



Village of Shorewood Housing Affordability Report, 2021

Prepared by the Planning & Development Department
Reviewed by the Community Development Authority, January 8, 2021
Accepted by the Village Board, January 25, 2021

INTRODUCTION

This Village of Shorewood Housing Affordability Report, 2021 has been compiled as an update to an original Housing Affordability Report authored by Novogradac Consulting LLP dated December 19, 2019. That report was written on behalf of the Village of Shorewood Community Development Authority. The contents of this report have been developed in compliance with Wis. State Statutes [66.10013](#), which further state that the Analysis shall be updated annually and posted to the Village's website no later than January 31.

Additional information provided in the 2019 report related to housing gaps has not been included. For reference to that and additional housing information, please see [A Comprehensive Housing Market Study and Needs Analysis](#) authored by Novogradac Consulting LLP dated February 13, 2020.

HOUSING AFFORDABILITY ANALYSIS

(1) Applicability to Shorewood, Wisconsin

According to the [Wisconsin Department of Administration's population estimates](#), as of January 1, 2020 the population in Shorewood, Wisconsin was 13,472 (down from 13,479 in 2019); as such, the Village of Shorewood is required to produce a Housing Affordability Report.

(2) Implementation of Housing Element of Comprehensive Plan

Shorewood's [Housing Element](#) of the Comprehensive Plan (2011) identifies nine housing-related recommendations, which are summarized below.

- Continue efforts to market Shorewood
- Implement recommendations from S.B. Friedman Duplex Strategy Report
- Explore continuation of pilot Neighborhood Improvement Loan Program
- Continue to implement Code Compliance Program and housing maintenance enforcement
- Encourage residential development recommended in the Village of Shorewood Central District Master Plan (2014)
- Initiate comprehensive review of neighborhood changes & enhancement programs
- Continue to explore development of housing appropriate for aging population
- Explore housing demand for area professionals
- Continue Village and School District joint effort analyzing school enrollment

In 2020, the Village took the following actions towards implementing the Housing Plan element of the current Comprehensive Plan.

- The Village maintained its Exterior Code Compliance inspections, as recommended in the Comprehensive Plan.

Of note, the Village is currently undergoing an update to its Comprehensive Plan and new Housing Element goals and objectives are expected to be finalized in early 2021. Additionally, the Community Development Authority is projected to review the frozen Neighborhood Improvement Loan Program and make a recommendation to the Village Board regarding potential extension of an expiring TID for the purposes of affordable housing.



Per Section 66.10013, the Housing Affordability Report shall contain all of the following:

Where available, data is for the prior full year upon date of completion of this report.

(a) Number of subdivision plats, certified survey maps, condominium plats, and building permit applications approved

Table 1: Subdivision, CSM, Condo and Building Permit Approvals, 2020

2020	Subdivisions	Certified Survey Maps (new lots)	Condo	Building Permits
Approvals	0	0	1	608

Shorewood is essentially built-out. Given the unavailability of vacant land, nearly all building permits issued were for remodels or additions. The following table provides more details on building permits issued.

Table 2: Building Permits, 2020

2020	New	Remodels	Additions	Demolition	Conversion
Single-family homes	3*	110	3	2	0
Duplexes	0	25	0	0	1
Multi-family**	0	8	0	0	0

*includes creation by duplex conversion

**includes condos: building permits for condos are on a per unit basis, building permits for apartments are by building

The vast majority of building permits issued were for remodels of existing single-family homes. The only construction permit issued for an additional housing unit in 2020 was for a new single-family home at 2100 E. Wood Pl. on a lot that was created in 2018. (A permit for the construction of a new house at 2521 E. Lake Bluff was also issued, but as the result of a “tear-down.”) It is worth noting that building permits are issued by parcel and as such for apartments a permit would generally cover all units in the apartment building whereas for condominiums the permit would cover only the particular unit. The following table provides a 10-year comparison since 2011.

