

## **Housing**

### **Top Issues & Opportunities**

- Quickly Appreciating Market
- Neighborhood Revitalization
- Diversity of Housing Stock
- Attracting Young Adults & Families

### **Voices from the Community**

Quality and Tenure of Housing - The Community Survey asked people about the supply of housing option in the City. While most responses indicated a healthy housing stock, roughly a quarter of the respondents (27%) indicated the overall quality of housing stock is “poor”. There is strong overall support for increased affordable homeownership options in the community; however, a third (32%) of homeowners disagreed or strongly disagreed that the City should support rental affordability efforts.

Building on Strengths - Focus group discussions on housing identified the following:

- *Neighborhoods are close-knit and support community members*
- *Homeownership opportunities exist for moderate-income households*
- *The City is safe with plenty opportunities for families*
- *Community location creates easy access to other areas*

Challenges - Focus group discussions and the Community Survey identified conditions that impact housing and overall growth of the community (some are current challenges, some are future concerns):

- *Attracting young professionals is difficult*
- *Zoning code needs flexibility in new housing type options*
- *Diversity, equity and inclusion initiatives needed to support all residents*
- *Neighborhood empowerment and stabilization key to strengthening healthy housing*
- *Neighborhoods need mixes of housing types, tenures and costs*

## **Goal 1: The City will achieve balanced neighborhoods with a mix of housing types and price-points that provide suitable housing for everyone.**

### **POLICIES**

**#1:** New neighborhood and subdivision development should include a wide mix of housing types and densities.

**#2:** Support gradual increases in density that allow homeowners to age in place and homebuyers to generate additional income (e.g., twinhomes, accessory dwelling units, and other split owner-occupancy/tenancy dwelling types).

**Callout Box: What is the benefit of increasing density within existing neighborhoods?** Accessory Dwelling Units (ADUs) can respectfully increase density in built environments without changing the character of the neighborhood. ADUs can be a separate cottage in side/rear yard, apartment in the basement, a space above a garage or a unit attached to the home. While financing can be difficult, ADUs allow homeowners to create an additional dwelling unit on their own property for family members, caretakers, and friends who are in need of housing. They are also commonly used by aging households to “downsize” their own housing, while maintaining ownership of the property as either an income-generating rental, or housing for family members serving as caretakers later in age.

**#3:** Locate workforce and affordable housing in places with good walking access to jobs and shopping and/or where public transportation is available or planned. It should not be concentrated in any single neighborhood.

**#4:** Pursue opportunities to purchase and assemble property, as appropriate, to support the housing needs of the community.

**#5:** Encourage the development of housing in every neighborhood for people of all abilities. This includes, for example, the use of universal design principles in new housing.

***Callout Box: What is Universal Design?** Universal Design is an approach to the design of the physical environment that allows access and use by anyone, of any ability. It includes accessibility features as required by the American Disabilities Act, such as wider doorways, door openers, at-grade entries and grab bars in bathrooms, with a focus on having one set of features for everyone. It also includes design for intuitive use without the need for instructions and elements helpful to people with limited hand dexterity such as lever door handles and rocker light switches. Universal design principles can be applied to any housing unit, even if not required by law or specifically intended for senior residents.*

**#6:** Encourage facilities that allow residents to age-in-place, including neighborhood-based senior living communities of all assistance levels and second unit options/additions on owner-occupied property.

**#7:** Encourage owner-occupied (multi-tenant) rental properties, including providing them with new landlord and property maintenance resources.

***Callout Box: What are owner-occupied rentals?** One of the best tools to generate wealth is through homeownership, but low- and moderate-income earners seeing housing become less affordable as costs to enter the ownership market are rising. Owner-occupied rentals help fill some of that financing gap by allowing purchasers to buy a small multi-unit home (4 units or less), and lease out the other units to generate income and offset housing costs.*

## **ACTIONS**

**#1:** Utilize the annual Housing Affordability Report to track key market trends and metrics that can be reported to City leadership, creating a baseline and measure of potential program/development impact.

**#2:** Prepare a detailed housing study that evaluates all aspects of local housing market conditions as a tool to better understand specific needs (e.g. cost, age, structure type, location, etc.).

**#3:** Address housing affordability through the following strategies:

- a. Underwrite quality, affordable housing initiatives that leverage local gap financing when it will assist in securing other public and private sources of equity (e.g., Section 42 tax credits) at least annually.
- b. Create an Affordable Housing Fund that can be used to support a variety of affordability initiatives. Sources of money include but are not limited to the City's general fund, private donations, and TIF districts ready for closure (per state statute, district closure can be delayed one year and all funds collected in the bonus year may be used for affordable housing anywhere in the City).

