

Program Overview: Southern College of Optometry

Program Description

The Live Local Medical District program provides several types of incentives for eligible employees to live and invest in their homes in and around the Medical District. Southern College of Optometry will offer the incentive option that will accommodate those looking to purchase a new or existing home as well as those interested in renting.

The Live Local Medical District provides:

- New homeowners relocating to the district with a one-to-one matching forgivable loan up to \$15,000 toward the purchase or new construction of their primary residence
- New renters with up to a \$2,000 allowance toward the cost of their apartment when relocating within the incentive areas for a lease term of not less than one year;
- Existing renters within the district with an allowance of \$1,000 over one year when an existing lease is renewed for a term of not less than one year;

The Live Local Medical District Program is administered by the Memphis Medical District Collaborative (MMDC). It is subject to the availability of funds and may be canceled at any time.

Program Effective Dates

The Live Local Medical District Purchase Program is effective October 1, 2016. Only purchase agreements initiated after this date may be eligible. The Live Local Medical District Rental Program is effective February 2, 2018. Only leases initiated after this date may be eligible.

Employee Eligibility

Candidates must be employed by Southern College of Optometry and must meet the eligibility requirements listed below of their respective employer in order to qualify for the program.

Specific Instructions/Program Changes:

EMPLOYER: Southern College of Optometry

To be eligible, employees of Southern College of Optometry must work full time, having .75 FTE or greater and must be in good standing (employee does not have any current corrective/disciplinary actions, has a satisfactory performance evaluation if applicable). Students are not eligible for the program.

Institutional Verification and Preapproval

Live Local Medical District Program Guidelines

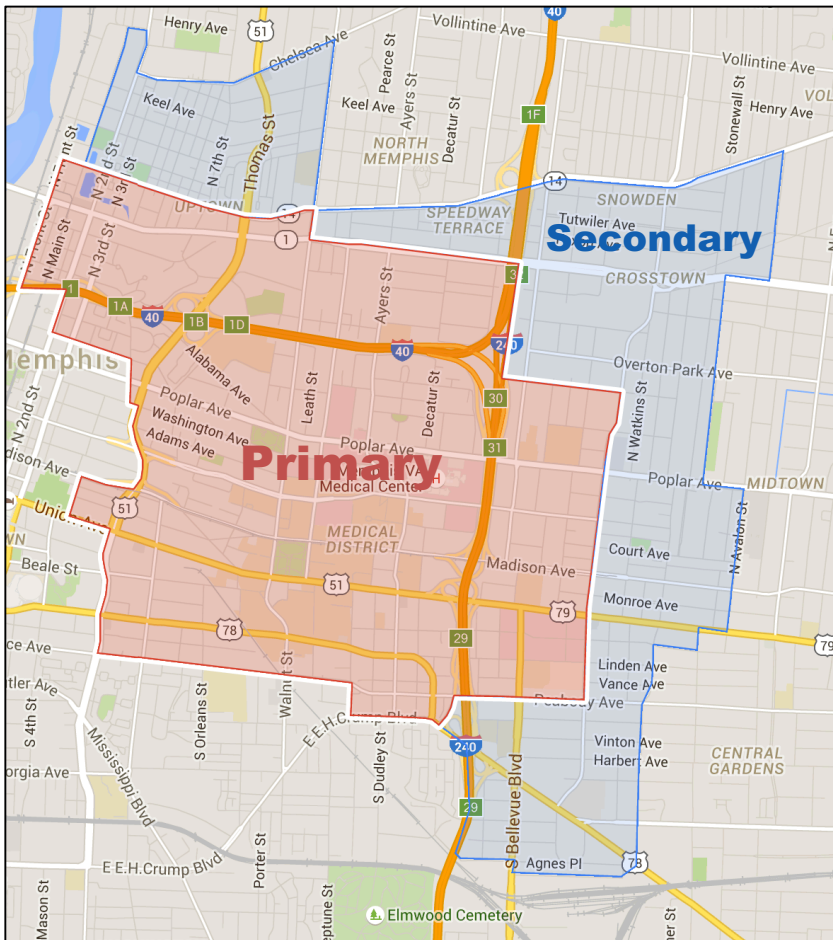
Employees wishing to participate in the program should complete Part I of the appropriate application form and return it to their corporate designee. Employment status and eligibility will then be verified, allowing a candidate to proceed with the housing search and application process. For contact information for your corporate designee, please see the last page of this document.

