

TAHOE REGIONAL PLANNING AGENCY  
LOCAL GOVERNMENT AND HOUSING COMMITTEE

Zoom/TRPA

May 25, 2022

**Meeting Minutes**

I. CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Ms. Novasel called the meeting to order at 9:41 a.m.

Members present: Ms. Aldean, Mr. Friedrich, Ms. Gustafson, Ms. Hill, Ms. Novasel, Mr. Rice, Ms. Faustinos, Mr. Lawrence

II. APPROVAL OF AGENDA

Mr. Hester stated no changes to the agenda.  
Ms. Novasel deemed the agenda approved as posted.

III. APPROVAL OF MINUTES

Ms. Gustafson moved approval of the January 6, 2021, and June 9, 2021, minutes as presented.  
**Motion carried.**

IV. APPOINTMENT OF VICE-CHAIR

Ms. Novasel said this is her last year on TRPA since she'll be termed out as the El Dorado County District V Supervisor. This is a good point right now to think about succession planning.

Ms. Novasel asked the committee for nominations. Hearing none, she nominated Ms. Hill for Vice Chair.

Ms. Hill said she's honored to be the Vice Chair and learn from Ms. Novasel. This committee is incredibly important to the future of livability at Lake Tahoe.

Public Comments & Questions

None.

Committee Comments & Questions

Mr. Rice made a motion to nominate Ms. Hill as Vice Chair.

**Motion carried.**

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- V. Item 4a: Discussion and possible action/recommendation of height, density, and coverage options to encourage affordable and workforce housing, including amendments to Chapters 30, 31 and 37

TRPA staff Ms. Fink and Ms. Bettinger provided the presentation.

Ms. Fink said today she'll provide an update for the actions that TRPA has taken this past year and highlight how the Tahoe Living Working Group work integrates with the Governing Board committee work. In addition, she'll present on what the local jurisdictions have done related to affordable and workforce housing.

In July 2021, the Governing Board approved the Phase 1 Housing Amendments. Also, last year, they approved an update to the Vehicle Miles Traveled (VMT) Threshold which included a provision related to affordable housing. Included in today's presentation are the new incentives that they have related to affordable housing in TRPA's Regional Plan.

TRPA policies now allow Accessory Dwelling Units (ADU) on all residential parcels on the California side. Staff have received 20 ADU applications since that Code went into effect. Through those Phase 1 housing amendments, the Governing board also approved increases to residential densities when tourist development is undergoing a redevelopment project to residential. Now there are some significant fee waivers in place for affordable, moderate, and achievable housing. For several years, they've had a fee waiver of their application fees, but last year, as part of the VMT Threshold update the Governing Board approved waving the mobility, mitigation fee for affordable, moderate, and achievable deed restricted housing. Those two fees together can result in a waiver of about \$3,000 to \$10,000 in fees which can be significant, particularly for a smaller project like an ADU.

There are many exciting things going on at the local level with implementing their housing elements and other housing actions. (Slide 3) is not comprehensive but highlights a few innovative programs and projects that are happening. The City of South Lake Tahoe was able to put quite a bit of general funds and leverage significant State and Federal grants for the Sugar Pine Village Project. Placer County just made some updates yesterday to their Workforce Housing Preservation program which makes available first-time home buyer funding for local workers. Washoe County is also working on their Washoe Tahoe Housing Partnership.

They're now in Phase 2 of the Tahoe Living: Housing and Community Revitalization Initiative. What will be presented today is kind of the main piece that the Tahoe Living Working Group and staff have been working on as part of that Phase 2. The Governing Board appointed the Tahoe Living Working Group in January of 2021 as a committee of the Advisory Planning Commission. The purpose of that working group was to be able to have practitioners and people who really have experience working in the housing field who can provide direct input on how their existing policies are working or may not be working. As they bring policy proposals forward, they can share their real-world experience, and let them know what they think will work, and not work.

The Tahoe Living Working Group is a 20-member group of stakeholders. There are affordable housing developers, builders, social service providers, representatives from the public land agencies, environmental organizations, and each of the local governments are represented on the working group. They also have Governing Board representatives from this committee and from the Regional Plan Implementation Committee. Lastly, they've also had participation from other Governing Board members with an interest or expertise in housing such as Mr. Beyer and Mr. Hoenigman.

Staff is bringing forward today the first set of concepts that they've vetted with the working group and are now presenting it to the Local Government and Housing Committee and the Regional Plan Implementation Committee for input before the next phase which is the environmental analysis process. Staff will then bring it back with code amendments for recommendations of approval.

The focus of this phase is to continue to look at ways that they can better implement the land use pattern that was envisioned in the Regional Plan to support transit, walkable communities, reduce greenhouse gas emissions, help achieve the climate goals, as well as achieving the affordable housing goals in the Regional Plan, and the local governments affordable housing targets. Ms. Bettinger will present on those concepts along with the work of their consultant Cascadia partners who did a financial feasibility analysis on these policies. Ms. Fink will follow up with some changes that they're proposing to the achievable definition.

(Presentation continued)

Ms. Bettinger said this will be a two-part presentation. First, will be the results of a performer analysis that their consultants Cascadia did last Fall. Then she'll present on the proposal for how to address some of these things that came out in the analysis.

Cascadia is a real estate, land use, and housing firm that's based out of Portland, Oregon to explore the feasibility of building more workforce housing through testing some alternative development standards for both TRPA standards. In this analysis they looked at density, coverage, and height. It also highlights other constraints that they haven't talked in as much detail about.

The analysis looked at three different scenarios. First, what it would take to build a duplex on a 5,000 square foot lot in the Kings Beach residential subdistrict in Placer County. They used a 5,000 square foot lot because they found that is the median size lot already zoned for multi-family in the basin. By using this size of a parcel in this analysis they can sort of more broadly apply these results throughout the Region, not just focusing specifically on Placer County.

