

## Workforce Housing Frequently Asked Questions

### What is Workforce Housing?

**Definition:** The term “workforce housing” applies to units reserved for tenants with an earned income 80% or less of the area median income. Incomes at those levels are too low to afford the range of housing options in communities where they work and still afford other necessities.

### What is the Dane County Area Median Income?<sup>1</sup>

<b>Area Median Income (Family of 4)</b>	<b>Area Median Income (Single)</b>
\$85,200 (\$40.96/hr)	\$59,700 (\$28.70/hr)
<b>80% of Area Median Income (Family of 4)</b>	<b>80% of Area Median Income (Single)</b>
\$68,160 (\$32.77/hr)	\$47,760 (\$22.96/hr)
<b>60% of Area Median Income (Family of 4)</b>	<b>60% of Area Median Income (Single)</b>
\$51,120 (\$24.58/hr)	\$35,820 (\$17.22/hr)
<b>50% of Area Median Income (Family of 4)</b>	<b>50% of Area Median Income (Single)</b>
\$42,600 (\$20.48/hr)	\$29,850 (\$14.35/hr)

### Are there full-time workers that may struggle to afford market rate housing in Sun Prairie?<sup>23</sup>

Several occupations, including those that require a college degree, pay wages that would qualify workers for workforce housing units. The chart below lists potential occupations of tenants and the salary an individual could expect at the beginning (10<sup>th</sup> percentile) and middle (50<sup>th</sup> percentile) stages of their career.

Occupation	10 <sup>th</sup> Percentile Salary	50 <sup>th</sup> Percentile Salary
Elementary School Teacher	\$33,840 (\$16.27/hr)	\$51,330 (\$24.68/hr)
Child/Family/School Social Worker	\$30,550 (\$14.69/hr)	\$51,330 (\$24.68/hr)
Postal Service Clerks	\$30,970 (\$14.89/hr)	\$53,840 (\$25.88/hr)
Construction and Extraction	\$30,560(\$14.69/hr)	\$53,090 (\$25.52/hr)
Office and Administrative Support	\$20,470 (\$9.84/hr)	34,800 (\$16.73/hr)
Production	\$20,650 (\$9.93/hr)	\$32,720 (\$15.73/hr)
Tool and Die Maker	\$36,857 (\$17.72/hr)	\$49,566 (\$23.83/hr)

<sup>1</sup> U.S. Department of Housing and Urban Development Office of Policy Development and Research: <https://www.huduser.gov/portal/datasets/il/il2017/2017MedCalc.odn>

<sup>2</sup> Paulsen, Kurt. Dane County Workforce Housing Gap Fact Sheet.

<sup>3</sup> Paulsen, Kurt. Housing Needs Assessment: Dane County and Municipalities. January 2015

**Are there full-time workers in Sun Prairie that may still struggle to afford the rent in workforce housing developments?**

Most of the workforce housing developments offer discounted rents targeting those earning between 50% and 80% of AMI. There are several occupations where even if an individual worked 40 hours a week, they may still struggle to afford the discounted rents of workforce housing units.

<b>Occupation</b>	<b>10<sup>th</sup> Percentile Salary</b>	<b>50<sup>th</sup> Percentile Salary</b>
Retail Sales Person	\$16,550 (\$7.96/hr)	\$21,600 (\$10.38/hr)
Wait Staff	\$16,250 (\$7.81/hr)	\$22,940 (\$11.03/hr)
Hairstylists	\$16,760 (\$8.05/hr)	\$24,930 (\$11.99/hr)
Home Health Aides	\$20,040 (\$9.63/hr)	\$24,510 (\$11.78/hr)
Security Guards	\$17,690 (\$8.50/hr)	\$22,990 (\$11.05/hr)
Cashiers	\$16,100 (\$7.74/hr)	\$18,650 (\$8.97/hr)

**What does workforce housing look like?**

Contemporary workforce housing utilizes quality materials and aesthetically pleasing designs. 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.



**Does Sun Prairie need workforce housing?<sup>4</sup>**

According to the National Low Income Housing Coalition, the hourly wage necessary in Dane County to afford a 2-bedroom apartment at the fair market rate (\$964) is \$18.54. In Sun Prairie, where the housing market is highly competitive and rents continue to rise, it is not uncommon for the cost of one-bedroom or even studio apartments to exceed a monthly rent of \$964. The average individual in the Dane County rental market makes only \$14.42 (NLIHC) and the hourly rate, according to the Department of Housing and Urban Development, for an individual making 60% of AMI is only \$17.22. At those wages, an individual would be spending well over the suggested 30 percent of income on housing leaving them unable to pay for other needs such as transportation, health care, retirement savings or groceries.

**Is workforce housing actually important for economic development?**

Yes, affordable housing helps local businesses recruit and retain employees. Sun Prairie currently has one of the lowest unemployment rates in the state at 2.1%. This already makes it difficult for employers to attract and retain employees. The high cost of housing in the area is another obstacle for local

<sup>4</sup> "Out of Reach 2017: The High Cost of Housing". National Low Income Housing Coalition

businesses when trying to fill vacancies which can be partially alleviated through the addition of more affordable units to the community.

**Where should workforce housing be located?**

According to the Dane County Housing Initiative, workforce housing developments are best suited to be near employment centers, amenities and services such as schools, grocery stores, and health care centers and next to a public transportation route or ride share program.

**Will the high density lead to an increase in crime?**

According to DCHI, there is no relationship between population density and crime. Well-designed housing with adequate lighting, landscaping, and good management can all help reduce the potential for criminal activity.

**What effect will workforce housing have on the Sun Prairie School District?**

According to information from the Sun Prairie School District, multi-family developments contribute only 0.01 to 0.015 students per unit to the student population. Single Family Homes contribute 0.6 students per unit to the student population.