

**City of Manitowoc, WI
2021 Housing Study
& Needs Assessment**

FINAL REPORT - January 2022





GREETINGS

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Wisconsin

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Prepared by:

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Project No.: 05571023



PURPOSE

This Housing Study presents an in-depth look at the City of Manitowoc's housing conditions, market, and needs. Though national discourse portrays housing affordability as a universal crisis, we know that every community is unique, having distinct needs dependent upon local economic and social conditions. This study examines these conditions in Manitowoc, and proposes how housing needs can best be met.

CONTENT

EXECUTIVE SUMMARY

- » Common Terms

01 INTRODUCTION

- » Community Basics
- » Population
- » Households
- » Age
- » Income
- » Projections Study Process
- » Affordable Housing
- » Housing Affordability
- » Workforce Housing
- » Who Needs Housing?

21 RENTAL MARKET

- » Affordability
- » Tenure
- » Rental Housing Stress
- » Consumption
- » Unit Types
- » Affordability Trends
- » Cost
- » Vacancy
- » Size
- » Age

41 OWNERSHIP MARKET

- » Affordability
- » Tenure
- » Owner Housing Stress
- » Consumption
- » Spatial Affordability
- » Affordability Trends
- » Entry-Level Affordability
- » Availability
- » Mortgage Status
- » Unit Types
- » Size

63 OTHER MARKET SECTORS

- » Homelessness
- » Aging Populations
- » Disability

73 LOCAL IMPACTS

- » Assessment
- » Improvement Value Ratio
- » Available Lots/Lot Value
- » Zoning
- » Development

83 UNIT DEMAND & RECOMMENDATIONS

- » Ownership Demand
- » Ownership Recommendations
- » Rental Demand
- » Rental Recommendations
- » Senior Household Demand

APPENDICES

- » Maps
- » Community Survey
- » Employer Survey

EXECUTIVE SUMMARY

MANITOWOC HOUSING STUDY & NEEDS ASSESSMENT

INTRODUCTION

The purpose of this study is to help the City better understand its housing market and identify opportunities to support community growth by meeting housing needs. This study examines the existing balance between housing demand and supply by analyzing data, talking to housing experts, and understanding local residents' experiences. Based on this examination, gaps in the number, type, price point and location of housing units in Manitowoc are indicated. To close these gaps and improve housing options in the City, this study lays out a toolbox of targeted strategies.

KEY FINDINGS

AGING POPULATION - Population growth is uncertain (dependent on employment and housing opportunity), but the 65+ age cohort WILL grow over the next two decades (pages 8-10).

LOW INCOMES - Manitowoc has a reasonable median income for the region but a high number of households with very low incomes (page 11).

WORKFORCE HOUSING - Entry level roles in most of the region's high-employment industries can support housing rental costs no greater than \$650 (page 14).

AFFORDABLE HOUSING - Housing is affordable at 30% of gross household income; per HUD a household of four is "low-income" at \$57,750 and can afford to own at \$194,000 or rent at \$1,444 (pages 18-19).

TYPICAL RENT vs OWN BALANCE - Two-thirds of Manitowoc households own their housing, though more than half of households under 50% of median income rent, both common findings (page 24).

HIGH/LOW RENTAL MARKET GAPS - There are significant gaps at both ends of the rental housing market—too few units available under \$600 and over \$1,300 (page 27).

EXTREME COST BURDEN - An estimated 678 renter households spend more than 50% of their income on housing (page 28).

"RENTING DOWN" - Most renter households above the median income occupy units affordable below 80% of median income, including a third of the units affordable at 51%-80% of AMI (page 29).

PLUMMETING VACANCY - Rental vacancy has dropped from too high (over 11%) to too low (under 5%) in the past 6 years (page 34).

RENTAL UNIT SIZES GOOD - Manitowoc has nearly 2,000 3-bedroom rental units and only about 400 efficiency units. The larger units are favorable for families and work from home opportunities (page 36).

NEW CONSTRUCTION COSTS HIGH- Statewide data on construction costs suggest a 1-bed apartment costs \$150,000 per unit and requires rent of \$1,460 - this is not affordable to low-income households (page 38).

OWNERSHIP HOUSING IS AFFORDABLE - Only 83% of owner households are cost burdened, and most owners could afford to pay more than they do; a majority of homes are affordable at less than 50% of the median income and only a fraction of all homes require even the median income to be affordable (pages 46-49).

OWNERSHIP PRICES SPIKING - Home values have been increasing since 2014, and have accelerated since the beginning of the pandemic. But while the pace of growth is faster than income growth in that period, the median value home is still well within the budget of the median income household (pages 52-54).

STARTER HOME PRICES RISING TOO - All prices have gone up about 50% since 2014, including starter homes (the bottom third of the market). Starter homes are averaging under \$100,000 (page 55).

LIMITED CONDOMINIUMS - Only about 3% of ownership units, or 319 homes, are identified as condo units (page 59).

SENIORS WILL BE SELLING - We estimate as many as 80-100 home sales each year will be aging homeowners moving to other housing types (page 69).

HOMEBUILDING CONTINUES - New unit construction has been steady and modest for single family and duplex units, and there have been units in buildings with 3+ units every year since 2012 (page 74).

CONSTRUCTION COSTS ARE INCREASING - Median new construction costs per year have ranged from \$145,000 to \$350,000 since 2011. The 2020 median of \$250,000, plus \$20,000 for land, requires about \$80,000 in household income, \$8,000 over the median income (page 75).

HOUSING GAPS & OPPORTUNITIES

Using both conservative and higher growth scenarios to arrive at a range, the City will need the following to meet projected housing demand by 2025:

Owner-Occupied Units: 228 - 276 (57-69/year)

This includes:

- 160-193 detached single-family homes
- 68-83 attached single-family homes (condos)

Rental Units: 301-331 (75-83/year)

This equates to approximately the following per year, based on current rental pricepoints and HUD FY2021 income categories:

- 150-166 units with monthly rent up to \$812, including some below \$500
- 120-132 units with monthly rent between \$812 and \$1,300
- 31-33 units with monthly rent greater than \$1,300

Senior Living Units

By 2025 the TOTAL senior living units needed (including existing and new units) is projected to include:

- 214 Active Adult Units
- 368 Subsidized Independent Living Units
- 254 Market Rate Independent Living Units
- 734 Market Rate Assisted Living Units

STRATEGIES TO IMPROVE HOUSING OPTIONS

Ownership Housing

1. Encourage Development in New and Existing Neighborhoods—Homebuyers need more choices. The City should use TIF if necessary to spur development and offer neighborhood amenities that aren't available in the towns.
2. Collaborate with developers to offer a mix of housing options—Actively encourage different lot sizes and attached units; facilitate partnerships with developers that specialize in other housing types.
3. Encourage some high-end ownership housing—There is a limited market for more homes above \$300,000. Promote single-family homes at that price point by enhancing amenities in and near the neighborhood. Promote attached ownership housing at the high end of the market also, such as downtown, water-view condominiums.
4. Consider ordinance updates—Address affordability and variety by considering allowances for small lots, lesser off-street parking, and accessory dwelling units.
5. Promote repair assistance—Home rehab projects are greatly needed.
6. Renew the Down Payment Program—Help new buyers enter the ownership market.
7. Actively encourage ADUs —Work with banks and developers to make accessory dwelling units cost feasible.
8. Monitor local housing trends among seniors—Be nimble and responsive to the needs of aging homeowners.
9. Encourage alternate ownership unit types—Address affordability and variety by advocating for things like townhomes and cottage courts.

10. Partner with Habitat for Humanity or other entity constructing income-qualified ownership units to build units every year.

Rental Housing

1. Encourage the use of tax credits to create income-qualified housing—Work with developers to pursue Low Income Housing Tax Credits.
2. Build a few high-end apartments—Not all households with middle or upper incomes want to own; allow for high-end, market rate rentals, especially with water views.
3. Focus on Universal Design—Unit design that works for the aging and disabled works for everyone. Focus especially on downtown projects.
4. Encourage rehab and investment—WHEDA offers programs focused on rehab rather than new construction.
5. Seek more 3-bedroom units in new construction—The extra bedroom allows for family growth and/or working remotely.
6. Encourage Missing Middle housing—Seek new construction of duplex and small-scale multifamily (up to 19 units) within neighborhoods.
7. Communicate proactively with developers—Improve predictability and cost by helping to keep projects moving.
8. Practice land banking—Buy property when feasible and use it to control when and how redevelopment occurs, especially downtown or in other priority redevelopment areas.
9. Waive Fees for Affordable Units—The City can waive or reduce certain fees during the development process to help protect (and incentivize) affordability.

10. Keep using TIF—Encourage desirable development with strategic financing assistance.

11. Keep using the affordable housing TIF extension—These funds can be used anywhere in the City for affordable housing.

12. Promote Fair Housing —Educate landlords about practices that either prevent or can lead to discrimination.

Other Recommendations

1. Establish a housing committee—Task someone with responsibility for housing policy and programs.
2. Communicate Housing Needs and Investment Payback—Work to build and sustain an understanding in the community about the need for various housing types and price points and the payback on public investment in tax revenue, retail strength and workforce.
3. Partner with Lakeshore Technical College—Find and promote opportunities for student learning in construction trades, such as accessory dwelling unit projects.
4. Prioritize downtown for new housing investment—Housing is the best opportunity for infill redevelopment downtown and it supports other uses.
5. Promote mixed housing in all neighborhoods—Use the comprehensive plan to reinforce that single-use/single type neighborhoods are to be avoided.

COMMON TERMS AND ACRONYMS

DEFINITIONS

Affordable Housing:

Housing that serves lower-income residents, typically households earning 80% of the area median income (AMI) as calculated by the US Department of Housing and Urban Development (HUD).

Housing Affordability:

The measure of how much a household can spend toward total housing cost. The widely accepted standard for affordability states that a household should spend no more than 30% of their gross income toward housing costs.

Workforce Housing:

Housing that is affordable to the workforce in a community. Because incomes within the workforce vary, a range of housing options is needed to fit the needs of the community.

Cottage Court:

A group of small, 1-1.5-story homes typically oriented around a common green space or court visible from the street.

Patio Homes:

Attached, side-by-side housing units similar to townhomes, but with only one level. A strategy to accommodate small households seeking affordable ownership housing

Accessory Dwelling Unit:

A second housing unit, usually with a separate kitchen, bath, entrance and address, that is accessory to an owner-occupied home.

GLOSSARY

ACS: American Community Survey (Census Bureau)

AMI: Area Median Income

DOA: (Wisconsin) Department of Administration

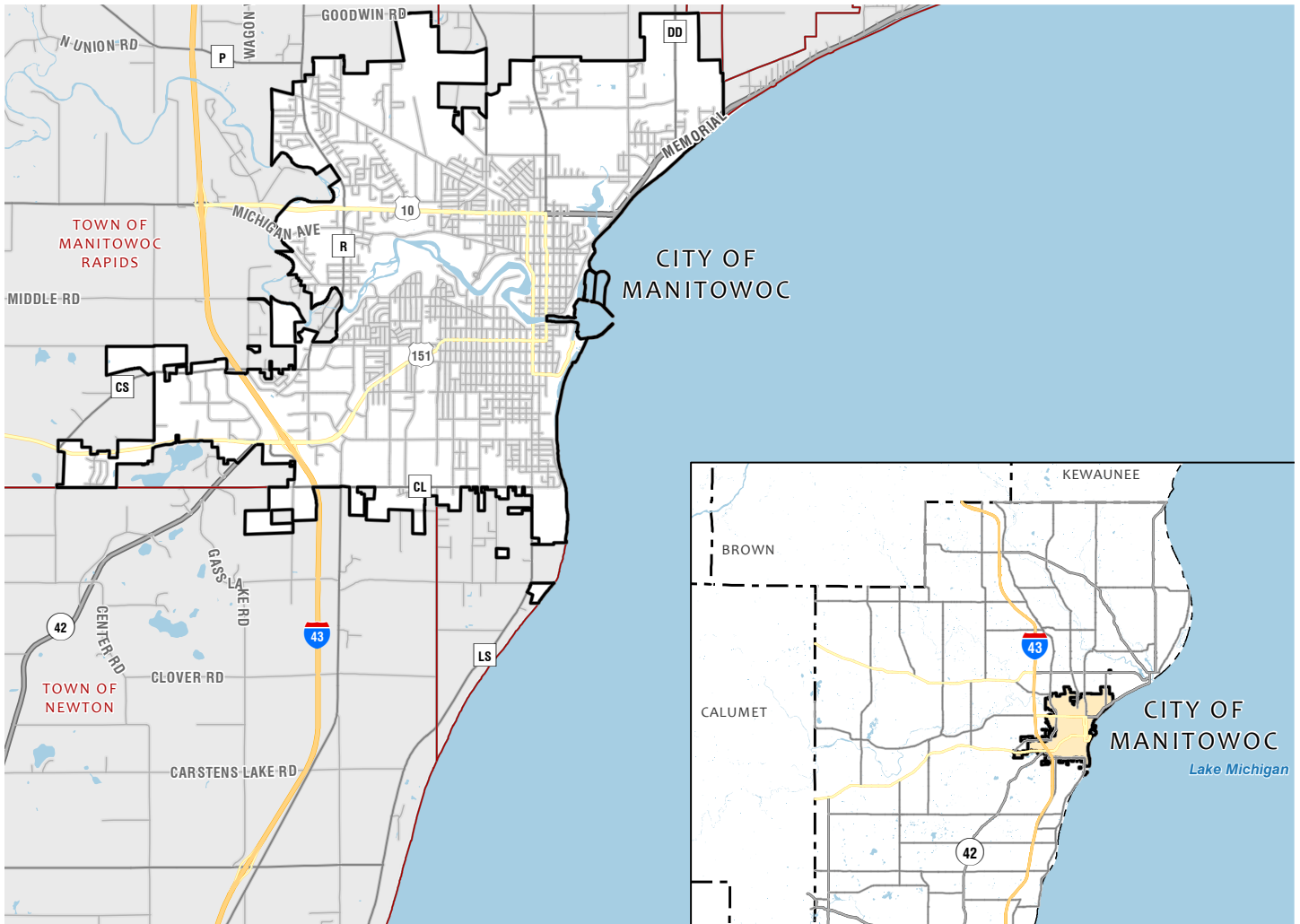
HUD: (US Department of) Housing and Urban Development



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ABOUT Manitowoc

Manitowoc Regional Context



This study was commissioned by the City of Manitowoc in January of 2021. The City has identified housing as a critical issue that needs to be addressed in order to provide opportunity for existing and future residents, and continue to grow the City's economic and residential base. City leaders have clearly identified these needs based on feedback from various stakeholders, as well as sustained downtown demand that has provided consistent proposals for development. The purpose of this study is to expand and revisit the City's needs, prioritizing areas of investment. This will help the City to better understand its housing market and to craft targeted strategies to improve housing options.

There are two main components to all municipal housing markets. The first component of this market is all of the housing located in the City of Manitowoc; the second component is the housing in surrounding communities, many of those homes occupied by people who work or shop in Manitowoc but who chose to live elsewhere. The housing physically located in Manitowoc is the easiest to measure and analyze, and is also the market portion that the City has the most control over. Housing outside of Manitowoc is more difficult to quantify and qualify, but it is nevertheless important to a holistic understanding of the market. This report attempts to document conditions and trends in the overall market, including insight in two key areas:

- how much demand exists for what types of housing in the City
- general strategies to support housing needs and development in the community

STUDY PROCESS

This study uses a variety of methods and data to better understand the housing market. Objective, measurable data were collected from the City, the Multiple Listing Service (real estate listings and sales), real estate aggregators, Manitowoc County, the State of Wisconsin, the U.S. Census Bureau, and the U.S. Department of Housing and Urban Development. The City is at times compared to its regional peer communities, to a wider context (county, state) in a variety of ways, and also compared to itself in the form of time-series data that reveal trends. This study also incorporates a series of interviews with people familiar with the housing market, and a community survey of area residents.

PROJECT OVERSIGHT

The study was initiated by City of Manitowoc Community Development Department. A working group of staff in Community Development and local Economic Development partners provided insight, including review of data and material that comprise this final report. These staff members met with MSA's project team a total of three times throughout the project to provide direction to the planning process.

INTERVIEWS

The planning team met with and interviewed a variety of residents with knowledge and insight into the local housing market, including those who know it best: users of the market themselves. These interviews included realtors, lenders, developers, landlords, employers, and employees. Feedback collected through interviews often naturally gravitated toward similar topics and knowledge, indicating a strong shared understanding of how the local housing market inherently functions. This feedback is used throughout the report.

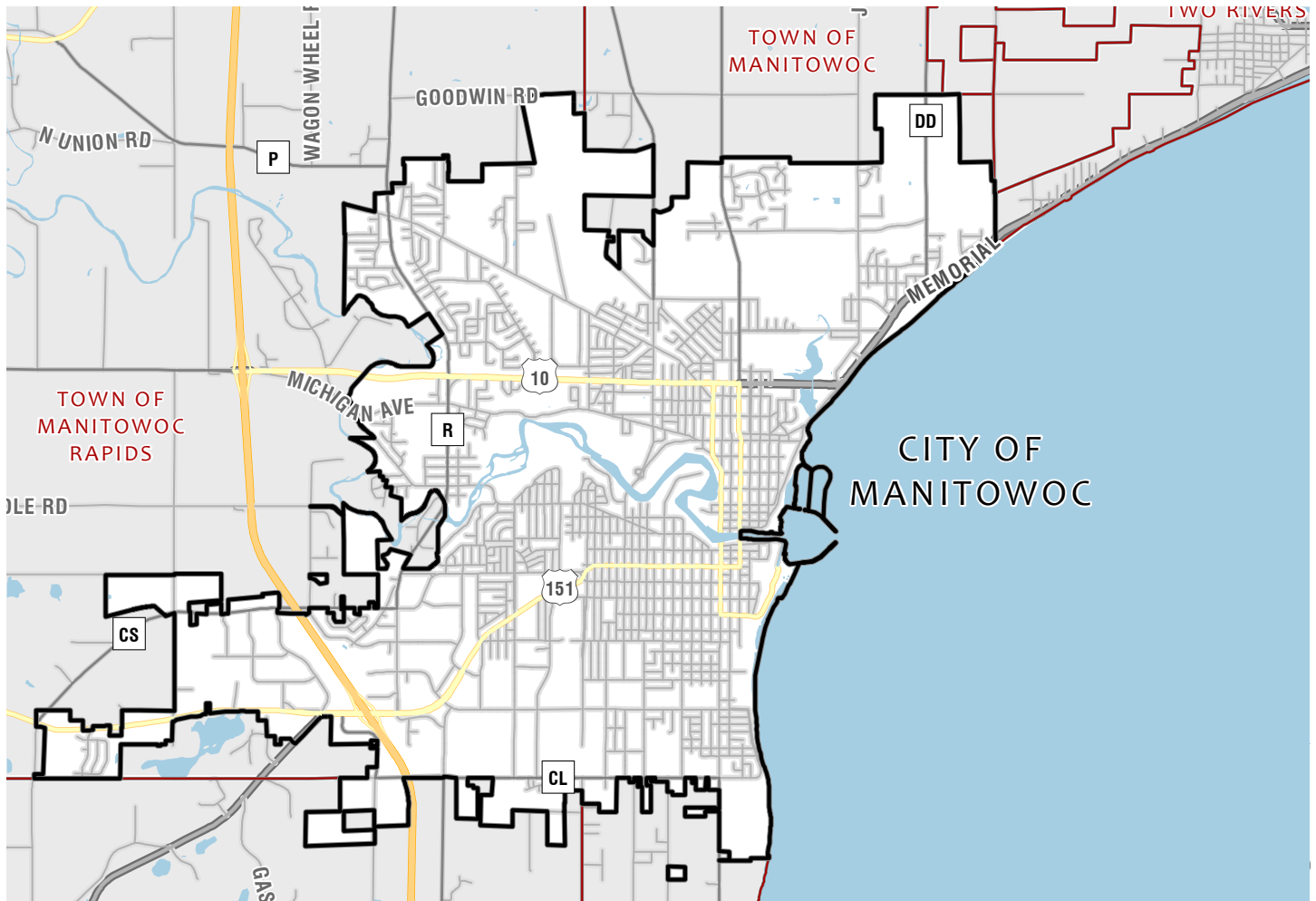
COMMUNITY SURVEY

An online community survey was conducted in February and March of 2021. In total, the survey received 562 responses from individuals that either live, work, or recreate in the City. The survey was promoted through an extensive community network, as well as through City media and social media channels. Full responses to the survey are provided as Appendix A, and relevant findings are discussed throughout this report, including insights from cross-tabulations between various demographics.

DATA NOTES

All American Community Survey (ACS) data in this report utilizes 5-Year Estimates from the most recent U.S. Census Bureau data release, which is the 2015-2019 data vintage. The U.S. Department of Housing & Urban Development (HUD) releases custom tabulations of ACS data annually, known as the HUD Comprehensive Housing Affordability Strategy (CHAS) dataset, that better portrays housing statistics and need. The CHAS dataset is also used throughout this report where appropriate, though due to the custom tabulations releases are slower than typical for normal U.S. Census data products. CHAS data vintage utilized in this report is 2013-2017. CHAS data is used to provide additional insight in certain study components where newer data sources do not provide necessary level of detail.

COMMUNITY BASICS



MANITOWOC is a community of 32,702 in Manitowoc County, WI, located along Lake Michigan at the mouth of the Manitowoc River. The City is the County seat, surrounded by the towns of Manitowoc, Manitowoc Rapids, and Newton.

With the largest population of all adjoining municipalities (though 50,000 live in surrounding communities), Manitowoc is known for its relationship to the Lake, and is home to the Wisconsin Maritime Museum, which celebrates that relationship and history.

The City is notably located directly on Interstate 43, providing direct access to Milwaukee (81 miles) and Green Bay (41 miles), also providing convenient access to all major communities along the lakeshore. The larger Manitowoc region is within the jurisdiction of the Bay Lake Regional Planning Commission. The City is not considered by HUD to be within a larger region for data purposes, and information is provided at the County level.

POPULATION

POPULATION GROWTH has steadily and slowly declined across the region throughout the past decade. Manitowoc saw a net decrease of 1,091 residents from 2010 to 2019 per American Community Survey estimates. This represents a total percentage loss of 3.2%, and an annual rate of loss just slightly higher than that for the County as a whole. The closest community in growth percentage is the City of Sheboygan, which lost population at approximately the same proportion (-2.8%) as Manitowoc in the same timeframe.

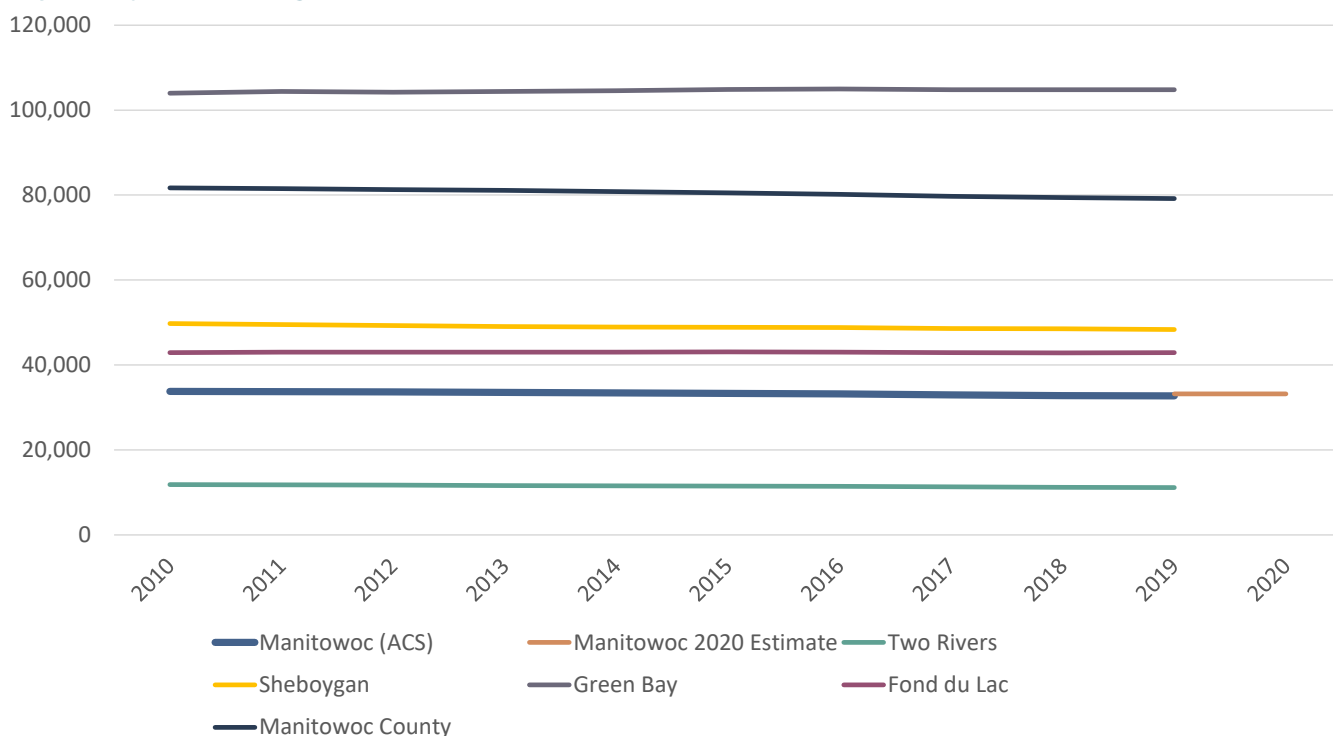
As discussed in later sections, this population loss is a key component of the housing market—but has not alleviated demand as much as the raw numbers would indicate. Households are decreasing at a slower rate, and with household size decreases throughout the region there is growth potential. Historical rates of growth are also not necessarily predictors of future growth. Changing preferences, regional economic conditions, and other factors contribute to past and future housing choices for residents of the larger region.

POPULATION GROWTH RATES

Municipality	2010 - 2019 Population Growth	Annual Percent Change
Manitowoc	-1,091	-0.36%
Two Rivers	-717	-0.67%
Sheboygan	-1,407	-0.31%
Green Bay	+817	+0.09%
Fond du Lac	+11	-
Manitowoc County	-2,502	-0.34%

Source: American Community Survey 5-Year Estimates

POPULATION TRENDS



Source: American Community Survey 5-Year Estimates

HOUSEHOLDS

HOUSEHOLD GROWTH RATES

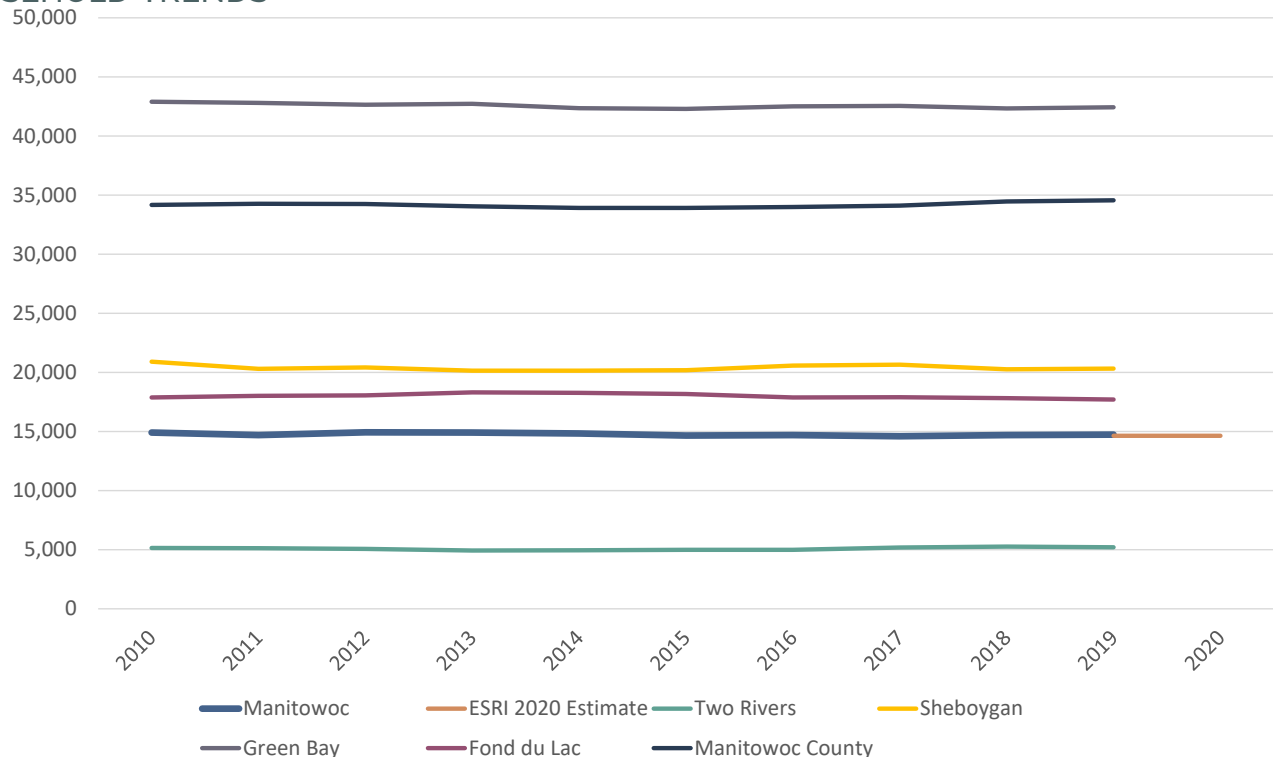
Municipality	2010 - 2019 Household Growth	Annual Percent Change
Manitowoc	-179	-0.13%
Two Rivers	+61	+0.13%
Sheboygan	-595	-0.32%
Green Bay	-479	-0.12%
Fond du Lac	-171	-0.11%
Manitowoc County	+392	+0.13%

Source: American Community Survey 5-Year Estimates

HOUSEHOLD CHANGE within the City has remained relatively steady since 2010, mirroring consistent and slight decreases in population—though at a rate about 1/3 slower. Consistent with the longer term national and regional trend of shrinking average household sizes, household loss is occurring at a slower rate than population loss due to household size reductions. Manitowoc has seen relative stability in this household loss at a rate approximately the same as Green Bay and Fond du Lac.

This is a noteworthy trend deserving attention as housing demand is considered in Manitowoc. Often this manifests in demand for smaller-sized housing units in both rental and ownership markets, and appears to be driven by slightly smaller family sizes since 2010. Owner-occupied household size has decreased from 2.42 persons per household in 2010 to 2.3 persons per household in 2018, while renter households displayed an increase from 1.8 to 1.9.

HOUSEHOLD TRENDS



Source: American Community Survey 5-Year Estimates
City of Manitowoc

AGE COHORTS

AGE TRENDS can help predict current and future needs of the community. As populations continue to age, or add members to their households, needs change as well. **Since 2010, the City has seen the largest percentage increase in population amongst persons approaching and exceeding retirement age.** Age cohorts above 50 are driving much of the population change, with approximately 2% annual growth in age categories between 50 and 79. These persons and households have likely aged into this category over the decade, which is consistent with general trends of aging in the County, State, and Nation as baby-boomers reach retirement.

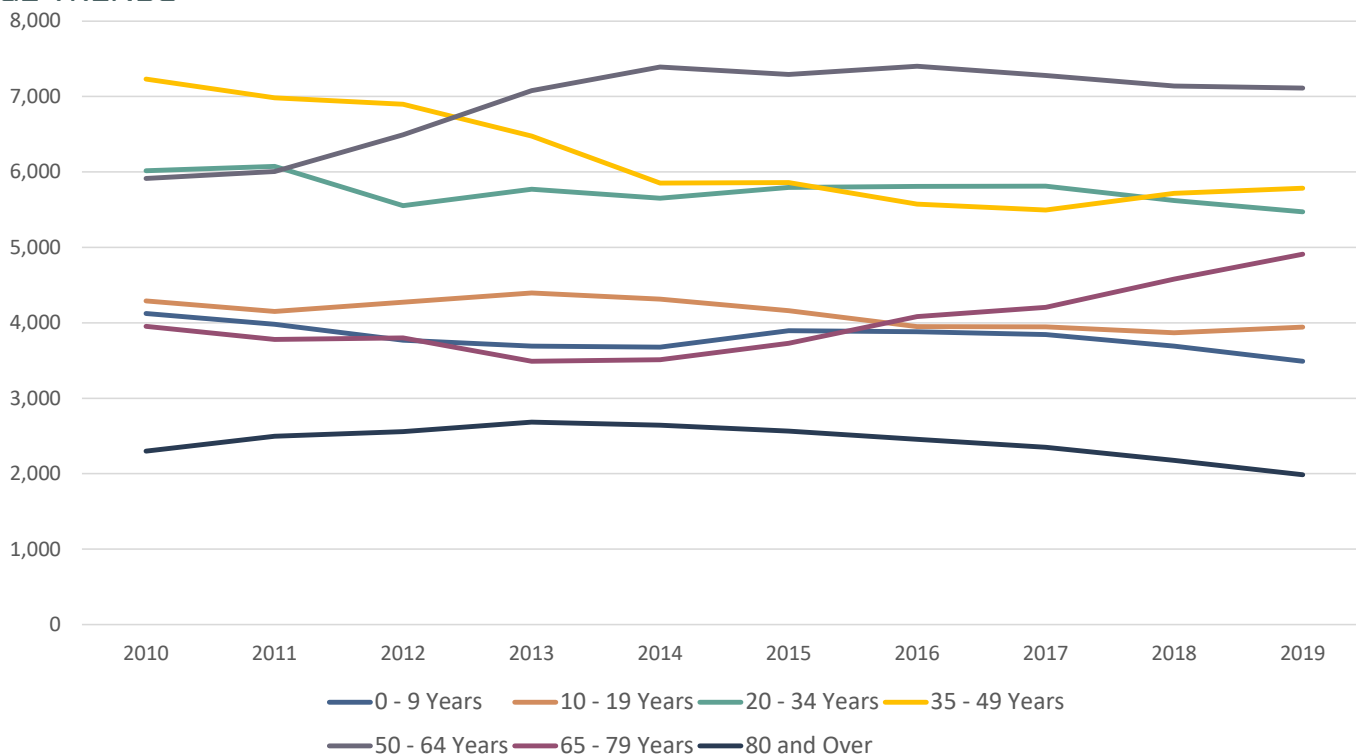
While age trends show slight decreases in populations in all age categories from 0-49, persons between 20 and 34 are losing population less slowly, which may predict continued consistency in the youth population of the City (as these are traditionally family-forming aged households).

MANITOWOC AGE COHORT POPULATION CHANGE

Age Cohort	2010	2018	Annual Percent Change
0 - 9 Years	4,123	3,690	-1.7%
10 - 19 Years	4,292	3,870	-0.9%
20 - 34 Years	6,015	5,623	-1.0%
35 - 49 Years	7,232	5,715	-2.2%
50 - 64 Years	5,914	7,141	2.3%
65 - 79 Years	3,954	4,581	2.7%
80 and Over	2,298	2,178	-1.5%

Source: American Community Survey 5-Year Estimates

AGE TRENDS



Source: American Community Survey 5-Year Estimates

POPULATION PROJECTIONS

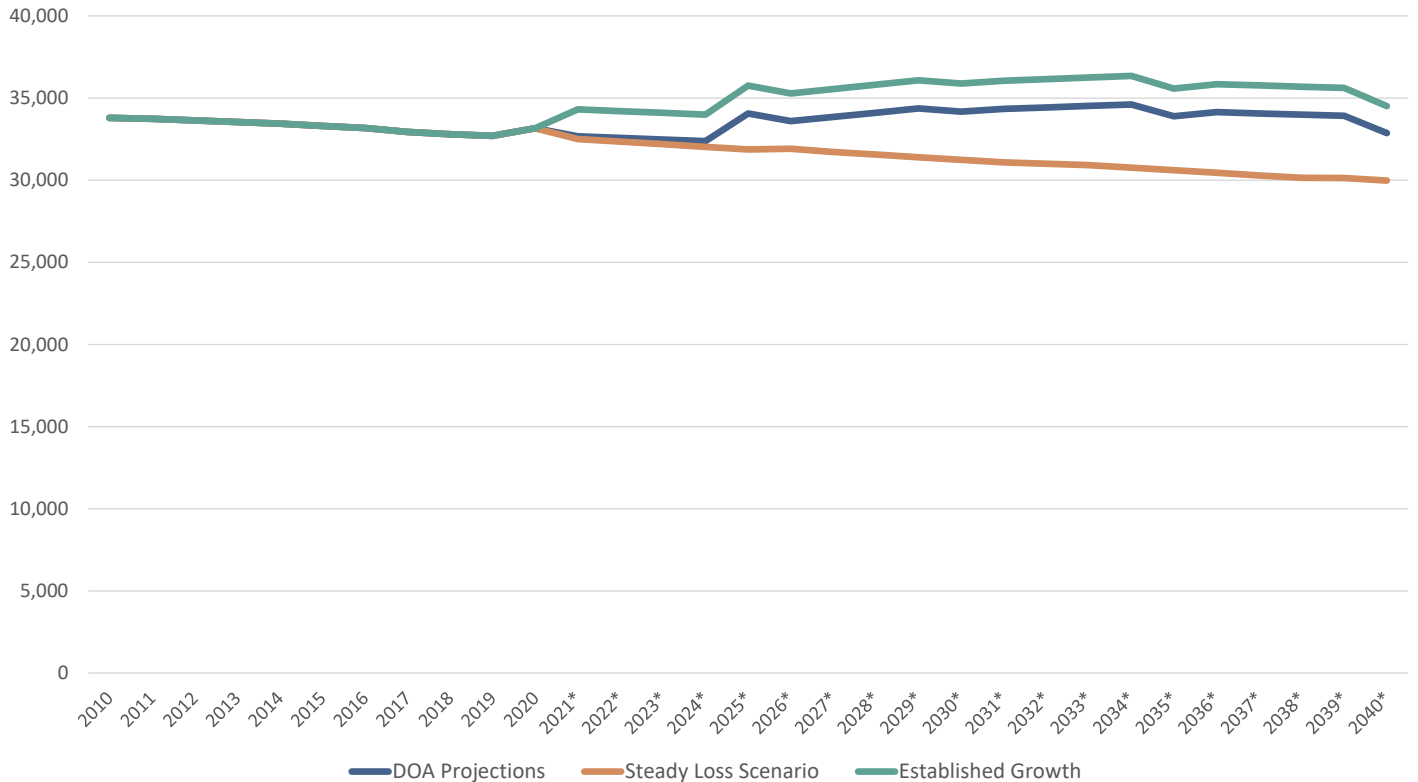
MANITOWOC POPULATION GROWTH SCENARIO

Manitowoc Population Projections	2020	2025	2030	2035	2040
Manitowoc (DOA)	33,169	34,060	34,180	33,890	32,870

PROJECTING Manitowoc’s population growth into the future is somewhat uncertain. Projections based only on past performance show continued decline, but the City is well-positioned to attract more people through a combination of employment growth and housing construction (and the former likely depends on the latter). Several new housing developments are the difference between growth and decline.

As new development occurs, and new community amenities are added, demand will likely continue to increase. The Established Growth scenario below assumes that employment growth can support population growth 5% above Wisconsin Department of Administration projections.

