

**CITY COUNCIL MEETING
TUESDAY, APRIL 9, 2019**

PRESENTATIONS

ITEM 7 – LB 19-015

**APPROVAL OF A PILOT EMPLOYEE HOME
LOAN ASSISTANCE PROGRAM**

Pilot Employee Home Loan Assistance Program

Dustin Claussen, Director of Finance
Monica Davis, Community Services Manager



Timeline

City Council expressed a desire to explore options to encourage City of Hayward employees to live within the City limits

May 2017

Informational report on the employee survey results and program options were provided to Council and Budget Finance Committee

May 2018

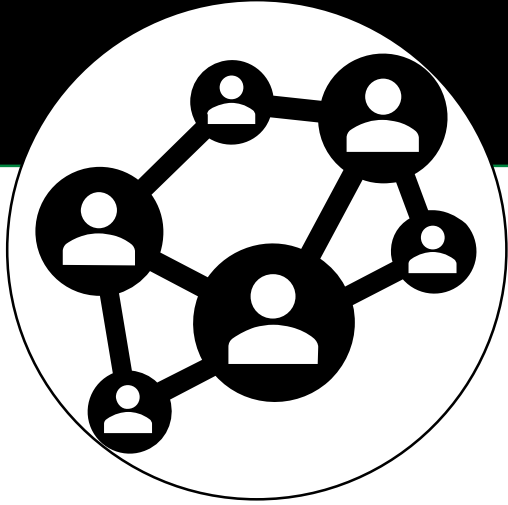
Staff returned to the Council and Budget Finance Committee with options for consideration

Jan. 2019

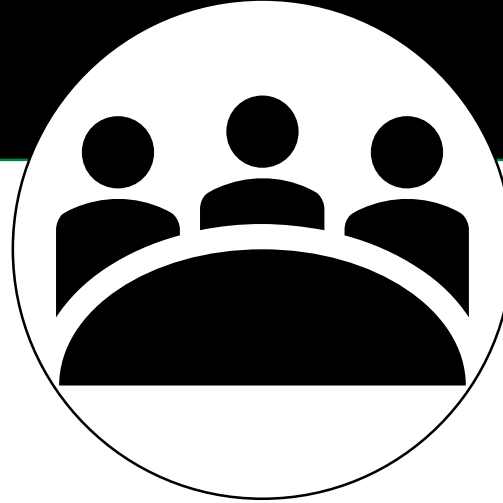
Staff provides information on pilot Employee Home Loan Program to Council for consideration

April 2019

Examples of Employee Home Loan Programs in Other Jurisdictions



**Jurisdiction Operated
Financing For All
Employees**




**Jurisdiction
Operated Financing
for Department
Heads And / Or City
Managers Only**



**Partnership Program
with Financial Services
Organization For All
Employees**

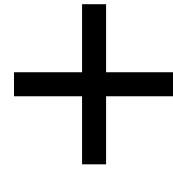


Staff Recommendations

- Approval of a pilot program that includes:
 - A partnership program with an outside financial services organization for an employee's first mortgage
 - A City sponsored employee down payment assistance loan program utilizing up to \$1,000,000 of General Fund Reserves.
- 

City of Hayward Pilot Home Loan Assistance Program

**1 Partnership Program
with Financial Services
Organization for First
Mortgage**



**2 City Down Payment
Assistance Loan of up
to \$150,000 to
Supplement First
Mortgage**

Location & Type of Unit:

- Must be a unit within the City of Hayward
- Can be a single-family home, townhome, or a unit within a multi-family building
- Purchase price capped at \$1,000,000

Terms



Down payment loan up to \$150,000



Applicant must provide a down payment of at least 2.5% of purchase price



Interest rate fixed for 5 years, and then set annually for years 6-30



Principal payments deferred during the first 5 years of the loan; interest only payments years 1-5



Outstanding loan balance due at refinance, sale of property, or conversion to rental



Employment separation within the first five years will result in principal payments beginning the month following separation, with hardship provisions

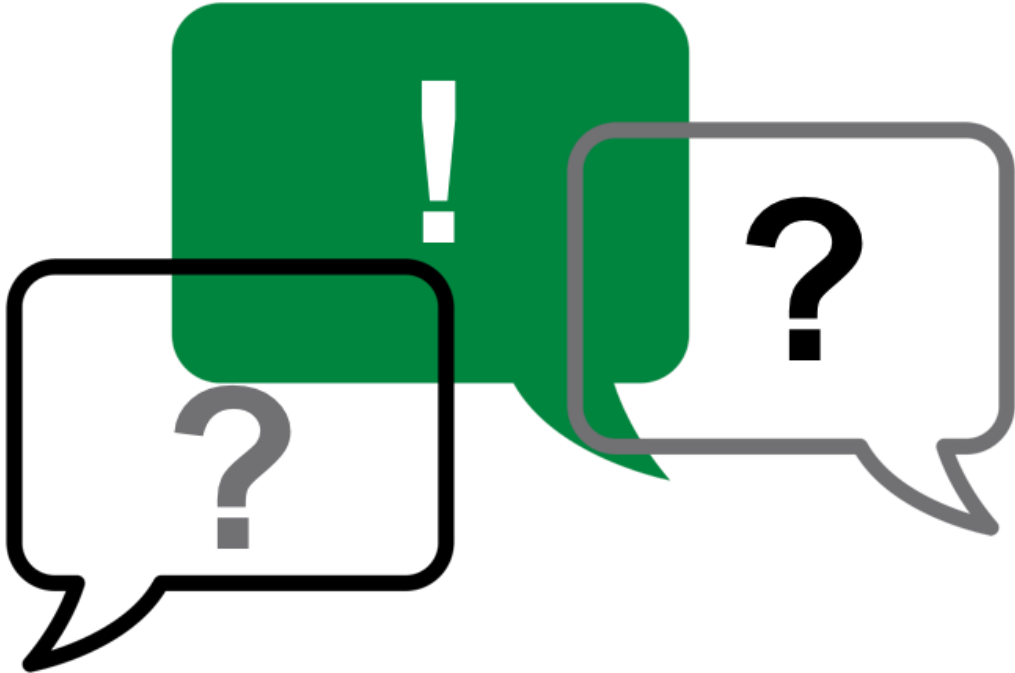


First interest-only payment due 60 days after close of escrow



No short-term rentals allowed

Questions



Application Process



Home purchase workshop required



Lottery would take place, with a time period allowed for home purchase after being chosen



Completion of qualification paperwork with partner financial organization required to be entered into the lottery