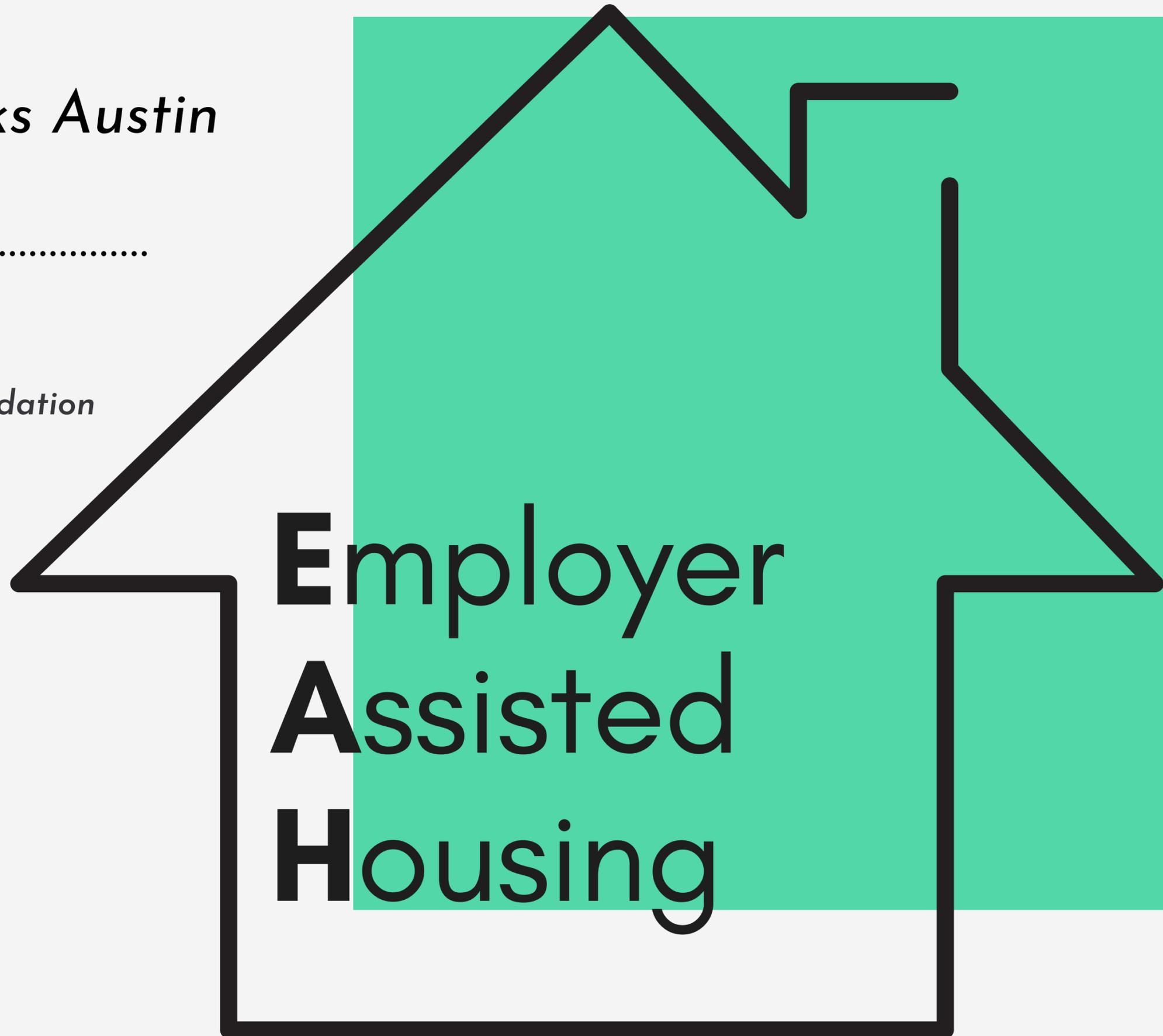


*Housing Works Austin*  
*presents*

.....

Research supported  
by a grant from the  
*JPMorgan Chase Foundation*



**Employer  
Assisted  
Housing**

# *HousingWorks Austin*

HousingWorks Austin is a nonprofit 501 (c) 3 organization that conducts research, educational initiatives and advocacy around housing affordability. It was formed by a group of housing advocates following the passage of the first dedicated housing bonds in 2006.

In 2018, the JPMorgan Chase Foundation funded HousingWorks to conduct research on identifying national programs focused on Employer Assisted Housing (EAH). HousingWorks formed a working group with members of the Austin Chamber of Commerce and Austin Urban Land Institute to identify EAH best practices, case studies, and strategies that would work in the local context. In addition the group identified companies/ organizations/ educational institutions interested in learning more about EAH.

In 2020, the Foundation continued the funding for Phase II allowing HousingWorks to communicate with entities to form pilot projects and partnerships.



