

3 Community Environment

3.1 Housing Development

The City of Prairie du Chien has compiled a comprehensive, well-documented municipal code pertaining to zoning, sub-divisions, and fair housing. A review of the code will find most housing and development issues dealt with in a concise manner. Fair housing code “protects the health, safety, and welfare” of City residents by establishing standards and preventing deterioration of living conditions. Zoning code establishes well-defined boundaries and definitions for each district and usage, including low-density, medium-density, and high-density residential districts. Subdivision code leads builders and developers down a well-defined path that provides the City with a desired outcome, primarily a uniform development plan and cash flow for improvements.

From a planning perspective, however, this process can lead to segmented housing development. According to “Designing New Neighborhoods,” a book published by the American Planning Association, “There is no planning theory that says single-family houses on 40-foot lots should be in a different zone from houses on 50-foot lots, or 100-foot lots, and that individual houses and small apartment buildings can’t be compatible. However, once different zoning designations were on the books, communities had to choose one when they mapped out new residential districts.” In short, the “zoning first, planning later” approach encourages easy enforcement of setback, coverage, and other standards, but discourages creativity.

Another approach might utilize a more collaborative process with developers that lead to a desired outcome for residents, primarily neighborhood-friendly developments that are connected not only physically, but socially and functionally as well. Such a collaborative approach could steer larger development proposals toward Planned Community Development Districts as described in section 3.15 of the current zoning code. The threshold for qualifying projects could be controlled by total acreage, total square footage, or number of units.

Section 3.15 of the Municipal Zoning Code clearly outlines the criteria for promoting “improved environmental design and innovative uses of land.” Through targeted incentives, the City of Prairie du Chien could encourage qualifying developments to address not only the intent of the code, but also the needs identified in this report, primarily the creation of affordable housing. By carefully controlling the mix of zoning

within a Community Development District, the City can encourage an appropriate mix of populations and amenities that meet the needs of district residents, the developer, and the City. This controlled mix of zoning could allow different lot sizes and building types while maintaining the overall desired density. Encouraging garages off alleys and allowing narrower streets without curb cuts could create “pedestrian friendly” neighborhoods, lessening the use of the automobile and its attendant traffic congestion and environmental impact.

A strategy for development might incorporate TIF (Tax Incremental Financing), which can work for housing development as it does for industrial development. Take for example, a developer that wants to develop 50 homes in TID 1 (Tax Incremental District). Each home creates \$100,000 in taxable value or \$5,000,000 total value. The City could provide assistance in the amount of tax revenues generated over the remaining life of the TIF minus soft costs and interest. This assistance could be used for such things as land acquisition, relocation, landscaping, direct grants, utilities, site preparation, etc. In addition, TID 6 can contribute surplus to TID 1 for low cost housing. Finally, with the ability to use TIF moneys within 1/2 mile of the TIDs, a TID or TIDs could contribute funding to a housing project outside the TIDs. There would still need to be a connection made as well a calculation made of the benefit that a TID is getting by the housing development.

The Prairie du Chien Comprehensive Plan adopted in 2005 references smart growth strategies, including Traditional Neighborhood Development, defined by law as, “A compact, mixed-use neighborhood where residential, commercial, and civic buildings are within close proximity to each other.” The Housing Goals of the Comprehensive Plan specifically call for policies that “Encourage residential development that establishes a variety of lot sizes, dwelling types, densities and price points,” and “Promote mixed-use development to capitalize on existing transportation facilities and other infrastructure, and link jobs with residential areas and commercial uses” (See Appendix: Community Vision, B-4). The implementation of these goals will require a systematic review of the existing zoning code and a commitment by the City of Prairie du Chien to a more collaborative approach to residential development.

