

PLAN COMMISSION
of the City of Platteville



AGENDA

MONDAY, NOVEMBER 3, 2025 – 6:00 P.M.

COUNCIL CHAMBERS IN CITY HALL – 75 N. BONSON STREET, PLATTEVILLE WI

1. ROLL CALL
2. APPROVE MINUTES – October 6, 2025
3. ZONING AMENDMENT – Expansion of R-LO Limited Occupancy Zoning Overlay District
Consider the proposed expansion of the limited occupancy overlay district designation.
4. HOUSING PLANNING DISCUSSION – Housing Development Tools and Regulations
Discussion regarding zoning requirements and potential zoning amendments, potential State law changes, and funding resources to support housing. This discussion and additional discussions at future meetings are intended to assist with the creation of the housing element of the comprehensive plan and to assist the City with budgeting decisions related to housing.
5. ADJOURN

If you have concerns or comments related to an item on this agenda, but are unable to attend the meeting, please send the comments to carrollj@platteville.org or call 608-348-9741 x 2235.

PLAN COMMISSION
Monday, October 6, 2025

The regular meeting of the Plan Commission of the City of Platteville was called to order by Plan Commission Chair Bob Gates at 6:00 PM in the Common Council Chambers of the Municipal Building.

ROLL CALL:

Present: Bob Gates, Eileen Nickels, Robert Vosberg, Tim Durst, Ciara Miller, and Matt Niehaus (arrived at 6:55 PM).

Absent: Barbara Daus and Rick Anderson

APPROVE MINUTES – August 4, 2025

Motion by Miller, second by Nickels, to approve the August 4, 2025, minutes as presented. Motion carried 5-0 on a roll call vote.

HOUSING PLANNING DISCUSSION – Housing Assessment & Education

City Manager Clinton Langreck launched the Housing Planning Series with the aim to inform, educate, engage, and build consensus around forming City policy in relation to the Comprehensive Plan, Housing Strategy, and Trail View Development. SWRPC Assistant Planner Alyssa Schaeffer shared statistics on current population and housing trends. Community Development Director Joe Carroll discussed the affordability and financial feasibility of homeownership in Platteville. Delta 3 Civil Engineer and Vice President Dan Dreessens outlined the costs of building a home in the city and the challenges faced by developers. Alyssa Schaeffer also presented the results from the community survey regarding workforce housing needs. Attendees asked questions, and Plan Commission members shared their concerns and focus. City Manager Langreck explained that the next meeting will cover land use planning, zoning design requirements, funding sources, City of Platteville funds, and tools to help shape policies for the optimal use of these elements.

SCHEDULE NOVEMBER MEETING – Due to the Housing Planning Discussions, the November meeting will be held on Tuesday, November 3, 2025, at 6:00 pm.

ADJOURN:

Motion by Durst, second by Niehaus to adjourn at 7:34 p.m. Motion carried 6-0 on a voice vote.

Respectfully submitted,

Colette Steffen, City Clerk

STAFF REPORT

CITY OF PLATTEVILLE

Community Planning & Development Department



Meeting Dates: Plan Commission – November 3, 2025
Common Council – November 10, 2025 (Information)
Common Council – November 25, 2025 (Action)

Re: Petition to expand R-LO overlay district

Case #: PC25-RZ03-11

Applicant: Petition signed by multiple property owners

Location: Camp Street, Colleen Court, Hollman Street, Eastman Street, Mason Street, Main Street, Union Street, Williams Street.

I. BACKGROUND

1. The zoning ordinance currently includes a Limited Occupancy Overlay District, which places restrictions on the number of occupants that are permitted to live in a residential housing unit located within that district. The ordinance also allows for the expansion of the designation to additional properties through a petition process. A petition has now been submitted that has been signed by the owners of 37 properties requesting the addition of the overlay district designation on their properties.

II. PROJECT DESCRIPTION

2. The petition includes the following properties:

<u>Property Address</u>	<u>Parcel Number</u>
920 Camp Street	271-01398-0000
940 Camp Street	271-01399-0000
1050 Colleen Court	271-00831-0000
1070 Colleen Court	271-03000-0000
1085 Colleen Court	271-03006-0000
1120 Colleen Court	271-03002-0000
1150 Colleen Court	271-03003-0000
1165 Colleen Court	271-03004-0000
860 Eastman Street	271-01397-0000
865 Eastman Street	271-01390-0000
905 Eastman Street	271-01389-0000
950 Eastman Street	271-01394-0000
1080 Eastman Street	271-01341-0000

1175	Eastman Street	271-01360-0000
1190	Eastman Street	271-02951-0000
1210	Eastman Street	271-01933-0000
845	Hollman Street	271-01405-0000
905	Hollman Street	271-01403-0000
910	Hollman Street	271-00827-0000
935	Hollman Street	271-01402-0000
970	Hollman Street	271-02977-0000
1020	Hollman Street	271-02978-0000
1025	Hollman Street	271-01351-0000
1060	Hollman Street	271-02979-0000
1085	Hollman Street	271-01348-0000
1125	Hollman Street	271-01347-0000
1155	Hollman Street	271-01346-0000
1160	Hollman Street	271-02982-0000
1180	Hollman Street	271-02983-0000
1185	Hollman Street	271-01345-0000
1440	Main Street	271-03049-0010
1460	Main Street	271-03049-0000
1536	Main Street	271-03052-0000
950	Mason Street	271-01935-0000
1190	Union Street	271-02909-0000
880	Williams Street	271-01367-0000
925	Williams Street	271-01393-0000

3. Most of the properties in question are currently zoned R-1 Single Family Residential or R-2 One & Two-Family Residential. The petition requests that the properties also be rezoned to include the R-LO Limited Occupancy Residential overlay zoning designation. The properties at 1210 Eastman Street and 950 Mason Street are zoned R-3 Multi-Family Residential and are not eligible for this overlay designation.
4. With the R-LO designation, the property can be used as an owner-occupied residence, and as a rental property, but is limited to the number of unrelated individuals that can live there. According to the requirements of the R-LO designation, the house can be occupied by any number of individuals that compose a family (as defined by the code), but it would be limited to a maximum of 2 individuals that are unrelated.
5. In the R-LO Limited Occupancy Residential Overlay District, the definition of "family" is set forth below:

"Family" shall mean one of the following groups of individuals, but not more than one group at a time:

- (1) Any number of persons, all of whom are related to each other by blood, adoption, marriage, domestic partnership formed under Wis. Stats. 770, or legal

guardianship, along with up to one (1) roomer or boarder not so related, living together in one dwelling unit as a single housekeeping entity; or
(2) Not more than two (2) persons who are not related by blood, adoption, or marriage, living together in one dwelling unit as a single housekeeping entity; or
(3) Two (2) unrelated individuals and any children of either or both of them living as a single-housekeeping unit.

For purposes of the definition of family, the term "related" shall mean a spouse, parent, child, stepchild, child of a parent in a domestic partnership, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, great-grandparent, and great-grandchild, or a child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, great-grandparent, or great-grandchild of a person in a domestic partnership. The term "related" does not include other, more distant relationships such as cousins.

The definition of family includes up to two (2) guests if the guests live and cook together with the family in a single dwelling unit and do not pay rent or give other consideration for the privilege of staying with the family. The definition of "guest" under this section is defined as a person who stays with a family for a period of less than thirty days within any rolling one-year period and does not utilize the dwelling as a legal address for any purpose.

6. In the R-1 District, the definition of family is set forth below:

"Family" shall mean any one of the following groups of individuals, but not more than one group at a time: (a) Any number of persons, all of whom are related to each other by blood, adoption, marriage, legal guardianship, or domestic partnership formed under Wis. Stats. 770, along with up to two (2) roomers or boarders not so related, living together in one dwelling unit as a single housekeeping entity; (b) Not more than four (4) persons who are not related by blood, adoption, or marriage, living together in one dwelling unit as a single housekeeping entity; or (c) Two (2) unrelated individuals and any children of either or both of them living as a single-housekeeping unit. For purposes of the definition of family, the term "related" shall mean a spouse, parent, child, stepchild, child of a parent in a domestic partnership, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, great-grandparent, and great-grandchild, or a child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, great-grandparent, or great-grandchild of a person in a domestic partnership. The term "related" does not include other, more distant relationships such as cousins. The definition of family includes up to two (2) guests if the guests live and cook together with the family in a single dwelling unit and do not pay rent or give other consideration for the privilege of staying with the family. The definition of "guest" under this section is defined as a person who stays with a family for a period of less than thirty days within any rolling one-year period and does not utilize the dwelling as a legal address for any purpose.

III. STAFF ANALYSIS

7. The ordinance includes a process that allows individuals or neighborhoods to petition for the creation of an RLO District in their neighborhood. To be considered, the petition must

have the signatures of a minimum of 75% of the property owners within the proposed district. If the petition has less than 100% of the signatures then the district requires a favorable $\frac{3}{4}$ vote of the Council to be approved. The submitted petition does not include any properties where the owner did not sign the petition, so a standard majority vote is all that is required for approval.