- c. Review and amend the zoning ordinance as appropriate to enable the development of housing formats that limit cost, including smaller lots, smaller homes, attached units and “cottage court” clusters of detached homes. Identify locations for these formats in neighborhood plans for new and existing neighborhoods.
- d. Help promote the availability of down payment assistance programs through digital media.

**#4:** Encourage and support reinvestment in existing housing, including:

- a. As housing needs evolve, continue to assess revolving loan fund needs for housing rehabilitation as well as potential funding streams. The funds can be used to support reinvestment in single- and multi-unit buildings.
- b. Continue to work with developers experienced with rental housing renovation and the Redevelopment Authority to pursue State and Federal 4% tax credit funded renovation of aging units to reinvest in units while protecting their affordability.
- c. Look for opportunities to work with partners/owners of Low-Income Housing Tax Credit (LIHTC) developments that are nearing the end of their affordability period, partnering to extend affordability for longer timeframes.

## **Goal 2: The City will maintain quality-housing options as part of safe and healthy neighborhoods for all residents.**

### **POLICIES**

**#8:** Review and approve housing development proposals based on consistency with the Land Use chapter of this Plan, including the Future Land Use Map and associated policies.

**#9:** Ensure both homeowners and landlords are aware of program and financing options for upkeep on properties, including energy efficiency.

**#10:** Support a clear and cohesive network of agencies that can assist all users of the housing market – whether lenders, tenants, landlords, or homebuyers.

**#11:** Enforce property maintenance and nuisance codes to maintain neighborhood quality and prevent blight. If a neighborhood area develops frequent property maintenance problems it may be a result of a mix of underlying conditions. The City will consider a multifaceted response that includes not only code enforcement but also City and non-profit supportive services to address underlying conditions.

**#12:** Continue to actively foster neighborhood engagement and upkeep in neighborhoods, especially those with less capital, while also investing resources to rehabilitate and revitalize housing stock in strategic areas.

**#13:** Infill development should respect the scale, proportion and architectural style of nearby homes to a reasonable extent. The City should consider strategies to actively protect areas that have been locally identified as historically important.

**#14:** Continue to encourage and support investments in neighborhoods/districts that strengthen a sense of cohesion and delineation, forming unique and distinct places throughout the City.

## **ACTIONS**

**#5:** Update the City website to promote local, neighborhood level events in support of neighborhood groups and/or associations.

**#6:** Continue to fund annual neighborhood grant programs that will provide City monies to make small neighborhood improvements (e.g. welcome signs, public art, etc.).

**#7:** The City will develop and share resources on green/sustainable design strategies in conjunction with the permit process (e.g., educational pamphlets that summarizes energy and water consumption strategies and provides information on Local/State energy and sustainability programs).

## **Goal 3: Housing policies will complement economic development goals of the City, growing business and population in tandem.**

### **POLICIES**

**#15:** Everyone who works in the City will be able to find adequate housing in the City, whether entry-level or executive.

**#16:** New housing will be located in areas with adequate access to jobs, transportation, or other daily-need amenities.

**#17:** Encourage community businesses to incentivize employee relocation to Fond du Lac through employer downpayment assistance and other programs, and provide matching downpayment assistance funds when appropriate to eligible households.

**#18:** Encourage high-density development in areas in and near downtown where there is adequate access to transit, commercial nodes, and other daily-need amenities.

### **ACTIONS**

**#8:** Work with Envision Greater Fond du Lac to develop and maintain a strategy/process to communicate with the business community on workforce needs, including how best to match those needs with housing types that will attract people to live and work in the City.

**#9:** Consider code amendments to enable development of lower-cost housing types and forms in all neighborhoods (e.g. smaller lot sizes, small homes, attached unit housing, "cottage courts", and other styles of development) that meet the needs of the workforce.

**#10:** Amend the City's ordinances to allow accessory dwelling units (with appropriate standards), for the purpose of increasing housing choice, increasing density, accommodating different household types and increasing affordability. Encourage this as part of new neighborhood development, during initial unit construction and site design.

# HOUSING

## 2020 SNAPSHOT

The following numbers illustrate those conditions in Fond du Lac most relevant to the formation of housing goals and policies for the next 10 years.

**19,430** - The number of housing units as of 2018.

**60%** - The percentage of units that are single-family detached housing, compared to 71% for the County. As costs continue to rise for new construction, these unit types may become increasingly unaffordable and households may need to look for new options in the housing market.

