



Date: June 10, 2025

Honorable Mayor and Council Members:

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Title: **Truckee Home Access Program Update, Guidelines Modification, and Contract Amendment**

Jen Callaway, Town Manager

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**Recommended Action:** 1) Receive the Truckee Home Access Program (THAP) update; 2) Approve the proposed changes to the THAP Guidelines, and 3) Authorize the Town Manager to execute a contract amendment with HousingINC in the amount of \$87,000, for a total amended contract amount of \$331,147.50 to provide program administration for the Truckee Home Access Program and extend the contract term through June 30, 2026, pending approval of the FY25/26 budget.

**Discussion:**

**INTRODUCTION**

Increasing the inventory of rental and ownership homes available to community members living and working in Truckee is a Town Council priority. Growing the inventory of housing that is legally deed-restricted for full-time occupancy by income qualified local workers is an important strategy used in many jurisdictions to ensure the long-term availability of workforce housing. The Truckee Home Access Program (THAP) is the Town's very successful deed restriction purchase program that offers an additional tool in the toolbox to help address our community's immediate housing needs and to preserve workforce housing.

**BACKGROUND**

The main goal of THAP is to increase ownership access to the housing market for a range of households that live and work in the region. Launched in November 2022, THAP provides 16% of the purchase price of a home (up to \$150,000) in exchange for a deed restriction that ensures the home's residents are full-time, income qualified, locally employed households. The maximum sales price for a home is \$937,500. Home buyers, sellers, and local businesses can participate in THAP in various ways.

The program goals are to:

- Increase the percentage of the total housing stock that is deed restricted to 10% of the Town's housing inventory in the next 10 years;
- Expand Truckee's deed restriction program to include higher income levels (up to 245% AMI) to preserve housing stock at a range of income levels and reflect current conditions in the for-sale market; and
- Expand the deed restriction program to include more for-sale product.
- Create a second for-sale housing market that only income qualified, locally employed buyers have access to.

In this case, the qualified buyer is a household that earns no more than 245% of the area median income (AMI), has at least one household member who works at least 30 hours per week within the boundaries of the Tahoe Truckee Unified School District (or has a written offer for employment in the boundary and

is in the process of relocating), and occupies the home as a full-time residence. The program is a long-term strategy aimed at tipping the scales of the local housing inventory slightly towards full-time residents to align with the Town Council goal of actively supporting the development of workforce housing.

## PROGRAM UPDATE

In 2022, Town Council set a goal that 10% of the homes in Truckee would be deed restricted by 2032, which would be approximately 1500 units. THAP is an important part of reaching that goal. As of June 2025, THAP has deed restricted 25 houses, including a purchase by a local business. Staff anticipates one additional closing in June 2025, for a total of 26 units. Three property applications are in process with closing dates in July 2025.

	Deed Restricted Unit Goal	THAP Deed Restricted Units	Total Deed Restricted Units	% of Goal for Deed Restricted Units
2025	1,500	25	763	51%

Table 1: Progress towards deed restricted unit goal.

## Full Program Data (November 2022 – June 2025):

### THAP Applicant Data (November 2022 – June 2025)

The program has received 63 applications, and 51 applicants have been approved. The average AMI of approved program applicants is 152%, with a range of 33% to 237%. 17 approved applicants are employees of Truckee Tahoe Workforce Housing Agency (TTWHA) members.

### THAP Participant Data (November 2022 – June 2025)

So far, 51% of approved applicants have successfully purchased a home using THAP.

- Two homes closed in FY 22/23, 15 in FY 23/24, and 8 so far in FY 24/25. Thirty local workforce members have been housed through THAP representing staff from 26 local employers.
- Seven employees of TTWHA member agencies have used THAP funds.
  - Tahoe Forest Health System (2), Town of Truckee (4), and Tahoe Truckee Unified School District (1).

