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STAFF REPORT

Date: February 4, 2021

To: Tahoe Living: Housing and Community Revitalization Working Group

From: TRPA Staff

Subject: Accessory Dwelling Units (ADUs)/Small Homes and Density: Areas of Consensus, Areas for Further Discussion, and Areas Ready for Code Development

Summary and Staff Recommendation:

Staff will present the results of the Working Group survey that was conducted from January 22-28. The meeting will focus on the following discussion points:

- 1) Areas of consensus
- 2) Areas that require more research
- 3) Areas ready for code development
- 4) Timeline for presenting draft code and further research.

Background:

At the November 4, 2020 Working Group meeting the Working Group confirmed a set of recommended housing action priorities. These were approved by the Local Government and Housing Committee and Governing Board in January. The following table summarizes the key actions and associated timeline for further development:

Action Categories	Timing
ADUs/Small Homes and Residential Density	Near-Term (3-6 months)
Mixed Use Residential and Permitting/Streamlining	Medium-Term
Tourist/Commercial Conversions to Residential and Coverage Incentives	Longer-Term
Public Land Donations and Fees	Longer-Term

The overarching goal in modifying TRPA's policies is to achieve workforce housing needs identified by the California Regional Housing Needs Assessment (RHNA) and the South Shore and Placer County Needs Assessments. A summary of these housing needs can be found in the "Housing Need" outcome document from Tahoe Living Working Group Meeting #1, <https://www.trpa.org/wp-content/uploads/Housing-Need.pdf>.

In preparation for more in-depth policy development to meet the housing need, TRPA staff conducted a survey of Working Group members to determine areas of consensus, with a particular focus on the "ADUs/Small Homes" and "Density" topics. By "small homes" TRPA means attached multi-family housing types and ADUs. TRPA staff sees similarities between this type of development and ADUs and anticipated that certain incentives or policies might be applied to both. The results of the survey are included in Attachment A.

Also, in preparation for the discussion on density regulations, the Local Government and Housing Committee hosted a workshop by Opticos Design on how allowing for a variety of housing types, or "Missing Middle" housing, can help meet local and regional housing goals. A memo summarizing key takeaways from the workshop is included in Attachment B. This memo also includes a brief analysis of how well TRPA's Regional Plan allows for "Missing Middle" housing types, including a case study of the zoning regulations specific to the Kings Beach Industrial Community Service district. A recording of the workshop may be found at <https://vimeo.com/trpa>, called "Tahoe's Missing Middle-Income Housing."

#### Discussion:

The Tahoe Living Survey asked about Working Group members' preferences on potential policy changes in the following topic areas:

- 1. Enabling ADUs on all single-family parcels.** How should TRPA enable ADUs on parcels of less than one acre? Should it only be upon request of the local jurisdiction (opt-in), or should ADUs be enabled region-wide, with local jurisdictions free to enact stricter ADU rules within their own codes (opt-out)? ADUs are currently only allowed on parcels of greater than one acre region-wide, unless a local jurisdiction has a "Local Government Housing Program" in place.
- 2. Deed-restricting ADUs.** Should deed-restrictions for ADUs be a requirement or an option? Should deed-restrictions restrict occupancy based on income or employment/local residency status?
- 3. Noticing.** The Rules of Procedure currently require noticing to neighbors when ADUs, affordable or employee housing, or multi-family units are constructed, even when these are an allowed use. Should this practice be continued?
- 4. Criteria for awarding bonus units.** Should the uses and locations for award of bonus units be expanded?
- 5. Coverage incentives.** The survey asked whether coverage requirements should be relaxed for ADUs and multi-family units in exchange for a deed-restriction.

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**6. Density standards.** Should TRPA increase density allowances in some locations, and/or shift to regulating the height, size and mass of buildings rather than the density?

For topics 1-3 above, the majority of responses were similar, pointing to possible areas of consensus. For topics 4-6, responses varied more, indicating that more discussion or research may be needed before moving these topics into code development. Based on previous input from Working Group and Local Government and Housing Committee members, TRPA foresees a need to balance the urgency of expanding opportunities for workforce housing with taking the time to understand whether the mix of incentives offered is sufficient to result in workforce housing units on the ground. Taking this into account, and after a review of the consensus and non-consensus areas, TRPA has developed an initial proposal for a set of policies to move into code development (first priority, below). TRPA will ask for confirmation of this approach at the Working Group meeting February 10<sup>th</sup>. Areas of non-consensus (second and third priorities, below) will be discussed at the meeting to determine where more research is needed.

First Priority (Policies for moving into code development): Remove Existing Barriers

- TRPA should remove the 1-acre parcel requirement for ADUs basin-wide
- ADUs may be further regulated at the local level through local codes
- ADUs require a full Residential Unit of Use (RUU) or a Bonus Unit in order to build.
- With a Bonus Unit, either the ADU or the main home must be deed-restricted
- Bonus units can only be awarded to parcels within ½ mile of an existing transit stop. Bonus unit incentives may be further expanded through a later discussion/phase (see below).
- Bonus units may be received by restricting the unit or the main home to affordable or moderate income levels, or “workforce” (rather than “achievable”). Workforce would include a family with at least one worker who works 30 hours or more at an employment address within the Tahoe Basin, or a senior.
- Remove noticing requirements to neighbors within 300 feet when building an ADU if the ADU is an allowed use (not a special use) and compliant with all standards.
- Minor edits to the code related to housing to correct inconsistencies identified by staff

Second Priority (Identify additional research/questions on February 10<sup>th</sup>): Build incentives for ADUs/Multi-Family

- Expand the use of Bonus Units: Consider whether the use of Bonus units should be expanded to further incentivize workforce housing (location, size, employment status, coverage incentives)

Third Priority (Open discussion on February 10<sup>th</sup> to identify best direction): Density/Distribution of Development

- Where should changes to density regulations be considered?
- How should the number of units be regulated/measured (density, FAR, form-based codes, something else?)
- How should TRPA rules dovetail with local rules in Area Plans?
- What other research/presentations are needed to guide this process?

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At the February 10<sup>th</sup> meeting, TRPA will further explain survey results and provide additional background information to support the discussion.

Next Steps:

TRPA recommends the following timeline for further development of options:

- TRPA staff present draft code for first priority (consensus areas) to the Working Group for approval (April 7).
- Present research and identify areas of consensus for second and third priority areas (Incentive package and density) at April Working Group meeting.
- First priority code changes go to LGHC/APC/RPIC/GB for approval (May – June).
- Continue development of second and third priority items (August Working Group)

Contact Information:

For questions regarding this agenda item, please contact Karen Fink, at (775) 589-5258 or [kfink@trpa.org](mailto:kfink@trpa.org).

Attachments/Links:

Attachment A: Tahoe Living Survey Results

Attachment B: Memo from Opticos Design on Missing Middle considerations

Link: “Tahoe’s Missing Middle-Income Housing” workshop recording: <https://vimeo.com/trpa>