

Employer-Assisted Housing Program | Frequently Asked Questions

1) How and why has the Employer-Assisted Housing Program changed?

The University of Chicago and University of Chicago Medicine have managed the Employer-Assisted Housing Program (EAHP) since 2003, helping more than 240 employees purchase homes in neighborhoods near campus. In light of the changing housing market and recent economic downturn, the University evaluated the performance of the program. It identified several ways to evolve EAHP to better meet the goals of supporting a stronger Mid-South Side, encourage employees to purchase homes in surrounding neighborhoods, and improve employee's access to local housing opportunities to reduce commutes and related costs.

This new EAHP provides the opportunity for more employees to qualify by: removing previous income requirements for purchases in most communities; piloting a rental program in our focus area of Woodlawn; and, given Hyde Park and South Kenwood's growth, tiering incentives to support employees who are investing in areas whose growth the University is working to support.

2) How do I qualify? Do I need to earn a certain income?

To qualify, you must be a full-time, benefits-eligible employee of the University of Chicago or University of Chicago Medicine, who has successfully completed your probationary period. To begin the process, you must meet with Kimberlyn Davis, Loan Specialist in Facilities Services. She can be reached at 773.753.0862 or kimberlynd@uchicago.edu.

Income limits only apply if you are purchasing in Hyde Park or South Kenwood. In order to purchase in either of these two neighborhoods, you must earn 120 percent or below of the Area Median Income. This amount is adjusted by the U.S. Dept. of Housing and Urban Development every year. (The 2014 Area Median Income limits that apply to Hyde Park and South Kenwood can be found below.)

As qualifications differ by neighborhood, the table below identifies which neighborhoods you qualify to purchase or rent in based on your household income, previous homeownership experience, and where you currently live.

Determine Your Eligibility by Neighborhood

| | Woodlawn Focus Area | Douglas, Grand Boulevard, Greater Grand Crossing, North Kenwood, Oakland, South Shore, Washington Park, and Woodlawn outside of Focus Area | Hyde Park/ South Kenwood* |
|---|---------------------|--|---|
| Down Payment Assistance Amount | \$10,000 | \$5,000 | \$2,500 |
| First-Time Homeowners | Eligible | Eligible | Eligible |
| Current Home Owners: Outside 9 Neighborhoods | Eligible | Eligible | Not Eligible |
| Current Home Owners: Within 9 Neighborhoods | Eligible | Not Eligible | Not Eligible |
| Renters | Eligible | Not Eligible | Not Eligible |
| Income Requirement | None | None | 120% AMI* or below (see table at right) |

Determine Your Eligibility to Purchase in Hyde Park/ South Kenwood*

| Household Size | Maximum Income Eligibility Requirements |
|----------------|---|
| 1 | \$60,840 |
| 2 | \$69,600 |
| 3 | \$78,240 |
| 4 | \$86,880 |
| 5 | \$93,840 |
| 6 | \$100,800 |
| 7 | \$107,760 |
| 8 | \$114,720 |

Source: Illinois Housing Development Authority
Note: Income limits are subject to change annually.

*If you're purchasing for the first time, you may be eligible for \$2,500 in forgivable loans toward a purchase in the Hyde Park/South Kenwood neighborhoods if your household's income is 120 percent or less than the area median income (AMI).

3) My spouse, significant other, or household member is also an employee of the University/UChicago Medicine. Can we both qualify?

No, the one-time benefit is available to the household, not individual.

4) I have utilized the Employer-Assisted Housing Program in the past. Can I use it again under the new program parameters?

No, the program is only available for down payment assistance for a household once. The only exception is if you use the new rental program and later decide to purchase. In that case, you can use the down payment assistance program after you have successfully completed the rental program.

5) Where can I live?

You can purchase in any of nine communities surrounding campus as long as you qualify under the guidelines listed in the table above. Those nine communities are: Douglas, Grand Boulevard, Greater Grand Crossing, Hyde Park, Kenwood (note the difference in benefits for North and South Kenwood), Oakland, South Shore, Washington Park, and Woodlawn.

The pilot rental program is currently only available in the focus area of Woodlawn. See the map to the right to identify the boundaries of each community.

6) I already own a home, but am interested in moving. Can I participate?

Yes, in certain neighborhoods. If you currently own a home within the nine neighborhoods, you can still qualify to purchase in the Woodlawn Focus Area. If you own a home outside of the nine neighborhoods, you can qualify for the benefit in all communities except Hyde Park and South Kenwood. To purchase in Hyde Park or South Kenwood, you must be a first-time homebuyer. Note that with any purchase or rental, the home must serve as your primary residence. In the case of homeownership, if at any time the home ceases to serve as your primary residence, the University will reclaim the remainder of your five-year forgivable loan.

7) How does the down-payment assistance work?

At closing, the assistance is considered part of your down payment and recorded as a second lien on your loan. A portion of your loan is forgiven each month for the next five years you remain employed at the University or Medical Center. If at any point within the five years you sever employment for any reason, sell your home, or the home ceases to serve as your primary residence, you will be required to repay the balance of the forgivable loan. Note that the loan is a taxable event.

8) How does the rental assistance work?

To rent in the Woodlawn Focus Area, you will be reimbursed for your first and last month rent, up to a maximum of \$2,400 in total. The reimbursement will be calculated based on your actual monthly rent as stated on your lease. It will be issued in two installments. You will receive the first installment once you have signed your lease, paid your deposit, and occupied the home for 30 days. The second will be issued once you have successfully fulfilled your one-year lease. To receive your first reimbursement, you must provide the contact information for your landlord or rental manager, a copy of your lease, a cancelled check, and proof of your previous address in the form of two utility bills in your name. To receive your second reimbursement, you must contact Kimberlyn Davis at 773.753.0862 or kimberlynd@uchicago.edu, and provide your landlord or property manager's contact information so that the University can verify your successful one year of tenancy. Note that both the down-payment assistance and rental assistance are taxable.



