

ITEM: ESTABLISH LOCAL HOUSING ASSISTANCE PROGRAM FOR SWORN CITY OF LATHROP POLICE DEPARTMENT AND SWORN LATHROP STATIONED LATHROP-MANTECA FIRE DISTRICT (LMFD) EMPLOYEES

RECOMMENDATION: Council to Consider Adopting a Resolution to Establish a Local Housing Assistance Program for Sworn City of Lathrop Police Department and Sworn Lathrop Stationed Lathrop-Manteca Fire District (LMFD) Employees and Associated Budget Amendment

SUMMARY:

On January 8, 2024 the City Council received a referral to discuss the potential of the City offering a Local Housing Assistance Program for sworn, City of Lathrop Police Department staff and Lathrop stationed Lathrop-Manteca Fire District (LMFD) sworn staff. Staff was made aware of educational sessions that were held at the National League of Cities, where a reoccurring theme emerged of incentives to retain sworn staffing. Local Housing Assistance Programs were one of the retention strategies that has had success in other communities of similar size to Lathrop.

Attracting, hiring and retaining experienced public safety professionals is an effective utilization of City funds and department training resources. LMFD has invested significantly in Advanced Life Support (paramedic) training for employees, however retaining them once trained has become increasingly difficult. Public safety staff who reside in Lathrop also provide a deeper breadth of familiarity to the City's sworn public safety response.

Staff is recommending that if a Local Housing Assistance Program is offered it could ease the financial burden on sworn staff to take up residency in the City. Additionally, the program would reduce the cost of recruitment and training new staff due to turnover. The program would encourage public safety staff to live within the City with a forgivable maximum 10-year loan of up to \$10,000. These funds would be provided to help with the purchase of a new home, in turn the City would then forgive 10% of the original loan amount for each 12-month period of full-time service to the City of Lathrop/ LMFD for ten years. The Program would require a budget amendment to fund initially and may need additional funds in future fiscal years based on utilization.

BACKGROUND:

On January 8, 2024 the City Council received a referral to discuss the potential of the City offering a Local Housing Assistance Program for sworn, City of Lathrop Police Department staff and Lathrop stationed Lathrop-Manteca Fire District (LMFD) sworn staff. Staff was made aware of sessions that were held at the National League of Cities where a reoccurring theme emerged of incentives to retain sworn staffing. Local

Housing Assistance Programs were one of the retention strategies that has had success in other communities of similar size to Lathrop.

Attracting, hiring and retaining experienced public safety professionals is an effective utilization of City funds and department training resources. LMF D has invested significantly in Advanced Life Support (paramedic) training for employees, however retaining them once trained has become increasingly difficult. Public safety staff who reside in Lathrop also provide a deeper breadth of familiarity to the City's sworn public safety response.

Many California public safety agencies are trying to figure out how to both fill their ranks while also improving relationships in their communities. Sworn staffing in the community provides many benefits. In the event of emergencies, for example, police officers and firefighters would respond faster if they lived within the City limits, rather than miles away where homes cost less. Local Housing Assistance Programs have also shown to help keep employees longer, this is beneficial in the current environment when other agencies have begun to offer competing hiring incentives.

Local Housing Incentive Program loans paid would be subject to all applicable taxes, withholdings, and deductions in accordance with current laws and IRS regulations. Furthermore, loan payments would be considered lump sum amounts and not reportable to CalPERS as compensation. Eligible employees have one opportunity to participate in the program. The loan will require a lien on the property and will be due in full upon the sale of the home. There may be scenarios where an employee has not sold their home and is no longer working for the agency. In those instances, the City will strive to get the loan repaid as quickly as possible. The City's loan agreement will have the appropriate default provisions should that unfortunately occur. Refer to the program guidelines below for a list of proposed guidelines.

Staff is recommending that if a Local Housing Assistance Program is offered it could ease the financial burden on sworn staff to take up residency in the City. The program would encourage public safety staff to live within the City with a forgivable maximum 10-year loan of up to \$10,000. These funds would be provided to help with the purchase of a new home to be used as the primary residence of the beneficiary of the incentive. In turn, the City would then forgive 10% of the original loan amount for each 12-month period of the beneficiary's full-time service to the City of Lathrop or LMF D for ten years. The Program would require a budget amendment to fund initially and may need additional funds in future fiscal years based on utilization.

Guidelines: (Proposed and subject to changes)

To qualify and receive a Local Housing Assistance Program incentive loan through the City of Lathrop, applicants must meet the following requirements:

1. The Local Housing Assistance Program applicant must be currently employed as a sworn member of the City of Lathrop Police Department staff or be a City of Lathrop stationed Lathrop-Manteca Fire District (LMF D) sworn staff.

2. The incentive loan would be used to assist the qualifying employee to acquire a primary residence in Lathrop city limits.
3. The loan amount of up to \$10,000 would be written off at the rate of ten per cent (10%) per year as long as the sworn staff maintains primary occupancy of the residence and remains employed full-time by the City of Lathrop Police Department or LMFD
4. The loan shall be immediately due and payable upon any of the following events occurring earlier than ten (10) years from the date of the loan:
 - a. Sworn staff no longer is employed or is released from employment by the City of Lathrop Police Department or LMFD.
 - b. The qualifying employee no longer maintains the subject property as their residence or the title is changed so that title is not in their name at least as to 50%.
5. Qualifying employee understands that there will be tax consequences arising for the forgiveness of this incentive loan and has been instructed by City to obtain tax advice in that regard.
6. Qualifying employee understands and agrees that the City will require this loan to be secured by a trust deed on the subject residence, but that this loan is not purchase money loan subject to provisions of 580b of the California Code of Civil Procedure.
7. This program would not be retroactive and would not apply to staff who already own a primary residence within the City of Lathrop city limits.
8. Funding is limited and will be based on annual appropriation limits set by City Council. Applications will be processed in the order that they are received and funds dispersed contingent upon funding availability on a first-come, first served basis.