The next scenario looked at what it would take to build a fourplex on a slightly larger parcel at 8,000 square feet in the Incline Village residential area. This is outside of the Town Center, so not all the highest development standard incentives exist. They found that the findings in this zone were very similar to the first scenario on Kings Beach. The full results are included in the staff packet and on the website.

The last scenario looked at building a multi-unit affordable development on a 12,000 square foot parcel within the City of South Lake Tahoe's Ski Run Boulevard Town Center. This is a little bit different scenario because the Town Center areas provide for higher development standards.

Kings Beach Residential Subdistrict, Placer County: Even though the Kings Beach residential primarily consists of single-family homes right now, the statement of purpose in the zone is that the Kings Beach residential area is anticipated to have a mixed residential use type.

They're trying to encourage a mix of residential housing types in this zone as shown on slide 11. This opens the opportunity to explore what it means to build more than just a single-family home in this area, and specifically building housing types that are known to be more affordable than single-family homes such as middle housing types.

For Scenario 1, Cascadia modeled a duplex on a 5,000 square foot lot. The intent of this scenario is to understand how the existing Code of Ordinances impacts duplex development and test out some alternative development standards that might help further support duplex development in this specific area.

(Slide 13) is a summary of existing standards compared to the alternative test standards that they used. The alternative test standards are shown in blue. In the middle column the current allowable density is 15 units per acre.

In this scenario, they asked them to go up to 20 units per acre and explore how the feasibility changed. The maximum height in this area is 3 stories and they asked them to go up to 3.5 stories. On the maximum lot coverage, now, they assumed that this is a high capability, relatively flat parcel and the maximum allowable coverage could go up to 30 percent. Then alternatively, they asked them how the feasibility would change if they went up to 70 percent. They've also included setback and parking requirements in this table for reference. Although, these are primarily implemented at the local government level. This is not in one of the Town Centers where they want to see kind of the highest growth, but is in their highest density, multi-family areas outside of Town Centers.

(Slide 14) The first big finding of modeling a duplex under existing Code is that you can't build anything, you run into a no build scenario. If you look at the units per acre calculation, two units on a 5,000 square foot lot exceeds the density allowance of 15 units per acre in this zone. The 15 units per acre doesn't equate to 15 units per parcel, that calculation needs to be done as shown on this slide to identify how many actual units there could be on the property. In this case, to get two units on a 5,000 square foot lot, you would need at least 17.5 units per acre density allowance to do that. They didn't end the test there, they wanted to explore how other developments standards might impact the duplex development as well. Assuming that they increase maximum density to allow a duplex they wanted to know what was the next biggest obstacle that they would run into.

(Slide 15) They found that 30 percent lot coverage maximums are kind of a major barrier because it does make for an awkward and inefficient duplex. The 909 square feet is the maximum unit size with 30 percent coverage. There's a couple of reasons that they can't build larger units. One, is because the space for parking goes towards the maximum amount of coverage, and it really eats into the space that there is for the overall living for the overall living space. In this case, Cascadia included garages which essentially take up pretty much the entire first floor of the development which doesn't leave a lot of space for the living space. Although, three stories are allowed, the roof pitch requirements limit livable square footage on the third floor. This further limits the amount of maximum square footage that you could have access to. The takeaway was that you'd be left with small duplex units and typically they're too small to be family size or market feasible.

The financial analysis shows a rate on investment comes in the negative which is far from the target rate of around 12 to 15 percent that developers typically like to see. The minimum amount this duplex would need to be sold for is about 19 percent over current market trends. Overall, due to the size and financial performance, this duplex really isn't something that a developer would be interested in building which is why they don't see many new duplexes being built in Kings Beach or in a lot of the multi-family zones throughout the basin.

Another finding from Cascadia's analysis was that setbacks and lot coverage result in a very different buildable area. (Slide 17) Shows that setbacks take up about 44 percent of the site which leaves about 66 percent buildable. Alternatively, coverage standards at 30 percent, more than half of the buildable

area is left vacant. This is important, because this area that is left vacant has a dollar amount which is almost \$52,000 in land costs. Here, they observed a misalignment between coverage and setback standards which has a cost to it.

(Slide 18) What is technically allowed under the existing Code doesn't always align with development standards. The bottom graphic shows the housing types in red are technically allowed but the single-family home is typically the most feasible housing type in this area.

How does a duplex under existing Code compare with a duplex under recommended alternative standards? One, a more comfortable duplex could be built by increasing the lot coverage standards gives a little bit of wiggle room to include bigger units and make this duplex a lot more feasible. Under building and parking coverage, going from 30 to 34 percent allows for a significant increase in units which makes the development more feasible. Having a few extra square feet makes the units more family size and more comfortable. It also improves the rate of return on investment. They went from a negative 3.1 percent under alternative standards to 7.5 percent. While this doesn't quite reach the target, it's significantly improves it. You can also see that with the minimum feasible sale price, it was 19 percent above market rate and now it's 7 percent above market rate. While they're still not hitting the targets, they are getting closer.

(Slide 20) Alternative test standards do comfortably accommodate a duplex within average 3-bedroom unit size and does improve the rate of return.

As part of the analysis, they wanted to test how current development standards affect the feasibility of multi-family housing. The first thing that they ran into was the maximum density doesn't allow for the feasibility to build a duplex. Assuming increases to density, the 30 percent lot coverage does still create an awkward and inefficient layout. It's not that feasible to build more than a large single-family unit, or a very small duplex.

Assuming increases to density and lot coverage, setbacks do consume close to half of the site, limiting development to no more than a triplex. Assuming increases to density and buildable area, the parking requirements severely limit the potential for denser housing because the parking requirements for multi-family and single-family are the same.

