
M E M O R A N D U M

Date: September 21, 2011
To: TRPA Regional Plan Update Committee
From: TRPA Staff
Subject: Explanation of Alternatives to Address the Tourist Accommodation Unit Issue

One of the “Major Issues” presented to the Governing Board at the Land Use Milestone (May 26, 2010 meeting in Incline Village) was “Should TRPA limit the size of Tourist Accommodation Units (TAUs) that are redeveloped?” This issue arose because of the perception that the original conception of a TAU was a typical 250-square foot motel room. Today, most new TAU projects involve much larger units. In the extreme cases, older motel room TAUs are being removed and redeveloped as 3,000-square foot, five-bedroom timeshares. This has been referred to as “TAU morphing.”

The Code states that no additional TAUs can be created without an allocation, but the relocation and redevelopment of a legally existing TAU is not considered additional. Today, the “TAU morphing” (use of an existing, smaller TAU to create a larger TAU) is perceived by some to have greater impacts than TRPA anticipated back in 1987 when it approved the policy, and that more development (in terms of square footage) than was intended may now be possible. Other stakeholders disagree with this assertion – TAU transfers and redevelopment undergo environmental review and must be found to be consistent with the control measures required in the current Code (such as land coverage controls, limitations on excavation, setback requirements, height envelopes, BMPs, density restrictions, and overall scenic standards). Critics of the existing policy assert that additional vehicle trips are generated by the larger TAUs. While evidence to support this conclusion has not been presented*, it is also true that any new development would be required to mitigate its traffic impacts through payment of mitigation fees as defined in the current Code. In the context of the Environmental

* In recently updated Institute of Transportation Engineers, Trip Generation, 8th Edition. p. 548, Timeshares was added as a new land use category and the average trip generation rate per Timeshare unit is 10.54. The manual further states that, “The percentage of one-bedroom and two-bedroom units varied at the sites surveyed. However, no statistically significant correlation was found between the average number of bedrooms in a development and the resultant amount of trips generated.”

Impact Statement for the Regional Plan Update, the proposed TAU policies and implementation measures discussed in this summary would similar be analyzed against existing and proposed control measures, against land coverage limitations, threshold standards, and any significant traffic impacts would require mitigation.

Based on TRPA permitting data and information provided by the local jurisdictions' Assessor's Offices, there are 12,548 TAUs in the Basin. The current inventory of TAUs is as follows:

SOURCE	EXISTING TAUs	BANKED TAUs	BANKED CEP TAUs
Douglas County	2,541		
El Dorado County	7,123		
Placer County	1,320		
Washoe County	703		
California Tahoe Conservancy		25	
City of South Lake Tahoe		62	
Project 3		572	
Boulder Bay			42
Homewood			160
TOTALS	11,687	659	202

Staff sought to resolve the “TAU morphing” issue by redefining a TAU as a one-bedroom unit. This was presented to the Board in the FactSheet that was discussed at the May 2010 meeting. Making a TAU equal to one bedroom would make it impossible for a 250-square foot motel room to be removed and redeveloped as 3,000-square foot, five-bedroom timeshare. Instead, the development of that timeshare would require that five 250-square foot motel rooms be removed and redeveloped.

While this was a popular suggestion to some, the developers of TAU projects questioned whether it was feasible. Buying an old motel, demolishing it, and remediate its site (to restore the land’s natural function and provide water quality benefits) can cost \$50,000 to \$75,000 per transferred TAU. The original staff proposal would increase the cost, as most new TAU projects include two-and three-bedroom units (the current market norm), possibly putting an end to TAU redevelopment.

The Board voted to table the discussion and directed staff to convene a TAU working group to help develop recommended policy and implementation strategies for consideration by the full Board. Staff convened what became known as the TAU Task Force, a temporary think tank/brainstorming group made up of Shelly Aldean (Chairperson), Mara Bresnick, Hal Cole, Lew Feldman, Leah Kaufman, Jennifer Merchant, Alex Mourelatos, Rochelle Nason, John Upton, and Ellie Waller (Participants) – and – John Hitchcock, Dennis Oliver, Nicole Rinke, and Harmon Zuckerman (TRPA Staff).

