



City of Plymouth, WI Housing Study

NOVEMBER 2024

ACKNOWLEDGMENTS

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
.....	
DOCUMENT REVIEW	7
.....	
MARKET AREA DEFINITION	11
.....	
STAKEHOLDER ENGAGEMENT	11
.....	
ECONOMIC AND DEMOGRAPHIC FACTORS	13
.....	
HOUSING SUPPLY ANALYSIS	20
.....	
HOUSING NEEDS ANALYSIS	25
.....	
DEMAND FORECAST	30
.....	
OPTIONS FOR SUPPORTING RESIDENTIAL DEVELOPMENT	33
.....	
RECOMMENDATIONS	40
.....	
APPENDIX A – DEFINITIONS	48
.....	
APPENDIX B – METHODOLOGY	50

LIST OF FIGURES

Figure 1. How old are you?	7
Figure 2. The quality of housing in Plymouth is:	7
Figure 3. City of Plymouth Household Projections (2020–2032)	13
Figure 4. Regional Comparison of Educational Attainment (2023)	14
Figure 5. Sheboygan MSA Industries with Location Quotient Greater than One (2023)	15
Figure 6. Sheboygan MSA Unemployment Rate Trends (2013–2023)	15
Figure 7. Sheboygan MSA Occupations by Earnings and Change in Jobs (2013–2023)	16
Figure 8. Earnings Comparison by Occupation, Job Growth, and Living Wage (2023)	17
Figure 9. City of Plymouth Household Income Distribution by Tenure (Percentage)	18
Figure 10. Plymouth Employee Commute by Distance (mi.)	18
Figure 11. Age of Residential Structures by Year Built	20
Figure 12. Housing Units by Type (2022)	21
Figure 13. Regional Housing Tenure Comparison (2023)	21
Figure 14. New Single-Family Listings (Aug. '22–July '24)	22
Figure 15. Single-Family Listings Sold (Aug. '22–July '24)	22
Figure 16. Single-Family Listings Average Cumulative Days-On-Market	23
Figure 17. Single-Family Listings Median Sale Price	23
Figure 18.	
Growth Rate Comparison of Plymouth Median Rent and Sheboygan MSA Average Annual Earnings (2016–2022)	24
Figure 19. NLIHC Occupations by Affordable and Available Units Table	25
Figure 20. FY 2024 MTSP Income Limits Table	29
Figure 21. HUD Cost Burden Percentage of Renters and Owners Table	29
Figure 22. Demand Factors Table	30
Figure 23. Rental Demand Table	31
Figure 24. Owner-Occupied Demand Table	31
Figure 25. Single-Family Demand Table	31
Figure 26. Missing Middle Housing Graphic	32



Executive Summary

Study Objective

The City of Plymouth identified the primary housing goal in the Comprehensive Plan to be: “Provide safe, affordable housing to all Plymouth residents. Based on that goal, a separate housing study was commissioned by the City, and was overseen by the Ad Hoc Workforce Housing Committee. To help elected officials, City staff, stakeholders and community members develop a meaningful sense of the housing market, an understanding of key housing issues and how those issues impact the city over the next ten years, this study provides leaders with a solid understanding of:

- Functions of market demand (population, employment, and income growth)
- Inventory of existing housing supply
- Future demand and gap analysis for the next 10 years
- Housing affordability
- Public policy and programing changes needed to accommodate residential development.
- Tools and resources to support and facilitate growing the existing housing supply.

By understanding the market along with resident and employer needs, the city can take proactive steps to ensure measured and appropriate growth in the housing sector over the next 5-10 years.

Stakeholder Engagement

Interviews were conducted with business and community leaders to understand what affect housing has, if any, on a company's ability to hire and retain workers, as well as what type of housing product is most needed to support the needs of the workforce (and others) in Plymouth. A dozen employers and agencies were interviewed, public and private sector. There are currently over 175 open positions with the companies who shared that information.

Nearly across the board it was reported that entry-level employees are more likely to live and work in Plymouth and the surrounding area, but few supervisory and upper management employees currently live in the community. A few of the entities interviewed stated candidates have been lost due to lack of housing that is affordable for their price range. Many employers stated their employees would like single-family homes, but they would need to be priced between \$180,000-\$250,000 for them to be able to afford a home. Both owner-occupied and rental housing are in demand.

Quantitative Analysis Summary

Households in the community are predicted to grow by between 125 and 265 new households over the next eight years. The unemployment rate within the Sheboygan MSA had been steadily declining from 6.0% in 2013 to 2.5% in 2023.

The highest positive change in jobs occurred in the Healthcare Practitioners & Technologists, Business and Financial Operations, and Computer and Mathematical occupations at near 30% growth in jobs over the past ten years.

Of a total of 4,170 housing units, 22.3% of those were constructed prior to 1939. The market supplied an adequate number of homes until 2010. Since 2010, only 225 new units were constructed, which is one factor impacting the shortage of housing that is present in the market today.

More than 71.6% of the current housing stock are single-family or two-family residences. Owner-occupied units make up 66.2% of the existing housing stock, while 33.8% are renter occupied. The median home value as of 2023 is \$219,098. A tightening market is evidenced by a shorter time on the market for each home listed, and higher median sales prices.

As of August 2024, there were only four housing units listed as available to rent in Plymouth. Annual earnings in the County have not increased at the same rate as the growth rate of median rent.

Findings

The City of Plymouth needs a variety of housing types across all price points and ownership/tenant options. Demand is determined by a number of factors, including census estimates of population growth, pent up demand over the past 15+ years due to recession and subsequent damage to the residential construction and financing industries, changing demographics, and existing and new employer growth/hiring. These factors combined with a desired vacancy rate of approximately 5% for multifamily (current vacancy rate is less than 1%) and 2% for owner-occupied housing leads us to the following demand for multifamily rental housing and owner-occupied housing.

(Rental Demand Table)

	Affordable/ Workforce	Market Rate	Total
Studio	40	22	62
1-Bedroom	56	85	141
2-Bedroom	109	90	199
3-Bedroom	99	40	139
Total	304	237	541

This demand forecast includes units already known to the city, or in process, permitted or planned.

(Owner-occupied Demand Table)

	Affordable/ Workforce	Market Rate	Total
1-Bedroom	15	10	25
2-Bedroom	133	50	183
3-Bedroom	147	60	207
4+Bedroom	15	10	25
Total	310	130	440

This demand forecast includes units already known to the city, or in process, permitted or planned.

Recommendations

Recommendations for facilitating the creation of new housing units in the City of Plymouth include:

1. Development of new single family owner-occupied housing units on identified sites.
2. Development of new multifamily housing units on identified sites.
3. Promote SCEDC Projects.
4. Support Plymouth Housing Authority in funding search to develop more units.
5. Develop the housing construction labor force by partnering with Plymouth High School's Building Construction program.
6. Implement zoning code changes as recommended in the Comprehensive Plan.
7. Ensure utilities, zoning and possible annexations are available to new housing sites.
8. Support home buyer education.
9. Create a developer toolkit.
10. Market new opportunities to developers and new housing developments to the community.

Document Review

As a part of this housing study, a thorough review of existing documents intended to guide the City was conducted. Two documents, the latest Comprehensive Plan and a community wide Strategic Plan were examined for content related to the housing landscape. What follows is a review of those documents.

2022-2042 Comprehensive Plan

Community Survey

As part of the comprehensive planning process, Bay Lakes Regional Plan Commission surveyed residents on numerous community topics including housing. The results of the full survey were incorporated into the Comprehensive Plan. Two questions in particular are relevant to this housing study. One question asked respondents age, the other was related to the quality of housing in Plymouth. Both questions are listed below for context. Of those that responded to the survey, 88% were homeowners and 85% owned a single-family home. The majority of the respondents, however, were 41-60 years of age and felt that the quality of the existing housing stock was adequate to excellent. Housing affordability and more housing options ranked near the top of the city's priority list.

Figure 1. How old are you?

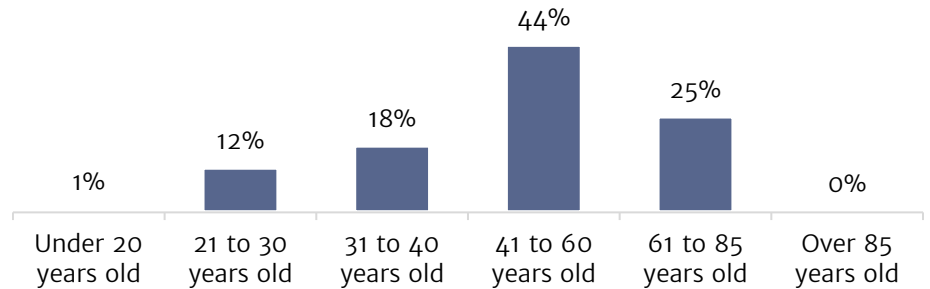
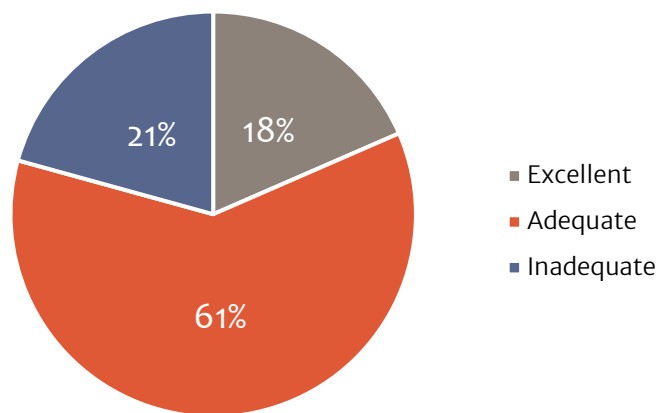


Figure 2. The quality of housing in Plymouth is:



Number of respondents: 222

The Comprehensive Plan was reviewed for insight into housing as it relates to the rest of the community. Goals and objectives were set for multiple areas across the community. Listed below are goals and objectives from the Comprehensive Plan related to Housing and Land Use.

Comprehensive Plan Housing Chapter

Goal: Provide safe, affordable housing for all Plymouth residents.



Objectives:

- Provide a range of housing sites in the City of Plymouth that meet the needs of persons of all income levels and of all age groups and persons with special needs.
- Identify the availability of land for the development or redevelopment of low-income and moderate-income housing.
- Encourage the maintenance or rehabilitation of the City of Plymouth's existing housing stock.
- Encourage mixed housing neighborhoods that provide a range of housing types, densities, and costs, which maintain the predominantly single-family character of the community.
- Locate essential community facilities such as schools, churches, libraries, and community centers in strategic locations that provide convenient access to residential neighborhoods.
- Design neighborhoods that are well-served by sidewalks, bicycle routes, and other non-motorized transportation facilities.
- Encourage landowners to make suitable undeveloped areas available for new residential development as the need arises.
- Create attractive and safe neighborhoods that are well-served by essential municipal services and facilities (sanitary sewer, municipal water, stormwater management facilities, police, fire, etc.).

Comprehensive Plan Land Use Chapter

Goals Related to Residential Development:

- Enhance and maintain neighborhoods in the City of Plymouth.
- Enhance and maintain the City's downtown area.
- Preserve and establish visually attractive development.

Objectives Related to Residential Development:

- Ensure that conflicts between future and existing neighboring land uses are minimized with logical land use transitions and buffer-yards.
- Strive to achieve a desirable balance and distribution of land uses.
- Promote redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial, and industrial structures.
- Design livable neighborhoods in Plymouth that are pedestrian and bicycle oriented and where possible.
- Whenever feasible, discourage high traffic volumes and speeds in residential neighborhoods.
- Develop and enforce property maintenance codes and outdoor storage codes to maintain neighborhood quality.
- When appropriate, design new neighborhoods so that they are centered around civic spaces such as parks, schools, churches, monuments, and similar features.
- Provide for mixed use development in the downtown area.

- Encourage rehabilitation, redevelopment, and infill development of older areas in the downtown in a manner which respects Plymouth's character, is compatible with surrounding uses, and improves overall appearance.
- Work to implement the guidelines/standards of the Downtown Design Strategy (2022) in the downtown planning area for buildings, landscaping, signage, building materials, and parking lots.

Listing goals and objectives from the Comprehensive Plan sets the stage for the research done for this housing study. It is important for this study to be informed by the work that has gone on in the recent past to formulate the Comprehensive Plan.

From the Comprehensive Plan Implementation Chapter, the following tactics were recommended as they related to housing and land use.

Comprehensive Plan Implementation Chapter

Exhibit 53. Action Plan, Plymouth, 2022 to 2042

ACTION	PRIORITY
Housing	
• Evaluate methods to educate the public on the need for affordable housing types (e.g., manufactured housing communities, multifamily housing, and government-subsidized housing) to address concerns about these housing types as well as stereotypes.	Ongoing
• Develop and implement a system to monitor Plymouth's supply of buildable residential land every two years. The purpose of this process is to ensure the community has enough land zoned to accommodate development of a range of housing types (from single-family on up to multifamily housing).	Near-term
• Evaluate allowing cottage housing in clusters in one or more of Plymouth's residential zoning districts. Cottage cluster housing includes group(s) of four to 12 small single-family dwellings clustered around and facing a common green space or courtyard.	Mid-term
• Evaluate allowing nursing homes and assisted living facilities as a permitted use in the R-4 zoning district.	Near-term
• Evaluate and possibly relax setback requirements in the R-4 zone to provide developers with more flexibility when establishing site plans.	Near-term
• Identify and lower barriers to mixed-use development that includes residential development in commercial zones or in a possible new mixed-use zone.	Ongoing
• Identify surplus publicly-owned properties that could be used for affordable housing. If a property is identified, evaluate partnership models to catalyze the development of well-planned and well-designed affordable housing on this site.	Near-term
• Evaluate opportunities for a tax abatement program to promote development of affordable multifamily housing.	Mid- to Long-term
• Develop an expedited review process for development of affordable housing projects that target housing affordability at 100 percent of median family income or less.	Mid-term
• Identify areas in Plymouth's extraterritorial areas where infrastructure planning could take place to support new residential development.	Mid- to Long-term

Potential updates to the Comprehensive Plan

Upon review of the goals and objectives relevant to housing that are presented in the Comprehensive Plan, Redevelopment Resources believes they are appropriate and on target for the needs of the community. The Housing Implementation tasks are on target as well.

The future land use map shows the Steinhardt Farm as commercial. If that site is truly a housing opportunity, then the future land use map should be updated to reflect that future use as housing.

The existing zoning ordinance should be updated per the recommendations in the comprehensive plan.

2023–2026 Strategic Plan

In 2023, the city underwent a strategic planning process in which the vision, mission and values were updated and four strategic goals were created:

- Efficient Operations
- Financial Sustainability
- Enhanced Quality of Life
- Workforce Recruitment and Retention

Vision

A friendly small town where everyone wants to be! In Plymouth, all are connected, cared for, and able to thrive in a beautiful, safe community that values opportunity and a high quality of life for all.

Mission

Our mission is to support a high quality of life for the city and build long-term sustainability for the future. We continually improve by engaging our community, leveraging partnerships, and maintaining high quality staff to provide our community with safe and cost-effective services.

Values

- Respect: We treat others like we want to be treated.
- Integrity: We honor our commitments in our words and actions.
- Safety: We prioritize the wellbeing of all in our community.
- Community: We work on behalf of everyone and treat everyone like family.
- Honesty: We value truth and transparency in our interactions.
- Openness: We listen to what others have to say.
- Fun: We enjoy the work we do together.
- Innovative: We are open to new ideas and ways of doing things.

Key Take-aways

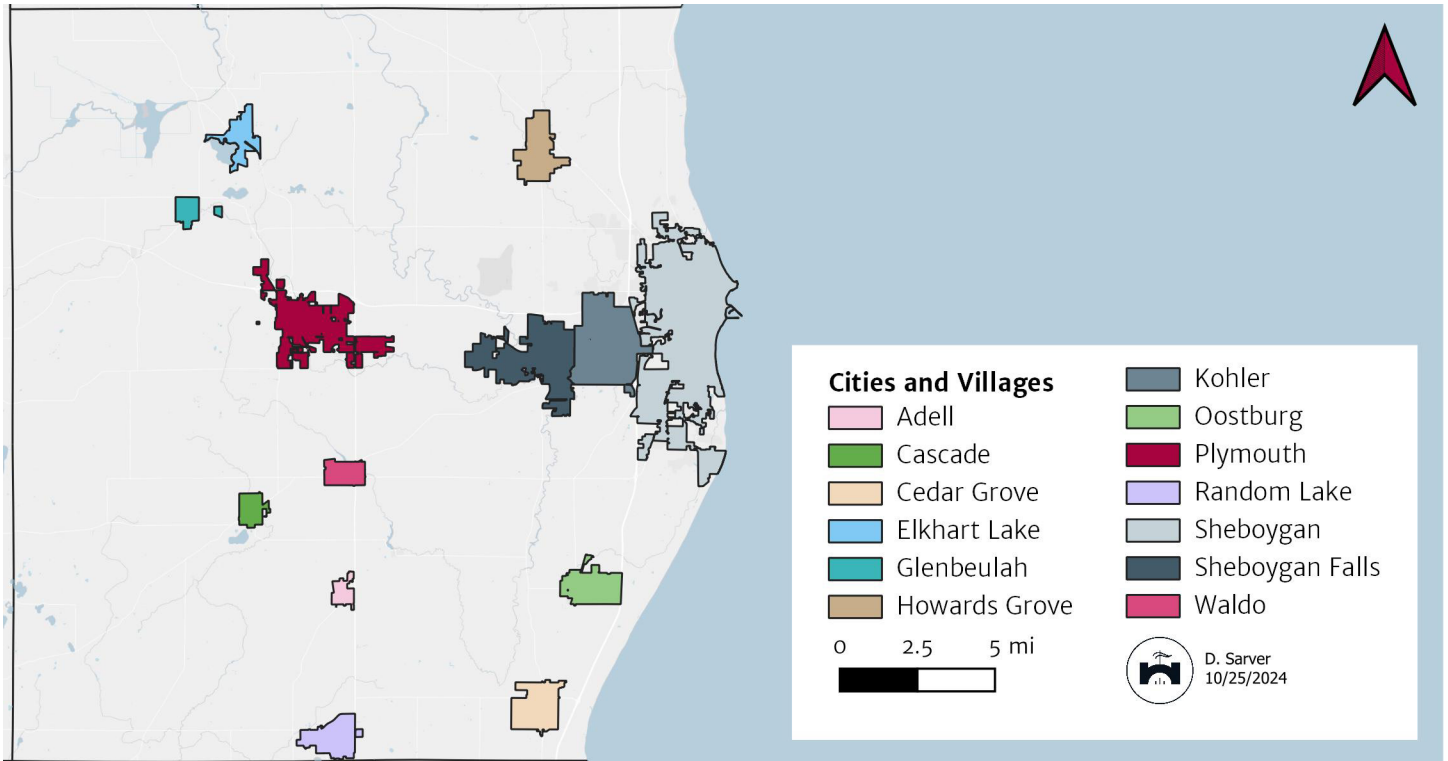
Housing was a topic of focused discussion. There are concerns that there are not enough housing options for the middle class and there is a gap between apartments and luxury housing. If Plymouth wants to attract and retain workers, there needs to be housing available that suits their needs and budgets. Two initiatives were recommended to this end:

- Develop Comprehensive Housing Strategy
- Develop Residential Key Sites Marketing Plan

This document review sets the stage by aligning existing documents with future strategies around housing policy, programs and projects.