Lastly, the 36-foot maximum height starts to become a significant barrier when they're building slightly larger multi-family. In this case, at 6 units and beyond, going back to that roof pitch requirement, it's not necessarily the height that's limiting but it's the amount of usable space on the top story with that roof pitch requirement.

Scenario 2 came out with very similar results to Kings Beach.

Scenario 3 is Ski Run Boulevard located in the Tourist Core in the City of South Lake Tahoe. It is Town Center that has a variety of amenities, services, transit, and bike paths. This area supports a wide range of mixed uses which includes multi-family residential. Because this area is in close proximity to a lot of these amenities and uses, Ski Run is identified as a preferred affordable housing area.

As part of this process, they modeled a multi-unit deed restricted affordable development. This is a little different than the last scenario in that they're specifically looking at a fully deed restricted development, similar to what they're looking at with the Sugar Pine development in the South Shore.

Whereas, in Scenario 1 it was not deed restricted. They're using 12,000 square feet as the parcel size. They found that the median size of vacant lots in the Ski Run Boulevard area is about 12,000 square feet.

(Slide 25) Summary table of existing standards versus test standards in blue. Because this is in a Town Center and they already have some of incentives for maximum height and coverage allowances, they allow higher height and coverage in Town Centers already and a little higher density as well at 25 units per acre. In this scenario they wanted to increase this up to 40 units per acre, to see how that impacts the feasibility.

Under the existing Code, up to 6 units could be built. This is based on that 25 units per acre. They're using 770 square feet as the average size of a unit. They found that this is a typical unit size for an affordable development. The building and parking coverage come in at about 34 percent coverage. It does take into account the parking reduction that the city offers for affordable housing development. The subsidy required per unit is about \$375,000 per unit. In order to make this project work, that would be the cost per unit.

In a couple of findings, they learned that the maximum density is essentially holding someone back from the other development opportunities that other standards have to offer. Because building and parking only covers 34 percent of the lot, less than half of the coverage allowed under existing standards is utilized. Although, the existing Code allows for up to 4 stories, a 6-unit development, they found in this case doesn't require more than 3.5 stories. Other standards are offering a lot more in this specific Town Center area and maximum density is kind of the only thing that is hindering the development potential on this lot. Setbacks, and lot coverage result in different buildable areas. There's sort of a misalignment between these two standards. In this case, it's opposite from the previous scenario in that setbacks are consuming more of the lot than the 70 percent allowable coverage. Cascadia found that these standards are taking turns in defining the buildable areas.

How does what they can build under existing Code compare with what they can build if they do increase maximum density? (Slide 29) They're seeing an increase from 6 to 11 units, which is almost double and are keeping the same unit size for comparison. The building and parking coverage increases from 34 to 56 percent. At the bottom of the slide, you'll see that the subsidy needed per unit does decrease. They know that subsidies in affordable housing are scarce and oftentimes very competitive. Even though it is only a 10.5 percent reduction in the subsidy needed per unit, it could tip the scale to make this project go from infeasible to feasible.

Increasing maximum density can help decrease the amount of funding required to subsidize deed restricted affordable units. This is a significant finding when it comes to just increasing maximum density in this zone because while they have higher allowances for height and coverage, the density is holding them back in this situation. While this does include parking reductions for affordable housing, again, the city does offer these parking reductions for deed restricted affordable housing. About 33 percent of the lot is used up by parking. It's important to test and understand the impact of parking reductions in order to calibrate them in a way that supports affordable housing development.

Maximum density limits development to no more than 6 units. That's great but if they could have more and better utilize the incentives that they have for other development standards, why not do that.

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Assuming increases in density, setbacks again, are the next place that they bump into, and they consume about 43 percent of the site which is more than the coverage allowances do in this zone.

Parking requirements remain a significant barrier and limits the development to no more than 13 units unless parking reductions were decreased. Assuming increases to density and lower parking minimums, maximum height and lot coverage become a significant barrier at more than 20 units.

Cascadia's three takeaways were that there's no there's no single silver bullet. They saw in all these scenarios that they just can't change one standard and make a large impact. An example of this is density. Just increasing density is not enough, they'll run into other standards. They go hand in hand, and it's important to think about the big picture about how they can address these altogether.

The second was barriers to multi-family development increase with density. This might be sort of a given, but there are a lot of standards in the basin that are very friendly to single-family development but become very significant barriers with building multi-family. For example, in the Ski Run scenario the parking requirements take up so much of the lot, how can they better calibrate those to reflect what they want to see?

Third, changing development standards is a relatively hard process and takes a lot of political will. Cascadia recommended that they should tackle the development standards that they see could have the largest impact in terms of breaking down barriers.

Cascadia's analysis concluded.

(Presentation continued)

Ms. Bettinger said in the analysis the development standards implemented at both TRPA and local jurisdiction level influence and ultimately dictate what gets built in the basin. The analysis showed that for most of the areas in the basin it is a lot easier to build single-family homes than it is to build the multi-family types that the workforce relies on. Throughout the past year, the housing team has been focused on developing options that open doors for solutions to a number of big Regional Plan goals. Among these are encouraging workforce housing development, but they also want to better connect the housing and transportation network to create walkable communities that are close to services, amenities, and transit, and concentrate development in the Town Centers. Advancing on all these goals does positively impact the climate and sustainability of Tahoe. Today, they'll present on some conceptual policy options related to how they can address height, density, and coverage to further get at some of those goals.

This summer they'll be moving these options through the environmental analysis. The purpose of presenting these today is to get input on what should be included in this package for further analysis.

Density is implemented by allowing certain units per acre. It's the standard that controls the number of units that could be placed on a lot, depending on how big the parcel is. Many parcels that are smaller and closer to Town Centers can't have more than one unit because they're too small. In the first example, they couldn't build a duplex under existing density standards. By using relatively low-density standards paired with a lot of smaller parcels in the basin, they are inadvertently excluding the missing middle housing types like duplexes, triplexes, and fourplexes that are often affordable by design types that were highlighted in the Opticos presentation to the committee last year. As a result of this, many

of the parcels in the basin that are zoned from multi-family, either end up being developed as a single-family home, or often remain as vacant lots. Their proposal also focuses on Town Centers today where existing densities are currently 25 units per acre and they're finding that this is not high enough to support the transit and walkable development that they want to see.

The second scenario in the analysis showed that even at 25 units per acre, density constrains the development opportunities that increased coverage and height in Town Centers can offer.

The first conceptual proposal would allow a minimum of 3 units or a triplex on any parcel that is already zoned for multi-family housing in the basin and would be regardless of the existing units per acre standard or size of the parcel. This incentive would be only for deed restricted affordable, moderate, or achievable. This would apply in areas that are already zoned for multi-family as show in purple on slide 36. In these areas current densities range from about 8 units all the way up to 25 units per acre in the Town Centers. Again, this proposal would allow a minimum of 3 units regardless of whether they could get those 3 units with existing density allowances.

In addition to the analysis, highlighting the need for increased density in Town Centers, they've also received a few comments encouraging them to look at increasing density in the "downtown and surrounding areas." through this process. Town Center densities at 25 units per acre are too low to support the type of development that they want to see in these areas. For reference, densities for tourist uses go up to about 40 units per acre in a lot of these areas. They would like to use 40 units per acre as starting point for looking at residential densities in this area and are open to the idea of going even higher if the analysis shows that that is needed. This is not the first time they've increased densities above 25 units per acre. In 2010, TRPA's Code of Ordinances was amended to allow for up to 30 units per acre for affordable housing projects in Kings Beach. This option will also allow the local governments to decide if they want to utilize this increased density. They would increase Regional Plan densities in in these specific areas, but it would be implemented at the local jurisdiction level through their area plans. Not every area is appropriate for higher density. In terms of applicability, they would like to analyze this higher density option for developments that are building a certain percentage of deed restricted housing. This option is a little different than some of the other options that they're bringing forward today in that this wouldn't be for 100 percent deed restricted developments. It would be for a development that for example is 75 percent market rate, and they're setting aside 25 percent of the units for deed restricted affordable, moderate, or achievable.

Coverage was the next development standard that Cascadia identified in their analysis. Coverage or impervious surface can often prevent the infiltration and treatment of water and stormwater runoff which leads to water quality impacts in the Lake. Coverage also contributes to soil erosion and limits vegetation growth. These are all reasons why TRPA regulates the amount of coverage that could be built on a lot and is based on the land use classification system that looks at how much development lands in the basin can tolerate. Higher capability lands can tolerate more development, more severe disturbances, and remain stable. Other more sensitive areas like stream environment zones and steep slopes can become highly unstable after just a bit of development, or a slight disturbance. In the past the Agency has recognized that coverage limitations impact their development objectives in the basin. As a result, they have put in place incentives to encourage development that helps them meet the Regional Plan goals. For example, the higher coverage and height allowances in the Town Centers is a great example of when they've provided incentives to help meet the Regional Plan goals.

Through the working group process and further reinforced by the Cascadia analysis, the current

coverage system does encourage single-family over multi-family because coverage allowances are the same to build both, even though typically more coverage is needed for multi-family. They've also heard that in the Town Centers where higher coverage is already allowed that it can be difficult to find and transfer in. Even though it can go up to 70 percent coverage in Town Centers, there still needs to be coverage transferred in at a cost. Outside of Town Centers a lot of parcels that are suitable for workforce housing exist just outside of these Town Center boundaries. In the Ski Run Town Center is relatively small, and there are quite a few parcels that are just adjacent to this boundary that hold a lot of the denser development right now, and a lot of pseudo-affordable housing exists in this area right now. If they want compact development close to Town Centers, they need to identify alternative ways of looking at coverage for workforce housing that maintains the same level of water quality and soil protection, but also allows more flexibility on coverage limits for specific workforce housing types.

Based on these objectives, staff presented two options for input on today. The first option would allow property owners to build above base allowable coverage up to a maximum of 70 percent similar to Town Centers for deed restricted multi-family or Accessory Dwelling Units outside of Town Centers. This additional coverage would be available for the deed restricted unit only and would be a maximum of 70 percent coverage. For example, if someone wanted to build an ADU and they're already at their maximum amount of coverage they could build this ADU and increase their coverage to do that. The Cascadia analysis showed that only about 34 percent of coverage would be needed for a duplex. In Scenario 2, in Incline Village it showed that 42 percent of coverage would be needed for a fourplex. While they would be allowing up to 70 percent, it's not every case that 70 percent would be needed.

Similar to their existing Town Center incentives this would be limited to high capability lands and would require that BMP's be installed to treat the runoff from any additional coverage. They do anticipate that these units would primarily be located in the bonus unit boundary, because this incentive would be for deed restricted housing only and the cost associated with obtaining a development right is pretty high and a limited amount of them. Anytime they allow additional coverage over base allowable it needs to be mitigated through transferring in coverage. While this option does give flexibility in terms of the overall coverage limits, they know that transferring in coverage can be hard to find and costly. Essentially, with this option they're allowing more coverage but there's still a high cost associated with that. Through the environmental analysis they would like to look at whether there are any alternative mitigation strategies that could help applicants find coverage or alleviate some of these costs associated with transfer requirements.

The second option would take an alternative approach to water quality and soil protection for specifically for deed restricted housing. They would like to look holistically at water quality soils and coverage together and use some of the more advanced technology that they have available to them today. They have a lot of GIS data that can help them identify a broader range of land constraints, such as erosion or high ground water, insensitive areas that should be considered with development or redevelopment. In most other areas outside of the basin this data is paired with stormwater management regulations and putting green stormwater infrastructure systems in place to provide a more modern alternative to water quality and soil protection.

