

## Project Background

Illinois employer-assisted housing initiatives continued expanding in 2007, with the Metropolitan Planning Council (MPC), Housing Action Illinois, and REACH partners as well as the State of Illinois, City of Chicago, and numerous mayors throughout the state — working with employers statewide. REACH Illinois not only supports bottom-line savings for employers investing in workforce housing, but it improves employees' lives and helps open doors to housing solutions. In today's housing market, the homebuyer counseling central to the REACH Illinois strategy is also proving itself particularly important. The guidelines set by EAH programs (including interest-rate caps and preferred lender lists) help to ensure — beyond learning how to maintain their financial security — employees who go through counseling take advantage of the buyers market and are able to purchase more, with added incentives and less down payment.

**The following is a summary of successes during 2007.**

## Program Results to Date

- Statewide, nearly 70 Illinois employers have committed to offering assistance to their employees in the form of down payment funds for their home purchase, with well over 40 already up and running, and additional approaches to employer-assisted housing also put in place.
- During 2007, 379 employees bought homes with assistance from their employers, bringing the total to more than 1,370 employees since MPC launched the EAH model in 2000. Overall, 2,500 employees have benefited from EAH since 2000, including those receiving credit counseling, homeownership education, and down payment assistance.
- During 2007, more than \$1,551,700 in employer dollars was provided to employees as down payment assistance through EAH initiatives.
- The largest employer currently participating in REACH Illinois is Chicago Public Schools, which itself assisted nearly 200 teachers this year. Since launching their EAH benefit, Chicago Public Schools has assisted nearly 530 teachers with downpayment funds to purchase in the city of Chicago.
- Based on available data, the median household income for EAH participants in 2007 was \$50,360, and median home purchase price was \$155,000 (shown in Table 3). A look at a sampling of participating employers in the city of Chicago shows a slightly higher median household income of \$53,817, in 2007, and a significantly higher median home purchase price of \$202,450 (again based on available data).

## New Initiatives and Program Development

- An interjurisdictional EAH outreach strategy was launched in 2007, among key partners and the mayors of Arlington Heights, Buffalo Grove, Mount Prospect, Palatine and Rolling Meadows in the northwest suburbs, and Deerfield, Highland Park, Highwood, Lake Forest and Northbrook in the northern suburbs. This Charter One Workforce Housing Initiative, which also includes MPC, the Metropolitan Mayors Caucus, Housing Opportunity Development Corporation (REACH partner), and Charter One Bank, started with a three-year plan of action for engaging large employers as well as developing small business consortia in the northwest and northern suburbs. Already, largely as a result of employer response, these mayors also are pursuing joint housing production and preservation strategies, promoting both capacity and efficiencies across municipal boundaries.
- On Aug 24, 2007, Charter One hosted the MPC roundtable "Bridging Boundaries," which featured Mayor Rita Mullins of Palatine and Mayor Michael Belsky of Highland Park. The forum provided meaningful exposure and enthusiasm about the Charter One Workforce Housing Initiative, while also highlighting a suburban Seattle model of interjurisdictional housing. The roundtable panel discussion was recorded and featured on Chicago Public Radio's Chicago Amplified, which can be accessed online.
- Charter One also represented the workforce housing initiative on the Live Near Work panel at the Governors' Housing Conference, and gave testimony in Springfield in support of housing in the next state capital bill.
- MPC and Housing Action Illinois continued to educate employers on the business case for offering EAH benefits to their workers. Several employers expanded or otherwise "signed-on" to launch programs in 2007, as detailed below.

