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STAFF REPORT

Date: December 7, 2022

To: TRPA Regional Plan Implementation Committee

From: TRPA Staff

Subject: Informational Presentation on Proposed Amendments to Placer County's Tahoe Basin Area Plan to Support Economic Sustainability and Housing

Summary and Staff Recommendation:

Placer County will provide an overview of the proposed amendments to the Tahoe Basin Area Plan (TBAP). This item is for informational purposes and no action is required. Staff requests comments from the Regional Plan Implementation Committee (RPIC) before beginning the hearing process for final consideration of the area plan amendment by the Placer County Board of Supervisors and TRPA.

Required Motion:

No motion is required.

Project Description/Background:

Since the 2012 Regional Plan Update, TRPA has encouraged local jurisdictions to develop area plans to replace the former local planning documents: plan area statements and community plans. Area plans are collaborative documents which become a component of both the Regional Plan and the city or county's comprehensive plan. They represent a paradigm shift for TRPA since they enable TRPA to transition its focus to regional issues while allowing local jurisdictions greater autonomy to define and manage their own local land use.

The TRPA Governing Board approved the TBAP on January 25, 2017. The plan encompasses Placer County's entire jurisdiction in the Tahoe Basin. The plan includes two town center districts to accommodate mixed-use and higher density development in the area: The Tahoe City and Kings Beach Town Center Districts. The proposed TBAP amendments focus on specific changes to facilitate appropriate development and redevelopment in these town center districts along with standards and policies applying across the plan area.

Placer County's proposed amendment package is intended to provide a systematic approach to encouraging desired investment (i.e. environmental and economically beneficial redevelopment and affordable workforce housing) to the Tahoe portion of Placer County by analyzing the area plans goals and policies and implementing regulations.

The following key studies completed between 2019 and 2022 and a robust stakeholder engagement process serve as the basis for this proposed amendment package:

- [Tahoe Basin Town Center Economic Sustainability Needs Analysis](#) (2019)
- [Placer County Tahoe Basin Town Center Economic Sustainability Analysis](#) (2020)
- [Baseline Report for the Tahoe Basin](#) (2021)
- [Community Report for the Tahoe Region](#) (2022)
- [Envision Tahoe Prosperity Playbook](#) (2022)

Placer County is proposing a comprehensive package of amendments to TBAP policies and implementing regulations based on the studies listed above and stakeholder engagement.

Proposed Policy Amendments:

- Sustainable town center redevelopment and protection of scenic resources
- Expanded hardening, green waste, and defensible space incentives
- High-speed broadband and childcare facilities
- Allocation and conversion of TRPA development rights
- Frontage improvements
- Development of mixed-use, business park, and light industrial space
- Public art by local artists
- Adaptive reuse of underutilized properties
- Development of affordable, moderate, and achievable housing

Proposed Implementing Regulation Amendments (presented below in categories and in more detail within Attachment A):

- Mobile vending
- Streamlined permitting for uses within a defined maximum square footage
- Building length and height
- Groundwater interception
- Parking exemptions
- Barriers to affordable housing including setbacks, articulation, massing, and parking requirements
- Incentives for affordable housing
- Inclusionary zoning for new condominium subdivisions in Town Centers
- Street frontage improvements
- Signs
- Shorezone permitting
- Other miscellaneous cleanup

Placer County staff have held workshops with the Placer County Planning Commission, North Lake Tahoe Resort Association, North Tahoe Business Association, and Tahoe City Downtown Association to refine and build support for this amendment package. The proposed amendments were presented to the Placer County Planning Commission on September 22, and Placer County North Tahoe Regional Advisory Council on November 30, and await formal hearing with the Placer County Board of Supervisors, as well as TRPA RPIC, Advisory Planning Commission, and Governing Board. Placer County staff provided a detailed summary the proposed amendments included as Attachment A to this packet.

Based on RPIC's direction, Placer County will work with TRPA staff to complete any necessary revisions and bring the full amendment package back to RPIC and the Advisory Planning Commission for recommendation before the Governing Board makes a final determination on the proposed amendment.

Environmental Review:

An IEC and CEQA analysis are currently being prepared for the proposed amendment. No significant environmental effects are anticipated.

Regional Plan Compliance:

The proposed area plan amendment will be reviewed in conformance to the Regional Plan and environmental thresholds by the RPIC and Advisory Planning Commission (APC). Recommendations of the RPIC and APC will then be considered by the Governing Board in determining whether to find the area plan amendment in compliance with the Regional Plan.

Contact Information:

For questions regarding this agenda item, please contact Jacob Stock, AICP, Senior Planner, at (775) 589-5221 or jstock@trpa.org.

Attachment:

- A. Placer County Staff Memo Summarizing the Proposed Area Plan Amendment

Attachment A

Placer County Staff Memo Summarizing the Proposed Area Plan Amendment



**COMMUNITY DEVELOPMENT RESOURCE AGENCY
PLANNING SERVICES DIVISION
County of Placer**

HEARING DATE: December 14, 2022

TO: Regional Plan Implementation Committee
FROM: Placer County Community Development Resource Agency
DATE: December 7, 2022
SUBJECT: TAHOE BASIN AREA PLAN ECONOMIC SUSTAINABILITY AND HOUSING AMENDMENTS – INFORMATIONAL PRESENTATION

COMMUNITY PLAN AREA: Tahoe Basin Area Plan

STAFF PLANNERS: Emily Setzer, Principal Planner and Stacy Wydra, Senior Planner

LOCATION: Unincorporated Placer County within the Tahoe Basin Area Plan. The Tahoe Basin Area Plan encompasses the Tahoe Basin portion of Placer County which is within the jurisdiction of the Tahoe Regional Planning Agency (TRPA), encompasses approximately 46,162 acres (72.1 square miles), and includes the communities of California North Stateline, Kings Beach, Tahoe Vista, Carnelian Bay, Dollar Point, Tahoe City, Sunnyside, Homewood, and Tahoma.

SUMMARY

Staff are presenting information on proposed amendments to the Tahoe Basin Area Plan (area plan) policies and implementing regulations to support economic sustainability and local housing. Staff request input and direction from the Regional Plan Implementation Committee (RPIC).

RECOMMENDATION

This is an informational presentation on the proposed area plan amendments. No RPIC action is required at this time.

BACKGROUND

Tahoe Basin Area Plan

The Tahoe Basin Area Plan was originally adopted by the Tahoe Regional Planning Agency (TRPA) Governing Board on January 25, 2017. The area plan replaced all previous community plans, general plans, land use regulations, development standards and guidelines, and plan area statements within the Tahoe Basin portion of Placer County. The area plan includes a policy document and implementing regulations which serve as the zoning code for the Tahoe Basin portion of Placer County. Area plans are a central part of the Lake Tahoe Regional Plan and an important strategy to accelerate attainment of TRPA environmental thresholds. The area plan sets forth the regulations that implement the Lake Tahoe Regional Plan in the Placer County portion of the Lake Tahoe region.

Since adoption of the area plan in January of 2017, new legal and development conditions have created the need for plan updates. First, the State of California has passed housing legislation that limits the ability of local governments to obstruct housing development. The state housing law reforms and streamlines permitting processes, moving toward a ministerial approval model for housing that complies with local zoning and planning rules to reduce barriers to housing production. The new California law requires that local governments update their housing plans and plan for growth. Second, since the area plan's adoption, multiple efforts have been underway to address the slower than anticipated pace of redevelopment and revitalization

of the town centers and village centers. New tools in the area plan are necessary to encourage appropriate redevelopment.

Reasoning for Proposed Amendments

The proposed Tahoe Basin Area Plan amendments are targeted at economic development and housing in response to 1) the slow pace of new development or redevelopment in the area, particularly lodging, in the town centers, 2) very limited availability of workforce housing, and 3) a decreasing population.

Although North Tahoe has undergone significant public infrastructure investment and community and governing body approval of robust plans and visions for the future, the North Tahoe town centers of Tahoe City and Kings Beach have yet to see major private investment that has resulted in projects on the ground. A few sizable, proposed redevelopment projects in town centers have come forward in the past year and are in the planning stages. However, even those proposed projects are struggling to meet some existing area plan development standards.

Due to the limited availability of quality lodging in the town centers, lodging has shifted to the neighborhoods in the form of short-term rentals. This, in combination with second homes, has drastically decreased the availability of workforce housing. The North Tahoe region has seen very few new multifamily workforce or “missing middle” housing projects, defined as house-scale buildings with multiple units in walkable environments, often targeted at those who earn above the typical 60 percent Area Median Income limits deemed as “affordable” but still can not afford to purchase homes in the region. East Placer currently has approximately 19,000 residential units, 12 percent of which are owner-occupied fulltime, 15 percent are used as short-term rentals, while the remaining 73 percent sit mostly vacant as private vacation homes or second homes, some of which are used as long-term rentals. The North Tahoe-Truckee Regional Housing Implementation Plan prepared for the Mountain Housing Council in October 2021 estimated that about a third of North Tahoe and Truckee’s housing was used for workforce housing, which combines housing used as long-term rentals and housing owned and occupied by local workers. Meanwhile, the ACS 2020 5-year estimates predict that only 8 percent of the housing units in the Tahoe Truckee Unified School District geographical boundary (which covers North Tahoe and Truckee) are renter-occupied. The lack of housing options has led to a decrease in population. In the Placer County portion of the Tahoe Basin, the population decreased by 2,000 residents between 2000 and 2020. This lack of year-round economic stability has made it challenging for businesses to thrive. Finally, the lack of redevelopment means that the area plan has not achieved its expected environmental improvements.

Since adoption of the area plan, a variety of studies have been released that connect the regional economic base with workforce housing needs in the Tahoe-Truckee region. Two of these include the Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis conducted by Placer County and BAE in 2019, as well as a series of economic reports collectively called “Envision Tahoe” released by the Tahoe Prosperity Center.

Additionally, numerous community groups have provided years of feedback to County staff about the need for quality hotels in town centers, ways to make the approval process for small business start-ups more streamlined, and the overwhelming demand for workforce housing. These groups have included the North Lake Tahoe Resort Association, the North Tahoe Business Association, the Tahoe City Downtown Association, and the Mountain Housing Council. The overall theme has centered around shifting lodging from short-term rentals in residential neighborhoods to quality hotels and workforce housing in town centers, creating vibrant town centers with a unique sense of place.

Placer County Tahoe Basin Town Center Economic Sustainability Needs Analysis

In 2019, the County Executive Office contracted with economic firm BAE to identify the causal forces and the financial feasibility needs/gaps behind the lack of private investment, and to identify potential local government regulatory updates and incentives that could be tailored to attract environmentally and economically beneficial re-investment in the County’s Tahoe Basin town centers. BAE was also asked to develop recommendations to address issues identified in the analysis. The results of BAE’s analysis led to

the Placer County Tahoe Basin Town Center Economic Sustainability Analysis, finalized in March 2020. The analysis examined four project prototypes:

1. Mixed-Use Residential
2. For-Sale Residential Condominium
3. Limited-Service Hotel
4. Full-Service Condotel

Based on a range of factors, the only prototype that proved within the range of market acceptable financial feasibility was the For-Sale Residential Condominium. It is important to note that while the area plan allows this type of use in the town centers, area residents do not believe it is consistent with either the Kings Beach or Tahoe City vision documents, which preceded the area plan. Barriers to desired development included:

- High construction material and labor costs
- High cost to meet parking requirements
- Utility costs
- Infeasible employee housing requirement
- Uncertain and prolonged entitlement and construction permitting process
- Complex and prescriptive regulatory requirements
- Detailed and expensive plan sets required for pre-entitlement
- Vehicle miles traveled (VMT) thresholds
- Town center incentives not designed for smaller infill projects
- Lack of catalyst, proof of concept, projects
- Lack of available parcels large enough for development
- Anticipated developer and lender caution about a market dip

Placer County staff recommended a multi-pronged approach in moving forward with the concepts proposed in the BAE study including the following:

1. Updates to the North Lake Tahoe Economic Incentives Program to include a Transient Occupancy Tax (TOT) incentive program, addition of TRPA development rights, and an enhanced infrastructure finance district;
2. Process, policy, and code improvements to facilitate development, scale back requirements, and better understand and alleviate constraints and challenges in the development process, including zoning and building requirements and fees, collaborating with TRPA, updating parking standards and creating parking districts, and increasing workforce housing allowances; and
3. Relaxing workforce housing mitigation and allocate funding to implement programs to attract and retain permanent residents.

Similarly, through the September 2021 Baseline Report for the Tahoe Basin, the March 2022 Community Report for the Tahoe Region, and the June 2022 Envision Tahoe Prosperity Playbook, the Tahoe Prosperity Center has illustrated the population, economic, and housing challenges facing the region. As a result, the Tahoe Prosperity Playbook focuses specifically on tactical approaches to support workforce housing and improve transportation.

OVERVIEW OF PROPOSED AREA PLAN CHANGES

The proposed Tahoe Basin Area Plan amendments focus on process, policy, and code improvements to support appropriate lodging, mixed use, and workforce housing. The amendments also focus on diversifying land uses across a variety of sectors, with the intent of streamlining and diversifying the business sector and a variety of housing types. Therefore, the proposed amendments are designed to round out the

implementation of recommendations outlined in the Economic Sustainability Needs Assessment, particularly focused on process, policy, and code improvements to facilitate and streamline revitalization projects in the town centers and workforce housing throughout North Tahoe.

1. Tahoe Basin Area Plan – Policy Document Proposed Amendments

To align the area plan policies with updated regional and County goals, additional policies and revisions are proposed to the following sections: Scenic Resources, Vegetation, Socio Economic, Land Use, Mixed Use, Town Centers, Community Design, Redevelopment, and Housing. The policies are based on recommendations in the BAE study as well as community feedback and regional partner goals. A summary is provided below.

- Scenic Resources: Policy amendments are intended to support the evaluation of scenic requirements to achieve private reinvestment in town centers targeted for redevelopment and/or new development in a manner that improves environmental conditions, creates a more efficient, sustainable and less auto-dependent land use pattern, and provides for economic opportunities.
- Vegetation: A new policy was added to support implementation of new or expanded hardening, green waste, and defensible space incentive and/or rebate programs.
- Socio Economic: Policies were added to support high-speed broadband infrastructure capacity and to support childcare facilities to meet the needs of the local workforce.
- Land Use: Policies were added to support the allocation and conversion of TRPA development rights. Policies were added to address land uses in the town centers . Policies were included to support funding sources for a frontage improvement implementation plan to achieve area plan infrastructure such as sidewalks, curbs, and gutters, as well as implementing parking management plans and developing a reservation and conversion manual for development rights.
- Mixed Use: Policies were added to support the availability and development of mixed use, business park, and light industrial space.
- Town Centers: New policies were added that would allow groundwater interception for mixed-use projects in town centers , supporting streamlined permit processes for mixed use projects, encouraging active ground floor uses, facilitating mobile vendors and food trucks in town centers , supporting the retention and expansion of businesses from the North Tahoe-Truckee region, supporting relocations of industrial and public utility land uses in the town centers to free up town center sites, as well as supporting parking maximums and other parking solutions.
- Community Design: Policies to support and promote local artists and public art in North Tahoe were included.
- Redevelopment: New policies support and encourage adaptive reuse of vacant or underutilized retail and office space, support redevelopment of aging lodging products and encourage revitalization and creation of new high-quality lodging, allow multipurpose and flexible gathering spaces in private and public parking areas where events could be held during off-peak hours, expedite building permit processes, and support the development of new business innovation space and flexible light industrial spaces to diversify the local economy.
- Housing: Additional policies were included to support streamlining affordable, moderate, and achievable housing, require that 50 percent of units converted from multifamily to condominiums be deed restricted to affordable, moderate or achievable housing, address the job-housing imbalance in the region, monitor and track housing data in the region, and support adaptive management of the short-term rental inventory to balance housing availability with short-term rentals as new lodging products are added to the region.

Additionally, planned environmental improvement projects have been modified to support coordination with TRPA to streamline town center development as it relates to TRPA scenic standards and to develop a reservation and conversion manual to guide the conversion and allocation of TRPA development rights in North Lake Tahoe by prioritizing them towards the most community benefitting

and high-priority projects that align with the policies in this area plan and the Lake Tahoe Regional Plan.

Changes are also proposed to the area plan implementing regulations document, including amendments in Chapters 1- Introduction and General Provisions, 2- District Standards, and 3- Area-Wide Standards and Guidelines. A summary of the proposed Implementing Regulation amendments are as follows.

2. Tahoe Basin Area Plan - Implementing Regulations Proposed Amendments

Town Centers:

Mobile Vendors

On September 17, 2018, the Governor signed Senate Bill 976 (the “Safe Sidewalk Vending Act”), which establishes requirements for local regulation of sidewalk vending. The law became effective January 1, 2019. The purpose of SB 946 is to legalize and decriminalize sidewalk vending across the state. SB 946 defines “sidewalk vendor” as a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack or other nonmotorized conveyance, or from one’s person, on a public sidewalk or other pedestrian path. A sidewalk vendor can be “a roaming sidewalk vendor,” which is defined as moving from place to place and stopping only to complete a transaction, or “a stationary vendor,” which is defined as vending from a fixed location. SB 946 applies only to public sidewalks and paths, not private property. The law allows local authorities to adopt regulations governing sidewalk vending or amend existing regulations. If the local authority wishes to regulate sidewalk vending, then those regulations need to be consistent with SB 946. A local authority may adopt additional requirements regulating the time, place, and manner of sidewalk vending if the requirements are directly related to objective health, safety, or welfare concerns, including a sidewalk vending permit or valid business license, as well as a valid California Department of Tax and Fee Administration seller’s permit. Placer County has not adopted additional sidewalk vending laws and current County code is not compliant with SB 946; therefore, SB 946 supersedes County code.

In the Tahoe Basin, mobile vendors such as sidewalk vendors and food trucks have been considered outdoor retail sales per the TRPA Code of Ordinances, which required a minor use permit under the area plan. The North Tahoe area has not seen many new brick and mortar food-related businesses start up in the past decade. While a few have experienced success by starting as a food truck and transitioning later to a commercial space, anecdotal evidence suggests that the use permit significantly deters new vendors. The proposed amendments would allow food trucks and mobile vendors in the town centers in compliance with SB 946. Mobile vendors still require approvals through the County Environmental Health Department. These amendments are intended to streamline and facilitate food-related start-up businesses to strengthen the economic vitality of the town centers and be compatible with state law.

Mobile food vendors will still need to comply with the regional Code of Ordinances Chapter 22: *Temporary Uses, Structures, and Activities* and may be required to obtain a temporary use permit depending on size, location, and duration of the food service.

Land Use Allowances

The County currently requires use permits for a variety of land uses that are commonly desired in a town center to promote walkability and support a year-round economy. These include the following land uses:

- Hotels, Motels, and other Transient Dwelling Units
- Eating and drinking facilities

- Building materials and hardware stores
- Repair services

The proposed amendments offer an option to applicants considering these land uses – they may be allowed by right if below a defined maximum square footage or allowed with a use permit requirement if larger. To calculate these size thresholds, staff used the maximum square footages listed for each land use in the TRPA Project Impact Assessment (PIA) which calculates maximum sizes based on the vehicle miles traveled for each land use type. For example, a hotel may be allowed in certain town center zone districts based on the maximum size threshold as specified in the PIA. Additionally, the proposed amendments separate eating and drinking facilities into subcategories based on the Institute of Transportation Engineers Manual (Drinking Place, Fast Casual Restaurant, Quality Restaurant, High-Turnover Sit Down Restaurant, and Fast-Food Restaurant without Drive Thru Window) to allow a specified maximum commercial floor area for each type of facility listed in the use table. If the maximums differ from the PIA, the PIA threshold would take precedence. The goal of these changes is to incentivize and streamline new lodging products, restaurants, retail, and local-serving land uses.

Building Length

Table 2.04.B-4, Building Form Guidelines for the North Tahoe East Mixed-Use Subdistricts of the area plan has been revised. Revisions aim to further define maximum building lengths for proposed structures in the mixed-use town center zone districts in Kings Beach and to add maximum building lengths in Tahoe City where there were no existing maximums. Additional building lengths, depending on the zone district and whether it is mountainside of the highway or lakeside, may be considered based on location and surrounding zone districts. Projects must comply with all TRPA scenic requirements. These changes are proposed to assist in guiding building design and massing.

Kings Beach

- Building length may be extended from 250 ft to 500 ft in MU-MTC for mixed-use projects for which at least 15 percent of the project is achievable housing and includes at least one component of public art, as approved by the Tahoe Basin Design Review Committee. The building shall be separated in massing by dropping height at least once in the linear span for each 250 feet to create visual separation in height and preserve light, air and open space. Projects meeting these criteria shall include features such as, but not limited to, entry courtyards, plazas, pedestrian paths or alleys, and outdoor eating and display areas located between the build-to line and building, provided that the buildings are built to the edge of the courtyard, plaza, or dining area to create visual separation on ground floor street frontage. One feature shall be incorporated for each additional 100 feet beyond the base allowance, as approved by the Tahoe Basin Design Review Committee.
- Building length may be extended from 200 ft to 250 ft in MU-R if at least 50% of the building comprises housing that is 100% deed restricted to affordable, moderate, achievable, or local workforce housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing.
- Building length is reduced in MU-TOR from 350 ft to 200 ft. It may be extended to 250 ft if at least 50% of the building comprises housing that is 100% deed restricted to affordable, moderate, achievable or local workforce housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing.

