

# Woodstock EDC Housing Working Group

2023 Grant Application

January 27, 2023 for discussion February 2, 2023



# The Woodstock Area is in a housing crisis that is affecting economic development

- There is an acute shortage of housing that local workers can afford to rent or buy
  - Businesses and organizations cannot find the staff they need
  - Workers who'd like to accept open positions cannot find anywhere to live
  - Working families are leaving the area to take jobs in other areas where they can live within their means or they are commuting long distances
- We need many more housing units for people who work here or would like to work here
  - We need homes to rent in the \$1,500 a month range
  - We need homes to buy below the \$450,000 range
- The EDC Housing Working Group is focused on increasing the opportunity for local workers to find housing through rentals and home ownership

Note: See slide 24 for link to a fuller discussion of the Woodstock Area housing situation

# The housing crisis can be alleviated by programs that increase availability or decrease the cost of homes

	Increase availability	Decrease cost
<b>Renters</b>	Make it attractive for developers and property owners to create long term rental homes	Make market rents more affordable
<b>Homebuyers</b>	Make it attractive for developers to build homes	Increase the number of qualified home buyers for Woodstock Area homes

- The Federal and State government and nonprofits run many such programs that we can supplement locally to make them more effective

Note: See slide 24 for link to a fuller discussion of housing program availability

# There are many different tools to use to achieve these results

	Increase availability	Decrease cost
<b>Renters</b>	<p>Make it attractive for developers and property owners to create long term rental homes by</p> <ol style="list-style-type: none"><li>1. Reducing costs for developers e.g., grants, loan guarantees, tax credits, bylaw reform, fast track processing, waiver of permit fees, property tax reductions</li><li>2. Incentivizing property owners to convert housing units for local workers</li></ol>	<p>Make market rents more affordable by</p> <ol style="list-style-type: none"><li>1. Subsidizing housing units with income eligibility limits and maximum rental rates e.g., Safford Commons, Mellishwood</li><li>2. Giving housing vouchers to local workers</li></ol>
<b>Homebuyers</b>	<p>Make it attractive for developers to build homes by</p> <ol style="list-style-type: none"><li>1. Reducing costs for developers of homeownership units e.g., grants, loan guarantees, tax credits, bylaw reform, fast track processing, waiver of permit fees, property tax reductions</li></ol>	<p>Increase the number of qualified home buyers for Woodstock Area homes by</p> <ol style="list-style-type: none"><li>1. Assisting with initial purchase costs e.g., downpayment, closing costs</li><li>2. Reducing monthly costs e.g., mortgage loan costs, property tax, mortgage interest deduction</li></ol>

## In May 2022, the EDC Housing Working Group set out to increase availability of rental units with 2 programs and support service

	Increase availability	Decrease cost
Renters	<ol style="list-style-type: none"><li>1. ADU Workforce Rental Pilot</li><li>2. Rental Incentive Pilot</li><li>3. ADU Support Service</li></ol>	
Homebuyers		

# The 2 programs created 5 homes in 9 months

## 2022 ADU Workforce Rental Pilot Program

- Incentives to encourage property owners to create ADUs for rent
- 3 grants of up to \$10,000 available for design, permitting or construction
  - ADU must be available to rent to a local worker for 3 years
  - Minimum 1-year lease, maximum monthly rent \$1,000 studio, \$1,500 one bedroom, \$2,500 for a multi-bedroom unit (utilities not included)

### Results

- 3 of 3 available incentives awarded
  - 1 x one bedroom unit under construction
  - 1 x studio planned for Spring 2023
  - 1 x studio/one bedroom (layout TBD) under construction
- Cost per home: \$10,000.....\$3,300 per year

## 2022 Rental Incentive Pilot Program

- Incentives to encourage property owners to convert existing housing units into long term rentals
- 5 grants of up to \$7,000 available to rent a unit that is currently a short-term rental, or unused unit
  - # of bedrooms determine grant amount
  - Tenant must be a local worker
  - Minimum 1-year lease, maximum monthly rent \$1,000 studio, \$1,500 one bedroom, \$2,500 for a multi-bedroom unit (utilities not included)