Market Area Definition

The City of Plymouth is in Sheboygan County, Wisconsin. This study examines the housing market within the jurisdictional boundaries of the City to better aid decision-makers in the needs of the community within their control.



Stakeholder Engagement

Interviews

Interviews were conducted with business and community leaders to understand what affect housing has, if any, on a company's ability to hire and retain workers, as well as what type of housing product is most needed to support the needs of the workforce (and others) in Plymouth.

Companies and organizations interviewed included:

- Johnsonville
- Sargento
- Toro
- Sartori
- Plymouth Industries
- Road America
- Safety Fresh Foods
- Masters Gallery Foods
- Chamber of Commerce
- Plymouth School District
- Plymouth Housing Authority.

From these companies, it was reported that:

- There are currently over 175 open positions
- Some recruiting is seasonal, but others are planning long-term expansions.
- Nearly across the board it was reported that entry-level employees are more likely to live and work in Plymouth and the surrounding area, but few supervisory and upper management employees currently live in the community.
- One local company reported most of their employees live in Plymouth, including management and supervisors. That company relocates people to Plymouth, and in the past two years they have averaged 15 people each year. It is becoming increasingly difficult for them to find housing in the community.
- Candidates have been lost due to lack of housing that is affordable for their price range.
- Many employers stated their employees would like single-family homes, but they would need to be priced between \$180,000-\$250,000 for them to be able to afford a home. The SCEDC program is opening opportunities for first time homeowners, which is helpful to many employers. However, although the SCEDC homes are being sold at cost, the new single-family homes constructed for over \$300,000 are still out of reach for many homebuyers.
- Most front-line employees, and young single professionals are looking for rental housing.
- It was reported there wasn't much available for less than \$1,000/month. Housing affordability is an issue for lower-paid employees.
- One employer suggested a dormitory-like rental opportunity for people just starting out, or on the lower end of the pay spectrum, or something that could be leased in the \$600-\$800/month range. Other employers expressed the need for new market-rate multifamily housing.
- One employer stated the #1 problem is price. What is most needed is new multifamily housing and duplexes which people in the workforce can afford.
- Education for homeownership is much needed, so people understand the process of buying a home and taking out a mortgage.

Economic and Demographic Factors

Household growth, employment, and income drive housing development demand. When there is a net increase in migration to a community, those new households will need a place to live. Employers expanding operations will need to attract employees with available housing. Existing residents within a community “climbing the corporate ladder” will also likely desire to upgrade their housing choices. The following sections explore the trends within each of these drivers.

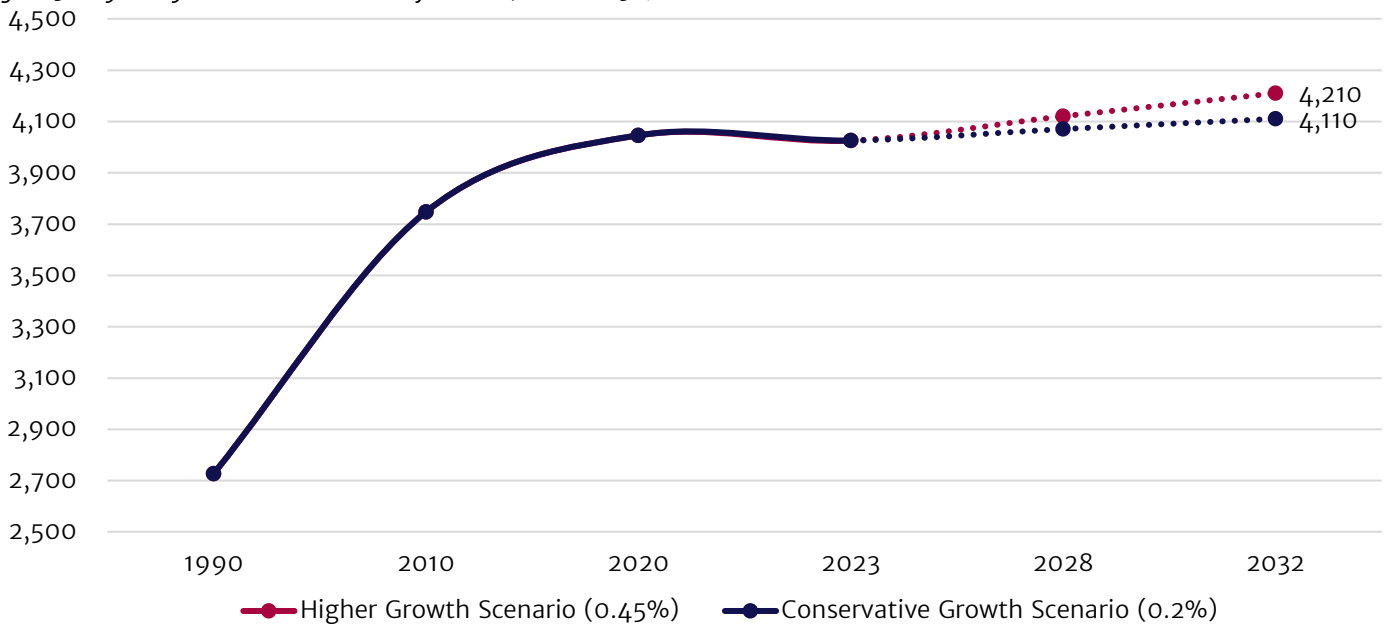
Key Takeaways:

- Natural household growth will result in an increase of 84 – 184 households over the next ten years. (This exclude potential new employment growth.)
- Compared to the county and the state, the proportion of residents with a college education is lower, which may influence income levels and housing affordability.
- The labor market remains tight at 2.5% unemployment and more than one-third of Plymouth employees commute 10–30 miles.
- Production is the dominant occupation of Sheboygan County residents. However, only Management and Computer & Mathematical Occupations provide a living wage for two working adults with two children.

Household Trends and Projections

Household growth trends are used to develop projections for future community needs including housing. Assuming the City of Plymouth grows at a compound annual household growth rate between 0.2% (conservative growth scenario) and 0.45% (high growth scenario), the number of households within the city is estimated to grow to between 4,110 and 4,210 by 2032. This would be an increase of 84 to 184 households over the next ten years based on household growth trends alone.

Figure 3. City of Plymouth Household Projections (2020–2032)



Data Sources: ESRI Community Profile; U.S. Census Bureau; Redevelopment Resources.

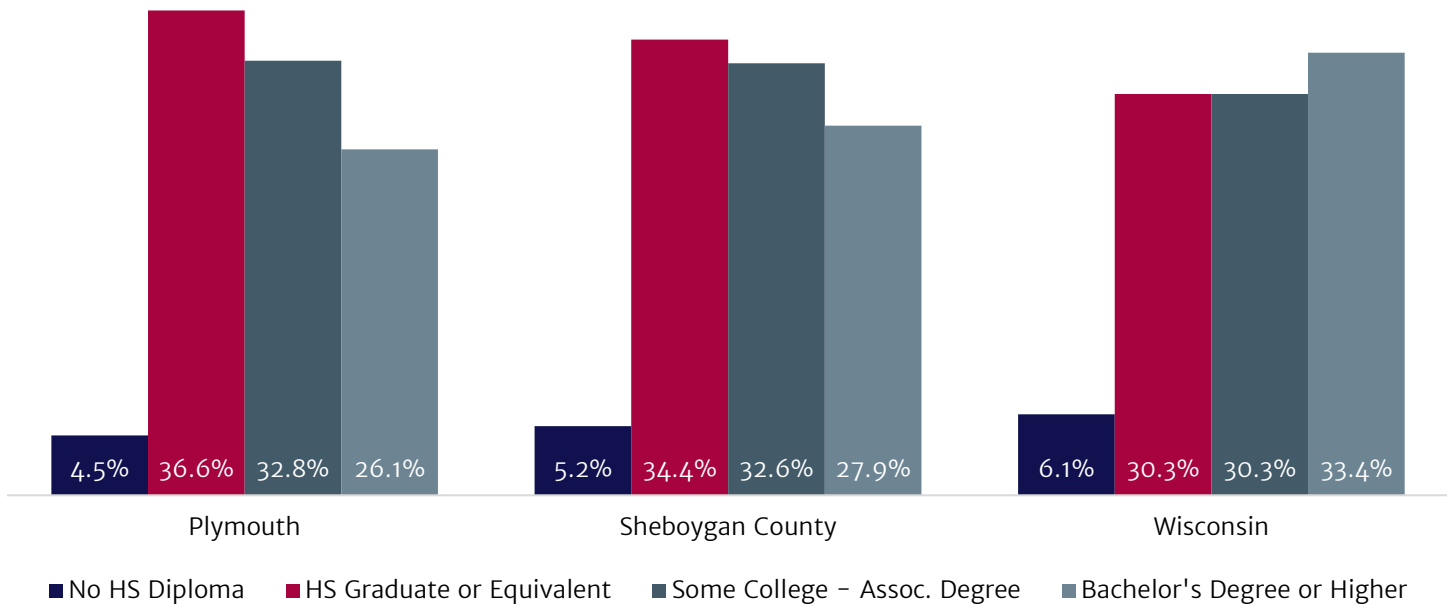
Employment Trends and Characteristics

Educational Attainment

Educational attainment is a metric that potential employers use to gauge the skill level of the local talent pool. It is also one of several determinants of potential income for the employee. Income, furthermore, determines how affordable housing is for the household (which will be discussed in more detail later in this document).

The dominant level of educational attainment of residents in Plymouth is that of a high school diploma or equivalent. This is a higher proportion of the population compared to Sheboygan County overall and the State of Wisconsin. Additionally, there is a lower share of the population that have a college education compared to the county and state.

Figure 4. Regional Comparison of Educational Attainment (2023)



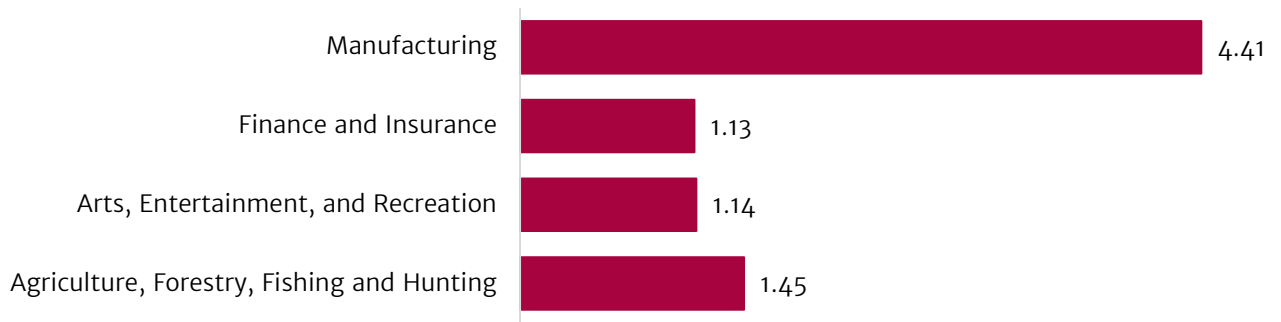
Data Source: ESRI Community Profile.

Employment by Industry

Plymouth's economic strengths

The Location Quotient analysis is a means by which concentrations of groups (such as industries) in a selected geographical area are compared against employment numbers per industry in a broader geographical range. Generally, industries with a Location Quotient (LQ) greater than one and employment growth are considered vital to the local and regional economy. (More information about location quotients may be found in Appendix B.) Within the Sheboygan MSA (Sheboygan County), industries with LQs greater than one are Manufacturing (4.41); Agriculture, Forestry, Fishing and Hunting (1.45); Arts, Entertainment, and Recreation (1.14); and Finance and Insurance (1.13). Sargento Foods is Plymouth's largest employer with over 2500 employees throughout all facilities. Other large, private-sector employers include Sartori Cheese, Great Lakes Cheese, Toro, and Master's Gallery.

Figure 5. Sheboygan MSA Industries with Location Quotient Greater than One (2023)

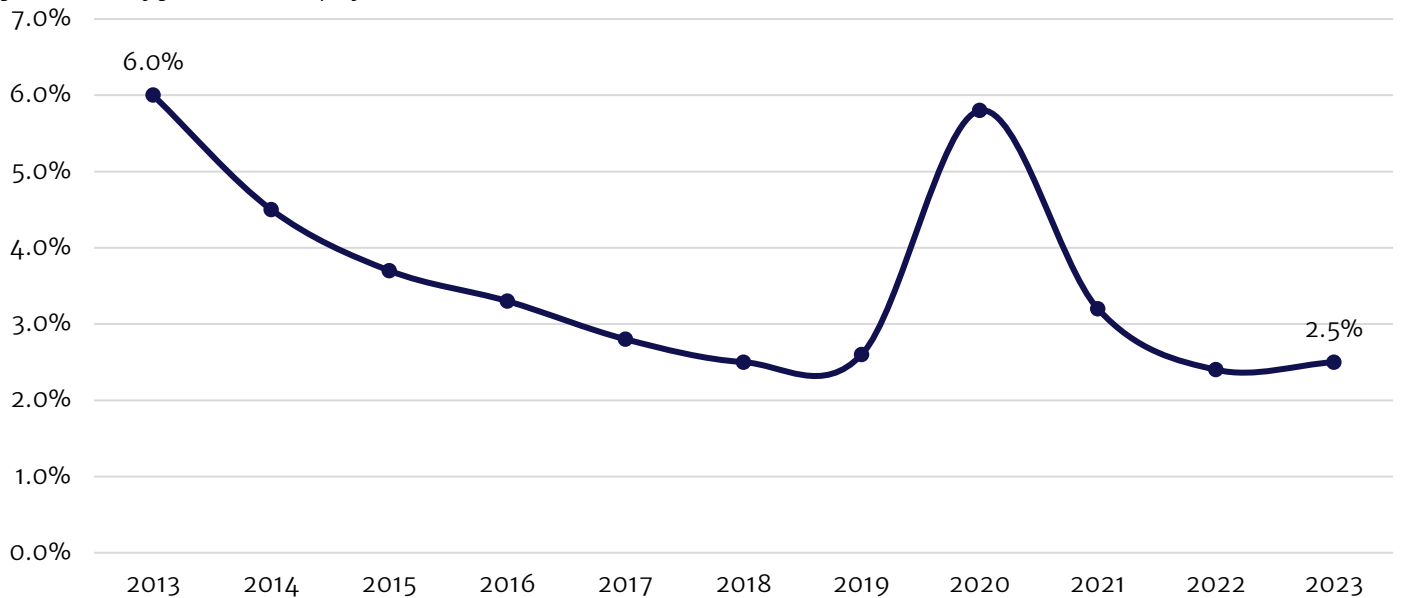


Data Source: Lightcast Industry Table Q4 2023 Data Set retrieved January 2024 provided by Bay-Lake Regional Planning Commission.

Unemployment

The unemployment rate within the Sheboygan MSA has been steadily declining from 6.0% in 2013 to 2.5% in 2023. The rate did spike in 2020 due to COVID-19 but has since returned to its trajectory.

Figure 6. Sheboygan MSA Unemployment Rate Trends (2013-2023)



Data Source: Bureau of Labor Statistics, Local Area Unemployment Statistics; Redevelopment Resources.

