



Lease to Locals Program

City of South Lake Tahoe Lease to Locals Program Guidelines

1.0 PROGRAM OVERVIEW

Background: The Lease to Locals Program (the “Program”), offers cash incentives to property owners who convert their underutilized housing units to rentals for qualified households. The goal of the program is to increase the supply of rental housing available for moderate and low income households.

Who the Program Serves: The target population served with the Program are households that average no more than 125% of the Area Median Income (AMI) which is \$79,688 (2021 published AMI) for an individual per standards set by the California Department of Housing and Community Development for El Dorado County.

Program Definitions:

Underutilized Housing Unit: For the purpose of the Program, an “underutilized housing unit” is one that is occupied less than full-time and not currently being rented long-term (30 days or more). Examples include rooms in primary homes, short-term rentals, vacation and second homes.

Long-Term Rental: For the purpose of the Program, a long-term lease is defined as 12-months. The goal of the program is to secure long-term leases.

Definition of a Household: For the purpose of the Program, a household is defined as related adults (e.g.family/marriage) or unrelated adults living together in one house. To be considered a household, all residents in the home must live together in a home as their primary residence.

Definition of a Tenant: For the purpose of the Program, a tenant is a single person applying to be matched into a rental unit in South Lake Tahoe for use as their primary residence.

Definition of an Adult: For this Program, Adult is considered 18 years or older.

Definition of a Qualifying Tenants: A child or children in the household can be considered as one additional qualifying tenant.

A qualifying tenant(s) may not be an immediate family member (son, daughter, brother, sister, parent, including step or in-law relations) of the owner.

2.0 PROGRAM ADMINISTRATION

The City will administer the Lease to Locals Program with support from a third-party administrator, Landing Locals. Landing Locals is a California Benefit Corporation, based in Truckee, Calif., with a mission to unlock new rentals for local employees in resort towns.

1. City of South Lake Tahoe Role: The City will oversee and fund the Program. This includes managing a contract with Landing Locals, grant disbursements and program evaluation.
2. Grant Amounts: The City will offer a \$2,000 grant per tenant housed through the Program, with a maximum amount of incentives based on the unit size in the table below. In the case of families with children, in order to encourage rentals to larger families, children under age 18 will be counted as tenants for the purpose of calculating grant payments.
3. Maximum Rental Rate: To ensure affordability the Program requires that units 1 bedroom or greater in size be priced at or below the Maximum Rental Rate called out in the table below. Rooms or Studios do not have a maximum rental rate.
4. Grant Administration: The City will issue grant payments to property owners as follows: 50% of total grant within 30-days of the start of the lease and 50% at successful close of 12-month lease.
5. Grant Disbursements: Prior to grant disbursements, the City will review documentation submitted by Landing Locals including: a copy of signed lease agreement (by landlord and tenant(s)), proof of income for all tenants over 18, homeowner W-9, and check request form.
6. Landing Locals Role: Per the executed annual scope of services and contract, Landing Locals will provide the following services for the Program: program development, customer service, marketing, compliance, reporting, and processing applications per Program Guidelines.

	Monthly Rent Not to Exceed	Maximum number of Grants Per Unit*	Maximum Total Grant Amount per Unit
Room or Studio	N/A	1	\$2,000
1 bedroom	\$3,500.00 per unit	2	\$4,000
2 bedroom	\$3,500.00 per unit	3	\$6,000
3 bedroom	\$3,500.00 per unit	4	\$8,000
4 bedroom or greater	\$3,500.00 per unit	5	\$10,000

* The maximum number of grants possible per unit is based on the size of the unit and number of tenants. For Example, a 3 bedroom unit can qualify for up to 4 grants (\$8,000) if four qualifying tenants rent the property. If a 3 bedroom unit is rented to only 2 qualifying tenants, the property owner would only receive 2 grants (\$4,000).

3.0 PROGRAM DURATION

The Program started on Dec 15, 2021, and it has been extended through the end of 2023. Quarterly, staff will review program progress, housing needs and scope of service from Landing Locals to determine recommendations to City Council on continuance and/or modifications of the Program.

