

NOTICE

A meeting of the City of Evansville Plan Commission will be held on the date and time stated below. Notice is further given that members of the City Council and Historic Preservation Commission may be in attendance. Requests for persons with disabilities who need assistance to participate in this meeting should be made by calling City Hall at (608)-882-2266 with as much notice as possible.

City of Evansville Plan Commission
Regular Meeting
City Hall, 31 S Madison St., Evansville, WI 53536
Tuesday, June 3rd, 2025, 6:00 pm

AGENDA

1. Call to Order
2. Roll Call
3. Motion to Approve Agenda
4. Motion to waive the reading of the minutes from the May 6th, 2025 meeting and approve them as printed.
5. Civility Reminder
6. Citizen appearances other than agenda items listed.
7. Action Items
 - A. Public Hearing, Review, and Motion for Conditional Use Application CUP-2025-02 for a new garage in the Historic Conservation Overlay District
 1. Review Staff Report and Applicant Comments
 2. Public Hearing
 3. Plan Commissioner Questions and Comments
 4. Motion with Conditions
 - B. Public Hearing, Review, and Motion for Land Division Application LD-2025-06 for a Certified Survey Map on parcel 6-27-533.502 (525/527 South Seventh Street)
 1. Review Staff Report and Applicant Comments
 2. Public Hearing
 3. Plan Commissioner Questions and Comments
 4. Motion with Conditions
 - C. Public Hearing and Review for Ordinance 2025-03
 1. Review Staff Report and Applicant Comments
 2. Public Hearing
 3. Plan Commissioner Questions and Comments
 - D. Discussion on a possible Comprehensive Plan Amendment
 1. Poll for Consensus
8. Discussion
9. Community Development Report
10. Upcoming Meeting: July 1st, 2025 at 6:00pm

-Mayor Dianne Duggan, Plan Commission Chair

11. Adjourn

-Mayor Dianne Duggan, Plan Commission Chair

**City of Evansville Plan Commission
Regular Meeting
Tuesday, May 6th, 2025, 6:00 p.m.**

MINUTES

1. Call to Order at 6:00pm.

2. Roll Call:

Members	Present/Ab sent	Others Present
Mayor Dianne Duggan	P	Colette Spranger (Community Dev. Director)
Aldersperson Bill Lathrop	P	Seth Schulz
Aldersperson Abbey Barnes	P	Andy Phillips
Susan Becker	P	
John Gishnock	P	
Mike Scarmon	P	
Eric Klar	P	

3. Motion to approve the agenda, by Barnes, seconded by Klar Approved unanimously.

4. Motion to waive the reading of the minutes from the April 1st, 2025 meeting approve them as printed by Lathrop, seconded by Klar. Approved unanimously.

5. Civility Reminder. Duggan noted the City's commitment to conducting meetings with civility.

6. Citizen appearances other than agenda items listed.

7. Discussion Items.

A. Land Divider's Agreement for Capstone Ridge

1. Review and Discussion with Applicants

Spranger summarized ongoing talks with the developers. The developers could either accept the existing agreement, which includes plans for sidewalk only on one side of the street, paved trail in front of homes in place of sidewalk and on outlots throughout the plat. A new agreement would follow current City policies for sidewalk and allow for re-configuration of trail locations. Other items from the existing agreement would carry over, including a water main loop from Salvation Way all the way to the existing water main near the entrance to Maple Grove Cemetery. Schultz spoke on behalf of the applicants, stating that infrastructure costs were a major stumbling block to making the project cost effective. The only way for them to turn a profit on the project is to develop and build the homes themselves and not sell lots to another.

2. Closed session: Motion that Plan Commission convene in closed session pursuant to Sec. 19.85(1)(e) of the Wis. Stats Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Upon completion, Plan Commission will reconvene in open session.

Motion by Becker, Second by Lathrop. Approved unanimously.

3. Possible Action on Land Divider's Agreement for Capstone Ridge

Plan Commission summarized their next steps, which include consideration of waiving park fees in light of significant water main costs in order to prioritize opportunities for new housing; double checking stormwater outputs to the west, in order to mitigate impacts to the neighboring farm; and looking into a water utility benefit to offset water main costs along Cemetery Road.

8. Discussion

A. Possible House-related Ad Hoc Committee

Lathrop brought up the commission's ongoing concern regarding ways to encourage and enable housing. The end result or deliverable would be some kind of action to facilitate or even create more housing.

9. Community Development Report

Spranger gave an update about ongoing hailstorm recovery.

10. Next Meeting Date:

Tuesday, June 3rd, 2025 at 6:00 p.m.

11. Adjourn. 7:35pm



APPLICATION FOR PRELIMINARY AND FINAL DIVISION - STAFF REPORT

Application: LD-2025-06

Applicant: Grove Homes LLC

Parcel 6-27-533.502

May 27, 2025

Prepared by: Colette Spranger, Community Development Director
Direct questions and comments to: c.spranger@evansvillewi.gov or 608-882-2263

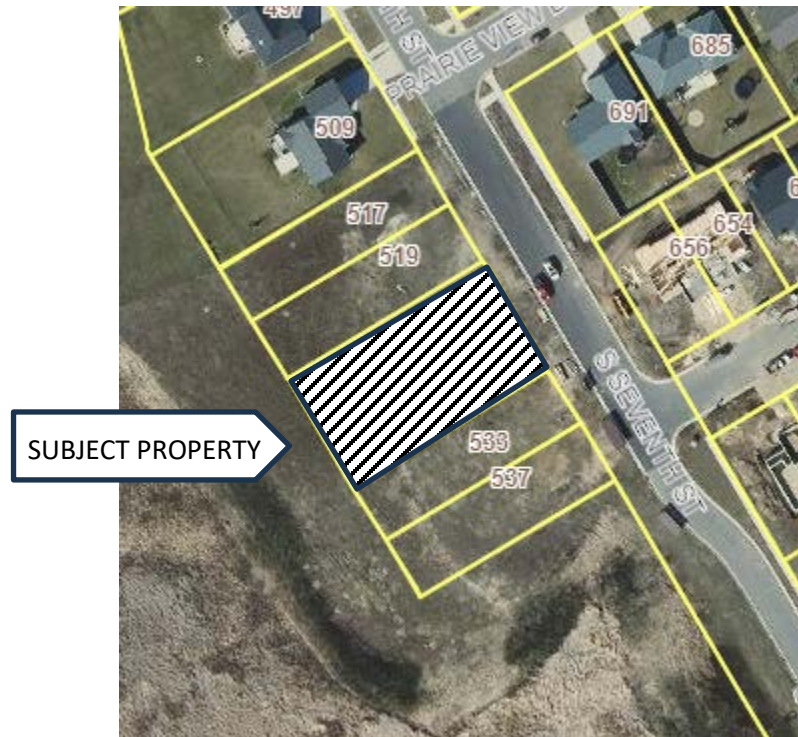


Figure 1 Approximate Location Map

Location: Lot 2, Stonewood Grove (525/527 S Seventh Street)

Description of request: An application has been made to divide the lot along the shared wall of the duplex that is already built.

Existing Uses: The existing 16,566 square foot parcel has a duplex under construction. In order for the landowner to sell each unit separately, the units must be legally divided in some manner. One method is a Certified Survey Map.

