



Date: 28 January 2025

Honorable Mayor and Council Members:

Author and title: David Tirman, Senior Planner

Title: **Edmunds Lofts Workforce Housing**

Jen Callaway, Town Manager

Recommended Action: Town Staff recommend the Town Council:

1. Approve staff's recommendation to partner with the Paradigm8/Sagemodern development team for the construction of 12 units of workforce housing, known as Edmunds Loft, located on Edmunds Drive.
2. Direct staff to negotiate a Development and Disposition Agreement (DDA) between the development team and Town of Truckee outlining the specific terms and conditions of the partnership between the two parties for the construction of deed restricted affordable workforce housing and return to Council for approval of the DDA.

Discussion:

Introduction

Town Council directed staff to move forward with a Request for Interest & Qualifications (RFIQ) on the Edmunds Lofts projects following discussions at the June 25, 2024, Council meeting. The Planning Division subsequently engaged a dedicated senior planner in September 2024 to manage the Edmunds Lofts RFIQ process and subsequent steps. An RFIQ was issued on October 16, 2024, followed by a Town-sponsored information reception held on October 30, 2024, with over 20 members of the building and development community attending. The reception was designed to inform the local builder/developer community about Town housing initiatives, including Edmunds Lofts. The RFIQ was also posted on the Town's website bidding portal, as well as shared with members of the local development community. The Edmunds Lofts RFIQ, which stipulated a response due date of November 20, 2024, yielded three letters of interest and qualifications from among the Truckee-area building community. The three builder/developers which responded to the RFIQ included: 1) GLA Morris/Crestwood Construction (Truckee-based), 2) Mountain Lake Partners (Truckee and Bay-Area-based), and 3) Paradigm8/Sagemodern (Truckee-based).

Background

The Town Council directed staff at the June 25, 2024, Council meeting to prepare and circulate an RFIQ (copy attached) to solicit qualified firms for the financial, design, and build analysis of the Edmunds Lofts workforce housing project. The introductory paragraph of the RFIQ stated the following:

The Town is interested in partnering with a design-build team for the development of multi-family affordable/workforce housing on parcel APN 018-580-052 (Project Site) with the goal of creating new deed-restricted dwelling units (DU) to support the local workforce. This is a unique public-private partnership opportunity to create new affordable housing in Truckee, which could

potentially serve as a model for other similar residential sites in Truckee. The Town is interested in contributing the land and staff time at no cost in partnership with a builder/developer team to develop the housing project. The Town will also take the lead in processing the land use entitlement(s) at no cost to the builder/developer.

The RFIQ also provided detailed information regarding the Edmunds Lofts parcel, including the RM-24 zoning parameters, which allow for 24 Dwelling Units (DU) per acre supporting higher density multi-family housing on the site. Additionally, the RFIQ outlined anticipated development standards for the site based on current Development Code parameters and provided the following background information on the DDA:

All the following requirements are non-negotiable; potential RFIQ proposers, uncertain of their ability to comply, may wish to refrain from submitting a proposal. Additionally, should the builder/developer take exception to any of the RFIQ requirements and/or identify concerns that might impede development and construction of the project, they are asked to identify such exceptions and/or concerns and propose alternative solutions as part of the RFIQ response.

- The project shall consist of not less than eight (8) DU.
- By submitting a proposal, the builder/developer agrees to a deed-restriction capping the maximum number of DU as agreed upon by both the Town and builder/developer. The purpose of this restriction is to build a project that is compatible with the site and surrounding neighborhood as part of the design-build-entitlement process described in the RFIQ.
- Proposals shall include a minimum of two (2) unit types (e.g., Studio, one-bedroom) and a maximum of 1,200 sq. ft. of floor area per DU, excluding garages, carports, and shared habitable entry areas. The DUs shall be energy-efficient, all-electric units with provisions for rooftop solar panels.
- The development shall include a mix of affordability levels, including low, moderate, and achievable, with 25 percent of the residential units to be allocated to low-income households (up to 80% of Nevada County's area median income of AMI).
- Specific affordability levels and percentages will be agreed by the Town and the builder/developer in the DDA or another similar document. The Town will not consider allowing any unrestricted, market-rate DU to be constructed.
- The Town is primarily interested in projects that comply with the Development Code and do not rely on State Housing Density Bonus Law. The Town shall approve the final project density and number of DU prior to the contribution of the property (ownership transfer).
- The affordability requirements shall remain in place for a minimum of 55 years for rental housing and 55 years for ownership housing, with renewal upon sale of the DU, and shall be evidenced by a recorded deed restriction.
- The builder/developer shall demonstrate the ability to commence construction of the property no later than **July 1, 2026**, and shall thereafter proceed without interruption, except for impacts due to weather or other Acts of Nature.
- The Town will have the right to reclaim the property if the selected bidder has not commenced construction of the first phase of the Project in a timely manner or that construction of a project thereafter ceases for any reason other than weather delays or other Acts of Nature for a period of 90 days or more once construction has commenced.

The RFIQ asked that respondents include in their letters of interest the following information in the order shown:

- A. Builder/Development Team – Describe the builder/development team that would enter negotiations with the Town of Truckee. Include any joint venture or other partners to the extent known at this time, including the role of each.
 - i. Describe the team's interest in this project.

