

Employer-Assisted Housing Resource Guide

A primer for employers and community leaders



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Overview

of Employer-Assisted Housing



Introduction

Throughout Minnesota, businesses are growing and looking for people to fill jobs. Perhaps your business is one of them. If so, you may have already experienced an all-too-familiar problem: it's hard to find or keep workers when they cannot find nearby places to live. Without more affordable housing, many businesses in Greater Minnesota cannot easily recruit or retain employees. In addition, many communities seeking economic development opportunities cannot recruit or retain businesses.

If you are an employer or a community leader interested in employer-assisted housing, this guide is meant for you. It introduces various EAH program options, gives suggestions on how to use local resources and expertise, and describes some of the successful EAH programs in Minnesota.

If, after reviewing the guide, you have further questions, the Greater Minnesota Housing Fund (GMHF) stands ready to help and offer technical advice and assistance if needed. Call us at **1-800-277-2258**.

What is Employer-Assisted Housing?

Employer-assisted housing (EAH) is any housing program—rental or homeownership – that an employer finances or assists in some way. Communities face increasing pressure to provide more housing for local employees. Employers can work in partnership with their communities to help address the affordable housing shortage. The result is a stable local workforce and a healthy local economy.

Why Employers Participate in Affordable Housing

1. Allows an employer to expand operations and recruit new employees.
2. Increases stability in the workforce as turnover decreases.
3. Reduces absenteeism, tardiness, and stress as commuting times decrease. Raises morale and increases productivity.
4. Improves community relations as employers contribute to affordable housing.
5. Helps stabilize deteriorating neighborhoods. Improving or replacing dilapidated housing in a company's immediate neighborhood can have positive effects on a firm's property values and address safety issues for employees.
6. Offers opportunities for a return on an employer's investment when structured appropriately through partnerships with developers.
7. Leverages matching funds from GMHF and other public and private funders that support employer-assisted housing.

Determining the Employer's Role

The roles played by employers in affordable housing efforts vary widely based on community need and employer resources and capacity. To get started, employers and their community partnership should assess what is needed, identify resources already available to meet that need, and consider options for employer participation. After reviewing options, employers should determine the most effective strategy for involvement.

1

Evaluate Housing Needs of Employees and Community through Studies, Surveys, and Focus Groups

- Assess local market conditions, including availability of units, housing costs, planned housing construction, etc.
- Identify employees' key housing needs and understand employees' purchasing power and debt burden

2

Examine Employer Participation Options

- Identify potential options for employer contributions, including downpayment assistance, development loans, land donation, etc.
- Determine the level of financial contribution available from the employer

3

Assess Local Housing Capacity and Resources

- Analyze local housing development capacity of for-profit, non-profit, and public housing developers
- Identify programs and resources available through private and public agencies
- Consider partnership opportunities with community organizations, local government, and other employers

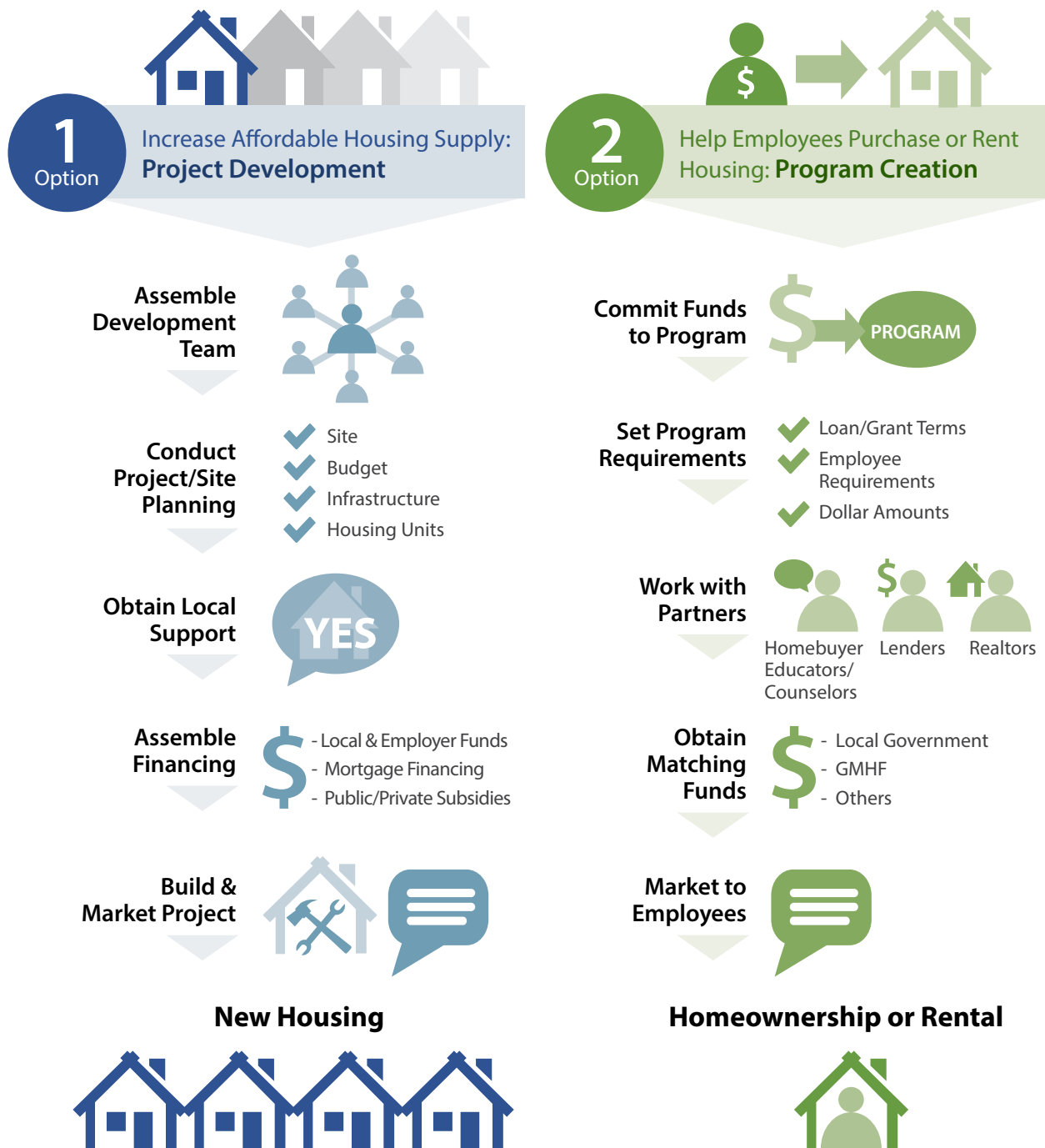
4

Determine the Best Strategy for Involvement

- Balance alternatives and choose option(s)
- Set timetable and implement EAH program/project
- Help express the need for employer-assisted housing to development agency staff, elected officials, and legislators, and once established, promote the housing programs to a company's employees

Paths to Employer Involvement in Affordable Housing

- ✓ **Assess Housing Needs**
of Employees & the Community
- ✓ **Evaluate & Choose**
Options for Employer Involvement



Employer-Assisted Housing Options

There are several options employers can use to make housing more affordable in their communities. Employers can help their employees obtain existing housing or help increase the supply of affordable housing in the community. Employer assistance can be designed to benefit both renters and homeowners.

Each of the employer-assisted housing options listed below is described in detail on the following pages. Several of these options are illustrated with case study examples later in the resource guide.

Increasing the Community's Supply of Affordable Housing

- Cash Contributions to Housing Projects
- Donation of Land
- Housing Developed and Owned by the Employer
- Construction Financing
- Low Income Housing Tax Credit Investment

Helping Employees Obtain Affordable Housing

- Downpayment/Closing Cost Assistance
- Secondary (Gap) Financing
- Rent Subsidies
- Homebuyer Education and Counseling
- Help with Applications, Credit, Moving Costs, Deposits, and/or Possible Rent Guarantee or Sublease



Local employers and communities will design employer involvement in local housing solutions based on the ability of local employers to provide specific resources

Employer-Assisted Housing Options: Increasing the Community's Supply of Affordable Housing

Cash Contributions

Charitable or Corporate Contribution.

Contributions to affordable housing can be part of a company's charitable giving program. In this case, the employer is fulfilling a philanthropic commitment to the community and may be able to take a charitable deduction if the funds are given to a non-profit housing organization. In the case of a charitable contribution, IRS regulations prohibit the housing from being restricted to occupancy by only the company's employees.

If the contribution is made as a business (corporate) expense rather than a charitable contribution, the employer can negotiate specific concessions for their employees who seek to live in the employer-assisted housing. Possible concessions include rent reductions for employees, first rental options for employees, or marketing strategies that target the employees of the company. However, federal fair housing laws or participation in public programs may limit some of these options.

Low Interest and/or Deferred Loans.

