



Workforce Housing Ordinance

Affordable Housing Working Group Final Recommendation – April 17, 2008

Chapter 18.216 - Workforce Housing

Sections:

- 18.216.010 – Purpose of Chapter
- 18.216.020 – Administrative Guidelines and Procedures
- 18.216.030 – Administrative Fees
- 18.216.040 – Workforce Housing Requirements
- 18.216.050 – Development Requirements
- 18.216.060 – Bonuses, Incentives, and Concessions
- 18.216.070 – Affordability Controls
- 18.216.080 – Workforce Housing Plan
- 18.216.090 – Adjustments and Waivers

18.216.010 – Purpose and Intent

- A. The purpose of this chapter is to establish a workforce housing requirement or an in-lieu fee for commercial, industrial, and other non-residential development projects to mitigate the impacts caused by these development projects on the additional demand for more affordable housing.
- B. It is intended to implement the Housing Element of the General Plan to ensure an adequate supply of housing to meet the housing needs of all segments of the community and provide a permanent supply of affordable housing to meet the needs of very-low, low-, and moderate-income workers generated by new commercial, industrial, institutional, recreational, and residential resort projects.
- C. It is intended to implement Housing Program 1.3.4 of the Housing Element of the General Plan to balance the need for workforce housing for commercial, industrial, and other non-residential development with the other goals and policies of the General Plan including the goals and policies of the Economic Development Element.
- D. It is intended for the Town Council to conduct an annual review of this Chapter and its implementation to consider whether amendments are needed.

18.216.020 – Administrative Guidelines and Procedures

The Council shall by resolution adopt guidelines and procedures consistent with the terms contained in this Chapter, as the Council determines to be necessary or convenient for the implementation and administration of this Chapter.

18.216.030 – Administrative Fees

The Council may by resolution establish reasonable fees for the administration of this Chapter.

18.216.040 – Workforce Housing Requirements

A. Workforce Housing Required. All commercial, industrial, institutional, recreational, residential resort, and other non-residential projects not exempt under Subsection _ shall include or provide workforce housing as set forth in this Chapter.

B. Number of Workforce Housing Units.

1. A development project shall construct and complete one workforce housing unit for each seven full-time equivalent employees calculated for the project. For fractions of workforce housing units, the developer may elect, at his or her option, to construct the next higher whole number of affordable units, perform an equivalent alternative which has received the approval of the review authority pursuant to Subsection E, or pay the in-lieu fee specified in Subsection F for such fraction.
2. All workforce housing units shall have at least one bedroom, and 50% or more of the workforce housing units shall have two or more bedrooms.
3. The review authority, at its discretion, may reduce the number of required workforce housing units if the units have more than two bedrooms and/or are specialized dwellings (e.g., dormitories) and the review authority finds that the units will accommodate an equal or greater number of employees than compliance with the express requirements of Subsection 2.

C. Employee Generation. For the purposes of this Chapter, employees generated by a development project shall be calculated as follows:

1. The standard number of full-time equivalent employees (FTEE) generated by a land use type shall be:

<u>Land Use</u>	<u>FTEE</u>
Commercial including retail, service, office, and restaurant	1 FTEE per 500 s.f. of gross floor space
Industrial, not including uses with substantial outdoor work or activity areas	1 FTEE per 1,000 s.f. of gross floor space
Visitor Lodging	As determined by review authority based upon comparison with similar businesses
Uses Not Listed	As determined by review authority based upon comparison with similar businesses

2. A developer of a development project may submit an independent calculation of the number of employees generated by the proposed development to be used in

place of the employee generation rates. Approval of the resulting calculation shall be at the discretion of the review authority. Seasonal full-time employees will be counted as 0.50 of a full-time equivalent employee. Part-time employees will be counted based on the number of hours worked per hour for a 40-hour work week (e.g., a part-time worker who works 30 hours per week would be counted as a 0.75 FTEE).

D. Affordability of Workforce Housing Units.

1. The workforce housing units may be available for sale or for rent. The workforce housing units shall be available at affordable rents or affordable sales price as follows:
 - a. For ownership units, 100% of the units shall be affordable to moderate income households, or one-third of the units shall be affordable to low income households, one-third shall be affordable to moderate income households, and one-third shall be affordable to above moderate income households.
 - b. For rental units, 100% of the units shall be affordable to low income households, or one-third of the units shall be affordable to very low income households, one-third shall be affordable to low income households, and one-third shall be affordable to moderate income households.
2. These requirements are minimum requirements and will not preclude a development project from providing additional affordable units or affordable units with lowers rents or sales prices than required by this Chapter. The income targets for determining the rent or sale price may be modified through an alternative equivalent action.

