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Presentation for City of Chico

# Employer-Assisted Housing

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# What is employer-assisted housing?

Employer-assisted housing is any housing program—rental or homeownership—that is financed or assisted by an employer's contribution.



# Benefits to Business Community

- Lack of affordable homes impacts the competitive edge of many businesses
- Several business coalitions have cited housing as one of their top priorities
  - Silicon Valley Leadership Group
  - Orange County Business Council
  - Los Angeles Business Council
  - Sierra Business Council



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# Return on Investment to Employers

- An employer investment that pays many times over
- Reduces turnover, hiring and training costs and creates a stable workforce

## Case Study: System Sensor

Provided down-payment assistance and homeownership counseling through nonprofit partner. Company saved \$100,000 annually in reduced turnover. 60+ employees purchased homes within 15 miles of work. Almost 1,000 employees have purchased homes since the program began thanks to employer-assisted housing program.



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# Large and Small Employers

- Often associated with large employers such as hospitals and universities
- Small employers also struggle with retaining employees.
- Many jobs, such as retail sales and construction, which are cyclical and usually low-paying, compound the home affordability problem



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# Brain Drain

- Many employers are also finding it more difficult to hire and retain 24-44 year olds due to high housing costs

... a time when young people decide to start a family and create a home



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# Broken Housing Market

Not enough homes are being built to meet the variety of needs of all Californians

**Governor Schwarzenegger's housing vision: "each community should house its own."**



# Business Plays a Leadership Role

- Partner in Construction with Nonprofits
- Support local housing trust fund efforts
- Community Benefits Agreements
- Provide educational opportunities to employees
- Advocate for more homes of all types in the community



# Partner in Construction

## Land Donation

- In San Diego County, the Paradise Valley Hospital donated land to the Olson Company to construct for-sale homes at below-market rates for hospital employees



# Partners in Construction

- Land Trust Strategy
  - UC Irvine is able to maintain a community of affordable homes for employees by retaining the land in a trust
- University of California Davis
  - 37 affordable homes for faculty and staff at Aggie Village on University property



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# Partners in Construction

- Money for nonprofits to construct homes in community
  - Pool money through local land trust



- Request for Proposals to build housing on land with subsidy: Los Angeles Unified School District



# Joint Efforts with Local Housing Trust Funds

- Construction grants and loans
- Downpayment Assistance for homeownership
- Part of a broader coalition supporting construction of homes



# Housing Trust Fund Opportunity

- SB 586 (Dutton) signed into law  
Provides \$35 million in additional resources for local housing trust funds.

**Half of the resources are dedicated to communities that form new housing trust funds.**



# Community Benefits Agreements

- Legal documents where the developer of a project commits to a series of benefits that can include affordable homes for permission to develop

- Example: Dana Point, St. Regis Resort

The hotel wanted to expand, adding many low-paying jobs. The City requires the hotel to pay \$240,000 a year to Mary Erickson Community Housing to provide a rental subsidy program and financial literacy



# Tribal Casino Expansion

Sacramento Housing Alliance  
working with Cache Creek



# Partner with Nonprofits for other services

- Homeownership Counseling
- Financial Literacy



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# Employers as Advocates

- For housing in the community
- For mixed-income zoning
- To keep the pressure on Redevelopment Agencies to spend their housing money
- Permanent Source campaign
  - [www.hcd.ca.gov/permsource](http://www.hcd.ca.gov/permsource)
  - [www.housingca.org](http://www.housingca.org) “Communications Campaign Toolkit”