**59%** - The percentage of all units that are owner-occupied, based on the American Community Survey (ACS). This is unchanged over the past decade - and indicates stability in unit occupancy types year-to-year.

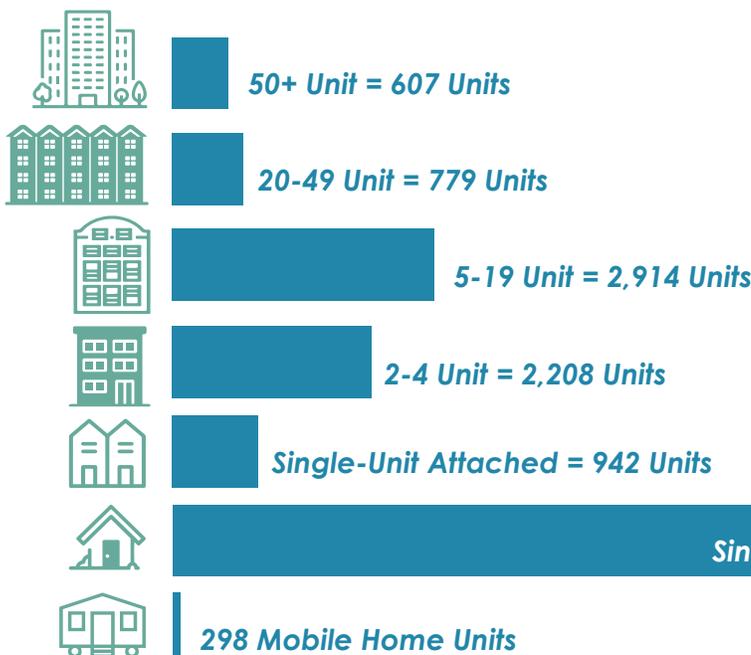
**5%** - The percentage of all units that are attached units (e.g. townhomes, twinhomes), based on ACS surveys. Attached and two-unit building forms are becoming more common, and are important to adding gradual density in land use decisions.

**35%** - The percentage increase in the median owner-occupied home value since the market bottom in 2012 - representing a strong sellers real estate market for all types of homes in the City.

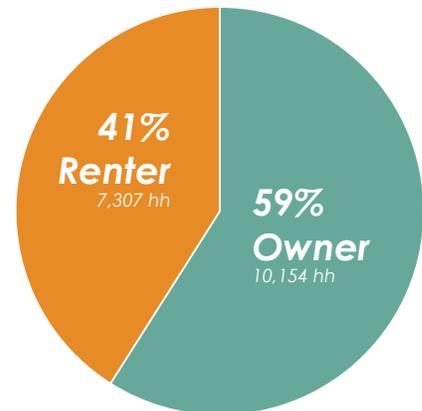
**8.3%** - The vacancy rate in 2018, which is an increase from 6.9% vacancy recorded in 2010. While owner-occupied housing is seeing tighter markets and less available units, increasing desirable rental choices is important to offer options within the housing market.

**23%, 43%** - The percentages of owner households and renter households, respectively, that pay more than 30% of their annual income on housing costs. 30% is the generally recognized housing "affordability limit" for households before budgets are cut for other essentials - food, healthcare, childcare, etc. These can be thought of as "families that cannot afford" housing in Fond du Lac.

