

Candace Stowell,
Deputy Director, Community Development Agency

For Public Comment

February 1, 2022

RE: Housing Element of Alpine County General Plan

At this point in history, we all know how acute the shortage is of work-force housing in our area. There have been innumerable recent articles written specific to ski and resort areas, which have their own unique problems providing affordable work force housing. In addition, Bear Valley has its own subset of issues pertaining to this topic that Tahoe area ski resorts don't even have.

Bear Valley suffers from an overall lack of housing units in general, whether they are owner-occupied single-family residences, SFR also used as short-term vacation rentals, or dedicated work for housing. Currently, *in Bear Valley there is a single, 1 bedroom condo that is deed restricted for someone who makes their full time living within 5 miles of Bear Valley.*

Many of the ideas being brought forward elsewhere in society right now just aren't applicable to Bear Valley. For example, if implemented here in Bear Valley, Placer County's recent move to cap the number of units of short-term vacation rentals in the Tahoe basin wouldn't add a single work-force housing unit to the Bear Valley stock.

On a Planning level, there are deed restriction requirements in the Development Agreement if someone were to execute the Bear Valley Village development plan. Which is great. However, who knows if this development will ever occur. And these restrictions were only meant to ease the burden of the *additional* work force that will be needed to administer to these mythical new units such as management, housekeeping and maintenance. They wouldn't address the acute shortage that is already here.

In my opinion Alpine County could institute several potential solutions that added all together might help. No one solution by itself will solve our problems.

1. On an immediate level, the County should work to secure **grant funding** (as opposed to low or no-cost loans) to help some entrepreneur physically build work force housing. There is a parcel of land in Bear Valley locally known as "the Benchmark" property that is already zoned and earmarked for work-force housing. There is also a local resident who has shown an interest in executing this. But it does not pencil with private money.
2. Increase the County **real estate transfer tax**. Right now it stands at .0011 of the sales price (\$1.10 per every \$1000 of sales price). By comparison, sales that occur in Alameda County draw a \$12 per \$1000 tax (.012). The State pockets the \$1.10 and the County collects the

- \$10.90 per sale. Increase that here to something meaningful to fund a work force housing fund specifically to build more units. If this had been implemented 20 years ago, the fund would be well stocked by now.
3. Tax incentivize new construction to add an **in-law unit** to every new house built. In the 20 years owning Bear Valley Real Estate we have sold perhaps a dozen homes that originally had rental units on their bottom floors. In every case, the new owners did away with those units and converted the house into a single-family residence. While there is only the occasional house being built in Bear Valley, over time these would add up. In addition, streamline the permit process and incentivize existing units to add in-law units.
 4. **Raise the TOT Tax**, at least to match contiguous Calaveras County at 12%. Although TOT funds go in the General Fund, 2% could be syphoned every year into a County Affordable Housing Fund.
 5. **Incentivize Deed Restrictions.** Aspen offers existing owners a tax break to make their homes/condos Deed Restricted. When they sign up, the owner continue to enjoy their home exactly as they have in the past, while getting a tax break. When they sell, it must sell to someone who meets the deed restrictions.

The Bear Valley Village is currently for-sale, with the fully entitled plan for a new Village and +/- 345 new condos. There is talk that a future buyer will go back in front of Planning to modify the entitlements, possibly to ask to decrease condo density in exchange for a fewer number of single-family home lots. I personally think this is a fantastic idea for several reasons.

However, requiring one out of so many mythical new condos to be deed restricted doesn't really serve Bear Valley. I would instead like to see the hypothetical future applicant be made to either physically build housing, to partner or otherwise contribute to new physical housing, or to pay into a fund whose purpose is to pay for physical new housing.

I was part of the working group along with Brian Peters and Zach Woods to craft the Deed Restrictions that were imposed on the Silver Mountain Condominiums project during their entitlement process. With hindsight, those deed restrictions don't really work for us. They don't directly control the sales price of the unit. They only specify that whoever occupies that unit must make their full time living in the area. Just by chance, that single deed restricted unit is owned by a ski company upper manager who could afford to buy it. None of our Public Safety, or County employees could afford it. Nor could any of my staff at my own business or any other business in Bear Valley.

Thank you for considering my suggestions.

Joel Barnett
Bear Valley Real Estate
Bear Valley Business Association