TAHOE REGIONAL PLANNING AGENCY

TRPA
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NOTICE OF PREPARATION

Date: January 29, 2026

To: California State Clearinghouse
Nevada State Clearinghouse
Cooperating Agencies
Responsible and Trustee Agencies
Interested Parties and Organizations

Subject: Notice of Preparation of a Draft Environmental Impact Statement for the Cultivating Community, Conserving the Basin: Tahoe Living Housing Policy Amendments

Lead Agency: Tahoe Regional Planning Agency (address above)
Contact email: housing@trpa.gov

Project Title: Cultivating Community, Conserving the Basin: Tahoe Living Housing Policy Amendments

Summary Project Description: The Tahoe Regional Planning Agency (TRPA) is seeking public scoping comments on the scope of an Environmental Impact Statement (EIS) that would evaluate the potential environmental impacts of the Cultivating Community, Conserving the Basin: Tahoe Living Housing and Community Revitalization Policy Amendments (Project). The Project would consist of a package of amendments to the TRPA Regional Plan, Code of Ordinances, and related implementation tools intended to reduce key barriers and costs for workforce housing; align water quality regulations with total maximum daily load (TMDL) implementation and best available science; support town center redevelopment; and increase the range of housing choices for local workers and households facing barriers to housing access. The Project is intended to maintain TRPA's overall growth limits, including through potential refinements to development rights conversions and implementation provisions consistent with the Regional Plan and environmental thresholds.

The Project would not authorize any specific development projects. Instead, it would make targeted revisions to the Basin-wide policy and regulatory framework that local jurisdictions and applicants are subject to when planning and permitting development projects within the Tahoe Basin.

Project Location: The Project area would encompass the jurisdiction of the TRPA Bi-state Compact and Regional Plan – the Lake Tahoe Basin – including lands in both California and Nevada. The policy changes evaluated in the EIS would apply to the TRPA Region as a whole and would be implemented through Basin-wide amendments to the Regional Plan and Code of Ordinances, followed by local implementation through Area Plans and local ordinances, as appropriate.

Project Comment Requested:
In compliance with the Bi-state Compact, Chapter 3 of the TRPA Code of Ordinances, and Article 6 of the TRPA Rules of Procedure, TRPA is preparing an EIS that will inform agency decision makers about the potential environmental effects of the proposed Project. This notice meets the TRPA noticing requirements for a Notice of Preparation (NOP). The purpose of this NOP is to inform agencies and the general public that this environmental document is being prepared for this Project and to invite specific comments on its scope and content. Following receipt of scoping comments, a Draft EIS will be prepared for public circulation.

TRPA would like to know the views of interested persons, organizations, and agencies as to the scope and content of the information to be included and analyzed in the EIS. Agencies should comment on the elements of environmental information that are relevant to their statutory responsibilities in connection with the proposed policy package and alternatives. The project description, project location, potential alternatives to be evaluated in the EIS, and potential environmental effects of the proposed alternatives (to the extent known) are contained in this NOP.

Your responses should be sent at the earliest possible date, but not later than March 16, to the mailing or email address listed below. Please use the subject line "Tahoe Living NOP" in your letter or email transmittal. If you represent a public agency, private firm, or other entity, please indicate a contact person in your response.

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In addition to the opportunity to submit written comments, a public scoping meeting is being conducted to provide an opportunity to learn more about the Project and to provide comments to TRPA staff and the TRPA Advisory Planning Commission on the scope and content of the information to be included and analyzed in the EIS. The scoping meeting will be held at the following time and location:

Wednesday, February 11, 2026 – Meeting Begins at 9:30 am, Pacific Time
TRPA Advisory Planning Commission (check hearing agenda, available one week prior on the TRPA website, for timing of the Tahoe Living NOP item)
TRPA Meeting Rooms (see address above)

PROJECT BACKGROUND

Local jurisdictions, housing advocates, environmental organizations, employers, and community members have consistently identified housing availability and affordability for local workers and communities with greater housing access needs as a major challenge in the Lake Tahoe Region. The mix of existing housing available and being constructed is often not accessible to workforce households that work within the Tahoe Basin.