*The Problem*  
*The Opportunity*  
*Why EAH?*  
*EAH Benefit Types*  
*Potential Partnerships*  
*EAH & Your Company*  
*Example Case Studies*



.....→ **The Problem**  
*The Opportunity*  
*Why EAH?*  
*EAH Benefit Types*  
*Potential Partnerships*  
*EAH & Your Company*  
*Example Case Studies*

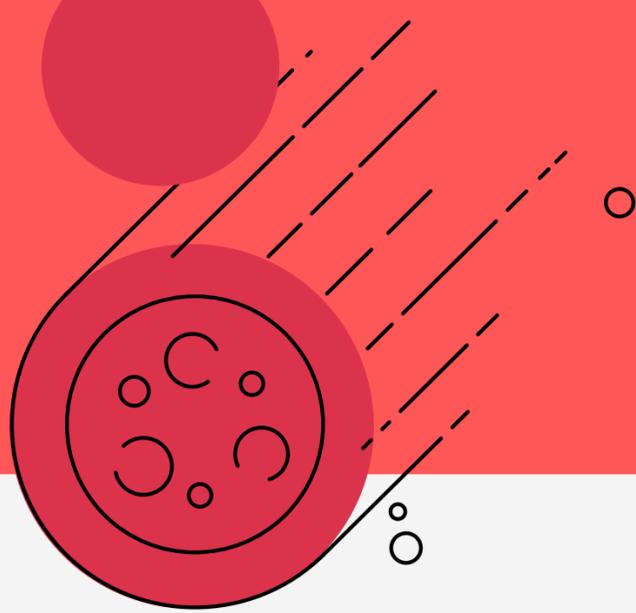
# THE PROBLEM

1. Since 2011, Austin region home prices – selling for \$550,000 on average in April 2022- have grown **138%**, while household incomes have only grown 38%.

Similarly, Austin region rent, at an average rent of \$1,601 in the end of 2021, has increased 77%, while wages have only increased 22%.



# THE PROBLEM



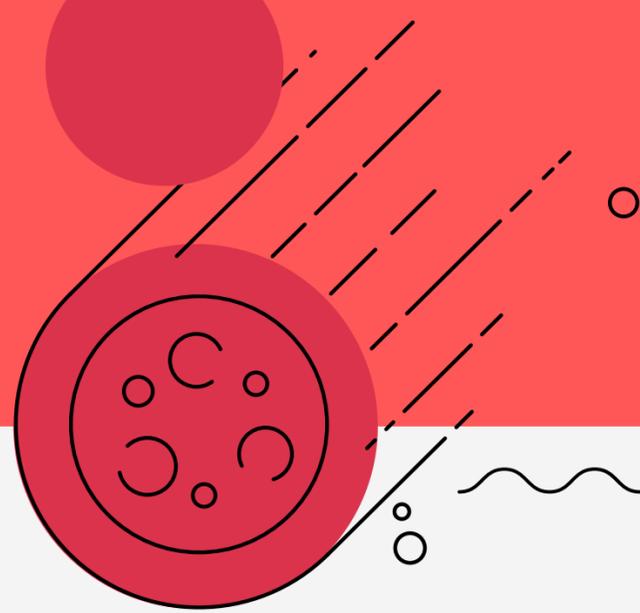
2. The annual income needed to buy the average home in the Austin region is \$150,013 while the annual income required to afford a 2-bedroom apartment in the Austin area is \$64,040. However, the average salary from many occupations is well below those benchmarks:
- a. Teacher: \$56,030
  - b. Administrative assistant: \$42,010
  - c. Nurse: \$73,280
  - d. Customer Service Representatives: \$35,900

An aerial view of a neighborhood of white houses with one red house highlighted. The houses are arranged in a grid pattern, and the red house is located in the upper left quadrant of the image.

# THE PROBLEM

3. As homes are selling for \$550,000 on average, the Austin region is currently experiencing record low housing inventory for market rate homes for sale, only 0.8 months of inventory available in February 2022, a 62% decrease since April 2020 (2.1 months of inventory).
- 
- A decorative wavy line consisting of a series of connected, rounded peaks and valleys, positioned at the bottom right of the slide.

# THE PROBLEM



4. Despite the strained housing market, the City of Austin has not met the goals set out in its 2017 Strategic Housing Blueprint for housing construction affordable to moderate-income households.

In 2018 and 2020, only 7,496 housing units affordable to households earning 81% to 120% of Median Family Income (MFI) have been produced, short of the goal of 7,500 units. Additionally, only 2,016 units affordable to households earning 61% to 80% of MFI have been produced, significantly lower than the goal of 4,500.



*The Problem*

**The Opportunity**

*Why EAH?*

*EAH Benefit Types*

*Potential Partnerships*

*EAH & Your Company*

*Example Case Studies*



EAH is a benefit provided by employers to help the employer achieve business objectives while helping their employees with their housing needs.

Typically, EAH benefits are designed to help employees overcome key obstacles to:

- *owning a home of their own,*  
*or*
- *renting safe, affordable, and decent housing.*

# The most impactful EAH employee benefits are:

1

**Financial**, such as grants or loans;

2

**Partnerships**, such as a voluntary benefit from a lender affinity relationship, and;

3

**Nonfinancial**, such as home-buyer and renter education.



*The Problem*  
*The Opportunity*  
.....→ **Why EAH?**  
*EAH Benefit Types*  
*Potential Partnerships*  
*EAH & Your Company*  
*Example Case Studies*

# Why EAH?

---

## Recruitment

Attract the best employees by setting themselves apart from their competition

## Retention

Reduce turnover by providing a financial benefit that has value only if the employee stays

## Return

Save money by reducing turnover costs

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## Reduce commuting

Encourage employees to buy homes closer to their place of work or public transportation to decrease absenteeism and commuting stress

## Relationships

Develop positive relationships with customers. Having a consistent workforce makes customers feel comfortable and welcome.

