



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

**AGENDA TITLE:** Hear Presentation regarding the Truckee Tahoe Workforce Housing Agency, a Joint Powers Authority (JPA) and approval to proceed with the development of JPA formation documents for Board consideration in September 2019

**MEETING DATE:** June 26, 2019

**PREPARED BY:** Kevin Smith, General Manager

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**RECOMMENDED ACTION:** Receive presentation regarding the Truckee Tahoe Workforce Housing Agency, a Joint Powers Authority (JPA) comprised of the Tahoe Truckee Unified School District, Tahoe Forest Hospital District, Truckee Tahoe Airport District and Truckee Donner Public Utility District (JPA). Staff is seeking Board guidance and direction on the following:

1. Receive Board input regarding the Draft JPA Term Sheet.
2. Direction to staff to proceed with the development of JPA formation documents for Board consideration in September 2019.

**DISCUSSION:** The District as well as our region has identified access to workforce housing as an important need for employee attraction and retention. The District has been intimately involved in trying to assist in alleviate this housing issue for the past few years. The District was a founding member and the first public agency to fund the Mountain Housing Council. TTAD has also been involved in assisting various housing programs and projects to help address the locals housing crisis.

In 2018 the general managers of the Tahoe Truckee Unified School District, Tahoe Forest Hospital District, Truckee Tahoe Airport District and Truckee Donner Public Utility Districts began discussing opportunities to collaborate to create additional workforce housing for their employees. In January 2019 the managers engaged Municipal Resource Group (MRG) to assist in the evaluation of the feasibility of creating a Joint Powers Authority (JPA) to support workforce

housing for the agencies' respective needs. In California, a JPA is one means by which public agencies collaborate on the pursuit of a common objective within the scope of each of the individual agencies' missions.

MRG met with the individual agency representatives in February 2019 to develop an understanding of the agencies' individual needs. Since the initial meetings, MRG has worked with the four agencies as a group to develop the structure of a JPA that could advance the workforce housing needs of each of the agencies. MRG also retained legal counsel to evaluate whether the proposed structure was legally viable. After concluding that the JPA is a viable model for advancing workforce housing, a draft Term Sheet was developed by MRG in collaboration with the agencies staff and legal counsel.

### **Draft JPA Term Sheet**

The attached Draft JPA Term Sheet (Attachment A) is being presented to the board of each agency for review and input. The boards of the agencies (Member Agencies) are scheduled to review the Draft JPA Term Sheet during their public meetings on the following dates:

Truckee Tahoe Airport District – June 26, 2019

Tahoe Forest Hospital District – June 27, 2019

Tahoe Truckee Unified School District – July 10, 2019

Truckee Donner Public Utility District – August 2019 (TBD)

The Draft JPA Term Sheet has been developed to provide the proposed JPA flexibility in responding to opportunities to acquire or create workforce housing for agency employees. As examples, projects could include:

- Acquiring an option to lease housing units in an existing development.
- Acquiring an option to lease or purchase housing units in project under development.
- Partnering with a developer for the development of new housing units on agency-owned property.
- Creating a financing program to assist employees in the purchase of housing.

The Draft JPA Term Sheet has been developed to include all of the sections of a JPA Agreement. Section highlights include:

1. Separate Legal Entity (Section 3). The JPA would be a separate legal entity. The debts, liabilities and obligations of the JPA would generally not be the debts, liabilities and obligations of the proposed Member Agencies.
2. Powers and Obligations of the JPA (Section 5). A principal authority of the JPA would be its ability to acquire, lease, construct, own, manage, maintain, dispose of or operate

property for workforce housing. Additionally, the JPA could develop programs that provide Member Agency employees the ability to acquire housing or access affordable rental housing that may not be owned or operated by the JPA. This section also addresses the ability of the JPA to manage its finances, issue debt, enter contracts, and perform other functions of a California public agency.

