



*Conferences that Inspire Solutions*

## **Housing and Accommodations for the Forthcoming Influx of New Residents**

### **Key Takeaways from Aaron West's Session**

Foxconn, the world's largest electronics manufacturer, will soon be opening an advanced manufacturing facility in Racine County. Headquartered in Taiwan, Foxconn manufactures electronics for an expansive range of companies, including Sony, Microsoft, and Nintendo. The company's arrival is projected to bring thousands of new jobs to the area, and with the first wave of hiring slated to begin in just two years, there's no time like the present for the community to start preparing for the many changes that lie ahead.

Although job growth and wage growth are vitally important, population growth is arguably the most pressing issue surrounding the Foxconn development. Racine County will soon be home to scores of new residents, all of whom are going to need accommodations. During the construction phase alone, Racine is expected to see an influx of thousands of temporary workers. In addition to creating a greater demand for public services, overnight growth of this magnitude can have a profound effect on home prices and rental rates, particularly if supply is outmatched by demand.

In the interest of accommodating the county's newest arrivals, construction on new housing units must begin as quickly as possible. Given the lengthy timetables associated with these projects, there's no time like the present to get the ball rolling. When the Reno/Sparks area failed to adequately prepare for the massive growth created by Tesla, residents found themselves faced with a housing crisis. Not only did rental rates increase exponentially, single-family home prices rose to a degree that was unprecedented for the area. As a result, residing in Reno became incredibly difficult for financially-strapped residents and individuals on fixed incomes. Only now is the city beginning to recover from this crisis, and in the absence of swift action, the same fate could befall Racine.

When scouting locations for new housing developments, it's important to take land density into account. By making the most of existing space, communities can prevent housing units from bleeding out into surrounding areas and maximize the number of residents with easy access to public services and centers of commerce. It's important to note, however, that the public isn't always on the side of new developments, especially those that increase an area's density. Furthermore, people are often against the idea of multi-family units containing affordable housing components, as they feel that this attracts undesirable elements. When dealing with these individuals, it helps to have the backing of a regional coalition of neighboring counties and jurisdictions, as well as hard data that supports what your community is trying to accomplish.

Another barrier standing in the way of new development is an overall shortage of qualified construction workers. As Nevada Builders' Alliance CEO Aaron West puts it, "We've lost an entire generation of kids who didn't want to work with their hands. It's time to have a robust conversation about the opportunities that actually exist." With the construction industry as a whole in need of a workforce, it behooves local construction companies to partner with schools and placement agencies in creating apprenticeship and pre-apprenticeship programs. These programs will provide young people with the experience and education they need to make informed decisions about pursuing careers in construction.

To accommodate as many newcomers as possible, rapid-growth communities are encouraged to place a strong emphasis on multi-family units. In addition to housing a greater number of residents than their single-family counterparts, multi-family units are ideal for Millennials and temporary residents. The former doesn't wish to be burdened with the tribulations of home ownership, and the latter isn't going to remain in the community long enough to make buying a house a worthwhile investment.

When preparing to receive an influx of new residents, no community can afford to drag its feet. These people are going to need places to live, and at present, Racine County lacks the housing resources to accommodate them all. Failure to act quickly is practically guaranteed to result in a situation that mirrors Reno's, if not one that's much worse. Without sufficient housing and qualified construction personnel, a crisis that affects every renter and homeowner in the county may be on the horizon.