
STAFF REPORT

Date: May 17, 2023

To: TRPA Regional Plan Implementation Committee

From: TRPA Staff

Subject: Informational Presentation on Proposed Amendments to the Tahoe Valley Area Plan

Summary and Staff Recommendation:

The City of South Lake Tahoe (the City) will provide an overview of the proposed amendments to the Tahoe Valley Area Plan (TVAP). This item is for informational purposes and no action is required. Staff has not reviewed any of the proposed changes for conformance with the Regional Plan and Code of Ordinances. 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 City Council and TRPA.

This item is for informational purposes and no action 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 local jurisdiction's general or master plan. Area plans enable TRPA to focus on regional issues and empower local jurisdictions to define and manage their own local land use.

Originally adopted by the TRPA Governing Board in 2015, the TVAP is one of two area plans within the City. The plan encompasses the area known as the "Y" in South Lake Tahoe that is primarily made up of commercial and tourist uses, with limited residential. The proposed amendments focus on changes to facilitate workforce housing, economic development and activation of town centers, and increased transportation opportunities within the area plan boundary. The scope of amendments range from updating language to be consistent with recently amended TRPA and state regulations, and City goals, to increasing housing opportunities and community equity in appropriate areas. The City intends to consider the policy amendments listed below. More details on each of these policies can be found in Attachment A.

Policy amendments under consideration (presented below in categories and in more detail within Attachment A):

- **Residential density:** Increase residential density to 60 units per acre in town centers, paired with a minimum density of 8 units per acre.
- **Streamlined permitting:** Streamline permitting for affordable housing projects.

- **Design standards:** Implement design standards for residential projects, ADUs and new commercial construction or major commercial façade improvements.
- **Permissible uses:** Update permissible uses to encourage employee, senior, and affordable housing.
- **Parking:** Reduce parking requirements where feasible.
- **Area Plan boundary:** Amend the area plan boundary to include parcels on high capability land that are adjacent to town centers.
- Other miscellaneous cleanup

City staff held a stakeholder meeting on February 1, 2023. A summary of comments from the meeting can be found in Attachment B. The conceptual amendments were then presented to the City Planning Commission on February 23, 2023. The amendments await a formal hearing from the City Council, as well as TRPA Advisory Planning Commission, RPIC, and Governing Board.

Based on RPIC’s direction, the City will work with TRPA staff to further develop the amendment package before bringing it back to the Advisory Planning Commission and RPIC for recommendations before the Governing Board makes a final determination on the proposed amendments. Local governments are encouraged to propose amendments unique to their jurisdiction provided they conform with the Regional Plan and Code of Ordinances. At this point in the process, TRPA staff has not reviewed any of the proposed changes for conformance with the Regional Plan and Code of Ordinances. Should there be inconsistencies that have regional implications (i.e., beyond the jurisdiction proposing the amendments) staff will recommend those proposals not be approved when the amendments come through the formal adoption process.

Environmental Review:

City staff are currently preparing an IEC and CEQA analysis for the amendment package.

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 APC and RPIC 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 Alyssa Bettinger, Senior Planner, at (775) 589-5301 or abettinger@trpa.gov.

Attachments:

- A. 2023 Tahoe Valley Area Plan Amendments Project Description
- B. Tahoe Valley Area Plan Stakeholder Workshop Participant Feedback

Attachment A
2023 Tahoe Valley Area Plan Amendments Project Description



2023 TAHOE VALLEY AREA PLAN AMENDMENTS, PROJECT DESCRIPTION

The City of South Lake Tahoe intends to amend the Tahoe Valley Area Plan (TVAP). The purpose of the amendments ranges from general improvements and a need for greater consistency with recently amended TRPA regulations, state regulations, and City goals, to increasing housing opportunities and community equity in appropriate areas. Summarized below are the more significant policy and regulatory amendments that the City intends to consider.