Low- or no-interest loans or deferred loans are another way in which the employer can provide funding for housing development. By loaning funds at a low rate, the employer is allowing the development team to lower the operating costs of the project by lowering the annual debt payment. Deferred loans do not bring an annual payment to employers, but give them the security of knowing that they will get their investment back in the future or if the project is sold. The loan documents can also create ongoing obligations guaranteeing that the project remains affordable.

Equity Contribution.

Employers can invest equity in a project through a limited partnership with the developer. A limited partnership minimizes the liability and management responsibility of the employer while creating a tax benefit for the company. Equity contributions can result in a sound financial investment that provides essential funds to an affordable housing project. The employer may be able to gain some concessions for its employees as part of the partnership agreement.

Donation of Land

Some companies may have an inventory of excess land that can be provided to an affordable housing project. They may donate the land to housing developers or to employees who are building homes. In exchange for the land, employers can require that their employees have first priority for occupancy or receive lower pricing. The employer can also ensure the property remains available to employees over the long term by retaining a right of first refusal to buy the property in the event that the property is for sale.

Housing Developed and Owned by the Employer

Employers with land and a large amount of capital have the option of building housing for their employees. As owner and developer of a project, the employer can facilitate the construction of single-family or multi-family housing. Once built, the housing can then be sold or rented to employees. Employers wishing to develop the housing themselves will want to hire an experienced developer and contractor to help them through the process.

Construction Financing

Low- or Zero-Interest Construction Loan.

Construction financing costs are another component of a housing development budget. Lenders generally charge higher interest rates (compared to permanent financing) to cover the risks and administrative costs associated with construction lending. Employers with capital or access to lower interest rates can reduce the cost of construction financing by providing low-interest construction loans to developers. Employers should be aware that construction loans are complicated but can be managed with the help of a local bank or housing organization. The company's loan is repaid within a short period when permanent mortgages provide the capital to repay the construction loan.

Loan Guarantee.

An alternative to making the construction loan is to guarantee the construction financing. Developers of affordable housing may have difficulty securing construction financing. The employer can guarantee all or a portion of the construction loan, increasing the stability of the project and decreasing the interest rate on the construction loan. The guarantee is a temporary liability for the company, and there is no loss unless default occurs. Employers should carefully evaluate the capacity and financial condition of the developer before providing a loan guarantee.

OVERVIEW

Low Income Housing Tax Credit Investment

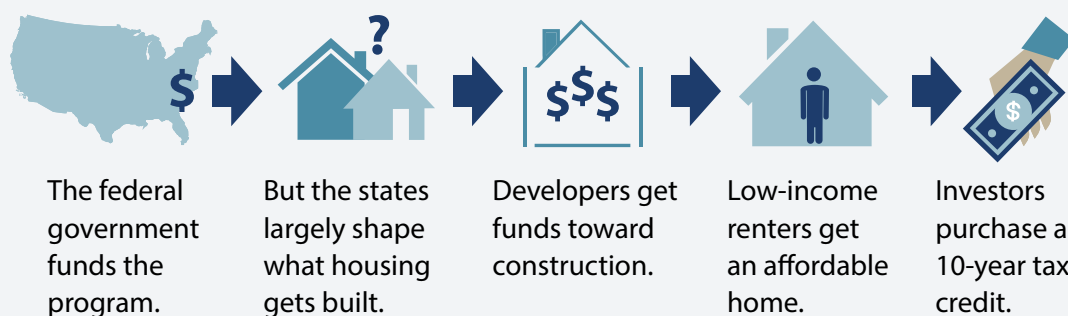
Employers can become involved in affordable housing through the purchase of Low Income Housing Tax Credits (LIHTC). Investors receive credit against federal tax liability over ten years in return for providing an equity investment to specific affordable rental housing projects.

New rental housing projects are awarded tax credits by the Minnesota Housing Finance Agency under a highly competitive process. The amount of credits awarded is based on the project's eligible construction costs. Developers "sell" the credits to investors to raise equity for the construction. Investors can receive a \$1.00 credit on their annual federal tax liability by investing approximately \$.85 to \$.95 per credit up front.

For example, a 36 unit affordable housing development with a total development cost of \$5.5 million will receive an allocation of tax credits from the State of Minnesota worth about \$4.0 million. The developer will seek an investor or group of investors to "purchase" these tax credits to provide cash (equity) to the project. The investor will pay between \$3.4 million to \$3.8 million (\$.85 to \$.95 per dollar of credits) for \$4.0 million in tax credits.

The credit is a dollar-for-dollar reduction in tax liability. All parties benefit because the developer receives cash to build the project, the investors receive a credit on their tax liability for the next ten years, and low-income households obtain needed affordable housing. By paying a higher price for the credits, the employer can increase the amount of equity available to the project and still obtain a good return on investment.

How the LIHTC Program Works



Employer-Assisted Housing Options: Helping Employees Obtain Affordable Housing

Downpayment and Closing Cost Assistance

Saving enough money for a downpayment and closing costs can be a significant barrier to homeownership for many low- and moderate-income families. Individuals employed in low-wage jobs often cannot afford to save the upfront investment that is required to purchase a home, despite the fact that they may be able to afford the monthly mortgage payment. Employers can help to minimize this problem by offering the following assistance to employees:

Grants and Loans.

Employers can provide grants, forgivable loans, or deferred loans to employees that can be used for a downpayment and closing costs. If the funds are provided as a loan, the interest rate should be low and repayment should be deferred until the employee sells the home or repays the first mortgage. Assistance by the employer directly to the employee is considered income and is subject to taxation for both the employee and the employer.

Payroll Savings Matches.

Payroll savings matches are another way to help employees obtain downpayment and closing cost funds. Many lower-wage workers spend their paychecks on immediate necessities rather than saving for large purchases that may seem far away or less urgent. Employers can help employees save for homeownership by establishing a payroll savings plan. A portion of the employee's paycheck is deducted and put into a special account, allowing for funds to be saved before the employee receives them. As an incentive to get employees to sign up for the savings program, an employer can promise to match the employee's savings for home purchase. The employer can set a goal amount and match the employee's savings once that amount is in the account and the employee has found a home to purchase. In some communities, individual development accounts (IDA) programs are available that encourage saving by providing matching funds from public and private sources.

Secondary Gap Financing

While downpayment and closing cost assistance can help many people purchase homes, some employees may need additional assistance to make homeownership affordable. Rising home prices mean that many lower-income households cannot qualify for a mortgage that is large enough to buy a home. To help cover this gap, employers can develop a secondary financing program or contribute to a loan pool that provides financing to local employees. Secondary financing assistance is typically structured as a zero- or low-interest loan with repayment deferred until the buyer sells the home. The amount of assistance may range from a few thousand dollars to \$20,000 or more. If the employer provides assistance directly to the employee, it is considered income and is subject to taxation for both the employee and the employer. If the funds are contributed to a pool and not reserved for specific employees, the funds may be considered a charitable contribution.

