

2019 Housing Affordability Report



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City of Onalaska Housing Affordability Report

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Introduction – Comprehensive Plan Implementation

The City of Onalaska Comprehensive Plan was last updated in 2015 and included a housing analysis for the City. Providing affordable housing which meets the needs of current and future City residents is an important element in planning for the future. Goals, objectives, and policies for housing within City of Onalaska listed in the comprehensive plan include:

- Encouraging the use of mixed-use, traditional neighborhood design concepts, and conservation/cluster subdivisions in new developments and redevelopments where appropriate and compatible with existing land use.
- Encouraging and supporting the maintenance and rehabilitation of older housing stock.
- Improving transportation connections, particularly bicycle paths/routes and pedestrian facilities, between and within existing neighborhoods and other parts of the City and region.
- Encouraging the expansion of the supply of middle income family housing in the community particularly moderately priced single-family housing.
- Encouraging affordable senior housing so that long-term residents and retirees may continue to live in the City of Onalaska.
- Informing residents about housing ownership programs to allow for increased and continued owner-occupancy for all Onalaska residents.
- Promoting alternate residential development patterns such as cluster development conservation subdivisions, and neo-traditional neighborhoods.
- Protect existing housing stock through effective enforcement of codes, policies and programs. The existing housing stock is usually more affordable than new housing.
- Identify and promote the availability of land for the development or redevelopment of a variety of housing types, including but not limited to low-income and moderate-income housing.
- Encouraging infill development housing opportunities shall be encouraged. Infill sites, especially in the central portion of the City, should be considered for uses including senior housing, low/moderate income housing, and condominium housing when deemed compatible with the Comprehensive Plan.

The comprehensive plan attempts to analyze the cost of housing in the City of Onalaska. In an attempt to update some of the information the City has included additional charts based on 2018 information. Pages 45-48 of the Plan include additional charts.

Monthly Homeowner Costs

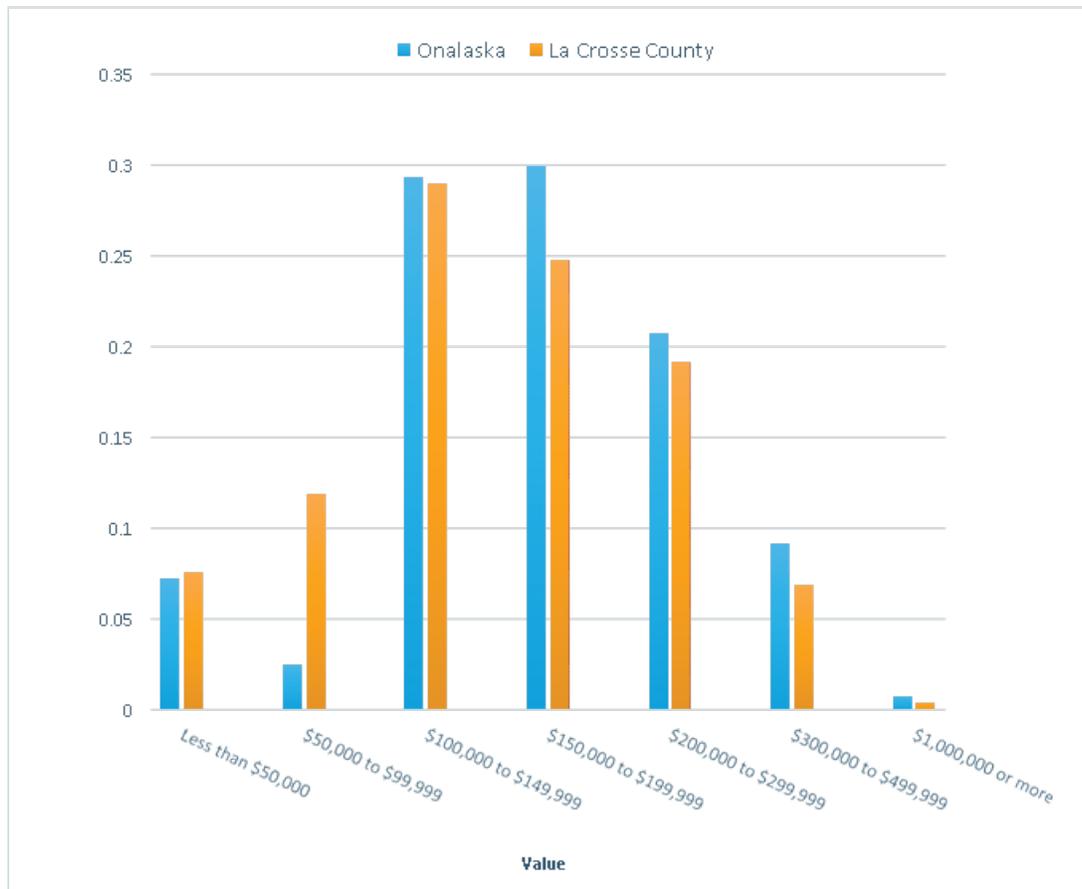
	City of Onalaska		La Crosse County, WI	
	#	%	#	%
Housing units with a mortgage	3,308	3,308	18,545	18,545
Less than \$500	0	0.0%	150	0.8%
\$500 to \$999	517	15.6%	3,246	17.5%
\$1,000 to \$1,499	1,088	32.9%	7,551	40.7%
\$1,500 to \$1,999	913	27.6%	4,473	24.1%
\$2,000 to \$2,499	426	12.9%	1,729	9.3%
\$2,500 to \$2,999	182	5.5%	698	3.8%
\$3,000 or more	182	5.5%	698	3.8%
Median (dollars)	\$1,523.00		\$1,380.00	