E. Alternative Equivalent Proposal.

1. A developer of a development project may propose to meet the requirements of this Chapter by an alternative equivalent action, subject to review and approval by the review authority of the project. A proposal for an alternative equivalent action may include, but is not limited to, the construction of workforce housing units on another site within the Truckee region; the dedication and conveyance of land to the Town or its designee; purchase of workforce housing credits from other development projects with excess affordable units; and acquisition and enforcement of required rental and/or sales price restrictions on existing standard market-rate dwelling units. A proposal for an alternative equivalent action may also address, but is not limited to, tenure of units, higher or lower rents or sales prices, and a lesser or greater number of affordable units.
2. An alternative equivalent proposal shall be considered on a case by case basis by the review authority and may be approved at the review authority's sole discretion, if the review authority finds that such alternative will further affordable housing opportunities in the Truckee region to an equal or greater extent than compliance with the express requirements of Subsections B and D. For dedications of land, the review authority shall find that the land is suitable for the construction of affordable housing and is of equivalent or greater value than is

produced by applying the express requirements of Subsections B and D. In making these findings, the review authority may consider the type of non-residential use(s) being proposed in the development project and whether workforce housing constructed within or adjacent to the development project would be compatible with such uses.

F. In-Lieu Affordable Housing Fee.

1. A developer of a development project may propose to meet the requirements of Subsections B and D by submitting at the time of application for a discretionary or building permit, whichever comes first, a request to pay the in-lieu fee.
2. Such proposals for payment of an in-lieu affordable housing fee shall be considered on a case by case basis by the review authority and may be approved at the review authority's sole discretion, if the review authority finds that the payment of the in-lieu fee will further affordable housing opportunities in the Truckee region to an equal or greater extent than compliance with the express requirements of Subsections B and D.
3. Notwithstanding the requirements of Subsection 2, the payment of an in-lieu affordable housing fee for a development project which generates less than 14 fulltime equivalent employees shall be at the discretion of the developer.
4. The amounts, calculation, and timing of payment of the affordable housing in-lieu fee shall be established by resolution of the Town Council.

G. Exemptions. The following development projects shall be exempt from the requirements of this Chapter:

1. Residential development projects which do not include a resort, commercial, or community amenity use that will generate employees.
2. Development projects that generate less than seven fulltime equivalent employees as determined in accordance with Subsection C.
3. The conversion of non-residential floor space from one use to another use whereby the new use generates the same or less number of fulltime equivalent employees than the previous use.
4. Development projects that are the subject of a development agreement currently in effect with the Town and approved prior to the effective date of this Chapter where such agreement expressly precludes the Town from requiring compliance with this Chapter.
5. Development projects which have received approval of the land use and development permit application prior to the effective date of this Chapter.

18.216.050 – Development Requirements

- A. Location of Workforce Housing Units.** Workforce housing units shall be built on site within or adjacent to the development project or offsite in close proximity to the

development project, along or near a major transportation corridor with public transit, and/or near a major service center.

- B. Timing of Development.** Workforce housing units shall generally be constructed and offered for sale or rent in accordance with this Chapter concurrently with or prior to completion of the development project or phase thereof. As used in this Chapter, “concurrently” means that a proportionate share of workforce housing units, including a proportionate share of units by income affordability, must be substantially completed by the time 50% of the development project is occupied. The review authority at its own discretion may approve an alternative timing plan if the review authority finds the alternative timing plan will further affordable housing opportunities in the Town to an equal or greater extent and the completion of the workforce housing units is secured by a performance bond or other similar security.
- C. Building Types and Exterior Appearance.** Workforce housing units shall have exteriors that are visually and architecturally consistent with and similar to market rate units in the neighborhood. Exterior building materials and finishes for workforce housing units shall be of the same type and quality as for market rate units. The building types for workforce housing units shall be compatible with the design and character of the development and neighborhood.
- D. Interior Quality.** Inclusionary units may have different interior finishes, amenities, and features than the market rate units provided the interior finishes, amenities, and features are durable, of good quality, and consistent with contemporary standards for new housing.

18.216.060 – Bonuses, Incentives, and Concessions

The following bonuses, incentives, and concessions shall be made available to development projects constructing all of their workforce housing on site and/or offsite.