Existing Zoning: R-2 Residential District Two

Proposed Land Division: The CSM will divide the parcel into two lots, using the common wall of the building as a lot line. This kind of land division is commonly referred to as a zero lot line CSM. Lot 1 is proposed to be 7,979 square feet (0.18 acres) and will include the dwelling unit with the address of 725 South Seventh Street. Lot 2 will contain the remaining 8,587 square feet (0.20 acres) and the dwelling unit addressed at 727 South Seventh Street. A joint cross access and maintenance agreement per Section 130-323(5) of the Municipal Code will be required once the new lots are recorded.

The Municipal Services Committee voted to recommend approval of the CSM at its May 27th, 2025 meeting.

A public hearing will be held on June 3rd at the regular Plan Commission meeting.

Consistency with the City of Evansville Comprehensive Plan and Municipal Code: The proposed land division and land uses are thoroughly consistent with the Future Land Use Map of the Comprehensive Plan. The proposal complies with the design standards and environmental considerations as set forth in the Land Division and Zoning Ordinances.

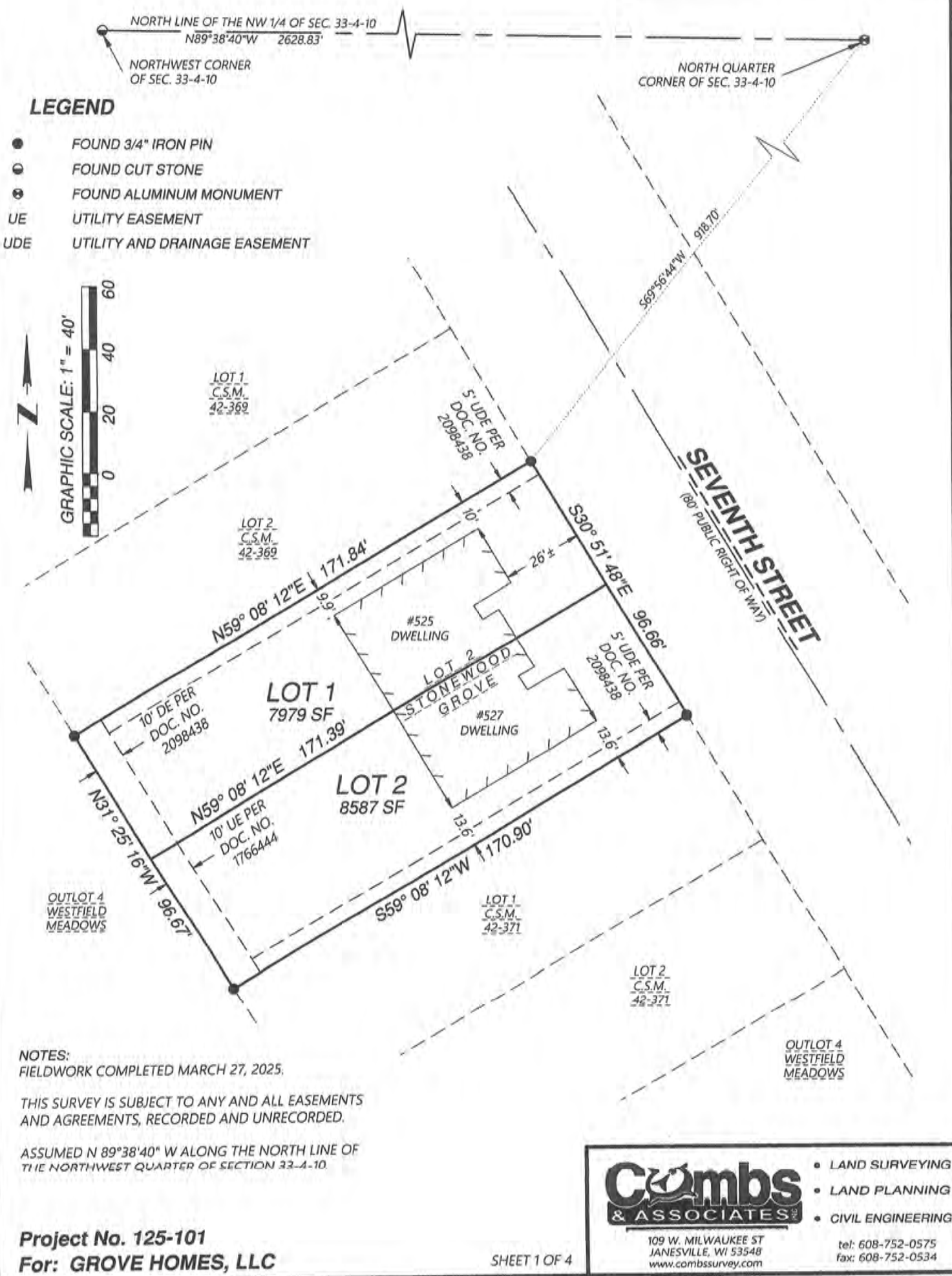
Staff Recommended Motion:

Motion to recommend Common Council approve a certified survey map to divide parcel 6-27-533.502 into two lots for a two-family twin residence addressed at 525/527 South Seventh Street, finding that the application is in the public interest and meets the objectives contained within Section 110-102(g) of city ordinances, with the following conditions:

- 1. The final CSM is recorded with Rock County Register of Deeds.*
- 2. The applicant records a joint cross access and maintenance agreement for each of the new lots made by CSM.*

CERTIFIED SURVEY MAP

LOT 2 OF STONEWOOD GROVE SUBDIVISION, LOCATED IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, T.4N., R.10E., OF THE 4TH P.M., CITY OF EVANSVILLE, ROCK COUNTY, WISCONSIN. FORMERLY BEING PART OF LOTS 32 AND 33 OF WESTFIELD MEADOWS.





APPLICATION FOR CONDITIONAL USE PERMIT– STAFF REPORT

Application: CUP-2025-02 **Applicant:** Steve and Molly Hicks

Parcel 6-27-462

June 3, 2025

Prepared by: Colette Spranger, Community Development Director
 Direct questions and comments to: c.spranger@evansvillewi.gov or 608-882-2263



Property outlined in red. Existing garage is at the northwest corner of the property.

Description of request: An application for a conditional use permit on parcel 6-27-894.1 located at 33 North Second Street has been submitted for consideration by the Plan Commission. The request is to demolish their existing garage and construct a new garage in its place. The property is within the Historic Conservation Overlay District. The Parcel is zoned R-1 Residential District One. As per section 130-1123 (a) of the Evansville Zoning Ordinance a Conditional Use Permit is required for all new construction or expansions of existing uses within the Historic Conservation (HC) overlay district.

Staff Analysis of Request: The proposal is believed to meet the minimum standards of the Historic Conservation (HC) overlay district. The Historic Preservation Commission has reviewed the proposal and recommended approval.

