

EMPLOYEE HOUSING INCENTIVE PILOT PROGRAM PROPOSAL

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Council Business Meeting
November 7, 2018

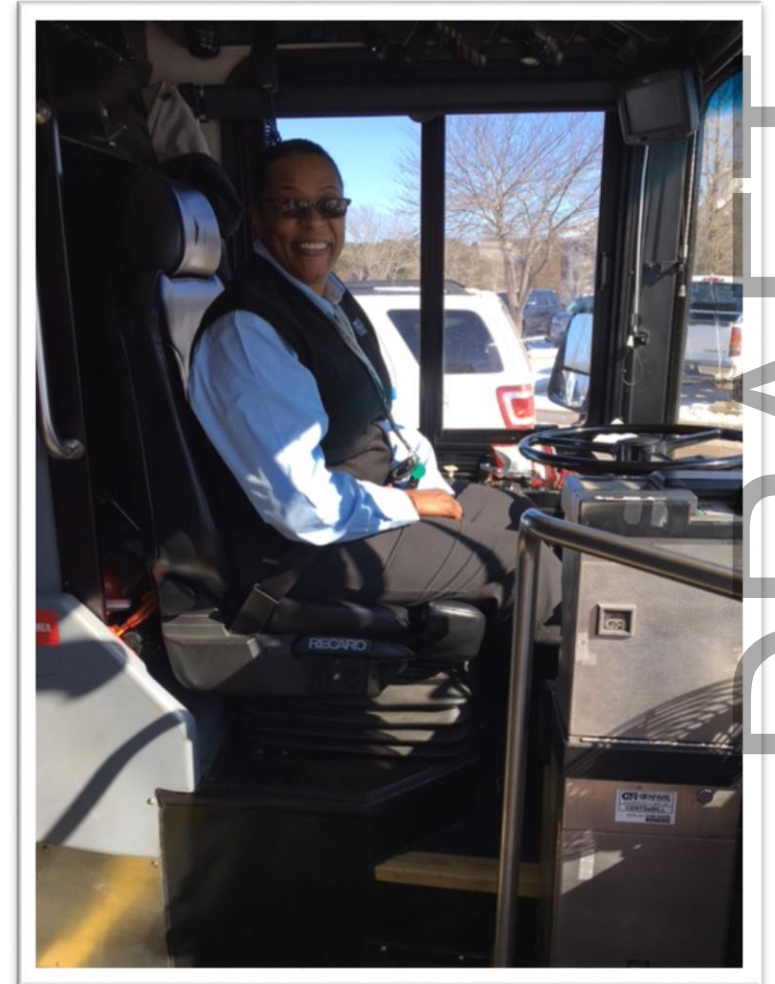


Agenda

1. Background

2. Overview of Research and Findings

3. Pilot Program Proposal



Background

- Ongoing interest of the Council
- Council asked staff to explore options for employee housing incentives (Spring 2017)
- Staff developed project scope using design thinking approach (Spring 2017)
- Staff Update to Council on initial findings (winter 2018)



Background

RESEARCH

- Best Practices
- Employee Data Collection
 - Surveys
 - Focus Groups

ANALYSIS

- Review Data
- Findings

STRATEGIES

- Prototype Strategies
- Areas for Further Inquiry

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BENEFITS

Models in Practice



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Benefits for Employees and Employers

