

## **EXECUTIVE SUMMARY**

As a widely recognized domestic and international tourism destination, the Truckee North Tahoe region faces a broad spectrum of complex housing issues. As in many resort and visitor-oriented communities, large seasonal fluctuations in retail and service-oriented employment, as well as a visitor-oriented real estate market, create a disconnect between the needs of the regional labor force and the housing resources that are made available by the market. Recognizing these issues, the Community Collaborative of Tahoe Truckee (CCTT), hosted a housing conversation, moving local leaders to fund and plan a regional housing needs study. By Fall 2015, funding coalesced under the guidance of the Tahoe Truckee Community Foundation (TTCF), which acted as a neutral convener, assembling diverse regional partners and stakeholders to assess regional workforce housing needs and to evaluate a range of potential local and regional solutions. Key funding partners for this study include Placer County, Nevada County, the Town of Truckee, and the Workforce Housing Association of Truckee-Tahoe. Other key partners include the Family Resource Center of Truckee (FRCoT), the North Tahoe Family Resource Center (NTFRC), the Contractors Association of Truckee Tahoe, Truckee Tahoe Community Television, and Elevate Tahoe. BAE Urban Economics, Inc. (BAE), a private consulting firm, was retained to conduct the assessment.

### **Study Area Definitions**

In order to collect pertinent demographic and economic data, this study defined two distinct study areas. The first, known as the Truckee North Tahoe Study Area was defined based on 2000 and 2010 Census Block Groups and includes the area extending from the Town of Truckee and to the north shore of Lake Tahoe. This includes the communities of Kings Beach, Tahoe City, and Tahoma, as well as areas along Highways 267 and 89 South. It also extends westward to include Donner Summit and Serene Lakes, including Sugar Bowl, Boreal, Soda Springs, and Royal Gorge. To the east of the Town of Truckee, the region extends to the California-Nevada State line, including the communities of Hinton, Hirschdale, and Floriston. The second study area is referred to as the Comparison Counties and includes an area covering Placer County and Nevada County.

### **Outreach and Public Participation**

As part of this project, TTCF coordinated an extensive community outreach and public participation program, which included local employee and employer surveys and a series of five public forums (including informational presentations and community storytelling), as well as the formation of a Technical Advisory Group that provided ongoing input and direction for the study. TTCF also organized and recruited participants for three focus group sessions that were then facilitated by BAE. TTCF also coordinated with a variety of local and regional media outlets to disseminate information and build awareness around the issues and the study, as well as its objectives and process.

## **Summary of Key Findings**

Below is a brief summary of key findings that came out of regional workforce housing needs assessment. For a more comprehensive analysis, and to view the data and methodologies underlying the analysis, please refer to the full report.

### ***Population and Household Characteristics***

- The permanent resident population in the Study Area contracted at a rate of 0.6 percent per year between 2000 and 2010-2014, resulting in the loss of 2,200 residents.
- The permanent resident population in the Comparison Counties expanded at a rate of 2.5 percent per year during the same period, resulting in the addition of nearly 120,000 residents.
- Most communities within the Study Area also experienced notable population losses, with the exception of the Town of Truckee and Sunnyside-Tahoe City, which added population.
- Sewer flow data collected from the region's Public Utility Districts (PUDs) indicate that peak seasonal visitation tends to occur during the months of July and August.
  - This runs counter to the seasonal fluctuations in employment, which indicate peak employment between December and March and July and August, with the summer peak achieving a lower employment total compared to the winter peak.
  - This is attributable to an influx of summertime visitors, recognizing that summertime visitor-serving industries may require less labor than winter-oriented industries.
  - Communities located on, or adjacent to, the Sierra Crest experience higher winter season sewer flows, corresponding to significant wintertime visitation to the ski resorts, while communities located elsewhere in the Study Area, like Truckee and the North Shore, are more deeply impacted by summertime visitation.
- Household characteristics have remained relatively stable within the Study Area since 2000.
  - Households in the Study Area feature an average size of 2.5 persons and are predominantly families, with Truckee and Kingvale having above average proportions of family households.
  - Household sizes also range throughout the region from as few as 1.23 persons per household in Soda Springs to 2.91 persons per household in Kings Beach.
  - While the majority of households own their homes, the proportion declined by 3.5 percentage points since 2000.

