

Buckhead Employer Assisted Housing Study

Consolidated research findings

November 2022

Table of Contents

Executive Summary	3
Context	7
Interview Insights	14
EAH Program Case Studies	27
Fund Structure	58
Program Recommendations	65



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Executive Summary

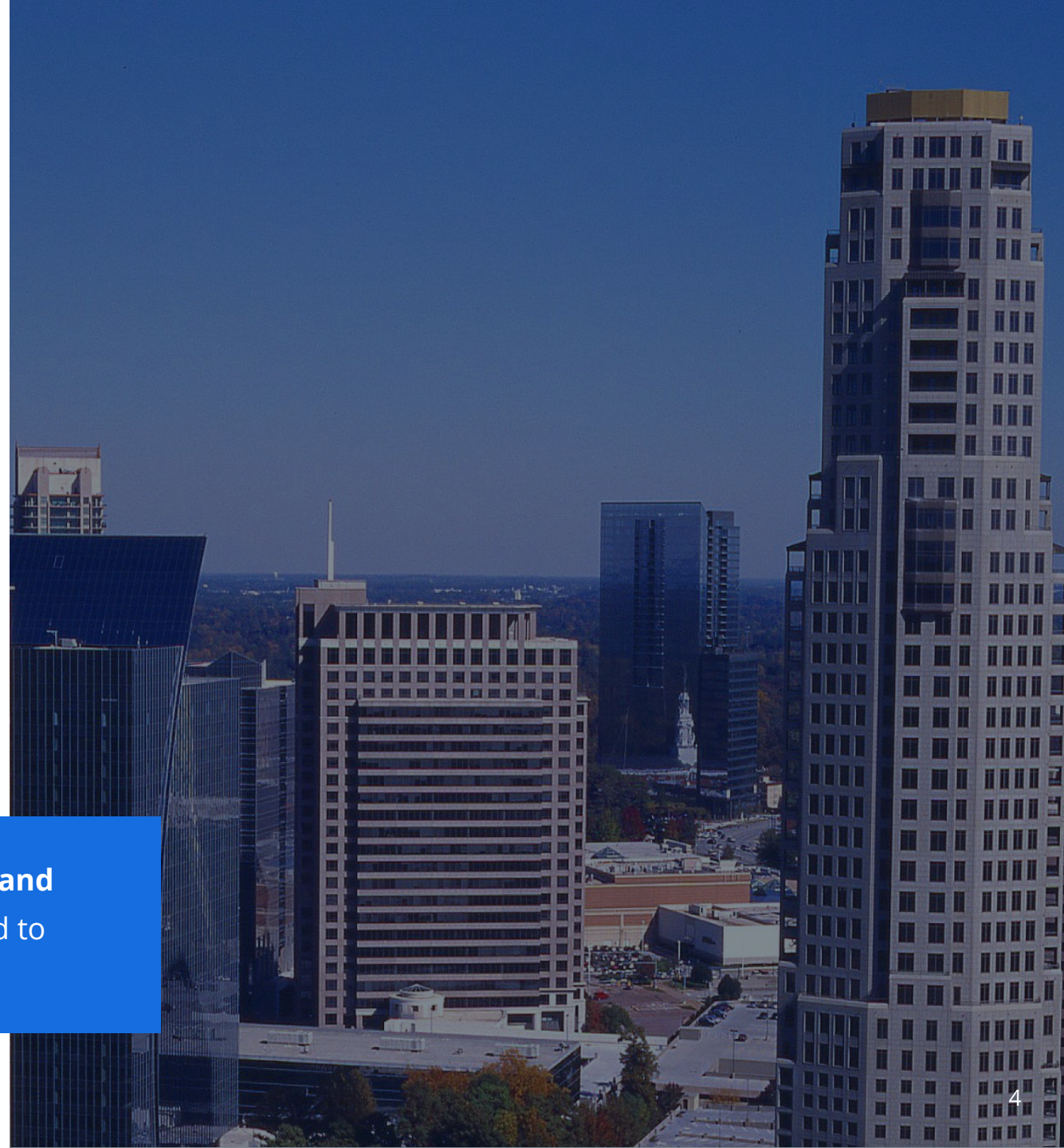
EXECUTIVE SUMMARY | DEFINING EMPLOYER ASSISTED HOUSING

Employer assisted housing (EAH) programs are methods employers can use to reduce their employee's housing costs.

Employers typically **help their employees afford housing closer to their workplace.**

Assistance may be provided to defray ownership or rental costs, through loans, grants, monthly subsidies, or lease. Programs may either **expand housing supply, subsidize housing costs, or increase housing accessibility** with services.

EAH Programs are used by employers to **increase retention and create a competitive advantage.** Programs are often limited to public employees, a single employer, or a single occupation.



EXECUTIVE SUMMARY | INTERVIEW INSIGHTS

To determine the feasibility of an EAH program, HR&A and Livable Buckhead (LBI) completed 18 interviews—with a mix of public, private, and nonprofit firms with a presence in Buckhead and the greater Atlanta region.

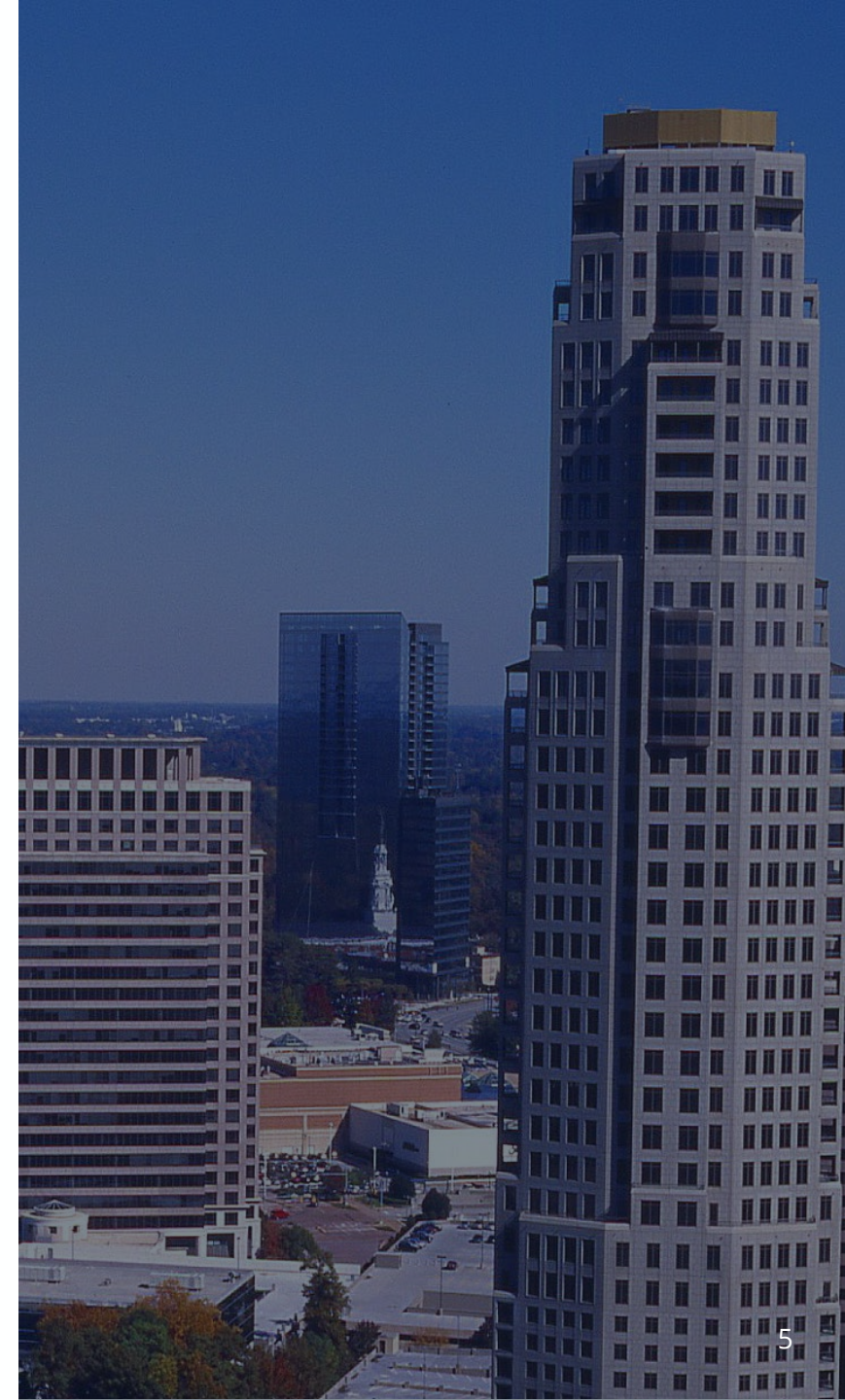
Housing and commuting **costs have risen and strained access to services** such as childcare and healthcare since the pandemic began.

Several employers have taken **measures to alleviate housing, transportation, or other concerns**

- Assistance is driven by a **crisis management approach**
- Corporates are beginning to think about **longer-term assistance**

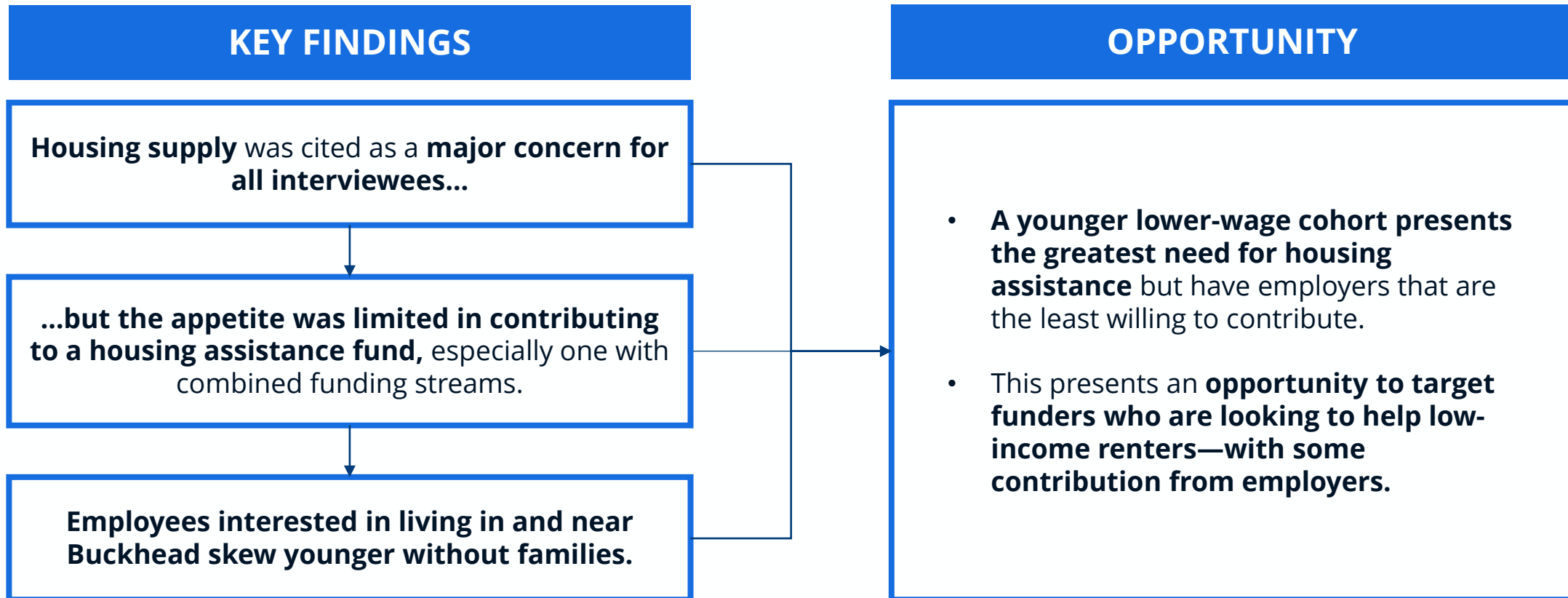
Employer ability and willingness to address housing issues **varies across sectors and organization size**

- **The private sector has greater appetite and capacity** to provide housing assistance.
- Public and nonprofit sectors, as well as the private sector with wage workers, are less inclined to provide long-term housing assistance.



EXECUTIVE SUMMARY | THE OPPORTUNITY

A successful EAH fund will combine employer and foundation dollars and reduce the housing payment burden for renters in the Buckhead area.



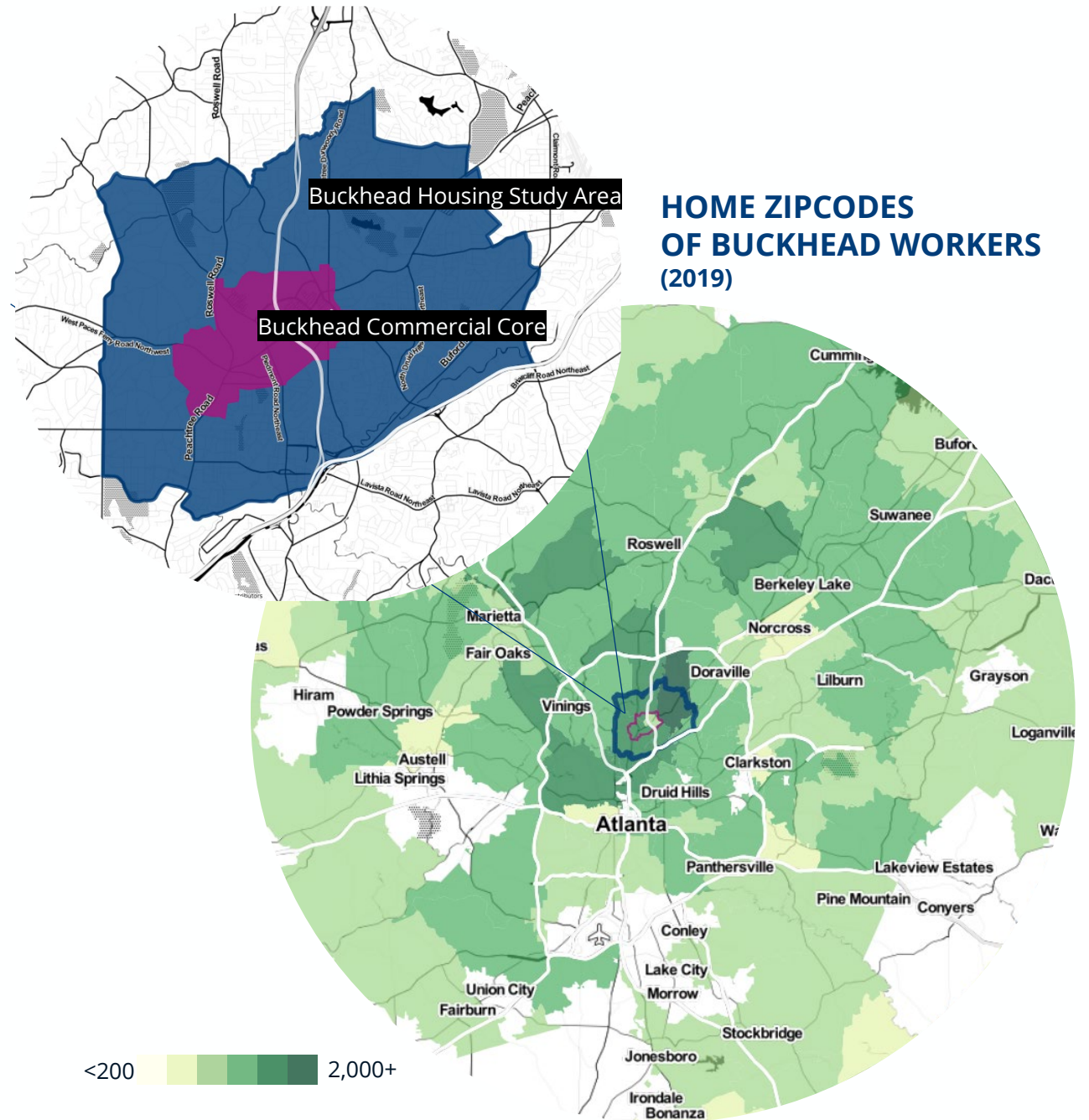


| 02 Context

CONTEXT

Livable Buckhead's 2018 Housing and Transportation study found that there was a mismatch between Buckhead's growing jobs and available housing—which affected livability and affordability of Buckhead. **These trends have only amplified since the pandemic.**