IV. STAFF RECOMMENDATION

8. Staff has some concerns with the spread of this overlay district beyond the original target area. When the R-LO district was first created in 2011, the enrollment at UWP was increasing and the need for student housing was outpacing the ability of the university to create housing. This resulted in owner-occupied homes being converted to rentals in the vicinity of campus. The district was created to prevent, or at least reduce, the spread of college rentals into residential areas near the university. However, the university enrollment peaked in 2015 and has been steadily declining until this current year. Additional rental housing has been constructed over the past ten years, so the demand for student housing isn't the same as when this district was created. Additionally, this current request to expand the district is in an area much further from the university. This begs the question, what is the purpose of expanding this district. There is something the City needs to consider.
9. Overall, Staff is not against the current request to add the R-LO designation to the eligible properties that requested it. As long as the request is to make the change for their own properties and not forcing it onto other properties, Staff is not opposed. However, the properties at 1210 Eastman Street and 950 Mason Street are not eligible to be included in the ordinance.

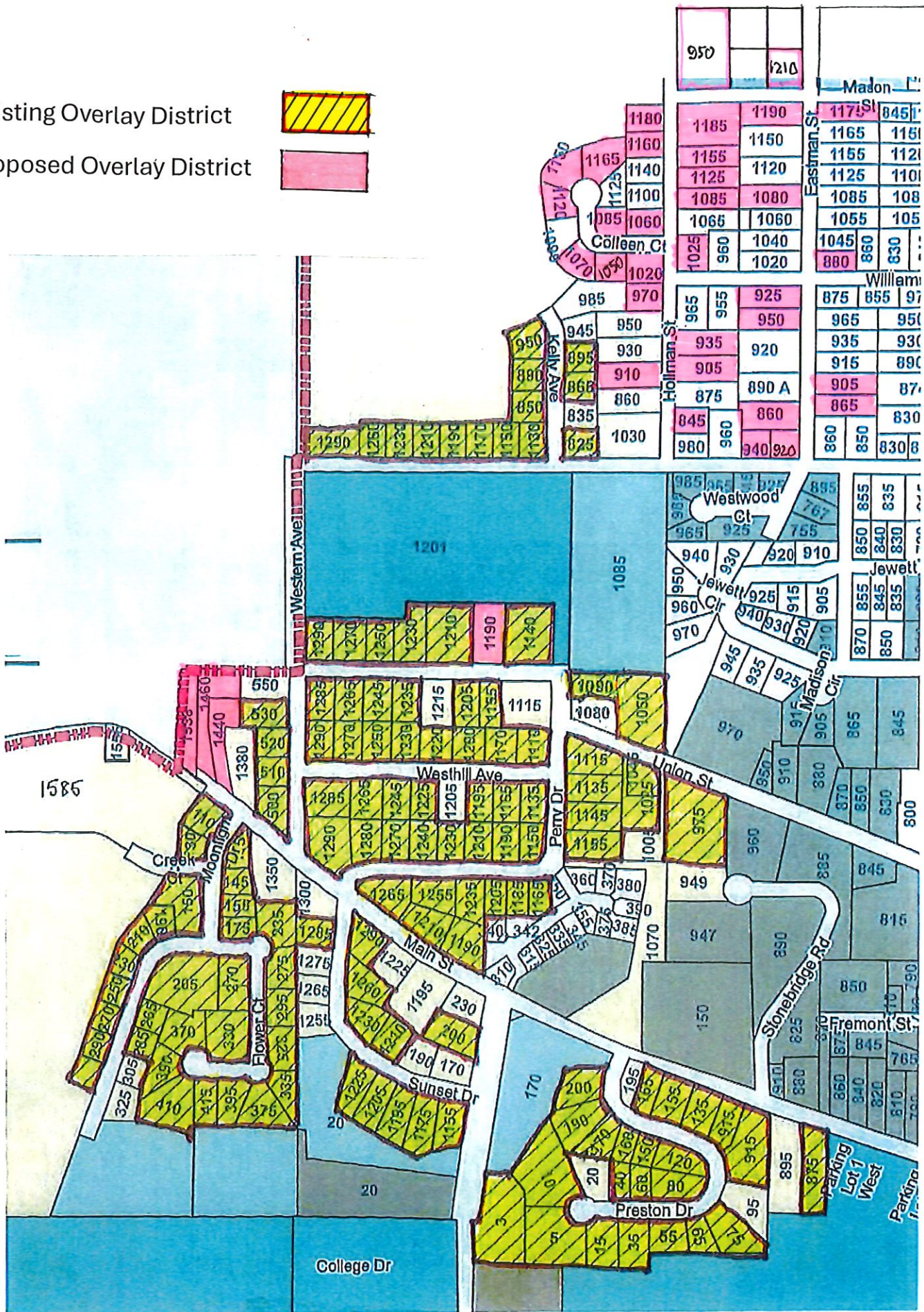
ATTACHMENTS:

Map of Existing and Proposed Additions to Overlay District, Petition to Join District, Section 22.0514 R-LO Limited Occupancy Residential Overlay District

Existing Overlay District



Proposed Overlay District



STAFF REPORT

CITY OF PLATTEVILLE

Community Planning & Development Department



Plan Commission Meeting: November 3, 2025

Housing Discussion

The Plan Commission will continue discussions related to housing issues. The November meeting will include discussions regarding past and potential zoning amendments, potential state law amendments, funding sources, and other housing planning issues. There will be a PowerPoint presentation and discussion. The attached documents are intended to support this discussion.

Attachments:

1. Zoning Amendments approved in 2020
2. Zoning Amendments considered but not approved in 2022
3. Information on housing bills currently being considered by the State legislature.
4. Tax Increment Finance Summaries

ZONING AMENDMENT RECOMMENDATIONS FROM 2019 HOUSING STUDY AND NEEDS ASSESSMENT

Current zoning districts are too limited and should be made more flexible in order to avoid rezoning property for development or going through a Planned Unit Development process.

Smaller lots, including zero-lot-line homes, could help developers to build more affordable first-time homebuyer homes as well for those looking to downsize and should have appropriate zoning districts which accommodate these home types.

Establishing smaller minimum lot sizes could be one method of decreasing the cost of building houses. Having minimum lots sizes that are too large is one issue the City is potentially facing and could be considered one reason housing is not being developed.

Another reason housing construction might be inhibited is that rezoning to a Planned Unit Development, which allows for a mixed range of houses, can appear difficult.

The City may also have an issue with having homogenous residential zoning districts which need additional flexibility.

The City may have an issue with having homogenous commercial zoning districts as well. By not allowing for mixed-use development by-right, and without a rezoning, developers are less able to share costs and profits across a range of development projects and generate economies of scale on construction and development cost.

Allow for multi-family attached housing and apartments in commercial districts.

- Allow for multi-family attached housing and apartments as a permitted use in the B-3 zoning district.
- Allow for multi-family attached housing and apartments as a conditional use in the B-3 zoning district.
- Allow for MF above neighborhood retail establishments as a permitted use in the B-1 zoning district.

Create Mixed-Use zoning district.

- Create mixed-use zoning district requiring mix of residential and other uses, such as commercial, office and recreation.
- Create mixed-use zoning district incentivizing mix of residential and other uses, using shared parking, expedited permitting, waiver of fees or other incentives.

Create mixed housing-type/smaller lot residential district.

- Create a residential zoning district which allows for multi-family attached residential development as well as smaller SF lots, 5,000 to 8,000 sq. ft., as permitted uses.
- Allow for zero lot line construction for two-family and townhome construction. This will enable greater opportunities for development not requiring condominium financing.
- Create conservation subdivision zoning district which allows for smaller SF lots, 5,000 to 8,000 sq. ft., along with open space set-asides.

POTENTIAL ZONING AMENDMENTS

22.03 SITE RESTRICTIONS

(B) ~~ONE PRINCIPAL STRUCTURE~~ PER LOT. ~~Except for Planned Unit Developments as provided for in Section 22.07, in the R-1 and R-2 districts, all principal structures shall be located on one lot; and only one principal structure shall be located, erected, or moved onto a lot. In all other districts, multiple principal structures are permitted on one lot as long as the building setbacks, parking requirements, lot coverage requirements, fire department access, and other applicable code requirements are met for all structures on the lot.~~

22.051 R-1 ONE FAMILY RESIDENTIAL DISTRICT.

(E) DIMENSIONAL REQUIREMENTS.

Lot Width:	70 80 feet
Lot Area:	8,000 10,000 square feet
Yards: Street:	25 feet
Side:	10 feet
Rear:	25 feet
Building height:	30 feet maximum

22.052 R-2 ONE AND TWO FAMILY RESIDENTIAL DISTRICT.

(B) SPECIFIED USES.

- (1) One family dwellings.
- (2) Public playgrounds.
- (3) Foster Homes.
- (4) Family Child Care Home.
- (5) Two-family dwellings.
- (6) Zero lot line two-family dwellings.

(E) DIMENSIONAL REQUIREMENTS.

	Single Family	Two-Family Dwellings and Conditional Uses
Lot Width:	60 70 feet	90 100 feet
Lot Area:	6,000 8,000	10,000 12,000
Yard: Street:	25 feet	25 feet
Side:	10 feet	10 feet
Rear:	25 feet	25 feet
Building Height:	30 feet	30 feet

Zero Lot Line Dwellings: Each unit shall have a minimum lot area of 5,000 sq. ft. and a minimum lot width of 35 feet. The internal setback between the units is 0 feet, the exterior building minimum yard setbacks are the same as a standard two-family dwelling.

