

# Employee Housing Incentive Pilot Program

## Evaluation and Recommendations

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THE TOWN OF CHAPEL HILL  
HOUSING & COMMUNITY



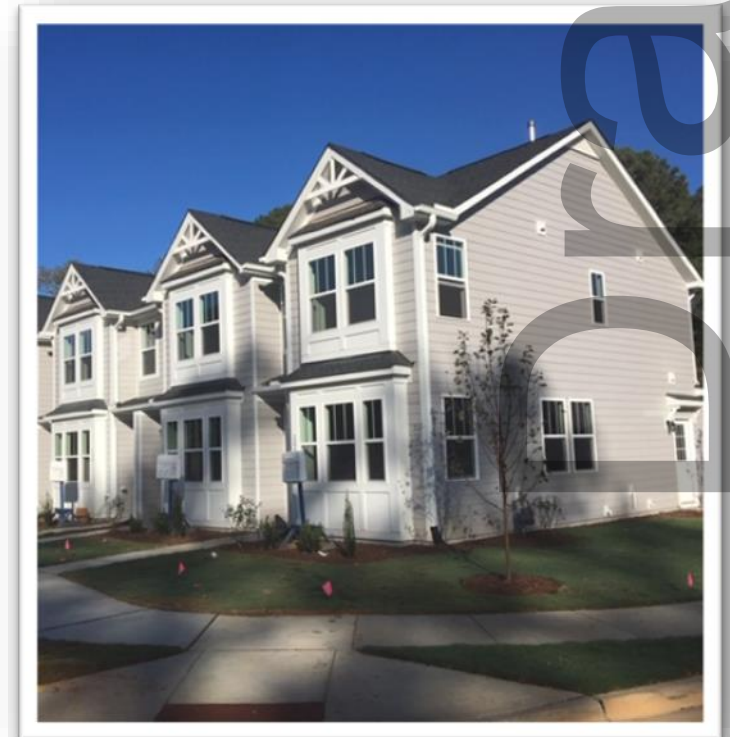
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# Agenda

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- Background & Pilot Program Results
- Evaluation
- Findings
- Recommendations



# Timeline

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- **Spring 2017** - Council asked staff to explore options for employee housing incentives
- **November 2018** – Council approves the Pilot Program
- **Spring 2019** – Program rolled out to employees
- **March 2021** – Evaluation of two-year pilot program began



# Pilot Program Overview

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- Homeownership

- One-time down payment or closing cost assistance up to \$7,500
- For home within Chapel Hill Town limits
- Pilot Outcomes: 11 employees applied, 0 received

- Rental

- One-time payment for security deposits, utility connections, and fees
- Assistance range: \$1,480 - \$2,050 based on unit bedroom size
- Pilot Outcomes: 13 employees applied, 7 received

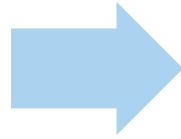
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# Evaluating the Pilot Program

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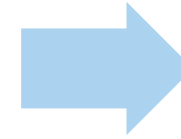
## 1. Employee Survey

- Understand employee program awareness, incentive preferences, and barriers to utilizing the program



## 2. Stakeholder Interviews

- Gain feedback on effectiveness of the incentives
- Gather program design/administration recommendations



## 3. Real Estate Market Data Analysis

- Data from home sales in Chapel Hill and Orange County 2019 to present
- Used to understand availability of housing at affordable price points over time

