VIRTUAL HOUSING COMMITTEE MEETING

TUESDAY, JANUARY 28, 2025, 11:00 AM

To access the meeting electronically, click:
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Meeting ID: 443 990 1723 Passcode: 304078
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1	Patrice Champeau - Chairperson	2	Gustavo Gallardo
3	Razvan Ciobanu	4	Lauren Aurelius
5	Lori Allen	6	Kay Smith
7	Marissa Downs		
	Julie Schmelzer – Village Administrator		

AGENDA

1. Call to Order & Roll Call
2. Approve Agenda
3. Approve Meeting Minutes: January 7, 2025
4. Review Meeting Notes: December 3, 2024
5. Comments, Correspondence and Concerns from the Public (3 minutes)
6. Discussion/Action Items
    a. Draft Preliminary Housing Model
    b. Review Housing Plan and Recommend Code Changes
7. Discussion Regarding Matters to be Placed on a Future Agenda, Referred to a Committee, Official, or Employee
8. Set Meeting Schedule & Topic(s)
9. Adjournment

Public Notice

Questions regarding the nature of the Agenda items or more detail on the items listed can be directed to Julie Schmelzer, Village Administrator, at julie.schmelzer@sisterbaywi.gov. It is possible that members of and possibly a quorum of members of other governmental bodies may attend the meeting to gather information; no action will be taken by any governmental body other than the body specifically referred to above. Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid or accommodation at no cost to the individual. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the Sister Bay Village Administration Office at 854-4118, (FAX) 854-9637, or by writing to the Village Administration Building, 2383 Maple Drive, PO Box 769, Sister Bay, WI 54234. Copies of reports and other supporting documentation are available for review at the Village Administration Building during operating hours (8 a.m. to 4 p.m. Mondays – Thursdays, and 8 a.m. to noon on Fridays).

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POSTED DATE/SIGNATURE ________________________

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

<u>Speaker No. 1</u>
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.

<u>Speaker No. 2</u>
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

VILLAGE OF SISTER BAY HOUSING COMMITTEE (VIRTUAL)
MEETING MINUTES
TUESDAY, JANUARY 7, 2025
(DRAFT)

1. Call Meeting to Order & Roll Call

Chair Patrice Champeau called the meeting to order at 11:05 a.m.

Present: Chair and Trustee Patrice Champeau, Lori Allen, Gustavo Gallardo, Kay Smith
Absent: Lauren Aurelius, Razvan Ciobanu, Marissa Downs
Staff: Administrator Julie Schmelzer
Others: Louise Howson, Meg Ziegelmann, 'Barb'

2. Approval of Agenda

Motion by Smith, second by Gallardo, to approve the agenda as presented. Motion carried unanimously.

3. Approve Minutes

Motion by Allen, second by Smith, to approve the minutes from the November 12,2024, meeting as presented. Motion carried unanimously.

Schmelzer explained there was no quorum for the December meeting, but those in attendance still met with the speaker. Schmelzer is compiling the notes so members know what the speaker covered.

4. Comments, Correspondence and Concerns from the Public

(None)

5. Discussion/Action Items

a. Crested Butte; Colorado model; Erin Ganser, Housing Director

Ms. Ganser gave a brief history of her role and history of the housing crisis in Crested Butte. She explained Crested Butte is a small tourist town with a population of about 1500 people in a county of 18,000. They are about one square mile in size. The last time homes were affordable to 100% AMI was 2012. At that time a highway project resulted in the popularity of the town and ever since then they've had a severe housing issue – they have less than a 1% vacancy rate and the average home sells for over $2 million.

In 1990 they adopted an accessory dwelling unit (ADU) code which required a minimum of a six-month tenant lease. Until 2010 that helped with housing, primarily seasonal workforce housing, and they had about 100 ADUs. However, now that they have been 'discovered', a lot sells for about $1 million and the homes are often $5-6 million; people no longer want ADUs on their lot with their expensive home.

