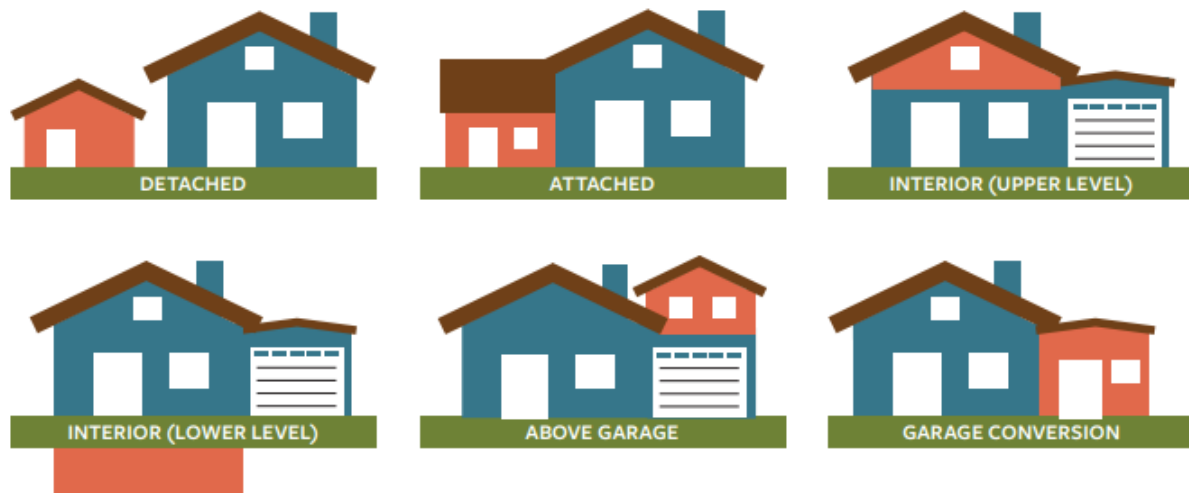


Attachment A – Land Use Action Evaluation Sheets

ACCESSORY DWELLING UNITS (ADUs)

Description

Accessory Dwelling Units, called “secondary residences” in the TRPA Code of Ordinances, are units considered accessory to an existing home and are built on the same parcel. They can be built as detached, separate units, or attached to the main home. Accessory units can range in size but average around 650 square feet.¹



Source: AARP. 2019. *The ABCs of ADUs; A guide to Accessory Dwelling Units and how they expand housing options for people of all ages.*

Current Support

Jurisdictions

El Dorado County, the City of South Lake Tahoe, and Placer County identified ADUs as a key strategy they intend to use to meet Regional Housing Needs Assessment (RHNA) requirements. Douglas County also noted that ADUs are allowed throughout Douglas County on parcels of ½ acre or greater, and they could be a useful strategy in the Tahoe Basin as well, although they are not considered a top priority for the County. Washoe County indicated that staff supports this action in the future but does not feel that this action would generate broad-based public support at this time.

¹ Average ADU size derived from a survey of 49 ADUs in the Sacramento Region (SACOG Regional Accessory Dwelling Unit Affordability Analysis, March 31, 2020).

Housing Collaboratives

Both the South Shore Housing Action Plan and the Mountain Housing Council Policy Papers identified ADUs as a priority action.

Identified Challenges

There are ways to build accessory units in the Tahoe Basin under current code but building an ADU is not as straightforward as building a single-family home. ADU requirements include:

- Not allowed on parcels of less than one acre unless a jurisdiction has a Local Government Housing Program (LGHP)
- Noticing to neighbors prior to permit approval
- Assignment of a bonus unit; or acquisition of a Potential Residential Unit of Use (PRUU) plus an allocation.
- In addition to the Bonus Unit or PRUU plus allocation, accessory units must carry a deed-restriction that requires the secondary unit to be occupied for at least ten months out of each calendar year.
- Although a high proportion of properties could build an attached over-the-garage ADU or convert existing space into an ADU, detached ADUs would be limited to those parcels with sufficient remaining allowable coverage.

Possible Actions

Local jurisdictions and working group members identified over 15 specific actions that could make up a larger ADU action. A few examples are shown below. Some specific actions may be easier to implement in the near-term while others may require more analysis and development. Most specific actions also fall into a policy category, identified in the right-hand column. The cost reduction of common individual policy actions is analyzed in further detail in Attachment B.