Required Plan Commission findings for Conditional Use Permit request: Section 130-104 (3) of the Municipal Code, includes criteria that should be considered in making this decision:

1. **Consistency of the use with the comprehensive plan.** The proposed use in general and in this specific location is consistent with the city's comprehensive plan of September 2022.
Staff Comment: The Comprehensive plan indicates a desire to promote good stewardship of the Historic Districts.
2. **Consistency with the City's zoning code, or any other plan, program, or ordinance.** The proposed use in general and in this specific location is consistent with City's zoning code, or any other plan, program, or ordinance, whether adopted or under consideration pursuant to official notice of the city.
Staff comment: The proposed construction is consistent with the City's zoning code and other plans, programs, and ordinances. Per Division 20 of Chapter 130, rear and side yard setbacks can be determined based on the average of those of neighboring properties. Along North Second Street, that average is 1 feet for the side yard. Rear yard setbacks are consistent with the underlying zoning district of 5 feet. Therefore, the garage may be 1 foot away from a side yard property line and at least 5 feet from the rear.
3. **Effect on nearby property.** The use will not result in a substantial or undue adverse impact on nearby property, the character of the neighborhood, environmental factors, traffic factors, parking, public improvements, public property or rights-of-way, or other matters affecting the public health, safety, or general welfare, either as they now exist or as they may in the future be developed as a result of the implementation of the City's zoning code, the comprehensive plan, or any other plan, program, map, or ordinance adopted or under consideration pursuant to official notice by the city.
Staff Comment: No adverse effect is anticipated on nearby property.
4. **Appropriateness of use.** The use maintains the desired consistency of land uses, land use intensities, and land use impacts as related to the environs of the subject property.
Staff Comment: A detached garage to a residential single family home is an appropriate use in the R-1 district.
5. **Utilities and public services.** The use will be adequately served by, and will not impose an undue burden on, any of the improvements, facilities, utilities, or services provided by the City or any other public agency serving the subject property.
Staff Comment: the property is connected to public utilities.

Additional Findings: Section 130-1123(b) of the Municipal Code requires the Plan Commission to determine whether the proposal meets general design criteria. Specifically, the section reads, "In general, the following items shall be considered in making decisions about conditional use requests within this district."

- (1) *Height. All new structures should be constructed to a height visually compatible with the buildings and environment with which they are visually related.*
Staff Comment: The height does not detract from that of adjacent buildings.
- (2) *Scale. The gross volume of any new structure should be visually compatible with the buildings and environment with which it is visually related.*
Staff Comment: Overall addition volume is similar to that of other outbuildings in the vicinity.
- (3) *Proportion of front facades. In the street elevation of a building, the proportion between the width and height in the facade should be visually compatible with the buildings and environment with which it is visually related.*
Staff Comment: the front façade does not detract from neighboring buildings.

- (4) *Proportion of openings. The proportions and relationships between doors and windows in the street facades should be visually compatible with the buildings and environment with which they are visually related.*

Staff Comment: The garage door opening on front façade is compatible with neighboring buildings.

- (5) *Rhythm of solids to voids. The rhythm of solids to voids created by openings in the facade should be visually compatible with the buildings and environment with which it is visually related.*

Staff Comment: solids and voids of the proposed garage are balanced.

- (6) *Rhythm of spacing. The existing rhythm created by existing building masses and spaces between them should be preserved.*

Staff Comment: The new garage is proposed to be placed in the approximate location occupied by the existing garage.

- (7) *Relationship of materials. The materials used in the final facades should be visually compatible with the buildings and environment with which they are visually related.*

Staff Comment: Neighboring buildings use a variety of materials including wood and vinyl. The proposed building will use vinyl siding to match the house.

- (8) *Relationship of textures. The texture inherent in the facade should be visually compatible with the buildings and environment with which it is visually related.*

Staff Comment: Neighboring buildings consist of horizontal siding elements and asphalt roofing. The proposed addition will have these same elements.

- (9) *Relationship of roofs. The design of the roof should be visually compatible with the buildings and environment with which it is visually related.*

Staff Comment: Neighboring buildings consist of asphalt roofs. The proposed addition will have these same elements.

- (10) *Landscaping. The landscape plan should be sensitive to the individual building, its occupants and their needs. Further, the landscape treatment should be visually compatible with the buildings and environment with which it is visually related.*

Staff Comment: No landscaping required.

- (11) *Directional expression of front elevation. All street facades should blend with other buildings via directional expression. When adjacent buildings have a dominant horizontal or vertical expression, this expression should be carried over and reflected.*

Staff Comment: Proposed addition maintains a horizontal direct expression, similar to the primary residence and existing garage.