## "Right thing to do"

Achieve their community goals by supporting homeownership

## Recognition

Receive public appreciation when they help their employees achieve the dream of homeownership.



# Measurable results of EAH:

60-to-1

Each employee retained in a Santa Barbara, CA EAH program equaled a **60-to-1 return** on program investment.

72%

A survey of employee participants in Aflac's EAH program located at their headquarters in Columbus, GA revealed that **72% feel that the company's financial contribution to EAH will influence their decision to remain with the company.**

4.8% vs. 13.4%

A 2008 study of an EAH program offered by a health care provider in Milwaukee, WI found that employees that participated in the EAH program **exhibited significantly lower turnover rates than non-participant employees - 4.8% vs 13.4%.**

# Impacts of employee benefits and cost savings of employee retention:

The Society for Human Resources Management (SHRM) estimates that each **employee turnover costs about one-third of that worker's annual salary.**

The Achievers Workforce Institute found that over half of employees who are considering leaving their jobs list "**Better compensation and corporate benefits**" and "**Better work/life balance**" as the main reasons why they might change jobs.

According to the Mercer US Turnover Study, Manufacturing, Consumer Goods, and High-Tech industries have similar **annual turnover rates of between 20% to 27% per year.**

## Reality Check

Your company is located in an area that is experiencing significant housing pressure. Companies like yours need to step up and contribute to mitigating this problem or they could very likely face the reality of losing employees who cannot access housing that is affordable.

Your company's responsibility is tied to its success.





**E**mployer  
**A**ssisted  
**H**ousing



## **EAH Benefit Types**

*The Problem*

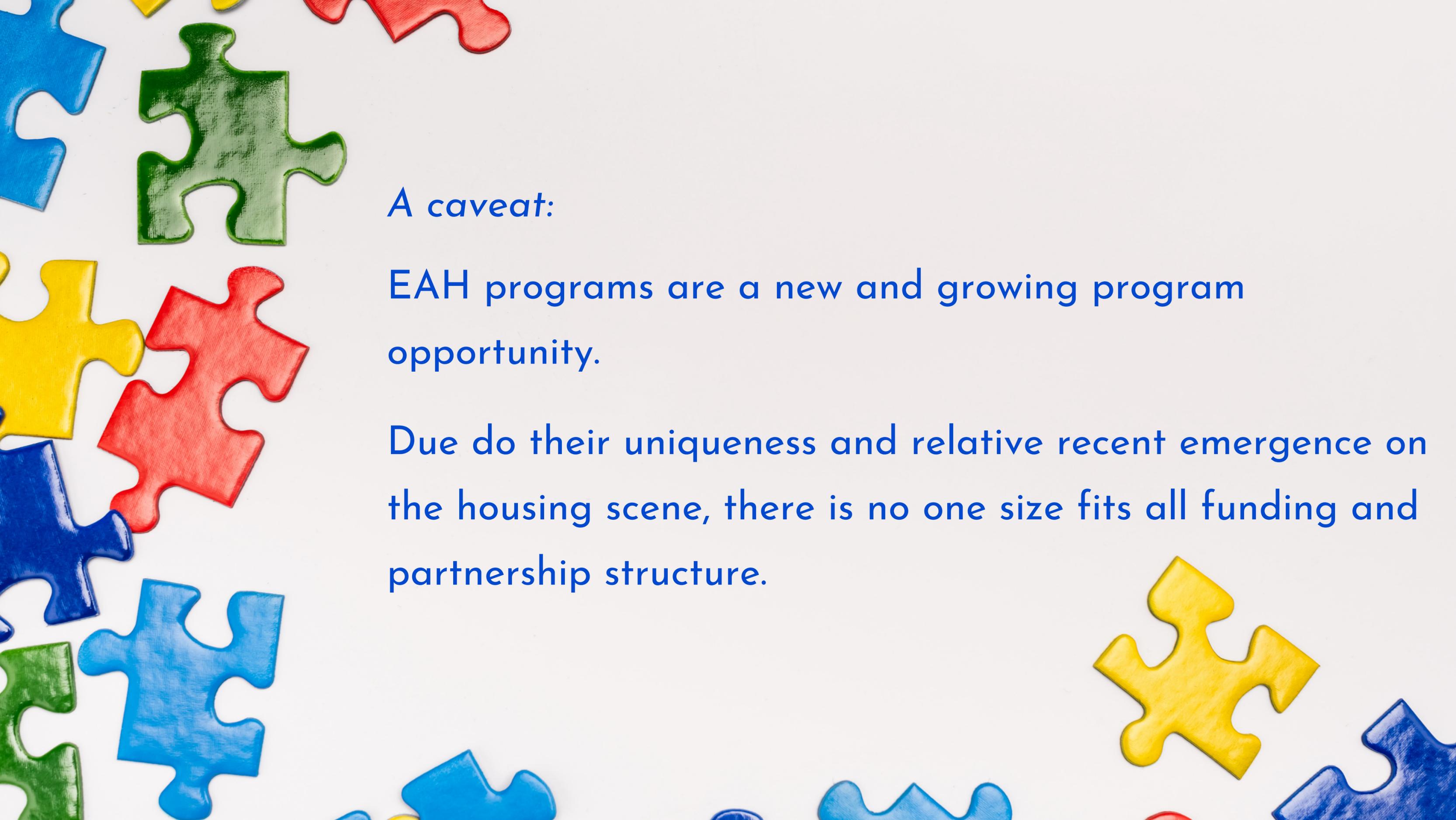
*The Opportunity*

*Why EAH?*

*Potential Partnerships*

*EAH & Your Company*

*Example Case Studies*

A decorative border of colorful puzzle pieces in shades of blue, green, yellow, and red is scattered along the left and bottom edges of the slide. The pieces are interlocking and have a slightly textured, hand-painted appearance.

