

# Chapter 4

## Housing, Energy Efficiency and Awareness

### Introduction

Planning for the housing needs of existing and future residents is vital to the wellbeing of residents and the community. Housing is typically the largest expenditure for residents. A variety of housing options and costs allows residents of all ages, physical abilities, and income levels to remain in the community. If housing is not affordable, residents may have to move or find ways to reduce their personal budgets to stay in their homes.

Housing can also use large amounts of land in a community. Low density development can increase the cost of services such as plowing, maintaining streets, and replacing utilities to homeowners. Large lots and single family homes may not be affordable for everyone.

More than half of the energy used in a home is for heating and cooling. By increasing the energy efficiency of homes, there is less consumption of fossil fuels which reduces the carbon footprint of homeowners. Also, homeowners and renters will have more income to invest, spend or save.

Benefits the City of Prescott hopes to realize by evaluating local housing trends and planning for future needs include:

- ◆ Having an understanding of community housing needs when meeting with residential developers.
- ◆ Identifying incentives to incorporate energy efficiency into new home construction and remodeling
- ◆ Partnering with developers, homebuilders, architects, agencies, and non-profits to design and build affordable, energy efficient housing.

### Structural Characteristics of Local Housing and Housing Diversity

Housing refers to traditional single-family homes, multi-family dwellings (including duplexes and townhouses), manufactured homes, condominiums, and accessory units.

Table 4-1 shows that 71% of housing units in the City of Prescott are single family homes. Fifty-seven percent of these are 1 Unit, detached single family homes. Fourteen percent are 1 Unit, attached single family homes. A 1 Unit, detached structure is a single family home where all sides of the home are exposed to the outdoors. For comparison, a 1 Unit, attached structure is a single family home that has one or more walls extending from ground to roof separating it from adjoining structures.

The remaining 29% of the housing stock is made up of a variety of multi-family unit structures and mobile homes. Multi-family units and mobile homes can act as housing for new people moving into Prescott who are not ready to purchase a home, older residents who may no longer want to care for a home and perform yard work associated with home ownership, or single residents who cannot afford a single family home.

A diversified housing stock helps promote a socially equitable and engaging community by enabling residents from a wide range of economic levels, household sizes, and age groups to live in a community. Diversified housing also may help attract larger businesses or manufacturers who want to know that there is affordable housing for its workforce.

The age demographics in Chapter 2 revealed an aging population and an increase in the number of children ages nine (9) and younger. Housing that may appeal or may be needed for an aging population includes smaller homes, rental units, affordable housing due to fixed incomes, accessory apartments, or elderly apartments. Younger families, especially with growing families, may require home options with more bedrooms that are affordable. A lack of housing options may mean that residents will have to move to another community to find housing that meets their needs.

**Table 4-1: Housing Units in Structure**

Units	2012	% Total
Total Housing Units	1,897	100%
1 Unit, detached	1,084	57%
1 Unit, attached	264	14%
2 Units	120	6%
3 or 4 Units	75	4%
5 to 9 Units	167	9%
10 to 19 Units	12	1%
20 or more Units	138	7%
Mobile Home	37	2%

Source: American Community Survey 2012

### Occupancy Characteristics

All housing units are classified as either owner-occupied or renter-occupied. A housing unit is owner-occupied if the owner or co-owner lives in the unit even if it is mortgaged or not fully paid for. All occupied housing units, which are not owner-occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter-occupied. Owner-occupied housing percentages have risen between 1990 and 2010 (see Table 4-2).

These percentages closely follow the percentage of single family homes and multi-family dwelling units shown in Table 4-1).

