

DRAFT South Shore Local Resident Housing Action Plan

- at a glance -

Build Homes on Public/Institutional Land

Employer Assisted Housing/Programs

Partnerships

*How do we
work
together?*

Programs

*How do we
get people
into homes?*

Homebuyer Assistance
Vacant home/Short-term
rental conversion to long-
term rental

Increase Local Resident Housing

Regulations

*How do we
make it
happen?*

Inclusionary zoning
Residential/Commercial linkage

Preservation

*How do we
keep what we
create?*

Permanently Affordable Homes:

Deed restricted

Community Land Trust

Improve Rental Conditions

Funding

*How do we
pay for it?*

Taxes Dedicated to Housing
State/Federal Grants/Loans
Private Donations/Grants

Incentives

*How do we
help it
happen?*

Align with State Codes:

Density bonus, Parking reductions,
Streamlining, Accessory dwelling units

Defer/Waive Fees to Build

Reduce Regulatory Barriers:

- Simplify development codes
- Redevelopment planning/assistance
- Welcome mat initiative to help developers

LOCAL RESIDENT HOUSING ACTION PLAN: SETTING THE CONTEXT

OPEN HOUSE OVERVIEW

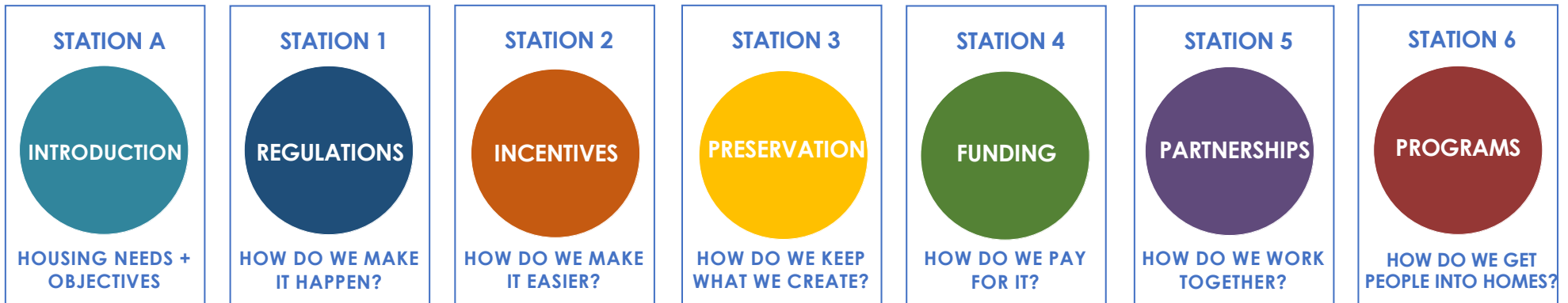
1. Review housing needs and objectives – Introductory Station
2. Tour **strategy stations** – 6 of them
3. Respond to proposed actions
4. Provide **feedback** on priorities, actions, etc.
5. **Ask questions, interact, share!**

Advisory group members and consultants will be circulating.

