Hillsboro’s Housing Efforts

Adam Sonntag, City Administrator
Welcome to Hillsboro!

- Population: 1,420
- Located in Vernon County (Driftless Region of WI)
- Median Household Income = $53,399 / Median Home Value = $85,000
- Economy: Healthcare, Agriculture and Small Businesses
  - Gundersen St. Joseph’s Hospital
  - Land O’Lakes
  - Hillsboro Brewing Co.
- W. Branch of the Baraboo River, Wildcat Mountain State Park, and Kickapoo Valley Reserve
The History of Housing Projects in Hillsboro

Tinker’s Bluff Subdivision

Salsbery Meadows Development
Tinker’s Bluff Subdivision

- TIF District Created in 1993 (50% Industrial / 50% Residential)
- Total of 52 Lots
  - 32 Single Family Homes
  - 8 Multi-Family Homes
  - 12 Available Lots
- The City is the Developer
  - Sell Lots for $5,000!
- TID Increment Value = $12,957,800
- Average Home Value = $220,000
Salsbery Meadows Development

- TIF District Created in 1998
- Development Agreement (Pay-Go) in 2004 to build Salsbery Meadows Condominiums
- Two condos were built with an assisted living facility prior to developer bankruptcy in 2012
- City purchased 13 acres back in 2014 for $60,000
- Development has added 48 units to date
Hillsboro’s Housing Today

- Downtown Revitalization Plan - 2016
  - Prepared by Vierbicher
  - CDBG Planning Grant at 50% totaling $25,000

Housing Values

<table>
<thead>
<tr>
<th>Housing Units by Date Built</th>
<th>Occupied Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 or later</td>
<td>0.0%</td>
</tr>
<tr>
<td>2000 to 2009</td>
<td>7.9%</td>
</tr>
<tr>
<td>1980 to 1999</td>
<td>14.6%</td>
</tr>
<tr>
<td>1960 to 1979</td>
<td>19.1%</td>
</tr>
<tr>
<td>1940 to 1959</td>
<td>30.7%</td>
</tr>
<tr>
<td>1939 or earlier</td>
<td>27.8%</td>
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</tbody>
</table>
Homes for Sale in Hillsboro

How do we grow and attract people to our community with 4 houses for sale?
Housing Action Plan
2018-2019

- Leveraged Investment in the Downtown Plan to Complete a Housing Action Plan (Developed by Vierbicher)
  - Community Survey
  - Stakeholder Interviews
  - Review of Existing Housing Programs
  - Market Analysis
Housing Development Strategies

- In-Fill Residential Development
  - Inventory the Vacant Lots
  - Create a Purchase Fund to Acquire Vacant Residential Lots
  - Municipal Developer Program for City-funded Spec Home

- Adopt Flexible Zoning Ordinances
  - Planned Unit Development (PUD)
  - Less Strict Residential and Commercial Housing Restrictions

- Partnerships with Local Non-Profits
  - CouleeCap House in Hillsboro
  - School District Workforce Training Program
Housing Development Strategies

- Code Enforcement
  - CDBG Loans and City-funded Code Compliance Grant Program

- TID Affordable Housing Extension
  - Create a need-based grant or loan program
    - First Time Homebuyer Assistance
    - Income Based Home Improvement Loans (RLF)
    - Elderly/Accessibility Home Improvement Loans (RLF)

- Grants for Upper Level Commercial Housing

- Child Care Home Improvement Loan Program

- Identify Lands for Future Residential Development Project
Attracting a Housing Development in Rural WI

- The email to the League that got me here:
  
  “The pure economics of building in rural areas is horrendous to begin with, as rents are lower and the cost to build is about the same as larger areas. I have had the opportunity to meet with about 6 different developers over the last 9 months to discuss building apartments. The interest truly came from the city screaming to everyone that we need housing coupled with building a new hospital. The city has the land (free), utilities installed, the TID incentive, we’re an Opportunity Zone and completed the housing study saying we need more housing. At one point I said to myself, if we can’t get someone to build here, how is any other small town going to do it?”

- The Municipality must be involved and will need to provide incentives to drive down the cost.

- Talk to everyone - Banks, Builders, Investors, Contractors

- The decisions of the community over the past 5, 10, 20 years matter.

- Understand the Need - Market Analysis and/or Employer Input

- IT HAS TO CASH FLOW!
Hillsboro’s New 16-Unit Apartment Development

- Located in Salsbery Meadows / TID #4
- Two 8-unit apartment buildings
  - All 2 bedroom with garage parking
  - Includes accessible units
- Approximately $1.2 million Project
- Development Agreement
  - TIF Construction Funds = 15% of Eligible Project Costs
  - 2.5-acre parcel = Free
  - Public Improvements, including road extension
  - Guaranteed Tax Increment by Developer
- The Developers believe in Hillsboro.
What We’ve Learned

- You’re on your own...
  - WEDC, WHEDA and State Programs
- The story of your town matters
- Housing Development is expensive and the economics of it can be horrible!
  - Single Family Home = $285,000 / Multi-family = $100,000+ per unit
- TIF is a powerful housing development tool
- Residents do not like the idea of “low-income” housing
- HAVING A PLAN MATTERS!
- In a small municipality, be patient!
QUESTIONS?

Adam Sonntag
City Administrator
admin@hillsborowi.com
(608)489-2350