- The **Objective** was “To develop possible future solutions for regulating TAU.”
- The **Methodology** was “Brainstorming, collaboration, cooperative idea generation.”
- The **Ground Rules** were “Listen, don’t be afraid to be creative, build on each others’ ideas, be civil, don’t pontificate, avoid plumbing the past and trying to ‘resolve’ perceived injustices, respect each others’ opinions, ideas, and time – meetings will start and end on schedule.”
- The **Preferred Outcome** was “Staff will consider ideas generated by the Task Force as well as those generated in stakeholder meetings in making its recommendations to the Board.”

The Task Force met four times: July 22, August 30, October 15, and November 2. Though there were widely divergent opinions represented across the membership, most members agreed on the reasons why a TAU system exists, as follows:

The original purpose of the TAU provisions in TRPA Code:

- Establish a cap on the total number of tourist units in the Basin
- Encourage redevelopment of tourist units to engender scenic, water quality, and other improvements

Additional goals and purposes of the TAU system in light of what we know today:

- Remove development from sensitive lands and scenic corridors
- Reverse “sprawl” by concentrating units in places where tourists can access amenities on foot or by transit
- Incentivize “environmental redevelopment” in town centers to help pay for area-wide water quality improvements and benefit the economy and environment
- Promote updated, environmentally-friendly accommodations to appeal to the contemporary “geo-tourist” and improve the region’s economic viability

The Task Force suggested several solutions to resolve the TAU issue. There was less agreement on these solutions, and staff used the various concepts that were offered to inspire a range of alternatives that was presented to the Board at the December 15, 2010 meeting.

At that meeting, members of the development community presented additional suggestions and asked that they be incorporated into Alternative 2 of the Regional Plan Update’s Environmental Impact Statement (EIS). Representatives of environmental interest groups presented additional suggestions and asked that they be incorporated into Alternative 4 of the EIS. The Board took a straw vote and voted by majority to accept the staff proposal with the requested changes incorporated.

On the next page is a table that summarizes the staff proposal that was presented to the Board in December 2010. The table shows how the proposal was amended per Board direction to include the requested changes. In reading the table, note that:

- the December 15, 2010 staff recommendation is in black
- language that was deleted per the requested changes is ~~struck through~~
- language that was added is in blue and double underlined

The Board's straw vote to endorse the range of alternatives presented here recognized Alternative 2 as the staff-proposed alternative and the representation of the general direction of the TRPA on this matter. Nonetheless, there is still a wide range of opinions on the TAU issue, and so this summary is being presented to the RPU Committee as another opportunity to find consensus.

Contact Information: If you have any questions, please contact John Hitchcock, Land Use Team Lead, Regional Plan Update, at jhitchcock@trpa.org or (775) 589-5220

PROGRAM ELEMENTS	ALTERNATIVE 1 "No project" No new allocations + existing conditions projected out under the 1987 Plan	ALTERNATIVE 2 Reduced rate of development from 1987 Plan + incentivized redevelopment	ALTERNATIVE 3 Similar rate of development to the 1987 Plan + similar regulatory structure to the 1987 Plan	ALTERNATIVE 4 Further reduced rate of development from 1987 Plan + increased regulation	Comments
TAU – existing conditions	12,548 legally existing TAUs plus 347 bonus units allocated but thus far unused under the 1987 Plan				
TAU – New bonus allocations	none	200	400	none	
TAU – Definition	One bedroom, or a group of two or more rooms with a bedroom, with or without cooking facilities, primarily designed to be rented by the day or week and occupied on a temporary basis.	A unit, with or without cooking facilities, primarily designed to be rented by the day or week and occupied on a temporary basis.	Same as Alternative 1	One bedroom, with or without cooking facilities, primarily designed to be rented by the day or week and occupied on a temporary basis.	<i>The current TAU definition (Alts 1 & 3) can be parsed in different ways. Alt 2 defines a TAU as "a unit;" it leaves the size limit to the transfer requirements to resolve the interpretation problem. Alt 4 clearly defines a TAU as a one-bedroom unit.</i>
TAU transfer requirements	Any size sending unit can be transferred to support development of any size receiving unit	One sending TAU = <ul style="list-style-type: none"> a 1,200-sf receiving unit an 1,800-sf/3-bedroom receiving unit (for up to 20% of a project) 	One sending TAU = <ul style="list-style-type: none"> a 1,500-sf timeshare receiving unit an 800-sf hotel room with kitchen receiving unit a 450-sf hotel room without kitchen receiving unit 	<ul style="list-style-type: none"> 1,200 square feet with kitchens 400 square feet without kitchens One sending TAU = One receiving unit on a bedroom-for-bedroom basis; no more than 550 sf per bedroom in the unit; total unit size not to exceed 4 bedrooms and 3 baths	<i>The current Code (Alt 1) is silent on the size of a TAU. New projects usually create larger units than the ones transferred to support them, and some believe that this will allow more development than was originally anticipated by the 1987 Plan. The governing factors to size are coverage, height, and density limitation.</i>

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<u>Constraints on Transfer of TAUs</u>	<u>Tourist accommodation must be a permissible use</u> <u>Plan area must be designated as a receiving area for existing development</u> <u>Approval of local jurisdiction</u>	<u>Same as Alternative with Transect Districts designated as receiving areas</u>	<u>Tourist accommodation must be a permissible use</u> <u>Plan area must be designated as a receiving area for existing development</u> <u>Approval of local jurisdiction</u>	<u>Transfer of TAUs allowed between the Kings Beach and Tahoe City DTZ and within CPs</u> <u>Transfers from South Shore non-DTZ areas to the North Shore allowed at 1.5:1 ratio</u> <u>Transfers out of the South Shore DTZ prohibited</u>	<i>Existing transfer rules allow existing TAUs to be transferred to any Plan Area that is designated as receiving area and where tourist uses are permissible. Transfer across jurisdictional boundaries requires approval from the affected local governments.</i>
<u>Constraints on Existing TAUs in CPs</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>Limit the inventory of TAUs to those that currently existing within the CPs, except for DTZ areas</u>	<i>Existing rules in the Code do not limit the number of TAUs that may be transferred to an adopted CP.</i>

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Constraints on Awarding of Bonus Units	No more than one bonus unit per TAU transferred based on point system in Code Chapter 35 or from sensitive lands under the Special Projects Program.	<ul style="list-style-type: none"> • one bonus unit per TAU transferred • two bonus units per TAU transferred from sensitive lands • three units per TAU transferred from an SEZ 	No more than one bonus unit per TAU transferred based on point system in Code Chapter 35 or from sensitive lands under the Special Projects Program.	No more than one bonus unit per TAU transferred based on point system in Code Chapter 35 or from sensitive lands under the Special Projects Program.	
Additional Incentives	TAUs can be converted to residential units of use (only for transfers from sensitive lands, removal of a non-conforming use, to meet development standards, to support an EIP project, or for deed restricted affordable housing).	<p>Allow conversion of TAUs to RBUs to promote affordable housing, home ownership, and redevelopment of old motels.</p> <p>Allow transfer of legally existing soft coverage from sensitive lands to PTOD areas to support development of TAUs</p> <p>Allow 70% coverage for TAU projects in PTOD areas</p>	TAUs can be converted to residential units of use (only for transfers from sensitive lands, removal of a non-conforming use, to meet development standards, to support an EIP project, or for deed restricted affordable housing).	TAUs can be converted to residential units of use (only for transfers from sensitive lands, removal of a non-conforming use, to meet development standards, to support an EIP project, or for deed restricted affordable housing).	

Glossary of Terms:

SEZ Stream Environment Zone
CP Community Plan
TAU Tourist Accommodation Unit
sf Square Foot
EIP Environmental Improvement Program
DTZ Development Transfer Zone
RBU Residential Bonus Unit
PTOD Pedestrian and Transit-Oriented Development