## ***Truckee North Tahoe Regional Workforce Housing Needs Assessment***

*August 2016*

- Home ownership also varies throughout the region, with the highest homeownership rates in Sunnyside-Tahoe City, Carnelian Bay, and Dollar Point, and the lowest ownership rates in Soda Springs and Kings Beach.
- Residents in the Truckee North Tahoe Study Area are generally younger than their counterparts living elsewhere in Placer and Nevada Counties, though the median age in both study areas was higher than the California median.
- The median household income in the Study Area was lower, and grew more slowly, than in the Comparison Counties, indicating that the income gap is widening.
  - The two communities with the highest median income estimates include the Town of Truckee and Carnelian Bay, while the two communities with the lowest median income estimates include Soda Springs and Kings Beach
- After adjusting for inflation, both study areas experienced a real decline in household purchasing power since 1999, an effect that was somewhat greater in the Study Area.
  - The data indicate that communities within the region have experienced differing degrees of income stagnation.
- Lower-Income households (with incomes of 80 percent, or less, of the area median) account for around 36.6 percent of all households, while moderate-income households (with incomes of 80 to 120 percent of the area median) account for another 18.3 percent.
  - Renter households are significantly more likely to be lower-income.
- If it maintains its current share of the broader bi-county population and household totals, the Study Area may be expected to gain approximately 5,500 new residents and 2,720 new households between 2015 and 2030.

### ***Economic and Workforce Trends***

- The dominant employment sectors in the Study Area include Accommodation and Food Services; Arts, Entertainment, and Recreation; and Construction.
- As a result of the significant concentration in visitor- serving sectors, the Health Care and Social Assistance and Public Administration sectors are notably underrepresented in the Study Area.
- The Study Area experiences significant seasonal fluctuations in employment, with the peak employment season occurring during the winter months, from December through March, when the region's nine major ski resorts are in full operation.
  - Employment contracts during the spring shoulder season in April and May.

## ***Truckee North Tahoe Regional Workforce Housing Needs Assessment***

*August 2016*

- June represents the beginning of the summer tourist season, though the summer-time peak employment levels are typically somewhat less than the winter-time peak.
- This seasonality is primarily driven by employment changes in the Accommodation and Food Service and Arts, Entertainment, and Recreation sectors.
- Unemployment in the Study Area is consistently below the statewide average, though it generally tracks with the broader regional and statewide trends.
  - The local unemployment rate varies throughout the Study Area, though most communities tracked fairly closely with the regionwide trend.
  - As of 2015, Kings Beach, Sunnyside-Tahoe City, and Truckee had the lowest annual average unemployment rates, while Dollar Point had the highest.
- An above-average proportion of the local labor force is employed in often seasonal and lower wage service-oriented occupations, such as Food Preparation and Service-Related Occupations, and Building Materials and Grounds Cleaning and Maintenance Occupations.
- An estimated 58.6 percent of Study Area workers commute in from outside the area, while 46.6 percent live in the Study Area, but commute out for work.
- If it maintains its current share of the broader bi-county industry employment totals, the Study Area may be expected to gain approximately 4,000 new jobs between 2015 and 2030.

### ***Housing Stock Characteristics***

- Single-family housing units predominantly comprise the housing stock in the Study Area, with below-average proportions of attached and multifamily units.
  - There are four communities with above-average proportions of multifamily units, including Dollar Point, Kings Beach, Soda Springs, and Tahoe Vista.
  - While the Town of Truckee had a below-average proportion of multifamily units, it has the largest number of multifamily units of any community in the region.
- The Study Area contains approximately 17,100 housing units that are greater than 30 years old, meaning that they may be in significant need of repair or replacement.
  - Areas with notable concentrations of older housing units, possibly in need of rehabilitation or replacement, include Kings Beach, Downtown Truckee, and areas near Donner Lake, among others.
- The average residential vacancy rate in the Study Area was 64.5 percent between 2010 and 2014, compared to 14.1 percent in the Comparison Counties.

