

3.12 POPULATION, EMPLOYMENT, AND HOUSING

This section describes the existing conditions of population, employment, and housing within the Tahoe Region; identifies applicable regulations; and assesses the potential impacts of the proposed Regional Plan Update alternatives. Data presented in this section are from the U.S. 2010 Census and compiled by the Tahoe Metropolitan Planning Organization (TMPO). While TMPO data consider parcel-level project applications and allocations solely within the Region and are applicable to considerations of future population, employment, and housing, some background information is compiled from a variety of sources that rely on U.S. Census data.

3.12.1 REGULATORY BACKGROUND

TAHOE REGIONAL PLANNING AGENCY

REGIONAL PLAN

Goals and Policies

1987 Regional Plan Goals and Policies applicable to population and housing are described below.

Population

The following Goals and Policies are included in the Land Use Subelement of the Land Use Element:

- ▲ **Goal 2, Policy 1:** Population growth in the Region is to be guided by the limitations on land use and other environmental threshold carrying capacities set forth in the [Regional] Plan.

Housing

The following Goals and Policies are included in the Housing Subelement of the Land Use Element:

- ▲ **Goal 1:** To the extent possible, affordable housing will be provided in suitable locations for the residents of the Region
 - // **Policy 1:** Special incentives, such as bonus development units, will be given to promote affordable or government-assisted housing for lower income households (80 percent of respective county's median income) and for very low income households (50 percent of respective county's median income). Each county's median income will be determined according to the income limits published annually by the Department of Housing and Urban Development.
 - // **Policy 2:** Local governments will be encouraged to assume their "fair share" of the responsibility to provide lower and very low income housing.
 - // **Policy 3:** Facilities shall be designed and occupied in accordance with local, regional, state, and federal standards for the assistance of households with low and very low incomes. Such housing units shall be made available for rental or sale at a cost to such persons that would not exceed the recommended state and federal standards.
 - // **Policy 4:** Affordable or government assisted housing for lower income households should be located in close proximity to employment centers, government services, and transit facilities. Such housing must be compatible with the scale and density of the surrounding neighborhood.
- ▲ **Goal 2.** To the extent feasible, without compromising the growth management provision of the Regional Plan, the attainment of threshold goals, and affordable housing incentive programs, moderate-income housing will be encouraged in suitable locations for residents of the region.
 - // **Policy 1:** Special incentives, such as bonus development units, will be made available to promote housing for moderate-income households (120 percent of respective county's median income). Such

incentives shall be made available within jurisdictions that develop housing programs that are substantially consistent with and complementary to the Regional Plan.

- /// **Policy 2:** Residential units developed using moderate-income housing incentives shall be used to provide housing for full-time residents of the Tahoe Basin. Such units shall not be used for vacation rental purposes.
- /// **Policy 3:** Residential units developed using moderate-income housing incentives shall remain permanently within the program.

Plan Area Statements and Community Plans

Each parcel of land within the Tahoe Region is located within a Plan Area or Community Plan area, and these lands are addressed in a corresponding PAS or Community Plan. Each of these documents defines the “permissible uses” for the given area. PASs list the following categories of residential use:

- ▲ **Single-Family Dwelling.** One residential unit located on a parcel. A single-family dwelling unit may be contained in a detached building, such as a single-family house, or in a subdivided building containing two or more parcels, such as a townhouse or condominium. Vacation rentals are included provided they meet the Local Government Neighborhood Compatibility Requirements. A secondary residence is allowed under certain circumstances (e.g., affordable housing, parcel greater than 1 acre).
- ▲ **Multiple-Family Dwelling.** More than one residential unit located on a parcel. Multiple-family dwellings may be contained in separate buildings, such as two or more detached houses on a single parcel, or in a larger building on a parcel, such as a duplex, a tri-plex, or an apartment building. Vacation rentals are included, up to but not exceeding a fourplex. One detached secondary residence is allowed.
- ▲ **Multi-Person Dwelling.** A building designed primarily for permanent occupancy by individuals unrelated by blood, marriage, or adoption in other than single-family dwelling units or transient dwelling units. A multi-person dwelling includes, but is not limited to, facilities such as dormitories and boarding houses, but not such facilities as hotels, motels, and apartment houses.
- ▲ **Employee Housing.** Residential units owned and maintained by public or private entities for purposes of housing employees of that public or private entity.
- ▲ **Mobile Home Dwelling.** A vehicular structure that is built on a chassis or frame, is designed to be used with or without a permanent foundation, is capable of being drawn by a motor vehicle, and is used as a residential dwelling when connected to utilities.
- ▲ **Nursing and Personal Care.** Residential establishments providing nursing and health-related care as a principal use with in-patient beds, such as skilled nursing care facilities, extended care facilities, convalescent and rest homes, and board and care homes.
- ▲ **Residential Care.** Establishments primarily engaged in the provision of residential social and personal care for children, the aged, and special categories of persons with some limits on ability for self-care, but where medical care is not a major element. These include, but are not limited to, children’s homes, halfway houses, orphanages, rehabilitation centers, and self-help group homes.
- ▲ **Summer Home.** A cabin-type single-family house intended primarily for intermittent vacation use and located in USFS summer home tracts or other remote recreation sites. Generally located in areas of restricted winter access.

Within each PAS, a use is considered either an “allowed use” or a “special use.” An “allowed use” has been determined to be an appropriate use for the specified area, and projects and activities pursuant to such use may be permitted. Allowed uses are compatible with the direction of the Regional Plan and the surrounding uses. Where a use is defined as a “special use,” a special use permit is required. Before issuing approval of a special use, TRPA must make findings that:

- ▲ The project is of such nature, scale, density, intensity, and type as to be an appropriate use for the parcel and the surrounding area;
- ▲ The project will not be injurious or disturbing to the health, safety, enjoyment of property, or general welfare of persons or property in the neighborhood or region, and the applicant has taken reasonable steps to protect against such injury and to protect the land, water, and air resources of both the property and the surrounding properties; and
- ▲ The project will not change the character of the neighborhood or detrimentally affect or alter the purpose of the applicable PAS, Community Plan, or specific master plan.

Code of Ordinances

Multi-Residential Incentive Program

TRPA has established a Bonus Unit Incentive Program for the purpose of assigning multi-residential “bonus units.” Under the Multi-Residential Incentive Program (MRIP), applicants may be awarded bonus units by improving environmental conditions or through development of affordable or moderate-income housing. The following conditions are required for housing projects to receive multi-residential bonus units:

- ▲ Implementation of specific environmental measures sufficient to acquire bonus units, based on a scoring system (Code Section 52.3.3(A)); or
- ▲ Housing must meet the definition of affordable or government-assisted housing set forth in the Housing Subelement of the Land Use Element of the Goals and Policies; or
- ▲ Housing must meet the definition of moderate-income housing (as defined in Chapter 90 of the Code), and the local jurisdiction in which the project is located must maintain a TRPA-certified Local Government Moderate-Income Housing Program.

