

To: Selectboard Members

From: Jon Spector

Date: February 15, 2023

RE: EDC Funding Recommendations – Major Grant Program

The EDC received two proposals under our Major Grant Program, which is restricted to large funding proposals in our five priority areas (increasing workforce housing supply, increasing childcare capacity, marketing Woodstock, rejuvenating the downtown area and supporting events). These proposals are attached for your review.

### **HOUSING PROPOSAL**

The Housing proposal requested \$247,000 for 9 initiatives, which could be grouped into three distinct categories:

- ¶ Incentives to build or make available new housing capacity. These programs included incentives to build ADUs, share rooms in an existing house (the Homeshare Program run by the Thompson Senior Center) or convert short-term rentals to long-term rentals.

The pilot test for the ADU program was successful this past year – three units are being constructed, which was the capacity for the program – and we are recommending extending the program to construct 11 units. The short-term rental conversion pilot test yielded two additional units, and we are recommending a very small allocation of \$3,000 to continue the pilot test and determine if it can achieve significant scale over time. The Homeshare program is a new pilot test and is extremely low-cost, with the potential to create up to 10 units of additional housing.

- ¶ Incentives to improve affordability for members of the local workforce. These proposals would provide rent subsidies for market-based housing, or pay buyers a portion of their down payment to allow them to purchase a home. Proposals in this category were not as fully developed as the category above and we did not recommend these be funded.

- ¶ Funds for a part-time staff position to manage these programs. In our pilot tests in 2022 we found it was essential to have a dedicated (part-time\_ person to manage the various housing programs. Ensuring housing units are feasible to build or convert, are indeed added to the available inventory, and are ultimately rented for at least three years to local employees at reasonable rents requires a very significant amount of administrative and analytical work, without which no progress would be made. The EDC recommended funding this position for a second full year.

Because most of the incentives are structured to be paid over multiple years, the EDC’s funding recommendations mirror the estimated timetable for making payments. **Thus we are recommending funding for the Housing program as follows:**

**Major Grant Funding Recommendations**

*Housing Working Group*

	2023	2024	2025	Total
ADU Incentive Program	35,000	17,500	17,500	70,000
Multi-Unit Incentive Program*	20,000	10,000	10,000	40,000
Homeshare Program	10,000			10,000
Short term Rental Incentive Program	3,000			3,000
Housing Coordinator Position	38,000			38,000
<b>Total</b>	<b>106,000</b>	<b>27,500</b>	<b>27,500</b>	<b>161,000</b>

*\* Similar to ADU program, but for property owners who wish to build 2 units*

**MARKETING PROPOSAL**

The Marketing proposal requested \$158,000 to operate the new marketing platform (built last year) throughout 2023. This program is a highly sophisticated effort that is yielding enormous improvements over prior years’ efforts. As one example – in our first five years of marketing the EDC collected email addresses from about 3,500 people who expressed an interest in Woodstock, and we communicated with those people. Under our new program we collected 18,000 new names in the first 6 months of the program, and we are able to target our communications to them based on their area of interest (outdoors, food, arts, etc.) which we could not do previously. These improvements are also reflected in our high open rates (for emails) and click-through rates which are well above industry averages.

At our February 9<sup>th</sup> meeting there was agreement that our marketing program was very successful and that marketing in general was needed, but considerable disagreement on the extent of marketing required and the desirability of growing the number of visitors to Woodstock. This discussion continued during a Special Meeting today with some consensus that a budget of \$100,000 would be a reasonable allocation of funds given our other priorities. Because funding for this program runs out at the end of February, the EDC is recommending three months of funding for \$37,200, sufficient to pay for the annual fee to maintain the website (due March 1) and to run the proposed program for 3 months while the Marketing Working Group can restructure its proposal to fit into a \$100,000 annual budget.

**Thus, the EDC is recommending funding of \$37,200 for the Marketing Working Group for the next three months.**



# Woodstock EDC Housing Working Group 2023 Grant Application Summary

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

Demand for housing in the Woodstock area’s rental and homeowner markets has dramatically outpaced the supply of available housing. Pre-pandemic the issues were becoming evident. Post-pandemic the weaknesses have all been exposed. The limited housing market has led to an explosion in housing prices that has in turn left people at local workforce income levels few affordable housing options. The ramifications of the housing shortage affect the whole community. Local experts in regional development estimate that our community needs hundreds of affordable homes to rent and to buy.