## **Truckee North Tahoe Regional Workforce Housing Needs Assessment**

August 2016

- Nearly all of the individual communities located within the Truckee North Tahoe region experienced similarly high levels of residential vacancy.
- Residential vacancy is being driven by large numbers of units held vacant for seasonal or occasional use.
- Data on the number of housing units by size and tenure indicate that there is a mismatch between the housing stock, which is biased toward larger units, and household characteristics, where nearly two-thirds of all households contain only one or two people.
- Households in the Study Area are more likely to live in overcrowded conditions, compared to households in the Comparison Counties.
- Among all households in the Study Area, 49.1 percent pay greater than 30 percent of their income to housing costs, while 26.1 percent pay greater than 50 percent.
  - Lower-income households and renter households are the most likely to overpay for housing, compared to higher-income households and owner households.

### **Housing Market Conditions**

- The median sale price for single-family homes sold in the Study Area during the six-month period ending in November 2015 was \$538,000.
  - The communities with the highest median single-family sales prices include Olympic Valley, Martis Valley, Homewood, Tahoe City, Alpine Meadows, and Carnelian Bay, with the lowest median sales prices in Tahoma, Truckee, and Kings Beach.
- The median sale price for condominium units was lower, at \$330,000.
  - The communities with the highest median condominium sales prices include Alpine Meadows, Homewood, Olympic Valley, and Norden, with the lowest median sales prices in Carnelian Bay, Truckee, Tahoe Vista, and Kings Beach.
- The maximum for-sale home price that could be considered affordable to a three-person, lower-income household is equal to less than \$210,000, with the price affordable to a four-person lower-income household equal to less than \$235,000
- Multifamily rental rates in the Study area, as of fall 2015, range from \$950 to \$1,200 per month for a studio unit, to \$1,500 to \$1,550 for a four-bedroom unit.
- Long-term private home rental rates range from \$750 to \$1,000 for a studio unit to \$1,725 to \$3,000 for a four-bedroom unit.
- The maximum monthly rental rate that could be considered affordable for a lower-income household ranges from \$1,000 for a studio unit to \$1,512 for a four-bedroom

## ***Truckee North Tahoe Regional Workforce Housing Needs Assessment***

*August 2016*

unit, with rates that would be affordable to extremely low- and very low-income households ranging from \$334 to \$600 for a studio unit to \$475 to \$895 for a four-bedroom unit, depending on household size.

- Investor decisions regarding whether to lease privately owned housing units on a short-term (i.e., nightly vacation rental) versus long-term basis (i.e., monthly, seasonal, or year-round lease), depend primarily on how often the property owners wish to use the properties themselves.
  - Property owners choose to lease their properties in order to offset the carrying costs of owning a second home.
  - Short-term rentals allow for frequent use of the property by the owner, but require more ongoing management and attention.
  - Long-term rentals require less ongoing attention by the property owner, but preclude the use of the property by the owner.
  - In order for short-term rentals to generate greater revenue than long-term rentals, recognizing seasonality of demand, they must be managed actively and aggressively.
- According to Transient Occupancy Tax (TOT) filings, the majority of the region's short-term rental properties are concentrated on the west shore of Lake Tahoe, with other notable concentrations surrounding Northstar and Squaw Valley.
- There are 474 below-market rate housing units in the Study Area, with all of the complexes, except for Kings Beach Housing Now, located in the greater Truckee area.
  - All of the subsidized affordable rental complexes contacted for this research identified strong demand for subsidized units in the Truckee North Tahoe region.
  - The seven surveyed complexes all reported zero vacancies and waiting times ranging from six months to two years.
  - Demand is reportedly coming from area employees, many of whom are seasonal workers or are employed year-round in the accommodations and food service industry at casinos and hotels, or in construction and maintenance occupations.
  - Property managers indicated that market demand for affordable units is deepest for one- and two-bedroom units.
- There are 10 residential projects currently proposed or under development in the region that could add upwards of 520 new housing units.
  - This could include seven projects in Truckee, totaling up to 396 units, and three projects in Alpine Meadows and Olympic Valley, totaling up to 128 units.