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

Figure 3.a Area Housing Starts: 2004 – 2008

The quality of life in a community, to a large degree, can be measured by its availability of affordable housing. The City of Prairie du Chien’s current approach, although well-reasoned, does not always accomplish the desired long-term goal of affordable housing and, as a result, additional tax base. For example, the City has been proactive in creating incentives for additional commercial and industrial development over recent years, yet only eleven new houses have been constructed in the five years from 2004 through 2008, with assessed values totaling 1.26 million dollars (Figure 3.a). In the same period, the Towns of Bridgeport and Prairie du Chien had 31 and 18 starts respectively, with values totaling 7.9 million dollars; while the Cities of Marquette and McGregor, Iowa experienced 30 starts with values totaling 5 million dollars. The City of Prairie du Chien is creating jobs, but not a commensurate number of housing starts and tax base. This would suggest that the City’s current approach properly manages housing development, but lacks the components necessary to encourage housing development.

3.2 Housing Perceptions

According to realtors, there is the perception, real or imagined, that living expenses are higher in the City of Prairie du Chien than adjacent towns and rural areas. On this point, the issue of property taxes relative to adjacent municipalities can be put into perspective in the following

Taxing District/ School District	Tax/ \$1000	Ratio	Effective Rate
Village of Stueben, Wauzeka Steuben	\$49.07	0.5846	\$28.69
Village of Wauzeka, Wauzeka Steuben	\$33.08	0.8111	\$26.83
Town of Clayton, Kickapoo	\$28.99	0.9004	\$26.10
Town of Wauzeka, Wauzeka Steuben	\$41.43	0.6295	\$26.08
Town of Haney, Wauzeka Steuben	\$43.73	0.5842	\$25.55
City of Prairie du Chien, PdC	\$29.63	0.8021	\$23.77
Town of Prairie du Chien, Wauzeka Ste	\$38.27	0.6024	\$23.05
Town of Bridgeport, Wauzeka Steuben	\$24.98	0.9047	\$22.60
Town of Wauzeka, Prairie du Chien	\$35.05	0.6295	\$22.06
Town of Prairie du Chien, PdC	\$34.10	0.6024	\$20.54
Town of Bridgeport, Prairie du Chien	\$20.54	0.9047	\$18.58
Village of Soldiers Grove, North Crawford	\$18.16	0.9005	\$16.35
Town of Scott, Boscobel	\$19.82	0.8209	\$16.27
City of McGregor, IA	\$36.57	0.4400	\$16.09
Village of Bell Center, North Crawford	\$22.44	0.7083	\$15.89
City of Marquette, IA	\$28.69	0.4400	\$12.62

Figure 3.b Area Property Tax Rates: 2008

table (Figure 3.b). While the City of Prairie du Chien has higher taxes than some, it does not have the highest tax rate among a sampling of area communities.

The cost of transportation must also be considered when comparing the housing costs of living outside the City with those of City residents. A labor shed report (Figure 3.c) shows that only 34% of Prairie du Chien's primary workers live in the City. Yet the annual commute cost for a worker living in Wauzeka, for instance, would be \$756 – assuming a 34 mile round trip, 5 days a week for 50 weeks, and 22.5 miles per gallon at \$2.00 per gallon cost. For those workers living closer to the City, an eight-mile round trip would incur \$180 annual fuel costs, plus additional automobile wear and time spent commuting.

Job counts in Cities/Towns Where Workers Live		2006	
Live	Count	Share	
Prairie du Chien, Wisconsin	1,903	33.7%	
Wauzeka, Wisconsin	217	3.8%	
McGregor, Iowa	97	1.7%	
Monona, Iowa	75	1.3%	
Marquette, Iowa	65	1.2%	
Boscobel, Wisconsin	53	0.9%	
Bloomington, Wisconsin	51	0.9%	
Waukon, Iowa	43	0.8%	
Guttenberg, Iowa	41	0.7%	
Fennimore, Wisconsin	41	0.7%	
All Other Locations	3,057	54.2%	

Figure 3.c Prairie du Chien Labor Shed Report: 2006

Source: US Census Bureau

Finally, in a Comprehensive Planning survey of residents in unincorporated areas of Crawford County conducted by the UW-Extension (Figure 3.d), open space and natural beauty were both cited as primary reasons for living in the County. However, a review of township only responses reveals a stronger preference for being near their job. The City of Prairie du Chien might promote the advantages of living in the City, including reasonable taxes, lower transportation costs, close proximity to jobs, and any additional economic incentives the City wished to provide.