ADUS EXAMPLE SPECIFIC ACTIONS	POLICY
Allow ADUs on parcels of less than one acre as long as they are deed restricted affordable, moderate, or achievable.	Zoning
Allow local jurisdictions to approve ADUs at staff level, as with other single-family development	Permitting Parity/Streamlining
Allow non-deed restricted ADUs on parcels of less than one acre	Permitting Parity/Streamlining
Allow additional coverage for an ADU on high capability lands	Coverage

Related Local Actions

- El Dorado County, Placer County, City of SLT are all adopting ADU ordinances which will allow one ADU and one JADU on any single-family parcel. ADUs must meet objective design guidelines and be restricted so as not to be used for stays of less than 30 days.
- California jurisdictions anticipate using ADUs to meet RHNA requirements.
- Douglas County allows ADUs on single-family parcels of greater than ½ acre outside of the Basin.
- Washoe County allows detached ADUs on single-family parcels greater than 0.28 acres outside of the Basin.

Evaluation

Number of units

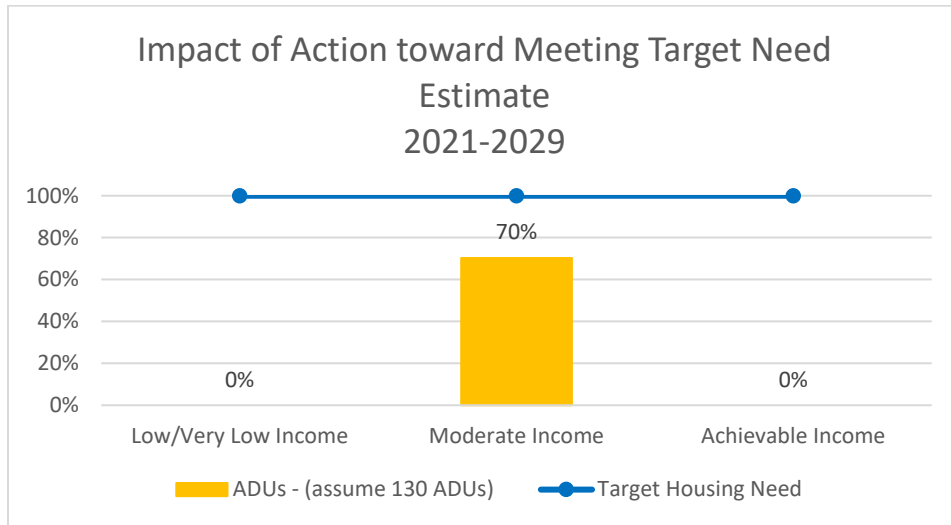
While the potential for ADU construction seems large based on the number of parcels that could be eligible for an ADU, data from other regions suggests that less than one percent of single-family property owners construct ADUs, even under a more aggressive approach with no affordability restrictions. Based on recent experience from outside the Basin in El Dorado County and Placer County, where there are few use restrictions on ADUs, TRPA estimates that, at least initially, the Basin may only see about 100-150 ADUs built over an 8-year period on the California side. That number could increase to perhaps 150-200 if extrapolated to Nevada.²

Under an approach that requires deed-restrictions, TRPA estimates that the Region could gain between zero to 80 ADUs basin-wide over an eight-year period, based on the experience of Placer County which currently allows ADUs on less than one acre in the Tahoe Basin if they are deed-restricted as affordable. Placer County has not received any applications for ADUs under this program, although they currently have two interested property owners meeting with the ADU specialist.³

² Based on a comparison of the number of ADU permits requested on the west slopes of El Dorado County and Placer County in 2020 since new California laws went into effect compared to the total number of single-family parcels. For instance, on the West Slope, Placer County has issued 30 permits over six months, compared to 120,357 single-family parcels (.07% of single-family parcels). Extrapolating to the Tahoe Basin, we could expect approximately six applications per year in the Tahoe Basin portion of Placer County. For the City of South Lake Tahoe, the estimate is based on the number of inquiries that TRPA has received since the new California legislation went into effect, assuming that approximately half of those inquiries would result in actual construction of an ADU. Although these numbers could increase as ADUs become more popular, research from the Pacific Northwest, where ADUs have been allowed at varying levels since 2004 shows similar results. In Seattle and Vancouver, ADU permit applications made up less than one percent of all new permit applications, although in Portland they made up approximately three percent (Turner Center of Housing and Innovation, "Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle, and Vancouver" (2018)).

