

TAHOE REGIONAL PLANNING AGENCY
REGIONAL PLAN IMPLEMENTATION COMMITTEE

Via GoToWebinar

December 16, 2020

Meeting Minutes

I. CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Mr. Yeates called the meeting to order at 8:30 a.m.

Members present: Ms. Aldean, Mr. Bruce, Ms. Gustafson, Mr. Friedrich, Mr. Lawrence, Mr. Yeates

II. APPROVAL OF AGENDA

Mr. Yeates deemed the agenda approved as posted.

III. APPROVAL OF MINUTES

Ms. Aldean said she provided Ms. Ambler with her edits and moved approval of the November 18, 2020 minutes as amended.

Motion carried.

IV. Item No. 3 Discussion and possible recommendation on the Tahoe Valley Area Plan Amendments in the City of South Lake Tahoe: Modify various policies, design standards, and substitute standards including roof pitch and height, corner building design, parking demand, coverage transfer, and related topics to encourage workforce housing development

TRPA team member Mr. Conger provided the presentation.

Mr. Conger said these amendments would help to maximize design opportunities for an important affordable housing project. The amendments primarily deal with building design and development standards and were drafted so they wouldn't interfere with environmental standards.

The amendments relate to a proposed affordable housing development. Affordable housing has been a major focus both at the state level and regionally. Housing is an important component of TRPA's Regional Plan which includes goals and policies that call for development of housing for Tahoe's workforce in close proximity to town centers. The Regional Plan also calls for TRPA to regularly review its policies and regulations to remove any barriers preventing the construction of affordable housing. The State of California has been pushing particularly hard for on the ground results for implementing new streamlining and incentive statutes. Through the state department of Housing and Community Development the state administers a system where they provide Regional Planning agencies with an allocation of the number of affordable units they are to plan for. Which in turn gets passed down to each county and city. Last year the Governor also issued an executive order calling for state surplus lands to be identified for

affordable housing development. We're fortunate in that out of 44,000 possible parcels screened under the executive order, two parcels within South Lake Tahoe owned by the California Tahoe Conservancy received particularly high scores on the suitability criteria. These parcels are considered asset lands which are buildable parcels that are available to support revitalization of town centers or furtherance of other state or regional goals.

Once the sites were selected, they California Department of General Services put out a request for proposal seeking a developer. The developers were selected in June and have recently received an application for a 248-unit residential community on these properties to be known as Sugar Pine Village. The project also includes public uses services like childcare day and office space for nonprofit organizations. As with most affordable housing developments there are time constraints that Sugar Pine Village must face. To be competitive for grants and tax credits the project must receive all of its permits by January. The executive order also requires that the project start construction within two years of developer selection.

Fortunately, projects like Sugar Pine Village are able to use state legislation that streamlines permitting and provides incentives to qualifying affordable housing projects. This helps to expedite city level permitting but there is no parallel regulation at the TRPA level that allows for example, waiver of a design standard. There is, however, an opportunity to amend the development standards in the Tahoe Valley Area Plan in a way that doesn't affect environmental conditions but does help to provide more design flexibility to affordable housing projects like this.

They've developed a package of amendments that would enable this project to meet its deadlines for permitting. Because the City has the ability to grant concessions and waivers, the City won't be taking action on this item first which is normally the case with area plan amendments. The City has requested that TRPA take on the role as lead agency for this amendment. The proposal would amend the Tahoe Valley Area Plan with changes falling into three categories: Building design, parking, and coverage transfer. These changes are focused on the area plan's design and development standards, and so the scope of the effect is limited to the Tahoe Valley Area Plan. There are no changes proposed to zoning, land uses, building height, or boundaries and no changes proposed to the Code of Ordinances. These types of broader changes are likely to come out of the Tahoe Living Working Group that is currently exploring various policy options to promote workforce housing on a broader basis. As evaluated in the Initial Environmental Checklist, the amendments have been drafted in a way that they would not interfere with attaining and maintaining environmental thresholds.

The Tahoe Valley Area Plan covers almost 400 acres near the intersection of US 50 and State Route 89 in the western portion of South Lake Tahoe. This area is commonly referred to as "The Y." The Sugar Pine Village parcels are within the area plan's mixed-use zone and are located near Tata Lane and Lake Tahoe Boulevard, just west of The Y.