### Results

- 2 of 5 available incentives awarded for 2 year commitment period
  - 1 x \$1900 rent for 3 bedrooms
  - 1 x \$800 (+ yard & snow removal) rent for 3 bedrooms
- Cost per home: \$7,000.....\$3,500 per year

## **We learned there is value in having an identified person, the Housing Advisor, working on Woodstock housing**

- An identified person created momentum beyond the programs we offered
- The Housing Advisor received calls from landlords who were not looking for a grant but wanted to rent to locals and wanted to know how to do that
- Employers called searching for housing for their employees

# We've committed \$64,000 of the \$93,000 awarded in 2022

## 2022 ADU Workforce Rental Pilot Program

### Financial Incentives

Program incentives:     \$30,000    3 X \$10,000 grant per unit

Results:                    3 new housing units  
                                  3 new workforce rental homes for 3 years

Cost per home per year: **\$3,300**

## 2022 Rental Incentive Pilot Program

### Financial Incentives

Program incentives:     \$14,000    2 X \$7,000 grant per unit

Results:                    2 new workforce rental homes for 2 years

Cost per home per year: **\$3,500**

**Note:** **\$18,000** is uncommitted to carry over into 2023 program grants

## 2022 Support Costs and Expenses

### Financials

Housing Advisor cost:    \$20,000

Attorney fees:             \$2,040    Paid for by grant from Windsor County Board of Realtors

**\$22,040**

**Note:** **\$11,000** is uncommitted to carry over into 2023 costs in expenses and legal costs





# In 2023, we want to extend the current offering to provide more programs/support services to offer more housing opportunities

	Increase availability	Decrease cost
<b>Renters</b>	Continue to increase the appeal to property owners of creating reasonably priced, year-round rental units for the local workforce with existing and new programs and support	Introduce programs to reduce the cost of market rental properties for the local workforce
<b>Homebuyers</b>		Introduce a program and support to make it easier for the local workforce to purchase a home

# We propose enhancing the 3 existing programs/support service and introducing 6 new programs/support services

	Increase availability	Decrease cost
Renters	<p><i>Existing</i></p> <ol style="list-style-type: none"><li>1. ADU Workforce Rental Incentive</li><li>2. Rental Incentive</li><li>3. ADU Support Service</li></ol> <p><i>New</i></p> <ol style="list-style-type: none"><li>1. Homeshare Incentive</li><li>2. Multi-Unit Housing Rental Incentive</li><li>3. Landlord Assistance Support Service</li></ol>	<p><i>New</i></p> <ol style="list-style-type: none"><li>4. Employee Rent Assistance Pilot</li></ol>
Homebuyers		<p><i>New</i></p> <ol style="list-style-type: none"><li>5. Home Buyer Gateway Service</li><li>6. Down Payment Assistance Pilot</li></ol>

# 2023: Continue & improve existing programs & services

## 1. ADU Workforce Rental Incentive

### *Program*

- Incentives to encourage property owners to create ADUs for rent
- 7 grants of up to \$10,000 available for design, permitting or construction
  - ADU must be available to rent to a local worker for 3 years
  - Minimum 1-year lease, maximum monthly rent \$1,000 studio, \$1,500 one bedroom, \$2,500 for a multi-bedroom unit (utilities not included)

### *Financial Incentives*

Program incentives: **\$70,000** 7 X \$10,000 grant per unit

Projected result: 7 new housing units  
7 new workforce rental homes for 3 years

Cost per home per year: **\$3,300** for at least 3 years

### *Enhancements*

- Work with Municipal Government to reduce Town and Village costs incurred in creating and owning an ADU
  - Zoning permit fee exemption
  - Relief from or reduction of the increased property assessment/taxes while the ADU is rented to a local worker (3 years)

### *Challenges/Risks*

- Eligible/acceptable tenant - address with Landlord Services
- Ease of process - address with ADU Support & Landlord Services
- Contractor availability

# 2023: Continue & improve existing programs & services

## 2. Rental Incentive

### *Program*

- Incentives to encourage property owners to convert existing housing units into long term rentals
- 3 grants of up to \$7,000 available to rent a unit that is currently a short-term rental or unused unit
  - # of bedrooms determine grant amount
  - Tenant must be a local worker
  - Minimum 1-year lease, maximum monthly rent \$1,000 studio, \$1,500 one bedroom, \$2,500 for a multi-bedroom unit (utilities not included)

