



Neighborhood Housing Services of Chicago Southland Economic Transformation (SET) Final Report October 29, 2021

BACKGROUND AND INTRODUCTION

NHS of Chicago is delighted to submit this final report on activities undertaken, thanks to the Southland Economic Transformation Grant, to develop a frame work for a sustainable employer assisted housing consortium model that supports the community and economic development of the Southland. While housing stability and access have long challenged families, communities and the economy in the southern suburbs, these challenges are exacerbated as we emerge from the pandemic in today's Southland:

- **Economic Downturn:** Many families have new challenges in paying rent, mortgages, and home maintenance expenses as a result of the pandemic. *Financial assistance and the ability to live near work would both be valuable to these workers.*
- **Commutes:** Essential workers and valued service providers who live in Economically Disconnected Areas, like the Chicago South Suburbs, commute for 58 hours longer each year than the average worker, due to the lack of quality housing options near their jobs. *Appealing housing choices in the Chicago Southland would be valuable to these workers.*
- **Work from home:** As businesses pivot, working from home is becoming a permanent option, though studies have shown that people doing so due to the pandemic paid more in housing expenses than when they commuted. Since many employers will likely continue to encourage working from home, *more support with appropriate home modifications would be valuable to these workers*
- **Labor Supply/Recruitment Challenges**

Costs to employers when employees can't live near work include:

- Difficulty recruiting new talent
- Reduced worker productivity
- Workforce instability and higher turnover rate
- Lack of employee investment in the community
- Unnecessary carbon emissions due to traffic and congestion

Work Plan

The work plan objectives as part of the grant proposal have been in large part been achieved as described below, and further illustrated in the attached two slide decks shared with the Steering Committee at its first two meetings in September and October, NHS is pleased with the progress to date and the momentum of its work to address the above. Below are the initial activities proposed and the current status.

PROJECT WORKPLAN	
Feasibility Phase Months 1-6	
Task	

1. Create employer/stakeholder engagement plan	Completed
2. Develop educational materials on EAH initiative and links to economic development initiatives	Completed
3. Develop survey and interview instruments to engage interest, gather employee and	Completed
4. Conduct research on housing programs, policies and affordable housing development initiatives	Completed
5. Conduct affordable housing analysis of inventory, condition, sales prices, etc.	Planned
6. Execute initial engagement plan and complete surveys, interviews and research	Completed
7. Create report on findings	Completed
8. Milestone - Hold stakeholder convening – Present report	Planning of stakeholder convening to be informed by Steering Committee
9. Formation of Steering Committee	Completed
10. Peer exchange with local and national EAH leaders on best practices and lessons learned	Completed
Business Planning & Program Design Phase Months 6-12	
Task	
1. Examine and pursue optimal structure and program administration model	Completed
2. Define program components, geographic target areas, financial assistance levels and income guidelines based on market analysis, research, employee surveys and data	Underway
3. Evaluate technology platforms to facilitate program administration	Underway
4. Develop marketing plan	Underway
5. Develop funding model scenarios and 5-year operating budget	Underway
6. Develop implementation and operations plan	Underway
7. Milestone - Host stakeholder convening Present business plan	Business plan development underway informed by Steering Committee
8. Secure employer commitments to participate in pilot	Completed
9. Create employer operations guide, program documents, and marketing collateral	To be developed once program parameters established by steering committee.

STATUS REPORT

Per discussion at the first convening of this Steering Committee, the work plan originally conceived was essentially on track, as all but one of the ten Phase I/Strategic Planning activities anticipated for the first half of the year were either completed or underway. The affordable housing inventory analysis was the one exception, and all parties agreed that enough was known about that topic to hold off on its formal execution. Additionally, as of that September meeting, several of the 9 activities anticipated for the second half of the year, essentially the business planning, was also underway.

As of the second convening of the Steering Committee, with the exception of the evaluation of the technology platform, all of the anticipated activities were either completed, underway, or anticipated to be completed by the end of 2021.

In addition to the attached Steering Committee presentation and discussion slides, also available upon request are initial drafts of marketing materials that are already getting updated, thanks to input from the Steering Committee.