In response, TRPA has advanced several initiatives to address these issues, including Phase 1 of the Tahoe Living Initiative, which created new allowances and incentives for accessory dwelling units (ADUs) and updated policies to encourage older motels and hotels to convert into residential units. The Tahoe Living Phase 2 Amendments created additional incentives through changes to development standards like height, density, and coverage for deed-restricted affordable and workforce housing.

In 2024, TRPA began a multi-year project called "Cultivating Community, Conserving the Basin" to make housing more accessible while maintaining and improving environmental protections. TRPA convened a Tahoe Living Working Group and Community Partner Group to identify remaining Code and policy barriers to the production and availability of housing for local workers, including the cost and complexity of developing workforce units, challenges with land coverage and stormwater requirements, and limited tools for encouraging a range of housing options, including occupancy of the existing housing stock. The Policy Recommendations Report details a suite of potential policy changes organized into three primary topic areas:

- Reduce costs and barriers for smaller housing types;
- Encourage water quality improvements through incentives that help achieve the housing need; and
- Increase housing choice.

The proposed Project would implement all or a subset of the policy concepts as Regional Plan and Code amendments. The EIS will evaluate at a programmatic level the potential environmental effects of the policy concepts.

PROJECT OBJECTIVES

The overarching vision for the Project is to adapt TRPA policy, regulations, and programming to facilitate community vitality and compact, walkable neighborhoods, and to support progress toward addressing housing needs in the Lake Tahoe Basin, while maintaining and improving conservation and preservation of Lake Tahoe and the surrounding environment.

More specifically, the Project would seek to:

- Direct development into compact, walkable neighborhoods to limit the impact of sprawl development, create a healthy living environment, preserve surrounding natural areas, and create vibrant communities where people live and work.
- Increase the availability of affordable and/or workforce housing in the Lake Tahoe Basin to support the regional economy and local businesses.

- Minimize the risk of natural hazards for new and existing housing.
- Provide for a range of housing types that meet the proportion of housing needed for different income groups as identified in the Housing Needs Assessment.
- Advance a range of housing options for individuals and families of all types and income levels to ensure greater housing occupancy, community vitality and stability, and upward mobility for local households and families.
- Incentivize and reduce costs and barriers for smaller housing types with lower environmental impacts.
- Encourage mixed-income rental and for-sale housing. Simplify development processes, regulations, and environmental review for smaller units and multifamily housing that achieve environmental goals to facilitate and reduce costs for affordable and workforce housing.
- Encourage access to quality housing near education, recreation, jobs, services, and other opportunities for low-income households, seniors, BIPOC (Black, Indigenous, and People of Color) community members, and those with disabilities.
- Preserve, improve, and support occupancy of existing housing by local households.
- Minimize displacement of current residents.

DETAILED PROJECT DESCRIPTION

The Project will be a program-level policy and code package implemented through amendments to the TRPA Regional Plan, Code of Ordinances, and related procedures. The Final EIS is intended to support the adoption of specific code language that is developed to implement the policy concepts.

For purposes of this NOP, the Project is organized into three primary components, which together make up the policy package to be evaluated in the EIS:

- Reduce costs and barriers for smaller housing types;
- Encourage water quality improvements through incentives that help achieve the housing need; and
- Increase housing choice.

Wherever possible, the Project seeks to organize incentives according to the following tiers:

- Tier 1—Includes deed-restricted affordable- and moderate-income housing units. These units would receive the strongest incentives to reduce costs through reduced and waived development fees and streamlined processes.
- Tier 2—Includes deed-restricted achievable housing units and housing units meeting the criteria for "affordable-by-design."[1] These units would receive some additional incentives including access to a limited pool of affordable-by-design bonus units, streamlined processes, and reduced

development fees (though not as heavily reduced as tier 1) and are restricted against use as short-term rentals.

- Tier 3—Includes all other housing types not included in tiers 1 and 2. These include unrestricted condominiums and detached single-family homes. These units would not receive incentives under this policy proposal, and processing requirements and development fees may be increased based on an impact-based nexus.

Each component is summarized below at a level of detail appropriate for scoping.

1. **Reduce Costs and Barriers for Smaller Housing Types**

This component would focus on changes to development rights, bonus units, mitigation fees, and environmental review processes in order to better support smaller, more affordable housing types and efficient use of the remaining growth potential in the Basin, while maintaining overall growth limits through refinements to development-rights conversions and other implementation provisions consistent with the Regional Plan and environmental thresholds.