### *Enhancements*

- Extend program to include owners of properties close to Woodstock who MUST rent to a Woodstock worker
- Change incentive amounts to incentivize more occupants in a unit with multiple bedrooms
- Review existing lease periods, rent limits, grant amounts and adjust if needed to work with short term rental owners

### *Financial Incentives*

Program incentives:     \$18,000    2022 unused funds  
                                     \$ 3,000    2023 grant  
                                     \$21,000    3 X \$7,000 grant

Projected result:            3 new workforce rental homes for 2 years

Cost per home per year: **\$3,500**

### *Challenges/Risks*

- Short term rental competition - mitigate with shorter lease incentives, STR regulation enforcement

# 2023: Continue & improve existing programs & services

## 3. ADU Support Service

### *Program*

- Provide expert assistance to property owner considering creating ADUs during each phase
  - Exploratory
  - Feasibility
  - Permitting
  - Operating

### *Financial Incentives*

Program incentives:      HA time and advertising expenses only

Projected result:              More ADUs in community

Cost per home:

### *Enhancements*

- Continue to work with Planning & Zoning on bylaw changes e.g., parking, zoning density changes
- Develop ADU Handbook and website to guide property owners in exploring and executing ADUs construction
- Develop tools - forms, spreadsheets, checklists, etc - to help guide property owners through process
- Create database of local contractors and other professionals with expertise

### *Challenges/Risks*

- Changing regulations
- Lack of contractors

# 2023: Design & introduce new programs & services

## 1. Homeshare Incentive Pilot

### *Program*

- Work with Thompson Center to increase participation in Homeshare program
  - Thompson Center runs Homeshare program to match potential hosts and guests
- Incentives to encourage residents to offer Homeshares to local workers for 1 or 2 years
- 5-10 grants of up to \$1,000 available per yr, max 2 yrs, for each bedroom in shared house made available to local worker
  - Minimum 1-year term, maximum monthly rent \$1,000 for one bedroom (utilities not included)
- Note: Builds on ADU & Rental existing programs by using same definitions, same max monthly rent & eligibility reqs

### *Financial Incentives*

Program incentives: \$10,000 10 x \$1,000 grant per unit

Projected result: 5- 10 new housing units  
5- 10 workforce rental homes for 1-2 years

Cost per home per year: **\$1,000**

### *Challenges/Risks*

- Perception Homeshare is for seniors only - address with promotion
- Concern with having tenant/guest in home - address with Landlord Services



# 2023: Design & introduce new programs & services

## 2. Multi-Unit Housing Rental Incentive Pilot

### *Program*

- Encourage property owners to create multi-unit housing for rent to local workers to support microdevelopment
  - Duplexes, triplexes or 4 unit dwellings allowed
- Incentives up to \$10,000 per unit
- 2 grants of up to \$40,000 total available for design, permitting or construction
  - Each unit must be available to rent to a local worker for 3 years
  - Minimum 1-year lease, maximum monthly rent \$1,000 studio, \$1,500 one bedroom, \$2,500 for a multi-bedroom unit (utilities not included)

### *Financial Incentives*

Program incentives: \$40,000 2 X \$20,000 grant

Projected result: 4 new housing units  
4 new workforce rental homes for 3 years

Cost per home per year: **\$3,300**

### *Challenges/Risks*

- Eligible/acceptable tenant - address with Landlord Services
- Ease of process - address with ADU Support & Landlord Services
- Contractor availability



# 2023: Design & introduce new programs & services

## 3. Landlord Assistance Support Service

### *Program*

- Provide tools for landlords to increase their comfort and confidence in renting long term to locally employed tenants
  - Landlord training
  - Sample lease agreement; tools for tenant screening, credit checks; hands on assistance
- Program design will ensure landlord takes full responsibility for choosing tenant and shoulders risk
  - Housing Group provides tools and assistance to mitigate those risks
  - Housing Group work with Landlords to fulfill Qualified Tenant Reqs

### *Financial Incentives*

Program incentives:      HA time and advertising expenses only

Projected result:        Will show in success of other programs

Cost per home:

### *Challenges/Risks*

- New landlord questions/concerns
- Qualified Tenant qualification/validation questions
- Overcoming bad tenant myths - address with information



