

# CHAPTER 7: HOUSING

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## INTRODUCTION

Planning for housing will ensure that the Town of Algoma's housing needs are met. The design, placement and density of housing impacts the overall appearance and character of a community by defining a sense of place and encouraging or discouraging social interaction between residents. It influences the cost of housing and the cost and efficiency of other plan elements, such as roadways, school transportation (e.g. busing vs. walking), economic development and the provision of public utilities.

The "Smart Growth" Legislation requires that the housing element contain objectives, policies, goals, maps and programs to meet current and future housing needs of the Town of Algoma, by developing and promoting policies that provide a range of housing choices for Town residents that meet the needs of all income levels, age groups, and persons with special needs. An assessment of age, structural, value, and occupancy characteristics of the Town's housing stock is also required. This chapter, along with Appendix A-7 and Chapter 2, "Plan Framework" addresses these requirements.

## SUMMARY OF KEY POINTS AND NARRATIVE

### Housing Demand & Household Size

#### THE FACTS:

- **Historically, the Town of Algoma has experienced strong demand for housing, with an estimated increase of 1,424 units between 1990 and 2018.**
- **Nearly two-thirds of the present day community moved into the Town between 1980 and 1999**
- **During this 1990-2010 time period, household size decreased from 2.89 persons per household to 2.78 with it now lying at 2.64 persons per household. Because there are fewer persons per household, the rate of increase for new households generally outpaces the rate of increase in population, thereby factoring in to land consumption rates.**
- **Since 2010, single family homes accounted for 84.8% of residential permits, duplexes 2.8%, multi-family structures, 11.9% and mobile homes 0.6%.**
- **While minor in comparison to the number of housing units across the Town, small increases in two-family dwellings have occurred over the past 3 to 4 years.**
- **The Town can anticipate an increase of approximately 1,059 new households between 2015 and 2040, according to WDOA's estimates**
- **A steady decrease in household size is expected over the planning period which means that more households would be created even if the Town's population remained stable.**

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- In general, when compared to Winnebago County, the Town of Algoma has had larger household sizes with over 25% being 4 or more persons in 2013-2017.

### WHAT IT MEANS:

The demand for housing in a particular area can be influenced by a number of factors, including prevailing interest rates, income levels, proximity to places of work, and general population growth. The Town of Algoma continues to have strong rates of housing growth as compared to the rest of the Winnebago County and this trend is expected to continue and the housing stock caters primarily to younger families. Even so, the mix of housing styles has started to change recently and may continue to do so depending on housing market conditions, zoning regulations, and other unforeseen factors. The historic housing mix indicates that a large percentage (90+%) of new building permits will likely be for single family structures and that less than 10 percent will be duplexes or multifamily structures. However, the increased demands for alternative single family housing or multi-family dwelling styles should be considered when crafting the Year 2040 Future Land Use Map (Map 2-1).

Strong growth in households is expected over the planning period. This growth is likely to be driven by younger families who desire to live in Algoma because of its proximity to jobs and for the amenities it provides. While household sizes are generally larger in Algoma as compared to other Winnebago County communities, there is still a trend of the household sizes declining over time. Land consumption impacts are the main concern when looking at this relationship of population to households. The fewer persons per household, the more houses are needed to accommodate the same population.

### PLAN COMMISSION DISCUSSION:

- *Would you support accommodating more non-single family residential development within the Town? If so, under what conditions?*

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### Housing Value & Affordability

#### THE FACTS:

- The Town of Algoma's median housing value was \$205,900 (+/- \$14,245) during the 2013-2017 ACS 5 year period.
- When compared with Winnebago County, the Town's median value of owner occupied homes is about 25% higher during both periods.
- The 2013-2017 ACS 5-Year Estimates indicates that the median contract rent for the Town of Algoma (\$844) was 17% higher than that of Winnebago County (\$721).

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- In 2013-2017, the share of homeowners without a mortgage, homeowners with a mortgage, and renters paying more than 30 percent of their income for housing in the Town of Algoma, was approximately 15.1%, 24.0%, and 27.9% respectively. These figures have all increased since the last 5 year time period which showed 21.1%, 3.8% and 22.9% respectively.

### WHAT IT MEANS:

Home values within the Town have been consistently higher than other communities in Winnebago County, as are contract rent amounts. However, recent trends towards smaller, more modestly priced homes may impact the rate of growth in residential equalized value during the planning period. Access to affordable housing is not only a quality of life consideration, but is also an integral part of a comprehensive economic development strategy for a community. Communities need affordable housing for workers in order to retain existing companies and attract new companies to the area. Households which must spend a disproportionate amount of their income on housing, will not have the resources to properly maintain their housing, nor will they have adequate disposable income for other living expenses, such as transportation, childcare, healthcare, food, and clothing. Nevertheless, a need exists for expansion of housing choices to accommodate Town residents who currently pay more than is recommended for housing, given their incomes.

### PLAN COMMISSION DISCUSSION:

- *What can the Town do to ensure that all housing needs are met in terms of affordability?*
- *How can the Town help in better matching the home/workplace relationship?*

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### Housing Characteristics

#### THE FACTS:

- According to the 2013-2017 ACS, the Town of Algoma's occupied housing stock was primarily composed of owner-occupied units, which accounted for about 95.2% of occupied housing units, while rentals accounted for just over 4.8%. In 2010, the Town of Algoma exhibited a vacancy rate of 1.0 percent for owner occupied units, and 4.2 percent for year round rentals, implicating that housing units were in short supply.
- In 2013-17, the Town of Algoma exhibited a vacancy rate of 0.3% for owner occupied units, and 0.0% for year round rentals, implicating that housing units were in short supply.
- Of the 2,631 residential units in the Town, about 58% of the Town's residential structures were built between 1990 and 2014.

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***Single family structures are the dominant residential type in the Town of Algoma, accounting for 99.3% of units according to the 2013-2017 ACS 5-Year Estimates***

***In the Town of Algoma, occupied units without complete plumbing and kitchen facilities are non-existent, while those lacking telephone service is also rare.***

***As of 2018, There are 3 assisted living facilities within the Town of Algoma with a combined capacity of 87 beds.***

### **WHAT IT MEANS:**

Home ownership is of high importance to Algoma residents, although trends are beginning to show that rental properties are in demand due to lifestyle changes. As discussed previously, the relationship between employment (place of work) and residence can be critically important. Ensuring that housing options exist for all segments of the population, including the elderly and those in need of assisted living options. In many parts of the U.S., more efforts are being made to ensure that people can “age in place” through the construction of new housing types or even small community-based developments.

### **PLAN COMMISSION DISCUSSION:**

- *What can the Town do to ensure that all housing needs are met in terms of affordability?*