*A caveat:*

EAH programs are a new and growing program opportunity.

Due to their uniqueness and relative recent emergence on the housing scene, there is no one size fits all funding and partnership structure.

# Benefit Types

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1. *Home Purchase Assistance*
2. *Rental Assistance*
3. *Construction & Preservation of Affordable Employee Housing*
4. *Second / Rehab Loans*
5. *Contribution to Target Funds*
6. *Discounted Realty Services*
7. *Homebuyer Education & Financial Literacy Courses*



# Benefit Type

---

*Description*

*Targeted  
Employees*

*Employer Cost*

# #1 - Home Purchase Assistance



# #1 - Home Purchase Assistance

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## *Description*

Employers provide down payment or associated closing costs assistance in the form of grants or loans (usually forgivable) to qualifying employees to contribute toward buying their homes.

## *Target*

Employees who may not have enough for a down payment or may need additional financing to qualify for a home purchase.

## *Employer Cost*

Need reserve funds to offer to employees as forgivable loans or grants usually do not exceed \$10,000 per employee.

*Examples: Homestreet, LNYW Baltimore, Washington University LNYW*

## **#2 - Rental Assistance**



## #2 - Rental Assistance

---

### *Description*

Employers provide a stipend that eligible employees use to pay part of their rental costs. Could also be assistance toward the security deposit on a home.

### *Target*

Employees who struggle to find safe and affordable rental housing options, especially those that are near their place of employment.

### *Employer Cost*

A fund to provide regular rental stipends, in the form of grants.

*Examples: Coastal Housing Partnership, University of Chicago, University of Southern California*



# #3 - Construction & Preservation of Affordable Employee Housing

---

## *Description*

Employers contribute some funding toward the development of dedicated employee housing that is affordable to their employees.

## *Target*

Employees who struggle to find affordable housing options in the private market (usually rental) or near to their place of employment.

## *Employer Cost*

Either through the funding of development costs, providing land to other developers, or some other combination. Significant upfront costs or provisions of land are necessary, but development of properties could create income streams for employers.

*Examples: Buncombe County & Asheville City Public Schools, Fairfax County, VA, Santa Clara Unified School District*

## #4 - Second / Rehab Loans



## #4 - Second / Rehab Loans

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### *Description*

Employers provide funding for second loans for lowering monthly housing costs for homeowners or rehabilitation expenses for employees.

### *Target*

Employees that own their homes but need additional funding for necessary renovation, rehabilitation, or repairs or who struggle to pay for their current housing costs.

### *Employer Cost*

Could require providing funding for loans and acting as a lender. Could also partner with established lender.

*Example: Long Island Partnership*

# #5 - Contribution to Target Funds



# #5 - Contribution to Target Funds

---

## *Description*

Employers contribute funding, land, or discounted services into a fund targeted to provide affordable housing for employees of their organization and others that contribute to the fund.

## *Target*

Employees that make between 60-120% MFI and lack safe, accessible, and affordable housing options surrounding their employer's location.

## *Employer Cost*

Depends on the level of investment – for a more impactful outcome, greater cost. Whether through direct monetary contribution, advocacy and organization efforts, or land dedication.

*Examples: First Homes, Silicon Valley Housing Trust, Low Income Voucher Equity Program*



## **#6 - Discounted Realty Services**

# #6 - Discounted Realty Services

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## *Description*

Employers refer employees to services that provide discounted rates in the homebuying or rental process. This could include discounts for realtor fees, waived application fees, discounted home inspection services, or others.