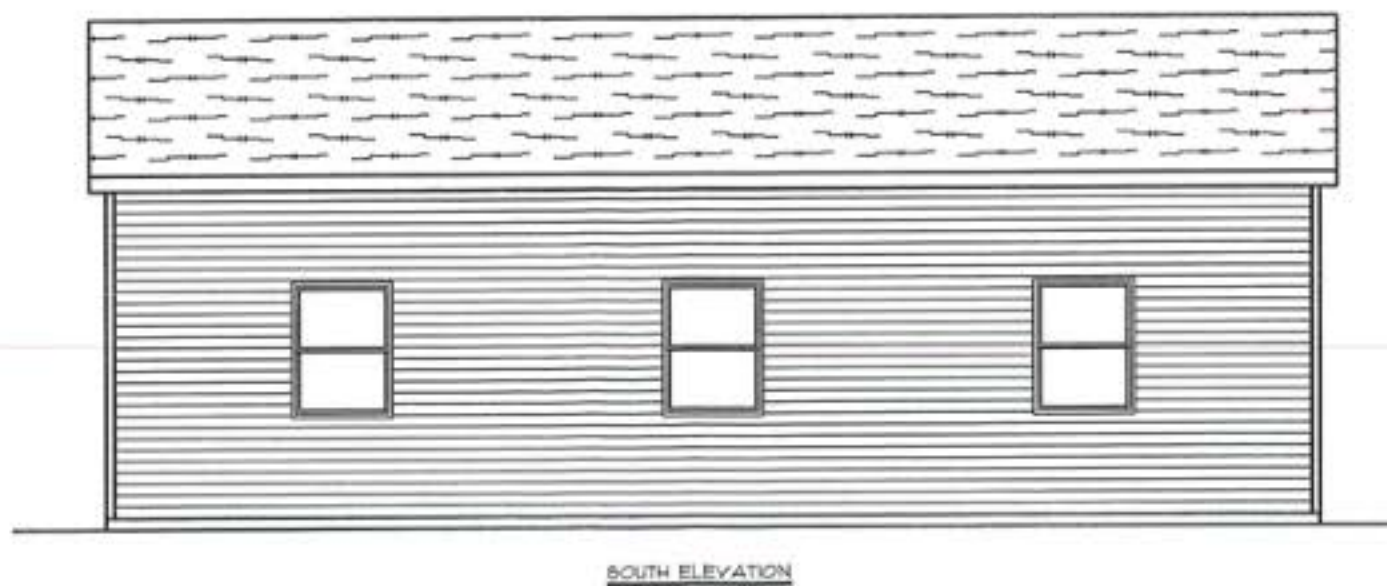
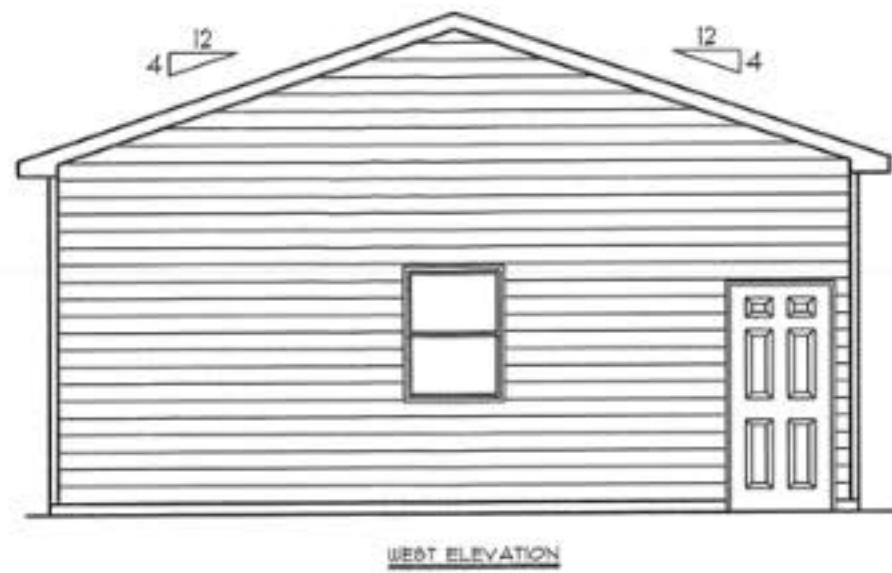
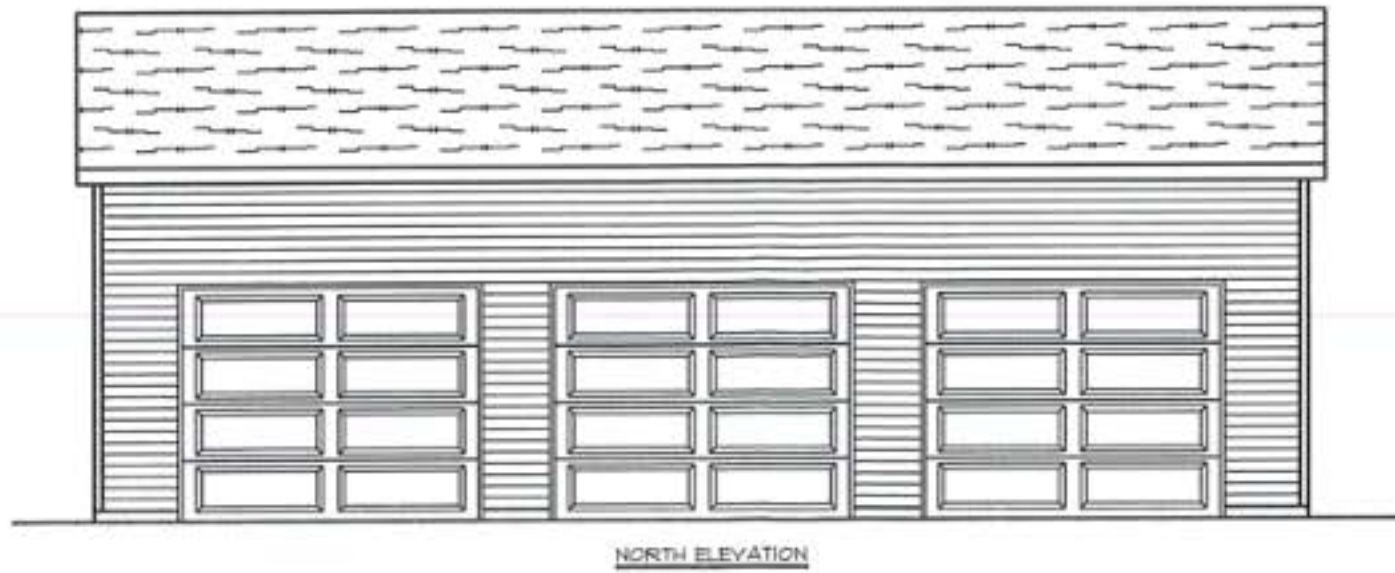
- (12) *Relationship of architectural details. Architectural details should be incorporated as necessary to relate the new with the old and to preserve and enhance the inherent characteristics of the area.*

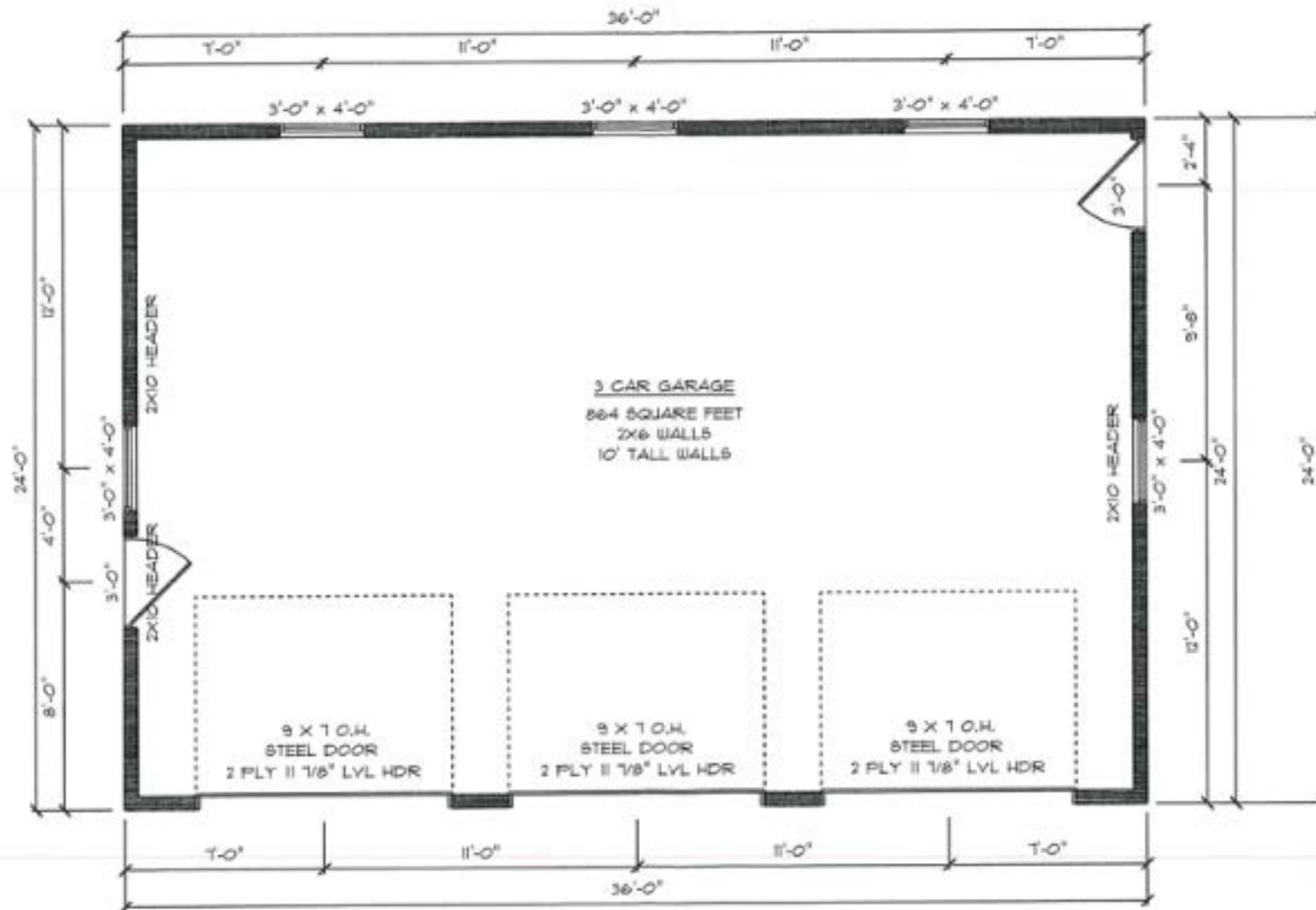
Staff comment: Architectural details on the proposed building are minimal. Historic preservation discussed and approved the building with minimal details.

