



Date: **June 9, 2026**

Honorable Mayor and Council Members:

Author and title: Lynn Baumgartner, Housing Program Coordinator

Title: **Lease to Locals Program Update and Contract Renewal**

Jen Callaway, Town Manager

Recommended Action: That Council: (1) receive the Lease to Locals annual report; (2) adopt the updated Lease to Locals Program Guidelines; and (3) authorize the Town Manager to execute a contract amendment with Placemate in the amount of \$120,000 for a total amended contract amount of \$360,000 and extend the contract term through June 30, 2027, pending approval of the fiscal year (FY) 2026/27 budget.

Executive Summary: Lease to Locals is Truckee's innovative long-term rental conversion program. Launched in 2020, it is intended to unlock existing housing units for use as long-term employee housing by incentivizing homeowners with underutilized housing units to shift to renting long-term to locally employed tenants. Since 2020, it has converted 263 units into long-term rentals, housing more than 650 locals. The purpose of this staff report is to provide an annual update on the Lease to Locals program, recommend updates to the Lease to Locals guidelines, and renew the contract for Placemate, the program administrator.

Discussion:

DISCUSSION

One of Town Council's priorities is to actively support the development and preservation of workforce housing. To address this goal, staff continue to react to the rapidly evolving housing market and needs within our community and region, and to pilot and iterate innovative housing programs.

The Lease to Locals Program is a housing program that the Town launched in October 2020 in partnership with local company, Placemate. The program aims to unlock existing housing units for use as long-term employee housing by incentivizing homeowners with underutilized housing units to shift to renting long-term to locally employed tenants.

Homes participating in the Program are leased to households in which at least half of the adult residents are employed at least 20 hours per week within the region, and the average annual income of all adults in the rental household is less than 150% of the area median income (AMI), which for Nevada County is currently \$130,800 per person.

Lease Length	1 Qualifying Tenant	2 Qualifying Tenants	3 Qualifying Tenants	4 Qualifying Tenants
Seasonal (5-11 months)	\$2,000	\$4,000	\$6,000	\$8,000
Long Term (12+ months)	\$4,500	\$9,000	\$13,500	\$18,000

Table 1: Lease to Locals Incentive Amounts

SELECT PROGRAM RESULTS

Participation

From July 1, 2025 – May 26, 2025 (FY 2025/26 YTD), the Lease to Locals Program has converted 38 housing units into long term rentals, with a total of 92 bedrooms and has housed 121 individuals, including 84 local employees. Since program inception in October 2020, the program has converted 263 units, with a total of 620 bedrooms and has housed 656 individuals, including 506 local employees.

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26 YTD	Full Program
Units Converted	15	57	53	50	50	38	263
Bedrooms	30	113	132	124	129	92	620
People Housed	27	119	138	127	145	100	656
Qualified Tenants	22	91	104	110	95	84	506

Table 2: Lease to Locals program results by fiscal year.

Lease to Locals' participating properties range in size from an individual room rental in a larger house up to four-bedroom units. The most common home size is a three-bedroom unit, which is the most common home size in Truckee. See Table 3 below for the breakdown of unit sizes.

	# of Units (FY 25/26 YTD)	# of Units (Total)
Individual Room Rental	3	33
Studio	0	10
1 bedroom	7	30
2 bedroom	10	62
3 bedroom	14	117
4 bedroom	5	18

Table 3: Breakdown of Unit Sizes.

To participate in the Lease to Locals program, properties must not have been long-term rented in the past twelve months, and property owners are asked to report the previous use of the property. In the current fiscal year, the most common prior use was as a second home followed by as a primary residence. Overall, most participating properties were primary residences, followed by second homes, and short-term or seasonal rentals. See Table 4 below for more information.

	# of Units (FY 25/26 YTD)	# of Units (Total)
Short-Term or Seasonal Rental	4	42
Empty Second Home	12	76
Primary Residence	9	78
Recently Purchased	7	40
Other	6	27

Table 4: Breakdown of Previous Use of Unit.

Renter & Lease Data:

In the current fiscal year, the average rent has been \$1,228 per bedroom per month and \$2,974 per unit per month. For the full program, the average rent has been \$1,093 per bedroom per month and \$2,577 per unit per month. According to Zillow data, the average market rate rent per bedroom per month for 2025 was \$1,785, 63% higher than the program average (Figure 1).