# 2023: Design & introduce new programs & services

## 4. Employee Rent Assistance Pilot

### *Program*

- Provide employee with security deposit payment to be used towards new housing rental costs as a way to reduce rental cost
- Details need to be worked out with employers e.g.,
  - Employer referral to the program
  - Employee eligibility qualifications
  - Number of vouchers per employee

### *Financial Incentives*

Program incentives: \$6,000 3-5 grants X \$1,200 - \$2,000

Projected result: 3-5 new workforce rental homes for 1 year

Cost per home per year: **\$1,200 to \$2,000**

### *Challenges/Risks*

- Defining who is eligible
- Short term incentive has no value to add housing units



# 2023: Design & introduce new programs & services

## 5. Home Buyer Gateway Services Pilot

### *Program*

- Provide single access to support resources that support home buyers
  - Home buying education
  - Federal, state and local grant and loan programs
- Housing Advisor gathers together and promotes information about the different grant and loan programs that offer assistance to prospective home buyers
- Housing advisor directs prospective home buyers to appropriate agency depending on eligibility



### *Financial Incentives*

Program incentives: HA time and advertising expenses only

Projected result: More local workers on path to home ownership

Cost per Home:

### *Challenges/Risks*

- Availability of homes in affordable price range



# 2023: Design & introduce new programs & services

## 6. Down Payment Assistance Pilot

### *Program*

- Provide downpayments to make the purchase of a home more attainable
- Help those who don't meet eligibility requirements of other state programs
- Provide up to 5% of purchase price of a new home for eligible Woodstock current or future workers as zero interest loan
  - \$25,000 cap (\$500,000 home purchase)
  - Home must be in Woodstock, Pomfret, Bridgewater, Hartland or Reading
  - Must return grant if home sold within 3 years (details to be determined)

### *Financials*

Program incentives: \$80,000 4 X \$20,000 grant

Projected result: 4 workforce housing units for at least 3 yrs

Cost per home per year: **\$6,600 maximum**

### *Challenges/Risks*

- Availability of homes in affordable price range

# **This plan depends on continuing and expanding the Housing Advisor position to build and manage the programs**

- The Housing Advisor works with the volunteer EDC Housing Working Group, program and support service applicants and legal counsel
- The costs reflect expanded hours and compensation at a project manager level
- The responsibilities of the Housing Advisor will be:
  - Design program details and processes for awarding incentives with the Housing Working Group
  - Work with the lawyer to draft and refine legal agreements
  - Work with applicants from their initial inquiry through award application and approval and completed agreements
  - Work with applicants to support them becoming a landlord e.g., creating a lease, finding a qualified tenant
  - Record legal agreements with the Town Clerk
  - Track and perform compliance checks through incentive period
  - Make incentive payments
  - Provide expert tools and assistance to property owners considering creating an ADU during the exploratory, feasibility, permitting or operating stages
  - Work with prospective home buyers to support them finding home buying education, federal, state and local grant and loan programs
  - Promote programs - advertising, educational meetings

# The 2023 Grant Request is for \$247,000

## Support Cost and Expenses

Housing Advisor (HA)	\$38,000 plus 2022 funds \$2,000
Expanded hours and compensation level	
Expenses	\$0 plus 2022 funds \$6,000
E.g., Attorney fees, advertising, admin	

## Existing programs

1. ADU Workforce Rental Incentive	\$70,000
7 @ \$10,000 per unit	
2. Rental Incentive	\$3,000 plus 2022 funds \$18,000
3 @ \$7,000 per unit	
3. ADU Support	HA time

## New programs

1. Homeshare Incentive Pilot	\$10,000
10 @ \$1,000 per bedroom	
2. Multi-Unit Housing Rental Incentive	\$40,000
4 @ \$10,000 per unit, 2 multi units	
3. Landlord Assistance Support Pilot	HA time
4. Employee Rent Assistance Pilot	\$6,000
3-5 @ \$1,200 - \$2,000	
5. Home Buyer Gateway Services	HA time
6. Down Payment Assistance Pilot	\$80,000
4 @ \$20,000	