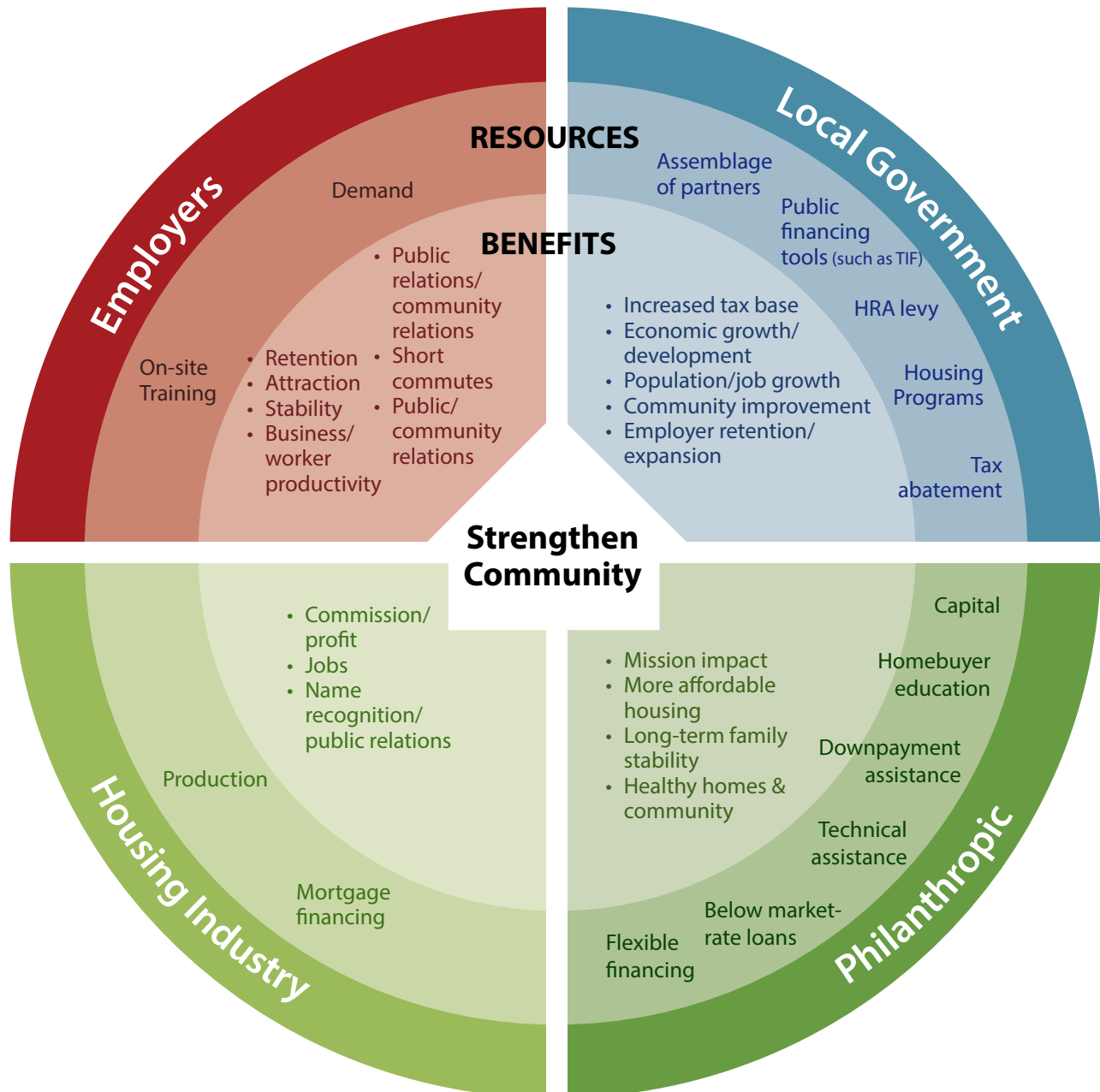
Rental Assistance

In some communities, there may be adequate rental housing available, but the market rent is higher than the employee can afford. An employer can make the housing more affordable by providing a rent subsidy directly to the employee. As an alternative, the employer can provide operating funds directly to the owner of the property, thereby reducing the rent charged to the employees. Employers wishing to recruit new employees to the area can agree to pay the security deposit and/or guarantee the employee's rent, making the landlord more willing to rent to a family with no local rental history.

Homebuyer Education and Counseling

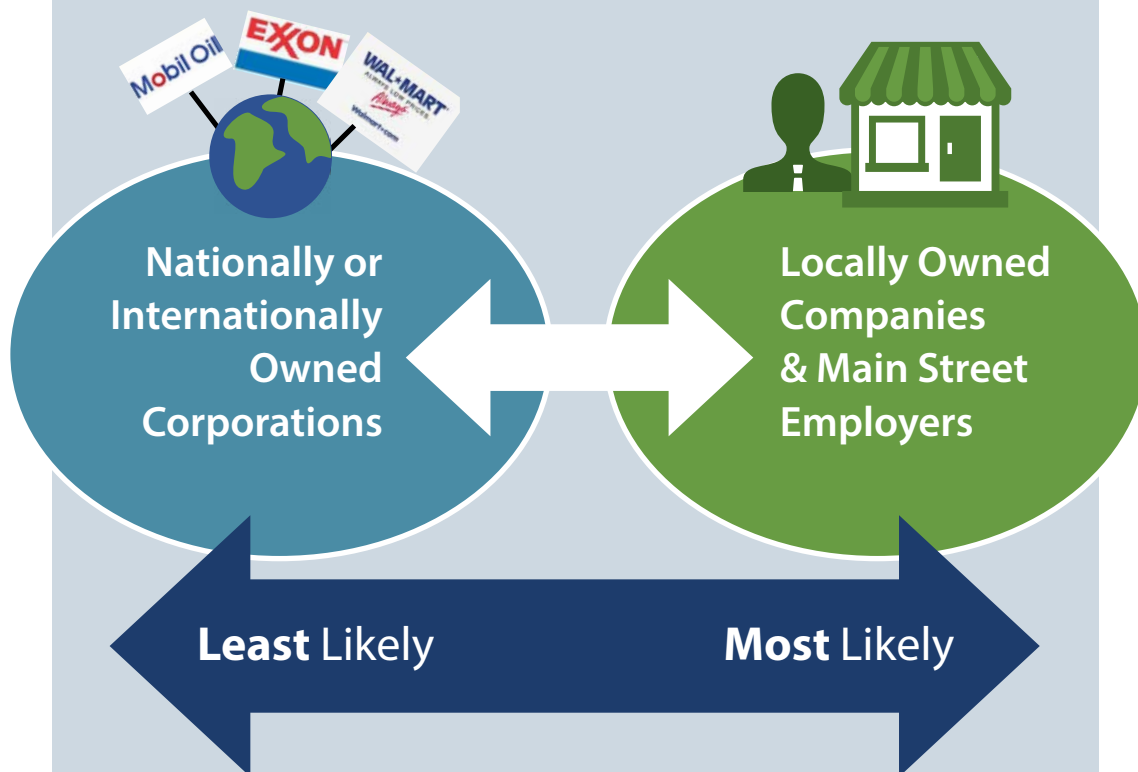
A relatively low-cost form of homeownership assistance is providing homebuyer education for employees. First-time homebuyers typically do not have knowledge about the complexities of purchasing or owning a home. Credit counseling and budgeting advice can ensure that a prospective buyer will be a successful homeowner. Employers can provide assistance through financial support of local agencies and non-profits that provide education and counseling services. By working with these organizations, employers can often arrange for classes at the workplace and can couple other forms of housing assistance with these services to ensure success and stability for the employee.

