

# **WORKFORCE HOUSING NEEDS ASSESSMENT OF INCLINE VILLAGE AND CRYSTAL BAY**

*PREPARED FOR*

**WASHOE COUNTY  
DEPARTMENT OF COMMUNITY DEVELOPMENT**

*PREPARED BY*

**PRAXIS CONSULTING GROUP, LLC  
RENO**

**FINAL REVISED  
DECEMBER 2009**

## ACKNOWLEDGEMENTS

We would like to thank the over 200 individuals working and/or living in Incline Village and Crystal Bay who took part in one-on-one interviews, focus groups and surveys on the topic of workforce housing and related community issues. Their responses serve as the core of this report. We very much appreciate their contributions of time and their thoughtful responses to the questions posed.

We would especially like to thank the following individuals and organizations for their support of the research:

Kym Fabel, Chamber Manager  
North Lake Tahoe Chamber of Commerce  
North Lake Tahoe Resort Association  
*for assistance with organizing the employer web-based survey and the employee postcard survey;*

Susan Johnson, Director of Human Resources  
Incline Village General Improvement District  
*for developing the initial list of interviewees and for on-going assistance with networking in the Incline community;*

Brian Bonnenfant, Program Manager  
Nevada Small Business Development Center  
*for up-to-date employment and housing data and assistance with interpreting the data; and,*

Lisa Brosnan, Former Planner  
Washoe County Department of Community Development  
*for oversight of the Limehouse web-based employer survey.*

Finally, we would like to thank Charles Schwab Bank for its generous support of this research through a Community Development Capacity-Building Grant.

The *Workforce Housing Needs Assessment of Incline Village and Crystal Bay* was researched and written by Praxis Consulting Group, LLC. The key informant interviews and focus groups were carried out by Eric Novak and Kerry Rohrmeier. Chapter 3, Demographic, Employment and Housing Data, was researched and written by Julie Harris. Stephanie Macgill analyzed the employee postcard and employer web-based survey results and wrote Chapters 4 and 5

## TABLE OF CONTENTS

---

<b>Chapter 1: Introduction .....</b>	<b>11</b>
<b>Chapter 2: Summary of Findings.....</b>	<b>13</b>
Finding #1: Housing is Out of Reach of Most of the Incline Village /Crystal Bay Workforce .....	13
Finding #2: Housing Production Has Not Kept Pace with Demand.....	14
Finding #3: Year-Round Rental Housing Has Been Lost or Converted.....	15
Finding #4: Few Rent-Restricted Housing Units.....	15
Finding #5: Fewer Year-Round Residents and Families with Children .....	16
Finding #6: About Half of the Incline Workforce Commutes.....	17
Finding #7: Many of Those Who Commute Would Like to Live in Incline Village / Crystal Bay.....	18
Finding #8: Seasonal Workers Face a Very Tight Local Housing Market.....	18
Finding #9: Lack of Workforce Housing Hurts the Local Economy.....	19
Finding #10: Greatest Housing Needs: Affordable Rental Housing, Entry-Level Homeownership Housing, Housing for Seasonal Workers .....	20
Estimating the Need for Workforce Housing in Incline Village and Crystal Bay	21
<b>Chapter 3: Demographic, Employment and Housing Data.....</b>	<b>23</b>
Introduction.....	23
Summary of Findings.....	24
Methodology .....	32
Population .....	33
Age.....	35

**TABLE OF CONTENTS (continued)**

---

Race / Ethnicity.....	36
School Enrollment .....	38
Household Size .....	40
Income.....	40
Employment.....	42
Employee Place of Residence.....	47
Commuter and Traffic Patterns.....	50
Housing Units and Vacancy Rates.....	51
Owner Occupied and Rental Occupied Housing Units.....	52
Seasonal Housing.....	53
Housing Types .....	54
Age of Housing Stock.....	58
Rental Housing Rates.....	59
Rental Housing Affordability .....	61
Wages Needed to Afford Apartment Rents .....	63
Ownership Housing Affordability .....	65
Owner-Occupied Housing Values .....	66
Homeownership Affordability Gap .....	69
Annual Income Needed to Afford a Home.....	71
Housing Foreclosures.....	74

**TABLE OF CONTENTS (continued)**

---

<b>Chapter 4: Employee Postcard Survey</b> .....	<b>76</b>
Methodology.....	76
Profile of Respondents.....	77
Where do Employees Live?.....	79
Commuting.....	80
Housing Conditions.....	81
Demand for Workforce Housing.....	84
<b>Chapter 5: Employer Web-Based Survey</b> .....	<b>85</b>
Methodology.....	85
Profile of Respondents.....	85
Housing Need.....	89
Impact of Housing on IV/CB Businesses.....	96
Employer Assisted Housing.....	101
Recommendations.....	101
<b>Chapter 6: Key Informant Interviews</b> .....	<b>103</b>
Housing Needs.....	104
Housing Impacts.....	109
Environmental Impacts.....	111
Barriers / Recommendations.....	111
<b>Appendix A: Postcard Survey Instrument</b> .....	<b>114</b>
<b>Appendix B: Web-Based Employer Survey Instrument</b> .....	<b>115</b>
<b>Appendix C: Key Informant Interview Instrument</b> .....	<b>118</b>

## Index of Tables and Charts

---

Figure 1: Incline Village GID Sewer Flow by Month, January 200 to January 2009 .....	34
Table 1: Population Washoe County, Incline Village / Crystal Bay, and State of Nevada.....	33
Table 2: Population By Age Group <18 Years and 65+ Years Washoe County, Incline Village / Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	35
Table 3: Race and Ethnicity Washoe County, Incline Village CPD, and State of Nevada .....	37
Table 4: School Enrollment and Percent Ethnic Distribution Incline Village / Crystal Bay 1990, 2000, 2007, 2010.....	39
Table 5: Average Household Size Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	40
Table 6: Median Family Income Washoe County: HUD Area Median Family Income (AMI) 1990, 2000, 2005-2009 Incline Village/Crystal Bay CDP: US Census 1990 and 2000, Imputed 2009 .....	41
Table 7: Individuals Below Poverty Line Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	42
Table 8: Employment by Industry Washoe County and Incline Village/Crystal Bay 1st Quarter 2008 .....	43
Table 9: 12-Month Employment Trends Incline Village, Crystal Bay and Washoe County .....	44
Table 10: Average Hourly Wage by Industry Washoe County and Incline Village/Crystal Bay 1st Quarter 2008 .....	45
Table 11: Major Employers--30+ Employees Incline Village / Crystal Bay 2nd Quarter 2008 .....	46
Table 12: Place of Residence Employee Postcard Survey Data Incline Village / Crystal Bay.....	47

**Index of Tables and Charts (continued)**

---

Table 13: Place of Residence Employer Data Incline Village / Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	49
Table 14: Housing Units - Total, Vacant, and Occupied Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	51
Table 15: Occupied Housing Units - Owner and Renter Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	52
Table 16: Seasonal, Recreational or Occasional Use Homes Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	53
Table 17: Types of Housing Units Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	55
Table 18: Types of Housing Units, Incline Village/Crystal Bay 2000 to 2008 .....	57
Table 19: Year Structure Built Incline Village/Crystal Bay CDP, Washoe County, and State of Nevada 2000 .....	59
Table 20: Median Gross Rent and Percent of Household Income Spent on Rent Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	60
Table 21: Median Gross Rent by Unit Type Incline Village/Crystal Bay Month of November, 2008 .....	61
Table 22: Rental Housing Affordability Rental Households Paying 30%+ and 50%+ of Household Income on Rent Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	62
Table 23: Rental Housing Affordability, Households with Incomes 50% or less of HUD AMI Paying >30% of Income on Rent Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada, 1990 and 2000 .....	63
Table 24: Hourly Wage Needed to Afford a Two Bedroom Apartment Compared to Average Hourly Wage by Industry, Incline Village/Crystal Bay, 1st Quarter 2008 .....	64

**Index of Tables and Charts (continued)**

---

Table 25: Ownership Housing Affordability Owner Households Paying 30%+ and 50%+ of Household Income on Ownership Costs Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada.....	65
Table 26: Ownership Housing Affordability, Households with Incomes 50% or less of HUD AMI Paying >30% of Income on Ownership Costs Washoe County, Incline Village/Crystal Bay CDP, and State 1990 and 2000.....	66
Table 27: Median Value of Owner-Occupied Units Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada 1990 and 2000 .....	67
Table 28: Total Homes Sold and Median Sales Price Washoe County and Incline Village/Crystal Bay 2000, 2004, 2006, 2007, 2008 .....	68
Table 29: Homeownership Affordability Gap--Single Family Detached & Condominiums / Townhouses Incline Village/Crystal Bay 2000 and 2009 .....	70
Table 30: Annual Income Needed to Afford a Single Family Detached Home Compared to Annual Average Income by Industry, Incline Village/Crystal Bay 2009 ....	72
Table 31: Annual Income Needed to Afford a Condominium/Townhouse Compared to Annual Average Income by Industry, Incline Village / Crystal Bay 2009 ..	73
Table 32: Estimated Foreclosures, Washoe County, Incline Village/Crystal Bay CDP, and State of Nevada, 2007 to June 2008.....	74
Table 33: Foreclosed Homes, Washoe County and Incline Village/Crystal Bay 2007 to 2008.....	75
Table 34: Businesses Participating in Employee Postcard Survey.....	76
Table 35: Full- or Part-Time Employment, Data from Postcard Survey .....	78
Table 36: Annual Household Income, Data from Postcard Survey.....	78
Table 37: Average Household Size, Data from Postcard Survey .....	79
Table 38: Place of Residence, Data from Postcard Survey .....	80
Table 39: How long is your commute? - Data from Postcard Survey .....	81
Table 40: What is your commute method? - Data from Postcard Survey .....	81

**Index of Tables and Charts (continued)**

---

Table 41: Do you own or rent your housing? - Data from Postcard Survey .....	82
Table 42: Does your cost of housing exceed 30% of your household income? - Data from Postcard Survey .....	82
Table 43: Overcrowding, Data from Postcard Survey.....	83
Table 44: Would you live in Incline Village/Crystal Bay if housing were available and affordable? - Data from Postcard Survey.....	84
Table 45: Employer Industries, Data from Employer Web-Based Survey.....	86
Table 46: Size of Workforce, Data from Employer Web-Based Survey.....	87
Table 47: What percentage of your employees commute from outside the Incline Village/Crystal Bay communities to work? - Data from Employer Web-Based Survey ..	88
Table 48: What percentage of your employees commute from outside the Incline Village/Crystal Bay communities to work? - Data from Employer Web-Based Survey ..	88
Table 49: Of those employees who commute from outside Incline Village/ Crystal Bay, what is their average commute time? - Data from Employer Web-Based Survey .....	89
Table 50: On a scale of 1 to 5, with 1 "high priority" and 5 "low priority", how would you rank workforce housing among the many competing needs in this community? - Data from Employer Web-Based Survey .....	91
Table 51: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Year-round rental housing at affordable rates? - Data from Employer Web-Based Survey.....	92
Table 52: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Entry-level homeownership opportunities? - Data from Employer Web-Based Survey .....	93
Table 53: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Seasonal employee housing? - Data from Employer Web-Based Survey .....	94
Table 54: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Housing (all types) within a short driving distance of Incline Village/Crystal Bay? - Data from Employer Web-Based Survey .....	95

**Index of Tables and Charts (continued)**

---

Table 55: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Housing for mid- to senior-level management employees? - Data from Employer Web-Based Survey .....96

Table 56: Does the cost or availability of housing in Incline Village have an impact on your business? - Data from Employer Web-Based Survey .....97

Table 57: On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all", how would you rank the impact of the cost and availability of housing on your business' ability to: Recruit new employees to Incline Village/Crystal Bay? - Data from Employer Web-Based Survey .....98

Table 58: On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: Retain existing employees? - Data from Employer Web-Based Survey .....99

Table 59: On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: Expand in response to new opportunities? - Data from Employer Web-Based Survey .....100

Table 60: On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: Sustain goods and services for year-round residents? - Data from Employer Web-Based Survey .....101

Table 61: Interview and Focus Group Participants.....103

## CHAPTER 1: INTRODUCTION

In the fall of 2008, the Washoe County Department of Community Development commissioned Praxis Consulting Group to carry out an assessment of the need for workforce housing in the Incline Village / Crystal Bay communities at Lake Tahoe serving low- to moderate-income households, up to 120% of area median income. The purpose of the assessment is to estimate the current and long-term need for housing among area employees, based upon available demographic, employment and housing data and additional interviews and surveys.

The assessment addresses the following questions:

- Where do low- and moderate-income employees in the Incline Village / Crystal Bay communities currently live? What percentage of these employees commute to Incline Village / Crystal Bay for work? From where?
- What percentage of low- and moderate-income employees in the Incline Village / Crystal Bay communities are currently living in overcrowded or substandard housing conditions or pay a disproportionate share of their income on shelter costs?
- What is the existing inventory of year-round housing in Incline Village / Crystal Bay serving individuals and families below 120% of AMI?
- What impact does the availability or affordability of housing in the Incline Village / Crystal Bay communities have on area businesses, in terms of job performance, retention, recruitment, and sustaining local goods and services essential to year-round residents.
- What are the other identified impacts of housing availability and affordability on the local economy, public services, quality of life and the natural environment?

The information from the Workforce Housing Needs Assessment will inform on-going efforts to develop a comprehensive housing strategy for the Incline Village / Crystal Bay communities.

Incline Village has always been a vacation destination with a sizeable number of high-end second homes and vacation rentals. And, some of the local workforce has always commuted from neighboring communities where there was more plentiful and affordable housing. However, over the last decade, a sea change has occurred in Incline. What was once a vacation town with a diverse year-round population has transformed into a town of predominately high-end homes for vacationers and retirees, with very little middle-income and enclaves of substandard housing for service employees.

This lack of affordable and available housing in Incline Village and Crystal Bay has significant impacts on the community, including economic impacts on businesses, the

erosion of local services, the loss of a year-round community, and traffic congestion and other environmental impacts.

To follow, we present the findings of our research, which are based upon almost six months of data collection, including one-on-one interviews and focus groups with “key informants,” a postcard survey of over 160 local employees, a web-based survey of almost 40 local businesses, and an analysis of the most current demographic, employment and housing information.

The study is organized as follows:

- In **Chapter 2**, we provide a brief summary of findings as well as a rough estimate of the number of affordable and workforce housing units needed in Incline Village based upon report findings;
- In **Chapter 3**, we review demographic, employment and housing trends in Incline Village/Crystal Bay and their implications for workforce housing planning in the Incline Village area. For comparison purposes, we have included select data for Washoe County and the State of Nevada as a whole;
- In **Chapter 4**, we present the findings of the postcard survey, where we asked area employees for information about their current housing conditions, place of residence and commute time. The survey was filled out in English and Spanish by over 160 employees in Incline Village and Crystal Bay, representing 17 local businesses;
- In **Chapter 5**, we present the findings of the web-based survey of employers in Incline Village and Crystal Bay, which details the impact of housing availability and affordability on area businesses and the local economy. We received 39 completed responses.
- Finally, in **Chapter 6**, we report on the themes from our one-on-one interviews and focus groups with individuals knowledgeable about workforce housing and community needs in Incline Village and Crystal Bay. Eighteen “key informants” were interviewed including realtors, large and small employers, human service providers, public agency staff and educators.

## CHAPTER 2: SUMMARY OF FINDINGS

In the fall of 2008, the Washoe County Department of Community Development commissioned Praxis Consulting Group to prepare a Workforce Housing Needs Assessment of Incline Village and Crystal Bay. The purpose of the study, funded through a Community Development Capacity-Building Grant from Charles Schwab Bank, is to provide policy makers and planners with accurate and up-to-date information about the status of housing in Incline Village and the impact of housing availability and affordability on the area economy and on other quality of life measures.

This Chapter summarizes the findings of the research, which is based upon almost six months of data collection, including in-person interviews and focus groups, a postcard survey of local employees, a web-based survey of employers, and an analysis of the most current demographic, employment and housing information.

A more detailed discussion of the findings can be found in the four chapters that follow this summary.

### **Finding #1: Housing is Out of Reach of Most of the Incline Village/Crystal Bay Workforce**

Housing in Incline Village is very expensive. Based upon a review of rental listings for the month of November 2008, the median monthly rent in Incline Village was \$1,454, including utility costs. For comparison purposes, the median rent in small 8-79 unit apartment buildings in Reno and Sparks for this period was \$752, or almost half.

The hourly wage required to afford a median priced two-bedroom apartment in Incline Village, estimated at \$1,327 a month including utilities, is \$25.52 an hour. For comparison, the median hourly wage for employees in all industries in IV/CB is \$21.32. Based upon data from the Department of Employment, Training and Rehabilitation (DETR), 41.2% of workers in Incline Village are employed in the lower paying entertainment, accommodation and food service sector where the average hourly wage is \$14.61, well below what is needed to rent locally. (See Chapter 3.)

Based upon the postcard survey of employees, two-thirds of workers who reside in Incline Village (66.3%) pay more than 30% of their household income on housing costs, considered by HUD to be a high housing cost burden. Most employees who reside in Incline Village rent rather than own (57.4% rent vs. 42.6% who own). This statistic is reversed for IV/CB employees who commute from elsewhere (57.4% own vs. 42.6% who rent). (See Chapter 4.)

Ownership housing costs in Incline Village are even higher. Based upon County Assessor data, the median sales price of a detached single-family home in Incline Village for all of 2008 was \$985,000, down from \$1,207,500 in 2007. The median sales price for a condominium/townhouse unit in Incline Village in 2008 was \$526,250, down from \$600,000 in 2007.

For comparison purposes, the median sales prices in Washoe County in 2008 was \$267,000 for detached single-family home and \$190,000 for a condominium/ townhouse, down from \$330,000 and \$242,519 the previous year.

Based upon the gap analysis performed in Chapter 3 on this report, a four-person household at 100% of the imputed area median income for Incline Village (\$97,158 in 2009) would need another \$51,204 in subsidy to afford a townhouse/condominium in Incline Village and \$496,191 in gap subsidy to afford a detached single-family home.

In Chapter 3, we estimate that the household income required to afford a median priced detached single-family home in 2009 is \$194,272. The household income required to afford a median priced townhouse/condominium in 2009 is \$107,180.

Based again on DETR data, the median annual income for employees in all industries in Incline Village and Crystal Bay was \$44,346 in 2008. In the entertainment, accommodation and food services sector (41.2% of all employees), the median annual income for employees was \$30,389. Therefore, even a household consisting of two full-time wage earners working in IV/CB would have difficulty affording a median priced townhouse/condominium in Incline Village.

**Finding #2: Housing Production Has Not Kept Pace with Demand**

Only 286 housing units have been added to the inventory in Incline Village this decade. Most of these— 162 of 286—were detached, single-family homes, and presumably out of reach of the local workforce.

During the previous decade, housing production did not keep pace with population growth. Between 1990 and 2000, the year-round population of Incline Village grew by 39.8%, or 2,833 persons. However, the number of housing units only increased by 22.5% during the decade, for 1,409 additional new units. We assume that the growth management practices in the TRPA Regional Plan, which was adopted in 1987, resulted in a slowing of housing production in the 1990's. Most of the growth in housing in Incline Village and Crystal Bay in the 1990's was also in detached single-family units.

How was this additional year-round population absorbed into the Incline Village/Crystal Bay community? First, we believe that in the 1990's, existing summer homes and vacation rentals were converted into year-round housing. As is noted in Chapter 3, the percentage of houses identified as vacant in 2000 decline by 7.1%, from 52.6% to 45.5%. Second, we believe a strong housing market at the lake resulted in a higher utilization of housing overall, with few units vacant for want of a buyer or renter. We note for instance that the percentage of vacant units that were identified in 2000 as vacant for "Seasonal, Recreational or Occasional use" increased by 10.0% from 75.8% to 85.8%.

High demand and limited supply has resulted in increased housing costs.

**Finding #3: Year-Round Rental Housing Has Been Lost or Converted**

Between 1990 and 2000, renter occupied units dropped from 42.1% of all occupied housing units in Incline to 31.9%. Only 87 renter-occupied units were added to the inventory that decade, compared to 1,126 owner-occupied units. That decade also witnessed a wholesale shift of housing from rental to ownership and from primary residence to second home.

We assume that this loss of rental housing has continued in Incline through the 2000's. We note from Assessor data that only 20 multi-family rental units have been added to the inventory this decade. Housing tenure is also a moving target—it fluctuates year to year in Incline based upon personal decisions by owners. A second home can become a primary residence as the owners retire. Likewise, a vacation rental can turn into a year-round rental in a soft economy. The last housing count that tracked tenure in Incline Village was the 2000 Census.

**Finding #4: Few Rent-Restricted Housing Units**

Based upon a survey of HUD, Nevada Housing Division, Washoe County HOME Program and USDA-Rural Development databases, there are currently no housing units in Incline Village or Crystal Bay subsidized with public monies. According to the Reno Housing Authority, there are also no HUD Housing Choice Vouchers (formerly known as “Section 8”) being utilized for rental assistance in Incline.

According to the Tahoe Regional Planning Agency (TRPA), there are three development projects, comprising 20 housing units and 63 dormitory rooms, in Incline that provide affordable housing as a condition of their development approvals. These projects, which are deed restricted and monitored by TRPA, are:

- Northwood Apartments, 760 Northwood, 8 affordable units (at or below 80% of the median county income), approved October 2004; subdivided 2008 as ownership housing.
- Incline Ct. Apartments, 222 Incline Ct, 12 moderate-income units (at or below 120% of the median county income), approved October 2004; subdivided 2008 as ownership housing.
- Sierra Nevada College dorms, 291 Country Club Drive, 63 affordable units, approved June 1999. In order to qualify for bonus units, dorm rooms were deed restricted to be affordable housing, in accordance with TRPA Code. (See Chapter 3.)

For comparison purposes, Washoe County currently contains 7,228 units of subsidized, rent-restricted housing in 78 developments across the county. Including the 2,000 RHA Housing Choice Vouchers (9,228 total units), 17.2% of the rental housing stock in Washoe County is rent-restricted. Only 1.5% of the rental housing stock in Incline Village (20 of 1,333 renter occupied units) is rent-restricted.

**Finding #5: Fewer Year-Round Residents and Families with Children**

Many of those we interviewed pointed to the loss of middle-income households in Incline Village over the last decade. (See Chapter 6.) According to interviewees, prior to the late 1990's, most employees who wanted to live in Incline were able to secure relatively affordable rental and ownership housing. The community used to be made up of more residents who lived and worked in Incline, raised their children in town and took part in the life of the community.

After the dramatic increase in housing prices in Incline in the late 1990's, middle-income employees, particularly those with families, began to look elsewhere for housing—in Washoe County, Carson Valley, Tahoe City and Truckee. They commute long distances to work and feel less affiliation with and have less to contribute to Incline Village.

We heard a number of anecdotes from employers of their middle management staff moving “off the hill” once they got married or were ready to settle down. Given the very limited ownership housing options in Incline—primarily 2- and 3-bedroom condominiums that were designed to be vacation rentals—employees weigh their housing options and chose the detached, single family home on the quarter-acre lot in town and the long commute.

Key informants expressed concern that this trend would increase in the near future as many long time residents retired, and their replacements could not afford to buy into the Incline community. It was noted that many employees at IVGID and in the public schools are nearing retirement age.

There is also ample statistical evidence to suggest that the year-round population of Incline Village and Crystal Bay, and particularly families with children, has declined over this decade, replaced by second homeowners and retirees. While a full population count in Incline has not occurred since the 2000 Census, we record in Chapter 3 declining school enrollment (a drop of 358 students from 2000 through 2007), as well as many other indicators of fewer year-round residents (reduced sewer flows, fewer IVGID recreation fee requests from local addresses, etc.)

Based upon Census data, Incline Village/Crystal Bay has a large number of seasonal, recreational or occasional use homes—almost 3,000 units in 2000, 38.6% of all housing units in Incline. Between 1990 and 2000, the number of seasonal housing units increased by 463, from 75.8% of all vacant units to 85.8%.

The exact numbers of second homes and vacation rentals is difficult to determine, as there is no one source that conclusively tracks the data. The State of Nevada and Washoe County do not require owners to register their vacation rentals, as is required in South Lake Tahoe, which makes it very difficult to track the number of rentals or to monitor room tax on these units. Room tax payments are only required in housing complexes that have three or more units. Further, the Washoe County Assessor's data is inconclusive as to how many Incline Village/Crystal Bay housing units are primary residences, how

many are second homes, and how many are leased as vacation rentals. The Incline Village Board of Realtors estimate that 60% of Incline Village/Crystal Bay homes are second homes (versus the approximate 40% statistic in the Census).

**Finding #6: About Half of the Incline Workforce Commutes**

As part of the Workforce Housing Needs Assessment, we collected data on the place of residence and commuter pattern of employees in Incline Village and Crystal Bay.

Our research found that on average about half of the employees who work in Incline Village and Crystal Bay live there, and this percentage is decreasing. Many commute from other North Shore communities and Truckee, but a significant number also commute long distances from Reno, Carson Valley, and South Lake Tahoe. Among commuters, the average travel time was 30 minutes.

Based upon the employee postcard survey, which was reflective IV/CB employees by industry, 60.5% of employees (101 of 167) live and work in Incline Village and Crystal Bay. According to that survey, 25.1% (42 of 167) live on the North Shore or in Truckee, .06% (1 of 167) live in South Lake Tahoe, 10.8% (18 of 167) live over the hill in Washoe, Carson City, Lyon (Dayton, Fernley, Silver Springs) or Douglas County (Minden, Gardnerville), and the remaining 3.0% (5 of 167) in other locations. (See Chapter 4.)

Data collected directly from local employers indicate mixed levels of local residency. For instance, Washoe County School District employees exhibit relatively high rates of local residency—59% of WCSD employees live in Incline Village. If this percentage is added to the percentage that live in the other North Shore communities, then we see that over 86% of school employees live in the North Shore area and do not commute from Reno, South Shore, Carson City, or other communities outside of the Tahoe Basin. One of the reasons for this high level of residency may be that many who work for the school district are long-time employees and entered the housing market during the years before the steep increase in home prices.

IVGID employees also exhibit higher levels of residency. 68% of IVGID employees live in Incline, and an additional 13% live in other communities on the North Shore or in Truckee.

However, the data suggest that employees in other sectors have significantly lower rates of employee residency—a number of these workers who commute would be categorized as “first responders” in the event of an emergency in Incline. Only 14% of North Lake Tahoe Fire Protection District employees, 35% of Tahoe Forest Hospital employees, 49% of Washoe County employees—primarily in the Sheriff’s Department—and 40% of Sierra Nevada College employees live locally. These jobs may have higher turnover, with recent hires less able to enter the Incline housing market. Employees in some industries may also prefer to live elsewhere. The Fire Protection District, for example, houses employees at the station when they are on the job. Employees work on a shift

schedule that may more readily allow them to live out of the area and commute from further away only a few times a month. (See Chapter 3.)

**Finding #7: Many of Those Who Commute Would Like to Live in Incline Village**

Most employees in Incline Village and Crystal Bay stated that they would prefer to live locally if housing were available and affordable. Based upon the employee postcard survey, 55.2% of respondents who currently commute (37 of 67) indicated that they would like to move to Incline Village if housing were available. Another 20.8% (14 of 67) said that they were not sure.

**Finding #8: Seasonal Workers Face a Very Tight Local Housing Market**

Those workers who do live in Incline Village face a very tight and expensive housing market. Key informants detail in Chapter 6 the problems faced by primarily low-income and Hispanic service employees living in Incline Village, including substandard rental housing, overcrowding, and high housing costs. These problems are exacerbated by the seasonal nature of employment at the lake: housing is most expensive and least available during the peak summer months when jobs are most readily available. We observe in Chapter 3 that the population in Incline Village almost doubles during July and August. The workforce also increases almost 20%, from about 4,455 employees during the low season to 5,350 employees during the high season.

Key informants spoke of the presence of several low-income, multi-family housing enclaves in Incline, on Tanager Street and near the old elementary school, made up of poor quality, older, and poorly maintained units. Those we interviewed cited problems with severe overcrowding. Some thought that landlords in these neighborhoods took advantage of the tight housing market by charging high rents and providing minimal services.

These findings mirror those of the employee postcard survey in Chapter Four. The postcard survey found that the Incline Village resident workforce is more likely to rent than own and to pay more than 30% of its household income towards shelter costs, as compared to commuters. Because of the high housing costs in Incline and the relatively low-wage labor force, employees who live and work in Incline are also more likely to live in overcrowded housing conditions when compared to their counterparts who commute.

Seasonal International workers face perhaps the most difficult local housing market. These young people, visiting our country from Brazil, Poland, Romania and elsewhere, must scramble to find a place to live in Incline Village, most without a car and some with limited English-language skills.

Key informants in the hotel and casino industry said that the trend of employing J-1 (cultural exchange) and H2B (short-term employment) Visa employees is a relatively recent phenomenon, since the mid-2000s. Anecdotally, we heard that these employers recruit 200 to 300 International employees to work in Incline Village and Crystal Bay over the summer months. J-1 Visa employees may hold two to three jobs during their

stay—their prime job with the sponsor employer, usually a hotel/casino, and perhaps a second or third job waitressing in a local restaurant or bagging groceries at the market.

Interviewees said that these International employees face a very expensive and exploitative housing market. It is not uncommon for employees to live two or three to a bedroom or to even share a bed (one sleeps while the other works). Employees face high rents during the summer months, when moderate vacation rentals typically run \$800 to \$1,000 a week for a two- to three-bedroom condo. Employers said that their International employees often lose their security deposits because the rental term is longer than their length of stay in the country.