Much of the NHS SET midyear report summarized the outreach activity undertaken up to that point in time. Ultimately, BRick and NHS spoke with 21 entities as part of its stakeholder engagement work. Nineteen of those engagements were with individuals, while 2 (the Southland partnership and the NHS Advisory Council) were group presentations. BRick and NHS undertook follow-up conversations with several of these entities 21 entities, which included:

1. Advocate Aurora Health
2. Calumet Area Industrial Commission
3. Chicago Southland Chamber of Commerce
4. Chicago Southland Economic Development Corporation
5. Chicago TREND
6. Cook County
7. Franciscan Alliance
8. Governors State University
9. Illinois Housing Development Authority
10. Ingalls Memorial Hospital
11. NHS of Chicago Advisory Council
12. Opportunity Advancement Innovation Inc. (OAI)
13. Respond Now
14. Rock Island Economic Growth Corporation
15. South Suburban College
16. South Suburban Land Bank and Development Authority
17. South Suburban Mayors and Managers Association
18. Southland Partnership
19. Southland Development Authority
20. Thornton Township
21. United Way of Metro Chicago

Responding to the overwhelming interest among stakeholders for a program that engages employers in catalyzing NEW inventory, and not just providing down payment assistance to access existing homes, NHS approached the Southland Development Authority to co-lead the implementation phase of this effort. SDA accepted this role, understanding how it was uniquely positioned to facilitate the Land

Bank's role repurposing vacant and abandoned properties, as well as the other SDA tools designed to support needed redevelopment.

The executive director of the SDA further agreed to convene the steering committee, co-chaired with NHS, and to send out invitations to Individuals representing the following agencies, all of whom accepted:

1. Chicago Southland Chamber of Commerce
2. Chicago Southland Economic Development Corporation
3. Governors State University
4. Ingalls Memorial Hospital
5. South Suburban Land Bank and Development Authority
6. South Suburban Mayors and Managers Association
7. Thornton Township
8. United Way of Metro Chicago

The employers represented on the Steering Committee are open to piloting a new program (or, in Thornton Township's case, to expanding an existing program). And the industry groups and other partners represented in this group have further demonstrated their ability and willingness to otherwise support the outreach and implementation of this effort. The below was shared with the Steering Committee to summarize their advisory role with strategic planning implementation and business plan development:

Employer Outreach and Engagement

- Creation, distribution, and piloting of Employer and Employee Surveys and other products.
- Making the case for private-sector interest in housing issues and reviewing and advising outreach/education materials.
- Employer convenings and other outreach, including initial launch and sustained engagement.

Program Mechanics and Sustainability

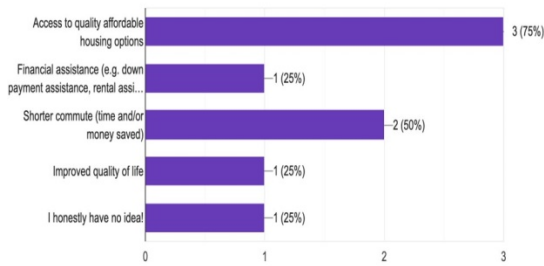
- Identification of incentives to engage the business community in housing policy and programs.
- Development of a menu of options for employer involvement, ranging from EAH programs to participation in revitalization efforts to advocacy, etc.
- Refine and Lead the Program Building Blocks.
- Sustainable EAH implementation plan for the South Suburbs (including discussion of potential matching fund or other revenue sources).

Between the first and second steering committee meetings, four employers piloted the employer survey, including First Savings Bank of Hegewisch, Governors State University, LB Steel, and University of Chicago -Ingalls Memorial. Together, they represent 2,775 full time employees and 505 part time employees. The survey results provided the following findings:

- All said that over 50% of employees drive to work
- 75% said that access to affordable housing would encourage employees to live closer to work.
- 100% also volunteered that they have EAP Programs
- Job categories with high turnover: Entry-level/lower-paid positions; nursing and nursing assistants

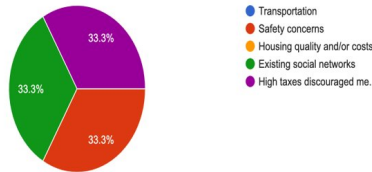
Which of the following do you think would encourage employees to live closer to work?

