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STAFF REPORT

Date: October 26, 2020

To: Tahoe Living: Housing and Community Revitalization Working Group

From: TRPA Staff

Subject: Draft Prioritized Actions

Summary and Staff Recommendation:

Staff will present a draft set of prioritized actions from the Action Catalog and evaluation criteria used for prioritization. Staff requests input and direction from the Tahoe Living: Housing and Community Revitalization Working Group on:

- 1) Are there other key actions that need to be considered?
- 2) Are the actions prioritized appropriately for implementation?
- 3) Timeline for moving the process forward

Background:

During the last two weeks in September TRPA staff conducted meetings with representatives of each of the five local jurisdictions with residential development in the Basin. The purpose of the meetings was to better understand how TRPA actions could complement local actions to meet local and regional housing needs and accelerate environmental threshold attainment. In addition, TRPA met with experienced developers of two different workforce housing types in the Basin – a local developer who specializes in developments of over 50 units for deed-restricted affordable housing, and a developer who builds market-rate, small multi-family developments with between 2-10 units that are geared toward moderate-income local residents.

Through these discussions TRPA, local jurisdiction representatives, and practitioners were able to focus on which aspects of previous Regional Plan initiatives are working as intended to support walkable, bikeable mixed-use and workforce housing development, and which need modification to better achieve Regional Plan goals. In addition, new concepts surfaced. Based on these conversations and evaluation of the potential benefits and challenges associated with implementing individual actions, TRPA staff developed a set of initial, prioritized actions for vetting with the Tahoe Living Working Group.

Key themes and initial actions identified

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Conversations with the local jurisdictions and the developers highlighted actions which are already in the Action Catalog and brought to light new potential actions. Several actions were brought up by multiple jurisdictions, and many actions reflected a few key themes:

- **Regional Plan Goals that are intended to incentivize workforce housing and mixed-use development are not yet fully supported by existing code and processes.** It is still easier to build tourist/second homes than it is to build workforce housing. While Regional Plan Goals and Policies emphasize workforce housing that supports walkable, bikeable communities, existing code and processes make this the most difficult type of development to create.
- **ADUs.** Accessory Dwelling Units/Secondary Residences are considered a priority strategy by California jurisdictions in meeting Regional Housing Needs Assessment (RHNA) goals and are considered an emerging strategy in the Nevada jurisdictions.
- **Incentives for Mixed-Use.** Mixed-Use development in centers is a key redevelopment strategy with broad public support, but existing incentives such as conversions and bonus units may not be working as intended because legacy code and permitting structures remain a barrier.
- **Coverage Incentives and Alternatives to Coverage.** Alternative coverage strategies could be used to incentivize affordable housing, such as ADUs, following the model that was used to incentivize Town Center development in the 2012 Regional Plan Update.

TRPA conducted a preliminary analysis of the actions to inform the Working Group’s prioritization process. Further analysis will likely be needed as the group moves into implementing the actions. The table below lists the major actions and who identified them. Analysis and prioritization of these actions is further described in the Discussion section.

#	Action	Who identified?
1	ADU flexibility	El Dorado County (EDC), Placer County (PC), City of South Lake Tahoe (CSLT), Douglas County (DC) (lower priority)
2	Mixed-use incentives	EDC, PC, DC, WC
3	Tourist/commercial conversion incentives	EDC, PC, CSLT, DC, WC
4	Allow non-conforming tourist density to be used for residential	PC, CSLT, DC
5	Permitting parity for workforce housing compared to tourist	EDC, PC, CSLT
6	Streamlining	EDC, PC, CSLT
7	Increased residential density	PC, CSLT, DC
8	Coverage flexibility	EDC, PC, DC
9	Public and other lands for workforce housing development	PC, CSLT, WC/IVGID
10	IPES line flexibility	EDC, PC

11	Duplex/triplex in infill locations	EDC
12	Senior housing	DC
13	Reduce annual audit burden for allocations	EDC
13	Marketing of Area Plan incentives	WC

Discussion:

Of the actions listed above, TRPA noted that for the most part they can be categorized in two ways:

- 1) By land use (residential, mixed-use, etc.)
- 2) By policy (density, permitting, coverage, etc.)

TRPA evaluated the land use actions in five evaluation sheets in Attachment A: ADUs, Mixed-Use, Tourist/Commercial Conversions, Public Lands Donation and Small Homes and Parcels. TRPA evaluated the policy actions as shown in Attachment B by quantifying the potential cost reduction by action.

TRPA prioritized land use actions based on the three criteria below. Because not every land use action could be analyzed at the same level, TRPA used a qualitative approach to ranking, with “complements local jurisdiction action” assigned the greatest weight:

- **Complements local jurisdiction action.** Does this action complement the work of multiple jurisdictions? The more jurisdictions where the action is applicable, the higher the priority assigned to it.
- **Cost and affordability.** Does the action reduce the cost to build a home, or increase the purchasing power of a local resident? Although the analysis is preliminary, there was enough differentiation between actions to inform prioritization at this level.
- **Number of homes.** How likely is the action to result in existing development rights being used to create workforce housing units? To the extent that this could be measured, actions that showed a higher potential for providing homes were assigned a higher priority.

TRPA prioritized policy actions based on the “cost and affordability” criterion from the list above.