They chose to build their own housing developments so they can put their own deed restrictions on the sales and so they could prioritize who they sell or lease to. They have built a mix of homes and long-term rentals (primarily occupied by town employees). They have a five-year wait list. They do have some developer owned units as well.

They have a buy down on their deed restriction. About 330 units are deed restricted, or 25-30%. About 30% of the developer owned units are also deed restricted.

They tried to figure out how to slow the growth of the multimillion-dollar homes. In 2019 they proposed a vacant home tax, but the wealthy, real estate agents and nonprofits voted it down. They switched to a planning approach by involving the public in their housing meetings, developed a parking and mobility plan, updated their historic preservation plan, and their culture, climate and commercial plan, and then their zoning code. The zoning code now offers incentives to generate more affordable housing. For example, in lieu of a fee, they pay full or partial towards employee housing.

They too have been struggling with the few affordable homes becoming short-term rentals.

The struggles they face with their program are staff time. Monitoring the deeds long-term is time consuming. They finally hired a company to monitor the sales.

Their deed restrictions include a provision that the occupant's income and assets can't exceed 140% AMI, which is about 3 x the value of the home. Also, one member of the home must be a full time employee of the Crested Butte workforce. Appreciation (sale price) cannot exceed 3% a year. When asked by a committee member what they do if the resident no longer works full time in the county, she said they have to sell. She added, "these homes are not to create 'nest eggs', they are to create 'nests', a place to stay until you can afford something else".

They issued RFPs for developers, had them sign Development Agreements, and welcomed different building models and materials than they traditionally allowed.

They realized how much they changed and knew something had to be done immediately. They now call themselves, "the Fading West".

Following Ganser's call, members felt the committee needed a master plan. Schmelzer explained once they feel they have gathered enough background information, she'll compile everything they learned, and the committee will create a model. She also explained there are others helping the committee get what is needed for a plan and explained the Plan Commission will be reviewing their codes to see if the R-4 district is too restrictive and doesn't allow for affordable housing, and what changes are needed to not hinder development.

Gollardo asked if the committee has considered different types of construction and volunteered to research different development styles.

6. Discussion Regarding Matters to be Placed on a Future Agenda, Referred to a Committee, Official or Employee

The committee would like to hear from a multi-family developer.

7. Set Meeting Schedule & Topic(s); Speaker Invite List.

Schmelzer explained by the time they meet she'll have the draft housing models from the builder and the committee can review them, and she'll try to line up a speaker. The committee agreed to meet on January 21 at 10:30. [Meeting was cancelled]

8. Adjournment

Motion by Smith, second by Allen, to adjourn. Motion carried unanimously. The meeting was adjourned at 12:30 p.m.

Respectfully submitted,
Julie Schmelzer, Acting Recording Secretary

From: Meg Ziegelmann
To: Julie Schmelzer
Subject: Affordable Housing, Crested Butte.........
Date: Tuesday, January 7, 2025 1:34:05 PM

Hello Julie Schmelzer,

Oh my, yes! A lot of information! How helpful it will be to you folks working on the matter. I am very impressed with the committees effort already be thinking and working on this need. Good work!

It must be 20 years ago during the Smart Growth era that I was on a Housing Team in Liberty Grove when I lived there. As part of the research, I recall how interested I was in what Crested Butte was doing. Hearing its' history revealed how complex the project is!!

At that same time and you probably know of this project in Waukesha where I came from, they did an affordable housing neighborhood. It was ahead of its time and was a model in the State. They reclaimed abandoned factory land called "brown property". It was in an impoverished part of town occupied by Latinos and other immigrant families. It, too, was legally set up with the city owning the land. Regulations set a cap on what the owner could resell a house for to keep it affordable.

