TAHOE REGIONAL PLANNING AGENCY

TRPA
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STAFF REPORT

Date: March 11, 2026

To: TRPA Advisory Planning Commission

From: TRPA Staff

Subject: Discussion of Six Policy Concepts Identified in the July 1, 2024 Settlement Agreement, as Part of the Cultivating Community, Conserving the Basin Initiative

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Summary and Staff Recommendation:
Section 4 of the July 1, 2024 settlement agreement between the Mountain Area Preservation Foundation (MAP) and TRPA provides that, during Phase 3 of the Tahoe Living policy development process, TRPA would include good-faith discussions of six enumerated policy concepts. Phase 3 is currently underway as the *Cultivating Community, Conserving the Basin* project. The purpose of this agenda item is to document how each of the six policy concepts has been included and considered during that process and to provide the Advisory Planning Commission (APC) an opportunity for further discussion and input.

The settlement agreement requires good-faith discussion of these concepts; it does not require adoption of any particular policy outcome. As reflected in the staff report, each concept has been included in process materials, evaluated in light of existing Code provisions and prior Governing Board action, and considered as part of the broader housing policy framework.

Required Motions:
This item is agendized for possible action to allow the APC an opportunity to formally recommend direction to staff, however, no particular recommendation is required or requested. Staff welcomes APC discussion and public comment as the Cultivating Community project proceeds through environmental review and policy refinement.

Background/Discussion:
In December 2023, the TRPA Governing Board approved the *Phase 2 Affordable and Workforce Housing Amendments*, which modified development standards (height, coverage, density, and parking) for deed-restricted housing in order to accelerate construction of remaining bonus units in and near town centers, jobs, grocery stores, transit, and services. These amendments were part TRPA's ongoing Tahoe Living Strategic Priority, which seeks to make housing more attainable for local families, workers, and seniors while maintaining and strengthening environmental protections.

On February 9, 2024, MAP filed a complaint for declaratory and injunctive relief challenging the Phase 2 amendments. TRPA and MAP resolved the litigation through a settlement agreement executed in July 2024 (Attachment B). Section 4 of the settlement agreement ("Policy Considerations") provides that

during “Phase 3” of the Tahoe Living policy development process, TRPA would include, *inter alia*, good faith discussions of six enumerated policy concepts.

Phase 3 of the Tahoe Living process is currently underway as the *Cultivating Community, Conserving the Basin* (Cultivating Community) project. The Cultivating Community project began in the fall of 2024, and includes four stages of work, “Listen and Explore,” “Assess and Generate,” “Explore, Define and Test,” and “Develop and Finalize.” Each stage of work includes two in-person public workshops, one on the North Shore and one on the South Shore (six total to-date), at least one meeting of the Tahoe Living Working Group, which is a subcommittee of TRPA’s Advisory Planning Commission and appointed by the TRPA Governing Board (five meetings to-date), and at least one meeting of the Community Partner Group, an ad hoc group made up community-based organizations that work directly with communities most impacted by the lack of housing attainability (seven meetings to-date). TRPA has also been meeting throughout the project in small groups, one-on-one with interested parties, and has attended organizational meetings around the region to present the current status of the project and receive feedback. Staff has also held three Governing Board hearings and two Advisory Planning Commission hearings during development of the proposal. MAP is a member of the Tahoe Living Working Group and has participated as a member in each of the meetings.

The purpose of this agenda item is to document how each of the six policy concepts identified in Section 4 of the settlement agreement has been included and considered during the Cultivating Community process, and to provide the APC and members of the public an opportunity for further discussion and input.

The settlement agreement requires good-faith discussion of these policy concepts; it does not require adoption of any specific policy outcome. The discussion in Attachment A summarizes, for each of the six policy concepts:

- A brief description of the concept;
- When and where it was included in the Cultivating Community process;
- The general nature of input received from committee or stakeholder participants;
- Staff’s evaluation of the concept; and
- Staff’s recommendation and the current status of the concept within the ongoing policy development effort.

Staff welcomes APC and further public input on these policy concepts and on whether, and how, any additional elements should be reflected in the proposed Cultivating Community recommendations or environmental analysis. The policy concepts identified in the settlement agreement fall within the scope of the broader housing policy framework the TRPA Governing Board approved for environmental review. Any refinements or additional detail arising from discussion at the APC’s public meeting may therefore be incorporated, as appropriate, during the environmental review and policy development process.

Contact Information:
For questions regarding this agenda item, please contact Karen Fink, Long Range Planning Director, at 775-589-5258, or kfink@trpa.gov.

To submit a written public comment, email publiccomment@trpa.gov with the appropriate agenda item in the subject line. Written comments received by 4:00 p.m. on the day before a scheduled public meeting will be distributed and posted to the TRPA website before the meeting begins. TRPA does not guarantee written comments received after 4:00 p.m. the day before a meeting will be distributed and posted in time for the meeting.

Attachments:

A. Discussion of Policy Concepts included in Section 4 of the July 1, 2024 Settlement Agreement between the Mountain Area Preservation Foundation and TRPA
B. Mountain Area Preservation Foundation and Tahoe Regional Planning Agency Settlement Agreement, executed July 1, 2024
C. Definitions of “Achievable” and “Affordable-by-Design” housing

Attachment A

Discussion of Policy Concepts included in Section 4 of the July 1, 2024 Settlement Agreement between the Mountain Area Preservation Foundation and TRPA

Attachment A - Discussion of Policy Concepts included in Section 4 of the July 1, 2024 Settlement Agreement between the Mountain Area Preservation Foundation and TRPA

This discussion summarizes, for each of the six policy concepts included in Section 4 of the July 1, 2024 Settlement Agreement between the Mountain Area Preservation Foundation and TRPA:

- A brief description of the concept;
- When and where it was included in the Cultivating Community process;
- The general nature of input received from committee or stakeholder participants;
- Staff's evaluation of the concept; and
- Staff's recommendation and the current status of the concept within the ongoing policy development effort.

Policy Concept 4.1

> **Income limits on achievable housing, including but not limited to an income cap not to exceed 245% of the respective local jurisdiction's area medium income (AMI), along with a local living/work requirement and enforcement/audit provisions.**

Additional Description of Policy Concept

This policy concept concerns TRPA's deed-restricted "Achievable Housing" definition, currently codified in Chapter 90 of the TRPA Code of Ordinances.

Under the current definition, Achievable Housing is:

> Single or multi-family residential development to be used exclusively as a residential dwelling by permanent residents who meet one or more of the following criteria:
>
> 1. Have a household income not in excess of 120 percent of the respective county's area median income (AMI) (moderate income households and below); or
> 2. At least one household occupant of the household works at least 30 hours per week or full-time equivalency for an employer with a business license or tax address within the Tahoe region or Tahoe-Truckee Unified School District (TTUSD), including but not limited to public agencies and not-for-profit employers, and which requires the employee's physical presence within the boundaries of the Tahoe region or TTUSD in order to complete the task or furnish the service for an average of at least 30 hours per week on an annual basis, or seasonal basis for seasonal work. Full-time equivalency may be confirmed by employer; or

3. Is a retired person who has lived in the Tahoe Basin for more than seven years.

See also Attachment C, Definitions.

The TRPA Governing Board approved this definition in April 2023. Prior to April 2023, the Achievable Housing definition included an income cap that varied by county. That income cap was calculated annually based on the percentage of AMI required to afford the median-priced home in the applicable county. In April 2023, the Governing Board approved amendments removing the income cap and instead requiring a local employment criterion. The goal of this amendment was to prioritize occupancy by local workers.

Since that amendment, questions have periodically been raised regarding whether the absence of an income cap could allow higher-income working households to occupy Achievable units. This policy concept calls for consideration of whether an income cap should be reinstated or modified.

Inclusion in the Cultivating Community Process

This concept was included in the Cultivating Community process materials.