THE SOUTH SHORE REGION HOUSING ACTION PLAN AT A GLANCE



STATION SET-UP



LOCAL RESIDENT HOUSING ACTION PLAN: SETTING THE CONTEXT

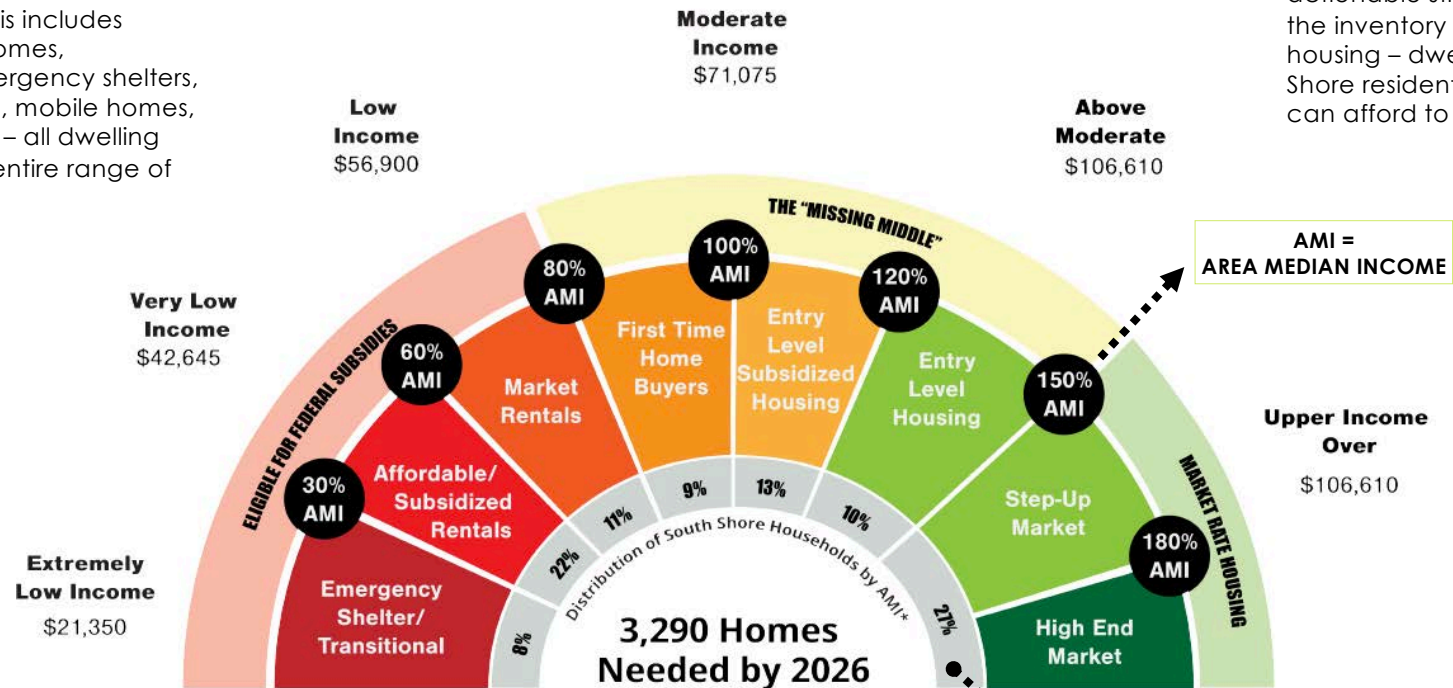
WHAT IS LOCAL RESIDENT HOUSING?

Homes that those who live and work in the South Shore can afford to purchase or rent. This includes apartments, townhomes, condominiums, emergency shelters, accessory dwellings, mobile homes, single-family homes – all dwelling types – serving the entire range of housing needs.

GOAL: INCREASE HOMES FOR AND AVAILABLE TO SOUTH SHORE RESIDENTS AND EMPLOYEES

WHAT IS A LOCAL RESIDENT HOUSING ACTION PLAN?

A partnership framework with actionable strategies to increase the inventory of local resident housing – dwellings that South Shore residents and employees can afford to purchase or rent.



ACTION PLAN ADVISORY GROUP:

JURISDICTIONS
City of South Lake Tahoe
Douglas County
El Dorado County

STATE/REGIONAL ORGANIZATIONS
California Tahoe Conservancy
Tahoe Regional Planning Agency
Tahoe Transportation District

AREA NON-PROFITS
El Dorado Community Foundation
Family Resource Center
Lake Tahoe South Shore Chamber
South Tahoe Chamber
St. Joseph Community Land Trust

EMPLOYERS/INSTITUTIONS
Barton Health
Casinos
Lake Tahoe Community College
Vail Resorts

*Income source: 2019 California HUD calculated income limits for 2.5 person households for El Dorado County.

LOCAL RESIDENT HOUSING ACTION PLAN: SETTING GOALS/TARGETS

INCOME TARGETS

DRAFT OBJECTIVE

Facilitate local resident housing for the full range of incomes in need, but focus housing subsidies and assistance on homes for local residents that need to be priced below what the market can produce. Currently, this means renter households earning below 80% AMI (about \$50,000 per year) and owner households earning below 150% AMI (about \$100,000 per year).