Tahoe City

- Building length may be extended from 250 ft to 500 ft in MU-TC for mixed-use projects only on the mountain side for which at least 15 percent of the project is achievable housing and includes at least one component of public art, as approved by the Tahoe Basin Design Review Committee. The building shall be separated in massing by dropping height at least once in the linear span for each 250 feet to create visual separation in height and preserve light, air and open space. Projects meeting these criteria shall include features such as, but not limited to, entry courtyards, plazas,

pedestrian paths or alleys, and outdoor eating and display areas located between the build-to line and building, provided that the buildings are built to the edge of the courtyard, plaza, or dining area to create visual separation on ground floor street frontage. One feature shall be incorporated for each additional 100 feet beyond the base allowance, as approved by the Tahoe Basin Design Review Committee.

- Building length may be extended from 200 ft to 250 ft in MU-N, MU-S, MU-NT, and MUN-DH if at least 50% of the building comprises housing that is 100% deed restricted to affordable, moderate, achievable or local workforce housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing.

In both town centers, building length transitions have been incorporated to ensure compatibility with residential zone districts. Commercial, mixed-use, or non-residential uses are proposed to be a maximum of 75 ft on all parcel frontages directly facing residential zone districts. Buildings consisting of residential uses directly facing residential zone districts may meet otherwise specified maximum building lengths.

Building Height

Section 2.09, Overlay Districts, of the area plan has been revised in coordination with TRPA staff to allow for adjustments to building height standards. These changes are intended to accommodate development in town centers that the development community has noted would otherwise be financially infeasible due to current restrictions on height. If adopted, the proposed changes below would be substitute standards that allow heights greater than the regional plan Code of Ordinances. All projects would still be required to comply with TRPA scenic thresholds.

The proposed amendment as presented in stakeholder discussion and to the Placer County Planning Commission includes:

- 1) Maximum building height is measured in feet rather than by the number of stories (e.g. 56 feet instead of four stories).
- 2) An additional 5 ft. height (up to 61 feet building max) only for Town Center Mixed-Use projects that include all of the following:
 - a. Fronting Highway 28
 - b. 50 or more hotel units
 - c. Deed restricted achievable housing
 - d. Public art
 - e. Comply with TBAP Design Standards and Guidelines
 - f. Comply with TRPA scenic threshold standards
- 3) An additional 11 ft. height (up to 72 feet building max) for Mixed Use buildings meeting criteria above only for rooftop appurtenances such as chimneys, flues, vents, antennas, mechanical conveyances, roof-top amenities, and similar appurtenances.

On November 30, the North Tahoe Regional Advisory Council recommended to retain a maximum town center height at 56 feet and to remove proposed amendments listed as #2 and 3 above.

Groundwater

To facilitate the redevelopment desired in town centers and allow for below-grade parking which reduces coverage, the proposed amendments include exceptions to groundwater interception to projects proposing below-grade parking. When such exceptions are granted, the applicant must demonstrate that the project impacts have been mitigated to be equal to or better than the original impacts.

Any proposed project would be required to comply with the regional Code of Ordinances Section 33.3.6 for groundwater interception.

Parking

On February 9, 2021, the Placer County Board of Supervisors approved a two-year pilot parking exemption program for North Lake Tahoe town centers . The purpose was to support exemptions to parking to spur redevelopment in the town centers and support strategies identified in the Resort Triangle Transportation Plan (RTTP), which was approved by the Board in October 2020 and which outlines strategies to increase mobility and reduce VMT in the Tahoe region. The pilot parking exemption program allows for the following:

- Expands eligible applicants to include all development/redevelopment proposed in town centers .
- Allows further collaboration with tourist accommodation and residential uses to be considered.
- Removes the existing limitation in the area plan that project sites eligible for the exemption shall be 25,000 square feet or less.
- Expands financial mitigations beyond establishment of a transit County Service Area Zone of Benefit to include financial support for transit service enhancements or other alternative transportation projects that support multi-modal transportation and/or strategies noted in the RTTP.

At the end of the two-year period, staff agreed to bring forward permanent area plan amendments for consideration that support RTTP strategies and provide permanent expanded parking exemptions for town center development. Therefore, the proposed amendments have incorporated these changes to permanently provide greater flexibility for property owners and businesses in Town and Village Centers and to encourage alternative modes of transportation.