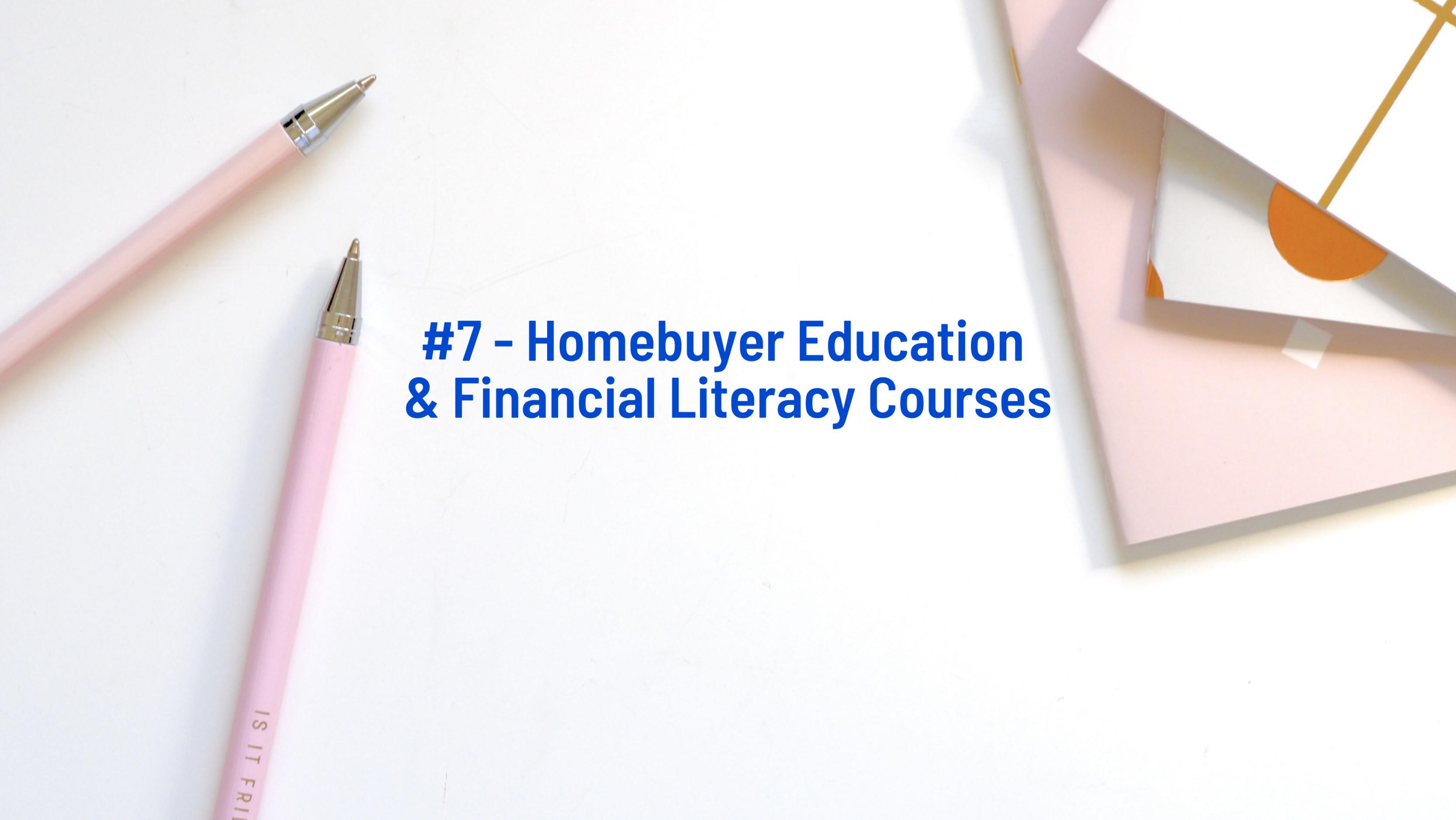
## *Target*

Employees who are relocating to new housing.

## *Employer Cost*

Usually minimal – either paying the difference to the service provider from the discount, or a one-time fee that pays for ongoing discounted services.

*Examples: Coastal Housing Partnership, HomeStreet*

A top-down view of a desk with two pink pens, a notebook, and a decorative card. The pens are positioned on the left side of the frame. The notebook is on the right, and the decorative card is partially visible in the top right corner. The text is centered in the middle of the image.

**#7 - Homebuyer Education  
& Financial Literacy Courses**

# #7 - Homebuyer Education & Financial Literacy Courses

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## *Description*

On-site or virtual classes usually offered by a nonprofit counseling or lending agency on topics such as budgeting, buying a home, and maintaining housing-related finances.

## *Target*

First time or prospective homebuyers especially, though any employee interested in learning more about financial security as it relates to housing expenses.

## *Employer Cost*

If nonprofit charges or employer chooses to pay, cost is usually \$100 to \$150 per student, plus cost of employee time off if offered during work.

*Examples: Almost all homebuyer EAH programs offer or require an education course*



**E**mployer  
**A**ssisted  
**H**ousing

**Potential Partnerships**

*EAH & Your Company*

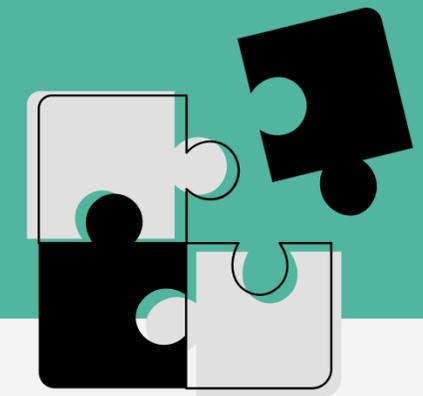
- The Problem*
- The Opportunity*
- Why EAH?*
- EAH Benefit Types*
- Case Studies*



Employers are able to customize the structure of an EAH program that meets their organization's needs by picking and choosing aspects of various funding mechanisms and *potential partnerships*.



# Potential Partnerships



## *Other organizations have found partnerships through:*

Local housing nonprofits that provide financial health expertise and/or organizational support such as BCL of Texas, TSAHC, Frameworks, Austin Habitat for Humanity, Financial Health Pathways.

State or local housing programs that provide funding resources, such as a housing trust fund or the state housing finance agency Texas Department of Housing and Community Affairs (TDHCA).

Nonprofit housing providers or developers that provide affordable housing for the workforce.

City or counties on existing public initiatives for workforce housing.

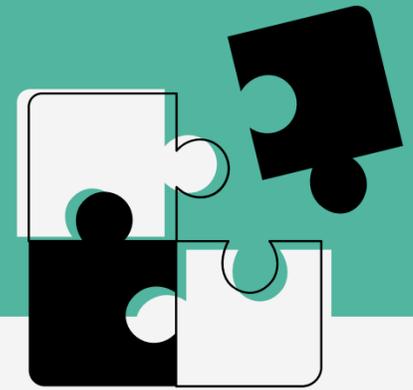
Private and philanthropic institutions that provide donations and assist in fundraising efforts.

