

## Tahoe Living: Housing and Community Revitalization Workgroup

### Meeting Minutes

Workgroup Meeting #5

**Wednesday, October 28, 2021**

1:00 PM to 4:00 PM

Via Zoom

Minutes approved March 30, 2022

### MEETING SUMMARY

#### AGENDA ITEM

#### **I. CALL TO ORDER AND DETERMINATION OF QUORUM**

Chair Mr. Ferry called the meeting to order at 1:02 PM.

Members present: Ms. Balmin, Mr. Diaz, Mr. Feiger, Mr. Ferry, Mr. Friedrich, Ms. Gustafson, Mr. Hitchcock, Mr. Janvrin, Ms. Kang, Mr. Nadeau, Ms. Novasel, Ms. Purvines, Ms. Simon (seat approved at November 2021 APC), Ms. Victor, Ms. Wackenhut Lomeli, Ms. Yanish, Mr. Young, Ms. Zuardo

Members absent: Mr. Booth, Mr. Lawrence

#### **II. WELCOME AND COMMENTS BY THE CHAIR**

Katherine Hangeland called the roll and determined that there was a quorum.

#### **III. APPROVAL OF AGENDA**

#### **IV. ZOOM PROTOCOLS**

#### **V. DISPOSITION OF MINUTES**

Minutes approved unanimously.

#### **VI. REPORTS**

The following partners provided reports on recent activities related to housing:

Emily Setzer, Placer County

- Placer County sworn in on October 20, 2021 to Truckee Tahoe Workforce Housing Agency, a JPA focused on providing housing benefits and projects for regional partners
- Board will hear Housing Amendments on November 16<sup>th</sup>, including strategies such as:
  - Tiny Home Ordinance
  - Small Cluster Developments
  - Mixed-Use allowances
- Opened 288 new Housing Units in the region, several in Martis Valley
- Adopted Housing Element in May
- Launched new zoning platform called Gridich that makes it easier to search different components of zoning code
- Working on Short-Term Rental (STR) Update for Eastern portion of Placer County, approved a moratorium on STRs that goes until March 31, 2022. In the meantime working on an update to STR ordinance, trying to address nuisance issues and alleviate impacts to housing, preserve neighborhood character. Bringing an update to the board on the December 14<sup>th</sup> hearing.

Zach Thomas, City of South Lake Tahoe

- City council recently approved:
  - Long-term rental incentive pilot program, \$500,000 in ARPA funds toward grant program to incentivize vacant homes to convert to long-term rentals for locals, \$2,000 incentive grant for each person housed meeting certain criteria, up to \$10,000.
  - Allocated \$620,000 of HOME program income to Sugar Pine Village program, bringing City's commitment to \$2.4 million. Have applied for multiple joint grants with Related California, or have used those funds to leverage grants, including Infill Infrastructure; Affordable Housing and Sustainable Communities; Permanent Local Housing Allocation grant; and HOME;
- Will consider final purchase agreement to transfer three lots to the Saint Joseph Community Land Trust for the construction of deed-restricted moderate homes;
- Consideration of tiny homes on wheels. Exploring code amendments to allow these in the City;
- Applied for \$500,000 CDBG grant for rehab of the Bear's Den, purchased by the Tahoe Coalition for the Homeless;
- Received \$150,000 grant that they'll be using for feasibility study to explore consistent local revenue stream for housing;
- Updating Housing Element, held two public workshops;
- RFP for down-payment assistance program coming out soon, funded by PLH

