



CITY OF FORT ATKINSON HOUSING AFFORDABILITY REPORT



Prepared by: Brian Juarez
Zoning Administrator
City of Fort Atkinson
101 N. Main St. Fort Atkinson, WI 53538
920-563-7760, bj Suarez@fortatkinsonwi.net

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I. Purpose

This annual report complies with the newly adopted Housing Affordability Report requirements contained in Section 66.10013 of Wisconsin Statutes, and is intended to document implementation of the housing element of the Comprehensive Plan. The City of Fort Atkinson completed an Update to the 2008 Comprehensive Plan in March, 2019.

II. Process and Data Sources

This report was prepared by Building and Zoning staff for the calendar year ending December 31, 2019 using the adopted City of Fort Atkinson Fee Schedule, permit/development records maintained by the Building Supervision Department, and adopted City of Fort Atkinson Ordinances. This report has been posted on the City’s website (www.fortatkinsonwi.net). For record keeping purposes, projects are reported in the year in which they were permitted (approved).

III. Projected Housing Demand

As detailed in the City of Fort Atkinson Comprehensive Plan, the Wisconsin Department of Administration has projected modest (11%) population growth totaling approximately 13,850 residents by the year 2030. After years of little or no population growth, the Fort Atkinson area’s strong economy and job growth are driving strong demand for both rental and owner-occupied housing units. According to projected data in Figure 2.8 of Chapter 2 (Issues and Opportunities) of the Comprehensive Plan, the City’s projected population growth will result in demand for 292 new housing units totalling approximately 37.1 acres.

IV. Residential Platting Activity

The City of Fort Atkinson received no new residential subdivision or condo plats for approval during 2019. The City did approve eleven certified survey maps in 2019 three of which were for dwelling units.

Land Division in 2019

	Number of Submittals	Dwelling Units
Condominium Plats	0	0
Subdivision Plats	0	0
Certified Survey Maps	11	3

Residential Permits Issued in 2019

	# of permits/projects	Total Valuation	Average Value
Residential Alteration Permits	38	\$713,464.00	\$18,775.00
Residential New Single-Family	5	\$1,191,000.00	\$238,200.00
Two Family Homes	3	\$695,000.00	\$231,666
Multifamily Alterations - New Units	1	\$3,300,000.00	\$3,300,000.00
Total Housing Fees Collected 2018		\$17,208.60	

Disclaimers:

- Permits for new dwellings are typically issued for existing lots in subdivisions that were approved and constructed in prior years, due to the time involved in subdividing and improving land with water, sewer, roads, and other infrastructure.
- The City of Fort Atkinson exercises its right to review land divisions in the Town of Koshkonong, Town of Sumner, Town of Hebron, Town of Oakland, Town of Cold Spring and the Town of Jefferson, so not all plats and CSM's involve projects within the City limits.

V. Undeveloped Parcels Suitable for Residential Development

According to recent review, there are fifty four (54) lots available for residential construction in the City of Fort Atkinson. A list of those parcels, including their zoning classification, is attached to this report along with a map of those same parcels is attached as Appendix A. This list consists of vacant parcels with various zoning classifications, but excludes undeveloped parcels zoned commercial or industrial that are not suitable for residential development. Suitability for residential development was determined based upon the Future Land Use designation in the Comprehensive Plan, street access, 100 year floodplain and environmental constraints.

VI. Analysis of Residential Development Regulations

LOT SIZE

The City's Zoning Ordinance allows the development of a wide variety of housing types at various densities and costs. In terms of uses, single-family dwellings are permitted in all residential districts and single-family lots can be as narrow as 75 feet in width and as small as 8,250 square feet in area. The City is currently developing a new zoning code which will further expand options for residential zoning by allowing smaller lots and houses as well as more mixed uses. The City of Fort Atkinson began this code development process early in 2019 and plans are for it to be approved and in use in 2020. The diversity promoted in the new code will allow small single-family lots which will contribute to land affordability and the development of workforce housing. Two-family dwellings are currently permitted in five different residential & commercial districts either by right or conditional use, this will also expand within the new code. Duplex or Condo lots (zoned R-2) can currently be as narrow as 75 feet in width and 10,000 square feet in area. Multifamily dwellings are permitted in four different zoning districts either by right or conditional use. Most

multifamily developments within the past few years have been developed as Assisted Living developments, which fill an identifiable need in the community.

