Name: Kimberly Abbott Address: 110 S Brooks St, Apt 202, Madison, WI 53715

Would you like us to contact you? No, do not contact me

#### Message:

Dear Alders,

I would like to thank you for the recent decision not to demolish affordable housing and replace it with ridiculously priced luxury apartments.

There is a serious problem in Madison that I and nearly every other student at UW Madison has experienced. Because of the very high demand for housing in Madison due to the captive audience of UW Madison students, rent in Madison is ridiculously high. Last October, I watched as my fellow incoming freshmen struggled to find reasonable housing in town. Housing is either ludicrously expensive or poorly maintained, as landlords have little motivation to upkeep their properties since they know there will always be someone desperate enough to rent them.

College students have enough on their plate struggling to pay tuition and fees, feed themselves, and keep up with their schoolwork and jobs. You represent us, and you should know that we deserve safe, clean, and affordable places to live. The last thing we need is more people trying to capitalize off of our desperation with their ridiculously priced apartments. What Madison needs is pragmatic, high-volume, reasonably priced housing. Please continue to keep the interests of the wider population of Madison at heart, not just the rich or outspoken ones.

Thank You, Kimberly Abbott

Name: Husein Abdi Address: 1717 Monroe St Apt 101, Madiosn , WI 53711 Phone: 503-409-2347 Email: habdi3@wisc.edu

Would you like us to contact you? Yes, by email

#### Message:

Hello Everyone,

I want to say that voting down vital apartments that would've housed 5 times the people current houses by the same area is not only exasperating the housing crisis but shows the lack of critical thinking in regards to supply and demand. Everyone in city government should be doing everything they can to increase the supply in the housing stock by cutting red tape and making it easier to build like reforming the zoning code to allow taller building removing parking requirements and streamlining the approval process with clear guidelines.

Name: Andie Barrow Address: 1102 East Johnson Street, Madison, WI 53703

Would you like us to contact you? No, do not contact me

#### Message:

Thank you for choosing to stand with myself and working class folks living in Madison by rejecting the recent Core Spaces luxury apartment proposal. Having affordable student housing available in Madison helps to drive down costs for all of us, which is desperately needed right nowanecdotally, my roommate and I pay almost 14,000 in rent for a very small apartment and can barely afford to pay that. It is very expensive to live in this city.

Name: Jared Boyce Address: 2302 University Ave, Apartment 148, Madison, WI 53726 Email: jaredeboyce@gmail.com

#### Would you like us to contact you? No, do not contact me

#### Message:

I copy and pasted this from the survey I took. I selected don't contact me before but mainly because I don't want to be spammed. Please contact me if you have any specific questions about Goldleaf.

It's not very affordable, especially close to the medical school. In addition, there isn't much housing around this area. I strongly dislike how there is essentially one date to move in and the lack of flexibility in Madison housing. My leasing agency Goldleaf sent us re-sign documents in October. If it was not signed at that time, the rent would increase by a few hundred dollars next year. I had been in my apartment for a month and had no clue if I would stay long-term or move. I will be moving and now need to find someone to take over my lease and parking space which is also expensive for how mediocre it is. I have to pay several hundred dollars to find a sub-letter. And I would need to pay every month remaining on my lease if I have to break my lease early which will be several thousand dollars I have to pay upfront.

From:	Sam Buscemi
To:	All Alders
Subject:	Please approve Core Spaces project
Date:	Monday, July 10, 2023 11:27:50 AM

I'd urge you to reconsider your vote if you're against the Core Spaces development. The city needs more housing and this is a great opportunity to continue adding density downtown.

Thanks,

Sam

From:	Bill Connors
To:	Mayor; All Alders
Cc:	Parks, Timothy; Lynch, Thomas
Subject:	Smart Growth"s Comments on Proposed New Subdivision Ordinance
Date:	Friday, July 7, 2023 3:27:36 PM

Mayor Rhodes-Conway and Alders:

Smart Growth Greater Madison has the following questions and concerns about the proposed new subdivision ordinance, version 2, which is item 14 on your agenda for your meeting on July 11 (Legistar 78130).

1. According to the new ordinance, the final width of pavement and alley rights-of-way shall be only approved following a recommendation by the City Engineer and Fire Marshal. Smart Growth urges city staff and officials to recognize that it is critical to the development of new subdivisions to obtain final approval of the width of pavement and alley rights-of-way as early as possible in the staff's process of reviewing a proposed plat.

2. Allowing parking only on one side of the street decreases the desirability of homesites. This can be lessened for homes with front-loaded garages that have deep enough driveways to accommodate two additional vehicles for owners or guests. It is a much larger problem for homes with garages that are loaded from an alley, which usually do not have a deep enough driveway to accommodate additional vehicles.

New houses with alley-loaded garages tend to be less expensive than new houses with garages loaded from the street, because houses with alley-loaded garages can fit on smaller parcels. Families that include trades people who often need to park work trucks at home are likely customers for houses with alley-loaded garages. They cannot park their work trucks in their garages and there is no room to park them on the short driveways between the alley and their garages. They need to be able to park their work trucks on the street.

This example demonstrates why Smart Growth recommends that the street design selected from the Complete Green Streets guide for new subdivisions enable parking on both sides of the street wherever garages are loaded from alleys. In the alternative, please let the people who know most about what makes a successful subdivision—experienced subdivision developers—decide where streets with parking on only one side are or are not appropriate. City staff and the members of the Transportation Commission lack the expertise to make a better decision on this issue than an experienced subdivision developer.

3. The new ordinance requires a phasing plan to be submitted with the preliminary plat. That requirement is reasonable. However, city staff and officials should recognize that a phasing plan is a plan which is based on assumptions about the market, and if the market behaves differently than those assumptions, the subdivision developer must be able to adjust the phasing plan.

4. When will we all see the final map of which kinds of streets from the new Complete Green Streets guide will be selected for various locations within the city and on land that is likely to be annexed/attached into the city? Will the map be based on current neighborhood plans or will it not be released until many, most, or all of the new area plans are adopted? Many new neighborhoods in the periphery of the city are years away from being covered by a new area plan.

5. Smart Growth believes that the new subdivision ordinance should have added language to clarify that the text in section 16.23(1)(e) of the new ordinance about airport noise does NOT apply to a certified survey map (CSM) that is combining smaller parcels to create a larger redevelopment site. The lack of such clarifying language invites needless controversy.

The Task Force on Environmental Justice extensively studied the issue of airport noise and residential development. This task force recommended to the Common Council that the city government should NOT attempt to prevent residential development relatively near the airport in response to concerns about noise from the F-35 fighter jets. Instead, the task force recommended that whenever a developer receives financial assistance from the city government for development or redevelopment relatively near the airport, the city government should require that the developer to use noise-mitigation construction techniques and materials. The Common Council followed this recommendation with the Raemisch farm subdivision (which the Plan Commission recommended

approval of three times but the Common Council voted down twice before approving) and the affordable housing redevelopment project on the site of the former Gardner/Bimbo bakery at the intersection of N Fair Oaks Ave and E Washington Ave.

More recently, the Plan Commission recommended and the Common Council approved the Hawthorne-Truax Neighborhood Plan, which indicates the city would welcome redevelopment projects featuring greater residential density along E Washington Ave, despite the area's proximity to noise from the F-35 fighter jets. Please see the illustrations on page 17 of the plan, a link to which is provided below.

https://www.cityofmadison.com/dpced/planning/hawthorne-truax-neighborhood-plan/3759/ Smart Growth urges you to make sure that the new subdivision ordinance does NOT include provisions that would thwart redevelopment projects consistent with the recently adopted Hawthorne-Truax Neighborhood Plan.

Smart Growth recommends that the Common Council (a) decide whether the new subdivision ordinance should or should not include a provision that would limit or prohibit approval of a CSM combining parcels along E Washington Ave into a redevelopment site based on concerns about noise from the F-35 fighter jets and (b) direct the City Attorney's Office to draft language consistent with the Common Council's decision for the Common Council to review at its next meeting (or refer the ordinance back to the Plan Commission with instructions about this issue). Smart Growth urges the Common Council not to enact the new subdivision ordinance until this issue is resolved.

Bill Connors Executive Director Smart Growth Greater Madison, Inc. 608-228-5995 (mobile)

www.smartgrowthgreatermadison.org

25 W Main St - 5th Floor, Suite 33 Madison, WI 53703

From:	Bill Connors
То:	Mayor; All Alders
Cc:	Baumel, Christie
Subject:	Smart Growth''s Concerns about Denial of Rezoning for Redevelopment Project on N Bassett St
Date:	Tuesday, July 11, 2023 11:06:47 AM
Attachments:	SGGM to CC re Core Spaces Rezoning 2023-07-11.pdf

Mayor Rhodes-Conway and Alders:

Please see the attached letter expressing the concerns of Smart Growth Greater Madison regarding the denial by the Common Council on June 20 of an application for rezoning for a redevelopment project at W Johnson St, N Bassett St and W Dayton St.

These concerns are relevant to item 98 on the agenda for your meeting this evening, a motion for reconsideration, Legistar 77208.

Bill Connors Executive Director Smart Growth Greater Madison, Inc. 608-228-5995 (mobile) www.smartgrowthgreatermadison.org

25 W Main St - 5th Floor, Suite 33 Madison, WI 53703



25 W Main St—5<sup>th</sup> Floor, Suite 33 Madison, WI 53703

July 11, 2023

Mayor Rhodes-Conway and Alders:

I am writing to you regarding the vote by the Common Council on June 20 to reject an application to rezone parts of a redevelopment site at W Johnson St, N Bassett St and W Dayton St to Urban Mixed-Use (UMX) to match the majority of the site, which already is zoned UMX. Smart Growth's members, which includes developers who produce much of the new development and redevelopment activity in Madison, are deeply concerned about this decision and want you to be aware of its consequences.

This letter presents the following concerns:

- Denying rezoning because a project does not include "affordable" housing units or beds is *de facto* inclusionary zoning and violates state law.
- Unexpectedly denying rezoning for a project that has been in the process for a year and which by all indications has met all the lawful requirements for approval discourages needed future housing development
- The large, persistent gap between housing supply and demand in Madison drives up all rents, including lower-rent units in functionally obsolete buildings near the UW-Madison campus.

#### Inclusionary Zoning is Prohibited by State Law and Not Wise Policy

State law prohibits rent control and inclusionary zoning. When the Common Council rejects rezoning based on affordable housing, that is *de facto* inclusionary zoning. The lack of "affordable" housing units or beds in a proposed project is not a legally permissible basis for denying rezoning.

If inclusionary zoning were legal, a developer would have to charge higher rent on the market-rate units to cover the lower rent on the "affordable" units, because lenders require a project to have at least a certain revenue-to-debt-service ratio. If developers (a) believe they can achieve super-high market-rate rents on the unrestricted units or (b) are receiving financial assistance such as low-income tax credits (LITC) administered by WHEDA or tax increment financing (TIF) assistance, they will propose projects that comply with inclusionary zoning. If not, they won't propose projects. When Madison enacted inclusionary zoning in the past, it essentially halted all multi-family housing development in the city except LITC-subsidized projects.

