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STAFF REPORT

Date: August 19, 2020
To: TRPA Regional Plan Implementation Committee
From: TRPA Staff
Subject: Review of Proposed Amendments to Placer County Tahoe Basin Area Plan

Summary and Staff Recommendation:

TRPA and Placer County Staff will provide an overview of proposed amendments to the Placer County Tahoe Basin Area Plan (TBAP). This item is for informational purposes and no action is required. Staff requests comments from the Regional Plan Implementation Committee before Placer County begins the process of approving these changes through the Placer County Planning Commission and Board of Supervisors.

Required Motions:

No motion is required.

Project Description/Background:

On May 22, 2019, Placer County staff gave an informational presentation to RPIC to discuss potential housing-related amendments to the TBAP. The amendments would have updated the TBAP for consistency with new TRPA Development Rights Strategic Initiative; allow multi-person housing development in mixed-use and community service districts; update Accessory Dwelling Unit (ADU) provisions for consistency with new State of California regulations and new TRPA code allowing for achievable housing; and delete the "Senior Citizen Only" special designation for the Dollar Hill Mixed-Use Neighborhood zoning subdistrict.

Since the May informational session, Placer County has incorporated additional refinements into the amendments to update policy, development standards, and process related to Area Plan residential land uses and affordable housing. The current proposed draft Area Plan amendments are generally consistent with the information presented at the May 2019 RPIC meeting, while incorporating RPIC feedback and new refinements which have arisen since the May presentation. The new amendments, which are in addition to those presented at the May 2019 RPIC meeting, focus on expanding the allowance of different types of multi-residential land uses in all residential, mixed-use, and community service subdistricts where some form of multi-residential land use is already allowed, as well as adding multi-residential land uses into the Kings Beach Industrial District (which is a community service district).

The amendments are aimed at accelerating the production and supply of affordable-achievable housing for those who live and work in the North Tahoe-Placer County region and are part of a comprehensive effort to meet State of California mandates for affordable housing specified in the Regional Housing Needs Assessment (RHNA) and Sustainable Communities Strategy requirements, as well as meet the

Regional Plan goals of sufficient workforce housing in compact, walkable town centers in order to meet TRPA threshold standards.

Additional detail about these amendments is included in the attached Placer County memo (Attachment A) and the TBAP Implementing Regulations with track changes shown (Attachment B).

Based on RPIC's direction, Placer County will continue moving the proposed amendments through the Placer County approval process and, once completed, will bring a full amendment package forward for future consideration by the TRPA Advisory Planning Commission and Governing Board in November and December of 2020.

Contact Information:

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

Attachments:

- A. Placer County Staff Memo Summarizing Proposed Changes to the Tahoe Basin Area Plan
- B. Tahoe Basin Area Plan Implementing Regulations with Track Changes

Attachment A

Placer County Staff Memo Summarizing
Proposed Changes to the Tahoe Basin Area Plan

Date: August 19, 2020

To: TRPA Regional Plan Implementation Committee

From: Placer County Staff

Subject: Regional Plan Implementation Committee Consideration of Proposed Housing-Related Amendments to the Placer County Tahoe Basin Area Plan

Requested Action:

This item is for informational purposes and no action is required.

Summary:

Placer County is requesting the TRPA Regional Plan Implementation Committee (RPIC) discuss and provide direction to County and TRPA staff regarding proposed housing-related amendments to the Placer County Tahoe Basin Area Plan (TBAP) and Implementing Regulations. The purpose of the proposed amendments is to bring the TBAP into conformance with California housing law for accessory dwelling units (ADU), and provide opportunities for banking, conversion, and transfer of development rights consistent with the TRPA adopted 2018 Development Rights Strategic Initiative. Additionally, the proposed project would allow for a greater variety of multi-residential housing types, and the addition of special planning designations and policies that allow for select zoning subdistricts to receive transfers of development rights and assignment of Bonus Units for moderate- and achievable-income housing.