Roles, Resources, & Benefits of Employer-Assisted Housing



Best Employer Prospects

For Participating in Employer-Assisted Housing



Benefits

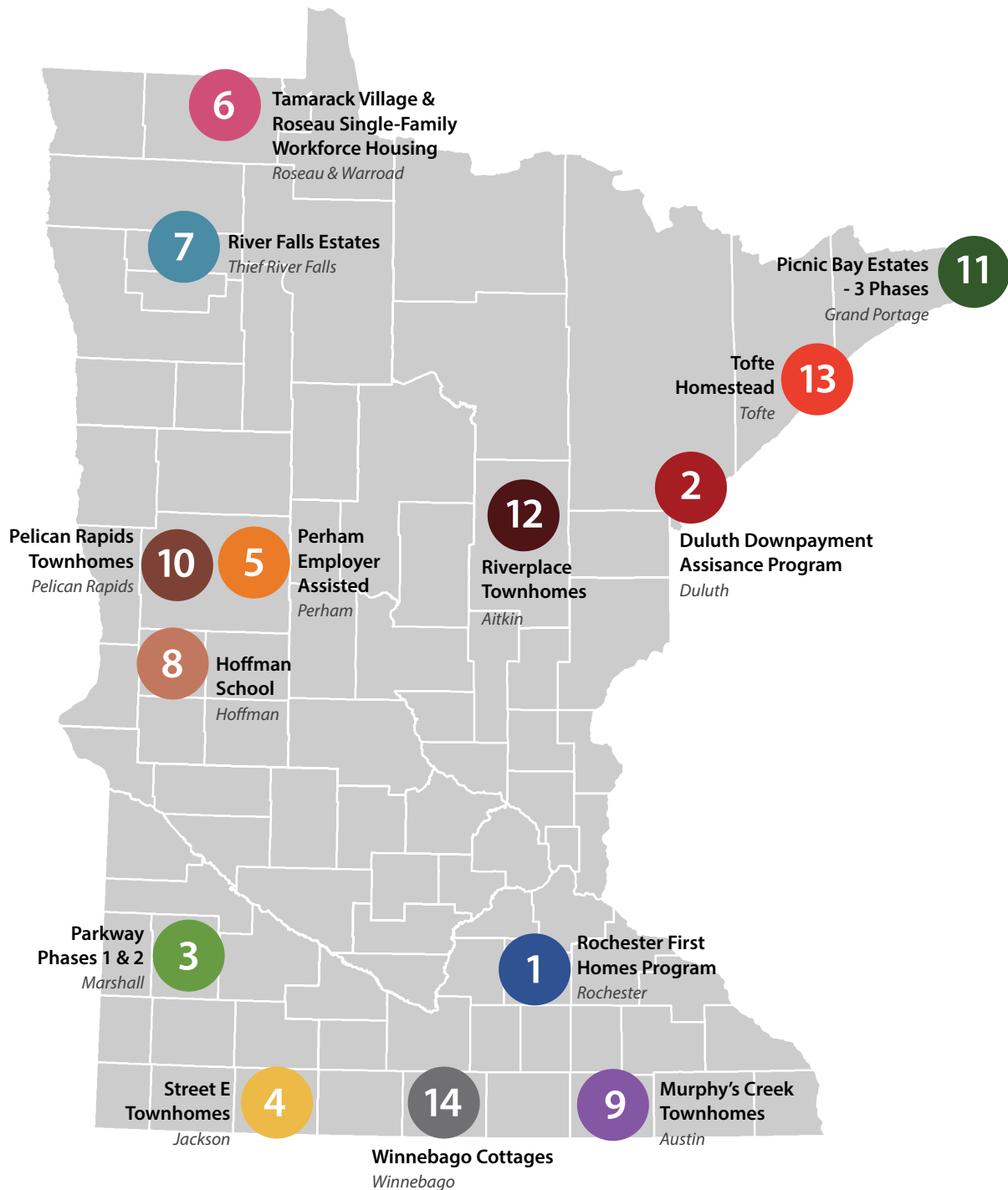
Of Employer-Assisted Housing Model



Minnesota Employer-Assisted Housing Investments

Map Code	Developer	Total	Employer(s)	Employer	GMHF Loan Type	GMHF	Units	Year
1	Rochester First Homes	\$88,037,092	Mayo Clinic & 100 Local Businesses	\$12,000,000	Multiple Deferred Loans, and Interim Loans	\$12,518,653	671 Rental Units, 113 Single-Family Homes	1996-2013
2	Duluth LISC Program	\$300,000	Saint Marys, Duluth Clinic & Saint Luke's Hospital	\$220,000	Downpayment Assistance Grants to Individual Homebuyers	\$20,000	9 Homebuyers	2005
3	Southwest Minnesota Housing Partnership	\$18,766,835	Schwann's Food Company	\$1,500,000	Multiple Deferred and Interim Loans	\$2,147,956	82 Rental Units, 150 Single Family Homes	2001-2007
4	Southwest Minnesota Housing Partnership	\$8,255,199	AGCO	\$220,000	Technical Assistance , TIF Interim and Deferred Loans	\$5,958,240	52 Rental Units	2013
5	KLN Industries & Arvig Enterprises	\$271,000	KLN Industries & Arvig Enterprises	\$55,000	Downpayment Homebuyer Assistance Grants Deferred Second Mortgages	\$116,000	8 Homebuyers	2000-
6	Sand Companies; Four Local Builders	\$7,533,210	Polaris Industries & Marvin Windows	\$611,000	Interim and Deferred Loans	\$820,000	40 Rental Units & 10 Single-Family Homes	2013
7	Miller Architects and Builders	\$6,515,000	Executives from Altru Health Systems, Digi-Key, and other Local Businesses	\$540,000	TIF Interim Loan	\$475,000	41 Rental Units	2013
8	Hoffman Economic Development Authority	\$364,000	11 Local Businesses	\$32,000	Deferred Loan	\$30,000	8 Rental Units	1999
9	Podawiltz Development Company	\$9,164,726	Hormel Food Company	\$2,230,000	Deferred Loan	\$1,000,000	88 Rental Units	2001
10	St. Croix Valley Homes	\$3,050,000	Hormel Food Company	\$1,593,000	Deferred Loan	\$270,000	40 Rental Units	1997
11	Grand Portage Tribal Council	\$4,029,689	Grand Portage Casino & Lodge	\$1,386,816	Deferred Loan	\$745,000	52 Rental Units	1999-2012
12	Central Minnesota Housing Partnership	\$1,373,866	Kellar Foundation	\$180,000	Multiple Deferred Loans	\$270,000	18 Rental Units	1999
13	Bluefin Bay Resort	\$928,510	Bluefin Bay Resort	\$178,000	Deferred Loan	\$75,000	7 Rental Units	2001
14	Weerts Company	\$657,285	Weerts Company	\$174,900	Deferred Loan	\$120,000	8 Rental Units	1998
		\$148,287,322			\$20,925,716	\$18,607,609	1,387 Units	

Minnesota Examples of Employer-Assisted Housing



1



ROCHESTER AREA FIRST HOMES PROGRAM

ROCHESTER, MN

Single-Family Homeownership and Multi-Family Rental Housing

Employer Role: Cash contribution to rental housing and secondary financing pool for homeownership

The Rochester Area First Homes Program is the state's largest employer-assisted housing effort. With extremely low vacancy rates and rapidly rising home prices, the Rochester area housing market had become unaffordable to many local workers. First Homes, developed as a joint effort of the Greater Minnesota Housing Fund and the Rochester Area Foundation, sought to build at least 500 single-family homes and 375 affordable rental units in Rochester and surrounding communities by 2004. To meet this ambitious goal, the Rochester Area Foundation raised almost \$13 million from local employers to support the project. The Mayo Clinic, which employs more than 18,000 people in the area, contributed \$4 million and pledged an additional \$3 million in matching funds. The project met its fundraising goal with contributions from more than 100 local businesses.

Employer funds, combined with state, local, and GMHF resources, are used to provide secondary financing for affordable rental projects. Funds are also available to assist homebuyers, who can receive \$30,000 of assistance from the First Homes Community Land Trust or up to \$15,000 of secondary financing from First Homes. GMHF has provided significant technical assistance and financial resources to the initiative, with construction and permanent financing totaling more than \$4.3 million by the end of 2001.

2



DULUTH LOCAL INITIATIVES SUPPORT CORPORATION

DULUTH, MN

Single-Family Downpayment Assistance

Employer Role: Employer Pool of Downpayment Assistance Funds

The Duluth Local Initiatives Support Corporation (Duluth LISC) coordinates an Employer-Assisted Housing effort in several neighborhoods of Duluth. The Hillside Homeownership Incentive Program is a partnership between Duluth LISC, local non-profits, GMHF, lenders and Duluth employers that is designed to make the Central Hillside, East Hillside, and Lincoln Park neighborhoods

safe and affordable places to live and work. The goals of the program are to promote homeownership opportunities for low- and moderate-income employees close to where they work and to help revitalize the areas by upgrading dilapidated housing and promoting more stable, secure neighborhoods.

Duluth LISC secured commitments of more than \$220,000 from local employers willing to participate in the program. Local employers and LISC provide forgivable downpayment loans to employees of neighborhood businesses. The employer dollars that benefit low-income employees are matched with GMHF grants of up to \$2,000 per family, up to a maximum of \$150,000 for the program. As a result of this partnership, qualified employees have up to \$4,000 available to them for the downpayment on a home in the neighborhood. Non-profit organizations administering the program connect homebuyers with available rehab funds through existing programs.

MINNESOTA EXAMPLES

3



MARSHALL PARKWAY ADDITION

MARSHALL, MN

Single-Family Housing, Multi-Family Rental Housing

Employer Role: Zero-Interest Construction Loan, Cash Contribution, Downpayment Assistance

As a regional center in southwest Minnesota, Marshall has experienced the benefits of economic growth and the challenges of an affordable housing shortage. The Parkway Addition project in Marshall, developed by Southwest Minnesota Housing Partnership, is a mixed-income neighborhood intended to help address those needs. To create affordable housing opportunities in the development, Schwan's Inc. provided a 0% interest, revolving construction loan to build single-family houses, matching funds for homebuyer downpayment assistance, and a grant to the Parkway Townhomes rental housing. The city also provided significant financial support to the development. GMHF participated with technical assistance for the single-family development, downpayment funds, and a \$288,000, 0% interest deferred loan to Parkway Townhomes.

4



STREET E TOWNHOMES

JACKSON, MN

Multifamily Rental Housing

Employer Role: Cash Contribution; Owner and Developer of Housing

The City of Jackson has been reporting housing shortages as a major impediment to securing labor for their primary employer, AGCO, a multinational corporation with North American headquarters in Jackson. Over the past decade, the county has added nearly 2,000 residents and in 2013 AGCO announced a \$42 million expansion. Several employees commute from South Dakota, Iowa, Mankato, Albert Lea, and Worthington, a neighboring city that has also been experiencing a housing shortage for many years. As a result, Southwest Minnesota Housing Partnership has proposed to develop a 48-unit rental townhouse development in Jackson. Notably, the developer will use a modular townhome design, a method they successfully used for another development that reduced foundation and construction costs. The state will contribute significant funding sources as the project is a perfect candidate to meet statewide workforce housing needs. As a result, GMHF will not provide any 0% deferred gap funding, but it has provided technical assistance and may provide additional loan products if needed.

5



PERHAM EMPLOYER-ASSISTED HOUSING

PERHAM, MN

Single-Family Downpayment Assistance

Employer Role: Cash Contribution

The Perham Housing and Redevelopment Authority (HRA) leveraged several funding sources to create an employer-assisted downpayment assistance pool. The city contributed \$100,000, local employers will provide up to \$55,000, and GMHF has promised to match all employer contributions. GMHF sets a funding maximum of \$2,500 per homebuyer purchasing a home in Perham.

KLN Industries, a local snack/pet food manufacturer with 565 employees, contributed \$50,000 to the fund. KLN will offer \$5,000 loans if the buyer is a KLN employee, \$10,000 for KLN employees who are first-time homebuyers, and \$1,000 for non-KLN employees. Arvig Enterprises, a local cable provider with 335 employees, committed \$5,000 to the fund to provide \$1,000 deferred loans to homebuyers purchasing within the city limits. Perham HRA and Arvig Enterprises structured their contributions as 30-year deferred loans, while KLN Industries structured their funds to be forgiven at a rate of \$1,000 per year after the 6th year, and are forgivable after 30 years.