**Table 4-2: Owner vs. Renter Occupied Housing Percentages: City of Prescott**

Units	1990	% Total	2000	% Total	2010	% Total	Change (2000 to 2010)	% Change
Owner-Occupied Housing Units	761	66%	953	67%	1,173	70%	220	23%
Renter-Occupied Housing Units	393	34%	479	33%	512	30%	33	7%
Total Occupied Units	1,154	100%	1,432	100%	1,685	100%	253	18%

Source: U.S. Census Bureau

### Age Characteristics

About 54% of Prescott’s housing stock has been constructed since the beginning of 1980 and 71% has been constructed since the beginning of 1970 (*see Table 4-3*). The small numbers of structures built beginning in 2010 to the present reflects the effects of a housing market collapse that began in 2007. The collapse decreased home values, made home loans difficult, and led to a high number of foreclosures across the country.

**Table 4-3: Year Structure Constructed**

Period	Structures	% Total
Built 2010 or later	6	0%
Built 2000 to 2009	377	20%
Built 1990 to 1999	214	11%
Built 1980 to 1989	434	23%
Built 1970 to 1979	325	17%
Built 1960 to 1969	135	7%
Built 1950 to 1959	204	11%
Built 1940 to 1949	69	4%
Built 1939 or earlier	139	7%

Source: American Community Survey 2012, City of Prescott Building Permits

An older housing stock may provide more affordable housing opportunities for residents who can purchase a home and make improvements over time. Newer housing units may be more expensive but will not need updating immediately. Both provide a benefit to the community.

### House Heating Fuel and Energy Efficiency

Table 4-4 shows about 71% of homes in Prescott use utility gas to heat their homes. About 25% use electricity. Many of these units may be in multi-family housing structures. A small percentage of residents use bottled, tank, or LP Gas.

Heating and cooling accounts for over half of the energy used in a home. As concerns grow over the increasing costs of energy production (financial and environmental), existing and future homeowners are looking at ways to make improvements to their

existing homes or when building new homes that will reduce energy usage or actually produce energy that can be sold back to energy producers.

In the future, the City may see an increase of homes that incorporate solar, geothermal, or wind technologies into the design. The City should work with homebuilders, home owners, agencies, and non-profit groups to ensure these technologies are allowed and regulated in Prescott. At the same time, the City should explore ways to encourage energy efficiency in housing.

**Table 4-4: Housing Characteristics-House Heating Fuel**

Fuel Type	2012	% Total
Utility Gas	1170	71%
Bottled, Tank, or LP Gas	37	2%
Electricity	421	25%
Fuel Oil, Kerosene, Etc.	0	0%
Coal or Coke	0	0%
Wood	13	1%
Solar Energy	0	0%
Other Fuel	0	0%
No Fuel	15	1%

Source: 2008-2012 American Community Survey 5-Year Estimates

### Home Values

Home values in the City of Prescott have been increasing (*see Table 4-5*). The median household value in 1990 was \$73,800 compared to \$186,700 in 2012. This is a 152% increase during this period.

The increase of median home values can be attributed to growing incomes and the ability of residents to afford larger, more expensive homes. As the value of homes increases, the City should work with developers and homebuilders to identify a range of housing needs in the community of ensure residents have housing options that allow them to remain in or move to Prescott.

**Table 4-5: Median Owner-Occupied Housing Value**

	1990	2000	2012	Change (1990 to 2012)	% Change
Median Owner-Occupied Housing Value	\$73,800	\$132,200	\$186,700	\$112,900	152%

Source: American Community Survey 2012

### Housing Affordability

The US Department of Housing and Urban Development (HUD) defines affordable housing as housing (for rent or purchase) for which the occupant is paying no more than 30% of their household income for gross housing costs.

Table 4-6 shows that 68% of residents owning homes paid 30% or less of their household income for housing costs in 2012 meaning housing was affordable for them. This was a drop from about 80% in 2000. The drop may be due to the economic downturn and homeowners losing a wage earner, a homeowner working but at a lower wage or salary, or homeowners having an adjustable rate mortgage who were not able to refinance after their mortgage rate increased.

The monthly owner costs are calculated from the mortgage payment, real estate taxes, home owners insurance, utilities, fuels, mobile home costs, and condominium fees.