LAND USE, COMMUNITY DESIGN, AND HOUSING

Residential Density

In order to improve the effectiveness of Housing policies and achievement of Housing goals within the adopted TVAP, the City is considering increasing allowed density for multi-family developments to 60 units per acre, as well as setting minimum density of 8 units per acre for multifamily developments in and around town centers. The current multifamily dwelling density maximums are lower than Tourist Accommodation allowable densities, despite the TRPA determination that TAUs have larger environmental impacts with respect to Vehicle Miles Traveled and carrying capacity of the Tahoe Basin. The currently low maximum densities for multi-family residential development do not allow for affordable housing projects to be eligible and competitive for grants and financing available through state and federal programs. Financially feasible residential projects at the current allowable density ranges tend to be resulting in development of low density, large market rate units. Allowing higher densities for multifamily developments will provide more opportunity for much needed housing in areas close to amenities, and make affordable housing more feasible for developers.

The City is proposing a maximum density of 60 units per acre for multi-family residential development, based on the commodity conversion rate of 1:1.5 between TAUs and RUUs, and a minimum density of eight units per acre. This potential amendment will not change the total full build out potential of the Region due to limitations on development established by TRPA growth management regulations nor will they change the criteria necessary to earn bonus units under the existing Transfer of Development Rights (TDR) program. The proposed amendment also does not include changes to coverage or height limitations, requiring the additional density to be accommodated within the current building envelope. The amendment would allow more concentration of development within Town Centers and increase feasibility of infill and

environmental redevelopment projects in these areas. In addition, the City is requesting that the allowed density bonus referenced in TRPA Code of Ordinances 31.4.1 be applicable to all properties where multi-family residential is an allowed use, including properties within Area Plans.

Proposed amendments will also include a requirement to mitigate any reduction in density from existing conditions.

These changes are directed by Programs 2-8 and 1-4 of the City's General Plan Housing Element and anticipated to be under review by the state Housing and Community Development Department with expected implementation by December 2023.

Consistency with California State Law

Amendments will incorporate requirements of recent California state laws.

- AB 68: Accessory dwelling units (ADUs) shall be allowed and applicable design standards added. The Area Plan will include a reference to the ADU Ordinance contained in the City Code to expand its applicability to properties within Area Plans, and TRPA Code of Ordinance requirements for ADUs.
- AB 682: Shared housing or co-living projects are eligible for density bonuses when a number of the units are low or very low income. These changes will be incorporated along with the applicability of density bonuses.

Residential Design Standards

Currently all projects within the TVAP are required to meet the same design standards, which were developed with commercial and mixed use projects in mind. Appendix C should be amended to include standards applicable to purely residential projects. Proposed standards would be consistent with City Code 6.85, Residential Development and Design Standards. These standards were adopted in compliance with California SB 35 and SB 330.

To provide individuals, family members, caregivers, and/or anyone acting on behalf of the person with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing as feasible the city proposes to establish criteria for residential projects that would allow for modification of the TCAP standards. These modifications would address any needs for accommodation by persons with disabilities for additional land coverage for necessary site improvements beyond the additional land coverage allowances for Americans with Disabilities Act (ADA) improvements in Chapter 30 of the TRPA Code of Ordinances.

Currently, affordable housing projects require a higher level of decision maker consideration than market rate housing projects (TRPA Code Section 2.2). Proposed amendments would include new criteria for residential project review levels that treat affordable housing equal to market rate housing, exempting residential projects up to three units and residential projects that comply with objective development and design standards from discretionary and public hearing procedures.

Permissible Uses

The City will reevaluate Appendix C's Table 1, Permitted Uses By Land Use District, and Table 2, List of Primary Uses and Use Definitions, and consider the following adjustments.

