

2016 Dane County Housing Summit

Dane County Housing Initiative (DCHI)



Fact Sheet Economic Development and Workforce Housing

What is Workforce Housing?

Unsubsidized or subsidized multifamily or single family housing including new or rehabilitated townhouses, condominiums, affordable to the majority of low- to moderate-income households.

Typical Guidelines? Rent is less than average market rate rent for the area, and affordable to households with an income less than 80% of the area median.

Who Needs Workforce Housing?

- Renters with community service occupations, hourly employees, unsubsidized renters with low incomes, cost-burdened renters and priced-out aspiring home buyers. In other words, people such as teachers, nurses, police officers and firefighters.
- People in service occupations (such as cooks, retail workers, construction workers, janitors) who can't afford average market rate rent¹.

Economic Benefits of Workforce Housing

- New construction creates jobs
- Ability to attract and retain businesses to the region
- New consumers for local services
- Additional tax base
- Proximate housing for service sector employees and civil workforce
- Stable housing for children and families

What does workforce housing look like?

Contemporary workforce housing is based on good design and minimal impact. Smaller, mixed-income developments may be distributed throughout a community. Buildings in suburban settings are clustered to leave areas of open space. Compared to unplanned sprawl, such land use is more efficient and cost effective. Workforce housing can also be derived from rehabilitated housing which can improve property values and community aesthetics.

Where to locate workforce housing?

Near employment centers
Next to public transportation route or ride share program
Proximate to services including schools, grocery, health care
Clustered near or adjacent to rural hamlet

¹ Workforce Housing of the Greater Seacoast, Portsmouth NH.

Wages and Rents for Workforce Housing

The mean hourly wage in Dane County in 2015 was \$13.29, which could pay monthly rent of \$691. In order to afford a two bedroom at \$928, a worker earning the mean wage would have to work 1.3 full time jobs². Workers earning the minimum wage of \$7.25 per hour would have to work 2.5 full time jobs, 52 weeks a year to afford a market rate two bedroom apartment in 2015 in Dane County at \$928³.

Impacts from the Lack of Workforce Housing?

Longer commute times

Increased traffic congestion and pollution

Higher employee turnover for area companies and small business

Increased cost of doing business

Less competitive to businesses interested in locating to Dane County region

Increased child mobility resulting in school absences

What will be the Impact on My Neighborhood?

Studies have shown that well-designed and well-managed workforce housing developments do not have any significant, negative effect on neighboring property values. Well planned developments can actually increase property values.

Will Workforce Housing Generate a lot of Schoolchildren? Workforce housing does not increase school enrollment, generating fewer than one school-aged child per household. Statistics show multi-family homes have fewer students than do single-family residences.

Municipal Costs: Higher density workforce housing consumes less land and places fewer demands on municipal services than traditional single-family developments.

Impact on my Taxes? Workforce housing frequently has a neutral or negligible effect on the local tax rate. In a study comparing taxes in towns that had minimum, moderate and high residential growth, the school property taxes per household increased the most in slow-growing communities.

What about Crime? Studies do not show a relationship between population density and crime. Well-designed housing can actually help protect against crime. Better lighting, landscaping and good management make an area less attractive to criminals.

² Out of Reach, National Low Income Housing Coalition Report, 2015.

³ Ibid.