



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

AGENDA TITLE: Review and Consider Approval of Letter of Agreement with Placer County to purchase the Naha’s Property in Tahoe City for a Workforce/Locals housing project

MEETING DATE: September 25, 2019

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Review, consider and possibly take action to approve the attached Letter of Agreement (LOA) to participate in the purchase of the Naha’s property in Tahoe City working in partnership with Placer County to facilitate the construction of Workforce/Locals housing.

DISCUSSION: The Naha’s property is 11.4 acres of vacant land on Dollar Hill, just above Dollar Point. An aerial photograph is attached. A TRPA-designated “Preferred Affordable Housing Area” and as such may be eligible for a 25 percent bonus units above the 15 units per acre base allowable density. This property is the largest parcel for housing in the Tahoe Basin area of the Airport District. It is near schools (grades 4-12). It is close to downtown Tahoe City (2 miles to downtown Tahoe City and 6 miles to Kings Beach). It is close to grocery stores, pharmacy, parks and transit. It is adjacent to the future bike trail from Tahoe City to Kings Beach.

On August 28, 2018, the Placer County Board of Supervisors approved an Agreement of Purchase and Sale with R.T. Nahas Company (“Seller”) for acquisition of the Property for \$3,600,000. The County has until November 26, 2019 to purchase the Property, however the Seller has offered to reduce the Purchase Price by 5% (\$180,000) if the Close of Escrow occurs on or before October 2, 2019. The County is ready to approve the Property’s physical and title condition, and to proceed with the Close of Escrow by October 2, 2019 for a reduced price of \$3,420,000.

The Board of Directors originally gave tentative approval to participate with Placer County on the purchase of this property at their July 25, 2018 Meeting. The Board committed \$500,000 pending Placer County's ability to close on the property.

To facilitate the District's participation in the purchase of this property, Staff and Placer County seek the Board of Directors approval of the attached LOA between Placer County and the District. This agreement provides Terms and Condition for the \$500,000 contribution. Some of the LOA highlights are as follows:

1. The property will be used for a mixed-use housing neighborhood with a mix of affordable workforce and missing middle housing units.
2. Should the County not build affordable housing on the site, the District has the ability, at its discretion, to have the funds returned or applied to other housing projects.
3. The District will receive public acknowledgement of the contribution.
4. This is a binding Letter of Agreement.

Please review the attached Letter in its entirety for a full review of the Terms and Conditions. This document has been reviewed by Staff and District legal counsel Josh Nelson for acceptability and compliance with District and State requirements.

Staff recommends approval of the LOA.

FISCAL IMPACT: The District will be expending \$500,000 toward the closing of escrow on this sale. TTAD has budgeted \$500,000 in the 2019 Budget for this specific project.

PUBLIC COMMUNICATIONS: This proposal has been mentioned various times in Housing Committee reports at TTAD Board Meetings. The District has been very vocal of our support in seeking solutions to the regional housing crisis. The \$500,000 in question was discussed and approved as part of the Budget process to be used for regional housing projects.

SAMPLE MOTION(S): I move to (approve, continue, deny) the LOA with Placer County facilitating the purchase of the Nahas property for workforce housing with a contribution of \$500,000 and authorize the Board President to sign the Letter of Agreement.

ATTACHMENTS:

Letter of Agreement

Map of Property