POPULATION PROJECTIONS



HOUSEHOLD PROJECTIONS

PROJECTING Manitowoc’s future households is tied to both future population projections as well as anticipated persons per household as demographics change and age. Across the nation, reductions in household sizes are expected to continue through at least 2040, though Manitowoc has run counter to that trend over the past 10 years for renter households.

This recent trend is potentially due to the local combination of youth staying at home longer, as well as in-migration of young-family renter households with a preference for smaller-town

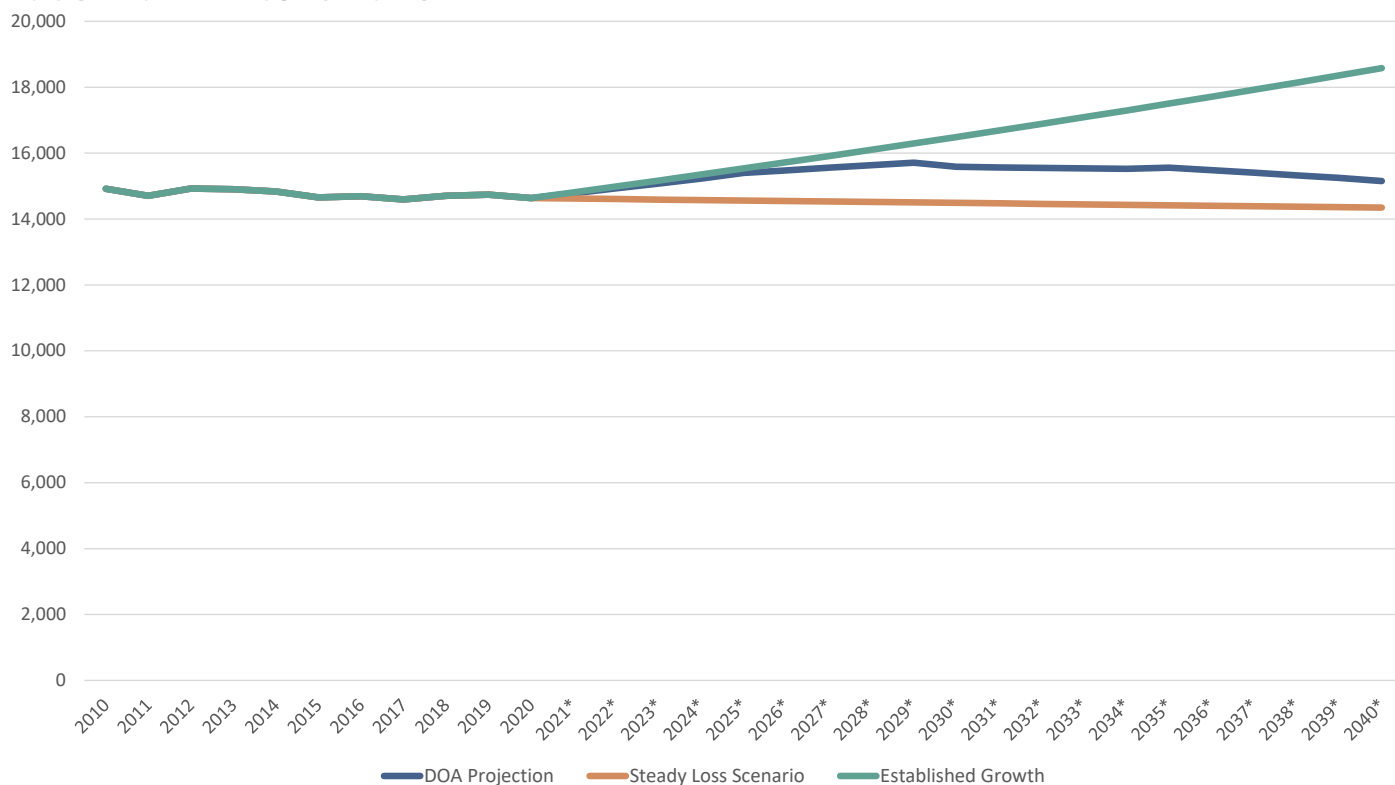
living for various reasons. Projection scenarios from the Department of Administration anticipate reducing household size into the future, with larger household than population stability—again largely dependent upon the appetite for development and continued expansion of both housing opportunity as well as local employment.

The Established Growth scenario below shows continued increases through 2040 to account for a further and continuing decline in household size.

MANITOWOC HOUSEHOLD GROWTH SCENARIO

Manitowoc Household Projections	2020	2025	2030	2035	2040
Manitowoc (DOA)	14,635	15,401	15,584	15,559	15,155

HOUSEHOLD PROJECTIONS



AGE COHORT PROJECTIONS

AS POPULATIONS AGE, their housing needs begin to change. While a family of four might be best suited to a three- or four-bedroom home, once children move out of the home they have the effect of overconsuming in the market—using more housing than they need. Continuing to age, householders may prefer to downsize, making upkeep and care more accommodating to their preferred lifestyle. Similarly, younger households (both single-person and two-person) have needs for smaller units prior to family creation, often seeking smaller homes and apartments before needing larger homes once they begin to have children.

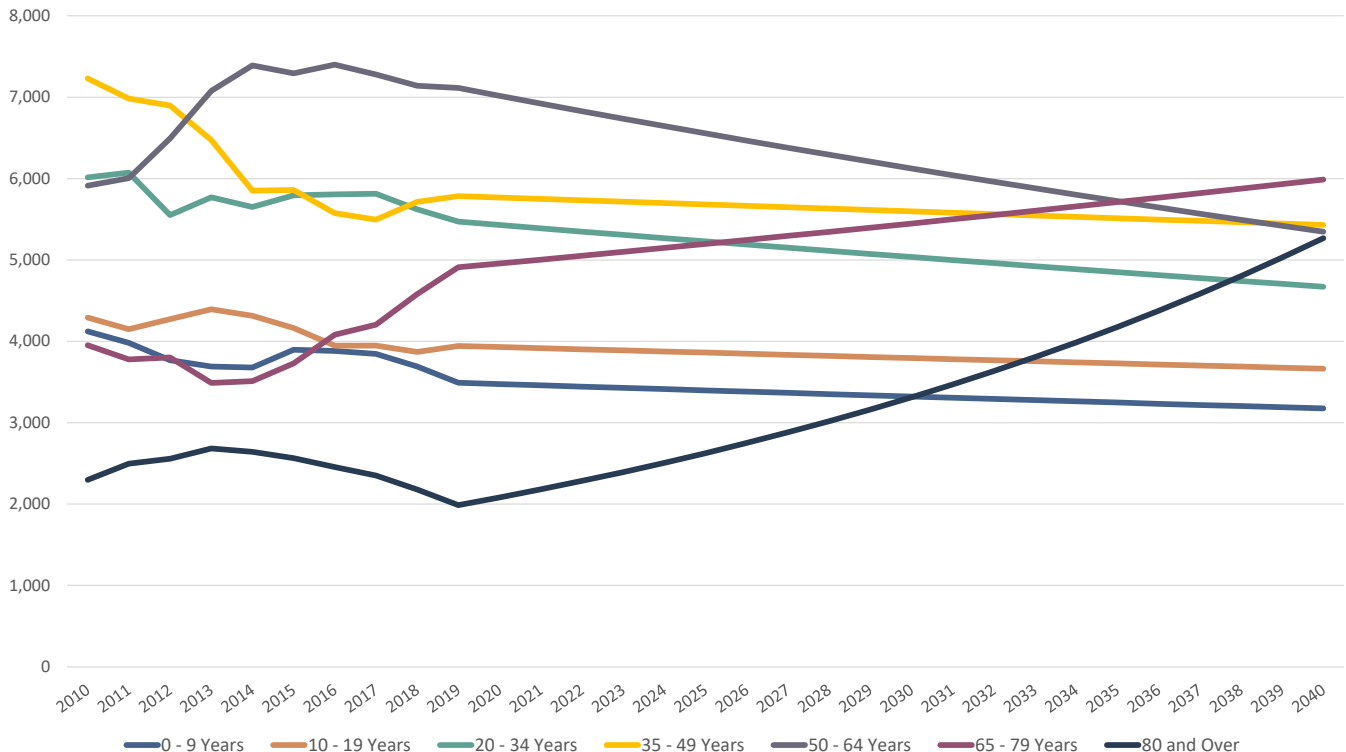
Looking at projected population growth rates to 2040, the fastest growing populations are those age 65 and over—by a significant margin (and the only with projected growth). There is a distinct need for housing tailored to this age group, whether age-specific housing or policies that assist aging in place in their own homes.

AGE COHORT RATES

Age Cohort	2020 Estimate*	Projected Percent Increase	Possible 2040
0 - 9 Years	3,475	-9%	3,176
10 - 19 Years	3,930	-7%	3,664
20 - 34 Years	5,430	-15%	4,671
35 - 49 Years	5,768	-6%	5,431
50 - 64 Years	7,017	-27%	5,347
65 - 79 Years	4,957	19%	5,988
80 and Over	2,082	95%	5,268

*Tied to projections in Manitowoc County, not directly to 2019 estimates.
Source: Wisconsin Department of Administration

AGE COHORT PROJECTION

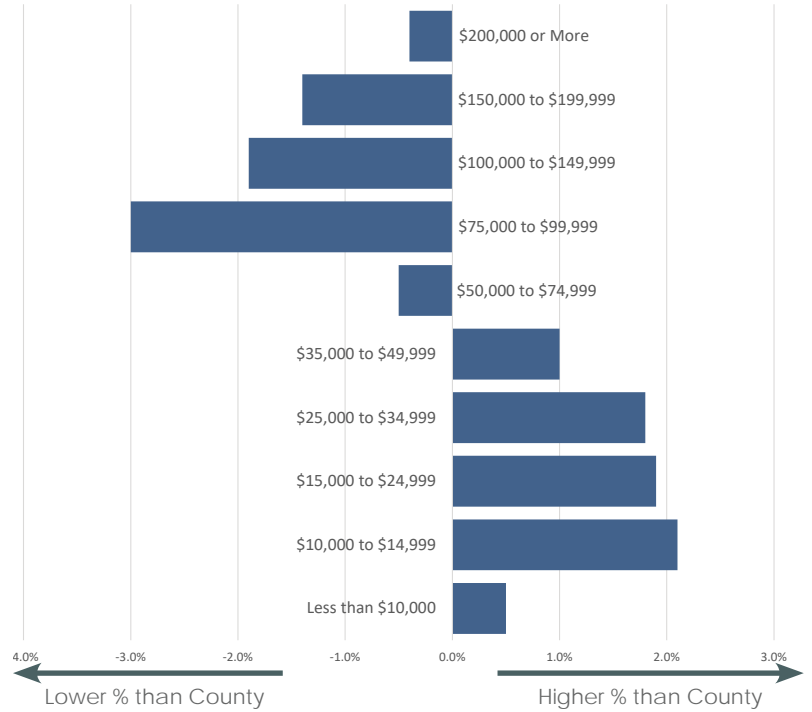


INCOME TRENDS

INCOME AND EARNINGS are central to housing affordability. The more income that a household earns, more housing falls within their affordability threshold (in this report capped at 30% of total income toward housing cost, consistent with the standard definition of affordability). While incomes are mobile (households can move place to place), housing units are stationary. In practice, this means that households will often commute, choosing to live wherever they find the acceptable balance among convenience, quality, and affordability.

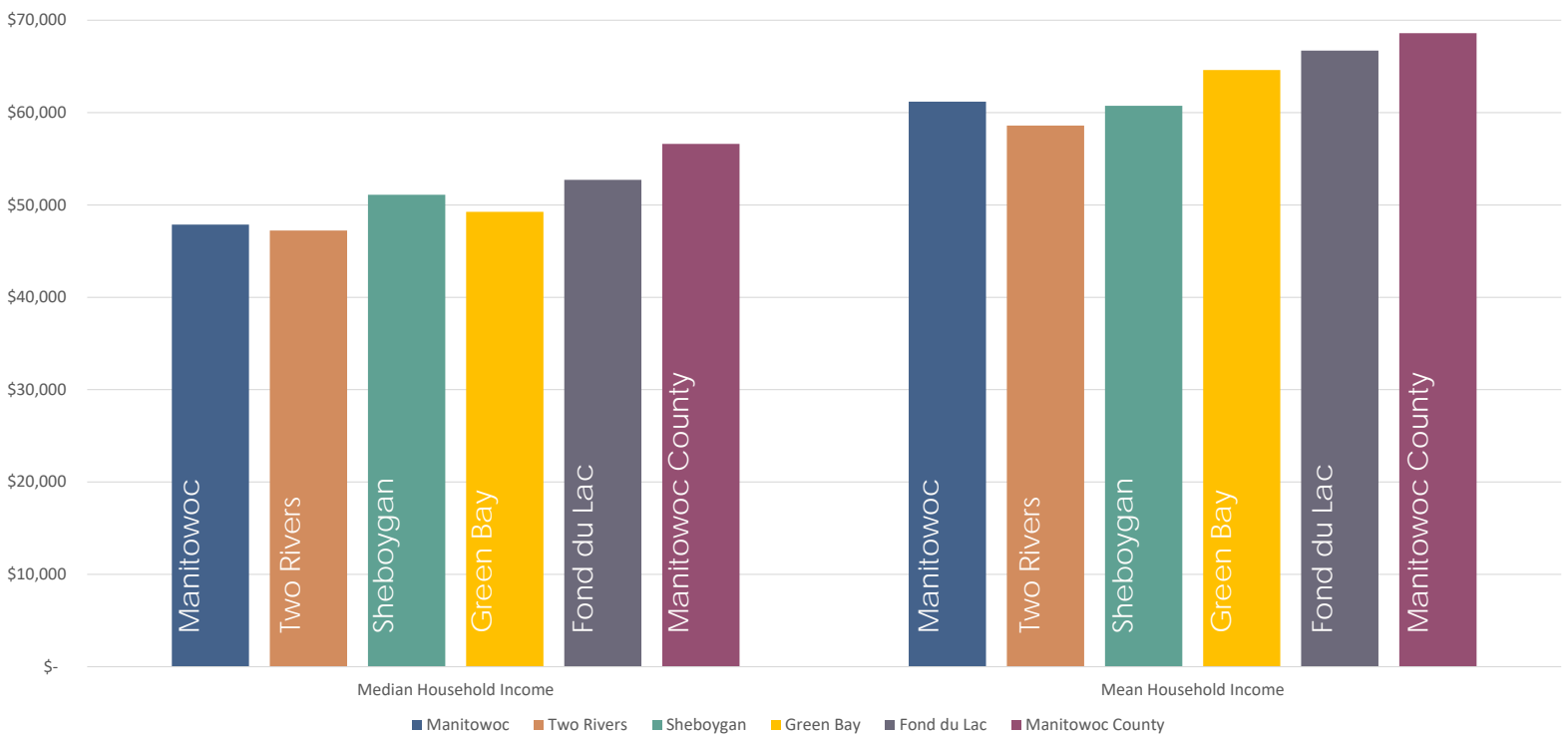
! Among regional peer communities, Manitowoc has the second lowest median household income, though is in the middle of mean income—meaning that there are more households with very low incomes as compared to other communities, regardless of their place of employment. In variance from the County, larger percentages of Manitowoc’s population consistently fall into lower-income categories, and less of the City’s population falls into high-income categories.

CITY VARIANCE FROM COUNTY INCOME DISTRIBUTION



Source: American Community Survey 5-Year Estimates

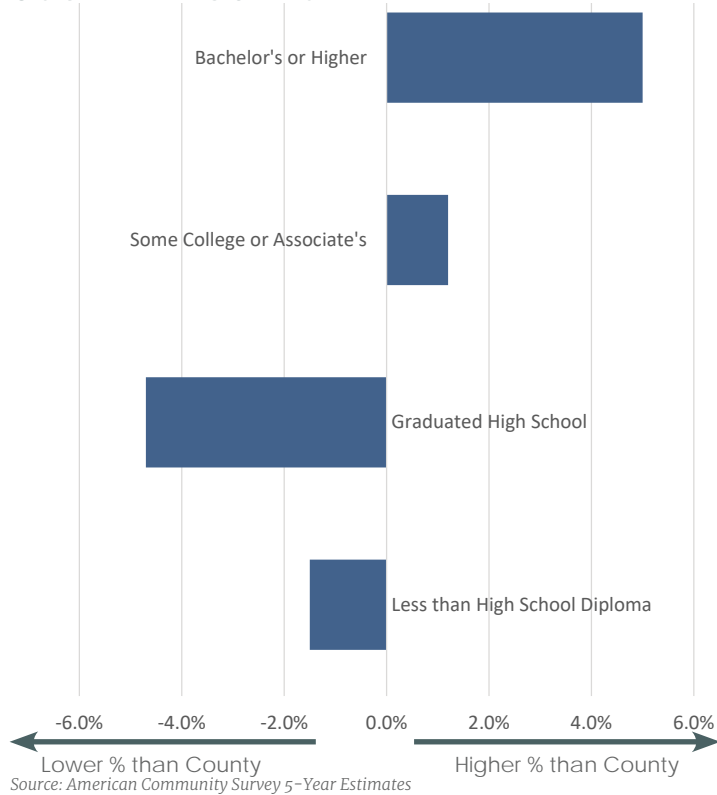
HOUSEHOLD INCOME (2019)



Source: American Community Survey 5-Year Estimates

EMPLOYMENT INDICATORS

CITY VARIANCE FROM COUNTY EDUCATIONAL ATTAINMENT



INCOME is dependent on many factors, including resident educational attainment and the overall health of the economy.

Among City residents, educational attainment is generally greater than across the entire County, even though median incomes are slightly lower. For residents 25 and over, the City has a larger share of residents than Manitowoc County whose educational attainment is a Bachelors Degree or higher. This could reflect in part the higher mean incomes as opposed to median—where the upper income limits are higher in the City while the median remains lower.

Even considering educational attainment and increased job volatility, unemployment for the County remained at healthy rates pre-COVID. For those in the labor force and seeking employment, there is seemingly enough opportunity for residents to secure employment, whether in the City or in other accessible communities.

CITY OF MANITOWOC EMPLOYMENT INDICATORS



89%
Graduated High School

11%
No High School Diploma



40%
Some College or Associate's Degree

16.3%
Unemployment Rate
April 2020



14%
Bachelor's Degree or Higher

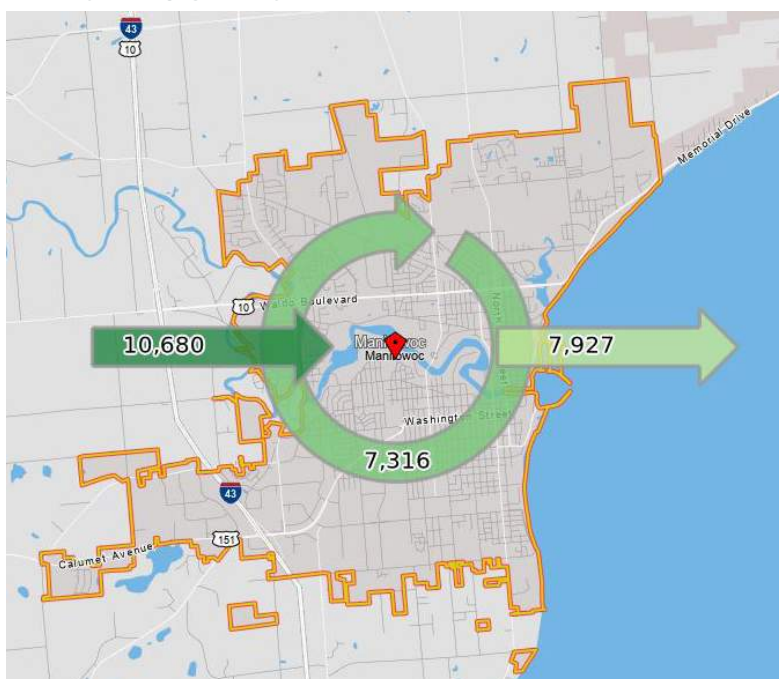
3.7%
Unemployment Rate
April 2021

LOCAL EMPLOYMENT

INCOME being dependent upon accessible employment opportunities, Manitowoc offers a variety of employers in different sectors—most with a range of positions offering varying levels of compensation and experience. Manitowoc also benefits from access to Interstate 43 and proximity to other major job centers within the region, which provide thousands of job opportunities for residents within a reasonable commute. This also means that the City is within a reasonable commute for thousands of residents in other municipalities, and has potential to capture a larger share of regional growth from both local economic development initiatives as well as for commuting households.

Major local employers (table on right) represent at least 6,000 positions available in the community. Employment in the City acts as a regional draw, resulting in daytime population growth from outlying communities that almost evenly offsets daytime population loss (balanced commuting patterns).

MANITOWOC COMMUTER INFLOW/OUTFLOW



Source: U.S. Census On the Map

MAJOR EMPLOYERS, 2021


Employer	Employees
Holy Family Memorial	500-999
Franciscan Sisters	500-999
Manitowoc Public Schools	500-999
Manitowoc County	250-499
Manitowoc Ice Machine	250-499
Jagemann Stamping	250-499
Parker Hannifin	250-499
Wisconsin Aluminum Foundry Co	250-499
St. Mary's at Felician Village	250-499
Walmart Supercenter	250-499
Ascend Services	250-499
Manitowoc Tool and Machining	250-499
Northern Labs	250-499
Americollect	250-499
Eck Industries Inc	250-499
Kaysun Corp	250-499
Laurel Grove Assisted Living	100-249
Burger Boat	100-249
Festival Foods	100-249
International Paper	100-249
KI Inc	100-249
Shady Lane	100-249
YMCA	100-249
Manitowoc Health Care	100-249
Vinton Construction	100-249
Jagemann Plating	100-249

Source: City of Manitowoc Community Development Department (2018)

OCCUPATIONAL AFFORDABILITY

WAGE RANGES of employee incomes (both between different occupations and within career paths) have a direct impact on the amount of money they can afford to spend on housing in the City of Manitowoc. Using the American Community Survey of the U.S. Census Bureau to identify common occupations in the City and associated current wage data from the U.S. Bureau of Labor Statistics, general income ranges for positions can be translated into housing “affordability limits” for both rental and ownership markets.

Affordability limits represent the amount that could be paid monthly for all housing costs—including taxes, utilities, insurance, etc.—without paying more than 30% of total income toward housing.

For many of Manitowoc’s most common occupation groups, affordability limits indicate need for lower monthly housing costs, especially to ensure they have enough residual income for other necessary expenses (food, healthcare, childcare, etc. 

Though the numbers below represent single-person households, tightening housing markets and increased cost of ownership still impact and limit many households that may wish to purchase within Manitowoc’s ownership market.

Major Manitowoc Occupation Classes	Entry-Level Wage	Mid-Career Wage	Entry Level Rent Limit	Mid-Career Rent Limit	Entry Level Ownership Limit	Mid-Career Ownership Limit	Number of Workers
Production Occupations - All	\$26,160	\$38,140	\$654	\$954	\$87,898	\$128,150	2,904
Office and Administrative Support - All	\$24,830	\$38,330	\$621	\$958	\$83,429	\$128,789	2,115
Management Occupations - All	\$53,950	\$104,300	\$1,349	\$2,608	\$181,272	\$350,448	1,365
Sales and Related Occupations - All	\$19,330	\$34,810	\$483	\$870	\$64,949	\$116,962	1,327
Healthcare Practitioners - All	\$35,420	\$66,360	\$886	\$1,659	\$119,011	\$222,970	961
Food Preparation & Serving - All	\$17,130	\$22,070	\$428	\$552	\$57,557	\$74,155	852
Material Moving - All	\$21,070	\$35,660	\$527	\$892	\$70,795	\$119,818	708
Education and Library - All	\$26,170	\$49,480	\$654	\$1,237	\$87,931	\$166,253	679
Healthcare Support - All	\$22,190	\$30,150	\$555	\$754	\$74,558	\$101,304	607

Source: 2019 Bureau of Labor Statistics. BLS offers data for the Green Bay Metro area – the numbers above represent an Green Bay data (which is consistent with Oshkosh and Appleton data). Entry-Level Wage is considered to be the 10th Percentile of reported Wages. Mid-Career is considered to be the Median (50th Percentile) of reported wages. Number of workers Age 16 and Older per 2014-2018 ACS Estimates. Number of workers is reflective of 2018 ACS 5-Year Estimates.

COMMUTING TRENDS

EMPLOYMENT LOCATION for residents who live in the City of Manitowoc varies, with **a large share remaining in the City for work**. Many of those who commute out of the City for work remain within Manitowoc County, though some commuters from the City work in Calumet, Sheboygan, Brown, and Kewaunee counties as well.

There is some variation in inflow/outflow between data sources, though all indicate that a large share of Manitowoc residents also find employment in the City.

MANITOWOC EMPLOYEE TOP PLACES OF RESIDENCE, 2015 (IN-COMMUTERS)

Place of Residence	Employees
Manitowoc (city)	11,621
Two Rivers (city)	2,412
Manitowoc Rapids	650
Kossuth	640
Newton	576
Two Rivers (town)	398
Cato town	310
Manitowoc (town)	304
Sheboygan	273
Liberty	245
Mishicot	233
Gibson	232
Mishicot	223
Whitelaw	223
Valders	183
Franklin	152
Green Bay city	137

MANITOWOC RESIDENT TOP PLACES OF WORK, 2015 (OUT-COMMUTERS)

Place of Work	Employees
Manitowoc (city)	11,621
Two Rivers	854
Sheboygan	407
Newton	277
Two Creeks	151
Manitowoc Rapids	130
Kohler	120
Brillion	106
Valders	104
Sheboygan (town)	93
Green Bay	89
Cleveland	85
De Pere	83
Sheboygan Falls (town)	73
Sheboygan Falls (city)	67
Kiel	65
Mishicot	62
Kewaunee	60
Cato	54
Ashwaubenon	51
Carlton	51
Reedsville	50
Schleswig	50

Source: U.S. Census Journey to Work Commuter Shares 2015
Data most recent vintage.

Affordable Housing Definitions

AFFORDABLE HOUSING is housing that serves the residents currently living in a community or wanting to move to a community, especially residents with no income up through residents making 80% of the area median income.

These numbers are calculated by the U.S. Department of Housing & Urban Development (HUD) using family incomes for Manitowoc County, based on the County's Median *Family* Income.

In Manitowoc, the area median income (as defined by the U.S. Department of Housing and Urban Development and applied by the Wisconsin Housing & Economic Development Agency (WHEDA)) is **\$72,200** for a family of 4. This means that the 80% low-income limit is **\$57,750** for a family of 4.

FUNDING for newly constructed affordable housing often comes through subsidy that offsets costs of construction and/or operation, primarily through federal tax credits awarded by the WHEDA. This allows rents to be set at an amount that is considered to be manageable for lower-income households, while also ensuring they have residual income to afford childcare, transportation, healthcare, and all other amenities necessary for personal and family health and stability. Many housing subsidy programs set income limits to qualify households, typically a percentage of the area median income, adjusted by household size. Other forms of affordable housing can include:

- » Naturally Occurring Affordable Housing
- » Housing Operated by Non-Profits
- » Vouchers and Other Federal Programs
- » Housing supported through TIF

LOCAL HOUSEHOLD INCOME CATEGORIES

Median Family Income		Persons in Household							
		1	2	3	4	5	6	7	8
\$72,200	Extremely Low Income (30% AMI)	\$15,200	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
	Very Low Income (50% AMI)	\$25,300	\$28,900	\$32,500	\$36,100	\$39,000	\$41,900	\$44,800	\$47,700
	Low Income (80% AMI)	\$40,450	\$46,200	\$52,000	\$57,750	\$62,400	\$67,000	\$71,650	\$76,250

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

Housing Affordability

EXAMPLE MONTHLY COSTS:

2 Adults
1 Child

Annual
Income
= \$45,000

Costs	
Monthly Income	\$3,750
Transportation	(\$1,217)
Food	(\$585)
Childcare	(\$600)
Medical	(\$554)
Income left for Housing & Other Expenses	\$794

30%
housing
limit =
\$1,125

2 Adults
1 Child

Annual
Income
= \$70,500

Costs	
Monthly Income	\$5,875
Transportation	(\$1,217)
Food	(\$585)
Childcare	(\$600)
Medical	(\$554)
Income left for Housing & Other Expenses	\$2,919

30%
housing
limit =
\$1,763

HOUSING AFFORDABILITY describes the relationship between housing cost and household income. Affordability is measured at the household level, in terms of the percentage of gross income that goes toward housing costs. The widely accepted standard for "affordable" is 30% of total household income going to housing. For renters, housing costs include contract rent, utilities, and renters insurance. Homeowner costs include principal, interest, taxes, insurance, and utilities.

This measure is relative, meaning that higher income households have the choice of many homes within their budget, while lower income households generally have fewer options that would be affordable within the housing market.

RESIDUAL INCOME describes the remaining income a household can pay toward other expenses or save after housing and other costs of living are accounted for. As most other costs are fixed, most households pay the same for them regardless of how much they earn (e.g. food, childcare, etc.).

For example, a Manitowoc household of 2 adults and 1 child earning \$70,500 could comfortably pay \$1,763 in housing cost while still saving nearly \$1,500 monthly. The same household earning \$45,000 annually (which equates to one full time job at \$22/hour) could afford a \$1,125 monthly housing cost, but after other fixed expenses would not have enough money to pay 30%, likely sacrificing expenses elsewhere to pay for housing.

Workforce Housing

WORKFORCE HOUSING is housing that is affordable to the workforce in a community. Because incomes within the workforce vary (pg. 14), a *range of housing options* is needed to fit different needs. Workforce housing means ensuring a supply of affordable housing for employee households that earn minimum wage, *and* ensuring appropriately priced housing for moderate to high income earners in both the rental and ownership markets.

Income categories on the next page are calculated based on HUD methodology, and can be used to determine appropriate monthly housing costs for different households in Manitowoc.

HOUSING VARIETY is a necessary component in a healthy housing market, as households have a variety of preferences and needs that impact where and how they can live. A healthy local economy requires a variety of housing to serve area employees including various structure types, sizes, locations, and price points.

WORKFORCE AFFORDABILITY is different among essential members of the workforce. Management employees, service workers, municipal workers (police, fire, etc.) all have housing need, while all generally desire cost-appropriate housing that allows enough residual income to support other necessary expenses.

AFFORDABILITY IS DEFINED BY HUD at the County level, and it varies by household size. HUD defines multiple categories of “low income” households relative to the Area Median Income (AMI) and establishes the household income caps for each category (see the “Income categories” table on the next page). Based on those numbers, HUD also calculates rental and ownership cost limits for each of those categories (see the corresponding tables on the next page).

MANITOWOC INCOME CATEGORIES

	Income Limit	Household Income	Persons in Household							
			1	2	3	4	5	6	7	8
County	\$72,200 (100% AMI)	Extremely Low Income (30% AMI)	\$15,200	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
		Very Low Income (50% AMI)	\$25,300	\$28,900	\$32,500	\$36,100	\$39,000	\$41,900	\$44,800	\$47,700
		Low Income (80% AMI)	\$40,450	\$46,200	\$52,000	\$57,750	\$62,400	\$67,000	\$71,650	\$76,250

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

MANITOWOC RENTAL AFFORDABILITY LIMITS

	Monthly Housing Cost Limit	Household Income	Persons in Household							
			1	2	3	4	5	6	7	8
County	\$1,805 (100% AMI)	Extremely Low Income (30% AMI)	\$380	\$436	\$549	\$663	\$776	\$890	\$1,003	\$1,117
		Very Low Income (50% AMI)	\$633	\$723	\$813	\$903	\$975	\$1,048	\$1,120	\$1,193
		Low Income (80% AMI)	\$1,011	\$1,155	\$1,300	\$1,444	\$1,560	\$1,675	\$1,791	\$1,906

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

MANITOWOC OWNERSHIP AFFORDABILITY LIMITS

	Purchase Price Limit	Household Income	Persons in Household							
			1	2	3	4	5	6	7	8
County	\$242,592 (100% AMI)	Extremely Low Income (30% AMI)	\$51,072	\$58,531	\$73,786	\$89,040	\$104,294	\$119,549	\$134,803	\$150,058
		Very Low Income (50% AMI)	\$85,008	\$97,104	\$109,200	\$121,296	\$131,040	\$140,784	\$150,528	\$160,272
		Low Income (80% AMI)	\$135,912	\$155,232	\$174,720	\$194,040	\$209,664	\$225,120	\$240,744	\$256,200

Source: HUD FY 2020 Income Limits



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RENTAL MARKET












Demand & Supply

RENTAL MARKET

Renter Occupied Residential Properties By Type

City of Manitowoc Housing Study

City of Manitowoc
Manitowoc County, WI

-  Waterbody
-  County Boundary
-  Other Municipality
-  City of Manitowoc
- Residential Property Type**
-  Apartment
-  Assisted Living
-  Condo
-  Duplex
-  Mobile Home Park
-  Single Family
-  Owner Occupied

Data Sources:
Manitowoc County GIS (2021)
Manitowoc City GIS (2021)

MANITOWOC'S rental market consists of a variety of housing types. Single-unit homes, rented attached unit housing, and 5+ unit multi-family residential structures are all common unit types throughout the City.

Importantly, there is also generally good distribution of rental units throughout the community. Interview and focus group conversations did not identify any particular areas that are lacking in access for renters, which is confirmed through assessment data (mapped

above), which shows consistency with the local understanding of the community.

As would be expected within the City, there are higher concentrations of rental units throughout the downtown.

However, neighborhood access to rental housing options is adequate to provide choices in tenure for households, providing opportunity to own or rent in areas of their preference throughout Manitowoc.

AFFORDABILITY LIMITS IN THE RENTAL MARKET

INCOME OF RESIDENTS is central to housing affordability. The housing market extends outside of Manitowoc, and the City has a large commuter-share working or living in the region.

Using the County's incomes to determine affordability limits as they are used by WHEDA and HUD gives income ranges and categories found below.

MANITOWOC INCOME CATEGORIES

	Income Limit	Household Income	Persons in Household					
			1	2	3	4	5	6
County	\$72,200 (100% AMI)	Extremely Low Income (30% AMI)	\$15,200	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580
		Very Low Income (50% AMI)	\$25,300	\$28,900	\$32,500	\$36,100	\$39,000	\$41,900
		Low Income (80% AMI)	\$40,450	\$46,200	\$52,000	\$57,750	\$62,400	\$67,000

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

AFFORDABLE RENTAL LIMITS are calculated based on the incomes above illustrate the general amount a household already living in the City could afford in the housing market without becoming housing cost burdened. These vary based on percentages of the Area Median Income (AMI) as well as family size. The median income household for the City (100% AMI) could afford about \$1,805 monthly in total housing costs (not solely contract rent), while maintaining "affordable" housing.

MANITOWOC RENTAL "AFFORDABILITY" LIMITS

	Monthly Housing Cost Limit	Household Income	Persons in Household					
			1	2	3	4	5	6
County	\$1,805 (100% AMI)	Extremely Low Income (30% AMI)	\$380	\$436	\$549	\$663	\$776	\$890
		Very Low Income (50% AMI)	\$633	\$723	\$813	\$903	\$975	\$1,048
		Low Income (80% AMI)	\$1,011	\$1,155	\$1,300	\$1,444	\$1,560	\$1,675

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

Rental Market

TENURE IN THE HOUSING MARKET



TENURE in the housing market refers to the structure of occupancy—ownership or rental. **Within the City, ownership is by far the most common tenure type**—more households own their primary place of residence than rent, though this has been decreasing slightly since 2010 (67.1% to 66.0% between 2010 and 2019).

This is consistent with general trends within the region—there are similar homeownership shares in peer communities, which have largely also decreased over time. Lower-income households nationwide are more likely to be renter households, and this is true in the City as well, with the majority of all renter households earning under 80% AMI.

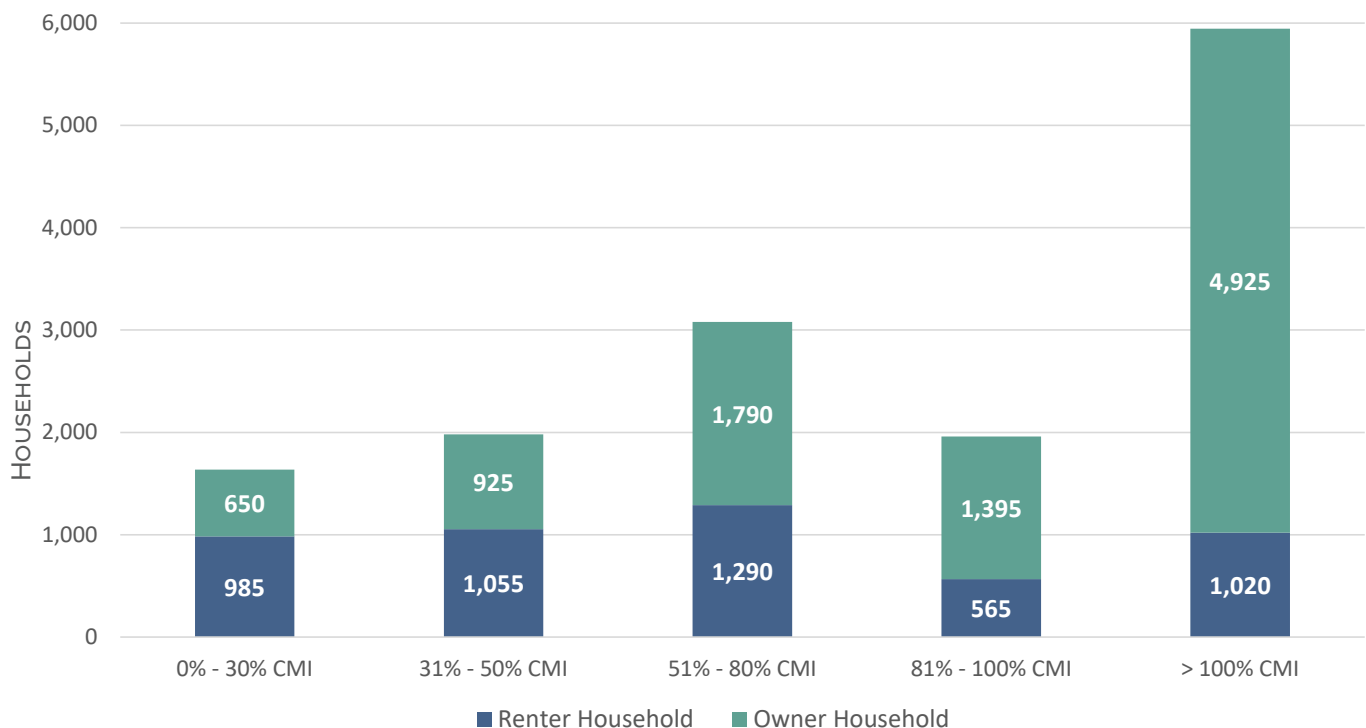
As households (and their associated incomes) are mobile, housing in the City represents larger shares of more lower-cost rental options that are affordable to lower-wage workers. High-income (>100% AMI) renters are choosing to live in the community, though a large majority of households transition to the ownership market once their income reaches this point (for households above 100% AMI, there are nearly 5 times as many owner households as renter households).

