

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 24, 2009
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: ORDINANCE TO AMEND CITY CODE SECTION RELATED TO THE EMPLOYEE HOMEOWNERSHIP INCENTIVE PROGRAM (EHIP)

ISSUE: Consideration of an ordinance amendment to expand the list of eligible employers, with limitations, under the City’s Employee Homeownership Incentive Program (EHIP).

RECOMMENDATION: That City Council:

- (1) Approve the ordinance on first reading; and
- (2) Set it for public hearing, second reading and final passage on Saturday, September 12.

BACKGROUND: The EHIP Program was created in 2004 to provide a financial incentive (up to \$5,000, increased to \$10,000 beginning in fiscal year 2010) for employees of the City and Alexandria City Public Schools (ACPS) to purchase homes in the City. The program was designed to serve as both a recruitment incentive for new employees and a mechanism for the City to retain quality employees. To date, EHIP has served 91 employees at a cost of \$446,350. There are no income restrictions for the EHIP Program and participation is not limited to first-time homebuyers, therefore all employees could be considered as potentially eligible for the program.

The ordinance establishing the EHIP Program identified eligible employers as the City, the Alexandria City Public Schools (ACPS), Constitutional officers, and local offices of State government for which employee salaries are supplemented by the City. These include the Alexandria Commonwealth Attorney, the Alexandria Clerk of Court, the Alexandria Sheriff, the 18th Circuit Court, the Alexandria Court Services Units, the Alexandria Public Library, the Alexandria Registrar of Voters, the Alexandria Law Library, and the Alexandria Health Department.

Not included in the list of eligible employers at the time the program was created were a number of independent, City-supported agencies and authorities serving City residents. These include the Alexandria Transit Company (ATC), which administers the City’s DASH bus system, the

Alexandria Economic Development Partnership (AEDP), and the Alexandria Convention and Visitors Association (ACVA). Each of these agencies receives a significant portion of their annual budget from the City. Also not included were the Alexandria Redevelopment and Housing Authority (ARHA) and the Alexandria Sanitation Authority (ASA). Neither of these agencies receives City support for operating expenses.

DISCUSSION: Following a request from the General Manager of the ATC that ATC employees be allowed to access the EHIP Program, staff presented a proposal to the Affordable Housing Initiatives Work Group (AHIWG) which would add the ATC, as well as the other employers noted above, to the list of eligible employers under the EHIP Program. The AHIWG expressed support for adding the ATC, ACVA, AEDP, ARHA and ASA as eligible employers, but were concerned that funds available to other eligible employees would be reduced by the expanded pool of potential applicants. The AHIWG recommended that the City's Office of Housing serve as the EHIP administrator for these agencies, but that each organization allocate funding from their individual budgets for their participating employees. While the final report of the AHIWG inadvertently omitted the ASA, the Work Group did recommend it for inclusion as an additional eligible employer and it is included in the attached ordinance. Council adopted the recommendation to expand the program to include these agencies (with the unintentional omission of ASA) as part of its action on the AHIWG Final Report on June 13, 2009.

If these City-supported or related agencies decide to budget EHIP funds, the Office of Housing will process requests for EHIP assistance received from employees of the administered agencies but will require final approval and payment processing by the employer. As per the proposed ordinance, the amount of EHIP funds budgeted by each of these entities for a fiscal year becomes the fiscal cap for EHIP funds for that agency for that fiscal year. Participating employers will also be required to track and report to the Office of Housing the employment status of participants in the program. Office of Housing staff will prepare the loan settlement package and will coordinate closing with the employee purchaser, participating lender, real estate agent, and settlement company. Loan repayments from employees of administered agencies will be made to the Office of Housing and will be credited to the employer's loan pool and made available to future applicants.

FISCAL IMPACT: There is no expected fiscal impact from these changes.

ATTACHMENT: Proposed Ordinance.

STAFF:

Mark Jinks, Deputy City Manager

Mildrilyn Davis, Director, Office of Housing

Shane Cochran, Program Implementation Division Chief, Office of Housing

Christina Zechman Brown, Assistant City Attorney

Introduction and first reading: 9/08/09
Public hearing: 9/12/09
Second reading and enactment: 9/12/09

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend Article C (EMPLOYEE HOMEOWNERSHIP INCENTIVE PROGRAM) of Chapter 5 (OFFICERS AND EMPLOYEES) of Title 2 (GENERAL GOVERNMENT), by adding thereto new Section 2-5-39 (ADMINISTRATION OF EMPLOYEE HOMEOWNERSHIP LOAN PROGRAMS FOR OTHER ENTITIES) of the Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance would add the Alexandria Convention and Visitors Association, the Alexandria Economic Development Partnership, the Alexandria Redevelopment and Housing Authority, the Alexandria Sanitation Authority, and the Alexandria Transit Company as employers eligible to receive administrative services under the Employee Homeownership Incentive Program. Each additional employer would be required to budget funding for such loans through their individual budget process and would not have access to loan funds allocated to eligible city and school employees.

Sponsor

Mildrilyn Davis, Director, Office of Housing

Staff

Mark Jinks, Deputy City Manager
Mildrilyn Davis, Director, Office of Housing
Shane Cochran, Division Chief, Office of Housing
Christina Zechman Brown, Assistant City Attorney

Authority

§ 2.04.2(e) of the Alexandria City Charter

Estimated Costs of Implementation

As stated in memorandum from the City Manager

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. _____

AN ORDINANCE to amend Article C (EMPLOYEE HOMEOWNERSHIP INCENTIVE PROGRAM) of Chapter 5 (OFFICERS AND EMPLOYEES) of Title 2 (GENERAL GOVERNMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended, by adding thereto new Section 2-5-39 (ADMINISTRATION OF EMPLOYEE HOMEOWNERSHIP LOAN PROGRAMS FOR OTHER ENTITIES).

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article C of Chapter 5 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is hereby amended by adding thereto new Section 2-5-39, to read as follows:

The following is all new language

Sec. 2-5-39 Administration of employee homeownership loan programs for other entities.

(a) There is hereby provided by the City to the Alexandria Convention and Visitors Association, the Alexandria Economic Development Partnership, the Alexandria Redevelopment and Housing Authority, the Alexandria Sanitation Authority, and the Alexandria Transit Company the administration of each entities' employee homeownership incentive loan program. The City's administration will assist employees of the foregoing entities with the purchase of real estate located in the City of Alexandria, Virginia, to be occupied as a dwelling.

(b) Any loan made on behalf of and any applicant from an entity in subsection (a) above shall be subject to the provisions of this article, with the following exception.

(1) In lieu of the requirement under section 2-5-33(1), any applicant shall be, at the time of approval of his or her application, a full or part time (at least 20 hours per week, or equivalent), but not a seasonal, employee of an entity in subsection (a) above.

(c) In the case of an applicant who is an employee of an entity in subsection (a) above, the applicant, in addition to complying with the provisions of this article, shall comply with any additional terms and conditions, not in conflict with the provisions of this article, as such entity may provide by general rule or regulation.

(d) Each entity in subsection (a) above shall provide for funding in its budget for its own employee homeownership incentive loan program and the total amount of the loans under this article in any fiscal year shall not exceed the sum approved for such loans by such entity.

(e) Any loan made on behalf of an entity in subsection (a) above and under this article shall be subject to such funding availability, and provided on a first-come, first-served basis.

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Section 2. That this ordinance shall become effective upon the date and at the time of its final passage.

WILLIAM D. EUILLE
Mayor

Introduction: 09/08/09
First Reading:
Publication:
Public Hearing:
Second Reading:
Final Passage: