

Promising Practices for Workforce Housing: Implications for Colleges and Universities

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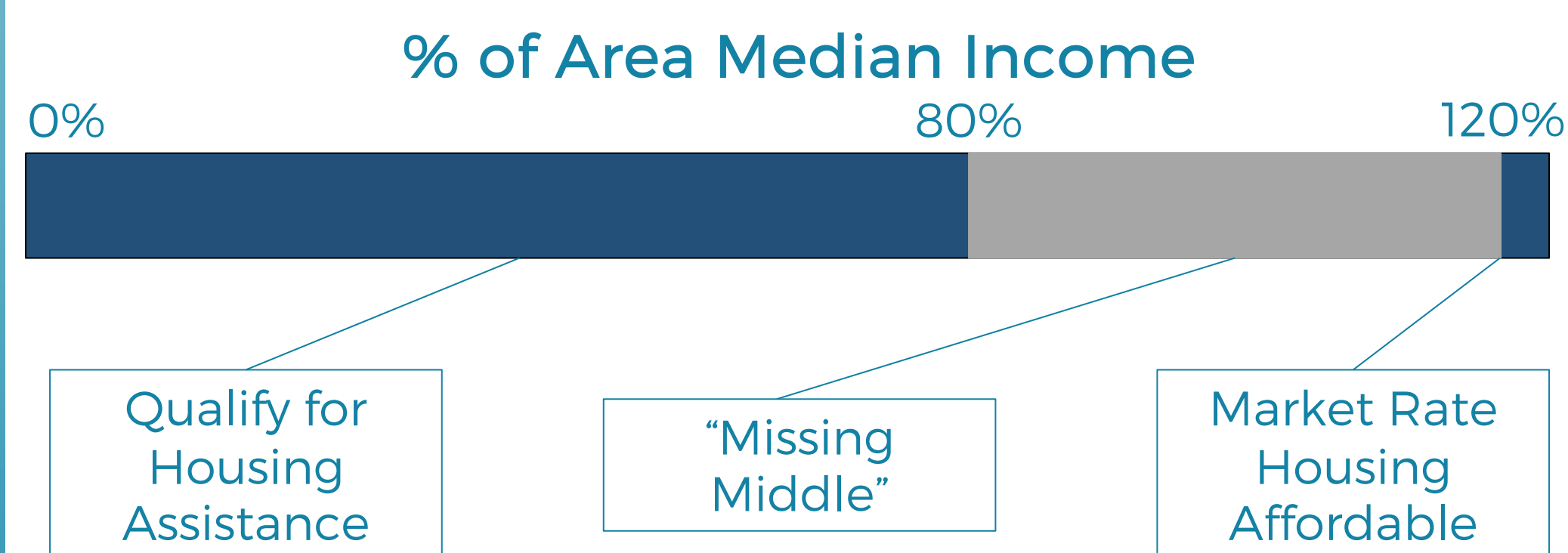
Abstract

Although the first affordable housing program began in 1917, the United States still faces a significant shortage of affordable housing today. The shortage disproportionately affects low-income workers who cannot afford to live near their jobs and face growing commutes. In order to mitigate the worsening effects of the shortage on lower income workers, non-governmental organizations are increasingly engaged in workforce housing development. This research draws on the extant literature, key informant interviews and surveys of affordable housing experts, and case studies of actual workforce housing development projects to create a set of "promising practices" that colleges and universities can deploy to develop much-needed workforce housing for some of their employees.

Introduction

No state has enough affordable housing units to meet demand. In every city, demand continues to increase for affordable housing because of six major factors: economic recession, wage stagnation, student debt, exclusionary zoning, gentrification, and government action.

Workforce housing is one way to address the shortage of affordable housing. Workforce housing addresses the people in the "missing middle," who do not qualify for federal housing assistance but cannot afford the market price of housing in many cities.¹



Workforce housing units are often older and need to be rehabilitated but cannot quickly turn a profit, making them difficult to develop. Universities can help by creating workforce housing for employees in this range.

Housing Impact

Providing housing assistance to employees in this income range benefits both the employees and the universities.

Housing assistance typically reduces commute times and reduces financial stress, which can improve employees' overall health. Studies show that reducing commute lengths to under 10 miles can lower blood pressure and reduce the risk of long-term heart disease.²

Assisted employees are also more loyal. Companies who have provided housing assistance to lower income employees report that employee turnover rates have declined.³

Methodology

Data was gathered using a three-pronged research strategy.

Strategy	Number of Participants	Purpose
key informant interviews	5	key informants gave insight on promising practices for workforce housing
case studies of universities and for-profit companies	4	case studies provided information on current universities' and companies' practices around workforce and affordable housing
surveys of universities and for-profit companies	30	surveys provided further information on current practices of both types of organizations

These research methods helped develop a set of recommendations for universities looking to focus on workforce housing for their employees. The recommendations considered both promising practices for workforce housing development and the current initiatives of universities.

The study is limited by the number of universities and for-profit companies eligible for selection. Since no database of organizations working on affordable housing or workforce housing exists, selection was also not random. Time was the greatest limiting factor.

Results

Current University Initiatives

Universities currently focus on a wide range of affordable housing initiatives, from general affordability in their communities to faculty housing assistance. These universities have programs that include classes, workshops, conferences, and research opportunities focused on affordable housing and community improvement. In their communities, they provide both financial and educational tools to residents.



Johns Hopkins University



University of Chicago

Few schools focus on the "missing middle" employees who may not be able to afford the high cost of living nearby.

Promising Practices

Eight promising practices for developing workforce housing were identified.

Defined Plans - detailed plans that include timelines and financing information

Inclusionary Zoning - removal of zoning barriers that prevent workforce housing

Transparency - information on plans and progress are shared with the community

Developer Support - developer support acquired before beginning the project

Joint Ventures - partnerships with other organizations reduces individual workloads

Community Involvement - community updated frequently and allowed to give feedback

Renovation and Adaptive Reuse - older structure repurposed as housing units or renovated

Accessibility - housing units located near public transit, grocery stores, and pharmacies

Conclusion

Eight recommendations were developed for universities from the eight promising practices.

1. Universities should create clear plans to help them manage workforce housing projects.
2. Universities should advocate for inclusionary zoning laws in their cities.
3. Universities should be transparent about progress and project financing.
4. Universities should look for developer support to help plan workforce housing projects.
5. Universities should form joint ventures to divide the project workload.
6. Universities should look for feedback from community members.
7. Universities should look for renovation and rehabilitation opportunities to save money.
8. Universities should locate workforce housing near public transit and other amenities.

Other Considerations

Three other considerations were developed from interviews with key informants.

First, universities can provide traditional housing vouchers to employees instead of developing workforce housing.

Second, universities can choose to develop land they already own to keep employees close by and to reduce costs.

Third, universities can look for more creative solutions to workforce housing shortages that non-profits and government institutions may not have time to research fully.

Acknowledgements

Sources: Department of Housing and Urban Development;¹ American Journal of Preventative Medicine;² Employee Financial Wellness Survey;³ key informants from Johns Hopkins University, University of Chicago, Bank of America, and Bridge Investment Group; survey respondents