HOUSEHOLDS, INCOME & TENURE

Income	Renters	Owners	Total
0% - 30% AMI	985	650	1,635
31% - 50% AMI	1,055	925	1,980
51% - 80% AMI	1,290	1,790	3,080
81% - 100% AMI	565	1,395	1,960
>100% AMI	1,020	4,925	5,945
<i>Total</i>	<i>4,915</i>	<i>9,685</i>	<i>14,600</i>

Source: HUD Comprehensive Housing Affordability Strategy

TENURE BY INCOME

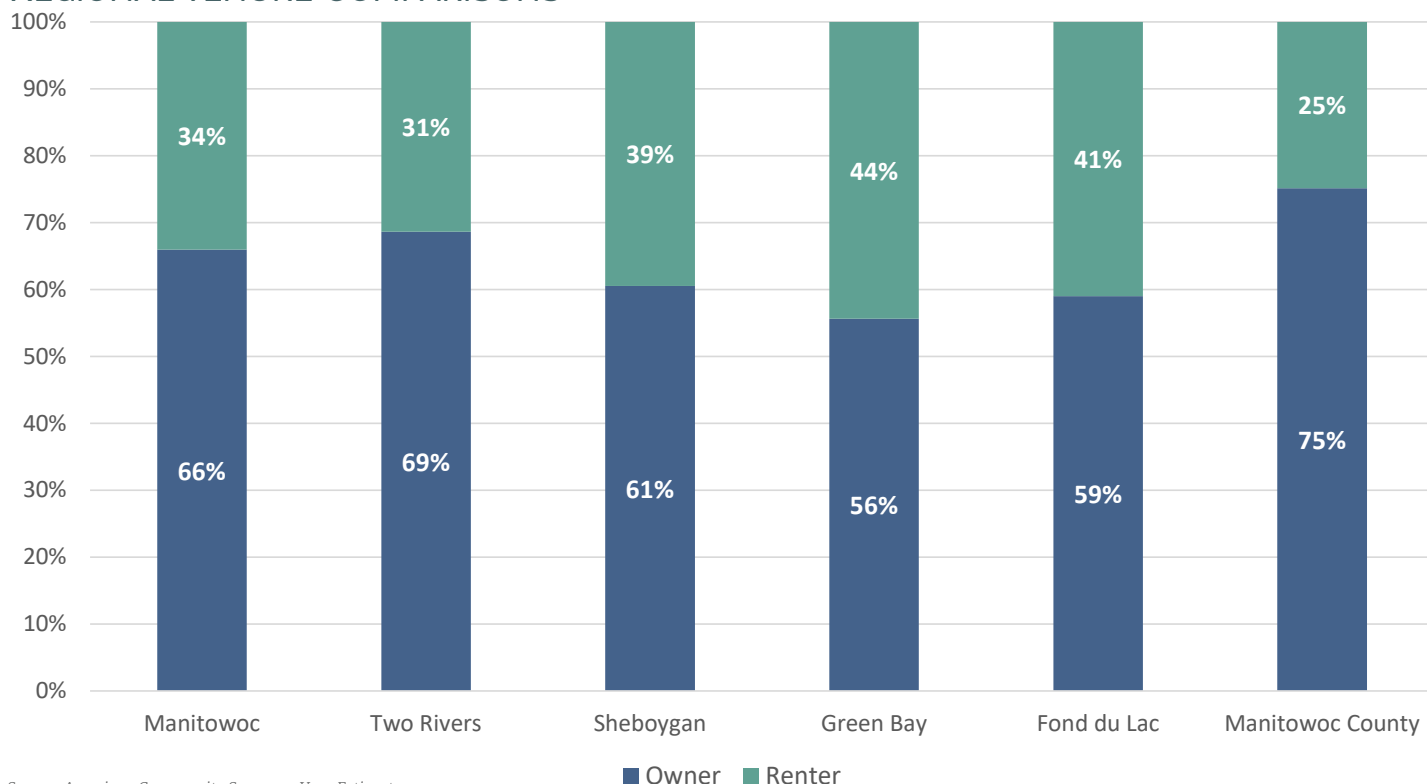


TENURE IN THE HOUSING MARKET

REGIONAL PEER COMMUNITIES, while generally part of the commuter shed and larger Manitowoc housing market, display slightly different trends in rates of homeownership—but all within the same general range. There is a surprising consistency within peer communities and the region as a whole in regards to the incomes and rental costs, which indicates a strong shared regional market both in employment and in housing.

Manitowoc has the 2nd lowest rate of renter households of peer communities, with only Two Rivers having a lower share of rental housing. This reflects not only slight income differences between these regional peer communities, but how the built environment has adjusted to market demand. With a higher share of ownership options available, households who want to purchase homes have historically driven ownership markets in cities with more ownership options available—increasing demand in specific areas.

REGIONAL TENURE COMPARISONS



Source: American Community Survey 5-Year Estimates

RENTAL HOUSING STRESS

RENTAL HOUSING STRESS

Municipality	% of Renter Households with Cost Burden	# of Cost Burdened Renter Households
Manitowoc	35%	1,667
Two Rivers	29%	437
Sheboygan	36%	2,824
Green Bay	42%	7,709
Fond du Lac	42%	2,983
Manitowoc County	32%	2,493

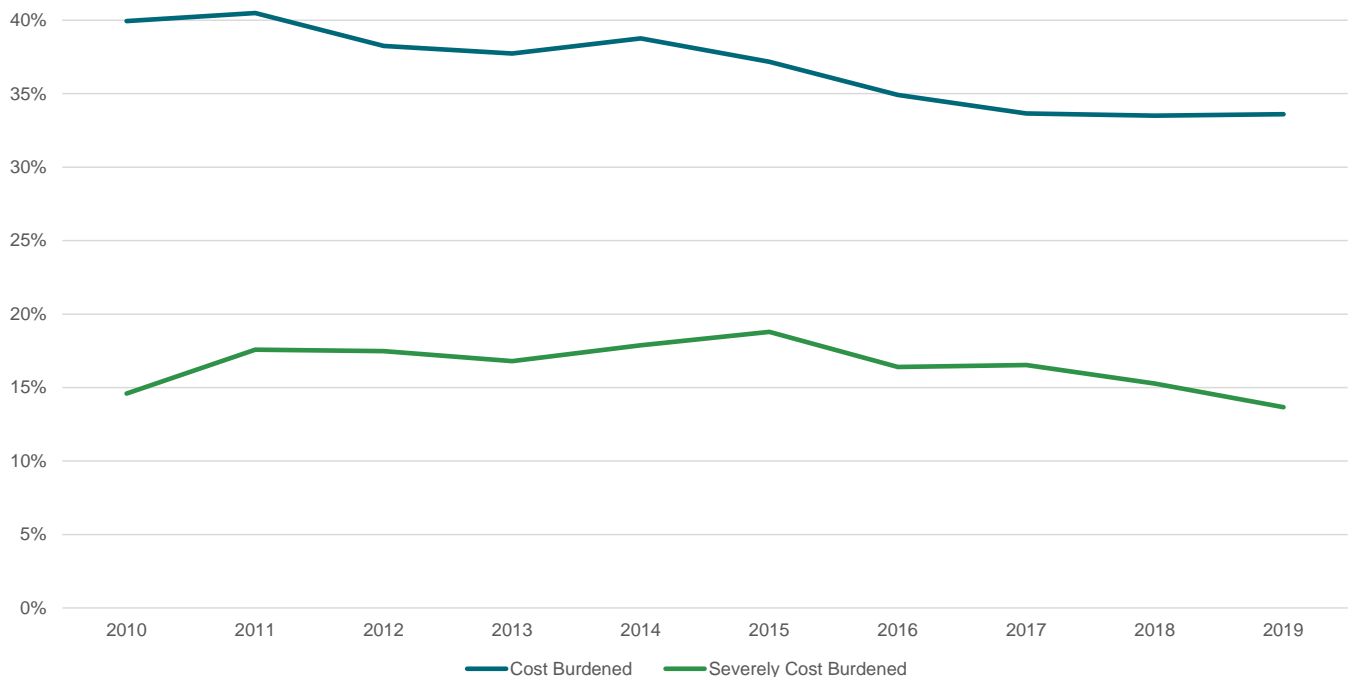
Source: American Community Survey 5-Year Estimates

HOUSING STRESS is measured by cost burden, which reflects the amount of income a household pays for total housing costs. Generally larger municipalities with larger stock of rental housing and very little vacancy would show higher housing costs for consumers and increasing rates of cost burden. This holds true in the region, as larger communities show increased rates of rental cost burden.

This also represents a share of older rental housing stock that is naturally more affordable to households through a combination of age, amenities, and "wear- and tear" on the units themselves. There is some evidence of higher-income households "renting down" within the market (spending less than 30% income toward rent), which in this case lowers rates of cost burden overall.

As is typical due to income disparities between tenure types, cost burden is much more prevalent in Manitowoc for renter than owner households, indicative of generally higher owner income and tight lending standards.

RENTAL HOUSING STRESS



RENTAL STRESS BY INCOME

! **RENTAL STRESS** in Manitowoc exists almost entirely within low-income City households. There are no renter households earning above \$50,000 annually that experience any cost burden in the City. This is due to a vast supply of rental unit housing in the 31% - 50% AMI affordability threshold, renting at roughly \$600 to \$800 monthly. Due to the structure of the rental market in the City, there are gaps in unit availability at the very low end of the market, however.

Overall, there is a general oversupply of lower-cost units that serve households between 31% and 80% AMI (approx. \$500 - \$1,000 monthly rent). These units represent natural appreciation of units within the market—they do not have subsidies that allow them to alleviate cost burden for the lowest-income households, while also not filling market rate demand for the highest-income users.

! **There are significant housing gaps at both the top and bottom of the rental housing market,** with an undersupply of market-rate units for households earning over 80% AMI (rental housing cost \$1,300+) as well as affordable units with rents below \$600 monthly. Although there is a

high market gap, there is an upwards limit to income that can realistically be spent on housing. Many higher income households also value affordability (spending less than 30%), so this does not display true unit for unit demand for high cost housing. It does create some additional market tension, where some high income households rent significantly below what they could afford, using units otherwise affordable to lower-income households.

RENTAL UNIT MISMATCH

Income Range	Renter Households	Rental Units Available	Over-/Under-Supply
0% - 30% AMI	980	785	-195
31% - 50% AMI	1,055	2,250	+1,195
51% - 80% AMI	1,290	1,525	+235
> 81% AMI	1,585	150	-1,435

Source: HUD Comprehensive Housing Affordability Strategy

COST BURDEN BY INCOME



Source: American Community Survey 5-Year Estimates

RENTAL HOUSING STRESS

COST BURDENED RENTER HOUSEHOLDS

Municipality	# with Cost Burden (30%-50%)	# with Severe Burden (>50%)	% Severely Cost Burdened
Manitowoc	989	678	41%
Two Rivers	209	228	52%
Sheboygan	1,642	1,182	42%
Green Bay	4,243	3,466	45%
Fond du Lac	1,684	1,299	44%
Manitowoc County	1,449	1,044	42%

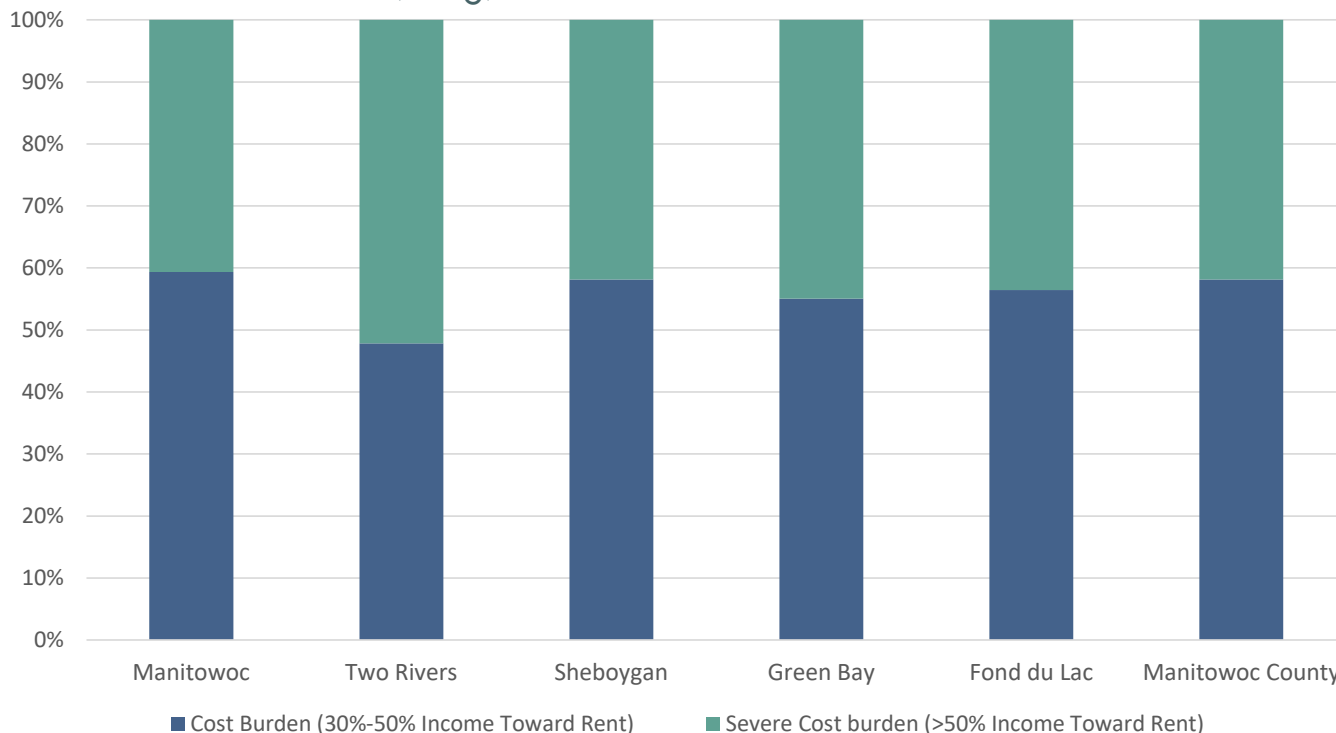
Source: American Community Survey 5-Year Estimates

RATES OF RENTER COST BURDEN may be low in Manitowoc compared to other regional peer communities, but **many renters who are cost burdened are also severely cost burdened (spending more than 50% income toward rental costs)**. Of those experiencing cost burden in the City, 41% are severely cost burdened. This rate is lower than other regional peer communities, but still presents a significant affordability barrier for low-income households.

While rates of cost burden are low overall, higher income households “renting down”, as well as increased demand in the market overall increases competition for units in the moderate- and middle- market segments.

This also indicates a lack of appropriately-priced units for the lowest income households already living in the community, and indicates opportunity to better serve low-income households through income-restricted and subsidized units that ensure affordability levels not currently provided within the market.

LEVELS OF COST BURDEN (2019)



Source: HUD Comprehensive Housing Affordability Strategy

RENTAL UNIT CONSUMPTION

WHICH HOUSEHOLDS are over- or underconsuming housing (renting above or below an affordability limit) is tracked annually by both the U.S. Census Bureau and the Department of Housing and Urban Development (HUD). While we know based on general over- and undersupply that higher-income renter households “rent down”, spending less than 30% of income on housing, we can also match which income-range units they are actually occupying.

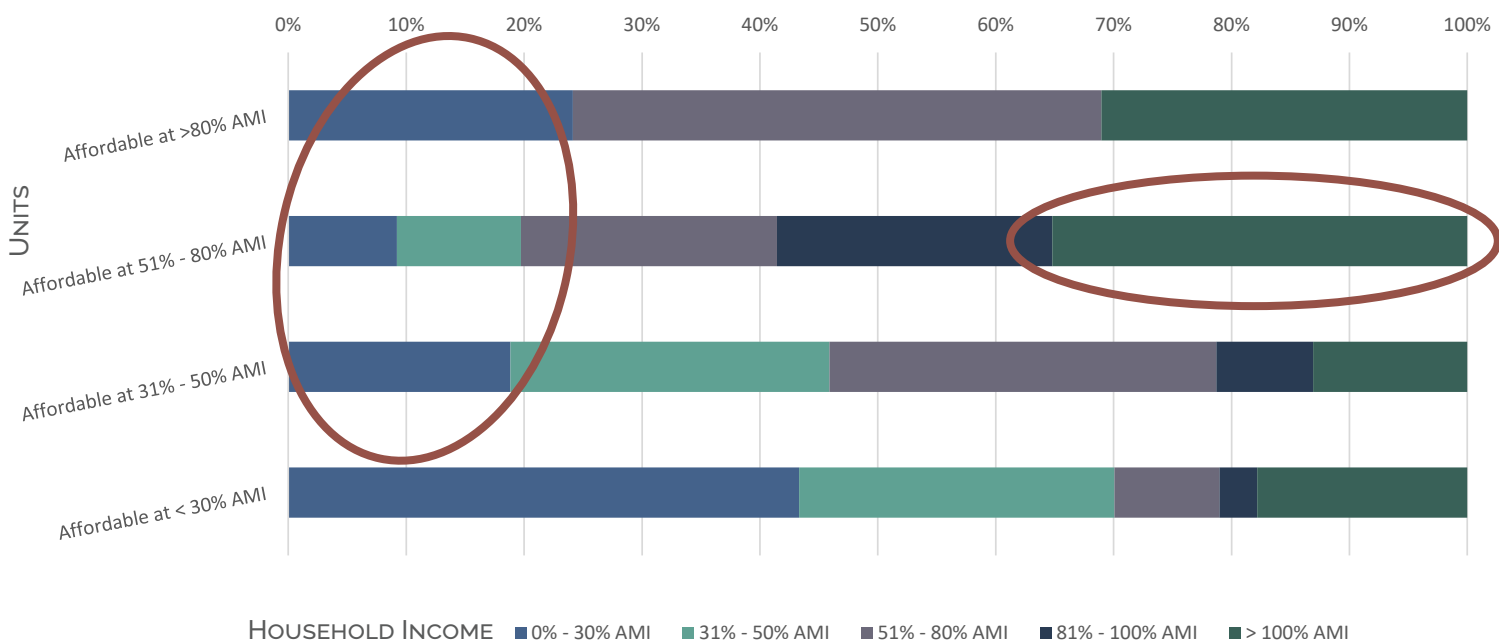
In Manitowoc at the time of data collection, only 145 rental housing units are indicated as affordable only to incomes above 80% AMI, and of those higher-cost units more than two-thirds were rented by households earning less than 80% of AMI, including 35 units rented by households earning less than 30% of AMI (part of the “severe cost burden” group). The profile of higher-cost rental units differs today—the U.S. Census and HUD data shown here do not yet reflect new units constructed since 2017.

Moderate- to high-income households (making over 80% AMI) rent approximately 18% of rental housing units that would be affordable to households earning under 30% AMI. The largest mismatches in unit consumption in the City are from households earning > 100% AMI renting units affordable to 51% - 80% AMI households (35% of those units, *circled below at right*), and 0% - 30% AMI households renting units above their affordability level (64% of all extremely low income households are in units unaffordable to them, *circled below at left*). Some of this **downward pressure is due to a significant lack of units at the higher end of the market, which pushes higher-income households who prefer to rent into lower-cost units.**

While this means access to affordable housing options are readily available for low- and moderate-income households (>80% AMI), it also means that some extremely low-income households (which are less competitive in the rental market) must spend more to secure housing, and often housing that is significantly above their affordability limit.



RENTAL UNIT CONSUMPTION (BY INCOME)



Source: HUD Comprehensive Housing Affordability Strategy

RENTAL UNIT CONSUMPTION

WHILE UNIT CHOICE is important to the freedom and desirability of the local housing market, more options at appropriate price points can help guide consumers into more appropriately priced units that ease burden at all levels.

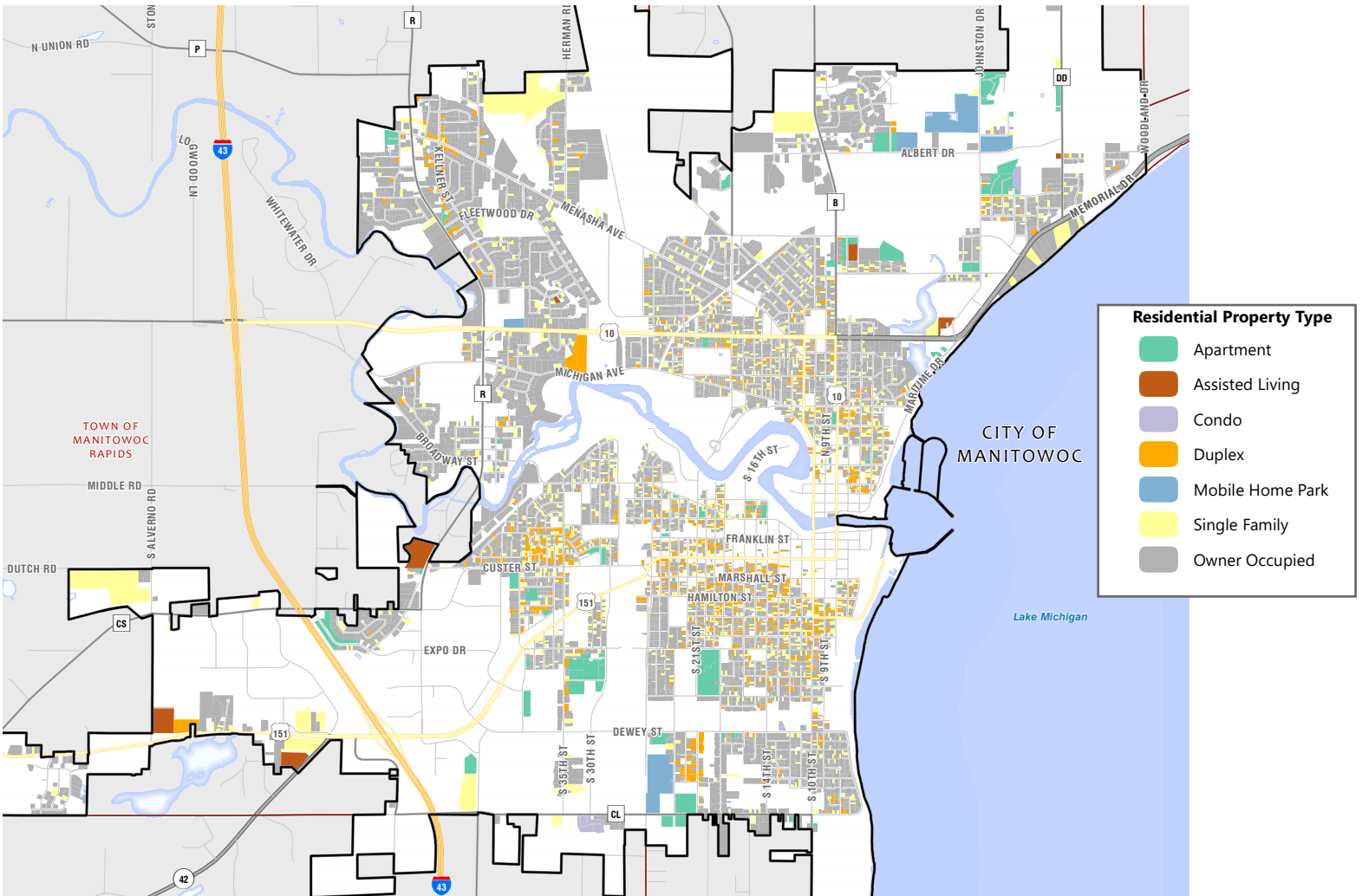
Comments received in the Community Survey largely called out this need for housing across multiple price points—even when not directly asked. While a few respondents were hesitant toward new development both affordable and market rate, **themes largely arose that clearly identified both affordable and market rate housing options as needs within the community due to general lack of supply.** This included a significant response for increased housing support directed toward households at risk of homelessness—which per HUD guidance is considered severely cost burdened, extremely low-income renter households (approx. 145 of these households currently live in the City).

In looking to directly address rental costs for low-income households, one method commonly used is to aim to develop at price points that directly show a gap in the market (units that are undersupplied). **In Manitowoc, this would be a goal to add 195 units of rental housing affordable to the lowest-income earners in the community (0% - 30% AMI households).** This would allow options for these households to eliminate or severely reduce their housing costs, decrease rates of rental cost burden, and open up units they were occupying to other households in the community or moving to the community at price-points more appropriate to their own income.

RENTAL UNIT HOUSEHOLD OCCUPANCY

Rental Units	Households by Income				
	0% - 30%	31% - 50%	51% - 80%	81% - 100%	>100%
Affordable at 30%	340	210	70	25	140
Affordable 31% - 50%	425	610	740	185	295
Affordable 51% - 80%	140	160	330	355	535
Affordable at >80%	35	0	65	0	45

RENTAL UNIT TYPES



UNIT TYPES are important to provide choice in the housing market that match characteristics and meet preferences of residents and potential residents of the City. **Of note, there are very few rental units per the U.S. Census that are in 1 unit structures, whether attached or detached.**

35% of the rental units in the City are in 2-4 unit buildings, a traditional rental development type for older units. Buildings with 5-19 units and 20+ units each make up 23% of the rental market. Often housing different household types, this balance across structure (and cost) segments indicates a healthy mix of preference and type options for varying household needs, and it is likely that single-family homes will slowly continue to transition into the rental market over time.

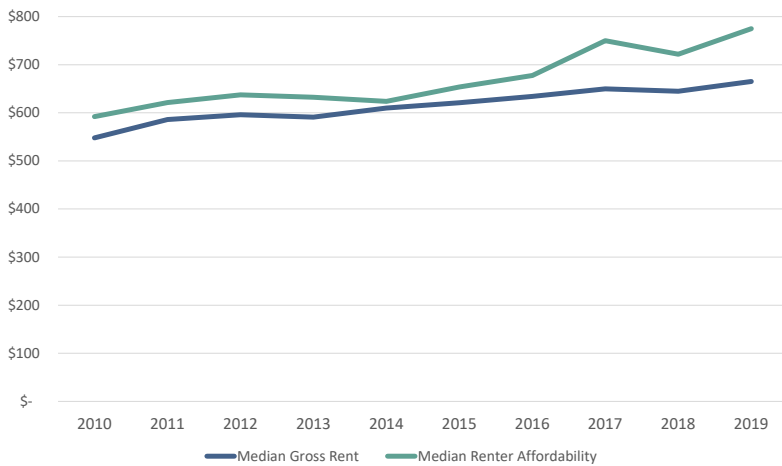
RENTAL UNITS - TYPE

Unit Type	Number of Units	% of Total Rental Units	Rental as % of Unit Type
1-unit detached	794	16%	8%
1-unit attached	153	3%	32%
2-4 unit	1729	35%	79%
5-19 unit	1120	23%	96%
20+ unit	1130	23%	100%
Mobile Home	35	1%	11%

Source: American Community Survey 5-Year Estimates

AFFORDABILITY TRENDS

RENTAL COST & INCOME



Source: American Community Survey 5-Year Estimates

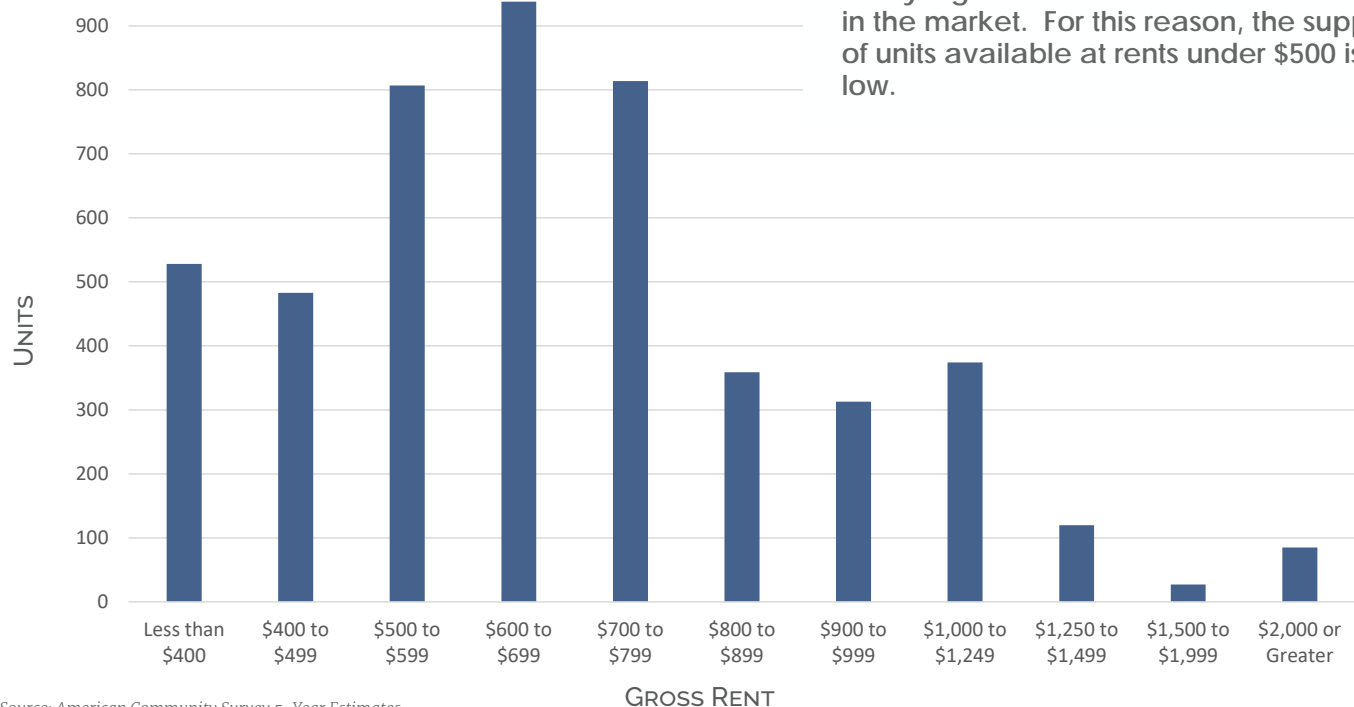
GENERAL MEASURES AND TRENDS

in affordability are based on a comparison of current incomes compared to current costs. One measure is whether or not the median renter household can afford the median rental unit, which is a measure of choice. If yes, 50% or more of all rental units would be available to that household. If no, choice is restricted and market supply and demand are unbalanced. Rent has historically been affordable in the City to the median renter household—and has become more affordable since 2014.

Ranges of unit rental costs in the City show that the largest cost tier of units rent at \$600-\$699 per month (including utilities). **There are about 1,000 units renting at under \$500. \$500 in rental costs per month is the affordability limit for a 3-person household earning \$20,000 annually, and equates to a household just below 30% AMI.** There are an estimated 940 households in the city earning less than 30% AMI. While the supply of units renting at under \$500 appears adequate for meeting affordability needs, **keep in mind the prior finding that many high-income households “rent down” in the market.** For this reason, the supply of units available at rents under \$500 is too low.



UNIT RENTS



Source: American Community Survey 5-Year Estimates

RENTAL HOUSING COST

RENTER HOUSEHOLDS in the City paid (in 2019) a median gross cost of \$542 per month for a 1-bedroom unit (median), and \$699 per month for 2-bedroom units (median). Within the market, however, there is significant variation in unit costs expected with variance in age of construction, location, and amenities.

Among peer communities, Manitowoc is generally middle of the road for rental costs across all unit sizes, with the exception of 4-bedroom rental units. Due to the way this data is collected, it does not include most-recent rental unit construction—but also does not include recent construction in peer communities. It is also important to note that it is a 5-year sampling average, so the most recent rent samples are weighted slightly more heavily, but trends in appreciation are slower to appear.

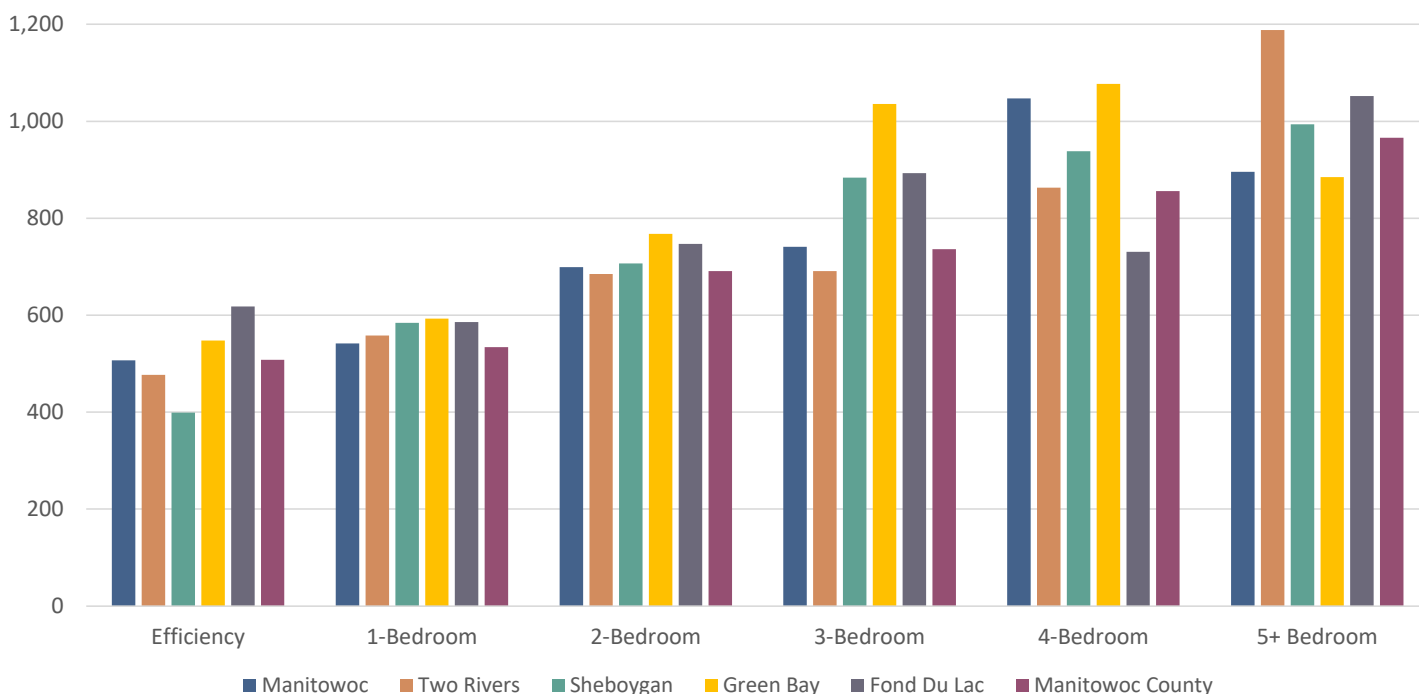
Overall, all other unit prices remain generally affordable and similar in comparison to the region, although matching affordability for current residents remains a top concern.

MONTHLY RENTAL ESTIMATES

Income	Census (2019)
Efficiency	\$507
1 Bedroom	\$542
2 Bedroom	\$699
3 Bedroom	\$741
4 Bedroom	\$1,047
All Bedrooms	\$665

Source: American Community Survey 5-Year Estimates;

RENTAL UNIT COST



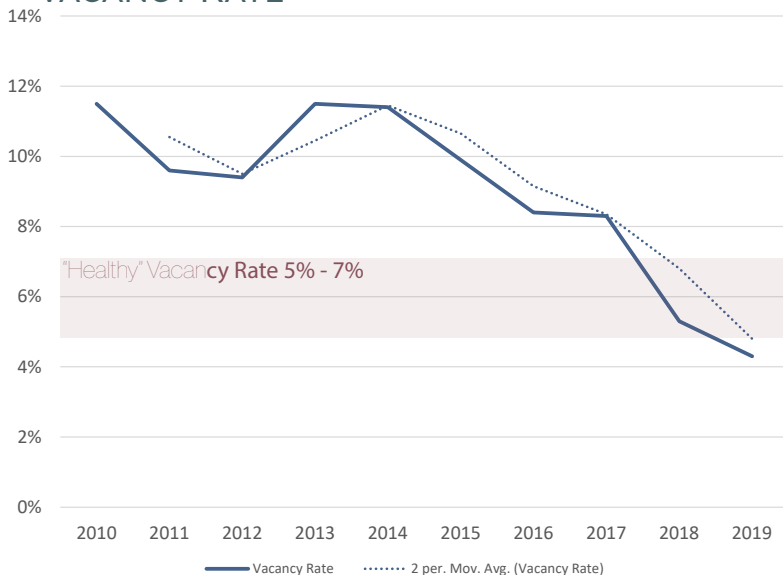
VACANCY RATE

VACANCIES in the rental market are important to continued access and affordability. Healthy vacancy rates are considered to be between 5% and 7% of all units. This range includes the assumed vacancy for new development (5%), allows turnover and growth in population, keeps market rental cost increases to appropriate amounts, and provides a general balance between landlord and tenant.

The U.S. Census Bureau provides relatively accurate numbers for rental vacancy in the City, especially when utilizing moving averages over multiple survey years. These vacancy numbers were verified to be relatively accurate through interviews in the City, though there was variation in experience reported based on unit age and condition. **Generally, more affordable older units were at vacancies approaching 0%, while newer unit construction had slightly greater vacancy—though still below typical development assumption of 5%.**

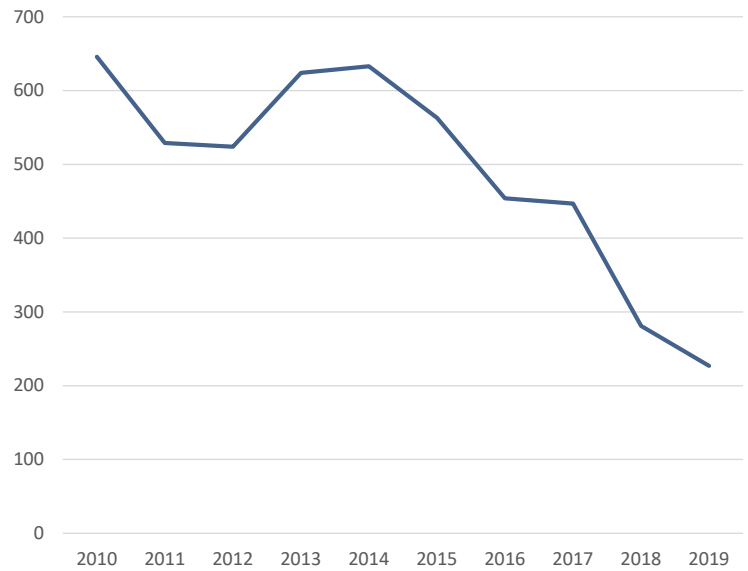
In general, low vacancy increases competition for units, and can inflate year over year rental cost increases. Since 2012, the vacancy rate in the City has dropped dramatically, falling below healthy levels over a span of just 3 years.

MANITOWOC VACANCY RATE




Source: American Community Survey 5-Year Estimates
City of Manitowoc

RENTAL UNIT VACANCIES



Source: American Community Survey 5-Year Estimates

INCREASING SUPPLY and increasing vacancy of rental units in the community would be healthy for the housing market. 

These numbers do not include the newest units that have come online in the City, but there is still potential for increased supply based solely on consistency between data and interviews. Increased units would allow potential residents, employees, and commuters the opportunity to move into the community. It would also allow healthy turnover of units within the market providing more choices of housing for current residents, and allow residents to self-select into housing of both an appropriate size and type.

