

Introduction

Housing is more than a basic human necessity providing shelter from the elements. It is a prominent feature of the built environment and a driver of transportation patterns; a consumptive good and an investment for building financial security; a determinant of social interaction and achievement; and a symbol of familial connections and personal history. It varies for different individuals depending on age, income, marital and family status, and geographic location, among other variables.



A supply of high quality, well-designed housing is vital to a healthy and prosperous community. The styles, sizes, and types of available housing options create community character and establish a connection between residents and their neighborhoods. Housing in the Town of Oconto Falls, like most rural communities, is comprised almost entirely of single-family, site-built units. The community also has a relatively high percentage (17%) of mobile homes. This imbalance may prove challenging as the population ages.

In the process of updating the Town of Oconto Falls 2006 Comprehensive Plan, the quantity and quality of existing housing stock was reviewed and goals, objectives, and policies were developed to ensure that the Town is adequately prepared to address its housing needs during the coming decades.

Housing Vision

Through policies, programs, and local ordinances, the Town of Oconto Falls will strive to provide an adequate supply of affordable and well-maintained housing. The Town will consider a variety of options to expand housing choice to ensure that the residential living needs of its residents are met now and into the future.

Current Supply

As of the 2013 American Community Survey (ACS) there were 623 housing units in the Town of Oconto Falls, comprised entirely of single-family units (517) or mobile homes (106). Of these, 479 were occupied while 144 were classified as vacant. Although it would benefit from greater housing diversity, it must be understood that the nearby City of Oconto Falls and its 422 two-family and multi-family units (as of the 2013 ACS) provides a viable local alternative to the Town's stock of single-family housing.

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Table 3.1 compares housing units in the Town following the 2000 Census and 2013 ACS. According to the data, the Town lost two 2-unit and two 3-4 units during the 13 years between the two surveys while gaining and additional 108 1-unit structures and 31 mobile homes.

Table 3.1: Comparison of Housing Units in Town of Oconto Falls, 2000-2013						
Category	2000		2013		Change 2000-2013	
	Number	Percent	Number	Percent	Number	Percent
Total Units	488	100%	623	100%	135	27.7%
Occupied units	440	90.2%	479	76.9%		
Vacant units	48	9.8%	144	23.1%		
1-unit, detached	409	83.8%	514	82.5%	105	25.7%
1-unit, attached	0	--	3	0.5%	3	--
2 units	2	0.4%	0	--	-2	-100%
3 to 4 units	2	0.4%	0	--	-2	-100%
5 to 9 units	0	--	0	--	0	--
10 to 19 units	0	--	0	--	0	--
20 or more units	0	--	0	--	0	--
Mobile Home	75	15.4%	106	17.0%	31	41.3%
Boat, RV, van, etc.	--	--	0	--	0	--

Source: US Census Bureau; American Community Survey.

Occupancy

For a housing market to operate efficiently it must possess an adequate supply of available housing units for sale or rent. The supply must be sufficient to allow for the formation of new households by the existing population, to allow for immigration, and to provide opportunities for alternative housing resulting from a change in household size, status, or income. According to the US Department of Housing and Urban Development (HUD), an overall available vacancy rate of 6.5% (1.5% for owner-occupied; 5.0% for the renter-occupied) is required to allow for adequate housing choice among consumers. Low vacancy rates indicate a shortage of available housing. High rates demonstrate an adequate supply, increased competition, and potentially lower housing prices and values.

Vacancy rates vary from one community to the next. The rate in Wisconsin as of the 2013 ACS was 1.9% for owner-occupied units and 5.5% for rentals. Within Oconto County, the rates were 3.0 and 2.7, respectively. The Town of Oconto Falls had a 2013 owner-occupied vacancy rate of 1.8% and a rental rate of 0.0%; the City was at 0.0% and 4.5%, respectively. If the Town and City are viewed as a single community, the data indicates an adequate supply of owner-occupied housing and a slight deficit of available rental units.

Age and Quality

A good indicator of the quality of available housing in a community is the age of its housing stock. Table 3.2 lists the number of units and the corresponding percent of total housing stock by year built. Sixty-nine percent of existing units in the Town have been constructed since 1970

when modern building codes began to regulate new home construction. However, one-in-five units were constructed during or prior to World War II and the post-war improvements in building construction. While age alone does not indicate poor condition, it is assumed that older structures will require more frequent and expensive maintenance. The 134 structures built prior to 1950 may be candidates for rehabilitation or replacement during the next 20 years.