Tara Zuardo, Mountain Housing Council

- Updated the housing needs for the Region, last update was in 2016. Greatest need is for households earning between 30-60% and 80-120% AMI, and for 1- and 2-bedroom units.
- Updated the definition of Achievable Housing to reflect this new data
- Hope to conduct needs updates every year to automatically reflect changing statistics
- Recently released draft Housing Implementation Plan, looking for feedback
- Held emergency meeting this summer, identified short-term goals such as tiny homes, released emergency proclamation, and partners have used it to accomplish a lot:
  - Expanded Landing Locals to not only include Truckee but also Placer County
  - Short-term rental moratorium by Truckee and Placer
  - Nevada County pursuing a rent space stabilization ordinance for county parks to protect residents in mobile home parks
  - MHC lunch-n-learn going on, free to the public
  - Offering free Property Radar account services to partners, this is the same dataset that realtors use
  - Advocating for connection fees that make the best use of existing space
  - Continued to help streamline funding process for developers to send them to one source that then goes to Housing Funders Working Group
  - Forming Homelessness and Supportive Housing Working Group, trying to obtain permanent location for people that need help with homeless services and supportive housing
  - Rapid response, such as pallet shelter
  - Emergency warming center opening soon, before November

Chase Janvrin, Tahoe Prosperity Center

- Finished Washoe Tahoe Housing Needs Assessment for Incline Village and Crystal Bay areas of Lake Tahoe.
- TPC awarded \$164,000 of EDA funds for economic resiliency study, focus on economic diversification of Tahoe, affordable housing an important element
- TPC entered into 3-year contract with City of SLT to continue all of their programs, as well as increase the housing data collection efforts, including funds to reconvene the Housing Tahoe Partnership

Brendan Ferry, El Dorado County

- In August Board adopted Vacation Home Rental (VHR) clustering policy, a 500-foot buffer VHRs, where no other VHRs are allowed, this is in addition to cap of 900 permits in the Tahoe Basin.

- ADU ordinance update heard at Planning Commission, scheduled to go to the board in November, will be followed up with Meyers Area Plan code amendments for ADUs;
- 2021-2029 Housing Element updated was adopted at the end of August and submitted to the state for review
- Launched permit-ready ADU plan project
- First-time homebuyer loan program funding agreement from HOME
- Adopted an emergency ordinance to address emergency housing and rebuilding due to the Caldor Fire
- Will be kicking off affordable housing ordinance project soon

Karen Fink, Tahoe Regional Planning Agency

- TRPA Governing Board approved the Phase 1 Housing Amendments in July 2021. Included:
  - Expansion of Bonus Unit Boundary to reflect recent and historic planning efforts
  - Allows non-conforming tourist density to be used for residential density
  - Allows ADUs on all residential parcels regardless of size and allows up to 2 ADUs per parcel – approved for California side only. Washoe County and Douglas County requested to report back to Local Government and Housing Committee on plans for ADUs so Working Group can then revisit. Lifted noticing requirement for ADUs region-wide, similar to requirements for other accessory uses to single-family projects.

John Hitchcock, City of South Lake Tahoe

- City approved a 14-unit project, it was the first one to use commercial floor area converted to residential units in the City, it is at 2160 Barton Avenue.

Kim Carr, representing Lake Tahoe Unified School District

- South Tahoe High School construction program just added tiny homes as a project to their Career Technical Education. The teacher received training in building a 20x10 tiny home on a trailer. First one to be built will be completed in Spring 2022, after that we can expect to see two tiny homes built by the high school each year. Vision is to work with this committee and the public to find the best uses. Placing these homes for a minimal sale price to individuals that are in need of housing. The homes will be sold at the rate needed to purchase materials for the next tiny home. There is a shortage of construction workers, and this is one of the fastest growing professions, so a goal is to get more students into the profession so they can be employed locally.

## **VII. A. WORKING GROUP PROCESS REVIEW, INCLUDING REVIEW OF REGIONAL HOUSING NEED, PERMITTED AND CONSTRUCTED HOUSING TO-DATE, AND TIMELINE MOVING FORWARD**

Karen Fink reported on overall housing need that the group is working toward, and review of housing actions and prioritization.