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
*August 2016*

- There are two projects (not including the Martis Valley West Parcel Specific Plan and the Village at Squaw Valley Specific Plan) currently proposed for development that would be subject to applicable workforce housing mitigation requirements. These include the Tahoe City Lodge and the Tahoe Expedition Academy.
- In addition to the proposed development projects already mentioned, there are a number of master plans, specific plans, and area plans in place, or under review, which could significantly impact the delivery of residential units within the region, though most are subject to at least some degree of public controversy and/or opposition.
  - The Truckee Springs Master Plan includes a 26.2-acre site located at the west end of Truckee's South River Street. Development on the site would likely include four parcels designated for single-family residential development, which would most likely yield 40 single-family units, but could also yield up to 80 multifamily units, or a 120 room hotel at the western edge of the site. Development would be subject to inclusionary and/or workforce housing mitigation requirements.
  - The Joerger Ranch Specific Plan (PC-3) received approval from the Town of Truckee in January 2015. Located on 67 acres, development would include commercial, office, and industrial uses, with approximately four acres set aside for higher density multifamily workforce housing, with a total yield of 72 to 80 units. Development would be subject to inclusionary and/or workforce housing mitigation requirements.
  - The proposed Village at Squaw Valley Specific Plan, as of this writing, envisions the addition of more than 200,000 square feet of commercial space and 850 residential units on a 94-acre project site. Nearly all of the proposed housing would be used for tourist accommodations. Development under the Specific Plan is anticipated to generate approximately 574 new full-time jobs at final build-out. Development would be subject to workforce housing mitigation requirements. The proposed zoning on the Squaw Valley East Parcel would be sufficient to accommodate residential facilities for up to 300 people. Assuming that the site is reserved for workforce housing, this would be sufficient to meet the project's statutory workforce housing obligations.
  - The Martis Valley West Parcel Specific Plan provides for the transfer of development rights associated with 760 residential units and 6.6 acres of commercial land designations from the Martis Valley East Parcel to the Martis Valley West Parcel. The development rights associated with the remaining 600 residential units on the East Parcel will be permanently retired. Therefore, the maximum development potential would be reduced from 1,360 units to 760 units. The probable residential unit mix would include 375 single-family lots, 265 townhomes or multiplex units, and 120 cabins. Inclusionary and workforce

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
*August 2016*

housing requirements would likely be satisfied through the payment of in-lieu fees totaling approximately \$2.0 million.

- The Soda Springs Area Plan is focused on providing opportunities for commercial and recreation-oriented development adjacent to Interstate 80, and would increase the allowable residential density in commercial zones from four units per acre to six units per acre and would allow duplex units in the Multi-Family Medium Density (R3) zone on parcels of less than one-half acre in size.
- A housing sites inventory compiled based on information contained in the Housing Elements of each jurisdiction, and updated with the assistance of Town and County staff, identified a total of 170 housing opportunity sites located within the Study Area.
  - 119 sites are in lower density zoning districts, with allowable densities of between zero and five dwelling units per acre, which could yield up to 2,015 units.
  - Only nine sites are in medium density districts, with allowable densities between six and ten dwelling units per acre, which could yield up to 1,594 units.
  - 42 sites are in high density zoning districts, with allowable densities in excess of 10 dwelling units per acre, which could yield up to 3,788 units.
  - Based on this inventory, the region has a remaining capacity of at least 7,397 housing units, which may be augmented through approval of future zoning changes.

**Local Housing Programs and Policies**

- Housing policy within each jurisdiction is governed by the Housing Element of each respective General Plan, which the jurisdictions are required to update periodically.
  - Each jurisdiction is required to accommodate its “fair share” of the regional housing need and to take actions, as necessary, to ensure the availability of sites with capacities sufficient to accommodate that need, at densities that promote certain levels of affordability. Jurisdictions are also required to include provisions promoting the development of a diversity of housing types.
- While the policies and programs in place within each jurisdiction vary considerably, some key policies and programs in common use throughout the region include, but are not limited to:
  - Allowing second dwelling units, manufactured and mobile units, and attached housing types as permitted uses in zoning districts that permit single-family units.
  - Leveraging government owned property and working with other jurisdictions to land bank parcels for future development of affordable and workforce housing.

