

UNIVERSITY OF CHICAGO AND UNIVERSITY OF CHICAGO MEDICAL CENTER CHICAGO, ILL.



THE UNIVERSITY OF
CHICAGO

ORGANIZATION BACKGROUND

- The University of Chicago employs 8,150 people and the University of Chicago Medical Center employs 6,200 people.
- The organizations' employer-assisted housing program was launched in May 2003.

AFFORDABILITY GAP IN CHICAGO, ILL.

Median home price	\$278,500
Income needed to afford a median-priced home	\$80,389
AVERAGE ANNUAL SALARY FOR:	
Administrative assistant	\$40,710
Medical and clinical lab technician	\$37,760
Nurse (LPN)	\$40,230
Respiratory therapist	\$47,050

Sources: National Association of Realtors (Second Quarter 2006); Bureau of Labor Statistics (May 2006).

THE BOTTOM LINE

"Our EAH program has helped us build a real sense of community in and around the campus, giving faculty, staff and students a much stronger sense of ownership and pride in our community."

—HENRY WEBBER

Vice President of Community
and Government Affairs
University of Chicago

SITUATION OVERVIEW

As an engaged neighbor, the University of Chicago is committed to improving the quality of life for employees, students and neighborhood residents alike. The University of Chicago and University of Chicago Medical Center launched an employer-assisted housing (EAH) program in May 2003 to promote home-ownership and investment in targeted redeveloping neighborhoods surrounding the University and, in tandem, to address home affordability concerns in the more established communities near campus.

EAH PROGRAM AT-A-GLANCE

The University and Medical Center offer an EAH program that provides home-buyer assistance in the form of interest-free forgivable loans, as well as credit and homebuyer counseling services. As of September 2007, 158 employees had received loans to purchase homes near the University, and more than 450 employees had taken advantage of homebuyer education and counseling programs.

COMPETITIVE ADVANTAGE

The program is a highly valued human resources benefit that provides employees with assistance that makes buying a home possible, and the University and Medical Center with a very effective recruitment tool. Through the investment of employees who have purchased homes in the community, the University's EAH program has contributed to the vibrancy of neighborhoods on Chicago's mid-South Side.



www.homesforworkingfamilies.org

PROGRAM DETAILS

The University and Medical Center established two primary goals for their EAH program: help employees by providing assistance that makes homes close to the campus more affordable, and bolster community revitalization efforts by encouraging employees to purchase homes in transitioning neighborhoods surrounding the campus. To facilitate these goals, the organizations identified two target zones: the first includes six transitioning areas surrounding the University; the second includes the more established neighborhoods of Hyde Park and North and South Kenwood.

The program encourages employees to buy homes in the transitioning neighborhoods by permitting higher income (up to \$106,000 for a family of three) and purchase price limits, as well as allowing repeat buyers to receive the assistance. First-time homebuyers with lower incomes (capped at \$87,000 for a three-person household) are eligible to purchase in either zone.

Eligible employees receive an interest-free \$7,500 loan toward down payment and closing costs when they purchase a home within the program's target areas. The assistance is forgiven over five years provided the employee resides in the house as a primary home; continues to be employed by the University or Medical Center; and participates in homeownership counseling. In addition, an employee must contribute 3 percent of the purchase price of the home toward the down payment.

Employee Eligibility

- Employees must be employed by the University of Chicago or the University of Chicago Medical Center for one year, or relocating to accept a position.
- Employees' household incomes must not exceed established program limits for household size.

Program Expenses

From May 2003 through September 2007, the University of Chicago and the University of Chicago Medical Center invested a total of \$1,185,000 in interest-free loans to employees through the EAH program. The University and Medical Center also fund credit counseling and homebuyer education programs, which carry administrative costs of \$100,000 per year. These costs cover the expense of one staff person from Neighborhood Housing Services of Chicago who has an office on campus, and meets with individual employees, markets the program and teaches homebuyer education classes.

Key Partners

- **Neighborhood Housing Services of Chicago:** provides educational workshops and one-on-one homeownership counseling, and helps package financial assistance for home purchases.
- **Metropolitan Planning Council:** designed the program, assisted with initial program implementation and remains involved as a technical adviser.
- **City of Chicago Department of Housing, Illinois Housing Development Authority:** provide additional financial assistance to eligible homebuyers.
- **Private lenders:** offer products with special, lower interest rates.

OUTCOMES

- A total of 158 employees received interest-free loans (\$7,500 each). Of the 158 homebuyers, 11 homebuyers received matching funds from the state of Illinois.
- More than 450 employees benefited from credit counseling and homebuyer education programs.
- The success of the EAH program led the University in 2006 to invest \$1 million in a nonprofit loan fund to preserve rental housing. These funds are available as low-interest loans for rental property owners to rehabilitate buildings in the EAH program's target areas.



"We were interested in living close to campus, but we didn't think we could afford the homes. The University helped us purchase the perfect home for our family within walking distance of work, parks and schools."

—MICHELLE TAYLOR

Licensed Clinical Social Worker
University of Chicago Medical Center

IMPLEMENTATION INSIGHT

As part of the program launch, the University and Medical Center employed a variety of marketing techniques, including e-mail notifications, brochures and media announcements, that garnered substantial program participation. After the initial outreach effort, however, participation decreased and the University realized promotional activities were critical to maintaining employee interest in the program. Marketing efforts were reinvigorated and currently include bus tours of the target areas and informational meetings.