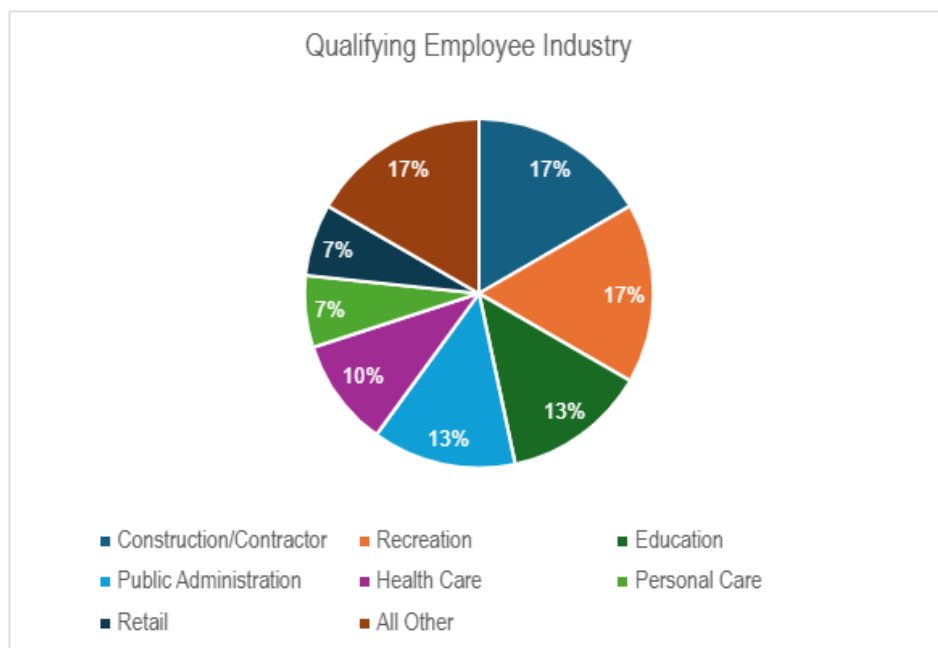


Figure 1: Qualifying Employee Professions

- Sixty-one individuals have been housed through THAP (including children and non-local workforce adults).

- The average AMI for buyer households is 160%, with a range of 106% - 237% AMI.

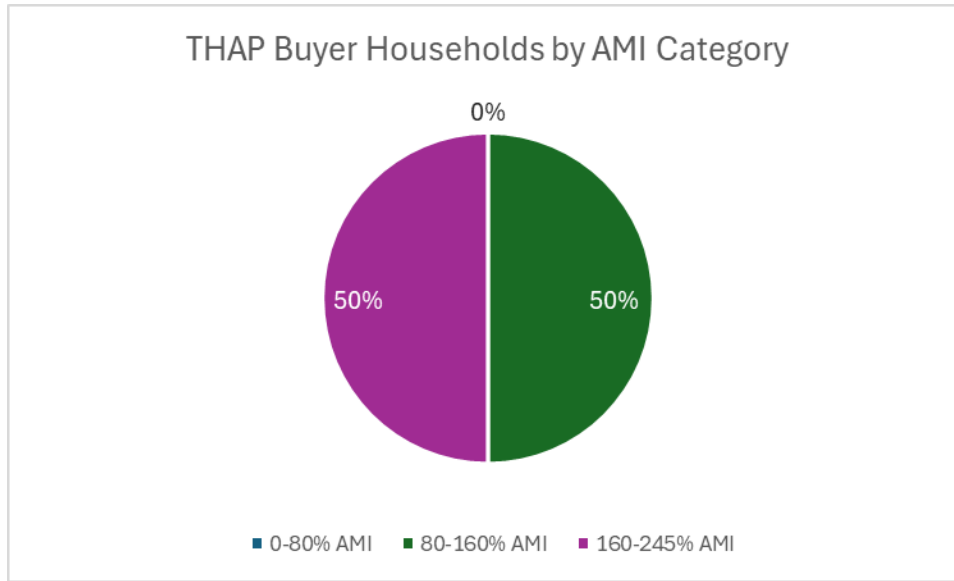


Figure 2: THAP Buyer Households by AMI Category

	Household of 1	Household of 2	Household of 3	Household of 4	Household of 5
<b>245% AMI</b>	\$213,640	\$244,265	\$274,768	\$305,270	\$329,648

Table 2: 2025 Nevada County AMI for households making 245% of AMI

The maximum income participation cap of 245% AMI was set during program development in 2021 – 2022, due to the fact that a household needed to make more than 245% of median income to afford the median house price in Truckee. Because it had been several years since the AMI determination had been made, staff looked into home sales over the past year to determine if the 245% AMI level was still an appropriate AMI cap for THAP.

According to census data, the median household income for Truckee is \$125,995. In the past year, the monthly median home sales price in Truckee has ranged from \$895,000 to \$1,507,000, with an affordability range of 187% to 315% of AMI, with an overall median home price of \$1,125,000 and affordability of 235% AMI. The home purchase calculator that is currently used overestimates home affordability as it was developed when interest rates were significantly lower than now. Looking at the current market data, staff do not recommend changing THAP's income cap. Staff plan to evaluate the THAP income cap every two years.

#### THAP Unit Data (November 2022 – June 2025)

- The median sales price of homes purchased through THAP is \$660,000, with a range from \$308,000 - \$937,500.
- Homes purchased through THAP consisted of 21 single family homes, three townhouses, and two condos.
  - One-bedroom: 2
  - Two-bedroom: 11
  - Three-bedroom: 11
  - Four-bedroom: 1

	# of Deed Restrictions	# of Bedrooms	# of Qualifying Employees	# of People Housed	Average AMI	Average THAP Payment	Average Payment/ Bedroom
<b>FY 22/23</b>	2	5	16	34	178%	\$99,600	\$44,381
<b>FY 23/24</b>	15	35	17	37	163%	\$103,556	\$39,840
<b>FY 25/25</b>	8	21	20	11	152%	\$124,960	\$47,604
<b>THAP Total</b>	<b>25</b>	<b>61</b>	<b>31</b>	<b>64</b>	<b>160%</b>	<b>\$109,843</b>	<b>\$45,118</b>

Table 3: THAP Data broken down by Fiscal Year

#### THAP Funding & Payments (November 2022 – June 2025)

The funding available through the THAP program assists full-time resident households in achieving home ownership to help move our market towards one that is more balanced. The funding for both buyers and sellers is represented in C2014 as the line item “THAP purchases – households.”

