

# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:**

September 15, 2008

**CALL TO PODIUM:**

**Fred Felton**  
**Assistant City Manager**

**RESPONSIBLE STAFF:**

**James D. Arnoult**  
**Fred Felton**  
**Tony Tomasello**  
**Harold Belton**  
**Margaret Daily**

**AGENDA ITEM:**

(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input type="checkbox"/>	Other:

**PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

<b>TITLE:</b>
Resolution of the Mayor and City Council Authorizing the City Manager to Create and Implement a Housing Stipend Program for Income Qualified Employees Who Reside Within the Corporate Limits of Gaithersburg

<b>SUPPORTING BACKGROUND:</b>
Of the 255 full-time employees who work for the City, only 31 reside within the City of Gaithersburg. Staff believes one of the key reasons so few employees live in the City is the high cost of housing in Gaithersburg when compared to other jurisdictions such as Frederick County. Based on data compiled by HUD, rents for comparable housing are \$250 to \$300 more expensive in Montgomery County than Frederick County.
Many of our employees commute to work each day from Frederick County and other areas. Not only does this add to traffic congestion and harm the environment through additional emissions, it significantly increases the time necessary for employees to report to work in an emergency.
During the FY09 budget process, the Mayor and City Council allocated \$150,000 to create a housing stipend program to encourage employees to live in the City. Not only would a housing stipend help address the concerns outlined above, staff believes it would greatly assist in recruitment of new employees.
After considerable discussion, the Personnel Team has determined that eligibility should be based on household income in the same manner as our Moderately Priced Dwelling Units and Workforce Housing programs.
-Continued-

<b>DESIRED OUTCOME:</b>
<b>Vote on resolution</b>

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## **SUPPORTING BACKGROUND CONTINUED:**

In order to encourage employees to move into the City, the Personnel Team is recommending that employees whose household income is between 80% and 120% of Area Median Income (AMI) for the Washington Metropolitan Area receive a housing stipend of \$200 per month. For employees whose household income is below 80% AMI, we are recommending a housing stipend of \$300 per month.

To provide an opportunity to evaluate the success of this program, staff is recommending that it initially be implemented as a two year pilot program.

During informal discussions, Council Members have asked how many employees would likely be eligible for the housing stipend. While we obviously know our employees salaries, we do not have information on their household income. However, using our knowledge of our employees, members of the Personnel Team estimated household size and income for each of our employees. Based on these estimates, we believe approximately 110 employees may qualify for the \$200 or \$300 stipend; however, the Personnel Team believes that it would be extremely unlikely that a significant percentage of eligible employees would move into the City to take advantage of this program due to current homeownership, family responsibilities, and lifestyle choices.

Of the 31 employees currently living in Gaithersburg, we estimate that nine employees would qualify for the stipend immediately.

The attached resolution would authorize the City Manager to create and implement the stipend program.

## **Attachments:**

1. Resolution

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE MAYOR AND CITY COUNCIL AUTHORIZING THE CITY  
MANAGER TO CREATE AND IMPLEMENT A HOUSING STIPEND PROGRAM FOR  
INCOME QUALIFIED EMPLOYEES WHO RESIDE WITHIN THE CORPORATE  
LIMITS OF GAITHERSBURG

WHEREAS, only 31 of the City's 255 current full-time employees currently live in the City of Gaithersburg; and

WHEREAS, the Mayor and City Council believe that it is sound public policy to encourage municipal employees to live in the jurisdiction they serve; and

WHEREAS, providing an incentive for employees to live in the City of Gaithersburg has both environmental and transportation benefits; and

WHEREAS, housing costs in Gaithersburg are higher than other nearby jurisdictions such as Frederick County; and

WHEREAS, the Mayor and City Council believe that a monthly housing stipend in the amount of \$300 will encourage employees with household incomes below 80% of Area Median Income to live within the City; and

WHEREAS, the Mayor and City Council believe that a monthly housing stipend in the amount of \$200 will encourage employees with household incomes between 80% and 120% of Area Median Income to live within the City; and

WHEREAS, the Mayor and City Council believe it is appropriate to initially implement this program as a two year pilot program to provide an opportunity to evaluate its success:

NOW, THEREFORE, BE IT RESOLVED, that the City Manager is authorized to create and implement a housing stipend program for income qualified employees who reside within the corporate limits of Gaithersburg.

ADOPTED by the Mayor and City Council this 15<sup>th</sup> day of September, 2008.

\_\_\_\_\_  
SIDNEY A. KATZ, MAYOR and  
President of the Council

THIS IS TO CERTIFY that the foregoing  
Resolution was adopted by the City Council  
in public meeting assembled on the 15<sup>th</sup> day  
of September, 2008.

\_\_\_\_\_  
James D. Arnoult, Acting City Manager