# Key Findings

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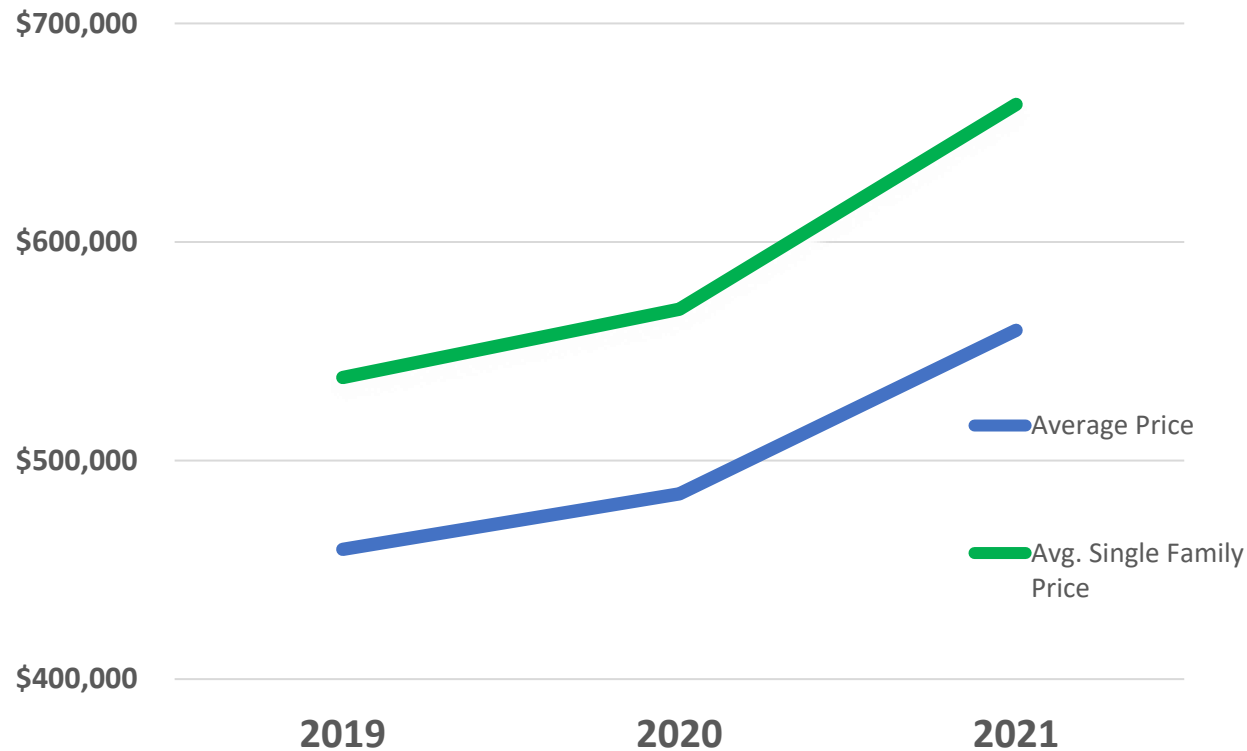
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## 2. Affordability remains the greatest barrier to Town employees living in Chapel Hill

Sales Price of Homes Sold in Chapel Hill  
2019-2021



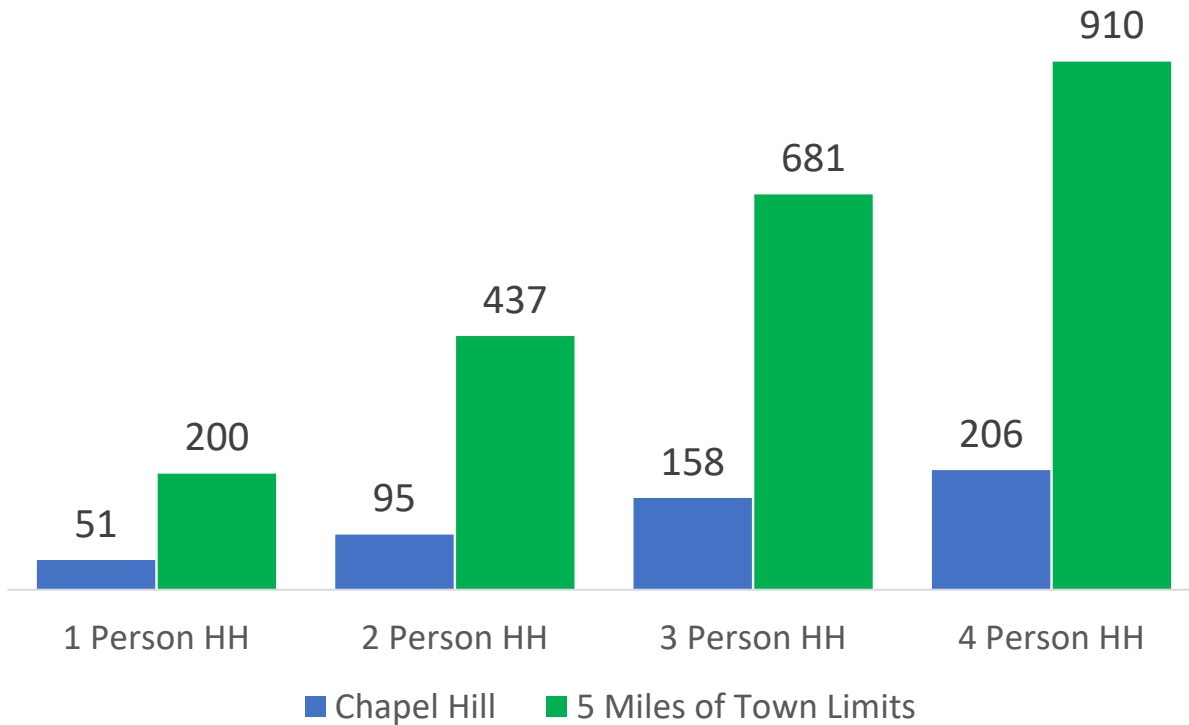
“Housing in Chapel Hill is extremely expensive and there is always a low supply.”  
*Town Employee*

