

Housing



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1. Introduction

Well-designed, safe, and quality housing choices are vital to healthy communities. Housing choices give communities character and establish a connection between residents and their neighborhoods.

The previous chapters in this plan discuss population, household and economic characteristics and trends in the Village. This chapter profiles the existing housing stock and evaluates housing affordability and existing housing programs.

Want to Learn More?

For more information about housing, also see these chapters:

- The Utilities and Community Facilities chapter discusses water and wastewater issues.
- The Land Use chapter identifies locations for future housing development and discusses development regulations like zoning.
- The Agricultural, Natural & Cultural Resources chapter includes information about the soils and development limitations in the area. This chapter also describes conservation-based development approaches.
- The Economic Development chapter considers the role of housing in the local economy.

2. Existing Conditions

Number and Types of Housing

In 2010, there were 4,338 dwelling units in Richfield, which represents a 45.6 percent increase since 1990 when 2,980 units were reported (Table 4-1). By comparison, the supply of housing in all of Washington County grew at a somewhat slower rate.

Table 4-1. Housing Units: 1990, 2000, and 2010

Year	Number	Percent Change from Previous Period
1990	2,980	na
2000	3,766	26.4
2010	4,338	15.2

Source: U.S. Census of Population and Housing 1990, 2000, 2010

Single-family homes are the primary housing choice, accounting for nearly all dwelling units in 2010 (Table 4-2). Between 2000 and 2010, the relative portion of housing types did not change.

Occupancy Status

The vacancy rate is an important measure of housing supply and demand. According to the U.S. Department of Housing and Urban Development, an overall vacancy rate of 6.5 percent represents a good balance between supply and demand in an area. For owner-occupied housing, an acceptable rate is 1.5 percent, while 5 percent is acceptable for rental housing. At these rates, there is enough supply to allow consumers an adequate amount of choice.

When vacancy rates drop below this level, the housing market becomes tight and housing costs invariably increase. In such a market, housing affordability becomes even more of an important consideration.

When the vacancy rate rises, supply exceeds demand, which creates a special set of considerations. At an extreme, housing prices declining. New units are units and comparatively undertaken. Unchecked, the community’s tax and quality of life. It community it is not rental units and not for owner-occupied units, and vice versa.

Table 4-3. Housing Units by Occupancy Status: 2010

Status	Number	Percent of Total
Occupied	4,170	96.1
Vacant	168	3.9
Total	4,339	100 [1]

Source: 2010 U.S. Census of Population and Housing

Notes:

- 1. Total may not add up to 100 due to rounding

Table 4-2. Housing Units by Type: 2010

Type	Estimated Number	Percent of Total
1-unit, detached	4,284	98.3
1-unit, attached	30	0.7
2 units	31	0.7
3 or 4 units	0	0.0
5 to 9 units	0	0.0
10 to 19 units	0	0.0
20 or more units	0	0.0
Mobile homes	14	0.3
Total	4,359 [1]	100 [2]

Source: 2006-2010 American Community Survey 5-Year Estimates

Notes:

- 1. The total number of housing units in this table may not be the same as reported in the 2010 Census of Population and Housing/
- 2. Total may not add up to 100 due to rounding

in such a community typically are stagnant or not being constructed to replace the aging little home improvement activities are such a downward trend will negatively affect base and more importantly, its public image should be noted that even in the same uncommon to see a tight housing market for

According to the 2010 census, the overall vacancy rate for Wisconsin was 13.1 percent, which reflects a significant uptick in the number of home foreclosures from 2008 through 2010.

In 2010, the overall vacancy rate in Richfield was nearly 4 percent, which is significantly higher than 2000, when a rate of 0.5 percent was recorded (Table 4-3). Again, the rise in home foreclosures may have, in part, caused this change. By way of comparison, the vacancy rate in all of Washington County was 5.6 percent in 2010.

Based on these figures, it is easy to see that there is a lack of housing choice in the Village. As a result, most people interested in moving to the Village generally have to build a new home. This situation is of concern because it makes entry into the community difficult. It also makes it difficult for people to move within the community to find different housing choices to fit their needs at different stages of their life (i.e., starter homes, senior homes, rental choices).