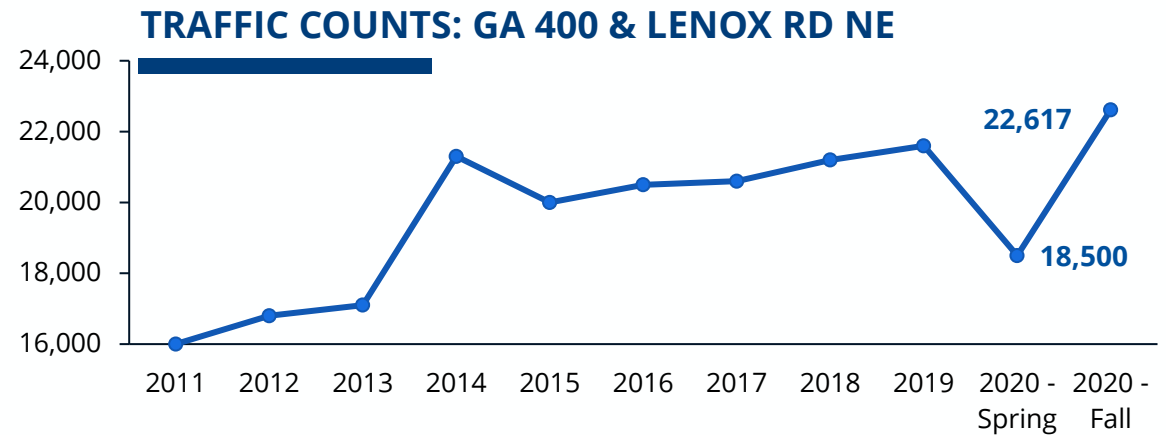
- Only 7% of workers in the Buckhead commercial core live in the neighborhood.
- For workers making less than \$40,000, only 4% live in the neighborhood.
- While some knowledge workers have moved to flexible work schedules, service sector employees continue to drive long distances to jobs in Buckhead.



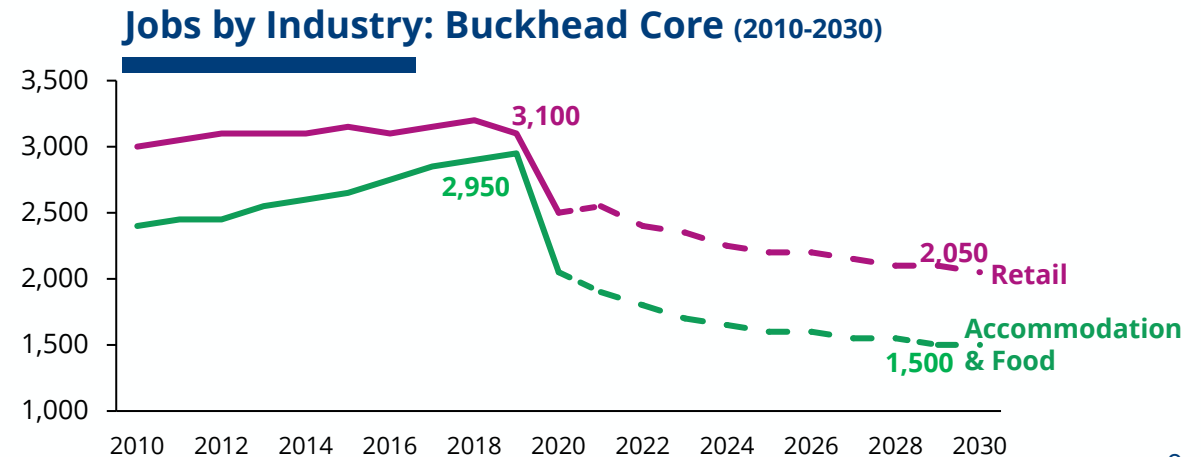
CONTEXT | THE INTERSECTION OF HOUSING AND TRANSPORTATION

Traffic counts are higher than 2019 following a dip in the spring of 2020. While service sector jobs have fallen, they are projected to hit an equilibrium of around 3,500 workers by 2030.

After a drop in the Spring of 2020, traffic counts in Buckhead increased past 2019 averages in the Fall of 2020 by 5%.

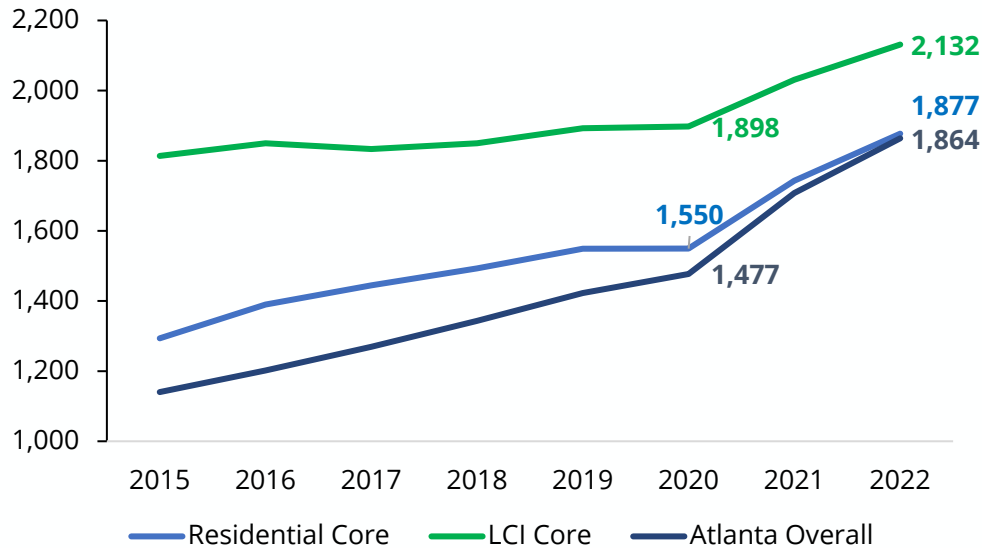


While the number of service sector jobs have fallen drastically since the pandemic, labor projections indicate approximately 3,500 service sector workers will need to travel to the Buckhead core every day.



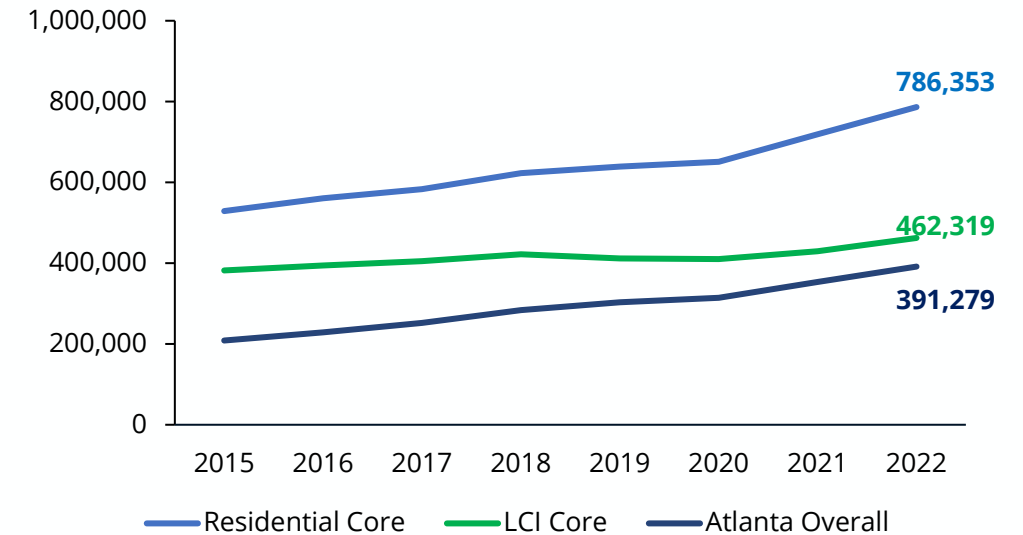
CONTEXT | THE INTERSECTION OF HOUSING AND TRANSPORTATION

Home values and rents have increased sharply since the pandemic, further increasing the affordability gap.



Change in Average Rent by Location
(2015-2022)

Rents have increased sharply since 2020, with Atlanta rents overall converging on residential core rents.



Change in Average Home Value by Location
(2015-2022)

While not as drastic as rents, home values have also increased sharply, with average home values in 2022 above \$1.4M.

CONTEXT | THE INTERSECTION OF HOUSING AND TRANSPORTATION

These housing pressures are in the context of record voluntary quits as employees are looking for more flexibility in a supply-constrained labor market.

VOLUNTARY QUIT RATES BY SECTOR

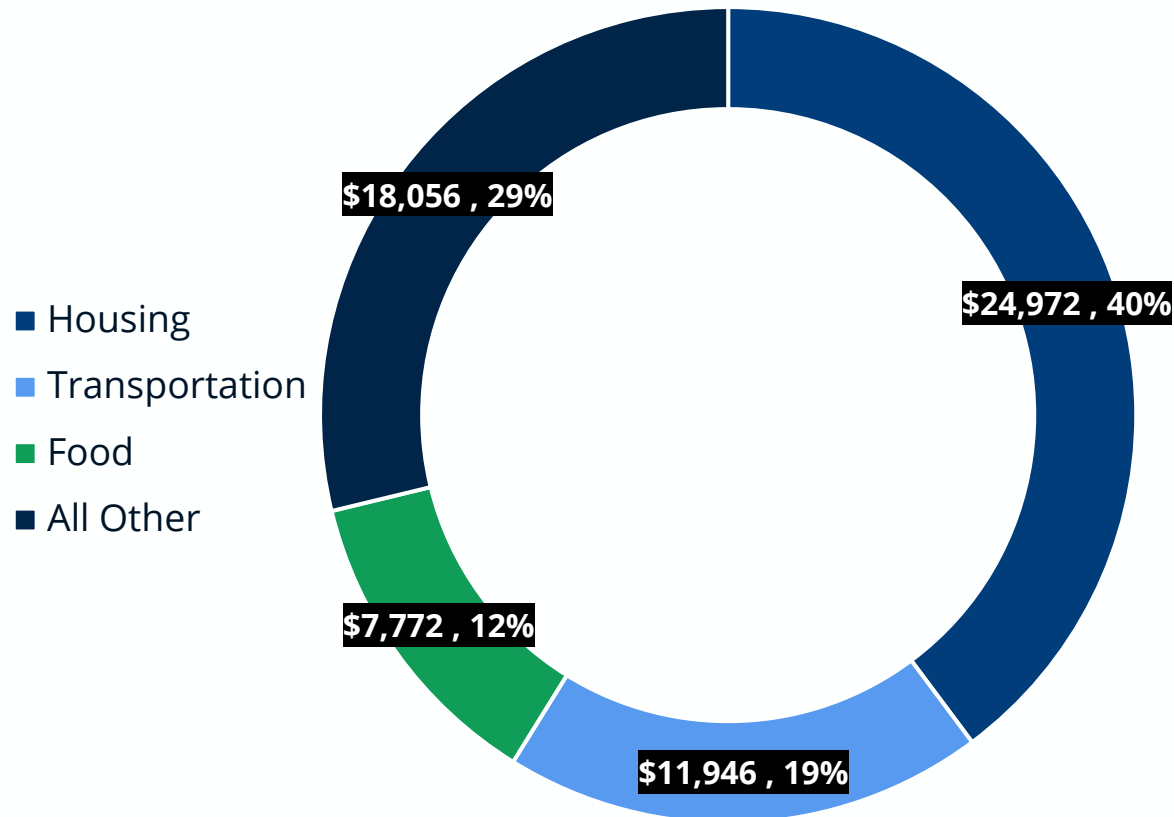
In percentage points (2010-2022)



CONTEXT | THE INTERSECTION OF HOUSING AND TRANSPORTATION

Housing and transportation are the two largest costs for households and define employment and living situations.

ATLANTA AVERAGE HOUSEHOLD EXPENDITURES

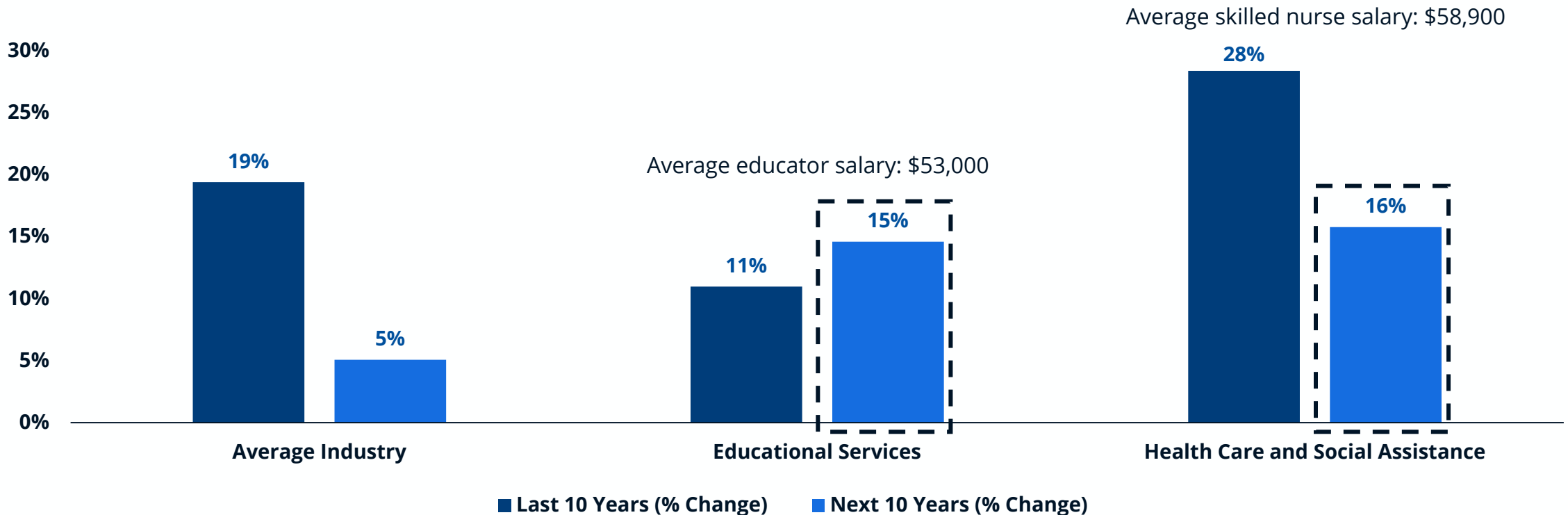


The average Atlanta Household spends 40% of their income on housing costs, and an additional 19% on transportation costs—a combined 59% of total expenses.

CONTEXT | EMPLOYMENT CHANGES

Healthcare and education are among Buckhead's fastest growing industries – stagnant housing supply continues to push out workers.

