

## Information Item 23-0212: Presentation - Appleton Housing Overview

Community & Economic Development Committee

Wed, Apr 12, 2023 4:30PM

**Aldersperson Kristin Alfheim (District 11) 00:50**

Moving on to information items which is what we have been looking forward to have two. We have 23-0212 the presentation from the Appleton housing to—sorry, Appleton housing overview. Do we need any steps on that or just looking forward to the conversation? We don't need anything do we? All right, Director Homan, please do. District five.

**Director Kara Homan (Community And Economic Development) 01:16**

So, um...

**Aldersperson Kristin Alfheim (District 11) 01:17**

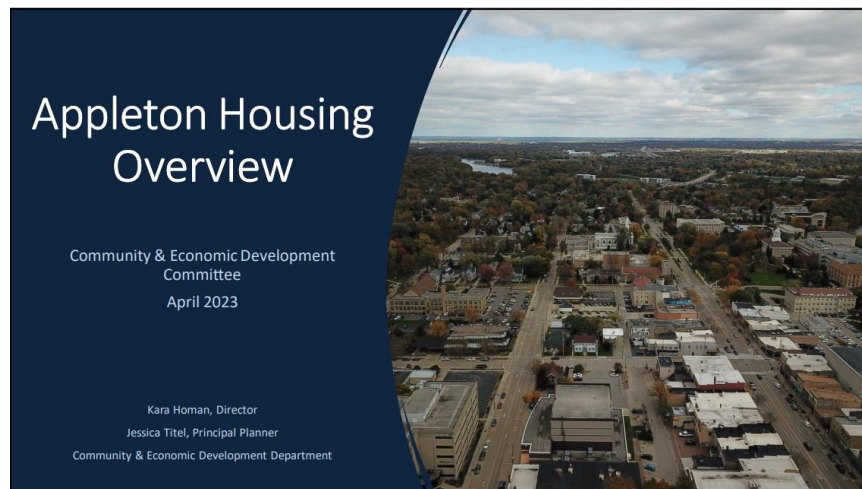
Pull that closer, would you? Yeah.

**Director Kara Homan (Community And Economic Development) 01:21**

Is this better?

**Aldersperson Kristin Alfheim (District 11) 01:21**

Yes, thank you.

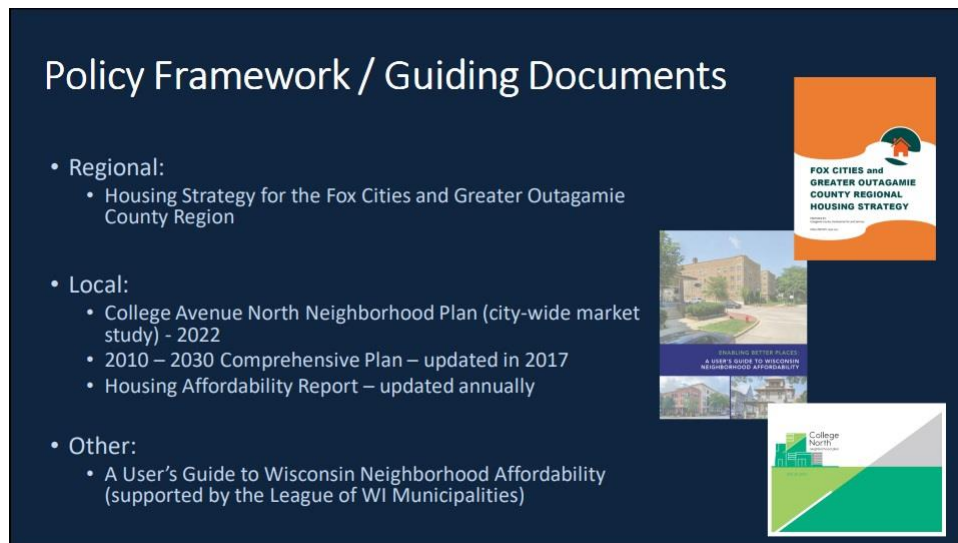


**Director Kara Homan (Community And Economic Development) 01:23**

So, it's actually going to be two of us doing the presentation. I'm sure you all know Jessica Titel; she is one of our principal planners. So, Jessica did a fabulous job of working with me to pull this presentation together. And really what we're going to do today is first start with a high-level overview of policy that guides what the city of Appleton takes for action steps to implement housing strategies. We'll kind of take you through some of the big picture local planning documents, walk you through what they're telling us in terms of policy recommendations, market estimates as to what the demand is over the next decade. And then we'll walk you through what we've really been doing as a city in terms of what we've done in the past, what we're doing today, and some things we're working on that really check the box that being forward looking and proactive from a housing perspective.

**Director Kara Homan (Community And Economic Development) 02:18**

So next slide, Dave. So, a little bit about the plans that have been done in our community in recent years that we really take to heart and use as guiding instruments to advise our staff and the work we do. At the regional level Outagamie County where I was the director up until December—when I was there, I worked with one of our planners named Sadie. And we pulled together a large group of stakeholders from private, public, nonprofit, and social services to develop a regional housing strategy that was called the Housing Strategy for the Fox Cities in Greater Outagamie County. So that's one policy document that plays bearing on our broader housing market beyond Appleton city limits, but we're still a piece.



**Director Kara Homan (Community And Economic Development) 02:24**

Then, at the local level, there's really three long range planning documents that guide what we do. One is the College Avenue North Neighborhood Study which was completed in 2022. So that's that area, on College Avenue north. Within that particular study, they did do a city-wide housing market analysis to forecast what demands are for different types of units at different affordability points. We also have our overarching city comprehensive plan, which—Dave, I think you were the lead on that correct? That was adopted in 2017 and is constantly referenced in all of the work we do as a department and city. And then, on an annual basis, we do what's called the housing affordability report, which is the report that is submitted as an informational item through plan commission, I believe, and is required by state statutes. That really just reports on fees, housing activity, and other data points.

**Director Kara Homan (Community And Economic Development) 03:07**

The other major plan or guide that's come out is the Wisconsin League of Municipalities. I believe they hired the Congress for New Urbanism to help them put together what's called a user's guide to Wisconsin neighborhood affordability. And it's a really action oriented plan that any municipality in Wisconsin from the tiniest village to the largest city can take as actionable steps as a municipality to support affordable housing. So those are five different documents that really have bearing on us at the local level.

**Director Kara Homan (Community And Economic Development) 04:45**

Next slide, Dave. So before we get into some of the policy recommendations we'll highlight today or the demand, I think one of the really important things to highlight here is even though you know, we're the city planning function, the City Community Development function, and really focused on serving our residents' needs, we're operating in a larger housing market that is shaped by many forces that are outside of our

control—whether it's the locations of transportation infrastructure like interstates and highways, where employers choose to locate, and where the workforce is being drawn from. Our housing market is not just Appleton based; it's a much broader housing market.