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
*August 2016*

- Requiring that a portion of the land in a Community Plan or Specific Plan be set aside for development of affordable housing.
- Requiring new commercial development to mitigate for the potential impacts on employee housing demand.
- Providing density bonuses and other concessions to encourage construction of multifamily and single-family units for very low- and low-income households.
- Allowing fee waivers and the relaxation of certain development standards as incentives for the development below market rate housing.
- Permit processing priority or streamlining for projects that include affordable housing.
- Developing, and offering free of charge, prototype plans for second units to bring down permit costs.
- Educating the public on the myths and realities of multifamily housing, affordable housing, and supportive housing, to improve community support.
- Other policies and programs in less common use, which may be of interest, include:
  - Pursuing the use of all available resources for the rehabilitation and conservation of the existing housing stock.
  - Annually evaluating the inventory of available sites and to ensure the availability of sites at appropriate densities.
  - Establishing minimum residential density standards.
  - Implementing inclusionary housing policies that require all new development projects to include affordable housing units or to pay an in-lieu fee.
  - Encouraging alternative housing types such as co-housing and micro-housing to meet the diverse housing needs of all segments of the community.
  - Requiring replacement of any affordable units lost through conversion of a mobile home park to non-affordable housing or another use.
  - Working with special districts to inventory lands that could be leveraged to support workforce and affordable housing development.
- Each jurisdiction provides a unique array of direct housing assistance, which varies primarily based on the availability of financial resources.
  - Nevada County offers five different housing programs, including down payment assistance, rehabilitation loans, weatherization grants, and tenant-based rental assistance.

## ***Truckee North Tahoe Regional Workforce Housing Needs Assessment***

*August 2016*

- Placer County offers five different housing programs, including a housing trust fund, three different homebuyer assistance programs, and a housing rehabilitation loan program. The County also enforces an employee housing mitigation policy.
- The Town of Truckee offers three different housing programs, including two first-time homebuyer assistance programs, in addition to participation in the Martis Fund Homebuyer Assistance Program. The Town also has both inclusionary and workforce housing ordinances.
- Staff with each jurisdiction indicated, fairly consistently, that the primary challenges to implementation of the Housing Element policies and programs include sales price and income limitations of grant funds, a lack of dedicated funding committed, and an overarching shortage of housing that is available for full time occupancy, especially at lower price points, as well as the high cost of administering such programs.
- The transfer of development rights program administered by the Tahoe Regional Planning Agency (TRPA) also contributes significantly to the cost of housing development within the basin, which generally functions as an incentive for development of higher value luxury units.
  - Development requires the acquisition of development rights, coverage, and residential development allocations, often at considerable cost.
  - The 2012 Regional Plan provides policies encouraging affordable housing development in the basin. These include the provision of modest incentives and the promotion of such housing in proximity to employment centers.
- There are more than 15 special districts located within the Truckee North Tahoe region. These agencies may possess lands and other resources that could be leveraged to promote workforce housing development.
  - Research also indicates that some of the fees levied by special districts, such as utility connection fees, among others, are charged on a flat rate basis, which can act to discourage the development of smaller, more efficient units.

### ***Employee and Employer Survey Results***

- As part of this research, BAE administered two surveys between January and April of 2016, to ascertain the characteristics and needs of workforce households, and to identify how businesses are impacted by, and responding to, current conditions in the housing market.

## **Truckee North Tahoe Regional Workforce Housing Needs Assessment**

*August 2016*

- A total of 1,627 unique individuals responded to the employee survey, including 134 surveys that were completed in Spanish. The business survey received 353 unique responses.
- The employee survey covered a variety of topics related to the respondents' personal and household characteristics, including age profile, household composition, residence and work locations, income and employment characteristics, and stated housing preferences and needs.
  - The majority of respondents were aged between 24 and 40 years, with the most frequently cited age bracket being the 31-40 age group.
  - Employee households are fairly evenly split between married and non-married households.
  - Around 50 percent of survey respondents live in, or near, Truckee. Other notable residence locations include Tahoe City (11 percent) and Kings Beach (11 percent).
  - Conversely, 48 percent of survey respondents work in Truckee, with 18 percent working in Tahoe City and 16.5 percent working in Olympic Valley.
  - Survey respondents employed in professional and business management occupations account for 47.3 percent of the respondent pool, with 22.8 percent working in retail and other service industries, 9.7 percent working as tradespeople, and 20.2 percent working in other, less clearly defined occupational categories.
  - Approximately 65 percent of all employee survey respondents indicated that they hold more than one job. This proportion is much higher among workers who live within the region and lower among workers who reside outside the Truckee North Tahoe area.
  - Employee survey respondents are much more likely to rent their accommodations, compared to the average Study Area resident.
  - Employee survey respondents are less likely to occupy single-family units, and more likely to live in condominium, mobile home, and duplex type units, as well as dormitories, RVs, and non-traditional housing units, including in some cases, spaces that were not originally intended for occupancy (such as garages, cars, and tents).
  - Survey respondents reported a significant prevalence of overcrowding.
    - Of those who reported overcrowded conditions, half reported accommodating three people per bedroom, while the remaining responses reported between four and nine people per bedroom.

