



Department of Planning & Development  
**Office of the Director**

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**DATE:** January 19, 2006

**TO:** Mayor David J. Cieslewicz  
Madison Common Council  
Plan Commission  
Housing Committee  
Economic Development Commission

**FROM:** Mark A. Olinger, Director  
Department of Planning & Development

**SUBJECT:** Inclusionary Zoning Ordinance Evaluation Study

Attached is the Department's evaluation study of the Inclusionary Zoning Ordinance. The study covers the 18-month period from February 2004 to September 2005. The report describes the projects approved under the Inclusionary Zoning Ordinance during the first 18 months of the program and evaluates the effectiveness of the provisions within the ordinance. The report also compares development trends within the City of Madison, with areas outside of the City of Madison. The report is intended to provide a baseline which can be used to study inclusionary zoning issues in the City over time.

The conclusion section of the report, starting on page 24, summarizes the findings from the study and discusses issues which should be addressed. The conclusion also acknowledges the recommended amendments to the Inclusionary Zoning Ordinance that are currently being considered by the Plan Commission and Common Council. The Department believes that these changes address many of the issues identified by the stakeholder groups interviewed during the preparation of this report. The Department recommends that these changes be adopted as soon as possible to improve the effectiveness of the ordinance. Following the adoption of these changes, the Department recommends that the Plan Commission and Common Council continue to evaluate the ordinance, to identify improvements and to simplify the policies and procedures where possible.

**INCLUSIONARY ZONING ORDINANCE EVALUATION STUDY  
(February, 2004-September, 2005)**

**Prepared by:  
Department of Planning and Development  
January 18, 2006**

**INTRODUCTION**

The Inclusionary Zoning Ordinance was adopted by the Common Council in January of 2004 and took effect on February 15, 2004. The purpose of this report is to provide an evaluation of the Inclusionary Zoning Ordinance after the first eighteen months of the program. The report describes the dwelling units approved under the Inclusionary Zoning Program, and their distribution within the community. The report compares the inclusionary zoning projects and other non-inclusionary zoning projects approved during this period.

The report also discusses the original objectives of the Inclusionary Zoning Ordinance and the fears or possible adverse effects that were discussed prior to the Inclusionary Zoning Ordinance being adopted. This report is intended to provide a summary of those aspects of the ordinance that appear to be working well and to identify issues which need to be addressed. It is also intended to provide a baseline and methodology which can be used to study inclusionary zoning issues within the City of Madison over time.

In preparing this report, Department of Planning and Development staff met with representatives from several stakeholder groups which were involved in the discussion of the original ordinance prior to its adoption and some of the developers and builders who have had projects approved under the program.

**SUMMARY OF ORDINANCE OBJECTIVES AND OUTCOMES**

The Inclusionary Zoning Ordinance has two primary overriding goals:

1. To increase the number of affordable dwelling units in the City of Madison, and
2. To create mixed-income neighborhoods throughout the City of Madison.

To achieve these goals, the Inclusionary Zoning Ordinance requires 15% of the dwelling units within new residential projects to be affordable to households at certain income levels. The program was expected to create approximately 200-300 affordable units per year and to ensure that affordable units would be distributed throughout the community where new development was occurring.

During the first year of the program (February 2004 to February 2005), sixteen (16) projects were reviewed and approved, which required inclusionary/affordable dwelling units. These projects included almost 2,000 total dwelling units (94% owner-occupied and 6% rental) of which 311, or 15.7% were affordable. The remainder of this report covers the Inclusionary Zoning projects approved through September 1, 2005.

## **SUMMARY OF POTENTIAL ADVERSE EFFECTS**

When the original ordinance was being debated, a number of possible adverse effects were identified and debated. These included:

1. Land prices and the cost of mid- to high-rise construction within the downtown will make the Inclusionary Zoning Ordinance unworkable for downtown development unless large financial incentives to subsidize the affordable units can be provided.
2. Increased housing production in outlying communities and the decreasing attractiveness of Madison as a place to make a profit building houses, condominiums and apartments, would reduce the supply of housing within the City and lead to higher prices.
3. Residential developers will stop doing business in the City of Madison, which will in turn lead to increased development in outlying jurisdictions and additional suburban sprawl throughout the County.
4. There will be a disincentive to continuing to do business in the City created by layering on additional complex development requirements not present in other communities.
5. This disincentive will be even greater if the increased costs to developers to build affordable housing units are not compensated by financial incentives in order to permit project feasibility without cost shifting to the remaining market-rate units within the development.
6. The value of residential buildings and units in close proximity to the Inclusionary Zoning units will be brought down by the presence of the Inclusionary Zoning units.

## **MULTI-YEAR STUDY DESIGN TO EVALUATE INCLUSIONARY ZONING OVER TIME**

The City of Madison is less than two years into the Inclusionary Zoning Program. One of the objectives of this study is to identify a general methodology which can be used to track the effects of Inclusionary Zoning over time. Included in Appendix A of this report is an outline of the multi-year study design to evaluate Inclusionary Zoning. This study design is intended to guide the review of the Inclusionary Zoning Program over time by providing data on the dwelling units being produced, the households which occupy dwelling units, and the housing market. Because this part of the evaluation study is future-oriented, data will not be available for several years.

## **SUMMARY OF APPROVED INCLUSIONARY ZONING PROJECTS**

Between February 15, 2004, and September 1, 2005, the Madison Common Council approved 24 subdivision plats and/or zoning map amendments that were subject to the Inclusionary Zoning Ordinance. These projects included 2,366 total dwelling units, of which 360 were affordable under the provisions of the Inclusionary Zoning Ordinance. Of the 24 projects approved, 3 projects included Planned Unit Development-General Development Plans where the Specific

Implementation Plans will be submitted at a future date. These projects (number 22-24) were divided in Table 1 below. For projects 22 and 24, the portion of the project that had a final Inclusionary Dwelling Unit Plan and Land Use Restriction Agreement, is shown in the top portion of the Table (numbers 11 and 15). The affordable units included in the General Development Plans include 99 dwelling units of the 360 total. Table 1 provides a listing of the approved Inclusionary Zoning projects. Map 1 shows the location of inclusionary zoning projects throughout the City. Table 2 provides additional information on each of the projects.

**Table 1: Zoning Map Amendments/PUD SIP GDP/Final Plats  
February 15, 2004 - September 1, 2005  
(All IZ Projects)**

	Address	Description	Units	
			Total	(IZ)
1.	501 Commerce Drive	All Saints Senior Campus PUD	108	17
2.	3289 High Point Road	Southern Ridge Plat	46	7
3.	802 Williamson Street	Renaissance PUD (now Livingston)	36	6
4.	513 Jacobson Avenue	Starkweather Square Plat	33	5
5.	1817 Lake Point Drive	Lakepoint Condos PUD	50	8
6.	3701 Stonebridge	Heather Glen (Cross Country)	144	22
7.	615 Pleasant View Road	Churchill Crossing PUD	124	19
8.	9101 Valley View Road	Linden Park Plat	261	40
9.	702 North Midvale Boulevard	Hilldale Mixed-Use PUD	40	6
10.	502-602 Troy Drive	Troy Gardens PUD	30	5
11.	7213 Mineral Point Road	Cardinal Glenn aka Liberty Station Plat	154	23
12.	1802 Monroe Street	Monroe Commons Mixed-Use PUD	51	3
13.	409 West Gorham Street	Equinox PUD	115	18
14.	4949 Meinders Road	Owl Creek Plat	115	19
15.	309-333 West Washington Avenue	Capitol West (Block 51) Mixed-Use PUD	159	18
16.	202-302 Rustic Drive	First Addition to Nelson's Addition to Rustic Acres Plat	32	5
17.	4610 Rustic Drive	Nelson's Addition to Rustic Acres	60	9
18.	9503 Midtown Road	Hawks Meadows Plat	33	5
19.	9320 Old Sauk Road	C1 to R4	30	5
20.	9435 Valley View Road	Pine Hill Farms Plat	75	12
21.	1725 Waldorf Boulevard	PUD	60	9
<b>SUBTOTAL</b>			<b>1,756</b>	<b>261</b>
<b>Planned Developments – Approved General Development Plans (ONLY*)</b>				
	<b>GDP's Address</b>	<b>Description</b>		
22.	309-333 West Washington Avenue	Balance of Capitol West (Block 51) Excluding Phase 1 – Project #15 above	241	42
23.	802 East Washington Avenue	Don Miller/Gary Gorham Site	309	47
24.	7213 Mineral Point Road	Balance of Cardinal Glenn aka Liberty Station – Project #11 above	60	10
<b>SUBTOTAL</b>			<b>610</b>	<b>99</b>
<b>GRAND TOTAL</b>			<b>2,366</b>	<b>360</b>

\*NOTE: These numbers may change when SIP applications are filed for review

**Table 2:  
Projects With Inclusionary Dwelling Units  
Number of Units, Tenure, Approval Dates, Incentives, Construction Status**

Project Number	Project Address	Project Name	Number IZ Units	Owner / Rental	Application Date	Approval Date	Base Density Units/sq	Approved Density Units/sq	Incentive Points	Incentives Sought	Incentives Granted	Construction Status
1	501 Commerce Dr	All Saints Senior Campus	17	Other	3/24/2004	6/15/2004	21.8	22.9	2	None	Density Bonus	Under Construction
2	3289 High Point Rd	Southern Ridge Plat	7	Owner	5/12/2004	8/3/2004	4.0	3.6	1	Expedited Review	Preliminary/Final Plat	Under Construction
3	802 Williamson St	Renaissance Housing	6	Owner	3/24/2004	6/1/2004	38.0	90.0	2	None	Density Bonus	Under Construction
4	513 Jacobson Ave	Starkweather Square Plat	2	Owner	6/23/2004	9/21/2004	38.0	10.1	2	Park Fee & Park Dedication	None	Not Started
(4a)	513 Jacobson Ave	Starkweather Square Plat	3	Rental	6/23/2004	9/21/2004	38.0	19.9	5	Reduction	---	Not Started
5	1817 Lake Point Dr	Lakepoint Condos	8	Owner	3/9/2004	6/15/2004	33.5	19.8	4	None	None	Under Construction
6	3701 Stonebridge Dr	Heather Glen Plat	22	Owner	6/22/2004	9/14/2004	21.8	6.4	2	Cash subsidy	None	Under Construction
7	3982 Pleasant View Rd	Churchill Crossing	19	Rental	9/8/2004	12/14/2004	20.5	24.1	2	Density Bonus	Density Bonus	Not Started
8	8838 Valley View Rd	Linden Park Plat	40	Owner	11/10/2004	2/1/2005	4.0	8.2	1	Cash subsidy	Density Bonus	Roads & Utilities
9	702 N Midvale Blvd	Hilldale Redevelopment	6	Owner	11/10/2004	2/1/2005	38.0	29.4	2	None	None	Under Construction
10	502-602 Troy Dr	Troy Gardens	5	Owner	11/24/2004	2/22/2005	5.4	6.0	5	None	\$29,400 Park Fee Credit, Density Bonus	Not Started
11	7213 Mineral Point Rd	Cardinal Glen - Phase 1 - 5	23	Owner	10/13/2004	1/18/2005	12.0	8.5	3	Park Fee & Cash Subsidy	\$49,680 Park Fee Credit	Roads & Utilities
12	1802 Monroe St	Monroe Commons	3	Owner	10/27/2004	3/15/2005	38.0	55.4	0	Partial IZ Waiver	Partial IZ Waiver, Density Bonus	Under Construction
13	409 W Gorham St	Equinox Student Housing	18	Rental	12/1/2004	2/15/2005	72.6	230.0	2	None	Density Bonus, 2-story height bonus	Under Construction
14	4949 Meinders Rd	Owl Creek Plat	11	Owner	1/26/2005	5/9/2005	4.0	5.4	2	Park Fee & Park Dedication Reduction, Street Trees & Cash Subsidy	Density Bonus	Not Started
(14a)	4949 Meinders Rd	Owl Creek Plat	8	Rental	1/26/2005	5/9/2005	4.0	12.3	8	---	TIF 28% of total TIF, Partial IZ Waiver	Not Started
15	309-333 W Washington Ave	Capitol West - Phase 1 SIP	18	Owner	3/23/2005	7/19/2005	90*	90.0	1	Parking Reduction, Cash Subsidy, Parking Permits, TIF, Partial IZ Waiver	---	Not Started
16	202-302 Rustic Dr	First Add to Nelson's Add	5	Owner	3/9/2005	5/17/2005	4.0	4.2	2	Park Fee & Park Dedication Reduction, Cash Subsidy	Density Bonus	Roads & Utilities
17	4610 Rustic Dr	Nelson's Add to Rustic Acres	3	Owner	1/26/2005	5/17/2005	4.0	5.0	2	Park Fee & Park Dedication Reduction	Density Bonus	Roads & Utilities
(17a)	4610 Rustic Dr	Nelson's Add to Rustic Acres	6	Rental	1/26/2005	5/17/2005	16.0	7.5	---	---	---	Roads & Utilities
18	9503 MidTown Rd	Hawk's Meadows Plat	5	Owner	3/9/2005	5/17/2005	4.0	5.5	2	Park Fee Reduction & Cash Subsidy	Density Bonus	Not Started
19	9320 Old Sauk Rd	Blackhawk Lofts Condominiums	5	Owner	4/27/2005	7/5/2005	21.8	16.7	2	None	None	Not Started
20	9435 Valley View Rd	Pine Hill Farm Plat	12	Owner	3/4/2005	5/3/2005	4.0	8.1	2	Park Fee & Park Dedication Reduction & Street Trees	Density Bonus	Roads & Utilities
21	1725 Waldorf Blvd	1725 Waldorf Condominiums	9	Owner	4/27/2005	7/5/2005	33.5	39.9	2	Density Bonus	Density Bonus	Not Started
22	309-333 W Washington Ave	Capitol West - GDP	42	Owner	9/8/2004	12/14/2004	90*	90.0	1	Parking Reduction, Cash Subsidy, Parking Permits	---	GDP Only
23	802 E Washington Ave	800 E Washington Ave - GDP	47	Owner	12/29/2004	3/1/2005	38.0	68.6	2	Cash Subsidy, Expedited Review	Density Bonus	GDP Only
24	7213 Mineral Point Rd	Cardinal Glen - Phase 6 - GDP	10	Rental	10/13/2004	1/18/2005	20.0	15.3	1	Park Fee & Cash Subsidy	Density Bonus	GDP Only
<b>Total IZ Units Approved</b>			<b>360</b>									
... Contained in GDP's (Land Use Approval Only)			<b>99</b>									
... Contained in projects approved for construction			<b>261</b>									

\*Because the underlying zoning did not allow residential development and the neighborhood plan did not establish a density midpoint, staff used existing densities in the immediate area to establish the density base.

