

VILLAGE OF SISTER BAY

Door County, Wisconsin

PRO HOUSING GRANT APPLICATION



**FY24 Pathways to Removing Obstacles to
Housing**

FR-6800-N-98

TABLE OF CONTENTS

(Numbers to be added on final)

Exhibit A - Executive Summary

Exhibit B- Threshold Requirements & Other Submission Requirements

Exhibit C – Need

- i. Progress and Commitment to Overcoming Local Barriers
- ii. Acute Need for Affordable Housing
- iii. Barriers to Affordable Housing

Exhibit D – Soundness & Approach

- i. Vision
- ii. Geographic Scope
- iii. Stakeholders
- iv. Fair Housing Alignment
- v. Budget & Timeline

Exhibit E – Capacity

Exhibit F – Leverage

Exhibit G – Long-term Effect

Attachment A – Summary of Comments on Application

Attachment B – Certification of Compliance

Attachment C - Advancing Racial Equity Narrative

Attachment D – Affirmative Marketing & Outreach Narrative

Attachment E – Experience Promoting Racial Equity Narrative

EXHIBIT A – EXECUTIVE SUMMARY

Sister Bay is a rural tourist village which has a year-round population of slightly over 1000, and swells to tens of thousands in summer as second homeowners and visitors escape from neighboring states to enjoy beautiful cliff views and Lake Michigan waters. As with tourism, service sector jobs are high in demand, but pay low wages leaving over half the population in poverty; three quarters of all adults struggle to pay rent.

Affordable housing is rare as modest homes are purchased by investors for use as short term rentals or to house the J1 Visa workers the businesses rely on to fill seasonal job demand. With the lack of land to even build detached homes, apartments and townhouses, incentives are impractical until land has been made available. Additionally, current ordinance restrictions often deter investors from pursuing affordable development.

Strategies to reduce housing costs, insure homes remain affordable into perpetuity, and programs to increase wages will position the village to successfully address housing challenges. The village's strategy to housing affordability is designed to encourage development on village-owned land to create up to 140 detached single-family homes, townhouses, apartments and J1 Visa housing pods; use deed restrictions to control sale prices; and institute building practices to reduce costs.

Preliminary field work has already been completed and the Village of Sister Bay is poised to proceed with tackling the lack of affordable housing and low wages in their community. The approach is comprehensive and doesn't look at housing alone as the approach to affordability is much more complex.

EXHIBIT B – THRESHOLD REQUIREMENTS & OTHER SUBMISSION REQUIREMENTS

1. Resolution of Civil Rights Matters

The Village of Sister Bay has no charges, cause determinations, lawsuits or letters of findings regarding any aspects of noncompliance or violations of the Fair Housing Act.

The village has not been involved in any Fair Housing Act lawsuit, any lawsuit with the Department of Justice, have not received any letter of findings regarding any violation of the Civil Rights Act, and have never received any cause determination from a substantially equivalent state or local fair housing agency regarding any matter.

2. Other Specific Program Requirements

Limited English Proficiency – The Village of Sister Bay has an adopted Limited English Proficiency (LEP) Policy. It was adopted in 2023. All meeting agendas and public hearing notices alert the individual with limited English proficiency how they can review files and participate in meetings.

Physical Accessibility – All village meetings are either held in accessible locations (typically the Village-Town fire station) or via zoom. Agendas and notices alert individuals that if they need assistance, they are to contact village staff.

Environmental Review – The Village of Sister Bay has had a wetland delineation, and a Phase I and Phase II environmental review on the 56-acre subdivision discussed throughout this application and plan. Stantec Consulting and the BayLake Regional Planning Commission have assisted in the sample taking, review, and filing the findings with the Wisconsin Department of Natural Resources (WDNR). Basically, lead was found in all soil samples, but at acceptable levels. Arsenic was found in samples taken at the south end of the property, will need mitigation, and those results have been forwarded to WDNR.

EXHIBIT C – NEED**i. Progress and Commitment to Overcoming Local Barriers**

The Village of Sister Bay, Wisconsin, is a tourist area located along the waters of one of the Great Lakes, Lake Michigan. It's a remote but highly desirable community attracting investors, visitors, retirees, and those seeking a second home. As evidenced by the village's equalized assessed value, it almost doubled in value over the past decade from \$4.25 million in 2014 to over \$8 million in 2024.

As land and homes were consumed, the Village Board of Trustees began witnessing residents were leaving and relocating to more affordable communities; long term homeowners were selling their homes at high prices; workers, despite maintaining multiple jobs, were not able to get ahead financially. The loss of year-round employees was hurting businesses, and they often found themselves closing their operations earlier than demand warranted.

Beginning in 2020 the Village of Sister Bay aggressively began to tackle the barriers to affordable housing they were witnessing in their community. They had to address the lack of affordable housing and knew they had to pursue public/private partnerships to effectuate change; address the rapid conversion of affordable detached single-family homes for use as short-term rentals; need to revise their zoning regulations; address the shortage of land for housing development, its condition, and how to pay for development costs; pursue a plan for action; and somehow create developer incentives.

Tackling the Lack of Affordable Housing

In 2022 the village took several steps to help address their housing concerns. First, there was a proposal from a private party to build 45 affordable rental units. The *Wisconsin Housing and Economic Development Authority* (WHEDA) provided \$7.18 million in tax credits, but more was needed to make the project a reality. The county provided \$500,000 in federal American Rescue Plan Act funds, as well as \$200,000 of Sister Bay's share of the funds. The village also gave an additional \$460,000 and partnered with the developer on construction of the road. The public/private partnership inspired village officials as they all knew someone benefitting from the project and saw the impact the new housing option had on their lives.

Also that year the Door County Housing Partnership asked if the village would sell them any lots in a partially developed subdivision the village was forced to complete (the owner defaulted on the financing terms and 14 lots were left undeveloped). The Partnership is dedicated to building affordable homes and partners with Habitat for Humanity on some of the homes. Their model aims to make sure the homes are not just affordable but remain affordable into perpetuity by restricting the future sale of the home. The village had ten lots, each valued at \$54,000, and they sold the Partnership the lots for \$10,000 each (two in 2022 and 8 in 2023).

The village still owns three lots they are saving for multiple-family development and has instructed their Housing Committee to propose a plan for their development as affordable multi-family housing. The last of the 14 lots was sold to a non-profit organization to move a former four-unit building onto the lot and use it for workforce housing.

Despite these efforts, the majority of the population struggled to find housing with approximately three quarters of the rental population and one half of the homeowners struggling to pay rent or pay their mortgage.

Preventing Affordable Homes from Being Converted to Short-Term Rentals

In 2022 the Village Board adopted a short-term rental (e.g. Air BnB) licensing code. Since the enactment in 2017 of Wisconsin Act 59, which prohibited a municipality from disallowing a home from being rented as a short-term rental, the village saw a steady increase of affordable homes being purchased at above market rates and being converted to short-term rental businesses, making it almost impossible for their workforce to buy a home. The data showed the vast difference in the list price and the sale price, and it also showed the sales were not to provide workforce housing. For example, a 1400 square foot home with an assessed value of \$216,200 was listed for \$345,000 but sold for \$446,000 for use as a short-term rental, and a 1520 square foot home assessed at \$244,200 was listed for \$470,000 and sold for \$526,000, again for short-term rental purposes. The evidence was exhausting as was the new normal for affordable home sales.

Once traditional neighborhoods were disrupted and now felt they were competing with commercial areas with hotels and inns as they were inundated with a daily influx of strangers. In 2023 alone within one half mile a neighborhood had eight such rentals. Another area had 12 short-term rentals within a one-third mile area.

In 2022, nine of the village's 98 short-term rentals were owned by people that actually lived in the village, and, of the property sales in 2022 (for inland homes), only two became owner-occupied homes. In part in an attempt to slow the consumption of the few affordable homes being purchased for profit, in 2023 the village enacted stricter short-term rental regulations. In 2024 they did see a slight decrease in pre-licensed short-term rentals, but new rentals entered the market. With no state authority to prohibit the conversion, the village's hands were tied.

Also in 2022 the Plan Commission had conversations with a housing attorney to find out if there was any way they could allow accessory dwelling units (ADUs) and prohibit them from being rented on a short-term basis. Previously the village allowed a second small home on a lot, but they found the homes were often being used as short-term rentals, so they rescinded the section of their zoning code that had allowed them. The legal advice received was that unless the village owned the land the ADU sat on, they couldn't put a deed restriction on the unit. The path was clear to the village – develop their own subdivision that allowed ADUs but put restrictions on the use of the ADU. At this time, however, there was no village subdivision. (The Plan Commission has directed staff to research other ways to allow ADUs on existing lots not owned by the village.)

Zoning Reforms

The village has previously developed other zoning reforms that have had no effect on the lack of affordable housing for employees – they created a zoning district that allowed 45-foot-wide lots, thereby reducing land costs, and they required developers of large service-oriented developments to create workforce housing elsewhere. They also offered a reduction in parking requirements if the developer created employee housing on-site. No developers pursued the opportunities.

In 2023 the Plan Commission discussed trends in housing and decided amending their Land Division Ordinance to allow for cluster developments (a land division tool that allows a developer to increase density and cluster units to save on infrastructure costs). The revised code was adopted by the Village Board that same year. No new subdivisions, however, have been proposed since the code was amended (likely due to the lack of available land).

The village knows their regulatory codes need to be revised. Many of the impractical standards from the 1980's still exist, and they add to the cost of housing. For example, there are minimum home sizes which prevent smaller homes; they still require all homes to have a minimum of two parking spaces, even if the home is one bedroom; front yard setbacks that alienate homeowners from passersby; and, wide roadways. It should be noted though the village began discussing Complete Streets (a planning approach that uses design to enable safe access for all users), and walkable communities, and in 2023 did make some revisions to their codes to allow for narrower roads, wider sidewalks, and require sidewalks. They have also began requiring developments in designated areas to gift the village easements for future trails.

Land Availability/Land Issues

Sister Bay is an older, small village whose sewered areas are developed, has limited infill opportunities, and with the exception of one private, expensive tract (\$10,000,000 for 76 acres), they lack large tracts of land that can accommodate a workforce housing development.

