

Lancaster General Health's

“HOME IN THE CITY”

Employer Assisted Housing Program

April 2019

What is “Home in the City”?

- It is a taxable Fringe Benefit for full-time employees of Lancaster General Health.
- Employees are given \$10,000 toward the purchase of a home that lies within a defined area surrounding the Hospital.
- The money can be used for settlement costs and principal.
- In addition, payment of the upfront PMI is advanced to the employee.
- The employee must continue to live in the home and work full time for Lancaster General Health for five years following the advance of the money, or will have to pay back the unforgiven portion of it.
- A second component of the program helps existing homeowners in the blocks surrounding the hospital with the costs of exterior improvements to their home.

Home in the City region



HOME IN THE CITY

- Program Inception – November 2006
- Since inception, Lancaster General Health has helped 190 employees purchase homes in the blocks surrounding the hospital. 162 of these employees were first time homebuyers.
- Currently, there are 2 additional employees pending settlement in May 2019.
- Average purchase price on these home purchases is \$123,554. This is approximately \$10,000 higher than 5 years ago.
- The total value of homes purchased where we provided financial assistance to employees was approximately \$24,000,000.
- We've also assisted 65 employees in helping to pay for exterior improvements to their homes surrounding the hospital. There are 4 pending Curb Appeal projects.

Purpose and Goals of the Program

- Neighborhood aesthetics.
- Employee satisfaction and convenience
- Recruitment and Retention
- Advantages for employer and employee when employees can walk to work – eases tardiness and time off due to inclement weather.
- Community revitalization and goodwill.

Eligibility

- Full time employees of Lancaster General Hospital or its related entities
- Must be employed for at least 90 days and in good standing
- Not highly compensated (IRS Guidelines - \$125,000 for 2019)
- Participant of Homebuyer's class through LHOP (first time homeowners only)
- Location of home must be within the approved geographic boundary
- Up to a \$200,000 purchase price
- Property must be owner occupied
- One or two units (owner must occupy one of the units)

Financial Matters

- Set up as a loan that is forgiven over 130 pay periods (5 years x 26 pays/year)
- The money is taxed as it is forgiven – as the forgiveness of the money is considered compensation to the employee by the IRS.
- If the employee should go into default (cease occupancy, leave employment, sell home), they must repay the then-unforgiven balance.

Curb Appeal

A matching program that helps existing homeowners with the cost of exterior improvements to their home.

- Employee eligibility requirements apply.
- The home must be owner-occupied.
- The home must be in the approved geographic area.
- Employee will receive matching dollars of up to \$2,500.
- All work must be done on the exterior of the home.
- Must comply with all City inspections and permits.
- One time only.

Curb Appeal Examples

- Rebuild a Front Porch
- Replacement Windows
- New / Repair of Roof
- Sidewalk Replacement
- Exterior Painting
- Deck Repair / Replacement
- Add / Replace Fence

Frequently Asked Questions – Settlement Assistance

- Do employees have to work with any particular real estate agent, lending agent, or settlement company?
 - *No. They may use the agencies and lender of their choice.*
- What if employee's credit is not good?
 - *It will be up to the lender to determine whether they will qualify for a mortgage. We recommend that the employee comparison shop a few different lenders.*
- Can LGH help sell the employee's house if it is within the zone?
 - *We do not advertise homes and suggest that they work with a Realtor to list their home.*
- Does LGH put a second mortgage on the home?
 - *No, LGH does not place a secondary lien on the property.*

Frequently Asked Questions Settlement Assistance – cont.

- Does Lancaster General Hospital have a list of homes that are available for sale?
 - *No, we recommend that the employee work with a real estate agent to locate a home that meets their needs.*
- Does the employee have to get an inspection or an appraisal before making an offer on the house?
 - *That decision is entirely up to the employee and their lender.*
- May the employee combine this program with other community programs that are designed to help purchase a home?
 - *Yes, we have no objections to them combining this benefit with other housing programs.*

Frequently Asked Questions – Curb Appeal

- Do employees need to use a licensed contractor?
 - *The City of Lancaster does have requirements related to contractor licensure. We advise the employee to check with the City to learn those requirements.*
- Can the employee do the work themselves?
 - *Yes, they may do the work, but will only be reimbursed for materials.*
- When should the employee apply for the program?
 - *They should apply for the reimbursement before beginning any work. An LG representative will visit the home to look at the project before the work begins. We will take “before” and “after” photographs of the project.*
- Can they take advantage of this program for multiple projects?
 - *The Home in the City Curb Appeal program can be used only once. We recommend that they submit the application for all projects together. Funds will be disbursed one time only following the completion of all of the projects.*

Home in the City Information, Forms, and Contacts

LGH Internet:

<http://www.lghealthjobs.org/Home/Your-Careers-at-LG-Health/Benefits/Home-in-the-City.aspx>

Contact:

LGH Real Estate & Leasing Dept.
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