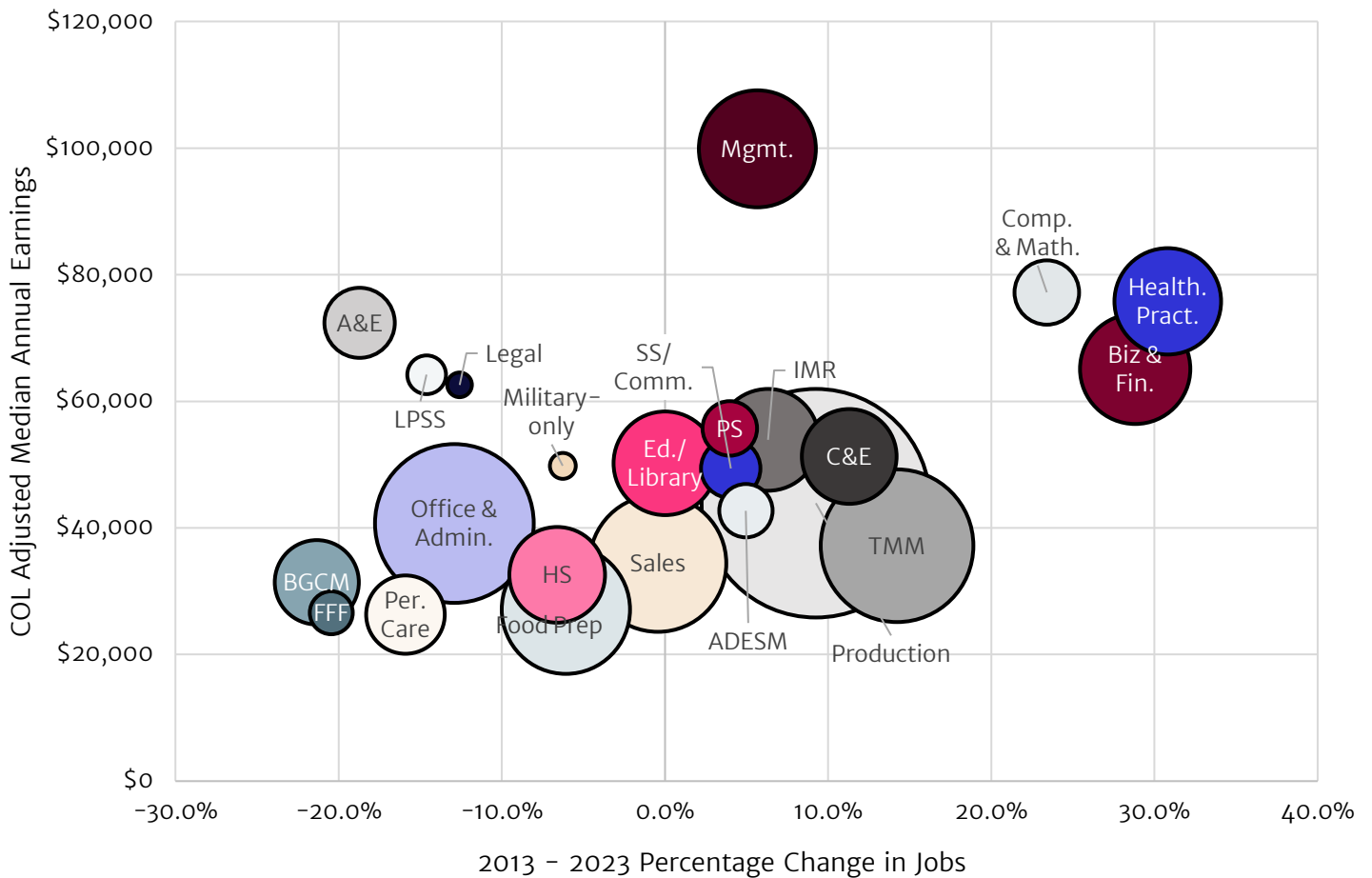
Income

The U.S. Department of Housing and Urban Development (HUD) divides household incomes relative to the HUD Area Median Family Income (HAMFI) to gauge housing affordability at all income levels and number of persons per household. The HAMFI for the Sheboygan MSA for a four-person household is \$86,800. Of the occupations growing in Sheboygan County, only Management occupations has an annual wage greater than the median annual wage.

It's important to examine the wage rates of occupations and the growth rates of those occupations over time. Figure 7 not only considers these factors, but also the bubble size indicates the number of jobs in those occupations in 2023. The x-axis indicates growth or decline in those occupations from 2013 to 2023, while the y-axis indicates the annual median earnings adjusted for cost of living.

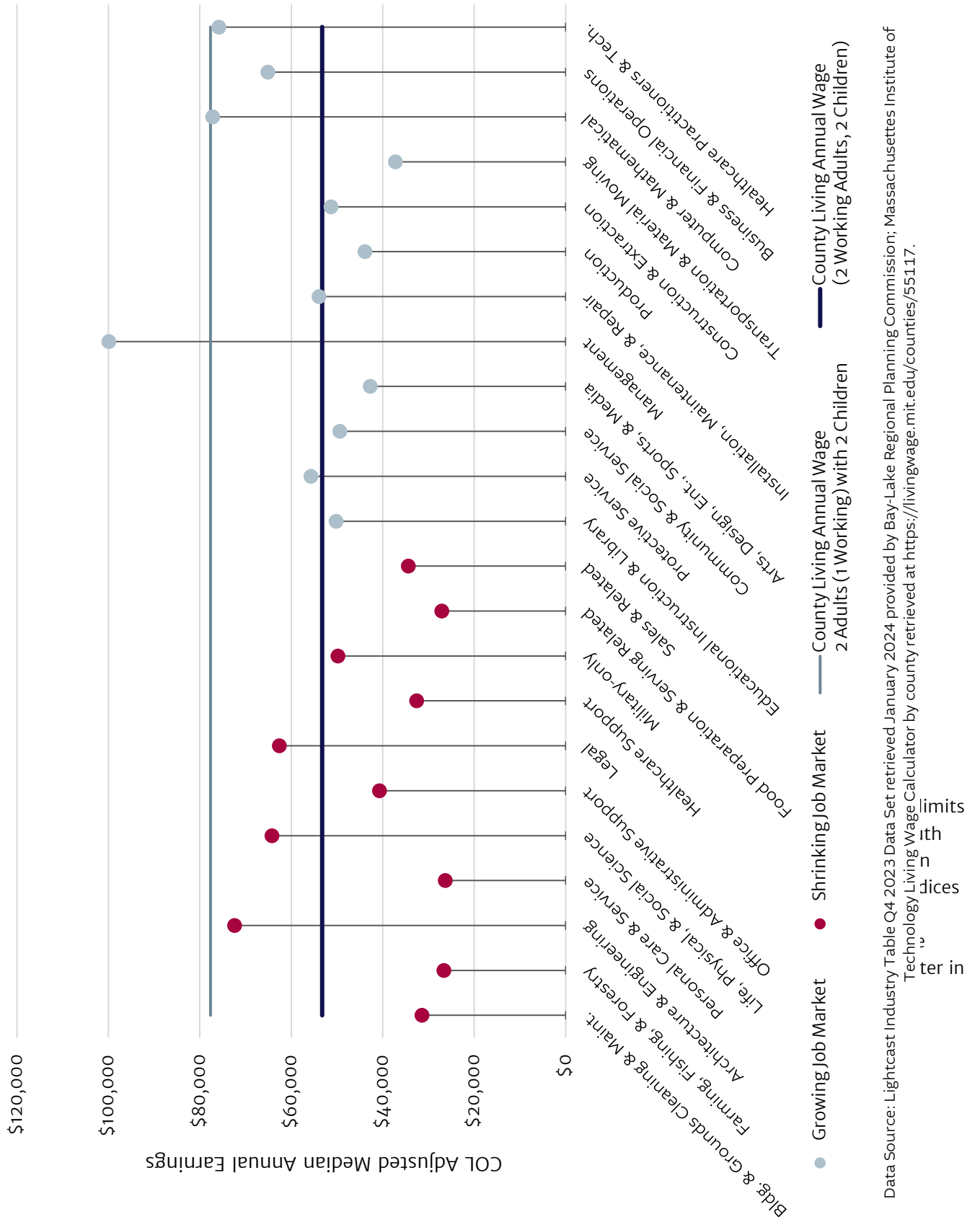
Figure 8 adds an additional layer by demonstrating the wages required to provide a living wage for two adults with children. In one scenario, both adults are working while the second scenario demonstrates the wages needed to support the family on a single income. This has implications for the types of housing affordable for various household configurations. (For more information regarding MIT's Living Wage Calculator methodology, please visit: <https://livingwage.mit.edu/pages/methodology>.)

Figure 7. Sheboygan MSA Occupations by Earnings and Change in Jobs (2013-2023)



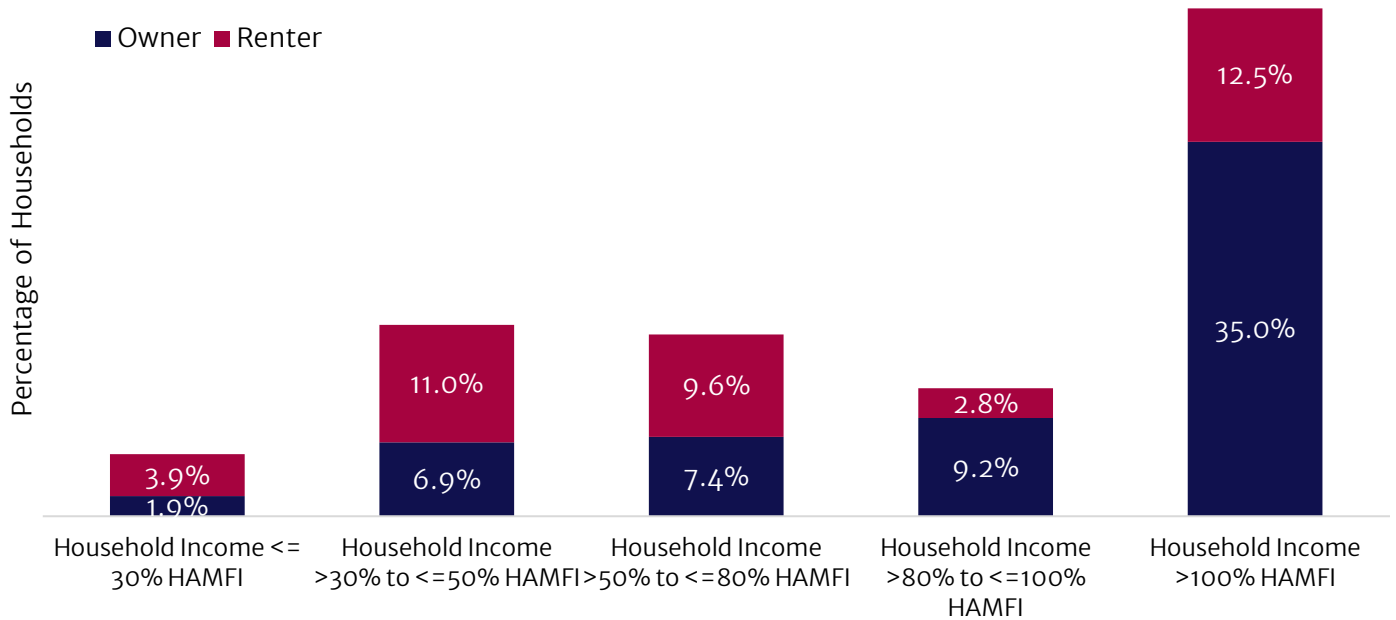
Data Source: Lightcast Industry Table Q4 2023. Data Set retrieved January 2024 provided by Bay-Lake Regional Planning Commission; Redevelopment Resources. Data Note: the size of the bubbles is an indication of the number of jobs the occupation has in the MSA.

Figure 8. Earnings Comparison by Occupation, Job Growth, and Living Wage (2023)



Data Source: Lightcast Industry Table Q4 2023 Data Set retrieved January 2024 provided by Bay-Lake Regional Planning Commission; Massachusetts Institute of Technology Living Wage Calculator by county retrieved at <https://livingwage.mit.edu/counties/55117>.

Figure 9. City of Plymouth Household Income Distribution by Tenure (Percentage)

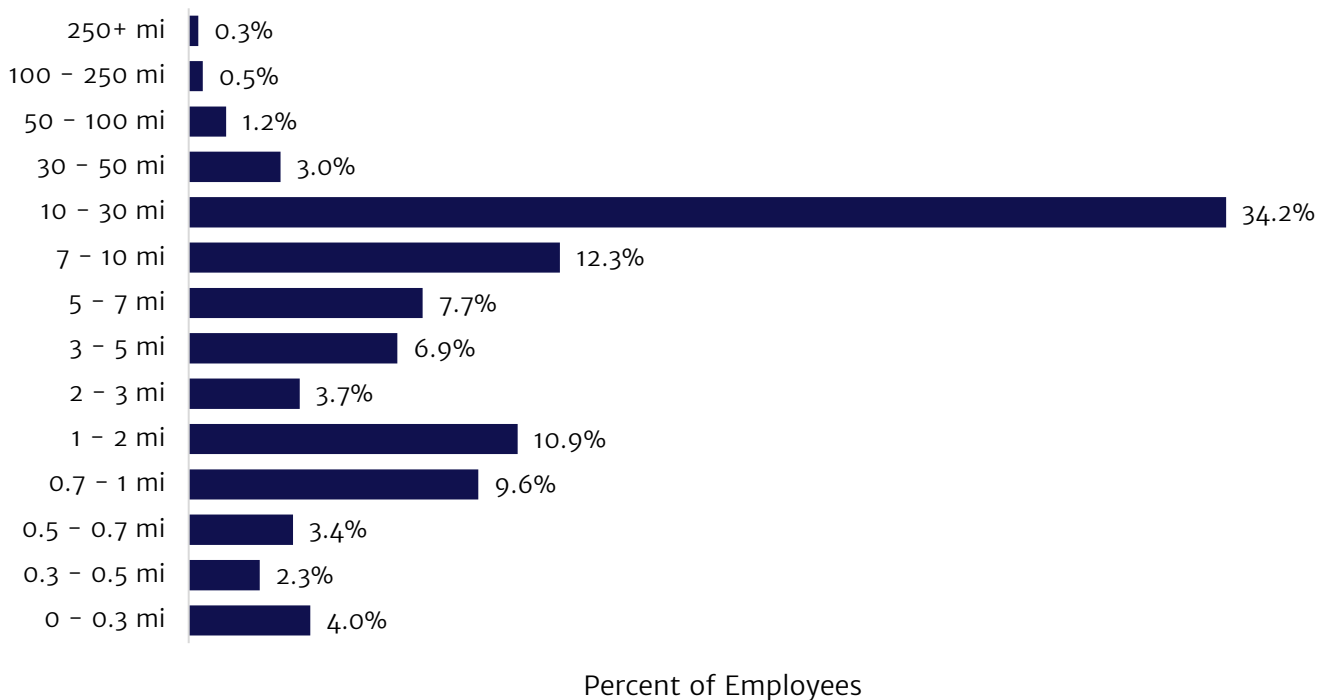


Source: U.S. Department of Housing and Urban Development, CHAS (2016-2020), City of Plymouth; Redevelopment Resources. Note: FY 2023 Area Median Family Income is estimated to be \$86,800.

Commuting Patterns

Many factors influence a household’s decision on where to live relative to where it works, including the location of a partner’s employer, quality of the school district, cost of housing, and transportation. Over a third of the employees working within the city limits live 10–30 miles of the city (34.2%).

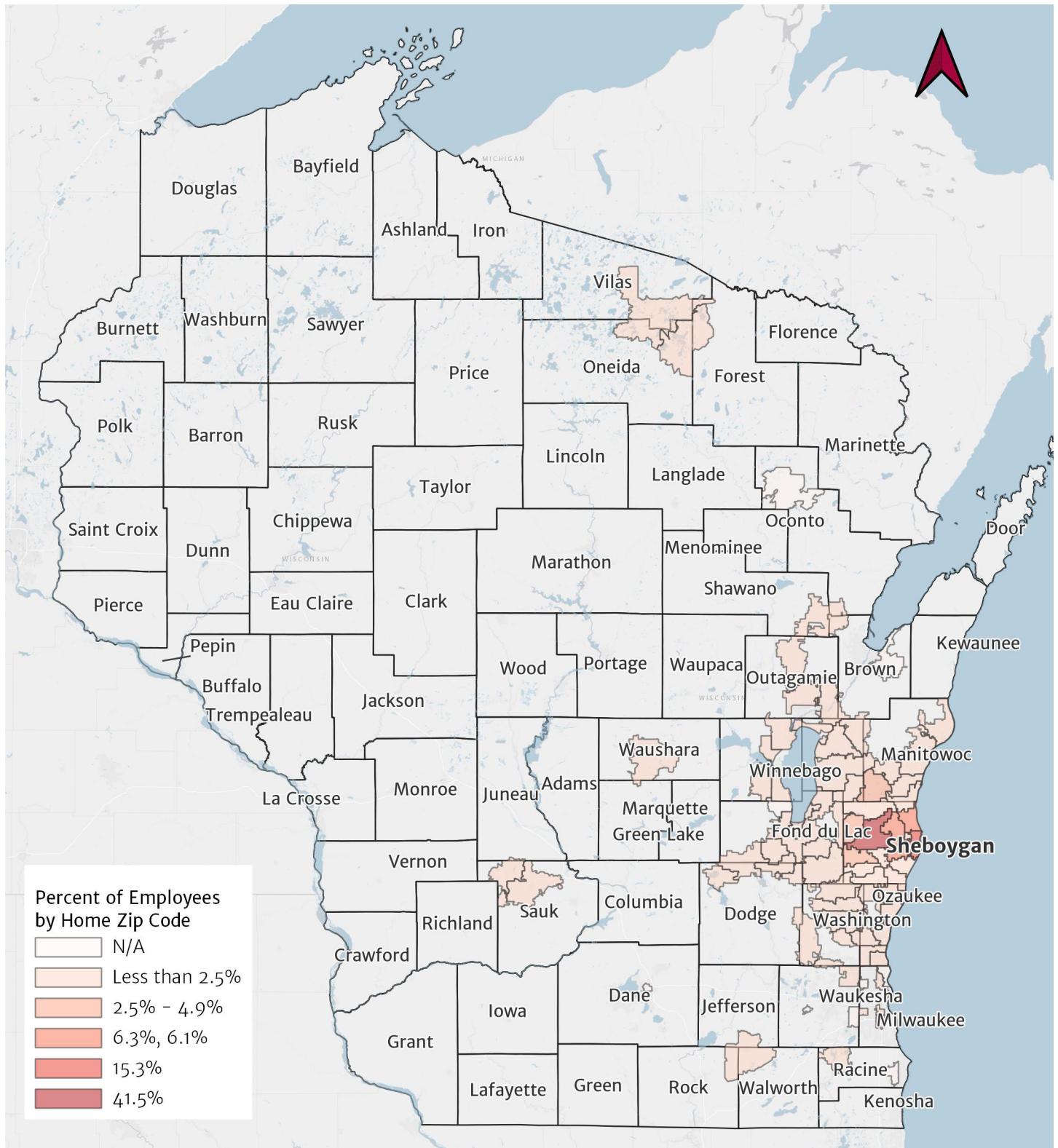
Figure 10. Plymouth Employee Commute by Distance (mi.)