The Perham HRA, the program administrator with past experience with EAH programs, has committed up to \$100,000 to provide up to \$2,000 in 0%, 30-year deferred loans to qualified homebuyers accessing EAH funds. The HRA limits funds to homebuyers who earn 80% or less of statewide median income and have taken Homestretch homebuyer education. Homebuyers will also have access to other homebuyer assistance programs through local lenders who underwrite CASA, Rural Development, FHA, and VA loan products.



ROSEAU COUNTY WORKFORCE HOUSING PROGRAM

ROSEAU COUNTY, MN

Single-family development, Multi-family new construction

Employer Role: Cash Contribution

In spring 2013, GMHF joined state housing officials to address workforce housing shortage concerns raised by two major Minnesota employers, Polaris Inc. of Roseau and Marvin Windows & Doors of Warroad. Both firms were expanding their workforces but there was inadequate housing available to accommodate the prospective employees, leading to new workers doubling up in hotel rooms and moving into homes designed for much smaller households. These pressures led to the formation of the Roseau County Workforce Housing Program and the new single-family and multi-family housing developments described below.

Single-family development

The funders agreed that in order to encourage single-family builders to re-enter the market after the economic downturn, the program would have to offer developer incentives such as low-interest construction financing, or reduced price lots or fee waivers from the city, and a value-gap pool that developers could access if homes did not sell as envisioned. Homebuyers would be offered affordability gap loans. The funding pools were assembled and agreed upon by all the funders in May 2013 with the intent to fund 30 homes over a three-to-four year period; four regional homebuilders have been approved to access the funding pools. The first home began construction in August 2013 and was sold before it was completed; two or three additional homes were constructed in 2013 and eight to ten homes are planned for the next two years.

Multi-family new construction program

GMHF has been working with the same partners identified in the single-family program to assist with a plan to construct new rental housing with limited subsidy. The City of Roseau has received inquiries from developers seeking to construct new multi-family rental housing to meet the need identified in the August 2012 Roseau County Housing Study. GMHF has also contacted the City Administrator for Warroad who said Warroad does not have a current need for new rental housing but welcomed the opportunity to participate in the single-family new construction program described above. With this in mind GMHF staff has been focusing on new rental housing in the City of Roseau which will require some level of city assistance.

7

**HOUSING TIF DISTRICT**

THIEF RIVER FALLS, MN

Multi-family rental housing

Thief River Falls faces similar challenges as those described in Roseau and Warroad. This market-rate rental project came about in response to the needs expressed by two local employers looking to expand, Digi-

Key and Arctic Cat. Digi-Key is a locally owned company that distributes electronic products world-wide with 2,500 workers; Arctic Cat is an international manufacturer of snowmobiles and ATVs with 1,500 workers. Digi-Key had already expanded its bus service for workers coming from the greater Fargo area, over an hour away. Current and prospective workers cited a lack of housing in Thief River Falls as a barrier to accepting and retaining employment. Additionally, other planned expansions by local employers and a college put more pressure on the rental market.

In response GMHF along with Commissioner Tingerthal from Minnesota Housing, Governor Dayton and his staff, and Minnesota Housing Partnership staff met with local officials and employers to determine what could be done to add rental housing quickly. The type of units most needed for workforce housing were market-rate rental units without income restrictions, since starting wages paid by these two employers were in the \$15-\$18 range, disqualifying them from typical affordable housing funded through state and federal programs.

GMHF staff began working with a private development group comprised of Thief River Falls business leaders in fall 2012 to assemble what would become River Falls Estates, a new 41-unit, mixed-income, multi-family apartment complex. GMHF provided \$475,000 in financing secured by a Tax Increment Financing (TIF) note issued by the city. GMHF's investment, along with \$540,000 of private investor financing, leveraged a \$2.5 million loan from Minnesota National Bank. While the project is market rate, it meets GMHF's mission by creating 41 units of workforce housing in an area of high job growth. Eight of the units will be income-restricted to renters at or below 50% AMI for the 25-year life of the TIF district; the other 33 units are targeted for households between 60%-100% of the area median income, the population most underserved by the current housing supply—those who do not qualify for existing tax credit funded housing or Section 8 units.

"Randy Twistol of Arctic Cat says the company's Thief River Falls plant isn't operating at full capacity because of a shortage of workers... At Digi-Key Corp., human resources vice president Rick Trontvet says the company has recruited around the state and even out of the state to find workers, but the lack of housing in Thief River Falls is a problem."

—Brainerd Dispatch, 10/11/11

MINNESOTA EXAMPLES

8



HOFFMAN SCHOOL RENOVATION

HOFFMAN, MN

STATUS: 19% VACANCY, AVERAGE INCOME
\$16,340

Multi-Family Rental Housing

Employer Role: Grant Funds from Employer
Pool

In Hoffman, a town of 639 in Grant County, the Economic Development Authority (EDA) converted the city's old school building into affordable housing with the help of several local employers. The EDA launched a campaign that recruited over 11 local businesses to contribute a total of \$32,000 in grant funds for the 8-unit rental housing development. GMHF matched the employer commitment with a \$30,000, 0% interest deferred loan. Under the leadership of the local EDA, these employers took a proactive approach to providing affordable housing for Hoffman.

9



MURPHY'S CREEK TOWNHOMES

AUSTIN, MN

STATUS: 3% VACANCY, AVERAGE INCOME
\$28,145

Multi-Family Rental Housing

Employer Role: Cash Contribution

The Murphy's Creek Townhomes, developed by Podawiltz Development Corp., is a mixed-income housing development consisting of rental housing units and single-family homes in Austin. Hormel, the area's largest employer, contributed \$2.2 million through the Hormel Foundation toward the development of affordable rental housing in the community. The city is also providing significant financial support to the project. The project will include 88 new rental townhomes, with 50 units reserved for low- and moderate-income households. GMHF awarded a \$1 million, 1% interest deferred loan to the project.

10

**PELICAN RAPIDS TOWNHOMES**

PELICAN RAPIDS, MN

STATUS: 1% VACANCY, AVERAGE INCOME \$20,291**Multi-Family Rental Housing****Employer Role:** Purchase of Low-Income Housing Tax Credits at a Premium Rate

Employers in Pelican Rapids and surrounding communities have found it difficult to hire and keep workers largely because employees lack decent, affordable housing opportunities near their jobs. In response to this problem, local employer Hormel Foods took an extra interest in making a new 40-unit townhome development in Pelican Rapids possible working with developer St. Croix Valley Homes. The employer purchased the development's allocation of Federal Low Income Housing Tax Credits for \$.79 each, generating over \$1.5 million in equity for the project. Developed at a time when the market price of tax credits was \$.62, the premium price paid by the employer raised an additional \$400,000 for the project. GMHF filled the remaining gap with a \$270,000, 1% interest, deferred loan.

11

**PICNIC BAY ESTATES PHASES 1, 2, 3, & 5**

GRAND PORTAGE

STATUS: 0% VACANCY, AVERAGE INCOME \$24,129**Multi-Family Rental Housing****Employer Role:** Cash Contribution & Infrastructure; Owner & Developer of Housing

The Grand Portage Tribal Council, owner of the Grand Portage Casino and Lodge, employs over 340 people on the reservation; however, there is not enough affordable housing on the reservation for the workforce. Many employees are either living off the reservation in dilapidated trailers or in the casino lodge because they are unable to find decent, affordable, permanent housing. In response to the housing shortage, the Tribal Council built six duplexes and an eight-unit apartment building to house its employees. The Tribal Council provided a cash contribution of over \$419,000 to the project, provided the infrastructure to the site, and owns and operates the units. GMHF provided a \$195,000 deferred loan to the project.

MINNESOTA EXAMPLES

12



RIVERPLACE TOWNHOMES

AITKIN, MN

STATUS: 5% VACANCY, AVERAGE INCOME \$29,400

Multi-Family Rental Housing

Employer Role: Land and Cash Contribution; Owner and Developer of Housing

The Kellar Foundation completed an 18-unit townhome development in the City of Aitkin. Kenneth Kellar is a local business owner employing over 70 people in a community experiencing growth and facing a shortage of affordable housing. Through his foundation, Mr. Kellar contributed land and over \$180,000 to build new affordable rental housing for the community. The Kellar Foundation partnered with the Central Minnesota Housing Partnership, an experienced non-profit housing developer, to coordinate the development of the project. The City of Aitkin provided the infrastructure and GMHF provided a \$270,000, 0% interest deferred loan to the development.

13



TOFTE HOMESTEAD DEVELOPMENT

TOFTE, MN

STATUS: 12% VACANCY, AVERAGE INCOME \$32,329

Multi-Family Rental Housing

Employer Role: Cash Contribution; Owner and Developer of Housing

The Temperance Company, owner of the Bluefin Bay Resort in Tofte, developed 17 units of rental housing in the rapidly growing North Shore region of Lake Superior. While the booming tourism industry has created economic prosperity in the area, it has become extremely difficult for service industry workers to find affordable housing. The Temperance Company, an experienced resort housing developer, had the capacity to undertake the project. In the project's first phase, the Temperance Company contributed \$178,000 toward the development of seven units. GMHF provided a \$75,000, 0% interest deferred loan.

