

# Comments and Recommendations about the Proposed Zoning Code



## Good & Important Additions to the Code

There have been a lot of great additions to the code that will improve the development process and could help reduce housing costs. By increasing density, less overall land is developed and the cost of housing can be lowered with smaller lots. However, it's important to ensure that we don't overcome the benefits with a lot of added costs. Proposed code changes that could help reduce housing costs:



- Smaller lot sizes
- Smaller setbacks
- Revised zoning districts to allow for more housing types in each district and allowing 'low density residential' to include up to 4 units
- More administrative approvals and adjustments

There are some good studies that explain why these types of changes are important to housing affordability and why we should go back to allowing low density residential (up to 4 units) in the same zoning district and on in-fill lots:

- Priced Out of House and Home by the Wisconsin Institute for Law & Liberty - <https://shorturl.at/b4qvr>
- Enabling Better Places: A User's Guide to Wisconsin Neighborhood Affordability - <https://shorturl.at/UjMs8>

## Outweighing the Good

Even with all of these good additions to the code that can help overall housing affordability, the Chippewa Valley Home Builders Association is concerned about a number of proposed additions to the zoning code that could have a negative impact on housing affordability.



We understand that it's important to the City of Eau Claire to add regulations on items such as landscaping, however based on our conversation with a local landscaper it's estimated that the **new landscaping regulation will add on about \$5,000** to the average single family or twin home.

***This is 1 expense, and if you stack that on top of other 'small expenses' the combined impact can be much greater than intended on housing affordability.***

According to the National Association of Home Builders Priced Out Estimate for 2025 **in the Eau Claire metro area, for every \$1,000 increase in a house price, 31 households are priced out of affording a home.** View the data here: <https://shorturl.at/jxeES>

**Government regulation adds on an average of \$88,500 to the average cost of a new-built home in the Midwest.** These regulations are driven from building codes, federal, state and local regulations. Zoning ordinances can have a big impact on these costs. <https://shorturl.at/b4qvr>

# Tree Preservation Standards in Practice

A developer did an analysis of a new development in process - Creekside - that recently received rezoning approval. The analysis was based on:

- 58 acre development (156 lots), 32.6 acres forested before logging
- 186 approximate trees per forested acre. 6,603 total trees in Creekside Development
- Trees 12" DBH or bigger were included (estimating the proposed 12" DBH brought up at last ZPAC) - 19.59% of the trees were over 12" DBH (average DBH was 16.3")
- Included Red Pines as High Value tree (only 7% were at least 12" DBH)
- 19,348" total DBH of trees over 12"DBH so a 30% tree canopy replacement is 5,804" total DBH to be replaced or 1,934 of 3" DBH trees
- New 3" caliper trees = \$400 per tree (initial cost, maintenance and the guarantee required)
- Based upon development, would not be able to plant this many trees. 924 3" caliper trees would be needed that there is not room for (\$400 x 924 = \$369,600).
- Estimated impact fees on trees = \$400 based on past discussions by ZPAC
- Tree Study estimate is \$15,000-\$20,000. But could be higher if the required DBH is 12".

## An 0.25 acre average wooded lot costs

New trees to be planted	\$2,589
Tree canopy fee to be paid for under 30% after replanting	\$2,369
Tree Study Fee (Split out per lot)	\$115
<b>Per Wooded Lot Impact (Average)</b>	<b>\$5,073</b>
<b>If lot was Non-Wooded (Field) - Impact</b>	<b>\$2,589</b>

## Total Development Costs for a Wooded Development

Total New Trees to Be Planted - 1,010	\$404,000
Tree Fee for not meeting canopy requirement	\$369,600
Tree Study Fee	\$18,000
<b>Per Wooded Development</b>	<b>\$791,600</b>

*\*The homeowners (or renters) will pay for these added costs to the development.*

## RECOMMENDATIONS

- Keep the DBH at 20 inches as was proposed in the last code revision.
- Keep the canopy replacement at 30% as was proposed by the consultant with no additional fees or requirements beyond the 30% requirement.
- Ensure the high value tree list does not include plantation trees (i.e. red pine, white pine, etc).
- Keep what is required in the landscaping section, and do not add additional trees required beyond what landscaping is required. The landscaping requirement already requires 1 tree planted per 2,500 square feet, and this would increase the tree canopy over time because it will apply to all lots, including ones without current trees.

These recommendations will still add on costs per lot, but will be reduced dramatically. If we used just the landscaping requirement of 6 trees on a .37 acre lot but did not require a tree study or a specific canopy replacement, the lot cost would be \$2,589.