4 responses



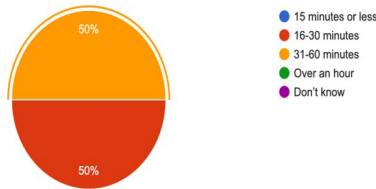
Which of the following do you think discourage employees from living closer to work?

3 responses



What is the average length of commute for your employees?

4 responses



The first Steering Committee Meeting was focused on informing the Steering Committee members on the strategic and business planning done to date through the SET grant that NHS received for this work, and on laying out the work plan from here forward. Also at that first meeting, case studies were shared in an effort to level the playing field, in terms of everyone’s understanding, since several of the Steering Committee members had been engaged with many of the region’s former and existing employer housing programs while others had never even heard of this concept.

The second Steering Committee Meeting primarily focused on the value and benefits of an Employer Housing Consortium, as well as the proposed program mechanics and budget implication.

An Employer Housing Consortium: Proposed Program Building Blocks

Learning from the past work and best practices here in Illinois as well as around the country, while also responding to the Southland’s unique goals and needs and talents, NHS remains committed to the idea of an Employer Housing Consortium. This approach is more resilient and transformative than the

traditional down payment assistance models that have been more common here in the Chicago Region. In particular, the Consortium approach can advance the redevelopment objectives prioritized by stakeholders and the Steering Committee, and can link both the expanded package of employee assistance and the new inventory with critical policy objectives.

The building blocks are not about each employer putting together all 4 blocks, but rather about the consortium ensuring that all 4 blocks are connected to indeed add up to and catalyze a more resilient, inclusive and competitive workforce. At this stage, the idea is not about creating a whole new entity but rather to bolster existing collaborations.

Building Block One: Housing Resource Center

Mission:

Deploy a variety of outreach tactics, such as surveys and presentations, to educate employers and employees about local housing needs and opportunities to (a) engage employers as contributing members of this new initiative, and (b) provide housing counseling and financial literacy education both in person and online.

Roles:

- Engage with Employers
- Market Participation in the Consortium
- Introduce the Employer and Employee Surveys
- Direct Employer to Consortium Staff
- Provide counseling or workshop services (via NHS, Consortium Staff, or other provider).

Responsible Entities:

Chicago Southland Chamber of Commerce, CSEDC, other employer groups
NHS – Housing Counseling and Financial Literacy
Consortium Staff - Coordinator and Service Provider

Building Block Two: Financial Assistance

Mission:

With employer dues and other resources, offer financial support to select employees who are interested in moving within a certain radius of work and also to select developers/employers who are interested in workforce housing development.

Roles:

- For eligible employees, NHS provides down payment, closing costs, rental, home rehab and/or matched savings support.
- For eligible developers and employers, SDA helps facilitate (a) land contributions or SSLBDA assistance in acquiring and repurposing vacant and abandoned properties, (b) other available gap financing (donation tax credits set aside for EAH, pre-development, construction and/or permanent debt, equity or grants), and (c) workforce demand referrals, linked with housing assistance.

Responsible Entities:

NHS, SDA and Consortium Staff

Building Block Three: Housing Development Support

Mission:

Pursue and assist housing and mixed-use (re)developments that meet pre-identified criteria.

Roles:

- Help employers line up their existing capital plans and other priorities to leverage needed funding and partners.
- Connect employers with potential development partners, local leaders and workforce development support
- Share tools (ex: RFP/RFQ template) with employers.
- Leverage financial assistance as described in Building Block 2.
- Engage employers in supporting needed developments and policies in the form vocal or written testimony at village meetings and other venues, per Building Block 4 (Public Policy).

Responsible Entities:

SDA, SSLBDA, SSMMA, Consortium Staff

Building Block Four: Public Policy

Mission:

Pursue and assist housing and mixed-use (re)developments that meet pre-identified criteria.

Roles:

- Help employers line up their existing capital plans and other priorities to leverage needed funding and partners.
- Connect employers with potential development partners, local leaders and workforce development support
- Share tools (ex: RFP/RFQ template) with employers.
- Leverage financial assistance as described in Building Block 2.
- Engage employers in supporting needed developments and policies in the form vocal or written testimony at village meetings and other venues, per Building Block 4 (Public Policy).

