The housing problems of working families are more pervasive and persistent than some of us might have thought. The country has moved from the boom years of the late 1990s, to the recession of the new decade, to the moderate growth of the past few years. Through it all, home prices and rents have remained beyond the reach of millions of Americans, including many working a full-time job. Young people cannot live where they grow up. Employees cannot afford to live where they work and must commute long distances. In some parts of the country, shortages of workforce housing have taken a toll on local employers’ bottom lines and on the quality of life in surrounding communities.

The National Association of REALTORS®, and its state and local associations, are committed to helping find solutions for the workforce housing problems facing many communities. Already, REALTORS®, employers and other private sector partners have implemented creative initiatives that are making a difference. This report (commissioned by NAR) highlights activities that can be replicated around the country to increase housing opportunities.

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A Private Sector Focus

Communities across the country increasingly are recognizing the importance of affordable housing to their economic and social well-being. In high-priced communities, many of the people that provide vital services—teachers, firefighters, police officers, and laundry and restaurant workers—often cannot themselves afford to live there. Shortages of affordable housing close to where families work can also lead to longer commutes, sprawl and traffic congestion that degrade the quality of life for all residents.

The National Association of REALTORS® (NAR) has been tracking these growing concerns among its members. In their role as counselors and educators, REALTORS® see firsthand the frustration and discouragement of working families unable to realize their dream of homeownership. As members of the business community, REALTORS® understand how the lack of affordable housing—both rental and homeownership—threatens the vitality of their communities.

In short, REALTORS® are in a unique position to become partners in affordable housing solutions. They, together with other business partners—Chambers of Commerce, homebuilders, industry associations, economic development groups and individual employers—can work alongside Mayors, local officials and nonprofit housing groups to help expand housing opportunities for low- to moderate-income working families unable to afford to live in the communities they serve.

Defining Housing Problems of Working Families in Your Community

Working a full-time job does not guarantee a family a decent, affordable place to live. At last count, nearly 5 million working families nationwide paid at least half their incomes for housing, a 67 percent increase from six years earlier. Aggregate figures like these are important, but something more is needed to make a compelling case for taking action in your community. Working with nonprofit groups, universities, local government agencies and others in the community, REALTORS® and their private sector partners can help document workforce housing problems. To put a “face” on the numbers, the first section of this report takes you step-by-step through a Paycheck to Paycheck analysis. The analysis compares homeownership costs and rents where you live to the typical wages of teachers, police officers, hospital workers, local industry workers and other vital occupations.

Inspiration and Ideas

The second section of this publication aims to give local Boards of REALTORS® and their private sector partners the inspiration, resources and policy tools they need to be part of affordable housing solutions for working families. It focuses on three areas where REALTOR® and private sector involvement is likely to have the greatest impact:

• Media Campaigns: Getting the Word Out About Workforce Housing – this includes increasing overall community awareness of the need for affordable housing, raising awareness of this issue among others in the business community, as well as media efforts to combat NIMBY opposition to workforce housing.
Taking Action: Creating and Participating in Employer-Assisted Housing Programs (EAH) – in EAH programs employers help employees with their housing and, in turn, provide themselves with a stable workforce. Together with local officials and nonprofits, the business community can help create EAH programs. REALTORS®, Chambers of Commerce, lenders and others can help market and promote EAH programs and provide homebuyer counseling and finance services to help make them work.

Advocacy: Raising the Voice of the Private Sector for Workforce Housing – as the drivers of jobs, tax revenue, and economic development, area employers and others in the business community such as REALTORS® and homebuilders, are likely to hold considerable sway with city council members and legislators when it comes to reforming zoning regulations or other practices that limit the supply of affordable housing. Among other solutions, they also can advocate for state grants for communities that “zone in” affordable housing and tax credits for employers that help their employees obtain housing.

Each chapter provides an overview describing the policy or program, who and what kinds of groups are typically involved and what can be expected to be accomplished. This is followed by a description, based on interviews and research of existing case studies, of common elements successful to many programs. A short case study highlights a specific project or program currently underway and involving a local REALTOR® board or other private sector entities. Each chapter concludes with copies of materials from these efforts which can be used to help replicate them in other communities.

The Internet provides literally thousands of links to sample programs and other resources material. While helpful, it also can be overwhelming. So, each chapter also includes an annotated “Resources” section selecting some of the best resources available on the web.

Ingredients of Success

Common to each of the three types of initiatives discussed in this publication are basic principles that, experts agree, go a long way toward ensuring the success of these, or for that matter, any other policy or program geared towards increasing housing opportunities for working families:

• Don’t go it alone. Behind most successful media campaigns, employer-assisted housing programs and advocacy efforts stand coalitions of business interests coupled with nonprofit partners and public officials. A chorus of voices is more powerful than a single brave voice.

• Don’t reinvent the wheel. Ride the wheels that already are rolling. Or, as one housing expert has put it, “Plagiarism may have been bad in college, but when it comes to helping communities solve the housing problems of working families, it makes perfect sense!” Borrow from good ideas that work.

• Don’t get discouraged. Public attitudes don’t change overnight. Employer-assisted Housing programs don’t simply fall into place. Housing legislation and local policy decisions can be a long time in coming. Be in it for the long haul, and savor the victories along the way.
Information Needed for a Paycheck to Paycheck Analysis

<table>
<thead>
<tr>
<th>INFORMATION</th>
<th>WHERE TO GET IT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Prices</strong></td>
<td></td>
</tr>
<tr>
<td>Use median or a range of prices</td>
<td>REALTORS® can get them from the MLS, of course!</td>
</tr>
<tr>
<td>Homebuilders for prices of new homes</td>
<td>Advertised units in local papers</td>
</tr>
<tr>
<td><strong>Interest Rates</strong></td>
<td></td>
</tr>
<tr>
<td>Add 45 basis points (0.45) to interest rate if downpayment is less than 20%</td>
<td>Area Lenders</td>
</tr>
<tr>
<td><strong>Taxes &amp; Insurance</strong></td>
<td></td>
</tr>
<tr>
<td>Express as monthly cost</td>
<td>Go to the Federal Home Finance Board website (<a href="http://www.fhfb.gov">www.fhfb.gov</a>) and click on the Mortgage Interest Rate Survey (MIRS) by metropolitan area</td>
</tr>
<tr>
<td>Tax rates from local assessor’s office or local government website</td>
<td>Insurance from local insurance reps</td>
</tr>
<tr>
<td>OR estimate monthly amount for both items by multiplying the home price by a number ranging from .0015 (low-cost area) to .0025 (high-cost area).</td>
<td><strong>Rents</strong></td>
</tr>
<tr>
<td><strong>Wages</strong></td>
<td></td>
</tr>
<tr>
<td>Can be annual or hourly</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td>Individual local employers</td>
<td>Advertised jobs in local papers</td>
</tr>
<tr>
<td>Commercial data by metro area and zip code – <a href="http://www.salary.com">www.salary.com</a></td>
<td></td>
</tr>
</tbody>
</table>

The Paycheck to Paycheck analysis, developed by the Center for Housing Policy, helps communities assess the affordability of workforce housing and make the case for taking action. Online Paycheck to Paycheck analyses are available for nearly 200 metropolitan areas at www.nhc.org/chp/p2p/

Can’t find your metropolitan area? Want a custom analysis for your county, town or neighborhood?

**FOLLOW THESE STEPS TO YOUR OWN PAYCHECK TO PAYCHECK ANALYSIS!**

The simple steps in the following pages will show you how to:

- Obtain median prices for existing or new homes. Then, calculate the income working families need to qualify for a mortgage.
- Get typical rents. Then, calculate what working families have to earn so they don’t spend an excessive portion of income on rent.
- Take prevailing wages for typical occupations in your community. Then, compare them to:
  - What working families need to earn to qualify to buy a home.
  - What working families need to earn so that rent is affordable.

