TAHOE REGIONAL PLANNING AGENCY
REGIONAL PLANNING COMMITTEE

TRPA/Zoom November 20, 2024

Meeting Minutes

CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Mr. Hoenigman called the meeting to order at 11:10 a.m.

Members present: Ms. Aldean, Ms. Gustafson, Mr. Hoenigman, Mr. Kieckhefer, Ms. Leumer, Mr. Settelmeyer

I. APPROVAL OF AGENDA

Mr. Hester stated that Item Number 5, Tourist Core Area Plan Amendments will be heard after Item Number 3, Chapter 13 Amendments.

Mr. Hoenigman deemed the agenda approved as amended.

II. APPROVAL OF MINUTES

Ms. Aldean moved to approve the October 23, 2024 minutes as presented.
Motion carried-voice vote.

III. Discussion and possible recommendation for approval of proposed amendments to Chapter 13 of the TRPA Code of Ordinances, and the Goals and Policies of the Regional Plan, regarding the review and potential approval process for local jurisdiction area plans that propose alternative density and height limits in Centers

TRPA staff Ms. Bettinger provided the presentation.

Ms. Bettinger said Chapter 13 of the TRPA Code sets forth the height and density limits for area plans. The next two items on your agenda are the City of South Lake Tahoe's Tourist Core Area Plan and Tahoe Valley Area Plan amendments. Both of these area plans are proposing residential density increases up to 65 units per acre, which exceed the maximums that are currently listed in Chapter 13 of the Code of Ordinances.

Local jurisdictions can propose these standards in their area plans that exceed Chapter 13, but we cannot approve the area plan amendments without a TRPA code amendment because the area plans cannot supersede the TRPA Code.

The current process when local jurisdictions bring forward a proposal like this is that the area plans go through the local approval hearing process. Then they come to TRPA to be reviewed first as an informational item by the Regional Plan Committee. Afterward, the area plans would go through the

Advisory Planning Commission, Regional Planning Committee, and Governing Board approval process simultaneously with those area plan amendments. TRPA staff would bring forward a TRPA code amendment specifically for that density or height increase for the specific area plan location. So, it's a duplicative process, both the area plan amendment and the TRPA code amendment.

The proposed amendment before you today would replace that TRPA code amendment with requirements for local jurisdictions that they need to meet when proposing additional height or density in their area plan. There are a couple of reasons why we are proposing this right now. Local jurisdictions can propose these density and height standards that exceed Chapter 13 today. However, we do not have a clear process for them to follow and for us to evaluate those proposals when they come to us. We're currently evaluating them on a case-by-case basis as they come in. This amendment would establish a standardized process and criteria for us to evaluate these proposals. Doing a specific TRPA code amendment for each instance results in essentially spot zoning of our code, where we're making an exception for a specific location or site within a local jurisdiction. We would like to avoid this and instead have more of a regional code.

This amendment would establish criteria and a process for local jurisdictions to follow when proposing these standards. For any height or density proposal above Chapter 13, the standards or proposed policies must further the goals and policies of the Regional Plan. They also need to demonstrate that there's no environmental impact through the appropriate environmental analysis. We're not proposing any changes to the actual area plan approval process itself, so area plan amendments and new area plans would still need to be recommended for approval by the Advisory Planning Commission, Regional Planning Committee, and Governing Board.

In addition, for any proposals for height over 56 feet, the local jurisdictions must include findings 1, 3, and 9 in their area plan language. These findings are related to our scenic thresholds, providing scenic protection for buildings over 56 feet. Local jurisdictions must also have adopted design standards if proposing these higher heights. They must also not be subject to the density maximums in Chapter 13 if they are proposing residential height allowances, ensuring that the density also allows for more smaller units to be built.

There are a couple of options for the Regional Planning Committee to consider today. Assuming that the RPC would like to move forward with the City of South Lake Tahoe's area plan amendments as proposed, with the density increase in their town centers, the first option is to recommend the amendments that are in Attachment B of your packet. This is also what the APC recommended last week. The second option is to recommend a specific amendment to Chapter 13 that would allow the higher density only in the City of South Lake Tahoe. This would mean the criteria and process I just outlined would apply solely to South Lake Tahoe for the proposed density increase.

We have received four written comments on this item as of this morning. This does not change the current review process for both area plans or projects. Any projects resulting from higher density or height would still go through the process that it would today. This also does not change our growth caps. We're not proposing any changes to our regional growth caps or development rights.

In terms of next steps, we need to move forward with this amendment at the same time as the city's area plan amendments in order for those to go into effect if you recommend approval. We are planning to bring this forward to the Governing Board next month, along with those area plan amendments.

Committee Comments & Questions

Ms. Aldean said in the past, the additional densities and heights were always associated with affordable housing projects or housing for achievable, moderate income, or low income households. This language, however, does not specifically address that, it simply refers to housing in general, which could include market rate housing.

Ms. Bettinger said that's correct. The city's area plan amendments are proposing an increase in density for non-deed restricted residential housing.

Ms. Aldean said this raises concerns because the trade-off was that if developers were willing to build affordable housing projects, and we're willing to go above and beyond what our code permits to make that possible. I'm concerned that there is no reference in these amendments to affordability. The agreement in the Phase 2 Housing Initiative was that these concessions were made to facilitate the development of affordable housing.

Mr. Hester said as part of Phase 2, local governments were given the option to either adopt TRPA's Phase 2 code amendments or opt out and adopt their own amendments. My understanding is that the City of South Lake Tahoe has adopted other amendments that include inclusionary provisions.

Mr. Hitchcock said that's correct. The City of South Lake Tahoe has made significant efforts to advance affordable housing projects. For example, we partnered with developers to build Sugar Pine Village, a 248-unit project. We also have another 78-unit project currently in the design phase, expected to move forward next year in the town center. Additionally, the city has adopted inclusionary housing ordinances to help fund affordable housing projects in the basin. We have also taken innovative approaches, such as converting accumulated commodities (like tourist accommodation uses) into units of use, offering them for free to developers interested in creating accessory dwelling units or for-rent multifamily units.

From the city's perspective, our goal is to meet our Regional Housing Needs Allocation (RHNA) goals, which include both affordable and market-rate housing. We want to provide housing for all income levels. As part of the Chapter 13 and Area Plan amendments, we are proposing higher density allowances for non-affordable (market-rate) housing projects. This would incentivize the development of higher-density projects that result in smaller, more affordable units. While some of these units will be market rate, and others may serve as second homes, the city believes that housing diversity is appropriate. Supporting housing for all income levels aligns with the needs of South Lake Tahoe's community. We support the proposed Chapter 13 amendment because it creates the flexibility necessary to develop a land-use pattern reflective of our community's vision, both in terms of density and land-use planning.

Ms. Aldean said so, this is not being imposed upon the city by the State of California through its housing objectives.

Mr. Hitchcock said the RHNA (Regional Housing Needs Allocation) numbers are imposed on us by the State of California.

Ms. Gustafson said but RHNA (Regional Housing Needs Allocation) doesn't require second homes.

DRAFT

Mr. Hitchcock said no, it doesn't. It just breaks it down to market rate versus moderate versus affordable.

Ms. Gustafson asked if they are opposed to having a deed restriction for local full-time residents versus additional second homes.

Mr. Hitchcock said there are no plans to require deed restrictions for these units. However, if an applicant proposes to use one of the city's development rights to build a unit, we require a deed restriction prohibiting that unit from being used as a short-term rental. Additionally, we are proposing other policies and standards in our area plan to prevent the loss of housing units. Since the passage of Measure T, we have observed a trend, particularly in our town centers, where property owners convert multifamily units, such as duplexes and triplexes, into single-family homes and then into vacation rentals. The proposed area plan amendments would prohibit such conversions. Our goal is to create more housing choices while preserving the existing housing options available today.

Mr. Kieckhefer said regarding the process for area plan amendments, particularly for height variances, I'm looking at the specific findings 1, 3, and 9 outlined in the Code of Ordinances. For Finding 1, which pertains to views from a distance of 300 feet, at what stage in the process does that evaluation occur? Would it take place before step one of the local planning commission's review, or does it happen later in the process? Where exactly is this incorporated into the review framework?