A bonus unit awarded under the MRIP relieves the applicant of the need to acquire a development right for a residential unit, but does not replace the need to acquire a residential allocation. Affordable housing units are, however, exempt from acquiring residential allocations.

The number of bonus units assigned for such projects is determined by TRPA on the basis of a project’s need for these units. All bonus units received for affordable and moderate-income housing are deed-restricted in perpetuity.

TRPA-Certified Local Government Moderate-Income Housing Program

As described above, TRPA may certify a Local Government Moderate-Income Housing Program, which makes that jurisdiction eligible to receive multi-residential bonus units for affordable and moderate-income housing. To certify such a program TRPA must find that, in accordance with Section 52.3 of the Code, the program addresses:

- ▲ Housing needs and issues of the jurisdiction pursuant to state standards within an adopted Housing Element
- ▲ Standards that guide the development of moderate-income housing using the principles of transit-oriented development, including:
 - // Appropriate proximity to government services
 - // Appropriate proximity to commercial and employment centers
 - // Appropriate proximity to mass transit opportunities and other alternative modes of transportation
 - // Appropriate residential and commercial densities to facilitate transit use

The moderate-income housing program is implemented through a covenant tied to the land, such as a deed restriction. The covenant restricts both the rental rate and the occupants’ household income to the moderate-

income housing limits. Compliance with deed restriction is subject to local jurisdictions; however, programs are monitored on an annual basis through reports submitted by the local jurisdictions to TRPA.

TRPA-Certified Local Government Housing Program

TRPA may certify a Local Government Housing Program, which makes that jurisdiction eligible to receive multi-residential bonus units for secondary residences provided the units are deed restricted to affordable housing. To certify such a program TRPA must find that, in accordance with Section 21.3 of the Code, the program addresses:

- ▲ Housing needs and issues of the jurisdiction pursuant to state standards within an adopted Housing Element
- ▲ Special standards that guide the development of secondary residences including:
 - // Minimum parcel size
 - // Maximum unit floor area
 - // Parking standards
 - // Building setbacks
- ▲ Adequate funding, staffing and a compliance and monitoring program

The housing program is implemented through a covenant tied to the land, such as a deed restriction. The covenant restricts the unit to long-term occupancy and requires the unit to be occupied for more than ten months in a calendar year. The program is implemented through an MOU between the local government and TRPA. Compliance with the deed restriction is subject to local jurisdictions; however, programs are monitored on an annual basis through reports submitted by the local jurisdictions to TRPA.

LOCAL

Each local jurisdiction in the Region is mandated by their respective state laws to analyze existing and projected housing needs for different socioeconomic segments of the community and adequately plan to meet those needs. All of the local jurisdictions in the Tahoe Region have completed housing inventory and needs assessment and all have determined that there is an existing shortfall of affordable housing based on the following: housing is out of reach of most of the local workforce with a general disparity between local wages and housing costs; housing production has not kept pace with demand; year-round rental housing has decreased; there are too few rent-restricted housing units in the Region; a large segment of the workforce commutes, and many of those who commute would like to live in the Region; seasonal workers face a very tight local housing market; and the lack of workforce housing hurts the local economy. These conclusions indicate that there are impediments and challenges to affordable housing production in Lake Tahoe. Some constraints result directly from governmental regulations, such as density and land coverage limitations, and other factors are influenced by market forces over which governments have little or no control, such as land acquisition and construction costs. The General Plans and Master Plans of each local jurisdiction have housing policies and programs that call for intergovernmental coordination with TRPA to effect changes to the Regional Plan to promote housing affordability in Lake Tahoe. The following summarizes adopted housing affordability policies for each local jurisdiction that relate to TRPA plans and regulations.

City of South Lake Tahoe

The South Lake Tahoe General Plan Housing Element calls for changes to the Regional Plan Update to reduce restrictions of affordable, workforce, and mixed-use housing developments by:

- ▲ allowing mixed-use development in all Community Plan areas and Plan Areas that allow commercial uses;
- ▲ enabling mixed-use projects with an affordable multi-family housing component to be developed at maximum allowable density as a stand-alone project, rather than reducing the number of units that can be developed according to the ratio of the project area devoted to housing;

- ▲ allowing the transfer of additional land coverage for deed-restricted affordable and moderate-income housing projects, even when located outside of Community Plan areas, up to 50 percent outside of Community Plan areas and up to 70 percent within Community Plan areas;
- ▲ providing exceptions that allow for additional height for mixed-use and affordable housing projects to be consistent with tourist, public service, and recreation uses;
- ▲ offering fee reductions or fee deferrals for non-profit affordable housing projects;
- ▲ allowing bonus unit substitution to include deed-restricted workforce housing;
- ▲ facilitating development of second units by allowing them on parcels smaller than one acre; encouraging the use of bonus units for creation of deed-restricted affordable second units; and reducing fees;
- ▲ allowing the subdivision of property for the development of affordable low- and moderate-income rental and owner-occupied housing, and ;
- ▲ Based on future changes to current TRPA regulations, the City shall explore potential incentives for affordable housing developers (City of South Lake Tahoe 2008).

Chapter 14 of the City of South Lake Tahoe (City) Code describes an adopted program to convert illegal units (i.e., granny flats, mother-in-law units) built between 1975 and 1984 to affordable housing units. The intent of the program is to promote the availability of legal, affordable housing by creating a unit conversion program. Under this program, TRPA assigns multi-residential bonus units to previously built, unpermitted accessory residential structures provided certain criteria are met. The criteria include a requirement that the unit has been inspected and found to meet the City's standards to provide a healthy, safe, affordable unit and that Best Management Practices (BMPs) have been installed.

Douglas County

Douglas County's Master Plan Housing Element calls for changes to the Regional Plan Update including:

- ▲ expanding TRPA's definition of affordable housing to include mixed-income developments;
- ▲ exempting moderate income housing (incomes up to 120 percent of County median) from the residential allocation system; and,
- ▲ expanding density bonus for affordable housing to cover mixed-income and moderate income housing developments (Douglas County 2011).

Placer County

Placer County's General Plan Housing Element includes programs to facilitate the construction of affordable and workforce housing, as well as recommendations for the following changes to the TRPA Code of Ordinances:

- ▲ relaxing TRPA development codes for affordable housing developments and second residential units;
- ▲ increasing the density bonus and base land coverage for affordable housing developments to make them more financially feasible;
- ▲ allowing PAS amendments to include more opportunities for multi-family housing in the Region; and
- ▲ allowing more flexibility in the seasonal grading limitations (October to May) for affordable housing projects.

