

MEMORANDUM

March 21, 2017

TO: Mayor
City Council

THRU: Douglas Faseler, City Manager

FROM: Tammy Garcia, Director of Human Resources



SUBJ: Employee Homebuyer Residency Incentive

The retention of qualified employees is a challenge for all departments, but most especially in the Police and Fire Departments. The City of Seguin has long been a training ground for young recruits who as soon as they have gained a bit of experience, head off to the larger metropolitan departments. As a recruitment and retention strategy, the Human Resource will be launching a new campaign to promote living and working in REAL Seguin. In addition to aiding in retention, employees who live in the City for which they work are thought to take more interest in the community and as a result, to be more engaged in performing their duties.

As stated in the attached policy and procedures, the proposed program offers a \$5,000 zero interest, forgivable loan to a full-time employee who purchases a home in Seguin. The loan will be forgiven at a rate of 20% or \$1,000 following each full year after the date of closing that the buyer/employee complies with the loan terms. After the fifth full year of compliance, the loan is deemed paid in full. If the employee defaults on the loan by leaving employment or fails to continue to reside in the home, the current loan balance will be due to the City.

In summary, if approved this program would provide a financial incentive to qualified full-time employees to live in the City for which they work. In addition, such an incentive serves to support our local housing market while also spurring (at least minimally) population growth within our City. Your approval of this program will provide staff with an additional tool to assist in hiring and retaining a qualified workforce who can call Seguin home. I respectfully request your approval of the attached resolution authorizing the City Manager to implement this program effective immediately.