

Tahoe Living: Housing and Community Revitalization Workgroup

Workgroup Meeting #4

Wednesday, April 7, 2021

9:30 AM to 12:30 PM

Via Zoom

Meeting Minutes – Approved at October 28, 2021 Tahoe Living Working Group Meeting

IN ATTENDANCE

Working Group Members

Elizabeth Balmin

Sierra Community House

Casey Beyer

TRPA Governing Board

Sam Booth

Douglas County

Jean Diaz

St. Joseph Community Land Trust

Gavin Feiger

League to Save Lake Tahoe

Brendan Ferry

TRPA Advisory Planning Commission | Chair
El Dorado County Planning | Deputy Director

John Friedrich

TRPA Local Government and Housing Committee
South Lake Tahoe City Council

Cindy Gustafson

TRPA Regional Plan Implementation Committee
Placer County Board of Supervisors

Chase Janvrin

Tahoe Prosperity Center

Meera Kang

Related California

Heather Lunsford

Carrara Nevada / Nevada Realtors

Bill Martinez

Family Resource Center

Sue Novasel

TRPA Local Government and Housing Committee

El Dorado County Board of Supervisors

Shawna Purvines

Placer County CDRA | Housing Manager

Zach Thomas

City of South Lake Tahoe

Jessica Wackenhut Lomeli

California Tahoe Conservancy and Strategic Growth Council

Natalie Yanish

Contractors' Association of Tahoe Truckee

Eric Young

TRPA Advisory Planning Commission
Washoe County

Tara Zuardo

Mountain Housing Council

Working Group Alternates and Ad Hoc

John Falk

Tahoe Sierra Board of Realtors | Legislative Advocate

Other Attendees

Brandi Brown

Tahoe Resident

Rebecca Bryson

Tahoe Home Connection

C.J. Freeland

El Dorado County

Susanne Hoy

South Tahoe Association of Realtors, Tahoe Coalition for the Homeless

Amanda Johnson

California Attorney General

Edward Kerney

Tahoe Homeowner

Sharon Kerrigan

South Tahoe Association of Realtors | EVP

Andrew Krech

Alex Marrin

Emily Setzer

Placer County CDRA | Senior Management Analyst

Melanie Shasha

El Dorado County

Jill Teakell

Courtney Weiche

Ronald Yank

Tahoe Meadows Association

Nicole Zaborsky

STAR and Tahoe Coalition for the Homeless

Speakers

Jessica Henderson

South Tahoe Public Utility District | Customer Service Specialist

Blake Tresan

Truckee Sanitary District | General Manager

TRPA Staff

Alyssa Bettinger

Long Range Planner

Karen Fink

Housing Program Manager

John Hester

Chief Operating Officer

Joanne Marchetta

Executive Director

John Marshall

General Counsel

MEETING SUMMARY

AGENDA ITEM

I. WELCOME

II. AGENDA OVERVIEW AND ZOOM PROTOCOLS

III. INTRODUCTIONS

IV. OUTSIDE EXPERT PRESENTATIONS - UTILITY DISTRICT UPDATES

Jessica Henderson from South Tahoe Public Utility District and Blake Tresan from Truckee Sanitary District presented on new programs and discussions related to affordable housing.

South Tahoe Public Utility District (STPUD):

- STPUD Board of Directors passed a new ordinance to help affordable housing projects.
- Originally, sewer units used to be required to remain on a parcel.
- New ordinance allows property owners to transfer excess sewer units to a project for affordable housing. Also, public agencies may transfer excess sewer units between one another. For example, for Boys and Girls' Club project, the City of SLT transferred extra sewer units to the school district.
- There are currently 3,000 sewer units in excess. Staff is reaching out to customers to see who is willing to donate them. STPUD is working with El Dorado Community Foundation so that those who donate sewer units can receive a tax break.
- STPUD and El Dorado Community Foundation will be keeping reports on who is willing to transfer.

Truckee Sanitary District (TSD):

- Recently went through a process to set residential sewer connection fees.
- In 2020 determined that the existing \$750 sewer connection fee needed to be changed to \$1440 per equivalent dwelling unit (EDU).
- Considered multiple options, including flat, tiered, and scalable. Needed to find a nexus between rate and peak flow. This is a challenge because many smaller units are occupied and larger are unoccupied.
- Instead of a flat rate, board decided to switch to a base rate plus a scalable rate based on the size of the unit (80% Base Fee + 20% Variable).