INFRASTRUCUTURE REQUIRMENTS

The City of Fort Atkinson has contemporary requirements for all types of residential development that require paved streets and driveways, sidewalks, curb and gutter, lighting, storm sewers, sanitary sewers, and water mains. The City is currently developing a new Land Division Ordinance which will allow further diversity in the dividing of land and will reflect the most contemporary construction methods. The City’s off-street parking requirements are reasonable (1.5 to 2 stalls per dwelling unit) and are often voluntarily exceeded by developers. These requirements are needed to promote public health and welfare, to ensure orderly and beneficial growth, to protect property values, and to ensure adequate and safe provision of water, sewage treatment, streets, parks, and environmental protection. These requirements are nearly ubiquitous among cities throughout the State of Wisconsin. The City does not have any excessive architectural design or material requirements that artificially inflate housing costs. The City of Fort Atkinson benefits from the fact that we charge no impact fees for residential development. Many of the surrounding municipalities do charge such fees which substantially increases the overall costs of residential construction in those communities.

BUILDING PERMITS AND TIMELINES

	Timeline	Average One and Two Family Home Fee Range (Dependent on home size and content)	Average Multi-Family Homes Fee Range (Dependent on size and number of units)	Improvement
Planning Commission Site Plan Review (Multi-Family Only)	3-4 weeks	N/A	\$200.00	Advertise Process Better
Plumbing Permit	1 week	\$150.00 to \$200.00	\$250.00 to \$4000.00	Permit fees steady for last three years.
Electrical Permit	1 week	\$155.00 to 300.00	\$350.00 to \$4500.00	
Building Permit	1 week	\$450.00 to \$800.00	\$500.00 to \$5000.00	
Erosion Control Permit	1 week	\$80.00	\$125.00	
Park Fees in Lieu of Park Land Dedication	N/A	\$1500/Lot	\$1500/Lot	N/A
Impact Fees	N/A	None	None	N/A

Land Division in 2019

VII. Comprehensive Plan Update Emphasizes Housing Diversity

In 2019, the City completed a 10-year update of the Comprehensive Plan which encourages the development of a diverse mix of housing options. This update noted a particular focus upon variety in housing and use of traditional neighborhood design, both of which are intended to provide a greater variety in housing and make better use of available land within the City. The Comprehensive Plan update was critically important as a proactive step to assist and modify future rezoning actions, thereby encouraging private sector development of new housing units in the City, including “missing middle” housing.

VIII. Housing Affordability in the City as a Percentage of Income

As a general rule of thumb, the US Census Bureau has concluded that households which spend 30% or less of their monthly income on housing costs are deemed to have attained affordable housing. The 30% cost threshold is determined to include mortgage or rent, taxes and insurance. According to the US Census data, the median household yearly income in Fort Atkinson is \$50,156.00 which equates to a median monthly household income of \$4,179.66. This income data puts the 30% of income affordability limit at \$1,253.98 in the City of Fort Atkinson. According to the City of Fort Atkinson's recent Owner Occupied Housing Report created by the University of Wisconsin Whitewater Fiscal and Economic Research Center, the percentage of owner occupied housing above the 30% income affordability figure is 20%. The median gross rent in the City is \$803.00, therefore, at a very basic level of analysis, a median-priced rental unit in the City of Fort Atkinson is affordable to a median-income household. According to census data, the median monthly ownership cost (with a mortgage) is \$1,307.00, only slightly above the 30% limit. The fact that median-level rent and mortgage payments are affordable to median-income households is encouraging, but it is noteworthy that the Fort Atkinson housing market has changed considerably in the years since this Census data was collected. As revealed in the recent housing reports, demand has exceeded supply during the past few years, resulting in increasing home prices and monthly rent amounts across the area. As discussed previously in this report the modifications currently being made to the City's new zoning code will help relieve this disparity with the creation of more diverse opportunities for housing development and streamlining of the development process.