Overall housing need includes “minimal” housing need (California Regional Housing Needs Assessment [RHNA]), and also “optimal” need, based on Housing Needs Assessments completed by Mountain Housing Council and Tahoe Prosperity Center and Placer County.

There has been progress in getting projects on the ground and permitted. Since the group started meeting over a year ago, about 400 units have either been built, become operational, or received a permit, all on the California side of the Tahoe region. The 400 units are about 10 percent of the overall need identified in the last slide. TRPA has received applications for about another 100 units of “achievable” housing.

Oriented group to where they will be working moving forward in the framework of priority action items. Some of the work in Phase 1 overlapped with future action items. Work will continue to overlap.

In the winter, group will work on:

- Achievable deed-restriction;
- Intensity, density, and dimensional standards;
- Scaling of development rights.

## **VII. B. SUPPORTING AFFORDABLE AND WORKFORCE HOUSING THROUGH INTENSITY, DENSITY, AND DIMENSIONAL STANDARDS**

Alyssa Bettinger presented this item. Working Group members and the public have previously voiced that site constraints, like height, density, and coverage can be challenging on a parcel-by-parcel basis as every parcel has a different constraint. Based on Working Group and public input, and case study research from other communities, staff presented the following conceptual alternatives for modifying the Regional Plan’s existing density and height standards to encourage local resident and workforce housing:

Density Alternatives:

1. Increase Allowable Densities: Maintain the existing density system but increase the allowable units per acre
2. Maximum Unit Size: Use a maximum unit size as part of a replacement for number of units per acre
3. No Density Cap: Remove units per acre requirements and rely on other existing growth management standards, like coverage, height, and setbacks to regulate size
4. Adaptable Density Standards: Encourage local jurisdictions to develop and utilize standards for compatible design, based in part on the size and distance from adjacent buildings.

Alternative Height Concepts:

1. Tree Canopy: Allow height limits to vary relative to the tree canopy.
2. Natural Grade and Land Capability: Reexamine how height is measured relative to the natural grade and land capability of the site.
3. Transition Zones: Develop transition zones between town centers and single-family neighborhoods with varying height limits
4. Adjacency Standards: Encourage height limits to vary relative to the height and distance from adjacent buildings

TRPA received the following feedback from Working Group members:

*Meea Kang, Related*

- Changes to density and height allowances don't work without additional allowances to coverage. Stream environment zones (SEZs) should also be addressed.
- Three story height allowances make a lot of sense with multi-family developments because you can use stairs up to three stories. At four stories, an elevator is required. Recommend allowing developers building deed restricted units to build up to 3 stories with any roof pitch by right.

*Jean Diaz, St. Joseph Community Land Trust*

- Recommends not creating new restrictions – maximum unit size does that. Suggests using a form-based code for flexibility that works. We should have maximum flexibility within the constraints that we feel are important.

*Natalie Yanish, Contractors Association*

- Suggests including coverage options in discussion.
- Is our goal to create smaller units? There are different needs for different community members. These are complex things that need addressing.

*Shawna Purvines, Placer County*

- Also suggests including coverage in discussions. Height and density are irrelevant if you can't build the development with coverage. More flexibility in the unit size is important. Would like to understand more about adaptable density standards.

*Chase Janvrin, Tahoe Prosperity Center*

- Strongly suggests considering the implementation of pilot programs so we can see the impact of these incentives.

*Gavin Feiger, League to Save Lake Tahoe*

- Encourages looking at parking minimums before making changes to coverage.
- Encourages us to work within our existing system – coverage is cost, density there's no incentive to build more units. Size based mitigation fee might be able to solve our problems

*Shawna Purvines, Placer County*

- Having certainty for developers and staff is important – form-based code provides that. It's not easy to get there but it will provide that.

*John Friedrich, City of South Lake Tahoe*

- Support for pilot programs and the form-based code concept. TMDL and coverage need to be looked at. Pilot projects should encourage coverage to be removed from areas we don't want it. Suggests making it more expensive for people to develop in the places that we don't want it.