The Tahoe Valley Area Plan was adopted in 2015 subject to the provisions of the 2012 Regional Plan Update. It's a component of both The TRPA Regional Plan and the City's General Plan. Height and use standards are set based on seven different zoning districts. The Tahoe Valley area includes a Regional Plan designated Town Center and many of the incentives available to Town Centers, like increased density and height, have already been included in the area plan. The area plan has its own set of design and development standards, which are the focus of the

proposed amendments. Because it includes a Town Center and has access to existing retail and transit services nearby, the Tahoe Valley area presents an opportunity for infill workforce and affordable housing.

Knowing that an application was forthcoming for Sugar Pine Village, TRPA staff worked with City staff and representatives of the selected developers to identify amendments to the TVAP that would make development of affordable housing projects more viable. They identified four key opportunities. First, the Area Plan could allow for reduction of the number of required parking spaces per unit. Secondly, a couple building design standards which appear to be focused on commercial-based development could be waived for residential development.

Roof design standards could be modified so that development of a third story would be possible without increasing building heights. Finally, the area plan could allow mixed-use developments to transfer coverage based on the requirements for the component uses. For example, a mixed-use project involving residential and public service wouldn't be held to a standard that is generally meant for commercial and tourist-accommodation based development.

These opportunities helped to frame the proposed amendments.

Building design: The first two standards have to do with roof design and the ability to achieve a third floor. The area plan currently requires a minimum roof pitch of 5:12. The proposal would reduce that to 3:12. Minimum roof pitch requirements are intended to promote a mountain architecture theme, but they've found for example, that it has the unintended effect of increasing building volume, which then must be heated in the winter. So, there are potential greenhouse gas implications to having higher roof pitches. The mountain architecture theme can also still be achieved with shallower roof pitches because other design standards require such things as natural materials and building articulation. In recognition of these issues, the Governing Board recently approved a similar change to roof pitch in the Bijou/Al Tahoe Community Plan.

In addition to the roof pitch requirement, there is also a relatively unique standard in the Tahoe Valley Area Plan that regulates roof height. At least 40 percent of a building's height must be comprised of roofing. Under the proposal, this standard would be eliminated.

The Scenic Resources section of the Initial Environmental Checklist address these changes. The discussion finds that application of other area plan guidelines and standards will still ensure that building design is sufficiently articulated to break up the massing.

The next two building design standards deal with development at the corner where two streets intersect.

One standard requires that development occur at the setbacks for 50 feet in each direction at any corner. The other standard requires a 45-degree angled entrance with architectural treatment at the corner. This is a desired building form for most commercial buildings, but these prescriptive standards do not allow for variations in building design that are more common with residential-based development. Modifying these standards would allow for more flexible residential designs that allow for internal circulation and better respond to the site.

The proposal would alter these standards so they would no longer apply to residential development or when it would result on encroachments to Stream Environment Zones. They would continue to apply to commercial and tourist accommodation uses.

Parking: The Substitute parking standard in the Tahoe Valley Area Plan presently refers back to the City's Municipal Code. The Municipal Code allows for parking adjustments, but only under a discretionary land use permit with a public hearing before the Planning Commission. Requiring a discretionary public hearing for parking adjustments is inconsistent with state requirements for qualifying affordable housing projects.

The proposal would address this by modifying the substitute standard to allow the City Director of Development Services to approve reduced parking ratios when a parking study supports the reduced ratios and ongoing parking management is ensured. In circumstances where the city is prohibited from imposing parking standards, TRPA would take on that role and approve the reduced parking ratios.

Transfers of coverage: This issue stems from the fact that many affordable housing developments also include support services like child day care, which are classified as public service uses. Individually, the uses are eligible for 1:1 transfer of hard, soft, and potential coverage. But taken together, they are then considered mixed-use and lose that eligibility. The proposed language would allow mixed-use developments to transfer hard, soft, and potential coverage at 1:1 when all of the component uses qualify for such transfer. Mixed use development involving commercial and tourist accommodation uses would continue to follow TRPA Code of Ordinances procedures for those uses.

An Initial Environmental Checklist was completed for the proposed amendments. This document relies largely on the environmental analysis done for the area plan adoption and for the Regional Plan Update and focuses on the specific changes being proposed. The Initial Environmental Checklist concludes that no significant impact would occur from the amendments.