Table 3: New Housing Units per Year, 2011-2020

Year	New Single-Family Homes*	Housing Units Eliminated**	Multi-Family Dwelling Units Constructed	Net New Housing Units
2011	3	3	0	-3
2012	2	1	0	-1
2013	1	0	84	85
2014	3	2	0	-2
2015	1	1	99	99
2016	5	5	0	-5
2017	3	3	95	92
2018	1	1	101	100
2019	4	5	0	-1
2020	3	2	0	-2
Total	26	23	379	362

*also includes new homes constructed as a result of a teardown or duplex conversion – date based on permit issuance

**teardowns and duplex conversions

In the previous 10 years, 362 new housing units have been added in the Village. This figure accounts for units lost to duplex conversion and teardowns that have yet to be rebuilt. Almost all



new single-family home permits were for teardowns or duplex conversions into single-family units. Only one home was developed on a previously vacant lot within that period. Almost all new housing unit construction since 2011 has been a result of new multifamily or mixed-use development.

(b) The total number of new residential dwelling units proposed in all subdivision plats, certified survey maps, condominium plats, and building permit applications that were approved by the municipality in the prior year.

Table 4: Housing Units Proposed, 2020

2020	Subdivision	New Lot via CSM	Condo	Building Permits
New Units Proposed	0	0	0	12

In 2019 the Village’s Design Review Board approved construction of a 10-unit townhome development at 4121 N. Wilson Dr. which has yet to be built. Those units are included as still proposed within 2020. A new single family home on the vacant residential lot at 3534 N. Lake Dr., which was also permitted in 2019, but has yet to be built, is also included. The Village also anticipates receiving plans for the construction of a new home on the lot at 2010 E. Jarvis St., which was recently demolished at the end of 2020.

(c) A list and map of undeveloped parcels in the municipality that are zoned for residential development.

Table 5: Undeveloped Residential Lots, 2020

Parcel ID	Address	Owner	Size (acres)	Zoning
277-0258-000	2710 E. Shorewood Blvd.	Paul & Pamela Miller	0.189	R-5 Single Family
277-0005-000	3534 N. Lake. Dr.	Chris Abele	2.529	R-1 Lake Drive
239-0543-000	2010 E. Jarvis St.	Allan & Sandy Pasch	0.137	R-6 One- and Two-Family

The map of the aforementioned parcels is included on page 5.

(d) A list of all undeveloped parcels in the municipality that are suitable for, but not zoned for, residential development, including vacant sites and sites that have potential for redevelopment, and a description of the zoning requirements and availability of public facilities and services for each property.

Table 6: Undeveloped Parcels, Suitable But Not Zoned for Residential Development, 2020

Parcel ID	Address	Owner	Size (acres)	Zoning
239-0290-000	1808 E. Marion St.	4300 Oak, LLC	0.110	B-1 Commercial
239-0291-000	4300 N. Oakland Ave.	4300 Oak, LLC	0.202	B-1 Commercial

These sites are located within the business district, which has other multi-family or mixed-use properties. The B-1 zoning does not allow for exclusively residential use, but does allow mixed-use development. As zoned, these sites would need to feature some commercial aspect. All sites have access to public utilities and services.



