
- Developer recruitment
- RFI released in 2022

Interviews conducted with developers
- Leverage alternative funding sources
  - TIF, ARPA funds, and grants

Negotiate development agreements
- Executed September 2022
<table>
<thead>
<tr>
<th>Issues</th>
<th>Methods To Approaching Issue</th>
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<tr>
<td>There’s no one size fits all approach</td>
<td>Must determine customized steps</td>
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<td>Don’t wait around</td>
<td>Must be proactive and prepared</td>
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<td>Doesn’t happen on its own</td>
<td>It will take political/community support and investment</td>
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<td>Don’t take this on alone</td>
<td>Important to build partnerships/relationships</td>
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<td>There will never be enough budget</td>
<td>Essential to leverage all available resources</td>
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<td>Work is never done</td>
<td>Many challenges still exist and steps still need to be taken</td>
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<td>No quick fixes</td>
<td>Commitment to take a long-term view</td>
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<td>Success may not be the monetary bottom line</td>
<td>Other benefits include retaining employee population, school district enrollment,</td>
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Housing and Economic Development

- Housing stock and economic development are interconnected
  - Can’t support new jobs or existing businesses without workforce housing
- Housing is both an availability and affordability issue
  - Solution = increasing new diverse housing units to turn over the existing housing stock
  - New diverse housing units results in:
    - More availability through downsizing and upsizing opportunities
    - More affordability across housing stock
Conclusion

• The housing crisis will not be solved by any one person, group, or plan
• Demographics and workforce are shifting
• Housing stock and economic growth are interconnected
• Small and rural communities need new housing too
• Traditional private-sector led approach isn’t working

Public sector-led initiatives and investment are needed to drive change