



Legislation Text

File #: [21-0828], Version: 1

Review Results and Consider Recommendations for the Employee Housing Program.

Staff:

Sarah Osmer Viñas, Interim Director
Nate Broman-Fulks, Affordable Housing Manager
Megan Culp, Community Development Program Manager

Department:

Housing and Community

Overview: In November 2018, Council approved an Employee Housing Incentive Pilot Program to support Town employees who want to live in Chapel Hill with rental and homeownership assistance. Staff rolled out the program to employees in the Spring of 2019. During the two-year pilot, 7 employees received rental assistance. Staff conducted a program evaluation to assess opportunities for program changes to increase participation. This item provides an update on the Employee Housing Program, summarizes the results of our evaluation of the pilot program, and identifies recommendations for strengthening the program going forward.

★ Recommendation(s):

That the Council approve updates to the Employee Housing Program, as outlined in the attached Staff Memorandum.

Project Background

In the spring of 2017, the Council asked the Town Manager to explore options for providing assistance to Town employees who want to live in Chapel Hill. Based on Council's direction:

- **Spring 2017-January 2018:** Staff conducted a multi-part research process using the human-centered design approach that included employee engagement and national review of best practices research.
- February 2018 <<https://chapelhill.legistar.com/MeetingDetail.aspx?ID=582675&GUID=31B81E2E-BF9A-4CB7-B4CE-DB859F0BFF18&Options=info|&Search=>>: Staff presented the initial findings to the Town Council and the Council asked staff to develop a pilot program.
- November 2018 <<https://chapelhill.legistar.com/MeetingDetail.aspx?ID=621432&GUID=2F402DBA-01E2-4E57-AB2B-2C1559443350&Options=info|&Search=>>: Town Council approved the Employee Housing Incentive Pilot Program
- **Spring 2019:** Staff launched the program and received its first applications from employees.
- **Spring 2021:** Staff began conducting a program evaluation to assess opportunities for program improvements.

See the Staff Memorandum attached for additional details on the pilot evaluation and recommendations for the Employee Housing Program.

Program Evaluation Key Takeaways

1. The Pilot Program was successful in assisting employees with rental housing opportunities in Chapel Hill.
 - a. 24 Town employees applied for homeownership and rental assistance. A total of seven

employees received rental housing assistance, and no employees received homeownership assistance. Of the remaining 17 employees who applied to the program, seven are still eligible for homeownership assistance if they find a qualified home to purchase, three purchased properties outside of Chapel Hill, and seven are not qualified.

2. There is still widespread interest from employees for the Town to provide incentives for both homeownership and rental opportunities close to work.
3. The greatest barriers to using the program have been the high cost and limited availability of housing stock in Chapel Hill Town limits.
4. COVID-19 impacts, including the economic slow-down and decreased housing inventory, may have impacted the results of the pilot program.

Staff Recommendation

Staff recommend the following changes to the Program for Council consideration:

- a. Expand the eligibility criteria for both homeownership and rental to within 5 miles of Chapel Hill Town Limits
- b. Increase the incentive amounts and broaden the eligible uses.
- c. Enhance the outreach and support for employees seeking housing opportunities.

Fiscal Impact/Resources: The budget for the pilot program was \$50,000 for implementation. After assisting seven employees through the pilot program, approximately \$43,000 remains. If Council approves the recommendations for program changes, staff anticipate the current funding will be used at a faster rate than experienced to date. Staff is not requesting additional funding at this time but will monitor utilization and make a funding request when appropriate.



Attachments:

- Resolution
- Draft Staff Presentation
- Staff Report - October 2021
- Current Rental Pilot Program Overview
- Current Homebuyer Pilot Program Overview

A RESOLUTION APPROVING UPDATES TO THE EMPLOYEE HOUSING PROGRAM (2021-10-27/R-16)

WHEREAS, in 2017 the Town Council asked the Town Manager to explore options for providing assistance to Town employees who would like to live in Chapel Hill; and

WHEREAS, the Town has an established commitment to supporting employees and providing benefits that serve as effective recruitment and retention tools; and

WHEREAS, the Town is committed to supporting innovative solutions that advance the Council's affordable housing goals and making Chapel Hill a Place for Everyone; and

WHEREAS, the Town Council approved a pilot program for Employee Housing Incentives in November 2018; and

WHEREAS, the Town evaluated results of the program and made recommendations for program improvement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the program guidelines be updated to expand the eligibility criteria and allowable uses of the homeownership and rental incentives.

BE IT FURTHER RESOLVED by the Council of the Town of Chapel Hill that the Town Manager is authorized to make future updates to the Employee Housing Program, as needed based on changing conditions and employee preferences to improve program results.

BE IT FURTHER RESOLVED that the Council shall receive an annual report on the Employee Housing Program results.

This the 27th day of October, 2021.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Sarah Osmer Viñas, Interim Director
Nate Broman-Fulks, Affordable Housing Manager
Megan Culp, Community Development Programs Manager

RECOMMENDATION: That the Council approve updates to the Employee Housing Program.