Due to the basin's history and the way that it was developed, they don't have a lot of this stormwater infrastructure already in place. But by looking at this alternative approach to coverage in a in a very limited capacity for specifically workforce housing they could see some environmentally beneficial redevelopment while implementing at the same time, multiple provisions and getting at that those goals of the Regional Plan. They would like to test this option in more urban areas, specifically in areas

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that would be appropriate for workforce housing. This would require a strong partnership with the local jurisdictions or a similar entity. Oftentimes, there are general improvement districts in Nevada that they would like to work with to sort out what this would look like.

The last development standard that Cascadia identified in their analysis was height. Current TRPA height standards encourage residential development that blends in and is compatible with surrounding uses and the environment. The analysis did show that height is not as much of a concern as some of the other standards. Specifically increasing height from 3 to 3.5 stories has relatively little effect on the feasibility for smaller scale multi-family projects such as a duplex. In general, this is consistent with what they've heard from the Tahoe Living and Working Group and meetings with the local jurisdiction staff. They know height is not so much of an issue when they're building smaller scale multi-family but when they get into the larger 20 plus unit multi-family developments, it does become more of a challenge.

The height chapter of the Code of Ordinances currently outlines maximum height for buildings using the percent slope retained across a building site and the specified roof pitch. The intent of regulating roof pitch is that the resulting building will be attractive and compatible with surrounding uses. They did see in the Cascadia analysis that the existing roof pitch requirements does limit the amount of usable space on the top floor. They also know that in addition to just creating an inefficient building, it also doesn't accommodate the energy efficiency needs to create more sustainable developments and doesn't meet modern design standards. They've seen a lot of project applicants come in for area plan amendments trying to allow for a more flexible roof pitch. By doing this they wouldn't need to change the height allowances, but better utilize the height that already exists. They also wouldn't compromise neighborhood character by increasing allowable height.

They've heard the need for greater flexibility in Town Centers potentially above what is already allowed, and what they're proposing today. The flexibility that's needed is really dependent on the parcel, and it's difficult to put in place these blanket incentives that might not work in every case. To help address this, they would like to explore the option of again partnering with a local government to implement some pilot programs that could combine some of TRPA's development standard incentives with flexibility from the local jurisdictions on their standards. In their meetings with local government staff, they did talk about certain areas where higher density, coverage, height, reduced parking, and potentially setbacks could be appropriate like in the Tourist Core. These areas would need to be near transit services and larger employment centers and could be an opportunity to introduce even more flexible development standards than what they're proposing today.

They presented these concepts to the Tahoe Living Working Group in March 2022 and have incorporated their feedback into what they've presented today. Staff would like input on which of these concepts they should move forward with and if there are any concepts or components that they should be adding or removing from this list. Staff will be attending the Regional Plan Implementation Committee next month to further refine these concepts before beginning the environmental analysis and code amendments this summer.

Presentation can be found at: [Local-Government-Housing-Committee-Agenda-Item-IV.A-Affordable-and-Workforce-Housing-Development-Standards.pdf](#)  
[Committee Comments & Questions](#)

Ms. Gustafson said she supported looking at all these options. Obviously, there is a housing crisis and a

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lot of barriers. Some of the other efforts they're making county wide they continue to look at California Senate Bill 9, and the implications of that and using only a 1,200 square foot lot from minimum and really reducing those requirements, so that they can get secondary units with restrictions, whether that's a deed restriction or a type of use restriction. She likes the ideas that there's other ways to address stormwater management requirements to protect the environment. She looks forward to both the pilots and the options that have been presented.

Mr. Lawrence said this has been a long process and has enjoyed being part of it. He's learned so much from the local government representatives about the challenges and thanked Ms. Novasel for her leadership on the committee. Regarding the setback barriers, he couldn't figure out whether those were TRPA setback standards or local government setback standards and was assuming local. He supported all of the options as well to be explored. He would like to see every single barrier lifted and get as much affordable housing as possible, but they are also an environmental agency protecting the health of the basin and is mindful that there's a Regional Plan that's based on an environmental document with restrictions regarding development capacity, how they use allocations, and land coverage restrictions. Their environmental document is hanging on a lot of those restrictions. They do need to be cautious and not just increase coverage. They need to look at it, but there needs to be a very strict look on how it ties to the environmental document that supported the Regional Plan Update. Lastly, he'd like to learn more about the green stormwater. From state of Nevada perspective, they have funded a lot of road projects between the Nevada Department of Transportation and local governments and is curious on how this is above and beyond what is existing in order to get that sort of variance.

Ms. Faustinos said it's been fantastic to be part of this process and working with local government that has to deal with these issues on a day-to-day basis is pretty significant. They need to ensure that there's good public engagement as part of this process, because local government are the ones that are going have to deal with these issues. As they find out more about where these opportunities exist to make sure that there's extensive public engagement to be able to mitigate some of the negative feedback they might be getting.

Mr. Rice said this is something they've been grappling with on the Nevada side for quite a while. He's been a proponent of affordable housing. This is necessary, they have to do something, but they need to be mindful that they don't over correct themselves, so that they don't impede the progress that this Agency has made over the years. When he moved here 31 years ago, TRPA did not stand for the Tahoe Regional Planning Agency, it was a little rougher than that. This organization has made great strides in protecting the Lake. He's heard criticism that they should concentrate on the Lake and don't worry about social engineering, which in fact this is social engineering, and is that their role? He wants to be mindful of that as well. We need to something but wants to make sure that they tread carefully.

Ms. Aldean agreed with what's both Mr. Lawrence and Mr. Rice have said. Everything they do is a delicate balancing act, but she does support investigating these various options and feels pilot programs are important in order to inform the general public about what the ultimate impacts of their decisions might be and with providing them with visual aids and real-life examples of what can be done to address the affordable housing issue while still for protecting the Lake and adhering to their environmental standards.