Data Source: Placer.ai, Employees by Home Destination, Jan. 1, 2023 – Dec. 31, 2023, with a minimum of 30 visits, and visits over 10 min. in duration.

The following map illustrates where employees who work in the City of Plymouth live. Whether or not people would live in Plymouth if housing was available is not something we can discern from the data but providing more housing options would mean more options for current and future employees.

Plymouth Employee Commuter Shed Map



Housing Supply Analysis

An analysis of the housing supply identifies construction and/or demolition trends over time, the type of housing that is constructed, available, and the cost of that housing. When compared to demographic trends, this analysis provides an additional facet to understanding whether supply has kept up with demand and the cost of housing by type.

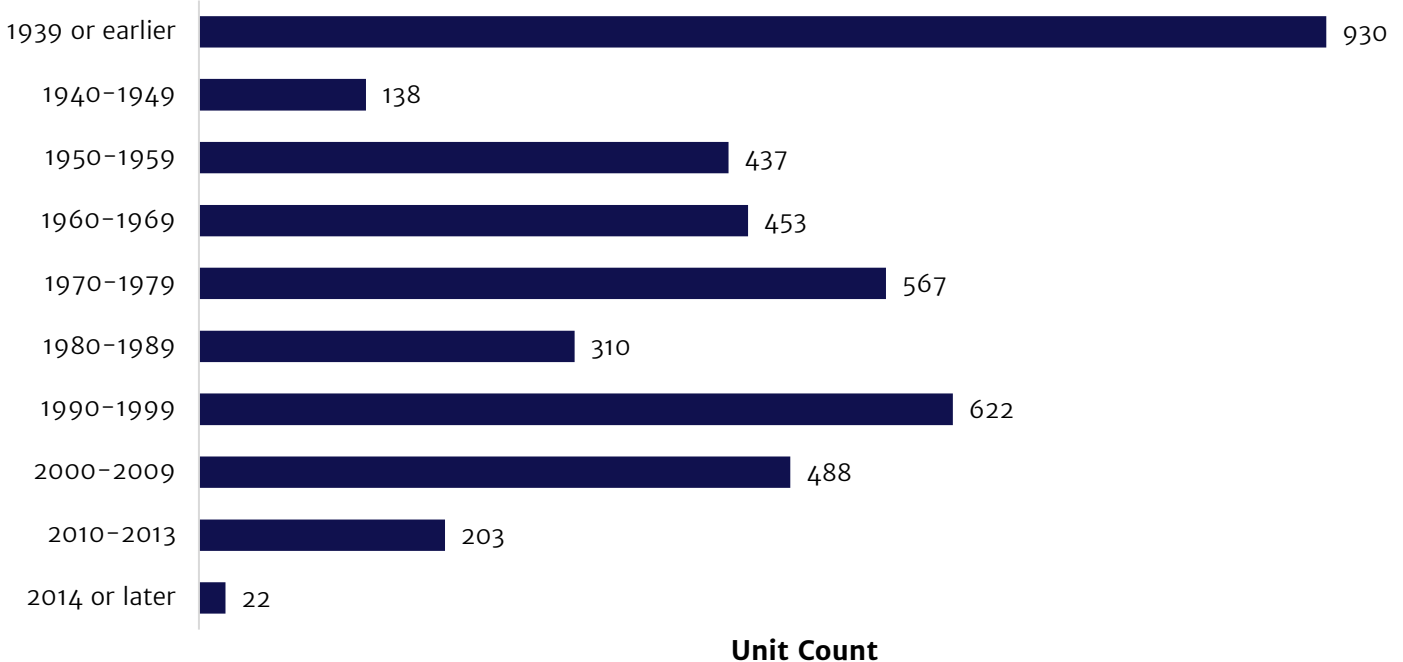
Key takeaways:

- Construction of housing has been declining since 1990, however, household growth has been increasing.
- The housing stock in the city is dominated by single-family, owner-occupied housing.
- A healthy vacancy rate provides greater flexibility for current residents to right-size their housing choices and invite new residents into a community. Plymouth's current vacancy rate is low.

Age of Housing Stock

Decision-makers may want to consider the age of the housing stock when contemplating the types of programs and policies to implement for rehabilitation purposes. According to the American Community Survey 5-year estimate in 2022, of the 4,170 housing units, nearly 930 (22.3%) were built before 1939.

Figure 11. Age of Residential Structures by Year Built



Data Source: American Community Survey 5-Year Estimates, Housing Characteristics.

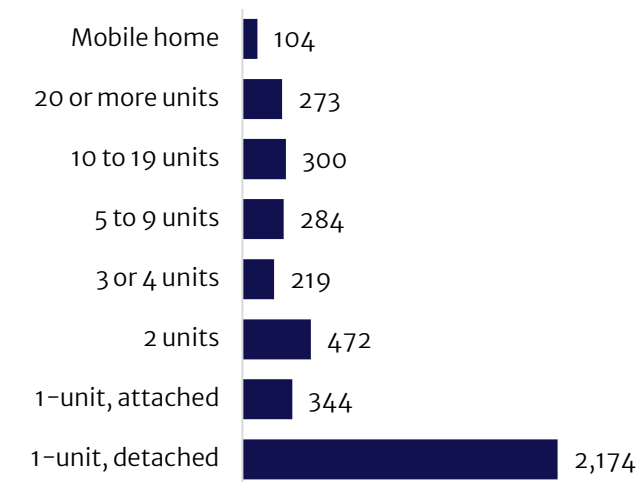
Unit Types and Tenure

It is important to note the difference between the density of units and the type of tenure. Density refers to the building mass (e.g., single-family, duplex, quadplex, etc.). Tenure refers to whether the unit is owned or rented by the occupant. Zoning codes and ordinances regulate the type of density permitted, while covenants dictate whether a property may be leased, and ordinances for landlords.

More than 71.6% of the current housing stock are single-family or two-family residences. Owner-occupied units make up 62.2% of the existing housing stock, while 32.7% are renter-occupied. Compared to the county and the state, Plymouth's vacancy rate in 2023 was very low according to Esri and may be even tighter in 2024 based on local knowledge and other data sources discussed later in the report.

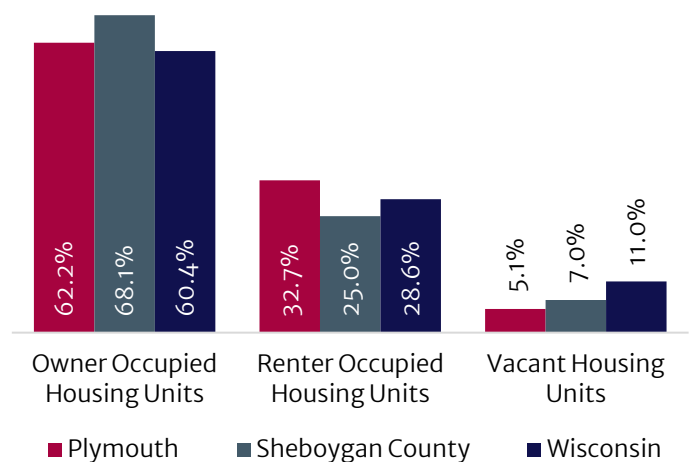
Arthur Nelson, author of Planner's Estimating Guide: Projecting Land-Use and Facility Needs, states "Some amount of vacant residential units is needed to facilitate the free movement of population and choice of reasonable alternatives. The number of vacant units, usually expressed as a percent of total habitable units, varies by such things as growth rates and tenure characteristics of renters and buyers." Based on best practices and household growth projections, Redevelopment Resources recommends an owner-occupancy vacancy rate of 1-2% and a rental vacancy rate of 4-5% for a combined vacancy rate of 5-7%.

Figure 12. Housing Units by Type (2022)



Data Source: American Community Survey 5-Year Estimates, Housing Characteristics.

Figure 13. Regional Housing Tenure Comparison (2023)



Data Source: ESRI Community Profile.

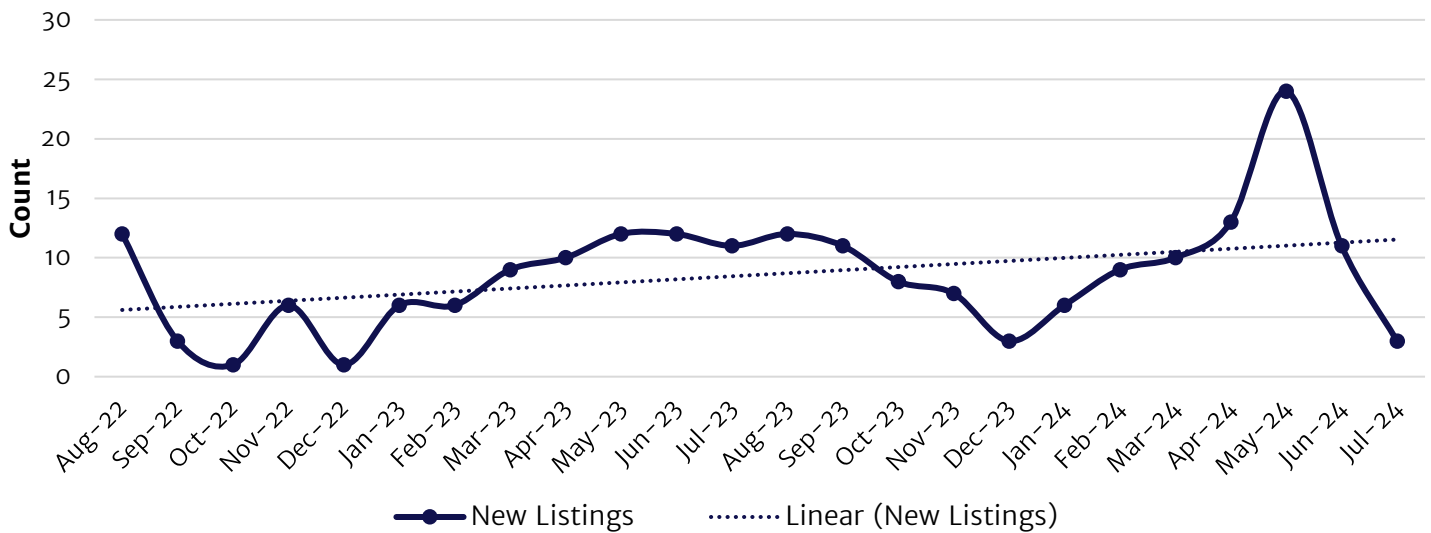
Median Home Value

According to ESRI, the median home value as of 2023 is \$219,098. By multiplying the income levels by 3.36 to simulate an affordable home mortgage loan, like a Federal Housing Administration low down payment mortgage product, a household with the HAMFI of \$86,800 could afford a home valued at \$291,600 or less. Therefore, a family with a median income can afford a median-priced home in Plymouth, if it is available. (This is discussed further in subsequent portions of this report.)

Single-family Housing Sale Trends

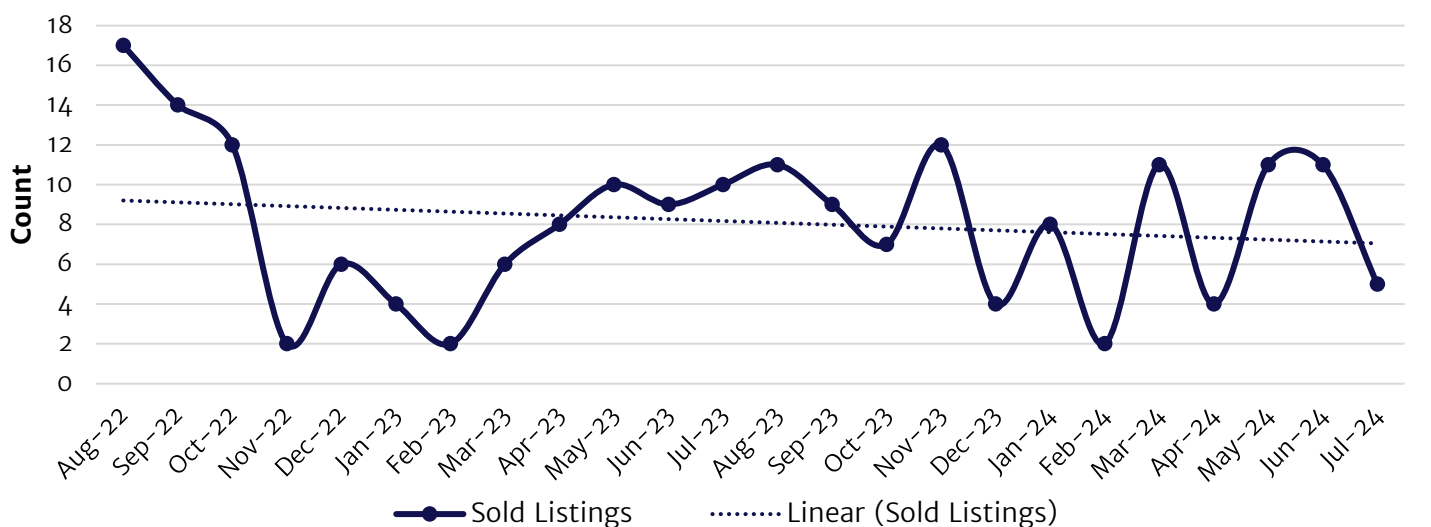
Metrics used to analyze for-sale market trends include the number of units listed, units sold, changes in median sale price, and average days-on-market (DOM). While the number of new listings has trended up over the last two years, the number of single-family homes sold during that same time period has trended down. Those listings, however, are being marketed for shorter and shorter periods of time. The median sales price is also trending up. Cumulatively, these factors indicate a tightening market in Plymouth.

Figure 14. New Single-Family Listings (Aug. '22-July '24)



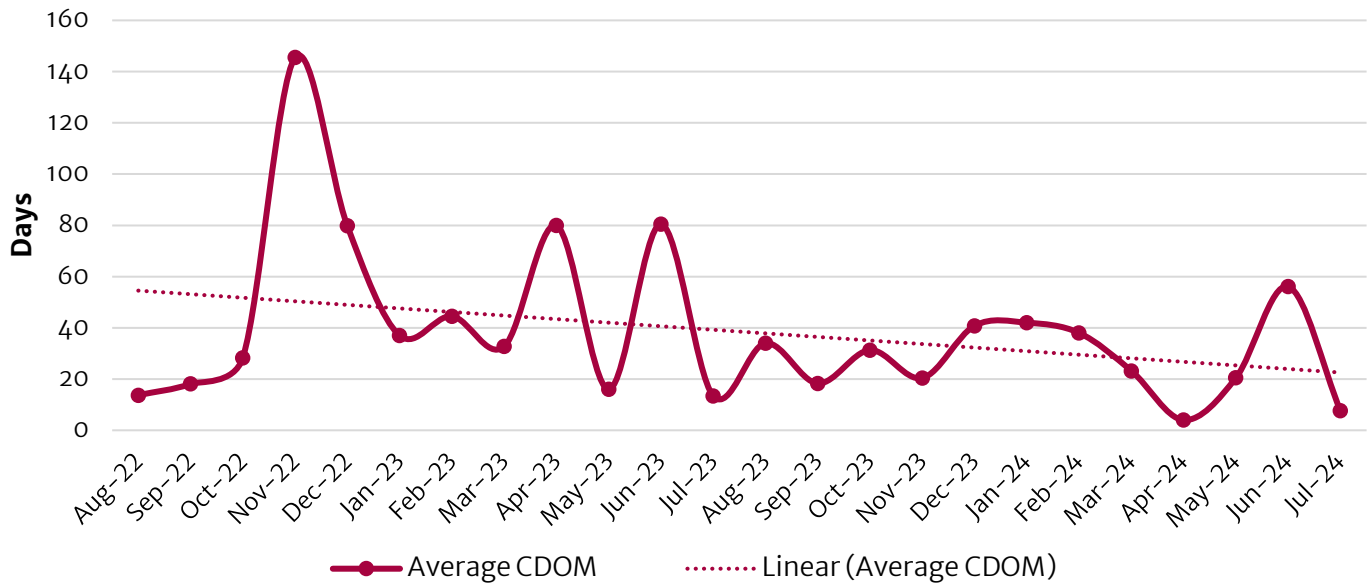
Data Source: Pleasant View Realty, Kristine Hartmann, Realtor. Data Note: Listings are for Zip Code 53073.

Figure 15. Single-Family Listings Sold (Aug. '22-July '24)



Data Source: Pleasant View Realty, Kristine Hartmann, Realtor. Data Note: Listings are for Zip Code 53073.