“Cost of living [is a barrier] compared with areas further away from town.”  
*Town Employee*



### 3. There is limited availability of affordable options in Chapel Hill Town limits that fits employee needs.

Single Family Homes Sold in 2020 Affordable at 115% AMI



“The only properties I could afford were student rental-type places that were in horrible shape or tiny.”  
*Town Employee*

“Desire to live in a home with a yard, not an apartment.”  
*Town Employee*

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# Recommendations

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# Recommendation 1: Expand Program Eligibility

## **Expand geographic area to all properties within 5 miles of Chapel Hill Town Limits**

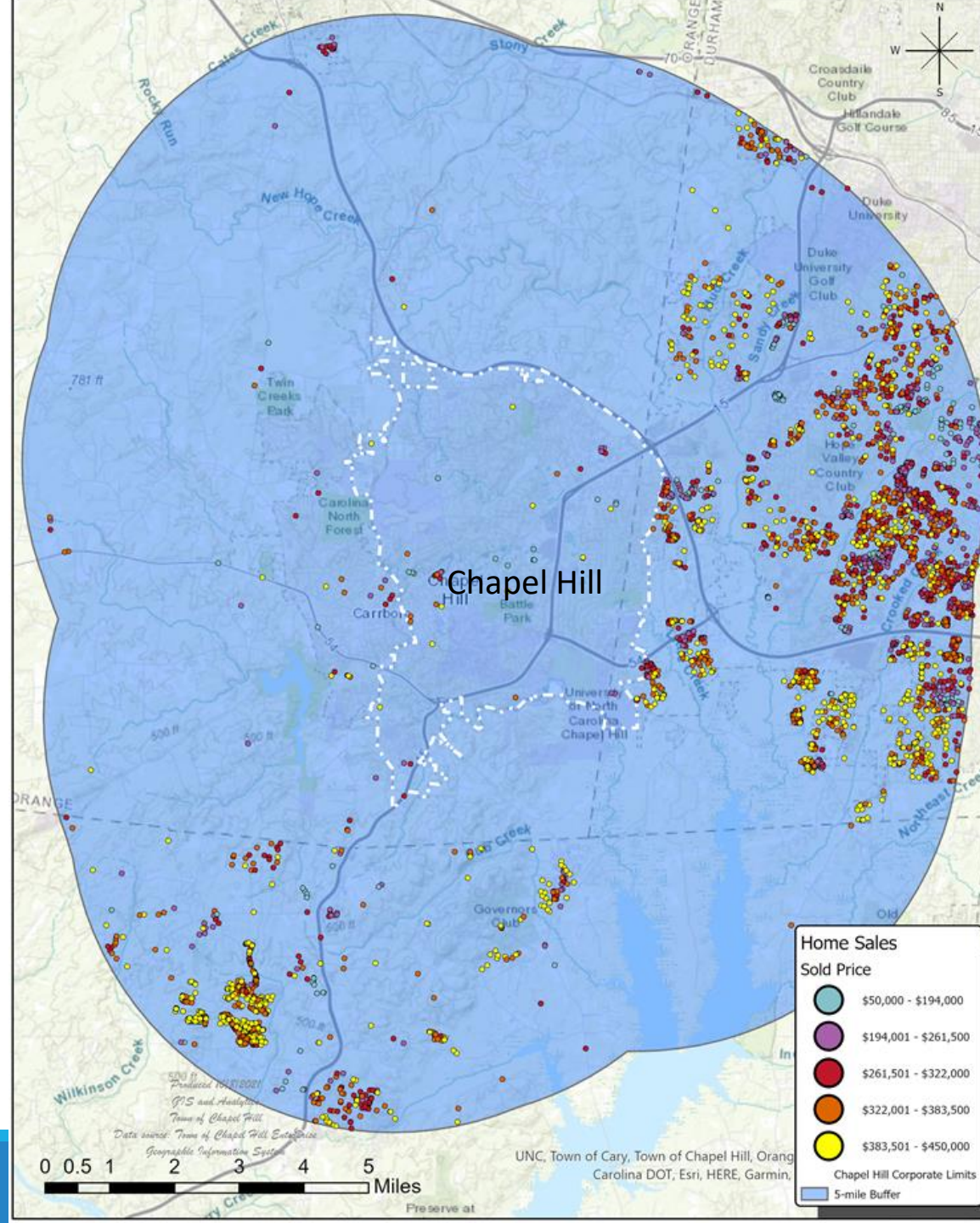
- Increase the amount of naturally occurring affordable rentals available to employees
- Increase the inventory available to employees interested in purchasing homes

