



MEMORANDUM

Date: March 26, 2026

To: Tahoe Transportation District (TTD) Board of Directors

From: Jim Marino, Executive Director

Subject: Update and Possible Action – 771 Southwood Boulevard Parcel Disposition

Action Requested:

Direct staff to work with Federal Transit Administration Region 9 and Reno Housing Authority towards transfer of the 771 Southwood Boulevard Parcel to Reno Housing Authority for purposes of an affordable housing, transit-oriented development project per 49 U.S.C. 5334(h)(1)(B).

Fiscal Analysis and Work Program Impact:

All expenditures associated with this item for the fiscal year are in the approved FY26 budget and Work Program, with corresponding allotted staff time and consultant contract costs.

Background:

At the December 2025 TTD Board meeting, staff presented disposition options for the parcel which included four options for the property under FTA requirements and guidelines:

- **Singular Development Project:** Develop the project as originally submitted in the funding agreement.
- **Joint Development Project:** A public transportation project that integrally relates to, and often co-locates with commercial, residential, mixed-use, or other non-transit development. Joint development may include partnerships for public or private development associated with any mode of transit system that is being improved through new construction, renovation, or extension. Joint development may also include intermodal facilities, intercity bus and rail facilities, transit malls, or historic transportation facilities.
- **Transit Oriented Development (TOD):** Transit-oriented development creates dense, walkable, and mixed-use spaces near existing transit hubs that support vibrant communities. TOD projects include a mix of commercial, residential, office, and entertainment land uses.
- **Real Estate Disposition:** The settlement of the Federal interest in property that is no longer needed for the originally authorized purpose.

The Board directed staff to work with Washoe County and Reno Housing Authority (RHA) towards disposition favoring affordable housing as a Transit Oriented Development (TOD) project. Should Washoe County and RHA not pursue the parcel for affordable housing, staff were directed to bring the item back for discussion regarding potential sale of the parcel.

Under 49 U.S.C. 5334(h)(1)(B), the recipient may transfer assets to local governmental authorities, nonprofit organizations, or other third-party entities for the use of TOD that includes affordable housing with no obligation to reimburse FTA for the Federal interest if, upon FTA's written approval, FTA determines:

- The parcel is a necessary component of the proposed TOD project;
- The TOD project will increase transit ridership;
- At least 40 percent of the housing units offered in the project, including housing units owned by nongovernmental entities, are legally binding affordability restricted to tenants with incomes at or below 60 percent of the area median income and owners with incomes at or below 60 percent the area median income, which shall include at least 20 percent of such housing units offered, restricted to tenants with incomes at or below 30 percent of the area median income and owners with incomes at or below 30 percent of the area median income;
- The parcel will remain in use as described in this section for at least 30 years after the date the asset is transferred.
- The overall benefit of allowing the transfer is greater than the interest of the Government in liquidation and return of the financial interest of the Government in the asset, after considering fair market value and other factors; and the third party has demonstrated a satisfactory history of construction or operating an affordable housing development.

To transfer the FTA-funded property without further obligation to FTA under this provision, 20 percent of the TOD project's total floor area ratio (FAR) must be dedicated to affordable housing. The TOD project must demonstrate an increase in transit ridership by meeting the 20 percent total FAR for affordable housing.

771 Southwood Boulevard is located within the Incline Village Commercial Community Plan. The land use is Commercial/Public service. Permissible uses include transit stations and terminals, employee housing/residential, and a wide variety of commercial, public service, recreation, and resource management uses.

The Incline Village Commercial Regulatory Zone includes the following special designations as defined in TRPA Code of Ordinances Section 11.6.3, Special Designations:

- a) Preferred Affordable Housing Area
- b) Scenic Restoration Area

Parking areas should be developed, taking access from local streets such as Alder Avenue and Incline Way.

Single-family dwellings shall only be allowed when part of a mixed-use development or when restricted as affordable housing.

The parcel size is approximately 280,177 square feet (6.432 acres) consisting of Land Capability 6 and 4.¹

Discussion:

Following the direction of the Board, staff met with Washoe County and Reno Housing Authority to discuss their interest in receiving the parcel for an affordable housing project. On March 24, 2026, Reno Housing Authority approved working with TTD and the FTA for the transfer of the parcel (Attachment A). Washoe County has also provided a letter of Support (Attachment B).

Additionally, staff held a meeting with the Federal Transit Administration Region 9 to confirm that this concept is viable for this parcel, and that the Reno Housing Authority would be an eligible recipient.

The Next Steps:

TTD will work directly with FTA Region 9 staff, but generally, TTD will submit a letter/package to the FTA. The letter/package should contain the following:

Executive Summary

- Project Overview: Brief description of the site and the proposed affordable housing development.
- Requested Action: Formal request for a \$0 transfer (no-cost conveyance) under 49 U.S.C. § 5334(h).
- Key Stats: Total units, AMI levels, and estimated ridership increase.