Industry Employment Growth by Decade





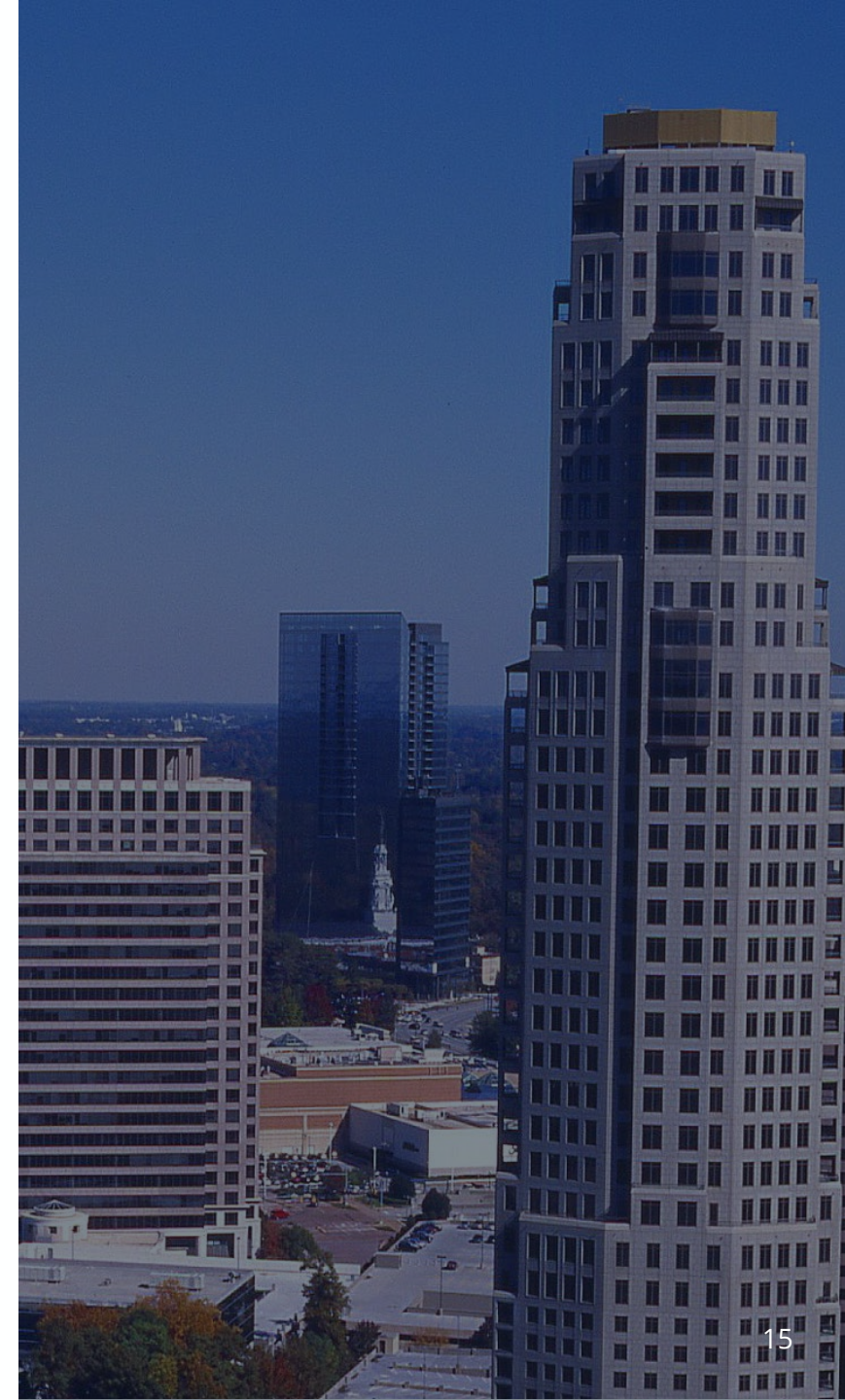
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Interview Insights

INTERVIEW INSIGHTS

Areas of inquiry

- 1. Retention:** What issues do you have related to employee retention?
 - What pain points have employees expressed?
- 2. Housing Concerns:** Do your employees face housing issues?
 - Are housing issues related to the location of available housing?
 - Are employees burdened by housing costs and/or payments?
 - Do employees express difficulty in commuting to and from work?
- 3. Existing Employer Response:** Have you taken any measures to address these?
 - What measures have been implemented?
 - Were the existing programs successful?
 - What feedback has been received from employees? Lessons learned?
- 4. Planned Employer Response:** Do you plan to take any measures to address these?
 - Which employee groups are you planning to target?
 - What type and duration of assistance are you planning?
- 5. Interest in EAH:** Would you be interested in participating in an EAH program?
 - What are your internal priorities and concerns?



INTERVIEW INSIGHTS | INTERVIEWEES

HR&A completed 18 interviews—with a mix of public, private, and nonprofit firms with a presence in Buckhead and the greater Atlanta region.

Private Sector Employers	Professional	Atlanta International School Heliox Energy	Piedmont Healthcare Georgia Power
	Service-Sector	Argenbright Holdings Fifth Group	Macy's Hyatt
Public Sector Employers		MARTA Atlanta Police	Atlanta Fire
Trade Associations		Atlanta Apartment Association	Latin American Association GA Restaurant Association
Developers		ANDP Pollack Shores	Atlantica
Academics		Georgia Tech	

INTERVIEW INSIGHTS | TAKEAWAYS

Interview Takeaways: Buckhead employers struggle with retention due to the rising cost of living, inadequate public services, and scarce housing supply.

HOUSING

Rising Housing Costs

- High rents have led to housing insecurity.
- Low-income workers can no longer live in the city.

Deficient Supply

- Loss of naturally occurring affordable housing (NOAH).
- Low pipeline of new affordable supply.
- Few public incentives to build affordable supply.
- Zoning discourages multi-family development.

TRANSPORTATION

Rising Transportation Costs

- Rising gas prices create disproportionate impacts on transportation costs
- Car price increases raise burdens on commuters.

Long Commutes

- Long commutes and poor transit connectivity increase traffic woes and lead to unpredictable arrival times.
- Parking options are expensive and limited.

TALENT

Constrained Supply of Workers

- Incomes have not kept up with inflated costs despite significant wage increases.
- Young employees prefer urban areas but cannot afford within the City.
- Public and service workers earn higher relative wages in the suburbs.

Low retention, due to workers exiting service jobs, has added to turnover costs and burnout.

SAFETY

Inadequate Services

- Lack of late-night childcare.
- Rising cost of medical care and health insurance.
- Few protections for non-unionized employees.

Crime fears post-COVID

- Employees and residents feel unsafe walking at night.
- Fear of travel and dining out strained the service sector.
- Prevalence of homelessness impacts perceived safety.

INTERVIEW INSIGHTS | TAKEAWAYS

Interview Takeaways: Employer ability and willingness to address housing issues varies across sectors and organization size; assistance so far mainly driven by a crisis management approach.

PROFESSIONAL EMPLOYERS

Favor increasing wages over subsidizing housing; long-term approach

- Recognizes shortage of housing supply has led to inability for young talent to find housing.
- Lack of housing choice for families with children near jobs drives away talent.
- Preference for closer-to-home or remote positions to avoid traffic woes.

SERVICE-SECTOR EMPLOYERS

Unwilling to subsidize housing; provided some transportation subsidies (short-term approach)

- Heightened housing and transportation are pricing employees out of Atlanta.
- Gig economy companies offer higher compensation compared to legacy service companies.
- High pandemic vacancies caused sector-wide burnout.

PUBLIC-SECTOR EMPLOYERS

Exploring ways to increase/start providing housing assistance

- Suburban public jobs offer shorter commutes and better resources and pay.
- Launching first responders rent subsidy program.
- Funding police recruit housing and officer down payment assistance.

DEVELOPERS

- High rents, low vacancies and high construction costs leave no incentive to build affordable housing without significant subsidy.
- Developers suggest that LIHTC projects are difficult to be awarded in Buckhead.

Supply-Constrained Market

- Low turnover rates hamper efforts to place residents and urge HCV acceptance.

INTERVIEW INSIGHTS | HOUSING

Buckhead's stock of affordable housing is declining, and new developments are unaffordable to the workforce.

Employees have been **crowded-out of housing near their workplace** with **costs rising and supply dropping** for both renters and owners.

- Rising costs in Greater Atlanta have **erased the naturally-occurring affordable stock** and **displaced employees formerly residing in nearby, historic areas** farther from Buckhead.
- Rent premiums levied at lease renewal or expiration are driving housing insecurity, sometimes leading to homelessness.
- **Scarce affordable housing choices for households with children**, opting for 3+ bedrooms, motivate moves to suburban areas.

New affordable housing construction **incentives are insufficient** to subsidize high building costs and affordable rental rates.

- New construction projects are not providing income-restricted units
- The **LIHTC industry is discouraged and underfunded**, with 9% credits rarely awarded to Atlanta proposals
- The pipeline for new affordable supply is limited
- **Below-market Fair Market Rent (FMR) rates**, posted by HUD, discourage the acceptance of Housing Choice Vouchers (HCVs)

“ *Atlanta Fire spends \$100K developing each new firefighter and **most leave after getting certified for stations closer to home with better pay.***

- Atlanta Fire

“ ***There is no affordable housing in the neighborhood...teachers and staff have had to move farther away and have longer commutes***

- Atlanta International School

INTERVIEW INSIGHTS | HOUSING

Housing is unaffordable and inaccessible to Buckhead employees, with 93% of the workforce living out of the area.

Housing is **not accessible for low-income and uninformed** workers.

- Existing **public rental assistance is insufficient**.
- Financial education and **access to traditional banking is limited**
- Undocumented workers cannot access housing and other assistance
- HCV acceptance is limited by a lack of source of income protections.
- Young, diverse, and international employees often **do not have the savings or credit score to qualify for rentals** or low-interest loans
- **Employees receiving public assistance outside Atlanta cannot transfer use** to the City and will opt out of employer assistance.

An increasing **lack of age, income, and ethnic diversity has bred a social disconnect** between employees and residents, deterring employees from seeking housing in Buckhead.

Buckhead is **not considered attainable by employees with families**.

- Middle-income employees with children are drawn to **better public schooling in the suburbs**.
- Multigenerational families with children are underhoused.

“ *Support staff and public service employees **cannot get on the ladder to build wealth.***

- LAA

“ *Lack of housing access and public funding has caused the fire department to be **understaffed, overworked, under-resourced, and unable to retain recruits.***

- Atlanta Fire Foundation

INTERVIEW INSIGHTS | TRANSPORTATION

High gas prices, long commutes, and lack of housing near transit stops have led to a transportation burdened workforce.

Public transit is **unpredictable and difficult to navigate**.

- Transit stops are often not located near employee residences, **requiring employees to walk long distances or drive**.
- Bus and rail **lines are not well-connected, complicating commutes**, discouraging use, and driving arrival-time uncertainty.
- Those who live outside the rail network take at least three forms of transit to reach the Buckhead area
- Lack of transit access after 1am via MARTA reduces employee transit use, with **shifts often ending after services close**
- Rush hour traffic is partly driven by the need to commute by car

The **cost of transportation is rising**, leaving Buckhead employees with few options but to work elsewhere.

- Unaffordable and **insufficient parking** near employment
- Displaced residents have longer, costlier commutes
- New and used **cars are more expensive** due to supply-chain shortages, eliminating those without cars from filling vacancies
- **Rising gas prices** are increasing transportation burdens

“ *Employees living outside the rail network have **very long commutes and need to take multiple modes** (of public transit) at inconvenient distances from one another to commute to Buckhead.*

- MARTA

“ *Traffic in Buckhead caused by workers commuting long distances...**workers will live as close to the city as possible based on what they can afford.***

- SecurAmerica

INTERVIEW INSIGHTS | TALENT

Buckhead cannot attract or retain the talent needed to fuel economy due to the high cost of living relative to wages.

The Great Resignation, fueled by demands for higher pay and flexibility, reduced overall employment levels in low-wage industries.

- Retail, restaurant, and hospitality **employees let go in March 2020 have not returned** to the service industry.
- Employees who remained were susceptible to burnout, driving a second wave of employee resignations.
- Employees often quit supplemental employment, **switching industries and/or to higher pay opportunities.**
 - Former service employees are **moving to the gig economy.**
 - Workers are moving to opportunities that are remote, closer-to-home, or in a different MSA or state.

Atlanta is not attractive to new hires relative to other major cities as wages are not competitive relative to the high cost of living.

- **Young people are not choosing Atlanta** as they prefer to live in densely-populated areas but cannot find or afford City housing.
- New recruits **cannot locate temporary housing.**

“Salaries are in-line with other public service employers but **compressed relative to Fortune 500 employers and gig-economy jobs.**

- MARTA

“There is not enough talent in Atlanta to fuel the new job growth because **new hires cannot find or afford housing.**”

- Heliox

INTERVIEW INSIGHTS | SAFETY

Crime and homelessness have increased while housing has become less secure, creating employee and customer fear.

Pandemic-driven fears and resulting crime have not waned.

- **Fear of contracting COVID-19** reduced in-person dining, travel, and brick-and-mortar shopping, shrinking the service industry.
- The **homelessness crisis**, propelled by a lack of temporary housing, impacts the perceived safety of Buckhead
- The recent **rise in crime** is driving employee and resident fear of walking at night, reducing service industry revenues
- Within Atlanta, **affordable housing is only available in areas with high crime rates**, further restricting housing options.

Limited public services for workers increase service-sector vacancies.

- **Poor access to childcare** removes employee's ability to take night shifts or force employees to leave children home alone
- Housing insecurity is on the rise due to **absent eviction prevention and mitigation services**.
- Non-unionized and unsalaried employees **lack protections** and access to affordable health insurance.

“ Over 90% of Atlanta’s firefighters live more than 30 minutes from their stations.

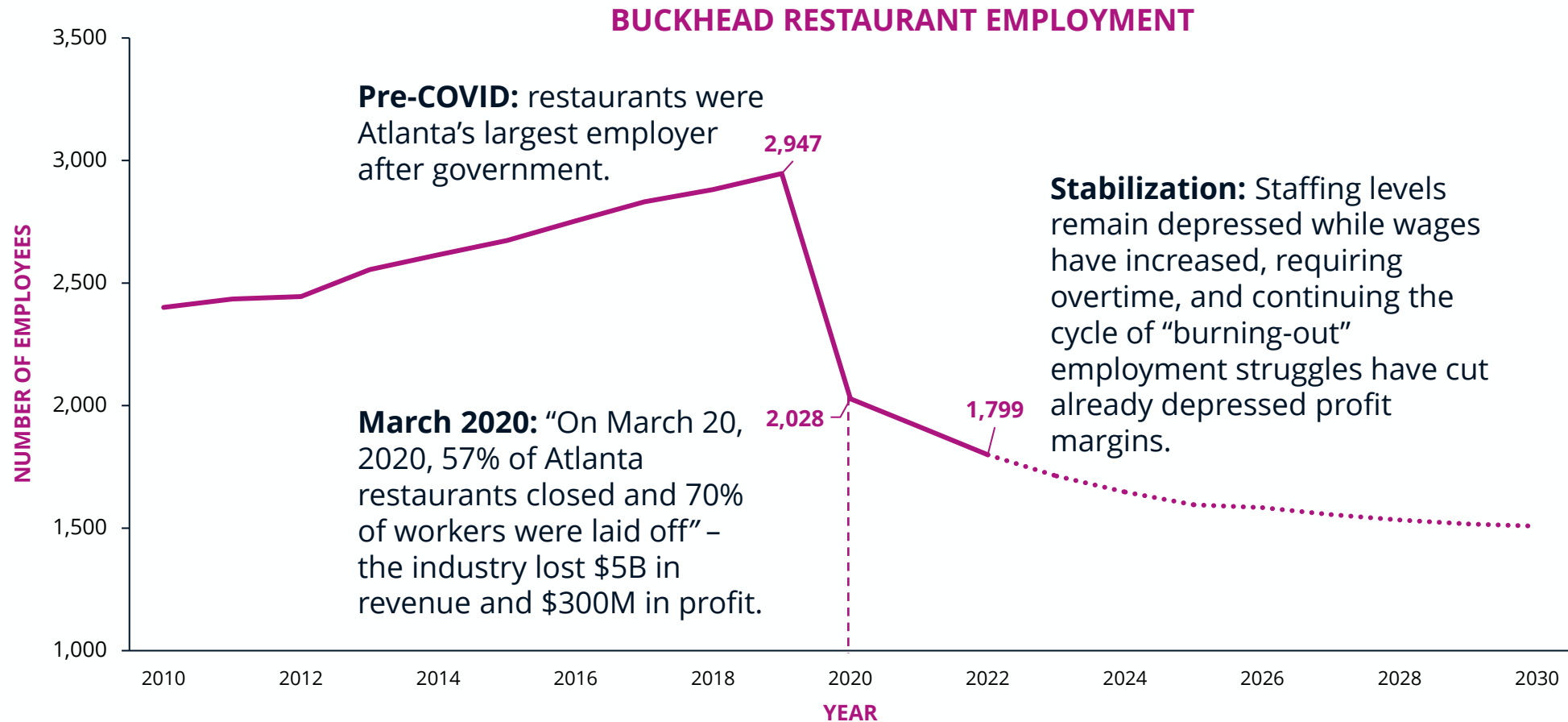
- Atlanta Fire

“ International hires and residents without financial literacy often have no credit history and need assistance to navigate the rental and ownership search process.

