



# MOUNTAIN HOUSING COUNCIL OF TAHOE TRUCKEE

## Policy #1 Recommendation

### Achievable Local Housing

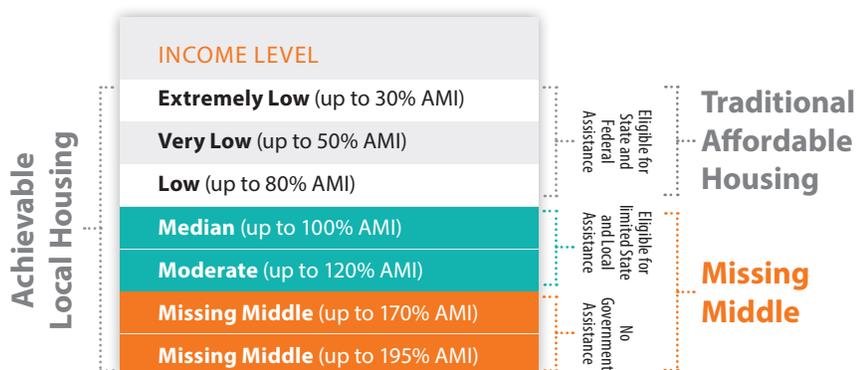
## ISSUE

The 2016 Regional Housing Study shows an unmet need for about 12,160 housing units to serve the local workforce of the region.<sup>1</sup> Of those units, over half (57%) are needed for households earning moderate incomes (> 80% AMI) or above.

There are no federal and very few state and local subsidy programs which provide financial support for housing programs serving households earning more than 80% of the area Median income (AMI) and there are no government subsidy programs for the Above Moderate (> 120% AMI) income level households. In North Tahoe-Truckee, a household of four needs to make more than 195% AMI to afford an average market-rate home priced at about \$538,000 as of 2016. In order to begin to serve a range of housing needs in the area, a new way of defining and addressing the need is required.

## RECOMMENDATION

The Mountain Housing Council of Tahoe Truckee is putting forward this Policy Recommendation to more accurately define the range of housing needs in the area as **Achievable Local Housing**. **This means that along with the traditional affordability levels of very low and low (up to 80% AMI), the new definition expands affordability levels to include** households earning between 80% – 195% AMI levels. Adoption of the new definition will improve the region's ability to address the true housing needs for a wider range of income levels.



### AREA MEDIAN INCOME (AMI)

The household income for the median — or middle — household in a region. The US Department of Housing and Urban Development (HUD) publishes this data annually for regions; data varies by household size. The California Department of Housing and Community Development (HCD) makes minor adjustments based on regional factors to these numbers prior to publishing.

### UNDERSTANDING LOCAL AREA MEDIAN INCOME (AMI)

Exact household AMI is determined by county and household size.

#### EXAMPLES:

- ▶ Nevada County AMI for family of four: \$73,500 (2017)
- ▶ Placer County AMI for family of four: \$76,100 (2017)

For more details see pp. 16 & 17 in Policy Brief.

<sup>1</sup> Truckee/North Tahoe Housing Study Bay Area Economics 2016

# RATIONALE

Housing solutions for Lower income earners ( $\leq 80\%$  AMI) remain a priority for the region, as these households will essentially never be able to purchase a home with affordability gaps exceeding \$300,000. Researchers at the University of California Berkeley studying the San Francisco Bay Area housing market found that although subsidized housing has twice the impact of market-rate units, both market-rate and subsidized housing work together to reduce displacement pressures at the regional level. The findings support the need to produce more housing at all levels of affordability in strong-market regions like the North Tahoe-Truckee Region to ease housing pressures. When there is a lack of housing relative to demand for housing, prices for all types of housing rise.<sup>2</sup>

The Mountain Housing Council **Policy Brief** provides more in-depth analysis of the challenge in our region and justification for the recommendation that local jurisdictions adopt a new definition of **Achievable Local Housing** to include moderate and above moderate income households.

## USE OF THE POLICY RECOMMENDATION

Adoption of the new definition by each of the Council member jurisdictions will require separate and specific implementation. Approval of the Policy Recommendation by the Mountain Housing Council does not legally obligate any of the Council member jurisdictions to implement the Policy Recommendation.

# ABOUT THE MOUNTAIN HOUSING COUNCIL

The Mountain Housing Council of Tahoe Truckee, a project of the Tahoe Truckee Community Foundation, brings together 25 diverse key stakeholders to take on the unique and pressing challenges of housing in the North Lake Tahoe-Truckee Region. The MHC's goal is to build on needs identified in the 2016 Regional Housing Study and accelerate regional solutions to housing problems of availability, variety, and affordability.

## IMPLICATIONS

It is up to each of the 25 Mountain Housing Council members to implement the Achievable Local Housing Policy Recommendation as they see fit. The goal of this Policy Recommendation is to catalyze local solutions to serve housing needs where state and federal funding falls short.

<sup>2</sup> Miriam Zuk and Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," Institute of Governmental Studies Research Brief (Berkeley: UC Berkeley), 2016

## VISION

All people that work and live in the North Tahoe - Truckee region have access to diverse, quality, and achievable local housing.

## MISSION

To accelerate solutions for achievable local housing for those that live in the North Tahoe - Truckee Region.

## PARTNERS

### LOCAL GOVERNMENTS

Nevada County  
Placer County  
Town of Truckee

### SPECIAL DISTRICTS

North Tahoe Public Utility District  
Squaw Valley Public Service District  
Tahoe City Public Utility District  
Tahoe Forest Hospital District  
Tahoe Regional Planning Agency  
Tahoe Truckee Unified School District  
Truckee Donner Public Utility District  
Truckee Tahoe Airport District

### CORPORATE PARTNERS

Squaw Valley | Alpine Meadows  
Vail Resorts | Northstar California

### NONPROFITS

Family Resource Center of Truckee  
Mountain Area Preservation  
North Tahoe Family Resource Center  
Tahoe Prosperity Center  
Tahoe Truckee Community Foundation

### NETWORKS

Community Collaborative of Truckee Tahoe  
Contractors Association of Truckee Tahoe  
North Lake Tahoe Resort Association  
Sierra Business Council  
Tahoe Donner Homeowners Association  
Truckee Chamber of Commerce  
Tahoe Sierra Board of Realtors