Existing County Housing Ordinances within Placer County's Redevelopment Project Areas in North Lake Tahoe (Tahoe City and Kings Beach) require inclusion of affordable units for new construction, replacement of affordable housing when removed as part of a redevelopment project, and setting-aside tax revenue to facilitate housing affordability within those communities. These programs, when combined with TRPA's multi-residential bonus unit incentive program, have helped to facilitate construction of affordable and workforce housing within the Tahoe City and Kings Beach communities, however California's recent abolishment of Redevelopment Agencies will likely impact these programs (Placer County 2009).

El Dorado County

El Dorado County's General Plan provides recommendations for TRPA Code of Ordinances changes that facilitate the construction of affordable and workforce housing in a manner consistent with the Tahoe Regional Plan including:

- ▲ relaxing TRPA's Code for affordable housing developments and second residential units;
- ▲ expanding the exemption for affordable housing developments from the requirement to secure development rights;
- ▲ providing special incentives to assist in the development of housing for extremely low-income households;
- ▲ increasing the density bonus for affordable housing developments to make them more financially feasible;
- ▲ applying flexibility in the October-to-May building ban to increase rehabilitation of affordable housing, such as low-income households served in the Community Development Block Grant program;
- ▲ ensuring long-term affordability covenants for affordable units;
- ▲ allowing bonus units for affordable housing to be assigned from a Region-wide pool; and
- ▲ developing an amnesty program for existing unpermitted units that would serve extremely low, very low and low income households (El Dorado County 2008).

Washoe County

Washoe County's Master Plan Housing Element identifies a gap between workforce wages and the cost of living at Lake Tahoe. Washoe County's Housing Element recommends that affordability be improved with infill development at modestly increased densities (Washoe County 2010).

3.12.2 AFFECTED ENVIRONMENT

POPULATION

Based on U.S. Census tract-level data, the total resident population of the Basin grew between 1990 and 2000 from approximately 52,600 to 62,800, but declined between 2000 and 2010 to approximately 55,600 (U.S. Census 1990, 2000, and 2010). In 2010, the population split was 19,535 persons on the North Shore and 36,072 persons on the South Shore. Because the Tahoe Region is a vacation destination and contains many residences that serve as second homes, the overall population also fluctuates seasonally.

EMPLOYMENT

In 1998, the Region had approximately 26,000 employees. Employment has fluctuated since then, from a high of approximately 28,000 in 2001 to a low of 22,300 in 2009. The data indicate an approximate 20 percent decline in jobs in the Tahoe Region between 2001 and 2009 (U.S. Census Bureau 2009).

The total number of employees in the Region remained fairly static between 2000 and 2007, and the unemployment rate remained steady at 4–5 percent on the North Shore and 6–8 percent on the South Shore. In 2007, unemployment increased slightly, and it continued to rise to 15 percent on the South Shore and 12 percent on the North Shore in 2009. The increase in unemployment includes a large number of jobs lost within the casino/gaming industry (Western Nevada Development District 2010).

In 2010, the percentage of jobs filled by workers from outside the Region is approximately 87 percent on the North Shore and 62 percent on the South Shore. The population commuting more than 50 miles to work is about 49 percent throughout the Tahoe Region (U.S. Census Bureau Center for Economic Studies 2012).

HOUSING

Based on U.S. Census tract-level data, the total number of housing units in the Tahoe Region has increased from approximately 43,700 in 1990, to 46,100 in 2000, and 47,400 in 2010. The percentage of owner-occupied units increased from 24 percent in 1990 to 32 percent in 2000, but declined to 27 percent in 2010. The percentage of renter-occupied units over this period declined slightly; in 1990, approximately one-quarter of the housing stock was rented, but by 2010 this number had dropped to about 22 percent. The percentage of units vacant or used for seasonal rentals and vacation homes decreased from 51 percent in 1990 to 45 percent in 2000, but rose back to 51 percent in 2010.

In 2010, approximately 44 percent of all housing units in the Region were used seasonally (as vacation homes); approximately 27 percent were owner occupied; approximately 22 percent are renter occupied; and approximately 7 percent were vacant (TMPO 2010). These percentages vary between the North Shore and South Shore, with a greater proportion of housing units used seasonally and fewer rented on the North Shore (U.S. Census 1990, 2000, 2010). Throughout the Region, second-home owners occupy 65 percent of housing in Placer County, 55 percent in Washoe and El Dorado Counties, and 49 percent in Douglas County (Western Nevada Development District 2010).

While the recent market downturn has reduced the cost of housing in some areas, the large level of job loss and other economic distress indicators create ongoing challenges of affordability. In 2010, many entry-level teachers, firefighters, and police officers earned incomes below that required to purchase a median-priced home. Incomes required for median-priced homes range from \$45,000 per year in the City of South Lake Tahoe to \$114,000 per year in Incline Village. However, Region-wide salaries for entry-level teachers, firefighters, and police officers, range from \$32,000 for a teacher in Washoe County to \$59,400 for a police officer in the City of South Lake Tahoe, leaving many essential workers' salaries below \$45,000). These data indicate that many entry-level workers are unable to enter the Regional housing market (Western Nevada Development District 2010).

3.12.4 ENVIRONMENTAL CONSEQUENCES AND RECOMMENDED MITIGATION MEASURES

METHODS AND ASSUMPTIONS

Projections used in this analysis are based on land use and transportation modeling conducted in support of both the Regional Plan Update and the Regional Transportation Plan/Sustainable Communities Strategy. The methods and assumptions used to generate projections for population, employment, and housing were developed by the Tahoe Metropolitan Planning Organization, as follows:

- Population and Housing:** 2000 and 2010 Census Tract and Census Block data were used to estimate persons per household, number of households, income status, year-round residency, and second-home residency by traffic analysis zone (TAZ). These values were applied to the new residential units authorized under each alternative, with the assumption that ratios would remain the same as under the current conditions.
- Employment:** Using the existing Region-wide percentages of retail (30%), service (39%), and recreation/other (31%) employment, allocated commercial floor area (CFA) was used to project future employment levels. Ratios were assigned as follows based on a survey of commercial uses in the Tahoe Region (Leigh et al. 2003):
 - Retail: 1 employee per 600 square feet of floor area;
 - Service: 1 employee per 500 square feet of floor area; and
 - Other/Recreation: 1 employee per 400 square feet of floor area.

- /// Gaming employment levels were projected to remain the same as under current conditions (see RTP traffic model output in Appendix E).

The most relevant information for background considerations is compiled within reference material that sources the U.S. Census, and is meant to provide setting information related to population, employment, and housing trends within and near to the Tahoe Region. For consistency with other sections of this document (e.g., Section 3.3, Transportation), the following analysis discusses projections made by TMPO's modeling efforts prepared to analyze the RTP/SCS Alternatives (see Section 1.5, Relationship to the Regional Transportation Plan/Sustainable Communities Strategy).

