



STRATEGIES FOR GETTING HOUSING BUILT IN DEFOREST

Focus Group Analysis

Introduction

The housing market in the Village of DeForest is under pressure. As Dane County continues to experience unprecedented growth for the region in jobs and residents, demand for housing of all kinds is surging, and the number of housing units being built isn't keeping up. Over the last decade, DeForest has become more than just a residential bedroom community to Madison – it is home to the headquarters of five global corporations, two large business parks with a third on the way, and more new businesses relocating here on an annual basis.

In 2023, the Village updated its Comprehensive Plan – a strategic document that guides the future growth of the community. The Housing and Neighborhoods chapter of the plan sets the overarching vision and goals for housing development in the community but doesn't go into detail on the action items needed to accomplish those goals.

The Village is now taking the next step and putting together a strategy for implementing the housing goals of the Comprehensive Plan.

As an input to developing the strategy, the Village's Community Development Department, with support from Dane County Extension, conducted six focus groups during the summer, 2024. The focus groups were segmented into representatives from:

- Large-scale employers
- Smaller local businesses
- Commuting workforce
- Senior residents
- Public sector employees
- Residential housing developers

“...support opportunities for residents and workers to have decent, safe, affordable housing in attractive neighborhoods.”

Village of DeForest, Comprehensive Plan 2023

Each group shared unique concerns about their needs and priorities for the development of housing for workforce and seniors in the Village. A community-wide workshop will be held in September to broaden the scope of input to the development of strategies. A full report detailing results from the focus groups and community workshop, and outlining various policy and strategy options, will be completed later in the fall.

This analysis provides a short summary of findings from the focus group conversations and is organized into several thematic categories:

- Prioritizing a mix of housing
- Housing relates to economic development
- Seniors have specific housing needs
- Barriers to getting housing built

Focus Group Findings

Prioritizing A Mix of Housing

Choice of housing is a very personal matter, with multiple considerations determining where someone chooses to live. Issues of affordability, family size, proximity to friends and family, desire for privacy and open space, school district and distance to work are all factors in choosing housing location. Focus group participants were adamant that a variety of housing options is critical.

Of all considerations in choosing housing, none ranked higher than affordability. There was consensus among focus group participants that the type of housing most needed, but least available, in the Village is rental units and/or starter homes that are affordable to front-line workers, those in the service sector, and public sector workers. Specifically mentioned was the need for rental housing that is affordable to those making \$20 per hour and paying for childcare. Participants in the Public Sector focus group – including DeForest emergency services personnel - mentioned how their colleagues are primarily commuting from outside the community due to affordability issues.



- **Affordability**
- **Housing Variety**
- **Starter Home for Families with Children**
- **Habitat for Humanity**
- **Options for Seniors and Young Professionals**

Focus Group comments on Housing Mix

Participants also emphasized the need for more single-family homes that are affordable to families with children. Condominiums and townhouses were mentioned as popular starter homes, but it was acknowledged that those currently being built in the community are unaffordable for this demographic. The residential developer group, while recognizing the need for smaller, more affordable homes, pointed out that rising land and construction costs make building homes that sell for less than \$350,000 in Dane County nearly impossible. Partnerships with nonprofit developers, such as Habitat for Humanity, were mentioned as a potential approach to address this need.

Participants pointed out that DeForest is experiencing a demographic shift with an increasing aging population and an influx of young professionals. An important priority for housing development is to design strategies that address gaps in availability of housing for these demographics.

Housing Relates to Economic Development

The quality and quantity of housing in a community directly impacts the local economy. DeForest has a mix of large-scale businesses and smaller, local service and retail businesses that all have unique workforce and customer needs. Business representatives in the focus groups indicated that a large percentage of DeForest's workforce resides outside of Dane County, where housing is more available and affordable.



We've almost come to the point where we're like, we're going to buy a place and rent it out to our employees.. because it is hard to find a place to afford."

Local Business Owner

These commuters face logistical challenges, such as coordinating childcare drop-offs or grocery shopping, which impact both them and their employers.

Representatives from large and small businesses indicated that they had explored strategies to address commuting challenges that included employer-backed housing and coordinating ride sharing. While employer-backed housing is still being considered, it was determined that coordinating alternative transportation is too challenging and cost-inefficient for a single business.

