

Michigan Municipal League

Live Midtown



michigan municipal league
Better Communities. Better Michigan.



PROJECT DETAILS:

NAME:

Live Midtown: A Live-Where-You-Work Incentive Program

DATE:

2011-present

LOCATION:

Detroit, Michigan

CATEGORIES:

Downtown, Housing,
Economic Development

THE GIST:

A community development non-profit organized a live-where-you-work incentive program and saw positive impacts on the district's economic development. In only three years, the program has contributed to the area's population density, housing market stabilization, and new residential and commercial developments.



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Live Midtown:

A Live-Where-You-Work Incentive Program

PROJECT SCOPE:

The Challenge:

How can a community leverage the economic and development impact of local institutions?

Overview:

With a goal to boost neighborhood density, and therefore improve the vitality, safety and economy of the community, nonprofit collaborators started the Live Midtown employer-assisted housing incentive program.

Live Midtown is a residential program for employees of participating Midtown, Detroit institutions to rent or purchase a home near where they work. New homeowners relocating to the neighborhood can apply for a forgivable loan of \$20,000 towards the purchase of their home. Existing homeowners in the district can get a matching allowance up to \$5,000 for exterior improvements. Renters relocating to Midtown can apply for a \$2,500 allowance toward rent for the first year and \$1,000 for their second year. Existing Midtown renters can receive an allowance of \$1,000 when an existing lease is renewed.

Participation:

Community development nonprofit Midtown Detroit Inc. (MDI) facilitates Live Midtown and the Detroit Medical Center (DMC), Henry Ford Health System (HFHS), and Wayne State University (WSU) are the three anchor institutions backing the initiative. Participation and funding from key philanthropists and foundations have also influenced the success of the program.

Organization:

Live Midtown is led by a small board of stakeholders who were particularly important advisors in the program's development. The DMC, HFHS, and WSU do internal promotion to current and potential employees and MDI handles all program administration.

Budget:

In three years, the Live Midtown program has spent nearly \$3 million in direct subsidy.

Funding:

Funding for Live Midtown is sustained by subsidy investments from the DMC, HFHS, and WSU. These funds are matched by philanthropy.

Accomplishments:

- As of the close of 2013, a total of 913 employees from the three institutions have taken advantage of Live Midtown, including: 71 new buyers, 8 exterior improvements, 466 new renters, 368 rental renewals.
- Inspired by Live Midtown's success, a group of Downtown Detroit businesses organized to do a similar program, Live Downtown, expanding housing and economic development in the city.
- Although though Live Midtown can't solely be credited for the following community changes, the district has seen dramatic improvements since the start of the incentive:
 - Midtown's occupancy rate bumped from 93% in 2011 to 99% by the fall of 2013. Live Midtown organizers recently expanded the program's boundaries to accommodate the limited housing available.
 - The median sale price for homes in Midtown increased approximately 25% since 2010, while median prices for Detroit as a whole stayed about the same.
 - Midtown's average rental price per square foot increased from \$1.20 in spring 2011 to \$1.39 in fall of 2013.
 - From 2011 to early 2013, there have been more than 20 residential/mixed-use renovations and new construction sites in the district.
 - Forty new businesses opened in Midtown since November 2012, with an additional 20 openings pending (as of April 2014).



Actions Taken:

1) ASK QUESTIONS

Do people who work in the community live in the community? Are investments from local institutions spilling over into the neighborhood?

2) DO THE RESEARCH

In Detroit, a group of nonprofit leaders and philanthropic foundations conducted a study to measure the impact of anchor institutions' investments on the community. The study recommended a "live local" program to encourage employees to live near where they work.

3) GET BUY-IN

The Live Midtown initiators shared the study recommendations and the potential positive impacts of a live local program: Where people live is where they have the greatest economic impact (they eat at nearby restaurants, shop at nearby stores and invest in their homes). Studies also show there is a direct benefit to employers if employees live close to where they work (employees tend to be less concerned about beating traffic, take fewer sick days, and are more accessible for "on call" responsibilities).