Income Related to Incentive

The applicant is required to acknowledge his/her understanding of the income and subsequent tax and tax withholdings consequences related to his/her participation in Live Local Medical District Program. As part of the application process all applicants are required to read and sign the Tax Disclosure Acknowledgement, presented in Appendix A

Program Boundaries

The Live Local Medical District Program will be available for use with residential housing units located within the Memphis Medical District and select neighboring geographies. Incentives will vary depending on whether the participating unit is within the Primary or Secondary Incentive Area. The map below provides an overview of each boundary. Participants can access a full description of the bounding streets for each Incentive Area in Appendix B.



Primary Incentive Area

The Primary Incentive area overlaps with the boundaries of the Medical District Collaborative. The incentive within the primary area can be up to:

- Purchase - \$15,000
- Rental (New) - \$2,000
- Rental (Existing) - \$1,000

Secondary Incentive Area

The Secondary Incentive includes neighborhoods north of St. Jude and eastern neighborhoods near Crosstown and Snowden. This boundary was drawn to provide greater variety in housing choice. However, the incentives are reduced to up to:

- Purchase - \$10,000
- Rental (New) - \$1,000

Purchase Incentive

Incentive Description

The Purchase incentive provides qualified employees with forgivable loans of up to \$15,000 for use in purchasing an existing or building a new home within the incentive area(s).

Application Process

Step	Application Section	Action	Responsible Party
1	1	Fully complete Application Section 1: Employment eligibility	Applicant
2	1	Deliver completed application to human resource designee (see last page of guidelines for contact information)	Applicant
3	1	Determine applicant eligibility for program and approve Application Section 1	Corporate Designee
4	2	Select target property for primary residence and attach property listing to application (MLS or other property listing source)	Applicant
5	2	Deliver completed Application Section 2 with attachments to MDC representative (see last page of guidelines for contact) within 60 days of eligibility.	Applicant
6	2	Determine property eligibility and notify applicant of property pre-approval	MDC
6.0	2	[OPTIONAL] Connect applicant with resources for financing and settlement	MDC
7	3	Secure purchase agreement and related financing for pre-approved property within 60 days of pre-approval	Applicant
8	3	Complete Application Section 3 including proposed closing date and title company contract	Applicant
9	3	Final employer and administrator sign-off	MDC/ Corporate Designee
10	3	Fund distribution	Corporate Designee

Applicant Eligibility (Section I)

Discretion of Corporate Designee

The human resource designee from Southern College of Optometry has final determination authority over an applicant's eligibility to participate in the program. All questions of internal eligibility must be resolved with the appropriate designee before completing Section II and Section III of the application.

Property Eligibility (Section II)

Housing Type

Employees wishing to purchase a home within the eligible Areas for their primary residence will have several housing styles from which to choose, including detached single-family homes, townhomes, and condominiums. Structures consisting of two units are also eligible, provided that one unit remains owner occupied as the qualifying applicant's primary residence. A Program Administrator from the MDC will review all properties submitted during the application process to ensure quality and safety standards are met. Renovation, reconstruction, and repairs to significantly distressed properties will only be considered at the discretion of the Program Administrator. Properties must be suitable for occupancy within three months of purchase.

Construction of New Home

Due to the current housing supply within the Areas, it is feasible that an employee might want to purchase land or an existing property for demolition and construct a new residence. These types of applications will be reviewed on a case-by-case basis by MDC and the required documentation will be customized by MDC, in its sole discretion, for the specific project.

Property Verification for Preapproval

The applicant must have a property selected prior to submitting an application to MDC for approval. In order to verify that a property is eligible for the program, it will be necessary to submit a copy of the real estate listing to the MDC with Part II of the application. A physical review of the proposed property may be conducted at the discretion of the Program Administrator. This review is to ensure that the property is financially and environmentally safe and to protect against unscrupulous property owners trying to take advantage of the program.

Acquisition (Section III)

Time Limitation

The applicant shall have 60 days from applicant pre-approval to find a property, and 60 days from property pre-approval in order to complete his/her purchase. In the event of a delayed closing, a one-time 30-day extension can be considered and authorized by MDC in its sole discretion. Applicants whose closing date is delayed beyond the 30-day extension must reapply and will be subject to funding availability.

Financing Structure

Properties may be purchased with or without the use of a mortgage. A mortgage that provides for acquisition along with additional funds for rehabilitation (e.g. FHA 203K) is permitted under this program. Due to the unique mechanics of the Live Local Medical District Program, it is suggested that applicants work with a preferred lender who has a relationship with MDC and understands the goals of the program. At the applicant's request, the MDC can refer qualified lenders who are familiar with the program.