Household Income	Max monthly rent	Max purchase price
Under \$20,000	\$500	\$100,000
\$20 to \$39,999	\$1,000	\$150,000
\$40 to \$49,999	\$1,250	\$200,000
\$50 to \$59,999	\$1,500	\$250,000
\$60 to \$74,999	\$1,875	\$300,000
\$75 to \$99,999	\$2,500	\$400,000
\$100 to \$124,999	\$3,125	\$500,000
Over \$125,000	Over \$3,125	Over \$500,000

Primary resident and employee demand

Q. ARE THE INCOME TARGETS APPROPRIATE?

JOBS/HOMES RATIO

DRAFT OBJECTIVE

Produce community housing at a rate that exceeds, or at least matches, job growth. (i.e. about 100 units per year, 60% of which should be priced below 150% AMI for ownership and below 80% for rental).

SOUTH SHORE DATA

- 26,800 jobs in the region; 25% to 30% filled by in-commuters (about 5,000 employees).
- About 575 housing units will be needed to house new employees filling new jobs by 2026.
- Since 2010, about 100 housing units per year have been built in the South Shore region – the majority were not affordable for local residents.

Q. IS OBJECTIVE TOO HIGH, TOO LOW, OR ABOUT RIGHT?

BUILD-OUT AND RESIDENCY DATA

Build-out Through 2032 (Entire Lake Tahoe Basin)

	Residential Units	% of Units
Total Development Potential	51,097	100%
Built or allocated units	47,271	93%
TOTAL left to be allocated	3,836	7%

Loss of Full-Time South Shore Households

	2000	2010	2017
Full-time resident households	61% (16,660)	54% (15,520)	46% (14,790)
Second/Vacation/Vacant homes	39%	46%	54%

BUILD-OUT CONSIDERATIONS

DRAFT OBJECTIVE

Incorporate local resident housing into build-out targets in the South Shore. At least 46% of housing units in the South Shore Region should be occupied by year-round residents upon reaching buildout in 2032 to support local employers and preserve the community environment.

SOUTH SHORE DATA

- The entire Tahoe Basin is 93% built-out
- The South Shore Region has been losing year-round resident households.
- 46% of homes are occupied by a full-time resident – the rest are for vacant/seasonal/recreational use.

Q. IS THE PROPOSED TARGET – TO AT LEAST RETAIN THE CURRENT PERCENTAGE OF LOCAL RESIDENT-OCCUPIED HOUSING (46%) – TOO HIGH, TOO LOW OR ABOUT RIGHT??