14

**WEERTS COMPANY HOUSING**

WINNEBAGO, MN

Multi-Family Rental Housing**Employer Role:** Owner and Developer of Housing for Employees

Winnebago, a town of 1,600 in Faribault County, was experiencing household and job growth but lacked an adequate supply of affordable housing in the early 2000s. Employers were unable to attract and retain employees because they were unable to find housing in the community. One employer, Weerts Company, decided to develop new affordable rental housing in the community. A construction and landscaping company, Weerts invested \$174,900 to produce eight 2- and 3-bedroom rental units for its employees and now owns and operates the project. The city also contributed to this project by waiving hook-up and permit fees for these units. The local utilities granted \$8,500 toward the development cost. GMHF participated with a \$120,000, 0% interest deferred loan to the project.

Building on Success

10 Lessons Learned

- 1** An employer-assisted housing investment can be cost effective for a business
- 2** Employer involvement stems from either:
 - strong civic responsibility
 - urgent need for employees
 - community stabilization concerns
- 3** Working relationship and common vision needed before commitment is made
- 4** Employer pools attract smaller employers with limited resources
- 5** Employers need to be able to choose their method of involvement based on their resources and the company's skills and objectives
- 6** Businesses need to understand the issue of affordable housing in simple terms
- 7** Employers are often attracted by ability to leverage other private and public funds
- 8** Local leadership or catalyst needed to obtain employer commitment
 - city with a vision
 - developer with a specific plan
 - advocating around known needs
- 9** Employers do not want 'red tape' when establishing a program or making a contribution or investment
- 10** Employers need someone with experience to put projects together and administer programs



Frequently Asked Questions

about Employer-Assisted Housing

What is Employer-Assisted Housing?

Employer-Assisted Housing (EAH) is any housing program—rental or homeownership – that an employer finances or assists in some way. Examples of EAH include an employee downpayment assistance program, new rental housing assisted by a grant from a local employer, housing built by the employer and sold or rented to employees, or an employer pool of funds used for local affordable housing initiatives.

What are the benefits of EAH?

Employer-Assisted Housing has several benefits for both the employer and the community, including:

- **Stable Workforce** – Turnover decreases because people live in decent, affordable housing close to their work rather than commute long distances or live in substandard housing.
- **Business Expansion** – Employee recruitment and retention is made easier due to an adequate supply of housing for employees as well as the employer’s understanding of housing options in the community.
- **Strong and Stable Community** – Employers who help to meet the housing needs of the community are encouraging long-term residence and a healthy local economy.
- **Productivity Increase** – Employees who have decent, affordable housing close to where they work have less stress and are less likely to be late to or absent from work.
- **New Resources** – Employer participation can generate other additional resources to affordable housing projects from state and local entities, including matching dollars from GMHF.

What are the most common forms of employer assistance?

Employer assistance in affordable housing projects and programs can be anything from providing some project planning assistance to building and operating affordable housing. Common types of employer assistance include:

FREQUENTLY ASKED QUESTIONS

- Downpayment assistance in the form of a grant or forgivable loan that will help employees buy homes in the community. To promote affordability, loans that are not forgiven typically have 0% interest and repayment is deferred until the owner sells the home.
- Donation of land to new single family or rental project.
- Cash contribution to an affordable housing project directly or to a non-profit organization committed to affordable housing in the community.
- Deferred loan to a new housing development that provides capital to a project resulting in lower loan payment and reduced rents.

How do I determine my community's housing needs?

Employers should evaluate the needs of their own employees as well as the needs of the community before committing to a housing strategy. Local businesses can survey their employees on their housing needs, talk to local officials about housing supply and housing needs, and read any recent market studies or needs assessments. Responding to the real needs of your employees and to the community as a whole will ensure a successful housing initiative.

What other resources are there to help fund a housing initiative?

Employer-assisted housing projects are eligible for funds from GMHF. Funding may also be available from federal, state, and local government agencies. Securing the appropriate mix of project financing typically involves a lot of time and research. An employer may be best served by finding an experienced housing developer or non-profit to assist in putting a project together.

Which employers are most likely to participate?

Our experience has shown that locally owned employers are more likely to participate financially in local affordable housing initiatives. Local owners are generally more accessible, have decision-making authority, and are more vested in the long-term vitality of the community. However, some companies with non-local ownership, particularly banks, have taken leadership roles in employer-assisted housing initiatives. In those cases, a strong local manager has usually taken the lead and advocated for the program with non-local ownership.

Are other employers doing this?

YES! There are many employers in Minnesota and throughout the country who have created exciting housing projects in their communities. Some of the Greater Minnesota businesses that have participated in employer-assisted housing initiatives are listed in this book. Participating employers range from small businesses with a few employees to internationally known companies with many thousands of employees.

What are the tax consequences of EAH?

The answer depends on the type of participation and how the employer contribution is structured. For downpayment assistance, grant funds to employees are generally considered as income and therefore taxable to both employer and employee. If downpayment assistance is in the form of a forgivable loan, only the portion that is forgiven each year is considered taxable income. Employers that make charitable contributions to 501(c)(3) non-profits for housing projects or programs can take a charitable deduction if their contribution does not directly benefit their company more than other businesses in the community (i.e., the housing is for the general community rather than specifically for their employees). Employers who invest in housing as a business expense (i.e., housing for their employees) are allowed business deductions. Employers should check with their tax attorney or accountant about tax consequences of any housing initiative they undertake.

How long does it take to put a new housing project together?

The affordable housing development process involves many steps, any one of which can be delayed for various reasons. If an experienced development team is assembled, a rental housing project can be planned and built in 12 to 18 months. Downpayment assistance programs are much easier to establish and can be implemented within a couple of months, allowing employees to acquire existing or new housing very quickly. However, when housing stock is in short supply, it may be best to try to create new housing units.

Where can I find people who know about housing to help me with my idea?

For-profit and non-profit developers are working on new affordable housing projects throughout the state and can assist employers in putting projects together, including identifying and securing additional project financing. Lenders and non-profits are often great resources for developing downpayment assistance programs. GMHF can work with employers to identify local resources to assist in putting a project plan together.

What if the community needs rental housing, but I don't want to develop or own it?

Private for-profit or non-profit developers can be attracted to develop rental property in almost any community if there is enough local and state support for the project. As the employer, you can donate land to a project, provide grant or loan funds to a project, or provide operating support for a new development as an incentive to bring a developer into your community. You can also use your contacts and influence to encourage the city and other local employers to participate in housing efforts that will benefit the entire community.

FREQUENTLY ASKED QUESTIONS

Who should get involved in the project and how do I find project partners?

Several different individuals and agencies can be involved in any affordable housing project. Typically, new construction projects have a development team (developer, builder, architect, engineer) as well as funding partners (bank, employers, city, state, GMHF, investors). GMHF can work with employers to identify state and local resources to assist in putting a project plan together.

How do I know the housing will benefit my employees?

Downpayment assistance programs and company-owned housing are the most direct ways of ensuring that the housing will benefit your employees. However, if new housing projects are initiated in your community, you can structure your assistance in ways that will also benefit your employees. By making a contribution to a new development, you can negotiate with the developer to have the units marketed to your employees or provide a rental voucher or credit to reduce the rents for your employees. All negotiated agreements should be made in consultation with an attorney for compliance with fair housing laws.

Can I structure assistance to keep my employees at my company?

The best type of assistance to encourage employee retention is a loan that is forgiven over time. If an employer's loan is forgiven 20% each year for 5 years as long as the employee remains employed at the company, the employee has a great incentive to remain with the company.

If I structure downpayment assistance as a forgivable loan, am I obligated to keep the employee for the term of the loan?

No. The loan documentation can be structured so that the loan shall be repaid if either party terminates employment, meaning that the employer is under no obligation to keep the employee for the term of the loan.

How can I maximize the leverage on my contribution or investment?

Forming strong partnerships and attracting resources from a wide variety of sources for strong project concepts are the best ways to maximize leverage and community benefits associated with affordable housing projects.

Making the Case for Workforce Housing



It's not always obvious to the broader community that affordable homes are needed, no matter how glaring the need may be to local employers, elected officials, or those studying—or living—the housing market. An employer becomes aware that a lack of affordable places to live is hindering its ability to fill needed positions. Elected officials are informed by their community development staff that their community's population demographics and projections demand a greater share of affordable housing than is currently available. And renters living paycheck to paycheck feel the squeeze on a daily basis.

But what of the wider community? The will to build workforce homes is not enough by itself; beyond financial backing and construction expertise is a foundation that must be laid: community acceptance of workforce housing. There are plenty of cautionary tales of how community resistance to a proposed affordable housing development has sunk a proposed project, often based on vocal residents' fears of lowered property values and increased crime—no matter how unfounded those fears may be.