In 2020 the village acknowledged they would have to pursue public/private development themselves. That year a 56-acre parcel of land became available, and although the village had to secure a loan to purchase it, they did acquire it in 2021 and subsequently annexed the land. This purchase was to become a pillar in solving the community's housing needs.

In the spring of 2021, the village appointed an ad hoc Land Acquisition Committee and tasked them with developing a plan for the parcel. Over the next year and a half, the committee met with developers and consultants devising a plan for the property and discussing funding strategies that could be replicated at the site. Their proposal incorporated not just space for affordable homes, but for apartments and J1 Visa worker housing (seasonal housing to support the tourism-oriented businesses), as well critical green space and trails. The plan noted the need for more roads as well, not just within the site, but to alleviate the potential congestion in the downtown area if the site were fully developed.

Upon the conclusion of the committee's plan for the property, village staff began meeting with engineers to discuss how to provide necessary infrastructure for the proposed subdivision. They found servicing the site would need to be done in phases as the easternmost section of the property, approximately 18 acres, could not easily be serviced with public sewer and water. A well booster and lift station would be needed, drastically increasing infrastructure costs.

Housing Study/Need

In December of 2022 the Village Board ascertained they still needed to know how much housing was needed, and what type of housing. If detached homes and apartments were to be built, how many were needed? They commissioned a Housing Study, which was completed in January 2024

by Stantec Consulting. The study, the *2024 Village of Sister Bay Workforce Housing Study* (herein the Housing Study source is referenced as ‘Stantec Consulting’) showed a greater need than expected – because the village pulls workers from the surrounding communities, it showed a home ownership demand pool of 622 households. The study also showed though that based on incomes, realistically only 245 would qualify for a mortgage of \$250,000, and, it noted of the demand pool, not all would realistically live in Sister Bay. The study had to make some assumptions, one being the number of the demand pool that would continue to work in Sister Bay and live long term in a home; of the mortgage qualifying demand pool, there was an immediate need for 74 homes. Ironically, as part of the study, in the month preceding adoption of the study, the village held an open house for anyone working in Sister Bay that would like to own a home – 74 households signed up to attend the event with 60 households actually in attendance and providing data on their respective desires for a home.

As for apartment dwelling, the consultant who drafted the study concluded a need for 56 affordable units, but noted the demand pool for the entire area showed a need for 161 units. The study also showed a demand pool for 58 senior citizen units, but just one new home a year, and 2 to 5 rental or townhomes a year in Sister Bay. Per the study, senior housing wasn’t nearly in demand as workforce housing. (The study didn’t look at senior housing needs for extended families.) In 2023 *Do Good Door County*, a local non-profit organization who strives to help seniors ‘age-in-place’ (stay in their homes longer), with financial help from the village and adjacent town, helped form a local organization, *Senior Advocates for Independent Living* (SAIL), that provides services to the local seniors who have remained in their homes. Although the village supports efforts to help seniors age-in-place, they do know not everyone will choose to do so, and a percentage will need either more affordable housing or a smaller housing unit.

As part of the study, the consultant was directed to develop a mock subdivision design. The design incorporated the recently adopted Cluster Subdivision design standards but showed lots as wide as 90 feet. The Plan Commission determined that no, the lots had to be 45 feet wide, as decided years prior, and recommended to the Village Board that a Housing Committee should be formed to work on the design. Although the lots may not be as desirable, they would be more affordable. The draft design did however provide for detached single family housing, ADUs, duplexes, townhomes, apartment buildings, seasonal housing for the village’s J1 Visa workers, parks and a trail; it was designed with the village’s new cluster subdivision concept in mind.

Also, as part of the study staff met with bankers, and a builder who was willing to build at ‘near cost’. Assurances were given that his firm could build three-bedroom homes with a garage priced between \$225,000 to \$250,000, as evidenced by a prior project he built in the county seat. Habitat for Humanity can build them for \$180,000, but they use volunteer labor.

Additionally, northern Door County has a severe contractor shortage so village staff spoke with the contractor who agreed to help build the affordable homes, and asked if he would participate in a program to hire local LMI laborers to teach them a trade. He agreed he would. Staff also researched work-at-home opportunities so the residents could increase their household incomes (many jobs are broadband dependent, and in 2023 the village signed a contract to install broadband village-wide in 2024-2025). When this plan was discussed with the Plan Commission, they

encouraged working with the neighboring township and county economic development corporation to build a joint trades center so more people would enter the trades and increase their wages.

Upon presentation and adoption of the Housing Study in January 2024 by the Village Board, and the recommendation of the Plan Commission, the Board decided they needed to form a permanent Housing Committee that would look at all aspects of housing – availability, affordability, design, financing, etc. The Committee was organized in summer 2024 and includes a developer who built an affordable housing complex using tax incentives, the Director of the local Habitat for Humanity chapter, local contractor and stakeholder, businessman who holds fundraisers for housing organizations and has built a green energy inn, woman with title and mortgage experience and serves on several housing committees, and a woman working for an organization that builds and rehabilitates affordable housing projects and has developed a multi-family housing incentive program.

Following the study, the village's engineer, who was concerned about lead and arsenic levels in the soil due to the site's previous use as a cherry orchard, told the village they should get the soils tested for contaminants. He was aware the regional planning commission had received a grant to help with environmental assessments and he encouraged the village to pursue testing. With the help of Stantec Consulting and the BayLake Regional Planning Commission, Stantec conducted the Phase I assessment, which warranted a Phase II assessment. Over 100 soil borings were taken across the 56-acre site the village owns. Soil tested positive for lead, but at acceptable levels. However, a portion of the site had arsenic (from mixing pesticides) at unacceptable levels. Fortunately, the site is on the outskirts of the development, can be used for development if mitigation strategies are implemented, and, is an area difficult to service without added infrastructure costs.

Incentives

After purchasing the 56-acre site for \$425,000, and trying to maintain their road system, parks, and addressing needs to rebuild two facilities, the village found themselves unable to develop the site.

Although the village doesn't have the financial resources to develop the subdivision as needed, they did want to help offset construction costs whenever possible. In early summer of 2024, the Village Board approved a new fee schedule that waived the site plan review fee, development agreement fee, and village permitting fees for any development on village property. By waiving the fees, they could help reduce construction costs which in turn would make home prices lower, albeit only by a few thousand dollars.

When the village develops the 56-acre tract, they intend to pursue public/private partnerships whereby the developer doesn't pay for the land or infrastructure in exchange for lower cost homes. Based on previous experience, they believe public/private partnerships are the key to developing the site. However, they need the infrastructure to make such offers available.

The village has a smaller tract in a denser area of the community that is suitable for multiple family development, is served by a road and sidewalks, and is already on public sewer and water. Offering the land at no charge in exchange for affordable housing and green space is sure to increase the apartment or townhouse stock, although the increase will not be nearly sufficient to meet demand. By using available incentives, the complex will be more cost effective to develop, and require a diverse range of clients be served.

Next Steps

For the past four years the Village of Sister Bay has aggressively been trying to overcome barriers to development. First with municipal code changes; next by acquiring land to develop a subdivision; supporting the development of affordable housing through reduced lot prices and financial contributions; research; commissioning a housing needs study; waiving fees; and finally, by creating a Housing Committee to develop the strategy to affordability. There is more work though to actually address their housing needs – the committee acknowledges they need a diverse housing stock, there are impediments to developing the 56-acre site, some zoning reform is necessary, and the village needs to partner with more non-profits and agencies to incentivize development.

The Housing Committee also acknowledges the quickest way to meet the most demand is to develop that portion of the village's 56-acre site that can be serviced with infrastructure, and the portion that requires a well booster and lift station should be reserved for long-term housing needs (a phase 2 in the plan). To do this, a U.S. Department of Housing and Urban Development *FY 2024 Pathways to Removing Obstacles to Housing* grant should be sought for the infrastructure on the site and development of three model homes showcasing what a \$150,000, \$175,000, and \$225,000 home would look like, the options available, and the options for ADA accessibility. The project involves a myriad of needs from cherry tree removal, commissioning pre-approved home plans, subdivision design, stormwater and road engineering, the installation of infrastructure, etc. Infrastructure includes sewer, water, roads, sidewalks, trails, streetlights and garden space. Aside from 'developing a subdivision', the village needs to break down the regulatory barriers that have been adding to housing costs and hindering development, and possibly preventing people from exploring home-based businesses or working remotely for others. Exclusionary zoning, not allowing mixed use development, parking mandates, excessive setbacks and lot sizes, minimum home sizes, and lengthy permitting processes are just a few of the items that need a closer look and public discussion.

Throughout the coming year the committee will also recommend design considerations for the village's three multi-family lots adjacent to the lots they sold the Housing Partnership; they want to guide developers in meeting demand, not just building for profit. By January 2025 the committee will have developed an incentive 'fact sheet' for developers, listing all known multi-family development financial programs available in Wisconsin.

Staff is to continue to work with the local banking industry on down payment assistance programs; formulate strategies to ensure homes are not re-sold for profit; work with an attorney to formulate restrictive deed language prohibiting village sponsored homes from being converted to short-term

rentals; develop a home buyer education and budget counseling program; and work with the county's economic development corporation on workforce development programs.

ii. Acute Need for Affordable Housing

The Village of Sister Bay is a small rural village in Door County, Wisconsin with a current population of 1169 people. It is situated on an 70-mile-long peninsula. There is one city in the county, centrally located, and the village is the only community north of the city that has both public sewer and water, making it desirable for development. It is a very popular tourist destination, attracting investors, wealthier residents, retirees, and second home buyers while demanding services provided by low wage earners. The accommodations and food service, and retail trade, sectors comprise the majority of all jobs (56.2%, per JobsEQ); wages are low and employment is seasonal, leaving many residents to hold multiple seasonal jobs just to survive. Accommodation and food service jobs pay an average annual wage of just \$29,161, and retail \$31,761 (JobsEQ).

The 2024 United Way's *Asset Limited, Income Constrained, Employed Report* (ALICE) cites that in Door County (year 2022), a single adult, that rents, needs an annual salary of \$28,536 to survive and a family of two adults and two children needs \$77,664. (For this standard, ALICE data is not available at the local level. Due to the remote location and other factors, it is known the cost of living in Sister Bay is much higher than that of the county, meaning the village's survival budget is likely worse than the county.)