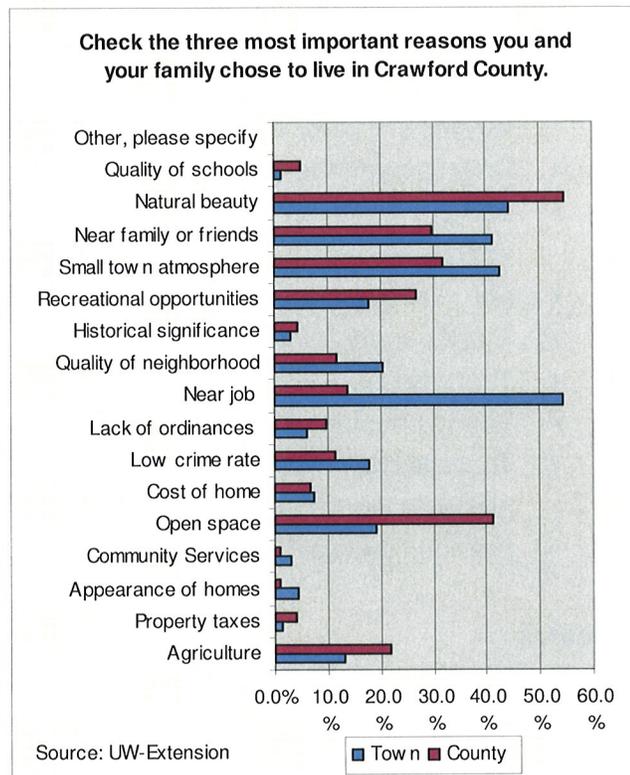


Figure 3.d Town of Bridgeport Survey: 2008

3.3 Home Ownership

In August of 2008, CDA met with both Prairie du Chien realtors and bankers to get their feedback regarding the inventory of available housing and what buyers were looking for in their next home. The realtors provided insight into the housing market as it correlates with demand. The bankers discussed buyer concerns and limitations, as well as the evolving credit market. In discussing the general characteristics of the housing market, a number of observations came to light with respect to buyers and sellers, supply and demand:

Buyers

- Typically two-income families, a combination of full-time and part-time
- A majority of buyers are under 40 with marginal finances, usually late 20's for first-time buyers.
- More unmarried couples are in the market
- Elderly are downsizing to ranch or apartment
- Three-bedroom homes are almost a necessity
- Daycare and transportation costs erode ability to buy
- Good-paying jobs are important to home ownership
- Buyers are picky with high expectations
- Down payments, credit worthiness, and poor financial habits are problems
- Some are looking for a financial education; they are more aware of problems with loans because of all the negative press
- Some people may be on the sidelines waiting to see what's going to happen
- More people are remodeling rather than buying up
- There is not much market in second homes for investment
- Young couples still have the American Dream of home ownership
- There is the perception, real or imagined, that taxes and living expenses are higher in the City of Prairie du Chien than adjacent towns and rural areas (see previous section)

Sellers

- Life-changing events typically trigger the need to sell, including retirement, death, change in marital status, and health problems
- Job transfers create the biggest group of sellers
- Sellers resist investing in improvements to move the property

Inventory

- There are not many \$80,000 - \$135,000 homes on the market that satisfy buyer expectations with regards to location, appearance, and size.

