

CHAPTER 3 HOUSING

Introduction

Housing is an important aspect of planning. For most Wisconsin residents, housing costs are the single largest expenditure. Also, housing is typically the largest land use in a given community. Some important issues to consider when planning the current and future housing needs of the Town of Troy include: types of housing, amount of housing, and demands of housing within the community.

The Town of Troy is a recognized leader in the promotion of residential cluster development and preservation of open space. These are two of the primary goals of Wisconsin's Comprehensive Planning Law. Many see the issue of sprawl or low-density development as an inefficient use of land. Sprawl not only develops land in large pieces, but is more expensive to provide services for.

Housing also provides a major source of revenue through property taxes. These taxes go towards your school district, vocational technical college, county and town.

This chapter provides Troy with several benefits:

- ✓ Deficiencies in housing can be acknowledged and addressed.
- ✓ The Town will have a better understanding of the local housing situation and characteristics.

Housing Needs

Generalizations can be made about housing characteristics in the Town by analyzing US Census Bureau statistics. By comparing the 2000 U.S. Census data to 1990 data it appears that the following are occurring:

- ✓ A growing population with increased buying power is driving property values up.
- ✓ The cost of single family housing has risen significantly.
- ✓ The existing housing stock is relatively new.

Age Characteristics

Less than 10% of the houses that stand today were built prior to 1939 (*Table 3-1*). Over 75% of the current houses were built in the last 35 years. Because of the high percentage of housing being relatively new, any maintenance that is needed will most likely be routine in nature - - new siding, shingles, windows, paint, etc.

Table 3-1 Year Structure Constructed

Year Built	Homes	Percent of Total
1999 to March 2000	54	4.2%
1995 to 1999	187	14.6%
1990 to 1994	86	6.7%
1980 to 1989	263	20.5%
1970 to 1979	382	29.8%
1960 to 1969	139	10.8%
1940 to 1959	67	5.2%
1939 or earlier	105	8.2%

Source: US Census Bureau 2000

Below is an analysis of building permits issued over the past 8 years (Table 3-2).

Table 3-2 Building Permits

	Total Units	Single Family Homes
2000	54	37
2001	50	38
2002	76	76
2003	74	74
2004	53	53
2005	70	70
2006	41	41
2007	25	25
2008*	16	16

Source: State of the Cities Data Systems (SOCDS) www.huduser.org, Town of Troy, *through September, 2008

The number of building permits issued in the past few years as well as the overall state of the housing market suggests a slowdown of housing in the short term.

Structural Characteristics

The majority of homes in the Town of Troy are single family homes.

In 2000, these account for over 88% of all housing units. Currently, there is not any housing in Troy that has more than 4 units in a structure.

Table 3-3 Housing Units in Structure

	2000	Percent of Total
Total Housing Units	1,250	100.0%
1 Unit, detached	1,120	87.3%
1 Unit, attached	10	0.8%
2 Units	60	4.7%
3 or 4 Units	10	0.8%
5 to 9 Units	0	0%
10 to 19 Units	0	0%
20 or more Units	0	0%
Mobile Home	50	6.5%

Source: US Census Bureau 2000

Utility gas is the most widely used type of heating fuel in the Town (41.1%). This shows that the infrastructure for utility gas is significant in the Town and will most likely increase due to the requirement that all utilities be buried.

The other major fuel types used in the Town include bottled, tank, or LP gas, fuel oil, kerosene, and electricity (*Table 3-4*). Two percent of the homes in Troy use wood or other fuel type as their source for heating fuel.

Table 3-4 Housing Characteristics-House Heating Fuel

Fuel Type	Number	Percent
Utility Gas	506	41.1%
Bottled, Tank, or LP Gas	386	31.3%
Electricity	117	9.5%
Fuel Oil, Kerosene, Etc.	198	16.1%
Coal or Coke	0	0%
Wood	15	1.2%
Solar Energy	0	0%
Other Fuel	10	0.8%
No Fuel	0	0%

