



MEMORANDUM

TO: Menasha Plan Commission
FROM: Jennifer Sunstrom, Government Affairs Director
DATE: January 11, 2011
RE: Amendment to Title 13, Article E – Paving of Driveways

The REALTORS Association of Northeast Wisconsin (RANW) appreciates the opportunity to share our thoughts and concerns regarding the proposal to require existing homeowners to pave their driveways within 9 months of the sale of their home.

Our Board of Directors has a standing position in opposition to the required paving of existing gravel driveways due to the negative impact on housing affordability, as well as the time of sale provision which can create many difficulties in the real estate transaction.

Problems that communities face related to expansion of driveways, as well as illegal parking, can be easily remedied by creating clear guidelines for the dimensions of parking areas and enforcing those ordinances.

Ordinances such as the one being proposed are essentially based upon aesthetic preferences rather than on public health or safety concerns. However, we believe that whatever questionable benefit this is to the community, it is far out-weighed by the negative impact on housing affordability. Most of the homes impacted by this ordinance are older homes that provide the bulk of affordable workforce housing in the community. These homes often fall within the \$60,000-\$100,000 price range. The homes also are often in need of essential upgrades and repairs to things such as electrical and heating systems, roofing, siding, and foundations. If this ordinance is adopted, homeowners will be forced to pay thousands of dollars to replace a driveway rather than making these more important types of improvements.

In addition to the fact that enforcement of this requirement is triggered at the time of sale, it fails to take into consideration current real estate market conditions and the number of homes that have seen depreciation in value, are mortgaged for more than their house is currently worth, or are in foreclosure. According to data from our Multiple Listing Service (MLS), during the period of 1-2-10 to 1-3-11, the city of Menasha had 138 sales reported. Of those sales, 39 were foreclosures. From those sales:

- 77% sold under \$63,000
- 13% sold between \$63,000 and \$99,000



- 10% sold over \$100,000

As these statistics demonstrate, the vast majority of homes facing foreclosure in Menasha would be the very same homes that would be impacted by this ordinance.

Regarding homes not facing foreclosure, it is a common misconception that the costs of housing repairs or upgrades are more easily funded through the home financing process. In the current real estate market, this is often the worst time to incur such costs. In addition to closing costs and moving costs, many sellers have seen depreciation in their home value and do not have extra funds available. Buyers are typically required to have a much higher down-payment than in the past and they, too, are unlikely to have additional available funds.

On behalf of the many homeowners who will be negatively impacted by this ordinance, we respectfully request that the provisions which require the paving of driveways in existing homes be removed.