SIGNIFICANCE CRITERIA

Implementation of the Regional Plan Update would result in a significant adverse effect on population, employment, and/or housing if it would:

- ▲ substantially alter the location and distribution of employment centers, population, and housing in the Region such that community character and function (including mobility) are impaired;
- ▲ displace substantial numbers or affect existing housing units, necessitating the construction of additional housing elsewhere;
- ▲ substantially decrease affordable- or moderate-income housing in the Region, or impede the development of such housing; or
- ▲ have an adverse effect on the jobs-housing ratio, which could indirectly increase traffic, air emissions, and noise.

IMPACT ANALYSIS AND MITIGATION MEASURES

Impact 3.12-1	<p>Location and Distribution of Employment, Population, and Housing in the Region. Each of the Regional Plan Update alternatives would result in some level of development and redevelopment of residential units, tourist accommodations, and commercial facilities, which could affect the location, distribution, and density of population, employment, and housing in the Region. New allocations would be lowest under Alternative 1, resulting in very little change, and highest under Alternative 5. However, Region-wide population projections and increases in employment opportunities (primarily resulting from commercial uses) under each alternative are relatively modest (ranging from approximately 2 percent to 11 percent) and the jobs-to-population ratio would remain relatively constant over the course of the planning period. Further, the proposed land use planning frameworks for each alternative would—to varying degrees—concentrate development within community centers (i.e., Community Plan areas, Development Transfer Zones [DTZs], Town Centers, Regional Center, High Density Tourist District, pedestrian- and transit-oriented developments [PTODs]) with the overall intent of reducing environmental impacts associated with more dispersed development. Provisions to relocate and concentrate development are most extensive in Alternative 3 and least extensive in Alternatives 1 and 5. Because increases of population, employment, and housing in the Region would be relatively low under all alternatives, regulated through the allocation system, and largely concentrated within existing urban areas, none of the alternatives would have the potential to significantly affect community character or functioning (including mobility), nor adversely affect jobs-housing balance. This impact would be less than significant for Alternatives 1 and 5. Because Alternatives 2, 3, and 4 include provisions to concentrate development in community centers, which would result in greater opportunity for alternative transportation, reduced VMT, reduced air pollutant emissions, increased preservation and restoration of open space, and other benefits, this impact would be beneficial for these alternatives.</p>
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Each Regional Plan Update alternative proposes a variation on the existing land use planning system, numbers of allocations, and transfer protocols, which correspond to the population distribution throughout the Region (see the discussion of Impact 3.2-1 in Section 3.2, Land Use, for a detailed explanation of the land use components under each alternative).

Table 3.12-1 shows projected population in the Region, by state, for 2020 and 2035 conditions, under each alternative. As shown, the permanent population (excluding part-time residents and visitors) of the Tahoe Region would be approximately 55,000–58,000 in 2020 and 56,000–60,000 in 2035, depending on the alternative. Based on a population of 54,473 in 2010 (Appendix E), this would indicate an increase ranging from approximately 1,200 under Alternative 1 to approximately 5,900 under Alternatives 3. While Alternative 3 includes fewer housing units than Alternatives 4 and 5, the population is projected to be higher based on Census data that shows higher numbers of residents per occupied housing unit in the locations where much of the residential development is expected to occur.

Alternative	2020			2035			Total Estimated Population Increase ¹
	California Side Population	Nevada Side Population	Tahoe Region Population	California Side Population	Nevada Side Population	Tahoe Region Population	
1	41,709	13,423	55,132	42,005	13,682	55,687	1,200
2	42,735	13,506	56,241	44,102	13,711	57,813	3,300
3	43,934	14,115	58,049	45,468	14,897	60,365	5,900
4	43,737	13,582	57,319	45,950	13,823	59,773	5,300
5	44,277	13,619	57,896	46,129	13,823	59,952	5,500

Notes: Resident population includes year-round residents only. Part-time residents and visitors excluded.
¹ Total population increase measured from 2010 level of 54,473.
Source: See traffic model output in Appendix E.

Changes to the number of housing units and employment opportunities were projected based on the number of allocations and bonus units authorized under each alternative. As shown in Table 3.12-2, all Regional Plan Update alternatives would result in some increase in housing and commercial development, which would support potential jobs. Total projected housing units would range from 48,352 under Alternative 1 to 52,443 under Alternative 5, based on the number of residential allocations and residential bonus units authorized under each alternative. All alternatives include provisions for added housing, including alternative 1, which would allow use of the remaining residential allocations and bonus units; however, none of the Regional Plan Update Alternatives would displace or adversely affect existing housing units.

Lack of sufficient housing may impede economic growth by increasing the price of available housing, making it difficult for companies to attract new employees and requiring families that seek affordable housing to move farther away from the communities in which they work. Conversely, lack of sufficient jobs may force residents to commute long distances to outside employment centers. These potential mismatches are referred to as a jobs-to-housing imbalance. It is generally considered ideal to have a jobs-to-housing balance of approximately one job per housing unit in a jurisdiction.

Based on allocation of CFA under each alternative, job increases are projected to range from 23,393 under Alternative 1 to 24,626 under Alternative 5. As shown in Table 3.12-3, the overall jobs-to-housing ratio in the Region is projected to remain at approximately 0.50 for all alternatives, indicating fewer available jobs than housing in the Region. However, as of 2010, approximately 44 percent of all housing units in the Region are used seasonally (as vacation homes) and approximately 7 percent are vacant (Appendix E). Owner or renter-occupied housing accounts for approximately 49 percent of Regional housing. Therefore, the more important indicator of

the balance between jobs and housing in the Region is the jobs-to-occupied housing ratio, which is approximately 1, or balanced, for all alternatives. These ratios represent the potential for new employment opportunities and housing. Accurate forecasts of these projections are difficult to calculate due to the uncertainty of future economic shifts.

Table 3.12-2. Population, Employment, and Housing - Existing and Projected 2035 Conditions

Tahoe Region	2010	2035 Projected Conditions				
	Existing Conditions	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Population	54,473	55,687	57,813	60,365	59,773	59,952
Total Housing Units	47,392	48,352	50,952	51,552	52,352	52,443
Occupied Housing Units	22,147	22,555	23,770	24,051	24,425	24,467
Jobs (Payroll Employees) ¹	22,605	23,393	23,804	23,804	24,215	24,626
Commercial Floor Area (sq ft)	6,500,000	6,847,000	7,047,000	7,047,000	7,247,000	7,447,000
Tourist Accommodation Units	12,399	12,746	12,746	12,746	12,946	13,146
Jobs-to-Housing Ratio	0.48	0.48	0.47	0.46	0.46	0.47
Jobs-to-Occupied Housing Ratio ²	1.02	1.04	1.00	0.99	0.99	1.01

¹ Number of jobs (payroll employees) excludes businesses with one or two employees.
² Differs from the jobs-to-housing ratio by focusing on owner- and renter-occupied homes and omitting seasonally occupied (vacation) homes.
Source: See traffic model output in Appendix E.