Fortunately, there are powerful tools employers, local leaders, and advocates can wield, like consistent, effective messaging based on recent polling of attitudes about housing. Incisive, visually compelling media campaigns can change perceptions about workforce housing.

Changing the frame so we don't lose our audience

The good news for employers, community leaders, and advocates is that extensive polling and focus group research has already been conducted by reputable research firms, resulting in best practices for communicating about housing that we all can use.

"In many places far from Chicago, when respondents were asked what comes to mind when they hear the term 'affordable housing' they replied Cabrini Green—the archetypal failed project, and despite its having been torn down years before." So learned Minneapolis-based communications firm ActionMedia in their own focus group research.

"Advocates—importantly including people who are not professional 'affordable housing' advocates—must talk about the positive benefits and rewards their communities and constituents will receive through greater investment in housing that people of modest means can afford," continue the ActionMedia researchers. "The only way to avoid, at all levels, evoking the negative image, is to start communications, intentionally and diligently, by changing the story from one of human rights (decent homes) being denied to the poor, to one of making things better for everyone."

Sometimes the term "affordable housing" evokes negative or vague impressions. To counter that, it is important to link any use of the term with a discussion of its importance for the entire community, or with positive images of the kind of housing you're talking about. Fortunately, there are many stock photo databases and online housing resources where such images readily exist.

Public opinion research on housing conducted for a California housing agency resulted in this advice:

"Many of the words and phrases we use are actually working against us. The minute we trigger negative images in the minds of the people we're talking to, we lose them. Here are some ways to avoid triggering negative images, so your audience can better understand who needs affordable homes and why these homes should be a part of every community:

<i>Instead of</i>	<i>Say</i>
'Low-income housing'	'Homes affordable to all'
'Subsidized housing'	'Affordable places to live'
'Projects'	'Developments'

Source: Hart Research Associates and Housing California

Communications experts advise advocates to adopt the new frame for speaking about housing across all of their various media: in conversations among staff, in fact sheets, reports and other printed materials, in meetings with policymakers, and in social media interactions. They also note that people remember stories better than statistics, therefore they encourage housing advocates to identify and share compelling stories, while still compiling statistics to back up the anecdotes.

The National Housing Conference and the Center for Housing Policy have their own language and messaging recommendations based on public opinion findings and other research. They encourage advocates to underscore the message that the whole community benefits from expanded housing opportunities. And they encourage advocates to appeal to core values like choice, hard work, balance, fairness, and opportunity. They also emphasize the need to talk about housing as a consumer issue, rather than a social issue, as does ActionMedia.

If she can't afford a place to live,
she can't afford to care for your kids.



HousingMinnesota is a collaboration of organizations working to create more affordable housing in Minnesota. For more information, visit www.HousingMinnesota.org or call 651-649-1704.



HousingMinnesota
Build the foundation

Funded by The Minneapolis Foundation, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, and the Family Housing Fund.

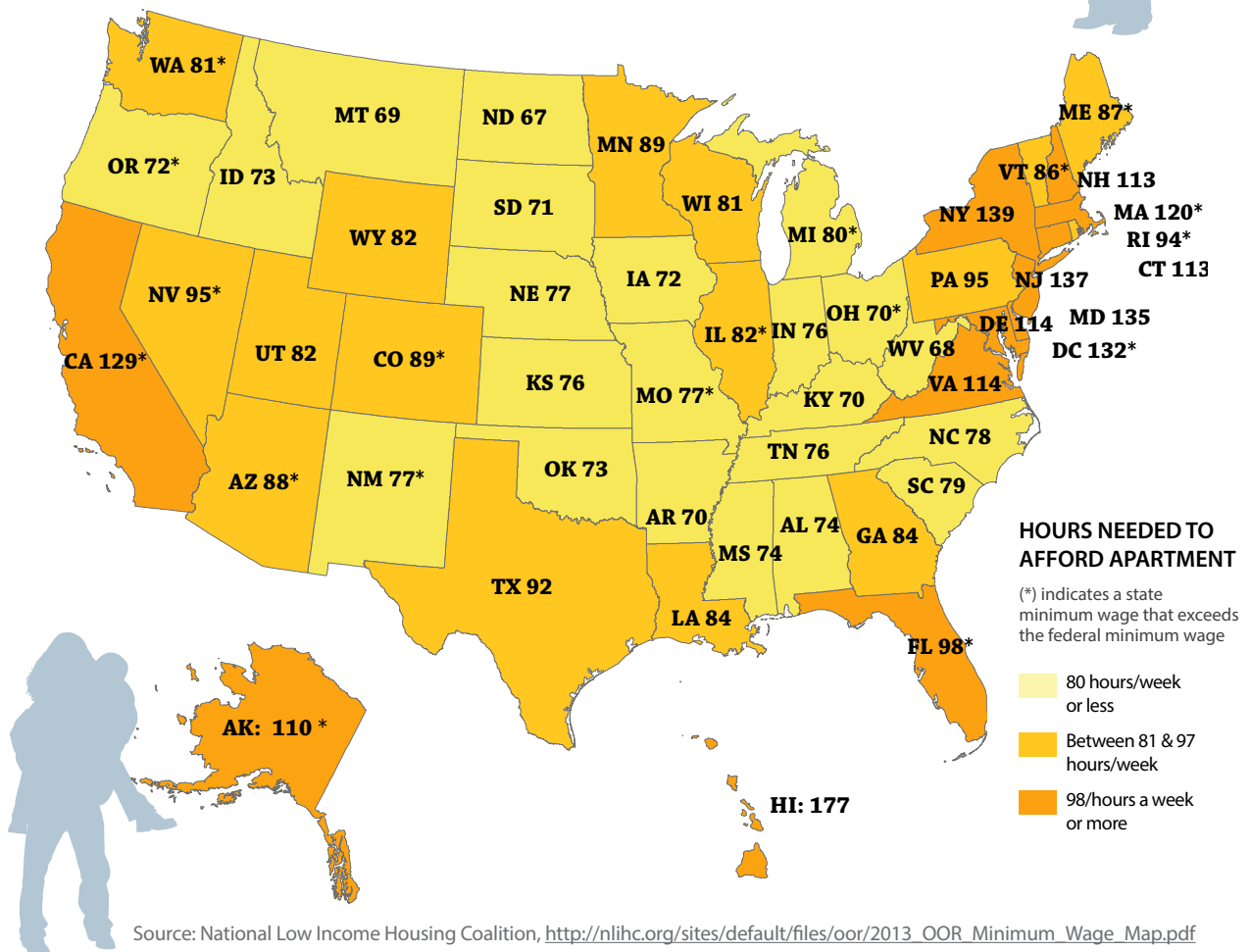
Talking about the housing burden

A national housing research and advocacy organization calculated how many hours an average minimum wage worker or household would need to work each week in order to pay rent on a two-bedroom apartment. They published their findings in an easy-to-read map of the U.S. that has been reprinted widely in mass media. It is shown here:

2013 HOURS AT MINIMUM WAGE TO AFFORD RENT

NATIONAL LOW INCOME HOUSING COALITION // OUT OF REACH 2013

In no state can a minimum wage worker afford a two-bedroom unit at Fair Market Rent, working a standard 40-hour work week, without paying more than 30% of their income.



This kind of graphic image catches people's attention by surprising them: NLIHC demonstrates that not a single state in the U.S. pays a high enough minimum wage for a household to be able to afford a two-bedroom apartment despite working a full-time job.

Want to come up with your own local figures?

The national example shown above uses state minimum wages as the basis for calculation. You can bring home the message by using local hourly wages paid by a local employer and the cost of average rental housing in your area. Here's how:

Find the average cost of a 2-bedroom apartment in your area; in this example the figure is \$840/month. Minimum hourly wage in Minnesota is \$7.25; you can use a local wage in its place if you choose. Working 40 hours a week, the person in this example would have to pay 67% of their income on rent. To instead pay 30% of their income on rent, which is a nationally accepted proportion considered affordable, this person would have to work 89 hours per week.

The equation is as follows:

- **\$193.85 Rent per week** (monthly rent, times 12 months, divided by 52 weeks)
- **\$87.00 Income per week allotted for rent**, 30% of 40 hour week (min. hourly wage, times 2080 hours per year, divided by 52 weeks, times .3 for 30% of income)
- **2.23 Multiplier of 40 hour workweek** (Weekly rent divided by 30% of weekly income)
- **89 Work hours per week required to spend 30% of income on rent** (40 hours a week times multiplier)



Putting a face on workforce housing

The HousingMinnesota campaign in the early 2000s earned high marks from housing advocates across the country for their powerful, visually compelling graphic messages they worked with a Minneapolis public relations firm to create.

The images that follow are from the HousingMinnesota public education campaign, led by the Minnesota Housing Partnership (MHP). The goal of the campaign was to “improve public opinion of affordable housing,” according to MHP executive director Chip Halbach. A sample of the ads are included here to demonstrate how effective simple images and the right messages can be combined to put a human face on the abstract notion of “affordable housing” and share the message that many of the roles we rely on daily are filled by neighbors who, without affordable housing, would not be able to remain in our communities and continue to fulfill these vital roles. A significant component of the campaign was paid advertising, including formats for billboards, bus shelters, and print formats.