**Table 4-6: Selected Monthly Owner Costs as a Percentage of Household Income**

Percent of Income	2000	% Owners	2012	% Owners	Change (2000-2012)	% Change
<20%	404	47%	233	25%	-171	-42%
20%-25%	171	20%	197	21%	26	15%
25%-30%	115	13%	205	22%	90	78%
30%-35%	51	6%	122	13%	71	139%
>35%	118	14%	184	20%	66	56%

Source: U.S. Census and 2008-2012 American Community Survey 5-Year Estimates

Costs associated with renting can vary significantly compared to homeownership. Renters do not have to pay property taxes directly, insurance costs are less, and utility costs may be included with the rent.

Gross rent is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, water and sewer) and fuel if these are paid for by the renter or for the renter by someone else (*Table 4-7*). Approximately 67% of the households that rent are paying less than 30% of their income on housing in 2012 compared to 77% in 2000.

**Table 4-7: Gross Rent as a Percentage of Household Income**

Percent of Income	2000	% Renters	2012	% Renters2	Change (2000-2012)	% Change
<20%	241	50%	179	40%	-62	-26%
20%-25%	73	15%	41	9%	-32	-44%
25%-30%	60	12%	80	18%	20	33%
30%-35%	6	1%	28	6%	22	466%
>35%	57	12%	121	27%	64	112%

Source: U.S. Census and 2008-2012 American Community Survey 5-Year Estimates

## **Housing Assistance Programs and Agencies**

The State of Wisconsin uses low to moderate income classification charts to determine if individuals or households meet requirements for financial assistance to purchase a new home or improving an existing home. The following is a list of programs and agencies that can be used to assist homeowners and renters.

### **HUD**

The U.S. Department of Housing and Urban Development provides subsidized housing through low-income public housing and the Section 8 Program. Under the Section 8 Program, rental subsidies are given to low-income households, including households renting private apartments. HUD is also responsible for providing funds to communities through various grant programs.

### **The Pierce County Housing Program**

Funds are available to low to moderate income residents in Pierce County to rehabilitate owner occupied homes and rental properties and for down payment assistance on a new home.

### **Habitat for Humanity**

Local Habitat for Humanity affiliates are responsible for raising funds, recruiting volunteers and identifying project sites and constructing owner-occupied housing for the benefit of participating low-income families. The St. Croix Habitat for Humanity chapter is active in western Wisconsin providing national leadership and demonstration of sustainable neighborhoods for affordable, low maintenance, and resource efficient housing for those in need.

### **Prescott Housing Authority**

The Prescott Housing Authority addresses the long term housing needs of the low and moderate income families, including senior citizens and persons with disabilities, by owning and managing decent, affordable rental housing which is funded and regulated by the United States Department of Housing and Urban Development and the Farmer's Home Administration and by administering rent assistance programs for persons living in private rental housing. The Prescott Housing Authority is managed by the River Falls Housing Authority.

### **Rural Development –United States Department of Agriculture**

Provides housing opportunities for individuals living in predominantly rural areas (population <10,000). The Rural Development Program provides support for rental housing, mortgage loans for homebuyers, and support for cooperative housing development.

### **Wisconsin Rural Development, Rural Housing Service**

The mission of the Rural Housing Service is to enhance the quality of life of rural people through the creation of safe, affordable, housing where people can live, work and

prosper as part of a community. The Wisconsin Rural Housing Service offers housing preservation grants, loans and grants for farm labor housing, loans and grants for home improvement and repairs, loans for financing housing site development, loans for home purchase or construction, loans on apartment buildings and self-help technical assistance grants.

**Wisconsin Housing and Economic Development Authority (WHEDA)**

The Wisconsin Housing and Economic Development Authority serves Wisconsin residents and communities by working with others to provide creative financing resources and information to stimulate and preserve affordable housing, small business, and agribusiness. This agency finances housing development through the sale of bonds. WHEDA provides mortgage financing to first-time homebuyers, and financing for multi-family housing.