COMMUNITY HOUSING ACTION PLAN: HOUSING NEEDS + PROCESS

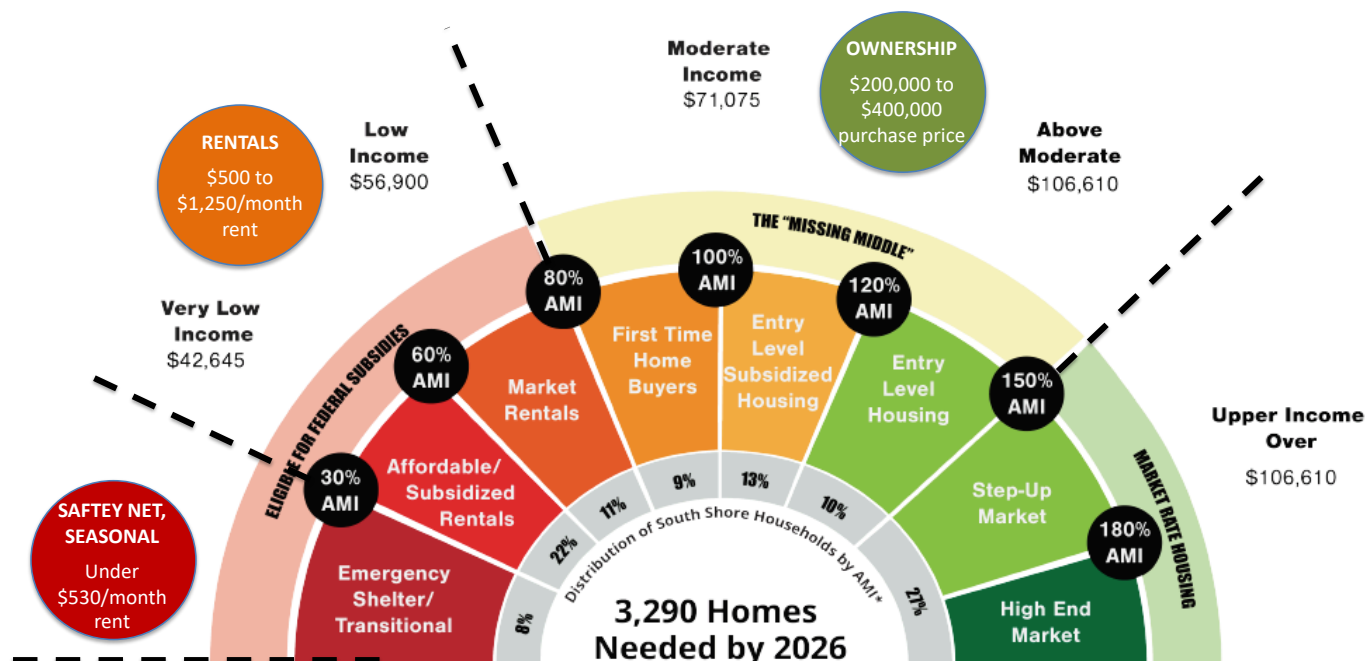
HOUSING NEEDS THROUGH 2026

Housing Needs Through 2026	Units Needed
Catch-Up	2,085
Overcrowded households (3%)	165
In-commuters (40% want to move local)	1,245
Unfilled jobs (7% of jobs)	675
Keep-Up	1,205
New jobs (about 1%/year growth)	575
Retiring employees (7.5% of jobs)	630
TOTAL through 2026	3,290
Below market (57%)*	1,880
Market-rate (43%)	1,410

Action Plan process will identify priority needs to be addressed.

*Below market homes include ownership mostly priced between \$200,000 to \$400,000 and rentals mostly priced under \$1,250 per month.

PRICES NEEDED



PROCESS TIMELINE





HOUSING PROGRAMS

Priority Actions to Do

- 1. Short-term rental/second home conversion to long-term rental**
- 2. Homebuyer assistance**



HOUSING PROGRAMS #1

Short-Term Rental/Second Home Conversion to Long Term Rental

Definition - What is it?

Unlocking existing inventory that has not been available to local residents.

What do we want to achieve?

Formalize and expand the reach of the program to provide more long term rental opportunities for local residents.

Proposed Actions - How will we do it?

- Formalize Tahoe Home Connection – non-profit status, staff, and systems.
- Secure additional funding.
- Do more outreach to potential landlords and tenants.
- Expand the network of property managers.
- Explore migration to Tahoe Landing (or other web platform).

Current condition:

- Tahoe Home Connection is a volunteer run organization. Conducted outreach through mailed postcards; talking with about 75 vacant/second home owners to rent to residents based on outreach to-date.
- Have matched 4 homes to local renters; have two more homes listed.
- Good understanding of potential to increase impact and where more resources are needed.
- Tahoe Landing is a web platform for matching homeowners with potential tenants; may have broad reach long term.



HOUSING PROGRAMS #2

Homebuyer Assistance

Definition – What is it?

Down payment assistance of grants or second mortgages for qualified buyers.

What do we want to achieve?

Build upon existing program and prior programs; help local residents buy homes.

Proposed Actions – How will we do it?

- Determine a lead/hub/single point of contact.
- Expand existing programs to reach more households earning under 120% AMI.
- Seek local funding to serve more moderate and middle income households: 120% AMI and higher.
- Include homebuyer education and financial readiness.
- Work with employers to assist employees.

Current condition:

- City of South Lake previously had a program that served households up to 120% AMI; program is no longer active.
- Rural Nevada HA and El Dorado County have programs, but South Shore Area isn't receiving much benefit.
- State and federal funding is available for up to 120% AMI; staffing resources are needed.



Questions for: **Housing Programs**

Housing Programs Questions:

1. Do you agree with the identified priorities?
2. What is the best way to get information out to local residents and employees about these programs?



Preservation Priority Actions to Do

- 1. Deed restriction for permanent affordability**
- 2. Community Land Trust**
- 3. Improve Rental Conditions**



Preservation #1

Deed Restriction for Permanent Affordability

Definition – What is it?

Permanent home restrictions by occupancy, income level, with rent/resale limits to retain affordability over time.

What do we want to achieve?