Source: US Census Bureau 2000

Home Values

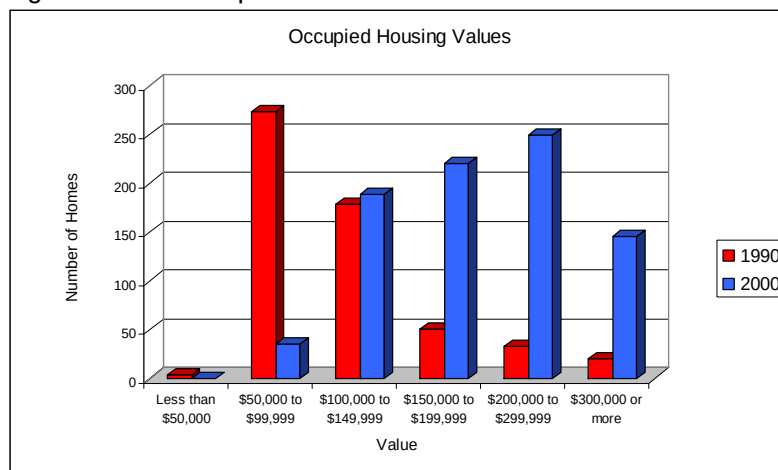
The Town of Troy saw a significant increase in home values of almost 93% between 1990 and 2000 (*Table 3-5 and Figure 3-1*).

Table 3-5 Median Owner-Occupied Housing Value

	1990	2000	% Change
Median Owner-Occupied Housing Value	\$100,400	\$193,600	92.8%

Source: US Census Bureau 1990, 2000

Figure 3-1 Occupied Home Values



Source: US Census Bureau 1990, 2000

Table 3-6 shows the dramatic shift in owner occupied housing values. There were 278 homes valued under \$100,000 in 1990. By 2000, that number had been

reduced to 35 homes. In contrast, there were 53 homes valued at \$200,000 or more in 1990. That number had risen to 394 homes in 2000.

Table 3-6 Median Owner-Occupied Housing Value

Value	1990	2000	Number and % Increase/Decrease
Less than \$50,000	4	0	-4 (100.00%)
\$50,000 to \$99,999	274	35	-239 (87.23%)
\$100,000 to \$149,999	179	189	+10 (5.59%)
\$150,000 to \$199,999	50	220	+170 (340.00%)
\$200,000 to \$299,999	33	249	+216 (654.55%)
\$300,000 or more	20	145	+125 (625.00%)

Source: US Census Bureau 1990, 2000

As property values increase, the Town may consider the needs of low-to-moderate income, elderly, and disabled citizens who may not be able to rent or buy affordable housing.

A recent search of the Multiple Listings Service for properties sold in the Town of Troy since 2004 shows the average sale price for a home is now closer to \$270,000.

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.

The falling rate of owner-occupied housing is common in growing communities in Western Wisconsin. In the Town of Troy however, owner-occupied housing percentages have increased between 1990 and 2000 (*Table 3-7*) reaching over 91% in 2000. In comparison, the State of Wisconsin has an owner-occupied housing rate of 68.4% as of 2000.

Table 3-7 Occupied vs. Renter Housing Percentages

Year	1990	% of Total	2000	% of Total	Number and % Change
Owner-Occupied Housing Units	825	86.03%	1,139	91.10%	+314(38.06%)
Renter-Occupied Housing Units	134	13.97%	111	8.9%	-23(17.16%)
Total	959	100.0%	1,250	100.0%	---

Source: 1990 and 2000 U.S. Census

Developers are building more single family units to meet the influx of new residents who decide to make the Town of Troy their permanent home. Renter-occupied housing units have dropped from just under 14% to 8.9% of the total housing units. St. Croix County currently discourages rental and multifamily housing options by requiring minimum lot sizes for individual units.

Housing Affordability Analysis

Many government agencies define excessive housing costs as that which exceed 30 percent of household income. According to the U.S. Census Bureau, selected monthly owner costs are calculated from the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees. This can be used to measure housing affordability and shelter costs.

A majority of homeowners in the Town of Troy are paying less than 30% of their household income towards homeowner costs.

Table 3-8 Selected Monthly Owner Costs as a Percentage of Household Income in 1999

Percent of Income	Number	Percent of Residents
Less than 15%	238	28.4%
15 to 19%	195	23.3%
20 to 24%	142	16.9%
25 to 29%	73	8.7%
30 to 34%	73	8.7%
35% or more	117	14.0%

Source: US Census Bureau 2000

Table 3-9 reveals gross rent in relation to household income. Gross rent is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuel if paid for by the renter (or paid for the renter by someone else). Once again, a majority of renters are paying less than 30% of their household income towards rental costs.