A detailed description of the policy proposal can be found in Attachment A to the January 28, 2026 Governing Board packet. Key elements under consideration include:

- Residential Bonus Units and Development Rights:
    - Converting underutilized TRPA development rights pools, such as Commercial Floor Area (CFA) and Tourist Accommodation Units (TAUs), into residential bonus units that could be used for multifamily housing and ADUs.
    - Expanding eligibility for bonus units to include multifamily rental housing, ADUs, and small-scale conversions (for example, single-family to duplex or fourplex) that meet defined environmental and community criteria.
    - Clarifying administrative procedures for assigning, tracking, and returning bonus units, while maintaining distinctions between units used for deed-restricted and unrestricted housing.
    - Preventing conversion of CFA and TAUs from development rights pools to unrestricted single-family development rights.

- Scaled Development Rights:
    - Scaling residential development rights so that a multifamily residential unit or a bonus unit is worth only a portion of a single-family development right. The EIS will also consider the potential effects of requiring additional development rights for some types of housing. The EIS will also analyze potential impacts of updating existing conversion and scaling ratios, including potential new ratios for conversion to bonus units.

- Allowing Junior Accessory Dwelling Units or equivalent units within the existing footprint of a single-family home as accessory to the primary residence such that separate development rights are not required.

- New Development Contributes Proportionally to Alleviating Housing Need:
  - Evaluating policies that would require all new development, including commercial, tourist, and unrestricted housing, contribute toward meeting the workforce housing need identified in the Housing Needs Assessment.

- Development Costs, Fees, and Process:
  - Considering fee structures that are more closely tied to project size and impact to reduce relative costs for smaller units and multifamily housing while maintaining funding for mobility and environmental mitigation programs.
  - Allowing deferral or alternative payment mechanisms for certain fees for qualifying affordable, moderate, and achievable housing projects.
  - Increasing opportunities for ministerial or administrative-level review and permit delegation for defined classes of qualifying residential projects that demonstrate consistency with Regional Plan policies and thresholds and do not require project-specific EIS or EA-level review.
  - Considering expanding existing environmental review exemption now utilized for single-family houses to additional housing types (tier 1 and tier 2 redevelopment projects, and duplexes, triplexes, and fourplexes). The Bi-state Compact authorizes the Agency to prescribe by ordinance those activities which it has determined will not have substantial environmental effects and are therefore exempt from environmental review. Current exemptions are listed in Section 3.2.2. of the TRPA Code and include construction of single-family houses. At the same time the exemptions for larger single-family homes that may have relatively greater or disproportionate environmental effects may be reduced.

2. **Water Quality – Improvements that also Help Achieve the Housing Need**

This component would update land coverage and stormwater policies to focus on achieving water quality outcomes while allowing compact, infill housing in appropriate locations, particularly in town centers and urbanized areas.

Key elements under consideration include, but are not limited to:

- Parcel-Level Stormwater Treatment:
  - Allowing options other than coverage limitations and area-wide stormwater systems to treat parcel-level stormwater for tier 1 and 2 projects, provided existing water quality treatment standards are met and maintained.

- Providing targeted exemptions or reductions in coverage transfer requirements and Excess Coverage Mitigation (ECM) fees for eligible tier 1 and 2 projects.

- Supporting Land Coverage Policy Options:
  - Using updated soils and hydrologic mapping for land capability determinations where appropriate, with field verification in sensitive areas.
  - Re-evaluating ECM fees to ensure they continue to fund meaningful coverage restoration and water quality improvements while not unduly discouraging desired infill and redevelopment projects that provide housing for local workers.

3. **Increase Housing Choice**

This component would provide more options for housing types, locations, and tenure, with a focus on housing that serves local workers and communities with greater housing access needs and better utilizes existing developed areas.

Key elements under consideration include, but are not limited to:

- Expanded Housing Sites and Allowed Uses:
  - Allowing expansion of incentive areas (for example, town center boundaries or similar overlays) in non-sensitive locations, paired with removal of particularly sensitive lands from existing incentive areas where appropriate.
  - Considering updated use tables or overlays that would allow missing middle housing types such as duplexes, triplexes, and fourplexes in more areas.
  - Allowing residential uses on public and institutional lands, such as school district or utility holdings, where consistent with environmental thresholds and local planning frameworks.
  - Updating use definitions to allow transitional and supportive housing as residential uses wherever multifamily residential uses are allowed and considering ministerial review pathways for these housing types in appropriate zones.