The Tahoe Region has been presented with a major affordable housing opportunity that aligns with Regional Plan goals and policies. To maximize project opportunities and provide design flexibility, a few amendments are needed to the Tahoe Valley Area Plan. These amendments can be accomplished without negatively impacting environmental conditions. The City of South Lake Tahoe has requested that TRPA take the lead on these amendments. State legislation has streamlined and incentivized affordable housing development, and this amendment provides a mechanism for TRPA to align with state policy. Approval of the amendments would enable Sugar Pine Village to meet its time constraints and deadlines. The amendments are focused on the Tahoe Valley Area Plan which includes a designated town center. Facilitating housing in this area closely aligns with the Regional Plan's strategy of locating housing within close proximity to walkable and bikeable Town Centers.

Staff recommends that the Regional Plan Implementation Committee recommend Governing Board adoption of the Findings in Attachment D, including a Finding of No Significant Effect. Staff further recommends that the Regional Plan Implementation Committee recommend Governing Board adoption of the ordinance amending the Tahoe Valley Area Plan as set forth in Attachment H.

Ms. Roverud, the City of South Lake Tahoe said the City submitted a letter to TRPA requesting that TRPA take the lead on these amendments when typically, the city would be processing them first. The Sugar Pine project is the first project that's been submitted to the City under California Senate Bill 35. That legislation limits the procedures that the City can apply in the project review of this particular project. SB 35 requires that the city or county for the qualifying projects only apply ministerial standards to the project and cannot hold public hearings or apply any discretionary findings. SB 1818 also provides that applicants an opportunity to request concessions of a local government. Those concessions can be modifications to the development standards that apply to the project. The city or county is required to grant those concessions except under very limited circumstances. The City is reviewing this project ministerially and appreciated TRPA moving forward with these amendments so TRPA's permitting process can proceed. There are time frames that the developer as well as other partner agencies in the project are interested in meeting in order to apply for grant funding through housing programs at the state and federal level. The amendments are appropriate for the Tahoe Valley Area Plan, not just for the Sugar Pine Village project but also for other future projects. This will provide more opportunities for the types of projects that will further the vision of the Tahoe Valley Area Plan.

Mr. Conger said the Advisory Planning Commission reviewed this project last week and recommend approval.

Presentation can be found at:

[RPIC-Item-3-Tahoe-Valley-Area-Plan-Amendments.pdf](#)

Committee Comments & Questions

Ms. Aldean asked if the proposed amendments are restricted to workforce housing. She didn't see any reference to these amendments only applying to affordable housing projects and not to mixed-use projects that include market rate housing.

Mr. Conger said these amendments would potentially apply to market rate housing as well. There is nothing restricting them to workforce housing. The intention in constructing this package of amendments was to promote affordable and workforce housing package.

Ms. Aldean asked if there's an appetite to restrict these changes to accommodate affordable housing only or is that too restrictive from the viewpoint of the City.

Mr. Conger said that may be too restrictive. They find that in a lot of cases that the market rate housing that occurs in this area generally fits within the workforce frame work.

Ms. Aldean said she's not generally inclined to discriminate against market rate housing but there is a lot of it in the Basin with the availability of single-family homes and other projects. The real issue and challenge is to develop more workforce housing to accommodate people who are working in the Basin to prevent them from having to commute into the valleys. Her preference would be to restrict these amendments to workforce housing. She feels that's the objective of the Agency when it comes to producing housing that can accommodate a group of people that have been basically foreclosed on from owning or even renting housing that's decent that they can afford.

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Mr. Conger said one area that it might complicate is cases where there is a mix of affordable and market rate housing. Those types of mixed projects are being encouraged more and more at the state level.

Ms. Aldean said assuming there is a ratio, you're talking about inclusionary zoning. In other words requiring that as part of the approval process of a market rate housing project that a certain number of affordable units be included. She wouldn't be opposed to that. She does feel that we have to be a little restrictive. The Agency is going out of its way to make it possible for this very fine affordable Sugar Pine Village housing project to move forward but perhaps we should restrict the use of these amendments to promote affordable housing. Possibly that can be within the context of market rate housing development that includes a certain number of affordable units. If we're going to make some progress in increasing the inventory of affordable housing, we need to be more restrictive.

Mr. Yeates said we're doing this in order to give emphasis to the workforce housing. We wouldn't be making these changes, but we have a project before us that requires some rather minor tweaking in order to get approval from TRPA. When in fact the State of California would say to the City that they don't have any discretion to place parking restrictions and other things on this type of project. Market rate housing would have some of these issues. From our standpoint because we've analyzed this, the changes that are being proposed have no significant effect on the environment. There's nothing that would affect the Regional Plan, the environment, scenic issues or any thresholds that we must maintain. The workforce is getting that leg up, to then carve out market rate would require us to have two separate kinds of issues. One of the challenges for any developer dealing with the Tahoe Basin is TRPA's rules and regulations. When we did the developmental rights work, they learned that they could improve the situation by making it clear on what people have to do. In this case, what you're asking for is two separate sets of amendments and he doesn't know if that would benefit either housing proponent.