³ The estimate of 80 ADUs assumes that both of the current ADU inquiries would result in ADUs, which may happen, particularly if Placer County expands the deed-restriction requirement from "affordable" to "moderate" and "achievable"

The ADU action will primarily provide units in the “moderate income” category. However, even the small estimate of ADUs under a longer-term approach will contribute toward meeting the “moderate income” housing allocation requirements of local governments on the California side. The graph below shows how ADUs could contribute to the need over an 8-year period.

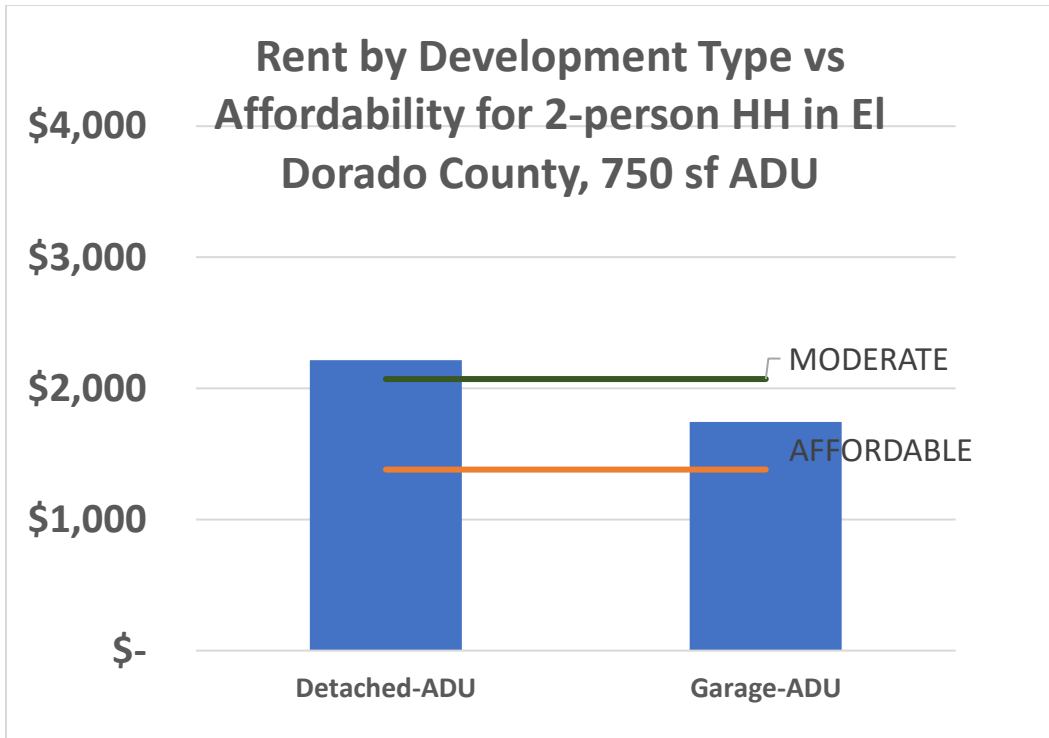


Cost and Affordability

ADUs are most likely to be used as rentals, therefore TRPA estimated the rent needed to make the cost of construction pay off over a 13-year period and compared this to affordability levels for a 2-person family in El Dorado County.⁴ Initial estimates show that a lower-cost, attached ADU will likely net affordable rents for moderate-income households, while a detached ADU could have more difficulty recovering costs. Overall, this action is anticipated to provide a rental product within the affordability range for workforce households in the Tahoe region.

through an area plan amendment. This estimate assumed a similar number of ADUs would be permitted in all five counties, over eight years.

⁴ Assumes a cash-on-cash yield of eight percent, a vacancy and operations allowance of 35 percent, a detached ADU construction cost of \$216,000, an attached ADU construction cost of \$170,000, and affordable and moderate-income levels based on 80 percent and 120 percent of El Dorado County Area Median Income for a 2-person household for 2020.