Required Plan Commission conclusion: Section 130-104(3)(f) of the Municipal Code requires the Plan Commission to determine whether the potential public benefits of the conditional use do or do not outweigh any and all potential adverse impacts. The proposed motion below states that benefits do in fact outweigh any and all potential adverse impacts. The recommended motion includes a condition.

Staff recommended motion: Motion to approve a Conditional Use Permit for a new garage on parcel 6-27-462, finding that the benefits of the use outweigh any potential adverse impacts, and that the proposed use is consistent with the required standards and criteria for issuance of a CUP set forth in Section 130-104(3)(a) through (e) of the Zoning Ordinance, subject to the following condition:

- 1. Any variation from Historic Preservation Commission approved plans, including exterior materials, is not allowed without additional review by the Historic Preservation Commission.**





1ST FLOOR PLAN
SCALE: 1/4" = 1'-0"



EAST ELEVATION



City of Evansville

Community Development Department

www.ci.evansville.wi.gov
31 S Madison St
PO Box 529
Evansville, WI 53536
(608) 882-2266

Date: Tuesday, June 3rd, 2025
To: Plan Commission, Common Council
From: Colette Spranger, Community Development Director
Subject: Background regarding Ordinance 2025-03

Housing-related changes

A version of Ordinance 2025-03 had its first reading at a Common Council meeting earlier in 2025. That version included verbiage regarding WHEDA loan programs for housing redevelopment. Since then, the State Senate and Assembly have both passed bills regarding changes to those programs. A memo from the Assembly following this memo summarizes the changes. In short, award money amounts have increased for rehabilitation projects, and those projects can use TIF and historic tax credits as funding sources. However, the legislature is asking municipalities to codify in some manner costs savings for both the project *and for housing generally across the entire municipality*.

Compared to other nearby municipalities, Evansville has little wiggle room in the way offering cost savings. For new housing development, application costs cover staff time for new subdivision development, which can be significant. The City charges fees for sewer and water hook ups and a fee in lieu of park land dedication if a subdivision plat does not dedicate land for parks. These are typical costs that municipalities charge to cover the impact of new users on existing infrastructure.

For redevelopment projects, costs are site specific. Within the downtown, most buildings are already existing and the work needed to bring on new housing is all interior. Housing is allowed by right on 2nd and 3rd floors of downtown buildings and parking space requirements are often waived. There aren't as many entitlement costs in Evansville as there are elsewhere in the state. Often the only cost for redevelopment in these situations are building permit fees.

There are two downtown property owners who will be seeking funds from the Restore Main Street loan program to improve apartment units on 2nd and 3rd floors. This would grant the recipient 1% interest loans for either \$50,000 or 33% of total project costs per unit, whichever is less. Initial estimates for one of the rehabilitation projects have been over \$100,000 per unit. In exchange, the owner will keep rents within an affordable range for 10 years.

To enable the property owners to receive these funds, staff suggests the following measures to prove a measurable cost savings:

- For downtown rehabilitation projects, reimbursing building permit fees for projects that improve or add units to existing buildings.
- For general cost savings across the entire municipality, reimbursing some part of the fee in lieu of parkland dedication for new building projects. A condition of granting this savings would be that the development should exceed the Comprehensive Plan's goal of new development yielding better than the City-wide average of 3.66 units per acre. This can be done during the subdivision process, written into the development agreement, and enforced by first receiving the parkland fee, then reimbursing it once units are built. Park fees are set in the Fee Schedule and can be amended by resolution. If Plan Commission and Common Council wish to go in this direction, a resolution can be made to accompany this ordinance at the July meetings.

To prove to WHEDA that the City has adopted these measures, signed copies of the ordinance and resolution would be part of the application package for funding. Staff is open to other ways to demonstrate a cost savings, but found that the proposed activities are the easiest to assess and still have conditions attached to them that benefit the City.

Expanding Instructional Activities

There are two fitness businesses operating without the proper approvals. Fitness uses are currently listed as a form of indoor commercial entertainment. The Body Shop is in a basement unit of the Grange Store should need a conditional use permit, which it doesn't have. Dysfunctional Fitness is in an area zoned I-1 Light Industrial, which doesn't allowed indoor commercial entertainment uses even through a conditional use permit.

This is an example of how uses change over time, or change from how the zoning code first envisioned them. Businesses like these ones do not operate all day and often offer their services outside of normal business hours. This makes them good complimentary uses at sites that are otherwise busy during normal working hours. Issues like parking are less of a concern with the lack of overlapping hours. Examples of other similar businesses offering instruction, such as drama, dance, or music instructors.

When other municipalities have updated where zoning uses, these considerations were used to re-evaluate where such uses might be appropriate. The changes proposed in Ordinance 2025-03 are backed by the Comprehensive Plan, which notes that areas planned for Small Scale Industrial uses (like those zoned I-1 in the Water Street corridor) may be appropriate for certain types of commercial businesses. Water Street poses an additional challenge of also being within a Wellhead Protection area, which prohibits certain types of businesses from operating that would normally be allowed in the I-1 Light Industrial zoning district.

Staff is proposing allowing these uses by right in the O-1, B-2, B-3, and B-4 zoning districts, and by conditional use in the I-1, B-1, and B-5 districts. Conditional use permits would give the Plan Commission the ability to add conditions to sites that might have unique or special circumstances, but are otherwise appropriate. The Body Shop could continue to operate as it does, and Dysfunctional Fitness could apply for a Conditional Use Permit to continue its operation.

Motion

No action will be taken by Plan Commission or Common Council in June. Final reading for the ordinance will be in July. Minor edits could be made, but the intent of the changes should be retained. Comments, suggestions, or questions should be submitted to City Staff.

Wisconsin Legislative Council

AMENDMENT MEMO



Memo published: May 29, 2025

Contact: Abby Gorzlancyk, Staff Attorney

2025 Assembly Bill 194

Assembly Amendment 1

BACKGROUND

During the 2023-25 legislative session, the Legislature created three housing-related revolving loan programs administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Specifically, 2023 Wisconsin Acts 14,¹ 15,² and 18³ created the Infrastructure Access Loan Program, Restore Main Street Loan Program, and Commercial-to-Housing Conversion Loan Program, respectively.