Ms. Bettinger said the findings are structured so that they must be incorporated into the area plan language if an amendment proposing additional height comes forward. To clarify, the city is not proposing additional height in this case. These findings would be applied at the project level when a specific project is submitted. If the project is reviewed by TRPA, it will be evaluated against these findings during TRPA's review. If the project falls under a local jurisdiction's Memorandum of Understanding (MOU) and does not require TRPA review, the local jurisdiction would conduct the evaluation, as the findings would be embedded in the area plan document.

Mr. Kieckhefer said under the current review process, any of these variances would need to come to the TRPA Board because they would require both an ordinance and a plan amendment. However, if this blanket change is implemented, the local jurisdiction could make these changes unilaterally without requiring TRPA approval.

Ms. Bettinger said no, the local jurisdiction would need to come to TRPA with the area plan amendment itself for approval, and at that time these findings would need to be included in their in the area plan language.

Mr. Kieckhefer said you indicated that there were some scenarios where, due to a Memorandum of Understanding, the local jurisdiction could make their own determination without our review. Would this not include instances where there are variances to height or density?

Ms. Bettinger said there are two distinct processes. One is the area plan amendment itself, and the second is the project approval. The area plan amendment, regardless, would need to come to TRPA for approval. And we're not changing that. The project is dependent on whether or not the local jurisdiction can permit that project under their MOU, so it may come to TRPA, or it might not.

DRAFT

Mr. Kieckhefer said if we approve this process for the plan amendment, and then a local jurisdiction submits a plan amendment that contains this new process, if they have MOU authority any individual project that may exceed density or height could be approved without coming back to TRPA.

Ms. Bettinger said that's correct, if it falls within their Memorandum of Understanding.

Ms. Aldean referred to Paragraph 5.A. The findings that have to be made need to be consistent with the alternative standards and further the goals and policies of the Regional Plan. It was suggested that this specifically refers to the housing sub-element. The housing sub-element is focused almost entirely on affordable housing. I'm trying to think of a reasonable way of giving the local jurisdictions some latitude without doing something inconsistent with our emphasis. If we make reference in 5.A to the alternative standards being consistent with the Goals and Policies of the Regional Plan, people have asked what that actually means. I believe the intent of staff is to specifically reference the housing sub-element. However, the housing sub-element relates largely to low income and moderate income housing. I'm not sure if it makes reference to achievability as well.

Mr. Hester said our intent is because that's one of the multiple steps you have to go through. People have asked, "What do you mean when you say you're going to check it against the Regional Plan? What are you going to check it against?" We're going to check it against everything because we do that. But we wanted to focus people specifically on housing as one area where they need to spend a little more time.

Ms. Aldean said that answers my question about Subparagraph C, too, because in that paragraph the only specific reference is to findings 1, 3, and 9. But there are a total of 18 findings under 37.7. For example, it doesn't refer to things like site design. We've had numerous conversations about solar exposure and how we were going to prevent this tunneling effect with buildings that are too high, which could impede sunlight from falling on adjacent buildings. We've called those findings out specifically, but it's all-inclusive when we review these projects.

Mr. Hester said it is. Also, the provision for design standards is intended to address that as well. Part of what you're asking, I think, refers back to Mr. Kieckhefer's question. Maybe this is just the background we should have included in the presentation. When an area plan is approved, we can sign a Memorandum of Understanding with the local government to allow smaller developments. There's a cap on the size in the Regional Plan, but smaller developments can be permitted on our behalf. So, what we're saying is, if you're going to permit on our behalf, you have to specifically include in your regulations those same findings that we use. That's really all it is. If it's bigger than that threshold, which I think is in the land use policy, it says a certain size and a certain number of units. Then, we make those findings because it's in our Code of Ordinances. It's just making sure that local governments are looking at the same things we do regarding height.

Ms. Aldean said under this new provision, it says TRPA may approve height standards above the maximum set forth. There's a reference to the table in town centers, area plan proposals to exceed density or height standards consistent with this paragraph, which "may" be approved. It's not obligatory; it's permissive. Even if we adopt this language, when an area plan comes before us, it's consistent with this modified language, we still have the flexibility to refuse to approve it. Right?

Mr. Hester said absolutely.

DRAFT

Ms. Aldean said regarding design standards. If the local jurisdictions design standards are inconsistent with the design standards in F.1, Community Design Standards in our plan, I'm assuming our design standards preempt their design standards, if there is an ambiguity or inconsistency.

Mr. Hester said usually, in the area plan, their design standards will be more specific than ours. For example, say you're concerned about solar being blocked. When an area plan comes forward, it's perfectly within your purview to say, "Show me in your design standards where you've addressed solar accessibility or step gradients." One of the things we talk about a lot is gradients from lower height areas as you move into higher height areas. If you don't feel like they're adequate, you can say, "We're not going to approve this area plan until you address that." That's certainly within your purview.

Ms. Aldean said if there's an inconsistency, I'm assuming our design standards would prevail. If there's a conflict, and their design standards are not stricter, our design standards would take precedence.

Mr. Hester said by the Compact, we have to go with the stricter of the two. But we can, in the area plan, say, "This design standard applies versus that." This is what you're doing with this amendment, because if you bring me an area plan, and I'm satisfied that it meets all these criteria and allows more height, then the table in Chapter 13, and it's in a town center or a regional center, we're going to approve that area plan, which gives you more height. The way the area plans works is they're more specific. But before you approve them, you have to find that they're consistent with the Regional Plan.

Ms. Aldean said that answers my question. I'm not specifically pointing a finger at the City of South Lake Tahoe, or any of the local jurisdictions, but how do you deal with a situation where these projects, as they come forward, are not going to be reviewed by TRPA. In other words, what is the level of review by TRPA if a project comes in and they're using the additional height that this would permit?

Mr. Hester said there is a maximum that is specified in the Memorandum of Understanding.

Ms. Aldean said I just want to make sure that we have built-in safeguards. Because once a building is built, if it's not compliant, I don't think we've ever required that a building be demolished. We have some very responsible people running our local jurisdictions and am not suggesting that would happen, but I am concerned about the perception. Once the horse is out of the barn there's no reason to close the door.

Ms. Regan said I appreciate the questions from the Board and wanted to give a little more context from our Advisory Planning Commission meeting. This is very technical, and I think it's important that we answer these questions. As a result of public comment and the discussion at the Advisory Planning Commission, we wanted to give you more than just one option to move forward. Harkening back to the discussion around the IPES (Individual Parcel Evaluation System), it's important, from a macro level, to think whenever this Board or our executive staff at TRPA have conversations about things like IPES, it sends signals to the market and the community. We've received phone calls asking if TRPA is going to let people build on zero IPES score properties. No, we don't build in wetlands.

This could have potentially unintended consequences, sending a signal that we're looking for more height or density throughout the basin, not tied to affordable housing. We wanted to give you a couple of suggestions. There are two pieces here: height and density. The density is what's wrapped up in the area plan that you'll be hearing in the next items. You could limit this if you wanted to move this forward. We just wanted to bring these options to you to think about today because it's raised a lot of good questions for the Board, for our staff, and from the public.

DRAFT

Ms. Gustafson said I am concerned. The Regional Housing Needs Assessment (RHNA) is the minimum. It doesn't make forward progress in addressing, at least on North Shore, our extreme needs for workforce housing. I thought our intent all along with this flexibility was tied to some amount of workforce housing, whether it be at market rate. I know the circumstances are very different between North and South Shore, whether it's how much is affordable and how much is deed-restricted to be achievable. I can be flexible on that because we have people at all income levels. We hear testimony at meetings about middle income, middle class people and families that can't put down roots in our community and RHNA doesn't address that. Our RHNA numbers for a county are done countywide, and not on a basis that would ever get as close to addressing the needs we have at North Shore.

So, I have a hard time with more flexibility, without addressing workforce housing for our community. I can be flexible about how much is affordable or not, but to look at just pure market rate product, taking advantage of density and housing, I think, is a big step for the Board. I would definitely want to see some criteria that address that. Now, I haven't heard your specific project for the City of South Lake Tahoe, so I don't know, and I defer to my city colleague and El Dorado County Supervisor. But this is a huge step from where we were, just trying to get workforce housing and people to trust us that we were going to focus on that in our town centers.