- It appeared in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B) as part of the "Ideas List," which included redefining income limits and evaluating their relationship to deed restrictions.
- It was referenced in the June 23-24, 2025 Growth Management Briefing Book (page 91).
- Deed-restrictions were discussed during the June and September 2025 Tahoe Living Working Group meetings, including discussion of alternative approaches to the current income limits and worker requirements such as short-term rental restrictions or "affordable-by-design" projects. (See minutes from the June 23-24, 2025 Tahoe Living Working Group meeting; minutes from the September 22, 2025 Tahoe Living Working Group meeting; staff report for the September 22, 2025 Tahoe Living Working Group meeting).

Input received during the process reflected differing perspectives. Some participants expressed interest in programs and policies that support income-restricted housing. Others supported maintaining or loosening existing deed-restriction requirements and expressed interest in expanding flexibility through alternative housing models.

Staff Evaluation

In evaluating this concept, staff considered:

1. Prior Governing Board action in April 2023 removing the income cap in favor of a local worker requirement;
2. The administrative and compliance complications of layered eligibility requirements (income and employment);

3. The relationship between deed-restrictions and the proposed tiered housing incentive structure; and
4. Data regarding the size, occupancy, and production of Achievable units to date.

The current Cultivating Community proposal includes a tiered framework:

- Tier 1: Low- and moderate-income deed-restricted projects (≤80% and ≤120% AMI), which receive the greatest incentives; and
- Tier 2: Deed-restricted Achievable and "Affordable-by-Design" projects.

Under this tiered framework, projects seeking greater flexibility may pursue "Affordable-by-Design" units, which are restricted from short-term rental use but do not include formal income or employment eligibility requirements. Greater incentives, however, would be limited to tier 1, which would be projects with income caps.

Staff also reviewed available data regarding Achievable units constructed or approved to date. Since the program's creation in 2018:

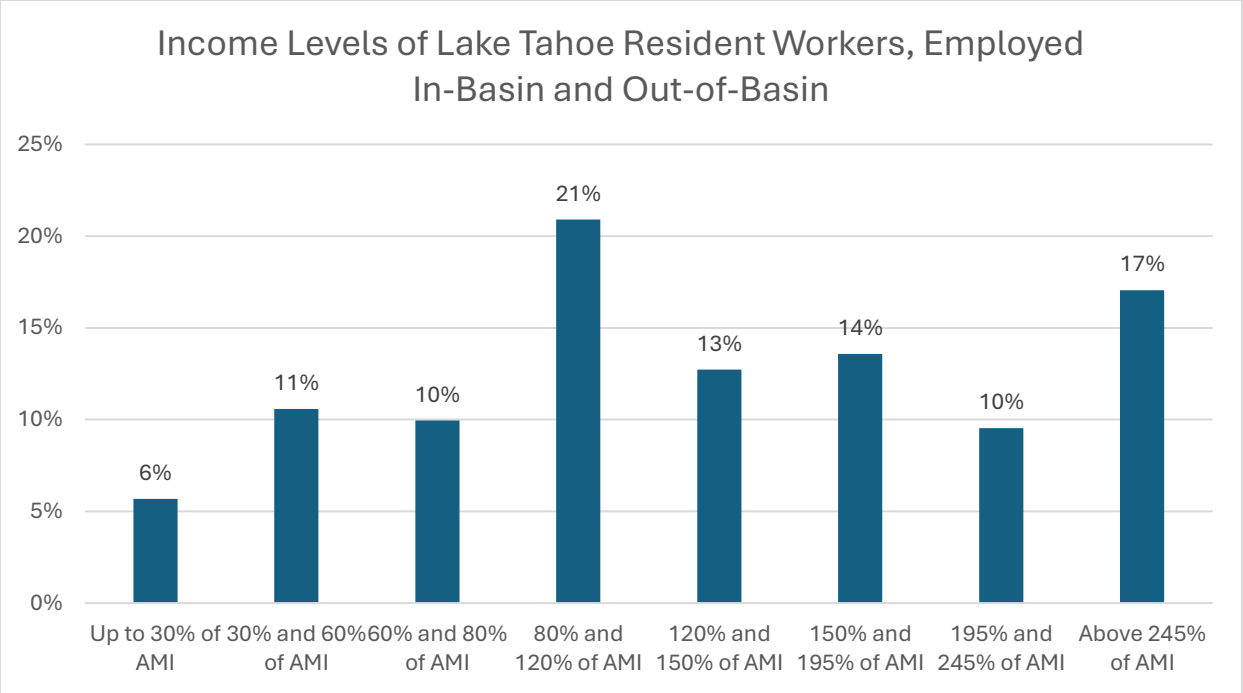
- Ten Achievable units have been constructed.
- The average size of all approved, completed, and in-progress Achievable units is approximately 646 square feet.
- Units submitted prior to April 2023 averaged 674 square feet (43 units).
- Units submitted after April 2023 average 692 square feet (20 units).

Based on this information, staff does not have evidence indicating that Achievable units are trending toward large-scale or "luxury" development.

Staff also considered regional workforce data. Over 90 percent of the Lake Tahoe workforce currently resides in unrestricted housing. Even if Achievable units were occupied by higher-income working households, this would still increase overall housing supply available to moderate- and lower-income households through market movement.[1]

The following graph shows the household income of working households located in the Tahoe region:[2]

[1] https://www.reddit.com/r/yimby/comments/1ho7k5i/made_an_animation_to_explain_moving_chains/
[2] Available datasets do not distinguish annual household income by whether a worker works inside the basin or outside the basin.



Source: U.S. Census, American Community Survey, 2019-2023

Staff Recommendation / Current Status

Based on prior Governing Board direction, input received during the Cultivating Community process, available data, and staff's policy and implementation analysis, staff is not recommending reinstatement of an income cap for Achievable Housing at this time.

However, consistent with the settlement agreement's requirement for good-faith discussion, this concept has been included and evaluated as part of the Cultivating Community process. If, following APC discussion or additional input, staff determines that further refinement of eligibility criteria is warranted, such modifications could be incorporated into the policy proposal and analyzed through the environmental impact statement (EIS) process.

Policy Concept 4.2

An assessment of criteria to address potential site-specific impacts, including but not limited to impacts to scenic resources and public safety (wildfire dangers and evacuation hazards) in the event that TRPA considers development incentives in areas outside of Town Centers.

Additional Description of Policy Concept

This policy concept calls for consideration of whether additional or refined criteria are necessary to address potential site-specific impacts—particularly scenic, wildfire, and evacuation-related impacts—if development incentives are extended to areas outside of designated Town Centers.

TRPA's existing regulatory framework already requires environmental review of projects through the Initial Environmental Checklist (IEC), applicable Code findings, and consistency review with adopted threshold standards, including scenic resources and public safety considerations. This concept contemplates whether further criteria beyond those existing requirements would be appropriate in connection with new policy incentives.

Inclusion in the Cultivating Community Process

This policy concept was included in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B), as part of the attachment listing the six concepts identified in the settlement agreement. The Tahoe Living Working Group meeting was publicly noticed and included this concept in the meeting materials.

Additionally, the broader Cultivating Community process has included discussion of environmental safeguards, including natural hazards, evacuation, and scenic protection, including in the context of potential development outside Town Centers. These topics also have been or will be addressed through:

- Review of existing threshold standards and Code requirements;
- Consideration of how incentives would apply geographically; and
- Identification of issues to be analyzed through the EIS process.

As a further example of the ongoing discussion of these issues, the TRPA Governing Board held a public meeting where a panel of experts from the California Governor's Office of Emergency Services, Nevada Department of Emergency Management, Douglas County Sheriff's Office, Washoe County Emergency Management, and South Lake Tahoe Fire and Rescue discussed emergency response and evacuation coordination and preparedness (see meeting materials of Governing Board May 28, 2025, Agenda Item VIII.B).

While this specific concept did not generate a standalone proposal for new criteria during Working Group discussions, environmental and public safety considerations have remained central components of the overall policy development framework.

Staff Evaluation

In evaluating this concept, staff considered:

- Existing Code provisions governing scenic resources, building height, and design review;
- Public safety-related findings required for project approval;
- TRPA's role in reviewing projects for consistency with emergency access and environmental thresholds; and
- The ongoing environmental analysis for the Cultivating Community project.