#### **Chilling Effect of Unexpected Rejection**

A developer must invest hundreds of thousands of dollars in the work of architects and engineers, in addition to millions of dollars to purchase land, to take a large development project through Madison's arduous review and approval process. Before making any investment, developers rely on the Comprehensive Plan, the neighborhood plan (if any), the zoning code and past approvals of similar

projects to determine whether there is a good chance of obtaining the needed land use approvals. If there is heavy opposition to a proposed development project from the start or city staff raise substantial concerns, a developer can abandon a project when the amount invested is less than the full amount required to obtain a final decision on the project.

In this case, the developer has been working with city staff for over a year and has made multiple presentations to the Urban Design Commission and Plan Commission. Both bodies recommend approval. In addition, the Madison city government in recent years has approved, without controversy, many other redevelopment projects for higher-rent student-focused housing where lower-rent units in functionally obsolete buildings would be demolished. This rezoning was on the Common Council's consent agenda. After all of that, to have the Common Council unexpectedly reject the rezoning for this project was shocking.

Larger developers will be reluctant to propose new housing projects in Madison in the future as a result of this unexpected rezoning rejection. Smaller developers absolutely cannot afford to take on the risk created by the Common Council's unexpected action—an unexpected denial would be financially fatal to them.

#### Impact of Housing Shortage on Rents for ALL Housing

The Common Council's unexpected rejection of rezoning for this redevelopment project because it did not include "affordable" housing will make it less likely that Madison will be able to dig itself out of its large housing supply hole. For example, the developer whose application was rejected by the Common Council already has withdrawn its much larger housing redevelopment project at the corner of N Broom St and W Johnson St. In addition, you won't even get a chance to see other projects that are abandoned or never started as a result of this unexpected negative vote.

Because of the large imbalance between housing supply and demand that has existed in Madison for years and the population of the Madison area continues to grow every year, Madison needs vast numbers of housing units to be approved and actually constructed EACH AND EVERY YEAR. When there is a large gap between the supply of and demand for housing for years, it causes the cost of all housing at all prices points—including lower-rent housing units in older, functionally obsolete buildings near the UW-Madison campus—to skyrocket.

No segment of the housing market is insulated from the impact of the overall supply and demand imbalance. Madison needs more housing units at all price points to be constructed every year.

In addition, there will be less work for contractors, trades people and construction workers in the Madison area, which would result in less spending by those workers at Madison businesses.

Please consider these concerns when you act on future rezoning applications for housing-focused redevelopment projects. We encourage you to work with stakeholders and city staff to develop written policies to address the affordability of housing near the UW-Madison campus consistent with state law.

Bill Connors Executive Director bill@smartgrowthgreatermadison.org

From:	<u>Bryan Dean</u>
То:	All Alders
Subject:	Item 77208
Date:	Tuesday, July 11, 2023 7:27:40 PM

Im happy that the council has decided to reconsider this item. We should absolutely be building more housing, period. 3000 people move to the city every year and they will need housing. If we do not build homes for these people they will be in a bidding war for the existing housing stock with current residents. Therefore prices/rents will go up as the home owners/landlords are now in control. It is simple supply and demand. The council seems to have thought that those rules would not apply to Madison because they are willing to stand in the way of building more housing. Alder Evers seems to have thought about it a bit longer and wisely is saying that he is changing his vote. I thank him for that. Perhaps the alder of district 15, my alder, will also take a moment to reconsider this vote and vote for more housing of all types, "luxury" and otherwise.

Bryan Dean

Name: Preet Dudhat Address: 118 Kingston Way, North Wales, PA 19454

Would you like us to contact you? No, do not contact me

#### Message:

Hello, this past year, I faced many struggles with finding an apartment for the 2023-2024 academic year. As an incoming out-of-state freshman, I did not know anyone at the University of Wisconsin-Madison. As you may understand, it takes time to meet and get to know quality friends. So by the time apartments started to fill up for the 2023-2024 academic year, I was left scrambling to find roommates. By the time I had found a quality group to search an apartment with, we were left with very few affordable options near the campus. We were content with sharing rooms due to the rent prices, but even then it seemed high at 900 and more. I urge you to change this and allow for students to find more affordable housing in Madison and keep the majority of units open at least until the first semester fully ends. With this in effect, students like me will have ample time to find friends that they can rent an apartment with and have a plentitude of options rather than browsing the unhelpful market for months, searching for an affordable option.

Name: Lina Godinez Address: 1323 W Dayton St, Madison, WI 53715 Phone: 815-931-2868 Email: aagodinez@wisc.edu

Would you like us to contact you? No, do not contact me

#### Message:

Please protect affordable housing for students. Affordable housing directly impacts our quality of life and ability to provide for ourselves. It means working two jobs on top of a full academic and extracurricular schedule just to have a decent place to live. Please consider the impact affordable housing has on students' lives.

From:	Todd Gray
To:	All Alders
Subject:	Core Spaces
Date:	Tuesday, July 11, 2023 7:35:31 AM
Attachments:	Core Spaces" 000074.pdf

To Whom it may concern,

I have written this letter on behalf of Local 599 Plasterers' & Cement Mason and our membership please see attached..

Thank you..

--Todd Gray Business Manager Local 599 Business Agent Local 599 Area 204 opcmia599.todd@gmail.com Cell: 608-225-4981

# OPERATIVE PLASTERERS' AND CEMENT MASONS' INTERNATIONAL ASSOCIATION LOCAL 599—SERVING THE GREAT STATE OF WISCONSIN



Main Office Area 558 8701 N. Lauer Street Milwaukee, WI 53224 Phone: 414-354-0599 Fax: 414-354-0598 opcmia599@sbcglobal.net

Kenosha Office Area 845 3030 39th Avenue Kenosha, WI 53144 Phone: 262-654-1680 Fax: 262-654-3810 felixopcmia@gmail.com

La Crosse /Eau Claire Office Area 257 700 N. 3rd Street Suite LL7 La Crosse, WI 54601 Phone: 608-787-0550 Fax: 608-787-0525 opcmia599.matt@gmail.com

Madison Office Area 204 1201 Post Road Madison, WI 53713 Phone: 608-288-0599 Fax: 608-288-0598 opcmia599.todd@gmail.com Madison Common Council 210 Martin Luther King Jr. Blvd. Room 417 Madison, WI 53703

Re: Core Spaces' 232-unit residential housing complex

Dear Council Members:

I am the Business Manager for the Operative Plasters and Cement Masons International Association, Local 599. Local 599 represents approximately 1,500 trades workers across the State of Wisconsin, including 450 based in and around the Madison areas. I am writing in support of the Core Spaces' Project under consideration on behalf of Local 599's members who stand ready to perform the work necessary to ensure this Project is completed as efficiently as possible, for the benefit of all citizens of Madison.

We are not experts in the housing crisis facing Madison, but we know that buildings do not last forever. New construction must occur on a regular basis to ensure that housing meets updated safety codes, and provides affordable, state of the art housing for our friends and neighbors. The need for high-speed internet connections and other technological advances (adaptations for which older buildings are often poorly suited), provides further impetus for approving regular new developments to keep Madison on the cutting-edge.

It is rare for organized labor to find good partners in the housing arena. Fortunately, Core Spaces is committed to completing its projects using highly skilled, well compensated tradespeople. The workers on Core Spaces projects typically live in and around Madison, building up the local tax base and spending money to foster the local economy. All too often, developers bring in the cheapest, out-of-state contractors they can find, who take their earnings back home, depriving our area of the full benefits that good developments can bring. Please do not overlook the impact this has on the community.

Local 599 fully supports this project and hope you will too.

Sincerely,

Todd Gray, Business Manager OPCMIA, Local 599

Name: Niki Iatrides Address: 12 S Orchard St, Madison, WI 53715 Email: niatrides@wisc.edu

#### Would you like us to contact you? Yes, by email

#### Message:

The city of Madison, especially around the UW campus, should have a balance of nicer/expensive housing options AND more affordable/less nice housing. This way, Madison can have both happy students and wealthier folks living in town. The health of the lakes and natural environment should also be considered when making housing decisions.

The residents in cheaper housing still have safety rights—these people should not be neglected. Safety regulations for cheaper housing need to be attended to and improved. I am a UW student living in cheaper housing. We had mold growing on our bathroom ceiling, and the landlord's solution was to paint over it instead of remove it ineffective and unsafe. We have complained multiple times about the squirrel living in our attic. The landlords have known about the hole the squirrels enter through for over a year and have not closed it. Affordable housing is needed, and their residents deserve more attention regarding safety policies and enforcement.

#### Hi,

I've worked with Core Spaces on 2 developments in the past few years. I opposed the one on Langdon St and it was denied twice. The other I supported because it followed the Comprehensive Plan, the Downtown Plan and the downtown building height map.

I am neutral about the proposal for 437-445 West Johnson Street, 430-440 West Dayton Street, and 215-221 North Bassett Street, even though it would remove naturally occurring affordable housing and would impact the historic vernacular cultural heritage of residential Madison from 100 years ago.

But I was very surprised to read that the CC voted not to approve the required change in zoning for this proposal. As with the Oliv at Gorham and State, Core Spaces followed MGO to the letter in their land use application. This proposal follows the Comprehensive Plan, the Downtown Plan and the downtown building height map to the letter. If the Common Council has issues with this application, changes to the Downtown Plan and Comprehensive Plan should be addressed first.

We all work within the framework defined by the Comprehensive Plan, Historic Preservation Plan, Transportation Plan and other plans approved by Common Council. We are continuously modifying them with efforts like the Missing Middle zoning changes and the Transit Oriented Development Overlay District zoning. Our plans define how we will be developing Madison today and in the future.

Instead of rejecting a proposal that meets these plans, I might suggest that the Common Council review more carefully whether our existing plans meet our current and future needs.

best, Bob

Bob Klebba he him 704 E Gorham St Madison WI 53703-1522 608-209-8100 www.governorsmansioninn.com www.mendotalakehouse.com

Hello

I am a Tenney-Lapham resident and I am urging you to vote no on the new luxury housing complex proposed by Core Spaces. Time and time again these out of state landlords and developers have proved they don't give a damn about our community. They put up these poorly constructed buildings with shiny exteriors, charge a fortune, wash, rinse, and repeat. Everyone knows madison is in a housing crisis right now. Just this year Mullins Property Group raised my rent \$200! Any large development that doesn't offer at least 20% affordable units should be voted down. It's time to play hardball with these sheisty landlords and developers.

Philip Klinker (He/him/his) 2nd Year Student UW Law School

From:	Stephen Kwaterski
То:	All Alders
Cc:	Kapusta-Pofahl, Karen, James Foye
Subject:	Laborers" Local 464 Letter to Madison Common Council re: Support for Core Spaces Bassett Street Project
Date:	Tuesday, July 11, 2023 9:17:29 AM
Attachments:	07.11.2023 LIUNA Local 464 Letter of Support - Core Spaces Project - Madison Common Council.pdf

To Members of the Madison Common Council:

Attached you will find a letter from Laborers' Local 464 Business Manager James Foye expressing our union's support for the Core Spaces Bassett Street project.