**HOUSING SOLUTIONS ARE BUILT UPON AN EDIFICE OF FACTS. DOCUMENT THE FACTS ABOUT AFFORDABLE WORKFORCE HOUSING IN YOUR COMMUNITY!**
## What Working Families Need to Earn to Qualify to Buy a Home

<table>
<thead>
<tr>
<th>CALCULATIONS</th>
<th>HOW TO DO THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Assume a downpayment amount</td>
<td>(1) Subtract downpayment from the home purchase price to get the amount of mortgage needed. Example: Say, 10% down for $250,000 home $250,000 - $25,000 = $225,000 mortgage</td>
</tr>
<tr>
<td>(2) Calculate Monthly Principal &amp; Interest</td>
<td>(2) Use interest rate and mortgage term (say, 30 years) to get monthly Principal &amp; Interest payments from:  • Printed mortgage tables OR  • Pocket calculator or spreadsheet OR  • Online calculators: * <a href="http://www.bankrate.com">www.bankrate.com</a> * <a href="http://www.hsh.com">www.hsh.com</a> * numerous bank websites Example: P&amp;I for $225,000 mortgage at 6.4% = $1,407/month The interest rate was increased by 0.45 percentage points to reflect down payment of less than 20%</td>
</tr>
<tr>
<td>(3) Add Monthly Taxes &amp; Insurance</td>
<td>(3) Add monthly Taxes and Insurance figures to monthly Principal &amp; Interest amount. Example: Taxes + Insurance = $450/month $1,407 + $450 = $1,857 Total Monthly Payment</td>
</tr>
<tr>
<td>(4) Annualize housing costs</td>
<td>(4) Multiply Total Monthly Payment by 12 to get Total Annual Housing Cost Example: $1,857 x 12 = $22,284</td>
</tr>
<tr>
<td>(5) Calculate Income needed to qualify for the loan</td>
<td>(5) Assume housing costs are no more than 28% of income. Divide Total Annual Housing Cost in step (4) by .28 Example: $22,284/.28 = $79,586 You have to earn at least this much to qualify for a mortgage</td>
</tr>
<tr>
<td>(6) Compare the salaries of your selected occupations</td>
<td>(6) ARE THE SALARIES SUFFICIENT? Teacher - $49,000 &lt; $79,586 Firefighter - $46,500 &lt; $79,586</td>
</tr>
</tbody>
</table>

## What Working Families Need to Earn to Afford Rental Housing

<table>
<thead>
<tr>
<th>CALCULATIONS</th>
<th>HOW TO DO THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Do separate calculations for 1- and 2-bedroom units, etc.</td>
<td>(1) Multiply monthly rents by 12 to get Annual Rents Example: 1 BR @ $600/month = $7,200/yr 2 BR @ $750/month = $9,000/yr</td>
</tr>
<tr>
<td>(2) Determine income needed for rent to be affordable</td>
<td>(2) Divide the Annual Rents by .30 This calculates the amount you need to earn annually so that rent is no more than 30% of income – a common rule of thumb for affordability Example: 1 BR @ $7,200/.30 = $24,000 2 BR @ $9,000/.30 = $30,000</td>
</tr>
<tr>
<td>(3) Convert to hourly wage needed to be affordable</td>
<td>(3) Divide annual amount needed from Step #2 by total number of hours typically worked in a year (2,080). This gives you what you need to earn per hour to afford the rent Example: 1 BR @ $24,000/2,080 = $11.64/hour 2 BR @ $30,000/2,080 = $14.20/hour</td>
</tr>
<tr>
<td>(4) If wage data are annual, convert to hourly.</td>
<td>(4) Divide annual wages by 2,080 to get hourly wages. Example: Retail Salesperson - $18,000/2,080 = $8.65/hour Security Guard - $23,000/2,080 = $11.06/hour</td>
</tr>
<tr>
<td>(5) Compare the wages of your selected occupations</td>
<td>(5) ARE THE WAGES SUFFICIENT TO RENT A 1-BR AND 2-BR UNIT? Retail Salesperson: $8.65 &lt; 1BR @ $11.64 &lt; 2 BR @ $14.20 Security Guard: $11.06 &lt; 2 BR @ $14.20</td>
</tr>
</tbody>
</table>
To housing advocates and members of the housing industry, the need for affordable workforce housing may be self-evident—no advertising required. However, others in the community—neighbors, politicians, businesses—may need convincing. Whether it is raising awareness of the problem or promoting innovative solutions, sending the right message is becoming an important part of the process of addressing workforce housing needs. And, increasingly, that message is being conveyed through a coalition-based media campaign.

A successful media campaign can educate the public and policymakers alike. Many communities have used campaigns to present facts about why workforce housing is needed and to address the fears of citizens concerned about new workforce housing being developed in their neighborhoods. Public support engendered through media campaigns has influenced local politicians and administrators to approve new workforce housing developments. Campaigns also have been used to educate local businesses about the importance of workforce housing to their bottom line. Throughout the country, well-crafted campaigns have brought new players and resources to bear on affordable housing solutions.

A local board of REALTORS®, Chamber of Commerce or other private sector group can be the linchpin of a successful workforce housing campaign. Components of a successful workforce housing media campaign include:

- Developing print ads, billboards, public service announcements, press releases, brochures and fliers around the theme of affordable housing for working families.
- Sponsoring media events such as affordable housing bus tours to show examples of well-designed affordable housing and housing caucuses to educate businesses and residents about the benefits of workforce housing.
- Maintaining a Speakers Bureau for presentations to elected officials, planning commissions and community groups at events likely to get media coverage.
- Producing videos highlighting attractive, new workforce housing and the stories of those who live in it.

In creating a campaign, consider the following advice from practitioners:

1. Don’t go it alone. Is there an existing housing coalition in your community? Research existing venues. In all likelihood, your organization will be welcomed to join. If no organization exists, begin by creating your own coalition. Be inclusive—invite other private sector groups or individual employers, as well as local officials, community college or university representatives, and nonprofit community development and housing organizations to your table.

2. Get the facts. Document workforce housing affordability problems in your community. Gather information on home prices, rental costs and wages of typical occupations in your community. Has some research already been done? See if local colleges can help fill in some of the gaps. Information can be useful, even if anecdotal. For instance, how much is the lack of affordable housing costing local businesses in employee turnover, recruitment and training?
3. Focus the campaign. Identify the obstacles to creating more housing affordable for working families that your messaging campaign will address. Is it lack of awareness of the need for more workforce housing? Are NIMBY® (Not-in-My-Backyard) attitudes and concerns blocking progress because of poorly designed housing projects in the past? Address and acknowledge these real concerns. Determine whether appealing to facts (“Teachers can’t afford to live here”) or appealing to emotion (“Your children won’t be able to afford to live here”) is the most appropriate response.

4. Pull together the resources you will need to launch the messaging effort. Can members of the coalition commit to specific levels of volunteer staffing and funding of the operation? Can you get in-kind contributions of expertise (for example, advertising, media time, printing, public speakers)? Or will you need to pay for professional services? Try to obtain upfront financial commitments from coalition organizations able to provide direct funding.

5. Don’t re-invent the wheel. Hitch a ride on the wheels that already are rolling! See the resources section below for ideas on where to start. These organizations provide sample advertisements, press releases, and other documents. You can benefit from public opinion research that other campaigns already have done to help craft your message and to choose words and images to elicit the greatest response. Check out the description of “Housing Virginia” in the following pages.

6. Be in it for the long haul. Attitudes don’t change overnight. Determine in advance, how you will know your media campaign is effective. Will citizens’ attitudes change in a measurable way? Will more local housing initiatives be approved by the electorate? Keep your sights on these goals, but don’t expect to reach them right away. And, don’t get discouraged!

Resources That Can Help
The Internet abounds with excellent material you can use to help shape your Workforce Housing Media Campaign. Most organizations are happy to have their materials replicated, but don’t assume this is the case. Check to see if use of the material is encouraged, and if you’re not sure, ask permission. Here is a sampling of some of the best resources:

National Association of REALTORS® Housing Opportunity Program –
http://www.realtor.org/housopp.nsf
This website provides toolkits, model programs, and other helpful information and is continuously updated. You can find out how to reach REALTORS® who already involved in media and outreach campaigns in their communities.

The Campaign for Affordable Housing (TCAH) – http://www.tcah.org
TCAH is dedicated to combating NIMBYism (Not-In-My-Back-Yard) and building grassroots support for government affordable housing initiatives. The organization also provides materials and advice for housing organizations undertaking public education campaigns. Among their many useful publications is the Housing Advocacy Catalog which features case studies of successful local, regional and statewide housing advocacy campaigns for policies, expenditures and development.

Housing Illinois – http://www.housingillinois.org/
Housing Illinois is a coalition of over 40 housing advocacy groups from the public, nonprofit and private sectors. Organized in 2001, its mission is to develop a communications outreach campaign to generate the civic will to increase the supply and acceptance of affordable housing throughout the metropolitan Chicago area and the state of Illinois. The website contains sample TV, radio and print advertisements as well as a downloadable media messaging guide based on public opinion research.