Background:

Area Plans are a central part of the Regional Plan and an important strategy to accelerate attainment of environmental thresholds. The TBAP sets forth the regulations that implement the Regional Plan in the Placer County portion of the Lake Tahoe region. Since the adoption of the TBAP in January 2017, the State of California has passed numerous pieces of housing legislation in each legislative session that limit the ability of local governments to obstruct housing development. The State Housing law updates reform and streamline permitting processes, moving toward a ministerial approval model for housing that complies with local zoning and planning rules to reduce barriers to housing production. The new California laws obligate local government to undertake updates in their housing plans and plan for growth, among other requirements.

During the same timeframe, the Mountain Housing Council (MHC), a project of the Tahoe Truckee Community Foundation, including Placer County, was formed to respond to current conditions and take on the unique and pressing challenges of achievable housing in the North Tahoe-Truckee region. Placer County has worked closely with the Tahoe Truckee Community Foundation, Mountain Housing Council, TRPA staff, and members of the public, to produce key regional objectives that will achieve more affordable and achievable housing.

While many environmental indicators in the Basin have stabilized or improved, due in part to growth management systems, extensive environmental restoration, and redevelopment,

socioeconomic conditions have deteriorated. Trends include unaffordable housing, high poverty levels, reduced local resident housing occupancy, workforce declines and school closings. For example, in March 2020, the median single-family home price for the North Tahoe markets was close to \$721,000, with an average single-family home price of \$1.2 million. An individual or household earning even 120 percent of East Placer's median income could likely only afford a studio of \$271,000 or a 3-bedroom of \$382,000. The North Tahoe population has declined by an estimated 4,600 residents since 2000.

These trends are also impacting the environment – largely by making the system unsustainable for people to live, work and enjoy recreation and tourism in the Tahoe Region. Many people drive considerable distances between their homes, work, and recreation sites, creating environmental impacts. The proposed amendments are anticipated to reduce employee vehicle miles traveled (VMT) by enabling more housing at affordable and achievable income levels, allowing residents to live closer to their jobs.

May 2019 RPIC Presentation:

On May 22, 2019, Placer County staff gave an informational presentation to RPIC to discuss potential housing-related amendments to the TBAP. At that meeting staff requested that RPIC consider the following five potential amendments to the Area Plan:

1. Expand provisions for affordable housing to include moderate and achievable income levels;
2. Delete “Senior Citizen Only” Special Designation for Dollar Hill Mixed-Use Neighborhood zoning subdistrict;
3. Allow “Multi-Person” housing development in all Mixed-Use Districts and Community Service Districts where “Multi-Family” use is permitted;
4. Update banking, conversion, and transfer of development rights consistent with Chapter 51 of the TRPA Code of Ordinances (Banking, Conversion, and Transfer of Development Rights); and
5. Reduce barriers to constructing accessory dwelling units (ADUS, also known as secondary dwelling units) per recent changes to California law. In the May 2019 RPIC presentation this included allowing for ADUs to be deed-restricted to affordable, moderate, and achievable housing on parcels less than one acre consistent with the new TRPA Development Rights Strategic Initiative language, which expanded the use of bonus units to moderate and achievable; and consistent with TBAP regulations that already require the unit be deed restricted for affordability. The proposed language also prohibited the secondary residence from being converted to a tourist accommodation use or utilized as a vacation rental. Consistent with California law, the proposal also replaced the current discretionary “Administrative Review Permit” requirement for ADUs with a ministerial approval process, and updated ADU parking and floor area development standards to be consistent with California housing law.

Following staff's presentation RPIC expressed general support of the Area Plan amendments, however, two RPIC members articulated concerns with certain elements of the proposal. Former RPIC Chairman Clem Shute suggested the Area Plan should maintain the current process that requires discretionary approval and public noticing for ADUs, and RPIC member Shelly Aldean requested ADUs be limited to workforce housing and suggested requiring local employer verification for residency.

