

## Live-Near-Your-Work Policies

### Less driving, money saved and communities revitalized

Casey Andersen and Amanda Woodrum

Cities, states, universities and hospitals are implementing “live near your work” programs and policies. These programs provide direct financial assistance to eligible employees for home purchase within certain boundaries to encourage living close to jobs. Employees, employers, and the community can all benefit from this approach.<sup>i</sup>

For the employee, these programs save money, save time, and make it easier to afford a comfortable life, including a home.<sup>ii</sup> In the Cleveland-Elyria-Mentor area, 52 percent of a middle-income household’s income goes towards housing and transportation costs (and more than half of that is for transportation).<sup>iii</sup> An average household’s transportation costs in the region can be as high as \$13,000 annually. By living nearer to work, residents can cut down considerably on transportation costs.

For the employer, the programs encourage staff to plant long-term roots in the community, can improve employee morale, productivity, and retention, reduce turnover and reduce training costs.<sup>iv</sup> They can also revitalize the community surrounding the workplace, making it more attractive to customers, clients, and future staff recruits.

For the community as a whole, these programs help the environment by improving air quality, reducing urban sprawl and decreasing traffic congestion. They can also help rehabilitate neighborhood housing stock, support area businesses and diversify the economy. They can reduce road repair costs, attract contractors who are rehabbing homes, contribute to the tax base, and help to achieve a greater balance between homeowners and renters in a targeted neighborhood.<sup>v</sup>

*This report details examples of some of these programs, including the role of the city and the employer in incentivizing local living.*

#### Key findings

- Live-near-your work programs are public-private partnerships with cities and employers to help employees buy homes in the community where they work.
- These programs help employees buy homes, reduce the high costs of transportation and commuting times.
- Employers benefit from increased employee morale and productivity, reduced turnover.
- Communities benefit from revitalized neighborhoods, work created for contractors rehabbing homes, reduced traffic congestion and road repair costs, and improved air quality.

## Live Baltimore

In 1997, Maryland passed growth management legislation with a “Live Near Your Work” program. The State’s Department of Housing and Community Development, local governments and employers each contribute \$1,000 towards the purchase of a home in designated neighborhoods.<sup>vi</sup> Fifty employers participate in the program, including Johns Hopkins. As a result of the program, many participants were able to change their commuting mode from driving to walking. Most were able to reduce their commute times.<sup>vii</sup>

**University of Maryland Medical Center and the city of Baltimore.** The University of Maryland Medical Center provides a minimum of \$1,500, and the city provides \$1,000, to each employee looking to buy a home in an eligible neighborhood.<sup>viii</sup> The employee is required to contribute a minimum of \$1,000 cash, and the home must be the primary residence.<sup>ix</sup>

**Johns Hopkins University and Johns Hopkins Medical System.** Baltimore, the state of Maryland and Johns Hopkins teamed up to provide grants up to \$17,000 to help eligible employees with down payments and/or closing costs when buying a home in designated neighborhoods near campus.<sup>x</sup>

## Greater Circle Living, Cleveland Ohio<sup>xi</sup>

Greater Circle Living provides financial assistance, training for homebuyers, help with the application process, education on housing options and assistance with budgeting/managing finances for full-time employees of any nonprofit institution in Greater University Circle. Loans of \$10,000 are offered through Greater Circle Living on a first-come, first-serve basis, they are forgivable and contribute to the down payment and/or closing costs of the purchase. If the employee continues to work for the nonprofit institution and occupies the home for 5 years after loan closes, the loan is forgiven. Case Western Reserve University, Cleveland Clinic, Cleveland Museum of Art, and University Hospitals offer employees interested in living in the Greater University Circle area additional benefits. If the employee is planning to move into the area, these institutions offer an additional \$20,000 forgivable loan for the down payment and/or closing costs of a primary residence house. If the employee already lives in the district, these institutions provide the option to apply for up to \$8,000 in matching funds for exterior renovations or one month’s rental payment in Greater University Circle.<sup>xii</sup> Judson at University Circle, a continuing care retirement center, also offers additional incentives for its employees to live closer to work. These employees may apply for an additional \$5,000 forgivable loan for the down payment and/or closing costs of the home. As of September 27, 2012, some 100 employees have participated in Greater Circle Living programs, including 38 homebuyers.<sup>xiii</sup>

## Washington D.C/ Live Near Your Work (LNYW)<sup>xiv</sup>

For a one-year pilot program starting in December 2011, the D.C. Office of Planning matches contributions made by area employers, such as the federal government, major universities, and health/hospital campuses. Matching funds provide up to \$5,000 toward the down payment and closings costs for homes purchased by faculty and staff. The program targets large employers and encourages them to offer these incentives instead of help with parking or other commuter costs. Homes have to be in the District and within 1.5 miles of the place of employment, or a half-mile from a metro station, a quarter mile from a bus route, or in a targeted revitalization area. Employer contributions are between \$3,000 and \$5,000 and must be in the form of a grant or 0 percent deferred

loan. At Gallaudet University, grants were made performance-contingent, with the size of the payback obligation reduced based on the length of time the employee lives in the purchased home.<sup>xv</sup>

