



MEMORANDUM
COMMUNITY DEVELOPMENT RESOURCE AGENCY
PLANNING SERVICES DIVISION
County of Placer

TO: TRPA Governing Board **DATE:** February 28, 2024
FROM: Crystal Jacobsen, Acting Community Development Resource Agency Director
BY: Emily Setzer, Principal Planner and Stacy Wydra, Principal Planner
SUBJECT: Tahoe Basin Area Plan – Economic Sustainability and Housing Amendments

ACTIONS REQUESTED

1. Conduct a public hearing to consider the following items:
 - a. Recommendation to adopt the Addendum and the Errata to the Tahoe Basin Area Plan Environmental Impact Report.
 - b. Recommendation to adopt a Resolution approving amendments to the Tahoe Basin Area Plan policy document.
 - c. Recommendation to adopt an Ordinance amending the Tahoe Basin Area Plan implementing regulations.
 - d. Recommendation to adopt an Ordinance amending Placer County Code, Chapter 12, Article 12.08, Section 12.08.020(A).
2. Close the public hearing, take tentative action on the above and continue the item to October 31, 2023 at 2:00pm for final action.

BACKGROUND

Planning Services Division staff proposes changes to the Placer County Tahoe Basin Area Plan (TBAP) to promote economic sustainability and production of new housing. Staff recommends that the Board of Supervisors (Board) consider adoption of a Resolution and Ordinance to repeal and replace the TBAP in its entirety and adoption of an Ordinance amending Placer County Code Chapter 12, Article 12.08, Section 12.08.020(A) to remove outdated zoning area references, clarify where countywide street improvements are required, and to add single-family detached dwellings as subject to street improvement requirements to align with TBAP pedestrian mobility goals. The proposed replacement of the TBAP would amend Parts 2.6, 2.7, 3.4, 3.5, 4.3, 4.7 and 8.2 of the TBAP, and Chapters 1, 2, and 3 of the TBAP Implementing Regulations to refine policy and code sections aimed at supporting workforce housing, as well as encouraging lodging and mixed-use redevelopment in Town Centers. The amendment package focuses on diversifying land uses across a variety of sectors, streamlining land use processes and reducing barriers for new businesses in the Town Centers, and providing additional opportunities for a greater variety of housing types, including workforce housing, throughout North Tahoe.

Tahoe Basin Area Plan

As stated, the TBAP was originally adopted by the Board on December 6, 2016, and by the Tahoe Regional Planning Agency (TRPA) Governing Board on January 25, 2017. The TBAP replaced all previous community plans, general plans, land use regulations, development standards and guidelines, and Plan Area Statements within the Tahoe Basin. The TBAP includes both a Policy document and an Implementing Regulations document, which serves as the zoning code for the Tahoe Basin.

Area plans are a central part of the TRPA Lake Tahoe Regional Plan and an important strategy to accelerate attainment of TRPA environmental thresholds. The TBAP sets forth the regulations that implement the Lake Tahoe Regional Plan in the Placer County portion of the Lake Tahoe region. Since adoption of the TBAP, the State of California has passed housing legislation in each legislative session that limits the ability of local governments to regulate housing development. State Housing laws have sought to reduce and limit local permitting processes, moving toward a ministerial approval model for housing in an effort to reduce barriers to housing production. The State laws obligate local government to undertake updates in their housing plans and plan for growth, among other requirements. Also, since the TBAP adoption, multiple efforts have been underway to address the lack of redevelopment and revitalization of the Town Centers and Village Centers.

Purpose of Proposed Amendments

The proposed TBAP amendments are targeted at economic development and housing in response to 1) a lack of new development/redevelopment, particularly lodging, in the Town Centers, 2) a lack of workforce housing, and 3) a decreasing population.

Although North Tahoe has undergone significant public infrastructure investment and community and governing body approval of comprehensive plans and visions for the future, the Tahoe City and Kings Beach Town Centers have yet to see significant private sector investment resulting in projects in the ground. A few sizable, proposed redevelopment projects in the Town Centers have been proposed in the past year and are in the planning stages; however, even those projects are struggling to meet various onerous existing TBAP development standards.

Due to the lack of high-quality lodging in the Town Centers, lodging has shifted to the neighborhoods in the form of short-term rentals. This, in combination with second homes, has drastically decreased the availability of workforce housing. The North Tahoe region has seen very few new multifamily workforce or “missing middle” housing projects, defined as house-scale buildings with multiple units in walkable environments, often targeted at those who earn above the typical 60 percent Area Median Income limits deemed as “affordable” but still can’t afford to purchase homes in the region.

East Placer currently has approximately 19,000 residential units, 12 percent of which are owner-occupied fulltime, 15 percent are used as short-term rentals, while the remaining 73 percent sit mostly vacant as private vacation homes/second homes, some of which are used as long-term rentals. The North Tahoe-Truckee Regional Housing Implementation Plan prepared for the Mountain Housing Council in October 2021 estimated that about one third of North Tahoe and Truckee’s housing was used for workforce housing, which combines housing used as long-term rentals and housing owned and occupied by local workers.

In addition, the 2020 American Community Survey five-year estimates predict that only eight percent of the housing units in the Tahoe Truckee Unified School District geographical boundary (which covers North Tahoe and Truckee) are renter-occupied. The lack of housing options has led to a decrease in population. In the Placer County portion of the Tahoe Basin, the population decreased by 2,000 residents between 2000 and 2020. This lack of year-round economic stability has made it challenging for businesses to thrive.

Since adoption of the TBAP, a variety of studies have been released that connect the regional economic base with workforce housing needs in the Tahoe-Truckee region. Two of these studies, the Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis (Attachment I) conducted by Placer County and BAE Urban Economics, Inc. (BAE) in 2019, as well as a series

of economic reports collectively called “Envision Tahoe” released by the Tahoe Prosperity Center (Attachment H), are included with this report package and further discussed below.

Additionally, many community groups have commented about the desire for quality hotels in the Town Centers, ways to make the approval process for small business start-ups more simplified, and the overwhelming demand for workforce housing. These groups include the North Lake Tahoe Resort Association, the North Tahoe Business Association, the Tahoe City Downtown Association, and the Mountain Housing Council. The overall theme has centered around shifting lodging from short-term rentals in residential neighborhoods to quality hotels in Town Centers, creating vibrant Town Centers with a unique sense of place, and the need for a variety of workforce housing units.

Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis

In 2019, the Placer County Executive Office (CEO) contracted with a real estate advisory consulting firm BAE Urban Economics to identify the causal forces and the financial feasibility needs/gaps behind the lack of private sector investment, and to identify potential local government regulatory updates and incentives that could be tailored and utilized to attract environmentally and economically beneficial re-investment in the Town Centers. BAE was also asked to develop recommendations to address a number of issues identified in the analysis. The results of BAE’s analysis were incorporated into the Placer County Tahoe Basin Town Center Economic Sustainability Analysis, finalized in March 2020. The analysis examined four prototypes of projects that had been trending or which the County would prefer to see built:

1. Mixed-Use Residential
2. For-Sale Residential Condominium
3. Limited-Service Hotel
4. Full-Service Condotel

Based on a range of factors, the only prototype that proved within the range of market acceptable financial feasibility was the For-Sale Residential Condominium. It is important to note that while the TBAP allows this type of use in the Town Centers, area residents do not believe it is consistent with either the Kings Beach or Tahoe City vision documents, which preceded the TBAP. Barriers to investment in desired development types include:

- High construction material and labor costs
- High cost to meet parking requirements
- Utility costs
- Infeasible employee housing requirement
- Uncertain and prolonged entitlement and construction permitting process
- Complex and prescriptive regulatory requirements
- Detailed and expensive plan sets required for pre-entitlement
- Vehicle miles traveled (VMT) thresholds
- Town Center incentives not designed for smaller infill projects
- Lack of catalyst, proof of concept, projects
- Lack of available parcels large enough for development
- Anticipated developer and lender caution about a real estate market dip

The report's recommendations were built around four broad findings outlined in the document:

1. High Cost of Development
2. Uncertainty, Risk and Indirect Costs Associated with a Complex Entitlement and Permitting Process
3. Complex and Prescriptive Requirements Hinder Project Feasibility
4. Local Conditions Create Perception of Increased Risk

Staff recommended a multi-pronged approach in moving forward with the concepts proposed in the BAE study including the following:

1. Updates to the North Lake Tahoe Economic Incentives Program to include a Transient Occupancy Tax (TOT) incentive program, addition of TRPA development rights, and an enhanced infrastructure finance district.
2. Process, policy, and code improvements to facilitate development, scale back requirements, and better understand and alleviate constraints and challenges in the development process, including zoning and building requirements and fees, collaborating with TRPA, updating parking standards and creating parking districts, and increasing workforce housing allowances.
3. Relaxing workforce housing mitigation and allocate funding to implement programs to attract and retain permanent residents.

Since that time, staff has made significant strides towards implementing the improvements outlined in the study including:

- CEO staff updated the North Lake Tahoe Economic Incentives Program (Incentives Program) in June 2022.
- CDRA and CEO staff are coordinating on amendments to the Incentives Program to include an allocation and priority process for distribution of TRPA development rights.
- CDRA staff is evaluating the creation of Enhanced Infrastructure Finance Districts, particularly for the Kings Beach “Grid” neighborhood, to complete frontage improvements such as sidewalks.
- CDRA staff brought forward programs such as the Workforce Housing Preservation Program (adopted by the Board on February 26, 2021, and launched Summer 2021) and the Lease to Locals Program (adopted by the Board on July 26, 2022, and launched August 1, 2022) to facilitate down payment assistance while preserving housing for the workforce and to incentivize long-term rentals.
- CDRA staff also brought forward an updated Affordable Housing and Employee Accommodation Ordinance, adopted by the Board on October 27, 2020, and a fee, most recently approved on April 19, 2022.

Envision Tahoe

The Tahoe Prosperity Center prepared and released several reports documenting the economics of the Tahoe Basin from Fall 2021 to Summer 2022: the Baseline Report for the Tahoe Basin in September 2021, the Community Report for the Tahoe Region in March 2022, and the Envision

Tahoe Prosperity Playbook in June 2022. The three documents focused on a number of key findings for the Tahoe Basin as a whole:

- Population:
 - Tahoe’s 20-year population decline changed direction in 2019 and population growth accelerated in 2020 but is still lower than the population count in 2000.
 - K-12 public school enrollment data shows an overall decline in student population over the past five years, including the pandemic years.
 - The number of residents with advanced degrees has steadily increased over the past 10 years, suggesting a knowledgeable and skilled talent pool is available to be tapped in Tahoe to support existing and/or new businesses.
- Housing Availability & Affordability:
 - The total number of housing units increased in the Basin 1.35 percent from 2010 to 2020.
 - The median average income in Tahoe is \$53,165 while real estate reports show the median home price in January 2022 has risen to \$950,000.
- Economy:
 - Tahoe’s economic base has become more concentrated in a few areas since 2010. Three industry clusters (and the businesses that support them) contribute 95 percent of all economic output in the Tahoe Basin: visitor services, environmental innovation, and health and wellness. All three sectors experienced flat or declining job growth and economic output over the past 10 years.
 - Visitor-related businesses increased from 40 percent to 62 percent of all economic activity in the Basin over the past 10 years, is subject to wide seasonal swings in employment, and is highly susceptible to disruption.
 - Construction has seen a steady increase in jobs over the past 10 years. Since 2010, construction has grown by 57 percent to more than 4,000 jobs today, or 12 percent of the job base. Like tourism, construction is subject to boom and bust cycles driven by economic swings and available consumer spending.
 - With the rise of economic, social, and environmental disruptions caused by climate change, pandemics, and rapid economic and technological shifts, the importance of economic diversification is rising as a central element in economic development planning at the regional, state, and national level.

The Envision Tahoe Prosperity Playbook focuses on four action goals and tactical approaches:

Action Goals:

1. Strengthen key industries: Support tourism-related job shift to sectors such as health and wellness and environmental innovation.
2. Build skill pathways for upward mobility: Explore ways to build region-wide skills programs and curriculums.
3. Jump start the innovation system: Support entrepreneurship and local chambers and business associations to help launch new businesses.
4. Shape the enabling environment: Quantify the business and community advantages that could result from a well-coordinated branding and global marketing strategy focused on health, wellness, recreation and the outdoors, environmental innovation,

and the connections between them; and energize and scale up present conversations about improved public-private sector alignment and shared governance across the Tahoe-Truckee region.