V. "BASIC" CODE AMENDMENT PACKAGE

Staff presented an overview of draft code amendments including:

1. Allowing Accessory Dwelling Units (ADUs) on all residential parcels
2. Allowing two ADUs on all residential parcels
3. Removing noticing requirements for ADUs, consistent with noticing requirements for other allowable uses
4. Expanding the Bonus Unit Boundary to include ½ mile from transit stops, ½ mile from Town Centers and neighborhoods zoned multi-family
5. Allowing non-conforming tourist density to be used as residential density on-site
6. Other clean-up amendments from the Development Rights Strategic Initiative

Recommendation: The Working Group members in attendance were generally in support of the amendments. No changes to the text were proposed. Meea Kang noted that she could not support the amendments unless they include an equivalency factor to take into account that ADUs are much smaller than most other affordable homes and should not require a full Bonus Unit or development right.

Other Working Group and public comments:

- Emily Setzer, Placer County: Supports Junior ADUs (JADUs) not requiring a development right, because the unit is already an existing bedroom in the home. The current proposal would require a development right for JADUs.
- Rebecca Bryson, Tahoe Home Connection: We want more workforce housing, fewer VHRs and fewer monster homes. What about penalizing bigger homes. If you already have a home over X number of square feet, you shouldn't get to do an ADU. For new development, it would encourage them to keep it under a certain size in order to do an ADU. In the City, if one of those monster homes builds an ADU where someone would live on-site, that allows them to then rent out the monster home again.
- John Falk, Tahoe Sierra Board of Realtors: Agree there is pushback against McMansions. However housing across size and type increases housing affordability and availability. As the stock increases, then inevitably price is driven by demand. If you have a caretaker on site, that's a full-time resident who usually has another job as well, so they actually are local employees who lives in the ADU. Also if you were to discourage allowing any home to having an ADU, that would be moving further from CA law.
- Elizabeth Balmin, Sierra Community House: We don't want workforce housing to get converted to second homes. However, we also don't want to lose the capacity for lower income homeowners to supplement their income through VHRs. Would support a limit on VHR renting, for example no more than 2 months of vacation rentals.
- Brandi Brown, local resident: Will Tiny Homes be included in the ADU ordinances? TRPA note: Tiny Homes on wheeled chassis are not included in the current proposal.
- Meea Kang, Related: How do you ensure compliance with the area median income (AMI) requirements in the deed-restriction? Some may not use the ADU as required. How will this be enforced? TRPA note: TRPA has an existing program for compliance and monitoring of deed restrictions under Section 52.3.4 of the TRPA Code of Ordinances.
- Meea Kang: Bonus units are first-come, first serve. People who are savvy will pull a bonus unit for very small ADUs. Then that bonus unit is gone from the pool. It isn't going to be the people who are most in need who build ADUs, because it's going to be hard to navigate the process. Need to think through the unintended consequence of the equivalency issue. Could you expand the bonus unit pool? ADUs may be a very popular thing. Are ADUs part of the California Regional

Housing Needs Assessment (RHNA)? TRPA note: See Placer County's clarification in a later bullet on how ADUs count toward RHNA.

- Meea Kang: Suggests using an equivalency that an RUU is on average 3000 sf. But if your primary home is only 1200 sf, you should be able to build a 1500 sf ADU, to be able to fit within the average home size in Tahoe. Because then you can look at impacts being similar, particularly if the ADU is also occupied by a local/college student. So why don't we reward property owners and let them invest in what's already the average. Small homes near transit shouldn't be penalized to have to go buy a whole RUU that someone could build a 3,000 sf home with.
- Meea Kang: A bonus unit should not just be free for anyone who wants to stand in line for it regardless of size. There's no limit on what size a development right is – it could be 10,000 square feet, it could be 200 square feet.
- Shawna Purvines, Placer County: State classifies Tiny Homes as mobile homes except when a local jurisdiction has adopted an ordinance classifying them as permanent housing. Placer County is looking at this as part of a code update: <https://www.placer.ca.gov/5925/Housing-Related-Code-Amendments>. ADUs can be counted under RHNA if they are less than 750 sf. All ADUs qualify as moderate, even non-deed-restricted ADUs, but if they are less than 750 sf, Placer County is able to count these as low-income for the RHNA because they monitor them.
- Eric Young, Washoe County: We need to take some steps afterward to figure out how we want our community to absorb these units. We don't envision the entire need being absorbed by ADUs. We need a clear vision of how many ADUs you need or want to absorb the need.
- Natalie Yanish, Contractors Association of Truckee Tahoe: Is there any way to expand the bonus unit boundary – our transit system does change over time. Proposed boundary seems like it would knock out most homes for bonus units in the County. Is it still open for conversation to figure out how to expand it for Bonus Units? TRPA note: current proposal is likely within the existing environmental analysis for the 2012 Regional Plan and 2018 Development Rights Strategic Initiative. Expanding the boundary could require more environmental analysis, that is one reason it is not included in the "Basic" package proposal.
- Natalie Yanish: Regarding the conversion incentives – there's an expectation that whenever TRPA loosens development there's going to be increased demand, but restrictions still make it expensive. Maybe all ADUs, whether or not they are affordable or not should not require an RUU. If you're developing a property and

you've got a development right, you're going to build a large home not a 750 sf ADU.

