



Village of Allouez

New Housing Fee Report 2022

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Introduction

Act 243 was enacted in 2017 upon the request from different lobbying groups interested in residential development and real estate. Among several other mandated requirements and changes for the local level, Act 243 requires that by January 1, 2020, cities and villages with a population of 10,000 or more must also prepare a report of the municipality's residential development fees. This report must be posted on the municipality's website, with a webpage devoted solely to the report and titled "New Housing Fee Report." The municipality must provide copies of the reports to each governing body member. If a fee or the amount of a fee is not properly posted as required, the municipality may not charge the fee. The report shall contain all of the following per section 66.10014 of the state statutes:

- A. Whether the municipality imposes any of the following fees or other requirements for purposes related to residential construction, remodeling, or development and, if so, the amount of each fee:
 1. Building permit fee.
 2. Impact fee.
 3. Park fee.
 4. Land dedication or fee in lieu of land dedication requirement.
 5. Plat approval fee.
 6. Storm water management fee.
 7. Water or sewer hook-up fee.
- B. The total amount of fees under par. (A) that the municipality imposed for purposes related to residential construction, remodeling, or development in the prior year and an amount calculated by dividing the total amount of fees under this paragraph by the number of new residential dwelling units approved in the municipality in the prior year.

Residential Platting and Building Permit Analysis

The Village of Allouez is a land-locked community that is 97 percent developed, making the majority of permit activity small infill development, redevelopment, or remodeling for housing construction.

Act 243 (Section 66.10014 Wis. Stats.) requires a municipality to list the total amount of fees collected for all residential construction, remodeling, or development in the prior year (2021). However, the legislation requests that this total number be divided only by the number of new residential dwelling units (four units) approved in the municipality in the prior year. According to this formula, the final number does not accurately reflect the total cost per dwelling unit because it does not include the dwelling units that took permits for an addition/remodel (241 units). A summary and analysis of the permits, fees, and average permit fee per unit charged by the Village of Allouez is found in Table 1. The total amount of fees collected was also divided by the total number of residential dwelling units that took out a permit (245 units – including additions/remodels) to provide a more accurate cost per unit.

In 2021, the Village of Allouez permitted four new housing units, all four of which were single-family/duplex units and none were apartment units. Total construction costs for these four units are \$1,000,000.00, according to the permit applications. The fees listed in Table 1 (less addition/remodel units) make up 0.38 percent of the total cost of construction. This percentage is a slight increase from 0.32 percent of the total cost of construction in 2019.

The September 2017 National Association of Homebuilders (NAHB) Construction Cost Survey found that on average, building permit fees, impact fees, and sewer/water inspections make up 4.3 percent of the construction cost of a single-family home. The report continues that 55.6 percent of the final sales price (of a single-family home) goes to construction costs, 21.5 percent to finished lot costs, and 10.7 percent to builder profit.¹

¹ "Ford, Carmel (December 2017) *Cost of Constructing a Home*. Retrieved from National Association of Homebuilders website: <http://www.nahbclassic.org/generic.aspx?genericContentID=260013>

List of Permits/Fees	Fee	Units
New Residential Building Permit Fee (includes erosion)	\$ 3,734.00	4
Residential Addition/Remodel Permit Fee	\$ 41,845.00	241
Impact Fee	N/A	N/A
Park Fee	N/A	N/A
Sewer Connection Fee (includes water and stormwater)	\$ -	N/A
State Seal Fee	\$ 86.00	4
CSM Fee	\$ -	-
Preliminary Plat Fee	\$ -	-
Final Plat Fee	\$ -	-
Land Dedication in Lieu of Fee	N/A	N/A
Total 2021 Fees	\$ 45,665.00	
Cost Per Unit (less addition/remodel units)	\$ 11,416.25	4
Cost Per Unit (including addition/remodel units)	\$ 186.39	245

Table 1. 2021 Residential Platting and Building Permit Activity

Permit fees do add a cost to the overall price of housing units within the Village of Allouez. However, as discussed above, the permit fees are minimal relative to the total cost of construction and the fees charged by the Village of Allouez are far less than the National average of fees related to single-family home construction. The permit fees are in place to cover the time and material for Allouez employees to properly review the plans and inspect the new development or remodeled residential units to ensure they meet the adopted building codes and other regulations. The permit fees are listed in our Building Permit Fee Schedule. This fee schedule is included in the appendix of this report.

Other variables outside of the village control also influence the cost of development and are discussed in further detail in the Village of Allouez Housing Affordability Report 2022. Despite these variables, the village is committed to making development more attractive in the village. Although many of these commitments have less direct measurable results, the village believes these commitments do make a positive difference to a developer in terms of saving time and costs towards a project. These commitments are also discussed in further detail in the Village of Allouez Housing Affordability Report 2022.

Appendix