
R2020-49: TO AMEND RESOLUTION R2020-34, SETTING FORTH THE POLICY OF THE CITY COUNCIL CONCERNING WORKFORCE HOUSING, FOR THE PURPOSE OF ADOPTING THE “CITY EMPLOYEE RESIDENCY ASSISTANCE PROGRAM”.

Applicant/Purpose: Staff/ to adopt the City Employee Residency Assistance Program.

Brief:

- Council set out its Workforce Housing Policy through the adoption of R2020-034 in 08/2020. Since then Council has also contracted for management of this initiative w/ Habitat for Humanity of Horry County.
- This amendment adopts the “City Employee Residency Assistance Program” designed to make living in the City more affordable for the majority of our full-time employees (those making less than \$75,000, or 93.4% of the City’s workforce).
- Additional incentives are provided for residency in designated “target areas”.

Issues:

- Homeownership Assistance Element of the Employee Residency Assistance Program:
 - Employee picks a target amount to save for a downpayment, closing costs, or to write down the interest rate (max of \$10,000), & a target date for achieving this goal (max of 52 pay periods).
 - City withholds 50% of the target amount/pay period until they reach 50% of the target. Then the City matches it at a rate of \$1 to \$1 (40% w/in a target area \$1.50 to \$1.00 match).
 - City’s match would be secured by a 2nd mortgage.
 - For every year that the employee lives in the home & continues to be employed by the City, the 2nd mortgage is reduced by 1/5 of the original amount.
 - At the end of year 5 the 2nd mortgage is satisfied,
- Rental Assistance Element of the Employee Residency Assistance Program:
 - Employees who currently reside outside the City will be eligible to apply for a rental assistance of \$100/month upon moving into the City, (\$150/month in a target area) for up to 3 years.
 - Existing rentals in the City outside of the target area - stipend of \$50/month.
 - Existing rentals in the City inside the target area - stipend of \$75/month.
 - Employee must provide a lease copy annually, & notify the City upon moving.

Public Notification: Normal meeting notification.

Alternatives:

- Do not adopt the proposed Program.
- Modify the proposed Program.

Financial Impact:

- Funding (\$100k) is available in the Workforce Housing Fund, comprised of revenues derived from the .25% fee on the value of each construction permit (after the 1st \$100k).
- These funds cannot be used for purposes unrelated to workforce housing.
- The balance of that Fund currently exceeds \$700,000, exclusive of the \$246,000 commitment to Habitat for Humanity for program management services.

Manager’s Recommendation:

- I recommend approval (12/8/2020).

Attachment(s): Proposed resolution.

RESOLUTION R2020-49

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

Resolution R2020-49, to amend
Resolution R2020-34, setting forth the
policy of the City Council concerning
Workforce Housing, for the purpose of
adopting the "City Employee
Residency Assistance Program".

WHEREAS, the term "Workforce Housing" is generally understood to mean affordable housing for households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace.*; and

WHEREAS, studies have shown that housing costs in the City have become increasingly unaffordable for the workforce causing a shortage of housing options in the City limits; and

WHEREAS, the need for workforce housing in this community is particularly acute for workers in the hospitality, and services industries (Group 1), and the vast majority of public employees, teachers, and other middle income workers (Group 2 - those with incomes two-thirds to double the U.S. median household income, according to the Pew Research Center); and

WHEREAS, as reflected in the Workforce Housing Advisory Board proposal, due to the cost of living, these workers are living further away from where they work which degrades their quality of life, and negatively affects the City's economy; and

WHEREAS, the shortage of workforce housing also negatively impacts efforts of City businesses to resume normal operations following a major disruption such as a significant storm; and

WHEREAS, City Council recognizes that there is a national housing crisis, and as is true in every city in this nation, there is no easy solution to this problem; and

WHEREAS, City Council has a long history of supporting agencies that provide solutions to problems in our community; and

WHEREAS, City Council also recognizes that an umbrella organization to implement affordable workforce housing solutions is needed to coordinate the agencies currently involved in meeting these critical needs and to assist the City in the creation of cost effective solutions to the shortage of workforce housing; and

WHEREAS, as of the date of the consideration of this resolution, less than 16% of the City's full-time employees reside within the City of Myrtle Beach; and

WHEREAS, the City Council recognizes the benefits to both the City itself, and to the City's employees in substantially increasing this percentage.

1 Now, therefore, be it resolved by the City Council of the City of Myrtle Beach that it
2 shall be the policy of the City to:

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- 4 1. Support the use of the Workforce Housing Fund for authorized incentives;
5 purchases; subsidization of income to gain rental or home ownership; and/or
6 other strategies to increase the stock of attractive and affordable workforce
7 housing for individuals in both Group 1 and Group 2.
- 8 2. It shall be the policy of the City to support creation of a non-profit organization
9 with the mission of growing affordable workforce housing opportunities in the
10 City. This agency will work to:
- 11 • Coordinate and establish partnerships with the City of Myrtle Beach, the
12 Myrtle Beach Area Housing Authority, Habitat for Humanity of Horry
13 County, New Directions of Horry County, ECHO, Waccamaw Council of
14 Governments, and other similar agencies for the purpose of expanding
15 the inventory of workforce housing.
 - 16 • Create affordable rental and home ownership programs for Group 1 and
17 Group 2.
 - 18 • Create a community land trust to assemble property for development of
19 workforce housing, and to perpetuate the stock of workforce housing.
 - 20 • Seek additional private development and financial partners.
 - 21 • Conduct market and financial feasibility studies as needed.
 - 22 • Actively seek federal and state funding opportunities.
 - 23 • Conduct community engagement meetings.
 - 24 • Continually study best workforce housing practices.
- 25 3. Support the use of the Workforce Housing Fund for authorized incentives,
26 purchases, or subsidization of income to gain rental or home ownership.
- 27 4. Adopt the proposed "City Employee Residency Assistance Program" as shown in
28 Attachment 1 of this resolution.
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30 * See Haughey, Richard M. (2002), *ULI Land Use Policy Forum Report: Challenges to*
31 *Developing Workforce Housing* Washington, D.C., Urban Land Institute, and
32 <https://americas.uli.org/affordable-workforce-housing-council-awhc/> Urban Land
33 Institute.

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36 SIGNED AND SEALED this 8th day of December, 2020.

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42 BRENDA BETHUNE, MAYOR

43 ATTEST:

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46 JENNIFER STANFORD, CITY CLERK
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