Grow an inventory of local resident housing that is attainable and insulated from investor/second home buyers.
Ensure public investment benefits are preserved.

Proposed Actions – How will we do it?

- Research examples in similar communities.
- Design to meet South Shore market conditions and housing needs.
- Establish criteria and guidelines for occupancy and preferences.
- Determine who will manage restrictions over time.
- Conduct outreach and education.

Current condition:

- 557 restricted rentals and one permanently deed restricted ownership home exists in the South Shore.
- TRPA offers a bonus allocation for deed restricted units.
- Surveyed residents and employees expressed strong interest in deed restricted purchase opportunities; 56% would consider buying a home with a restriction; 35% indicated they would like to learn more.



Preservation #2

Community Land Trust

Definition – What is it?

Community nonprofit owns land, develops/improves housing and provides long-term stewardship for permanent affordability through ground leases.

What do we want to achieve?

Expand current efforts to provide more local resident housing and supportive programs.

Proposed Actions – How will we do it?

- Explore additional funding opportunities to expand capacity
- Clarify role and tasks of SJCLT in coordination with other non-profits and government leaders on housing
- Ensure SJCLT Board composition/contracts are aligned with public funding and long term strategic direction

Current condition:

- St. Joseph Community Land Trust (SJCLT) is a non-profit serving the area. Their mission is to serve owners and renters below 120% AMI. They are actively working on an employer housing partnership program, increasing their portfolio and staff capacity.
- El Dorado Community Foundation is also exploring creating a Housing Fund, that could provide funding to support housing efforts in the region.



Preservation #3

Improve Rental Conditions

Definition – What is it?

Combination of tools to improve existing rental inventory, including funds for capital upgrades, inspections and enforcement, and grants/loans for landlords.

What do we want to achieve?

Create an integrated response to rentals in poor condition that includes notifying owners of needed repairs, providing incentives/ability to make repairs, while retaining affordable rents.

Proposed Actions – How will we do it?

- Pursue funding for renovations and improvements.
- Explore methods to detect/notify landlord of repairs needed – potential City inspection program expansion, county options.
- Establish loan/grant terms for repairs; program management.
- Is acquisition/rehab part of the program?
- Conduct outreach, marketing, and education.

Current condition:

- About 54% of South Shore residents are dissatisfied with their housing due to needed repairs.
- The City operated a renovation loan program, which helped repair 69 homes between 1995 and 2001.
- El Dorado County and El Dorado County Housing Authority operate renovation and weatherization programs for low income households.
- The City has a rental inspection program for buildings with 6-units or more.



Questions for: **Preservation**

Preservation Questions:

1. Do you agree with the identified priorities? Why or why not?
2. Do you feel a permanent source of dwellings that are and will remain affordable for residents and employees is a good thing – why or why not?
3. One program proposed is intended to help improve the condition of rentals in the South Shore region while keeping rents from increasing. How would you go about doing this?



Incentives #1

Priority Actions to Do

1. Align Local Codes with California State Housing Development Regulations/Policies:

- Density bonus
- Accessory dwelling units
- Parking incentives/reductions
- Stream lining

2. Remove Regulatory Barriers

- Welcome mat initiative
- Simplify codes
- Redevelopment assistance

3. Fee Deferral (and Waiver)



Incentives #1

Align with CA Regulations

Definition – What is it?

Create alignment with state of CA land use regulations that support affordable housing.

What do we want to achieve?

Increase opportunities for local resident housing development, consistent with statewide policies, but tailored to work in the South Shore.

Proposed Actions – How will we do it?

- Prioritize state regulations to tackle – where to begin? Density bonus, parking reductions, streamlining, accessory dwelling units.
- Evaluate what local changes are needed, and by what entities.
- Coordinate entities responsible for changes, and seek support from staff, Boards, council, commissions and public.

Current condition:

- State of CA passed several laws to better enable affordable housing development; currently South Shore has not adopted these codes because TRPA supersedes. Code areas include parking, density, steam lining entitlement review, and allowance of accessory dwelling units.
- City of South Lake Tahoe currently has grant funding to address streamlining aspect of the CA laws; TRPA is looking at ADUs.
- CA regulations do not operate in NV, but Douglas County can voluntarily pursue the same.



Incentives #2

Remove Regulatory Barriers

Definition – What is it?

