

## 1.8.2 Housing Subelement

### Overview

Adequate housing for families of low and moderate income levels is a major concern for residents, communities, and local jurisdictions within the Tahoe Region. The Regional Plan addresses housing issues on a regional basis; TRPA-adopted local plans handle the specifics of implementation.

Housing is not a Threshold program area, and TPRA has limited ability to assist in the actual development of inclusionary<sup>11</sup> housing. However, to encourage and support affordable housing in the basin, TRPA has established a suite of incentives to encourage the development of such housing.

The two goals of the 1987 Regional Plan for the Housing Subelement seek to provide both affordable and moderate-income housing in suitable locations without compromising the growth management provisions in Code. Affordable housing is defined in Code as housing that can be purchased by a household earning up to 80% of the jurisdiction's Median Family Income (MFI). Moderate income housing can be purchased by a household earning between 80% and 120% of MFI.

The following seven associated policies support the creation and development of affordable and moderate income housing:

- make Multi-Residential Bonus Units available for projects meeting the criteria of affordable or moderate income housing (two policies);
- encourage local jurisdictions to provide their “fair share” of low and very low income housing<sup>12</sup>;
- promote housing in close proximity to employment centers, public services, and transit;
- require units developed under TRPA's Moderate Income Housing Program<sup>13</sup> (MIHP) to remain permanently in the Program;
- require that units developed under the MIHP be occupied by full-time residents;
- prohibit the conversion of MIHP units for vacation rental purposes; and
- require that affordable units are constructed in accordance with local, regional, state, and federal standards and that such units are made available for rent or sale at a cost that would not exceed the state or federal standards for low and very low income housing.

The following specific regulations, which implement the goals and policies of this Subelement, are found in the Code:

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<sup>11</sup> Inclusionary housing, for the purposes of the Regional Plan Update, refers to housing that is defined as very low income, low income, affordable, and moderate income housing.

<sup>12</sup> The U.S. Department of Housing and Urban Development defines low income housing as housing that can be purchased by a household earning up to 80% of the jurisdiction's MFI; very low income housing is defined as up to 50% of MFI.

<sup>13</sup> TRPA has adopted Memoranda of Understanding and established Moderate Income Housing Programs with three Basin jurisdictions (City of South Lake Tahoe, Douglas County, and Placer County) per Code Chapters 33 and 35.

- *Chapter 13, Plan Area Statements.* Designates certain Plan Area Statements (PASs) as preferred affordable housing areas and as receiving areas for transfer of development rights.
- *Chapter 18, Permissible Use.* Defines multi-family and designates it as a permissible use.
- *Chapter 20, Land Coverage.* Provides coverage incentives for multi-family housing located within Community Plans (CP) and permits subdivisions of such units if they are deed restricted to affordable or moderate income housing units.
- *Chapter 21, Density.* Provides a density bonus of 25% for affordable housing units.
- *Chapter 33, Allocations.* Exempts affordable housing units from requiring allocations and allows allocations from the Allocation Pool to be used for moderate income housing units.
- *Chapter 34, Transfer of Development.* Regulates the transfer of development and allows the transfer of multiple development rights and/or bonus units to parcels that are within receiving area-designated PASs.
- *Chapter 35, Bonus Unit Incentive Program.* Sets forth the provisions for assigning Multi-Residential Bonus Units in accordance with the goals and policies of the Regional Plan.

## **Alternative 1—Continuation of Existing Regional Plan**

### **Summary**

Alternative 1, the “No Action” Alternative, assumes the continuation of the goals, policies, regulations, and programs of the 1987 Regional Plan, including those in place for housing. Under this alternative, the incentive programs provided by the 1987 Regional Plan would be limited to the availability of residential allocations and bonus units for affordable and moderate income housing, as they are today. When those allocations and bonus units have been exhausted, no additional units would be provided.

### **Goals and Policies**

No changes are proposed to this Subelement under Alternative 1.

### **Implementation Measures**

No changes are proposed to this Subelement under Alternative 1.

## **Alternative 2**

### **Summary**

Alternative 2 is designed to further advance the development of affordable and moderate income housing through the combination of regulation and incentives. Under this alternative, the goals of the 1987 Regional Plan would be reorganized as recommended through the Pathway process, adding a desired condition for housing. Existing goals and policies would be amended for clarity and intent. New policies would be added to further incentivize the development of affordable and moderate income housing, as well as maintaining the existing stock of affordable and moderate income housing units.

