
KNHS
your home
INITIATIVE

A BENEFIT THAT HITS HOME

You pay your employees well. You provide benefits. You take care of your people. But housing has become less affordable. For many of the folks who work for you, home ownership is a dream that's just out of reach.

PROBLEM 01

The Kalamazoo housing market is challenging. Even with a good job, the goal of owning a home is not attainable for many people. They just don't have the resources to compete.

PROBLEM 02

If employees have a hard time finding housing near your company, that makes it difficult for you to find and keep qualified workers. High employee turnover is expensive and unfilled positions impact your bottom line.

The Housing Struggle

In Kalamazoo, a typical 2-bedroom apartment rents for **$1,200 a month**. With no equity or generational wealth being built as a renter, buying a home is the better option. But then, add in the monthly costs for transportation, groceries, healthcare, childcare, and other cost of living expenses, and that doesn't leave much to put into a savings account.

$185,000

= Median Sale Price of Home in Kalamazoo (June 2023)

6% = $11,100

(Plus average closing costs of 3% or $5,500)

Home Prices, Interest Rates, & Cost of Living are All Up

The biggest obstacle people face when buying a home is saving enough money for the down payment. According to *redfin.com*, the median sale price of a home in Kalamazoo is $185,000.

Coming up with the required 3-10% down payment is daunting for most families, especially low-to-moderate income home buyers.

The Reality:

SEPTEMBER 2022

Client 1 purchased a home for $160,000 at 5.25% interest

Monthly payment:
$868*
(Principle & Interest)

These two homeowners had down payment assistance from KNHS Your Home Initiative. Without that benefit from their employer, they could not have purchased their homes.

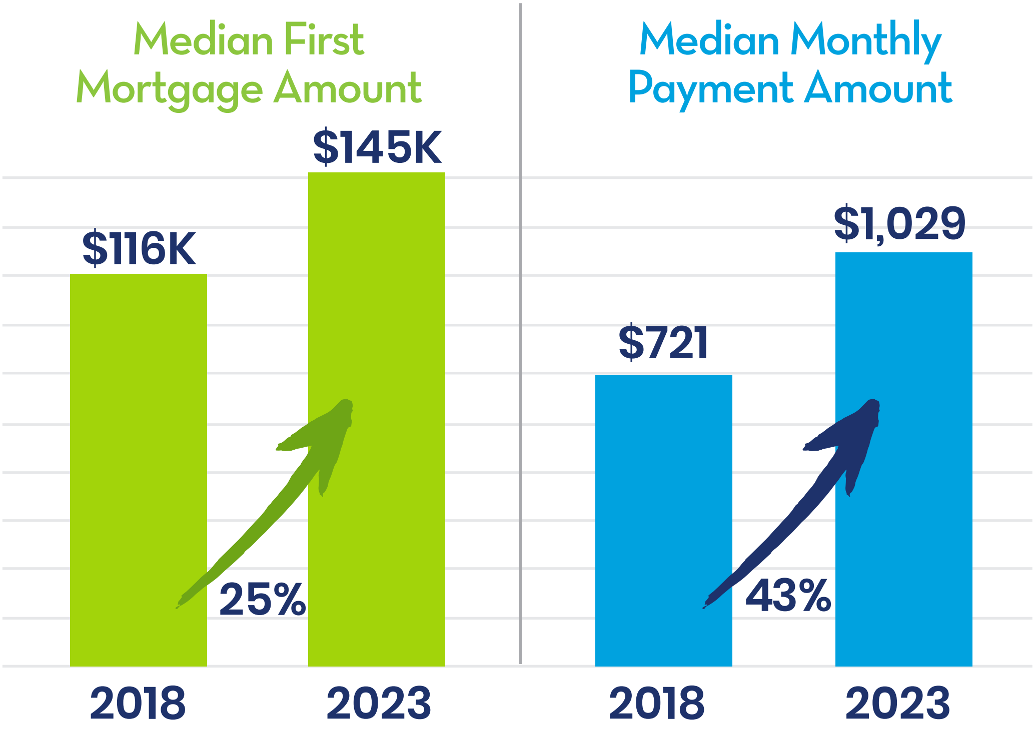
SEPTEMBER 2023

Client 2 purchased a home for $163,000 at 6.75% interest

Monthly payment:
$962*
(Principle & Interest)