A group of organizations - such as private employers, large institutions, philanthropic foundations, and local governments - that contribute to a pooled fund dedicated to EAH programs.

Financial institutions, such as state or federal employees' credit union, that offer low- or no-interest mortgage loans, such as University Federal Credit Union.

# Potential Partnership - Local Example

*Affordable Central Texas and the Austin Housing Conservancy Fund*



The Austin Housing Conservancy (AHC) Fund is a private equity fund that invests long-term equity directly into moderate and middle-income housing.

AHC's mission is to purchase and preserve multifamily properties to maintain affordable rental rates for Austin's workforce. The Fund is operated by its nonprofit sponsor - Affordable Central Texas - which currently owns and operates 1,000 units serving 1,500 individuals. ACT could serve as a potential housing partner in an EAH program such as:

Rental Assistance - offering affordable rentals to employees if the company provides a stipend to ACT or some other agreement.

Investment to a Target Fund - the AHC is an existing funding initiative that focuses on increasing housing supply for the workforce.

Contribute to ACT for operations, investment or program support for targeted EAH efforts with an employer.



*The Problem*

*The Opportunity*

*Why EAH?*

*EAH Benefit Types*

*Potential Partnerships*

**EAH & Your Company**

Example Case Studies

# Questions to Consider for Next Steps

Is your company interested in providing Financial vs Non-Financial Assistance?

If Financial - is it for homeownership or rental?

If Non-financial - is it for credit counseling, financial health seminars, steps to homeownership?

Is your company interested in an EAH program that is administered internally or externally (with partnerships)?

***If internally:***

- How much capacity does the company have to set up internal management controls?
- Which employees qualify for the program?
- How much financial capacity is needed to successfully run the program? For how many years? What criteria is needed to determine grants/ loans/ rental stipends?

Is your company interested in an EAH program that is administered internally or externally (with partnerships)?

***If externally:***

- What services or programmatic support would you be interested in?
- Are there organizations that you have considered partnering with to accomplish this work for your organization?

**HousingWorks** is here to help.

Once you have determined the answers to these questions, HousingWorks is here to serve as a resource for you.

Thank you!





**E**mployer  
**A**ssisted  
**H**ousing



*Example Case Studies*

*The Problem*

*The Opportunity*

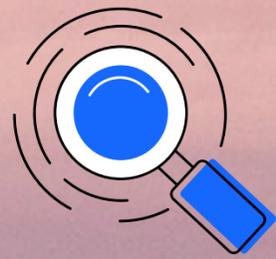
*Why EAH?*

*EAH Benefit Types*

*Potential Partnerships*

*EAH & Your Company*

CASE STUDY



HomeStreet Bank

**“Hometown Home Loan Program”**

***Seattle***

# HomeStreet Bank

## “Hometown Home Loan Program”

### Seattle



- 
- EAH Toolkit benefit types: **home purchase assistance** and **discounted realty services**
  - begun as a **pilot program** with the City of Seattle in 1994
  - partnered with nearly 200 employers in Washington, Oregon, California, and Idaho
  - loan officers are **salaried** rather than paid commission for mortgage originations
  - Home Loan Program is offered at no cost to participating employers
  - employers are **accountable to advertise** the Hometown program and its various benefits to its employees
  - primary program management is **outsourced** to HomeStreet

# HomeStreet Bank

## **"Hometown Home Loan Program" Seattle**

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- A 50% discount on the loan origination fee (from 1% of the mortgage amount to 0.5%) to reduce closing costs
- Access to down payment assistance through loan originators
- Up to 1% of purchase price by choosing a realtor partnered with HomeStreet
- A curriculum of financial education courses available to employees offered through local nonprofit organizations on home purchasing process, credit counseling, etc.,



# CASE STUDY



Buncombe County Schools

**"Williams-Baldwin Teacher Campus"**  
*Asheville, NC*

# Buncombe County Schools

## "Williams-Baldwin Teacher Campus"

### Asheville, NC



- 
- EAH Toolkit benefit type: **construction of affordable employee housing and rental assistance**
  - Over the last decade Asheville has experienced significant growth, causing **significant increases to the cost of living** for public school teachers
  - Asheville and Buncombe County Schools noted a difficulty in their ability to retain **teachers who struggled to find affordable housing** close to their school districts.
  - To develop teacher-specific housing complex, the school districts **coalesced a broad group** of public, private, and philanthropic institutions
  - Partnered with a local philanthropic organization to **own and operate the development**, the school district was granted land adjacent to a middle school and owned by Buncombe County for the housing complex

# Buncombe County Schools

## "Williams-Baldwin Teacher Campus"

### Asheville, NC



- 
- To fund the estimated \$2.5 million construction, the philanthropic organization acquired a **no-interest loan** from the State Employees' Credit Union Foundation
  - Private donations **completed funding gaps** for the project
  - The **24-unit** Williams-Baldwin complex opened in 2017
  - Focusing on **new full-time teachers**, the complex consists of 6 units dedicated to Asheville City Schools and 18 units dedicated to Buncombe County Schools.
  - Teachers can elect to have their **monthly rental payments deducted** directly from their paycheck.
  - Once the no-interest loan from the State Employee's Credit Union Foundation is paid off, the philanthropic organization will **use the rental income from the units to fund programs** that benefit area schools, teachers, and students.