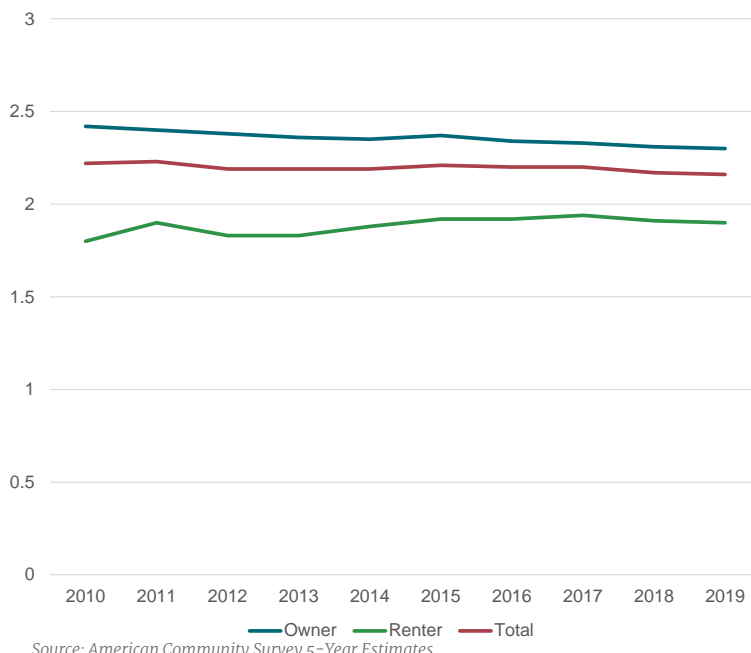
The significant decrease in rental vacancy from 2010 to 2019 has continued, and though development has occurred, those interviewed for the study did not report significant vacancies within the rental market.

RENTAL HOUSING SIZE

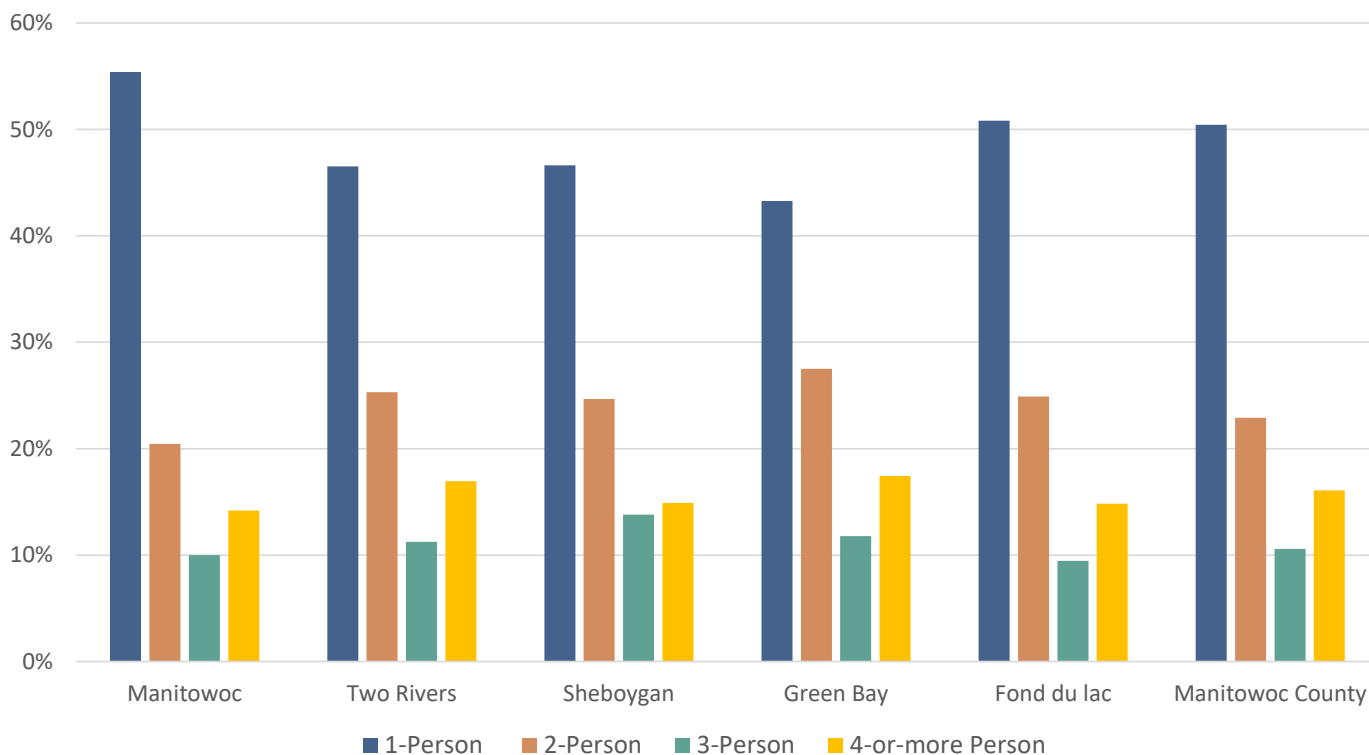
HOUSEHOLD SIZE is important to the housing market, as larger households require units with more bedrooms so as not to be overcrowded (more than 1 person per room). While renter households generally have smaller household sizes, City growth trends have shown increasing household sizes over recent years for renter households. **In the rental market, especially for low- and moderate-income family households, maintaining access to 3+ bedroom units will be important in the coming years to allow residents to grow their families in place.**

Overall in the City, 31% of all rental units have three or more bedrooms. However, with increasing household size and many families having children, **this submarket will remain an important component of new development.** When asked to identify the greatest unmet housing need for the City in the Community Survey, the 4th most common response was a lack of housing for larger families.

AVERAGE HOUSEHOLD SIZE



RENTER HOUSEHOLD SIZE



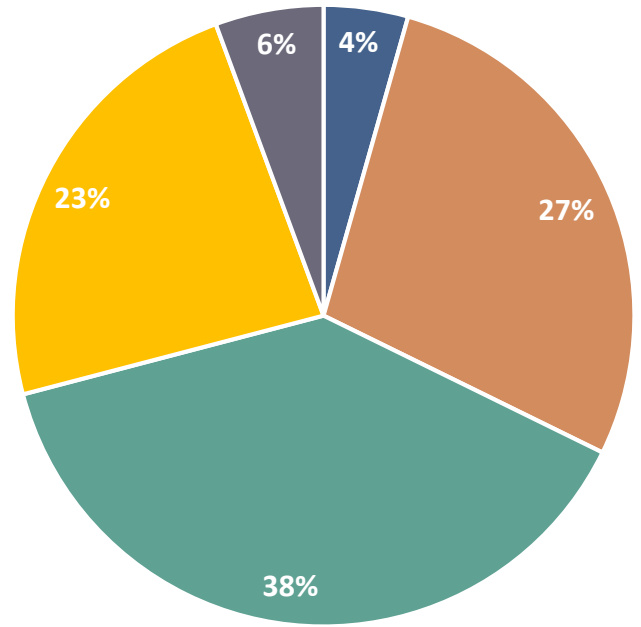
RENTAL HOUSING SIZE



HOUSING UNIT SIZE works to not only match the requirements of households based on family size, but also preferences for additional space—for example, the expanding need for housing that includes room for office spaces and other work from home accommodations. Several survey responses as well as interview participants indicated a belief that Manitowoc is well-positioned to attract larger number of work from home or telecommuter residents. This is due to current conditions as related to public health regulations and restrictions on large gatherings, but also due to larger trends within employment.

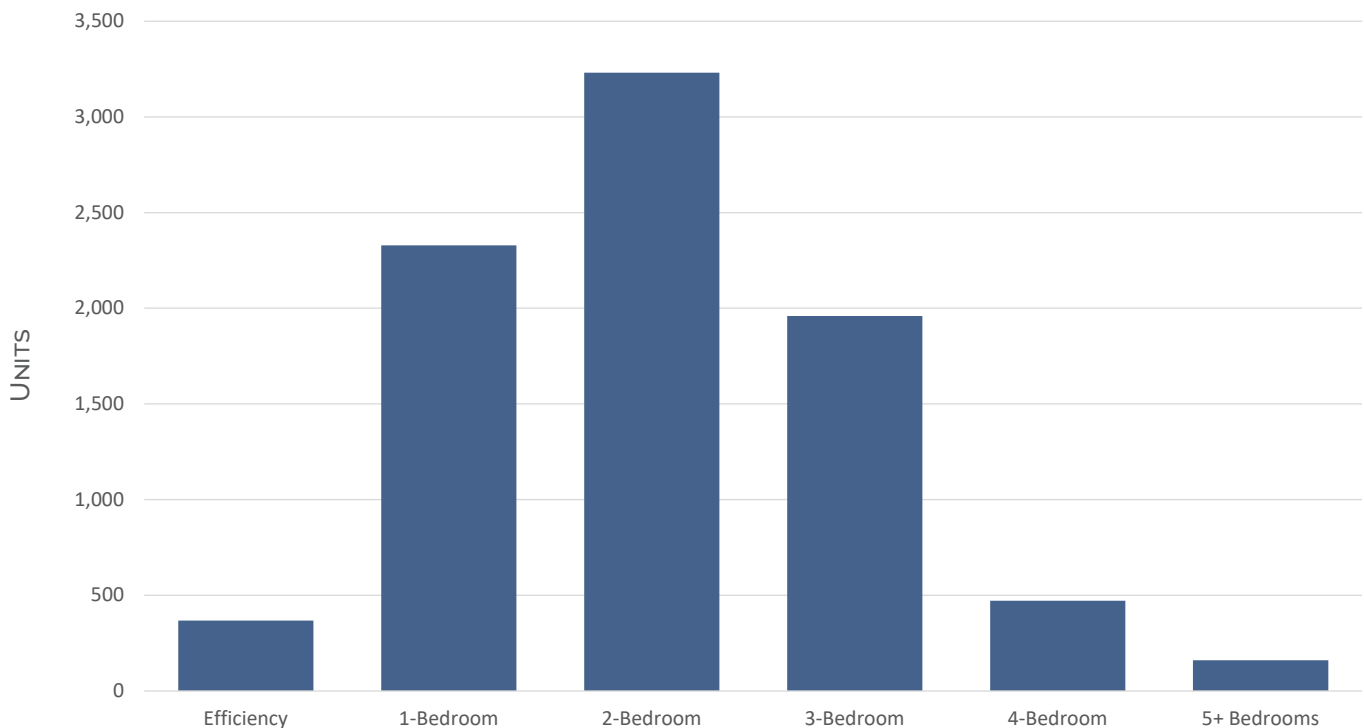
One key amenity that is not often mentioned in housing choice is access to fiber internet connection. As many rural areas struggle with access, this amenity could work to further attract former metro residents who prefer smaller town accommodations, while allowing fluidity in commute as well as telecommute access. If this trend does persist long-term, even a small change in preference to work from home or more remote locations could have a significant impact on the rental housing market, as well as preferences for size of housing.

NUMBER OF BEDROOMS - RENTAL

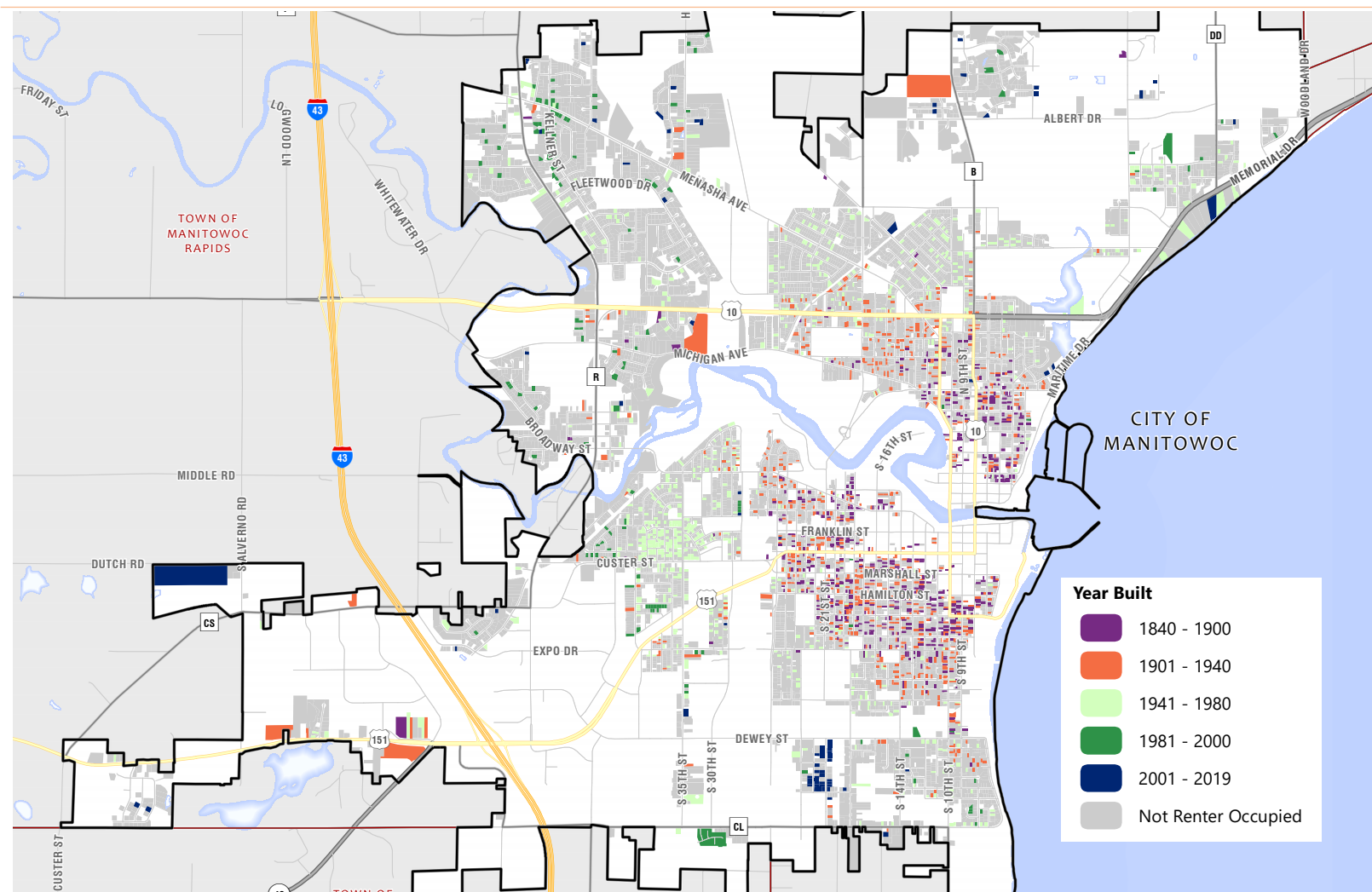


■ Efficiency ■ 1-Bedroom ■ 2-Bedroom ■ 3-Bedroom ■ 4-Bedroom
 Source: American Community Survey 5-Year Estimates

RENTAL UNITS BY BEDROOM SIZE



MULTI-UNIT RENTAL AGE



MANITOWOC'S rental market consists of a variety of housing types with varying ages of construction. Many of the oldest rental units in the City are single-unit and 2-4 unit structures throughout the downtown, consistent with general development patterns. There are also significant larger-unit rental structures that have been built since, and continue to be constructed especially in downtown.

Forty-nine percent of all rental units in the housing market were built prior to 1959, with the majority of those built before 1939. These are often the most affordable rentals in a community. The 1990s saw a relative increase in construction that became rental housing within the market, and the early 2000s saw decreased production before the recession, though rebounding post-2014.

RENTAL UNITS - YEAR BUILT

Unit Type	Number of Units
1959 or Earlier	4,176
1970 to 1989	1,621
1990 to 1999	1,079
2000 to 2009	638
2010 or Later	241

Source: American Community Survey 5-Year Estimates

EXAMPLE - CONSTRUCTION COST

1-BEDROOM RENTAL (NEW CONSTRUCTION)


Example 1-Bedroom Unit Construction & Land Cost = \$150,000			
Equity to Cost Ratio	20%	Loan to Cost Ratio	80%
Required Equity	\$30,000	Mortgage Loan	\$120,000
Annual Pre-tax Distribution Rate	10%	Mortgage Interest Rate	5%
Cash Payments for Equity	\$3,000	Debt Service	\$7,750
Net Operating Income		\$10,750	
Operating Expenses		\$2,500	
Real Estate Taxes		\$3,000	
Replacement Reserve		\$450	
Effective Gross Revenue		\$16,700	
Vacancy (5% required assumption)		\$835	
Gross Potential Income		\$17,535	
Breakeven Annual Rent		\$17,535	
Breakeven Monthly Rent		\$1,460	

Source: Construction and Land Cost Estimates for Wisconsin

THERE IS A NEED for new rental construction in the City that serves low- and high-income earners alike. High-income earning households can afford rents associated with higher cost of new-construction, and developers can market increased costs through increased amenities. However, lower-income households largely cannot afford new construction.

Construction cost and the requisite rents to cover debt service, reserves, and operating expenses even under a conservative example necessitate rents that would be unaffordable for low-income households. Simply, construction costs are a direct

barrier to ensuring Manitowoc's residents have access to housing they can afford.

To ensure expanded opportunities and units that meet the needs of all residents of the City, subsidies are needed to offset construction costs to make more units affordable, in combination with rehabilitation programs to ensure continued unit adequacy at affordable cost, especially for existing aging units. 

Above is an example of new rental development cost with a break-even rent, and on the following page compared to household incomes in the community.

EXAMPLE - AFFORDABILITY

HOUSING AFFORDABILITY INCOME LEVELS

	Monthly Housing Cost Limit		Persons in Household							
			1	2	3	4	5	6	7	8
	\$1,851 (100% AMI)	Extremely Low Income (30% AMI)	\$380	\$436	\$549	\$663	\$776	\$890	\$1,003	\$1,117
		Very Low Income (50% AMI)	\$633	\$723	\$813	\$903	\$975	\$1,048	\$1,120	\$1,193
		Low Income (80% AMI)	\$1,011	\$1,155	\$1,300	\$1,444	\$1,560	\$1,675	\$1,791	\$1,906

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

Most households (those highlighted in the Housing Affordability Limit table above) would not be able to afford the 1-bedroom new construction rental unit in the example on the prior page.

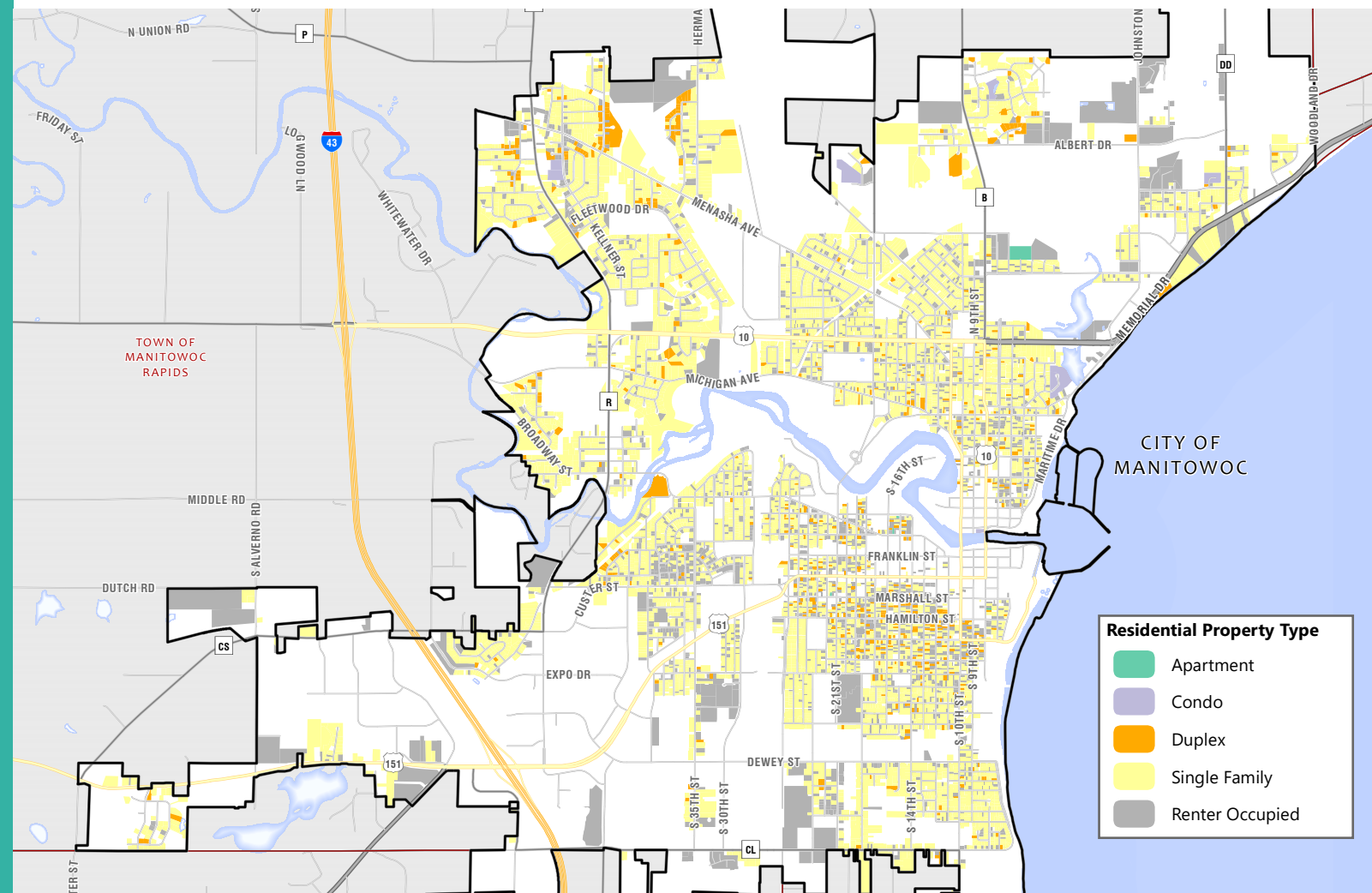


3

OWNERSHIP MARKET

Demand & Supply

OWNERSHIP MARKET



THE MAJORITY OF RESIDENTIAL PARCELS in the City of Manitowoc are owner-occupied units. This holds true across all areas of the City, through both neighborhoods and subdivisions as well as downtown. Owner housing is a large and key component of the local housing market, and ownership opportunity is one of the key considerations that was frequently mentioned in both the community survey and interviews as significantly tightening in the past few years.

While the majority of owner-occupied units within the City are single-unit detached housing, there is also good representation of single-unit attached housing units (mostly duplex), especially south of the river. Notably, manufactured homes also account for 274 total units of owner-occupied housing, which while small in number helps to serve a key market in the City for low-cost housing stability at a reduced cost. **!**

AFFORDABILITY LIMITS IN THE OWNERSHIP MARKET

INCOME OF RESIDENTS is central to housing affordability. For ownership opportunities, this largely refers to the “purchasing power” of a given household based on known incomes. Because the housing market extends outside of Manitowoc, and the City has a large regional commuter-share, incomes shown below illustrate the median for current residents of the County.

Using the County's incomes to determine affordability limits as used by the WHEDA and HUD gives income ranges and categories found below.

MANITOWOC INCOME CATEGORIES

	Median Family Income		Persons in Household					
			1	2	3	4	5	6
County	\$72,200 (100% AMI)	Extremely Low Income (30% AMI)	\$15,200	\$17,420	\$21,960	\$26,500	\$31,040	\$35,580
		Very Low Income (50% AMI)	\$25,300	\$28,900	\$32,500	\$36,100	\$39,000	\$41,900
		Low Income (80% AMI)	\$40,450	\$46,200	\$52,000	\$57,750	\$62,400	\$67,000

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

PURCHASE LIMITS based on the incomes above illustrate the general amount a household could afford in the housing market without becoming housing cost burdened. The median income household in the City could afford a \$242,592 home purchase from annual income of \$72,200.

MANITOWOC OWNERSHIP AFFORDABILITY LIMITS

	Purchase Limit		Persons in Household					
			1	2	3	4	5	6
County	\$242,592 (100% AMI)	Extremely Low Income (30% AMI)	\$51,072	\$58,531	\$73,786	\$89,040	\$104,294	\$119,549
		Very Low Income (50% AMI)	\$85,008	\$97,104	\$109,200	\$121,296	\$131,040	\$140,784
		Low Income (80% AMI)	\$135,912	\$155,232	\$174,720	\$194,040	\$209,664	\$225,120

Source: American Community Survey 5-Year Estimate Family Income Adjusted per HUD FY Income Limits

TENURE IN THE HOUSING MARKET

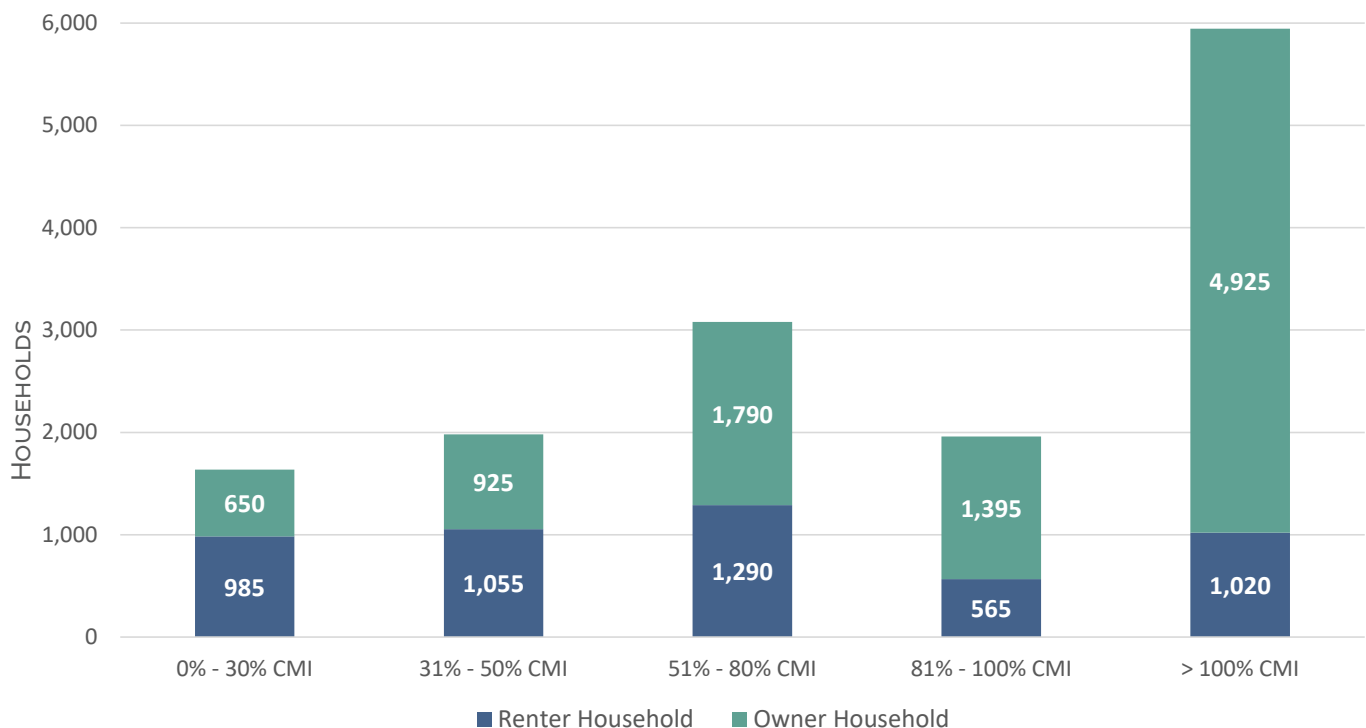
TENURE IMPACTS CHOICE and buyers have more choice in Manitowoc because a majority of units are owner-occupied. The current percent of ownership households in Manitowoc (66%) is right in the middle of regional peer communities. While this makes it perfectly in line for the region, it is shifting year to year, with slightly higher percentages of the market becoming rental housing on an annual basis (more rental development annually/homes switching from owner to renter occupied).

HOUSEHOLDS, INCOME & TENURE

Income	Renters	Owners	Total
0% - 30% AMI	985	650	1,635
31% - 50% AMI	1,055	925	1,980
51% - 80% AMI	1,290	1,790	3,080
81% - 100% AMI	565	1,395	1,960
>100% AMI	1,020	4,925	5,945
<i>Total</i>	4,915	9,685	14,600

Source: American Community Survey 5-Year Estimates

TENURE BY INCOME



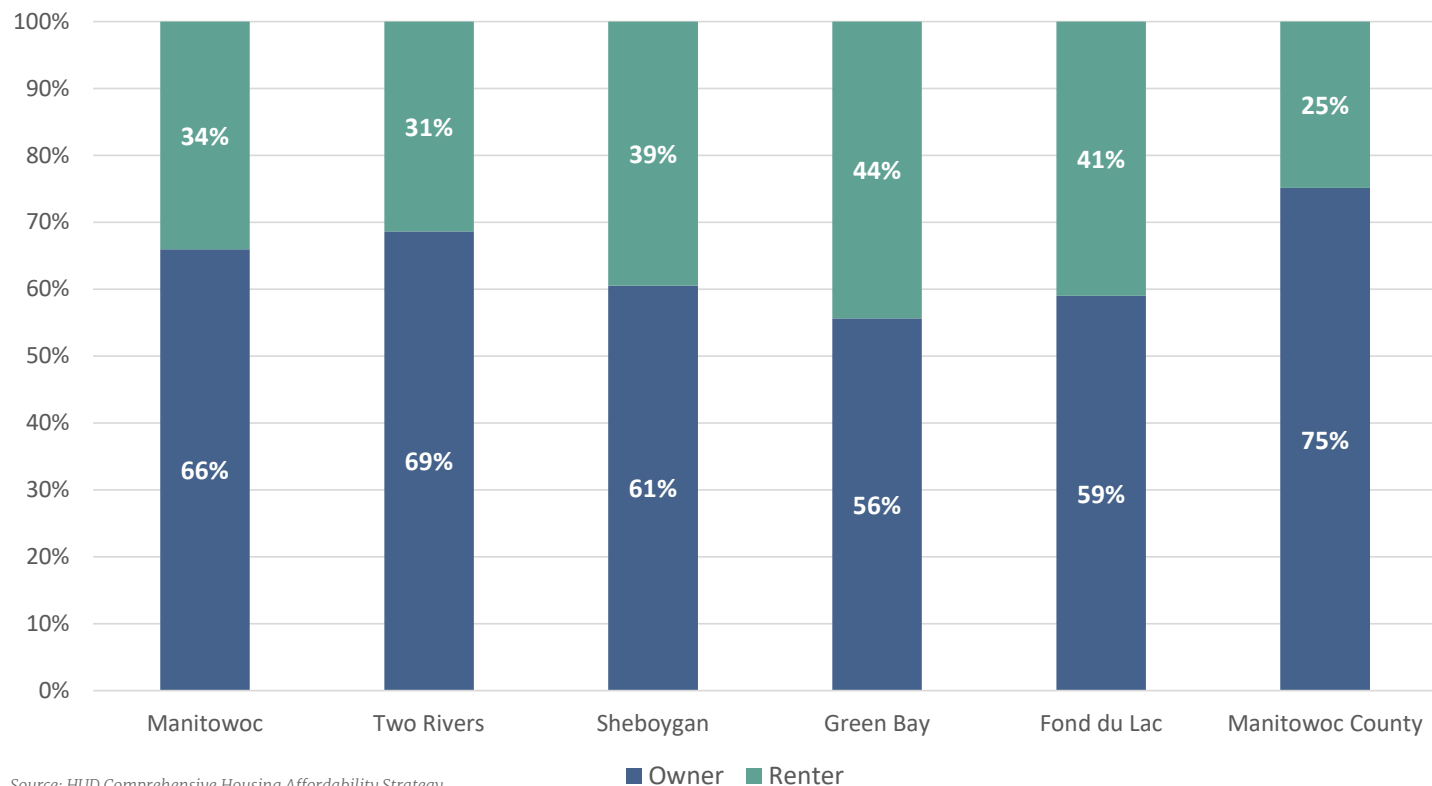
TENURE IN THE HOUSING MARKET

THE MAJORITY of owner-occupied homes in the City are occupied by households that are above the median income for the County. This is not an uncommon occurrence, as increased income opens up increased ownership opportunities and eases costs associated with homeownership (down payment, taxes, etc.), causing a natural transition to that market as households increase earnings.

While the largest share of owner households in the City earn more than the County median income, there are still large portions of lower-income households who do own their housing within the City. There is a history of more affordable housing options in the ownership market in the City, and

this shows as the switch in tenure from renter-to-owner occurs more readily at a lower income tier in Manitowoc. Currently, more households in the 50% - 80% AMI income bracket are homeowners than renters. These households may be attracted to the general lower cost of housing compared to other areas of the metro—they also often represent aging homeowners who have entered retirement and seen significant loss in income, which brings new challenges. Although these owners may own their home free and clear, they may struggle with property tax payments, upkeep, and other factors of homeownership that require continual maintenance funds or physical requirements that aging populations sometimes struggle to meet.

REGIONAL TENURE



Source: HUD Comprehensive Housing Affordability Strategy

■ Owner ■ Renter

OWNER HOUSING STRESS

OWNERSHIP HOUSING STRESS

Municipality	% of Owner Households with Cost Burden	# of Cost Burdened Owner Households
Manitowoc	16.7%	1,626
Two Rivers	20.0%	719
Sheboygan	16.3%	1,967
Green Bay	18.1%	4,249
Fond du Lac	15.8%	1,617
Manitowoc County	16.8%	4,357

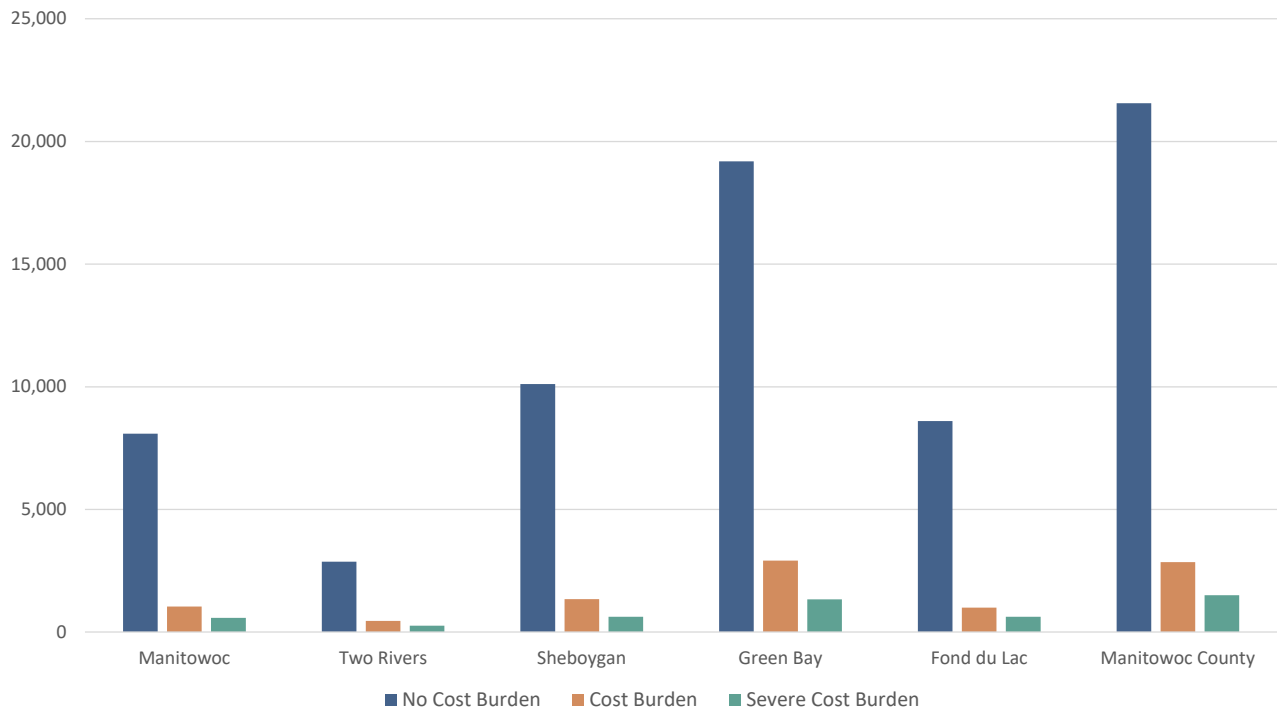
Source: American Community Survey 5-Year Estimates

HOUSING STRESS is measured by cost burden, which reflects the amount of income a household pays for total housing costs. **While the rental housing market in Manitowoc is marked by relatively high levels of cost burden (> 30% income toward rental costs), the ownership housing market has significantly reduced levels of burden in comparison.** !

Further, for those households in the ownership market who do experience cost burden, they are much less likely to experience severe cost burden (> 50% income toward housing costs). While housing is a necessity, so all households must participate in the market in some aspect, owner households have the financial resources available to choose to purchase their housing.

An effect of that choice is that in order to qualify, potential owner households must meet underwriting standards—an aspect of the market that drastically reduces the cost risk associated with owning, as borrowers are more likely to have higher incomes and increased access to credit.

HOUSING STRESS - TENURE



Source: HUD Comprehensive Housing Affordability Strategy

OWNER STRESS BY INCOME

OWNER HOUSING STRESS in Manitowoc exists primarily within low-income households, though there are about 150 owner households earning over \$50,000 annually who do experience housing cost burden. Important to consider is that for households that are 80% AMI or greater, cost burden is less impactful than for lower-income households. Even accounting for increased housing costs, costs associated with fixed-cost goods (childcare, healthcare, food, etc.) there is more flexibility within a monthly budget to allow some levels of cost burden while maintaining financial stability. For lower-income households, there is less room for increased costs or unexpected expenditure.

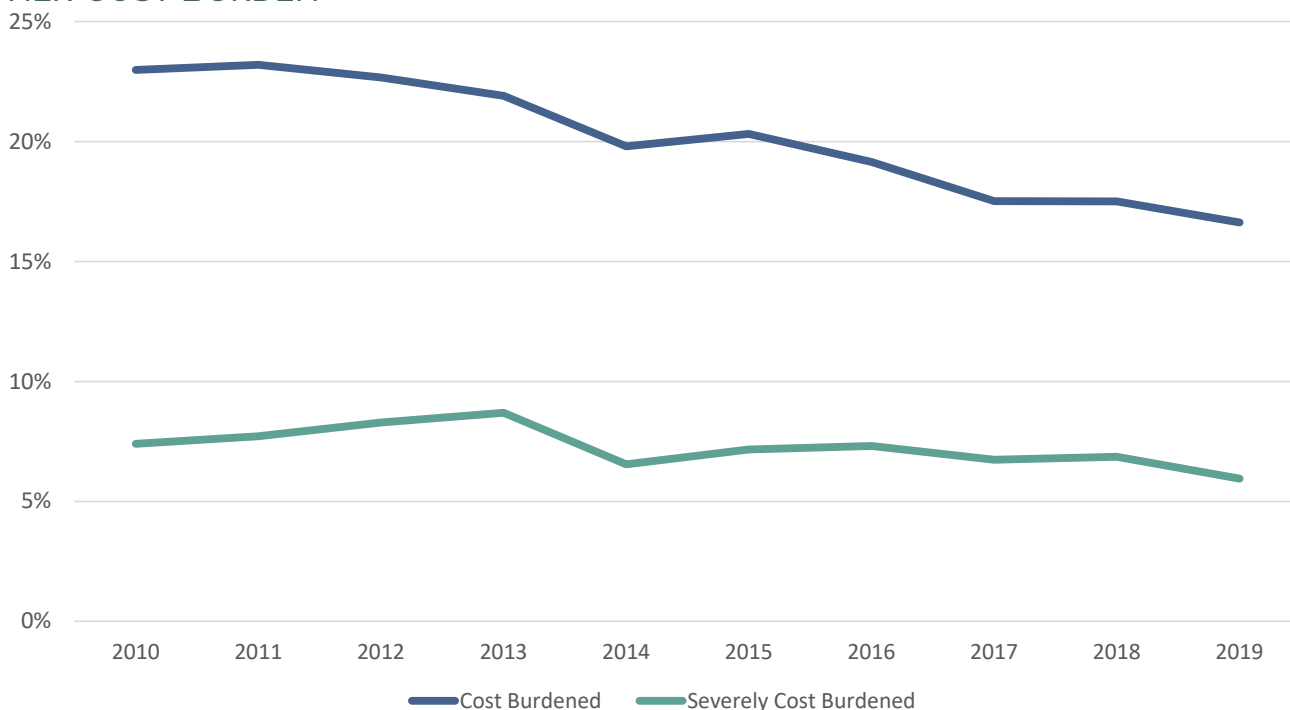
! In ownership unit mismatch, there are generally more homes available in the lower cost market than the higher cost market when considering household incomes. This is consistent with known lower housing costs in the area—but is also reflective of age of homes compared to many other areas of the State.