# The programs and support services will be designed and introduced through 2023

## Planned timing for 2023

January:	Continue existing programs
February:	Introduce Homeshare Incentives, Multi-Unit Housing Rental Incentives
March:	Research/Document ADU Support Service
April:	Introduce ADU Support Service
May:	Refine incentives & enhancements of prior programs
June:	Research/Document Landlord Assistance Support Service
July:	Set up Landlord Assistance Support Service
August:	Research Employee Rent Assistance Pilot
September:	Set up Employee Rent Assistance Pilot
October:	Research/Document Home Buyer Gateway Services & Down Payment Assistance
November:	Introduce Home Buyer Gateway Services
December:	Set up Down Payment Assistance Pilot

# Definitions

## **Long term rental (LTR)**

Lease term of at least one year in 2022

We may consider less in 2023

## **Short Term Rental (STR)**

Rented less than 30 days

## **Reasonable rental rates**

Monthly rents not exceeding

\$1,000 for a studio unit

\$1,500 for a one-bedroom unit

\$2,500 for a multi-bedroom

unit

Utilities are not included

## **Local Worker (Qualified Tenant)**

- A Person who claims the address as their primary residency and continuously occupies the property
- A Person who works, or will work, an average of 25 hours or more per week at a business/organization located within the Qualified Area and earns at least 75% of their income from such business or employment
- The business must serve the Woodstock Community, hold a valid and current business license, or pay sales taxes
- A Person who is disabled (i.e. receiving disability benefits from Social Security or a similar program) and has lived in the Qualified Area for at least the past 12 months

## **Qualified Area**

Woodstock, Barnard, Bridgewater, Pomfret, Reading, Hartland

## **ADU**

A distinct unit that is clearly subordinate to a single-family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation

## Further reading

- [Housing in the Woodstock Area](#)
- [There's No Such Thing as Affordable Housing](#)





# EDC Marketing Group

1. 2022 Program Overview
2. 2022 Performance Report
3. 2023 Allocation Request



# Guiding Questions

1. How can Woodstock remain relevant in a travel and tourism industry which is pivoting entirely to the digital space?
2. As our core audiences ages, how does Woodstock activate with the *next* generation of tourists & new community members and who live, work, and discover online?



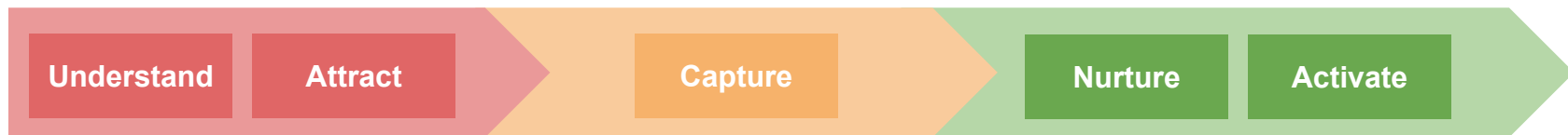
# Aspirational Goals

1. Position Woodstock as the quintessential New England lifestyle destination in the digital space.
2. Future-proof Woodstock as fully digitally self-sustainable.
  - ❑ Find, nurture and activate a qualified audience that is 100% owned by the town.
  - ❑ Provide free, native marketing support for Woodstock's economic engine: our local businesses and community initiatives/ events.
  - ❑ Communicate directly with our visitors and new audiences, eliminating the need to rely exclusively on endemic organic and paid press.

## 2022 Recap – Focus Areas

- Digital content pool – raw photo & video assets to power marketing program
- Digital marketing program. Developing a five step, scalable process:
  1. **Understand** the visitor journey, visitor segments (interests)
  2. **Attract** new prospects – digital advertising
  3. **Capture** new prospects, website visitors
  4. **Nurture** – unpaid advertising
  5. **Activate** and re-engage

## 2022 Recap – Funnel



- Why do visitors come to Woodstock? From where? What are they here for?
- Push relevant creative to potential visitors with goal of website visit.
- Segmented creative to target *interest-driven* and *value-driven* prospects.
- Communicating directly with the lead
- Automation provides a unique introduction to Woodstock, based on the qualification data (segments) provided.
- Organic messaging provides visibility and access to events, like TedX, Bookstock, or Flurry.