**Finding #9: Lack of Workforce Housing Hurts the Local Economy**

Employers confirmed that the cost and availability of housing take a toll on businesses in Incline Village and Crystal Bay. Those we interviewed recount difficulties in recruiting workers and in retaining them over time. Several noted that their mid-level managers tend to move off the hill once they decide to buy a home. And, as noted above, there is a concern that this trend is going to worsen in the coming years as long-time residents retire. (See Chapter 6.)

Those we interviewed from Sierra Nevada College expressed concern that the tight housing market would make it difficult for the college to grow. While SNC currently serves about 300 students, it has plans to eventually grow to 1,000 students. Without available housing in the community, SNC will not be able to recruit new faculty. Upper class students will find it difficult to rent in the community. Currently the SNC dormitories can house 311 students.

Fewer year-round residents mean less demand for year-round services. We heard from a number of interviewees about the difficulty of supporting businesses during the off-season. Restaurants routinely close. Commercial vacancy rates are on the rise. According to key informants, commuting also has its costs—lost hours because of snow delays or summer congestion and less energy to devote to the workplace.

Based upon the web-based Employer Survey (Chapter 5), most employers thought that housing had an impact on the viability of their businesses. 50.5% (19 of 38) answered “Yes” when asked “Does the cost or availability of housing in Incline Village/Crystal Bay have an impact on your business?” 39.5% (25 of 38) answered “No.” Large employers were much more likely than small employers to see a relationship between housing and economic health. 80.0% (8 of 10) of larger employers answered “Yes,” compared to 39.3% (11 of 28) of smaller employers.

Employers were asked to rank a variety of ways in which the cost and availability of housing might have an impact on their businesses. In ranking order, employers cited:

- “Recruit new employees:” 61.6% (26 of 39) of all respondents ranked this impact a “1” or a “2” out of 5, with “1” meaning having a “significant impact;”

- “Retain existing employees:” 51.3% (20 of 39) of all respondents ranked this impact a “1” or a “2;”
- “Expand in response to new opportunities:” 33.3% (12 of 36) of all respondents ranked this impact a “1” or a “2;” and,
- “Sustain goods and services for year-round residents:” 32.4% (12 of 37) of all respondents ranked this impact a “1” or a “2.”

There was some variation in response between larger employers and smaller employers on these questions. Generally, larger employers cited the cost and availability of housing as having a greater impact on their businesses in each category. For instance, 75.0% (9 of 12) of larger employers ranked the impact “Recruit new employees to Incline Village/Crystal Bay” a “1” or a “2,” compared to only 55.5% (15 of 27) smaller employers. Similarly, 63.6% (7 of 11) of larger employers ranked the impact “Retain existing employees” a “1” or a “2,” compared to only 48.1% (13 of 27) smaller employers.

**Finding #10: Greatest Housing Needs: Affordable Rental Housing, Entry-Level Homeownership Housing, Housing for Seasonal Workers**

Based again upon the web-based Employer Survey (Chapter 5), employers ranked the types of housing most needed in Incline Village and Crystal Bay, in declining order, as:

- “Year-round rental housing at affordable rates:” 69.2% (27 of 39) ranked this housing need a “1” or “2;”
- “Entry level homeownership opportunities:” 65.0% (26 of 40) ranked this need a “1” or “2;”
- “Seasonal employee housing:” 56.4% (22 of 39) ranked this a “1” or “2;”
- “Housing (all types) within a short driving distance of Incline Village/Crystal Bay:” 53.8% (21 of 39) ranked it a “1” or “2;” followed by,
- “Housing for mid to senior-level management employees:” 52.5% (21 of 40) ranked this a “3” or higher.

These findings mirror those of the one-on-one interviews and focus groups summarized in Chapter 6.

### **Estimating the Need for Workforce Housing in Incline Village and Crystal Bay**

This study identifies enormous need for more affordable and workforce housing in Incline Village and Crystal Bay serving households below 120% of County Area Median Income, or \$84,480 for a family of four in 2009.

Based upon the research findings, we see three distinct housing types most needed to address Incline's housing deficit:

- affordable year-round rental housing for local service employees, targeted to households at or below 50% of AMI (\$35,200 for a family of 4);
- ownership housing targeted to local public and professional employees at or below 120% of AMI (\$84,480); and,
- seasonal rental or dormitory housing targeted to students and International employees.

In this final section, we provide rough estimates of the need in each of these distinct housing markets.

#### Affordable Year-Round Rental Housing for Local Service Employees—250 Units

Based upon the 2000 Census, 83.3% of extremely low-income rental households in Incline Village, those below 50% of AMI, paid more than 30% of their adjusted income on housing costs. These 250 households with the least disposable income, about 18.8% of the total renter population in Incline in 2000 would be considered the most at risk.

As we noted above, is there no current data on the number or income levels of renter households in Incline Village. The last count was the 2000 Census. However, based our the interviews and the employee postcard survey, we believe there continues to be a great need for housing serving very low-income service employees with limited transportation options who reside in Incline Village.

#### Ownership Housing Targeted to Local Public and Professional Employees—150 Units

Based upon the employee postcard survey and the residency data from large public employers and SNC, we estimate that about 50% of the workforce in Incline Village and Crystal Bay currently lives in the community. We believe that this percentage will decline over time, without intervention in the housing market.

If the community chose as a goal to increase the percentage of public and professional employees who reside locally by 10%, from 50% to 60%, then we estimate a need for about 150 units targeted at workforce households at or below 120% of AMI (\$84,480).<sup>1</sup>

---

<sup>1</sup> The methodology for this estimate is as follows: The total year-round IV/CB workforce is about 4,675. If we subtracted employees from the retail and service industries, the remaining employment base is 2,249. If we assumed that about one-third of these employees are two-income earner households in IV/CB, the remaining employment base is 1,499. 10% of this is 150 households. Granted, this is a very rough

### Seasonal Rental or Dormitory Housing Targeted to Students and International Employees—90 Beds

As noted in Chapter 3, the seasonal workforce increases almost 20% during the high season, from about 4,455 employees during the low season to 5,350 employees during the high season. If the community were to set as a goal to accommodate 10% of this seasonal workforce, then we estimate a need for about 90 beds in a dormitory, suite or rental housing configuration.

These are very rough estimates that are presented here for discussion rather than as absolute fact. Housing need is relative—it is subject to community desires and standards, perceptions of fairness, and market realities. The last estimate of housing need in Incline Village was the December 1996 *Affordable Housing Needs Assessment “Fair Share” Report* prepared by TRPA for Placer County and the California Department of Housing and Community Development. The *Fair Share* report estimated a need for 410 new affordable rental and ownership housing units in the Washoe County portion of the Tahoe Basin based upon the assumption that each jurisdiction would accommodate a portion of its low-income employment base, using the land resources it had available, within its own jurisdiction.<sup>2</sup> The *Fair Share* study was partially driven by the necessity, on the California side of the Lake, for local jurisdictions to provide evidence to the State of California that they are making progress in addressing housing need. Many state funding programs in California are linked to local jurisdictions providing evidence that they are financing or otherwise facilitating the development of affordable housing. California, in turn, also provides more public resources than Nevada towards the development of affordable housing.

The TRPA Pathways 2007 Report suggests the creation of a set of Policy Standards in order to estimate community need. What percentage of the housing stock should be occupied by year-round residents in order to maintain a sense of community? What percentage of the local workforce commutes, and from how far?<sup>3</sup> Without mutually agreed upon standards, it is impossible to address the question of need. The intent of this report is to launch a dialogue about housing need and standards in the Incline Village and Crystal Bay communities.

---

estimate. However, we present it here as one way of beginning to think about how to address community need.

<sup>2</sup> *Affordable Housing Needs Assessment DRAFT “Fair Share” Report*, prepared by the Tahoe Regional Planning Agency, December 1996.

<sup>3</sup> “Technical Supplement and Appendix for PATHWAY 2007 Evaluation Report, Social-Economic,” Draft March 2007, prepared by the Tahoe Regional Planning Agency, page 32.

## CHAPTER 3: DEMOGRAPHIC, EMPLOYMENT AND HOUSING DATA

### Introduction

In this chapter, we review demographic, employment and housing trends in Incline Village/Crystal Bay and their implications for workforce housing planning in the Incline Village area. For comparison purposes, we have included selected data for Washoe County and the State of Nevada as a whole.

The information in this chapter complements the qualitative data in other chapters, including the web-based employer and postcard employee surveys and the one-on-one key informant interviews conducted in early 2009.

Unfortunately, current data about Incline Village/Crystal Bay is limited. The main source of information about housing and demographics is the decennial US Census, which was last conducted in 1999. We have supplemented this data with population, economic and housing information from a variety of sources, including the State Demographer, State of Nevada Division of Water Resources, HUD annual projections of income, local home sale statistics, homeowner statistics from the Incline Village General Improvement District (IVGID), interviews with local realtors and property managers, and jobs data from the State Department of Employment Training and Rehabilitation. We would especially like to acknowledge the Center for Regional Studies at the University of Nevada, Reno, which compiled current housing counts and home sales statistics from the Washoe County Assessors Office.

As will be noted in this chapter, current and projected population for Incline Village/Crystal Bay is difficult to measure given the number of seasonal residents and tourists that frequent the area, especially in the summer months. In the 2000 Census, almost half of the housing stock in the Incline Village Census Designated Place (CDP) was recorded as vacant, most of these units vacant for “Seasonal, Recreational or Occasional Use.” In 2000, (IVGID) estimated the peak summer population of Incline Village to be 14,560 people, almost 50% higher than the Census population count of 9,952.

The exact numbers of second homes and vacation rentals is also difficult to determine, as there is no one source that conclusively tracks these data. Incline owners are not required to register vacation rentals. By Nevada state statute, room tax payments are only required in housing complexes that have three or more units. Further, the Washoe County Assessor’s data is inconclusive as to how many Incline Village/Crystal Bay housing units are primary residences, second homes, or leased as vacation rentals. Data collected from IVGID suggests that in 2008, 58% of property owners had their primary residence elsewhere – up from 46% in 2000. The Incline Village Board of Realtors make a similar estimate, that 60% of Incline Village/Crystal Bay homes are second homes (versus the approximate 40% statistic in the 2000 Census). In addition, this number fluctuates year to year based on personal decisions by the homeowners. A second home can become a primary residence as the owner retires. Likewise, a vacation rental can turn into a year-round rental in a soft economy.

Despite these obstacles, we believe this chapter provides a solid snapshot of current demographic, economic and housing conditions in the Incline Village / Crystal Bay community. The chapter is organized as follows. First, we provide a summary of findings for the entire chapter. Following this, we provide detailed tables and analyses of demographic conditions (population, age, race/ethnicity, school enrollment, household size, income, and poverty rate), economic conditions (employment by industry, seasonal employment, hourly wages, and major employers), and housing conditions (unit count, vacancy rate, seasonal units, type of housing, age of housing). In the final section of the chapter, we analyze housing cost and affordability in both rental and ownership housing and look at current housing foreclosure data.

### **Summary of Findings**

The following is a brief summary of findings from this chapter.

#### Population Characteristics

- *Population*—Incline Village Census Designated Place (CDP), which includes Washoe County’s unincorporated communities of Incline Village and Crystal Bay, grew at a faster pace than Washoe County as a whole in the 1990s. Incline recorded 7,119 people in 1990 and 9,952 people in 2000, for a total increase of 2,833 that decade, or 39.8%, compared to 33.3% in Washoe County.

Current and projected population for the Incline Village/Crystal Bay is difficult to measure given the fluctuations in seasonal residents. In 2000, the Incline Village General Improvement District (IVGID) estimated the peak summer population of Incline Village to be 14,560 people, almost 50% higher than the Census count.<sup>4</sup> The IVGID projections estimated that an additional 1,526 people would reside in the Incline Village GID by 2010 for a total of 16,086. Again, we are assuming that these are peak season projections.

- *Age*— Between 1990 and 2000, Incline Village/Crystal Bay experienced a large growth in its 65+ age population (72.6%) and only modest growth in its <18 age cohort (27.8%). As a percentage of the population, Incline Village/Crystal Bay saw a -1.8 percentage point decline in the under-18 age group from 21.4% in 1990 to 19.6% in 2000. The percentage of the elderly population, however, increased a significant 2.2 percentage points from 9.5% to 11.7%.

Washoe County saw 1.8 percentage point increase in the <18 age population from 23.1% of the population, in 1990 to 24.9% in 2000. The percent of the population age 65+ increased more slowly in the County from 10.3% to 10.5%.

---

<sup>4</sup> “Nevada Water Facts—Population and Water Use Forecast for Selected Water Purveyors (1990 – 2000),” State of Nevada Department of Conservation and Natural Resources, Division of Water Resources, <http://water.nv.gov/WaterPlanning/wat-fact/forecst2.cfm>

- *Race/Ethnicity*— Incline Village/Crystal Bay is becoming more diverse. The white/non-Hispanic population declined in the 1990s as a percentage of the population as a whole from 95.4% to 92.8%.

The greatest increases in minority groups as a percentage of the population were in the Hispanic and Asian populations. Between 1990 and 2000, the Hispanic/Latino population experienced 151.5% growth in Incline Village/Crystal Bay, adding 727 people. The Hispanic population is the largest ethnic group in Incline Village, 12.1% of the population in 2000, compared to Washoe County at 16.6% and the State at 19.7%.

The Asian/Pacific Islander population is the second largest ethnic group in Incline Village, with 2.4% of the population in 2000, an increase of 150 people over 1990. Almost 6% (5.9%) of Washoe County's residents were Asian in 2000.

- *School Enrollment*—Total enrollment for the elementary, middle, and high schools in Incline Village increased by 190 students (16.0%) from 1990 to 2000, but then declined significantly between 2000 and 2007, losing 358 students (-25.9%). By 2010 enrollment is expected to drop by another 33.6% (464 students), to a total of 916. It should be noted however, that part of this decline may be attributed to enrollment in a private K-8<sup>th</sup> grade school that began serving the community in 2001. As of fall 2009, there were 130 elementary and 25 middle school students enrolled at Lake Tahoe School, some of whom commute from outside of Incline Village/Crystal Bay.

Between 1990 and 2007 there was a dramatic increase in the number of Hispanic children enrolled in the local schools. In the elementary grades, Hispanic students comprised 9% of the student body in 1990 compared to 46% in 2007. A similar trend is noted in both the middle school and high school. No ethnicity projections are available for 2010.

- *Household Size* – From 1990 to 2000, the household size increased in Washoe County from 2.43 to 2.53 whereas the households in Incline Village/Crystal Bay declined from 2.40 to 2.36.
- *Income*—Incomes in Incline Village have historically been among the highest in the State based on decennial Census data. In 1990, the Median Family Income in the Incline Village CPD was \$45,696, compared to \$38,800 for Washoe County as a whole. In 2000, the MFI in the Incline Village CPD was \$79,079, compared to \$57,300 in Washoe. It is interesting to note that MFI increased by 73.1% in the Incline Village CDP, compared to 47.7% in Washoe County as a whole. We believe this increase in Incline is the result of both increased earnings and the immigration of more affluent residents in the 1990s during the dot.com boom.

The 2009 HUD Area Median Income for Washoe County for a family of four is \$70,400. HUD does not publish annual AMI data for Incline. If we assume that

Incline Village family income rose at the same rate as Washoe County as a whole, the imputed AMI for Incline Village based upon 2000 Census data would be \$97,158 in 2009.

During the 1990s, both the number and percentage of residents living below the poverty line in Incline Village decreased. In 1990, 746 residents (10.5% of the population) were considered living in poverty. By 2000, the number dropped to 653, 6.6% of the population.

### Employment Characteristics

- Washoe County's employment base is primarily in three industries—entertainment, accommodation, and food services (18.6%), education, health and social services (17.9%), and retail trade (11.5%). In Incline Village/Crystal Bay, however, the local economy is much less diversified, dominated by the entertainment, accommodation, and food services sector at 41.2% of employment. Construction comes in a distant second at 13.6% of employment.
- A 12-month employment trend for Incline Village/Crystal Bay illustrates the tremendous seasonal variation in employment which corresponds with the summer months and, secondarily, the winter ski season, when second home usage and vacation rentals are at their highest.
- Incline Village/Crystal Bay's average hourly wage by industry is higher than Washoe County as a whole, \$21.32 versus \$19.83. The lowest wages in Incline Village/Crystal Bay are in the entertainment, accommodation, and food services sector, the area's largest employment segment, averaging \$14.61 per hour, \$3.25 more than the County as a whole.
- The largest employers in Incline Village/Crystal Bay include those who cater to the entertainment, accommodation, and food services sector. The Hyatt Lake Tahoe Resort and Casino is the largest employer with 600 to 799 workers. Most of the jobs in the leisure and hospitality industry are typically low-paying positions. A high median income in Incline Village/Crystal Bay masks the large number of workers in the low-income service sectors who may need assistance with shelter costs.

### Commuter Patterns

- *Employee Place of Residence*—Our research found that just over half of the employees who work in Incline Village also reside there. Though there is a lot of variation depending on the employer, we found a higher rate of residency amongst those employees who have had stable jobs in the community for some time, such as teachers (60%) and IVGID employees (68%). In other parts of the public sector we found lower than 50% residency rates—only 14% of North Lake Tahoe Fire Protection District employees, 35% of Tahoe Forest Hospital

employees, 49% of Washoe County employees—primarily in the Sheriff’s Department—and 40% of Sierra Nevada College employees live locally.

- *Commuter and Traffic Patterns*—Though overall traffic at Lake Tahoe in 2004 had leveled off to volumes similar to what was recorded in the late 70’s (following substantial increases in the 80’s and 90’s) commuter trips increased. “Traffic volumes at the Basin’s seven entry points have illustrated a steady increase with hourly commute times increasing at a greater rate than non-commute hours.”<sup>5</sup> According to the 2001 *North Tahoe / Truckee Employer Commute Survey*, during the off-season, 57% of the people that worked in Incline/Crystal Bay lived there; in the summer months the percentage of employees who worked in Incline Village / Crystal Bay was dramatically lower, at 31%. We found that many employees commute from other North Shore communities, but a significant number also commute over a mountain pass to get to work—from Reno/Sparks, the Carson and Minden/Gardnerville areas, and Truckee.

### Housing Characteristics

- *Housing Units*—Housing units in Washoe County increased by 37,715, or 28.3%, between 1990 and 2000. Incline Village/Crystal Bay saw 1,409 new units during this same period for a 22.5% increase. Most of the growth in both the County and Incline Village/Crystal Bay was in detached single-family units.

Over the last decade, housing production has not kept pace with population growth in Incline Village/Crystal Bay. We assume that the growth management practices in the TRPA Regional Plan, which was adopted in 1987, resulted in a slowing of housing production in the 1990’s. Most of the growth in housing in both the County and Incline Village/Crystal Bay was in detached single-family units.

Between 1990 and 2000, the additional year-round population was absorbed into the Incline Village/Crystal Bay community in two ways. First, existing summer homes and vacation rentals were converted into year-round housing. We note that the percentage of houses identified as vacant in 2000 decline by 7.1%, from 52.6% in 1990 to 45.5% in 2000. Second, we believe a strong housing market at the Lake resulted in a higher utilization of housing overall, with few units vacant for want of a buyer or renter.

- *Owner Occupied and Rental Occupied Housing Units*—Homeownership rates in the 1990s increased in both Washoe County and Incline Village/Crystal Bay. Washoe County homeownership rates rose from 54.1% to 59.3%, resulting in 22,934 additional homeowners by 2000. Homeownership in Incline

---

<sup>5</sup> *Mobility 2030: The Lake Tahoe Regional Transportation Plan*, Tahoe Metropolitan Planning Organization and the Tahoe Regional Planning Agency, 2008, p 17.

Village/Crystal Bay increased more dramatically from 57.9% to 68.1%, with 1,126 new homeowners.

By 2000, the percentage of the housing stock in Incline Village / Crystal Bay identified as year-round rental housing dropped 10.2%, from 42.1% to 31.9%. A very small number of renter-occupied units (87) were added to inventory that decade. As over 40% of the Incline Village workforce is made up of service employees in entertainment, accommodation and food service, this loss of year-round rental housing as a percentage of the housing stock has had a significant impact on the availability and cost of workforce housing.

- *Seasonal Housing*—Incline Village/Crystal Bay has a large number of seasonal, recreational or occasional use homes -- almost 3,000 units in the year 2000, 38.6% of all housing units in Incline. Between 1990 and 2000, the number of seasonal housing units increased by 463, from 75.8% of all vacant units to 85.8%. However, it is worth noting that seasonal units as a percentage of all housing units in Incline declined from 1990 to 2000 from 39.9% to 38.6%. So while summer homes continue to be an important share of the housing stock, the main housing transformation we observe in the 1990s is greater utilization of housing overall, and a wholesale shift of tenure from rental to ownership housing.
- *Housing Types*—There was a 28.3% increase in the number of housing units in Washoe County in the 1990s, compared to a 22.5% gain in Incline Village/Crystal Bay. The vast majority of these new units were single-family detached, with a 45.5% increase in the County and 29.9% in Incline Village/Crystal Bay. Multiple family/other units increased only 16.3% in the County and 16.8% in Incline Village. The percent increase of mobile homes in Washoe County was insignificant, compared to a -24.1% decline in Incline Village/Crystal Bay.

The percent of the housing stock in Incline Village/Crystal Bay that is multiple family/other housing dropped in the 1990s from 50.8% in 1990 to 48.4% in 2000, despite an increase of 532 units. The vast majority of the multi-family units in Incline Village/Crystal Bay are owner-occupied or second home condominium/town houses, rather than rental units. For Washoe County the percent of the housing stock that is multiple family/other housing dropped even more from 42.2% in 1990 to 38.2% in 2000, even with an increase of 7,721 units.

Between 2000 and 2008 there was only a 3.8% increase (286 units) in the number of housing units in Incline Village/Crystal Bay, much lower than the 22.5% increase in the 1990s. Over 90% of new residences were single-family units, 162 detached and 104 attached (condominiums/town houses). Multi-family housing increased by only 20 units from 2000 to 2008, for a total of 696 units, 8.9% of the 7,792 total units in Incline Village/Crystal Bay. In 2000 and beyond, the Assessor reports no mobile homes in Incline Village/Crystal Bay, compared to 66 units indicated in the 2000 US Census.

- *Age of Housing Stock*— Based upon 2000 Census data, the median year structures were built in Incline Village/Crystal Bay was 1980 compared to 1979 for Washoe County and 1986 for the State. Over two-thirds of the housing stock in Incline Village/Crystal Bay was built in the 1970s and 1980s. The 1990s saw only 18.3% of Incline Village/Crystal Bay's homes constructed, compared to 42.4% for the State and 27.3% for Washoe County.

### Rental Housing Affordability

- *Rental Housing Rates*— Median rent in Washoe County increased \$166, from \$509 in 1990 to \$675 in 2000, with the percent of household income spent on rent dropping slightly from 26.6% to 26.2%. In Incline Village/Crystal Bay, however, rent increased dramatically, by \$371, from \$694 to \$1,065, a 53.5% gain. The percent of household income spent on rent rose from 26.9% to 27.7%.

Based upon listings for the month of November 2008 from the Sierra Sun Newspaper Classifieds and on Craig's List, the gross median rent (shelter plus utilities) was \$1,454 in 2008, \$389 more per month (36.5% increase) than the median rent for Incline Village/Crystal Bay in 2000. Median gross rents in 2008 for one-bedroom units were \$992 and \$1,327 for two-bedroom units. For comparison purposes, the median rent in the Reno / Sparks region in 1<sup>st</sup> Quarter 2008 was \$752 overall for rental developments of between 4 and 79 units (again including a utility allowance), and was \$670 for a 1-bedroom unit and \$811 for a 2-bedroom unit.<sup>6</sup> The median rent in Incline was therefore 93.4% higher than the median rent in the Reno/Sparks region in late 2008. However, many more of the available rental units in Incline are located in condominium structures and consist of large 3- and 4-bedroom units. Over 50% of the listings we recorded in November 2008 were for 3-, 4-, and 5-bedroom units. In contrast, the average unit size in the Reno/Sparks region would be a 2-bedroom unit located in an apartment building.

- *Rental Housing Affordability*— 38.6% of Washoe County's households and 41.3% of Incline Village/Crystal Bay's households in 2000 paid 30% or more of their income on rent, considered a high rent burden by HUD. Of these households 16.9% in the County and 21.8% in Incline Village/Crystal Bay spent 50% or more of their income on rent, considered a severe rent burden by HUD.

In Washoe County, the proportion of renter households with incomes at or below 50% of HUD's AMI increased in the 1990s from 29.7% to 34.4% in 2000. In Incline Village/Crystal Bay, the 2000 percentage is lower at 23.1%, or 300 households (data not available for 1990). 83.3% of these very low-income households (or 250 households) paid more than 30% of their income on rent. For

---

<sup>6</sup> CB Richard Ellis "Market View Multi-Housing, Reno/Sparks Region, 1<sup>st</sup> Quarter 2008." See [www.cbre.com/MHGreno](http://www.cbre.com/MHGreno). It is worth noting that the median rents have remained steady, within \$1.00, in the 1<sup>st</sup> Quarter 2009 report.

Washoe County between 1990 and 2000, the percentage of very low income households with a 30%+ rent burden declined from 77.9% to a still high 74.1%.

- *Wages Needed to Afford Apartment Rents*—In 2008, we estimate that the hourly wage required to afford a two-bedroom apartment in Incline Village/Crystal Bay was \$25.52. The average hourly income for workers in Incline Village/Crystal Bay, however, is 16.5% lower at \$21.32.

Employment in Incline Village/Crystal Bay is dominated by the entertainment, accommodation, and food services sector, accounting for 41.2% of total employment. Workers in this industry, however, earn on average the lowest wages at \$14.61 per hour, 42.8% lower than the income needed to afford a two-bedroom apartment. Wages for workers in other services, retail trade, manufacturing, and construction are also on average too low to afford a two-bedroom apartment.

### Ownership Housing Affordability

- *Ownership Housing Affordability*—27.9% of Washoe County's and 37.1% of Incline Village/Crystal Bay's owner households in 2000 paid 30% or more of their income on housing costs. Of these households, 8.4% in the County and 15.4% in Incline Village/Crystal Bay spent 50% or more of their income on housing, considered a severe housing burden by HUD.

Although housing affordability improved overall with the rise in incomes from 1990 to 2000, the percent of households who paid 30% or more on homeownership costs rose in Washoe County from 24.7% to 27.9%, compared to a much higher increase in Incline Village/Crystal Bay, from 28.8% to 37.1%. This suggests that while the homeownership rate increased throughout the 1990s, some households were assuming a high shelter cost burden to become homeowners.

In Washoe County, the proportion of ownership households with incomes at or below 50% of HUD's AMI declined slightly in the 1990s from 11.7% to 11.0% in 2000. In Incline Village/Crystal Bay, the 2000 percentage was lower at 7.3%, or 205 households (data not available for 1990). 90.7% of these very low-income households (or 186 households) paid more than 30% of their income on housing costs. For Washoe County between 1990 and 2000, the percentage of very low income households with a 30%+ housing cost burden increased from 63.9% to 67.3%.

- *Owner-Occupied Housing Values*—Incline Village/Crystal Bay saw an astounding 92.7% increase in the median home price in the 1990s from \$265,900 to \$512,400 in 2000. This percent increase is about double that seen in Nevada and in Washoe County. Washoe County's home values increased 45.3% from \$111,200 in 1990 to \$161,600 in 2000.

From 2000 to 2008, the single-family home sales price in Incline Village/Crystal Bay rose 43.8% from a median of \$685,000 to \$985,000. The increase between 2000 and 2007, was even higher at 76.3%. Sales prices dropped 18.4% from 2007 (\$1,207,500) to 2008.

From 2000 to 2008, the median sales price of condominiums/townhouses rose faster than the price of single-family homes, almost doubling (94.9%) from \$270,000 to \$526,250. The increase between 2000 and 2007 was again a very high 122.2%. Sales prices dropped 12.3% from 2007 (\$600,000) to 2008.

- *Homeownership Affordability Gap*—We carried out a homeownership gap analysis for Incline Village/Crystal Bay for 2000 and 2009. The housing affordability gap is the dollar difference between the cost of purchasing a median priced home and a hypothetical buyer's ability to pay.

Based upon this gap analysis, most potential homebuyers in Incline Village/Crystal Bay at 80% and 100% of AMI were unable to afford a condominium in both 2000 and 2008. For example, a household earning 80% of area median income in 2009, or \$77,726, could not afford a median priced condominium/townhouse (\$526,250) in the Incline Village/Crystal Bay area without a significant cost burden. The gap in 2000 was \$48,720 but increased 208.8% to \$150,487 in 2009. A household at 100% AMI (\$97,158 in 2009 in Incline Village) could afford a condominium in 2000 with a surplus of \$10,726 in funds. However, this 100% AMI household experienced an affordability gap of \$51,204 by 2009.

Single-family homeownership is out of the reach of most Incline Village/Crystal Bay residents. Potential homebuyers at 120% of AMI (\$116,590 in 2009) would need a subsidy of about \$396,908 in 2009 in order to afford a median priced single-family home of \$985,000. For those households at 80% AMI, the subsidy would be \$595,475.

*Annual Income Needed to Afford a Home*—The annual income needed in 2009 to afford a median priced single-family home in Incline Village/Crystal Bay was \$194,272. The income needed to afford a median priced condominium/townhouse 2009 was also high at \$107,180. The average annual wages for employees in all occupations represented in Incline Village/Crystal Bay in 2009 was \$44,346, about one-fifth (22.8%) of the income needed to purchase a single-family home without a significant burden. The average income was about two-fifths (41.4%) of the earnings needed to buy a condominium/townhouse.

