

## **ATTACHMENT E**

### **EXHIBIT A**

#### **IEC Discussion Continued**

##### Project Description Continued:

As noted above, the proposed amendment could result in additional development or the potential conversion of existing development. The ability to create individual ownership airspace units generally allows for higher per unit sale prices creating a potential incentive to develop condominiums over other uses. In addition, Washoe County currently allows one short-term vacation rental (“STR”) per legal parcel. As a result, a typical MFD development would be limited to one STR. Under the proposed amendment, the ability to divide the MFD into individual parcel units could increase the number of STRs under the “one per parcel” allowance. Around the basin, the ability to “condominiumize” and STR use aids a general shift from other uses (e.g., commercial) into SFD residential and reduces the likelihood of affordable housing. A mitigation to this IEC aims to address affordable housing impacts and the potential shift of uses to SFD by defining and setting minimum standards for mixed-use development, including a required deed-restricted component. This IEC also examines whether the potential increase in SFD/STRs within SA 1 could result in adverse environmental impacts different than what is currently allowed.

Special Area 1, comprised of 42 parcels, is substantially built out with shopping centers, restaurants, banks, retail stores and commercial offices. Of the 42 parcels, twelve parcels are undeveloped. Seven of the 12 parcels are privately-owned vacant parcels, two are approved for a 40-unit MFD project known as Nine 47 Tahoe (“Nine 47”) which will be deed restricted to prohibit short-term rentals, or STRs. There are three existing residential units on the second level of a 2-story structure located on a parcel in SA 1 (Commercial space occupies the lower level). The remaining 35+/- developed commercial properties in SA 1 could be redeveloped and converted into residential units and subdivided under the proposed amendments. While it is unreasonable to speculate as to the extent of such redevelopment/conversions, it is likely that some may occur (e.g., the recent Latitude 39 project that redeveloped commercial property into condos). Thus, as a result of the proposed amendment, there could potentially be additional SFD condos (that could be rented as STRs, an existing permitted use) in Special Area 1. This impact is mitigated by a mixed-use definition and minimum standards which clarify LU2-9 and ensure that new SFD condos are located in mixed-use developments with an affordable component or are affordable residential units.

##### Land Use Discussion Continued:

TRPA’s definition of SFD and MFD (up to a fourplex) includes vacation home rentals, or STRs. Washoe County deems STRs to be a residential use.

[https://www.washoecounty.gov/csd/planning\\_and\\_development/short\\_term\\_rentals/FAQ.php](https://www.washoecounty.gov/csd/planning_and_development/short_term_rentals/FAQ.php)

) STRs are therefore a residential, not a tourist accommodation, use. Under the County's Development Code, only one STR may be permitted per parcel. Thus, a 20-unit MFD development could have only one STR. If the same MFD development was subdivided into 20 SFD condos, the development could have 20 STRs. The amendment therefore could result in an increase in the number of STRs in SA 1. However, where STRs are a residential use and the IEC demonstrates there is no appreciable difference between MFDs, SFD condos or STRs in potential impacts to TRPA's nine threshold categories, the amendment's impact on land use is insignificant.

#### Population Discussion Continued:

A mitigation requiring that SFD is only permitted with defined mixed-use development or affordable housing preserves non-residential uses in SA1 and renders the impact insignificant. Additionally, any residential displacement is mitigated through this requirement along with the requirement that any housing rented at an affordable rate and converted to SFD is replaced 1:1.

#### Housing Discussion Continued:

While it could be argued that new luxury housing creates additional demand for services and thus new demand for workforce units, the mitigation to this amendment addresses this concern by requiring new deed-restricted units to offset increased demand.

#### Findings of Significance Continued:

Allowing MFD projects to be subdivided into SFD condos as proposed in this amendment could increase the number of STRs in SA 1 because Washoe County currently allows one STR per legal parcel. This IEC and LSC's analysis demonstrate that the potential impacts of STRs would be less than significant.