3. Board of Directors (Section 6). The proposed structure of the JPA is a Board of Directors consisting of one voting representative and one alternate from each Member Agency. The JPA board members would be the chief executive officer or general manager of the Member Agency or that official's designee. This section also includes standard board authorities such as: the ability to create subcommittees and rules, documentation that meetings would be conducted in compliance with the Ralph M. Brown Act and that minutes would be required for all meetings, quorum requirements for Board action and documentation that conflict of interest rules apply to the JPA.
4. Powers and Duties of the Board of Directors (Section 7). Board responsibilities are described in this section. Duties include the responsibility to: appoint a Treasurer, Legal Advisor and Secretary, invest JPA funds and develop and approve an annual budget.
5. Operations and Facilities (Section 8). This section provides the authority to establish an office, establish procedures for the transfer of funds and property. The section also codifies that access to housing units by Member Agencies in future projects is developed in an equitable manner.
6. Manager of the JPA (Section 10). This section provides flexibility regarding how the board decides to manage the JPA. The Manager may be an employee of the JPA, a staff person of one of the Member Agencies, a consultant, an independent contractor or an employee of another entity. The responsibilities of the Manager are also described in this section.
7. Addition of Member Agencies and Termination of the Agreement (Sections 12, 16 and 18). Procedures to add members, accept an agency withdrawal from the JPA and dissolve the JPA are addressed in these sections.
8. Maintenance and Operations Costs: Cost Allocation (Section 15). The initial seed funding for the JPA is discussed below. This section of the Draft JPA Term Sheet anticipates that once housing units have been acquired, the operating costs of the JPA would be allocated in proportion to the total number of JPA housing units allocated to each member agency at the beginning of the prior fiscal year.
9. Contribution of Capital Assets, Contributions and Advances (Sections 19 and 20). These sections provide the authority for the JPA to receive the transfer of property and financial resources from Member Agencies.

10. Standard Provisions (Sections 21-29). These sections are standard JPA provisions including, as examples, notice provisions, the severability of the agreement and the procedure for amendments.

**Legal Review:** MRG retained Richards, & Watson Gershon (RWG), a San Francisco-based law firm with significant JPA experience, to provide legal advice regarding the creation of a JPA. RWG evaluated each of the proposed Member Agencies' respective formation documents and prepared the attached memorandum (Attachment B). The memo addresses key legal questions related to the formation of the proposed JPA. RWG also reviewed and assisted in finalizing the Draft JPA Term Sheet.

**FISCAL IMPACT:** Staff is not requesting funding to support the establishment of the JPA as part of tonight's action. If the proposed Member Agency boards direct staff to develop formation documents, when the formation documents are returned to the boards a request for seed funding will also be presented at that meeting.

Initial year seed funding has been discussed among the staffs of the proposed Member Agencies. A preliminary estimate of first year seed funding is \$300,000. This funding would fund costs for a manager, legal/audit/accounting fees and project based analysis of workforce housing opportunities.

A proposed allocation of the first year seed funding among the Member Agencies is currently being discussed among the staffs. The proposed allocation of costs among Member Agencies would be presented to the four boards when the boards consider approval of the JPA formation documents.

This report includes an example of a draft first-year work program. Once formed, the board of the JPA would establish its goals, objectives and work programs. An example of a draft first year work program is attached (Attachment C).

**WHAT'S NEXT:** If the board directs staff to proceed to develop formation documents, staff will work with MRG, legal counsel and the other Member Agencies to incorporate input from the respective boards and develop the JPA formation documents. It is anticipated that the JPA formation documents will be presented to the Member Agency boards for consideration in September or October of 2019.

A representative of MRG will be present at the June 26<sup>th</sup> Board meeting.

**SAMPLE MOTION(S):** I move to approve proceeding with the development of JPA formation documents to create the Truckee Tahoe Workforce Housing Agency and return for Board consideration and final approval at the September or October 2019 Board of Directors Meeting.

**ATTACHMENTS:**

A. Draft Term Sheet

- B. RWG Legal Memorandum
- C. Example of First-year Work Program