There are a number of dwellings that are classified as seasonal, recreational, or occasional use dwellings. Most of these are located on or near the larger lakes in the Village. The number of seasonal units has been steadily decreasing as these dwellings have been converted into permanent residences.

Housing Tenure

In 2010, 95.3 percent of the occupied housing units were owner-occupied, and 4.7 percent were rentals (Table 4-4). This home ownership rate is higher than in all of Washington County and significantly higher when compared to all of Wisconsin.

Table 4-4. Housing Tenure: 2010

Status	Number	Percent of Total
Owner-occupied	3,972	95.3
Renter-occupied	198	4.7
Total Occupied Units	4,170	100 [1]

Source: 2010 U.S. Census of Population and Housing

Notes: 1. Total may not add up to 100 due to rounding

Age of Housing

The age of a community’s housing stock is an important consideration. As the housing stock grows progressively older, more needs to be done to ensure it is well-maintained. For low- and moderate-income residents, this is especially hard to achieve with limited resources.

Table 4-5 lists the percent of the Village’s total housing stock by time period in which they were built. From the data, we can see part of the Village’s history. Before 1960, the Village’s housing supply grew at a modest rate. New housing development really skyrocketed during the 1960s and 1970s, as people began to discover the Village was a reasonable commute via area highways to employment centers in Milwaukee and surrounding communities. During the 1980s, residential development dropped off significantly, largely due to high mortgage interest rates. During the 1990s and into the next decade, the Village experienced a significant growth in its housing.

According to the Census Bureau, 57.5 percent of the Village’s housing supply was built before 1980 (Table 4-5). While this does not necessarily mean that the units are in poor condition, it does indicate that the need for repairs and maintenance is likely greater.

Condition of Housing

Age alone is not the best measure of housing condition in a community. To be more accurate, a visual assessment of the housing stock is helpful. Such an assessment is commonly referred to as a “windshield survey” because it entails driving and walking through a community and evaluating housing based on visual appearance. The theory is that exterior condition generally correlates with interior conditions. A windshield survey conducted in 2003 revealed that the vast majority of housing in the Village appears to be well maintained. Given the fact that significantly more than half of the Village’s housing has been built in the last 25 years, modern development standards and codes have been enforced.

Size of Housing Units

Up until about 2000, the size of most housing units were comparable to other communities in the region. Since then, however, the size of new homes has steadily increased from about 2,000 square feet to more than 2,900 square feet. In addition, the amount of space devoted for garages has likewise increased sharply. As a result, these larger homes are creating a dichotomy in the housing supply between quality older homes and larger, more expensive new homes.

Based on data from the 2006-2010 American Community Survey, more than three-quarters of the housing units had 6 or more rooms. When comparing the median number of rooms in Richfield (6.8) to all of Washington County (5.9), the size disparity is again verified.

Table 4-5. Estimated Age of Housing Stock: 2010

Year Built	Percent of Total	
	Richfield	Washington County
2005 or later	3.8	5.1
2000 to 2004	10.0	10.2
1990 to 1999	17.5	19.6
1980 to 1989	10.4	12.0
1970 to 1979	22.9	18.8
1960 to 1969	17.1	10.0
1950 to 1959	3.7	7.3
1940 to 1949	3.0	3.7
1939 or earlier	11.6	13.3
Total [1]	100.0	100.0

Source: 2006-2010 American Community Survey 5-Year Estimates, 201 U.S. Census data not available.
 Notes: 1. Total may not add up to 100 due to rounding

Table 4-6. Rooms per Housing Unit: 2010

	Estimated Number	Percent of Total
1 room	14	0.3
2 rooms	0	0.0
3 rooms	15	0.3
4 room	71	1.6
5 rooms	816	18.7
6 rooms	917	21.0
7 rooms	1,002	23.0
8 rooms	633	14.5
9 rooms or more	891	20.4
Total	4,359 [1]	100.0 [2]
Median rooms	6.8	(x)

Source: 2006-2010 American Community Survey 5-Year Estimates. 2010 U.S. Census data not available.