Update code provisions and simplify procedures that impede affordable housing development, beyond alignment with CA laws.

What do we want to achieve?

Greater clarity and ease for homeowners and developers seeking to do development/redevelopment that helps with local resident housing needs.

Proposed Actions – How will we do it?

- Develop “welcome mat” initiative to ease navigation of entitlement process. One-stop shop for developers to understand and get assistance navigating the development process.
- Explore specific code simplification opportunities: consistency between local and TRPA regulations/information, mixed-use development modification, increase availability of development right for local resident housing.
- Evaluate redevelopment assistance options: City complete streets program to target priority redevelopment areas, monies or assistance for infrastructure upgrades to assist redevelopments tied with local resident housing.

Current condition:

- Limited residential building allocations go to build larger, expensive homes, out of reach of most year round residents and employees.



Incentives #3

Fee Deferral (and Waiver)

Definition – What is it?

Water/sewer fees, permit or other fees deferred until rental or sale of home to reduce the cost to build local resident housing.

What do we want to achieve?

Incentivize local resident housing development by helping to reduce the cost of construction.

Proposed Actions – How will we do it?

- Review best practices/lessons learned from STPUD program.
- Determine criteria for other jurisdictions to adopt deferrals – Tahoe Regional Planning Agency (TRPA) as priority
- Design and adopt deferral program.
- Seek opportunities to cover the cost of full fee waivers for especially beneficial projects.

Current condition:

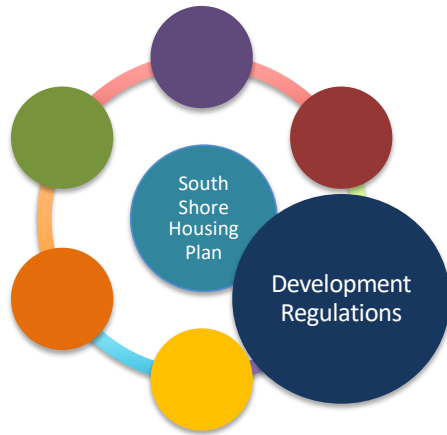
- South Tahoe Public Utility District (STPUD) offers fee deferral program for local resident projects. Other jurisdictions do not.



Questions for: **Incentives**

Incentives Questions:

1. How would you prioritize these incentive actions – which would you do first?
2. Are some more helpful options missing?



Development Regulations

Priority Actions to Do

1A. Inclusionary Zoning

1B. Residential/Commercial Linkage



Development Regulations #1A

Inclusionary Zoning

Definition – What is it?

Requires that a percentage of new residences built are for local resident housing. Compliance may be through a fee or building local resident housing.

What do we want to achieve?

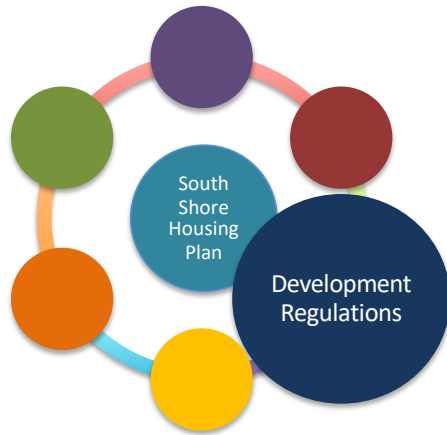
Produce local resident housing along with market rate housing development. City to lead; other jurisdictions may follow.

Proposed Actions – How will we do it?

- Determine if tool could increase funding and/or construction of year round resident housing.
- Study policy options consistent with best practices in other communities, but tailored for local conditions.
- Utilize stakeholder group/committee to help with review.
- Conduct public outreach; modify for adoption.
- Explore expanding program beyond just the City to the South Shore region.
- Monitor and update policies over time.

Current condition:

- This tool is not in use in the South Shore area, although it is in use in many other high cost communities (including Truckee, CA).
- In areas with limited development, such as the South Shore, it's effectiveness will be limited.



Development Regulations #1B

Residential/Commercial Linkage

Definition – What is it?