**Comparison of Projects Under the Inclusionary Zoning Ordinance Versus Those Residential Projects Exempt from the Ordinance**

As a basis of comparison of new residential activity for the same time period, Planning Unit staff examined the other major categories for residential projects approved by the Plan Commission during this period, conditional use applications and SIPs. These residential projects were approved for sites in the City that were already zoned for multi-family residential development prior to enactment of the Inclusionary Zoning Ordinance. Table 3 summarizes the residential projects approved by the Plan Commission between February 15, 2004, and September 1, 2005. Map 1 shows the location of these projects as well as the IZ projects. During this period there were a total of ten projects approved as conditional uses resulting in a total of 414 units and eleven project approved as SIPs resulting in a total of 941 units. The 1,355 units in non-IZ projects compares to the 2,366 units in IZ projects during this period. As the inventory of vacant already zoned land is developed, the number of new projects which are exempt from IZ exempt projects will decrease substantially.

**Table 3: Residential Projects – Conditional Uses and Specific Implementation Plans That are Part of Previously Approved General Development Plans February 15, 2004 to September 1, 2005 (IZ Exempt Projects)**

Conditional Use Address	Description	Owner/Rental/Mix	Units	Construction Status
1. 4001-4013 Maple Grove Drive	four 4-unit	Apts.	16	8 units under construction
2. 575 Fargo Drive	one 6-unit	Condo	6	under construction
3. 2802 Dryden Drive	one building	Apts.	34	construction completed
4. 1802 Maple Crest Drive	19 buildings	Apts.	114	site work only
5. 6418-6426 Maywick Drive	two 4-unit	Condo	8	4 units under construction
6. 4629 Verona Road	four buildings	Apts.	104	not started
7. 2002 Jeffy Trail	two 27-unit	Apts.	54	27 units under construction
8. 4659 Treichel Lane	two 12-unit	Condo	24	site work only
9. 4809 Freese Lane	nine 2-unit	Condo	18	not started
10. 4104-4109 Maple Grove Drive	two 18-unit	Condo	36	not started
<b>SUBTOTAL</b>			<b>414</b>	
<b>SIP Address</b>				
11. 6701 Fairhaven Road	PUD-SIP three buildings	Condo	65	under construction
12. 7001 Reston Heights Drive	PUD-SIP duplex – one family unit	24 single-family 36 apts.	60	not started
13. 1921 Atwood Avenue	PUD-SIP two buildings	Apts.	89	not started
14. 5801 Gemini Drive	PUD-SIP two buildings	Apts.	69	under construction
15. 4008 Felland Road	PUD-SIP fifteen buildings	Apts.	306	not started
16. 734 Jupiter Drive	PUD-SIP one building	Apts.	51	under construction
17. 302 East Hill Parkway	PUD-SIP four buildings	Condo	48	not started
18. 333 West Mifflin Street	PUD-SIP one building	Condo	164	under construction
19. 8301 Mayo Drive	PUD-SIP one building	Condo	30	not started
20. 1702 Waldorf Drive	PUD-SIP two 5-unit buildings	Condo	10	not started
21. 401 Pleasant View Road	PUD-SIP duplex units	Condo	49	not started
<b>SUBTOTAL</b>			<b>941</b>	
<b>GRAND TOTAL</b>			<b>1,355</b>	

**Tenure/Unit Types**

Of the 24 Inclusionary Zoning projects approved, 19 were owner-occupied housing, 3 were for rental housing and one included both owner-occupied and rental housing. The project at 501 Commerce Drive, All Saint’s Senior Campus, included life-lease units, which are now categorized in an “other housing types” category in the ordinance (see Table 2). While the rental housing was provided in multi-family attached structures, the owner-occupied housing included a broad mix of single-family detached units on individual lots and condominium units in multi-family attached housing.

**Construction Status**

Tables 2 and 3 also show the construction status of the projects subject to the Inclusionary Zoning Ordinance and those approved during the same period which were not subject to the Ordinance. Table 4 below, summarizes the construction status of these projects. A total of 45 residential projects of all types were approved by the Plan Commission and Common Council during this 18-month period. Of the 45 projects, about half of the projects are underway and half have not started. With both inclusionary zoning and non-inclusionary zoning projects, some of the projects have commenced with site work being completed prior to the issuance of permits. There appears to be very little difference in the construction status of inclusionary zoning vs. non-inclusionary zoning projects.

**Table 4: Construction Status  
Inclusionary Zoning Projects vs. Exempt Projects**

Project Type	Number of Projects	Number of Units	Construction Status		
			Under Way	Completed Units	Not Started
IZ Projects	24	2,366	13 <sup>a</sup>	1 project/IZ 6 units <sup>b</sup>	11
Non IZ Projects	21	1,355	10 <sup>c</sup>	1 project/34 units	10
TOTAL	45	3,721	22		22

<sup>a</sup> – 7 projects have building permits issued. 5 projects have roads and utilities being constructed.

<sup>b</sup> – 6 units have been completed in Veridian’s Heather Glen development, some units have also been completed as part of the Hilldale redevelopment.

<sup>c</sup> – 8 projects have building permits issued. 2 projects, site work only.

**Developers/Location**

During the first 18 months of the program, 16 different developers had 24 projects approved under the Inclusionary Zoning Ordinance. The Nelson Group and Veridian each had 4 projects approved, and Gorman and Company had 2 projects approved. Of the 24 projects, 14 projects (with 202 of the 360 affordable units approved) were located on the periphery. Three projects were located within the downtown, representing 78 affordable units. The other 7 projects with 80 affordable units were located within the central city outside of the downtown.

**Incentives Requested and Approved**

Section 28.04(25)(d), Madison General Ordinances, states in part that “the applicant shall receive one or more incentives for providing inclusionary dwelling units or cash in lieu of inclusionary dwelling units.” Incentive points are earned for both owner-occupied and rental dwelling units based upon the percent of units at qualifying percentages of area median income (AMI).

**Incentive Points for Owner-Occupied Dwelling Units**

Percent of Dwelling Units	80% AMI	70% AMI	60% AMI	50% AMI
5%	0	1	2	3
10%	1	2	3	4
15%	2	3	4	5
20%	3	4	5	6

**Incentive Points for Rental Dwelling Units**

Percent of Dwelling Units	60% AMI	50% AMI	40% AMI	30% AMI
5%	0	1	2	3
10%	1	2	3	4
15%	2	3	4	5
20%	3	4	5	6

An additional incentive for developments providing inclusionary dwelling units allows that all development shall receive expedited review if it meets the eligibility requirements as stated in the Zoning Code. The ordinance defines expedited review as one of the following:

1. Combining preliminary and final platting processes;
2. Combining General Development Plan and Specific Implementation Plan review for Planned Unit or Planned Community Development districts;
3. Subsequent to Plan Commission and /or Common Council approval, revised documents may be routed concurrently to City agencies for final review and sign off.

With the exception of the concurrent routing of revised documents for sign-off, these review procedures have been possible under existing ordinances, regardless of the provision of inclusionary dwelling units. The combination of GDPs and SIPs has been standard practice for many years. The combining of preliminary and final plats was occasionally used prior to the adoption of the Inclusionary Zoning Ordinance and is now more frequently applied. Concurrent review of documents for sign-off was initiated by the Department of Planning and Development in January of 2005 and is now standard practice.



Incentive points obtained may be used to request a variety of incentives as identified in the Zoning Code for the benefit of the applicant. Incentives include:

1. Density bonus
2. Reduction in park development fees
3. Reduction in park dedication requirements
4. Twenty-five percent reduction in parking requirements
5. Non-City provision of street tree landscaping
6. Cash subsidy from the Affordable Housing Trust Fund to a maximum subsidy of \$10,000 per inclusionary dwelling unit, as defined
7. Cash subsidy from the Affordable Housing Trust Fund for a maximum of \$5,000 for each inclusionary dwelling unit, as defined
8. One additional story above the maximum allowed for developments located in Downtown Design Zones, but not to exceed the maximum height limits of that Downtown Design Zone
9. Eligibility for a number of residential parking permits equal to the number of inclusionary dwelling units provided
10. Assistance from the Department of Planning & Development in obtaining other funding related to the provision of inclusionary housing
11. Preparation of a neighborhood plan where no current neighborhood plan exists

Of the 24 residential development projects submitted from the time of the adoption of the Inclusionary Zoning Ordinance (February 15, 2004 - September 1, 2005) seven or approximately one-third of all applications requested no incentives, and two additional applications requested only expedited review. These nine applications represent 37.5% of the total projects.

- **Density Bonuses.** The base density from which a density bonus is calculated is based on the existing zoning on the property or, in the event that the existing zoning is Agriculture or does not allow residential development, the base density is the mid-point of the density range included in an adopted neighborhood development plan, if one exists. In the event that a plan does not exist or doesn't specify an average density, the base density is established by the Department of Planning and Development based on densities in the immediate area.

Of the 14 projects receiving density bonuses, 4 projects are located on the Isthmus or in the older portion of the Central City (Renaissance/Livingston, Monroe Commons, Equinox Student Housing, and 800 East Washington Avenue). Six of the 14 projects involved single-family subdivisions on the periphery of the City. The remaining 4 projects involve multi-family projects outside of the Isthmus and older portions of the Central City.

Of the 24 projects approved, 14 projects received density bonuses. Only two of the 14 specifically requested a bonus. These projects, Churchill Crossing and Waldorf Condominiums received a bonus of 3.6 units per acre (18 unit bonus), and 6.4 units per acre (10 unit bonus), respectively. In addition to these two projects, 12 other projects which did not specifically request density bonuses, received them. It is interesting to note that some of the projects which received the highest density bonuses, did not request them, possibly not recognizing that their project actually was going to receive a bonus under the ordinance. These projects and the bonus received are listed below.

1. All Saint's – 1.1 unit per acre bonus, 4 dwelling units,
3. Renaissance (Livingston) – 52.0 units per acre bonus, 21 units,
8. Linden Park Plat – 4.2 unit per acre bonus, 133 units,
10. Troy Gardens – 0.6 unit per acre bonus, 3 units
12. Monroe Commons – 17.4 units per acre bonus, 16 units,
13. Equinox Student Housing – 157.4 units per acre bonus, 79 units,
14. Owl Creek Plat – single-family/duplex – 1.4 units per acre bonus, 18 units; multi-family 8.3 units per acre bonus, 31 units
16. First Addition to Nelson's Add. Plat – 0.2 units per acre bonus, 1 unit
17. Nelson's Add. To Rustic Acres Plat – 1.0 unit per acre bonus, 4 units
18. Hawk's Meadows Plat – 1.5 units per acre bonus, 9 units
20. Pine Hill Farm Plat – 3.8 units per acre bonus, 36 units
23. 800 East Washington Avenue – 30.6 units per acre bonus, 138 units.

It is clear from discussing inclusionary zoning projects with developers and builders that the value of the additional density being approved as part of some of these projects is not being recognized as a significant incentive. Part of this perception problem is that, prior to the adoption of the Inclusionary Zoning Ordinance, these same densities most likely would have been approved without the need to provide affordable housing as part of the project. Prior to the adoption of the Inclusionary Zoning Ordinance, staff and the Common Council recognized that the former process of approving Planned Unit Development zoning map amendments throughout the downtown and Isthmus, which resulted in large increases in densities beyond the existing zoning limits and, in many cases, beyond the existing adopted plans, would be eliminated and replaced by a system that required new Planned Unit Development zoning map amendments to provide some affordable housing in exchange for the significant increases in densities being approved by the zoning map amendments.

On the periphery of the City where most of the neighborhood development plans recommend a low density midpoint of 4 units per acre, it is relatively easy to achieve a density bonus and still remain within the low density range (commonly 0-8 units per acre) as recommended in most of the neighborhood development plans. A density of 4 units per acre equates to single-family homes on lots averaging 10,890 square feet. The top end of the low density range (8 units per acre) equates to a lot size of 5,445 square feet.

It is apparent that it will take additional time for the density bonus system to be recognized as an incentive for developers or that changes will need to be made to make the density bonus system work more effectively.