### **The University District Live Near Your Work – Minneapolis, Minnesota**

In 2007, the Minnesota legislature created a vision for future development of the University District recognizing the advantage of living near a major university and the importance of a livable community. To this end, the legislature established the [University District Partnership Alliance](#).<sup>xvi</sup> The Alliance offers assistance programs to those who want to live in the University District of Minneapolis. Partners include the University of Minnesota and its students, the University's four adjacent neighborhoods and their residents, the city of Minneapolis, and area business associations. The [live near your work website](#) contains information on the neighborhoods, buyer incentives such as energy upgrade loan funds, inspection grants and homebuyer assistance programming, as well as information on homes for sale and what the University District has to offer.<sup>xvii</sup>

### **Delaware State Housing Authority**

The Delaware State Housing Authority partners with employers to provide grants to employees purchasing homes within three miles of their workplace. The employer provides a minimum of \$1,000, the state provides a matching \$1,000 grant, and the local jurisdiction provides a \$1,000 matching grant. To qualify, the employee must first obtain a mortgage from a participating lender, the employee's income must fall under a certain level, and the house's value cannot exceed a certain price.<sup>xviii</sup> There are [20 participating employers](#).<sup>xix</sup> Below are examples of some of those employer programs:

**City of Wilmington, Delaware.** Wilmington's Employee Homebuyer Assistance Program is a two-tiered approach that uses funding from the state and the city to create grants for city employees to earn up to \$5,000 in down payment and settlement assistance towards the purchase of a home within certain city boundaries.<sup>xx</sup> By meeting all the state's LNYW requirements—including income eligibility, \$1,000 contribution by the participant, completion of housing counseling, sales price limitation, use of LNYW-approved lenders and boundary limitation—an employee of the city of Wilmington can receive up to \$2,000 in state assistance for a total of \$3,000 toward their down payment and settlement.<sup>xxi</sup> If employees are qualified for LNYW at both the state and city level, they can receive up to \$4,000 from the city, for a total of \$5,000 in combined state and city assistance. The amount received cannot exceed the price of the down payment and settlement.<sup>xxii</sup>

**City of Milford, Delaware.** Milford joined the state and local businesses to participate in Live Near Your Work in 2004.<sup>xxiii</sup> The program uses a one-mile radius to determine qualifying homes.<sup>xxiv</sup>

**Dover Housing Authority.** In Dover, the LNYW is part of the city's efforts to provide various housing options that address the needs of its citizens.

## **Find Your Place in Chicago**

Through a public/private partnership, including philanthropic partners, developers and lenders, the city of Chicago assembled a package of incentives including \$15,000 grants to buyers of new mixed-income developments, free parking and upgrade incentives from developers, special mortgage products from lenders with low fixed interest rates and grants towards closing costs and fees, and employer-assisted housing grants for certain areas of Chicago from various employers including Chicago Public Schools, universities, and hospitals.

**The University of Chicago and University of Chicago Medical Center** Employer-Assisted Housing Program provides a \$7,500 interest free loan to eligible employees interested in buying a home in specific neighborhoods that can be forgiven if the loan recipient remains an employee for five years. In addition to this program, the University of Chicago also offers three additional types of loans: 2<sup>nd</sup> Mortgage, Co-op Loan and Swing/Bridge Loan.<sup>xxv</sup> The second mortgage is a 20-year fixed interest rate loan used in conjunction with a first mortgage (80 percent of the purchase price) to provide assistance with the down payment. Similarly, the co-op loans help with down payments for co-ops. The swing/bridge loan is a six-month loan to assist in the event the buyer closes on the previous property prior to the closing of the new property.

## **Select Milwaukee**

**Aurora Health Care** has helped more than 350 employees purchase homes in Milwaukee. The hospital offers \$3,000 in down payment assistance and financial counseling.