Mr. Hoenigman said those are my concerns as well. My understanding is the city has opted out of our Phase 2 Housing. So, they've come up with their own program, which includes some affordable housing, some inclusionary housing requirements, or in lieu of fees. These developments would generate some of that, and they believe some of these market-rate units would be affordable for locals. Because the economics of developing in South Lake are different than in the North Shore. But they could also be used as second homes, and we have so few units left to give in this basin that we don't even have enough to accommodate our workforce housing needs, much less that, plus our affordable housing needs. So, we are giving an incentive here, and we need to have more certainty that we're going to be getting a benefit from these incentives as well.

In a perfect world, if we could build all our affordable housing, achievable housing, and luxury housing, which would be great. But we can't do that here. And I think the Board wants to prioritize workforce housing and affordable housing over market-rate housing in these new developments. I don't think we should open up this whole thing to the entire lake. We could focus on the city if we feel like they're doing enough and that this is actually going to help workers. But it seems like it's way less than what we were trying to accomplish with our recent Phase 2 amendments.

I think if they want to approve something that is not our Phase 2 requirements, it should at least provide the same results or better. And I'm not feeling that about what the city has proposed here. So maybe we could get a little more clarity on what a development like this, at market rate, would provide in terms of incentives for workforce housing and/or affordable housing, just to understand better what we're getting. Because I thought if they were going to opt out, they had to come up with something basically at least as good as what we did with Phase 2 around the lake.

Ms. Bettinger said the city is opting into the Phase 2 amendments with these area plan amendments. The Phase 2 amendments for coverage, height, density, and parking, specifically to deed restricted housing, will go into effect with these area plan amendments. This means that 100 percent deed-restricted developments will have access to the incentives passed through these amendments. In addition to opting into those, the city is proposing an increase in density, up to 65 units per acre, for market-rate housing. As mentioned earlier, the city passed an inclusionary housing ordinance last year. Any market-rate housing built with units over 2,000 square feet must pay an in-lieu fee, which goes

directly to funding housing or affordable housing in the city. So, even though market-rate units are being built, there is a fee being paid that contributes to affordable housing.

Mr. Hitchcock said the city is opting into the Phase 2 amendments as adopted by TRPA for affordable housing. In addition to this, the city is proposing a comprehensive housing strategy, which includes: Minimum Density Standard: The current maximum density standard in the town centers is 25 units per acre. The proposal is to adopt a minimum density standard of 12 units per acre, with a maximum of 65 units per acre. This will encourage developers to build smaller, more affordable units by design, which helps address the need for more affordable housing.

Preserving Existing Housing: The city wants to ensure that no housing is lost within the town centers. The proposal includes a measure that prevents the conversion of multifamily units into single-family units, which could potentially become vacation home rentals. Developers would either need to rebuild the lost units or pay an in-lieu fee.

Inclusionary Housing Ordinance: The city has also adopted an inclusionary housing ordinance. Any new units over 2,000 square feet must pay an in-lieu fee, which is used to fund affordable housing programs. Alternatively, developers have the option to build affordable units on-site or set aside units specifically for affordable housing.

The city believes that this package will help advance its housing goals and strategies in the town centers, providing a balanced approach to address both affordable housing needs and market rate development.

Mr. Hester said at the staff level, it is believed that the City of South Lake Tahoe has gone above and beyond the Phase 2 amendments. This enhanced effort is the basis for the staff's recommendation in favor of the city's proposal. However, the committee has flexibility to proceed in a manner that aligns with its priorities. Option 1: Broad Implementation Across the Basin. The recommendation allows for amendments to apply broadly across the basin in cases where jurisdictions demonstrate compliance with these enhanced standards. Option 2: South Lake Tahoe-Specific Focus on Density Only Alternatively, the committee could limit these amendments specifically to the City of South Lake Tahoe and focus only on density. This approach avoids changes to height limits and emphasizes flexibility for smaller, more affordable units within the same building size constraints.

The rationale behind focusing on density is tied to affordability by design: allowing for higher density encourages smaller unit sizes, which are inherently more affordable. If the committee prefers a phased approach or wants to evaluate this strategy's success before broader adoption, it could move forward with Option 2 for now. The staff emphasizes that the proposed framework sets a precedent for considering amendments in other parts of the basin in the future, provided they meet these or similar standards.

Ms. Aldean said I initially thought the goal of adopting these amendments was to avoid piecemealing and create a basin-wide standard. Now, however, we're suggesting making this specific to the city of South Lake Tahoe because they've met several of our objectives regarding affordable housing. I'm open to the idea of using this as a reward, but I'm struggling with the lack of a complete picture. Before applying these changes basin-wide or even just to South Lake Tahoe, I'd like a clearer understanding of what the city has achieved and how effectively they've addressed affordable and workforce housing objectives. I feel this proposal isn't quite ready for prime time.

Mr. Hester said the challenge we're facing is whether to do it basin-wide or limit them to South Lake Tahoe. The city's proposed plan amendments, which have been approved by their City Council and Planning Commission, are not consistent with the Regional Plan unless we make a regional code amendment. If neither option is chosen, we would tell the city that their plan amendments can't be found in conformance unless they remove the inconsistent elements. Alternative 1 was recommended because it sends a positive message that jurisdictions meeting these standards are on the right track, especially since compliance with Phase 2 requirements is mandatory regardless. Other jurisdictions, such as Douglas County and Placer County, will also be addressing these requirements soon. While the city has met the necessary standards within their jurisdiction, and we're confident in recommending Option 2, the committee can choose to move forward, or delay based on their preference.

Ms. Aldean said our recommendation isn't binding. However, if we decide to move forward, I believe more information is needed. The public and the board would likely appreciate understanding what the city of South Lake Tahoe is doing to meet these objectives. While it's great that staff are satisfied, the rest of us need to be convinced that the city's efforts genuinely merit this amendment as recognition and support for their work.

Mr. Hester suggested that we could table this discussion for now, proceed to hear the presentations on the next two items, and then revisit this topic afterward.

Mr. Kieckhefer said from what I can tell, the proposed amendment from the city of South Lake Tahoe aligns with the Regional Plan, with the exception of the housing density piece. I'm unsure why they would have approved a plan that wasn't in conformance with the Regional Plan, but that's a separate issue. The broader concern with option number 2 is that it addresses just a small part of the overall equation regarding residential density.

Mr. Hoenigman said as a developer, I'm concerned that while we've provided incentives for 100 percent achievable affordable housing, increasing density could drive up land prices. This would make it less likely for developments to remain 100 percent affordable, as market-rate projects could become more financially viable. Without an economic study to analyze the impact of density on land values, we can't predict the outcome accurately, but my guess is that it will mostly be market-rate housing. Additionally, the in-lieu fees typically provided by cities are very small compared to the actual cost of producing affordable units. As a result, we may end up with only a small percentage of affordable housing, potentially just 5 percent after development. I'm concerned that we don't have enough information to ensure that this approach will meet our goals of increasing workforce and local housing, rather than promoting second homes. Has the city conducted any studies to show how many affordable units we could expect if every unit were over 2,000 square feet? Without this data, I don't have a clear understanding of how effective this approach will be in achieving our housing objectives.

Mr. Hester suggested that we table this discussion for now, hear from the city about their specific plans, and then revisit it. This would give us a better understanding of the details before making a final decision.

Mr. St. Michel said it's fine to go ahead and table this for now since it's on the agenda, we can take a pause and move on to the other agenda items. If we decide to take action on this first item later, we'll just need to come back and take public comment. But I think it's okay and permissible to say that we'll return to this after hearing the other items from the city first.

DRAFT

Ms. Aldean made a motion to table this item, until after consideration of the next two items on the agenda.
Motion carried-voice vote.

Public Comments

Deepak Sharma said for all the talk about affordable housing in this whole basin, the only thing that really meaningful happened is Measure T. Nothing else has been done, it's all just talk. Now, in real estate, since Measure T passed, there are lots of projects, but they haven't moved the needle. You're asking to see what impact Measure T made. In real estate, things take decades before you see their impact. Today, the best you can see is the trend. If people cannot rent their house as a short term rental, what are they doing? If they are renting it to locals, that's housing coming back to locals. If they are just waiting it out until the interest rates fall, people are not selling homes. They're locked into 30-year, 3 percent rates, and right now the rate is 7 percent. It's going to take years before you see the impact of Measure T.