22.053 R-3 MULTI-FAMILY RESIDENTIAL DISTRICT.

(B) SPECIFIED USES.

- (1) One family dwellings.
- (2) Public playgrounds.
- (3) Foster Homes.
- (4) Family Child Care Home.
- (5) Two family dwellings.
- (6) Multi-family dwellings.
- (7) Fraternities, sororities and rooming houses...
- (8) Zero lot line dwellings.

(E) DIMENSIONAL REQUIREMENTS. Single family and two-family uses shall be subject to the minimum dimensional requirements of the R-2 District.

Multi-Family and Conditional Uses:

Lot Width: 90 ~~100~~ feet

Lot Area: Minimum 10,000 ~~12,000~~ square feet with a minimum of 1,500 ~~2,000~~-square feet per efficiency apartment, 2,000 ~~2,500~~-square feet per one-bedroom apartment and 2,500 ~~3,000~~-square feet per two or more bedroom apartment.

Lot Coverage (Building + Parking): Maximum 80 ~~70~~ %

Yards: Street: 25 feet

Sides: 10 feet each minimum; however, side lot lines that abut property in the R-1 and R-2 districts shall be increased by one foot for each foot of building height above 25 feet.

Rear: 25 feet

Building Height: 40 feet maximum

Zero Lot Line Dwellings: Each unit shall have a minimum lot area of 5,000 sq. ft. and a minimum lot width of 35 feet. The internal setback between the units is 0 feet, the exterior building minimum yard setbacks are the same as a standard multi-family dwelling.

22.056 B-1 NEIGHBORHOOD BUSINESS DISTRICT.

(A) PURPOSE AND INTENT. The purpose and intent of the B-1 Neighborhood Business District is to provide goods and services which are needed on a frequent basis in commercial areas that are conveniently located to serve residential neighborhoods.

(B) SPECIFIED USES.

- (1) Beauty and barber shops.
- (2) Business and professional offices.
- (3) Clinics.
- (4) Drug stores.
- (5) Florists.
- (6) Convenience Stores, without automotive fuel sales
- (7) Hobby shops.
- (8) Self-service laundromats and dry- cleaning establishments.
- (9) Residences attached to business establishments.

- (10) Residences not attached to business establishments, subject to all provisions of the R-2 Residential District.
- (11) Day Care/Child Care centers
- (12) Similar uses: any use which is determined by the Zoning Administrator to be similar to one of the above enumerated uses, and which conforms to the intent of the zoning district.

22.059 B-3 HIGHWAY BUSINESS DISTRICT.

(A) PURPOSE AND INTENT. The purpose and intent of the B-3 Highway Business District is to provide areas zoned for general commercial and service uses which are generally located along the major streets and highways of the City and which are generally meant to serve a local, regional, and traveling population.

(B) SPECIFIED USES.

- (1) Beauty and barber shops.
- (2) Business and professional offices.
- (3) Clinics.
- (4) Pharmacies
- (5) Florists.
- (6) Grocery stores, supermarkets.
- (7) Hobby shops.
- (8) Self-service laundromats and dry- cleaning establishments.
- (9) Assembly halls.
- (10) Caterers.
- (11) Cleaning, pressing and dyeing establishments.
- (12) Financial institutions.
- (13) Furniture upholstery shops.
- (14) Hotels, apartment hotels and motels.
- (15) Liquor stores.
- (16) Media offices, studios, pressrooms, printing and/or publishing operations.
- (17) Mercantile businesses; retail stores.
- (18) Movie theaters.
- (19) Taverns, Night clubs, micro-breweries.
- (20) Pet shops.
- (21) Public and private parking lots.
- (22) Residences attached to business establishments; however, residential use of the ground floor is ~~prohibited~~ limited to 25% of the total ground floor area (no limit on upper floor area).
- (23) Health and recreation clubs; spas.
- (24) Feed and seed stores, not to include grinding or drying operations.
- (25) Farm machinery and equipment sales and service.
- (26) Trade and contractor's offices and shops.
- (27) Utility offices and shops.
- (28) Legal places of entertainment, bowling alleys.
- (29) Restaurants. Restaurants with drive-through facilities are subject to the specific standards in Section 22.06.

- (30) Financial Institutions with drive-through, subject to the specific standards in Section 22.06.
- (31) Vehicle sales and rental.
- (32) Vehicle service and repair.
- (33) Small motor sales and/or service.
- (34) Convenience store.
- (35) Leasing of parking lots or parking spaces for uses not associated with the property.
- (36) Similar uses: any use which is determined by the Zoning Administrator to be similar to one of the above enumerated uses, and which conforms to the intent of the zoning district.

22.09 TRAFFIC, PARKING AND ACCESS

(E) LOCATION OF PARKING AREAS; USE OF YARDS

- (4) For one- and two-family dwellings, yard setback areas as required by this Ordinance may be used for parking, subject to the following requirements:
 - (a) No more than twenty five percent (25%) of the area of the street yard may be used for parking; however, a driveway of up to twenty (20) feet wide is permitted for each dwelling unit regardless of street yard area.

22.15 DEFINITIONS

LOT LINES – The lines bounding a lot as defined below. See Plate 3.

- (a) Front Lot Line – In the case of an interior lot, the line separating such lot from the street right of way. In the case of a corner lot, the front lot line shall be the lot frontage of least dimension. In the case of a through lot, the lines separating such lot from the street on which the building is addressed shall be the front lot line.
- (b) Rear Lot Line – The lot line most opposite the front lot line. In the case of a lot which is pointed at the rear, the rear lot line shall be an imaginary line parallel to the front lot line, not less than ten feet long, lying farthest from the front line and wholly within the lot.
- (c) Side Lot Line – Any lot line other than the front or rear lot line. A side lot line separating a lot from another lot is an interior lot line. On a corner lot, the line abutting a street which is not the front lot line is the corner side lot line.

~~LOT, REVERSED CORNER – A corner lot, the rear of which abuts upon the side lot line of an adjoining lot. See Plate 3.~~

LOT, THROUGH – An interior lot having frontage on two parallel, approximately parallel diverging, diverging, or converging streets. See Plate 3.

YARD – An open space on the same lot with a structure, unoccupied and unobstructed from the ground upward except for vegetation and fences in good repair, as defined below. See Plate 3.

- (a) Rear Yard – A yard extending across the full width of the lot ~~(except on a corner lot, the width of the rear yard does not extend into the street yard)~~, the depth of which shall be the minimum horizontal distance between the rear lot line and a line parallel thereto through the nearest point of the principal structure. This yard shall be opposite the street yard, ~~or the front street yard on a corner lot.~~ Corner lots and lots with three street frontages do not have a rear yard.
- (b) Side Yard – A yard extending from the street yard to the rear yard of the lot, the width of which shall be the minimum horizontal distance between the interior side lot line and a line parallel thereto through the nearest point of the principal structure. For corner lots and lots with three street frontages, any yard that is not a street yard is a side yard.
- (c) Street Yard – A yard extending across the full width of the lot, the depth of which shall be the minimum horizontal distance between the existing or proposed street or highway line and a line parallel thereto through the nearest point of the principal structure. Corner lots shall have two street yards; the yard abutting the front lot line shall be the front street yard.

RESIDENTIAL DIMENSIONAL REQUIREMENTS



22.051 R-1 ONE FAMILY RESIDENTIAL DISTRICT

Lot Width:	70 feet	80 feet
Lot Area:	8,000 sq ft	10,000 sq ft
Yards: Street:	25 feet	
Side:	10 feet	
Rear:	25 feet	
Bldg. Height:	30 feet max	

22.052 R-2 ONE AND TWO FAMILY RESIDENTIAL DISTRICT

	<u>Single Family</u>		<u>Two Family Dwellings & Conditional Uses</u>	
Lot Width:	60 feet	70 feet	90 feet	100 feet
Lot Area:	6,000 sq ft	8,000 sq ft	10,000 sq ft	12,000 sq ft
Yard: Street:	25 feet		25 feet	
Side:	10 feet		10 feet	
Rear:	25 feet		25 feet	
Bldg. Height:	30 feet max		30 feet max	

22.053 R-3 MULTI-FAMILY RESIDENTIAL DISTRICT

	<u>Single Family</u>		<u>Two Family</u>		<u>Multi-Family</u>	
Lot Width:	60 feet	70 feet	90 feet	100 feet	90 feet	100 feet
Lot Area:	6,000 sq ft	8,000 sq ft	10,000 sq ft	12,000 sq ft	10,000 sq ft	12,000
Yard: Street:	25 feet		25 feet		25 feet	
Side:	10 feet		10 feet		10 feet	
Rear:	25 feet		25 feet		25 feet	
Bldg. Height:	30 feet max		30 feet max		40 feet max	
Lot Coverage:	N/A		N/A		80 % max.	

ENABLING BETTER PLACES: A USER'S GUIDE TO WISCONSIN NEIGHBORHOOD AFFORDABILITY

RECOMMENDED CODE CHANGES (existing code requirements shown in blue)

CODE ISSUE: Adjust lot and yard standards

- Lot widths and areas should be realigned to match historic patterns favoring narrower lots.