Thank you for your consideration.

Sincerely, Steve Kwaterski

Steve Kwaterski Wisconsin Laborers' District Council | Political & Communications Director O: 608.846.8242 M: 608.406.8378



## CONSTRUCTION and GENERAL LABORERS UNION LOCAL 464

Phone (608) 244-6400 • (800) 362-4442 • Fax (608) 244-6540

www.liunalocal464.org

Jim Foye Business Manager Dean Hackl Secretary-Treasurer

July 11, 2023

Madison Common Council City-County Building 210 MLK Jr. Boulevard, Room 417 Madison WI 53703-3345

To: Members of the Madison Common Council

Laborers' Local 464 represents over 2,000 union construction craft laborers throughout South Central Wisconsin, including hundreds that live and work in the City of Madison. Our union strongly supports the downtown Core Spaces 232-unit Bassett Street project, and we are asking you to vote in support of this project.

This project would jointly benefit the Madison student community by increasing the downtown housing stock, and voting no would put a significant negative strain on Madison's housing market. The 232-unit Bassett Street project would provide students with 851 beds. If the Bassett Street project is voted down, the proposed Core Spaces Broom Street project with its 400+ new units, 1600+ new beds, and 160 affordable beds, will also not move forward.

In addition to increasing the housing supply to meet demand, the Bassett Street project will create opportunities for the union laborers and other tradespeople to not just have a job, but a career. Our union has a world-class training facility in nearby DeForest where our apprentices and journey workers receive skills and safety training to ensure that projects are on-time, on-budget, and completed safely.

This project will open pathways to apprenticeships with our union that will provide new laborers with the opportunity to earn family-supporting wages, health benefits, and a pension, all while learning their craft.

This project is a win-win for students living downtown as well as for the members of my union, and I respectively ask that you vote in in support of this project.

Sincerely, James Forge

James Foye Business Manager Laborers' Local 464

From:	Noel Lewin
То:	All Alders
Subject:	Labor Supports Student Housing
Date:	Friday, July 7, 2023 9:40:28 AM
Attachments:	Carpenters Core Campus - Student Housing Memo.pdf

Good Morning,

My name is Noel Lewin, Deputy Political Director for the Wisconsin Carpenters' Union. I am writing to formally submit our memo regarding the Core Spaces Downtown Student Housing Project. Please see attached. Feel free to reach out at any time with any questions or concerns regarding this issue. Best Regards,

Noel Lewin Deputy Political Director 608.609.7176

North Central States Regional Council of Carpenters Serving Iowa, Minnesota, Nebraska, North Dakota, South Dakota and Wisconsin <u>115 W Main Street, Madison, WI 53703</u> www.northcountrycarpenter.org www.facebook.com/ncsrcc Twitter: @NCSRCCarpenters www.instagram.com/ncsrccarpenters



To:Madison Common CouncilFrom:North Central States Regional Council of CarpentersDate:July 7, 2023RE:Labor Supports Student Housing

The Carpenters Union is writing in support of the Downtown Core Spaces student housing project. This project, which has already received unanimous approval from the plan commission, holds significant benefits for the student community and our city's construction workforce.

This project marks a pivotal milestone in tackling the student housing challenge in Madison. It is essential to recognize that only a handful of developers possess the necessary expertise and capital to undertake such a significant project catering to students, particularly in downtown areas. Resolving the shortage of student housing involves increasing the availability of units. Madison's common council must demonstrate a sincere commitment to developers and express their desire for them to construct within the city.

Furthermore, this project holds the promise of creating numerous high-paying job opportunities for union members and apprentices residing in Madison. It presents a rare chance for them to work near their homes, an opportunity that is often scarce in their line of work. Voting against this project sets a president for all other residential development in Madison, and it will result in fewer of these types of job opportunities now and in the future.

Your support and approval of this project will provide students with 232 new units and 851 new beds; Our union carpenters will receive 27 months of construction wages and benefits. In addition, the city itself will gain hundreds of millions of dollars in tax base.

Please consider students and union carpenters at your next Council meeting and vote in their favor.

Thank you for your consideration.

Noel Lewin Deputy Political Director North Central States Regional Council of Carpenters

From:	<u>Alex Li</u>
То:	All Alders
Subject:	Support for 12-Story Student Housing Project
Date:	Monday, July 10, 2023 11:33:11 AM

Dear Madison Alders,

My name is Alex Li and I am an economist and concerned citizen of Madison. I write to you today regarding a pressing issue: the necessity of high-density housing projects to accommodate Madison's rapidly growing population and address the escalating housing prices. While this may appear as a student-centric issue, it is actually a comprehensive societal concern that impacts all residents and sectors of our city.

The term "luxury" in the context of these new developments is, in many cases, simply a marketing strategy. The buildings may have attractive signage and amenities like gyms and pools, but their construction often involves cost-effective materials. Stripping away this term, the issue is not about luxury versus affordable, but rather about the availability of sufficient housing for our diverse city population.

It is crucial to note that the existing units being demolished are not "naturally occurring affordable housing" as described by some council members. Many of these units are substandard, featuring five or six bedrooms served by just one bathroom, and still come at a high cost. The proposed project would replace these inadequate units with 851 improved ones, addressing both the quantity and quality aspects of our housing crisis.

The city's failure to adequately accommodate this non-student demographic has led to the dislodgment of students from downtown. The reality is, these young professionals will push students out of housing, not the other way around. Therefore, the skyrocketing rent prices are not due to an oversupply of so-called luxury high-rise developments, but rather a deficit of available housing units for the non-student population.

It's worth noting that a significant portion of students at UW hail from affluent families, with 40% of students (or 20,000 people) coming from households earning \$140,000+/yr. These students can afford to live in higher-priced apartments. If we do not build enough units to accommodate these students, they will "rent down" and push other students away or into overcrowded situations.

In the face of a booming population and a lagging housing supply, denying high-density housing projects can ironically disadvantage students and other residents. Recent proposals such as the Core Spaces housing project present an opportunity to alleviate the housing crunch. The development aims to replace approximately 70 units of housing with 232 new ones – a net gain of over 160 units. This would house an additional 350-400 individuals, thus reducing the strain on our housing market.

As Madison continues to grow, it is essential that we facilitate the development of housing that caters to the needs of all residents – students, young professionals, families, and seniors alike. I strongly urge you to reconsider the opposition to high-density housing projects such as the one proposed by Core Spaces, and to adopt a more comprehensive and inclusive perspective

on housing development in our city.

Sincerely, Alex Li, PhD

Name: Holly McCloskey Address: 1501 Monroe Street, Madison, WI 53711 Phone: 608-575-3388 Email: hrmccloskey@wisc.edu

#### Would you like us to contact you? Yes, by email

#### Message:

As a student apart of UW Madison and a person who has lived near Madison for my whole life, I urge you to continue turning down luxury housing units. Students need more affordable units. High density housing is necessary for the future economy and environment, but the implementation of luxury apartments gatekeeps those that create the infrastructure, makeup, and income for madison.

Name: Stephanie Mickelson Address: 8420 204th Court, Bristol, WI 53104 Phone: 262-308-4437 Email: slmickelson@wisc.edu

#### Would you like us to contact you? No, do not contact me

#### Message:

Hello,

I am a student at the University of Wisconsin-Madison. I am messaging just to mention that affordable housing is a huge issue with students at the moment. It's incredibly difficult to make an education at Madison accessible with high rise and luxury apartments charging an arm and a leg. Supporting affordable housing for students and the community is imparative.

Name: Rudy Moore Address: 713 Orton Ct, Madison, WI 53703 Phone: 608-616-0359 Email: twinotter@gmail.com

#### Would you like us to contact you? Yes, by email

#### Message:

I wrote this as a thank you to my particular alder, Marsha Rummel, but I wanted to pass it on to the other alders as well:

Hi Marsha,

I saw that you voted against the Core Spaces project for luxury student housing and I want to thank you. I'd also like you to stand against any proposals with a mere 10% "affordable" housing. Please require that projects have a minimum of the number of units that are being replaced at affordable rent levels or, alternately, at the ratio of the full campus students' income distribution. Also, please require them to be offered on the open market, not simply limited to students receiving financial aid. This will help the whole community and provide market incentives to keep rent prices down everywhere. Those buildings that are being replaced have no income requirements, do they? Why should the new housing? An appropriate mix of income limited housing and less expensive non-limited housing can help both those in need and the market as a whole. Finally, and I don't think this was on the table, but please no TIF financing at all.

Thanks, Marsha!!

Rudy

From:	Brian Munson
То:	All Alders
Cc:	Austin Pagnotta; dougt@corespaces.com; RProcter@axley.com
Subject:	Core Spaces: Johnson & Bassett Project
Date:	Thursday, July 6, 2023 8:05:54 AM
Attachments:	Madison, WI - Multifamily Construction Trends CoStar Report.pdf

Common Council Alders,

The Core Spaces team would like meet with any alders interested in further information and conversation regarding the Johnson Bassett Project and are hoping to setup meetings anytime prior to next Tuesday's Council Meeting.

Additional Project Information:

- The project has received a full recommendation for approval by Staff, Final Approval by UDC, and Unanimous approval by the Plan Commission.
- The Plan Commission has already approved the conditional use and demolition permits for the project, with a unanimous finding that the standards were met.
- The project team has diligently worked with the neighborhoods, staff, and commissions since November of last year.
- The project includes 232 units and 800 beds. This is 5-7 times the amount of housing on site.
- The construction of the project will deliver 27 months of union construction jobs and hundreds of millions of tax base
- The existing units on site are a mix of some reasonably maintained market rate buildings and some substandard buildings that would have to be renovated prior to re-renting, bringing them up to market rate. Market rate units within the downtown area have seen ~15% year-over-year rent increases due to the crisis level of housing undersupply.
- The comprehensive plan and downtown plan designate this site for 12 story/6 story infill development. The proposed plan has been confirmed by City Staff to meet this designation as well as all of the approval standards.

Additional information:

Multi-family Construction Trends Report (attached)

https://madison.com/podcast/center-stage-making-sense-of-madisons-housing-crisis-with-uws-kurtpaulsen/article\_4ac82db4-0c6e-11ee-ae95-9f0793dc2ad0.html

Please let me know if you are interested and if there are any specific times that would work best for your calendar.

