

City of Prairie du Chien Housing Needs Assessment – Executive Summary

June 2, 2009

1 The Housing Story

To assess the housing needs of the City of Prairie du Chien, one must understand the underlying story. It is a story told by demographic trends, housing projections, development strategies, and housing inventory; but must also include people – their housing history, current living conditions, and future housing needs.

To understand this story, we must explore its plot lines, in this case, the intersection of the major issues facing Prairie du Chien housing future: low household income and an aging population. These fundamental issues permeate the housing spectrum and intertwine with other primary issues, such as the slow pace of housing development and the condition of current housing stock.

The City of Prairie du Chien's low medium household income stems from low-paying jobs, which in turn leads to a demand for low-rent apartments and inexpensive homes. Landlords have little economic incentive for upgrades of existing units. Developers have little economic incentive for new home or rental development. Low income in general, restricts family's living standards, both financially and psychologically. Families with sole wage earners, many of them renters with female heads of household, lack the financial resources and optimism to improve their living conditions.

The City of Prairie du Chien's aging population, which will increase the 60 and older base over the next 20 years from one-fifth to one-third of its population, further stresses household income. A high percentage of elderly residents on fixed income, both heads of households or occupants of households, places an additional financial stress on a population already well behind the state average for household income.

But with challenges come opportunities. Although the City of Prairie du Chien struggles with low income, it benefits from low housing costs. The City's housing cost burden – what households pay for housing costs as a percentage of income – falls in the lowest 20% of reporting Wisconsin communities. Although Prairie du Chien faces an aging population, it also has the opportunity to attract an older population replete with disposable income, time for volunteerism, and life-long skills. With a community hospital, several healthcare clinics – including two major satellite clinics – and an area blessed

with natural beauty and recreational opportunities, Prairie du Chien is primed to turn the aging population into an asset.

The opportunities will require leadership – creative approaches to housing development, and regional approaches to job creation. Leaders will come from the mix of life-long residents and influx of new professionals, and the labor will come from a motivated and growing labor force, which has outpaced its population growth over the last five years.

The story of housing needs is more than trends, statistics, and strategies, however – it is about community. It's about neighbors, co-workers, and friends, since the issues discussed in this report will affect each in some way.

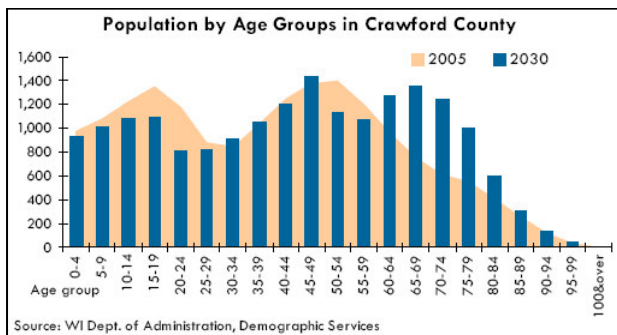
And since this story is about community, it will be up to community members to act. Homeowners can maintain their home values by taking care of their property and taking an active interest in the appearance of their neighborhood. Landlords and tenants can improve communications by listening to one another and taking their share of responsibility for unit conditions. Developers can track not only market trends, but the real needs of residents outlined in this report. And City leaders can act on the opportunities offered in this report to improve the existing housing stock and create affordable housing.

What follows in the Executive Summary are issues, needs, and opportunities associated with the major themes, which are further discussed in subsequent chapters. The opportunities are offered as suggestions, which can become recommendations with the force of consensus.

1.1 The Aging Population

Issues

- Crawford's total population is projected to grow six percent, yet its population ages 60 and older is projected to grow ten times this rate over the same period, increasing the 60 and older base from one-fifth of Crawford residents in 2005 to one-third by 2030.



Crawford County Population by Age

- The City of Prairie du Chien's population will remain relatively flat in that 25-year period, but will experience the same dramatic shift in the aging population as the County.