### Housing markets are regional



They're affected by:

- Policy at all levels of government
- Land use rules that vary by jurisdiction
- Employee & business locations
- Our transportation network
- Decisions made by developers
- The choices of thousands of households


**Director Kara Homan (Community And Economic Development) 05:31**

So, you see this green blob here. The Fox Cities Housing Strategy, attempted to collect a geography that represented something close to what our housing market is. But for those of you who know our market, it's probably something more like Oshkosh to Green, Green Bay, and the commuter sheds that feed into it. We have residents working elsewhere, anywhere probably within 30 to 50 minutes commuting of the city limits.

**Director Kara Homan (Community And Economic Development) 05:59**

Next slide, Dave. So, a little bit of context. I'm going to first start with the bar graph on the left. This is showing—and again, this is the regional data. So, this is Outagamie County, and then the Fox Cities from Neenah to Kaukauna. This is showing what our regional housing markets population was in 2010. And, you know, we're definitely growing. We're one of only a handful of areas in the state of Wisconsin that continue to increase in population.

### Regional Housing Context:



| Year | Population |
|------|------------|
| 2020 | 312,445    |
| 2010 | 290,982    |
| 2000 | 260,192    |

| Location      | Residential Vacancies |
|---------------|-----------------------|
| Greenville    | 0.2%                  |
| Kaukauna      | 2.7%                  |
| Seymour       | 3.7%                  |
| Outagamie Co. | 3.8%                  |
| Appleton      | 4.1%                  |
| Neenah        | 4.2%                  |

Population Growth (U.S. Decennial Census).      A Snapshot of Residential Vacancies throughout the Region (ACS 2016-2020).

**Director Kara Homan (Community And Economic Development) 06:35**

What you don't see on here, but that I wanted to point out, is on top of that our household size—not just us, but nationwide—is decreasing. So, in addition to needing to accommodate more people, even if we weren't increasing in population, then if the number of people per household decreases, you still need more housing. Does that make sense? So, it's almost like a double whammy. When you have population increasing and household sizes decreasing. You're needing more housing than you really realize—okay? Even if our population was flat, we'd need more housing units. Make sense?

**Aldersperson Kristin Alfheim (District 11) 07:11**

Yep.

**Director Kara Homan (Community And Economic Development) 07:11**

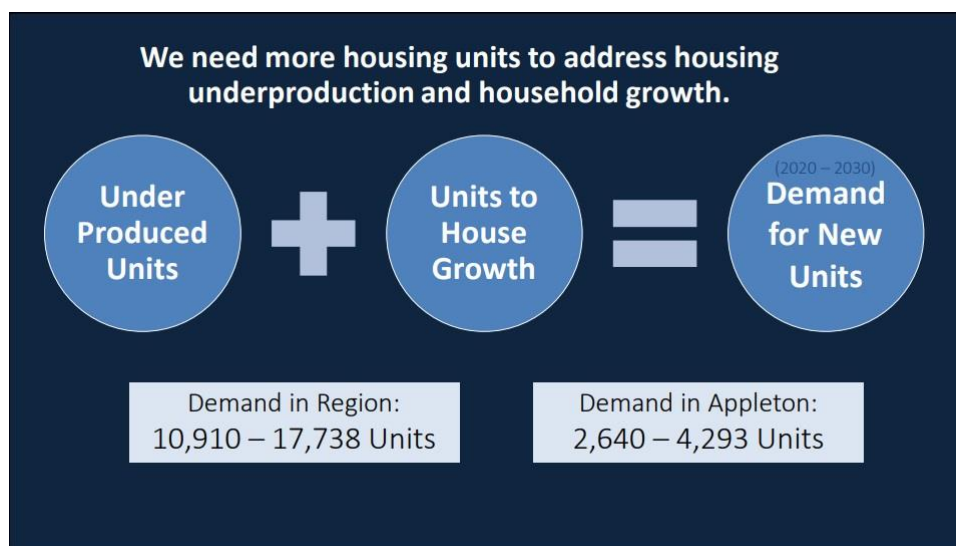
So that's one piece of kind of the puzzle. The other piece is, you know, where we're doing in terms of occupancy within the region. A rule of thumb is somewhere between 5 and 8% vacancy rate is what's considered an average or healthy housing market. That's where you have enough vacancy that people who are moving in or needing to move from one unit to another can easily find enough product in the marketplace to find what they need, and then move on.

**Director Kara Homan (Community And Economic Development) 07:43**

This is data from about a year ago. City of Appleton at the time was not quite in that 5 to 8% range, but we were at least close. But when you look at other places within the market and look at Greenville— 0.2% vacancy rate. None of the metro, none of the municipalities that are highlighted here are in that healthy range. We're definitely doing better than some places in the country. But we're not—we're just shy of that healthy range. And it's a—it's indicative that supply is not keeping up with demand. And when that happens, puts upward pressure on rents and housing prices.

**Director Kara Homan (Community And Economic Development) 08:21**

Next slide. So, this slide shows you at a regional scale, what goes into the demand for new housing. It's a combination of units that have been under produced over time and then units that we need to accommodate growth—population growth or the growth that's driven by the decrease in household size.



**Director Kara Homan (Community And Economic Development) 08:46**

A lot of the underproduction in housing units occurred after the 2008 recession. If you recall, there was like an overbuilding almost to a point. The crash came, and the housing market fell apart. Dave, if I say anything wrong or Jess, if I say anything wrong based on your professional understanding? A lot of what happened nationwide is a lot of the contractors and home builders that had been in the marketplace building houses steadily year after year for decades, left that space because there was like a five-to-10-year window where because there was a slight overproduction that got chewed up, but then the vendors who could build the housing never really came back. So ever since that 2008 recession, nationwide we've been behind on housing production. So that's kind of set us behind, and then we're still growing.

**Director Kara Homan (Community And Economic Development) 09:44**

So, in terms of the region, Outagamie County Fox Cities area, between 2020 and 2030 the number of new housing units needed per demand is somewhere between about 11,000 and just shy of 18,000 units (and this is per the county study), and then the demand within the Appleton area can be assumed, per the county's analysis, somewhere between 2500 and 4200. Okay, that's just an estimate.

**Director Kara Homan (Community And Economic Development) 10:17**

Next slide. This is similar data. This is actually from the city's housing market that was included in the downtown North study. And it's kind of showing you similar data. It's a little hard to see, and I apologize for that. If you look at the total need at the top it's showing between 2020 and 2030 for all housing unit types—that particular study estimated somewhere between 2800 and 3200. So, the county's estimate, and our estimate's a little bit different, but they're within range of each other.