Ms. Aldean referred to page 291 of the packet. Going from 25 units per acre to 40 units per acre is a 62 percent increase. She feels that 20 percent is a pretty modest percentage of the units that should be deed restricted. She understands, again, that it's a delicate balancing act with respect to making these

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projects financially feasible. To the greatest extent possible, if they're going to make some fairly substantial concessions here, they need to be as aggressive as possible with respect to the number of units that need to be deed restricted in these various projects since they're giving the developer a fairly substantial incentive. Looking at the Recreation Center in South Lake Tahoe that the Board recently approved is an institutional use in her opinion and would hate to see homes or multi-family units look institutional. In addition to respecting the environment at Lake Tahoe, they have to respect to the extent that they can the architectural history of the area as well. While making some concessions on the roof pitch, she'd hate to see duplexes and triplexes with flat roofs. They also have to take into consideration snow loads. Going through this process, evaluating all these options, looking at the pros and the cons, the benefits and the disadvantages is important. She encouraged staff to move forward.

Ms. Hill said she's also excited about what these options will look like. In working with developers over the last 1.5 years as a commissioner, they need to be clear standards that everyone understands. She has some concern about a pilot project because she feels like that could create confusion. In Washoe County at the Lake, they still have staff getting up to speed on their area plan changes. They need to ensure that they can help people through this process people understand what they can do. Otherwise, they may get frustrated and build something that wouldn't benefit the working families that they need to live at Lake Tahoe, operate all the different businesses, and work in the community. That is her only concern, she just wants to see clarity, and that's why on coverage, Scenario 2, the soil protection measures, she wants to make sure that staff understands how that would be implemented. She agreed that they have to balance Lake clarity and environmental issues which TRPA has done that and will continue to do that. This is just a way to ensure that they can have functioning businesses in the communities, because it is that much of an emergency in Incline Village and Crystal Bay where they are having major issues staffing restaurants that aren't even open seven days per week. This is an emergency in figuring out that balance. She's heard from Washoe County staff that they're doing a good job and can't wait to hear what those outcomes are.

Mr. Friedrich said this was a very thoughtful presentation and covered a lot of material. He supported studying all these elements and the pilot programs as well. The workforce housing group was very supportive of pilots, and that's how you get information and tested in real world conditions. He doesn't see this as social engineering, he sees it as planning based on priorities and that's what the Agency is all about, making choices. To that extent to his colleagues concerns about environmental impact, perhaps they could add to the analysis opportunities to look at trade-offs. For example, there's a housing crisis on one hand, and they also have a proliferation of vacation rentals in their neighborhoods on the other. Could they be taking a new look at requiring Tourist Accommodation Units for vacation rentals? If density is a concern with more people living in new affordable housing developments, could they look at stronger parking management strategies, or other ways to mitigate increased traffic impacts, or disincentives for these large single-family, monster homes, especially close to the Lake, based on the fee structures. To the extent they can meet this critical housing need in a way that also protects the Lake might require looking at some of those kinds of trade-offs. Perhaps they need to look at where they're subtracting while they're adding, to make sure they're not having a greater Lake impact and that may be a way to have our cake and eat it, too. That won't make all constituencies happy, but they have to choices and policy priorities and that's not social engineering, its planning based on what are the top priorities and how do they balance those various competing interests?

Ms. Novasel said she was impressed with this item and excited about the thought of where they could go next. They are all doing this in their local jurisdictions in talking about how to do this. She agreed, they can't get proper staffing right now. This is an emerging issue for the local communities and that

workforce housing. This is incredibly important work, and the possibility of a pilot program is great.

Ms. Novasel said El Dorado County doesn't have a very big Town Center area and there's frankly no residential building right now within it. Close to it, they do have some areas where there are multi-family dwellings. She asked if they could look at that possibility that was mentioned if something was say an "x" amount of miles, whether it was a mile or two away, they don't even have any transit out there at the Town Center which is another impact. Something to look at would be near the Town Center, if there was a way to incorporate that where that made sense within those areas, perhaps a pilot program might be interesting. Someone brought up the of increasing coverage, and how that could affect their Regional Plan. When she was in Boulder, Colorado, she was impressed by the fact that they have such a great plan, and that they have urbanized areas with multi-family dwellings, and this goes for a lot of Colorado within a dense area and then on the outside they have these incredible open space green areas. Is there a way to mitigate more density with more open green space around it. Perhaps that is the conversation that will help get us to where we need to get environmentally to understand if that makes sense for them. Lastly, the discussion about using other development rights, such as Tourist Accommodation Units to offset some of these coverage issues. Maybe there's the possibility of doing some transfers there, and that would help. The Sugar Pine Project had some issues with trying to get coverage, and if there was a way to balance that out through development rights, perhaps that's something they could look at.

#### Public Comments & Questions

Carole Black, Incline Village resident said this was an impressive and awesome presentation. Please remember that all Tahoe area Town Centers are not equal in terms of size, accessibility, environments, issues, etc. In addition to the local government regulation overlay that you mentioned, to also consider recognizing NTRCA processes and regulations differences as you have in this presentation. Please don't forget parking, Incline Village is limited on street availability and very limited parking capability on the lots. She wants to be sure that none of these changes undermine the Short Term Rental restrictions in Nevada. Right now, she doesn't believe that there's limitations on Accessory Dwelling Units added, being used as Short Term Rentals. Although if the deed restrictions are enforced hopefully, that might help. She requested that they consider enforcement requirements with penalties at both the individual and jurisdiction levels for deed restrictions. These, she believes as others have said, having these capabilities available for workforce is critical. But she's also heard that deed restrictions aren't particularly well enforced. Maybe that's true, maybe it's not but having some teeth in that component might be helpful.