**Source: U.S. Census, American Community Survey 2018

Gross Rent Costs

	City of Onalaska		La Crosse County, WI	
	#	%	#	%
Occupied units paying rent	2,435	2,435	16,708	16,708
Less than \$500	73	3.0%	1,533	9.2%
\$500 to \$999	1,686	69.2%	10,374	62.1%
\$1,000 to \$1,499	461	18.9%	3,374	20.2%
\$1,500 to \$1,999	149	6.1%	1,168	7.0%
\$2,000 to \$2,499	66	2.7%	174	1.0%
\$2,500 to \$2,999	0	0.0%	42	0.3%
\$3,000 or more	0	0.0%	43	0.3%
Median (dollars)	\$865.00		\$816.00	
No rent paid	\$122.00		\$731.00	

**Source: U.S. Census, American Community Survey 2018



**Housing Stock Valuation-Onalaska and La Crosse County, 2012

One metric to determine whether a mortgage or rent is affordable, is from the U.S. Department of Housing and Urban Development (HUD), which recommends that housing costs (mortgage/rent, insurance, taxes, etc.) should not exceed 30 percent of a household's income. Homeowners or renters paying 30 percent, or more are considered to be overextended and in danger of mortgage default or late rent payments if any interruptions to income or unforeseen expenses occur.

The 2014-2018 U.S. Census Bureau American Community Survey (ACS) estimates approximately thirty-five point four percent (35.4%) of City of Onalaska renters are paying thirty percent (30%) or more of their household incomes for housing, which is just over ten percent (10%) less than La Crosse County (45.7%) and the State of Wisconsin (45%), respectively. Additionally, the 2014-2018 ACS estimates approximately twenty five point four percent (25.4%) of City of Onalaska homeowners with a mortgage pay 30 percent or more of their household income toward the mortgage, which is somewhat higher than La Crosse County (21.9 %) but very close to the State of Wisconsin (24.2%), respectively.

Since the adoption of the 2016 Comprehensive Plan, the City has actively promoted the development of additional multi-family apartment options and senior housing options including Abby Road developments comprising of two different developments (32 apartments, 22 town-homes), Havenwood (132 units), Sand Lake Road Luxury (78) Apartments. The first phase of the Abby Court Community development is nearly finished which will have 332 units across six buildings when completed. The Great River Residences broke ground in June of this year on a large downtown residential development for four buildings which will have just over 100 units slated for completion in 2021.

2018 Residential Platting and Permit Activity

The City of Onalaska is largely built-out and is reliant upon small infill development, redevelopment, and remodeling for housing construction. This is evident in the 10 new single-family or duplex units permitted as compared to the redevelopment and construction of 223 new permitted multi-family dwelling units during 2018.

