

# **Community Development Department**

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Next Generation Housing Builders Forum Summary October 26, 2022

#### Overview

On October 26, 2022, Washington County and its Coalition Partners hosted a Builders Forum for the Next Generation Housing Initiative and the three pilot projects located in the Village of Jackson, the Village of Slinger, and the City of Hartford. In total, 38 stakeholders were in attendance representing a variety of organizations including: builders, real estate agents, banking and financing professionals, engineering firms, and municipal representatives. Washington County Executive Josh Schoemann welcomed everyone to the event and provided an introduction to the housing issues the County is facing. Community Development Department Staff provided an initial overview of the Next Generation Housing Initiative, followed by presentations from each of the pilot developments. Scott Stortz then discussed the current housing market and showed examples of existing housing stock for sale. Vandewalle and Associates closed out the presentation session by giving a little more detail on housing and value engineering. Following the presentation, the builders and other stakeholders broke out into breakout groups to discuss the Next Generation Housing Initiative and the concept plans for the developments. This summary outlines the discussion topics and key takeaways from the breakout groups.

## **Next Generation Housing Initiative Discussion**

- Each pilot can receive up to \$2.4 million based on a first come first serve basis for the funding requests. Funds will be allocated at \$20,000 per owner occupied unit for each pilot development.
- The equity theft discussion of the county's contribution is still being figured out. How is the County going to figure out how to avoid a bidding war over the homes to keep sale price at \$300,000?
- Village/City retaining ownership of the property is a good way to keep costs down.
- Marketing should be geared toward the people that we are trying to target the young working population.
- The builders understand that within the builder's agreement there would probably be verbiage saying they cannot make profit on the \$20,000 the County provides, the benefit has to be to the homeowner.
- Builders really like the idea of Next Generation Housing and understand the need, however building costs are high at the moment so it could be difficult to reach price points. (Depending on the builder)
- The builder would potentially be constructing the "X" amount of houses right next to each other, this could make things efficient.
- People are looking at the monthly payments for the homes, instead of the overall total price.



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### **Densities and Housing Types**

- Higher density helps with the TID increment. Standards/expectations of the buyers have drastically changed. The "entitled buyer" is gone.
- Agreement that basements are not optional for this market for the single family.
- Townhomes could have no basements based on the layouts.
- It is important to have price differential between the different housing types.
- Some builders can construct homes on 40/50ft wide lots, just depends on the housing layout. (There are narrow side yard setbacks associated with this.)

#### **Home Construction**

- Having an egress window for the basement adds to perceived value since there's potential to add a bedroom in the future.
- Ideal number of houses to spec would either be 8-10 houses for small builders or 20+ for larger builders
- Farmstead Creek in Slinger was probably absorbing 40-50 houses per year.
- Builder will most likely take out a loan from a bank to finance the construction, it makes it easier to get the loan if the builder owns the property.
- Store soil on site so it does not need to be hauled twice, this helps keep the cost down.

## City of Hartford Pilot Concept Plan

- The City of Hartford and HADC have a property that is about 64 acres. Approximately half of it will have rentals and be split off, the other half will be owner occupied units for Next Generation Housing.
- Construction cost for a detached garage is about \$25,000.
- There are mixed opinions on if alleys are favorable or not.
- A lot of people do not hate alleys, patio between the house and garage with a small yard. There is little maintenance to it.
- Duplexes are almost as expensive as single-family homes.

### Village of Jackson Pilot Concept Plan

• Could potentially reduce the depth of the southernmost single-family units to give the other lots in the north more depth.



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- Townhomes that are owner occupied need to have separate sprinkler systems and fire walls if they are over three units, this can add to cost.
- The concept plan is very thought out and well designed. It provides a variety of housing options. Need to have a specific builder for the Townhomes portion of the development.

### **Next Steps**

Builders that are interested in the program will meet individually with the County and the pilot development municipalities to further discuss the Next Generation Housing Initiative and home configuration. The conversations will continue related to housing costs and establish ways to bring back the modest but quality homes that the workforce can afford, consider cost containment measures to reduce the cost of homes, and consider economies of scale savings with numerous homes next to each other. This will provide builders to be a part of the Initiative and have an opportunity to build homes in the pilot developments.