- Building Renovation, Rehabilitation, and Adaptive Reuse:
  - Providing targeted fee reductions or waivers and best management practices (BMP) flexibility for small-scale rehabilitation projects that improve life safety, habitability, or energy performance without substantially expanding building footprint or intensity.
  - Encouraging adaptive reuse of underutilized commercial or industrial structures for residential or mixed-use projects where environmental performance can be maintained or improved.

- Housing Occupancy and Deed-Restricted Housing Support:
    - Encouraging programs that increase occupancy of existing homes by local workers, for example through lease-to-local programs, down payment assistance with occupancy requirements, or stronger integration of short-term rental management into TRPA's system for distributing development right allocations to local jurisdictions.
    - Supporting the establishment of one or more regional housing entities or housing authorities that could manage deed-restriction portfolios and coordinate long-term compliance and enforcement.
    - Exploring options for stable funding sources to support deed-restricted housing.

- Development Standards and Area Plan Process Improvements:
    - Allowing local governments to implement higher localized height and density standards for multifamily housing where growth limits, land coverage, height, and other building envelope standards effectively regulate intensity, and where local governments show progress toward increasing occupancy of existing housing stock.

POTENTIAL ALTERNATIVES

TRPA is conducting Project Scoping to develop the scope and content of the information to be included and analyzed in the EIS. TRPA Code of Ordinances Subsection 3.7.1.B requires that an EIS study, develop, and describe appropriate alternatives to recommended courses of action for any project that involves unresolved conflicts concerning alternative uses of available resources. Alternatives for evaluation in the EIS will be developed in consultation with TRPA staff, based on input received from members of the TRPA Advisory Planning Commission, other responsible agencies, stakeholders, and the public. Potential alternatives may include, but are not limited to, the following:

- No Project / No Policy Amendments:
    - Under this alternative, TRPA would not adopt the Tahoe Living policy amendments. Existing Regional Plan and Code provisions, including the Tahoe Living Phase 2 amendments, would remain in place. New housing and redevelopment would continue under existing incentives, standards, and fee structures.

- Partial Policy Package:
    - An alternative that would adopt only a subset of the proposed policy components, such as water quality and land coverage changes without broader bonus unit or development rights reforms, or vice versa, in order to evaluate a more limited scope of change.

- Environmentally Focused Alternative:
    - An alternative that would emphasize water quality and threshold protection by, for example, prioritizing coverage and stormwater reforms, focusing incentives in areas with

existing area-wide treatment, and limiting some of the proposed geographic expansions of incentives, while still providing some support for workforce housing.

- Housing-Forward Alternative:
    - An alternative that would emphasize housing production and preservation outcomes by strengthening certain incentives for workforce and deed-restricted housing, potentially expanding the scope of bonus unit and fee reforms, while maintaining required environmental protections and growth limits.

- Other alternatives that may be added to the analysis based on input received during the NOP scoping period, focused on avoiding or reducing potentially significant environmental effects while still attaining the goals of the Project.

ISSUES TO BE ADDRESSED IN THE EIS

TRPA has determined that an EIS is required because the Project could result in potentially significant impacts to environmental resources, both beneficial and adverse, primarily through its influence on the location, type, and scale of future development and redevelopment under existing growth limits. The EIS will identify the potentially significant environmental effects of the Project, including those resulting from implementation of the amended policies over time. The EIS will use the existing physical conditions as of the date of this NOP for the environmental baseline for the EIS. The following subject areas include potential environmental effects associated with the proposed Project. TRPA will explore these further during Project scoping and subsequent preparation of the Draft EIS.

Land Use, Neighborhood Compatibility, and Growth Management. The Project may modify the policy framework that guides where and how future residential development and redevelopment occur in the Basin, including the distribution of development rights, incentives, and standards. The Draft EIS will evaluate consistency with TRPA's growth management system, Regional Plan land use pattern and sensitive lands protection strategies, Area Plans, and the potential for changes in neighborhood character and land use patterns, particularly in and near town centers and other urbanized areas.