Responsible Entities:

SDA, SSLBDA, SSMMA, Consortium Staff

PROGRAM BUDGET

An initial 5-year program budget was drafted and shared with the Steering Committee to advance the above work plan, including both sources and uses. At this point, the budget suggests that 25% of program fees would be covered by employers, and it identifies a number of sources that could plug the gap. Both NHS and SDA have identified funders that could move quickly to advance this effort.

LOOKING FORWARD

Since the second Steering Committee meeting in October, and in prep for a third meeting in November, NHS and BRicK are working to incorporate the committee's considerations and feedback from the October 27th discussion, including:

- Updating the budget to (a) reflect the potential for a tiered approach to the employee financial assistance (akin to the University of Chicago), and to (b) better represent how the creation of new inventory might create an additional revenue stream to help fund the Consortium;
- providing more detail on the potential funding sources, in terms of timing and amount, and potential efficiencies to be leveraged;
- ascertaining (through one-on-one conversations) any budget needs of the proposed 'building block' leads, and;
- encouraging the employers who filled out the employer survey to also disseminate an employee survey.

Financial Report - Project Budget

Utilization of the SET grant funds have been consistent with the proposed budget and used primarily to engage a consultant, BRiCK Partners, to facilitate the planning process and to support NHS staff time committed to the process. The proposed total project budget included yet to be raised funding to support the implementation and pilot phase. See Exhibit A for the proposed and actual budget. The planning process helped to identify potential funding sources that will be pursued to move forward continued planning and implementation and allow BRiCK and NHS to maintain momentum for a program launch in early 2022, with the evolving year-one goals outlined below.

- Visibility of this initiative in the Southland, especially among larger employers
- At least one employer engaging with each Building Block.
- 5-10 employers join the Consortium (paying member)
- Representation from small (under 10 employees), medium (10-250), and large (250+) employers
- To be determined number of employees engaging in financial literacy and housing counseling
- At least 10 employees benefiting from financial assistance
- To be determined number of housing and/or mixed-use developments engaging with (or being advanced by) the Consortium
- To be determined number of workforce housing opportunities in the pipeline
- To be determined number of policy initiatives engaging with the Consortium
- To be determined number of trainees, apprentices, jobs
- New resources leveraged for the Consortium

Longer term program objectives include:

- Reduce turnover
- Increase recruitment
- Generate tax revenue
- Improve Southland market demand
- More equitable and integrated policies and resources linking housing and jobs
- Infrastructure and economic development
- Ample and appealing Live Near Work housing options

NHS appreciates the opportunity the SET Grant provided to advance the development of a sustainable employer assisted housing consortium model that supports the community and economic development of the Southland. We remain committed to exploring strategies to move forward with planning and implementation.

EXHIBIT A

PROJECT BUDGET					
	Project Budget	Proposed SET Share	6-Month Expenses	Actual SET Award	
Program Coordinator	\$85,000	\$25,200	\$42,500	\$9,000	Time of Donna Clarke, COO and Karen Woods, Director, Homeownership Services, in participating in the execution of work plan in conjunction with consultant.
Consultant	\$35,000	\$25,000	\$6,000	\$36,000	Engage consultant to assist in execution of work plan. Contract term Jan-Dec.
Housing Counselor	\$50,000	\$0	\$25,000		.5 FTE located in South Suburbs to facilitate pilot launch with Program Coordinator
Staff Expenses	\$3,700	\$0	\$1,850		Training, local travel, memberships, subscriptions
Occupancy	\$30,000	\$0	\$15,000		Rent, electric, phones, internet
Equipment & Supplies	\$5,280	\$0	\$2,640		General office supplies, printing, copier
Marketing & Outreach	\$6,600	\$0	\$0		Promoting NHS' EAH project to stakeholders and potential buyers
Subtotal	\$215,580	\$50,200	\$92,990		
Administration	\$43,116	\$9,800	\$21,558	\$5,000	20% of program delivery expenses to cover overhead, back-office and oversight.
Total Budget	\$258,696	\$60,000	\$114,548	\$50,000	