4.0 ELIGIBILITY FOR HOMEOWNERS

- **Grant Application:** Homeowners must submit a complete on-line form and sign a self-certification checklist with Landing Locals and comply with the following criteria to have their home considered for the grant program.
- **Location:** The home must be located within the City limits of South Lake Tahoe.
- **Status:** The home must be a legally permitted dwelling unit and each bedroom in the property must have a door and window.
- **New Rental:** The unit must have not already been an existing long-term rental in the last 18 months, either by long term lease or by month-to-month rental. **The unit must not currently have a long-term tenant(s).**
- **Eligible Properties:** Properties must be single-family homes, townhomes, privately-owned condos or vacant rooms in owner-occupied properties. Multi-family rental properties are not eligible for the program.
- **Ownership:** The applicant must be the owner of the property or able to represent the owner or ownership group legally.
- **Property Condition:** The home or room must meet basic health and safety criteria per CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 13. HOUSING, PART 1.5. REGULATIONS OF BUILDINGS USED FOR HUMAN HABITATION, CHAPTER 2. RULES AND REGULATIONS.
- **Signed Lease Agreement And Complete Lease Packet:** The homeowner must complete the Lease Packet and sign a Lease Agreement with qualified tenants.
- **Successful Six-Month Lease Checks:** Homeowners must successfully meet lease agreements for the full length of the lease and will be checked for compliance, by Landing Locals, via phone/emails interviews, at six months. Failure to meet lease requirements at either of these points could disqualify the homeowner for grant payments.
- **Grant Payments:** The grant payment is made for “Qualifying Tenant(s)”.

Contingency:

- **Change of Ownership:** If the property is sold during the lease period, the lease agreement is broken and the homeowner is disqualified from the Program. In this case, Landing Locals would work to place the tenants into another property or work with new owners to submit an application to the Program. The new owners could qualify for the second half of the grant payment if they continue to rent to the existing tenants for the remainder of the lease in place.
- **Failure to Comply with Lease:** If the homeowner does not meet lease agreements at the six-month mark because of an eviction or move-out, Landing Locals will work with homeowners to rectify the situation. If an agreement cannot be reached, the homeowner will be disqualified from receiving the second installment of the grant disbursements but will not be required to pay back the first installment of the grant.

- **Property Condition:** If the property is deemed in violation of CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 13. HOUSING, PART 1.5. REGULATIONS OF BUILDINGS USED FOR HUMAN HABITATION, CHAPTER 2. RULES AND REGULATIONS the grant payment(s) can be withheld.

5.0 ELIGIBILITY REQUIREMENTS FOR TENANTS

Income Qualification:

The average annual income of all adult residents of a household (related or unrelated) can be no more than 125% of the area median income (\$79,688) as set by CA Dept. of Housing and Community Development.

- Documentation: Each adult applicant in the household must submit the following documentation along with their applications in order to determine total household income:
 - Copy of driver's license or other photo ID for each adult.
 - Verification of annual gross income for each adult as follows:
 - Related households: Tax returns (prior year)
 - Unrelated households. For each adult over 18 need one of the following:
 - Copy of W-2 (1 year)
 - A recent pay stub (past three months) or an offer letter or email from the employer that verifies total annual gross income for the new position.
 - Summary of unemployment benefits for the year
 - Trust fund disbursement statements
 - Spousal support or alimony payments
 - Other explanation of income in a written format

Regional Employment

At least 50% of household adults over the age of 18 years old, shall work at least 20 hours per week for an employer based in the "South Shore" as defined in the South Shore Housing Needs Assessment. While adults not working locally can live at properties participating in the program, only locally employed adults may count towards the property owner receiving the grant.

6.0 PROGRAM EVALUATION

Annually, the Program will be evaluated to ensure City resources are being efficiently utilized. City staff will produce a program report using the following criteria to measure success of the program:

- Number of people served (including children)
- Number of homes unlocked
- Types/Sizes of units unlocked
- Rental prices for each home, average per room
- Income of renters (area median income of each adult in the home) being served
- Number of rentals extended beyond 12-month lease program
- Program participant surveys (homeowners and tenants)