# Garage Frontage & Anti-Motony Impact on Twin Homes

The last ZPAC meeting had a lot of discussion about expanding the garage frontage requirement to have standards on larger lots. In addition, there are proposed anti-motony standards that are already restrictive in the proposed code that was suggested to make even more restrictive. The combination of these two regulations could have a major detrimental impact on the twin home market in Eau Claire. This one is difficult to price out because the impact is more in meeting market demand.

- Twin home design is the most affordable new housing type for an individually owned property with traditional financing.
- According to the 2024 Eau Claire Development Report, from 2022 to 2024, twin homes made up 230 housing units compared to 182 single family homes over that same period.
- A variety of types of twin homes are needed for the market, but the most popular is the one level ranch with a two-car garage (as depicted in the rendering). Strict limitations on the garage frontage would require alternative building systems, such as wider lots or forcing a two-story twin home. While the market supports some of these style of homes, they are less popular and harder to sell.
- The anti-monotony standards already written would be in direct conflict if only a couple of types of twin homes would meet the garage standard.
- Anti-monotony standards are not typically an issue in single family developments where there is already variation. However, in twin home developments the homes are built due to economies of scale with similar homes to reduce overall costs.
- Twin homes also must be placed in developments based upon the topography.
- It would be difficult for City staff to manage which homes are built where because not all homes are built at the same time.
- Builders have stated that if these standards were in place, it would likely make twin homes very challenging to build in Eau Claire and would likely take this home type mostly off the market.

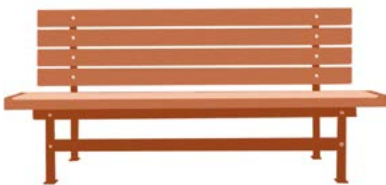
## RECOMMENDATIONS

- Require cosmetic variations in colors, garages, etc to achieve variability instead of trying to require variation in the house plan.
- Set garages to only be able to be a set amount in front of the house (i.e. 20 feet).
- Use the current requirements of a door and a window to be required to ensure some home frontage, as depicted in the rendering.



## Park Impact Fees

The park requirement, or park impact fee, will add on cost to homeowners. *There is no proposed fee for park impact fee that has been presented yet. So we are unable to put a cost on this. But that fee will be passed onto the homeowner.*



Setting aside land for a park in a development adds cost to the City of Eau Claire to maintain more parks. And adds on cost to a development.

For the Creekside development example, there was no park requirement in the code but a park was required as part of the approval process for rezoning. **Two lots were lost resulting in an estimated \$150,000 of land cost that will be passed onto the homeowners = \$962.** *This one requirement could have priced 30 families out of affording these homes.*

### RECOMMENDATIONS

- Don't require parkland dedication if a park is located nearby (in the above example there is a neighborhood park going into Orchard Hills and Lowes Creek park is closeby).
- Only require parks in areas where there are not otherwise parks nearby.
- Don't impose an impact fee on all new homes as proposed (including in-fill lots).

## Cost Impact on Renters

Numerous items in the new code would add on costs to multi-family buildings, driving up the cost for renters which is typically a large portion of the workforce housing market. Multi-family buildings are already expensive to build due to material and labor costs and the margins are slim, so small cost increases make make the difference on the feasibility of a project. According to Kurt Paulsen's presentation at the Eau Claire Housing Conference in November 2023 hosted by the Housing Opportunities Commission, **the average profit on \$1 of rent for a property manager is only \$0.09.** And that has to cover the risk of unrented units.

Added costs as currently proposed in the code:

Proposed Code	Cost	Rent Impact
Balcony / Patio required on 70% of rental units	\$6,000 - \$9,000 per unit Estimate \$90,000 for 12 unit building	\$150/month (estimated for 12 unit building)
Social Gathering Spaces	\$25,000 minimum for building for the space (plus any amenities)	\$42/month
Exterior Building Materials - Require 30% masonry	\$12,500 on a 400 square foot area (36-40 per square feet for masonry vs \$5 for high quality siding)	\$21/month
Landscaping / Screening Requirements	Hard to get comparable numbers, estimated \$20,000	\$32/month
<b>Total Impact of All Items</b>	<b>\$147,500</b>	<b>\$245/month</b>

### RECOMMENDATIONS

- Don't require balconies or patios, let the builder decide if the market they are trying to reach desires them. Only require social gathering spaces to provide that space for tenants. Balconies and patios are under utilized on the buildings that currently have them.
- Instead of requiring masonry on the buildings, require two different building material types. This also allows the developer to build what is currently trending, and masonry may not always be the most desired material.