Figure 16. Single-Family Listings Average Cumulative Days-On-Market



Data Source: Pleasant View Realty, Kristine Hartmann, Realtor. Data Note: Listings are for Zip Code 53073.

Figure 17. Single-Family Listings Median Sale Price



Data Source: Pleasant View Realty, Kristine Hartmann, Realtor. Data Note: Listings are for Zip Code 53073.

Multifamily Rental

Using Apartments.com to periodically check on the availability of units from June 2024 – August 2024, the highest count of units available was four. As of Aug. 13, 2024:

1. 1 BR, 0.5 BA, 550 SF apartment for \$600/mo.
2. 2 BR, 2 BA, 900 SF apartment for \$900/mo.
3. 3 BR, 1 BA, 1,500 SF apartment for \$1,800/mo.
4. 4 BR, 2 BA, 1,800 SF home for \$3,300/mo.

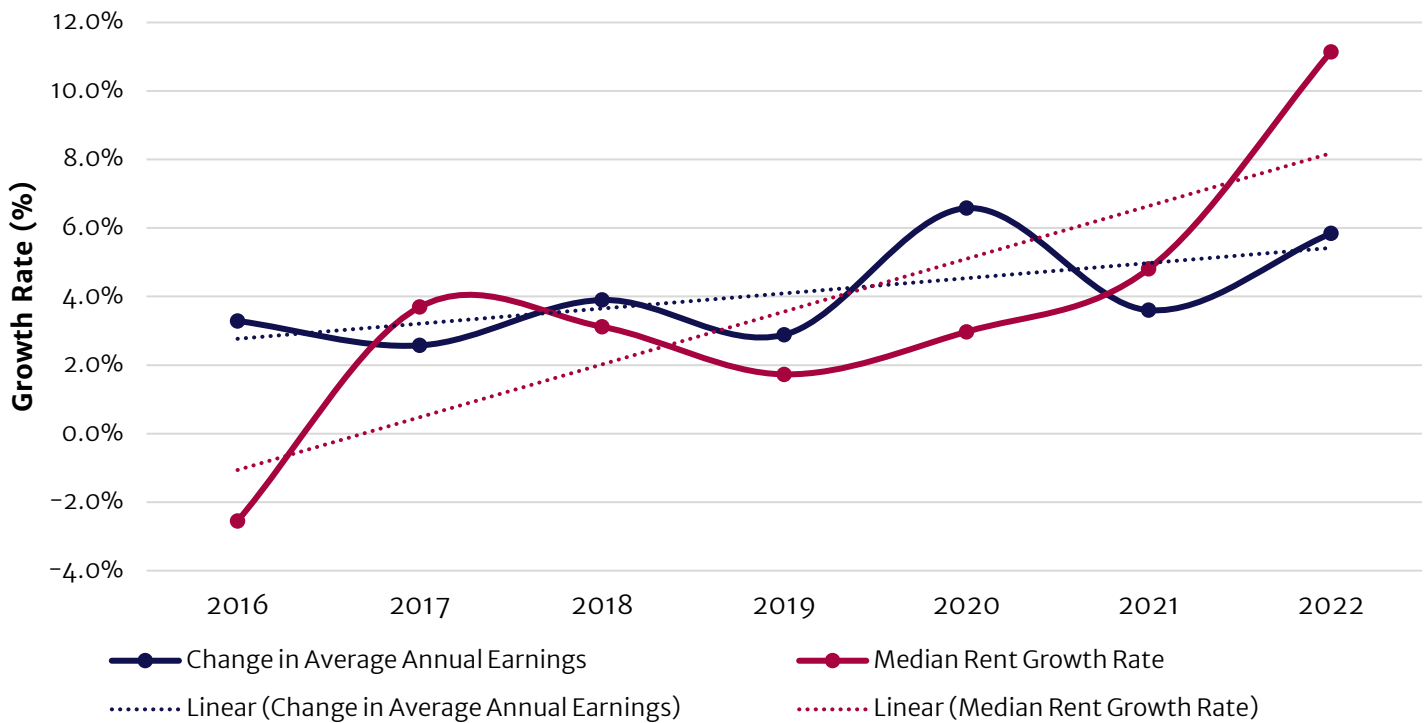
A healthy vacancy rate for rental units in the community is 4-5%. Acknowledging that not all rental units are listed on a service like Apartments.com, and through conversations with various knowledgeable sources, Redevelopment Resources believes that Plymouth’s vacancy rate at the time for rental housing was below this threshold.

Median Rent

According to the American Community Survey, in 2022, the median rent in the city was \$848/month. According to Apartments.com, as of August 2024, the average apartment rent in Plymouth, WI is \$411 for a studio (600 square feet), \$537 for one bedroom (574 square feet), \$925 for two bedrooms (1,010 square feet).

Since most Plymouth residents work in the Sheboygan MSA, a comparison of changes in median rent and average hourly wages was examined. As the following chart demonstrates, the change in annual pay is not keeping pace with the changes in median rents. This hints to the potential housing cost burden of residents now and into the future. More about this will be discussed in chapter seven.

Figure 18. Growth Rate Comparison of Plymouth Median Rent and Sheboygan MSA Average Annual Earnings (2016-2022)



Data Source: U.S. Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, Not Seasonally Adjusted, Total Private; American Community Survey 5-Year Estimates, Housing Characteristics; Redevelopment Resources.

Housing Needs Analysis

Housing Affordability

Affordable housing is defined by the U.S. Department of Housing and Urban Development (HUD) as a household spending no more than 30% of its income on housing costs. Median family income is calculated by HUD for each jurisdiction to determine Fair Market Rents (FMRs) and income limits for HUD programs.

The following table contextualizes the realities of employees in particular occupations in Sheboygan County, the established FMRs by HUD, the estimated incomes needed to afford those units, and the number of available units as of August 13, 2024, on Apartments.com.

Figure 19. NLIHC Occupations by Affordable and Available Units Table

Occupation	Employment (1)	Annual median wage (2)	FY24 FMR	Unit Type Affordable	Units Available	
					By Size	By Size & FMR
Dining Room and Cafeteria Attendants and Bartender Helpers	850	\$21,300 - \$23,880		None	N/A	N/A
Bartenders; Dishwashers; Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop						
Driver/Sales Workers	3,860	\$24,960 - \$28,560	\$647	Studio	0	0
Floral Designers						
Amusement and Recreation Attendants						
Waiters and Waitresses						
Shuttle Drivers and Chauffeurs						
Fast Food and Counter Workers						
Veterinary Assistants and Laboratory Animal Caretakers						
Animal Caretakers						
Cashiers						
Cooks, Short Order; Food Preparation Workers; Food Servers, Nonrestaurant						
Couriers and Messengers						
Recreation Workers						
Exercise Trainers and Group Fitness Instructors						
Laundry and Dry-Cleaning Workers						
Childcare Workers						
Janitors and Cleaners; Maids and Housekeeping Cleaners						
Hotel, Motel, and Resort Desk Clerks						
Order Clerks						
Home Health and Personal Care Aides						
Retail Salespersons						
Stockers and Order Fillers						
Library Technicians						
Sewing Machine Operators						
Merchandise Displayers and Window Trimmers						

Occupation	Employment (1)	Annual median wage (2)	FY24 FMR	Unit Type Affordable	Units Available	
					By Size	By Size & FMR
Cooks, Institution and Cafeteria; Cooks, Restaurant; Bakers; First-Line Supervisors of Food Preparation and Serving Workers	13,390	\$34,740 - \$45,250	\$955	2 BR	1	1
Slaughterers and Meat Packers; Butchers and Meat Cutters						
Helpers - Installation, Maintenance, and Repair Workers						
Teaching Assistants, Except Postsecondary; Preschool Teachers, Except Special Education; Bus Drivers, School; Self-Enrichment Teachers						
Nursing Assistants; Phlebotomists; Pharmacy Technicians; Medical Secretaries and Administrative Assistants; Veterinary Technologists and Technicians; Emergency Medical Technicians						
Packers and Packagers, Hand; Packaging and Filling Machine Operators and Tenders						
Automotive and Watercraft Service Attendants; Cleaners of Vehicles and Equipment; Parts Salespersons						
Miscellaneous Assemblers and Fabricators; Production Workers, All Other; Helpers - Production Workers; Prepress Technicians and Workers						
Plating Machine Setters, Operators, and Tenders, Metal and Plastic; Metal Workers and Plastic Workers, All Other						
Woodworking Machine Setters, Operators, and Tenders, Except Sawing						
Coating, Painting, and Spraying Machine Setters, Operators, and Tenders						
Hairdressers, Hairstylists, and Cosmetologists						
Landscaping and Groundskeeping Workers; Tree Trimmers and Pruners						
Print Binding and Finishing Workers						
Library Assistants, Clerical						
Office and Administrative Support Workers, All Other						
Security Guards						
Laborers and Freight, Stock, and Material Movers, Hand						
Office Clerks, General; New Accounts Clerks; Counter and Rental Clerks; File Clerks; Receptionists and Information Clerks; Information and Record Clerks, All Other; Tellers						
First-Line Supervisors of Housekeeping and Janitorial Workers						
Rehabilitation Counselors						
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive						
Customer Service Representatives						
Data Entry Keyers						
Roofers						

Occupation	Employment (1)	Annual median wage (2)	FY24 FMR	Unit Type Affordable	Units Available	
					By Size	By Size & FMR
Dental Assistants; Medical Assistants	8,880	\$45,580 - \$49,620	\$1,235	3 Bedroom	1	0
Food Cooking Machine Operators and Tenders; Food Batchmakers						
Light Truck Drivers; Industrial Truck and Tractor Operators; Bus Drivers, Transit and Intercity						
Machinists; Grinding/Lapping/Polishing/Buffering Machine Tool Setters, Operators, and Tenders, Metal and Plastic; Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic; Structural Metal Fabricators and Fitters; Mixing and Blending Machine Setters, Operators, and Tenders; Extruding and Drawing Machine Setters, Operators, and Tenders, Metal and Plastic						
Electrical, electronic, and electromechanical assemblers, except coil winders, tapers, and finishers						
Inspectors, Testers, Sorters, Samplers, and Weighers						
Computer Numerically Controlled Tool Operators						
Printing Press Operators						
Shipping, Receiving, and Inventory Clerks						
Bookkeeping, Accounting, and Auditing Clerks						
Automotive Body and Related Repairers; Automotive Service Technicians and Mechanics						
Construction Laborers; Painters, Construction and Maintenance						
Graphic Designers						
Ophthalmic Medical Technicians						
Mental Health and Substance Abuse Social Workers						
Billing and Posting Clerks						
Loan Interviewers and Clerks						
First-Line Supervisors of Personal Service Workers						
Coaches and Scouts						
First-Line Supervisors of Retail Sales Workers						
Meeting, Convention, and Event Planners						

Data Source: U.S. Bureau of Labor Statistics Occupation and Employment Wage Statistics for Sheboygan, WI MSA (May 2023); National Low Income Housing Coalition; Apartments.com; Redevelopment Resources.

(1) Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers.

(2) Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours. Benefits are not included within the wages shown.

Hypothetically, if three employees from across the spectrum of jobs, front-line to professional were each looking for a one-bedroom apartment to rent in Plymouth on August 13, they would each be in competition for the one available unit.

The two others would then have two choices:

1. Lease an unaffordable two-bedroom unit.
2. Compete with those that can only afford efficiency units if any were available, which there were not.

When there is such a limited inventory of housing available, residents end up in a unit that is either above or below the level appropriate for their income, making that unit unavailable for a tenant that could be a more appropriate match for it, from an income perspective.

Those spending more than 30% of income on housing are considered cost-burdened and those spending more than 50% of income on housing are considered severely cost-burdened.

The following tables detail the income limits for multi-family tax subsidy projects within the Sheboygan MSA and identify the City of Plymouth households by tenure (renter or owner), income level, and degree of cost-burden. Both renter and homeowner households with incomes less than or equal to 50% HAMFI are the largest group experiencing severe cost-burden. (HUD uses several formulas to calculate floors or ceilings. For detailed explanation and calculations as to how the following were derived, please see Appendix B – Methodology.)

THE HOUSING LADDER

WHEN THERE AREN'T ENOUGH HOMES,

**EVERYBODY
COMPETES FOR
WHAT'S
AVAILABLE.**

- SIGHTLINE INSTITUTE

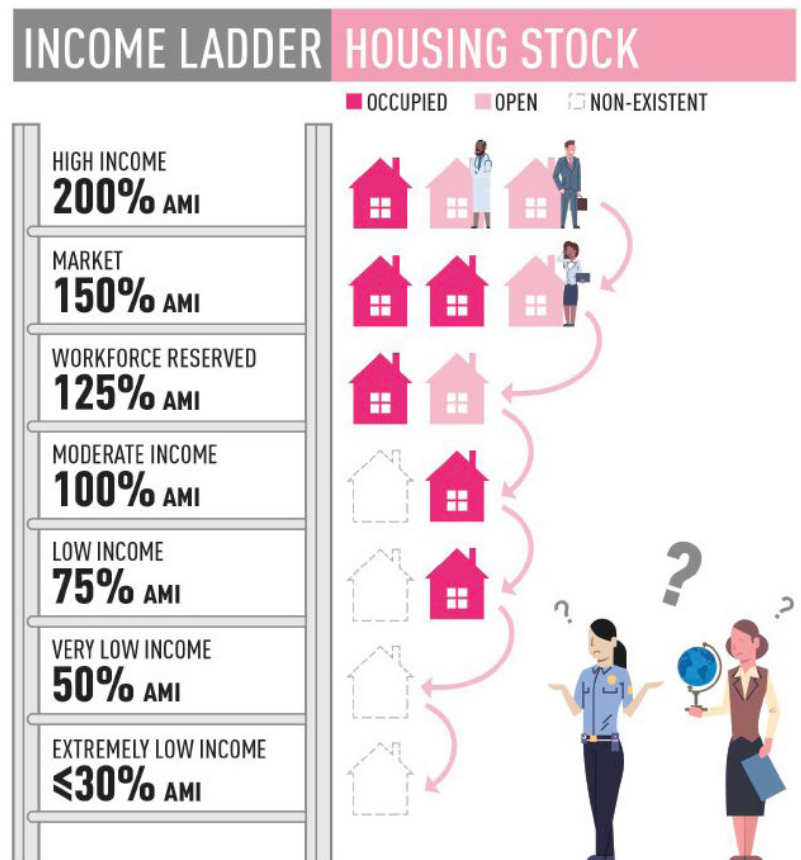


Figure 20. FY 2024 MTSP Income Limits Table

FY 2024 MTSP Income Limit Area	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Sheboygan, WI MSA	80%	\$48,640	\$55,600	\$62,560	\$69,440	\$75,040	\$80,560	\$86,160	\$91,680
	70%	\$42,560	\$48,650	\$54,740	\$60,760	\$65,660	\$70,490	\$75,390	\$80,220
	60%	\$36,480	\$41,700	\$46,920	\$52,080	\$56,280	\$60,420	\$64,620	\$68,760
	50% (Very Low)	\$30,400	\$34,750	\$39,100	\$43,400	\$46,900	\$50,350	\$53,850	\$57,300
	40%	\$24,320	\$27,800	\$31,280	\$34,720	\$37,520	\$40,280	\$43,080	\$45,840
	30%	\$18,240	\$20,850	\$23,460	\$26,040	\$28,140	\$30,210	\$32,310	\$34,380
	20%	\$12,160	\$13,900	\$15,640	\$17,360	\$18,760	\$20,140	\$21,540	\$22,920

NOTE: Very low-income (50% Income Limits) calculations published by HUD are used as the basis for determining the full range of income limits for minimum set-aside tests.

Figure 21. HUD Cost Burden Percentage of Renters and Owners Table

	Renters Only		Owners Only	
	Cost burden >30% <50%	Cost burden > 50% (pct.)	Cost burden >30% <50%	Cost burden > 50% (pct.)
Household Income <= 30% HAMFI	4.8%	2.9%	1.0%	1.3%
Household Income >30% to <=50% HAMFI	14.0%	5.4%	2.7%	1.9%
Household Income >50% to <=80% HAMFI	5.1%	0.0%	1.3%	0.6%
Household Income >80% to <=100% HAMFI	0.0%	0.0%	3.3%	0.2%
Household Income >100% HAMFI	0.0%	0.0%	0.6%	0.0%
Total	23.8%	8.3%	9.0%	3.9%

Data Source: U.S. Department of Housing and Urban Development (HUD) CHAS (2016–2020), Redevelopment Resources. Data Note: The median family income set by HUD based on a four-person household is \$86,800.

Methods of addressing the shortage of available and affordable units are discussed in the “Implementation and Recommendations” section of this report.

Demand Forecast

There are four main contributing factors to the extreme lack of housing which will feed directly into the demand facing the City now.

- Census/population (natural) growth.
- Pent up demand over the past 15+ years due to recession and subsequent damage to the residential construction and financing industries.
- Changing demographics; baby boomers aging, Generation X buying up existing stock, a very large Generation Y & Z, and seniors staying in their homes longer than ever before.
- Existing and new employer growth/hiring.

Based on census data alone, and not on local (employer/hiring information), the preliminary five-year projection for needed units is nearly 400 housing units of all types. To date, there are approximately 175 open positions in Plymouth with local employers, and throughout the county there are approximately 1,500-2,000 open positions. There is limited housing stock to provide for them.