- B. Experience - Describe the builder/development team's qualifications and experience in performing similar work.
- i. Describe up to three examples of specific projects the team, or members of the team, have completed, including project name and address. Describe the team/ applicable team member's role in each project.
 - ii. Include any experience with local projects, and/or projects in a mountain community environment.
 - iii. Include any experience working collaboratively with local government or community organizations.
 - iv. Include team's experience incorporating active public participation into the land use application and planning process.
 - v. Provide up to three (3) references from related projects, including date of project, contact person and phone number, and a brief project description.
- C. Preliminary Project Timeline and Tasks - Provide a detailed preliminary project timeline with tasks indicating how the team would plan to approach the project including major project milestones.
- D. Development concept - Describe the team's vision for the project (i.e.-provide a conceptual project description, including how the project would provide affordable housing for Truckee's local workforce). Include concepts for the number of DU or an anticipated range of DU and any unique/innovative green building components.

The builder/developer selection criteria outlined in the RFIQ were as follows:

- Interest in a collaborative partnership with the Town to complete this project
- Experience and performance on similar or equivalent projects, including working in partnership with local governments
- Experience completing projects in a mountain town environment
- Familiarity with the unique characteristics of Truckee or a similar mountain community
- Clarity of the overall project goals, including a strategy for carrying out the project
- Alignment of team's development concept with Town's project goal of providing new deed-restricted affordable/workforce housing in Truckee.
- Results of reference checks

The letters of interest and qualifications received from the three builder/developers are included as Attachments 1a-1c. Following an evaluation of the RFIQ responses in December, all three builder/developer groups were invited to interviews with the Town's RFIQ review committee. Interviews occurred during the first half of January. The Town's review committee was comprised of three members of Town staff (Senior Planner Adam Petersen, Assistant to the Town Manager Hilary Hobbs, and Architect/Senior Planner David Tirman) plus two community members with expertise in affordable housing (Chase Janvrin of Placemate) and residential construction (Joan Jones of Jones Corda Construction). The review committee evaluated the letters of interest, the builder/developer qualifications, and interviewed all three firms. The interview panel prepared a scoring matrix to select one of the three builder/developer groups based on the substance of their letters of interest, qualifications, and the interviews as measured against the objective criteria included in the RFIQ. Each review committee member provided an individual evaluation of the three builder/developer groups, which were then averaged to help determine the lead group.

Based on this methodology, Paradigm8/Sagemodern were identified as the leading building/development team that met the requirements in the RFIQ, demonstrated a planned development concept that would

achieve 12 units of workforce housing, and demonstrated commitment and ability to construct the project based on recent previous success with the Industrial Way Townhomes.

The Paradigm8/Sagemodern proposal included a more aggressive timeline that called for a summer 2025 construction start subject to final approval of the DDA, project entitlements, and permits by mid-July of this year. Although the review committee and Paradigm8/Sagemodern discussed how best to work toward that end, the target construction start date of no later than July 1, 2026, appears to be more realistic considering timeline constraints, including the seasonality of when construction can start. Paradigm8/Sagemodern's RFIQ submission described a joint venture that would include project design, engineering, financing, rental operations, and asset management upon project completion. Like the approach taken on the Industrial Way workforce housing project, the group proposed partnering with the Truckee Tahoe Workforce Housing Agency (TTWHA) to help guide the design of Edmunds Lofts, identify potential Truckee workforce tenants, and help facilitate the rental process. In terms of affordability levels, the preliminary project proforma assumed three studios and nine one-bedroom units with rental rates of \$1,550/month for the studios and \$2,150/month for the one-bedroom units, which fall within an 80 to 100 percent Nevada County area median income (AMI) range.

It should be noted that the details described above may be refined and would be reviewed in further detail to encapsulate in the Development and Disposition Agreement between the development team and Town.

Staff note that all three development teams submitted thoughtful project proposals which staff believe could result in the construction of workforce housing and demonstrated that, at least initially, the private-public partnership could be a successful, viable path for future projects. Staff wishes to extend appreciation to all the development team members that participated in this process, as well as to Placemate and Jones Corda Construction for their support in selecting a recommended development team.

Requested Direction and Summary

Based on the review committee's evaluation and ratings, staff recommends that the Council approve staff's recommendation and selection of Paradigm8/Sagemodern as the private sector builder/developer team with whom to negotiate a DDA for the construction of the Edmunds Lofts workforce housing project. Staff also recommends that Council direct staff to negotiate a DDA with Paradigm8/Sagemodern to outline the transfer of land, agree on the unit mix constructed, town support in this process, deed restrictions, affordability, and timeline. This would lay the necessary foundation for the builder/developer team to begin planning, designing, working with the Town on entitlements and permitting, financing, and constructing workforce housing on the Edmunds Drive parcel.

The Edmunds Loft project is a pilot private/public partnership and as such, staff feels it is imperative to provide on-going updates to the Council and community as we move through this process, lessons learned, what is successful, what has been challenging, etc. With this philosophy in mind, with Council approval and direction as outlined in this staff report, staff proposes to return to Council with a proposed Disposition and Development agreement for Council approval at an upcoming council meeting.

Furthermore, should the Edmunds Lofts public-private partnership prove to be a successful model, it could offer pertinent lessons for both the Town and the builder/developer community regarding the development of higher density workforce housing on other appropriately zoned, strategically positioned parcels in Truckee.

Priority:

<input type="checkbox"/>	Enhanced Communication	<input 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: This work has been funded through the Planning Division's General Fund allocation and through Council-adopted CIP 2013 (Capital Improvement Program 2013), Housing Development on Town Land.

Public Communication: This staff report.

Attachments:

1. November 20, 2024, Edmunds Lofts Builder/Developer Letters of Interest and Qualifications
 - a. GLA Morris / Crestwood Construction
 - b. Mountain Lake Partners
 - c. Paradigm8 / Sagemodern
2. October 16, 2024, Edmunds Lofts Request for Interest and Qualifications (RFIQ)
3. June 25, 2024, Town Council Staff Report