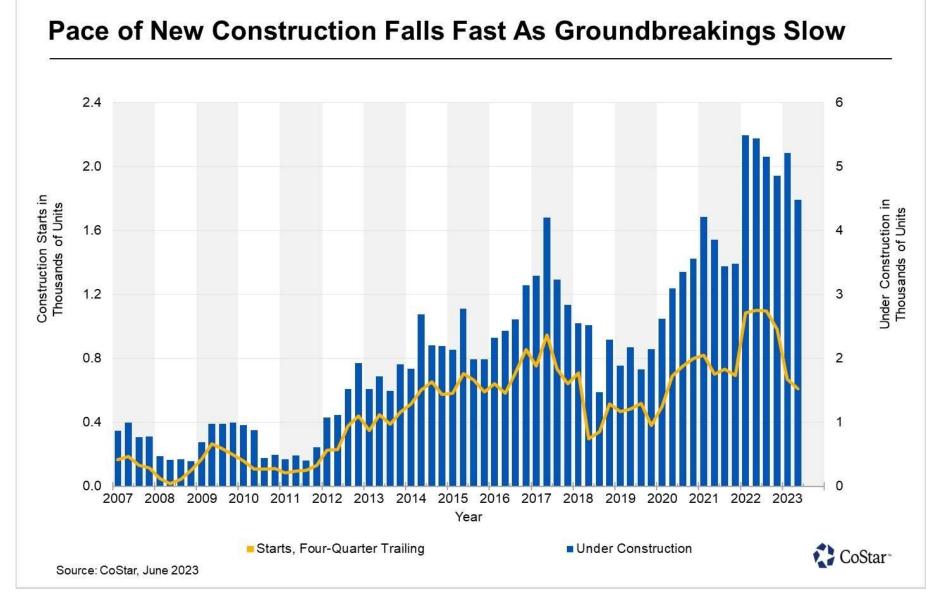
Brian Munson Principal Vandewalle & Associates 120 East Lakeside Street Madison, Wisconsin 53715 Cell (Primary Contact): 608.609.4410 Office: 608.255.3988 Madison Multifamily Construction Trends in Wrong Direction



## **COSTAR INSIGHT**

# Madison Multifamily Construction Trends in Wrong Direction

Developers Struggle To Build Despite Low Vacancies, High Population Growth



### By Gard Pecor CoStar Analytics

June 30, 2023 | 11:37 AM

In Wisconsin's state capital, construction of new multifamily units continues to drop despite red-hot demand for housing.

Between 2010 and 2020, the Madison metropolitan area grew by 12.4%, adding 75,000 people during this time and asserting itself as one of the fastest-growing metropolitan areas in the Midwest. With an average household size of 2.2 people, Madison roughly needs to construct 3,400 housing units annually to maintain its vacancy levels, which are already some of the lowest in the nation. In 2022, an estimated 2,400 multifamily units and 1,600 single-family houses were constructed, just enough to meet current growth patterns.

However, both single-family and multifamily construction levels are falling fast as developers contend with elevated construction pricing and increasing financing costs. Looking at four-quarter trailing averages, construction starts have fallen to 610 units in the second quarter of 2023, down from a peak of 1,100 units this time last year. Declining construction starts are a leading indicator of under-construction levels, which are expected to continue falling in the coming quarter. At the end of the second quarter, units under construction stood at just under 4,500 units, a 1,000-unit drop compared to the first half of 2022.

This poses major concerns for Madison's multifamily market, which already is facing availability and affordability issues.

At the end of the second quarter, Madison had a vacancy rate of just 3.4%. With a total inventory size of around 70,000 units, Madison comes in as the 54th-largest multifamily market in the U.S. by inventory size. Of the top 54 markets, Madison has the second-lowest vacancy rate, behind only New York.

Notably, Milwaukee ranks fourth on that lowest-vacancy list, just behind San Diego and ahead of Orange County, California, which rounds out the bottom five. Madison and Milwaukee are clear outliers in this regard, a product of decades of underbuilding by a largely local set of build-and-hold developers. Both markets have seen an uptick in out-

#### Madison Multifamily Construction Trends in Wrong Direction

of-market merchant developers in recent years, or developers who build to sell, but the timing of their entry into the market and the current state of construction pricing are less than ideal.

With no clear path to alleviate the current cost burdens of new construction, Madison is projected to remain in the bottom three for the lowest vacancy markets in the U.S. for the foreseeable future. As a result, surging rent growth figures, which closed out the second quarter at 6.2% annual growth, are going to continue to create affordability issues in the market.

One-quarter of renters in the city spend over half of their income on rent, while half of all renters spend at least a third of their income on rent, according to the city of Madison. This far exceeds what is generally deemed affordable, which constitutes spending no more than one-third of income on housing expenses.

Ultimately, declining construction figures could continue to create affordability issues for the market that could affect its ability to continue growing at its current pace.

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Construction Leads Job Gains in Wisconsin's Fastest-Growing City
Employment Recovery Picture Diverges Across Wisconsin Markets
Record Multifamily Construction Tests Milwaukee Market
Milwaukee's Industrial Market Leads October Job Gains
Milwaukee Payrolls Contract in September

Name: Sarah Nehls Address: 111 N. Mills St. Apt. D, Madison, WI 53715

Would you like us to contact you? No, do not contact me

#### Message:

Please vote against the proposal to build more luxury housing in the surrounding campus areas! Students need plentiful, affordable, housing, not luxury amenities that only few can afford. While this new building would have created more beds, the city needs to attract builders and renters that can increase scale without also increasing costs by adding unnecessary amenities that students already have on campus pools, gyms, extra rooms for leisure, etc.. Thank you.

Hi Alders,

I think this should be rezoned and approved and I think Alder Govindarajan has a good point about the kind of development we are currently attracting to the city.

There's too little housing here, so I will take whatever increases we can get. Y'all along with the Mayor and the city really need to kick the tires on how to get more normal developments here. These insane amenities make no sense for students, but they do it because they can. That's not a market we should be tolerating here.

I think the easiest thing would be to remove parking mandates/minimums from the entire city. See <u>https://www.charlotteobserver.com/opinion/op-ed/article218347365.html#storylink=cpy</u> about how a market rate developer saves \$15 million (20% of the project) by not building a garage. For Madison, this is an area right on BRT designed for students who don't need to drive. For the rest of town, we can get by with a lot less parking (or more innovative ideas).

For more ideas, I recommend reading Paved Paradise: How parking explains the world. It's a new book that makes "the high cost of free parking" a lot more readable (that's basically a text book). It shows how parking creates more driving into a doom loop. It shows how cities are leaving a ton of revenue on the table, revenue that can be used for tax cuts, transportation improvements, or city improvements. I highly recommend reading this and starting to make some modern policy decisions for the people in this city rather than the people who drive to and through it.

Thank you, Josh Olson

Name: Reahsah Pagel Address: 319 N Pinckney Street, 2, Madison, WI 53703 Phone: 608-400-7575 Email: reahsahpagel@gmail.com

## Would you like us to contact you? No, do not contact me

## Message:

## Hello,

My name is Reahsah Pagel and i wanted to let you guys know my stance on affordable housing in Madison as a current student who goes to UW Madison. I barely can afford the rent I have now, and I work paycheck to paycheck. This is with financial aid and a scholarship. Rejecting the luxury housing projects is a step in the right direction not just for me but for other students and people struggling like me everyday. I was born and raised in Madison and my family has experienced the brunt of this crisis as well. I see so many people affected, whether they're evicted due to rising prices, struggling to find a decent priced two bed room or even just trying to sublet a room. These luxury apartments take up space that half the city cannot even pay. This is gentrification at its finest and I urge you to vote to keep these luxury apartments out of the city in favor for more affordable housing for all. I want to thank those of you who have voted against the luxury apartments and urge those of you who didn't to reconsider your position as this affects more than just business. If people cannot afford to live here there will be no more people left to rent to. Please do better for our city and communities. Thank you,

a concerned long time resident.

From:	Kurt Paulsen
То:	All Alders
Subject:	Follow up information on housing in Madison
Date:	Tuesday, July 11, 2023 11:58:27 PM
Attachments:	letter to alder bennett in re zoning and affordability.pdf

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Alders – I appreciate the opportunity to appear before you for informational purposes tonight. Attached, pleased find the letter I wrote to Alder Bennett in response to her questions to me. I apologize this was not included in the council packet.

Thank you,

Kurt Paulsen Dept. of Planning and Landscape Architecture University of Wisconsin - Madison July 7, 2023

Ald. Juliana Bennett, District 2, City of Madison

Alder Bennett (and other interested parties):

Thank you for your kind and generous email of 6/27/23, raising important substantive questions about the connection between housing supply and housing affordability in Madison. My apologies that this response has been delayed: the vote you refer to in your email occurred while I was traveling overseas.

In preparing this response, I watched the debate and discussion of the 6/20 Council meeting and read the planning department staff report on the proposal. I did not watch the plan commission meeting, nor am I overly familiar with the procedural history of this proposal.

I apologize for the length of this response. I'm always aware that there are multiple issues involved in any discussion requiring background and context.

In June of 2021 when the previous Council was considering a change to the conditional use thresholds and density standards in the zoning ordinance (File #63902), I participated in the RESJI review committee. During that process, I was asked to write a summary of more recent academic and research literature on the relationships between housing supply, rents, filtering, affordability, etc. which are relevant to your questions. That report is unnecessarily long and tedious, and is available at: <a href="https://madison.legistar.com/View.ashx?M=F&ID=9438848&GUID=EAF40DFD-60A1-47E3-95B7-E0FCF097ACEC">htt work generally informs my comments here.</a>

First, however, some disclaimers. These comments are my own and do not necessarily reflect the position of the City or Dane County or the University. I write for informational purposes only and neither in favor nor opposed to this rezoning request. When discussing federal, state, or local regulations, statutes, ordinances, or finances, I do so in a general informational nature which does not constitute financial, legal, or real estate brokerage advice. Although I am a currently a member of UW's campus planning committee, I am not authorized to speak for and I do not intend to speak on behalf of UW Madison, University Housing, Facilities, Planning and Management (FPM) or Campus Planning.

This letter is organized as follows. First, I will discuss the rather unique and complicated picture of affordable rental housing for full-time students which sets important context and constraints on this discussion. Second, I will provide some updates and context on the Madison rental housing market and current city plans. Third, I will discuss the very unique downtown submarket, followed by some concluding thoughts.

1. Full-time undergraduate students are generally not able to access any federally financed affordable housing programs.

Although your email did not specifically request this information, I have been asked about it many times in the past year, so I wanted to set the context clearly.

For ease of exposition, I'll call this the "student exclusion rule" even though there are exceptions to this exclusion which prove the intent of the rule. All federally financed affordable housing programs follow the IRS rules that consider when a full-time adult student is considered a dependent child (and therefore only able to participate in affordable housing programs as part of their parents' household) and when a full-time student is considered an independent household (and, therefore, potentially eligible for affordable housing programs as an independent household).

Like all means-tested programs within the US social welfare system, eligibility is determined based on household income and a full-time undergraduate student is generally considered to be a member of their parents' household and would therefore only qualify in conjunction with parents' and household income and while living in their parents' house.

The two largest federal affordable housing program platforms are LIHTC (low-income housing tax credit) and Section 8 (HUD programs, both Project-based rental assistance and tenant-based rental assistance).<sup>1</sup> Under these standards, full-time undergraduate students who have not yet turned 24 are ineligible for affordable housing programs, other than when living with their parents if the overall household is eligible.

The exceptions prove the intent - that full-time students are generally considered adult-dependents and have not established their own independent household. Full-time students under age 24 who are married, have aged out of foster care, are veterans, receive disability benefits, or have their own dependent child, etc. would not be subject to the student exclusion rule. Full-time students who are aged 24 or older would be considered independent households for tax purposes and for affordable housing eligibility.