TRPA received the following feedback from public attendees:

- Form based code concept provides flexibility for the local jurisdictions and specific neighborhoods
- I've listened to my community members; there will be opposition to allowing four stories with height.
- Let's take care of lower income workers; the focus should be on affordable income housing.
- Height and density should be increased for all areas.
- Likes max unit size for env and social reasons. There are only a few DRs left, smaller units will have less of an impact on the env.
- Need diversity of options – lost a lot of our smaller units. Let's pilot and see if it works.
- Height – all for adjacency standards and something that's compatible to the surrounding area
- Density – don't forget the implications of density. What happens with evacuations, large boulder blocking streets, where do we put parking? We need to balance all of these elements.

- Existing town center incentives should be expanded to other appropriate areas.
- Max unit size is a nonstarter as it creates another layer.

Key Takeaways:

- Coverage should be included in a package of incentives brought forward for density, height, and coverage.
- Additional height seems to be a more specific issue for building larger multi-family developments. Any way that the timeline can be shorter will be a benefit.
- There should be more flexibility with density, whether that is increased density or no density cap – anything that can shrink the timeline for a developer.

## **VII. C. Should accessory dwellings be allowed as accessory to commercial, public service, tourist, and recreational uses**

Karen Fink presented this item. She introduced the item, explaining that one of the TRPA Governing Board members asked the Working Group to look at the section of TRPA Code that allows accessory dwellings to be allowed as accessory for commercial, public service, tourist, and recreational uses, to consider whether this is still consistent with Regional Plan goals and State of California goals to reduce vehicle miles traveled and encourage walkable, sustainable communities.

Allowing accessory dwellings as accessory to commercial, public service, tourist, and recreation has been in our code since it was created in 1987, and local jurisdictions have code that allow this as well. Just one ADU per parcel allowed for these uses. Slide shows examples of where some of these have been permitted: St. Theresa's church, Rojo's Tavern, recreational uses such as Sand Harbor State Park that have a caretaker unit.

The concern was mostly associated with allowing ADUs on recreational uses, which could be outside the Bonus Unit Boundary.

Staff recommends not making a change to the code related to this. TRPA already allows development outside the Bonus Unit Boundary, although development is incentivized to be within the boundary. Having a caretaker unit reduces work-related travel.

Working Group member comments:

*Meea Kang*



- Maybe there shouldn't be a limit on number of units, particularly in mixed-use zones.

*Judith Simon*

- Are these common in Washoe County? What's the purpose of having this unit at Sand Harbor? Is it still one per parcel unless we change it? Ms. Fink answered that yes, it will remain one per parcel unless we change it. It is common to see a caretaker unit with a park. The list of current units was generated from TRPA's Current Planning department and is in the staff report. Ms. Simon observed they don't seem to be too common in Washoe County.

*John Hitchcock*

- There are numerous examples of secondary units in the City – most hotels have a manager unit. On Harrison Avenue, above the liquor store, there is an apartment that the manager lives in. Encourages TRPA to keep this provision of the code.

*Natalie Yanish*

- Mixed-use makes a lot of sense, so would hate to see any more restrictions.

*Judith Simon*

- Is the caretaker unit for employees, or for anyone, and is the ADU under the jurisdiction of the Nevada State Parks; i.e. the owner of the primary use? Ms. Fink answered that typically they are used for employees, although code allows them to be used for regular rentals. They can't be subdivided, so are always owned by the owner of the primary use.

*Eric Young*

- There are not very many in Incline Village/Crystal Bay, and he is not aware of any outside of residential areas. [Washoe County] did adopt TRPA standards that allow them to be in places other than residential zones, but before that they didn't allow them to be accessory to something other than a dwelling unit. Sees great value in this though—any ability to house even a single employee makes sense. Doesn't see a real disadvantage, especially given the employee housing crisis we have.