The data indicates that workers in every employment sector in Incline Village/Crystal Bay do not earn sufficient income to purchase a home locally without a significant housing cost burden. Even employees in the highest paid industry, professional services (\$88,920), on average cannot afford to purchase

either a single-family home or a condominium/townhouse. These workers earn on average 45.8% of the income needed to purchase a single-family home and 83.0% of the earnings needed to buy a condominium/townhouse.

Employment in Incline Village/Crystal Bay is dominated by the entertainment, accommodation, and food services sector accounting for 41.2% of total employment. Workers in this industry earn on average the lowest annual wages at \$30,389, 28.3% of the earnings needed to purchase a condominium/townhouse and 15.6% of the income needed to afford a single-family home, making housing costs extremely onerous.

### Housing Foreclosures

*Foreclosures*—The HUD Neighborhood Stabilization Program monitored national foreclosure starts over an 18-month period from January 2007 to June 2008. The foreclosure rate in Nevada was 8.6% compared to 6.8% in Washoe County and 4.6% in Incline Village/Crystal Bay.

Foreclosure starts for 2007 and 2008 recorded at the Washoe County Assessor's office indicate that the number of foreclosures has risen dramatically in the County from 745 to 2,448, a 328.6% increase. The number of foreclosures in Incline Village/Crystal Bay has also risen from 11 in 2007 to 42 in 2008. These numbers, however, represent a very small portion of the County total, 1.5% in 2007 and 1.7% in 2008.

### **Methodology**

The data summarized in this chapter comes from a variety of sources including:

- 1990 and 2000 US Census (population, income, and housing characteristics);
- Nevada State Demographer (current population estimates and projections);
- State of Nevada Division of Water Resources (current and projected population for Incline Village/Crystal Bay);
- Nevada Department of Employment, Training & Rehabilitation (current employment and wage data, major employers);
- US Department of Housing and Urban Development (HUD) (area median family income data [AMI], utility allowances for rental units, and foreclosure data);
- HUD State of the Cities Database (housing affordability measures);
- Washoe County School District (school enrollment data);
- Washoe County Assessor (housing counts, current home sales data, foreclosure data,);
- Incline Village General Improvement District (sewer flow and recreation pass data);
- Sierra Sun Newspaper and Craig's List (current rental rates);
- University of Nevada, Reno, Center for Regional Studies (housing and employment data).

From the information listed above, we have created tables and graphs to accompany the narrative.

### Population

The State of Nevada experienced tremendous population growth in the 1990s and is expected to continue to grow at a fast but decreasing rate through 2010. This mirrors the trend observed in many of the Western States. As seen in **Table 1**, from 1990 to 2000, the State grew 61.7%, the highest growth rate in the nation; it is projected to grow 54.5% between 2000 and 2010. The majority of this growth is occurring in Clark County (Las Vegas) with Washoe County (Reno/Sparks) also experiencing strong growth, but at a slower pace than Clark County. Washoe County grew 33.3% from 1990-2000 and is projected to grow 31.3% from 2000-2010.

<b>Table 1: Population Washoe County, Incline Village/Crystal Bay, and State of Nevada 1990, 2000, 2007, 2010</b>				
	<b>1990</b>	<b>2000</b>	<b>2007</b>	<b>2010</b>
<b>Washoe County</b>	254,667	339,486	418,061	445,660
<b>Incline Village/CB</b>	7,119	9,952	n/a	n/a
<b>State of Nevada</b>	1,236,130	1,998,257	2,718,337	3,087,428
	<b>% Chg 90-00</b>	<b>% Chg 00-10</b>	<b>% Chg 00-07</b>	<b>% Chg 07-10</b>
<b>Washoe County</b>	33.3%	31.3%	23.1%	6.6%
<b>Incline Village/CB</b>	39.8%	n/a	n/a	n/a
<b>State of Nevada</b>	61.7%	54.5%	36.0%	13.6%
	<b># Chg 90-00</b>	<b># Chg 00-10</b>	<b># Chg 00-07</b>	<b># Chg 07-10</b>
<b>Washoe County</b>	84,819	106,174	78,575	27,599
<b>Incline Village/CB</b>	2,833	n/a	n/a	n/a
<b>State of Nevada</b>	762,127	1,089,171	720,080	369,091

Source: US Census and Nevada State Demographer.

The Incline Village Census Designated Place (CDP), which includes Washoe County’s unincorporated communities of Incline Village and Crystal Bay, also added population during this period at a similar pace to Washoe County as a whole. The Census bureau recorded 7,119 people in 1990 and 9,952 people in 2000, for a total increase of 2,833 that decade, or 39.8%.

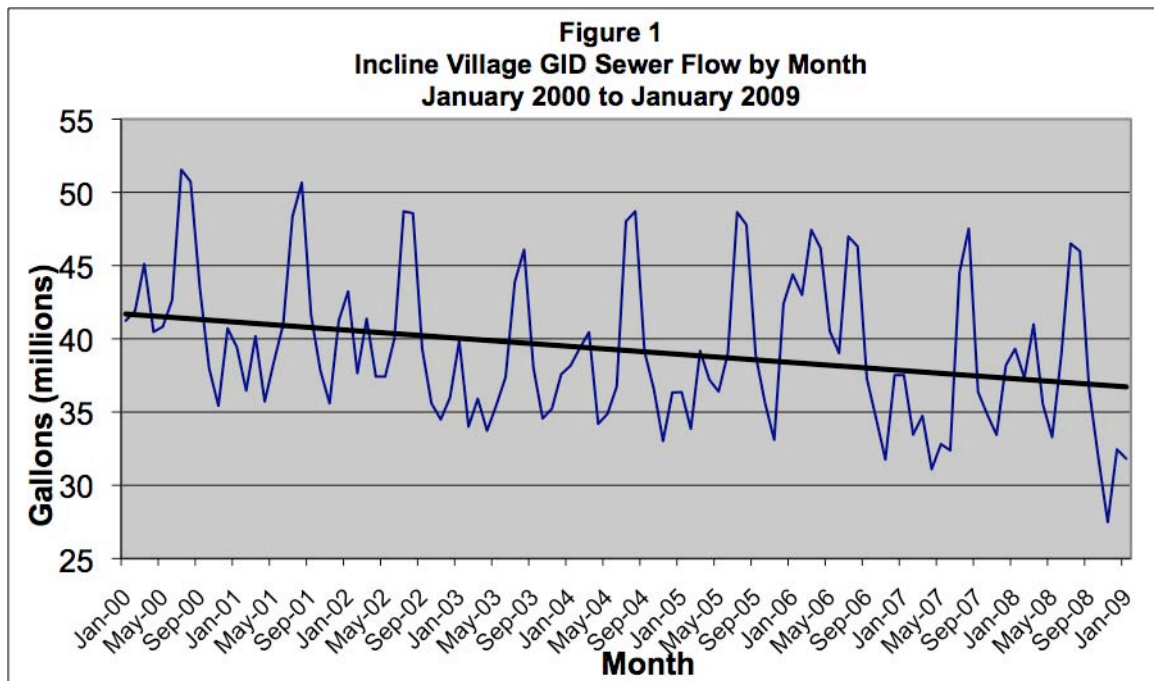
Current and projected population for Incline Village/Crystal Bay is difficult to measure given the number of seasonal residents and tourists that frequent the area, especially in the summer months. As will be noted below, almost half of the housing stock in the Incline Village CDP was recorded as vacant in 2000 Census, most of these units vacant for “Seasonal, Recreational or Occasional Use.” In 2000, the Incline Village General

Improvement District (IVGID) estimated the peak summer population of Incline Village to be 14,560 people, almost 50% higher than the Census count.<sup>7</sup> The IVGID projections estimated that an additional 1,526 people would reside in the Incline Village GID by 2010 for a total of 16,086. Again, we are assuming that these are peak season projections.

**Figure 1** illustrates the significant changes in seasonal sewer flow for the Incline Village/Crystal Bay area between January 2000 and January 2009. This provides another good indicator of the population fluctuation by season due to second homes and tourism. This data further highlights the difficulty of determining an accurate population count for Incline Village.

As shown in Figure 1, the recorded sewer flow has been trending downward since 2000. In particular, it appears that the sewer flow during the off-season periods is declining annually, suggesting fewer year-round residents. Local school enrollment data, presented below, further indicates that the year-round population in Incline has declined.

IVGID also documents a decline in the year-round resident population in the 2000s. Based upon IVGID year 2000 parcel data, 54.0% of housing units, 4,138 of 7,664, were owner-occupied. By 2008, this percentage was down to 41.6%--3,256 out of 7,824 housing units were owner-occupied.



<sup>7</sup> “Nevada Water Facts—Population and Water Use Forecast for Selected Water Purveyors (1990 – 2000),” State of Nevada Department of Conservation and Natural Resources, Division of Water Resources, <http://water.nv.gov/WaterPlanning/wat-fact/forecst2.cfm>

All homeowners in Incline Village are required to pay an annual recreation fee to IVGID. The number of property owners who had a local mailing address for billing purposes in 2008 was 3,421 out of 8,222, or 41.6%.

### Age

Data on the population <18 years and 65+ years in 1990 and 2000 is presented in **Table 2**. The sheer number of people under age 18 and over age 65 has increased dramatically throughout the State, mirroring the tremendous population growth between 1990 and 2000. Nevada as a whole saw about 72% growth in the number of people in both age cohorts in the 1990s.

In Washoe County there was a larger increase in the number of children (43.5%) than among elderly people (36.9%). Incline Village/Crystal Bay, however, experienced a much larger growth in the 65+ population (72.6%) than in the <18 cohort (27.8%).

As a percentage of the population, Washoe County has seen a 1.8 percentage point increase in the <18 population from 23.1% in 1990 to 24.9% in 2000. The percent of the population age 65+ has increased more slowly in the County from 10.3% to 10.5%.

In contrast, Incline Village/Crystal Bay saw a -1.8 percentage point decline in the under-18 age group from 21.4% in 1990 to 19.6% in 2000. The percentage of the elderly population, however, increased a significant 2.2 percentage points from 9.5% to 11.7%. Local school enrollment data, presented below, supports these findings and indicates that the number of children in Incline Village/Crystal Bay has continued to decline since 2000. This suggests that there is a loss of year-round residents with children and an increase in the population that are empty nesters and retirees.

<b>Table 2: Population By Age Group &lt;18 Years and 65+ Years Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>						
	<b>1990</b>		<b>2000</b>		<b>% Chg 90-00</b>	<b># Chg 90-00</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
<b>Population &lt;18 Years of Age</b>						
<b>Washoe County</b>	58,879	23.1%	84,480	24.9%	43.5%	25,601
<b>Incline Village/CB</b>	1,527	21.4%	1,952	19.6%	27.8%	425
<b>State of Nevada</b>	296,948	24.7%	511,799	25.6%	72.4%	214,851
<b>Population 65+ Years of Age</b>						
<b>Washoe County</b>	26,140	10.3%	35,797	10.5%	36.9%	9,657
<b>Incline Village/CB</b>	674	9.5%	1,163	11.7%	72.6%	489
<b>State of Nevada</b>	127,631	10.6%	218,989	11.0%	71.5%	91,298

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

The lack of workforce housing for families in the Incline Village/Crystal Bay area may be a factor in the decline in the <18 population. As will be discussed below, as housing costs have risen, local workers with children have had a harder time finding adequate, affordable housing in the area. These workers choose to commute or find employment elsewhere.

### **Race/Ethnicity**

The State of Nevada, Washoe County, and the Incline Village CPD are all becoming more diverse. **Table 3** shows that the white/non-Hispanic population declined in the 1990s as a percentage of the population as a whole in all three jurisdictions. The decline was the lowest in Incline Village/Crystal Bay. In 2000, the Incline Village CPD had a larger percentage of non-Hispanic, white residents (92.8%) than Washoe County (83.2%) and the State (78.4%).

The greatest increases in minority groups as a percentage of the population in all three jurisdictions were in the Hispanic and Asian populations. Between 1990 and 2000, the Hispanic/Latino population experienced 151.5% growth in Incline Village/Crystal Bay, adding 727 people. The Hispanic population is the largest ethnic group in Incline Village, 12.1% of the population in 2000, compared to the County at 16.6% and the State at 19.7%. Incline Village school enrollment data, presented below, shows that the percentage of Hispanic children has continued to increase since 2000.

The Asian/Pacific Islander population is the second largest ethnic group in Incline Village, with 2.4% of the population in 2000, an increase of 150 people over 1990. Almost 6% (5.9%) of Washoe County's residents were Asian in 2000.

Note that in the 2000 Census respondents were allowed to report more than one category for race. As a result, the "Some Other Race" category shows a dramatic change between the two censuses.

As Incline Village/Crystal Bay becomes more diverse, there will be some implications for housing, including new housing preferences and occupancy patterns, affordability for low-wage service employees, and issues with fair housing access and lending practices.

<b>Table 3: Race/Ethnicity* Washoe County, Incline Village CPD**, and State of Nevada 1990 and 2000</b>			
<b>Washoe County</b>	<b>1990</b>	<b>2000</b>	<b>% Chg 90-00</b>
White Population	225,095	282,610	25.6%
% White	88.4%	83.2%	-5.9%
Black Population	5,680	8,810	55.1%
% Black	2.2%	2.6%	18.2%
American Indian Population	4,921	9,070	84.3%
% American Indian	1.9%	2.7%	42.1%
Asian/Pacific Islander Pop	9,824	20,185	105.5%
% Asian/Pacific Islander	3.9%	5.9%	51.3%
Some Other Race	9,147	30,747	236.1%
% Other	3.6%	9.1%	152.8%
Hispanic/Latino Population	22,959	56,301	145.2%
% Hispanic/Latino	9.0%	16.6%	84.4%
<b>Incline Village GID</b>	<b>1990</b>	<b>2000</b>	<b>% Chg 90-00</b>
White Population	6,794	9,237	36.0%
% White	95.4%	92.8%	-2.7%
Black Population	23	60	160.9%
% Black	0.3%	0.6%	100.0%
American Indian Population	33	109	230.3%
% American Indian	0.5%	1.1%	120.0%
Asian/Pacific Islander Pop	83	233	180.7%
% Asian/Pacific Islander	1.2%	2.4%	100.0%
Some Other Race	186	511	174.7%
% Other	2.6%	5.1%	96.2%
Hispanic/Latino Population	480	1,207	151.5%
% Hispanic/Latino	6.7%	12.1%	80.6%
<b>State of Nevada</b>	<b>1990</b>	<b>2000</b>	<b>% Chg 90-00</b>
White Population	1,012,695	1,565,866	54.6%
% White	84.3%	78.4%	-7.0%
Black Population	78,771	150,508	91.1%
% Black	6.6%	7.5%	13.6%
American Indian Population	19,637	42,222	115.0%
% American Indian	1.6%	2.1%	31.3%
Asian/Pacific Islander Pop	38,127	128,690	237.5%
% Asian/Pacific Islander	3.2%	6.4%	100.0%
Some Other Race	52,603	193,720	268.3%

% Other	4.4%	9.7%	120.5%
Hispanic/Latino Population	124,419	393,970	216.6%
% Hispanic/Latino	10.4%	19.7%	89.4%

\* Data on race not directly comparable between 1990 and 2000.

In 2000 respondents were allowed to report more than one category for race.

\*\*Incline Village CPD includes the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

### School Enrollment

Enrollment and ethnicity data for the elementary, middle, and high schools in Incline Village is presented in **Table 4**. Total enrollment increased by 190 students (16.0%) from 1990 to 2000, but then declined significantly between 2000 and 2007, losing 358 students (-25.9%). By 2010, enrollment is expected to drop by another 33.6% (464 students), to a total of 916.<sup>8</sup>

Between 1990 and 2007, there was a dramatic increase in the number of Hispanic children enrolled in the local schools. In the elementary grades, Hispanic students comprised 9% of the student body in 1990 compared to 46% in 2007. A similar trend is noted in both the middle school and high school. No ethnicity projections are available for 2010.

---

<sup>8</sup> Please note, that data regarding the population aged 18 or younger is based on public school enrollment, and does not include children enrolled at the private school in Incline, Lake Tahoe School. Current elementary school enrollment is 130 and middle school enrollment is 25, some of whom commute from outside of Incline. Adjusting school enrollment to include the private school would still indicate an overall decrease in school enrollment.

<b>Table 4: School Enrollment and Percent Ethnic Distribution*</b>						
<b>Incline Village/Crystal Bay</b>						
<b>1990, 2000, 2007, 2010</b>						
	<b>1990</b>	<b>2000</b>	<b>2007</b>	<b>2010</b>		
<b>Incline Elementary School (K-5)</b>						
<b>Enrollment</b>	563	602	420	410		
<b>White</b>	89%	64%	52%	n/a		
<b>Black</b>	0%	1%	1%	n/a		
<b>Native American</b>	1%	0%	0%	n/a		
<b>Asian/Pac Islander</b>	1%	1%	2%	n/a		
<b>Hispanic</b>	9%	34%	46%	n/a		
<b>Incline Middle School (6-8)</b>						
<b>Enrollment</b>	291	348	225	220		
<b>White</b>	90%	72%	58%	n/a		
<b>Black</b>	1%	1%	0%	n/a		
<b>Native American</b>	1%	1%	0%	n/a		
<b>Asian/Pac Islander</b>	1%	2%	1%	n/a		
<b>Hispanic</b>	8%	24%	41%	n/a		
<b>Incline High School (9-12)</b>						
<b>Enrollment</b>	336	430	377	286		
<b>White</b>	94%	77%	69%	n/a		
<b>Black</b>	1%	1%	1%	n/a		
<b>Native American</b>	0%	1%	1%	n/a		
<b>Asian/Pac Islander</b>	1%	1%	1%	n/a		
<b>Hispanic</b>	4%	20%	30%	n/a		
<b>TOTAL ENROLLMENT</b>	1,190	1,380	1,022	916		
	<b>% Chg</b>	<b># Chg</b>	<b>% Chg</b>	<b># Chg</b>	<b>% Chg</b>	<b># Chg</b>
	<b>90-00</b>	<b>90-00</b>	<b>00-07</b>	<b>00-07</b>	<b>00-10</b>	<b>00-10</b>
<b>Incline Elementary School (K-5)</b>						
<b>Enrollment</b>	6.9%	39	-30.2%	(182)	-31.9%	(192)
<b>Incline Middle School (6-8)</b>						
<b>Enrollment</b>	19.6%	57	-35.3%	(123)	-36.8%	(128)

<b>Incline High School (9-12)</b>						
<b>Enrollment</b>	28.0%	94	-12.3%	(53)	-33.5%	(144)
<b>TOTAL ENROLLMENT</b>	16.0%	190	-25.9%	(358)	-33.6%	(464)

\* Percents may not add up to 100% due to rounding

Source: Washoe County School District

### Household Size

Nationally, the average household size declined from 2.63 in 1990 to 2.59 in 2000. However, in the State of Nevada, the household size has increased from 2.53 to 2.62 (Table 5). While the household size increased in Washoe County from 2.43 to 2.53 the households in Incline Village/Crystal Bay followed the national trend, declining from 2.40 to 2.36.

<b>Table 5: Average Household Size Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>			
	<b>1990 #</b>	<b>2000 #</b>	<b>% Chg 90-00</b>
<b>Washoe County</b>	2.43	2.53	4.1%
<b>Incline Village/CB</b>	2.40	2.36	-1.7%
<b>State of Nevada</b>	2.53	2.32	3.6%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census

Designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

The household size increases in Nevada and Washoe County could be explained by the in-migration of families from other states, as well as the growth in population groups that tend to have larger families, such as the Hispanic/Latino population and the continued strong presence of the Mormon religion in Nevada. Incline Village's decline in household size mirrors the trends seen in the age and school enrollment data discussed above.

### Income

Incomes in Incline Village have historically been among the highest in the State based on decennial Census data. In 1990, the Median Family Income in the Incline Village CPD was \$45,696, compared to \$38,800 for Washoe County as a whole. In 2000, the MFI in the Incline Village CPD was \$79,079, compared to \$57,300 in Washoe. It is interesting to note that MFI increased by 73.1% in the Incline Village CDP, compared to 47.7% in Washoe County as a whole. We believe this increase in Incline is the result of both

increased earnings and gentrification, or the in-migration of more affluent residents in the 1990s during the dot.com boom.

HUD publishes annual updates to the Median Family Income (referred to by HUD as Area Median Income, or AMI). However, this income data is not available for planning subdivisions, such as Incline Village. The 2009 estimated AMI for Washoe County for a family of four is \$70,400. If we assume that Incline Village family income rose at the same rate as Washoe County as a whole—a conservation assumption given that Incline Village income rose more quickly in the previous decade—the imputed AMI for Incline Village based upon 2000 Census data would be \$97,158 in 2009.

As seen in **Table 6**, household income in Washoe County rose significantly in the 1990s but was stagnant in the early 2000s. From 2000 to 2009, AMI in Washoe County rose 22.9%, compared to 47.7% in the 1990s.

<b>Table 6: Median Family Income</b>							
<b>Washoe County: HUD Area Median Family Income (AMI) 1990, 2000, 2005-2009</b>							
<b>Incline Village/Crystal Bay CDP: US Census 1990 and 2000, Imputed 2009</b>							
	<b>1990</b>	<b>2000</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Washoe County</b>	\$38,800	\$57,300	\$63,700	\$62,800	\$64,000	\$69,500	\$70,400
<b>Incline Village*</b>	\$45,696	\$79,079	n/a	n/a	n/a	n/a	\$97,158
	<b>% Chg 90-00</b>	<b>% Chg 00-05</b>	<b>% Chg 05-09</b>	<b>% Chg 00-09</b>			
<b>Washoe County</b>	47.7%	11.2%	10.5%	22.9%			
<b>Incline Village</b>	73.1%	n/a	n/a	22.9%			

\*2009 income imputed from Washoe County AMI percent change 2000-2009

Source: US Department of Housing and Urban Development (HUD), US Census

**Table 7** presents an overview of poverty status. The poverty threshold for a family of four persons was \$12,674 in 1989 and \$17,029 in 1999. Poverty thresholds are applied on a national basis and are not adjusted for regional, state or local variations in the cost of living.

In the State and in Washoe County, despite increases in incomes and population growth during the 1990s, the percentage of the population who fall under the poverty level did not lower, but rather increased slightly. From 1990 to 2000, the percent of the population with poverty status increased approximately one-half a percentage point to 10.0% for Washoe County and 10.5% for the State. In Washoe County this equates to 33,318 individuals who fell below the poverty level in 2000, an increase of 9,861 persons in ten years. Some of the newcomers may be of lower income and/or cost of living increases may have pushed people below the poverty level.

<b>Table 7: Individuals Below Poverty Line Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>						
	<b>1990</b>		<b>2000</b>		<b>% Chg 90-00</b>	<b># Chg 90-00</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
<b>Washoe County</b>	23,457	9.4%	33,318	10.0%	42.0%	9,861
<b>Incline Village/CB</b>	746	10.5%	653	6.6%	-12.5%	(93)
<b>State of Nevada</b>	119,660	10.2%	205,685	10.5%	71.9%	86,025

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

For Incline Village/Crystal Bay, however, both the number and percentage of residents living below the poverty line decreased between 1990 and 2000. In 1990, 746 residents (10.5% of the population) were considered living in poverty. By 2000, the number dropped to 653, 6.6% of the population. This is also likely an indicator of gentrification, the transformation of Incline due to the movement of more affluent residents into an area.

### **Employment**

Employment by industry data for the first quarter of 2008 was gathered for Washoe County and Incline Village/Crystal Bay. **Table 8** shows that Washoe County’s employment base is primarily in three industries—entertainment, accommodation, and food services (18.6%), education, health and social services (17.9%), and retail trade (11.5%).

In Incline Village/Crystal Bay, however, the local economy is much less diversified, dominated by the entertainment, accommodation, and food services sector at 41.2% of employment. Construction comes in a distant second at 13.6% of employment.

<b>Table 8: Employment by Industry Washoe County and Incline Village/Crystal Bay 1st Quarter 2008</b>					
<b>Industry</b>	<b>Washoe County</b>	<b>County % of Total</b>	<b>Incline Village/ Crystal Bay</b>	<b>IV/CB % of Total</b>	<b>Difference % IV/CB vs.% County</b>
Entertain., Accom., & Food Services	38,208	18.6%	1,925	41.2%	22.6
Construction	15,564	7.6%	635	13.6%	6.0
Finance, Insurance., & Real Estate	9,583	4.7%	364	7.8%	3.1
Retail Trade	23,606	11.5%	348	7.4%	-4.0
Educational, Health, & Social Services	36,737	17.9%	338	7.2%	-10.7
Professional Services	10,495	5.1%	307	6.6%	1.5
Management & Admin. Services	15,853	7.7%	255	5.5%	-2.3
Other Services	5,182	2.5%	153	3.3%	0.8
Transportation & Utilities	13,064	6.4%	107	2.3%	-4.1
Information	2,787	1.4%	89	1.9%	0.5
Government	9,941	4.8%	74	1.6%	-3.3
Wholesale Trade	10,274	5.0%	47	1.0%	-4.0
Manufacturing	13,719	6.7%	31	0.7%	-6.0
Mining	302	0.1%	2	0.0%	-0.1
Agriculture & Forestry	148	0.1%	d	n/a	n/a
<b>TOTAL EMPLOYMENT</b>	<b>205,463</b>	<b>100.0%</b>	<b>4,675</b>	<b>100.0%</b>	

d - Disclosure limitations. The values are not reported in order to protect the information of individual businesses.

Source: Nevada Department of Employment, Training & Rehabilitation

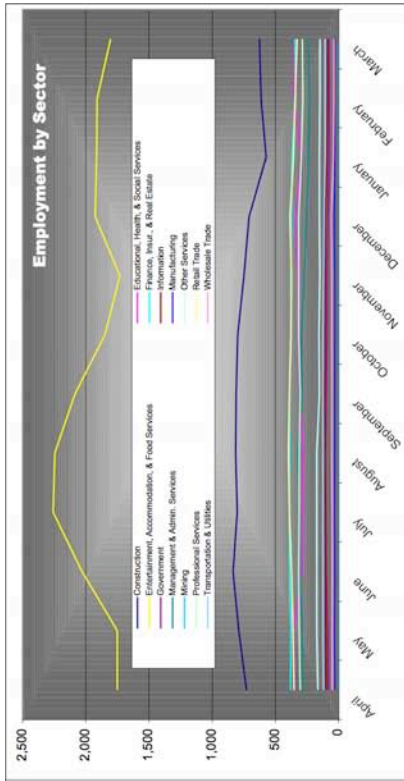
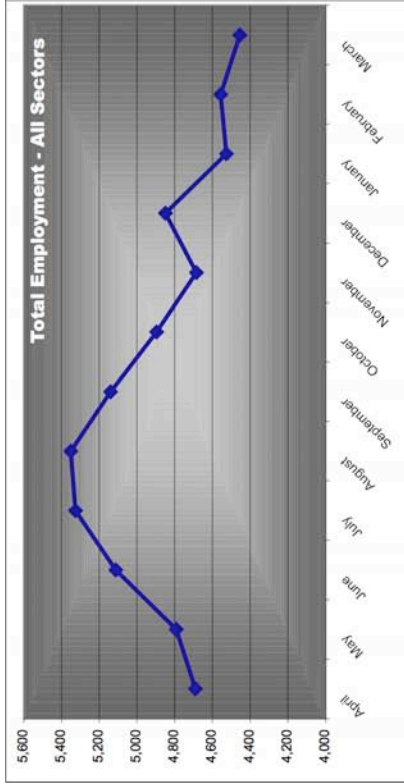
**Table 9** shows the 12-month employment trends for Incline Village/Crystal Bay between April 2007 and March 2008. The data illustrates the tremendous seasonal variation in employment which corresponds with the summer months and, secondarily, the winter ski season, when second home usage and vacation rentals are at their highest. This data mirrors the seasonal sewer flow data presented earlier in **Figure 1**.

Average hourly wages by industry for the first quarter of 2008 is presented in **Table 10** for both Washoe County and Incline Village/Crystal Bay. Incline Village/Crystal Bay's average hourly wage is higher than Washoe County as a whole, \$21.32 versus \$19.83. The lowest wages in Incline Village/Crystal Bay are in the entertainment, accommodation, and food services sector Incline Village/Crystal Bay's largest employment segment, averaging \$14.61 per hour, \$3.25 more than the County as a whole. Other service workers and those who work in retail trade average \$15.06 and \$16.25, respectively.

Local businesses pay somewhat more to find workers due in part to the higher cost of living in Incline Village/Crystal Bay and the extra commuting costs for those workers who cannot afford or choose not to live in the area.