# CASE STUDY



"Live Near Your Work"

**City of Baltimore  
and Local Employers**

# "Live Near Your Work" City of Baltimore and Local Employers



- Led by the City of Baltimore Department of Housing and Community Development
- Employees of participating employers are able to **receive a minimum \$2,000 grant** toward their home purchase within Baltimore.
- The **City of Baltimore matches any grant funds** from the employer up to \$2,500.
- To participate in the program, employees must contribute at least \$1,000 to the home purchase, be a **first-time homebuyer**, and live within the City of Baltimore.
- Since the program's initiation over **100 employers have enrolled** in the Live Near Your Work program including some of the city's largest employers such as John Hopkins University and Health Systems, Under Armour, and the University of Maryland-Baltimore.

# CASE STUDY

“Employer-Assisted  
Housing Program”

**Washington, D.C. Government**

# "Employer-Assisted Housing Program"

## Washington, D.C. Government



- 
- Washington D.C. has one of the most expansive housing programs in the country
  - **\$100 million budget commitment** to the Housing Trust Fund annually since 2015
  - The District's Employer Assisted Housing Program (EAHP) began in 2000 and was enhanced in 2017
  - Despite the global COVID-19 pandemic, the EAHP has **\$1 million dedicated for the 2021 Fiscal Year**
  - Home Purchase Assistance program **offers up to \$80,000 in gap financing** to qualified applicants
  - Eligible employees attend an orientation session, schedule an application appointment, and attend homeownership trainings.

# CASE STUDY

## Housing Trust Silicon Valley



# Housing Trust Silicon Valley

## Bay Area



- 
- In 1998, a **coalition of large business organizations joined forces** with the Santa Clara County Board of Supervisors, local businesses, affordable housing advocates, and foundations to establish a nonprofit to address growing housing needs.
  - The trust was **funded by voluntary contributions** with an initial goal to raise \$20 million and leverage \$200 million, a goal which they succeeded within their two years.
  - Today, the trust—which has renamed itself the Housing Trust Silicon Valley (HTSV)—has **invested \$335 million in affordable housing within the region**, assisting almost 40,000 people, including employees, seniors, special needs individuals, and people facing homelessness.