- **Park Reductions.** Eight (33.3%) of the applications requested park fee and /or park dedication reductions. According to the Parks Division, one of these requests (the Cardinal Glen Plat) has been granted for projects approved between February 15, 2004 and September 1, 2005. Two other projects (Troy Gardens and the Linden Park Plat) also received credits although they were not initially requested. In order to receive a credit, a developer must comply with the procedures for granting the reductions as described on pages 12 and 13 of the “Inclusionary Zoning Program Policy and Protocols” document adopted February 3, 2004. The policy document indicates that credits may be given if private parkland and facilities are provided which would replace land and facilities that the City would otherwise have to provide and are available for public use without restriction. Credit may also be given for improvements to public parks that are installed by the developer, if these facilities meet the basic park needs and requirements, as opposed to being extra amenities that do not reduce the City’s burden to meet these basic facility needs. Credit for land is based on the square footage that qualifies as meeting the basic park needs. Credit for improvements is based on the lowest cost that the City expects for such an improvement based on recent staff construction or public low-bidder construction. While 8 applicants have requested park fee reductions, none have met the requirements of the ordinance to justify these reductions.
- **Off-Street Parking Reductions.** Two applications (both for the same project – one for the overall GDP, and the second for the first phase SIP) requested a reduction in the off-street parking requirements. However, this project will provide approximately 1,226 off-street parking stalls for approximately 400 total dwelling units, plus 18,000 square feet of retail space, and 105,000 square feet of office space. This development, if not located in the downtown and not proposed as a PUD, would require slightly in excess of 800 off-street parking stalls. Although the application requests a parking reduction, no parking reduction was in fact necessary for this project. Parking reductions are routinely considered by staff under revised procedures for considering parking reductions approved in 2003.
- **Street Tree Planting.** One application has requested permission to plant street tree landscaping in lieu of the City. This final plat has yet to be commenced and the subdivision contract with City Engineering has not been completed. Planning Unit staff assume that private street tree provision will be approved.
- **Cash Subsidies.** Ten (41.6%) of the applications submitted have requested cash subsidies under the incentive program. During the first eighteen months of the program, no money was available in the Inclusionary Zoning Fund. Furthermore, 22 of the 24 projects were not eligible to receive the subsidy since they did not propose to serve the lower income ranges which would have made them eligible. The other 2 projects received City financing. Therefore, no subsidies were granted under this provision. One of the projects, however, received Tax Incremental Financing assistance as part of the project to support the affordable housing part of the project. Another project did receive TIF assistance but the assistance was to fill a gap caused by the non-residential portion of that project.

- **Affordability**. All of the for sale inclusionary dwelling units approved during the study period, except for the CDA-assisted Lakepoint Condominium project and the Madison Area Community Land Trust Troy Garden project were approved for 70 and 80% of the area median income sales range. All of the rental projects were approved at the 50-60% range. Staff and the Plan Commission will continue to explore the refinement of these income targets, and the relationship among dwelling unit pricing, the value of the off-sets, and the effect of these on actual sales and rentals.
- **One Story Building Height Bonus**. Through the first eighteen months one application was submitted within a Downtown Design Zone. This application did request, and qualify for, a two-story building height bonus, as defined within the Downtown Design Zone regulations. The inclusionary dwelling unit application requested no incentives for this project.
- **Off-Street Residential Parking Permits**. Two of the submitted applications (for the same development proposal – one application being for the GDP, and the second being for the first phase SIP) requested off-street parking permits. This project is also the same project that requested a 25% off-street parking requirement reduction. Based upon data submitted within the GDP application, this development will provide a significant excess of off-street parking versus that which is required (approximately 1226 stalls provided vs. approximately 810 parking stalls required). This project is also located within the Central District as defined in the Zoning Code within which there is no specific off-street parking requirement. Planning Unit staff is not aware that any on-street residential parking permits have been granted for this development, to date.
- **Assistance with Funding Sources and Plan Preparation**. The two incentives available for Inclusionary Zoning projects would provide assistance from the Department of Planning and Development in obtaining other funding sources or would provide assistance from the City in preparing neighborhood development plans. Neither of these incentives have been requested for any of the 24 applications received to date.
- **Waivers Requested**. Two development projects, requested partial waivers from the Inclusionary Zoning requirements. Capitol West, which submitted separate GDP and first phase SIP applications, qualified for a partial waiver from the inclusionary zoning requirements. This project provided 18 affordable units of the 24 required and made a payment for 6 units. Monroe Commons also received a partial waiver of the Inclusionary Zoning requirements. In this case, eight inclusionary dwelling units were required for the 51 total dwelling units provided. A partial waiver requiring the provision of three inclusionary dwelling units was ultimately granted in conjunction with this development approval, and a payment was made into the Special Revenue Fund.

In summary, 17 of the 24 applications submitted (71%) requested incentives which the Inclusionary Zoning Ordinance makes available to qualifying residential developments. Five applications received no incentives, primarily due to the unavailability of cash subsidies, park fee or park dedication reductions and other impracticalities as discussed above. Two other projects are at the GDP stage and therefore have an opportunity to request incentives at the SIP stage of the project. Of the total 24 projects, 17 projects ended up receiving incentives under the ordinance. Two projects received partial waivers. One project received Tax Incremental Finance

assistance to support the affordable housing part of the project. Fourteen projects received density bonuses. Three projects received park fee credits.

**Length of Project Schedule/Timeline for Approving Inclusionary Zoning Projects Versus Non-Inclusionary Zoning Projects**

There were a total of 422 development proposals\* reviewed by the Plan Commission between September 1, 2002 and September 1, 2005. Out of these 422 proposals, 416 (98.6%) were approved. There are three broad categories of land use applications. Those three categories are:

1. Zoning Map/PUD Amendment Applications.
2. Conditional Use/Demolition Permit Applications.
3. Subdivisions, Preliminary/Final Plat Applications.

The average review time for all Zoning Map Amendments, PUD applications over this three year period was 74 days. The average review time for Conditional Use Permits and Demolition Permits was 42 days. The average review time for Subdivisions, Preliminary/Final Plat applications was 71 days. The reason that the review time is longer for Preliminary Plats, Final Plats, Zoning Map Amendments and PUDs is that Common Council approval is required, in addition to Plan Commission approval. Conditional Use Permits only require Plan Commission approval. This information is summarized in the Table 5.

**Table 5: All Projects Reviewed  
September 1, 2002 - September 1, 2005**

Type of Project	Number of Projects	Number Approved	Average Time (Median) in Days
<b>Zoning Map Amendments &amp; PUD</b> (Public Hearings required at both Plan Commission and Common Council)	153	151	74
<b>Projects with IZ</b>	13	13	69
<b>Conditional Use Permits</b> (Public Hearing required at Plan Commission – no Council action required)	202	200	42
<b>Projects with IZ</b>	0	0	--
<b>Preliminary/Final Plats</b> (Most of the IZ Plats also include zoning map amendments)	67	65	71
<b>Projects with IZ</b>	11	11	80
<b>TOTAL</b>	<b>422</b>	<b>416</b>	
<b>IZ</b>	<b>24</b>	<b>24</b>	

The data for the reviewed projects shows that the formal review period timeline for reviewing and approving development projects is about the same for Inclusionary Zoning (IZ) projects and

\* For this report "Development Proposals" does not include Annexations, Certified Survey Maps, TIF Districts, Environmental Corridor Amendments, Zoning Text Amendments, Street Vacations, Neighborhood Plans, etc.

non-Inclusionary Zoning (Non-IZ) projects. A review of the Zoning staff and Planning staff records indicates that there was little difference in the IZ or Non-IZ timeline between the date of submittal of the formal application with the Zoning Administrator and Common Council action on the application. All of the Inclusionary Zoning applications were either Zoning Map Amendments or PUD amendments combined with Preliminary or Final Plat applications. Whenever possible, these items were combined to expedite the review process. Overall, processing of these IZ proposals took about the same amount of time. The overall timeline for IZ applications and Non-IZ Zoning Map amendments was about 74 days. The timeline for IZ applications was 69 days. The review time was about ten days longer for preliminary or final plats that included IZ provisions, about 80 days with overall review times for all subdivisions being about 71 days. Most of these included a Zoning Map Amendment in addition to the subdivision.

This evaluation does not include the amount of time needed for an applicant to prepare his or her application prior to formal submittal of that application to the Zoning Administrator. Staff has established four standing meetings per month to provide opportunities to meet with applicants to discuss Inclusionary Zoning proposals, and also to review any incoming proposals at the request of developers. The Inclusionary Zoning review protocol requires that a developer meet with staff from the Planning Unit, Zoning Administrator and CDBG Office for a review and assistance with the Inclusionary Zoning Ordinance requirements, followed by a meeting with a larger group of staff from other City departments to review the proposal prior to the formal application being submitted. While these meetings are not required for Non-IZ proposals, this practice has been used for the past 30 years for any development proposal if City staff or the developer believe that a “preapplication” meeting with all reviewing departments would be beneficial.

Another time element that is difficult for staff to quantify, is the effect of a recent amendment to the Zoning Code that requires **all** applicants to formally notice the District Alderperson a minimum of 30 days in advance of filing an application with the Zoning Administrator. This ordinance was adopted about two years ago. This Ordinance change prohibits the Zoning Administrator from accepting an otherwise complete application if the applicant has not formally contacted the District Alderperson 30 days prior to the acceptance deadline for processing the application. The District Alderperson and Director of Planning and Development may waive that 30 day requirement.

### **Plan Commission Acceptance of Staff Recommendations**

Planning Unit staff reviewed the Plan Commission meeting minutes for all Plan Commission meetings since the enactment of the Inclusionary Dwelling Unit Ordinance in early 2004. A review of the meeting minutes revealed that the Plan Commission has made minor comments on the staff recommendations regarding IZ projects. The comments were generally minor in nature and were noted on 6 of the 24 IZ projects approved during that time. The comments dealt with dispersion and phasing of affordable units and the waiver recommendations for individual projects. A listing of the comments are as follows:

1. **501 Commerce Drive “All Saints Senior Campus”** – “applicant to disperse the IZ units throughout the proposed project to the largest extent possible.”

2. **3289 High Point Road “Southern Ridge Plat”** – “phasing of the IZ units to occur with two units in Phase I, three units in Phase II, two units in Phase III...”
3. **7213 Mineral Point Road “Cardinal Glen Plat”** – “developer shall review dispersion plan with CDBG and Planning staff.”
4. **309-333 West Washington Avenue “Capitol West”** – “IZ waiver option from Hickory Hurie shall be adopted subject to approval of Broom Street lofts, application to provide necessary numbers of affordable units at 70% AMI to satisfy IZ ordinance.”
5. **202/302 Rustic Drive “First Addition to Nelson Addition to Rustic Acres Plat** – “applicant shall amend IZ plan to include at least 5% of proposed units at 70% AMI as required.”
6. **9320 Old Sauk Road “Blackhawk Lofts”** – “IZ plan to provide affordable units at two income levels in accordance with the Zoning Code.”

During this same period of time, staff noted in the minutes that the Plan Commission has added other comments and conditions on many projects regarding pedestrian connections, building design, lot sizes, signage, landscaping, and parking, to name several.

#### **EFFECT OF INCLUSIONARY ZONING ON HOUSING PRODUCTION**

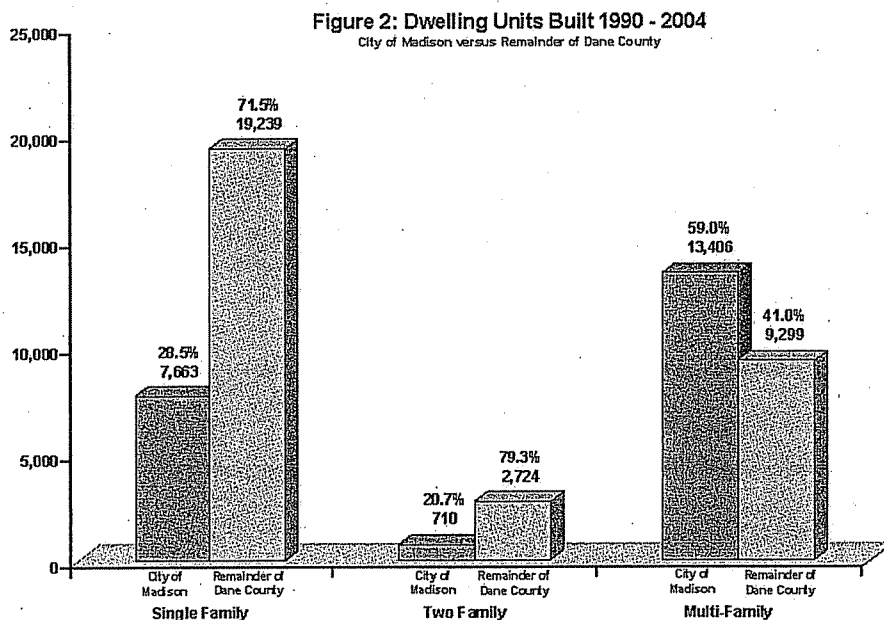
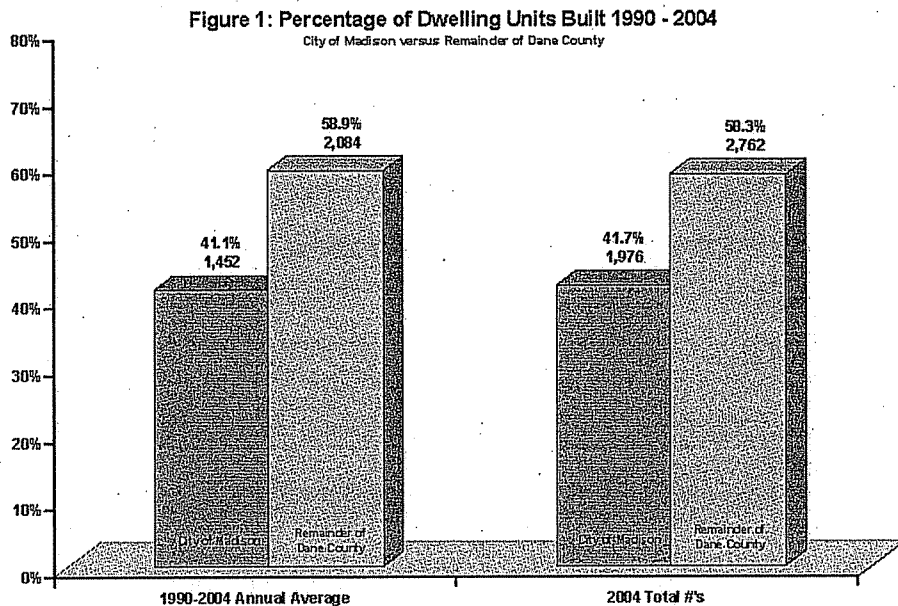
Between February 15, 2004, and September 1, 2005, the City approved 2,366 dwelling units of which 360 were inclusionary dwelling units. These units were approved via Zoning Map Amendments, Planned Unit Development GDPs and SIPs, and final plats.

