

New Public/Private Employer-Assisted Housing Partnerships Can Help Provide Needed Affordable Housing

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Idaho and Blaine County are changing. Since 1990 Idaho's population has increased more than 30% and Blaine County has grown even faster. Even more remarkably, job growth is exceeding population growth rates and this trend is expected to continue. Recent and expected future growth will mean new economic opportunities for current residents, the children of current residents and for new arrivals. However, growth also poses new challenges, including the need for affordable housing.

For working families in search of a first home, affordable housing is the cornerstone of building an economically stable life. But the need for affordable housing should not be solely a concern of families in need of housing. Idaho's private, public and nonprofit communities should also be concerned for they too will be negatively impacted by a lack of affordable housing.

For the private sector, the lack of affordable housing can mean increased recruitment and retention costs; higher turnover, training and retraining costs; more unreliable employees, particularly in bad weather, due to longer commutes; wage rate distortions; and slower growth due to inefficient staffing and understaffing and because households have less disposable income to spend on non-housing items.

For destination economies reliant on tourism, recreational activity and a strong "second home" housing market, the lack of affordable housing is a special cause for concern as these visitors require hotel, restaurant and other service industry employees who themselves need affordable housing. Similarly, as the population of the nation ages, some communities are attracting retired populations who also require lots of service workers, especially in the health care sectors.

Because affordable housing is a critical supporting element for continuing economic growth area employers should want to participate in the advocacy and implementation of affordable housing policies that are simultaneously responsive to their corporate needs and the needs of their workers.

Nationally this is happening. Employers of all different types and sizes in urban, suburban and rural communities alike are increasingly partnering with local and state governments and nonprofit housing organizations to create employer-assisted housing benefit programs that create new workforce housing opportunities.

These benefits are offered in a variety of ways ranging from down payment and closing cost assistance to the development of new ownership and rental housing. Some employers and public agencies are requiring that employees receiving housing benefits live in designated areas in order to reduce sprawl, support "smart-growth" or employee transit programs or as a way of encouraging reinvestment in deteriorated neighborhoods. What all of these programs share in common is that the businesses offering these programs have done so because they make good business sense.

While many employers are investing significant sums in these programs many are not doing so alone. Rather new public/private partnerships are being created in which the

public sector, responding to its public policy interests of promoting affordable housing and economic growth offers various incentives to encourage and support employer-assisted housing programs.

Among the different public sector supports are:

- Tax credit programs that reduce corporate tax liabilities for employers offering housing benefit programs. Typically, tax credits can also be sold by hospitals, universities and other tax-exempt entities to tax paying entities to raise money to support housing benefit programs offered by nonprofit employers.
- Tax credits that reduce corporate tax liabilities in return for cash donations and other assistance to nonprofit housing organizations.
- Matching grant programs that provide additional aid to employees receiving employer assistance.
- Technical assistance to help employers understand and implement housing benefit programs and help employees participate
- Innovative financing programs through existing state housing agencies.

Other strategies are also possible, but central to each approach is that the business community is offered a way in which it can play a constructive, bottom-line driven role in addressing an issue of importance to the public and private sectors.

As the Idaho economy grows and diversifies, Idaho needs housing policies that can support and encourage these economic changes. By supporting employer-assisted housing programs the public, private and nonprofit sectors can ensure a stronger economic future for all residents.

Daniel Hoffman a housing consultant who helps employers and others organize employer-assisted housing programs. He will holding Workshops on the topic as part of this year's annual Community Housing Week. Go to www.archbc.org for schedule