- Medela, Inc., in McHenry, Ill, has offered \$2,500 in down payment assistance to eligible employees since launching their program in 2002, in partnership with CAHMCO (Corporation for Affordable Homes of McHenry County). In 2007, Medela increased its benefit amount to \$3,000 to allow eligible employees to fully realize the IHDA match of \$3,000.
- Loyola University Chicago (LUC) developed an EAH benefit that embraces community areas along the Chicago Transit Authority Red Line elevated train, from the Loop to Rogers Park. By design, the program encourages employees to take transit to work (if not walk or bike), and tiers the amount of aid based on the location of the new home and income of the family. Rogers Park Community Development Corporation will provide housing counseling services to LUC employees who participate in the program.
- Lablemaster, a small signage manufacturer, signed on to offer EAH through Neighborhood Housing Services of Chicago. First American Bank and the North River Commission assisted in the launch of the program in April. Twenty employees attended a brown bag lunch to learn about the program, and two employees applied immediately.
- Harris Bank launched an EAH program that will provide qualifying Harris employees in Illinois and Indiana with \$2,500 for down payment or closing cost assistance and homeownership counseling through multiple REACH partners region wide.
- JP Morgan Chase launched a re-vamped EAH program this year under the new corporation. Bank One had previously offered EAH benefits to workers, and JP Morgan Chase re-introduced the program because of employee retention benefits and lowered recruitment costs. JP Morgan Chase provides assistance to eligible employees throughout the region, and partners with several counseling agencies for program administration.
- The Village of Mount Prospect initiated a small pilot program to assist two employees purchasing homes within the corporate limits of the village in 2008, with \$9,500 each. Eligible employees may utilize EAH program dollars in addition to Mount Prospect's own first-time homebuyer assistance program of \$10,000, thus increasing a household's buying power dramatically.
- The City of Highland Park created a matching fund for local Highland Park employers whose employees purchase in Highland Park through an EAH benefit (much like IHDA's matching fund). This fund has created more options for layering assistance for low-moderate income households to purchase, and it serves as another perk for Highland Park employers to consider offering assistance to employees. Homebuyers in Highland Park can also benefit from working with the HPICLT (Highland Park Illinois Community Land Trust), which has a stock of preserved and new affordable housing available for purchase for low-moderate income households.
- The Village of South Holland unveiled its EAH program, which launched in August of 2007. The village is offering an incentive for employees who decide to purchase a home in the new Park Place Development. This particular development, which will consist of several phases of brownstones and mid-rise buildings, is situated near the village hall. Along with street reorientation and a proposed Metra station, the building of these new homes contributes to realizing the vision of a vibrant town center.
- Housing Action Illinois launched two new EAH programs outside the Chicago region, including William Charles LLC, in Rockford, and Mercer County Hospital in Aledo. William Charles, a family-owned business specializing in construction, real estate development, and waste management services, has partnered with Rockford Area Affordable Housing Coalition and is committing \$5,000 per eligible employee for down payment assistance. Mercy County Hospital, a small, government-owned 25-bed facility plans to offer four employees \$2,000 each in assistance. The hospital has partnered with METEC in Peoria to administer the program.
- Two EAH employers supporting the Plan for Transformation — De La Salle and the Illinois College of Optometry — expanded their programs to support broader development activity in the community. EAH programs structured to provide special incentives to employees choosing to purchase homes within one of the new mixed-income communities created by the Plan for Transformation communities have reached an impressive height of 25. Currently, over 10 percent of homes purchased in the Plan have been by local employees benefiting from employer assistance.
- The Community Service Council of Northern Will County became a REACH partner in 2007. As the only REACH partner in Will County, this organization's interest in working with area employers will greatly further EAH outreach and initiatives with employers in the southwest suburbs.

## Legislative and Advocacy Progress

- Good Housing Good Schools was signed into law on Aug. 21, 2007, and leadership from both the Illinois House and Senate are working with MPC to pursue the funds needed to implement this valuable incentive to municipal leaders and other stakeholders advancing the state's "Live Near Work" and preservation goals. Several EAH employers supported the passage of this legislation, which was catalyzed at a joint forum of suburban mayors and developers pursuing common goals around affordable workforce housing.
- Participating EAH employers increasingly engaged in advocacy in support of local affordable workforce housing in 2007, even beyond supporting state housing legislation. Among the towns benefiting from such leadership were St. Charles and Lake Forest.

## National Attention to the Illinois EAH Model

- Early in 2007, the federal "Housing America's Workforce Act" was reintroduced in the U.S. House, with the intent to follow in the Senate. Largely modeled on Illinois' EAH tax credit program, this bill, if passed, will offer a federal tax credit to employers investing in EAH and other housing solutions, and will provide support to nonprofits gearing up new EAH programs.

- Chicago's and Illinois' EAH program also were featured in national publications by a number of prestigious entities in 2007. Policylink and the National Housing Conference both featured REACH Illinois in their web-based toolboxes, while Homes for Working Families asked MPC to co-author a national guidebook on EAH for employers. REACH Illinois also was well represented in *Our Communities, Our Homes*, the latest publication by former U.S. HUD secretaries Henry Cisneros and Jack Kemp.