Under TRPA's regulatory structure, site-specific impacts—whether scenic, wildfire-related, or related to evacuation—are addressed at both the policy/plan and project levels. The EIS process currently underway will evaluate cumulative impacts associated with proposed development incentives. If that analysis identifies potentially significant impacts, mitigation measures or additional criteria may be developed as part of the environmental review and subsequent policy refinement.

Staff Recommendation / Current Status

Consistent with the settlement agreement, this concept has been included and considered within the scope of the ongoing environmental and policy development process.

At this time, staff does not recommend adoption of additional standalone criteria beyond those already contained in the Code and subject to environmental review. However, should the EIS identify the need for additional mitigation or policy refinements related to scenic resources or public safety, such measures may be incorporated into the final policy recommendations.

Policy concept 4.3

Refining criteria for additional height outside of Town Centers.

Additional Description of Policy Concept

This policy concept calls for consideration of whether the criteria governing additional building height outside of designated Town Centers should be revisited or refined. No additional height outside of Town Centers is proposed as part of the current Cultivating Community policy package.

Inclusion in the Cultivating Community Process

This concept was included in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B), as part of the attachment identifying the six policy concepts referenced in the settlement agreement. The topic was also reflected in the June 2025 Tahoe Living Working Group Growth Management Briefing Book, which discussed the concept of transition zones adjacent to Town Centers that could allow scaled incentives such as bonus units, increased height and density, and/or reduced parking.

Through the Cultivating Community process, staff have considered building height, neighborhood compatibility, and visual impacts in the broader context of housing incentives. The current policy package does not propose expansion of height allowances outside of Town Centers.

Staff Analysis

Section 37.5.5 of the TRPA Code of Ordinances, adopted as part of the Phase 2 Housing Amendments, allows residential and mixed-use projects that are 100 percent deed-restricted to affordable, moderate, or achievable housing to receive additional building height, up to the maximum permitted for the slope of the building site under Table 37.4.4-1 (below), provided specific findings are made (*see, e.g.,* TRPA Code Section 37.5.5).

TABLE 37.4.1-1: MAXIMUM HEIGHTS FOR BUILDINGS											
Percent Slope Retained Across Building Site	Roof Pitch										
	0:12	1:12	2:12	3:12	4:12	5:12	6:12	7:12	8:12	9:12	≥10:12
0	24'-0"	25'-2"	26'-5"	27'-7"	28'-9"	30'-0"	31'-2"	32'-5"	33'-7"	34'-9"	36'-0"
2	24'-6"	25'-8"	26'-11"	28'-1"	29'-3"	30'-6"	31'-8"	32'-11"	34'-1"	35'-3"	36'-6"
4	25'-0"	26'-2"	27'-5"	28'-7"	29'-9"	31'-0"	32'-2"	33'-5"	34'-7"	35'-9"	37'-0"
6	25'-6"	26'-8"	27'-11"	29'-1"	30'-3"	31'-6"	32'-8"	33'-11"	35'-1"	36'-3"	37'-6"
8	26'-0"	27'-2"	28'-5"	29'-7"	30'-9"	32'-0"	33'-2"	34'-5"	35'-7"	36'-9"	38'-0"
10	26'-6"	27'-8"	28'-11"	30'-1"	31'-3"	32'-6"	33'-8"	34'-11"	36'-1"	37'-3"	38'-6"
12	27'-0"	28'-2"	29'-5"	30'-7"	31'-9"	33'-0"	34'-2"	35'-5"	36'-7"	37-9"	39'-0"
14	27'-6"	28'-8"	29'-11"	31'-1"	32'-3"	33'-6"	34'-8"	35'-11"	37'-1"	38'-3"	39'-6"
16	28'-0"	29'-2"	30'-5"	31'-7"	32'-9"	34'-0"	35'-2"	36'-5"	37'-7"	38'-9"	40'-0"
18	28'-6"	29'-8"	30'-11"	32'-1"	33'-3"	34'-6"	35'-8"	36'-11"	38'-1"	39'-3"	40'-6"
20	29'-0"	30'-2"	31'-5"	32'-7"	33'-9"	35'-0"	36'-2"	37'-5"	38'-7"	39'-9"	41'-0"
22	29'-6"	30'-8"	31'-11"	33'-1"	34'-3"	35'-6"	36'-8"	37'-11"	39'-1"	40'-3"	41'-6"
≥24	30'-0"	31'-2"	32'-5"	33'-7"	34'-9"	36'-0"	37'-2"	38'-5"	39'-7"	40'-9"	42'-0"

Note: Cells shaded in grey are considered "additional height" and subject to additional approval criteria in Sec. 37.4 through 37.7.

Staff Recommendation / Current Status

Staff finds that this policy concept has been included and considered as part of the Cultivating Community process. The Cultivating Community process has not resulted in a policy proposal to allow additional height outside of Town Centers, and staff believes that the existing criteria are sufficient to mitigate visual impacts of height allowances under existing Code. Accordingly, and because no new height allowances outside of Town Centers are currently proposed, staff is not proposing additional refinement of height criteria at this time. However, if the environmental analysis identifies the need for further mitigation or policy refinement related to building height outside of Town Centers, such measures may be incorporated into the final policy recommendations.

Policy Concept 4.4

> **Incentives/programs to unlock the existing housing supply, including but not limited to regulation of short term rentals and investment in Lease to Locals, down payment assistance, workforce, or equivalent programs.**

Additional Description of Policy Concept

This policy concept calls for consideration of strategies to increase utilization of the existing housing stock, including potential regulatory approaches related to short-term rentals and programmatic efforts to support local occupancy of existing units. Such strategies may include measures to encourage conversion of underutilized units to long-term occupancy, investment in housing assistance programs, and examination of development rights associated with short-term rental activity.

Inclusion in the Cultivating Community Process

This concept was included in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B), as part of the "Ideas List." Subsequent process materials addressed related strategies, including:

- Ideas "HO-6" and "HO-7" in the Growth Management Briefing Book (page 95), which related to unlocking existing housing and limiting or taxing short-term rentals, while noting potential jurisdictional/legal authority considerations.
- The minutes of the June 23-24, 2025 Tahoe Living Working Group/Community Partner Group meeting reflect that Tahoe Living Working Group members identified housing preservation policies as appropriate policies for existing neighborhoods where high populations of renters and lower-income households live. There was also discussion around short-term rentals paying their fair share, as well as allowing locals to supplement their income through short-term rentals.
- The September 2025 Tahoe Living Working Group policy package attachment to the staff report included a policy titled, "Require that All STRs Acquire a TAU," in the list of policies under consideration (page 8), which would have required that short-term rentals acquire a Tourist Accommodation Unit (TAU) development right in addition to a Residential Unit of Use (RUU) development right. The policy was not recommended by staff at the time.
- The minutes from the September 2025 meeting (page 3) noted that this option met with mixed reactions, and that the feasibility of this option was questioned.
- The October 2025 Community Workshops, where housing occupancy and short-term rental policies were discussed in facilitated table discussions.
-

In addition, the September 2025 policy package included a broader "Housing Occupancy" section addressing:

- Unlocking vacant housing units;

- Supporting housing authorities to manage deed-restrictions and programs; and
- Establishing stable funding sources for deed-restricted housing.

The October Workshop Summary document reflects that additional requirements for short-term rentals (starting on page 5) received strong support at the South Shore public workshop, and more mixed support at the North Shore public workshop.

Finally, policies related to unlocking existing housing are included in the current Cultivating Community proposal advancing to environmental review, as reflected in the Notice of Preparation (see pages 8 and 9) and Policy Recommendations Report (see page 27) under the heading "Unlock Existing Housing."

Staff Evaluation

In evaluating this policy concept, staff considered:

- The relationship between short-term rental activity and housing availability;
- TRPA's jurisdiction under the Compact relative to land use and development rights, as compared to local government authority over business licensing and taxation; and
- Implementation feasibility of requiring both a RUU and a TAU for short-term rental activity.