R-1:	Single-Family: Lot Width: 70 feet	Lot Area: 8,000 square feet
R-2:	Single-Family: Lot Width: 60 feet Two-Family: Lot Width: 90 feet	Lot Area: 6,000 square feet Lot Area: 10,000 square feet
R-3:	Single-Family: Lot Width: 60 feet Two-Family: Lot Width: 90 feet Multi-Family: Lot Width: 90 feet	Lot Area: 6,000 square feet Lot Area: 10,000 square feet Lot Area: 10,000 square feet with a minimum of 1,500 square feet per efficiency apartment, 2,000 square feet per one-bedroom apartment and 2,500 square feet per two or more bedroom apartment.

- Setbacks should be reduced to historic distances to allow greater use of the existing lots.

Street: 25 feet
Side: 10 feet (For R-3 district side lot lines that abut property in the R-1 and R-2 districts shall be increased by one foot for each foot of building height above 25 feet)
Rear: 25 feet

The required street yard may be decreased in any Residential or Business district to the average of the existing street yards of abutting structures on each side, but in no case less than fifteen (15) feet in any residential district.

- Increase permitted lot coverages to match historic patterns.

R-3: Lot Coverage (Building + Parking): Maximum 80 %

CODE ISSUE: Historic Multi-Family

- Allow multi-unit housing as permitted uses in single-family zoning districts which have historically included two-family and multi-family. Ensure multi-unit housing is held to the height and frontage dimensions of existing single household dwellings or historic multi-unit housing. The number of units is determined by the size of the building, not by density calculations.

R-3 Lot Area: 10,000 square feet with a minimum of 1,500 square feet per efficiency apartment, 2,000 square feet per one-bedroom apartment and 2,500 square feet per two or more bedroom apartment.

CODE ISSUE: Accessory Dwelling Units (ADUs)

- Accessory dwellings should be allowed by right for all single-family zoning districts.

In the R-1 and R-2 districts, only one principal structure shall be located, erected, or moved onto a lot. In all other districts, multiple principal structures are permitted on one lot as long as the building setbacks, parking requirements, lot coverage requirements, fire department access, and other applicable code requirements are met for all structures on the lot.

- Additional parking spaces should not be required for an accessory dwelling.

Single-family homes – Two (2) spaces.

Two-family and Multi-family dwellings:

Efficiency units – One (1) space per unit.

One-bedroom units – One (1) space per unit.

Two or more bedroom units – 0.75 spaces per bedroom, per unit.

CODE ISSUE: Remove Unnecessary Regulations and Restrictions

- Permit residential uses within downtown and Main Street zoning districts.

B-2: Residences attached to business establishments are permitted; however, residential use of the ground floor is prohibited.

CBT: Single-family and two-family are permitted. Multi-family is conditional use.

- Permit residential uses, including multi-family, in commercial districts.

B-1: Same as R-2 district (one and two-family permitted).

CBT: Single-family and two-family are permitted. Multi-family is conditional use.

B-2 and B-3 districts: Residences attached to business establishments are permitted; however, residential use of the ground floor is prohibited.

- Manage residential density with building types not units per acre in each district. Consider using three to five residential zones, depending on locations:

- Post-1950's era: Single-family, Two-family, Townhouses, Three to Six-family, and Multi-family districts.
- Pre-1950's era: Single-family, two-family and townhouses, Three to Six-family, and multi-family districts. These are best implemented with intensity levels of low intensity, medium intensity, and high intensity. Permit neighborhood-scaled commercial uses within the medium and high intensity residential districts.

CODE ISSUE: Adjust Parking Requirements

- Reduce or eliminate parking minimums.

Single-family homes – Two (2) spaces.

Two-family and Multi-family dwellings:

Efficiency units – One (1) space per unit.

One-bedroom units – One (1) space per unit.

Two or more bedroom units – 0.75 spaces per bedroom, per unit.

- Allow shared parking to count toward parking minimums.

Joint Use. The Zoning Administrator may approve joint use of parking facilities for two or more uses or activities only under the following conditions:

- (a) The uses utilizing the parking facility must operate at different times of the day, so that there is no conflict in the use of the parking area.
- (b) The main entrance of any use which utilizes the parking facility may be no more than 300 feet from the nearest driveway of the parking facility.
- (c) All parties to the joint use, including the owner(s) of the parking facility, must sign an agreement which allows for the joint use and outlines the hours of operation of the various uses of the facility, subject to review and approval by the Zoning Administrator.
- (d) The Zoning Administrator and the City Engineer must find that the joint use will not result in any increased congestion in the public streets and will not otherwise violate the intent of this Section.

- Allow on-street parking and allow it to count toward parking minimums.

CODE ISSUE: Evaluate Processes

- Adopt a Traditional Neighborhood Development ordinance.
- Consider replacing existing PDDs with TND standards.
- Assess and streamline the subdivision process including standards that direct development outcomes and a time limit on municipal response.
- Assure workforce housing applications will be prioritized and response time limited to 90 days, max.



Wisconsin Workforce Housing News

Five bills to boost housing sail through Assembly committee, while others meet opposition



A dozen bills, some aimed at addressing the need for affordable workforce housing according to their Republican authors, passed the Assembly's Housing and Real Estate Committee Thursday, with all but three gaining bipartisan support.

Several of the measures have already been put on the tentative calendar for the Assembly floor session scheduled for Tuesday, Oct. 7.

[AB 182](#), would modify Wisconsin's low-income housing tax credit and require the Wisconsin Housing and Economic Development Authority (WHEDA) to ensure that 35% of the tax credits it allocates are for projects in rural areas of Wisconsin.

[AB 449](#) would require local municipalities with zoning to permit accessory dwelling units on the property of existing single family homes.

[AB 451](#) would create residential tax incremental districts, to encourage residential developments with the resulting increases in property tax collection used to fund infrastructure investment. That measure passed the panel 12-2.

[AB 454](#) would establish a workforce home loan fund through WHEDA to provide gap financing for new construction or significant rehabilitation of a single family home for the borrower.

[AB 455](#) would establish a grant program at WHEDA for the owners of apartment buildings to offset converting their properties to condominiums. In an unanimous vote, the committee approved an amendment from state Rep. Lori Palmeri (D-Oshkosh) requiring grant recipients to give current occupants in a building being converted an opportunity to purchase their unit....

[...more](#)

Leo's notes: A dozen housing bills advanced this week, signaling rare bipartisan momentum on Wisconsin's workforce housing crisis. Proposals range from expanding WHEDA tax credits in rural areas to authorizing ADUs

and creating workforce home loan funds. Advocates note these measures show progress, but real impact will hinge on consistent implementation and local zoning alignment. For further explanation of each bill introduced, please click article link.

Ken Notes: Save and share this article. Please note housing is one of the only issues in Wisconsin receiving bipartisan support on several fronts. Many of these issues Leo and I have been advocating for some time now...

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League Summary of Housing Bill Package

Prepared on September 29, 2025, Updated on October 13, 2025

On Tuesday, September 23rd, a group of Republican legislators led by Representative Rob Brooks (R-Saukville) held a news conference in the State Capitol to unveil seven housing bills. These proposals moved rapidly through the process, with a public hearing in the Assembly Committee on Housing and Real Estate just one week later on Tuesday, September 30th. The Assembly Committee voted on these bills on Thursday, October 2nd. Many of these bills were voted on by the full Assembly on Tuesday, October 7th and are now scheduled for a public hearing in the Senate on Wednesday, October 15th. Below is a summary of each of these proposals, adopted amendments, and legislative actions on these bills.

Assembly Bill (AB) 449 / Senate Bill (SB) 473: Local Regulation of Accessory Dwelling Units

Rep. Goeben (R-Hobart) and Sen. Bradley (R-New Berlin)

Bill Overview:

- This bill allows each single-family residence in Wisconsin to have a permitted (by-right) use of an accessory dwelling unit (ADU). In other words, local governments may not ban ADUs.
 - An ADU is defined as a complete independent living facility for one or more persons that has a separate entrance from the existing single-family dwelling. An ADU may be within, attached to, or detached from a single-family dwelling.
- Any local ordinance shall allow at least one ADU on each parcel zoned for residential use or mixed use on which an existing single-family dwelling is located. A municipality may not require a conditional use, variance, or special review or approval to create or host an ADU.
- While ADUs may not be banned, local ordinances may be created to regulate any of the following:
 - Limit the size of an ADU to no larger than the square footage of the existing single-family structure on the same parcel,
 - Limit the height of an ADU to not greater than the maximum height allowed in the zoning district, except if the ADU is a conversion of an existing legal nonconforming structure,
 - Require that an ADU satisfy current setback and lot coverage requirements, and
 - Prohibit an ADU established after the effective date of the legislation from being utilized as a short-term rental.
- If the bill is passed and signed into law by the Governor, the new restrictions would take effect on the first day of the seventh month after publication.

Amendment Overview:

- **Assembly Amendment 1 (AA1)** clarifies that a permitted use of an ADU may only be created by converting an existing structure that is within, attached to, or detached from a single-family dwelling. In other words, a by-right ADU may not be a new structure under this legislation.

Legislative Actions:

- The Assembly Committee on Housing and Real Estate recommended AA1 for adoption on an 8-6 vote and recommended AB 449 as amended for passage on a 13-1 vote.

- AB 449 was scheduled to be voted on by the full Assembly during a floor session on Tuesday, October 7th but no action was taken. It is now expected that AB 449 may be taken up by the full Assembly during a floor session on Tuesday, October 14th.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 473 on Wednesday, October 15th.