Hydrology (Surface Water, Groundwater) and Water Quality. The Project may adjust policies related to land coverage, stormwater management, and ECM, including expanded use of area-wide stormwater systems. The Draft EIS will evaluate potential changes in stormwater runoff, infiltration, water quality treatment performance, and consistency with TMDL implementation and water quality thresholds.

Biological Resources (Wildlife, Vegetation, and Fisheries). Changes to where and how new housing and redevelopment are incentivized may affect sensitive habitats, wildlife movement, and vegetation communities. The Draft EIS will evaluate potential effects on TRPA thresholds for vegetation, wildlife, and fisheries and the extent to which the policy package supports or reduces pressure on sensitive lands.

Earth Resources: Geology, Soils, Land Capability, and Coverage. The Project may adjust parcel-level land coverage allowances and related standards in parts of the Basin, including potential changes to the

way land capability is applied in planning and permitting. The Draft EIS will describe potential effects related to topographic alteration, coverage distribution, erosion potential, and consistency with TRPA land capability and coverage thresholds.

Scenic Quality and Community Design. By affecting development standards for height, massing, and building forms, particularly in town centers and along major travel routes, the Project may influence scenic quality and community character. The Draft EIS will evaluate potential effects on TRPA scenic thresholds and relevant design standards, with a focus on areas where policy changes could enable taller or more intensive multifamily development.

Public Access and Recreation. Changes in the location and intensity of housing, especially near key recreation areas and shoreline access points, may affect recreational use patterns, parking, and access. The Draft EIS will evaluate potential impacts to recreation and public access, including any indirect effects associated with altered traffic, parking, or neighborhood conditions.

Cultural Resources and Tribal Cultural Resources. While the Project is policy-based and does not directly authorize ground-disturbing activities, policy changes may influence the nature and distribution of future redevelopment. The Draft EIS will describe the program-level approach for avoiding, identifying, and managing effects on cultural and Tribal cultural resources through subsequent project-level review and consultation, including with the Washoe Tribe.

Transportation, Vehicle Miles Traveled (VMT), Parking, and Circulation. By adjusting how and where housing is incentivized, the Project may influence Basin-wide and local travel patterns, including VMT, mode choice, and parking demand. The Draft EIS will evaluate potential effects on transportation systems, VMT, roadway operations, and consistency with TRPA and state mobility and VMT policies.

Air Quality and Greenhouse Gases. Changes in development patterns and VMT may affect regional air pollutant emissions and greenhouse gas emissions over time. The Draft EIS will evaluate potential air quality and GHG effects of the policy alternatives, including whether the Project supports more compact, transit-supportive development patterns that could reduce per-household emissions.

Noise. While the Project does not directly authorize specific projects, changes in housing patterns and intensity may affect community noise conditions in certain areas. The Draft EIS will evaluate potential noise implications at a programmatic level, focusing on whether policy changes would be expected to shift development into or near noise-sensitive areas.

Public Services and Utilities. The Project may indirectly affect demand for public services and utilities, particularly where policy changes make certain locations more attractive for infill and redevelopment. The Draft EIS will evaluate implications for water supply, wastewater collection and treatment, solid waste, fire protection, schools, and other public services, as appropriate, under different alternatives.

Public Safety and Hazards, Including Wildfire and Evacuation. The Project may affect wildfire risk and evacuation by influencing where housing is located relative to hazard conditions, evacuation routes, available evacuation transportation options, shelter-in-place options, and defensible space opportunities.

The Draft EIS will evaluate potential effects on wildfire risk exposure, evacuation constraints, and related public safety considerations at a programmatic level, in coordination with existing hazard mapping and local plans.

Population, Housing, Socioeconomics, and Environmental Justice. The core purpose of the Project is to improve housing outcomes for local workers and households with greater housing access needs. The Draft EIS will evaluate potential effects on housing availability, affordability, displacement risk, growth inducing impacts, and access to opportunity, including distributional effects across different communities in the Basin and consistency with environmental justice considerations.

Cumulative Effects. The EIS will identify and describe recently approved and reasonably foreseeable future plans and projects in the Basin, including updates to Area Plans, major transportation and water quality projects, and other relevant initiatives. The Draft EIS will evaluate the combined effects of these activities together with the Project and alternatives on TRPA thresholds and other environmental resources.