



Date: May 24, 2022

Honorable Mayor and Council Members:

Author and title: Hilary Hobbs, Assistant to the Town Manager

Title: **Below Market Rate Housing Program Administration- Contract Award**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: Authorize the Town Manager to enter into a contract with HousingINC for a not to exceed amount of \$60,500 to administer the Below Market Rate Housing program through June 30, 2023.

Discussion:

INTRODUCTION

Increasing the inventory of rental and ownership homes available to community members living and working in Truckee is one of Town Council's priorities. To address this priority and ensure the long-term availability of workforce housing in Truckee, on March 8, 2022, Town Council approved Program Guidelines for a new deed restriction purchase program called the Below Market Rate Housing Program (See **Attachment 1: March 8, 2022 Staff Report and Attachment 2: Program Guidelines**).

A Deed Restriction is a tool that helps preserve a housing unit as a primary residence through legal requirements that run with the property for the fifty-five-year term of the restriction. The Below Market Rate Housing Program will include income requirements, a full-time residency requirement, and a requirement for employment or a job offer within the Tahoe Truckee Unified School District regional boundary.

On March 8, 2022, Town Council also directed staff to request proposals for a third-party administrator to operate the new 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 reviewed HousingINC's proposal and met with representatives from the firm. 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. For these reasons, staff recommend selecting HousingINC as the Below Market Rate Housing Program administrator.

Recognizing that the volume of both applicants and successful deed restriction purchases is difficult to predict and will vary over time based in part on market conditions, staff recommend establishing a not to exceed contract for the first year. The proposed contract amount is not to exceed \$60,500, including program setup and development and administration through June 30, 2023 (see **Attachment 3: HousingINC Scope of Work and Cost Proposal**)

NEXT STEPS

Following contract execution, staff and HousingINC anticipate that program setup and development will take place this summer with a targeted program launch in late summer.

Priority:

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

Fiscal Impact:

The adopted FY 2021/2022 budget includes \$60,000 in FY21/22 for development of a for-sale deed restriction program (C2014) which provides sufficient funding for the remainder of this fiscal year.

The draft FY 2022/2023 budget for C2014 proposes \$80,000 for Program Administration. This budget provides sufficient funding for the HousingINC contract (\$60,500) as well as set-up costs (estimated at \$3,000) and subscription costs (\$500/ month) for Form Stack, a specialized software program that will be used for BMR Program administration.

Public Communication:

Agenda posting

Attachments:

- 1) March 8, 2022 Staff Report available at:
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59564221&repo=r-6a91ddbc>
- 2) Program Guidelines, adopted March 8, 2022 available at:
<https://www.townoftruckee.com/government/housing/below-market-rate-housing-program>
- 3) Attachment 3: HousingINC Scope of Work and Fee Schedule