While it is relatively easy to track overall production of housing units on an annual basis in the city of Madison, it is much more difficult to attribute changes in production from year to year to any single factor. A sustained change in housing unit production in Madison may be the result of numerous factors, including Inclusionary Zoning. Given that we are less than two years into the program, it is very difficult to determine the effect Inclusionary Zoning is having on overall housing production. Anecdotal evidence may help explain the effect Inclusionary Zoning is having on housing production in the City, but it is by no means definitive. Yearly fluctuations in housing production are the result of numerous factors, such as interest rates, supply of developable land for new residential development, surplus housing units in the local market, overall economic conditions/climate, etc. This is coupled with the fact that there is still a supply of vacant already zoned land not subject to the inclusionary zoning ordinance that will not be exhausted for several years. The City will continue to track annual housing production in the city of Madison, as well as areas outside of the City and Dane County as a whole if such data are readily available.

#### **Dwelling Units Built**

Between 1990 and 2004, an annual average of 1,452 dwelling units were added in the City of Madison, 2,076 in the remainder of Dane County, and 3,520 for Dane County as a whole. During this time, the City of Madison accounted for 41% of all of the dwelling units added in Dane County, while 59% were built outside of the City. See Figure 1 on the following page. The base data for this figure and the ones which follow can be found in Table 6 at the end of the report.

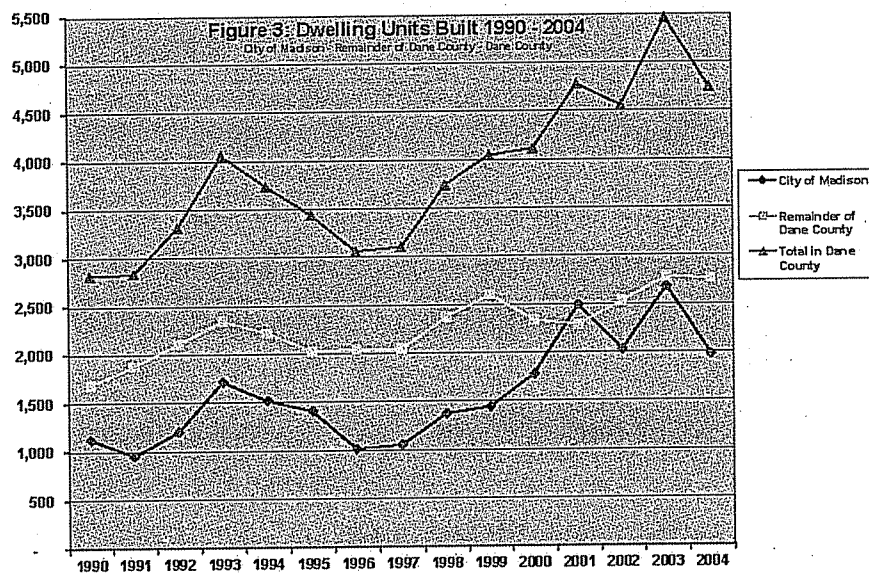
Between 1990 and 2004, the City of Madison accounted for 28.5% the number of building permits issued for single-family housing units in Dane County. During the same period, 20.7% of building permits issued for two-family housing units were in the City of Madison with 79.3% in the remainder of Dane County. Between 1990 and 2004, the City of Madison accounted for 59.0% of the multi-family dwellings added in Dane County. The remainder of Dane County accounted for 41.0% of the total multi-family dwelling units. See Figure 2.





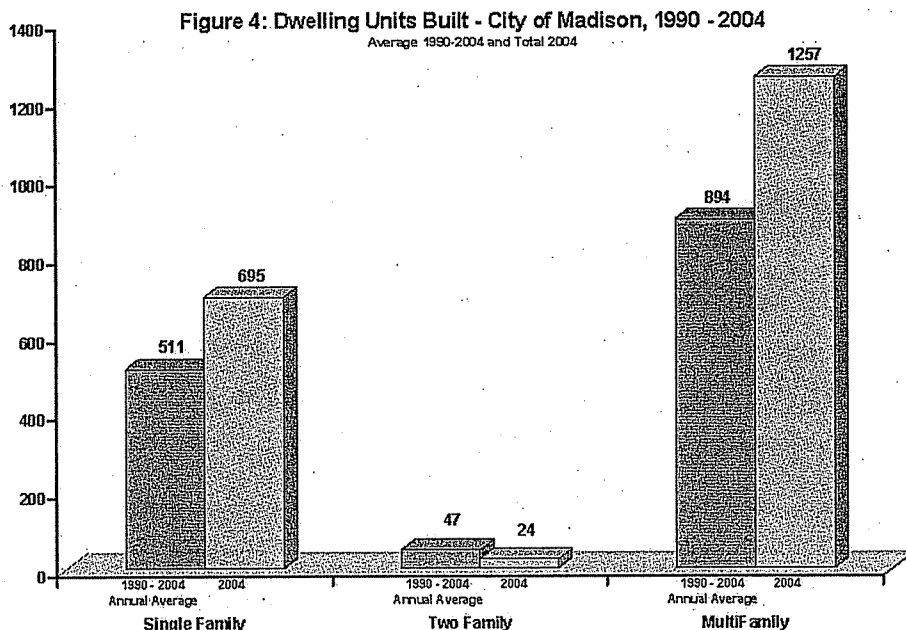
The City of Madison has accounted for less than 50% of the total housing construction in Dane County for many years. In the early 1990s, the City made a concerted effort to reduce the disparity between development in the City of Madison and the remainder of Dane County by developing neighborhood development plans which encouraged a balance of owner-occupied and rental housing within new neighborhoods and which were intended to ensure that the City of Madison would continue to be able to participate in the growth and development occurring within Dane County.

Between 1990 and 2004, the City has increased its percentage of the total housing units built in Dane County. The City accounted for 40% of the total housing units in Dane County for the year 1990, 40.7% in 1995, 43.2% in 2000, and 46.5% in 2004. The remainder of Dane County accounted for 60% (1990), 59.3% (1995), 56.8% (2000), and 53.5% (2004). However, while it appears that this is a straight-line trend, by looking at the intervening years (see Figure 3, below), it becomes apparent that the percentage can vary considerably from one year to the next. For example, between 2001 and 2002 the number of units built in the City dropped by 460 units, then increased by 650 between 2002 and 2003, and decreased by 700 between 2003 and 2004.



Of particular note is the change in the actual number and percentage of single-family homes being built in the City of Madison compared to the remainder of Dane County. Between 1990-2004, the City accounted for only 29% of the total single-family homes built in the County, with an average of 511 permits being issued. Between 2000-2004, the City averaged 781 single-family homes permitted, in 2004 the number was 695 permits. In addition, since 2000 the City has built an average of 407 condominiums. In combination, single-family homes and condominiums have accounted for 54% of the total residential construction over this 5-year period. Figure 4 compares the number of units built in the City by type of unit during this 15-year period, with the number built in 2004. This is occurring at a time when occupancy rates in rental apartments are relatively low and conversions of apartments to owner-occupied

condominiums is becoming more common. It is not surprising that over the first 18 months of the Inclusionary Zoning Program that the vast majority of the units approved were for owner-occupied housing.

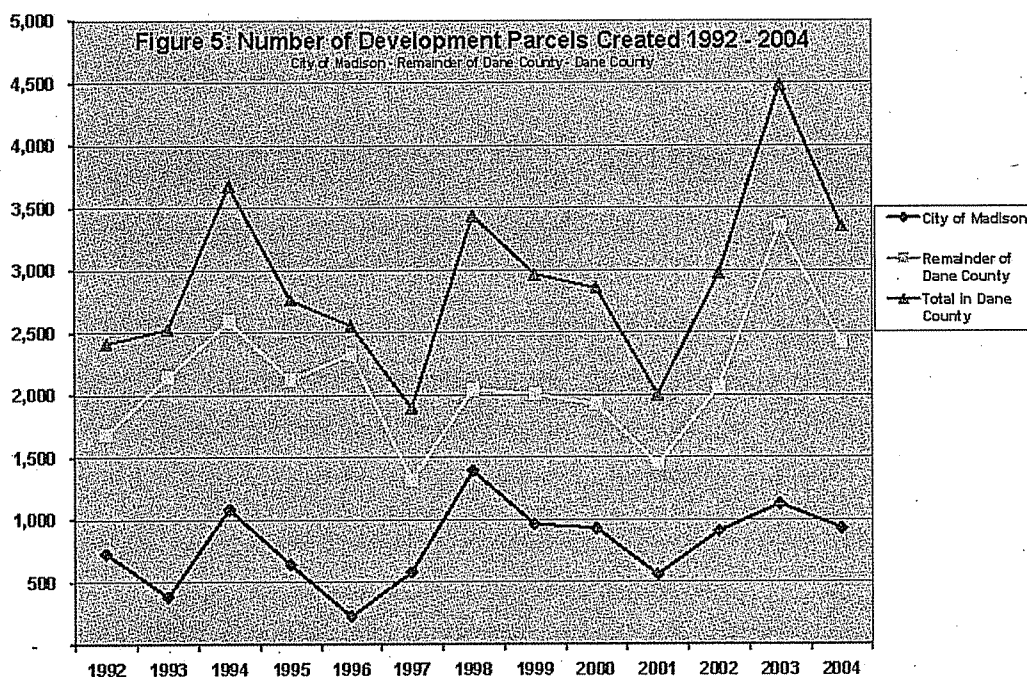


It is extremely difficult to determine the effect of IZ housing production outside the City of Madison. Even if data were to show a significant increase in housing production outside Madison (which they do not), it would not necessarily mean that this change is a result of inclusionary zoning in Madison. Likewise, the one year drop of units permitted between 2003 and 2004 likely has very little to do with the Inclusionary Zoning Ordinance taking effect in February of 2004. The City experienced a similar drop between 2001 and 2002. Inclusionary zoning may have some effect over time, but so do many other factors such as interest rates, land supply for new development, and local policies toward growth. Over time it may be easier to see if there is some trend occurring in the percentage of units of various types being built in the City of Madison versus areas outside of the City. Given the significant differences which occur between the type of units built from year to year within the City and outside of the City, it is very difficult to attribute changes in any one or two year period to any single event.

**Development Parcels Created**

One way to gauge the amount of development potential which exists within the community is to examine the number of development parcels created from year to year. Over the 14 year period from 1992 to 2004, the City of Madison accounted for 27% of the development parcels created within Dane County. During this same period the City accounted for over 40% of the dwelling units built, an indication of the higher development densities within the City. The remainder of Dane County accounted for 73% of the total parcels created in Dane County as a whole (see

Table 7). Figure 5 is a line graph comparing the parcels created from year to year in the City versus areas outside the City.



The number of parcels created in the City of Madison in 1992 was 30.1% of all parcels created in Dane County, 1995, 23.2%, in 2000, 32.6%, and in 2004, 27.8% of all parcels created in Dane County were created in the City of Madison. It should be noted that data for 1991 are unavailable. It is apparent from the data that there is a substantial variation in the number of parcels created from year to year with the City of Madison's percentage of the total varying from a low of 8.7% in 1996 to a high of 40.5% just two years later in 1998. And while the number of parcels created between 2003 and 2004 dropped from 1,123 to 932, the City's percentage of the Dane County total actually went up from 25% to 28% between 2003 and 2004. But again, attributing this change to any single factor such as inclusionary zoning would not be appropriate.

### Summary of Undeveloped/Vacant Land by Zoning District

Table 8 shows the amount of undeveloped/vacant land within the City of Madison between 1999 and 2005. Prior to the adoption of the Inclusionary Zoning Ordinance, the City of Madison had approximately 2,450 acres of undeveloped land zoned for residential development (January 2004). In January of 2005 the City had approximately 1,950 acres available for residential development. The total acreage of undeveloped lands in the City of Madison, including lands zoned Agriculture and potentially available for future residential development, was 8,100 acres in 2004, and 6,200 acres in 2005. The significant difference between 2004 and 2005 in the total

number of undeveloped acres can be attributed primarily to an update in the land use coding for agriculturally zoned lands within the City. In 2004 and 2005 the Planning Unit updated the land use coding for parcels within the City as part of the preparation of the City's Comprehensive Plan and changed the land use designation for several parcels that had recently been annexed that were zoned Temporary Agriculture. This included almost 3 square miles of land, including the University Ridge Golf Course and the University of Wisconsin Arboretum, which were annexed in 2002 and 2003 respectively, which had been designated as agricultural lands because of their Temporary Agriculture zoning which occurred at the time of annexation. This designation to permanent open space and parkland significantly reduced the amount of land zoned Agriculture, which is designated as vacant/undeveloped.