TRPA's Transfer of Development (transfer) program is a fundamental component of the Regional Plan and is directly related to the location and distribution of employment, population and housing in the region. The overarching goal of the transfer program is to improve the environment by encouraging the consolidation of development into designated receiving areas. Research has shown that in order for a transfer program to successfully accomplish its mission, there are a number of important factors that must be considered. Important factors can be summarized into three categories: incentivizing transfers, maintaining sending site restrictions, and considering market demand. In general, these factors provide economic incentives to developers that allow for greater economic returns (e.g., bonus allocations) and modified regulations (e.g., increased densities). Combining benefits to a developer can facilitate increased program performance (Preutz 1993, Preutz and Standridge 2009). The different alternatives address these factors in different ways. A detailed discussion of potential land use pattern changes resulting from changes to the transfer program under each alternative is discussed in detail in Impact 3.2-1, Development Pattern and Land Use Compatibility.

ALTERNATIVE 1: NO PROJECT

Alternative 1 represents the least amount of new development, projected to increase the population by approximately 2.2 percent, housing units by approximately 2.0 percent, and tourist units by approximately 2.8 percent throughout the Region by 2035 (i.e., over the approximately 20-year planning horizon of the Regional Plan) (Table 3.12-2). Because Alternative 1 would not provide any new development allocations but would authorize the remaining unused allocations of CFA and tourist accommodation units (TAUs), there would not be a substantial increase in commercial facilities that would increase job opportunities. Similarly, without new housing allocations and with no remaining allocations, the slight increase in housing units (874 residential bonus units and 86 remaining residential allocations) would be a result of mostly multi-unit residential developments, affordable housing, and potentially transfers (in limited cases). Consistent with existing conditions (in 2010), the jobs-to-occupied housing ratio would remain generally balanced.

As discussed in Section 3.2, Land Use, the same land use planning system of PASs and Community Plans would remain in effect, and new development levels would be very low. As a result, the development pattern under

Alternative 1 would be the same as under the 1987 Regional Plan. Multi-residential developments, CFA, and TAUs would primarily be able to be transferred to and developed within Community Plan areas. Therefore, Alternative 1 would not alter the existing land use pattern.

Under Alternative 1, the existing Transportation Element would be retained. The Transportation Element is intended to reduce dependency on the automobile, and to give preference to providing increases in capacity on the Region's transportation system through public transportation projects and programs. Existing goals and policies would allow for project plans that accommodate transit or alternative methods of transportation.

Under Alternative 1, the location, distribution, density, and growth of the human population in the Region would remain similar to those under existing conditions, and no alteration of community character or function (including mobility) would occur. Thus, this impact would be **less than significant**.

ALTERNATIVE 2: LOW DEVELOPMENT, INCREASED REGULATION

Alternative 2 would authorize some, but very low levels of, new development (more than Alternative 1 but less than Alternatives 3–5), including 200,000 square feet of new CFA and 2,600 residential allocations. Assuming exhaustion of all allocations, Alternative 2 is projected to result in a population increase of approximately 6.1 percent, an increase in tourist units of approximately 2.8 percent, and an increase in housing of approximately 7.5 percent throughout the Region by 2035. Like Alternative 1, the jobs-to-occupied housing ratio would remain approximately 1, indicating a balance between available jobs and permanent residents of the Region.

Similar to Alternative 1, Alternative 2 would continue to utilize PASs and Community Plans, but would designate three DTZs, which would be receiving areas for new and transferred development with specific transfer requirements. Boundaries of proposed DTZs are smaller than, but largely coincident with, existing Community Plan area boundaries. Alternative 2 would therefore result in a continuation of the existing development pattern, which generally concentrates new commercial and tourist uses in Community Plan areas, but with modestly increased provisions for concentrated development in DTZs. Most housing would continue to be single-family residential units, which would continue to be distributed throughout the Region primarily in residential PASs outside of Community Plan areas and DTZs. As described in Section 3.2, Land Use, some additional new CFA would be allowed within the three DTZs, but the resultant land use pattern would be essentially the same as under existing conditions. Furthermore, the increase in allocations under Alternative 2 is not substantial compared to the existing development, and more stringent regulations (reduced allowable coverage, increased transfer ratios, no special height districts) are expected to maintain a relatively slow rate of growth and redevelopment in the Region and result in some removal of development from sensitive lands.

Under Alternative 2, the Transportation Element of the Regional Plan would be modified to encourage walkable mixed-use centers; evaluate projects, plans, and proposals based on transit emissions per person per mile in addition to vehicle miles traveled; and incentivize the use of public and private transit options over the rental of automobiles. These measures would reduce automobile reliance and encourage pursuit of other transit modes.

Under Alternative 2, the location, distribution, density, and growth of the human population in the Region would remain similar to those under existing conditions, with little or no alteration of community character but with modest improvements to walkability, feasibility of other alternative transportation, and the resultant benefits. Thus, this impact would be **beneficial**.

ALTERNATIVE 3: LOW DEVELOPMENT, HIGHLY INCENTIVIZED REDEVELOPMENT

Alternative 3 would authorize a low level of new development (more than Alternatives 1 and 2 but less than Alternative 4 and 5), including 200,000 square feet of new CFA, 2,600 residential allocations, and 600 new

residential bonus units. Assuming exhaustion of all allocations, Alternative 3 is projected to result in a population increase of approximately 10.8 percent, an increase in tourist units of approximately 2.8 percent, and an increase in housing of approximately 8.7 percent throughout the Region by 2035. Like Alternative 1, the jobs-to-occupied housing ratio would remain approximately 1, indicating a balance between available jobs and permanent residents of the Region.

Alternative 3 proposes a land use approach that would designate Town Centers, a Regional Center, and a High Density Tourist District (which overlap with existing Community Plan areas), and policies that would highly incentivize transfers of existing development, new development, and redevelopment in these areas. Proposed policies pertaining to transfer ratios, coverage, height, and density would remove some existing obstacles to redevelopment. Compared to the other alternatives, it would result in the greatest level of redevelopment activity, with somewhat higher densities in community centers, by promoting the highest levels of coverage removal, removal of existing development, and transfer of development rights from sensitive lands and lands distant from the community centers.