The concept of requiring short-term rentals to obtain a TAU in addition to an RUU was examined as part of the policy development process. Staff determined that such a requirement would warrant further analysis of environmental, legal, and implementation implications before advancing as a recommended policy. Policies to support unlocking existing housing have remained in the policy package and will be included in the environmental analysis.

Staff Recommendation / Current Status

Staff finds that this policy concept has been included and considered in good faith as part of the Cultivating Community process and potential options to unlock existing housing will remain relevant during the EIS process.

Policy Concept 4.5

> **Additional strategies for reduction of vehicle miles traveled ("VMT"), including but not limited to e-bike share programs at project sites or in Town Centers to offset summer/fall transit needs, and micro-transit programs tied to project approvals.**

Additional Description of Policy Concept:

This policy concept calls for consideration of specific strategies to reduce vehicle miles traveled (VMT) in connection with housing and growth management policies. Examples include on-site or area-wide e-bike

share programs, micro-transit services, or other transportation demand management measures associated with new development.

Inclusion in the Cultivating Community Process

This concept was included in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B), as part of the attachment listing the six policy concepts identified in the settlement agreement.

Throughout the Cultivating Community process, transportation impacts and VMT reduction have been discussed in the broader context of aligning housing growth with Town Centers, transit access, and walkable development patterns. The current policy package emphasizes location-efficient development and growth within areas served by transit and existing services, which are strategies intended to reduce reliance on private automobile travel. While specific programmatic measures such as e-bike share or micro-transit were not advanced as standalone policy proposals during Working Group discussions, the overall transportation and VMT framework has remained integral to the project.

Staff Evaluation

In evaluating this concept, staff considered:

- TRPA's existing VMT and transportation-related threshold standards;
- The relationship between land use patterns and transportation outcomes;
- The role of development incentives in encouraging location-efficient growth; and
- The appropriate stage at which specific mitigation measures should be evaluated.

The EIS for the Cultivating Community project will analyze potential transportation and VMT impacts associated with proposed policy changes. If that analysis identifies significant impacts requiring mitigation, specific transportation demand management strategies—such as e-bike share, micro-transit, or other measures—may be evaluated as potential mitigation tools.

Given the need for environmental analysis to determine the scale and nature of any transportation impacts, staff determined that it is premature to prescribe specific VMT reduction programs absent the results of the EIS.

Staff Recommendation / Current Status

Staff finds that this policy concept has been included and considered in good faith as part of the Cultivating Community process. Additionally, specific VMT reduction strategies are expected to be further evaluated through the EIS process.

Policy Concept 4.6

A one spot per unit minimum parking requirement.

Additional Description of Policy Concept

This policy concept includes two related considerations:

1. Whether to revisit the Phase 2 Housing Amendments provision that prohibits local jurisdictions from requiring minimum parking standards for deed-restricted housing in Town Centers and limits minimum parking requirements in multifamily zones to no more than 0.75 spaces per unit; and
2. Whether TRPA should impose a one spot per unit minimum parking requirement on other residential development.

Inclusion in the Cultivating Community Process

This concept was included in the December 9, 2024 Tahoe Living Working Group staff report (Agenda Item VIII.B). Throughout the Cultivating Community process, parking was discussed in the broader context of housing affordability, transportation patterns, and neighborhood compatibility. Participants in Working Group and community discussions expressed differing perspectives regarding parking minimums, including codification of policies that relate to reliance on vehicles versus retaining project-level flexible standards, the importance of accommodating working households that rely on personal vehicles, and the role of parking requirements in influencing housing cost and development feasibility.

The current Cultivating Community policy package does not include new proposals to modify regional parking minimums beyond those adopted in the Phase 2 Housing Amendments.

Staff Analysis

As part of the Phase 2 Housing Amendments, the Governing Board adopted standards consistent with staff's analysis that minimum parking requirements can significantly increase housing development costs and may discourage compact, walkable development patterns. TRPA required removal of local minimum parking requirements for deed-restricted housing in Town Centers and limited minimum parking requirements in certain multifamily zones.

Staff has previously analyzed parking best practices, including a memorandum presented to the Regional Planning Committee in September 2023, which reviewed research indicating that strict parking minimums are associated with increased construction costs and reduced housing production.

Removal of minimum parking requirements does not prohibit provision of parking. Rather, it allows developers to determine the appropriate level of parking based on market demand and site-specific

conditions. Under the Phase 2 amendments, deviations from applicable local standards must be supported by a parking study, ensuring that parking supply decisions are informed by project-specific analysis.

Staff Recommendation / Current Status

Staff finds that this policy concept has been included and considered as part of the Cultivating Community process. The topic was included in the materials for publicly noticed meetings of the Tahoe Living Working Group. At this time, staff does not recommend imposing a one space per unit minimum parking requirement on residential development, nor does staff recommend revisiting the Phase 2 Housing Amendments provision removing minimum parking requirements for deed-restricted housing in Town Centers. Staff consider the absence of minimum parking requirements for deed-restricted housing key to reducing the cost of housing and encouraging more walkable communities that reduce reliance on the private automobile.

The current APC meeting also provides an opportunity to receive input from the APC and the public on this issue.

Attachment B

Mountain Area Preservation Foundation and Tahoe Regional Planning Agency Settlement Agreement, executed July 1, 2024

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between Mountain Area Preservation Foundation ("MAP") and the Tahoe Regional Planning Agency ("TRPA"), each referred to herein as a "Party" and collectively as the "Parties." The Agreement is dated and effective as of the date that the last Party signs ("Effective Date").

RECITALS

A. On December 13, 2023, the TRPA Governing Board approved the Phase 2 Housing Amendments ("Phase 2" or "Amendments"), including the adoption of Ordinance 2023-07, amending the TRPA Code; Ordinance 2023-08, amending the TRPA Regional Plan Goals and Policies; and the adoption of Environmental Findings and Finding of No Significant Effect ("FONSE") based on an Initial Environmental Checklist ("IEC"). The Amendments modify standards for designated development to allow higher, denser development and are intended to accelerate the construction of deed-restricted affordable, moderate or achievable housing, and associated mixed-use development in specified areas.

B. On February 9, 2024, MAP filed a Complaint for Injunctive and Declaratory Relief ("Complaint") in the United States District Court, Eastern District of California (Case No. 2:24-cv-00441-AC, hereinafter "Action"), alleging that TRPA had violated the Tahoe Regional Planning Bi-State Compact ("Compact"), the TRPA Regional Plan, and TRPA regulations in its approval of the Amendments. In its Complaint, MAP asked the Court, among other things, to issue an order or writ of mandate setting aside TRPA's approvals of the Amendments and directing TRPA to prepare an Environmental Impact Statement ("EIS") prior to re-approval, and to award plaintiff's attorneys' fees and costs.

C. On April 29, 2024, TRPA filed its Answer to the Complaint, wherein it denied the allegations in the Complaint and claimed the environmental review was consistent with applicable law.

D. TRPA's Housing Initiative also included the previously approved Phase 1, which provided for Accessory Dwelling Units, increased residential densities as part of hotel/motel redevelopment, and aligning the Bonus Unit Boundary. TRPA is currently initiating Phase 3, defined for the purposes of this settlement as the next phase of TRPA's consideration of additional housing policies related to equitable and sustainable housing and improving climate resilience. Neither the Phase 1 nor Phase 3 approvals are a subject of this Action.

E. Because the outcome of the Parties' dispute is uncertain, and to allow the Phase 2 Housing Amendments to go forward while addressing some of MAP's concerns in conjunction with Phase 3, the Parties have agreed to compromise and resolve their dispute by agreement, without the need for judicial resolution.

F. The Parties recognize the need for and agree to work to increase lower income and workforce housing options in the Lake Tahoe Basin, while also preserving the unique environmental attributes of the Tahoe Basin. MAP and TRPA would rather utilize their

respective resources for cooperatively solving housing issues rather than litigating over TRPA's Phase 2 efforts.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Recitals Incorporated. Each recital set forth above is incorporated herein by reference and is made part of this Agreement. Any conflict between the general provisions of the recitals and the specific provisions of this Agreement shall be resolved in accordance with the specific provisions of this Agreement.