In short, the principle is that full-time undergraduate students who can be claimed as dependents on their parent(s)' income tax are not considered to be independent households and would therefore be ineligible from receiving benefits under federal means-tested programs, including affordable housing. This is the reason for the student exclusion.

I have heard some suggestions that the City itself could issue bonds to build affordable student housing to avoid these federal restrictions. However, any municipal bond, in order to meet the federal requirements for tax-exemption, would need to comply with 26 USC 142(d) which specifically incorporates the same student exclusion rule as in Section 8.<sup>2</sup> In the municipal bond market, housing projects are considered to be "private activities" and so would need to meet these standards (including student exclusion) for the bonds to be considered tax exempt for federal income tax purposes.<sup>3</sup>

I have not been able to verify this, but I think it's reasonable to infer that this student exclusion rule is a reason that student-only housing might not be considered eligible for the MGO 28.071 (Table 28E-3) density bonus for affordable housing subject to a LURA (land use restrictions agreement). Because the LURA agreement process of the City (like all affordable housing programs) determines

<sup>&</sup>lt;sup>1</sup> For LIHTC rules, see: 26 USC Sec 42(i)(3)(D) and for HUD Section 8 platform rules, see: 71 Fed. Reg. 18146 (April 10, 2006).

<sup>&</sup>lt;sup>2</sup> University dormitories are not subject to the student exclusion rule.

<sup>&</sup>lt;sup>3</sup> The usual disclaimer applies: this is for general information only and I am not offering (nor am I qualified to offer) accounting or legal advice on any particular transaction.

household eligibility based on household income relative to "area median income (AMI),"<sup>4</sup> and one cannot determine full-time students' household income separate from their parents' income, this density bonus would not appear to be eligible for student-only housing. It is also my understanding that this particular project began the process prior to the adoption of the density bonus ordinance. The density bonus for affordable housing is a voluntary agreement between the city and the developer. As pointed out in the discussion at Council, the city cannot require or mandate that a developer utilize this density bonus incentive.

I will also note here that the University's Office of Student Financial Aid's total cost of attendance figures includes housing and meals ("room and board").<sup>5</sup> Awards of financial aid, based on Expected Family Contribution (EFC) including Pell Grants cover room and board in addition to tuition and books, etc. I am, of course, aware that Federal Pell Grants are quite limited and that Bucky's Tuition Promise only covers tuition and not housing. I am very aware of student financial hardships regarding housing and food, and I talk to students about this all the time. I want to be clear that I wish there was more financial commitment from our federal and state governments to support higher education and students. The student housing issue exposes how painfully inadequate current funding levels are.

2. Economic relationships between housing supply and affordability.

Your questions concern the relationship between housing supply and rent levels in the market, so I wanted to start with some Madison-specific data before summarizing more recent academic research.

In April and May of this year, many media reports indicated that the Madison market had one of the highest rates of rent growth in the country, based on data from ApartmentList.Com.<sup>6</sup> In order to respond to reporters' questions, I went to the source data from ApartmentList.Com and that is the data shown in the chart below.<sup>7</sup>

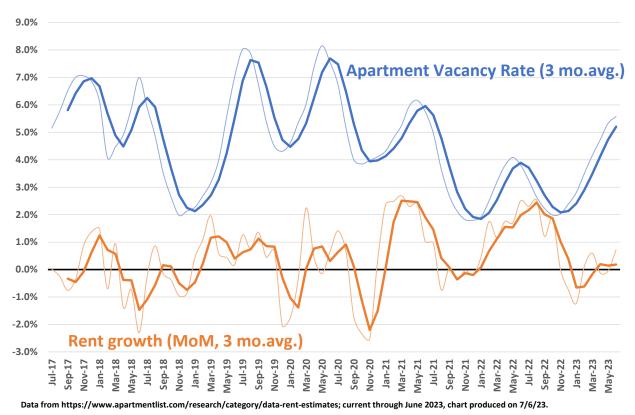
During the months when Madison had some of the highest national rent increases, it also had some of the nation's lowest vacancy rates, a key point which was missing in the conversation. When markets experience low vacancy rates and strong rental demand, rents increase. When vacancy rates are consistently above 5 percent, rents begin to fall and when vacancy rates are consistently below 5 percent, rents begin to fall and when vacancy rates are consistently below 5 percent, rents begin to increase.

<sup>&</sup>lt;sup>4</sup> More technically area median income adjusted for household size.

<sup>&</sup>lt;sup>5</sup> See: <u>https://financialaid.wisc.edu/cost-of-attendance/</u>

<sup>&</sup>lt;sup>6</sup> See, for example, the more recent July report: <u>https://www.apartmentlist.com/rent-report/wi/madison</u> or <u>https://www.dailycardinal.com/article/2023/04/madison-year-over-year-rents-rose-highest-in-the-nation-study-finds</u>.

<sup>&</sup>lt;sup>7</sup> ApartmentList.com is the only of the major rent-index and PropTech companies I could find online that calculates vacancy rates specifically, so I use the ApartmentList.com data here. Two other main sources for publicly available rent data are: 1) Zumper: <u>https://www.zumper.com/blog/rental-price-data/</u> and 2) Zillow: https://www.zillow.com/research/zillow-rent-index-methodology-2393/



## Apartment Vacancies and Rent Growth: Madison, WI

The blue line in the graph is the apartment vacancy rate (percent) and the orange line is the monthover-month rent growth (percent). The thin lines present the monthly data, and the thicker lines are a three-month moving average (quarterly average) to smooth out some of the spikiness of the monthly data. Rental markets can take many months to adjust to price and quantity changes, particularly given that standard lease terms in this market are for 12 months. The data covers only Madison, not the rest of the county or metropolitan area.<sup>8</sup> One can clearly see annual cycles in the housing market here, in addition to longer-term trends.

These data are only available back to July of 2017, so this nearly 6 years of data represents a growth period in the Madison rental market. In previous reports, I used MG&E's multifamily vacancy data, but that data series has been discontinued.<sup>9</sup> The advantage of this newer apartmentlist.com data is that it includes both prices (rents) and vacancies.

In the chart above, there are 3 major time periods of accelerating rent growth in Madison: 1) Dec 2018 through July 2019, 2) Dec 2020 through July 2021, and 3) Dec 2021 – October 2022. If we examine the time periods immediately before rent acceleration, we see rapidly decreasing vacancy rates. Before the jump in rents of December 2018 through July 2019, vacancy rates declined from 7

<sup>&</sup>lt;sup>8</sup> I can send the raw data spreadsheet if requested.

<sup>&</sup>lt;sup>9</sup> Source: <u>https://www.mge.com/customer-service/for-multifamily/multifamily-rental-vacancy-rates</u>. Series ends Q2 2021.

percent in June 2018 to 1.98 percent in November 2018. Vacancies declined significantly for 6 straight months and then rents jumped significantly in the following months.

Likewise, before the December 2020 – July 2021 surge in rents, vacancies declined from 7.56 percent in June 2020 to 3.97 percent in November 2020. Similar patterns occurred in 2021: vacancy dropped from over 6 percent in May 2021 to less than 2 percent all the way through January 2022. And rents accelerated from December 2021 through October 2022.

If I speculatively forecast out the coming months, with about 4,500 units in the larger market currently under construction<sup>10</sup> and normal seasonal fluctuations, I would anticipate vacancy rates would tick up a percent or two through October or November, and that rent growth would continue to moderate. As it is, vacancies have already gone up since the April/May media reports and rent growth has already slowed down. Of course, this forecast is not a complete model, and likely changes in interest rates due to Federal Reserve actions and possibilities of a recession would all change both rental demand and unit production. It's also very hard to predict when units under construction would come online for occupancy and how quickly new units are absorbed in the market.

As a researcher, I would have to point out that correlations and trends are suggestive and not causal, and a more complete research model would include estimates of household formation, interest rates, construction costs, etc. But the trends seem pretty clear in our market that times of negative rent growth (rents going down) were during times of high vacancies and that times of increasing rents were during times of low vacancies.

Capital-intensive markets like housing take longer to adjust to changes to supply, demand, and input costs. It might take a developer 3-4 years from project inception to occupancy. But the Madison market has experienced significant investment interest for the past decade because of solid job growth, low unemployment, rapid absorption of new units in the market, and strong rental demand. Developers want to build here because people want to move and live here.

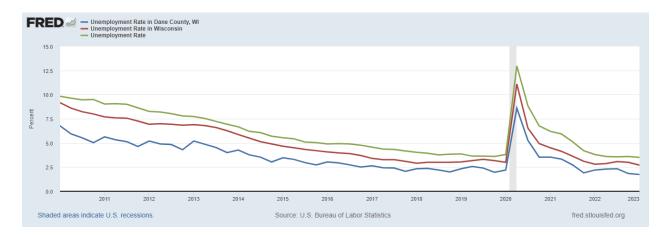
In the data for the chart above, if we estimate a long-term linear trendline (regression), we see that vacancies have been declining overall and rents have increased. A linear trendline regression would estimate vacancies of 6 percent mid-2017, but down to less than 4 percent now (and since September 2021). This suggests that, despite a high volume of housing production during this 6-year time period, occupancy growth exceeds the number of new units. As a researcher, I would hold this conclusion somewhat loosely because I don't think anyone has figured out how we should model or adjust for the very unique rental effects of the Covid pandemic and the availability of an eviction moratorium and emergency rental assistance.

The seasonality of the rental markets in Madison is not necessarily favorable to student renters.<sup>11</sup> More favorable lease terms for 12-month leases seem to be found in mid-to-late summer, but most students have signed leases much earlier. As you are aware, cities are prohibited by state law from

 <sup>&</sup>lt;sup>10</sup> Source: <u>https://www.costar.com/article/676208986/madison-multifamily-construction-trends-in-wrong-direction</u>
 <sup>11</sup> See: <u>https://madison.com/news/local/education/university/at-this-point-well-take-anything-college-students-camp-out-for-housing/article\_5a8e17c5-13f0-5053-855d-1fd5a13ee319.html
</u>

regulating any features of the landlord-tenant relationship<sup>12</sup>, so I am unsure if there is anything the city could do in this regard.

Rental demand in most markets is determined by a number of factors, all of which interact and overlap, but the most significant factor is employment and job growth. Below, I present a graph of the unemployment rate in Dane County<sup>13</sup> (blue line), Wisconsin (red line) and the nation (green line) from 2010 to present, with quarterly smoothing. One factor clearly jumps out: unemployment in Dane County is always lower than the state or the nation. We have a very successful labor market and employment picture in the county. In fact, in other reports, I show that the Census reports that 100,000 persons are employed in the county but live outside of the county, a significant source of "latent housing demand" – folks who would live here if there were housing available, but they live outside of the county and drive into work.<sup>14</sup> I've used this example in media appearances because I think it illustrates the tremendous challenge and need for affordable housing in the region: when I got my hair cut last month, of the two workers there, one lived in Baraboo (45 minute drive) and one lived in Janesville (55 minute drive). Because of the overall shortage of housing relative to demand and the high prices that result, many lower wage service-industry workers are forced to drive long distances or double-up on housing.<sup>15</sup>



Second, job growth in Dane County has been strong since 2010. From January 2010 through the end of 2022 (preliminary data), Dane County added over 58,000 jobs, a 20.39 percent overall growth rate.<sup>16</sup>

Median household income has also been increasing in Dane County faster than the rest of the state or nation. The chart below, same color scheme, shows that median household income in Dane

<sup>15</sup> Doubling-up is another source of latent demand for housing. If more affordable housing were available, some folks who double up would move out to their own place.