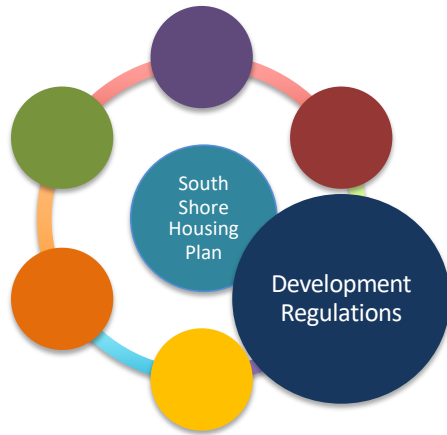
A fee directly linked to the need for housing generated by new development through jobs created; distinction made between commercial vs. residential developments.

What do we want to achieve?

- Study in coordination with inclusionary housing.
- Determine if tool could increase funding and/or construction of local resident housing while still supporting growth/development.

Proposed Actions – How will we do it?

- Understand impacts as related to residential and commercial development in the City – both on project feasibility and generation of local resident housing/resources.
- Research CA state linkage requirements
- Determine if implementation should occur and, if so, whether with Inclusionary Zoning or at a later date.



Questions for: **Development Regulations**

Regulations Questions:

1. Would you add to or change the proposed actions for inclusionary zoning or commercial linkage?
2. What should be the focus of these programs – certain types of development, fee collection, build required units, other?



Public/Private Partnerships

Priority Actions to Do

1. Public/Institutional Land Development

- A. Tahoe Transportation District/Pacific Development: Intersection of Ski Run Blvd and Pioneer Trl**
- B. St. Joseph Community Land Trust/City of South Lake Tahoe: Al Tahoe neighborhood**
- C. California Tahoe Conservancy asset lands: Y-district, behind Raley's**

2. Employer Assisted Housing



Public/Private Partnerships: #1A

Land – Site A

Ski Run Blvd and Pioneer Trl

Definition – What is it?

Partnering with developers to build community housing on publicly owned site.

What do we want to achieve?

Produce 77 new apartments for local resident and employee households earning at or below 80% AMI within the next three years.

Proposed Actions – How will we do it?

TTD and Pacific Development Parcel identified as priority #1.

- Finalize agreements between Tahoe Transportation District (TTD) and Pacific Development
- Conduct public outreach and gather feedback on design.
- Amend TRPA Area Plan
- Secure project finance
- Construct

Current condition:

- Development partner selected for 77 apartments for rent.



Public/Private Partnerships: #1B

Land – Site B

Al Tahoe Neighborhood

Definition – What is it?

Partnering with developers to build community housing on publicly owned site.

What do we want to achieve?

Build 3-5 homes for sale, affordable to local residents making 120% or less AMI. Secure permanent affordability through a land lease.

Proposed Actions – How will we do it?

Riverside partnership between STJCLT and City of South Lake Tahoe identified as priority #2.

- Land transfer discussion with City Council in early 2020.
- Finalize project design.
- Secure City and financing approvals.
- Conduct outreach and homebuyer education.
- Construct and sell homes.

Current condition:

- City identified the parcel as appropriate for community housing, and selected SJCLT to assist with implementation.



Public/Private Partnerships #1C

Land – Site C

Y-district, behind Raley's

Definition – What is it?

Partnering with developers to build community housing on publicly owned site.

What do we want to achieve?

Develop housing consistent with goals of this Action Plan and needs identified in *2019 South Shore Housing Needs and Opportunities*.

Include neighborhood benefits: drainage, transit/circulation, walking paths/sidewalks, etc.

Proposed Actions – How will we do it?

CA Tahoe Conservancy (CTC) 10.5 acre asset land site identified as priority #3 (Y-area, behind Raley's).

- Conduct public outreach throughout process; input on design, neighborhood compatibility, etc.
- Develop RFQ/RFP process and priority goals
- Select development partner(s) per RFQ/RFP responses
- Negotiate Memorandum of Understanding
- Proceed with finalizing project/neighborhood design, development approvals, finance, construction

Current condition:

- Project in preliminary stage – site selected in September 2019 under the direction of CA Governor Gavin Newsom's Executive Order N-06-19 for affordable housing by State Dept. of General Services.



Public/Private Partnerships #2

Employer Assisted Housing

Definition – What is it?

Employer Assisted Housing (EAH) helps employers provide housing support to employees through partnerships, pooling resources, technical assistance, etc. Examples: down payment, rent/mortgage, master leasing/providing rentals.