AB 450 / SB 475: Delayed Implementation of the New Commercial Building Code

Rep. Penterman (R-Hustisford) and Sen. Hutton (R-Brookfield)

Bill Overview:

- On September 1st, the Wisconsin Department of Safety and Professional Services (DSPS) published the revised Commercial Building Code (CBC) that incorporates 2021 International Building Code (IBC) standards. This rule replaces the 2015 IBC standards as Wisconsin's CBC. While published, DSPS has delayed the implementation of these new standards to November 1st.
- This bill further delays the effective date of the new CBC incorporating 2021 IBC standards until April 1, 2026. Any plans for commercial buildings including multi-family residential that are submitted to the state or a local government delegated to review commercial building plans by April 1, 2026 would continue to utilize the 2015 IBC standards in Wisconsin's former CBC.

Legislative Actions:

- AB 450 was approved by the full Assembly on a voice vote on Tuesday, October 7th.
 - Prior to action on the floor, the Assembly Committee on Housing and Real Estate recommended AB 450 for passage on a 9-5 vote.
- SB 475 was referred to the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs.

AB 451 / SB 480: Workforce Housing Tax Incremental Districts

Rep. Armstrong (R-Rice Lake) and Sen. Feyen (R-Fond du Lac)

Bill Overview:

- Currently, options to utilize tax incremental financing (TIF) to promote housing are insufficient. With prohibitions on TIF for newly-platted residential, a 35% cap on residential in mixed-use tax incremental districts (TIDs), and a maximum of 12% of a municipality's equalized value in TIDs, TIF is a powerful tool to promote economic development but has limited utility for housing.
- This bill creates a new TIF structure for residential developments. Referred to as "Workforce Housing TIDs," these TIDs would not be subject to the 12% limit and instead would have a new 3% limit of the municipality's equalized value for these developer-financed TIDs.
- To create a Workforce Housing TID, a municipality would adopt a resolution designating the district and finding that it complies with statutory requirements on the eligible expenses and development restrictions, both of which are detailed below. Similar to existing TIDs, a Joint Review Board consisting of representatives from each property tax-charging jurisdiction in the area of the proposed district must be convened and approve the TID's creation.
- To qualify, a residential development must comply with the following characteristics:
 - The project must consist entirely of owner-occupied single-family or duplex residences,
 - The lot size must be 7,500 square feet or less for single-family residences or 15,000 square feet or less for duplex residences,
 - Lot widths must be 70 feet or less and lot setbacks must be no greater than 10 feet, and

- Single-story residences must be no larger than 1,500 square feet and two-story residences must be no larger than 2,000 square feet.
- Developer-financed eligible project costs in the Workforce Housing TID must only include costs related to the construction or improvement of infrastructure necessary for residential developments within the district. These costs may include development-related stormwater costs.
- A project plan may not be amended to increase the project costs of the TID within ten years of the unextended termination date of the district unless the Joint Review Board approves the plan amendments and cost increases by a unanimous vote. A Workforce Housing TID may not be a donor district or receive increments from donor districts in the municipality.

Amendment Overview:

- [AA1](#) makes numerous largely technical changes to AB 451, including:
 - Allowing towns with territory in a sewer service area to create Workforce Housing TIDs if the area currently has or will have sewer service in the new residential development,
 - Clarifying that Workforce Housing TIDs are not subject to the current law restrictions on the use of TIF funding for newly-platted residential developments,
 - Setting the maximum lifespan of a Workforce Housing TID to 20 years with the possibility of an extension by the Joint Review Board of up to three years,
 - Allowing duplex developments to have a lot width of up to 80 feet,
 - Clarifying the steps a municipality must take if the Department of Revenue determines that a Workforce Housing TID would exceed the 3% of equalized value threshold, and
 - Delaying the implementation of Workforce Housing TIDs to October 1, 2026.
- [AA2](#) changes the first bullet above to instead require a town to operate their own sewerage system or have a sanitary district within the town to qualify to create a Workforce Housing TID. All other changes to AB 451 from AA1 that are listed above are included in AA2.

Legislative Actions:

- AB 451 as amended by AA1 and AA2 was approved by the full Assembly on an 88-7 vote on Tuesday, October 7th.
 - Prior to action on the floor, the Assembly Committee on Housing and Real Estate recommended AB 451 as amended by AA1 for passage on a 12-2 vote.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 473 on Wednesday, October 15th.

AB 452 / SB 479: Subdivision Plat Approvals and Requirements

Rep. Kreibich (R-New Richmond) and Sen. Feyen (R-Fond du Lac)

Bill Overview:

- Chapter 236, Wis. Stats., governs approval for the platting of lands and recording of those plats. This bill makes several changes to that chapter as detailed below.
- *Sections 1 and 8* - Current law governing the purpose and intent of this chapter look, in part, to prevent the overcrowding of land and the undue concentration of population and to lessen congestion on streets and highways. This bill strikes those purpose and intent statements, instead adding statements to foster the development of a range of housing types and promote complete streets that prioritize safety, comfort, and accessibility for a range of transportation options.
- *Section 2* - This bill creates a “pre-submission conceptual review” process wherein a subdivider may request the opportunity to informally meet with a local government before they submit a preliminary plat for approval. A local government would provide their conceptual review

regarding the proposed subdivision and opinions on whether it complies with local requirements and conditions. These meetings are not binding on the local government or the subdivider.

- *Sections 3 and 4* - Current law allows a subdivider to submit a preliminary plat prior to submitting a final plat. The local government has 90 days to approve, approve conditionally, or reject the preliminary plat and explain their conditions or reasons for rejection. This bill allows a subdivider to submit preliminary plans and reports regarding sewer, water, road cross-sections, grading, stormwater, soil testing, landscaping, and street lighting along with a preliminary plat. The preliminary plat may not be rejected on the basis that the plans and reports are not final, but the plat may be approved conditionally with the conditions described in writing.
- *Section 5* - Local governments are currently allowed either to: 1) require a subdivider to install any reasonably necessary public improvements prior to preliminary or final plat approval; or 2) require the subdivider to provide security at the commencement of a project in an amount up to 120% of the total estimated cost. This bill removes the first option, thereby only allowing a requirement for financial security of public improvements. Local governments would be expressly prohibited from requiring that public improvements are installed or accepted as a condition of submission, review, approval, or recording of a preliminary or final plat.
- *Section 6* - Current law states that, upon substantial completion of public improvements, any outstanding local building permits that are related to and dependent upon substantial completion shall be released. This bill clarifies that the requirement applies to “each home site on the plat.”
- *Section 7* - The bill requires that, subject to the register of deeds office accepting an approved plat, a final plat that was approved is entitled to be recorded and the clerk of that local government shall make a certificate to that effect within 10 days of a subdivider’s request.
- *Sections 9 and 10* - The requirements of Sections 3, 4, and 5 would first apply to a plat submitted on the effective date of the legislation. The effective date would be the first day of the seventh month after publication should the bill pass the legislature and be signed into law.

Amendment Overview:

- [AA1](#) incorporates the following changes into the above sections:
 - *Section 5*: Clarifies that nothing prohibits local governments from requiring as a condition of plat approval that public improvements are installed within a reasonable timeframe.
 - *Section 6*: Clarifies that building permits must only be released if they meet the requirements of building codes, zoning ordinances, and other municipal regulations.
 - *Section 7*: Clarifies that a subdivider that requests a certificate on an approved plat must submit the required affidavits of an approved plat under current law.

Legislative Actions:

- AB 452 as amended by AA1 was approved by the full Assembly on a voice vote on Tuesday, October 7th.
 - Prior to action on the floor, the Assembly Committee on Housing and Real Estate recommended AB 451 as amended by AA1 for passage on a 13-1 vote.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 479 on Wednesday, October 15th.

[AB 453](#) / [SB 472](#): Comprehensive Plans, Rezoning Requests, and Affordable Housing TID Extensions
Rep. Armstrong (R-Rice Lake) and Sen. Jagler (R-Watertown)

Bill Overview:

- This bill has four main components: 1) revising the comprehensive planning statutes to require the land use element to identify densities of areas intended for future residential development; 2) making those densities regulatory if a qualifying rezoning request is submitted for those identified areas; 3) defining newly platted residential for the purposes of tax incremental financing (TIF); and 4) increasing the affordable housing TIF extension to two-years.