Summary Amendment Description:

Over the past 15 months Placer County has refined the amendments to update policy, development standards, and process improvements related to Area Plan residential land uses and affordable housing. These refinements have arisen based on emerging discussions with public lands managers such as the California Tahoe Conservancy, private property owners, and further development of Placer County housing element policies. The current proposed draft TBAP amendments are generally consistent with the information presented at the May 2019 RPIC meeting, however they incorporate changes to accommodate the request from Clem Shute that the discretionary approval process for ADUs remain in place. Because the units will also be subject to a deed-restriction to prohibit the ADU from being utilized as a short-term vacation rental as defined in Placer County Code Section 9.42.020, Placer County is not proposing to create a new type of deed-restriction that would further limit the units to workforce housing for the purposes of this program, as that is the intention of the existing deed-restriction program.

The new amendments are aimed at accelerating the production and supply of desirable housing for those who live and work in the North Tahoe-Placer County region by promoting solutions to housing problems of production, variety, and affordability.

Placer County has built on the potential amendments previously proposed to RPIC, and now requests RPIC consider the following packet of TBAP amendments to:

- Expand opportunities for multi-residential land uses including Multiple Family Dwellings, Multi-Person Dwelling, and Employee Housing;
- Modify Special Planning Policies to encourage maximum development potential for multi-residential projects;
- Remove “Senior Citizen Only” affordable housing limitations;
- Expand opportunities for TRPA Bonus Units for moderate and achievable-income levels;
- Update accessory dwelling unit (ADU) permitting requirements in accordance with California law; and
- Update banking, conversion, and transfer of development rights consistent with Chapter 51 of the TRPA Code of Ordinances (Banking, Conversion, and Transfer of Development Rights); and
- Non-substantive administrative corrections

A summary of all of the current proposed amendments is below. All proposed TBAP Implementing Regulations amendments are shown in track changes in Attachment A with ~~striketrough~~ identifying existing language proposed for deletion and underlined identifying proposed new language.

Proposed Amendments Topic #1 – Multi-Residential Land Uses:

Subtopic 1.1 Multi-Person and Employee Housing Land Uses

The proposed amendments would expand the allowance of multi-person dwelling and employee housing land uses in all Residential, Mixed-use, and Community Service subdistricts where multiple family dwelling land uses are currently allowed subject to compatible permitting requirements. The amendments would also add multi-residential land uses to the Kings Beach

Industrial Subdistrict. Multi-person densities in Town Center districts would use the conversion ratios in Section 31.3.3 of the TRPA Code of Ordinances to ensure that multi-person densities are equivalent to the multi-family densities allowed in each district. Section 31.3.3 reads:

31.3.3. Conversion Factors

For residential uses set forth in Table 31.3.2-1, including multi-person dwellings, nursing and personal care, and residential care, 2.5 persons shall be equivalent to one residential unit. For recreational uses, four persons (PAOT) shall be equivalent to one recreation site.

These changes to multi-person densities will also be evaluated in the Initial Environmental Checklist. In districts that are not Town Centers, the maximum multi-person density that is allowed, per Table 31.3.2-1 of the Code (Maximum Densities) is 25 persons per acre.

TRPA defines multi-person dwellings as buildings primarily for permanent occupancy by unrelated individuals and provides examples of multi-person dwellings such as dormitories and boarding houses. TRPA defines employee housing as residential units owned and maintained by public or private entities for purposes of housing employees of said public or private entity. These definitions differ from TRPA’s definition of multiple-family dwelling which is described as more than one residential unit located on a parcel and includes examples such as a duplex, triplex, or an apartment building. Despite their definitions, multiple-family dwelling, multi-person dwelling, and employee housing land uses are similar in their level of impacts and planning considerations.

The current proposal would allow multi-person and employee housing in seven Residential Subdistricts (Tavern Heights, Tahoma Residential, Lake Forest Glen, Kings Beach Residential, Tahoe Vista Residential, Fairway Tract South, and Fairway Tract Northwest) and as a permissible land use because at least one form of multi-residential land use (i.e., Multi Family, Multi-Person, or Employee Housing) is currently permissible within those six designated residential zone districts. The current proposal includes adding multi-residential land uses, for example, in the Kings Beach Industrial Subdistrict. Such multi-residential projects would be limited to affordable, moderate, or achievable-income housing developments only, and would be subject to a discretionary entitlement process.