- There are a lot of high-end properties on the market
- There are very few newer homes and buildable lots on the market
- North side and railroad locations are difficult to sell
- The average property is on the market for 8 months; and over a year for high-end properties

Demand

- Middle range – \$80,000 to \$135,000 – in good condition will sell
- Side by side duplexes in the \$130,000 range for retirees will sell
- Properly constructed condos would sell, provided they meet the needs of the market place – for example, less stairways for elderly retirees
- 100' x 140' lots for \$28,500 are not selling due to “high price”
- Buyers are looking for larger lots with acreage, but their expectations many times exceed the price they are willing to pay

Environment

- Applicants are going back to local banks rather than internet loans
- Banks are now stressing more pre-approval of applicants
- Homes values are stable
- The industry has a credit score plateau of 620
- The rules of the game have not changed in lending practices
- Money is available to credit-worthy customers
- Buyers needs more help from government programs for down payment
- Not many new housing starts in area
- Not much in “alternative” housing available
- Catholic charities are helpful with credit counseling
- Government programs need to be communicated to banks
- Good contractors are available to home builders
- Reasonably improved lots cost less than \$30,000

Realtors suggested that more demand can be created within the City of Prairie du Chien though developer incentives, such as providing street, sidewalk, utility and other infrastructure improvements. Buyer incentives would also assist first-time homeowners, such as help with down payments and mortgage terms that might be available through housing programs. A City of Prairie du Chien marketing program that would attract buyers and developers might combat the general perception that owning or developing a home in the City is not economically attractive.

3.4 Rental Environment

CDA conducted focus group discussions with both landlords and tenants of rental properties in the City of Prairie du Chien. What follows is a summary of their discussion, which was at times divergent in their perspective, and at other times in agreement on mutual problems.

Landlords attending the forum own one-bedroom apartments that rent in the \$325 to \$400 range, and two bedroom apartments ranging from \$450 to \$500. These rents coincide with the median rent of \$429 identified in section 5.2. Landlords suggested there is more of a demand for rentals because renters can't afford home ownership. They also cited a demand for three-bedroom apartments, but said rents for larger apartments typically exceed the affordability of renters, or encourage the renter to explore purchasing a house.

Renters attending the forum reported rents ranging from \$375 for a one-bedroom apartment to \$450 for a one-bedroom house. Renters cited low income and the inability to afford house payments, utilities, and taxes as the primary reason for continuing to rent. Existing bills and low credit scores prevent many from applying or qualifying for home ownership mortgages. Some expressed frustration in not being able to find units to fit their needs. An elderly resident, whose husband recently died, recognized that she would not be able to maintain her house much longer and sought an apartment that had a garage and accepts pets. A couple looking to move back to town nearer to their health care services wanted a two-bedroom, one-story house to rent. Renters cited both price and selection as equal problems.

In discussing the condition and upkeep of rental units in the City of Prairie du Chien, there seems to be a general disconnect between the opinions of landlords and renters. Landlords interviewed for this report felt that rental property condition in Prairie du Chien generally rated as good to very good, while renters complained about broken doors and windows, and inefficient furnaces. Landlords suggested that some renters needed to be reminded to respect the living space of others, while renters suggested that some landlords remain unresponsive to maintenance problems.

This disconnect might be expected, and could be attributed to a lack of communication – something as simple as a reluctance to speak to the other side, or something more problematic, such as the failure to listen to the other side. The problem should not be overstated as indicative of all rental situations. Landlords characterized 70 – 75% of their clients as “good renters,” while many renters enjoy long-term relationships with landlords because they are happy with their units. And

the landlords and renters who took the time to attend the forums and offer their opinions can be considered as falling under the category of “good communicators.”

However, the disconnect can also be attributed to a different perspective on a common front – economic. The relative low median income and wages in Prairie du Chien does not support high rents, nor provide incentives for rental unit upgrades or housing development. Renters feel trapped because they are unable to afford larger apartments that adequately address their needs, or to eventually purchase a home. Landlords feel squeezed because they must keep their rents low to attract renters, but are thus unable to justify high maintenance costs or further development of rental property. Both parties are left with little incentive to improve or leverage their position.