**Director Kara Homan (Community And Economic Development) 10:53**

For any of you who are interested, you know, it kind of breaks out what the demand is. And within that percentage of demand by income for both owner-occupied is the top bar and renter-occupied is that second tier or the second gray bar.

**Director Kara Homan (Community And Economic Development) 11:10**

What's important to point out is for the lowest rung of the income spectrum. The—in the new home space, typically that demand is met when new homes are built in different price products and it frees up an older, smaller housing stock that those households move out of. Likewise, for rental housing (especially if it is new rental housing without direct subsidy or incentive through, say WHEDA tax credits, housing authorities, occasionally TIF incentive or ARPA) the market alone cannot build that. And it's showing you here where it says the market does not support that. That's why we have agencies like WHEDA. We have other funding streams that can provide capital infusion and make those business plans pencil out where the developer's not losing money on those.

**Director Kara Homan (Community And Economic Development) 12:06**

Next slide. So, this is just kind of a really good illustration that shows you what are the different income brackets and what is considered affordable for each different income bracket. Affordable housing is defined by the HUD, which is the federal agency of Housing and Urban Development. The rule of thumb they use is 30% of a household's costs dedicated to housing or less is considered affordable. And that 30% is not just the mortgage or rent payment; it's the other housing related expenses. So, insurance, I believe utilities, there's other things that go into that calculation.

**We need housing that is affordable to households & families of ALL incomes.**

|   | Extremely Low Income | Very Low Income               | Low Income                       | Moderate Income                      | High Income                |                                     |
|---|----------------------|-------------------------------|----------------------------------|--------------------------------------|----------------------------|-------------------------------------|
| <b>Household Income:</b>                  | < \$25K              | \$25k - \$42K                 | \$42K - \$67K                    | \$67K - \$101K                       | > \$101K                   |                                     |
| <b>Affordable Housing Cost (Monthly):</b> | < \$630              | \$630 - \$1,000               | \$1,000 - \$1,700                | \$1,700 - \$2,500                    | > \$2,500                  |                                     |
| <b>Share of Households:</b>               | <b>15%</b>           | <b>15%</b>                    | <b>21%</b>                       | <b>21%</b>                           | <b>28%</b>                 |                                     |
|   | Cashier<br>\$22,860  | Preschool Teacher<br>\$26,590 | Construction Laborer<br>\$39,400 | Licensed Practical Nurse<br>\$48,580 | Police Officer<br>\$62,840 | Computer / IT Managers<br>\$126,050 |

**Director Kara Homan (Community And Economic Development) 12:47**

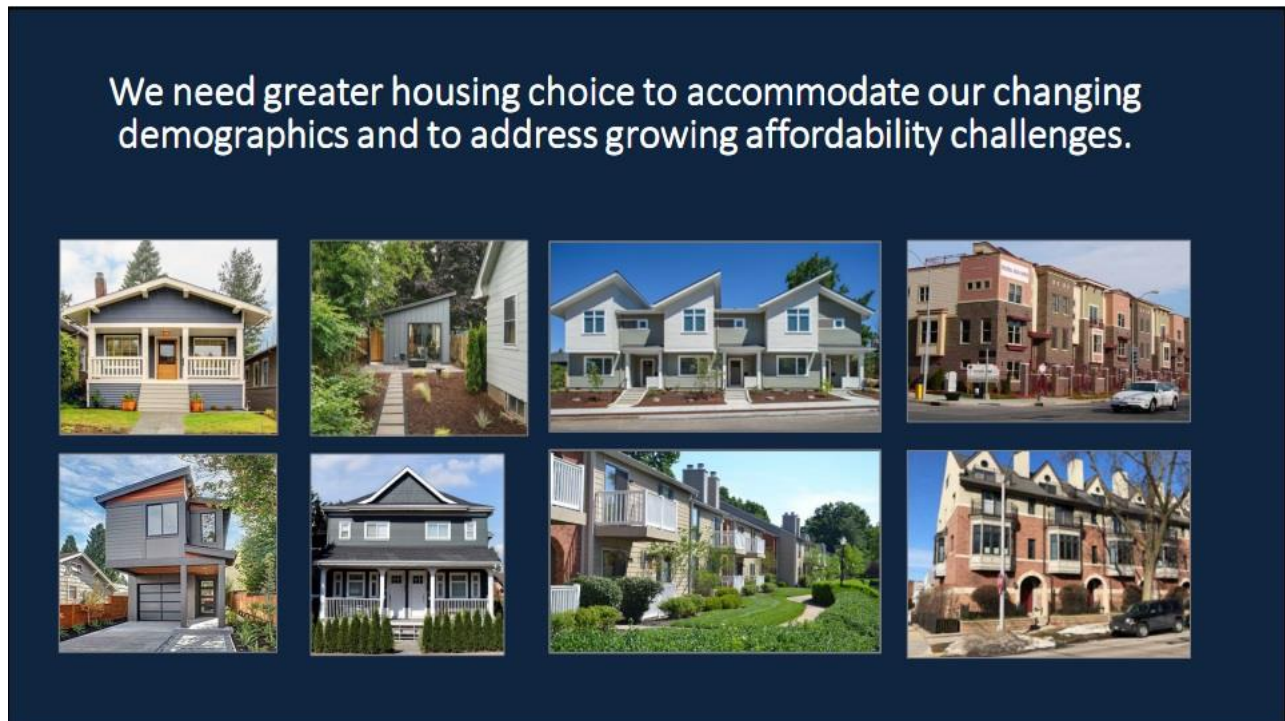
So, when you look at the types of positions, that would be in those orange bars, so that's the low to moderate income categories. You've got nurses, construction workers, preschool teachers, daycare workers, that if you're calculating what affordable is to them, it's in a range that is becoming more and more difficult for the market to meet. And again, it's because we're not keeping up on supply. Does anyone have any questions on this slide?

**Aldersperson Kristin Alfheim (District 11) 13:19**

I was just doing the math to find out—I mean, that, the low in—we have the extremely low, we have the very low, and the low income. And it is amazing how many people—I mean, the median income, household income in Wisconsin has to be smack dab in the middle of that category. Right? It's got to be about \$45,000. So, \$42,000 to \$67,000 is considered low income. Affordable a month—monthly income—err housing costs should be between \$1000 and \$1700.