Evaluation Summary

Identified as a need by multiple jurisdictions	Complements related local action	Cost and Affordability	Number of Units over 8 years
4 jurisdictions identified	3 jurisdictions	An attached ADU can rent in the target range	0-200

MIXED USE INCENTIVES

Description

Several jurisdictions noted that there is strong interest from developers and general support by the public for improving opportunities for mixed use development, particularly in centers. This action will evaluate the effectiveness of current incentives for mixed use development and assess whether modifications or new incentives are needed.



Current Support

Jurisdictions

El Dorado County, Placer County, Douglas County, Washoe County. Washoe County indicated this is their highest priority.

Developers

Both large-scale and small-scale developers have noted the need for additional incentives for mixed use, both inside and outside of centers.

Identified Challenges

Similar to ADUs, this desired land use faces high permitting hurdles, even when consistent with zoning and when the project is primarily residential or contains no commercial or tourist uses. A key identified barrier is that mixed use projects are limited in the types of coverage they can transfer in, as compared to residential projects. Also, allowed residential densities are much lower than allowed

tourist densities, so mixed use projects with a residential component are disincentivized. Outside of centers, mixed use projects are allowed lower densities than stand-alone, non-mixed use projects.

Possible Actions

As with the ADU action, local jurisdictions, the South Shore Housing Action Plan, and working group members identified approximately 15 specific actions. Examples of specific actions are shown below. The policy associated with each action is shown as well.

MIXED USE INCENTIVES EXAMPLE SPECIFIC ACTIONS	POLICY
Allow density bonus in Town Centers or increased residential densities overall	Density
Allow non-conforming tourist densities to carry over to residential	Density
Allow soft and potential coverage to be used for mixed-use in town centers with a residential component (Section 30.4.3.B of the code)	Coverage
Delegate approvals for projects using 10 or more Bonus Units to Hearings officer or Staff (currently requires Governing Board approval, market-rate does not)	Permitting Parity/Streamlining
Defer or waive TRPA mitigation fees	Fees
Shift to Floor Area Ratios (FAR) or footprint, height, and design rather than density	Density

Related Local Actions

- California jurisdictions are required by California law to allow 30 units per acre for designated affordable housing sites. The maximum TRPA residential density is 25 units per acre.
- Placer County will be bringing forward a Phase 2 update to the Placer County Area Plan which will look at parking management, potentially allowing lower parking ratios. This will help projects achieve currently allowed densities, or increased densities.
- Washoe County is in the process of bringing forward the Washoe County Area Plan to support mixed use development.
- The California Tahoe Conservancy is using asset lands to support an affordable housing project in South Lake Tahoe for which an application is pending. This project is considered mixed use because of the supportive public service uses incorporated into the project. This could be a common model used on other projects supported by public lands donations.

Evaluation

Number of Units

Staff was not able to estimate the number of additional units that could be provided through a mixed use action.

Cost and affordability

Allowing higher densities, reduced permitting time due to fewer hearings, and reduced environmental review costs could result in an estimated reduction of approximately eight to ten percent to the residential component of the project.

Reducing coverage transfer costs by allowing the transfer of potential or soft coverage and eliminating the air quality fee for projects that have been inactive could result in a further cost reduction per unit of two to three percent.

For more details on these estimates, please see Attachment B.

Evaluation Summary

Identified as a need by multiple jurisdictions	Complements local action already underway	Cost and Affordability	Number of Units
3 jurisdictions	3 jurisdictions	Estimated cost per unit reduction of approximately 8-13%	Unknown

TOURIST/COMMERCIAL CONVERSION INCENTIVES

Description

Many older motels may be good prospects for conversion to Single Room Occupancy (SRO) or workforce housing. Also, as the economy shifts, there may be less demand for commercial space and more demand for workforce housing. This action would support adaptive re-use of these tourist and commercial spaces into mixed use and residential units.



Current Support

Jurisdictions

City of South Lake Tahoe, Placer County, Douglas County, Washoe County

Housing Collaboratives

The South Shore Housing Action Plan identified increased residential densities as a high priority action.

Identified Challenges

The new conversion system developed through TRPA's Development Rights Strategic Initiative has created opportunities for more tourist to residential conversions. However, current allowed tourist densities are 40 units per acre in town centers, whereas the maximum allowable residential density is 25 units per acre. When tourist units convert to residential units, the existing density cannot be applied to the new residential units. However, if a project rebuilds tourist units, the existing density is grandfathered in, even if the density exceeds 40 units per acre. This results in an incentive to rebuild tourist units rather than to convert to residential units.