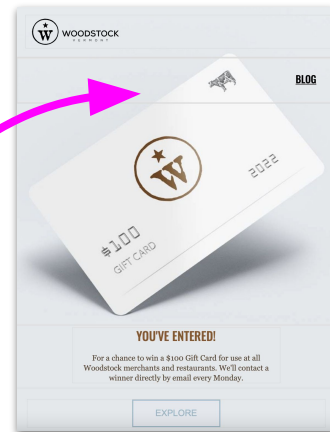
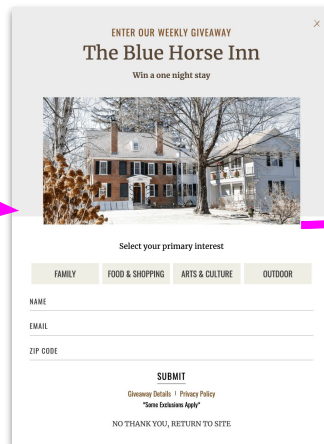
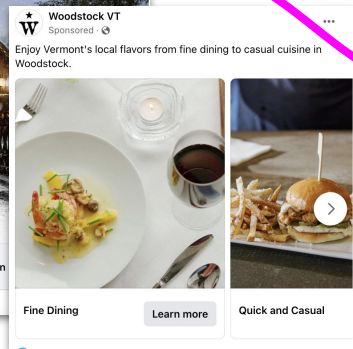
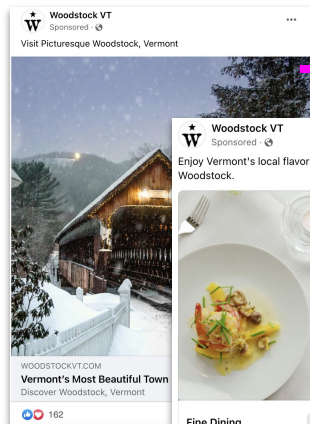
2022 Performance

## 2022 Recap – Funnel

Prospect

Lead

Visitor, Ambassador, Resident



## 2022 Recap – Objective outcomes

Goal: Build and deploy a framework to communicate directly with prospect visitors, and expose Woodstock – and events – to new audiences.

- ✓ Define visitor segments and build ads to target audiences
- ✓ Launch seasonal program to grow and nurture qualified, owned lead list
- ✓ Capture and evaluate data to understand what visitors are looking for & best channels
- ✓ Define economic impact KPI's to benchmark what success looks like

## Performance Reporting – Top of funnel, Exposure, May → EOY '22

- Impressions: 1,338,782
- Ad engagements: 92,418
- Comments discussion threads: 320
- Reactions: 5802
- Shares: 565
- CPC: \$0.18

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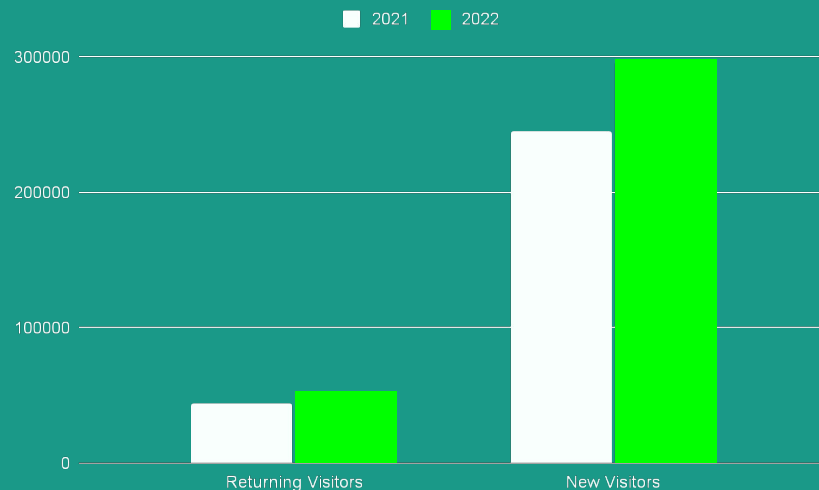
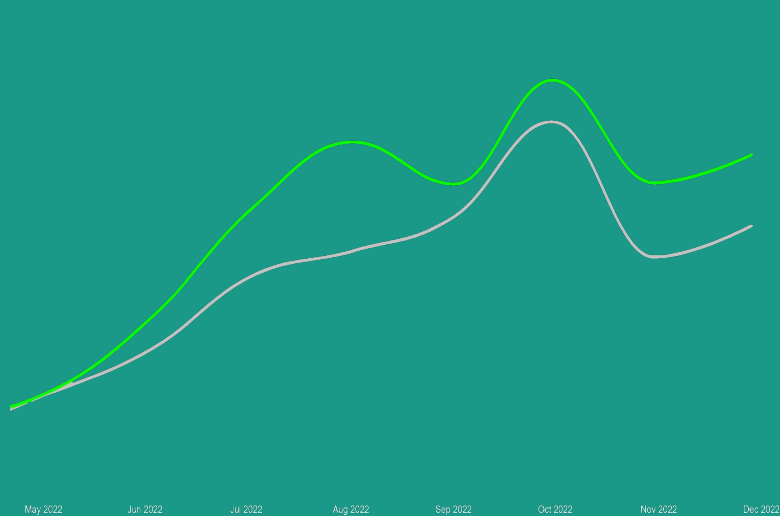
## Performance Reporting – Top of funnel, Qualification, May → EOY '22