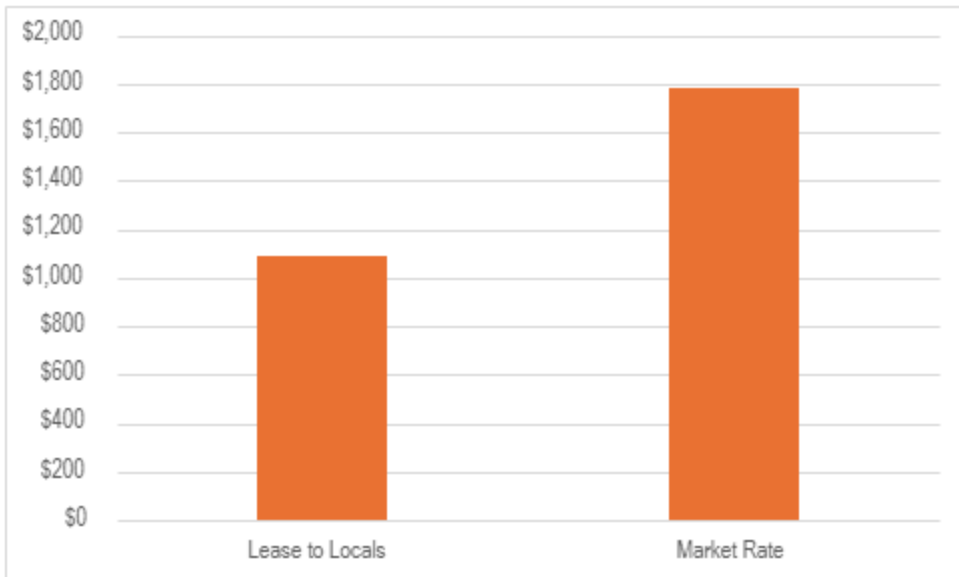


Figure 1: Average rent per bedroom per month for Lease to Locals compared to market rate.

Program wide, 82 units (31%) of Lease to Locals rentals are affordable to households making less than 80% AMI, 173 units (66%) are affordable to households making 80% - 120% AMI, and 8 units (3%) are affordable to households making 120% - 150% AMI (Figure 2). Affordability is determined based on unit size and household income needed to afford the monthly rent (See Table 3).

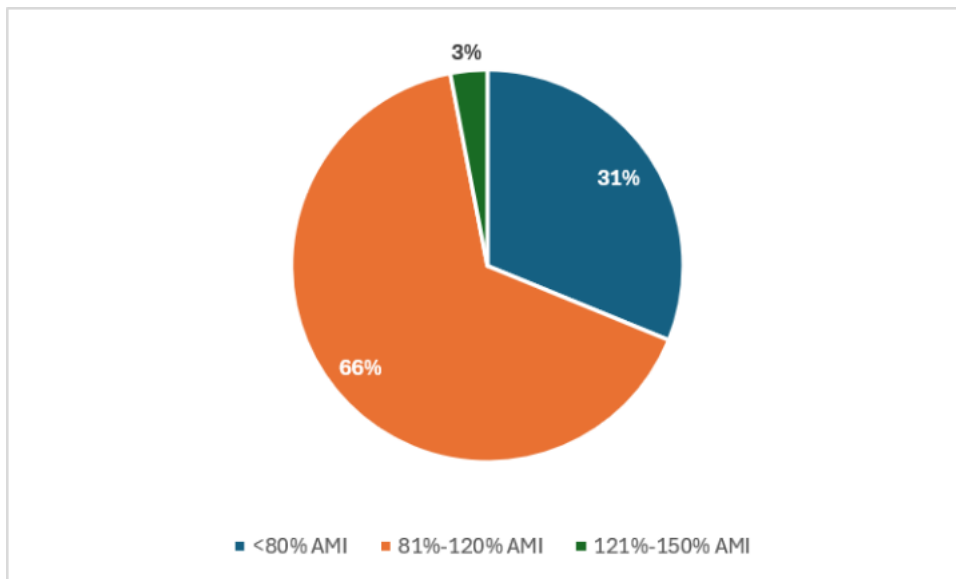


Figure 2: Percent of Lease to Locals units that are affordable to underserved AMI ranges.

For the current fiscal year, the average income per adult has been \$66,448 (76% AMI), which is significantly less than the program eligible income cap of \$130,800 (150% AMI). The program average AMI is 67% AMI.