- Heliox

INTERVIEW INSIGHTS

Buckhead employers have struggled to increase staffing to pre-COVID levels. The restaurant industry has been acutely impacted by the loss of wage workers.



INTERVIEW INSIGHTS

Employer's current and proposed housing programs can **directly offset rental costs, increase housing supply, and reduce the cost of transit and other services.**

	Program Types	
Direct Housing Support	<ul style="list-style-type: none">• Down-Payment Assistance• Rental Assistance	<ul style="list-style-type: none">• Emergency Assistance• Lease-to-Own
Expanding Housing Supply	<ul style="list-style-type: none">• New construction• Preservation of existing units• Reduced-rate employer housing	<ul style="list-style-type: none">• Temporary housing• Increase HCV acceptance
Reducing Transportation Costs	<ul style="list-style-type: none">• Car-purchase assistance• Subsidized transit	<ul style="list-style-type: none">• Provide transportation• Increase accessibility of existing transportation
Wellbeing and Safety	<ul style="list-style-type: none">• Covered moving and relocation costs• Reduced insurance rates	<ul style="list-style-type: none">• Child services and care• Housing Education

INTERVIEW INSIGHTS

Current and proposed measures to **expand housing access and affordable supply** by offsetting costs, preserving NOAH, and building new supply

	Existing Examples		Proposed Solutions	
Direct Housing Support	Invest Atlanta Atlanta Fire LAA Heliox	Down payment assistance Housing stipend Rental assistance fund New-hire monthly assistance	MARTA LAA AIS Piedmont Healthcare	Housing assistance fund Emergency loan fund Lease-to-own homes Monthly rent stipend
Expanding Housing Supply	MARTA Goldman Sachs Imperial Hotels	TOD affordable set-aside TOD fund Temporary housing hotel conversions	Heliox Atlanta Fire MARTA	Partner: university housing Partner: extended stays State-run TOD by express bus stops
Reducing Transportation Costs	MARTA Fifth Group Heliox	Discounted employee transit card Parking reimbursements, covered ride-sharing costs Co-sign on auto loans	GRA AIS Fifth Group (Multiple)	Shuttles from suburbs Private bus for staff/faculty Employer-funded parking Extended MARTA times and bus stops
Wellbeing and Safety	Bay Equity LAA MARTA	Housing search advisory Homebuyer education Public assistance liaison	MARTA LAA	Partner with childcare providers for nightshifts Credit-building services and homebuyer education



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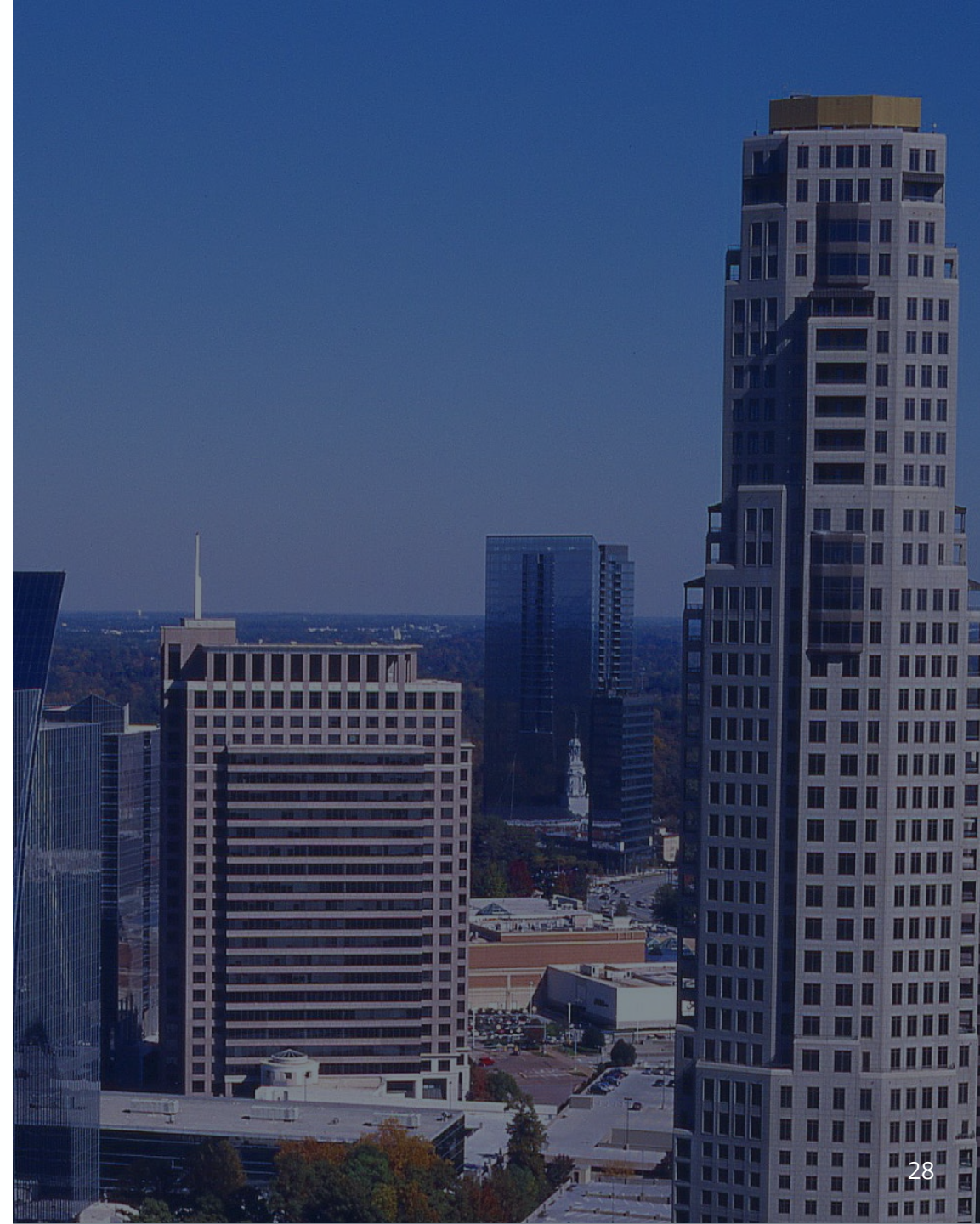
Employer-Assisted Housing Program Case Studies

EMPLOYER ASSISTED HOUSING

What features would make an EAH program in the Atlanta region successful?

MEASURES OF SUCCESS

Retention	Increasing the term of employment for will provide employees and employers more consistent income
Increase in Industry Employees	Increase staffing level in industries with depressed employment due to COVID and high local cost of living
Disposable Income	Providing housing and transportation near MARTA and at a discount will reduce existing cost burdens
On-Time Arrivals	Reducing congestion by increasing use and access to public transit will increase arrival time reliability
Use of Public Transit	Increasing use of MARTA and other public transit will improve traffic
Access to Local Housing	Providing rent and ownership subsidies will increase access to Buckhead for all employees
Lower Upfront Housing Costs	Reducing the down payment or upfront rental cost will increase access permanent, safe housing



EMPLOYER ASSISTED HOUSING

Program types



**DOWN PAYMENT
ASSISTANCE**



**DIRECT RENT
SUBSIDY**



**RENTAL COST
REDUCTION TOOLS**

**ACQUISITION AND
PRESERVATION FUND**



**MASTER LEASE
AGREEMENT**



**MARTA NEW
CONSTRUCTION
TURN-KEY**



EMPLOYER ASSISTED HOUSING CASE STUDIES

EAH programs can reduce the cost of housing by expanding housing access and increasing affordable supply.

Program Type	Description
Down Payment Assistance	A grant or loan used to fund a homebuyer's initial equity contribution.
Master Lease Agreement	A contract that confers property management responsibilities including rent-setting to a subsidy provider in exchange for market rent payments.
Upfront Rent Covenant	A fee paid upfront to buy a covenant that ensures units remain affordable for the number of months paid for by the provider.
Private Rent Vouchers	A monthly subsidy paid to the tenant or property owner to cover a portion of monthly rent.
Acquisition and Preservation Fund	A fund used to purchase and preserve the affordability on properties by providing low-interest gap financing or reduced rental rates.
TOD New Construction Partnership	A partnership between the public transit agency and developer to construct new units near transit stops at a reduced cost.
Real Estate Tech Services	A service provided by a software company that benefits renters, often increasing their financial stability or reducing their upfront rental cost.

EMPLOYER ASSISTED HOUSING CASE STUDIES

While all these program types may work in Buckhead, the recommended approach will depend on funding availability and your objectives.

Program Type	Employer Type	Rental or Ownership?	Program Cost per Employee	Speed of Impact
Down Payment Assistance	White collar, 100-140%+ AMI wages	Owner	\$5,000-\$20,000 per unit	Immediate
Master Lease Agreement	High vacancy, 60-100% AMI wages	Rental	\$250-750 per month	3-6 Months
Upfront Rent Covenant	High vacancy, 60-100% AMI wages	Rental	\$70-90K per unit, for 10-years	3-6 Months
Private Rent Vouchers	High vacancy, 60-100% AMI wages	Rental	\$250-750 per month	Immediate
Acquisition and Preservation Fund	High vacancy, 60-100% AMI wages	Rental	\$150K+ per unit	3-5 Years
TOD New Construction Partnership	High vacancy, 60-140% AMI wages	Rental / Owner	\$200K+ per unit	5-7 Years
Real Estate Tech Services	-	Rental	\$15-50 per month	Immediate

EMPLOYER ASSISTED HOUSING CASE STUDIES

Program Type	Pros	Cons	Recommendation
Down Payment Assistance	<ul style="list-style-type: none"> • Immediate impact • Build employee wealth • Support housing stability 	<ul style="list-style-type: none"> • Limited available, low-cost supply • Employees resistant to long-term tie to their employer 	Do not pursue: Not supported by the market
Master Lease Agreement	<ul style="list-style-type: none"> • Short-term impact • Helps low-income renters • Creates affordability in ATL 	<ul style="list-style-type: none"> • High upfront cost • Resistance to cap on potential future rent 	Pursue: subsidy that defers management to a non-profit entity
Upfront Rent Covenant	<ul style="list-style-type: none"> • Short-term impact • Helps low-income renters • Creates affordability in ATL 	<ul style="list-style-type: none"> • High upfront cost • Resistance to cap on potential future rent 	Pursue: long-term subsidy with a one-time contribution
Private Rent Vouchers	<ul style="list-style-type: none"> • Short-term impact • Helps low-income renters • Creates affordability in ATL 	<ul style="list-style-type: none"> • Higher per employee cost than other rental subsidies • Ongoing administrative costs 	Pursue: rental subsidy with rental rate flexibility
Acquisition and Preservation Fund	<ul style="list-style-type: none"> • Creates new supply • Helps low-income renters 	<ul style="list-style-type: none"> • Long timeline, slow impact • High cost: need for employer leadership and committed P3 	Do not pursue: high contribution; need committed employer
TOD New Construction Partnership	<ul style="list-style-type: none"> • Creates new supply • Helps low-income renters 	<ul style="list-style-type: none"> • Long timeline, slow impact • High cost: need for employer leadership and committed P3 	Do not pursue: high contribution; need committed employer
Real Estate Tech Services	<ul style="list-style-type: none"> • Low cost per employee • Immediate impact • Low administrative costs 	<ul style="list-style-type: none"> • No direct impact to creating affordable supply 	Do not pursue: no material impact

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program



OVERVIEW:

Down payment assistance is a loan or grant to **fund the initial contribution a homebuyer makes toward their home purchase.**

FUND CONTRIBUTION:

Employers fund a percentage of the employee's home purchase price with a fixed maximum assistance amount with lender pre-approval

- (Option 1) **Grant**, or gift with no-strings-attached
- (Option 2) **0% interest loan forgiven if employed** after a set number of (often 3-5) years
- (Option 3) **Fixed, low-interest loan** payable at property refinance or sale
- (Option 4) **Equity stake in property** with share of appreciation payable at refinance or sale

BENEFITS:

- Provides **long-term stability** for employees and reduced upfront cost of homeownership.
- **Improves retention** with additional claw-back mechanism if employee leaves.
- Increased access to first mortgage financing and potentially **lowers housing payments.**
- Payments are counted as a charitable **tax deduction.**

DRAWBACKS:

- Large expense per employee: 25-50% low-income employee annual salary.
- Does not help lower-income renters who would not meet credit or income qualifications for mortgages.
- **Low inventory of housing affordable to this cohort** in the Buckhead area.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program: Case Study



AFLAC DOWN PAYMENT ASSISTANCE:

Aflac provides their first-time homebuyer employees grant down payment and closing cost assistance. Their non-profit partner, NeighborWorks Columbus, conducts counseling, administers the grants, markets the program, and finds other subsidy options.

EMPLOYER CONTRIBUTION:

- **Award:** \$7,500-10,000 in down payment and closing cost assistance.
- Partners: NeighborWorks Columbus, Federal Home Loan Bank of Atlanta.
- Contribution Amount: ~**\$25,000 annually** (varies based on employee involvement).
- Since 2002, Aflac has **provided \$220,000 in assistance to 206 homebuyers.**

BENEFITS:

- Provide **low-income and first-time homebuyer** employees housing stability.
- Offer **flexibility in housing choice** with eligibility anywhere in Alabama or Georgia.
- Promotes **responsible homeownership** with required homebuyer counseling, debt management planning, and default prevention program.

DRAWBACKS:

- **High contribution amounts** are needed to increase ability for employees to income qualify in Buckhead.
- Program **scope is limited** by availability of attainable housing stock in Buckhead.
- Long-term investment in wealth-building **absent a claw-back if the employee resigns**

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program: Case Study



AURORA DOWN PAYMENT ASSISTANCE:

Aurora Healthcare provides their part- and full-time employees down payment and closing cost assistance structured as an interest-free loan forgivable after 5 years. Their non-profit partner, Select Milwaukee, markets the program and conducts financial and homebuyer education.

EMPLOYER CONTRIBUTION:

- **Award:** \$3,000 – 0% interest loan forgivable after 5 years given the employee remains employed with Aurora and resides in the property.
- Contribution Amount: **25-45 employee loans, or \$105K annually** (assuming 35 loans per year).
- Since 2002, Aurora has **provided \$834.5K in EAH benefits to 363 homebuyers.**

BENEFITS:

- Improve **employee personal and financial security.**
- Promotes **responsible homeownership** with required homebuyer and financial counseling.
- Targeted towards first-time homebuyers (81%), women (84.6%), low- to moderate-income households (65%), and minorities (46.7%).
- Forgivable loan **clawback reduces turnover, aids recruitment, and promotes workforce stability.**

DRAWBACKS:

- High contribution amounts are needed to increase ability for employees to income qualify in Buckhead.
- Program **scope is limited** by availability of attainable housing stock in Buckhead.
- Housing is tied to employee remaining at Aurora.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program: Case Study



BALTIMORE'S DOWN PAYMENT ASSISTANCE:

The City of Baltimore, through their Live Near Your Work program, matches enrolled employer grant down payment assistance contributions for a minimum of \$1000 and up to \$2,500. Recipients must enroll in City-approved homeownership counseling. City and City-agency employees receive up to \$5000 in assistance.