Population Trends	Census	Estimate			Projected			Projected		
	2000	2007	Inc	%	2015	Inc	%	2025	Inc	%
City of Prairie du Chien	6,018	6,072	54	0.9%	6,107	89	1.5%	6,115	97	1.6%
Bridgeport Township	946	1,013	67	7.1%	1,138	192	20.3%	1,250	304	32.1%
Prairie du Chien Township	1,076	1,107	31	2.9%	1,259	183	17.0%	1,365	289	26.9%
Crawford County	17,243	17,553	310	1.8%	18,090	847	4.9%	18,470	1,227	7.1%
State of Wisconsin	5,363,715	5,647,000	283,285	5.3%	5,931,386	567,671	10.6%	6,274,867	911,152	17.0%

Population Trends: 2000 – 2025

- 42% of City of Prairie du Chien survey respondents reported elderly occupants age 62 and older.

Needs

- Developing services and infrastructure to meet the needs of an aging population will be key to attracting an elder population, including former residents and retirees, who have considerable knowledge and resources to contribute.
- Elderly residents downsizing from life-long homes desire independent living accommodations – ground-level condominiums or rental units without stairs that meet accessibility requirements, include outdoor yards and common space, and have sufficient space to feel more like “home.”
- A segment of the aging population with health issues – presently 14% of ages 65 and over – will require supervised care, ranging from assisted living to nursing homes.

Opportunities

- An Illinois State University study argues that an aging population should be viewed as a growing resource rather than an economic burden, and communities need to transition from elder-tolerant to elder-friendly.

A list of suggestions from the Illinois State University Report that address housing development and infrastructure improvements for elder-friendly communities include:

- Planning centrally located, appropriate, and affordable housing for older adults;
- Creating networks of health care and senior service providers to coordinate the care of frail seniors;
- Developing downtown businesses catering specifically to the elder market and making certain that infrastructure and amenities make it pleasant for seniors to use those businesses;
- Creating intergenerational volunteer programs benefiting both older adults and younger community residents;

- Fostering training, employment, and business opportunities for seniors who want or need paid work; and
- Developing recreational facilities and/or activities especially targeting older adults.

1.2 Low Household Income

Issues

- The City of Prairie du Chien’s median household income is 15% below the state median.

	Source: Year:	Census 2000	USDA (Economic Research Service) 2005 Increase Percentage		
Per Capita Personal Income					
Wisconsin		\$28,568	\$33,278	\$4,710	16.49%
Crawford County		\$20,720	\$25,265	\$4,545	21.94%
Median Household Income					
Wisconsin		\$43,791	\$47,141	\$3,350	7.65%
Crawford County		\$34,135	\$40,175	\$6,040	17.69%
Prairie du Chien		\$34,038	\$40,000	\$5,962	17.52% (estimate)

Personal and Household Incomes: 2000 - 2025

- Income is driven by educational attainment, yet Crawford County lags well behind the state average for the percentage of residents who have a post high school education.

Geographic area	Population enrolled in elementary or high school-- Percent in private school	Popula- tion 16 to 19 years-- Percent not enrolled in school and not a high school graduate	Popula- tion 18 to 24 years-- Percent enrolled in college or graduate school	Population 25 years and over			Popula- tion 25 to 34 years-- Percent with bachelor's degree or higher
				Percent with less than a 9th grade education	Percent high school graduate or higher	Percent with bachelor's degree or higher	
Wisconsin	13.9	6.4	36.5	5.4	85.1	22.4	27.9
Crawford County	13.2	7.4	12.6	7.4	81.3	13.2	16.3
Source: US Census Bureau							

Educational Attainment by Age Group

- Low paying jobs lead to a low median household income, which in turn leads to a demand for low-rent apartments and inexpensive homes. Landlords have little economic incentive for upgrades of existing units. Developers have little economic incentive for upscale home or rental development.
- 47% of renters reported a female head of household. Only 17% of renters reported two wage earners in the household.
- 47% of renters see income as an impediment to their future plans.
- In the range defined as 50% to 80% of the county’s median household income (\$23,400 to \$37,500 for a two-person household), 74% of home owners fell above or within the range; 58% of renters fell below the range.