9) Is the rental assistance available to me if I'm re-signing a new lease for a home I already inhabit?

No. Given the limited resources of the program, the benefit is only available to help employees who do not currently live in the community to relocate here.

10) What happens if I need to terminate my lease early?

If you terminate your lease before the successful completion of one year, you will forgo your second reimbursement.

11) Can I receive the rental assistance and then later receive the homebuyer assistance?

Yes, as long as you successfully complete the one-year rental program and meet all other program guidelines, including attending homeownership counseling.

12) I currently live in one of the nine neighborhoods. Can I use the program?

It depends.

- If you are a first time homebuyer living in one of the nine neighborhoods, you can access the program to move anywhere within the nine neighborhoods, as long as you meet other program guidelines.
- If you already own a home in one of the nine neighborhoods, you can access the program to purchase in the Woodlawn Focus Area.
- If you currently rent outside of the Woodlawn Focus Area, you can access the pilot rental program to rent within it.
- If you currently rent in the Woodlawn Focus Area, you are not eligible for the pilot rental program, but you can access the program to purchase a home there.

Please refer to the table on page one.

13) How do I determine if the home I'm interested in is in the Woodlawn Focus Area?

The Woodlawn Focus Area extends north to 60th Street, south to 67th Street, east to Stony Island, and west to Cottage Grove Avenue. To confirm whether the home you're interested in is within a qualified area, contact Kimberlyn Davis at 773.753.0862 or kimberlynd@uchicago.edu.

**14) How do I learn more about the neighborhoods?**

Contact Kimberlyn Davis at 773.753.0862 or kimberlynd@uchicago.edu to learn more about the nine communities.

15) Why are there different down-payment assistance increments in different communities?

The University and its employees have an important role to play in creating strong neighborhoods. We have tiered the Employer-Assisted Housing Program to provide incentives towards growing neighborhoods that will benefit from further investment, as well as help employees live conveniently close to campus, with more options to get to work, such as walking, biking, or taking public transportation. The program's greatest incentive is geared towards the Woodlawn Focus Area, historically the second most popular community for EAHP participants. This portion of Woodlawn not only houses the University's South Campus, allowing employees to walk to work, but it is seeing new investment, including the new UChicago Reva and David Logan Center for the Arts on 60th Street, Orthogenic School on 63d Street, UChicago South Field at 61st and Woodlawn, and the Grove Parc housing redevelopment along Cottage Grove between 61st and 63rd streets.

Ultimately, purchasing or renting a home is a very personal decision, and you must choose a home and neighborhood that best fits the needs of your household. We hope that by providing this incentive, you will consider some of the wonderful communities that surround and host the University and Medical Center campuses as you weigh your many options.

**16) What steps do I need to take to utilize the program?
Homeownership Program**

Step 1: Contact Kimberlyn Davis, in Facilities Services, at 773.753.0862 or kimberlynd@uchicago.edu.

Step 2: Complete homebuyer counseling.

Step 3: Find your home and inform Kimberlyn Davis.

Step 4: As Kimberlyn Davis processes all paperwork, employment verification, and loan documents to prepare for closing, continue to work with your mortgage company and realtor on all other matters.

Rental Program

Step 1: Contact Kimberlyn Davis, in Facilities Services, at 773.753.0862 or kimberlynd@uchicago.edu.

Step 2: Find your rental and contact Kimberlyn Davis to verify you qualify under program guidelines.

Step 3: Sign your lease and provide all necessary deposits and rent payments.

Step 4: After completing 30 days of your signed lease, submit the lease, a copy of your deposit via canceled check, and proof of your former address to Kimberlyn Davis.

Step 5: In 30 to 60 days, confirm your reimbursement has been processed through payroll to be applied to a future paycheck.

Step 6: After one full year of a successful lease, contact Kimberlyn Davis to process your second reimbursement. She will need to contact your landlord, property owner, or manager to verify information before processing the reimbursement.

17) I'm interested in homeownership, but not sure if I'm ready. What can I do?

The University provides confidential homeownership counseling, and contracts with Neighborhood Housing Services (NHS) of Chicago to prepare our employees for the many responsibilities of homeownership. If homeownership is not right for you at this time, you might consider the rental program as a first option. You may still qualify for the homeownership program later. NHS is a nonprofit neighborhood revitalization organization that has been committed to helping homeowners and strengthening neighborhoods throughout Chicago, South Suburban Cook County, and Elgin since 1975.

18) What happens if I leave the University after participating in the program?

For the homeownership program, if you sever employment with the University or UCMedicine for any reason before the end of your five-year loan term, the remainder of the loan will be recaptured in the form of monthly payments until the five-year term is up and remaining balance has been repaid. This provision is enforced through a second lien position on the mortgage. In second lien position, the loan must be repaid in order to sell or refinance your home in the same way that your primary mortgage would need to be repaid.

For the rental program, if you sever employment within the one-year lease term, you will forgo the second reimbursement payable at the end of the one-year lease term.

19) Is this benefit taxable?

Yes. For the rental program, the tax is deducted through your reimbursement. Both the reimbursement and the tax will be applied to your paycheck at the same time. As such, what will appear on your check will not be the full month's rent, but rather the amount of rent minus the tax. For the homeownership program, the tax is deducted monthly over the five-year loan.

20) I work for a University affiliate. Do I qualify?

It depends on the employment status of the affiliate. To qualify, you must be classified as a full-time, benefits-eligible employee of the University of Chicago or UChicagoMedicine.