Notes:
 1. The total number of housing units in this table may not be the same as reported in the 2010 Census of Population and Housing
 2. Total may not add up to 100 due to rounding

Housing Values

The available supply, age, and condition of the housing stock are the basis for determining the demand for and cost of housing. Table 4-6 compares the median home value in Richfield to other municipalities in Washington County.

At a median value of \$300,000, Richfield had the highest value followed by the Village of Germantown at \$243,000. This gap between the value of housing in Germantown and Richfield is partially due to the fact that the Village of Germantown has been increasing its share of affordable and alternative housing, especially over the last 20 years.

Table 4-8 provides a more detailed breakdown of information pertaining to the value of owner-occupied housing units in Richfield. What is significant to note from this table is that less than a quarter of the housing in the Village were valued less than \$150,000. This suggests that there is a gap in the housing supply, particularly in smaller, more affordable starter homes.

With respect to rental housing, there were 197 renter-occupied housing units in Richfield in 2000. The median contract rent rate in the Village was \$765. (This rate does not include utilities.) This rate is significantly more expensive than the 2000 median contract rent rate for Washington County (\$543). This can be somewhat explained by the fact that this higher rate is a result of the rental of single-family homes. There are no apartment buildings in Richfield. This median rate is based on the rental of duplexes, attached single-family homes (e.g., town home) and triplexes and quadplexes.

Table 4-7. Median Owner-Occupied Home Values; Richfield and Selected Municipalities: 2010

Municipality	Estimate
Germantown, Village	\$243,200
Hartford, City	\$195,400
Jackson, Village	\$206,200
Kewaskum, Village	\$189,800
Newberg, Village	\$194,600
Richfield, Village	\$300,000
Slinger, Village	\$208,900
West Bend, City	\$180,000
Washington County	\$228,000

Source: 2006-2010 American Community Survey 5-Year Estimates. 2010 U.S. Census data not available.

Table 4-8. Owner-Occupied Housing Value: 2010

Cost Range	Number	Percent of Total
Less than \$50,000	66	1.6
\$50,000 to \$99,999	11	0.3
\$100,000 to \$149,999	75	1.9
\$150,000 to \$199,999	265	6.6
\$200,000 to \$299,999	1,598	39.7
\$300,000 to \$499,999	1,448	35.9
\$500,000 to \$999,999	515	12.8
\$1,000,000 or more	52	1.3
Total	4,030 [1]	100.0 [2]

Source: 2006-2010 American Community Survey 5-Year Estimates. 2010 U.S. Census data not available.

Notes:

- The total number of housing units in this table may not be the same as reported in the 2010 Census of Population and Housing
- Total may not add up to 100 due to rounding



New Housing Starts

Between 1995 and 2012, the number of new single-family housing starts in Richfield has fluctuated from a low of 11 dwelling units in 2011 to a high of 113 in 2003 (Table 4-9). At the time the 2004 comprehensive plan was being prepared, Richfield was experiencing a significant surge of residential development activity. However, soon after adoption of that initial plan, a national recession emerged which continued through 2010. Since then, the number of housing starts has declined sharply following the statewide and national trends.

3. Housing Affordability Analysis

Does the cost of housing match the ability of residents to pay for it? This is the fundamental question to answer when determining housing affordability. There are many ways to answer this question. One common technique comes from the U.S. Department of Housing and Urban Development (HUD). This method involves comparing income to housing costs. According to HUD, housing is considered affordable when it costs no more than 30 percent of total household income. Per HUD standards, people should have the choice of having decent and safe housing for no more than 30 percent of their household income.

In 2012, according to the American Community Survey, the median annual household income in Richfield was \$94,375 and the median monthly income was \$7,864. Thirty percent (30%) of this median monthly income yields \$2,359 or less to be used for housing costs. The 2010 median mortgage payment in Richfield was \$2,032. This is within the threshold for affordability, assuming average utility monthly utility costs are less than \$327 per month. It should be noted that it is very possible, with the recent reduction in mortgage rates, that many homeowners have refinanced to a more affordable monthly mortgage payment than is reflected in the 2012 American Community Survey. .