EMPLOYER CONTRIBUTION:

- **Award:** \$1,000-2,500 grant matching grant to a 0% interest employer loan forgivable after 5 years given the employee remains with their employer.
- Contribution Amount: **25-45 employee loans, or \$105K annually** (assuming 35 loans per year).
- Johns Hopkins and some other employers have increased assistance to \$20-30K per employee.

BENEFITS:

- Improve **employee personal and financial security**.
- Promotes **responsible homeownership** with required homebuyer and financial counseling.
- Incentivizes community revitalization for continued neighborhood and economic vitality.
- **Reduces turnover and promotes workforce stability**
- **Program scope is expanded by funding through multiple sources.**

DRAWBACKS:

- **Reliance on employers to establish program terms and market to employees.**
- Program **scope is limited** by availability of attainable housing stock in Buckhead.
- Low contribution amount limits increase in access.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program: Case Study



DETROIT'S DOWN PAYMENT ASSISTANCE:

The City of Detroit, through their LiveMidtown program, provides new renters, existing renters, new homeowners, and existing homeowners who are employees of Detroit Medical Center (DMC), Henry Ford Health System (HFHS), and Wayne State University various types of assistance to live in midtown Detroit.

EMPLOYER CONTRIBUTION:

- **New Renters:** \$2500 allowance in the first year and \$1000 in the second year.
- **Existing Renters:** \$1000 allowance at lease renewal.
- **New Homeowners:** \$20K upfront or \$5K each year over 5 years in 0% forgivable loan assistance.
- **Existing Homeowners:** matches funds up to \$5K for exterior home improvements.

BENEFITS:

- Variety of assistance types allows program to benefit all employees and increase housing choice.
- Targeted geographic approach will improve local economic development efforts.
- **Encourages workers to move in and stay in the neighborhood and in their jobs.**
- **Funded by employers and local foundations.**
- **Managed by Midtown Detroit, a local non-profit.**

DRAWBACKS:

- **Housing is tied to employee remaining with the participating employer.**
- Program **scope is limited** by availability of attainable housing stock in Buckhead.
- Complicated administration and high contribution.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Down Payment Assistance Program: Case Study



BALTIMORE'S DOWN PAYMENT ASSISTANCE:

The University of Chicago, through their Live Near Your Work program, provides eligible homebuyers with an interest-free forgivable loan of \$7,500. Recipients must enroll in complimentary credit and homebuyer counseling services. Employers must purchase in selected neighborhoods, meet income limits, and contribute at least a 3.5% down payment.

EMPLOYER CONTRIBUTION:

- **Award:** \$7,500 – 0% interest loan forgivable after 5 years given the employee remains with the University and maintains ownership.
- Contribution Amount: ~**\$100K annually (12 loans).**
- Since 2003, UChicago has **provided \$1.7M in EAH benefits to 228 homebuyers.**

BENEFITS:

- Improve **employee personal and financial security.**
- Promotes **responsible homeownership** with required homebuyer and financial counseling.
- Incentivizes community revitalization for continued neighborhood and economic vitality.
- **Reduces turnover and promotes workforce stability**
- Targeted geographic approach will improve retention and local buy-in.

DRAWBACKS:

- **Housing is tied to employee remaining at UChicago.**
- Program **scope is limited** by availability of attainable housing stock in Buckhead.
- High required employee contribution limits scope to those with savings and non-first-time buyers.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Master Lease Agreement



OVERVIEW:

A master lease agreement is a long-term contract between a non-profit entity and property owner to control the management function of a portion of the building's rental units and charge below-market rates.

EMPLOYER CONTRIBUTION:

Employers will fund a non-profit third-party to engage in a master lease. The level of funding depends on the structure of the lease agreement.

- (Option 1) Non-profit lease agreement
 - Option 1a: Full-service gross
 - Option 1b: Triple net or modified gross
- (Option 2) Co-location among non-profits
- (Option 3) Sub-market lease: tax deduction for foregone rent and other income

BENEFITS:

- Create affordability by **securing below-market rental rates** at formerly market-rate units
- Realize access to intended local housing options through a **placed-based voucher**
- Retain control over lease terms with ability to set **programming based on ESG priorities**
- Offer unit **priority to employees** with the Right of First Refusal at lease renewal

DRAWBACKS:

- **High monthly contribution required** per unit to subsidize rents levels affordable to employees
- State and local **administrative and legal barriers** will delay and complicate execution
- Need commitment from many stakeholders

EMPLOYER ASSISTED HOUSING CASE STUDIES

Master Lease Agreement: Case Study



OVERVIEW:

The University of Vermont Medical Center (UVMCC) is partnering with Snyder-Braverman Development to investing in new construction permanent and transitory housing for their workforce and retain control over rental rates with a Master Lease. The high cost of housing has driven a shortage of workers in Burlington, VT, coercing employers to reduce the cost of living.

EMPLOYER CONTRIBUTION:

- **Affordability:** provide debt equal to ~20% (\$2.8M) of project sources for a 10-year master lease on 61 units, offering employees subsidized rental rates.
- **Liquidity:** Provide quick access to cheap capital to expedite development and secure a master lease.

BENEFITS:

- Reduce rent for 61 transitory and full-time medical staff households in South Burlington.
- Reputational and community benefit from press
- Competitive advantage over businesses competing for the same employees.

DRAWBACKS:

- **High contribution amount:** funding the existing low-income housing gap with this approach would cost a minimum of ~\$150M.
- Scale of development will not increase retention enough to meet existing staffing needs.
- **Delayed impact:** retention issues are pressing; new construction takes at least 18 months to complete.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Master Lease Agreement: Case Study



OVERVIEW:

The City of Kirkland signed a Master Lease Agreement to provide property management services to Kirkland Sustainable Investments, LLC and Sustainable Kirkland, LLC. 23 units and 34 units were provided at the Plaza and Kirkland Sustainable for Lake Washington School District or the Lake Washington Institute of Technology.

EMPLOYER CONTRIBUTION:

- **Contribution:** fund mixed-income housing project with 20% of units affordable to low-income educators for 12 years
- **Set-Aside:** 10% of the units (34) at 50% AMI and 10% of the units (23) at 80% AMI.
- Capital Reserve Fund for unit damage off profit

BENEFITS:

- Provide **57 public employees** with affordable housing units with **annual rent increases capped at 3% for 12 years**
- Situated at or near public transit and employment to **reduce commute time and traffic**
- **Lease terms set** by the City and non-profit partner
- Employer holds control over eligibility, incentivizing the employee to remain at the company

DRAWBACKS:

- **Lack of tax abatement available** will reduce property management willingness to participate
- With multiple employers, shared employee units and programming priorities
- *Long-term commitment*

EMPLOYER ASSISTED HOUSING CASE STUDIES

Private Rent Voucher



OVERVIEW:

A direct rent subsidy is a one-time, monthly, or annual gift provided by an employer or pooled fund to defray rent or related costs unaffordable to the employee. The subsidy may be provided through the employer or non-profit to the property manager or employee.

EMPLOYER CONTRIBUTION:

- **Rent:** Employers will dedicate amount or percentage of monthly rent on a need-tested basis to housing-burdened employees. The contribution amount varies, often between \$200-\$750 per month, or single award of \$1000-\$5000.
- **Security Deposit:** Employers may cover the security deposit on a rental unit, roughly equal to one-month of rent

BENEFITS:

- Voucher portability **expands housing choice**
- Enable employees to move closer to their work, **reducing housing instability and traffic**
- Flexibility in voucher amount allows for **adjustment to market rent rates**
- **Fast to administer** with instant employee benefit
- Improve health, development, and education outcomes for employees and their children
- Provides employees a **non-taxable income benefit**

DRAWBACKS:

- High monthly cost per employee with **benefit roughly equal to increase in wage**
- May **raise rents on market-rate units** by allotting existing supply for low-income employees

EMPLOYER ASSISTED HOUSING CASE STUDIES

Private Rent Voucher: Case Study



OVERVIEW:

Santa Clara University provides tenured and tenure-track faculty with rental assistance within their first year of appointment to ease the transition into the high-cost Bay Area. Faculty on Renewable Term Appointments are eligible for nine years of assistance.

EMPLOYER CONTRIBUTION:

- **Tenure Track:** Employees are eligible for biweekly supplemental pay of \$422, amounting to **\$10,128 in annual rental assistance.**
- **Renewable Term:** Employees are eligible for biweekly supplemental pay of \$330, amounting to **\$7920 in annual rental assistance.**
- Assistance may be used in all Bay Area counties

BENEFITS:

- Increase access to housing for university employees in an extremely high-cost market
- **Easily administered** as a direct increase in pay
- Boosts retention and recruiting with assistance **contingent on continued employment**
- **Transitions new hires** adjusting to Bay Area prices
- **Expanded housing choice** with portable assistance to the entire Bay Area

DRAWBACKS:

- **High expense per employee:** \$8-10K annually
- Supplemental income is reported as compensation to the IRS and is **applicable to income taxes.**

EMPLOYER ASSISTED HOUSING CASE STUDIES

Private Rent Voucher: Case Study



OVERVIEW:

The Atlanta Police Foundation through the Secure Neighborhoods Certified Courtesy Officer (CCO) is part of a larger effort to promote neighborhood safety. Program provides police officers \$500 monthly housing assistance in exchange for 10 hours per month of community patrol service. Police presence is intended to deter crime from apartment communities.

EMPLOYER CONTRIBUTION:

- **Rental Assistance:** Employees are eligible for rental assistance pay of \$500 monthly., amounting to **\$6,000 in annual assistance.**
- **Annual Program Cost:** the program will serve 150 officers over the next 3 years, or \$900,000 per year.
- **Patrol Cars:** Property managers often condition that officers have a patrol cars to make police presence known.

BENEFITS:

- Heightened perception of neighborhood safety.
- Shortened response time to on-site or local crime.
- **High willingness to participate** among property managers, offered as an amenity to tenants.
- **Easily administered** as a direct increase in pay.
- Boosts retention and recruiting with assistance **contingent on continued employment.**
- **Expanded housing choice** with assistance usable in single-family homes and apartments.

DRAWBACKS:

- **High expense per employee:** \$6K annually without fund sustainability.
- Overall shortage and need for patrol cars on-site.
- Supplemental income is reported as compensation to the IRS and is **applicable to income taxes.**

EMPLOYER ASSISTED HOUSING CASE STUDIES

Upfront Rent Covenant



OVERVIEW:

An upfront rent covenant is a one payment from an employer to maintain the affordability through a restrictive covenant for a defined period of time. The contribution is the difference between the current market rent and affordable rent multiplied by the restriction period.

EMPLOYER CONTRIBUTION:

- **Rent:** Employers will dedicate an amount or percentage of monthly rent on a need-tested basis to housing-burdened employees. The upfront payment is the product of the rent unaffordable to the employee and the number of months the covenant is active.
- **Employer Verification:** Employers verify their employees to property managers, ensuring they will be long-term, responsible tenants.

BENEFITS:

- Covenants **ensure long-term affordability**
- Upfront payments **reduce the ongoing employer cost** and need for commitment
- **Fast to administer** with instant employee benefit
- Improve health, development, and education outcomes for employees and their children
- Property **owners can leverage subsidies** to account for reduced on-going rental payment
- Employees receive an **ongoing income benefit**

DRAWBACKS:

- High cost per employee with **benefit roughly equal to increase in wage**
- May **raise rents on market-rate units** by allotting existing supply for low-income employees
- Owners may opt-out with confidence in the temperature of the Buckhead market

EMPLOYER ASSISTED HOUSING CASE STUDIES

Upfront Rent Covenant: Case Study



OVERVIEW:

The DC Government released an RFP to structure a pilot program for *Cash 2 Covenants*, offering multi-family owners of existing, vacant units a financial incentive to put a 15-year covenant to maintain the affordability of units at or below 80% of the Median Family Income (MFI). The desired affordability, covenant duration, and unit characteristics will determine the depth of subsidy.

EMPLOYER CONTRIBUTION:

- **Rent:** Subsidy providers will fund the affordability gap equal to the difference between the market rent and rent at 80% of the MFI for a minimum of 180 months.
- **Owner Agreement:** Owners agree to place the covenant on their property and comply with the affordability restriction.

BENEFITS:

- Create **new affordable supply**
- **Fast to administer** with instant employee benefit
- Supports vibrant, inclusive, and equitable neighborhoods with high housing costs
- Low ongoing program costs
- Property **owners can leverage subsidies** to account for reduced on-going rental payment
- Owners **fill vacant units** and receive market rent

DRAWBACKS:

- **High cost per resident due to cost of market and sustained demand**
- No defined funding source or proof of concept: program is in the RFP stage
- **Owner appetite to participate is highly variable** and intrinsic their needs and perceptions

EMPLOYER ASSISTED HOUSING CASE STUDIES

Acquisition and Preservation Partnership



OVERVIEW:

Employer fund purchases and maintains the affordability of single and/or multifamily housing for low- to moderate- income employees in Buckhead.

EMPLOYER CONTRIBUTION:

- Employer open rent relief fund: local corporations, the City, associations, foundations, and employers contribute to a fund to **purchase existing housing and preserve its affordability.**
- Provide financing for low-interest **loans to non-profits to acquire properties.**
- Contribute to disaster repair and rent relief accounts to **make improvements and prevent homelessness.**
- Support provided services or non-profit partnerships that align with ESG priorities.

BENEFIT:

- Provide dedicated housing units for employees in Buckhead to reduce housing and transit burdens.
- Shorten employee commutes by siting near transit.
- The Greater Atlanta TOD Preservation Fund will offer high-LTV first mortgage debt for gap financing.
- Reduce tax burden via abatements, CRA credits, non-profit grant allocations.

DRAWBACKS:

- Long timeline with the average development project in Georgia taking 17.3 years.
- Not an immediate solution, requiring cooperation among stakeholders seeking similar benefits.
- Construction costs and expenses are high per unit. High expense per unit, ranging from \$60-250K.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Acquisition and Preservation Partnership: Case Study



OVERVIEW:

Amazon has created a \$2B Housing Equity Fund to create and preserve 20,000 units of housing affordable to low- and moderate-income residents for 99 years in their employment hubs: the Puget Sound, WA; Arlington, VA; and Nashville, TN. Below-market rate loans and grants to non-profit local developers, and land donations to the cities to support this effort.

EMPLOYER CONTRIBUTION:

- **Affordability:** provide junior debt equal to ~40% of project sources for 95% leveraged developments to maintain their affordability at 50% and 80% of the AMI with a 99-year covenant.
- **Liquidity:** Provide quick access to funds to stay competitive with for-profit developers

BENEFITS:

- Increase affordability for 20,000 families making 50-80% AMI in areas with appreciated property values due to large corporate presence
- Reputational and community benefit from press
- **Accept vouchers** provided to very-low and low-income households and receive Fair Market Rent
- Enforce equity with **mission-oriented programming**

DRAWBACKS:

- **High contribution amount:** provided \$2B in below-market rate loans and grants to acquire and preserve or construct 20,000 units.
- Funding the existing low-income housing gap with this approach would cost a minimum of ~\$300M
- **Lack of spare land** and hurdles to zoning changes.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Acquisition and Preservation Partnership: Case Study



OVERVIEW:

The Westside Future Fund has partnered with the City and Housing Authority and received \$60M in contributions from the City's largest employers to create and preserve housing affordability in Atlanta. WFF has acquired 318 multifamily and 118 single-family units in "Special Purpose Districts" to reduce the rent or tax burden on households to prevent the displacement of Atlantan households from historic neighborhoods.

EMPLOYER CONTRIBUTION:

- **Acquisition and Redevelopment:** (*undisclosed expense per unit*) preserved 436 units of affordable housing since 2018.
- **Anti-Displacement Fund:** fund property tax increases for residents in select neighborhoods with a \$4.6M pooled contribution.