Ms. Aldean said in the past they've been opposed to project specific amendments to the Code of Ordinances. She's trying to broaden it to include other future affordable housing projects and also to restrict it to affordable housing projects in order for further facilitate the development of a housing type that is in short supply. There are very few opportunities remaining to allow us to meet the inventory needs when it comes to workforce housing.

Mr. Hester said are these changes good for all developments or only good to encourage workforce housing? TRPA doesn't define workforce housing rather defines affordable, moderate, and achievable. The three changes are one to allow parking discretion and is a good thing to do anyway because parking management is a key part of trying to get people to use other forms of transportation or walk. You'll see more and more parking discretion and some places are doing parking maximum instead of minimums. The second item is setbacks. This allows some design flexibility which we would want to allow anyway. In this case they're doing it to stay out of a stream environment zone. Then the roof pitch is an aesthetic item but as we try to reduce greenhouse gas emissions it makes sense not to create an unusable space that has to be heated. If the roof pitch is changed to 3:12 then it allows another story and more useable space. This would be the type of item that would come forward from a local government. He asked a city representative to comment on whether they would like to be limited to workforce, affordable, achievable, or moderate housing.

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Mr. Yeates said Ms. Aldean stated that these amendments are being done for just one project. He asked if it were correct that this is not just for Sugar Pine Village, it will help Sugar Pine Village but would apply to all projects like Sugar Pine Village.

Mr. Hester said it would be for everything in the Tahoe Valley Area Plan.

Ms. Roverud said the City and TRPA share the goal of promoting workforce housing. These amendments are coming forward at the request of a developer that is developing deed restricted low income affordable housing. However, she agreed with Mr. Hester when you look at the amendments that are being requested it makes sense to make these amendments with respect to all types of development within the area plan.

Regarding the one related to coverage transfers for mixed-use projects. Through the Regional Plan Update process the goal of trying to promote mixed-use projects in the town centers was prominent in the development of the Regional Plan as well as the area plans. Making that particular amendment in order to remove the disincentive for mixed-use projects makes sense regardless of whether it's an affordable housing project, mixed-use project that has affordable for market rate housing component.

The amendment related to placing development close up to the street frontage and on the corners is a development pattern that they want to see in the town centers. However, there is a conflict when it comes to properties that have stream environment zones on them. They want to take that into consideration and just came to light with this particular project that is proposed on property that has SEZ at the frontage where the area plan states you should put development.

Roof pitch, height requirements, again they're coming across these issues on quite a few projects, not just housing. They're trying to maximize the density in the town centers but not have to increase height to accommodate these steeper roof pitches. In addition, the environmental implications of heating space in larger buildings.

The parking amendment got a lot of discussion at the Advisory Planning Commission. There were concerns about parking reductions leading to spill over parking that might have environmental impacts. They agree with those comments and do see that in the City. Mostly it's older residential housing properties such as multi-family properties that were constructed without much parking included. However, they appreciate this amendment allowing for the opportunity to reduce the parking requirement where its appropriate.

They do find that for deed restricted affordable housing projects that have public funds in them and there's an extensive monitoring and reporting requirements, oversight, and have onsite managers, there is no overspill parking effects. An example, right across Lake Tahoe Boulevard from the Sugar Pine Village project site is the Sierra Gardens affordable housing project that also has reduced parking ratio and they don't see those problems occurring there. Sky Forest Acres, Evergreen and other affordable housing projects within the city that are well managed, don't see those issues. They appreciated the amendment to be able to apply a reduction in the parking requirement where it is appropriate.

Ms. Aldean said she appreciated everyone's input but does remain concerned about the paucity of affordable housing in the Tahoe Basin and seeking every opportunity to increase the number of units available for people who live and work in the Basin. It sounds like this has been thought out by the City and TRPA and if this is the direction they wish to go, she has no objection.

Mr. Lawrence said he appreciated the conversation and Ms. Aldean's viewpoint. We know that we have an affordable housing issue in the Tahoe Basin, and we should be looking at tools to encourage and incentivize as much as we can get. He does look at this as something necessary to implement the Regional Plan Update which required a strategy for urban center development whether it's affordable housing or not. A lot of these changes do that with the design and variance changes which he is good with. His question is on the land coverage. Land coverage is a pretty good incentive to encourage the types of development we want in different locations. He asked if the change in land coverage created an unequal field or does it provide the necessary incentive for the affordable housing that we want. A lot of the changes make sense, and the land coverage makes sense for sure for the affordable or achievable housing projects. He's unsure if it would make as much sense for a high end luxury condo project.