OWNERSHIP UNIT MISMATCH

Income Range	Owner Households	Ownership Units Available	Over-/Under-Supply
0% - 50% AMI	1,575	5,445	+3,870
51% - 80% AMI	1,790	3,080	+1,290
81% - 100% AMI	1,395	590	-805
> 100% AMI	4,925	539	-4,386

*Unit numbers are reflective of vacancy within the market
Source: HUD Comprehensive Housing Affordability Strategy*

OWNER COST BURDEN



OWNER HOUSING STRESS

COST BURDENED OWNER HOUSEHOLDS

Municipality	# with Cost Burden (30%-50%)	# with Severe Burden (>50%)	% Severely Cost Burdened
Manitowoc	1,044	582	36%
Two Rivers	460	259	36%
Sheboygan	1,343	624	32%
Green Bay	2,911	1,338	31%
Fond du Lac	994	623	39%
Manitowoc County	2,583	1,504	35%

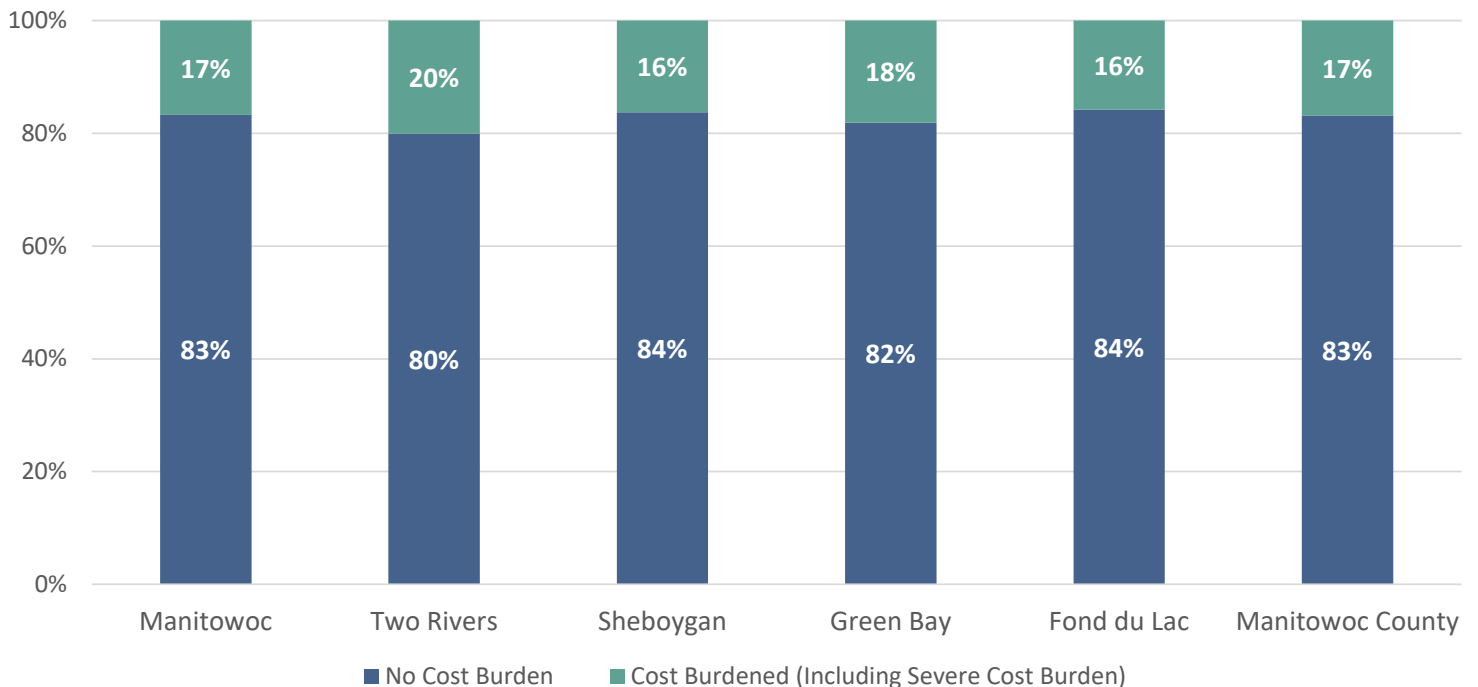
Source: American Community Survey 5-Year Estimates

AMONG THOSE 1,044 Manitowoc owner households that are cost burdened, more than one-third (582) are severely cost burdened (spending 50% or more of income on housing). While this is a significant number, it is in line with regional values of cost burden for other peer communities.

Combined, these factors display relative historic stability within the ownership market. For the majority of those that own their homes, current housing costs are relatively affordable.

With that in mind, housing prices are appreciating to a point where more typical homes within the community are becoming more unaffordable to the typical household—due to a combination of slight reduction in income, increased housing demand, and increasing housing prices in the ownership market. As owner cost burden has been decreasing, this indicates more purchases for higher income households, as well as mortgages reaching amortization for long-tenured households.

LEVELS OF OWNER COST BURDEN



OWNER UNIT CONSUMPTION

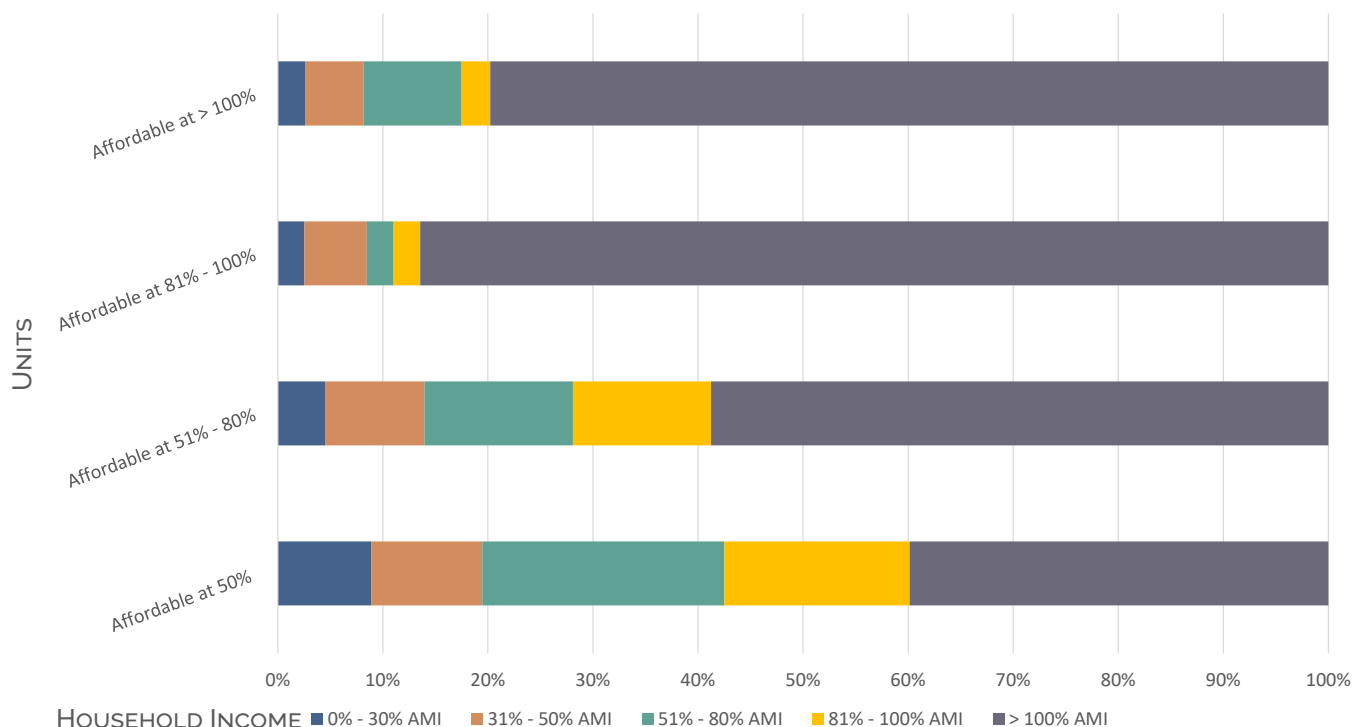
The U.S. Department of Housing & Urban Development tracks household incomes compared to the cost of the housing unit they live in. **Per HUD data, within the City the largest share of ownership homes in the market (5,445 units) are affordable to households earning about 50% of the County Median Income (\$36,100 for a family of 4). Of these housing units, only about 20% are owned by households that fall into that income category.** The remainder are owned by higher-income households, with nearly 40% being owned by households earning above the 100% of the county area median income.

These homes are extremely affordable to higher-income households, and provide desirable affordable ownership options for high income earners. However, it does provide increased competition that precludes lower-income earners from entering the owner housing market.

Overall, the market at all levels is dominated by households earning over 80% AMI (65% of all owners). These households are consuming units in the housing market that are very affordable to them—their relative incomes significantly lower housing cost burden, and income shares spent on housing costs are extremely low. While this is beneficial to these households, it does strain the market and ultimately increase sales prices in all housing ranges, from entry-level homes upward.

Consistent with insights from the Community Survey, residents feel that a large negative aspect to the housing market in Manitowoc is affordable homeownership opportunities (34% of all respondents), with 40% of respondents indicating that housing is becoming increasing harder to find year-to-year. As the market is restricted by lack of inventory, community concerns of affordability and availability are connected as higher-income owner households that can outbid lower-income households for homes that would otherwise be affordable at a lower rate.

OWNERSHIP UNIT CONSUMPTION (BY INCOME)



Source: HUD Comprehensive Housing Affordability Strategy

OWNER UNIT CONSUMPTION

DISPARITY in ownership opportunity is apparent when looking at the distribution of homes, by value, that have a lien on the property. The table below shows the household incomes of occupants of ownership housing both with and without a mortgage. Difference in mortgage status can generally be thought of as “purchased in the past 15-30 years” for homes with a mortgage and “purchased more than 15-30 years ago” for homes without a mortgage.

For units with a mortgage (representing more recent home purchases), 60% were purchased by households earning more than the County

median family income (\$72,200 for a family of 4). However, homeowners > 100% AMI own only 36% of homes without a mortgage. While some of this discrepancy is due to reduced income for retirees who have paid off their homes, it is also reflective of appreciating values within the market over a typical 30-year amortization period—those homes that have resold have sold for more.

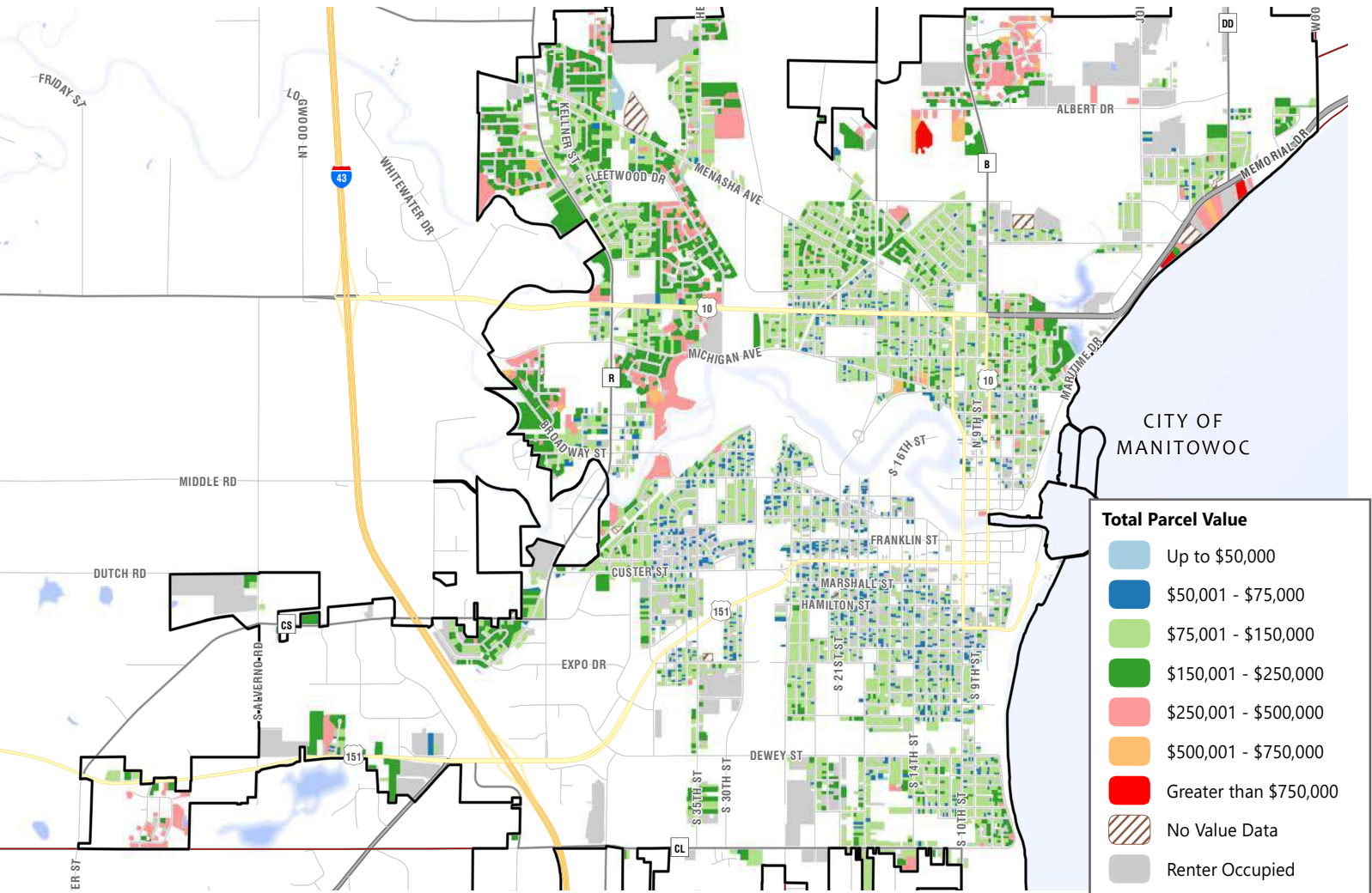
Tightening lending standards and unit availability do have an impact on lower-income households within the market, but many are finding homes that they can purchase, especially households at middle-incomes that are greater than 50% of the County median income.

OWNERSHIP UNIT HOUSEHOLD OCCUPANCY

	Ownership Units	Owner Household Income				
		0% - 30%	31% - 50%	51% - 80%	81% - 100%	>100%
Units With a Mortgage	Affordable at 50%	190	180	605	645	1,605
	Affordable at 51% - 80%	80	175	235	215	1,310
	Affordable at 81% - 100%	15	20	15	15	415
	Affordable at > 100%	10	15	-	-	290
Units Without a Mortgage	Affordable at 50%	295	395	650	315	565
	Affordable at 51% - 80%	60	115	200	190	500
	Affordable at 81% - 100%	-	15	-	-	95
	Affordable at > 100%	4	15	50	15	140

Source: HUD Comprehensive Housing Affordability Strategy

SPATIAL AFFORDABILITY



APPROXIMATE VALUE of homes is mapped above, using assessment records. While this is not a perfect approximation of sales/cost value within the market, it does offer a baseline for estimation and comparison. This spatial availability of homes by market cost shows where opportunity for affordability exists in the City's housing market for residents at different income levels.

This map (also in Appendix), illustrates the general affordability of smaller and older options within the community. **In general, the more affordable ownership options are within the downtown core of the City, representing existing homes built in the early part of the 20th century.** Maintaining a full range of options is key in ensuring affordability of the City for households of all incomes moving forward.

OWNERSHIP UNITS, 11-COUNTY

Unit Affordability	Low Cost	High Cost
Affordable up to 50% AMI	-	\$109,200
Affordable at 51% - 80% AMI	109,201	\$174,720
Affordable at 81% - 100% AMI	\$174,721	\$242,592
Affordable above 100% AMI	\$242,593	-

AMI calculation shown is applicable to the entire County based on a household size of 3 persons.

AFFORDABILITY TRENDS

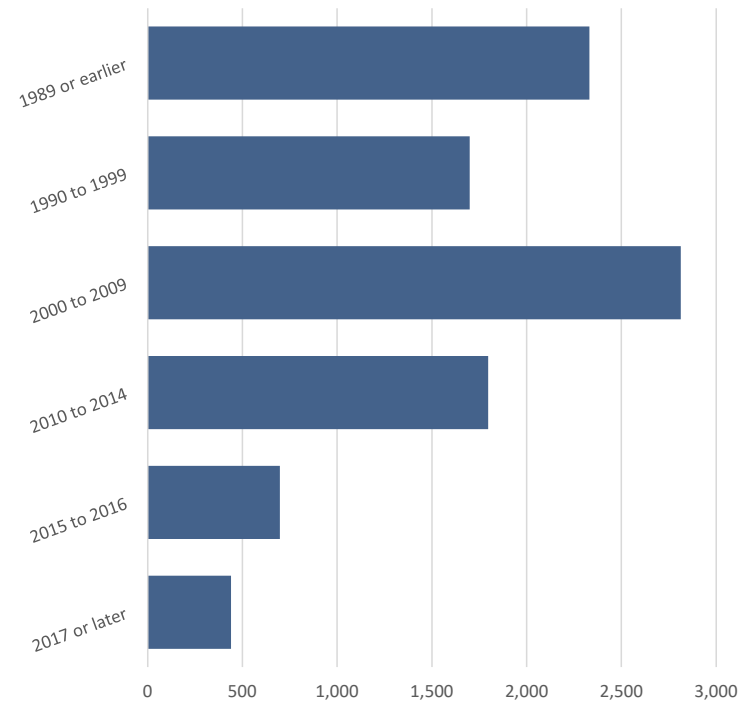
GENERAL MEASURES AND TRENDS

in homeowner affordability have to do with market conditions in real estate markets and prospective buyer incomes at the time of purchase. Looking at housing in the City of Manitowoc, home values historically peaked pre-Great Recession before seeing a decrease in value through the recession. Both condo and single-family units have regained lost value associated with the recession, surpassing previous market highs by 2018 and continuing to rise since. Notably, values have risen drastically in the City since 2019.



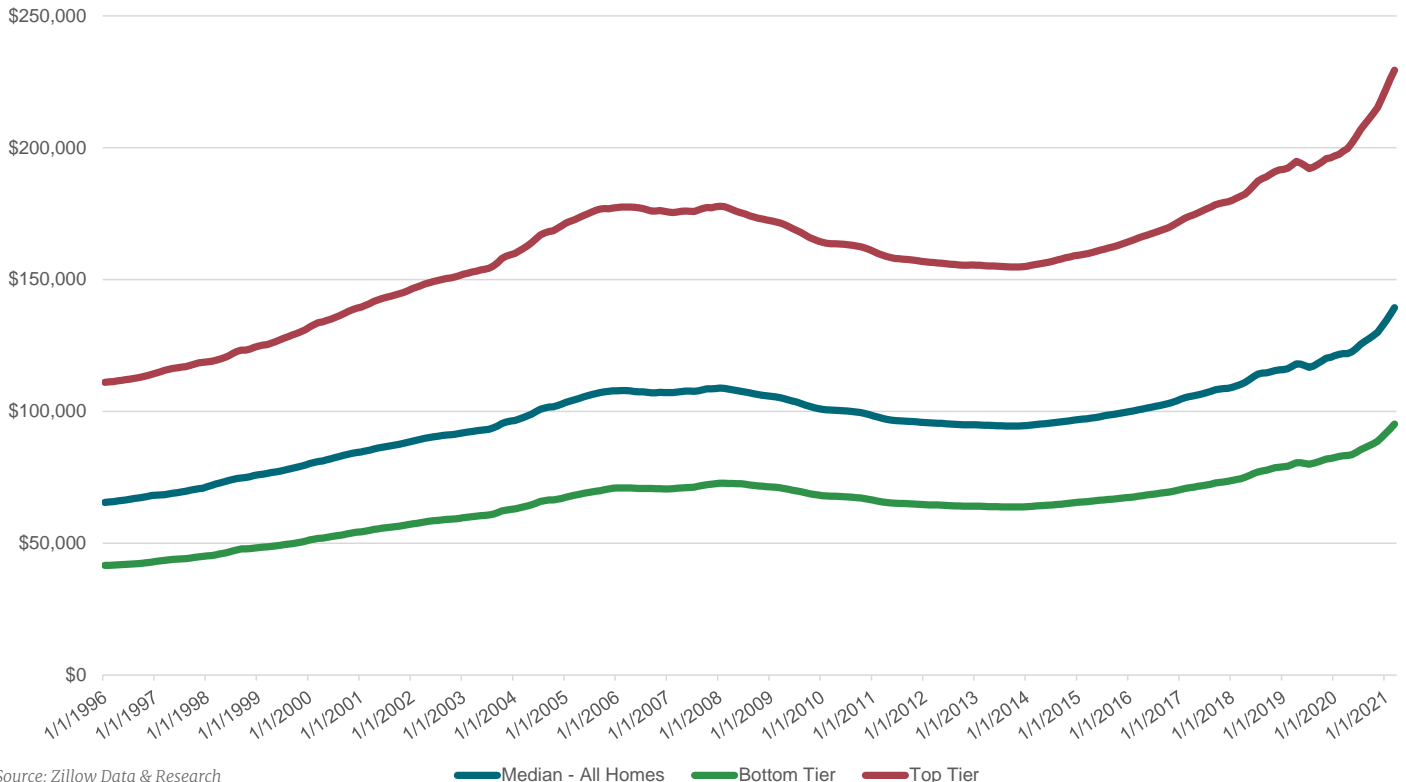
Within the City, many households have remained in their home for long periods of time, with many having been in their unit since 2009 or earlier, well beyond the 7-year national average.

YEAR OWNER MOVED INTO UNIT



Source: American Community Survey 5-Year Estimates

SINGLE-UNIT & CONDO MARKET VALUE



Source: Zillow Data & Research

Median - All Homes Bottom Tier Top Tier

AFFORDABILITY TRENDS

WHILE UNIT PRICE is an important factor in housing affordability, unit price must be compared with incomes and affordability levels to reflect a true measure of housing access. The City of Manitowoc has experienced steadily rising incomes for residents coming out of the recession—and for a time these incomes rose at a rate ahead of the real estate market. When single-family and condo units reached the bottom of their market dip in 2014, both were affordable to many local households based on income.

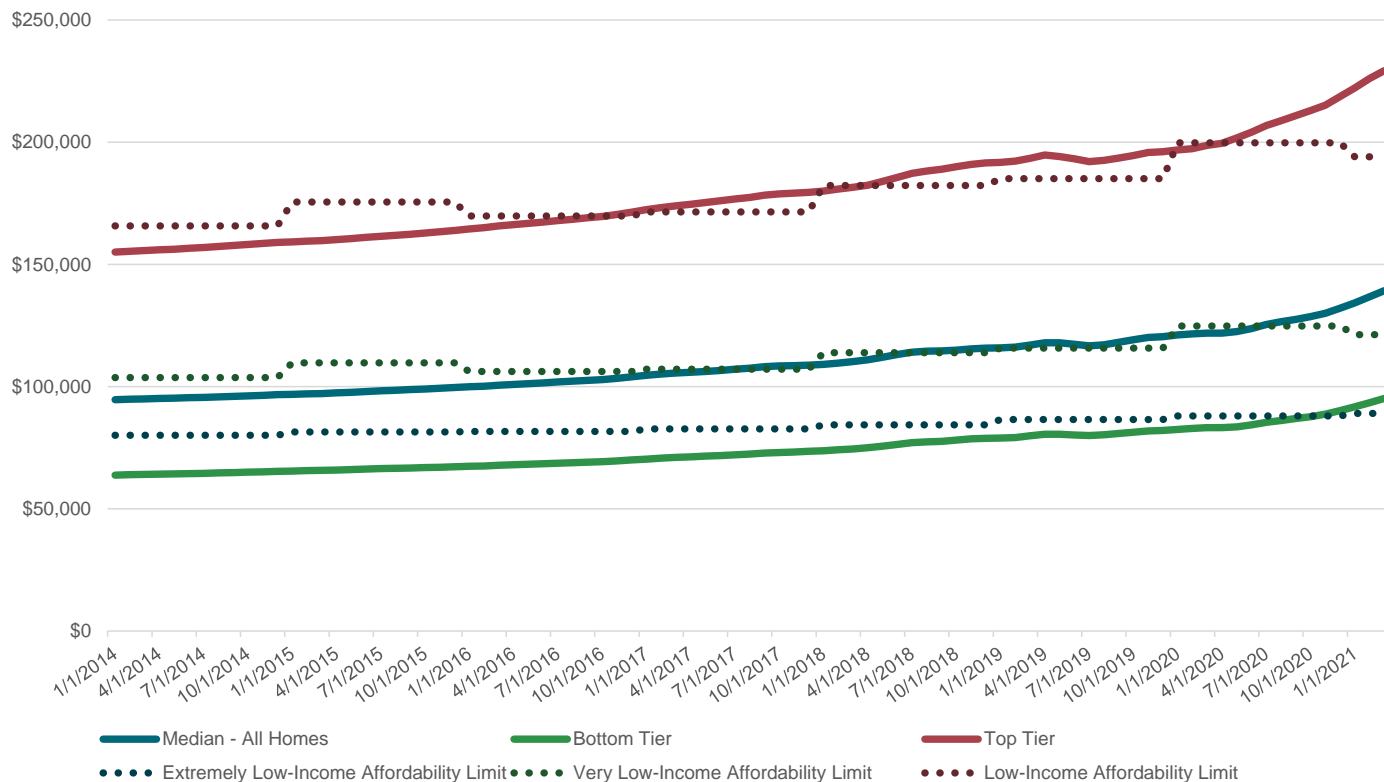
In 2015, the median single-unit home was within the affordability limit of not only the median household, but also within the limits of households at 80% and 50% of the County median income. Households at 50% AMI had seen an increase in incomes so that the median condo/townhouse

unit was an attainable method of homeownership through 2015.

Since 2014 however, house value growth has drastically outpaced income growth for the same period, especially from 2019 onward. While the median single-unit home is still affordable to the median household as well as households at 80% of the County Median Income, it is no longer affordable to a household at 50%—the income tier at which household traditionally transitioned from rental to owner markets. This is largely reflective of regional forces and increased demand that appreciate home values, while local income conditions have caused the median Manitowoc household to see a slight reduction in real income from 2020 to 2021.



SINGLE-UNIT & CONDO AFFORDABILITY

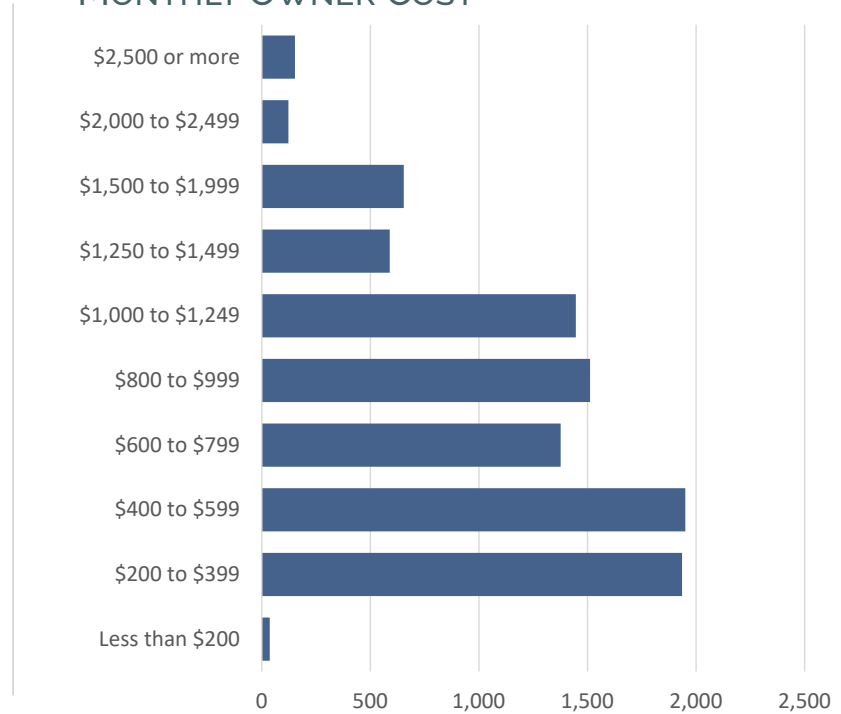


AFFORDABILITY TRENDS

INCREASING SALES PRICES of houses in the City directly impact monthly owner cost and affordability. While some homes are owned free and clear with monthly costs consisting solely of taxes and insurance, new borrowers are paying increasingly more for housing. Appreciation as well as the increased cost of new construction places ownership entry costs into higher brackets year to year, and represent many of the higher monthly owner costs recorded.

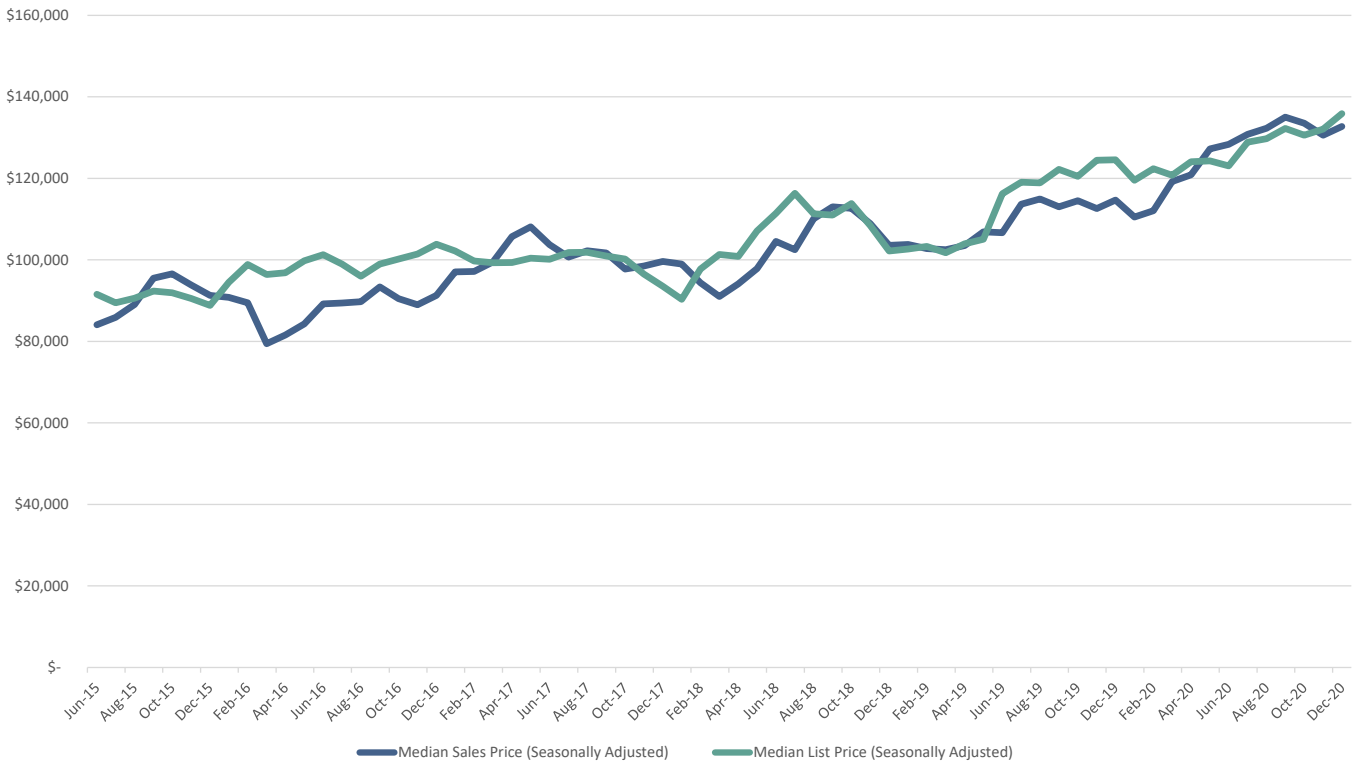
By sales price, there was an increase in cost to purchase the median home of nearly \$33,000 from 2018 to 2020, representing a 30% increase in purchase price. The percent of listing price that residents are paying for their homes is also increasing—for much of the time from 2015 to 2018 the list price was well above sales price, the gap between the two has closed significantly since January of 2020.

MONTHLY OWNER COST



Source: American Community Survey 5-Year Estimates

MEDIAN SALES & LISTING PRICES



Source: Multiple Listing Service
City of Manitowoc

ENTRY-LEVEL AFFORDABILITY

LOWER-INCOME HOUSEHOLDS that own their housing commonly occupy what is referred to as the “starter home” market. For purposes of this study, this is tracked as the “Bottom Tier Home Value” and is the median of the 5th to 35th percentile of all home values within the City. These homes followed the same general trend both going into and coming out of the recession—showing consistent steady increases in cost over the past decade. Amongst peer communities, Manitowoc still has the 2nd lowest-cost entry point into the ownership market, even considering appreciation.

However, the “starter home” market is still becoming increasingly unaffordable for those who live in the City, just as other home tiers are. As of the most recent data and estimates (2021), **the median starter-home cost is over the affordability limit for a City household earning 30% of the median income.** While this is a low entry point to the market, these homes were traditionally affordable to the lowest-income households for purchase, providing entry into the ownership market.

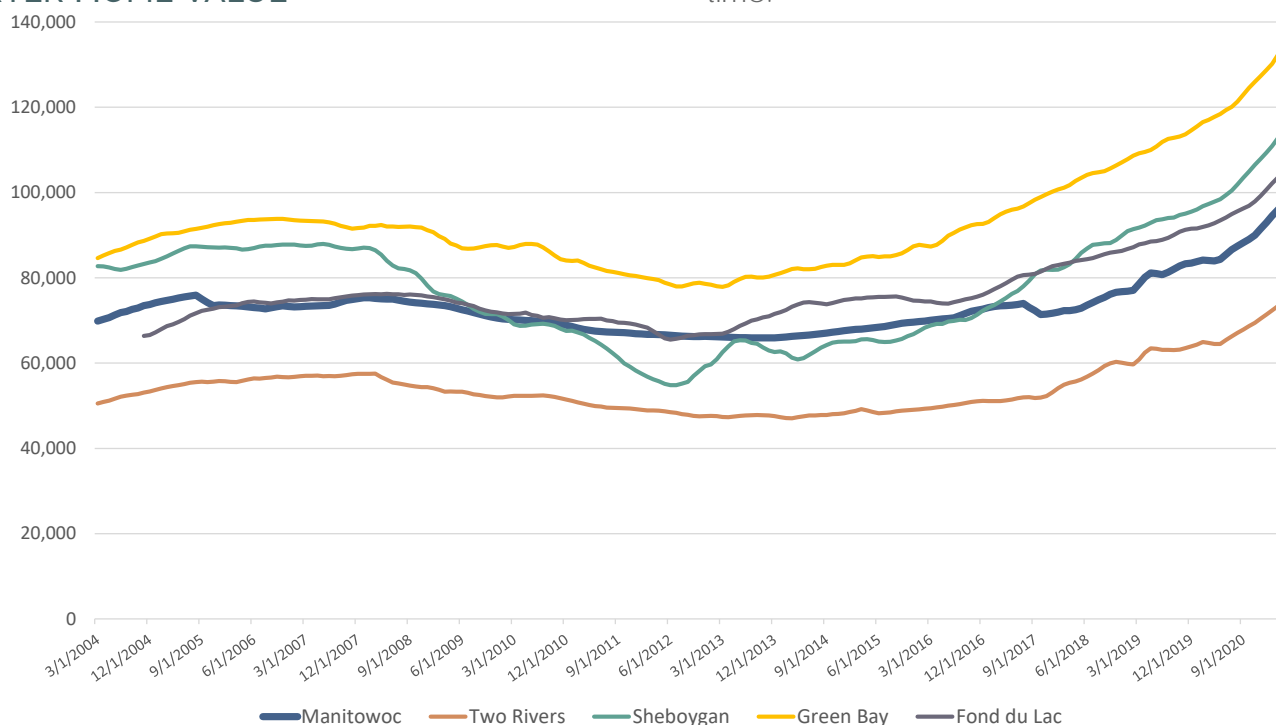
OCCUPANT INCOMES OF HOUSES AFFORDABLE TO 50% AMI HOUSEHOLDS

Household Income	With Mortgage	Without Mortgage
0% - 50% AMI	370	690
51% - 80% AMI	605	650
81% - 100% AMI	645	315
> 100% AMI	1,605	565

Source: HUD Comprehensive Housing Affordability Strategy

While two-thirds of homes in Manitowoc have a lien (mortgage) on the property, owner occupied housing is increasingly transitioning to higher-income households. Most homes without a mortgage are owned by low-income households, while the vast majority of homes with a mortgage are owned by moderate-to-high income households. This also means that lower-income households in the “starter” market are seeing higher costs than those who have owned their homes for a longer period of time.

STARTER HOME VALUE



Source: Zillow Data and Research (MLS Aggregator)

HOUSE AVAILABILITY

SINGLE-UNIT HOME AVAILABILITY as tracked by the Multiple Listing Service is often inversely related to prices—as inventory decreases (listings), prices increase if demand remains the same.

Since 2015, the amount of new listings has slowly decreased month to month through the end of 2020. This reflects homeowners staying in their homes longer, as well as a lack of new construction. At the same time, the number of sold listings has increased at a faster rate over the same timeframe, decreasing months' supply, tightening the market, and increasing costs (commonly referred to as a "seller's market").

This increased sales activity directly impacts the cost of housing, having a more pronounced impact since 2019. In total, these metrics indicate a competitive market with increased competition among buyers that is causing cost inflation well beyond the 2% average U.S. inflation rate.