Eventually, either those people will rent it to locals, or sell, or they will come to Tahoe every weekend or they are rich people who can afford to have that home sit vacant for a whole year and come here a few weekends. But it's not going to be today. You're not going to see the impact of it, especially in this high-interest market. People are not selling because they're locked into the cheapest interest rate they've ever seen. It's going to take five, 10 years, and maybe another turn where the interest rates come down to 3 percent. Then, you'll see if these people sell or not.

There is no free money. Other than Sugar Pine, which was built by the state, there is no private money it's built by the state with a tiny bit of contribution from the city. Nobody is building a million-dollar home and renting it for $1,000. It doesn't even pay for the California property taxes. You cannot be making policies when you are floating on the clouds. How can you rent a unit that costs a million dollars to build? Its property tax per month is more than the rent it collects.

Doug Flaherty, Tahoecleanair.org said this was really an amateur display to try to force this down the throats of the entire Lake Tahoe Basin and all of its area plans. It wasn't well thought out. It was vague, subjective, and highly controversial. Tahoecleanair.org hereby adopts by reference the comments that were submitted to the TRPA by the Sierra Club Tahoe Area Group, dated November 19, 2024. We adopt those as if they were our own comments.

Also, TRPA and its partners, including the various area plan counties, continue public peril, land use, planning policies, and projects within very high fire hazard severity zones. By promoting increased height, density, and coverage throughout our cherished Tahoe Basin, and specifically in concentrated town centers, this will result in increased public peril and evacuation choke points during a fast-moving wildfire. This is happening while purposely ignoring any discussion whatsoever concerning the roadway threshold capacity needed to safely get the public out. You continue to violate the California Environmental Quality Act (CEQA) and your own regional code of ordinances.

In keeping with some of the recent California appellate court decisions. No public agency, including this body, should be allowed to make it harder for people to escape deadly fires. You need to get a focus on the changing world out there. You can't keep stuffing things however you think you can; it's just not going to work. When it comes down to it, life safety is going to trump economic, subjective economic processes. I appreciate that the board is finally asking some hard questions. I do appreciate Shelly,

Vince, and others who pointed to data. We can't continue these subjective processes. We have to make our decisions on data.

Steve Teshara on behalf of Tahoe Chamber said I think what we learned today was that putting the Chapter 13 amendments in front of the actual details of the proposed area plan amendments created some confusion for the committee and others. When this comes back, if there are going to the two area plan amendments and the Chapter 13 amendments it might be a better idea to present the area plan amendments first so that you can see what benefits we're getting before considering the Chapter 13 amendments.

Ann Nichols, North Tahoe Preservation Alliance agreed with Steve Teshara. These are two different items and you can't rush all this stuff through. It's sloppy. This is a huge amendment to the Regional Plan. We don't want to see any more spot zoning. This isn't just about clarification; it's still about what a developer wants, which in this case is the City of South Lake Tahoe. Take it separately. I'm also very worried about the counties. The reason the TRPA was created was so that the counties and states wouldn't be in charge because they're all motivated by money. That was shown yesterday with the approval for the Palisades Ski Resort in Placer County. I'm worried that the area plans will come forward without a project. They'll claim, it isn't a project, rather just general items, no guardrails, and no specificity. Then they'll wait for the project to come forward to see if it's too high or too dense. Is the Regional Plan just a bunch of words?

Ellie Waller said I'm hoping all of you read the comments or listened to the Advisory Planning Commission meeting, because it was confusing. Singular words like "may approve" instead of "may consider" surfaced. Did the Initial Environmental Checklist really evaluate potential impacts? Could the findings be flawed, along with weakening the incentives for developers to build deed restricted housing?

Furthermore, concentrating additional density in centers basin-wide has never been evaluated for the local nexus of just too many people in one place. This varies between communities, and the short term rental concentration has never been analyzed. It's a recipe for disaster. Allowing short term rentals and parking but not employees or hotel guests is inequitable. So, is this now the new normal? One, approve a project, then fix the Code of Ordinances, two, provide an application for an area plan proposed exceedance. It doesn't make sense. A quote from Mr. Stock "Despite its importance, we haven't previously had a definition or a specific standard for mixed use." This was previously brought forward during Project Nine 47. Stated by Ms. Regan in December of 2022 during the South Shore Latitude Meeting: "We should be doing things better." This kind of activity continues the subjectivity and allowed interpretation of code, leading the Advisory Planning Commission and the Governing Board down a path to approval. That doesn't make sense either.

Proposing and allowing flexibility, increased height, and density that benefits projects without applications also doesn't make sense until it comes to permits. For example, the Barton Hospital project is a hot mess; it's driving the height. This piecemeal approach must stop now. You, as a governing body, need to acknowledge that furthering these types of amendments should require regional analysis, not one project or one area plan at a time. If approximately 375 amendments in Chapter 1.8 since 2013 to various code chapters cannot be applied to projects, then the Regional Plan must be updated through a proper environmental impact analysis and study now.

Sophia Heidrich, Mountain Area Preservation said to clarify the question I posed in the last agenda item. Mr. Hester, I believe, was trying to respond to my question, but unfortunately, I don't think he

understood what I was asking. Of course, TRPA can make Regional Plan amendments and process area plan amendments for local jurisdictions. Does the TRPA's Regional Plan right now include language that allows local jurisdictions to propose height and density standards that supersede

TRPA standards? I didn't see any policies in the Regional Plan that allow for height and density increases above the TRPA's, except in very specific circumstances. Town centers and entire area plans weren't included in that list of circumstances. If staff could speak to that question, it would be appreciated.

Mr. Hester said in Chapter 13, there are four different provisions under that table in Chapter 13 that describe circumstances where that table can be exceeded. So, that's one place and the Phase 2 housing amendments were another place.

Mr. St. Michel said part of the Chapter 13 proposal here is, in a way, to announce that policy. To echo Ms. Heidrich's point, that is part of what this action would have been is an announcement of a policy that TRPA is willing to consider additional height and density in area plans.

Ms. Gustafson thanked staff and the city for coming forward because the whole point of committee work, to me, is exactly what's going on. It's not pretty to make the sausage. Often, we have to debate issues, hear from the public, and debate the issues again. But that is what committees are about to work this out appropriately to bring to the Governing Board. I understand it's frustrating to the public to see how the sausage is made sometimes, and that it does take a few iterations to get all of our questions answered. But I appreciate that we have these opportunities to work on these key issues because we can't solve them on our own.

IV. Discussion and possible recommendation for approval of the proposed amendments to the City of South Lake Tahoe's Tahoe Valley Area Plan. The amendments would increase density and establish a minimum density in town centers, clarify use categories, improve residential design standards, clarify Commercial Floor Area, bicycle parking, and vehicle parking requirements for commercial and residential uses. The amendments would increase consistency with recently amended TRPA regulations and state housing regulations

This agenda item was not heard by the committee and was continued.

V. Discussion and possible recommendation for approval of the proposed amendments to the City of South Lake Tahoe's Tourist Core Area Plan. The amendments would increase density and establish a minimum density in town centers, clarify use categories, improve residential design standards, clarify Commercial Floor Area, bicycle parking, and vehicle parking requirements for commercial and residential uses. The amendments would increase consistency with recently amended TRPA regulations and state housing regulations

TRPA staff Ms. Bettinger and Mr. Hitchcock, City of South Lake Tahoe provided the presentation.

Ms. Bettinger said area plans were introduced as part of the 2012 Regional Plan Update, allowing local jurisdictions to implement their unique planning visions while aligning with the Regional Plan's goals and policies. The Tourist Core Area Plan is one of two approved area plans for South Lake Tahoe. It covers the Heavenly Village area down to Ski Run, and also includes the Bijou area along the lake. The city has been working on these amendments for the past year and a half. They presented an informational item to the Regional Planning Commission in May 2023 and were recommended for

approval by the Advisory Planning Commission in August.