- A. Floor Area Ratio.** The development project shall receive an increase in floor area ratio of 0.05, or 2,200 square feet per acre, above that normally allowed by the zoning district applicable to the parcel. Residential floor space shall not be counted toward the maximum allowed floor area ratio.
- B. Priority Processing.** The development project shall be given priority over other types of projects and permits by all Town departments in the processing of land use and development permit applications and building permit applications, and in inspections of the project during the construction process.
- C. Regulatory Concessions.** The review authority, at its own discretion, may reduce regulatory standards of the Development Code and Public Improvement and Engineering Standards (e.g., parking spaces, lot coverage) if the review authority finds that any reduction in the regulatory standards is necessary for the project proposal to accommodate the workforce housing units, will not have a substantial, adverse impact on the neighborhood or surrounding area, and will not result in hazards to the public health or safety.
- D. Deferral of Town Impact Fees.** Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, required at the time of issuance of a building permit shall be deferred for all portions of

the project, including non-residential floor space, to the issuance of the temporary or final certificate of occupancy, whichever occurs first.

- E. Waiver or Reduction of Town Impact Fees and Permit Fees.** The review authority may reduce or waive Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, and Town permit fees in accordance with Town Council policy adopted by resolution.

18.216.070 – Affordability Controls

Workforce housing units shall be restricted in accordance with Chapter 18.210 (Affordable Housing Controls).

18.216.080 – Workforce Housing Plan

- A. Plan Required.** A workforce housing plan shall be submitted with the land use and development permit application for development projects. The workforce housing plan shall be reviewed as part of the land use and development permit application and shall be approved prior to or concurrently with the approval of the land use and development permit application.
- B. Request for Evaluation.** A developer of a development project may submit a “Request for Evaluation of Complying with Workforce Housing Requirements” prior to submittal of a land use and development permit application. The request shall include all information required for a Workforce Housing Plan and any other information deemed necessary by the Community Development Director. The review authority may consider the request and provide comments to the developer on whether the request complies with this Chapter, may comply if revisions are made, or does not comply. Any comments provided by the review authority on the request shall not bind the review authority on any future actions on the Workforce Housing Plan and/or land use and development permit application.
- C. Plan Information.** The Workforce Housing Plan shall include, but not be limited to, the following information in addition to information otherwise required by the Development Code:
1. A site plan and typical floor plans depicting the location, size, structure, proposed use(s), and story and floor layout of the proposed non-residential development;
 2. A site plan and typical floor plans depicting the location, structure, proposed tenure (rental or ownership), story and floor layout, and size of the proposed workforce housing units;
 3. The calculations used to determine the number of required workforce housing units, including floor space of non-residential development, employee generation rates, and employees credited for each workforce housing unit;
 4. The income level targets for each workforce housing unit;
 5. The mechanisms that will be used to assure that the workforce housing units will remain affordable;
 6. A phasing plan for the construction and completion of the non-residential development and the workforce housing units;
 7. A description of any requested bonuses, incentives, and/or concessions;

8. A marketing plan for the process by which qualified households will be reviewed and selected to either purchase or rent workforce housing units;
 9. A description of any provisions providing preference for employees employed by the project to the proposed workforce housing units.
 10. A description of private and public transit services available to the workforce housing residents and a description of the residents' access to transit facilities and services including walking distance and pedestrian improvements between the workforce housing and transit facilities;
 11. Any information necessary to properly describe the alternative equivalent action, if proposed;
 12. Any other pertinent information requested by the Community Development Director.
- D. Plan Approval.** The Workforce Housing Plan shall be approved by the review authority of the land use and development permit application and included as part of the development project as a condition of approval of the land use and development permit.
- E. Plan Modifications.** Any request for a modification to an approved Workforce Housing Plan shall be processed, reviewed, and acted upon in accordance with Section 18.84.070 of the Development Code.
- F. Workforce Housing Agreement.** An agreement implementing the provisions of the approved workforce housing plan shall be prepared, approved, and recorded in accordance with Section 18.210.090.

18.216.090 – Adjustments and Waivers

- A. Developer Request.** A developer for a development project subject to the requirements of this chapter may request of the review authority a reduction, adjustment, or waiver of the requirements based upon a showing of substantial evidence that there is no economically feasible way to comply with the requirements or that compliance with the requirements will not reasonably achieve the purposes for which the ordinance was enacted. Any decision of the review authority must be supported by findings in the administrative record which articulate the reasons for the granting of the waiver, reduction, or adjustment and the evidence in the administrative record supporting the decision to do so.
- B. Developer Burden.** The developer in the request shall set forth in detail the factual and legal basis for the claim of reduction, adjustment, or waiver. The developer shall bear the burden of presenting substantial evidence to support the request including comparable technical information to support the developer's position.
- C. Timing.** To receive an adjustment or waiver, the developer shall submit the request prior to or concurrently with the submittal of the land use and development permit application for the development project. The review authority shall consider and take action on the request prior to or concurrently with taking action on the land use and development permit application for the development project.