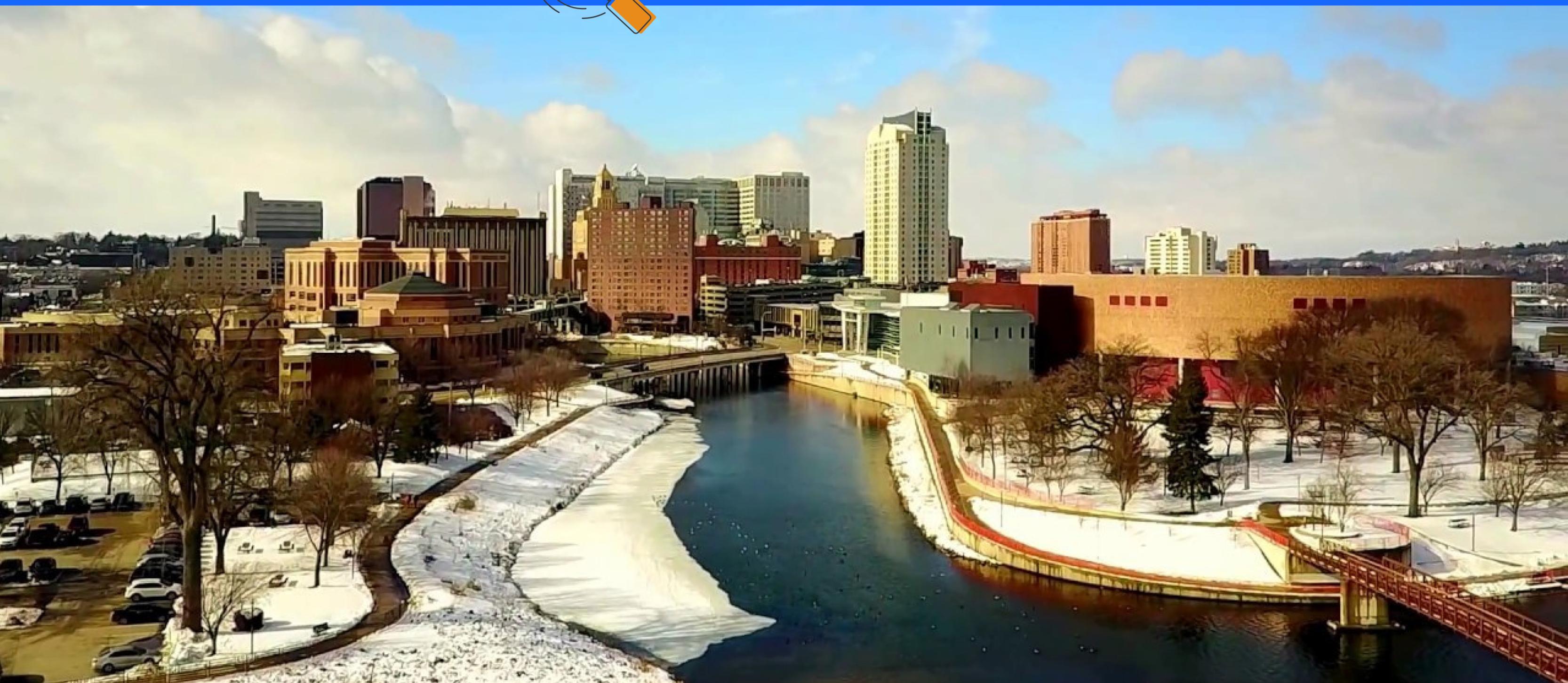
# Housing Trust Silicon Valley

## Bay Area



- 
- HTSVs offers a down payment assistance loan for first-time home buyers in Santa Clara County.
  - Eligible **homebuyers must be able to provide at least 3%** of their chosen home's purchase price.
  - The **program then provides 17% of the purchase price** in the form of a loan, enabling a 20% down payment on any home with a sale price up to \$1,100,000.
  - This loan has no monthly payments or interest
  - When either the loan matures, the homebuyer decides to sell, or refinances their mortgage, they are **responsible for paying the original amount of the home** as well as a share of the appreciation on the home in equal proportion to the amount borrowed.  
*(i.e. if the loan was 17% of the purchase price, the homeowner must share 17% of the appreciation)*

# CASE STUDY

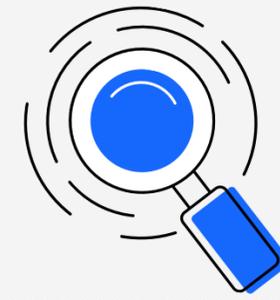


First Homes

*Rochester Area Foundation  
Rochester, MN*

# First Homes

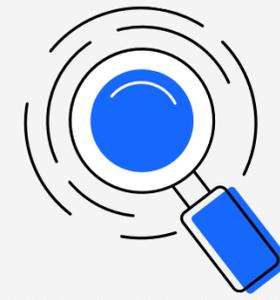
## Rochester Area Foundation - Rochester, MN



- 
- Begun as a partnership between the Rochester Area Foundation and the Mayo Clinic - which is headquartered in Rochester, to create a region-wide affordable housing fund in 1999.
  - Rochester Area Foundation **aimed to build 500 single family homes and 375 rental units** by 2004.
  - The Mayo Clinic, local employers, and philanthropic institutions committed an initial funds
  - Low- to moderate-income families were eligible to **“gap loans” of up to \$30,000**
  - First Homes partnered with the city to provide development subsidies of up to \$10,000 through tax-increment financing to developers that would build affordable housing.
  - Development **subsidies were provided in full upfront** instead of over the period that the property's tax revenue accrued.
  - By 2013, the First Homes developer funding had financed 671 rental units.

# First Homes

## Rochester Area Foundation - Rochester, MN



- 
- By 2007, First Homes had reached its **goal of providing 875 affordable homes** in the Rochester Area.
  - To ensure the long-term affordability of these homes, they shifted to a community land trust – the **First Homes CLT**.
  - Homeowners can receive gap loans as well as land subsidies through purchase of a CLT home.
  - Homes in new developments funded through tax increment financing offered through First Homes via the City of Rochester are added to the Community Land Trust.
  - CLT limits the percentage of profit that the owner of a CLT home receives should they chose to sell their home, which **ensures that the home remains affordable to the next family** that purchases it.

# CASE STUDY



Coastal Housing Partnership

*Santa Barbara &  
Ventura Counties, CA*

# Coastal Housing Partnership

## Santa Barbara & Ventura Counties, CA

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- Founded as a nonprofit in 1987, growing from a small organization to a regional nonprofit with 60 member employers—collectively employing more than 45,000 people—CHP has educated 14,000 employees about home purchase and **helped over 11,000 employees become homeowners.**
- Member companies pay an annual membership fee to CHP, and in return company employees **gain access to the services and discount opportunities** which CHP provides via their network of real estate professionals.
- Specifically, employees of member companies are eligible for **closing cost contributions** for home purchases, **lender contributions** on upfront fees, and **reductions in market rent** on new leases.

# Coastal Housing Partnership

## Santa Barbara & Ventura Counties, CA



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The annual membership fee companies pay is tiered based on their number of employees, in order to make membership affordable for companies of all sizes and means.

Number of Employees	Annual Fee
1-25	\$850
26-50	\$1,300
51-100	\$2,500
101-250	\$4,000
251-500	\$5,400
501-1000	\$7,000
1001-2500	\$8,700
Over 2500	\$14,000

# CASE STUDY

**BJC** HealthCare

 **Washington**  
University in St. Louis



"Live Near Your Work"

***Washington University &  
Barnes Jewish Hospital***

# "Live Near Your Work"

Washington University & Barnes Jewish Hospital



- 
- Purpose of the program is to provide additional housing **options for faculty and staff** and to make it easier to commute to work via public transit, walking, or biking.
  - Program is reserved for eligible employees from WU and BJC Healthcare who purchase a primary residence in one of the **eleven neighborhood areas**
  - Depending on where the home is located, the **forgivable loan** can range from \$8,500 to \$12,500
  - Loans are used to pay either part of the **down payment or closing costs.**
  - Eligible homes include 1-4 family buildings, including condominiums, which are used as a **primary residence** by the eligible employee.
  - The maximum amounts of forgivable loans which can be issued in a fiscal year are \$300,000 for WU employees and \$200,000 for BJC healthcare employees.