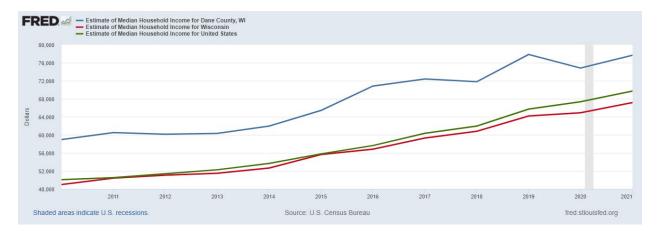
<sup>&</sup>lt;sup>12</sup> See, generally, Wis. Stat. 66.0104

<sup>&</sup>lt;sup>13</sup> I use Dane County instead of Madison because counties are the smallest geography available with employment data.

<sup>&</sup>lt;sup>14</sup> The Madison MPO estimates this number to be closer to 50,000 based on travel data rather than census data.

<sup>&</sup>lt;sup>16</sup> Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, All Covered Employees.

County has been higher than the nation and the state from well before 2010 and growing at a slightly faster rate.



I think this is an important context in understanding our housing challenges and affordability issues. We are a highly desirable place for people to move and companies to locate or expand. We have a high quality of life, relatively cheaper cost-of-living (compared to the coasts), strong job growth and income growth and low unemployment. Like other fast-growing and economically successful regions, we face the challenge of increasing housing demand and increasing prices. Recent reports even have Madison as one of the preeminent destinations for Gen Z households.<sup>17</sup> We are building lots of housing to accommodate this demand, but we still have not built enough to keep up. As I show using county data,<sup>18</sup> Dane County from 2006 through 2021 (latest data available) "underbuilt" over 11,000 units of housing because we added 11,000 more households than housing units.

3. The downtown/campus geographic housing sub-market experiences very high demand but is significantly constrained by physical and legal forces. This makes this area somewhat unique and challenging.

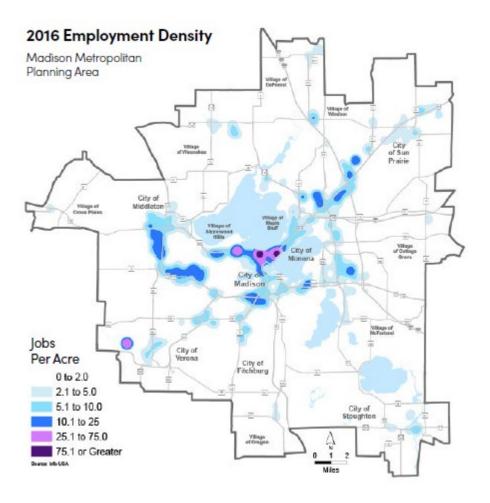
To state the obvious: to downtown/campus area is a relatively small geographic area, physically constrained by the lakes and legally constrained by capitol-area height limits. When we include the hospitals, the university, state government, county government, city government and professional offices, this area contains the highest density cluster of jobs in the region.

The Madison MPO recently adopted the region's 2050 transportation plan.<sup>19</sup> Page 2-6 shows a map (copied below) of employment density. The highest density of job clusters in the region are from the capitol and state office buildings through the University and out to the hospitals. This represents tens of thousands of jobs in a small land area.

<sup>&</sup>lt;sup>17</sup> See: <u>https://captimes.com/opinion/paul-fanlund/opinion-gen-z-is-choosing-madison-in-surprisingly-large-numbers/article\_67453960-b292-5cef-9aca-3effcc928d5a.html</u>.

<sup>&</sup>lt;sup>18</sup> Testimony to combined State Senate and Assembly housing committees, March 7, 2023.

<sup>&</sup>lt;sup>19</sup> Available at: <u>https://www.greatermadisonmpo.org/planning/documents/FullPlan-ConnectRTP-web.pdf</u>



In addition to the high demand arising from concentrated employment, the downtown area is a cultural and amenity draw for the thousands of younger workers moving here, and the adjacent neighborhoods are occupied by established homeowners in established neighborhoods who appreciate the proximity to culture and employment within walking/biking distance. It's really a geometry problem: lots of stuff in a small space, with increasing demand for more housing and more commercial activities.

Thus, the Madison downtown/campus property market is a unique challenge not present for other Big Ten universities: the areas downtown and near campus where most students want to live are also in high demand for workers and homeowners. In a small land area, we have major employment attractors, major cultural and entertainment destinations, major educational destinations, and highly desirable natural amenities (lakes, parks, etc.)

With good planning (which I think is represented in the current Downtown Plan), the careful layering and interplay of employment, housing, commercial, natural, and recreational land uses creates dynamism and excitement at the heart of our city. From a planning perspective, dense clustering of housing, jobs, commerce and recreation facilities more walking, biking and public transit instead of private automobile usage.

But this dense clustering of activity also creates and reinforces many of the challenges of our city: traffic, parking, and housing price growth. The economic and racial disparities in our city are on full display. Most folks who work downtown, at the hospitals, or on campus cannot afford to live anywhere near their jobs because the demand for housing near those areas is quite large.

Finding property for high-density development to accommodate housing and employment growth is a major challenge, and downtown land values therefore have skyrocketed. An acre of developable land downtown or near campus is now worth at least \$20 to \$30 million.

When we combine those high land costs with high construction costs (and, more recently, higher interest rates), it is impossible to build anything new anywhere near affordable anywhere near campus or downtown without significant public subsidy. So, while I am confident in the conclusions of the data analysis above and the academic research described below that the overall affordability of a market and the level of rent reflects longer-term interactions of supply and demand, I recognize that there is unlikely to be enough physically capacity to develop all of the housing in the immediate downtown/campus area that would be demanded, particularly if established neighborhoods immediately west of campus and the hospitals are planned for only limited infill/redevelopment.

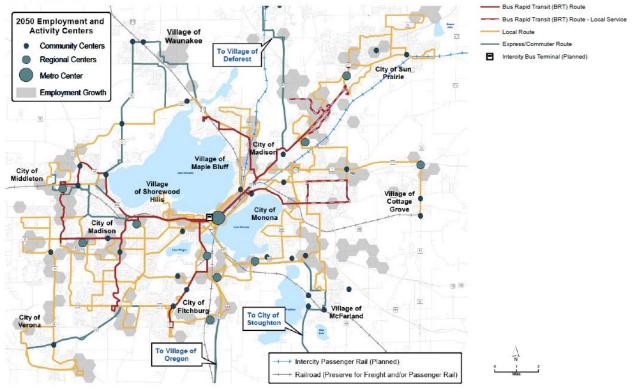
There continues to be incredibly high demand from developers to build housing downtown/near campus because that's where lots of people want to live. I think it's fair to say that there's every reason to believe these pressures will continue for the next 20 or 30 years at a minimum.

All these pressures are reflected in your and Alder Govindarajan's comments that students are frustrated and feel squeezed - both to the east of campus (downtown) and to the south and west of campus (established neighborhoods). I agree with you both that this has been a long brewing crisis, and there's only limited tools available, all of which are partial and produce some side effects. Tools available in other states are not permitted here.

The City's Comprehensive Plan and adopted Downtown Plan, along with the MPO and CARPC forecasts all point in the same direction: Madison/Dane County will continue to experience rapid population and employment growth through 2050. According to the MPO plan, the City of Madison will see over 44,000 net new households (over 90,000 people) from 2020-2050. Dane County is expected to add over 140,000 jobs by 2050. These plans all envision that in order to accommodate projected household and employment growth, we would need a number of high-density "clusters" of housing and employment, connected with high-capacity/high-frequency transportation and transit corridors. These concepts are illustrated nicely in this map from the MPO transportation plan:

#### Future Planned Regional Transit Service Network

Madison Area, Wisconsin



Map EX-e Future Planned Regional Transit Service Network

Most of the future growth in Madison will be in high-density clusters connected by transit, with medium-density redevelopment/infill along arterials and corridors, with only modest growth and change in established neighborhoods.

This is also the reason why the context of the transit plan and BRT is important. Because of the capacity limits to building housing in downtown, some future housing demand for downtown will have to be accommodated in near-downtown and further-out neighborhoods with high-frequency/high-capacity transit service to campus and downtown. If we build high-density clusters outside of downtown without high-capacity transit, then the traffic congestion in the narrow downtown area would only get worse.

We are, in some ways, victims of our own success. The high density of desirable and quality places to live, work and play in a small geographic area (lakes, State Street, hospitals, campus, theatres, museums, bars, restaurants, culture, capitol, etc.) is why so many of us love Madison. There are many regional advantages to clustering so many jobs and housing in a walkable and transit rich downtown. But the downside is that most workers can't afford to live downtown and many students can't either. There are limits to how much housing we can actually build in the downtown area, even though I believe (and the downtown plan envisions) that we can build a lot more downtown.

4. Concluding unscientific postscripts.

Let me address each of your questions more directly. I do apologize, but I suspect the answers will not alleviate your frustrations at the state policy environment which constrains the city's actions.

1: "Is preserving naturally occurring affordable housing just as if not more important than luxury high rises?" Yes and no, depending on the context and the tools used. Normally, when we talk about preservation of NOAH stock, we mean using federal, state, and local financial incentives to enter into a LURA with a property owner or to facilitate acquisition (and potentially rehabilitation) by a mission-driven developer, a non-profit, or the city itself. The city can, does and should do more in this area. I don't think of building new affordable housing vs preserving existing stock as an either-or. We can, and should do both. But, as is always the case, there are practical and financial limits on how much the city can do.

In and of itself, zoning is an inexact and inefficient tool to "preserve" existing housing absent subsidies. Zoning must be consistent with the comprehensive plan. In this particular case, the comprehensive plan (through the adopted Downtown Plan) envisions much higher density in these areas to accommodate and absorb a portion of the demand for housing downtown.

It is certainly something that council and the plan commission could debate: is refusing to change the zoning of existing NOAH stock and/or not upzoning existing NOAH housing a practical and efficient mechanism of increasing the supply of housing and increasing the supply of affordable housing? I think that such a view is inconsistent with the comprehensive plan, but that's just my opinion. Moreover, if the stated reason for denial of a rezoning request is to require a developer provide lower-cost housing, this would seem to be precluded by state law. I would also direct attention to the decision of this Council on 10/5/21 (File #67074) to explicitly remove the "future potential use" standard when a demolition permit is applied for.