1) Comprehensive Planning Changes

- *Sections 1, 2, 9, 12, and 18* - When comprehensive planning statutes were first effective in 2010, local governments received grants for the completion of their first plan. As funding was insufficient to fulfil all grant requests, the effective date of the comprehensive planning requirements were delayed for local governments that applied for but did not receive a grant. These sections delete obsolete references to this two-year delay from 2010 to 2012.
- *Section 3* - Given the requirement that certain land use ordinances are consistent with an adopted comprehensive plan (often referred to as the consistency requirement), the term “consistent with” was defined in statutes. This section deletes the definition of “consistent with” from statutes. This requirement is later redefined in Section 10 of the legislation described below.
- *Sections 4 and 5* - The land-use element of a comprehensive plan already requires that certain details are analyzed in the element and included in the corresponding land-use map. This includes assumptions of net densities. This section adds a requirement that for 20 years, in five-year increments, areas in which residential land use is projected must have minimum and maximum net densities specified in residential units per acre for each area and increment. These determinations of net density must exclude wetlands, floodplains, and government-owned land.
- *Sections 6 and 7* - Current law states that while certain land use ordinances must be consistent with a comprehensive plan, the enactment of a comprehensive plan does not make the plan itself a regulation. These sections specify that the new net density requirements for land identified for future residential development in the land-use element (described in the bullet above) are regulatory in nature, though the remainder of a plan is treated the same as current law.
- *Sections 8 and 10* - Amending the consistency requirement of current law, these sections specify that an enacted or amended land use ordinance is consistent with the comprehensive plan if the ordinance permits the use expressly identified in the land use map and corresponding land use category descriptions. An ordinance is not inconsistent with a comprehensive plan solely because it permits additional land uses beyond those identified in the map and category descriptions.
- *Section 11* - If a local government enacts or amends any land use ordinance or adds land by annexation or consolidation that is intended for residential use, the local government must:
 - Ensure the comprehensive plan includes the minimum and maximum densities of future residential development in identified areas described in Sections 4 and 5, and
 - Ensure those residential net density standards are incorporated into the ordinance.

If a person submits a request for the rezone of a parcel (next section) and the minimum and maximum net densities are not included in the comprehensive plan, the local government shall amend their comprehensive plan within 180 days to include the densities. The procedures in [s. 66.1001 \(4\)](#) for a comprehensive plan, including public notice and comment, do not apply to a comprehensive plan update commenced under this process due to the compressed timeline.

2) Approval of Rezoning Requests

- *Sections 13 and 14* - In these sections, if a person submits a request for a zoning classification change required to proceed with a residential housing development and all elements described below are satisfied, the local government is required to grant the request within 60 days:
 - The proposal is for an area identified in the comprehensive plan for residential land use,

- The proposal is for an area that is contiguous to existing development,
- Either the proposal falls within the minimum and maximum net density of residences identified in the comprehensive plan for the current five-year increment or the comprehensive plan does not include the densities required under Section 5 of the bill, and
- The housing supply in the local government does not meet existing housing demand or forecasted demand within the next five years, as identified in the comprehensive plan.

If a person filing the request specifies their preference for a zoning classification in the local government's zoning ordinance and a request is granted, the land subject to that request shall be reclassified to the person's preference. If the person filing the request did not specify their preference for a zoning classification but did specify their preference for requirements including building setbacks, lot widths or frontage, lot sizes, and building sizes or bulks, those preferences shall be granted along with the least restrictive requirements in the local zoning ordinance.

Local governments may reject requests that fail to identify the proposed minimum and maximum net density of residences in the proposed development. A request may also be rejected if the local government demonstrates that a request would result in a shortage in or overburdening of public facilities in the local government or to address a significant threat to public health or safety.

- *Sections 15 and 16* - Under current law, a person aggrieved by a local government failing to approve a permit for a residential housing development may seek relief from the courts. These sections expand that relief to a local government failing to approve a rezoning request under the bullet above and entitles the person to seek recovery of court costs and reasonable attorney fees.
- *Section 17* - In this section, if a local government issues a request for proposals (RFP) for a residential development that is reasonably expected to receive water and sewer services on land that is not environmentally contaminated and no person responds to the RFP, the process in Section 14 does not apply in that local government for one year from the end of the RFP. A response under this section may include a response in writing from a developer explaining the person's economic reasons for not submitting a proposal in response to the RFP.
- *Section 22* - The new requirements for granting rezoning requests in Section 14 would first apply to a request made on the effective date of the bill (see below) if it were to become law.

3) Newly Platted Residential Definition

- *Section 19* - The legislature prohibits the use of TIF for newly platted residential development to prevent mixed-use or other TIDs from extending into greenfield development. However, a lack of clarity in the law has led to an interpretation that newly platted includes redevelopment sites where blight was removed and the land was replatted for new development. This section clarifies that newly platted residential development means the parcel has not previously been the site of permanent structures other than structures used solely for agricultural purposes. The goal is to codify the initial intent to allow redevelopment to promote additional housing options in TIDs.

4) Affordable Housing TIF Extension

- *Section 20* - Current law allows municipalities to extend the lifespan of a TID by one-year and use the increments on housing. At least 75% of the funds generated must be used to benefit affordable housing in the city, with the remaining funds used to improve the city's housing stock. This section increases the affordable housing TID extension to two years.
- *Section 21* - This section requires that all increments generated by an affordable housing TID extension are expended to purchase services or goods from for-profit entities.

5) Effective Date of the Bill

- *Section 23* - If passed and signed into law, this legislation would take effect on January 1, 2028.

Amendment Overview:

- [AA1](#) amends Section 14 to remove a requirement that the proposed area is contiguous to existing development, instead stating that the area must be adjacent to or in close proximity to existing development so the area may be reasonably served by existing infrastructure and public services.
- [AA2](#) removes Section 21 from the bill, allowing the two-year affordable housing TID extension to be utilized in accordance with current law requirements without new requirements.
- [AA4](#) amends Section 14 to remove the ability of a rezoning requester to create new setback, lot size and width, and building size requirements to fit their project. A person filing a qualifying rezoning request may still choose their preferred applicable zoning classification but may not create their own standards.
- [AA5](#) specifies that the provisions related to the net density ranges in a comprehensive plan, new consistency requirements for a comprehensive plan, and mandatory rezoning requests do not apply to a town or county. Further, this amendment requires a person filing a rezoning request to certify that the land is not subject to farmland preservation agreements or zoning or an agricultural enterprise area designation. If it is, the land may not be rezoned under this process.

Legislative Actions:

- AB 453 as amended by AA1, AA2, AA4, and AA5 was approved by the full Assembly on a 55-39 vote on Tuesday, October 7th.
 - Prior to action on the floor, the Assembly Committee on Housing and Real Estate recommended AB 451 as amended by AA1, AA2, and AA4 for passage on a 9-5 vote.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 472 on Wednesday, October 15th.

AB 454 / SB 476: Workforce Home Loan Program

Reps. Rodriguez (R-Oak Creek), Snyder (R-Weston), Knodl (R-Germantown), and Rivera-Wagner (D-Green Bay) and Sens. James (R-Thorp) and Johnson (D-Milwaukee)

Bill Overview:

- This bill creates a “Workforce Home Loan Program” at the Wisconsin Housing and Economic Development Authority (WHEDA). These loans would provide gap financing that supplement a conventional mortgage for the purchase of a new or remodeled single-family residence.
- Residents would be eligible for a loan if they have not owned property in the past three years, have an annual household income equal to or less than 100% of the county’s median income, and certain other requirements on credit score, debt-to-income ratio, and financial reserves are met.
- Loans may be issued for a period of 15 or 30 years, depending on the applicant’s income, with a 0% interest rate. These loans could be up to \$60,000, with the cap adjusted annually for inflation.
- The bill provides \$10 million from the \$525 million workforce housing fund established in the 2023-2025 State Budget to fund the four programs created by 2023 Acts 14, 15, 17, and 18.

Amendment Overview:

- [AA1](#) changes the amortization length of a loan for an applicant with an income between 80% and 100% of the area median income from 30 years to 15 years, matching the loan length in AB 454.
- [AA3](#) makes several technical changes to AB 454, including: 1) removing reference to substantial rehabilitation, meaning only new build homes qualify for these loans; 2) prohibiting WHEDA from charging any fee in connection with the issuance of a loan; 3) referencing a federal publication for determination of the area median income; and 4) clarifying WHEDA underwriting guidelines.

Legislative Actions:

- The Assembly Committee on Housing and Real Estate recommended AA1 for adoption on a 14-0 vote and AA3 for adoption on a 14-0 vote. The committee recommended AB 454 as amended for passage on a 14-0 vote. It is not currently scheduled for action before the full Assembly.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 476 on Wednesday, October 15th.

AB 455 / SB 481: Condominium Conversion Reimbursement Grant Program

Rep. Murphy (R-Greenville) and Sen. Feyen (R-Fond du Lac)

Bill Overview:

- This bill creates the “Condominium Conversion Reimbursement Grant Program” at the Wisconsin Housing and Economic Development Authority (WHEDA). This program will provide up to \$50,000 in reimbursement for costs to convert multifamily housing to condominiums.
- Eligible reimbursement grant costs for the property owner include reasonable attorney fees, state and local permitting fees, and any other cost incurred for the grant project.
- The bill provides \$10 million from the Restore Main Street Loan Program created last session.

Amendment Overview:

- [AA2](#) allows a qualifying project by a housing cooperative to qualify for the grant program.
- [AA3](#) requires the recipient of a grant to provide occupants of the multifamily housing unit being converted into condominiums the opportunity to purchase the unit they currently occupy.
- [ASA1](#) incorporates the requirements AA3 and removes “any other cost incurred for the grant project” from the list of eligible costs for grant recipients.

Legislative Actions:

- AB 455 as amended by ASA1 was approved by the full Assembly on a voice vote on Tuesday, October 7th.
 - Prior to action on the floor, the Assembly Committee on Housing and Real Estate recommended AB 455 as amended by AA2 and AA3 for passage on a 12-2 vote.
- The Senate Committee on Insurance, Housing, Rural Issues and Forestry has scheduled a public hearing on SB 476 on Wednesday, October 15th.