- <sup>i</sup> “Live Near Your Work.” *Live Baltimore*. <http://www.livebaltimore.com/resources/incentives/employerprograms/livenearyourwork/>.
- <sup>ii</sup> “Department of Housing and Community Development.” *Maryland Manual Online*. <http://www.msa.md.gov/msa/mdmanual/17dhcd/html/17agen.html>; “Live Near Your Work.” *D.C. Government*. <http://planning.dc.gov/DC/Planning/Across+the+City/Other+Citywide+Initiatives/Live+Near+Your+Work/ci.Live+Near+Your+Work.print>; and Gallaudet University to offer ‘Live Near Your Work’ program for employees.” *Gallaudet University*. 20 December 2011. [http://www.gallaudet.edu/News/Live\\_near\\_your\\_work.html](http://www.gallaudet.edu/News/Live_near_your_work.html); “Fact Sheet.” *The Dover Community Partnership*. <http://bit.ly/TD3WzN>.
- <sup>iii</sup> <http://htaindex.cnt.org/map/>
- <sup>iv</sup> <http://www.metroplanning.org/multimedia/presentation/582>
- <sup>v</sup> “Dover Community Partnership Revitalization Plan,” *Blueprint Communities*, January 2009, retrieved at <http://bit.ly/PS4lIZ>; “Gallaudet University to offer ‘Live Near Your Work’ program for employees,” *Gallaudet University*, December 20, 2011. Retrieved at [http://www.gallaudet.edu/News/Live\\_near\\_your\\_work.html](http://www.gallaudet.edu/News/Live_near_your_work.html); City of Milford 2nd Annual Report and 2005 Amendment to the Comprehensive Plan,” *City of Milford*, March 1, 2005. [http://stateplanning.delaware.gov/comp\\_plans/milford\\_2004\\_annual\\_comp\\_plan\\_report.pdf](http://stateplanning.delaware.gov/comp_plans/milford_2004_annual_comp_plan_report.pdf); and “Agenda: Monthly Council Meeting,” *City of Milford*, September 10, 2012. Retrieved at <http://bit.ly/Znst2r>.
- <sup>vi</sup> “Department of Housing and Community Development,” *Maryland Manual Online*. <http://1.usa.gov/TY2yMI>.
- <sup>vii</sup> “Live Near Your Work Campaign.” <http://planfortransit.com/ozonereduction/Docs/Live%20Near%20Work.pdf>.
- <sup>viii</sup> “Community Outreach.” *University of Maryland Medical Center*, February 12, 2012. <http://bit.ly/X44Mod>.
- <sup>ix</sup> “Live Near Your Work.” *Live Baltimore* at <http://bit.ly/T1VDCh>.
- <sup>x</sup> “Welcome to Live Near Your Work.” *Johns Hopkins University* at <http://web.jhu.edu/lnyw>.
- <sup>xi</sup> Greater Circle Living was founded in 2008 by the Cleveland Foundation and is supported by the Cleveland Foundation, the Kent H. Smith Charitable Trust, the Surdna Foundation, Case Western Reserve University, Cleveland Clinic, Cleveland Museum of Art, Judson at University Circle and University Hospitals.
- <sup>xii</sup> “What is Greater Circle Living?” *Greater Circle Living*. <http://fairfaxrenaissance.org/gcl/index.html>
- <sup>xiii</sup> Spector, Harlan. “New housing incentives offered for Cleveland’s University Circle area.” *The Plain Dealer*. 27 September 2012. [http://www.cleveland.com/metro/index.ssf/2012/09/new\\_housing\\_incentives\\_offered.html](http://www.cleveland.com/metro/index.ssf/2012/09/new_housing_incentives_offered.html)
- <sup>xiv</sup> District of Columbia Office of Planning, ‘Live Near Your Work’ in Brief
- <sup>xv</sup> “Live Near Your Work,” *Program Development, Gallaudet University*, <http://bit.ly/RAAU6n>.
- <sup>xvi</sup> <http://www.livenearyourwork.net/>.
- <sup>xvii</sup> <http://www.livenearyourwork.net/>.
- <sup>xviii</sup> “Services for Homebuyers,” *Delaware State Housing Authority*. <http://bit.ly/TD4jKN>.
- <sup>xix</sup> [http://www.destatehousing.com/HomeOwnership/hb\\_lnyw.php](http://www.destatehousing.com/HomeOwnership/hb_lnyw.php).
- <sup>xx</sup> “City of Wilmington Employee Homebuyer Assistance Program Overview.” *City of Wilmington*. 2 June 2008. [http://www.wilmingtonde.gov/docs/759/CoW\\_Homebuyer\\_Assistance\\_Program\\_Packet.pdf](http://www.wilmingtonde.gov/docs/759/CoW_Homebuyer_Assistance_Program_Packet.pdf).
- <sup>xxi</sup> *Id.*
- <sup>xxii</sup> *Id.*
- <sup>xxiii</sup> “City of Milford 2nd Annual Report and 2005 Amendment to the Comprehensive Plan.” *City of Milford*. 1 March 2005. [http://stateplanning.delaware.gov/comp\\_plans/milford\\_2004\\_annual\\_comp\\_plan\\_report.pdf](http://stateplanning.delaware.gov/comp_plans/milford_2004_annual_comp_plan_report.pdf).
- <sup>xxiv</sup> “Agenda: Monthly Council Meeting.” *City of Milford*. 10 September 2012. <http://bit.ly/TBgMAW>.
- <sup>xxv</sup> “Mortgage Services,” *Residential Services, University of Chicago*, <http://bit.ly/TY35yc>.