Philip Gilanfarr said staff compiled a great presentation and captured the challenges they have. It's been many years now that they've attempted to develop affordable housing or workforce employee housing. They've ran into a lot of brick walls; the primary ones are coverage and density. Height was discussed, height is not quite as challenging, but density and coverage are. The second piece is obviously this is a part of the Nevada portion, and that the jurisdictions don't have the ability to help guide them on deed restrictions and the language proper because California has a good sense for that, but Nevada has not picked that up. In order to protect these units, they need to come up with some better language that that allows those deed restrictions to be incorporated. The other comment is that there are some plan areas like Ponderosa Ranch for instance that doesn't allow employee housing. Yet, it's walkable to the Hyatt and the Sierra Nevada College. They have a client who has indicated that they would love to incorporate some workforce housing on their property but of course, it's now an industrial zone and is not recognized as something that could be done. He's hoping that in this review

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that maybe that's an opportunity to look at some of the plan areas that are adjacent to Town Centers to see if there's a way of incorporating housing into those areas if they have proper transportation or walking and bike paths. He also supported a pilot project.

Steve Teshara on behalf of the Tahoe Chamber added his commendations to staff and the consultant team that worked on this. This is the level of detail they need to get into to try to solve these intractable challenges. He appreciated the approach that one size doesn't fit all, and they'll have to work with the local government partners to see in what areas what things can be done. The adjacency to transit is an important consideration, as is areas of large employment. As Commissioner Hill said, they need functional businesses and public services such as the local government workers, utility workers, and first responders. They need to get into the level of detail and explore all the options that have been laid out and understand why certain things don't work the way they are presently constituted. The environment and the environmental protections are important, but they need to also consider what are the environmental impacts on Tahoe if they provide affordable and achievable workforce housing within the basin itself.

Sherry Barker, Nevada Tahoe Resource Team Land Agent and runs the land bank for the State of Nevada wonders if one of the ideas has been to look at adding, possibly a high-rise type of community in each county, and possibly with a parking garage. This could accommodate similarly to large hotels and hold a lot of individuals and make transit easier. There could possibly be one bus or shuttle that works with each of the high-rise communities. It's an idea to help reduce coverage, and to create less building and all the permits that would be required, and other items that take time, money, and effort.

Gavin Feiger, League to Save Lake Tahoe thanked staff for putting this together. They've been part of the Tahoe Living Working Groups since its inception. They've been the only environmental voice consistently taking part. They've definitely been heard and are working closely with staff and like the direction that almost all of this is going. First, he agreed with what Mr. Lawrence had to say about making sure that anything that's pursued is pursued through the lens of the Regional Plan and its associated environmental document. There could be some opportunities for trade-offs as Mr. Friedrich and Ms. Novasel mentioned. They could get into more details through the working group. These are all great details and he's excited to see some of them move forward. They can't talk about coverage without talking about parking. Are they trying to find places for cars or for people to live? If they look at the percentage of coverage that's going to parking, it doesn't make sense and he knows it's complicated, but those two things have to be considered together. He agreed with Ms. Aldean in that the 20 percent of what could be called inclusionary zoning to qualify for density increases is not enough. Lastly, a bit outside of the scope of what they're talking about today, looking back at the decision to allow Short Term Rentals as a residential use is a big picture thing that really does need to be considered and would not take the level of environmental review that some of these others would.

#### Committee Comments & Questions

Ms. Novasel said they don't need a formal motion; it was just to get a sense from the committee which options that staff should pursue.

## LOCAL GOVERNMENT & HOUSING COMMITTEE

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- VI. Item 4b: Discussion and possible action/recommendation of changes to the achievable housing definition, including amendments to Chapter 90 of the TRPA code of ordinances.

Ms. Fink provided proposed changes to the achievable definition.

They've been hearing that their achievable deed restriction language since it's just income based it allows for people who are working remotely for a company outside of the basin to occupy those units. The remote workers are an important part of the community and economy, the intent of this program is to set aside housing to support our local employers. After receiving feedback, they started looking at putting an employment requirement into the achievable definition for how households that make over a 120 percent of area median income. That's similar to what Ms. Gustafson mentioned about Placer County recently approving and City of South Lake Tahoe also has a similar provision that they've recently approved to focus on deed restrictions that are for people that are working locally rather than tied to an income cap.

(Slide 3) Existing achievable definition requires that the household income be less than 180 percent to 550 percent of area median income and that amount varies with by the county because it's tied to the median home price.

(Slide 4) They're proposing that if the household makes less than a 120 percent of area median income, classified as affordable or moderate that they wouldn't put any sort of employment requirement on it because there's a lot of people that are students or on disabilities, etc. But if someone makes more than a 120 percent of area median income, they would require that at least one member of the household work 30 hours or more for a local employer, or be a full-time equivalent employee, such as teacher. They've also added a provision proposed that people who are retirees who have lived in the deed restricted unit for seven years or more, would also qualify. After input, staff will finalize the code language and move it forward to the Board with either the next housing amendment package or other code amendment packages.

Presentation can be found at:

[Local-Government-Housing-Committee-Agenda-Item-No.-IV.B-Achievable-Housing-Definition.pdf](#)

### Committee Comments & Questions

Ms. Gustafson supported the flexibility in the language. One of the concerns that Placer County heard when they adopted theirs was that people often do buy a retirement home here and maybe they work 30 hours a week for a year or two, retire, and keep that unit from meeting some of our workforce challenges. That's why they used the seven-year window. Is that the same here?

Ms. Fink said yes, they modeled that after Placer County. They also observed that Vail had a similar condition.

Ms. Gustafson said originally, they had talked about five years, and then went to seven. She feels that it's subjective but the whole concept is there's a lot of people who move from out of the area and say, let's have a retirement home in Tahoe and will work 30 hours per week for a couple of years. At their Placer County Board of Supervisors meeting, they had a chart showing some sample teacher and executive assistant type salaries, combined incomes, and how their numbers could never keep up with that, especially with housing costs escalating on North Shore which is up over \$1 million right now for a

home. There is no affordability for even at 245 percent, unless you have a lot of family assistance, or other income. She likes these criteria and keeping it as flexible as possible. It will come to enforcement and how they deal with that. What they learned from Vail, Colorado was annual validations of employment. Then how do you enforce it if they're not employed any longer which will get into code enforcement and another legal abilities that the local governments will have to jump into.