- Incorporate employee housing under *multiple-family dwelling* and *multi-person dwelling*, definitions. By allowing affordable housing projects in commercial zones the City will further align with AB-2011 and SB-6.
- Define shared housing or co-living projects in compliance with AB-682 and allow them where *multiple-family dwelling* and *multi-person dwelling* uses are allowed.
- Specify that residential care facilities (group homes) of all sizes are allowed by right in all residential districts (CA Health & Safety Code 1267.8, 1267.9, & 1267.16, 1568.083 - 1568.0831, 1569.82 – 1569.87, 1518, 1520.5, 1566 - 1566.8, 1567.1, 1267.9; 1760 – 1761.8, and 11834.23).
- Amend definitions to treat employee housing that serves six or fewer persons as a single-family structure and permitted in the same manner as other single-family structures of the same type in the same zone (CA Employee Housing Act).
- Specify that transitional and supportive housing are allowed without a conditional use permit or other discretionary action in districts that allow residential development (CA Health and Safety Code Section 50675.2).
- Identify where legal nonconforming uses exist and consider if these uses should be allowed.
- Clarify use definitions; for example, indoor sauna, spa, and hottub facilities are currently included in the use description for both *Amusements & Recreation* and *Personal Services*.
- Designate between large and small *Amusement & Recreation* uses. Currently the use category has no distinction for facilities of different sizes or capacities. The City is considering adding clarifying language such as what is included in *Privately owned assembly and entertainment*, which specifies the use is for facilities with a capacity of greater than 300 people.

Housing related permissible use changes are directed by Programs 2-8 and 1-4 of the City's General Plan Housing Element and anticipated to be under review by the state Housing and Community Development Department with expected implementation by December 2023.

REVITALIZATION AND ECONOMIC DEVELOPMENT

To increase implementation of economic development, revitalization, and environmental improvement goals and policies within the adopted TVAP, the City is pursuing amendments to increase opportunities for events, outdoor dining, accessory uses and sustainable infrastructure in appropriate locations.

Designated Special Events Area

The City is pursuing designating The Crossings, the TJ Maxx/Blue Zone center, and the Tahoe Valley Greenbelt as special event areas. Events meeting specific criteria would be allowed without obtaining a Special Event or Temporary Activity permit.

Commercial Floor Area and Outdoor Dining

The City would like to reduce barriers associated with establishing outdoor dining in appropriate areas. Although outdoor seating is currently not considered Commercial Floor Area (CFA), outdoor dining is. Outdoor dining and seating provide opportunities to create more active streetscapes but are distinguished from indoor seating by their less intensive use due to seasonal weather in the Tahoe Region. The City is proposing to exempt outdoor dining areas from CFA requirements similar to the current application of the regulation to outdoor seating.

Advertising for Accessory Uses

The City is proposing to amend sign regulations to allow independent signage for accessory uses. No changes to the maximum sign area or number of signs allowed for a property are proposed.

Coverage Exemptions for Sustainable Infrastructure

A goal of the City of South Lake Tahoe is to remove barriers to sustainable infrastructure and achieve compliance with AB 1236 which requires ministerial permitting for EV charging stations and limits the ability to deny a permit to specific findings of adverse impact to public health or safety. Coverage has been a limiting factor where existing developments wish to install electric vehicle charging stations. Exempting EV charging infrastructure from counting towards coverage would allow for increased access to charging stations. Mitigation measures such as retiring coverage elsewhere in the watershed or allowing a percentage over maximum coverage for EV charging stations to be transferred to the site will be explored.

Policy Amendments

City staff is recommending to amend or add the following policies:

- Clarify when CFA is required for recreation based primary uses and what areas of recreational facilities are exempt from CFA
- Identify that Barton facilities in the town center – healthcare district are public service uses and exempt from CFA requirements
- Encourage vertical mixed-use projects in the Town Center – Core District

DEVELOPMENT AND DESIGN STANDARDS

In order to provide more clarity on expectations for architectural design of new construction and more enforceable objective standards, the City is proposing amendments that will incorporate aspects of the South Lake Tahoe Design Guidelines into the TVAP Development and Design Standards.