The *United States Census Bureau American Community Survey Year 2022 5-Year Estimates* (aka herein as, ACS data) show 25.6% of all households in Sister Bay earn less than \$25,000 per year compared to just 13.9% for the entire county. Looking at the number of households that could afford the \$77,664 to survive, the numbers are worse – 75.6% of all households in Sister Bay make less than the \$75,000. ACS data also reveal the median housing cost per household is \$1103, and of those households earning up to \$75,000, 41.4% of their monthly income goes to housing costs. The *United States Department of Housing and Urban Development Low- and Moderate-Income Summary Data* (LMISD) shows the village's LMI population at 59.6%. ALICE reports that, of the county's 19 cities, villages and towns, Sister Bay has the highest percentage of people living in poverty. Clearly, not only is renting a *severe* strain on the budget, but the idea of home ownership is impossible.

When comparing the *United States Department of Housing and Urban Development Area Median Family Income* (HAMFI) 2017-2021 data, we know there are 275 households that are renting, and 85% of those renter households fall below 100% of the area median income. This is inexcusable in a community that has multi-million-dollar homes. Home ownership is also alarming - a case of the 'haves and have nots'- with 44% falling below 100% of the median income. The HAMFI dataset provides more information than ALICE, and of note is renters appear to be more cost burdened than homeowners, indicating an urgent need to either find a way to increase their income (which is difficult in an area dominated by the hospitality sector) or find renters a lower cost living arrangement. The percentage of cost burdened renters vs. owners replicates the percentages just stated – 85% of renters are cost burdened, 44% of homeowners.

The Village of Sister Bay only has one rent restricted apartment building and one which is considered affordable per the *Wisconsin Housing and Economic Development Authority* or WHEDA (via \$7.18 million in tax credits). In total they offer 69 units. There are two assisted living buildings offering 45 units. And there is one assisted living center with 58 beds. All other multiple family housing developments charge market rates. (Source: CoStar) Affordable rent is nearly non-existent and what affordable apartments exist, there are waiting lists.

Of all housing units, 60% are not occupied by full time renters or homeowners – 45% are seasonal, vacation, or second homes, and 15% are considered “Vacant: For Rent”, which per the consultant who prepared the village’s most recent Housing Study, “generally means short-term rental housing”. (Source: Stantec Consulting)

It’s not that the village doesn’t have housing – per Door County’s Land Information Office, as of 2022, there were 31 residential condominiums with 869 units. The issue is these are typically second homes or rented on a short-term basis. Sister Bay has outpaced all other Door County communities for short-term rentals (ACS 5-year estimates, 2009-2021). As more affordable homes come on the market, they are purchased for use as a short-term rental, often paying above market price. Village files show as of September 2023, there were 74 detached single-family homes being used as a short-term rental.

The median listing price in Sister Bay (per Realtor.com, as of August 2024) was \$787,000 and the median sale price was \$480,000. With the mean household income of all residents at \$69,778 (ACS data), they can’t afford to purchase the homes that come into the market. Sister Bay has seen its fair share of new development – per village records, single family homes and duplexes are the most permitted type of housing. The reality is these are typically second homes or luxury dwellings. With the exception of the one home being built by the Door County Housing Partnership, over the past two years no affordable detached single-family homes have been built.

Per CoStar data, of the market rate rental buildings, vacancy rates that hovered up 15% ten years ago are now nearly zero percent. It is no wonder when, despite 55.1% of your housing units are rental units (ACS data), and the majority of renters fight to pay rent, people can’t afford to escape renting and actually live the American Dream of home ownership.

The situation worsens though due to the lack of land availability, and the lack of incentives, to build affordable homes and apartments. Since Sister Bay is the only northern Door County community with a medical clinic and grocery store (a village to the south has a market), Sister Bay attracts workers and residents that live, or once lived, in the outlying townships. The *2024 Village of Sister Bay Workforce Housing Study* (prepared by Stantec Consulting) calculated the demand pool for housing to be 622 people seeking home ownership. Sister Bay is a 2.58 square mile village and simply can’t accommodate the demand. Certainly, some of those people will own a home elsewhere, but because Sister Bay is the only village with both public sewer and water, the village is the only community north of the county seat (the city of Sturgeon Bay) that is equipped to build housing developments. Yet, there are a few large parcels (20 plus acres) that could be used for large scale housing developments. The large parcels either are not within walking distance of services and are not on sewer and water (‘countryside lots’), or not priced for affordability. There

is just one parcel available that could accommodate a large-scale housing development, but it is not priced conducive for workforce housing (it is 76 acres and is for sale for \$10 million).

It should be noted the village's Housing Study didn't just look at the demand pool, but also looked at the percentage that could realistically afford a mortgage. Per the study, 245 households might qualify for a mortgage of \$250,000. The remaining 377 will likely be forced to continue to rent.

The previously mentioned apartment complex that utilized WHEDA tax credits was the last apartment complex built in Sister Bay. As mentioned, large lots are limited, but there are a handful of smaller lots (approximately five) that could accommodate reasonable size multi-family apartment complexes. The incentive to make them affordable in an area with a demand for second homes is challenging – landlords can charge higher rents for use as a seasonal home. And outdated zoning regulations and processes are often burdensome and time consuming, delaying construction upwards towards a year and increasing development expenses.

Low wages, lack of both housing and land availability, housing costs, the regulatory framework, and competitive housing market are not the only barriers to meeting housing needs. A changing demographic has strained the market. Sister Bay is attracting more families; from 2010 to 2020 childbearing age adults increased sharply as did children. Adults age 25 to 34 rose by 53%, 35 to 44 rose by 84%. Children under 5 years of age increased by 50%, 5 to 14 by 40%. (Source: ACS data) Housing with amenities sought after by families, such as neighborhood parks, or trails, are non-existent.

Yet, the current household size is 1.71 and the average family size is 2.31 (ACS data); however, the data includes the near 50% of the population living alone (47.5%, of which 28.8% are over age 65). What must be taken into account is 15.3% of village's households have children under age 18, and 90.9% of those households are female parent only households. Housing must not only be affordable, but it must be sized appropriately and be 'maintainable' – it can be assumed a portion of all housing needs to be able to be maintained by a single female parent.

Senior citizens comprise almost 50% of the resident population. The majority of seniors own their home – whereas just 24% of those householders under age 65 own, 76% over age 65 own their home (ACS data). This demographic will undoubtedly move into an assisted living facility, relocate, or pass their home onto the next generation (provided it is sold at an affordable price), but to help age in their community, some senior housing is needed as well. Outside of a condominium, there is no age friendly, affordable means to stay in Sister Bay. Small sized affordable housing is non-existent.

The village does have a small veteran population with 44% of all veterans having served in the Vietnam War. A smaller percentage though, 8% of their veterans served in the Gulf War and likely are still employed and in need of housing, as is the near 3% that served in the Gulf War. Although specific data is not available as to their housing status, the assumption is they would be provided for in one of the housing demographics above.

The village has no detached housing developments assigned as 'affordable', much less any that can accommodate those with cognitive or ambulatory disabilities. For a small village, Sister Bay

has a high percentage of disabled individuals under age 65. For those adults under 65, 17.3% of the population has some type of cognitive disability, and 6.1% have an ambulatory disability.

Sister Bay, through their J1 Visa program, has attracted a lot of seasonal workers from Europe that have stayed in Sister Bay and made it their new home. These immigrants, from places such as Romania, Moldova, Bulgaria, or Ukraine, have added a lot to the economy by opening local businesses or working multiple jobs. Many, however, have brought their parents to America, overcrowding their small one- and two-bedroom apartments. Ideally homes would offer an accessory dwelling unit (ADU) for the parent, yet ADUs are not allowed in the village. Several years ago, before the Visa immigrants settled here, ADUs were permitted, but village officials quickly found the units were predominantly used as short-term rentals and were not serving the purpose of allowing families to remain close together or providing small, affordable housing units.

Lastly, housing is inadequate for the J1 Visa workers that work in the hospitality industry in the village. In 2024 Sister Bay's businesses alone hosted 156 Visa workers. (Source: Bridge USA) Prior to coming to America, the employer must align housing for the workers. Without available housing choices, the workers are housed in the detached housing sought after by those looking for a home, often overcrowding the houses to meet need.

The needs addressed above are not expected to subside without building a diverse, affordable mix of housing, and it is expected the dilemmas will only worsen as more affluent people purchase land and homes. At an annual growth rate in the resident population of 0.34% annually, meeting today's need is only a bandage on the housing crisis facing Sister Bay. A strategy to solve the current housing crisis, while planning for the future, is undoubtedly the highest priority facing the majority of the residents.

iii. Existing Barriers

The village has carefully weighed their options regarding tackling affordable housing. Many of the barriers facing the village's mission can be addressed through revising plans, using staff resources, or through contracted services. However, there are constraints they can't address without additional resources or time. Those constraints are outlined below.

Land Availability

As mentioned earlier, the village lacks large lots which can offer infill development. Vacant lots are either in commercial areas and more suited to commerce, and large lots are either cost-prohibitive to develop, or in the agricultural/open space areas that lack public sewer and water. One resident with a ten-acre parcel has stepped forward and proposed he would like to develop his property, but the project never came to fruition (it also needs roads, sewer and water). The other large tract available is priced such that the homes would not be affordable (land alone is over \$131,000 an acre). The other factor impacting affordable home development is simply that people can more than double their money by selling the home sites to the wealthy and second home buyers that can afford to pay inflated home prices.

In 2021 the village overcame this obstacle by securing and annexing 56 acres adjacent to their sports complex and wastewater treatment plant. The property is currently used as a cherry orchard

and for hay crop; but once cleared, it can easily be served by sewer and water by extending the laterals leaving the treatment plant. Due to topography, approximately 18 acres on the easternmost edge of the site cannot easily be served by sewer and water, and one area has limited development potential due to the presence of arsenic in the soil (it can be developed but requires mitigation). Based on the 2024 Housing Study and its conceptual subdivision design, and the principle of 45-foot-wide lots, accounting for parks, roads and stormwater collection areas, the lot can accommodate approximately 142 detached single-family lots and ADUs lots. Additionally, it has land available for townhouses, duplexes, and approximately two acres for J1 Visa worker housing. The land is adequate to meet the village's current and short-term housing needs, and there are 18 acres reserved for the future (the future development phase will require additional infrastructure). Per the adopted Housing Study, the consultant estimated 8 to 18 homes would be constructed annually, and the village needed 140, meaning the property would meet the home ownership demand for at least 8 years, up to 18 years. Beyond that 18-year period, the village will need to pursue development of the phase 2 area.