BENEFITS:

- Prevent the displacement of Atlanta residents and impact of residents experiencing higher taxes.
- Promote mixed-income communities: 100% increase in the availability of subsidized units; 30% increase in single-family ownership.
- Reputational and community benefit from press.
- Enforce equity with **mission-oriented programming**.

DRAWBACKS:

- **High contribution amount:** provided \$2B in below-market rate loans and grants to acquire and preserve or construct 20,000 units.
- Funding the existing low-income housing gap with this approach would cost a minimum of ~\$300M
- **Lack of available property** and hurdles to zoning changes.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Acquisition and Preservation Partnership: Case Study



OVERVIEW:

Bozeman Health is partnering with local developer Eres Capital to build attainable housing for hospital employees making \$17-30 per hour. Bozeman struggles with high employee vacancy (20%) and purchased 50 acres of land to build housing, trails, amenities. Emergency employer need is funded with monthly payments and is not a sustainable assistance model.

EMPLOYER CONTRIBUTION:

- **Affordability:** provide undisclosed % equity equal to fund 95% leveraged new construction development with rent set to 30% of employee income.
- **Liquidity:** Provide quick access to cheap capital to attract talent and increase retention.

BENEFITS:

- Provide **housing at an attainable rate for 100 households** making \$17-30 per hour.
- Embedded in a mixed-use development with community center and plans for additional phases.

DRAWBACKS:

- **Need exceeds project scale**, with 500 employee vacancies and affordable housing in high demand.
- **High contribution amount:** funding Bozeman's the existing low-income housing gap with this approach would cost a minimum of ~\$300M.
- **Delayed impact:** retention issues are pressing; first new construction units will lease up in spring 2023.
- **Immediate concern:** emergency relief fund and temporary units are used in the interim.

EMPLOYER ASSISTED HOUSING CASE STUDIES

Employer-Owned Benefit Suite: Case Study

OVERVIEW:

Cottage Health partnered with local non-profit developer Coastal Housing to provide a suite of related housing benefits to meet employee housing demand and to attract and retain medical professionals. Cottage contracted local developers, SL Residential to develop Bella Vista Apartments on their existing land, consisting of condo units sold at rates affordable to staff and market-rate units for sale.

EMPLOYER CONTRIBUTION:

- **Affordability:** provide undisclosed % equity equal to fund 90% leveraged new construction condos affordable to 81 staff members.
- **Supply:** Add 115 townhomes to a supply-constrained market to increase housing availability
- **Existing Land:** developed on Cottage property

BELLA  RIVIERA



SNYDER
LANGSTON



COASTAL HOUSING
PARTNERSHIP



BENEFITS:

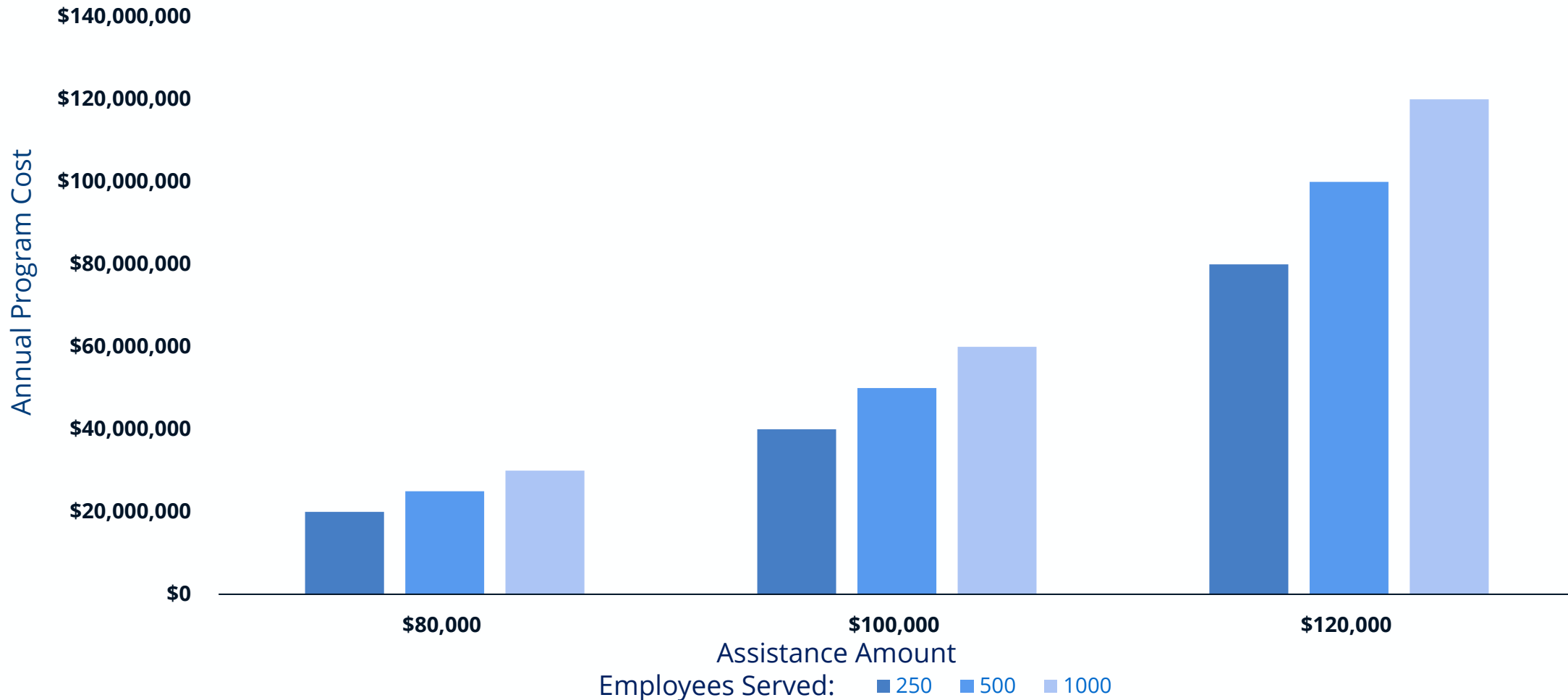
- **Ownership:** Provide wealth-building opportunity to employees, with **housing sold at an attainable rate for 81 employee households.**
- **Closing Costs Reduction:** *Home Buying Benefit*
- **Education:** Free homebuying and financial readiness seminars encourages homeownership
- **Rental Assistance:** \$50-75/month based on unit
- **Moving Benefit:** reduced cost to moved

DRAWBACKS:

- **High contribution amount:** funding the existing low-income housing gap carries high upfront costs to develop and on-going subsidy costs
- **Delayed impact:** retention issues are pressing; new construction process is time-intensive.
- **Multiple long-term partners** are needed

EMPLOYER ASSISTED HOUSING CASE STUDIES

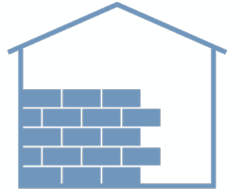
Acquisition and Preservation Fund: Annual Program Cost



*assumes 20% (\$20K), 40% (\$40K), and 60% (\$60K) ownership stakes with per unit development costs of \$100K

EMPLOYER ASSISTED HOUSING CASE STUDIES

TOD New Construction Partnership



OVERVIEW:

Transit authorities can partner with local subsidy providers to build or preserve affordable housing near their stops to increase ridership, reduce traffic, and jointly reduce housing and transportation costs for low-income residents. Authorities can use existing public incentives, establish joint development agreements, or repurpose public land in exchange for a mandatory set-aside subsidize.

EMPLOYER CONTRIBUTION:

- Contribute grant or loan funding to create or preserve housing development near transit.
- (Option 1) **Below market-rate loans** to developers
- (Option 2) **Rent subsidies to owners**, offsetting the cost of reducing rent to affordable rates
- (Option 3) Purchase or receive public land with covenant to maintain affordability

BENEFITS:

- Create **affordable and workforce supply** by **providing liquidity**.
- Realize access to intended, traffic-reducing local housing options through a **placed-based voucher**
- Existing program infrastructure and willing public partner reduces administrative barriers
- Retain control over property programming with ability to **adapt to ESG priorities**.
- **Improve transit ridership**

DRAWBACKS:

- **High monthly contribution required** per unit to subsidize rents levels affordable to employees
- Delayed timeline: New construction developments take **10-15 years to complete**
- Need commitment from many stakeholders
- Public approval process requires City buy-in

EMPLOYER ASSISTED HOUSING CASE STUDIES

TOD New Construction Partnership: Case Study



OVERVIEW:

Atlanta currently does not provide enough government assistance or incentives for developers to create and preserve affordable housing or create new supply. MARTA's mandated set-aside of 20% of units is evaded by not building housing near transit.

EMPLOYER CONTRIBUTION:

- Contribute to fund new housing developments within a ¼ mi. of MARTA stops, already required to rent 20% of the units at affordable rates.
- Development cost of each unit in Buckhead affordable to a low-income renter: \$100,000
- (Option 1) **Below market-rate loans** to developers
- (Option 2) **Grant financing** to support rental rates affordable to low-income Buckhead employees

BENEFITS:

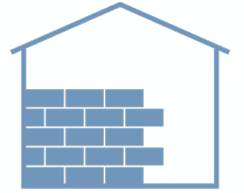
- Create **affordable and workforce supply** by **providing liquidity** to MARTA Turn-Key projects.
- Realize access to intended, traffic-reducing local housing options through a **placed-based voucher**
- Retain control over property programming with ability to **adapt to ESG priorities**.
- **Employees are given priority** with the Right of First Refusal offered to local employees.

DRAWBACKS:

- **High monthly contribution required** per unit to subsidize rents levels affordable to employees
- Delayed timeline: New construction developments take **10-15 years to complete**
- Need commitment from many stakeholders

EMPLOYER ASSISTED HOUSING CASE STUDIES

TOD New Construction Partnership: Case Study



OVERVIEW:

WMATA has partnered with Amazon to build transit-oriented development (TOD) affordable housing projects. Amazon has made equitable TOD a priority of their \$2B commitment and aim to create more than 1,000 new affordable housing units at Metro Stations throughout the Washington D.C. metro region.

EMPLOYER CONTRIBUTION:

- **\$125M in below-market capital**, in addition to the \$384M committed, to expedite the development of homes **affordable to low- to moderate- income households**, those making 50-120% AMI.
- **\$25 in below-market loans** to exclusively used by **minority-led developers** to develop affordable housing on WMATA's joint development sites.

BENEFITS:

- Create **affordable and workforce supply** by **providing liquidity** to WMATA projects.
- Realize increased access to employment, schools, and healthcare through a **placed-based voucher**
- Reduces traffic congestion and commute times
- **Prioritize local employees** with the Right of First Refusal offered to local employees.
- Sustainable, with **funds recyclable** upon repayment

DRAWBACKS:

- **High contribution required** per unit
- Delayed timeline: new construction developments take **8-10 years to complete**
- Need strong non-profit partner and commitment from local government




EMPLOYER ASSISTED HOUSING CASE STUDIES

Security deposit alternatives and credit enhancers



OVERVIEW:

Employers fund monthly security deposit payments, rent reporting, and rent budgeting services to reduce employee upfront rental costs and prepare renters for homeownership.

	Description	Program Cost	Employee Benefit	Employer Benefit
	Reports past and new rent payment to credit bureaus and provide rent relief	\$50 per year	Improve credit score and provide backstop if unable to make rental payment	Improve financial health and reduce risk of housing insecurity
	Replace security deposits with monthly insurance payment to the property	\$16-34 per month	Increase rental affordability by eliminating the security deposit	Increase retention and access to housing by reducing upfront costs
	Allow flexible rent payment and upfront cost alternatives	\$15-50 per month (varies per service)	Flexibility in rent payment timing and reduced security deposits and insurance	Low-cost services to increase housing security and lower barriers to rent

EMPLOYER ASSISTED HOUSING CASE STUDIES

Security deposit alternatives and credit enhancers: Case Study



OVERVIEW: (Related Affordable with Esusu)

Related Affordable, one of the nation's largest **affordable and workforce housing developers and financiers** partnered with a fintech company, Esusu, to report current and past rent for **credit building to all residents**.

Related donates to Esusu's Rent Relief Fund which **loans at 0% to renters** experiencing financial hardship

EMPLOYER CONTRIBUTION:

- Covers over 50,000 units to **report on-time rental payments** to all three major credit bureaus.
- Related **covers the annual of cost** of the service, otherwise \$50 per annualized lease.

BENEFITS:

Boosts resident credit scores: **32** points

Given financial identities to: **2300** renters

- Incentivized by a **preferred cost-structure benefit**
- Promotes Diversity & Inclusion, access to credit and financial aid, and empowerment ESG initiatives
- Provide monthly rent reporting and **rent relief** to improve **credit and mortgage financing access**
- Support **homeownership education for renters**.

DRAWBACKS:

- Will not alone solve access to affordable housing in Buckhead with annual benefit per employee: ~\$50
- Requires agreement with local property managers

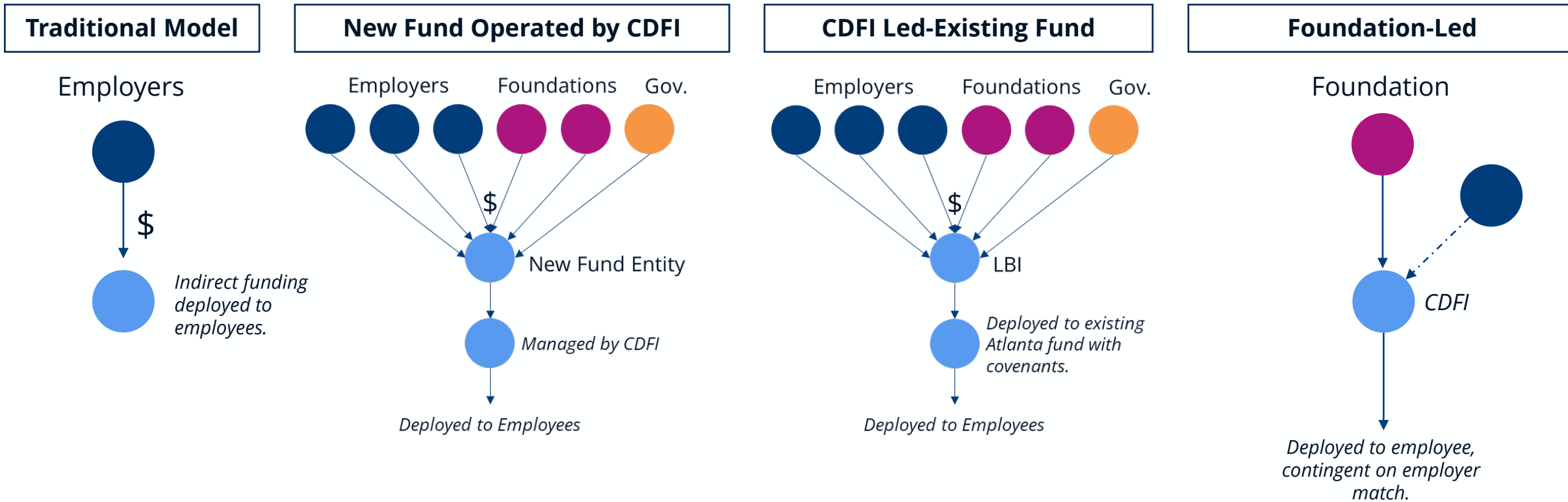


| 05

Fund Structure

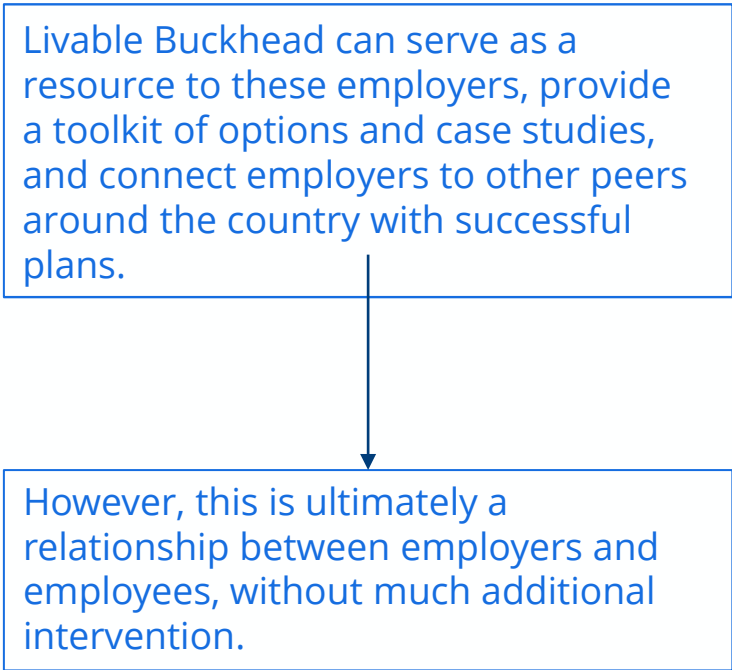
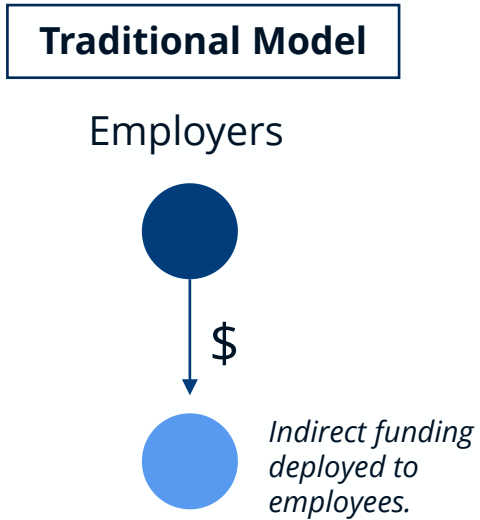
FUND STRUCTURE

There are many options to structure a fund to help Buckhead workers.