2. Phase 2 Amendments. TRPA agrees to have its Governing Board consider the following amendments to the Phase 2 approvals (collectively referred to herein as the "Section 2 Amendments"):

2.1 Amending TRPA Code sections 30.4.2.B.5 and 30.4.2.B.6 to delete the phrase "if a system is available for the project area"; and

2.2 Amending TRPA Code section 52.3.1 to specify a requirement that the TRPA residential bonus unit pool be 50% affordable, 25% affordable or moderate, and 25% affordable, moderate, or achievable.

3. Working Group Seat. TRPA agrees to add a MAP-nominated staff representative to the working group advising TRPA on Phase 3 policy development. The MAP representative shall be invited to participate on equal footing with any other member of the working group.

4. Phase 3 Policy Considerations. During Phase 3 policy development, TRPA will include, *inter alia*, good faith discussions of:

4.1 Income limits on achievable housing, including but not limited to an income cap not to exceed 245% of the respective local jurisdiction's area medium income, along with a local living/work requirement and enforcement/audit provisions;

4.2 An assessment of criteria to address potential site-specific impacts, including but not limited to impacts to scenic resources and public safety (wildfire dangers and evacuation hazards) in the event that TRPA considers development incentives in areas outside of Town Centers;

4.3 Refining criteria for additional height outside of Town Centers;

4.4 Incentives/programs to unlock the existing housing supply, including but not limited to regulation of short term rentals and investment in Lease to Locals, down payment assistance, workforce, or equivalent programs;

4.5 Additional strategies for reduction of vehicle miles traveled ("VMT"),

including but not limited to e-bike share programs at project sites or in Town Centers to offset summer/fall transit needs, and micro-transit programs tied to project approvals; and

4.6 A one spot per unit minimum parking requirement.

5. Phase 3 Environmental Impact Statement. TRPA intends to prepare an Environmental Impact Statement ("EIS") under Article VII of the Bi-State Compact for proposals arising from Phase 3. Preparation of an EIS for Phase 3 shall, *inter alia*:

5.1 Use the existing physical conditions as of the Notice of Preparation date for the environmental baseline for the EIS;

5.2 Use the best science available to analyze potentially significant impacts of the Phase 3 proposals. Accordingly, the environmental review shall include, but is not limited to, up-to-date data and analysis regarding VMT, fire threats and evacuation analysis, water quality/clarity, and air quality;

5.3 Only tier to prior EISs consistent with TRPA Rules of Procedure section 6.12; and

5.4 Review all potentially significant cumulative impacts with special attention to scenic resources (including representative visual simulations) in the event Phase 3 includes any additional height, mass or density increase(s) resulting in potentially significant scenic impacts, which simulations will show what such increases would look like compared to existing physical conditions and compared to development permitted under existing regulations; air and water quality; growth inducing impacts; and emergency evacuation.

6. Potential Phase 3 Litigation. Should MAP timely initiate litigation over TRPA's adoption of Phase 3 policy direction, including the appropriateness or adequacy of the environmental review, TRPA agrees it will not raise res judicata or statute of limitations as a defense to claims arising from Phase 3 but not to claims arising from Phase 2.

7. Environmental Review for Stormwater Treatment Systems. TRPA shall prepare appropriate environmental documentation, including an assessment of growth inducing impacts, for any future TRPA approved area-wide stormwater treatment system projects.

8. Attorneys' Fees and Costs. The Parties shall bear their own attorneys' fees and costs for this Action. The Parties agree that, notwithstanding TRPA Rules of Procedure section 10.6.2 or any other rule or code, TRPA shall bear the entire cost, including but not limited to any production costs or preparation time, of the administrative record for this Action. TRPA also agrees that, in the event of litigation regarding Phase 3, TRPA agrees to minimize record preparation costs by, to the extent relevant, utilizing and supplementing the record it has prepared for the Phase 2 litigation.

9. Dismissal with Prejudice. Within thirty (30) court days after TRPA provides MAP with a final copy of the TRPA ordinance approving the Section 2 Amendments, the Parties shall

file a Stipulation for Dismissal with Prejudice and Continuing Jurisdiction and [Proposed] Order ("Stipulation for Dismissal") in a form substantially similar to Exhibit A.

10. Agreement in the Event of Non-Approval, Rescission, or Modification of Section 2 Amendments. The filing of the Stipulation for Dismissal is expressly contingent upon the TRPA Board's approval of the Section 2 Amendments. If, on or before September 30, 2024, the TRPA Board (a) does not approve the Section 2 Amendments or any part of them, (b) approves a modified version of the Section 2 Amendments that MAP in its sole discretion determines is substantially different, or (c) approves the Section 2 Amendments but then rescinds or modifies the approval prior to the Court's dismissal of this Action, then MAP shall have the option of terminating the Agreement unilaterally and shall provide TRPA with written notice of such termination. The Parties shall meet and confer within thirty (30) court days of such TRPA Board decision in order to determine whether MAP will terminate the Agreement or whether the Parties can agree to a mutually agreeable modification of the Agreement. If the Board approves the Section 2 Amendments but then rescinds or modifies that approval after the Court has dismissed this Action, TRPA agrees that MAP may challenge that rescission or modification as part of any challenge to the Phase 3 approvals and TRPA shall execute any tolling agreement(s) necessary for this purpose.

11. Notice of Agreement and Extension for Lodging of the Administrative Record. The Parties agree to, within ten (10) court days of the Effective Date of this Agreement, file a Notice of Conditional Settlement with the Court pursuant to Local Rule 160. The Parties further agree to stipulate to further extensions of the deadline for lodging the Administrative Record as necessary to allow adequate time for the TRPA Board to consider the Section 2 Amendments plus ten (10) court days following any decision by the Board on the Section 2 Amendments. Should the Court deny the requested extension, the Parties agree to jointly request a stay of the Action until the Board has had adequate time to consider the Section 2 Amendments.

12. Mutual Release. Mutual Release. In consideration for the promises set forth in this Agreement, except for the Parties' respective obligations expressly set forth in this Agreement, each of the Parties do hereby mutually release, acquit, and forever discharge the other Party, from any and all claims, obligations, costs, expenses, damages, losses, liabilities, suits, debts, demands, and benefits (including attorneys' fees and costs actually incurred), of whatever character, in law or in equity, known or unknown, suspected or unsuspected, matured or unmatured, of any kind or nature whatsoever, now existing, based on any act, omission, event, occurrence, or nonoccurrence giving rise to or arising under the Action. Nothing in this release shall be construed to limit MAP from raising any claims with respect to any future policy approval or development project, including but not limited to Phase 3 or any proposed amendment to Phase 2, that could be raised by any member of the public or to limit TRPA's defenses to such claims.

13. No Assignment. The Parties represent and warrant that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claim, demand, cause of action, obligation, damage or liability released in Section 12 above.

14. Release of Unknown Claims. For the purpose of implementing a full and complete release, the Parties expressly acknowledge that the releases they give in this Agreement are intended to include in effect, without limitation, claims of which the Party had no knowledge existed or suspected existed in its favor at the time this Agreement is executed, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under the Agreement was also for the release of those claims and contemplates the extinguishment of any such unknown claims. In furtherance of the settlement, the Parties waive any right they may have under California Civil Code § 1542 (and other similar statutes and regulations), which states:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

15. Specific Performance. Each Party expressly agrees that the provisions of this Agreement shall be specifically enforceable by any affected Party. Except for as provided elsewhere in this Agreement, each Party hereto waives and relinquishes all claims for damages arising from a claim based on breach of this Agreement by any other Party, and agrees that specific performance shall be the exclusive remedy for the breach of any duty or obligation in this Agreement. The Parties agree that damages are an inadequate remedy for a breach of this Agreement. This Agreement shall be admissible in any proceeding for its enforcement in accordance with Sections 1118 and 1123 of the California Evidence Code and applicable federal rules and regulations.

