Employer-Assisted Housing

Building Public-Private Partnerships and Livable Communities

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Metropolitan Planning Council
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Metropolitan Planning Council

Who is the Metropolitan Planning Council?

Since 1934, the Metropolitan Planning Council (MPC) has been dedicated to shaping a more sustainable and prosperous greater Chicago region. As an independent, nonprofit, nonpartisan organization, MPC serves communities and residents by developing, promoting and implementing solutions for sound regional growth.

Sustainable Communities Partnership

- HUD, DOT, EPA to coordinate investments in housing, transportation, and environmental protection
- Livability Principles
  - Provide more transportation choices
  - Promote equitable, affordable housing
  - Enhance economic competitiveness
  - Support existing communities
  - Coordinate policies and leverage investment
  - Value communities and neighborhoods

Need for Coordination and Partnership

EPA Administrator Lisa Jackson: Sustainable communities require the coordination of environmental strategy, transportation planning, and housing policy – which is why President Obama has brought together this interagency partnership to get it done.

White House Director of Urban Affairs Adolfo Carrion: Our responsibility is to align the investments, to create livable, smart, productive, sustainable communities

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Need for Coordination and Partnership

DOT Secretary Ray LaHood: Our contribution from DOT is to work with the EPA and HUD to provide the kind of light rail and transit -- walking paths, biking paths…This is President Obama's Department of Transportation which reflects the vision that all of you have worked on for a long time…that's called livable communities.

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Promoting Interjurisdictional, Interagency Coordination in the Chicago Region

- Reconnecting Neighborhoods
  - Intergovernmental coordination
- North Shore New Affordable Housing Development
  - Business leaders support workforce housing close to jobs
- South Suburban Interjurisdictional Foreclosure Response
  - Municipal leaders target NSP resources around transit and economic development corridors

Reconnecting Neighborhoods

- Successful integration of new and renovated housing requires improved access to transportation, commercial services, and an improved pedestrian environment
- Recommendations include:
    - Transit improvement strategies
    - Access and design strategies
    - Commercial development strategies
- Employers are key partners in supporting implementation of the recommendations

RECONNECTING Neighborhoods

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New Workforce Housing in North Shore Towns

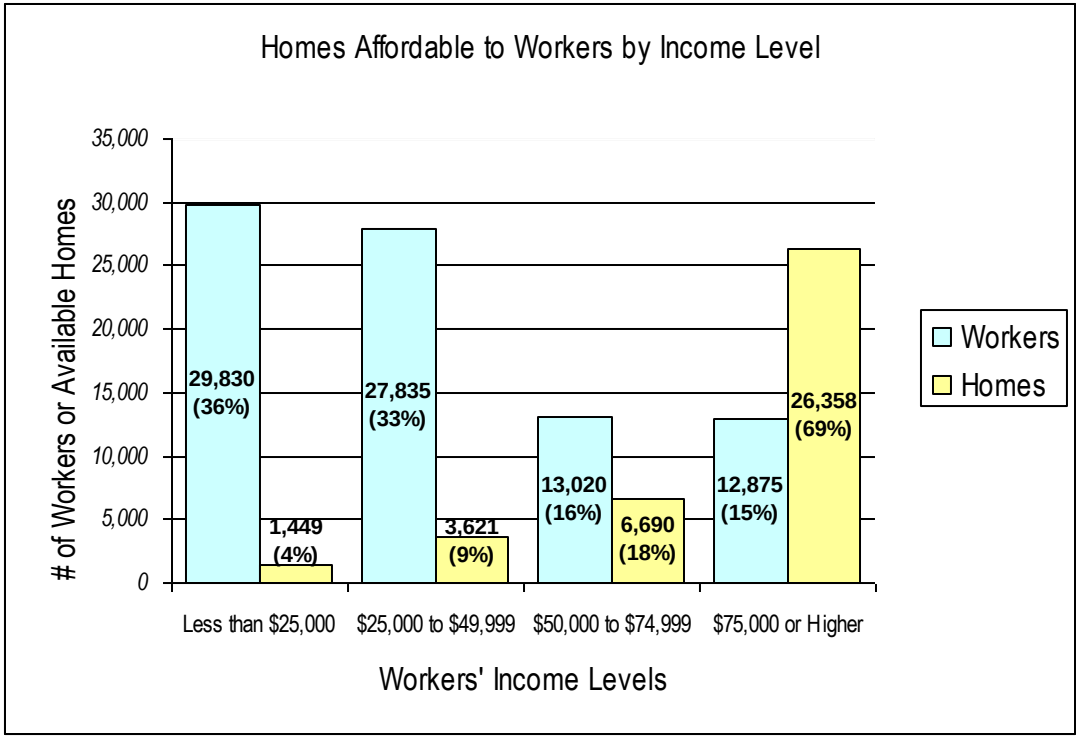
In 5 northern suburbs, just 13% of the local housing stock is affordable to workers earning less than $50,000 – workers that account for more than two-thirds (69%) of the 5-community area workforce.