VI. B. DENSITY/SITE CONSTRAINTS UPDATE

Staff presented analysis of code that identified that the combination of TRPA's height, coverage, and density regulations results in allowances for units that could range in size from 2,250 square feet to over 5,000 square feet. The current code does not have mechanisms to encourage units in the range of 600 – 1600 square feet which is more typical for affordable units. Discussions and research, and previous Working Group member comments have identified that inflexibility on height and coverage is very challenging on a parcel-by-parcel basis as every parcel has different constraints.

Question posed to the Working Group:

Should TRPA consider controlling for size, or designing the system around incentivizing certain sizes? TRPA received the following feedback from the Working Group:

- Perhaps not "control for size" but "offer options" on a parcel-by-parcel basis. This would allow the developer with various options depending on the specific constraints of the site.
- Height: TRPA is atypical in that it requires height to be measured from the lowest grade, rather than level grade. Suggestion to change this, particularly for affordable housing when the property is not located in a scenic vista.
- Height: Required roof pitches are also problematic. If pitch is too steep, you can't fit the floor space you in that allows it to pencil.
- Suggests allowing up to 3 stories for multi-family.
- Some of the existing heights and regulations result in exclusionary zoning.
- John Marshall, TRPA General Council: TRPA height rules have been in place for a long time. These will be difficult to change but could provide height exceptions in exchange for deed restricted affordable/workforce housing.
- Particular project in Tahoe Valley Area Plan given as an example – owner was not able to get to the allowable density because of heights, setbacks, and easements. Went with 8 units to the acre instead.
- Suggests considering adding unit size tiers to the RUUs and Bonus Unit pool.
- Suggests tying fees to square footage.

VI.A. Shifting "Achievable" definition to "Local Resident/Workforce" for Residential Bonus Unit Program

TRPA staff presented changes that would shift the current "Achievable" deed-restriction requirements associated with award of a Bonus Unit to include "Local Resident" and "Workforce" components. The proposed language would include:

The proposed components of the new definition include:

- Household income of up to 120 percent of AMI; or
- At least one occupant must work at least 30 hours per week for an employer with an employment site within the greater Tahoe-Truckee area (see map in Attachment B). If self-employed, the address of the individual's business must be located within this boundary as well.
- If employment status changes, the household can remain in the home for up to one year, after which time the household is required to re-locate if local employment has not been re-established.
- An owner-occupant of a property who has provided all required annual compliance reports and who has had an increase in income or change in employment status so that they no longer meet the eligibility requirements may apply to TRPA and receive an exemption to the income requirement until the unit is sold. To receive the exemption, the owner must either continue to be the occupant and provide annual compliance reports to remain eligible for the exemption and not be subject to the annual fine; or rent the unit only to a qualified renter if no longer the occupant. When the unit is sold it may only be sold to a qualified buyer.
- The home may not be used for short-term rentals.

Feedback from the Working Group:

- There has to be some kind of income cap set, or else lenders won't be able to assess what the house could sell for.
- The achievable limits in Washoe County are absurdly high – we are currently subsidizing households that do not need it.
- The wording "achievable" is tied to income so if you are moving away from income levels then don't use that word.
- Need to continue to think about a possible income cap that is higher than 120% but lower than the existing achievable caps, to pair with the workforce requirements through "and" not "or."
- Placer County, Washoe County, Mountain Housing Council all offered to work with TRPA further on the language.

VI.C. ADU Incentives

During the ADU discussion last time, two major points came up as possible, and potentially needed incentives:

1. Incentives around coverage
2. Incentives around development rights.

Staff proposes to address coverage incentives as part of the Coverage action item, and look at coverage incentives for all workforce types, not just ADUs.

Development Rights incentives were not part of the original set of agreed-upon priority actions, and this needs more internal discussion before this can be revisited.

VI.D. Priorities Update

The Working Group recommended, and the Local Government and Housing Committee and TRPA Governing Board approved the following actions and timeline:

Land Use Action	Policy Action	Timeframe
ADUs/Small Homes	Density	Near Term
Mixed Use Residential	Permitting	Medium Term
Tourist/Commercial Conversion to Residential	Coverage	Long Term
Land Donations	Fees	

The Working Group is already beginning to look at some medium-term and long-term items in the near-term set, including Tourist Conversions and Mixed-Use Residential. Coverage may now be considered in the medium-term action.

VI. Next Steps

TRPA staff will begin the environmental analysis for the “Basic” Code amendment package, with the plan to bring it to the Local Government and Housing Committee and Regional Plan Implementation Committee in May for a recommendation, and the Advisory Planning Commission and Governing Board in June for a recommendation, if possible. This may need to be pushed out [TRPA note: as of May 3, 2021, informational items are scheduled for committees and APC in June, and recommendations for approval in July of 2021].

VI. Adjournment