



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

Meeting Date: November 13, 2024

Title: Tourist Core Area Plan/Specific Plan Amendments Adoption

Location: City of South Lake Tahoe

Responsible Staff Member: John Hitchcock, Planning Manager

Background: The Tourist Core Area Plan (TCAP) is one of the City's two area plans and was originally adopted in 2013. Although the TCAP has been amended previously, it is due for an update to bring the plan in line with the City's current strategic goals, new state laws, TRPA Regional Plan goals and provide an opportunity to increase housing options in the area plan.

Located adjacent to the Nevada and California Stateline, the Tourist Core area is the center of tourist services and recreation access and has traditionally been the area with the highest concentration of commercial and tourist services and active pedestrian streetscapes. The area has seen numerous improvements as a result of redevelopment activities (e.g., Zalanta, Desolation Hotel) and continues to be a priority area for improving and upgrading the built environment.

The Tourist Core Area Plan, adopted by City Council on October 15, 2013, established a policy framework and provides land guidance that focuses on achieving redevelopment and re-investment opportunities in the plan area. The plan aims to enhance the built environment with high-quality development, improve transportation options and the circulation network, increase access to recreation opportunities, and promote a mix of land uses.

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. Public outreach began in February 2023 with a stakeholder workshop with business owners, property owners, design professionals, and regional agency representatives in attendance. Later that month staff presented high level amendment concepts and goals to Planning Commission, receiving feedback from commissioners and the public. In May a similar presentation was brought to City Council. Throughout this process staff has coordinated with the City Housing Division on an inclusionary housing ordinance that may be applied to developments in the Tourist Core.

Likewise, City staff participated in the Tahoe Living Working Group to provide input on upcoming TRPA code amendments surrounding coverage, height, and density for housing developments.

Issue and Discussion: The City Council will be presented with the final amendments to the Tourist Core Area Plan/Specific Plan and the associated environmental analysis conducted pursuant to the California Environmental Quality Act (CEAQ) and TRPA. Below are summaries of the major changes to the plan. The drafts contain original text with underlines and struckthrough changes based on input from the public and direction from City Council and Planning Commission.

No Net Loss of Housing

Recently there has been a trend of duplex and triplex properties being converted to single-family dwellings, then obtaining vacation home rental (VHR) permits, resulting in a loss of housing in the Town Center. Mitigation measures have been proposed to prohibit a reduction in housing density with redevelopment projects and any resulting single-family dwelling (including condominiums) would be restricted from obtaining a VHR permit so that long term housing is maintained. In addition, any units not rebuilt on site would be required to be developed elsewhere within the area plan boundary so that there is no net loss of housing.

Height

In support of increasing housing opportunities, the maximum height in the Tourist Center Mixed-Use District is increased to 65 feet from 56 feet. The increase in height will facilitate the development of high-density housing.

Density

Feedback regarding implementing a minimum density has been overwhelmingly positive. Initially proposed as 8 units per acre, this standard is now proposed to be 12 units per acre. Certain mixed-use projects have been exempted from the minimum density standard so as to not interfere with their feasibility and create a barrier to development and property investment.

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

The amendments also clarify that the density for a mixed-use project is the maximum allowed by use type regardless of the mix of uses.

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.

Connectivity/Mobility

Policy T-4.5 has been added to promote the development of enhanced or additional mobility hub facilities to complement any future mobility hub in the Tourist Core area. In addition to several other new policies promoting connectivity and increased mobility options, Policy LU-1.12 has been included to enhance the pedestrian connections between the Tourist Core and the Lakeside Marina area.

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; however, different configurations of outdoor dining may require more than 300 square feet of CFA be exempted to accommodate 20 seats.

Planning Commission: On May 16, 2024, the proposed amendments were presented at a duly noticed Planning Commission meeting. The Planning Commission received a presentation from staff, received public comment, and deliberated. The Planning Commission passed Resolution 2024-013 recommending the City Council adopt the Tourist Core Area Plan/Specific Plan Amendments and the Initial Study/Negative Declaration with the following modifications:

1. Modify the outdoor seating/dining standard to allow up to 20 seats or 300 square feet, whichever is less, to be exempt from an allocation of commercial floor area.
2. Modify the bicycle parking standard to be consistent with the TVAP Area Plan standard.
3. Add the option for applicants to provide a parking analysis so that a reduction in parking requirements may be considered.
4. Reduce the residential open space requirement for high-density projects;
5. Expand policy language to amplify efforts around fixed route transportation and other transit alternatives; and
6. Modify the build-to-line standards so that a modification may be waived when a single finding is made.

Financial Implications: There are no financial costs associated with the the adoption on the Tourist Core Area Plan Amendments. However, the amendments are intended to enhance the development potential within the area which may result in financial benefits to the City.

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/Initial Environmental Checklist (IS/IEC). 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/IEC in accordance with Sections 15152 and 15168 of the CEQA Guidelines and Public Resources Code Section 21094.

This document also serves as an 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.

The IS determined that there are no impacts, or all impacts are 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.

Staff will continue to independently evaluate each project that is proposed in the Tourist Core plan area for potentially significant environmental impacts.

The IS/IES was circulated from April 11, 2024, until May 10, 2024. As of the writing of this staff report, no comments have been received on the environmental analysis.

Policy Implications:

General Plan

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 in order 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 TCAP 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-2.4: The City shall reinforce the Stateline/Ski Run Community Plan area s the primary visitor and tourist district in South Lake Tahoe.

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-2.12: The City shall ensure that the Stateline Node will be an area in the city for tourist-serving commercial uses, Tourist Accommodation Units, 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 pedestrian center served by transit that connects community resources, visitor facilities, recreation, and Lake Tahoe.

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.

Tourist Core Area Plan

Amending the area plan is consistent with adopted goals and policies of the TCAP, including Land Use Policies LU-1.2, which promotes a mixed-use land use pattern that combines tourist accommodation, residential, commercial and public facilities, and LU-2.2 which promotes animated streets by allowing for outdoor dining and seating oriented towards the sidewalk.

Policy LU-2.12 –Stateline Node Purpose: The City shall ensure that the Stateline Node will be an area in the city for tourist serving commercial uses, Tourist Accommodation Units, 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 pedestrian center served by transit that connects community resources, visitor facilities, recreation, and Lake Tahoe.