Mr. Hitchcock said the city has been working on updates to its area plans to address several issues and goals, particularly housing. Key proposals include: Housing Initiatives: The city is pushing for more affordable, moderate, and achievable housing options. It has been partnering with developers for projects like the Sugar Pine Village, a 248-unit affordable housing project near the Y.

Density and Parking Standards: The proposal includes increasing the minimum density for multi-family and condominium conversion projects to 12 units per acre, with a maximum density of 65 units per acre. Changes to parking standards are also suggested, including reducing parking requirements for properties near transit stops and for multifamily units.

Housing Incentives: The city is encouraging the creation of more housing through pre-development rights, especially converting tourist accommodation units into residential units. These are intended for long-term rental units, not short-term rentals, and require restrictions on their use.

Open Space and Commercial Uses: Changes to residential open space requirements are proposed to allow for more units in higher-density areas. Additionally, commercial properties could get reduced parking requirements if they offer alternative transportation measures. A new exemption would allow commercial properties to have outdoor seating without needing a commercial floor allocation, encouraging streetscape activation.

Tourist Core Plan Boundary Expansion: The city proposes expanding the tourist core boundary to include two properties currently zoned for residential use but operating as tourist accommodations. This would allow for redevelopment of these aging properties.

These amendments aim to balance increased housing density, promote affordable housing, and support redevelopment in key areas of the city.

Committee Comments & Questions

Ms. Aldean said the outdoor seating restriction was implemented during Covid. Is this language consistent with the TRPA's restrictive language regarding the 20 seats or 300 square feet? Or is this a modification? One of the comments that Lew Feldman made was that it's temporary coverage. He doesn't understand why there would be any limitation on outdoor seating. If TRPA doesn't restrict it, would the city want to reconsider limiting it to 20 seats or 300 square feet?

Mr. Hitchcock said it's modeled on an existing TRPA ordinance that’s on the books today.

Ms. Bettinger said we have an existing code section that states that legally existing additions or expansions of legally existing commercial floor area, up to 500 square feet or 5 percent of the existing commercial floor area, can be exempt from requiring additional commercial floor area, as long as it meets the standards shown on the slide. This is consistent with the city's area plan language.

Mr. Hitchcock said to expand on how we arrived at the 300 square feet and 20 seats: In discussions with the South Tahoe Public Utility District, they essentially allow an expansion of 20 seats, which equates to about 300 square feet, without requiring an additional urinal. To keep things manageable and not too onerous, that’s how we arrived at those numbers.

DRAFT

Ms. Aldean said, for example, there's a restaurant with movable seating inside, and they want to move those tables and chairs outside to use during a beautiful day at Lake Tahoe. Is that permissible? Could you have more than 20 seats if you're not adding to the total seating but just relocating the seating to an outside patio area?

Mr. Hitchcock said that's a good question. If you're relocating the seats outside, you're not creating additional capacity. What the city is asking for is to allow additional capacity, but within certain limits. For example, if you have a commercial use with 20 seats indoors and want to add 20 seats outdoors, this standard would allow it without requiring an allocation of Commercial Floor Area (CFA), as long as it's legally existing and meets all the findings listed on this slide.

Ms. Gustafson asked If they wanted to move existing seating outside, there'd be no limitation.

Mr. Hester said I think we ran into a coverage issue. This goes back 6 or 8 years, and we had reached this point and a former board member was concerned about how to track it, so we didn't proceed any further.

Ms. Aldean said you can move the tables onto existing coverage. It's not necessarily about creating new coverage.

Mr. Hester said it would be if they didn't have coverage.

Ms. Gustafson said if they just put picnic tables outside and you grab food to go. During Covid we saw that all over the place.

Mr. Hester said that's what we're proposing to extend. We will probably bring that back to you at some point, to change this permanently, because we think it's a good idea to activate the streets.

Ms. Gustafson said it's a great idea to activate our streets and create more vibrancy downtown and we need flexibility on that or obstructing pedestrian activities.

Ms. Aldean said in the presentation it mentioned reducing the residential open space requirement for high-density projects. Why would you want to eliminate that, especially for units occupied by children? This is a quality-of-life issue. Sure, you can go to the beach, but you have to get there by car or walk. Open space is critical to the health and well-being of people living in these otherwise very dense developments. I don't understand the theory behind this.

Mr. Hitchcock said the concern raised by our planning commission members was about potentially reducing the number of units. The concern was that our efforts are focused on getting more units on the ground, and residential open space requirements might impact that. We agree that having open space is critical to any high-density project, and we're definitely open to suggestions. Instead of limiting it to 10 percent, perhaps we could allow some flexibility, leaving it to staff planners to negotiate with developers on the open space requirements. Right now, the requirement is 100 square feet per unit, but we're open to adjustments.

Ms. Kashuba, City of South Lake Tahoe said to add some context and background on how we arrived at this limitation. It originated from a planning commission comment. The previous maximum density was 25 units per acre, and developers never had an issue meeting the open space standards for developments of that size. This exception would likely only come into play for developments

DRAFT

exceeding that previous maximum density. With this change, we also adjusted the open space requirements. Previously, developers could choose between providing private open space, such as balconies for individual units, or communal open space, like playgrounds or barbecue patios for the entire development. Now, while developers can still include private balconies or open space, they are required to provide communal open space accessible to all units in the development.

Ms. Aldean said in hindsight, you're probably going to regret it if someone uses the maximum allowable density and ends up with very little open space. That could affect the marketability of those units, especially if they're market rate. While it might be a judgment call on the developer's part, I believe incorporating a modest amount of open space into every development is critical. Also, how do you manage snow storage? Looking at some areas in Tahoe, I wonder how they're managing it without transporting it offsite. During a major snowstorm, how are they accommodating snow storage effectively?

Mr. Hitchcock said that's the million-dollar question. We work closely with developers to ensure adequate snow storage is provided on-site. In cases where a project cannot accommodate sufficient snow storage, we require applicants to enter into a deed restriction requiring them to enter into a contract with a hauling service to remove snow offsite as needed.

Ms. Aldean is not suggesting that all developers are solely focused on maximizing their profits, but there's certainly a big incentive to do so. Eliminating open space or not providing sufficient room for snow storage is low hanging fruit for them. I believe it would benefit the city in the long term to insist that these needs are addressed, even if it means reducing the density of a development. The goal should be to create projects that the community can be proud of, and those developments serve as assets rather than ones that lack functionality or appeal.

Ms. Gustafson said regarding parking requirements, we've received significant concerns about this issue on the North Shore. In a region where automobile ownership remains a necessity, reducing parking can create challenges, particularly by displacing vehicles onto adjacent properties. Have you encountered similar issues at the South Shore? Additionally, do you have parking management and enforcement plans in place to address such concerns? For instance, with our workforce housing project in Kings Beach, we've often observed cars parked on the street, which has impacted neighboring properties.

Mr. Hitchcock said yes, we do encounter this issue. Our approach to parking standards involves setting what we refer to as a maximum parking limit, rather than a minimum requirement. Developers must provide a certain number of parking spaces, but if they wish to reduce that number, they need to meet our performance metrics to demonstrate that the site can adequately accommodate the parking needs of its units or tenants. Additionally, the city has the discretion to require developers to enter into parking agreements for these properties. From a planning perspective, it's a bit of a chicken-and-egg situation. We need better, more efficient transit to support higher density and reduced parking. At the same time, we need higher-density developments to support expanded transit infrastructure. We're working to address both issues simultaneously, striving to balance these interconnected needs.

Ms. Gustafson said absolutely. I would encourage you to consider requiring contributions to the transit system if you're going to reduce parking. This way, you can address both parking and transit needs simultaneously. It's also important to ensure there are enforceable measures in place. What neighbors often feel is that they're bearing the cost for someone else's decision to move forward with more intense development without adequate parking. I understand the intent, and I

DRAFT

think it's a good incentive, but we need to ensure these requirements have real enforcement. Otherwise, the rest of us are left continuing to raise funds to provide transit infrastructure.

Ms. Aldean said under the same series of provisions, number six, mentions modifying the build-to line standards. I'm assuming that would mean a zero setback. So, if the build-to line standards are modified, the modification could be waived when a single finding is made. Could you explain what that means?