**Both homeowners escrowed taxes and insurance adding an additional $400-600 to their payment.*

HOUSING CHANGE IN THE MIDWEST REGION



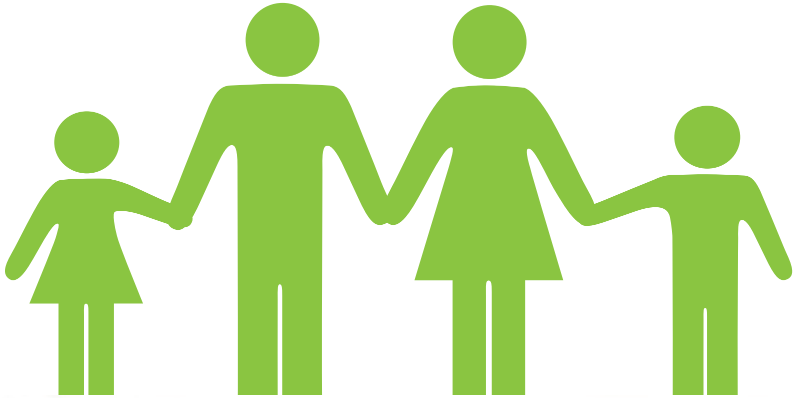
NeighborWorks AMERICA

NeighborWorks has 250 agencies across the US. The Midwest Region includes Michigan, Ohio, Illinois, Indiana, Wisconsin, Iowa, Minnesota, Kansas & Missouri.

What is AMI?

And why does it matter?

Area median income — often referred to as simply AMI — is a key metric in affordable housing. Area median income is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development. HUD refers to the figure as MFI, or median family income, based on a four-person household. This metric is important because many of HUD's housing programs are based on the value for a metropolitan statistical area, impacting renter eligibility determinations among other uses.



AREA MEDIAN INCOMES EFFECTIVE DATE: 04.01.2024

ANNUAL INCOME	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON		
50%	$35,300	$40,350	$45,400	$50,400	$54,450	LOW INCOME	
55%	$38,830	$44,385	$49,940	$55,440	$59,895	MODERATE INCOME	
60%	$42,360	$48,420	$54,480	$60,480	$65,340	MODERATE INCOME	
70%	$49,420	$56,490	$63,560	$70,560	$76,230	MODERATE INCOME	
80%	$56,480	$64,560	$72,640	$80,640	$87,120	MIDDLE INCOME	WORKFORCE HOUSING
100%	$70,600	$80,700	$90,800	$100,800	$108,900	MIDDLE INCOME	
120%	$84,720	$96,840	$108,960	$120,960	$130,680	MIDDLE INCOME	

Moderate vs. Middle Income

70% AMI

4 Person Household Annual Income

$70,560

- Less 22% Tax Bracket

$55,037

Net Monthly Take Home =

$ 4,586

100% AMI

4 Person Household Annual Income

$100,800

- Less 22% Tax Bracket

$ 78,624

Net Monthly Take Home =

$ 6,552

ACTUAL
CLIENT CASESTUDY

Single mom with 2 elementary aged children

Annual Income: $64,404 (71% AMI)

Occupation: Medical field

Client purchased a home in June 2023 for $180,000 plus $13,024 in closing costs.

The buyer brought $1,585 cash and had $4,700 in seller concessions. She received $10,000 in down payment assistance from KNHS.

Her 30 year mortgage amount was $176,739 at 6.75%

MONTHLY BUDGET IN NUMBERS

MORTAGE	
Purchase Price	$180,000
Closing Costs	$ 13,000
TOTAL:	$193,024
Less the following:	
Cash from Buyer	-$ 1,585
Seller Concessions	-$ 4,700
Down Payment Asst.	-$ 10,000
MORTGAGE AMOUNT:	**$176,139**

ANNUAL INCOME	$64,404
TAXES (22%)	-$ 14,169
NET INCOME	$50,235

MONTHLY EXPENSES	
MONTHLY INCOME	$4,186
Mortage Principle	-$1,146
Taxes & Insurance	-$ 484
Mortgage Insurance	-$ 79
Food	-$ 500
Utilities/Phone	-$ 400
Debt	-$ 300
Medical	-$ 115
Car Loan	-$ 585
NET REMAINING	**$ 577**

ON AVERAGE

It costs between $9,000 - 30,000 TO REPLACE A ROOF IN MICHIGAN*

* with most homeowners spending around $17K to replace a 2,000 sq. ft. roof

Repairs are just as critical.