Infrastructure Access Loan Program

The Infrastructure Access Loan Program generally allows both developers and governmental units to apply for a loan to cover a portion of the cost for certain infrastructure projects necessary to develop new residential housing. A loan awarded to a developer may not exceed 20 percent of the total costs of development, and a loan awarded to a governmental unit may not exceed 10 percent of the total cost of the residential housing development. Additionally, this loan program requires regional allocation of the funds, where no region may receive more than 12.5 percent of the money appropriated during the 2023-25 fiscal biennium in loan awards.⁴

Restore Main Street Loan Program

The Restore Main Street Loan Program generally allows the owner of certain existing buildings to apply for a loan to cover a portion of the rehabilitation costs. Specifically, the loan applicant must be the owner of a building where the main floor has a commercial use, and the second or third floors of the building have existing workforce housing that has not been significantly improved for at least 20 years. A loan awarded under this program may not exceed the lesser of \$20,000 per dwelling unit or 25 percent of the total housing rehabilitation costs.

Commercial-to-Housing Conversion Loan Program

The Commercial-to-Housing Conversion Loan Program generally allows the developer of a project converting a vacant commercial building to a residential housing development to apply for a loan to cover a portion of the conversion costs. The residential housing development must consist of 16 or more

¹ For more information on the Infrastructure Access Loan Program, see Legislative Council, 2023 Wisconsin Act 14, [Act Memo](#).

² For more information on the Restore Main Street Loan Program, see Legislative Council, 2023 Wisconsin Act 15, [Act Memo](#).

³ For more information on the Commercial-to-Housing Conversion Loan Program, see Legislative Council, 2023 Wisconsin Act 18, [Act Memo](#).

⁴ The regional allocation provision was amended by 2023 Wisconsin Act 209. For more information, see Legislative Council, 2023 Wisconsin Act 209, [Act Memo](#).

dwelling units. A loan awarded under this program cannot exceed the lesser of \$1 million per eligible project or 20 percent of project costs.

Relevant Shared Features

As relevant to Assembly Bill 194 and Assembly Amendment 1, these loan programs share features regarding project and loan application requirements, interest rates, and resale restrictions.

The following features are shared by all three loan programs:

- An eligible project cannot benefit from tax incremental financing (TIF) or a federal historic rehabilitation tax credit.
- An eligible project must be on real property that is subject to property taxes under ch. 70, Stats. This restriction means a housing project on tribal trust or reservation land is not eligible for a loan award because tribal trust and reservation lands are not subject to property taxes.
- A loan application requires, among other criteria, that the governmental unit with jurisdiction over the project has a compliant comprehensive plan and has updated the housing element of its comprehensive plan within five years of the date of the loan application.
- The developer or owner of the project and the governmental unit must submit a cost reduction analysis which shows the cost reduction measures, including time saving measures, undertaken by the governmental unit on or after January 1, 2023, that have reduced the cost of residential housing in connection with the project applying for the loan.
- The loan award must be secured by an unlimited personal guarantee.
- WHEDA may establish an interest rate at or below the market interest rate or may charge no interest rate for any loan awarded.

Specific to the Infrastructure Access and Commercial-to-Housing Conversion Loan Programs, the housing developed must remain workforce or senior housing, as defined by statute,⁵ for 10 years following initial occupancy of the housing. This restriction is a restrictive covenant that must be recorded and run with the property. During this time period, owner-occupied homes may only be sold to buyers that meet certain income requirements. Another required restrictive covenant applicable to the same 10-year period specifies that owner-occupied housing must remain owner-occupied and the housing cannot be sold for a price that exceeds the original price plus an annual adjustment based on the increase in sales price of residential housing in the county, as determined by WHEDA.

2025 ASSEMBLY BILL 194

Assembly Bill 194 makes changes to project and loan application requirements for all three loan programs, and makes program-specific changes that generally relate to project eligibility, the definitions of governmental unit and developer to include tribal governments,⁶ regional distribution of loan awards, and maximum loan amounts.

⁵ ss. 234.66 (1) (h) and (i) and 234.662 (1) (h) and (i), Stats.

⁶ The 2024 Special Committee on State-Tribal Relations discussed changes to the loan programs to make housing projects on tribal trust and reservation land eligible for awards. For more information, see the Committee's [webpage](#).

Changes to All Three Loan Programs

The bill makes the following changes to all three of the loan programs:

- **Permits a project to benefit from TIF and federal historic rehabilitation tax credits.**
- Allows a housing project on tribal reservation or trust land, which is not subject to property tax, to be eligible for the loan programs if the property was designated reservation or trust land on the effective date of the provision.
- Specifies that the requirement that the housing element of the comprehensive plan be updated and may be satisfied by the governmental unit adopting an ordinance or resolution, within five years of the loan application date, certifying that the housing element provides an adequate housing supply to meet existing and forecasted housing demands in the governmental unit.
- **Adds that the cost reduction analysis must establish that the governmental unit has reduced the cost of housing within the governmental unit generally in addition to reducing the cost of housing in connection with the eligible project.**
- Allows a loan to be secured by a corporate guarantee in addition to a personal guarantee.

Infrastructure Access Loan Program

The bill expands the definition of an eligible developer to include a tribal housing authority or business entity created by a tribal council. It also increases the maximum loan amount to developers from 20 percent to 33 percent of total project costs, and the maximum loan amount to governmental units from 10 percent to 25 percent of total project costs.

Restore Main Street Loan Program

The bill changes the definition of governmental unit to include a federally recognized American Indian tribe or band in this state. It increases the maximum loan amount from the lesser of \$20,000 per dwelling unit or 25 percent of total project costs **to the lesser of \$50,000 per dwelling unit or 33 percent of total project costs.** The bill also adds a regional allocation provision that generally prohibits any one region from receiving more than 12.5 percent of the money appropriated during the 2023-25 fiscal biennium in loan awards.

Commercial-to-Housing Conversion Loan Program

The bill expands the definition of a developer to include a tribal housing authority or business entity created by a tribal council, and expands the definition of governmental unit to include a federally recognized American Indian tribe or band in this state. It expands the definition of eligible project to include a mixed-use development that includes a residential housing development. The loan amount for a mixed-use development project must be calculated only using costs associated with the residential housing portion of the project. Additionally, the definition of residential housing development is changed to require 16 or more dwelling units in a governmental unit with a population of above 10,000, and four or more dwelling units in a governmental unit with a population of 10,000 or less.

The bill also increases the maximum loan amount from the lesser of \$1 million or 20 percent of total project costs to 33 percent of total project costs. Finally, it adds a regional allocation provision that generally prohibits any one region from receiving more than 12.5 percent of the money appropriated during the 2023-25 fiscal biennium in loan awards.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 makes changes to project and loan application requirements, the Real Estate Condition Report (RECR) form, and the vacant land disclosure form, and alters the effective date of portions of the bill.

Regarding changes to the loan application requirements, the amendment requires WHEDA to set interest rates at or below one percent or charge no interest. Next, the amendment changes the look-back date for the cost reduction analysis from January 1, 2023 to January 1, 2020.

