NORTH MARIN WATER DISTRICT

BOARD POLICY: EMPLOYER ASSISTED HOUSING PROGRAM FOR EMPLOYEES OF NORTH MARIN WATER DISTRICT

BOARD POLICY NUMBER: 42

Original Date: 1992
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1. Objective of Program. NMWD may make loans to full-time regular employees for the purpose of purchasing a home located within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District.

2. Source of Funding. Loans granted under this program will be funded from the District's Liability Contingency Reserve Fund. The cumulative principal amount of all outstanding loans may not exceed One Million Five Hundred Thousand Dollars.

3. District Control of Assistance. Whether to provide financial assistance in any specific home purchase and the amount, terms and conditions of loans are within the discretion of the Board of Directors. Such assistance is voluntary on the part of the District, is not a matter of right of any employee and is at all times subject to the availability and allocation of District funds. If the District determines at any time that it is not beneficial to the District to continue this program, it may be terminated. In the event the program is revised or terminated, existing loans outstanding will remain in effect in accordance with the terms and conditions of the promissory note previously executed.

4. Loan Conditions.

A. Loans shall be made for the sole purpose of paying a part of the purchase price of the fee title to a dwelling with-in the District service territory. "Dwelling," means a single-family residence or condominium unit that shall be the principal residence of the employee.

B. For market rate housing, the loan shall be evidenced by the promissory note of the employee secured by a second deed of trust on the property. For below market rate "workforce" housing such as Meadow Park in Novato, the loan shall be evidenced by the promissory note of the employee secured by a deed of trust on the property that will be subordinate to the interests of the primary lender and of the Redevelopment Agency of the City of Novato or the City of Novato. The District's interest under the deed of trust shall be insured by a title company acceptable to the District at the expense of the employee.

C. The employee shall enter into an agreement with the District to participate when requested by the District in the District's standby duty, and when within ten miles of the District headquarters, carry a pager or cellular phone at all times and be available to respond to emergencies upon call.

5. Terms of Note, Market Rate Housing.

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

(1) $300,000;

(2) 50% of the purchase price or appraised value of the property as the District shall elect, appraisals to be made at the employee's expense by an appraiser approved by the District;

(3) The difference between the purchase price (or appraised value as the District shall elect) less the employee’s down payment and the amount owing on the first deed of trust.

B. Interest. The interest owed on the note shall be the amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District’s investment portfolio yield as reported in the Auditor-Controller’s Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

(1) The sale or rental of the property secured thereby.

(2) One hundred sixty (160) days after the employee ceases to be a full-time resident of the property.

(3) One hundred sixty (160) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.

(4) One hundred sixty (160) days after the date of termination of the employee's full-time employment.

(5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).

(6) Refinancing of the first deed of trust with cash out.

(7) Fifteen years from the date of the note.

D. Employee Down Payment. The employee shall make a minimum down payment based upon the purchase price of the property in accordance with the following schedule:

Home Purchase Price	Minimum Down Payment
< = $600,000	5%
$600,001 - $700,000	6%
$700,001 - $800,000	7%
$800,001 - $900,000	8%
$900,001 - $1,000,000	9%
$1,000,001 +	10%

E. Sale or Refinancing. Upon sale or refinancing of the property the District shall be entitled to the return of its original loan amount plus interest calculated as follows:

The amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield as reported in the Auditor-Controller's Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

6. Terms of Note, Below Market Rate Workforce Housing

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

(1) $150,000

(2) 40% of the purchase price of the property;

B. Interest. Upon sale or refinancing of the property the District shall be entitled to the return of its original loan amount plus interest calculated as follows: The amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield as reported in the Auditor-Controller's Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

(1) The sale or rental of the property secured thereby.

(2) Thirty (30) days after the employee ceases to be a full-time resident of the property.

(3) Thirty (30) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.

(4) Thirty (30) days after the date of termination of the employee's full-time employment.

(5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).

(6) Refinancing of the first or second deed of trust with cash out.

(7) Fifteen years from the date of the note.

7. Application for Loans. Employees and prospective employees may request loans for housing assistance. Loans may be made to the applicants who the District determines to be the most valuable for meeting typical emergencies experienced by the District in operating its water and wastewater systems. In making final selections for employee housing loans it shall be the goal of ultimately achieving assemblage of the ideal integrated emergency response force comprised of the skills and/or positions shown in Table 1. It is planned that an initial goal be achieved within five years of the date this revised program is first adopted and the ultimate goal within fifteen to twenty years.

TABLE 1

Staff Residing within the District Service Area			
Classification	Existing 05/20/25	Ultimate Goal	Initial Goal
General Manager	1	1	1
Assistant General Manager/Chief Engineer	1	1	1
Operations/Maintenance Superintendent		1	1
Construction/Maintenance Superintendent		1	1
Auditor/Controller		1	1
Distribution & Treatment Plant Supervisor	1	1	1
Water Quality Supervisor	1	1	0
Heavy Equipment Operator (Expertise)		1	1
Construction Foreman	1	1	1
Pipeworker, Pipeworker Apprentice, Laborer or other employees who are trained for and regularly perform standby duty	1	4	2
Any Electrical/Mechanical Classification	1	2	1
Any Certified Treatment Plant Operator Classification	2	2	1
Any Professional Engineer	2	1	1
Any Engineering Tech Position	1	2	1
Any Chemist or Lab Tech Classification	1	1	1
Any Clerical Position	1	1	1
TOTAL	14	22	16

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