*Sue Novasel*

- Lots of the discussion is on how do we get more uses out of our existing uses. The idea of using public service, recreation, tourist, what have you, and having caretakers on site is a big plus for our communities. Hopeful we will continue on with multi-use zoning.

*John Hitchcock*

- It's an accessory use to a primary use, so what this allows is that you can have a caretaker unit in plan area statements where residential is not allowed. John Hester clarified that these were previously called [secondary] units in the code, and they were allowed in places like marinas and parks, and when we brought the [Housing Phase 1 code amendments] forward, we changed the term to accessory dwelling units. Staff clarified that this is the same as the existing code, but one governing board member nevertheless asked that we revisit the issue with the Working Group.

*Gavin Feiger*

- In the longer term consider conditioning it to workforce housing, and maybe even allow it by right. Maybe even allow bonus units outside of the Bonus Unit Boundary if it's conditioned for workforce housing. Would achieve the goals of reducing VMT. Could see a scenario in which an accessory use to a marina could be used as a short-term rental, because marinas are used for recreation.

*Jessica Wackenhut Lomeli*

- One of the big strategies in a lot of other areas is adding residential units on church properties because of the amount of land they have. Would be important to have a focus group of other agencies, like Forest Service, State Parks, churches, as they are really struggling with how to support their workforce, so it would be important to bring them in.

*Judith Simon*

- After COVID a lot of people are working at home and in their home business. Could they then have an accessory dwelling unit. Doesn't seem to be the intent of this ordinance, but that's something to keep an eye on.

*Gavin Feiger*

- Noticed that Recreation zoning does allow workforce housing, so another approach could be to deal with it through the area plans.

Public comments:

There were no public comments.

Key takeaways:

Not hearing a big need to modify this code section. Main comments were to consider restricting to workforce, could allow deed-restricted units to be used outside of bonus unit boundary, consider larger landowners in a stakeholder group as they look to support their workers by building housing on-site.

## VIII. Public Interest Comments

*Carole Black*

- Will the intended goal of adding ADUs result in more workforce housing or more short-term rentals? Ms. Black read prepared letter which she also provided, see attached.

*John Falk*

- A lot of what TRPA is doing is at the 10,000 foot level, and it gives the local jurisdiction the option to ratchet down as they seem fit. So, doesn't see a problem with being more flexible, and people can work with local jurisdictions to make it more restrictive.
- Glad to see form-based code getting looked at, past due. If you put a fully formed form-based code in play, you could get rid of height in the TRPA code, because height would be based on form and you wouldn't need other restrictions.
- Appreciate the idea of a pilot program, but the subregions are extraordinarily diverse, and our region is too diverse to support a pilot program. We just need to roll out the program and then we can see where it's functioning well and where less, and dysfunctional areas can be addressed. Pilot program just delays a needed change.

*Natalie Yanish*

- TRPA has regulatory authority over entire watershed, local jurisdictions can be more restrictive if they want to.
- Noticed that there was a note on wins with market-rate or achievable projects. Bonanza was on there, and two units were created, and that's wonderful, however, there was a project that was going onto Tallac Blvd, in South Lake Tahoe. There was a proposal to tear down a commercial storage unit which is an eyesore and create two full-time residences and four short-term rentals which

could be short-term or long-term, and it was approved by Planning Commission and denied by City Council. So, local jurisdiction said no to something. Two units that could have been rented. So how do we loosen the reigns on TRPA, because it's not just the TRPA that is controlling everything, it's the local jurisdictions as well. Another example: Placer has a 2-step process for an ADU. We also heard from a developer that time is money. Let's remove these barriers and really think about loosening rules and creating more incentives. Any time TRPA takes away a rule everyone is worried that developers will rush in, but projects still don't pencil for investors and developers.

## **IX. Adjournment**

Ms. Simon moved to adjourn. Meeting adjourned unanimously.

### **Attachments**

- Public Comment letter from Carole Black.