- THAP funding comes from Measure K Transient Occupancy Tax.
- The average THAP payment to buyers has been \$109,843 with a range of \$49,280 to \$150,000.
  - The average payment is about \$1,998 per workforce housing unit per year, over the life of the 55-year deed restriction.
- The average cost per bedroom is \$45,118.
  - This is about \$820 per bedroom per year, over the life of the 55-year deed restriction.
- For FY 24/25, the THAP total budget was \$1,872,000, with \$1,775,000 for deed restriction payments and \$97,000 for program administration.
- In FY 24/25 to date:
  - \$999,680 out of the *THAP purchases – households* budget line item has been spent out of \$1,650,000 with \$650,320 remaining.
  - \$0 out of the *THAP purchases – businesses* budget line item has been spent out of \$125,000.
  - Staff anticipate one additional closing in June 2025, with an estimated payment of \$105,600. This would bring the total expenditures to \$1,105,280 with \$544,720 remaining.

#### **PROPOSED PROGRAM GUIDELINES CHANGES**

In the process of implementing the program, staff and HousingINC. have found opportunities for necessary Program Guideline corrections and clarifications and have drafted several clean-up revisions to the Program Guidelines for Council consideration. The following significant program updates are included in the revised Program Guidelines (Attachments 1 & 2).

##### *Section 3.1 General Program Requirements*

Eligible Use of Funds: Added that THAP funds are not allowed to be used to purchase properties with unpermitted construction, to help protect future occupants from unsafe housing.

##### *Section 3.2 Individual Buyers*

Purchase Price: Added stronger language to clarify to buyers that THAP units will most likely sell at a price below market.

Mortgage Readiness: Removed the seller carry back option. Staff and HousingINC. have determined that seller carry back is not feasible in this type of deed restriction program.

As a reminder, a seller carry back option is a real estate transaction where the seller provides financing to the buyer, bypassing traditional lenders.

#### *Section 5.4 Fair Market Value Appraisal*

**Buyers & Sellers:** Added a requirement that staff compare the potential THAP unit's appraisal to the building permit records to check for unpermitted construction, like unpermitted additional living space or ADUs. While THAP units with known code violations were previously not eligible, staff have found that there have been potential THAP units with no open code cases that have significant unpermitted construction. This step adds an additional way to verify that THAP funds are used for safe and appropriate housing units.

#### *Section 6 Selling a THAP Unit*

Added stronger language to clarify to buyers that THAP units will most likely sell at a price below market.

#### *Section 7.1 Renting a THAP Unit*

**Post-Closing Occupancy Agreement:** Added that THAP owners may temporarily, for no more than 60 days, rent to a non-qualified tenant if there is a Post-Closing Occupancy Agreement (also known as rent back) that is included in the unit's contract for purchase. Post-closing occupancy agreements are common in home-sales contracts and allowing for a short rent back to the seller makes THAP buyers more competitive in the market.

#### *Section 7.3 Short-Term Renting*

Updated the short-term renting section to align with the language in the updated Short-Term Rental Ordinance to better align with the Town's definition of short-term renting and to make it clear that short-term renting of a THAP deed restricted unit is not allowed under any circumstance.

### **HOUSINGINC CONTRACT RENEWAL**

In 2022, Town Council directed staff to request proposals for a third-party administrator to operate the Truckee Home Access Program (THAP), then called the Below Market Rate Housing Program. A request for proposals for program administration was publicly advertised and the Town received one consultant proposal from HousingINC. Staff determined that HousingINC is exceptionally qualified for this role, with experience establishing and administering down payment assistance programs and deed restriction programs, including administration of Placer County's Workforce Housing Preservation Program. Town Council initially approved a contract with HousingINC for program administration of THAP through June 2023. Council renewed HousingINC's contract in June 2024. HousingINC's current contract will expire in June 2025.

Staff recommend that Council authorize the Town Manager to execute a contract amendment with HousingINC in the amount of \$87,000, for a total amended contract amount of \$331,147.50 to provide program administration for the Truckee Home Access Program and extend the contract term through June 30, 2026, pending approval of the FY25/26 budget.

#### **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 FY25/26 C2014 has proposed \$87,000 for Truckee Home Access Program Administration, which will provide sufficient funding for the recommended contract amendment, pending FY 25/26 budget approval. The FY 25/26 budget is slated to be presented to Council for adoption at the June 10, 2025 Council meeting.

**Public Communication:** This Staff Report.

#### **Attachments:**

Attachment 1: Truckee Home Access Program Guidelines – clean version