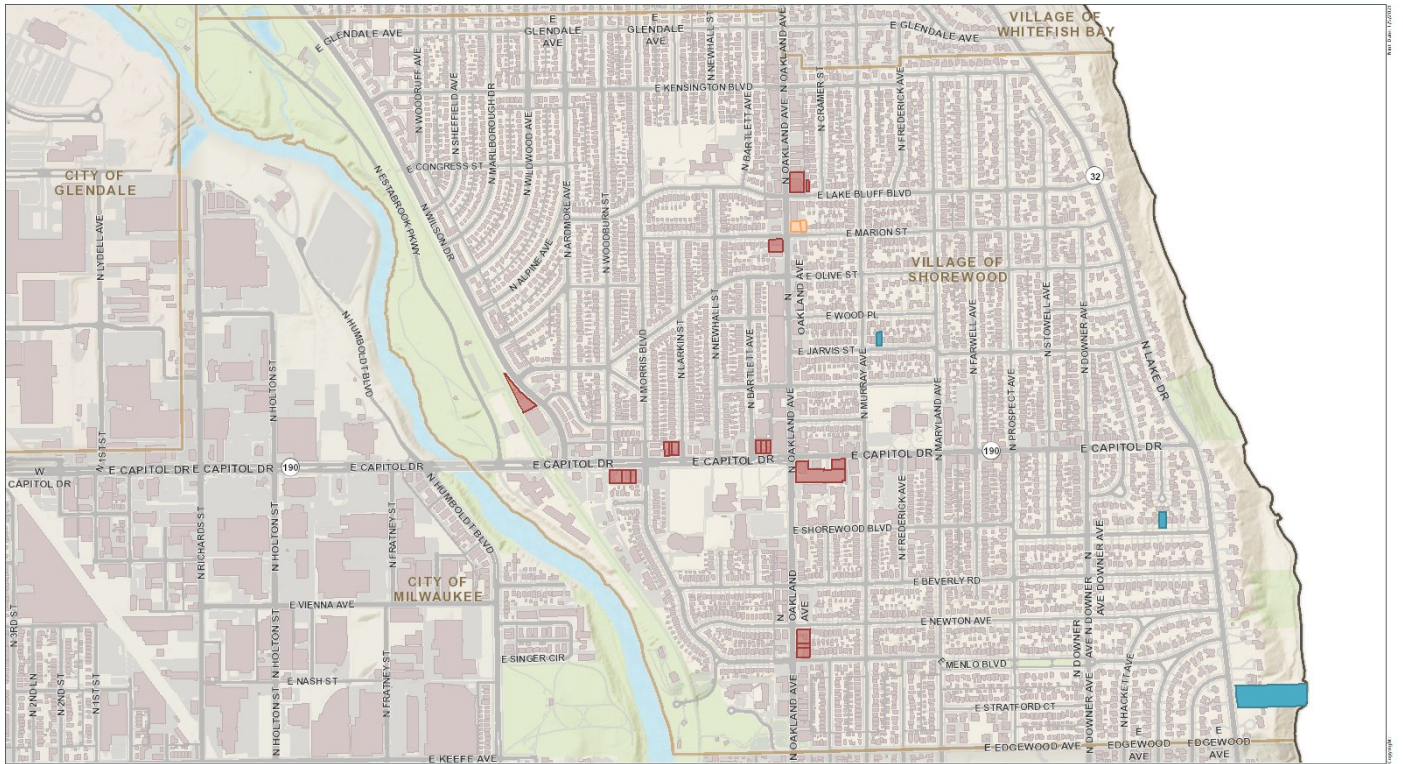
Table 7: Parcels or Sites with Potential for Redevelopment, 2020

Parcel ID	Address	Owner	Size	Zoning
275-1086-001, 275-1085-000, 275-1084-000	1409-1425 E. Capitol Dr.	Windermere Properties, Inc.; Cap Lane Realty; Morris Ave Properties, LLC.	28,800 sq. ft.	B-3 Mixed-Use Commercial
240-0358-000, 240-0359-000, 240-0360-000	1518-1530 E. Capitol Dr.	James Petr; Caplar, LLC; Wells Fargo Bank WI	15,750 sq. ft.	B-3 Mixed-Use Commercial
240-0020-000, 240-0021-000, 240-0022-000	1700-1716 E. Capitol Dr.	Noah Christensen; Sola North, LLC; Michael Yerukhimovich and Kiara Fleysh	16,000 sq. ft.	B-1 Commercial
276-0730-001	1901 E. Capitol Dr.	Seton Tower Corp.	10,700 sq. ft.	B-1 Commercial
276-0185-000, 276-0186-000, 276-0187-000	3600-3624 N. Oakland Ave.	Sik Kin and Wen Chen Ng; 3610 N Oakland Ave LLC Metro Investments; BEG Enterprises Four, LLC	28,900 sq. ft.	B-2 Mixed Use Residential
276-074-9006	3970 N. Oakland Ave.	WI Robinson Family LP JJ&R Enterprises	61,000 sq. ft.	B-1 Commercial
240-9979-000	4121 N. Wilson Dr.	Flexigon LLC	23,500 sq. ft.	B-3 Mixed Use Commercial
239-0154-000	4414 N. Oakland Ave.	Shore B FSB	22,925 sq. ft.	B-2 Mixed Use Residential
240-9996-000	4231 N. Oakland Ave.	Bv Shorewood LLC	13,250 sq. ft.	B-2 Mixed Use Residential

The aforementioned sites were either identified within the 2014 Central District Master Plan and have not yet been redeveloped or are currently vacant or being marketed for redevelopment. As zoned, B-1 sites would need to feature some commercial aspect, whereas sites zoned B-2 or B-3 could be redeveloped exclusively with multi-family residential. All sites have access to public utilities and services.

