

FACT SHEET *for* State and Local Governments

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. EAH can be leveraged with federal, state, and local financial assistance programs to create a greater benefit for the employee. Some of the most common EAH options are:

- **Homebuyer/homeownership education:** Conducted at the worksite 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.

Why Implement an EAH Program?

Employer-assisted housing is a valuable tool for economic development and community revitalization. First, employer-assisted housing often allows workers to live and work in the same community. People who live and work in the same location tend to be more invested in the community and become more active in civic and volunteer activities. Additionally, employees living and working nearby equals less traffic congestion and less air pollution.

Secondly, employer-assisted housing benefits allow critical workers and emergency responders, such as police, fire, and medical personnel, to purchase homes in the communities where they work. They do not have to travel great distances to respond to an emergency.

Finally, as communities are revitalized by EAH initiatives, the base of the community can be stabilized and the population and community tax base will increase. Employees will spend more of their money in the community, supporting local merchants and further adding to the economic vitality of the area.

EAH helps employers and communities by providing value in ways other benefits do not.

- EAH strengthens communities by increasing the homeownership rate and fostering other businesses through a multiplier effect.
- EAH can be targeted to specific neighborhoods to support revitalization efforts.
- EAH can be designed to support environmentally friendly community goals.
- EAH can support family work/life business goals such as shorter commutes when tied to “live near your work” features.

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University of Pennsylvania EAH Program

The Urban Affairs Coalition Policy Link report presents some strong data on the community benefits from the University of Pennsylvania's efforts to revitalize West Philadelphia using EAH and other programs. These efforts helped invigorate the housing market and the community. Housing prices increased from \$78,500 to \$175,000 between 1996 and 2002. Community benefits included 25 new retail stores, an 86 percent increase in foot traffic on local streets, a 40 percent reduction in crime, and 200 new jobs for local residents.

How Can State and Local Governments Encourage EAH?

Governments can play an important role in facilitating EAH programs among businesses. Government initiatives at the state and local levels could include challenging the private sector to implement an EAH program for homebuyers, providing matching funds to employees for down payments, giving tax credits to employers that provide housing assistance financing as an employee benefit, administering programs targeted to municipal employees, and partnering with non-profit housing organizations and others in the community to plan and participate in an EAH program. Communities with limited funds can encourage employers to take a leadership role and could advocate for new development and policy changes that can help meet local needs. Some initiatives that government might undertake include:

- Create a partnership with the local business alliance, chamber of commerce, local REALTOR® association, non-profit housing organizations, etc., to promote and educate employers about EAH
- Make homeownership more affordable by encouraging EAH through match funding programs like the ones offered by the State of Maryland,¹ the City of Baltimore,² and Philadelphia, PA³
- Incentivize EAH programs by providing tax credits to employers like the one offered in Illinois⁴
- Encourage shorter commutes and better use of public transportation with efforts like the District of Columbia's Live Near Your Work Pilot Program⁵
- Encourage city police officers to buy homes in need of repair in the low-to-moderate income neighborhoods they serve like the Police Homeowners Loan Program, in Columbia, SC⁶
- Partner with employers to help employees purchase rehabilitated foreclosed and abandoned buildings in your community like the partnership among OTTO Engineering; Kane County, IL; and the City of Carpentersville, IL⁷

LINKS

¹ <http://www.mmprogram.org/hk4Employees.aspx>

² <http://www.livebaltimore.com/resources/incentives/employerprograms/livenearyourwork>

³ <http://www.phila.gov/homebuynow/index.html>

⁴ <http://www.reachillinois.org/incentives.asp>

⁵ <http://planning.dc.gov/DC/Planning/About+Planning/News+Room/Press+Releases/OP+Releases+Request+for+A+applications+for+a+Live+Near+Your+Work+Pilot+Program>

⁶ <http://www.innovations.harvard.edu/awards.html?id=3569>

⁷ <http://www.metroplanning.org/news-events/newsletters/146>