
STAFF REPORT

Date: May 17, 2023

To: TRPA Regional Plan Implementation Committee

From: TRPA Staff

Subject: Proposed Regional Definition and Minimum Standards for Mixed-Use Development

Summary and Staff Recommendation:

Following concerns raised by the Advisory Planning Commission (APC) and Regional Plan Implementation Committee (RPIC) about the lack of specificity in the definition of mixed-use development, TRPA staff researched best practices to define and set minimum standards for mixed-use development that could apply at the regional level. Staff will present these best practices and requests that the RPIC discuss and provide suggestions for further refining these standards.

This item is for informational purposes. No action is required at this time.

Discussion/Background:

On June 22, 2022, TRPA staff issued a permit for a mixed-use development on 941 and 947 Tahoe Boulevard in Incline Village on properties designated as Special Plan Area 1 in the Tahoe Area Plan. The approved project included 40 residential units and 925 square feet of off-street office space as the non-residential component of the mixed-use project. On March 8 and March 22, 2023, respectively, the APC and RPIC considered a proposed area plan amendment to allow subdivision of buildings in Special Area 1 of Incline Village's commercial town center. Both bodies questioned the amount of non-residential square footage and indicated that there needed to be a more specific definition and minimum standards for mixed-use development. Staff reviewed literature on best-practices in mixed-use regulation and compared approaches to regulating mixed-use development from across the United States. In general, mixed-use zoning aims to create vibrant, walkable neighborhoods that offer a range of amenities and services within a compact, pedestrian-friendly environment. Staff found that plans and codes typically address the following six factors related to mixed-use developments.

1. Defining the "Mix of Mixed-Use"

Given the goal of activating streetscapes in town centers, TRPA should consider following the lead of jurisdictions across the United States and requiring non-residential uses to be located on the ground floor or street frontage of a mixed-use development. To accommodate horizontal mixed-use developments with multiple structures, these requirements could be applied to the entire permitted development, rather than a specific structure.¹ There are a few methods that codes use to define the location and "mix" of mixed-use:

¹ "Mixed-Use Development." *Complete Communities Toolbox*.
<https://www.completecommunitiesde.org/planning/landuse/mixed-use-development/>

- a) **Proportion of Ground Floor:** Some codes require that mixed-use developments dedicate a minimum portion of their ground floor to non-residential uses, allowing residential units to occupy the remaining floors. For example, the City of Baltimore requires that at least 60 percent of a mixed-use development's ground floor is dedicated to non-residential uses.² In the City's Business Main Street district, Boulder requires that the entire ground floor of a mixed-use building is used for commercial, office, institutional, or service uses.³

This method remains relatively simple and is not highly prescriptive, while still ensuring that an adequate mix of non-residential uses are accessible to the public on the ground floor. Jurisdictions that use this method also define the types of non-residential uses appropriate for mixed-use development.

- b) **Proportion of Building Frontage:** Some jurisdictions regulate the mix and location of non-residential uses by requiring that non-residential uses occupy all or a portion of a defined street frontage in mixed-use developments. For example, the City of Santa Monica requires that street frontage at a minimum average depth of 40 feet and no less than 25 feet, or a minimum of 60 percent of ground floor, is dedicated to commercial uses.⁴ Santa Monica combines this requirement with a scaled floor area ratio (FAR) which allows for more intensive development with the addition of deed-restricted affordable housing and/or other defined community benefits.⁵ San Diego requires more loosely that ground floor space facing primary street frontages be designed for pedestrian-oriented uses including retail, restaurants, personal services, and offices.⁶

This method further defines where non-commercial uses should be located, making code requirements more prescriptive, but ensuring that non-residential uses are oriented toward the street where they will encourage an active pedestrian environment.

- c) **Floor Area Ratio (FAR):** FAR is used for defining the maximum intensity of mixed-use development based on the mix of residential and non-residential uses vs. density which simply uses the number of units and does not address non-residential uses and intensity. FAR is the ratio of floor area to parcel area. As an example, a FAR of .50 means that ½ of a parcel can be covered with a one-story building, or ¼ of a parcel can be covered with a two story building, etc. Allowing a greater FAR can be used as an incentive to influence the mix of uses. For example, the City of Los Angeles allows increased FAR for projects with greater residential mix and

² Baltimore, MD City Code. Art. 32 Sec. 12-208. <https://perma.cc/23MS-2Q4F>; Adams, T., Rosenbloom, J., Duerksen, C. "Mixed-Use Zoning." *Sustainable Development Code*. <https://sustainablecitycode.org/brief/mixed-use-zoning/>

³ City of Boulder, CO Code of Ordinances. Sec. 9-2-11. <https://library.municode.com/co/boulder>

⁴ City of Santa Monica, CA Municipal Code. Sec. 9.11.030. https://library.qcode.us/lib/santa_monica_ca/pub/municipal_code/item/article_9-division_2-chapter_9_11-9_11_030

⁵ Ibid.