In the current fiscal year, four properties (10% of participating properties) have been leased under the seasonal lease option and the remaining 34 have leased for at least one year (90%). For the full program, 221 (84%) of units have been long term leases and 42 (16%) have been seasonal.

Local Employment Data

Lease to Locals' tenants work in a variety of fields, from accommodation to education to personal care to utilities – 24 local industries are represented. Many tenants work multiple local jobs to stay afloat, and there have been 506 qualified employees working in 535 local positions. The majority of tenants work in the recreation, food & beverage services, retail, and construction/contractor industries. Table 5 shows the top industries of Lease to Locals qualified tenants.

Industry		% of Tenants
Recreation	143	27%
Food/Beverage Services	77	14%
Retail	46	9%
Construction/Contractor	42	8%
Education	39	7%
Accommodation	29	5%
Property Management	28	5%
Health Care	25	5%
Public Administration	25	5%
Real Estate	12	2%
All Other	69	13%

Table 5: Industries represented by Lease to Locals tenants.

Incentives

To date in the current fiscal year, the Town has allocated \$372,250 in incentives, which is an average of \$9,796 per unit and \$4,046 per bedroom. Since inception through the projected end of FY 2026/27, the Town has allocated \$2,548,741 in total Lease to Locals program costs, which includes incentives, program administration, and marketing. This is a total program cost per unit of \$9,691. Developing a new workforce housing unit in Truckee is now estimated to cost between \$600,000 - \$950,000 per unit, and purchasing a deed restriction on an existing home, costs about \$111,000 per unit. While Lease to Locals units are not permanently preserved like deed restricted workforce housing, retention data shows that 70% of Lease to Locals participants continue renting long term after their year in the program.

PROGRAM GUIDELINES UPDATE

Over the past year, staff has been working to bring the guidelines of all the housing programs into closer alignment in formatting and organizationally. Staff recommend aligning the Lease to Locals Program Guidelines as closely as possible to the Rooted Renters Program Guidelines, as well as including several additions to improve program functions. Significant recommended changes are summarized below. For all recommended changes, see Attachments 1 and 2.

- Section 2: Definitions

- Qualified Household: Added the requirement that no member of the household may be related to the property owner.
- Qualified Tenant: Added that individuals receiving qualifying disability payments are considered qualified tenants. Staff and program administrators have historically approved tenant applicants receiving disability payments as qualified, but staff has added this explicitly to the guidelines to help ensure that potential applicants are informed that they do qualify.
- Section 8: Eligibility Requirements for Housing Units
 - 8.E: Clarified that a property can only participate in Lease to Locals and receive an incentive payment one-time.
- Section 9: Eligibility Requirements for Tenant Household Groups Applying for Program
 - 9.B: Qualifying Types of Disability Benefits: Added the types of disability payments that qualify for the Lease to Locals Program, which staff are integrating into all Town housing program guidelines.
 - 9.D: Tenant Applications: Added types of verification required for disability payments and student tenants.
- Section 11: Contingencies
 - 11.B: Prohibits advertising, maintaining, or operating the participating property as a short-term or hosted rental. While renting the property short-term or as a hosted rental has been prohibited in previous versions of the guidelines, staff recommend that advertising the property as such should be included as well.
 - 11.E: Added language requiring that applicants provide accurate and factual information to the Program Administrators and Town staff, and that failing to do so can result in disqualification.

CONCLUSION AND NEXT STEPS

Program Goals:

For FY 2026/27, the program’s goal is to add 50 new properties into the program and to house an additional 100 locals. As evidenced in Table 2, the number of units converted each fiscal year has remained steady, and staff anticipate that to continue in FY 2026/27. The current contract with program administrator Placemate expires on June 30, 2026.

Staff recommend that the Town Council authorize the Town Manager to execute a contract amendment with Placemate in the amount of \$120,000 to provide program administration for the Lease to Locals Program for a one-year term ending June 30, 2027, pending approval of the FY 2026/27 budget. This amount is separate from the incentives that would be paid to landlords as part of the program. Staff further recommend that Town Council approve the updated Lease to Locals Program Guidelines.

Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input checked="" type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: The proposed budget for FY 2026/27 C2012 has proposed \$120,000 for Lease to Locals Program Administration, which will provide sufficient funding for the recommended contract amendment, pending FY 2026/27 budget approval.

Public Communication: This Staff Report.

Attachments:

Attachment 1: Lease to Locals Program Guidelines – Clean Version

Attachment 2: Lease to Locals Program Guidelines – Track Changes Version