Table 3-9 Gross Rent as a Percentage of Household Income in 1999

Percent of Income	Number	Percent of Residents
Less than 15%	29	28.4%
15 to 19%	21	20.6%
20 to 24%	19	18.6%
25 to 29%	0	0%
30 to 34%	0	0%
35% or more	21	20.6%
Not Computed	12	11.8%

Source: US Census Bureau 2000

Housing-to-income analysis is another method of calculating home affordability. We have based this analysis on the 2004 average sale price (\$270,797) of homes between \$100,000 and \$500,000, and have taken in several factors related to home ownership that are listed below.

- Average Sale Price of Home \$270,797
- Down Payment (Assumed 20%) \$54,160
- Mortgage Principal \$216,637
- 30 Year Fixed Rate 6.5%

■ Principal and Interest Payment	\$1,369/month
■ Homeowners Insurance	\$400
■ Property Taxes	\$3,835.35 (Mill Rate of 14.1632* - 2004)
■ Maintenance and Repairs	\$1,000 (Estimated Per Year)
■ Total Annual Housing Costs (HC)	\$21,663.35
■ Income Needed (HC=30% of Income)	\$72,211.67

*Based on average of the mill rate from both school districts in the Town of Troy (Hudson and River Falls).

The income needed is slightly lower than the Town's 2000 median household income of \$73,125 and would indicate that housing is generally affordable for those living in the town.

Table 3-10 indicates the St. Croix County low-moderate income limits for St. Croix County as determined by HUD. The affordability classes include:

Extremely Low: A household earning a gross yearly income equal to 30% or less of the County Median Income, adjusted for household size.
Very Low: A household earning a gross yearly income between 31%-50% of the County Median Income, adjusted for household size.
Low: A household earning a gross yearly income of more than 50% but not to exceed 80% of the County Median Income, adjusted for household size.

Table 3-10 Income Levels for LMI (Low-Moderate Income) Classification for St. Croix County

LMI%	1 Person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$17,000	\$19,400	\$21,850	\$24,250	\$26,200	\$28,150	\$30,050	\$32,000
50%	\$28,300	\$33,350	\$36,400	\$40,450	\$43,700	\$46,900	\$50,150	\$53,400
80%	\$43,050	\$49,200	\$55,350	\$61,500	\$66,400	\$71,350	\$76,260	\$81,200

Source: Department of Housing and Urban Development 2/13/2008

These levels are used to determine if individuals or households meet requirements for financial assistance in purchasing a new home or improving an existing home.

Transfer of Development Rights (TDR)

The Town of Troy has developed a Transfer of Development Rights (TDR) Program for the purpose of preserving farmland and open space while guiding cluster development to areas that are better suited for development. This TDR Program

allows land owners who own agricultural land (sending area) to sell their development rights, protect their land from development, and preserve their land in perpetuity through the acquisition of conservation easements. These development rights are then used in an area better suited for residential development (receiving area). The development rights can be used to develop the receiving area at a greater density than previously allowed.

Housing Assistance Programs and Agencies

There are several State and Federal programs and agencies that assist first time homebuyers, disabled and elderly residents, and low-moderate income citizens meet rental/home ownership needs. The most often used programs are listed below.

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.

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 Housing and Economic Development Authority (WHEDA)

This agency finances housing development through the sale of bonds. WHEDA provides mortgage financing to first-time homebuyers, and financing for multi-family housing.

West CAP

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. West CAP also administers HUD's Section 8 program in St. Croix County.

New Development

The Town of Troy has worked diligently to develop a strong subdivision ordinance that new developers are required to follow. Currently, the Town of Troy has a subdivision ordinance in place for new development that requires developer's agreements for any development proposing public and private infrastructure. Through this process the Town is able to review and comment on individual Home Owner's Association's bylaws and restrictive covenants.

Soil Characteristics

Soil types play an important role when planning for the future of a community. The location and type of soil assists in the evaluation of a community's potential for accommodating growth and development. Limitations in soil capacity for drainage, strength, compaction, and attenuation capability can pose potentially costly problems to remediate. Soils may be unsuitable for specific land uses due to the presence of rock, depth to bedrock, saturation or shrink-swell potential. Some of the soil limitations can be overcome through engineering and site planning practices, but this is often very costly or impractical. In order to prevent soil limitations from becoming a problem, early identification of soil types, capabilities, and limitations will allow growth and development to be allocated to the most suitable areas.