## **The EDC Housing Working Group is focused on increasing the availability and affordability of homes for local workers**

### ***In 2022 the EDC Housing Working Group introduced two programs that created five homes in nine months***

The ADU Workforce Rental Pilot Program made three grants of \$10,000 to homeowners creating Accessory Dwelling Units (ADUs) for rent to local workers. The Rental Incentive Pilot Program granted \$7,000 incentives to two property owners to rent their properties long term to local workers.

These programs and an ADU Support Program are administered by the EDC Housing Advisor to ensure the programs are well executed and the funds achieve the objectives set.

### ***In 2023 the Group requests funds to extend the existing programs and provide more programs and support***

These programs complement and extend current programs to

- incentivize developers, property owners and existing homeowners to create more housing units through rehab, conversion, or new builds
- decrease the cost of housing for renters and homebuyers
- protect homes for local working residents

The \$247,000 funds requested include proposed incentives and support costs to continue and enhance existing programs, and introducing new incentive and support programs to bridge the gap between current needs and available state programs. The costs for the EDC Housing Advisor and expenses such as legal fees and advertising are \$38,000. The program incentives outlined below.

#### ***3 existing programs to increase rental units for workers***

ADU Workforce Rental Incentive	\$70,000	\$10,00 per unit for 7 units for 3 years
Rental Incentive	\$3,000	\$7,000 per unit for 3 units for 2 years, using 2022 \$
ADU Support Service	Housing Advisor time only	

#### ***3 new programs to increase rental units for workers***

Homeshare Incentive	\$10,000	\$1,000 per bedroom 5-10 units for 1-2 years
Multi-Unit Housing Rental Incentive	\$40,000	\$10,000 per unit for 4 units for 3 years
Landlord Assistance Support Service	Housing Advisor time only	

#### ***1 new program to decrease renters cost on market priced rental units***

Employee Rent Assistance Pilot	\$6,000	\$1,200 to \$1,500 per unit for 3-5 units for 1 year
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#### ***2 new programs to decrease costs for workforce homebuyers***

HomeBuyer Gateway Service	Housing Advisor time only	
Down Payment Assistance Pilot	\$80,000	\$20,000 per unit for 4 units for minimum of 3 years

Further details of these programs are outlined in the full 2023 EDC Housing Working Group proposal.

# WEDC Marketing Working Group 2023 Budget Proposal



## 2022 Recap/Results

### Focus Areas

- Develop digital content pool (raw photo & video) to power marketing program
- Develop digital marketing program. Developed 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

### Performance

Built and deployed a framework/platform to communicate directly with prospect visitors, and expose Woodstock – and events – to new audiences.

- Defined visitor segments and built ads to target audiences
- Launched seasonal program to grow and nurture qualified, owned lead list
- Captured & evaluated data to understand visitors wants for & best channels
- Define economic impact criteria to benchmark what success looks like

### Results—Top of Funnel, Facebook Ads.

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

### Results – Bottom of Funnel, Email

- List growth (owned audience): +21,237 people: +689% in 7 months
- Automation Flows open rate: 55.1% avg | Click rate: 6.35% avg
- Organic Email open rate: 40.2% avg | Click rate: 4.75% avg

### Economic Impact, May, EOY ‘22—\$5,151,824\*

Expected customer conversion rate of WEDC Market Qualified Leads. A formula was developed to determine economic impact based on market research, benchmark data, and owned lead interactions.

\*Single couple stay for two nights

## 2023 Proposed Budget

### 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, & raising a family here.
  - 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.

### New Initiative Discussions

- Promote established & new local business with Chamber membership.
- Promote local events through public promotion request form.
- Segment specific ‘Visit Woodstock’ Guide.
- Social giveaways to increase engagement & organic exposure.
- Public performance reporting dashboard.
- Narrative video content & distribution through new audiences.

### Consolidate all Marketing Grants Into One Grant

In the past, all marketing grants were spread between various line items: Website Hosting, Website Maintenance, Social Media Coordinator, Digital Marketing Program, Marketing Collateral, etc. By doing so we’ve reduced the costs

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
	<b>\$158,636</b>