Mr. Hitchcock said the concern with the build-to line standards in some cases is their potential impact on scenic resources and ridgeline views. We want to introduce more flexibility, especially for parcels that are constrained and cannot accommodate a building right at the build-to line. This flexibility would allow developers to move structures back, which can help protect scenic resources and make room for new buildings. It also provides opportunities to incorporate additional community design features to reduce the overall massing and size of the building.

Ms. Aldean said with a zero-lot line provision, how does that work? Is it restricted to areas that already have increased density? There is often friction zones created when, for example, a building with a zero-lot line is placed next to a single-family home that was required to have a 15-foot setback. How do you control these situations?

Mr. Hitchcock said we addressed this issue when we originally adopted the Tourist Core and Tahoe Valley Area Plan. We implemented stair-step requirements for solar access for projects built adjacent to residential districts. These projects are automatically required to have a 10-foot setback, and they must be set back at a 45-degree angle from the residential neighborhood. When we adopted the Tourist Core Plan, this issue came up, and after conducting an analysis, we concluded that with the stair-stepping effect in place, there would be no impact on adjacent residential neighborhoods.

Mr. Hoenigman said you mentioned that you estimate a reduction of between 5 and 7 percent from the inclusionary requirement. Is that referring to affordable or achievable units?

Mr. Hitchcock said for the city, there are affordable units.

Mr. Hoenigman said so, they are income restricted, not just are achievable.

Mr. Hitchcock said yes, the ordinance itself says include your housing units must be deed restricted for purchase or rent by low or lower income households.

Mr. Hoenigman said I'm still a bit confused about how this works with our condominium conversion provisions, where we require 10 percent to be set aside. Would that be in addition to the other requirements, or how does that work?

Ms. Bettinger said the inclusionary requirement of 10 percent that you're referring to that we approved a while back would not apply within the city because the city has their own inclusionary requirement.

Mr. Hoenigman said if all the units were larger than 2,000 square feet, we might get 5 to 17 percent deed-restricted affordable units. I mean, 5 percent is low, but 17 percent would be great. My guess, as a developer focused on maximizing profit, which is more rare in development than most people

DRAFT

imagine, is that I would build all 1,999 square foot units. I know I could get four or five-bedroom units in that size. I'm still concerned that we're not getting much from this change.

Mr. Hoenigman said with 65 dwelling units per acre with the required setbacks, coverage, height limits, etc., what is the average size of a unit that you would end up with?

Mr. Hitchcock said we haven't done the analysis, but the most recent project that came in at close to 25 units per acre in order to minimize the cost of the closure housing ordinance, they propose housing units that were 1,200 to about 1,800 square feet.

Mr. Hoenigman said that's 25 units per acre, correct?

Mr. Hitchcock said that one was close to 25 per acre.

Mr. Hoenigman said So at 65 they would have to be small units.

Mr. Hitchcock said you would have to take into account the coverage, as well as height. We believe that with the minimum and the maximums and the land coverage restrictions here in the basin, it will automatically drive smaller units rather than large units, which is what we're currently seeing being built on the ground today.

Mr. Hoenigman said I know you have to get as much square footage as you can on a property to make it pay. Otherwise, someone will outbid you and do that, so these will be maxed out. Every square foot that's possible will be built. I'm not sure where this is going to end up, and I'm still really dubious about what we're going to get from this at the end of the day. I don't feel like we have enough information. Maybe it hasn't been modeled—that's my issue.

I'm critical because I know how developers think, as a developer, and how good we are at getting around really expensive rules that cities and counties put in place. But I think you guys are doing great work and what you're doing is the right stuff. I'm just still a little nervous about what we're going to end up with. But I don't think I would be willing, personally, to do this outside the city where other people haven't put in the thought. I guess if we aren't liking what we see, we can always change it at some point.

Mr. St. Michel said as you read the first motion, it references approval: "Motion to recommend Governing Board approval of the proposed Tourist Core Area Plan Amendments." I just want to note for the public and for everybody, provided the Governing Board can make the necessary amendments to Chapter 13 to allow high density in centers. That was the first item. I just want to make sure everyone understands that. I think we can take comment on this because the motion does say "Provided the Governing Board can make that Chapter 13" so we can come back.

Ms. Aldean said since the stated purpose of this particular area plan amendment is to facilitate the development of workforce housing, can we make it exclusively for workforce housing? That these amendments to density and height will only be used in connection with bona fide workforce housing projects. At some future date, when you've reached sufficient units to meet the requirements of the city of South Lake Tahoe, then these exceptions can apply to other forms of housing. But there's a general concern that we don't want this to be used for second homes or market rate housing for people who want to vacation in Lake Tahoe.

DRAFT

Mr. Hitchcock said the city doesn't have a definition of workforce housing. I understand the concern with units becoming potential second homes. But when the city looks at it in reality, when it comes to aggregating all the development rights associated with trying to do some of these projects, if a developer wanted to do market-rate units and came to the city to use our development rights, they would be tied to doing rental units only. So, it's unlikely those will become second homes. If they want to do true market-rate housing, they would be required to go out and aggregate those development rights on their own in the open market, which I believe is very difficult to do. I don't think there are that many development rights out there to be had. In most cases, developers will have to work with local jurisdictions to get development rights that are owned by others. In the situation with the city, we have restrictions in place to make sure those don't become second units.

Mr. Hester said you could very well add a criterion like that to the previous item. If you want to propose an area plan that has more density or height, you would have to restrict it, as you mentioned. That's an option.

Ms. Bettinger said we do have the Phase 2 Amendments that were specific to height and density for deed-restricted housing. So, we already have those, and the city is again implementing them in their area plan. If they were to restrict the 65 units per acre density provision to only deed-restricted units, that would actually be more limiting than what they're proposing, since they already have no maximum density for deed-restricted housing in their area plan amendment.

Mr. Hoenigman said that's the issue is that we can't get what we want without it conflicting with what we already have with our Phase 2 requirements. If we put a deed restriction that it's achievable, so that it has to be full-time, then what we're doing is a second version of Phase 2 that's less desirable. I like that the inclusionary housing here is actually affordable, because that's a tier of housing affordability that we haven't found any way to incentivize yet. I think 2,000 square feet is too big because, as you mentioned, the developer proposed 1,200 to 1,800 square foot units. None of those were paying anything into your inclusionary housing fund. At 65 dwelling units to the acre, if they maximize the square footage (which they'll have to, to make it profitable), all the units would be less than 2,000 square feet, so we'd be getting all market-rate units, I think, at that point. Now, they would be smaller, and so maybe they would be affordable by design, but some of them at least would end up being second homes. I just don't have any idea what percentage that would be, so how we're actually helping locals remains unclear.

Ms. Aldean said I'm wondering if the better approach is to have the local jurisdictions which have probably already done this work and calculation to determine how many low income housing units are needed, how many moderate income housing units are needed, and how many workforce housing units are in the achievable range. Once you've satisfied low, moderate and workforce housing needs, then it can be applied to other uses. These amendments would only apply to affordable and achievable housing until you've reached the maximum required to satisfy your needs.

Mr. Hitchcock said obviously, the housing needs far outstrip what the state requires in terms of the Regional Housing Needs Assessment (RHNA) numbers for affordable housing. The city has met its RHNA numbers for this housing cycle. I'm not going to say we're falling behind, but we haven't met our targets yet for the market-rate units.

Ms. Aldean asked if you are equating market rate with workforce? So, these are people who may earn in excess of 120 percent of the median income, but they work in the basin.

DRAFT

Mr. Hitchcock said we don't have a definition for workforce housing. That's not a term that we use. It's either affordable housing by definition or it's market rate.

Ms. Aldean said I understand that, but you can create a definition. Does TRPA have a definition of workforce housing?

Ms. Bettinger said we don't have a specific definition for workforce housing. We have a definition for achievable housing, which is essentially workforce housing. It has no income cap.

Ms. Aldean said it does require that they work in the basin for a certain number of hours. That's quantifiable. It might allay some concerns that we just adopted the Phase 2 housing amendments and now we're going to extend the use of these incentives to something other than affordable housing. To me, it would make sense to tier it. Once the housing for those lower income levels has been met, then then you can apply these higher densities and higher height restrictions to the next category.