Commercial Design Standards

Through amendments to Appendix C, objective design standards are proposed for new construction and major façade improvements. These design standards will heavily draw from the South Lake Tahoe Design Guidelines (2016), which will be directly referenced in the TVAP. These standards will target include, but are not limited to:

- Requiring building modulation to be achieved by requiring a change in surface/wall depth, change in building height, covered outdoor seating area, columns/pilars, or similar elements of visual interest at a certain frequency. Providing specific objective standards.
- Specifying % of building façade area where use of natural materials is required.
- Requiring dumpster enclosures to match the colors and materials of the primary structure.

Existing standards that are proposed to be modified are:

- More flexibility for roof pitch, allowing a minimum of 3:12 (previously 5:12).
- Flexibility in corner build and building frontage standards where these standards are not desirable, such as where an SEZ or other natural features that should be retained exists.

Parking

A recent California law prohibits local governments from enforcing minimum parking requirements for residential and commercial projects within one-half mile of a major transit stop. While the City of South Lake Tahoe currently does

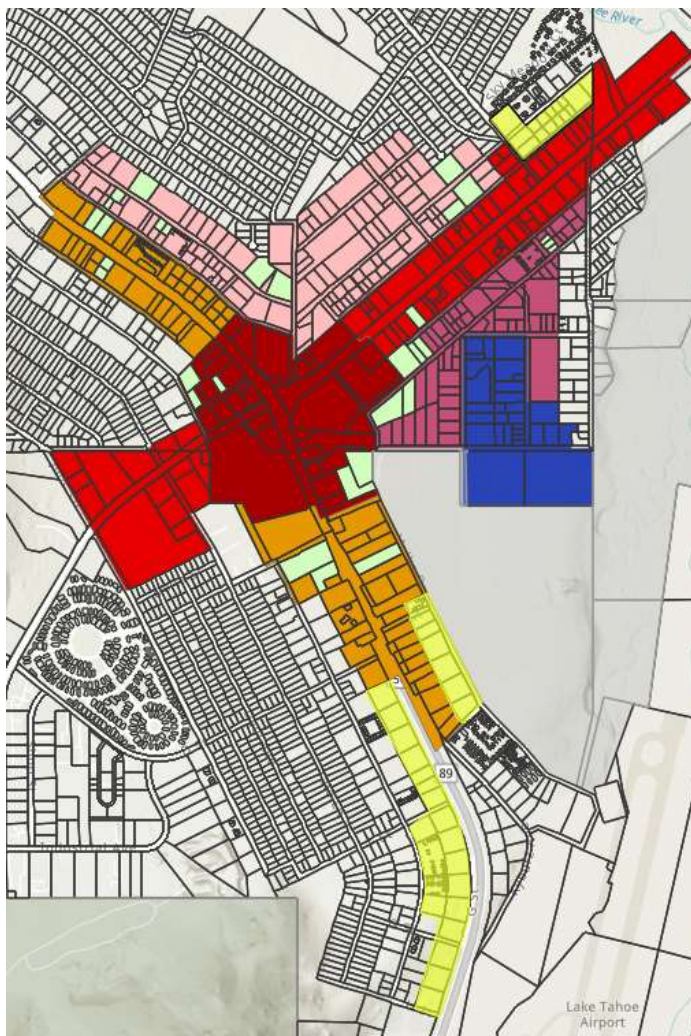
not have major transit stops as defined by the California Public Resource Code Section 21064.3, in anticipation of improved transit services, we will evaluate our current parking standards for compliance with the intention of this law. The City also intends to require a greater number of bicycle parking spaces and provide additional parking reductions where projects are located in Town Centers and provide contribution to transit service and/or pedestrian and bicycle infrastructure improvements.