- The “Self-Sufficiency Standard” – a measure of the minimum income required for sustaining a household – for a three person household would require an annual income that exceeds the income levels of 58% of Prairie du Chien renters.

The Self-Sufficiency Standard for Crawford County, WI, 2004

Monthly Costs	Adult + infant		Adult + preschooler		Adult + schoolage teenager		Adult + preschooler		2 Adults + infant		2 Adults + preschooler	
	Adult	infant	preschooler	schoolage	teenager	schoolage	preschooler	infant	preschooler	schoolage	preschooler	schoolage
Housing	343	437	437	437	437	556	437	437	437			
Child Care	0	542	1049	795	287	1336	1049	795				
Food	182	266	358	411	473	481	515	565				
Transportation	202	208	208	208	208	208	399	399				
Health Care	89	184	191	201	224	209	232	242				
Miscellaneous	82	164	224	205	163	279	263	244				
Taxes	83	278	461	405	133	672	512	438				
Earned Income												
Tax Credit (+)	0	-109	-57	-123	-306	0	0	-13				
Child Care												
Tax Credit (+)	0	-72	-135	-101	-19	-110	-115	-103				
Child Tax Credit (+)	0	-83	-167	-142	-66	-250	-167	-167				
Self-Sufficiency Wage												
-Hourly	\$5.58	\$10.30	\$14.60	\$13.04	\$8.72	\$19.21	\$8.88	\$8.06				
							per adult	per adult				
-Monthly	\$981	\$1,814	\$2,569	\$2,295	\$1,535	\$3,380	\$3,125	\$2,836				
-Annual	\$11,774	\$21,763	\$30,830	\$27,544	\$18,419	\$40,564	\$37,499	\$34,035				

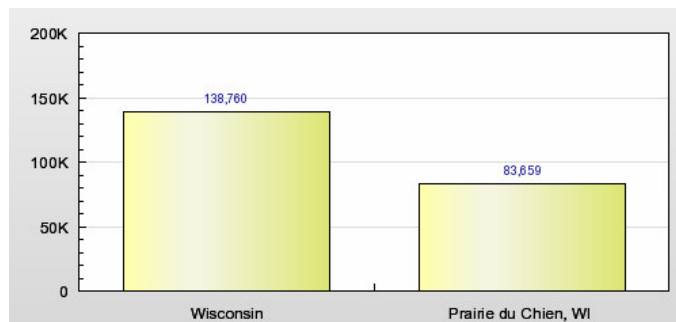
Self-Sufficiency Standard

Needs

- Low household incomes will impact young family’s ability to transition from apartments to starter homes, or to pay for basic needs above and beyond housing costs.
- The low percentage of the 18 to 24 year-old population enrolled in college or graduate school reflects the need for a college or technical school campus that would keep young people from leaving town for an education.
- Incentives for first-time buyers or rent-to-own programs could ease the transition from rental units to home ownership for young families.

Opportunities

- Prairie du Chien’s history as a center of trade located at the confluence of major transportation routes makes it ideally suited for a community college or technical school campus.
- While low income will continue to be a challenge, low housing costs can be considered an asset. The average home mortgage for the City of Prairie du Chien was almost 40% below the state average in 2005, and the average gross rent ranks in the lowest 30%, making housing more affordable than other parts of the state.
- The median price for home sales in Crawford County in 2008 was \$120,000, 33% below the median of \$178,000 for the entire South Central region.