This in turn points back to the general problem identified throughout this report. Low paying jobs lead to a low median income, which in turn leads to a lack of affordable housing and a declining quality of life. The solution then lies not just in better education and communication between landlords and renters – although that would be good start – but also a reexamination of the factors that influence job creation and the economic vitality of the City and region.

3.5 Social Services

CDA met with the Crawford County Human Services Department to determine their perspective of the housing needs of clients they serve in the County. Topics discussed included Section 8 (HUD) rent vouchers, young-family concerns, transitional housing for the elderly and general concerns of low-income residents.

Crawford County provides various rent vouchers and rental assistance programs to aide low-income households throughout the County; however problems exist with their availability and usage. The County has 25 Section 8 rent vouchers available at any one time. But once clients become eligible, many are inclined to stay on the program, creating limited availability and long waiting lines. Although rent vouchers are highly sought, renters generally do not like subsidized housing programs because of the stigma attached, the “big brother” aspect to rental housing inspections, and the lack of tenant control. A significant concern for tenants is deteriorated and poor quality rental units that cause high utility costs and poor living conditions. Another common grievance among clients is the inability to keep pets in subsidized units.

Elderly residents find it difficult to transition from long-term housing into smaller units. In most cases they find it necessary for a number of reasons, including health issues, affordability of taxes and utilities, and the constant concern of maintenance and

upkeep on their larger homes. Because of health or accessibility issues, they generally need to downsize into ground-level apartments or condos without stairways. It is common for the elderly to remain in larger homes because they cannot find such accommodations, or they are not aware of the available options to downsize. Elderly generally tend to move in progression, first to a smaller home or condo, then to an apartment, and finally to an assisted-living or nursing home facility as needed.

In general, there is a significant disconnect between what residents need and what they want. Low-income families may need rental assistance, but want to live under “their own roof,” many times accepting substandard housing in lieu of rental assistance. Elderly may need to move into smaller, more affordable housing, but don’t want to move away from the memories associated with their life-long home.

The gap between need and desire can in some ways be bridged with education. Unreasonable expectations can fuel unaffordable or unworkable aspirations. Education can mitigate that gap, whether it’s help with financing, training on home ownership skills, or information on condo associations or assisted-living facilities. A partial list of housing, rental, and general assistance programs can be found in the appendix.

3.6 Summary

The following points summarize the discussion of the local environment as it pertains to housing development, home ownership, rental, and social issues.

- “There is no planning theory that that says single-family houses on 40-foot lots should be in a different zone from houses on 50-foot lots, or 100-foot lots, and that individual houses and small apartment buildings can’t be compatible.”
- The Prairie du Chien Comprehensive Plan adopted in 2005 already references “Traditional Neighborhood Development,” and should be reviewed for possible implementation of the stated goals.
- A more collaborative approach with developers might lead to a desired outcome, primarily the creation of affordable housing.
- TIF funding can be used to support housing development in and within one-half mile of TIFs.
- The City of Prairie du Chien is creating jobs, but not a commensurate number of housing starts and tax base.
- Home values are relatively stable in the City of Prairie du Chien compared to other areas more affected by the housing crisis.
- Buyer expectations often exceed the price they are willing or able to pay for homes.

- Developer incentives can reward alternative approaches to housing development and encourage the creation of affordable housing.
- A lack of communication exists between renters and landlords. This can be partly attributed to a different perspective on a common front – economic.
- 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 new home or rental development.
- A significant concern for low-income tenants is deteriorated and poor quality rental units that cause high utility costs and poor living conditions.
- There is a disconnect between what low-income and elderly residents need and what they want.
- Because of health and accessibility issues, the elderly population looks for ground-level apartments or condos without stairways when downsizing from single-family homes.