City of Onalaska staff reviewed the 2018 permit data provided through its records management system. For 2018, the City of Onalaska permitted 233 new housing units, including 10 new single-family/duplex units and 223 apartment units. Year to date in 2019, the City of Onalaska has permitted 6 new single-family/duplex units and 130 apartment units for a total of 136 new housing units to date. Considering the existing housing stock within City of Onalaska, it is also important to note the 458 residential addition/remodeling permits for single family homes and 9 for multi-family unit dwellings for a total of 467 permits issued in 2018. These numbers are consistent with 2019 year to date numbers which include 460 residential addition/remodeling permits for single family homes and 14 for multi-family unit dwellings issued in 2019. The City approved 6 certified survey maps in 2018 and 5 certified survey maps in 2019. No subdivision or condominium plats were issued.

Category	New Construction Housing Type	2018	2019
	Building, Permit and Development Fees		
	NEW Single-family and Two-Family Dwelling Units	10	6
	Building Fees		
	Building Permits	\$18,405.75	\$11,125.25
	Electrical Permits	\$2,984.70	\$1,712.55
	Plumbing Permits	\$1,626.00	\$1,081.00
	Heating Permits	\$1,295.00	\$732.50
	Park Fees/Fee In Lieu of Land Dedication	\$3,255.15	\$1,844.42
	Stormwater Management Fees*	\$455.22	\$129.24
	Water & Sewer Fees	\$660.00	\$240.00
	Subtotal	\$28,681.82	\$16,864.96
	NEW Multi-family Dwelling Units**	223	130
	Building Fees		
	Building Permits	\$88,218.60	\$56,564.80
	Electrical Permits	\$28,548.57	\$9,852.92
	Plumbing Permits	\$4,202.50	\$13,169.50
	Heating Permits	\$1,827.50	\$4,902.50
	Park Fees/Fee in Lieu of Land Dedication	\$209,341.67	\$119,887.30
	Stormwater Management Fees*	--	\$1,032.72
	Water & Sewer Fees	\$240.00	\$240.00
	Subtotal	\$332,378.84	\$205,649.74
	TOTAL NEW CONSTRUCTION UNITS APPROVED	233	136
	TOTAL NEW CONSTRUCTION FEES	\$361,060.66	\$222,514.70
	FEES PER UNIT	\$1,549.62	\$1,636.14
	<p>*Fee for Single Family & Two-Family Dwellings calculated based on Equivalent Runoff Unit (ERU). One (1) ERU per dwelling unit. Multi-Family fee is based upon individual square footage of impervious surfaces created for the development. ERU's are paid annually on a fee established by the Common Council on an annual basis. Fee for an ERU is paid upon issuance of a water meter and activated as a "customer".</p> <p>**Be aware that multiple multi-family projects spanned between 2018 and 2019 and therefore the numbers may be more skewed towards 2018 than 2019.</p>		

As noted in the table, the average fee per permitted residential unit if not including the remodeling units (but including the remodeling fees) as prescribed under state statute, is \$1,549.62 per unit in 2018 and \$1,636.14 per unit in 2019.

In order to place the City of Onalaska fee per unit in perspective, according to the 2014-2018 American Community Survey from the U.S. Census Bureau, the median value of an owner-occupied home in City of Onalaska with a mortgage is approximately \$189,000. The commercial real estate site, Zillow, places the average City of Onalaska home value at \$195,000. By dividing the fee per unit value by the median home values of \$189,000 according to the U.S. Census Bureau results in .82 percent in added home cost due to City of Onalaska fees. For further perspective, the 2017 NAHB Construction Cost Survey¹ identifies

¹ "Ford, Carmel (December 2017) Cost of Constructing a Home: Special Study for HousingEconomics.com. Retrieved from National Association of Homebuilders website:

national average soft costs as a percentage of overall home cost: Profit: 10.7%, Overhead and General Expenses 5.1%, Sales Commission: 4.1%, Financing Cost 1.8%, and Marketing Cost: 1.2%.

List of Undeveloped Parcels

Zoned for Residential Development

The City of Onalaska Community Development Department performed a Geographic Information System (GIS) analysis identifying all parcels with an improved value of \$0 and zoned residential. The analysis identified 269 parcels with a total of 632.95 acres of land that are currently zoned residential but are not developed within the City of Onalaska.

