

**MINUTES OF THE
ECONOMIC DEVELOPMENT COMMITTEE
MEETING**

7:15 a.m.

February 22, 2024

Mayor Genshaw brought the meeting to order with the following committee members present: Councilman Dan Henderson, Mrs. Joan Neal, City Manager Charles Anderson, and Director of Economic Development and Community Relations Trisha Newcomer. Building Official, Mike Bailey was also present.

Mayor Genshaw solicited any questions or comments from the public; there were none.

Director of Economic Development and Community Relations Trisha Newcomer presented Agenda Item #1: Review and consider a request from NVR Inc., to establish a pilot work-force housing incentive program. NVR Inc. is currently constructing homes in the Mearfield I and II community located on Herring Run Road. The community was approved and recorded in 2005 to construct approximately 200+ homes, however, only about half of those have been constructed as of today. NVR is the most recent homebuilder for the project and are in the process of building their first set of 40 single family homes in the community.

NVR plans to build out the community over the next 3-4 years with the hopes of building approximately 60 homes per year, which includes 144 homesites in Mearfield II and the 90 lots remaining in Mearfield. The completion of this development will bring 254 new family homes to Seaford, which will increase the tax base and provide an influx of cash into local places, including restaurants, convenience stores, grocery stores, etc.

Mrs. Newcomer explained NVR is proposing a work-force housing incentive to help increase the purchasing power of perspective buyers with a \$2500.00 credit toward settlement costs. The incentive is for employees of the city, law enforcement, firefighters, nurses and education personnel, such as teachers. Mrs. Newcomer also stated that Owen Thomas, representing NVR Inc, was present to answer any questions the members may have.

Mayor Genshaw solicited any questions from the committee.

Mayor Genshaw asked Mr. Thomas what the average cost of the homes for sale is in Mearfield.

Mr. Thomas stated that the average cost of the houses in Mearfield are upper \$200,000's to mid \$300,000's depending on size, floor plan, etc. Mr. Thomas also noted they do not build unless they already have a buyer for the property. This allows them to build what the customer wants and/or needs and it would allow them to know ahead of time who qualifies for this incentive.

Mr. Anderson stated the recommendation is for the discussed incentive to be a pilot program and that there are variables the committee can put in place and then touch base after a year or so to figure out the success rate.

Mayor Genshaw asked if the program will be open to all builders or just NVR.

Mr. Anderson stated as of now, because it would be a pilot policy it would be smart to limit it to one builder, NVR because they are able to track the success of the incentive with their buyers and let us know how many homes have been sold with the incentive in place. However, in the future, depending on the success, it could be opened to other builders or developers.

Mrs. Neal asked Mr. Thomas what the household income for approval of these homes is on average.

Mr. Thomas stated that it's hard to say exactly, because there are many factors that affect the income needed, such as current debts, interest rates, etc. but on average an annual income of \$65-\$75,000 is needed to be approved for a \$300,000 home.

Mrs. Neal also asked if the incentive is only through the purchasers with an NVR mortgage loan or could they receive it if they have their own mortgage lender.

Mr. Thomas stated that NVR mortgage is the only lender for the newly constructed homes in Mearfield and the buyer would not qualify for the incentive through another mortgage for homes that were already constructed and being resold. NVR offers their own incentive of \$10,000 toward closing cost so the purchaser would qualify for \$12,500 towards closing with both incentives.

Mr. Henderson stated that he believes the incentive should be for active-duty police, first responders, military, education, etc. and not open to retirees.

Mrs. Newcomer also suggested that the pilot incentive have a time frame of when the board would revisit the policy and discuss the outcome of how many purchasers benefited, etc.

With no further questions or comments, Mayor Genshaw solicited a motion.

Mr. Henderson made a motion to recommend to City council, to encourage local employees to buy and live locally, the city will be offering an additional "hometown" incentive for active city employees, first responders, education professionals and personnel and military personnel. This incentive would be an additional \$2500 in closing cost assistance from the mortgage company NVR Mortgage. In exchange for this assistance to the Seaford community, NVR receives a \$2500 credit towards their permitting fees. NVR will pay the initial fees and then upon settlement would submit for a reimbursement. This incentive would be capped at \$60,000 and will be reviewed and terminated on December 31, 2024. Mrs. Neal seconded the motion; the motion passed with all present voting in favor.

Director of Economic Development and Community Relations Trisha Newcomer presented Agenda Item #2: Review and consider a request from NVR Inc., to waive sewer and water tap fees. The request is a continuation of waiving the sewer and water tap fees, which is roughly \$1700. The incentive paired with the hometown program would be a max credit of \$2500 for the combined two programs.

Mrs. Newcomer stated that the request is to waive 24 water tap fees and 24 sewer tap fees for the year 2024.

Mr. Anderson stated that some members of council, when previously discussed at the City planning session, were hesitant to continue the program in 2024, therefore, NVR was not able to receive that fee waiver since the start of 2024.

Mr. Bailey stated that NVR was the only developer thus far affected by the change, as they had been issued 4 building permits where fees were charged.

Mr. Henderson stated he was not opposed to the continuation of the fees being waived, and because NVR had received the fee waivers in 2023, they should be reimbursed for the 4 they have already purchased.

With no further questions or comments, Mayor Genshaw called for a motion.

Mr. Henderson made a motion to recommend to council the continuation of the 24 in 2024 program of waiving the sewer and water tap fees, where the incentive paired with the hometown program, would be a maximum credit received of \$2500. Mrs. Neal seconded the motion; motion so passed with all present voting in favor.

With no other questions or comments, Mayor Genshaw called for a motion to adjourn. The City Manager, Charles Anderson, made a motion to adjourn the Economic Development Committee Meeting; Mrs. Neal seconded the motion. The meeting adjourned at 8:12 a.m.