⁶ City of San Diego Consolidated Municipal Code. Sec. 131.0423. <https://www.sandiego.gov/city-clerk/officialdocs/municipal-code>

defined community benefits like daycare facilities.⁷ The same approach could be used to incentivize non-residential uses and/or affordable housing.

FAR is a simple and non-prescriptive method to define residential and non-residential mix with the added benefit of addressing density and building mass. As noted earlier in the example of Santa Monica, a scaled FAR system can incentivize a range of other desired benefits including deed-restricted affordable housing. However, without standards for ground floor or street frontage, a FAR-based system for mixed-use development does not define the location of non-residential uses and can lead to a use mix that fails to achieve the goal of street activation.

To achieve the region's goals for mixed-use development in active town centers, staff recommends considering code language like that found in the City of Santa Monica Municipal Code. This method of defining mixed-use combines scaled FAR with non-residential uses oriented to the street. Code language should define a base FAR for mixed-use development which may increase with the addition of a larger percentage of affordable housing units and uses with a defined community benefit. TRPA should consider applying the same FAR scale to residential-only development, setting a base FAR and allowing for increased floor area as the proportion of deed-restricted affordable housing increases. TRPA should also consider setting a minimum requirement that ground floor street frontage in mixed-use development be designed for pedestrian-oriented, non-residential uses. Developers could be permitted to include lobby space as a non-residential use where retail is not viable. This approach will encourage street activation, address building mass and density, and incentivize additional community benefits including affordable housing and pedestrian improvements.

2. Permitted Uses

With different uses collocated in the same development, use compatibility is particularly important. While most codes establish permitted uses for mixed-use developments, they do so with varying levels of specificity. For example, the City of Austin defines appropriate non-residential uses broadly as pedestrian-oriented uses including, but not limited to, retail, restaurant, personal services, and office uses.⁸

Given TRPA's regional mandate, a broad, flexible definition of allowed pedestrian-oriented uses, like that found in the City of Austin's Land Development Code, is appropriate. This approach has the added benefit of being nimble and responsive to new uses as they emerge and allowing staff flexibility to judge the compatibility of a proposed use. This approach also allows local jurisdictions the opportunity to further specify desired uses in their town centers or uses with community benefit that may warrant FAR incentives.

3. Affordable Housing

The 2016 Regional Housing Needs Assessment estimates that Tahoe faces a total unmet workforce housing demand ranging from 4,100 to 12,160 household units, the equivalent of anywhere between 8.5 to 25 percent of the region's total existing housing stock. Of that unmet need, roughly half comes

⁷ Los Angeles Municipal Code. Sec. 13.09.

https://codelibrary.amlegal.com/codes/los_angeles/latest/lapz/0-0-0-12143

⁸ City of Austin, TX Land Development Code. Sec. 25.4.3.3.

https://library.municode.com/tx/austin/codes/land_development_code

from households making less than 80 percent of the area median income (AMI).⁹ Many jurisdictions require that mixed-use projects include an affordable component. The City of Santa Monica requires that at least 10 percent of units in an owner-occupied development are deed-restricted for the lowest income households, allowing for developers to build a larger proportion of units at a higher workforce price-point or receive density bonuses for building more than the minimum affordable units.¹⁰ Additionally, Placer County's Employee Accommodation Ordinance sets a precedent in the Basin for mitigating the impact of new market-rate housing on workforce housing needs by requiring that no less than 10 percent of new units are affordable.¹¹ To address housing needs TRPA should consider requiring that a minimum proportion of owner-occupied units in a mixed-use development are deed-restricted affordable.

4. Density

A higher density of units can help to support the economic viability of mixed-use development. Higher densities also allow for more residents and customers to live and work within a relatively small area, creating an environment that encourages pedestrian trips. Mixed-use regulations using a scaled FAR system, as discussed above, would do away with the need for density minimums when combined with TRPA's other dimensional standards and growth management tools, and would allow developers more flexibility to design viable, active mixed-use projects. As stated above, TRPA should consider exempting mixed-use development from local density standards and addressing mixed-use density through FAR.