For those employees who are already homeowners, a sudden, unexpected replacement of a furnace or roof can be just as debilitating. In 2023, KNHS' roof replacement program had an average cost of $13,875 for a basic replacement roof.

- 76% of Americans are one critical home repair away from financial distress that could ultimately result in the loss of their home.
- Low-to-moderate income homeowners have a difficult time securing financing at reasonable interest rates for these repairs.

AS A BUSINESS OWNER, WHY SHOULD YOU CARE?

Employer-assisted housing programs are a creative benefit to offer both prospective hires and current employees.

Consider this the ULTIMATE Recruitment and Retention strategy.

How it affects your business.

BUSINESS LOCATION -

Housing costs affect your bottom line. If employees can't find housing near your business, your employees might not stick around very long.

WORKFORCE DIVERSITY -

Available and affordable housing allows employers to attract and retain a diverse pool of talented employees in an increasingly tight labor market.

WORKER PRODUCTIVITY -

Access to attainable, stable housing and an emergency repair nest egg gives workers a sense of security and well-being. Workers are less stressed and more productive when they aren't worried about their monthly finances.

THE SOLUTION

KNHS
your home
INITIATIVE

The KNHS Your Home Initiative enables companies to provide an added benefit that helps employees pay for their homes and gives the business a competitive edge in hiring. It's a housing-assistance program that will help employees bring their vision of home ownership to reality and allow them to live closer to work.

KNHS
HOME
OWNERSHIP
SERVICES

A PARTNERSHIP

BETWEEN

KALAMAZOO COUNTY GOVERNMENT
HOUSING MILLAGE

& participating employers in Kalamazoo County.

KNHS your home INITIATIVE

What is it?

The KNHS Your Home Initiative offers employee participants housing down payments or critical home repair assistance.

DOWN PAYMENT ASSISTANCE
is typically given as a 100% forgivable loan if the person remains in the home for a specified period of time and remains an employee of the company.

CRITICAL REPAIR LOANS
are structured to fit the employee's budget with below prime interest rates and variable repayment time frames.

Longterm Investment

When employees are building housing equity, they are weaving themselves into the fabric of a community. The more they are invested in a place, the longer they want to stay.

Building up a community makes it a more desirable place to live and that attracts creativity, talent and opportunity.

Providing your employees with financial assistance is not a charity hand out. It's an investment in that person for the long term. It's a sign of good will and a strong statement saying -

"I value YOU enough to INVEST in you."

It creates and fosters a work environment where everyone feels valued and supported. A place where employees experience security and build generational wealth and the community experiences pride of place and increased economic development .

IT'S A

WIN! WIN! WIN!

for you, the employee and the community!

KNHS your home INITIATIVE

EVERYTHING YOU NEED TO KNOW

KNHS your home INITIATIVE

Overview

- Program is need based - Employee must be 120% AMI or lower to qualify.
- Funds can be used for (A) Down Payment Assistance and Closing Costs or (B) Critical Home Repair (ie; roof, window, siding, HVAC, health and safety or accessibility).
- Home must be in Kalamazoo County. Client must be the homeowner and reside in the home.
- Employer must have an office or base of operations in Kalamazoo County.