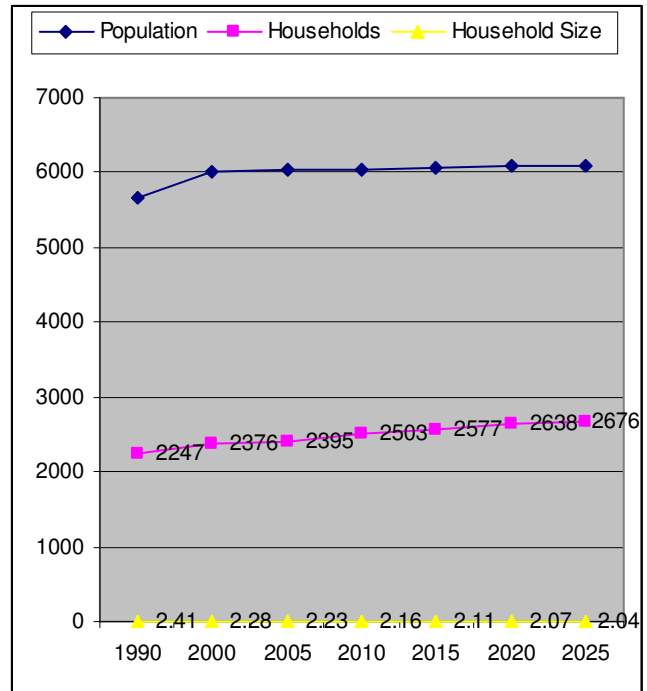
Average Amount of Mortgage: 2005

- Home values are relatively stable in the City of Prairie du Chien compared to other areas more affected by the housing crisis.
- The Median Household Income for Crawford County and the City of Prairie du Chien has increased approximately 17% since the 2000 census, more rapidly than the state average of 7%.

1.3 Demand for Housing

Issues

- Although the population of the City of Prairie du Chien will remain reasonably flat over the next 10 years, the number of occupants per household will decrease according to estimates, requiring an increase in housing units to accommodate a static population. The total number of households will increase by about 10% over that time period.



Number of Households versus Population

- Focus group feedback from home owners and renters suggest that housing issues are not isolated, but systematically related to economic development, job creation, transportation, child welfare, and other socioeconomic issues.
- The Towns of Bridgeport and Prairie du Chien are projected to grow much faster in population than the City of Prairie du Chien. This trend or “preference” toward rural towns merits further study to determine additional factors affecting residential growth.
- Zoning districts, while providing well-regulated development, can lead to segmented housing development and act as an impediment to the creation of affordable housing.

- The City of Prairie du Chien is creating jobs, but not a commensurate number of housing starts and tax base.

Year	Prairie du Chien		Town of Bridgeport		Town of PdC		City of McGregor		City of Marquette	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
2004	3	350,500	6	814,642	3	591,800	3	425,000	0	0
2005	3	292,516	11	1,881,500	7	1,128,800	6	1,400,000	3	360,000
2006	2	317,000	6	1,133,600	2	359,600	2	152,000	2	152,000
2007	1	160,000	3	692,600	2	242,000	5	758,000	6	1,200,000
2008	2	137,000	5	813,800	4	648,600	1	132,000	2	444,000
Totals	11	1,257,016	31	5,336,142	18	2,970,800	17	2,867,000	13	2,156,000

Source: Prairie du Chien Planning Dept/ Municipal Assessors

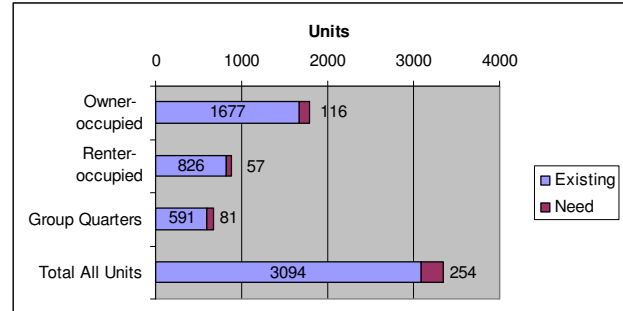
Area Housing Starts: 2004 – 2008

- The 2000 census reports that 17.5% of the total population of the City of Prairie du Chien has some form of disability.
- The implementation of Family Care by the State of Wisconsin is changing the way the developmentally disabled are distributed throughout the housing continuum.