Land Suitability

Sister Bay rests atop the Niagara Escarpment, a limestone dolomite formation extending from central Wisconsin, north of Michigan, east to New York ('Niagara Falls'). Although beautiful and a wealth of environmental diversity, it makes development challenging. Limited soil depth and the presence of rock means blasting is usually required to build, and almost always necessary to install infrastructure. It also means any home with a crawlspace or basement requires blasting, which as one can calculate, makes affordable housing cost prohibitive.

In 2024 the village contracted with a local consulting and engineering firm (Stantec Consulting) to determine depth to bedrock on their 56-acre site. The engineer found that, surprisingly, some areas had six feet of soil. What is a standard barrier to cost-effective development, offered a glimmer of hope that infrastructure costs would not be as high. Even with high bedrock/limited soil, sites can be developed; it is just more costly. With six feet of depth, and not knowing exactly where a builder will encounter the depth, the village has proposed all homes in the subdivision be built on slab. Although homes will not have the added room, they will be substantially less expensive to build.

The engineer did, however, find some limiting topographic features that prevent full development of the site without a well booster and lift station and recommended the 18 acres to be served by the booster and station be set aside for future development. The remaining 38 acres could easily be served by extending the adjacent sewer and water to serve the site.

The engineer also pursued a wetland delineation and found no wetlands.

The consulting firm, with the assistance of the BayLake Regional Planning Commission, conducted both a Phase I and Phase II environmental assessment. The results showed lead present in the soils; however, the lead was at acceptable levels. A small portion did show the presence of arsenic, likely due to a former mixing site from when cherry orchards were treated with arsenic pesticides. The arsenic contaminated area is a barrier to development, but the site can be developed with mitigation, such as capping or removing the soil. Regardless, for cost factors, the

village has proposed homes on slab, which would be permissible as mitigation. The engineer has recommended that the area would be better used as a natural area, trail head, park, or basketball, tennis or pickleball court. The village may opt to keep it in its current state, which is a 6-acre cherry orchard. Door County is famous for its cherries, and the spring blossoms are alluring and would allow for an element of urban agriculture. In addition, the site is at the end of a proposed sewer lateral, so not developing the area reduces infrastructure costs.

Approximately 20 acres of the site in total is used for cherry growing, the remainder a hay field. The village contracts with local farmers to care for and harvest the cherries and hay. The contract is an annual contract and will be terminated once the site has been engineered for a subdivision. The trees will need to be removed, but this is a minor barrier to development and one common in the county.

When the Village Board reviewed and adopted the *2024 Village of Sister Bay Workforce Housing Study*, the engineer did make them aware that Wisconsin has codes regarding development near a wastewater treatment plant. This is a minor barrier that can easily be addressed by adopting a Village Resolution, locating parks in the setback area, or leaving it in a natural state. The applicable setback from the village's wastewater treatment plant is 500 feet, and should the village want to put housing within that setback, they'd have to agree to give themselves a waiver. Presumably the waiver would be approved, but the officials would likely plant a buffer to help mitigate any potential odors.

Infrastructure Needs

The cost of infrastructure is typically a *deterrent*, but codes and site conditions can themselves become the *barrier* to development. Learning to work with the land and building in the most cost-effective manner lessens the sting of high infrastructure costs. The village requires all homes to be on public sewer and water and all utilities (e.g. electric) to be buried. Since the village does sit on thin soils over bedrock, there is inadequate soil to filter out contaminants, and therefore municipal water is required for all properties. Municipal lots are also smaller than lots in the countryside, and not of sufficient size for private onsite wastewater treatment systems. Such systems can fail overtime as well, potentially becoming a source for groundwater contamination. Although public sewer and water infrastructure is more expensive to provide in a development, the infrastructure does ensure residents have safe drinking water.

As mentioned earlier, there is often lead in Door County's soils. Requiring public water protects people from potential high levels of lead in individual wells. The lead is a barrier, but easily overcome when public water is mandatory.

Years ago, the village decided that in Sister Bay utilities needed to be buried. In an area with snow and ice, power lines can fail, or snap, and by burying them, they can ensure uninterrupted service and reduce the risk of damage. The cost is a barrier for some as it does increase development costs. However, building in 'bulk' (multiple homes at a time) overcomes the excessive cost since it is much more cost effective to bury all the lines at once and 'stub' the utilities to the development site, versus having the various utility companies burying the utilities a house at a time.

For the village's proposed 38-acre development, they already knew there might be some unexpected soil depth which could make burying the utilities significantly more expensive, or drastically less expensive. Doing their homework up front, rather than assuming every site is fighting bedrock, definitely will save the village money in the long run, and a good example for others – not all sites require expensive blasting. Knowing not all sites require blasting just might help others invest in building affordable housing.

Because the village wants to maximize the number of homes they can provide, and are proposing 45-foot-wide lots, they do believe sidewalks should be on both sides of a street to give people added space, even if not on their own lot. The sidewalks, interconnected to the trails, add to the quality of life. And, by using narrower streets that are safer, the village will also have fewer impervious surfaces, reduce water runoff, and emit less heat than traditional wide asphalt roads. The buried sewer, water and utilities, asphalt, streetlights, and sidewalks make up the most expensive part of site development. And, with all the additional hard surfaces, the state requires the runoff to be controlled. Due to the size of this site, four stormwater ponds are required; all add to cost, but necessary to make sure water runoff is contained. With dolomite, water can easily run across sites, so it's very important to build ponds, typically with a clay liner, to capture the water. Besides, it's the law.

The Village of Sister Bay, although they have not adopted a formal Blue Zones program, does promote a healthy lifestyle. Restaurants buy from local farmers and the village offers physical fitness facilities for residents to actively exercise. The village has a small community garden, wildly popular, but at capacity. As part of the Housing Study, the village held a public input session with prospective residents of the subdivision. When asked if they would want a community garden in their neighborhood, almost all respondents affirmed they would. The original subdivision conceptual design included a community garden, but after testing the soils on the site, the engineer recommended the community garden be located off-site. Since the current community garden at the adjacent sports complex is at capacity, a new site has been proposed approximately 600' from the proposed subdivision. To develop the garden, the village needs to have the soil worked and modified, a fence installed, and water run to the site. This additional \$350,000 expense was not expected and is a barrier to the implementation of the original conceptual plan, but one the village feels necessary. A 45-foot-wide lot is hardly large enough for a home, parking, lawn *and* a garden. Sadly, health sometimes is a trade-off for affordable housing.

Short-Term Rentals/Home Sales

As addressed earlier, the generational homes that existed in the village, and were affordable, have been purchased by investors and others looking to profit from operating short-term rentals. Wisconsin law (Act 59) prohibits the village from disallowing short-term rentals is a *major* barrier to affordable housing in Sister Bay and other tourist areas. Unfortunately, the village on its own can't change state law. They can however make sure any home developed on village property carries a deed restriction prohibiting the use of the property as a short-term rental. Such provision is to be placed on all deeds, into perpetuity. Such a measure will mean all the homes on the village's 56-acre site will remain occupied by and be available to those that need affordable housing. And, for any property that receives a financial incentive from the village (no such

incentives are currently in place), the developer will need to consider whether they will accept the incentive and associated deed restriction or forego the financial assistance.

Another barrier to affordability is that prior to Wisconsin Act 59, which resulted in the surge of affordable homes leaving the market, homes were affordable but now sell at inflated prices. In addition to no longer being attainable to the workforce or others that need affordable housing, tax assessments ultimately rise, and the taxes become cost prohibitive. In 2023 Sister Bay witnessed this firsthand with some properties nearly doubling in assessed value. Moreover, the homes are soon priced above market and no longer an option to the everyday American. This is a barrier the village can overcome by again utilizing deed restrictions. By restricting the cost of a home that is sold within the 56-acre site, which was financed in part with public funds, is a trade-off a homeowner must consider. Do they pay too much for a home knowing they can sell it and make a hefty profit, or do they purchase a home they can afford, knowing when sold, their profits will be modest? The deed restriction is intended to limit the percentage above assessed value a home can be sold for, based on the CPI the year prior to the sale.

Zoning/Permitting

The village has adopted zoning codes to encourage more affordable housing, but they are not sufficient. Sister Bay adopted zoning in 1973 and redrafted their code in the mid-1980's. Subsequently it was rewritten but kept many of the same standards found in the original code. Minimum home sizes, minimum parking requirements, distant setbacks, prohibiting mixed uses, and requiring wide roads, have all nationally been a deterrent to affordable housing. Sister Bay is no different, which in part has led to the utopian development that attracts the investors, retirement age and wealthy second homeowners.

Annually the village amends their codes as issues arise or trends change. Over the past two years they have revised several chapters in their municipal code to address needs, but a major redraft is necessary. The Plan Commission has directed staff to draft amendments relative to affordable housing, but time is a constraint. With limited staff it is difficult to research and redraft codes that are actually effective. Staff drafted new parking standards in 2023 that have not been finalized and has 'notes' from 2023 on housing trends that still have not been formatted and presented to the Commission. A complete redraft of the code is critical – by someone whose sole job is to draft code.

As will be discussed below, another section of the code that needs to be revisited is that of home occupations. With fewer restrictions and less cumbersome approval processes, more people might work from home, thereby increasing wages.

In addition, permitting processes are cumbersome and costly. An apartment building, for example, requires staff review, site plan review (and sometimes variances or other public hearings), Board review, development agreement, a zoning permit, and a building permit. A new code with simplified processes, with more uses allowed by right, would expedite the process. Revising codes to address minimum floor area requirements, ADUs, and parking are a few of the items that need to be addressed to improve the housing situation. One quote to redraft the code in 2021 was

\$25,000; a 2024 quote was \$100,000, plus travel. Rewriting the zoning code should not be delayed as costs keep escalating.