Housing Minnesota – http://www.housingminnesota.org/
Housing Minnesota is a multi-year public education, organizing and public policy advocacy campaign bringing together diverse constituencies to increase the preservation and production of affordable housing in Minnesota. The campaign materials on the website include downloadable print advertisements, brochures and billboard ideas. Particularly useful are the community messaging “sector sheets” which contain suggestions for “matching the message to the ear that hears it” whether it be the business community, faith-based organizations, or citizens groups.

Homes for Working Families - www.homesforworkingfamilies.org
Homes for Working Families is dedicated solely to increasing the availability of homes within reach of working families by changing public opinion and public policy. This relatively new advocacy group provides research-based tools, techniques, and guidance to enable workers, neighbors, advocates, opinion leaders, and elected officials to champion homes within reach of working families.
VHDA’s Susan Dewey notes that the contributions of the private sector organizations, such as VAR, have been critical to Housing Virginia’s success. VAR has committed volunteer time, staff and funding on the order of $20,000 to $50,000 per year. Housing Virginia is now a line item in VAR’s budget. All told, VAR has contributed about $75,000 over the past three years. With its 28 local associations and 17,000 members, VAR can widely disseminate the messages of Housing Virginia.

Dewey says that future plans include another round of fundraising, reaching out to Chambers of Commerce and other organizations, possibly including large individual employers. Housing Virginia also plans on expanding outreach efforts to other parts of the State, particularly Northern Virginia, Richmond and Hampton Roads. Radio spots and other media efforts have been test piloted in Charlotte.

Words of Advice

Dewey and Hale have several words of advice to others wanting to start similar efforts in their own states. Dewey stresses the importance of forming a broad coalition. “If one group goes it alone, it looks like self-interest,” she says, “whereas if you do it as a coalition, you send a more powerful message.” Hale says it is important to start by assembling key facts. Early on, some members of the coalition cited a study by several Virginia Tech professors in Roanoke showing that many communities in the State were having trouble attracting a workforce. These facts were used to approach mortgage bankers, Fannie Mae and others to join the coalition.

Dewey also emphasizes taking a long-term view. You can’t expect to change attitudes overnight, she says. Initiatives like Housing Virginia have to stay in it for the long haul.

Finally, it is important to meet skepticism head-on. Once at a meeting, a woman confronted Hale, “You are only doing this because it leads to more commissions for your members,” she said. He didn’t exactly deny it, replying, “Yes ma’am, if it sells more houses that is great for us. But we also do it because it is the right thing to do. REALTORS® are part of the community. Like everyone else we care about the quality of our schools, the ability to attract teachers, and having medical personnel in our hospitals when we need them.” He added that, if it helps the REALTOR® image and helps the housing industry, those are good benefits, too.

CONTACTS

Housing Virginia
P.O. Box 4658
Richmond, VA 23220
Phone: (800) 435-2185
http://www.housingvirginia.com/ HVAbout.htm
ABOUT HOUSING VIRGINIA

Housing Virginia is a non-profit organization that represents a diverse collaboration of housing organizations in Virginia who share a common desire to help educate Virginians about the benefits of affordable communities. We represent renters, home buyers and developers, non-profits and state and local governments. Housing Virginia believes that housing that is affordable to people at all income levels is the basic building block for individual growth, community revitalization and economic development.

Our mission is to create a more favorable environment for affordable communities that offer a wide range of housing opportunities for all people with different needs and income levels resulting in more stable, diverse and integrated neighborhoods.

THE NEED FOR MORE AFFORDABLE COMMUNITIES

Everyone needs a place to live that is affordable and enables them to obtain other necessities, such as, daycare, health care and transportation. However, many Virginians continue to struggle without quality affordable houses and apartments.

For example, many seniors who live on fixed incomes seek affordable apartments at current market rates. People with disabilities, who live on limited incomes, need an affordable place that helps them live more independently. Young families and single parents seek houses and apartments that are safe, affordable and serve as a stepping stone to their family’s future. Additionally, municipal workers, teachers, young professionals and single parents whose incomes are not keeping pace with housing costs, seek affordable communities close to their places of employment.

AFFORDABLE COMMUNITIES BENEFIT EVERYONE

Affordable communities benefit individuals, communities and our Commonwealth through revitalization, economic development and an improved quality of life. An affordable place to call home acts as a building block of opportunity that helps individuals improve their financial situations, helps communities to attract and retain employees, and helps the Commonwealth through revitalization and economic development.

INCREASING AWARENESS OF AFFORDABLE COMMUNITIES

Improving the availability and affordability of housing requires collaboration at all levels of the community. Building public awareness and support for more affordable communities is a long-term process and requires a grassroots approach to engage all levels of the community in this effort.

Housing Virginia seeks to dispel misconceptions about affordable housing and educate the public about the benefits of affordable communities. We will reach out to organizations and individuals in every level of the Commonwealth to help educate Virginians about the benefits of affordable communities.

LEARN MORE

To learn more about Housing Virginia and the benefits of affordable communities, please visit our website at www.housingvirginia.org.
MEDIA CAMPAIGN

SSAMPLE ADVERTISEMENT

Affordable Housing Works In Your Community

Everyone needs a place to live that is affordable, allowing them to pay their housing cost with money left over for other necessities. However, many working women, families, young professionals and single parents whose incomes are not keeping pace with housing costs cannot find affordable communities close to their places of employment.

What hard-working Virginians can’t afford is to live in communities that they serve, or all risk losing essential services, economic stability and good neighbors.

Housing Virginia is a complex organization that represents a diverse coalition of housing organizations. Together, we work to develop comprehensive and affordable housing and advocate for the people served by affordable communities.

Learn more at www.housingvirginia.org.
SAMPLE ADVERTISEMENT

Can you tell which of these homes is considered affordable housing?

All of the above. The homes pictured are just a few examples of the quality and range of affordable housing owned and rented by Virginians. Such housing benefits area businesses and communities by allowing people in the area to work, as well as contributing to economic development and an improved quality of life for all residents.

Housing Virginia is a non-profit organization that represents a diverse collaboration of housing organizations. Together, we work to shape perceptions about affordable housing and educate the public about the benefits of affordable communities.

Learn more at www.housingvirginia.org

SAMPLE ADVERTISEMENT

Your children can be anything they want when they grow up. But will they be homeowners?

Carson & I wish we had known earlier about homeownership. We need to act now to ensure our children will one day be able to enjoy homeownership as we have.

Improving the availability and affordability of housing ensures that all Virginians have a safe, secure home.

Together, we can ensure that future generations will enjoy the benefits of homeownership.

Housing Virginia is a non-profit organization that represents a diverse collaboration of housing organizations. Together, we work to shape perceptions about affordable housing and educate the public about the benefits of affordable communities.

Learn more at www.housingvirginia.org
WHAT WORKS IN AFFORDABLE HOUSING EDUCATION

I. USEFUL GOALS TO CONSIDER
- Neutralize opposition and build active support (where possible);
- Motivate/enable people to visit existing developments or near their community;
- Provide factual information on a limited set of issues (e.g. design, density, crime, traffic, parking); acknowledge controversy and present available facts on contested issues;
- Provide a new perspective (e.g. mortgage interest tax-deductions subsidize most housing);
- Build credibility and trust; create relationships for follow-up;
- Multiply impacts of presentation (e.g. generate good media attention when possible).

II. EFFECTIVE CONTENT
Themes: Speak to particular audience’s issues:
- Show particular successful examples of affordable housing;
- Demonstrate how the development is a local community asset (eliminates blight, provides local jobs, brings federal and state subsidies, addresses jobs/housing balance, generates sales tax revenue, reduces traffic/pollution, provides community amenities, cost-efficient solution to community problem, etc.);
- Show that other nearby communities are “doing their share” (of tax);
- Explain how professional property management (including tenant screening and lease provisions) prevents crime and protects neighboring property values;
- Demonstrate successful results for residents of affordable housing developments (e.g. educational and employment achievements);
- Show the broad range of types of qualifying residents; express need by typical jobs;
- Emphasize the common experience that feared impacts do not actually occur.

Images: As local/tasteful as possible:
- Before and after shots of developments;
- Older buildings that are well-maintained;
- People living in buildings as their home;
- Graphs and other visual relief.

Values: Testimony of trusted/uninterested parties on local impacts:
- Neighbors, police, business, former opponents, good press, and other “authorities”

III. STYLE
- Acknowledge/address real concerns; do not “overnail”;
- Interesting/literary presentation (e.g. Guess which is affordable housing?);
- Acknowledge mistakes in past; explain lessons learned and how used;
- Language: “development/complex/apartment house/home” instead of “project.”

