VILLAGE OF SISTER BAY HOUSING COMMITTEE (VIRTUAL)
MEETING NOTES
TUESDAY, DECEMBER 3, 2024

Due to a lack of a quorum, no meeting was held, but those present participated in a scheduled Zoom call with Gorman& Company, and, the city of Sturgeon Bay Community Development Director, Marty Olejniczak.

Present: Chair and Trustee Patrice Champeau, Marissa Downs, Kay Smith
Absent: Lori Allen, Lauren Aurelius, Razvan Ciobanu, Gustavo Gallardo
Staff: Administrator Julie Schmelzer
Others: Stephen O'Hearn, Door County Community Foundation, Louise Howson

Speaker No. 1

Gorman & Company, represented by Dennis Davidsaver, Ted Matkom, and Daniel Kornaus, explained they are a 40 year old company focused on providing housing solutions. They spoke about a 108-unit affordable housing development in Sun Prairie called Jenny Wren. They presented photos (slides) of the units and the overall development. It is a three-story apartment complex with common area, surface parking and detached garages. They use a market rate model but have lower rents because they cost less to build and operate.

They spoke of another development with one, two and three bedroom units. It has 95 units in total. To keep it affordable they again used surface parking and had no elevator to get to the upper floors. That project used TIF, bank financing, and equity.

They target the missing middle at $80-120,000 incomes. Many of their tenants are law enforcement, teachers and nurses. They have used WHEDA tax incentives in the past, and for the Sun Prairie project they used TIF incentives from the city, coupled with bridge financing from WHEDA. They explained this is not uncommon, and in Green Bay they use TIF and financing through the State Land Trust.

They also spoke about their home developments. Downs asked if they have deed restrictions to keep the homes affordable. They explained they do not, but they are not opposed to it either. With WHEDA financing they are required to build 80/20, so there was assured a mix of affordable housing.

They have done a single-family housing project in Telluride, Colorado. They use subordinate financing, similar to WHEDA financing, and do have deed restrictions on those homes. They are replicating that project in Fitchburg with homes selling for $300,000.

They try to build market rate and to build without WHEDA tax credits. They did explain they would like to build in Sister Bay, and when we are ready, they'd like a copy of the Village's RFP.

Speaker No. 2

Marty Olejniczak, with the city of Sturgeon Bay, spoke about their Geneva Ridge project. This was a follow-up conversation the committee had earlier with the Developer of that subdivision.

Marty explained they typically build market rate apartments and use TIF financing. They had an opportunity to buy the Geneva Ridge parcel so they bought it at cost, rezoned it and did RFPs for developers for detached homes. The developers that responded wanted the city to pay for the infrastructure and they'd build and sell the homes for $350,000, so the city declined the offer and sat on the lot.

They finally decided to move forward and build a subdivision. The city used their TIF to pay for the infrastructure. Portside Builders is who they decided to work with, and had them commit to a five-year agreement, approved predetermined plans, and the city approved the pricing. The city holds the lots and requires deed restrictions: at time of purchase one member has to be a full-time employee in the county, and, the city defers the infrastructure costs six years and then forgives it. They considered a special assessment policy of 6-12 years but didn't want to manage long-term restrictions.

The taxes on the homes eventually pay back all the infrastructure costs. The city owns the lots until the home is built, and then transfers it to an approved buyer. The developer is the one who markets the lots.

The city also targets teachers, law enforcement, etc. They view the project a success and are thinking of doing it again.

Currently they are working on a Planned Unit Development (PUD) for density. They will likely use an affordable housing fund they create by using the increment from a TID they are closing. It will be built in phases.

Respectfully submitted,
Julie Schmelzer, Acting Recording Secretary