In 2024 the village amended their fee schedule to waive the fees for any development on public property. This waiver will help keep costs low on public/private partnerships. Fees, however, have not been a barrier to development thus far, likely due to the reality that the homes being built are not considered affordable.

Impact fees are sometimes a barrier to development, but in the village, have not been an issue. As part of the permitting process the developer must pay impact fees. Fortunately, the village has reasonable impact fees. Sister Bay completes a rate study every two years to ensure their sewer and water rates are fair and affordable.

Workforce/Wages

Not surprisingly, because Sister Bay is a tourist town, the largest industry sector is retail and hospitality. These jobs do not offer high wages, and workers often work multiple jobs to pay their living expenses. Food service is the most common job, and per Indeed.com, the average server wage in Sister Bay is \$15.39 per hour.

In 2022 the poverty rate in the village was 26.1% (ACS data), but it has rose sharply to 59.6% (per Housing and Urban Development Low- and Moderate-Income Summary Data). It is unknown what triggered the drastic increase, other than to surmise the escalation in rent and inflated living expenses were a contributing factor. Due to the remote location, the village does not have manufacturing or other high paying jobs available to the majority of the workforce and they are 'stuck' in the hospitality sector.

In October 2023 the village approved, and went in debt, for \$3.3 million to install broadband throughout the village. With limited high paying jobs, the village understood broadband would allow people the opportunity for online schooling or to secure remote jobs. Although the wages are a barrier to affordability, the village is working toward the necessary infrastructure to help people increase their wages. Development of the village's 56-acre site will include broadband to all homes. The village also applied for a grant to install computer labs at their village hall. If approved, residents without computers will have access to a laptop, if needed.

Redrafting zoning laws and encouraging people to pursue home businesses can impact wages. Consider, how many large companies started in a garage? People are risk averse however and convincing them to make a change, especially when they are budget constrained, is unlikely to happen.

The village proposes working with the county's economic development corporation to offer no cost business planning classes, something they partner with the U.S. Small Business Administration to conduct. These classes are typically offered in the county seat, and during the day, when many parents are home caring for their children. A program aimed to advance home businesses has to be local and practical. There are costs involved too – bookkeeping, registration, equipment and materials.

One barrier to higher incomes and being able to afford higher rents or owning a home, is child care. Let's face it, its very expensive and a parent sometime loses money by going to work. In Sister Bay there is one childcare center, typically a waiting list for care, and is expensive. Why go to work if the childcare costs consume your paycheck? Teaching a parent how to legally operate an in-home care center though can afford a parent an income and mean lower cost childcare to anyone wanting in-home services. The United Way offers classes and grants to help people get started in the home childcare business, so once people have a house, hopefully they can start pursuing home childcare facilities.

The village and surrounding area lack people occupied in the trades, in construction in particular. This has resulted in price increases as there is minimal competition, and only a select group of contractors are left to meet demand. Having an older demographic, many of the contractors are retiring meaning the situation will only worsen. Per Jobs EQ, over the next ten years Sister Bay will need 19 people employed in the construction and extraction industry, but eight are projected to leave the trade, leaving a nominal number of contractors to serve the community. One of the contractors interested in building affordable housing on the 56-acre site has agreed to hire local residents and teach them the construction trade. Even with that offer, only a small group of people will have the opportunity. Increasing the number of homes constructed increases the demand and employment opportunities for carpenters.

Almost half the village's residents are senior citizens. Do Good Door County, the nonprofit organization helping seniors stay in their homes longer, did start a program called 'Match Up' whereby senior citizens can fill job vacancies. This does afford seniors an opportunity to increase their wages. However, most of the available jobs tend to be seasonal, making a nominal difference.

Although a PRO grant won't directly impact wages, it will allow for homeownership at affordable rates, resulting in more money in the homeowner's pocket. Escaping the high rent cycle will allow more money for daily needs.

In addition, according to the National Association of Realtors (2012, *Social Benefits of Homeownership and Stable Housing*), children of parents who own a home tend to do better in school, and daughters of homeowners have lower teenage pregnancy rates, saving on public assistance needs. Homeowners are more engaged in parenting, a student's schoolwork, and their community. Even if unable to increase current wages, affordable housing creates opportunities for positive role modelling and higher wages in the next generation.

Incentives

The lack of development incentives is a barrier to affordable housing. As mentioned, as long as people come to Sister Bay to operate a short-term rental or purchase a second home, affordable housing will remain nearly non-existent – it will be consumed for profit, become a second home, retirement home, or be purchased and torn down to make way for luxury homes.

To build affordable housing in Sister Bay, the incentives have to offer the same or greater benefit as the profit of building for the wealthy. Sister Bay's strategy is to use public/private partnerships on their 56-acre site, initially on Phase I, by waiving development permitting costs, and incentivize

the development of both homes and apartment buildings by not charging the developer the land or infrastructure costs. One developer has already agreed to build affordable three-bedroom homes ranging in the \$225,00-\$250,000 price bracket. As word spread about the potential development of the site, contractors have reached out to the village office and staff has maintained a list of interested developers. Hopefully a bidding war ensues, and the homes are actually constructed for much less!

Other land incentives and creative development approaches, such as allowing green space to be used to calculate density, and then using that space as a public space, is a creative tool to help spur development, and a good example of a creative public/private effort to work together. Having the developer grade and seed a park area while they are grading and seeding their own development saves money; having a network of park volunteers maintain the space is ideal in that it saves on village staff time and is a community investment in one's own neighborhood.

The village's Housing Committee has tasked themselves with creating a list of all incentive programs available to developers, hoping other sites get developed as well. The list is to be completed by January 2025. Local, state or federal incentives, coupled with village incentives, will be enticing and should spur affordable housing development. However, without adequate incentives, and unless the developer builds for 'good will', private properties will likely continue to be built and sold as retirement, second, and luxury homes.

Based on the village's 2024 Housing Study, the village knows a significant portion of households who want to own a home will not qualify for a mortgage. If considering the entire demand pool, 61% of the households will not be eligible for a mortgage; however, keep in mind this is a demand pool and not everyone will want to live in the village or own a home. If the village can succeed in helping those households in the pool earning at least \$40,000 a year secure a mortgage, they can assist 177 families, and even more as incomes rise. Although the village will not sell homes in the first phase of their development to investors, they do propose an 'Angel Network' whereby people can purchase a home on the condition it is land contracted to a household that cannot secure a mortgage. The stipulations include the interest rate charged cannot exceed that of the local banks, and the same deed restrictions regarding short-term rental and resale would apply. The Angel earns interest, and if the household defaults on the land contract, all monies paid are lost and retained by the Angel.

EXHIBIT D – SOUNDNESS & APPROACH

i. The Vision

Sister Bay has had four years to develop a vision to resolve the lack of affordable housing. Through many meetings, public hearings and research, they believe they have a long-term solution. Through experience on two past public/private partnership housing projects, the village learned partnerships work – they make an impact and are cost effective. Relying on working relationships with developers, agencies, and non-profits, the village can easily meet home *ownership* demand

Their strategy is simple but takes resources and time. Overall, to overcome the barrier of the lack of land and affordable priced homes and apartments, the village proposes working with developers on public/private partnerships to build the units at affordable prices, with the value of the land and infrastructure serving as one of the downpayment sources for the homeowner or incentive for the multiple family developer. Deed restrictions and rent restrictions keep the units affordable. Homes can also be purchased by those above 100% HAMFI, provided the homes are in turn sold for affordable/’noninflated’ housing. Another option for incentivizing apartment development is to provide incentives in the form of land and infrastructure in exchange for affordable rents and, as mentioned, perhaps providing a small community park to benefit all residents. Such ‘give backs’ show an integration of community members and projects and help to break down socio-economic barriers.

These strategies work well when the land is publicly owned. With no large parcels of privately owned land available to build affordable housing, the best the village can offer a private developer to incentivize them to build lower priced homes and rent controlled apartments is educate them on incentives and assist them in completing their paperwork. Staff has heard many developers don’t pursue incentives due to the ‘hassle’. The Housing Committee has members skilled in state and federal programs and can assist developers. Once the Housing Committee completes their ‘incentives list’ in January 2025, they will begin marketing it to builders and providing education to help them find the value in building affordable homes. Improved zoning processes will definitely help – if the builder knows he can get the development approved in one season and without excessive fees, he may be more willing to pursue development that use incentives, such as tax credits.

Although these measures do help residents secure affordable housing, and perhaps give them more spending money, it doesn’t help them build wealth. Knowing how to prepare a budget can help reduce financial strain and allow for a savings account, but learning a skill or having a stable job can build a future. In addition to housing strategies, the below offers education and reform to encourage people to work from home to increase their household income and incentivizes contractors to hire local residents to teach them a trade.

Homes – Village Subdivision

The village will utilize standard home and ADU designs that have been pre-approved. Homes shall be square or rectangular to minimize cost. Homes are to be on slab, negating the need for expensive foundations and the potential costs of blasting. There shall be ten home designs to

choose from with interior finish options, each with a front porch or other architectural options to ensure diversity (two additional designs for disabled applicants) and encourage communication amongst neighbors. One- and two-bedroom homes will have a carport or one stall garage (attached or free-standing, additional stall if mortgage qualifying) and options for zero lot line development (duplex). Three-bedroom homes will have the option of a garage (attached or free-standing), depending on if they can qualify for the extra funds. Homes shall have shared driveways whenever possible to minimize site and flatwork expenses.

To make sure homes are affordable, the village will solicit proposals (bids where appropriate) for builders that can build in bulk (to reduce travel and labor costs) at no more than \$225,000 for a three-bedroom home. Development Agreements will be secured between the village and developer to ensure home design, quality, warranties, and prices are guaranteed.

Per the Housing Study, to qualify for a \$250,000 mortgage, the household must earn at least \$60,000. The Housing Committee due to concerns the payments, taxes and insurance would be too constraining will encourage all applicants to utilize the downpayment assistance programs offered by their bank, Veterans Association, village, or consider land contracting, working with Habitat for Humanity and helping build the house to off-set costs, or buying a smaller home. This means almost 40% of the demand pool would be eligible for a three-bedroom mortgage.