Housing:

On January 18, 2021, TRPA hosted housing consulting firm, Opticos, to provide recommendations to better facilitate missing middle housing development in the Tahoe Basin (see Attachment C). The proposed amendments would implement the following recommendations from Opticos:

- Removing setbacks and articulation and massing requirements which limit building capacity and are not possible to enforce over time: Such requirements are also challenging to implement because the setbacks are based on the interior land use, which can change over time. For example, a mixed building may be built in the town center that includes commercial on the second floor and would require a smaller setback than residential uses. However, a future owner could convert that commercial use to residential and would therefore require a greater setback that would be infeasible to create.
- Reducing or removing parking requirements for residential multifamily: The proposed amendments 1) reduce multifamily parking standards to better align with single family parking standards and 2) reduce single family parking standards to accommodate smaller single-family development. Per Opticos, these changes would make multifamily less burdensome and costly to develop. For example, Opticos states that changing the required number of spaces from one to two changes the average monthly rent per bedroom from \$993 to \$1,404 and the income required for affordability from \$36,000 to \$51,000.
- Allowing multifamily by right with no use permit: Opticos recommends that an easier process be provided for multifamily projects by preparing standards with sufficient clarity and predictability.
- Density: To sustain neighborhood-serving shops and services within short walking distance, a rule of thumb is that the immediate area (5 to 10-minute walking distance) have an overall density of 16 units per acre. While the proposed amendments do not increase the overall density in any zone districts, the amendments do refine minimum lot size and width which sometimes prohibits projects from achieving the maximum density.

- Reducing minimum lot width: Opticos recommends reducing lot widths to better accommodate small lot development which is more affordable by design and which would accommodate attached multifamily such as duplexes, triplexes, and fourplexes. The proposed amendments include reduced minimum lot widths for certain zone districts. Similarly, staff also removed minimum lot area per dwelling unit in all residential zone districts to accommodate smaller dwelling units.

Preferred Affordable, Moderate and Achievable Areas

Currently, the area plan includes 21 zone districts listed as Preferred Affordable, Moderate and Achievable Areas but does not include any development standards to incentivize or streamline housing. In most of these zone districts, multifamily requires a minor use permit while single family housing is allowed. In these zone districts the following changes have been proposed:

- Where not otherwise allowed by right, the proposed amendments would allow multifamily and employee housing by right with no use permit if 100 percent of units are deed restricted to affordable, moderate, or achievable housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing. This is intended to encourage development of multifamily housing by reducing costs and time delays associated with use permits.
- In seven residential zone districts listed as Preferred Affordable, Moderate and Achievable Areas, the minimum lot size was reduced to 2,904 square feet to accommodate existing densities of 15 dwelling units per acre and minimum lot widths were reduced to 25 feet to accommodate smaller lots that are more affordable by design and which match existing lot sizes. Side setbacks were also reduced to 5 feet minimum, except when adjoining another unit on adjacent property, which would require 0 feet on one side and 10 feet on the other to accommodate duplex-style developments.

Town Centers: Single Family Land Use

The area plan currently allows single-family development in town centers if already existing. Previous development proposals have spurred considerable community feedback opposing new single-family development in town centers . The proposed amendments would only allow new single family over one unit, including townhomes and condominiums, if single family encompasses 25% or less of the entire project or if at least 50% of the single-family residential units are deed restricted to affordable, moderate, or achievable housing per TRPA Code of Ordinances Chapter 90: Definitions, for achievable, moderate-income or affordable housing. The intent is to facilitate mixed use development and allow some single family to offset costs of workforce housing or commercial uses while still achieving the goals of the area plan and community.

Tiny Houses

The proposed amendments refer to the countywide housing code amendments that were adopted by the Board of Supervisors on June 14, 2022, to allow for tiny houses as primary or accessory dwelling units as well as employee housing and tiny house communities. Moveable tiny houses and moveable tiny house communities would comply with definitions and development standards in Placer County's Zoning Ordinance.

Other:

Street Frontage Improvements

Street Frontage Improvements are requirements of the Tahoe City Mixed-Use Subdistricts, North Tahoe East Mixed-Use Subdistricts, and the North Tahoe West Mixed-Use Subdistricts. The proposed amendments are designed to provide consistency throughout the area plan in identifying the requirements of street frontage improvements and to provide reference to other applicable standards contained in the area plan , i.e. Section 3.06 "Streetscape and Roadway Design Standards" and Table 3.06.A "Future Streetscape and Roadway Design Characteristics". Minor changes were made to the text of the area plan to eliminate redundancy and provide clarity and consistency. For

example, in the Kings Beach Residential zone district, street frontage improvements were required of commercial or multifamily developments but not of single family, which further incentivized development of second homes rather than multifamily or new commercial development. The proposed amendments would require street frontage improvements of all development. In the future, County staff intends to bring forward a comprehensive street frontage improvement financing plan to offset the costs and burdens on individual development.