5-YEAR AVERAGE APPRECIATION RATE ON MEDIAN SF HOME (BY SALES PRICE):

9.1% ANNUALLY

5-YEAR APPRECIATION ON MEDIAN SF HOME (BY SALES PRICE):

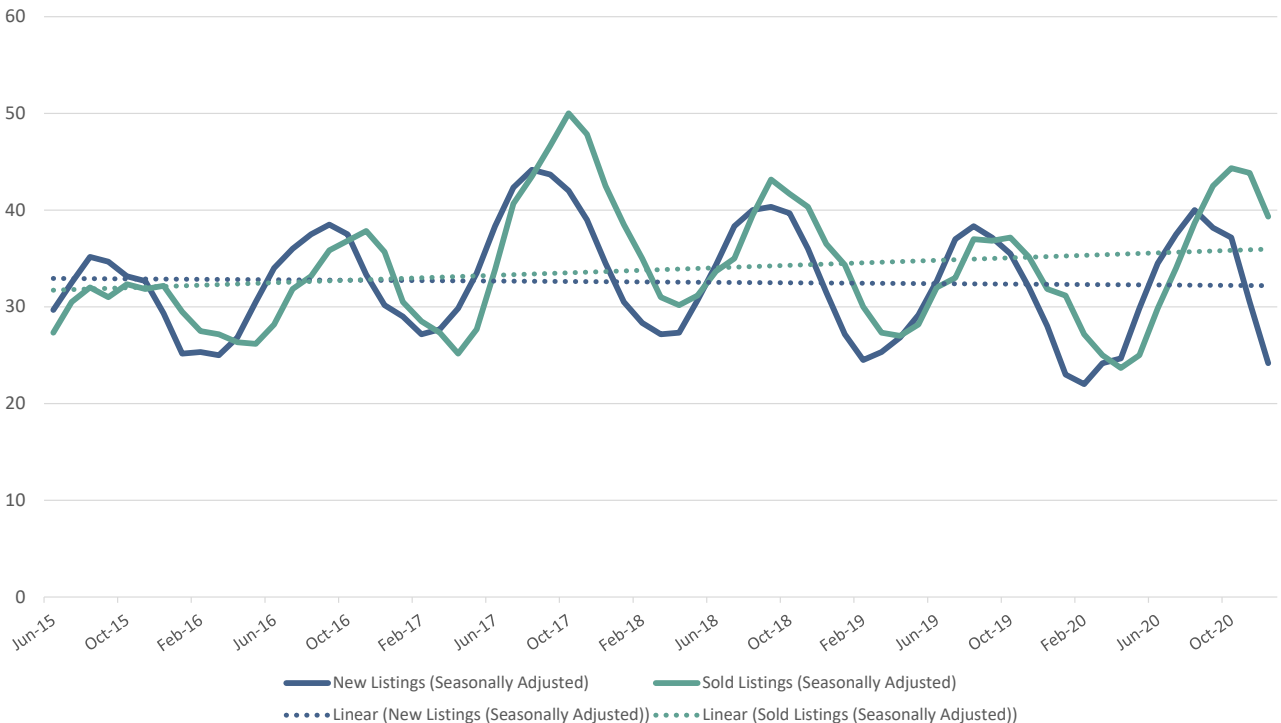
\$41,467

MEDIAN SALES PRICE (12/2020):

\$132,758

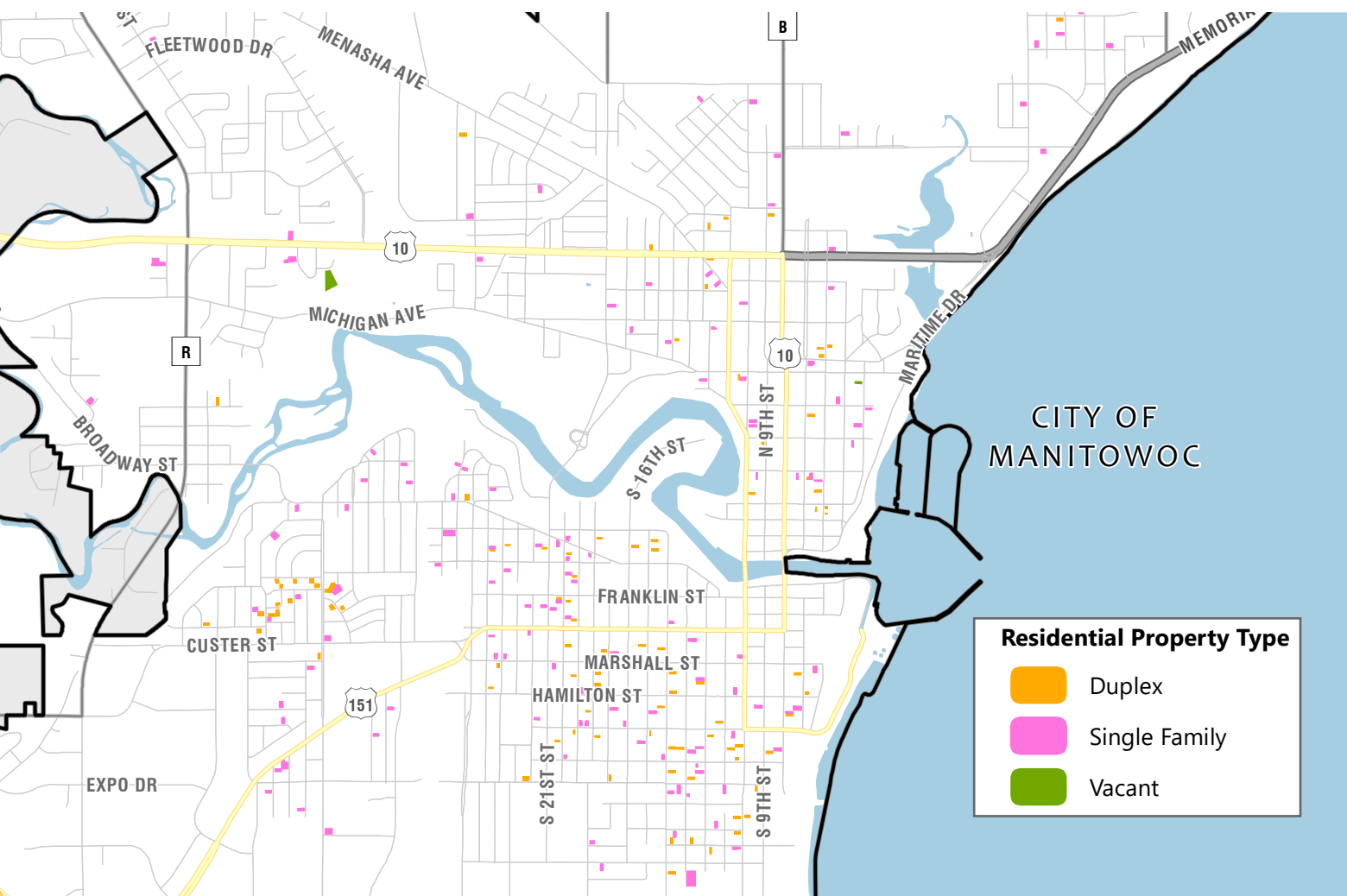
Source: Multiple Listing Service

SINGLE FAMILY AVAILABILITY



Source: Multiple Listing Service

HOUSE AVAILABILITY - MARKET TRANSITION



MARKET TRANSITION of homes is mapped above, using assessment records. This indicates homes that are being removed from the ownership market and transitioned to rental units.

This map is created by tracking ownership over the past 5 year period, and identifying any homes that transferred ownership from an individual name (likely single-owner) to ownership by a corporation or LLC. In practice, and especially in light of limited new ownership development, this means that owner supply is additionally restricted by additional market forces of landlords, management companies, or investment companies that are actively acquiring properties into their portfolio.

This accounts for some of the gradual transition in overall tenure type within the City from ownership to rental units as an overall percentage (in addition to new rental unit construction. It also often occurs at the lower end of the housing market—meaning that homes that are transitioned from single ownership to LLCs are housing units that would likely be purchased by lower-income households within the City.

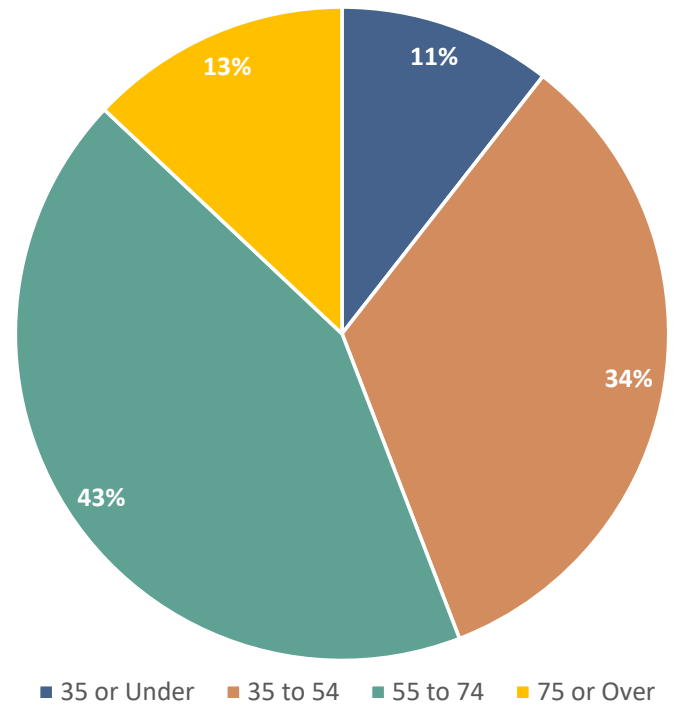
MORTGAGE STATUS

AGE OF HOUSEHOLDER is one of the aspects that correlates with mortgage status. While the average householder nationally remains in their home for 7 years, many members of the community purchase homes for long-term occupancy, not for capital investment, but to provide consistent shelter costs throughout their ownership. Almost 60% of Manitowoc owner households have a mortgage on their property. And with 56% of all owner-occupied homes being owned by residents over the age of 55, there may be a large portion of the owner market looking to age-in-place or downsize over the next 20 years.

Units that best allow aging population to downsize can include zero-entry, patio, and rambler style homes, which can also be more cost effective in new construction.

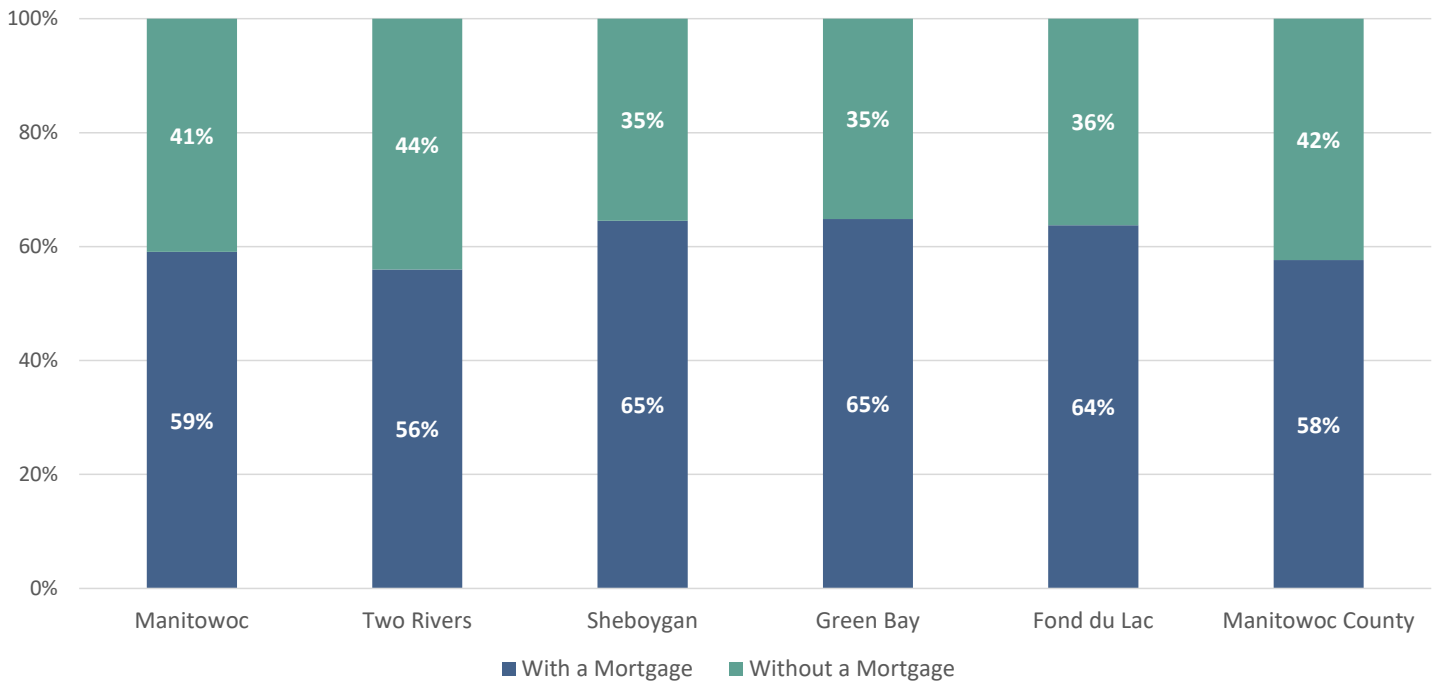
The City should take into consideration plans to best serve these community members over the next 20 years as more residents continue to age into this range, with nearly 3,000 additional residents expected reach age 80+ by 2040.

OWNERSHIP MARKET - AGE

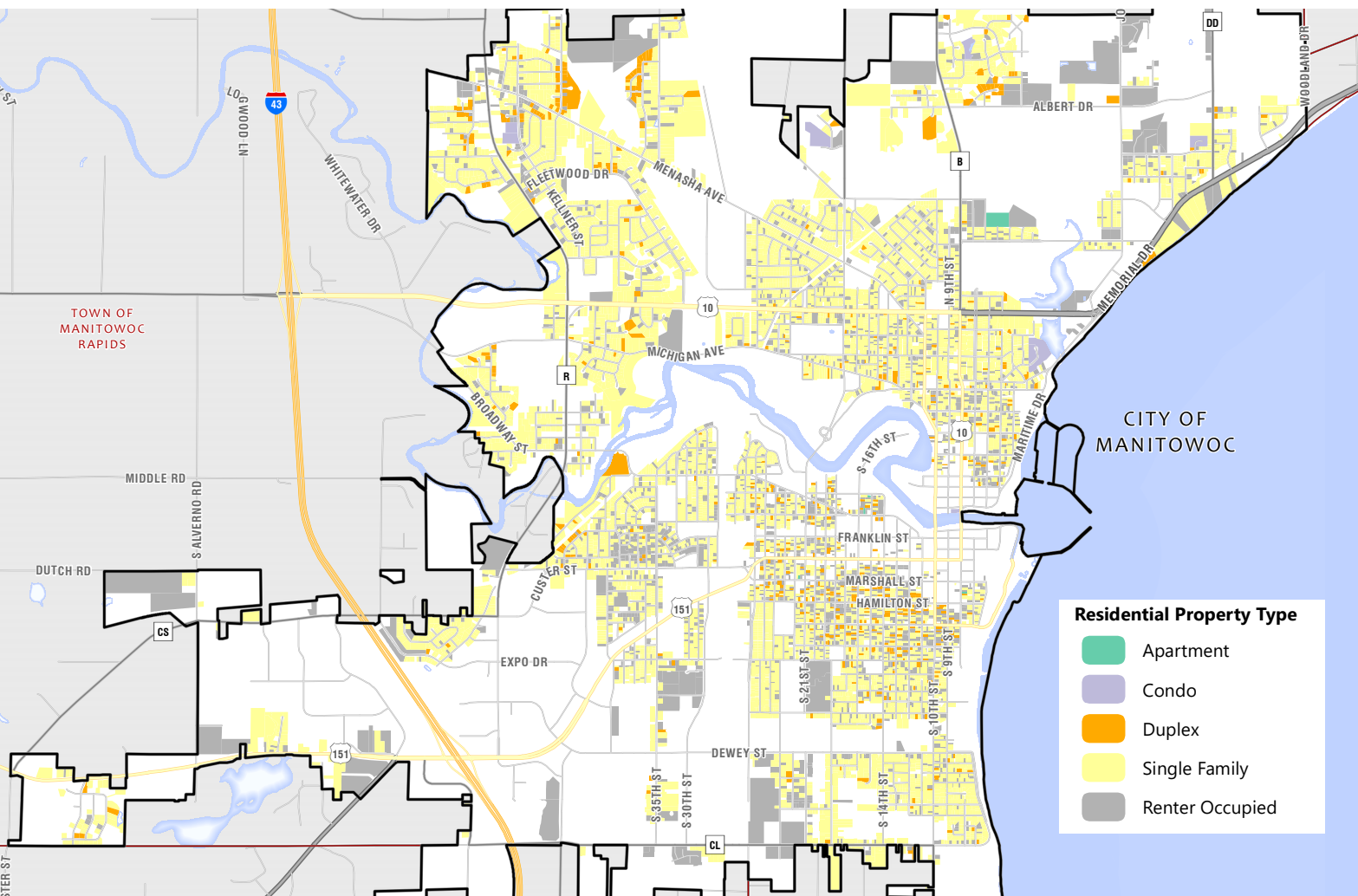


Source: American Community Survey 5-Year Estimates

MORTGAGE STATUS



OWNERSHIP UNIT TYPES



OWNERSHIP UNIT TYPE DISTRIBUTION

across the City shows that the vast majority of owner households live in single unit detached homes, though the city has some limited ownership options in both attached homes, 2-4 unit structures, and 5-19 unit buildings as well.

While the Condo as an ownership structure type has not been prevalent within the market, there is opportunity to continue to develop more affordable ownership options in the City by actively seeking development of 2-19 unit or attached structures. This presents an ownership opportunity for denser redevelopment in areas of the downtown while maintaining ownership options through gradual redevelopment and density increase where financially feasible.

OWNERSHIP UNITS - TYPE

Unit Type	Number of Units	% of Total Owner Occupied	Ownership as % of Unit Type
1-unit detached	8,659	89%	92%
1-unit attached	319	3%	68%
2-4 unit	463	5%	21%
5-19 unit	51	1%	4%
20+ unit	0	0%	0%
Mobile Home	274	3%	89%

Source: American Community Survey 5-Year Estimates

OWNERSHIP HOUSING SIZE

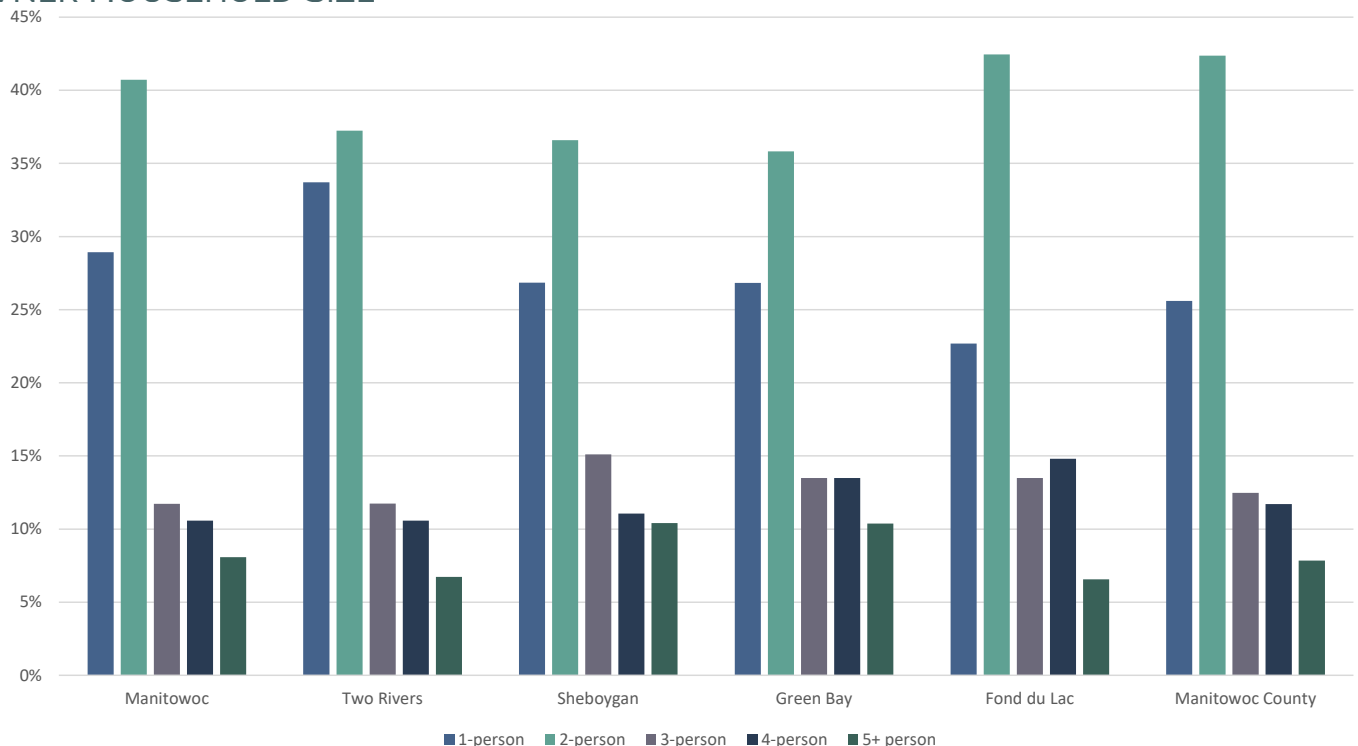
THE MOST COMMON household size for owner households within the City is 2-person households, which represents 41% of all owner households. These often represents younger- and older-ownership markets, areas where young family households with no children will locate to be able to afford a “starter home” within their price range before having children, as well as areas where aging homeowners are staying in place. Both are true within the City to some extent, but as only 11% of owners are under the age of 35, it is more indicative of aging householders.

Knowing that the market in Manitowoc is generally affordable when compared to the larger region, as well as aging trends in the City and County,

the large number of 1-person and 2-person households is typical under that context. These smaller household types make up 70% of all owner households in the City, slightly more than the County as a whole, and more than all peer communities except for Two Rivers.

As younger households continue to undergo expansion (11% of market) or changes in life circumstance, they often look to move up into options that afford more space to grow. This includes a subsection of 35 to 44 year old households within the market (34% of ownership market), who are still within family creation age ranges as the age at which couples have children has been extended in recent years.

OWNER HOUSEHOLD SIZE



OWNERSHIP HOUSING SIZE

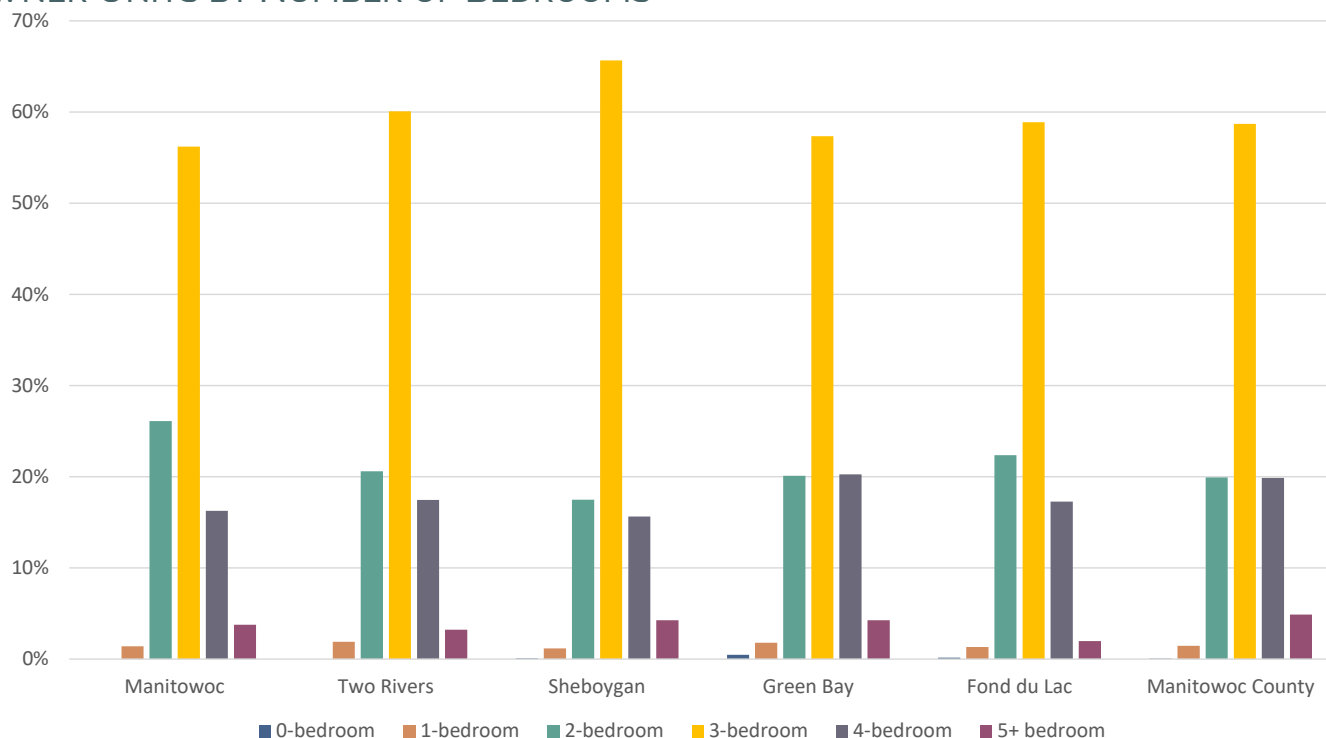
THE MOST COMMON bedroom size for owner-occupied housing in the City is in 3-bedroom units (56%), followed by 2-bedroom units (26%) and 4-bedroom units (16%). Ownership housing often has a larger size (more bedrooms) than rental units, and is a component of the preference for families in commonly seeking out ownership housing units rather than rental. Though because much of the housing stock was constructed in prior decades, many homes in the City are smaller (both in sq. ft. and number of bedrooms) than what is commonly seen in new construction.

While smaller-unit ownership housing is generally more affordable both within existing and new-construction markets, balance between small and

large bedroom units within a community helps to accommodate households who wish to remain long-term residents through changes in need and requirements.

There are 790 5+ person owner households in the City of Manitowoc, while at the same time 355 owner-occupied units that have 5+ bedrooms. As new development occurs, no matter the structure type, ensuring there is a variety of housing and bedroom size to effectively serve a variety of households should remain a top consideration, including 3+ bedroom units for larger families (as there are less 4+ bedroom units than in regional peer communities).

OWNER UNITS BY NUMBER OF BEDROOMS







4

OTHER MARKET SECTORS

Demand & Supply

ALICE

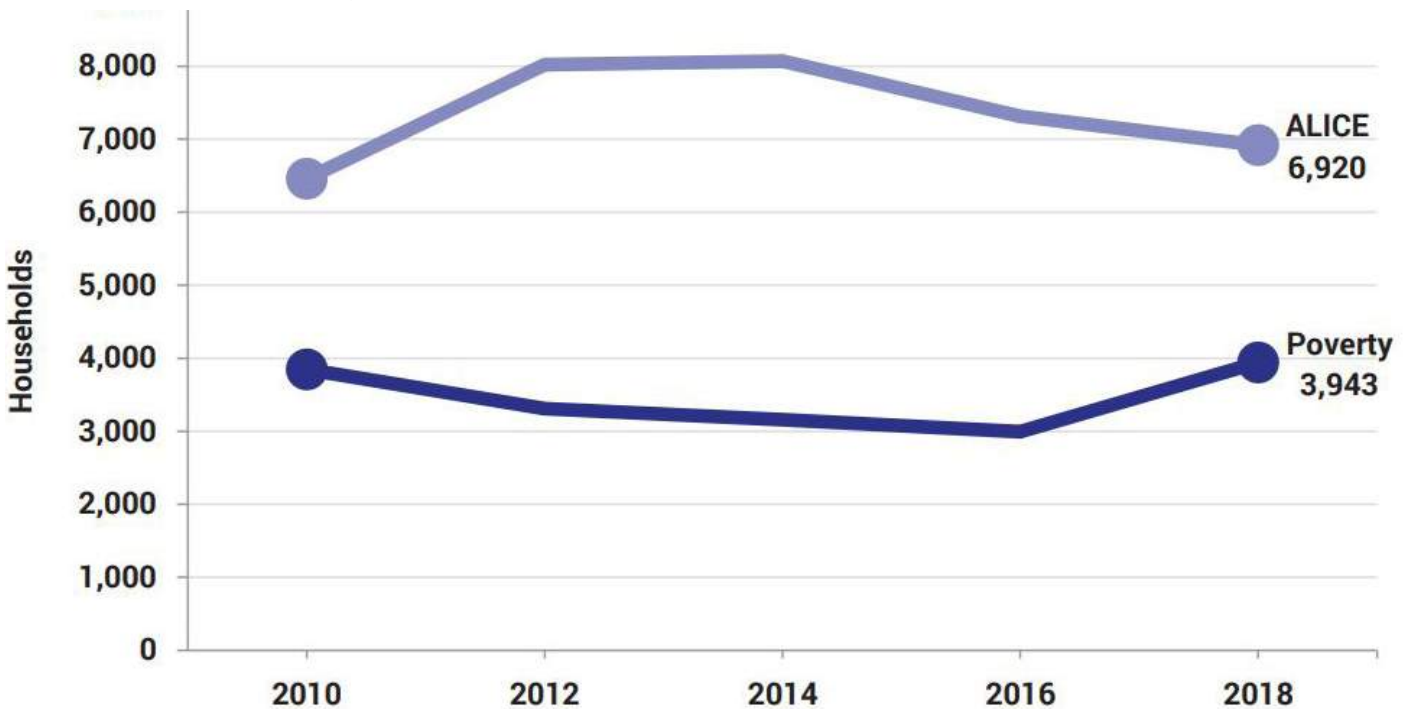
ALICE (ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED) households are those households who are most critically in need of affordable housing options in the community. While not generally considered to be at imminent risk of homelessness, these are households that are most likely to be affected in housing stability by income shocks (job loss, layoff) or drastic market appreciation.

In the City of Manitowoc, 37% of all resident households are ALICE or poverty-level households as of the 2018 ACS—indicating a large portion of the population that has a large need for increased housing options or increased wage mobility. This rate for the City is the 2nd largest rate of all municipalities in the County behind only Kellnersville (45%) and is roughly in line with Two Rivers (36%). The largest portion of this group are hourly workers, who are more likely to see month-to-month wage fluctuations and are less likely to be supplied with benefits through their employer.

THE HAVEN HOMELESSNESS SNAPSHOT:

- 57 residents are experiencing homelessness in the City of Manitowoc at any given time
- For the County as a whole, the homeless population is roughly:
 - 8% Veterans
 - 25% Children/Youth
 - 59% Male
 - 41% Female
 - 41% with a Disability
 - 14% Chronically Homeless
 - 13% Family Households

ALICE 2010 TO 2018, MANITOWOC COUNTY



Source: United Way of Manitowoc County

City of Manitowoc

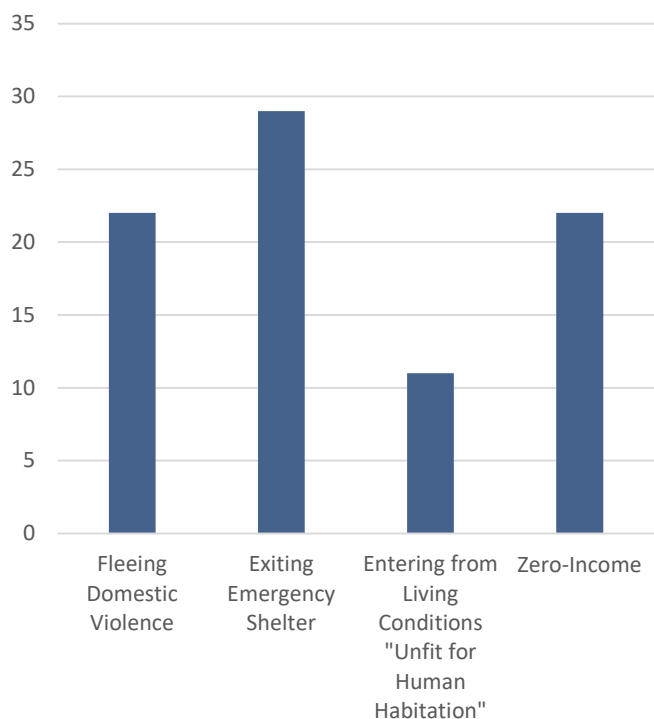
Housing Needs and Demand

HOMELESSNESS

HOMELESSNESS in greater Wisconsin is often not a central part of the housing conversation, as rates of homelessness are lower than those within Madison, Milwaukee, and other large urban counties. However, the local Continuum of Care (Lakeshore CoC) still tracks and reports homelessness within the community.

A vital statistic is the number of persons in the Homeless Management Information System (HMIS), which tracks homeless individuals receiving services in the community. This data include those who are experiencing homelessness but sheltered, chronically homeless, and others in order to determine conditions that lead to homelessness as well as a prioritized list for housing and other services. For instance, this dataset indicates that from January 1, 2020 to February 22, 2021 there were 93 individuals (in 42 households) who received homeless services in the City of Manitowoc.

HOMELESSNESS - MANITOWOC 1/20 - 2/21



Source: Lakeshore CAP

Important to note—this data is incomplete, as it does not include those experiencing homelessness who may not seek out services, and does not include other common forms of homelessness such as doubling up with friends or family, stays in hotels, and other types of “recovery” homes—although these households may not have a fixed, permanent nighttime residence. The important determining factor is stability in housing, and households that do not have a fixed permanent residence (those unsure where they will be staying on a given night, or having to rely on others for shelter) can form large portions of housing-unstable groups, especially outside of large cities.

In interviews throughout this study process, the lack of adequate supply of affordable housing stock was mentioned as a direct impediment to serving the lowest income households in the community.

This is directly shown in Lakeshore CAP’s data—where over the same data collection timeframe, 24 households moved in to affordable housing on their own, while 34 additional households exited the program without moving into housing. These 34 households represent either households who either could not locate any affordable housing within the community, or households who never followed up with the program.

In total for those who were able to secure housing, it took an average of 49.5 days to find housing and move into the unit. This illustrates the general lack of supply as well as difficulty in barriers to tenant selection procedures of property management companies that screen out potential tenants even with sources of funding available to them—which has greater potential to occur in tighter markets with less overall choice.

YOUTH HOMELESSNESS

YOUTH HOMELESSNESS in Wisconsin is tracked through local school districts, and is measured specifically as children in a family who do not have a permanent, fixed nighttime residence (e.g. doubled up with another family, staying in a hotel, etc.). This includes households and children who are experiencing literal homelessness (staying in emergency shelter or unsheltered).

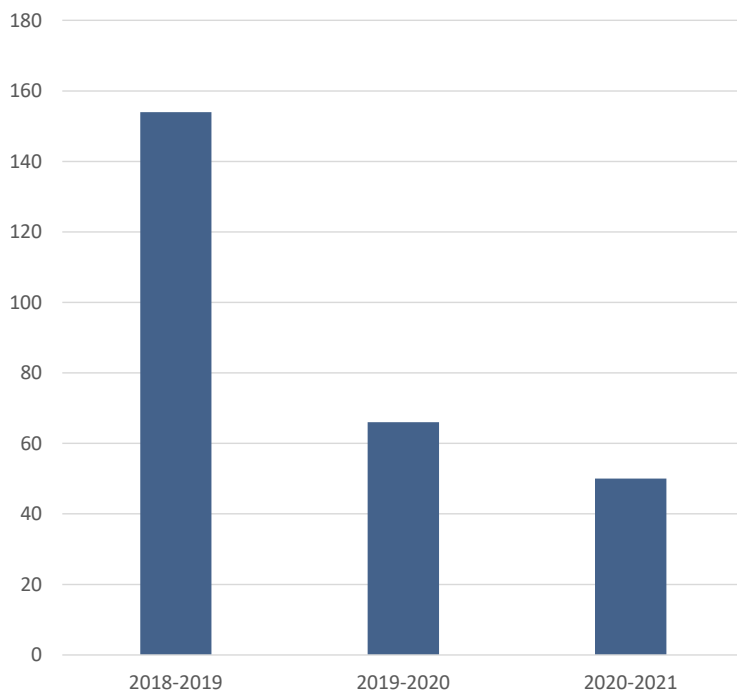
The Manitowoc School District tracks students experiencing any form of homelessness under this definition on an annual basis. While the vast majority of students who do not have a fixed nighttime residence are sheltered in some form, there are a handful (1-5) students annually who are literally homeless (unsheltered).

The remainder of students who are experiencing homelessness are, in some combination, are doubled up with another family, living in a

hotel/motel, or are staying in shelter. In the 2020-2021 school year, 15 of the 50 students reporting homelessness were in shelter at some point during the year (30%). Students doubled-up represented 24 students (48%) during the school year, while 9 students (18%) were living for extending periods in a hotel or motel. The data for both the 2019-2020 and 2020-2021 school years may have been affected by COVID-19 public health restrictions—this will be something to monitor further in future years.

Affordable housing is critical for families with children, as youth who experience homelessness are more likely to have significant delays in educational achievement as well as mental health struggles, addiction, and other complications through adulthood.

STUDENTS EXPERIENCING HOMELESSNESS



Source: Manitowoc Public Schools

AT-RISK OF HOMELESSNESS

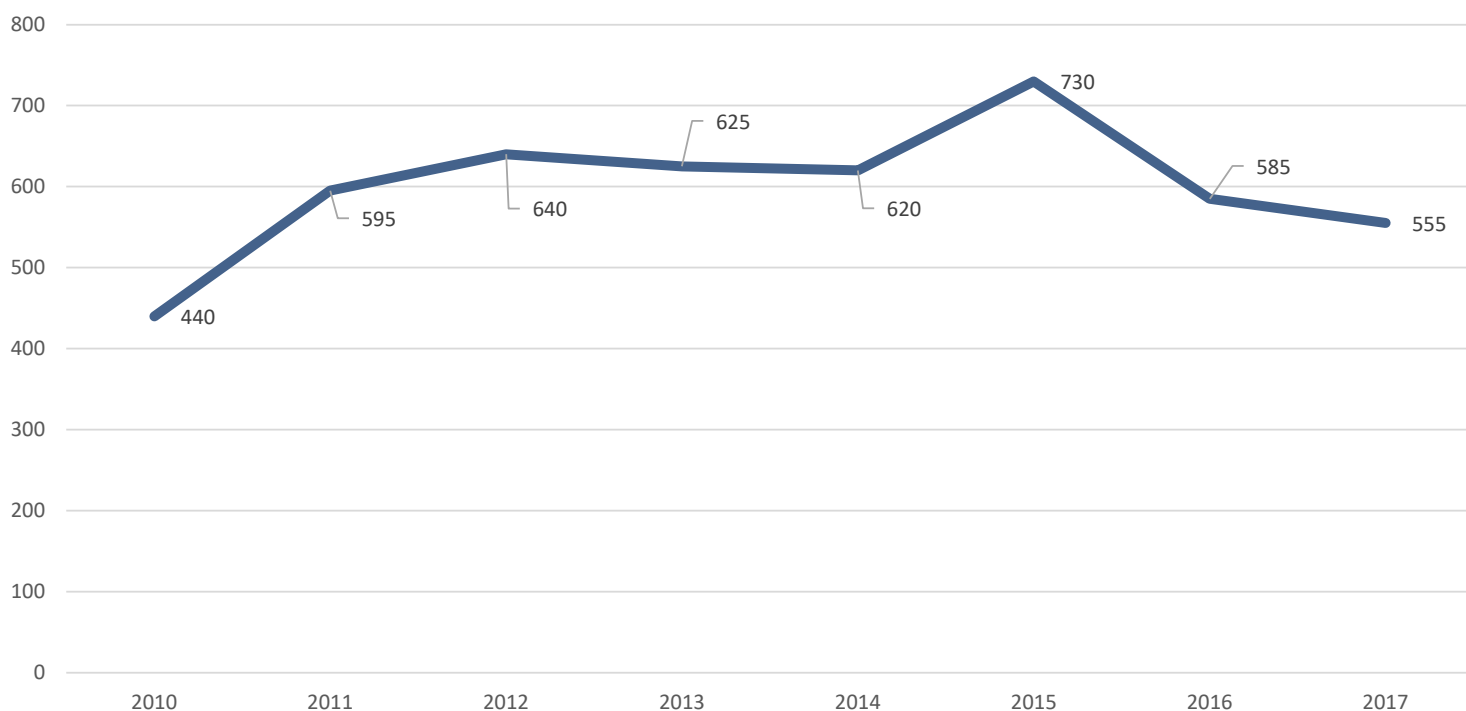
TRADITIONAL MEASURES of homelessness are focused on assisting households and individuals in finding housing, stabilizing employment, and arranging long-term solutions. But there are different risk factors associated with homelessness, which include financial insecurity and housing cost burden. Per the U.S. Department of Housing and Urban Development, households who are extremely low-income (<30% AMI), severely cost burdened, renter households are those who are at the greatest risk of facing homelessness, and are classified “at-risk”.