Figure 22. Demand Factors Table

Total Unit Demand Forecast (2025-2029)		
Sum of Units built 1940-1999	2,527	
Average Number of Units built per year 1940-1999	50.5	
Expected Number of Units to be built from 2000-2022*	1,112	
Sum of Units built 2000-2022	713	
Est. pent up demand	399	
	Low	High
New Jobs in region*	1,500	2,000
Housing units needed to capture regional employment growth	150	225
Housing units needed for natural household growth	104	293
Vacancy	5%	7%
	686	981

Data Source: American Community Survey 5-year estimates Households and Families Table for Plymouth, WI; Redevelopment Resources.

*Data Note: ACS has data on housing units up until 2022. Jobs were not taken into account in the total demand 1 for 1, but factored into new households at the percentage shown.

Multi-family Rental Housing

Industry standard states that a healthy vacancy rate for rental units in a community is between 4-5%. Acknowledging that not all rental units are listed on a service like Apartments.com, and through conversations with various knowledgeable sources, Redevelopment Resources believes that Plymouth's vacancy for rental housing is well below that threshold. In a healthy market, there would need to be over 200 vacant units available at one time. As the market grows, the number of vacant units needed will also need to grow.

With the knowledge that there is significant pent-up demand for rental housing, the following demand has been derived.

Figure 23. Rental Demand Table

	Affordable/ Workforce	Market Rate	Total
Studio	40	22	62
1-Bedroom	56	85	141
2-Bedroom	109	90	199
3-Bedroom	99	40	139
Total	304	237	541

This demand forecast includes units already known to the city, or in process, permitted or planned.

This demand forecast includes units already known to the city, or in process, permitted or planned.

Stakeholder interviews indicated the need for multifamily housing (apartments) to provide for employees at entry-level wages, as well as market-rate housing for employees earning more than a beginning salary but not yet ready for home ownership.

Owner-Occupied Housing

The baseline for a “healthy” homeowner vacancy rate of 2% is frequently cited by housing researchers, including the Lincoln Institute of Land Policy. With the knowledge that there is significant demand for new owner-occupied housing, the following demand has been derived.

Figure 24. Owner-Occupied Demand Table

	Affordable/ Workforce	Market Rate	Total
1-Bedroom	15	10	25
2-Bedroom	133	50	183
3-Bedroom	147	60	207
4+Bedroom	15	10	25
Total	310	130	440

This demand forecast includes units already known to the city, or in process, permitted or planned.

This demand forecast includes units already known to the city, or in process, permitted or planned.

Owner-occupied (for sale) housing can be detached, (or free-standing), or it can be attached (to another unit) in the form of duplexes, triplexes, quads, townhomes, or condos. The breakdown of attached vs. detached is as follows:

Figure 25. Single-Family Demand Table

Single-Family Detached	330
Single-Family Attached	110

Attached single-family housing is a way to meet the demand for missing-middle housing, which can be more affordable to more people and meet the workforce’s needs for for-sale housing.

Figure 26. Missing Middle Housing Graphic



By encouraging development of a variety of housing types, the community will be better able to absorb the units and have the flexibility to serve multiple ages, income levels, tastes, and preferences over time. The ability of these units to serve the market's needs long into the future is vastly improved by ensuring a wide range of options for new and existing residents.

Options for Supporting Residential Development

The city has a variety of options at its disposal to support development of residential units. Some may work better than others and may apply to some circumstances but not all. We need to approach housing like diet and exercise, it is a mindset. A way of approaching a challenge more than a final step to a permanent solution. . . . cities need to replace rigid systems with flexible ones. Communities “need to make room for incremental adaptation. Local housing ecosystems need to be protected and nurtured so they can reconstitute. Our cities must become complex and adaptive once more.”¹

While there may not be a “silver bullet” to this complex issue, there are a few models that may be adapted and applied with a long-range perspective for transformative change. What follows is a list of tools available to facilitate and support residential development.

	Financial	Non-Financial	Benefits	Risks
Development Fees	X		Plymouth could market relatively low fees	Missed opportunity, low fees comparatively
Development Toolkit		X	Service to support small developers	No risk to the City to provide this service
TIF Affordable Housing Extension	X		Opportunity to incent impactful projects	Could run out of funds, long wait to replenish
Plymouth Housing Authority	X	X	City can support HA w/ technical assistance	No risk to the City
WHEDA Programs	X		City can leverage state fundings for projects	Minimal risks if any
Land Banking	X		City can control development process	Possible carrying costs w/holding land
Impact Fee Reduction/Exemption	X		City can control, use as small incentive	Potential lost revenue for City
Municipal Bond Financing	X		Municipal-friendly terms	Debt to City, interest costs
BCPL Loan	X		Relatively easy to obtain, favorable terms	Debt to City, interest costs
Zoning Changes and Density Bonuses		X	Can be used to support development	Consistency, precedent setting
Inclusionary Zoning		X	Increased affordable housing	Potential increase in development costs
Public Private Partnerships	X	X	Leverages partnerships, increase involvement	Minimal risks if any
Forward Fund (SCEDC)	X		Leverages partnerships, increase involvement	Minimal risks if any

Development Fees

An Impact Fee is a charge to new development for public improvements that serve that development or that type of development. – *Capital Budgeting and Finance: A Guide for Local Governments*, A. John Vogt, ICMA

Commercial, industrial and residential development all have varying demands on municipal services; therefore, municipalities may charge developers impact fees to offset the costs of expanded public service and infrastructure needed. The methodologies used by municipalities to calculate those fees vary.

A comparison of residential fees was conducted between Plymouth, Ripon, Waupun, Two Rivers, and Kaukauna. These communities are fairly close in population size and proximity to other larger cities.

	Single-Family	Two-Family	Multifamily
Plymouth	\$943	\$1,128	
Ripon	\$1,312	\$1,312	
Sheboygan Falls [§]	\$2,000	\$3,625	
Waupun [^]	\$2,386		\$1,682
Two Rivers [*]		\$10,521	
Kaukauna [!]		\$5,751	

[§] For single-family units under 2,000 SF, the fee is \$350. For single family units 2,001-5,000 SF, the fee is \$400, and is used to calculate the total fees here. For two-family units that are less than 2,000 SF, the fee is \$450. For two-family units 2,001-5,000 SF, the fee is \$500, and is used to calculate the total fees here.

[^] Stated \$2,110.08 on average for single-family permits and \$1,487 on average for multifamily units in 2021 which has the buying power of \$2,386 and \$1,682 respectively in 2024. Four single-family units and five multifamily units were built that year.

^{*} Stated \$8,383 per residential unit which has the buying power of \$10,521 in 2024. Three units were built that year.

[!] Stated \$3,078.82 per residential unit which has the buying power of \$5,750.92 in 2024. Ninety-nine units were built that year.

Data Sources: Plymouth Building Inspector, Ripon Building Inspector, Two Rivers Housing Fee Report (2018), Waupaun Housing Fee Report (2021), Kaukauna Housing Fee Report (2020), Bureau of Labor Statistics CPI Calculator.

Not only do Plymouth and Ripon charge the least in development fees, but they also use straightforward methods for calculating the development fees for residential development. In other words, these methods are development friendly.

Wisconsin [State Statute 66.0617\(7\)](#) permits municipalities to waive or reduce development fees by ordinance for low-cost housing in order to encourage more development of this type.

Partnerships with High School Programs

The labor market overall in the United States is shrinking and even more so in the trades. The Wisconsin Department of Public Instruction school report card now includes “Industry-Recognized Credentials” and “Work-based Learning” as part of its metrics for postsecondary preparation. To encourage future laborers into the construction pipeline several school districts have created technical education pathways that include home construction. These include:

- [Menasha High School](#) (Menasha, WI)
- [Northwestern High School](#) (Maple, WI)
- [Amery High School](#) (Amery, WI)

Development Toolkit

The City of South Bend, Indiana has created a development toolkit, Build South Bend, that includes a “Sears catalog” of pre-approved small- to medium-sized housing designs for infill development in existing residential neighborhoods. These designs are intended to help fill the “missing middle” housing needs of the city as well as address the plethora of vacant residential lots. They have been designed to be affordable across all income levels and to fit aesthetically with the character of the neighborhood.¹

The toolkit also includes encouraging interested developers to do their due diligence, a cost calculator template, various resources to find available property, financing resources, Build South Bend networking events and workshops, and permitting information. This streamlined process has helped create an on-ramp for small-scale developers locally.

Use of Tax Increment Financing (TIF) with Affordable Housing Extension to create Housing Trust Fund

In Wisconsin, TIF is a widely used tool. Wisconsin law allows cities to extend the life of a TIF district for one year beyond its normal closure, with the additional tax increment going directly to affordable housing. These funds can be used to support affordable, owner-occupied housing projects. This is a valuable tool for municipalities to promote homeownership. Cities can also utilize this fund as a housing trust fund. Milwaukee has established its own Housing Trust Fund. Funds like this can be used to support the development of affordable owner-occupied housing. Plymouth can adopt a similar model by dedicating local revenue (like TIF extension funds) or state and federal funds toward such initiatives.

The city has chosen to extend the life of TID #4 for one year to collect approximately \$2.6M for affordable housing programs/initiatives. For a TID extension at least 75% of the final increment must benefit affordable housing in the municipality, with the remaining portion used to support other housing development, accessibility, or rehabilitation.

TID #5 and TID #6 will close in 2028 and 2030, respectively, thus providing more opportunities to capitalize the fund noted above.

Opportunities for utilizing tax increment financing outside of the affordable housing extension would include participating in the rehabilitation and/or redevelopment of the former hospital on Reed St. as well as the property at 1111 Reed St. These redevelopment opportunities are not currently located in a TID, but an evaluation could be done to see if it would make financial sense to include them in a small tax increment district.

Other opportunities to utilize tax increment financing for residential development would be to create a mixed-use district along Hwy. 23 at the north end of Plymouth to include the Lidtke property (and possibly the Nass Property). TIF could then be a part of the funding package for development of these areas, including infrastructure and possible developer grants.

¹ Thomas, T. N., et. Al., (2024). *Eliminating Zoning Barriers to Affordable Housing Guidebook*. Smart Growth America. Pg. 58

Plymouth Housing Authority

The Plymouth Housing Authority runs a low-income housing complex, subsidized by the U.S. Department of Housing and Urban Development (HUD), where residents live independently. The facility is located at the eastern end of Reed St. and is within walking distance of banks, stores, restaurants, shopping, churches, drugstores, and other businesses. A community center is available for activities such as bingo, cards, or dice games.

The complex consists of 14 buildings subdivided into two, four, or six units. There are 34 single-occupancy one-bedroom units, 14 double-occupancy one-bedroom units, and two, two-bedroom units. 50 units are all on one site. All units are non-smoking. Recent renovations include residing and the installation of retaining walls.

Currently, the Housing Authority has an equal split of tenants who are elderly (62 or older) and those younger than 62. Tenants with disabilities and general occupancy are accepted.

The Plymouth Housing Authority has over 50 people/families on a waiting list. Their housing is available to low-income residents. Serving elderly and younger residents, the need for this housing is significant. The Housing Authority owns land that would be suitable for new development but would need to find new financing programs to facilitate new construction. The City could assist the Housing Authority to find federal funding to support more public/affordable housing.

Wisconsin Housing and Economic Development Authority Programs

The Wisconsin Housing and Economic Development Authority acts as the pass-through for many funds from the U.S. Department of Housing and Economic Development and other federal agencies such as:

- Rental Assistance (Section 8) Vouchers – these are exchanged between tenant and landlord.
- WHEDA Advantage: A mortgage loan program that provides low-cost, fixed-rate loans to first-time homebuyers and other qualifying buyers. Cities can partner with WHEDA to promote these loans or provide supplemental assistance.
- WHEDA Tax Credit Programs: WHEDA also offers low-income tax credits that can be used for homeownership projects. These credits can be a crucial source of funding for developments that incorporate owner-occupied homes.
- Down Payment Assistance: WHEDA offers down payment assistance that can be combined with other municipal programs.

WHEDA has also recently introduced new programs to support the development of workforce housing:

- Infrastructure Access Loan – includes loans to governmental entities as well as loans to developers. Governmental entities and developers apply separately for these funds. Allows a developer and a governmental unit to apply for a loan to help cover the cost of installing, replacing, upgrading or improving public infrastructure related to workforce housing or senior housing. Financing is provided by WHEDA through a revolving loan fund that is subordinate to other funding sources. Developments obtaining funding through this loan

are not able to also receive tax increment funding through an active TID. The interest rate in Plymouth would be 1% over a 35 year term.

- Vacancy to Vitality Program – allows a developer to apply for a loan to cover the costs of converting a vacant commercial building to workforce or senior housing. Developers can apply for up to \$1 million or 20 percent of the total project cost, including land at a low-interest rate of three percent or one percent in municipalities with a population of less than 10,000 or senior housing.
- Restore Main Street Loan Program – provides loan funding for building owners to cover the costs of improving housing located on the second or third floors of an existing building with commercial space on the ground level. Borrowers can apply for up to \$20,000 per housing unit or 25 percent of the total rehabilitation cost at a low-interest rate of three percent or one percent in municipalities with a population of less than 10,000.

They also have various rehabilitation and home-ownership assistance programs for existing homeowners or homebuyers. Programs are also available for developers to convert vacant and underutilized commercial properties to housing, rehab upper story commercial space into rental housing, and infrastructure costs related to workforce housing or senior housing.

Land Banking

Cities like Plymouth can establish land banks to acquire, hold, and redevelop vacant or underused properties. These properties can then be sold to developers at a discount or provided with incentives for the construction of workforce owner-occupied housing.

Communities in Wisconsin that participate actively in land banking include but are not limited to Milwaukee, Madison, Brown County (Green Bay), Racine, Kenosha, Eau Claire, Wausau, and La Crosse.

While not every community in Wisconsin has an official land banking program, the general approach involves:

- Strategic Acquisition: Acquiring properties that are tax-delinquent, vacant, or blighted, often in collaboration with county treasurer's offices or through tax foreclosure processes.
- Holding and Maintenance: Holding properties until a suitable development opportunity arises, while maintaining the properties to prevent further blight.
- Partnerships with Developers and Nonprofits: Working with local developers and nonprofit organizations to ensure properties are redeveloped in a way that meets community needs, such as affordable housing, green spaces, or commercial development.
- Sale or Donation of Land: Selling or donating land to developers under the condition that the property be developed in line with city goals, often at reduced costs or with other incentives attached.
- Focus on Revitalization: Many land banks in Wisconsin focus on revitalizing specific neighborhoods, particularly in areas with high vacancy rates or blight.

Impact Fee Reduction/ Exemptions

While property tax abatement is not allowed in Wisconsin, the City of Plymouth can reduce or waive impact fees for workforce housing developments. Impact fees, such as those for parks, utilities, and transportation infrastructure, are often a significant cost to developers. Reducing these fees specifically for owner-occupied housing projects that serve low- to moderate-income families can encourage more development.

Municipal Bond Financing

Wisconsin municipalities can issue municipal bonds to finance affordable housing development. These bonds can fund infrastructure improvements or provide low-interest loans for developers building affordable owner-occupied homes.

Board of Commissioners of Public Lands (BCPL)

For over 150 years, BCPL has invested in loans to municipalities and school districts for public purpose projects including economic development, local infrastructure, capital equipment and vehicles, building repairs and improvements, and refinancing existing liabilities to reduce future borrowing costs. Today BCPL is among the largest public investors in economic development projects and local infrastructure projects within the State of Wisconsin. Over the past 10 years, they have invested over \$1 billion in communities throughout Wisconsin.

Plymouth could borrow money to purchase land, install infrastructure or otherwise support housing efforts through BCPL. They are lending at between 5-5.5%, depending on the term, which can be between 2 and 20 years. They require an annual payment. Loans made on a Revenue Obligation are secured by a pledge and assignment of the revenues generated by a specific project. These revenues may include tax increments allocated to the borrower for project costs within a tax incremental district. They also do general obligation loans.

Zoning Changes and Density Bonuses

Cities can modify zoning regulations to encourage the development of owner-occupied housing by allowing higher densities or mixed-use development. In return, developers may be required to include a certain percentage of affordable units for owner-occupants.

Inclusionary Zoning

Cities can adopt inclusionary zoning ordinances that require a portion of new residential developments to be set aside for affordable, owner-occupied housing. Developers may receive incentives such as increased density or expedited permitting in exchange for providing these units.

Public-Private Partnerships (PPPs)

Plymouth can partner with private developers and non-profit organizations to create housing that meets the needs of low- to moderate-income homeowners. These partnerships may include shared funding, land donation, or joint planning efforts. One nonprofit that specializes in affordable housing development, Habitat for Humanity, is an example of an organization the city could partner with. These organizations often focus on building affordable, owner-occupied homes and can benefit from city assistance, such as land donations, grants, or technical assistance.

Some Place Better/ Forward Fund

Sheboygan County Economic Development Corporation is working to recruit talent by highlighting the amazing amenities, lifestyle, and culture of Sheboygan County. The website provides concierge-like services for finding

housing financing, purchasing a home directly from Some Place Better, employment opportunities, and discovering all that Sheboygan County has to offer.

The Forward Fund is a not-for-profit 501(c)(4), created to help move Sheboygan County forward. Donors to The Forward Fund include Johnsonville, Kohler Co., Masters Gallery Foods, Inc., and Sargento Foods Inc. Housing barrier solutions include a new community housing development model to support the construction of new affordable housing units. The City may be able to use the Forward Fund as an intermediary for land transactions as land is acquired at a discount and the property owner is interested in taking the additional value as a donation.

Other Programs

C-PACE (Property Assessed Clean Energy) Financing

This program is a financing tool that enables owners of eligible properties to finance up to 100% renewable energy, water use, energy conservation, energy efficiency, and resiliency improvements. Financing is provided by private sector funding with repayment terms that match the useful life of the improvements. Owners repay the financing through a special assessment on the improved property. Commercial-scale housing (five or more residential units on a common parcel) can use C-PACE.

Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods. Economic and community development professionals should work with local banks to help them achieve their goals for CRA through supporting borrowers in LMI neighborhoods throughout the region.

Community Impact Investing

An impact investing strategy is an investment strategy that targets companies or industries that produce social or environmental benefits. For example, some impact investors seek to support renewable energy, electric cars, microfinance, sustainable agriculture, or other causes which they believe to be worthwhile. A community impact investment fund could be established which would provide a way for companies or industries to contribute to housing investment for employees, to new developments, down payment assistance funds, or other creative solutions to housing challenges in the region.

Council of Development Finance Agencies (CDFA)

The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing hundreds of public, private, and non-profit development entities. Members are state, county, and municipal development finance agencies and authorities that provide or otherwise support economic development financing programs, as well as a variety of non-governmental and private organizations including bankers, underwriters, attorneys, financial advisors, and other organizations interested in development finance. CDFA houses the largest collection of development finance resources in the world and various online tools to support the industry.

Recommendations

Recommendations stemming from the primary and secondary research conducted for this housing market study are made in the following categories: development of new single-family homes, development of new multifamily units, programmatic recommendations, and TIF policy for tax increment investment toward housing development.

DEVELOPMENT RECOMMENDATIONS

Facilitate development of new single-family, owner-occupied homes

The demand analysis shows capacity in the market for approximately 450 single-family homes. Emphasis should be placed on the construction of homes affordable for most of the workforce in Plymouth. Basing housing prices on up to 140% of area median income, 314 new homes should be built for the workforce. It is understood that there are 90 units planned for construction and available to people earning 140% or less of area median income.

Another 134 homes should be constructed at market rates, available to those earning more than 140% of the area median income. This mix will provide housing options for Plymouth's supervisory and management workforce, including the C-suite.

The mix of homes constructed as single-family detached homes versus single-family attached homes could be configured at a 75%/25% split. There are numerous people who prefer duplex or townhome style ownership options.

Locations suitable for the development of single-family homes include:

- a. North of Hwy. 67 at the curve on the southwest side of Plymouth.
- b. South of Hwy. 67 at the curve on the southwest side of Plymouth.
- c. Along Fairview Drive (County Rd. O)
- d. Luedke Farms property off County Rd. E (would support commercial development along Hwy. 23)
- e. N. Pleasantview Rd. Owned by Nass Builders (15+ acres)
- f. S. Pleasantview Rd. Site
- g. Steinhardt Farm

There are a variety of ways the city can support new owner-occupied residential units. Each deal will be different, and the city should be prepared to ask the developer to prove their need if they are requesting support, particularly financial, from the city. Developments may benefit from a contribution of land, cash incentives, infrastructure, permitting and approval, zoning, promotion of the development to members of the community, and connections to employers who may have employees to house. The city should always ask the developer what their true needs are and expect to see financials on the project to back up any monetary request.

Facilitate development of new multifamily units

The demand analysis shows capacity in the market for approximately 550 units of apartments for rent. There are 240 units underway between two developments. An additional 310 units should be constructed as affordable to the workforce and those making less than 120% of the area median income. This would include senior housing. It is also recommended that 10-12 units be

allocated for extremely low income and could be categorized as transitional housing.

Potential locations for multifamily housing for low- and extremely low-income individuals could include the building at 1111 Reed Street, and the former hospital on the corner of Selma and Reed Streets. There is opportunity for the Plymouth Housing Authority to construct some rental housing on the property adjacent to their current development, Quit Qui Oc Manor.

PROGRAMMATIC RECOMMENDATIONS

The City of Plymouth can support housing development and its related efforts by considering implementing the following:

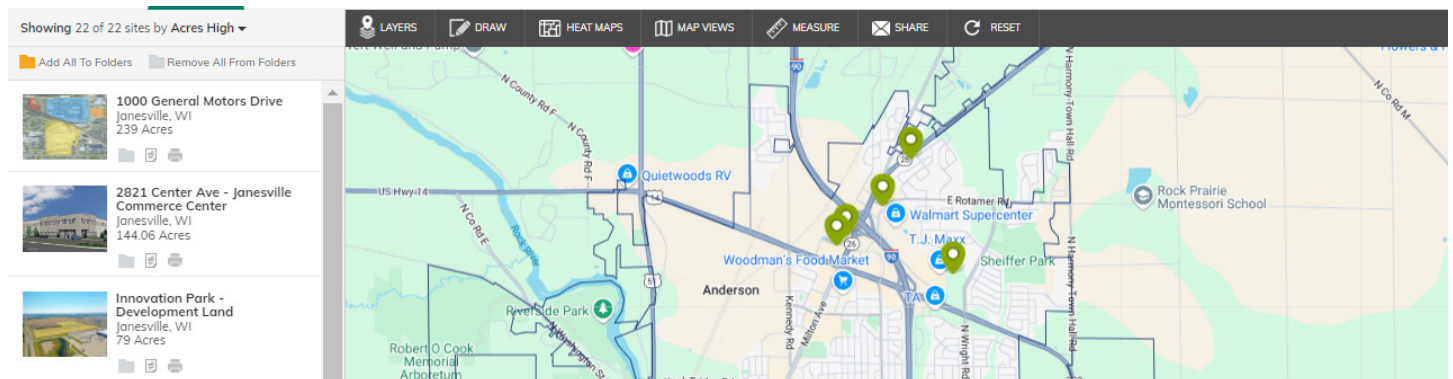
- 1. Promote SCEDC Projects:** Reach out to community stakeholders through various means to promote the development efforts of Sheboygan County Economic Development Corporation (SCEDC). Speak at Rotary, write about it in City newsletters and social media posts, mention it at City Council meetings. Employers and employees alike need to be well-informed on the housing opportunities that exist through this program.
- 2. Support Housing Authority in funding search:** Support the Housing Authority with its development efforts by helping them apply for grants and other funding to develop new units for the population served by them. Leverage funding programs from the Wisconsin Department of Administration Division of Energy, Housing and Community Resources (DECR), WHEDA, and others.
- 3. Labor Force Development:** Plymouth High School has a Building Construction curriculum course that includes work on construction sites. Partner with the school district to build new homes on vacant residential lots or rehabilitate existing homes. By providing a learning opportunity for students, the community gains more skilled trade workers and may encourage students to stay local, taking pride in the buildings they contributed to.
- 4. Regulation Updates:** In addition to the zoning changes recommended in the housing chapter of the newly adopted comprehensive plan, consider revising the zoning ordinances that “require” off-street parking to state the “recommended” allotment of off-street parking.
- 5. Infrastructure:** Ensure utilities, zoning, and possible annexations are available and ready for new housing subdivision development.
- 6. Home-buyer Education:** Help employers gain access to existing housing education by connecting them (through referrals) to agencies offering such education to first-time homeowners.
- 7. Create a Developer Toolkit:** The toolkit should include elements of the marketing plan below as well as information and links to financing resources, and permitting information. To take the toolkit one-step further would be to create a catalog of approved housing development plans like that of South Bend, IN.

- 8. Marketing and promotion:** Market new housing opportunities to developers in partnership with SCEDC, and by implementing tactics outlined in the marketing plan, below.

MARKETING RECOMMENDATIONS

Plymouth will need to promote opportunities for new housing development, as well as promote the new developments once they are online. Ways to market the community and its housing development efforts could include the following activities:

1. Create a section of the City's website, plymouthgov.com that lists available property for housing development, both public and privately owned property. Include a description of the size of the property, its zoning, location of utilities, access, available incentives, and process for developer inquiries. Alliant Energy provides a real estate marketing tool, LOIS, to municipalities within its service territory. Work with your local energy representative to imbed this tool in the city website.



2. Include sections of the website for single-family sites, as well as multifamily sites and redevelopment sites. Also include infill sites that become available when there are vacant lots in residential neighborhoods, including those listed by a realtor.
3. Compile a list of residential developers and proactively send emails with a link to the housing information located on the City's website (as identified above).
4. Include a section on the City's homepage of its website that lists the number of new housing units added to the community in the past year.
5. Market through SCEDC's efforts, including participation in the organization's Developer Summit. Provide full details to all available developable properties, incentives and programs offered by the City. Attend the event and follow up directly with developers who attend.
6. Take monthly photos of the progress of any construction. Provide updates at City Council meetings
7. Post development updates on the City's website and social media, so people can follow the progress of the construction and pending availability of new housing in the community.

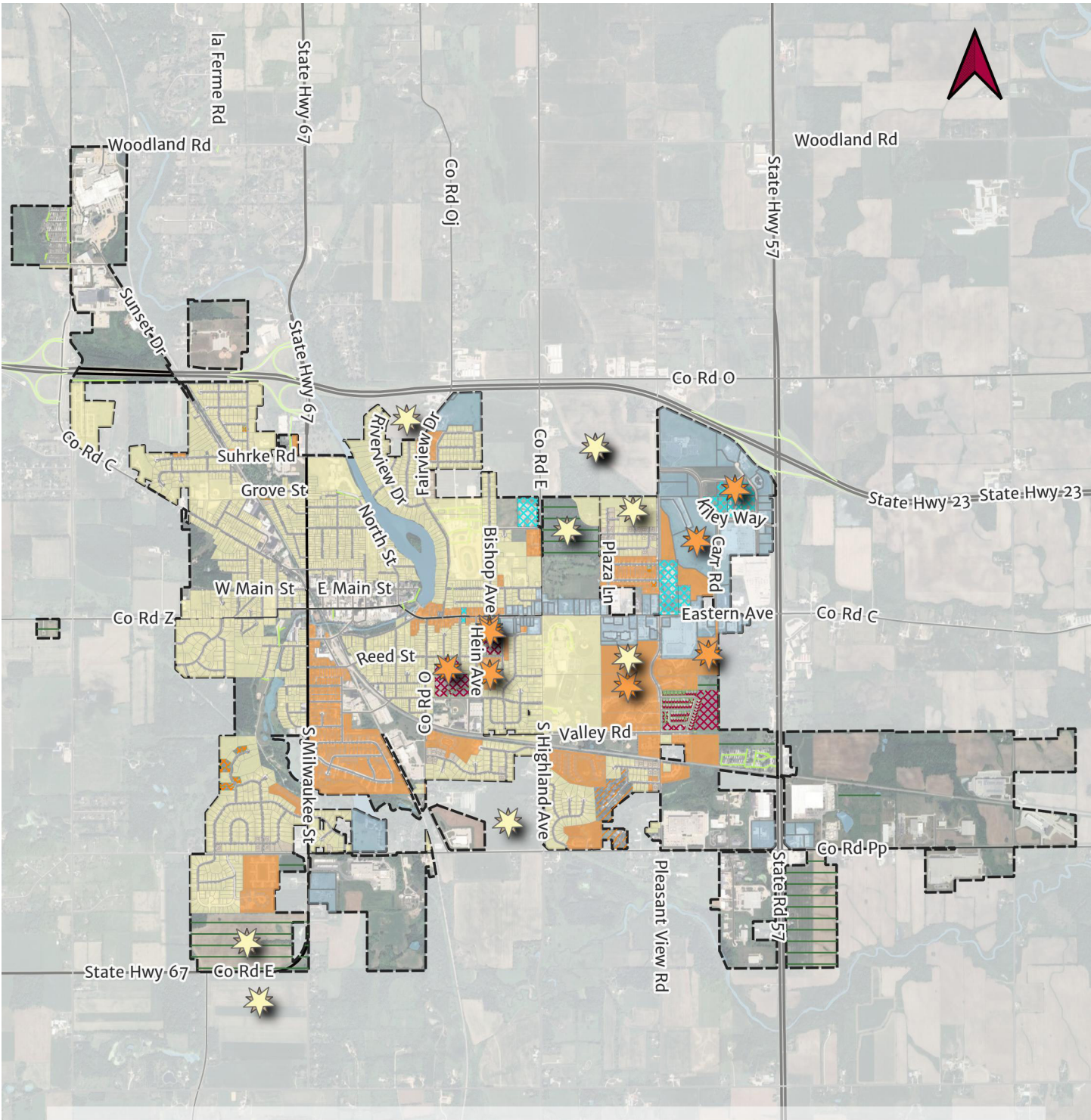
8. Create an email list with all of Plymouth's large and medium sized employers, and email news about new housing developments to the employers with a request they pass the information along to their employees.

PLYMOUTH HOUSING STUDY RECOMMENDATIONS MATRIX			
Develop New Housing Units	Current City Action	Timeframe	Responsible Party
For Sale, Owner Occupied Housing Development			
S. Pleasantview Rd. – SCEDC	Support SCEDC	Q4 2024	SCEDC, City
North of Hwy. 67 at the curve	Market for development, create RFP	Q4 2024	City
South of Hwy. 67 at the curve	Market for development, create RFP	Q4 2024	City
Luedke Farms off County Rd. E	Meet with landowner, possible acquisition	Q 2 2025	City
Along Fairview Drive (County Rd. O)	Meet with landowner, possible acquisition	Q2 2025	City
N. Pleasantview Rd. (15+ acres)	Meet with landowner	Q2 2025	City

For Rent, Multifamily Units			
Land owned by Plymouth Housing Authority	Meet with Housing Authority, research funding options	Q1 2025	City, Housing Authority
1111 Reed Street	Market for redevelopment	Q4 2024	City
Former Hospital, Selma/Reed Street	Market for redevelopment	Q4 2024	City



Programmatic Recommendations			
Support housing authority securing funding	Meet and research, pursue funding	Q1 2025	City, Housing Authority
Labor force development	Meet with school district	Q2 2025	School District
Regulation updates	Schedule for plan commission agenda	Q1 2025	City, Plan Commission
Infrastructure	Review infrastructure needs	Q1 2025	Dept. of Public Works
Home-buyer education	Market education opportunities	Q4 2024	Service providers
Create developer toolkit	Gather information, package toolkit for online availability	Q1 2025	City, SCEDC

Marketing Recommendations			
Enhance City's website and regularly post progress/updates	Gather information, post	Q1 2025	City admin, Website mgr.
Email residential developers regular updates	Compile email addresses, create messages	Ongoing	City
Market through SCEDC's efforts	Share information	Ongoing	City, SCEDC
Post progress photos of new developments on website and social media	Take photos, post	Q4 2025	City
Email updates on new housing to large and medium sized employers	Compile email addresses, create messages	Q1 2026	City




Potential Future Residential Development Map

Potential Residential Development Sites


-  Single-Family
-  Multi-family

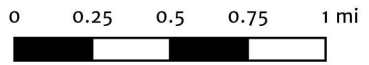
Parcels by Residential Zoning


-  AG
-  B1
-  B3

-  PUD
-  R1
-  R2
-  R3
-  R3A

 R4

 Plymouth Boundaries



 D.Sarver, 10/17/2024

Designated Increment for Housing Development Program

Background

Affordability Definition

The maximum program mortgage (principal and interest) payments will not exceed 30% of the household's gross income.

The State of Wisconsin created the Affordable Housing Extension program (“AHE”) to the Tax Incremental Finance law in 2009. Under this provision, cities with a Tax Incremental District (“TID”) that has retired its debt and paid for all its project costs can extend the life of the district for one year. The funds captured in the one-year extension must be used solely to benefit affordable housing and improve housing stock anywhere in the community. A city must use at least 75% of those tax increments to benefit affordable housing anywhere in the community. Affordable housing is defined as housing costing no more than 30% of the household's gross income. Any remaining portion of the increment shall be used by the municipality to improve its housing stock. For purposes of this policy, “housing” and “housing costs” shall be defined as the principal and interest payments of the mortgage associated with the housing unit.

Purpose

The Affordable Housing Fund helps developers address the lack of housing stock available by creating affordable housing opportunities, supporting development incentives for single family and multifamily development.

Goal

The goal of the Affordable Housing Fund is to provide financial support for projects in the City of Plymouth that seek to increase the supply of safe, quality, affordable housing and facilitate long-term affordability and sustainability. In addition, the funds seek to achieve a wider dispersion of affordable housing units throughout the city.

Guidelines

These guidelines intend to guide the appropriate and effective use of the increment from retired tax increment districts. Due to a dynamic housing market, these guidelines may allow other applications of TID funds that meet the mission of expanding housing opportunities in Plymouth with Common Council approval.

Statement of Policy

Fund Availability and Allocations

Funding Availability – Funding will become available intermittently as TIDs close and the one-year extensions are approved by the City Council through a resolution. Allocation of proposed funding depends on maintaining the 75% affordability requirement. A record of 75%/25% allocations will be kept by city staff.

Single-Family Owner-Occupied Development Incentives

1. A maximum of \$25,000 per dwelling unit that is sold to a person meeting the HUD income limits by county for 140% or less of county median income.
2. A maximum of \$15,000 per market rate unit for those units sold to buyers not meeting the definition of affordable in section III(B)(1) – Affordability. This portion of the incentive would utilize the 25% of funds not required to be utilized for affordable housing.
3. An additional \$5,000 per unit may be considered when necessary for projects providing fully handicapped accessible units for either a. or b. above.

4. Maximum amount per developer: \$500,000.
5. Incentive would be paid out to the developer as homes are sold if they are priced to income-qualify.
6. Properties incentivized under this program would require placement of a 10-year deed restriction restricting rental of home and requiring a \$5,000 penalty if the home is converted to a rental unit. A hardship waiver may be applicable if approved by the city.

*Multifamily Tenant-Occupied
Development Incentives*

1. A maximum of \$20,000 per unit of multifamily housing developed, provided rent is affordable at HUD income limits by county for 140% or less of county median income.
2. Maximum amount per developer: \$500,000
3. Project may be a mixed income project with market rate and affordable units, but incentives paid on affordable units only, unless City Council approves an equal incentive for market rate units out of TIF funds earmarked for market rate units.