IV. FOLLOW-UP
- Get them to go on a housing tour;
- Get back to them on unanswered questions;
- Link them to local/regional resources;
- Repeat themes and facts as often and in as many different contexts as possible.
Creating and Participating in an Employer-Assisted Housing Program

Employer-assisted housing (EAH) is an employer-provided benefit that helps employees with their housing needs. In the process, employers end up helping themselves. As one practitioner put it, a good EAH program can be a “win-win-win.” It is a win for the employer who benefits from a more stable workforce, reducing turnover and recruitment and training costs, increasing productivity and loyalty, and enhancing the bottom line. The employees win by enjoying extra time — formerly spent in traffic — for family or community life; and from receiving financial and educational support for buying or renting a home closer to work. And, finally, it is a win for the community which benefits from reduced congestion, and increased investment, thanks to the new neighbors who were formerly passing through.

While the exact housing benefit can take many forms, the primary goal of every employer-assisted housing program is to enable employees to better afford housing near their place of employment. Typically, under EAH programs employers provide to employees one or more of the following:

- Grants or forgivable loans that can be used for the downpayment or closing costs on a home purchase.
- Reductions in the cost of homeownership through subsidized second mortgages, matched savings programs, below-market interest rate mortgages or mortgage guarantees.
- Homeownership counseling to help employees better understand the homebuying process, usually through an intermediary organization such as a nonprofit housing group or local government agencies. Some REALTOR® associations work with homebuyers in these programs.
- Subsidized rent and utility payments for employees who choose to remain renters.
- Financial participation in construction projects for new or rehabilitated affordable rental or homeownership housing near their work places (a less common, but growing practice).

Elements of a Successful EAH Program

Successful EAH programs depend upon support from the private, nonprofit and public sectors. By definition, of course, EAH employers participate by offering the benefit to their employees. Some members of the business community — particularly REALTOR®s, lenders, Chambers of Commerce and other business associations — not only can participate in EAH programs directly but can help create, expand, market and promote EAH where programs do not yet exist or have the potential to grow. Nonprofit housing groups also play an essential part in most programs. They provide administrative support to the employers and financial education to employees. They also link employees with suitable lending programs offered by both for-profit lenders and government agencies. Local officials, for their part, can work to make local EAH programs more sustainable and effective. For example, they can provide public matching funds to employees for locating in certain neighborhoods and/or local tax credits to employers for participating in an EAH program.
Practitioners stress that a number of elements are important to the success of an EAH program:

1. Rally the business sector. Does the business community believe there is a need for more workforce housing? If so, are they willing to do something about it? Would local employers be willing to offer their employees an EAH program? Chambers of Commerce, industry groups, and Rotary Clubs and the like can provide a venue for businesses to discuss their workforce housing needs and promising solutions like EAH.

2. Be present at the creation. The business community can help community leaders set up an EAH program if a program currently does not exist. The Chamber of Commerce and other business organizations can market the program to employers. Local associations of REALTORS® can provide counseling and help employees with house hunting. Lenders can develop mortgage products suitable for EAH programs. Homebuilders can work with local officials and participating employers to create more affordable units.

3. Find a middleman. Identify one or more intermediaries that can work directly with employers and employees. This intermediary, usually a nonprofit organization, will help reduce the administrative burden on employers and provide or refer employees to another entity for housing counseling. The intermediary can partner with the private sector to arrange financing or help employers apply for special lending programs. Check into existing models (see, for example, the write-ups of the REACH program and the USDA program in Chicago) and let that experience help define the role of the EAH intermediary in the program in your community. The business community can help develop sustainable sources of funding for the intermediary organization by, for example, providing grants or paying user fees for the valuable services they provide.

4. Plagiarize. Lots of resources exist to develop EAH programs — use them! Borrow from the models of successful programs to help shape one that’s right for your community. Fannie Mae and Freddie Mac actively promote EAH programs and mortgage services. Involve local lenders, state and local housing finance groups, Realtors, and other providers of housing and financial services in the community and tie their existing programs and services into your EAH program.

5. Think small. Groups, such as the Chamber of Commerce, and other business associations can help target and promote EAH programs to their small business members. EAH is not just for the big corporate players or large institutional entities. In fact, it can be argued that the benefits of EAH — retaining employees, reducing turnover, and minimizing training costs — are even more important for smaller firms. That’s because knowledge of the inner workings of the business and its customers often resides with only a handful of employees. Loss of essential employees, especially to a competing employer, can be devastating to the bottom line.

6. Think big. The private sector can add a powerful voice in support of EAH. Business groups can lobby for state and local tax credits for EAH. That support can even “go national” to advocate for federal legislation currently pending in Congress to expand EAH programs and provide tax credits for employers participating in them. (See material from the National Housing Conference on the following pages.) Through meetings with local officials and appearances at planning board hearings, Chambers of Commerce, Realtors, homebuilders and other associations can advocate for local policies to create a regulatory climate conducive to the development of additional workforce housing developments as part of EAH programs.

**RESOURCES THAT CAN HELP**


A great first stop when it comes to researching EAH, the website features a downloadable guidebook for EAH geared towards Employers and Mayors. This 52-page, comprehensive guide offers nuts and bolts advice on how to assess community needs, and how to develop, market and implement an EAH program. Among the website’s other offerings is an informative brochure for employees to share with their employers. Upon request, Fannie Mae also provides software that helps employers figure out how to structure a EAH program that offsets the costs of employee turnover.


This is a useful and inspiring webpage on GMHF’s EAH program. GMHF, a joint effort of The McKnight Foundation and Blanding Foundation, was created to address the urgent need for decent, affordable housing in Greater Minnesota. In addition to project profiles and a list of lessons learned, the site offers compelling stories of the people who have purchased homes through their employers’ EAH programs. Also of note is a 36-page “Employer-Assisted Housing Resource Guide” which contains useful information for employers both inside and outside of Minnesota.

**National Housing Conference (NHC)** – [http://www.nhc.org/index/Policy-Action-EAHSection](http://www.nhc.org/index/Policy-Action-EAHSection)

NHC is a national affordable housing advocacy organization whose membership is drawn from every segment of the housing industry. The NHC webpage on Employer-Assisted Housing features case studies of successful EAH programs. It also includes a state-by-state listing of links to selected EAH programs and resources. Updates on the progress of proposed legislation for a federal EAH program can be found here, as well. Also of note is the NHC publication, Private Sector Partnerships Investing in Housing and Neighborhood Revitalization, available for downloading.


In addition to lots of good general information about housing, the JCHS website contains a number of useful publications on EAH including, Strengthening Our Workforce and Our Communities Through Housing Solutions (Report No. WHSS-1) which summarizes the proceedings of a national leadership forum of business, chamber, and housing executives. The forum was organized by JCHS and the Center for Workforce Preparation (CWP) of the U.S. Chamber of Commerce. Also available on the website is an overview of EAH (Report No. W00-8) called Employer Assisted Housing: Competitiveness Through Partnership, produced by NeighborWorks and JCHS, and written by Madeleine Pil.
REACH (REGIONAL EMPLOYER-ASSISTED COLLABORATION FOR HOUSING):

Helping Employers “Reach Out” To Make Homeownership Possible For Their Employees

If Employer-Assisted Housing (EAH) is a bandwagon, a growing number of Illinois employers are jumping on it. This is due in no small part to the efforts of the Metropolitan Planning Council (MPC), a Chicago-based nonprofit, nonpartisan group of business and civic leaders who created a program called REACH (Regional Employer-Assisted Collaboration for Housing) to promote EAH in the region.

MPC provides technical assistance to localities and their employers to develop and launch EAH programs. While many employers are willing to make loans for downpayment and closing costs to employees, most do not want to deal with administering the program or providing homeownership counseling. That’s where the nonprofit intermediaries come in. REACH has created partnerships with 15 nonprofits across the State to provide administrative services to employers and housing counseling to employees.

Starting in 2000 with a pilot project with a manufacturing plant in St. Charles, the program quickly blossomed to 16 employers by 2003, with nearly 60 employers signed on by the end of 2005. Their roster includes Allstate Corporation, Bank of America, Robinson Engineering, and Medela Corporation. Other participants include the Chicago Public Schools, Rush University Medical Center, and the University of Chicago.

To date, more than 500 employees have become homeowners under the program. Data available for 2005 indicate that the median household income of these employees was $50,000, and the median home purchase price was $189,000. An additional 700 employees have completed homebuyer education and counseling.