What do we want to achieve?

Create coordinated opportunities for employers to engage in solutions for their employees to help support local resident housing goals.

Proposed Actions – How will we do it?

- Designate a convener to bring employers together to design and collaborate on program development.
- Educate on potential solutions to address housing issues.
- Bring together compatible partners to create solutions: new development, seasonal lease tradeoffs, Tahoe Home Connection, St. Joseph Community Land Trust (SJCLT), etc.
- Track progress; learn from each other.

Current condition:

- All employers responding to the 2019 South Shore Employer survey indicated that the availability of housing that is affordable for the workforce is a problem in the South Shore Region; most indicated a desire to help with solutions.
- Barton Health and SJCLT are working together on an employee shared equity program for BH employees.



Questions for: **Partnerships**

Partnerships Questions:

Land development:

- a) Are any key sites missing?
- b) If you were to develop a site today – which would it be and what type of housing/for whom would you build?

Employer assisted housing:

- a) How would you bring employers together to help address housing together?



Funding Priority Actions to Do

1. **Taxes Dedicated for Housing**
2. **Federal and State Housing Grants, Loans and Credits**
3. **Private Donations and Grants**



Funding #1

Taxes Dedicated for Housing

Definition – What is it?

Sales, property, lodging, real estate transfer, excise, vacancy tax, etc. can be dedicated sources for community housing efforts.

What do we want to achieve?

A dedicated source of funding to help finance local resident housing for all needed income levels, as well as fund housing programs and staff capacity to implement and ensure success.

Proposed Actions – How will we do it?

- Analyze which tools are available in CA and NV, and how much revenue they might generate under different scenarios.
- Conduct public outreach to refine promising options.
- Define what local resident housing, programs, and/or administrative costs could qualify to receive the funding.
- Determine ballot language, timing and run a campaign

Current condition:

- South Shore area does not have a dedicated local source for funding local resident housing and will have limited success without one.
- An average funding gap of about \$100,000 per unit needs to be filled to build local resident housing.



Funding #2

Federal and State Housing Grants, Loans and Credits

Definition – What is it?

Federal and State loans and grants are a basic ingredient in many successful housing programs and projects.

What do we want to achieve?

Seek outside funding sources to compliment local housing investments and initiatives and better serve year-round residents and employees.

Proposed Actions – How will we do it?

- Form a working group to match housing initiatives and funding opportunities, and to coordinate local pursuit of competitive federal and state resources.
- Establish a plan and build staff capacity to apply for, administer and manage funds.

Current condition:

- From 1995 through early 2000s, South Shore was successful in securing State and Federal grants and loans.
- City has HOME and CDBG funds remaining which should be invested in resident housing soon.
- State funding resources have increased significantly, but South Shore has not been competing for them.
- State and Federal resources serve limited income levels: below 80% AMI for rentals and 120% AMI for down payment assistance. Local funding needed to address middle-income housing needs.



Funding #3

Private Donations and Grants

Definition – What is it?

Tax deductible contributions to a non-profit organization, which purchases, develops, or funds housing.

What do we want to achieve?

Harness local giving to better meet local resident housing needs with a dedicated, flexible source of funding.

Proposed Actions – How will we do it?

- Continue work of El Dorado Community Foundation (EDCF) on forming an entity and pursuing funding sources.
- Establish eligible funding recipients and project criteria.
- Cultivate funders/donors.

Current condition:

- St. Joseph Community Land Trust has built 1 moderate-income single-family home; renovated a 76-unit apartment building for permanent affordability; is working with Barton Health and the City on more homes.
- The El Dorado Community Foundation is working on forming a housing fund entity and is providing data, research, and financial assistance to support private investment in South Lake Tahoe.
- Other non-profits exist as collectors/distributors for potential funds: Tahoe Prosperity Center, Tahoe Homeless Coalition, Family Resource Center, depending upon defined mission/purpose.



Questions for: **Funding**

Funding Questions:

Money is needed to help build local resident housing, fund housing programs, and finance staff and capacity needed to implement and manage local resident housing initiatives.

- a) Do you agree with the priority funding sources, or would you suggest other options?
- b) What information would you need to support formation of a local fund dedicated to local resident and employee housing programs and production?