



Date: March 11, 2025

Honorable Mayor and Council Members:

Author and title: Lynn Baumgartner, Program Analyst II

Title: **Deed Restriction for New Housing Development Boundaries Update**

Jen Callaway, Town Manager

Recommended Action: Approve updates to the Deed Restriction for New Housing Development program guidelines.

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 Deed Restriction for New Housing Development program was approved by Council in August 2024 to support the construction of new deed restricted housing units in the Gateway and Downtown neighborhoods.

Program Overview

- **Program Administration:** This program is operated by Sierra Business Council.
- **Payment for Deed Restrictions:** Payment amount will be calculated as 16% of the appraised fair market value, provided that such amount will not exceed \$110,000 per unit. Funding will be distributed at Certificate of Occupancy after deed restrictions have been signed.
- **Sales Price:** When selling a Unit to a qualified owner, maximum initial sales price may not exceed \$687,500.
- **Eligible Program Area:** Funds may only be used on properties within the Downtown and Gateway neighborhoods as defined in the Program Guidelines (Attachment 1).
- **Unit Size:** Program funds may only be used for studio, one bedroom, and two-bedroom housing units.
- **Parking:** Each unit must have at least one dedicated parking space.
- **Rent Cap:** Rent rates may not exceed 30 percent of 120% area median income adjusted for bedroom size (Table 2).
- **Occupancy:** Unit(s) must either be rented to and occupied by a qualified tenant or sold and occupied by a qualified owner. Short-term renting is prohibited

Proposed Program Changes

The eligible program areas of Gateway and Downtown were selected as they had been identified as housing priority areas during the Truckee 2040 General Plan due to their proximity to services, such as jobs, schools, transportation, grocery stores, recreation, and more.

Staff has determined that the original program map for the Gateway neighborhood (Figure 1) omitted adjacent areas zoned for medium and high density housing that may be appropriate sites for the type of housing incentivized by the program. Staff recommend updating the eligible program area for the Gateway neighborhood (Figure 2).