The 2012 American Community Survey information specifically breaks-out housing costs as a percentage of household income. According to the information, 11.54 percent of Richfield homeowners were paying 30-40 percent of their monthly household income on housing costs. Most homeowners (67.2%) were paying less than 30 percent of their monthly household income on housing costs. In fact, nearly 31 percent were paying less than 20 percent of their monthly income on housing. By comparison, renters in Richfield are paying a slightly higher share of their income on housing costs. According to the 2000 U.S. Census, 28.2 percent of renters were paying more than 30 percent of their total household income on rental costs (nearly double the rate for homeowners).



Richfield’s housing supply is generally unaffordable to residents relying on income from fixed sources (e.g., social security) or minimum-wage paying jobs.

According to the 2000 U.S. Census, 17.6 percent of residents (637 persons) were receiving social security income¹. The mean (average) amount of annual social security income was \$13,692.

If a senior resident, who we assume in this scenario does not already have their respective mortgage paid off, were not receiving any additional income (e.g., pension, job), spending 30 percent of their income on housing would allow only \$342 per month. According to the U.S. Census, less than 10 rental units exist in the Village for renters in need of such highly affordable units. As a result, seniors who are completely dependent on social security income would either have to pay more for their housing (a disproportionate share of their income) or live elsewhere. The situation is very similar to workers dependent on minimum wage paying jobs. In 2014, the federal minimum wage per hour effective July 24, 2009 is \$7.25. Working 40 hours per week in a minimum wage paying job only generates an annual income of \$10,712.

Table 4-9. Single-Family Housing Starts: 1995-2012

Year	Number	Percent Change from Preceding Year
1995	61	-
1996	80	31.1
1997	84	5.0
1998	80	-4.8
1999	99	23.8
2000	78	-21.2
2001	67	-14.1
2002	65	-3.0
2003	113	73.8
2004	89	-21.2
2005	79	-11.2
2006	50	-36.7
2007	41	-18.0
2008	21	-48.8
2009	21	0.0
2010	24	14.3
2011	11	-54.2
2012	28	154.5
2013	50	78.6

Source: Village of Richfield, Building Inspector

4. Housing Programs

¹ The Census data does not indicate for how many residents social security is their only source of income. Therefore, it should not be assumed that 26.9% of residents are living solely on social security income.

A number of federal and state housing programs are available to help Richfield promote the development of housing for individuals with lower incomes, senior housing, and housing for people with special and/or housing maintenance needs.

Federal Programs and Revenue Sources

The Department of Housing and Urban Development (HUD) is the federal agency primarily responsible for housing programs and community development. Though many of its programs are directed to larger cities and urban areas, Richfield does qualify for some available funds. Specifically, HUD provides money to non-entitlement (i.e., communities with populations less than 50,000) communities through grants. In the State of Wisconsin, the Department of Administration (DOA) is responsible for the distribution of these federal funds.

State Programs and Revenue Sources

Beyond the funds distributed through HUD, the Wisconsin DOC administers several state funded programs that can potentially be used to finance housing improvements. Money available through the DOC, because it is funded by general-purpose revenue, cannot be used to invest directly in housing development. However, funds can achieve the desired result by helping organizations develop the capacity to develop houses or by providing various types of financial assistance to homebuyers or renters through grants to local governments or non-profit agencies.

The Wisconsin Housing and Economic Development Authority (WHEDA) is a quasi-governmental agency that finances housing development through the sale of bonds. Unlike the Wisconsin Department of Commerce, it receives no direct state-tax support. Therefore, WHEDA can provide mortgage financing for first-time homebuyers and financing for multifamily housing as well. Specific programs evolve and change with the needs of the housing market.

Local Programs and Revenue Sources

The Village of Richfield is part of the Housing Consortium. This unique four-county (Jefferson, Ozaukee, Washington & Waukesha) governmental body's primary purpose is to advance home ownership opportunities and programs for households that earn 80 percent or less of the area median income, which generally means a household that earns less than \$55,000.

The HOME Consortium was established in June 1998. To be created, the formal approval of each participating jurisdiction was required. This is evidenced by a resolution adopted by each governing body and a participation agreement. Through the Village's participation in the Housing Consortium, Richfield is working to help income-qualified individuals purchase or remodel a home in Richfield.