This is different from the previous amendments presented to RPIC which were focused on adding only the Multi-Person land use for mixed-use and community service districts where multiple-family dwelling land uses are currently allowed, and only proposed a maximum multi-person density of 25 persons per acre.

1.1 Proposed Text Example:

| TABLE 2.03.DD-1: LAND USE REGULATIONS — TAVERN HEIGHTS SUBDISTRICT | | |
|--|-----------------|----------------------------|
| Allowable Land Uses | Land Use Permit | Add'l Regs. |
| Residential | | |
| Single-Family Dwelling | A | |
| Multiple Family Dwellings | MUP | Limited to Special Area #1 |
| Multi-Person Dwellings | MUP | Limited to Special Area #1 |
| Employee Housing | MUP | Limited to Special Area #1 |

| TABLE 2.03.DD-2: DEVELOPMENT STANDARDS — TAVERN HEIGHTS SUBDISTRICT | |
|---|--|
| Maximum Density | |
| <i>Residential</i> | Single Family Dwelling: 1 du/parcel Multiple Family Dwellings: 8 units per acre <u>Multi-Person Dwelling: 15 persons per acre</u> <u>Employee Housing: 8 units per acre</u> |

| TABLE 2.05.B-1: LAND USE REGULATIONS — KINGS BEACH INDUSTRIAL SUBDISTRICT | | |
|---|--|---|
| Allowable Land Uses | Land Use Permit | Add'l Regs. |
| Residential | | |
| Single-Family Dwelling | Must be accessory to a commercial use. Single family dwellings in conjunction with a valid commercial enterprise are considered an accessory use and shall follow the permit requirements of the primary use. Single family dwellings existing as of the date of Area Plan adoption are not assigned nonconforming status and may be reconstructed on the same parcel(s). | |
| <u>Multiple Family Dwelling, Multi-Person Dwelling and Employee Housing</u> | MUP | <u>Affordable, Moderate, and/or Achievable Housing Only</u> |

Subtopic 1.2 Special Planning Designations and Policies

The current proposed TBAP amendments would add Special Policies to the Residential, Mixed-Use, and Community Service Area zone districts identified in Subtopic 1.1, above, to emphasize that in those Subdistricts the development of multi-residential projects should be maximized.

1.2 Proposed Text Example:

- A. **Fairway Service Subdistrict.** The Fairway Service Subdistrict is located within the Greater Tahoe City Subarea. This area should continue to serve the recreation and public service needs of the northwest portion of the Tahoe Region and may also be appropriate for residential uses.
1. **Special Designations.** (See Section 3.14) None.
 2. **Special Policies. None.**
 - a. Provide opportunities for development of a variety of housing types with emphasis on affordable, moderate, and achievable housing.
-

Subtopic 1.3 Senior Citizen Only Limitations

The proposed amendments would delete existing language that promote housing exclusively for senior citizens. The amendments would modify Special Planning Designations and Policies in two Residential Subdistricts (Lake Forest Glen and Tahoma Residential) and two Mixed-Use Subdistricts (Mixed-Use Neighborhood – Dollar Hill, and Mixed-Use Neighborhood Lake Forest Glen).

1.3 Proposed Text Example:

- f. Mixed Use Neighborhood Dollar Hill (MUN-DH). This area should continue to be a neighborhood oriented residential and commercial area.
- i. **Special Designation.** (See Section 3.14) None.
 - ii. **Special Policies**
 - (1) The uses permitted along Highway 28 should be compatible with the visual sensitivity of the area.
 - (2) Senior-Affordable, moderate, and achievable housing and/or community recreation facilities should be considered and encouraged as an alternative to commercial use for this area

At the May RPIC meeting the amendment relating to deletion of the “Senior” designation applied to the Mixed-Use Neighborhood Dollar Hill Subdistrict only. The current amendments propose to delete “Senior” from all four Subdistricts identified above where senior housing limitations exist. Placer County staff was unable to determine the origins and intent of the existing senior citizen restrictions, and instead desires to incentivize affordable housing for multiple generations.