Additionally, both large and small businesses have adjusted their operations to accommodate a commuting workforce. Small businesses indicated they've made adjustments to hours of operations, large businesses ensure cross-training among employees in the event of having to reallocate personnel during staffing shortages on bad weather days, and a childcare center has had to shut down classrooms periodically when licensed staff are unable to make it to work.

For local service and retail establishments, the demand in the DeForest market for higher end homes was indicative of a customer base with disposable income – an economic boon for their businesses. Focus group participants from these businesses underscored the need for housing at a variety of income types, to ensure that both their customers and their employees can reside in the market area.



Our department has 70 people, five or six of them live in the District. We have had to adjust our staffing model, we are having to pay people more to get them here because we don't have traditional volunteers anymore.”

DeForest Windsor Fire Dept. & EMS



- Employees working front line jobs cannot afford to live in DeForest.
- Majority of workforce resides outside of Dane County.
- Coordinating alternative transportation is too much For any one company to undertake.
- Housing and transportation are deeply connected.
- Higher end homes attract residents with disposable income to patron local establishments.
- Lack of housing affordable to service industry can present a staffing challenge.
- Employer sponsored housing has been considered by both large and small businesses.

Focus Group comments on Economic Development

Specific Needs for Seniors

The unique needs of senior residents present challenges for both existing housing and for the creation of new housing. Focus group participants communicated that, for those who own their homes and wish to stay there, assistance is needed for general maintenance. Homes that were not built with accessibility accommodations are expensive to retrofit and present safety hazards. Participants emphasized that fixed incomes after retirement cannot accommodate making costly repairs or unexpected rent increases.

Seniors who want to downsize yet remain in DeForest reported having difficulty finding suitable replacement housing options. Condos within an association were mentioned as a good option for downsizing, since maintenance is taken care of. The cost of most condos in the community again presented challenges to those on fixed incomes.



- Seniors looking to downsize can't find the right-size, affordable options.
- Homeowners need help with maintenance.
- Fixed incomes make rent increases or unexpected maintenance costs challenging.
- Safety is a primary concern.

Focus Group comments on
Senior Needs



But there's going to come a point where we might want to downsize.. that's not really available around here right now; I think of a lot of other people that are in that situation now and just have no place to go..."

DeForest Resident

Security and safety were mentioned as important considerations. Seniors in apartment complexes desire building security and home features that assure their safety as they age. The design of spaces outside of the building (e.g., crosswalks, lighting, ramps) were also mentioned as areas of focus, to help those with limited mobility.

Getting Housing Built

The focus group comprised of residential developers provided a window into the dynamics of how housing gets built and the constraints that govern the industry. Participants communicated that, ultimately, higher costs that developers face – from land purchase to construction materials to infrastructure – drives the rent or sales price eventually being charged to the consumer.

The regulatory and policy decisions of municipalities also impact developer costs. Participants indicated that restrictive design and zoning requirements, requests for the inclusion of first-floor commercial space in apartments, and lengthy permitting and approvals processes all add cost and risk to a project.

It was mentioned that the limited supply of housing of all types negatively impacts housing affordability. One powerful way to drive down costs is to increase the number of residential units built overall. Developers agreed that, while the private sector housing market supports the development of higher-end and market rate housing, and a number of incentive programs support the development of low-income housing, there is little to support developing housing in the middle of that spectrum. Focus group participants emphasized that this was particularly true of senior housing.

Participants suggested that municipalities could explore a number of options to help housing get built: allow flexibility with design requirements, defer infrastructure costs and explore options to spread risk, amend zoning requirements to allow for a broader range of development, and consider financial investments into projects. Ultimately, participants indicated that success in getting housing built requires the developer and municipalities to work together as partners.

“***The biggest thing that we run into is the land cost.***”
Developer

- **High cost of land, materials and Infrastructure drive up the cost of housing.**
- **General lack of housing stock impacts affordability.**
- **Market dynamics and incentives support building high-end and low-income housing, but do not support development in between - particularly for seniors.**
- **Regulatory and policy requirements can make a big difference in housing getting built.**

Focus Group comments on How Housing Gets Built



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