Affordability Gap

Many workers in our communities cannot afford to live near work because prices are too high and incomes too low.

Availability Gap

There is a shortage of homes affordable to the workers in our communities.



By 2030, an additional 4,800 rentals and 10,000 for-sale opportunities will be needed for households earning < $75k.

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Foreclosure Response in South Cook County

South Suburban Interjurisdictional Foreclosure Response

- Partnership includes more than a dozen communities
- Municipal leaders agree to align and target NSP resources
- Plan focuses on areas near transportation, along Calumet River economic development corridor
- Leverage weatherization, energy efficiency, brownfields remediation resources
- Shared staff person will align policies and resources of participating towns
- One lead nonprofit developer to coordinate, oversee teams
- Zoning overlay districts

Building Public-Private Partnerships

Employer-Assisted Housing (EAH) refers to a variety of ways employers invest in housing solutions.

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Menu of Options for Employer Engagement
Help Employees Access Existing Homes

- REACH model *(Regional Employer-Assisted Collaboration for Housing)*
- Counseling/ homebuyer education
- Down payment assistance
- Rental assistance
- Small Business Consortium
- Matched savings for homeownership (IDA)
- Below market rate loans for purchase or home improvement
- Forgivable loans based upon tenure
- Marketing

Menu of Options for Employer Engagement: Help Create New Homes for Employees

- Loan pool investments
- Land donations
- Land bank
- Rental property development/investments
- For-sale and rental housing development
- Below market loans to developers of workforce housing
- Investment in federal low-income housing tax credits
- Advocacy

Sample of Participating Employers

Chicago Region

- Advocate Bethany Hospital
- Chicago Public School
- Charter One Bank
- City of Evanston
- Harris Bank
- Illinois Institute of Technology
- Loyola University Chicago
- Medela, McHenry
- Robinson Engineering, South Holland
- Seaquist Perfect, Crystal Lake
- Village of Northlake

National Models in Guidebook

- Aflac, GA
- Applied Materials, Inc., CA
- Citizens Financial Group, Inc., RI
- CVS/Caremark, Washington, DC
- Harley-Davidson Motor Company, WI
- Hatch & Parent, A Law Corporation, CA
- Northrop Grumman Corp., NY & MS
- The Schwan Food Company, MN
- System Sensor, IL
- University of Chicago and University of Chicago Medical Center

System Sensor's EAH Model

Employer Leadership

• Piloted REACH model, contracting with local housing expert to provide homebuyer education, credit counseling to employees

• Down payment assistance: $5000 forgivable loan

Results

• Company saved $100,000 annually in reduced turnover and absenteeism, after recouping costs

• 60 System Sensor homeowners purchased within 15 miles of work

• Pittway Corporation sold System Sensor to Honeywell, which continued the successful program

Leading the trend

• Inspired new incentives now available statewide

• Over 70 other employers have launched programs, helping **over 1,700** employees buy homes in Illinois.

King Harris, formerly of System Sensor, piloted the REACH model and became a strong advocate of Employer-Assisted Housing in the business community after experiencing the many benefits of offering housing assistance to his employees.

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Example: University of Chicago and University of Chicago Medical School

Program Overview

- $7,500 down payment assistance program for University employees launched in 2003 in partnership with NHS of Chicago
- Has assisted nearly 150 new homebuyers in targeted areas around the campus
- In 2006, University invested $1 million in loan pool for affordable rental housing preservation and rehabilitation
- Key partner supporting Reconnecting Neighborhoods

Employer Objectives

- Stabilize surrounding community
- Workforce retention
- Preserve affordable housing stock
- Offer alternative to sub-prime lending market

Employer-Assisted Housing Strengthens Communities

An EAH program can:

- Encourage employees to live in the community
- Engage employees in neighborhood life
- Support community development and improve public safety

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Benefits to Employees

- For homebuyers, provide down payment and closing cost assistance
- For renters, provide rental subsidy, security deposit and/or savings account to promote homeownership
- Make employees invested members of the local community
- Allow employees to have more time with family and friends and less time commuting
- Help resolve poor credit history

Benefits to the Employer

- Stabilize neighborhood surrounding your site
  - Increase your company's appeal to quality workers, vendors, and other visitors
  - Enhance safety and security on and around your facility
- Improve employee retention
- Reduce commutes, stress for workers
- Leverage other resources for your employees
- Reduce recruitment and training costs
- A benefits package with a competitive edge

Next Steps

Federal Policy Opportunities

- Transportation for America
  - Transportation Investment Criteria (Surface Transportation Act).
  - Housing + Transportation
- Livable Communities Act
- Housing America's Workforce Act

State and Local

- Wisconsin EAH Legislation
- Introduce EAH for Your Workers
- Promote Live-Near-Work and Live-Near-Transit

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