## **EFFECT ON CITY RESOURCES**

When the Inclusionary Zoning Ordinance was considered by the Common Council a fiscal note was prepared which estimated the staff costs to administer the program. The fiscal note estimated that additional staffing would cost between \$125,000-140,000 per year, including salaries and benefits. The costs were broken down as follows:

1. 0.5 FTE Planner position in the Planning Unit to cover costs associated with meetings with developers and builders, preliminary review and negotiation of terms, conditions and incentives that will be required for each new development, and the formal review of development proposals.
2. 0.25-0.5 FTE position in the Inspection Unit to cover the continued responsibility for tracking inclusionary lots and development projects as development occurs within each approved development, along with the administrative review and approval of new conditions and enforcement.
3. 1.0 FTE position in the Community Development Block Grant Office, beginning upon adoption of the ordinance amendment, to develop program guidelines, provide developer education, and to negotiate, along with the Planning Unit staff, the affordable housing terms of each development agreement. The CDBG administrative staff would also be responsible for monitoring the continued affordability of units covered by the program.

The fiscal note indicates that further cost increases would be expected if City staff are expected to assume a significant role in the marketing of affordable units or the initial certification of income-eligible households. Three units of the Department of Planning and Development, the Community Development Block Grant Office, Planning Unit and Inspection Unit are incurring additional costs as a result of the administrative responsibilities for the program. It should be noted that these costs include the staff time of senior Department of Planning and Development staff required to get the program up and running and to evaluate the program during the first two years. This has required a significant investment of staff time devoted to discussions with policy makers, developers, advocates, not-for-profit organizations and other stakeholders. These costs, on an FTE basis for the three agencies, are as follows:

1. 1.0 FTE in the Community Development Block Grant Office. The Common Council added a full time position to the CDBG Office in part to assist with the

implementation of the Inclusionary Zoning Program. The addition of this position allowed the office to assign a senior position to assist the CDBG Office Supervisor in administering the program.

2. 0.3 FTE in the Planning Unit on the administration of the program. This involves the time of three Development Review Planners, the supervisor of the Development Review Section, and the Unit Director.
3. 0.1 FTE in the Inspection Unit. While the Inspection Unit's responsibilities for the enforcement of the program and tracking inclusionary lots will increase over time, the vast majority of the responsibilities for the administration of the program, monitoring of approved units, and the preparation and recording of land use restriction agreements is the responsibility of the Community Development Block Grant Office.

It is also estimated that there would be additional costs to the City associated with the reduction of parkland or park development fees, and the provision of cash payments from the Inclusionary Zoning Fund. However, during the time period covered by this report (February 15, 2004 to September 1, 2005) the City has not put general fund monies into the Special Revenue Fund, and no actual payments to projects have been made. The City has approved 3 park development fee credits summarized in Table 2.

## **PERSPECTIVES OF VARIOUS STAKEHOLDER GROUPS**

In preparing this report, staff met with representatives from the following groups:

1. Developers/builders.
2. Housing advocates.
3. Not-for-profit organizations.

These meetings were intended to provide staff with opinions and anecdotal information on the Inclusionary Zoning Program, in particular, those aspects of the program that seem to be working well, those that are not, and changes that should be considered.

### **What is Working Well**

During the first 18 months of the program, individuals pointed out that the actual number of units that were approved is substantial and about what was projected by the Department of Planning and Development prior to the adoption of the ordinance. Others point to the formal process to get the development projects approved and the preliminary preapplication meetings with staff as working well. Some of those who staff talked to also note that the projects being approved are generally providing the required amount of affordable housing and that the housing is being dispersed throughout the community where new development is occurring.

### **What is Not Working/Suggested Solutions**

Staff heard many concerns about the program and received many suggestions for improvements, some of which are being addressed by the ordinance which has been introduced to amend the

Inclusionary Zoning Ordinance. The following list represents the primary concerns of those that staff met with:

1. It is difficult to attract potential buyers to discuss the purchase of inclusionary units. Some cite the complexity and effect of the equity sharing model in the ordinance.
2. The cost to provide units is not being covered by incentives. The program is not revenue neutral. The cost to provide units is being shifted to market-rate housing within the development.
3. While the ordinance includes a list of incentives, they are not being provided to the projects.
4. The Inclusionary Zoning Ordinance has added time to the approval process. In particular, it takes additional time to prepare inclusionary dwelling unit plans on the front end, to redo plans prior to the submittal of the application, and to revise plans, if necessary, following Plan Commission and Common Council approval. It also takes additional time following Common Council approval to obtain sign-offs and to negotiate and obtain approval for the land use restriction agreements. The formal part of the process from time of submittal of the formal application to Common Council approval is viewed as the shortest part of the process, and really has not changed.
5. It seems like the only department that has made inclusionary zoning a priority is the Department of Planning and Development. In order for the program to work, inclusionary zoning must be the priority of all City departments. The City should look for other ways to provide incentives such as relaxing infrastructure requirements, actually granting the park development fee and park fee waivers.
6. Some developers have not found builders who are willing to buy the Inclusionary Zoning lots. Others indicated that they needed to substantially reduce the price of the Inclusionary Zoning lots in order to sell them.
7. The additional paperwork caused by the Inclusionary Zoning Ordinance is cumbersome and requires additional time on the part of the developer and makes it more complex to sell the units and for homebuyers to understand.
8. Some have heard that realtors are viewing inclusionary zoning units as “low income housing” and that there is a stigma attached to it.
9. The complexity of the ordinance has required multi-page addendums to sales agreements, which has added to the difficulty of selling units.
10. The City should sponsor some additional market research including focus groups to identify where the market is and how to sell the units.
11. The ordinance should provide additional flexibility for the City and developer to find ways to ensure that each projects is revenue neutral. The City of Middleton is working on a draft ordinance which evidently allows a wide range of potential incentives to be considered, but allows the incentives to be applied on a case-by-case basis and negotiated with the developer. The burden should be on the City to find ways to provide the \$50,000 per unit of value, or whatever it will take, to ensure that cost shifting to the market-rate units does not occur.

12. The percentage of the affordable units required should be reduced along with the household income levels so that the housing which is provided is more affordable.
13. The holding period for marketing the units before they could be converted to market-rate units should be reduced.
14. Additional flexibility should be provided to allow developer/builders to provide attached dwellings to meet the affordability requirements in areas of single-family homes.
15. Within the downtown, the ordinance should recognize the increased difficulties in providing affordable housing in multi-story structures which require structured parking and elevators and exempt those projects or provide additional incentives.
16. For those projects which required partial waivers from the Inclusionary Zoning requirements, the process was very complex and required increased time and effort to negotiate with staff. The waiver model should be reviewed. The project feasibility thresholds should be reevaluated. Additional options should be provided under the waiver process, including meeting the requirement by providing rental housing for owner-occupied condominium projects, allowing developers to pay a fee, and allowing developers to provide off-site units beyond the one mile radius from the project.
17. The densities allowed within existing zoning on the Isthmus are not high enough to be used to establish the base from which to calculate a density bonus. In some cases the neighborhood plan densities also are not high enough. The zoning map should be comprehensively amended.
18. The ordinance should provide more flexibility to provide smaller units with fewer bedrooms to meet the affordability requirements, and should not require perfect dispersion of units throughout projects or the provision of affordable units by bedroom count which are in direct proportion to the market-rate units. IZ units should be allowed to be stacked.
19. While most realized that the ordinance does not work real well for student housing, no one had a good solution other than trying to find a way to exempt student housing projects. Some felt that it was too easy to get around the ordinance requirements and that students would find a way.
20. There are many affordable homes available for purchase in the Madison area which is affecting the ability of builders to sell the inclusionary zoning units.
21. Concerns were expressed about the effect of higher interest rates on the Inclusionary Zoning Program.
22. Concerns were expressed about good faith marketing on the part of builders and developers. Some felt that a better job could be done marketing the units through the use of websites and training sales people.
23. Some felt that the period of affordability for rental housing was a problem.
24. Concerns were expressed about the use of tax incremental financing to subsidize affordable housing under the Inclusionary Zoning Program.

25. The City should do a better job in promoting the affordable units and getting the word out to prospective buyers. Some felt that the City should invest more in the marketing of the program, developing a list of income eligible households, advertising in magazines and the newspapers, etc.
26. Not-for-profit housing providers are already providing affordable housing and as such should be exempted from the Inclusionary Zoning Ordinance.
27. The ordinance does not recognize that some affordable housing projects require services to be provided to individuals and households and as such would benefit from having the affordable units clustered rather than dispersed.
28. If the goal is to mix incomes within all neighborhoods where development is occurring, perfect distribution of affordable units and market rate units throughout the neighborhoods is not required in order to achieve the goal. The ordinance could allow some affordable housing to be developed off-site within the "same neighborhood" in order to meet the inclusionary zoning requirements. This might be particularly helpful for downtown development where costs are higher in order to provide affordable rental housing within the downtown, condominium developers could be allowed to off-site rental housing within the same general geographic area. Off-site units, which meet the requirements, should be provided at a higher rate (possibly twice as many units).
29. Realtors are required to disclose information concerning the units which are being sold. Because the Inclusionary Zoning Ordinance places encumbrances on the property, realtors must make potential buyers aware of the Inclusionary Zoning Ordinance, and suggest that buyers become familiar with the Ordinance and its provisions. Because of the complexity of the Ordinance, some speculate that the Ordinance itself is discouraging potential buyers from participating in the program. Some realtors suggest that buyers read the Ordinance and consult an attorney.



## **CONCLUSIONS**

This section includes the Department's primary conclusions based on the data presented in the preceding sections and the interviews conducted with various stakeholder groups.

### **Units Produced**

The number of units being approved is in line with the estimates prepared prior to the adoption of the ordinance. Staff estimated that 200 to 300 units of affordable housing could be produced each year if the Inclusionary Zoning Ordinance was adopted. During the first year, 311 affordable units were approved. During the first 18 months, 360 units were approved.

One distinction between inclusionary zoning projects and projects not requiring affordable housing is that there appears to be more rental housing being produced in projects that are exempt from the Inclusionary Zoning Ordinance. 64% of the total number of units in IZ exempt projects were intended for rental housing versus 18% of the units in projects subject to the Inclusionary Zoning Ordinance. This distinction may be the result of the already zoned and improved lots being available for such development that are meeting the demand at a time when the rental market is down overall. As the inventory of already platted and zoned lands are developed, the City can expect to see a higher level of rental housing being produced within projects subject to the Inclusionary Zoning Ordinance more similar to the traditional split between owner-occupied and rental housing developed in the City.

### **Location**

The ordinance appears to be accomplishing its intended goals regarding its location and dispersion. Inclusionary Zoning projects are well distributed throughout the City of Madison in all neighborhoods which were in the subdivision plats and Zoning Map Amendments for residential development are being approved. Within each development project, units are well dispersed throughout the developments.

### **Construction Status**

In comparing projects which were subject to the Inclusionary Zoning Ordinance with projects that were exempt, it appears that an equal number of projects of both types approved during the first 18 months of the program have started construction. It does not appear that projects subject to the Inclusionary Zoning Ordinance have been inordinately delayed.

### **Developers**

During the first 18 months of the program, the City has worked with 16 different residential developers on 24 Inclusionary Zoning projects. City staff have not noted any significant difference in the number of developers who are working on residential development projects within the City of Madison since the adoption of the Inclusionary Zoning Ordinance. Veridian (the combination of the former Midland Builders and Don Simon Homes companies) dominates the single-family home construction market both in terms of units built and subdivision platting

activity during the first 18 months of the Inclusionary Zoning program. Five different developers had subdivision plats approved within the City during the eighteen month period. Within the downtown, the City continues to work with developers who have historically focused on development in the Isthmus and downtown.

### **Process**

The formal review process for inclusionary zoning projects has been working generally well with two notable exceptions. First, for any project requesting a waiver from the Inclusionary Zoning Ordinance, the projects generally have required one or two referrals at the Plan Commission level in order to negotiate an acceptable waiver with staff and the Commission. The waiver process is much more time-consuming and complicated than projects not needing a waiver.

The second exception is related to the dispersion of units throughout development projects. The Plan Commission has modified several Inclusionary Dwelling Unit Plan applications by moving residential building lots or units to different locations throughout the project. These modifications, however, are typically handled at the Plan Commission meeting and/or by staff and have not resulted in project delays.

With the exception of inclusionary zoning projects requesting a waiver, the formal approval process from application submittal to Common Council approval is very similar for inclusionary zoning and non-inclusionary zoning projects. The ordinance, however, has added some additional work on the front end (pre-application) of the development process and the back end (post-application and pre-building permit issuance). On the front end, developers must spend additional time developing draft inclusionary dwelling unit plans prior to being able to submit a formal application for City review. City staff have scheduled regular pre-application meetings to provide opportunities for developers to discuss all aspects of development projects. On the back end, the developers must spend some additional time reviewing and seeking approval of the land use restriction agreement prior to the issuance of building permits.