**Table 9**  
**12-Month Employment Trends**  
*Incline Village/Crystal Bay - Washoe County, Nevada*

SECTOR	2007												2008			Average
	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	
Construction	730	788	833	804	814	810	797	747	706	571	612	624	736			
Educational, Health, & Social Services	349	356	289	286	278	308	320	324	339	295	352	346	320			
Entertainment, Accommodation, & Food Services	1,751	1,750	2,029	2,260	2,247	2,088	1,850	1,729	1,928	1,915	1,912	1,804	1,939			
Finance, Insur., & Real Estate	381	375	387	388	390	388	375	378	374	368	339	345	374			
Government	80	84	100	103	105	100	92	88	85	73	73	76	88			
Information	97	103	103	106	106	109	108	107	107	90	87	86	101			
Management & Admin. Services	289	285	306	305	324	292	296	270	252	236	228	237	277			
Manufacturing	2	2	2	2	2	2	2	2	2	2	2	2	2			
Mining	2	2	2	2	2	2	2	2	2	2	2	2	2			
Other Services	162	170	172	170	172	150	156	148	153	150	148	146	158			
Professional Services	302	312	314	310	311	303	316	315	315	294	284	287	305			
Retail Trade	350	361	374	390	396	387	378	374	385	357	344	328	369			
Transportation & Utilities	119	123	124	122	123	121	123	118	116	107	106	107	117			
Wholesale Trade	51	51	48	48	54	52	54	55	56	39	37	38	49			
<b>All Sectors</b>	<b>4,690</b>	<b>4,792</b>	<b>5,111</b>	<b>5,325</b>	<b>5,351</b>	<b>5,139</b>	<b>4,896</b>	<b>4,685</b>	<b>4,849</b>	<b>4,527</b>	<b>4,557</b>	<b>4,455</b>	<b>4,865</b>			



Source: Department of Employment, Training, & Rehabilitation

<b>Table 10: Average Hourly Wage by Industry Washoe County and Incline Village/Crystal Bay 1st Quarter 2008</b>					
<b>Industry</b>	<b>Washoe County</b>	<b>County % of Average</b>	<b>Incline Village/ Crystal Bay</b>	<b>IV/CB % of Average</b>	<b>Difference IV/CB vs.County</b>
Entertain., Accom., & Food Srvc.	\$11.36	57.3%	\$14.61	68.5%	\$3.25
Other Services	\$15.73	79.3%	\$15.06	70.6%	-\$0.67
Retail Trade	\$13.92	70.2%	\$16.25	76.2%	\$2.33
Manufacturing	\$25.34	127.8%	\$18.09	84.8%	-\$7.25
Construction	\$23.46	118.3%	\$20.45	95.9%	-\$3.01
Transportation & Utilities	\$20.12	101.5%	\$22.24	104.3%	\$2.12
Ed., Health, & Social Services	\$22.95	115.7%	\$26.06	122.2%	\$3.11
Management & Admin. Services	\$21.96	110.7%	\$32.49	152.4%	\$10.53
Finance, Insur., & Real Estate	\$26.91	135.7%	\$34.80	163.2%	\$7.89
Wholesale Trade	\$25.88	130.5%	\$37.21	174.5%	\$11.33
Information	\$25.63	129.2%	\$37.57	176.2%	\$11.94
Professional Services	\$29.28	147.7%	\$42.75	200.5%	\$13.47
Agriculture & Forestry	\$17.26	87.0%	d	n/a	n/a
Government	\$26.51	133.7%	d	n/a	n/a
Mining	\$69.09	348.4%	d	n/a	n/a
<b>AVERAGE HOURLY WAGE</b>	<b>\$19.83</b>	<b>100.0%</b>	<b>\$21.32</b>	<b>100.0%</b>	<b>\$1.49</b>

d - Disclosure limitations. The values are not reported in order to protect the information of individual businesses.

Source: Nevada Department of Employment, Training & Rehabilitation

As seen in **Table 11**, a list of major employers in Incline Village/Crystal Bay with 30+ workers, the largest employers include those who cater to the entertainment, accommodation, and food services sector. The Hyatt Lake Tahoe Resort and Casino is the largest employer with 600 to 799 workers. As noted above, jobs in the leisure and hospitality industry are typically low-paying positions. A high median income in Washoe County and Incline Village/Crystal Bay (**Table 6**) masks the large number of workers in the low-income service sectors who may need assistance with shelter costs.

As will be illustrated later in this chapter, employees who earn low and even moderate wages have problems with both housing affordability and availability in Incline Village/Crystal Bay.

<b>Table 11: Major Employers--30+ Employees Incline Village/Crystal Bay 2nd Quarter 2008</b>		
<b>Employer</b>	<b>Number of Employees</b>	<b>Industry</b>
Hyatt Lake Tahoe Resort and Casino	600 to 799	Casino Hotels
IVGID	300 to 549	Local Government Services
Golf Resort - Championship Course	100 to 199	Golf Courses and Country Clubs
Recreation Center and Parks	100 to 199	Fitness and Recreational Sports Centers
Golf Resort - Mountain Course	30 to 39	Golf Courses and Country Clubs
IVGID General Offices	20 to 29	Water Supply and Irrigation Systems
Utility Pipeline & Warehouse	20 to 29	Water Supply and Irrigation Systems
Utility Treatment Plant	10 to 19	Sewage Treatment Facilities
Diamond Peak Ski Resort	10 to 19	Skiing Facilities
Incline Village Engineering Department	1 to 4	Water Supply and Irrigation Systems
Crystal Bay Club Casino	100 to 199	Casinos (except Casino Hotels)
North Lake Tahoe Fire Protection	100 to 199	Fire Protection
Raley's	100 to 199	Supermarkets and Other Grocery Stores
Tahoe Biltmore Lodge	100 to 199	Casino Hotels
Washoe County School District	100 to 199	Elementary and Secondary Schools
Sierra Nevada College	90 to 99	Colleges and Universities
Washoe County	70 to 79	County Government Services
Fortress Construction Inc	60 to 69	Residential Remodelers
Incline Village Community Hospital	50 to 59	General Medical and Surgical Hospitals
G & E painting	40 to 49	Residential Painting Contractors
High Sierra Gardens Inc	40 to 49	Nursery, Garden & Farm Supply Stores
Lifestyle Homes Inc	40 to 49	New Single-Family Housing Construction
Cal Neva Lodge	30 to 39	Casinos (except Casino Hotels)
Cal Neva Resort Spa & Casino	30 to 39	Hotels (except Casino Hotels) and Motels
Club Tahoe Resort Owners Assn	30 to 39	Other Similar Organizations
Cruz Excavating Inc	30 to 39	Nonresidential Site Preparation Construction
Hacienda De La Sierra	30 to 39	Full-Service Restaurants
Incline Property Management	30 to 39	Residential Property Managers
Lake Tahoe School	30 to 39	Elementary and Secondary Schools

Source: Nevada Department of Employment, Training & Rehabilitation, Washoe County

### Employee Place of Residence

As part of the Workforce Housing Needs Assessment, Praxis Consulting Group collected data on the place of residence and commuter pattern of employees in Incline Village and Crystal Bay. Our research found that on average about 50% of the employees who work in Incline Village and Crystal Bay live there, and this percentage is decreasing. Many commute from other North Shore communities and Truckee, but a significant number also commute long distances from Reno, Carson Valley, and South Lake Tahoe.

Original sources of data on employee place of residence include: 1) two place of residence and commute questions on the employee postcard survey, described in Chapters 4, and 2) employee place of residence data collected directly from several large local employers, including Sierra Nevada College, Washoe County, IVGID, the North Lake Tahoe Fire Protection District and the Washoe County School District. These data are also supported by two studies of commuter and traffic patterns in North Lake Tahoe, the 2001 *Employer Commute Survey*, sponsored by the North Lake Tahoe Resort Association<sup>9</sup>, and the 2008 Regional Transportation Commission’s *Mobility 2030: The Lake Tahoe Regional Transportation Plan*.<sup>10</sup>

**Table 12** details employee place of residence data from the postcard survey of 167 IV/CB employees. **Table 13** summarizes the place of residence data collected directly from several large local employers. Based upon both tables, we can generalize that just over 50% of employees who work in Incline Village also reside there—though there is a lot of variation depending on the employer.

Based upon the postcard survey, 60.5% of employees (101 of 167) live and work in Incline Village and Crystal Bay. According to the survey, 25.1% (42 of 167) live on the North Shore or in Truckee, .06% (1 of 167) live in South Lake Tahoe, 10.8% (18 of 167) live over the hill in Washoe County, Carson City, Lyon (Dayton, Fernley, Silver Springs) or Douglas County (Minden, Gardnerville), and the remaining 3.0% (5 of 167) in other locations. (See **Table 12**).

<b>Table 12: Place of Residence Employee Postcard Survey Data Incline Village / Crystal Bay</b>									
	<b>Incline Village</b>	<b>Reno/ Sparks</b>	<b>South Lake Tahoe</b>	<b>North Shore/ Truckee</b>	<b>Washoe Valley/ Carson City</b>	<b>Dayton/ Fernley Silver Springs</b>	<b>Minden/ Gardnerville</b>	<b>Other</b>	<b>Totals</b>
<b>#</b>	101	8	1	42	7	2	1	5	167
<b>%</b>	60.50%	4.80%	0.60%	25.10%	4.20%	1.20%	0.60%	3.00%	100%

Source: Incline Village Employee Postcard Survey

<sup>9</sup> *North Tahoe / Truckee Employer Commute Survey*, North Lake Tahoe Resort Association, 2001.

<sup>10</sup> *Mobility 2030: The Lake Tahoe Regional Transportation Plan*, Tahoe Metropolitan Planning Organization and the Tahoe Regional Planning Agency, 2008.

The postcard survey represented a disproportionate share of lower wage service employees. 57.8% of the postcards (407 of 704) were distributed to businesses classified as hotel/casinos, restaurants, and retailers, which in fact mirrors the local employment base. This workforce may be less likely or able to own an automobile or to commute long distances for low-wage or part-time work.

On the positive side, a disproportionate share of these service employees in Incline Village and Crystal Bay have found places to live in the community. On the negative side, these workers face a very tight and expensive housing market. As noted elsewhere in the study, they report spending a higher share of their income on housing costs and exhibit higher overcrowding in housing than commuters.

The data collected directly from local employers indicates mixed levels of local residency. (See Table 13.) For instance, Washoe County School District employees exhibit relatively high rates of local residency. 59% of WCSD employees live in Incline Village. If this percentage is added to the percentage that live in the other North Shore communities, then we see that over 86% of school employees live in the North Shore area and do not commute from Reno, South Shore, Carson City, or other communities outside of the Tahoe Basin. One of the reasons for this high level of residency may be that many who work for the school district are long-time employees and entered the housing market during the years before the steep increase in home prices.

IVGID employees also exhibit higher levels of residency. 68% of IVGID employees live in Incline, and an additional 13% live in other communities on the North Shore or in Truckee. Many of these jobs have been stable, with good benefits, for many years, and may also be occupied by longtime employees who had an opportunity to invest in a home before the housing costs in Incline Village priced them out of the housing market.

The data suggest that employees in other sectors have significantly lower rates of employee residency. Only 14% of North Lake Tahoe Fire Protection District employees, 35% of Tahoe Forest Hospital employees, 49% of Washoe County employees—primarily in the Sheriff’s Department—and 40% of Sierra Nevada College employees live locally. The low rate of residency for employees in these occupations may have many different causes. The Fire Protection District, for example, houses employees at the station when they are on the job. Employees work on a shift schedule that may more readily allow them to live out of the area and commute from further away only a few times a month. Two articles in the *North Lake Tahoe Bonanza* indicate that many long-term public employees were on the brink of retirement in 2007.<sup>11</sup> So, there may have been significant recent turnover at the department, with new hires not able to find housing locally.

---

<sup>11</sup> “Big shoes will soon need to be filled in special districts around the North Tahoe... because a whole generation of employees, including general managers, are expected to retire within the next few years” (from “Districts planning for widespread retirement”, Joanna Hartman, *North Lake Tahoe Bonanza*, February 2, 2007, online edition.)

“North Lake Tahoe Fire Protection District fire Chief Mike Brown says he ... has issues keeping a full staff. ‘We are losing a lot of our older guys to retirement and having to train our younger firefighters to replace them,’ said Brown, whose records indicated that, while 11 of his firefighters have retired in the past

<b>Employer Name</b>	<b>Incline Village</b>	<b>Reno/ Sparks</b>	<b>South Lake Tahoe</b>	<b>North Shore/ Truckee</b>	<b>Washoe Valley/ Carson City</b>	<b>Dayton/ Fernley Silver Springs</b>	<b>Minden/ Gardnerville</b>	<b>Other</b>	<b>Totals</b>
<b>Incline Fire District</b>	7	30	1	2	7	*	*	2	49
	14.29%	61.22%	2.04%	4.08%	14.29%	*	*	4.08%	100.00%
<b>Tahoe Forest Hospital</b>	21	8	2	17	8	*	2	2	60
	35.00%	13.33%	3.33%	28.33%	13.33%	*	3.33%	3.33%	100.00%
<b>IVGID</b>	179	22	2	28	12	2	12	5	262
	68.32%	8.40%	0.76%	10.69%	4.58%	0.76%	4.58%	1.91%	100.00%
<b>IVGID Seasonal Employee</b>	146	15	1	30	10	*	5	22	229
	63.76%	6.55%	0.44%	13.10%	4.37%	*	2.18%	9.61%	100.00%
<b>Sierra Nevada College</b>	52	41	1	24	7	*	2	2	129
	40.31%	31.78%	0.78%	18.60%	5.43%	*	1.55%	1.55%	100.00%
<b>Washoe County (Sheriff)</b>	34	*	*	*	*	*	*	36	70
	48.57%	*	*	*	*	*	*	51.43%	100.00%
<b>Washoe County Schools</b>	61	7	*	28	5	1	1	*	103
	59.22%	6.80%	*	27.18%	4.85%	0.97%	0.97%	*	100.00%

\* Information not available for this category

Source: Interviews with each employer, Winter, 2008/2009

The low rates of local residency among employees of the fire department and hospital could suggest two interrelated issues. First, that a viable pool of employees may not exist in Incline from which employers can draw new employees, and so they hire from out of town. And, second, once new employees are hired, there may not be housing locally available for them; employees may be less likely to locate and live locally, or if they are local and have found housing, they may decide to look elsewhere to buy a home. As long-time employees retire, other agencies may have a similar problem finding and retaining new workers.

The low rate of local residency among employees at Sierra Nevada College (40%) may also be a reflection of the difficulty of finding affordable housing in Incline Village and Crystal Bay. The jobs available at the college typically have more turnover than other sectors of the local economy—academic professionals may move more frequently to

---

five years, only two have left for other agencies. Brown is currently seeking to fill five vacancies for senior personnel. The reason for the recent exodus is that many senior personal recently became fully vested in the Public Employees Retirement Plan and are leaving for comfortable retirements.” (from, “Solving the turnover riddle: Affordable housing an issue for IVGID, not fire or sheriff”, Tom Meyer, *North Lake Tahoe Bonanza*, February 16, 2007, p. A12)

follow job offers, or as their focus or research shift they may change schools. The low rate of residency may also reflect the inability of newer employees of the college to find housing locally. Conversely, this may make it more difficult for the Sierra Nevada College to grow and to recruit new faculty and employees.

The Washoe County employee data include Sheriff's Department, and also library, roads, and equipment services employees. The local residency for this group, at 48% has some potentially serious implications for the community. These employees are essential to the function of the Incline Village and Crystal Bay area, as they provide public safety and maintenance of crucial infrastructure. The same can be said of the fire department and hospital personnel, at 14% and 35% of residency, respectively. All employees who commute to Incline Village and Crystal Bay have to navigate mountain roads, some of which can be closed in the winter during storms or other emergency situations. Especially for public employees and emergency response personnel, having a low percentage of the workforce living locally may leave the town without crucial medical, fire and safety services in the event of an emergency. The data show that of fire personnel, a full 82% commute either from South shore, or over a mountain pass to get to work. Over 30% of medical personnel make the same commute.

### **Commuter and Traffic Patterns**

RTC Commuter pattern data provide further evidence of the low rate of residency among employees in Incline Village and Crystal Bay. According to the RTC 2030 plan, "Traffic volumes at the Basin's seven entry points have illustrated a steady increase with hourly commute times increasing at a greater rate than non-commute hours."<sup>12</sup> This is despite a leveling off and recent decrease in overall traffic in the basin.<sup>13</sup> If more people are commuting daily into the Lake Tahoe basin, yet the overall traffic and population have not increased, this suggests that a higher rate of employees are living elsewhere and commuting in to work. According to the 2001 *North Tahoe / Truckee Employer Commute Survey*, during the off-season, 57% of the people that worked in Incline/Crystal Bay lived there; in the summer months the percentage of employees who worked in Incline Village / Crystal Bay was dramatically lower, at 31%. The decrease in workers living locally during the summer months reflects the increase in seasonal employees who were not able to find housing in the area.<sup>14</sup>

Low rates of employee residency and increased commuter traffic in and out of Incline Village have significant environmental effects as well. Every additional vehicle trip increases carbon emissions, effectively reducing the air quality in the Tahoe Basin and reducing the clarity of the lake.

---

<sup>12</sup> *Mobility 2030: The Lake Tahoe Regional Transportation Plan*, Tahoe Metropolitan Planning Organization and the Tahoe Regional Planning Agency, 2008, p 17.

<sup>13</sup> *Ibid*, p.16, charts show traffic increase leveling off and decreasing to almost the same level after thirty years.

<sup>14</sup> *North Tahoe / Truckee Employer Commute Survey*, North Lake Tahoe Resort Association, 2001, Table 5, p.16, and Table 3, p.14.

### Housing Units and Vacancy Rates

Housing data for Incline Village/Crystal Bay is available from two primary sources: the decennial U.S. Census for 1990 and 2000 and the Washoe County Assessors Office.

As seen in **Table 14**, the rapid increase in the number of housing units between 1990 and 2000 in the State and Washoe County mirrors the dramatic population and employment growth experienced in the 1990s. Housing units in Washoe County increased by 37,715, or 28.3%, between 1990 and 2000. Population increased by 33.3% during this same period.

Housing production did not keep pace with population growth in Incline Village/Crystal Bay in the 1990's. Between 1990 and 2000, the year-round population of Incline Village grew by 39.8%, or 2,833 persons. (See Table 1.) However, the number of housing units only increased by 22.5% during the decade, for 1,409 additional new units. We assume that the growth management practices in the TRPA Regional Plan, which was adopted in 1987, resulted in a slowing of housing production in the 1990's. Most of the growth in housing in both the County and Incline Village/Crystal Bay was in detached single-family units, as will be presented later.

<b>Table 14: Housing Units - Total, Vacant, and Occupied Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>						
	<b>1990</b>		<b>2000</b>		<b>%Chg 90-00</b>	<b># Chg 90-00</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
<b>Total Housing Units</b>						
<b>Washoe County</b>	112,193	n/a	143,908	n/a	28.3%	31,715
<b>Incline Village/CB</b>	6,255	n/a	7,664	n/a	22.5%	1,409
<b>State of Nevada</b>	518,858	n/a	827,457	n/a	59.5%	308,599
<b>Vacant</b>						
<b>Washoe County</b>	9,899	8.8%	11,824	8.2%	19.4%	1,925
<b>Incline Village/CB</b>	3,292	52.6%	3,488	45.5%	6.0%	196
<b>State of Nevada</b>	52,561	10.1%	76,292	9.2%	45.1%	23,731
<b>Occupied</b>						
<b>Washoe County</b>	102,294	91.2%	132,084	91.8%	29.1%	29,790
<b>Incline Village/CB</b>	2,963	47.4%	4,176	54.5%	40.9%	1,213
<b>State of Nevada</b>	466,297	89.9%	751,165	90.8%	61.1%	284,868

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

How was this additional year-round population absorbed into the Incline Village/Crystal Bay community? First, we believe that in the 1990's, existing summer homes and

vacation rentals were converted into year-round housing. As will be noted below, the percentage of houses identified as vacant in 2000 decline by 7.1%, from 52.6% to 45.5%. Second, we believe a strong housing market at the lake resulted in a higher utilization of housing overall, with few units vacant for want of a buyer or renter. We note for instance that the percentage of vacant units that were identified in 2000 as vacant for “Seasonal, Recreational or Occasional use” increased by 10.0% from 75.8% to 85.8%. High demand and limited supply has resulted in increased housing costs. At the end of the section, we discuss data on rental housing and homeownership affordability, both of which correlate with changes in vacancy rates.

Although updated vacancy rates for overall housing units are not available, information from Incline Village/Crystal Bay realtors and property managers reveals that the current inventory of for-purchase and for-rent housing is relatively low. While the 2000 Census shows that there are a large number of vacant housing units in Incline Village/Crystal Bay, the vast majority are vacant because they are second homes or vacation rentals.

### Owner Occupied and Rental Occupied Housing Units

As incomes increased in the 1990s, homeownership rates increased in Washoe County, Incline Village/Crystal Bay, and across the State. **Table 15** shows that the percentage of owner occupied housing units across Nevada increased from 54.8% in 1990 to 60.9% in 2000.

<b>Table 15: Occupied Housing Units - Owner and Renter Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>						
	<b>1990</b>		<b>2000</b>		<b>% chg 90-00</b>	<b># chg 90-00</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
<b>Owner Occupied</b>						
<b>Washoe County</b>	55,335	54.1%	78,269	59.3%	41.4%	22,934
<b>Incline Village/CB</b>	1,717	57.9%	2,843	68.1%	65.6%	1,126
<b>State of Nevada</b>	255,388	54.8%	457,247	60.9%	79.0%	201,859
<b>Renter Occupied</b>						
<b>Washoe County</b>	46,959	45.9%	53,788	40.7%	14.5%	6,829
<b>Incline Village/CB</b>	1,246	42.1%	1,333	31.9%	7.0%	87
<b>State of Nevada</b>	210,909	45.2%	293,918	39.1%	39.4%	83,009

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

For Washoe County, the increase was comparable, changing from 54.1% to 59.3%, resulting in 22,934 additional homeowners by 2000. Homeownership in Incline Village/Crystal Bay increased the most dramatically from 57.9% to 68.1% over this period, with 1,126 new homeowners.

As ownership rates improved in Washoe County, the percent of housing units occupied by renters declined from 45.9% to 40.7%, despite a total of 6,829 rental units added in the 1990s. A very small number of renter-occupied units (87) were added to Incline Village/Crystal Bay, resulting in a significant decline in the rental housing stock as a percentage of the overall housing stock, from 42.1% to 31.9%. As over 40% of the Incline Village workforce is made up of service employees in the entertainment, accommodation and food services sector, this loss of year-round rental housing as a percentage of the housing stock has had a significant impact on the availability and cost of workforce housing.

Although homeownership increased in the 1990s and early 2000s, the trend is currently flattening out as a result of the mortgage crisis and stagnant wages.

### Seasonal Housing

The Incline Village/Crystal Bay area, due to its location on the shores of Lake Tahoe, has a large number of second homes and vacation rentals. **Table 16** presents US Census data for 1990 and 2000, identifying seasonal, recreational or occasional use homes. The data is a subcategory of vacant housing units.

<b>Table 16: Seasonal, Recreational or Occasional Use Homes*</b>								
<b>Washoe County, Incline Village/Crystal Bay CDP**, and State of Nevada</b>								
<b>1990 and 2000</b>								
	<b>1990</b>			<b>2000</b>			<b>% Chg 90-00</b>	<b># Chg 90-00</b>
	<b>#</b>	<b>% of Total Hsg Units</b>	<b>% of Total Vacant Hsg Units</b>	<b>#</b>	<b>% of Total Hsg Units</b>	<b>% of Total Vacant Hsg Units</b>		
<b>Washoe County</b>	3,157	2.8%	31.9%	3,624	2.5%	30.6%	14.8%	467
<b>Incline Village/CB</b>	2,494	39.9%	75.8%	2,957	38.6%	85.8%	18.6%	463
<b>State of Nevada</b>	11,258	2.2%	21.4%	16,526	2.0%	21.7%	46.8%	5,268

\*A subcategory of vacant housing units

\*\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

Incline Village/Crystal Bay has a large number of seasonal, recreational or occasional use homes, almost 3,000 units in 2000, 38.6% of all housing units in Incline. Between 1990 and 2000, the number of seasonal housing units increased by 463, from 75.8% of all vacant units to 85.8%. However, it is worth noting that seasonal units as a percentage of all housing units in Incline declined from 1990 to 2000 from 39.9% to 38.6%. So while summer homes continue to be an important share of the housing stock, the main housing transformation we observe in the 1990s is greater utilization of housing overall, and a wholesale shift of tenure from rental to ownership housing.

The exact numbers of second homes and vacation rentals is difficult to determine, as there is no one source that conclusively tracks the data. The State of Nevada and Washoe County do not require owners to register their vacation rentals, as is required in South Lake Tahoe, which makes it very difficult to track the number of rentals or to monitor room tax on these units. Room tax payments are only required in housing complexes that have three or more units.

Further, the Washoe County Assessor's data is inconclusive as to how many Incline Village/Crystal Bay housing units are primary residences, how many are second homes, and how many are leased as vacation rentals. Property owners in Incline Village can apply to the County Assessor for a partial abatement of property taxes based upon the property's status as a "primary residence." Nevada state statute defines "Primary Residence" as:

- (1) Is designated by the owner as the primary residence of the owner in this State, exclusive of any other residence of the owner in this State; and,
- (2) Is not rented, leased or otherwise made available for exclusive occupancy by any person other than the owner of the residence and members of the family of the owner of the residence.<sup>15</sup>

Because NRS specify that a property that is the "primary residence of the owner in this State," vacation homes that are owned by someone who does not have another "primary residence in this State" still qualify for the partial abatement in property taxes according to the Assessor's Office.

The Incline Village Board of Realtors estimate that 60% of Incline Village/Crystal Bay homes are second homes (versus the approximate 40% statistic in the Census). In addition, this number will fluctuate year to year based on personal decisions by the homeowners. A second home can become a primary residence as the owners retire. Likewise, a vacation rental can turn into a year-round rental in a soft economy.

### **Housing Types**

Information on housing types in Washoe County, Incline Village/Crystal Bay, and the State is highlighted in **Table 17**. The table presents statistics on single-family detached housing, multiple family/other housing, and mobile homes from the 1990 and 2000 Census.

**Table 18** provides data on housing types for Incline Village/Crystal Bay from 2000 to 2008 from the Washoe County Assessor. Note that the 2000 numbers in the two tables are somewhat different, due to the different data sources. Also, the Assessor makes a distinction in its data between single family attached (condominiums/town houses) and

---

<sup>15</sup> See Nevada Revised Statutes (NRS) 361.4723 "Partial abatement of taxes levied on certain single-family residences."

multi-family units, which include rental units. The Census lumps the two together under one category — multiple family/other.

As seen in **Table 17**, there was a 28.3% increase in the number of housing units in Washoe County in the 1990s, compared to a 22.5% gain in Incline Village/Crystal Bay. The vast majority of these new units were single-family detached with a 45.5% increase in the County and 29.9% in Incline Village/Crystal Bay. Multiple family/other units increased only 16.3% in the County and 16.8% in Incline Village. The percent increase of mobile homes in Washoe County was insignificant compared to a -24.1% decline in Incline Village/Crystal Bay — still only a loss of 21 mobile home units.

<b>Table 17: Types of Housing Units Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>						
	<b>1990</b>		<b>2000</b>		<b>% Chg 90-00</b>	<b># Chg 90-00</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
<b>Washoe County</b>						
Single Family Detached	52,596	46.9%	76,503	53.2%	45.5%	23,907
Multiple Family/Other	47,298	42.2%	55,019	38.2%	16.3%	7,721
Mobile Homes	12,299	11.0%	12,386	8.6%	0.7%	87
<b>Total</b>	<b>112,193</b>	<b>100%</b>	<b>143,908</b>	<b>100%</b>	<b>28.3%</b>	<b>31,715</b>
<b>Incline Village/Crystal Bay CDP</b>						
Single Family Detached	2,993	47.8%	3,887	50.7%	29.9%	894
Multiple Family/Other	3,175	50.8%	3,707	48.4%	16.8%	532
Mobile Homes	87	1.4%	66	0.9%	-24.1%	(21)
<b>Total</b>	<b>6,255</b>	<b>100%</b>	<b>7,660</b>	<b>100%</b>	<b>22.5%</b>	<b>1,405</b>
<b>State of Nevada</b>						
Single Family Detached	235,912	45.5%	432,437	52.3%	83.3%	196,525
Multiple Family/Other	213,291	41.1%	315,159	38.1%	47.8%	101,868
Mobile Homes	69,655	13.4%	79,861	9.7%	14.7%	10,206
<b>Total</b>	<b>518,858</b>	<b>100%</b>	<b>827,457</b>	<b>100%</b>	<b>59.5%</b>	<b>308,599</b>

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

The percent of single family housing units is slightly lower in Incline Village/Crystal Bay than in the State and in Washoe County, all just over 50% in 2000. The percent of the housing stock that is multiple family/other housing declined in the 1990s throughout the State, with Incline Village/Crystal Bay dropping from 50.8% in 1990 to 48.4% in 2000, despite an increase of 532 units. As depicted in **Table 16**, the vast majority of the multi-family units in Incline Village/Crystal Bay are owner-occupied or second home condominium/town houses, rather than rental units. The Census data does not differentiate between single-family attached (generally owner-occupied) and multi-family (generally renter-occupied). For Washoe County, the percent of the housing stock that is

multifamily/other housing dropped even more from 42.2% in 1990 to 38.2% in 2000, even with an increase of 7,721 units. Similarly, the percent of housing units in Incline Village/Crystal Bay that are mobile homes, generally considered more affordable but often less desirable housing, has fallen off from 1.4% of the housing stock to 0.9%, a decline of 21 units to a 2000 total of 66 units. Only 87 mobile homes were added in the County in the 1990s, going from 11.0% of the housing units to 8.6%.

**Table 18** shows that between 2000 and 2008 there was only a 3.8% increase in the number of housing units in Incline Village/Crystal Bay, from 7,506 to 7,792 (286 additional units), much lower than the 22.5% increase in the 1990s. Over 90% of new residences were single-family units, 162 detached and 104 attached (condominiums/town houses). Multi-family housing, or apartment rental housing, increased by only 20 units from 2000 to 2008, for a total of 696 units, 8.9% of the 7,792 total units in Incline Village/Crystal Bay. In 2000 and beyond, the Assessor reports no mobile homes in Incline Village/Crystal Bay, compared to 66 units indicated in the 2000 US Census. This may again be a definition issue. The Washoe County Assessor defines manufactured housing on a permanent foundation as Single Family Detached. The Census only categorizes a mobile home as Single Family Detached when permanent structures have been added to the mobile home.