- Age
- Location
- Engagement
- Top 10% Income
- Core interest: Tourism
- Core behavior: Frequent Travelers
- Digital adv targeted size: 4.9m – 5.8m

## 2022 Performance

### Performance Reporting – Website. May → EOY '21, '22

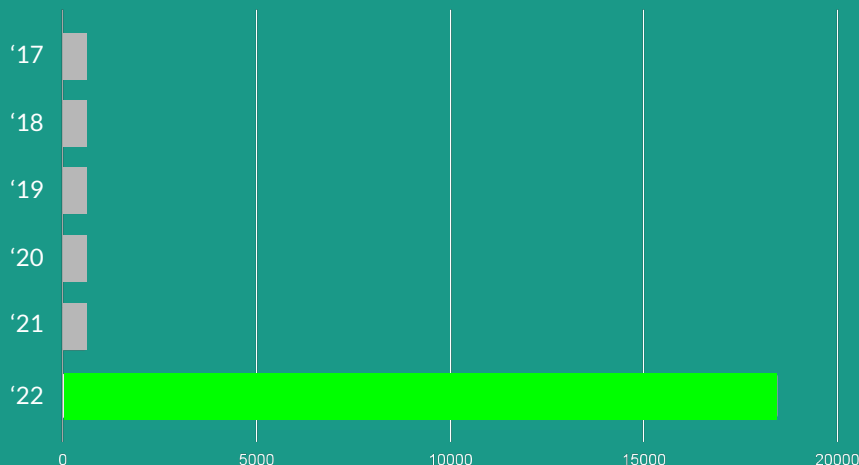
- Traffic '22: +21% vs. '21 'travel revenge' year



## 2022 Performance

### Performance Reporting – Bottom of funnel (email).

- List growth (owned audience): **+21,237 people: +689%**



- **3,084** Original Names, *51/mo avg*
- Collected over 5 years
- Only contained name and email

- **18,467** New Names, *2,638/mo avg*
- Collected over the 7 months the Marketing Program ran
- Collected name, email, zip code, primary interest

