
Housing Your Workforce

A Resource Guide for Colorado Rural Resort Employers



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Housing Your Workforce

Housing Your Workforce

Summary of Issues

- Lack of affordable housing stock for low to moderate income worker
- Cost of recruitment and retention of employees is a key business concern
- Sustained population growth for Rural Resort Region
- Historical pattern of wages lagging behind housing costs
- High turnover rate costs
- Turnover rate affects the bottom line



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Regional Employer Concerns

- More employee housing units needed to meet workforce housing demand
- More incentives needed for employers to participate in a assisted housing program
- Clearinghouse of information on employer assisted housing efforts



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Business Incentives for Employers Committee

Goal:

- Create system to assist employers in determining how to best help employees with housing

Objective:

- Creation of a report entitled “Housing Your Workforce: A Resource Guide for Colorado Rural Resort Employers”



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Employee Housing Assistance Programs

Demand Side (Employer assisted benefits)

- Down Payment Assistance
 - Forgivable down payment loans
 - Mortgage guarantees
 - Transaction cost assistance
- Rental Assistance
 - Initial Rental Costs
- Relocation Assistance



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Employee Housing Assistance Programs

Supply Side (Actual units)

- Master Lease
- Investor
- Subsidized unit
- Construct/Purchase



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How Can Afford These Benefits?

- If the cost of offering employer assisted housing benefits are less than the turnover cost to the employer, isn't the cost saving worth the investment?



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Turnover Costs

Junior Accountant Example

(\$15/hour)

Turnover Costs Average

- Turnover Costs = **\$5,453**
 - Advertising costs
 - Agency/external recruiter costs
 - Internal recruiter costs
 - Other including: testing, reference checking, bonding, hiring unit staff time and administrative support
- Initial Productivity Costs (first year) = **\$4,582**
- Total Costs = **\$10,035**

Source: CHFA



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Employer Assisted Housing Benefits

- Improve recruitment
 - Decrease turnover and associated costs
 - Decrease recruitment/retraining costs
 - Improve employee morale
 - Reduce loss of productivity and need for overtime as a result of employees covering vacancies
 - Provide positive PR for company
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K.T.'s Observations

- Housing is integral to the success of local and regional economic development efforts
- Committee's report, *Housing your Workforce*, is the first step towards educating the broader business community on the benefits and tools available in housing assistance
- Educating our employers both public and private sector on the importance of employer assisted housing should be the next step



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K.T.'s Observations

- Recognizing and understanding the importance of housing in the Rural Resort Region, provides a regional platform to advocate for regulatory and legislative solutions that help not only businesses but the broader community
- Successful advocacy efforts should include
 - 1)incentives for employers to participate in employer assisted housing programs, should include on the demand side tax credits, enterprise zones and other tax relief
 - 2)Incentives for employers to participate in employer assisted housing programs on the supply side should include removing regulatory barriers from the development process



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