Halbach says the campaign was intended to convey three messages: 1) People who need affordable housing are varied in their backgrounds and circumstances and are often essential members of the local workforce, such as nurses and teachers, among others; 2) Housing is fundamental to people becoming successful community members at work, in school, and as public citizens; and 3) The availability of housing, in various configurations and price levels, is important to strong communities.

High-quality graphic design can pose a significant expense, as can placement of advertising on high-visibility sites. For this reason the HousingMinnesota model of public education is unlikely to suit most budgets. The Minnesota effort was fortunate to have significant backing, namely a \$250,000 grant from the Minneapolis Foundation. More localized campaigns to build acceptance of a workforce housing development do not require the wide coverage nor high pricetag of a statewide campaign to raise awareness.



If he can't afford a place to live,
he can't afford to keep you running.



HousingMinnesota is a collaboration of organizations
working to create more affordable housing in Minnesota.
For more information,
visit www.HousingMinnesota.org
or call 651-649-1704.



Funded by The Minneapolis Foundation, the Minnesota Housing Finance
Agency, the Greater Minnesota Housing Fund, and the Family Housing Fund.

If she can't afford a place to live,
she can't afford to care for your dad.



HousingMinnesota is a collaboration of organizations
working to create more affordable housing in Minnesota.
For more information,
visit www.HousingMinnesota.org
or call 651-649-1704.



Funded by The Minneapolis Foundation, the Minnesota Housing Finance
Agency, the Greater Minnesota Housing Fund, and the Family Housing Fund.

National examples of housing messaging

The Minnesota examples draw on a positive message, appealing to our common values that people in roles we recognize—teacher, mechanic, health care provider—deserve an affordable place to live. Examples from two other states, Iowa and Maine, appeal to people’s sense of fairness, underscoring that people we recognize—again, teachers, health care providers, bank tellers—may not be able to be your neighbor because of income constraints. Each campaign draws from similar research and polling to achieve similar results—raising public awareness and acceptance of workforce housing—while taking a slightly different tack. Perhaps one of these campaign ads will strike a chord with the message you need to convey in your community.



Maine Campaign

SHE CAN TEACH YOUR KIDS CALCULUS,
BUT SHE CAN'T BE YOUR NEIGHBOR.

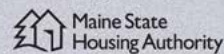


She teaches advanced mathematics at a high school in Maine. Through numbers, formulas and theories, she stretches the minds and imaginations of her students. Unfortunately for her, a very important number doesn't add up — the number of available apartments in the town in which she teaches.

Diversity within Maine's communities is key to their continued growth and vitality. When a segment of the population is forced to live elsewhere, the community ultimately suffers. Businesses can't find

the employees they need to expand, community-based volunteer services disappear, and the community that was once so desirable isn't anymore.

In Maine, the ability of your community to provide safe, decent and affordable housing is critical to its success. If you'd like to see your community do more, call the Maine State Housing Authority for more information at 800-452-4668.



Appendix

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Minnesota Housing Resources Guide

The following organizations have resources and programs that support affordable housing in Greater Minnesota. Funds are not necessarily available for employers, but the programs are available to your community to help address affordable housing issues.

The list is not comprehensive and the information is subject to change at the discretion of each agency.

Minnesota Housing Finance Agency

The Minnesota Housing Finance Agency (MHFA) provides affordable housing to low- and moderate-income Minnesotans. MHFA programs are delivered throughout the state by banks and other lenders, community organizations, local housing or economic development authorities, cities, counties, and for-profit and non-profit developers.

Multi-Family Programs

Programs offered include deferred loans, first mortgage financing, Housing Tax Credit (HTC) financing and project-based rental assistance. Most funding is obtained through the Multifamily Request for Proposals (RFP), which provides a means of “one-stop shopping” by consolidating and coordinating deferred loan sources, first mortgage sources and rental assistance sources into one application. MHFA, GMHF, and other funders work together in pooling their various program resources to fund selected developments. The Multifamily RFP is offered twice a year.

Single Family Programs

MHFA promotes affordable homeownership through low interest home mortgages, home improvement and property rehabilitation loans, downpayment assistance, homeowner training, and support for community development and revitalization efforts. Some resources are available throughout the year, while others are obtained through the Single-Family Request for Proposals

For information on MHFA programs, contact:

Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101
Phone: 651-296-7608 | 1-800-657-3769
Fax: 651-296-8139
TTY: 651-297-2361
www.mnhousing.gov

Department of Employment and Economic Development (DEED)

The Minnesota Department of Employment and Economic Development provides federal grants from the U.S. Department of Housing and Urban Development (HUD) to local units of government on a competitive basis for a variety of community development projects through its Small Cities Development Program. Eligible applicants are cities and townships with populations under 50,000 and counties with populations under 200,000.

Proposed projects must meet one of three national objectives: 1) benefit to low- and moderate-income persons; elimination of slum and blight conditions; or 3) elimination of an urgent threat to public health or safety. State program rules subdivide grant funds into three general categories: 1) housing grants; 2) public facility grants; and 3) comprehensive grants.

For more information on the Small Cities Development Program, contact:

Department of Employment and Economic Development/SCDP
1st National Bank Building, 332 Minnesota Street, Suite E200
St. Paul, MN 55101
Direct: 651-259-7462
<http://mn.gov/deed>

USDA Rural Development

Rural Development is a subsidiary of the United States Department of Agriculture whose mission is to enhance the ability of rural communities to develop, grow, and improve their quality of life by targeting financial and technical resources in areas of greatest need through activities of greatest potential. Rural Development has a wide range of housing programs available for multi-family, single family and farm labor housing.

For information on Rural Development Programs, contact:

USDA Rural Development
375 Jackson Street, Suite 410
St. Paul, MN 55101
Phone: 651-602-7800
Fax: 651-602-7825
www.rurdev.usda.gov

APPENDIX

Department of Housing and Urban Development (HUD)

The Department of Housing and Urban Development (HUD) is a federal government agency with a mission of a decent, safe, and sanitary home and suitable living environment for every American. HUD funding supports affordable housing initiatives and HUD/FHA insurance makes first mortgage loans available to many first-time and other homebuyers.

For more information on HUD programs, contact:

Minnesota State HUD Office
920 Second Avenue South
Minneapolis, MN 55402
Phone: 612-370-3000
Fax: 612-370-3220
www.hud.gov

Fannie Mae

Fannie Mae is a private, shareholder-owned company that works to make sure mortgage money is available for people in communities all across America. Fannie Mae has a wide variety of affordable mortgage products that it makes available to lenders throughout Minnesota, including programs designed specifically for employer-assisted housing initiatives. Employers can work with their local lenders and Fannie Mae to make sure that affordable mortgage products are available to their employees.

For more information on Fannie Mae products and services, contact:

Fannie Mae Minnesota Partnership Office
386 North Wabasha, Suite 1026
St. Paul, MN 55102
Phone: 651-298-9356
Fax: 651-298-9543
www.fanniemae.com

Freddie Mac

Freddie Mac is a stockholder-owned corporation that creates a continuous flow of funds to mortgage lenders in support of homeownership and rental housing. Freddie Mac purchases mortgages from lenders and packages them into securities that are sold to investors. Freddie Mac has a range of affordable mortgage products that it makes available to lenders throughout Minnesota, including products specifically designed for community-based initiatives. Employers can work with their local lenders and Freddie Mac to make sure that affordable mortgage products are available to their employees.

For more information on Freddie Mac products and services, contact:

Freddie Mac Community Development Lending
North Central Region
8250 Jones Branch Dr.
McLean, VA 22102
Phone: 703-918-5084 | 1-800-424-5401
Fax: 703-918-5291
www.freddiemac.com

Minnesota Housing Partnership

MHP's mission is to support the creation and preservation of housing that is affordable to low- and moderate-income people so that every Minnesotan can have a safe, decent home. MHP supports its mission through an integrated approach of development support, advocacy and collaboration. MHP offers financial and technical assistance to non-profit developers of affordable housing, works for legislation that guarantees safe and affordable housing, and coordinates planning and resources through a network of local-regional-statewide partnerships.

For more information on Minnesota Housing Partnership programs, contact:

Minnesota Housing Partnership
2446 University Avenue, Suite 140
St. Paul, MN 55114
Phone: 651-649-1710 | 1-800-728-8916
Fax: 651-649-1725
Email: info@mhponline.org
www.mhponline.org

Home Ownership Center

The Home Ownership Center (HOC) is a non-profit, statewide organization that promotes sustainable home ownership for low- and moderate- income Minnesotans through the development and delivery of quality, standardized education, counseling, and related support services. HOC works with local homebuyer education organizations across the state to ensure that needed services are available to potential buyers.

For more information on the Home Ownership Center, contact:

Home Ownership Center
1885 University Ave. W., Suite 350
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