The Assessor's data in **Table 18** highlights the dramatically low number of apartment units that were developed in Incline Village/Crystal Bay in the 2000s. As will be discussed later, homeownership affordability has declined in the 2000s and apartment vacancy rates have been consistently low. Demand is high for affordable rental properties.

<b>Table 18: Types of Housing Units Incline Village/Crystal Bay 2000 to 2008</b>						
<b>Type of Unit--TOTALS</b>	<b>2000 #</b>	<b>2001 #</b>	<b>2002 #</b>	<b>2003 #</b>	<b>2004 #</b>	<b>2005 #</b>
Single Family Detached	3,033	3,055	3,075	3,096	3,111	3,129
Single Family Attached	3,797	3,808	3,808	3,821	3,840	3,856
Multi-Family	676	676	676	676	676	676
Mobile Home	0	0	0	0	0	0
<b>TOTAL</b>	<b>7,506</b>	<b>7,539</b>	<b>7,559</b>	<b>7,593</b>	<b>7,627</b>	<b>7,661</b>
<b>Type of Unit--TOTALS</b>	<b>2006 #</b>	<b>2007 #</b>	<b>2008* #</b>	<b>% of Total</b>	<b># Chg 00-08</b>	<b>% Chg 00-08</b>
Single Family Detached	3,156	3,177	3,195	56.6%	162	5.3%
Single Family Attached	3,893	3,898	3,901	36.4%	104	2.7%
Multi-Family	696	696	696	7.0%	20	3.0%
Mobile Home	0	0	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>7,745</b>	<b>7,771</b>	<b>7,792</b>	<b>100.0%</b>	<b>286</b>	<b>3.8%</b>
<b>Units Const. By Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Single Family Detached	12	22	20	21	15	18
Single Family Attached	10	11	0	13	19	16
Multi-Family	0	0	0	0	0	0
Mobile Home	0	0	0	0	0	0
<b>TOTAL</b>	<b>22</b>	<b>33</b>	<b>20</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Units Const. By Year</b>	<b>2006</b>	<b>2007</b>	<b>2008*</b>			
Single Family Detached	27	21	18			
Single Family Attached	37	5	3			
Multi-Family	20	0	0			
Mobile Home	0	0	0			
<b>TOTAL</b>	<b>84</b>	<b>26</b>	<b>21</b>			

\* Data ending October 31, 2008

Source: Washoe County Assessor

There currently are no subsidized apartment complexes in Incline Village/Crystal Bay. In addition, according to the Reno Housing Authority, no HUD Housing Choice Vouchers (formerly known as “Section 8”) are being used for rental assistance in Incline. The Voucher is portable and travels with the renter household, which means either that low-income renters who receive vouchers from the RHA cannot use them in Incline, because area rents exceed Fair Market Rent (FMR), or that voucher holders have not investigated rental housing options at the Lake—probably a combination of both. The Voucher pays the difference in rent between 30% of the tenants’ income and the actual rent in private market, unsubsidized housing, up to a maximum FMR. The absence of subsidized rental housing and vouchers further limits the affordable housing choices for many workers in the Incline Village/Crystal Bay area.

According to the Tahoe Regional Planning Agency (TRPA), there are three development projects in Incline that provide affordable housing as a condition of their development approvals. These projects, which are deed restricted and monitored by TRPA, are:

- Northwood Apartments, 760 Northwood, 8 affordable units (at or below 80% of the median county income), approved October 2004; subdivided 2008 as ownership housing.
- Incline Ct. Apartments, 222 Incline Ct, 12 moderate-income units (at or below 120% of the median county income), approved October 2004; subdivided 2008 as ownership housing.
- Sierra Nevada College dorms, 291 Country Club Drive, 63 affordable units, approved June 1999. In order to qualify for bonus units, dorm rooms were deed restricted to be affordable housing, in accordance with TRPA Code.

### **Age of Housing Stock**

**Table 19** highlights the age of the housing stock in Incline Village/Crystal Bay, Washoe County and the State based upon 2000 Census data. The median year structures were built in Incline Village/Crystal Bay was 1980 compared to 1979 for the County and 1986 for the State. Over two-thirds of the housing stock in Incline Village/Crystal Bay was built in the 1970s and 1980s. The 1990s saw only 18.3% of Incline Village/Crystal Bay’s homes constructed, compared to 42.4% for the State and 27.3% for Washoe County.

As noted above, the establishment of the Tahoe Regional Planning Agency (TRPA) and the adoption of the Regional Plan in 1987 had a severe impact on housing development within the Tahoe Basin, including Incline Village/Crystal Bay. The Plan, in effect, limited new housing development to 300 units per year for the entire Basin, with about 65 of these units allocated to Incline Village/Crystal Bay based upon the “Fair Share” methodology. By 2000, Incline Village/Crystal Bay had neared full build-out, with few available vacant parcels. As indicated by **Table 18**, new housing development has been at a virtual standstill in the 2000s.

<b>Table 19: Year Structure Built Incline Village/Crystal Bay CDP*, Washoe County, and State of Nevada 2000</b>						
<b>Year Structure Built</b>	<b># Incline/CB</b>	<b>% Total Incline</b>	<b># Washoe County</b>	<b>% Total Washoe County</b>	<b># Nevada</b>	<b>% Total Nevada</b>
<b>1939 or earlier</b>	30	0.4%	4,714	3.3%	13,921	1.7%
<b>1940 to 1949</b>	44	0.6%	5,100	3.5%	14,604	1.8%
<b>1950 to 1959</b>	77	1.0%	10,468	7.3%	37,665	4.6%
<b>1960 to 1969</b>	860	11.2%	18,651	13.0%	78,682	9.5%
<b>1970 to 1979</b>	2,824	36.9%	35,990	25.0%	159,852	19.3%
<b>1980 to 1989</b>	2,420	31.6%	29,643	20.6%	172,290	20.8%
<b>1990- March 2000</b>	1,405	18.3%	39,342	27.3%	350,443	42.4%
<b>TOTAL STRUCTURES</b>	7,660	n/a	143,980	n/a	827,457	n/a
<b>Median Year Built</b>	1980	n/a	1979	n/a	1986	n/a

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

### Rental Housing Rates

The loss of rental housing stock and decline in housing production in Incline Village/Crystal Bay has had a dramatic impact on housing cost.

Although median gross rents increased between 1990 and 2000, income gains typically outstripped increases in median rent, so the percent of household income spent on rent declined slightly from the beginning to the end of the decade. This was true for Washoe County and the State but not for Incline Village/Crystal Bay. **Table 20** shows the changes in median rent and in rent as a percent of income. Median rent in Washoe County increased 32.6%, or \$166 from \$509 in 1990 to \$675 in 2000, with the percent of household income spent on rent dropping slightly from 26.6% to 26.2%. In Incline Village/Crystal Bay, however, the rent increased dramatically by \$371 from \$694 to \$1,065, a 53.5% gain. The percent of household income spent on rent rose from 26.9% to 27.7%.

Current rental data for Incline Village/Crystal Bay is difficult to locate from any one source. For the purposes of this study, we tracked rental rates for the month of November 2008 as listed in the Sierra Sun Newspaper Classifieds and on Craig's List, an internet bulletin board that, among many other things, posts housing rentals. The rental data, presented in **Table 21**, includes new and existing multiple family and single family housing, renting for six or more months. The data does not include ski leases. It is assumed that the rents are net market rents with little or no utilities included.

**Table 20: Median Gross Rent\* and Percent of Household Income Spent on Rent Washoe County, Incline Village/Crystal Bay CDP\*\*, and State of Nevada 1990 and 2000**

	1990		2000		% Chg \$ 90-00	Chg % Hhld Inc 90-00
	\$	% of Hhld Inc	\$	% of Hhld Inc		
<b>Washoe County</b>	\$509	26.6%	\$675	26.2%	32.6%	-0.4%
<b>Incline Village/CB</b>	\$694	26.9%	\$1,065	27.7%	53.5%	0.8%
<b>State of Nevada</b>	\$509	26.8%	\$699	26.5%	37.3%	-0.3%

\*Gross rent is the monthly amount of rent plus the estimated average monthly cost of utilities (electricity, gas, water and sewer) and fuels (oil, coal, kerosene, wood, etc.)

\*\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

For the 213 listings (includes studio to five-bedroom units), the median net rent in November 2008 was \$1,300. In order to compare these rents with the 1990 and 2000 US Census median gross rents in **Table 20**, a utility allowance of \$154 is added to the median. A utility allowance is the cost of a reasonable amount of utilities as determined by the local Housing Authority for the HUD Housing Choice Voucher Program. For this analysis, the allowance included gas heat, gas water heating, and all electricity.<sup>16</sup> The resulting gross median rent (shelter plus utilities) is \$1,454 in 2008, \$389 more per month (36.5% increase) than the median rent for Incline Village/Crystal Bay in 2000. Median gross rents in 2008 for one-bedroom units were \$992 and \$1,327 for two-bedroom units.

For comparison purposes, the median rent in the Reno / Sparks region in 1<sup>st</sup> Quarter 2008 was \$752 overall for rental developments of between 4 and 79 units (again including a utility allowance), and was \$670 for a 1-bedroom unit and \$811 for a 2-bedroom unit.<sup>17</sup> The median rent in Incline was therefore 93.4% higher than the median rent in the Reno/Sparks region in late 2008. However, many more of the available rental units in Incline are located in condominium structures and consist of large 3- and 4-bedroom units. Over 50% of the listings we recorded in November 2008 were for 3-, 4-, and 5-bedroom units. In contrast, the average unit size in the Reno/Sparks region would be a 2-bedroom unit located in an apartment building.

<sup>16</sup> It should be noted that the cost of utilities in the Incline Village/Crystal Bay area may actually be higher due to the disproportionate number of condominiums, which may require tenants to pay condo fees. These fees may or may not include the cost of snow removal, which is an additional utility cost associated with all housing types in this community.

<sup>17</sup> CB Richard Ellis "Market View Multi-Housing, Reno/Sparks Region, 1<sup>st</sup> Quarter 2008." See [www.cbre.com/MHGreno](http://www.cbre.com/MHGreno). It is worth noting that the median rents have remained steady, within \$1.00, in the 1<sup>st</sup> Quarter 2009 report.

<b>Units*</b>	<b># of Units</b>	<b>% of Total</b>	<b>Median Net Rent**</b>	<b>HUD Utility Allow- ance***</b>	<b>Median Gross Rent****</b>
<b>Studio</b>	5	2.3%	\$650	\$75	\$725
<b>One Bedroom</b>	49	23.0%	\$890	\$102	\$992
<b>Two Bedroom</b>	51	23.9%	\$1,200	\$127	\$1,327
<b>Three Bedroom</b>	77	36.2%	\$1,600	\$154	\$1,754
<b>Four Bedroom</b>	24	11.3%	\$2,500	\$195	\$2,695
<b>Five Bedroom</b>	7	3.3%	\$3,500	\$195	\$3,695
<b>ALL UNITS</b>	<b>213</b>	<b>100.0%</b>	<b>\$1,300</b>	<b>\$154</b>	<b>\$1,454</b>

\* Includes existing and new multiple family and single family housing, renting for 6+ months. Does not include ski leases.

\*\*Assumes net market rent, ie, no or limited utilities included.

\*\*\*The cost of a reasonable amount of utilities as determined by HUD for the Housing Choice Voucher Program. Includes gas heat, gas water heating, and electricity.

\*\*\*\*The total/gross rental cost--shelter and utilities.

Source: Sierra Sun Newspaper Classifieds, Craig's List, US Dept. of Housing and Urban Development (HUD)

### **Rental Housing Affordability**

**Tables 22 and 23** highlight data on rental housing affordability, specifically statistics on those households who pay high percentages of their incomes on rent. Since this data comes from the 1990 and 2000 Census, it most likely understates current housing affordability significantly.

As seen in **Table 22**, 38.6% of Washoe County's households and 41.3% of Incline Village/Crystal Bay's households in 2000 paid 30% or more of their income on rent, considered a high rent burden by HUD.<sup>18</sup> Of these households 16.9% in the County and 21.8% in Incline Village/Crystal Bay spent 50% or more of their income on rent, considered a severe rent burden by HUD.

From 1990 to 2000, housing affordability improved nationally, with incomes increasing, and the percent of households paying 30% or more on rent declining. During the '90s, the percentage of renter households with a high housing cost burden remained static in Washoe County and declined by 0.6% across the State. However, in Incline Village/Crystal Bay, the percentage of renter households with a high housing cost burden increased 2.4% from 38.9% to 41.3%. This might seem counterintuitive, since median

<sup>18</sup> HUD considers those renter households paying more than 30% of their income on rent to have a "high rent burden" and those paying more than 50% of their income on rent to have a "severe rent burden". For low-income households, this burden is even greater, since there is less disposable income left after rent to cover other essential living expenses.

income in Incline increased faster than rents in the '90s (73.1% increase in median income [Table 6], versus 53.5% increase in median rent [Table 20] overall). However, the median income for all households masks the income disparity between owner and renter households.

<b>Table 22: Rental Housing Affordability</b>								
<b>Rental Households Paying 30%+ and 50%+ of Household Income on Rent</b>								
<b>Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada</b>								
<b>1990 and 2000</b>								
	1990		2000		% Chg # Renters 90-00	Chg %Renter 90-00	2000**	
	# 30%+	% of Renters	# 30%+	% of Renters			# 50%+	% of Renters
<b>Washoe County</b>	17,989	38.6%	20,697	38.6%	15.1%	0.0%	9,070	16.9%
<b>IV/CB</b>	485	38.9%	546	41.3%	12.6%	2.4%	288	21.8%
<b>State of Nevada</b>	83,011	39.7%	114,455	39.1%	37.9%	-0.6%	49,693	17.0%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

\*\* 50% data only available for 2000

Source: US Census

By 2000, 2 in 5 renter households in Incline paid more than 30% of their adjusted income on housing costs. Between 2000 and 2008, median rents increased by \$389, or 36.5%, in Incline Village/Crystal Bay based upon our analysis. Based upon HUD AMI data, median family income in Washoe County increased by only 22.3% over this same period. Therefore, we believe that a significantly higher percentage of renters in Incline Village/Crystal Bay, perhaps 3 in 5, have a high housing cost burden today.

**Table 23** displays renter households in 1990 and 2000 whose incomes are 50% or less of HUD's Area Median Income (AMI). Further, it shows how many of these especially at-risk households pay more than 30% of their income on rent. Data for Incline Village/Crystal Bay is not available for 1990.

In Washoe County, the proportion of renter households with incomes at 50% or less of HUD's AMI increased in the 1990s from 29.7% to 34.4% in 2000. In Incline Village/Crystal Bay, the 2000 percentage is 23.1%. In all, 300 renter households in Incline Village/Crystal Bay in 2000 had incomes at or below 50% of area median income and met the HUD definition of "very low income" household. This means that while incomes went up in the 1990s, a sizeable percentage of households were left behind.

This population tends to pay a significant proportion of their disposable income on housing costs. In Incline Village/Crystal Bay in 2000, 83.3% of these very low-income households (or 250 households) paid more than 30% of their income on rent. For

Washoe County between 1990 and 2000, the percentage of very low income households with a 30%+ rent burden declined from 77.9% to a still high 74.1%.

<b>Table 23: Rental Housing Affordability</b>					
<b>Households with Incomes 50% or less of HUD AMI Paying &gt;30% of Income on Rent</b>					
<b>Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada, 1990 and 2000</b>					
	<b>1990</b>		<b>2000</b>		<b>% Chg 90-00</b>
	<b>#</b>	<b>% of Hhld</b>	<b>#</b>	<b>% of Hhld</b>	
<b>Hshold with Inc 50% or &lt; HUD AMI</b>					
<b>Washoe County</b>	13,825	29.7%	18,442	34.4%	33.4%
<b>Incline Village/CB</b>	n/a	n/a	300	23.1%	n/a
<b>State of Nevada</b>	61,655	30.0%	92,989	31.7%	50.8%
<b>Paying &gt;30% of Household Income on Rent</b>					
<b>Washoe County</b>	10,771	77.9%	13,664	74.1%	26.9%
<b>Incline Village/CB</b>	n/a	n/a	250	83.3%	n/a
<b>State of Nevada</b>	48,192	78.2%	70,509	75.8%	46.3%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

In the 1990s, there was a modest increase in rent affordability as incomes grew faster than rents, except in Incline Village/Crystal Bay as seen in **Table 20**. Generally, incomes in the 2000s have not kept pace with increased rental rates, making rental housing less affordable in recent years. In light of the low vacancy rates and higher rental rates in Incline Village/Crystal Bay in the last few years, we expect the percentage of renter households paying more than 30% or 50% of income on rent to have increased significantly.

### Wages Needed to Afford Apartment Rents

**Table 24** shows the hourly wage needed to afford a two-bedroom apartment in the Incline Village/Crystal Bay area in 2008, based on a median gross rent of \$1,327 from **Table 21**. The wages assume that rental costs do not exceed 30% of income. The table also indicates average hourly wages for all industries represented in Incline Village/Crystal Bay to show the ability of workers in these employment sectors to afford rental housing.

The hourly wage required to afford a two-bedroom apartment in Incline Village/Crystal Bay is \$25.52. The average hourly income for employees in Incline Village/Crystal Bay, however, is 16.5% lower at \$21.32. Renters on average will therefore spend more than 30% of their income on rent.

As previously noted, employment in Incline Village/Crystal Bay is dominated by the entertainment, accommodation, and food services sector, accounting for 41.2% of total employment. Workers in this industry, however, earn on average the lowest wages, at \$14.61 per hour, 42.8% lower than the income needed to afford a two-bedroom apartment. Wages for workers in other services, retail trade, manufacturing, and construction are also on average too low to afford a two-bedroom apartment, making housing costs extremely burdensome. Employees in the educational, health, and social services sector, earning an average hourly wage of \$26.06, are the first employment sector on the list to earn sufficient income to afford a two-bedroom rental.

<b>Table 24: Hourly Wage Needed to Afford a Two Bedroom Apartment Compared to Average Hourly Wage by Industry Incline Village/Crystal Bay, 1st Quarter 2008</b>			
	Hourly Wage	\$ Diff 2 BR	% Diff 2 BR
Wage Needed to Afford 2 Bedroom Apartment*	\$25.52	n/a	n/a
<b>Industry*</b>			
Enter., Accom., & Food Servic.	\$14.61	\$(10.91)	-42.8%
Other Services	\$15.06	\$(10.46)	-41.0%
Retail Trade	\$16.25	\$(9.27)	-36.3%
Manufacturing	\$18.09	\$(7.43)	-29.1%
Construction	\$20.45	\$(5.07)	-19.9%
<b>Total All Industries</b>	<b>\$21.32</b>	<b>\$(4.20)</b>	<b>-16.5%</b>
Transportation & Utilities	\$22.24	\$(3.28)	-12.9%
Ed., Health, & Social Services	\$26.06	\$0.54	2.1%
Management & Admin. Services	\$32.49	\$6.97	27.3%
Finance, Insur., & Real Estate	\$34.80	\$9.28	36.4%
Wholesale Trade	\$37.21	\$11.69	45.8%
Information	\$37.57	\$12.05	47.2%
Professional Services	\$42.75	\$17.23	67.5%
Agriculture & Forestry	d	n/a	n/a
Government	d	n/a	n/a
Mining	d	n/a	n/a

\* Hourly wage that must be earned so that rent does not exceed 30% of income, a standard measure of affordability based on US Dept. of Housing and Urban Development (HUD) standards. November 2008 rent for 2 BR: \$1,327/month.

Rent includes shelter and utility costs (gross rent).

d - Disclosure limitations. The values are not reported in order to protect the information of individual businesses

Sources: NV Dept. of Employment, Training & Rehabilitation, Table 21--Median Gross Rent for Two Bedroom Unit

### Ownership Housing Affordability

Tables 25 and 26 highlight data on homeownership affordability, specifically statistics on those households who pay high percentages of their incomes on housing costs.

As seen in Table 25, 27.9% of Washoe County's and 37.1% of Incline Village/Crystal Bay's owner households in 2000 paid 30% or more of their income on housing costs.<sup>19</sup> Of these households, 8.4% in the County and 15.4% in Incline Village/Crystal Bay spent 50% or more of their income on housing, considered a severe housing burden by HUD. The statistics for Washoe County are similar to those for the State.

Although housing affordability improved overall with the rise in incomes from 1990 to 2000, the percent of households who paid 30% or more on homeownership costs increased throughout the State. In Washoe County the percentage rose from 24.7% to 27.9%, compared to a much higher increase in Incline Village/Crystal Bay, from 28.8% to 37.1%. This suggests that while the homeownership rate increased throughout the 1990s, some households were assuming a high shelter cost burden to become homeowners. During economic downturns, these at-risk households are more susceptible to financial crises that can lead to bankruptcy and mortgage default.

**Table 25: Ownership Housing Affordability  
Owner Households Paying 30%+ and 50%+ of Household Income on Ownership Costs  
Washoe County, Incline Village/Crystal Bay CDP\*, and State of Nevada  
1990 and 2000**

	1990		2000		% Chg # Owners 90-00	% Chg % Owners 90-00	2000	
	# 30% +	% of Owner HH	# 30% +	% of Owner HH			# 50% +	% of Owner HH
<b>Washoe County</b>	10,101	24.7%	17,306	27.9%	71.3%	13.1%	5,221	8.4%
<b>IV/CB</b>	405	28.8%	829	37.1%	104.7%	29.0%	343	15.4%
<b>State of Nevada</b>	43,037	23.1%	99,946	27.5%	132.2%	18.8%	32,983	9.1%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

Source: US Census

Table 26 displays ownership households in 1990 and 2000 whose incomes are 50% or less of HUD's Area Median Income (AMI). Further, it shows how many of these especially at-risk households pay more than 30% of their income on ownership costs. Data for Incline Village/Crystal Bay is not available for 1990.

<sup>19</sup> HUD considers those owner households paying more than 30% of their income on housing costs to have a "high housing burden" and those paying more than 50% of their income on housing costs to have a "severe housing burden". For low-income households, this burden is even greater, since there is less disposable income left after housing costs to cover other essential living expenses.

In Washoe County, the proportion of ownership households with incomes at 50% or less of HUD’s AMI declined slightly in the 1990s, from 11.7% in 1990 to 11.0% in 2000. In Incline Village/Crystal Bay in 2000 the percentage of ownership households was lower (7.3%) than the County. In all, 205 owner households in Incline Village/Crystal Bay in 2000 had incomes at or below 50% of area median income and met the HUD definition of “very low income” household. This population tends to pay a significant proportion of their disposable income on housing costs. In Incline Village/Crystal Bay in 2000, 90.7% of these very low-income owner households (or 186 households) paid more than 30% of their income on housing costs. For Washoe County between 1990 and 2000, the percentage of very low income households with a 30%+ housing cost burden increased from 63.9% to 67.3%.

Although we do not have data on housing cost burden in 2008, based upon the increase in home values in the recent years, we expect it has increased considerably.

<b>Table 26: Ownership Housing Affordability Households with Incomes 50% or less of HUD AMI Paying &gt;30% of Income on Ownership Costs Washoe County, Incline Village/Crystal Bay CDP*, and State 1990 and 2000</b>					
	1990		2000		% Chg 90-00
	#	% of Hhlds	#	% of Hhlds	
<b>Households with Income 50% or &lt; HUD AMI</b>					
<b>Washoe County</b>	6,546	11.7%	8,634	11.0%	31.9%
<b>Incline Village/CB**</b>	n/a	n/a	205	7.3%	n/a
<b>State of Nevada</b>	32,852	12.6%	56,130	12.3%	70.9%
<b>Paying &gt;30% of Household Income on Ownership Costs</b>					
<b>Washoe County</b>	4,161	63.6%	5,811	67.3%	39.7%
<b>Incline Village/CB**</b>	n/a	n/a	186	90.7%	n/a
<b>State of Nevada</b>	19,709	60.0%	36,470	65.0%	85.0%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

\*\*1990 data not available for Incline Village/Crystal Bay

Source: State of the Cities Database

### Owner-Occupied Housing Values

Median owner-occupied home values for 1990 and 2000 are listed in **Table 27**. Incline Village/Crystal Bay saw an astounding 92.7% increase in the median home price in the 1990s from \$265,900 to \$512,400 in 2000. This percent increase is about double that seen in Nevada and in Washoe County. Washoe County’s home values increased 45.3% from \$111,200 in 1990 to \$161,600 in 2000.

<b>Table 27: Median Value of Owner-Occupied Units Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 1990 and 2000</b>			
	<b>1990</b>	<b>2000</b>	<b>% Chg 90-00</b>
<b>Washoe County</b>	\$111,200	\$161,600	45.3%
<b>Incline Village/CB</b>	\$265,900	\$512,400	92.7%
<b>State of Nevada</b>	\$95,700	\$142,000	48.4%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay  
Source: US Census

**Table 28** shows the total homes sold and median sales price for all existing and new single-family detached homes and condominiums/townhouses in Incline Village/Crystal Bay for the years 2000, 2004, 2006, 2007, and 2008 as recorded at the Washoe County Assessor’s Office. Data for Washoe County is included for 2006 to 2008.

In Washoe County as a whole, the number of homes sold and the median sale prices have dropped annually from 2006 to 2008. In Incline Village/Crystal Bay, however, there was an increase in sales prices between 2006 and 2007 and then a decline from 2007 and 2008. What is clear is that home values in Incline Village/Crystal Bay, generally hold better than in the overall County. Since 2004, the number of condominiums/townhouses sold annually in Incline Village/Crystal Bay has dropped significantly, from 465 in 2004 to 94 in 2008. The median sales price, however, increased 37% over this time frame.

From 2000 to 2008, the single-family home sales price in Incline Village/Crystal Bay rose 43.8% from a median of \$685,000 to \$985,000. The increase between 2000 and 2007, however, was a phenomenal 76.3%. Sales prices dropped 18.4% from 2007 (\$1,207,500) to 2008.

From 2000 to 2008, the median sales price of condominiums/townhouses rose faster than the price of single-family homes, almost doubling (94.9%) from \$270,000 to \$526,250. As with single-family homes, the median sales price of attached homes between 2000 and 2007 rose an extraordinary 122.2%. Sales prices dropped 12.3% from 2007 (\$600,000) to 2008.

<b>Table 28: Total Homes Sold and Median Sales Price Washoe County and Incline Village/Crystal Bay 2000, 2004, 2006, 2007, 2008</b>						
	<b>2000</b>	<b>2004</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	
<b>Total Homes Sold</b>						
<b>Washoe County</b>						
<i>Single Family Detached</i>	n/a	n/a	8,302	5,667	4,722	
<i>Condominium/ Townhouse</i>	n/a	n/a	1,394	1,218	986	
<b>Incline Village/Crystal Bay</b>						
<i>Single Family Detached</i>	286	225	135	146	91	
<i>Condominium/ Townhouse</i>	401	465	181	153	94	
<b>Median Sales Price</b>						
<b>Washoe County</b>						
<i>Single Family Detached</i>	n/a	n/a	\$366,000	\$330,000	\$267,000	
<i>Condominium/ Townhouse</i>	n/a	n/a	\$257,828	\$242,519	\$190,000	
<b>Incline Village/Crystal Bay</b>						
<i>Single Family Detached</i>	\$685,000	\$849,000	\$1,083,000	\$1,207,500	\$985,000	
<i>Condominium/Townhouse</i>	\$270,000	\$385,000	\$585,000	\$600,000	\$526,250	
	<b># Chg.</b>	<b>% Chg.</b>	<b>Avg Yrly. Appre- Ciation</b>	<b># Chg.</b>	<b>% Chg.</b>	<b>Avg Yrly. Appre- ciation</b>
	<b>06-08</b>	<b>06-08</b>	<b>06-08</b>	<b>00-08</b>	<b>00-08</b>	<b>00-08</b>
<b>Total Homes Sold</b>						
<b>Washoe County</b>						
<i>Single Family Detached</i>	-3,580	-43.1%	n/a	n/a	n/a	n/a
<i>Condominium/Townhouse</i>	-408	-29.3%	n/a	n/a	n/a	n/a
<b>Incline Village/Crystal Bay</b>						
<i>Single Family Detached</i>	-44	-32.6%	n/a	-195	-68.2%	n/a
<i>Condominium/Townhouse</i>	-87	-48.1%	n/a	-307	-76.6%	n/a
<b>Median Sales Price</b>						
<b>Washoe County</b>						

<b>Single Family Detached</b>	-\$99,000	-27.0%	-14.6%	n/a	n/a	n/a
<b>Condominium/Townhouse</b>	-\$67,828	-26.3%	-14.2%	n/a	n/a	n/a
<b>Incline Village/Crystal Bay</b>						
<b>Single Family Detached</b>	-\$98,000	-9.0%	-4.6%	\$300,000	43.8%	4.6%
<b>Condominium/Townhouse</b>	-\$58,750	-10.0%	-5.2%	\$256,250	94.9%	8.7%

Source: Washoe County Assessor and Center for Regional Studies, University of Nevada, Reno

### Homeownership Affordability Gap

We carried out a homeownership gap analysis for Incline Village/Crystal Bay for 2000 and 2009. The housing affordability gap is the dollar difference between the cost of purchasing a median priced home and a hypothetical buyer's ability to pay. We set the buyer's income at three levels--80%, 100%, and 120% of HUD Area Median Family Income (AMI), which is based upon the imputed Incline Village/Crystal Bay median income from **Table 6**.<sup>20</sup>

The 80% AMI level is the maximum income level for qualifying for HUD HOME funds, which is a common downpayment subsidy source. We calculated the affordability gap for both single-family detached homes and condominiums/townhouses. **Table 29** presents the gap calculated for both time periods and for both housing types.