The Transportation Element under Alternative 3 would be modified to promote walkable mixed-use centers, transportation enhancements, and environmental improvements that increase the viability of transit systems and encourage bicycle and pedestrian usage as viable and significant modes of transportation; adhere to statutory requirements for a Sustainable Communities Strategy to reduce passenger vehicle-related greenhouse gas emissions in California; and allow a project to exceed vehicle level-of-service standards when it includes multi-modal amenities (such as transit, bicycling, and walking facilities) adequate to provide mobility for users. These measures would correlate with the intent of Alternative 3 to promote redevelopment activity in Town Centers, a Regional Center, and a High Density Tourist District and would reduce automobile reliance in the community centers.

Under Alternative 3, the location, distribution, density, and growth of the human population in the Region would be more concentrated community centers compared to existing conditions, with greater improvements to walkability, feasibility of other alternative transportation, and the resultant benefits. Thus, this impact would be **beneficial**.

ALTERNATIVE 4: REDUCED DEVELOPMENT, INCENTIVIZED REDEVELOPMENT

Alternative 4 would authorize more new development than Alternatives 1, 2, or 3 but less than Alternative 5, with 400,000 square feet of new CFA, 4,000 new residential allocations, and 200 new TAUs. Assuming exhaustion of all allocations, Alternative 4 is projected to result in a population increase of approximately 9.7 percent, an increase in tourist units of approximately 4.4 percent, and an increase in housing of approximately 10.5 percent throughout the Region by 2035. The jobs-to-occupied housing ratio would increase slightly but would remain approximately 1, indicating a balance between available jobs and permanent residents of the Region.

Under Alternative 4, the transect zoning system would build upon the existing land use pattern and allow for an increased mix of land uses and housing types within PTOD districts (which largely coincide with Community Plan areas), where height and density limits would be increased. Alternative 4 would therefore be expected to result in a continuation of the existing development pattern, but with new commercial and tourist development more concentrated in Community Plan areas. New single-family residential uses would continue to be distributed throughout the Region, primarily in residential PASs outside of Community Plan areas. Some increase in new residential uses would likely result within PTODs due to increased height, density, and other provisions to encourage mixed-use development. As described in Section 3.2, Land Use, while some additional new CFA, TAUs, and residential units would be allowed within PTOD areas, the resultant land use pattern would be similar to existing conditions. Development throughout the Region would be further concentrated within community

centers and transfers of development rights and coverage from sensitive lands would be encouraged to a greater extent than in Alternatives 1, 2, and 5 but to a lesser extent than in Alternative 3.

Modifications to the Transportation Element under Alternative 4 would be the same as Alternative 3. These measures would correlate with the intent of Alternative 4 to promote redevelopment activity in PTODs and would reduce automobile reliance in the community centers.

Under Alternative 4, the location, distribution, density, and growth of the human population in the Region would be somewhat more concentrated in community centers, with some improvements in walkability, feasibility of other alternative transportation, and the resultant benefits. Thus, this impact would be **beneficial**.

ALTERNATIVE 5: SIMILAR RATE OF DEVELOPMENT AND REGULATORY STRUCTURE TO THE 1987 REGIONAL PLAN

Alternative 5 would authorize the highest levels of new development among the alternatives, including 600,000 square feet of new CFA, 400 new TAUs, and 5,200 new residential allocations, although the number of new residential units would be limited by the number of available development rights (4,091). Assuming exhaustion of all allocations, Alternative 5 is projected to result in a population increase of approximately 10.1 percent, an increase in tourist units of approximately 6.0 percent, and an increase in housing of approximately 10.7 percent throughout the Region by 2035. The jobs-to-occupied housing ratio would remain approximately 1, indicating a balance between available jobs and permanent residents of the Region.

Although the increase in allocations under Alternative 5 is the greatest among the alternatives, Alternative 5 would continue to utilize the existing land use planning framework of PASs and Community Plans. Alternative 5 would therefore result in a continuation of the existing development pattern, which generally concentrates new commercial and tourist accommodation uses in Community Plan areas and distributes single-family residential uses throughout the Region, primarily in residential PASs outside of Community Plan areas. However, as described in Section 3.2, Land Use, Alternative 5 lacks additional incentives for robust redevelopment or for transfers of existing development, development rights, and coverage out of sensitive lands and lands distant from the community centers. The new CFA, TAUs, and residential units would not substantially change the land use pattern; rather, Alternative 5 would continue to intensify development within the identified community centers. However, because this alternative lacks the incentives for transfer of development rights and coverage from sensitive lands, the level of growth, redevelopment, and transfer of development into the Community Plan areas would be relatively slow and this alternative could result in greater development on vacant lands.

The Transportation Element of Alternative 5 would require implementation of new technology (such as real-time bus tracking, changeable message signs, and signal synchronization) to increase the efficiency and effectiveness of the transportation network and promote use of alternative transportation modes.

Because Alternative 5 could release the greatest number of allocations, it has the greatest potential to increase population, employment, and housing in the Region. Nevertheless, population levels are not expected to substantially increase and the location, distribution, density, and growth of the human population would remain similar to existing conditions and would not result in a substantial change in community character or function (including mobility). Thus, this impact would be **less than significant**.

MITIGATION MEASURES

No mitigation is required for any of the alternatives.

Impact 3.12-2 Affordable and Moderate-Income Housing. The Lake Tahoe Region has a high percentage of second-home ownership and seasonal housing (44 percent), high median home prices as compared to the out-of-Basin portions of the Region's counties, and a high proportion of workforce residing outside of the Region. This combination of factors indicates a demand for affordable and moderate-income housing in the Tahoe Region, but few regulations specifically require its development. Although deed-restricted affordable and moderate-income housing projects are encouraged by TRPA through the bonus unit incentive program, the Region is substantially lacking in adequate workforce housing.

Alternative 1 would not authorize any new residential allocations, which would severely constrain the opportunity to construct new housing projects. In addition, without changes to the existing affordable housing program, new housing projects would most likely be based on construction of market-rate redeveloped or expanded housing units. Because Alternative 1 would result in the lowest potential for development of workforce housing, and create additional demand for such housing with development of CFA remaining from the 1987 Plan, Alternative 1 would exacerbate the existing adverse condition and result in a **potentially significant** impact.

Under Alternatives 2 and 5, while new residential allocations would be made available, there would be no changes to the affordable housing program. In addition, allocation of new CFA in addition to that remaining under the 1987 Plan would increase the numbers of jobs in the Region, thereby increasing the demand for affordable and moderate-income housing. Although it is not possible to predict the number of affordable and moderate-income units that would be developed over the plan period through residential allocations, without substantial changes to policies or programs related to affordable or moderate-income housing, the existing supply of and demand for affordable and moderate-income housing would likely be similar to or worse than existing conditions. Thus, Alternatives 2 and 5 would result in a **potentially significant** impact.

