ORD 25-033

As Amended
(See Page Insert)

AN ORDINANCE TO AMEND CHAPTER 8 OF THE CITY CODE TO CREATE AN EDUCATION WORKFORCE DOWN-PAYMENT AND SETTLEMENT ASSISTANCE PROGRAM

#0071

Sponsor:

Council Member Owens

Co-Sponsors:

Council Members Oliver McCoy Harlee Darby Willauer

President Congo

WHEREAS, the Wilmington City Council 2022–25 Strategic Plan expresses a firm commitment to a "Wilmington for All Ages" that advocates for and supports youth in the educational process; and

WHEREAS, the educational workforce has experienced substantial personnel losses over the past decade. The COVID-19 pandemic witnessed an increase in retirements to the extent that, in 2018, the Bureau of Labor Statistics predicted that an average of 270,000 of America's primary and secondary teachers would leave the educational field annually between 2016 and 2026; and

WHEREAS, the State of Delaware has more than 10,000 instructional and support positions. In January 2025, there were approximately 259 vacant positions in schools across the State. Although the 2024 Delaware Excellent Educator Hiring Practices Survey issued by the Delaware Department of Education reported some progress in filling these vacant positions, it also urged that future legislative action for "sustaining and scaling investments in [educational] workforce development" should focus on retention; and

WHEREAS, research has repeatedly shown that teacher retention is fundamental to closing the achievement gap, especially in schools serving low-income and students of color. Wilmington-based schools have faced persistent challenges maintaining instructional and support staff. Frequent staffing changes lead to inconsistencies in teaching quality and expectations in the learning environment; and

WHEREAS, the challenges of teaching in urban environments, coupled with the pay disparities in the educational field, have been an impediment to attracting high-quality

professionals in Wilmington's educational sector. Delaware teachers earn an average of 12.3% less in weekly pay than professionals in other industries with equivalent educational training. According to an analysis by the National Council on Teacher Quality, a pay differential of at least 7.5% of a teacher's salary, or approximately $5,000, can positively impact teacher retention in high-need or hard-to-staff schools; and

WHEREAS, housing constitutes one of the most substantial expenses for most households. Mitigating the costs of homeownership for individuals in this critical profession is a necessary and appropriate investment in developing a talented, stable educational workforce to support our City's schools; and

WHEREAS, the City desires to create a Down Payment and Settlement Assistance Fund for Education employees dedicated to working and living within the City of Wilmington.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Chapter 8, Article I of the City Code is hereby amended by creating a new Section 8-7 with the following underlined language:

Sec. 8-7. – Education Workforce Down Payment and Settlement Assistance

(a) *Authorization.* The Department of Real Estate and Housing is hereby authorized to undertake a program using grant funds or capital budget funds in any fiscal year for the purpose of providing down payment and settlement assistance to eligible full-time employees of a Wilmington-based public or charter school in one of the following roles:

i) Certified educators;

ii) School Counselors;

iii) School Nurse;

iv) Social Workers;

v) Paraprofessionals;

vi) Custodial and maintenance staff;

vii) School Bus Drivers;

viii) Lunchroom/food service staff; and

* ix) Administrative Professionals.

(b) *Wilmington Educator-Ownership Down Payment and Settlement Assistance Program.* The purpose of the loans shall be to assist first-time homebuyers to cover down-payment and settlement costs associated with the purchase of a residence. Loans provided under this program shall include terms implementing the following:

i) Loans shall be provided without interest being charged thereon;

ii) Loans shall be provided in an amount not to exceed the lesser of $15,000 or six percent of the property's purchase price;

iii) The loan shall be forgivable on the following scale:

a. 10% after five consecutive years of ownership;

b. Additional 10% after six consecutive years of ownership;

c. Additional 10% after seven consecutive years of ownership;

d. Additional 10% after eight consecutive years of ownership;

e. Additional 10% after nine consecutive years of ownership; and

f. 100% forgiven after ten (10) consecutive years of ownership.

iv) If prior to full repayment or forgiveness of the loan, the homebuyer sells, rents, or otherwise transfers the property, or the property ceases to be the homebuyer's principal residence, all unpaid amounts of the loan shall immediately become due and owing;

v) The loan shall be secured by a mortgage on the property; and

vi) A loan may not be provided if it results in cash back being given to the homebuyer at settlement.

vii) Work Commitment. Eligible employee agrees to commit to a minimum of five consecutive years of employment at a qualifying Wilmington public or charter school.

