

Affordable Housing Comes to Sister Bay

By Myles Dannhausen Jr.



Affordable housing is finally coming to Northern Door, courtesy not of a federal or state program, but a De Pere developer.

In August, Keith Garot began building the first eight-plex on the 40 acres he owns on the corner of Highway 57 and Country Walk Lane, behind the Greystone Manor apartments. The Stony Ridge Condominiums are two-bedroom, two-bathroom, 1,200 and 1,250 square-foot units that sell for \$89,900 – \$94,900.

Garot said that as of mid-September, six of the eight units have sold, with a seventh spoken for. He plans on beginning construction on a second building by the end of October.

"I wish I had started on this years ago," said Garot, who has owned the parcel for 10 years. He said he has been pre-occupied with projects in the Green Bay area and simply hadn't gotten around to building in Sister Bay.

The project thrilled Sister Bay Village President Denise Bhirdo.

"I'm just ecstatic, especially that he's already coming back for approval to do more," Bhirdo said. "And it's really, truly workforce housing so far, and I hope it stays that way."

She was referring to the fears many have voiced for years that if housing were built at that price point in Northern Door, people hunting for vacation homes would snatch it up. There's nothing in Garot's plan that stops that, but thus far, his buyers have been predominantly from the service industry. Dave Leinau, a Sister Bay trustee and owner of the Mobile gas station down the road, said two of his employees have bought there, and Al Johnson's employees have also purchased.

The Northern Door community has been discussing the shortage of affordable workforce housing for years. The lack of such housing has made it difficult to retain young adults and families in a community that ranks as the oldest in the state.

When the Village of Sister Bay hosted a forum on the topic three years ago, officials saw a bleak picture.

The average income for those aged 25 – 35 in Door County was just \$26,000, they were informed by Mavis Arnold of the Door County Job Center. This meant that the most they could afford to spend on a home was about \$100,000, assuming they carried little other debt.

Those numbers shocked officials, as the median price of an inland home in Northern Door at the time was over \$220,000, and only two homes were listed by the Multiple Listing Service under \$150,000.

Now, several factors have merged to spur Garot's development. He said he's not going to get rich off the development, but he will profit, and he'll keep his employees working in a terrible market for homebuilders.

The density of the development and lack of amenities like pools and tennis courts keeps costs down, as does the fact that the homes are not custom designs.

"I've built this same building 20 different times," Garot explained.

The village also streamlined fees that cut the cost of building by \$1,165 per unit. Sister Bay charges a number of fees to offset the cost that new development puts on the sewer and water system. There's a \$653 wastewater impact fee, a \$1,478 water tower impact fee, and a \$2,898 downtown utilities impact fee. Those are pre-emptive fees used to offset future costs.

The village also charged a \$1,500 initial hook-up fee for each new residential equivalent unit, but in September the utilities committee dropped the fee to \$335 after determining that the fees were unnecessary and duplicated the purpose of the other impact fees.

"We re-evaluated the user charge system and realized it could be too high and could hinder development," said Steve Jacobson, the Sister Bay utilities manager.

Now Jacobson said the fee is based on tangible services – the cost to install the meter, do inspections, and set up a customer.

"The fees were out of hand," Bhirdo said. "Now, that's not as big a deal when you're selling for half a million dollars or so, but it didn't work if you wanted to build an affordable unit."

The units include central air, gas fireplace, one-car garage, patio, hardwood floors, and ceramic tile. Appliances are not included. Garot said taxes come to about \$900 per year, with a \$40 per month condo fee that covers grass cutting and snow removal.

The homes aren't spacious, don't include a private yard and aren't laid out on a sprawling plot of land, but with the economy in rough shape, the expectations for what young families expect in a first home have been tempered.

"Generations younger than I sometimes have a higher bar for what they expect to get in a starter home," Bhirdo said.

In most communities such a development wouldn't make a ripple, but it speaks to the gap faced by young residents in Northern Door that Garot's offering has raised eyebrows.