Developer Eligibility

1. Projects must be located in the City of Plymouth
2. Projects must meet the affordability definition in this document
3. Projects must be of five or more units.
4. The developer must own the land fee simple or have the land under a binding offer to purchase and plans have been submitted to the City for review/approval.

Developer Application

Applicants should complete the Affordable Housing Fund application which includes the following elements:

1. Proposed development concept with both plan view and elevations
2. Experience developing affordable housing projects
3. Project Description- Include the following:
 - a. Basic information on project sponsors and project ownership
 - b. Project narrative - Describe how the proposed project meets the City's goals
 - c. Design and Quality - Describe the construction of the units and the materials used
 - d. Units by Bedroom Count and Income Levels
 - e. Project Schedule
 - f. Location of the site regarding proximity to schools, employment, and public amenities
 - g. Development Budget should include financing sources and uses budget numbers and narrative
4. Project Operations
 - a. Operating narrative
 - b. Proposed sale/rental prices detailed by unit size and income level
 - c. Marketing plan for sale of homes
5. Organizational Capacity
 - a. General Ownership experience
 - b. Personnel
 - c. References
6. Resume of Lead Project Manager

Evaluation of Application

1. Project Description and Technical Approach – the city and its staff will evaluate the applicant’s approach to the project, proposed design quality, and success in understanding and meeting the city’s goals and visions for residential development. Should conform with adopted plans.
2. Development Concept, Site Design, and Proposed Location
 - a. Strength of design concept, sensitivity to neighborhood context, readiness to proceed.
 - b. Demonstrated commitment to energy efficiency and sustainable design.
 - c. Project amenities.
3. Financial Soundness and Capacity to Obtain Funding for the Project – the city and its staff will evaluate the financial soundness of the proposed funding plan and the developer’s capacity to obtain the funding needed for the project.
4. Organizational Capacity
 - a. The city is seeking to invest in a developer that represents a sound, long-term investment in scarce housing resources.
 - b. The city will evaluate whether all involved parties have demonstrated the experience necessary to execute the project within budget, secure funding and operate the development over the long term.

Appendix A – Definitions

Affordable/Affordability & Cost-burdened

Housing that is affordable to a given household is a unit that costs the household less than 30% of their gross income per month. Therefore, “affordable” does not mean it is less expensive than all other housing or that it is only for low-income households – instead, it is relative to the household’s income. As defined by the U.S. Department of Housing and Urban Development (HUD), those spending more than 30% on housing are considered “cost-burdened” and those spending more than 50% on housing are considered “extremely cost-burdened.”

Aging Population

The aging population refers to residents aged 55 and over. The aging population is an important group to focus on in this housing report, as they are often on fixed incomes and have special housing needs related to their physical and cognitive abilities, which change over time.

Employment

The Bureau of Labor Statistics defines employment as “Filled jobs, whether full- or part-time, and whether temporary or permanent, by place of work.”

HUD Area Median Family Income (HAMFI)

This is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made (For full documentation of these adjustments, consult the [HUD Income Limit Briefing Materials](#)). If you see the terms “area median income” (AMI) or “median family income” (MFI) used in the CHAS, assume it refers to HAMFI.

Household Income

Adjusted household income, which includes the income of all members of the household at the time of the survey, adjusted for inflation to reflect the most recent year of the data release (e.g. 2013 dollars in the 2009–2013 CHAS data).

Income

The term “income” is defined at 42 U.S.C. Section 1437a(b)(4) as “income from all sources of each member of the household, as determined in accordance with criteria prescribed by the [HUD] Secretary, in consultation with the Secretary of Agriculture.” Among items included in income are:

- earnings from employment, including overtime pay, tips, and bonuses;
- payments from Social Security, pensions, or other retirement benefits;
- disability income, including veterans disability benefits, death benefits, and insurance payments;
- unemployment compensation, disability compensation, and workers’ compensation;
- Temporary Assistance for Needy Families (TANF) cash assistance (with exceptions);
- alimony and child support; and
- military pay.

Single-Family Detached

These units are occupied by a single household and have no adjoining walls with other units.

Single-Family Attached

These units are occupied by a single household but may share a wall with another unit or set of units.

Vacancy

The ACS includes people at the address where they are at the time of the survey if they have been there or will be there for more than two months. A housing unit occupied at the time of interview entirely by people who will be there for 2 months or less is classified as “Vacant – Current Residence Elsewhere”. Such units are included in the estimated number of vacant units. ESRI defines a vacant housing unit as “no one living in the dwelling, unless its occupant or occupants are only temporarily absent—such as away on vacation, in the hospital for a short stay, or on a business trip—and will be returning.”

Appendix B – Methodology

Location Quotient

The Location Quotient analysis is a means by which concentrations of groups (such as industries) in a selected geographical area are compared against employment numbers per industry in a broader geographical range. Generally speaking, industries that are calculated to have a ‘high’ Location Quotient (1.0+), coupled with high levels of industry employment, that industry should be considered vital to local/regional economy. Alternatively, industries with ‘low’ Location Quotients coupled with increasing levels of industry employment (with Living Wage potential) may indicate an emerging industry that can become vital to local/regional economy over time. Finally, industries that have either high or low Location Quotients, coupled with trends for decreasing employment (no matter the pay standard for the industry) is considered to be either: 1) a mature or declining industry that may erode the economic base of the local/ regional economy over time (high LQ + declining employment) or an industry that is not vital to the regional economy (low LQ + declining employment).

While useful, Location Quotients are not an infallible metric for determining the long-term vitality of the industry. For example, Location Quotients can be skewed ‘high’ for industries that are declining on a macro scale yet are able to yet maintain a local presence in the near term; alternatively, industries may be growing faster on the macro scale vs. the comparative local presence – indicating a relative loss in growth. Because of the nuances, an understanding of global, national and regional trends, coupled with on-the-ground knowledge of local industries, is central to utilizing the Location Quotient data tool effectively for economic development in a locality or region.

While not perfect, Location Quotient datasets can be useful sources as indicators for industry development, facilitating a more efficient, market-driven approach to Cluster development. By allowing Location Quotient data to illustrate where the market has ‘chosen’ strong industry candidates for development, organizations and municipalities are taken out of the business of ‘choosing’ winners and losers – instead, they are able to synthesize statistical data with local insights in order to identify prime targets in strategy development. Thus, in addition to identifying attraction targets, organizations are better equipped to encourage the continued investment of established, growing industries.

Arguably, using this data in retaining and assisting in the continued expansion of these industries in a region is the most efficient way of utilizing resources – as any business owner knows, retaining and cultivating a strong existing customer is much easier and less expensive than attempting to attract a new one.

Median Family Income Calculation Methodology

Estimates of median family income for metropolitan and non-metropolitan areas are developed as follows:

1. A special tabulation of Median Family Income (MFI) estimates from the 2018–2022 5-year ACS was prepared by the U.S. Census Bureau and used by HUD as the basis for calculating HUD’s FY2024 MFIs. Estimates of MFI from this tabulation are used if they are determined to be statistically reliable. For FY2024, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases in this special tabulation, but rather a categorical variable known as the count indicator, indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2018–2022 5-year estimate, HUD checks whether the area has had minimally reliable estimates in at least two of the past three years (a minimally reliable estimate is an estimate where the margin of error for the estimate is less than 50% of the estimate itself). If so, the FY2024 MFI is the average of these two or three ACS estimates.

If an area has not had a minimally reliable estimate in the past two years, the estimate from the next larger encompassing geography is used. For example, sub-areas of metropolitan areas would be assigned the MFI estimate of the entire metropolitan area and for non-metropolitan counties, the estimate from all non-metropolitan portions of the State (state non-metropolitan).

2. If there is a statistically reliable 2022 1-year ACS estimate of median family income available, HUD replaces the 5-year data with the 1-year data. For FY2024, the special tabulation of 2022 1-year ACS MFI estimates provided to HUD by the U.S. Census Bureau for the **Sheboygan, WI MSA** was statistically reliable.
3. Once the appropriate 2022 ACS data has been selected, an inflation factor based on the Congressional Budget Office (CBO) projection of the national CPI for FY2024 is calculated to inflate the estimate from 2022 to FY 2024. Note: The annual CPI estimate used in this calculation is sourced from the Bureau of Labor Statistics, archived available at [ALFRED](#) and the CPI projection is from the CBO’s February 2024 release of its [10-Year Economic Projections](#).

MFI Step by Step Calculation

1. The following are the 2022 American Community Survey 5-year median income estimate, margin of error, and sample size category for Sheboygan, WI MSA:

Area	ACS2022 5-Year Median Income	ACS2022 5-Year Margin of Error	Ratio	Sample Size Category	Result
Sheboygan, WI MSA	\$87,694	\$2,815	$\frac{\$2,815}{\$87,694} = 0.0321$	6	$0.0321 < .5$ and $6.0 \geq 4$ Reliable Estimate

- Since there is a 1-year 2022 ACS estimate available, the margin of error of the estimate and the sample size category are checked for reliability:

Area	ACS2022 1-Year Median Income	ACS2022 1-Year Margin of Error	Ratio	Sample Size Category	Result
Sheboygan, WI MSA	\$81,753	\$7,568	$\frac{\$7,568}{\$81,753} = 0.0926$	6	$0.0926 < .5$ and $6.0 \geq 4$ Use ACS2022 1-Year Median Income

- The calculation of the CPI Inflation Factor is as follows:

Area	FY2024 CPI	2022 Annual CPI	CPI Inflation Factor
Sheboygan, WI MSA	310.683	292.613	$(310.683 / 292.613)$

- The FY 2024 median family income is estimated as follows:

Area	ACS2022 1-Year Estimate	CPI Inflation Factor	FY 2024 Area MFI Estimate
Sheboygan, WI MSA	\$81,753	1.0618	$(\$81,753 * 1.0618) = \$86,802$

- In keeping with HUD policy, the median family income estimate is rounded to the nearest \$100:

Area	Unrounded FY 2024 MFI Estimate	Rounded FY 2024 MFI Estimate
Sheboygan, WI MSA	\$86,802	\$86,800

NOTE: Due to differences in the computing platforms used to generate the official FY 2024 MFI estimates, and this web system, the calculated value shown may differ slightly from the official published value because of rounding.

FY 2023 Very Low-Income (50%) Income Limits Calculation

The income limit calculations shown below are the same as those used for HUD's assisted housing programs.

Estimates of the 4-person Very Low-Income Limit (VLIL) for metropolitan and non-metropolitan areas are developed as follows:

- Calculate Preliminary VLIL:** The 4-person Very Low-Income Limit (VLIL) is based on 50% of the median family income estimated for the Sheboygan, WI MSA. For a discussion of the estimated median family income please [read here](#). Once the median family income is estimated and a preliminary 4-person Very Low-Income Limit is calculated (as 50% of median family income) a series of considerations required by statute are made, which are detailed in the next 4 steps.
- High Housing Cost Adjustment:** The 4-Person VLIL is increased if it is less than the amount at which 35 percent of it equals 85 percent of the annualized two-bedroom Section 8 40th percentile FMR (this adjusts income limits upward for areas where rental housing costs are unusually

- high in relation to median income).
3. **Low Housing Cost Adjustment:** If the 4-Person VLIL exceeds 80% of the U.S. median family income, and the two bedroom 40th percentile fair market rent is affordable (less than or equal to 30% of the preliminary VLIL), the VLIL will be reduced to the greater of 80% of U.S. median family income or the amount at which 30 percent of it equals the two-bedroom 40th percentile FMR (this adjusts income limits downward for areas of unusually high median family incomes).
 4. **State Non-Metro Median Family Income Adjustment:** The 4-Person VLIL is also adjusted if it would otherwise be lower than 50% of the State Non-Metro Median Family Income.
 5. **Ceilings and Floors:** Since FY 2010, HUD has not allowed income limits to decrease by more than five percent, and not allowed income limits to increase by the greater of five percent or twice the annual change in national median family income.

For FY 2023, the two most recent years of national median family income data are from the American Community Survey (ACS) in 2020 and 2021, at [\\$84,394](#) and [\\$85,806](#). However, because HUD did not use the ACS 2020 data for FY 2022 or FY 2023 Income Limits as the Census Bureau deemed it “experimental”, HUD is retaining the 2019 ACS national median of [\\$80,944](#). HUD compares this to the 2021 ACS national median family income of [\\$85,806](#). This is a cumulative two-year change of 6.01%, or 2.96% on an annual basis. Two times 2.96% is 5.92%. This exceeds five percent, so the limit on increases in income limits is set at approximately 5.92%. (Note that HUD uses unrounded percentages in its actual calculations). The limit on decreases in income limits remains five percent.

6. **Family Size Adjustments:** Once the final 4-person income limit has been established, income limits for other family sizes are calculated by applying a percentage adjustment to the final 4-person VLIL. Calculation of income limits for other family sizes is straightforward. The 1-person family income limit is 70% of the 4-person income limit. The 2-person family income limit is 80% of the 4-person income limit, the 3-person family income limit is 90% of the 4-person income limit, the 5-person income limit is 108% of the 4-person income limit, the 6-person family income limit is 116% of the 4-person income limit, the 7-person family income limit is 124% of the 4-person income limit, and the 8-person family income limit is 132% of the 4-person income limit. For families larger than 8 persons, the income limit can be calculated by adding an additional eight (8) percent per person to the next lower limit. For example, a 9-person family income limit is 140% (132% + 8%), and so on. The resulting low-income limit amounts for other family sizes are then rounded up to the nearest \$50 to produce the Final VLIL.

ROUNDING NOTE: Rounding is applied to make it easier for those wishing to replicate HUD’s calculations. The 4-person preliminary VLIL is rounded to the nearest \$50, whenever housing cost adjustments are applied. If the preliminary VLIL requires a floor to be applied, the floor is rounded up to the nearest \$50 to ensure that it is greater than or equal to 95 percent of last

year's four-person VLIL. Similarly, if the preliminary VLIL requires a ceiling to be applied, the ceiling is rounded down to the nearest \$50. The resulting rounded 4-person final VLIL is used to calculate income limits for other family sizes. Once the low-income limit for other family sizes are calculated, they are then rounded up to the nearest \$50, unless they already end in "00" or "50".

4-Person Very Low-Income Limit Calculation for Sheboygan, WI MSA

1. The estimated FY2023 Median Family Income and preliminary 4-Person VLIL for Sheboygan, WI MSA are as follows:

Area	FY 2024 Estimate of Median Family Income	Preliminary 4-Person Very Low-Income Limit
Sheboygan, WI MSA	\$86,800	$\$86,800 * 0.50 = \$43,400$

2. The High Housing Cost adjustment calculations follow:

2BR 40th percentile FMR	85% of Annualized 2BR FMR	35% of Preliminary 4P VLIL	High Housing Cost Adjustment?	Preliminary 4P VLIL
\$955	\$9,741	\$15,190	Is $\$15,190 < \$9,741$? No	\$43,400

3. The Low Housing Cost adjustment calculations follow:

Annualized 2BR 40th percentile FMR	Income that can afford annualized 2BR FMR paying 30% for rent	80% of US Median Income	Maximum allowable 4P VLIL	Pre-liminary 4P VLIL	Low Housing Cost Adjustment?	Pre-liminary 4P VLIL
$\$955 * 12 = \$11,460$	$\$11,460 / 0.3 = \$38,200$	\$78,240	MAX (\$38,200, \$78,240) = \$38,200	\$43,400	Is $\$43,400 > \$38,200$? No	\$43,400

4. State non-metro Median Family Income Adjustment:

50 Percent of State Non-Metro Median Family Income	State Median Family Income Adjustment?	Preliminary 4P VLIL
$\$86,000 * 0.5 = \$43,000$	Is $\$48,050 < \$43,000$? No	\$48,050

- Ceiling or Floor adjustment — The four-person income limit is increased and rounded up to the nearest 50 if it is less than 95 percent of very low-income limit for the prior year. It is reduced and rounded down to the nearest 50 if that amount would be larger than ceiling. Since FY 2010, HUD has not allowed income limits to increase by the greater of five percent or twice the annual change in national median family income. Pursuant to Federal Register Notice FR-6436-N-01, for FY 2024 and beyond, HUD is modifying this rule such that the ceiling can never exceed 10 percent.

For FY 2024, the two most recent years of national median family income data are from the American Community Survey (ACS) in 2021 and 2022, at \$85,806 and \$92,148. Twice the change in these values is 14.78%. Therefore, the ceiling is set at 10.00%.

FY2024 4P Adjusted Preliminary VLIL	FY2023 4-Person VLIL	Ceiling Calculation	Floor Calculation	Ceiling or Floor Adjustment Required?	FY2024 Final 4-Person VLIL
\$43,400	\$44,800	$\$44,800 * (1+0.1) = \$49,280$	$\$44,800 * (1-0.05) = \$42,560$	No	43,400

- The Family Size adjustment calculations follow:

Family Size Adjustments and Final VLIL for Sheboygan, WI MSA								
	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
Family Size Adjustment	\$43,400	\$43,400	\$43,400	\$43,400	\$43,400	\$43,400	\$43,400	\$43,400
	*	*	*	*	*	*	*	*
	0.7	0.8	0.9	1	1.08	1.16	1.24	1.32
Very Low Income Limit	\$30,380	\$34,720	\$39,060	\$43,400	\$46,872	\$50,344	\$53,816	\$57,288
FY 2024 FINAL VLIL	\$30,400	\$34,750	\$39,100	\$43,400	\$46,900	\$50,350	\$53,850	\$57,300

NOTE: The VLIL calculation for additional family sizes are rounded up to the nearest \$50 unless this would violate the floor or ceiling rules.