Cost

Table 3.3 provides a comparison of median home values in the Town of Oconto Falls with those of adjoining communities, Oconto County, and the State of Wisconsin in 2000 and 2013. The median value of an owner-occupied home in Oconto Falls following the 2013 ACS was \$163,200, an increase of 70% from 2000.

The main reason for the tremendous increases in median home values in Oconto County (and elsewhere in the U.S.) was an overheated housing market. Were it not for the collapse of the housing bubble in 2007 it is likely that the value of owner-occupied homes would have been even higher. Prices stabilized around 2012 and have been slowly but steadily increasing since. Table 3.4 compares the number of owner-occupied units in the Town in 2000 and 2013 by value. The

Table 3.2: Age of Housing Stock in Town of Oconto Falls, 2013

Year Structure Built	Number of Units	Percent of Total Units
2010 or later	8	1.3%
2000 to 2009	168	27.0%
1990 to 1999	76	12.2%
1980 to 1989	85	13.6%
1970 to 1979	97	15.6%
1960 to 1969	34	5.5%
1950 to 1959	21	3.4%
1940 to 1949	26	4.2%
1939 or earlier	108	17.3%
Total	623	100%

Source: American Community Survey

Table 3.3: Comparison of Median Value of Owner-Occupied Homes in Town of Oconto Falls and Select Municipalities, 2000-2012

Municipality	2000	2013	Change, 2000-2012	
			Dollars	Percent
T. Oconto Falls	\$95,900	\$163,200	\$67,300	70.2%
C. Oconto Falls	\$77,600	\$103,200	\$25,600	33.0%
T. Abrams	\$114,800	\$168,800	\$54,000	47.0%
T. Gillett	\$77,000	\$142,300	\$65,300	84.8%
T. Lena	\$79,400	\$143,500	\$64,100	80.7%
T. Maple Valley	\$58,800	\$123,400	\$64,600	111.4%
T. Morgan	\$105,200	\$189,300	\$84,100	79.9%
T. Spruce	\$92,500	\$113,900	\$31,400	34.0%
T. Stiles	\$102,700	\$151,700	\$49,000	47.7%
Oconto County	\$89,900	\$147,700	\$57,800	64.3%
Wisconsin	\$112,200	\$167,100	\$54,900	48.9%

Source: US Census Bureau; American Community Survey.

Table 3.4: Comparison of Owner-Occupied Housing Units by Value in Town of Oconto Falls, 2000-2013

Value	2000		2013		Change, 2000-2013	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	22	11.1%	27	6.3%	5	22.7%
\$50,000 to \$99,999	88	44.4%	37	8.7%	-51	-60.0%
\$100,000 to \$149,999	53	26.8%	96	22.5%	43	81.1%
\$150,000 to \$199,999	23	11.6%	125	29.3%	102	443.5%
\$200,000 to \$299,999	12	6.1%	86	20.1%	74	616.7%
\$300,000 to \$499,999	0	--	37	8.7%	37	--
\$500,000 to \$999,999	0	--	16	3.7%	16	--
\$1,000,000 or more	0	--	3	0.7%	3	--

Source: US Census Bureau; American Community Survey.

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data in the table demonstrates the increase in home values within each of eight census categories.

Housing Affordability

Income is the primary factor, not price and availability, that determines housing affordability. Understanding housing affordability requires answering the question, “Does the cost of housing in the community match the ability of residents to pay for it?” The most commonly used affordability calculator was developed by the US Department of Housing and Urban Development (HUD). The HUD method compares current income to existing housing costs.

Under HUD guidelines, housing is considered affordable when it costs no more than 30% of total household income, on a monthly and annual basis. Residents should be able to live in safe and decent housing for less than one-third of their household income. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.¹

Affordability

Beyond income and mortgage/rent costs, housing affordability also requires access to employment opportunities that provide a livable wage and a multi-modal transportation system that offers access to jobs, schools, healthcare, and other services. These issues are further discussed in *Chapter 4: Transportation*, *Chapter 5: Utilities & Community Facilities*, and *Chapter 7: Economic Development*.

As of 2013, 91 owner-occupied households in the Town of Oconto Falls (more than one out of every three) spent thirty-percent or more of monthly income on housing. In Brown County as a whole, 31.3% of households exceeded HUD’s recommended housing affordability threshold.

Housing Plan

The remainder of the chapter focuses on the categories of housing and forms of residential development that will allow the Town of Oconto Falls to meet its future needs. The pages that follow include a broad discussion of housing issues in the community, descriptions of various residential living alternatives, policy options to achieve housing goals, and a list of programs that can aid in achieving those goals.