OPTION I : RESOURCE TO EMPLOYERS

In a traditional model, Livable Buckhead can serve as a resource but ultimately the structure will be directly between them and their employees.

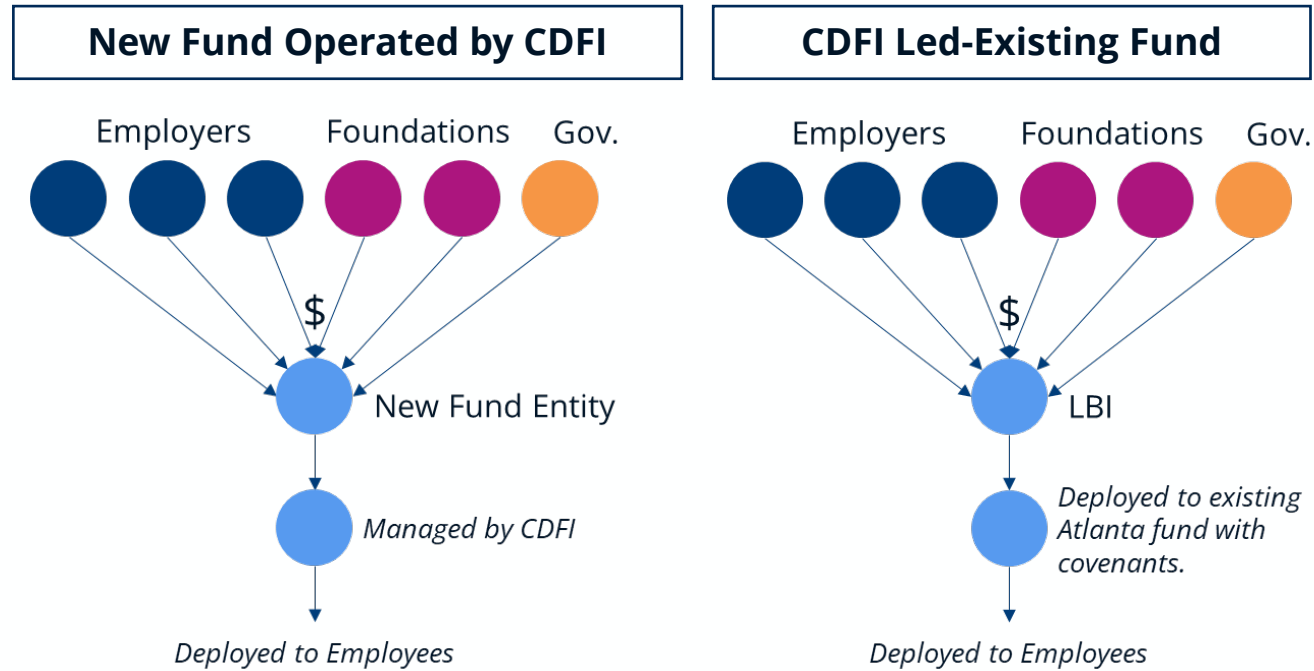


Next Steps:

- Complete toolkit of options and case studies.
- Presentation to showcase demonstrated need, benefits to employers, and options for Buckhead employers.

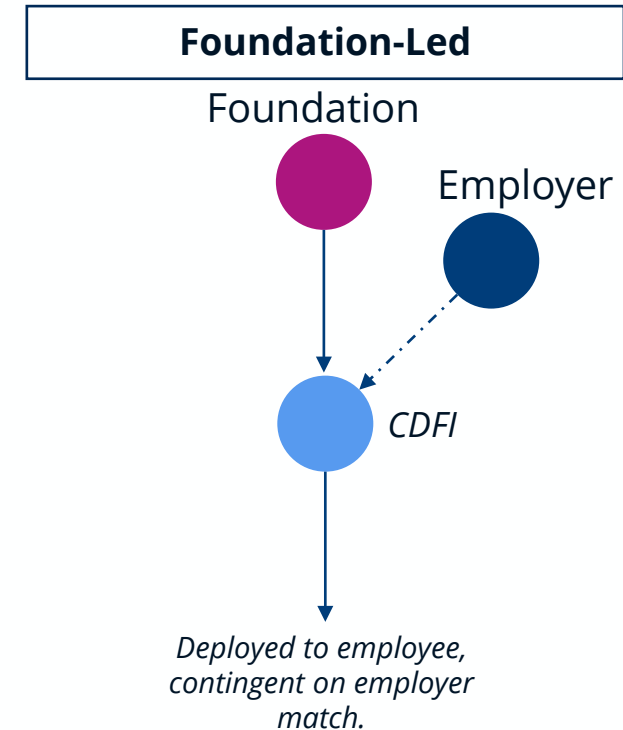
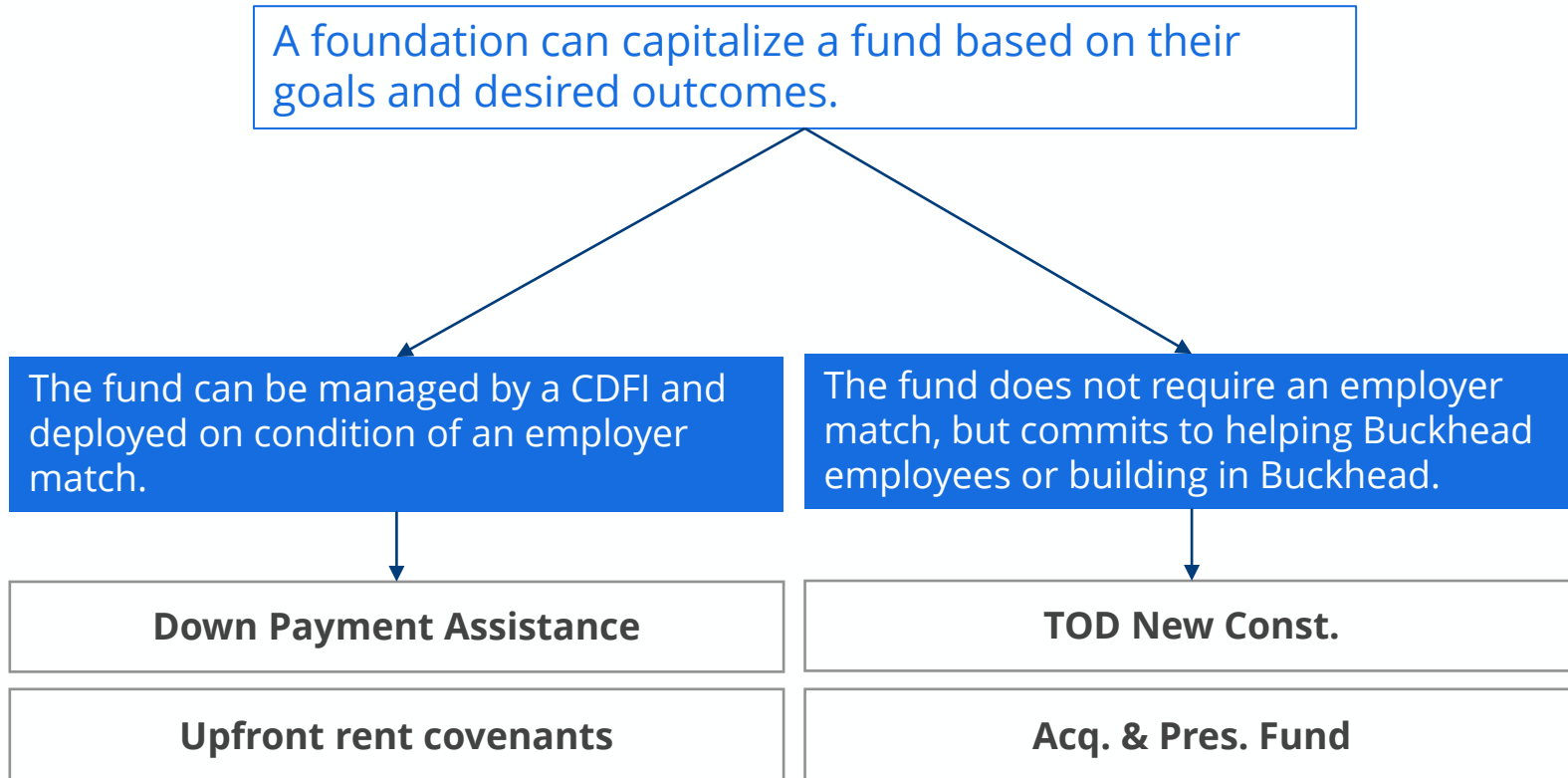
FUND STRUCTURE

Given the unwillingness of employers to pool funds, we do not recommend starting a new fund with multiple funders.



FUND STRUCTURE

There are many options to structure a fund to help Buckhead workers.



OPTION II : OUTREACH TO FUNDS AND EMPLOYERS

Livable Buckhead can also work with foundations to drive capital commitments and then work as the liaison between the foundations and employers.

A foundation can capitalize a fund based on their goals and desired outcomes.

The fund can be managed by a CDFI and deployed on condition of an employer match.

Down Payment Assistance

Upfront rent covenants

Private rent vouchers

Next Steps:

- Outreach to foundations based on demonstrated need in Buckhead.
- Maintain flexibility on type of assistance based on the foundation's goals and mission.
- Work with foundation to convince employers to participate in the matching program.

OPTION III: ATTACH TO EXISTING PROGRAM

After identifying foundations interested in promoting affordable housing in Buckhead, Livable Buckhead can identify existing funds to deploy their capital.

A foundation can capitalize a fund based on their goals and desired outcomes.

The fund does not require an employer match, but commits to helping Buckhead employees or building in Buckhead.

TOD New Const.

Acq. & Pres. Fund

Next Steps:

- Survey of existing TOD / Acquisition / Preservation funds active in Atlanta
- Identify opportunities for investing in Buckhead.
- Work with funds to identify gap financing for projects in Buckhead through employers or foundations.

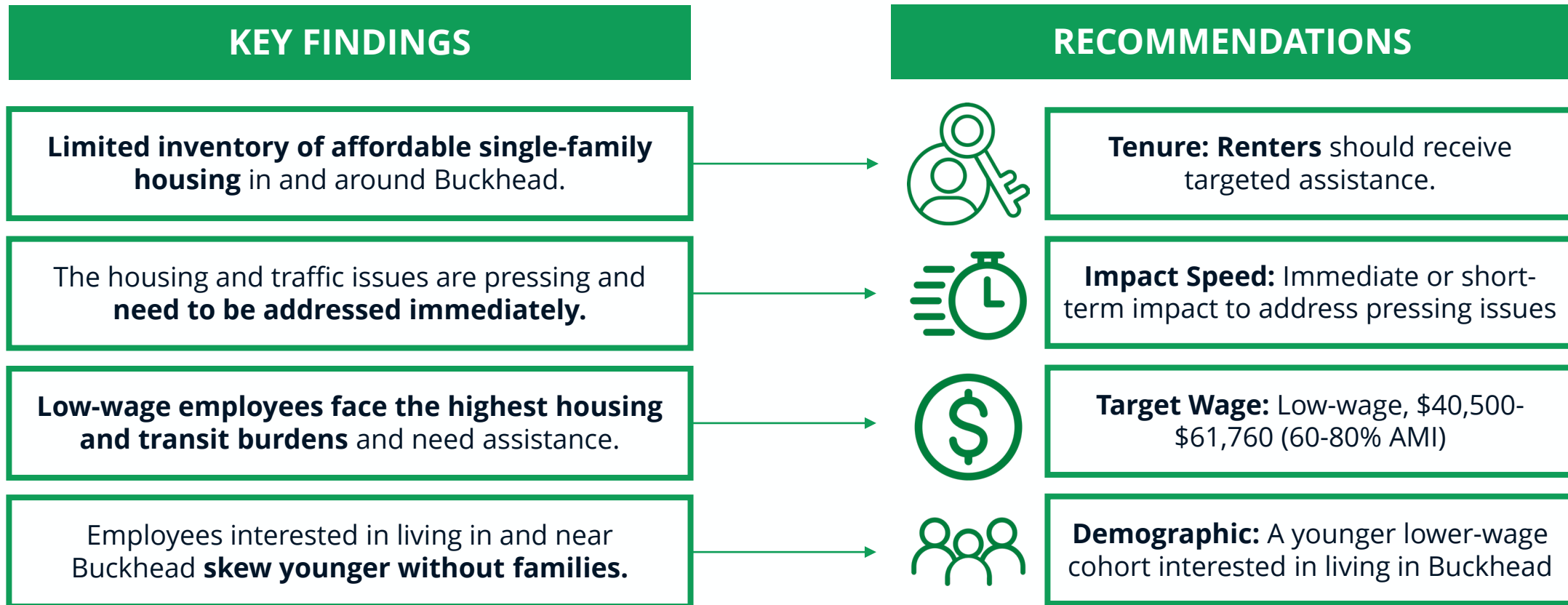


| 06

Program Recommendations

RECOMMENDED APPROACHES | OFFERING

Buckhead's limited housing inventory, pressing housing and traffic issues, and employees' need for immediate assistance informed the fund's offering.

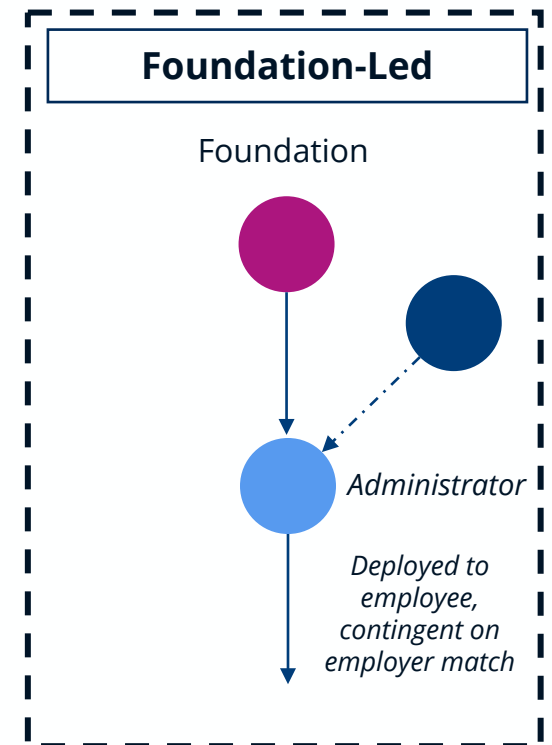


Note: Target wage estimates include 1- and 2-person households at 60-80% AMI; and are determined based on employers' preliminary identification of employees in need of assistance.