Improves
employee
retention and
recruitment

Opportunity for
greater gains in
financial security

Increases
employee morale
and productivity

Shorter commute
decreases stress
levels



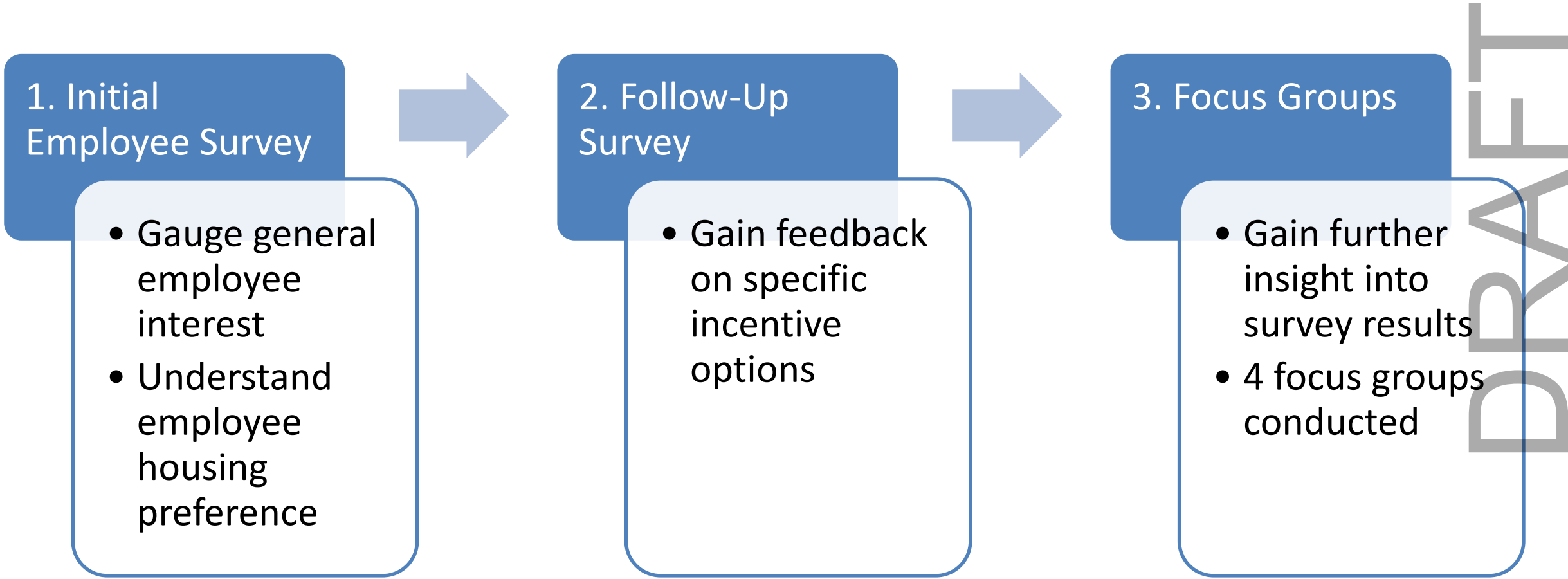
EMPLOYEE DATA COLLECTION

Surveys and Focus Groups



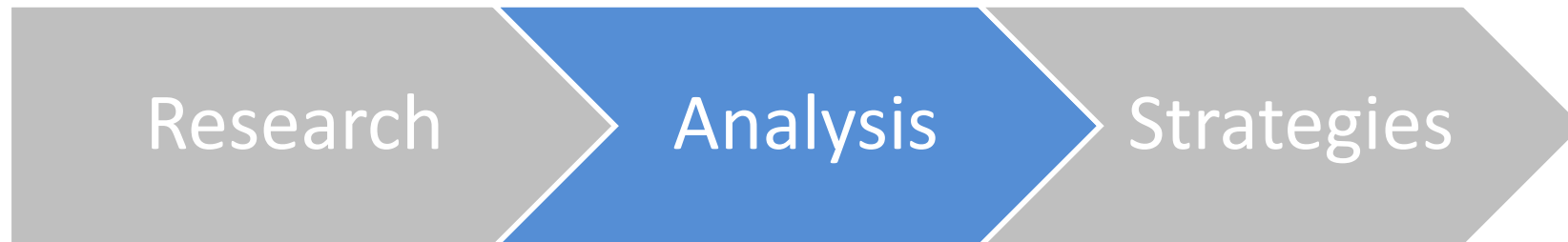
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Process: Evaluating Employee Interest



FINDINGS

Surveys and Focus Groups



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Findings

1. Over half of Town employees who do not already live in Chapel Hill would like to do so
2. Housing costs listed as the #1 barrier to living in town
3. Almost half of town employees listed they would be interested in utilizing incentives



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Incentives of Interest to Town Employees:

- **Rental**

- Rental and Utility Deposit Assistance

- **Homeownership**

- Down-payment and closing cost assistance
- Matched savings for down-payments

- **Budget and homeownership counseling**



RECOMMENDED STRATEGIES

Pilot Program Proposal



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Recommendation

Approval of Employee Housing Incentive Pilot Program to include rental and homeownership incentive options:

RENTAL

- Security Deposit and Utility Assistance

HOMEOWNERSHIP

- Down Payment and Closing Cost Assistance

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Rental Incentive Overview

Incentive Overview

- One-time payment from the Town for rental and utility assistance:
 - 2-bedroom home or less maximum: \$1,250
 - 3-bedroom home maximum: \$1,650
 - 4 or more bedroom home maximum: \$1,850

Eligibility Requirements

- Permanent employees with household income at or below 80% AMI
- Seek housing in Chapel Hill
- Have a lease term of 12 months+

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Homeownership Incentive Overview

Incentive Overview

- One-time down payment or closing cost assistance
- Maximum assistance: \$7,500
- Conditions for repayment for employees that leave Town within 5 years of home purchase

Eligibility Requirements

- Permanent employees with a household income at 115% AMI and below
- Seek housing in Chapel Hill
- Purchase of home must not result in monthly housing costs in excess of 30% of the household's monthly income
- Home must be primary residence

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Financial and Homeownership Counseling

Training

- Budgeting and budgeting tools
- Lending
- Inspections
- Appraisals
- Fair housing

Potential Partners

- Community Home Trust
- Habitat for Humanity
- Community Empowerment Fund



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Proposed Budget and Funding Source

Program	Grant Amount	Number of Households	Amount
Homebuyer Assistance	\$7,500	5	\$ 37,500
Rental Assistance	\$1,650	7	\$ 11,550
Total		12	\$ 49,050

- Affordable Housing Fund: \$49,050

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