What I want to speak to is the comment Erin made about how the families do keep up their houses even though it will be passed on. The project in Waukesha was an inspiring example of what she said. The owners were so proud to have their own homes that they did everything they could to add to the beauty of their neighborhood. Their lawns were adorned in wonderful flowers, bushes, trees and more! It was neat. I haven't been by it for probably 10 years now. I must make a point the next time I am in Waukesha to see family, to drive the neighborhood and see how it is doing since it now has been in existence for about 30 years.

Again, thank you and the entire committee for trying to move on this need before it grows even larger and becomes harder to accomplish! It clearly is a committed and dedicated committee! which the residents of Sister Bay can be proud of!

Meg Ziegelmann
2214 Scandia Rd.
Sister Bay, WI

HOUSING MODEL IDEAS

(As of Jan. 2025)

Below is information from various Housing Committee meetings, as well as comments made at those meetings that may or may not affect policy. On the left please read the comment or idea brought up at the meeting and be prepared to answer the corresponding questions on the right.

Idea/Discussion	Recommend?
9/17/24 – a. Village should begin addressing affordability by developing Wiltse site w/ both homes and apartments. b. Does this include duplexes and townhomes? c. Start with 20 homes and see how it goes. d. Ava Hope/Northwoods should be multi-family. e. We need senior housing. f. On Wiltse only a portion of the lot (<38 acres) can be served. Just develop that portion, or, don't develop it until the whole 56-acre site can be served?	a. Agree? b. Yes or No? c. Yes or No? Or limit it to the number of lots available? d. Agree? Market rate or tax incentivized (LMI)? e. Agree? Priority? Where/type? Include them in all options available rather than building senior housing at this time? f. Only that portion that can be served? Wait until the whole property can be served?
9/24/24 – a. Habitat can offer loans at 0% for those denied a conventional loan.	a. Should lots be set aside for Habitat. Do we have an idea an a percentage or number?
10/14/2024 – a. Village should research the ability to put deed restrictions on private lots. (An attorney we contracted with a few years ago determined we couldn't, but this could be revisited with a different real estate attorney.)	a. Should the village pay for a legal opinion from a real estate attorney regarding the ability of the village to put deed restrictions on private property, and under what conditions (for example, perhaps as a condition of a permit)?
10/22/24 – a. Should the village model (for homeownership on village lots) limit resale value to a 1% increase? Is that annually? Plus the value of any improvements? (Called a 'value added policy') b. Should we limit our lot sales to those whose mortgage and costs do not exceed 30% of the AMI?	a. Limit resale value? To what per cent? Lifetime or annually? Plus improvements, right? How long should we limit resale? Into perpetuity, or should it be forgiven at some point (discussed in December)? b. If yes, limit to 30%, 50%, etc?

11/12/2024 -a. Should we recommend the Village reduce their minimum lot size and setback requirements to fit the home design?	a. (Staff met with a builder to find out what is necessary to build and the Plan Commission is to review those proposals.)
b. After the infrastructure/lot is 'paid back' through the taxes, or some other period of time (to be determined), should the resale limitation (if any) and employment restrictions (if any) be lifted?	b. Yes? No? Under what conditions and terms?
c. Should we limit sales to those employed in the county? Village? Or limit to those currently residing in the village? Or start by limiting it to those living in the village, and once demand is met, offer sales to those who may not live in the village, but work in the village?	c. Phased approach? What should the limitation be?
d. Should we have a deed restriction stating the property can never be used as a short-term rental?	d. STR restriction? Into perpetuity? Long term restriction (meaning owner occupied only)?
e. Should property be marketed and sold to developers, or, should the village install the infrastructure and sell the lots to those with a contract to build?	e. Is the work worth the cost savings for the consumer?
f. Should we involve realtors?	f. Again, is the work worth forfeiting the real estate fee?
g. Who decides to sell/accept the offer to whom?	g. Committee? Board?
h. Should there be a Development Agreement with the builder whereby he is required to build x number of homes, at x price, per approved plans? How many years to build them? X per year?	h. What is that number? What price point? A percentage of AMI? Set plans to market and choose from?
i. Should there be a special clause for those who have an emergency and have to sell? Or no longer work in the village?	i. What should this look like?
j. Can the lots/homes be sold as second homes? Or, can they only be used as a primary residence?	j. Primary only?
12/3/2024 – a. Telluride example: x per cent of lots offered to x AMI?	a. 120% AMI = 10% of the lots 100% AMI = 20% of the lots 80% AMI = 50% of the lots 60% AMI = 20% of the lots