With the COVID crisis and increased working from home, as well as an increase in online retail sales, demand for commercial and office space may wane. Empty commercial spaces can become good candidates for adaptive reuse to residential units or mixed use development. In some locations, commercial space has been sitting empty in prime locations due to a variety of regulatory and

economic factors. Once a property has been unused for more than five years, if redeveloped it must pay TRPA’s air quality mitigation fee again. This serves as an additional expense for older properties in centers that might otherwise redevelop.

Possible Actions

Examples specific actions are shown below. The policy associated with each action is shown as well. In some cases, particularly under a longer-term approach, more research, environmental analysis or outreach may be needed.

TOURIST/COMMERCIAL CONVERSIONS EXAMPLE SPECIFIC ACTIONS	POLICY TOOL
Allow non-conforming tourist densities to carry over to residential	Density
And/or allow increased residential densities	Density
Delegate approvals for projects using 10 or more Bonus Units to Hearings Officer or staff	Permitting Parity/Streamlining
Revise Code Section 65.2.3.F which requires that a previous use not operated for 90 consecutive days within the previous 60 months pay the AQ mitigation fee again.	Fees
Shift to Floor Area Ratios (FAR) or footprint, height, and design rather than density	Density

Related Local Actions

- The City of South Lake Tahoe is working on incentives to help hotel owners pay for Americans with Disabilities Act (ADA) upgrades and other building code requirements needed to become SRO or convert to permanent housing.
- Placer County is bringing its Workforce Housing Preservation Program forward to the Board of Supervisors for approval, with an emphasis on converting existing properties into workforce housing, including conversions of commercial and tourist development.
- Placer County will be bringing forward a Phase 2 update to the Placer County Area Plan which will address parking management, potentially allowing lower parking ratios. This will help projects achieve currently allowed densities, or increased densities.
- Washoe County is in the process of bringing forward the Washoe County Area Plan to support mixed use development.

Evaluation

Number of units

Staff was not able to estimate the number of additional units that can be provided through a tourist/commercial conversion.

Cost and affordability

Increasing density and moving the approval process to staff level can reduce the cost per unit by approximately eight to ten percent.

Lengthening the time after which an inactive space is required to pay the air quality mitigation fee can result in reduced fees, a less than one percent reduction in the cost per unit.

For more details on how these estimates were calculated, please see Attachment B.

Evaluation Summary

Identified as a need by multiple jurisdictions	Complements local action already underway	Cost and Affordability	Number of Units
4 jurisdictions	3 jurisdictions	Cost reduction of approximately 8-10% per unit	Unknown

PUBLIC AND OTHER LANDS FOR WORKFORCE HOUSING DEVELOPMENT

Description

Local jurisdictions and the California Tahoe Conservancy (CTC) that own parcels have in some cases donated or made land available at very low cost for workforce housing development. This type of public subsidy can prove invaluable to offset the high cost of construction, permitting, and financing deed-restricted affordable housing. It can also help leverage grant funds, making projects more competitive. Other types of public lands, such as school district or general improvement district land can be used for housing as well. This strategy can be further incentivized or leveraged through additional incentives in the TRPA code.



Current Support

Jurisdictions

City of South Lake Tahoe, Placer County

Housing Collaboratives

South Shore Housing Action Plan

Identified Challenges

The most significant challenges associated with public land donations or use of public lands for housing, such as on school district property, are the limited availability of public lands and the associated trade-off with other opportunities for use of the parcel. Ensuring that densities and coverage are sufficient to justify the public investment is an important consideration.

