

Amazon adds \$1.4 billion to affordable housing fund for regions where it has corporate offices

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Amazon is adding \$1.4 billion to a fund it established three years ago for preserving or building more affordable housing in regions where the

company has major corporate offices, CEO Andy Jassy announced Tuesday.

The Seattle-based company said the new sum would go on top of the \$2.2 billion it had already invested to help create or preserve 21,000 affordable housing units in three areas: the Puget Sound in Washington state; Arlington, Virginia; and Nashville, Tennessee. When it launched its Housing Equity Fund in January 2021, Amazon said it aimed to fund 20,000 units over five years.

The additional money will go to the same regions with a goal of building or maintaining 14,000 more homes through grants and below-market-rate loans. To date, most of the funding went to non-profit and for-profit developers in the form of loans that allow Amazon to earn revenue through interest payments. Amazon said 80% of the units also benefited from [government funding](#).

Like other [tech companies](#) that have made similar investments, Amazon launched its affordable housing fund following years of complaints that well-paid tech workers helped drive up housing costs in regions where their employers had set up major hubs.

Housing advocates in cities like Seattle and San Francisco have long blamed an influx of corporate workers for driving up the demand for housing and pricing out long-time residents.

Alice Shobe, the global director of Amazon Community Impact division, said 59% of the units Amazon supported so far have been preservation projects that make use of existing housing. They include donations and loans to nonprofits and local government agencies that can purchase buildings and stabilize rents, or otherwise maintain naturally occurring affordable housing.

In addition to maintaining housing stock, such projects prevent private developers from remodeling apartment buildings and putting the units on the market at much higher prices, Shobe said in an interview.

"We've made a big difference in both the amount and quality of affordable housing in these three communities," she said.

Amazon targets its investments to provide housing for individuals with low-to-moderate incomes, which the company defines as those earning 30% to 80% of a given region's "area median income." The company has said it wants to focus on what it calls the "missing middle," a demographic that includes professionals like nursing assistants and teachers who don't qualify for government subsidies but still struggle to pay rent.

In September, Amazon made a \$40 million investment to drive home ownership in the three regions. But the rest of the money so far has gone toward apartment buildings.

The company previously received some criticism in Northern Virginia for neglecting the housing needs of people on the lower end of the income spectrum. Projects designed for such individuals are likely to require more government subsidies and take longer to complete, said Derek Hyra, a professor at American University and a founding director of the Metropolitan Policy Center.

Shobe said Amazon has worked to maintain a "mixed portfolio" without losing its focus on the missing middle. Currently, the company says most of the units it has supported serve households earning less than 60% of the area median income, which goes up to \$82,200 for a family of four in Washington state's King County, where Seattle is located.

Companies like Amazon can help with the supply of [affordable housing](#),

but their money alone won't do much to move the needle without significant investments from the federal government, according to Hyra.

"They have a good amount of money, but not enough money to solve the problem," he said.

An internal Amazon memo that was leaked last year to the nonprofit labor organization Warehouse Worker Resource Center and posted online shows the company sees its philanthropy as a tool that can help it burnish its reputation.

According to a person familiar with the matter, the housing fund previously sat under Amazon's government and corporate affairs division. However, it was moved to the company's public relations arm when Jay Carney, Amazon's former public policy and communications chief, left in 2022, the person said.

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