Planning Implementation Tools

Tax Increment Financing



Center for Land Use Education

www.uwsp.edu/cnr/landcenter

November 2009

TOOL DESCRIPTION

Tax increment financing (TIF) is a tool used to spur the development or redevelopment of an area. When a tax incremental district (TID) is created, all taxing jurisdictions—including the county, municipality, school district, technical college, and special taxing districts—agree to limit the amount of taxes they receive from the district based on property values in place when the district was created. The municipality agrees to pay for public improvements in the district in hopes of spurring additional private investment. As property values rise, taxes resulting from the incremental rise in value are used to repay the municipality.

COMMON USES

Since Wisconsin's TIF law was adopted in 1975, TIF use has expanded dramatically. Originally designed to redevelop blighted urban areas and to promote industrial development, TIF may now be used by cities and villages, and to a lesser extent, towns and counties for a variety of purposes. The tables below provide a list of eligible districts and costs by level of government.

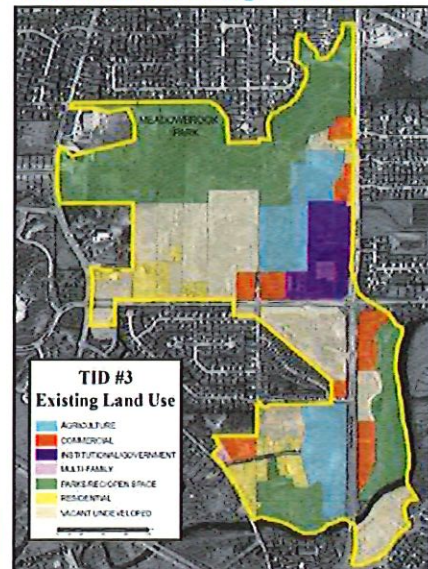
Table 1: TIF Use by Local Government

Level of government	Statute	District type
City or village	§66.1105	Blight, Rehabilitation/Conservation, Industrial, Mixed-use
Town	§66.1105	Any of the above as part of an annexation agreement
Town	§60.85	Agricultural, Forestry, Manufacturing, Tourism
City, village, town, county	§66.1106	Environmental Remediation

Table 2: TIF Project Costs

Eligible project costs	Ineligible project costs
- Capital costs of buildings, public improvements and equipment to service the district - Planning, engineering, architecture, legal, and other professional services - Financing and property acquisition costs - Environmental investigation and remediation - Demolition, including removal of underground storage tanks, abandoned containers or asbestos - Redevelopment, including business relocation and other improvements	- Costs of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings, and schools - Costs generally financed by user fees - General government expenses unrelated to TIF - Cash grants made to owners, lessees or developers of land within a TIF district, unless a development agreement has been signed
≈ Eligible costs may vary by type of district. Please refer to the appropriate state statute for your project. ≈	

Figure 1: TID #3 in the Village of Howard is being used to develop a new mixed-use village center.



CREATION

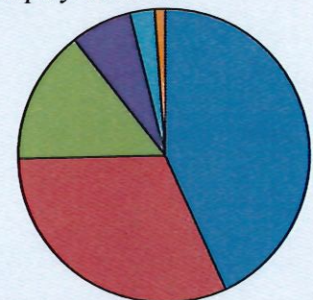
1. **Tax Incremental District.** The municipality identifies or a developer requests that an area be developed using TIF funds. Land must be contiguous, unlikely to develop "but for" the use of TIF, and qualify as one of the district types identified in Table 1.
2. **Project Plan and District Boundaries.** The plan commission prepares a project plan identifying district boundaries, public improvements, estimated project costs, financing and other details.
3. **Public Hearing and Notice.** The plan commission holds separate or joint public hearings to review the project plan and district boundaries. Advance notice is provided to affected property owners, taxing jurisdictions, and the general public.
4. **Local Government Approval.** Following public review and a recommendation from the plan commission, the governing body may approve, deny or modify the project plan and district boundaries. The governing body adopts a resolution creating the district.
5. **Joint Review Board Approval.** A joint review board, consisting of one representative from the county, municipality, school district, technical college and general public approves or denies the district.
6. **Determination of Base Value.** Once approved, the municipal clerk forwards an application to the Department of Revenue to determine the current or 'base value' of property located in the district. Until the district closes, property taxes allocated to each taxing jurisdiction are based on this value—all remaining taxes repay the municipality.

ADMINISTRATION

1. **Project Costs.** The municipality finances public improvements and other eligible costs shown in Table 2 through its general fund, a special TIF fund, or through the sale of notes or bonds. Some municipalities are also working with developers to provide financing.
2. **Private Investment.** As the municipality and private investors make improvements in the district (i.e. upgrading roads, adding sewer service, rehabilitating old buildings, etc.), the district's property values increase. In some cases, staff may need to solicit or negotiate with developers to provide specific public improvements or favorable financing terms to make private investment more feasible.
3. **Allocation of Tax Increment.** Taxes on increased property values above the base value—known as the 'tax increment'—are captured by the municipality to pay off its initial investment in the district.
4. **Annual Report.** Municipal officials are required to report annually on the status of the district to the general public, local taxing jurisdictions, and the Department of Revenue. Periodic accounting audits are also required.
5. **Amendment or Extension.** Following the same process used to create a district, a municipality may amend the project plan, add or remove property from the district, or reallocate excess TIF funds to another district. The life of some districts may be extended.
6. **District Closure.** After all project costs have been recovered, or the maximum life of the district is reached, whichever occurs first, the governing body adopts a resolution dissolving the district. District life is specified in state statutes and ranges from 16-27 years depending on the district type and date of creation. Upon closure, unpaid project costs become the responsibility of the municipality.

TIF by the numbers...

- In 2008, 389 Wisconsin municipalities (178 cities, 207 villages, and 4 towns) had 1,006 TIF districts, collecting \$334.4 million in property taxes.
- The state's ten largest cities each had at least 5 districts.
- 104 municipalities (27%) had districts totaling at least 12% of municipal value, the current statutory limit for TIF spending.
- Twelve (3%) had districts totaling more than 30%.
- At 3.5% of gross property taxes, TIF levies are approaching the municipal portion of property taxes for towns and villages.
- Among 81 recently closed districts, 75% of TIF expenditures went to capital improvements and borrowing. Other expenditures are displayed below.



- Capital Expenditures 43.2%
- Borrowing Costs 31.5%
- Subsidies to Other TIDs 14.7%
- Miscellaneous 6.7%
- Grants to Developers 2.7%
- Administrative Costs 1.2%
- The average life of closed districts is 16.5 years.
- Since the state's TIF law was adopted in 1975, Wisconsin property owners have paid a total of \$3.7 billion in property taxes towards TIF projects.

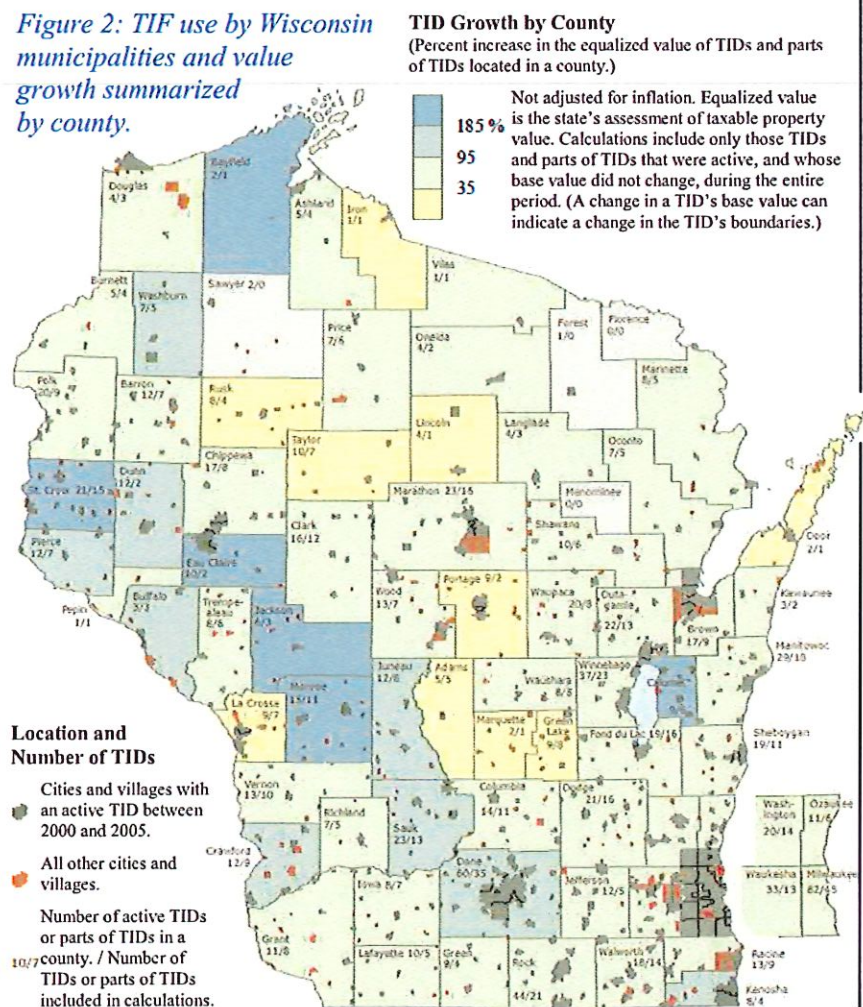
Excerpted from The Wisconsin Taxpayer, May 2009, Vol 77, No 5