Tactical Approaches:

1. Accelerate workforce housing in the Tahoe-Truckee region.
2. Improve and fund Tahoe transportation and mobility.

Outreach and Stakeholder Engagement

The proposed TBAP amendments have been informed from years of ongoing feedback from a variety of stakeholders and community groups in the region, including:

- North Tahoe Business Association Board and its Economic Vitality Committee
- Tahoe City Downtown and its Business Advocacy Committee
- North Tahoe Community Alliance
- Mountain Housing Council
- TRPA Living Working Group
- Applicants to the Community Development Resource Agency
- Planner feedback from customer interactions

Additionally, staff sought input from seven professionals from the Tahoe Basin business and development community, including designers/architects, small business owners, and developers, regarding their experiences bringing forward new business and/or development in the Town Centers and to formulate potential modifications. Staff met with those individuals from May to June in 2021 to better understand the factors that contribute to the lack of investment, development and/or redevelopment in the Town Centers and to gain a better understanding regarding their experiences related to the development and/or processing of a project within the Town Centers. Staff documented their feedback which included topics such as processing barriers, strict development standards and/or required site improvements, zoning restrictions, etc. The proposed amendments of the TBAP are intended to address as many of these topics as possible.

Staff also presented these amendments to the following groups to conduct outreach and seek feedback:

- Placer County Planning Commission informational workshop - September 22, 2022
- North Lake Tahoe Resort Association – October 5, 2022
- North Tahoe Regional Advisory Council informational item – October 13, 2022
- North Tahoe Business Association – October 17, 2022
- Tahoe City Downtown Association – October 18, 2022
- North Tahoe Regional Advisory Council workshop – November 9, 2022 (see summaries below)
- North Tahoe Regional Advisory Council action item – November 30, 2022 (see summaries below)
- Planning Commission Hearing – December 8, 2022 (see summary below)

- TRPA Regional Plan Implementation Committee informational workshop – December 14, 2022
- TBAP Community Workshop - March 9, 2023
- TBAP Town Hall Meeting – August 1, 2023

North Tahoe Regional Advisory Council Meeting Overview

On October 13, 2022, and November 9, 2022, staff presented the proposed TBAP amendments as an informational item to the North Tahoe Regional Advisory Council (NTRAC). At the November 9, 2022, NTRAC meeting, 26 members of the public provided comments on the proposed amendments. Of the 26 members who spoke, 15 of them provided positive comments in support of the amendments proposed. Comments included support for frontage improvements, including addressing sidewalks; parking for both developments and enforcement (overflows into neighborhoods); concerns that density is increasing; address short term rentals impacts; fire impacts and evacuation; the need for walkability; the need for housing; the need for workforce housing and deed restrictions extended beyond 50 years; acknowledgement that these amendments target small businesses and the challenges that they face; concerns with the height amendments and exceptions; impact fees and hinderance to development – should consider different fees for difference projects/number of units; short term rentals impacting the neighborhoods; balance of environmental improvements and development; concerns with existing boarded-up buildings and difficulty for redevelopment of existing structures; provide incentives to make it easier to build smaller homes, more affordable; majority of housing inventory is large, second homes; consider utilizing campgrounds as alternative for housing opportunities (during the winter months); process is difficult and challenging; need to require workforce housing first; discourage more population; need to improve incentives; support for mixed-use development, tiny houses, community kitchens; need for RV parks year-round; exemptions of coverage need to be considered; concerns with mobile vendors and noise impacts; wealth and inequality is the bigger issue; concerns with environmental impacts to existing conditions; need to look at transportation issues; cannot continue to do nothing, need to make some changes.

The proposed TBAP amendments were brought forward for recommendation at the November 30, 2022, NTRAC meeting, where six of the eight NTRAC members voted in support of a recommendation of approval with a few considerations:

- Height: Remain at 56-FT with allowance of additional height for appurtenances and roof-top uses.
- Consider Transition Zones: Between Town Center and Adjoining Residential Zone Districts.
- Review of Fire Evacuation and Egresses – Updates to the 2016 review.
- Efforts to support redevelopment over new development.
- Development Right Manual. Requested community input, develop a program, i.e., Stakeholder Working Group.

Planning Commission Overview and Modifications to the Proposal

On December 8, 2022, the Planning Commission considered the TBAP Amendment package. Due to substantial public comment received, the meeting largely focused on building height and length and perceived density increases. The Planning Commission voted (5 Yes, 0 No, 2 Absent) to continue the item to a future date. Commissioners Woodward and DeMattei were absent from the meeting.

After the Planning Commission meeting, increases to height and length allowances were eliminated from this Amendment proposal (see Building Length and Building Height sections below). Transition Zones currently exist within the TBAP, and no changes are proposed to those existing zones. However, in both Town Centers, building length transitions have been incorporated to ensure compatibility with residential zone districts. Buildings are proposed to be a maximum of 75 feet on all parcel frontages directly facing residential zone districts (see Building Length section below). An Addendum was prepared for the proposed amendments and the review of Fire Evacuation and Egresses was evaluated. The Addendum concluded that these proposed Amendments would not hamper emergency response or evacuation plans and would result in a less than significant impact, in accordance with the TBAP Environmental Impact Report (EIR) (pgs. 18-23). The Amendments are focused on the redevelopment of our Town Centers and those efforts are demonstrated through the proposed amendments. Lastly, the County will conduct a public process for the Development Right Manual when that work program is initiated.

At the August 10, 2023 Planning Commission hearing, the Planning Commission considered the proposed TBAP Amendment package with revisions. Thirty-five (35) members of the public commented on the proposed TBAP Amendments. Comments received included but were not limited to cumulative impacts, traffic, transportation, parking, wildfire evacuation, housing. Commissioner Woodward expressed concerns about the Addendum, asking questions about the cumulative analysis. In response, an Errata was prepared. Commissioner Ronten had questions regarding density, however, after staff responded to his questions, he expressed satisfaction with the analysis of the Addendum and support of the goals to reinvest and shift development into Town Centers. Commissioner Dahlgren commented on the amendments noting they were minor in nature and not significant and was satisfied with the analysis of the Addendum. Following deliberations, the Planning Commission voted (5 Yes, 0 No, 2 Absent) to recommend approval to the Board. Commissioners Herzog and DeMattei were absent from the meeting.

