

# Group exploring options to solve housing dilemma

**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**

Tackling the South Shore housing crisis from as many fronts as possible is the goal of Progress for Tahoe.

Members of this South Lake Tahoe grass roots group recognize no one solution will solve the problem, but instead are entertaining as many ideas as possible. But they also want to be action oriented. For now, they are still in research mode.

At a meeting last week of the housing subgroup, Bill Roby with the El Dorado Community Foundation talked about his desire to create a land trust that would assess every property that is sold in South Lake Tahoe 3 percent to fund the land trust.

He pointed to other locales on both sides of the United States with similar programs.



Roby's analysis shows that a 3 percent surcharge to every property sold in the city would bring in between \$5 million and \$7 million a year. That money could be used to buy old hotels and turn them into deed restricted apartments.

Voters would have to approve having the equity in their home be spent on paying for someone else to have a place to live instead of being able to take what is rightfully theirs. Then there would be the issue if someone is upside down on a property; they'd be losing even more. Roby is taking his idea to more than a dozen groups in the next few weeks. He was asked to come back to the Progress for Tahoe group to report in what others think of the idea.

El Dorado County Supervisor Sue Novasel wondered if taxing only higher end properties would be better so those who are in affordable housing would not be punished.

Doug Williams, who has worked in the mortgage industry, said sellers will essentially pass this on to buyers via a higher price.

Michael Ward, the consultant working with Novasel's housing task force that is separate from this group, said land trusts work. But he worries an assessment like what Roby is proposing would be a punishment for owners.

"It could crush some purchase for locals," Williams warned of the assessment.

David Orr with Tahoe Mountain Lab brought up the idea of a vacancy tax that would be applied to second homeowners. His calculations are this could generate about \$20 million a year with about a 1 percent tax.

However, California's Proposition 13 would probably now allow for a vacancy tax.

This group has not clearly defined what affordable housing means to the members. They interchanged affordable and work force housing. Technically, there is a legal definition to affordable housing that involves income levels.

An issue throughout the basin is that there will always be

limited supply because there is only so much land that can be developed.

Novasel said this is why area plans, like the one in Meyers that is yet to be completed, should have regulations that allow for higher density. This would help developers be able to build affordable housing.

Some members of the group will be talking to city staff this week to find out what happened to the silent second mortgage program. Others want to address the possibility of neighborhood zones for vacation home rentals.

Troy Mathews, who is on the Lake Tahoe Unified School District board, wants land the district owns to be developed for teacher housing. Students could be working in a vocational setting to learn a trade as the housing is constructed. The problem is the district has limited developable land.

While getting rid of the rundown motels that are labeled single room occupancy or SRO is desirable, it was pointed out that they are profitable for owners. People living there don't have the means for first and last months' rent, plus a deposit so they stay in this SROs.

The Tahoe Regional Planning Agency's commodity regulations is another barrier – for developers and getting rid of SROs. Instead of having a truly free marketplace TRPA has put a value on each hotel room, every residential unit and all commercial floor area – and then has decided how many or much of each is available. Changes to the bi-state regulatory agency's rules are at least a couple years away, and even then there is no guarantee the next incarnation will be transformative.