Benefits of EAH and Beyond

Employers report satisfaction with the program. One company, Honeywell, suspended participation in the program after taking over a participating local company. Subsequently, the EAH program was reinstated after Honeywell officials analyzed the savings to their bottom line. Employers also have noted the importance of the nonprofit partners to the success of the program. As Richard Braun, the director of human resources of System Sensor, put it: “Just giving our employees money to buy a home is not the point. We want to help them go through the process as smoothly as possible, knowing everything they need to know.” He adds, “I am here to do the initial screening to ensure an employee is eligible for the program, but I don’t want to be a home-buying counselor.”

According to Robin Synderman, Housing Director for MPC, as gratifying as the homeownership successes have been, they have found that, more than any other program, “EH has been a door-opener, engaging business leaders and policymakers in discussions about housing needs without the fear of community opposition shutting the door to such conversations.” She notes these conversations already have led to other local initiatives such as land trusts, inclusionary zoning ordinances and interest in creating new affordable housing developments in expensive, job-rich communities.
Future plans for MPC include expanding the reach of their EAH program beyond the Illinois state border to communities and regions nationwide. MPC offers technical assistance and advice in putting together all the components of a successful EAH program, including the training of nonprofit groups to administer EAH programs and to provide credit counseling and homebuyer education. Synderman says they also can help states and localities develop legislative initiatives to support EAH.

**CONTACT**

**Metropolitan Planning Council**

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Suite 1600
Chicago, IL 60602
(312) 922-5616
(312) 922-5619 (fax)
www.metroplanning.org
info@metroplanning.org (e-mail)
Metropolitan Planning Council
Employer-Assisted Housing Technical Assistance Initiative

FACT: Despite U.S. homeownership rates reaching all-time highs in recent years, homeownership among working families with children has dropped. Essential workers, such as teachers, police officers, and nurses cannot afford to live where they work.

RESULT: When working families cannot afford homes close to work, they commute long distances, adding to traffic congestion and pollution and taking time away from their families. Limited government resources cannot meet needs for workforce housing.

WHAT TO DO? A proven strategy has emerged to leverage private-sector investment while advancing broader goals - employer-assisted housing.

“Our employer-assisted housing program in Lake County improved stability and morale among our workers, yielded tremendous appreciation from the broader community, and enhanced our bottom line. This program really is a winning proposition.”

– Ed Liddy, CEO, Allstate Insurance Company

WHAT IS EMPLOYER-ASSISTED HOUSING? An easy-to-administer benefit, employer-assisted housing (EAH) helps employer buy or rent homes close to work. It promotes a healthy jobs-housing balance and provides a strong return on investment. Each EAH plan is customized to meet the needs of the employer, and could include any combination of:

• Counseling for employees about housing choices and financing.
• Direct financial help to employees with rent, closing costs, and mortgage payments.
• A real estate investment by the employer.
• An Individual Development Account (IDA) or other savings program for employees.

PROVEN BENEFITS OF EMPLOYER-ASSISTED HOUSING:

• Reduced turnover and absenteeism, improved loyalty and productivity.
• Strengthened financial stability for workers when employer provides homeownership education and down payment assistance to purchase a home.
• Reduced commutes, improved quality of life, increased real estate taxes, reduced traffic.
• Increased political, business leadership and community support for housing options.

THE METROPOLITAN PLANNING COUNCIL CAN HELP YOU: The Metropolitan Planning Council can help launch EAH initiatives in communities and regions throughout the nation. The Council offers a comprehensive package of technical assistance that includes:

• Documents and forms;
• Marketing materials, press releases, newsletter articles, and PowerPoint presentations;
• Information on Illinois’ tax credit and matching funds that can be adapted to other states;
• Ideas about potential resources the employer’s assistance can leverage; fundraising strategies to develop and launch an EAH program; and
• Instruction on how to assess goals and strategies, secure key spokespersons, and design the right program for your circumstances.

The Council can provide all this assistance to your organization, state or region for approximately $10,000, and individual elements can be supplied for less. Council staff can also assist in-person at key presentations or meetings.

ILLINOIS’ SUCCESS:

• Launched with one program in 2000; currently more than 50 participating employers.
• More than 500 employees have bought homes with employer assistance.
• Another 700 workers have benefited from credit counseling and education.
• The State of Illinois provides matching funds and tax credits.

Given the success of the Illinois model and other examples, “Housing America’s Workforce Act” (H.R. 3194 and S. 1330) has been introduced to encourage EAH programs nationwide.

“I am grateful that the University of Chicago Hospitals helped make my dream of homeownership a reality. I am proud to be an employee of UCH.”

– Demish J. Bryant, Business Systems Analyst, University of Chicago Hospitals

A SAMPLING OF PARTICIPATING EMPLOYERS:

In Illinois:

Aflac Corporation
Bank of America
Chicago Public Schools
City of Evanston
City of Peoria
Lake Forest College
Madelia Corporation
Robinson Engineering
Rush University Medical Center
University of Chicago and University of Chicago Hospitals

Elsewhere around the country:

Affina, Georgia
City of San Diego, California
City of El Paso, Texas
First National Bank of Colorado
Howard University, District of Columbia
Harley-Davidson, Wisconsin
Mayo Clinic, Minnesota
Northeastern University, New York
St. Anthony’s Health Care, Florida
Tyson Foods, Arkansas

WHO TO CONTACT:

Samantha DeKoven, Metropolitan Planning Council
312-863-6621 or sdekoven@mepc.org

FOR MORE INFORMATION:

www.mepc.illinois.org
**THINKING SMALL IN A BIG WAY:**

**The Chicago Small Business Consortium For Employer-Assisted Housing**

When the Local Economic & Employment Development Council (LEED) peddles their program for Employer-Assisted Housing (EAH) to small businesses in the Chicago area, it is not always an easy sell. Eve Pytel, who heads up the program at LEED, notes that resistance to EAH can come from various quarters. Some employers argue that paying for portions of health care, transportation, and child care expenses for employees is one thing, but paying for housing should not be their responsibility. These employers see it as an issue between the employees and the employees’ families or banks. Interestingly, Pytel has found that some employees resist EAH programs, too. Either they are fearful of becoming beholden to the employer for the downpayment loan or, they simply don’t want to develop that kind of relationship with their employer.

That said, the program has attracted an initial group of about a dozen companies and is garnering more interest as experience with it grows. In fact, small businesses are getting involved in the EAH program for much the same reasons as large corporations: improved employee retention, reduced recruitment, and lower training costs. Some of the small companies say that a stable labor force is even more important for them because they depend on a relatively few, valuable employees to run their business. Loss of an employee, especially to a competitor, can be a serious blow to the bottom line.

**How the Program Works**

Once the company signs a participation agreement with LEED for the program, LEED helps the company screen employees for the program. Together with people responsible for human resources within the company, LEED encourages employees to fill out intake forms which are then sent to the Spanish Coalition for Housing, another nonprofit partner.

The Spanish Coalition for Housing sets up appointments for intensive financial counseling and homebuyer education sessions. Meetings are held one-on-one with individual households to protect the confidentiality and privacy of employees. When employees are ready, the Coalition hooks them up with suitable loan products through various programs offered by local lenders as well as state and local home financing programs. They also tap into incentives offered by the City of Chicago to reduce the cost of housing. For example, the stamp tax typically paid on real estate transfers is waived if a household locates in a low- to moderate income area.

Employees who are not quite ready for homeownership are assisted by the Spanish Coalition with household budget plans to accumulate more savings. For employees moving on to homeownership, the companies agree to provide a no-interest loan typically in the amount of $2,500 to $5,000 to assist with downpayment and closing costs. Repayment comes automatically out of the employee’s paycheck, although most companies agree to forgive loan repayment if the employee stays with the company at least two years.
Workers assisted under the program have included landscape crew managers, car porters from a local dealership, administrative support workers, and line workers in a drapery manufacturing plant. All have incomes of less than 120 percent of the Area Median Income which is currently about $76,000 for a family of four.

LEED started the program with a grant from the Metropolitan Housing Council, a nonprofit business and civic organization. Now, the challenge for LEED and the Spanish Coalition for Housing has been to come up with a stable source of funding for the counseling and administrative services. Their solution is to have small businesses contribute their Illinois EAH state tax credits (a special tax credit in Illinois intended to encourage employers to offer EAH) to LEEDS in exchange for counseling and administrative services. The credits will be resold to replenish funds for the EAH program to reach out to more small employers.

CONTACT:

LEED Council
1866 N. Marcy
Chicago, IL 60614-0780
773-929-5552 x236
The Small Business Consortium makes EAH work for small businesses like yours.

- Employer offers at least $2500 to help an employee purchase a home.
- The Consortium provides the employee with FREE credit and homeownership counseling in return for the employer’s EAH tax credits.
- The tax credits replenish the counseling pool and more employers are able to go through the program at minimal cost to the employer.
- LEED Council and the Spanish Coalition handle all of the paper work.