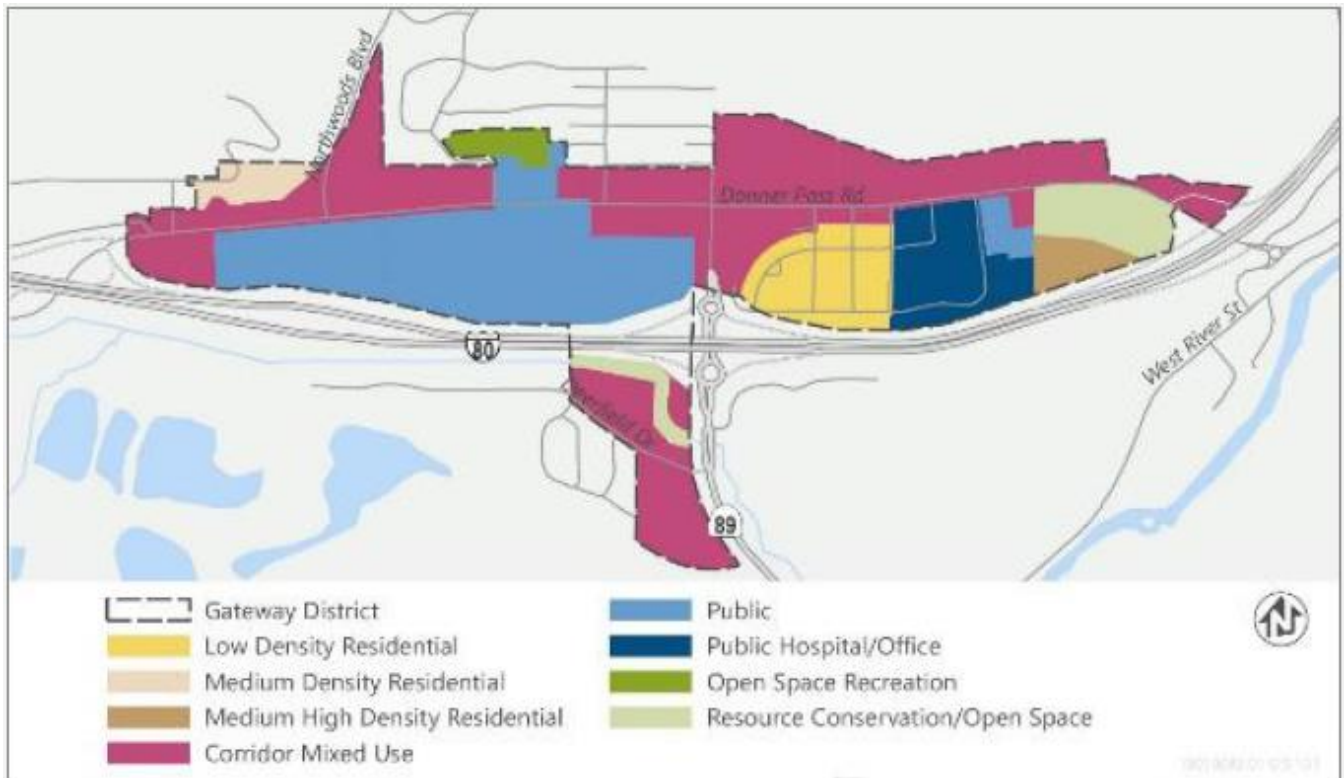


Figure 1: Gateway neighborhood original program eligible area map

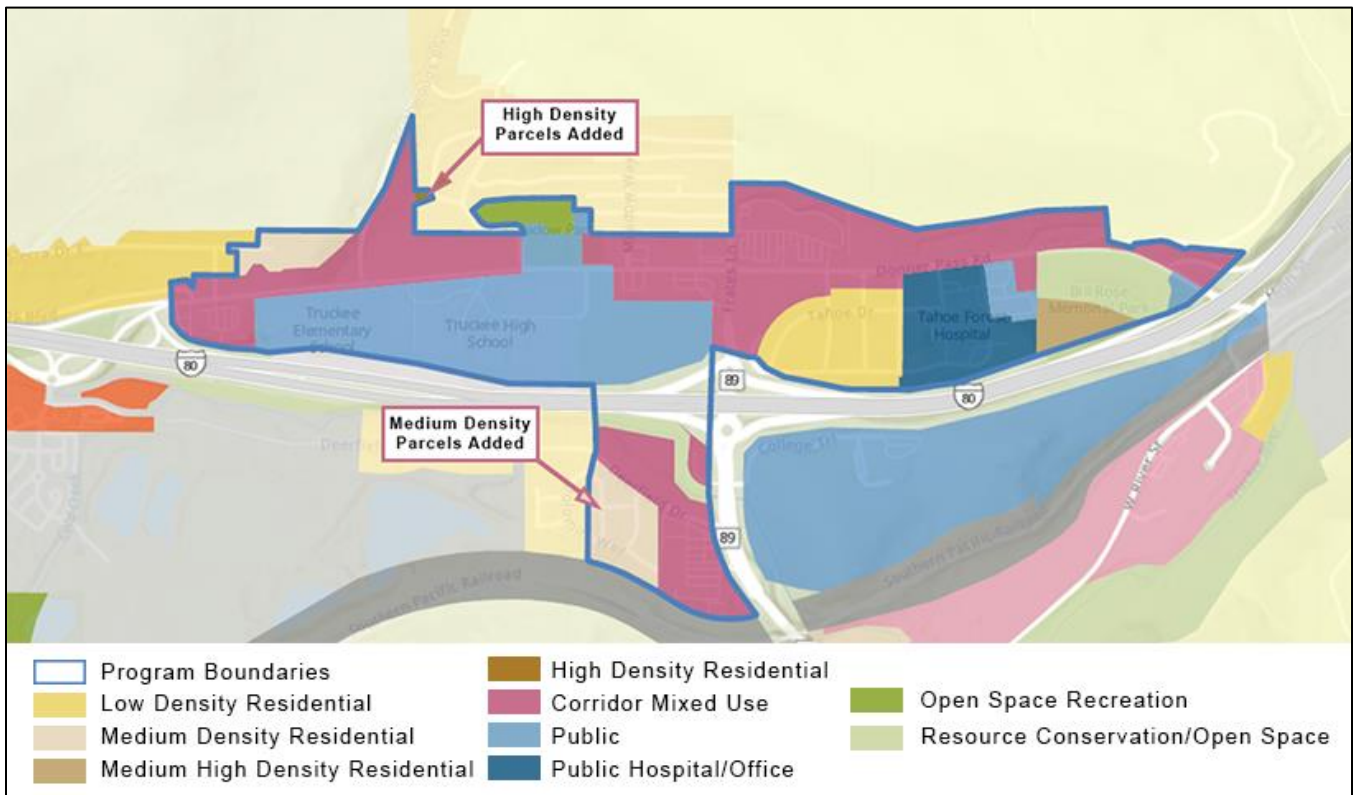


Figure 2: Gateway neighborhood proposed program eligible area map

Recommendations

Staff recommends that Council approve the update to the Deed Restriction for New Housing Development 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: None.

Public Communication: This staff report.

Attachments:

Attachment: Deed Restriction for New Housing Development Program Guidelines – updated eligible program area boundary.