Of the 269 parcels, it includes those developments just beginning include the multi-family projects on Abbey Court. Further, over 100 acres are tied up in three larger areas in the City of Onalaska, which are slated for future development including the Nicolai parcel, Elmwood Partners parcel which abuts vacant land zoned for future commercial development and the Bronston parcel. The average size of the undeveloped lots in the City is 2.36 acres, however this number is skewed a bit by a handful of large undeveloped parcels.

A map of the undeveloped residential parcels is included as Figure 1. A listing of the available undeveloped parcels zoned for residential use in City of Onalaska is included in Appendix A.

Zoned for Other Use but suitable for residential development

The City of Onalaska promotes mixed uses, including higher density residential redevelopment within the downtown corridor and other portions of the City. Additionally the Highway 16 corridor which currently houses much of the City's retail district has the potential for redevelopment into mixed use. The City is currently in the process of doing a comprehensive zoning code rewrite and a comprehensive map update which will include two new mixed use districts known as Mixed Use-Neighborhood and Mixed Use-Community. Areas along the City's downtown, Sand Lake Road Corridor and State Road 16 corridor are being rezoned to these mixed uses. In addition to the comprehensive map update and the new zoning code which are slated to be approved in February 2020, the City had two redevelopment studies done in 2019 focusing on the State Road 16 Corridor and Downtown.

Analysis of Residential Development Regulations

Land use controls

Residential development within the City of Onalaska is managed primarily through the zoning code and building code. As previously discussed, the City has relatively few areas for new, conventional subdivision development due to a lack of available vacant land within its boundaries. Development within these areas has not taken place due to the generally high purchase price being asked for the land by existing landowners, which when combined with high construction costs makes development of these properties cost prohibitive. As a result, residential development in the City has shifted from vacant land to the redevelopment of sites. To further facilitate the cost-effective residential

redevelopment City-wide the City is at the end of a two-year process of rewriting its entire zoning code (which includes its subdivision regulations) with an emphasis on infill development and redevelopment. As part of that the City is eliminating conditional uses, outright permitting more uses and relaxing parking standards. As part of that process the City is reviewing its fee structure and commissioned a study in the later half of this year to analyze impact fees and fee in lieu of land dedication fees for the City of Onalaska. The City anticipates receiving that study in the next few weeks which will allow the City to better analyze the use of fees for new construction. Currently the City has land dedication or fee in lieu of land dedication under Chapter 236 of the Wis. Statutes.

Site improvement requirements

The City of Onalaska requires standard improvements for new subdivisions including paved streets, curb/gutter, public water and sewer, gas and electric, sidewalks (as applicable), and stormwater management. One of the challenges for new subdivision in the City of Onalaska tends to be terrain, because available land is more difficult to develop due to site grade developments, which makes development of vacant land more costly. Over the years the City has oversized water and sewer infrastructure and stormwater ponding areas to accept new future developments.

Permit procedures

Any person applying for a residential building permit may download the permit from the City website, fill it out, and submit it with all applicable fees and plans City of Onalaska Building Inspection staff for plan review and inspection during construction. A homebuilder or homeowner may request an inspection by calling the City of Onalaska Inspection department. The City is currently looking at making the application process more streamlined and digital as part of the zoning code update.