Recommended Actions and Priority for Implementation

Based on the evaluation described above, TRPA identified three different ways to prioritize possible actions: by land use (ADUs, mixed-use, etc.), by policy (density, coverage, permitting/streamlining, etc.), or by implementation time (does an action need time for additional research, outreach, etc.). Each land use action could draw on a variety of policy actions (i.e. density, coverage, and permitting incentives), while each policy action could apply to multiple land uses.

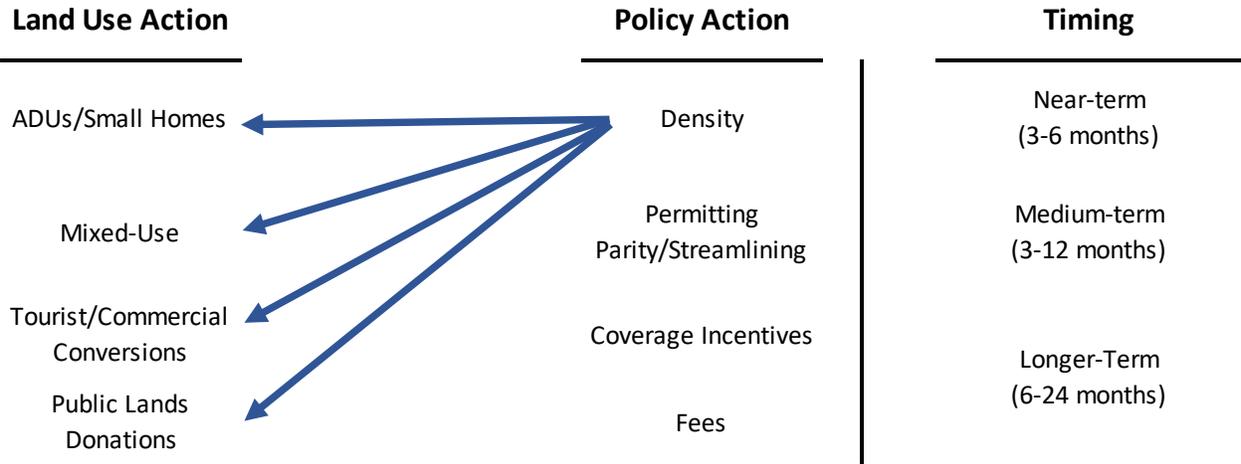
TRPA anticipates that the Working Group will have the capacity to work on implementation of two broad action categories at one time. TRPA suggests working through the highest priority land use action and the highest priority policy action simultaneously, then moving on to the next highest priority land

use action and policy action, and so on. At the start of action implementation, TRPA will ask the Working Group to identify which actions they feel ready to move forward in the near-term, and which actions require more research or data before they can be further developed. TRPA anticipates moving through the actions in two to three timeframes, with the first timeframe focusing on near-term implementation of the highest priority actions over the next three to six months, and the second timeframe focused on longer-term implementation of the second priority actions over the next three to twelve months (this allows for some overlap if research on longer-term actions needs to start immediately). If analysis shows that there remains a high benefit in focusing on a third set of actions, that will occur the following year.

The table below shows TRPA’s recommended prioritization and timing scheme. Each development type action and policy tool action are paired based on priority, not necessarily because a development type relies more heavily on that policy tool than do other development types.

Land Use Action	Policy Action	Timing
ADUs/Small Homes	Density	Near-Term (3-6 months)
Mixed Use	Permitting Parity/Streamlining	Medium-Term (3-12 months)
Tourist/Commercial Conversions	Coverage Incentives	Longer-Term (6-24 months)
Public Land Donations	Fees	

Since each policy action will apply to multiple land use actions, some elements of each land use may be addressed in the first round of action implementation. For instance, some density actions will apply to mixed-use and tourist/commercial conversions. Likewise, some aspects of permitting parity/streamlining may be addressed during the ADUs/Small Homes action implementation. The harder elements of each policy action, which could require more time and research, will be addressed during the medium-term or longer-term action implementation timeframe. The graphic below shows an example of how implementation of a policy action in the near-term would apply to multiple land use categories.



Each of these major action categories includes a significant list of actions which were identified by the Working Group. As the Working Group moves into implementation, the group will spend time identifying which specific actions should be further developed into a final policy recommendation.

There are also other actions which may not be directly implemented by TRPA, but which lend themselves to partnerships between multiple Working Group entities. These actions may require slight modifications when used in different communities. These might include working with banks to develop specialized financing tools, developing marketing and educational efforts, and centralizing resources for homeowners and renters. Some of these efforts are already underway through existing collaborative efforts, such as the Mountain Housing Council and the Tahoe Prosperity Center’s Housing Tahoe Partnership, or other efforts, and TRPA anticipates that the tie to Tahoe Living actions could continue to underscore their importance and timeliness.

Process and Timeline

If the Working Group provides confirmation of the above approach, staff recommends taking these recommendations to the Governing Board in January of 2021, and re-convening the Working Group, or a sub-committee of the Working Group in February to begin implementation of the first set of actions. In December, the Local Government and Housing Committee is tentatively planning an informational webinar or workshop related to strategies for providing moderate-income housing.

Alternatively, if on November 4th the Working Group feels more analysis is needed before the actions can be prioritized, TRPA will re-convene the Working Group in January to finalize the recommendation, take a recommendation to the TRPA Governing Board in February, and begin action implementation in March of 2021.

Contact Information:

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

Attachments/Links:

Attachment A: Land Use Action Evaluation Sheets

Attachment B: Policy Analyses