

Secondary Dwelling Fee Waiver Pilot Program

Placer County requests the District's support in funding a pilot Secondary Dwelling Fee Waiver Program to offset Placer County impact fees and building permit fees for development of 10 secondary dwellings in Eastern Placer County to expedite production of affordable housing and test whether reducing or eliminating impact fee costs will incentivize secondary dwelling production.

The permanent population of the Tahoe Basin area is in decline, due to the lack of housing stock, and a shortage of quality housing at prices reflecting median income levels in the North Lake Tahoe/Eastern Placer area. Almost 60 percent of North Lake Tahoe residences are owned by second homeowners, and 13.5 percent of North Lake Tahoe residences are used as short-term rentals. According to a 2017 Housing Needs Assessment, the Tahoe Truckee region faces a shortage of 12,000 dwelling units, which includes substandard units and units needed to eliminate commuting from nearby cities. The Truckee North Tahoe Workforce Housing Needs Assessment describes a user focus group that stated incentivizing and accelerating production of secondary dwellings was one of the most important things that policy-makers could do to help improve housing availability for people who work in the area. The Mountain Housing Council has also identified secondary dwellings as a desirable component to the region's spectrum of housing stock.

A Secondary Dwelling, as it is titled in the County's General Plan and Zoning Ordinance is also known as an ADU (Accessory Dwelling Unit), granny flat, in-law unit, second unit and by many other names depending on the type and location of the unit. A secondary dwelling means a second permanent dwelling that is accessory to a primary dwelling on a site. It may be detached or attached to the primary dwelling, and provides complete living facilities for one or more persons, including provisions for living, sleeping, eating, cooking, and sanitation.

In 2018, Placer County received 49 permits for secondary dwellings, only two of which were in Eastern Placer County. County impact fees for a secondary dwelling include park fees, traffic fees, facilities fees, and building permits, and can amount to close to \$15,000 depending on project location. This pilot program would allow Placer County to offset all county impact fees and building permits for 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. Of the estimated \$150,000 total cost for this pilot program, Placer County would match \$15,000. Therefore, Placer County requests the District to fund the remaining \$135,000.

The Secondary Dwelling Fee Waiver Pilot Program would offset Placer County impact fees and building permit fees for the development of approximately 10 secondary dwellings in Eastern Placer County to expedite production of affordable housing and test whether reducing or eliminating impact fee costs will incentivize secondary dwelling production. 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. The program also proposes to promote its availability to residential property owners through HOAs, trade groups and general media outreach. Placer County would work closely with the Mountain Housing Council to implement a secondary dwelling marketing campaign to homeowners in Eastern Placer County who are located within the Truckee Tahoe Airport District. Should the fee waiver program prove successful, it could become a permanent component of Placer County's achievable housing incentive portfolio.