It is my understanding in the present case that the plan commission has already authorized the demolition permits for these properties (see File #76899). Although it is very unlikely (and undesirable), the current owner of the properties could demolish the existing housing and let the parcel sit vacant for any number of months or years based on the approved demolition permit. The owner could then sell that vacant parcel for quite a lot of money because downtown land is very valuable. Locking in the existing use through a non-change to zoning does not necessarily preserve the buildings without public subsidy or a facilitated purchase by a nonprofit housing provider or a LURA.

2: "Does increasing the supply of luxury high rises lead to affordability?" I think the academic research literature and the data above for Madison is pretty clear: building an adequate supply of new housing (which means at the top of the market because land and construction costs are expensive) to accommodate demand slows the rate of growth of housing prices overall, both in the geographic submarket the new housing is located in and in the overall housing market. In cases where vacancies resulting from new construction are over 5 percent for a sufficient period of time, nominal rents and prices begin to fall. Over the longer term, as new housing is built, older housing is increasingly occupied by households lower on the income scale. In extremely tight markets like New York, San Francisco, Los Angeles, Boston, etc. new housing slows the rate of growth of rents for existing housing in a nearby area relative to the rate of growth of rent in the city as a whole.

But, obviously, we would need to build more than 1 million homes in New York or Los Angeles or San Francisco to bring down prices significantly, given the much higher jobs-housing ratios there.

Does it lead to "affordability?" Yes and no. If we define affordability as the overall price level in the market and the ability of modest income households to have choices of housing types and neighborhoods, then the answer is "yes" but indirectly and slowly. If we define affordability as the ability of households making less than 30 percent of area median income to afford a modest quality unit at less than 30 percent of their income? No. And the answer is the same in expensive markets like NY or Boston as it is in cheaper markets like Milwaukee or Shreveport, LA.<sup>20</sup>

We will never be able to build enough market-rate new construction in high demand metros to bring down the price of the lowest-priced existing units to be affordable to families in the lowest quartile of the income distribution.

To illustrate: for a 3-person family in Madison making 30 percent of the Area Median Income would make \$32,970 per year. For a two-bedroom unit, that would require an affordable rent of \$824 per month, inclusive of utilities. That would generally mean a stated contract rent of \$700 or less, based on the utility allowance. The only possible place in the county to find a 2-bedroom unit at \$700 would be quite far from jobs, transit, and schools. So, it is not correct to say that building market rate housing to accommodate increased demand will produce an adequate supply of \$700 units for all of the 30-percent-or-less AMI households in this city. To be honest, I don't think anyone advocating for greater housing supply is saying that such would be the case.

Consider the counterfactual. If we don't build a lot of housing in response to increased demand, those people will still move here because of jobs. They will consume the housing available, pushing the lowest income folks out and driving up housing prices and rents. So not building lots of market-rate housing in high demand areas destroys affordability for lower-income and moderate-income households without subsidies (such as vouchers).

This is why we need to expand the supply of rent-restricted affordable housing and the supply of rental assistance programs (such as vouchers).

However, under Wisconsin law, there is no legal authority of a city to require (or condition approval on) a private housing provider to provide below-cost housing and/or to provide rent-restricted affordable housing limited to lower-income occupancy. The city can incentivize and pay for lower-cost and rent-restricted housing, but it cannot compel a private housing provider to provide a public service (affordability) without compensation. From watching the video of the Council meeting, I understand this is the deep frustration of many on the Council. If the city owns the land or puts public monies into a development, it can, does, and should require affordability. But if the developer is not seeking city financial assistance, the city cannot require affordability as a condition of rezoning.

3: "What are the short run and long run economic impacts of council decisions regarding densification?" I hope I've addressed this adequately above. But, to summarize: densification is a strategy to accommodate projected housing and employment land use forecasted needs at densities sufficient to make transit, walking and biking viable and to prevent unnecessary conversion of agricultural lands on the outskirts at low densities. Densification can reduce housing costs because

<sup>&</sup>lt;sup>20</sup> I use Shreveport as an illustration because it has the lowest median rent in the Zumper National Rent Report of major metros; see: https://www.zumper.com/blog/rental-price-data/

the fixed costs of infrastructure and land are spread over more units. And, generally, densification means that units constructed are smaller (on a square foot basis) than detached housing in the suburbs.

One of the long term economic impacts of "densification" is that ensuring a robust and adequate housing supply in the region means that employment growth can continue and that the region would maintain it's labor markets and competitiveness. Failure to build enough housing would eventually lead to significant economic challenges as employers would have difficulty recruiting and retaining workers if housing is too expensive.

Densification does increase land values. If land is zoned to allow X units per acre, it will sell for a certain price. If densification means that the same parcel can produce 2X units per acre, it will obviously increase in value but a developer may still find the parcel worth purchasing because it can produce more housing.

4: "Are there ways we can promote density and affordability?" Yes. Density can indirectly affect affordability because permitting more density on a parcel means a developer can build more units (which affects overall supply) and can produce units subject to economies of scale (amortize parking, land costs, infrastructure, etc. over more units). As well, zoning at adequate densities by-right could permit mission-driven developers of LIHTC units and/or non-profit developers to build affordable housing at sufficient densities to cover costs.

But density does not automatically confer affordability in really expensive markets. From a planning and zoning perspective, I would urge us all to separate the two ideas in our minds. Affordability for new construction only comes from subsidies to cover the difference between the rent needed to cover construction costs and affordable rents. Density is a more general land use and zoning category of what intensity, height, setback etc. of land use is appropriate in different areas, as described in the comprehensive plan and subject to things like transportation availability, parking, etc.

Here I would want to go back to some theories of zoning. Zoning is an exercise of the police power of the state, delegated to municipalities, to protect public health, safety, and general welfare of the community.<sup>21</sup> One of the features of land use regulated by zoning is the use of land. But, as we say, zoning regulates the "use" but not the "user," – the "what" but not the "who." If the recommended use of land in the comprehensive plan and zoning ordinance is "multifamily" at a certain density, then the use is "multifamily." The use is multifamily housing regardless of whether it's owner-occupied or renter occupied, and regardless of whether it's affordable or incomerestricted or market-rate. If a city says they will not approve a multifamily building because their residents want market-rate and not affordable (cf. Brookfield) that is not a valid use of zoning. In the same way, if a city says it will not approve a multifamily building because their residents want affordable and not market-rate, that is also not a valid use of zoning.

For this reason, zoning is only an indirect and inefficient tool to promote affordable housing. Under Wisconsin law, the only way a city can achieve affordable housing is through financial incentives or

<sup>&</sup>lt;sup>21</sup> See Wis. Stat. 62.23(7): "For the purpose of promoting health, safety, morals or the general welfare of the community, the council may regulate and restrict by ordinance, ..."

financial participation, not through zoning. Whether or not those state prohibitions on rent control and inclusionary zoning are correct or not is beyond my ability to comment on in this letter.

From:	Kathryn Pensack
То:	Rummel, Marsha; All Alders
Subject:	Do Not reconsider Core Spaces Student Housing Plan
Date:	Monday, July 10, 2023 12:38:25 PM

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Hello,

I am a Madison resident of district 6 and was pleased to see the city council reject the project being proposed for reconsideration at the 7/11/23 City Council meeting: Item#98. 77208 SUBSTITUTE: Creating Section 28.022-00628 of the Madison General Ordinances to change the zoning of property located at 437-445 West Johnson Street, 430-440 West Dayton Street, and 215-221 North Bassett Street, 4th Alder District, from PD (Planned Development) and DR2 (Downtown Residential 2) District to UMX (Urban Mixed-Use) District.

This plan will reduce current student housing by 60 units, replacing it with housing that is not affordable and even worse makes little effort at environmental sustainability.

I hope that council members will question the project's environmental sustainability features as well as it's lack of affordability.

Affordable AND sustainable housing is possible in Madison's isthmus area. The planned Baker Place development on East Washington is a good example.

Thank you, Kathryn Pensack 6th District

Name: Gregory Raupp Address: 3329 Clove Drive, Madison, WI 53704 Email: gregory0raupp@gmail.com

## Would you like us to contact you? No, do not contact me

## **Message:**

Hello, and thank you for your time reading this message!

My wife and I met at UW, and we have lived in Madison for over 13 years- currently on the East side. I strongly support affordable housing options around campus. It is the only way to ensure UW, the campus community, and the City of Madison continue to draw talented young people from diverse backgrounds. This especially includes potential students or young professionals who would not be able to afford rent at one of these high-end high rises. As a student, I paid for housing by joining the Army and working multiple part-time jobs through college. I shared a room and lived in the cheapest place I could find close to campus. If luxury continues to rise as the predominant option, students like me would have to take on more debt and more work to make ends meet. Or worse, leave the community for safer, more affordable housing elsewhere. The University is a great draw to our city. Do we really want to pre-select who can attend by limiting housing to the wealthy? No. We need safe, affordable housing options to continue to draw the variety of people that make Madison great. Thank you for your consideration.

Respectfully, Greg

Name: Helen Sargeant Address: 1706 Jefferson St., Madison, Wi 53711

## Would you like us to contact you? No, do not contact me

### Message:

I am a student at UW Madison and I need affordable housing. If more luxury apartments replace affordable housing I will struggle even more to find housing. Please vote against luxury housing projects, please vote for making housing in Madison affordable, safe, cleanly and available.

Name: Jackson Severson Address: 16 Lathrop St., Madison, WI 53726

## Would you like us to contact you? No, do not contact me

### Message:

I really hope that there is a way to both create more places to be housed that are not luxury. A great example of this are the apartments at 415 West Gilman St. It is not a luxury apartment complex, but it still houses a lot of people. More housing like that would be phenomenal, especially considering that it is hard for some people to both make rent and pay for college.

Name: Luca Summers Address: 907 Williamson St #3, Madison, WI 53703

Would you like us to contact you? No, do not contact me

### Message:

Hello, I am a student at UW-Madison. I would like to voice my support for the City Council's vote against a luxury apartment building being built in order to preserve affordable housing in Madison. The availability for affordable housing for both students and non-students alike is becoming increasingly slim. Wisconsin cities have some of the steepest rent increases as can be observed in the U.S., and luxury apartments are being built in place of affordable housing all over the city. There is already a housing shortage in general thanks to UW's increasing admission capacity, and the situation is only becoming more drastic for all students and people who require affordable housing. With prices increasing and wages not increasing, the housing situation in Madison is becoming unrealistic, unsustainable, and unfair. In frank terms, not everyone in Madison works for Epic, and there needs to be space for every person in our community to live comfortably. If our city has nowhere for people working for low wages, students, or other low-income populations, then who would be left?

From:	<u>Eli T</u>
To:	All Alders
Cc:	Bennett, Juliana; Govindarajan, MGR; Verveer, Michael; bmunson@vandewalle.com; tk.kamps@gmail.com; dougt@corespaces.com; austinp@corespaces.com
Subject:	Steering Committee Comments for Agenda Item #98
Date:	Tuesday, July 11, 2023 6:05:54 PM
Attachments:	Letter to Common Council 07.11.2023 (1).pdf

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## 07/11/2023

Letter to Common Council on behalf of the Johnson & Bassett Steering Committee

Dear Council Members,

My name is Eli Tsarovsky (he/him), I am the President of the Campus Area Neighborhood Association. I am emailing you on behalf of the Steering Committee that came together to review the development at 437-445 West Johnson Street, 430-440 West Dayton Street, and 215-221 North Bassett Street in the 4th Alder district and discuss plans with the development team. After convening after the June 20th meeting the steering committee came together to provide a letter to the Common Council.