## Performance Reporting – Bottom of funnel (email). May → EOY '22

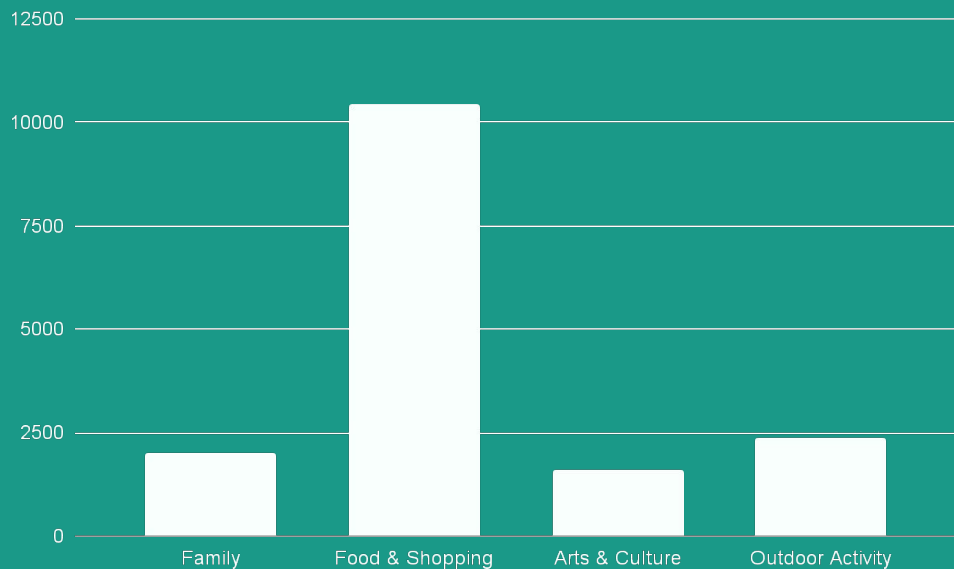
- **Flows open rate: 55.1% avg**
- **Flows click rate: 6.35% avg**
- **Organic open rate: 40.2% avg**
- **Organic click rate: 4.75% avg**

\* Industry benchmark, Tourism (travel,leisure) OR: 20.2% CTR: 1.4%

(Based on ESP data from Campaign Monitor's 2022 Email Benchmark Report)

## 2022 Performance

### Performance Reporting – Owned Audience Segments May → EOY '22



- **18,467** Full Audience Size
- Activated for specific events to decrease burnout and provide the most relevant value to the most qualified prospects.

## Performance Reporting – Economic Impact. May → EOY '22

# \$5,151,824\*

- Goal; determine expected customer conversion rate of WEDC Market Qualified Leads (MQL's). A formula was developed to determine economic impact based on market research, benchmark data, and owned lead interactions

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\*Single couple stay for two nights

## '23 Allocation request – focus areas

- Optimize existing program:
  - a. Extend the length of the Woodstock introductory flows for each segment
  - b. Integrate social channels and leverage those audiences into the paid program
  - c. Develop content to share the experience of living, and raising a family in Woodstock.
  - d. New flows for increased holiday messaging
- Provide resources to support local events:
  - a. Leverage the framework to promote local events to 20,000+ engaged and qualified leads.
- Provide marketing assets as content to local businesses.
- Develop content calendar to plan promotion of local events in advance.

## '23 Allocation request – new initiative discussions

Promote established & new local business with Chamber membership.

Segment specific 'Visit Woodstock' Guide.

Public performance reporting dashboard.

Promote local events through public promotion request form.

Social giveaways to increase engagement & organic exposure.

Narrative video content & distribution through new audiences.



2023 Program

## '23-'25+ Segment growth

Beyond tourism: future-proofing for long term sustainability



Arts &  
Culture



Food &  
Shopping



Moving & raising a  
family in Woodstock



Outdoor  
Activities



Family



Opening a business  
in Woodstock

## '23 Allocation request – structural changes

In the past, all marketing grants were spread between various line items with in consistent goals:

- Website Hosting
- Website Maintenance
- Social Media Coordinator
- Digital Marketing Program
- Marketing collateral, flyers, etc
- Other Marketing Opportunities

To improve management overhead, decrease operational costs, and align on program goals, we are combining all marketing grants into one grant:

- Single marketing grant for all management, contractors, and other marketing opportunities.

## Combined grant – consolidating services in single cost:

- Website Maintenance
- Social Media Coordinator
- Photo/Video Asset Management, SmugMug
- Marketing Email Platform, Klaviyo
- PPC Ads, Facebook
- Restaurant Guide, twice annually
- Marketing Platform, Class Four
- Misc. Expenses/Contingency

2023 Program

## Combined grant – proposed budget

Website Maintenance and Origin Outside	\$7,200
Smug Mug: Photo and Video Asset Management	\$360
Klaviyo: Email Service Provider	\$6,020
Pay Per Click Advertising Budget	\$12,000
Lead Magnet Budget	\$3,000
Restaurant Guide: Design and Print	\$2,000
Social Media Coordinator	\$25,000
Marketing Program Strategy, Management, & Execution	\$77,256
Video Content	\$15,000
Blog Production	\$4,800
Contingency	\$6,000

**\$158,636**