**Director Kara Homan (Community And Economic Development) 13:54**

Next slide. So, what are some of the policy recommendations, and I'm going to highlight initially, some policy recommendations that came out loud and clear in that regional housing study. One is that we need to find ways to create different housing products to create choice in the marketplace, not just to meet the needs of different income strata, but also the needs of our change changing demographic. If any of you look at where our population profile is headed as a city or a region, a state, or nation, we're getting much older. As the baby boomer generation starts to age, at some point, they might not need or desire that single family home. But unless there's a new product for them to move into—whether it's a condominium or a smaller product or something else reflected up here that meets their needs—oftentimes, they're still sitting in that single family home that might...



**Alderman Kristin Alfheim (District 11) 14:55**

Which we need to open up

**Director Kara Homan (Community And Economic Development) 14:56**

...better meet the needs for a family. So, we definitely know that in Northeast Wisconsin in general, there's housing product types—whether it's townhomes, I believe they're called garden apartments, triplexes—you don't see a lot of them. You are starting to see a few mother-in-law suites or accessory dwelling units, occasionally, but we definitely need different product types that can be built at different price points and also allow for different living styles.

**Alderman Nate Wolff (District 12) 15:37**

Thank you chair. On these, is this something that can be built in, say an older building? Or is it something that has to be built in green space essentially?

**Director Kara Homan (Community And Economic Development) 15:49**

Yeah. So, I'm going to try to answer it as best as I can, because I'm already thinking about like the zoning code and all of that. But can a building be retrofitted? Yes. In general, yes. It would need to meet building code, it would need to conform with the zoning or have the zoning changed. There's definitely ways to do it in existing neighborhoods or on redevelopment sites. It can also be built on greenfield sites. We would need to check if a rezoning is required. Is it in conformance with our city plan? But we definitely have a very proactive and forward-looking comprehensive plan that tends to be very favorable to mixed use development. The term that this is called is "missing middle housing". So, it's the type of housing between I'd say a duplex and a large apartment complex, everything in between.

**Director Kara Homan (Community And Economic Development) 16:48**

Next. All right. So, in addition to housing production, which increases supply, we need to make sure we don't lose supply. So especially for a community like ours that has older neighborhoods, we need to make sure that the housing stock we have or the housing units, or single-family households we have, are being maintained. We need to make sure that homes that are falling in disrepair have opportunities to fix—to be fixed up.

**We need to continue to preserve and maintain our existing housing stock.**

- Improve housing that has fallen into disrepair
- Improve the functionality of older homes
- Stop the deterioration of units before condemnation
- Improve neighborhood performance (property values, curb appeal, etc.)
- Preserve the property tax base
- Incorporate ADA-accessible home improvements

**Director Kara Homan (Community And Economic Development) 17:23**

In a later slide, we'll talk about a program that we already have in place here at the city that has done amazing work for the last 20 plus years, but I'll let Jess talk about that one. So, it's important to look at it both ways. We need to grow our housing stock, but we can't forget about what we already have. Because if you let it deteriorate too much, it's not a good situation. They become uninhabitable. You have to demo them. So, you have to be proactive on that too, either through code enforcement or helping homeowners who need financial help get it fixed. Next slide.

**Aldersperson Kristin Alfheim (District 11) 17:56**

Time out. Question.

**Aldersperson Nate Wolff (District 12) 17:59**

Yeah, on that, as far as apartment buildings go, some apartments in my district seem to be getting worse each year. I'm wondering if we also have a program for that as well, or if we have city inspectors potentially look at them and talk to landlords.

**Director Kara Homan (Community And Economic Development) 18:21**



In terms of our homeowner rehabilitation program, I don't believe that our program applies to that. Now, if the inspections division receives a complaint that there might be a violation as it pertains to building code or say the health department receives a complaint that there might be an issue for health code, then our various code enforcement functions within the city do follow up. But our department does not have a program to proactively provide funds to renovate multifamily.

**Aldersperson Kristin Alfheim (District 11) 18:54**

Thank you.

**Director Kara Homan (Community And Economic Development) 18:56**

Okay. So, what do we do? That's the million-dollar question. I think the important piece that I always think about and I want to make sure that I convey appropriately is the housing crisis—or the housing, you know, the lack of supply or the inability at present of the housing production to keep up with demand, it can't just be solved by one organization or one unit of government. It really takes all different sectors at the local, state, and national level, doing a variety of different proactive policy decisions to really start making headway on this.

**Director Kara Homan (Community And Economic Development) 19:42**

Next slide. Jess, I think this is you. You are district seven?

**Director Kara Homan (Community And Economic Development) 19:42**

So, there's things that we at the local level can't control. One of the biggest factors facing us right now is interest rates, and how that impacts housing affordability for new homeowners. But at the local level, there are things we can do, and it's really planning community and economics. government professionals on one side. So that'd be like municipal planners, agencies like WHEDA, housing authorities, working proactively in building relationships and collaborative—collaboratively solving problems with I'd call them private sector—the housing developers and the realtors. There and you know, taking a little bit of a risk or analyzing how can I build this product that's not in the marketplace, that there might be a market there for? And then on the third prong is really the housing agencies and the human service agencies. Really at the local level, getting everyone proactively thinking about this. And luckily, here in the Fox Cities, I think that's happening. That's really where the magic happens. We can't change the Federal Reserve. We can't change HUD policy. We have to know what's happening there so that we can have a sense as to what's going on, and then how that might influence what we do here.

**Aldersperson Kristin Alfheim (District 11) 21:06**

Oh, sorry. That's me. Go ahead.

**Principal Planner Jessica Titel 21:11**

Okay, so now we'll bring it down to the city level, what we have been doing, what we are doing, where we've been. This slide shows the housing trends for new unit construction from 2012 to 2021. About 220 units were constructed in 2021. We need to increase our construction in order to meet the goal of about 330 units a year is



what we need to meet to meet those goals that Kara mentioned. The one good thing on this slide that you'll notice is that we are trending upward for the last few years, so hopefully, we will continue to trend upward and continue to provide more units.



**Principal Planner Jessica Titel 21:55**

Next. So, this one, it's a little hard to read, but our downtown housing development. This is a summary of the multifamily projects that have come online since 2016, are under construction, or planned in the next year or so. Total of about 409 units in our downtown. This shows that there's a—the investments show a strong confidence in our downtown and the vitality and the desire to live here.