Subtopic 1.4 Moderate and Achievable Housing

The proposed amendments add “moderate” and “achievable” to existing preferred affordable special planning designations. The amendments would expand eligibility of the residential bonus unit incentive program to include three income tiers for both single and multi-family housing: affordable (up to 80% AMI), moderate (80-120% AMI), and achievable (120-215% for multi-family and 120-235% for single-family units).

The proposed amendments were previously presented to RPIC and are part of an effort to implement the Placer County Board of Supervisor's direction to identify opportunities for affordable, moderate, and achievable housing projects based on the Mountain Housing Council report on the need for housing in the Lake Tahoe Region. In addition, these amendments will help Placer County meet the Regional Housing Needs Assessment and regional Sustainable Community Strategy requirements.

1.4 Proposed Text Example:

See proposed text example in Section 1.3, above.

Topic #2 – Accessory Dwelling Units (ADU)

The availability and affordability of housing in California has been a topic on the forefront of State legislative discussion for the past several years. New and amended State housing laws have necessitated amendments to local regulations, specifically for Accessory Dwelling Units (ADUs). The proposed amendments would streamline approval of ADUs when it is established and determined that the project is in conformance with objective site development standards. This is consistent with Government Code Section 65852.2 which requires local governments to administratively approve accessory residences that comply with parking requirements, allowable size and setback requirements.

TRPA staff has indicated that at this time they would not support relaxing some of California's housing requirements such as the requirement to waive coverage requirements for ADUs or to waive noticing requirements. Until such time as permitting of ADUs is delegated to Placer County the proposed amendment would add a footnote to the Area Plan Implementing Regulations clarifying a two-step permitting process where separate permits are required from Placer County and TRPA to construct an ADU.

Proposed Text:

Note: Pursuant to State of California regulations that prevent local jurisdictions from imposing restrictions on ADUs, as of this date XXXXX XX, 2020 a two-step permit process is required to construct an ADU or JADU. Placer County shall process all ADU permits in accordance with applicable Placer County Code and California Government Code Sections, and TRPA shall process ADU permits in accordance with the Regional Plan. Delegated ADU permitting authority may be reassumed by Placer County when/if the State of California or TRPA regulations are changed.

Pursuant to TRPA Code Section 13.5.3.B.2 that allows for Alternative Parking Strategies in Area Plans, Placer County proposes to amend Table 3.07.A-1, Parking and Access, to specify that accessory dwelling units require only one parking space, with options to further reduce parking requirements when near transit and car share opportunities, consistent with Placer County Code Section 17.56.200.D.5 and California Government Code Section 65852. No additional parking is required for junior accessory dwelling units. This amendment is in response to housing studies that have shown approximately 70% of second unit dwellers own only one car, while the remaining 30% are generally split evenly between no car ownership and ownership of at least two vehicles, and demonstrated examples where excessive parking quotas can thwart this low-cost form of providing additional housing (e.g., Yes in My Backyard: Mobilizing the Market for Secondary Units [2011]; ADUs in Portland, Oregon ISS Survey Report [2018]).

Proposed Text:

TABLE 3.07.A-1: PARKING SPACES REQUIRED

| Use | Required Number of Parking Spaces |
|--------------------------------------|---|
| <p>Accessory Dwelling Unit (ADU)</p> | <p><u>No additional parking is required if the proposed ADU is:</u></p> <ul style="list-style-type: none"> <u>(1) Within one-half mile of a public transit stop;</u> <u>(2) Within an architecturally and historically significant historic district;</u> <u>(3) Within the existing single-family dwelling or an existing residential accessory structure;</u> <u>(4) In an area where on-street parking permits are required but not offered to the occupant of the ADU;</u> <u>(5) Within one block of a car share vehicle pick-up location;</u> <u>(6) A junior accessory dwelling unit; or</u> <u>(7) Converted from a garage, carport, or other covered parking space, or if a garage, carport, or other covered parking space is demolished in conjunction with the accessory or junior accessory dwelling unit construction.</u> <p><u>In all other scenarios, parking requirements for ADUs shall not exceed one parking space per ADU. These spaces may be provided as tandem parking on a driveway.</u></p> <ul style="list-style-type: none"> <u>a) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions.</u> <u>b) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of a secondary residence or converted to an secondary residence, the local agency shall not require that those offstreet parking spaces be replaced.</u> |