## Best Practices

- The Illinois Housing Development Authority (IHDA) continued to make available matching funds (up to \$5,000 per eligible buyer) to support counseling and technical assistance, and administer the Illinois Affordable Housing Tax Credits. The City of Chicago also supported Chicago employers through the Dept. of Housing, by providing a 50-cent tax credit to employers for every dollar invested in EAH.

- 24 nonprofit REACH partners across Illinois manage EAH programs for participating employer partners. These experienced nonprofit housing counseling organizations span the Chicago region and the rest of the state to provide services to employers wherever they are located.

- Housing Action Illinois coordinated trainings to build capacity for these housing organizations, including expertise in homeownership counseling and EAH program administration.

- MPC has updated its EAH "how to" manual for REACH partners and potential employers. Presented as two volumes, both *Program Planning Documents* and *Program Implementation Documents* are detailed process manuals to assist from the early stages of planning with employers, all the way through the closing of EAH deals.

- Although a record number of foreclosure cases has plagued the nation and metropolitan Chicago, an interesting distinction has become clear through the REACH Illinois partnership. Evidence shows potential homebuyers who take homeownership education and counseling courses before they buy are at an advantage. Through REACH, employers are helping their employees avoid homeownership pitfalls, including predatory loans, by connecting them with pre-purchase courses offered by nonprofit organizations. Before they sign away their financial security, would-be homebuyers

are learning basic budgeting skills and receiving credit counseling, as well as getting advice on choosing a reputable lender and manageable mortgage loan; hiring attorneys and home inspectors; and interpreting loan documents.

- EAH and REACH Illinois received extensive media attention over the course of 2007. The following is a comprehensive list of articles, any of which MPC would be happy to provide a copy:

- "Mortgage counseling" from *Chicago Tribune*, Sept. 29, 2007
- "Helping families secure housing" from *Daily Herald*, Sept. 29, 2007
- "Employer assisted mortgages on the rise" from *Inside Alternative Mortgages*, Sept. 28, 2007
- "Another Take: Employers help workers find housing" from *Daily Southtown*, Sept. 27, 2007
- "Workers need more employers to help put roofs over their heads" from *Sun Herald News*, Aug. 27, 2007
- "REACH to provide work force housing" from *Sun Herald News*, Aug. 21, 2007
- "Chicago shows the way: employer-assisted housing initiatives that work" from *Washington State Housing Commission Finance Newsletter*, Aug. 15, 2007
- "It's better to work closer to home" from *Pioneer newspapers*, July 23, 2007
- "Village to help employees purchase homes" from *Northwest Indiana Times*, July 23, 2007
- "Federal employer-assisted housing bill gets second chance" from *Entrepreneur.com*, June 27, 2007
- "Affordable worker housing initiative's aim" from *Northbrook Star*, June 21, 2007
- "Workforce initiative seeks more affordable housing" from *Deerfield Review*, June 14, 2007
- "Housing Bulletin — Employer-Assisted Housing" from *Chicago Magazine*, May 30, 2007
- "Employer assisted housing yielding benefits to various stakeholders" from *Northwest Reporter*, May 21, 2007
- "Employees need housing help, group says" from *Daily Herald*, May 19, 2007
- "Workforce housing efforts gain traction with local employers" from *Palm Beach Post*, May 17, 2007
- "Leaders to discuss affordable housing" from *Buffalo Grove-Countryside, Pioneer Press*, May 17, 2007
- "Employers preparing for mortgage default problems" from *Human Resource Executive Online*, March 29, 2007
- "Strategies for healthcare workers to find affordable housing options" from *South Florida Hospital News*, Feb. 1, 2007