Public Comments

Deepak Sharma is a developer and lodging business operator in the Tahoe tourism industry. I live and work in the trenches, and I think it's my duty to express my views from the trenches. Over here, we've been talking in the clouds for a good part of the time. Why do you have to build new affordable housing when you have plenty of old homes that are available in residential areas? These old homes cost less than the newly built units. As a bureaucracy here, you can do something, just stop losing homes in residential areas to short term rentals.

South Lake Tahoe is in the process of capturing a lot of old homes for local housing just from Measure T. Interestingly, that is unique to South Lake Tahoe, and that measure came out of the ballot box, not from bureaucracy. Thousands of homes are coming available for locals in South Lake Tahoe, and a good number of them are affordable and achievable. There are plenty of old, small cabins in South Lake Tahoe that fit the bill. You have plenty of opportunity to capture old homes in the rest of the basin for local housing if you only act.

New housing, such as Sugar Pine, costs close to a million dollars to build a studio or one-bedroom apartment. The closest thing that comes to a similar unit is a luxury unit in Trump Tower. Sugar Pine is a city and state project. It can never be done by a private developer on private land. Please stop making an example out of that for private developers.

The Tourist Core and Tahoe Valley Area Plans are commercial and mostly tourist areas. Almost all the parcels in that area already have hotels or the remaining ones allow hotels to be built. So, nobody is taking housing out of nowhere in this amendment. These are already commercial and tourist areas. By most means, South Lake Tahoe is the most affordable area in the basin. It is sometimes more affordable than Sacramento. The problem here is not affordable homes; the problem here is the big elephant in the room, not enough year-round jobs. We are lucky that we are spending the whole day here, and our bills are getting paid. This is early November. We are in the slow season. Most people in the tourism industry are out of a job or underemployed, and that stays true for five months of the year.

The housing here is pretty similar to Sacramento unless you are on the beach. A lot of old cabins in South Lake Tahoe cost half the price of a new Sugar Pine unit. You decide which one of the two is affordable. The areas under discussion are commercial and tourist zones. Again, there are either

already hotels there or the remaining parcels allow hotels to be built. Without the new provisions being put together here, there is no housing coming to this area. This just simply doesn't pencil. And you cannot force a private developer to do something where they're going to lose money.

Ellie Waller said Phase 1 nor Phase 2 housing amendments ever defined these terms. We started years ago with low, low, low. Now we have moderate, affordable, and achievable, which adds to the confusion. Until such time that a codified definition by the state(s) or TRPA comes forward, how are we ever going to figure out what we're doing here? I've participated for 20 years, and a bunch of people who are going to talk to you today have participated even longer or have worked for TRPA or in the industry. I'm not sure how we can continue to piecemeal any of these codes being proposed in item three. I'm looking forward to coming back to that. It all needs to be tabled.

Ann Nichols said I wrote an article in Moonshine Ink last month. Karen Fink's article regarding what we're doing in TRPA for workforce housing. Well, what is it? Let's get a definition. People think of workforce housing as the national definition is affordable or low income. So, you're obfuscating what it's really about. Then, when you talk about, "Oh, we're just going to do scenic according to findings 1, 3, and 9 well, then why don't you enumerate them? Is it above the tree canopy? Some of our trees are 150 feet tall. Does it obstruct the view of the ridgeline from 300 feet? If you are in Crystal Bay and you're 300 feet away from Waldorf Astoria, it does block the ridgeline. We're being fooled on this. And the whole workforce housing affordable thing, people have been feeling like Housing 2 was a red herring to do more market rate housing. I know you didn't mean to do that, but that's what's happening. As a realtor for 50 years, you want to figure out the way to make the most money. If I were a developer, I'd think I don't need to do 65 units per acre, I'll do 40, make them bigger, and look it will be less impact. I'll just go higher." This is piecemeal planning again. Treat them separately.

Doug Flaherty, Tahoecleanair.org said these comments and the back-and-forth agenda item changes, trying to amend these recommendations on the fly, there's no substantial evidence to justify any of it. There's no data on the part of South Lake Tahoe to indicate anything about affordable or achievable housing, and it's just premature. None of these are ready for prime time. I urge you to put this off and make South Lake Tahoe provide data.

Second, I want to point out a process issue regarding public information in your packet. On page 280, "Initial Environmental Checklist" link is not working. So, if the public is relying on the public packet to make decisions and follow this information, there is no link to the environmental checklist. While you could argue there's a link at the bottom of the page, the public should not have to go to two places to figure out where the environmental checklist is. I also challenge the environmental checklist information. It took me 15 minutes to find it, but numbers 76, 77, and 79 have no substantial evidence whatsoever from TRPA or the California Environmental Quality Act (CEQA) to indicate that this would not impair implementation or physically interfere with an adopted emergency evacuation plan. There's no substantial evidence to indicate there would be less significant exposure to people or structures or significant loss of life, injury, or death within areas of a wildfire urban interface zone. This is subjective.

I know you don't like our independent Lake Tahoe evacuation analysis, but you guys don't have any analysis and in court that provides substantial evidence. But that can lead to a conclusion that there's been a data foundation that has expressed a very good possibly that the evacuation times are between eight and 11 hours. Go back to the drawing board on this, or I foresee some legal action, especially in light of some of the recent California appellate court decisions. Please table this today.

Nick Speal, South Lake Tahoe resident supports these proposed area plans for these limited areas within the city limits. These plans have been approved unanimously by the City of South Lake Tahoe's Planning Commission and City Council. These area plans have local support. I would also like to ask representatives from neighboring jurisdictions to please ratify this local support and avoid getting too deep into the details of the development standards developed by our local community. These standards are only applicable near the Y intersection in South Lake Tahoe and in the tourist core of South Lake Tahoe.

Sophia Heidrich said several of you touched on this, and I particularly appreciated Ms. Aldean's questions and comments earlier. You are all familiar with the Phase 2 housing amendments approved less than a year ago. One of the main goals of the Phase 2 amendments was to incentivize deed-restricted housing for local workers by providing, among other things, more height and density in town centers. Now you are considering amendments which codify a process for local jurisdictions to exceed TRPA's heightened density standards in town centers for non-deed-restricted housing. This significantly weakens those Phase 2 incentives. Why would a developer deed-restrict their housing project for locals if they can already get the height and density, they want without doing so? With the help of the proposed TRPA Regional Plan and Code of Ordinance Amendments, the City of South Lake Tahoe is proposing density for market-rate housing at 65 units per acre. The Phase 2 incentives can already be used for market-rate housing with no income cap. It just has to be for locals. The difference between what the city is proposing, and the Phase 2 density incentives is that developers could get over twice as much density, and the housing wouldn't have to be for our local community. It could be for second homeowners. How does that help solve the housing crisis? Ms. Bettinger said earlier that the current process allows for spot zoning by having different standards in specific sites or locations, and the best solution I can come up with for that issue is to just maintain the TRPA standards rather than making exceptions.

I also wanted to pose a question for staff. The staff report states that since the Regional Plan was adopted in 2012, local jurisdictions have been able to propose height and density standards that exceed TRPA standards. Agenda item three is essentially codifying the existing process, yet that process has never been done before until now. No local jurisdiction has ever proposed heights or densities above TRPA's regulations for their area plans until now. Where in the Regional Plan does it allow local jurisdictions to exceed TRPA's height and density standards? I looked through the Regional Plan and didn't see any language to that effect. I did see some language that outlines instances where height exceptions could be made. CD-2.1.c-i states that additional height may be provided for unique situations, such as lighting towers, ski towers, buildings within ski area master plans, steep sites, and essential public safety facilities. It does not say TRPA height standards could be exceeded for entire centers within area plans. So how are the proposals today furthering this policy or even consistent with it? Is there another part of the Regional Plan that allows for these changes? If staff could clarify, that would be very helpful.

Ultimately, TRPA should uphold its heightened density standards and deny the city's request for additional density for several important reasons. TRPA standards were purposefully put in place to minimize environmental impacts and analyzed under National Environmental Policy Act (NEPA). Allowing additional height and density for non-deed restricted housing waters down the incentives to get developers to build the housing that Tahoe actually needs, which is housing for the local workforce.