b. Should we allow for a first right of refusal for certain demographics/occupations, such as teachers or nurses? c. Should we have a list of preferred lenders we know understand the program and strive to make the deal?	(What a person can afford decreases as the AMI % decreases) b. (We'd have to see if this legal.) c. If yes, who?
1/7/2025 – a. Do we want to prioritize who we sell to? b. Who monitors the deeds? c. Does the percent AMI include income and assets? d. If we require an occupant to be a village employee, is that FT? What happens if they lose their job or switch to PT? e. Should appreciation/sale price be able to increase by 3% a year?	a. (We'd have to make sure our prioritization is legal.) What is the priority? b. Who, how are they paid? c. If it includes assets, what's the per cent? (Crested Butte was 140%) d. FT or minimum hours per household? Have to sell? how much time to sell? e. Vs. 1% discussed earlier?

Apartments:

Assuming we gift the land like we would a home, what would be the expectation? Certain number of units all at a max rent? Only market rate and lock them into that rent? Max density? Only sell to developers who sign a development agreement whereby we approve max units at lowest locked in rents? Only sell if using multiple financing packages? Required to use WHEDA tax credits? Does this apply to the property at Ava Hope and Northwoods too? Only consider surface parking and other examples we saw to keep rents low?

Townhouses:

Townhomes:

Require both townhomes for sale and some for rent? 50%? Limit who they rent to?

Duplexes:

Duplexes treated the same as single family residences?

ADUs:

Recommend we once again allow ADUS but only with a minimum 6 month lease? To a resident ? Required to work in the village?

Zoning Incentives:

Recommend revision to the current zoning incentive? They read:

Sec. 66.1025 Impact on Housing Stock

(1) Purpose.

The purpose of these regulations is to ensure that commercial projects that create employment opportunities for area residents also address the shortage of employee housing and create housing opportunities given the seasonal nature of employment in the Sister Bay area.

(2) Definition.

For the purposes of this section:

(a) The term “housing” shall include dwelling units or rooms in hotels, motels, inns, single-family housing and apartments that are in compliance with the zoning code and if applicable, properly licensed by the State of Wisconsin.

(3) Applicability.

The following standards apply to:

(a) All new developments in the B-1, B-2 and B-3 Districts.

(b) Projects in the B-1, B-2 or B-3 Districts that require a Certificate of Compliance.

(4) Requirement.

As a condition of site plan and zoning approval, the Plan Commission shall review the employment being created by the project. The Plan Commission may give consideration to offsetting some of the required employee parking if employee housing dwelling units are created on site. The Plan Commission may give consideration to offsetting some of the required open space to a maximum credit of 5% if employee housing dwelling units are created on site. *(Amended Ordinance 163-030910)*

Sec. 66.1030 Impact on Workforce Housing

(1) Purpose.

The purpose of these regulations is to ensure that residential projects address the need for workforce housing.

(2) Applicability.

The following standards apply to new developments in the R-2 District.

(3) Requirements.

As a condition of site plan and zoning approval, the Plan Commission shall review the number of housing units being created for the project. If the Plan Commission determines that the need for workforce housing remains as outlined in Chapter 3 and 4 of the 2003 Comprehensive Plan and as defined in Sec. 66.0314, then the Plan Commission may make certain adjustments to the density requirements delineated in Sec. 66.0312. The Plan Commission may increase the overall project unit density by 0.2 units for each dwelling unit that meets the requirements of workforce housing. (Amended Ordinance 163-030910)