



# CITY OF LATHROP

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

February 12, 2024  
Item No. 5.6

# 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 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.



# BACKGROUND



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.

# OTHER AGENCIES WITH SIMILAR PROGRAMS

## City of Ontario – Police Assistance Program

To encourage Ontario police officers to live within the City, a forgivable maximum 10-year loan of up to \$10,000 is provided to help with the purchase of a new home or to reduce the balance of an existing first trust deed financing for current residences. The City will forgive 10% of the original loan amount for each 12-month period for ten years.

## City of Los Angeles - Housing for Hires Program

Helping New LAPD Hires Find Affordable Housing, this new program offers subsidies up to \$24,000 for housing in the City of Los Angeles for up to two years after you are hired.

## City of Paso Robles- Lateral Police Officer Hiring Incentive Program

The City will provide a housing assistance loan up to \$30,000, paid back over 15 years, at a 2% interest rate, and no payments required in the first year for a home purchased within San Luis Obispo County. Repayment would be made as a payroll deduction.

## City of San Diego – Up to \$50,000 in Down Payment Assistance

Down-payment assistance will be in the form of a five (5) year, zero percent (0%) interest, subordinate loan to the qualified applicant. The down-payment assistance loan can be any amount between \$10,000 and \$50,000. Applicant must contribute funds, at a minimum, equivalent to 3.5% of home purchase price, towards a down payment. Loan must be repaid any time prior to the end of the down-payment assistance loan term.

# GUIDELINES

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%.



# GUIDELINES



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.

	<b>Options Include:</b>	<b>Cost</b>	<b>Budget Amendment</b>
<b>1.</b>	Fund 3 Local Housing Incentive Program Loans	\$30,000	\$30,000
<b>2.</b>	Fund 4 Local Housing Incentive Program Loans	\$40,000	\$40,000
<b>3.</b>	Other		