Not-For-Profit Agencies Handle Housing Counseling for Employees

The REACH Counselor Model – How it works

1. LEED connects employees to Spanish Coalition for Housing
2. Simple homeownership strategy
3. Hassle-free for the employer
4. Spanish Coalition for Housing partner administers the program, and counsels employees
5. LEED/NPC leverages funding, spearheads evaluations, publicity

Additional Assistance Available to Employees and Eligible First Time Home Buyers

- Match Program: State of Illinois will match Employer Assistance for first-time homebuyer $1 for $1.
- Tax Smart: Homebuyer can receive a federal income tax credit of up to 20% of mortgage interest paid each year the loan is in place.
- City Mortgage: Mortgage program that provides first-time homebuyers a conventional mortgage along with up to 4% of mortgage amount for down payment assistance or closing costs.

NOTE: All programs have income eligibility guidelines. First-time home buyers are defined as anyone who has not owned a home in the last 36 months. These programs are also available in certain targeted areas for existing homeowners. Tax Smart and City Mortgage can be used together however the Match program can be used with either Tax Smart or City Mortgage.
EXCERN

Participation Agreement for the Small Business Consortium between LEED Council

Background and Intent

Entered into May 2003, this PA is between ("Employer"); a for-profit corporation; the LEED Council ("Administrator") an Illinois-based not-for-profit housing organization with an expertise in providing services to small businesses and program administration.

WHEREAS, the sole purpose of this PA is to encourage cooperation between Employer and Administrator and to further detail the separate and distinct roles and responsibilities of each party to Small Business EAH programs.

THEREFORE, Employer and Administrator agree that this is in the best interest of all parties to enter into this PA.

Eligibility Determinations:

To be eligible for services through this program, ranging from homebuyer education and counseling from Administrator to down payment/closing cost assistance from their employer, applicants will have to meet the following criteria:

a) Household earns no more than 120% of area median income per year.
b) Have completed one year of satisfactory service with Employer
c) Be a full-time employee
d) Have completed any probationary conditions of employment
e) Be interested in becoming a homeowner within a Plan for Transformation mixed income development (see attached list).
f) Demonstrate commitment to working with EAH program by meeting pertinent conditions stipulated by participating lenders, including but not limited to credit counseling, home buying education, and filling out EAH program reports as required.
g) Able to qualify for mortgage financing which is not predatory.
h) Able and willing to contribute at least $1,000 or 1% of the purchase price, whichever is greater, from their own savings

Applications will be processed on a first-come, first-served basis.

Role and Responsibilities

It is understood that Employer and Administrator must work together as a team to effectively meet the housing needs of Employer employees. This level of collaboration will require thorough and timely communication between all parties. However, the parties to this PA understand their separate and distinct responsibilities, including but not limited to the following:

Employer is committed to make housing a viable option for employees who otherwise would not have access to affordable housing near their job site. Accordingly, Employer agrees to:

1. Partner with Administrator to incorporate and market the EAH program to the Employer workforce.
2. Provide to Administrator funds for down payment/closing cost assistance, which Administrator will pay on behalf of eligible employees, such funds to be in the form of forgivable loans of not more than $5,000 each to not more than ___ employees per year.
3. Transfer interest in any tax credits generated by the down payment assistance to Administrator to provide homebuyer education and individualized follow-up services to eligible Employer employees.
4. Provide, as it determines, leadership in reaching other employers and municipalities, sharing EAH lessons and promoting and helping affordable housing options within the vicinity of the company.
5. Determine the eligibility of individual employees.
6. Report the forgiven down payment assistance as income to the employees annually.
7. Provide time for employees to attend one counseling session.
8. Evaluate outreach strategy with Administrator to determine each partner’s responsibilities related to developing marketing materials.
9. Distribute marketing materials to employees.
10. Advise Administrator in writing of any employee who leaves employment during term of the loan provided that if employer desires for any reason that repayment should not be pursued, the employer must so advise Administrator in writing.

Employer shall have no obligations under this Agreement other than those outlined above.

Administrator will coordinate and administer the EAH Program, either themselves or through sub contracts and will consult, advise and assist Employer and its interested employees in every aspect of the application of the EAH Program. Without limitation of the foregoing, Administrator will:

1) Provide credit counseling and homebuyer education to employees referred by their employer.
PARTICIPATION AGREEMENT | PAGE 3

2) Partner with Employer Human Resources staff and MPC to incorporate and market the EAH program.
3) Promote quality program administration and accountability to the employer partner
4) Deliver cash at closing on behalf of employer and execute forgivable loan agreement.
5) Facilitate connections between employees and local financial institutions to leverage down payment, closing cost and mortgage assistance via low-cost and other tools.
6) Review applicable documents and forms and explain them to the employer.
7) Comply with all laws and ordinances connected with the making of the loan, and ensure that the EAH Program loan will be stated as such in all applicable closing documents.
8) Provide post-purchase counseling to successful homebuyers.
9) Use best efforts to recover remaining balance of forgivable loan if employee ceases to comply with conditions in Promissory Note, namely (i) remain continuously employed by Employer, (ii) maintain ownership interest in the Property; and (iii) continuously occupy the Property as principal residence. Any funds recovered from a defaulting employee shall be held by Administrator for further loans to qualifying employees of Employer. In no event shall the Administrator be a guarantor of recovery from an employee in default.
10) Approve re-assignment request in the event Employee refinances provided it is not a cash-out refinance.
11) Apply for and facilitate allocation of Illinois Affordable Housing Tax Credits for Employer.
12) Request IIHA funds reservation from MPC, as appropriate.

Confidentiality
All parties agree that by virtue of entering into this Agreement they will have access to certain confidential information regarding the other party’s operations related to this project. None of the parties bound to this MOU will at any time disclose confidential information and/or material without the consent of the subject tenant unless such disclosure is authorized by this Agreement or required by Law. Unauthorized disclosure of confidential information shall be considered a material breach of this agreement. Where appropriate, releases will be secured before confidential information is exchanged. Confidential information will be handled with the utmost discretion and judgment.

Nondiscrimination
There shall be no discrimination of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, age, handicap, ancestry or national origin in the implementation of the housing policies described in this MOU.

Representations and Warranties
Administrator represents and warrants to Employer that Administrator is a nonprofit organization duly organized, existing, and in good standing, under the laws of the State of Illinois; that Administrator has all necessary corporate power and authority to conduct its business as its business is now being conducted; and that the business is conducted by Administrator and not by any other person or entity.
FEDERAL EAH LEGISLATION

Housing America’s Workforce Act of 2005
(S. 1330 and H.R. 3194)

Across the country, resurgent housing markets are pricing out low- and moderate-income families and producing few lower-cost units. Housing production has failed to keep pace with job growth which continues to push affordable housing beyond the reach of an increasing number of working families. Employer Assisted Housing programs (EAH) address this housing challenge from a new perspective by allowing the private sector to play a direct role in promoting housing affordability. The Housing America’s Workforce Act builds upon these efforts by providing incentives that will help expand EAH programs nationally.

Section I: Employer Tax Credit

Federal tax laws and corporate accounting rules do not currently provide incentives for employers to offer housing assistance to their employees. The creation of a new business tax credit would provide employers with the incentive to partially offset the cost of providing a housing benefit for their workers.

The Housing America’s Workforce Act provides a tax credit equal to 50 percent of the cost of qualified housing expenses for eligible low- and moderate-income employees, which takes into account up to $10,000 or six percent of the employee’s home purchase price (whichever is less) and up to $2,000 in the case of rental assistance offered. Rental assistance could be used toward security deposits and rental payments. Homeownership assistance could be used to subsidize down payments, closing costs, financing costs, contributions to second mortgage pools, mortgage guarantee programs, or contributions to an employee homeownership savings account.

Section II: Housing Benefit Exclusion

Some employer-provided benefits such as health, dental, and life insurance result in no taxable income to employees. However, federal tax laws do not currently include housing as a tax-free employee benefit. The Housing America’s Workforce Act treats housing assistance as a nontaxable benefit by excluding from taxable income up to $10,000 in home ownership assistance and up to $2,000 of rental assistance received. This exclusion will help ensure that employees receive the full value of the housing benefit.

Section III: EAH Grants

EAH programs offer an innovative mechanism for leveraging public and private funds to address housing affordability challenges, regional jobs-housing imbalances, community revitalization, and recruitment and retention issues. Yet, employers for the most part lack the knowledge and expertise needed to undertake an EAH initiative. To help address this challenge, the Housing America’s Workforce Act will establish a competitive grant program available to nonprofit housing organizations that provide technical assistance, program administration, and/or education and outreach support to employers undertaking EAH initiatives.