Mr. Lawrence is also supportive. He thinks that they need to take a look at this definition. He appreciated the background on the seven years, it makes sense. Enforcement is critical and it's always a challenge, but it sounds like there's some lessons learned.

Mr. Rice said the rub for him is the fact that in Nevada none of this is applicable. Accessory Dwelling Units are required in California, and they've had to look at modifying their rules here at the TRPA, and they don't have such a rule in the state of Nevada. He's been working for quite a while trying to get Kahle Drive taken care of. With Barton Health expanding and moving into the Nevada side to the old Lakeside Inn. It's quite a large property and this is going confound some of the problems that they're having over there, especially around the Kahle Drive area. He's not sure what would be acceptable. Having moved here 31 years ago, his house was in the \$300,000 range, and now the house next door and across the street are marketed at over a \$1 million. He's not sure what they can do on the Nevada side but fully supports what they're trying to do on the California side.

Ms. Aldean said the focus of this exercise is directed at housing for people who are moderate income earners. That is a given and is not sure why they're saying that the achievable income category includes permanent residents who meet at least one of the following criteria. They all have to be moderate income or below. The options are that they have to be moderate income, or below, and at least one occupant has to work in these 30 hours, etc., or as a retired person who has lived in a deed restricted unit in the basin for seven years. The given is that they meet the income requirements and then they further define their ability to occupy these units by whether or not they're employed, or whether or not they're retired and have lived in the basin for seven years. She suggested rewording it to limit the achievable income category to include permanent residents who have a household income, not an excess of 120 percent of the respective county areas median income, moderate income households and below, and at least one of the following criteria. Is that what was intended?

Ms. Fink said in part, because she went quickly through the original slides, she didn't give some of the background. But the achievable category is different than the moderate income category. They have an affordable income category and that is for people who make 80 percent or less of area median income. Then there's a moderate income category and that's for people who make less than 120 percent of the area median income. In 2018, as part of the Development Rights Strategic Initiative, the Board approved the achievable category, which is for people who make incomes above moderate income, because they're finding that even people who make above moderate income cannot find or afford housing because home prices are so high. This achievable category is specifically targeted to people who do make more than 120 percent of area median income. But what they're trying to build into this is that if they make a relatively high income, they also need to be employed by a local employer in order to qualify to live in that housing.

Ms. Aldean said it's a little confusing. She wondered if they could redefine achievable. They lead in with a definition of an achievable income category and then they're talking about moderate income folks. She also suggested that updating the compliance requirements and the deed restriction template to state that TRPA shall conduct a random audit. This addresses the concern that was expressed by one of

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the callers. They need to be a little bit more proactive with respect to confirming that everyone who has received these benefits is adhering to the limitations under the deed restrictions. This is well done and a good step in the right direction.

Mr. Friedrich asked if there is any area median income cap while meeting the local employee requirement. In other words, could you make a \$1 million and qualify?

Ms. Fink said they've gone back and forth on this. When they brought this to the Tahoe Living Working Group, they were proposing to maintain those existing achievable income caps and add the local employment requirement. They could do that but they're finding that the income caps are kind of meaningless especially as housing prices skyrocket. The income caps just go up and up. Basically, anyone who has enough money to buy a non-deed restricted home is going to do that. If someone needs to live in a deed restricted unit, they're going to be the ones that use those. They're not really worried about people with really high incomes utilizing these units that's not in their financial interest. For simplicity's sake, and for consistency with Placer County and the City of South Lake Tahoe, they're proposing to remove the income cap, but could put that back in if everyone feels that's important.

Ms. Gustafson said the reason is that deed restriction, why would someone not just buy on the regular market. If someone makes \$1 million, they're going to try to make as much money as they could on their property. The deed restriction for Placer County requires that it's sold to somebody who also meets those criteria. It's a built-in cap to how much equity you could grow in that house. They modeled it after the Vail, Colorado program because they found it was working. But it was keeping the increases in value in those homes lower than a competitive market home.

Mr. Friedrich said that all makes sense and that clarification and discussion was helpful to him and is ready to support this proposal as well.

Ms. Novasel said she is supportive of this and feels this is another giant step towards allowing affordable type housing in our local jurisdictions.

### Public Comments & Questions

Carole Black said if someone were to buy using the achievable ranges, a unit that becomes restricted under what they're proposing, are they allowed to rent it? That goes for any of these. If they are restrictions, to whom could it be rented to?

Ms. Novasel said the quick answer is no, not short term.

Philip Gilanfarr said there are some of these situations where they want to be able to sell these units with the deed restriction and wants to make sure that they still have that opportunity. Because there are people who want to be able to buy them, not just rent them at the affordable level.

Ms. Fink said the units can be rented or sold, but the person living in the house has to meet the requirements of the achievable deed restrictions and could not be rented as a short term rental.

### Committee Comments & Questions

Ms. Novasel said there is no formal action on this item and staff was just requesting feedback from the committee.

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VII. COMMITTEE MEMBER COMMENTS

Mr. Lawrence said this issue is extremely important to the Tahoe Basin and the state of Nevada. Governor Sisolak recently made announcements of affordable housing opportunities and focusing some of the American Rescue Plan Act funds on the getting some affordable housing projects done.

VIII. PUBLIC INTEREST COMMENTS

None.

IX. ADJOURNMENT

Ms. Gustafson moved to adjourn.

Ms. Novasel adjourned the meeting at 11:30 a.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](mailto:virtualmeetinghelp@trpa.gov).*