



**TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTOR STAFF REPORT**

**AGENDA TITLE: Housing Funding Approval Request for Placer County
Secondary Dwelling Fee Waiver Pilot Program**

MEETING DATE: May 22, 2019

PREPARED BY: Rick Stephens, Board of Directors

RECOMMENDED ACTION: Director Stephens recommends Board consideration and approval of a \$135,000 funding allocation from the District’s Housing Fund to support and assist implementation of the Placer County Secondary Dwelling Fee Waiver Pilot Program and to authorize Staff and Board President to negotiate a final agreement on the Secondary Dwelling Fee Waiver Pilot Program and return to Board with final Agreement for approval.

DISCUSSION: Our first housing project was the Rick Lee Project on the Lizzando property in the Anderson Tract of Truckee. Rick Lee finished his first prototype of 2 apartments last July 2018. Since then he has been trying to get the Town of Truckee (TOT) to approve Phases II and III for 20 additional 3-bedroom units. To date he has not obtained such approval. I am not sure that he will succeed in getting approval of a design that is financially feasible. The TOT has requested that TTAD wait to financially support housing projects until the TOT has approved the project from engineering and planning perspective.

Our second project is the Nahas project. We agreed to support the purchase this property by Placer County (closing is estimated in October 2019). TTAD commitment is \$500,000. The County has selected the Related Companies through an RFP. Related has had one public meeting on their plan and has a second meeting on May 20th and a third on July 19th.

A new housing program opportunity has presented itself. Placer County proposes to establish a pilot county fee offset program for Secondary Units in Eastern Placer County. Secondary units are a way to get individual rental units on single family lots at a reasonable price. The goal is to accelerate production of secondary dwellings because they are less expensive and quicker to build than larger housing projects which often require much more substantial subsidies.

The fees are significant for such units with the County fees and all the special district fees. Placer County is proposing forgiving approximately \$15,000 in County fees. Since the County cannot legally forgive the fees without offsetting them from other sources, the County is requesting \$135,000 from TTAD matched by \$15,000 from the County.

Presently, a property owner applies for a secondary dwelling. The homeowner has to meet the setbacks, any area plan requirements such as deed restrictions, and fill out an application and get a building permit and potentially a grading permit. This pilot program would be offered to the first 10 applicants once the program is up and running (targeting this summer). It could potentially run for two years, or until all funds are used. This pilot program would allow Placer County to offset all county fees and building permits for 10 secondary dwellings in exchange for the property owner placing a deed restriction on the secondary dwelling for affordability (up to 120% Area Median Income [AMI]) and prohibiting it from being used as a short term rental. As part of this program, Placer County would also work with special districts to also consider waiving some or all of their fees, with a goal of bringing the total impact fees to a net zero. We would work with the Mountain Housing Council and our regional partners to promote the program and would acknowledge TTAD in all marketing. The Secondary Dwelling Fee Waiver Pilot Program would initiate an active Secondary Dwelling marketing campaign driven by Placer County and the Mountain Housing Council, as well as a passive word-of-mouth marketing campaign via the homeowners and tenants. The program also proposes to promote its availability to residential property owners through HOAs, trade groups and general media outreach. Should the program prove successful, it could become a permanent component of Placer County's achievable housing incentive portfolio. Placer County would maintain records of all secondary dwellings built and funds used through the program.

All details would be reflected in a contract with the County as directed by TTAD. One option could be that Placer could defer the fees until final building inspection (to make sure the secondary dwellings are built) and then Placer could invoice or otherwise inform TTAD – perhaps after each secondary dwelling or after approximately 10 have been built. The latter might be a better option. That way if no one applies then no funding would be necessary but the County is definitely planning on people will apply.

FISCAL IMPACT: The District has budgeted \$800,000 for 2019 housing program. \$300,000 of this funding was set aside for the Lizzando project. It is unlikely any of these will be expended by the end of our Budget Year in December 2019. The District has a tentative commitment to Placer County for the Nahas project for \$500,000.

SAMPLE MOTION(S): I move to (approve, continue, deny) the request for approval of a \$135,000 funding allocation from the District's Housing Fund to support and assist implementation of the Secondary Dwelling Fee Waiver Pilot Program in Placer County and to authorize Staff and the Board President to negotiate a final agreement on the Secondary Dwelling Fee Waiver Pilot Program and return to Board with final Agreement for approval.

ATTACHMENTS:

Program Details Summary from Placer County