16. Dispute Resolution.

16.1 If a dispute arises concerning any controversy or claim arising out of or relating to any provision of this Agreement or the breach thereof or relating to its application or interpretation, the aggrieved Party must notify the other Party of the dispute in writing with the subject line including the words "Breach of Agreement." If the Parties fail to resolve the dispute within thirty (30) days after delivery of such notice, each Party will promptly nominate a representative of its organization/agency to meet and confer at any mutually-agreed time and location to attempt to resolve the dispute. The Parties shall meet and confer in good faith to reach a just and equitable solution satisfactory to the Parties.

16.2 Except for disputes related to Section 5 or Section 7, which are addressed in Section 16.3, if the Parties are unable to resolve the dispute within sixty (60) days after the initial notice of the dispute, the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory nonbinding mediation initiated and conducted under the applicable rules of the American Arbitration Association in effect as of the Effective Date or other rules agreed to in writing by the Parties, before having recourse in a court of law. The Parties shall select a mediator no more than thirty (30) days following the running of the sixty-day deadline, unless the Parties, each in their sole discretion, agree to extend the deadline. Each Party shall bear its own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the

cost of any proofs or expert advice produced at the direct request of the mediator, shall be paid or reimbursed by the Parties equally. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including without limitation any materials prepared or submitted or any positions taken by or on behalf of either Party, shall be inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128 and federal law, including Federal Rule of Evidence 408), unless such admission is otherwise agreed upon in writing by the Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. If the dispute is not resolved within sixty (60) days after selection of the mediator, the mediation shall be deemed closed and the dispute deemed unresolved unless the Parties, each in its sole discretion, agree to extend the mediation period until a date certain; the Parties may, each in its sole discretion, agree to any number of such extensions but such extensions shall always be until a date certain. Once the mediation is deemed closed, either Party may seek a court order demanding specific performance, either as a motion to enforce the Agreement pursuant to the Court's Order dismissing and retaining jurisdiction over the action or as a separate action for breach of contract.

16.3 For any dispute related to Section 5 or Section 7 of this Agreement, the Parties agree that, after the notification and meet and confer process identified in Section 16.1, any continued disputes shall be addressed as part of the administrative process. Should the Parties fail to resolve the dispute during the administrative process, the Parties agree that the matter may be addressed as a claim or defense in conjunction with any litigation challenging a TRPA approval related to Phase 3 or a stormwater treatment system. Such claim or defense may be brought as a request for specific performance of an obligation under the Agreement and/or as a claim or defense under any other applicable law.

17. Notices. All notices and other communications required to be provided pursuant to this Agreement shall be by e-mail, followed by first class mail to the following persons at the following addresses:

TO MAP:

Alexis Ollar
Sophia Heidrich
Mountain Area Preservation Foundation
P.O. Box 25
Truckee, CA 96160
Telephone: (530) 587-3161
E-Mail: Alexis@MAPF.org; Sophia@MAPF.org

Attorneys for MAP:

Amy Bricker
Susannah French
Richard Taylor
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, California 95825
Telephone: (415) 552-7272
E-mail: Bricker@smwlaw.com; french@smwlaw.com ; RTaylor@smwlaw.com

TO TRPA:

Julie W. Regan, Executive Director
Tahoe Regional Planning Agency
P.O. Box 5310
Stateline, NV 89449
Telephone (775) 588-4547
Email: jregan@trpa.gov

Attorneys for TRPA:

John L. Marshall
Graham St. Michel
P.O. Box 5310
Stateline, NV 89449
Telephone: (415) 552-7272
E-mail: jmarshall@trpa.gov; gstmichel@trpa.gov

18. Advice of Counsel. In executing this Agreement, the Parties acknowledge that they have consulted with and been advised by their respective attorneys, and that they have executed this Agreement voluntarily after independent investigation, and without fraud, duress or undue influence. The Parties further acknowledge and agree that they have had a reasonable period of time for deliberation before executing this Agreement and that, in deciding to enter into this Agreement, they did not rely on any oral or written representation or statement by the other Party or any attorney, or other agent or representative of the other Party, including but not limited to any representation or statement about the subject matter, basis, or effect of this Agreement.

19. Future Waivers. No waiver by the Parties or by their respective attorneys of any condition, provision, or term of this Agreement shall be deemed a waiver of any other condition, provision, or term of this Agreement at the same or any other time.

20. Modification. This Agreement may be modified only in a writing signed by the Parties.

21. No Admission of Liability. The Parties acknowledge that this Agreement represents a compromise and final settlement of disputed claims and that performance of its terms is not to be construed as an admission or adjudication of any liability or wrongdoing whatsoever by any Party to this Agreement nor regarding any Party's views of the facts, or the law, as they pertain to the Action.

22. No Representations. Each party to this Agreement acknowledges that it is fully aware of the significance and legal effect of this Agreement, including its release provisions, and is not entering into this Agreement in reliance on any representation, promise, or statement made by any Party, except those explicitly contained in this Agreement.

23. Mistake. Each of the Parties to this Agreement has investigated the facts pertaining to this Agreement to the extent each Party deems necessary. In entering into this Agreement, each Party assumes the risk of mistake with respect to such facts. This Agreement is intended to be final and binding upon the Parties regardless of any claim of mistake.

24. Severability. The provisions of this Agreement are contractual, and not mere recitals, and shall be considered severable, so that if any provision or part of this Agreement shall at any time be held invalid, that provision or part thereof shall remain in force and effect to the extent allowed by law, and all other provisions of this Agreement shall remain in full force and effect, and be enforceable.

25. Jointly Drafted. This Agreement has been jointly drafted, and any rule that it be construed against the drafting party is not applicable.

26. Applicable Law. This Agreement shall be interpreted under the laws of the State of California.

27. Construction. This Agreement has been reviewed by the Parties, and by their respective attorneys, and the Parties have had a full opportunity to negotiate the contents of this Agreement. The Parties expressly waive any common law or statutory rule of construction that ambiguity should be construed against the drafter of this Agreement and agree that the language in all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning.

28. No Third Party Beneficiaries. The mutual promises in this Agreement are intended only for the benefit of the Parties. The Parties agree that there are no intended or incidental third party beneficiaries to this Agreement.

29. Survival of Provisions. All promises, covenants, releases, representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

30. Attorneys' Fees Arising Out of The Enforcement of the Agreement. In the event of litigation arising out of any alleged breach of this Agreement, each party shall bear its own fees and costs.

31. Binding Effect. This Agreement shall bind and inure to the benefit of each Party and each Party's successors, assigns, heirs, officers, directors, employees, members, representatives, managers, principals and agents.

32. Effective Date. This Agreement shall be effective as of the latest date upon which all of the signatories have signed the Agreement.

33. Execution in Counterpart. This Agreement may be executed in counterpart, and all executed copies are duplicate originals, equally admissible in evidence. The Parties agree that the transmission of an executed copy of this Agreement by e-mail shall be valid and binding, and shall have the same full force and effect as if an executed original of this Agreement had been delivered.

34. Entire Agreement. This Agreement contains the entire agreement among the Parties hereto with respect to the matters covered hereby, and supersedes all prior agreements, written or oral, among the Parties. No other agreement, statement or promise made by any Party not contained herein shall be binding or valid.

35. Further Documents. Each party will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents as may be necessary in order to consummate this Agreement.

36. Time Of the Essence. Time is of the essence of this Agreement and of the performance by each Party hereto of the obligations on that Party's part to be performed.

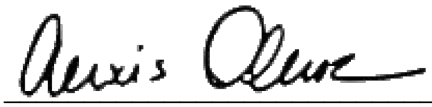
37. Force Majeure Events. If any Party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or other materials or reasonable substitute for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire, flood, storm, explosion, earthquake or other casualty, or any other cause beyond the reasonable control of the Party obligated to perform, then that Party's performance shall be excused to the extent performance is no longer practically possible. To the extent that obligations can still be performed as a practical matter at the termination of any of the events described above, then performance of the obligations shall be delayed for a period equal to the period of such cause for failure to perform.