In quickly appreciating and tight housing markets, extremely low-income households are likely to be the first “squeezed out”, and income shocks are more impactful to a household remaining in housing. In most recent data (2017), there are 555 households in the City of Manitowoc that meet this definition of being at-risk of homelessness—those with the lowest incomes, whose housing costs make up the highest portion of their annual incomes.

The number of these at-risk households has shown some variability on a yearly basis, as this figure is closely tied to both incomes and housing availability for the lowest-cost units. As recent income estimates show a recent slight decrease, while housing markets have shown increased costs, it would be expected that the number of households already living in the community that qualify would have increased over the past year.

If income in the City and County continue to show growth, reversing the 2021 reduction (similar trend to the prior five years), then this figure will continue to decrease—as long as enough housing units (especially those serving lower-income renters) continue to come online in the market. If local incomes remain consistent or decrease slightly, more local households fall into the definition of low-income categories used by WHEDA and HUD which set 30%, 50%, 60%, and 80% AMI income standards for the region.

HOUSEHOLDS AT-RISK OF HOMELESSNESS



Source: HUD Comprehensive Housing Affordability Strategy

Other Populations

AGING POPULATIONS

SENIOR HOUSEHOLDS are anticipated to have the largest percentage growth through 2040 by a significant margin. Many are current homeowners, and some will require different accommodations, specialized housing, or programming to assist aging-in-place.

Senior housing generally refers to the combination of services and housing that allow seniors to continue to live comfortably. This ranges from continuing to live in their own home with virtually no services, townhomes and apartments that offer the ability to “downsize” living quarters, specialized housing units with limited services, and different types of assisted living facilities.

Generally, independent-living senior facilities attract residents age 65 and older, while more specialized facilities (assisted living, etc.) attract residents who are age 80 and over and need assistance with daily living activities.

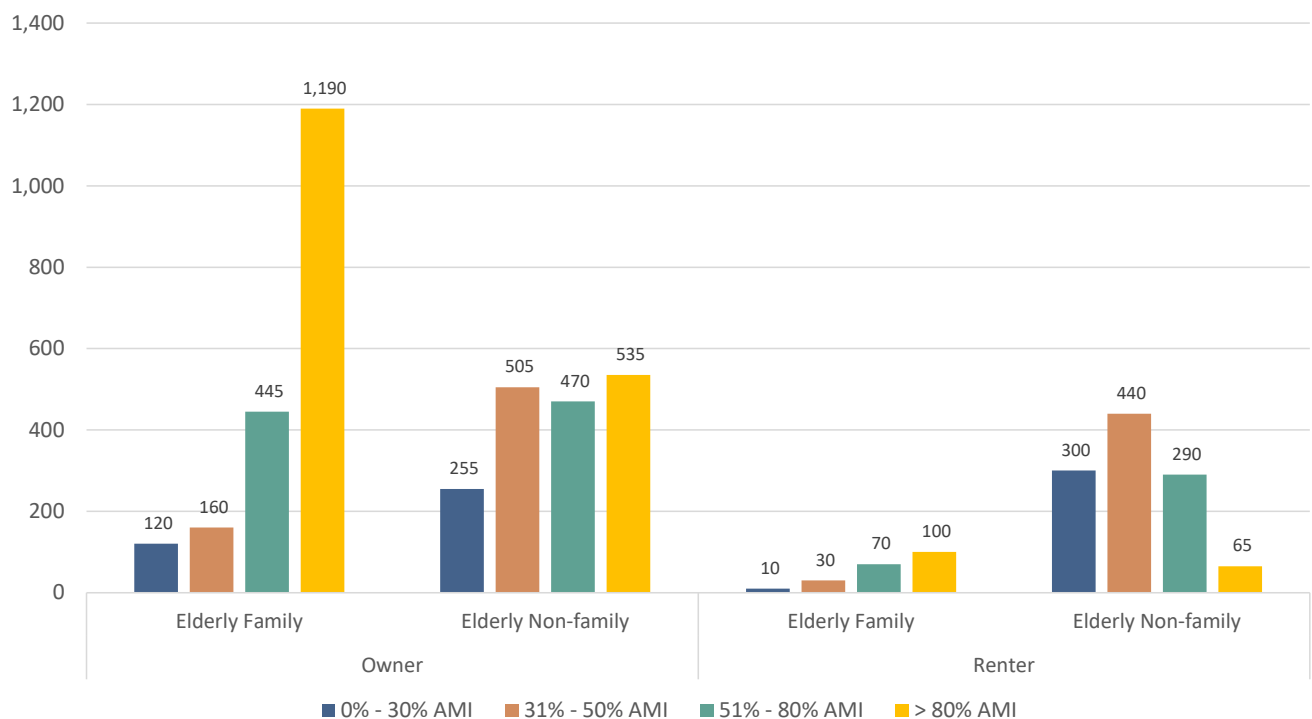
The Community Basics section of this plan detailed expected population increases for senior populations in the City. In addition, growth in senior

populations can sometimes, though not always, create a corresponding increase in populations aged 35-54—as persons aged 35-54 will sometimes locate closer to parents as they age into more intensive services and care.

As varying levels of services are included with different types of housing for aging populations, typical affordability standards do not apply. Often senior households will pay up to 50% of their income for market rate senior housing, up to 90% of their income for specialized and assisted living, often funded in part through the sale of a home they owned. Many households age 62+ in the City are still homeowners, especially those who still live as a family household. These households have not yet sold homes to fund other housing or services, while those 85+ are more likely to be renters as they continue to age and need alternate accommodations.

Over the next 30 years, approximately 3,200 residents will age into the 80+ age category, and may look to sell their housing for other more specialized or smaller living options.

62+ HOUSEHOLD INCOME AND TENURE - MANITOWOC



AGING POPULATIONS

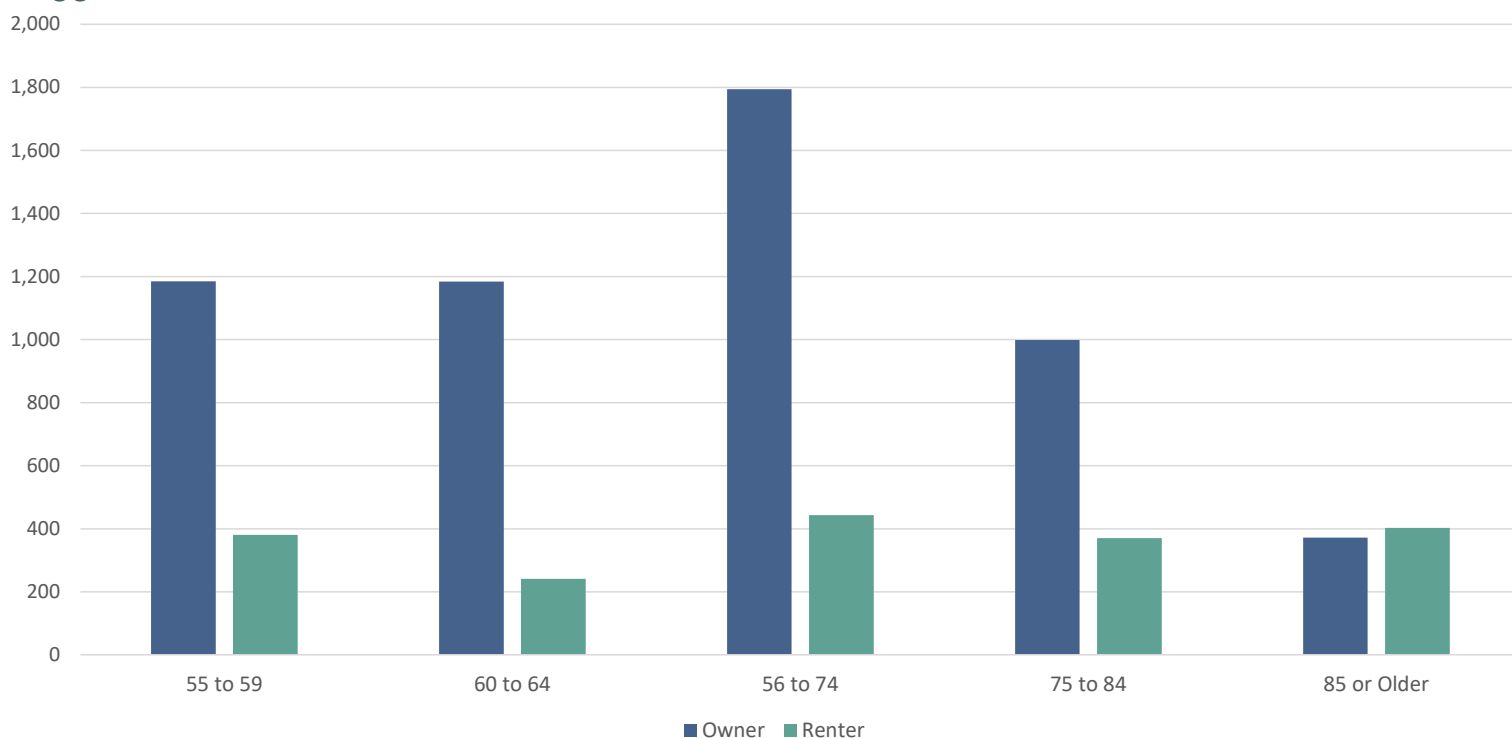
MANY AGING HOUSEHOLDS will be able to use funds from home sales for other housing options. While home value increases make it more difficult for lower-income households to enter the housing market, it also means that senior homeowners have access to extra capital through the appreciation of homes, and will have more funds available to ensure care as they continue to age in the City.

Assuming that a senior household owns their home free and clear, and their home sells for the most recent median sales price of \$132,758, they would be able to generate approximately \$2,655 in annual income from a 2% interest producing account (\$221.25 per month) to supplement housing costs. Manitowoc's current mill rate (at the highest district value) signifies an additional \$2,828 annually they would have already been paying for housing cost, which brings their monthly total housing allowance to \$457 without spending home sale equity on housing cost.

Importantly, many of the households who might otherwise have sold their home during the past decade may have slightly delayed plans for other housing options due to decreased housing values associated with the recession, choosing to continue to age-in-place. With recent appreciation of home values in the City, especially over the past 12 months, these households may be more interested in sale of their home over the coming years, especially if appreciation continues at a high rate (9% per year over the past 5 years).

In the next 10 years, this represents up to 870 units that may be sold by older households, or up to 80-100 annually. However long-term, especially as other 55+ age groups continue to age, this could represent upwards of 120 additional units per year opening to new owner households, which will help alleviate some market pressures through transition of existing housing stock—including more housing stock in desirable locations at lower price points that had not been on the market for many years.

55+ DETAILED HOUSEHOLD CATEGORIES - MANITOWOC



Source: American Community Survey 5-Year Estimates

Other Populations

DISABILITY

PERSONS WITH A DISABILITY do not inherently require access to specific housing types or accommodations, dependent upon the type and severity of the disability. More commonly, persons with a disability receive services and accommodations related to the disability as they continue to age and require more specialized forms of housing. This is due to the percentage of population, by age, that experience a disability being disproportionately higher in aging and senior households.

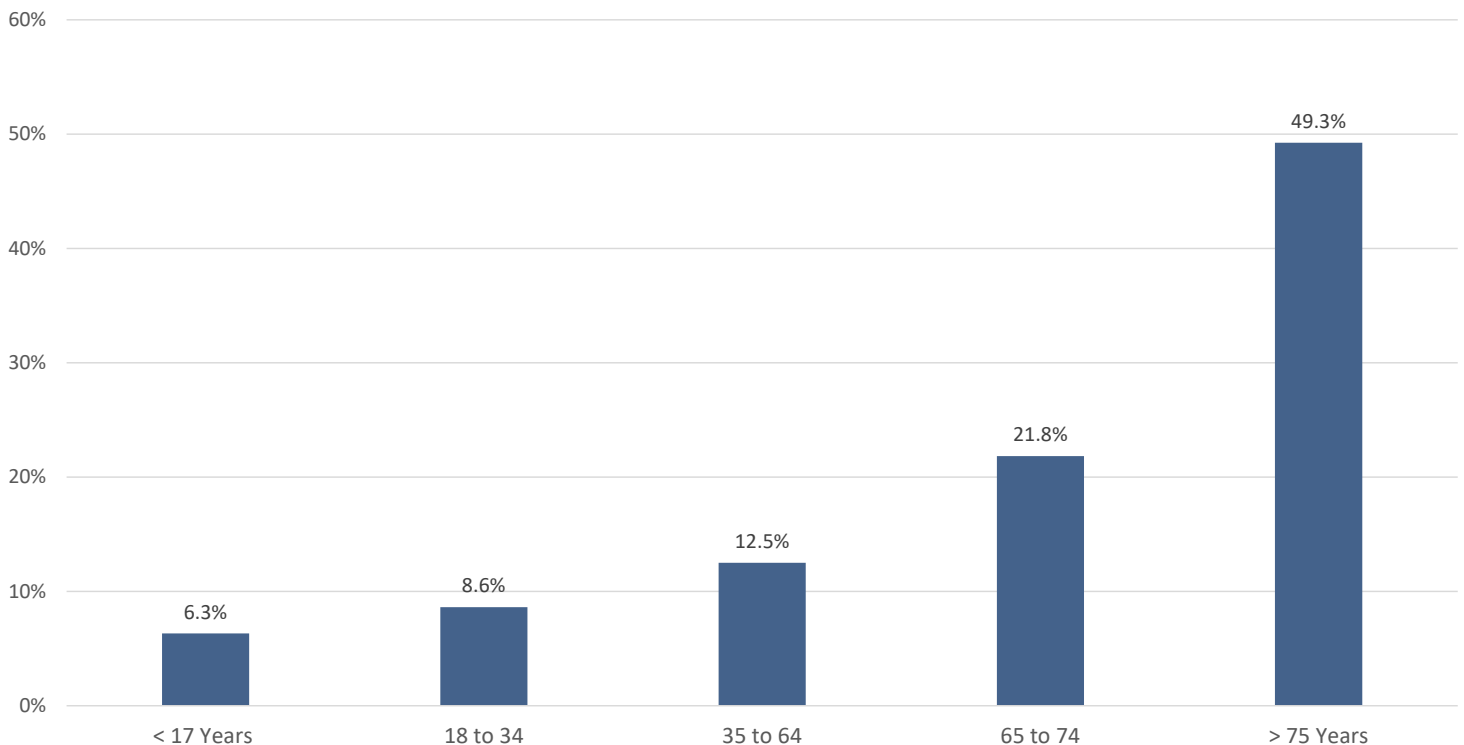
When housing units are constructed, they are not traditionally built using methods that easily accommodate aging populations and often require renovation such as wider doorways, lower countertops, and zero entry showers/baths. For instance, some communities offer density, height, and parking bonuses/reductions for new construction with significant percentages of units built to universal design standards. These standards will remain an integral component of choice for aging households over the next 20 years.

AGE PROJECTIONS

Age Cohort	2018	Projected Percent Increase	Potential 2040
0 - 9 Years	3,475	-9%	3,176
10 - 19 Years	3,930	-7%	3,664
20 - 34 Years	5,430	-15%	4,671
35 - 49 Years	5,768	-6%	5,431
50 - 64 Years	7,017	-27%	5,347
65 - 79 Years	4,957	19%	5,988
80 and Over	2,082	95%	5,268

**Tied to projections in Manitowoc County, not directly to 2019 estimates.
Source: WI Department of Administration*

PERCENTAGE OF AGE GROUP WITH A DISABILITY - MANITOWOC



Source: American Community Survey 5-Year Estimates
City of Manitowoc

Housing Needs and Demand

ACCESSIBILITY

NEW MARKET RATE AND WORKFORCE

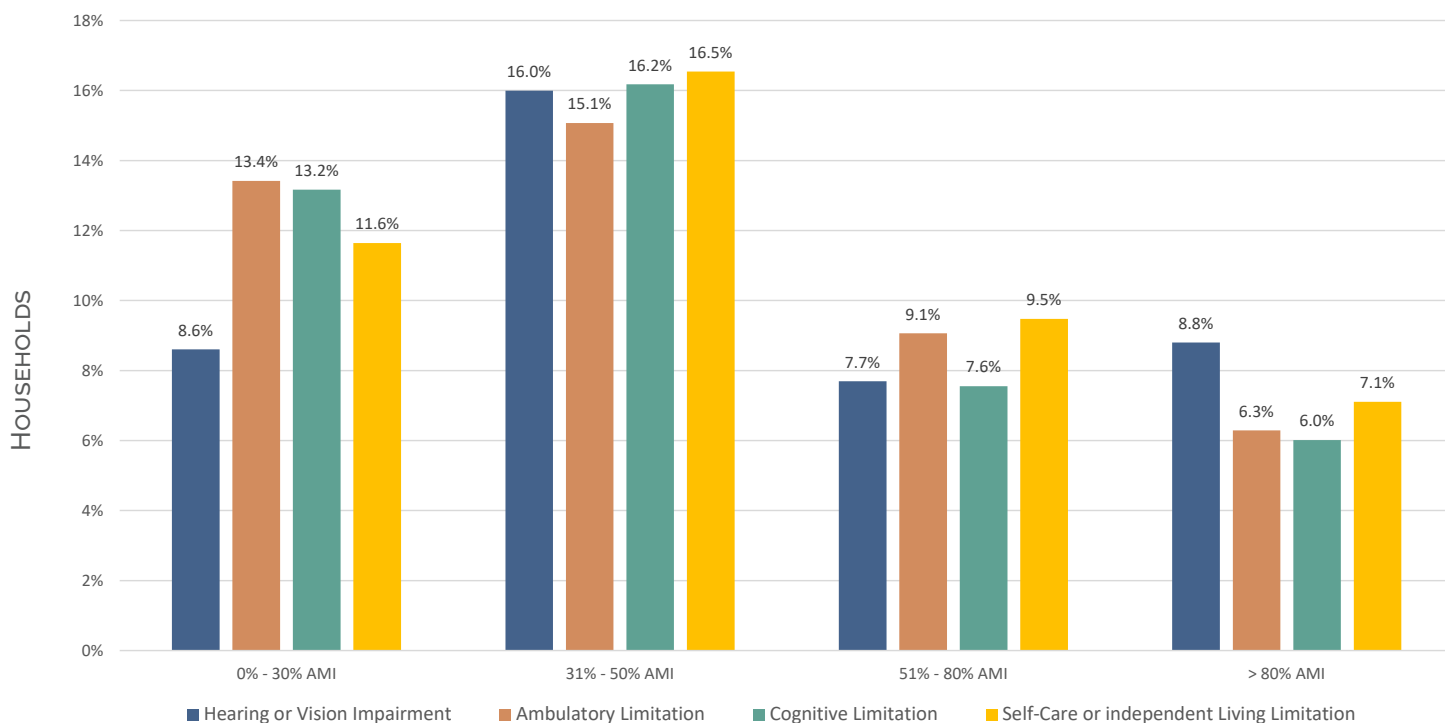
units in the City, both ownership and rental, will likely see an increased demand for universal design features due to projected age increases for residents—both current and within the larger County. Current City trends show that while there are households containing a member with a disability in all income ranges, there is especially a need at the lowest income categories, indicating need for affordable housing options that are designed with accessibility and location in mind.

While lower-income households often have disabilities go unreported or undiagnosed, there are residents at all ages in households of all incomes that require access to appropriate housing design to meet their needs. Many middle-income households may additionally fall into lower-income categories as income becomes more limited in retirement.

There is no database on a local level for units currently accessible (due to the nature of private market retrofits at varying levels), though estimates nationally place accessible single family homes at just 1% of the total housing stock.

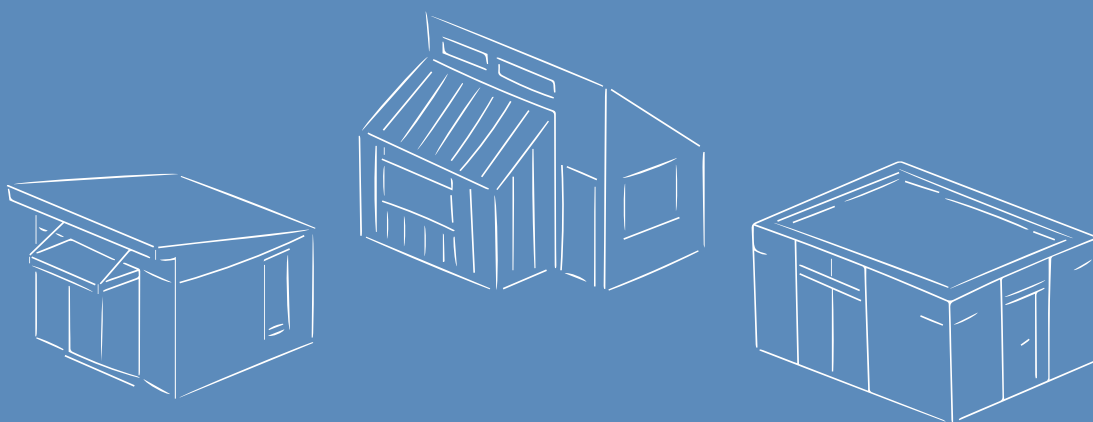
This is important as, even at advanced ages, many residents choose to continue to remain in their own housing. For those that do move at advanced ages, including in the ownership market, over 50% choose to actively seek out residential units with accessibility features such as no-step entries, level style door handles, accessible shelving and electrical, and single floor living. As the population of the City continues to age, ensuring continued supply of units with accessibility features should remain a priority.

PERCENT OF HOUSEHOLDS WITH A DISABILITY - MANITOWOC



Source: HUD Comprehensive Housing Affordability Strategy

Other Populations



5

LOCAL IMPACTS on Housing

NEW CONSTRUCTION

NEW CONSTRUCTION IN THE CITY

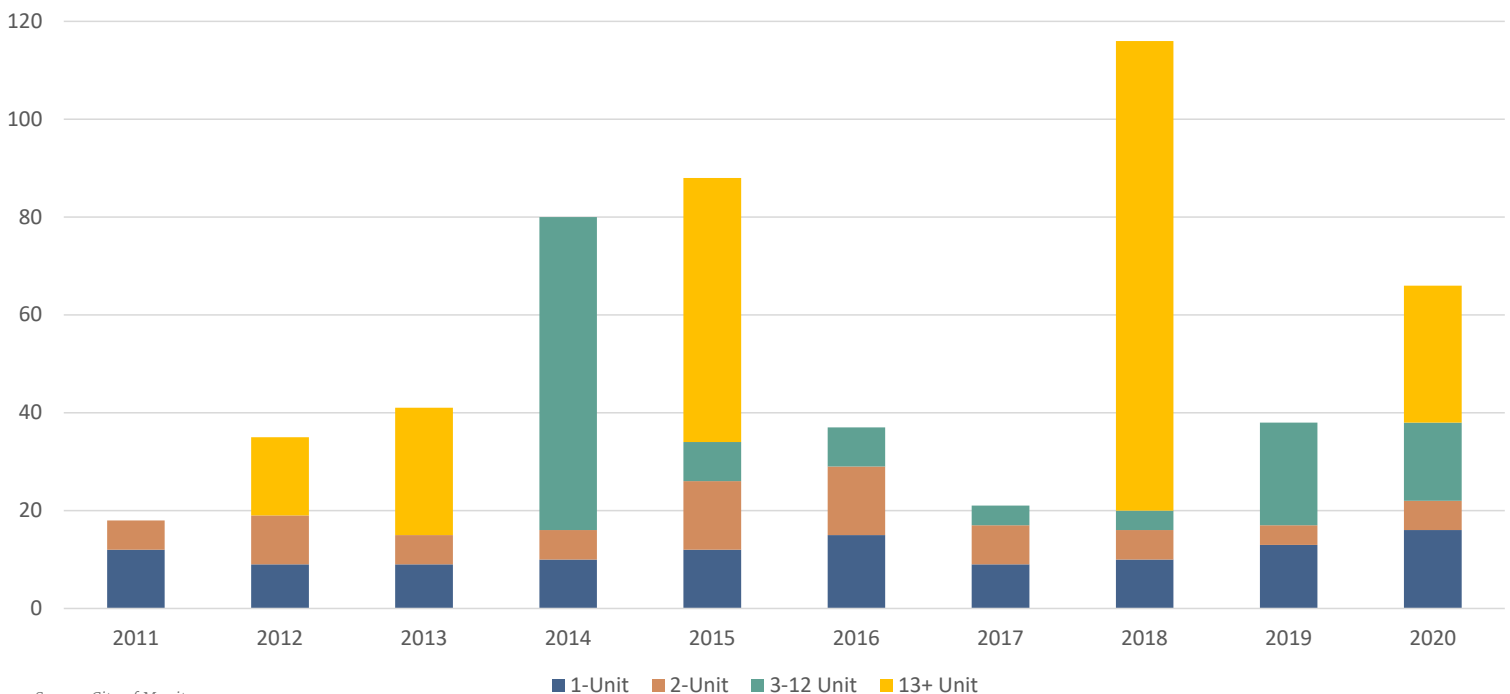
increased significantly post-recession, with unit production climbing steadily year over year from 2011 to 2015. In 2016 and 2017 new unit production was depressed before rebounding in 2018, driven by larger multi-unit structure construction. Construction then dropped again in 2019, before seeing increases again in 2020, though not to levels of prior year highs.

Overall, the City has produced a good mix of housing unit types. Though small in number, single-unit and two-unit construction has occurred in the City every year over the past decade. Small multi-unit (missing middle) housing has been constructed every year since 2014. And though intermittent, larger multi-unit construction has also occurred within the market (though some of this production was community based residential facilities).

The chart below does not include all units—there are two projects in the data tables for which unit numbers were unavailable. Even with this increase in construction across multi-unit structures, interviews and data suggest a tight market that has not produced enough new units to decrease vacancy in the City, leading to housing stress and cost appreciation.

This cost appreciation and market stress is apparent in both rental and ownership markets (previous chapters), and increased levels of construction could be supported to assist in alleviating this stress. In rental markets, this includes both market-rate and affordable units. In the ownership market, unit production is almost solely limited to higher-income earners (market rate units), as construction costs more closely dictate the ultimate cost of the home—though attached unit and multi-unit structures (condos) can be built at a slightly lower price point through construction efficiencies and reduced land cost.

NEW UNITS BY TYPE



Source: City of Manitowoc

City of Manitowoc

Housing Needs and Demand

NEW CONSTRUCTION COST

SINGLE-UNIT CONSTRUCTION over the past decade has held relatively consistent, and is generally limited in the total number of new units constructed each year. Since 2011, this has consisted at times between 6 and 16 units on an annual basis—a lower number of new single-unit homes than would be expected based on the existing ownership trends of the community.

Over this timeframe, the median construction cost (not including land costs) for homes in the City has ranged from \$145,000 to nearly \$350,000. This raw construction cost for the medium new build has been increasing over time at a rate which represents increases in cost of materials and cost of labor. This is largely in line with both national and state-level trends.

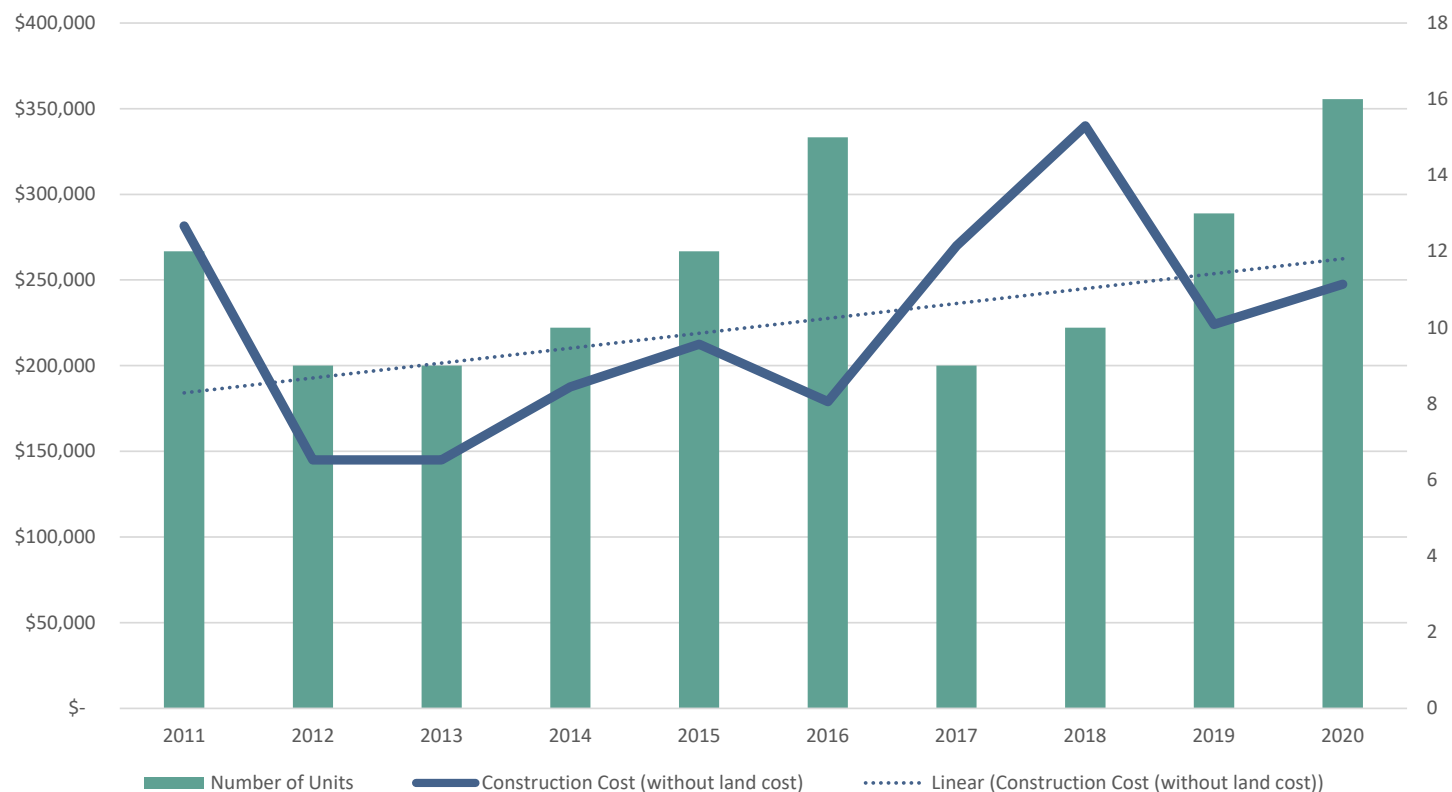
Importantly, because total construction cost is estimated as permits are pulled these numbers do not wholly reflect cost increases associated with

supply shortages and cost increases related to COVID-19 and the pandemic.

Since 2020, the cost of construction for a new single-unit home has risen nearly \$40,000 in material costs alone, and has only recently shown signs of slowing down. This will be a key component to assess in desired new construction in the City, as there is a theoretical maximum amount that the majority of homeowners will be willing to spend on new construction housing, and expansion in new construction will have to be balanced with attached-unit construction to continue to serve households with moderate incomes.

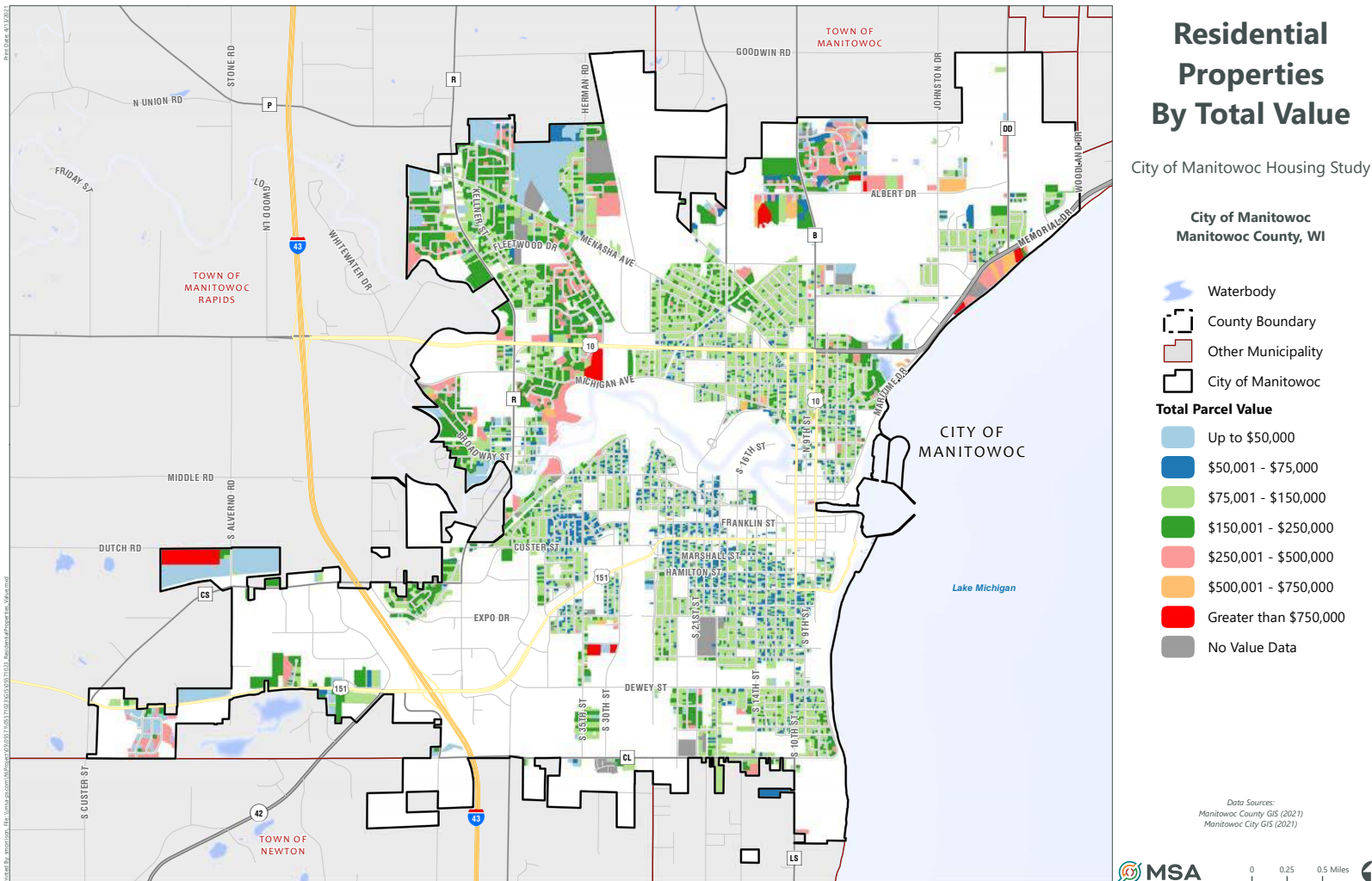
The last median new construction home cost (2020—assuming \$20,000 lot cost) would be affordable to a household earning approximately \$80,000 annually—about \$8,000 over the median family income for the County.

SINGLE-UNIT PERMITS AND COST



Source: City of Manitowoc

VALUATION



THE VALUATION of land in the City helps to portray local impact and accessibility of the housing market. Residential values have increased significantly in recent years consistent with overall market conditions, though assessed values lag well behind market values (which are rapidly appreciating at 9% annually).

As assessments and valuations roll into housing cost for resident homeowners, increasing valuations can lead to increasing unaffordability for residents who own their homes, especially those with limited, fixed, or decreasing incomes.

As Manitowoc's median family income has remained relatively steady since 2010, this can create tension in the housing market where owners invested at the top of their affordability limits can see increases that make their current

housing unaffordable. In the Community Survey, 9% of homeowner respondents indicated they had to forego other needs such as food, healthcare, or childcare to continue to be able to afford housing in the past 5 years.

Appreciating housing is important to healthy markets, and provides a stable financial base for homeowners into the future. However as the capital is tied up into housing, the increased costs at rates higher than inflation and income increase can become burdensome over time.

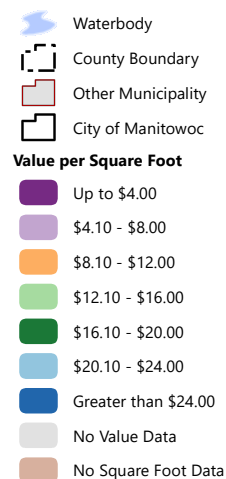
Spatially within the City, the downtown core and older development are more affordable and reflect lower assessed values when compared to areas where newer construction has occurred. Downtown north of the river has the most generally affordable housing in the City by value.

VALUATION

Residential Properties By Value per Square Foot

City of Manitowoc Housing Study

City of Manitowoc
Manitowoc County, WI



Data Sources:
Manitowoc County GIS (2021)
Manitowoc City GIS (2021)

MSA

0 0.25 0.5 Miles



THE VALUATION of homes by square foot indicates that many downtown parcels are valued at fairly high rates (some up to \$20/square foot), though still not near the cost of new construction when accounting for smaller size and lot area (lowest-cost new construction is near \$150/square foot).

Even though these homes are relatively lower-cost and present lower entry points to the ownership market, they do maintain desirability for most households. This is in part due to the assessed values being based on comparable sales within the market (though lagging behind sales prices), but it also demonstrates the health of the housing market and stability of investment even for lower-cost options.

This map also helps to identify key parcels and areas where targeted rehabilitation programs can have the largest neighborhood impact.

This map is available as an inset in the appendix to better illustrate spatial distribution through downtown.