Participation in the Live Local Medical District Program cannot guarantee an applicant success in obtaining property purchase financing.

Application of Funds

Prior to the disbursement of funds, the applicant must provide MDC with the completed Part III of the application, including details/date of closing and a copy of the title company contract and any other real estate and/or mortgage documents related to the applicant's purchase of the property. Upon approval of this final part of the Application, the applicant will be fully approved as a Participant in the Live Local Medical District Program.

Lump Sum Single Payment to Title Company

Matching funds of up to the lesser of the incentive amount (\$15,000 in Primary Incentive Area; \$10,000 in Secondary Incentive Area) or one half (50%) of purchase price will be made available prior to closing through wire transfer or certified check directly to the title company, closing attorney or other settlement agent for disbursement on behalf of the Participant. These funds can be applied directly to the

Incentive Area	Total Qualifying Purchase Costs	Total Paid by the Buyer	Total Paid By LLMDP
Primary	\$16,000	\$8,000	\$8,000
Primary	\$40,000	\$25,000	\$15,000
Primary	\$100,000	\$85,000	\$15,000
Secondary	\$16,000	\$8,000	\$8,000
Secondary	\$40,000	\$30,000	\$10,000
Secondary	\$100,000	\$90,000	\$10,000

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purchaser's closing costs, down payment, and/or to purchase mortgage discount points.

Compliance to Receive Forgivable Loan

In order to secure the loan, the Participant shall execute a Promissory Note evidencing the loan indebtedness to his/her employer, a copy of which is available in Appendix C. The following section describes the conditions under which a loan becomes forgivable. An employee can participate in the housing purchase program only once.

Program Compliance

The MDC will ensure that a Participant remains in compliance with the guidelines of the program in three ways:

- **Within 90 Days:** Participants are responsible for providing the MDC with a proof of residence change within 90 days of residency. Eligible documentation includes a copy of the updated driver's license, property tax record, or utilities bill.
- **Annually:** Participants must submit proof of insurance and non-delinquency of property taxes on an annual basis to remain in compliance with the loan agreement. Other documents may be requested at this time
- **Annually:** MDC will connect annually with each employer's human resource designee to ensure that the Participant remains employed and in good standing

Schedule of Loan Forgiveness

Loans are forgiven over a five-year period beginning at the day of closing as long as the Participant is in compliance with the terms of the program. Forgiveness of 1/5 of the loan balance will occur on the anniversary of the closing date annually until the entire balance is forgiven or the forgiveness is terminated for noncompliance.

The loan is considered immediately due in the case of any of the following events:

Separation of Employment

If a Participant should separate from the employer for any reason, the full outstanding balance of the loan shall immediately become due.

Sale of Property

If a Participant sells or transfers title to the home for which a loan has been awarded, the amount of any unforgiven portion of the outstanding loan is due immediately. In the case where a Participant is purchasing another home in the Primary Incentive Area, he/she can request to have the outstanding balance applied to the new residence and, subject to approval by the Program Administrator, continued forgiveness will then be subject to compliance of the new residence for the remainder of the term.

Change of Residence

If a Participant moves from the home for which a loan has been awarded the amount of the outstanding loan is due immediately. However, in the case where a Participant is purchasing another residence within the Primary Incentive Area, he/she can request to have the outstanding balance applied to the new residence and, subject to approval by the Program Administrator, continued forgiveness will then be subject to compliance of the new residence for the remainder of the term.

Uninhabitable Condition

In the event of damage due to fire, vandalism or act of nature that renders the structure uninhabitable, the homeowner will have 120 days to complete repairs or the structure will be considered abandoned or out of compliance, and the full outstanding amount of the loan shall immediately become due.

Default

In the event that the Participant should default on any loan or mortgage or related agreement with its primary lender for the purchase of the subject property and such default is not cured within the time allowed by the lender, the full outstanding balance of the loan shall become immediately due.

Bankruptcy

If Participant files or has filed against him/her a petition in bankruptcy, and if such proceedings are not dismissed within ninety (90) days, the full outstanding amount of the loan shall immediately become due.

Limitations

Employees currently owning their primary residence within the district are not eligible for the purchase program.

Only one Purchase incentive may be used for each qualifying property (i.e. coworkers, friends, spouses, cannot apply for multiple Purchase incentives for the same property.)