RECOMMENDED APPROACHES | FUND STRUCTURE

A foundation-led fund will require the commitment of employer, foundation, and an administrator.

STAKEHOLDER	RESPONSIBILITY
Foundation	Contribute funds directly to an administrator.
Employer	Contribute funds indirectly through a foundation.
Administrator	Collect funds and administer subsidy to employees or property manager.
Livable Buckhead	Present research and organize parties to form fund entity.
Property Owner	Agree to rental subsidy agreement and/or control over portion of units.



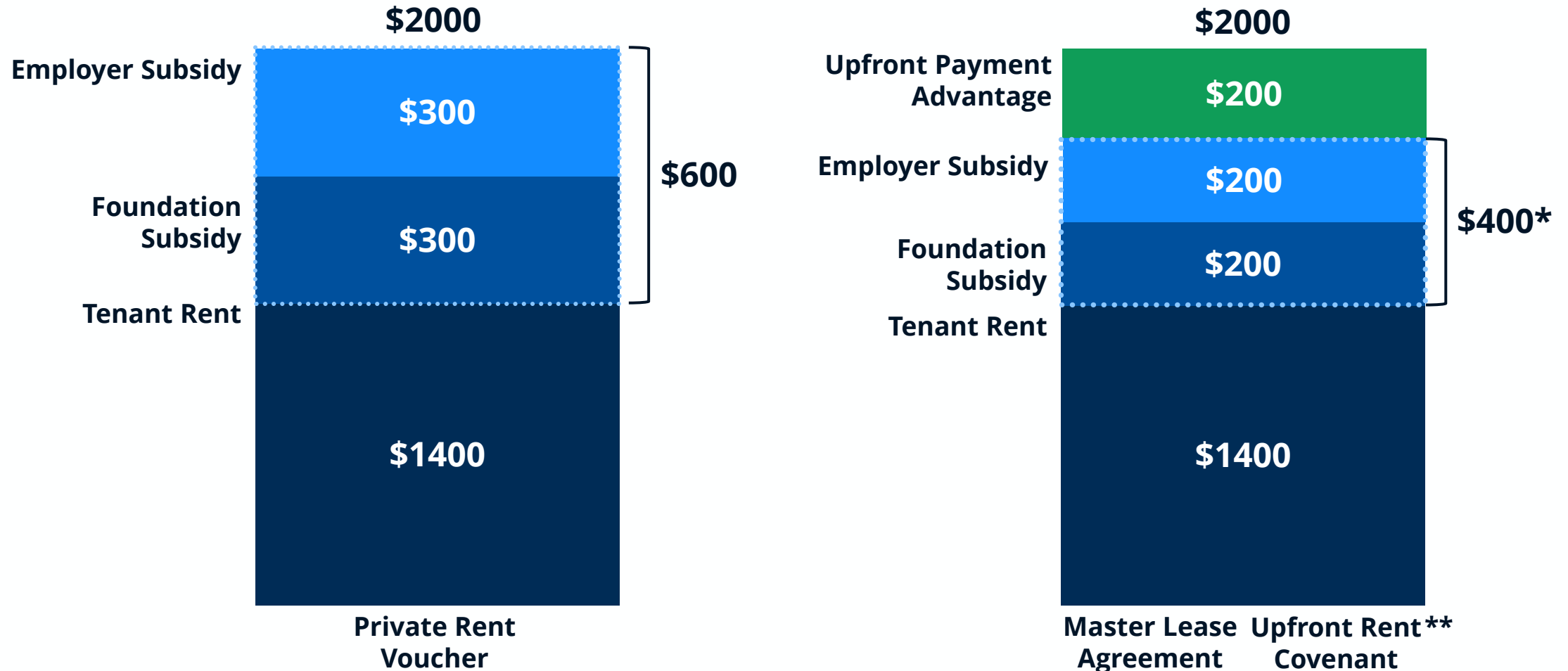
RECOMMENDED APPROACHES | PROGRAM TYPES

Reducing the housing payment burden provides an opportunity to address pressing concerns, with the possibility of expansion in the future.

Program Type	Pros	Cons	Recommendation
Master Lease Agreement	<ul style="list-style-type: none"> • Fast impact speed • Helps low-income workers • Creates affordability in or near Buckhead • Deed-restricted affordability • Commitment period and time of payment dependent on stakeholder preferences 	<ul style="list-style-type: none"> • High upfront cost • Owner resistance to cap on potential future rent • No wealth-building • Assume property management responsibility 	Pursue: fast-acting subsidy with adaptable terms, and defers management to a non-profit entity
Upfront Rent Covenant	<ul style="list-style-type: none"> • Fast impact speed • Helps low-income renters • Creates affordability in or near Buckhead • Deed-restricted, long-term affordability 	<ul style="list-style-type: none"> • High upfront cost • Owner resistance to cap on potential future rent • No wealth-building • Long-term commitment 	Pursue: fast-acting, long-term subsidy with a one-time contribution
Private Rent Vouchers	<ul style="list-style-type: none"> • Fast impact speed • Helps low-income renters • Creates affordability in or near Buckhead • Flexibility in rental rate 	<ul style="list-style-type: none"> • Higher per employee cost than other rental subsidies • Ongoing administrative costs • potential future rent • No wealth-building 	Pursue: fast-acting rental subsidy with rental rate flexibility

RECOMMENDED APPROACHES | MONTHLY SUBSIDY AMOUNTS

Upfront payments in master lease and rent covenants result in lower subsidy requirements.



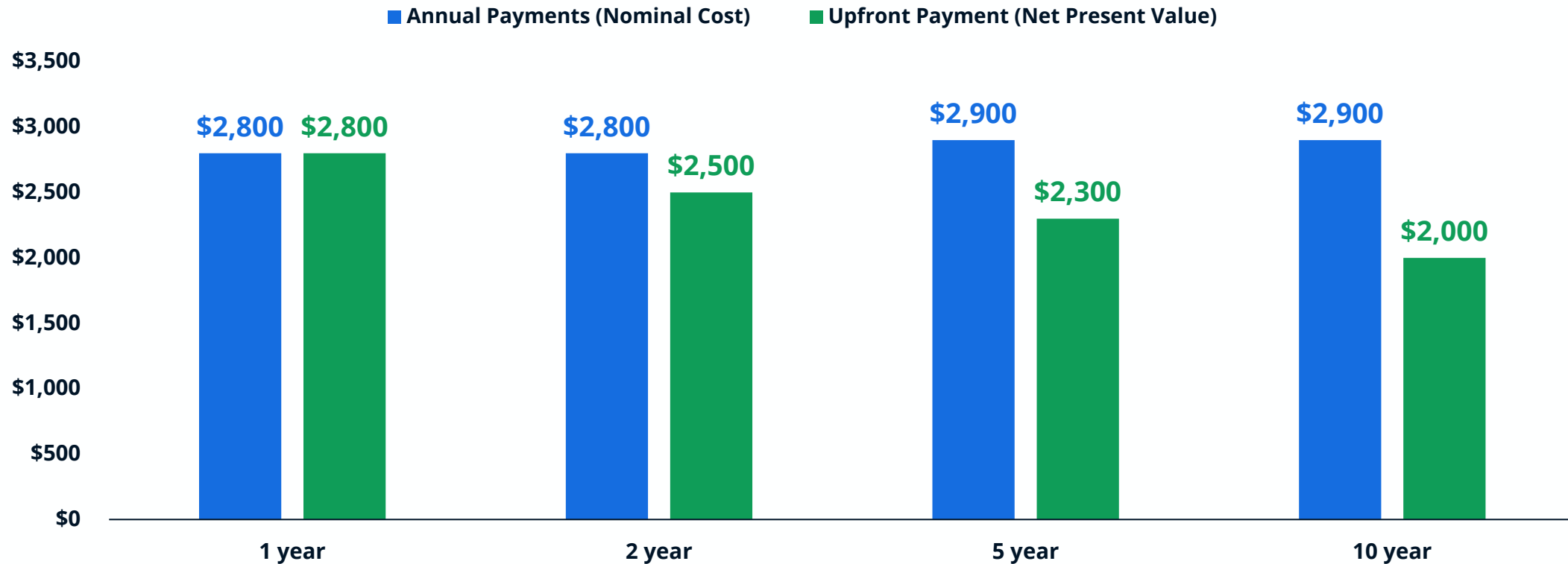
*Assuming median monthly rent of \$1,819 in year 1, \$400 per unit subsidy for an employee, 7.5% discount rate, 10-year affordability, and 3% cost of administration.

**Assuming the master lease agreement and upfront rent covenant are funded by a one-time upfront payment. The terms of a master lease are adjustable.

RECOMMENDED APPROACHES | FOUNDATION PILOT PROGRAM COST

HR&A recommends a two-year pilot program to prove the concept with a large employer partnership. Upfront payments bear cost savings over the long-term.

Estimated Program Cost Per Employee Per Year: 2023-2024*



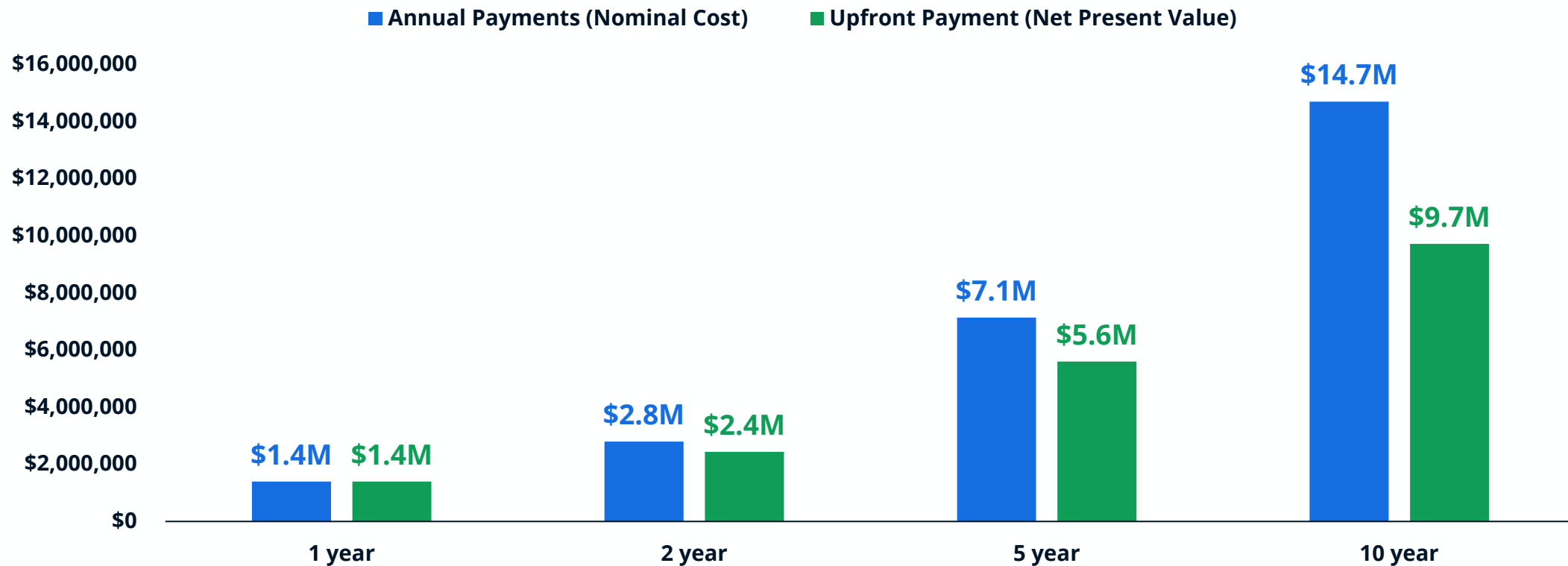
*Assuming median monthly rent of \$1,950 in year 1, \$400 per unit subsidy for an employee, a discount rate of 7.5%, and 3% cost of administration.

**Assuming the master lease agreement and upfront rent covenant are funded by a one-time upfront payment. The terms of a master lease are adjustable.

RECOMMENDED APPROACHES | FOUNDATION PILOT PROGRAM COST

A ten-year program would cost between \$9.7-\$14.7M for 250 employees, with significant savings for upfront agreements given the discount rate for operators.

Total Estimated Program Cost: 2023-2024*

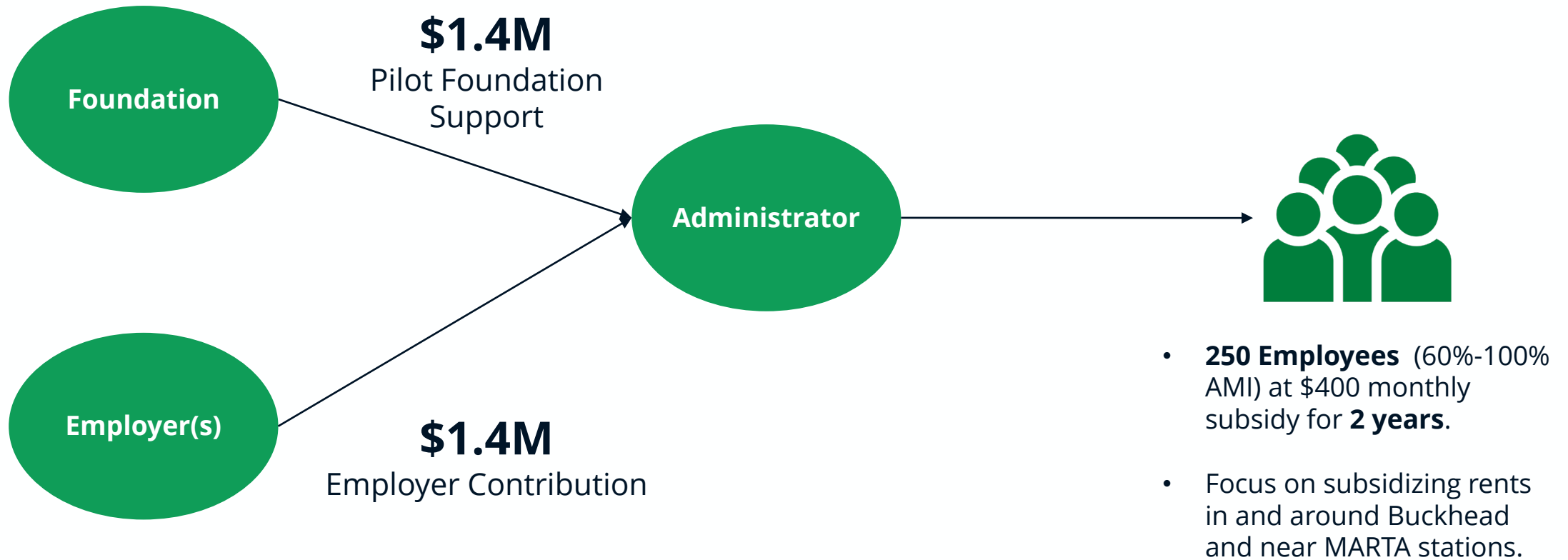


*Assuming median monthly rent of \$1,950 in year 1, \$400 per unit subsidy for an employee, a discount rate of 7.5%, and 3% cost of administration.

**Assuming the master lease agreement and upfront rent covenant are funded by a one-time upfront payment. The terms of a master lease are adjustable.

RECOMMENDED APPROACHES | THE PILOT

Livable Buckhead is building a two-year pilot employee housing fund with foundation, employer, and administrative support.



Buckhead Employer Assisted Housing Study

Consolidated research findings

November 2022