Supporters:

Action Needed!!

Urge Your Members of Congress to Support the "Housing America’s Workforce Act of 2005" (H.R. 3194 and S. 1330)

Your assistance is needed to generate support among your members of Congress for the "Housing America’s Workforce Act of 2005" (H.R. 3194 and S. 1330) introduced in the U.S. House of Representatives by Representative Nydia Velázquez (D-NY) and in the U.S. Senate by Senator Hillary Rodham Clinton (D-NY). This legislation will help promote employer assisted housing (EAH) nationally and provide a tax incentive to employers who participate.

While nationwide homeownership rates are at an all-time high, moderate-income working families have actually experienced a decline in homeownership rates since 1978. Over more than half a decade from 1997 to 2003, the number of working families in the U.S. paying more than half of their income for housing increased by 67 percent.

Recognizing the lack of housing available for low- and moderate-income members of the U.S. workforce, this legislation promotes a strategy that benefits employers, employees, and the community at large—employer assisted housing (EAH). This legislation will help to improve the stability of working families in the expensive housing market and ensure employers a consistent workforce. The legislation will also provide essential housing counseling resources that will assist the employer in providing the proper family housing choices and encourage community cohesion.

As a member of the private sector, your support of the "Housing America’s Workforce Act of 2005," an effective public-private strategy to support housing for a competitive workforce, is essential. Please demonstrate your support for this legislation by weighing in with your Representatives and Senators in Congress by either calling or sending a letter. For suggested text for letters, go to:
http://www.nha.org/index/Policy-Acction-EAHSection

Fax numbers or email addresses for your Representatives and Senators can be accessed at:
http://www.house.gov and http://www.senate.gov, respectively. To reach your member of Congress by telephone, please contact the U.S. Capitol Switchboard at (202)224-3121 and ask for his or her office.

Your help with this effort is greatly appreciated!

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Telephone (202) 265-3122 • Fax (202) 265-3123 • Web Site www.nha.org
Raising the Private Sector Voice for Workforce Housing

Ultimately, the only way to resolve affordability problems for working families is to create more housing opportunities. That’s where the private sector can step in. Many REALTORS®, Chambers of Commerce, homebuilders, industry executives, economic development groups, and others in the business community recognize that affordable housing is key to the economic prosperity of communities. As shortages of affordable housing grow worse, advocating for sensible housing policies and programs has taken on some urgency.

The business community can work in a number of ways to secure additional resources for housing, reduce barriers to creating more affordable units, and provide more housing and transportation options for working families:

• Coalesce business interests around the issue of housing and educate others in the business community about why affordable housing is important to their bottom line.
• Participate in media campaigns, affordable housing tours, and other efforts to generate public support for housing.
• Help expand the level of funding for housing by writing letters and faxes to key policy makers in support of housing trust funds, housing bond issues, and other initiatives that provide resources for housing.
• Attend hearings and provide testimony at planning board hearings and other venues in support of specific housing project approvals and changes in zoning or regulations that facilitate increases in the supply of housing.
• Arrange and attend regular meetings with elected officials in which members of the business community discuss housing and community development priorities.

Housing advocates agree that the following principles will help ensure your voice will be heard:

1. Unite around the issue of housing. Use an existing coalition of businesses – whether it is a local board of REALTORS®, Chamber of Commerce, or other economic development group – to form a “housing action committee” to assess how housing affordability problems affect businesses and to determine joint strategies for addressing those problems.

2. Get the facts. Nonprofit groups, universities, local government agencies or others in the community already may have collected information about the problem. Some business organizations have added to existing knowledge by commissioning studies of their own specifically geared to the concerns of areas businesses, such as employee recruitment and retention problems.

3. Advocate simultaneously on a number of fronts. Undertake several different advocacy initiatives drawing on the resources and commitment of members of the business coalition. For example, area industry executives can send letters or faxes to state or local legislators to push for specific bills that address housing policies, such as tax credits for Employer-Assisted Housing. Businesses in the housing industry – REALTORS, homebuilders, lenders, insurers – can attend hearings for specific housing developments, or visit local officials in person to discuss local zoning policies. Chambers of Commerce or other business coalitions can underwrite media campaigns or sponsor affordable housing tours. A combination of actions is needed to make an impact.

4. Take a page from the experience of others. The business community has rallied around the cause of affordable housing in many communities throughout the country. Adapt what they’ve done for your community. Many nonprofit affordable housing groups have years of lobbying and advocacy experience. They, too, offer valuable experience in how to raise awareness, promote programs, and change policy for affordable housing. Contact your state’s affordable housing coalition to see if they are working on policy changes to strengthen the availability of affordable housing that you could support. (See the resource list and case study on the Bay Area Council in the following pages).

5. Find common ground. Businesses in different sectors may have correspondingly different ideas about what kinds of housing policies are best. But, as experienced advocates point out, usually differences on individual policies can be overcome by emphasizing agreement on basic principles and on the need to press for the political will to expand the availability of affordable workforce housing.

RESOURCES

When it comes to advocacy, leaders in the nonprofit housing community have much to share in terms of information and strategies to overcome opposition and promote affordable housing solutions. Several excellent nonprofit resources are presented here along with an example of successful advocacy for housing on the part of an area business association.

National Low-Income Housing Coalition (NLIHC) = http://www.nlihc.org/advocates/index.htm

NLIHC is a Washington, DC-based housing advocacy group that works on both the national and (through its state coalition partners) state levels. Its 2006 Advocates’ Guide to Housing and Community Development Policy contains short chapters describing more than 60 housing-related programs, proposals and issues. Some of these programs, such as the Community Development Block Grant (CDBG) and HOME block grant program, are the mainstays of federal funding for housing and community development for states and localities, and funds from these programs often are used in public-private partnerships. Private sector advocates for housing will find it worthwhile to learn about these various programs and promote their continued funding. Also on the NLIHC website is archived editions of The NIMBY Report. Published in collaboration with the Building Better Communities Network, the report supports inclusive communities by sharing news of the NIMBY (Not-in-My-Back-Yard) syndrome and efforts to overcome it. A directory of NLIHC’s state coalition partners is accessible from the home page of this site.
The Bay Area Council: Raising the Private Sector Voice for Smart Growth and Affordable Housing

Jim Wunderman, President and CEO of the Bay Area Council (BAC), a business-sponsored, public-policy advocacy organization for the nine-county Bay Area of California, doesn’t need to think for a moment.

When asked to come up with an example of how his organization advocates for affordable housing, the first that comes to mind is the one BAC has been working on in the past 24 hours.

He has just been in Sacramento with some of his members testifying and talking to legislators about a reform bill that would change the way housing is produced in California. As Wunderman explains it, the proliferation of “Propositions” in California has meant that local governments have lost much of their power. They end up doing project planning, not city planning. Things like environmental impact reviews are all done on an individual project level, both delaying and increasing the costs of new housing development. One of the provisions in the reform bill would change that. While providing additional money to localities for more comprehensive Housing Opportunity planning, it would require a single overall environmental impact review for the community. Once an area is established as a place to build, and the densities and other requirements are set by the plan, developers could then go in and develop it without having to do separate impact statements for each project. As things stand now, they encounter delays of up to a year. As a result, Wunderman says, developers back away from new, denser developments that could increase the supply of housing and drive housing costs down.

BAC, and the more than 275 large employers in the region it represents, is supporting the bill because transportation and housing issues are the top priorities on their agenda. The group advocates for infill housing and “Smart Growth” developments that include affordable housing. Wunderman notes that the bill has opponents and passage is uncertain.

On the other hand, Wunderman can point to a recent example of unequivocal success. Recently, BAC convinced the Metropolitan Transportation Commission, which sets levels of regional transportation funding, to include $30 million for Transit Oriented Development, which will increase the supply of housing near public transportation stops. His members were so active, Wunderman says, he got complaints that they were “burning out the fax machines at the Commission.” The final vote by the Commission for funding was 18-0.

The flurry of faxes was possible because the BAC website provides background on various bills and encourages BAC’s members to send notes, e-mails and faxes to legislators. These and BAC’s other activities in the area of housing and drive housing costs down.