Implementation Report

As a result of comments received regarding the implementation of the TBAP, staff have prepared the Implementation Report, Attachment K, summarizing the county's efforts to implement the TBAP, the TRPA Regional Plan and to achieve regional goals. The report outlines the County's implementation efforts related to: transportation and mobility, housing, Total Daily Maximum Load, and the TBAP goals and policies, implementation plan, and mitigation measures identified in the TBAP EIR.

Placer County Board of Supervisors

The Board of Supervisors unanimously approved the amendments on October 31, 2023.

TRPA Regional Planning Committee

The RPC recommended approving the amendments on January 24, 2024, with five members voting approval and one absent.

Overview of Proposed Area Plan Changes

The proposed TBAP Amendments are targeted at the final recommendations related to process, policy, and code improvements identified in the Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis, and are particularly focused on lodging, mixed-use, and workforce housing. The amendments also focus on diversifying land uses across a variety of sectors, with the intent of diversifying the business sector and a variety of housing types, as identified in the Envision

Tahoe reports. Therefore, the proposed amendments are designed to round out the implementation of recommendations outlined in the study, particularly focused on process, policy and code improvements to facilitate and encourage revitalization projects in the Town Centers and workforce housing throughout North Tahoe.

1. Tahoe Basin Area Plan – Policy Document Proposed Amendments

To align the Area Plan policies with updated regional and County goals, additional policies and revisions have been included to the following sections: Scenic Resources, Vegetation, Socio Economic, Land Use, Mixed-use, Town Centers, Community Design, Redevelopment, and Housing. The policies are based off recommendations in the BAE study as well as community feedback and regional partner goals. A summary is provided below.

- Scenic Resources: These policy amendments are intended to support the evaluation of scenic requirements to achieve private reinvestment in Town Centers targeted for redevelopment and/or new development in a manner that improves environmental conditions, creates a more efficient, sustainable and less auto-dependent land use pattern, and provides for economic opportunities.
- Vegetation: A new policy was added to support implementation of new or expanded home hardening programs (i.e., replacing wood shake roofs to protect structures from falling embers during a wildfire), green waste, and defensible space incentive and/or rebate programs.
- Socio Economic: Policies were added to support high-speed broadband infrastructure capacity and to support childcare facilities to meet the needs of the local workforce. Policy was also added to address the prevention of blight.
- Land Use: Policies were added to support the development of a reservation and conversion manual for the allocation and conversion of TRPA development rights. Policies were added to address land uses in the Town Centers. Policies are included to support funding sources for a frontage improvement implementation plan to achieve the Area Plan infrastructure and streetscape features such as sidewalks, curbs, and gutters, as well as implementing parking management plans, community-wide snow storage plans, and development of a reservation and conversion manual as described below.
- Mixed-use: Policies have been added to support the development of mixed-use, business park, and light industrial space and encourage residential components in industrial and commercial development.
- Town Centers: New policies have been added that would allow groundwater interception for mixed-use projects in Town Centers, supporting simplified permit processes for mixed-use projects, encouraging active ground floor uses, facilitating mobile vendors and food trucks in Town Centers, supporting the retention and expansion of businesses within the North Tahoe-Truckee region, supporting relocations of industrial and public utility land uses in the Town Centers to free up Town Center sites, as well as supporting parking maximums and creative parking solutions.
- Community Design: Policies to support and promote local artists and public art in North Tahoe have been included.
- Redevelopment: New policies to support and encourage adaptive reuse of vacant or underutilized retail and office space, support redevelopment of aging lodging products and encourage revitalization and creation of new high-quality lodging, allow multipurpose and flexible gathering spaces in private and public parking areas where events could be held

during off-peak hours, expedite building permit processes, and support the development of new business innovation space and flexible light industrial spaces to diversify the local economy.

- **Housing:** Additional policies have been included to support streamlining affordable, moderate, and achievable housing, require that 50 percent of units converted from multifamily to condominiums be deed restricted to affordable, moderate or achievable housing, address the job-housing imbalance in the region, monitor and track housing data in the region, and to support adaptive management of the short-term rental inventory to balance housing availability with short-term rentals as new lodging products are added to the region. Policies have been added to explore opportunities for local worker overnight camping in public and private parking lots, as well as to support local worker housing to be constructed above public and private parking lots.

Additionally, planned environmental improvement projects have been modified to support coordination with TRPA to address Town Center development as it relates to TRPA scenic standards and to develop a reservation and conversion manual to guide the conversion and allocation of TRPA development rights in North Lake Tahoe by prioritizing them towards the most community-benefitting and high priority projects that align with the policies in this Area Plan and the Lake Tahoe Regional Plan.

Changes are also proposed to the Area Plan Implementing Regulations document, including amendments in Chapters 1) Introduction and General Provisions, 2) District Standards, as well as 3) Area-Wide Standards and Guidelines. A summary of the proposed Implementing Regulations amendments are described below.

2. Tahoe Basin Area Plan - Implementing Regulations Proposed Amendments

Town Centers:

Mobile Vendors

On September 17, 2018, the Governor signed Senate Bill 946 (the “Safe Sidewalk Vending Act”), which establishes requirements for local regulation of sidewalk vending. The law became effective January 1, 2019. The purpose of SB 946 is to legalize and decriminalize sidewalk vending across the state. SB 946 defines “sidewalk vendor” as a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack or other nonmotorized conveyance, or from one’s person, on a public sidewalk or other pedestrian path. A sidewalk vendor can be “a roaming sidewalk vendor,” which is defined as moving from place to place and stopping only to complete a transaction, or “a stationary vendor,” which is defined as vending from a fixed location. SB 946 applies only to public sidewalks and paths, not private property. The law allows local authorities to adopt regulations governing sidewalk vending or amend existing regulations. If the local authority wishes to regulate sidewalk vending, those regulations need to be consistent with SB 946. A local authority may adopt additional requirements regulating the time, place, and manner of sidewalk vending if the requirements are directly related to objective health, safety, or welfare concerns, including a sidewalk vending permit or valid business license, as well as a valid California Department of Tax and Fee Administration seller’s permit. Placer County has not adopted additional sidewalk vending laws and current County Code is not compliant with SB 946.