The amendment also specifies that the requirement in the Infrastructure Access and Commercial-to-Housing Conversion Loan Programs that new housing remain workforce or senior housing for 10 years following initial occupancy does not apply to housing intended to be owner-occupied that is subsequently sold by the initial owner-occupier.⁷ Lastly, the amendment changes the county-dependent price control on the sale of owner-occupied housing to instead allow the sales price to be increased by no more than five percent per year, compounded annually, above the original purchase price paid by the original owner-occupier.

Regarding the RECR and vacant land disclosure form, the amendment adds explanatory language to the restrictive covenant question on both the RECR and vacant land disclosure form. The added language specifies that a restrictive covenant or deed restriction may include the types of restrictions required under these WHEDA loan programs, such as resale price limits or occupancy requirements.

Lastly, the amendment specifies that the general effective date for the bill is the day after publication and that the changes regarding the WHEDA loan program requirements would first apply to loan applications accepted on the general effective date.⁸ Also, changes to the applicability of income and sales price restrictions on owner-occupied workforce and senior housing first apply to loan agreements entered into or modified on the general effective date. Finally, the amendment adds a delayed effective date of January 1, 2026 for changes to the RECR and vacant land disclosure form, and specifies that sellers who produce reports prior to January 1, 2026 do not need to submit an amended report with the information required by the amendment.

BILL HISTORY

Representative Armstrong offered Assembly Amendment 1 on May 12, 2025. On May 15, 2025, the Assembly Committee on Housing and Real Estate recommended adoption of Assembly Amendment 1 on a vote of Ayes, 12; Noes 1, and passage of the bill, as amended, on votes of Ayes, 13; Noes, 0.

For a full history of the bill, visit the Legislature's [bill history page](#).

AG:jal

⁷ The primary effect of this change is that the purchaser-income requirements do not apply to any sale that occurs after the initial owner-occupier's purchase. The requirement that the housing remain owner-occupied and the limitations on the sales price of any subsequent sale, as modified by the amendment, remain in effect and apply for a 10-year period following the initial owner-occupier's purchase.

⁸ WHEDA is required to provide a semiannual application process for these loan programs. The most recent application window closed on May 16, 2025, and the next application cycle opens in October 2025. More information can be found on WHEDA's website [here](#).

CITY OF EVANSVILLE
ORDINANCE # 2025-03

AN ORDINANCE TO REIMBURSE BUILDING PERMIT FEES FOR AFFORDABLE
HOUSING PROJECTS AND EXPAND CERTAIN COMMERCIAL USES:

The Common Council of the City of Evansville, Rock County, Wisconsin, do ordain as follows:

SECTION 1. It is in the best interest of the City and that of its citizens to amend the Chapter 130 from time to time in order to accurately reflect current land uses, specifically those that encourage redevelopment of underutilized sites in the City's historic downtown, and to modernize standards for certain land uses

SECTION 2. The Wisconsin Housing and Economic Development Authority (WHEDA) has allocated funding for the redevelopment of residential housing units on upper floors of commercial buildings in downtowns, subject to certain conditions. In an effort to encourage redevelopment of these spaces, has directed cities to codify in its zoning code demonstrative cost savings to certain redevelopment projects and that the unit of government has reduced the cost of housing generally. In exchange for this reduction of costs, the developer will offer the rehabilitated units at or below affordable rents for a period of ten (10) years.

SECTION 3. Affordable rents in Rock County are determined by WHEDA and the U.S. Department of Housing and Urban Development (HUD) are as follows as of April 1, 2025:

- \$1,655 for an efficiency unit
- \$1,772 for a one-bedroom unit
- \$2,127 for a two-bedroom unit
- \$2,457 for a three-bedroom unit

SECTION 4. Within its B-2 Central Business zoning district, which overlaps considerably with the part of the downtown that is within a historic district, housing units on the upper floors of commercial buildings are allowed by right and parking stall requirements are waived. For existing structures, building permit fees are the only administrative cost associated with rehabilitation. The City recognizes the costs of maintaining and improving apartment units within its historic downtown may be especially burdensome, and that doing so provides a positive economic impact that benefits downtown businesses, residents, and the City as a whole. As a result, the City has elected to reimburse building permit costs, subject to certain conditions.

SECTION 5. A supporting objective of the City's housing goal to require quality residential development that promotes the vision of the Comprehensive Plan is that ensuring that new residential development exceed the City's overall average of 3.66 dwelling units per acre. As an incentive to exceed this goal, the City is offering a partial reimbursement of fees in lieu of parkland dedication upon build out of a development.

SECTION 6. The City's Comprehensive Plan indicates that areas planned for Small Scale Industrial uses may be appropriate to mix with certain commercial land uses. Repeated inquiries for fitness-related uses outside of the City's existing business districts, combined with observed

successes in other municipalities where such excuses have been expanded, have prompted a re-consideration of how the City reviews these uses.

SECTION 7. The Evansville Plan Commission held a public hearing on June 3rd, 2025, in compliance with the requirements of Section 62.23(7)(d)(2), Wis. Stats., regarding the proposed amendment of the zoning ordinance, and by a vote of X-X of the entire commission on July 1st, 2025 has recommended Ordinance 2025-03 be approved by Common Council.

SECTION 8. The changes proposed in Ordinance 2025-03 are consistent with the City's adopted Smart Growth Comprehensive Plan.

The Common Council of the City of Evansville, Rock County, Wisconsin, do hereby amend Chapter 130 of the City of Evansville Municipal Code as follows:

AMEND SECTION 130-31(c) AS FOLLOWS

(c) *Building permit fee.* The applicant, upon filing of the building permit application with the zoning administrator, shall pay a fee to the zoning administrator in accordance with the building permit requirements of the building code. (See also section 18-~~4~~2.)

(1) Exceptions. For building rehabilitation projects within the B-2 zoning district, the zoning administrator shall reimburse building permit fees for projects improving housing units on the upper floors of commercial buildings.

AMEND SECTION 130-408 AS FOLLOWS:

Sec. 130-408. Indoor commercial entertainment.

Indoor commercial entertainment land uses include ~~all~~ land uses that provide entertainment services entirely within ~~an enclosed a~~ building. Such activities often have operating hours that extend significantly later than most other commercial land uses. Examples of such land uses include restaurants, taverns, theaters, ~~health or fitness centers, all forms of training studios (dance, art, martial arts, etc.)~~ bowling alleys, arcades, roller rinks, and pool halls. The following regulations are applicable to this use:

- (1) Permitted by right: B-2
- (2) Conditional use regulations: O-1, B-1, ~~B-2~~, B-3, B-4, B-5.
 - a. If located on the same side of the building as abutting residentially zoned property, no customer entrance of any kind shall be permitted within 100 feet of residentially zoned property.
 - b. The facility shall provide a bufferyard along all borders of the property abutting residentially zoned property with a minimum opacity per section 130-270.
 - c. Such uses shall comply with article II, division 4 of this chapter, pertaining to standards and procedures applicable to all conditional uses.
- (3) Parking requirements: One space per every three patron seats ~~or lockers (whichever is greater)~~, or one space per three persons at the maximum capacity of the establishment, whichever is greater. These requirements may be waived by the plan commission for businesses in the B-2 district, following a request from the applicant.