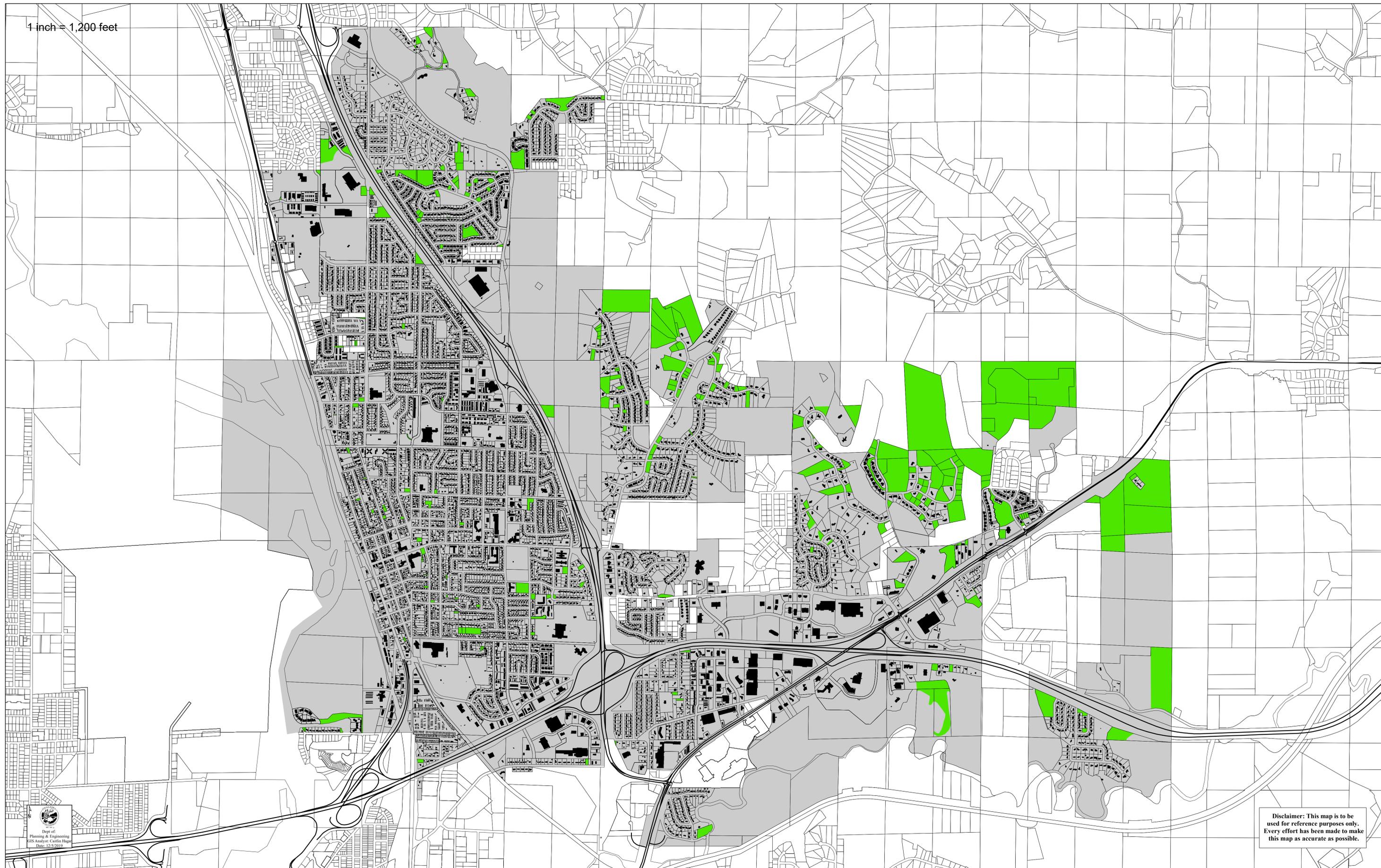
Analyze or identify ways to modify construction and development

The City of Onalaska and its staff recognize “time is money” when it comes to development and redevelopment activities. To ensure maximum efficiency, the City follows all applicable statutory and municipal requirements for development activities, such as platting and rezoning. In order to provide flexibility for the development community in terms of such standards as setbacks, height, density, and mix of uses, the City typically utilizes a planned unit development process in cooperation with the developer to establish requirements specific to the proposed development.

The City is continually evaluating development requirements and processes to find efficiencies for the development community as well as City of Onalaska staff and elected officials. The City has recently examined its procedural timeline to eliminate duplication of review processes and reduce the amount of time that processes such as rezoning take by eliminating unnecessary duplication in committee review processes.

In order to reduce time and cost to approve and develop a new residential subdivision by 20 percent, as envisioned by the state housing report requirement, will require significant coordination among the City, development community, and market forces. However, as previously discussed, the City of Onalaska is continually striving for efficiencies in its review procedures and will continue these efforts moving forward.

1 inch = 1,200 feet



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Date: 12/2/2019

Disclaimer: This map is to be used for reference purposes only. Every effort has been made to make this map as accurate as possible.

Figure 1