In the Tahoe Basin, mobile vendors such as sidewalk vendors and food trucks have been considered outdoor retail sales per the TRPA Code of Ordinances, which required a minor

use permit under the TBAP. As of the time of publishing the BAE study, the North Tahoe area had not seen the establishment of many new brick and mortar food related businesses in the past decade. While a few have experienced success by starting as a food truck and transitioning later to a commercial space, staff had heard anecdotally that the use permit process significantly deterred these types of businesses from starting in the area. The proposed amendments would allow food trucks and mobile vendors in the Town Centers and would comply with SB 946 requirements. These uses still require approval through the County's Environmental Health division. These amendments are intended to simplify and facilitate food related startup businesses to strengthen the economic vitality of the Town Centers while being compatible with State law.

Land Use Allowances

The Town Centers currently require use permits for a variety of land uses that are commonly desired in a Town Center to promote walkability and support a year round economy. These include the following:

- Hotels, Motels and other Transient Dwelling Units
- Eating and drinking facilities
- Building materials and hardware stores
- Repair services

The proposed amendments would allow certain land uses based on a certain maximum square footage. To calculate these size thresholds, staff used the maximum square footage listed for each land use in the TRPA Project Impact Assessment (PIA) which calculates maximum sizes based on the vehicle miles traveled for each land use type. For example, a hotel may be allowed in certain Town Center zone districts based on the maximum size threshold as specified in the PIA. Additionally, the proposed amendments separate eating and drinking facilities into subcategories based off the traffic generation rates found in the Institute of Transportation Engineers Manual (Drinking Place, Fast Casual Restaurant, Quality Restaurant, High-Turnover Sit-Down Restaurant, and Fast-Food Restaurant without Drive Thru Window) to allow a specified maximum commercial floor area for each type of facility listed in the use tables. If the maximums differ from the PIA, the PIA threshold would take precedence. The goal of these changes is to incentivize new lodging products, restaurants, retail, and local-serving land uses and encourage these types of land uses in the Town Centers.

Building Length

Following the December 8, 2022 Planning Commission meeting, staff removed the additional building height and length allowances in the Town Centers. Any future projects that would like to request additional building height and/or length would have to be analyzed through a separate TBAP amendment process.

Tables 2.04.A-4, Building Form Guidelines for the Greater Tahoe City Mixed-Use Subdistricts, and 2.04.B-4, Building Form Guidelines for the North Tahoe East Mixed-Use Subdistricts of the Area Plan, have been revised to further clarify building modulation requirements, ensure compatibility between mixed use and residential zone districts, and to define maximum building lengths for proposed structures in the mixed-use Town Center zone districts in Kings Beach and to add maximum building lengths in Tahoe City where there were no existing maximums.

- Building length is reduced in MU-TOR near Stateline from 350 feet to 200 feet to align with maximum building lengths in other mixed-use subdistricts.
- In Greater Tahoe City Mixed-Use Subdistricts, maximum building length has been added where there was none before to align with development standards in North Tahoe East Mixed-Use Subdistricts.
- In both Town Centers, building length transitions have been incorporated to ensure compatibility with residential zone districts. Buildings are proposed to be a maximum of 75 feet on all parcel frontages directly facing residential zone districts.
- Building modulation requirements for any buildings over 75 feet wide have been refined to make the requirements in North Tahoe East Mixed-Use Subdistricts align with those in the Greater Tahoe City Mixed-Use Subdistricts, and to clarify the use of facades, modulations, and other articulation features.

Building Height

A potential amendment to increase building height (from the existing allowed 56 feet to 72.7 feet) and length allowances of up to 500 feet in the Town Centers was originally suggested. At the March 9, 2023 workshop the proposed height allowances were decreased to a maximum of 61 feet. To be eligible for the extra height and building length, projects would have been required to construct deed restricted achievable housing, at least one public art component, and comply with scenic and design standards. Following that workshop, due to a majority of feedback that was not supportive of extra building height or length, staff removed those height and building length increases from this set of amendments.

Section 2.09, Overlay Districts, of the TBAP has been revised in coordination with TRPA staff to allow for a few adjustments to building height. These changes are intended to provide flexibility in the number of stories and clarity to maximum building heights in Special Planning Area Overlay Districts. All projects would still be required to comply with TRPA scenic thresholds.

1. The TBAP currently includes maximum height in both feet and number of stories. The amendments dictate maximum building height by feet rather than by the number of stories (e.g., 56 feet in Core Areas instead of four stories and 46 feet in Transition Areas instead of three stories). The maximum height in feet remains the same.
2. The maximum height in Special Planning Areas has been added to provide clarity.
 - a. In the Tahoe City Western Entry Special Planning Area, maximum height on the mountainside has been adjusted to match that of the Core Areas, 56 feet, due to its location in front of a tall ridgeline and that parcels in that area have been identified as potential housing opportunity sites.
 - b. Height maximums matching the Transition Areas have been added to the Tahoe City River District Special Planning Area where there were none before, matching those of the Transition Areas.
 - c. Height maximums have been specified for the portion of the Tahoe City Golf Course Special Planning Area that is not within a Core or Transition Area, matching those of the Transition Areas.

- d. Height maximums have been specified for the Truckee River Corridor Special Planning Area where there were none before, matching those of the Transition Areas.
- e. Height maximums have been specified for the Kings Beach Entry Special Planning Area where there were none before, matching those of the Transition Areas.
- f. Height maximums have been specified for the North Stateline Special Planning Area where there were none before, matching those of the Transition Areas.

Groundwater

To facilitate the redevelopment desired in Town Centers and allow for below grade parking which reduces coverage, the proposed amendments include exceptions to groundwater interception to projects proposing below grade parking. When such exceptions are granted, the applicant must demonstrate that the project impacts have been mitigated to be equal to or better than the original impacts.

Parking

On February 9, 2021, the Board approved a two-year pilot parking exemption program for the North Lake Tahoe Town Centers. The purpose was to support exemptions to parking requirements to spur redevelopment in the Town Centers and support strategies identified in the Resort Triangle Transportation Plan (RTTP), which was approved by the Board in October 2020, and which outlines strategies to increase mobility and reduce VMT in the Tahoe region. The pilot parking exemption program allows for the following:

- Expands eligible applicants to include all development/redevelopment proposed in Town Centers.
- Allows for tourist accommodation and residential uses to be considered in the program, whereas these uses currently were previously excluded.
- Removes the existing limitation in the Area Plan that project sites eligible for the exemption shall be 25,000 square feet or less.
- Expands financial mitigations beyond establishment of a transit County Service Area Zone of Benefit to include financial support for transit service enhancements or other alternative transportation projects that support multi-modal transportation and/or strategies noted in the RTTP.