The map on the following page illustrates the location of undeveloped residential sites as well as undeveloped commercial parcels and sites with the potential for redevelopment.





Data Source:
Milwaukee County Land Information Office

- Potential for Redevelopment
- Undeveloped Commercial Parcels
- Undeveloped Residential Parcels
- Street Labels
- Muni Labels

Housing Opportunities

ArcGIS Web AppBuilder

- (e) An analysis of the municipality's residential development regulations, such as land use controls, site improvement requirements, fees and land dedication requirements, and permit procedures. The analysis shall calculate the financial impact that each regulation has on the cost of each new subdivision. The analysis shall identify ways in which the municipality can modify its construction and development regulations, lot sizes, approval processes, and related fees to do each of the following:
1. Meet existing and forecasted housing demand.
 2. Reduce the time and cost necessary to approve and develop a new residential subdivision in the municipality by 20 percent.

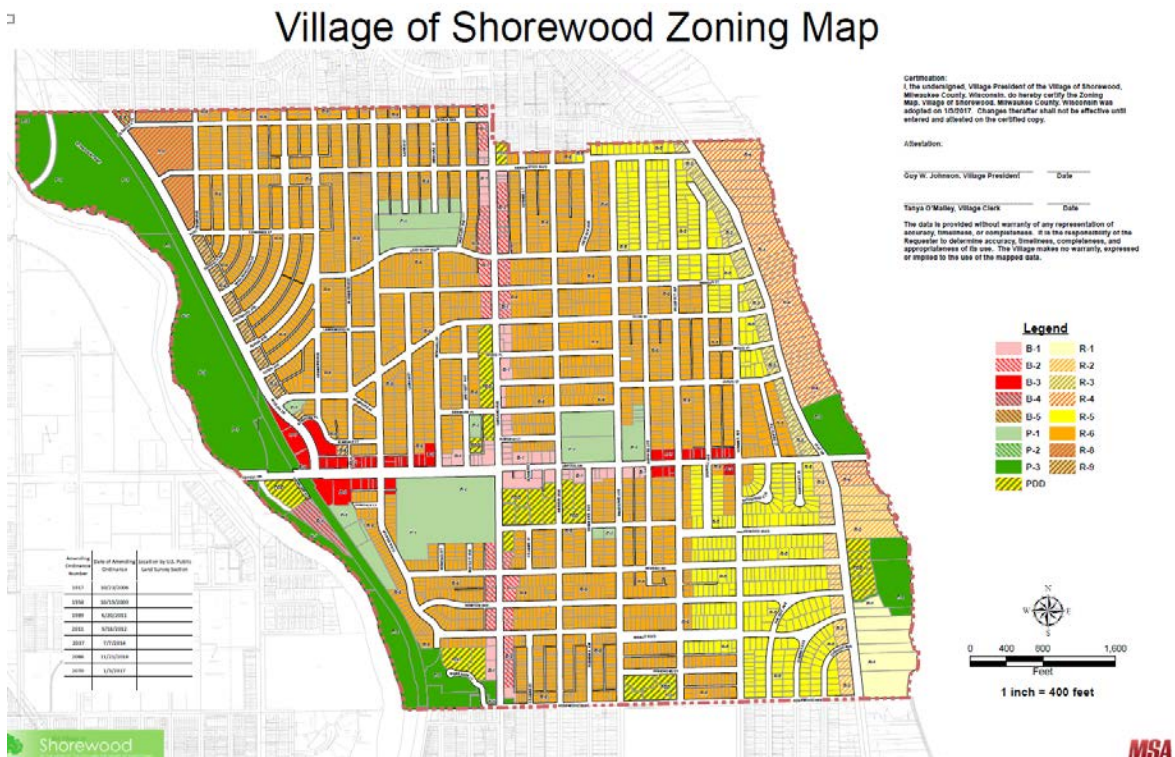
Zoning

The Village's Zoning Code ([Chapter 535](#)) allows development of a wide variety of residential uses at various densities throughout the Village. In particular, zones R1 through R-10 serve as residential districts within the Village. The purpose of these zones is to "maintain the particular character of each residential area, mainly with respect to building bulk, setback, and land coverage." Residential uses are also permitted in select other zoning districts, namely the various commercial districts and the planned development district. In particular, multifamily housing units are permitted in the commercial districts though in B-1 there would also need to be a commercial component as well. The following table illustrates the existing zoning code districts that permit residential development as well as the type of residential development permitted.