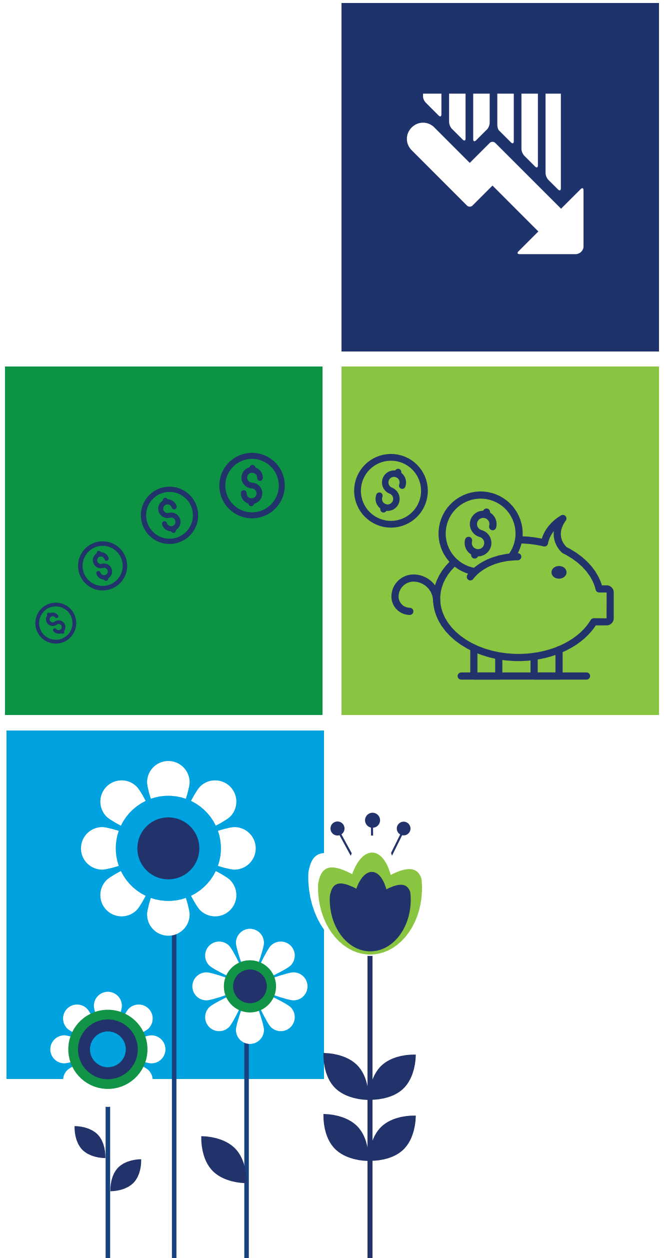
KNHS your home INITIATIVE

Overview

- Maximum amount - $20,000
- There may be deed restrictions placed on the home, depending on the product.
- Participation in KNHS Homeownership Education Classes or Financial Coaching is required.
- Additional requirements may be company specific and set by the employer.

Confidentiality is Our Top Priority.

Reporting back to funders and employers is in the aggregate, keeping client information confidential.



KNHS your home INITIATIVE | Advantage

- KNHS is a HUD-certified counseling agency with over 40 years' experience in the housing industry.
- KNHS has NMLS lenders in house that work with market lenders on down payment assistance.
- KNHS critical repair loans are 1% below the treasury prime rate. The rate is locked at time of issuance. Most low-to-moderate income clients find open market loans at 3-4% ABOVE prime rate.
- KNHS loans are amortized based on client affordability. KNHS evaluates credit worthiness based on income and expenses NOT credit score, which traditional lender use.
- KNHS is with our clients for life. When life happens, KNHS has coaches that can help clients get back on track and avoid default.
- For over 20 years, KNHS has successfully run this type of housing assistance program with the City of Kalamazoo and Bronson, working with more than 1,000 clients.

KALAMAZOO COUNTY GOVERNMENT
HOUSING MILLAGE

Double Your Investment with Matching Funds!

Now through December 31, 2027, Kalamazoo County 'Housing for All' millage is matching all employer contributions dollar-for-dollar, up to $1.1 million.

You invest $50,000, they match $50,000 = $100,000 for your employees!

PARTICIPATING PARTNERS

THE CITY OF Kalamazoo

BRONSON

PORTAGE
A Natural Place to Move

KALAMAZOO COUNTY GOVERNMENT
HOUSING MILLAGE

Join the Coalition

These participating partners are committed to the program!

KNHS HOME OWNERSHIP SERVICES

Have more questions about the KNHS Your Home Initiative?

We're here to help.

A KNHS team member can walk you through all of your options.

KNHS Home Ownership Services
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