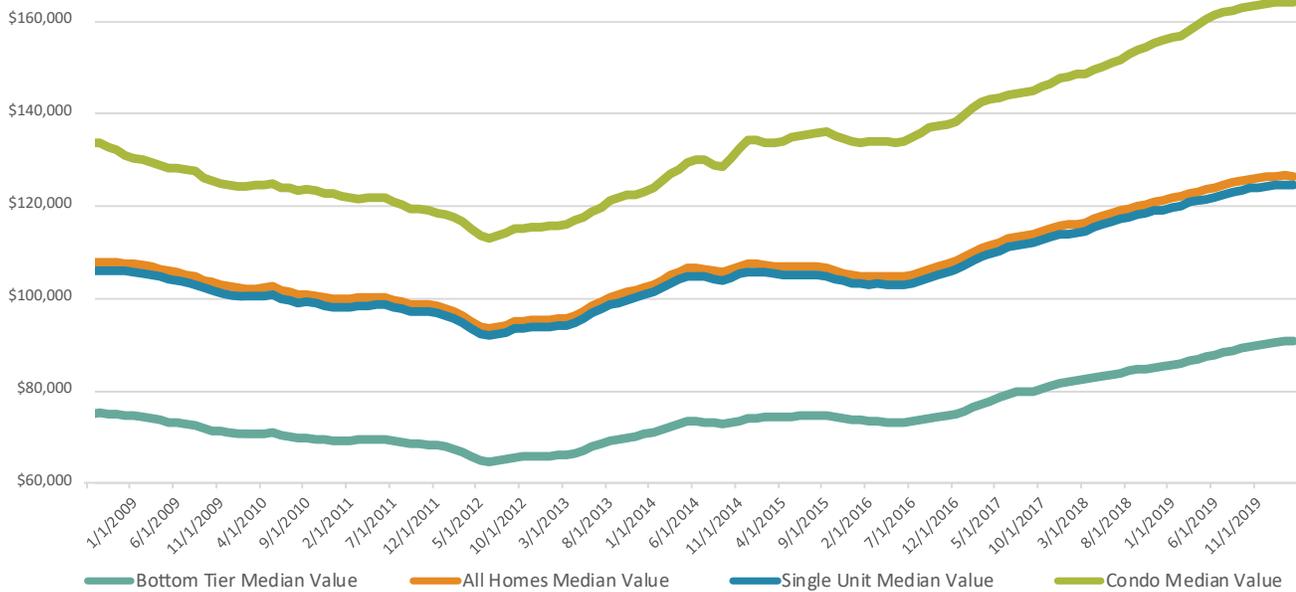
TOTAL NUMBER OF UNITS BY STRUCTURE , 2018



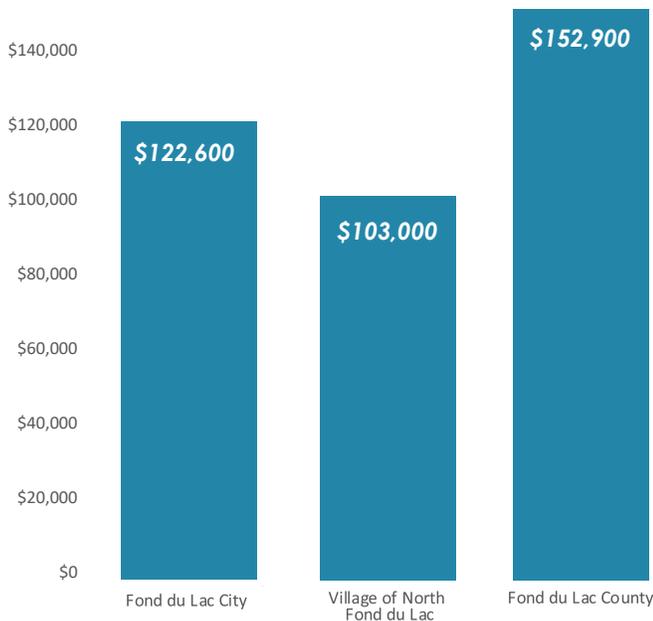
HOUSEHOLDS, TENURE



### HOME VALUE TREND, 2009-2019



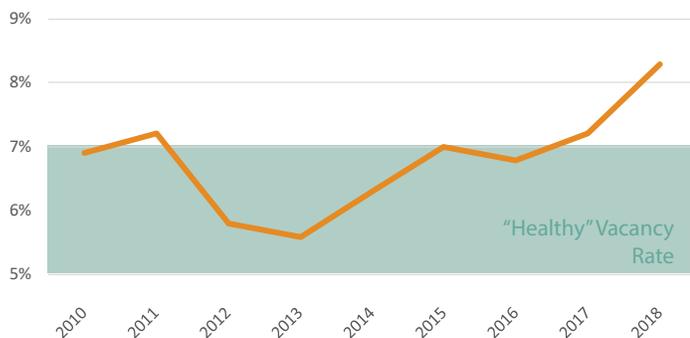
### MEDIAN HOME VALUE, 2018



### MEDIAN VALUE BY YEAR BUILT, 2018

Year Built	Median Value
2014 or Later	\$217,500
2010 to 2013	-
2000 to 2009	\$210,200
1990 to 1999	\$178,400
1980 to 1989	\$174,700
1970 to 1979	\$136,500
1960 to 1969	\$123,500
1950 to 1959	\$110,900
1940 to 1949	\$97,600
1939 or Earlier	\$94,600

### RENTAL VACANCY RATE



### RENTAL COST BY BEDROOM SIZE, 2018

Number of Bedrooms	Median Gross Rent	Number of Units
No Bedroom	\$629	433
1 Bedroom	\$584	1,821
2 Bedroom	\$727	3,089
3 Bedroom	\$895	
4 Bedroom	\$1,321	1,964
5 or More Bedroom	\$1,029	