Soil types within the planning area were determined using the St. Croix County Soil Survey, published by the Natural Resource Conservation Service. Each individual soil type has specific characteristics and limitations based on the chemical and structural composition of the soil. Soils are assigned ratings for specific common uses, such as dwellings with basements, septic tank absorption fields, and construction of local roads and streets. Soil types are also classified on their ability to support agricultural crops, recreational uses, and suitability for wildlife habitat.

The purpose of analyzing soil is not to restrict development, but to inform residents of potential problems. Limitations can be overcome, in some cases, through proper measures such as site planning and engineering. Extra cost can be expected, though, in constructing proper streets, foundations and stormwater drainage systems, and minimizing erosion. Care should be taken when development is considered in the areas with severe rated soils.

Due to the aesthetics of the natural landscape, a lot of Troy's residential development occurs along wooded hillsides that were too steep to farm.

Septic Tank Absorption Fields

Septic tank absorption fields are subsurface systems of tile or perforated pipe, which distribute effluent from a septic tank into the soil. Soil properties are evaluated for both construction of the system and the absorption of effluent. Soil suitability ratings for septic tank absorption fields vary throughout the Town (*Map 3-1*). With today's modern technology, septic systems can be constructed in most soils including those with severe limitations.

Dwellings with Basements

Soils are rated for the construction of dwellings fewer than three stories in height, which are supported by footings placed in undisturbed soil. Factors such as soil capacity to support load, resistance to settling, and ease of excavation is examined to assess soil suitability. Soil ratings range from slight to severe in the Town of Troy, depending on location. Limiting factors for this particular use include slope, wetness, low strength soils, and shrink-swell potential of the soil. As seen on *Map 3-2*, much of the Town has few limitations for dwelling with basements.

Goals, Objectives and Policies

Goal 1:

Ensure land is available for all types of future housing needs while still preserving large tracts of prime farmland.

Objective:

- Maintain steady and planned growth in the Town of Troy.

Policies:

- Continue the use of cluster development and the use of Transfer of Development Rights Program.
- Encourage developers to provide land for the development of a variety of housing needs.

Goal 2:

Address the aesthetics of new development and housing.

Objective:

- Ensure that the natural topographical features are used to enhance the setting of rural homes and preserve rural character.

Policies:

- Manage layout of new subdivisions through results-based subdivision ordinance.
- Encourage an active and unique Home Owner's Association in all new major subdivisions.
- Continue to review and comment on restrictive covenants of Home Owner's Associations through the subdivision approval process.