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
*August 2016*

- Over half of the reported overcrowded studio and one-bedroom units are located in Kings Beach, while the remaining are located in Truckee.
- Over half of these units are apartments, while 15 percent are single-family homes and eight percent are mobile homes.
- The median rental rate was \$1,350 per month, which is consistent with the reported asking rents for one- and two-bedroom apartment and single-family rentals.
- The median mortgage payment was \$1,845. This corresponds to an affordable sales price of \$279,960, which is considerably lower than the current median sales price.
- Approximately 77 percent of the employee survey respondents that live within the Study Area pay greater than 30 percent of their income for housing, while 32 percent pay greater than 50 percent of their income for housing.
- Roughly half of the employees surveyed as part of this research indicated that they were satisfied with their current housing situation.
  - 37 percent indicated that they were “somewhat satisfied” and 16 percent indicated that they were “unsatisfied”.
- The most frequently cited reasons for being less than satisfied include:
  - The need for housing that is more affordable;
  - A desire for a home that is in better condition or which has features that better suit their needs:
  - The desire to purchase a home (for those who are currently renting); and
  - The desire to secure a unit that is larger and better suited to the needs of their family/household.
- The primary challenges to securing housing in the Study Area include:
  - Lack of affordability (both rental and for-sale);
  - Inability to afford the security deposit;
  - Inability to find year-round housing;
  - Difficulty finding housing for people with pets;
  - Challenges finding roommates;
  - Poor quality/poorly maintained housing;
  - Lack of sufficient down payment; and

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
August 2016

- An inability to find a suitable home
- Persons who completed the survey in Spanish tend to be somewhat older, lower-income, and predominantly work in service-related occupations.
  - Most Spanish speaking respondents live in multifamily apartments, with a minority living in mobile homes and single-family residences.
  - These respondents were much more likely to live in overcrowded conditions, compared to all employee survey respondents and were much more likely to be only “somewhat satisfied” or “unsatisfied” with their housing situation.
  - Spanish speaking respondents were somewhat less concerned with buying a home, and more concerned with affordability and finding a home that is larger and/or in better condition that fits the needs of the immediate family.
- The employer survey was designed to better understand the impact on businesses and to identify what businesses are doing to support their employees. It covered a variety of topics, including the seasonal employment trends, anticipated labor demand growth, the impact of housing availability on recruitment and retention, and employer provided housing assistance.
  - Employer survey respondents identified two peak employment seasons, with the winter season spanning the period from December through March, while the peak summer employment season spans July and August.
  - Survey respondents are fairly optimistic regarding their future economic prospects, with the majority anticipating that their workforce needs will grow in the next five years.
  - All businesses reported the majority of their employees are year-round residents, and that college age workers, semi-retired persons, and workers from outside the United States (J-1 visa holders) comprise the remainder.
  - 82 percent of respondents reported that the availability of suitable housing for workers impacts recruitment and retention, with approximately 48 percent reporting that housing availability impacts their business “significantly.”
    - This sentiment was consistent among every industry sector, regardless of whether or not their clientele are predominately residents or visitors.
  - Very few businesses reported providing any type of housing assistance to their employees, though some report offering wages that are higher than what they might otherwise offer, recognizing the high cost of housing.

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
*August 2016*

- The majority of all businesses who responded said the availability of suitable housing for workers in the Tahoe/Truckee area negatively impacts the success of their business.
- Almost all businesses responded that lack of affordable housing, lack of rental housing, insufficient availability of housing (both ownership and rental), and shortage of housing for year-round residents are the issues most severely impacting the adequacy of housing for workers in the Truckee North Tahoe area.

