

# **TRUCKEE TAHOE WORKFORCE HOUSING AGENCY**

## **New Member Agencies Project**



*Prepared by*

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March 2021

## I. PURPOSE OF PROJECT

The Truckee Tahoe Workforce Housing Agency (TTWHA) received a letter co-signed by the Town of Truckee, Nevada County and Placer County requesting “the opportunity to discuss the possibility of expanding the TTWHA to include our agencies.” MRG was retained to provide advice regarding this request and develop recommendations for onboarding processes, funding structure, membership, voting rules and other considerations.

## II. MRG PROCESS

MRG reviewed the request by the three agencies, evaluated TTWHA formation documents and reviewed the request with the law firm that drafted the formation documents (Richards Watson and Gershon). We also reviewed other JPA’s operating procedures and formation documents. MRG conducted status calls with the TTWHA Executive Director and Board representative Ted Owen. MRG received feedback from the Executive Director and Board representative Ted Owen after their February 26, 2021 meeting with the three agencies.

## III. RECOMMENDATIONS

MRG recommends the Board accept all three agencies as members. The addition of these three agencies has the potential to accelerate the creation of housing for member agency employees. The resources of the three agencies (buy-in payment, contribution to operating budget, potential development sites, dedicated revenues and housing staff expertise) will allow the TTWHA to achieve its housing objectives more quickly.

The following specific recommendations will ensure that the TTWHA retains the ability to operate efficiently within the boundaries of the founding members and maintain equitable funding among all member agencies.

### *Formation Documents (JPA Agreement and By-Laws)*

- A. Jurisdiction boundaries of TTWHA. Modify formation documents. Add boundary map that restricts TTWHA activity boundaries to those jurisdictional boundaries of the original four member agencies.
- B. Voting rights. Provide full membership and voting rights. No change to formation documents. This is the simplest and most equitable structure.
- C. By-Laws requirements for unanimous vote (adding new members, bond issuance, eminent domain and termination). Modify formation documents. Require super majority (5 votes) versus the current requirement for unanimous approval for described actions. This will allow for efficient consideration of those important actions that currently require unanimous approval.

### *Conflict of Interest*

MRG evaluated whether there could be a conflict of interest regarding future JPA projects requiring Town of Truckee, Nevada County or Placer County entitlement review and approval. MRG conferred with Richards Watson and Gershon on this specific question. The answer is no. There is long-standing precedent in California (e.g. other JPAs, former redevelopment agencies) for permitting agencies to be members of JPAs that are involved in projects requiring local agency permits.

### *Financial Considerations*

- A. Annual Operating Budget. Based on number of employees served by the TTWHA, all seven agencies should be treated equally in the allocation of annual operating cost expenses. This allocation methodology is equitable and directly related to the beneficiaries (employees) of the TTWHA's mission. If TTWHA accepts the three new agencies, MRG recommends:

Town of Truckee - Use total employees in the same manner founding members use total employees (e.g. total non-seasonal FTEs in most recent approved budget). 0-21 Adopted Budget. 131 total employees in FY 2020-21 Adopted Budget.

County of Nevada - Establish the number of employees that would reasonably benefit from TTWHA activities. This number would be a fraction of the 807 total Nevada County employees (FY 2020-21 Proposed Budget).

County of Placer - Establish the number of employees that would reasonably benefit from TTWHA activities. This number would be a fraction of the 2,694 total Placer County employees (FY 2020-21 Proposed Budget).

The number of new member agency employees that would reasonably benefit from TTWHA activities for the two counties are important numbers to establish. These employee numbers should be agreed upon with each agency prior to the three agency Boards taking their respective actions to formally request membership in the TTWHA.

- B. Buy in fee. The Board has broad authority to place conditions on new members. The new member fee should be simple and equitable. MRG recommends two components to the buy in:
1. *A founding member fee of \$18,477.68*. Each new member pays the same amount that the founding member agencies paid to create the TTWHA. This is an equitable requirement.
  2. *A prorated share of the annual budget based on the number of employees that will reasonably benefit from TTWHA activities*. If the member agencies are admitted on July 1, 2021, they should be responsible for their proportional share of the FY 2021-22 budget. If the member agencies are not admitted on by July 1, 2021, they should be responsible for a pro-rated proportional share of the current fiscal year budget upon admission. As of the date of membership, the current year TTWHA budget would be recalculated to include the new member agency(s).

This buy in payment, and proportional contribution to the FY 2021-22 operating budget, should be agreed upon with each agency prior to the three agency Boards taking their respective actions to formally request membership in the TTWHA.

#### **IV. CONCLUSION**

Based on our research, discussions with TTWHA representatives and our consulting law firm we believe the addition of the City of Truckee, Nevada County and Placer County to the TTWHA will significantly enhance its effectiveness in creating workforce housing in the greater Truckee-Tahoe area. The resources and expertise these three new members offer will enhance the TTWHA's ability to better serve the employees of the member agencies.