At the end of the two-year period, staff agreed to bring forward permanent TBAP amendments for consideration that support RTTP strategies and provide permanent expanded parking exemptions for Town Center development. Therefore, the proposed amendments have incorporated these changes to permanently provide greater flexibility for property owners and businesses in Town and Village Centers and to encourage alternative modes of transportation.

Housing:

Opticos Missing Middle Recommendations

On January 18, 2021, missing middle housing consulting firm, Opticos, provided recommendations to TRPA, on how to better facilitate missing middle housing development

in the Tahoe Basin (Attachment I). The Tahoe-Truckee region's housing stock predominantly consists of single-family housing with a handful of affordable lower-income apartments. To facilitate more development of missing middle housing, such as smaller homes, townhouses, duplexes and triplexes, which are intended to be more affordable by design for middle income worker whose incomes exceed affordable rental income limits but cannot afford the majority of houses on the open market, staff incorporated the following recommendations into the proposed amendments:

- Removing setbacks and articulation and massing requirements which limit building square footage and are not possible to enforce over time. Such requirements are challenging to implement because the setbacks are based on the interior land use, which can change over time. For example, a mixed-use building may be built in the Town Center that includes commercial on the second floor and would require a smaller setback than residential uses. However, a future owner could want to convert that commercial use to residential and would therefore require a greater setback than would be infeasible to create.
- Reducing or removing parking requirements for residential multifamily. The proposed amendments would 1) reduce multifamily parking standards to better align with single-family parking standards and 2) reduce single-family parking standards to accommodate smaller single-family development. Per Opticos, these changes would make multifamily less burdensome and costly to develop. For example, Opticos states that changing the required number of parking spaces from one to two per unit increases the average monthly rent per bedroom from \$993 to \$1,404 and the income required for affordability from \$36,000 to \$51,000.
- Including multifamily as an allowed use. Opticos recommends that an easier process be provided for multifamily projects by preparing standards with enough clarity and predictability about what the standards will generate.
- Density. Opticos has had economists tell them that in order to sustain neighborhood- serving shops and services within a short walking distance, a rule of thumb is that the immediate area (5-to-10-minute walking distance) have an overall density of 16 units per acre. While the proposed amendments do not increase the overall density in any zone districts, the amendments do refine minimum lot size and width which has prohibited projects from achieving the maximum density.
- Reducing minimum lot width. Opticos recommends reducing lot widths to better accommodate small lot development which is more affordable by design, and which would accommodate attached multifamily such as duplexes, triplexes, and fourplexes. The proposed amendments include reduced minimum lot widths for certain zone districts. Similarly, staff also removed minimum lot area per dwelling unit in all residential zone districts to accommodate smaller dwelling units.

Preferred Affordable, Moderate and Achievable Areas

The TBAP included 21 zone districts that were listed as Preferred Affordable, Moderate and Achievable Areas but did not include any development standards to incentivize or encourage the production of housing. In most of these zone districts, multifamily required a minor use permit while single family housing was allowed. In these zone districts the following changes have been proposed:

- Where not otherwise allowed, the proposed amendments would allow multifamily and employee housing if 100 percent of units are deed restricted to affordable, moderate or achievable housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate income or affordable housing. This is intended to encourage development of multifamily housing by reducing costs and time delays associated with use permits.
- In seven residential zone districts listed as Preferred Affordable, Moderate and Achievable Areas, the minimum lot size was reduced to 2,904 square feet to accommodate existing densities of 15 dwelling units per acre and minimum lot widths were reduced to 25 feet to accommodate smaller lots that are more affordable by design, and which match existing lot sizes in many areas of the Area Plan. Side setbacks were also reduced to five feet minimum, except when adjoining another unit on adjacent property, which would require zero feet on one side and 10 feet on the other to accommodate duplex style developments.

Town Center: Single Family Land Use

The TBAP allowed single-family development in Town Centers, if already existing. Previous development proposals have spurred considerable community feedback opposing new single-family development in Town Centers. The proposed amendments would only allow new single-family over one unit, including townhomes and condominiums, if single-family encompasses 25 percent or less of the entire project or if at least 50 percent of the single-family residential units are deed restricted to affordable, moderate or achievable housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing. The intent is to facilitate mixed-use development and allow some single-family units to offset costs of workforce housing or commercial uses while still achieving the goals of the Area Plan and community.

Tiny Houses

The proposed amendments refer to the countywide housing code amendments that were adopted by the Board on June 14, 2022, to allow for tiny houses as primary or accessory dwelling units as well as employee housing and tiny house communities. Moveable tiny houses and moveable tiny house communities would comply with definitions and development standards in Placer County's Zoning Ordinance. Staff has coordinated with TRPA to determine that the County regulates these uses in the Tahoe Basin rather than TRPA.

Miscellaneous Housing Cleanups

In the Fairway Tract Northeast Subdistrict, multiple family density was adjusted from eight to 15 dwelling units per acre to clean up inconsistency with the already existing density allowances for similar zone districts. In all other residential subdistricts, the density allowances for employee housing and multiple family housing were the same.

Other:

Street Frontage Improvements

Street Frontage Improvements are requirements of the Tahoe City Mixed-Use Subdistricts, North Tahoe East Mixed-Use Subdistricts, and the North Tahoe West Mixed-Use Subdistricts. The proposed amendments are designed to provide consistency throughout the Area Plan in identifying the requirements of street frontage improvements and to also provide reference to the applicable standards contained in the Area Plan, i.e., Section 3.06 "Streetscape and

Roadway Design Standards” and Table 3.06.A “Future Streetscape and Roadway Design Characteristics”. Specifically, amendments are sought to Placer County Code Chapter 12, Article 12.08, Section 12.8.020A, to add single-family detached dwellings, as subject to street improvements requirements, to align with the TBAP pedestrian mobility goals.