Signs

The proposed amendments eliminate the sign regulations contained in the area plan under Section 3.11 and direct the reader to refer to the TRPA Code of Ordinance Chapter 38 “Signs.” This amendment is intended to streamline signage requirements and will make the Tahoe Basin Area Plan consistent with the TRPA Code of Ordinances, thereby eliminating the need for future amendments to the area plan should TRPA modify Chapter 38 of the Code of Ordinance.

Shorezone

The proposed amendments to the area plan are intended to reflect the changes made to Placer County Code Chapter 12, Article 12.32, “Lake Tahoe Shorezone” adopted by the Board of Supervisors in February of 2021. In August 2019, TRPA amended its Code of Ordinances, including shorezone regulations contained in Chapters 80 through 85. With the 2019 amendment, Section 12.32 of the Placer County Code was no longer in alignment with TRPA and even contained conflicting permitting requirements. Therefore, staff proposed a complete replacement of the original ordinance with streamlined and updated ordinance text to eliminate duplicate permitting processes, align with the TRPA ordinance, limit the County’s permitting role, and primarily rely on the Memorandum of Understanding between the California State Lands Commission and TRPA for shorezone related permitting. While the shorezone is primarily governed by TRPA and the State Lands Commission, the proposed amendments reflect the changes adopted by the Board in February 2021. These comprise adding text to reference Placer County Code Article 12.32 “Lake Tahoe Shorezone” and adjusting the applicable land use table to notify the reader that certain accessory structures shall also comply with the requirements of Article 12.32.

Miscellaneous Cleanup

The proposed amendments also included several “cleanups” recommended by staff that are intended to provide more clarity across the document and address typos or other minor errors.

STAKEHOLDER ENGAGEMENT

These amendments have been informed from years of ongoing feedback from a variety of stakeholders and community groups in the region including:

- North Tahoe Business Association Board and its Economic Vitality Committee
- Tahoe City Downtown and its Business Advocacy Committee
- North Lake Tahoe Resort Association
- Mountain Housing Council
- TahoeLiving Working Group
- Applicants to Community Development Resource Agency
- TRPA staff
- Planner feedback from customer interactions

Additionally, staff identified a working group of seven individual stakeholders of the Tahoe Basin business and development community, ranging from design and architecture professionals to entrepreneurial small business owners and experienced developers to solicit feedback on their experiences bringing forward new business and/or development in the Tahoe Basin town centers and to help shape the proposed amendments. The meetings occurred from May through June 2021. The goal of the meetings was to receive input regarding the factors that contribute to the lack of investment, development and/or redevelopment in the town centers and to gain a better understanding regarding their experiences related

to the development and processing of a project within town centers. Staff documented their feedback which included topics such as processing barriers, strict development standards and/or required site improvements, and zoning restrictions, among others. The proposed TBAP amendments are intended to address as many of these topics as possible.

Staff presented these amendments to the following groups to conduct outreach and seek feedback:

- Placer County Planning Commission informational workshop - September 22
- North Lake Tahoe Resort Association – October 5
- North Tahoe Regional Advisory Council informational item – October 13
- North Tahoe Business Association – October 17
- Tahoe City Downtown Association – October 18
- North Tahoe Regional Advisory Council recommended approval – November 30

On November 30, 2022, the Placer County North Tahoe Regional Advisory Council recommend approval of the amendment package to Planning Commission with a few caveats, including keeping max town center height at 56 feet, requiring wildfire evacuation evaluations, and involving the community when we create our development rights allocation manual.

ENVIRONMENTAL REVIEW

Staff are preparing an Initial Environmental Checklist to satisfy the Tahoe Basin Area Plan Conformity Review for California Environmental Quality Act and Finding of No Significant Effect (FONSE) pursuant to TRPA Code of Ordinances Section 3.3 and Chapter 4, as well as required findings.

NEXT STEPS FOR PROJECT CONSIDERATION

Following this RPIC workshop, staff will coordinate hearings with RPIC, Placer County Planning Commission, Placer County Board of Supervisors, TRPA Advisory Planning Commission, and the TRPA Governing Board from January through March 2023. Final approvals are expected by March 2023.

Respectfully submitted,



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