Housing Availability

As discussed previously the median-income household in Fort Atkinson can afford a mortgage or rent payment with taxes and insurance of \$1,253.98 without exceeding the 30% of income limit. In the City of Fort Atkinson, using a standard mortgage calculator, terms of 10% down at closing and a 5% interest rate for 30 years, the \$1,253.98 median monthly affordability cap could purchase an approximately \$180,000.00 house. As of this writing in 2019, there are fewer than 14 single-family homes on the market and available under \$180,000 in the entire City of Fort Atkinson. According to MLS data, the

average sales price of a single-family home in Fort Atkinson was \$194,000.00 during 2019, which represents a 17% increase over 2018. This data represents a significant shortage of supply, and with demand remaining strong, prices and rental amounts are likely to continue their increase throughout 2019.

IX. Conclusion

In conclusion, the housing market in Fort Atkinson has changed considerably in the last five years, with demand far outpacing new supply and growing concerns about a lack of availability. However, according to the most recent census data, a median-income household can afford a median-priced housing unit (rental or owner-occupied) without greatly exceeding the 30% of income threshold. In general this means that housing in the City is generally “affordable” at a basic level of analysis. The bigger issue facing the City going forward is in the supply of housing, (rental or owner occupied) which is lacking and current studies such as the recent FERC Study, show a continued shortage into 2030 unless more redevelopment or new development can be achieved. According to the City of Fort Atkinson’s Comprehensive Plan, the City is expected to realize modest population growth totaling up to 292 new housing units by the year 2030, further increasing demand for housing. The biggest challenge to housing supply is the high cost of infrastructure and labor and material costs, and the limited avenues of growth for the City. The City’s land use controls are inclusionary, varied and encourage the development of a wide range, type, and cost of housing, and do not contain any requirements that arbitrarily increase housing costs.

Finally, the City is proactively encouraging the development of housing through such efforts as the 2018 Comprehensive Plan Update and the rewrite of the City’s Zoning Code in 2019. With the new plans and controls being put in place, the City of Fort Atkinson appears poised to make the necessary adjustments to meet the needs for affordable and plentiful housing for our citizens into the foreseeable future.

Appendix A

Maps and Data

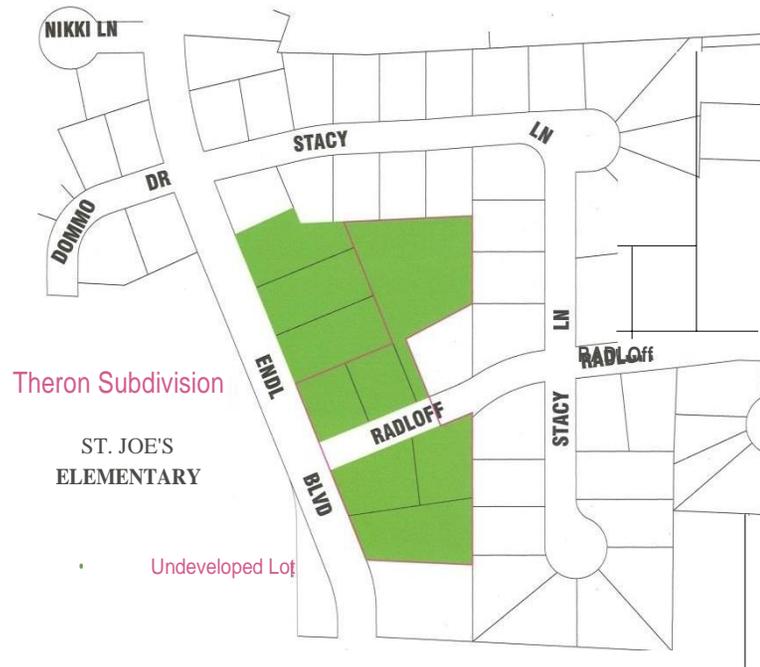
Residential Lots Currently Platted But Undeveloped As of 12-31-19

Subdivision	R-1	R-2	R-3
Koshkonong Estates #4*	7	12	7
Crescent Beauty Subdivision*	21	2	0
Koshkonong Estates #3	0	0	0
Highland Heights/Hawk's Glen	1	2	0
Theron Subdivision	7	0	0
TOTALS	36	16	7

* - denotes areas with some wetlands.



• Undeveloped lot





* Commercial zoning Conditional use required for residential