38. Recitals in Caption. The recitals in the captions of the paragraphs and subparagraphs of this Agreement are for convenience and reference only; the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

39. Warranty of Authority. The Parties represent and warrant that they have full authority to enter into, deliver, and perform under this Agreement, and that all acts and actions have been taken to grant such authority, and that no third-party consent, which has not already been obtained, is required. Each of the signatories to this Agreement represent and warrant that they are authorized to execute this Agreement on behalf of the Party for whom they executed this Agreement.

40. None of the Parties will make any public statements or issue any press release about this Agreement prior to the day after the Agreement's Effective Date.

MOUNTAIN AREA PRESERVATION FOUNDATION



BY: Alexis Ollar, Executive Director

DATED 07/01/2024

TAHOE REGIONAL PLANNING AGENCY

_____

BY: Julie W. Regan, Executive Director

DATED _____

APPROVED AS TO FORM:

SHUTE, MIHALY & WEINBERGER LLP

BY: Amy Bricker, Counsel for Mountain Area Preservation Foundation

DATED 07/01/2024

TAHOE REGIONAL PLANNING AGENCY

_____

BY: Graham St. Michel, Associate Counsel

DATED _____

40. None of the Parties will make any public statements or issue any press release about this Agreement prior to the day after the Agreement's Effective Date.

MOUNTAIN AREA PRESERVATION FOUNDATION

_____
BY: Alexis Ollar, Executive Director

DATED _____

TAHOE REGIONAL PLANNING AGENCY

Julie W. Regan
BY: Julie W. Regan, Executive Director

DATED 7-1-24

APPROVED AS TO FORM:

SHUTE, MIHALY & WEINBERGER LLP

_____
BY: Amy Bricker, Counsel for Mountain Area Preservation Foundation

DATED _____

TAHOE REGIONAL PLANNING AGENCY

Graham St. Michel
BY: Graham St. Michel, Associate Counsel

DATED 7-1-24

EXHIBIT A

AGENDA ITEM NO. 4.A.

SUSANNAH T. FRENCH (State Bar No. 168317)
AMY J. BRICKER (State Bar No. 227073)
SHUTE, MIHALY & WEINBERGER LLP
396 Hayes Street
San Francisco, California 94102
Telephone: (415) 552-7272
Facsimile: (415) 552-5816
French@smwlaw.com
Bricker@smwlaw.com

Attorneys for Plaintiff
Mountain Area Preservation Foundation

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

MOUNTAIN AREA PRESERVATION FOUNDATION,

Plaintiff,

v.

TAHOE REGIONAL PLANNING AGENCY,

Defendant.

Case No. 2:24-cv-00441-AC

STIPULATION FOR DISMISSAL AND CONTINUING JURISDICTION; [PROPOSED] ORDER

AGENDA ITEM NO. 4.A.

Pursuant to Rule 41 (a)(1)(ii) of the Federal Rules of Civil Procedure ("Fed. R. Civ. P."), and subject to approval of the Court, Plaintiff Mountain Area Preservation Foundation ("MAP") and Defendant Tahoe Regional Planning Agency ("TRPA") (collectively, the "Parties"), by and through their respective counsel of record, hereby stipulate as follows:

WHEREAS, on December 13, 2023, the TRPA Governing Board approved the Phase 2 Housing Amendments ("Phase 2" or "Amendments"), including the adoption of Ordinance 2023-07, amending the TRPA Code; Ordinance 2023-08, amending the TRPA Regional Plan Goals and Policies; and the adoption of Environmental Findings and Finding of No Significant Effect ("FONSE") based on an Initial Environmental Checklist ("IEC");

WHEREAS, the Amendments modify standards for designated development to allow higher, denser development and are intended to accelerate the construction of deed-restricted affordable, moderate or achievable housing, and associated mixed-use development in specified areas;

WHEREAS, on February 9, 2024, MAP filed a Complaint for Injunctive and Declaratory Relief ("Complaint") in this court (Case No. 2:24-cv-00441-AC, hereinafter "Action"), alleging that TRPA had violated the Tahoe Regional Planning Bi-State Compact ("Compact"), the TRPA Regional Plan, and TRPA regulations in its approval of the Amendments;

WHEREAS, on April 29, 2024, TRPA filed its Answer to the Complaint, wherein it denied the allegations in the Complaint and claimed the environmental review was consistent with applicable law;

WHEREAS, the Parties' attorneys held settlement discussions and determined that the Parties jointly recognized the need for and agreed to work together to increase lower income and workforce housing options in the Lake Tahoe Basin, while also preserving the unique environmental attributes of the Tahoe Basin;

WHEREAS, the Parties would rather utilize their respective resources for cooperatively solving housing issues rather than litigating over TRPA's Phase 2 efforts;

WHEREAS, on [date], the Parties reached a settlement, subject to TRPA's adoption of proposed amendments ("Proposed Amendments") to the Phase 2 approvals at issue in this Action. Pursuant to Local Rule 160, a copy of the Settlement Agreement ("Settlement Agreement") was submitted to the Court on [DATE];[1]

WHEREAS, under the terms of the Settlement Agreement, if TRPA approved the Proposed Amendments by September 30, 2024, MAP, with concurrence of TRPA, would dismiss this Action with prejudice and the Parties would request an order providing for continuing jurisdiction of the Court to enforce the rights and obligations of the Parties to the Settlement Agreement;

WHEREAS, on June 26, 2024, TRPA adopted the Proposed Amendments, a copy of which is attached hereto as Exhibit 1;

NOW, THEREFORE, SUBJECT TO THE APPROVAL OF THE COURT, IT IS HEREBY STIPULATED as follows:

1. Pursuant to Fed. R. Civ. P. 41(a)(1)(ii), the Parties hereby jointly request dismissal of the above-captioned actions and all claims therein, with prejudice and without fees or costs to any side;

2. The Court shall retain continuing jurisdiction over the above-captioned matter for the limited purpose of enforcing the rights and obligations of the Parties as set forth in the Settlement Agreement.

DATED: ___, 2024

SHUTE, MIHALY & WEINBERGER LLP

By: _____
SUSANNAH T. FRENCH
AMY J. BRICKER

Attorneys for Plaintiff
Mountain Area Preservation Foundation

[1] Insert Docket Number

DATED: ___, 2024

TAHOE REGIONAL PLANNING AGENCY

By: (authorized on DATE)
JOHN L. MARSHALL
MARSHA A. BURCH
GRAHAM ST. MICHEL

Attorneys for Defendant
Tahoe Regional Planning Agency

[PROPOSED] ORDER

Upon the stipulation of the parties, and for good cause shown, the Court hereby ORDERS as follows:

1. Pursuant to Fed. R. Civ. P. 41(a)(1)(ii), the Parties' joint request for dismissal of the above-captioned actions and all claims therein, with prejudice and without fees or costs to any side, is GRANTED.

2. The Court shall retain continuing jurisdiction over the above-captioned matter for the limited purpose of enforcing the rights and obligations of the Parties as set forth in the Settlement Agreement.

IT IS SO ORDERED.

DATED: _____, 2024

_____
Hon. Allison Claire

1787754.1

EXHIBIT 1

AGENDA ITEM NO. 4.A.

TAHOE REGIONAL PLANNING AGENCY
ORDINANCE 2024-05

AN ORDINANCE AMENDING AND ORDINANCE 87-9, AS AMENDED, TO AMEND TRPA'S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO

The Governing Board of the Tahoe Regional Planning Agency does ordain as follows:

Section 1.0 Findings

1.10 The Tahoe Regional Planning Compact (P. L. 96-551, 94 Stat. 3233, 1980) created the Tahoe Regional Planning Agency (TRPA) and empowered it to set forth environmental threshold carrying capacities ("threshold standards") for the Tahoe Region.

1.15 The Compact directs TRPA to adopt and enforce a Regional Plan that, as implemented through agency ordinances, rules and regulations, will achieve and maintain such threshold standards while providing opportunities for orderly growth and development consistent with such thresholds.

1.20 The Compact further requires that the Regional Plan attain and maintain federal, state, or local air and water quality standards, whichever are strictest, in the respective portions of the region for which the standards are applicable.

1.25 Compact Art. V(c) states that the TRPA Governing Board and Advisory Planning Commission shall continuously review and maintain the Regional Plan.