TOWN OF TROY

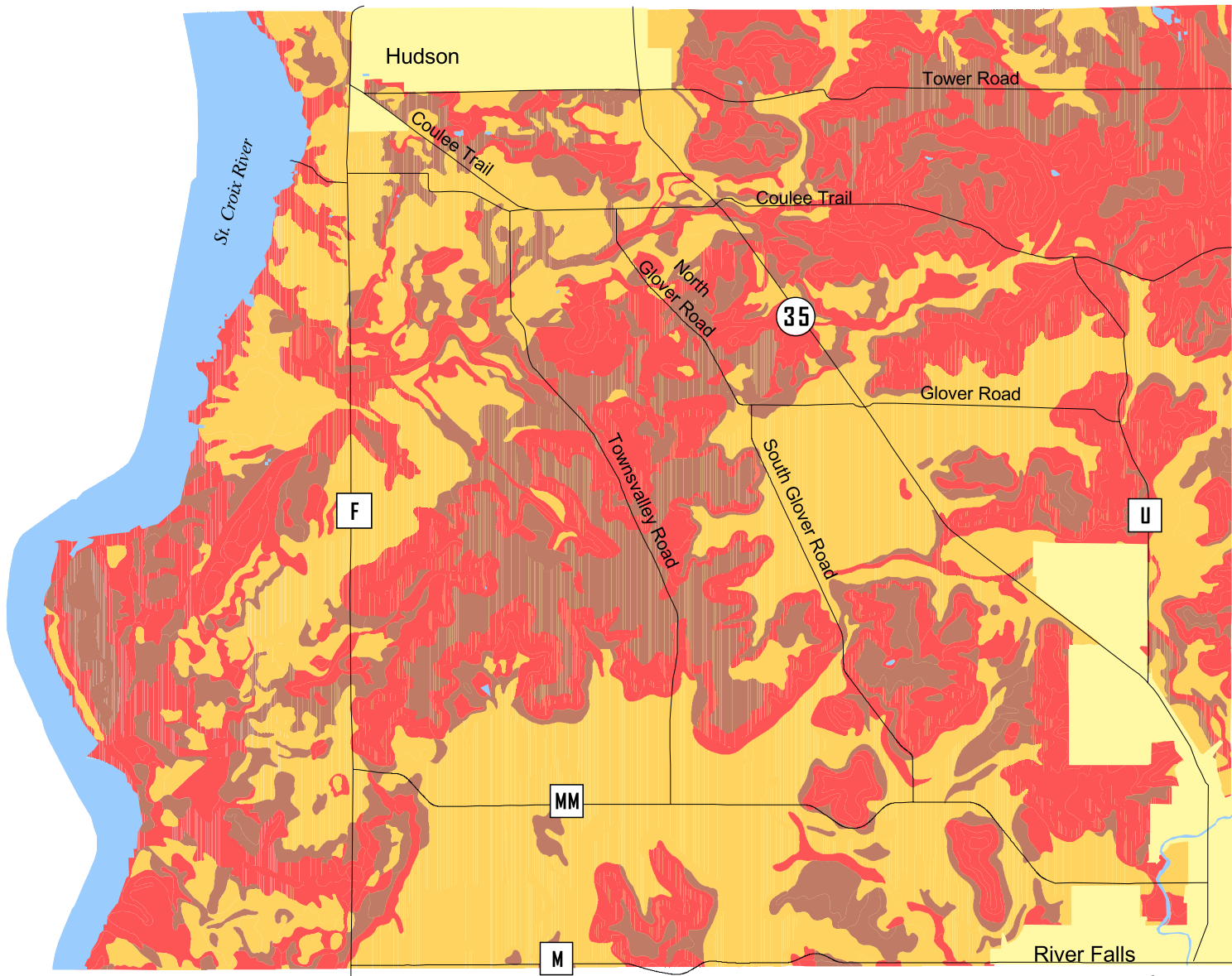
St. Croix County, Wisconsin

SOILS: SEPTIC LIMITATIONS

A rating of slight indicates: the soil properties are generally favorable for the specified use. The limitations are generally minor and may be easily overcome. Soils that exhibit slight limitations can be developed for almost any urban use with few, if any, difficulties.

A rating of moderate indicates: some properties of the soil are generally unfavorable for the specified use. These properties may be overcome or modified by special planning or site design. A soil may be classified as having a moderate limitation for a variety of reasons, including excessive slope (8-15%), depth to bedrock, and shrink-swell qualities that may cause uneven settling.

A rating of severe indicates: soil properties are unfavorable for a specified use and present difficulty to overcome. Such soils require major soil reclamation, special designs, or intensive maintenance. Reasons for a soil being assessed a severe limitation include: flooding, excessive slope (>15%), shrink-swell potential, low soil strength, and a seasonal high water table. Soils with severe limitations should generally be regarded as unsuitable for urban uses and alternative sites should be examined.