The committee wanted to propose some ideas from our discussion.

1.

Can the cost of units be lowered through funds collected by charging non-residents to use EV chargers when the project expands to 10 chargers?

a.

\$30 - \$40 per charge as in other cities.

2.

Can the developer consider painting the roof white to help with building temperature regulation and minimize the heat island effect?

3.

Can the developer include rain gardens to help stormwater runoff?

A full list of engagement and other considerations can be found in our steering committee report previously submitted to the City on May 8th and June 9th.

May 8th

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June 9th

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6.9.23 Steering Committee Letter to Plan Commission.pdf

Overall, the committee suggests that Alders look for examples across the country to address ways to help guide developers to better serve our community. We would like to have a more clear idea from the City on how they expect neighbors and developers to collaborate to create more sustainable growth in our neighborhood that does not inadvertently push people out of our neighborhood. We would like to see the City make an ad hoc committee to address sustainable growth in our downtown and to support the engagement of the people in downtown on the issue of our city's housing crisis.

Thank you for your consideration,

## Eli Tsarovsky

He/Him/His President | Campus Area Neighborhood Association (CANA) etsarovsky@wisc.edu www.canamadison.com https://linktr.ee/canamadison

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- May 8th
  - <u>https://madison.legistar.com/View.ashx?M=F&ID=11955408&GUID=0E551392-0</u> <u>8F0-4E3D-AEB2-B724E0A1024E</u>
- June 9th
  - o 6.9.23 Steering Committee Letter to Plan Commission.pdf

Overall, the committee suggests that Alders look for examples across the country to address ways to help guide developers to better serve our community. We would like to have a more clear idea from the City on how they expect neighbors and developers to collaborate to create more sustainable growth in our neighborhood that does not inadvertently push people out of our neighborhood. We would like to see the City make an ad hoc committee to address sustainable growth in our downtown and to support the engagement of the people in downtown on the issue of our city's housing crisis.

Thank you for your consideration,

## Eli Tsarovsky

He/Him/His President | Campus Area Neighborhood Association (CANA) etsarovsky@wisc.edu www.canamadison.com https://linktr.ee/canamadison

Name: Nicole Villasana Address: 215 N. Frances St. Apt. 406, Madison, WI 53703 Phone: 516-265-6460 Email: nvillasana@wisc.edu

### Would you like us to contact you? Yes, by email

### Message:

## Hello,

My name is Nicole Villasana and I'm a student at the University of Wisconsin Madison, I am writing to share my experience with finding affordable housing in the hopes that you will either reconsider or maintain your vote AGAINST adding more luxury housing to our campus. I am a Posse Scholar from New York City. I am on this campus because we were selected as some of the best and brightest from our respective cities NYC, DC, LA, and Chicago. Since coming to this campus my fellow scholars and I have had nothing but trouble trying to find housing to continue our education at UW. Majority of us are POC, low income or both. For me personally, I live in an apartment with a roommate that costs us 500 per month, per person. We have no living room, a tiny kitchen with a small area to eat, two bedrooms and a bathroom. Since we moved in we have had nothing but trouble as our apartment is extremely old and we have had to call maintenance multiple times for the tiles falling off of the walls, water leaking through our ceiling, and our taps all running brown because the pipes are old just to be told we have to "run it for 10 minutes until it goes away." We had to pick this place because it took so long to find anything near affordable for us that our options were severely limited and we can't be far from campus as neither of us can afford a car.

Choosing luxury housing over maintaining the limited affordable options we have left is actively telling us that there is no space for us in this city and on this campus. Students that can afford to live anywhere will continue to do so, but for those of us that can't, we are being pushed off of this campus and further denied educational opportunities for the comfortability of the students with more money.

Please consider my words and the experiences of other low income and/or POC students before you go through with your vote.

Thank you.

From:	Rebecca Wazny
To:	All Alders
Subject:	Letter of Support - Core Spaces
Date:	Monday, July 10, 2023 7:01:12 AM
Attachments:	Core Spaces Letter of Support Findorff 7-10-23.pdf

Caution: This email was sent from an external source. Avoid unknown links and attachments.

Good morning,

Please find attached correspondence from Local 139 President/Business Manager Terrance E. McGowan. Thank you, Rebecca Rebecca Wazny Executive Assistant IUOE Local 139 N27 W23233 Roundy Drive P.O. Box 130 Pewaukee, WI 53072 (262) 896-0139



# International Union Of Operating Engineers \*\*\* Local 139 \*\*\*

Providing a Skilled Workforce for Wisconsin's Future

N27 W23233 Roundy Drive • P.O. Box 130 • Pewaukee, WI 53072 Phone: (262) 896-0139 • Fax (262) 896-0758 www.iuoe139.org

Terrance E. McGowan President / Business Manager General Vice President

To:	Madison Common Council
From:	Wisconsin Operating Engineers, Local 139
Date:	July 10, 2023
RE:	Operating Engineers Local 139 Supports Core Spaces Project

The Wisconsin Operating Engineers, Local 139 strongly supports the Downtown Core Spaces Student Housing Project. This project provides significant benefits for the student community and Madison's union construction workforce.

While this project addresses the significant shortage of student housing and will help drive economic development in downtown Madison, our support for this project is driven by the work opportunities it presents for our hundreds of members living in Madison. Madison benefits from a union workforce building our city. The Operating Engineers' tuition-free apprenticeship program offers livable wages, health insurance and a pension on day one. However, our apprenticeship program only works when construction projects like this one are approved by elected officials like you. For us to attract and retain a diverse workforce and build up the middle-class locally, we need to provide local work opportunities like those afforded to our members by this project.

Our union Operating Engineers will receive over two years of construction wages and benefits working on this project. In addition, the city itself will gain hundreds of millions of dollars in tax base. Madison's common council must demonstrate a sincere commitment to these union workers and the developers that hire them by approving this project.

Thank you for your consideration.

Sincerek

Terrance E. McGowan IUOE General Vice President Local 139 President/Business Manager

#### **BRANCH OFFICES**

Appleton 5191 Abitz Road Appleton, WI 54914 (920) 739-6378 Eau Claire 1003 S. Hillcrest Parkway Altoona, WI 54720 (715) 838-0139

Madison 4702 S. Biltmore Lane Madison, WI 53718 (608) 243-0139

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BUILDING and CONSTRUCTION TRADES COUNCIL of SOUTH CENTRAL WISCONSIN

To:	Madison Common Council
From:	South Central Wisconsin Building Trades Council
Date:	July 10, 2023
RE:	Agenda Item 98: Reconsideration of Legislative File No. 77208

My Name is Jac Weitzel and I am the Executive Director of the South Central Wisconsin Building Trades Council, representing over 4,000 union construction workers in the Dane County Area. I am writing you today in support of the Downtown Core Spaces student housing Project.

This project will bring 232 new units and 851 new beds to our community at a time when the City of Madison is experiencing a major housing crisis. With student housing being a serious challenge, this project is a step in the right direction to provide suitable options for students looking for housing in close proximity to campus, downtown Madison, and our public transit system.

The Downtown Core Spaces project will also provide our community with good paying union jobs. For our union construction workers, this job will provide 27 months of union wages and benefits, like health insurance, maternity leave, and pension. This is also an opportunity for our crafts to recruit and hire new, local apprentices to train the next generation of construction workers. With our apprenticeship programs, you earn while you learn and graduate debt-free. Apprentices get hands on training in the field, while getting paid to go to their classes.

The Downtown Core Spaces Student Housing project is a rising tide that lifts all boats. This project will benefit our community by adding 232 new units and 851 new beds, as well as 27 months of good union wages and benefits. Please consider voting in favor of Agenda Item 98, the Downtown Core Spaces project.

Thank you for your time and consideration.

Jac Weitzel Executive Director South Central Wisconsin Building Trades Council

1602 South Park Street, Room 204 • Madison, WI 53715 Phone (608) 256-3161 • www.btrades.com

00001-0004

She/Her/Hers Executive Director Building and Construction Trades Council Of South Central Wisconsin (608) 422-3277 – Cell http://btrades.com



Name: Cassandra Windau Address: 3209 Stevens Street, Apt 4, Madison, WI 53705 Phone: 262-844-8771 Email: cassandrawindau@gmail.com

## Would you like us to contact you? Yes, by email

## Message:

Hello,

My name is Cassandra Windau she/her and I am a 3rd year medical student here at UW School of Medicine and Public Health. I am writing you all today to request that you consider protecting affordable student housing close to UW-Madison campus. I want to express my gratitude to you all for rejecting the luxury apartment complex downtown on Johnson and Basset. Madison has been my home for the last 8 years, when I moved here in 2015 from Mukwonago, WI to pursue my BS in Psychology.

The difference in student experience is stark between those whose parents pay for their housing typically white, generationally wealthy individuals who enjoy hot tubs and heated floors in their housing while those of us whose parents send all of their love and support but are single parents who can't afford to pay 2 rents pay absurd amounts of money for lead paint and ovens that malfunction in middle of the night and start kitchen fires. The later group of students work so very hard to stay at school here, to live and work and volunteer and grow this community. I almost was not able to continue my second semester of sophomore year in undergrad because I couldn't afford my shared bedroom, shared bathroom apartment. What a shame that would have been, as I am now a future primary care doctor dedicated to Wisconsin as my home.

Please continue to protect our place here in Madison, this is our home and I believe the working students add so much to the vibrance and lifeblood of the city that make it special. Thank you for your time and consideration,

Cassandra

Name: Clementine Zimnicki Address: 514 W Doty St, Madison, WI 53703 Phone: 224-279-8026 Email: zimnicki@wisc.edu

## Would you like us to contact you? Yes, by email

## Message:

Thank you to those of you who voted "no" to luxury housing. While I understand the push for more housing in general—Madison is expanding and we need to accommodate that—I don't think the answer is to replace affordable housing with luxury housing.

I am currently a PhD student at the UW, which means I am in the unique position of being just above the poverty line while not having rent help from family as I think many undergraduates do. With inflation on the rise hello, 5 eggs I am struggling to feed myself and pay my bills while renting a 300sqft studio. I know many who are in the same position, and who cannot get a second job due to either immigration status or due to the demands of a graduate degree. It is increasingly difficult for us to find housing and support ourselves, as a single medical bill can leave us unable to pay rent. It should be noted that I often don't qualify for "affordable housing" because of my status as a PhD student.

I am not a legislator, but the answer to the housing question in my opinion is building more affordable housing—not just for students, but for everyone. Many Madison jobs do not pay much, but we need those who work them to be able to afford housing here: waiters, grocery store clerks, baristas, delivery drivers etc. are vital to the Madison community.

- Clementine