The Town has grown slowly but steadily since 1970, averaging a nearly ten percent growth rate during each of the past four decades. With a projected 2035 population of 1,565, average household size of 2.34 person, and a increasing number of residents aged 65 years and older, it will be important to develop and implement a plan to meet anticipated housing needs. The keys to achieving the community’s housing goals are diversity and flexibility. Diversity with respect to the variety, cost, location, and style of available housing alternatives and flexibility in the manner in which future residential development occurs. A range of choices will allow a young family to rent, purchase a starter home, move into a larger home as the family grows, move to a smaller home when the parents retire, and move to an assisted living facility when the needs

¹ Excerpted from *Affordable Housing*, US Department of Housing and Urban Development website, 2015.

arises. Ideally, each of these transitions will occur within the Town of Oconto Falls; though, the nearby City of Oconto Falls will undoubtedly play a significant role in providing housing for the township's seniors.

Flexibility in Land Use Regulations

Current development patterns may fail to provide adequate housing choice in part due to existing land use regulations. While local ordinances can achieve important development and planning goals, they may also prevent (or inhibit) the private sector from creating affordable housing alternatives targeting singles, young families, and seniors. The removal of certain zoning and regulatory barriers may eliminate the need for developers to procure variances and waivers through a lengthy (and costly) planning process. Such regulatory barriers may include: larger than necessary minimum lot size, setback, and single-family square footage requirements; expansive parking requirements; and, prohibitions on accessory dwelling units, among others.²

Large vs. Small Lots

Like many rural communities, residential development in the Town has occurred on relatively large lots. These requirements have resulted from a desire to maintain "rural character" by prohibiting smaller lot sizes that are viewed as urban. However, large lot development can do more harm than good. Instead of protecting land, larger lots may waste it. Although large lot zoning reduces the number of homes that can be built, it also spreads out those homes in such a way that the remaining land is un-useable for farming, forestry, recreational trails, and other desired land uses.

Smaller lots sizes, even in areas not served by municipal sewer and water, provide an important element in a community's housing stock. They tend to keep housing costs down and may provide for greater efficiencies in the provision of necessary services (postal, garbage collection, school bus pickup, etc.).

If flexibility in housing options is to be a goal of the community, a mixture of lots sizes must be available for residential development. Allowing for a diversity of lot sizes will provide the Town with a pallet of available options to address future housing needs.

Housing for Seniors

As presented in Chapter 2: Community Profile, Oconto Falls' senior population is projected to increase substantially during the next twenty years. According to the *2011 Profile of Americans by the Administration on Aging*, people reaching age 65 had an average life expectancy of an additional 18.8 years. The types of housing desired and required by an aging population differ from that of its younger cohorts. Housing specifically designed for seniors is currently in short supply in the Town.

² Some of the text in this section was excerpted from *Affordable Housing and Smart Growth: Making the Connection*, Smart Growth Network and National Neighborhood Coalition, 2009.

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Clearly defining the need for senior housing in a community is not an easy task. This is largely due to the complexity of the marketplace. A majority of seniors in Wisconsin reside in their own homes or in mixed-family congregate housing (i.e. apartments with residents of all age ranges). The ability of a resident to remain at home is enhanced by organizations and services catering to people of retirement age. In addition, building designs for life (i.e. wider doorframes to accommodate wheelchair access, first floor bedrooms, etc.) can extend the ability of a resident to live independently in their own home. However, some seniors may not be able (or desire) to live in a private home and will seek alternative housing options.

Although the City of Oconto Falls may remain the destination of choice for many of the Town's aging residents, there exist senior-oriented housing options suitable for a rural community. Town options living that might be appropriate for seniors in the Town of Oconto Falls are:³

- *Age Restricted Retirement Communities (ARRC)*. The ARRC is a desirable alternative for those that do not require assisted living and nursing care. Aging residents can benefit from a relaxed environment with similarly aged neighbors while avoiding the conventional maintenance and upkeep requirements that come with home ownership. Communities benefit from attracting active adult developments because they reduce the impact on the transportation network and schools while increasing tax revenue. The options available to create ARRCs include establishing senior housing districts in the zoning ordinance, utilizing planned unit developments or overlay districts, and offering density bonuses to willing developers under subdivision regulations.
- *Elder Cottage Housing Opportunities (ECHO)*. An ECHO is a housing option wherein seniors occupy a second living unit (often referred to as a secondary suite or granny flat) or an apartment with a separate entrance on a single-family lot with another family member. Generally, they are permitted by a municipality in order to foster affordable housing or aid families with elderly parents who are unable to live completely alone. In most cases the owner of the home or the renting party must be a senior.



