

Property owners, developers may be mandated to pay for affordable housing in Placer County

Publisher's note: *This is one in a series of stories about affordable housing in the Lake Tahoe-Truckee region. All articles may be accessed via the home page under Special Projects, 2017 Affordable Housing.*

By Kathryn Reed

KINGS BEACH – Placer County knows it needs more housing that the “average” worker can afford to buy or rent. Getting more inventory is the problem.

In the last 10 years 400 new housing units have been built in eastern Placer County. The need is for 2,000 units in the North Lake Tahoe-Truckee area, according to officials.



The county is contemplating restructuring fees for those who build in the county. It could be that the eastern and western sides of the county would have different programs.

“The purpose of the studies is to establish the reasonable relationship – nexus – between new residential and non-residential development and the demand created for additional affordable housing, and to determine the maximum justifiable affordable housing fees and present options for possible adoption of fees,” according to the county.

Consultants looked at adding a 2 percent fee to all residential property that changes hands. Commercial property could face a fee too.

Cathy Donovan, housing specialist with the county, last week went over the draft of the Nexus-based Workforce Housing Fee Study that was prepared by MintierHarnish and Hansford, two consulting firms.

The Board of Supervisors in July is scheduled to hear a presentation on the report. Board action is possible in the fall. Right now staff does not know what it will recommend to the electeds.

What is being looked at is fees for market rate properties, but not those wanting to build work force-affordable housing.

“Right now only certain projects are required to pay for affordable housing,” Jennifer Merchant, Placer County deputy CEO based in Tahoe, said.



The Domus development is the newest affordable housing development in Kings Beach. Photo/LTN

People at the meeting expressed frustration with some projects that were built, but neglected to construct the mandated workforce housing.

Consultants are trying to make a case that any new development impacts workforce housing.

Fees collected in the past were able to be used to help build the 77-unit Domus affordable housing complex on Highway 28.

In lieu fees have been part of the county's culture for at least a dozen years. The current requirement on new development mandates building on-site or off-site employee housing, dedicating land for future affordable housing, or paying an in lieu fee.

What the study looked at is how there is an affordability gap between what people can pay and what it costs to build market rate housing. The gap equals the subsidy that would be required to build the project.

"The fee (charged to developers) would go to a housing trust fund and the county can leverage that," Donovan said at the meeting in Kings Beach.

In this region the stats for the number of units sold in 2015 that were built in the last five years show there were zero at \$500,000 or less, 13 in the \$500,000-\$1 million range, 30 in the \$1 million-\$2 million category, and 53 were greater than \$2 million.

Clearly, housing for the worker making minimum wage or thereabouts is not part of the mix.

A real estate agent at the meeting said Kings Beach will lose about 100 affordable units in the next year because an investor is coming in to eliminate what exists and doesn't plan to replace it with the same type of housing.

Notes:

- Comments on the study may be sent to Shawna Purvines at spurvine@placer.ca.gov.