Mr. Conger said presently residential multi-family projects qualify for the 1:1 transfer of hard, soft, and potential coverage regardless of whether it's a an affordable, workforce, or achievable project. When it's combined with another use, in this case public service use; the child day care use, then it becomes mixed-use and you lose that eligibility. The question is if you have a market rate project and they combine with a public service use like a child day care service, would we then treat it as mixed-use? In staff's review it didn't seem to make a difference because under the current Code of Ordinances there is no difference in whether or not it's an affordable project. There's no difference in whether you could do the 1:1 transfer, that happens regardless. The only case they're dealing with is when you are combining a residential use with a public service use.

Mr. Yeates said they received a letter from Meea Kang from Related California, one of the project proponents was requesting that we treat these mixed-use items such as the day care or nonprofit access to building places as accessory uses. He feels staff has handled it in an artful way in that why treat them any different. If it's residential with a public service or other things it should still be 1:1. That would take care of it for all future projects within the Tahoe Valley Area Plan.

Mr. Hester said mixed-use as we're seeing in the work to update the vehicle miles traveled threshold and the new project tool and as we saw with the Regional Plan Update in 2012, mixed-use can reduce VMT. It's a good thing to have it on a level playing field with single uses.

Public Comments & Questions

Steve Teshara on behalf of the Tahoe Chamber he said they are very knowledgeable about the Sugar Pine Village project and appreciate all the work that staff has done to artfully craft these amendments. Affordable housing is a difficult type of project to get through the process so it's still affordable. TRPA staff working with City planning staff has come up with appropriate amendments for the Tahoe Valley Area Plan that will help to move the Sugar Pine Village project forward. He participated in the public meeting that the Sugar Pine Village project proponents held on November 24, 2020. These amendments respond to some of the concerns that were

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expressed at that meeting by some of the neighbors and other interested parties. He participated in the Advisory Planning Commission meeting last week and heard the presentation again this morning at this committee meeting. The presentation has also been given to the Chamber board. Based on all their knowledge of the project and how the amendments have been crafted and presentation and comments this morning, they are strongly in support of the committee's action on staff's recommendation.

Committee Comments & Questions

Mr. Lawrence made a motion to recommend Governing Board approval of the required findings, including a finding of no significant effect, for adoption of amendments to the Tahoe Valley Area Plan and as provided in Attachment D.

Ayes: Ms. Aldean, Mr. Bruce, Ms. Gustafson, Mr. Friedrich, Mr. Lawrence, Mr. Yeates

Motion carried.

Mr. Lawrence made a motion to recommend Governing Board adoption of Ordinance 2020-___, Amending Ordinance 2015-05, as previously amended, to amend the Tahoe Valley Area Plan to include the changes referenced in Attachment H.

Mr. Yeates noted that the ordinance will be "2021" when it goes before the Governing Board.

Motion carried.

VI. COMMITTEE MEMBER COMMENTS

Mr. Yeates recognized Mr. Friedrich from the City of South Lake Tahoe who will be replacing Brooke Laine.

Mr. Friedrich said he appreciated everyone's support of this project and is a priority for the city. Prior to this meeting he was on a call with Meea Kang and other city leadership about the intention of this project to be as close to zero net energy as possible. Some of these design elements that were changed allowing more energy efficient buildings for example, could serve as a demonstration project.

Ms. Gustafson said yesterday the Board of Supervisors approved their Tahoe Basin Area Plan amendments that will be similar in some of these issues that Placer County will be bringing to this committee and the Governing Board early next year.

VIII. PUBLIC INTEREST COMMENTS

Steve Teshara on behalf of the Tahoe Chamber welcomed City of South Lake Tahoe new council member Mr. Friedrich who was appointed to TRPA's Governing Board yesterday. John has been in the community for quite sometime and an up and coming individual with lots of innovative ideas and is someone who will help lead us in a number of important areas addressing climate change and related issues.

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IX. ADJOURNMENT

Mr. Lawrence moved to adjourn.

Chair Mr. Yeates adjourned the meeting at 9:22 a.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Marja Ambler". The signature is written in black ink and is centered on the page.

Marja Ambler
Clerk to the Board