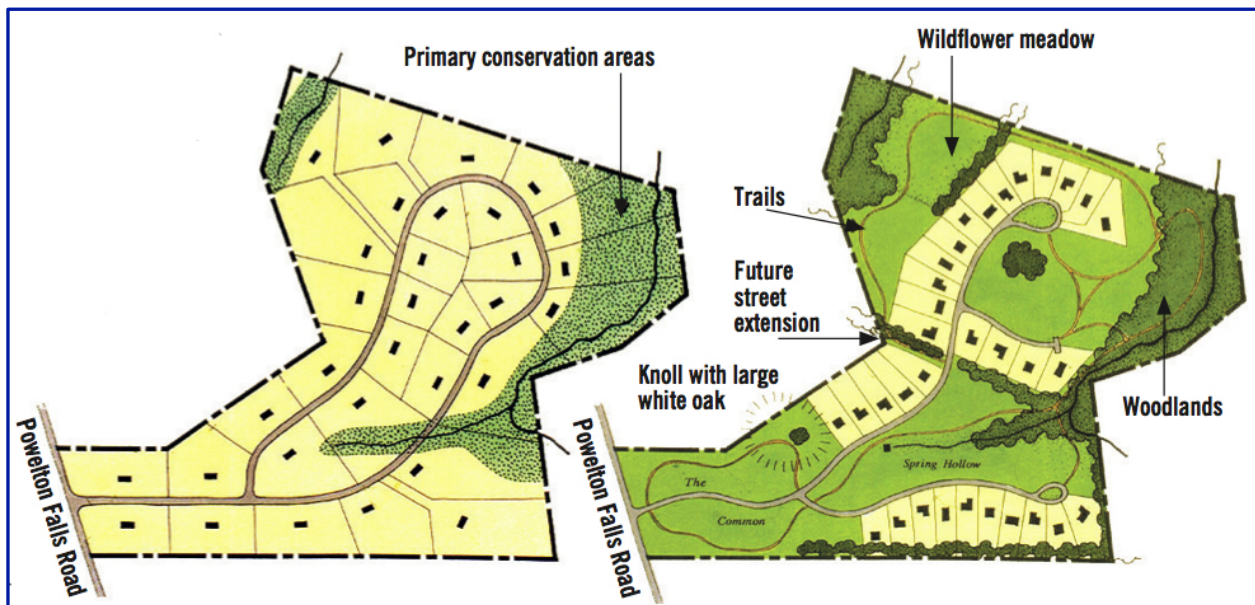
Courtesy Greenwood Homes and Granny Flats

Conservation Subdivisions

Residents view Oconto Falls as a special place to live. They do not want to see important natural features and valuable agricultural land lost in order to make way for residential development. However, the community realizes that additional homes will be necessary to meet the needs of a growing population. One method that provides the means to protect the natural environment while allowing for additional residential development is *conservation design* for subdivisions.

³ Source: *American Planning Association Magazine*, December 2006.

Conservation subdivisions provide developers with a marketable alternative to conventional subdivision design. They allow for profitable and desirable development while simultaneously preserving the important natural and cultural features present on a given piece of property (woodland, farmland, historic structures, etc.). In a conservation subdivision, homes are clustered together on smaller lots so that the remainder of the parcel may be permanently preserved as open space or agricultural land. Typically, 40% or more of the site is protected through a conservation easement or similar method. Open spaces are maintained via a homeowners association or similar mechanism. Trails, community gardens, and other amenities are often included in the design of conservation subdivisions.



The images above compare a conventional subdivision (left) with a conservation subdivision (right). Both include 32 residential lots. While the conventional subdivision adhered to a 2-acre minimum lot size, the conservation development had a minimum lot size of one acre. By reducing the size of the lots, the developers were able to provide the same number of parcels while permanently preserving (through a conservation easement) important natural and cultural resources. The open space system in the conservation subdivision is accessible to everyone who lives in the development. Within the conventional development, the entirety of the area is parceled off with just eight lots having direct access to the woods.

The Town of Oconto Falls adopted a subdivision ordinance in 2008. The ordinance was constructed upon the principles of conservation design for subdivisions.

Affordable Housing

Although HUD defines affordability on a national scale, the department's criteria do not adequately account for cost of living in the calculations. Clearly, housing in Oconto Falls is less costly than in Chicago, New York, or San Francisco. Affordability in the Town will be achieved by allowing for a variety of housing types and styles, for sale or rent, at a range of costs.