1.30 In June 1987, the TRPA Governing Board adopted Ordinance 87-9, which established the Regional Plan and included, amongst other things, the Goals & Policies and the Code of Ordinances ("Code").

1.40 TRPA has made the necessary findings required by Article V of the Compact, Chapter 4 of the Code, and all other applicable rules and regulations, and incorporates these findings fully herein.

1.55 Each of the foregoing findings is supported by substantial evidence in the record.

Section 2.0 Amendment of the TRPA Code of Ordinances

2.10 Ordinance 87-9, as previously amended, is hereby amended as shown in Attachment B.

Section 3.0 Interpretation and Severability

3.10 The provisions of this ordinance adopted hereby shall be liberally construed to effectuate their purpose. If any section, clause, provision, or portion thereof is declared unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby. For this purpose, the provisions of this ordinance are hereby declared respectively severable.

Section 4.0 Effective Date

4.10 This ordinance shall be effective 60 days after adoption.

PASSED AND ADOPTED by the Governing Board of the Tahoe Regional Planning Agency at a regular meeting held June 26, 2024 by the following vote:

Ayes: Mr. Bass, Ms. Aldean, Ms. Conrad-Saydah, Mr. Aguilar, Ms. Faustinos, Ms. Hill, Mr. Rice, Mr. Ferry, Mr. Settelmeyer, Ms. Leumer, Ms. Gustafson.

Nays: None

Abstentions: None

Absent: Mr. Hoenigman and Ms. Williamson

Cindy Gustafson, Chair
Tahoe Regional Planning Agency
Governing Board

Attachment B: Proposed Code Amendment Language

30.4.2.B.5 Affordable, Moderate, and Achievable Housing outside Centers

The maximum land coverage allowed on a parcel for multi-residential developments, mixed-use developments with a residential component as described in subsection 36.13, or accessory dwelling units, provided they are 100 percent deed-restricted affordable, moderate, or achievable and utilize bonus units, shall be limited to 70 percent of the project area that is located within Land Capability Districts 4 through 7, subject to the following standards:

a. All runoff from the project area must be treated by a stormwater collection and treatment system ~~if a system is available for the project area~~. The stormwater collection and treatment system must meet applicable TRPA requirements~~,~~; and a county or city, a utility, a community service or improvement district, or similar public entity with a sustainable funding source must assume perpetual responsibility for operation and maintenance; and the system must be permitted by the applicable state water quality agency or agencies (i.e., LRWQCB or NDEP depending on where it is located), as required to be included as a component of the TMDL pollutant load reduction measures credited to the entity or entities where the system is located.~~;~~ ~~or~~

b. To transfer in coverage above the base allowable coverage, the project shall not construct any parking spaces above the parking minimums set by local or state standards, except when required to meet Americans with Disabilities Act requirements or to provide parking for bicycles.

c. The project is exempt from the density maximums per section 31.4.1.A and subject to the parking standards specified in Section 34.4.1, unless an area plan specifies alternative standards per Section 13.5.3.I.C.1.

d. The additional coverage for accessory dwelling units is limited to 1,200 square feet or 70 percent of the project area, whichever is less, that is located within Land Capability Districts 4 through 7 or on parcels that are buildable based on their IPES score. Additional land coverage shall be used only for the accessory dwelling unit, and includes decks and walkways associated with the accessory dwelling unit. This coverage shall not be used for parking.

30.4.2.B.6 Stormwater Collection and Treatment Systems for Affordable, Moderate, and Achievable Housing

Multi-residential developments, mixed-use developments with a residential component, as described in subsection 36.13, or accessory dwelling units, provided the units are 100 percent deed-restricted affordable, moderate, and achievable, utilize bonus units and are located in Land Capability Districts 4 through 7 and within an approved area plan, may increase maximum land coverage above 70 percent in centers, subject to the following standards:

a. All runoff from the project area must be treated by a stormwater collection and treatment system ~~if a system is available for the project area~~. The stormwater collection and treatment system must meet applicable TRPA requirements; and~~,~~ a county or city, a utility, a community service or improvement district, or similar public entity with a sustainable funding source must assume perpetual responsibility for operation and maintenance; and

the system must be permitted by the applicable state water quality agency or agencies (i.e., LRWQCB or NDEP depending on where it is located), as required to be included as a component of the TMDL pollutant load reduction measures credited to the entity or entities where the system is located.

b. To transfer in coverage above 70 percent, the project shall not construct any parking spaces above the parking minimums set by local or state standards, except when required to meet Americans with Disabilities Act requirements or to provide parking for bicycles.

c. The project is exempt from the density maximums per section 31.4.1.A and the parking minimums per Section 34.4.1, unless an area plan specifies alternative standards per Section 13.5.3.I.C.1.

52.3.1. Assignment of Bonus Units

A maximum of 1,400 residential bonus units may be approved by TRPA pursuant to this section. Residential bonus units may be made available to affordable, moderate, and achievable-income single and multi-family housing projects subject to the criteria in subsection 52.3.4 below. ~~Eight-hundred and forty three~~Five-hundred sixty-two (562) ~~(843)~~ of the 1,124, or ~~three quarters~~one half, of the remaining as of December 24, 2018, residential bonus units from the TRPA pool, whichever is less, shall be used for affordable ~~or moderate-income~~ housing units; ~~the remaining~~ 281, or one quarter of the remaining, residential bonus units from the TRPA pool, whichever is less, shall be used for affordable or moderate income housing units; and 281, or one quarter of the remaining residential bonus units from the TRPA pool, whichever is less, may be used for affordable, moderate-income, or achievable housing units.

Attachment C

Definitions of “Achievable” and “Affordable-by-Design” housing

Attachment C – Definitions

Affordable-by-design housing: A term used to describe non-deed-restricted housing that may be eligible for some incentives under this proposal including partial fee reductions, process streamlining, and access to bonus units. Affordable-by-design housing includes:

- Multifamily rental housing with restrictions on conversion to for-sale housing for a minimum of 15-years after which time it may be converted to deed-restricted Achievable condominiums.[1]
- Multifamily housing in a mixed-income project with a required minimum amount of deed-restricted affordable, moderate or achievable housing
- Accessory Dwelling Units under 1200 square feet
- Innovative housing types or models aimed at creating naturally occurring affordable housing, e.g. tiny homes, land trusts, co-housing, dormitories
- Single-family homes converted to duplexes, triplexes, or fourplexes

All housing types utilizing bonus units would be subject to restrictions prohibiting their use as short term rentals.

This definition is found in the "Key Terms" section of Attachment A of the January 28, 2026 Governing Board item VII.A.

Achievable Housing: Single or multi-family residential development to be used exclusively as a residential dwelling by permanent residents who meet one or more of the following criteria:

1. Have a household income not in excess of 120 percent of the respective county's area median income (AMI) (moderate income households and below); or
2. At least one occupant of the household works at least 30 hours per week or full-time equivalency for an employer with a business license or tax address within the Tahoe region or Tahoe-Truckee Unified School District (TTUSD), including but not limited to public agencies and not-for-profit employers, and which requires the employee's physical presence within the boundaries of the Tahoe region or TTUSD in order to complete the task or furnish the service for an average of at least 30 hours per week on an annual basis, or seasonal basis for seasonal work. Full-time equivalency may be confirmed by employer; or
3. Is a retired person who has lived in the Tahoe Basin for more than seven years.

[1] Consistent with the 15-year restriction on condominium conversions for rental projects under the Low-Income Housing Tax Credit compliance period. The 15-year restriction on conversion is intended to protect tenants from unexpected loss of housing and maximize public incentives and subsidies for workforce housing while allowing opportunities for home ownership.

The employment requirement may be waived for accessory dwelling units when the unit is occupied by a family member related by birth, marriage or adoption to the owner of the primary dwelling. TRPA may include asset limits for purchasers of deed-restricted homes.

Achievable housing units shall meet the criteria and restrictions in accordance with Chapter 52: *Bonus Unit Incentive Program*.

This definition is found in Chapter 90 of the Code of Ordinances.