Asset Identification & Federal Interest

- Legal Description: Metes and Bounds or Plat map of the specific parcel.
- Grant History: The original FTA Grant Number(s) used to acquire property.
- Federal Share Calculation: Current Fair Market Value (FMV) multiplied by the original federal participation percentage (e.g., 80%).
- Excess Property Determination: Written statement from the Transit Agency Board confirming the land is no longer needed for transit purposes.

Statutory Compliance (The "40/60/30" Rule)

- Affordability Commitment: Evidence that 40% of units are at/below 60% AMI.
- Deep Affordability Plan: Evidence that 20% of those units are/at below 30% AMI.
- 30-Year Restriction: Draft language for the deed covenant ensuring a 30-year affordability period.

¹ TRPA File WCSD LCAP2010-0114 – 6-3-2010

The Net Benefit Analysis

- Justification of \$0 transfer statement
- Monetary vs. Non-Monetary Valuation: A table comparing the FMV against the calculated social and transit benefits.
- Ridership Impact Study: Data showing how the project supports the transit system's ridership goals.

Due Diligence & Environment

- NEPA Documentation: Categorical Exclusion (CE) checklist or Environmental Assessment (EA).
- Section 106 Review: Letter from the State Historic Preservation Office (SHPO).
- Phase I Environmental Site Assessment (ESA): Summary of any recognized environmental conditions (RECs). Note: TTD has performed Phase I & II assessments.
- Appraisal Report: A "Yellow Book" (UASFLA) compliant appraisal, if the value exceeds \$1M.

Project Implementation & Capacity

- Development Timeline: Key milestones from transfer to "ribbon cutting."
- Financing Plan: Sources and Uses budget showing LIHTC, local funds, or private debt.
- Developer Track Record: Brief resume of the jurisdiction's chosen development partner.

FTA Process

FTA must ensure no other federal agency needs the land before it can be transferred at no cost to a local jurisdiction.

- The FTA will publish a notice in the Federal Register. Federal agencies have 30 days to express interest.

Final Execution & Reporting

- Obtain the written authorization for transfer from the FTA Administrator (or Regional Administrator).
- Execute Quitclaim Deed: The deed should include the Reversionary Clause (if the property stops being used for affordable housing within 30 years, it returns to the transit agency/FTA).
- Update TrAMS: The transit agency must update the Transit Award Management System (TrAMS) to reflect the asset disposition and close out the specific real property record.

Developing the "Net Benefit" justification of the package is the most critical part of the FTA disposition request. TTD/RHA are essentially asking the federal government to waive its right to a cash reimbursement in favor of a social outcome. In order to justify a net benefit RHA may need to assess and demonstrate the following:

Quantification of Housing Impact

- Unit Count & Affordability: Break down exactly how many units will be built.
 - *Example:* "30% of units at 30% AMI, 70% of units at 60% AMI." (See RHA Draft Concept – Attachment D)

- Market Gap Analysis: Provide data showing the current deficit of affordable units within a 1-mile radius of the transit site.
- Cost Savings to Residents: Calculate the "Combined Housing + Transportation" cost savings for future tenants compared to the regional average.

Transit Ridership Projections

The FTA's primary mission is transit. TTD/RHA must prove this housing will increase ridership.

- Estimated New Boardings: Utilizing a standard Transit-Oriented Development (TOD) multiplier to estimate how many daily trips the new residents will take.
- Direct Access Improvements: Describe any physical connections being built (e.g., stops/shelters etc.).
- Reduced "Last Mile" Barrier: Explain how placing residents on this specific parcel eliminates the need for parking or feeder bus services.

Economic & Social Return on Investment (ROI)

- Leveraged Funding: List the other sources (LIHTC, State Grants, Private Equity) that are "unlocked" by the federal land donation.
- Avoided Social Costs: Cite studies on the reduction in public service costs (emergency room visits, shelters) when low-income populations are stably housed.
- Job Creation: Include temporary construction jobs and any permanent property management/retail jobs created on-site.

Environmental Benefits

- VMT Reduction: Estimate the reduction in Vehicle Miles Traveled (VMT) by moving residents from and to a transit-rich core.
- Green Building Standards: Commit to LEED, Enterprise Green Communities, or similar certifications for the development.

It should be noted that the timeline for FTA approval decision may be significant. TTD estimates a minimum of six months in review; however, the process could take much longer.

Additional Information:

If you have any questions or comments regarding this item, please contact Jim Marino at (775) 557-4901 or jmarino@tahoetransportation.org.

Attachments:

- A. RHA Staff Report
- B. Washoe County Letter of Support
- C. RHA Draft Project Concept