## **Additional option to consider: Increase the income limit**

- More employees would be eligible
- Doesn't address housing barriers for lower income employees

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**2019-21 Home  
Sales of  
< \$450,000  
Within 5 Miles of  
Chapel Hill  
Town Limits**



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# Recommendation 2: Increase the incentive amounts and broaden eligible uses

## Rental

- **Add future rent payments** as an eligible expense.
- Increase incentive to **2.5x Fair Market Rent**, adjusted annually

## Homeownership

- **\$12,500** available to employees purchasing a home in Chapel Hill
- **\$7,500** for the purchase of a home elsewhere in Orange County

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## Recommendation 3: Enhance employee outreach and engagement

- Provide employee trainings
- Share information with employees via Town channels
- Hold workshops and lunch and learns
- Include program information in recruitment, orientation, and onboarding

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# Funding

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- Originally budgeted \$50,000 for pilot program
- \$43,000 remains
  - Staff anticipates that could serve:
    - 2 employees with homeownership
    - 5-7 with rental assistance before new funding would need to identified

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# Proposed Next Steps

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**October 27th**

Council consideration of program updates

**Nov - Dec**

Update materials and processes

**Winter 2022**

Roll out updated program

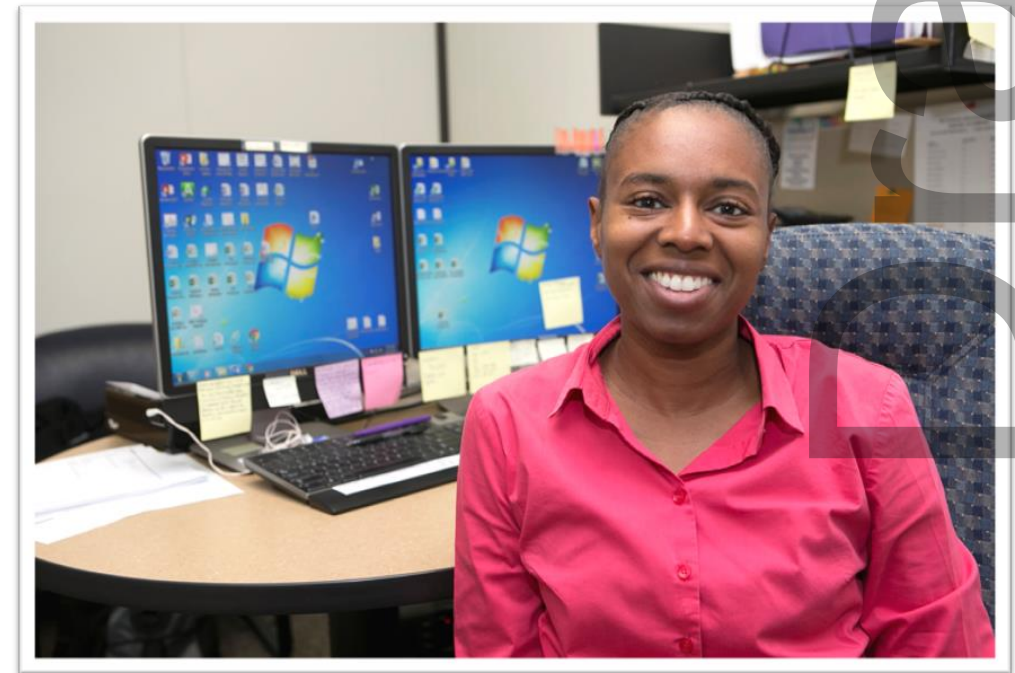
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# Staff Recommendation

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- Approve Resolution 2021-10-27/R-?? Approving Updates to the Employee Housing Program



Staff  
Recommendation

# Questions?

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