### Table 1: Total Enrollments and Closings for All Participating Employers thru 2007\*

#### Enrollments 2000-2007

2501

#### Closings 2000-2007

1370

\*Based on Available Data

## Table 2: 2007 Reporting Employers

Employers Reporting Activity in 2007	Location	REACH Partner	2007 Enrollments	2007 Closings	2000-2007 Enrollments	2000-2007 Closings
Allstate Corporation	Lake County	Affordable Housing Corp. of Lake County	3	1	38	8
Bank One/Chase	Statewide	Multiple	1	1	31	31
Brian Grainger Construction	DeKalb County	N/A	0	2	3	3
Charter One Bank	Statewide	N/A	20	20	97	135
Chicago Public Safety Officer Program	Chicago	Multiple	59	59	128	174
Chicago Public Schools	Chicago	Rogers Park Community Development Corporation	123	195	772	528
Christie Weber Landscaping	Chicago	Spanish Coalition for Housing	1	0	6	0
City Colleges of Chicago	Chicago	Rogers Park Community Development Corporation	7	10	16	16
City of St. Charles	St. Charles	Joseph Corporation	4	0	9	8
First Midwest Bank	Statewide	All	23	23	62	87
Harris Bank	Chicago metro region	Multiple	27	3	27	3
Labelmaster	Chicago	North River Commission	2	0	2	0
Lake Forest College	Lake Forest	Affordable Housing Corporation of Lake County	2	0	2	0
MB Financial Bank	Chicago region	N/A	18	18	53	53
Medela Corporation	McHenry county	Corporation for Affordable Homes of McHenry County	4	0	14	3
Mercy Hospital and Medical Center	Chicago	Genesis Housing Development Corporation	24	7	149	12
Metropolitan Planning Council	Chicago	Housing Choice Partners	3	0	3	0
Northwest Community Healthcare	Northwest Cook County	North West Housing Partnership	2	0	110	19
Rush University Medical Center	Chicago	Neighborhood Housing Services of Chicago	30	6	142	11
Seaquist Perfect	McHenry County	Corporation for Affordable Homes of McHenry County	3	1	13	6
St. James Hospital and Health Center	Southern Cook and Will counties	Regional Redevelopment Corporation	3	3	29	4
Swedish American Medical Foundation	Rockford	Rockford Area Affordable Housing Coalition	1	1	16	8
Swedish Covenant Hospital	Chicago	Neighborhood Housing Services of Chicago	4	0	19	4
System Sensor	Kane County	Joseph Corporation	4	1	122	67
University of Chicago and University of Chicago Hospitals	Chicago	Neighborhood Housing Services of Chicago	6	27	420	161
Wheaton Franciscan Services	DuPage County	DuPage Homeownership Center	6	1	16	1
<b>Total for 2007 Reporting Employers</b>			<b>380</b>	<b>379</b>	<b>2299</b>	<b>1342</b>

\*The Chicago Public Schools Annual Report of Calendar Year 2007 for the Teachers Housing Assistance Program indicates 194 employees purchased homes. Updated numbers were received after the report was released to show that 195 employees purchased homes in 2007.

**Table 3: 2007 Employee Data\***

Employer	Chicago Public Schools	City Mortgage Grant, Assist Bond Program	University of Chicago and University of Chicago Hospitals	Chase	Seaquist Perfect	St. James Hospital and Health Center	Total/Median
<b>REACH Partner</b>	Rogers Park Community Development Corporation	Rogers Park Community Development Corporation	Neighborhood Housing Services of Chicago	Spanish Coalition for Housing	Corporation for Affordable Homes of McHenry County	Regional Redevelopment Corporation	
Employees Assisted (w/ data available)	195	10	26	1	1	1	234
Employer Assistance	\$3,000	\$3,000	\$7,500	\$2,240	\$2,500	\$5,000	\$3,000
IHDA Match	\$3,000	\$3,000	\$3,000	\$2,240	n/a	\$3,000	\$3,000
Household Income	\$53,817	\$50,050	\$66,250	\$50,676	\$45,612	\$44,657	\$50,363
Household Size	1	2	2	4	1	3	2
% Area Median Income	100%	85%	115%	60%	90%	70%	88%
Purchase Price	\$202,450	\$155,000	\$216,000	\$115,900	\$124,500	\$155,000	\$155,000
Loan Amount	\$187,700	\$155,000	n/a	\$112,423	\$122,000	\$155,000	\$155,000
First-Time Homebuyers	158	7	25	1	n/a	1	192
Minority Employees	102	8	15	1	1	1	128
Sample of Other Assistance	Lender Credit, City Mortgage Grant, Assist Bond Program	City Mortgage Grant, Assist Bond Program	Tax Smart	n/a	n/a	n/a	

\*All calculations based on available data.

For more information:



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