The additional time spent on the front end of projects is usually time well spent. By taking some additional time prior to submitting an application, it decreases the chance of problems occurring and referrals during the formal review process. It also should decrease the amount of time spent after formal Council approval in revising plans to comply with conditions.

Because the pre-application meetings regarding inclusionary zoning and the post approval work on the land use restriction agreement can occur concurrent with discussions and resolution of other aspects of the project, staff do not believe that the ordinance has resulted in any significant delays in getting projects approved and permits issued.

### **Incentives**

Of the 24 projects approved during the first 18 months, 17 projects requested incentives under the ordinance. Five of the 17 applications received no incentives, primarily due to the unavailability of cash subsidies, park fee and park dedication reductions, and other impracticalities as discussed in the report. Two projects at the GDP stage of the process have

also not received incentives yet, but will have an additional opportunity to request them at the SIP stage. Of the 17 projects receiving incentives, 2 projects received partial waivers, one received tax incremental finance assistance, three projects received park credit fees, while 14 projects received density bonuses. It appears that the most significant incentives which have added value to the inclusionary zoning projects include the tax incremental finance assistance, park fee credits and the density bonuses. Finding additional methods to provide incentives will be challenging.

### **Is the Ordinance Driving Development to Locations Outside the City of Madison?**

The report provides a historical comparison between the building permits issued in the City of Madison by the type of unit constructed and the permits issued throughout the remainder of Dane County. The data presented do not show a significant increase in housing production inside Madison or outside Madison compared to historical trends and also show dwelling units built in the City continuing to exceed the 1980-2004 annual average. Even if there was a significant increase in housing production outside of Madison, it would not necessarily mean that this change is the result of inclusionary zoning requirements in the City of Madison. While there was a drop in the number of units produced in the City in 2004, a similar drop occurred between 2001 and 2002. These decreases followed preceding years that had an inordinately high number of units permitted. Over time it may be easier to see if there is some trend occurring in the percentage of units of various types being built in the City versus areas outside of the City.

### **Creation of Development Parcels**

The historical data has shown no particular trend which can be attributed to any single event such as the adoption of the Inclusionary Zoning Ordinance in the City. For example, while the number of parcels created for development between 2003 and 2004 dropped slightly, the City's percentage of the Dane County total actually increased slightly, as a result of substantially fewer development parcels being created outside of the City of Madison compared to the City during this one-year period.

### **Effect on City Resources**

Following the adoption of the Inclusionary Zoning Ordinance, the City added one position to the Community Development Block Grant Office. In addition to this position, it is estimated that the Planning Unit and Inspection Unit are devoting 0.3 FTE and 0.1 FTE to the administration of the program.

### **Appropriateness of the Dispersion Requirements Within Developments Both Horizontally and Vertically**

One of the issues that staff and the Plan Commission have had to address through the review and approval of several projects is the appropriateness dispersion of affordable units throughout the development. The existing ordinance requires inclusionary dwelling units to be dispersed throughout the development. Ordinance, I.D. 02363, would allow developers to preserve up to 10% of the total floor area or 10% of the developable residential area for non-inclusionary

dwelling unit designations. By utilizing two incentive points, this percentage can be increased to 20%. Developers would then be able to reserve up to 20% of their buildings or developable areas of plats for market rate housing only. This provision is intended to allow developers to reserve the top floors and penthouses units of high-rise development projects and premium wooded lots and lots fronting parkland and open space for market rate housing. In addition, the proposed ordinance will allow the developer to provide up to 20 percent of the inclusionary dwelling units (by spending 2 incentive points) to be provided through the development of twin homes (duplexes) within areas otherwise devoted to single-family houses on individual lots. Both of these ordinance amendments would help to provide developers with more flexibility dispersing units throughout the developments in ways that make sense to the developer from a marketing perspective. The Department of Planning and Development would expect that there will be additional discussion about the dispersion of units throughout developments and the amount of dispersion which is required in order to accomplish the goal of "income mixing" throughout new neighborhoods.

### **Evaluation of the Ordinance as it Applies to Student Housing Projects**

The Department believes that it is generally recognized that the existing ordinance does not work well for student housing projects. In order to address the unique aspects of student housing, the proposed Ordinance, I.D. 02363, has defined student housing in a way which acknowledges that student housing within the downtown can be leased on a per-unit, per-person, or per-bed basis allowing the developer the flexibility to choose how to lease the units and to meet the inclusionary requirements on a per-unit, per-bed, or per-person basis will provide additional flexibility which is needed in order to make the ordinance more workable for student housing projects.

### **Consideration of the Criteria to Determine When an Amendment to a General Development Plan Triggers the Inclusionary Zoning Ordinance**

The current Inclusionary Zoning Ordinance does not apply to any development for which there is already an approved plat or an approved Planned Unit Development-General Development Plan unless a Zoning Map Amendment is submitted for the property or a Planned Unit Development - Specific Implementation Plan is submitted that requires a major amendment to the Planned Unit Development-General Development Plan. All areas within the community which have approved preliminary and final plats and which are already zoned for residential development do not need to comply with the Inclusionary Zoning Ordinance. If, however, a Zoning Map Amendment is submitted or a major alteration to a Planned Unit Development-General Development Plan is (a type of Zoning Map Amendment) is required, the ordinance will apply. The Common Council adopted a Policies and Protocols document which provides further guidance on the criteria which staff will use to determine whether a major alteration to the General Development Plan is occurring. The addition of dwelling units is one of the criteria which would be used. While the decision on treating a proposed alteration as a major alteration or minor alteration rests with the Director of the Department of Planning and Development or his designee, this process has been used for many years without major problems. During the first 18 months of the program, staff have not encountered major difficulties interpreting the ordinance with respect to this provision.

## **Discussion of Possible Adverse Effects**

The possible adverse effects which were feared by some and debated prior to the adoption of the Inclusionary Zoning Ordinance are summarized on the report. The following paragraph provides the Department of Planning and Development's conclusions related to these possible effects.

Within the downtown, development projects are experiencing difficulties complying with the Inclusionary Zoning Ordinance requirements without financial incentives such as Tax Incremental Financing assistance. Within the downtown the City has approved two projects; the Block 51 Alexander Company project and the Equinox Student Housing Project at 409 West Gorham Street. The Block 51 project did receive Tax Incremental Financing assistance. But it should be noted that only 28% of the TIF assistance actually was for the affordable housing. The remainder was used to bridge a gap caused by other factors such as the structured parking. The student housing project did not receive TIF. In addition, two other projects close to the downtown; the Livingston (formerly the Renaissance) at 802 Williamson Street and the 800 Block of East Washington Avenue were also approved. The Livingston has an agreement to sell their inclusionary dwelling units to Common Wealth Development who is receiving some assistance from the City of Madison as part of the project. The developers of the 800 Block of East Washington Avenue (Gorman and Company) are requesting Tax Incremental Financing assistance for their project. Further study needs to be made regarding the effects of inclusionary zoning on downtown development.

Based on the data that the Department has provided, there is no indication that housing production in outlying communities is occurring at a more rapid pace since the adoption of the Inclusionary Zoning Ordinance or that the pace of development in the City of Madison has been affected by the Inclusionary Zoning Ordinance. There is no indication at this time that the ordinance has led to higher prices in the City.

Residential developers have not stopped doing business in the City of Madison. The City continues to work with most of the same developers that were doing business within the City prior to the adoption of the Inclusionary Zoning Ordinance. The ordinance may have affected decisions by some developers to pursue projects within the City of Madison, but the Department does not have information which would confirm this possibility at this time.

Some feared that the increased cost to developers to build affordable housing, if not compensated by financial incentives, would shift the cost to the remaining market-rate units within a development. Some developers have indicated that this is happening. The Department, however, believes that some projects have received valuable incentives in the way of density bonuses. In addition, any ordinance which places additional requirements that increase the cost to the developer, such as impact fees, can have a number of possible effects. These ordinances may result in some cost shifting to market-rate units within a development. They may result in lowering rates of return or profit levels for a particular type of development, and they may have some effect on the value of the land being purchased for development.

It is not possible at this time to determine whether the value of residential buildings located in close proximity to Inclusionary Dwelling Units have decreased because of the presence of the Inclusionary Dwelling Units.

### **Role of Non-Profits in the Production of Inclusionary Units**

Non-profits have been involved in modest and experimental ways in the production of inclusionary units. One non-profit and private developer worked early to arrange pre-sales of condos to the non-profit for re-sale to eligible buyer households. A second non-profit has been involved in the marketing of the inclusionary portion of a larger development. A third non-profit negotiated with a private developer to purchase a parcel in a mixed tenure development, but were unable to reach a mutually satisfactory conclusion regarding price after some contaminated soil was discovered on the property. The Third Sector, a group of non-profit developers, continues to explore how they might better contribute to the production of inclusionary units.

### **Assessment of the Waiver Process**

The intent of the waiver process is to provide a relief valve and alternative approach to the provision of inclusionary units on-site in a development. During the first eighteen months, the Council adopted a set of benchmarks to define "economic infeasibility," based on Alder, developer and staff work with a consultant versed in economic analysis. The Council set a rigorous standard for waiver, anticipating that only a small number of proposals should qualify. A waiver request requires some level of detail regarding project costs and revenues, which may change over time. The Plan Commission and the Council basically have one opportunity to make a decision based on a high level of complexity, narrowly defined.

Concerns had been raised initially as to whether any developer might obtain a waiver. During the first eighteen months, two of the 24 developments requested waivers, and both developments obtained Council approval of a waiver. Both developments were mixed-use projects, and involved the provision of TIF funds, which compounded their complexity and extended the period of analysis to review several alternative scenarios involving different combinations of TIF funds, on-site units and payment in lieu of the units. It should be noted that only one of these projects involved TIF assistance for the affordable housing portion of the project. To a certain extent, the Plan Commission has used an operating principle that a slow "yes" is better than a fast "no". The policy and operational basis for a waiver will continue to evolve as the Plan Commission establishes a record of waiver decisions, and these are incorporated into future waiver analyses.

Both approved waiver requests resulted in a combination of a reduced number of on-site inclusionary units and a payment in lieu. Neither developer requested the provision of off-site units. The payments in lieu of units totaled \$343,000, which will be placed in the Inclusionary Zoning special revenue fund to be used for developer incentives, acquisition of future Inclusionary Zoning units, and program administration.

### **Equity Model**

Formal and informal feedback from brokers and developers indicate a concern about the complexity of the current ordinance's model of annual calculations of appreciation, improvements, and notification requirements. These requirements of the buyer are seen as a major impediment to sales of inclusionary dwelling units. Lenders view the 'option to purchase' as a weak legal instrument in terms of the City's ability to protect its interests in a designated inclusionary unit. A proposal to simplify this model, introduced to the Council in November 2005, would reduce the complexity and remove some perceived impediments to buyers.

### **Marketing of Inclusionary Units**

The current ordinance placed the responsibility of marketing the inclusionary units on the developer. Experience during the first eighteen months suggests a wide variance of effort and success among developers. Two developers have worked with non-profit organizations to market or sell the inclusionary units; others have dealt exclusively with a partner bank or broker, or their own staff for marketing purposes. Improvement and simplification of the terms of the City's interest in the inclusionary unit (see equity model discussion) may work to simplify and increase the effectiveness of marketing efforts.

### **Providing Additional Flexibility with the Ordinance**

In an effort to resolve some major divergent approaches to the goals of the ordinance, the Council chose to adopt an ordinance that set tight standards and maintain close Council control, with little discretion delegated to staff or to the Plan Commission. Several ordinance changes proposed in November 2005 would add more choice and greater incentive offsets for a developer in designing their development. These changes formalize but expand the choices associated with placement of inclusionary units, and would permit duplex combinations.

The Council, Plan Commission and staff have made additional changes in the ordinance, policies, or practice to accommodate emergent issues, the net effect of which has been to introduce more flexibility into the initial program. The Council adopted changes that established provisions for life-lease homes, for non-profits with buy-back provisions, and for definitions of assets. Others are proposed in the November 2005 ordinance to address identified impediments to achieving the goals of the inclusionary dwelling unit program.

## APPENDIX A – MULTI-YEAR STUDY DESIGN

### I. DATA TO BE TRACKED AS PART OF A MULTI-YEAR STUDY DESIGN TO EVALUATE INCLUSIONARY ZONING OUTCOMES OVER TIME:

- A. Number of parcels created by year: City of Madison, outside of the City, and total for Dane County, 1990-2005, and annually thereafter.
- B. Number of building permits issued by type of unit: City of Madison, outside of the City, Dane County total, 1990-2005, and annually thereafter.
- C. Summary undeveloped/vacant land by zoning district: pre-inclusionary zoning and post-inclusionary zoning.
- D. Production:

This portion of the Evaluation Study will focus on the Inclusionary Zoning Units that are being produced, their location, and other data pertaining to general housing production within Madison and the balance of Dane County.

- 1. Number of units, both single-family, multi-unit, and condominium annually produced in Madison and Dane County.
- 2. Supply of affordable housing, single-family, multi-family, and condominium.
- 3. The effect IZ is having on production of affordable units in Madison.
- 4. The effect IZ is having on overall production of housing units in Madison.
- 5. The effect IZ is having on production of housing units outside of Madison / balance of Dane County.
- 6. The income levels of a sample of owner and rental units being sold / rented under IZ Ordinance.
- 7. What incentives are being required and produced and what is the value of incentives? (public cost)
- 8. Track developers that have received waivers, reduction in units, or moved units off site.
- 9. What proportion of affordable IZ units is rehab / adaptive reuse? Are any affordable units being produced through IZ via rehab / adaptive reuse?
- 10. What is the role of non-profits in development of IZ units? How has it affected target income for units?
- 11. Is there a noticeable effect of developers avoiding IZ, e.g., by no longer doing business in the city? Have other developers entered the market?
- 12. Do IZ units affect house prices?
- 13. How are listings of open / available properties managed?



