



Date: May 24, 2022

Honorable Mayor and Council Members:

Author and title: Isaac Landman, CivicSpark Fellow

Title: **Initial Allocation of Short-term Rental Registration Certificates for Workforce Housing Advancement Program**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: Allocate 45 transient occupancy registration certificates to the Workforce Housing Advancement Program's limited pool.

Discussion:

I. Background

On April 12, 2022, Town Council adopted Ordinance 2022-02 amending the Town's short-term rental regulations. This ordinance established a cap of 1,255 transient occupancy registration certificates for short-term rentals and a created waitlist process once this cap has been reached.

On February 8, 2022, as part of the Short-Term Rental Program Study and Recommendations, Town Council directed Staff to develop a Workforce Housing Advancement Program to incentivize the private sector to contribute to workforce housing solutions. This new Program will set aside a limited pool of transient occupancy registration certificates (referred to as "tokens") to be leveraged as an additional tool in the Town's menu of housing incentives. Properties operating under these certificates would still be subject to all the same requirements as other short-term rentals, including annual registration, operating standards, and remitting transient occupancy tax. See Attachment 1 for a full description of the Workforce Housing Advancement Program concept from the February 8th Council meeting Staff Report.

To facilitate the future Workforce Housing Advancement Program, Ordinance 2022-02 established that Town Council may authorize withholding a certain number of transient occupancy registration certificates from issuance to applicants on the waitlist. These set-aside registration certificates (tokens) can then be issued as incentives to developers of workforce housing. Furthermore, the Ordinance established that Town Council may authorize the issuance of additional transient occupancy registration certificates for the Workforce Housing Advancement Program, such that the cap of 1,255 registration certificates may be exceeded.

Council directed Staff to return to Council after the renewal period for active 2021 registration certificates had closed to recommend an initial allocation of certificates to the Workforce Housing Advancement Program's limited pool. The final deadline for 2021 certificate holders to renew their STR registrations was May 15th, 2022; upon the close of renewal applications, 1,165 registration certificates have been renewed for 2022 leaving 90 certificates available under the cap. It should be noted that between the submittal of this Staff Report on May 16th, 2022 and the date of this Town Council meeting, it is possible that staff may receive paper registrations postmarked on or before May 15th which could lead to a slight modification in the total number of certificates available under the cap. The purpose of

this agenda item is to consider the initial allocation of registration certificates to the Workforce Housing Advancement Program pool. Staff recommends that 45 registration certificates be set aside for this program and that the remaining 45 certificates be released through the regular application process. Please see an explanation and justification below.

II. Workforce Housing Advancement Program Pool – Overview and Initial Application

The Workforce Housing Advancement Program is a new and innovative approach to workforce housing creation. Staff are in the process of developing program guidelines as well as a valuation framework (i.e. the number of transient occupancy registration certificate “tokens” that a workforce housing proposal will be offered based on the number of workforce housing units created, unit size, and length of proposed deed restriction on these units). While these details have not yet been determined, setting aside a limited pool of registration certificate tokens to be available when the program launches is recommended to garner private sector interest in the program and set it up for success.

An initial allocation of 45 registration certificate tokens for the Program is recommended in order to provide a balance between this initial program allocation and making 45 registration certificates available to homeowners on the regular transient rental registration certificate waitlist.

Each award of Workforce Housing Advancement Program registration certificate tokens will require Council approval. Each time a program application is brought to Council, Council will also have an opportunity to make changes to the number of tokens available in the Program pool. Should a program applicant bring an offer with a value that Council determines exceeds the number of tokens available, Council may also choose to increase the number tokens in the pool to secure that workforce housing.

III. Next Steps

Staff will return to Council with proposed Workforce Housing Advancement Program guidelines later in the Summer; these guidelines will include a complete valuation framework. If Council approves the Program, it will launch following Council’s decision.

On June 13, 2022, the Town will open registration for the waitlist for the remaining short-term rental registration certificates available to the general applicant pool (i.e. *not* the special Workforce Housing Advancement Program tokens). Complete applications will be processed in the order in which they are received. Anyone interested in receiving notifications regarding short-term rental program updates, including the waitlist registration process, may sign up for e-mail notifications at www.townoftruckee.com/str.

IV. Conclusion:

Staff recommends that Town Council allocate 45 transient occupancy registration certificates to the Workforce Housing Advancement Program pool.

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:

Allocating 45 transient occupancy registration certificate “tokens” to the Workforce Housing Advancement Pool may result in a temporary reduction in transient occupancy tax revenue collected by the Town compared to issuing all available certificates to homeowners on the waitlist, because such Tokens will not immediately be issued and redeemed for registration certificates.

Public Communication:

The idea for the Workforce Housing Advancement Program first came up in a Short-Term Rental Stakeholder Advisory Committee meeting. Staff held one additional advisory session with stakeholders from that group to gather input on the program. The initial program concept was then presented at the February 8, 2022 Town Council meeting.

Attachments:

1. April 12, 2022, Staff Report and Ordinance 2022-02 available at:
<https://portal.laserfiche.com/Portal/DocView.aspx?id=59572515&repo=r-6a91ddbc>
2. February 8th, 2022 Staff Report excerpt recommending development of the Workforce Housing Advancement Program (pages 13-15)