### Downtown housing development (2016-2025):

| Completed Multi-Family Projects (since 2016)               | Market Rate      |                           |
|--|------------------|---------------------------|
|  | Units            | Low/Moderate Income Units |
| Gabriel Lofts  | 21               |                           |
| Avant Apartments   | 33               |                           |
| Crescent Lofts   | 11               | 58                        |
| Block 800  | 20               |                           |
| 320 East College   | 39               |                           |
| <b>Construction expected to be complete 2023/2024</b>      |                  |                           |
| Park Central   | 39               |                           |
| Residences at the Zuelke                                   | 66               |                           |
| URBANE 115   | 56               |                           |
| Rise Apartments  | 5                | 43                        |
| <b>Future (est. 2024/2025)</b>                             |                  |                           |
| Merge (Ph II)  | 75               |                           |
| Chase Bank Redevelopment                                   | 24               |                           |
| <b>Totals</b>  | <b>389 (79%)</b> | <b>101 (21%)</b>          |
| <b>Total Downtown Units by the end of 2024/2025 = ~490</b> |                  |                           |
| Senior/Assisted Living                                     |                  |                           |
| Eagle Point (Completed in 2018)                            | 99 units         |                           |

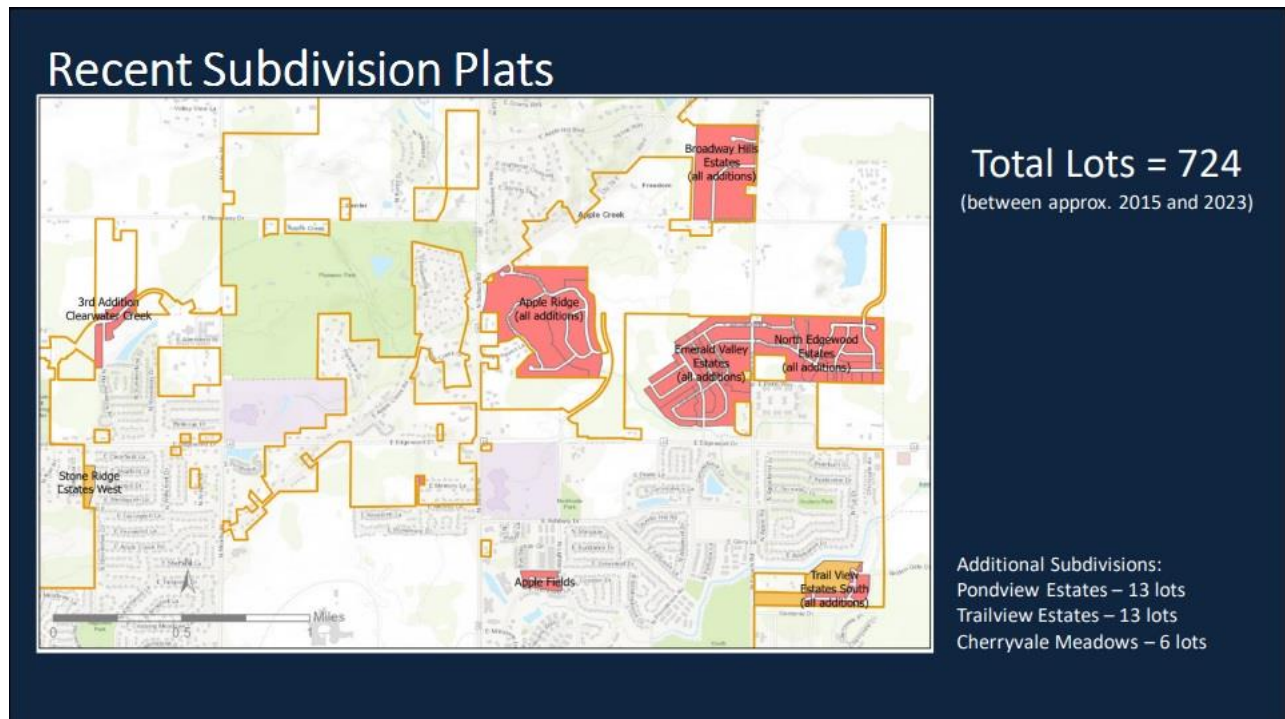
**Principal Planner Jessica Titel 22:25**

So, an—another important thing that I think we're really proud of the city is the percentage of affordable units. 21% of these new units that have been constructed are reserved for low to moderate income families and individuals. And these are just the downtown projects that we've seen. So that I think is a really good thing for

our community. We hope to have more of those. We want to see mixed income neighborhoods and people, anyone who wants to live here, can find something affordable for them.

**Principal Planner Jessica Titel 23:00**

We also have subdivision plats, which is mostly single-family development, a little bit of two family scattered through throughout there. About 724 lots since 2015. All of these are on the north side of the city which is where we have our greenfield our land that's available, considering our boundaries on the east, west, and south are very limited if at all. So, these have been a mix of lot sizes, which I think is something that we're happy to see too, that offers different price points and different options for individuals looking to construct a home in the city.



**Principal Planner Jessica Titel 23:42**

Oh, one more thing about that. I think it's important to mention that while we're reviewing the subdivision plats as a city, we look at the development around it, how it's going to connect into the existing street network, existing infrastructure, all the amenities—that we just don't look at each plant individually. We want to make sure to look at it on a broader scale, and make sure that we have a cohesive design and that we're using the rest of our land really efficiently for our residents and for our community.

**Alderman Kristin Alfheim (District 11) 24:10**

May I ask a question? In all these cases—and there are some beautiful, I just drove past I think three of them in the last couple of days. They're beautiful opportunities. Back to the slide that shows all of the different kinds. The—they weren't apartment complexes but they weren't duplexes. I don't see that we're using anything that looks like those in those communities, though. They all seem to be almost standalone, maybe a shared driveway but otherwise they're very much single individual units. Is their intent to have some way to put that in there?

**Principal Planner Jessica Titel 24:46**

We would love to see these townhome developments. I think the cost of construction right now is challenging. We do have a project that is going downtown. The Rise apartments is providing some townhome developments that'll be eight townhome units. That is one of the tax credit projects for low to moderate income. It's a product that's talked about a lot. And we would we would love to see more of those units that—you know, not quite apartment living but not quite single family provides that middle ground.

**Director Kara Homan (Community And Economic Development) 25:20**

Can I just add? Towards the end of the presentation when Jess gets into what we're working on...

**Aldersperson Kristin Alfheim (District 11) 25:25**

Okay.

**Director Kara Homan (Community And Economic Development) 25:25**

We're working on some code revisions, and she'll get into the details that will make this a much easier homeownership product, make it easier to finance. Yes.

**Aldersperson Kristin Alfheim (District 11) 25:34**

Okay, good. Thank you.

**Principal Planner Jessica Titel 25:39**

So next, we'll talk about our housing strategies and how we support housing development. This is just a short list from the city's Comp Plan that was updated in 2017. And during that update, the downtown plan was also updated. The plans that we create, don't just sit on shelves in our department. We use them every day. We look at the recommendations and we work towards accomplishing them so that we are using these documents to help us make the best decisions for the community. And so, these are just a couple of the recommendations from the downtown plan.

## What has the City done to implement housing strategies and support housing development?

ACCOMPLISHMENTS FROM CHAPTER 14: DOWNTOWN PLAN

| Recommendation  | → | Implementation   |
|---|---|--|
| Strategy 4.8: Support private sector efforts to redevelop and invest in downtown.                             | → | Created Tax Increment Financing Districts #11 and #12 for the east and west ends of downtown in 2017.                |
| Strategy 3.4: Revise CBD zoning to permit first floor dwellings on parcels which do not front College Avenue. | → | Amended CBD zoning in 2018 to allow ground floor residential (except along College Ave.) and standalone residential. |
| Strategy 3.1: Encourage mixed-use and mid-density residential redevelopment on the edge of downtown.          | → | Revamped the C-1 zoning district in 2020 to accommodate mixed-use infill and redevelopment.                          |
| Strategy 1.3: Implement appropriate streetscaping projects throughout the downtown.                           | → | Completed the Downtown Streetscape Design Guide in 2021 to inform decisions as street reconstruction projects occur. |

**Principal Planner Jessica Titel 26:15**

We created TIF 11 and 12 to allow the city to contribute monetary and financial incentives or financial assistance for development in our downtown. We revised the CBD Central Business District zoning district's standards, which is the area around downtown that allows for ground floor housing, which is something that we've heard we heard was needed. No ground floor housing along College Avenue—we want to maintain that retail storefront—but off of College Avenue we can do—you can do standalone multifamily developments or even two, three units, four units smaller on some of those infill sites to get maybe some of those townhome type developments or a fourplex in there.

**Principal Planner Jessica Titel 26:59**

We also updated our c-1 neighborhood mixed use district, and I'll talk more detail in the next slide. But this district will be revamped to better accommodate infill and redevelopment on our existing commercial corridors.

**Principal Planner Jessica Titel 27:12**

The city also just created a Downtown Streetscape Guide, which guides the amenities and the street design when the city goes and redevelop streets, provides those amenities, consistent feel, makes it a friendlier place to walk and be, and creates that sense of place in our downtown.

**Principal Planner Jessica Titel 27:37**

So, another—err more things that we've done to implement these housing strategies. We did a number of zoning code updates over the last few years. We are always paying attention to the zoning code, what can be updated based on what we're hearing and seeing in the community, looking at industry trends, trying to make sure we have a zoning code that allows for the housing types that our community is looking for, and the Council wants to see, and also the flexibility that so we can be creative when people come in with an idea that may be a little bit outside the box.

## What has the City done to implement housing strategies and support housing development?

- **Updated zoning code** to allow for more housing options and flexible re/development
  - **Increased multi-family residential densities** (no maximum density in the CBD, C-1 or C-2 zoning districts)
  - **Amended the C-1 Neighborhood mixed use district** (increased lot coverage, reduced parking requirements, no maximum MF density, reduced setbacks, encourage parking to the rear of the buildings)
  - Accessory Dwelling Units are now allowed in residential districts
  - Allow for zero lot line dwellings
- Support redevelopment of existing infill properties – C-1 zoning district updates and CBD district

**Principal Planner Jessica Titel 28:09**

So, some specific updates to the zoning code is that we increase the density that's allowed in our three multifamily districts. We've doubled that density. We also—there's also no density maximum in the CBD C-1 or C-2 districts. So that's just set on form and design, how many units they put in those developments.

**Principal Planner Jessica Titel 28:29**

So, a little bit more about the C-1 district which I think that is something that we're really proud of. When we look at our older commercial corridors, Wisconsin Avenue, Richmond Street. A lot of those developments are fully built out, smaller lots. It's really tight and we were having seen difficulty when people wanted to re develop those sites and add parking or combine a couple lots because parking requirements, lot coverage in our general commercial district is really geared towards greenfield development. So, we revamped that to allow for increased lot coverage, reduce the parking requirements by 50% so they don't have to provide as much on-site parking. No maximum density for multifamily. Allowing that standalone multifamily if someone desires. Reducing setbacks and also standards to encourage the building up front and the parking in the back to still create that commercial corridor feel and get those buildings up close to the street.

**Principal Planner Jessica Titel 29:29**

Back to what—the townhomes we are working on. We have an update to zero lot line development, which for duplexes that allows a lot line down the common wall in the middle, so each person can own their piece of land rather than a condo. That makes the financing much easier. We were hearing that from some of our developers and builders that they wanted these zero lot line developments, and so in response to that we updated the zoning code to add that product into our market. We also now allow accessory dwelling units on all residential single-family residential, which is a smaller unit that's either attached or detached, provide a space for an aging grandparent, parent, or aging parent, another rental unit, children. So that's something that was supported by our counsel. And we went through and updated that.

**Aldersperson Kristin Alfheim (District 11) 30:22**

Can I ask if we had any traction on that?

**Principal Planner Jessica Titel 30:25**

We've had traction and interest for sure. I don't know if we've issued any permits yet. I think we're still getting there. But we definitely have received inquiries from individuals. And we're—it's just, it's a different product, and the some of the lots are small, and we're working, working through some of the challenges.

**Aldersperson Kristin Alfheim (District 11) 30:50**

I think it's a great idea. But there's a there's a fear of what—but I think if in any given neighborhood, if you see one, you're going to all of a sudden see 10.

**Principal Planner Jessica Titel 30:59**

Yeah.

**Aldersperson Kristin Alfheim (District 11) 30:59**

Because they really are smart, smart ideas. We all have that sandwich generation. We have kids that are in that low-income side trying to get out on their own. We have parents that are needing help. There are rental opportunities as well beyond that. So, I think it's something that—I mean, the Council was excited to pass that because it's good for the community. Now it's just a matter of time before the community realizes it could be a resource as well.

**Principal Planner Jessica Titel 31:25**

Yeah, definitely. And then also back to supporting redevelopment and existing infill. With limited greenfield sites left and limited land, we need to focus on redevelopment and infill. And so again, with these changes with the C-1, NR, CBD district, it makes it easier and has less site—less constraints for developers that want to do that kind of development.

**Principal Planner Jessica Titel 31:54**

Some other things that we're doing again, is preserving our existing housing stock and maintaining. That's important, as Kara mentioned. We have our housing rehab program that is for owner-occupied single-family homes to do upgrades on their home. It uses some of the equity in their home. When that home is sold, the money is put back in a revolving loan fund. Our department administers that program. Things like roofing, windows, things that just make a home much more livable and safe for people and allows them to stay in their home and upgrade their home so we don't lose it out of our inventory.

## What has the City done to implement housing strategies and support housing development?

- **Preserve existing housing stock** – City Housing Rehab Program
- **Allocated \$3 M of ARPA funds** towards affordable housing.
- **Incentivized housing stock** production through TIF Development Agreements.
- **Inventoried every vacant residentially-zoned parcel.**
- Developed, & began implementing **College Avenue North plan** to reimagine redevelopment.
- Site assessment and **master plan of Valley Transit Site** – potential housing joint development concept.
- **Community Development Block Grant funds** awarded to agencies that create & rehabilitate affordable housing

**Principal Planner Jessica Titel 32:34**

We also have provided financial support for housing projects through TIF and ARPA just administered or allocated some ARPA dollars to an affordable housing project in our downtown. We also award some CDBG grant funding to agencies that rehab and create affordable housing.

**Principal Planner Jessica Titel 32:55**

We have the we have a site assessment every year of all the vacant residential properties in the city. This could help as someone is looking for infill sites for single family scattered development around the city that shows where those lots are available. And also investment in our downtown with our College Avenue North study. And staff is also working with the team with the team with Valley Transit on the redevelopment of that site.

**Principal Planner Jessica Titel 33:27**

I only have a couple more slides. So, if it decides to go...

**Aldersperson Kristin Alfheim (District 11) 33:30**

We all have copies here. So as long as you have on your laptop or somewhere we're good.

**Principal Planner Jessica Titel 33:34**

Yup. We only have a couple more. So, another thing that I wanted to go through is to show all the things that we're doing that also are recommended in the industry. That study that Kara went through the that the League of Municipalities supported had eight recommendations on how to increase the construction of affordable housing. So, the first one was to realign lot widths and areas to match historic patterns favoring narrow lots. Our zoning code already has fairly narrow standards and our R1C, the central city residential district, minimum lot sizes 4000 square feet with 40 feet wide, so we do allow smaller lots already in the city.

## How do we compare to best practice recommendations?

Recommendations from *Enabling Better Places: A User's Guide to Neighborhood Affordability—February 2022* (supported by the League of WI Municipalities)

1. Realign lot widths and areas to match historic patterns favoring narrower lots.
  - City already has relatively small and narrow lot minimums (i.e. R-1B = 6,000 SF and 50' width, R-1C 4,000 SF and 40' width for detached single family).
2. Reduce setbacks to historic distances to allow greater use of existing lots.
  - R-1C district allows for a 10' front yard setback (20' on arterials).
3. Allow accessory dwellings by right for all single-family zoning districts.
  - ADUs and JADUs allowed in all residential districts.
4. Permit residential uses within downtown and Main Street zoning districts.
  - Stand alone multi-family is allowed in the CBD and C-1 districts. Residential is allowed as an accessory use in the C-2 districts. No density maximums.

**Principal Planner Jessica Titel 34:16**

Reduce setbacks in those historic districts to keep the houses up front allow more use of the land. we only have a 10-foot front yard setback. So that allows those homes to be up close to the street and take greater advantage of the backyard.

**Principal Planner Jessica Titel 34:31**

The third recommendation was to allow accessory dwelling units by right. We've done that, recently updated our code. We just talked about.

**Principal Planner Jessica Titel 34:40**

The fourth recommendation was to permit residential units in downtown districts. We do that at the CBD district and our C1 district allows the residential development in our downtown area.



**Principal Planner Jessica Titel 34:55**

The fifth recommendation again was to permit residential uses in commercial districts. We do that in our, in our commercial districts already.

## How do we compare to best practice recommendations? Continued.....

5. Permit residential uses, including multi-family, in commercial districts.
  - See #4 above.
6. Manage residential density with building types not units per acre in each district.
  - No maximum residential density in the C-1, CBD or C-2 districts. Also recently double the allowed MF density in the R-3 district.
7. Reduce or eliminate parking minimums.
  - No parking required in the CBD district, 50% parking reduction in the C-1 district and allow for a 20% administrative parking reduction/adjustment in all districts.
8. Assess and streamline the subdivision and workforce housing application process, including standards that direct development outcomes and a time limit on municipal response.
  - Staff is currently meeting internally to streamline the subdivision review process and updates to Subdivision Code Chapter 17 are on the horizon.

**Principal Planner Jessica Titel 35:05**

The sixth recommendation was to manage residential density with building types, not units per acre. We do have a maximum density in our R-3 multifamily district. But in our commercial districts that allow multifamily we don't have a maximum density.

**Principal Planner Jessica Titel 35:23**

Number—the seventh recommendation was to reduce or eliminate parking minimums in our CBD district. We have no parking minimums. We use the on street and the structure parking. The C-1 district, like I mentioned, we reduced the parking minimum by 50%. We also allow a 20% administrative adjustment to reduce the parking in all of our other districts so that we can try to get peel back a little bit of that parking that's needed to make a site or make a development more viable.

**Principal Planner Jessica Titel 35:51**

And then the eighth one is to streamline the subdivision review process. Staff is currently working internally to streamline our subdivision process. We have representatives from all of our departments coming to the table reviewing subdivisions so that we can all be on the same page and get these subdivisions reviewed and out the door, and everyone's working efficiently on those rather than piecemeal throughout the city.

**Aldersperson Kristin Alfheim (District 11) 36:22**

And may I ask, on those eight things, we said that, you know, we know this is what the recommendation was, this is what we've done, or where we are. Those eight things that you mentioned, how long or for how long a period has the city been really ramping up to hit those numbers? Is this just in the last six months? 18 months?

10 years? How long has it been the priority to get up to that pace? It seems like we're really doing what we're supposed to be doing.

**Principal Planner Jessica Titel 36:47**

Yeah, I think this tells—it says a lot that we are doing what we're doing. Some of these things are just, were just in the zoning code. They had been there. We already were doing it. And it just—we're lucky that we have, you know, a flexible zoning code.

**Principal Planner Jessica Titel 37:03**

Some of the rest of them, like our big update to the zoning code in 2020, was probably a real big overhaul to look at some of our standards. But a lot of these things we were just—we were already doing or they were already there. But I would say probably since like 2020 it's been more of a focus of our department to make sure that we—that our zoning codes are going to support the type of development that we're seeing and the developers want and the community wants.

**Alderman Kristin Alfheim (District 11) 37:33**

That's great. Thank you.

**Principal Planner Jessica Titel 37:36**

And so, with that, I don't have anything else. Do we have—if there's any questions?



**Alderman Kristin Alfheim (District 11) 37:45**

Okay. Let's go with Alder Thao first. Okay.

**Alderman Maiyoua Thao (District 7) 37:47**

Thank you, Chair. I have a question about the home owner's loan. Do we make that process more like simpler for people who are interested to apply? Or how does that process go?