GENERAL IMPROVEMENTS

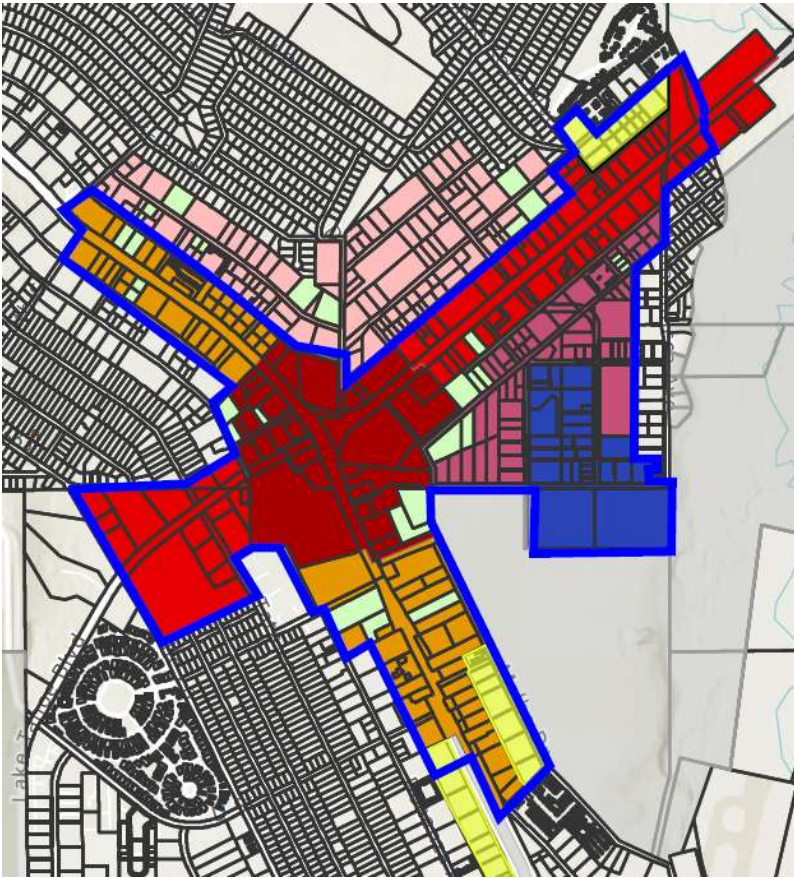
Boundary Amendments

The City will explore amending borders of the TVAP and zoning districts within the TVAP, where appropriate. The primary goal of these adjustments is to include high capability parcels in close proximity to Town Centers where multifamily residential uses are allowed so that they may be eligible to utilize substitute standards and incentives to develop or redevelop. Parcels under consideration for incorporation into the TVAP are largely located in Plan Area

Statement 114, Bonanza, including Special Area #1.



Three proposed areas for incorporation are highlighted in yellow.



The proposed Town Center is outlined in blue and includes two of the added areas.

Code Corrections and Consistency

General improvements that will be made to the TVAP include correcting City Code and TRPA Code references, incorporating amendments implemented by TRPA through Ordinance 2021-01, and referencing new TRPA policies that support these proposed amendments. TRPA Code of Ordinances 31.4.6 will be referenced to ensure that legal, non-conforming tourist and residential densities can be maintained and managed pursuant to that section. The TVAP will codify the TRPA interpretation that commercial and residential/tourist mixed-use projects are allowed to use the full parcel area in determining density, regardless of commercial floor footage on the parcel. Commercial floor area shall also be the maximum allowable in that district.

Right of Way Improvements and Complete Streets Consistency

Transportation and Circulation Policies will be amended to reflect current areas of focus, and align with and progress the City's Complete Streets Program. We will incorporate recent mobility improvement concepts from TRPA's Active Transportation Plan and Lake Tahoe Unified School District's Safe Routes to

School Master Plan. In this effort, the City intends to work alongside TRPA as the Active Transportation Plan is updated.

Implementation efforts will be updated to account for completed projects, and identify new areas of support, such as implementation of TRPA's SR 89 Recreation Corridor Management Plan.

