

**TOWN OF TRUCKEE
SHORT-TERM RENTAL WORKFORCE HOUSING
TOKEN PILOT PROGRAM APPLICATION**

Section 1: Program Description

The Short-Term Rental Workforce Housing Token Pilot Program (Token Program) is a new and innovative approach to workforce housing creation. The Truckee-North Tahoe region is experiencing a significant shortage of rental and for-sale housing affordable to people with jobs in Truckee and surrounding communities. The Town of Truckee is proactively working to address this shortage on numerous fronts. The Token Program is intended to incentivize the creation of workforce housing by offering in-kind payment in the form of Tokens, which are redeemable for a Transient Occupancy (Short-term rental) Registration Certificates.

In 2022 Town Council adopted amendments to the Town of Truckee Short-term Rental Ordinance including a cap of 1,255 Transient Occupancy Registration Certificates, which has resulted in a waitlist for new Certificates. The amended ordinance allows that the Town may withhold a certain number of registration certificates from issuance to applicants on the waitlist and may utilize such certificates as “tokens” to incentivize the creation of workforce rental housing units. The Town may award a total of up to twenty-five tokens through this RFP process.

You may propose to offer either an existing housing unit(s) or newly constructed housing unit(s) as workforce housing for this program. The workforce housing unit must be located within the Town of Truckee boundaries, may not have any open code violations, and may not have an existing, similar deed restriction in place. If your proposal is selected, to receive the Token incentive you will be required to deed restrict the workforce housing unit(s) for a term of fifteen years, which sets legal limits on the use of the property for that term. Each Token is valid for the fifteen-year length of the corresponding deed restriction, entitling the Token Holder to one Transient Occupancy Registration Certificate. The value of a Token is that the Token Holder may receive a Transient Occupancy Registration Certificates without being subject to the waitlist. All other short-term rental program requirements will still apply. During the Token’s fifteen-year term, the Token may be re-used between eligible short-term rental properties and can be transferred (ie. sold, traded, or otherwise conveyed) to another entity.

Section 2: Deed Restriction Requirement Summary

A deed restriction is a binding agreement that places long-term restrictions on a property, including residency, income, and local employment requirements. In exchange for an agreed upon number of Tokens, the Token Program participant will agree to restrict the future use of the workforce housing unit for a term of 15 years. The deed restriction will remain in place, even if the deed restricted housing unit is sold or transfers title during the fifteen-year term. For the duration of the deed restriction, the workforce housing unit must be used as a long-term rental, meeting the following requirements:

Tenant Requirements:

- At least 50% of adult tenants working full-time (at least 20 hours per week) within the boundaries of the Tahoe Truckee Unified School District boundary.

- The Token Program maximum household income cannot exceed 150% of area median income (AMI) average per adult, however the program applicant may propose a lower AMI maximum for their housing unit(s). (*note*: As of February 2023, 150% AMI is \$103,350 per adult in Nevada County. AMI is updated annually by California Department of Housing and Community Development. More information on AMI is available [here](#)).
- All household members shall occupy the unit as their primary residence (defined as a minimum of 10 months per year)

Lease Requirements:

- Minimum lease term of 12 months,
- Monthly rent for the workforce housing unit must be affordable based on the maximum AMI in the deed restriction,
- The workforce housing unit cannot be short-term rented or rented as a bed and breakfast inn.

If the owner of the Workforce Housing Unit defaults on the Deed Restriction, the Town will revoke all Tokens that are in possession of the Owner. The Owner will also be prohibited from participating in the Token Program or obtaining a Certificate for 5 years from the date of default. In the event that one or more Tokens associated with the Deed Restriction in default have been sold, traded, or transferred, the Owner will be required to pay \$25,000 per such Token.

See *Attachment 2: Program Guidelines, Section 4.2: Deed Restriction Requirements* and *Attachment 3: Draft Deed Restriction* for the full list of requirements, including workforce housing unit requirements, monitoring, refinancing, and resale.

Section 3: Use of Token Summary

The Town of Truckee will issue the agreed-to number of Token(s) to the selected applicant following receipt of a final certificate of occupancy for the workforce housing unit and recordation of the deed restriction. The selected applicant can redeem a Token for a Transient Occupancy Registration Certificate to be used on an eligible short-term rental property of their own or can sell, trade, or transfer the Token to another recipient who becomes the Token Holder. The Token Holder can cancel the Certificate associated with a short-term rental property and apply to re-use that Token for a different eligible property. Each Token can be transferred between Token Holders one time per calendar year. It can be used to register two different eligible short-term rental properties per calendar year, including (i) The registration or registration renewal of the Short-term rental at the beginning of the calendar year; (ii.) The Re-use of a Token, wherein the Token Holder cancels the registration certificate associated with the Token and applies the Token to register a new Short-Term Rental Property that they own; or (iii.) the registration of a Short-Term Rental Property following the transfer of the Token to a new Token Holder. Short-term rental properties that receive a Certificate through the Token Program are subject to all requirements of Town of Truckee Municipal Code

- A. Each Token expires at the end of the fifteen-year deed restriction for the workforce housing unit associated with that Token, and the associated Certificate will immediately expire.
- B. At the end of the Term, by mutual agreement of the Town and the Owner the deed restriction and Token may be extended for an additional term.

- C. Tokens that are inactive (i.e. not redeemed for a Transient Occupancy Registration Certificate) for 36 months will be voided by the Town, but the deed restriction will remain in place for the full term.

See Attachment 2: *Program Guidelines, Section 6: Tokens* for the complete description of the use of Tokens.

Section 4: Selection Process

Due to the variance in the local short- and long-term rental markets, the Token Program does not have a set exchange ratio of tokens per workforce housing unit provided. Instead, applicants are invited to submit the number of tokens they would be willing to accept for each proposed housing unit. The Town may award a *total* of up to twenty-five tokens through this application process. More than one proposal may be selected.

