

# Rockford Register Star

## For some homeowners, it pays to walk to work

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By Melissa Westphal

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Deborah Johnson's employer offers more than a paycheck. It helped her buy a house. Johnson, 56, is a first-time homeowner, thanks to SwedishAmerican Hospital. The administrative assistant took advantage of employee housing assistance that puts her within walking distance of work. She's now the proud owner of a cottage house with a big front porch on Regan Street.

"When I saw the house, I absolutely loved it. It was beyond my wildest dreams," Johnson said. "To be my age and finally own a home is an absolute dream come true." Organizations, especially those downtown, are expanding and publicizing their employee housing incentives, offering down-payment assistance to lure workers closer to their jobs and revitalize neighborhoods by increasing the number of homeowners in the area. **Changing houses, lives** John Mecklenburg, executive vice president and CEO of the SwedishAmerican Medical Foundation, said the hospital offers \$5,000 in down-payment assistance to buy a house in the immediate neighborhood — defined as Rural Street to the north, Railroad Avenue to the south, Seventh Street to the west and Prospect Street to the east. "A lot of the goal for us is employee retention," Mecklenburg said. "We want our employees to be happy and to be able to get to work. We're open 24/7. We always have patients. Now we have people who can literally leave their house and walk to work." Walking to work isn't the first choice of transportation for most people. The mean commuting time for Winnebago County residents is 21.3 minutes, according to 2006 U.S. census data. In 2002, it was 19.4 minutes. For Boone County residents, the 2006 mean commuting time was 28.2 minutes. Housing assistance comes with stipulations. At SwedishAmerican, employees have to buy within the specified area, work full time and not be on probation, meaning they've maintained employment for more than 90 days. They sign an agreement saying the house will be their primary residence for at least five years. Johnson had rented a house in Loves Park for 14 years. She's

single, doesn't have kids and started looking for a house to buy about four years ago. Mecklenburg promised her she'd be a homeowner within a year. If they'd have made a wager, she would have lost because she didn't think it was possible. "He was good to his word," Johnson said, with a laugh. She recites her move-in day (Oct. 28, 2005) and calls it the best day of her life. SwedishAmerican has invested \$3.5 million in the neighborhood, taking out 35 homes and replacing them with 27 owner-occupied Habitat for Humanity houses. Officials bought 18 homes within the past three years, fixed them up and sold 14 of them to employees. The goal is to achieve a 50-50 mix of renters and homeowners in that neighborhood. When SwedishAmerican started the project, it was 65 percent rental and 35 percent owner-occupied units. "It's our neighborhood, and we feel responsible for it. And we will be responsible for it," Mecklenburg said. Mecklenburg said the hospital stands behind its homes for one year, making repairs during that time if anything goes wrong. He also said there have been no foreclosures on the 14 homes sold to employees. It's a six- to 10-year project that Mecklenburg sees continuing for at least five to seven more years. The foundation is working with the city on a grant to rehab 15 more houses north of East State Street in the Jackson School tax increment financing district. Those residences would be available for anyone, not just employees. The hospital also bought two nearby apartment buildings with 24 units. **Just getting started** Two employees of Winnebago County have taken advantage of housing incentives within the past year, said Jim Hughes, deputy director of regional planning and economy development. The county/city program includes a one-mile radius of the Register Star News Tower and TIF districts. Employees of Winnebago County and of the city of Rockford can receive up to \$10,000 in down-payment and closing-cost assistance. The amounts are based on income levels, and an employee's household income can't exceed 120 percent of the national median income. The employee also must provide \$1,000 for down payment. Hughes thinks more employees will take advantage of the program as neighborhoods continue to improve and more condominium projects are introduced. Employee education is important, too, and the county is presenting more information on housing incentives April 10 at an Money Smart Week event. The housing slowdown has stalled some interest, Hughes said, but he thinks people are still excited about the project. "It's still a very positive program, and it's a good start." AMCORE Financial started its employee housing assistance program in fall 2007. No employees have signed up yet, but officials think spring will draw more people out, said Dave Conroy, a Community Reinvestment Act residential lending specialist with AMCORE. The bank has a workshop scheduled for April when

employees can tour the Lantow Lofts, an urban living project under construction at 502 Seventh St. The lofts are literally about 20 steps from AMCORE's building on Seventh Street, and SwedishAmerican also is offering incentives for its employees to live there. Employee housing assistance is "good for everybody involved," Conroy said. "It's good for business, and the more homeownerships you have in the area, the better the neighborhood." AMCORE employee assistance also is offered in the River District and Midtown North areas — defined as East State Street to the north, Woodruff Avenue to the south, Prospect and 13th streets to the east, and Longwood Street to the west. AMCORE offers \$15,000 for the Lantow Lofts, but employees must be at less than 120 percent of the Rockford metropolitan statistical area's median income. Up to \$5,000 is available for the Midtown and River District areas. Employees must have worked for AMCORE for at least one year, and the money comes as a forgivable lien at 20 percent a year. "They can build some equity by staying there," Conroy said. "People build wealth by owning a home, and we can help them out. Homeownership is great for everybody. The times are changing. Businesses are open more and more, and it's hard for somebody to have to drive 45 minutes from the country. It's also about going green." Conroy said AMCORE would like to see seven to nine employees participate this year.

Johnson encourages any employee who needs the housing assistance to take the chance. So much so that she's working as Mecklenburg's administrative assistant and watching as other employees move into her neighborhood. "I love the house and I'm proud that (SwedishAmerican) is working to revitalize the neighborhood," Johnson said. "When I saw the position was open, I jumped on it. I love so much what they did for me, I wanted to be part of something doing continual good. I still to this day am so full of gratitude for all the good they've done for me."

*Staff writer Melissa Westphal can be reached at 815-987-1341 or [mwestpha@rrstar.com](mailto:mwestpha@rrstar.com).*