Table 8: Zoning Districts

Zone	Type	Description	Principle Use(s)
R-1	Residential	Lake Drive Residence District 1	One-family dwellings
R-2	Residential	Lake Drive Residence District 2	One-family dwellings
R-3	Residential	Lake Drive Residence District 3	One-family dwellings
R-4	Residential	Lake Drive Residence District 4	One-family dwellings
R-5	Residential	Single-Family Residence District 1	One-family dwellings
R-6	Residential	One- and Two-Family Residence District 1	One- and two-family dwellings
R-7	Residential	Townhouse Residence District	One-family dwellings
R-8	Residential	Estabrook Homes Residential District	Multi-family dwellings
R-9	Residential	Apartment House District 1	Multi-family dwellings
R-10	Residential	Apartment House District 2	Multi-family dwellings
B-1	Commercial	Commercial Use District	Commercial use first floor, commercial or residential use above
B-2	Commercial	Mixed-Use Residential District	Mixed-use or multi-family dwellings
B-3	Commercial	Mixed-Use Commercial District	Mixed-use, multi-family dwellings or commercial use
B-4	Commercial	River District	Multi-family dwellings
B-5	Commercial	Estabrook Homes Business District	Commercial or multi-family dwellings
PDD	Planned	Planned Development District	Any use, subject to Village Board approval



The only districts within which residential uses are not permitted are the Public and semipublic districts. Single-family dwellings are permitted in eight districts, two-family dwellings are permitted in two districts, and multifamily residential is permitted in nine districts. The following map illustrates the spatial distribution of these zoning districts throughout the Village.

The majority of the land in the Village is zoned R-6, One- and Two-Family Residence District 1. Areas permitting multifamily uses are concentrated along Wilson Drive, Oakland Avenue, and Capitol Drive.

Design Guidelines & Review Board

In addition to the Zoning Code, the Village has Design Guidelines for the Central District located along Capitol Drive and Oakland Avenue. These guidelines are “intended to assist the Village in maintaining and enhancing its physical character by encouraging development proposals that strive for high-quality design.” These guidelines apply in the following circumstances:

- New construction, additions or structural alterations of buildings or parking facilities
- Alteration of exterior surface materials, color or design of existing buildings
- Location and appearance of exterior lighting and signage
- Landscaping on sites with new construction, additions or structural alterations of buildings or parking structures.

These parameters are specified in the [Central District Master Plan Design Guidelines](#) published in July 2006. In general, the guidelines relate to site design (building setbacks, drive-through/drive-up facilities, parking areas, outdoor cafes, and service areas), building design (building materials, scale and massing, lighting, building colors, and building heights), wayfinding and signage (gateway signs, directional signs, identity signs, information kiosks, business signs, temporary signs, and menu boxes), and streetscape/landscape (landscape maintenance).

The Village has established a Design Review Board, which per Village Code [225-12E](#) “shall review exterior alterations and additions that require a permit, with few exceptions (225-12E(1)(a)), for all buildings throughout the village utilizing the following Design Criteria:

- In making its findings and determination concerning each proposed project, the Design Review Board shall give substantial weight to the intent of the Village that the decisions of the Board perpetuate and further the character of Shorewood, including, without limitation by enumeration, the following:
 - (a) A human scale in the Village as a whole, including its architecture and land use, with an accompanying recognition that the Village is characterized by a substantial amount of pedestrian and bicycle traffic;
 - (b) A high quality of design and construction;
 - (c) A consistency in the design of commercial properties with the primarily residential nature of the Village; and
 - (d) A diversity of architectural styles, which are, at the same time, compatible with their surroundings.”