**Workforce Housing Demand Estimates**

- Though the workforce housing demand estimates presented as part of the regional workforce housing needs assessment were derived based on the best information currently available, they represent only a reasonable estimation of the existing unmet housing demand within the region and should be interpreted with caution.
- The estimates reflect demand from existing resident, non-resident (in-commuter), and seasonal worker households and, as such, illustrate the mismatch between the available housing stock and the types of housing that may best suit the needs of the workforce.
- The estimates should not be interpreted strictly as the number of new units to be built, but as the number of units that need to be “made available” to meet the needs of the workforce.
- The unmet demand may be addressed not only through new development, but also through programs aimed at residential rehabilitation, as well as programs targeted towards improving affordability and availability within the existing rental and for-sale housing stock.
- Table ES-1 reports the total unmet housing demand originating from existing resident, non-resident, and seasonal workers. Based on community preferences, programs may be targeted towards one, or all of these groups.

**Truckee North Tahoe Regional Workforce Housing Needs Assessment**  
August 2016

**Table ES-1: Unmet Demand by Workforce Household Type and Income Category**

Household Income Category	Workforce Household Type			Total, All Households
	Year-Round	Seasonal	Non-Resident (b)	
	Resident (a)	Resident (a)		
Extremely Low Income ( $\leq 30\%$ of AMI)	379	274	258	911
Very Low Income ( $> 30\% \leq 50\%$ of AMI)	440	269	986	1,695
Low Income ( $> 50\% \leq 80\%$ of AMI)	884	291	1,373	2,548
Moderate ( $> 80\% \leq 120\%$ of AMI)	1,001	168	1,330	2,499
Above Moderate ( $>120\%$ AMI)	1,396	194	2,917	4,507
<b>Total, All Income Categories</b>	<b>4,100</b>	<b>1,196</b>	<b>6,864</b>	<b>12,160</b>

Notes:

(a) Unmet resident workforce housing demand estimates are based on gross demand for year-round resident and seasonal resident workforce housing reported in Appendix K, multiplied by the proportion of households within each income category that experienced one of the four HUD defined housing problems between 2008 and 2012, as reported in the HUD Comprehensive Housing Affordability Strategy (CHAS) dataset.

(b) Unmet non-resident workforce housing demand estimates are based on gross demand for housing by in-commuters who indicated that they would relocate into the Study Area if affordable and adequate housing options were made available, reported in Appendix K.

Sources: Census Bureau, 2010-2014 American Community Survey, Public Use Microdata Sample, 2016; Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2016; U.S. Census Bureau, Nonemployer Statistics, 2016; California Department of Housing and Community Development, Income Limits, 2016; Department of Housing and Urban Development, 2008-2012 Comprehensive Housing Affordability Strategy, 2016; BAE, 2016.

**Workforce Housing Case Studies**

- BAE worked with the TAG to identify a list of ten communities located throughout North America, which have implemented workforce housing programs of various types, or which have utilized certain regulatory or financial instruments which are of interest.
- BAE then performed limited research in order to narrow the list down to four communities, which were targeted for in-depth research, including Aspen and Pitkin County, Colorado; Jackson and Teton County, Wyoming; Mammoth Lakes, California; and Park City, Utah.
- The results of both the preliminary and in-depth the case study research helped to inform the policy and program options presented in this report, although the options were not limited to those identified in these case studies.

**Summary of Policy and Program Options**

The final section of the report presents a range of workforce housing policy and program options, which are outlined below, for consideration by regional stakeholders. The options are by no means all-inclusive or exhaustive, recognizing that stakeholders may identify additional options that better suit local needs and preferences. The options can also be considered as a menu of items, which can be implemented in varying combinations and sequences. Each of the options has a certain level of stand-alone utility, though greater effectiveness and results will likely be achieved if multiple options are layered, or packaged, together. A comprehensive approach will be necessary to effectively address the complex problem of regional workforce housing availability and affordability. The following outline of policy and program options should not be construed as an endorsement by the TAG, the TTCF, CCTT, or any other participating agency. Rather, the community will need to engage in an additional dialogue, as

