



# ATTACHMENT A: City of South Lake Tahoe Report to Regional Plan Committee

**Meeting Date:** November 13, 2024

**Title:** Recommended Adoption of Tahoe Valley Area Plan Amendments and associated IEC

**Location:** City of South Lake Tahoe

**Responsible Staff Member:** Anna Kashuba, Senior Planner

**Background:** The Tahoe Valley Area Plan (TVAP) is one of the City's two area plans and was originally adopted in 2015. The amendments proposed today are the first significant amendments made to the Area Plan. They are meant to bring the plan up to date with the City's current strategic goals, new state laws, and TRPA Regional Plan goals.

The Tahoe Valley area, originally developed before the City of South Lake Tahoe was incorporated, was as a commercial corridor servicing travelers along Highway 50. Today the area is a town center evolved around providing services and necessities for residents. In recent years the Tahoe Valley area has been transformed and redeveloped at a slower rate than the midtown and tourist core areas of South Lake Tahoe.

These amendments are an opportunity to achieve goals in three main categories which staff has identified as needing improvement: increasing housing opportunities, activating town centers, and increasing transportation and circulation opportunities.

The amendment process began January 2023 when the City notified TRPA of the intent to amend the area plan. Throughout the planning process there were four (4) opportunities for public participation during public hearings and two (2) stakeholder meetings. Staff was also available for private meetings to discuss the amendments.

The amendments were reviewed by Planning Commission at the regularly scheduled meeting on May 16, 2024. Commissioners directed minor additional changes that were stated in the motion and which have been included in the amendments as presented today. Planning Commission passed a resolution recommending City Council adopt the proposed changes and Initial Study/Mitigated Negative Declaration.

**Issue and Discussion:** City Council will be presented with the final amendments to the Tahoe Valley Area Plan and the environmental analysis conducted pursuant to the California Environmental Quality Act (CEAQ). The drafts contain original text with redlined changes based on direction from City Council, Planning Commission, and the public. Blue

text indicates text of the original document that was relocated. Below are summaries of the major changes to the plan.

The requested action is that City Council pass a resolution adopting the proposed amendments to the Tahoe Valley Area Plan and accept the accompanying Initial Study/Mitigated Negative Declaration.

#### No Net Loss of Housing

To disincentivize the conversion of multifamily dwellings into single family homes, the resulting single-family dwelling shall be prohibited from obtaining a VHR permit so that long term housing is maintained. In addition, any units not rebuilt one site are required to be developed elsewhere within the area plan boundary so that there is no net loss of housing.

#### Density

A minimum density of 12 units per acre has been applied to all districts, applicable to multifamily developments, including those that are proposed to be converted to condominiums. Certain mixed-use projects have been exempted from the minimum density standard, as staff believe this would make some mixed-use projects infeasible and prevent development of onsite workforce housing.

The maximum density has been increased to 65 in the Town Center and has remained at 25 elsewhere. Recent TRPA Code of Ordinance changes have been included, allowing 100% deed restricted housing to exceed this maximum.

#### Commercial Parking

Flexibility has been given to commercial users to reduce their parking by right when located within a half-mile of a transit stop, with further reductions should the project incorporate alternative transportation measures.

In recognition of uses' unique demands and seasonality, options have been included for additional parking when specific findings are met.

#### Residential Parking

One parking space shall be permitted per residential unit, with the option for a 20 percent reduction if a deed restriction is placed on the property, making the property owner responsible for parking management.

#### Emerald Bay Connection Corridor District

What was initially presented as the Emerald Bay Residential District has been renamed the Emerald Bay Connection Corridor District. This is the result of a discussion and City Council direction to pursue development of a parking hub/mobility center near the Town Center Core District and the desire to include parcels in this district as potential sites. Limited commercial uses are being

proposed to encourage an active streetscape, provide interest for individuals when going to and from the Town Center Core, and to support a potential mobility hub.

#### Bicycle Parking

Bicycle parking standards are now based on use rather than number of vehicle parking spaces. Minor modifications have been made to the location standards to allow flexibility for uses adjacent to bike paths or routes.

#### Green Building Program

Additional third-party certification programs have been included, and the program has been simplified. Incentives may be offered at the discretion of the decision-making authority rather than by levels as was the prior program structure. Staff acknowledges that recent updates to the 2022 California Building Code and the pending adoption of the City's Reach Code have weakened the significance of the original Green Building Incentive Program but believes recognition should be given to those who go above and beyond to have a project certified.

#### Outdoor Dining

Staff is proposing exempting the first 20 outdoor dining seats from obtaining CFA. Based on the California Building Code, 20 nonfixed seats require a minimum area of 300 square feet. Outdoor dining areas that exceed 300 square feet or 20 seats, whichever is less, will require a CFA allocation.

#### Residential Open Space

To further reduce barriers to high density housing developments, the residential open space standard has been modified to reduce coverage constraints. If it is found that the open space requirement would limit the number of residential units proposed, open space may be capped at 10% of the maximum allowable coverage area.