The two land use tools that provide the means by which local government can expand upon the supply of affordable housing are the zoning and subdivision ordinances. Within the zoning ordinance, 'inclusionary' requirements can be enacted to ensure that a minimum percentage of

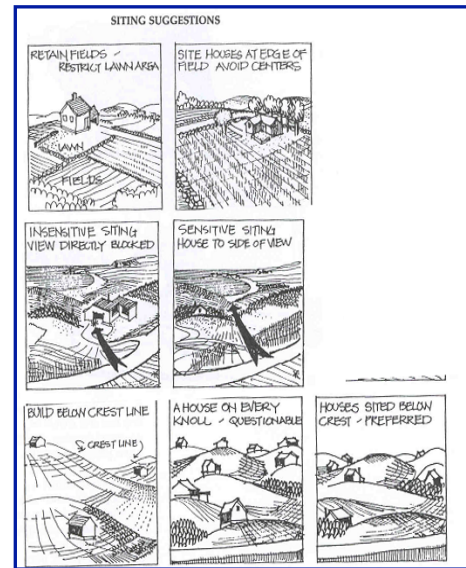
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housing units within a given district meet affordability requirements. In the subdivision ordinance, density bonuses may be provided to developers who willingly include affordable units during the platting process. The standard of affordability is determined by the mean and median incomes of current and prospective residents within the community.

Placement of Structures on Rural Parcels

Where a residence and its accessory structures are placed on a rural lot can have a significant impact on the character of the surrounding area. Properly locating homes on parcels can minimize the impact of new development on the natural environment and its rural setting. The best management practices listed below may provide opportunities to reduce the visual impact of development and maintain a rural, undeveloped character for the Town.

- When constructing homes in agricultural areas, residences should be located adjacent to tree lines and wooded field edges, if available. If not, homes should be located on the edge of the parcel, not in its center.
- Development on hilltops should be discouraged or prohibited since it disrupts the rural character of the surrounding area.
- Construction should not occur within woodlands and wildlife habitat or adjacent to wetlands and riparian corridors.
- Existing farm roads should be incorporated into the parcel and fencerows and tree lines should be preserved.
- Driveways should be as short as possible and follow contours and the lay of the land; disturbances for driveway construction should be kept to a minimum.
- Large, structurally sound trees should be left in tact (roads should be outside of the drip line).
- Onsite drainage patterns should remain intact.



Courtesy American Planning Association

Housing Programs

The following pages describe the various federal and state housing programs that are available to aid the Town of Oconto Falls in implementing its housing plan.

Federal Programs and Revenue Sources

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) is the federal agency primarily responsible for housing programs and community development. Though many of its programs are directed to larger cities and urban areas, the Town would qualify for some available funds. HUD provides money to non-entitlement communities (i.e., communities with populations fewer than 50,000) through grants. In the state of Wisconsin, the Department of Administration Division of Housing and Intergovernmental Relations (DHIR) is the agency responsible for the administration of this program. DHIR awards funds through a competitive proposal process.

U.S. Department of Agriculture-Rural Development

The U. S. Department of Agriculture-Rural Development provides a variety of housing and community development programs for rural areas. Support is generally available to communities with populations of 10,000 or fewer. USDA-RD provides support for rental housing development, direct and guaranteed mortgage loans for homebuyers, and support for self-help and cooperative housing development.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that are often used in partnership with local nonprofit groups to fund a wide range of activities that builds, buys and/or rehabilitates affordable housing for rent or homeownership or provides direct rental assistance to low-income people.

Participating jurisdictions may choose among a broad range of eligible activities, such as: providing home purchase or rehabilitation financing assistance to eligible homeowners and new home buyers; building or rehabilitating housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing, including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses." The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance.

State Programs and Revenue Sources

Wisconsin Department of Administration–Division of Housing and Intergovernmental Relations

Beyond the funds distributed through HUD, DHIR administers several state-funded programs that can potentially be used to finance housing improvements. Money available through the DHIR, because it is funded by general-purpose revenue, cannot be used to invest directly in housing development. However, funds can achieve the desired result by helping organizations

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develop the capacity to construct houses or by providing various types of financial assistance to homebuyers or renters through grants to local governments or nonprofit agencies.

Wisconsin Housing and Economic Development Authority

The Wisconsin Housing and Economic Development Authority (WHEDA) is a quasi-governmental agency that finances housing development through the sale of bonds. Unlike the DHIR, it receives no direct state-tax support. As such, WHEDA can provide mortgage financing for first-time homebuyers and financing for multifamily housing as well. Specific programs evolve and change with the needs of the housing market.

Housing Goals, Objectives, and Policies

The goals, objectives, and policies related to housing are presented in Chapter 10: Implementation.