Of the Regional Plan Update alternatives, only Alternatives 3 and 4 would modify the existing approach to affordable and moderate-income housing. Alternatives 3 and 4 would implement a Region-wide housing needs program and increase residential density in community centers, which could allow for more cost-effective construction that could support housing affordability. Thus, Alternative 4 would result in a **less-than-significant** impact. Because Alternative 3 would add 600 new bonus units to the existing pool of 874, in addition to increasing the allowable housing density in community centers and implementing a Region-wide housing needs program, it would result in a **beneficial** impact.

Providing affordable housing, moderate-income housing, and housing for permanent residents was a consistent item of discussion during Pathway, the Region-wide planning process used to identify key issues relative to the update of the Regional Plan. As presented above in Section 3.12.3, Affected Environment, the Lake Tahoe Region has a high percentage of second-home ownership and seasonal housing (44 percent), high median home prices, and a high portion of workforce residing outside of the Basin. This combination of factors indicates an unmet demand for affordable and moderate-income housing in the Tahoe Region.

Unlike many jurisdictions, the Tahoe Region has a quantified, limited supply of suitable land available for development or redevelopment. The total quantity of housing is controlled by TRPA's release of residential allocations and the bonus unit incentive program. Total demand for permanent (year-round) housing is also regulated, to a certain extent, through TAU and CFA allocations, which limits the amount of business conducted in the Tahoe Region and therefore the number of workers seeking housing.

Most years, all available residential allocations are used, indicating unmet demand for housing permits in general. In the 1990s and early 2000s, demand substantially exceeded supply and home prices escalated rapidly. With a limited supply of vacant parcels and high market price for residential allocations, older housing units were expanded or redeveloped into more expensive housing units, further reducing the supply of affordable housing. In addition, important environmental regulations, including coverage requirements, building height limits, and other environmental improvement processes and permitting requirements, contribute to a high per-unit cost of development compared to other areas of California and Nevada (Hester, 2012). As described in Section 3.12.2, Regulatory Background, affordable and moderate-income housing programs are generally limited to bonus unit incentives. Few regulations specifically require development of affordable or moderate-income housing. However, if a redevelopment project (or demolition/unit transfer) that would eliminate *de facto* affordable or moderate-income housing (based on a 5-year rental history), it is required to provide an equal number of replacement affordable or moderate-income housing units. This may be through a separate project application, deed restriction of existing market-rate units, or inclusion of restricted units in the proposed redevelopment project (Code Section 13.11.4 G). The applicability of this provision is very limited.

Development of affordable and moderate-income housing is also encouraged through use of residential bonus units. Housing projects that take advantage of the bonus unit incentive programs are required to deed restrict those properties as such in perpetuity. Bonus unit utilization has averaged 31 per year throughout the Region (including those approved for projects but not yet built), the majority of which were awarded for affordable housing. Bonus unit programs for moderate income housing and for environmental improvements have rarely been utilized. Bonus units can be awarded in five ways:

- 1) If a project is proposing environmental gain, a series of “mitigation measures” are used to determine the number of bonus units awarded to the project (TRPA Code Table 52.3.3-1). The number of awarded units can be doubled if the project constructs affordable employee housing (Code Section 52.3.3.A.2).
- 2) On the basis of project need, multi-residential bonus units may be awarded to affordable or government-assisted housing without implementing environment improvements and without the need to acquire an allocation (Code Section 52.3.4.A.1).
- 3) On the basis of project need, multi-residential bonus units may be awarded to moderate-income housing without implementing environment improvements but with the use of residential allocations (Code Section 52.3.4.A.2).
- 4) On the basis of project need, multi-residential bonus units may be awarded for secondary residences in jurisdictions that have a TRPA-Certified Local Government Moderate-Income Housing Program (Code Section 52.3.6).
- 5) On the basis of project need, multi-residential bonus units may be awarded to existing, illegal secondary units in the City of South Lake Tahoe built between 1975 and 1984 if the units meet the City’s standard to provide a healthy, safe affordable unit.

In addition, TRPA encourages project proponents for some new or redevelopment projects to include affordable housing by providing development incentives, including increases in the allowable density (Code Section 31.4.1) and height (Code Section 37.5.5).

Each planning agency within the Tahoe Region (Washoe County, Douglas County, El Dorado County, City of South Lake Tahoe, and Placer County) is responsible for implementing TRPA policies to provide an adequate supply of very-low-, low-, moderate-, and above-moderate income housing within their jurisdiction (1987 Regional Plan, Housing Subelement, Goal 1, Policies 1–4). An example of a local strategy is Placer County’s

Inclusionary Housing Ordinance requiring residential developers to set aside 15 percent of units for very-low, low, and moderate-income households.

Consideration of affordable and moderate-income housing is a social issue not directly affecting the physical environment or attainment of any of TRPA's environmental thresholds. However, without affordable and moderate-income housing, it is an economic necessity for many people working in the local service industry to live outside of the Region, as evidenced by the high proportion of jobs in the Region that are filled by workers commuting from outside the Region. Secondary effects related to such commutes include air pollutant emissions, greenhouse gas emissions, and water quality effects.

ALTERNATIVE 1: NO PROJECT

Alternative 1 would not include any new residential allocations or new bonus unit allocations and development standards would not be modified. The remaining 874 bonus units from the 1987 Regional Plan could be distributed through the existing affordable and moderate-income housing programs, or through mitigation measures described in Table 52.3.3-1 in Code Chapter 52. Because only the 86 residential allocations remaining from the 1987 Plan would be available, new demand could result in the upgrading of a greater percentage of the existing housing inventory which could reduce the supply of affordable and moderate income housing as compared to other alternatives. New development could exhaust the remaining bonus units as increased demand for market-rate bonus units would likely reduce the number available for affordable and moderate-income housing.

With available remaining CFA, approximately 790 new jobs could be created Region-wide over the plan period. Assuming that some proportion of the new jobs would not offer salaries sufficient to purchase market-rate housing, this would add to the existing unmet demand for affordable and moderate-income housing. It is uncertain if the remaining bonus units would be sufficient to offset the reduction in supply from home expansions plus the new demand. Without substantial changes to policies or programs related to affordable or moderate-income housing, the existing supply of affordable and moderate-income housing is not likely to substantially increase. Because there is an existing unmet demand for affordable housing, little or no additional supply would be made available, and a housing need program would not be implemented, impacts associated with affordable and moderate-income housing would be **potentially significant**.