Topic #3 – Banking, Conversion, and Transfer of Development Rights

Update banking, conversion, and transfer of development rights consistent with Chapter 51 of the TRPA Code of Ordinances (Banking, Conversion, and Transfer of Development Rights). Currently the Area Plan includes provisions for a pilot program to convert commercial floor area (CFA) to tourist accommodation units (TAU). Since adoption of the Area Plan TRPA has adopted the Development Rights Strategic Initiative which has less-stringent development right conversion ratios. When a conflict exists between an Area Plan and the Regional Plan the most restrictive standard applies. Because TRPA's updated banking, conversion, and transfer of development rights policies provide additional flexibility, the proposed amendments would refer to Chapter 51 of the TRPA Code of Ordinances for banking, conversion, and transfer of development rights. Also, outdated language about Transfer of Development Rights (TDR) Receiving Areas would be removed.

Proposed Text:

3.14 **Banking, Conversion, and Transfer of Development**

Programs for **Banking, Conversion, and** Transfers of Development are outlined in Chapter 51, **Banking, Conversion, and** Transfer of Development **Rights**, of the TRPA Code of Ordinances.

~~**Commodity Conversions.** In addition to allowances for the election of conversion of use outlined in the TRPA Code of Ordinances, Section 50.10, Election of Conversion of Uses, a pilot program is established allowing property owners to convert verified Commercial Floor Area (CFA) and Placer County to convert the supply of CFA that TRPA has released to the County, to TAUs (Tourist Accommodation Units), subject to the following limitations:~~

- ~~1. — The conversion ratio shall be 450 square feet of CFA — 1 TAU;~~
- ~~2. — No more than 200 TAUs may be established within the Placer County Tahoe Basin Area Plan through this pilot program and other programs combined;~~
- ~~3. — Converted units may only be used within Town Center Overlay Districts;~~
- ~~4. — Sites must have BMP Certificates;~~
- ~~5. — Sites must have sidewalk access;~~
- ~~6. — Sites must be within 0.25 mile of a Transit Stop; and~~
- ~~7. — The program will be periodically monitored for efficacy and future consideration of program adjustments.~~

Topic #4 – Non-Substantive Administrative Corrections:

The proposed Area Plan amendments include several non-substantive administrative corrections to code section cross references and consistent terminology.

Next Steps:

Following the August 26, 2020, RPIC information presentation on the proposed draft Area Plan housing-related amendments, the anticipated sequence and schedule of subsequent public hearings is listed below.

TRPA RPIC – Information Item Only – August 2020

Placer County Planning Commission – Recommendation – September 2020

Placer Board of Supervisors – Approval – October 2020

TRPA RPIC – Recommendation – November 2020

TRPA Advisory Planning Commission – Recommendation – December 2020
TRPA Governing Board – Approval – January 2021

Environmental Review:

A joint EIR/EIS for the Tahoe Basin Area Plan was certified by the County of Placer on December 6, 2016 and by the TRPA Governing Board on January 25, 2017. Therefore, a subsequent EIR is not required to be prepared unless there are: (1) substantial changes to the project or to the circumstances under which the project is undertaken that will require major revisions of the previous EIR, or (2) new information of substantial importance, which was not known or could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified. The proposed Code amendments will be reviewed in an Initial Environmental Checklist (IEC) pursuant to Chapter 3: *Environmental Documentation* of the TRPA Code of Ordinances and Article VI of the Rules of Procedure.

Contact Information:

For questions regarding this item please contact Emily Setzer, Senior Management Analyst at ESetzer@placer.ca.gov or (530) 546-1945 or Patrick Dobbs, Senior Planner at PDobbs@placer.ca.gov or (530) 745-3060.

Attachment B

Tahoe Basin Area Plan Implementing Regulations
with Track Changes

[Placer-County-Tahoe-Basin-Area-Plan-Implementing-Regulations Attachment-B.pdf](#)