Report Card

Cost	Money or staff resources required to implement the tool.
Upfront costs, long-term gains	A TIF bond is riskier than a general obligation bond, resulting in higher interest rates and more total interest paid. There are also higher issuance costs including feasibility studies, outside financial audits, and extra legal fees. The return on investment is not immediate, and there is no guarantee that a municipality will recoup its entire investment. Between 2007 and 2008, 24% of Wisconsin TIF districts lost property value. Conservative fiscal estimates and an understanding of long-term market trends can protect against these situations.
Public Acceptance	The public's positive or negative perception of the tool.
Mixed support	The public hearing required by the TIF law is often the only opportunity for the public to voice their support or concern over a proposed district. While many members of the public are willing to support the greater goal of improving a designated area, others are leery of forgone taxes, the inability to recoup the municipality's investment, and concerns over "greenfield" development, "big box" development, displaced businesses, and other negative externalities.
Political Acceptance	Local officials' willingness to implement the tool.
Widely used	In 2008, nearly 400 Wisconsin municipalities administered TIF districts. Given budget constraints and public concern over new taxes, TIF is one tool that local officials can use to find revenue sources without significantly raising taxes. Though TIF is widely used, there are political risks. If a TIF project does not perform as expected, local officials may be blamed. Taxing jurisdictions that do not see immediate benefit such as schools may be hesitant to support TIF.
Equity	Fairness to stakeholders regarding who incurs costs and consequences.
Shared benefits and risks	TIF allows for sharing of costs among all beneficiaries of public improvements. In the absence of TIF, municipalities and developers are responsible for financing public improvements. With TIF, the investment made by a municipality or developer is repaid, and the community-at-large benefits from an expanded tax base. However, there are also opportunity costs for all parties involved. There is no guarantee that the initial investment in the district will be repaid. Taxing jurisdictions forego increased taxes during the life of district. As property values rise, district property owners pay an increasing tax bill. The general public may also pay increasing taxes if additional services are provided.
Administration	Level of complexity to manage, maintain, enforce, and monitor the tool.
Highly technical	Many Wisconsin municipalities lack professional economic development and planning staff necessary to properly administer TIF. A great deal of work is required upfront to prepare the required planning documents and financial analyses. During the life of the district, regular accounting audits, assessment data and certification paperwork must be submitted to the Department of Revenue. If a municipality does not have adequate staff to perform these tasks, it may need to contract with a professional planning or accounting firm.
Scale	The geographic scale at which the tool is best implemented.
Local government	TIF has been used successfully by municipalities of all sizes. Cities and villages have greatest latitude in using TIF. County and town use is limited.

Figure 2: TIF use by Wisconsin municipalities and value growth summarized by county.

Figure 2: TIF use by Wisconsin municipalities and value growth summarized by county.



Developing a TIF Policy

The City of Madison's TIF policy provides a model for how a community can set standards for TIF-funded development that goes above and beyond state requirements. The city encourages TIF districts that create living wage jobs, provide affordable housing, promote historic revitalization, encourage adaptive reuse, and promote infill development, among other goals. The policy document is available online at:

[www.cityofmadison.com/
planning/tidmaps/tifpolicy.pdf](http://www.cityofmadison.com/planning/tidmaps/tifpolicy.pdf)

The City of Muskego has also adopted TIF guidelines which are available online at:

<http://www.ci.muskego.wi.us/planning/CurrentPlanning/Documents/tabid/907/Default.aspx>

FOR MORE INFORMATION

Wisconsin Department of Revenue. Tax Incremental Financing Information. www.dor.state.wi.us/slf/tif.html
Contains links to state statutes, an updated TIF Manual, and related reports and forms.

Moskal, Joe. 2005. Tax Incremental Finance Law of Wisconsin for Cities and Villages. Center for Community and Economic Development. www.uwex.edu/ces/CCED/economies/Tif_forWeb.pdf

Mayrl, Matthew. 2006. Efficient and Strategic TIF Use: A Guide for Wisconsin Municipalities. Center on Wisconsin Strategy. www.cows.org/pdf/rp_tif.pdf

ACKNOWLEDGEMENTS

Document prepared by Rebecca Roberts, 2009. The author gratefully acknowledges the thoughtful review and contributions of Linda Stoll, Center for Land Use Education; Kurt Muchow, Vierbicher Associates, Inc.; Russell Kashian, Department of Economics, UW-Whitewater; and Doug Venable, Economic Development Director (Retired), City of Janesville.

Figure 1 map from the Village of Howard www.villageofhoward.com/gis-maps.cfm. Figure 2 modified from the Wisconsin Legislative Reference Bureau www.legis.state.wi.us/LRB/pubs/waag/WAAG-06-2.pdf.

What is TIF?

Tax incremental financing (TIF) is a method of financing that generates tax revenue to be used toward funding infrastructure and development. TIF is the most effective tool Wisconsin cities and villages have to spur economic development and job creation. Municipalities have been using TIF successfully since 1975. The TIF process allows a municipality to pay for public improvements and other eligible costs within a designated area, called a tax incremental district (TID), using the future taxes collected on the TID's increased property value to repay the cost of the improvements. The rationale behind TIF is that public investment will promote private development, jobs and tax base growth that would not otherwise occur absent the TID.

Wisconsin TIF Success

- As of August 2015, there were 1,128 active TIDs in Wisconsin. Since inception, these TIDs have generated a combined increment, which is growth in property value, of over \$16 billion or \$14.4 million per TID, with the average TID age being 11.93 years.
- The average TID active in 2015 added \$1.2 million to the tax base per year since its creation. This figure represents a tax base generated within TIDs and does not account for increases in value in neighboring areas occurring because of the TID growth.
- Growth occurs at a faster rate in TIDs. From August 2014 to August 2015, the total equalized value of all active TIDs increased by 6.42 percent. In comparison, state equalized value as a whole increased in value by only 2.42 percent.
- The majority of TIDs have sufficient increment to pay off their project costs. Of the 1,128 TIDs in 2015, only 5.5 percent were distressed and less than 1 percent were severely distressed. Only 5.4 percent of TIDs in 2015 were decrement TIDs, which are valued at less than 90 percent of the TID's base value in 2014 and in 2015.
- In 2015, 30 TIDs were terminated after generating \$445 million in incremental value during their lifetimes. The numbers for 2014 are very similar: the 31 TIDs terminated that year created a combined \$485 million in increment.
- Since 2000, 447 TIDs have been terminated in Wisconsin, adding nearly \$9 billion of new value to the tax base.



Tax Incremental Financing A Powerful Economic Development Tool



TIF: Fact vs. Fiction

Fiction: TIF harms school and county tax revenues.

Fact: School districts are not adversely impacted by TIDs since districts are often compensated for the loss in local tax revenues through increases in state aids. When an area is designated as a TID, the property value within that area is determined and becomes the TID's base value. Schools and counties continue to receive their standard share of tax revenues on this base value. TIDs receive no tax revenues from this base value. The only tax money that goes toward the TID comes from taxing the growth generated by TIF-funded projects. When a TID's project costs are paid off, this new tax base is opened up to the schools and county, which are then able to benefit from increased tax revenues that would not exist without TID funding.

Fiction: TIF is a tax break for businesses.

Fact: Property owners within a TID pay the same tax rate as everyone else; the only difference is that some of their taxes go toward paying TID project costs.

Fiction: TIF is corporate welfare.

Fact: TIF is used to fund public infrastructure and other project costs necessary to incentivize private investment that otherwise would not occur. Current taxpayers are not bearing any new burden. Rather, new tax base that would not have existed but for the TIF investment is created and, ultimately, will offset the tax burden of other taxpayers.

Fiction: Municipalities try to keep TIDs open as long as possible.

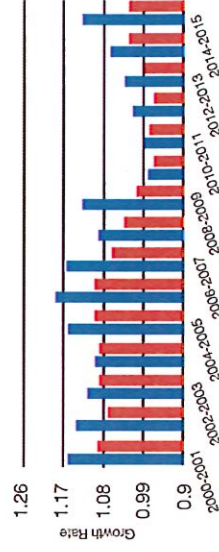
Fact: Municipalities are motivated to close TIDs as soon as the TID project costs are paid off. Municipalities are unable to use tax revenues from the TIF value increment on anything other than TID project costs until after the TID is closed. TIDs can be open for a maximum of 27 years or longer in certain limited circumstances, but the average TID life of all TIDs terminated from 2000 onwards is only 16.3 years.



Some Examples of TID Project Costs Compared to Value Created

Municipality	Costs	Value Increment	Increment-cost Ratio
Eau Claire	\$28,277,626	\$89,795,700	3.18
Franklin	\$36,352,913	\$116,460,900	3.20
Wausau	\$91,394,342	\$197,776,500	2.16
Wauwatosa	\$81,501,033	\$335,937,900	4.12
River Falls	\$17,742,183	\$44,225,200	2.49
Waukesha	\$71,055,179	\$216,077,400	3.04

TID Growth Rate and All Equalized Value Growth



Increment Added to Tax Base by Year