#### E. Post-Production:

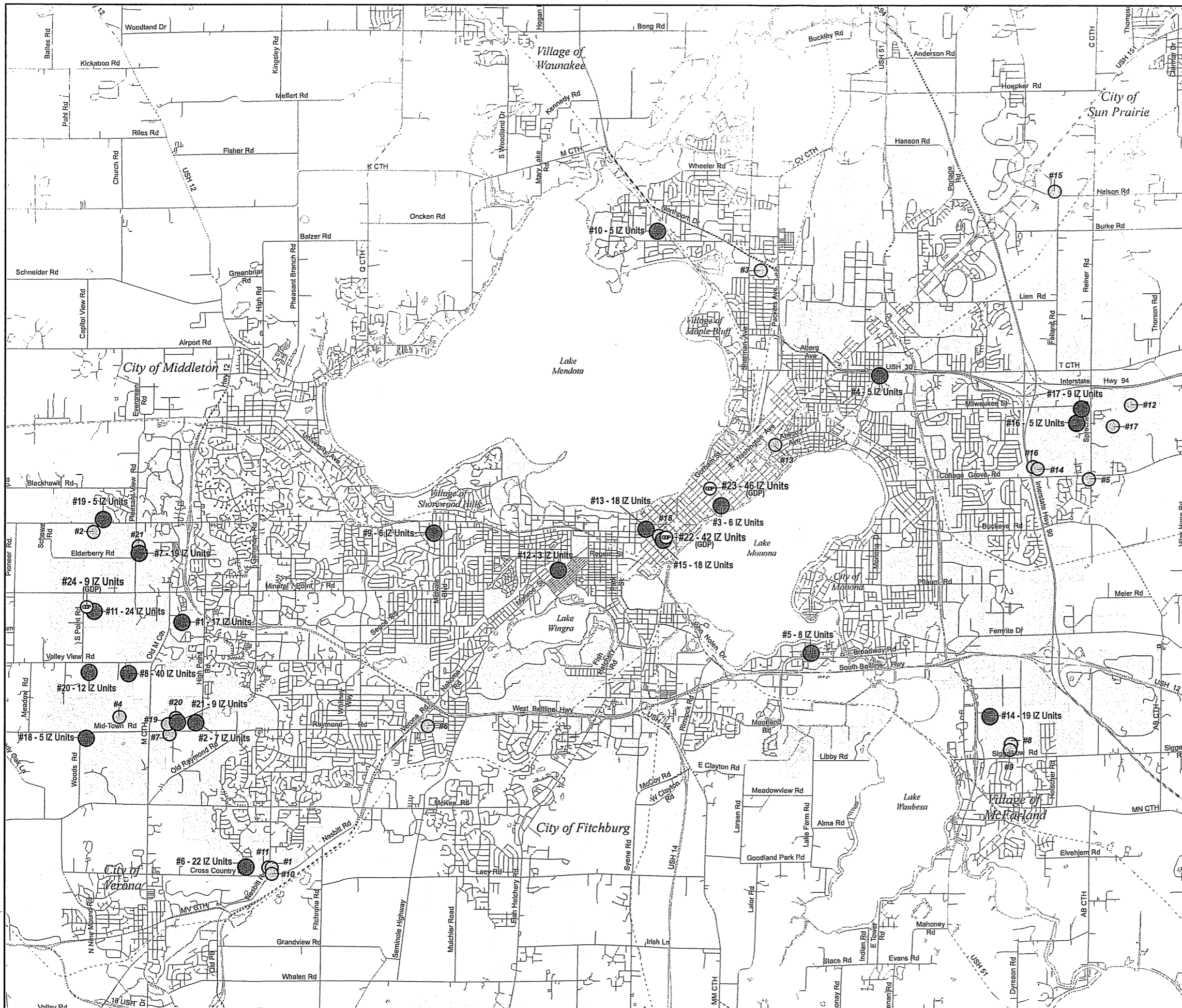
The post-production part of the Evaluation Study will look at the medium-term and longer-term aspects of the Ordinance in three areas; the unit, the households that occupy the units, and the market.

Because this part of the Evaluation Study is more future-oriented, much of this work may not occur for several years, but since the units that have been produced have been identified, it will be possible to have the information entered into the data base and the analysis occur as soon as the number of units coming online, being occupied, and eventually being sold, takes place.





1. Has the resale of IZ affordable units been affected by IZ resale restrictions, i.e., longer on market?
2. How has the absorption rate of IZ units compared with other housing units out time of initial sale and rental?
3. What is happening to appreciation at resale?
4. At point of resale(s), track the price the unit sold for, and the amount of money returning to City.
5. Effect on nearby property valuations.
6. Does assessed value of IZ units reflect restrictions of IZ?
7. How has assessed value of affordable units changed relative to non-IZ units? Compare and evaluate.
8. How have Madison schools been affected by IZ?
9. Number and percent that “flip” from IZ to market at subsequent sale or lease.
10. How are IZ affordable units improved over time?
11. Range of improvements – percentage recovered at resale.
12. Track and report on equity recapture of for sale units. How do IZ units compare to non-IZ affordable units in terms of appreciation over time.
13. Is the population using IZ racially diverse?
14. Has IZ improved the dispersion of racial groups or socio-economic lists over time?
15. Did IZ produce smaller units with lower cost?
16. What is fiscal effect of IZ on City resources?
17. What has been the effect on length of project schedule (City review process)?
18. To what extent do Common Council and Planning Commission accept staff recommendation? (want to be involved in review)

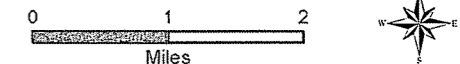
F. Marketing of Units and Lots:

1. How are they marketed to potential buyers and builders?
2. Identify first residency of IZ units and track over time.
3. What is the inducement to get people to buy an IZ unit?
4. Who produces the list of IZ people?



**Approved Residential Project Locations  
February 2004 - September 2005  
(does not include single family)**

-  Approved IZ Projects
-  Approved GDP only  
(IZ #'s may change)
-  Projects Exempt from IZ  
(Residential Projects - Conditional Use, Planned Residential Developments and Specific Implementation Plans that were part of previously approved General Development Plans - February 2004 - September 2005)
- #** Project Number and Number of IZ Units Approved
-  City of Madison Boundaries



**IZ Projects**

Map No.	Name	Address	Units Total	IZ Units
1	Catholic charities - All Saints Senior Campus	501 Commerce Dr / Watts Rd	108	17
2	Southern Ridge Plat	3289 S High Point Rd	46	7
3	Renaissance/ Williamson Place Phase II	802-808 Williamson St	36	6
4	Starkweather Square Plat	513 Jacobson Ave	33	5
5	Lakepoint Condos PUD	1817 Lake Point Dr	50	8
6	Heather Glen (Cross Country)	3701 Stonebridge Dr	144	22
7	Church Crossing PUD	3982 Pleasant View Rd	124	19
8	Linden Park Plat	8838 Valley View Rd	261	40
9	Hilldale Mixed-Use PUD	702 N Midvale Blvd	50	6
10	Troy Gardens PUD	502-602 Troy Dr	30	5
11	Cardinal Glenn / aka Liberty Station Plat	7213 Mineral Point Rd	154	24
12	Monros Commons Mixed Use PUD	1802 Monroe St	51	3
13	Equinox PUD Great Dane (Lewis, Fisher)	409 W Corham St	115	18
14	Owl Creek	4949 Meinders Rd	115	19
15	Capitol West (Block 51), Mixed-Use PUD	309-333 W Washington Ave	159	18
16	1st Addn to Nelson Addn to Rustic Acres	202 & 302 Rustic Dr	32	5
17	Nelson's Addn to Rustic Acres	4610 Rustic Dr	60	9
18	Hawk's Meadow Plat	9503 Midtown Ave	33	5
19	Blackhawk Lots (C1 to R4)	9320 Old Sauk Road	30	5
20	Pine Hill Farms Plat	9435 Valley View Rd	75	12
21	1725 Walloff Blvd (PUD)	1725 Walloff Blvd	60	9
<b>TOTAL</b>			<b>1,756</b>	<b>262</b>
<b>Planned Developments - approved General Development Plans (ONLY)</b>				
22	Balance of Capitol West (Block 51) Excluding Phase I	309-333 W Washington Ave	241	42
23	Don Miller / Gary Gorman Site	802 East Washington Ave	309	47
24	Balance of Cardinal Glenn	7213 Mineral Point Rd	60	10
<b>SUBTOTAL</b>			<b>610</b>	<b>99</b>
<b>GRAND TOTAL</b>			<b>2,366</b>	<b>361</b>

**Projects Exempt From IZ**

Map No.	Conditional Use	Description	Units
1	4001-4013 Maple Grove Drive	four 4-unit	16
2	575 Fargo Dr	one 6-unit	6
3	2803 Dryden Dr	one building	34
4	1802 Maplecrest Dr	19 buildings	114
5	6418-6426 Maywick Dr	two 4-unit	8
6	4629 Verona Rd	four buildings	104
7	2002 Jeffy Trl	two 27-unit	54
8	4659 Treichel Ln	two 12-unit	24
9	4809 Freese Ln	nine 2-unit	18
10	4101-4109 Maple Grove Dr	two 18-unit	36
<b>SUBTOTAL</b>			<b>414</b>
<b>SIP Address</b>			
11	6701 Fairhaven Rd	PUD-SIP three buildings	65
12	7001 Reston Heights Dr	PUD-SIP duplex - one family unit	60
13	1912 Atwood Ave	PUD-SIP two buildings	89
14	5801 Gemini Dr	PUDSIP two buildings	69
15	4008 Felland Rd	PUD-SIP fifteen buildings	306
16	734 Jupiter Dr	PUD-SIP one building	51
17	302 East Hill Pkwy	PUD-SIP four buildings	48
18	888 W Miffiin St	PUD-SIP one building	164
19	8301 Mayo Dr	PUD-SIP one building	30
20	1702 Waldorf Dr	PUD-SIP two 5-unit buildings	10
21	410 Pleasant View Rd	PUD-SIP duplex units	49
<b>SUBTOTAL</b>			<b>941</b>
<b>GRAND TOTAL</b>			<b>1355</b>

**TABLE 6 Residential Dwelling Units Added Based on Building Permits Issued - 1990 thru 2004**

By City of Madison, Remainder of Dane County, and Dane County

**SINGLE-FAMILY HOUSING UNITS**

Jurisdiction	Dwelling Units Based on Building Permits Issued By Year															1990-2004	
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (3)	2003	2004 (a.)	1990-2004 Total	1990-2004 Annual Average
<b>City of Madison (1.)</b>	<b>449</b>	<b>453</b>	<b>539</b>	<b>523</b>	<b>387</b>	<b>352</b>	<b>442</b>	<b>361</b>	<b>401</b>	<b>547</b>	<b>633</b>	<b>824</b>	<b>912</b>	<b>840</b>	<b>695</b>	<b>7,663</b>	<b>511</b>
% of Total	28.7%	27.7%	25.4%	24.4%	21.9%	24.8%	26.3%	23.7%	22.0%	28.1%	31.2%	36.0%	37.2%	33.5%	29.5%	28.5%	
<b>Remainder of Dane County (2.)</b>	<b>1,118</b>	<b>1,181</b>	<b>1,585</b>	<b>1,617</b>	<b>1,380</b>	<b>1,066</b>	<b>1,241</b>	<b>1,163</b>	<b>1,425</b>	<b>1,397</b>	<b>1,397</b>	<b>1,466</b>	<b>1,538</b>	<b>1,665</b>	<b>1,664</b>	<b>19,239</b>	<b>1,283</b>
% of Total	71.3%	72.3%	74.6%	75.6%	78.1%	75.2%	73.7%	76.3%	78.0%	71.9%	68.8%	64.0%	62.8%	66.5%	70.5%	71.5%	
<b>Dane County Total (3.)</b>	<b>1,567</b>	<b>1,634</b>	<b>2,124</b>	<b>2,140</b>	<b>1,767</b>	<b>1,418</b>	<b>1,683</b>	<b>1,524</b>	<b>1,826</b>	<b>1,944</b>	<b>2,030</b>	<b>2,290</b>	<b>2,450</b>	<b>2,505</b>	<b>2,359</b>	<b>26,902</b>	<b>1,793</b>
% of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**TWO-FAMILY HOUSING UNITS**