Down payments are a challenge and although many applicants will be eligible for first-time homebuyer loans, the burden of the remaining mortgage can be quite constraining on the family budget. To help, for any village housing project, any household currently renting in Sister Bay, earning below 100% HAMFI, the land and infrastructure value shall be qualified towards the downpayment. A \$250,000 home with a \$50,000 land value grant allows for a 17% downpayment.

Because village tax dollars paid for the land, the land value downpayment assistance will be offered to Sister Bay residents and those employed in Sister Bay (the demand pool); this strategy should not alienate taxpayers that support providing housing for the village's workforce and seniors. Also, by limiting the offer, the village can minimize people moving to Sister Bay solely to get a 'cheap' home. HAMFI eligible individuals not in the demand pool can still buy an affordable home in the subdivision, but they wouldn't be eligible for the land value donation.

There will be people that fall between the cracks – they rent but are slightly above 100% HAMFI or are below 100% HAMFI but want their own home design or contractor. These individuals will be eligible to buy a lot or home in the subdivision, provided they currently rent, live or are employed in Sister Bay, and are a first-time homebuyer in Door County. These prospective homeowners would not qualify for the land value downpayment assistance program in that the program is intended to assist those without the income for the downpayment (they may however be eligible for other downpayment programs through their lending institution). But they can purchase the lot *at cost*, not market rate. This incentive helps keep their lot very affordable. The village aims to ensure they are not segregating homes within the development, so they welcome those above 100% HAMFI. Those eligible applicants below 100% HAMFI who want their own design or contractor, would be eligible for the land grant provided their plans have been approved

by the village and their contractor deemed bonded and insured and offers the applicant a home warranty.

As we know from HUD data, almost 50% of the homeowners in the village are below 100% HAMFI. They are not a first-time homebuyer, so the opportunity above would not be available to them. Although they have a home, they likely are struggling to ‘make ends meet’ and selling the home – especially in Sister Bay’s market – could bring them a substantial profit. Even with the enticing high sale price, they likely would have difficulty finding a home that left them in a better financial situation than previously. This reality has likely stymied many owners from selling their homes. Anyone owning a home or condominium earning up to 100% HAMFI would be eligible to purchase a lot at market rate in the subdivision and have it developed by an approved bulk contractor with whom the village has a Development Agreement. The village will restrict sales to 10% of the lots being sold to qualifying homeowners looking to relocate into a more affordable home. Sale proceeds from the lot shall be deposited into a housing fund for Phase 2 of the subdivision’s development.

Any current homeowner looking to buy into the affordable home subdivision, selling their existing home consistent with village deed restrictions to a household earning below 100% HAMFI and currently renting in Sister Bay, the owner will be eligible to purchase a lot in the subdivision and have it developed by an approved bulk contractor with whom the village has a Development Agreement. Sale proceeds from the lot shall be deposited into a housing fund for Phase 2 of the subdivision’s development. Although the village wants to support existing private home sales that are affordable and allow households to purchase homes from private parties and throughout the community, no more than 10% of the lots in the village’s subdivision shall be acquired in this manner to ensure economic diversity, but to also ensure the subdivision does not become ‘cheap’ housing for the wealthy.

To make sure the subdivision is not economically segregated, 10% of the lots in the subdivision shall be sold at market rate to anyone currently residing or working in Sister Bay provided they have a contract for an owner-occupied home, or Angel home, on the lot. Such stipulation prevents inflating home prices, selling for profit, and investor housing. The proceeds from the sale shall be deposited into a housing fund for Phase 2 of the subdivision’s development.

Utilizing an Angel Network, local philanthropists will be invited to acquire and land contract one home each to the remaining 60% of the pool that cannot secure a mortgage. The Angel is restricted to acquiring just one home to ensure there is not a monopoly of properties. The Angel is eligible for the land grant and affordable home, but the contracted price must reflect actual sale price after the downpayment, meaning a \$250,000 home with a \$50,000 land grant is the same price whether a mortgage is secured, or the property is under a land contract offered by an Angel. The party holding the land contract is bound by the same deed restrictions as other owners but is restricted from renting the home to guarantee the home is being used to provide a path to home ownership. The interest rate and term charged by the Angel cannot exceed that of the local lenders.

ADUs are allowed provided a home is built on the lot and the unit meets code. The intention of allowing ADUs is to keep families together, offer low-cost rent, or provide a second source of

income to the homeowner. Many people have their parents or relatives, or even children, living with them or need additional revenues and want to rent to a local in need of affordable housing. The bulk contractor with whom the Village has a development agreement will have village approved ADU plans. Assuming the ADU is built when the home is built, although the homeowner is responsible to pay for the unit, they are eligible for the reduced construction rate offered by the builder(s) the village has entered a contract with. ADUs built after the home has been built will be responsible for their own contractor.

All deeds transferring the lot in the subdivision to the owner or land contract holder shall carry deed restrictions intended to ensure the homes remain affordable. First, to prevent homes from becoming short-term rentals and inflating home prices, into perpetuity the home shall not be used as a short-term rental. Second, the primary home on the property shall not be sublet – this portion of the program is to provide a path to affordable homeownership. Third, to make sure homes are not resold as a profit mechanism, and to discourage anyone from utilizing public funds for personal gain, the home, when sold shall not be sold at a price higher than the then current taxed assessed value plus previous year's CPI. Fourth, anyone utilizing public funds from the village for their land value downpayment is prohibited from selling the home within 8 years unless the downpayment is paid back in full to the village at the time of sale (funds to be deposited in the Phase 2 housing fund). Such a restriction deters people from obtaining a \$300,000+ home for \$250,000 and selling it at a \$50,000+ profit. Again, the program is not intended to build wealth at the cost of home affordability. (The Housing Study projected it would take 8 to 18 years to meet housing demand; 8 is the term for the repayment stipulation to ensure residents remain in the affordable home until there is a larger pool of affordable homes.)

Program eligibility requires budget counseling and attending a homeowner class, so owners are fully aware of the aspects of owning a home and saving for emergencies. These programs will be made available to the general public to assist all residents in improving their fiscal education.

Multi-Family – Village Subdivision

The 38-acre Phase I subdivision the village intends to build will offer land for both apartment complexes and townhomes – both for sale and rent. The premise is somewhat similar to the above, but the developer is gifted the land, not the prospective occupant. In exchange, the developer agrees to use local, state, and federal incentive programs and cap the rent per those incentive agreements to be certain the rent is affordable to the majority in need.

To ensure a mix of affordable apartments and higher priced apartments, minimizing economic segregation, if no incentive is pursued or no rent control tool is implemented, 50% of the apartments cannot be rented at a rate higher than the Area Median Income (AMI) as determined by HUD.

The rent restriction is to be made part of the Development Agreement the village has with the developer.

For townhomes where the units are sold to individual owners, the same process as home ownership apply – if needed, the village uses the value of the land and infrastructure as the downpayment in exchange for deed restrictions guaranteeing perpetual affordability.

Develop a Village Subdivision

Thankfully work was done this past year to find the barriers on the site – water and sewer cannot be installed on part of the site, soil depth is better than expected, there are no wetlands, there is lead, and there is arsenic. By addressing these issues, the village is now prepared to move forward with the actual design and development.

The village's 56-acre site cannot be fully developed right now, a trail could be built around the entire perimeter of the 56-acre acres, giving residents a place to run, bike or enjoy nature. This trail should connect to the trail by the fire station, so the residents have a safe route directly to the downtown area.

On the remaining 38 acres, the village will develop the site with 45-foot-wide lots, townhouse lots, and apartment lots. The site would have 4900 feet of roads and infrastructure, and 5800 feet of trails. By providing more trails than roads, the village hopes to create a healthier community, and people will choose walking or biking over driving a car.

Due to topography and the number of lots proposed and amount of road construction, the development will need one larger stormwater pond and three smaller ponds. The ponds can be integrated into a park system, making them part of the natural landscape.

Not including apartments, and rental and sale townhomes, the 38-acre tract will be sufficient in size to develop 140 lots, each 45 feet wide, clustered on the site to reduce infrastructure costs. To make sure the homes are affordable, they shall be built in bulk, on slab, and the designs pre-approved. The homes shall be able, in most cases, to use the value of the lot and infrastructure as the down payment on the mortgage, along with any other downpayment assistance to which they qualify.

Habitat for Humanity shall have access to some of the lots, helping people learn skills while contributing labor towards their own home, along with other volunteers helping them see their dreams come to fruition. The Door County Housing Partnership, who still has nine lots left to develop off Northwoods, is a welcome partner in the subdivision, provided they have a demand for more lots. The village wants to make sure the affordable lots are not acquired and held, but rather they are used for development to address the current housing issue now.

Develop Northwoods Lots

The village owns three and a half lots (on Northwoods Drive), in total less than two acres, conducive for a small apartment complex. The land has an estimated value slightly over \$200,000. The lots are in a quadrant of the village with no park, which is a concern when adding more density to a neighborhood. The property is near a childcare center and within easy walking distance of a grocery store and medical center. The neighborhood has a condominium, near the new (2022) affordable apartment complex and unrestricted rent apartment buildings, and is across the street

from the ten lots being developed by the Door County Housing Partnership. Overall, the neighborhood will have a mix of incomes and ages resulting in no segregation of demographics. Topography is challenging but is conducive to ‘walk out’ housing with the garage on the lower level and the housing above.

The village has discussed the need for a neighborhood park somewhere on the site. If the village retained land for the park, lot area would be reduced, thereby reducing the number of units that could be built. If the village, however, transferred the park site *with* the development area, the developer could increase density and make an apartment or townhouse project more cost effective.

The village is to donate the land in exchange for the developer creating a small passive park on site, made available to the public via an easement. The result is guaranteed green space and recreation space amidst a densely populated area. The complex is to be developed only if local, state or federal incentives are utilized, resulting in a mix of guaranteed affordable rents.

J1 Visa Worker Housing

Except for the pandemic a few years back, Sister Bay attracts roughly 150 visa workers annually. The business the workers are aligned to work for must provide housing. Affordable homes are purchased to house these individuals, taking homes out of the resident affordable housing stock. Like the workforce and the seniors, there aren’t affordable homes available to house the visa workers and many live in overcrowded conditions.