ALTERNATIVE 2: LOW DEVELOPMENT, INCREASED REGULATION

Alternative 2 would authorize 2,600 new residential allocations in addition to the 86 residential allocations and the 874 bonus units remaining from the 1987 Regional Plan. Incentives for development of affordable and moderate-income housing would not be substantially altered. Bonus unit allocations could be distributed through the existing affordable and moderate-income housing programs. However, it is unlikely that all 874 bonus units would be used for affordable or moderate-income housing projects because bonus units may also be earned through environmental mitigation, as described above. Unlike Alternative 1, additional residential allocations would be made available, which would help meet the market-rate demand.

With total available CFA under Alternative 2, approximately 1,200 new jobs could be created Region-wide over the plan period, which would increase demand for affordable and moderate income housing. The number of available bonus units could be insufficient to satisfy both new demand and the unmet existing demand. With the additional jobs and without substantial changes to policies or programs related to affordable or moderate-income housing, the demand for affordable and moderate-income housing would increase. Because Alternative 2 would create new demand for affordable and moderate-rate housing through authorization of additional CFA and would not authorize additional bonus units or implement a housing need program, impacts associated with affordable and moderate-income housing would be **potentially significant**.

ALTERNATIVE 3: LOW DEVELOPMENT, HIGHLY INCENTIVIZED REDEVELOPMENT

Unlike the other alternatives, Alternative 3 would authorize new bonus units that could be developed through the affordable and moderate-income housing programs. Alternative 3 would include 2,600 new residential allocations, the remaining 86 residential allocations, 874 bonus units from the 1987 Plan, and 600 new residential bonus units that could be used for transfer of existing development or development rights into the Town Centers and the High Density Tourist District or through the existing bonus unit program. Authorizing more bonus units could encourage development of affordable and/or moderate-income housing projects, and the proposed transfer ratios would encourage the replacement of single-family homes in outlying areas with multi-family units in town centers (which are typically less expensive than single-family homes). Additionally, greater building heights, increased coverage and additional density of housing would be allowable in community centers, which would assist with affordable housing feasibility.

Alternative 3 would also require preparation of a Region-wide housing needs assessment, which would guide development of policies and implementation measures allowing for periodic monitoring and response to future needs. In addition, under Alternative 3, the preparation of Area Plans by local jurisdictions (approved by TRPA and consistent with Regional Plan goals and policies) would provide greater flexibility to those jurisdictions in implementing affordable housing projects.

With total available CFA under Alternative 3, approximately 1,200 new jobs could be created Region-wide over the plan period, which would increase demand for affordable and moderate-income housing. Although it is not possible to predict the number of affordable and moderate-income units that would be developed over the plan period, the number of available bonus units could be sufficient to satisfy the new demand and could help satisfy some of the unmet existing demand. Without substantial changes to policies or programs related to affordable or moderate-income housing, the existing supply and demand of affordable and moderate-income housing would likely remain similar to existing conditions. However, with authorization of additional bonus unit allocations, increased density in community centers, streamlined processing and the requirement for a Region-wide housing needs assessment and policy response, Alternative 3 has the greatest potential to improve housing opportunities for lower income residents over the planning period of the Regional Plan. Thus, this impact would be **beneficial**.

ALTERNATIVE 4: REDUCED DEVELOPMENT, INCENTIVIZED REDEVELOPMENT

Alternative 4 would authorize 4,000 new residential allocations, in addition to 86 residential allocations and 874 bonus units remaining from the 1987 Regional Plan. Bonus units could be distributed through the existing affordable and moderate-income housing programs. However, it is unlikely that all 874 bonus units would be used for affordable or moderate-income housing projects because bonus units may also be earned through environmental mitigation, as described above. Alternative 4 would supply a greater number of residential allocations than Alternatives 1-3, so demand for market rate bonus units would not substantially increase. Alternative 4 would also permit a greater density of housing in community centers, which would assist with affordable housing feasibility.

Like Alternative 3, Alternative 4 would require preparation of a Region-wide housing needs assessment, which would guide development of policies and implementation measures allowing for periodic monitoring and response to future needs

With total available CFA under Alternative 4, approximately 1,610 new jobs could be created Region-wide over the plan period, which would increase demand for affordable and moderate-income housing. Although it is not possible to predict the number of affordable and moderate-income units that would be developed over the plan period, the number of available bonus units could be insufficient to satisfy both new demand and the unmet existing demand. Without substantial changes to policies or programs related to affordable or moderate-income

housing, the existing supply and demand of affordable and moderate-income housing would likely remain similar to existing conditions. However, with increased density in community centers and the requirement for a Region-wide housing needs assessment and policy response, Alternative 4 has the potential to improve housing opportunities for lower income residents over the planning period of the Regional Plan. Overall, impacts associated with affordable and moderate-income housing would be **less than significant**.

ALTERNATIVE 5: SIMILAR RATE OF DEVELOPMENT AND REGULATORY STRUCTURE TO THE 1987 REGIONAL PLAN

Alternative 5 would authorize 5,200 new residential allocations, in addition to 86 residential allocations and 874 bonus units remaining from the 1987 Regional Plan. A portion of the bonus units could be distributed through the existing affordable and moderate-income housing programs. However, it is unlikely that all 874 bonus units would be used for affordable or moderate-income housing projects because bonus units may also be earned through environmental mitigation, as described above. Like Alternative 4, Alternative 5 would authorize a greater number of residential allocations than Alternatives 1-3, so demand for market rate bonus units would not substantially increase.

With total available CFA under Alternative 5, approximately 2,020 new jobs could be created Region-wide over the plan period, which would increase demand for affordable and moderate income housing. Although it is not possible to predict the number of affordable and moderate-income units that would be developed over the plan period, the number of available bonus units could be insufficient to satisfy both new demand and the unmet existing demand. Without substantial changes to policies or programs related to affordable or moderate-income housing, the existing supply and demand of affordable and moderate-income housing would likely be similar to or worse than existing conditions. Therefore, impacts associated with affordable and moderate-income housing would be **potentially significant**.

MITIGATION MEASURES

No mitigation is required for Alternatives 3 and 4.

The following mitigation measure is required for Alternatives 1, 2, and 5.

Mitigation Measure 3.12-2: Prepare a Regional Housing Needs Program and Implement Recommendations

Within 12 months of adoption of an updated Regional Plan, TRPA shall coordinate with local governments and other organizations to develop and implement a Regional Housing Needs Program. The Housing Needs Program will evaluate progress towards the adopted housing goals and recommend policy and ordinance changes necessary to achieve housing goals. Changes may include, but are not limited to, the conversion of residential allocations to bonus units that would be available only for the construction of affordable and/or moderate-income housing, the creation of new bonus units for affordable housing and modification of development standards to promote housing affordability.

Significance After Mitigation

Because implementation of Mitigation Measure 3.12-2 under Alternative 1, 2, and 5 would result in development and implementation of a Regional Housing Needs Program to achieve adopted housing goals, this impact would be **less than significant for Alternatives 1, 2, and 5**.