Legend

- Water
- Adjacent Cities
- Soils
 - SLIGHT
 - MODERATE
 - SEVERE
 - WET

January 1, 2008



TOWN OF TROY

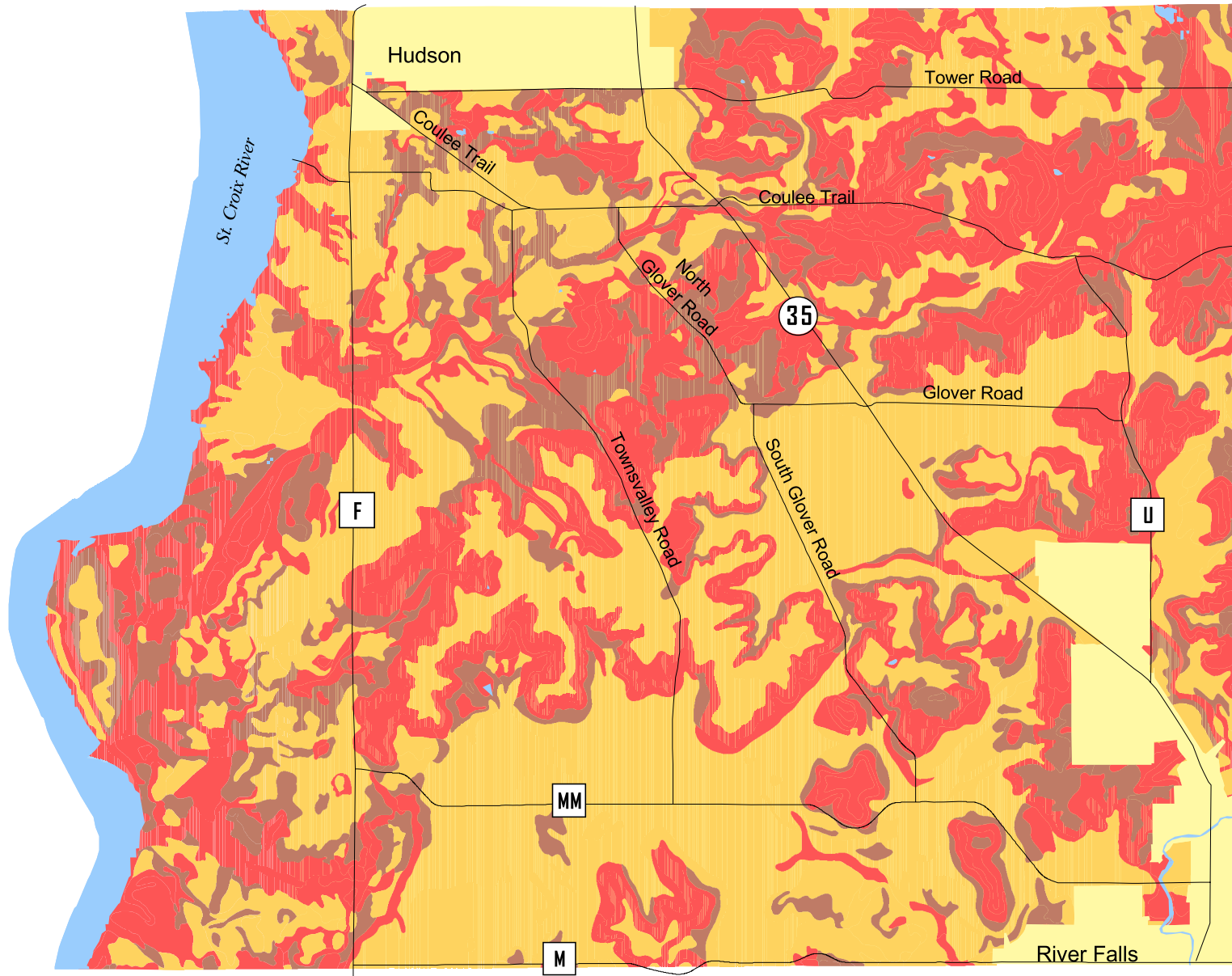
St. Croix County, Wisconsin

SOILS: BASEMENT LIMITATIONS

A rating of slight indicates: the soil properties are generally favorable for the specified use. The limitations are generally minor and may be easily overcome. Soils that exhibit slight limitations can be developed for almost any urban use with few, if any, difficulties.

A rating of moderate indicates: some properties of the soil are generally unfavorable for the specified use. These properties may be overcome or modified by special planning or site design. A soil may be classified as having a moderate limitation for a variety of reasons, including excessive slope (8-15%), depth to bedrock, and shrink-swell qualities that may cause uneven settling.

A rating of severe indicates: soil properties are unfavorable for a specified use and present difficulty to overcome. Such soils require major soil reclamation, special designs, or intensive maintenance. Reasons for a soil being assessed a severe limitation include: flooding, excessive slope (<15%), shrink-swell potential, low soil strength, and a seasonal high water table. Soils with severe limitations should generally be regarded as unsuitable for urban uses and alternative sites should be examined.



Legend

- Water
- Adjacent Cities
- Soils
 - SLIGHT
 - MODERATE
 - SEVERE
 - WET

January 1, 2008



0 1 Miles