

## What is Employer-Assisted Housing?

EMPLOYER-ASSISTED housing (EAH) helps employers achieve business goals while at the same time helping employees meet their housing needs. It can help employees move beyond the most common hurdles to homeownership and purchase or rent a home in the community where they work. Employer-assisted housing can leverage federal, state, and local financial assistance programs to create a greater benefit for employees. Some of the most common EAH options are:

- **Homebuyer/homeownership education:** Conducted at the workplace or offsite by real estate professionals, non-profit housing organizations, and lenders. Topics could include home affordability, homebuying process, mortgage applications, credit issues, and foreclosure prevention.
- **Counseling:** Provided by a certified counselor to help employees understand their options for homeownership, correct credit issues, and learn budgeting to become mortgage ready or avoid foreclosure. Employers can give employees time off or help pay some of the fees.
- **Financial assistance:** Provided by the employer in the form of a loan or grant to help with down payment or closing costs.
- **Rental assistance:** Provided by the employer to help with the payment of a security deposit or the first month's rent.
- **Matched savings:** Matched by the employer in some predetermined ratio to funds saved by the employee to help purchase a home.
- **Discounted housing services:** Negotiated by the employer with real estate companies, mortgage lenders, etc., to allow employees access to housing-related services.

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*“If employees are happy, they stay longer and move up the career path. It’s a good return on investment.”*

— CVS

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## Why Implement an EAH Benefit?

Today’s business owners face many challenges—from high turnover rates and labor shortages to low productivity and chronic absenteeism. Employer-assisted housing benefits can be designed to address specific business objectives and help to provide a positive return to the company’s bottom line. It will help you, your employees, and the community.

- **Recruitment:** Lack of affordable housing makes it difficult to attract critical employees. EAH is a unique recruitment tool that helps employers with critical employee shortages or in housing markets where salaries have not kept pace with the rising housing and transportation costs.
- **Retention:** Employers have problems retaining employees and suffer from high turnover. EAH is an inexpensive retention tool compared to other programs.
- **Increased loyalty and productivity:** EAH can help build employee loyalty and increase productivity through improved morale, an enhanced employee work/life balance, and decreased absenteeism. Many employers have recognized the linkages between certain employee benefits and key business objectives, such as increasing productivity. EAH can help reduce chronic employee tardiness due to long commutes.

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- Community revitalization: EAH enables workers to live and work in the same community and can help to stabilize and revitalize a community in need of investment. EAH can be targeted to specific neighborhoods to support development efforts. EAH strengthens communities by increasing the homeownership rate, promoting local expenditures, and fostering other businesses through a multiplier effect.
- Community recognition: In high-cost markets or in neighborhoods undergoing revitalization, the public recognizes and applauds employer efforts to become part of the solution. This community support can help employers build value within their organizations and enhance their reputations.

### How to Customize an EAH Plan for Your Business

There are many ways to customize an EAH benefit plan to meet your business needs. Often this involves targeting a program to particular employees or neighborhoods.

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*“We provide the employee with a \$2,500 loan that is forgiven after three years of continuous service. What better way to build loyalty and pride than to create an avenue for home ownership.”*

— ADVANCE FOOD COMPANY

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Here are some examples:

- Make the EAH benefit only for homes meeting certain criteria, such as primary residences, first homes, or single-family homes
- Require homes to be located in specific areas to reduce commuting times or encourage community revitalization.
- Identify employee eligibility based on those who score above a certain level on performance evaluations.
- Limit eligibility to those employees employed for a minimum number of years
- Limit the financial assistance benefit to a certain number of employees or a certain dollar amount.
- Offer the benefit in the form of a grant or as a loan forgiven over the course of the employee’s tenure with the company.
- Develop a target area that is the only place employees can purchase homes or where the benefits are more generous to encourage employees to purchase houses in these communities.
- Create geographic limitations on distance from work. This will help employees get to work faster, alleviate congestion, reduce tardiness, and/or improve response times in the case of emergencies.
- Require that employees must be in good standing with the employer and have completed a stated length of continuous service.
- Assign a maximum income level for eligibility, typically 120 percent of area median income or less.