4.A Proposal Contents

Complete Attachment 1: Token Program Application Form. Proposals should include:

- APN Number and/or address
- Number of workforce housing units proposed
- Unit size: square feet
- Unit size: Number of bedrooms
- Tenant income cap (AMI) - maximum 150% AMI average per adult
- Project status
- Workforce housing unit sustainability features
- Number of Token(s) applicant is proposing in exchange for workforce housing units

4.B Proposal review and selection process

Town staff and an ad hoc committee will review proposals based on selection criteria discussed below for Token Program suitability. All proposals that meet minimum qualifications will be presented to Town Council along with staff recommendations for allocation of Tokens. Town Council will give final approval to select proposals and allocate Tokens.

The Town reserves the right to request that an applicant provide additional information following the proposal due date, to negotiate modifications to the applicant's proposal, or to reject any and all proposals.

Section 5: Selection Criteria

The review committee will evaluate each eligible proposal based on the following criteria:

- Project readiness (i.e. for new construction, proposed housing units will be prioritized if construction is closer to completion)
- Tenant income limit (maximum AMI is 150% average per person; applicant can propose a lower income cap. A lower income cap will be considered as a preferential criterion).
- Proposed ratio of unit size (i.e. number of bedrooms) to tokens
- Workforce housing unit sustainability features
- Current use of housing unit: prioritize conversion of existing units to long-term housing

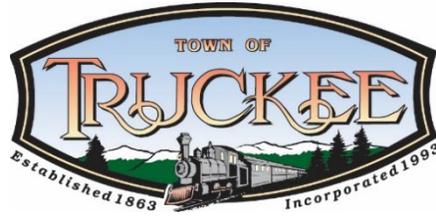
Section 6: Application Submittal

Applicants shall submit the Token Program Application Form (Attachment 1) via electronic format to: lbaumgartner@townoftruckee.com. Please direct all questions regarding the Token Program to Lynn Baumgartner, Program Analyst II at lbaumgartner@townoftruckee.com or 530-582-2492. For more information, visit www.townoftruckee.com/token.

Applications will be reviewed upon receipt by Town Staff, and all applications that meet minimum qualifications will be brought to Town Council for review at least once per quarter. This is a rolling application process open through June 30, 2024, as long as Tokens remain available.



Fair Housing Laws apply to all of the housing programs at the Town of Truckee. The Law prohibits discrimination in housing based on: Race, Color, National origin, Religion, Sex and more. For more information, visit <http://www.fairhousingnorcal.org/california-and-local-fair-housing-rights.html>.



Town of Truckee
Short-Term Rental Workforce Housing
Token Pilot Program Application

Section 1: Applicant Information

1. Applicant name:

2. Applicant type:

- Individual
- Business-*select business type*
 - Sole Proprietorship
 - Partnerships
 - Corporations
 - S Corporations
 - Limited Liability Company (LLC)

3. Contact Information:

Contact Name:

Mailing Address:

Email Address:

Phone Number:

Section 2: Workforce Housing Unit(s) Description

4. Address(es):

5. APN(s):

6. Please fill out the following table for the Housing Units on the Property you proposed to deed restrict through the Token Program:

If you are proposing to deed restrict more than ten units, please attach the relevant.

	<i>Square Footage</i>	<i>Number of Bedrooms</i>	<i>Description: Include home type (Single Family, Townhome, ADU, etc), Year of construction, and any other distinguishing features</i>	<i>Proposed AMI Cap*</i>	<i># of Tokens requested</i>
<i>Unit 1</i>					
<i>Unit 2</i>					
<i>Unit 3</i>					
<i>Unit 4</i>					
<i>Unit 5</i>					
<i>Unit 6</i>					
<i>Unit 7</i>					

** The Token Program maximum household income cannot exceed 150% of area median income (AMI) average per adult. However, you may propose a lower AMI maximum for their housing unit(s)*

Section 3: Workforce Housing Unit Sustainability Features:

7. Sustainable Location Features (check all that apply)

- Within ½ mile walking distance of a transit stop
- Within ½ mile walking distance of a recreation site, park, or trail
- Within ½ mile walking distance of a school or senior center
- Within ½ mile walking distance of a grocery store, market, or farmers market
- Within Gateway or Downtown neighborhoods
- On-site amenities (childcare, after school program, etc.)

Details:

8. Sustainable Building Features (check all that apply):

- Sustainable building methods (beyond CA Building Code Standards)
- Recycling and on-site composting program planned
- All electric
- Rooftop photovoltaic system
- Bike share or bike storage program planned that exceeds Development Code requirements

Details:

4. Existing Workforce Housing Unit(s)

Please fill out this section if the Workforce Housing Unit(s) you propose to deed restrict are existing units. If they are new construction only, please skip to section 5.

9. Which of the following best describes your ownership/ site control of the existing Unit(s) you plan to deed restrict through the Token Program?

- Applicant has fee title to the Property
- Applicant is in escrow on the Property, financing secured
- Applicant is in escrow on the Property, financing not complete (please explain)

- Other (please explain)

10. What is the current/most recent previous use of existing Unit(s)?

(e.g. short-term rental, long-term rental, vacation house, owner-occupied primary residence, unknown, etc.)

5. New Construction Workforce Housing Units

Fill out this section if the units you propose to deed restrict are new construction.

11. Has the new construction Workforce Housing Unit(s) you plan to deed restrict through the Token Program gone through the entitlement process?

Yes

No

12. Describe the construction status of your Workforce Housing Unit(s)

13. What is the anticipated date for the Certificate of Occupancy for your Workforce Housing Unit(s)?

14. Project financing status:

Fully funded

Financing not complete (please explain)