Possible Actions

Example actions include:

PUBLIC LANDS DONATION EXAMPLE SPECIFIC ACTIONS	POLICY
Create a site bank of eligible parcels	Mapping, Administrative
Incentivize land donation through TRPA incentives, such as coverage	Coverage, Density

Related Local Actions

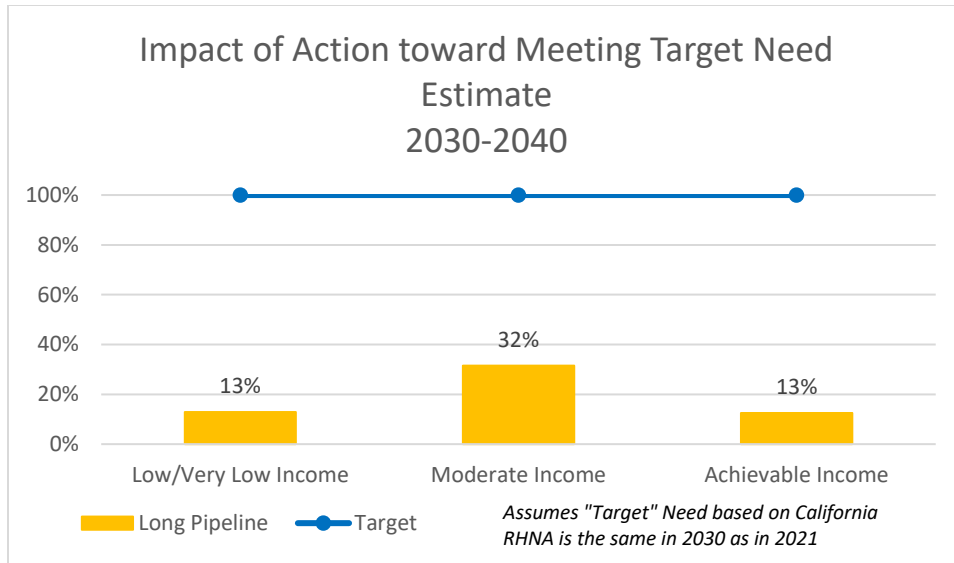
Placer County, the City of South Lake Tahoe, and the California Tahoe Conservancy have all provided the land for affordable-achievable housing projects recently.

Evaluation

Number of units

TRPA works with local jurisdictions and the CTC to keep track of publicly owned parcels that may be used in the future for workforce housing. The number of homes ultimately provided will depend on allowable densities, size of units, and a variety of other factors, but TRPA's records of vacant lands show that between 150 and 250 homes can be constructed on these properties over the next five to 15 years.⁵ This does not include the projects on public lands that currently have pending applications or are already being developed. Over time, additional properties, not identified here, may also become available. At this time, the income level at which these homes will be affordable is unknown. The graph below estimates 200 homes for illustrative purposes, evenly distributed to all income categories.

⁵ TRPA communication with the California Tahoe Conservancy, City of South Lake Tahoe, Placer County



Cost and affordability

TRPA estimates that a public donation of land can reduce the cost per unit by approximately six percent.

For more detail on how this estimate was calculated, please see Attachment B.

Evaluation Summary

Identified as a need or opportunity by multiple jurisdictions	Complements local action already underway	Cost and Affordability	Number of Units
2 jurisdictions	3 jurisdictions, including California Tahoe Conservancy	Cost reduction of approximately 6% per unit	~200 over an eight-year period

SMALL HOMES AND PARCELS

Description

This action combines several opportunities brought up in the local jurisdiction meetings. The opportunities include better utilization of small parcels and better incentivizing small homes that may be more affordable to local residents. Smaller, neighborhood-oriented homes, including small detached and attached units face a number of permitting and zoning hurdles, similar to ADUs. This action will consider ways to better incentivize these types of homes. This action will include encouraging duplexes/triplexes in infill locations and considering whether density is appropriate for residential areas.



Source: *Opticos Design*

Current Support

Jurisdictions

City of South Lake Tahoe, Placer County, El Dorado County

Identified Challenges

Many older, single-family neighborhoods in Lake Tahoe that are within walking distance of transit have a typical lot size of 6,000 square feet. Some parcels in these neighborhoods, however, are slightly smaller than that, at between 5,000 – 6,000 square feet. While many of these smaller parcels are zoned for multi-family at eight to fifteen units per acre, these allowable densities preclude the construction of a duplex on any parcel smaller than 5,800 square feet. For example, on a 5,000 square foot lot, fifteen units per acre allows only 1.6 units.⁶ A slight change to the densities could open up many more vacant parcels for infill construction of duplexes, which are more likely to be used by local residents than as a second home. Because of similar issues, many communities are shifting away from density as a zoning tool and focusing instead on the footprint, height, articulation, and building design that fits into the character of the neighborhood. Other challenges for multi-family developments with

⁶ TRPA code requires rounding down to the nearest whole number.

smaller units are the cost and time needed to identify and transfer sufficient development rights, adding to the uncertainty of the project.