The revisions to Section 3.06 and Table 3.06.A, specifically, will provide clarity to project applicants which is intended to result in fewer design exceptions and variance requests. Minor changes were made to the text of the TBAP to eliminate redundancy and/or to provide clarity and consistency. For example, in the Kings Beach Residential zone district, street frontage improvements were required of commercial or multifamily developments but not of single-family, which further incentivized development of second homes rather than multifamily or new commercial development. The proposed amendments would require streetscape and frontage improvements of all development as identified in Table 3.06.A. CDRA staff intends to bring forward a comprehensive sidewalk improvement financing plan to offset the costs and burdens on individual development at a later date.

Signs

The proposed amendments eliminate the sign regulations contained in the TBAP under Section 3.11 and direct the reader to refer to the TRPA Code of Ordinance Chapter 38 “Signs.” This amendment is intended to simplify signage requirements and will make the TBAP consistent with the TRPA Code of Ordinances, thereby eliminating the need for future amendments to the TBAP should the TRPA modify Chapter 38 of the Code of Ordinance.

Shorezone

The proposed amendments to the TBAP are intended to reflect the changes made to Placer County Code Chapter 12, Article 12.32, “Lake Tahoe Shorezone” adopted by the Board in February of 2021. In August 2019, TRPA amended its Code of Ordinances, including shorezone regulations contained in Chapters 80 through 85. With the 2019 amendment, Section 12.32 of the Placer County Code was no longer in alignment with TRPA and contained conflicting permitting requirements. Therefore, staff proposed a complete replacement of the original ordinance with updated ordinance text to eliminate duplicate permitting processes, align with the TRPA ordinance, limit the County’s permitting role, and primarily rely on the Memorandum of Understanding between the California State Lands Commission and TRPA for shorezone related permitting. While the shorezone is primarily governed by TRPA and the State Lands Commission, the proposed amendments reflect the changes adopted by the Board in February of 2021. These comprise adding text to reference the Placer County Code Article 12.32 “Lake Tahoe Shorezone” and adjusting the applicable land use table to notify the reader that certain accessory structures shall also comply with the requirements of Article 12.32.

Miscellaneous Cleanup

The proposed amendments also included several “cleanups” recommended by staff that are intended to provide more clarity across the document and address typos or other minor errors.

Tahoe Regional Planning Agency – Initial Environmental Checklist

In addition to the Addendum and Errata prepared for CEQA, draft documents: an Initial Environmental Checklist, Compliance Measures, a Conformity Checklist and Findings were prepared for the Amendments to comply with the environmental review requirements of the TRPA.

RECOMMENDATIONS

Based on the discussion and analysis in this report, staff recommends that the Board approve the following items:

1. Adopt the Addendum and Errata to the Tahoe Basin Area Plan EIR prepared for the project as set forth in Attachment D and Attachment E, respectively, and supported by the following findings:
 - A. The Placer County Tahoe Basin Area Plan and Tahoe City Lodge Project Environmental Impact Statement/Environmental Impact Report (Area Plan EIR) (certified and adopted by the Placer County Board of Supervisors on December 6, 2016, California State Clearinghouse #2014072039; and adopted by the Tahoe Regional Planning Agency on January 25, 2017), and Addendum and Errata to the Area Plan EIR have been considered prior to approval of this project. Together they are determined to be adequate to serve as the environmental documentation for this project and satisfy all the requirements of CEQA. The Addendum to the Area Plan EIR did not raise important new issues about the significant effects on the environment.
 - B. The Addendum and the Errata to the Area Plan EIR were prepared pursuant to CEQA Guidelines Section 15164 and Placer County Environmental Review Ordinance Section 18.20.110. Pursuant to CEQA Guidelines Section 15162 through 15164, no changes have occurred in the amendments or to existing circumstance that would warrant additional environmental analysis for the TBAP Amendments requested.
 - C. The proposed amendments to the TBAP modify policies to achieve housing and Town Center redevelopment which were already considered under the TBAP and therefore the policy changes would not have the potential to cause a significant effect on the environment.
 - D. Under PRC Section 21080.17 and CEQA Guidelines Section 15282 subsection (h), CEQA does not apply to the adoption of an ordinance by a city or county to implement the provisions of Section 65852.2 of the Government Code (the state accessory dwelling unit law). The proposed amendments implement Government Code Section 65852.2 and 65852.22 within unincorporated Placer County in a manner that is consistent with the requirements of state law.
2. Adopt a Resolution approving amendments to the Tahoe Basin Area Plan policy document based on the following findings:
 - A. The proposed amendments to the Tahoe Basin Area Plan policy document are consistent with the objectives, policies, general land uses and programs specified in the Placer County General Plan and Tahoe Basin Area Plan, and the amendments are internally consistent with the remaining provisions of the 2017 approved Tahoe Basin Area Plan. Specifically these amendments will address process, policy, and code improvements to facilitate development, scale back requirements, and better understand and alleviate constraints and challenges in the development process, including zoning and building requirements and fees, collaborating with TRPA, updating parking standards and creating parking districts, and increasing workforce housing allowances; will include action goals and tactical approaches aimed at improving the economic viability of the Tahoe Basin; and contains amendments aimed to further implement existing policies aimed at supporting additional housing at affordable price levels, construction of workforce housing, and providing assistance for economic development and environmental redevelopment and are consistent with the goals, objectives

and policies of the Placer County General Plan and the Tahoe Basin Area Plan since they are in accordance with the following:

