



# 2025 General Plan

## Affordable Housing In-Lieu Fee Program

### Draft Outline

Reviewed by Affordable Housing Work Group  
September 6, 2007

#### **Part 1 – Policy Approach**

- Fee Methodology

*Should the in-lieu fee be the difference between the costs of developing an affordable housing unit and the affordable rent or sales price that can be received from the affordable unit?*

*In a simple approach, should the in-lieu fee be the difference between the median home price in Truckee and the affordable sales price of an affordable unit? The difference between the market-rate price of the affordable unit and the affordable sales price?*

*Should there be separate in-lieu fees for inclusionary housing projects, including separate fees for rentals and for-purchase projects, and workforce housing projects or should there be one “blended rate” fee?*

- Amount of Fee

*Should the in-lieu fee cover the full gap between a market-rate unit and an affordable unit?*

*Should the in-lieu fee take into consideration the ability of affordable housing developers to leverage other funds?*

*Should the in-lieu fee be an incentive, disincentive, or neutral for developers to construct affordable housing?*

*Should the in-lieu fee take into consideration the time-lapse between payment of the fee and the construction of affordable housing funded by the fee?*

*Should the in-lieu fee include an administration fee?*

#### **Part 2 – Amount of Fee**

- Inclusionary Housing Projects
  - Rental Units
  - Homeowner Units

- Workforce Housing Projects
- Fractional Fees
- Reduced Fees for Small Projects
  - Inclusionary Housing Projects
  - Workforce Housing Projects

*Council Comment: For a residential development project allowed to pay an in-lieu fee, consider a sliding fee scale and/or fee exemption for the first two units to achieve equivalency of incentives across all sizes of projects.*

*Council Comment: Consider the fiscal impacts of affordable housing requirements and in-lieu fees on small projects and on owner-builder projects.*

### **Part 3 – Guidelines and Procedures**

- Procedure for annual review and update of the fee
  - Inflationary Adjustments including methodology / measure for determining adjustment
  - Comprehensive Updates
- How to Calculate Fee
- Annual Report
- Appeals

### **Part 4 – Affordable Housing Fund**

- Administrative agency
- Purchase of Affordable Housing Credits
- Use of fees outside the Town

*Working Group Comment: The Town Attorney should provide information on the legality of using Town in-lieu fees and affordable housing funds outside the Town of Truckee.*

- Affordable housing programs and projects that may be funded by the fee

*Working Group Comment: Town staff should provide information on how Town funds are invested and the type and amount of return that may be anticipated.*

*Work Group Comment: The policies of other agencies in the Truckee region on the use of in-lieu fees and affordable housing funds outside the agency's geographic jurisdiction should be reviewed and evaluated when determining Town policies and procedures on the use affordable housing funds outside the Town.*