Jurisdiction	Dwelling Units Based on Building Permits Issued By Year															1990-2004	
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (3)	2003	2004 (a.)	1990-2004 Total	1990-2004 Annual Average
<b>City of Madison (1.)</b>	<b>54</b>	<b>42</b>	<b>90</b>	<b>86</b>	<b>74</b>	<b>80</b>	<b>54</b>	<b>24</b>	<b>40</b>	<b>30</b>	<b>34</b>	<b>26</b>	<b>28</b>	<b>48</b>	<b>24</b>	<b>710</b>	<b>47</b>
% of Total	25.7%	20.4%	34.6%	31.2%	23.9%	29.9%	19.4%	10.2%	16.9%	10.3%	20.2%	15.7%	11.5%	16.8%	8.3%	20.7%	
<b>Remainder of Dane County (2.)</b>	<b>156</b>	<b>164</b>	<b>170</b>	<b>190</b>	<b>236</b>	<b>188</b>	<b>224</b>	<b>212</b>	<b>196</b>	<b>260</b>	<b>134</b>	<b>140</b>	<b>216</b>	<b>238</b>	<b>266</b>	<b>2,724</b>	<b>182</b>
% of Total	74.3%	79.6%	65.4%	68.8%	76.1%	70.1%	80.6%	89.8%	83.1%	89.7%	79.8%	84.3%	88.5%	83.2%	91.7%	79.3%	
<b>Dane County Total (3.)</b>	<b>210</b>	<b>206</b>	<b>260</b>	<b>276</b>	<b>310</b>	<b>268</b>	<b>278</b>	<b>236</b>	<b>236</b>	<b>290</b>	<b>168</b>	<b>166</b>	<b>244</b>	<b>286</b>	<b>290</b>	<b>3,434</b>	<b>229</b>
% of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**MULTI-FAMILY HOUSING UNITS (Three or more)**

Jurisdiction	Dwelling Units Based on Building Permits Issued By Year															1990-2004	
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (3)	2003	2004 (a.)	1990-2004 Total	1990-2004 Annual Average
<b>City of Madison (1.)</b>	<b>622</b>	<b>459</b>	<b>572</b>	<b>1,104</b>	<b>1,058</b>	<b>976</b>	<b>519</b>	<b>668</b>	<b>932</b>	<b>866</b>	<b>1,111</b>	<b>1,640</b>	<b>1,087</b>	<b>1,792</b>	<b>1,257</b>	<b>13,406</b>	<b>894</b>
% of Total	59.8%	46.0%	61.6%	67.3%	63.8%	55.8%	47.3%	49.8%	55.5%	47.8%	58.0%	70.7%	58.4%	67.2%	60.2%	59.0%	
<b>Remainder of Dane County (2.)</b>	<b>418</b>	<b>538</b>	<b>357</b>	<b>536</b>	<b>600</b>	<b>773</b>	<b>579</b>	<b>673</b>	<b>747</b>	<b>944</b>	<b>804</b>	<b>680</b>	<b>775</b>	<b>875</b>	<b>832</b>	<b>9,299</b>	<b>620</b>
% of Total	40.2%	54.0%	38.4%	32.7%	36.2%	44.2%	52.7%	50.2%	44.5%	52.2%	42.0%	29.3%	41.6%	32.8%	39.8%	41.0%	
<b>Dane County Total (3.)</b>	<b>1,040</b>	<b>997</b>	<b>929</b>	<b>1,640</b>	<b>1,658</b>	<b>1,749</b>	<b>1,098</b>	<b>1,341</b>	<b>1,679</b>	<b>1,810</b>	<b>1,915</b>	<b>2,320</b>	<b>1,862</b>	<b>2,667</b>	<b>2,089</b>	<b>22,705</b>	<b>1,514</b>
% of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**TOTAL HOUSING UNITS**

Jurisdiction	Dwelling Units Based on Building Permits Issued By Year															1990-2004	
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (3)	2003	2004 (a.)	1990-2004 Total	1990-2004 Annual Average
<b>City of Madison (1.)</b>	<b>1,125</b>	<b>954</b>	<b>1,201</b>	<b>1,713</b>	<b>1,519</b>	<b>1,408</b>	<b>1,015</b>	<b>1,053</b>	<b>1,373</b>	<b>1,443</b>	<b>1,778</b>	<b>2,490</b>	<b>2,027</b>	<b>2,680</b>	<b>1,976</b>	<b>21,779</b>	<b>1,452</b>
% of Total	39.9%	33.6%	36.3%	42.2%	40.7%	41.0%	33.2%	34.0%	36.7%	35.7%	43.2%	52.1%	44.5%	49.1%	41.7%	41.1%	
<b>Remainder of Dane County (2.)</b>	<b>1,692</b>	<b>1,883</b>	<b>2,112</b>	<b>2,343</b>	<b>2,216</b>	<b>2,027</b>	<b>2,044</b>	<b>2,048</b>	<b>2,368</b>	<b>2,601</b>	<b>2,335</b>	<b>2,286</b>	<b>2,529</b>	<b>2,778</b>	<b>2,762</b>	<b>31,262</b>	<b>2,084</b>
% of Total	60.1%	66.4%	63.7%	57.8%	59.3%	59.0%	66.8%	66.0%	63.3%	64.3%	56.8%	47.9%	55.5%	50.9%	58.3%	58.9%	
<b>Dane County Total (3.)</b>	<b>2,817</b>	<b>2,837</b>	<b>3,313</b>	<b>4,056</b>	<b>3,735</b>	<b>3,435</b>	<b>3,059</b>	<b>3,101</b>	<b>3,741</b>	<b>4,044</b>	<b>4,113</b>	<b>4,776</b>	<b>4,556</b>	<b>5,458</b>	<b>4,738</b>	<b>53,041</b>	<b>3,536</b>
% of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Prepared By: City of Madison, Department of Planning and Development, Planning Unit, dal, 11/16/05, revised 1/9/06

Data Source:

- (1.) City of Madison, Dept. of Planning and Development, Building Inspection, Annual Summary of Building Permits Issues, 1990 - 2004
- (2.) Dane County Regional Planning Commission; 1997 Regional Trends Tables 29 & 30 for 1990  
Dane County Regional Planning Commission, 2000 and 2001 Regional Trends, Tables 28 and 29 for years 1999 thru 2001  
Dane County Planning Department, Draft 2004 Trends, Tables 28 and 29 for years 2002 thru 2004
- (3.) Sum of Dwelling Units Added for City of Madison and Remainder of Dane County as reflected in table.

Notes:

- (a.) Inclusionary Zoning Ordinance adopted January 21, 2004.

**TABLE 7 Number of Parcels Created - 1992 thru 2004**  
By City of Madison, Remainder of Dane County, and Dane County

**PARCELS CREATED BY SUBDIVISION**

Jurisdiction	Number of Parcels Created By Subdivision By Year													1992-2004	
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (2)	1992-2004 Total	1992-2004 Annual Average
<b>City of Madison</b>	720	325	1,026	579	185	525	1,343	900	882	509	837	1,078	854	9,043	696
% of Annual Total (1)	39.3%	17.3%	33.9%	27.3%	9.8%	38.7%	48.4%	39.7%	39.6%	38.0%	36.5%	27.9%	31.5%	32.6%	
<b>Remainder of Dane County</b>	1,111	1,559	2,004	1,544	1,709	833	1,430	1,365	1,344	832	1,458	2,779	1,858	18,715	1,440
% of Total (1)	60.7%	82.7%	66.1%	72.7%	90.2%	61.3%	51.6%	60.3%	60.4%	62.0%	63.5%	72.1%	68.5%	67.4%	
<b>Dane County Total</b>	1,831	1,884	3,030	2,123	1,894	1,358	2,773	2,265	2,226	1,341	2,295	3,857	2,712	27,758	2,135
% of Total (1)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
check	1,831	1,884	3,030	2,123	1,894	1,358	2,773	2,265	2,226	1,341	2,295	3,857	2,712	27,758	2,135

**PARCELS CREATED BY CERTIFIED SURVEY**

Jurisdiction	Number of Parcels Created By Certified Survey By Year													1992-2004	
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (2)	Total	Annual Average
<b>City of Madison</b>	6	36	56	61	38	52	48	61	50	48	69	45	78	642	49
% of Total (1)	1.0%	5.6%	8.7%	9.6%	5.8%	9.7%	7.2%	8.7%	7.9%	7.3%	10.1%	7.2%	12.2%	8.3%	
<b>Remainder of Dane County</b>	575	606	585	577	622	486	616	640	581	613	611	578	559	7,074	544
% of Total (1)	99.0%	94.4%	91.3%	90.4%	94.2%	90.3%	92.8%	91.3%	92.1%	92.7%	89.9%	92.8%	87.8%	91.7%	
<b>Dane County Total</b>	581	642	641	638	660	538	664	701	631	661	680	623	637	7,716	594
% of Total (1)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
check	581	642	641	638	660	538	664	701	631	661	680	623	637	7,716	594

**TOTAL PARCELS CREATED**

Jurisdiction	Total Number of Number of Parcels Created By Year													1992-2004	
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (2)	Total	Annual Average
<b>City of Madison</b>	726	361	1,082	640	223	577	1,391	961	932	557	906	1,123	932	9,685	745
% of Total (1)	30.1%	14.3%	29.5%	23.2%	8.7%	30.4%	40.5%	32.4%	32.6%	27.8%	30.5%	25.1%	27.8%	27.3%	
<b>Remainder of Dane County</b>	1,686	2,165	2,589	2,121	2,331	1,319	2,046	2,005	1,925	1,445	2,069	3,357	2,417	25,789	1,984
% of Total (1)	69.9%	85.7%	70.5%	76.8%	91.3%	69.6%	59.5%	67.6%	67.4%	72.2%	69.5%	74.9%	72.2%	72.7%	
<b>Dane County Total</b>	2,412	2,526	3,671	2,761	2,554	1,896	3,437	2,966	2,857	2,002	2,975	4,480	3,349	35,474	2,729
% of Total (1)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
check	2,412	2,526	3,671	2,761	2,554	1,896	3,437	2,966	2,857	2,002	2,975	4,480	3,349	35,474	2,729

Prepared By: City of Madison, Department of Planning and Development, Planning Unit, dal, 11/16/05

Data Source: Dane County Department of Planning and Development, and Dane County Register of Deeds

- Data extracted from Regional Trends documents, Table 27 Land Divisions: Villages, Cities, Madison, Dane County 1992-2000, and Table 11 Number of Parcels Created By Type Of Municipality 1994-2004

Notes: (1) Percentages may not sum to 100% due to rounding.

(2) Inclusionary Zoning Ordinance adopted January 21, 2004.

<b>Table 8: City of Madison Zoning of Undeveloped/Vacant Parcels</b>																
<b>Allow Residential Development</b>																
Zoning Type	1999		2000		2001		2002		2003		2004		2005		Oct 2005	
	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
Residential*	1,020.16	43.88%	1,409.86	53.62%	1,258.10	52.29%	1,152.08	50.77%	1,154.27	49.69%	1,078.88	44.11%	784.11	40.23%	803.16	40.65%
PUD / PCD**	923.86	39.74%	900.05	34.23%	850.40	35.34%	848.35	37.39%	890.40	38.33%	1,077.17	44.04%	893.87	45.86%	908.95	46.00%
Commercial (C1, C2, C3 and C4)	378.89	16.30%	316.69	12.05%	295.08	12.26%	266.54	11.75%	276.54	11.91%	288.39	11.79%	260.75	13.38%	253.59	12.83%
Office Residential (O1, O2 and OR)	2.05	0.09%	2.53	0.10%	2.52	0.10%	2.09	0.09%	1.61	0.07%	1.61	0.07%	10.22	0.52%	10.22	0.52%
<b>Sub-Total</b>	<b>2,324.96</b>	<b>100.00%</b>	<b>2,629.14</b>	<b>100.00%</b>	<b>2,406.11</b>	<b>100.00%</b>	<b>2,269.06</b>	<b>100.00%</b>	<b>2,322.82</b>	<b>100.00%</b>	<b>2,446.06</b>	<b>100.00%</b>	<b>1,948.95</b>	<b>100.00%</b>	<b>1,975.92</b>	<b>100.00%</b>
<b>Does Not Allow Residential Development</b>																
Zoning Type	1999		2000		2001		2002		2003		2004		2005		Oct 2005	
	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
Agriculture (A)	3,098.99	55.05%	2,858.25	55.98%	2,826.00	57.25%	4,203.15	67.03%	4,341.34	66.93%	3,594.35	63.16%	2,428.27	57.40%	2,310.27	55.39%
Service / Distribution (C3L)	102.47	1.82%	104.58	2.05%	96.21	1.95%	93.31	1.49%	98.81	1.52%	105.60	1.86%	66.79	1.58%	69.85	1.67%
Office Non-Residential (O3, O4 and RPSM)	790.69	14.05%	719.46	14.09%	683.45	13.85%	630.93	10.06%	604.34	9.32%	583.94	10.26%	550.64	13.02%	550.50	13.20%
Manufacturing (M1, M2 and SM)	1,637.04	29.08%	1,423.16	27.88%	1,330.64	26.96%	1,343.49	21.42%	1,442.28	22.23%	1,407.42	24.73%	1,184.49	28.00%	1,240.57	29.74%
<b>Sub-Total</b>	<b>5,629.18</b>	<b>100.00%</b>	<b>5,105.45</b>	<b>100.00%</b>	<b>4,936.31</b>	<b>100.00%</b>	<b>6,270.88</b>	<b>100.00%</b>	<b>6,486.77</b>	<b>100.00%</b>	<b>5,691.31</b>	<b>100.00%</b>	<b>4,230.19</b>	<b>100.00%</b>	<b>4,171.18</b>	<b>100.00%</b>
<b>Total</b>	<b>7,954.14</b>		<b>7,734.59</b>		<b>7,342.42</b>		<b>8,539.94</b>		<b>8,809.59</b>		<b>8,137.36</b>		<b>6,179.14</b>		<b>6,147.11</b>	
<b>Error</b>	<b>2.32</b>		<b>3.44</b>		<b>4.02</b>		<b>0.02</b>		<b>0.00</b>		<b>71.41</b>		<b>2.57</b>		<b>0.00</b>	

\* Includes all parcels at or above 2 acres with single family land use.

\*\* Includes all PUD's, a few are for commercial or non-residential use.