Steve Teshara on behalf of the Lake Tahoe South Shore Chamber of Commerce, I appreciate some of the committee's questions and understand that you've had limited exposure to the proposals placed

before you today. We commend the City of South Lake Tahoe for its extensive work to develop these proposals, both in terms of the Tourist Core Area Plan and the Tahoe Valley Area Plan, leading to the proposal for the Chapter 13 amendments also presented today. The city has been working on these proposals for over a year and a half, and a great deal of thought has gone into them.

It's also instructive to note that a prior commenter mentioned that the Planning Commission of the City of South Lake Tahoe unanimously approved these amendments to the Tourist Core Area Plan and Tahoe Valley Area Plan, and that the City Council did as well. I hope that if the committee and staff have some questions or concerns, or need additional information, you don't send the city away without an opportunity to provide more information and clarify things. A tremendous amount of work has gone into these proposals, and I think it's somewhat short-shrift in terms of consideration today. If you want more data, if you need more specifics, I think that's legitimate, it's part of your purview as a member of the Regional Planning Committee of TRPA. But I want to make sure you know that we see the city as having done great due diligence to come up with these proposals. Yes, they may be specific to the city, and maybe they should be confined to the city. But that being said, the fundamental principle of the Regional Plan from 2012 that we supported is that local governments should have more ability to do what they believe is important within their jurisdiction, as long as it's consistent with the Regional Plan's goals and policies. I believe these proposals meet that test. There may be some details that need to be ironed out, but please don't send them away packing without giving them the opportunity to continue the conversation.

Mr. Hester suggested that we continue this for a month and spend the rest of our time getting clear on what questions and information this committee would like us to bring back next month, so that we can move these forward with everyone more informed.

Ms. Regan echoed what Mr. Hester suggested. Thank you to the city and underscore the length of time the community has worked on this. It has been a significant amount of time since we vetted this at this committee, and I think the discussion has been very productive and helpful. We can tease out some specific pieces of data that we need and bring it back to you.

Mr. Hitchcock said yes, the city supports the continuance so that we can go back and provide any additional information that the committee may need, as well as answer any outstanding questions. I'd like to reiterate that the city's efforts here are really to promote more housing in the tourist core, and we'd like to be granted that continuance and come back next month with a more robust discussion.

Ms. Aldean said among the questions that were asked, Mr. Sharma, the motel owner who has made an investment in the community, raised a point about the effect of Measure T on available housing stock. If you could provide us with some data on how many of those homes are now for sale and at what price, that would be helpful. He raises an interesting point about what we don't want to have is houses boarded up or unoccupied. If the passage of Measure T has diminished the price of those homes to the point that they can no longer be used as short term rentals, it would be interesting to know how many of those properties are available in a specific price range.

Mr. Hitchcock said they'll add that to the list.

Mr. Hoenigman said there are some good studies out there that show if you ban short term rentals you get about a 4 percent reduction in housing prices and rent. It really doesn't end up being super impactful, but I'd love to see if you have any local data on this. It didn't last time I checked, but I think it would also be worthwhile to have the staff respond to any issues. We also had a couple of people

question whether we had defined the terms, and I think we have defined the terms for our different housing levels.

Ms. Bettinger said we do have definitions for affordable, moderate, and achievable housing in Chapter 90 of our code. Achievable housing is considered deed restricted housing that's occupied by households who make 80 percent of the area median income or less. Moderate housing is between 80 and 120 percent of the area median income. Achievable housing, as mentioned before, does not have an income cap, but at least one member of the household must work for an employer within the basin or the Tahoe Truckee Unified School District for at least 30 hours per week.

Mr. Hoenigman said the term "workforce housing" has been thrown around a lot, but it doesn't have any legal meaning to us in the basin right now. We have no definition or policy surrounding that.

Ms. Bettinger said that's correct. We do use "workforce housing" sort of interchangeably with "Achievable," and I think we can certainly take these comments as a suggestion to use more specific terminology in the future.

Ms. Gustafson said from my understanding, the way we've used "workforce housing" is to include all categories, such as low income, very low income, affordable, moderate, and achievable. So, we're focused on the entire spectrum of housing needs, which requires an umbrella of deed restricted definitions. Perhaps it's not about eliminating "workforce housing," but instead ensuring that it's clear to everyone that it covers all those categories in the way we've been using it at North Shore.

Mr. Hoenigman said I think if we're going to continue to use "workforce housing," then we just need to define it in that way. That's a great definition because it keeps us from having to re-stipulate what it means every time.

Ms. Regan said there's been a lot of discussion in policy circles around the terminology. And I wanted to be clear that when we say things like "workforce," we're using that as a general term, not a legal definition. That also implies that people who are in low-income or impoverished situations are not working. So, there's been a lot of discussion in policy circles around that, and I appreciate the flag.

Mr. Hester said where does it say you can amend the Regional Plan? Any plan can be amended. So, we cannot legally limit anybody from proposing a plan amendment to an area plan or regional plan. A private project doesn't mean we have to approve it, but we do have to process it. That's called due process.

Mr. Hoenigman said in terms of moving forward on this item, do we want to take it offline and get our specific questions, making sure we communicate those to the city? This way, we don't take up any more time right now. Do we need a motion to table it?

Mr. St. Michel recommended that we go back and complete public comment on the first item that we tabled. Some of those comments may have already been made, but we did kind of end that discussion. We should give that chance and then take a roll call vote to continue one or all three items to the next meeting.

Mr. Hester said we will not hear Item 4.

DRAFT

Ms. Aldean made a motion to continue Agenda Items 3, 4, and 5.

Ms. Regan suggested adding "To continue that to either a future Regional Planning Committee or Governing Board Meeting."

Ms. Aldean confirmed that there was not a specific time.

Ms. Regan said that's correct.

Ms. Aldean accepted Ms. Regan's amendment.

Ayes: Ms. Aldean, Ms. Gustafson, Mr. Kieckhefer, Ms. Leumer, Mr. Hoenigman

Absent: Mr. Settelmeyer
Motion carried.

VI. UPCOMING TOPICS

Mr. Hester said besides the three items that just got continued, there will be some Phase 2 Housing Amendments for both Douglas and Placer County coming early in the spring. Douglas County South Shore Area Plan will probably be coming in two pieces, one with some general amendments and the other for the Health Services District, which would be separate. We anticipate that the City of South Lake Tahoe will be providing you with an informational presentation as they work on their City of South Lake Tahoe Midtown Area Plan. They may also provide an informational presentation on the Tahoe El Dorado County Area Plan, though it's now going by the name "TED."

VI. COMMITTEE MEMBER COMMENTS

None.

VII. PUBLIC INTEREST COMMENTS

Doug Flaherty, Tahoecleanair.org said this is not a debate on previous agenda items, but we have a new process, a motion that was just made at the very last minute Director Regan suggested that the motion be changed to state that this would be brought forward in a future committee meeting or at a Governing Board meeting. Please take it back to the Regional Planning Committee. Please don't take it straight to the board. The public won't have an opportunity to see what type of changes have been made before this reaches the Governing Board.

Ellie Waller echoed Mr. Flaherty's comments. This needs to come back to the Regional Planning Committee so you are satisfied, as well as the public being satisfied, that these things have been properly vetted. We don't want to further confuse another body of people, as today's process unfolded. We need to figure out a better way. This has happened in the past, where the public has been put last when they want to comment. Not that I'm not interested in what's going on in the South Shore area planning process, but the perception is that explanations were made and if you didn't table item three, my perception is it could have influenced you into allowing this to be piecemealed for the city. That doesn't make sense if you're trying to streamline a process, and if you're trying not to spot zone. You can't have it both ways.

DRAFT

IX. ADJOURNMENT

Ms. Aldean moved to adjourn.

Mr. Hoenigman adjourned the meeting at 1:40 p.m.

Respectfully Submitted,

Marja Ambler
Clerk to the Board

The above meeting was recorded in its entirety. Anyone wishing to listen to the recording of the above-mentioned meeting may find it at https://www.trpa.gov/meeting-materials/. In addition, written documents submitted at the meeting are available for review. If you require assistance locating this information, please contact the TRPA at (775) 588-4547 or virtualmeetinghelp@trpa.gov.

DRAFT