5. Parking

Parking policy is an often-overlooked linchpin of viable, active mixed-use development. Burdensome parking minimums can contradict the goal of creating active, pedestrian-oriented development while making development restrictively expensive by diverting valuable developable land to low-value parking. Additionally, parking location can mean the difference between pedestrian-oriented mixed-use and car-oriented development.

Many communities across the United States are eliminating parking minimums for new development. By reducing the amount of space dedicated to parking, developers are encouraged to build more densely and incorporate a mix of uses that can support each other, creating a more vibrant and walkable community. In partnership with local governments or, if necessary, at a regional scale, elimination of parking minimums for mixed-use development should be considered. Eliminating parking minimums for mixed-use development will support the goal of encouraging active transportation and streetscapes and reduce development costs, thereby increasing affordability. Many jurisdictions have found that developers will still build the parking necessary to meet the demands of their project without minimum parking standards.¹² Additionally, shared parking agreements and the alternative transportation options afforded by mixed-use development can reduce the overall demand for parking.

⁹ BAE Urban Economics. "Regional Workforce Housing Needs Assessment." August, 2016.

<http://ttcf.net/wp-content/uploads/2020/04/FINAL-RHS-Executive-Summary.pdf>

¹⁰ City of Santa Monica, CA Municipal Code. Sec. 9.64.050.

https://library.gcode.us/lib/santa_monica_ca/pub/municipal_code/item/article_9-division_6

¹¹ Placer County. "Affordable Housing and Employee Accommodation Ordinance and Fee." July 1, 2022.

<https://www.placer.ca.gov/6954/Affordable-Employee-Housing-Ordinance-Fee>

¹² Gould, C. "Parking reform Legalized Most of the New Homes in Buffalo and Seattle." *Sightline*. April 13, 2023. https://www.sightline.org/2023/04/13/parking-reform-legalized-most-of-the-new-homes-in-buffalo-and-seattle/?utm_source=Sightline+Newsletters+II&utm_campaign=1c4fe9e45c-

6. Design Standards

While detailed design standards should be left to local jurisdictions, staff research has found that certain key standards are crucial for ensuring viable, pedestrian-oriented mixed-use development consistent with local urban design. TRPA should consider setting minimum design standards for mixed-use development, allowing local jurisdictions to adopt alternative standards if they choose. Standards could include:

- Development must be designed in the mountain modern or old Tahoe architectural styles.
- Blank visible exterior walls must be detailed with murals or other approved detail.
- The ground floor must have a minimum ceiling height of 15 ft.
- A minimum of 70 percent of the façade fronting a commercial street must be transparent.
- Sidewalks along a commercial street must be a minimum width of 10 ft.

RECOMMENDATION:

It is important that TRPA consider all factors that contribute to appropriate mixed-use development, however, some requirements may be more appropriately addressed in local area plans. To reflect the best practices described above, it is recommended that TRPA consider regional standards including the proportion of residential and non-residential uses, permitted uses, mix of affordable and market-rate units, density, parking, and some minimum design requirements. Local jurisdictions may choose to adopt their own more detailed standards or alternate standards through the area planning process. This approach will ensure that mixed-use development meets minimum standards to activate town centers while allowing local jurisdictions autonomy to establish standards that match the character of their communities if they choose.

Staff recommends that TRPA consider developing regional standards for mixed-use development including the following components:

- Scaled FAR that increases with the inclusion of additional deed-restricted affordable housing units or other community benefits. TRPA should consider applying a similar scaled FAR system to encourage a greater mix of affordable housing in residential-only development using a base and maximum FAR.
- Ground floor street frontage designed for pedestrian-oriented, non-residential uses. This should include specific minimum standards for the depth of street frontage and proportion of ground floor area dedicated to non-residential uses.
- Broadly defined non-residential uses appropriate for mixed-use development that are pedestrian-oriented including, but not limited to, retail, restaurant, personal services, and office uses.
- Require a minimum proportion (8.5-25%) of owner-occupied units to be deed-restricted affordable and establish deed-restriction requirements that recognize the equal need for units above and below 80% AMI.
- Exempt mixed-use development from parking minimums.
- Establish minimum design standards detailed above.

Contact Information:

EMAIL_CAMPAIGN_2019_11_22_09_02_COPY_01&utm_medium=email&utm_term=0_3e1b0f73ac-1c4fe9e45c-296434921

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