Possible Actions

Examples of specific actions are shown below. The policy associated with each action is shown as well. In some cases, particularly under a longer-term approach, more research, environmental analysis or outreach may be needed.

SMALL HOMES AND PARCELS EXAMPLE SPECIFIC ACTIONS	POLICY
Increase residential densities slightly in areas zoned multi-family (duplex/triplex in infill areas)	Density
Consider incentives for units that meet a certain size limit, even if they are not deed-restricted for affordability	Density, Coverage, Permitting Parity
Consolidation of small parcels to increase buildability and improve IPES score	IPES
Shift to footprint, height, and design, or Floor Area Ratio (FAR) rather than density	Density

Related Local Actions

- El Dorado County is considering encouraging duplexes/triplexes in infill locations on the west slope.
- The City of South Lake Tahoe expects to take Residential Development and Design Standards for single-family, duplex, and triplexes outside of Area Plans to the City Council for approval by the end of 2020. These standards will allow for staff-level approval of projects that meet these standards.
- The City of South Lake Tahoe is looking into setting aside more allocations for multi-family.

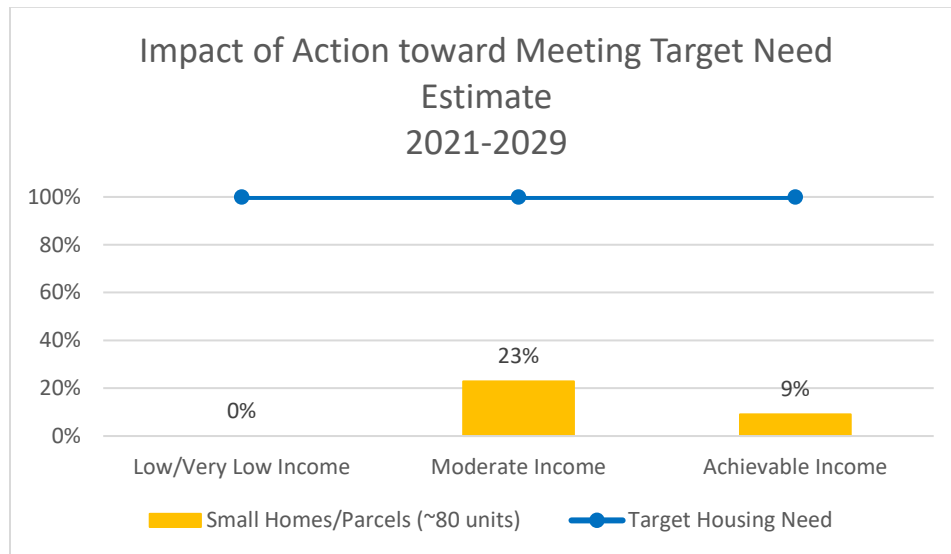
Evaluation

Number of units

For small parcels in areas zoned for multi-family, there are approximately 130 parcels⁷ in the Basin that are between 5000 and 5800 square feet but with allowable densities of 15 units per acre or less. If densities were increased to 18 units per acre, these properties would be suitable for duplexes, potentially opening up 260 units of market-rate, moderate-income or achievable housing over the life

⁷ TRPA GIS data

of the Regional Plan (to build-out in 2045), or approximately 10 units per year.⁸ Over an eight year period, this would amount to approximately 83 units. This only takes into account parcels that can accommodate a duplex. A specific action to allow more small multi-family developments in areas zoned multi-family can increase the number of homes provided on larger parcels as well.



Cost and Affordability

TRPA staff has not yet been able to estimate the reduction in cost per unit by incentivizing multi-family on small parcels, but may have the needed data to conduct this analysis in the future.

Evaluation Summary

Identified as a need by multiple jurisdictions	Complements local action already underway	Cost and Affordability	Number of Units
3 jurisdictions	2 jurisdictions	Unknown	~80 units on parcels of <5800 sf, more could be possible on larger parcels

⁸ Properties that are deed-restricted for affordable housing may receive a density bonus of up to 25 percent outside of Area Plans. Most, if not all, small multi-family developers are not oriented toward building deed-restricted affordable units, however, which generally require grant funding.