When the gap analysis results in a negative number, it indicates that incomes are sufficient to cover the cost of purchasing a home. The larger the negative number the more affordable it is in that locality to purchase a home. A positive number indicates that there is a "gap," a dollar difference, between income levels and the ability to pay for a home. The larger the positive number the less affordable the community.

The gap calculations are based on the imputed HUD AMI for the Incline Village/Crystal Bay community, average mortgage rates by time period, an assumption that 33% of income is available annually for housing costs (including principal and interest on a mortgage, taxes, and insurance), and median sales prices for single-family detached homes and condominiums/townhouses. As noted in **Table 6**, household income in Washoe County and Incline rose significantly in the 1990s, and at a slower rate in the 2000s. From 2000 to 2009 income rose 22.9% to \$97,158. Home values increased steadily in the 1990s but have skyrocketed in the 2000s.

<sup>20</sup> Note that HUD does not publish median family income data for county subdivisions such as Incline Village / Crystal Bay. The 2009 income data for Incline is based upon 2000 Incline Census data that have been adjusted based upon recorded changes in income in Washoe County as a whole. We chose to use the imputed Incline Village median income figure for the affordability analysis, because the demographics of Incline Village differ so dramatically from Washoe County as a whole. However, affordable housing subsidy programs would be subject to the income restrictions for the Reno / Sparks MSA (Washoe County).

Interest rates have a major impact on affordability. As interest rates go down, the debt service on a mortgage also goes down, and a buyer can assume a higher mortgage. Based upon Freddie Mac data, the average annual interest rate on a 30-year fixed-rate mortgage was 8.04% in 2000 and 5.06% in 2009. Therefore, a buyer's purchasing power increased between 2000 and 2009, based upon the lower cost of funds alone.

<b>Table 29: Homeownership Affordability Gap--Single Family Detached &amp; Condominiums/Townhouses Incline Village/Crystal Bay 2000 and 2009</b>			
<b>Affordability Gap</b>	<b>2000</b>	<b>2009</b>	<b>% Chg 00-09</b>
Median Family Income (MFI)*	\$79,079	\$97,158	22.9%
80% MFI	\$63,263	\$77,726	22.9%
100% MFI	\$79,079	\$97,158	22.9%
120% MFI	\$94,895	\$116,590	22.9%
Interest Rate**	8.04%	5.06%	-37.1%
Capitalized House Price Maximum @ 80% MFI***			
Single Family Detached Homes	\$233,730	\$389,525	66.7%
Condominiums/Townhouses	\$221,280	\$375,763	69.8%
Capitalized House Price Maximum @ 100% MFI***			
Single Family Detached Homes	\$293,176	\$488,809	66.7%
Condominiums/Townhouses	\$280,726	\$475,046	69.2%
Capitalized House Price Maximum @ 120% MFI***			
Single Family Detached Homes	\$352,621	\$588,092	66.8%
Condominiums/Townhouses	\$340,171	\$574,330	68.8%
Median Home Value--2008****			
Single Family Detached Homes	\$685,000	\$985,000	43.8%
Condominiums/Townhouses	\$270,000	\$526,250	94.9%
Gap @ 80% MFI*****			
Single Family Detached Homes	\$451,270	\$595,475	32.0%
Condominiums/Townhouses	\$48,720	\$150,487	208.9%
Gap @ 100% MFI*****			
Single Family Detached Homes	\$391,824	\$496,191	26.6%
Condominiums/Townhouses	(\$10,726)	\$51,204	-
Gap @ 120% MFI*****			
Single Family Detached Homes	\$332,379	\$396,908	19.4%
Condominiums/Townhouses	(\$70,171)	(\$48,080)	-31.5%

\*2000 = US Census, 2009 = Imputed from Washoe County HUD AMI's 2000, 2009

\*\* Freddie Mac. Average annual interest rates on 30-year fixed-rate mortgages.

2009 = average of Jan-March

\*\*\* Assumes 33% of income available annually for shelter: mortgage, property Taxes and insurance.

Assumes 5% owner downpayment based on median home value.

\*\*\*\* Washoe County Assessor's Office--2008 median sales price for single family residences.

\*\*\*\*\* Difference between Capitalized House Price Maximum and Median Home Value.

Sources: U.S. Census, Washoe County Assessor, Freddie Mac

Based upon this gap analysis, most potential homebuyers in Incline Village/Crystal Bay at 80% and 100% of AMI were unable to afford a condominium in 2000 or 2008. Positive gaps, signaling a lack of affordability, were calculated for both single-family detached homes and condominiums/townhouses during both time periods. For example, a household earning 80% of area median income in 2009, or \$77,726, could not afford a median priced condominium/townhouse (\$526,250) in the Incline Village/Crystal Bay area without a significant burden. The gap in 2000 was \$48,720 but jumped a staggering 208.8% to \$150,487 in 2009. A household at 100% AMI (\$97,158 in 2009) could afford a condominium in 2000 with a surplus of \$10,726 in funds. However, this 100% AMI household would experience an affordability gap of \$51,204 by 2009.

Single-family homeownership is out of reach of most Incline Village/Crystal Bay residents. Potential homebuyers at 120% of AMI (\$116,590 in 2009) would need a subsidy of about \$396,908 in 2009 in order to afford a median priced single-family home of \$985,000. For those households at 80% AMI, the subsidy would be \$595,475.

To summarize, homeownership in Incline Village/Crystal Bay was not affordable in 2000 and became even less so by 2009. Keep in mind that the affordability gap over these eight years increased despite the drop in interest rates. Home values appreciated significantly and income levels rose modestly, offsetting the decline in interest rates. In recent months the affordability gap may have dropped due to factors surrounding the mortgage crisis but likely not enough to make homeownership within grasp for most households. Furthermore, since most subsidy programs would rely on the regional AMI level for the Reno/Sparks MSA, rather than an imputed median income for Incline, the affordability gap for making use of public subsidy would be even greater.

### **Annual Income Needed to Afford a Home**

**Table 30** and **Table 31** indicate the average annual income needed to afford a single-family home and a condominium/townhouse in Incline Village/Crystal Bay in 2009. To be considered affordable, it is assumed that the mortgage, taxes, and insurance do not exceed 33% of income. Average wages for all industries represented in Incline Village/Crystal Bay are presented to show the ability of workers in these employment sectors to afford homeownership.

The annual income needed in 2009 to afford a median priced single-family home in Incline Village/Crystal Bay was astonishingly high at \$194,272. The income needed to afford a median priced condominium/townhouse 2009 was also high at \$107,180. The average annual wages for employees in all occupations represented in Incline Village/Crystal Bay in 2009 was \$44,346, about one-fifth (22.8%) of the income needed to purchase a single-family home without a significant burden. The average income was about two-fifths (41.4%) of the earnings needed to buy a condominium/townhouse.

The data indicate that workers in every employment sector in Incline Village/Crystal Bay do not earn sufficient income to purchase a home locally without a significant housing cost burden. Even employees in the highest paid industry, professional services (\$88,920), on average cannot afford to purchase either a single-family home or a

condominium/townhouse. These workers earn on average 45.8% of the income needed to purchase a single-family home and 83.0% of the earnings needed to buy a condominium/townhouse.

<b>Table 30: Annual Income Needed to Afford a Single Family Detached Home Compared to Annual Average Income by Industry Incline Village/Crystal Bay 2009</b>			
	<b>Annual Income**</b>	<b>\$ Difference</b>	<b>% Difference</b>
Annual Income Needed to Afford a SF Detached Home*	\$194,272	n/a	n/a
<b>Industry</b>			
Entertain., Accom., & Food Srvc.	\$30,389	-\$163,883	-84.4%
Other Services	\$31,325	-\$162,947	-83.9%
Retail Trade	\$33,800	-\$160,472	-82.6%
Manufacturing	\$37,627	-\$156,645	-80.6%
Construction	\$42,536	-\$151,736	-78.1%
<b>Total All Industries</b>	<b>\$44,346</b>	<b>-\$149,926</b>	<b>-77.2%</b>
Transportation & Utilities	\$46,259	-\$148,013	-76.2%
Ed., Health, & Social Services	\$54,205	-\$140,067	-72.1%
Management & Admin. Services	\$67,579	-\$126,693	-65.2%
Finance, Insur., & Real Estate	\$72,384	-\$121,888	-62.7%
Wholesale Trade	\$77,397	-\$116,875	-60.2%
Information	\$78,146	-\$116,126	-59.8%
Professional Services	\$88,920	-\$105,352	-54.2%
Agriculture & Forestry	d	n/a	n/a
Government	d	n/a	n/a
Mining	d	n/a	n/a

\*2008 median sales price of single family detached homes per Assessors Office: \$985,000  
 To be considered affordable, conventional mortgage underwriting guidelines requires that not more than 33% of household income should be used to pay the mortgage, property taxes and insurance. Annual income needed to qualify for a mortgage calculated Using the average annual interest rate on a 30-year fixed-rate mortgage from Freddie Mac. Assumes a 5% downpayment and the use of private mortgage insurance. Includes principal, interest, taxes and insurance.

\*\*Calculated by annualizing average hourly wages by industry.

d - Disclosure limitations. The values are not reported in order to protect the information of individual businesses.

Sources: NV Dept. of Employment, Training & Rehabilitation  
 and Washoe County Assessor

**Table 31: Annual Income Needed to Afford a Condominium/Townhouse Compared to Annual Average Income by Industry Incline Village/Crystal Bay 2009**

	<b>Annual Income**</b>	<b>\$ Difference</b>	<b>% Difference</b>
Annual Income Needed to Afford a Condominium/Townhouse*	\$107,180	n/a	n/a
<b>Industry</b>			
Entertain., Accom., & Food Service	\$30,389	-\$76,791	-71.6%
Other Services	\$31,325	-\$75,855	-70.8%
Retail Trade	\$33,800	-\$73,380	-68.5%
Manufacturing	\$37,627	-\$69,553	-64.9%
Construction	\$42,536	-\$64,644	-60.3%
<b>Total All Industries</b>	<b>\$44,346</b>	<b>-\$62,834</b>	<b>-58.6%</b>
Transportation & Utilities	\$46,259	-\$60,921	-56.8%
Education, Health, & Social Services	\$54,205	-\$52,975	-49.4%
Management & Administrative Services	\$67,579	-\$39,601	-36.9%
Finance, Insurance, & Real Estate	\$72,384	-\$34,796	-32.5%
Wholesale Trade	\$77,397	-\$29,783	-27.8%
Information	\$78,146	-\$29,034	-27.1%
Professional Services	\$88,920	-\$18,260	-17.0%
Agriculture & Forestry	d	n/a	n/a
Government	d	n/a	n/a
Mining	d	n/a	n/a

\*2008 median sales price of single family detached homes per Assessors Office: \$526,250

To be considered affordable, conventional mortgage underwriting guidelines require that not more than 33% of household income should be used to pay the mortgage, property taxes and insurance. Annual income needed to qualify for a mortgage calculated using the average annual interest rate on a 30-year fixed-rate mortgage from Freddie Mac. Assumes a 5% downpayment and the use of private mortgage insurance. Includes principal, interest, taxes and insurance.

\*\*Calculated by annualizing average hourly wages by industry.

d – Disclosure limitations. The values are not reported in order to protect the information of individual businesses.

Sources: NV Dept. of Employment, Training & Rehabilitation  
and Washoe County Assessor

As previously noted, employment in Incline Village/Crystal Bay is dominated by the entertainment, accommodation, and food services sector, accounting for 41.2% of total employment. Workers in this industry earn on average the lowest annual wages at \$30,389, 28.3% of the earnings needed to purchase a condominium/townhouse and 15.6% of the income needed to afford a single-family home, making housing costs extremely onerous.

### Housing Foreclosures

Housing foreclosure data for Incline Village/Crystal Bay, Washoe County, and the State are presented in **Table 32** and **Table 33**.

The HUD Neighborhood Stabilization Program monitored national foreclosure starts over an 18-month period from January 2007 to June 2008. As seen in **Table 32**, the foreclosure rate in Nevada was 8.6% compared to 6.8% in Washoe County and 4.6% in Incline Village/Crystal Bay.

Foreclosure starts for 2007 and 2008 recorded at the Washoe County Assessor's office indicate that the number of foreclosures has risen dramatically in the County from 745 to 2,448, a 328.6% increase. The number of foreclosures in Incline Village/Crystal Bay has also risen from 11 in 2007 to 42 in 2008. These numbers, however, represent a very small portion of the County total, 1.5% in 2007 and 1.7% in 2008.

These two data sources indicate that foreclosures are an issue in Incline Village/Crystal Bay but not nearly as significant as in Washoe County or in the State as a whole. Although housing prices have declined in Incline Village/Crystal Bay since 2007, home values remain high as the area continues to be a desirable residential community and tourist destination.

<b>Table 32: Estimated Foreclosures Washoe County, Incline Village/Crystal Bay CDP*, and State of Nevada 2007 to June 2008**</b>			
	<b># Foreclosures</b>	<b># Mortgages</b>	<b>Foreclosure Rate</b>
<b>Washoe County</b>	5,640	83,104	6.8%
<b>Incline Village/CB</b>	92	1,991	4.6%
<b>State of Nevada</b>	53,438	620,281	8.6%

\*Incline Village/Crystal Bay CDP (census designated place) is the US Census designation for the unincorporated communities of Incline Village and Crystal Bay

\*\*Foreclosure starts over 18 months

Source: US Dept of Housing and Urban Development (HUD) Neighborhood Stabilization Program Data

<b>Table 33: Foreclosed Homes Washoe County and Incline Village/Crystal Bay 2007 and 2008*</b>						
	<b># 2007</b>	<b>% of County</b>	<b># 2008</b>	<b>% of County</b>	<b># Change</b>	<b>% Change</b>
<b>Washoe County</b>	745	100.0%	2,448	100.0%	1,703	328.6%
<b>Incline Village/CB</b>	11	1.5%	42	1.7%	31	381.8%

\*Foreclosure starts January through December, 2007 and 2008

Source: Washoe County Assessor

## CHAPTER 4: EMPLOYEE POSTCARD SURVEY

In order to better understand the current housing conditions and commuter patterns of workers in Incline Village and Crystal Bay, we carried out a postcard survey in English and Spanish of over 160 employees representing 17 local businesses.

The following chapter summarizes the findings of the employee postcard survey. Some of the questions addressed in this chapter include: What percentage of local workers commute? By what means do these employees commute, and from where? What percentage of local workers live in overcrowded housing conditions or pay a disproportionate share of their income on housing costs? And, if housing were available in the Incline Village / Crystal Bay community at an affordable rate, would workers who live elsewhere be interested in living closer to their place of employment?

### **Methodology**

In January 2009, over 700 self-address and stamped postcard surveys were hand-delivered to 17 employers in Incline Village and Crystal Bay. The businesses were selected with the assistance from the North Lake Tahoe Chamber of Commerce and represent a cross-section of the local employment base, including hotels and casinos, public and private schools, the Fire Protection District, restaurants, grocery stores, contractors, realtors and banks. **Table 34** provides a list of businesses participating in the employee postcard survey. A copy of the postcard survey can be found in Appendix A.

<b>Table 34: Businesses Participating in Employee Postcard Survey</b>			
Employer	Type	# Cards Distrib.	% Cards Distrib.
Austins Family Restaurant	Restaurant	7	1.0%
Crosby's Grille, Pub & Casino	Restaurant	16	2.3%
High Sierra Gardens	Construction	10	1.4%
James Costalupes, General Contractor	Construction	12	1.7%
Lake Tahoe School	Education	35	5.0%
IV Elem, Mdl. Sch., and Hg. Sch.	Education	105	14.9%
NLT Fire Protection District	Emergency Services	70	9.9%
Raley's Superstore	Grocery	40	5.7%
Village Meats, Seafood and Deli	Grocery	4	0.6%
Chase International	Real Estate	20	2.8%
Vacation Station	Real Estate	13	1.8%
Nevada Security Bank	Bank	7	1.0%
Wells Fargo Bank	Bank	15	2.1%
Smith & Jones, Inc.	Financial Services	10	1.4%
Crystal Bay Club	Hotel/Casino	120	17.0%
Tahoe Biltmore	Hotel/Casino	70	9.9%
Hyatt Regency	Hotel/Casino	150	21.3%
<b>Total</b>		<b>704</b>	<b>100.0%</b>

Source: Incline Village Employee Postcard Survey

The employers were contacted in advance and informed of the Workforce Housing Needs Assessment study and the employee postcard survey. All of the participating employers agreed to take part in the survey and to distribute the postcards to their employees with instructions. The employers also gave us a count of the number of postcards needed in both English and Spanish to distribute to their workforce.

169 postcards were returned by mail (out of 704 distributed), resulting in a response rate of 24.0%. This is a relatively high response rate for a mail survey of this sort. Given the significant number of responses, we believe the respondents are fairly reflective of the workforce in Incline Village and Crystal Bay.

We would like to thank the 17 participating employers and their employees for their time and participation.

### **Profile of Respondents**

#### Language

94.7% of the postcards (160 of 169 total returned surveys) returned were in the English-language version of the survey. 5.3% (9 out of 169) were in the Spanish-language version of the survey. The return rate was much higher for the English-language version of the survey: 29.1% return rate in English (160 out of 550 surveys sent out) versus 5.8% return rate in Spanish (9 out of 154).

Throughout this analysis, we will examine differences between respondents who live in IV/CB and employees who commute from elsewhere. Of Incline Village respondents, 93.1% (94 of 101) filled out the survey in English and 6.9% (7 of 101) in Spanish. For those not living in Incline, 97.1% (66 of 68) filled out the survey in English and the remaining 2.9% (2 of 68) in Spanish. Based on the survey findings, we believe that Spanish-speaking employees in IV/CB are more likely to be local residents than commuters.<sup>21</sup>

#### Part-Time/Full-Time Employment

Among survey respondents, part-time employees were more likely to be IV/CB residents, rather than commuters. 15.8% (16 of 101) of IV/CB residents worked part-time and 84.2% (85 of 101) reported full-time employment. For those commuting to Incline Village, only 11.9% (8 of 67) were employed part-time, with 88.1% (59 of 67) employed full-time. (See **Table 35**).

---

<sup>21</sup> The Spanish-speaking employment base in IV/CB is likely higher than represented here, since bi-lingual employees may have received and filled out the English-version of the postcard.

	Full Time		Part Time		Totals	
	#	%	#	%	#	%
<b>Incline Village/CB Residents</b>	85	84.2 %	16	15.8 %	101	100.0%
<b>Non-Incline Residents</b>	59	88.1 %	8	11.9 %	67	100.0%
<b>All Residents</b>	144	85.7 %	24	14.3 %	168	100.0%

Source: Incline Village Employee Postcard Survey

### Household Income

Based upon HUD Area Median Income (AMI) data, the 2009 AMI for Washoe County was \$70,400. The imputed 2009 AMI for Incline Village / Crystal Bay households was much higher at \$97,158. (See Chapter 3: Demographic, Employment and Housing Data.)

In contrast, the household income of survey respondents—all workers in IV/CB—is significantly lower. Almost 60% of respondents (96 of 167, 57.5%) reported household income of less than \$60,000 a year. (See Table 36.) As noted elsewhere in this Report, the main employers in IV/CB are in the lower paying service industries, in hotels and casinos, retail and restaurants. This local employment base is mirrored in the postcard survey; 57.8% of the postcards (407 of 704) were distributed to local hotels and casinos, restaurants and retailers. In contrast, many higher income residents of IV/CB are retirees, or may work elsewhere or telecommute. The high imputed area median income in IV/CB masks the relatively low wages of the local workforce, many of whom do not live in Incline.

	Less than \$20,000		\$20,000-\$40,000		\$40,000-\$60,000		Over \$60,000		Totals	
	#	%	#	%	#	%	#	%	#	%
<b>Incline Village/CB Residents</b>	7	7.0 %	29	29.0 %	24	24.0 %	40	40.0 %	100	100 %
<b>Non-Incline Residents</b>	3	4.4 %	16	23.9 %	17	25.4 %	31	46.3 %	67	100 %
<b>All Residents</b>	10	6.0 %	45	27.0 %	41	24.5 %	71	42.5 %	167	100 %

Source: Incline Village Employee Postcard Survey

It is interesting to note that survey respondents who commuted tended to have higher household incomes than employees who resided in IV/CB. 60.0% (60 of 100) of the respondents who live in Incline earned less than \$60,000 a year while 53.7% of non-Incline residents earned less than \$60,000. These survey findings suggest that employees

in low-wage service sector jobs and with limited means, tend to find shelter locally. Employees with higher household income have the means to commute and identify appropriate and affordable housing elsewhere.

Household Size

The average household size among workers in IV/CB tends to be larger than the national or county average. The average household size for all employee survey respondents was 2.77. The average household size among employees who lived in Incline Village residents was 2.68. Among commuters, the average household size was 2.99. (See **Table 37**).

The household size among workers in IV/CB was higher than that reported for all IV/CB households in the 2000 U.S. Census. This is not surprising, since IV/CB includes many retirees without children among its residents. The average number of people per household in Incline Village in the 2000 Census was 2.36 (compared to 2.77 in the postcard survey). The average number of people per household in Washoe County in 2000 was 2.53. For comparison, the national average household size was 2.59 in 2000.

From these data, we can generalize that the IV/CB workforce includes a disproportionate share of individuals living in more crowded housing settings and may include many Hispanic households, which tend to be larger. The fact that workers who commute to IV/CB exhibit an even larger average household size suggests that employees with larger families might need to look outside of IV/CB to find appropriate housing.

<b>Table 37: Average Household Size, Data from Postcard Survey</b>				
	<b>Avg. # of Adults</b>	<b>Avg.# of Children</b>	<b>Average Totals</b>	<b>Average # of Bedrooms</b>
<b>Incline Village/CB Residents</b>	2.05	.63	2.68	2.68
<b>Non-Incline Residents</b>	2.37	.62	2.99	2.98
<b>All Respondents</b>	2.18	.59	2.77	2.78

Source: Incline Village Employee Postcard Survey

**Where Do Employees Live?**

Almost 40% of employees in IV/CB commute from outside the community. According to the survey, 25.1% (42 of 167) live on the North Shore or in Truckee, .06% (1 of 167) live in South Lake Tahoe, 10.8% (18 of 167) live over the hill in Washoe County, Carson City, Lyon (Dayton, Fernley, Silver Springs) or Douglas County (Minden, Gardnerville), and the remaining 3.0% (5 of 167) in other locations. (See **Table 38**). Still, the majority of the postcard respondents (60.5% [101 of 167]) live and work in Incline Village or Crystal Bay.

The postcard survey revealed somewhat lower levels of commuting and higher residency rates than other data sources described elsewhere in this Report. For instance, we also

received place of residence zip code data from several individual employers. Sierra Nevada College (SNC) reported that 40.3% (52 of 129) of its employees lived in Incline or Crystal Bay. Washoe County School District (WCSD) reported 59.2% (61 of 103) of its employees lived in Incline and Crystal Bay. IVGID reported that 68.3% of its year-round employees (179 of 262) and 63.8% of its seasonal employees (146 of 229) lived and worked in IV/CB. Of the 70 individuals employed by Washoe County, primarily in the Sheriff’s Department, 48.6% (34 of 70) lived in Incline. Of the 60 employees of Incline Village Community Hospital, only 35.0% (21 of 60) lived and worked in Incline. Finally, the North Lake Tahoe Fire Protection District reported that only 14.3% (7 of 49) of its employees lived locally.

**Table 38: Place of Residence, Data from Postcard Survey**

	Incline Village	Reno/ Sparks	South Lake Tahoe	North Shore/ Truckee	Washoe Valley/ Carson City	Dayton / Fernley Silver Springs	Minden/ Gardnerville	Other	Totals
#	101	8	1	42	7	2	1	5	167
%	60.5%	4.8%	0.6%	25.1%	4.2%	1.2%	0.6%	3.0%	100 %

Source: Incline Village Employee Postcard Survey

Why this discrepancy in commuter patterns between the responses in the postcard survey and the data from individual employers? The postcard survey represents a disproportionate share of lower wage service employees. As noted above, 57.8% of the postcards (407 of 704) were distributed to businesses classified as hotel/casinos, restaurants, and retailers, which in fact mirrors the local employment base. This workforce may be less likely or able to own an automobile or to commute long distances for low-wage or part-time work.

On the positive side, a disproportionate share of these service employees in Incline Village and Crystal Bay have found places to live in the community. On the negative side, these workers face a very tight and expensive housing market. As noted below, they report spending a higher share of their income on housing costs and exhibit higher overcrowding in housing than commuters.

## Commuting

### Average Commute Time

Workers in IV/CB who live outside the community tend to commute long distances to work. Among non-Incline respondents, the average commute time was thirty minutes. 41.8% of non-Incline respondents (28 of 67) reported a commute of thirty minutes or more, with 7.5% (5 of 67) traveling over an hour to work in Incline. 58.2% (39 of 67) reported a less than thirty-minute commute, with 14.9% (10 of 67) traveling between twenty and thirty minutes. (See Table 39). The average commute time among an Incline Village resident was 6 minutes.

Means of Commute

91.1% of Incline residents reported commuting by car. A slightly higher number of non-Incline residents (91.5%) commuted by car. A significant 18.8% of Incline residents (19 of 101 respondents to this question) reported walking or riding their bike to work, compared to only 1.4% of non-Incline residents. Non-Incline respondents reported higher rates of carpooling and use of public transportation, 8.5% and 9.9% respectively, compared to Incline residents, 2.9% and 0.9%. (See Table 40).

<b>Table 39: How long is your commute? - Data from Postcard Survey</b>												
<b>Commute Times: (in minutes)</b>	<b>0-10</b>		<b>11-20</b>		<b>20-30</b>		<b>30-60</b>		<b>60+</b>		<b>Totals</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Incline Village/ CB Residents</b>	98	96.0 %	4	4.0%	0	0%	0	0%	0	0%	102	100%
<b>Non-Incline Residents</b>	14	20.9 %	15	22.4 %	10	14.9 %	23	34.3 %	5	7.5 %	67	100%
<b>All Respondents</b>	111	65.7 %	19	11.2 %	10	5.92 %	24	14.2 %	5	2.9 %	168	100%

Source: Incline Village Employee Postcard Survey

<b>Table 40: What is your commute method? - Data from Postcard Survey</b>											
	<b>My Car</b>		<b>Carpool</b>		<b>Bus</b>		<b>Van Pool</b>		<b>Other (Walk, Bike)</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
<b>Incline Village Residents</b>	92	91.1%	3	2.9%	1	0.9%	0	0	19	18.8%	
<b>Non-Incline Residents</b>	65	91.5%	6	8.5%	7	9.9%	0	0	1	1.4%	
<b>All Respondents</b>	157	91.8%	9	5.3%	8	4.7%	0	0	20	11.7%	

\* Respondents were asked to "Check all that apply" for their commute method:

Percentage totals will not add up to 100%.

Source: Incline Village Employee Postcard Survey

**Housing Conditions**

Finally, the postcard survey asked a number of questions about the employees' current housing situation, including whether they own or rent, the number of people in the households and number of bedrooms in their current housing, and whether their current housing costs exceeded 30% of their household income, considered by HUD to be a high housing cost burden.

Housing Tenure

Employees in IV/CB exhibit far lower levels of homeownership than residents of Incline as a whole. Based upon the 2000 U.S. Census, 68.1% of Incline Village/Crystal Bay

residents owned their homes and 31.9% rented. In Washoe County as a whole in 2000, the homeownership rate was 59.3%. In contrast, only 42.6% of survey respondents (43 of 101) reported owning their home; 57.4% (58 of 101) reported renting. (See Table 41).

Commuters are much more likely to own their homes. Among non-Incline Village residents, 57.4% (39 of 68) reported owning their homes and 42.6% (29 of 68) reported renting, which is very close to the Washoe County ownership rate. For employees who live and work in Incline, the figures are exactly the opposite: 42.6% (43 of 101) reported owning their homes and 57.4% (58 of 101) reported renting.

<b>Table 41: Do you own or rent your housing? - Data from Postcard Survey</b>						
	<b>Own</b>		<b>Rent</b>		<b>Totals</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Incline Village/CB Residents</b>	43	42.6%	58	57.4%	101	100%
<b>Non-Incline Residents</b>	39	57.4%	29	42.6%	68	100%
<b>All Residents</b>	82	48.5%	87	51.5%	169	100%

Source: Incline Village Employee Postcard Survey

#### Housing Cost Burden

Employees in IV/CB also reported a higher housing cost burden than the population as a whole. Based upon year 2000 Census data, 37.1% owners and 41.3% of renters in Incline Village paid more than 30% of their income on housing costs, which is defined by HUD to be a “high housing cost burden.” In Washoe County as a whole in 2000, 27.9% of owners and 38.6% of renters had a high housing cost burden.

In contrast, 64.8% of survey respondents (105 of 162) reported paying more than 30% of their household income on housing. Among IV/CB residents, 66.3% of the postcard respondents (63 of 95) reported a high housing cost burden. Among commuters, a slightly lower 62.7% (42 of 67) reported spending more than 30% of their income on housing. (See Table 42).