Fees

The table on the following page illustrates the current development fees for residential construction.



Table 9: Development Fees

Type	Fee
Building Permit	\$9 per \$1,000 of project cost (\$65 min)
Design Review Board	\$60
Impact	None
Park	None
Land Dedication	None
Water Hook-Up	\$50 min, plus \$0.50/foot over 100 ft.
Sewer Hook-Up	\$50 min, plus \$0.50/foot over 100 ft.
Plat Approval	\$500
Fire Impact	None
Zoning Change	\$500
Stormwater Management	\$200, plus \$200/hour of engineering review (only charged for projects impacting greater than one acre)

Permit Process

Permit applications are submitted to the Planning and Development Department for review. If there are no exterior modifications proposed, then the permit application is given to the Building Inspectors for review and approval for issuance. Typically, this type of building permit can be processed within several days. However, if exterior modifications, including new construction or additions, are proposed, then the permit application is routed through the Design Review Board for review and approval. The Design Review Board meets twice per month. Typically, approvals can be provided within two to three weeks. The permit application must also go to the Building Inspectors for review and approval. Typically, the Building Inspectors review occurs simultaneously to the Design Review Board review. Permits are valid for four months and require inspections within that timeframe for finalization. Extensions beyond the four-month period can be obtained if work on the project is continual.

Summary

Overall, while the design guidelines, fees, and permit process impact remodeling/addition projects, the primary limitation for the Village in terms of adding new housing units is a lack of available developable land, and as a result, new subdivision development is not feasible within Shorewood. Further, the zoning code or Village regulations currently restricts select opportunities for creating additional units within the existing supply in the following two ways:

- 535-10E: Conversions. In all one- and two-family residence districts, no one-family residence may be converted to a two-family residence.
- 326-7D: “No space in a basement may be used for sleeping purposes or as a dwelling unit.” This is more strict than the Uniform Dwelling Code used for new construction.

1. Meet existing and forecasted housing demand.

As previously mentioned, Shorewood is essentially built out and as such there is limited land available for new construction. From 2010 to 2020 there were a total of 28 single-family homes added to the housing supply; however, all but one were teardowns of previously existing single-family homes or duplex conversions and as such there were minimal new housing units added as a result of this development. There were however new housing units added through multifamily construction; more specifically, 403 housing units have been added since 2010 in multifamily buildings, or approximately 37 new units on average per year.



Table 10: Forecast Housing Demand

	2020*	2025*** Projection	2030** * Projection	2035*** Projection	2040*** Projection	Total
Number of Households	6,045	6,632	6,671	6,815	6,876	-
Number of New Households	-	587	39	144	61	831
Number of Housing Units**	6,305	-	-	-	-	-
Number of New Housing Units Needed****	-	659	41	151	64	915

*2019 ACS 5-Year Estimate (with +/- 210 margin of error)

**2019 ACS 5-Year Estimate (with +/- 234 margin of error)

***Wisconsin Department of Administration, [Household Projections, 2010-2040 \(2013\)](#)

****Assumes a healthy market vacancy rate of 5%

According to projections determined by the Wisconsin Department of Administration after the 2010 Census, by 2040 a total of 915 new housing units will be needed in Shorewood. That figure is based on a current estimate of housing units (with a high margin of error), projected increases in the number of households and assumes a healthy vacancy rate of five percent.

At the current rate of construction of approximately 36.2 new housing units per year (based on the average construction rate over the past 10 years), an estimated 724 units will be added during this time. This would be under the number of new housing units needed over this time period, but likely within projections in consideration of margin of error. However, it is also worth noting that given the lack of available land, the historical rate of construction is unlikely to continue on pace for the foreseeable future and as such the aforementioned additions to the housing supply may be overstated.

Even if assuming the current rate of construction would continue, and that forecast housing demand on the whole could be met, the above analysis tells little about potential gaps within that housing supply.

2. Reduce the time and cost necessary to approve and develop a new residential subdivision in the municipality by 20 percent.

There is no available land within the Village upon which to develop a new residential subdivision. Instead, new residential development is generally infill construction. As such, this requirement is not applicable to the Village of Shorewood.