## Goals and Policies

Participants in the Pathway Forum, Place-Based Planning process, and other stakeholder forums have suggested that TRPA provide additional incentives for the creation and maintenance of affordable housing. Under Alternative 2, proposed goals and policies would provide these additional incentives. To further promote the development of inclusionary housing, the residential allocation requirement for moderate income projects would be eliminated. This would expand the current policy, which applies only to affordable housing.

Additional policies proposed under Alternative 2 are intended to maintain the current stock of affordable and moderate income housing units, which are susceptible to loss through redevelopment. New policies would require all projects to mitigate at a 1:1 ratio the loss to demolition or redevelopment of any existing units that qualify as affordable or moderate income units. This policy is intended to protect the current number of units available at affordable and moderate income levels.

A second new policy proposed under Alternative 2 would provide developers flexibility in meeting new housing mitigation requirements. This policy would allow developers to pay an in-lieu fee rather than construct affordable or moderate units on-site and/or off-site as mitigation for their projects. Funds collected through the in-lieu fee program would be distributed to local jurisdictions for construction of affordable and moderate income housing projects.

## Implementation Measures

Alternative 2 would include the following new measures in the Code (Sections 33.2 and 33.7) to implement the new housing-related policies described above:

- Amend Chapter 33, Allocations to exempt moderate income housing from allocation requirements.
- Require mitigation for loss of affordable and moderate income housing on all projects through replacement, in-lieu fee, or deed restriction of existing units off-site. The Code would describe the process by which a developer could meet mitigation requirements by deed restricting two existing units for every unit of affordable or moderate income housing for which mitigation is required.
- Add an affordable-housing criterion to the annual performance review for distribution of residential allocations to jurisdictions.
- Encourage full-time residency by creating an owner-occupied residential program. Similar to the current MIHP, allow allocations from the unused Allocation Pool to be used for owner-occupied units. Require a deed restriction on the property so that if the home were sold, it would be available only to full-time residents. The intention of this policy is to secure a segment of the future housing stock for full-time residents. (This regulation was drafted in response to concerns from stakeholder groups regarding the impacts of non-resident ownership.)

- Limit the use of Multi-Residential Bonus Units to transect districts designated as Town Center and Tourist Center to concentrate development in areas that provide amenities and promote alternative modes of transportation.

## **Alternative 3**

### **Summary**

Alternative 3 is a continuation of the current system of housing regulations in the Tahoe Basin. Residential Bonus Units (1,000 units) carried over from the 1987 Regional Plan would be available for the development of affordable housing. Unused annual allocations returned to TRPA's Allocation Pool (up to a maximum of 200 allocations) would be available for the development of moderate income housing units..

### **Goals and Policies**

No changes are proposed to this Subelement under Alternative 3.

### **Implementation Measures**

No changes are proposed to this Subelement under Alternative 3.

## **Alternative 4**

### **Summary**

Alternative 4 is designed to implement the objectives of the Regional Plan through a regulatory approach. As such, Alternative 4 proposes requirements for the development of affordable and moderate income housing, while providing limited opportunities for incentives such as those proposed in Alternatives 2.

### **Goals and Policies**

The Goals and Policies under Alternative 4 would amend language and propose new policies that require the development of affordable and moderate income housing. New policies would be added to require all commercial and tourist accommodation projects to include an affordable and moderate income housing component. New policies would also require local jurisdictions to dedicate a percentage of their annual allocations to deed restricted owner-occupied housing.

The following policies relating to housing would be amended under Alternative 4:

- Special incentives such as Multi-Residential Bonus Units and allocations will be limited to new development not associated with mitigation or required inclusionary housing.
- Local jurisdictions will be required to determine and develop a stock of inclusionary housing based on the needs of their population within the Basin.
- Require inclusionary housing for all mixed-use, commercial, and tourist accommodation unit (TAU) projects.

### **Implementation Measures**

Alternative 4 would include the following new measures to implement the new housing-related policies described above:

- Institute new Code requirements and application procedures to determine the required inclusionary housing for all mixed-use, commercial, and TAU projects.
- Require mitigation for loss of affordable and moderate income housing on all projects through replacement, in-lieu fee, or deed restriction. As an alternative to actual construction, allow deed restrictions on existing market-rate units at a rate of two units for every one unit removed.
- Require that 10% of annual allocations distributed to each local jurisdiction be set aside for deed-restricted, full-time residential development.
- Limit the use of Multi-Residential Bonus Units to transect districts designated as Pedestrian Transit Oriented Development (PTOD) areas to concentrate development in areas that provide amenities and promote alternative modes of transportation.
- Add criteria for the development of affordable and moderate income housing to the annual performance review for distribution of residential allocations to jurisdictions.