<b>Table 42: Does your cost of housing exceed 30% of your household income? - Data from Postcard Survey</b>						
	<b>Yes</b>		<b>No</b>		<b>Totals</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Incline Village/CB Residents</b>	63	66.3%	32	33.7%	95	100%
<b>Non-Incline Residents</b>	42	62.7%	25	37.3%	67	100%
<b>All Residents</b>	105	64.8%	67	35.2%	162	100%

Source: Incline Village Employee Postcard Survey

**Overcrowding**

We define “overcrowding” here as a household that includes more than 1.5 people per bedroom.<sup>22</sup> So a 3-person household in a 1-bedroom apartment would be considered overcrowded. (3 divided by 1.5 = 2 bedroom minimum occupancy standard).

As we saw in **Table 37**, the average size of respondent households was significantly larger than households in Incline or Washoe County overall: 2.77 persons per household versus 2.36 and 2.59 for Incline and Washoe County. Given this, it is not surprising that a number of respondents were also identified as living in overcrowded housing conditions.

As seen in **Table 43**, 9.5% of the respondents (16 of 169) could be categorized as living in overcrowded housing conditions based upon the number of household members and the number of bedrooms in the home or apartment. Among IV/CB residents, the incidence of overcrowding is double that of commuter respondents. 11.9% of Incline residents (12 of 101 respondents) live in overcrowded housing, compared with 5.9% of non-Incline employees (4 of 68). So again, we believe that the workforce residing in Incline Village is experiencing greater housing problems.

	Overcrowded Housing*		Non-Overcrowded		Totals	
	#	%	#	%	#	%
<b>Incline Village/CB Residents</b>	12	11.9%	89	88.1%	101	100%
<b>Non-Incline Residents</b>	4	5.9%	64	94.1%	68	100%
<b>Totals</b>	16	9.5%	153	90.5%	169	100%

\* Defined as more than 1.5 persons per bedroom  
 Source: Incline Village Employee Postcard Survey

To summarize, the Incline Village workforce is more likely to rent than own and to pay more than 30% of its household income towards shelter costs, as compared to IV/CB and Washoe County households overall. Because of the high housing costs in Incline, documented elsewhere in this Report, and the relatively low wage labor force, employees who live and work in Incline are also more likely to live in overcrowded housing conditions when compared to their counterparts who commute.

<sup>22</sup> The U.S. Census definition of overcrowding is more than one person per room. The HUD Occupancy Standard is generally no more than two persons per bedroom. For the purposes of this analysis, we decided upon 1.5 persons per bedroom as a middle ground.

**Demand for Workforce Housing**

Finally, we asked respondents the following question: “If housing in Incline Village/Crystal Bay were available and affordable to you, would you choose to live there?”

Not surprisingly, most employees responded affirmatively to this question. In all, 74.5% (117 of 157) answered “yes,” 12.7% (20) answered “no,” and the same percentage, 12.7% (20), answered, “don’t know.” (See Table 44.) Almost all of those, though not all, who currently live and work in IV/CB would prefer to stay (88.8%, or 80 of 90). However, only 55.2% of commuters (37 of 67) expressed interest in moving to IV/CB. The postcard format did not allow for open-ended responses. We suspect that many of these respondents are already settled in their current communities and are not interested in moving. Many of these commuter respondents struggled with this question. 1 in 5 respondents (20.8%, 14 of 67) checked “don’t know,” suggesting at least some uncertainty about whether to continue commuting or invest in the Incline community.

**Table 44: Would you live in Incline Village/Crystal Bay if housing were available and affordable? - Data from Postcard Survey**

	Yes		No		Don't Know		Totals	
	#	%	#	%	#	%	#	%
<b>Incline Village/CB Residents</b>	80	88.8%	4	4.4%	6	6.6%	90	100%
<b>Non-Incline Residents</b>	37	55.2%	16	23.8%	14	20.8%	67	100%
<b>All Residents</b>	117	74.5%	20	12.7%	20	12.7%	157	100%

Source: Incline Village Employee Postcard Survey

## CHAPTER 5: EMPLOYER WEB-BASED SURVEY

In late 2008 and early 2009, we carried out a web-based survey of employers in Incline Village and Crystal Bay to better understand the impact of housing availability and affordability on area businesses and the local economy. 340 individuals affiliated with the North Lake Tahoe Chamber of Commerce were invited to take part in the web survey, which included a number of multiple-choice, ranking and open-ended questions. We received 39 completed responses. To follow, we provide a summary of the findings of this employer survey.

### **Methodology**

In December 2008, the Washoe County Community Development Department sent an e-mail request to 340 individuals affiliated with the North Lake Tahoe Chamber of Commerce inviting them to take part in a short web survey on workforce housing issues. The “Incline Village / Crystal Bay Housing Survey” was posted on the County’s Limehouse® community survey page from December 2008 through February 2009.

The survey asked respondents to rank housing among the many competing needs in the IV/CB community. The survey also asked employers to estimate the number of employees who commute, whether housing availability and affordability had an impact on employee turnover or their businesses’ ability grow, and whether the employer provided any form of assistance with housing. A copy of the survey is attached as Appendix B.

To increase the return rate to the web survey, we reminded individuals on the e-mail list three times over a two-month period. An article about the employer survey also appeared in the *North Lake Tahoe Bonanza*.

The response rate was relatively low. Of the 340 individuals contacted, we received only 39 completed web surveys, resulting in an overall response rate of 11.5% (39 of 340). The low response rate could mean that employers do not see workforce housing as an important issue in the community. It is also possible that, as of winter 2009, other issues are more pressing for IV/CB businesses, including the severe economic turndown and its effect on tourism and the softening housing market.

### **Profile of Respondents**

#### Industries Represented

The employers that responded to the survey came disproportionately from a few employment sectors. The industries represented most often in the survey were: Professional, Scientific and Technical (20.5%, 8 of 39), followed by Real Estate Rental and Leasing (10.3%, 4 of 39) and Retail Trade (10.3%, 4 of 39). Almost 30% (28.2, 11 of 39) of the respondents checked “Other” as their industry. These included employers within tourism, education, and local government. (See Table 45.)

As noted elsewhere in this Report, the largest employers in Incline Village and Crystal Bay, based upon Nevada Department of Employment, Training & Rehabilitation (DETR) data are in entertainment, accommodation & food services, which accounts for 41.2% of IV/CB’s employment, and Construction, which accounts for 13.6% of the area’s employment. These employers are underrepresented among the survey respondents. The survey findings therefore may not accurately represent the views of all employers.

<b>Table 45: Employer Industries, Data from Employer Web-Based Survey</b>		
<b>INDUSTRY</b>	<b>#</b>	<b>%</b>
Real Estate Rental and Leasing	4	10.3%
Retail Trade	4	10.3%
Professional, Scientific and Technical	8	20.5%
Finance and Insurance	3	7.7%
Construction	1	2.5%
Accommodation and Food Services	3	7.7%
Utilities	3	7.7%
Healthcare and Social Assistance	2	5.1%
Other	11	28.2%
<b>Totals:</b>	<b>39</b>	<b>100%</b>

Incline Village / Crystal Bay Employer Survey, March 2009

Number of Employees

Over two thirds of the survey respondents reported having less than 10 year-round employees (66.7%, 24 of 36). The majority of these businesses employed less than 3 workers. The remaining one-third of the survey respondents represented businesses with 10 or more year-round employees (33.3%, 12 of 36) and half of these respondents employ between 20 and 29 workers. (See Table 46.) Among the 36 respondents to this question, the median number of employees was 4.5 and average number of employees was 15.1. While most of the respondents ran small businesses, a small number of respondents employed 40 to 100 people in their businesses.

Seasonal Employees

We asked respondents whether their workforce included seasonal employees. 14 respondents represented businesses with significant summer seasonal employment. Among these summer employers, the median number of employees was 13.5 and average number of employees was 41.1. Several of these respondents reported employing 100 or more seasonal workers during the summer months.

We also asked respondents whether their workforce included winter seasonal employees. 12 respondents reported significant winter seasonal employment, with the median number of employees at 6.5 and average number of employees at 15.6. These responses

are fairly reflective of the seasonal fluctuation in employment observed in DETR data, which can be found elsewhere in this Report. (See Table 46.)

<b>Table 46: Size of Workforce, Data from Employer Web-Based Survey</b>						
<b>Number of Employees</b>	<b>Year Round</b>		<b>Summer</b>		<b>Winter</b>	
	#	%	#	%	#	%
Frequency						
0-9	24	66.7%	7	50.0%	7	58.3%
10-19	1	2.8%	0	0.0%	2	16.7%
20-29	6	16.7%	2	14.3%	1	8.3%
30 or more	5	13.8%	5	35.6%	2	16.6%
Mean	15.1		41.4		15.6	
Median	4.5		13.5		6.5	
Mode	3		5		5	
Count	36	100%	14	100%	12	100%

Incline Village / Crystal Bay Employer Survey, March 2009

### Estimate of Employee Commuters

We asked employers to estimate the percentage of their employees that commute from outside the Incline Village/Crystal Bay communities to work. Among all respondents, an average of 36.3% of their workforce were estimated to commute to work. If we adjust these estimates by the size of the employer respondent, giving larger employers a bigger vote than smaller employers—what is referred to as the “weighted average”—then respondents estimated that 64.7% of their workforce commuted.

As noted in **Table 47**, small employers (less than 10 employees) and larger employers (10+ employees) reported very different patterns of commuting. Among small employers, only 19.8% of employees were estimated to commute to work on average. The most common response (the “mode”) was 0%, and the middle response (the “median”) was 1.5%. It appears that many of the small business respondents are self-employed and live in Incline Village. Among larger (10+ employee) businesses, we observed high levels of commuting. The average percentage of employees that commuted was estimated to be 67.3%, with the mode 90% and median 72%.

**Table 48** is a frequency table of the same commuter data for all respondents. Here we see a bi-modal, or “two-hump,” pattern, where a sizeable number of respondents estimated a small percentage of employee commuters and another sizeable number of respondents estimated a large percentage of employee commuters. More a third of the survey respondents (14 of 38, 36.8%) reported that less than 10% of their employees commute to IV/CB. Another almost one-third estimated that over 60% of their employees commute.

<b>Table 47: What percentage of your employees commute from outside the Incline Village/Crystal Bay communities to work? - Data from Employer Web-Based Survey</b>		
	<b>Less Than 10 Employees</b>	<b>10 or More Employees</b>
<b>Average</b>	19.8%	67.3%
<b>Median</b>	1.5%	72% <sup>00</sup>
<b>Mode</b>	0%	90%
<b>Count</b>	24	12

Incline Village / Crystal Bay Employer Survey, March 2009

<b>Table 48: What percentage of your employees commute from outside the Incline Village/Crystal Bay communities to work? - Data from Employer Web-Based Survey</b>		
<b>Frequency</b>	<b>#</b>	<b>%</b>
<b>0-9%</b>	14	36.8%
<b>10-19%</b>	3	7.9%
<b>20-29%</b>	2	5.3%
<b>30-59%</b>	7	18.4%
<b>60 – 100%</b>	12	31.6%
<b>Totals:</b>	38	100%

Incline Village / Crystal Bay Employer Survey, March 2009

Estimate of Commute Time

Survey respondents reported that of those employees who commute, 74.0% (20 of 27) have, on average, more than a thirty-minute commute. (See Table 49.) One-third of respondents (33.3%, 9 of 27) estimated that those who commute have a 40- to 60-minute average commute time.

<b>Table 49: Of those employees who commute from outside Incline Village/ Crystal Bay, what is their average commute time? - Data from Employer Web-Based Survey</b>		
<b>Commute Times (in minutes)</b>	<b>#</b>	<b>%</b>
<b>0-9</b>	2	7.4%
<b>10-19</b>	3	11.1%
<b>20-29</b>	2	7.4%
<b>30-39</b>	11	40.7%
<b>40-60</b>	9	33.3%
<b>Totals</b>	27	100%

Incline Village / Crystal Bay Employer Survey, March 2009

**Housing Need**

The remainder of the housing survey asked employers for their perspective on local housing need and its impact on businesses.

Employers saw a relatively high need for workforce housing in the Incline Village and Crystal Bay communities. When asked, “How would you rank workforce housing among the many competing needs in this community?” 57.9% (22 of 38) ranked the need for workforce housing a “1” or “2” on a scale of 1 to 5, with “1” meaning a high priority and a “5” a low priority. (See Table 50.)

Respondents representing larger employers ranked the need for workforce housing somewhat higher than smaller employers. 63.6% (7 of 11) of large employers ranked the need for workforce housing a “1” or “2,” compared to 55.5% (15 of 27) small employers.

We asked employers to expand on their responses in an open-ended question: “What do you see as the greatest housing need or problem in the Incline Village/Crystal Bay area?” The most common themes in the responses from employers were: high housing costs, lack of entry-level or workforce housing options in IV/CB, and problems associated with a tight housing market, including overcrowding and poor shelter conditions. Typical responses included:

*Prices are way too high for low-income and medium-income families to get a house. In order to entice good workers there must be some affordable housing.*

*Blue collar and middle class housing is [the] greatest need....[The] greatest problem is resistance by current full time owners here.*

*[The] major employers are hotels that utilize many hourly wage and seasonal employees. Many of these have difficulty finding housing, not only in Incline, but [also] in close proximity, in California... Gas prices (in general) have precluded housing these employees in Reno or Carson City.*

*Out of control prices because of the second home market tear downs of all reasonably sized homes to build huge houses. Almost all new construction is targeted for the wealthy market.*

*Low- to mid-scale income employees including teachers and emergency personnel cannot afford to live here, and that is a loss to the community on many levels.*

*No local work force. Most have to commute which in turn cost them more out of pocket.*

*It is tough to maintain any quality of living with the cost of rentals and it is impossible to buy for average income families*

*Affordable rental units or sales*

*Low-income housing is needed for service industry people.*

*Affordable single-family and multi-family residences for the working middle-class.*

*The cost. Even with the residential pay incentive in the employee contract most choose to live out of the Incline Village/ Crystal Bay area. Most employees can afford to purchase a comfortable home in the Reno/Sparks area. But due to the extreme pricing at Tahoe they cannot afford to purchase a comfortable home at Incline Village. Renting is not desirable due to the condition or cost of the available locations. The neighboring jurisdictions have the same problem.*

*Seasonal foreign workers*

*The lowest cost areas are filled with 3 and 4 illegal [immigrant] families, which allows the owners to charge more, which drives up prices everywhere and makes the areas very undesirable.*

*Overcrowding in housing; poor housing condition*

*Maintaining the current rental properties. It seems that there is little enforcement with regard to parking, number of people per unit, etc. on properties that already are affordable rental properties. My concern is [what happens if] more rental properties are created, when enforcement isn't happening on existing properties[?].*

<b>Table 50: On a scale of 1 to 5, with 1" being a "high priority" and "5" being a "low priority", how would you rank <b>workforce housing</b> among the many competing needs in this community? - Data from <b>Employer Web-Based Survey</b></b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
1	7	18.4%	<b>All Respondents</b>
2	15	39.5%	
3	4	10.5%	
4	6	15.8%	
5	6	15.8%	
<b>Totals:</b>	<b>38</b>	<b>100%</b>	
1	5	18.5%	<b>Less than 10 Employees</b>
2	10	37.0%	
3	3	11.1%	
4	4	14.8%	
5	5	18.5%	
<b>Totals:</b>	<b>27</b>	<b>100%</b>	
1	2	18.2%	<b>10 or more Employees</b>
2	5	45.4%	
3	1	9.1%	
4	2	18.2%	
5	1	9.1%	
<b>Totals:</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

We also asked employers to rank what type of housing was most needed in Incline Village and Crystal Bay. Employers ranked the housing most needed in IV/CB, in declining order, as:

- “Year-round rental housing at affordable rates:” 69.2% (27 of 39) ranked this housing need a “1” or “2.” (See **Table 51**);
- “Entry level homeownership opportunities:” 65.0% (26 of 40) ranked this need a “1” or “2.” (See **Table 52**);
- “Seasonal employee housing:” 56.4% (22 of 39) ranked this a “1” or “2.” (See **Table 53**);
- “Housing (all types) within a short driving distance of Incline Village/Crystal Bay:” 53.8% (21 of 39) ranked it a “1” or “2.” (See **Table 54**); followed by,
- “Housing for mid to senior-level management employees:” 52.5% (21 of 40) ranked this a “3” or higher. (See **Table 55**.)

<b>Table 51: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Year-round rental housing at affordable rates? - Data from Employer Web-Based Survey</b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
1	22	56.4%	<b>All Respondents</b>
2	5	12.8%	
3	5	12.8%	
4	3	7.7%	
5	4	10.3%	
<b>Totals:</b>	<b>39</b>	<b>100%</b>	
1	16	57.1%	<b>Less than 10 Employees</b>
2	3	10.7%	
3	3	10.7%	
4	3	10.7%	
5	3	10.7%	
<b>Totals:</b>	<b>28</b>	<b>100%</b>	
1	6	40.0%	<b>10 or more Employees</b>
2	2	13.3%	
3	2	13.3%	
4	0	0.0%	
5	1	6.7%	
<b>Totals:</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

<b>Table 52: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Entry-level homeownership opportunities? - Data from Employer Web-Based Survey</b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
1	18	45.0%	<b>All Respondents</b>
2	8	20.0%	
3	5	12.5%	
4	3	7.5%	
5	6	15.0%	
<b>Totals:</b>	<b>40</b>	<b>100%</b>	
1	12	42.9%	<b>Less than 10 Employees</b>
2	5	17.9%	
3	4	14.3%	
4	2	7.1%	
5	5	17.8%	
<b>Totals:</b>	<b>28</b>	<b>100%</b>	
1	6	50.0%	<b>10 or more Employees</b>
2	3	25.0%	
3	1	8.3%	
4	1	8.3%	
5	1	8.3%	
<b>Totals:</b>	<b>12</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

<b>Table 53: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Seasonal employee housing? - Data from Employer Web-Based Survey</b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
1	12	30.8%	<b>All Respondents</b>
2	10	25.6%	
3	7	17.9%	
4	3	7.7%	
5	7	17.9%	
<b>Totals:</b>	<b>39</b>	<b>100%</b>	
1	10	35.7%	<b>Less than 10 Employees</b>
2	8	28.6%	
3	4	14.3%	
4	2	7.1%	
5	4	14.3%	
<b>Totals:</b>	<b>28</b>	<b>100%</b>	
1	2	18.2%	<b>10 or more Employees</b>
2	2	18.2%	
3	3	27.3%	
4	1	9.1%	
5	3	27.3%	
<b>Totals:</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

**Table 54:** On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: **Housing (all types) within a short driving distance of Incline Village/Crystal Bay?** Data from Employer Web-Based Survey

Possible Answer	# Answered	% Answered	
1	15	38.4%	All Respondents
2	6	15.4%	
3	8	20.5%	
4	6	15.4%	
5	4	10.3%	
<b>Totals:</b>	<b>39</b>	<b>100%</b>	
1	10	37.0%	Less than 10 Employees
2	3	11.1%	
3	5	18.5%	
4	6	22.2%	
5	3	11.1%	
<b>Totals:</b>	<b>27</b>	<b>100%</b>	
1	5	41.7%	10 or more Employee
2	3	25.0%	
3	3	25.0%	
4	0	0%	
5	1	8.3%	
<b>Totals:</b>	<b>12</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

<b>Table 55: On a scale of 1-5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for: Housing for mid- to senior-level management employees? - Data from Employer Web-Based Survey</b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
1	8	20.0%	<b>All Respondents</b>
2	11	27.5%	
3	9	22.5%	
4	3	7.5%	
5	9	22.5%	
<b>Totals:</b>	<b>40</b>	<b>100%</b>	
1	5	17.9%	<b>Less than 10 Employees</b>
2	7	25.0%	
3	8	28.6%	
4	3	10.7%	
5	5	17.9%	
<b>Totals:</b>	<b>28</b>	<b>100%</b>	
1	3	27.3%	<b>10 or more Employees</b>
2	3	27.3%	
3	1	9.1%	
4	0	0.0%	
5	4	36.4%	
<b>Totals:</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

### Impact of Housing on IV/CB Businesses

Most employers thought that housing had an impact on the viability of their businesses. 50.5% (19 of 38) answered “Yes” when asked “Does the cost or availability of housing in Incline Village/Crystal Bay have an impact on your business?” 39.5% (25 of 38) answered “No.” Large employers were much more likely than small employers to see a relationship between housing and economic health. 80.0% (8 of 10) of larger employers answered “Yes,” compared to 39.3% (11 of 28) of smaller employers. (See Table 56.)

Employers were then asked to rank a variety of ways in which the cost and availability of housing might have an impact on their businesses. In ranking order, employers cited:

- “Recruit new employees:” 61.6% (26 of 39) of all respondents ranked this impact a “1” or a “2” out of 5, with “1” meaning having a “significant impact” (See Table 57);
- “Retain existing employees:” 51.3% (20 of 39) of all respondents ranked this impact a “1” or a “2” (See Table 58);
- “Expand in response to new opportunities:” 33.3% (12 of 36) of all respondents ranked this impact a “1” or a “2” (See Table 59); and,

- “Sustain goods and services for year-round residents:” 32.4% (12 of 37) of all respondents ranked this impact a “1” or a “2” (See Table 60).

There was some variation in response between larger employers and smaller employers on these questions. Generally, larger employers cited the cost and availability of housing as having a greater impact on their businesses in each category. For instance, 75.0% (9 of 12) of larger employers ranked the impact “Recruit new employees to Incline Village/Crystal Bay” a “1” or a “2,” compared to only 55.5% (15 of 27) smaller employers. Similarly, 63.6% (7 of 11) of larger employers ranked the impact “Retain existing employees” a “1” or a “2,” compared to only 48.1% (13 of 27) smaller employers.

Interestingly, smaller employers were almost equally concerned about the impact “Expand in response to new opportunities” as larger employers—26.0% (9 of 25) versus 27.3% (3 of 11), respectively, rank this a “1” or a “2.” And, smaller employers were more concerned than larger employers about the impact “Sustain goods and services for year-round residents” —34.6% (9 of 26) versus 27.3% (3 of 11) respectively, rank this a “1” or a “2.”

<b>Table 56: Does the cost or availability of housing in Incline Village have an impact on your business? - Data from Employer Web-Based Survey</b>			
<b>Possible Answer</b>	<b># Answered</b>	<b>% Answered</b>	
Yes	19	50.0%	<b>All Respondents</b>
No	15	39.5%	
Don't Know	4	10.5%	
Yes	11	39.3%	<b>Less than 10 Employees</b>
No	13	46.4%	
Don't Know	4	14.3%	
Yes	8	80.0%	<b>10 or more Employees</b>
No	2	10.0%	
Don't Know	0	0.0%	

Incline Village / Crystal Bay Employer Survey, March 2009

**Table 57:** On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: **Recruit new employees to Incline Village/Crystal Bay?** - Data from Employer Web-Based Survey

Possible Answer	# Answered	% Answered	
1	18	46.2%	<b>All Respondents</b>
2	6	15.4%	
3	2	5.1%	
4	2	5.1%	
5	11	28.2%	
<b>Totals.</b>	<b>39</b>	<b>100%</b>	
1	13	48.1%	<b>Less than 10 Employees</b>
2	2	7.4%	
3	2	7.4%	
4	1	3.7%	
5	9	33.3%	
<b>Totals.</b>	<b>27</b>	<b>100%</b>	
1	5	41.7%	<b>10 or more Employees</b>
2	4	33.3%	
3	0	0%	
4	1	8.3%	
5	2	16.7%	
<b>Totals.</b>	<b>12</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

**Table 58:** On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: **Retain existing employees?** - Data from **Employer Web-Based Survey**

Possible Answer	# Answered	% Answered	
1	16	41.0%	<b>All Respondents</b>
2	4	10.3%	
3	7	18.0%	
4	2	5.1%	
5	10	25.6%	
<b>Totals</b>	<b>39</b>	<b>100%</b>	
1	10	37.0%	<b>Less than 10 Employees</b>
2	3	11.1%	
3	5	18.5%	
4	1	3.7%	
5	8	29.6%	
<b>Totals</b>	<b>27</b>	<b>100%</b>	
1	6	54.5%	<b>10 or more Employees</b>
2	1	9.1%	
3	1	9.1%	
4	1	9.1%	
5	2	18.2%	
<b>Totals</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

**Table 59:** On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: **Expand in response to new opportunities?** - Data from Employer Web-Based Survey

Possible Answer	# Answered	% Answered	
1	7	19.4%	<b>All Respondents</b>
2	5	13.9%	
3	8	22.2%	
4	5	13.9%	
5	11	30.6%	
<b>Totals</b>	<b>36</b>	<b>100%</b>	
1	4	16.0%	<b>Less than 10 Employees</b>
2	5	20.0%	
3	6	24.0%	
4	3	12.0%	
5	7	28.0%	
<b>Totals</b>	<b>25</b>	<b>100%</b>	
1	3	27.3%	<b>10 or more Employees</b>
2	0	0.0%	
3	2	18.2%	
4	2	18.2%	
5	4	36.3%	
<b>Totals</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

**Table 60:** On a scale of 1-5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to: **Sustain goods and services for year-round residents?** - Data from Employer Web-Based Survey

Possible Answer	# Answered	% Answered	
1	10	27.0%	All Respondents
2	2	5.4%	
3	14	37.8%	
4	4	10.8%	
5	7	18.9%	
<b>Totals:</b>	<b>37</b>	<b>100%</b>	
1	7	26.9%	Less than 10 Employees
2	2	7.7%	
3	10	38.5%	
4	2	7.7%	
5	5	19.2%	
<b>Totals:</b>	<b>26</b>	<b>100%</b>	
1	3	27.3%	10 or more Employees
2	0	0.0%	
3	4	36.3%	
4	2	18.2%	
5	2	18.2%	
<b>Totals:</b>	<b>11</b>	<b>100%</b>	

Incline Village / Crystal Bay Employer Survey, March 2009

### Employer Assisted Housing

Given the tight local housing market, we were interested in whether local employers offered any housing assistance in order to recruit or retain employees. Of the 39 respondents to the survey, 5 employers (12.8%) reported that “Yes” they do offer some form of housing assistance to their employees. Of those who responded “Yes,”

- 3 offered employee housing;
- 1 offered stipends to their employees for rent;
- 2 offered relocation assistance; and,
- 1 provided transportation to housing elsewhere.

### Recommendations

Finally, we asked employers for any recommendations they might have for addressing workforce housing needs in Incline Village/Crystal Bay. Respondents cited the need for more political leadership on the issues and more education in the community about the impact of high housing costs. Employers also called for relief from some land use and environmental regulations that make housing difficult to develop and better public transportation and carpooling to connect housing elsewhere with jobs in IV/CB. Here is a sample of the responses:

*[We need] proper community planning and sticking to the plan. IV/CB used to have a vibrant middle class and family-oriented workforce; this is no longer the case. A community of second homes can't sustain itself and housing prices have been pushed beyond the grasp of middle-class families.*

*Change the existing building code to allow homeowners to create separate apartments with full kitchens, provided the property has adequate parking to accommodate a second family/tenant. This would be a low-cost, efficient and rapid way to develop additional workforce housing.*

*It would be nice to have affordable housing for employees.*

*Housing is an issue because it limits our teacher and teacher-support recruiting pool. First-time homebuyers opportunities would give new qualified teachers an incentive to want to live here or rent and hopefully stay.*

*[We need] some type of message board or online site to post short-term rentals (for those seeking just seasonal rentals) and roommate situations for those who own houses but would consider renting out a room in their house, etc. Also it is virtually impossible to have low-cost rentals when cost to OWN a house is so expensive here. To rent out a house or condo, you still basically only make back half that month's mortgage so it will really never be a feasible plan.*

*Do a survey of current homeowners to determine the reasons for their very vocally expressed resistance when IVGID brought this issue up two summers ago. Then do outreach to answer the objections and particularly the fear that they will be subsidizing such housing*

*Truckee is very aggressive in developing new workforce housing options of several types. Some of the employees in Incline Village and Crystal Bay take advantage of those opportunities.*

## CHAPTER 6: KEY INFORMANT INTERVIEWS

In the winter of 2009, Praxis Consulting Group carried out one-on-one interviews and focus groups with individuals knowledgeable about workforce housing and community needs in Incline Village and Crystal Bay. Eighteen people were interviewed including realtors, large and small employers, human service providers, public agency staff and educators. **Table 61** below provides a complete list of those who took part in the interviews and focus groups.

**Table 61: Interview and Focus Group Participants**

<i>Janet Pahl, Realtor / Trevor Smith Broker, Coldwell Banker Incline Village Realty</i>	<i>Claudia Anderson, Executive Director, Parasol Tahoe Community Foundation</i>
<i>Jim Clark, Developer, Sierra Bouquet LLC</i>	<i>George Lebard, Executive Director, Project Mana</i>
<i>Kathleen Watty, Principal, Incline Village Elementary School</i>	<i>Cindy Hannah, Executive Director, St Joseph's Community Land Trust</i>
<i>Lyn Barnett, Planning, Tahoe Regional Planning Agency (TRPA)</i>	<i>David Mussatti, Parishoner, St. Patrick's Episcopal Church</i>
<i>Irma Lebard and Karl Schnetz, Project Mana</i>	<i>Susan Johnson, Director of Human Resources, IVGID</i>
<i>Mike Finn, Manager, Raley's Supermarket</i>	<i>Bea Epstein, North Tahoe Lions Club</i>
<i>Rod Alford, Director of Human Resources, Hyatt</i>	<i>Kym Fabel, North Lake Tahoe Chamber of Commerce</i>
<i>Sylvia Deer, Human Resources Director, Crystal Bay Casino</i>	<i>Scott Goodin, Director of Finance, Sierra Nevada College</i>

The interviews were organized as follows. First we asked the participants what they saw as the greatest housing need(s) or problems in the Incline Village / Crystal Bay area. Then we asked them what impact the lack of affordable housing has on the local economy and quality of life. And finally we asked participants for their recommendations for removing development barriers and addressing the affordable housing issues in the Incline Village / Crystal Bay community.