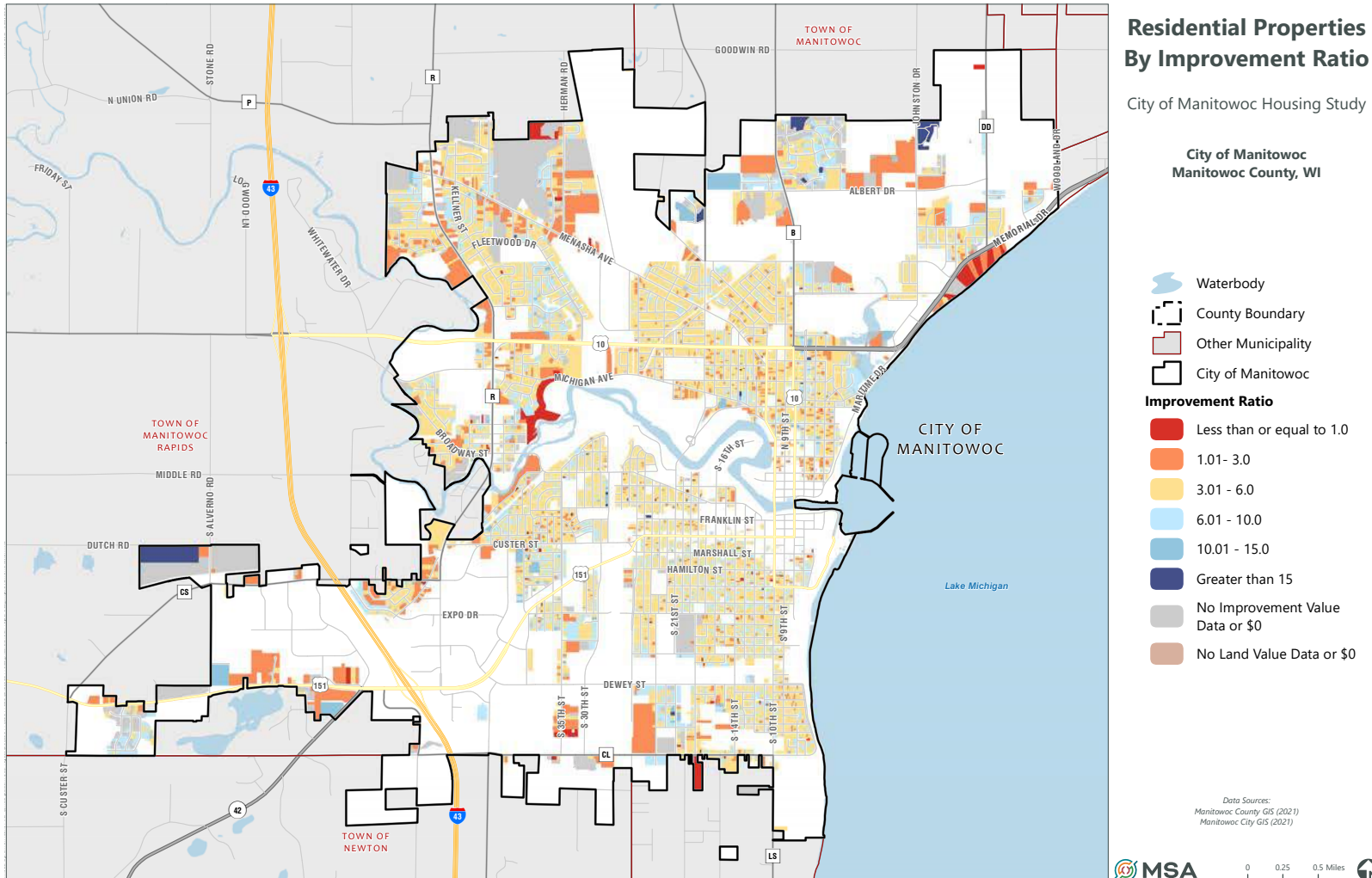
IMPROVEMENT VALUE RATIO

PARCEL VALUATION is made up of two components—land value and improvement value. While both land and improvements (buildings) generally appreciate over time, development and use trends can drastically shift associated land values over the course of decades. In practice, this means that very desirable areas have large increases in land value, while other areas grow at rates more consistent with overall inflation.

This shifting land value impacts the housing market due to the overall usable life of residential buildings. Single-unit homes have a usable life of 100 years or more, while small- to mid-size multi-units buildings typically have a usable life between 65 and 80 years if properly maintained.

Since construction and development is based heavily on financial incentive, parcels with low Improvement:Land value ratios are more prone to redevelopment, and will often see increased pressure for teardown/rebuilds even in the single-family market.

In the City, newer construction generally shows higher Improvement:Land Value ratios. This is partially due to lower land costs (location) as well as increased construction cost and buyer preference (size/bedrooms/etc.). Areas of the City that are most prepared for redevelopment are, in general, areas of the downtown and central city that have older housing stock and low ratios, while greenfield construction will increase values in new subdivision development.



ZONING

MANITOWOC'S ZONING ORDINANCE

is written to have 8 main residential districts. Counting permitted (by-right) uses, this includes 3 single-family only districts, 1 medium density single-family/attached district, and 4 single-family/attached/multi-family districts. As the City looks to update future land uses and development patterns, it may be beneficial to proactively

anticipate development in certain districts that promotes mixes of unit types, sizes, and structures within potential subdivision development to offer increased access to residents. Other considerations may include the potential to proactively rezone to districts that allow more flexibility in development, making it easier to provide a variety of housing unit types in all areas of the City.

		Minimum Residential Lot Size	Minimum Lot Width	Single-Family	Two-Family	3-4 Unit	5+ Unit	Accessory Dwelling Unit
Zoning District	R-1	43,560 sq. ft.	150 ft.	P			C ¹	
	R-2	8,400 sq. ft.	70 ft.	P			C ¹	
	R-3	5,500 sq. ft.	50 ft.	P			C ^{1,2}	
	R-4	Single Family: 5,500 sq. ft. Two Family: 6,600 sq. ft.	SF: 50 ft. TF: 60 ft.	P	P		P ² , C ¹	
	R-5	Single Family: 5,500 sq. ft. Two Family: 6,600 sq. ft. Multi Family: 3,000 sq. ft. 1-bdrm 3,500 sq.ft. 2-bdrm 4,000 sq. ft. 3-bdrm	SF: 50 ft. TF: 60 ft. MF: 100 ft.	P	P	P	P	
	R-6	Single Family: 5,500 sq. ft. Two Family: 6,600 sq. ft. Multi Family: Dependent upon number of units and height of building	SF: 50 ft. TF: 60 ft. MF: No minimum	P	P	P	P	
	R-7	Single Family: 5,500 sq. ft. Two Family: 6,600 sq. ft. Multi Family: 600 sq. ft. per unit	SF: 50 ft. TF: 60 ft. MF: No minimum	P	P	P	P	
	B-1	Single Family: 5,500 sq. ft. Two Family: 6,600 sq. ft. Multi Family: 3,000 sq. ft. 1-bdrm 3,500 sq.ft. 2-bdrm 4,000 sq. ft. 3-bdrm	SF: 50 ft. TF: 60 ft. MF: 100 ft.	P	P	P	P	

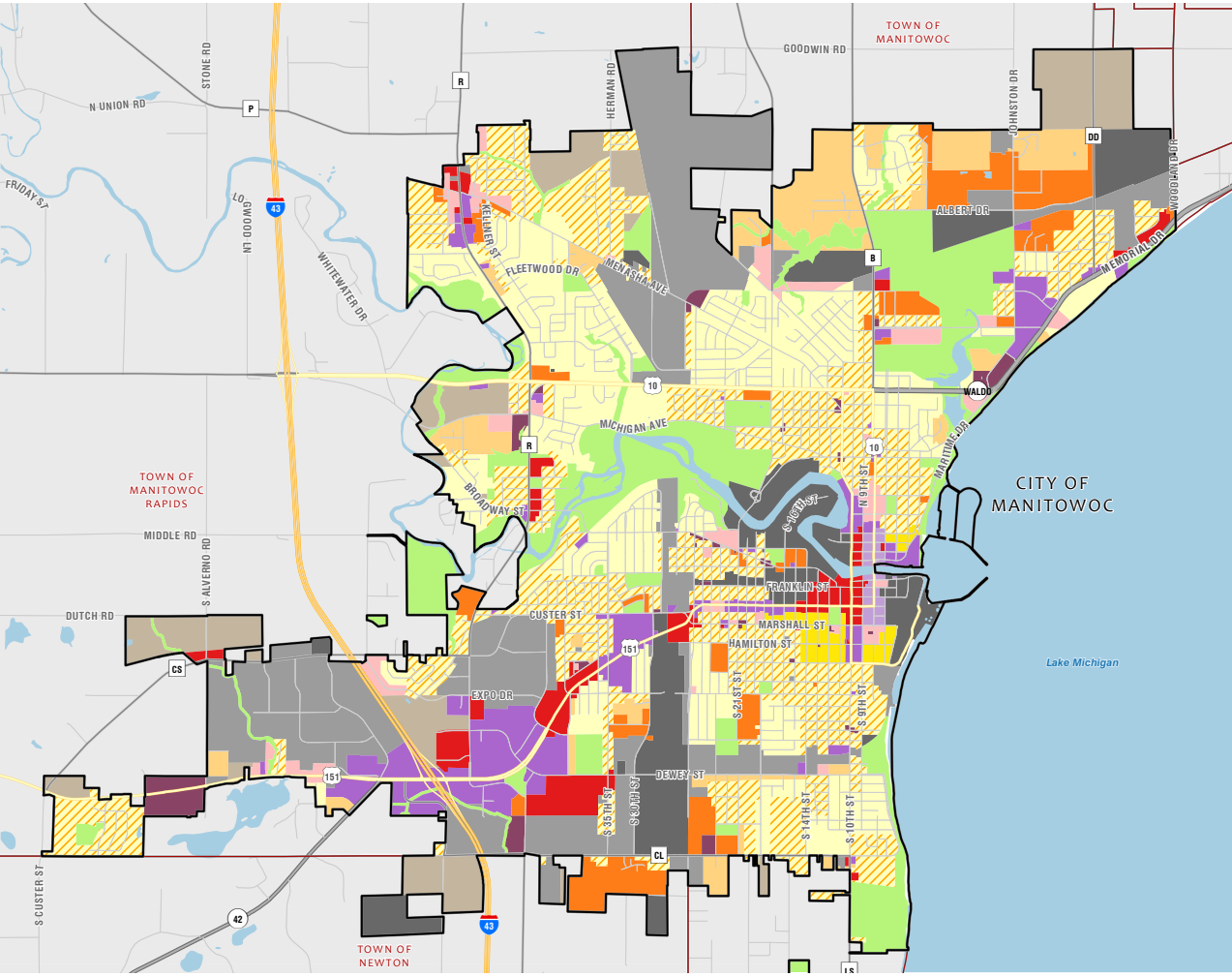
P = Permitted Use; C = Conditional Use

¹Community Living Facilities, Transitional Housing, and Retirement/Intergenerational Housing with additional occupancy limits

²Community Living Arrangements

The City's Code allows for lot averaging in new subdivision development to allow varying lot widths in new plats.

ZONING



City Zoning

City of Manitowoc Housing Study

City of Manitowoc
Manitowoc County, WI

- Waterbody
 - County Boundary
 - Other Municipality
 - City of Manitowoc
- Zoning Description**
- Central Business District
 - General Business District
 - Commercial District
 - Conservancy District
 - Light Industrial District
 - Heavy Industrial District
 - Low Density Multiple-Family District
 - Multiple-Family District
 - Neighborhood Business District
 - Residential-Agricultural District
 - Central Residence District
 - Single- and Two-Family District
 - Single-Family District
 - Office-Residential District

Data Sources:
Manitowoc County GIS (2021)
Manitowoc City GIS (2021)

RESIDENTIAL DEVELOPMENT by right within the zoning code helps to ease planning and construction by having clear, predictable rules and regulations so that residents and developers understand expectations for the site. Good zoning creates guidelines for this development while maintaining flexibility balanced with community health and aesthetically pleasing design.

Overall, the many districts in the City offer a range of development opportunities for a wide variety of housing types. There is likely opportunity to continue to thoughtfully integrate attached units

or small multi-unit structures into some residential districts by allowing them as permitted uses with small lot size requirements (e.g. the R7 Central District), as well as to slowly increase density (and affordability) through further lot size reductions (or lowering averages below the base to allow a more natural range of housing choices) in subdivision development.

One structure that is not explicitly listed in the ordinance as an accessory use type are *Accessory Dwelling Units*. These unit options might be included in future districts throughout the City to provide small density increases in key areas.

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6

UNIT DEMAND

Findings & Recommendations

OWNER DEMAND - LOW ESTIMATE

Growth trends for the City of Manitowoc based on the past decade indicate that current rate of household loss will continue into the future. However, residents and employers in the community clearly identified increasing employment and a tight housing market with rapidly appreciating costs much greater than the rate of general inflation. This demand analysis identifies a need to increase the number of ownership units in the City—creating more opportunity for ownership that can serve residents and newcomers alike.

There are two pages of demand analysis per housing tenure type (ownership and rental)—this is done to illustrate the range of potential growth that the City may undergo. In general, low estimates are based on 1% household growth, and high estimates are based upon DOA projections to 2025. Comparing to historical data, the low projection estimates construction at approximately double the rate of the past 5-year period (when including units in small multi-unit buildings). The high demand projection, while large, generally matches the number of new jobs that would be added to the community if employers are able to grow their businesses consistent with their indicated desired growth.

The low estimate should be used as a baseline goal for construction within the market.

New Construction Ownership Housing Demand to 2025 - Low Estimate			
<i>Demand from Household Growth</i>			
Household Growth in Owner Demographics	268 additional households		
Demographic Ownership Rate	67%		
Demand for New Construction	180 ownership units		
<i>Demand from Existing Resident Households</i>			
Current Owner Households with Potential to Move	6,614 households		
Current Owners Actively Looking for New Housing	12.6%		
Increased Demand from Existing Residents	833 ownership units		
Annual New Construction	3.5%		
Existing Resident Demand for New Construction	28 ownership units		
<i>Total Demand for New Construction Ownership Units = 208 units</i>			
Preference for SF-Detached	70%	Preference for SF-Attached	30%
#	146	#	62
Additional Need for Vacancy	14 units	Additional Need for Vacancy	6 units
Total SF-Detached Need	160 units	Total SF-Attached Need	68 units
Total Unit Need = 228 units			

OWNER DEMAND - HIGH ESTIMATE

This high estimate should be used as a goal—a measure of units that could be constructed in the market to provide additional housing choice—in location, type, and price point for buyers at any given point in time. Community feedback through this process indicated the desire that there be additional subdivisions and lots available so that buyers who want to move to the City have more choices. This estimate would likely require multiple active subdivisions in order to have the demand met and fully constructed by 2025.

Development interest and demand drive the housing market. Due to lending requirements and market analyses needed for large-scale developer investment, if there is developer interest, there is also likely demand. Though construction cost serves as a barrier to mid-level housing options, there are still many households already living in the community who can afford the cost of new construction in the ownership market, and new construction will be necessary to meet desired employment growth.

New Construction Ownership Housing Demand to 2025 - High Estimate			
Demand from Household Growth			
Household Growth in Owner Demographics	347 additional households		
Demographic Ownership Rate	63%		
Demand for New Construction	232 ownership units		
Demand from Existing Resident Households			
Current Owner Households with Potential to Move	6,614 households		
Current Owners Actively Looking for New Housing	12.6%		
Increased Demand from Existing Residents	833 ownership units		
Annual New Construction	3.5%		
Existing Resident Demand for New Construction	28 ownership units		
Total Demand for New Construction Ownership Units = 260 units			
Preference for SF-Detached	70%	Preference for SF-Attached	30%
#	176	#	76
Additional Need for Vacancy	17 units	Additional Need for Vacancy	7 units
Total SF-Detached Need	193 units	Total SF-Attached Need	83 units
Total Unit Need = 276 units			

OWNERSHIP RECOMMENDATIONS

For residents who already live in the City, there are several key issues. Moderate-income residents who previously would have been able to afford homeownership are now finding themselves being outpriced in an appreciating and competitive market. There are areas of the core city with low home values and low improvement ratios. And the average cost of construction is making it difficult to support new development across the City.

1. SUPPORT NEW AND EXISTING SUBDIVISIONS AND DEVELOPMENTS

While construction activity has been limited, there has been a small market for ownership development over the past decade in the City. Residents and prospective residents have indicated a need for more choices within the market, but construction costs are still burdensome to many potential owners. Meeting the housing construction demand outlined above will likely require multiple subdivisions in various stages of build-out at any given point. **The City should continue to work with developers who are bringing forward housing, especially if they are able to offer multiple housing types and price points.** Development incentives such as tax incremental financing (TIF) should be used to support affordability (the benefit must be passed on to homebuyers and owners), and also to ensure good neighborhood design with amenities such as parks, trails and pedestrian pathways, amenities not typically found in the towns.

2. COLLABORATE WITH DEVELOPERS TO DELIVER A MIX OF HOUSING OPTIONS

While single-family, detached homes are needed in the market, and with a variety of lot sizes, neighborhoods need variety in the type of unit too. Integrating a mix of housing types (attached/detached, 4-19 unit rental, etc.) within subdivision plans allows more choices and options in the housing market—ensuring that households of all incomes can find options in new neighborhoods. This can work to encourage more natural community character, and help preserve the neighborhood feel of the community through personal connection. Actively encourage and work with developers who can build speculative homes, and partner directly with financial institutions who have access to subsidized mortgage products that can make new construction more affordable to potential buyers.

3. THERE IS A MARKET FOR “LUXURY” HOUSING - BUT THE CITY NEEDS TO COMPETE WITH THE TOWNS

There are some households in Manitowoc who can afford \$300,000+ new construction homes, and more such households in the wider region, including the surrounding towns. The City has unbuilt lots available and designed for homes in this price point in newer neighborhoods (northeast and southwest), but lot sales and home starts have been slow. These lots are competing with lots in the towns that are generally larger and have lower taxes. The city lots come with more services and some offer more amenities, such as sidewalks and neighborhood parks, but they tend to be far from commercial areas and schools. **The City should focus on making its neighborhoods walkable and amenity-rich, including parks, commercial nodes, and schools.** Some of the households able to afford \$300,000 homes may be interested in another product not available in the towns—the downtown condominium.

4. RECONSIDER ZONING REQUIREMENTS, MINIMUM LOT SIZES, AND AVERAGED MINIMUMS

The City has the ability to review parking requirements, minimum lot sizes, and potentially averaged minimums to further bring down new ownership costs that can help maintain Manitowoc’s affordability. Both small-lot and large-lot units have some flexibility within the zoning ordinance, and additional flexibility could be included to encourage other unit types such as tiny homes, accessory dwelling units, and cottage courts that add valuable housing stock diversity at a lower-cost entry point. The City should also actively work to ensure developers take advantage of lot-averaging within new subdivisions that can offer a full scope of options for potential homeowners in new development. This step toward continued affordability will provide options for both existing and prospective residents.

OWNERSHIP RECOMMENDATIONS

5. ACTIVELY PROMOTE REPAIR ASSISTANCE

Manitowoc and community/regional partners offer repair assistance to eligible homeowners, and this program should continue to be aggressively promoted and potentially expanded. There are large areas of the downtown where this program is especially beneficial—in the Community Survey component of this study process, residents identified rehabilitation as a greater need than both new affordable housing development. Considering the relative age of many homes in the City, even with continued reinvestment, age of structures throughout the City demand continual upkeep for many components.

6. RENEW AND PROMOTE DOWNPAYMENT ASSISTANCE

Manitowoc briefly offered a downpayment assistance program for homebuyers. If renewing this program, leverage it to help connect homebuyers to subsidized loan products at local banks. This will require partnership with financial institutions to ensure that buyers are aware of all of their options, and marketing the City's programs not just directly to consumers, but also through lending partners who directly assist potential buyers in securing homeownership opportunities.

7. CREATE PARTNERSHIPS THAT SUPPORT ACCESSORY DWELLING UNITS

Accessory Dwelling Units (ADUs) are a key component of density increases, downsizing, aging-in-place, allowing homeowners to generate additional income in retirement, and securing new investment into existing properties. The City should review the zoning code and add ADUs to be explicitly permitted in residential zoning districts. Even if allowed as a permitted use, there are major barriers to ADU development—notably financing. Most ADUs are currently funded through either cash investment or Home Equity Lines of Credit, which serves as a barrier to many households that would otherwise be interested in them. Ensuring access to ADUs in the community (including in new construction/subdivisions) will require close

partnership with local lending institutions who have the ability to originate and hold loans on this housing product, as well as aggressively marketing and building partnerships between interested property owners and these institutions.

8. KEEP IN MIND AGING HOMEOWNERS

The large share of senior persons projected through 2040 is a national trend—and households will need continued options. This demographic is the largest share of projected growth in the community, and by a significant margin. Whether promoting accessibility programs to retrofit homes to age-in-place, developing zoning flexibility to develop Accessory Dwelling Units for caretakers, or tracking the need for continued senior-living options in the community, this demographic represents a large share of specialized housing need moving toward 2040.

9. ENCOURAGE ALTERNATE OWNERSHIP TYPES

Whether condo development, cottage courts, or townhomes, non-traditional homeownership options can often be some of the most cost effective and beneficial aspects of a community's ownership market. They help to drive density in key areas, and reinforce community within the City. Partner with developers who can build these unit types by-right, or in the case of cottage courts through the PUD process to ensure adequate homeownership opportunities at all costs. **Encourage downtown condominium projects, especially with lake and/or river views.** Townhomes or flats with great views should be part of the response to the demand for higher-end ownership housing in the market.

10. PARTNER WITH HABITAT FOR HUMANITY

Seek out Habitat for Humanity or other entities constructing income-qualified housing units to develop a pipeline of lots on which new, affordable ownership housing can be built each year.

RENTAL DEMAND - LOW ESTIMATE

Projections for the City of Manitowoc based on the past decade indicate that the current rate of household loss will continue into the future. However, residents and employers in the community clearly identified increasing employment and a tight housing market with few rental options for lower-income employees of the City. This demand analysis identifies a need to increase the number of rental units in the City—creating more opportunity for ownership that can serve residents and newcomers alike.

The low estimate for rental housing is based on the number of units needed to fill potential employment growth, especially as reinvestment in job creation continues within the community.

New Construction Rental Housing Demand to 2025 - Low Estimate					
<i>Demand from Household Growth</i>					
Household Growth in Rental Demographics			429 additional households		
Demographic Renter Rate			37%		
Demand from New Construction			159 rental units		
<i>Demand from Existing Resident Households</i>					
Current Renters in Market			4,188 households		
Percent of Renters Seeking New Housing Annually			28%		
Increased Demand from Existing Renters			1,173 rental units		
Renters with Preference for New Construction			10%		
Existing Renter Demand for New Construction			117 rental units		
<i>Total Demand for New Construction Rental Units = 276 units</i>					
Affordable Units	50%	Mid-Level Units	40%	Market Units	10%
New Affordable Demand	138 units	New Mid-Level Demand	110 units	New High Market Demand	28 units
Additional Need for Vacancy	12 units	Additional Need for Vacancy	10 units	Additional Need for Vacancy	3 units
Total Affordable Need	150 units	Total Mid-Level Need	120 units	Total High Market Need	31 units
Total Unit Need = 301 units					

RENTAL DEMAND - HIGH ESTIMATE

High estimates for rental demand assume continued, strong employment growth maintaining a tight market. In this scenario, there will be expanded demand for development types that have been coming forward in the City, especially larger-structures (multi-unit buildings). Planning for this trend to continue will allow the City to identify sites and areas through downtown and key corridors, working with developers to expand access to housing. The City can balance market demand for more housing that comes with employment growth while also preserving and strengthening the downtown core.

This estimate of demand may come to be met if growth increases along with employment, and developments should be considered based on their own merits and demonstrated need on an annual basis.

New Construction Rental Housing Demand to 2025 - High Estimate					
<i>Demand from Household Growth</i>					
Household Growth in Rental Demographics			504 additional households		
Demographic Renter Rate			37%		
Demand from New Construction			186 rental units		
<i>Demand from Existing Resident Households</i>					
Current Renters in Market			4,188 households		
Percent of Renters Seeking New Housing Annually			28%		
Increased Demand from Existing Renters			1,173 rental units		
Renters with Preference for New Construction			10%		
Existing Renter Demand for New Construction			117 rental units		
<i>Total Demand for New Construction Rental Units = 303 units</i>					
Affordable Units	50%	Mid-Level Units	40%	Market Units	10%
New Affordable Demand	152 units	New Mid-Level Demand	121 units	New High Market Demand	30 units
Additional Need for Vacancy	14 units	Additional Need for Vacancy	11 units	Additional Need for Vacancy	3 units
Total Affordable Need	166 units	Total Mid-Level Need	132 units	Total High Market Need	33 units
Total Unit Need = 331 units					

What do
we mean by
Affordable,
Mid-Level,
and Market
Rents?

AFFORDABILITY—what a household can spend on housing cost—is relative to each individual household. Higher-income households can afford more within the market, meaning that there are more options that would be within their spending limit, whether they spend 10% or 30% of their income toward housing cost. Lower-income households have fewer choices in the market due to similar fixed costs, but less units that generally rent at a level that would fall within a comfortable limit. In addition to having less units available, they sometimes directly compete with higher-income households who are “spending-down” in the market, occupying housing units that are especially affordable.

The Affordable Housing rental production numbers outlined on previous pages are based on level of need by income—that is the percent of renter households who rent at each income level who experience housing stress. Affordable Housing targets for these recommendations are units priced at an affordability level of 30% - 50% of the area median income for the County. This is used to maintain consistency with common funding categories, and is adjusted to match household and bedroom size. Forty-two percent of all Manitowoc renter households fall into this affordability range.

		Number of Bedrooms						
		0	1	2	3	4	5	6
Affordable Housing	Ideal Monthly Rent	\$379	\$406	\$487	\$563	\$628	\$693	\$758
	Maximum Monthly Rent	\$632	\$677	\$812	\$938	\$1,047	\$1,156	\$1,263

Mid-Level housing indicates prices that would be affordable to a household earning between 50% and 80% of the median income for the county. They are adjusted to match household/family size, and represent consistency with WHEDA and HUD guidelines. Twenty-six percent of all Manitowoc renter households are within this affordability range.

		Number of Bedrooms						
		0	1	2	3	4	5	6
Mid-Level Housing	Ideal Monthly Rent	\$632	\$677	\$812	\$938	\$1,047	\$1,156	\$1,263
	Maximum Monthly Rent	\$1,011	\$1,083	\$1,300	\$1,501	\$1,675	\$1,848	\$2,021

High Market Housing is the last category for recommended cost of new units—and does not have an upper maximum. While households do rent within this category, there is a transition to homeownership that is consistent with both increasing incomes and geographic location of the City. Data and community input indicate that households tend to move to Manitowoc for affordability and accessibility, and the same holds true for high-income earners. There is a large share of housing that is affordable to these households.

		Number of Bedrooms						
		0	1	2	3	4	5	6
High Market Housing	Ideal Monthly Rent	\$1,011	\$1,083	\$1,300	\$1,501	\$1,675	\$1,848	\$2,021
	Maximum Monthly Rent	-	-	-	-	-	-	-

RENTAL RECOMMENDATIONS

Households in the rental market, as well as local housing experts, have identified a need for low- and middle-cost housing options in the City. Due to a large share of older rental housing stock, there are more affordable options than in other places. However, incomes of many (but not all) local residents are also below market rate housing cost. Employers are seeing that their growth and employment base needs additional rental market development that offers both amenities and reduced unit pricing.

1. TAKE ADVANTAGE OF OPPORTUNITIES FOR TAX CREDIT & SUBSIDIZED DEVELOPMENT

Though referred to as “affordable housing”, tax credit developments offer new construction at rents that fit within the limits and demand of the community. Local employers are reporting that their workers need a middle option, often fitting inside income categories for these units. These developments also offer opportunity to increase density in key areas, and can also be utilized for mixed-use developments that provide amenities in central, walkable neighborhoods. The City can also directly encourage more affordable rental costs through programs such as Tax Increment Financing.

2. THERE IS A MARKET FOR “LUXURY” RENTAL HOUSING - BUT IT IS LIMITED

Though there are a significant share of high-income renter households in the City that could afford luxury-unit rents, both data and interviews indicate that these households are either seeking to move into ownership or they prefer to find value in lower-cost rental housing. While there is potential for an increase in market rental housing, the market over the next 5 years is likely capped at 50 to 70 units in this timeframe. We suggest a focus on the downtown area for high-end rental units, most likely with views of the river or lake.

3. FOCUS ON UNIVERSAL DESIGN IN CENTRAL AREAS

As households continue to age, and many wanting to age in the community, providing a range of options that have accessibility features and follow universal design will promote healthy neighborhoods. This is needed throughout the City, as well as in key walkable central areas that increase access to amenities. Many homeowners who downsize, as well as those with differing levels of ability, live in private market units and prefer walkable areas with access to amenities. Aging populations are the most significant long-term housing challenge for the City.

4. ENCOURAGE REHABILITATION, REDEVELOPMENT, AND REINVESTMENT

Maintaining housing affordability across a range of incomes is vital for community health—and is one of the reasons that some households choose to live in Manitowoc in the first place. However, aging housing stock requires upkeep in order to maintain desirability. The City’s rehabilitation program should be evaluated for expansion and increased marketing, and other loan programs can be sought through WHEDA and other regional sources. Though not an immediate solution to acute housing problems, increased investment in new unit development in key areas (e.g. downtown), and new unit development in general can work to relax vacancy in the market, allowing households to select units that meet their balance of affordability & amenity—and structures with rehab needs will require maintenance investment to maintain market share.

5. MAINTAIN A MIX OF BEDROOM SIZES IN NEW RENTAL DEVELOPMENT

Household size is expected to grow in coming years, and has grown for renters over the past decade. Important to this growth is ensuring households have access to a variety of both new and older stock options that meet their need for family—size and perhaps for home offices as telecommuting becomes more common. In practice, this means incorporating 3-bedroom units as a significant portion of the rental market, whether in townhome, detached, or multi-unit construction. Encouraging larger unit construction balanced with small unit construction ensures needs of all household types are served.

6. ENCOURAGE MISSING MIDDLE HOUSING

Structures with 2-19 units fill a gap that exists in the market, providing more options for residents, and reduced construction costs for development compared to single-unit detached structures. Unit design fits well among both existing and new structures, and will fill in missing unit types.

RENTAL RECOMMENDATIONS

7. COMMUNICATE PROACTIVELY WITH DEVELOPERS TO REDUCE BARRIERS

Development of rental units is a time critical process, and speeding up approvals can save the developer, and ultimately consumers, money through the process. Some municipalities “fast-track” affordable housing development, allowing non-profit or mission-driven developers to save money through permitting that they ultimately pass on to renters. There is also opportunity to assess areas where the City can increase access to development by allowing increased flexibility in the zoning code and reviewing the approvals process overall.

8. IDENTIFY AND ACQUIRE SITES AS THEY BECOME AVAILABLE

One of the ways the City can best control the future of development—especially in key areas like the downtown—is to proactively acquire parcels for potential redevelopment as they become available. This allows the City and staff to solicit the involvement of a developer experienced in current needs such as affordable housing or desired outcomes such as mixed uses. Often referred to as land-banking, this program can be used for every scale of development from single-family construction and rehab to large multi-unit development.

9. WAIVE FEES FOR AFFORDABLE UNITS

Affordable housing is the most challenging type of housing to develop, in part because it’s challenging to make it financially feasible. To help encourage affordable housing and reduce costs to developers, Common Council could consider waiving or reducing fees on a case-by-case basis. In some cases, this type of assistance can be used as local match for grant programs. The City could also consider covering the cost of the fees with TIF funds. Fee reductions should only be for projects with income-qualified affordable units with a guarantee to maintain affordability for at least 15 years.

10. TAX INCREMENT FINANCING

Continue to use TIF for development projects with appropriate underwriting—and also assist in infrastructure costs associated with new development, not just the development itself. This is necessary for much new housing development.

11. CONTINUE TO LEVERAGE THE AFFORDABLE HOUSING TIF EXTENSION

The Affordable Housing TIF Extension allows generally broad use of funds for housing goals—and funds can be spent on either rental or ownership options—including both new construction and rehabilitation. The affordable housing TIF extension is also commonly used as a base for housing trust funds—funds that assist affordable housing developers with gap financing. This gap financing also increases scoring requirements for Low-Income Housing Tax Credit applications with WHEDA (local leveraging), which makes the application process more competitive and the City more likely to see needed investment in low-cost rental markets.

12. ENSURE LANDLORDS FOLLOW FAIR TENANT SELECTION PRACTICES

For the most vulnerable households in a community, securing safe, affordable housing can have more barriers than just cost—they may also be discriminated against due to credit history, employment, criminal record, or a range of other options. The City should work with local community organizations to market and train property managers and landlords in the benefits of fair tenant selection practices. Additionally, any development receiving any form of City funding should include an agreement to follow best-practice tenant selection procedures that minimize the potential for discrimination and increase access to housing.

AGING HOUSEHOLDS

Senior households live in homes in both the rental and ownership markets, but as they continue to age, many need more specialized care or prefer alternate options. Nationally, HUD reports that 93% of medicare-enrollees age 65 and older are already aging in place. This vast majority of the market is remaining in their current housing—staying in non-age restricted housing until life events necessitate a move. Once households do move, many rental options offer combinations of active living, independent living, assisted living, and memory care within the same campus. Within the market, there are several options to help older households find options that work for them.

Ensuring a Variety of Options in the Private Market

Easing access to Accessory Dwelling Unit construction, whether internal or external to the existing primary residence, helps aging households remain in their home. Some older households design the unit with accessibility standards in mind and look to downsize into it themselves, while other households plan on it as a space for family or a caretaker who can assist them with daily tasks.

Ensuring there is access to or developing non-age restricted smaller apartments in more central locations is another method of ensuring older household options in the market. This allows households to live in new construction that has a mix of access and privacy, while still having friends and other households close by. One more option is small lot size development, either in central areas or cottage court communities. These allow both rental and ownership options as households continue to age—as long as the housing is built with aging and universal design in mind (such as patio homes).

Active Adult Housing

Active Adult Communities are specially-designed developments with accommodations for aging households in mind. They provide upkeep-free housing, easing maintenance burden. They also often provide a sense of community for others who prefer neighbors their own age, as opposed to smaller and accessible unit options in market rentals. And, they can offer a variety of tenure choices, with many allowing residents to own or lease their housing.

Independent Living

Independent Living is designed for households who can—and want to—accomplish the majority of daily tasks on their own, but need assistance from time to time. These facilities often are inclusive of food and medical care, as well as other potential on-site amenities such as cleaning, laundry, and general housekeeping. These housing units are operated most similarly to a rental unit—and as amenities go above and beyond typical housing cost, are not subject to the typical 30% affordability standard.

Assisted Living

Assisted Living is designed to make it easy for residents who need assistance with everyday activities in accomplishing tasks that they would not be able to do in their own homes. This is often provided through scheduled, regular support that runs a spectrum from cooking and cleaning to in-unit medical visits, transportation, and medication management.

SENIOR UNIT TYPE DEMAND

Active Adult Housing

Demand for market rate, active living senior housing comes from those household that prefer this type of unit and can afford it, either because they have sufficient current income or because they have sufficient savings, most often in the form of home sale equity. All households in this demand category, both current and projected, have at least one household member above the age of 55. Many active adult housing communities are age-restricted and become available once a household member reaches the limit (typically 55), while other are not restricted—solely marketing themselves as active adult communities to ensure inclusivity.

It is important to note that indicated demand for this market type is the TOTAL number of units, including both existing and additional units.

Market Rate Active Adult Demand		
	2020	2025
Number of Households with Qualifying Incomes	1,816	1,907
Potentially Qualifying Households with Home Sale Equity	506	531
Base Demand	2,322	2,438
Unit Type Preference	6.5%	6.5%
Existing City Resident Demand	151	158
New City Resident Demand	53	56
Total unit demand	204 units	214 units

Subsidized Independent Living

Subsidized independent living refers to income-restricted independent living developments. This offers opportunity for income-limited and fixed-income households to have access to those services they require as they continue to age. Demand is calculated by measure of fixed-income and income-restricted households without the potential for home sale equity. This is then adjusted to the average percentage of households who prefer or need to live in this style housing in 55+ age categories.

It is important to note that indicated demand for this market type is the TOTAL number of units, including both existing and additional units.

Subsidized Independent Living Demand		
	2020	2025
Number of Households with Qualifying Incomes	2,565	2,693
Base Demand	2,565	2,693
Unit Type Preference	12.5%	12.5%
Existing City Resident Demand	269	283
New City Resident Demand	81	85
Total unit demand	350 units	368 units

SENIOR UNIT TYPE DEMAND

Market Rate Independent Living

Market Rate independent living refers to non-income restricted independent living developments. This offers opportunity for higher-income senior households and those with potential home sale equity to have access to required services as they continue to age.

It is important to note that indicated demand for this market type is the TOTAL number of units, including both existing and additional units.

Market Rate Independent Living Demand		
	2020	2025
Number of Households with Qualifying Incomes	1,816	1,907
Potentially Qualifying Households with Home Sale Equity	506	531
Base Demand	2,322	2,438
Unit Type Preference	8%	8%
Existing City Resident Demand	186	195
New City Resident Demand	56	59
Total unit demand	241 units	254 units

Market Rate Assisted Living

Market Rate assisted living refers to assisted living development for households with a higher income or access to potential home sale equity. Demand is calculated by measure of income-qualified households, as well as potentially qualifying household with access to home sale equity. This is then adjusted based on the local number of single-person senior households in Manitowoc, and filtered by the estimated percent of households who can continue in-home care as opposed to assisted living.

It is important to note that indicated demand for this market type is the TOTAL number of units, including both existing and additional units.

Market Rate Assisted Living Demand		
	2020	2025
Persons in Need with Potential Home Sale Equity	1,026	1,077
Persons with Market Incomes	497	517
Number Needing Assistance	1,212	1,273
Base Demand	1,523	1,595
Demand from Current Single Person Households	685	718
Demand from Current Two Person Households	838	877
Unit Type Preference/Need	40%	40%
Existing City Resident Demand	609	638
New City Resident Demand	91	96
Total unit demand	701 units	734 units

OTHER RECOMMENDATIONS

1. ESTABLISH A COMMITTEE DEVOTED TO HOUSING POLICY AND PROGRAM MANAGEMENT

Most communities tackling housing challenges effectively have a committee focused specifically on housing. This could be the Community Development Authority (CDA), a subcommittee of the CDA (which allows the option of non-resident advisors), or a standalone committee. The roles of this body, however it is configured, should be to help craft and manage incentive programs and policies that affect housing.

2. COMMUNICATE CLEARLY AND OFTEN ABOUT HOUSING NEEDS AND PAYBACK ON PUBLIC INVESTMENT

Housing needs in the community are rarely recognized by people not actively seeking housing. Many of the action items recommended in this study require public investment, or at least a more active city role in the development process. City leaders, including elected officials, the Housing Committee (if formed), and City staff, should work to consistently reinforce the needs and justify the costs involved. The payback on investments in housing includes direct benefits such as increased tax revenue, but also indirect benefits such as support for a diverse retail market and expanded workforce from which employers can draw.

3. PARTNER WITH LAKESHORE TECHNICAL COLLEGE

Encourage programs that offer learning opportunities for students and cost savings for homeowners, such as instructor-led, student-fueled remodeling or accessory dwelling unit construction.

4. PRIORITIZE DOWNTOWN FOR NEW HOUSING INVESTMENT

Downtown housing is an important source of customers to sustain downtown retail and service business. Housing is also currently the most reliable source of new construction in downtown areas - developers and lenders see it as a safer investment than commercial or office space. Use the findings of this study to help attract development teams to pursue redevelopment projects, either residential-only or mixed-use.

5. NEIGHBORHOODS SHOULD HAVE A MIX OF HOUSING TYPES

All neighborhoods should have some variety of housing types (single family, duplex, small multifamily, larger multifamily) and price points. The downtown area will tend to have more attached units and rentals, and outlying areas may have more single-family detached and ownership units, but take care to avoid the concentration of unit types, to enhance market resilience and stability in all parts of the City.



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