J1 Visa workers don’t come by car, they come from overseas. Most walk or bike once they are in the village. However, this helps in providing affordable housing for them because they don’t demand garages, parking lots, or even asphalt driveways. Their housing developments, if there were any, don’t require wide roads. They require sidewalks, trails, and a bike rack. Because they live in the village during the summer months, they don’t require expensive forced air heat and can get by with electric heat, if even needed. Being near the water, they don’t demand air conditioning, they can live comfortably with ceiling fans. Shared amongst all pods are amenities of laundry facilities, kitchen and dining, and recreation areas as a core design of this innovative housing strategy substantially reducing construction costs. Their housing is much more affordable to build and equip than needed for the resident population.

The village proposes ‘pod’ development in a condominium ownership format. Small kitchenless cabins grouped together and sold to businesses needing visa worker housing to employ someone enrolled in the international J1 Visa worker program. (‘Kitchenless’ homes are often used in urban areas for adults that don’t cook at home or for senior citizens seeking just a counter, sink, microwave and refrigerator.)

The development of the seasonal Visa housing should only be built as needed, and only when the business community has stepped forward to pay for its construction.

Zoning Code Revision

Sister Bay has tried to keep up with the trends in zoning by doing periodic amendments throughout the year, but they have not amended their codes to address large impacting trends, such as zoning

reform, parking reform, and urban design. They have conventional zoning. The last comprehensive revision to the code was twenty years ago, and the prior revision was twenty years prior to that. They historically revise the code when they revise their comprehensive land use plan, which is coincidentally in late 2024. Per their schedule, they are due for a comprehensive revision, so the timing to revise it, if they do a comprehensive revision, is now.

A few years ago, the Plan Commission knew they couldn't wait every twenty years like they have in the past and got a bid to revise it. Due to budget constraints in the General Fund, the code was not rewritten, and instead small sections were amended as needed. The 2024 quotes show the price has quadrupled, and a modern revision is now almost \$100,000.

The village has changed substantially as described earlier – the village's population grew by 23% in the past twenty years, and they went from a small relaxing community to a tourist town with congestion and home affordability and availability issues. There are now just as many condominium units as there were people in 2000. State mandates have made it impossible to preserve the existing affordable detached single-family homes as they were forced to allow commercial rentals in residential districts; home based businesses have changed from crafts to technology-based businesses; and there is a demand for parking revisions due to severe congestion during the summer tourist season.

The community is split on reform though – many people complain the village is changing too fast, while others welcome the nightlife and influx of dollars that have come into the community. More money means wealthier people too and homes most dream of are torn down to make way for large waterfront second homes and luxury homes for the new residents. Jobs have changed too with a higher demand for low-paying jobs in the hospitality sector. A new zoning code must not just look at land use and regulation, but also its impact on congestion, housing, urban agriculture, and the economy.

To try and maintain some control of growth, the Plan Commission reviews all new commercial development and multi-family proposals. The Commission meets once a month, meaning a developer might have to meet with the commission for six months before their development agreement is approved. Next, they wait another month for the Board to review and approve their development agreement. If requesting a conditional use, the public hearing process can delay the project another two months. If variances are required, there is another two-month delay. 'Permitted Uses' are not by right, and with the lengthy process, some developers just walk away from their project.

Since the village is scheduled to complete their comprehensive land use plan in the fall of 2024, they want to have a comprehensive revision to their zoning code too. To hire a qualified consultant skilled in modern-day zoning is expensive, and finances will dictate whether the village sees noteworthy changes, or is left to hire a consultant who uses conventional 'templates' for each of the communities they work with.

Workforce Matters

A village's options are very limited in how they can increase wages so more people can afford their rents or mortgages. With three-quarters of all renters and half the homeowners being income constrained, home affordability extends far beyond zoning reform and developer incentives. Due to the remote location near the tip of a peninsula, manufacturing, education and other high paying jobs don't exist. Since Sister Bay is the only northern Door County community with public sewer and water, if there were to be manufacturing, it should be in Sister Bay.

Zoning codes that allow more home-based businesses will certainly help. But the biggest aid the village learned they can provide is broadband – it allows people to take online classes, work remotely for higher paying companies, or engage in transcription, accounting, or other as needed services. In October 2023 the village contracted for the installation of village-wide broadband. Every housing unit and village property in the village will have buried, redundant fiber optic by April 2025. This infrastructure should undoubtedly help increase wages.

The county's economic development corporation has agreed that, once the broadband has been installed in the village, they will provide local programs highlighting the businesses available for home based workers. They also have agreed to offer local business planning classes, with the help of the Small Business Administration, to the residents. They typically charge applicants a fee for these services but are willing to provide them for a fee to the village but at no cost to the resident. The economic development corporation also has a loan program for those who can't secure a bank loan which should help anyone looking to start a business that needs capital.

Since the northern part of the county has seen a drop in contractors, and that trend will continue, the village and adjacent township, with help from the economic development corporation, are strategizing on ways they can help more people learn the trades. A 'trades center' would be helpful in that northern Door County doesn't have industrial parks or incubators. This idea was discussed when the Plan Commission was updating their economic goals and objectives in their draft land use plan update.

The other item which could really help residents increase their income, is more commercial kitchen space. The technical college offers space for people to dabble or be a cottage baker to sell their goods. However, the kitchen is always at capacity and cannot accommodate demand. This idea too was one the Plan Commission discussed when considering how to help improve the wages of the village's residents.

Community Garden

The first spring season following the occupancy of 25% of the contracted homes and one apartment building in the Phase I portion of the 56-acre subdivision, the village is to develop the community garden across the road from the south entrance of the subdivision. The old hayfield must be worked, a fence erected, and water brought to the site.

One 50' long garden row shall be made available at no cost to any village household with children, and any resident earning at or below the median wage. After one year, garden rows shall be made available to any other resident in Sister Bay for a fee. Preference shall be given to families and low-to-medium- income households.

To ensure the garden rows are not monopolized and space remains available to anyone looking to improve their health and eat affordably, residents who currently tend a garden elsewhere in a village community garden will not be eligible to garden a row in the new garden unless their existing row is vacated.

ii. Geographic Scope

The zoning reform, wage programs, and community garden are designed to specifically serve village residents. Developer incentives reach a broader range geography however because lucrative incentives attract developers from all over Northeast Wisconsin; the village knows this based on the list of contractors that have contacted the village to be put on a waiting list to bid on the village's prospective developments. The homes and multi-family housing to be built are intended to serve the 'demand pool'.

Per the Housing Study which determined the demand pool at 622 households seeking home ownership in Sister Bay, the 58 senior citizens seeking a home, and 77 local renter and 161 workforce renters seeking an apartment, defines the 'demand pool' as "households with a wage earner who works in or near Sister Bay" (Source: Stantec Consulting). It also includes a portion of the J1 Visa worker population, which hovers consistently around 150 workers.

ACS data shows 97.5% of all village workers are employed in the county where they live, and their mean travel time is 12 minutes, working close to their residences. In the nearby village of Ephraim, mean travel time is 9.7 minutes and in the village of Egg Harbor, 12.6. In the neighboring towns, mean travel time is as follows: Baileys Harbor 14 minutes; Egg Harbor 21; Gibraltar 19; and Liberty Grove 13.8. Based on how long it takes to drive to the village from each municipality, it is safe to assume Sister Bay's demand pool includes a good portion of all communities listed with the exception of the town and village of Egg Harbor.

iii. Stakeholders

The Village of Sister Bay has made concerted efforts to engage stakeholders in their planning processes and follow a 2023 adopted *Public Participation Plan* outlying engagement efforts. Over the past year as the village worked with Stantec Consulting on their housing plan, they made sure the public was offering their feedback, notably prospective home buyers. A December 9, 2023, public input session resulted in 60 households offering input on a variety of issues stemming from subdivision design, home design, to affordability. They, along with over 100 members of the public, attended at least one of the four public meetings where the Housing Study was presented and discussed. One of the sessions offered a 'sub-session' for businesses wanting to discuss seasonal housing and was attended by approximately six people. With the assistance of the BayLake Regional Planning Commission, the village Plan Commission hosted a land use planning workshop at their village hall asking for input on housing and other land use matters. They also offered an online survey which garnered a lot of attention that shaped this plan, the village's comprehensive land use plan, and, their comprehensive outdoor recreation plan; both comprehensive plan updates began in 2023 and are to be concluded in late 2024.

Over the past two years there have been many public meetings and public hearings regarding short-term rentals and their impact on the community and housing stock. The operators were expressive in their dislike for more regulation, but those seeing the change in their neighborhoods and loss of traditional affordable homes had opposing views. These sessions were critical in the village's mission to provide affordable housing that would not be sold to investors or converted to for-profit operations. The outcomes of these meetings and hearings shaped the revised licensing rules and some of the associated zoning codes.

There have been multiple public meetings about the 56-acre site, its future use and design. First the ad hoc Land Acquisition Committee met for over a year. Now it is the Housing Committee that is holding meetings, running press releases and a notice in the paper, web posts, email blasts, and trying to solicit as much feedback as possible to make the public aware of their proposals.

The specific stakeholders of the Village of Sister Bay Affordable Housing Strategy are as follows:

- Undoubtedly the key stakeholders are the eligible demand pool beneficiaries of the affordable housing, which are 140 households seeking to own a home, 60 seeking to own a townhouse, 18 households looking to rent a home, 36 to rent a townhouse, and 80 households looking to rent an apartment. (Source: Stantec Consulting) Late 2023, 60 households participated in a public input session where they provided information, but also have been invited to the four public meetings at which the Stantec Consulting Housing Plan was discussed. They have also been invited to comment on this plan. They are an engaged group.
- It is unknown at this time how many J1 Visa workers' employers will provide them pod housing, but the village is aware of three businesses that expressed interest in learning more about the kitchenless project proposed. Any business who works with the village to develop the cooperative housing is clearly a stakeholder and serves to benefit from the housing.
- The list of developers that asked to be on the village's list of contractors to receive Requests for Proposals and bids, are stakeholders – they will build the homes, apartments, townhouses, and kitchenless pods. Local contractors employed to excavate, plumb, wire, etc. are stakeholders (Sister Bay requires, as a condition of their development agreements, that developers try to utilize local subcontractors whenever possible).
- The Door County Community Foundation, NeighborWorks Green Bay, Wisconsin Economic Development Corporation and other state and federal agencies that provide incentives are critical to the project – without incentives history has shown affordable multiple-family developments will not be built in Sister Bay.
- The Door County Housing Partnership, Habitat for Humanity, and Mosaic Development, who have all successfully developed affordable housing in the village are mentors and prospective partners on the project, should they wish to partner with the village on additional development within Sister Bay (the Partnership has nine lots they have not developed yet, and Mosaic recently completed the large affordable housing development referenced in this plan).