**Wisconsin Home Energy Assistance Program (WHEAP)**

The Energy Services Bureau oversees Wisconsin's Low Income Home Energy Assistance Program. This includes the federally funded Low Income Home Energy Assistance Program (LIHEAP) and other related programs. Households with incomes at or below the federal poverty level may be eligible for assistance. Many households with income from farms, offices, factories and other work places receive LIHEAP assistance.

**Community Options Program (COP)**

Community Options helps people who need long term care to stay in their own homes and communities. Its purpose is to provide cost-effective alternatives to expansive care in institutions and nursing homes. Elderly people and people with serious long-term disabilities receive funds and assistance to find services they are not able to get through other programs.

**HOME-Homebuyer and Rehabilitation Program (HHR)**

A program established to provide essential home purchase assistance and necessary home rehabilitation, and other vital improvements for dwelling units occupied by low- and moderate-income households. The source of funds is the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME), and the American dream Down payment Initiative (ADDI) program. The Wisconsin Department of Administration, DHCD awards these funds to local units of government and local housing organizations through a biennial funding cycle.

**Home Investment Partnership Program (HOME)**

A variety of affordable housing activities may be supported by federal HOME awards including down payment assistance to homebuyers, rental rehabilitation, weatherization-related repairs, accessibility improvements and rental housing development. The program is administered by the Wisconsin Division of Housing and Intergovernmental Relations (DHIR).

### **Wisconsin Community Action Program (WISCAP)**

WISCAP and its member agencies are dedicated to advancing safe and affordable housing, through development of resources, training and opportunities. The organization serves as an advocate for policy and program development, and provides technical assistance expertise on housing issues. Pierce County is served by West CAP out of Glenwood City.

West CAP is non-profit corporation that works in partnership with local communities to plan and develop good quality, affordable housing for low and moderate-income families and individuals. Their HomeWorks program constructs and manages new housing, and provides a variety of renovation, weatherization, and energy efficiency services for existing homes and apartments.

### **Veterans Administration Rehab Grants**

Available to service members and veterans with permanent and total service-connected disabilities, the grants help modify existing homes to accommodate disabilities.

## **Goals, Objectives, and Recommendations**

**Goal 1:** The City of Prescott has a diversified housing stock that provides quality and energy efficient housing options that meet the needs of all residents.

#### Objectives:

1. Increase the variety of housing options available to residents.
2. Decrease the amount of energy and water used in residential dwelling units.
3. Provide information to residents to learn how to reduce water and energy use in their homes.

#### Recommendations:

1. Work with residential developers, homebuilders, architects, agencies, and non-profits to evaluate housing needs in the Prescott area and collaborate on the design of residential subdivisions to incorporate spaces to address the identified needs.
2. Create an Accessory Dwelling Unit ordinance that would allow accessory dwellings on single family lots that are available to family members.
3. Review and amend the City's Planned Unit Development (PUD) zoning district to add energy efficiency standards as a requirement for higher density development.
4. Collaborate with Habitat for Humanity, homebuilders, architects, agencies and non-profits to build an "Eco-Village" that provides sustainable net-zero housing for low to moderate income individuals and families.
5. Provide information on the City's website to educate residents on ways to retrofit their homes through this use of low flow water fixtures, efficient

- appliances, roof-mounted photovoltaic panels, LED lighting, and energy efficient mechanical systems, to minimize water and energy use.
6. Work with XCEL Energy and St. Croix Gas to develop and support the use of local alternative energy sources that will reduce the use of fossil fuels and the community's carbon footprint, protect the local environment and keep energy dollars in the local economy.
  7. Establish metrics to benchmark and track the use of water and energy in homes to measure the effectiveness of educational programs and incentives.
  8. Review Prescott ordinances as they pertain to the use of windmills, solar panels, geothermal or other alternative energy sources.
  9. Support and encourage universal home design in new residential developments to accommodate people of all ages and abilities.
  10. Support the development of elderly and retirement housing options that provide residents with access to services and public spaces such as the library or parks.
  11. Encourage residents to utilize programs through Focus on Energy or other agencies that provide assistance and rebates for improving the energy efficiency of their home.