RECOMMENDATION:

Staff recommends that the City Council consider the proposed program details with the purpose of the program being to attract, hire and retain experienced public safety staff for the residents and community of the City of Lathrop.

FISCAL IMPACT:

Staff time to review and verify eligibility of applicants, dispense incentive loans, and to monitor and manage the Local Housing Incentive Program will be absorbed in the Council approved operating budget of each Department involved. The Program would require a budget amendment to fund initially and may need additional funds in future

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fiscal years based on utilization. The funding is proposed to come from Measure C contingent upon review and endorsement from the Measure C committee. Depending on Council’s decision a budget amendment to increase account 1060-19-10-420-16-00 commensurate with the number of initial incentive loans to be funded by the program.

Options Include:		Cost	Budget Amendment
1.	Fund 3 Local Housing Incentive Program loans	\$30,000	\$30,000
2.	Fund 4 Local Housing Incentive Program loans	\$40,000	\$40,000
3.	Other		

ATTACHMENTS:

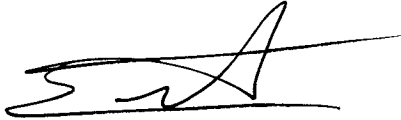
- A. Resolution to establish a Local Housing Assistance Program for sworn City of Lathrop Police Department and sworn Lathrop stationed Lathrop-Manteca Fire District (LMFD) employees and associated budget amendment

APPROVALS:



Thomas Hedegard
Deputy City Manager

2/7/2024
Date



Salvador Navarrete
City Attorney

2-7-2024
Date



Stephen J. Salvatore
City Manager

2/7/24
Date

RESOLUTION NO. 24 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO ESTABLISH A LOCAL HOUSING ASSISTANCE PROGRAM FOR SWORN CITY OF LATHROP POLICE DEPARTMENT AND SWORN LATHROP STATIONED LATHROP-MANTECA FIRE DISTRICT (LMFD) EMPLOYEES AND ASSOCIATED BUDGET AMENDMENT

WHEREAS, on January 8, 2024 the City Council received a referral to discuss the potential of the City offering a Local Housing Assistance Program for sworn, City of Lathrop Police Department staff and Lathrop stationed Lathrop-Manteca Fire District (LMFD) sworn staff; and

WHEREAS, staff was made aware of educational sessions that were held at the National League of Cities, where a reoccurring theme emerged of incentives to retain sworn staffing. Local Housing Assistance Programs were one of the retention strategies that has had success in other communities of similar size to Lathrop; and

WHEREAS, attracting, hiring and retaining experienced public safety professionals is an effective utilization of City funds and department training resources. LMFD has invested significantly in Advanced Life Support (paramedic) training for employees, however retaining them once trained has become increasingly difficult; and

WHEREAS, staff is recommending that if a Local Housing Assistance Program is offered it could ease the financial burden on sworn staff to take up residency in the City of Lathrop. Additionally, the program would reduce turnover and therefore reduce the cost of recruitment and training new staff due to turnover; and

WHEREAS, the program would encourage public safety staff to live within the City with a forgivable maximum 10-year loan of up to \$10,000. These funds would be provided to help with the purchase of a new home, in turn the City would then forgive 10% of the original loan amount for each 12-month period of the beneficiary's full-time service to the City of Lathrop or LMFD for ten years; and

WHEREAS, to qualify and receive a Local Housing Assistance Program incentive loan through the City of Lathrop, applicants must meet the following requirements:

1. The Local Housing Assistance Program applicant must be currently employed as a sworn member of the City of Lathrop Police Department staff or be a City of Lathrop stationed Lathrop-Manteca Fire District (LMFD) sworn staff.
2. The incentive loan would be used to assist the qualifying employee to acquire a primary residence in Lathrop city limits.
3. The loan amount of up to \$10,000 would be written off at the rate of ten per cent (10%) per year as long as the sworn staff maintains primary occupancy

of the residence and remains employed full-time by the City of Lathrop Police Department or LMFD

4. The loan shall be immediately due and payable upon any of the following events occurring earlier than ten (10) years from the date of the loan:
 - a. Sworn staff no longer is employed or is released from employment by the City of Lathrop Police Department or LMFD.
 - b. The qualifying employee no longer maintains the subject property as their residence or the title is changed so that title is not in their name at least as to 50%.
5. Qualifying employee understands that there will be tax consequences arising for the forgiveness of this incentive loan and has been instructed by City to obtain tax advice in that regard.
6. Qualifying employee understands and agrees that the City will require this loan to be secured by a trust deed on the subject residence, but that this loan is not purchase money loan subject to provisions of 580b of the California Code of Civil Procedure.
7. This program would not be retroactive and would not apply to staff who already own a primary residence within the City of Lathrop city limits.
8. Funding is limited and will be based on annual appropriation limits set by City Council. Applications will be processed in the order that they are received and funds dispersed contingent upon funding availability on a first-come, first served basis; and

WHEREAS, staff recommends that the City Council consider the proposed program details with the purpose of the program being to attract, hire and retain experienced public safety staff for the residents and community of the City of Lathrop.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop discussed the matter and hereby approves option #_____, to establish a Local Housing Assistance Program for sworn City of Lathrop Police Department and sworn Lathrop stationed Lathrop-Manteca Fire District (LMFD) employees and associated budget amendment; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop approves the corresponding budget amendment based on the selected option:

Option #	Budget Amendment	Fund Account
1	\$30,000	1060-19-10-420-16-00
2	\$40,000	
3	\$Other	

The foregoing resolution was passed and adopted this 12th day of February 2024, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney