



VANDEWALLE & ASSOCIATES INC.

To: City of Manitowoc
From: Mike Slavney and Jessica Schmiedicke, planning consultants
Date: November 2, 2009
Re: Affordable Housing Recommendations

PURPOSE AND BACKGROUND

The purpose of this memo is to review existing housing policies and provide recommendations for enhancing affordable housing development and opportunities in the City. Affordable housing options are one of many attributes that newcomers seek and that builds a city's diversity, which will strengthen its economy.

Currently, the City has a variety of policies that support the provision of affordable housing including providing incentives for housing upgrades and homeownership increases through use of local funding and partnerships with other organizations and allowing housing in the upper stories of downtown buildings.

RECOMMENDED STRATEGIES

To provide for affordable housing in this environment, no single strategy will suffice. Instead, a multi-pronged approach is advised. In addition to continuing the City's current housing policies, we recommend the City consider the following strategies to enhance affordable housing development and opportunities in the City.

- **Implement the Housing and Neighborhood Recommendations in the Comprehensive Plan.**

The Housing and Neighborhood Development Chapter of the Comprehensive Plan includes a variety of recommendations intended to strengthen the City's housing stock, many of which are related to affordable housing options, including a housing mix policy in order to maintain the character of the community while allowing for housing choice and to avoid the negative impacts of large areas of multi-family housing. Within each "Planned Neighborhood" area on the Future Land Use Map not less than 65 percent of all housing units are in single-family detached residences and not more than 15 percent of units in two-family dwellings and 20 percent of units in multi-family dwellings (3+ units per building, regardless of occupancy). See the Comprehensive Plan for further information.

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Shaping places, shaping change

▪ **Consider accessory residential units.**

Accessory residential units, or “granny flats,” are small, self-contained living units that typically have their own kitchen, bedroom, and bathroom space. These units can be part of an existing house or a separate structure. Accessory residential units expand affordable and independent housing options and can provide supplemental income to the property owner. Below is model language defining and regulating this use. The City should consider incorporating this use into the Zoning Ordinance.

Description: An accessory residential unit (“granny flat”) is an accessory dwelling unit established in conjunction with and clearly subordinate to the principle dwelling unit on a single-family zoned lot. Accessory residential units may be attached to the principle dwelling unit or located above or within an attached or detached garage that serves the primary residence. Such units may contain a separate kitchen, dining area, bathroom, living area, sleeping area, laundry facilities, and recreation areas, including exterior porches, patios, decks, and parking areas. Separate outdoor access to the unit is required; however, external above-grade stairs serving as the primary access are prohibited. In addition, separate access to the garage or an internal physical connection to the principle dwelling unit may be provided.

1. Regulations:

- a. A separate address for the accessory residential unit is permitted.
- b. The accessory residential unit shall share utility connections and meters with the primary residence.
- c. A physical all-weather connection between the principle dwelling unit and the accessory residential unit may be present. This connection may occur through an attic, basement, garage, porch, or other non-living area. A door may be used to separate the accessory residential unit from the rest of the primary dwelling unit, but it must be locking.
- d. The accessory residential unit may be occupied by a family member or a non-family medical/health care taker.
- e. Occupancy of the accessory residential unit is limited to one person or two persons in the same family.
- f. The accessory residential unit is limited to 640 square feet with a total of one (1) sleeping area.
- g. Setbacks for structures that include an accessory dwelling unit shall be the same as those for principle structures.
- h. Accessory residential unit entryways shall be connected to a street frontage by a paved walkway.
- i. Accessory residential units are accessory dwelling units. Therefore, their use does not create a two-family dwelling. To ensure that these units remain accessory to owner-occupied primary residences, both the principle dwelling unit and the accessory dwelling unit may not be rented by separate parties. Accessory residential units are not allowed for lots containing primary residential units (the main home) that are rented.

- **Support programs to provide new affordable housing.**

Several State and federal programs exist to help provide affordable housing for low and moderate income residents, who make up a good portion of the area's workforce and retirees. These may be administered or advanced through local housing or community development authorities. Programs such as the federal tax credit program, administered through the Wisconsin Housing and Economic Development Agency, can help provide high-quality housing for lower income residents. The City should support appropriate use of such programs to increase the supply of affordable housing for people who are often not accommodated through the private market operating independently.

- **Promote the maintenance of older neighborhoods.**

The most affordable housing in a community is typically areas of existing housing stock. The existing housing stock is an important component of the affordable housing supply, if housing is well maintained. The City will explore greater use of programs like CDBG to help fund rehabilitation grants and loans for existing housing. In addition, facilitating development proposals for senior housing also helps free up older homes for a new generation.

- **Consider the use of cooperative housing or co-housing in the City.**

To support affordable and unique housing options, the City should remain open to the idea of cooperative housing or co-housing options in appropriate locations. Residents of a housing cooperative own a share in a corporation that owns or leases the buildings and/or land in which they live. All shareholders are entitled to live in a specific home or unit on the property and have a vote in the corporation. Shareholders pay for their proportionate share of the amount it costs to run the cooperative, including underlying mortgage payments, property taxes, management and maintenance costs, insurance, utilities, and costs associated with any reserve funds. Although housing cooperatives can be comprised of any housing type—including townhouses, apartments, single-family homes, and senior housing units—the common thread among all co-ops is democratic control by all members of the cooperative. This is typically accomplished by maintaining volunteer boards of directors that are elected by all co-op members. Many co-ops also have committees that are responsible for overseeing things like activities and newsletters. Maintenance is either handled by co-op members or by a hired manager or management company. There are also types of housing arrangements that are *similar* to housing cooperatives in that they are democratically run by residents, but they may or may not be cooperatively owned. These include co-housing. Co-housing offers residents a strong community environment. They often have extensive common amenities, such as a common house and common open space and recreation areas. Co-housing developments are managed by the residents, but few are cooperatively owned. Rather, they are typically set up like condominiums.

- **Consider other initiatives.**

The City may explore other opportunities to expand affordable housing options including:

- Using incentives or flexibility measures on a case by case basis, such as a density bonus in exchange for a certain percentage of affordable housing units.
- Establishing a linkage ordinance that requires non-residential developments to contribute to a housing organization. The City needs to consider the legal issues associated with this initiative, particularly the need to establish a connection between the fee amount and the need for affordable housing created by new development.
- Supporting factory-built or manufactured housing. Because of economies of scale associated with the production of manufactured housing, it presents a viable option for affordable single family housing. In the City's Zoning Ordinance, a manufactured home is considered a single family dwelling if it meets design and utility requirements common to all single-family detached dwelling units and is installed in accordance with the manufacturer's instructions.