(Ord. No. 1997-18, § 13(17.70(4)(h)), 1-19-1998, Ord. 2005-44)

CREATE SECTION 130-425:

Sec. 130-425. Studio or Instructional Service.

Studio or instructional services are uses that focus on providing individual or small group instruction or training in fine arts, music, dance, drama, fitness, or similar activities. Also includes dance studios, yoga studios, martial arts instruction, tutoring, and other studios for artists that do not involve the use of power tools or machinery. Such businesses typically operate sporadically throughout the day and outside regular business hours, which may complement sites with otherwise limited parking.

(1) Permitted by right: O-1, B-2, B-3, B-4

(2) Conditional use regulations: B-1, B-5, I-1

- a. For businesses adjacent to residentially zoned properties, hours of operation are not to occur between the hours of 8:00PM to 6:00AM.
- b. Uses and potential conflicts with the surrounding sites/businesses will be considered and assessed during review for a conditional use permit.

(3) Parking requirements: One space per 300 square feet of activity space.

- a. Parking spaces intended for adjacent businesses on the same site may be shared if a written agreement outlining use is produced by both parties.
- b.** Businesses are permitted to use outdoor space on site for activities, but such activities shall not occur in parking areas or within the right-of-way.

AMEND DIVISION 22: LIGHT INDUSTRIAL DISTRICT (I-1), SECTIONS 130-1161 AND 130-1163

Sec. 130-1161. Intent and purpose.

(1) *Description.* The I-1 district is intended to permit both large and small scale industrial and office development at an intensity that creates few adverse land use or safety impacts to the neighboring areas. ~~which is consistent with the overall desired character of the community.~~ Beyond a relatively high minimum green space ratio, the primary distinguishing feature of this district is that it is geared to businesses and indoor industrial activities which are not typically associated with high levels of noise, soot, odors and other potential nuisances for adjoining properties. In order to ensure a minimum of disruption to residential development, no development within this district shall take direct access to a local residential street or a residential collector street.

(2) *Rationale.* This district is intended to provide a location for light industrial land uses such as assembly operations, storage and warehousing facilities, offices, research and development facilities, and light manufacturing which are protected from potential nuisances associated with certain development permitted within the heavy industrial district and special industrial district. In addition, land uses shall comply with the minimum performance standards presented in this chapter.

(Ord. No. 1997-18, § 9(17.46(1)), 1-19-1998; Ord. No. 1998-12, § 1(17.46), 9-8-1998, Ord. 2011-17)

Sec. 130-1163. Uses permitted as conditional use.

Land uses permitted as conditional uses in the I-1 district are as follows:

- (1) Clear cutting (per section 130-347).
- (2) Outdoor institutional uses (per section 130-374).
- (3) Indoor sales or service (per section 130-403).
- (4) Commercial animal boarding (per section 130-410).
- (5) Group day care center (nine or more children) (per section 130-413).
- (6) Vehicle repair and maintenance (per section 130-417).
- (7) Group development (per section 130-418).
- (8) Outdoor storage and wholesaling (per section 130-452).
- (9) Personal storage facility (per section 130-453).
- (10) Airport/heliport (per section 130-482).
- (11) Distribution center (per section 130-484).
- (12) Railroad line (per section 130-485).
- (13) Motor vehicle storage yard (per section 130-457).

(14) Communication towers (per section 130-503).

(15) Studio or Instructional Service (per section 130-425)

(Ord. No. 1997-18, § 9(17.46(2)(b)), 1-19-1998; Ord. No. 1998-12, § 1(17.46(2)(b)), 9-8-1998, Ord. 2005-44, Ord. 2006-42, Ord. 2008-08, Ord. 2011-17, Ord. 2014-07)

Passed and adopted this _____ day of _____, 2025.

Dianne C. Duggan, Mayor

ATTEST:
Leah L. Hurtley, City Clerk

Introduced: 6/3/2025
Notices published: 5/23/2025, 5/27/2025
Public hearing held: 6/3/2025
Adopted: _____
Published: (within 10 days of adoption)

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City of Evansville

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Date: Tuesday, June 3rd, 2025
To: Plan Commission
From: Colette Spranger, Community Development Director
Subject: Potential Comprehensive Plan Amendment

City staff have been approached by Groves Homes LLC to allow zero lot line duplexes at two properties on North Fourth Street. The building sites were approved during a land division approval for Certified Survey Map (CSM) of Lot 7 (originally of the Historic Standpipe Point subdivision) in summer 2024. The three lots created from that subdivision were rezoned to the B-1 zoning district.

The City is obligated to follow its Future Land Use Plan when reviewing and granting approvals for land divisions and rezonings. This kept the area consistent with the future land use plan designation of Mixed Use. The B-1 districts allows duplexes and single family residences by right; two family twin homes (more commonly referred to in Evansville as zero lot line duplexes) are only allowed in the R-2 zoning district. Two family twin homes have the smallest allowable lot size of any residentially zoned lot in Evansville; this is not a desirable feature in the B-1 zoning district, which requires a minimum lot width of 75 feet for non-residential uses and at least 50 feet of street frontage for all lots. Part of the City's approval for the division of Lot 7 was that there be no further subdivision of the lots created from that Certified Survey Map in order to preserve the long-term flexibility of uses for this area.

Having a zero lot line duplex is one way of individually owning a half of the duplex; the other method of allowing for separate ownership is a condominium plat, which the City recently allowed for duplexes on South Seventh Street that are also zoned in the B-1 zoning district.

The issue at hand is that the developer has entered contracts with potential buyers that the duplexes would be divided as two family twin homes. From a building perspective, there is no difference between a duplex that resides with both units on one lot, on separate lots with the property line dividing the two units at the shared wall, or by units separated under a condominium plat. Financing options differ depending on the arrangement, with mortgages for two family twin lots being the most like a conventional single family home.

The developers are seeking a way to allow for two family twin lots in order for the potential buyer to keep their current financing plan. From the City's perspective, this would be a process involving a Comprehensive Plan amendment to the future land use map to change the area from Mixed Use to Planned or Established Neighborhood and then by amending the B-1 zoning district to allow for two family twin residences.

Comprehensive Plan amendments are not a small undertaking; Common Council must pass a resolution for amending the Plan that includes public participation and hold a hearing that is publicly noticed 30 days in advance of the hearing. The Comprehensive Plan is a public document and changes to it are not meant to happen without serious consideration. As stated previously, the City is obliged to follow its Plan, especially when making land use and zoning decisions.

Tonight's Action:

The Mayor will poll the Plan Commission for consensus: would Plan Commission be willing to entertain a Comprehensive Plan amendment to change the future land use category area to Established or Planned Neighborhood from Mixed Use on the area originally platted as Lot 7 of Historic Standpipe Point?

Note:

Wis. Stats. 236.02(12) states that "five or more parcels or building sites of 1 1/2 acres each or less in area are created by successive divisions within a period of 5 years" is a subdivision, not a certified survey map. There are different requirements for Certified Survey Maps and Subdivision Plats. Staff will inquire further if allowing further division of Lot 7 through a certified survey map is compliant with state statutes, or if it needs to be done as a subdivision plat, in effect becoming an addition to Historic Standpipe Point.