Residential Rental Incentive Program

Rental Incentive Program

The rental incentive program provides qualified employees with a subsidy of up to \$2,000, spread across semi-annual payments that can be applied towards the rent of their primary residence within the incentive area(s). The rental incentive should benefit employees who wish to live closer to work but are not yet ready to commit to purchasing a home.

Application Process

Step	Application Section	Action	Responsible Party
1	1	Fully complete Application Section 1: Employment eligibility	Applicant
2	1	Deliver completed application to human resource designee (see last page of guidelines for appropriate contact)	Applicant
3	1	Determine applicant eligibility for program and approve Application Section 1	Corporate Designee
4	2	Select target property for primary residence	Applicant
5	2	Deliver completed Application Section 2 with attachments to MDC representative (see last page of guidelines for contact)	Applicant
6	2	Determine property eligibility and notify applicant of property pre-approval	MDC
7	3	Secure signed lease for pre-approved property	Applicant
8	3	Complete Application Section 3 including property management contract information	Applicant
9	3	Final employer and administrator sign-off	MDC/ Corporate Designee
10	3	Fund distribution	Corporate Designee

Applicant Eligibility (Section I)

Discretion of Corporate Designee

The human resource designee from the employer has final determination authority over an applicant's eligibility to participate in the program. All questions of internal eligibility must be resolved with the appropriate designee before completing Section II and Section III of the application.

Property Eligibility (Section II)

Renter Eligibility

First time residents moving into the incentive area(s) are eligible to receive up to \$2,000 in rental subsidy toward a rental property in the Incentive Area.

Housing Type

Applicants wishing to rent within the incentive area(s) for their primary residence will have several housing styles from which to choose. These can include detached single-family homes as well as townhomes, lofts, and apartments. In order to ensure the safe and quality experience for participants, all eligible units must conform to Rental Housing Livability Criteria developed by the MMDC. Representatives from MMDC will continually survey rental property within the district to assess its livability. A full description of the methodology used by MMDC in surveying properties can be accessed in Appendix D.

The MMDC also manages a dynamic housing portal that participants can use while searching for housing. The online map includes all known eligible properties for rent within the incentive areas, with information on pricing and amenities.

Verification & Pre-approval

In order to verify that the rental property is eligible for the program, part two of the application must be submitted with the property information including address and unit number. The Program Administrator may also contact the prospective lessor to schedule an inspection if the property has not been recently evaluated by MMDC.

Leasing (Section III)

Lease Terms

The minimum term for a residential lease under this program will be for one year. Leases longer than one year are acceptable. Exceptions to the one-year minimum may be made by the Program Administrator in his/her sole discretion upon a showing by the Applicant of a compelling need for deviation from the one-year term requirement.

Time Limitation

The applicant shall have 45 days from the date the application is pre-approved to execute the lease. A copy of the fully executed lease (signed by tenant and landlord) must be submitted with part three of the application. Applicants whose lease signing is delayed beyond the 45-day limit must reapply and will be subject to funding availability. Applications submitted after a lease has been signed will not be accepted.

Application of Funds

Based upon eligibility, funds will be distributed directly on a semi-annual basis to the Participant, who shall agree and certify that all Rental Incentive funds are expended solely on the rent of the property.

Compliance to Receive Rental Subsidy

Program Compliance

The MMDC will ensure that a Participant remains in compliance with the guidelines of the program in two ways:

- **Within 90 Days:** Participants are responsible for providing the MMDC with a proof of residence change within 90 days of residency. Eligible documentation includes a copy of the updated driver's license, property tax record, or utilities bill.
- **After six months:** MDC will connect after six months of application approval with the employer's human resource designee to ensure that the Participant remains employed and in good standing.

Monitoring

Noncompliance events include separation of employment and change or residence. In the event of noncompliance all future semi-annual payments to the Participant will cease.

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Semi-annual payments will cease upon any of the following events:

Separation of Employment

If a Participant should separate from the employer, dispersion of rental subsidy will cease immediately.

Change of Residence

If the Participant moves out from the residence for which the lease has been signed, no further payments will be made.

Limitations

Applicants are not eligible to utilize the Purchase and rental incentives within the same program year. The renewal incentive is not guaranteed in future years for participants who utilize the rental incentive in the first year. A recipient of a relocation rental incentive may, in the next year, apply for a renewal incentive, the granting of which shall be in the sole discretion of the Program Administrator. Multiple co-tenants may, at the sole discretion of the Program Administrator, be eligible for rental incentives for the same property.

Administrative & Employer Contacts

Medical District Collaborative Contact Information

Purchase

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Rental

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Southern College of Optometry Contact Information

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