Needs

- The Prairie du Chien Comprehensive Plan adopted in 2005 addresses housing objectives and should be reviewed for implementation of the stated goals.
- City of Prairie du Chien residents believe that low and moderate income housing should be the priority for development, followed by elderly housing. Within those two general groups, elderly affordable, single-family, and affordable apartments garnered the most votes for the “type” of housing needed.
- Within the City of Prairie du Chien, there is more housing stock in the \$140,000 and below range than household incomes that can support them (although realtors suggest that there are not many \$80,000 to \$135,000 homes on the market *that satisfy buyer expectations with regards to location, appearance, and size*).
- Within the City of Prairie du Chien, there is less housing stock in the \$140,000 and above range than household incomes that can support them, (although realtors suggest that high-end properties sit in the market for a long time. Many of these high-end homes lie outside the City of Prairie du Chien).
- Young-family renters are also looking for first-floor units with yards to accommodate children and pets.
- There is a demand for more “assisted apartments” for the developmentally disabled population, for example six-plex units with five one-bedroom apartments, common area, and one apartment reserved for support staff.

- Based on population projections and housing unit estimates, which call for a 10% increase in housing units, we can approximate the general housing stock needs for the City of Prairie du Chien over the next 15 years.



General Housing Needs by Year 2025

Opportunities

- Creative approaches to zoning, such as Planned Community Developments, can encourage thoughtful housing development. Carefully planned mixed usages can support more affordable housing and foster “pedestrian-friendly” neighborhoods.
- An ordinance for maximum lot size and minimum coverage can achieve optimum density, including multiple units to allow for garage apartments or “in-law” cottages.
- TIF funding can be used to support housing development in and within one-half mile of TIFs.
- A marketing plan will help combat the perception that living within the City of Prairie du Chien is more expensive. The plan, which might be as simple as a brochure, could address the sometimes erroneous perception that living in the country is less expensive, and promote the positive advantages of living in the City.
- Developer incentives can reward alternative approaches to housing development and encourage the creation of affordable housing.
- A regional approach to economic development will increase the demand for home buyers and additional jobs, especially those with livable/ sustainable wages. Cooperation between municipalities is critical to attract a highly competitive and mobile workforce that will ultimately benefit the larger community.
- Recent developments in “workforce housing,” including affordable housing grants, can help attract workers and encourage housing development. See the appendix for details and contacts.
- The combination of undeveloped vacant land and developed lots within the City of Prairie du Chien could accommodate an additional 450 housing units.

1.4 Existing Housing/ Rental Stock

Issues

- The vacancy rate for renter-occupied housing ranks as average – 6.7% compared to the goal of 4% to 6% established by the Prairie du Chien Comprehensive Plan.
- The vacancy rate for owner-occupied units ranks very high – 4.5% compared to a goal of 1% to 3% established by the Prairie du Chien Comprehensive Plan.
- A contributing factor to high vacancy may be the median year of construction, which for single-family homes in Prairie du Chien is 1962, older than the state median of 1965. 29% of units were built before 1939.
- Buyer expectations often exceed the price they are willing or able to pay for homes.
- Home owners listed taxes, followed by utilities, as the most burdensome expense. Among utilities, cable was listed as the most onerous.
- There is a general lack of communication between landlords and renters on issues of unit maintenance and landlord/ renter responsibilities.

Needs

- Renters listed more living and storage space as the most desired improvements to make their unit more livable.
- Both home owners and renters reported windows and insulation as aspects of their unit in the worst condition. Breaches of the building envelope contribute directly to high utility expenses, placing emphasis on housing rehab and energy conservation programs.

Opportunities

- A City inspection of rental units, which would include code requirements and maintenance issues; could ease renter concerns about substandard units.
- Educational programs for renters, which can be required for financial assistance, could ease landlord concerns about renter responsibilities, and address financial management skills, renter rights, and help de-stigmatize assistance programs.
- Communications between landlords and renters could be enhanced with a preliminary questionnaire followed by a group forum. Explore the formation of landlord and tenant associations that would facilitate discussion and education among their peers.
- Educational programs for home ownership with incentives for attendance can address financing, budgeting, home-ownership skills, housing market expectations, weatherization and housing rehab programs, and information on transitional housing for young families and the elderly.
- Pet-friendly rental policies would meet the emotional needs of many prospective renters, while a pet deposit could meet the financial liability requirements of landlords.