Green Incentive Program Updates

The City will be reviewing the green building incentives to ensure the current incentive are still feasible for staff and identifying previous measures which are now required rather than optional based on California Building cCode updates and city ordinances. Staff will also look to incorporate new policies and certification programs that have been implemented or seen success since the plans initial adoption.

During the City's public outreach and public review processes additional amendments may be identified for consideration. City staff will work closely with TRPA staff to ensure continuity and open communication throughout the process.

Attachment B
Tahoe Valley Area Plan Stakeholder Workshop Participant Feedback

Stakeholder Workshop

Tahoe Valley Area Plan: 2023 Updates

Participant Feedback - Wednesday, February 1, 2023

Increasing Housing Opportunities: Density

- Concern over the toll higher densities will have on utilities.
- Higher densities would be more realistic with allowable height increases.
- Must consider balancing between housing needs and wants
 - a. Concerns that higher densities and the lack of a larger building envelope would lead to developers creating units that are too small to be desirable by renters.
- Parking: reduced parking could lead to larger structure, but there may be a greater need for more parking in multi-family/multi-person dwellings
- Setting a minimum density requirement: general support and realization that parcels in town center should be utilized to a higher potential.

Increasing Housing Opportunities: Permissible Uses

- General agreement that multi-family, multi-person, and employee housing are functionally the same and should be allowed consistently.
- May be necessary to change use definitions to consolidate these uses.
- Participants were supportive of onsite employee housing and making this easier. I.e. accessory, mixed-use

Increasing Housing Opportunities: Boundary Changes

- Agreement that housing should be incentivized in other areas, but still close to amenities and town center.
- Regarding the parcels shown along EBR, there was concern over the highway frontage: safety, traffic
 - a. Interest in requiring a buffer, green median between new residential developments and EBR.
 - b. When possible, require access to be off Bonanza, side streets.
- Need for biking/walking access
- Required mixed-use (commercial/residential) was suggested along EBR, no consensus on support.
- Provide affordable housing mitigation based on jobs/wages
 - a. Fee or employee housing unit required per CFA or x number of employees

Activating Town Centers: Boundary Changes

- Improvement of public transit consistency and connectivity, route should be reliable and consistent.
- Change of density impact area

- VMT mitigation should be analyzed to allow for more credit towards projects in the Town Center.
- Suggestion to establish certain parcels as retired SEZ/open space to mitigation expansion of commercial uses.
- Suggestion to incorporate additional parcels on Melba Dr. (existing: multifamily and mobile home parks), so that the Gateway district connects EBR and Melba

Activating Town Centers: Outdoor Dining

- Retain parking by redesigning outdoor area/patios, ie. raised patios above parking.
- Minimize use of gas outdoor heaters or find eco-friendly alternatives such as electric heaters.

Activating Town Centers: Special Event Area

- Support for designating event area, review and permitting would be deferred to a community entity.
 - a. No suggestions regarding an oversight committee
 - b. Possible business district forming in the future could take on role.
- Proposal to incorporate land of Tahoe Valley Campground in the future for special event use, expansion of the greenway.
- Interest in using James Ave. as an event area.

Increasing Transportation Opportunities: Infrastructure

- Underground roads/pedestrian connectivity at the Y
- Improvement of pedestrian crossings at the Y
- Install traffic calming measures along EBR to further encourage alternative transportation, provide safer pedestrian crossings.
- Proposed parking hub at Tahoe Valley Campground area or T.J. Maxx shopping center, opportunity for “park once” implementation.

Increasing Transportation Opportunities: Parking

- Desire to remove/limit “Parking for Customers Only” practice.
 - a. Explore incentives to encourage shared parking between businesses.
 - b. Research how to reduce barriers to shared parking, ie. liability is a concern for business owners.
- Extending Lake Link or similar micro transit system to the Y, connect to current Lake Link area.
- Utilize vacant lots as parking areas in both commercial and residential areas
- Implement a parking hub similar to the design of the Kings Beach parking district.