The key informant interviews and focus group provide a rich source of qualitative data on local housing issues and complement the other quantitative chapters of this report. The following summary of findings is organized by the main themes that emerged from the interviews.

## **Housing Needs**

Key informants pointed to several populations that are poorly served by the local housing market, including middle-income families, low-income and primarily Hispanic service employees, International student exchange workers, and long-time elderly residents of Incline.

### The Vanishing Middle Class

*Workforce housing is not available. The middle class cannot afford to live here.*

*Most employees live “off the hill.” There are no new families; no new people involved in the community.*

*It’s important for employees to live in the community. It’s the nature of work in a government agency to give back, and our employees aren’t able to do that because they live outside of community.*

*Half of the area service organization directors do not live here; our leadership is not local.*

Many of those we interviewed pointed to the loss of middle-income households in Incline Village over the last decade. According to interviewees, prior to the late 1990’s, most employees who wanted to live in Incline were able to secure relatively affordable rental and ownership housing. The community used to be made up of more residents who lived and worked in Incline, raised their children in town and took part in the life of the community.

After the dramatic increase in housing prices in Incline in the late 1990’s, middle-income employees, particularly those with families, began to look elsewhere for housing—in Washoe County, Carson Valley, Tahoe City and Truckee. These workers live “with two feet in two communities,” noted one interviewee. They commute long distances to work and feel less affiliation with and have less to contribute to Incline Village.

We heard a number of anecdotes from employers of their middle management staff moving “off the hill” once they got married or were ready to settle down. Given the very limited ownership housing options in Incline—primarily 2- and 3-bedroom condominiums that were designed to be vacation rentals—employees weigh their housing options and chose the detached, single family home on the quarter-acre lot in town and the long commute.

Key informants expressed concern that this trend would increase in the near future as many long time residents retired, and their replacements could not afford to buy into the Incline community. It was noted that many employees at IVGID and in the public schools are nearing retirement age.

In Chapter 3, Demographic, Employment and Housing Data, we also note a loss in year-round population, and particularly in the number of residents under the age of 18 in the community, based upon Census counts, school enrollment, and IVGID sewer and recreation fee data.

### Year-Round Service Employees

*Rental housing is now opening up some because of the economy. However, there's still a problem with overcrowding. The rents are also too high... Hispanic families especially have difficulties. You have two or three families sharing one condo.*

*People can find jobs, but then leave because they cannot find a place to live.*

*There's rental housing available in Incline, but it is very expensive. It's a hit and miss situation.*

*Because the rents are so expensive, often times you have two families living in one apartment. Then they are found to be in violation of their lease.*

Those workers who choose to live in Incline Village face a very tight and expensive housing market. Key informants detailed the problems faced by primarily low-income and Hispanic service employees living in Incline Village, including substandard rental housing, overcrowding, and high housing costs. These problems are exacerbated by the seasonal nature of employment at the lake: housing is most expensive and least available during the peak summer months when jobs are most readily available. As noted in the data chapter, Chapter 3, the population in Incline Village almost doubles during July and August; the workforce increases almost 20%, from about 4,455 employees during the low season to 5,350 employees during the high season.

Key informants spoke of the presence of several low-income, multi-family housing enclaves in Incline, on Tanager Street and near the old elementary school, made up of poor quality, older and poorly maintained units. Those we interviewed cited problems with severe overcrowding. Some thought that landlords in these neighborhoods took advantage of the tight housing market by charging high rents and providing minimal services.

Service providers said that housing is a critical concern within the Hispanic community in Incline. Spanish-speaking residents make up a sizeable percentage of the local service employees, working in housekeeping, food service, retail, construction and landscaping. These low-wage workers may have limited ability to commute, because of the lack of a car or transportation costs. We also heard that the public transportation system on the North Shore operates on limited hours with infrequent trips, making commuting from other communities on the Lake with relatively affordable housing, such as Kings Beach and South Lake Tahoe, impractical.

Service providers on the front lines, like Project Mana, confirm cases of overcrowding and poor housing conditions. Because of the seasonal nature of work at the Lake, residents struggle to make rent payments during the off-season. Some Hispanic families leave during the off-season to find work elsewhere, resulting in disruptions in education for children and making re-entry to the housing market even more difficult on their return. As noted in Chapter 3, Hispanic children made up 9% of the elementary school population in Incline Village 1990. In 2007, they comprised 46% of the elementary grades. Project Mana and other providers commented that Spanish-speaking residents may be less willing to complain about housing problems for fear of eviction or even deportation if they are undocumented.

Based upon a December 2007 Kings Beach Resident Survey prepared by Bay Area Economics, low-income, primarily Hispanic service employees face very similar housing conditions across the North Shore. Notes that recent report:

*The greatest housing problems facing the Kings Beach community relate to lack of housing affordability and overcrowding. About 65 percent of Door-to-Door households and three-quarters of 96143 ZIP households reported experiencing excessive housing cost burdens that amount to over 30 percent of their household income. Moreover, around 40 percent of households in both subgroups currently reside in overcrowded conditions of more than two persons per bedroom. The survey results generally indicate a need for affordable housing that caters to large households with children, with accessible public transportation.<sup>23</sup>*

These findings mirror those of the IV/CB Employee Postcard Survey, in Chapter 4. The Postcard Survey found that the Incline Village resident workforce is more likely to rent than own and to pay more than 30% of its household income towards shelter costs, as compared to commuters. Because of the high housing costs in Incline and the relatively low wage labor force, employees who live and work in Incline are also more likely to live in overcrowded housing conditions when compared to their counterparts who commute.

#### Short-Term International and Seasonal Workers

*We have negotiated with Sierra Nevada College to rent open dorm rooms from June to July. But we need housing for the whole summer. Sometimes our employees are left “couch hopping” during the month of August.*

*There is a real need for housing for seasonal staff. Most long-term employees have a place to live, and many own.*

*There seems to be a dilemma between condo owners who want “long term” renters in winter. However, they want them to be gone by summer, so that they*

---

<sup>23</sup> Kings Beach Resident Survey, Summary Report, prepared by Bay Area Economics for Domus Development, December 2007.

*can rent to vacationers who will pay top dollar during the season to maximize profits.*

*A lot of locals want to gouge the summer help. This leads to overcrowding.*

*The housing situation was much worse a year ago, before the economy tanked. The North Star dormitory units were a last resort. When the economy gets stronger, housing will become a bigger problem again.*

*We use some efficiency apartments across the street [for our seasonal workers]. The housing conditions there are pretty bad. There is mold on the floor, even in the model unit. It is poorly kept. That's really the only housing option within walking distance. And we're now telling employees not to stay there...*

Seasonal workers, particularly the J-1 Visa workforce, face perhaps the most difficult local housing market. These young people, visiting our country from Brazil, Poland, Romania and elsewhere, must scramble to find a place to live in Incline Village, most without a car and some with limited English-language skills.

Key informants in the hotel and casino industry said that the trend of employing J-1 (cultural exchange) and H2B (short-term employment) Visa employees is a relatively recent phenomenon, since the mid-2000s. They attribute the shift to the decline in year-round residents in Incline and, related to this, the very tight and expensive local housing market. In the past, summer jobs may have been filled more often by the children of local residents, home from college for the summer. However, with the decline of year-round residents, there are fewer young people returning to Incline for the summer. Those that do are perhaps from wealthier families less interested in physically demanding and low-paying summer work.

Incline Village has also traditionally attracted a contingent of young people from around the country willing to trade short-term summer or winter work for the opportunity to live at the Lake in close proximity to skiing. According to the large employers we interviewed, this group of U.S. employees has also dwindled in recent years because of the tight local housing market.

Large employers have adapted to this loss of seasonal employees in a number of ways. According to IVGID, it tries to combine what were once short-term winter and summer jobs (life guard, snow plow operator, etc.) into year-round jobs in order to retain employees. Many of the hotels and casinos, as noted above, have turned to International employees to fill this gap. Anecdotally, we heard that these employers recruit 200 to 300 International employees to work in Incline Village and Crystal Bay over the summer months. J-1 Visa employees may hold two to three jobs during their stay—their prime job with the sponsor employer, usually a hotel/casino, and perhaps a second or third job waitressing in a local restaurant or bagging groceries at the market.

Key informants said that these International employees face a very expensive and exploitative housing market. It is not uncommon for employees to live two or three to a bedroom or to even share a bed (one sleeps while the other works). Employees face high rents during the summer months, when moderate vacation rentals typically run \$800 to \$1,000 a week for a two- to three-bedroom condo. Employers said that their International employees often lose their security deposits because the rental term is longer than their length of stay in the country.

Out of necessity, large employers have become more involved in identifying housing for their short-term International employees, with varying success. Many of the J-1 cultural exchange programs require that the sponsoring employer ensure that the student has a positive experience in our country. Employers have reserved blocks of room at the dormitories at Sierra Nevada College. However, their availability does not exactly match the term of the J-1 Visa employees' stay. Employers have rented rooms for their employees at Sawmill Heights, the new 96-unit worker dormitory at Northstar-at-Tahoe. However, the lack of public transportation and the infrequency of shuttle service made this option unworkable.

The Parasol Foundation, which employs over a dozen AmeriCorps volunteers each year—typically young people just out of college—arranges furnished apartments for its employees through a local condominium association. According to Parasol staff, the agency learned over time, after losing volunteers, that if it did not arrange for housing, it would not be able to successfully recruit AmeriCorps candidates to Incline Village.

While the housing market and tourism has softened in the last year, employers warn that seasonal housing will once again become a critical need when the housing market in Incline rebounds.

#### Limited Options for Aging in Place

*We would like to see independent living and assisted living facilities for seniors in Incline Village. It is difficult, if not impossible, to age in place because of the lack of affordable housing and transportation. Currently, there is a very limited transportation initiative, but it does not begin to address the need.*

*The elderly move in with families and move out of the area. There are a group of former residents who moved to Reno and who stay in touch...they call themselves "the De-cliners."*

*There are both active and homebound seniors in the community. There are no home health care systems or nursing centers in area. There is only a local triage center – no acute care, no geriatric, and no rehab center. There is one physical therapist.*

While less a workforce housing issue, we heard from a number of interviewees about the problems faced by long-time elderly residents of Incline. Many long-time renter

households can no longer afford to live in Incline, and have moved away. There is an informal club of Incline ex-patriots living in Washoe County that humorously refer to themselves as “the “De-cliners.” Elderly owner households face increased property taxes as their properties increase in value. They also find it hard to stay in Incline without adequate health care services and public transportation – this is especially true for retiring members of the local workforce. As is noted above in the interview quotes, Incline Village lacks supported housing options for seniors such as rest homes, assisted living, home health care services, or a nursing home.

Incline Village continues to be a popular retirement destination. We note in Chapter 3 that the age 65+ population in Incline Village increased by 72.6% between 1990 and 2000, from 674 to 1,163 residents. Elderly (age 65+) residents make up 11.7% of the population in Incline. But, without social supports and year-round services, these residents will be unable to remain in their homes over time.

### **Housing Impacts**

According to our key informants, this lack of affordable and available housing in Incline Village and Crystal Bay has significant impacts on the community, including economic impacts on businesses, the erosion of local services, the loss of a year-round community, and traffic congestion and other environmental impacts. We detail these below.

#### Impact on Businesses

*Our year-round workers are renting. But when they want to start a family and buy a house, they have to move out of the area to do so.*

*It's tough to fill hourly work—dishwasher, food/beverage—with local kids when they are home for the summer and living with parents in multi-million dollar homes.*

*There aren't enough residents to shop at the stores. I work in Incline, but don't shop here because I live in Carson City.*

*The biggest issue for us is employees commuting in the winter with all the snow on the ground. Summers, we have the issue of all of the traffic and need to plan commute times accordingly.*

*The cost and availability of housing does affect business here. It contributes to high turnover.*

*At the college, it's difficult to recruit qualified staff. Many start the job and then find the community unlivable for one reason or another (the housing, the weather). If a person is not already here in community, it is very difficult to find housing, even if you make \$100,000 a year.*

Key informants confirmed that the cost and availability of housing take a toll on businesses in Incline Village and Crystal Bay. Employees recount difficulties in recruiting workers and in retaining them over time. Several noted that their mid-level managers tend to move off the hill once they decide to buy a home. And, as noted earlier, there is a concern that this trend is going to worsen in the coming years as long-time residents retire.

Those we interviewed from Sierra Nevada College expressed concern that the tight housing market would make it difficult for the college to grow. While SNC currently serves about 300 students, it has plans to eventually grow to 1,000 students. Without available housing in the community, SNC will not be able to recruit new faculty. Upper class students will find it difficult to rent in the community. Currently the SNC dormitories can house 311 students.

Fewer year-round residents means less demand for year-round services. We heard from a number of key informants about the difficulty of supporting businesses during the off-season. Restaurants routinely close. Commercial vacancy rates are on the rise. One interviewee noted that small professional service businesses—doctors, lawyers, accountants—continue to thrive in Incline.

Larger employers—the hotels and casinos, the supermarket, public agencies—struggle to fill positions and to hold on to staff because of the tight local housing market. As noted in Chapter 3, wages in Incline Village and Crystal Bay are higher than the wages of comparable positions elsewhere in Washoe County. The average hourly wage for all positions is \$1.49 higher. For positions in the entertainment, accommodation and food service sector—41.2% of the Incline workforce—average wages are \$3.25 higher, \$14.61 in Incline compared to the County average of \$11.36. These higher wages, however, translate into higher prices for consumers in Incline.

According to key informants, commuting also has its costs—lost hours because of snow delays or summer congestion and less energy to devote to the workplace. As one interviewee noted, “Employees have two feet in two communities.”

### Loss of Community

*In grade school, there is no faculty for afterschool help, sports or extra curricular activities.*

*It's hard to integrate the college into the community when the employees are not integrated into the community.*

*How do you make someone an engaged citizen in your community? The second homeowners have no knowledge of community issues; they have no engagement in the community.*

*People do not take care of their properties—there's no pride of place.*

Key informants also detailed the social cost of a tight housing market. Residents said that the character of Incline Village has changed over the last dozen years as long-time residents have been replaced by second homeowner and vacation rentals, and middle-income families with children are replaced by wealthy retirees, with perhaps less investment in the life of the community.

Key informants thought that second homeowners are less informed about local issues—like creating “defensible space” clearing around their properties. They observed that there is less civic participation in Incline than in the past. One interviewee noted that the heads of many of the non-profit service organizations in Incline do not live in Incline, and are therefore less in tune with community issues. We have noted elsewhere the decline in public school enrollment and that many first responders—fire protection, sheriff’s office, medical staff—no longer live in Incline. Respondents expressed concern that public services will erode further with the loss of year-round residents.

### **Environmental Impacts**

Finally, interviewees discussed the environmental impacts of the tight housing market, which has led to more employees commuting longer distances to work and traffic congestion, particularly over the Mt. Rose Highway, during the morning and evening commute—what was referred to by one key informant as the “Aspen Effect.”

The TRPA Pathways 2007 draft plan envisions sustainable, live-work, pedestrian-friendly town centers, better public transportation, and housing affordable to at least a portion of the local work force. However, key informants expressed concern that Incline Village seemed to be moving in the opposite direction. The local workforce is more car-dependent than in the past. And, year-round residents need to drive longer distances to obtain the services they need. Cutbacks are resulting in less use of public transit and car sharing. Interviewees observed that the very land use regulations that have slowed development in order to protect the Tahoe Basin have also resulted in increased housing costs, and the other environmental impacts detailed here.

### **Barriers / Recommendations**

We asked key informants “What recommendations do you have for addressing the workforce housing needs in Incline Village/Crystal Bay?” In this final section, we detail their responses.

#### TRPA Regulations

*Washoe County at the lake is close to build out. Most development activity is remodels. There have been no new vacant land subdivisions in Incline [for lot and block]. A lot of the existing properties are tied up with the adjoining properties, preventing new subdivisions.*

*Building space is limited. There are too many restrictions, regulations and fees imposed by TRPA for developers to make affordable housing projects profitable.*

*Affordable housing for seasonal employees has been discussed, but discouraged by TRPA because of density issues. SNC has also looked into this but also discouraged by TRPA. If a development was in the master plan, they will okay the project. If not, "forget it."*

*TRPA will not allow for density. But you cannot make an impact or profit if you are limited to building 15 units where 60 units can fit, and become more profitable.*

Many interviewees thought that TRPA land use regulations were at the heart of the housing crisis in Incline Village. The impact of these regulations is to restrict housing development and increase the cost of land and construction. Key informants thought that more regulatory relief is necessary if Incline is to address its housing needs.

Planner and TRPA staff we interviewed pointed out that the code already provides a number of benefits and regulatory waivers to developers of affordable housing. For instance, projects that serve households at or below 80% of area median income do not require an annual allocation or a development right to build. And affordable housing projects are also eligible for a density bonus. TRPA staff also clarified that land already zoned for multi-family dwellings can be rezoned into condos, allowing for new housing units in another form. Otherwise, subdivision of vacant land into other vacant parcels is currently still prohibited by TRPA. TRPA is currently considering additional changes to the Regional Plan that would provide new affordable housing incentives.

The bigger problem in Incline, noted one planner, is that there is very little developable land left in the community, limiting solutions that would rely on additional production.

### Transportation

*We need a better transportation system in place. There is some carpooling among employees.*

Key informants thought that better public transportation, vanpooling, and ride sharing could be part of the solution, linking low-income workers with affordable housing in other communities.

### Further Education / Addressing NIMBY

*The community can come up with solutions because there are very smart people living in town. But they have to want to solve the problem.*

*Second homeowners dominate opinion at town hall meetings and they don't want to fix the housing problems. In turn, we are losing sense of community.*

*Many residences have the feeling of N.I.M.B.Y.*

*The Incline population is made up of many wealthy owners of second homes. People only come for the summer and they are not concerned about the housing needs of the local service employees.*

*I often feel outnumbered when wanting to discuss housing issues in Incline Village. The locals do not want to talk about it.*

*People who need the help do not voice opinions. They are scared that they will be deported or fear the ones with all the power are the rich, and they are the ones who show up to community meetings.*

Finally, key informants also saw a need for greater education and dialogue about affordable and workforce housing in Incline Village. Interviewees recalled a packed IVGID meeting in the summer of 2006 when housing issues were discussed. At that meeting, a number of attendees opposed IVGID participating in a study of workforce housing needs. Respondents thought that the opinions expressed at the meeting were not reflective of all Incline residents, but that of a vocal minority. They saw a need in the community for more education about workforce housing: What is it? Who would benefit by it? What impact would it have, positive or negative, on home prices, the local economy, and quality of life?

Incline Village has always been a vacation destination with a sizeable number of high-end second homes and vacation rentals. And, some of the local workforce has always commuted from neighboring communities where there was more plentiful and affordable housing. However, over the last decade, a sea change has occurred in Incline. Key informants thought that this story of transformation, and its impact, needed to be better conveyed. What was once a vacation town with a diverse year-round population has transformed over the last decade into a town of predominately high-end homes for vacationers and retirees, with very few middle-income residents, and enclaves of substandard housing for primarily Hispanic service employees. One of the tragedies of this transformation is the loss of institutional memory of the community—because of the loss of year-round residents and the transitory nature of a vacation town, there are fewer people around who remember what Incline was once like.

## APPENDIX A – POST CARD SURVEY

### Postcard Survey Instruments

**Incline Village/Crystal Bay Workforce Housing Survey**

We are conducting an assessment of the need for housing in your community. We are not asking for your name or the name of your employer, so **all information will be confidential**. Please take a moment to fill out this card and drop it in a mailbox. For more information about the Survey, feel free to contact the Washoe County Community Development Department at (775) 328-3600. **Thank you for your participation!**

- What is your place of residence?**  Incline Village / Crystal Bay  Reno/Sparks  
 South Lake Tahoe, South or East Shore  North Shore/Truckee  Washoe Valley/Carson City  
 Dayton / Fernley / Silver Springs...  Minden/Gardnerville  Other \_\_\_\_\_
- Where is your place of employment?**  Incline Village  Crystal Bay  Other \_\_\_\_\_
- Is your job:**  Full time  Part time
- Is your job seasonal?**  Yes  No
- What is your average commute time from home to work?** \_\_\_\_\_ minutes
- How do you commute to work? (Check all that apply)**  My Car  Carpool  
 Public Transportation (Bus)  Van Pool  Other \_\_\_\_\_
- Do you own or rent your current housing?**  Own  Rent
- Do you pay more than 30% of your household income on housing costs?**  Yes  No
- How many people live in your household?** \_\_\_\_\_ Adults \_\_\_\_\_ Children
- How many bedrooms are there in your housing unit?** \_\_\_\_\_ bedrooms
- What is your annual household income level?**  Less than \$20,000  \$20,000 to \$40,000  
 \$40,000 to \$60,000  over \$60,000
- If housing in Incline Village/Crystal Bay were available and affordable to you, would you choose to live there?**  Yes  No  Don't know

**Encuesta sobre la vivienda de la población activa de Incline Village / Crystal Bay**

Estamos realizando un estudio sobre las necesidades de vivienda en su comunidad. No le estamos pidiendo su nombre ni el de su empleo, así que **toda la información será confidencial**. Por favor, tome un momento para completar esta tarjeta postal y deposítela en el correo. Para más información sobre la encuesta, póngase en contacto con el Departamento de Desarrollo Comunitario de Washoe County (*Washoe County Community Development Department*) en el (775) 328-3600. **¡Gracias por su participación!**

- ¿Cuál es su lugar de residencia?**  Reno/Sparks  Incline Village  
 South Lake Tahoe, South or East Shore  North Shore/Truckee  Washoe Valley/Carson City  
 Dayton / Fernley / Silver Springs  Minden/Gardnerville  Otro \_\_\_\_\_
- ¿Cuál es su lugar de empleo?**  Incline Village  Crystal Bay  Otro \_\_\_\_\_
- Su trabajo es:**  De tiempo completo / Full time  De tiempo parcial / Part time
- ¿Es su trabajo temporal?**  Sí  No
- ¿Cuánto tiempo tarda, de media, en ir de su casa al trabajo?** \_\_\_\_\_ minutos
- ¿Cómo se desplaza a su trabajo? (Marque todo lo que se aplique)**  
 Mi carro  Con otros en un carro (*carpool*)  Transporte público (Bus)  
 Con otros en camioneta  Otro \_\_\_\_\_
- ¿Es usted el propietario de su vivienda o la renta?**  Propietario  Rento
- ¿Paga usted más del 30% del sueldo que entra en la casa en costos de vivienda?**  Sí  No
- ¿Cuántas personas viven en su vivienda?** \_\_\_\_\_ Adultos \_\_\_\_\_ Niños
- ¿Cuántas recámaras tiene su vivienda?** \_\_\_\_\_ recámaras
- ¿Cuál es el nivel anual del sueldo que entra en casa?**  
 Menos de \$20,000  De \$20,000 a \$40,000  
 De \$40,000 a \$60,000  Más de \$60,000
- Si hubiera viviendas disponibles en Incline Village / Crystal Bay y usted se lo pudiera permitir, ¿se mudaría a vivir allí?**  Sí  No  No sé

## APPENDIX B – WEB-BASED EMPLOYER SURVEY

### Web Survey Instrument

#### Workforce Housing Needs Assessment of the Incline Village/ Crystal Bay Communities Web-Based Employer Survey

The Washoe County Community Development Department, in coordination with the North Lake Tahoe Chamber of Commerce, is conducting an assessment of the need for workforce housing in the Incline Village/Crystal Bay communities.

Please take a few minutes to fill out this web-based survey. We will keep your individual responses confidential. The information will be summarized and used to guide future land use and housing planning in the Incline Village/Crystal Bay communities. We will also provide you with a copy of the summary report by e-mail in Spring 2009.

For more information about the Workforce Housing Needs Assessment, please feel free to contact the Washoe County Community Development Department at (775) 328-3600 or the North Lake Tahoe Chamber of Commerce at (530) 581-6900.

Thank you for your participation!

1. Contact Information

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Phone #: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

2. Broadly, in what industry is your business involved (Check one)

- Construction
- Accommodation and Food Service
- Retail Trade
- Professional, scientific and technical services
- Real estate, rental and leasing
- Other services (except public administration)
- Health care and social assistance
- Admin, support, waste management, remediation services
- Finance and Insurance
- Utilities
- Other, please specify: \_\_\_\_\_

3. What is the size of your year-round workforce in Incline Village/Crystal Bay?

Number of employees \_\_\_\_\_

If your workforce in Incline Village/Crystal Bay changes by season, what is its approximate size by season?

Summer \_\_\_\_\_  
# of employees

Winter \_\_\_\_\_  
# of employees

Off Season \_\_\_\_\_  
# of employees

4. On a scale of 1 to 5, with "1" being a "high priority" and "5" being a "low priority," how would you rank workforce housing among the many competing needs in this community? (Circle one)

High  
Priority
2
Medium  
Priority
4
Low  
Priority  
1
3
5

5. What do you see as the greatest housing need or problem in the Incline Village/Crystal Bay area?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Does the cost or availability of housing in Incline Village/Crystal Bay area have an impact on your business?  yes  no  don't know

7. On a scale of 1 - 5, with "1" meaning having a "significant impact" and "5" meaning having "no impact at all," how would you rank the impact of the cost and availability of housing on your business' ability to:

	Significant Impact		Some Impact		No Impact
Expand in response to new opportunities	1	2	3	4	5
Retain existing employees	1	2	3	4	5
Recruit new employees to Incline Village/Crystal Bay	1	2	3	4	5
Sustain goods and services for year-round residents	1	2	3	4	5

8. About what percentage of your employees commute from outside the Incline Village/Crystal Bay communities to work?

\_\_\_\_\_ %

9. Of those who commute from outside Incline Village/Crystal Bay, about what is the average commute time:

\_\_\_\_\_ minutes

10. What types of employee housing are most needed in the Incline Village/Crystal Bay area? On a scale of 1 - 5, with "1" meaning "most needed" and "5" meaning "not needed at all," how would you rank the need for the following types of employee housing in the Incline Village/Crystal Bay area:

	Most Needed		Somewhat Needed		Not Needed At All
Seasonal employee housing	1	2	3	4	5
Year-round rental housing at affordable rates	1	2	3	4	5
Entry-level homeownership opportunities	1	2	3	4	5
Housing for mid- to senior-level management employees	1	2	3	4	5
Housing (all types) within a short driving distance of Incline Village/Crystal Bay	1	2	3	4	5

11. Does your business currently offer housing assistance to employees?  yes  no  don't know

12. If yes, does your business offer housing assistance in any of the following areas:

- |  |                              |                             |                                     |
|--|------------------------------|-----------------------------|-------------------------------------|
| Employer-owned housing?                      | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> don't know |
| Stipends to employees for rent?              | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> don't know |
| Stipends to employees for mortgage payments? | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> don't know |
| Down payment assistance?                     | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> don't know |
| Relocation assistance?                       | <input type="checkbox"/> yes | <input type="checkbox"/> no | <input type="checkbox"/> don't know |
| Other, please specify: _____                 |                              |                             |                                     |

13. Do you have any recommendations for addressing workforce housing needs in Incline Village/Crystal Bay?

---

---

---

Thank you for filling out this survey!

## APPENDIX C – KEY INFORMANT INTERVIEW INSTRUMENT

### Workforce Housing Needs Assessment for the Communities of Incline Village and Crystal Bay

#### Key Informant Interviews Survey Instrument

(draft 10/14/08)

We have been contracted by the Washoe County Community Development to perform a Workforce Housing Needs Assessment of the Incline Village and Crystal Bay communities. The purpose of this study is to determine the current and projected need for housing among local employees and to investigate the impact of housing availability and affordability on the local economy, public services, quality of life and the natural environment.

As a part of this data collection, we are carrying out one-on-one interviews with “key informants,” individuals knowledgeable about the local housing market including County staff, public officials, local business owners, realtors, human service providers and representatives of major employers.

I have a set of questions for you related to housing issues. All individual responses will be kept confidential, meaning we will not quote from you personally or cite examples in the report that might identify the source. We will also provide you with a copy of the final report, which will be completed early this spring.

Do you have any questions about the study? Great. Let’s begin...

#### **1. First, please tell me about your work and how you come in contact with housing issues?**

Prompt: Are you directly involved with the provision of housing to the area’s workforce?

#### **2. What do you see as the greatest housing needs or problems in the Incline Village/Crystal Bay communities?**

Prompt: Can the local workforce find suitable and affordable housing in the area? Where? What’s the typical wait?

Prompt: Are there particular groups or segments of the workforce that seem to be most affected by the lack of available or affordable housing?

Prompt: How does Incline Village / Crystal Bay handle the housing needs of its seasonal employees? Where do they come from and where do they tend to live?

**3. What impact does the lack of housing for local employees have on area businesses?**

Prompt: Can you give me an example from your own work of how housing affordability or availability affects your business?

Prompt: How does housing affordability or availability affect other aspects of life in Incline Village and Crystal Bay; for instance, the ability of businesses to provide goods and services for year-round residents?

Prompt: What are the other impacts on Incline Village and Crystal Bay when its employees live outside the community?

**4. What recommendations do you have for addressing the workforce housing needs in Incline Village/Crystal Bay?**

Prompt: Who should be at the table in the search for solutions?

Prompt: What arguments do you think would be most compelling in making the case to local residents and public officials about the need for more housing targeted to serve the local workforce?

**5. Are there others that you would recommend we interview that would have some valuable input regarding current housing issues in Incline Village and Crystal Bay?**

Prompt: Are you aware of recent studies or data on the issue that would be helpful to the research?

**Thank you for your participation!**