**Deputy Director David Kress (Community and Economic Development) 38:08**

Sure, so a couple of things about the homeowner rehab loan program. There are two application periods, once in the spring, once in the fall. Typically, we get about 15 to 20 applications, but we do our very best to promote that program. We work closely with city communication staff to get it on social media, things of that nature,

outreach to neighborhood groups, making them aware that it exists and it's a resource that we want to be able to utilize. But we're always open to suggestions, if there are other ways that we can spread the word because it is a really great program.

**Deputy Director David Kress (Community and Economic Development) 38:40**

And the before and after photos are really powerful. We've done some presentations to share the outcome that the program has helped to support. And it's really powerful stuff. I mean, in certain cases, people are literally holes in their roof, right? I mean, just tough living conditions. And this program can help make those changes to really help turn their life around. And that's not an exaggeration.

**Aldersperson Kristin Alfheim (District 11) 39:07**

Like some feedback on that. I think that sometimes people hear that and think "Why are we doing this?" There are two reasons from what I'm understanding the projection. One, we're helping a family to be in a safe, healthy situation. But two, we need that house to maintain value, because it's good for the entire community. So that's that stock is there. So, we are helping and getting all at the same time, if I understand correctly.

**Deputy Director David Kress (Community and Economic Development) 39:30**

Right.

**Aldersperson Kristin Alfheim (District 11) 39:31**

And Alder Wolff

**Aldersperson Nate Wolff (District 12) 39:33**

Thank you chair. So, my question is about Air BnB or bed and breakfasts. Are Air BnB's hurting our like housing goals? So, where we're trying to get to because they're basically hotels in houses?

**Director Kara Homan (Community And Economic Development) 39:50**

Airbnbs are licensed by a tourist rooming house certification which is enabled by state statute. I believe issued and regulated by our health department. I don't know off the top of my head how many tourist rooming house licenses we have in the city of Appleton?

**Principal Planner Jessica Titel 40:07**

I don't know off the top of my head either and I don't want to guess.

**Director Kara Homan (Community And Economic Development) 40:11**

Is—you know, big picture is it impacting what would otherwise be normal housing stock like a single family home or a resident occupied? It—that's likely the case. But state statute does prohibit us from regulating that beyond what the health department can already do, via the health and safety codes that are baked into state statute.

**Aldersperson Nate Wolff (District 12) 40:35**

Of course it does. Thank you.

**Aldersperson Kristin Alfheim (District 11) 40:39**

I'm gonna fall on the same vein, because I had the same thought. The prices of these older single-family homes, again, retirees moving on, young people trying to get in, whatever the case may be, that is seemingly the target of the buy ups for the Airbnb is, and it is a brawl for people to get them. So, when our issue is housing for our residents, I do believe that this is—I would love someone to actually pull those licenses, and compare that to the

data of how many of those starter family houses we're short. Because I think we need to we need to identify what those numbers are. There are communities in our state that are trying to make some changes. I love a Bnb, don't get me wrong. But I think that we have to be realistic about what it is. Are they adding or are they taking away? And I think that's a fair assessment to learn. So, I would ask that we pull that information.

**Aldersperson Kristin Alfheim (District 11) 41:30**

We may or we may not be on that committee when that information comes up. But I would love that to be— start to measure before anybody starts to overreact on anything. So that we know if it's a 5% change, that may not be a big deal. But if it's 18%, that's a big deal. So, let's learn before it gets away from us.

**Director Kara Homan (Community And Economic Development) 41:49**

We're happy to do that.

**Aldersperson Nate Wolff (District 12) 41:50**

I would agree with that too. I just see that there's a lot more growing in our community and...

**Director Kara Homan (Community And Economic Development) 41:55**

To see trends over time.

**Aldersperson Kristin Alfheim (District 11) 41:56**

Yeah,

**Director Kara Homan (Community And Economic Development) 41:57**

If we can get that.

**Aldersperson Nate Wolff (District 12) 41:58**

Because I mean, if we're looking to buy a house and someone comes in and who has a lot of money and just buys it up to you know, make it—it is not beneficial to our...

**Director Kara Homan (Community And Economic Development) 42:07**

Really our hands are tied by state statute.

**Aldersperson Kristin Alfheim (District 11) 42:10**

Yeah, again, all in good balance. Right? I'm not trying to get rid of anything.

**Director Kara Homan (Community And Economic Development) 42:14**

...convey a message to our state legislators.

**Aldersperson Kristin Alfheim (District 11) 42:16**

Yeah. And again...

**Director Kara Homan (Community And Economic Development) 42:17**

...if feel there's a negative.

**Aldersperson Kristin Alfheim (District 11) 42:18**

Yeah. I know for a fact, in Madison, of all places there are there are things that are changing. So, we're not going there yet. But let's just learn. Let's be ahead of the curve on it. And if we can settle things down. If that if it

becomes at all in our power, if it's good for the city, we have to at least talk about it. Very good. Further questions that we have for the presentation?

**Aldersperson Maiyoua Thao (District 7) 42:40**

Yes, one more. Yes, thank you, Chair. I was wondering how do we work closely with landlords for them to—I'm not saying that, you know, not good. But, you know, to keep the property—like, yeah, up to date. So that we don't fall into like disrepair or like, dysfunctional, you know, in some areas.

**Director Kara Homan (Community And Economic Development) 43:07**

So, I kind of hit on this a little bit early in the presentation. The day-to-day interaction with the landlords would be through the city's inspections division. If they do receive a complaint or become aware of a code violation, that's when they would take proactive action to address those concerns.

**Director Kara Homan (Community And Economic Development) 43:29**

Aside from that, I don't believe there's anything our department does proactively from a programming perspective. But you know, we could certainly enquire with other community development departments in say LaCrosse, Eau Claire, Wausau, our peers and see, you know, what might we be missing? What are the best practices beyond what we're already doing?

**Aldersperson Kristin Alfheim (District 11) 43:52**

Good, good. I would just like to say thank you for all this information. When I went to Director Homan, I—what I was asking for is to just to get all of us up to speed. And I've shared this presentation the opportunity to watch the video, because at a few meetings, we started having more and more conversations about what are we doing? We are doing. And that's what the point of this was to validate. Here's what it says we're supposed to be doing. Here's what we've been doing for decades and what we're even doing better now. And so, I appreciate that the community can realize that there's a lot of time and effort that goes behind the management of our urban population, and where people—we can't build houses, but we are doing everything in our power to make it easy to accommodate all families and businesses and styles in the city. And I truly appreciate not just this report, but in the last year this committee has been together, and thank you for answering all the questions that we have, and really helping us understand the issues the best that we can. Appreciate your time—all of your time that you do.

**Director Kara Homan (Community And Economic Development) 44:54**

Thank you.

**Aldersperson Kristin Alfheim (District 11) 44:55**

Thank you so much.