



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

AGENDA TITLE: Formation Approval of the Truckee Tahoe Workforce Housing Agency, a Joint Powers Authority.

MEETING DATE: September 25, 2019

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Approve Resolution 2019-07 authorizing the formation of 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 and approve an expenditure of \$30,000 from the District's housing fund per the suggested allocation proposed in the formation documents.

DISCUSSION: The District has identified access to workforce housing as an important need for employee retention, attraction, and quality of life. Having adequate and affordable workforce housing has been identified regionally as a key factor facilitating a healthy thriving community. The District depends on quality affordable housing in order to operate a safe and efficient airport, not only for the employees of the District, but our partner vendors, aviation businesses, medivac, and other important airport partners.

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 (Member Agencies) began discussing opportunities to collaborate to create additional workforce housing for their employees. In January 2018 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.

During June and July 2019, the Member Agency boards provided input to a Term Sheet that described the powers and function of the JPA. Each board directed its respective staffs to prepare the formation documents. The attached JPA Agreement is the formation document and is being presented to the board of each agency for approval. The Member Agency boards are scheduled to consider approval of the JPA Agreement during their public meetings on the following dates:

Truckee Tahoe Airport District – September 25, 2019

Tahoe Forest Hospital District – September 26, 2019

Tahoe Truckee Unified School District – October 2, 2019

Truckee Donner Public Utility District – November 6, 2019

The JPA Agreement 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.

JPA Agreement highlights include:

1. Separate Legal Entity (Article 2.2). The JPA would be a separate legal entity. The debts, liabilities and obligations of the JPA would not be the debts, liabilities and obligations of the proposed Member Agencies.
2. Powers and Obligations of the JPA (Article 3). 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. The section also confirms that the JPA would comply with local planning and building laws.

3. Organization and Board of Directors (Article 5). This section details the process for adding members to the JPA. 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 and hire a manager, documentation that meetings would be conducted in compliance with the Ralph M. Brown Act, the 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. Financial Provisions (Article 6). Board responsibilities related to the financial responsibilities of the JPA are described in this section. Examples of financial duties include the responsibility to: approve an annual budget, fund initial operating costs, appoint a Treasurer and Auditor and invest JPA funds. The section also codifies that access to housing units by Member Agencies in future projects is developed in an equitable manner.
5. Withdrawal and Termination (Article 7). This section provides the process for a Member Agency to withdraw from the JPA and the process to terminate the JPA. This section is designed to ensure that any withdrawing member full pays off any outstanding financial obligations prior to the withdrawal.
6. Miscellaneous Provisions (Article 9). Miscellaneous provisions are addressed in this section including, as examples: insurance, indemnification of Member Agencies, 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. RWG prepared the JPA Agreement, based on the Term Sheet approved by the Member Agency boards and input received during the review of the Term Sheet.

The JPA contracts and formation documents have also been reviewed by District Counsel, Josh Nelson of BBK Law and found to meet the District's legal requirements and standards.

Seed Funding of the JPA

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 (likely a contractor), legal/audit/accounting fees and project based analysis of workforce housing opportunities.

FISCAL IMPACT: The following proposed allocation of the first year seed funding among Member Agencies has been developed and included as Exhibit B to the JPA Agreement:

Tahoe Forest Hospital District	\$153,000
Tahoe Truckee Unified School District	\$85,000
Truckee Donner Public Utility District	\$32,000
Truckee Tahoe Airport District	\$30,000

The allocation is roughly based on a \$25,000 minimum contribution by each Member Agency and a remaining allocation based on the number of employees in each organization. The JPA Formation Agreements have a provision for the recoupment of the minimum contribution requirement. New agencies joining the JPA will repay a pro rata share of the JPA formation costs.

The District has allocated \$500,000 in the FY2019 Budget to apply toward local workforce housing programs. To date, the District has committed \$75,000 to the Placer County Secondary Dwelling Fee Waiver Program. The District has separate housing funding commitments with Placer County regarding Nahas and Rick Lee with the Lizzando project. These projects have separate Budget line items to cover their expense.

NEXT STEPS: If the four boards authorize the formation of the JPA, the JPA will convene its first meeting and begin to implement initial administrative actions. Examples of these actions would include:

- A. General Manager of each Member Agency appoints Director and Alternate.
- B. Select Chair and Vice Chair.
- C. Establish Board meeting schedule.
- D. Establish principal office / e-mail address / simple website.
- E. Appoint Manager / Administrative staff (Clerk function).
- F. Appoint Treasurer.
- G. Appoint Auditor.
- H. Acquire insurance.
- I. File GC Section 6503.5 information with CA Secretary of State and State Controller.
- J. File Statement of Information with El Dorado, Placer and Nevada Counties.
- K. Develop / approve Conflict of Interest Rules.
- L. Develop / approve Bylaws.
- M. Develop / approve procedures for transfer and receipt of records, accounts, funds and property.

A representative of MRG will be present at tonight's board meeting.

SAMPLE MOTION(S): I move to approve Resolution 2019-07 authorizing the formation of the Truckee Tahoe Workforce Housing Agency, a Joint Powers Authority comprised of the Tahoe

Truckee Unified School District, Tahoe Forest Hospital District, Truckee Tahoe Airport District and Truckee Donner Public Utility District (JPA) and approve an expenditure of \$30,000 from the District's Housing fund per the suggested allocation proposed in the formation documents.

ATTACHMENTS:

- A. Resolution
- B. JPA Agreement