4) DEVELOP THE PROJECT PLAN

Stakeholders have to work together to develop clear program boundaries, set incentive options and funding amounts, and determine employee eligibility and program term.

5) SECURE FUNDING

Contributions from anchor institutions are important funders in this type of housing incentive program. Live Midtown was also able to secure matching dollars from philanthropic foundations dedicated to the revitalization of the area.

6) PROMOTE THE INCENTIVE

Anchor institutions are responsible for promoting the program to their employees. If the incentive is large enough, people will inquire! In Detroit, MDI put out a press release announcing the initiative, but the institutional partners did the rest through employee email blasts, signs in elevators and announcements at staff meetings.

7) GET ORGANIZED AND GET GOING

Program details and eligibility information must be easily accessible and staff should be dedicated to signing up participants and quickly answering questions. Because housing is very time sensitive, procedures have to be streamlined and move quickly.

8) TRACK IMPACT AND ENCOURAGE DEVELOPMENT

As in any program, completed transactions should be well recorded. Organizers should promote the impact of the program to further encourage development to the community.

Lessons Learned:

- Make the incentive big enough.
Encouraging employees to pick up and move is a big ask and many won't bother with the transition unless there is a large financial incentive. Organizers have to determine a significant amount to entice someone to live in the target district instead of somewhere else. Live Midtown was able to raise enough funds to offer a \$20,000 grant to participants towards the purchase of a home in the community—that amounts to a 10% down payment on a \$195,000 home (the median sale price in Midtown).
- Pick and stick to boundaries.
The goal of the incentive program is to have real, economic impact on a particular neighborhood. When considering program boundaries, stakeholders should evaluate the following:
 - *Housing mix and availability* – Employees will need access to a wide range of prices and housing options (apartments, condos, single family).
 - *Geography and other initiatives* – Efforts should be targeted at current development initiatives to better enhance residential density and stimulate a development pipeline.
 - *Natural barriers* – Natural boundaries like highways and rivers make an easy outline to a neighborhood. It's also important for applicants to be able to easily identify the target area as they search for a potential home.

At the beginning of the Live Midtown program, some people were frustrated with the incentive's strict boundaries. To have the greatest impact and avoid complication, organizers never made any exceptions to homes outside of the defined boundaries.

However, this doesn't mean to never re-evaluate. MDI recently announced they were expanding program boundaries to address issues of high occupancy rates and participants interest to purchase single family homes.



- Communication is key. Administrative staff has to be knowledgeable and helpful when working with program participants, institutional staff, lenders, realtors, landlords and others. An organized, coordinated effort with clear roles is the best way to answer questions quickly and develop clear procedures. Housing is critically important to everyone so expediency and thoroughness are important.

Similar Projects:

Live Downtown, a similar program but targeted at Downtown Detroit employees and district.

Expert:

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Documents:

Live Midtown Guidelines
Live Downtown Guidelines

The Center for 21st Century Communities

Building 21st century communities

Experts from around the world—in academic, business, and public sectors alike—agree that investing in communities is a critical element to long-term economic development in the 21st century. Michigan’s future depends on its ability to attract and retain knowledge-based workers. Central to attracting this priceless commodity is *place*. Research proves that successful 21st century communities effectively leverage the assets summarized in this brochure. Learn more and stay engaged at mml.org.

Who we are...

The Michigan Municipal League is the one clear voice for Michigan communities. We are a nonprofit, but we act with the fervor of entrepreneurs; our people are dynamic, energetic, and highly approachable, passionately and aggressively pushing change to achieve better communities and a better Michigan.

What we know...

Never before have so many diverse interests, from academic researchers to the business community to government leaders, shared a single conclusion: Michigan’s future depends on its ability to attract knowledge-based workers. And what is central to attracting this priceless commodity? *Place*, specifically vibrant 21st century communities.

What we offer...

Through its Center for 21st Century Communities (21c3), the League provides education, technical assistance, public outreach, and unprecedented access to experts and resources. The 21c3 is a “one-stop-shop” for communities interested in creating and sustaining livable, desirable, and unique places that attract the highly skilled, creative, and talented workforce of the next century.



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