**Financial Implications:** There are no financial implications associated with the adoption of area plan amendments.

**Environmental Considerations:** Pursuant to the California Environmental Quality Act of 1970, Cal. Pub. Res. Code §21000 et seq., potential environmental impacts of the proposed amendments have been evaluated in an Initial Study. An IS is a preliminary environmental analysis that is used by the lead agency as a basis for determining whether

an Environmental Impact Report (EIR), a Mitigated Negative Declaration (MND), or a Negative Declaration is required for a project under California Environmental Quality Act (CEQA) guidelines. This IS is tiered from the City of South Lake Tahoe 2010 General Plan EIR and the 2015 Tahoe Valley Area Plan IS in accordance with Sections 15152 and 15168 of the CEQA Guidelines and Public Resources Code Section 21094.

This document also includes an Initial Environmental Checklist and Finding of No Significance (IEC/FONSE), prepared pursuant to the requirements of Article VI of the Tahoe Regional Planning Agency (TRPA) Rules of Procedure and Chapter 3 of TRPA's Code of Ordinances. TRPA serves as lead agency pursuant to its own regulations and will be asked to accept the IEC/FONSE.

In most areas evaluated by the IS, no impacts were found, or they were determined to be less than significant. The plan and amendments are designed to self-mitigate through standards such as building design to maintain aesthetic appeal and limitations on construction activity to prevent offensive noise.

Several items in Section 5.4.10, Hazards and Hazardous Materials (CEQA) and Risk of Upset and Human Health (TRPA), were determined to require mitigation to reduce impacts to a less than significant level. Mitigation measures are included and will be applied to projects as required.

Staff will continue to evaluate each project that is proposed in the Tahoe Valley plan area independently for potential significant environmental impacts.

The IS/IES was circulated from March 27, 2024, until April 26, 2024. Two comments were received during this timeframe. The comment from Wells Barnett Associates, LLC (WBA) is not specific to the environmental review. It expresses support of the amendments on behalf of the South Tahoe Association of Realtors, a client of WBA. The comment also identifies an error in Figure 2 (pg 8), Existing Land Uses. A correct figure is included in the Final IS and the corresponding figure in the TVAP (Figure 8) will be corrected before adoption. The second comment was received from the California Department of Transportation. The concerns it expresses are addressed through individual project review, and therefore did not require any changes to the IS/MND.

In anticipation of proposed changes to the General Plan, an errata was prepared subsequent to the IS/MND and has since been incorporated into the IS.

**Policy Implications:** Updating the City's area plans is consistent with General Plan Goal LU-2, to focus future commercial, multi-family residential, tourist, civic, and social gathering space development in community plan areas to maximize incentives and create transit, bicycle, and pedestrian-oriented places that serve the needs of both residents and visitors. Policies under this General Plan goal that are specific to the TVAP include:

Policy LU-2.2: The City shall periodically update and implement the four Community Plans as a way to focus development commodities and revitalization efforts.

Policy LU-2.7: The City shall transform the Tahoe Valley area into an attractive gateway commercial district that serves both residents and visitors.

Policy LU-2.9: The City shall define two Nodes, one at the Tahoe Valley Y Intersection and the other at Stateline and make them a focus of future development and revitalization efforts in the City. To this end, the City shall work with the Tahoe Regional Planning Agency to encourage allocations of development commodities (e.g., Commercial Floor Area, Residential Units of Use) to these areas.

Policy LU-2.10: The City, in coordination with the Tahoe Regional Planning Agency, shall encourage compact, mixed-use, transit-oriented, and higher-density development within the Stateline Node and Tahoe Valley Gateway District by providing the maximum incentives for these types of projects. Incentives should include an increase in allowed coverage, increased commercial floor area allocations, financing opportunities available through Redevelopment Plans, and exemptions from coverage limitations for affordable and moderate-income housing.

Policy LU-2.11: The City shall ensure that the Tahoe Valley Gateway District will be a primary area in the City for resident-serving commercial uses, workforce housing (e.g., housing affordable to local workers in all industries), and affordable housing. The City should work with property owners to transform the Node into a contemporary, pedestrian-oriented, mixed-use, commercial service district served by a transit center and alternate transportation opportunities.

Policy LU-2.13: The City shall create active and inviting social and economic centers in the two Nodes that include a variety of housing types, mixed-use development, recreational or social gathering spaces, cultural uses, civic uses and facilities, and commercial services.

The amendments are also consistent with Land Use Policy LU-1.2 to create walkable, mixed-use centers that provide a range of housing opportunities and choices.

While the amendments are consistent with all policies within the Tahoe Valley Area Plan, the following were specifically identified in guiding the amendments.

Policy LU-1.1 – Active Streets: Animate streets by allowing uses such as retail, entertainment, special events, outdoor dining and seating, oriented towards the sidewalk.

Policy LU-1.5 – Auto-Oriented Commercial Use Consolidation: Encourage the consolidation of existing auto-oriented commercial development into pedestrian-oriented development.

Policy LU-3.2 – Architectural Style: Require the use of “mountain” architectural theme in new development and through remodeling. Mountain architecture features the use of pitched roofs, natural colors, and natural materials such as rock and wood.

Policy H-1.9 – Housing Needs: Encourage the consolidation of parcels within the Tahoe Valley area or the incorporation of parcels adjacent to the Area Plan boundaries for the development of multi-residential units.