- i. TBAP Policy SE-P-3. Opportunities for economic development outside Town Centers should be pursued in a manner consistent with the Regional Plan.
- ii. TBAP Policy SE-P-4. Whenever feasible, Placer County should provide assistance to property owners seeking to complete projects on priority redevelopment sites through public-private partnerships and other forms of assistance.
- iii. TBAP Policy SE-P-5. Placer County supports efforts to promote environmental redevelopment in mixed-use areas within and outside Town Centers, including the Village Centers identified in this Area Plan.
- iv. TBAP Policy SE-P-6. Continue efforts to address the existing job-housing imbalance and provide additional housing at affordable price levels should be pursued.
- v. TBAP Policy HS-P-6. Pursue TRPA-Certified Local Governing Moderate-Income Housing Programs pursuant to Sections, 52.3.4 and 52.3.6 of the TRPA Code of Ordinances to provide additional opportunities for deed-restricted affordable and moderate-income housing.
- vi. TBAP Policy HS-P-7. Evaluate housing needs in the region in coordination with TRPA. Consistent with Regional Plan Housing Policy HS-3.1, update TRPA policies and ordinances as necessary to achieve state, local and regional housing goals. Future housing efforts should seek to remove identified barriers preventing the construction of necessary affordable housing in the region including, but not limited to, workforce and moderate-income housing, secondary residential units and long-term residency in motel units.
- vii. General Plan Policy 1.B.2. The County shall encourage the concentration of multi-family housing in and near downtowns, village centers, major commercial areas, and neighborhood commercial centers.
- viii. Housing Element – Policy HE-A-2. The County shall continue efforts to streamline and improve the development review process based on object design standards, and to eliminate any unnecessary delays in the processing of development applications.
- ix. Housing Element – Policy HE-A-3. The County shall strive to remove barriers to new housing production including advancing adaptive policies, regulations, and procedures, as well as addressing market constraints as admissible.
- x. Housing Element Policy HE-A-4. The County shall encourage mixed-use and transit-oriented development projects where housing is provided in conjunction with compatible non-residential uses.
- xi. Housing Element Policy HE A-6. The County shall encourage the development of multi-family dwellings in locations where adequate infrastructure and public services are available.
- xii. Housing Element Policy HE-B-1. The County shall facilitate expanded housing opportunities that are affordable to the workforce of Placer County.
- xiii. Housing Element Policy HE-G-1. The County shall promote housing opportunities for all persons regardless of race, religion, color, ancestry, national origin, sex, disability, family status, income, sexual orientation, or other barriers that prevent choice in housing.
- xiv. Housing Element Policy HE-E-2. The County shall encourage the TRPA to strengthen the effectiveness of existing incentive programs for the production of affordable housing and encourage Accessory Dwelling Units.

B. The Area Plan as amended is not within the area of any airport land use plan.

- C. Notices of all hearings required by Section 17.60.140 have been given and all hearings required pursuant to Section 17.58.200 have been held.
3. Adopt an Ordinance approving amendments to the Tahoe Basin Area Plan Implementing Regulations based on the following findings:
 - A. The proposed amendments to the Tahoe Basin Area Plan Implementing Regulations are consistent with Placer County General Plan and Tahoe Basin Area Plan. Specifically these amendments are in response to the Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis, which recommended process, policy, and code improvements to facilitate development, scale back requirements, and better understand and alleviate constraints and challenges in the development process, including zoning and building requirements and fees, collaborating with TRPA, updating parking standards and creating parking districts, and increasing workforce housing allowances; responds to the Tahoe Prosperity Center’s reports, which include action goals and tactical approaches aimed at improving the economic viability of the Tahoe Basin; and aim to further implement existing policies aimed at supporting additional housing at affordable price levels, construction of workforce housing, and providing assistance for economic development and environmental redevelopment consistent with the goals, objectives and policies of the Placer County General Plan and the Tahoe Basin Area Plan since they are in accordance with the following:
 - i. TBAP Policy SE-P-3. Opportunities for economic development outside Town Centers should be pursued in a manner consistent with the Regional Plan.
 - ii. TBAP Policy SE-P-4. Whenever feasible, Placer County should provide assistance to property owners seeking to complete projects on priority redevelopment sites through public-private partnerships and other forms of assistance.
 - iii. TBAP Policy SE-P-5. Placer County supports efforts to promote environmental redevelopment in mixed-use areas within and outside Town Centers, including the Village Centers identified in this Area Plan.
 - iv. TBAP Policy SE-P-6. Continue efforts to address the existing job-housing imbalance and provide additional housing at affordable price levels should be pursued.
 - v. TBAP Policy HS-P-6. Pursue TRPA-Certified Local Governing Moderate-Income Housing Programs pursuant to Sections, 52.3.4 and 52.3.6 of the TRPA Code of Ordinances to provide additional opportunities for deed-restricted affordable and moderate income housing.
 - vi. TBAP Policy HS-P-7. Evaluate housing needs in the region in coordination with TRPA. Consistent with Regional Plan Housing Policy HS-3.1, update TRPA policies and ordinances as necessary to achieve state, local and regional housing goals. Future housing efforts should seek to remove identified barriers preventing the construction of necessary affordable housing in the region including, but not limited to, workforce and moderate-income housing, secondary residential units and long-term residency in motel units.
 - vii. General Plan Policy 1.B.2. The County shall encourage the concentration of multi-family housing in and near downtowns, village centers, major commercial areas, and neighborhood commercial centers.
 - viii. Housing Element – Policy HE-A-2. The County shall continue efforts to streamline and improve the development review process based on object design standards, and to eliminate any unnecessary delays in the processing of development applications.

- ix. Housing Element – Policy HE-A-3. The County shall strive to remove barriers to new housing production including advancing adaptive policies, regulations, and procedures, as well as addressing market constraints as admissible.
 - x. Housing Element Policy HE-A-4. The County shall encourage mixed-use and transit-oriented development projects where housing is provided in conjunction with compatible non-residential uses.
 - xi. Housing Element Policy HE-A-6. The County shall encourage the development of multi-family dwellings in locations where adequate infrastructure and public services are available.
 - xii. Housing Element Policy HE-B-1. The County shall facilitate expanded housing opportunities that are affordable to the workforce of Placer County.
 - xiii. Housing Element Policy HE-G-1. The County shall promote housing opportunities for all persons regardless of race, religion, color, ancestry, national origin, sex, disability, family status, income, sexual orientation, or other barriers that prevent choice in housing.
 - xiv. Housing Element Policy HE-E-2. The County shall encourage the TRPA to strengthen the effectiveness of existing incentive programs for the production of affordable housing and encourage Accessory Dwelling Units.
- B. The proposed amendments to the Tahoe Basin Area Plan Implementing Regulations are consistent with and implement the Area Plan, as approved in 2017 and as herein amended.
- C. The proposed amendments to the Tahoe Basin Area Plan Implementing Regulations will implement the Tahoe Basin Area Plan policies and goals and will ensure orderly development of the Plan Area.
4. Adopt an Ordinance amending the Placer County Code, Chapter 12, Article 12.08, Section 12.08.020(A).