

Dane County Housing Initiative

Dane County Housing Initiative (DCHI)



FAQ: Workforce Housing & Economic Development

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 rent

Economic Benefits of Workforce Housing

- New construction creates jobs
- Ability to attract and retain businesses in the region
- Increases workforce retention and recruitment
- Enables business expansion
- Competitive advantage for businesses
- 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. Developments range in size from higher density mixed-income, multi-family units, to lower density mixed-income, multi-family units. Smaller, mixed-income developments may be distributed throughout a community. Buildings in suburban settings can be 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

Proximate to amenities and services including schools, grocery, health care

Clustered near or adjacent to rural hamlet

Next to public transportation route or ride share program

Wages and Rents for Workforce Housing

The mean hourly wage in Dane County in 2016 was \$13.27, which at full-time employment could pay monthly rent of \$690. In order to afford a fair market rent (FMR) two-bedroom apartment, cost \$928, a worker earning the 2016 mean wage (\$13.27) would have to work 1.4 full time jobs, 52 weeks a year¹. 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 two-bedroom FMR apartment at \$928².

Impacts from the Lack of Workforce Housing?

Longer more expensive commute times for lower wage employees
Higher employee turnover for area companies and small businesses
Increased cost of doing business
Less competitive to businesses interested in locating to Dane County region
Businesses more vulnerable to competition from neighboring regions
Increased child mobility resulting in school absences
Increased traffic congestion and pollution

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.

This fact sheet includes excerpts from the Workforce Housing of the Greater Seacoast Report, Portsmouth, NH.

¹ Out of Reach, National Low Income Housing Coalition Report, 2015.

² Ibid.

The Dane County Housing Initiative (DCHI), is a public-private partnership of residents, elected officials, financial institutions, housing developers and non-profit housing agencies. DCHI works to bring people, information and resources together, facilitate communication and learning, and help build strategies to expand housing options in Dane County.

<https://communityoutreach.countyofdane.com/HousingInitiatives>

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