(c) *Eligible Buyers.* To be eligible for a loan under this section, a homebuyer must meet the following requirements:

i) Homebuyer must not have owned their principal residence at any point in the three years prior to settlement except that single parents who have not owned their principal residence in the year prior to settlement shall be eligible;

ii) Homebuyer must have at least $1,000 (excluding gifts) to contribute towards settlement costs;

iii) Homebuyer must intend for the property to serve as their principal place of residence for a period of ten (10) consecutive years;

iv) Homebuyer must complete a homeownership counseling program with a HUD-certified counselor before signing a sales contract or applying for a mortgage;

v) All purchase money lenders must be approved by the Department of Real Estate and Housing;

vi) An American Society of Home Inspectors (ASHI) home inspection must be completed on all properties, and all major defects identified by the inspection must be repaired by a licensed contractor prior to closing;

vii) New construction homes must have a one-year HUD-approved warranty;

viii) A visual assessment for lead based paint must be conducted on all homes built prior to 1978. Repairs must be completed according to HUD guidelines; and

ix) Homebuyers income cannot exceed* 100% of the Wilmington Area Median Income based upon family size as defined annually by the United States Department of Housing and Urban Development.

* x) Employment conditions shall be certified by the school district annually, on the date of settlement.

(d) *Eligible Properties.* To be eligible for a loan under this section, the property must be a single-family home or duplex located in the City. Condominium properties are not eligible for a loan under this section.

(e) *Purchase price.* To be eligible for a loan under this section, the purchase price must not exceed mortgage limits as published annually by the Federal Housing Administration.

(f) *Administration and Enforcement.* Administration and enforcement of this program shall be coordinated by the Department of Real Estate and Housing. The Department of Real Estate and Housing is authorized to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this section.

Sec. 8-~~7~~8–8-35. – Reserved.

SECTION 2. This Ordinance shall become effective immediately upon its date of passage by the City Council and approval by the Mayor.

First Reading.....June 18, 2025

Second Reading.....June 18, 2025

Third Reading.....October 2, 2025

Passed by City Council,
October 2, 2025

President of City Council

ATTEST: Akira Grenardo
City Clerk

Approved this 14th day of October, 2025.

John Carney
Mayor

SYNOPSIS: This ordinance creates a municipal loan program, to be administered by the Department of Real Estate and Housing, to provide eligible education employees who wish to be first-time homebuyers with loans of up to $15,000 to assist with down payment or settlement costs related to the purchase of a primary residence in the City of Wilmington.

* **FISCAL IMPACT:** There is no anticipated fiscal impact as the City will use available CDBG grant funds and other program funds.

FLOOR AMENDMENT TO AGENDA ITEM #0071

- **Description of Floor Amendment**: This Floor Amendment adds "administrative professionals" to the list of eligible education employees. It requires employees to submit yearly eligibility certifications. It also reduces the eligibility threshold from 120% of the Wilmington Area Median Income to 100% of Wilmington Area Median Income to better align with other City programs. It removes a removable loan provision. Last, it includes a fiscal impact statement.

TEXT OF FLOOR AMENDMENT

- **Motion**: I move to make a floor amendment at this time as such:

1) On Page 3 of Agenda Item #0071, please insert the following language to create a new Section 8-7(a)(ix):

Sec. 8-7. – Education Workforce Down Payment and Settlement Assistance

(a) *Authorization.* ***

***

ix) Administrative professionals

2) On Page 3 of Agenda Item #0071, please delete the following language from Section 8-7(b).

"A revolving loan fund shall be established for the purpose of making available loans of grant or capital budget funds to eligible homebuyers."

3) On Page 3 of Agenda Item #0071, please insert the following language to create a new Section 8-7(c)(x):

Sec. 8-7. – Education Workforce Down Payment and Settlement Assistance

(c) *Eligibility.* ***

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x) Employment conditions shall be certified by the school district annually, on the date of settlement.

4) On Page 4 of Agenda Item #0071, in Section 8-7(c)(ix), please delete "120%" and substitute in "100%".

5) On Page 5, please add in the following Fiscal Impact Statement:

FISCAL IMPACT: There is no anticipated fiscal impact as the City will use available CDBG grant funds and other program funds.