## **Truckee North Tahoe Regional Workforce Housing Needs Assessment**

August 2016

necessary, to build consensus regarding appropriate solutions. The program options are organized under the following three categories:

- **Policy Options (including Housing Product Types)**
- **Organizational Options**
- **Funding Options**

Within each of these categories, one “Cornerstone” option is identified. These are actions that are likely to have major impacts, but may also require significant commitments of resources for implementation. Additional “Supporting” options are also identified for each Cornerstone option. Some of these activities may be more modest in their potential impact, but can help to better ensure the success of Cornerstone actions and/or help create more modest short- or medium-term benefits before Cornerstone actions can be fully implemented. Please refer to the Regional Workforce Housing Policy and Program Options chapter in the main body of the report for more detailed descriptions of the policy and program options and the rationale for each.

### ***Policy Options, Including Housing Product Types***

#### *Cornerstone Action 1: Regional Workforce Housing Action Plan*

This action calls for the development of a Regional Workforce Housing Action Plan (RWHAP), after consideration of the options outlined in this report that identifies priority actions and projects to be undertaken within the region to expand, diversify, and increase affordability of the regional housing supply, and outlines quantified objectives for workforce housing supply expansion, a schedule, and roles and responsibilities of stakeholders. The plan should identify the organizational approach to regional coordination, a policy agenda, and funding sources, as well as other topics as determined appropriate.

#### *Supporting Actions*

*1.a) Housing Production Targets* – to measure progress towards defined housing production goals.

*1.b) Housing Mitigation Regulations and Requirements* - to help achieve the goals for production of workforce housing targeted to various income levels including mitigation requirements for new residential development and mitigation requirements for new commercial developments.

*1.c) Housing Development Standards* - to provide regulatory guidance for development of new housing that reinforces goals of the RWHAP, including a diversity of housing choices

*1.d) Incentives* – to encourage property owners and developers to construct and manage housing in a manner that helps achieve regional housing goals

## ***Truckee North Tahoe Regional Workforce Housing Needs Assessment*** *August 2016*

1.e) Resident and Employee-Based Housing Assistance Programs – to assist workforce households to better afford suitable housing from within the existing housing stock, so that housing programs are not entirely dependent upon new construction

1.f) Voluntary Resident/Employee Deed Restriction and Unit Banking Programs – to encourage conservation of the existing housing stock for year-round resident use, and to encourage existing housing that is used for seasonal use or vacation rentals to be made available for occupancy by year round residents

1.g) Affordable and Workforce Housing Enforcement – to ensure consistent compliance with established policies and rules regarding affordable and workforce housing

1.h) Housing Rehabilitation and Preservation – to help maintain the existing supply of housing that is accessible to the workforce

### ***Organizational Options***

#### *Cornerstone Action 2: Establish a Regional Housing “Entity”*

Regional stakeholders should establish an “Entity” that would take the lead on implementation of the Regional Workforce Housing Action Plan. Preliminarily, BAE suggests that regional stakeholders consider formation of a **Truckee North Tahoe Regional Housing Council**, which would be governed by a volunteer Board that includes representation from the different regional stakeholders.

#### *Supporting Actions*

2.a) Obtain financial commitments to support Regional Housing Council – to provide stable, ongoing funding to support the Truckee North Tahoe Regional Housing Council’s ongoing work

2.b) Obtain commitments for in-kind support – to leverage the resources of existing resources of agencies, organizations, and businesses that already serve the Truckee North Tahoe region

2.c) Identify entity to act as a fiscal agent – to ensure accountability for use of funds

2.d) Advocacy and education – to continue to build community support for housing solutions in general, and also to build support for specific RWHAP initiatives, such as establishing new funding mechanisms

### ***Capital Funding Strategy Options***

#### *Cornerstone Action 3: Public Land Utilization*

Land owned by public agencies within the region is a significant asset that could be leveraged to assist in workforce housing production. Further, utilization of public lands would not be subject to the uncertainty of other capital funding strategies that would require voter approvals, for example.

***Truckee North Tahoe Regional Workforce Housing Needs Assessment***  
*August 2016*

*Supporting Actions*

*3.a) Pursue Regional Workforce Housing Funding Mechanisms* – to augment the use of public land for workforce housing development and provide local funds that can be used to leverage other state and federal housing funds