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Non-Profit Housing Association of Northern California – http://www.nonprofithousing.org/

The Non-Profit Housing Association of Northern California is an advocacy group with more than 500 nonprofit, local government, and for-profit members promoting affordable housing solutions. One of the main initiatives of the Association has been to work with the private sector to develop a set of principles for Inclusionary Housing (IH): that both the nonprofit and private sectors can embrace. IH is a policy which requires new housing developments to include homes affordable to a wide range of incomes within a community. In July 2005, the Association released a policy brief on Common Ground: Joint Principles on Inclusionary Housing Policies which was published in collaboration with the Home Builders Association of Northern California, and is available on the website. It is aimed at jurisdictions that have or are in the process of adopting IH policies.

Also available on the Association’s website is the 77-page Inclusionary Housing Advocacy Toolkit. The Toolkit provides specific tips and tools for launching an IH advocacy campaign, developing a message and working with the media, and evaluating and improving local IH policies. Many of the lessons offered in the toolkit have wider applicability to a variety of workforce housing policies.


The California Housing Consortium – http://www.calhousing.org/

With diverse memberships of private, nonprofit, and public organizations concerned about housing and community development, both of these umbrella organizations are advocacy leaders for affordable housing in their respective states. Their websites contain a wealth of useful information on housing, as well as sample policy position statements, testimony, op-ed pieces and more.

Housing Leadership Council of the Silicon Valley – http://www.svmg.org/Committees/HousingandLUChome.html

Created by the Silicon Valley Manufacturing Group, a trade association representing the area’s leading employers, the Housing Leadership Council consists of 70 CEO-level officials of private and public groups committed to finding affordable housing solutions for the region. Among the group’s initiatives is the Housing Trust of Santa Clara County funded entirely from private sector sources. Through loans and grants, the Trust has leveraged construction valued at nearly $750 million and created more than 4,000 housing units. Another initiative of the Council is a program that arranges (often lunch) meetings between corporate executives and public officials and community leaders to discuss housing issues and solutions.

The Bay Area Council believes they are seeing a tangible effect on city developments as a result of this effort.


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BAC also has created a vehicle which allows members and others to participate directly in community development efforts. They established a family of three equity funds with some $175 million invested from their members’ corporate treasuries. Of this amount, $75 million is in the Bay Area Smart Growth fund which invests in mixed-use, mixed income real estate developments. The fund’s objective is to achieve what is called a “double bottom line.” To attract investors, the fund seeks market-rate financial returns (the first bottom line); to further economic development, the fund finances projects to promote community development (the second bottom line). Nonprofit partners help them assess the extent to which the second goal is achieved.

Clearly, BAC believes in active, hands-on advocacy. With such a broad base of the business community represented in the organization, it would seem conflict is inevitable. While Wunderman acknowledges that business sector interests sometimes differ; they deal with it by focusing on the large space of common ground. What everyone wants, he says, is to address the jobs-housing imbalance and to do so in a way that makes economic sense.

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**Tips for Contacting Public Officials**

**Using E-mail, a Fax or Regular Mail...**
- Keep it short and simple. Present your opinion on the single legislative issue at hand, and try to be brief (this especially applies to e-mails, which are quickly scanned and tailed for the opinion they reflect).
- Write your letter as an individual, and preferably on your business or personal letterhead.
- Personalize your letter: Let the legislator know how the legislation will affect you and the people and businesses you serve.
- Identify, if possible, the specific title and bill number of the legislation you are writing about. Give your opinion in a brief, polite and concise way.
- Use a respectful tone in your letter. It’s okay to disagree with the legislator, but never attack him or her personally.
- Always ask the legislator to write back to you with his or her position on the legislation you are writing about. We need to know where they stand.
- Conclude your letter by urging the legislator to take action in support of your position, and thank him or her for taking the time to consider your views. Be sure to provide your name, and include your “snail mail” address and phone number.
- If you are a constituent living in the legislator’s district, be sure to include this fact in your letter. Sometimes, you may wish to contact a committee chair or other official who serves outside of your area. Be sure to explain how the issue affects you, and what your concerns are.

**Using the Telephone...**
Phone calls are a great way to let your public officials know right away how you feel about an issue, especially on a time-sensitive issue such as a bill under consideration in the legislature. Generally, you will not be able to speak directly to your legislator; the call will be accepted by a staff person.
- Before you call, write out a list of the points you wish to make.
- Call during business hours (Monday-Friday between 9 am - 5 pm).
- For legislators, you may want to call them at their office in your state capitol or in Congress on legislative days during the legislative session, which are usually Tuesdays, Wednesdays and Thursdays.
- Don’t be intimidated. You are not “bothering” your legislator and his or her staff by calling. They receive dozens of calls each day from people like you.
- Identify, if possible, the title and bill number of the legislation you are calling about.
- Identify yourself... provide your name, address, and telephone number. If you discuss an issue with an aide, be sure to ask for a written reply.
- Be polite and brief. Even if the legislator you are contacting is known to disagree with your position, ask him or she “consider other opinions” on the issue. Thank the person you are talking to for taking the time to hear your opinion.
Foreword

Today, the lack of an adequate housing supply near job centers is a serious threat to long-term economic prosperity. There is a "planned housing deficit" of more than 700,000 housing units through 2020 for the 1,300 local jurisdictions, 9 counties and 103 cities in the Bay Area. The forecast from the Association of Bay Area Governments (ABAG) is that this deficit will only increase over time if present trends are not altered.

The housing affordability challenge is principally a function of supply and demand: a strong demand for a constrained supply has driven prices and rents higher and higher. Without an expanded supply, any public or private attempt to provide increased affordability will be more costly to both taxpayers and consumers.

Therefore, it is imperative that real estate developers, policy makers, and employees act to quell the housing crisis in the Bay Area by increasing supply, thereby making housing more affordable in the region.

The purpose of the Bay Area Housing Profile is to encourage local governments to plan for and accommodate a sufficient housing supply to match projected population increases and job-growth. A "report card" with grades from "A - F" on the housing production performance of each jurisdiction is included. The "report card" attempts to systematically and objectively analyze the housing produced in each jurisdiction against the housing needed for job generation and natural population increases. The housing performance of each jurisdiction in this decade is measured against their assigned and targeted "Fair-Share" responsibilities.

The housing production in the region over the last decade has fallen far short of the need generated by job growth. As it relates to new jobs, the amount of new housing in the Bay Area gets an "F". If looking at the number of housing permits issued from 1990 - 2000 and a "D" based on ABAG household data. In addition, more than half of the Bay Area jurisdictions did not produce enough housing to meet even their own natural population growth in the previous decade. For the 1990 - 2000 period, the region received a "F" for producing 83% of the housing needed to meet its "Fair-Share" housing obligation. The grade measures housing permits reported in comparison to "Fair-Share" goals for each jurisdiction. Although providing 83% of the housing goal, it is far from sufficient to meet the pent up housing demand in the region.

The producers of this report hope that this user-friendly, easily available compilation of data, which offers an overall picture of the magnitude of the challenges and consequences to the regional economy if the problem is left unresolved, will draw renewed public attention, media spotlight, and policy focus on this problem.
Introduction

The purpose of the Bay Area Housing Profile is to provide up-to-date, policy makers and the public with data-based information about housing production in the Bay Area. Housing — how much and where it is located — has a direct relationship to all facets of quality of life. This Housing Profile is the final in a series of reports to be updated on a regular basis. This edition serves as a starting point to track the improvement of housing production performance among the jurisdictions in the region.

“Adequate supply of affordable housing is a key issue for Bay Area families. Decent, affordable shelter makes for stronger families and stronger families make our communities stronger. So ensuring the availability of affordable housing is an issue that is important for all Bay Area residents.”

— W. Roger Haughton, Chairman and CEO, The PM Group, Inc.

This first edition tracks housing production from the past decade to the most current data on housing production in this decade. Subsequent reports will highlight findings on progress and trends in housing production. Innovations in local efforts to produce more housing through changes in planning, general plans, zoning and implementation of smart growth principles (including changes to accommodate transit oriented development, mixed use, mixed income projects) will be profiled.

Many issues impact the ability to provide housing for people living and working in the Bay Area ranging from local fiscal considerations, land availability, to neighborhood concerns about reduction in their quality of life. According to the Association of Bay Area Governments (ABAG)/Local Development Policy Survey, regional household growth exceeds the total housing unit potential. Housing deficits can be addressed through changes in densities, transferring land use from commercial/industrial to residential, adding units to redevelopment projects, and allowing for development on land that is currently phased for development after 2025.1

The Bay Area Council is in partnership with other stakeholders in the region and the regional agencies seeks consensus on a land use strategy to accommodate housing for population growth and job generation within the region in the next 20 years. Ultimately, local jurisdictions determine how much housing will be produced. This report provides the big picture of how the region as a whole is performing against the housing needs by looking at each city and county (including unincorporated areas).