- The businesses relying on a local workforce are stakeholders – they can't provide service without a workforce. The residents and visitors that patronize the businesses are stakeholders- they rely on the workforce to serve them.
- Senior Citizens looking to age-in-place in their community seeking more affordable housing benefit, as do the agencies that directly support their efforts to stay in the community – Do Good Door County and Senior Advocates for Independent Living.
- The village's engineers, Robert E. Lee and Stantec Consulting, and Attorney Randy Nesbitt from the law firm of Conway, Olejniczak & Jerry, S.C., serve a major role in ensuring the village's plan is designed, engineered, and legally implemented. Title companies and real estate agents are stakeholders as they will need to assist in the implementation of the plan.
- The Gibraltar School District and Northern Door Childcare Center are stakeholders as they must educate the children of the growing population and current residents whose quality of life should improve with affordable housing.
- The Door County Medical Center is a stakeholder as well, serving the population, and more housing means more medical services to provide.
- The Door County Economic Development Corporation who is to provide business education and business planning services will impact the household income of the residents as will the United Way and their program to assist stay-at-home parents start a childcare business in the home.
- Adjacent villages and towns are major stakeholders as well. They don't have the infrastructure to provide large affordable housing projects, and their workers commute from Sister Bay, or to Sister Bay, and suffer many of the same affordable housing issues as Sister Bay.
- Finally, the Village Board of Trustees and their appointed committees are stakeholders in that their decisions will determine the future of their village.

iv. Project Alignment to Further Fair Housing

The Village of Sister Bay is an equal opportunity provider and employer. They pride themselves on their efforts to foster diversity, equity, and inclusion in their policies. They follow federal procurement laws and require themselves and contractors to follow the requirements of Davis-Bacon and other related laws. Anti-discrimination and harassment posters are in village buildings and their adopted personnel handbook. In 2023 they updated their LEP Ordinance, and all meeting notices and agendas carry language that support their LEP policy.

To ensure the village's affordable housing projects do not promote segregation, all housing projects are required, as explained earlier, to house a minimum number of low- and moderate-income individuals while allowing those above the income limitations access to the detached single family home subdivision, townhouses and apartment buildings they intend to incentivize. Even their plans for a community garden allow access by the general public. By allowing all economic demographics access to the projects, the resulting housing will have a blend of incomes.

Their proposed housing projects offer housing for individuals, families, seniors, veterans and all sexes and races, with specific provisions for extended families and cultures that house parents.

Home sizes are mindful of the large number of single parent female households that must maintain their homes and lawns.

Home designs are required to provide designs for individuals with disabilities, and all roads and trails are designed to meet ADA requirements with ramps and wide sidewalks to accommodate wheelchairs and families.

The proposal includes education to benefit those needing homeowner education, budget counseling and business assistance.

The village will track their progress and success by category: Homeownership in Phase I of the 56-acre subdivision; apartment buildings; townhouses; community gardens; education; business programs. Applicant data will be tracked and compared to purchaser/renter data to ensure there is no disparity. The village Housing Committee, who has members experienced in Fair Housing, tax incentive programs and other reporting will audit the progress and findings.

v. Budget Timeline and Proposal

The Table below estimates demand for each type of housing needed and is shown in five-year periods to set incremental, measurable goals. This schedule is from the Housing Study and is considered the ‘worst case’. Ideally, affordable housing will be built at a much faster rate, utilizing bulk contracting practices and incentives. Absent infrastructure funding, the 38-acre site will not be developed as proposed, and the village will focus on a much smaller development that can be served with nominal dollars.

FIVE YEAR DEMAND ESTIMATES	Ownership Homes		Rental Homes		Rental Apartments	J1 Visa Housing
	Single Family Homes	Townhomes	Single Family Homes	Townhomes		
2024 to 2028	56	24	6	12	40	<i>Depends on selected construction format, financial contribution of local businesses</i>
2029 to 2033	28	12	4	8	20	
2034 to 2038	28	12	4	8	15	
2039 to 2043	28	12	4	8	15	
TOTAL	140	60	18	36	80	

The budget and timeline is as follows:

1. Purchase site – DONE
2. Wetland delineation – DONE
3. Soil test, environmental review – DONE
4. Zoning Processes Updated (quote from zoning consultant) - \$100,000 (VOSB) – RFPs issued first 6 months 2025.

5. Solicit for development of Northwoods Lots (actual cost of investment) - \$200,000 (VOSB)
6. Subdivision Design which includes prelim platting and pond engineering (quote based on similar projects by Stantec) - \$200,000 (VOSB) First 6 months 2025.
7. Road design/engineering (quote from engineer /reflects rates) - \$180,000 (PRO) 2nd Half 2025, then bid.
8. Solicit 10 construction plan sets with optional design, and two sets ADA plans – (approx. \$10,000; VOSB) RFP issued first quarter 2025.
9. Remove cherry orchard (based on similar bids for other work performed) - \$25,000 (VOSB) Second quarter 2025.
10. Clear site for eventual community garden, run water line, install fence – \$350,000 (quote based on other clearing work, lateral quotes, and fencing quotes) (VOSB) Spring 2026
11. Install infrastructure: 4900 feet of road, etc. at \$4,165,000 (PRO), 5800 feet asphalt trail at \$174,000 (PRO). Price quotes based on charge rates by engineers. 2026 installation.
12. Install one large pond and three small, parks - \$350,000 (PRO) Quote based on engineer's estimate from previous work. 2026 installation.
13. Lots to be individually marked with each bulk pour (perhaps 10 lots at a time) - \$2500 if in bulk, each time (VOSB) (quote from surveyor) Fall 2026.
14. Drafting offers to purchase, deed restrictions, sale docs – Village Attorney on an as needed basis - \$1000 each transaction, based on previous work performed (VOSB) Ongoing.
15. Bulk construction begins, with education opportunities. (Competitive bid) Starts Fall 2026.
16. Budget counseling and home ownership class – TBD. (VOSB) Fall 2026.
17. Business planning and home business classes – \$10,000 to DCEDC, quoted. (VOSB) Fall 2026.

TOTALS

PRO Request – \$4,869,000

VOSB - \$895,000 plus

EXHIBIT E – CAPACITY

One good thing about a small community is you develop good working relationships. Contractors that have stepped forward to work with the village have a long-standing history of building quality homes and giving back to the community. Their skill and commitment to the project is not questioned, and all are bonded and insured, have their own work crews, showrooms, equipment and materials.

The village contracts for services with two national engineering firms. Robert E. Lee traditionally works on the roads, and Stantec Consulting works on other infrastructure, design services, and has a Municipal Services Agreement with the village for services.

The Village Administrator, together with the Utilities Director and Parks and Streets Director, have over fifty years of municipal experience and have overseen two new road projects, a lateral installation, and new government services building (go from design to approval) all within the past two years. They are a multi skilled professional team. The Administrator has written and administered many grants and will serve as the main contact on the project.

The village has a full-time Finance Director employed on staff. He previously worked for an investment company. The village uses Baird, a national investment firm, for financial consulting. CLA serves as the village's auditor.

Members of the village's Housing Committee have utilized tax incentive programs, or promote them via their jobs, have worked in the trades, and real estate. The committee is diverse and very talented. The group is made up of men and women, differing ethnic backgrounds, and ages.

EXHIBIT F – LEVERAGE

The village purchased the 56-acre site, pay for a Housing Study, and completed soil testing and environmental work on the 56-acre site.

Additionally, their property on Northwoods Drive, which is proposed to be used for multi-family development, has a \$200,000 value (not market value, but actual cost).

The village also proposes to leverage approximately \$900,000 on the project, as shown in the Budget.

All staff time invested in the project shall be considered in-kind.

The Village of Sister Bay has leveraged the monies in their 2024 Capital Improvement Plan, and again in the 2025 Plan which was approved in October. However, the FY 2025 Budget will not be adopted until after this application is due.

EXHIBIT G – LONG TERM EFFECT

By developing their *own* subdivision, with the help of local contractors, Habitat for Humanity, and other partners, the village will have made sure the community's housing needs were not just planned for, but addressed. The village is able to make sure that homes funded in part with public dollars will forever remain affordable. The deed restrictions the village will enact will guarantee the homes are not resold for profit and no one will be able to operate as a short-term rental, thusly disrupting the residential neighborhood, driving up assessments, and resulting in the home prices escalating. By limiting the commercial misuse of the property, the village is guaranteeing affordable housing continues on the site into perpetuity.

And, since sewer and water will have been installed to the western edge of the remaining 18 acres of the 56-acre site, the village has an area for Phase 2, once Phase 1 has been completed. By already developing the 38 acres, having completed all the plans and programs, the next phase, except for the booster pump and lift, will be a much simpler process and should be less expensive to complete.

Questions to be answered through the efforts of this project include: (1) Did anyone use development incentives, were they ones we referred them to, did they build, and how many units? (2) Has the village project resulted in private affordable projects moving forward? (3) Are we able to process zoning applications quicker? Are more people investing in projects now that the zoning has been updated? (4) Are other developments following suit and building in bulk? On slab or pursuing other cost-effective measures to make housing more affordable? Are contractors completing pre-sales? (5) Do we have diverse communities, or did we error and contribute to economic segregation? (6) Are Angels investing in other aspects of our LMI lives?

Success is measured by the audits – how many residents took advantage of the programs, were these employees, were they from the demand pool, or come to Sister Bay specifically for the program? Did our HAMFI ratios drop? In what areas? Where are the poverty rates at – did a sector go up, or down, and how will we address that concern?

The biggest long-term effect will be that the people who work multiple jobs will recognize the depths their community is willing to go to help them have an affordable home, or a more affordable apartment. The social aspects of home ownership, as discussed in part earlier, are less crime, less alcoholism, fewer family issues, higher school grades, less incidence of high school pregnancy, etc. The socio-economic wins for the project are invaluable.